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PROCEEDINGS AND DEBATES OF THE 95th CONGRESS, FIRST SESSION

SENATE—*Thursday, February 24, 1977*

(Legislative day of Monday, February 21, 1977)

The Senate met at 1 p.m., on the expiration of the recess, and was called to order by Hon. JAMES R. SASSER, a Senator from the State of Tennessee.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Hear the words of the 139th Psalm:

Search me, O God, and know my heart: try me, and know my thoughts: And see if there be any wicked way in me, and lead me in the way everlasting.

Let us pray:

In these opening days of Lent, we beseech Thee, O Lord, to make this penitential period a time of self-examination, penitence, and renewal. Make us ready to face ourselves in the clear light of Thy transcendent judgment. And if there be anything amiss, grant us grace to correct what is wrong and to serve Thee more faithfully hereafter.

Be with us in our coming in and our going out, in our work and in our play, in our homes and in all the events of each day.

We pray in the Redeemer's name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 24, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JAMES R. SASSER, a Senator from the State of Tennessee, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. SASSER thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, February 22, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR PERIOD FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, after the completion of the order for the recognition of Senators today, there be a period for the transaction of routine morning business for not to exceed 1 hour, with statements limited therein to 15 minutes each, for the purpose only of the introduction of statements, bills, resolutions, petitions and memorials in the RECORD, and with no resolutions coming over under the rule.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Hawaii (Mr. INOUYE).

Mr. INOUYE. Mr. President, I ask unanimous consent for the immediate consideration of the nomination as Director of Central Intelligence of Adm. Stansfield Turner.

The ACTING PRESIDENT pro tempore. Is there objection to going into executive session?

Mr. BAKER. Mr. President, reserving the right to object, I did not hear the request.

Mr. INOUYE. I wanted immediate consideration of the confirmation of the admiral.

Mr. ROBERT C. BYRD. Mr. President, I have to reserve the right to object to this request, because we have indicated that we will send out on the cloakroom wires information to the Senators on two sides of the aisle to see if there are any objections to taking up the nomination today. I am sorry I have not had opportunity to tell the Senator from Hawaii.

Mr. BAKER. If the Senator will withhold his objection for just a moment, I might say I have no objection to waiving the 3-day rule to the immediate consideration of the nomination. I have previously expressed my concern and displeasure with the duality of the nomination. I tried to make it clear that it does not extend to my appraisal of the fitness of this officer to serve. When the time comes, I shall be glad to join with the Senator from Hawaii in providing for the immediate consideration of the nomination of Admiral Turner. I intend to vote for him.

Mr. INOUYE. I withdraw my request for unanimous consent.

The ACTING PRESIDENT pro tempore. The request is withdrawn.

APPOINTMENT OF MINORITY PARTY MEMBERSHIP—COMMITTEE ON ETHICS

Mr. BAKER. Mr. President, I send to the desk a resolution appointing the Republican members of the Committee on Ethics and ask unanimous consent for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

Appointing minority party membership on Senate Ethics Committee for the 95th Congress.

Mr. BAKER. Mr. President, if it is applicable, I ask unanimous consent that rule XXIV be waived.

The ACTING PRESIDENT pro tempore. Without objection, rule XXIV is waived.

Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The resolution (S. Res. 91) was agreed to, as follows:

Resolved, That the following shall constitute the minority party's membership on the Senate Ethics Committee for the 95th Congress: Mr. SCHMITT, Mr. TOWER, and Mr. WEICKER.

OPPORTUNITIES INDUSTRIALIZATION CENTERS

Mr. BAKER. Mr. President, this year I have again cosponsored legislation by my distinguished colleagues from Penn-

sylvania (Mr. SCHWEIKER) and West Virginia (Mr. RANDOLPH) to provide financial assistance to Opportunities Industrialization Centers in order to provide job training and creation services to the Nation's unemployed. This bill, S. 175, recognizes that one of the most important problems which the Congress must address in any economic program it enacts is that of structural unemployment. As much as 3 percentage points in our 7.9 percent unemployment level can be attributed to persons who lack the skills appropriate for the labor market. These people are the long-term unemployed, the unskilled, and those entering the labor force for the first time. Some 50 percent of present unemployment consists of persons aged 16 to 24, many of whom have no work experience at all.

Temporary public works or public service jobs programs are not the solution to our structural unemployment problem. What is needed is an effective means of providing unskilled members of the work force with the training needed to fill permanent jobs in the private sector.

The Federal Government has supported a number of such training programs in recent years. Few have been as successful, however, as the Opportunities Industrialization Centers program founded by Rev. Leon Sullivan of Philadelphia in 1964. In the past 12 years, OIC's throughout the Nation have trained and placed in jobs almost 300,000 people. A December 1975, study of the program by the General Electric Co., indicated that 85 percent of OIC trainees retain their jobs after placement and that people trained by OIC's had earned a total of $4.8 billion between 1964 and 1975, paying $600 million in Federal taxes and saving some $1.5 billion in welfare payments.

This outstanding success has been achieved as a result of Dr. Sullivan's conviction that the hardcore unemployed can be put to work only through a cooperative effort on the part of Government, private industry, and the people themselves. OIC's, therefore, seek to combine the resources of local business and government leaders with those of churches and other nonprofit private institutions in each city where they operate. They actively recruit the unreached, unskilled poor and provide them with skill training in more than 80 job categories. Participants can train at their own pace and receive services that develop their attitudes as well as their skills.

As trainees progress through the program, OIC job developers contact local employers, developing job orders and arranging interviews for trainees about to complete training. After OIC graduates are placed in jobs, OIC counselors contact them at regular intervals to ascertain how they are doing and whether they have any problems. Their employers are also interviewed to determine if the OIC worker needs followup assistance. Some workers reenroll to upgrade skills through further training.

Mr. President, I share Dr. Sullivan's view that there is not now and never will be enough money in the Federal Treasury to solve this Nation's unemployment and welfare problems. As Dr. Sullivan has stated:

> The combination of the human resources of the people themselves with the Federal, State, County and City financial resources tied tightly to the job creation potential of private industry, is the only possible solution, the only alternative to an economic crisis that escalates rather than de-escalates.

I fully agree with this view. Opportunities Industrialization Centers are proof positive that people can be taken off the welfare rolls and put on payrolls with marketable skills that will provide industry with needed manpower and increase the number of citizens who are capable of paying taxes and assuming a fair share of the costs of maintaining a healthy, stable community.

The OIC program has received remarkable support from churches, businesses and community organizations throughout the country. It has also earned the confidence and approval of a number of Government agencies and numerous Members of Congress. The Congress has recognized the OIC program by including it by name as an eligible participant in the Comprehensive Employment and Training Act of 1973, in the Emergency Employment Amendments of 1974, and in the 1975 labor appropriations bill. I am proud of the accomplishments of the four OIC's now operating in the State of Tennessee—Knoxville, Nashville, Jackson, and Memphis, and I believe that OIC's should have an even larger role in future Federal manpower training programs.

Mr. President, I commend this program to my colleagues as a comprehensive, multifunction approach to our unemployment and community development problems; and I look forward to its continued and increasing success in the years ahead.

PRESIDENT CARTER'S FISCAL YEAR 1978 BUDGET REVISIONS

Mr. BAKER. Mr. President, all of my colleagues are certainly aware of the revisions of the 1978 fiscal year budget made public Tuesday by President Carter. The revision proposed by the President will result in total budget outlays in 1977 of $417 billion and in 1978 of $459.4 billion. According to the administration, the net increase in outlays, compared to the budget recommendations of the previous administration, is $6.2 billion for 1977 and $19.4 billion for 1978. The revised estimates of total Federal budget receipts are $349.4 billion for 1977 and $401.6 billion for 1978.

The sum total of the President's adjustments will create a $68 billion deficit in 1977 and by his figures, a $57.7 billion deficit in 1978. While I seriously question, given the current state of the economy, the validity of these deficit figtures. I am even more disturbed by the nature of some of the adjustments the President has made. The inconsistencies are numerous and outstanding between national needs and budget revisions.

Especially disturbing to me are the President's recommendations in energy and particularly as they relate to the Clinch River Breeder Reactor. The President has reduced budget authority for the total breeder project from $855 million to $656 million, an extraordinary cut of $199 million. This necessitates a cut in outlays in my home State of Tennessee from the proposed level of $237 million down to $150 million for 1978.

In a month when this Nation has experienced its worst heating shortage ever, the President has chosen to significantly delay the potential benefit of one of America's two available indigenous resources, coal and uranium. The Clinch River Breeder is nothing more than a prototype which will allow us to catch up to the stage already reached by the Russians, the French, the Germans, the Japanese, and the British.

I am highly disturbed that this project has been significantly cut in what I think is a capricious and arbitrary manner. For this level of budget maneuvering, I am saying now publicly that I will do all within my power to insure that these very necessary funds are restored, while, at the same time, reminding the President of the entire need in this Nation for energy development.

I am also disturbed that the fusion energy program has been significantly reduced, with some $90 million worth of impact in New Mexico, New Jersey, California, and Tennessee. Tennessee does not even feel the brunt of this cut; rather, it is evenly distributed among the Nation's energy future at large.

There are other inconsistencies in the President's revisions not energy related. For instance, the President recently added $4.4 billion for public works projects as part of his economic stimulus package, but he has now reduced $5.1 billion worth of budget authorization for the same consideration. The public will not be misled by the consolidated nature of these moves.

While I intend to pursue these other inconsistencies from time to time, I am particularly disturbed by the nature of the President's energy revisions in his budget message.

Mr. President, I reserve the remainder of my time under the standing order.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Arizona (Mr. DECONCINI) is recognized for a period not to exceed 15 minutes.

SENATE JOINT RESOLUTION 27—PROPOSED AMENDMENT TO CONSTITUTION

Mr. DECONCINI. Mr. President, I rise today to introduce a joint resolution proposing an amendment to the Constitution of the United States. I am joined in this endeavor by my friends and colleagues from Missouri and New Mexico, Mr. DANFORTH and Mr. SCHMITT.

The amendment I propose limits the

terms of service for Members of the U.S. Senate and House of Representatives.

The Constitution of the United States, which has served to bind this Nation together for two centuries, should not be tampered with for inconsequential reasons. It should not be the vehicle for transitory policy decisions. Our Constitution was a document forged to provide a large, sprawling, heterogenous society with a flexible framework within which diverse elements could resolve matters of national concern.

The Constitution should remain neutral in terms of policy. Its function and purpose is to define the parameters and rules within which our society struggles with the issues of the day. The amendment I propose does not violate this conception of our Constitution.

Limiting the terms of service of legislators will strengthen the representative nature of our two legislative bodies. In taking this action, I want to make it quite clear that I am not casting, directly or indirectly, aspersions on any Member of the Senate or the House of Representatives. My action is founded in personal philosophy regarding the nature of government and the proper role of legislators.

The Constitution as it was originally written did not specify a maximum length of service for Members of the House and Senate or the President. In practice, this has allowed individuals to occupy Senate and House seats for unlimited periods of time. I cannot argue that this has brought us bad government. Nor would I try to make any case which disparaged the superb leadership which both Houses of the Legislature have provided the Nation.

The argument I will make in support of my amendment is essentially philosophical. I believe the amendment will further perfect a system of government so well rooted in the nature and character of the American people that it has survived and prospered under the most adverse of circumstances; and a system of government that has preserved personal freedom not just for one generation or two but for eight generations.

The amendment would limit each person to two terms of service as a U.S. Senator plus an additional 2 years of an unexpired term to which the individual may have been appointed. No person would be allowed, thus, to serve more than a total of 14 years.

The amendment would limit each person to seven terms of service as a Member of the House of Representatives plus an additional year of an unexpired term to which the individual may have been appointed. No person would be allowed to serve more than a total of 15 years.

The numbers may be different, but the objectives of my amendment are the same as those that led to the adoption of the 22d amendment to the Constitution. As a people, we have decided that no person should serve as President for more than 10 years. In ratifying that amendment, we recognized that we were condemning no individual; rather, we were perfecting the fundamental law that governs us.

There are differences between the Office of President and the Offices of Representative or Senator. It is understandable why we sought, first, to deal with the Office of President. For the person who holds that office commands an awesome power; power that any democracy must view skeptically and cautiously. Recent events, unfortunately, have demonstrated how that power can be abused. But now that we have disposed of that question, we need to turn our attention to the legislature.

It was the purpose of the framers of the Constitution to insure that all Americans were represented equally and fairly in the House of Representatives. In the Senate, representation was to be by State—but, again, equally and fairly. The 17th amendment to the Constitution has not changed this; and a multitude of Supreme Court decisions have reaffirmed the rights of Americans to be represented equally.

Yet, in ways unforeseen by the Founding Fathers, the absence of any limitation on service in the Legislature has worked against equal and fair representation. The imperative to organize each Chamber in a reasonable and responsible fashion has over the decades evolved into what is now known as the seniority system. Under this rule, responsibilities within the committee structure of the two Houses are allocated on the basis of length of tenure in office.

In recent years, there have been abundant attacks on the seniority system, some sincere, some self-serving, and some merely the result of personal antipathies. My own view is that it is pernicious, but not necessarily for many of the reasons often cited. I believe that the men and women who have served as chairmen of our legislative committees have served well: they have often provided us with an independent source of national leadership. In most cases, they have exercised their power with moderation, and in the pursuit of national, not personal interests.

My own brief experience in this body confirms that observation, and I feel compelled to underscore again that the position I am taking is totally independent of my strong positive personal feelings toward my colleagues and the leadership in this body.

However, the seniority system does tend to diminish the equal representation of individuals and States that is so close to the heart of the meaning of democracy, and which the men at the Philadelphia Convention were so anxious to preserve. Under it, we do not stand as equals. Therefore, the States and the people we represent do not stand as equals.

Every Member of this body clearly understands that to be chairman, for example, of a standing committee confers immense benefits. Not only does it bring personal power and prestige; it enables that person to insure that the people he represents will receive benefits out of proportion to a purely rational allocation of Federal resources. It puts at the disposal of the chairman vast staff resources that practically insure his success in passing legislation of interest to him and his constituents.

Each of us, at one time or another, has witnessed or been involved in an election in which that was a central issue. Incumbents have appealed for votes on the grounds that their seniority insured that more of the Federal dollar would be spent in their State or district than would otherwise be true. Or, that seniority would allow the incumbent to pass legislation that a new Member could not conceivably be expected to shepherd through the complex legislative process. And in most instances, these are not vacuous or idle boasts; the nature of the seniority system makes them true. The question at issue is whether it should be thus; whether longevity of tenure in office should be the criterion for legislative success and constituent service; and whether this is the best a democracy can offer.

Our constituents complain—and we complain—about the Federal bureaucracy. It is entrenced. It is unresponsive. It is practically immune to change. We often ask of these professional civil servants whether they exist to serve us, or we them? At the same time that we launch these verbal assaults, we are anxious to perpetuate an entrenched, institutionalized legislature. What is the difference between a professional bureaucracy and a professionalized legislature?

Neither the delegates to the 1789 Constitutional Convention nor the American public today believes that we are best served by a professional legislature. But that is precisely the system we have created. We should not be career legislators; nor should we make a career of the legislature. The theory of democracy demands that as many members of society as possible should be given, the opportunity to serve. In some of the early Greek experiments with democracy, community service was demanded; in some cases, public offices were routinely rotated.

Because of the size and complexity of American society, we have moved away from direct democracy to representative democracy. Even though it is impossible for all citizens to participate in public service, we ought to insure that as many individuals as possible have the opportunity for such service. Limiting the number of years any single individual can serve would be an important step in that direction.

It is not sufficient to answer that if the electorate wanted change it would mandate a change by its vote. None of us is so politically naive that we do not understand the advantages of incumbency. The extent and nature of these advantages vary from region to region, but they exist everywhere. Political party officials are often well aware of the advantages of seniority; and they will work diligently to insure the continued success of the incumbent.

In those States or districts where competition is keenest, the reward for the earnest practice of democracy is self-defeating. We espouse the virtues of party and intraparty competition for public office; yet, the Senators and Representa-

tives from regions where this occurs usually find themselves perpetually doomed to the bottom of seniority lists.

All power is subject to abuse, even the power of Senators and Congressmen. I am loathe to quote Lord Acton's dictum about the corrupting nature of power because I do not believe that any Member of this Chamber or of the House of Representatives has been corrupted by power. It is the possibility that exists; and it is that possibility that we must guard against.

Our constitutional structure with its delicate checks and balances rests on the prudent assumption that men are corruptible and that power may be misused. This is a healthy skepticism; one that keeps us constantly aware of how fragile freedom really is. We have placed the power of the Congress as a check against the power of the Executive, with the Federal courts occupying the third point on the triad. In diffusing power among different groups and persons, we have tried to insure that no individual will dominate the Government and destroy our liberty.

To be true to our commitment that shared power is responsible power, we need to address ourselves to the subtler dimensions of the problem. The 22d amendment to the Constitution removes an inherent contradiction in our system by limiting the terms a President can serve. That same contradiction persists in the unlimited terms for legislators. True, the potential for damage is less; the principle, however, is nonetheless valid.

Adoption of the amendment I propose should be viewed from two different perspectives. First, it would eliminate present disparities between Senators and Representatives based upon length of tenure. It would place each State, each district, each citizen on a more nearly equal footing. Simultaneously, it would add an additional safeguard against possible abuse of power.

The second perspective is the one I would emphasize. It is the positive side of the amendment. By limiting the length of service in the Legislature, we will be embracing the idea that new people should be brought constantly and consciously into the system. By opening the doors of the Legislature to people from every walk of life and every age group, we will be providing far more opportunities for everyone to participate. I am especially committed to the youth of today as the hope of tomorrow. That youth should be encouraged to serve the Nation; it is our responsibility to insure that as few barriers as possible stand in the way.

Two thousand years ago, Plato rejected democracy because he believed the decisions of government should not be made by amateurs. He said we needed philosopher-kings to guide us—divinely anointed experts who clearly saw truth. I reject that view because in the realm of politics there is no truth as such. The best we can do is to seek modes of compromise and accommodation so we can live together fruitfully and in harmony. The Legislature is the bar of the people; the forum in which we continue the great experiment in self-government. This is not an exercise that requires any special expertise; it requires commitment to the values of democracy.

In the act of creating an institutional structure which insures maximum participation, we will have reaffirmed our faith in the representative nature of our political institutions. We will have reaffirmed our faith in the representative nature of our political institutions. We will have reaffirmed our faith that the laws which govern this great land should be made by men and women who truly reflect and represent the attitudes, values, and mores of each generation of Americans, and the many different perspectives they represent.

I ask unanimous consent, Mr. President, to have the text of my amendment printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

S.J. RES. 27

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within 7 years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. No person shall be elected to the Senate for more than two full terms. No person shall be elected to the House of Representatives for more than 7 full terms.

"SEC. 2. Notwithstanding the provisions of section 1 of this article, any person may serve not more than 14 years as a Senator or not more than 15 years as a Representative.

"SEC. 3. For purposes of determining eligibility for election under section 1 of this article, no election occurring before the date this article is ratified shall be taken into account. For purposes of determining years of service under section 2 of this article, no service of any part of a term of office by a Senator or a Representative elected to such term before the date this article is ratified shall be taken into account.".

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Missouri (Mr. DANFORTH) is recognized for not to exceed 15 minutes.

SENATE JOINT RESOLUTION 28—PROPOSED AMENDMENT TO CONSTITUTION

Mr. DANFORTH. Mr. President, on behalf of myself and Senators DECONCINI, HAYAKAWA, SCHMITT, and WALLOP, I am today introducing a joint resolution to limit the number of terms an individual can serve in either the Senate or the House of Representatives. The amendment would provide that after the date of ratification an individual could be elected to the Senate for a maximum of two 6-year terms and to the House of Representatives for a maximum of six 2-year terms.

It is a widely held belief throughout the Nation that Washington is far removed both geographically and psychologically from the rest of the country. Many Missourians have expressed to me the feeling that somehow those who participate in the Federal Government have lost touch with them and with the reality of the world in which they live. They believe that the Federal Government is large and intrusive, but that it does not really represent the aspirations and the concerns that citizens experience in their own communities and in their own lives.

There is, of course, no magical way to transform the Federal Government into something more closely related to the people it is supposed to serve. But there is a structural change which would tend to bridge the gulf now separating the people from the Government. That structural change is to provide, as a matter of constitutional limitation, that no Member of Congress is to serve in perpetuity, that every Member will eventually return to the world from which he came.

Members of Congress, after all, are elected to represent their constituencies. They are not anointed to assume a different and perpetual status of humanity. They should see themselves as citizens temporarily on leave to the Government—not as permanent legislators residing in the city of Washington, which is so distant from the districts and States from which they came. So, the first benefit of this amendment would be psychological. It would be the certain knowledge that each of us is here for a limited time—that home is the place we came from and the place to which we will surely return.

An additional benefit of such an amendment would be to minimize the human tendency to say "yes" to every interest group that comes along so that our chances of surviving election after election are enhanced. The point of representative government is to reflect the interests of totality of one's constituency. It is not simply to apply grease to the wheels that squeak the loudest in the hope that support will be won for yet another election. This constitutional amendment would keep in the front of our minds the knowledge that sooner or later we, too, will be private citizens, regardless of the political skill we may or may not possess.

Much is said about governmental reform, yet so much proposed reform is only superficial. This resolution provides an opportunity to move in the direction of real reform. Hopefully, at the very least, this resolution will initiate some meaningful public debate on the role of Congress and the relationship between Congress and the American people.

Mr. President, I ask unanimous consent that the text of this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 28

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States,

which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within 7 years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. No person who has been elected to the Senate two times shall be eligible for election or appointment to the Senate. No person who has been elected to the House of Representatives six times shall be eligible for election to the House of Representatives.

"SEC. 2. For purposes of determining eligibility for election under section 1 of this article, only elections occurring by reason of the expiration of the term of office of a Member shall be taken into account, and no election occurring before the date this article is ratified shall be taken into account."

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. DANFORTH. I yield.

Mr. GOLDWATER. I want to ask if the Senator would not mind having an older man on that constitutional amendment. If he does not, I ask unanimous consent to add my name to it.

Mr. DANFORTH. Mr. President, I would be delighted to add the distinguished Senator from Arizona as a cosponsor to this amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DANFORTH. I yield the remainder of my time to the Senator from New Mexico (Mr. SCHMITT).

The ACTING PRESIDENT pro tempore. The Senator from New Mexico is recognized for a period not to exceed 15 minutes.

Mr. SCHMITT. Mr. President, I congratulate Senator DECONCINI and Senator DANFORTH for joining with us in this initiative.

The first conversations I had on the subject were with Senator DANFORTH in Oklahoma during some campaign activities in the last election. We found there was great interest not only in our States but elsewhere in the country in some kind of limitation of the length of service for Representatives and Senators.

There are many motivations behind this interest, I think. I would just only speak to my more philosophical perspective on the need for this limitation.

Since 200 years ago when the unifying political fabric of this country was established, there have been many changes, one of the most profound of which is the rate of change itself. The rate of change is obviously accelerating very rapidly, and with it have come many problems.

We have lost, for example, valuable time within which to respond to crises as they occur and, I think, it is in the minds of many that some rejuvenation of the knowledge and imagination in the Halls of Government is required in order to more rapidly respond to these crises.

We need clearly a more dynamic response, one which can offer flexibility as a particular problem arises and is treated in the context of other problems.

We also need a much closer relationship with the citizens of this country and, I think, what is bothering our constituents throughout the Nation is that they are starting to feel isolated from their elected representatives in many respects.

Mr. President, I believe we are moving more and more toward a time when we must have citizen politicians. Just as throughout our history we have relied on the citizen soldier as the mainstay of our defense, so we must now rely on the citizen politician as the mainstay of our legislative process.

This constitutional amendment or amendments like the one that have been proposed will, I think, encourage the reappearance and involvement of the citizen politician. Let me illustrate what I mean, Mr. President.

If a person has established himself in a career of any kind, perhaps in local government, in business, in the professions, in labor, in education and in homemaking but, nevertheless, in a career and has enjoyed success in that career, then he or she would look with favor on entering the political arena for a limited period of time, essentially being on loan from the private sector to the government, and then at some subsequent time, such as after two terms in the Senate or six terms in the House, this person would return and live with what he has done among the people he has represented.

Such a procedure, I think, would broaden the balance of knowledge, expertise, experience, and background in the U.S. Congress. As a matter of fact, it would put us in much closer communion with our Founding Fathers who themselves had a very broad balance of knowledge about the human condition and the state of human knowledge of their time.

If one looks at the biographies of those gentlemen, one will see that in many individuals, and certainly in the aggregate, there was clearly represented most of the knowledge and learning of mankind up to that point in history.

Today we are faced with even more complex problems than experienced by our forefathers, problems of energy, of education, of defense, of our whole national security and our foreign policy, of satisfying our compassion to care for those people who cannot care for themselves, of dealing with the change from a rural to an urban society, and the list is endless.

With the increasing complexity of these problems, and the increasing interrelationship of these problems, I believe we must once again look for broad balance in our elected representatives.

These amendments, which would limit the terms of office for Representatives and Senators, go a long way toward increasing the balance within Congress, of increasing its responsiveness to problems, of putting Congress back into a position of making policy and overseeing the implementation of that policy rather than what has been the trend of actually attempting to implement through piecemeal legislation.

To do this we need more generalists, individually and in the aggregate, within Congress, not specialists we have tended to become.

My experience in other endeavors and in other careers—and let me add, I consider myself a citizen politician—has shown me that 10 or 12 years of intense activity are about the limit that most individuals find they can maintain before they start to feel a little stale and become less effective than they were at the height of their powers. A change in career rejuvenates and again produces a person capable of contributing to the maximum of his capability.

I would like to urge all of my colleagues, senior or freshmen, to consider strongly supporting the concept of the constitutional amendments that have been offered. I hope there will be extensive hearings on these amendments. I hope the debate will occur nationally as well as in these Chambers so that we can come to grips with the style and kind of government we hope to have in our next century of national existence.

Mr. President, I am pleased to cosponsor this proposal for a constitutional amendment limiting the number of terms of service for Members of Congress.

In my opinion, U.S. Senators should serve no more than two 6-year terms, nor Representatives more than six 2-year terms in the Congress. Let me explain why I believe this by discussing briefly the legislative history relative to congressional terms of service.

Article I, section 2 of the Constitution provides:

The House of Representatives shall be composed of Members chosen every second Year by the People of the several states . . .

Article I, section 3 provides:

The Senate of the United States shall be composed of two Senators from each State, . . . for six Years; . . .

There is no language in the Constitution limiting the number of terms each Representative or Senator may serve.

The drafters of the Constitution do not appear to have considered the adoption of any such limitation. In fact, as far as the Senate is concerned, there were suggestions that Senators be appointed to the office for life, or at least for good behavior, with the Upper Chamber modeled after Britain's House of Lords.

Edmund Randolph, for instance, believed that Senators, or "members of the second branch of the national legislature" should hold office, if not for life, at least "for a term sufficient to insure their independency."

After a consensus was reached that a life term was not desirable, there was considerable debate as to the proper length of a Senate term. According to Elliot's "Debate on the Adoption of the Federal Constitution," these ranged from 4 years, with one-fourth of the membership elected annually, to 9 years, with one-third elected every 3 years.

Many of the arguments advanced by those favoring a shorter term are also applicable to limiting service to two terms. For example, General Pinckney, who proposed 4-year terms, stated:

A longer term would fix them at the seat of government. They would acquire an interest there, perhaps transfer their property, and lose sight of the states they represent. Under these circumstances, the distant states would labor under great disadvantages . . . if the Senators should be ap-

pointed for a long term, they would settle in the state where they exercised their functions, and would in a little time be rather the representatives of that than of the state appointing them.

James Madison, who did not believe that a senatorial term of 9 years could pose any real danger to the Republic, nevertheless suggested a form of service limitation, by recommending that "the long term allowed to the second branch should not commence till such a period of life as would render a perpetual disqualification to be re-elected." Although the age of 30 seems relatively young today, in 1787 it indicated an individual of somewhat advanced years who would bring a level of maturity and a wide range of experience to the job.

There are frequent indications, according to Elliot and others that the framers intended the Senate to be almost aristocratic in its makeup, in contrast to the more plebeian composition of the House. It was recommended, for instance, that Senators serve for life, that they meet certain property qualifications, and that they not be compensated for their work, thereby assuring that only the affluent could qualify for service.

This attitude survived until the ratification of the 17th amendment in 1913 which provided for the direct election of Senators. Since that time Senators have been regarded as representatives of all the people of the various States.

Whatever disparate views they may have held concerning the terms of Senators, our Founding Fathers firmly believed in the concept of the citizen legislabor. It was their opinion that a Member of the Congress should remain as close as possible to the people he or she represents. Thus, until modern times it has been customary for Congressmen and Senators to return to their constituencies regularly for long periods of time and even to continue in their chosen fields and professions while serving in the Congress.

With the growth in the size and role of Government, and enlargement of congressional responsibility and improvements in technology, the Congress has become a year-round legislature. Members are expected to be full-time legislators, devoting their skills and energies exclusively to congressional duties.

The purpose of the constitutional amendment being proposed is to insure that, as full-time legislators, Congressmen and Senators, remain responsive to the needs and concerns of the people whom they were elected to represent; in other words, that the Congress return to the framers' concept of a deliberative body of citizen legislators.

Although the Constitution does not speak of limiting congressional terms, there is a provision limiting a President to two terms in office, the 22d amendment. It seems to me, Mr. President, that the same arguments which support limiting the President's tenure apply equally well to a Member of Congress.

The House report accompanying the joint resolution which became the 22d amendment makes it clear that a majority felt that a two-term limitation would allow a President to concentrate less on the politics of being reelected and more on important questions of national policy.

Mr. President, the reform we are proposing here today is not a new idea; it is, however, an important one. In the late 1950's and early 1960's, former Representative Thomas Curtis, a Missouri Republican, introduced several joint resolutions designed to amend the Constitution along the lines of this proposal. Under his amendment, limiting all Members of both Houses to 12 consecutive years in office, they would be permitted to regain the office after at least a 2-year "sabbatical."

Mr. President, I call my colleagues' attention to the remarks delivered by Representative Curtis when he introduced House Joint Resolution 164 in the 88th Congress, on January 21, 1963:

Mr. Speaker, I have once again introduced a proposal, in the form of a constitutional amendment, to limit the tenure of U.S. Senators and Representatives. In operation, this proposal would limit a Member of Congress to 12 consecutive years of service, two Senate terms or six House terms, and then require that he take a 2-year sabbatical leave before he would once again be eligible to serve in our National Legislature.

This proposal, which I have offered in earlier Congresses, has often appeared in lists of "legislation least likely to succeed." And, to that conclusion I must sadly agree. Sadly, I say, because I believe that there is a kernel of real hope in this proposal, hope to improve the operation of our Congress and to help its Members do a better job in framing the policies for our country. Yet, despite the possible help which this amendment might provide, it receives no serious consideration from the Congress and little more from outside these two chambers.

The kernel of hope which I see in this proposal is in two areas. First, it would help to overcome the detrimental aspects of the seniority system. I see many valid bases for recognizing the length of service in this body and in its committees as one of the factors of leadership. I have defended the system as the best compromise we can achieve under our present rules of operation when shallow criticism calls for scrapping it without offering any valid alternative. The proposal which I have offered would allow a continued use of the seniority system but the chain of seniority would be broken from time to time and greater flexibility would be permitted in congressional leadership.

The second aspect of this hope deals with the work of the individual Congressman. As the name implies, it is the function of Representatives, and no less of Senators, to represent the people from whom they have been sent to Washington. Representation, in this context, has two facets; to represent, the Congressman must use his best abilities in studying and understanding the legislation which is brought before him, and further he must strive to understand the community of which he is a part and which he is called upon to represent. This does not mean that he is to be a personified public opinion poll. There is more to representation, as the former part of my definition indicates, than being a mirror to the unstudied reactions of one's constituency.

This sabbatical leave would give the chance to the Congressman to get reacquainted with his constituents and their feelings. It would put his feet back on the ground and would put him back into the mainstream of his community. Certainly the experience of recent Congresses, running for 9 and 10 months each year, indicates that there is to be precious little time for such a process of reacquaintance in the normal congressional year. I sincerely believe the Congress would be stronger for having its Members better attuned to the crosscurrents of the districts which they represent.

Perhaps once again it can be said that this is among those legislative ideas least likely to succeed. I hope, however, that it will be given serious consideration by those interested in improving the institution which served to formulate our national policies.

It should be noted that the Curtis amendment received the endorsement of former President Eisenhower, who had himself been precluded by the 22d amendment from seeking a third term in the White House. He is quoted as saying that "what is good for the President may very well be good for Congress."

What we are proposing today is not a rash, hastily conceived change to the Constitution. The purpose of the joint resolution is to submit to the people, by and through their State legislatures, the question of whether tenure for Members of Congress should be limited. Because of the controversial nature of this amendment, I expect there will be vigorous debate on the advantages and disadvantages of limiting congressional terms of service. The American people should and will be given ample opportunity to voice the opinions on this matter. After all, it took nearly 4 years for the 22d amendment to be approved after it has been submitted to the States. Constructive political reforms are worth the wait.

I yield the remainder of my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wyoming (Mr. WALLOP) is recognized for a time not to exceed 15 minutes.

Mr. WALLOP. I thank the Chair.

Looking around the Chamber I feel not a bit different than I used to feel at home when a bunch of cowmen got around to tell each other what their troubles were. I can see we are talking essentially to ourselves, but I hope some time in the course of this that the record will be read and the public will take note of what it is we try to do here.

There have been in this country for the last couple of decades serious attempts at election reform. Yet no matter how we try to reform the election process it profoundly favors the incumbent over the challenger.

I am not sure that that is not as it should be, but somehow or other it lays a ceiling on the participation of citizens in the processes of their Government.

This amendment, or either of these amendments, should they be adopted, would, I think, open the process of Government service to men and women of all ages, at any stage in their lives, as has been brought out here before, and it would do that without in any way jeopardizing their State's relative position with regard to seniority and with regard to relative power in the country.

It would be a moving power that would translate itself from one end of the country to another as the processes took place.

I think the grassroots thinking reflected by this would represent a breath of

fresh air and a change of attitude and perception in Congress. In a revolving process it could do nothing but good for Congress.

I am not unaware of problems that do exist in trying to limit the terms of Congress under the present election laws where Members are all elected at the same time and I do not essentially want a total change in Congress every 12 years in the House of Representatives, but within the Senate a different thing takes place, and it would mean that approximately every 20 years or 24 years, with a third of us being reelected at any given time, we would have a third of the body changed and the water recharged by that same process.

I have heard this referred to as a venerable body, and I would hope that the venerable bodies in it did not take remiss what is being presented because if one looks at the process that is going to take place should this ever come to pass, even if it were to be passed and voted by two-thirds of both houses this year and it took a full 7 years, which I have no doubt that it would be, it would be 20 years before the first Members who are now sitting here would be specifically affected by such constitutional amendment and they would, indeed, in most part be venerable bodies by that time.

The thing that happens is that so seldom does the opportunity for service present itself to the average individual. Almost anyone making a political decision makes it in an envelope in time, no matter who he or she is or where he or she comes from, and having failed to choose in a given time process reestablished then that loss is the country's loss forever, in most instances.

To involve the citizens is to involve them in a share of the burden of leadership and, I think, to restore trust in the Government of the United States. And there is no doubt in my mind that we will lose some significant talent either way we choose to go. There is no question that men of extraordinary talent would not be here for 20 years, 24 years, or 36 years, but there is also no question that men of extraordinary talent who would never have gotten here might well arrive here.

It is a question of strength of the system, the rejuvenation of ideas, and I think that is what we seek to provide and what we hope is an election reform proposition.

If one thinks, is the talent gone from the States, of course, it is not gone from the State or gone from the country. The talent could be used in the executive branch of the Federal Government. The talent could be used in the executive branch of State governments, in the legislative branches of State governments, and in service throughout the country whether at home or on the national level.

I do not think that it is fair for anyone to assume by any of us proposing this that we would like to have these strictures laid on any sitting Member of this body by the State in which he resides

It seems only too unfair that until this becomes part of the Constitution of the United States that one State, to the exclusion of its own power in Congress, would run someone out for a second term because this is an idea that has been presented. That when and if it becomes part of the Constitution of the United States then it is a consideration. I see it now as no threat to a sitting Member.

Lastly, I think the desire for reelection to the second term would be sublimated to the philosophical and the real interest of the country. In those periods of time, free from the desire to attract special interest groups or anything else to cope with extraordinary costs of electioneering in the modern world, a man or a woman sitting in either House could make the best philosophical decision of his or her political career. Too often now response to the political machinery of a political party is the sole reason that many people, who would wish to return to private life, stay in public life because their party says, "We cannot win without you."

I would say to them and to their parties that should this become part of the Constitution of the United States, "Go home, go live with what you have done, live with to whom you have done it and with their judgments and add your wisdom to the conversation of politics as it goes on through the course of time so long as you may live it."

I respect Senator GOLDWATER from Arizona and am grateful to see him cosponsor this constitutional amendment. I appreciate it more than I can say.

I would say from all of us that I think there is probably nothing magic about the figures we have selected. They are out for debate. But the country must seek real election reform. This I think will at least establish the dialog on which that reform can be based.

Mr. President, I thank the Chair.

Mr. HAYAKAWA. Mr. President, will the Senator yield?

Mr. WALLOP. I yield the remainder of my time to the distinguished Senator from California (Mr. HAYAKAWA).

The ACTING PRESIDENT pro tempore. The Senator from California is recognized for a period not to exceed 6 minutes.

Mr. HAYAKAWA. Mr. President, I express my gratitude to the Senator from Arizona for his citation of historical precedent for citizen participation in government.

I am also grateful to the Senator from Wyoming for saying, as he did so eloquently, that seldom does the opportunity to serve in government present itself to the average person.

I speak for myself that many of us who have enjoyed reasonable success in our careers often wish to serve in government as a slight measure of gratitude toward the country that has served us so well. I would wish, therefore, to see not only more younger people involved in government but also more people in their mature years to serve as a measure of their gratitude.

I would like to see more people, professional men and women, businessmen and women, craftsmen, artists, musicians, newscasters, all sorts of people, get involved in public life. This is one of the reasons I approve so much of the amendment. It increases the number of occasions on which people see an opportunity to present themselves to the electorate as possible candidates for public office.

I would also like to see more lawyers think of public service not so much as a chance to make a lifetime career as professional politicians, but as a preparation for service to the community as lawyers. Therefore, I would like to see a limitation of their length of service built into the Constitution. In other words, it seems to me that the whole thrust of this amendment as proposed by my distinguished colleagues is all in the direction of greater citizen participation, therefore, all to the good. I thank the Senator from Illinois.

Thank you, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator from Illinois is recognized for a period not to exceed 15 minutes.

ON LITHUANIAN INDEPENDENCE DAY

Mr. PERCY. Mr. President, today we commemorate in the Senate the 59th anniversary of Lithuanian independence, recalling how that independence was ended so abruptly by the aggression of the Soviet Union in 1940.

Not only in the United States, this freedom-blessed land, but throughout the world men and women of good will are deeply concerned about the deprivation of freedom and the violation of human rights in the nations of Eastern Europe and also in many nations of Latin America, Africa, and Asia. I, for one, am as concerned about government-directed violence, harassment, and limitations on freedom whether they occur in South Korea or in North Korea, in Chile or in the Ukraine, in Uganda or in Cambodia, in Iraq or in Lithuania.

Recent events in Eastern Europe and the Soviet Union have brought home to all of us the terrible price which some people in this world must pay for expressing views. Charter 77, recently signed and issued by 240 intellectuals in Czechoslovakia, states that hundreds of thousands of citizens there live in constant danger of losing their jobs, their right to education and even their children's right to education if they express their views. The Charter lists a number of official practices which free men find abhorent, such as suppression of freedom of speech by means of central management and control of mass media, including publishing houses and cultural and scientific institutions, repression of persons who manifest their religious faith by word or action, denial of the right of working people to organize and to strike, widespread surveillance of citizens, violation of the rights of defendants and of the human dignity of prisoners, and arbitrary handling of requests for emigration permits.

I suspect that the list of ways in which the Czechoslovak Government violates the civil rights and liberties of its citizens sounds very familiar to millions of people in other countries of Eastern

Europe. We know that such violation of civil rights and liberties have afflicted the peoples of Lithuania, Latvia, and Estonia since their nations were forcibly and illegally incorporated into the Soviet Union in 1940.

In Lithuania, for example, quotas are placed on the number of candidates admitted to the theological seminary, quotas so small that more priests die each year than are ordained. As a result almost 200 parishes in Lithuania do not have a regular priest to say mass, and the situation continues to worsen. Also in Lithuania, repression of dissenters continues and emigration is severely restricted. The heartlessness of the authorities is seen in their repeated refusal to allow Mrs. Marija Jurgutiene and her 12-year-old child to join her hubsand in Chicago. The family has been separated for 3 years despite the fact that the Helsinki accord calls for the reunification of divided families.

Why cannot more priests be trained? Why must dissenters be treated so harshly? Why cannot families be reunited? Why not observe the humane provisions of the Helsinki pact and the Universal Declaration of Human Rights? Why cannot the authorities discover the hearts in their bodies?

When we protest to the Soviet Union and to other governments in Eastern Europe about human rights violations, the most usual response is that we should not interfere with their internal affairs. But human rights violations are now a legitimate concern of all the signatories to the Helsinki pact. They cannot be ignored either legally or morally.

In this respect I include our own Nation at all levels of our Government, local, State, and Federal. We have seen instances in this country of violations of human rights and dignity. I address myself to our country as well as all other countries. In our country, fortunately, the institutions of government are such, the separations of power, the freedom of the press, that anyone who does abuse these privileges and these rights in any of their legally constituted authorities can be effectively and, we feel and hope, swiftly dealt with.

I would mention to the authorities of all nations, including our own, which violate human rights in any way that the repression they find necessary in order to keep their people in line would be unnecessary if they permitted their people to be free.

Today our attention is concentrated on the people of Lithuania, but we must have room in our hearts also for the other national groups who are oppressed. To those of us who have the rare blessing of freedom, there is an obligation to remember those others who yearn to be free. We do remember them now as we join with the proud Lithuanian American community in commemorating the anniversary of Lithuanian independence.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, with statements limited to 15 minutes.

LITHUANIA'S INDEPENDENCE DAY

Mr. SCHMITT. Mr. President, this month Americans of Lithuanian background in New Mexico and in all parts of the Nation are commemorating two important anniversaries.

Currently they are observing the 726th anniversary of the formation of Lithuania as a sovereign state. It was in 1251 that Mindaugas the Great unified all Lithuanian principalities into one kingdom.

On February 16, Lithuanians throughout the world observed the 59th anniversary of the Declaration of Independence of Lithuania. It was on that day in 1918 that the modern Republic of Lithuania was established.

Today as we commemorate Lithuania's Independence Day in the U.S. Senate, I would like to recall a few moments from Lithuania's history.

The Lithuanians are a proud and energetic people who have lived peacefully on the shores of the Baltic Sea for centuries. It is their misfortune that they have been subjected to military and expansionist pressures from East and West, most notably from the Soviet Russians and the Nazi Germans.

As my colleagues are aware, on June 15, 1940, the Soviet Union annexed Lithuania together with the Baltic States of Estonia and Latvia, which the Red army had invaded and occupied after overrunning Eastern Europe. It has remained the policy of the U.S. Government not to extend formal recognition to the illegal incorporation of these nations into the U.S.S.R. This nonrecognition policy was reaffirmed last year by passage of Senate Resolutions 319 and 406. I support this stand.

Mr. President, today we are remembering the heroic struggle of the courageous Lithuanian people who have endured nearly 40 years of brutal Soviet domination. We must not forget, as well, the plight of oppressed people in other lands who, like the Lithuanians, are engaged in a protracted struggle to restore their freedom. Their valiant efforts are a universal reminder to all of us that we in the free world have a special responsibility to all peoples everywhere—to those who live under communism yearning for freedom as well as to those who are privileged to enjoy the bounties of a free society. We must not forget that national strength and firmness in the face of aggression and tyranny, and faith in ourselves and in our democratic institutions, are prerequisites to any successful long-range foreign policy which seeks to promote peace with freedom and restore human rights throughout the world.

Mr. President, I join my Senate colleagues and the Lithuanian-American community in expressing renewed support for the aspirations of the Lithuanian people.

NATIONAL SECURITY AND NATIONAL POLICY

Mr. SCHMITT. Mr. President, I would like to spend a few moments today discussing the general area of national security and national security policy, an area which has become of increasing interest in recent weeks as a consequence of the nomination of Mr. Paul C. Warnke to positions of importance relative to strategic arms limitation and arms control policy.

This begins a national debate, which I think will be the major national debate of this year, on just what our national security policy should be and what our status is relative to that policy.

National security, of course, is our No. 1 priority in this Nation. It can never be otherwise in this modern world.

The response time we have to threats to that security is so small that we must be always vigilant and always prepared. The United States of America has an obligation, I believe, not only to its own citizens but to all mankind, to protect the very fragile seed of individual freedom that we preserve on this continent, and the spirit of that freedom as it is preserved in the hearts of men and women everywhere in this world.

I plan, on 3 separate days over the next several weeks, to discuss three aspects of the national security: the status of the defensive balance as it stands today; the actions required, in my opinion, to preserve that balance; and, finally, some of the opportunities that may be available to us for long-term change away from the very precarious situation that we face today.

I think it is of fundamental importance that we understand, first, the paradox of national security. This paradox says America must be stronger than any potential adversary and be perceived to be stronger than any potential adversary, but, on the other hand, we must never use that strength lest America and the world have lost.

This is a very difficult paradox, at times, to understand, particularly by those who must pay the taxes that buy the weapons systems to preserve our strength, with the understanding that we never intend to use that strength if we can posssibly avoid it. It is equally important that the perception of that strength be clear to our adversaries so they will not take unnecessary chances with us and misconceive our will; to neutrals, so that they will understand that freedom is a continuing and permanent factor on this earth; to friends, so that they will not feel that we have left them and that they must look for other protectors; and most of all, to Americans, who must always have confidence that their Government is secure and that they are secure in their lives and homes.

This paradox, I believe, must be discussed throughout this country, and Americans and Congress must understand it, in order to understand both the maintenance of our strength in defensive systems and the continuation of arms control discussions. Both of these activities must go on simultaneously.

What is the status of the defensive balance at this point in our history? This balance is sometimes referred to as the balance of terror, because the balance, as unstable as it may be, depends on this Nation's capability to destroy another nation. The United States is the only nation on this planet, at this point in

history, with both the idealism and the power to protect this fragile seed of freedom that I mentioned, and we must maintain that power to protect until there is a long-term change in the relationships between nations on this world.

The trends toward imbalance are great. The Soviet Union, our prime potential adversary, has completed and is continuing major research, tests, development, production, and replacement programs and operational readiness training relative to every significant strategic, tactical, and first-strike capability of any significance in the world today. They are developing a survival capacity, through civil defense systems, that is far in excess of our own, and they are making moves, throughout this world and in their own heartland, to insure that strategic resources are available to them in the event of a protracted conflict.

On the other hand, the United States, throughout the last several years—in fact, the last decade—has, intentionally or inadvertently, allowed cutbacks in its capability to defend itself and to preserve the defensive balance that is required. We have allowed the maintenance of our inventory of weapons systems to deteriorate. We have undertaken very limited, certainly inadequate research, tests, development, production, and replacement programs of our own in various defense systems, and we have essentially allowed our civil defense capability to disappear.

Let us look in some more detail at some of the areas in which we should have our greatest concern. In the strategic triad of weapons systems, the Soviet Union is now replacing their intercontinental ballistic missile force with new and updated versions, with much greater capability. They are doing the same with their aircraft force and the same with their ships and submarine force. Their defensive capability against our own strategic triad is increasing daily. In tactical systems of various kinds, we have seen replacement begin and accelerate in new tactical aircraft, tanks and tank transporters, in new artillery, self-propelled artillery systems, personnel and personnel transport, with a great emphasis on radiological and bacteriological warfare protection. Not only is replacement of these systems occurring, but they are being deployed in potential front-line positions relative to the NATO countries and to the people in the Republic of China. The defensive capability, again, against tactical systems is accelerating very rapidly.

In space, we see the Soviet Union accelerating their development of aggressive satellites, so-called hunter-killer satellites, and we have seen a continued military activity in manned space flight of presently unknown implications, but one does not have to think very hard to imagine what the significance may be.

In civil defense systems, we are seeing efforts by the Soviets to learn how to disperse their population very rapidly and we are seeing their efforts to harden their industry against nuclear attacks. They are protecting raw and refined materials sources, both in insuring their availability and attempting to deny them to the western powers. We are seeing them put in installations that will protect their leadership; an ABM system that would protect them against missile attack.

Maybe, possibly most critically, we have to remember that there is a different psychology within the leadership of the Soviet Union relative to the loss of lives. Unfortunately for the Russian people, there were lost tens of millions of lives in World War II, a factor that this country, thank God, has never been faced with. However, it is something we must consider with respect to their will to accept such losses. The impact of civil defense activity has previously been largely ignored in our strategic planning. For one thing, if they can demonstrate survival in the event of a nuclear attack and we cannot, it becomes a major factor in that it would negate our own deterrent capability.

In the area of basic research, we are seeing a vast expansion of research institutions in the Soviet Union, and if, at any time, through this expansion and through greater effort, the Soviet Union can, for example, make the sea transparent so that they can find our nuclear submarines, if they can use advanced laser systems with greater effect than we can, use advanced communication and sensing systems that negate our own, and maybe, even, in the ultimate, understand gravity—something that no man yet understands—we will see the strategic balance shift dramatically and, possibly fatally, against freedom in the world.

On the other side of the paradox, of course, is arms control. I think, as we approach the continuation of the SALT talks and other negotiations, it is important for us to try to delve back into history to understand the motivations of the Soviet Union in these matters. The historical perspective of the Soviet Union on treaties has apparently never changed. Russian designs are still imperialistic, whether they be czars or commissars effecting their policies. There is no obvious indication that they can be trusted even now. They in turn, undertake precipitous acts whenever their short-term national interests appear to them to be threatened. World War II showed many such examples; more recently, in Hungary and Czechoslovakia, we have seen the nature of such precipitous acts.

We cannot expect agreements with the Soviet Union to be adhered to unless they feel such agreements are in their short-term national interest. We cannot expect adherence to treaties unless such adherence is in the short-term national interest of the Soviet Union. We must create situations in arms limitations negotiations that make arms contral and reduction in the short-term interests of the Soviet Union. I see that we can only do that by having the strength from which to bargain, maintaining a defensive balance, and, in the long term, finding a way to change the total balance of relationships in this world.

The PRESIDING OFFICER (Mr. RIEGLE). The time of the Senator has expired.

Mr. SCHMITT. I have completed my remarks. In the next few days, I shall talk about actions required to restore the defensive balance and, later, some opportunities for long-term change.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Senate Resolution 400, 94th Congress, and Senate Resolution 4, 95th Congress, appoints the Senator from Wyoming (Mr. WALLOP) to the Select Committee on Intelligence.

The Chair, on behalf of the Vice President, pursuant to Public Law 79–304, appoints the following Senators as members of the Joint Economic Committee for the 95th Congress: The Senator from New York (Mr. JAVITS), the Senator from Delaware (Mr. ROTH), the Senator from Idaho (Mr. MCCLURE), and the Senator from Utah (Mr. HATCH).

The Chair, on behalf of the Vice President, pursuant to Senate Resolution 4, 95th Congress, appoints the Senator from Oklahoma (Mr. BARTLETT) and the Senator from Oregon (Mr. HATFIELD) to the Select Committee on Indian Affairs for the 95th Congress.

The Chair, on behalf of the Vice President, pursuant to Senate Resolution 281, 90th Congress, as amended and supplemented, appoints the following Senators as members of the Select Committee on Nutrition and Human Needs for the 95th Congress: The Senator from Illinois (Mr. PERCY), the Senator from Kansas (Mr. DOLE), and the Senator from Pennsylvania (Mr. SCHWEIKER).

THE FOOTWEAR INDUSTRY NEEDS HELP

Mr. MCINTYRE. Mr. President, on Tuesday I wrote a letter to President Carter to express my serious concern about the problem of footwear imports. The recommendations of the International Trade Commission for import restrictions are on the President's desk and I felt it was vital that he understand clearly just what this decision will mean for working men and women in New Hampshire and the rest of this country.

I want to share my views with my colleagues as well because this decision is very important to all of the Members of the Senate whether or not they have shoe factories in their States. Because what is at stake is whether we will continue to have a domestic footwear industry in this country or not.

Frankly, Mr. President, I am afraid that within the bureaucracy minds are already made up without considering all sides of the question. For example, I am afraid that the analysis of consumer costs does not give sufficient weight to the enormous costs in unemployment compensation and welfare payments and in lost income and tax revenue that accrue when large numbers of people are forced out of productive work. I am also concerned that there seems to be much more compassion for the economies and

the unemployed of our international competitors than there is for our own.

I do not like to throw around the term "faceless bureaucrats," Mr. President, but I truly fear that within the bureaucracy there are knee-jerk biases against any kind of protective action, biases that may dangerously slant the way in which this question is finally presented to the Cabinet and the President.

And finally, I am concerned that this decision, because of the timing is being excessively dramatized as setting the keynote of our trade policy—whether we are going to be "free-traders" or "protectionists." That is far from the case, Mr. President, and such sloganeering can only serve to distort the facts of the case and the nature of the suggested remedies. I believe that the footwear case can stand on its own merits, and should be considered in that way.

The need for relief is explained in the Commission Report and I think the statistics are compelling. The figures for import penetration of the domestic market continue to increase—now over 47 percent. Domestic employment and production continue to decline at an accelerating rate. There are now 26,000 shoeworkers who are out of work and probably more who have simply given up searching for jobs. The cost of this inactive work force in lost payrolls, lost tax revenues, lost consumer spending, lost investment in equipment and supplies, as well as the direct costs of adjustment assistance and unemployment, are enormous. There is also the disastrous effect upon supplier industries, totally dependent upon the domestic footwear producers. Thus the stakes are large: 225,000 remaining jobs.

In my own State, production has dropped more than 55 percent since 1968, and so has employment. This means more than 9,000 jobs lost in less than 10 years in a small State with only 800,000 population. We have had 24 plant closing since 1968, and many of these were the only major employers in their respective communities.

There is a tremendous human cost in these statistics. These are people who want to work, who have always worked, who are now losing their source of livelihood. Nor is it easy for them to move on, even if retained. These people have strong ties to their communities, or they are working wives who lack mobility. And because the rest of New England suffers even higher unemployment and economic stagnation, unemployed shoeworkers have no place to go.

In addition, Mr. President, it is important to consider this case in view of the history of the Trade Reform Act of 1974. I had considerable reservations about this legislation when it was proposed. I received many assurances, however, that this bill would actually be of more help to the industry.

And I think it is clear that the experience of the footwear industry in attempting to obtain import relief in 1971 was very much on the minds of the Finance Committee members as they worked on the Trade Reform Act of 1974. The changes in the law concerning the test for eligibility for relief were aimed at preventing a similar experience in the future. I believe congressional intent is clear in the linking of the two parts of the act, authorizing increased negotiating power for the President, and strengthening and liberalizing programs to protect domestic industry from unfair import competition.

In 1975 the footwear industry renewed its escape clause application under these hopeful new provisions—with, as I understand it, the encouragement of the administration. And the Commission's unanimous finding last spring that imports have been seriously injuring the footwear industry was welcome, but not unexpected.

I was therefore shocked by President Ford's decision to grant only adjustment assistance disregarding the recommendations by five of the six members of the Commission. Moreover, I was distressed to find that lack of a majority recommendation for a particular relief preempted the congressional review which had been carefully built into the bill as a check against such actions.

Concern over this situation was considerable and I believe the speed with which the Congress moved over the summer to make sure that the review process is preserved, indicates congressional determination to carry out the original intent of the law. That same congressional sensitivity is illustrated by the action of the Senate Finance Committee in September in directing that the ITC open a new investigation of the shoe import problem.

Congress' frustrations call into fundamental question whether the escape clause structure of the Trade Act will ever work. The industry has now made its case twice under the new law. It has proven its case according to the criteria outlined in the law. Twice there have been unanimous findings of injury. If meaningful import restrictions are not forthcoming this time, I have to ask "What more needs to be shown, what more must this industry—or any other—do to get the help it is promised under the law?"

Therefore, I do not believe that I am exaggerating when I tell the Senate that if import relief is not forthcoming for the footwear industry this time, the underpinnings of congressional support for the Trade Act will be seriously eroded. And I think it is entirely possible that there could be an antifree-trade backlash that could have far-reaching implications for our trade policy.

I can say, Mr. President, I would feel I had no choice but to propose legislation to get help for the industry if their third plea for help goes unanswered.

Finally, and most important I think import relief for the footwear industry is justifiable on economic policy grounds. What we are talking about is jobs. Those of us who have served in the Congress during this recession, fighting to increase employment over the vetoes of an indifferent executive branch, are deeply grateful to have the leadership of a President who wants to put people back to work.

But in the case of footwear, we are not talking about creating jobs. We are talking about preserving existing jobs, jobs which are largely in rural areas and are held by older workers, 60 percent of them women. These are the people most vulnerable to unemployment and these jobs are the most difficult to replace. These jobs also have comparatively greater economic impact. And now, in closing, I would like to quote this paragraph from the letter I sent the President because I think what it says applies to all of us:

> You and I, Mr. President, are not technical experts on these matters, nor are we expected to be. That is not what we were elected for. But we are the ones with the direct personal experience of what the statistics and the graphs mean to the human beings involved. We know, and must never forget, that the numbers are people, hard working people, people who are seeing the jobs they have held all their adult lives being taken away from them.
>
> And it is you and I, Mr. President, who must tell them, face to face, that despite what the law says, despite the promises made, despite the fact that their government is spending billions of dollars to generate temporary jobs to alleviate unemployment—their jobs are being sacrificed to textbook generalities about the benefits of free trade and a 21 cent increase in the average price of a pair of shoes.

Mr. HATHAWAY. Mr. President, will the Senator yield?

Mr. McINTYRE. I yield.

Mr. HATHAWAY. Mr. President, I commend the Senator from New Hampshire for his excellent statement, and I want to be associated with it in every respect.

I call to the attention of the Senate the fact that the Senator from New Hampshire has fought for the interests of the domestic shoe industry for many years, and we are glad to have him on our side in this fight to get the President to approve the recommendation made by the International Trade Commission recently.

Mr. McINTYRE. I thank the distinguished Senator from Maine, who always has been right at my side, fighting for the shoe industry.

Mr. President, I yield to the distinguished Senator from Missouri.

Mr. EAGLETON. Mr. President, I should like to add to the remarks of my distinguished colleagues, Senator McINTYRE and Senator HATHAWAY, on the question of the importation of foreign shoes. Specifically, I wish to make reference to the distinguished Senator from New Hampshire.

The three of us—that is, McINTYRE, HATHAWAY, and EAGLETON—have been working in this area; and Senator HATHAWAY and I have looked to Senator McINTYRE to lead us in this endeavor. He has been fighting this fight for many years preceding the entrance into the Senate of Senator HATHAWAY or myself.

We have made some progress. At least, we made some progress before the International Trade Commission. I hope that progress is not thwarted. I know that the Senator from New Hampshire agrees.

I ask the Senator from New Hampshire this question: If the ruling of the

International Trade Commission is not acted on, what does that tell the Senator from New Hampshire about the usefulness and the meaning of the 1974 Trade Act? Is the Trade Act worth the paper it is written on? Is there no relief available for the shoe industry, which, beyond a doubt, is one of the most beleaguered industries in the United States?

Mr. McINTYRE. I say to my good friend from Missouri that if we fail to get the relief for the shoe industry with the law that is now on the books and with the recommendation of the Trade Commission, I am afraid the shoe industry will go down the drain, with all it means to the small towns and rural areas of this country. I do not know what it means so far as what the stand of this Senator on free trade is going to be, but I will be hard-nosed about it.

The Senator from Missouri states the case. We had a law in 1971. It was sabotaged. We saw the Republican President last year turn his back on us. We are hoping, with all the hope we have, that President Carter will see his way to help the shoe industry.

As I have said in my remarks, there is a feeling of danger already, that the bureaucracy already is more concerned about the economies of some of our international competitors than it is about our own industry. It would be a sad day for this country, if we were not to protect the shoe industry.

Mr. EAGLETON. Other industries in this country are having their difficulties vis-a-vis foreign imports—television sets, textiles, and so forth. Does the Senator from New Hampshire know of any industry in this country where the case for relief is so compelling as in the shoe industry? Does he know of any industry harder hit or with more lost jobs as a result of increased foreign imports? Is this not the most solid case that is conceivable under the sun? If it does not cry out for redress, God knows what would.

Mr. McINTYRE. The Senator from Missouri is correct. The statistics are alarming. I do not know of any industry that is suffering to the extent of the shoe industry. I do not know of any other industry that can say it has to put up with what the shoe industry has to put up with. I believe that the penetration now of foreign imports on the shoe industry takes up 47 percent of the domestic market.

Mr. EAGLETON. I thank my colleague. I thank him for the distinguished leadership he has given to this cause.

Mr. McINTYRE. Mr. President, I yield to the distinguished Senator from Pennsylvania.

Mr. SCHWEIKER. Mr. President, I, too, thank the distinguished Senator from New Hampshire for his very forceful and articulate presentation of the serious import problem faced by the American nonrubber footwear industry and of the great and urgent need for import relief.

In my own State of Pennsylvania—which is the largest producer of any State—we have witnessed the closing of 50 footwear plants and the loss of thousands and thousands of jobs in the footwear industry. Indeed, for the second time in a year, the International Trade Commission has reached a unanimous finding of injury to the domestic industry caused by increased footwear imports.

It is no wonder since, as was pointed out here repeatedly—but it needs to be underscored—more than 40 percent of the domestic shoe market consists of shoes made abroad. What kind of convincing do we need that now is the time to act?

I supported the last trade bill that was passed because a mechanism was provided for, and now we are trying to use this relief mechanism. If the people administering the program are not going to use this relief mechanism, then we will take a hard look at the law we have and whether we need this law at all, when we have this situation again.

I am pleased to join the Senator from New Hampshire in urging restrictions on these imports before thousands more people are forced out of work.

Mr. McINTYRE. Mr. President, it is good to have the able Senator from Pennsylvania working on our side. We know of his long and keen interest in the shoe industry; and we hope, along with him, that relief is on the way.

I yield 1 minute to the distinguished Senator from Tennessee.

Mr. SASSER. Mr. President, I associate myself with the remarks of the distinguished Senator from New Hampshire today.

In the State of Tennessee, we manufacture or did manufacture a great number of shoes during the past years. The chief foreign imports have cut drastically into the shoe market in our area. It has caused great unemployment. We have counties in our State with unemployment figures running as high as 18 percent and 20 percent.

I thank the Senator from New Hampshire for his very timely remarks today, and I wish to go on record as associating myself with him completely.

Mr. McINTYRE. Mr. President, we are glad to welcome the junior Senator from Tennessee to the ranks of those who try to help the shoe industry.

I am happy to yield to the distinguished Senator from Rhode Island.

Mr. PELL. Mr. President, I congratulate the Senator from New Hampshire and join my colleagues in expressing the hope that President Carter will act on the recommendation of the International Trade Commission to assure the survival of our U.S. footwear industry.

That our footwear industry has been severely injured by a rising tide of imports is beyond question. In 1963, footwear imports accounted for just 14 percent of domestic consumption, but during the first 9 months of 1976, imported footwear averaged 50 percent of domestic consumption. And during that same period, jobs for Americans workers in the footwear industry have declined from 237,000 to 171,000.

The remedy proposed by the International Trade Commission would not eliminate imports of footwear. U.S. consumers would still have the opportunity to choose imported footwear that differs in style and quality or price from U.S.-made footwear. The ITC's proposal, however, would at least slow down the avalanche of footwear imports that is burying our footwear industry and putting U.S. workers out of work.

In my own State of Rhode Island, there are many specialty firms that produce thread, laces, fabrics, buckles, and ornaments used by U.S.-footwear manufacturers. These firms and their workers face a bleak future unless some steps are taken to assure the survival of our footwear industry.

Accordingly, I hope very much that President Carter will take action to prevent further serious damage to our footwear industry and American footwear workers.

Mr. McINTYRE. I appreciate, Mr. President, the fine statement of the distinguished Senator from Rhode Island, with whom we not only share the cold winters but also our economic plight.

I yield the floor.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Admiral Turner.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF ADM. STANSFIELD TURNER TO BE DIRECTOR OF CENTRAL INTELLIGENCE

Mr. INOUYE. Mr. President, I ask unanimous consent that the 3-day rule be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the nomination.

The second assistant legislative clerk read as follows:

Nomination as Director of Central Intelligence of Adm. Stansfield Turner.

Mr. INOUYE. Mr. President, the Select Committee on Intelligence, to which was referred the nomination of Adm. Stansfield Turner, of Illinois, to be the Director of Central Intelligence, having considered the same, reports favorably thereon and recommends that the nomination be confirmed.

Admiral Turner's nomination was sent to the Senate by President Carter on February 10, 1977, and referred to the Select Committee on Intelligence on the same day. On February 10, public announcement was made and printed in the CONGRESSIONAL RECORD that a hearing would be held on February 22 and that all those who wished to testify were so invited. Hearings were held on February 22. All who indicated a desire to appear were notified and testimony and statements were received from all witnesses present.

On Wednesday, February 23, 1977, the committee met in public session. By unanimous vote it was agreed to report favorably to the Senate the nomination of Adm. Stanfield Turner.

Mr. President, I ask unanimous consent that an excerpt of the report of the committee be made a part of the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

NOMINATION AS DIRECTOR OF CENTRAL INTELLIGENCE OF ADM. STANSFIELD TURNER

The Select Committee on Intelligence, to which was referred the nomination of Admiral Stansfield Turner, of Illinois, to be the Director of Central Intelligence, having considered the same, reports favorably therein and recommends that the nomination be confirmed.

BACKGROUND OF COMMITTEE CONSIDERATION

Admiral Turner's nomination was sent to the Senate by President Carter on February 10, 1977 and referred to the Select Committee on Intelligence on the same day. On February 10 public announcement was made and printed in the Congressional Record that a hearing would be held on February 22 and that all those who wished to testify were so invited. Hearings were held on February 22. All who indicated a desire to appear were notified and testimony and statements were received from all witnesses present.

On Wednesday, February 23, 1977, the committee met in public session. By unanimous vote (and by a majority of those present and forming a quorum of the Committee) it was agreed to report favorably to the Senate the nomination of Adm. Stansfield Turner.

ISSUES CONSIDERED BY THE COMMITTEE

In an opening statement, the chairman of the committee, Senator Daniel K. Inouye, outlined the committee's expectations for a new Director of Central Intelligence and stated:

"The national intelligence system requires a leader that will be able to direct the activities of the many highly complex organizations in the national intelligence community * * * The position of the Director of Central Intelligence requires the ability to manage, to set priorities and to allocate resources * * * The most important duty of the Director * * * is to provide the President and the national leadership, in both the executive and legislative branches with the best information and analysis of that information available to the United States Government. Independence of mind, mature judgment and an analytic bent are qualities that must be possessed by the Director * * *

"It will be the task of the Director of Central Intelligence to assure that our national intelligence system * * * will work under the Constitution and the law. A close working relationship between the Director * * * and the committee is vitally important * * * if the public is to have the confidence that necessarily secret activities of the United States are being conducted in conformity with the Constitution and the law and with the purpose of strengthening our free democratic society."

Admiral Turner was introduced by Senator Adlai Stevenson. Later in the day Senator Charles Percy of Illinois testified before the committee in favor of Admiral Turner's confirmation.

In morning and afternoon sessions the members of the committee questioned Admiral Turner on numerous issues, among them, possible conflicts created by serving both as an active military officer and as Director of Central Intelligence; the relationship between the DCI and the oversight responsibilities of the Senate Select Committee as set forth in Senate Resolution 400; the authority for and the restraints upon clandestine activities; the overall quality of U.S. intelligence production; the relationship between the DCI and the President; the necessity to protect the civil liberties of American citizens; and the need for statutory charters for the intelligence agencies.

In response to committee questioning, Admiral Turner agreed not to seek the offices of Chief of Naval Operations or Chairman of the Joint Chiefs of Staff when these become vacant in 1978, and he recognized the committee's concern for continuity of leadership in the national intelligence community. He indicated his willingness to provide the select committee with full and timely information on CIA covert action and clandestine collection programs. He promised to work with this committee in considering new statutory charters for the intelligence agencies, and he evidenced real concern, both in his opening statement and in his answers to questions, for the need to insure that intelligence activities do not adversely affect the constitutional or legal rights of American citizens.

Admiral Turner assured the committee on the basis of discussions with President Carter that he will have regular access to the President and that he will provide the President with detailed and objective information. He recognized the need for any Director of Central Intelligence to be ready to resign rather than to implement directives which he believes are unconstitutional, illegal, or in conflict with his moral standards. Finally, Admiral Turner expressed his determination to produce national intelligence which is objective, which acknowledges diverse viewpoints within the intelligence community, and which elucidates the rationales for those contrasting views. Admiral Turner will respond in writing to a series of other questions submitted by the committee. His responses will be published in the committee's hearing record.

Following Admiral Turner's testimony, the committee heard statements from Mr. David Cohen, president of Common Cause; Mr. John Marks, project director of the Center for National Security Studies; and Mr. Richard Cohen of the U.S. Labor Party.

In view of Admiral Turner's demonstrated leadership abilities, his awareness of the need to strengthen the effectiveness of the national intelligence community, and to improve the quality of the information and analysis it produces for the President and the Congress, his pledge to work closely with the Select Committee in all matters mandated by Senate Resolution 400, and his strongly expressed commitment to conduct this Nation's intelligence activities under the Constitution and the law, the committee recommended that Admiral Turner be confirmed by the Senate.

ROLLCALL VOTE

For—17

Inouye	Biden	Mathias
Goldwater	Morgan	Pearson
Bayh	Hart	Chafee
Stevenson	Moynihan	Lugar
Hathaway	Case	Wallop
Huddleston	Garn	

Against—0

APPENDIX

The Select Committee on Intelligence submits a two-part Questionnaire and Financial Disclosure Statement to each nominee for the positions of Director of Central Intelligence and the present statutory position of Deputy Director. Part I appears below and consists of responses to questions relating to personal background, qualifications, and general financial arrangements.

Part II consists of specific financial data, which the committee requested in part because the Central Intelligence Agency Act of 1949 allows the Director of Central Intelligence exceptional discretion over the disbursement of funds. Part II is available for public inspection at the offices of the Select Committee on Intelligence.

Admiral Turner has informed the select committee that he will place his investments in a blind trust under the guidelines established by the administration for Level II and Cabinet appointments. He indicated he will disclose the details of his trust arrangements in the near future.

PERSONAL BACKGROUND, QUALIFICATIONS AND GENERAL ARRANGEMENTS

Part I.

Name (Including any former names used): Turner, Stansfield.

Address (List current residence and mailing address): Commander in Chief, Allied Forces Southern Europe, Box 1, FPO NEW YORK 09524 (Office) Villa Nike, Via Scipione Capece, 8, Naples Italy (Residence).

Position to which nominated: Director of Central Intelligence.

Date of nomination: February 7, 1977.

Date of birth: 1 Dec. 1923.

Place of birth: Chicago, Illinois.

Marital status: Married. Full name of spouse (including any former names used by spouse): Patricia Busby Turner; at time of marriage. Patricia Bubsy Whitney (widow).

Names and ages of children: Daughter: Laurel Echevarria, 31; Son: Geoffrey Whitney Turner, 28.

Education, institution, dates attended, degrees received, dates of degrees:

Amherst College, 1941–1943, honorary doctorate, June 1976.

U.S. Naval Academy, 1943–1946, bachelor of science, June 1946.

Oxford University, Oxford, England, 1947–1950, master of arts, Feb. 1950.

Harvard Business School, Boston, Mass., Feb.–May 1966, graduate of Advanced Management Program.

Roger Williams College, Bristol, Rhode Island, no attendance, honorary doctorate, May 1976.

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement:

Rhodes Scholar; Honorary Doctorate Degree, Amherst College, Amherst, Massachusetts; Honorary Doctorate Degree, Roger Williams College, Bristol, Rhode Island: Three Legion of Merit Medals; One Bronze Star Medal with Combat V.

Memberships: List below all memberships and offices held in professional, fraterial, business, scholarly, civic, charitable and other organizations:

Council on Foreign Relations, New York, New York, none.

International Institute for Strategic Studies, London, none.

U.S. Naval Institute, Annapolis, Maryland, none.

U.S. Naval Academy Alumni Association, Annapolis, Maryland, none.

Association of American Rhodes Scholars, none.

Employment record: List below all positions held since high school, including the title or description of job, name of employer, location of work, and dates of inclusive employment:

U.S. Navy: 1943-Date.

Midshipman, U.S. Naval Academy: 1943–1946.

Naval Officer, 1946-Date.

Government reference: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part-time service or positions:

U.S. Navy: 1946–Date.

Published writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written:

"The Naval Balance: Not Just a Numbers

Game" (Foreign Affairs magazine, Winter 1977).

"The Missions of the Navy" (U.S. Naval Institute *Proceedings*, December 1972).

Political affiliations and activities:

List all memberships and offices held in or financial contributions and services rendered to all political parties for election committees during the last ten years: None.

Qualifications: State fully your qualifications to serve in the position to which you have been named:

My qualifications for the position of Director of Central Intelligence derive from my thirty years of government service as a naval officer. In that service I have been a frequent user of intelligence at successively higher levels of command. I have also been a manager of sizeable assets, ranking from individual ships to NATO's Southern Command with over 800,000 men from five nations. I believe that those experiences enable me to place national intelligence in proper perspective and to exercise the leadership and managerial skills to cope with a program of the magnitude of the DCI's.

Potential conflict of interest

Please describe any employment, investment, association, activity which might create, or appear to create, a conflict of interest in the position to which you have been nominated: None.

As far as it can be foreseen, state your plans after completing government service. Please state specifically any agreements or understandings, written or unwritten, concerning employment after leaving government service, in particular concerning agreements, understandings or options to return to your current position.

My plans are to continue on active duty in the United States Navy. Upon completion of my intended position, I will be available for reassignment as desired by the President and the Secretary of Defense. I have made no agreements or understandings, either written or unwritten, concerning employment after I leave active military service.

Describe the financial arrangements you have made or plan to make, if you are confirmed, in connection with severance from your current position. Please include severance pay, pension rights, stock options, deferred income arrangements, and any and all compensation that will or might be received in the future as a result of your current position or your past business or professional relationships:

There will be no financial arrangements made in connection with severance from my current position. I intend to remain on active duty and there is no severance pay involved. Pension rights are those authorized anyone with my length of military service.

Please list below all corporations, partnerships, foundations, trusts, or other entities toward which you have fiduciary obligations or in which you hold directorships or other positions of trust: None.

Have you been an attorney for, or a representative or registered agent of, a foreign government, or any entity under the control of a foreign government? In your present position are you formally associated with individuals who are attorneys for, or representatives or registered agents of, foreign governments or entities? If the answer to either or both questions is yes, please describe each relationship on a separate sheet: No.

Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items:

My stocks and bonds will be placed in a blind trust.

Testifying before Congress:

1. Are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so? Yes.

2. Are you willing to provide such information as is requested by such committee? Yes.

Other:

1. Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense? No.

2. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination. None.

3. Please provide the Committee with the names and current addresses of five individuals whom you believe are in a position to comment upon your qualifications for the office to which you have been nominated.

Senator John Chafee, United States Senate, Washington, D.C. 20310.

Rear Admiral "M" Staser Holcomb, USN, Office of the Secretary of Defense, The Pentagon, Washington, D.C. 20301.

Admiral E. R. Zumwalt, Jr., U.S. Navy (Ret), 4043 North 41st Street, Arlington, Virginia 22207.

Mr. Bayless Manning, President, Council on Foreign Relations, 58 East 68th Street, New York, New York 10021.

The Honorable Paul Ignatius, 3650 Fordham Road, Washington, D.C. 20016.

The undersigned certifies that the information contained herein is true and correct.

Signed: ————————.

Date: Feb. 15, 1977.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. INOUYE. I would be very happy to yield to the Senator from Arizona.

Mr. GOLDWATER. I thank my distinguished chairman for having presented Admiral Turner's name in the way that he has.

The hearings, I want to report, were very good hearings. I think Admiral Turner will make one of the outstanding directors of intelligence that we have had.

To those who might be worried about his maintaining his rank, I will remind my colleagues that seven out of the last nine directors held military rank at the time of their service.

Admiral Turner has had executive experience from the lowest level of the military to a 4-star admiral and, as a 4-star admiral he was responsible for the activities of 800,000 men in southern NATO.

All throughout his career as a naval officer he naturally has had experience in intelligence, and the higher up the ladder he went the more experience he had.

I think he is ideally suited for this job, and I wholeheartedly join with my chairman in recommending that the body unanimously confirm him.

Mr. INOUYE. I thank the Senator very much.

I am pleased to yield to the Senator from Rhode Island.

Mr. PELL. Mr. President, I thank my colleague from Hawaii.

Although I am not on the Committee on Intelligence I have the good fortune of having known and liked, admired Admiral Turner for some years. I believe he will make a fine Director of Central Intelligence.

He is a man who has good judgment; he is grounded, I think, in our own democratic ideas and background as a nation. He is a man who has the respect of those in the community and, at the same time will, I am sure, carry out the wishes of Congress with regard to his policies.

For this reason I am glad to support this nomination.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. INOUYE. I yield to the Republican leader.

Mr. BAKER. Mr. President, I thank the distinguished Senator from Hawaii for yielding. I will not reiterate the remarks I made this morning on my reservations pursuant to his earlier unanimous consent request except to say that notwithstanding my concern for the precedent that is being set in sending this nomination to the Senate as a dual nomination, that is, Director of Central Intelligence and serving in the role of admiral, and notwithstanding my previously expressed concern for that precedent, and notwithstanding my concern that this may have an unfortunate effect on future appointments, I still believe that Admiral Turner can serve, if chooses to do so, and I am sure he will, with distinction, as Director of Central Intelligence.

I know Admiral Turner will take account of the views that have been expressed by me and other Senators in their reservations about the proposition that an active-duty military officer would be Director of Central Intelligence.

I pledge to him that I will be glad to talk about that subject with him any time he wants to or any other matter affecting the future of the intelligence community in the United States.

My expression of opposition in no way diminishes my enthusiasm for the job I am sure he can and will do in refurbishing and reconstituting an effective, responsible and respected intelligence community.

So, Mr. President, with that preface I wish to announce to my colleagues in the Senate that I will nonetheless vote for his confirmation.

Mr. INOUYE. I thank the Senator very much.

I yield to the Senator from New Mexico.

Mr. SCHMITT. I wish to associate myself with the remarks of my distinguished minority leader in having the same reservations about the retention of the military hat, if you will, while also Director of Central Intelligence.

I am sure Admiral Turner will take into account these concerns and will insure that no conflict does occur in fact by having that military hat upon his head as well as the other.

I do hope, however, that the Senate will not look at this as a precedent for similar activities in the future.

I thank the Senator from Hawaii.

Mr. INOUYE. Mr. President, I move that the nomination of Adm. Stansfield Turner, of Illinois, to be the Director of Central Intelligence, be confirmed.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Adm. Stansfield Turner to be Director of Central Intelligence?

The nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE FOREIGN SERVICE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the nominations placed on the Secretary's desk in the Foreign Service.

The PRESIDING OFFICER. The nominations will be stated.

The second assistant legislative clerk proceeded to read sundry nominations placed on the Secretary's desk in the Foreign Service.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEDICATING THE CANAL AND TOWPATH OF THE C. & O. CANAL TO JUSTICE WILLIAM O. DOUGLAS

Mr. EAGLETON. Mr. President, I send to the desk a bill and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 776) to dedicate the canal and towpath of the Chesapeake and Ohio Canal to Justice William O. Douglas, which was read the first time by title and the second time at length.

Mr. EAGLETON. Mr. President, the bill that Senators MAGNUSON, JACKSON, CRANSTON, and I have introduced would dedicate the canal and towpath of the Chesapeake and Ohio Canal National Historical Park to Justice William O. Douglas in grateful recognition of his long and outstanding service as a prominent American conservationist and for his efforts to preserve and protect the canal and towpath from development.

This legislation authorizes and directs the Secretary of the Interior to notify the public of the dedication of the canal and towpath to Justice Douglas. Such notification will take the form of changes in existing signs, materials, maps, and markers. The Secretary is also authorized and directed to incorporate into the park's interpretive programs the story of how Justice Douglas saved the canal and towpath from development. The Secretary of the Interior is further authorized and directed to create and maintain a tasteful memorial to Justice Douglas which is appropriate for the canal environment.

Justice Douglas was appointed to the Supreme Court by President Franklin D. Roosevelt on April 17, 1938. When he retired on November 12 of last year he had been sitting on the Supreme Court for 36 years—the longest tenure in the history of this country.

Preceding his appointment to the Court, William O. Douglas acted as a valued confidant of President Roosevelt. He was one of the bright young people who came to Washington in the 1930's who were collectively known as New Dealers.

Justice Douglas' career on the bench was but one aspect of his life as a public servant. From 1937 to 1939 he was Chairman of the Securities and Exchange Commission. Prior to his Chairmanship, Justice Douglas served as a member of the Commission and also as the staff director of a Commission study.

At the age of 26 Justice Douglas became a faculty member of the Columbia Law School, where he taught for 4 years. He was also a member of the faculty at the Yale Law School for 8 years.

Justice Douglas is a prolific writer who has published over 30 books and numerous magazine articles. His travels around the world frequently became the subjects of his writing.

The day after his retirement from the Court, when asked how he would like to be remembered, he replied:

> I hope to be remembered as someone who made the Earth a little more beautiful.

His work as conservationist was, apparently, his most prized accomplishment.

Since his boyhood hikes in the Cascade Mountains in his home State of Washington, Justice Douglas has maintained a deep attachment to the land. At the age of 28 he turned down the offer of a substantial position with a top Wall Street law firm—passing up certain wealth. In his autobiography he explains his decision by saying:

> I looked around at the older men in my profession and I knew I didn't want to be like any of them. They couldn't climb a mountain, couldn't tie a dry fly; they knew nothing about the world that was closest to me, the real world, the natural world.

Justice Douglas devoted a considerable part of his life to the preservation of the environment. He spoke, wrote, and became involved in many crusades to save rivers, lakes, and trees across the country. In Hartford, Wash., he helped form a protest group to stop a dam which would wipe out some of the spawning grounds of the Chinook salmon and wintering areas for thousands of ducks and Canadian honkers. In eastern Kentucky he helped save the Red River Gorge from being flooded by a dam. In Arkansas, he ran the Buffalo River to dramatize the need to preserve the river bottom from a dam. In Allerton Park, Ill., he worked to prevent a dam from being built on the Sangamon River.

Justice Douglas' preservation of the Chesapeake and Ohio Canal, which runs west of Washington, D.C., along the north bank of the Potomac River, is probably his preeminent single accomplishment. In 1954 plans had matured to convert the C. & O. Canal into a highway. In a letter to the Washington Post, urging preservation of the canal, Justice Douglas said:

> The stretch of 185 miles of country from Washington, D.C. to Cumberland, Maryland is one of the most fascinating and picturesque in the nation. . . . It is a refuge, a place of retreat, a long stretch of quiet and peace at the Capitol's back door . . . a place net yet marred by the roar of wheels and the sound of horns. . . .

In his letter to the Post he proposed an 8-day hike down the length of the canal to expose its natural values. The Justice's hike attracted the attention of the radio and television networks and heightened public interest in the canal as a recreational property. Following the hike the Washington Post, the National Park Service and sentiment on Capitol Hill reversed—the highway was stopped. In 1971 a bill was passed making the canal a national historical park.

Today, the C. & O. Canal National Historical Park is an extraordinary recreational park enjoyed by thousands of Americans. Without the work of Justice Douglas, this would certainly not be the case. Dedication of the canal to Justice Douglas is an appropriate gesture.

According to the National Park Service there are between 120 and 150 signs which bear the name Chesapeake and Ohio Canal National Historical Park or an abbreviation thereof. If the signs are cut at an appropriate place and another piece of wood is inserted bearing the words "Dedicated to Justice William O. Douglas," the cost would be approximately $20,000. Replacement of all the signs would cost $50,000.

Certainly the dedication of the C. & O. Canal and Towpath to Justice Douglas is a small tribute to so eminent a public servant. The body of law which bears his imprint—particularly as regards first amendment protection for the citizen—will be a truly appropriate tribute to an extraordinary jurist. The millions of trees and hundreds of waterways which owe their existence to him will be the suitable tribute to a resolute conservationist. The improvement of cross-cultural understanding and international harmony will be the proper tribute to his travels and writing.

Mr. President, the organizations associated with the Chesapeake and Ohio Canal National Historical Park and the Nation's major environmental organizations have offered their endorsement of this legislation. At this time I ask unanimous consent to have printed in the RECORD letters which I have received from the Chesapeake and Ohio Canal Association, the Canal and River Rights Council, the Friends of the Earth, the Izaak Walton League of America, the National Audubon Society, the National Parks and Conservation Association, the National Wildlife Federation, the Defenders of Wildlife, and the Wilderness Society.

Mr. President, this identical bill passed the Senate last year near the end of the session, but because of the rush of events and time on the House side they did not have the time to consider it.

Mr. JACKSON. Mr. President, I am glad to join my distinguished colleague from Missouri, Senator EAGLETON, in cosponsoring this legislation which would dedicate the canal and towpath of the Chesapeake and Ohio Canal National Historical Park to its long-time friend and most ardent supporter—Justice William O. Douglas.

All of us are aware of Justice Douglas' unwavering defense of our first amendment freedoms of speech, press, religion, and assembly. He will always be remembered for his zealous protection of these rights during his tenure on the Court. But as dedicated as Justice Douglas has been to the high principles of freedom and individual liberty, his energies have found other interests. One such interest, from which all of us and generations to follow will benefit, is his long time love for the land and the environment.

As a young boy, Bill Douglas was afflicted with polio. In order to strengthen and rebuild his legs, he began hiking in the foothills of the beautiful Cascade Mountains near his home in Washington State. Thus began a life-long respect for this Nation's mountains, rivers, trails, streams, and the quality of life in general. William O. Douglas has been a staunch defender of our wildlife and the environment; a defense which has manifested itself in words and actions both on and off the Court. Justice Douglas' opinion in *U.S.* v. *Standard Oil*, 384 U.S. 224, (1966) made it clear that the Court would not allow technicalities to offset the intent of Congress relative to pollution of the Nation's waterways. His dissent in *Sierra Club* v. *Morton*, 405 U.S. 727, (1972), the famous Mineral King Case, sets forth his philosophy that the environment itself could be aggrieved by ill-considered proposals and should have standing to bring suit against individuals and organizations which threaten its existence.

The language of his dissent is worth quoting today because it reflects so well his deep-seated concern for the environment:

> Inanimate objects are sometimes parties in litigation. A ship has a legal personality, a fiction found useful for maritime purposes. The corporation sole—a creature of ecclesiastical law—is an acceptable adversary and large fortunes ride on its cases. The ordinary corporation is a "person" for purposes of the adjudicatory processes, whether it represents proprietary, spiritual, aesthetic, or charitable causes.
>
> So it should be as respects valleys, alpine meadows, rivers, lakes, estuaries, beaches, ridges, groves of trees, swampland, or even air that feels the destructive pressures of modern technology and modern life. The river, for example, is the living symbol of all the life it sustains or nourishes—fish, aquatic insects, water ouzels, otter, fisher, deer, elk, bear, and all other animals, including man, who are dependent on it or who enjoy it for its sight, its sound, or its life. The river as plaintiff speaks for the ecological unit of life that is part of it. Those people who have a meaningful relation to that body of water—whether it be a fisherman, a canoeist, a zoologist, or a logger—must be able to speak for the values which the river represents and which are threatened with destruction. . . .

His books—"Of Men and Mountains," 1950, "My Wilderness: East to Katahdin," 1953, and "My Wilderness: The Pacific West," 1961—helped call attention to the need for a national wilderness preservation system. Enactment of the Wilderness Act coincided with yet another inspiring work—"A Wilderness Bill of Rights," 1965.

Justice Douglas is nearly as well known for his personal environmental activities as for his judicial and literary accomplishments in the field. He has aided many important environmental causes in my own State of Washington including the development of the North Cascades National Park. But perhaps the most vivid reminder of Justice Douglas' energy and dedication in the area of environmental protection is the Chesapeake and Ohio Canal National Historical Park, located only a few miles from this Chamber.

Twenty-one years ago, Bill Douglas, then a youthful 55, led a footsore band on a 7-day hike the length of the C. & O. Canal, winding 184 miles down the Allegheny foothills from Cumberland, Md., to Washington. Of the 58 starters, only Douglas and 8 others finished, but their trek ignited a citizen's protest that effectively thwarted plans to turn the scenic canal route into an asphalt freeway. This original group of hikers formed the Chesapeake and Ohio Canal Association whose purpose was to publicize and promote efforts to preserve the C. & O. Canal through legislation. By 1960, through the efforts of Justice Douglas and other members of the association, the canal had been designated a national monument. Over a decade later, on January 8, 1971, legislation creating the C. & O. Canal National Historical Park was signed into law.

Justice Douglas' efforts to save the canal did not stop with its designation as a national park. In June of 1972, tropical storm Agnes flooded the east coast with 7 days and nights of rain devastating the canal and 20 acres of adjacent parkland. Again, Justice Douglas led the fight, pressing the need for the funds necessary to get the canal back in shape. Most recently, in April of 1974, he and the association sponsored an 11-day, 20th anniversary hike along the picturesque canal thus culminating a 20-year effort to protect this bit of our Nation's heritage.

A few years ago, several hundred conservationists gathered for a "victory" hike along an 11-mile stretch of the canal to celebrate its recent national park designation. Justice Douglas used the occasion to issue a warning to the hikers and at the same time express his true feelings for the park. He said:

> Today is not a time to celebrate the new status of the C & O Canal. Our concern should be—how is it going to be molded? We can make it a great show place in a metropolitan region. This is not Mount Everest, but backyard stuff—for the people.

I can think of no more fitting tribute to Bill Douglas than to dedicate the canal and towpath of this park to him. Because of the Justice's tireless efforts, this scenic, narrow, 184-mile-long stretch of America will be preserved forever—for the people.

The Senate approved this legislation during the last Congress without objection. I earnestly hope that the entire Congress will promptly approve this measure.

Mr. EAGLETON. Mr. President, I ask unanimous consent that a series of letters from various interested societies, such as the Chesapeake and Ohio Canal Association, et cetera, be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHESAPEAKE & OHIO
CANAL ASSOCIATION,
February 14, 1977.

Hon. THOMAS EAGLETON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR EAGLETON: The Board of Directors of the C&O Canal Association unanimously supports the aim of your new bill to dedicate the C&O Canal and towpath to Justice William O. Douglas. We supported your previous legislation in December, 1975, and hope the new Congress will act speedly to honor Justice Douglas.

As we wrote on the earlier occasion: "As first president of the C&O Canal Association, and for seventeen years the leader of its 'reunion hikes', Justice Douglas was the binding force and inspiration to the hundreds of ordinary people, young and old, who finally lobbied the C&O Canal National Historical Park into being."

We'd not only like to see Congress act on your new legislation, but to act promptly: on Saturday, April 30, we're holding our 23rd annual "Justice Douglas Reunion Hike" on the C&O Canal at Whites Ferry in nearby Montgomery County, Md. What a wonderful thing if this year's hike could be the occasion to celebrate passage of your new legislation!

Sincerely,

BARBARA S. YEAMAN,
(For the Board of Directors).

FEBRUARY 14, 1977.

Hon. THOMAS EAGLETON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR EAGLETON: In December, 1975, we strongly supported the legislation introduced by you and Senators Jackson and Magnuson to dedicate the C&O Canal Park to Justice William O. Douglas. We thought then and now that it was an appropriate way to honor Justice Douglas, and are very pleased you have introduced similar legislation into the 95th Congress.

Since our thoughts on these matters are in the Congressional Record of December 4, 1975, we will simply hope, on this occasion, that Congress will act speedily to pass the new legislation.

Sincerely,

EDWIN F. WESLEY, Jr.,
Canal and River Rights Council.

FRIENDS OF THE EARTH,
Washington, D.C., February 1, 1977.

Hon. THOMAS F. EAGLETON,
U.S. Senate, Washington, D.C.

DEAR SENATOR EAGLETON: Friends of the Earth would like to express its wholehearted and enthusiastic support for your proposal to dedicate the C&O Canal National Historical Park to Justice William O. Douglas. Throughout his career, Justice Douglas has practiced and upheld the conservation ethic

at its highest level. Your proposal would leave a proper, living monument to his efforts both to save the Canal and to preserve and protect our natural heritage.

It is fit, we think, at the start of this new Administration, to take this chance to recognize Justice Douglas' exemplary service. We urge you to work for speedy passage of this bill and bestowment of this honor on this great American.

Sincerely,

DAVID R. BROWER,
President.

THE IZAAK WALTON LEAGUE OF AMERICA, INC.,
February 1, 1977.

Hon. THOMAS F. EAGLETON,
U.S. Senate, Washington, D.C.

DEAR SENATOR EAGLETON: The Izaak Walton League of America strongly endorses your proposal to dedicate the canal and towpath of the C & O Canal National Historical Park to Justice William O. Douglas. It seems the least we can do to honor the memory of this great American and revered conservationist.

Sincerely yours,

JACK LORENZ,
Executive Director.

NATIONAL AUDUBON SOCIETY,
Washington, D.C., January 26, 1977.

Senator THOMAS F. EAGLETON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR EAGLETON: I was pleased to learn that you and Senators Jackson and Magnuson plan to introduce legislation dedicating the C&O Towpath and Canal to Justice William O. Douglas, who did so much to encourage protection of this important historic, scenic and recreational resource.

Because Justice Douglas made such a remarkable contribution to the field of environmental protection, it is fitting that his tireless efforts be recognized by this dedication to him of an area which is almost synonymous with his name.

We hope that the Congress will move promptly to enact this legisation, and we appreciate your diligent efforts to accomplish this.

With best wishes,

Sincerely,

CYNTHIA E. WILSON,
Washington Representative.

NATIONAL PARKS AND CONSERVATION ASSOCIATION,
Washington, D.C., January 28, 1977.

Hon. THOMAS F. EAGLETON,
U.S. Senate, Washington, D.C.

DEAR SENATOR EAGLETON: The National Parks and Conservation Association is happy to support the project which you have initiated in the form of a bill to dedicate the canal and towpath of the C & O Canal National Historical Park to Justice William O. Douglas.

Justice Douglas is one of this nation's greatest conservationists and jurists. It was his intervention which saved the day when the proposal was made some 25 years ago to build a road along the canal. It was his leadership which made it possible to organize the C & O Canal Association which carried on the fight to protect the canal year after year until victory was achieved.

It was my privilege to participate in the first of the many annual hikes which Justice Douglas led along the canal and to be associated with him from the beginning to the end of this great conservation effort, and I am delighted that he will be honored by dedicating the canal and towpath to him.

Cordially yours,

ANTHONY WAYNE SMITH,
President and General Counsel.

NATIONAL WILDLIFE FEDERATION,
Washington, D.C., January 31, 1977.

Hon. THOMAS F. EAGLETON,
U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR: This responds to your letter of January 19, 1977, inviting comment upon the proposal to dedicate the Canal and Towpath of the Chesapeake and Ohio Canal National Historical Park to Justice William O. Douglas.

As indicated in 1976 when a similar proposal was under consideration, we support this recognition for the former Supreme Court Justice Douglas. The National Wildlife Federation long has admired and respected Justice Douglas for his many significant contributions to the cause of conservation. And, dedication of the Canal and Towpath is particularly appropriate because of his long personal association with it.

A similar proposal very nearly was approved by the 93rd Congress. We certainly hope and trust that this new effort to recognize Justice Douglas will reach early fruition and approval.

Sincerely,

THOMAS L. KIMBALL,
Executive Vice President.

DEFENDERS OF WILDLIFE,
Washington, D.C., January 27, 1977.

Hon. THOMAS F. EAGLETON,
Dirksen Office Building,
Washington, D.C.

DEAR SENATOR EAGLETON: Thank you for inviting our comments on the proposal to dedicate the C & O Canal National Historical Park to Justice William O. Douglas.

When this proposal was introduced last year, we placed ourselves on record very strongly in favor. Our position is unchanged. Our only regret is that the original proposal was not enacted without hesitation. Since the primary objective centered on the lack of a precedent for this action, we can only reply that there has been no precedent for the career of Justice William O. Douglas.

Justice Douglas maintained a powerful and unswerving interest in preserving the C & O Canal. Without his efforts, this historical and recreational resource would have been lost to all of us. The canal, however, is only symbolic of his greater devotion to park and natural resource preservation throughout his career.

The present bill, as we understand it, dedicates only the towpath and canal to Justice Douglas. However, the towpath and canal are the essence of the park, so this distinction does not weaken the tribute. There should be no further need for delay.

We are anxious to see an appropriate commemorative to Justice William O. Douglas placed in the C & O Canal National Historical Park, so that the thousands of Americans who stroll, hike, jog, bike, birdwatch, canoe, or on rare occasions ski through this pleasant corridor can spend part of their time reflecting upon the contribution this fine leader has made to our nation, our city, and to our quality of life.

Sincerely,

TOBY COOPER,
Wildlife Programs Coordinator.

THE WILDERNESS SOCIETY,
Washingon, D.C., February 3, 1977.

Hon. THOMAS EAGLETON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR EAGLETON: The Wilderness Society commends and supports the efforts of those who are seeking through legislation to honor Justice William O. Douglas by dedicating a portion of the C & O Canal National Historic Park to him, particularly the areas of the towpath and canal. The towpath was the area this great public servant, author, teacher, world traveler and conservationist loved to walk. As a conservationist who hopes to be remembered as one who made the earth a little more beautiful, the canal was the area he saved. Congress can appropriately honor Justice William O. Douglas and his devotion to the preservation of our country's natural environment by dedicating these portions of the C & O Canal National Historic Park to this prestigious public servant.

The Society genuinely hopes that you will pay tribute to the outstanding contributions of this eminent man to his country and its citizens by bringing about accelerated action on the legislation to assure the dedication of a portion of the C & O Canal National Historic Park to Justice William O. Douglas.

Environmentally yours,

GRACE PIERCE,
(For the Wilderness Society.)

Mr. GOLDWATER. Mr. President, if the Senator will yield, I did not hear the reading of the bill. What does the bill do?

Mr. EAGLETON. In my response to the question of the Senator from Arizona, this bill would dedicate—not change the name of—but dedicate, a portion of the C. & O. Canal to the memory of Justice Douglas, he being the one who, in essence, saved it from being converted into a highway, and a portion of that would be dedicated with a small sign saying that this portion, the towpath to be exact, is dedicated to the career and memory of Justice William O. Douglas.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 776) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 776

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the canal and towpath of the Chesapeake and Ohio Canal National Historical Park are hereby dedicated to Justice William O. Douglas in grateful recognition of his long outstanding services as a prominent American conservationist and for his efforts to preserve and protect the canal and towpath from development.

SEC. 2. In order to carry out the provisions of this Act, the Secretary of the Interior is authorized and directed to provide such identification by signs, including, but not limited to changes in existing signs, materials, maps, markers, interpretive programs or other means as will appropriately inform the public of the contributions of Justice William O. Douglas.

SEC. 3. The Secretary of the Interior is further authorized and directed to cause to be erected and maintained, within the exterior boundaries of the Chesapeake and Ohio Canal National Historical Park, an appropriate memorial to Justice William O. Douglas. Such memorial shall be of such design and be located at such place within the Park as the Secretary shall determine.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate go into executive session.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

Mr. ROBERT C. BYRD. Mr. President, I send to the desk two nominations that have been adopted unanimously in the Committee on Foreign Relations and reported today. At the request of Mr. SPARKMAN, I ask unanimous consent that these two nominations, one being that concerning Elliot L. Richardson to be Ambassador-at-Large and the Special Representative of the President of the United States for the Law of the Sea Conference and Chief of Delegation, the other being that of Warren M. Christopher, of California, to be Deputy Secretary of State vice Charles W. Robinson resigned, be considered immediately.

The PRESIDING OFFICER. The nominations will be stated.

DEPARTMENT OF STATE

The second assistant legislative clerk read the nomination of Elliot L. Richardson, of Massachusetts, to be an Ambassador-at-Large and a Special Representative of the President of the United States for the Law of the Sea Conference and Chief of Delegation.

The second assistant legislative clerk read the nomination of Warren M. Christopher, of California, to be Deputy Secretary of State.

Mr. BAKER. Mr. President, I might say that I was advised today that the President of the United States was anxious to have these matters processed and confirmed by the Senate. I indicated to the President, through his emissary, that I thought that request was entirely in order and that we share the high respect for these two men as obviously does the President.

There is no objection on the Republican side.

Might I say with respect to Mr. Richardson, while the matter was not referred to the Committee on Commerce, there are jurisdictional aspects of the assignment which relate to the responsibilities of the Committee on Commerce; and I have also cleared the confirmation proceedings with the ranking minority member, Senator PEARSON, of Kansas.

Mr. CRANSTON. Mr. President, I shall say one word about Warren Christopher. He is an outstanding Californian with a remarkable background in many fields. He was the No. 2 man in the Department of Justice in a previous administration. As the No. 2 man now in the Department of State he can bring great strength to that particular responsibility. He has had wide experience in foreign relations and in addition to working on domestic matters in the Department of Justice. Most of all, he is an outstanding attorney in California, connected with a very fine firm there.

Mr. JAVITS. Mr. President, the press has been rather importantly reporting the events which occurred when this nominee was assistant to the Attorney General of the United States in 1968 and 1969, with a special reference to a situation uncovered by the Ervin committee of the Judiciary Committee as to the violation of the constitutional rights of Americans through surveillance by the U.S. Army and other intelligence agencies which are alleged to have covered some 18,000 and perhaps as many as 100,000 Americans, to have infiltrated various organizations, like the National Association for the Advancement of Colored People and others, to have spied on those organizations, and to have been a very considerable network which violated the civil liberties and civil rights of thousands of Americans.

In connection with Mr. Christopher, this activity relates to his explanations this morning of those days of turbulence respecting especially the campus protests over the Vietnam war. The matter of internal security in the United States was very much uppermost in the mind of President Johnson and especially the Department of Justice. It was Mr. Christopher's job, under Attorney General Ramsey Clark, to coordinate the detailed operations of the Government which would deal with those disturbances in an intelligent way. He knew nothing about, and had nothing to do with, this type of surveillance.

An agency which coordinated the activities of Justice and the Defense Department on this subject, which he knew all about, also was not in a position, as far as his knowledge was concerned, to have conveyed to him any knowledge that he had or that he should have had about what was going on in terms of the personal surveillances which I have described.

It was 10 years ago and the committee came, I think properly—to the conclusion that we should not report him other than favorably because of that situation. I, too, voted for him. But, Mr. President, I believe it is very important that all these facts be before the Senate and, as soon as the transcript of the questions and answers is printed, which contains some original documentary material on the subject, going back to 1968, I shall include those in the RECORD.

Also, we in the Committee on Foreign Relations had an analysis made by the Library of Congress, which, in essence, says that while Mr. Christopher perhaps might be charged with the fact that he should have known if he did not know, they just do not want to make any summary finding on him. That was the same conclusion made by Senator Ervin in his 1973 report, the essential finding of which is also contained in the record of the hearing which I shall include in the RECORD.

I think the upshot of the matter is this: One, the fact that Mr. Christopher has been required to account in great detail for what took place at that time is a very salutary aspect of the confirmation proceeding. Second, he stated very clearly that, had he known or had any reason to know, he believes it would have been his duty to dissociate himself from any such activity and to disown it, and that he would have done so. He is a man of honor; there is no question about his professional standing at the bar, and this he knew to be his duty. So a recognition of his duty and responsibility is a second plus factor.

Third, he made a very complete pledge to the committee, and I think quite sincerely, reflecting his support of the primacy in U.S. foreign policy of the human rights issue following the very strong lead in that regard which President Jimmy Carter is giving. I think it was a very convincing testimonial to his determination on that issue.

I believe, on the whole, Mr. President, it will make him a much better incumbent in this office than he might have been otherwise. He personally expressed to me his approval of the fact that, in public session and under rather rigorous cross-examination, which I had the honor to conduct, these facts should be thoroughly disclosed. That, too, is to his credit.

On the record, I believe his confirmation is a proper one and I believe that a very useful purpose has been served by this exposition of the facts and that it will make him a better Deputy Secretary of State than he otherwise might have been. As the Senate, I am sure, is doing, has already proceeded to do, his nomination should be confirmed. I am quite confident that he will be very responsive to Congress and to its committees, as well as to the President and the Secretary of State, on these issues which were raised in this particular inquiry.

Mr. President, I ask unanimous consent that the report to which I have referred may be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SUMMARY OF FINDINGS

Army surveillance of civilians engaging in political activities in the 1960's was both massive and unrestrained. At the height of the monitoring, the Army engaged over 1,500 plainclothes agents to collect information which was placed in scores of data centers around the country. While most of the information collecting consisted of activities such as the clipping of newspaper accounts and attending public events, there were many more serious instances of surveillance in which covert means were used to observe or infiltrate groups. No individual, organization, or activity which expressed "dissident views" was immune from such surveillance and, once identified, no information was too irrelevant to place on the Army computer. Apparently, the impetus for the surveillance were in response to the ghetto riots and mass demonstrations which marked the mid-1960's, and which had required the use of Armed Forces. The Army claims these earlier disturbances had indicated the need for more information to predict future riots and disturbances, and to deploy troops and conduct operations when called upon by the President.

The chief subjects of the surveillance were protest groups and demonstrators whose activities the Army attempted to relate to its civil disturbance mission. Little distinction was made between peaceful and non-peaceful groups. Protests and demonstrations of

a peaceful, non-violent nature, which have come to be recognized as significant parts of this country's legitimate political process, were all targets for the Army's agents. More traditional forms of political activity were similarly monitored if they involved dissident groups or individuals.

The mushrooming of surveillance has been explained by the sense of panic and crisis felt throughout the government during this period of extremely vocal dissent, large demonstrations, political and campus violence, and what at the time seemed the inauguration of a period of widespread anarchy. While officials testifying before the Subcommittee suggested that these crises justified the surveillance, they failed to recognize that the rights guaranteed by the Constitution are constant and unbending to the temper of the times. As Justice David Davis stated a century ago in the case of *Ex parte Milligan*, 71 U.S. 2, 120–121 (1866):

"The Constitution of the United States is a law for rulers and people, equally in war and in peace, and covers with the shield of its protection all classes of men at all times under all circumstances. No doctrine involving more pernicious consequences was ever invented by the wit of man than that any of its provisions can be suspended during any of the great exigencies of government. Such a doctrine leads directly to anarchy or despotism, but the theory of necessity on which it is based is false, for the Government, within the Constitution, has all the powers granted to it which are necessary to preserve its existence, as has been happily proved by the result of the great effort to throw off its authority."

One of the theories prevalent during the mid-1960's was the theory that the widespread disorders could be traced to a determined effort on the part of a defined group of political activitists. This conspiracy theory was manifested not only in testimony before the Congress but in conversations of high government officials meeting on ways to deal with the crisis. The conspiracy theory was one of the underpinnings of the Army surveillance program, as well as the intelligence efforts of other federal and state agencies during the period. Whatever the evidence then thought to support this theory, the presumed existence of a grand conspiracy again does not excuse or justify Army surveillance. The responsibility of collecting evidence to establish such a theory belongs, if to any governmental agency, to civilian law enforcement and never to the military. It is more than a footnote to history that no evidence has ever been found supporting the conspiracy theory.

Despite the explosive climate of the late 1960's, military surveillance of civilian political activities in fact had a much longer history. While there was unquestionably a great upsurge of such activity after 1967, the origins of surveillance can be traced as far back as World War I. Its intensity varied in the ensuing years.

The subcommittee has been unable to conclude what particular official or officials were responsible for ordering the expansion of the surveillance operation in the late 1960's. Senior officials, both civilian and military, in the Departments of Defense and Army should have been aware of these operations. Several comprehensive intelligence-gathering plans were circulated to the upper echelons of both departments. There is no satisfactory explanation why these officials should have remained unaware of the program or, if aware, why they failed in their responsibility to perceive the violations of constitutional law and traditions taking place. The failure of senior civilian officials to know of this program, or if knowing, to halt it, represents one of the most serious breakdowns of civilian control of the military in recent years.

It took over two full years—from the Army's discovery of surveillance excesses late in 1968 and early in 1969 until the creation of DIRC and its inspections beginning in spring of 1971—for the civilian superiors to bring the military under control. Once set in motion, the bureaucratic inertia proved all but impossible to halt, finally requiring as it did congressional hearings, prohibitions by the Secretary of Defense and the President, law suits, reprimands of senior officers and threats of courts-martial, great public outcry, and finally unannounced inspections, before the military, if not the American people, could be assured that the surveillance had been ended.

In any case, it is now apparent that domestic surveillance was undertaken in earnest in 1967 by several Army officers and commands. There was, apparently, no centralized control—each appeared to proceed on its own initiatives.

Participating in the domestic intelligence collection program were the U.S. Army Intelligence Command (USAINTC) and the Continental Army Command (CONARC). The Office of the Director of Civil Disturbance Planning and Operation (DCDPO), under the Army Chief of Staff, produced intelligence analyses predicting future disturbances. A similar function was performed at Department of Army level by the Counterintelligence Analysis Branch (CIAB) which was under the supervision of the Assistant Chief of Staff for Intelligence.

USAINTC was the principal intelligence-gatherer. It was comprised of 304 stateside offices, manned by over a thousand agents. CONARC, in reality a huge "holding company" of stateside armies, had intelligence units assigned to it, and these also engaged in intelligence gathering. Both commands maintained huge data banks of information obtained from these agents, and from external sources, including the intelligence units of other branches of service and the FBI. DCDPO and CIAB also maintained computerized intelligence files.

The subcommittee takes note that while these agencies did participate in domestic surveillance, they performed other legitimate intelligence functions. What proportion of their energies were devoted to domestic intelligence, the subcommittee cannot precisely ascertain.

The collection plans promulgated by these commands and agencies were vague and overbroad. This lack of definition resulted in collections of irrelevant, incorrect, ambiguous, and ultimately, useless information which bore no conceivable connection with the Army's civil disturbance mission.

The methods used in conducting surveillance were also objectionable. While most of the intelligence was gathered by agents at public meetings or from clipping printed publications, there is considerable evidence of the frequent use of undercover agents and other covert means to obtain information. The collection plans provided little restriction on how the intelligence was to be collected.

Army intelligence data was circulated not only to Army commands, but also to other branches of service, and to civilian agencies, in particular the FBI.

The domestic intelligence was used by the Department of Army to prepare briefings and written analyses for use by the Pentagon. These briefings and analyses appear to be as far removed from the Army's domestic mission as the information from which they were gleaned.

Storage of domestic intelligence was not confined to the computers of USAINTC and CONARC. Substantial files were maintained in virtually every subordinate command and field office across the country.

Despite efforts by certain Department of Army officials to limit the nature and scope of surveillance, it continued largely unabated until public pressure began to build in early 1970.

In March 1970 the Secretary of the Army ordered surveillance of civilian political activity to cease, and the data banks containing the intelligence to be destroyed. An Army directive to this effect, but not without loopholes followed in June.

The Secretary of Defense issued similar orders in December 1970 which applied to all services. A Defense Department directive appeared in March 1971 reiterating the prior orders and directives. It furthermore provided for a Defense Investigative Review Council (DIRC) to be established to monitor the intelligence activities of the services and insure compliance with the directive.

The experience from early 1970 through the period following the subcommittee's hearings in March 1971 demonstrates the difficulty that the senior civilian faced in trying to impose controls and obedience to their orders in lower echelons. Even during our hearings, a full year after the first attempts by the Secretary of the Army to control the surveillance, the subcommittee was receiving reports of efforts to frustrate higher orders. If one agrees with the Army's contention that it discovered and sought to control surveillance as early as February 1969, then the evidence of disobedience to civilian control is even more striking. In any case, it was only after the creation of the DIRC and the institution of periodic unannounced inspection tours that the Congress and the people could begin to have confidence that the surveillance was in fact being stopped.

Nonetheless, the subcommittee has only the assurance of the Army and the executive branch that the domestic intelligence files have been destroyed. No independent inspection has been permitted, nor can the subcommittee evaluate the adequacy of the assurance it has received. Did the Army verify the destruction of the files by its own inspection? Were they only shifted to other agencies? Were they simply disguised or hidden? While the subcommittee has no concrete evidence to suggest unsatisfactory answers to these questions, our experience during the investigations requires some measure or caution in accepting these assurances.

We also have the assurance that surveillance will not resume, but similarly we cannot evaluate the worth of that assurance. Given the fact that much of the previous intelligence work was done by local agents working on their own initiative, can we be sure that control by the upper echelons will be an effective restraint? In the final analysis, the present policy is one of military self-restraint, self-imposed and self-enforced. In effect, the situation has returned to the "pre-riot" stage, with only the lessons of the recent controversy as a restraint on the reactivation of the surveillance.

There is no question that military surveillance of civilian political activity is illegal, at least in the sense that it was not authorized by law. Finding no explicit sanction in the constitutional mandate to suppress domestic violence, or in the statutes which have been promulgated under it, the subcommittee cannot imply the need for such domestic operations from the military's limited domestic mission.

The historical tradition of limited intervention of the military in civilian affairs, and the subordination of the military to civilian control, are two reasons for refusing to imply broad powers from the existing constitutional and statutory mandates. The narrowly defined character of the statutes authorizing use of armed forces to suppress domestic violence, and the statutes which generally restrict the use of military agents elsewhere in the civilian domain, are additional compelling reasons to limit this assertion of au-

thority to intrude in civilian affairs. Finally, the subcommittee feels, such implication should be resisted because there are civilian intelligence agencies which perform precisely the function the military claims is theirs. Practical necessity does not dictate such implied authority which duplicates the activities of civilian agencies in an area so fraught with dangers to constitutional government.

Second, military surveillance inhibits the exercise of constitutionally guaranteed rights of free speech, free association and privacy. The Constitution denies govenment the power to inhibit as well as prohibit the exercise of first amendment rights. The effect of Army surveillance is to cast the pall of official disapproval upon the views and activities of those whom it makes its subjects. Once so identified, these civilians and civilian organizations have more difficulty in making converts or attracting sympathizers because of an implicit fear that some type of official retribution may one day be visited upon those who have been recorded as having espoused views contrary to those of the Government. Furthermore, the outspoken citizens or organizations may themselves be reluctant to continue to express unpopular opinions in the face of official disapproval and diminishing acceptance of their positions. In short, military surveillance infringes upon first amendment rights because it increases the reluctance of citizens to voice their opinions. It is difficult to perceive a more effective method of stifling the public willingness to engage in controversial public debate than by the specter of military surveillance. Congress itself long ago recognized the effect of a military presence in domestic politics by enacting a specific law, 18 U.S.C. 592, which prohibits stationing military forces at polling places.

The infringement of first amendment rights attributed to Army surveillance has been argued before the courts in the context of whether such infringement is alone enough harm to invoke in the courts' jurisdiction. The government claimed that some additional harm—for example, loss of employment, a privilege, or a service—must be entailed by the inhibiting governmental activity before the inhibition is unconstitutional. The Supreme Court, by a 5–4 decision concerning the constitutionality of Army surveillance, agreed and dismissed the complaint in *Tatum v. Laird*, 408 U.S. 1 (1972).

The subcommittee disagrees with this view. The simple allegation that one's first amendment rights have been infringed by an existing governmental activity should be sufficient to invoke the jurisdiction of the courts. Many past Supreme Court decisions show that government action which, by itself, or in conjunction with other social or political factors, can be seen to discourage exercise of free speech, is sufficient to raise an issue of constitutionality under the first amendment. When that government action is unauthorized by law, contrary to explicit criminal prohibitions, unnecessary and irrelevant to a specific government purpose, vaguely defined, and loosely administered, there is no question that under traditional concepts of constitutional law, the Court should have found that military surveillance is a violation of the first amendment.

And, in any case, if, in the Court's view, the necessary elements to present a controversy ripe for decision were not found in the *Tatum* case, this does not prevent or excuse the Congress from determining the issue. Congress is not bound by the technical rules of "justiciability" or "case or controversy" that govern the judicial branch. From our examination of the facts and law, is the view of the subcommittee that Army surveillance did violate the first amendment.

Third, while the infringement of a first amendment right should be sufficient injury upon which a court could grant relief, courts have held, and the subcommittee agrees, that where the effect of the governmental activity is "incidental" to the attainment of a "compelling" governmental interest, the activity is not rendered unconstitutional. But it should nevertheless be restricted as nearly as possible to avoid infringing upon first amendment rights, while still accomplishing the desired objective.

Military surveillance does not meet this test. There is an alternative to Army surveillance, a less restrictive means of obtaining domestic intelligence in preparation for civil disturbance—namely, to limit this activity to civilian intelligence agencies, which are explicitly authorized by law to perform this function.

In times of civil disturbance military forces are subordinate to civilian authorities and it is these authorities which must decide how and where to deploy military forces. This underscores the desirability and propriety of leaving this intelligence function in civilian hands.

The subcommittee concludes, then, that military surveillance was both unauthorized and in violation of the first amendment.

PART I. THE NATURE OF DOMESTIC INTELLIGENCE

The chief factual question before the subcommittee concerned the nature and scope of the military's domestic intelligence operations. Former intelligence agents alleged that the surveillance of individuals and organizations active in civilian politics was massive and unrestrained. The Army, while characterizing these charges as exaggerated, reluctantly conceded a number of unspecified abuses and excesses. At the same time it promulgated substantial changes in policy.

On the basis of extensive documentary and testimonial evidence, much supplied by the Departments of Defense, Army, and Justice, it is evident that the U.S. Army had for several years maintained a close and pervasive watch over most civilian protest activity throughout the United States. At its height during the late 1960's, the monitoring drew upon the part-time services of at least 1,500 plainclothes agents of the Army Intelligence Command, and an unspecified number of agents from the Continental Army Command.[2] Their reports, which described the nonviolent political activities of thousands of individuals and organizations unaffiliated with the armed forces were amassed in scores of data centers. Intelligence reports and computer printouts examined by the subcommittee establish that no demonstration was too small or too peaceful to merit direct or indirect monitoring. No church meeting was too sacred and no political gathering too sensitive to be declared off limits. The picture is that of a runaway intelligence bureaucracy unwatched by its civilian superiors, eagerly grasping for information about political dissenters of all kinds and totally oblivious to the impact its spying could have on the constitutional liberties it had sworn to defend.

Purposes of the Domestic Surveillance Program

Reconstructing the purposes of any large program is never as easy task. This is particularly true here since the policy originated without congressional authorization, and close centralized supervision was absent. According to Mr. Froehlke, "the records reveal that little, if any, direction and guidance was provided to the military services from the White House or the Justice Department in written form."[3] Moreover, "[i]n none of the documents of record * * * do we [the Department of Defense] find a specific legal rationale for this use of military resources to collect civil disturbance information."[4] Mr. Froehlke alluded to "[n]umerous memoranda of record of interagency group meetings at the White House and elsewhere,"[5] but none has been made available to the subcommittee. Because the subcommittee has not had the opportunity of a firsthand analysis of these memorandums, it has had to rely heavily on the interpretations and reports prepared by the Department in response to its questions.

Apart from these reports, the subcommittee has had to infer the program's purposes from (1) the nature of the information sought (particularly as evidence by various collection plans), (2) the uses to which it was put (as evidenced by computer printouts, intelligence reports, publications, and the recollections of former agents), and (3) after-the-fact justifications (as reported by representatives of the executive branch and former agents).

Early warning of civil disorders.—The Army's demand for reports on incidents involving demonstrations, confrontations, or violence clearly was tied to its desire for advance notice of riots which it might be called upon to quell. During the early 1960's, responsibility for the early warning system was assigned to the Continental Army Command, the nationwide holding company for most stateside troop units and installations. This delegation, according to Mr. Froehlke, took place in 1963.[6] In January 1965, this assignment was shifted to the Army Intelligence Command along with the transfer of the military intelligence groups that had been providing the manpower to carry it out.

Nonetheless, the Continental Army Command continued to operate its own early warning system. To do so, it drew upon the resources of a number of combat-oriented military intelligence detachments assigned to garrisoned troop units. The Continental Army surveillance system operated in violation of regulations, and without the knowledge, apparently, of senior Army commanders. At one point in the investigation, formal legal action against these senior commanders was contemplated, but no formal steps were ever taken on the matter.[7]

Although one purpose of the program was early warning, there is no indication that the intelligence was ever actually used in this way. In fact, most of the intelligence was gathered from FBI and press reports regarding events leading up to civil disturbance. The Army's role in generating intelligence for this purpose was not substantial. In fact, it duplicated the work of civilian intelligence agencies, and its own operations were repetitious due to the fact that two independent early warning systems were being operated by the Army—one by the Intelligence Command and one by the Continental Army Command.

Prediction of ghetto riots.—The early warning systems presumably were designed to save hours and minutes in reaction time. They did not help the Army plan how best to allocate its resources over long periods of time. Accordingly, efforts also were undertaken to make long-range predictions of ghetto riots from historical and sociological data. Collection of this kind of information began as early as 1966, but did not reach large proportions until after September 1967, when Mr. Cyrus Vance, former Deputy Secretary of Defense, submitted his after-action report as President Johnson's representative to Detroit. He recommended:[8]

"The assembly and analysis of data with respect to activity patterns is also needed. I believe that it would be useful to assemble and analyze such data for Detroit, Newark, Milwaukee, Watts, etc. There may be "indicator" incidents; there may be typical patterns of spread; there may be a natural

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sequence in the order in which several types of incidents occur. All of these should be studied."

The assignment to identify such indicators and patterns was given to the Counterintelligence Analysis Branch (CIAB) in the Office of the Assistant Chief of Staff for Intelligence (OACSI). This branch directed the development of a number of "EEI's" or "Elements of Information," and "ICP's" or "Intelligence Collection Plans," to require intelligence gathering to this end. The most notable of these was published as the DA Civil Disturbance Collection Plan of May 2, 1968. Proceeding from the assumption that ghetto riots were likely to be caused by conspiracies, this document called for reports on "militant agitators," "inflammatory propaganda," and "rabble-rousing meetings and fiery agitation speeches of extremist civil rights groups." [9] A second collection plan, promulgated by the Army, on April 23, 1969, came to the subcommittee's attention in October 1971, in a newspaper account.[10] This particular collection plan is noteworthy because it was issued simultaneously with the Beal memorandum, discussed later in this report, which, the Department contends, signaled the beginning of the end of the surveillance. This plan, however, was, if anything, far greater in scope than its predecessors. It discloses an intent to continue and to intensify the surveillance.

The intelligence gathered in response to these collection plans was used to prepare "civil disturbance estimates of the situation." The first such estimate, patterned on "estimates of the situation" prepared by units in combat, was assembled by CIAB at the height of the Detroit riots. Basically, it was an account of what had happened and a guess at what had been responsible. Subsequent estimates drew upon historical and sociological data to assess the riot potential of a number of large cities. These assessments were included in the packets of materials prepared for riot unit commanders and other public officials with riot control functions. Still other threat estimates attempted to predict the course of protest politics in America over 1- and 5-year periods.

In addition, analysts at CIAB attempted to classify cities according to their potential for civil disorder. Over 100 cities were finally sorted into four categories, each representing a degree of likelihood that federal military assistance would be required to cope with a ghetto riot or unruly demonstration.

These threat analyses were typically short, pedestrian reports, exhibiting little insight or depth. They might as well have been prepared from reading daily newspapers and summarizing the assessments of leaders and observers in the particular cities.

Reconnaissance of potential riot areas.—When Lt. Gen. John Throckmorton arrived on the riot-torn streets of Detroit in July 1967, he had only an oil company map from which to determine where and how to deploy his troops. Accordingly, Mr. Vance had recommended:

"In order to overcome the initial unfamiliarity of the Federal troops with the areas of operations, it would be desirable if the several Continental armies were tasked with reconnoitering the major cities of the United States in which it appears possible that riots may occur. Folders could then be prepared for those cities listing sites and possible headquarters locations, and providing police data, and other information needed to make an intelligent assessment of the optimum employment of Federal troops when committed." [11] A reconnaissance program designed to provide information on potential riot areas had existed on paper for several years prior to Vance's recommendation as part of the U.S. Strike Command's contingency plan for riot duty. But like the early warning system, it was not activated until after the Newark and Detroit Riots. Its implementation during the winter and spring of 1967–68 resulted in the compilation of packets of maps and other descriptive information pertaining to certain cities and necessary to the efficient deployment of troops in those cities.

Planning for mass demonstrations.—Ghetto riots were not the only type of disruption for which the Army was directed to prepare during the 1960's. Organized mass demonstrations were also a major test of law enforcement capabilities. Beginning with protests against racial segregation in the South, military forces increasingly were called on to assist Federal or State authorities to keep the peace, enforce court orders, or protect lives and property. Some of the situations involved individuals and groups which deliberately broke laws in order to challenge their constitutionality or legitimacy or to express dissatisfaction with governmental policies. Often task force commanders were required to commit their forces without knowing exactly what they would encounter. In large part the lack of relevant and timely intelligence appears to have been due to the inadequacy of information supplied by civilian agencies. Police reports often were sporadic and inappropriate to military needs. FBI intelligence, in particular, was found to be weak in regard to the size, intentions, and capabilities of student and black groups.

Indicative of the Army's concern that it have such intelligence is a report from then Maj. Gen. Creighton Abrams on the Army's experiences during the civil rights marches in Birmingham, Ala., in May 1963:

"We in the Army should launch a major intelligence project without delay, to identify personalities, both black and white, develop analyses of the various civil rights situations in which they may become involved, and establish a civil rights intelligence center to operate on a continuing basis and keep abreast of the current situation throughout the United States, directing collecting activities and collating and evaluating the product. Based upon this Army intelligence effort, the Army can more precisely determine the organization and forces and operation techniques ideal for each." [12]

To the extent that the surveillance system was designed to overcome this gap, it was inadequate. As disclosed by the computer printouts, information on the organization, plans, and size of various groups was collected, with no attempt was made to differentiate between those groups clearly law abiding and those which might possibly be involved in violence. The information was sketchy, subjective, and of little practical value to the Army for planning purposes.

Identifying "troublemakers."—The Army's need to know what was behind or involved in mass demonstration tended to merge with its more traditional interest in espionage, subversion, and revolution. Military intelligence officers, trained in counterintelligence and counterinsurgency warfare, and often with experience combating actual Communist conspiracies in foreign assignments, proceeded from the assumption that Communists or other revolutionaries were behind the turmoil of the 1960's. They tended to conceive of looters as a kind of "enemy" and marching protesters as "dissident forces." [13]

Military security.—The collection of personality and organizational data for civil disturbance purposes also overlapped with the military's collection of intelligence for purposes of its own security. The civil disturbance intelligence effort supplemented and was supported by both the older personnel security program and the newer intra-Army intelligence operation designed to identify dissent among individual servicemen.

The personnel security program was called upon to supply the bulk of the manpower used to collect civil disturbance intelligence. In return, personality and organization data from the civil disturbance collection effort was used to supplement the results of investigations of persons being considered for military security clearances.

The effort to monitor dissidents within the civilian community also overlapped with the monitoring of dissident servicemen who showed signs of "disaffection" and "subversion" which might undermine discipline and lead to "resistance in the Army." The overlap was most complete where civilian antiwar and black power groups were suspected of attempts to proselytize or recruit servicemen. Extensive files were kept on soldiers who belonged to civilian "organizations of interest," subscribed to antimilitary newspapers, frequented antiwar coffee houses, applied for draft counseling or conscientious objector status, refused to buy U.S. savings bonds, or complained to their Congressmen. Information for these files was culled from CONUS intelligence reports. The same personnel often ran both programs.

In practice, these separable purposes appears to have merged in the minds of most intelligence personnel to produce an operational presumption that the military had both the need and the authority to monitor any and all kinds of political expression. The presumption was encouraged both by high civilian officials who asked for all sorts of information without questioning how the Army would collect it, and by the Justice Department, which refused to assume sole responsibility for a civil disturbance early warning system.

Origins of the surveillance

The subcommittee, in the course of its investigation of military surveillance of civilians, has found it necessary to concentrate its attention on intelligence operations undertaken by the Army during the late 1960's. There can be no question that the military's interest in civilian protest politics expanded most rapidly in both scope and intensity during this period. Yet it would be a mistake to conclude that the monitoring began with the Newark and Detroit riots of 1967. Military surveillance of civilian politics in the United States is as old as Army intelligence itself.

World War I precedents.—Although the precedents go back to colonial times, the Army's recent operations can be traced most directly to the founding of military intelligence in 1917. From the outset, military intelligence has competed with the Justice Department for jurisdiction to investigate spies, saboteurs, and other subversives within the civilian populace. In 1918, a substantial campaign was launched in Congress to transfer to the War Department summary powers to investigate, arrest, try, and punish suspected German spies.[14] The campaign failed when President Wilson threw his support to the opposition,[15] but Army intelligence continued its investigations. The famous *Abrams* case,[16] for example, which Justice Holmes delivered one of his most eloquent dissents in support of the "clear and present danger" doctrine, arose out of illegal arrests of civilians by Army intelligence sergeants.[17]

Army intelligence also competed with the Justice Department's Bureau of Investigation (forerunner of the FBI) for the cooperation of the American Protective League, a nationwide organization of lawyers and businessmen who voluntarily monitored their communities for signs of disloyalty and began what is today the security clearance program.

Under the aggressive leadership of Col. Ralph Van Deman, and later Lt. Col. Marlborough Churchill, military intelligence eventually came to compete with the Protective League. By the end of the war, Army intelligence had established a nationwide network of its own informants.[18] These civilians reported to the Army not only on sus-

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pected German spies and sympathizers, but also on labor organizers, socialists, Communists, aliens, and even U.S. attorneys who, in their opinion, lacked sufficient anti-German fervor. Army and Navy undercover agents infiltrated a number of labor organizations and encouraged troop commanders to violate the Possee Comitatus Act [19] to round up civilians and jail them without preferring charges on military installations.[20]

Interwar period.—Fear of labor strife, socialism, and communism prevented the dissolution of the Army's domestic intelligence apparatus immediately following the armistice. Contingency plans not unlike those now in effect to deal with ghetto riots were drawn up to provide for the use of troops to put down labor strife.[21] In support of these plans, Army intelligence continued to monitor protest politics. In one incident occurring in September, 1918, Maj. Omar Bradley was rebuked by a representative of the Justice Department for taking part in a raid on a union newspaper in Butte, Montana.[22]

Postwar economies gradually led the Army to disband military intelligence in 1924. The American Protective League (then the National Protective League) went out of business at about the same time, leaving the new Federal Bureau of Investigation in charge of almost all domestic intelligence activity for the Federal Government until the eve of World War II.

World War II.—The establishment of the Army Counterintelligence Corps (CIC) just prior to the Second World War marks the creation of the intelligence gathering organization which is the object of the current controversy. Although reorganized in the past decade into Army Intelligence Command (for stateside counterintelligence services), the Army Security Agency (for worldwide electronic intelligence), and a variety of other intelligence units (in part for unit and installation security), the CIC refined the Army's procedure for monitoring civilian politics.

These procedures, developed in part out of the Army's experience in combat intelligence and civil affairs, were used throughout the Second World War as part of the industrial security, personnel security, and counterespionage programs. By 1944, each of the stateside 'service commands" was disseminating spot reports, weekly and monthly intelligence summaries, and a variety of special reports on civilian political activities within its area of jurisdiction. Copies of some of these reports, dealing with such subjects as "Communist matters," "Racial Matters," and Miscellaneous Groups and Organizations," are now on file with the Senate Internal Security Subcommittee.

Cold war period.—Military monitoring of civilian continued into the Cold War era. The 6th Army's Weekly Intelligence Summary of February 18, 1947, for example, lists Will Rogers, Jr., as a "Communist sympathizer." Another 6th Army Weekly INTSUM notes that the San Francisco Chapter of the National Association for the Advancement of Colored People had endorsed a subscription drive to Peoples World.[23]

Letters received by the subcommittee from former military intelligence personnel indicate that during the 1950's naval intelligence in California kept a list of the membership of the Monterey Unitarian Church.[24] About the same time, Army intelligence in Texas kept records on the membership of the Unitarian congregation in Houston.[25]

The early 1960's.—Former Army agents and Defense Department witnesses heard by the subcommittee agree that the recent expansion of the CONUS intelligence program grew out of the use of troops to enforce Federal laws and court orders in the South and to put a stop to ghetto riots in the North and West during the early 1960's. However, as part of its military security efforts, the Army also continued to keep files on civilians and civilian organizations not involved in the riots, or in challenges to civil authority at any level of government. As part of what was then called the "domestic intelligence program," the 113th Intelligence Corps (now the 113th MI Group) was keeping records on Minneapolis residents as early as 1962. Files recently destroyed at the Manhattan offices of the 108th MI Group dated back to before the Harlem riots of 1964, which was about the time that the Counterintelligence Analysis Branch (now detachment) in the Office of the Assistant Chief of Staff for Intelligence set up its "North American" desk and began keeping track of right-wing racial groups.[26]

During 1965, agents of the 112th MI Group in Oklahoma City regularly photographed and reported on anti-war protesters picketing near that city's Federal courthouse. A year later, agents of the 111th MI Group rented a pickup truck and followed James Meredith on his "walk against fear" through Mississippi. About the same time, the 112th MI Group was keeping files on Texas State Representatives Curtis Graves and Barbara Jordan, ACLU attorneys, antiwar activists, and the president of the Brotherhood of Railway Clerks.[27]

Thus, while the Army's monitoring of civilians expanded greatly in the wake of the ghetto riots of 1967–68, the surveillance was far from unprecedented. On the contrary, the essential apparatus was in operation long before the Army was called upon to anticipate riots or to plan for mass demonstrations. The CONUS intelligence operations of the late 1960s had their genesis in the civil disturbance contingency plans of 1963.

Newark and Detroit.—It is also clear that the Newark and Detroit riots of 1967, along with scores of lesser disturbances in other cities that summer, impelled the government to give the already existing apparatus for monitoring protest politics a massive allocation of resources. This also happened in the case of civilian police intelligence agencies. If the growth of the Army's contribution to this effort seems spectacular in retrospect, that is only because it had more resources immediately available.

Although Federal troops were deployed only once during the summer of 1967, the frequent deployment of State-directed National Guard units persuaded military officials that existing contingency plans would have to be revised and expanded. As part of that effort, a more complete listing of matters of intelligence interest (called "EEI" for "essential elements of information") was called for. Eventually this list was promulgated in a series of "collection plans."

Within the Office of the Assistant Chief of Staff for Intelligence, the Counterintelligence Analysis Branch (CIAB) was directed to pay more attention to domestic intelligence. Ralph M. Stein, one of the witnesses before this Subcommittee, was put in charge of a new "leftwing" desk. CIAB by then had converted its "North American" desk into a domestic intelligence section with "right-wing" and "racial" desks. At the initiative of Mr. William L. Parkinson, its Deputy Chief, CIAB also began research on the "Compendium" [28] and various civil disturbance "estimates of the situation." [29]

Lower in the intelligence hierarchy both the Intelligence Command and the Continental Army Command undertook to expand their collection of information relating to civil disturbances. Both increased their demand for reports and laid plans to computerize their files. At the Intelligence Command a special mug book on persons suspected of fomenting civil disorders was assembled, in part by drawing on a similar publication of the Alabama Department of Public Safety. The first person on the first page of this identification manual was a senior assistant to the Rev. Martin Luther King of the Southern Christian Leadership Conference (SCLC).

The Continental Army Command and its constituent armies and installations simply expanded collection and reporting operations in existence since the outbreak of World War II. These included the standard spot reports, daily, weekly, and monthly intelligence summaries, and local intelligence studies. During the winter and spring of 1967–68, teams of military intelligence agents and police officers conducted reconnaissance of potential riot areas to collect maps and descriptive data for the city packets called for by the Vance report.

The March on the Pentagon.—The October 1967 antiwar March on the Pentagon also prompted increased military monitoring of planned demonstrations. Agents from every military intelligence group in the country rode the buses, trains, and planes to Washington.[30] Such covert operations were not unprecedented; in 1963 Army agents had infiltrated the March on Washington for Jobs and Freedom. The March on the Pentagon, however, was the first violent confrontation with the military in protest against the war in Vietnam. It was aimed at the military's headquarters, and thus activated not only the Army's concern about civil disorders, but its concern for the physical security of its chief installation, the future obedience of its personnel, and its image. The merger of these grounds for initiating surveillance, combine with heavy demands for information from high civilian and military officials, undoubtedly discouraged professional intelligence officers from questioning their organization's needs for personality and organizational data on civilian protesters.

As this brief history shows, the most significant upsurge on the Army's domestic intelligence operations occurred between September 1967 and March 1968. During this period—before the tragic riots that followed the assassination of the Rev. Martin Luther King—the Army laid its plans to expand and computerize many of its files on civilian political activity. Characterization of protesters and rioters as "the dissident forces" and the promulgation of collection plans which emphasized the probable role of agitators and subversives in fomenting dissatisfaction with government and the status quo marked the Army's approach.

The April 1968 riots.—The tragic riots that swept the Nation following the assassination of the Rev. Martin Luther King did little to change the Army's conspiracy theory of the causes of civil disorder. Despite the absence of any evidence to support the theory (including the Kerner Commission's review of the intelligence on 23 riots in 1967), these assumptions continued to stress the likelihood of skillful, behind-the-scenes leadership by Maoist and Trotskyite Communists financed and directed from abroad.

What the King riots did was to expand radically official predictions of the scale of future civil disorders. Interpreting the riots as a trend, the Chairman of the Joint Chiefs of Staff, Gen. Harold K. Johnson, advised his civilian superiors that they should be prepared to deploy troops in as many as 25 cities simultaneously. At the same time, Cyrus Vance recommended on the basis of his experience in Detroit that the Army should never enter a ghetto with a force of less than 10,000 soldiers. The result of these two recommendations was the staggering estimate that the country needed 250,000 troops at the ready to quell civil disorders. This estimate (revised downward after General Johnson's retirement that summer) became the chief justification for a sharp increase in the number of military intelligence personnel assigned to collect and analyze civil disturbance information.

The decision to monitor.—It was about

Footnotes at end of article.

this time that the decision to engage in full-scale monitoring of domestic political activities was made. Because of the Defense Department's refusal to produce the witnesses or documents which shed light on this question, the subcommittee's conclusions are necessarily tentative. Lacking direct evidence, it must rely on partial information, interpolation of known facts, and certain documents disclosed in the press. Although there is considerable evidence that a number of high-level conferences were held to determine how the Federal Government should respond to riots and demonstrations, the subcommittee is still uncertain who directed military intelligence to collect such vast amounts of personality and organizational data.

Secretary of Defense Laird has maintained: "The military is sometimes blamed for this operation, but this operation was completely known to the highest [civilian] authorities within our Government." [31]

Secretary Laird's allegation was seemingly supported in several news accounts. Richard Halloran of *The New York Times*, for example, reported that the surveillance program was planned at a series of high level White House meetings in 1967 and 1968.[32] The principals at these meetings subsequently repudiated the roles attributed to them, however and the subcommittee's examination of the memoranda produced in these meetings corroborates their disavowals.[33]

Furthermore, the Department of Defense was not able to produce any documentary evidence to support Secretary Laird's contention. On the contrary, former Department officials, including Secretary of Defense Clifford and Under Secretary of the Army McGiffert, have denied the charge. They maintain that the decisions to collect and store detailed intelligence on civilians were made within the uniformed services and were not disclosed to the civilian leadership.[34] In addition, Mr. Froehlke, then Assistant Secretary of Defense (Administration), avoided any statement attributing direct responsibility to civilian officials. His testimony also is ambiguous on the matter of the knowledge of these activities, if any, at senior civilian levels.

The generals who reportedly ran the CONUS intelligence program and other high-ranking officers who had supervisory roles were not permitted by the Defense Department to testify before this subcommittee. In the absence of their testimony, it has been impossible for the subcommittee to resolve the question of responsibility with finality. The evidence supports the hypothesis that the highest officials of the Departments of Defense and Justice were or should have been informed of the program. The extent of their knowledge of the scope and nature of the surveillance is an open question. One would assume that had the civilian leadership of either Department been as well informed as Secretary Laird suggests, it is unlikely they would have experienced such difficulty in obtaining answers to the subcommittee's questions. The uncontradicted testimony of Mr. Edward Sohier, a member of the Army task group which was appointed to answer Mr. Pyle's charges, was to the effect that subordinate intelligence personnel may have deliberately lied to their superiors.[35] Mr. Sohier's testimony is corroborated by Army General Counsel Jordan's testimony before this subcommittee in which he admitted that he had been misled concerning the existence of the Fort Holabird computer.[36]

Whether misled or simply kept ignorant, the civilian authorities within the military, from what the subcommittee has been able to deduce, appear not to have directed the initiation of surveillance nor to have been aware of its sudden expansion in scope and nature which occurred in 1967–68.

In a real sense, however, the question of knowledge is irrelevant to the issue of responsibility. It is the manifest duty of civilian officials to know what their military subordinates are doing. Should these subordinates exceed authority, violate law, or engage in unconstitutional activities, their civilian superiors must nonetheless accept responsibility. The principle of civilian control is predicated on this, and it is the civilian officials no less than their errant military subordinates who must bear the burden of condemnation for the program.

Organizational initiatives.—Although the record remains incomplete, the subcommittee is persuaded that much of the surveillance resulted from the expansive view each echelon of military intelligence took of its civil disturbance role. This is not to say that military initiatives were not stimulated by the sometimes excessive demands of civilian officials for information, particularly during riots. Clearly, such pressures were applied. But the actual decisions to collect detailed information on specific individuals and organizations on the hypothesis that they might some day participate in, incite, or precipitate a riot appear to have been made by uninformed personnel without the permission of, and without notice to, their civilian superiors.

To take this responsibility upon themselves, officers of the various military intelligence units had to have substantial autonomy of decision and freedom from review. The following illustrative instances, reported in detail during the course of the subcommittee's investigation and hearings, indicate how broad the discretion of these officers was:

1. Deployment of electronic intelligence units in Chicago without Secret Service permission or civilian authorization and in admitted violation of sec. 605 of the Federal Communications Act of 1934.

2. The employment of a top-secret regional electronic grid system to monitor citizens band radio frequencies. The broadcasts proved to be entirely innocent in nature.

3. The infiltration of a coalition of church youth groups and chapel meetings by the 5th MI Detachment in Colorado Springs, Colo.

4. The development of a nationwide and regoinal computer data bank on civilians by III Corps at Fort Hood without Department of the Army approval.

5. The maintenance of files on elected officials at various locations including Evanston, Ill., Fort Sam Houston, Tex., Fort Holabird, Md., and Washington, D.C.

6. The infiltration of the Poor Peoples Campaign by the 109th, 111th, and 116th MI Groups.

Army Intelligence analysts, such as the Directorate for Civil Disturbance Planning and Operations (now the Directorate for Military Support), on its own initiative, issued broad, ambiguous guidelines calling for the more detailed information on "dissident forces," and the like. No direction of purpose was evidenced; the lack of centralized control was obvious.

Organization for domestic intelligence

For the most part the Army relied on existing intelligence structures to carry out the CONUS intelligence mission. The principal collection agencies were the U.S. Army Intelligence Command (USAINTC) and the Continental Army Command (CONARC). The chief analysis unit was the Counterintelligence Analysis Branch (CIAB), a subunit of the Office of the Assistant Chief of Staff for Intelligence. The Directorate for Civil Disturbance Planning and Operations also produced its own analyses and computerized listings of future demonstrations. So did each collection agency. There is also some evidence that the Provost Marshal General and his Criminal Investigation Division participated in the collection and dissemination of CONUS intelligence to a limited extent.

FOOTNOTES

[2] "Federal Data Banks, Computers, and the Bill of Rights." Hearings before the Constitutional Rights Subcommittee, Committee on the Judiciary, U.S. Senate, 92d Cong., 1st sess. (1971), p. 151.
[3] Hearings, pt. I, p. 384.
[4] Hearings, pt. I, p. 385.
[5] Hearings, pt. 1, p. 386.
[6] Hearings, p. 389.
[7] Hearings, pp. 1217, 1220–2.
[8] Hearings, p. 379.
[9] The DA Collection Plan is reproduced in its entirety in the Hearings, pp. 1128–1138.
[10] Hearings, p. 1731.
[11] Hearings, pp. 378–379.
[12] Paul J. Schieps "Role of the Army in Oxford, Miss. Incident, 1962–1963," Office of the Chief of Military History, Monograph No. 73M (Washington, D.C.: Department of the Army) 1965, p. 284.
[13] See hearings, p. 1121.
[14] Joan M. Jensen, *The Price of Vigilance* (Chicago: Rand McNally, 1968), p. 109 ff.
[15] Ibid., p. 248 ff.
[16] *Abrams* v. *U.S.*, 250 U.S. 616 (1919).
[17] Zechariah Chafee, Jr., *Free Speech in the United States* (New York: Atheneum, 1969), pp. 111–12.
[18] Jensen, op. cit., p. 124 and passim.
[19] 18 U.S.C. sec. 1385.
[20] Jensen, op. cit., pp. 225–228.
[21] Ibid., p. 270 ff.
[22] Ibid., p. 227.
[23] An unclassified summary report on these papers prepared by Army investigators from the files of Maj. Gen. Ralph Van Deman is on file with the Subcommittee on Constitutional Rights.
[24] A copy of letter to Representative David R. Obey from David H. Jackson, dated Dec. 20, 1970.
[25] Letter from Walter B. Birdwell, dated Feb. 15, 1971.
[26] Hearings, p. 189.
[27] Hearings, p. 189. See also testimony of Curtis Graves, Hearings, p. 337.
[28] Hearings, p. 249.
[29] Hearings, p. 245.
[30] Hearings, p. 185.
[31] Testimony before the Military Appropriations Subcommittee, House of Representatives, as reported by the New York Times, June 22, 1971, p. 15.
[32] Hearings, p. 1782.
[33] Jared Stout, "LBJ Aides Deny Role in Army Snooping," Newhouse News Services, Apr. 18, 1971.
[34] See also the denials of former Attorney General Ramsey Clark, former Deputy Attorney General Warren Christopher, and former White House aide Joseph A. Califano, ibid., and New York Times. Apr. 19, 1971, Washington Post, Apr. 22, 1971. But see also "The FBI: Of Hoover and Clark." Time, May 3, 1971, pp. 14–15, and Jared Stout, "Clark, others knew in 1968 of Army's list of rightists," The Evening News (Harrisburg, Pa.), May 5, 1971.
[35] Hearings, p. 279.
[36] Hearings, pp. 461–465. See also Jared Stout, "Army Spy Mystery Deepens," Newhouse News Services, Dec. 4, 1970.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I express appreciation to the distinguished Republican leader for his cooperation in clearing both these nominations so the Senate could act upon them today.

Mr. BAKER. Mr. President, I thank the distinguished majority leader and

assure him I am anxious to cooperate as and when we can.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST—S. 261

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that if and when S. 261, a bill to amend the Internal Revenue Code of 1954, to provide an election under which State and local governments may issue taxable obligations in receipt of Federal subsidy of 40 percent of the interest yield on such obligations, is reported by the Committee on Finance that the bill be referred to the Committee on Banking, Housing and Urban Affairs for a period not to exceed 30 calendar days.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, I understand these requests have been——

Mr. BAKER. Mr. President, will the Senator yield a moment?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. Reserving the right to object, I do not have any indication that we have an objection to that, but I do not believe——

Mr. ROBERT C. BYRD. I was going to say before the distinguished Republican leader interrupted me that the request has been cleared with the chairman, Senator PROXMIRE, with the ranking minority member, Mr. BROOKE, with the chairman of the Committee on Government Affairs, Mr. RIBICOFF, and with Mr. LONG.

Mr. BAKER. Has Senator CURTIS been checked on this?

Mr. ROBERT C. BYRD. Is that satisfactory?

Mr. BAKER. Has Mr. CURTIS been checked?

Mr. President, I am reluctant to ask but since I had no notice of this ahead of time I wonder if we might withhold this a moment so we might check.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may offer a resolution with no nongermane amendments in order thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

"MAJORITY AND MINORITY LEADERS OF THE SENATE"

Mr. ROBERT C. BYRD. Mr. President, I send a resolution to the desk and ask for its immediate consideration. It is offered by me and is cosponsored by my distinguised counterpart on the other side of the aisle, Mr. BAKER.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 92) authorizing printing as a Senate document of the compilation entitled Majority and Minority Leaders of the Senate.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 92) was agreed to, as follows:

Resolved, That the compilation entitled "Majority and Minority Leaders of the Senate", prepared under the direction of the Secretary of the Senate, by the Senate Parliamentarian Emeritus, Floyd M. Riddick, shall be printed, with any revisions and certain tables, as a Senate document, and an additional two thousand copies shall be printed for distribution by the Secretary of the Senate.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistance legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. The 1-hour period for transacting routine morning business has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be an extension of the morning business period for 30 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AUTHORIZATION OF A SPECIAL GOLD MEDAL TO BE AWARDED TO MISS MARIAN ANDERSON

Mr. JAVITS. Mr. President, on another subject, if I may address the majority leader and minority leader, am I correct in the assumption that it will be possible, this afternoon, to bring up a resolution sent over from the House to authorize a gold medal to be awarded to Marian Anderson?

Mr. ROBERT C. BYRD. Yes, I was going to say, when the Senator completed his statement, that there is a House message at the desk, House Joint Resolution 132, which provides for the striking of a gold medal in honor of Marian Anderson. It is my understanding that Speaker O'NEILL would like to see the Senate agree to this resolution today because of the fact that there is an award ceremony to be held in New York on Sunday.

Mr. JAVITS. That is correct.

Mr. ROBERT C. BYRD. I know of the fact that the Senator has a companion measure, I believe, here.

Mr. JAVITS. That is right, Senate Joint Resolution 7.

Mr. ROBERT C. BYRD. Mr. President, if it is agreeable with the Republican leader, I ask unanimous consent that the Chair lay before the Senate House Joint Resolution 132, that it be considered as having been read the first and second times, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. (Mr. METZENBAUM). Without objection, it is so ordered.

The resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution to authorize a special gold medal to be awarded to Miss Marian Anderson.

The PRESIDING OFFICER. Without objection, the joint resoution will be considered as having been read the second time by title.

Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. JAVITS. Mr. President, I have the honor to sponsor Senate Joint Resolution 7 to the same effect. I think the language is identical between the two. Marian Anderson is so well known that it is almost a matter of supererogation again to account her services to the singing arts with which she is identified or her services as a patriotic American to her country in all of its finest character and quality and, indeed, in terms of the cultural attainments of the world.

Marian Anderson is practically a household word in this country. She has been associated in this way because of an extremely distinguished career, about half a century. It is a great honor and a pleasure to see her honored. I think it reflects great credit upon the House and the Senate that it has taken action with such celerity.

I thank, very much, the leadership here. I also express my gratification to the Speaker of the House that he has similarly recommended that action be taken today, when Miss Anderson can get the most joy out of it, as she will be honored on Sunday night at a great Carnegie Hall concert.

The PRESIDING OFFICER. The question is on the third reading and passage of the joint resolution.

There being no objection, the joint resolution (H.J. Res. 132) was ordered to a third reading, was read the third time, and passed.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONCURRENT RESOLUTION REVISING THE CONGRESSIONAL BUDGET FOR THE U.S. GOVERNMENT FOR THE FISCAL YEAR 1977

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate Concurrent Resolution 10.

The PRESIDING OFFICER (Mr.

METZENBAUM) laid before the Senate the amendment of the House of Representatives to the bill (S. Con. Res. 10), revising the congressional budget for the fiscal year 1977, as follows:

Strike out all after the resolving clause, and insert: That the Congress hereby determines and declares, pursuant to section 304 of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1976—

(1) the recommended level of Federal revenues is $348,800,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $10,300,000,000;

(2) the appropriate level of total new budget authority is $477,921,000,000;

(3) the appropriate level of total budget outlays is $419,130,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $70,330,000,000; and

(5) the appropriate level of the public debt is 718,915,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 304 of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1976, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $108,788,000,000.
(B) Outlays, $100,077,000,000.
(2) International Affairs (150):
(A) New budget authority, $7,956,000,000.
(B) Outlays, $6,841,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, 4,468,000,000.
(B) Outlays, 4,406,000,000.
(4) Natural Resources, Environment, and Energy (300):
(A) New budget authority, $18,627,000,000.
(B) Outlays, $17,209,000,000.
(5) Agriculture (350):
(A) New budget authority, $2,355,000,000.
(B) Outlays, $3,044,000,000.
(6) Commerce and Transportation (400):
(A) New budget authority, $17,313,000,000.
(B) Outlays, $15,961,000,000.
(7) Community and Regional Development (450):
(A) New budget authority, $15,023,000,000.
(B) Outlays, $10,819,000,000.
(8) Education, Training, Employment, and Social Service (500):
(A) New budget authority, $30,355,000,000.
(B) Outlays, $22,620,000,000.
(9) Health (550):
(A) New budget authority, $40,651,000,000.
(B) Outlays, $39,283,000,000.
(10) Income Security (600):
(A) New budget authority, $174,993,000,000.
(B) Outlays, $142,050,000,000.
(11) Veterans Benefits and Services (700):
(A) New budget authority, $18,917,000,000.
(B) Outlays, $18,130,000,000.
(12) Law Enforcement and Justice (750):
(A) New budget authority, $3,524,000,000.
(B) Outlays, $3,657,000,000.
(13) General Government (800):
(A) New budget authority, $3,560,000,000.
(B) Outlays, $3,554,000,000.
(14) Revenue Sharing and General Purpose Fiscal Assistance (850):
(A) New budget authority, $7,578,000,000.
(B) Outlays, $7,696,000,000.
(15) Interest (900):
(A) New budget authority, $38,287,000,000.
(B) Outlays, $38,287,000,000.
(16) Allowances:
(A) New budget authority, $794,000,000.
(B) Outlays, $764,000,000.
(17) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$15,268,000,000.
(B) Outlays, —$15,268,000,000.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate disagree to the amendment of the House to Senate Concurrent Resolution 10, that the Senate agree to the conference requested by the House Members on the disagreeing votes of the two Houses thereon; and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Messrs. MUSKIE, MAGNUSON, HOLLINGS, CRANSTON, CHILES, ABOUREZK, BELLMON, DOLE, MCCLURE, and DOMENICI conferees on the part of the Senate.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 94–566, appoints the following persons to the National Commission on Unemployment Compensation: Warren Cooper, of Charleston, W. Va.; Walter Bivins, of Jackson, Miss.; and Alphonse Jackson, of Shreveport, La.

JOHN F. KENNEDY CENTER REPAIRS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 6, S. 521.

The PRESIDING OFFICER. Without objection, it is so ordered. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 521) to amend the John F. Kennedy Center Act to authorize funds for the repair of leaks.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

UP AMENDMENT NO. 51

Mr. BAKER. Mr. President, on behalf of the Senator from Idaho (Mr. MCCLURE), who is necessarily absent from the Senate today, I send to the desk an amendment and ask for its immediate consideration. This amendment is identical to amendment No. 43 which was introduced in the Senate yesterday on behalf of the Senator from Idaho (Mr. MCCLURE).

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER) for Mr. MCCLURE proposes an unprinted amendment No. 51.

Mr. BAKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert the following: That section 6(e) of the John F. Kennedy Center Act (Public Law 85–874, as amended) is amended by striking "and $3,100,000" and inserting in lieu thereof "$7,600,000"; and by striking the period at the end thereof and adding a comma and the words "of which $4,500,000 shall be available until expended for the repair, renovation, and reconstruction of the John F. Kennedy Center for the Performing Arts necessary to correct water leaks in the roof, the terraces, the kitchen, and the East Plaza Drive and to correct any damage which has resulted from those leaks, and $3,700,000 for the fiscal year ending September 30, 1978."

Mr. BAKER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Idaho (Mr. MCCLURE), and the material attached thereto.

STATEMENT BY MR. MCCLURE

I urge the adoption of this amendment, which I believe will expedite the necessary repair work on the Kennedy Center, placing responsibility for this work directly with the Department of Interior, which now has the responsibility for everyday operations and maintenance of the structure. I hope that we will be able to pass this bill quickly, and that it can soon be enacted.

The material ordered to be printed in the RECORD is as follows:

ADDITIONAL VIEWS OF MR. MCCLURE

While I do not oppose this bill, I wish to reiterate my concern over a related matter the Congress must soon confront: The way the John F. Kennedy Center for the Performing Arts has managed its long-term debts. My concern centers on the next impending "crisis" facing the Center, the payment due next year of some $14.6 million in accrued interest on loans the Center made to build its revenue-producing underground parking facility.

My colleagues will recall that the Center began as one of those "it-will-cost-the-taxpayer-nothing" facilities. Subsequently, the Congress appropriated $23 million towards construction of the Center, and authorized a low-interest Federal loan of $20,400,000 to finance the parking facility.

That's a lot of support. But even with this generosity, problems soon arose. Before the Center could be completed, the managers ran out of money. Rather than try to raise it through donations, the Center decided to barter away any chance it might have to meet its bond payments from the parking revenues, which bring in $2.50 per car for a 2-hour evening performance. To obtain the cash to pay off contractors on the building, the Center committed a large slice of the parking revenues to pay off that cash advance. It was a classic example of robbing Peter to pay Paul.

When the Committee on Public Works became concerned over the possibility the Center would default on its parking bonds, the Committee included the following request in its 1975 report on legislation providing funds for the nonperforming arts functions of the Center (Senate Report 94–352):

"The Committee is greatly concerned over indications from the recent General Accounting Office report and hearings on this bill that the Center may be unable to meet its accumulated debt and to make necessary repairs, both outside the memorial aspects of the Center. This question will come into focus by 1978 when unpaid debts on the parking-garage bonds fall due; the interest due in 1978 is estimated at $14.6 million.

"The Committee urges that the Center and the Department of the Interior recognize what might be termed the precarious financial position of the Center and report,

within one year, to the Congress on what efforts are and will be made by the Center to raise the funds needed to meet this debt, as well as to meet any costs of major repairs that may be necessary. Such a report should contain a detailed analysis of the Center's efforts to raise additional capital funds to cover such debts in order that the taxpayers will not be forced to assume the burden of such added and unnecessary costs."

Since that statement, I have found no evidence that the Center has explored ways to meet its debts. It has made no effort to describe "what efforts are and will be made by the Center to raise the funds needed to meet this debt." It has made no "detailed analysis of the Center's efforts to raise additional capital funds to cover such debts in order that the taxpayers will not be forced to assume the burdens of such added and unnecessary costs."

When I raised this point last fall, I received a response from Mr. Roger L. Stevens, Chairman of the Board of Trustees, telling me how the Center was attracting opera companies from Europe, how it offered discount tickets to school children, and how terribly difficult it was to raise donations. The letter in no way indicated what the Center might do to meet all or a portion of this $14.6 million debt, other than throw itself on the mercies of the taxpayers once again. We don't know if the Center is using its remaining parking revenues to set aside against the debt, or if those funds are going into subsidizing the concert hall. Is it possible to raise donations toward the parking bonds? Could the bond debts be renegotiated to lessen the up-front costs? It would seem to me that prudence should encourage an exploration of these issues.

While I am, of course, sympathetic with anyone caught in an inflationary bind, as all Americans have been, I am far more sympathetic if the person or group makes some effort on its own to solve its problems, rather than throw up its hand in despair and ask the Federal taxpayers to bail it out. I am not convinced the Kennedy Center has made any such efforts to date. I urge them to do so.

I hope that the Center's Board of Trustees, to which some excellent new members were recently added, will address this issue and direct the managers of the Center to make this long overdue study and report to the Congress on just what the situation and the options are.

JAMES A. MCCLURE.

Mr. ROBERT C. BYRD. Mr. President, may we have an explanation?

Mr. BAKER. Mr. President, the amendment which Senator MCCLURE offers would authorize $4.5 million for repairs to the Kennedy Center, the same amount authorized in the bill as reported, S. 521. The amendment authorizes the appropriation directly to the Secretary of the Interior, acting through the National Park Service.

The amendment would also authorize to the Park Service an additional sum of $3.7 million, for ordinary operation and maintenance of nonperforming arts functions of the Kennedy Center for fiscal year 1978. I point out that the Park Service currently has responsibility for operation and maintenance of the nonperforming arts functions, but the current authorization for this function expires with the current fiscal year and it will be necessary to extend this authorization.

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that the Committee on Public Works is agreeable to this amendment and, therefore, I am offering no objection to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 521

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6(e) of the John F. Kennedy Center Act (Public Law 85–874, as amended) is amended by striking "and $3,100,000" and inserting in lieu thereof "$7,600,000"; and by striking the period at the end thereof and adding a comma and the words "of which $4,500,000 shall be available until expended for the repair, renovation, and reconstruction of the John F. Kennedy Center for the Performing Arts necessary to correct water leaks in the roof, the terraces, the kitchen, and the East Plaza Drive and to correct any damage which has resulted from those leaks, and $3,700,000 for the fiscal year ending September 30, 1978.".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 93—EXTENDING THE COMMISSION ON THE OPERATION OF THE SENATE FOR 30 DAYS

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution on behalf of Mr. CULVER, it is a Senate resolution extending the Commission on the Operation of the Senate for 30 days, and I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 93) extending the Commission on the Operation of the Senate for 30 days.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The resolution (S. Res. 93) was agreed to, as follows:

Resolved, That section 6(b) of Senate Resolution 227, Ninety-fourth Congress, agreed to July 29, 1975, is amended by striking out "Sixty days" and inserting in lieu thereof "Ninety days".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD in explanation of the resolution, a letter addressed to the Honorable HOWARD W. CANNON, chairman, Rules Committee, by Mr. JOHN C. CULVER.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., February 23, 1977.

Hon. HOWARD W. CANNON,
Chairman, Rules Committee.

DEAR HOWARD: This letter is to confirm our conversation concerning an extension of the Commission on the Operation of the Senate until the close of business April 1, 1977, an addition of one month to its present expiration date of March 1, 1977.

Until now, as you well know, the Senate has been occupied with organizational matters. The Senate has not had the chance to consider fully the Commission's report. I propose a continuation to allow the Commission and its staff to answer questions from other Senators, their staffs, and the new officers of the Senate. Continuation will also permit the Commission staff to assist in the implementation process, particularly as it applies to administrative changes Senate officers may wish to adopt.

The Commission estimates that the cost of the extension will be under $12,000, which will continue four staff members on the payroll and permit bringing members of the Commission to Washington if the leadership or Rules Committee so request. With such an extension, the Commission estimates that more than $35,000 will remain unexpended from its original authorization of $500,000 in July 1975.

Extension of the Commission can be accomplished by amending the language of S. Res. 227 (94th Congress, First Session) as amended by S. Res. 423 (94th Congress, Second Session) by altering the provision that the Commission shall cease to exist sixty days after the submission of its final report.

Sincerely,

JOHN C. CULVER.

Mr. BAKER. Mr. President, I just add that on this resolution which had been cleared on the Republican side, there was no objection to its passage.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsirer the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER TO PRINT EULOGIES AND TRIBUTES TO SENATOR PHILIP HART AS A SENATE DOCUMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the various eulogies and tributes to our late departed colleague, Senator Philip Hart, be assembled into a bound volume and printed as a Senate document.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 12:10 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 2647) to amend the Small Business Act and the Small Business Investment Act of 1958 to increase loan limitations and to increase surety bond authorizations; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. SMITH of Iowa, Mr. ADDABBO, Mr. LAFALCE, Mr. ST GERMAIN, Mr. STEED, Mr. BADILLO, Mr. DINGELL, Mr. CONTE, Mr. MCDADE, and Mr. STANTON were appointed managers of the conference on the part of the House.

The message also announced that the House insists upon its amendment to the resolution (S. Con. Res. 10) revising the congressional budget for the U.S. Government for the fiscal year 1977; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. GIAIMO, Mr. WRIGHT, Mr. ASHLEY, Mr. MITCHELL of Maryland, Mr. BURLESON of Texas, Ms. HOLTZMAN, Mr. DERRICK, Mr. FRASER, Mr. SIMON, Mr. LATTA, Mr. CONABLE, Mr. ROUSSELOT, and Mr. REGULA were appointed managers of the conference on the part of the House.

The message further announced that the House has passed the following bills and joint resolution in which it requests the concurrence of the Senate:

H.R. 26. An act to amend the Federal Aviation Act of 1958 to provide improved notice to the public of changes in air carrier fares;

H.R. 27. An act to amend the Federal Aviation Act of 1958 to authorize reduced fare transportation on a space-available basis for elderly persons and handicapped persons, and for other purposes;

H.R. 735. An act to amend the Federal Aviation Act of 1958 relating to eligibility for aircraft registration;

H.R. 736. An act to amend the Federal Aviation Act of 1958 relating to emergency locator transmitters, and for other purposes;

H.R. 3347. An act to rescind certain budget authority recommended in the message of the President of September 22, 1976 (H. Doc. 94–620), transmitted pursuant to the Impoundment Control Act of 1974; and

H.J. Res. 132. A joint resolution to authorize a special gold medal to be awarded to Miss Marian Anderson.

The message also announced that the Speaker has made the following appointments:

Mr. SLACK, Mr. YATRON, Mr. WAMPLER, and Mr. ROBERT W. DANIEL, Jr., as members of the James Madison Memorial Commission;

Mr. BOB WILSON as a member of the Board of Visitors to the U.S. Air Force Academy;

Mr. FLOOD, Mr. MCKAY, Mr. KEMP, and Mrs. HOLT as members of the Board of Visitors to the U.S. Naval Academy; and

Mr. MURPHY of New York, Mr. HOWARD, Mr. FISH, and Mr. STEERS as members of the Franklin Delano Roosevelt Memorial Commission.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills were each read twice by their titles, and referred as indicated:

H.R. 26. An act to amend the Federal Aviation Act of 1958 to provide improved notice to the public of changes in air carrier fares; to the Committee on Commerce, Science, and Transportation.

H.R. 27. An act to amend the Federal Aviation Act of 1958 to authorize reduced fare transportation on a space-available basis for elderly persons and handicapped persons, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 735. An act to amend the Federal Aviation Act of 1958 relating to eligibility for aircraft registration; to the Committee on Commerce, Science, and Transportation.

H.R. 736. An act to amend the Federal Aviation Act of 1958 relating to emergency locator transmitters, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 3347. An act to rescind certain budget authority recommended in the message of the President of September 22, 1976 (H. Doc. 94–620), transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations and the Committee on the Budget, jointly, pursuant to the order of January 30, 1975.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC–720. A letter from the Secretary of Agriculture transmitting a draft of proposed legislation to amend the Federal Crop Insurance Act and for other purposes (with accompanying papers); to the Committee on Agriculture, Nutrition, and Forestry.

EC–721. A letter from the Acting Administrator of the Rural Electrification Administration transmitting, pursuant to law, a report approving an REA insured loan to Lower Valley Power and Light, Inc., of Afton, Wyoming, in the amount of $4,150,000 (with an accompanying report); to the Committee on Appropriations.

EC–722. A letter from the Chief Commissioner of the United States Court of Claims transmitting, pursuant to law, a report concerning the allowance of attorney expense claims in proceedings conducted pursuant to the Alaska Native Claims Settlement Act in docket No. F–29, John W. Henderickson and Henderickson & Rowland (with an accompanying report); to the Committee on Appropriations.

EC–723. A letter from the Secretary of Housing and Urban Development transmitting a draft of proposed legislation to authorize additional funds for housing assistance for lower-income Americans in fiscal year 1977, and for other purposes (with accompanying papers); to the Committee on Banking, Housing, and Urban Affairs.

EC–724. A letter from the Secretary of Housing and Urban Development transmitting, pursuant to law, the Tenth Report on the Emergency Homeowners' Relief Act (with an accompanying report); to the Committee on Banking, Housing, and Urban Affairs.

EC–725. A letter from the Administrator of the Veterans Administration transmitting a draft of proposed legislation to amend title 38, United States Code, to eliminate the requirement for inspections of the mobile home manufacturing process by the Administrator of Veterans Affairs (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

EC–726. A letter from the Administrator of the National Aeronautics and Space Administration transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes (with accompanying papers); to the Committee on Commerce, Science, and Transportation.

EC–727. A letter from the Acting Administrator of the Energy Research and Development Administration transmitting a draft of proposed legislation to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes (with accompanying papers); to the Committee on Energy and Natural Resources.

EC–728. A letter from the Acting Administrator of the General Services Administration transmitting a report of the Building Project Survey for San Jose, California (with an accompanying report); to the Committee on Environment and Public Works.

EC–729. A letter from the Secretary of Labor transmitting a draft of proposed legislation to extend the emergency unemployment compensation program, to amend the number of weeks of benefits, and for other purposes (with accompanying papers); to the Committee on Finance.

EC–730. A letter from the Acting Assistant Secretary for Congressional Relations transmitting, pursuant to law, a draft of proposed legislation to amend Title I of the "Foreign Relations Authorization Act, Fiscal Year 1977", (Public Law 94–350; 90 STAT. 823) to authorize appropriations for fiscal years 1978 and 1979, and for other purposes (with accompanying papers); to the Committee on Foreign Relations.

EC–731. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "The Employment Service—Problems and Opportunities for Improvement" (with an accompanying report); to the Committee on Governmental Affairs.

EC–732. A letter from the Administrator of the National Aeronautics and Space Administration transmitting, pursuant to law, a report with respect to certain civilian positions established pursuant to Section 3104(a)(8), United States Code, during calendar year 1976 (with an accompanying report); to the Committee on Governmental Affairs.

EC–733. A letter from the Executive Director of the Federal Labor Relations Council transmitting, pursuant to law, a report concerning the activities of the Federal Labor Relations Council and the Federal Service Impasses Panel with regard to public information requests during calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–734. A letter from the Executive Officer of the United States Arms Control and Disarmament Agency transmitting, pursuant to law, the 1976 Arms Control and Disarmament Agency annual report on Freedom of Information activities (with an accompanying report); to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions which were referred as indicated:

POM–65. Senate Joint Resolution No. 9 adopted by the legislature of the State of Nevada memorializing Congress to enact legislation enabling the U.S. Forest Service to purchase lands at Lake Tahoe; to the Committee on Agriculture, Nutrition, and Forestry:

SENATE JOINT RESOLUTION NO. 9

"Whereas, It is imperative that the scenic, natural beauty and recreational opportunities of the Lake Tahoe region be preserved perpetually; and

"Whereas, In furtherance of the preservation of Lake Tahoe's scenic natural beauty and to provide recreational opportunities, the United States Forest Service desires to purchase approximately 240 acres of natural meadow and forest land at Lake Tahoe known as the Rabe Estate Property and located generally along U.S. Highway 50 and Elk Point Road adjacent to the Forest Service Nevada Beach Forest Camp, Douglas County, Nevada; and

"Whereas, The property is owned by the Rabe Estate and available for purchase and would otherwise be subject to private development which could destroy its scenic beauty, interfere with the natural ecology, impair recreational use and place severe demands on the resources of the Lake Tahoe area; and

"Whereas, The United States Internal Revenue Service has a substantial lien against the property; and

"Whereas, The Forest Service has funds available to purchase only about one-half of the property and it would be of substantial benefit to all concerned for the Forest Service to purchase the Rabe Property in its entirety; and

"Whereas, Such purchase by the Forest Service would be assured if the Congress of the United States would enact legislation to allow a credit by the Forest Service for the lien of the Internal Revenue Service or would otherwise enact appropriate legislation providing funds; now, therefore, be it

"Resolved by the Senate and Assembly of the State of Nevada, jointly, That the Legislature hereby respectfully memorializes the Congress of the United States to recognize the importance of preserving the scenic beauty, natural ecology and recreational opportunities of the Lake Tahoe region by enacting appropriate legislation to allow the Forest Service immediately to complete the purchase of the entire Rabe Estate Property; and be it further

"Resolved, That copies of this resolution be prepared and submitted by the legislative counsel to the Vice President of the United States as the presiding officer of the Senate, the Speaker of the House of Representatives and to all members of the Nevada congressional delegation; and be it further

"Resolved, That this resolution shall become effective upon passage and approval."

POM–66. An Assembly Resolution adopted by the General Assembly of the State of New Jersey memorializing Congress to enact legislation appropriating moneys for Fiscal Year 1977 in order to provide funds for construction-ready projects during that period; to the Committee on Appropriations:

"ASSEMBLY RESOLUTION

"Whereas, The present exhaustion of Federal funding for sewage treatment facilities will seriously hamper New Jersey's efforts to clean up its rivers, bays and adjacent ocean waters; and,

"Whereas, The continued lack of Federal funds is a major obstacle in the continuing development of alternatives to ocean dumping of sludge, notably composting and pyrolysis; and,

"Whereas, The continued lack of Federal funds will add to New Jersey's high unemployment rate; and,

"Whereas, Renewed Federal funding in the form of a Fiscal Year 1977 appropriation would allow this vital program to continue while providing a much-needed stimulus to New Jersey's seriously depressed construction industry; and,

"Whereas, A Fiscal Year 1977 Federal appropriation for the construction grant program is a priority legislative need for New Jersey; and

"Whereas, The deadline for Fiscal Year 1977 Federal appropriations is rapidly approaching; now, therefore,

"Be It Resolved by the General Assembly of the State of New Jersey:

"1. That the General Assembly of the State of New Jersey does hereby memorialize Congress to enact legislation appropriating moneys for Fiscal Year 1977 in order to provide funds for construction-ready projects during that period.

"2. That duly authenticated copies of this resolution be transmitted to the President of the United States, the President of the United States Senate, the Members of the Subcommittee on Environmental Pollution of the United States Senate Committee on Public Works and Environment, and to each member of Congress elected from this State."

POM–67. House Resolution No. 134 adopted by the Legislature of the State of Hawaii requesting expansion of the Federal Comprehensive Employment and Training Act; to the Committee on Appropriations:

"HOUSE RESOLUTION NO. 134

"Whereas, the passage of the Comprehensive Employment and Training Act (CETA) by Congress in December 1973 represents federal aid to the states and counties to alleviate unemployment and under-employment through employment, training, and related services and programs; and

"Whereas, CETA has made available five types of manpower program services to the unemployed and underemployed in Hawaii which account for a total enrollment of approximately 9,537 participants for fiscal year 1976; and

"Whereas, these programs range from a comprehensive mix of manpower training and employment to public service employment to an emergency jobs program; and

"Whereas, other special programs operating in the state include a summer program for economically disadvantaged youth and the continuance of Job Corps, a residential center training program; and

"Whereas, a summary of the accomplishments of CETA in Hawaii indicates its increasing effectiveness as the number of participants who left CETA to enter unsubsidized employment in fiscal year 1976 has almost doubled that in fiscal year 1975; and

"Whereas, the economic and social value of CETA to Hawaii is magnified by the considerable uncertainty that marks the state's economic outlook; and

"Whereas, the expansion of CETA especially in terms of public service employment programs would greatly assist the state's efforts to reduce the impact of unemployment and at the same time fill gaps in services to Hawaii's people; and

"Whereas, an equitable appropriation of discretionary CETA and other federal funds to states, such as Hawaii, which do not have branch operations of national organizations receiving large grants for special programs, such as "older workers" and special apprenticeship programs, would be beneficial to the state; and

"Whereas, Hawaii is a "gateway city" for many foreign immigrants and provides a disproportionate amount of government services relative to other states, and special training assistance is necessary for the nation's newest citizens; now, therefore,

"Be it resolved by the House of Representatives of the Ninth Legislature of the State of Hawaii, Regular Session of 1977, that the Congress of the United States is requested to increase appropriations for the Comprehensive Employment and Training Act, thus making more funds available to the states for manpower program services; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President of the Senate, the Speaker of the House of Representatives, and to each member of Hawaii's delegation to the U.S. Congress."

POM–68. Senate Concurrent Resolution No. 105 adopted by the General Assembly of the State of South Carolina memorializing Congress not to enact pending legislation which would establish a dual system of Federal and State regulation of the insurance industry; to the Committee on Banking, Housing and Urban Affairs:

"CONCURRENT RESOLUTION

"Whereas, pending legislation in Congress offered by the Honorable Edward W. Brooke, Senator from Massachusetts, would establish a dual system of federal and state regulation of the insurance industry with insurers and rating organizations having the option of being regulated by either state or federal regulatory authorities, but not both; and

"Whereas, insurers and rating organizations opting for federal regulation would in all probability no longer be required to pay state premium taxes and other fees, which would result in a significant loss of revenue for South Carolina and other state governments; and

"Whereas, in South Carolina alone, the regulation of the insurance industry at the state level is providing more than twenty-five thousand dollars annually in premium taxes and other fees, all of which is paid into the State Treasury for the benefit of all South Carolinians; and

"Whereas, such dual optional regulation would be confusing to the consumer in that he would no longer know whether to look to the state or federal government for assistance regarding insurance problems; and

"Whereas, under present regulatory procedures, the National Association of Insurance Commissioners, of which the South Carolina Insurance Department is an active participant, has as its object the promotion of uniformity in legislation and rulings affecting the insurance industry and the interests of insurance policyholders of the various states, territories and insular possessions of the United States, while at the same time the states, where necessary or desirable, are afforded the opportunity through their state legislators and regulatory authorities to demonstrate sufficient flexibility to tailor laws and regulations to meet the specific needs of their state's citizenry; and

"Whereas, the General Assembly believes that continued regulation of the insurance industry at the state level is in the best interest of the insuring public of South Carolina. Now, therefore,

"Be it resolved by the Senate, the House of Representatives concurring:

"That Congress be memorialized not to enact pending legislation offered by the Honorable Edward W. Brooke, Senator from Massachusetts, which would establish a dual system of federal and state regulation of the insurance industry with insurers and rating organizations having the option of being regulated by either state or federal regulatory authorities, but not both.

"Be it further resolved that copies of this resolution be forwarded to the President of the United States, to each United States Senator from South Carolina, each member of the House of Representatives of Congress from South Carolina, the Senate of the United States and the House of Representatives of the United States."

POM-69. A resolution adopted at the Presidential Elector meeting held in the State of Texas favoring a change in the Constitution that would provide for the election of the President and Vice President by popular vote; to the Committee on the Judiciary.

POM-70. House Concurrent Resolution No. 10 adopted by the Legislature of the State of Idaho repealing the ratification of the proposed rights amendment to the Constitution of the United States of America; to the Committee on the Judiciary:

HOUSE CONCURRENT RESOLUTION No. 10

Be It Resolved by the Legislature of the State of Idaho:

Whereas, the Ninety-second Congress of the United States of America, at its second session, in both houses, by a constitutional majority of two-thirds thereof, adopted the following proposition to amend the Constitution of the United States of America, in the following words, to-wit:

JOINT RESOLUTION

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), that the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

ARTICLE—

" 'Section 1. Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

"Section 2. The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article.

"Section 3. This amendment shall take effect two years after the date of ratification,' " and

Whereas, the Forty-first Legislature of the State of Idaho approved Senate Joint Resolution No. 133, relating to the ratification of said congressional resolution and proposed amendment.

Now, therefore, be it resolved by the First Regular Session of the Forty-fourth Idaho Legislature, the House of Representatives and the Senate concurring therein;

1. That Senate Joint Resolution No. 133 of the Second Regular Session of the Forty-first Idaho Legislature, in support of the aforesaid proposed amendment to the Constitution of the United States of America, and the action of the Idaho State Legislature ratifying said amendment, be rescinded, voided, repealed, withdrawn, recalled, and disaffirmed.

2. That copies of this Resolution, duly certified by the Secrtary of State, with the Great Seal of the State of Idaho attached thereto, be forwarded by the Secretary of State to the Administrator of General Services, Washington, D.C., and to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States of America.

POM-71. Senate Resolution No. 7 adopted by the Legislature of the State of Indiana informing that the State of Indiana, in 1973, passed Senate Joint Resolution No. 8 directing the United States Congress to call a constitutional convention for the purpose of proposing an amendment to the Constitution of the United States relative to the protection of the right to live; to the Committee on the Judiciary:

SENATE RESOLUTION

"Whereas, January 22, 1977, is the fourth anniversary of the United States Supreme Court decision which legalized abortion virtually on demand, and

"Whereas, this decision violates one of the most basic human rights upon which this country was founded, "the inalienable right to life", which is expressly stated in the Declaration of Independence, and

"Whereas, this decision nullified the laws of all states in this matter, and constituted "judicial legislation" as Justice Byron White pointed out in a dissenting opinion and further eroded lawmaking abilities of the states for their own citizens, and

"Whereas, millions of unborn children have been legally killed since this decision and an estimated two million more will be destroyed this year and in our nation's capital more abortions than live births were recorded last year, and

"Whereas, Congress has it in its power through statutory means or constitutional amendment to rectify this decision,

"Now Therefore, be it resolved by the Senate of the General Assembly of the State of Indiana:

"Section 1. That the Indiana Senate calls attention to all concerned that S.J.R. 8 was passed by the Indiana General Assembly in 1973, and through an oversight said resolution was not transmitted to the Congress.

"Section 2. That the Secretary of the Senate be instructed to transmit a copy of this resolution together with S.J.R. 8 from 1973 to the President of the United States, to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States Congress, and to each member of the Indiana Congressional delegation in the United States Congress."

POM—72. Senate Resolution No. 1812 adopted by the Legislature of the State of Kansas congratulating and commending Jimmy Carter and Walter Mondale on becoming President and Vice-President of the United States; ordered to lie on the table:

"SENATE RESOLUTION No. 1812

"Whereas, On this 20th day of January, 1977, one political era ends and another begins with the inauguration of James Earl Carter, Jr., as the 39th President of the United States; and

"Whereas, Our nation as it enters its 3rd Century looks forward to the reassertion of America's basic spirit of individual initiative; and

"Whereas, The true measure of a President's success as leader of the world's most powerful nation will be his ability to grasp new challenges and to inspire Americans to rise to those challenges: Now, therefore,

"Be it resolved by the Senate of the State of Kansas: That President Jimmy Carter and Vice-President Walter Mondale are hereby congratulated and commended on the occasion of their inauguration; and

"Be it further resolved: That the Senate of the State of Kansas hereby expresses full confidence that our new national leadership will respond aggressively and positively to each challenge it faces; and

"Be it further resolved: That the secretary of the Senate be directed to send an enrolled copy of this resolution to the Honorable Jimmy Carter and the Honorable Walter Mondale, President and Vice-President of the United States, 1600 Pennsylvania, The White House, Washington, D.C."

POM—73. A petition from the Executive Vice President of the Newport News Shipbuilding and Dry Dock Company recommending that Congress obtain an independent report of the costs/benefits of the Cost Accounting Standards Program to date; to the Committee on Banking, Housing and Urban Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROBERT C. BYRD, from the Committee on Appropriations:

Without amendment:

H.R. 3347. An act to rescind certain budget authority recommended in the message of the President of September 22, 1976 (H. Doc. 94-620), transmitted pursuant to the Impoundment Control Act of 1974 (together with additional views) (Rept. No. 95-29).

CHANGE OF REFERENCE—S. 695

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order referring S. 695 to the Committee on Governmental Affairs be vacated and that the bill be jointly referred to the Committee on Banking, Housing, and Urban Affairs and the Committee on Governmental Affairs, with the provision that, if and when the bill is ordered reported by either committee, the other committee is discharged from further consideration of the bill 30 calendar days after such date.

Mr. BAKER. Reserving the right to object, that has been cleared on the Republican side. We are happy to join in the request.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following reports of committees were submitted:

By Mr. INOUYE, from the Select Committee on Intelligence:

Adm. Stansfield Turner, U.S. Navy, to be Director of Central Intelligence.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Warren M. Christopher, of California, to be Deputy Secretary of State.

Elliot L. Richardson, of Massachusetts, to be an Ambassador at Large and the Special Representative of the President of the United States for the Law of the Sea Conference and Chief of Delegation.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. TOWER. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the nominations of Gen. Paul K. Carlton, U.S. Air Force, to be placed on the retired list in the grade of general; and Gen. Louis L. Wilson, Jr., U.S. Air Force, to be placed on the retired list in the grade of general; and there are 15 in the Army for appointment to the grade of brigadier general—list beginning with John C. Faith. Also, there are six in the U.S. Marine Corps, for temporary appointment to the grade of major general—list beginning with Warren R. Johnson; and there are nine in the Naval Reserve for temporary promotion to the grade of rear admiral—list beginning with Joseph Louis Loughran; and there are 12 in the Marine Corps for temporary appointment to the grade of brigadier general—list beginning with Alexander P. McMillan. I ask that these nominations be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. In addition, there is WO Truman W. Crawford, U.S. Marine Corps, for appointment to the grade of captain—temporary—while serving as the director of the Marine Corps Drum and Bugle Corps; and there are 632 in the Air Force for promotion to the grade of colonel—list beginning with Richard F. Abel; and there are 40 in the Air Force Reserve for promotion to the grade of colonel—list beginning with Richard A. Ames. Also, there are 2,199 in the Reserve of the Army for promotion to the grade of colonel and below—list beginning with Nathan W. Adamson, Jr.; and there are 153 in the Army for promotion to the grade of lieutenant colonel and below—list beginning with Peter A. Becque. Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of January 31, and February 1, 1977, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated.

By Mr. GRAVEL:

S. 763. A bill to amend section 2(b)(1) of the National Housing Act to authorize increases in the dollar amount limitations on the purchase of mobile homes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. EASTLAND:

S. 764. A bill to authorize the Secretary of the Interior to convey the interest of the United States in certain lands in Adams County, Miss., notwithstanding a limitation in the Color-of-Title Act (45 Stat. 1069, as amended; 43 U.S.C. 1068); to the Committee on Energy and Natural Resources.

By Mr. CASE:

S. 765. A bill for the relief of Thomas Joseph Devine; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 766. A bill for the relief of Potenciano Ramos Bautista; his wife, Fe Bellafior Bautista; and their son, Mario B. Bautista;

S. 767. A bill for the relief of Mrs. Sung Kiu Chin;

S. 768. A bill for the relief of Son-Ya Seong;

S. 769. A bill for the relief of Inocencio Eder and Lourie Ann Eder;

S. 770. A bill for the relief of Fe Gabbuat Dumelod; and

S. 771. A bill for the relief of Earl R. Tyler; to the Committee on the Judiciary.

By Mr. BARTLETT:

S. 772. A bill to amend section 1011(d) of the Tax Reform Act of 1976; to the Committee on Finance.

S. 773. A bill authorizing the Wichita Indian Tribe of Oklahoma, and its affiliated bands and groups of Indians, to file with the Indian Claims Commission any of their claims against the United States for lands taken without adequate compensation, and for other purposes; to the Committee on Indian Affairs.

By Mr. DOMENICI:

S. 774. A bill to modernize the programs of the Army Corps of Engineers; to the Committee on Environment and Public Works.

By Mr. PEARSON:

S. 775. A bill to amend the Internal Revenue Code of 1954 to exempt certain agricultural aircraft from the aircraft use tax, to provide for the refund of the gasoline tax to the agricultural aircraft operator with the consent of the farmer, and for other purposes; to the Committee on Finance.

By Mr. EAGLETON (for himself, Mr. JACKSON, Mr. MAGNUSON, and Mr. CRANSTON):

S. 776. A bill to dedicate the canal and towpath of the Chesapeake and Ohio Canal National Historical Park to Justice William O. Douglas, and for other purposes; considered and passed.

By Mr. ALLEN:

S. 777. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, so as to provide certain benefits to law enforcement officers not employed by the United States; to the Committee on Governmental Affairs.

By Mr. DECONCINI (for himself, Mr. GOLDWATER, and Mr. HANSEN):

S. 778. A bill to authorize the Secretary of the Interior to make certain payments to school districts serving certain areas within the national park system; to the Committee on Human Resources.

By Mr. BURDICK:

S. 779. A bill to amend the Internal Revenue Code of 1954 to allow an individual an income tax deduction for the expenses of traveling to and from a temporary construction project work site; to the Committee on Finance.

By Mr. CLARK:

S. 780. A bill to amend title II of the Social Security Act to establish a new consumer price index for older Americans for calculating automatic cost-of-living benefit increases, to provide for semiannual cost-of-living increases, and to modify the social security retirement test; to the Committee on Finance.

S. 781. A bill for the relief of Tulsedeo Zalim; to the Committee on the Judiciary.

By Mr. DOMENICI (for himself and Mr. SCHMITT):

S. 782. A bill to designate the Sandia Mountain Wilderness, Cibola National Forest, N. Mex.; to the Committee on Energy and Natural Resources.

By Mr. BELLMON:

S. 783. A bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes; to the Committee on Human Resources.

By Mr. SCHWEIKER:

S. 784. A bill to provide for unbiased consideration of applicants to medical schools; to the Committee on Human Resources.

By Mr. CANNON (for himself and Mr. LAXALT):

S. 785. A bill to declare that all right, title, and interest of the United States in 2,640 acres, more or less, are hereby held by the United States in trust for the Paiute and Shoshone Tribes of the Fallon Indian Reservation, Nev., to promote the economic self-sufficiency of the Paiute and Shoshone Tribes, and for other purposes; to the Committee on Indian Affairs.

By Mr. DOMENICI (for himself and Mr. SCHMITT):

S. 786. A bill to designate the Manzano Mountain Wilderness Cibola National Forest, N. Mex.; to the Committee on Environment and Natural Resources.

By Mr. TOWER:

S. 787. A bill for the relief of William H. Klusmeier, publisher of the Austin Citizen, of Austin, Tex.; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 788. A bill to improve and strengthen disaster assistance programs for agricultural producers, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HEINZ:

S. 789. A bill to require automatic sprinkler systems in all skilled nursing facilities and intermediate care facilities as a condition of certification under the medicare, medicaid, and Veterans' Administration programs, and to authorize loans and grants to assist such facilities in purchasing and installing such systems; to the Committee on Human Resources.

By MR. DOMENICI:

S. 790. A bill to authorize the rehabilitation or reconstruction of Locks and Dam 26, to establish a revolving fund from user fees to finance a portion of the future costs of the inland waterways of the United States, and for other purposes; to the Committee on Environment and Public Works and the Committee on Commerce, Science, and Transportation, jointly, by unanimous consent.

By Mr. CHURCH (for himself and Mr. MCCLURE):

S. 791. A bill to authorize additional appropriations for the acquisition of lands and interests in lands within the Sawtooth National Recreation Area in Idaho; to the Committee on Energy and Natural Resources.

By Mr. HEINZ:

S. 792. A bill to authorize the Secretary of Housing and Urban Development to make grants to local governments for converting closed school buildings to efficient, alternate uses, and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

S. 793. A bill to amend the Internal Revenue Code of 1954 to encourage businesses to purchase surplus school or hospital buildings from governmental and nonprofit entities by providing rapid amortization for such buildings; to the Committee on Finance.

By Mr. BAYH:

S. 794. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974, that this amendment may be cited as the "Juvenile Delinquency in the Schools Act of 1977"; to the Committee on Human Resources and the Committee on the Judicary, jointly, by unanimous consent.

S. 795. A bill to restore and to promote competition in the petroleum industry, and for other purposes; to the Committee on the Judiciary.

By Mr. TOWER:

S. 796. A bill to amend the Tax Reform Act of 1976 to eliminate the retroactive portion of the changes in the rules for deduction of home office expenses; to the Committee on Finance.

By Mr. McGOVERN (for himself, Mr. DECONCINI, Mr. HUMPHREY, Mr. MELCHER, and Mr. STONE):

S. 797. A bill to exercise the power of the Congress under article IV of the Constitution to declare the effect of certain State judiciary proceedings respecting the custody of children; to the Committee on the Judiciary.

By Mr. PROXMIRE:

S. 798. A bill requiring the Department of Labor and the Bureau of Labor Statistics to publish a monthly report on job vacancies and job vacancy statistics; to the Committee on Human Resources.

S. 799. A bill to amend section 1103 of the Merchant Marine Act, 1936, to require that notice be given to the Congress of any guarantee proposed to be made under such section in excess of $25 million; to the Committee on Commerce, Science, and Transportation.

By Mr. HART (for himself, Mr. ABOUREZK, Mr. BROOKE, Mr. BUMPERS, Mr. CASE, Mr. HEINZ, Mr. HUMPHREY, Mr. LEAHY, and Mr. NELSON):

S. 800. A bill to promote the use of energy conservation, solar energy, and total energy systems in Federal buildings; to the Committee on Environment and Public Works.

By Mr. McINTYRE (for himself and Mr. BROOKE):

S. 801. A bill to amend title I of the Housing and Community Development Act of 1974 for the purpose of providing that units of general local government which are not metropolitan cities or urban counties and which are receiving grants under the hold-harmless provisions of such title shall be entitled, after fiscal year 1977, to continue to receive at least the amount to which they are presently entitled under such provisions; to the Committee on Banking, Housing and Urban Affairs.

By Mr. TOWER (for himself, Mr. PELL, Mr. STONE, and Mr. ZORINSKY):

S. 802. A bill to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1976 to provide that States will be assured of receiving grants at a level equal to that which was received prior to the date of enactment of such amendments; to the Committee on Human Resources.

By Mr. HELMS:

S. 803. A bill to amend the Internal Revenue Code of 1954 to provide that certain liens for taxes shall not be valid unless actually entered and recorded in the office in which the lien is filed; to the Committee on Finance.

By Mr. DURKIN:

S. 804. A bill to authorize and direct the President to obtain independent determinations of the domestic crude oil and natural gas resources of the United States, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. McINTYRE (for himself, Mr. LEAHY, Mr. HEINZ, Mr. ABOUREZK, Mr. KENNEDY, Mr. BROOKE, Mr. CASE, and Mr. HUMPHREY):

S. 805. A bill to provide for incentives for the commercial application of solar energy, energy conservation, and renewable resource equipment and devices in homes, neighborhood and community structures, small businesses, and facilities owned or occupied by nonprofit organizations; to the Committee on Banking, Housing and Urban Affairs.

By Mr. McINTYRE (for himself, Mr. LEAHY, Mr. HEINZ, Mr. ABOUREZK, and Mr. CASE):

S. 806. A bill to amend the Internal Revenue Code of 1954 to provide income tax incentives for the conservation of energy used to heat or cool residences and commercial buildings, and for the utilization of renewable fuel energy sources; to the Committee on Finance.

By Mr. McINTYRE (for himself, Mr. LEAHY, Mr. HEINZ, Mr. ABOUREZK, Mr. KENNEDY, Mr. CASE, Mr. BROOKE, and Mr. HUMPHREY):

S. 807. A bill to amend the Small Business Act and the Federal Nonnuclear Energy Research and Development Act of 1974 to provide certain assistance to individuals and small business concerns in the areas of solar energy equipment and energy-related inventions; to the Committee on Energy and Natural Resources.

By Mr. CASE (for himself, Mr. HUMPHREY, Mr. KENNEDY, Mr. McINTYRE, Mr. LEAHY, and Mr. HEINZ):

S. 808. A bill to amend the Foreign Assistance act of 1961 to encourage greater emphasis on the production and conservation of energy in developing countries through the development and utilization of unconventional energy technologies; to the Committee on Foreign Relations.

By Mr. HELMS:

S. 809. A bill for the relief of Chatchai "Rick" Chatranon; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 810. A bill granting an extension of patent to the United Daughters of the Confederacy; to the Committee on the Judiciary.

By Mr. BAKER (for Mr. CURTIS (for himself), Mr. ALLEN, Mr. BARTLETT, Mr. BUMPERS, Mr. DOLE, Mr. EASTLAND, Mr. GARN, Mr. GOLDWATER, Mr. HANSEN, Mr. HATCH, Mr. HATFIELD, Mr. HELMS, Mr. LAXALT, Mr. McCLELLAN, Mr. McCLURE, Mr. ROTH, Mr. SCOTT, Mr. STENNIS, Mr. TALMADGE, Mr. THURMOND, Mr. WALLOP, Mr. YOUNG, and Mr. ZORINSKY):

S.J. Res. 26. A joint resolution to require the Federal Government to end deficit financing; to the Committee on the Judiciary.

By Mr. DECONCINI (for himself, Mr. DANFORTH, Mr. GOLDWATER, and Mr. SCHMITT):

S.J. Res. 27. A joint resolution proposing an amendment to the Constitution of the United States with respect to the number of terms of office which members of the Senate and the House of Representatives may serve; to the Committee on the Judiciary:

By Mr. DANFORTH (for himself, Mr. DECONCINI, Mr. WALLOP, Mr. SCHMITT, Mr. HAYAKAWA, and Mr. GOLDWATER):

S.J. Res. 28. A joint resolution proposing an amendment to the Constitution of the United States with respect to the number of terms of office of Members of the Senate and of the House of Representatives; to the Committee on the Judiciary.

By Mr. BURDICK:

S.J. Res. 29. A joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week"; to the Committee on the Judiciary.

By Mr. HART (for himself and Mr. METCALF):

S.J. Res. 30. A joint resolution providing that competition is reaffirmed as the best means of serving American consumers' telecommunications needs; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GRAVEL:

S. 763. A bill to amend section 2(b)(1) of the National Housing Act to authorize increases in the dollar amount limitations on the purchase of mobile homes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. GRAVEL. Mr. President, today I am introducing a bill which would amend section 2(b)(1) of the National Housing Act. This amendment will increase the ceilings for Government-insured loans for mobile homes and thus extend the benefits of this program to those people who are not able to purchase mobile homes because the lowest priced mobile homes on the market where they live exceed the ceilings of the program by a substantial amount.

Presently the Department of Housing and Urban Development may insure a loan for a mobile home as long as it does not exceed 113 percent of the wholesale price up to a limit of $12,500 for a single module and $20,000 for a double module. In addition, such fees and charges as recording fees, stamp taxes, State and local sales taxes, insurance, tie down costs, transportation costs and skirting may be included in the loan as long as the total loan does not exceed the stated ceilings.

To illustrate this problem, a single wide 14 feet by 70 feet, 3-bedroom unit, delivered in Seattle costs $12,848.50, in Anchorage $18,200, and in Fairbanks $19,248.50. The additional costs are due to water freight charges of $3,900 per piece to Anchorage and $3 per mile transportation charges from Anchorage to Fairbanks costing a total of $1,050.

The comparative costs for a 28 feet by 68 feet double unit are just as striking. Such a unit costs $19,039 in Seattle, $29,852 in Anchorage, and $31,459 in Fairbanks. As shown by this example, the present ceilings are sufficient to allow this program to function in Seattle, but act as a barrier for Government-insured loans in Alaska.

This problem is brought into sharper focus when the number of loans issued under this program for Washington, Oregon, and Idaho are compared to the number of loans issued in Alaska. From January 1975 through July 1976, 1,743 loans were made under this program in those three States, representing over $18 million in loans. These loans were made from a pool of 28,140 units delivered to the above-mentioned States for 1975 and the first half of 1976. However, for Alaska there were no loans made under this program for 1975 and none have been reported for 1976. The number of units sold in Alaska last year was just over 2,000 and almost all of these purchases required some form of institutional financing.

This lack of a viable Government loan program takes on added significance when one reviews the extent to which

the mobile home industry has captured the housing market in any given price range. For example, on a nationwide basis, mobile homes represented 94 percent of all housing built in 1975 costing $20,000 or less. For Alaska that figure is 100 percent. The national percentage that mobile homes represent of housing built in 1975 costing $30,000 or less is 67 percent. Again, the figure for Alaska is higher and is roughly 80 percent.

A potential home buyer looking for a home costing less than $20,000 will 47 times out of 100 buy a mobile home. Without a functional Government-insured loan program, such a potential buyer must either finance the mobile home through conventional loan programs which have higher interest rates or higher down-payment requirements than the Federal program, or not enter the homeowners' market at all and become renters. This inability to purchase a home prevents him from building any equity in his house over time.

This legislation would give the Secretary of Housing and Urban Development discretionary authority to raise the maximum loan amounts by 75 percent in any geographical area where there is a finding that cost levels so require. It is my understanding that enactment of this legislation will result in monthly payments greater than typical purchasers could afford. This legislation also includes a provision that would extend the maximum loan term from 15 years and 32 days to 20 years and 32 days in those instances where the obligation is subject to a higher dollar amount limitation established by the Secretary.

Certainly one of the underlying reasons for government-financed loans for the purchase of on-site homes by low- and middle-income buyers is the congressional desire that all people be able to purchase, at a minimum, a safe and functional house. In addition, it was the desire of Congress that low- and middle-income people be able to build an estate in real property for the security of their families through equity in a house. These considerations should be of equal importance in developing a government insured loan program for mobile homes.

I believe the initial steps have been taken with the creation of this program. The program should now reflect, as my bill will do, the fluctuation in price due to geographical considerations for mobile homes, so that all people who desire to purchase a mobile home may consider this Government loan program as an alternative method of financing.

By Mr. BARTLETT:

S. 772. A bill to amend section 1011(d) of the Tax Reform Act of 1976; to the Committee on Finance.

INCOME TAX FOR AMERICANS LIVING ABROAD

Mr. BARTLETT. Mr. President, on January 20, 1977, I introduced S. 388, in order to substantially restore the income tax treatment of Americans working abroad to what it was before the Tax Reform Act of 1976. Since that time, I have heard from Americans all over the world expressing their support and deep concern about this issue. Also, since that time I have realized that in order to obtain thorough consideration of this general topic, it is necessary to have adequate time for deliberation—without penalizing Americans now living or working abroad.

Therefore, today I am introducing legislation to amend the Tax Reform Act of 1976 so as to make the effective date of the provision dealing with the taxation of Americans abroad January 1, 1977. Besides allowing time for proper consideration, this legislation will prevent a potential injustice. I can find no excuse why, because the Tax Reform Act was passed so late in the year last year, that this provision was made retroactive to January 1, 1976. Individuals and business firms were unable to plan or prepare for the increased tax burden. I view it as completely unfair to ask these Americans to pick up the tab for our lengthy debate on the Tax Reform Act.

It was all well and good for those in Congress to feel that Americans living or working abroad were being given a positive tax advantage prior to October 4, 1976—it is something else all together to prove it. I am convinced that the majority of Americans overseas were not receiving any kind of tax advantage. Americans overseas represent people in widely varying situations: From Hong Kong to Saudi Arabia, from Ecuador to London. These are places of widely varying standards of living and costs of living. So that if any inequity must be built into the tax law, surely the benefit of the doubt should go to these taxpayers.

There is a vast and increasingly competitive world market outside the borders of the United States. America cannot afford to price its international entrepreneurs out of the world market—foreign companies are grinning with glee at what we are doing to ourselves. We need the money, we need the jobs, and we need the future. And if the truth be told, the world needs the fruits of American enterprise.

Therefore, I am asking that justice be done and that the retroactivity of this provision of the 1976 Tax Reform Act be rescinded.

Mr. President, I ask unanimous consent to have printed in the RECORD various letters and documents which I have received concerning this matter. I strongly urge my colleagues to read and seriously consider these documents.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPT FROM STANFORD RESEARCH INSTITUTE INTERIM REPORT FOR A STUDY COMMISSIONED BY MR. HAROLD MORGAN

V. IMPACTS OF SECTION 911

The income tax paid by the typical U.S. construction worker having permanent residence in Saudi Arabia has been raised significantly by the "911" revision of the Code.* A simplified example illustrating the size of the increase for 1976 is given below for the case of a U.S. citizen resident in Saudi Arabia, earning $61,000 including all allowances and having $6000 in deductions and exemptions.

Under old law:	
Gross income	$61,000
Deductions and exemptions	6,000
Total	55,000
Foreign tax exclusion	20,000
Taxable income	35,000
Tax Liability	9,920
Under new law:	
Gross income	61,000
Deductions and exemptions	6,000
Total	55,000
Tax on $55,000	19,640
Less tax on $15,000 exclusion	3,010
Tax liability	16,640
Increase in tax liability	6,720

To fully compensate this employee for the increase in his tax liability, his employer will have to pay him about twice the increase because the additional amount will be taxed at a high tax rate corresponding to his relatively high income level. Thus, in this case, the employer's cost of keeping a man in Saudi Arabia will increase about 20%.

In general, the increase in tax liability due to the new "911" provision rises as the individual's taxable income level rises. In Saudi Arabia, this is already high because of the high cost of living and the premiums that must be paid to encourage U.S. citizens to live in Saudi Arabia. Furthermore, two factors act to increase these income levels substantially. First, inflation is high in Saudi Arabia and, therefore, living allowances rise significantly each year. Second, the Internal Revenue Service has stated that the value of housing must be reported at the current market value in Saudi Arabia and not the value of comparable housing in the United States. (To get an appreciation of the potential impact of this on an individual's taxable income, housing costs have risen over 200% between 1975 and 1976.

Today, a three-bedroom house in Riyadh rents for over $2,000 per month. These two factors, therefore, will multiply the impact of the "911" revision, causing it to escalate significantly each year.

U.S. construction contractors in Saudi Arabia have generally responded to the "911" revision by compensating their U.S. employees in Saudi Arabia for their increase in taxes at least for 1976. Despite this general response, there have been some resignations as a consequence of the higher personal tax burden. The cost of these tax equalization programs can be substantial. Contractor C, for example, anticipates an additional direct cost of $6 million annually on existing contracts due to the increase in personal tax costs for Saudi Arabia.

Another response has been to begin to replace U.S. citizens in Saudi Arabia with non-U.S. citizens. The replacement of U.S. citizens, however, can only go so far before the competitive position of U.S. contractors is eroded. Conversely, there is a limit to the extent a U.S. contractor can increase his bids to offset increased U.S. labor costs before becoming uncompetitive. These limits are dependent on the specific competitive environment confronting the contractor.

U.S. contractors are more competitive in certain types of projects than in others or, conversely, they are more vulnerable in certain segments of the construction market to foreign competition than in others. Therefore, in assessing the effect of the "911" revision on U.S. contractor revenue, consideration must be given to the different segments of the Saudi Arabian construction market and to the nature of competition in those segments. Using this approach, it should be possible to see where the impact is likely to be greatest and what kinds of U.S. contrac-

* No other major industrial nation in the world taxes its citizens who are working in a foreign country.

tors are most likely to be affected. This analysis, however, is beyond the scope of our preliminary research. At this stage of our research, therefore, all that can be said is that the "911" revision will have a negative effect on the competitiveness of U.S. contractors in Saudi Arabia. How much of an effect is open to speculation.

The direct impact of "911" on construction machinery manufacturers operating in Saudi Arabia appears to be less than on contractors, simply because manufacturers have fewer U.S. citizens in Saudi Arabia. On a worldwide basis, however, the larger manufacturers having subsidiaries in foreign countries will be faced with increased labor costs because of increased compensation for these U.S. employees located abroad. Again, the impact of this increase in costs on their competitive position in general, and in Saudi Arabia, specifically, is beyond the scope of our preliminary investigation.

FEBRUARY —, 1977

EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTION OF AMERICAN SOCIETY OF CIVIL ENGINEERS (ASCE)

RESOLUTION

AVAILABILITY OF U.S. ENGINEERING SERVICES AND PRODUCTS TO THE DEVELOPING WORLD AND TAX EQUITY FOR INDIVIDUAL U.S. CIVIL ENGINEERS WORKING ABROAD

Whereas, newly developing areas of the world have need for the products of U.S. engineering skills in order to provide improved standards of living for people.

Whereas, it is fair and equitable to provide appropriate compensation and incentives for civil engineers and their families who make sacrifices and take risks to work abroad in parts of the world which are considered as hardship areas, places in need of technical and professional skills as well as development and construction.

Whereas, a healthy U.S. economy is essential to a like economy throughout the world and maximum ability of the U.S. to provide goods and services (including design and construction) both at home and abroad.

Whereas, in 1975 U.S. construction companies had about $22 billion worth of work overseas and approximately half of that came home in the form of purchases of goods and services.

Whereas, in 1975 design and construction activities by U.S. companies abroad directly and indirectly created 400,000 jobs.

Whereas, the Tax Reform Act of 1976 slashed the amount an individual U.S. national working overseas could henceforth exclude from his taxable income, in total amount such as to result in probable increased tax revenues of about $48 million from this source.

Whereas, the retroactive provisions of the Act relating to the overseas engineer, although but of fractional impact compared with the major effect of the change of policy involved, upset the tax and career planning of the individual or, where employers underwrite this aspect of work abroad, then the planning and contractual commitments of the employer.

Whereas, these higher costs resulting from the changed policy jeopardize the ability of U.S. firms to hire U.S. civil engineers and to compete successfully in an international arena where foreign governments provide direct or indirect subsidies to the competitors of U.S. firms in the long term national interest of that foreign nation.

Whereas, U.S. knowledge, experience and reliability demand a premium but there is a limit overseas clients are willing to pay by way of premium and there is a question as to the ability of U.S. firms to continue to attract clients on the basis of U.S. experience and expertise as firms are forced by the pressures of competition to reduce costs by replacing more and more American professionals and technicians with those of other nationalities.

Whereas, incentives and appropriate compensation for American citizens working abroad are equitable because of:

Increased risks from exposure to systems of government and justice lacking safeguards guaranteed in the U.S.,

Less developed standards of living and a less hospitable environment,

Dislocation from home, country and headquarters of employer with attendant difficulty of resumption of U.S. ties at some indefinite time in the future,

Exposure to foreign taxation,

Inability to benefit from many government services and facilities within the U.S. paid for in part by the tax dollars of the U.S. professional or technician working overseas,

Greater medical risks and costs for such services as may be available,

Living and housing cost differentials,

Higher insurance premiums,

Increased schooling costs for dependents and eventual need to make up accruing deficiencies,

High shipping costs to and from remote and inaccessible areas,

Home and emergency leave allowances.

Whereas, in the national interest, traditionally the U.S. government has sought to protect and enhance not only the rights but the opportunities of U.S. citizens and U.S. firms doing work abroad.

Be it resolved that:

In the national interest the U.S. government provide appropriate compensation and incentives to encourage individuals and firms to work aboard to assist in providing American experience and expertise in the international market place and to enhance the U.S. economy.

Every effort be made to generate awareness of the economic risk to the nation of actions which although generating some additional near term tax revenues have the effect of placing in jeopardy some $22 billion in overseas construction work (including $11 billion of purchases of U.S. goods and services) and 400,000 jobs, with probable long term reductions in total tax revenues far exceeding any immediate relatively small increase in revenues generated by increased taxes on individual incomes of Americans working abroad.

The Congress be urged to enact legislation that will afford equitable treatment of individual earned income of U.S. professionals and technicans working overseas.

The President be urged to seek such legislation from the Congress.

ARTHUR G. MCKEE & CO.,
Cleveland, Ohio, February 7, 1977.

Hon. DEWEY F. BARTLETT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BARTLETT: I have noted that you have introduced Bill S-388 to the Committee on Finance which, if enacted, would restore the treatment of income earned by United States citizens abroad to what it was before the enactment of the Tax Reform Act of 1976.

The changes resulting from the Tax Reform Act of 1976 with regard to Section 911 of the Internal Revenue Code of 1954, create unsurmountable difficulties for companies needing the services of U.S. citizens abroad and make it almost impossible to secure or maintain personnel in those assignments.

I fully support the need for such legislation, and I want to compliment you on your insight in introducing this bill.

Yours very truly,

R. G. WIDMAN,
President.

AMERICAN CHAMBER OF COMMERCE IN AUSTRALIA,
Sydney, February 3, 1977.

Hon. DEWEY BARTLETT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BARTLETT: On behalf of the 1,400 members of the American Chamber of Commerce in Australia, may I extend warmest thanks and appreciation for your initiative in introducing S. 388 to amend the Internal Revenue Code with respect to income earned abroad by U.S. citizens residing overseas.

The provisions contained in the Tax Reform Act of 1976 undoubtedly place an unfair burden on U.S. citizens abroad, but, worse, will undermine the competitive position of the United States and culminate in the gradual withdrawal of American managers, planners, technicians, accountants, teachers and the like from the international scene.

Please be assured that you have the solid backing of the American Chamber of Commerce in Australia and the other nine AmChams gathered under the regional confederation of the Asia-Pacific Council of AmChams (APCAC).

Cordially,

JOHN R. DAVIS,
President.

MCDONNELL AIRCRAFT CO.,
St. Louis, Mo., February 11, 1977.

Hon. DEWEY F. BARTLETT,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR BARTLETT: I was delighted to note that you had sponsored Senate Bill S. 388 in an attempt to reverse some of the punitive tax consequences on Americans working overseas and I wish to express my sincere appreciation.

As a builder of military aircraft, billions of dollars of which have been bought by foreign customers, we were particularly shocked by making the Tax Reform Act of 1976 retroactive to 1 January 1976, as well as the unfair provisions of Sec. 911 which you were trying to reverse. If I understand the situation correctly, these provisions do not apply to U.S. Military and Civil Service people serving overseas. As you know, the military have thousands of uniformed and Civil Service personnel serving these Foreign Military Sales Programs, as well as contractor personnel under contract. The fact is that contractor personnel are hit by these tax provisions and the military are not while serving side by side.

I will do everything in my power to see that you get as much support for S. 388 from your colleagues as I can.

Very truly yours,

J. F. SUTHERLAND,
Vice President—Product Support.

THE ASSOCIATION OF AMERICANS RESIDENT OVERSEAS,
Paris, February 11, 1977.

Hon. DEWEY BARTLETT,
U.S. Senator,
Washington, D.C.

DEAR MR. SENATOR: It was with the greatest interest, and delight, that I read in today's issue of the International Herald Tribune an article entitled, "Senator Acts to Lower Tax of Americans Abroad", which describes your initiative with regard to amendment of the Tax Reform Act of 1976.

The Association of Americans Resident Overseas has been doing its best to make just the points about the Tax Reform Act and their affect of Americans living abroad which are ascribed to you. We believe that Americans living and working abroad are, in the great majority, an asset to the United States and that they should receive equitable treatment as American citizens.

We, therefore, welcome your initiative and extend our warm thanks to you.

Sincerely yours,

RANDOLPH A. KIDDER,
President.

[From the Boston Globe, Dec. 25, 1976]

UNITED STATES LOOKS DOWN ON AMERICANS LIVING ABROAD

(By Randolph A. Kidder)

PARIS.—The tax revision act signed by President Ford Oct. 4, which will substantially increase the tax burden of Americans living and working abroad, and the impending action of the French parliament on a bill designed outside of France illustrate with painful clarity the different attitudes that French and Americans have of their respective expatriate fellow citizens.

Americans living outside the US are all too often regarded as somehow different expatriate fat cats living on the Riveria, artists enjoying a Bohemian life in Paris's Latin Quarter, hippies escaping life at home, businessmen profiting from cheap labor and taking jobs away from workingmen at home. The cumulative image of expatriate Americans is reflected in Congress and played a part in the passage of the recent tax revision.

The French concern with her expatriate citizens is more sophisticated and realistic. The overseas Frenchman is regarded as a cultural, economic, technical extension of France and, as such, to be encouraged and cherished.

In 1927, the idea of a permanent secretarial linking the French groups living abroad with the metropole was conceived. This marked the birth of the Union des Francais de l'Etranger (UFE), the Union of French Living Abroad. Shortly after the second World War the Conseil Superieur des Francais de l'Etranger (CSFE) was established. This is a government body, meeting annually under the presidence of the foreign minister. It is made up of 98 members elected in different zones of the world; six senators representing the French abroad; representatives of the UFE, of War Veterans, of Chambers of Commerce and the Federation of French Professors and of 10 persons designated by the government.

The UFE, a private, non-profit organization, represents the more than 1.2 million French expatriates. Its principal objectives is the maintenance of contact with French abroad and the protection and furtherance of their interests. It publishes a monthly magazine and an annual compendium.

The French government recognizes that the activities of the French abroad are a national asset to be encouraged. Sen. Habert, representing the French in the Americas, told me that French expatriates are no longer regarded as deserters or adventurers but as men and women who, by their activities, export the French language and culture, ideas, technical skills and industry. Their presence around the world, rather than constituting a loss for the nation, assures the spread of French material and spiritual values and brings to France, when these men and women return, valuable experience gained abroad.

To give substance to the government's interest, Jacques Chirac, until recently prime minister, a year ago established a working group in his office charged with proposing practical measures to ameliorate the conditions of life of his compatriots overseas—legislative and administrative measures and recommendations to businesses and professional organizations. Its recommendations are now being implemented. They relate to social legislation, to fiscal policy and taxation and to education. Measures to facilitate the departure of Frenchmen and their establishment overseas were included.

In short, French are encouraged to go abroad and not discouraged as seems to be often the case in the U.S. There is a national employment agency and an information service to help them; French Chambers of Commerce and schools abroad provide services and help. The government provides scholarships and in other ways tries to give the French expatriate the same benefits he would have received at home.

In discussing with Americans residing in various parts of Europe this question of the different attitudes of Americans and French toward their fellow citizens abroad, the impression comes through loud and clear that they feel they are being treated as second class citizens—and that they need some sort of representation in Washington to present their points of view on matters of general concern. These matters are primarily equitable taxation, citizenship problems and the right to Medicare benefits.

The Association of Americans Resident Overseas, based in Paris, is trying to do something about it and to get across the point that Americans abroad are a national asset and that the international position of the U.S. is enhanced by their activities.

NATIONAL CONSTRUCTORS ASSOCIATION,
Washington, D.C., February 2, 1977.

Hon. MARTY RUSSO,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: On January 20, 1977, Senator Laxalt, at the request of Senator Bartlett, introduced S-388, which would repeal that portion of the Tax Reform Act of 1976 which effectively eliminated the benefits of Section 911 of the Internal Revenue Code. I firmly believe that S-388 is a measure most worthy of your consideration and support and I strongly urge that you sponsor similar legislation in the House.

The United States is the only industrialized nation in the world which taxes the income of its working expatriates. As a result, the cost of maintaining our employees overseas is greater than that of any other country. As with all costs, this is passed on to the client as a part of the ultimate purchase price. Our projects are therefore more expensive, and our competitive standing is reduced.

It would be most unfortunate if American companies were forced to compete in overseas markets with a U.S. government-imposed handicap to overcome. Our industry, engineering and construction, can serve to demonstrate why this is so. The international activities of just the NCA members, a list of which is enclosed, accounted for $11 billion worth of goods and services performed in the United States. The Bureau of Labor Statistics estimates that in 1975, foreign construction activities by U.S. companies created 400,000 jobs here. It is evident that this is a signficant, positive economic impact.

The increase in Treasury revenues as a result of this change will be only $48 million. This will be more than outweighed by the significant reduction in jobs and economic activity which will result when our foreign competitors out bid us in international markets.

I want to call your attention to several publications which I feel will assist you in appreciating the enormity of this problem, all of which I have attached for your information. First is a copy of pages 1151-1155 of the Congressional Record of January 20, which contains the text of S-388 and a concise explanation of the reasons for its introduction. Second is a paper prepared by the NCA explaining in some detail why the current law is so detrimental to our interests and those of the nation. Third is a copy of an article on this subject printed in the Engineering News-Record of January 20, and finally a copy of an article from the front page of the Wall Street Journal of January 21st is also attached. I believe you will find them all most informative.

I urge you to study quite closely this most critical issue. I am confident that you will support S-388 with enthusiasm, since the well-being of a substantial sector of our economy, and therefore the whole, is at stake.

If I can be of any assistance to you, or if you desire more information on this subject, please contact me, or my assistant, John O'Leary, at your convenience.

Very truly yours,

MAURICE L. MOSIER,
President.

THE ASIA-PACIFIC COUNCIL OF AMERICAN CHAMBERS OF COMMERCE,
Manila, Philippines, January 18, 1977.

President JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The Asia-Pacific Council representing the American Chambers of Commerce and their 5,500 members in this region is eager to support your administration in moving America forward to new levels of economic sufficiency and prosperity. We feel that a greatly stimulated foreign investment and trade program is necessary to bring this about. A large part of American industry and agriculture is dependent on our exports and such exports are increasingly dependent on the ability of our Americans abroad to create this market demand and make the purchasing decisions which result in the U.S. earnings from this transfer of goods, technology and services.

As one of its last acts, the 1976 Congress passed a "Tax Reform" act which modified Section 911 of the Internal Revenue Code increasing very substantially the income tax burden on non-diplomatic Americans residing abroad. These changes will increase many tax burdens from 50% to as much as 400%. In cost cases the new tax liability will be more than the take-home pay of their domestic U.S. counterparts.

As additional unfair impact, the new law was made retroactive to January 1, 1976 even though it became law ten months into the 1976 year, causing consternation among this group who, without forewarning, could make no provisions for such retroactive liabilities.

In a general meeting in Jakarta, Indonesia in October 1976, our organization adopted a resolution seeking the repeal or revision of the new provisions of 911 which we consider both unfair and discriminatory. We are firmly convinced that the maintenance of these provisions in the Tax Act will destroy the jobs of many Americans, both in the United States and abroad, and will also substantially impede American overseas trade, investment and other economic and political interests which have heretofore benefited from a strong and knowledgeable American presence. Since the United States is the only developed industrialized country which ever taxed the foreign earned income of its non-resident citizens, it becomes uneconomic to effect corporate equalization compensation (for corporations can afford to do so) and within a few years simply too expensive to continue posting American managers, technicians and instructors abroad. Likewise, our very important groups of independent businessmen, journalists, teachers, doctors, accountants and lawyers are now also forced out of the competitive positions they occupy abroad by this new tax factor. Major companies with approximately 1,500 citizens overseas estimate that the new tax legislation will, for 1976 alone, increase their costs by $6,700 per person, escalating each succeeding year to a point of impossible accommodation.

The Department of Defense has expressed its concern about the impact of Section 911 revisions on Department of Defense civilian contracts abroad. It is estimated that 1976 taxes of U.S. civilian personnel in Iran and Saudi Arabia would be increased by $7,500 per employee by this legislation and will escalate upward as equalization compensa-

tions are made taxable year after year. In one single contract in Iran, the U.S. government must accept an additional $28 million cost over the next two years because of this legislation. This will add to the burden the taxpayer must bear and again bring into question the economic viability of using Americans in such technical positions where third country nationals could possibly be made available.

Due to this legislation, it will now be much cheaper to utilize third country non-American expatriates whose compensation is not taxed by their home country and, therefore, compensated at a more competitive level. When this happens, the U.S. will lose the tax revenue attributable to the income formerly earned by Americans abroad. The salaries paid will be returned in part to the host or a third country rather than—in great part—benefiting the U.S. economy.

This is now a people issue, American citizens who may now lose their international job potential. A future in international business, private enterprise and non-government activity of many types will be denied them on grounds of their uneconomic tax inflated cost. Will the U.S. labor market be able to absorb these people? Will there be compensation for those whose positions are displaced as a result of this U.S. tax legislation? Of perhaps greater impact on America will be the effect that the withdrawal of thousands of senior knowledgeable American experts will have on our abilities to interpret, advise and influence our national interests on the foreign scene.

These are functions that cannot fully be undertaken by government or military personnel not trained or oriented to private sector work. Without such opportunities how will our young future generation be trained? How will they gain the experience in international business, social and political relations necessary for economic penetration of a world of increasing nationalism and national loyalty? How can we expect host or third country nationals to dedicate themselves to American interests? How much of the more than $100 billion of American private overseas investment will expand or even remain when American management is unavailable for this unseen stewardship? Would we attempt to put any American government overseas activity in the hands of host or third country nationals? Is it even equitable to expect such employees to risk the pressures and prejudices that would fall upon them with such positioning?

In passing the 1976 Tax Reform Act of the Internal Revenue Code, Congress was said to be acting to correct what certain legislators believed to be a disparity between U.S. citizens residing in the U.S. and those residing abroad. The fact that this was neither completely factual nor competitively practical was communicated by our overseas groups many times personally and by letters and cables without any apparent effect and thus the damage was done.

As part of your 1977 tax relief proposals, we, as part of the 1.5 million overseas Americans affected by the changes to Section 911 beseech you to seek treatment for overseas Americans equal to that extended to overseas nationals of other industrialized nations of the world or alternatively, to increase the earned income exclusion and tax-free allowances to a point where we are again competitive with such third country nationals and to the American government employees currently granted separate protection under Section 912.

To defer eminent negative corporate decisions and a general consternation among the self-employed abroad who must re-orient their own current planning, we particularly beg that the retroactive application of the 1976 amendments be rescinded to allow time for a comprehensive study of revised legislation that would strengthen the American position abroad and move our ability for economic competition ahead rather than destroy our overseas organizations which have taken years to develop and which all American labor is dependent upon if we are to keep our products and services before the foreign public in a manner which will ensure their growth.

We see no more critical issue on your immediate horizon and beg your attention and coordination with the many already in Washington prepared to reverse this threat to our economic strength.

Respectfully yours,

A. L. BURRIDGE,
Chairman.

By Mr. BARTLETT:

S. 773. A bill authorizing the Wichita Indian Tribe of Oklahoma, and its affiliated bands and groups of Indians, to file with the Indian Claims Commission any of their claims against the United States for lands taken without adequate compensation, and for other purposes; to the Committee on Indian Affairs.

Mr. BARTLETT. Mr. President, today I am introducing legislation to authorize the Wichita Indian Tribe of Oklahoma, and its affiliated bands and groups of Indians, to file with the Indian Claims Commission any of their claims against the United States for lands taken without adequate compensation.

The Wichita Tribe of Oklahoma and its affiliated bands and groups failed to file their claim with the Indian Claims Commission within the time limit specified in the act establishing the Commission. The Wichita Tribe has a very special reason for not filing its claim within the original 5-year period that expired on August 13, 1951. The tribe has clearly documented evidence that, although a concerted effort was made by them to do so, they were unable to obtain an attorney to file their claim before the ICC before the expiration of the deadline for filing. The Wichita Tribe of Oklahoma has, since 1951, tried through legislation to secure authority to file a claim with the ICC but have been unsuccessful in their efforts.

In 1969, when the ICC issued an Opinion in Docket 22–C, which Opinion permitted the Tigua Indian Community to intervene in Docket 22–C, the Wichita Indian Tribe of Oklahoma became convinced that they would be permitted to intervene in two pending cases before the ICC, that is, in Docket No. 257, in which docket the original claimants were the Kiowa, Comanche, and Apache Tribes of Indians, and in Docket No. 226, in which docket the original claimants were the Caddo Tribe of Oklahoma. The Indian Claims Commission, based on the authority of its Opinion in the earlier docket—Docket 22–C—issued an order on February 10, 1971, which permitted the Wichita Indian Tribe of Oklahoma, and others, to intervene in Docket 257, and at a later date, the ICC permitted the Wichita Tribe of Oklahoma, and others, to intervene in Docket 226. The United States, by and through the Department of Justice, strenuously objected to the orders granting intervention in both of the above designated dockets. Certain other Indian tribes were permitted to intervene in the Caddo case in Docket 226, which orders granting intervention were objected to by the Department of Justice.

A summary judgment was entered in Docket No. 257 by the Indian Claims Commission on the 9th day of August, 1971 [26 Ind. Cl. Comm. 101], which judgment was for recognized title to a large portion of the present States of Oklahoma, Texas, and Kansas, in favor of the Kiowa, Comanche, and Apache Tribes, with the further proviso that the Wichita Indian Tribe of Oklahoma occupied a portion of the said lands and they should be compensated accordingly. The United States of America took an appeal from the said decision, and the Court of Claims on June 20, 1973 [479 F. 2d 1369], issued an Opinion whereby the Decision of the Indian Claims Commission, rendered on August 9, 1971, was reversed as to recognized title to the lands in question and the decision also reversed the Order of the Indian Claims Commission permitting the Wichita Indian Tribe of Oklahoma to intervene in Docket 257.

The above information clearly indicates to me that this deserving tribe should be given an opportunity to have its "day in court" where the merits of its claims can be determined. The legislation I am introducing today will permit the tribe to litigate its claims before the Commission without regard to the 1951 cut-off date for the filing of claims which is contained in section 12 of the Indian Claims Commission Act.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 773

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding sections 2401 and 2501 of title 28, United States Code, and section 12 of the Act of August 14, 1946 (60 Stat. 1052; 25 U.S.C. 70k), jurisdiction is hereby conferred upon the Indian Claims Commission to hear, determine, and render judgment on any claims the Wichita Indian Tribe of Oklahoma and its affiliated bands and groups have against the United States with respect to any lands or interests therein which were held by aboriginal title or otherwise, which were acquired from such tribe, bands, or groups without payment of adequate compensation by the United States. Such jurisdiction is conferred notwithstanding any failure of such tribe, band, or groups to exhaust any available administrative remedies. Any party to any action under this Act shall have the right to have any final decision of the Court of Claims reviewed by appeal to the Supreme Court of the United States.

(b) Any award made before, on, or after the date of the enactment of this Act, under any judgment of the Indian Claims Commission or any other authority, with respect to any lands that are also the subject of a claim submitted under this Act shall not be considered as a defense, estoppel, or set-off to such claim, and shall not otherwise affect the entitlement to, or amount of, any relief with respect to such claim.

By Mr. DOMENICI:

S. 774. A bill to modernize the programs of the Army Corps of Engineers; to the Committee on Environment and Public Works.

Mr. DOMENICI. Mr. President, I send to the desk a bill that might best be described as an effort to assure that the Senate's intent during the 94th Congress

is finally carried out in the 95th Congress.

This bill proposes a number of changes in procedures and the activities of the U.S. Army Corps of Engineers. Each one of these provisions was passed last year by the Senate in virtually identical form as a part of S. 3823, the Water Resources Development Act of 1976—Public Law 94–587. However, each of the provisions included in the bill I am introducing was dropped during the hurried Conference that took place in the final hours of the 94th Congress.

Because of that record of past support from the Senate, I believe these provisions deserve a reconsideration by the Senate.

Section 1 of this proposal requires an agreement on cost recovery with the Federal Government when any major landholder is to receive a significant, windfall benefit as a result of the construction of a Corps or a Soil Conservation Project that is approved by the Committee on Environment and Public Works.

Section 2 of this bill would modernize an antiquated law from 1909. That act has been used by the Corps to bypass congressional authorization on any rehabilitation work at existing navigation projects. This section requires full congressional participation in the authorization process where the rehabilitation can be expected to cost more than $10 million.

Section 3 requires reports on the potential failure of any new dam project that is submitted by the Corps or the Soil Conservation Service to the Committee on Environment and Public Works, together with information on design features that "would prevent, lessen, or mitigate such possibility of failure."

Section 4 requires the Corps and SCS, in proposing new projects involving recreation, to identify nearby recreation projects, and show the potential effect of the new project on the existing ones.

Section 5 places on the Secretary of Transportation the responsibility for making the computations for cost-benefit studies of navigational projects. I know there may be much dispute over this provision, but I believe that this section at least merits careful study in the Executive Branch and the Congress.

Section 6 creates a system for automatically deauthorizing Corps studies if no money is spent on them for a period of 4 years.

Section 7 establishes a part-time Water Resources Mitigation Board that would advise the Corps and the Congress on the merits of complaints involving the possible adverse effect of a Federal water resource project. This is intended to provide the Congress with an independent analysis on the merits of the complaint, much like the military contract review board.

Mr. President, I ask unanimous consent that a copy of this bill, together with portions of the Senate report on S. 3823 last year that explained some of these provisions in greater detail, be printed at this point in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 774

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That whenever the Secretary of the Army, acting through the Chief of Engineers, or the Secretary of Agriculture, acting under Public Law 83–566, as amended, submits a project to the Committee on Environment and Public Works of the Senate or the Committee on Public Works and Transportation of the House of Representatives that can be anticipated to provide benefits, more than 10 per centum of which are produced by an increase in anticipated land value to a single landowner, the Secretary of the Army or the Secretary of Agriculture, as appropriate, shall, prior to the construction of such project, be required to enter into an agreement with such owner that provides that the owner contributes, either prior to construction or when such benefits are realized, 50 per centum of the project's costs allocated to such benefits.

SEC. 2. Section 4 of the Act of July 5, 1884 (23 Stat. 147), as amended by the Act of March 3, 1909 (33 U.S.C. 5), is hereby amended to read as follows:

"SEC. 4. The Secretary of the Army, acting through the Chief of Engineers, is authorized to operate, maintain, and keep in repair and rehabilitate any project for the benefit of navigation belonging to the United States or that may be hereafter acquired or constructed: *Provided,* That whenever, in the judgment of the Secretary of the Army, the condition of any of the aforesaid works is such that its reconstruction or replacement is essential to efficient and economical maintenance and operation, as herein provided for, and if the cost shall be less than $10,000,000, the Secretary may proceed with such work: *Provided further,* That the project does not increase the scope or change the location of an existing project, and: *Provided further,* That nothing herein contained shall be held to apply to the Panama Canal."

SEC. 3. Any report that is submitted to the Committee on Environment and Public Works of the Senate or the Committee on Public Works and Transportation of the House of Representatives by the Secretary of the Army, acting through the Chief of Engineers, or the Secretary of Agriculture, acting under Public Law 83–566, as amended, which includes construction of a water impoundment facility, shall include information on the possibility of failure of such facility due to geologic or design factors, the potential impact of the failure of such facility, and information on the design features that would prevent, lessen, or mitigate such possibility of failure or the impact of failure.

SEC. 4. When submitting any report on a project which includes benefits for recreation, the Secretary of the Army, acting through the Chief of Engineers, or the Secretary of Agriculture, under authority of Public Law 83–566, as amended, shall describe the benefits of other, similar recreational facilities within the general area of the project, and the anticipated impact of the proposed project on such existing recreational facilities.

SEC. 5. Beginning in the first full year after enactment of this Section, the Secretary of Transportation shall be responsible for the preparation of all calculations on transportation-related benefits for any future water resources project proposed by the Secretary of the Army, acting through the Chief of Engineers. As a part of such calculations, the Secretary of Transportation shall identify, with reasonable specificity, the impact of such proposed project on the costs and the traffic of competing modes of transportation.

SEC. 6. (a) Any resolution authorizing a survey by the Secretary of the Army, acting through the Chief of Engineers, is automatically deauthorized if no funds are expended for such survey within four years following its approval.

(b) The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to submit to the Congress, within six months of enactment of this section, a list of all existing surveys that have an inactive or deferred status, and all surveys on such list may be deauthorized within ninety days thereafter by resolution of either the Committee on Public Works of the Senate or the House of Representatives.

SEC. 7. (a) There is hereby established a Water Resources Mitigation Advisory Board (hereinafter referred to as the "Board"), which is authorized to evaluate complaints of any existing or potential adverse impact of any proposed or existing water resources project undertaken by the Secretary of the Army, acting through the Chief of Engineers, and to make recommendations on any requested mitigation.

(b) The Board shall be comprised of three members. One member shall be a Federal employee serving at the pleasure of the President. Two members shall be appointed by the President from the general public for terms of three years. Such public members, while attending meetings of the Board, shall be entitled to receive compensation at a rate not in excess of the maximum rate of pay for grade GS–18, as provided in the General Schedule under section 5332 of title 5 of the United States Code, including traveltime, and while away from their homes or regular places of business they may be allowed travel expenses including per diem in lieu of subsistence as authorized by law (5 U.S.C. 73b–2) for persons in the Government service employed intermittently. Anyone who has been an employee of the United States Army Corps of Engineers shall be ineligible to serve as a public member of the Board.

(c)(1) The Board shall meet at least four times annually to review matters referred to it by any State or local public agency, the Secretary of the Army, the Committee on Environment and Public Works of the Senate, or the Committee on Public Works and Transportation of the House of Representatives. At such meetings, the Board is authorized to review all information relating to any request for mitigation of an authorized project, and to recommend changes in the project that can be achieved administratively or by appropriate legislation. Any recommendation by the Board shall include a statement evaluating the equity of the mitigation request; an estimate, if appropriate, of the cost of such alteration and the effect such cost would have on the relation of total project benefits to costs; an explanation of how the mitigation request meets or fails to meet established national water resources policy. Recommendations by the Board are advisory and not subject to judicial review.

(2) A copy of any recommendation by the Board under paragraph (1) of this subsection shall be transmitted to the Secretary of the Army and to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives, as well as any interested State or local public agency. Following a review of any such recommendation, the Secretary of the Army shall notify the Committees on Public Works of the Senate and the House of Representatives of any decision or proposal based upon such recommendation, together with a statement detailing any disagreement with the Board's recommendation.

(d) For the purpose of this section "mitigation" means any change in project operations, any construction of new facilities or devices that would alleviate any anticipated or actual damages, or other adverse and de-

finable unintended effects, or any change in requirements for local interests to provide, pay for, or share in the costs of any features of any project undertaken by the Secretary of the Army, acting through the Chief of Engineers.

(e) The Board shall, from time to time, report to the Committee on Environment and Public Works of the Senate and the Committee on Public and Transportation of the House of Representatives on issues and problem areas brought before it for advisory opinions, together with any recommended changes in the procedures or practices of the Secretary of the Army acting through the Chief of Engineers, that would alleviate such problems in future projects.

(f) The sum of $250,000, beginning in the fiscal year ending September 31, 1978, is authorized to be appropriated each fiscal year to carry out this section.

NEW SECTION 1

This section establishes a procedure to assure that on any water resources project in which a single land owner can be expected to receive at least 10 percent of the project's benefits, that owner shall be required to agree to contribute half the cost of those portions of the improvements that relate to his benefits. The actual cash contribution need not be made prior to construction, but no construction can go forward without agreement from the landowners that he will make the contribution either initially or no later than the time he realizes the benefits, either through development, sale or more intensified land use.

A number of projects in this bill involve aspects that create windfall benefits to the owners of land adjacent to those projects. This is particularly evident in the case of one project where the Corps has estimated that the single owner of land in the project area can expect to receive a $3,124,000 windfall benefit as a result of the project.

The Committee believes that it is an equitable national policy that such recipients be required to share directly in the project's costs, since they will be direct and major beneficiaries.

It is recognized that the 10 percent figure is arbitrary. But it is expected that the Corps will make a study of this question, possibly proposing future legislation that will assume equitable treatment to all recipients of such windfall land enhancement benefits. When such benefits are widely distributed among many land owners, the Committee recognizes that there may be no practical way that the Federal taxpayer can be relieved of some of those costs.

NEW SECTION 2

This section augments the responsibility of Congress over the work under the direction of the Chief of Engineers. The section restrains the present broad discretion of the Corps to move forward on rehabilitation of navigation projects, without specific Congressional approval, and prescribes that this discretion is limited to projects that cost less than $10,000,000. In line with the user-charge provisions in this bill, this section also removes the outdated prohibition in the 1909 Act against the charging of tolls at locks operated by the Chief of Engineers.

The authorizing Committees of Congress have been bypassed in the past in decisions in planning and constructing of major navigational replacement facilities. This issue became most evident when the courts halted reconstruction of Locks and Dam 26 at Alton, Illinois, because it had proceeded illegally under the 1909 Act. The Secretary of the Army has stated that he will not continue to use this discretionary authority, until clarified by Congress.

Under the new procedures in this bill, the Chief may only rebuild a project on his continuing authority if it will cost less than $10,000,000, and if the work in no way alters the capacity of location of the project. This section makes it clear that any such "rehabilitation" that costs more than $10,000,000 must be submitted to Congress for full authorization, as if it were a new project.

NEW SECTION 3

When submitting any report to the Public Works Committee that involves the construction of a dam, the Corps of Engineers and the Soil Conservation Service are required to provide information in the report document on the possibility of failure of the facility due to design or geologic factors. This information must identify the potential impact of a failure, as well as information on those features in the project's design that will prevent or lessen the possibility of such a failure. The Committee believes this will provide valuable information to assure against future dam failures.

NEW SECTION 4

This section directs the Corps of Engineers and the Soil Conservation Service, when making any project report to the Public Works Committees that involves recreational facilities on other recreational projects in the general project area. This is necessary because it appears that many recreational "benefits" may sometimes be overstated because of competing recreational opportunities, or may prove to be simply a transfer of recreational benefits from other facilities, and thus not truly an increase in recreational benefits for the nation.

For the purposes of this section, the "general area of the project" means an area within driving distance for a family that might reasonably be expected to use the recreational site were not constructed.

NEW SECTION 7

This section establishes a three member Water Resources Mitigation Advisory Board that will assist the Congress and the Corps of Engineers in resolving issues and problems surrounding Corps projects. One member of the Board shall be a Federal employee. The other two shall be members of the public, appointed by the President, to serve for three year terms. The only limitation on the public members is that they must never have served with the Corps of Engineers. The public members are not expected to serve full-time, but will be compensated on a per diem basis and given travel expenses.

The Board is required to meet at least quarterly to review mitigation requests, and then the Board is expected to recommend a solution to any mitigation requests by local agencies. These reports shall be submitted to the Congress and the Corps of Engineers and shall be advisory.

For the purposes of the section, mitigation is defined as any change in project operations or construction of new facilities to alleviate any possible damages, or any change in local cost sharing involving established national policy. The Board shall review requests for mitigation presented by either State or local public agencies, the Corps of Engineers, or the Public Works Committee of the Congress, and then issue advisory opinions. The Board would be authorized to consider controversies surrounding Corps projects whether it be a request concerning damages, project scope, or Federal-local cost sharing.

The Board is expected to report to Congress from time to time with recommendations for changes in Congressional or Corps of Engineers practices and procedures, to prevent such problems from arising in future authorized projects.

The Committee on Public Works has long wrestled with the difficulties inherent in mitigating damages related to projects of the Army Corps of Engineers. Such difficulties arise in this way: The Congress directs the Corps to survey a water resources problem. The Corps does so, and recommends a structural answer. The Congress authorizes the project, which might involve a dam or a channel or a levee. Then the Corps constructs the project. Then problems appear as unexpected or undesired side effects from the project. On review, the Corps may argue that no relationship between the project and the local problem can be established. Therefore, the Corps says, the Federal taxpayer should not be expected to assume the responsibility to repair or replace the local problem. But local residents are convinced they are faced with costs imposed by the Federal project built for national benefits.

Under present procedures, there is no recourse for an independent evaluation. There is no way for the community to obtain a fair study of the problem and its relationship to the project. At best, the community can obtain an ad hoc decision, which may not be based on a full understanding of the facts and policy.

This section provides a mechanism to resolve such mitigation issues. This issue was addressed during Committee hearings with the Corps. The Corps discussed the reasonableness of creating a body somewhat like its Board of Contract Review, to review requests for mitigation. "If there were some group which would arbitrate . . . we certainly would have no problem . . . If such an arbitration group was established by the Congress . . . it would also, I think, tend to reduce litigation," the Corps testified.

The Committee emphasizes that the three member board will have no power to direct a course of action. But the Committee anticipates that the board's recommendations will be useful to the Corps and to the Congress in weighing the equities and justification for the mitigation proposed.

Creation of such a board, of course, does not relieve the Corps or the Congress of its responsibilities. Such a board will merely provide the public and the Congress with expert and independent guidance on what decision appears to be fair and reasonable.

By Mr. PEARSON:

S. 775. A bill to amend the Internal Revenue Code of 1954 to exempt certain agricultural aircraft from the aircraft use tax, to provide for the refund of the gasoline tax to the agricultural aircraft operator with the consent of the farmer, and for other purposes; to the Committee on Finance.

Mr. PEARSON. Mr. President, I introduce today for appropriate reference a bill to amend the Internal Revenue Code of 1954 to exempt certain agricultural aircraft from the aircraft use tax, and provide for the refund of the gasoline tax to the agricultural aircraft operator with the consent of the farmer.

Mr. President, the legislation I offer today would exempt from the aircraft use tax those aircraft equipped for and exclusively engaged in agricultural aircraft operations in accordance with the provisions of part 137 of title 14 of the Code of Federal Regulations. This provision is designed to treat equitably those crop dusters and other operators engaged in agricultural aviation with respect to the payment of a user tax that provides little direct benefit to them in return.

The new aviation user taxes were authorized in title II of Public Law 91-258, the Airport and Airway Revenue Act of 1970. This act exempts from the 7 cents per gallon tax any fuel used for farming purposes. Section 202(f) of the act—title II—reads as follows:

EXEMPTION FOR FORM USE:

(1) EXEMPTION.—Under regulations prescribed by the Secretary or his delegate no tax shall be imposed under this section on

any liquid sold for use or used on a farm for farming purposes.

My bill would permit those engaged in agricultural aviation to be directly eligible for the exemption from the 7 cents per gallon fuel tax authorized for farming operations. The operator of aircraft engaged exclusively in agricultural operations would be treated as the operator of the farm with respect to the fuel tax, after obtaining the written consent of the owner or operator of the farm.

This legislation is designed to qualify the professional agricultural flyer for the fuel tax exemption. There is no valid reason to exempt owners or operators of farms from the fuel tax used in agricultural aviation while requiring the professional agricultural aviator to pay that tax, or obtain his fuel from the farmer who contracts for his services.

I believe the legislation I introduce today will stimulate the development of that agricultural aviation system so urgently required in our farming regions.

I sincerely hope that the Senate Finance Committee will consider carefully this legislation. The position of the professional agricultural aviator should not be jeopardized by technicalities when he clearly meets the general criteria for exemption from the payment of the gasoline tax.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 775

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4493 of the Internal Revenue Code of 1954 (special rules relating to tax on use of civil aircraft) is amended by adding at the end thereof the following new subsection:

"(c) EXEMPTION OF AIRCRAFT USED IN AGRICULTURAL OPERATIONS.—No tax shall be imposed by section 4491 on the use of any aircraft if such aircraft is equipped for and exclusively engaged in agricultural aircraft operations in accordance with the provisions of part 137 of title 14 of the Code of Federal Regulations."

SEC. 2. Section 6420(c)(3) of the Internal Revenue Code of 1954 (defining farming purposes) is amended by adding at the end thereof the following new sentence: "For purposes of this subsection and section 6427 (c), if (i) the use of any liquid as a fuel on a farm for farming purposes is in an aircraft and by an aerial applicator who was the actual ultimate purchaser thereof, and (ii) the owner, tenant, or operator of the farm has waived in writing (under regulations prescribed by the Secretary or his delegate) his right to any payment, credit, or refund under this title with respect to such liquid, then such aerial applicator shall be treated as the operator of the farm with respect to such liquid."

By Mr. ALLEN:

S. 777. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, so as to provide certain benefits to law enforcement officers not employed by the United States; to the Committee on Governmental Affairs.

POLICE AND FIREFIGHTER PENSION SUPPLEMENT

Mr. ALLEN. Mr. President, I am introducing today a bill which would supplement State and local pension benefits received by law enforcement officers and firefighters. During the 94th Congress I introduced S. 3591, which was referred to the Committee on Post Office and Civil Service, and S. 3666, which was referred to the Committee on the Judiciary. Both measures were similar to the bill I am now introducing. This legislation was also considered in the last Congress as an amendment to H.R. 366 when that bill was before the Senate in July of 1976, but at that time, Mr. President, a majority felt that the measure had not been given sufficient consideration in committee to warrant its adoption as a floor amendment to H.R. 366 which did later become Public Law 94–430, the Public Safety Officers Benefit Act of 1976.

As Senators know, State and local policemen and firefighters are frequently called upon by the nature of their jobs to risk their lives for the public good. Often these officers place their lives in danger to enforce Federal law. Almost invariably, State and local police and fire officials give their full cooperation to Federal officials in helping enforce Federal law and in helping to resolve problems which are, strictly speaking, the sole responsibility of the Federal Government.

The Public Safety Officers' Benefits Act recognizes the Federal component of the duties performed by State and local police and fire officials by providing a $50,000 death benefit to the families of policemen or firemen who lose their lives in the line of duty.

Mr. President, my bill would further recognize the large contribution of time, dedication, and service rendered to the Federal Government by these State and local officers who now receive no compensation whatsoever from the Federal Government and who are in many instances undercompensated by the State and local governments which they serve. Moreover, in many more instances, State and local pension plans for retired firemen and police officers are clearly inadequate and fall far short of a retirement program reflecting the actual risks taken and services rendered by officers and firemen. In view of the Federal component of their service, I believe that Congress ought to enact legislation which would permit the Federal Government to accept its responsibility toward these officers by supplementing their retirement benefits.

Mr. President, my bill calls for a supplement of 25 percent of the amount being received by a retired officer under a State or local pension plan. I believe that contribution is modest when considered against the substantial services received by the Federal Government from these State and local employees. Accordingly, I urge that this bill be given prompt consideration in committee and that a study be made to determine the budgetary impact of the measure so that an accurate assessment can be made of the ability of the Federal Government to provide support at the level specified in the bill.

Mr. President, I hope that an analysis of the bill will support a favorable report by the committee and that thereafter the Congress will act rapidly to enact the measure into law.

By Mr. DECONCINI (for himself, Mr. GOLDWATER, and Mr. HANSEN):

S. 778. A bill to authorize the Secretary of the Interior to make certain payments to school districts serving certain areas within the national park system; to the Committee on Human Resources.

GRAND CANYON PARK SCHOOL

Mr. DECONCINI. Mr. President, the distinguished senior Senator from Arizona, Mr. GOLDWATER, the Senator from Wyoming, Mr. HANSEN, and I are introducing legislation today that will alleviate the very serious financial difficulty of the Grand Canyon Unified School District. Located wholly within the Grand Canyon National Park, the school district currently provides education for 243 children within the park area. Of this number, 116 students are children of Federal employees, and 122 are children of non-Federal employees living on federally owned land who do not pay State or local property taxes. Only five students come from families who pay school property taxes. To further exacerbate the problem, a recent study conducted by the Park Service predicts that the school population will increase to over 590 in the next 5 years—more than twice the present enrollment.

The board of education has tried hard but unsuccessfully to maintain a reasonable tax rate. The situation over the years has steadily deteriorated; it is now obviously as unfair as it is unusual. The property tax rate in the school district is $8.77, reflecting an increase of more than $1.20 per $100 of assessed valuation over the last school year. To underscore the severity of the situation, it should be noted that a $9.92 tax rate is projected for the 1977–78 school year.

Presently, the tax base is $4,596,461, a decrease of almost $60,000 from the 1975–76 school year. This is hardly sufficient to support even a below-average school district. The tax base consists to a large extent of railroad rights-of-way held by the Atchison, Topeka, and Santa Fe Railroads.

The Santa Fe has not run a train to the Grand Canyon for several years, and recently removed some of its spur tracks. If the company should decide to withdraw entirely, its rights-of-way would revert to the status of untaxable Federal land, dealing a crushing blow to the remaining taxpayers who would have to make up for the loss.

School facilities have been stripped to the bare essentials. There are no facilities for teaching agriculture, art, office management, and other vocational courses found in comprehensive schools. Physical education facilities are lacking. There is not enough money to adequately maintain buildings. Power and heating deficiencies are a recurrent problem.

Many alternatives to Federal assistance have been explored. The district sought to be incorporated into the Williams, Ariz., School District, but was rejected because the Grand Canyon School District's tax burden would have substantially increased the Williams District's tax rate. Another alternative considered was to dissolve the school district and bus students either to Flagstaff, 80 miles, or Williams, 60 miles. Severe northern

Arizona winter months, however, made this proposal impractical and hazardous.

Mr. President, the legislation being introduced today not only offers some measure of relief to the taxpayers of the Grand Canyon School District, but assures that the school district has the means to survive. The legislation provides two separate avenues for the Federal Government's compensation to Grand Canyon School District.

First, it allows the Secretary of the Interior to make direct payments to the school district from revenues collected through the operation of the Grand Canyon Park. These moneys would be primarily used for operation and maintenance costs. The second method provides authority to the Secretary to enter into cooperative agreements with State and local agencies for the operation of school facilities, the construction and expansion of school facilities, and contributions on an equitable basis satisfactory to the Secretary to cover the costs of educational services.

Authorized payments are based on a formula of pupils who are dependents of persons engaged in the administration, operation and maintenance of the park, and who are living at or near the park upon real property of the United States not subject to taxation by State or local agencies.

This means that if 60 percent of the students are dependents of Federal employees, then 60 percent of the yearly school budget will be provided from park revenues. Presently, this amounts to approximately $390,000. Of course, the exact amount would vary from year to year.

Senator Fannin, my distinguished predecessor, offered this bill as an amendment during the Committee on Interior and Insular Affairs' consideration of H.R. 9719. The amendment was adopted by the Senate Interior Committee in markup and reported to the Senate floor as an amended version of H.R. 9719. By the time the amended bill was considered on the floor of the Senate, the House had already adjourned. Rather than lose the entire bill, H.R. 9719, as passed by the House, was substituted and successfully passed the Senate. There is every indication that a House-Senate conference would have retained Senator Fannin's amendment.

Legislation such as this has precedent. A similar provision was enacted in 1948 relative to Yellowstone National Park. This Yellowstone concept should be extended in order to correct an inequitable financial situation, and to improve the quality of education available to the district's students.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 778

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any other provision of law to the effect that revenues must be credited to a special account in the Treasury, for appropriation for outdoor recreation functions, under such regulations as may be prescribed by the Secretary of the Interior, payments may be made, as provided herein, in advance or otherwise, from any revenues received by the United States from visitors to Grand Canyon National Park, to the appropriate school district or districts serving that park, as reimbursement for educational facilities (including, where appropriate, transportation to and from school) furnished by the said district or districts to pupils who are dependents of persons engaged in the administration, operation, and maintenance of the park and living at or near the park upon real property of the United States not subject to taxation by the State or local agencies: *Provided,* That the payments for any school year for the aforesaid purpose shall not exceed that part of the cost of operating and maintaining such facilities which the number of pupils, in average daily attendance during that year, bears to the whole number of pupils in average daily attendance at those schools for that year.

(b) If in the opinion of the Secretary of the Interior, the aforesaid educational facilities cannot be provided adequately and payment made therefore on a pro rata basis, as prescribed in subsection (a), the Secretary of the Interior, in his discretion, may enter into cooperative agreements with States or local agencies for (1) the operation of school facilities, (2) for the construction and expansion of local facilities at Federal expense, and (3) for contribution by the Federal Government, on an equitable basis satisfactory to the Secretary, to cover the increased cost to local agencies for providing the educational services required for the purposes of this section.

(c) For the purposes of this section, the Secretary of the Treasury is authorized to maintain hereafter in a special fund a sufficient portion of the park revenues, based upon estimates to be submitted by the Secretary of the Interior, and to expend the same upon certification by the Secretary of the Interior.

By Mr. CLARK:

S. 780. A bill to amend title II of the Social Security Act to establish a new consumer price index for older Americans for calculating automatic cost-of-living benefit increases, to provide for semiannual cost-of-living increases, and to modify the social security retirement test; to the Committee on Finance.

OLDER AMERICANS FINANCIAL SECURITY ACT OF 1977

Mr. CLARK. Mr. President, today I am introducing a bill that would provide financial relief to older Americans and improve the social security program.

This bill would make three simple, yet significant, changes in the way benefits are calculated. First, it would establish a special consumer price index for older Americans. Second, it would adjust benefits for inflation twice a year instead of once a year as under present law. Third, it would liberalize the retirement test so that older workers may keep more of their benefits.

As each year goes by, senior citizens and other social security and SSI beneficiaries fall further and further behind inflation. Public Law 92-336, which was enacted in 1972, directly tied increases in social security payments to changes in the Consumer Price Index. While this law represents one of the best improvements in the program since its inception, it connected benefit increases to an index that does not accurately reflect the actual spending patterns of the elderly.

The Consumer Price Index, CPI, is based upon the budgets of urban wage earners and clerical workers and their families. This presents a problem for elderly social security recipients, as is illustrated in the consumer expenditures survey of 1960-61, the most recent data we have on spending patterns. That survey concluded that while urban wage earners and clerical workers spend 17.9 percent of their budgets for food, households with retired heads spend 22.4 percent for that purpose. Likewise, 5.7 percent of the workers' budget goes to medical care, but for retired people this increases to 10.5 percent.

In summary, workers and retired people differ greatly in their spending patterns. Food and medical care together account for one-third of the retird household's expenses, but only one-fourth of the working household's expenses.

This discrepancy is magnified further by the dramatic cost increases in food and medical care during the past several years. When medical care costs increase by 10 percent in 1 year—as they did in 1976—a tremendous burden is placed on social security beneficiaries, because the cost-of-living adjustment only partially accounts for that increase.

For this reason, a special index must be devised that is relevant to older Americans. The Bureau of Labor Statistics, which now prepares the monthly Consumer Price Index, certainly has the technical know-how to accomplish this task. While such a change would be of small cost to the social security trust fund, it would be of great assistance to senior citizens who depend upon the benefits for their financial security.

At the present time, social security benefits are increased only once a year—in July—to reflect changes in the cost of living for the year ending in the first quarter of the calendar year. Therefore, there is a long delay in the adjustment of social security benefits from the time the actual cost increases occur.

For example, if food prices increase significantly during the fall of a given year, a social security cost-of-living adjustment would not take effect until the following July. In such a case, the elderly would suffer the burden of inflation for 10 months before receiving a benefit increase.

To reduce the hardship resulting from inflation, this bill would instruct the Social Security Administration to make cost-of-living adjustments twice a year rather than just once. One adjustment would continue to occur in July, accounting for the 6-month period through the previous March. The new adjustment would take place in January, to account for the inflation during the 6 months ending in the previous September.

The time has come for Congress to change the earnings limitation in the social security program. At the present time, beneficiaries under age 72 are allowed to earn $3,000 a year without a reduction in benefits. However, beyond that point, benefits are decreased $1 for every $2 of earned income. This provision—the retirement test—discourages older people from working, reduces their income, and affects their ability to lead productive and meaningful lives.

Ten bills relating to the social security

retirement test have already been introduced in the 95th Congress. So far, 44 Senators of both parties and of every ideological bent have cosponsored these bills. It is evident that there is widespread Senate support for a modification of the earnings limitation.

Various types of proposals have been made to increase the ceiling on earnings, but the approach I favor is one suggested by the Advisory Council on Social Security in 1975:

> The Council believes that the most appropriate means for mitigating the disincentive effects of the retirement test and the heavy burden it imposes on low-income workers aged 65–71 is to reduce the withholding rate on earnings which are just above the exempt amount.

The Council concluded that the best way to improve the retirement test is to reduce benefits by $1 for every $3—rather than $2—of income above the ceiling. This change accomplishes three objectives that many of the earlier bills fail to meet: First, the social security program would be maintained as a retirement program; second, greater equity would be provided to those older Americans who have earned income; and third, program costs would not be significantly increased.

The three provisions of this bill can and should be enacted during the 95th Congress. They would instill in older Americans a true sense of financial security and would restore their trust in the social security program and in the Federal Government.

By Mr. DOMENICI (for himself and Mr. SCHMITT):

S. 782. A bill to designate the Sandia Mountain Wilderness, Cibola National Forest, N. Mex.; to the Committee on Environment and Natural Resources.

S. 786. A bill to designate the Manzona Mountain Wilderness, Cibola National Forest, N. Mex.; to the Committee on Environment and Natural Resources.

NEW MEXICO WILDERNESS

Mr. DOMENICI. Mr. President, today my colleague (Mr. SCHMITT) and I are introducing two bills to create wilderness areas in the State of New Mexico.

One bill pertains to land in the Cibola National Forest adjacent to Albuquerque and contains two tracts of land of about 30,700 acres. The lands are located in the Sandia Mountains and lie along the western face of the Mountains overlooking Albuquerque.

The outstanding scenic beauty found in the Sandias has long been recognized by the public. Rugged cliffs and pinnacles of light-colored granite provide not only a test of the mountain climber's skill, but also a scenic grandeur that is always present but ever changing with the afternoon light.

The Forest Service has protected this area in the past by placing primary emphasis on scenic beauty in many areas. For example, the entire west face of the Sandias has for several years been within a special management unit with actions directed at maintaining and enhancing the scenic values of the land. The Forest Service has done an excellent job in assuring that actions which would detract from the scenic beauty are not allowed.

The people in New Mexico appreciate the fine job the Forest Service has done in managing these lands. However, they would like the added protection, Wilderness designation would provide the area.

The second bill provides for wilderness status for the Manzano Mountains in Cibola National Forest. This area is located about 27 miles southeast of Albuquerque and the unit contains approximately 37,000 acres of land.

The area proposed for wilderness can be reached from the Albuquerque metropolitan area in about an hours driving time. However, the area is true wilderness in nature and a person can be totally removed from the sights and sounds of the city.

By Mr. BELLMON:

S. 783. A bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes; to the Committee on Human Resources.

Mr. BELLMON. Mr. President, today I am offering a bill to amend the Walsh-Healey Act of 1936 and the Contract Work Hours Standards Act of 1962 to permit employers to switch to a 4-day, 40-hour workweek without overtime for workers for hours worked in excess of 8 hours in 1 day. The bill also amends the Fair Labor Standards Act of 1938 to increase the premium for overtime pay from 1½ times the regular rate to 2 times the regular rate. This bill would allow firms with Government contracts exceeding $10,000 to restructure their workweek to a 4-day schedule while avoiding the increased cost of a longer workday. It would increase the overtime employers must pay for working employees more than 40 hours per week thus helping spread jobs more evenly among the work force.

Mr. President, in recent years experiments with the 4-day workweek have shown considerable promise, and some employers and employees have found it to be an arrangement more suited to their desires and circumstances than the 5-day workweek. Most often, the reasons for switching to a 4-day workweek have included claims of greater productivity and lower unit cost; reduced absenteeism, tardiness, and turnover; higher weekly output due to reduced startup and closedown time relative to operating time, the keying of work schedules to processing time for a specific operation rather than to a standard workweek; more "usuable leisure" time for employees due to a 50-percent increase in the duration of the weekend; a reduction in total commuting time and associated energy costs; and reduced employee working costs such as commuting fares, restaurant lunches, and child care.

Now, because of the natural gas crisis, the 4-day workweek has another advantage. For many work places, closing for a 3-day weekend would mean a substantial reduction in the consumption of energy for heating purposes. Building heat could be reduced to a minimum without endangering the health of employees for 3 out of 7 days of the week. President Carter recently noted that the 4-day workweek option would be helpful, but for some firms—those with large Government contracts—present law would penalize the employer who shifted to a 4-day, 10-hour per day workweek by requiring the payment of overtime after 8 hours in each day. This bill makes it possible for such employers to undertake a 4-day, 10-hour per day workweek without such a penalty. These employers would remain subject to the overtime penalty after 10 hours in each day and, of course, after 40 hours in each week, as are all employers under the basic law governing wages and hours—the Fair Labor Standards Act.

What makes this proposal different from earlier proposals to change these restrictions is the addition of an increased premium for overtime work. I am mindful, Mr. President, of the lengthy struggle which organized labor undertook to establish the 8-hour day, and viewed against the backdrop of working conditions in the earlier part of this century, that struggle resulted in a significant improvement in the working lives of many Americans. I can understand the reluctance of organized labor to alter this hard-won pattern. However, circumstances change, and this country is no longer faced with the inhuman daily hours of work it once had. Now, we must cope with an energy shortage which threatens the livelihood of a good many people and which is bound to get worse before it gets better. With many examples of successful 4-day workweek experiments around the country, this option would be helpful to the Nation's energy conservation goals. It does not seem likely that a very strong argument can be made against the 4-day workweek on the basis of endangering workers' health and safety.

The passage of time has also altered the effectiveness of the overtime work provisions. Because of increased costs now associated with hiring new workers, such as training and fringe benefits, overtime work may actually be a bargain for most employers compared to hiring unemployed workers. I believe this change in the basic wage and hour law of the country is long overdue.

Another helpful effect of this change would be the hiring of more workers—an important partial solution to the difficult problem of reducing our national unemployment rate. Statistics show that, during the past 20 years, average overtime hours worked per week in manufacturing have ranged from 2.0 hours to 3.9 hours. Dr. Ronald G. Ehrenberg has analyzed the effects of changing the overtime premium from one-and-a-half to twice the straight time rate on employment in manufacturing industries. Assuming that the resulting reduction in overtime was translated into additional full-time jobs, he concluded that for the majority of the 16 manufacturing industries studied the increase in employment was on the order of 1 to 3 percent, and that the increase in full-time jobs was on the order of 218,000.

Mr. President, I believe these changes in the basic wage and hour laws of the Nation are needed to provide us with additional flexibility to help us meet the dual problem of energy conservation and unemployment and I urge speedy action on this bill.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 783

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1(c) of the Act of June 30, 1936, commonly known as the Walsh-Healey Act (41 U.S.C. 35) is amended by inserting before the colon a comma and the following: "or, in the case of a four-day workweek, in excess of ten hours in any one day or in excess of forty hours in any one week.".

SEC. 2. Section 102(a) of the Contract Work Hours Standards Act (40 U.S.C. 328) is amended by adding at the end thereof the following new sentence: "In the case of a four-day workweek, the increased rate of pay provided by the preceding sentence shall apply only to hours worked in excess of ten hours in any calendar day, or in excess of forty hours in the workweek, as the case may be.".

SEC. 3. The amendments made by sections 1 and 2 of this Act shall not affect collective bargaining agreements in effect on the date of enactment of this Act.

SEC. 4. (a) Section 7 of the Fair Labor Standards Act of 1938 (42 U.S.C. 207) is amended by striking "one and one-half" wherever it appears and substituting "two".

(b) The amendments made by this section shall take effect 30 days after the date of enactment of this Act.

By Mr. SCHWEIKER:

S. 784. A bill to provide for unbiased consideration of applicants to medical schools; to the Committee on Human Resources.

UNBIASED CONSIDERATION OF APPLICANTS TO MEDICAL SCHOOLS

Mr. SCHWEIKER. Mr. President, for many years this country has been debating the subject of abortion. Just one month ago we in Washington saw thousands of people come to our city to demonstrate their belief that abortion should once again be outlawed in our land. A week later leaders on the other side of the question also held meetings and lobbied our offices.

While some people try to portray this issue as solely the concern of one religion, in fact there are many people of all faiths on each side of the question. It is an important issue, touching deeply on the vital question of determining when life begins and the conflict between a woman's decision to terminate her pregnancy and the power of the Government to protect the unborn. These are questions on which reasonable and thoughtful men and women can and do differ. It is one of the strengths of our system of government that we allow and encourage debate on problems like this.

Several years ago Congress enacted legislation guaranteeing the freedom of conscience of people in the medical profession. We acted to prevent any doctor or other health professional from being required to participate in abortions against his or her will. I believe this is a sound resolution of the problem. I would have hoped that everyone would agree with its underlying philosophy of freedom.

Therefore, I was very disturbed to learn that some medical schools in their admissions process are attempting to screen out people who do not support abortion on demand. In a recent article, Dr. Eugene Diamond of Chicago reported on a survey he conducted of American medical schools. He found that a large number asked prospective students their views on abortion and sterilization, and some said that opposition to abortion would be considered as a negative factor affecting a student's chances of admission. Many schools indicated that opposition to abortion could create administrative difficulties at their school, and that might well be reflected in the admission process. I would like to include at the end of this statement, a copy of Dr. Diamond's article, which originally appeared in the February 1976 issue of Linacre Quarterly.

I have obtained a case history of what happens when a student is questioned about his views on abortion. John Mackey, a Washington attorney, spoke with a student recently who is now in the medical school admissions process. Because the student still has applications pending, he has asked that he not be identified publicly at this time. The student was interviewed by a doctor who questioned him not on the scientific or medical basis of his beliefs on abortion, but on the social and moral aspects of the subject. He felt very hampered during the interview because he had to defend his religious feelings, even though he feels those beliefs are irrelevant to his qualifications to be a doctor. A copy of Mr. Macky's notes on the interview appear at the end of my statement.

Mr. President, this country decided some time ago that there is no place for racial or religious discrimination in our society. It is the law of the land that no Federal money can go to any school which discriminates on the basis of race or religion. Therefore, it disturbs me considerably that some medical schools appear to be discriminating on the basis of an opinion founded on religious or moral grounds. At present there are many doctors in this country who do not approve of the current state of the law on abortion; I fear that some medical schools, by actions they take today, may eliminate this dissent in the future.

This is not a question of prolife or prochoice. It is a question of freedom of conscience, of whether we will allow some occupations to be closed to people because of their sincerely held moral beliefs.

In order to eliminate this problem in the future, I am today introducing legislation that will prevent any school or other institution that receives Federal funds from inquiring into the abortion views of prospective students.

It is not enough to ask these schools not to discriminate, because with 100 applicants for every opening in medical school, a reason can always be found to reject any applicant. The only way we can be sure that a student's views on abortion and sterilization do not come into play is to forestall the question from the start. My bill today will protect the freedom of conscience of persons entering the medical profession. I hope it will receive the early consideration of the Congress.

I ask unanimous consent that Dr. Diamond's article and Mr. Mackey's notes to which I referred be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DO THE MEDICAL SCHOOLS DISCRIMINATE AGAINST ANTI-ABORTION APPLICANTS?

(By Eugene F. Diamond, M.D.)

The National Federation of Catholic Physicians' Guilds has received numerous reports, in recent years, from candidates applying for medical schools who felt that their chances for admission wre being compromised by their viewpoint on abortion as it contrasted with that of one or more members of an admission committee. These reports were largely anecdotal or hearsay accounts of unfriendly questioning in interviews, entrapment alternatives in interrogation or overt expressions of displeasure with the expression of anti-abortion sentiments.

The initial reaction to most of these complaints was skepticism. Most medical schools will process 7,000–10,000 applications for 100–200 places in the freshman class. Many highly qualified candidates will, nonetheless, fail to survive this harrowing selection process because other candidates will have higher grade point averages, better MCAI scores, or diplomas from more prestigious undergraduate institutions. It would not be unexpected for a candidate with a 3.25 grade point from a small school, and medical aptitude scores in the 500 range, to lose out in the cruel lottery of applicant excellence. Were the complaints we were hearing merely attempts to rationalize failure in a bitterly disappointed, highly achieving student? Were experiences in interviews only devil's advocate attempts to appraise an ability to defend one's position? Was this just another instance of a paranoid interpretation of an objectively structured evaluation process?

The accumulation of complaints, some of which seemed to have substance and credence, led to a decision on the part of the Executive Committee of the National Federation to appoint an ad-hoc Committee on Medical School Discrimination to evaluate the legitimacy of the allegations. It was decided to survey the admission practices of all medical schools by questionnaire. Questionnaires were sent to 108 medical schools and completed questionnaires or narrative commentaries were received from sixty institutions. The results of the survey were as follows:

(1) Does the application process at your institution concern itself with the ethical attitudes and opinions of vour applicants? 37 yes, 13 no, 10 possibly.

The general tenor of commentary, when written, on this question was that the institutions were interested in the general ethical orientation of applicants as well as their moral character. Interest in specific ethical attitudes was denied by eight respondents who answered "yes" to this question.

(2) Are these attitudes ascertained by a written attitudinal survey? 56 no, 4 not answered.

In spite of the unanimous denial of this practice, applicants to two state institutions claimed to have been asked to complete such questionnaires. A member of the admission committee at one of these institutions admitted that such a questionnaire had been used for a time but had been abandoned as a result of an intramural protest from some

faculty members in the institution. Copies of this survey were not available for review.

(3) Are ethical opinions elicited in an interview? 49 yes, 7 no, 4 not answered.

The responses to this question, in general, emphasized the prerogatives of the interviewer to introduce such questions at his discretion. Several respondents included a disclaimer which denied that responses to such questions were ever made a part of the record or "processed" in advancing the application. It would appear, from the responses, that most institutions allow unstructured interviews with a free range of discussion over issues selected by the interviewer. Negative or positive evaluations of a candidate would thus be more likely to be generalized or cumulative impressions to a variety of responses. The freelance nature of interviewing would preclude the use of objective standards and it is likely that no two applicants were ever submitted to an identical interview even if seen by the same interviewer.

(4) Are applicants questioned as to their position on abortion? 21 yes, 18 no, 17 possibly, 4 not answered.

No institution indicated that it would exclude abortion as a topic during an interview. Most institutions responded in a manner that indicated that the topic was certainly brought up by individual interviewers or possibly brought up at the option of any interviewer. Those giving negative responses did not, in general, explain their certitude that abortion was not brought up in any interview. It is reasonable to infer from the responses and the commentary that an applicant should be prepared for the possibility of his being interrogated on the subject of abortion at a majority of medical schools in this country.

(5) Are applicants asked to state a viewpoint on sterilization? 11 yes, 21 no, 24 possibly, 4 not answered.

The pattern of responses to this question paralleled those to question #4. Significantly fewer respondents were convinced that this question was likely to arise, probably reflecting the fact that this issue is considered to be less sensitive than abortion and much less a subject of public disputation.

(6) Would a student's refusal to participate in abortion and/or sterilization procedures create administrative problems on your obstetrical or gynecological service? 43 no, 13 yes, 4 not answered.

This question was anticipated to be a rhetorical question expecting the answer "yes" insofar as most university services in secular medical schools would be expected to provide abortion and sterilization services on their obstetrical teaching services. Some respondents indicated that there were alternative services available in affiliated institutions not performing abortions.

The committee does have knowledge of a thoroughly corroborated case involving a student in a state-sponsored medical school who refused to counsel for routine sterilization after the delivery of a third pregnancy. This student was told he would fail if he refused to carry out this assignment and an administrative appeal was necessary to avoid his receiving a failing grade. The documentation surrounding this occurence is incontrovertible and would certainly have been used as a basis for a lawsuit had the administration not overruled the department head.

(7) Would a stated refusal to participate in abortion and/or sterilization procedures be considered a negative factor in an applicant? 58 no, 2 yes.

This question was considered, in contrast to question 6, a rhetorical question expecting the answer "no." It was not anticipated that this questionnaire would establish *direct* evidence, even on a small scale, that conscientious refusal to participate in any medical procedure would be weighted against an applicant's acceptance. The candor of the affirmative respondents reflects a viewpoint within some segments of the medical profession that this issue has been finally settled by the Supreme Court decision and that continuing debate is largely irrelevant. This viewpoint is also betrayed in the consensus of editorial comment in the medical literature concerning the Edeline conviction for manslaughter.

(8) If ethical viewpoints were not evaluated, would a Catholic applicant be presumed to have a conscientious objection to participation in abortion and sterilization? 21 yes, 27 no, 8 "cannot answer", 4 not answered.

It is difficult to interpret the significance of the plurality of responses in the negative. From the comments it is reasonable to infer that the intent of the negative response was to convey a state of mind in which no assumptions were made about any student's beliefs. On the other hand, there could be an implication that experience in some institutions had indicated a willingness of some Catholic students to participate in sterilization or abortion procedures. Some replies stated that there had been "some" or "many" conscientious objections to abortion voiced by non-Catholic students.

(9) What percentage of your applicants are Catholic? 56 do not know, 4 not answered.

Since most of the medical schools in the United States subscribe to a centralized application service which uses an application form upon which there is no indication of the applicant's religion, the replies to this question were predictable. There are some medical schools in this country which preferentially admit minority groups as a matter of policy and, as a result, have student bodies which are overwhelmingly black or Jewish in makeup. There is no indication that any Catholic medical school is preferentially admitting Catholics at this time. Despite the fact that the Catholic minority of approximately 23% of the population is under-represented in the medical profession, no affirmative action has been undertaken to correct the discrepancy.

(10) What percentage of your student body is Catholic? 56 don't know, 4 not answered.

As with question number 9, most institutions responding to this question denied knowledge of the makeup of their student bodies although a few hazarded guesses based on estimates from university offices of religious services. No claim for accuracy was made for these estimates but, where made, they do not refute a claim for under-representation of Catholics in state-supported schools.

COMMENT

It is important to remember that patterns of discrimination are well known as a reality of the past. All medical schools in the United States now admit black candidates and female candidates preferentially. That is to say, standards for admission are adjusted for such candidates to increase their numbers in incoming classes beyond what would be expected if the same standard for admission were applied to all applicants. Admitting blacks and women on a priority basis admits tacitly of a de-facto bias against these groups in the past. The implementation of this bias was subtle and by no means avoidable by eliminating either sex or color from an application blank. Any sophisticated bigot can get all the information he needs from the ethnicity of a name, the sectarian orientation of a pre-medical school or by subtle, questioning in an interview. For example, an applicant named "Sherman Goldberg" from Brandeis University might well inspire a closet anti-Semite to search "Mr. Goldberg's" application for negative data not related to his ethnic background.

As abortion becomes systematically entrenched in medical facilities receiving all or part of their support from federal or state funding agencies, bureaucratic attempts to eliminate dissent become bolder. The Chief Medical officer of The Ministry of Health in Great Britain recently sent a letter (see appendix) to all Regional Medical officers instructing them to discriminate in their hiring against all obstetricians, anesthesiologists, and psychiatrists who had a conscientious objection to abortion. This incredible directive indicates the alarming way in which civil rights may be abridged if anti-abortionists and civil libertarians are not constantly vigilant.

The results of this survey indicate that discrimination against candidates who oppose abortion does, in fact, exist on a small scale. Potential bias, as reflected by the widespread inclusion of interrogation regarding abortion attitudes as part of the preacceptance interview for medical school is also confirmed. It is difficult to understand why this issue receives such widespread attention from admission committees. If an admission committee is concerned with credentials, a candidate's personal viewpoints on controversial issues are not germane. It would be patently improper to query a candidate regarding his or her viewpoints on the Vietnam war, radical feminism, or school busing. The fact that abortion and sterilization are medical procedures (albeit performed almost exclusively for socio-economic indications) does not imply that those who prescind from them are better qualified or less qualified to understand or perform that vast majority of medical tasks unrelated to these particular operations.

It need not be emphasized that the medical profession is sharply divided on the issue of abortion. It would be an impossible task to require that the deans of medical schools appoint to admission committees only those who are objective and neutral in the subjects of abortion and population control. There are clearly not enough people in the medical profession who do not hold and profess deep and emotionally charged feelings on these hotly debated topics. The possibility of prejudice against candidates for medical school who have conscientious objections to abortion and/or sterilization cannot be foreclosed by the results of this survey. Since this is so, inclusion of discussions of these topics in pre-admission interviews represents a potential area of jeopardy to an otherwise highly qualified candidate in an exquisitely competitive situation. It would, therefore, seem essential to eleminate discussion of a candidate's views on abortion and sterilization either by mutual agreement among medical schools or by regulation.

POSSIBLE DISCRIMINATION RE ANTI-ABORTION APPLICANTS TO MEDICAL SCHOOLS

(For purposes of confidentiality the undergraduate student, and potential medical student, who provided this interviewer with the outlined information herein, requested absolute anonymity as to his identity, to protect his chances for admission to the University of X medical school, or another such institution. He expressed a willingness to testify publicly after he has received all notices on his pending applications. Such confidentially was pledged by this interviewer, and the data was provided on such a basis.)

During late 1976 the applicant John Doe appeared at the University of X medical School for purposes of an oral interview with regard to his pending application for admission to this institution. The oral interview was conducted by a female doctor, who was on the medical staff at this particular institution. The interview was quite long, (either 1 hour, or 1 hour and 20 minutes or so) and was rather far reaching; although not generally high pressured, and not targeted at any particular subject matter.

Student Doe was rather nervous as this was his first such medical school interview. Somehow the extensive interview eventually got onto his religion, and he cannot recall whether he was asked his religious back-

ground (Roman Catholic), or whether he himself volunteered it during the course of the conversation. Following the religious denomination discussion, the interview then turned to the subject of abortion and birth control and his general views on same. Doe outlined his religious background, and its' teachings in opposition to abortion and birth control, and indicated that although he was not overly religious, he was aware of and conscious of his church's teachings on these subjects. He stated his personal opposition to abortion based on this background, although he volunteered that it might be necessary in some limited cases.

As to the birth control issue, he again outlined his religious background and its' opposition to same, however here he indicated some uncertainty as to his own position on this subject. However, he was knowledgeable of, and made the interviewer clearly aware of the religious teachings of his own Church and its' opposition to the practice of birth control as such.

He was also questioned as to the strength of these religious beliefs he had, and sensed a general feeling of annoyance by his interviewer when outlining his personal opposition to abortion and birth control based on same. His opposition to birth control seemed to arouse the female doctor interviewer the most, and she questioned what this strong, healthy young man might do if married himself, and when he decided to have only one or two children and limit his family size.

He indicated it was safe to characterize the female doctor as a "feminist" in these areas of birth control and abortion, and was deeply troubled and concerned by the subject matter when raised in the interview and the way he handled his own response to these inquiries, under the circumstances.

He had heard from some other university sources that abortion and birth control might be raised at such an oral interview, but he was still unprepared to go through a grilling on his personal feelings with regard to those controversial subject matters.

In retrospect student Doe feels his interview at the University of X Medical School was somewhat hampered by his having to respond to these questions on abortion and birth control, because of his religious background, and was very uneasy with having to deal with these matters on such a level. He could not detect any scientific or medical basis for the questioning he received on these subject matters, and to date doesn't know why they were raised. Student Doe accordingly was unable to speculate, or even volunteer, as a result of this experience, any reason such controversial matters were raised at an oral interview for application to medical school, and was very sorry these topics were ever brought out at all. It created a real dilemma for him since his religious teachings were clear on these subjects, and his background and upbringing made him cognizant and very much aware of these teachings; yet he was faced with some strong questioning pressing on these two points. Student Doe is not a religious zealot on such subjects.

Unfortunately such questioning created a situation where he might be tempted to go along, agree, or compromise his religious beliefs to create a favorable impression on the interviewer in the hope of approving his admission chances, and this was most troubling to Student Doe. However, Student Doe felt obliged to be honest and forthright as to his views on these subjects and did so respond, and now feels this may have in fact hurt him, although he has not yet received notice on his application for admission to this institution. (Notice due in late January, February or March '77)

Subsequent interviews at other medical schools failed to present any similar instances of inquiries on abortion or birth control, but other social issues such as socialized medicine were raised with Doe.

Student Doe's information was voluntarily provided; and he appeared unbiased and forthright, and he expressed a willingness to cooperate further so that absent some valid scientific, or other reason, some other prospective medical student wouldn't have to go through such an experience in the future.

By Mr. CANNON (for himself and Mr. LAXALT):

S. 785. A bill to declare that all right, title, and interest of the United States in two thousand six hundred and forty acres, more or less, are hereby held by the United States in trust for the Paiute and Shoshone Tribes of the Fallon Indian Reservation, Nevada, to promote the economic self-sufficiency of the Paiute and Shoshone Tribes, and for other purposes; to the Committee on Indian Affairs.

PAIUTE-SHOSHONE TRIBE OF THE FALLON INDIAN RESERVATION

Mr. CANNON. Mr. President, on behalf of my colleague, Senator LAXALT, and myself I introduce a bill to relinquish the right, title and interest of the United States to some 2,640 acres to be held in trust for the Paiute-Shoshone Tribe of the Fallon Indian Reservation.

This reservation presently covers 5,480 acres near Fallon, Nev. The livelihood of reservation members is from agriculture. The reservation originally occupied over 30,000 acres including the lands now being sought. In 1906 the tribe relinquished its then 160 acre individual parcels for 10 acre parcels in return for paid up water rights. It was considered at the time that the water rights would cover some 4,800 acres. In fact, no more than 2,200 acres have been irrigable.

The limited irrigable acreage and small family allotments prevent the people from making a proper living. The object of this bill is to provide an additional 1,800 irrigable acres and thereby a stronger base for a viable agriculture community. It will insure that the water rights held by the Indian community can be fully utilized in an area that was inhabited by the tribe long before the coming of the white man.

I hope the proposal will receive early consideration in the Senate.

Mr. LAXALT. Mr. President, presently, the Bureau of Indian Affairs holds on behalf of the Fallon Reservation water certificates issued by the Newland recreation project for the irrigation of 4,877 acres of reservation lands. However, water can only be delivered to 3,025 acres of reservation lands. The remaining 1,852 acres have never received a water system capable of delivering water to the lands. Moreover, in excess of 1,600 acres of reservation lands are not irrigable. This bill would add 2,640 acres to the reservation, of which 1,800 would be irrigable.

As long ago as February 2, 1970, the Bureau of Reclamation informed the Bureau of Indian Affairs that should this legislation pass it will allow the transfer of water rights by the Indians to the lands proposed for addition to the reservation. An addition of 1,800 irrigable acres to the reservation's irrigable land base would make it possible for the Fallon Paiute-Shoshone Tribes to exercise the entire right—a right to the irrigation of 4,777 acres—held by the United States for the delivery of Newland project water to the Fallon Reservation.

If enacted, this legislation would finally fulfill the 1906 commitment and promise of the United States to the Fallon Paiute-Shoshone Tribes that in exchange for an agreement to relinquish their 31,000-acre reservation, the United States would provide them with a smaller reservation, all the lands of which would be irrigable. In addition to correcting a historical error, enactment of this legislation would go a long way toward improving the economic condition of the Fallon Paiute-Shoshone Tribes. The reservation today is not a wealthy community. Providing tribal members with the means to farm additional acres would alleviate economic distress.

Mr. President, I join my distinguished colleague from Nevada, Senator CANNON, in urging early consideration of this measure.

By Mr. HUMPHREY:

S. 788. A bill to improve and strengthen disaster assistance programs for agricultural producers, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURAL EMERGENCY ASSISTANCE ACT OF 1977

Mr. HUMPHREY. Mr. President, today I am introducing the Agricultural Emergency Assistance Act of 1977 in order to assist our farm producers in dealing with the very serious problems growing out of the drought in the upper Midwest and other areas. Senator MCGOVERN and his staff have worked closely in developing this legislation, and Senators LEAHY and ANDERSON have joined in cosponsoring.

The bill attempts to resolve a number of problems which have arisen during the past year. It would direct the Secretary of Agriculture to coordinate and provide leadership on agriculture related emergency programs.

The Secretary would also be urged to deal with the administrative delay and confusion which has arisen in the implementation of these programs, and an additional $10 million for drought emergency conservation measures would be authorized as a fiscal year 1977 supplemental appropriation.

A major improvement proposed by this bill would provide for changes in the crop disaster payments to end the confusion and unfairness which has arisen out of basing crop disaster payments on outmoded crop allotments. If crop insurance is not available in a particular area, farmers would be eligible for crop disaster payments of one-third the cost of production on the acreage planted if the production is below 75 percent of normal.

My office has received numerous complaints during the past year because farmers with serious losses were ineligible for any crop disaster payments because they had a crop allotment which was a fraction of their current plantings.

This bill would streamline and rationalize the crop disaster payment system and at the same time eliminate cases where some farmers have received both insurance and crop disaster payments.

This legislation is predicated on the as-

sumption that we need an expanded crop insurance program, but even if the crop insurance program is expanded, the emergency assistance programs, as outlined in my bill, are needed to provide a reasonable measure of support for our producers and particularly in those areas and for those crops where insurance is not available.

The bill would also provide a minimum level of 20 million bushels of grain for the presently existing disaster reserve which has an established upper ceiling of 75 million bushels of grain.

I and others tried last year to get the Department to buy oats to replenish the disaster reserve in light of our requirements for livestock feeding. Our oats supply eventually ran out, but I believe we should always have a modest amount of grain on hand for emergency needs. We maintain strategic metals, and we also should have a modest supply of grains.

In addition, the Secretary of Agriculture would be authorized to purchase commodities for the disaster reserve as well as acquire them through the loan program. The Secretary of Agriculture would also be authorized to procure hay or other livestock forage as needed to meet emergency requirements.

The Secretary of Agriculture would be authorized to subsidize up to three-fourths of the actual cost of transporting hay into a disaster area when local hay production falls to less than 60 percent of normal production. This assistance would be initially based on requirements needed for a 90-day period, but the assistance could be extended as the circumstances of the emergency warrant.

The Emergency Livestock Credit Act of 1974 would be made permanent under this bill. The purpose of this section would be to guarantee loans made to livestock producers who are otherwise unable to get financing to continue their operations.

The bill also includes a section whereby the Secretary is authorized to modify repayment schedules on loans under the Consolidated Farm and Rural Development Act whereby a grace period could be provided on the payment of all principal and interest for up to 2 years except for the annual payment of 1 percent of the principal. This authority would be extremely helpful to the Secretary in terms of dealing with farmers who have faced as many as 3 years of drought or other bad weather.

It is worth noting that in Babylonian days the Hammurabi Code decreed that bankers or seed merchants could not demand interest and capital repayment of the farmers in drought years. I believe that this example is well worth noting in today's world if we expect our farm producers to stay in business and supply us with ample supplies of food and fiber.

This bill has been drafted on the basis of extensive suggestions by farm producers and others who have dealt with these serious drought conditions over recent years. While we are obviously very much interested in streamlining these programs, Mr. President, it also is of major significance that the administration in power and the Secretary of Agriculture are responsive to these problems and committed to effective administration. I believe that this bill gives them the tools to do the job.

Mr. President, I ask unanimous consent that the text of the bill as well as a summary of its features be included at this point in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 788

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Emergency Assistance Act of 1977".

TITLE I—FINDINGS AND PURPOSE

FINDINGS

SEC. 101. (a) Congress finds that—

(1) United States agricultural producers efficiently supply high-quality food and fiber to meet the needs of the American people through intensive yearly production and will be called on in the future to maintain or increase this production;

(2) natural disasters are not infrequent occurrences, but recurring destructive climatic events to which agricultural producers are especially vulnerable;

(3) costs of agricultural production have sharply increased in recent years, making it increasingly difficult for producers to overcome the effects of natural disasters that reduce or destroy crop and livestock production;

(4) existing agricultural programs designed to support prices or adjust production and to aid producers who suffer losses from natural disasters are not adequate to meet the needs of agricultural producers;

(5) a Federal crop insurance that would be available nationwide for all agricultural production and producers is not possible in the foreseeable future; and

(6) a well-coordinated Federal emergency assistance program is necessary to help agricultural producers cope with natural disasters and, therefore, assure the maintenance of the efficient and productive United States agricultural system.

(b) Congress further finds that there is need for improved administration and coordination of all Federal agricultural emergency assistance programs in order to assure that the programs are responsive to the needs of agricultural producers.

PURPOSE

SEC. 102. It is the purpose of this Act to develop a strengthened and better coordinated Federal effort in providing emergency assistance to agricultural producers who suffer losses as a result of natural disasters.

TITLE II—RESPONSIBILITIES OF THE SECRETARY OF AGRICULTURE; CONSERVATION ASSISTANCE

SEC. 201. Section 526 of the Revised Statutes (7 U.S.C. 2204) is amended by adding at the end thereof new subsections (c) and (d) as follows:

"(c) (1) The Secretary of Agriculture is authorized and directed to provide leadership in coordinating, within the executive branch, all Federal programs designed to assist agricultural producers in alleviating distress caused by natural disasters. In exercising this responsibility, the Secretary shall utilize the services of (A) other executive branch departments and agencies, and (B) the agencies, bureaus, offices, and services of the Department of Agriculture, in coordination with State and local governments and State and county agricultural stabilization and conservation committees. The Secretary is authorized to initiate or expand research and development efforts related to—

"(i) the coordination of emergency assistance programs for agricultural producers;

"(ii) uniformity and consistency in the application of criteria for eligibility;

"(iii) administrative delay and confusion in the implementation of assistance programs;

"(iv) the need for (a) the development of programs specifically designed to alleviate the distress caused to agricultural producers by prolonged drought, and (b) increased scientific understanding of climatic trends in order that timely preventive measures may be taken by producers to reduce the effects of drought;

"(v) the need for maximum flexibility in the administration of Federal emergency assistance efforts; and

"(vi) the need to assure maximum producer input and participation in the administration of Federal emergency assistance efforts.

"(2) The Secretary shall report to Congress, not later than February 1 of each year, on the progress made in carrying out the provisions of this subsection.

"(d) With respect to areas of the United States subject to frequently recurring natural disasters, the Secretary shall, in the administration of agricultural conservation programs and consistent with other provisions of law, give special consideration to such areas in allocating the funds for such programs and otherwise encouraging the adoption in such areas of conserving practices, including, but not limited to the development of shelter belts, stock dams, and the use of agricultural land for soil conservation purposes.".

EMERGENCY CONSERVATION MEASURES

SEC. 202. There is hereby authorized to be appropriated for the fiscal year ending September 30, 1977, for drought emergency conservation measures, to be used for the same purposes and subject to the same conditions as funds appropriated for emergency conservation measures in the Third Supplemental Appropriation Act, 1957, $10,000,000, in addition to any sums heretofore appropriated for the fiscal year ending September 30, 1977.

TITLE III—CROP PRODUCTION ASSISTANCE

DISASTER PAYMENTS

SEC. 301. Effective only with respect to the 1978 through 1982 crops of wheat, feed grains, rice, soybeans, and upland cotton, the Agricultural Act of 1949, as amended, is amended by inserting after section 107 new sections 108 through 112 as follows:

"DISASTER PAYMENTS FOR WHEAT

"SEC. 108. (a) Notwithstanding any other provision of law, if the Secretary determines that, because of drought, flood, or other natural disaster or condition beyond the control of the producers, the total quantity of wheat on a farm which the producers are able to harvest is less than 75 per centum of the farm acreage planted to wheat for harvest times the projected yield of wheat, payments shall be made to the producers on the farm for the deficiency in production below 75 per centum by multiplying such deficiency times one-third of the cost of production of wheat per bushel.

"(b) The provisions of this section shall be applicable only in counties where Federal crop insurance for wheat cannot be obtained by the producers for the crop year involved.

"DISASTER PAYMENTS FOR FEED GRAINS

"SEC. 109. (a) Notwithstanding any other provision of law, if the Secretary determines that, because of drought, flood, or other natural disaster or condition beyond the control of the producers, the total quantity of feed grains on a farm which the producers are able to harvest is less than 75 per centum of the farm acreage planted to feed grains for harvest times the projected yield of feed grains, payments shall be made to the producers on the farm for the deficiency in production below 75 per centum by multiplying such deficiency times one-third of the cost of production of feed grains per bushel.

"(b) The provisions of this section shall be

applicable only in counties where Federal crop insurance for feed grains cannot be obtained by the producers for the crop year involved.

"DISASTER PAYMENTS FOR RICE

"SEC. 110. (a) Notwithstanding any other provision of law, if the Secretary determines that, because of drought, flood, or other natural disaster or condition beyond the control of the producers, the total quantity of rice on a farm which the producers are able to harvest is less than 75 per centum of the farm acreage planted to rice for harvest times the projected yield of rice, payments shall be made to the producers on the farm for the deficiency in production below 75 per centum by multiplying such deficiency times one-third of the cost of production of rice per bushel.

"(b) The provisions of this section shall be applicable only in counties where Federal crop insurance for rice cannot be obtained by the producers for the crop year involved.

"DISASTER PAYMENTS FOR SOYBEANS

"SEC. 111. (a) Notwithstanding any other provision of law, if the Secretary determines that, because of drought, flood, or other natural disaster or condition beyond the control of the producers, the total quantity of soybeans on a farm which the producers are able to harvest is less than 75 per centum of the farm acreage planted to soybeans for harvest times the projected yield of soybeans, payments shall be made to the producers on the farm for the deficiency in production below 75 per centum by multiplying such deficiency times one-third of the cost of production of soybeans per bushel.

"(b) The provisions of this section shall be applicable only in counties where Federal crop insurance for soybeans cannot be obtained by the producers for the crop year involved.

"DISASTER PAYMENTS FOR UPLAND COTTON

"SEC. 112. (a) Notwithstanding any other provision of law, if the Secretary determines that, because of drought, flood, or other natural disaster or condition beyond the control of the producers, the total quantity of upland cotton on a farm which the producers are able to harvest is less than 75 per centum of the farm acreage planted to upland cotton, payments shall be made to the producers on the farm for the deficiency in production below 75 per centum by multiplying such deficiency times one-third of the cost of production of upland cotton per pound.

"(b) The provisions of this section shall be applicable only in counties where Federal crop insurance for upland cotton cannot be obtained by the producers for the crop year involved.".

TITLE IV—LIVESTOCK PRODUCTION ASSISTANCE

DISASTER RESERVE

SEC. 401. (a) Section 813 of the Agricultural Act of 1970, as added by the Agriculture and Consumer Protection Act of 1973 (87 Stat. 239; 7 U.S.C. 1427a), is amended as follows:

(1) Subsections (a) and (b) are amended to read as follows:

"SEC. 813. (a)(1) Notwithstanding any other provision of law, the Secretary of Agriculture shall, under the provisions of this Act, establish, maintain, and dispose of a separate reserve of grain for the purpose of alleviating distress caused by a natural disaster.

"(2) Such reserve inventories shall include such quantities of grain that the Secretary deems sufficient so that the reserve may, from time to time, be drawn on for the alleviation of distress as the result of natural disasters, but not less than 20 million bushels nor more than 75 million bushels of grain.

"(3) The Secretary is authorized to acquire hay and other livestock forages for the purpose of alleviating distress caused by natural disaster at such times and in such amounts, as the Secretary may determine.

"(b) The Secretary is authorized to purchase such commodities through the Commodity Credit Corporation or acquire them through the price support program.".

(2) Subsection (d) is amended to read as follows:

"(d)(1) The Secretary is also authorized to dispose of such commodities only for (A) use in relieving distress (i) in any State, the District of Columbia, Puerto Rico, Guam, or the Virgin Islands, (ii) in connection with any major disaster or emergency determined by the President to warrant assistance by the Federal Government under the Disaster Relief Act of 1974 (88 Stat. 143; 42 U.S.C. 5121), and (iii) in connection with any emergency determined by the Secretary to warrant assistance pursuant to section 407 of the Agricultural Act of 1949, as amended (63 Stat. 1055, as amended; 7 U.S.C. 1427), or the Act of September 27, 1959 (73 Stat. 574, as amended; 7 U.S.C. Prec. 1427a); or (B) use in connection with a state of civil defense emergency as proclaimed by the President or by concurrent resolution of the Congress in accordance with the provisions of the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2251–2297).

"(2) Whenever commodities are disposed of as described in paragraph (1) of this subsection in such quantities that the inventories are reduced below a level of 20 million bushels, the Secretary is authorized to acquire commodities pursuant to subsection (b) of this section over a period of six months immediately following the end of the natural disaster, major disaster, emergency, or civil defense emergency, or the expiration of the concurrent resolution, in order to reestablish the separate reserve at a minimum level of 20 million bushels.".

(b) The Secretary of Agriculture is authorized to acquire commodities pursuant to subsection (b) of section 813 of the Agricultural Act of 1970 over a period of two years immediately following the effective date of this section.

EMERGENCY LIVESTOCK FEED

SEC. 402. (a) Section 407 of the Agricultural Act of 1949, as amended (63 Stat. 1055, as amended; 7 U.S.C. 1427), is amended by striking out from the fifth sentence "any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-First Congress, as amended (42 U.S.C. 1855)" and inserting in lieu thereof "(A) any major disaster or emergency as determined by the President to warrant assistance by the Federal Government under the Disaster Relief Act of 1974 (88 Stat. 143; 42 U.S.C. 5121), or (B) any emergency as designated by the Secretary pursuant to the provisions of section 321 of the Consolidated Farm and Rural Development Act (75 Stat. 331, as amended; 7 U.S.C. 1961)".

(b) Section 2 of the Act of September 27, 1959 (73 Stat. 574, as amended; 7 U.S.C. Prec. 1427a), is amended by striking out the period at the end of the first sentence and inserting ", or if he has designated the area as an emergency area pursuant to the provisions of section 321 of the Consolidated Farm and Rural Development Act (75 Stat. 331, as amended; 7 U.S.C. 1961)".

EMERGENCY HAY TRANSPORTATION

SEC. 403. (a)(1) The Secretary of Agriculture is authorized to pay up to three-fourths of the actual cost of transporting a maximum 90-day supply of hay or other livestock forage from areas in which hay is in plentiful supply to livestock producers in major disaster or emergency areas whenever—

(A) a State or area within a State is designated by the President as a major disaster or emergency area, pursuant to the Disaster Relief Act of 1974 (88 Stat. 143; 42 U.S.C. 5121), or is designated by the Secretary of Agriculture as an emergency area pursuant to the provisions of section 321 of the Consolidated Farm and Rural Development Act (75 Stat. 311, as amended; 7 U.S.C. 1961), or section 407 of the Agricultural Act of 1949, as amended (63 Stat. 1055, as amended; 7 U.S.C. Prec. 1427a), or the Act of September 21, 1959 (73 Stat. 574, as amended; 7 U.S.C. Prec. 1427a);

(B) the Governor of the State submits evidence during the period of designation to the Secretary of Agriculture showing that the combined hay, forage, or pasture losses in the major disaster or emergency area are or will be at least 40 percent of the normal production for such area; and

(C) the Secretary of Agriculture concurs in the evidence of loss submitted by the Governor.

(2) As used in this section, "normal production" means the average production of hay, forage, and other pasture crops in the major disaster or emergency area, using statistics from the three calendar years immediately preceding the calendar year in which the major disaster or emergency designation was made: *Provided*, That if during any of those three years, the State or area was designated as a major disaster or emergency as described in paragraph (a)(1)(A) of this subsection, such year shall not be used to determine normal production, and, in lieu thereof, the next preceding calendar year in which no such major disaster or emergency designation was made, shall be used.

(3) In computing the amount of hay or other livestock forage for which a livestock producer will be entitled to transportation assistance under this section, the Secretary shall utilize a formula of 40 pounds of hay per brood cow or dairy cow per day and 20 pounds per replacement heifer or head of beef cattle per day. The Secretary shall develop appropriate feed ratios for other forages and other livestock, as required.

(4) Within 90 days after the Secretary initially makes the assistance under this section available to livestock producers in an area, the Secretary, at the request of the Governor, shall review any additional information submitted by the Governor and evaluate the immediate situation and the long-term situation for livestock producers in the area.

(5) The Secretary is further authorized, whenever the Secretary determines such action to be necessary and appropriate based on the Secretary's evaluation of the continuing situation as provided for in subsection (4) of this section, to pay up to three-fourths of the actual cost of transporting additional supplies of hay or other livestock forage to livestock producers in the major disaster or emergency area, in such amounts as determined by the Secretary to be necessary to alleviate the distress caused by the major disaster or emergency.

(b) The Secretary is authorized to provide assistance under this section to any livestock producer whenever such action is necessary to prevent undue financial hardship to the producer in maintaining the producer's livestock herd, as determined by the Secretary.

(c) The Secretary is authorized to issue such regulations as he determines necessary to carry out this section.

(d) Whoever disposes of any hay or other livestock forage for which transportation costs were paid under this section, other than with the prior approval of the Secretary of Agriculture, shall be subject to a penalty equal to but not in excess of the amount paid by the Secretary to transport the hay or other livestock forage involved, to be recovered by the Secretary in a civil suit brought for that purpose, and in addition shall be guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $3,000 or imprisonment for not more than one year.

(e) Section 8 of the Farmer-to-Consumer Direct Marketing Act of 1976 is hereby repealed. Notwithstanding such repeal, the

provisions of section 8 of the Farmer-to-Consumer Direct Marketing Act of 1976 shall continue in effect with respect to any emergency or major disaster declared prior to the effective date of this section.

(f) The provisions of this section shall become effective 30 days after the date of enactment of this Act.

(g) There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

TITLE V—CREDIT ASSISTANCE

EMERGENCY LIVESTOCK CREDIT

SEC. 501. The Emergency Livestock Credit Act of 1974 (88 Stat. 392, as amended; 7 U.S.C. Prec. 1961) is amended as follows:

(a) Section 3 is amended by striking out from subsection (a)(3) "eighteen months immediately preceding the date of enactment of this Act" and inserting in lieu thereof "five years immediately preceding the date the loan applicant applied to the lender for the loan".

(b) Section 8 is amended by striking out all that follows after the word "enactment" and inserting in lieu thereof a period.

GRACE PERIOD FOR LOANS

SEC. 502. The Consolidated Farm and Rural Development Act, as amended, is amended by inserting immediately after section 324 a new section as follows:

"SEC. 324a. (a) Notwithstanding any other provision of this title, and subject to the provisions of subsection (b) of this section, the Secretary is authorized to modify repayment schedules on loans made under this title to be commensurate with borrower circumstances by postponing all principal and interest payments for up to two years, except for annual payments equal to 1 percent of the principal. During this grace period, interest shall accrue on the deferred interest.

"(b) The authority to modify repayment schedules shall be exercised only with respect to borrowers whose farming, ranching, or aquaculture operations are located in areas which—

"(1) the President has determined to be in need of assistance by the Federal Government under the Disaster Relief Act of 1974 (88 Stat. 143; 42 U.S.C. 5121), because of major disasters or emergency situations; or the Secretary has designated as emergency areas in accordance with section 321(a) of this title; and

"(2) have been, within the five years immediately preceding the date of such determination by the President or designation by the Secretary, subject on one or more occasions to either such determination by the President or designation by the Secretary; or the major disasters or emergencies have resulted in economic distress of such severity that the assistance provided herein is warranted, as determined by the Secretary.".

SHORT EXPLANATION OF S. 788 THE AGRICULTURAL EMERGENCY ASSISTANCE ACT OF 1977

The major provisions of this bill would—

(1) direct the Secretary of Agriculture to provide leadership in coordinating, within the Executive Branch, all Federal programs designed to assist farmers and ranchers in disaster areas, and coordinate Federal efforts with State and local governments and county ASC committees;

(2) authorize research and development efforts that address (a) administrative delay and confusion in the implementation of assistance programs for farmers and ranchers, and related problems, and (b) the need to develop programs that are specifically designed for drought situations;

(3) direct the Secretary to give special consideration to areas of the United States subject to frequently recurring natural disasters, such as drought, in administering the Department's conservation programs;

(4) authorize a supplemental appropriation for FY 1977 of $10,000,000 for drought emergency conservation measures;

(5) continue, through the 1982 crop year, crop production disaster assistance to farmers in the form of payments to producers for deficiencies in production—

a. if crop insurance is not available to them;

b. for the commodities of wheat, feed grains, upland cotton, rice, and soybeans;

c. if production is below 75 percent of normal production;

d. on all acreage planted (not just allotted acreage);

e. at the rate of one-third of the cost of production.

(6) (a) require a minimum disaster reserve, to be held by the Commodity Credit Corporation, of 20,000,000 bushels of grain or, as necessary, hay or other livestock forage;

(b) authorize the Secretary of Agriculture to purchase commodities for the reserve, if necessary to maintain it at the minimum level; and

(c) authorize the Secretary to use the reserve, in disaster situations, to provide emergency feed for livestock;

(7) authorize the use of the emergency livestock feed program when the Secretary of Agriculture, under the Consolidated Farm and Rural Development Act, has made a designation that an area is eligible for emergency loan assistance, in order to improve the coordination of these two programs.

(8) improve the hay transportation program for livestock producers in disaster areas: The Secretary of Agriculture would be authorized to pay livestock producers up to three-fourths of the actual cost of transporting up to a 90-day supply of hay into the disaster area, when local hay production falls to less than 60 percent of normal production; and though normally it would be a temporary program, it could be renewed if disaster conditions continue;

(9) make permanent the Emergency Livestock Credit Act of 1974, under which the Secretary of Agriculture may guarantee loans made to livestock producers who are otherwise unable to get financing for their operations; and

(10) authorize the Secretary of Agriculture to modify repayment schedules on FmHA loans for borrowers located in disaster areas, to allow such borrowers grace periods of up to two years on repayment of the principal or interest on their FmHA loans.

Mr. McGOVERN. Mr. President, I am pleased to join today with my long-time friend, the senior Senator from Minnesota (Mr. HUMPHREY) as a coauthor of the Agricultural Emergency Assistance Act of 1977. Senator HUMPHREY and I have served together for many years in this Chamber. Much of that time both in committee and on the Senate floor has been devoted to bettering the lot of agriculture and farmers. We share South Dakota by birthright and for long years our lives have been intimately entwined with the problems of the Upper Great Plains.

Both South Dakota and Minnesota in the last several years have experienced drought conditions reminiscent of the early thirties. Some areas of both States have known their driest periods in this century. Roberts County in eastern South Dakota alone in 1976 had a measurable departure from normal of almost 14 inches of rainfall. The Governor's Drought Assistance Office in South Dakota assesses dollar losses during 1976 in excess of $1.5 billion.

Don Elchacher, a farmer of Salem, S. Dak., says,

I had 500 acres of corn that normally would yield 65 to 70 bushels per acre. I got three bushel corn on it.

Bob Duxbury, our secretary of agriculture, whose sons are the sixth generation on a ranch near Wessington, normally cuts 750 to 1,000 tons of hay. In 1976 the land yielded but 36 tons.

Dairy producers and beef producers have been equally hard hit. Dairy herds have been culled twice and three times. Foundation herds of beef producers have been liquidated in alarming numbers. Hand County, S. Dak., has only a quarter of its livestock numbers remaining on the range.

It is not difficult to make the case for disastrous conditions in our area. What is more difficult is to fashion an adequate Federal response. Present disaster provisions now available are totally inadequate. They are designed for short or at best periodic conditions. They are fragmented, ill-coordinated, administered in a manner that would test the patience of a saint, and even more frustrating, they are subject to change and even vary from one county to the next. In a word, Mr. President, farmers are fed up with the current program. We have applied a band-aid here and a band-aid there through legislation such as the Emergency Hay Transportation Act of 1976 which I authored and which the Senator from Minnesota (Mr. HUMPHREY) so ably supported. But what we need is a comprehensive program that farmers can count on.

My friend from Minnesota (Mr. HUMPHREY) and I have spent a great deal of time personally in an effort to come up with a better program. Our staffs working together have spent hours shaping a program that we feel to be reasonable from the standpoint of a Federal commitment, yet responsive to the needs of our agricultural producers. We feel that we have designed a package which we introduce in the Senate today that should be acceptable to the Congress, the administration, and sufficient to warrant the support of our constituents.

Let me briefly summarize what we seek to do:

First. Make the Office of the Secretary of Agriculture responsive to the disaster needs by giving the Office of the Secretary itself the burden of coordinating and implementing disaster programs rather than spreading them throughout various departments and agencies.

Second. Authorize a supplemental appropriation of $10 million for drought emergency conservation measures.

Third. Authorize crop production disaster assistance in the form of payments where no Federal crop insurance is available, if production is below 75 percent of normal on all acreage planted, at the rate of one-third of the cost of production.

Fourth. Require a minimum emergency livestock feed reserve of 20 million bushels of grain and authorize the Secretary to maintain it through purchase if necessary.

Fifth. Make permanent a hay transportation subsidy program at 75 percent of the cost of transportation up to a 90-day period when local hay production falls below 60 percent.

Sixth. Make the Emergency Livestock Credit Act scheduled to expire on September 30, 1978, permanent.

Seventh. Authorize the Secretary of

Agriculture to declare grace periods of up to 2 years on repayment schedules of FmHA loans for both principal and interest.

Mr. President, nearly every climatologist in the land predicts that we are entering periods of uncertainty in rainfall. Some predict more drastic changes in weather patterns than others. If we are to rely on the advice of experts from both Government and the academic world, it is vital that we enact the legislation being sent to the desk today. Let us not view this act as a relief act for farmers. We all have a stake in the future of food and fiber production. If consumers and urban dwellers wish to safeguard their future, they should be doing all in their power to insure the sources of what they eat and what they wear. For that reason I urge support for this measure from farm oriented legislators and urban centers alike. It is high time that we all wake up and recognize our common interest and our commonweal.

By Mr. HEINZ:

S. 789. A bill to require automatic sprinker systems in all skilled nursing facilities and intermediate care facilities as a condition of certification under the medicare, medicaid, and Veterans' Administration programs, and to authorize loans and grants to assist such facilities in purchasing and installing such systems; to the Committee on Human Resources.

NURSING HOME SAFETY

Mr. HEINZ. Mr. President, I am pleased today to introduce legislation to improve nursing home safety standards in this country. This legislation requires the installation of automatic sprinkler systems in all skilled nursing facilities and intermediate care facilities as a condition of certification under the medicare, medicaid, and Veterans' Administration programs. In addition, this legislation authorizes direct financial assistance to qualified nursing and intermediate care facilities to aid them in purchasing and installing sprinkler systems.

I introduced identical legislation last year in the House of Representatives, while serving on the House Select Committee on Aging. Because of what I was able to learn as ranking minority member of the Subcommittee on Long-Term Care, I have included several innovations that I believe will make this legislation both practical and effective.

First, permit the Secretary of Health, Education, and Welfare to replace certain sprinkler requirements with functionally equivalent safeguards for facilities which, because of their unique structural properties or small sizes, would be under unreasonable hardship if they complied completely with these provisions.

Second, create a special grant program for public and private nonprofit organizations that serve rural or underserved populations who cannot afford to pay the interest on loans.

Third, extend coverage to the Veterans' Administration as well as medicare and medicaid facilities.

Finally, tailor the loan program to existing prime interest rates, which vary from region to region.

The General Accounting Office, the National Fire Protection Association, various local authorities, and nursing home personnel have all offered testimony on the need for such legislation. As compelling as this testimony may be, it cannot compare with the stark evidence of deaths in nursing home fires which may have been prevented if a sprinkler system had been present.

In January and February of last year, 31 elderly people lost their lives in two separate nursing home fires in Chicago, Ill. The Windcrest Skilled Nursing Facility and the Cermack Intermediate Care Facility were both in compliance with the current safety code, and were of relatively new, fire-resistant construction. Neither facility was equipped with a sprinkler system.

This month, in Zion, Ill., a fire in a new nursing home facility killed two people and critically injured two others. The Chicago Fire Department testified that the fire was contained in a wardrobe room, and that the deaths were due largely to smoke inhalation. The Zion Nursing Home was not equipped with a sprinkler system.

It would be unrealistic to suggest that the presence of a sprinkler system in every nursing home across this country would prevent all future fire deaths. Nevertheless, the General Accounting Office, the National Fire Protection Association, and other experts have testified and cited evidence that automatic sprinklers are the single most effective measure to control incipient fires and provide the greatest "safety to life protection feature available in the fire protection field. GAO states unequivocally that automatic sprinkler systems put out fires and save lives whereas other features of the fire code, for example resistive walls, do not insure against multiple deaths due to fire, smoke, and fire byproducts. Capt. Eugene Tietz of the Chicago Fire Department put it most simply when he stated:

When there's a fire, somebody has to run with a bucket of water. With a sprinkler system, you have a man there 24 hours a day, 7 days a week, 52 weeks a year.

The strong case made for the requirement that all nursing facilities, regardless of construction type, can be fully protected with an automatic sprinkler system, calls for a definitive legislative response to close existing loopholes in laws and regulations. Both the 1967 and 1973 editions of the Life Safetv Code which currently defines a certified medicare or medicaid facilitv compliance with fre and safetv requirements do not reouire automatic sprinklers. The 1967 edition contains a waiver for buildings of fire resistive or noncombustible construction, and the 1973 code exempts all buildings of fire resistive or noncombustible construction less than three stories in height.

Over the past several years, for example in 1972 and again in 1974, the House Government Operations Committee has made specific recommendations to mandate automatic sprinklers for all nursing homes regardless of type of construction. The legislative result of the committee recommendations was a provision in Public Law 93-204 amending section 232 of the National Housing Act which authorized the Secretary of HUD to insure loans made to nursing facilities for the purchase and installation of fire safety equipment.

As promising as the provisions of this statute look, the simple fact is that bureaucratic redtape has consistently snarled the loan application process involved. It has taken 2 years to make the HUD program operative, even at its current ineffective level. Redtape and the tightness of the money market have combined to put such relatively small institutions as nursing homes at a disadvantage in competing for loan money. This fact, coupled with the urgent need to modernize those skilled nursing facilities and intermediate care facilities that do not now have adequate sprinkler systems, compels this Congress to consider a financing program which would swiftly and effectively promote installation of these systems.

In summary, Mr. President, the joint House-Senate Aging Committee hearings, past congressional initiatives, and the reports of various agencies and nursing home facilities, have demonstrated that sprinklers, while not the answer for fire-free nursing facilities, provide the greatest protection of life of any single fire safety device. We cannot rely on better management even in the best of nursing homes to prevent multiple deaths, because of the human factors and potential for miscalculation involved. The best way to prevent such tragedies as the Chicago fires is to require automatic sprinkler systems for all certified nursing and intermediate care facilities, and to provide means for them to comply with the requirements with all deliberate speed.

At this point, Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 789

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, (a) notwithstanding any other provision of law (except subsection (b) of this section), no nursing facility shall be certified as a skilled nursing facility for purposes of participation in the hospital insurance program under title XVII of the Social Security Act, no nursing facility or intermediate care facility shall be certified or approved for purposes of participation in a medical assistance program under a State plan approved under title XIX of such Act, and no nursing facility or intermediate care facility shall be approved for participation in any program under the jurisdiction of the Veterans' Administration, for any period beginning on or after the expiration of two years from the date of the enactment of this Act, unless such facility has a sprinkler system which is determined by the Secretary of Health, Education, and Welfare, hereinafter in this Act referred to as the "Secretary", or the Administrator of Veterans' Affairs (as the case may be) to satisfy the applicable requirements of standard numbered 13 of the 1975 edition of the National Fire Protection Association (and such later editions as the Secretary may determine).

(b) The Secretary may waive this require-

ment only in cases where because the size or nature of the structure of the skilled nursing facility or intermediate care facility, the installation of a complete sprinkler system would constitute an unreasonable hardship. In such cases, the Secretary shall require such compensatory fire protection features as he deems appropriate for the size and nature of the structure.

SEC. 2. (a) For the purpose of assisting skilled nursing and intermediate care facilities in protecting health and safety of their patients and in meeting the requirements of Federal law relating thereto, the Secretary is authorized, in the manner provided in section 1620 of the Public Health Service Act and subject to the conditions and requirements of that section except to the extent inconsistent with the succeeding provisions of this section, to make loans to such facilities to assist them in financing part or all of the cost of purchasing and installing automatic sprinkler systems.

(b) A loan under this section may be made only to an eligible skilled nursing or intermediate care facility (as defined in subsection (c)), and only for the purpose of assisting such facility in purchasing and installing an automatic sprinkler system which satisfies the applicable requirements of standard numbered 13 of the 1975 edition of the National Fire Protection Association (and such later editions as the Secretary may determine). Any such loan shall—

(1) be in such amount as may be reasonable and necessary, in addition to any other funds available to the facility, to purchase and install such system, as determined in accordance with regulations prescribed by the Secretary;

(2) bear interest at a rate not more than 1 per centum higher than the average outstanding discount rate (at the time the loan is made) of the Federal Reserve bank for the district in which the facility involved is located;

(3) have a maturity of not more than twenty years; and

(4) be subject to such additional terms, conditions and provisions as the Secretary may impose in order to assure that the objectives of this section will be effectively carried out.

Each application for a loan under this section shall not be subject to approval under section 1604 of the Public Health Service Act. No such application shall be approved unless the Secretary finds that (A) the structure involved has a projected useful life as a skilled nursing care facility or intermediate care facility of at least ten years and is otherwise qualified for certification under title XVIII or XIX of the Social Security Act or approved for participation in any program under the jurisdiction of the Veterans' Administration.

(c) As used in this section, the term "eligible skilled nursing or intermediate care facility" means a skilled nursing facility within the meaning of section 1861(j) of the Social Security Act, or an intermediate care facility within the meaning of section 1905 (c) of such Act, which—

(1) has been certified for participation in the medicare program under title XVIII of such Act or in a medical assistance program under a State plan approved under title XIX of such Act, or is seeking or proposing to seek such certification;

(2) does not have in operation a complete authomatic sprinkler system and is unable (as determined by the Secretary) to obtain from private sources all of the financing needed to purchase and install such a system.

(d) There are authorized to be appropriated such sums as may be necessary for purposes of this section. Amounts so appropriated shall be placed in and constitute a revolving fund which shall be available to the Secretary for use in carrying out this section.

SEC. 3. (a) In the case of an eligible skilled nursing or intermediate care facility (as defined in section 2(c) and:

(1) serves a primarily rural, medically underserved, or low-income population,

(2) at least 85 per centum of the patients or residents of which are recipients of medical assistance under a State plan approved under title XIX of the Social Security Act,

(3) is unable to underwrite the costs of purchasing and installing an automatic sprinkler system through its own financial resources, including its endowment if any, and

(4) is either a publicly owned and operated facility or a facility described in section 501(c) (3) or (4) of the Internal Revenue Code of 1954 which is exempt from income taxes under section 501(a) of such Code, the Secretary is authorized, in the manner provided in section 1625 of the Public Health Service Act and subject to the conditions and requirements of such section except to the extent inconsistent with the provisions of this section, to make a grant or grants to such facility to enable it to purchase and install an automatic sprinkler system satisfying the applicable requirements of standard numbered 13 of the 1975 edition of the National Fire Protection Association (or such later editions as the Secretary may prescribe).

(b) Grants under this section—

(1) may be made in lieu of or in supplementation of such loans; and

(2) shall be subject to such terms and conditions as the Secretary may prescribe to assure that the objectives of this section are effectively carried out.

(c) There are authorized to be appropriated such sums as may be necessary to enable the Secretary to carry out this section.

SEC. 4. No later than ninety days after the date of the enactment of this Act, the Secretary shall prescribe and publish such regulations as may be necessary or appropriate to carry out this section.

SEC. 5. Except as otherwise provided in the first section of this Act, the provisions of this Act shall take effect on the date of its enactment.

By Mr. DOMENICI:

S. 790. A bill to authorize the rehabilitation or reconstruction of locks and dam 26, to establish a revolving fund from user fees to finance a portion of the future costs of the inland waterways of the United States, and for other purposes; to the Committee on Environment and Public Works and the Committee on Commerce, Science, and Transportation, jointly, by unanimous consent.

INLAND NAVIGATION IMPROVEMENT ACT OF 1977

Mr. DOMENICI. Mr. President, I send to the desk a bill to create for the first time a balanced approach to the development of the Nation's inland waterways.

My bill essentially incorporates two provisions that were reported from the Committee on Public Works last year, legislation that I was pleased to assist in writing. One aspect of the bill involves an authorization, with certain constraints, for the reconstruction of locks and dam 26 at Alton, Ill. This is a controversial project, but one that appears to have broad support in the Midwest.

But frankly, Mr. President, I believe that the more important portion of this bill is the provisions in the bill that for the first time would establish a national system of user charges on the inland waterways.

Few changes in our Nation's transportation policies are so long overdue. The American taxpayer is subsidizing the Nation's major oil, coal, chemical, steel, and grain companies—the principal beneficiaries of the inland system—with waterway spending of some $400 million yearly. These beneficiaries pay not a single dime in return. No other transportation mode is completely subsidized by general tax revenues. Highway and airport users pay taxes into a trust fund, while railroads and pipelines must go into the private capital market for their right-of-way funds. But the barge industry gets a free ride.

Every President since Franklin Roosevelt has stated that the rational exploitation of the Nation's inland waterway resources can only occur within the context of a user-charge mechanism. One governmental commission after another, the latest being the report of the National Water Commission in 1973, has noted that without user charges the Nation's inland waterway system is an irrational anomaly, whose resulting inequities and inefficiencies have prevented the fashioning of a reasonable national transportation policy.

Over 10 executive branch studies, beginning in 1939, have supported user charges.

Mr. President, I see this proposal as creating balance. I see it also as creating greater assurance to the waterway industry that it will obtain needed improvements on the waterways. The money collected from the user fees would go into a waterway improvement revolving fund that would be available exclusively for new waterway improvements, giving the industry a measure of certainty it has never previously had for continued improvements to the system. Just last month, the outgoing Secretary of Army for Civil Works sent forward legislation to impose a waterway user system even broader than my proposal.

There are two aspects to the inequity of a no-charge system. First, there is a fundamental unfairness when the Federal taxpayers, most of them low- and middle-income families, subsidize the large, wealthy corporations that own many of the big barge lines. Barge subsidies essentially are an income transfer from the poor to the wealthy.

The second inequity lies in the fundamental unfairness to competing modes of transportation when one mode is singled out to receive special goodies. The railroads calculate that complete subsidization of the inland waterway system costs them $500 million a year. A Congressional Budget Office report concluded that the construction of locks and dam 26 alone could cost the midwestern railroads between $261 million and $348 million a year. With 1 of the areas 21 rail lines already in bankruptcy, and at least 6 others in a weak financial condition, I believe we are perpetrating the waste of taxpayers' dollars when we continue to subsidize an inland waterway system that helps to drive rail lines into bankruptcy.

Complete subsidization produces inefficiencies. Further subsidies for the inland waterway system will probably lead to larger rail subsidies. At locks and dam 26, we are told that congestion delays warrant the larger, modern structure.

This ignores a basic fact: As long as the service is provided free, the demand for it will be infinite. Capacity projections for a free navigational system will be self-fulfilling, because no market constraint exists. No market check exists on the beneficiaries of free system in their appetite for new, more expensive projects. This leads inevitably to slipshod analyses of whether new projects are needed or not.

This must be changed. Our Nation may soon embark on a major rehabilitation effort on the inland waterway network of 25,000 miles of improved waterways and 212 navigational locks and dams. There are $3.4 billion in lock building projects presently underway. And many other navigational structures were built 40 or more years ago, and may require major rehabilitation.

I believe we stand at a point when the Congress must confront the issue of user charges as we confront this new round of navigational improvements. Paradoxically, although the issue has been studied repeatedly, and more recent commentators have stated that there is simply no case on the other side, opponents of user charges continue to argue for more study.

Several points can be made on whether there is a need for additional study, in view of the terms of this legislation. First, my bill is a controlled legislative experiment. Both the 10-year phase-in and the midterm assessment in the fourth year of implementation allow for careful monitoring by the Congress. Such a controlled legislative experiment has the advantage, over present studies, of creating actual experience to work with. Present studies necessarily involve speculations with economic models. They measure not the real world, but someone's computer model of it. This bill, in contrast, calls for a gradual phase-in so that while the initial economic consequences of user charges will be slight there is a realistic test.

I certainly do not want to leave the impression that the issue of economic impact has not been studied. The General Accounting Office in its November 1975 report found that recovering 100 percent of the costs of operation and maintenance would have minimal impacts, and that in fact, any diversion of traffic would be to pipelines, not rail. Studies last year by the Departments of Interior and Transportation also found minimal impacts. The Department of Transportation study generally found price increases of less than one-half of 1 percent. In fact, they found that the impact of a 10-percent recovery, the same as required in the first year of my bill "to be so small that intelligent analysis was not possible."

In each of these examples, it was assumed that 100 percent of the operation and maintenance costs would be recovered in the first year of implementation. That is 10 times more severe than my bill, and is even twice as severe as my proposal would be 5 years after it is implemented. This proposal is far less severe than that of the National Water Commission, which recommended 100-percent recovery of both operations and maintenance and capital costs.

In closing, I would of course recognize that an end to the complete subsidization of the inland waterway system will raise costs for the user of that system. Obviously, any economic activity which the Government chooses to subsidize will have lower user costs. But just as obviously, Federal taxes to create that subsidy will have to be higher. One can ask why not subsidize completely the railroads, or energy production or food production or whatever else comes to mind? Subsidies, while benefitting a given, narrow class of beneficiaries leads to an overall decline in national wealth through the inefficient use of resources. That is precisely what is at stake here with the waterways. Inefficiencies have led to chaos in our national transportation policy, producing an increasingly unacceptable burden on the Federal taxpayer. A 1971 Department of Transportation study called the case for user charges "logically impeccable." The 1973 National Water Commission stated—

> There is no longer any rational justification for assumption by the Federal Treasury of the entire cost of construction, operating, and maintaining navigable waterways.

It is important to note that these reports state there is no logical or rational reason for delay.

Highway users pay toward those facilities. Airport users pay similar fees. My proposal would assess, eventually, half of the operations and maintenance costs and half the annual capital costs as a way to reduce the cost burden on the taxpayer. If there is a more equitable way, I am amenable to hearing it.

Mr. President, I ask unanimous consent to have printed in the RECORD a copy of this bill, a section-by-section analysis of this bill, two specific analyses of the cost impact of these provisions on particular industries, and an historical evaluation of user charges.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 790

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as "The Inland Navigation Improvement Act of 1977."

SEC. 2(a) The Congress finds that construction of an inland navigational system that imposes no costs on the direct beneficiaries of such system is unfair to the operators and users of competing modes of transportation usage that are wasteful of the nation's resources. The Congress further finds that certain improvements, including the rehabilitation or reconstruction of Locks and Dam 26, Mississippi River, Alton, Illinois, are necessary for the effective operation of the nation's inland waterway system.

(b) The Congress declares that national economic development requires the maintenance of a first-class inland waterway system, but, as a matter of equity, that the commercial users of this inland waterways system should contribute a portion of the Federal navigation-related costs to build, operate, maintain, and rehabilitate such waterways.

(c) It is, therefore, the purpose of this Act both to establish a system of user charges that will promote greater equity among all modes and demonstrate the economic feasibility of projects on the inland waterways of the United States, providing a market test for their need, and to authorize the rehabilitation or reconstruction of Locks and Dam 26, Mississippi River, Alton, Illinois, as a way to promote the more efficient operation of the existing waterway system.

SEC. 3(a). The Secretary of the Army, acting through the Chief of Engineers, is authorized to replace Locks and Dam 26, Mississippi River, Alton, Illinois, by constructing a new dam and a single, one-hundred-and-ten foot by one-thousand-two hundred-foot lock at a location approximately two miles downstream from the existing dam, substantially in accordance with the recommendations of the Chief of Engineers in his report on such project dated March 15, 1976, at an estimated cost of $391,000,000.

(b) The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to replace, at Federal expense as a part of project costs authorized in subsection (a) of this section, terrestrial wildlife habitat inundated as a result of the construction of the project on an acre for acre basis in the respective States of Missouri and Illinois and to manage such lands as are thus acquired by the Secretary for Wildlife mitigation purposes. The Secretary is further authorized to provide project-related recreation development on or in the vicinity of Ellis Island, Missouri, that requires no separable project lands and includes facilities such as roads, parking lots, walks, picnic areas, a boat launching ramp, and a beach, at an estimated cost of $2,750,000 to be cost shared with the State of Missouri and administered in accordance with the provisions of the Federal Water Project Recreation Act (Public Law 89–72) and undertaken independently of the navigation features of the project.

(c) The navigation channel above Alton, Illinois, on the Mississippi River is established at no greater than nine feet, and neither the Secretary of the Army nor any other Federal official is authorized to study the feasibility of deepening the navigation channels in the Minnesota River, Minnesota; Black River, Wisconsin; Saint Croix River, Minnesota and Wisconsin; and the Mississippi River north of its juncture with the Illinois River, Illinois, unless specifically authorized by future Act of Congress.

SEC. 4. Prior to construction of a new, single lock and dam at Locks and Dam 26, authorized by section 3 of this Act, the Secretary of the Army shall appoint a board consisting of representatives of three independent engineering firms to study the alternative of rehabilitating the existing structure and expanding its capacity by including a new one-hundred-and-ten foot by one thousand-two-hundred-foot lock in the center of such existing structure, and to recommend to the Secretary whether such alternative merits further consideration in the interest of expeditious improvements to the waterway and the efficient and wise use of Federal expenditures. The Board shall report to the Secretary within one hundred and twenty days following its appointment. If such board finds no merit in such rehabilitation alternative, the Secretary may proceed with construction of the new facility, as authorized by Section 3 of this Act. If, however, such board finds that rehabilitation appears feasible and reasonable, the Secretary shall so report to the Congress, together with his recommendations. If the Congress fails to act within one hundred and twenty legislative days following such report and recommendation, the Secretary may proceed in accordance with section 3 of this Act.

SEC. 5(a) Not later than ten months after the date of enactment of this Act, the Secretary of Transportation shall, after consultation with the Secretary of the Army, and after conducting public hearings and permitting not less than forty-five days for public comment, publish in the Federal Register preliminary regulations on a proposed system of user charges intended to recover that portion of the Federal navigation-related costs of the operation, maintenance, new construction, and rehabilitation of the

inland waterways of the United States described in section 5 of this Act. After receiving comments on the preliminary regulations required by this subsection, the Secretary shall, no later than January 1, 1979, promulgate final regulations that establish a schedule of charges to be paid by commercial users of the inland waterways of the United States and submit such regulations to the Congress. Notwithstanding any other provision of law, such charges shall become effective on October 1, 1979, unless rejected or amended under the terms of subsection (b) of this section.

(b) Final regulations promulgated under subsection (a) of this section shall take effect unless the Congress, by joint resolution within sixty days of the date of such transmittal, disapproves such regulations.

(c) The schedule of user charge promulgated under this Act shall, to the extent reasonable and equitable, be assessed annually on the basis of (1) the costs of operating, maintaining, constructing, and rehabilitating the inland waterways of the United States, and various segments thereof, during the preceding fiscal year; (2) the volume of traffic; (3) seasonal and other repetitive peak demands for use of the inland waterways of the United States; and any other factors that the Secretary of Transportation finds reasonable and equitable.

(d) The Secretary of Transportation, in promulgating final regulations under this section, is authorized to utilize, but is not limited to, one or more of the following mechanisms as a way to recover a portion of the Federal navigation-related costs from the users of the system: (1) license fees; (2) congestion charges; (3) charges based on ton-miles over a given segment; (4) lockage fees; and (5) charges based on the capacity of cargo vessels, loaded and unloaded, over various segments of the inland waterways of the United States.

(e)(1) Final rates shall be adequate to recover: (A) 50 per centum of the Federal navigation-related expenditures on the operation and maintenance of the the inland waterway of the United States in accordance with paragraph (2) of this subsection, and (B) 50 per centum of the Federal navigation-related capital expenditures on new construction and rehabilitation of the inland waterways of the United States in accordance with paragraph (3) of this subsection.

(2) During the first year that user charges established under this section are effective, such charges shall be equal to 10 per centum of the total expenditures described in subparagraph (A) of paragraph (1) of this subsection, and shall be increased by 10 per centum of such total expenditures for each of the succeeding four years until the maximum of 50 per centum of such total expenditures is reached.

(3) During the sixth year that user charges established under this section are effective, such charges shall, in addition to the charges in subparagraph (A) of paragraph (1) of this subsection, be equal to 10 per centum of the total expenditures described in subparagraph (B) of paragraph (1) of this subsection, and shall be increased by 10 per centum of such total expenditures for each of the next succeeding four years until the maximum of 50 per centum of such total expenditures is reached.

(f)(1) There is established a Waterway Improvement Fund (hereinafter referred to as the "Fund"), which shall be administered by the Secretary of the Army. The Fund shall be expended exclusively on improvements to the inland waterways of the United States and for maintenance and operation of existing projects.

(2) Funds collected from user charges collected under this section shall be paid to the Secretary of the Army, and deposited by him in the Fund, and be available for disbursement for the sole purpose of making improvements and maintaining the inland waterways of the United States.

SEC. 6. Failure to pay any user charges established under this Act shall subject the violator to a fine of not more than $5,000 per day, and prohibit the violator from the use of any lock on the inland waterways of the United States during the period of violation of this Act.

SEC. 7. No later than three years after the effective date of the regulations established under Section 5 of this Act, the Secretary of the Treasury, in cooperation with the Secretary of the Army, shall submit to the Congress a report on the implementation of Section 5 of this Act. Such report shall describe—

(a) the economic impact of user charges on the commercial users of and consumers of goods shipped on the system of inland waterways of the United States;

(b) the economic impact of user charges on a regional and national basis;

(c) the effectiveness of user charges in establishing a more balanced national transportation system;

(d) the effectiveness of user charges in promoting the more efficient use of public investments in the Nation's system of waterborne transportation and reliance on the private sector; and

(e) the effectiveness of user charges in providing for the balanced use of the Nation's water resources.

SEC. 8. In establishing and revising any regulations promulgated to provide for the recovery of operation, maintenance, construction, and rehabilitation costs under this Act, the Secretary shall allow, as an offset or deduction, the payment of any Federal tax enacted subsequent to enactment of this Act, including a tax on fuels, that may be imposed on vessels using the inland waterways of the United States.

SEC. 9. (a) There is hereby created a Mississippi River System Council (hereinafter referred to as "Council") consisting of the Secretary of Transportation, the Secretary of Agriculture, the Chairman of the Council on Environmental Quality, the Secretary of the Army, the Secretary of the Interior, and the Administrator of the Environmental Protection Agency.

(b) The Congress hereby authorizes and directs the preparation of a comprehensive master plan for the management of the Mississippi River System by the Council in cooperation with appropriate State and local agencies. With respect to that portion of the plan that deals with the Upper Mississippi River System, the Council is directed to cooperate with the Upper Mississippi River Basin Commission. A preliminary plan shall be prepared by July 1, 1980, and shall be subject to public hearings in each affected State. The Council shall review all comments presented at such hearings, shall make any appropriate revisions in the preliminary plan, and shall, by July 1, 1981, submit a final master plan to Congress for approval. Approval of the final master plan shall be granted only by enactment of the Congress. Changes to the master plan proposed by the Council shall require enactment by the Congress to become effective.

(c) The master plan authorized under subsection (b) of this section shall identify the various economic, recreational, and environmental objectives of Federal, State, and local agencies responsible for administration of the Mississippi River System, recommend guidelines to achieve such objectives, and propose methods to assure compliance with such guidelines and coordination of future management decisions affecting the Mississippi River System, and include any legislative proposals which may be necessary to carry out such recommendations and objectives.

(d) For the purposes of developing the comprehensive master plan, the Council is authorized and directed to carry out such studies, as it deems necessary to carry out its responsibilities under this subsection. In carrying out such studies, the Council shall take cognizance of past and ongoing studies. The Council may request appropriate Federal, State, or local agencies to prepare such studies, and any Federal agency so requested is authorized to carry out any such study for the purpose of this section. Studies carried out pursuant to this section shall include the following:

(1) studies concerning the environmental effects of present and projected traffic levels, including the impact of any new navigation-related construction activities upon fish and wildlife, water quality, wilderness, and public recreational opportunities, particularly with respect to the environmental values of the Upper Mississippi River System, and including a specific analysis of the environmental effects of dredging in the Mississippi River System and the construction of any possible second lock at Alton, Illinois;

(2) studies concerning the economic impacts of present and projected traffic levels, including an analysis of alternative methods for meeting future intermodal bulk commodity transportation needs of the regions served by the Mississippi River System and a specific evaluation of the economic effects of and demand for any second lock at Alton, Illinois;

(3) studies and demonstration programs including a new dredge and spoil disposal program (to include alternate uses of dredged material) to evaluate the equipment effectiveness of improved dredging and other equipment in minimizing the environmental effects of channel operation activities;

(4) development by the United States Fish and Wildlife Service for the Mississippi River System of a computerized, analytical inventory and system analysis to facilitate evaluation of the comparative environmental effects of alternative management proposals; and

(5) such other studies as the Council deems necessary.

(e) The Council shall, in preparation of the comprehensive master plan, utilize, to the fullest extent possible the resources and results of the Upper Mississippi River Resource Management (GREAT) Study. Such study shall hereafter be of this subsection.

(f) Guidelines developed pursuant to this subsection shall include, but not be limited to, guidelines for channel maintenance, minimization of dredging volumes, alternate uses of dredged material, barge fleeting, protection of water quality, fish and wildlife protection and enhancement, wilderness preservation, and management of wildlife and fish refuges within and contiguous to the Mississippi River system.

(g) Except for the provisions of section 3 of this Act and necessary operation and maintenance activities, no rehabilitation, replacement, or construction of locks and dams shall be undertaken by the Secretary of the Army that will increase the traffic capacity of the Upper Mississippi River system, until the master plan prepared pursuant to this subsection has been approved by Congress. Following approval of the master plan, construction of any lock on the Mississippi River, including any second lock at Alton, Illinois, shall be initiated only by Act of Congress and all other construction activities of the Secretary on such system shall be initiated only in accordance with the guidelines set forth in the master plan.

(h) To carry out the provisions of this subsection, there is authorized to be appropriated to the Council $20,000,000, of which $4,400,000 shall be reserved for expansion and completion of the Upper Mississippi River Resource Management (GREAT) Study. The Council is authorized to transfer funds to such Federal, State, or local government agencies as it deems necessary to carry out the studies and analysis authorized in this subsection.

SEC. 10. As used in this Act, the term—

(a) "User charges," means a charge established by the Secretary of the Treasury, under the authority of section 5 of this Act, to be paid by the owner or operator of shallow-draft cargo vessels that use the inland waterways of the United States for commercial purposes;

(b) "Inland waterway of the United States" means any improved waterway, the improvements to which are primarily for the use of commercial vessels other than ocean-going vessels.

SECTION-BY-SECTION ANALYSIS

Section 1 cites the bill as "The Inland Navigation Improvement Act of 1977."

Section 2 makes several Congressional findings and declarations. It finds that an inland navigational system that imposes no costs on the direct beneficiaries of such system is unfair to competing transportation modes and distorts national investment in transportation. Certain improvements to Locks and Dam 26 on Mississippi River, Alton, Illinois, are declared to be necessary for the effective operation of the nation's inland waterways. The bill declares that the nation needs a first-class inland waterway system, but that the commercial beneficiaries should contribute toward its cost.

This section then sets the purpose of the Act as the establishment of a system of user charges that will promote greater equity among all transportation modes, and the authorization of the rehabilitation or reconstruction of Locks and Dam 26.

Section 3 authorizes the Corps of Engineers to replace Locks and Dam 26, with a new dam and a new single, 1,200-foot lock down-stream from the existing dam. The 1976 estimated cost is $391,000,000. As part of the project, the Corps is also directed to replace wildlife habitat that will be flooded in the reconstruction, and to manage these lands for wildlife mitigation. The Corps is also authorized to provide recreation development at Ellis Island, Missouri, at a cost of $2,750,000, partially financed by the State of Missouri.

This section also declares that the navigation channel above Alton, Illinois, shall be no greater than nine feet, and no Federal official is authorized to study the feasibility of deepening the channels in the Minnesota River, the Black River, the Saint Croix River, or the Mississippi north of its juncture with the Illinois River, unless specifically authorized by future Act of Congress.

Section 4 requires the Secretary of the Army, before beginning any construction work at Locks and Dam 26 to appoint a board of three independent engineers to study the State of Illinois' proposal to rehabilitate the existing structure, and to expand its capacity with a new 1,200-foot lock in the center of the present dam. The board will make a recommendation to the Secretary within 120 days. If such panel finds the alternative does not merit further consideration, the Secretary can then move ahead with construction of the new facility. If the board finds that rehabilitation appears feasible and reasonable, the Secretary must so report to Congress, and the Secretary may only then go ahead on reconstruction only if the Congress fails to act within another 120 days to modify this authorization.

Section 5 establishes a system of user charges. Within 10 months after enactment, the Secretary of Transportation, consulting with the Secretary of the Army, and after public hearings and comment, must publish preliminary regulations to impose a proposed system of user charges. These charges on inland barge companies would be intended eventually to recover half the Federal navigation-related costs of operation, maintenance, and building new components on the inland waterways.

After studying all comments on the preliminary regulations, the Secretary, by January 1, 1979, must promulgate final regulations that establish the schedule of charges. These regulations are then submitted to Congress and become effective October 1, 1979, unless Congress, by joint resolution within 60 days of transmittal, disapproves the regulations.

The user charges will be assessed on such bases as the cost of operating, maintaining, constructing, and rehabilitating the inland waterways and their various segments, the volume of traffic on various portions, seasonal peaks, and other factors that the Secretary of Transportation finds reasonable. In setting the regulations, DOT may use license fees, congestion charges, ton-mile charges, lockage fees, and charges based on the cargo capacity. The final rates must be set so that, after 10 years, they will recover half the Federal cost of operation and maintenance of the inland waterway and half the capital costs of new construction and rehabilitation of the inland waterways.

In the initial years of user charges, they will be set to recover 10 per cent of the total Federal operations and maintenance costs. That recovery will be increased by 10 per cent during each of the succeeding four years until half of such costs are recovered after five years. During the sixth year, the user charges shall also recover 10 per cent of the total costs of new construction on the waterways spent the previous year, and that figure shall be increased 10 per cent a year until the maximum of 50 per cent is reached.

To assure the revolving fund concept, this section also establishes a Waterway Improvement Fund that will be administered by the Secretary of the Army. This Fund, made up of all user charges paid, will be used exclusively to finance improvements and operations on the inland waterways.

Section 6 sets a fine of not more than $5,000 per day on the failure to pay any user charges assessed under this Act, and prohibits the violator from the use of any lock on the inland waterways while in violation.

Section 7 requires a report by DOT and the Corps, no later than three years after user-charge regulations become effective, on implementation of the user charge provision. The report must evaluate the economic impact of user charges and the effectiveness of user charges in establishing a more balanced national transportation system and promoting the more efficient use of public investments in the Nation's system of waterborne transportation.

Section 8 provides that if a special Federal tax is ever imposed on waterways users its effect will be deducted from any user charges due that year.

Section 9 sets up a Mississippi River System Council consisting of the Secretaries of Transportation, Agriculture, Army, and Interior, and the Chairman of the Council on Environmental Quality, and the Administrator of the Environmental Protection Agency.

The Council must prepare a comprehensive master plan for the management of the Mississippi River System, in cooperation with appropriate State and local agencies. On that portion of the plan affecting the Upper Mississippi, the Council must work with the Upper Mississippi River Basin Commission. A preliminary plan is due July 1, 1980, after which there will be public hearings in each affected State. After reviewing these comments, the Council shall issue a final plan by July 1, 1981. Approval of the final master plan shall be granted only by Act of Congress.

The master plan shall identify the various economic, recreational, and environmental objectives of Federal, State, and local agencies responsible for administration of the Mississippi River System and recommend guidelines to achieve such objectives, including ones for channel maintenance, minimization of dredging volumes, alternate uses of dredged material, barge fleeting, protection of water quality, fish and wildlife protection and enhancement, wilderness preservation, and management of wildlife and fish refuges within and contiguous to the Mississippi River system.

In developing the plan, the Council has the authority to carry out studies it deems necessary. These studies shall include ones on the environmental effects of various traffic levels, including the impact of construction activities upon fish and wildlife, water quality, wilderness, and public recreational opportunities, the economic impacts of present and projected traffic levels, a demonstration of dredging and dredged disposal activities, and development of a computerized inventory, plus other studies the Council finds necessary. In preparing the plan, the Council shall utilize the results of the Upper Mississippi River Resource Management Study.

Except for Locks and Dam 26, this section bars any rehabilitation, replacement, or construction of locks and dams to increase the traffic capacity of the Upper Mississippi River system until the master plan has been approved by Congress. $20,000,000 is authorized to carry out this section.

Section 10 defines two terms for the purposes of the Act. It says that "user charges" means a charge established by the Secretary of the Treasury to be paid by the owner or operator of shallow-draft cargo vessels that use the inland waterways for commercial purposes, and it defines the "inland waterway of the United States" as any improved waterway, the improvements to which are primarily for the use of commercial vessels other than ocean-going vessels.

WOULD THE USER CHARGE PROPOSAL ADD SIGNIFICANTLY TO COSTS?

According to figures for 1973, provided by the American Waterways Operators, the industry's revenues were nearly $2 billion (based on 570 trillion ton-miles of traffic, producing revenues of 0.34 cents per mile). Using Corps spending figures for the same year on the inland waterways, the Subcommittee's user charge proposal in the first year would recover approximately $15,000,000, in the tenth year about $150,000,000. The Subcommittee bill would thus recover about 1 per cent of revenues the first year the costs would be effective, 10 per cent in the final year of phase-in.

Thus, the first year of imposition, the user charges (based on revenue of 1 cent per 3 miles) would add about 1 penny to the cost of shipping a ton of grain or coal for 300 miles. After 10 years, the user charge would impose a cost of about a penny for every ton shipped for 30 miles.

Look at what happens to a bushel of wheat in the first year of implementation. On a trip from Peoria, Ill., to New Orleans—1280 river miles—the Subcommittee user-charge provision would add approximately 4 cents to the cost of shipping a ton of wheat over that distance. Over the distance from Minneapolis to New Orleans, the extra would work out to about 6 cents per ton (1758 miles).

There are 33 bushels of wheat in a ton. A bushel of wheat had an average price in New Orleans in August of $3.44 a bushel. Thus a ton of wheat had an average value of $113.50 in New Orleans. The Subcommittee proposal would thus add at about 4 cents to the $113.50 price of that wheat. When fully implemented, the bill would add about 40 cents to the cost of that ton of grain, or 0.3 per cent of the cost.

The Illinois Grain Corp. testified to the Committee that the average cost of shipping a bushel of grain from Peoria to New Orleans by barge was about 15.8 cents, compared with a price of 24 cents per bushel when shipped by unit train. Since the Subcommittee user charge would add 4 cents to the cost of shipping at ton of wheat (33 bushels) over that distance, it would add a bit over 1/10 of a cent to the cost of shipping a bushel from Peoria to New Orleans in the

initial year. Thus the Peoria-New Orleans price for shipment would rise to 15.9 cents per bushel the first year, and possibly to 16.8 or 17 cents in the 10th year when the schedule is fully implemented, dramatically below the 24 cents cost by rail, indicating that there were virtually no diversion of traffic.

USER CHARGES—GASOLINE PRICES

Let us talk about the shipment of gasoline. I have been told by representatives of the waterway users that they believe the schedule of charges in this bill will add 1 mill to their ton-mile costs. That figure is grossly inflated, since it represents about 30 per cent of revenues. The calculations by the Committee, based on the industry's own revenue figures compared with Corps expenditures, are that the charge—at the end of 10 years—would add no more than 10 per cent to costs, or about 1/3 mill per ton-mile.

But let us assume the industry is right. And they argue that such charges will drive, for example, petroleum shipments entirely off the waterways. That is wrong, and a simple look at costs will tell you why. A ton of gasoline contains about 8 barrels, and each barrel contains 42 gallons. Thus a ton of gasoline contains approximately 336 gallons of gasoline. Gasoline today, the waterways industry tells me, has a wholesale value of about 40 cents a gallon. Thus, a ton of gasoline has a wholesale value of $134.40. When gasoline is barged for 400 miles—the average distance of a waterway shipment of petroleum products—the cost of that ton of gasoline—at the end of 10 years and assuming the industry's inflated costs—would increase 400 mills, or 40 cents. Thus, the costs of this bill would increase the wholesale cost of the gasoline to $134.80, an increase of approximately 3/10 of 1 per cent. Since the industry's figures are inflated by a factor of 3, the real cost increase would be about 14 cents a ton, or 1/10 of 1 per cent.

That, of course, of after a 10-year phase-in.

I do not believe that anyone can reasonably argue that such a miniscule increase will lead to the dislocations that are suggested.

STUDIES AND POSITIONS ON WATERWAY USER CHARGES

(1) 1939: Report of War Department and Treasury Department. Report favored adoption of user charges.

(2) 1939: Report of the Federal Coordinator for Transportation. Report favored reduction in federal investment in waterways.

"Gathering together all of the preceding discussion, it may be concluded that the assessment of tolls would remove an unstabilizing influence from the field of transportation, lessen or eliminate the rancor and the lack of willingness to cooperate which mark the relations of rail and water carriers, and make for more successful planning of future waterway improvements and of transportation policies generally."

(3) 1942: Report of National Resources Planning Board. Favored user charges.

(4) 1944: Report of Board of Investigation and Research. Favored user charges.

(5) 1946: Hearings of the House Committee on Interstate and Foreign Commerce. No formal recommendations.

(6) 1950: Senate Commerce Committee held hearings on inland waterways under Senate Resolution 50.

(7) 1950: Report of President's Water Resources Policy Commission. Recommended user charges.

(8) 1952: Department of Commerce Study: Background Study.

(9) 1960: Department of Commerce Study: Recommended user charges.

"National Transportation is basically out of balance. It is less a national system than a loose grouping of individual induction. We have built a vast network of highways, railways, inland waterways and seaport, airways and airports, and pipelines, with little attention to conflict among these expanding networks."

(10) 1966: Economic Report of the President.

"At the same time, cost should reflect the value of all the resources required to provide the service. Federally provided transportation facilities have continually expanded. Users should pay their fair share of the cost and maintenance of the highways, waterways, and airway facilities. As it is, there are uneven payments from different classes of users—some making substantial payments and others none at all. Adequate user charges should be instituted in the interest of both equity and overall transportation efficiency."

(11) 1970: Charles River Associated Study for DOT. Recommends user charges.

(12) 1971: DOT study. Recommends user charges.

"The argument for some user charge on grounds of equity and efficiency is impeccable . . ."

(13) 1973: National Water Commission. Recommended charges to recover 100% of O+M and 100% of new capital.

"There is no longer any rational justification for assumption by the Federal Treasury of the entire cost of construction, operating, and maintaining navigable waterways."

The report also stated: "First, a major weakness of the present program stems from deficiencies in the procedures by which it is determined whether or not a proposed waterway project would result in a justified addition to the national transportation system.

Second, a major weakness of the legislative policies governing the present program is that they do not require beneficiaries to share in the cost of constructing, operating, and maintaining Federal waterway projects.

Third, the inland waterway system is inescapably an element of the national transportation system. Yet, the waterways are not planned, evaluated, or regulated as a part of the national transportation system."

(14) Sept. 1975: Secretary Coleman, A Statement of National Transportation Policy: "National inland waterway policy should be compatible with national transportation policy. It has become apparent from the increasing criticism of adversely affected carriers that use of the existing public investment criteria for the water mode is inequitable. Some common denominator is required against which public investments in alternative modes of transport can be assessed. Economic efficiency and considerations of equity also lead in the direction of some form of cost sharing, insofar as it is practicable and administratively feasible, the identifiable beneficiaries of Federally improved and maintained waterways should bear some share of development and operating costs through a system of user charges."

(15) Nov. 1975: GAO Report: Factors to Be Considered in Setting Future Policy for Use of Inland Waterways. Found minimal impact and many benefits from imposition of user charges to recover O+M.

(16) 1976: President Ford's FY 77 budget message recommends a system of user charges.

(17) May, 1976: Department of Interior contracted for Study.

"Under the most severe cost conditions, only 3 percent of the total traffic would move from the system."

(18) June, 1976: Department of Transportation Staff Study on Impacts of Waterway User Charges, concluded "Predictions of substantial, generalized impacts on water carriers as the result of user charges appear unsupported . . ."

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill submitted by the Senator from New Mexico (Mr. DOMENICI) relative to lock and dam 26 and to establish a revolving fund for users' fees to finance inland waterways of the United States be jointly referred to the Committee on Commerce and the Committee on Environment and Public Works.

Mr. BAKER. Mr. President, reserving the right to object, I inquire of the distinguished majority leader if the referral to Commerce will be a referral for the special purposes of that portion of the bill which are within Commerce's jurisdiction, or the entire bill.

Mr. ROBERT C. BYRD. For that portion which is within the jurisdiction of the Commerce Committee.

Mr. BAKER. I inquire as well, Mr. President, it is my understanding that there is another amendment to a previous bill, the Stevenson bill, which was introduced by the Senator from New Mexico today, which was previously referred by the Chair to the Public Works Committee.

Mr. ROBERT C. BYRD. That is correct.

Mr. BAKER. I then have no objection, Mr. President.

To recapitulate, as I understand it, there are two measures from the Senator from New Mexico dealing with lock and dam 26 in a system of national inland waterway user charges. The amendment to the Stevenson bill goes to Environment and Public Works only. The more comprehensive bill, dealing in part with the system of user charges for the inland waterways, goes both to Environment and Public Works and Commerce.

Mr. President, I ask unanimous consent that the correct terminology for the two committees be substituted.

Mr. ROBERT C. BYRD. Mr. President, I want to make it clear that it is my understanding each committee in this instance can deal only with those matters that are under its respective jurisdiction.

Mr. BAKER. That is my understanding.

I have no objection, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. CHURCH (for himself and Mr. MCCLURE):

S. 791. A bill to authorize additional appropriations for the acquisition of lands and interests in lands within the Sawtooth National Recreation Area in Idaho; to the Committee on Energy and Natural Resources.

INCREASE IN THE SAWTOOTH NRA DEVELOPMENT FUNDS

Mr. CHURCH. Mr. President, I am introducing legislation today along with Senator MCCLURE to increase the authorization ceiling for land acquisition within the Sawtooth National Recreation Area in the State of Idaho.

This legislation is in the form of an amendment to the legislation which originally created the Sawtooth NRA back in 1972. This bill will increase the ceiling for the acquisition of lands and interests in lands to $47,802,000. The original act had a $19,802,000 land acquisition ceiling.

This increase is necessary in order to fulfill the purposes for which the Sawtooth National Recreation Area was created by Congress. Moneys from the land and water conservation fund will

thus be available to the Forest Service for the acquisition of land and water, and interests in land and water—including money which can be used for the purchase of mining claims where necessary—within the recreation area.

This legislation was favorably approved by the Senate during the last Congress, but because the bill was passed during the last few days of the second session, the House of Representatives did not have enough time in which to consider it.

The Forest Service has advised Senator McCLURE and me that this increase in the dollar figure represents the necessary cost of preserving the scenic and historic values present in this spectacular area of Idaho.

By Mr. HEINZ:

S. 792. A bill to authorize the Secretary of Housing and Urban Development to make grants to local governments for converting closed school buildings to efficient, alternate uses, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

S. 793. A bill to amend the Internal Revenue Code of 1954 to encourage businesses to purchase surplus school or hospital buildings from governmental and nonprofit entities by providing rapid amortization for such buildings; to the Committee on Finance.

SOLVING THE ABANDONED SCHOOLS PROBLEM

Mr. HEINZ. Mr. President, today I am introducing two bills designed to help communities in the United States deal with the problem of abandoned school buildings. Throughout the United States, many elementary and secondary school buildings have been forced to close due to decreasing enrollment, shifts in population, consolidation, and various other reasons not associated with structural deficiency. In my State of Pennsylvania, 144 school buildings were closed between September 1975, and September 1976. An additional 135 are slated for closure at the end of the current academic year. Mr. John Greenley, educational statistics associate of the Pennsylvania Department of Education, has calculated that at least 88 percent of the school buildings closed each year remain idle and empty.

This situation, however, is by no means limited to Pennsylvania; the same problem exists nationwide. Since 1972 in the State of New York, 302 schools were closed. In Salt Lake City alone, 23 schools have been closed over the last 10 years because of a gradual, 35 percent decrease in enrollment. In Wichita, Kans., six school buildings have closed over the last 5 years, and by the end of this year in Montgomery County, Md., 14 school buildings will have been closed since 1975.

One of the most complex problems resulting from the declining enrollment is what to do with school buildings that are no longer needed. Many of these unused school buildings are structurally sound and centrally located. They could continue to be valuable resources for their communities through alternate uses. The principal problem facing most communities in which these buildings are located is a lack of planning assistance and funds to convert these buildings for other productive uses.

The two bills I am introducing today are designed to provide some of the assistance necessary to recycle these buildings. The Surplus School Conservation Act of 1977 is designed to provide grants, on a limited and competitive basis, to those communities that wish to retain unused school buildings for other productive purposes. The Surplus School Conversion Act of 1977 is designed to encourage private industry to purchase these buildings for transformation to alternate revenue producing enterprises in situations in which the communities no longer have a use for these buildings.

The reasons for the closing of these schools, Mr. President, are largely beyond our control. Recent projections of public school enrollment by the U.S. Office of Education indicate a decline of over 4 million youngsters in grades kindergarten through 12 in the next 10 years. In addition to declining enrollment, many schools have been closed due to out-mobility of the population. We are a country of movers, with those who move being apt to move again. So we have the problem of overall population decline made sharper by out-migration.

What is in our control, Mr. President, is the ability to provide assistance to communities in creating a plan for using these abandoned buildings. Once a school is closed, it does not mean that the productive life of that building is over. There is considerable evidence that unused school buildings can be put to good alternative uses. Look at the following examples:

Dayton, Ohio, where a 2,200-student high school has been converted to a center for manpower training, adult basic education, and community recreation center.

Kalamazoo, Mich., where a large high school was relinquished to the city for adult education, a private school, and a senior citizens' center.

Westmoreland County, Pa., where one elementary school is now a junior college, and another has been leased to the Navy Reserve which pays maintenance costs in return for use of the building.

Ithaca, N.Y., where a building was sold to an entrepreneur who recycled it as a shopping center, housing for the elderly, and private offices; and

Claremont, Calif., where an old school is now a shopping center.

To this list might be added walk-in centers for counseling, drug abuse and other rehabilitative programs, neighborhood medical and dental clinics, light industry, warehouses, and many more. Unfortunately, for every potential satisfactory solution, there are scores of instances of abandoned school buildings serving no useful purpose.

Mr. President, the purpose of these two bills is to provide Federal assistance to enable communities to maintain and operate, in the most efficient, creative, and economical manner possible, closed school buildings for other productive purposes determined by the communities themselves. These proposals are specific and pragmatic. They do not pretend to solve serious problems overnight. They are realistic steps needed to meet a growing problem and at the same time will help increase the tax base for many communities.

Mr. President, I have been receiving tremendously encouraging support for these bills from school and municipal officials from throughout the country. I commend to my colleagues the surplus school conservation and surplus school conversion acts in the firm belief that through enactment, we can help communities solve a very serious and growing problem. I believe that the bills I have introduced are proper vehicles for our efforts.

Mr. President, I ask unanimous consent that the text of these two bills as well as the accompanying news article focusing on this issue be printed as part of the RECORD.

There being no objection, the bills and article were ordered to be printed in the RECORD, as follows:

S. 792

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Surplus School Conservation Act of 1977".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) declining enrollments and population migration have caused many school closings throughout the country;

(2) the school buildings that have closed represent valuable resources and should be maintained and operated for other productive uses;

(3) local governments lack the necessary funds to adequately maintain and operate closed school buildings; and

(4) the Federal Government has a responsibility to assist local governments in maintaining and operating closed school buildings with Federal funds.

(b) The purpose of this Act is to provide grants to local governments for the maintenance and operation, in the most efficient, creative, and economical manner possible, of closed school buildings for productive purposes, as determined by the respective communities, including but not limited to education and social service.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "closed school building" means any building or structure which has been used as a school, classroom, or facility for any educational or training purpose, including athletics, but which, as of the date of application for a grant to renovate such building, room, or facility under this Act, is not so used;

(2) "costs of renovating" include all expenses incurred in preparing drawings and specifications and in actually renovating, altering, or improving a building;

(3) "elementary or secondary school" means any school which provides elementary or secondary education, as determined under the law of the State in which such school is located, except that any education provided by such school does not exceed grade 12 or an equivalent level of education;

(4) "unit of local government" means any agency or other instrumentality of a State, county, city, parish, township, or other political subdivision of a State and includes any public agency or other instrumentality of one or more such political subdivisions;

(5) "school year" means an academic year or an equivalent period of education as de-

fined by the law of the State in which such education takes place;

(6) "Secretary" means the Secretary of Housing and Urban Development; and

(7) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, or any other territory or possession of the United States.

AUTHORITY

SEC. 4. The Secretary—

(1) may make grants to local governments to pay the costs of renovating closed school buildings so that such buildings may be converted for use by such governments for productive educational and social service purposes (other than for storage purposes), including but not limited to uses as community centers, senior citizen centers, day care centers, preschools, community colleges, vocational schools, walk-in centers for drug abuse or other counseling, medical facilities or centers, dental facilities or centers, and recreational centers; and

(2) shall make available to such governments information on alternative uses of such buildings and by suggesting, at the request of a unit of local government, how such building can best be used for educational and social service purposes given such building's unique location and design.

LIMITATIONS; RESTRICTIONS

SEC. 5. (a) To be eligible to receive a grant under this Act, a unit of local government shall submit an application containing—

(1) a plan for renovating a closed school building and for using such building after such renovation for educational or social service purposes;

(2) an estimate of the costs of such renovation;

(3) a statement evaluating the social and economic impact of the renovation and use of such building for such purposes; and

(4) such other information which demonstrates to the Secretary's satisfaction sufficient financial ability on the part of such government to carry out the provisions of such plan.

(b) For any fiscal year, not more than 10 per centum of the funds appropriated by Congress for grants under this Act shall be granted to such governments in any State.

(c) The aggregate amount of any grant under this Act shall not exceed 80 per centum of the estimated cost of renovation contained in the application submitted to the Secretary under subsection (a) of this section.

APPROVAL OF APPLICATIONS; ADMINISTRATION

SEC. 6. (a) The Secretary, in approving applications for grants under this Act, shall—

(1) give priority to an application for renovating any such building which is located in a school district whose current school enrollments have decreased by no less than 10 per centum from the school enrollments of the previous school year as determined by the Secretary and based on the most recent information available to the Commissioner of Education, except that an educational institution other than an elementary or secondary school shall not be given priority under this clause;

(2) give priority to an application for renovating any such building which is not on the date of such application being fully used for a productive educational and social service purpose (other than use as a storage facility); and

(3) require assurances that any such building for which a grant is being applied for under this Act will not, after its renovation, be used primarily as a storage facility.

(b) For purposes of subsection (a) the Secretary shall consider the following factors:

(1) the need of such government for a grant under this Act based upon the number of such buildings located in the same school district as such building for which such government is applying for a grant under this Act and upon the size of the population served by such district;

(2) the suitability of such building for renovation, including the value of such building before renovation; and

(3) the value of such building after renovation, including the number of individuals who will use such building, the number of different uses of such building, and the length of time during which such building will be so used.

(c) The Secretary shall prescribe reasonable regulations to carry out the provisions of this Act and to assure that any such building renovated under this Act shall be used by any such government in accordance with the plan of such government required under section 5(a)(1) of this Act.

REPORTING REQUIREMENT

SEC. 7. For each fiscal year for which funds are appropriated under this Act, the Secretary shall prepare and submit, not later than 90 days after the end of such fiscal year, to the President and the Congress a report listing the names of local governments that received grants under this Act during such fiscal year and the purposes for which such grants were made. The report for the third such fiscal year shall also include—

(1) a cost analysis of the effectiveness of grants made under this Act;

(2) the findings of a survey, which the Secretary shall conduct, on the extent of the problem of school closures nationwide, including an analysis of where and why schools are closing;

(3) results of a study and cost analysis, which the Secretary shall conduct, on the impact declining school enrollments have on local communities; and

(4) an evaluation of whether grants under this Act are the most effective and economical way of renovating closed school buildings.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

S. 793

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Surplus School Conversion Act of 1977".

SEC. 2. (a) Part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 192. AMORTIZATION OF QUALIFIED SCHOOL OR HOSPITAL PROPERTY.

"(a) ALLOWANCE OF DEDUCTION.—Every person, at his election, shall be entitled to a deduction with respect to the amortization of any qualified school or hospital property based on a period of 180 months.

"(b) QUALIFIED SCHOOL OR HOSPITAL PROPERTY.—

"(1) IN GENERAL.—For purposes of this section, the term 'qualified school or hospital property' means any building or other structure—

"(A) which is acquired by the taxpayer from a tax-exempt organization;

"(B) which was used by such tax-exempt organization primarily—

"(i) for purposes of providing classrooms and related facilities for an educational institution (as defined in section 151(e)(4)); or

"(ii) as a hospital or other institution providing medical or custodial care; and

"(C) which is of a character subject to the allowance for depreciation.

"(2) TAX-EXEMPT ORGANIZATION.—For purposes of paragraph (1), the term 'tax-exempt organization' means—

"(A) the United States or an agency or instrumentality thereof, a State, a political subdivision of a State, or an agency or instrumentality of one or more States or political subdivisions; or

"(B) an organization exempt from tax under section 501(a).

"(c) AMOUNT OF DEDUCTION.—The amortization deduction for any qualified school or hospital property shall be an amount, with respect to each month of the 180-month period within the taxable year, equal to the adjusted basis of the qualified school or hospital property at the end of such month divided by the number of months (including the month for which the deduction is computed) remaining in the period. Such adjusted basis at the end of the month shall be computed without regard to the amortization deduction for such month. The amortization deduction provided by this section with respect to any qualified school or hospital property for any month shall be in lieu of any depreciation deduction or other amortization deduction with respect to such property for such month. The 180-month period shall begin, as to any qualified school or hospital property, at the election of the taxpayer, with the month following the month in which such property was placed in service or with the succeeding taxable year.

"(d) SPECIAL RULES FOR ADJUSTED BASIS.—

"(1) For purposes of this section, the adjusted basis of any qualified school or hospital property with respect to which an election has been made under subsection (e) shall not be increased for amounts chargeable to capital account for additions or improvements after the amortization period has begun.

"(2) The depreciation deduction provided by section 167 shall, notwithstanding subsection (c), be allowed with respect to the portion of the adjusted basis which is not taken into account in applying this section.

"(e) ELECTION OF AMORTIZATION.—The election of the taxpayer to take the amortization deduction, and the election to begin the 180-month period with the month following the month in which the qualified school or hospital property is placed in service or with the taxable year succeeding the taxable year in which such property is placed in service, shall be made by filing with the Secretary, in such manner, in such form, and within such time as the Secretary may by regulations prescribe, a statement of such election.

"(f) TERMINATION OF ELECTION.—A taxpayer which has elected under subsection (e) to take the amortization deduction with respect to any qualified school or hospital property may, at any time after making such election, discontinue the amortization deduction with respect to the remainder of the amortization period, such discontinuance to begin as of the beginning of any month specified by the taxpayer in a notice in writing filed with the Secretary before the beginning of such month. The depreciation deduction provided under section 167 shall be allowed, beginning with the first month as to which the amortization deduction does not apply, and the taxpayer shall not be entitled to any further amortization deduction under this section with respect to such property.

"(g) LIFE TENANT AND REMAINDERMAN.—In the case of any qualified school or hospital property held by one person for life with remainder to another person, the deduction under this section shall be computed as if the life tenant were the absolute owner of the property and shall be allowable to the life tenant.

"(h) CROSS REFERENCE.—

"For treatment of certain gain derived from the disposition of property the adjusted basis of which is determined with regard to this section, see section 1245.".

(b)(1) Section 642(f) of such Code (relating to amortization deduction for estates and trusts) is amended by striking out "and 191" and inserting in lieu thereof "191, and 192".

(2) Section 1082(a)(2)(B) of such Code (relating to basis in certain exchanges) is amended by striking out "or 191" and inserting in lieu thereof "191, or 192".

(3) Section 1245(a) of such Code (relating to gain from dispositions of certain depreciable property) is amended by striking out "or 191" each place it appears and inserting in lieu thereof "191, or 192".

(4) Section 1250(b)(3) of such Code (defining depreciation adjustments) is amended by striking out "or 191" and inserting in lieu thereof "191, or 192".

(c) The table of sections for part VI of subchapter B of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Sec. 192. Amortization of qualified school or hospital property.".

(d) The amendments made by this section shall apply to property acquired by the taxpayer after the date of the enactment of this Act, in taxable years ending after such date.

[From Chicagolands Real Estate Advertiser, Sept. 17, 1976]

LEGISLATION PENDING—ABANDONED SCHOOL PROBLEM GROWS

(By Fred L. Bernheim)

When a viable community is forced to close its school, the repercussions go far beyond the minor inconvenience of a child's daily commuting time.

Parents who have invested a great deal of volunteer time into their school through work on committees and advisory groups lose the influence and acceptance they have achieved through this involvement. Teachers who have established themselves in one setting face the period of adjustment in a new setting if they are transferred—or the very real fear of job loss. Principals lose all or part of a supportive staff, a familiar parent group and a student body made up of siblings moving up through the grades.

And perhaps most important, the community is left with an abandoned shell of a once-useful building, which at best symbolizes a sad loss and at worst becomes a target for vandals.

Recent legislation introduced in the U.S. House of Representatives proposes one answer to the problem of declining school enrollments and resultant abandoned school buildings. Sponsored by Cong. John Heinz of Pennsylvania, the two bills are the Surplus School Conservation Act of 1976 (H.R. 12947) and the Surplus School Conversion Act of 1976 (H.R. 12948).

The former provides grants, on a limited and competitive basis, to communities that wish to renovate unused school buildings for productive purposes. It would provide 80% of the estimated cost of renovation to a local agency to convert buildings for productive purposes, including senior citizen, day care or community centers; preschools; community colleges or vocational schools; walk-in centers for counseling; medical or dental facilities; or recreational centers.

H.R. 12948 encourages private industry to purchase these buildings for conversion to alternate revenue-producing purposes—when the communities no longer have use for them—by providing rapid amortization of the buildings.

Both bills are now in separate committees: H.R. 12947 in the Committee on Banking, Currency and Housing; and H.R. 12948 in the Committee on Ways and Means. If passed, they would be important tools for an increasing number of communities each year who must deal with changing demographics in their school systems.

The problem of too many schools for too few children has caused concern at all levels of government. When the first decline in national public school enrollment occurred in 1972, planners began watching for a downward trend. Their suspicions were confirmed as the figures dropped steadily in succeeding years.

The U.S. Office of Education predicts an enrollment decline of over four million during the next 10 years. As Cong. Heinz pointed out when introducing the two bills, "Shrinkage and how to cope with it have become as much a theme of the 1970's as growth was for the 1950's and 1960's."

The city of Chicago closed 16 schools or sections of schools at the end of the 1975–76 school year, and another 13 elementary schools did not reopen in suburban Cook County this year.

For many of these schools, rehabilitation would be possible and practical. For the past five years, my firm has been involved in a major rehabilitation program for the Chicago Board of Education. We are, at the present time, in various stages of rehabilitating some 14 public schools ($6.5 million) most of which date back to the late 1800's and early 1900's. From this experience, we can verify the structural worthiness of these buildings.

The schools are being recycled as schools, utilizing today's materials in terms of wall finishes, flooring, lighting, heating, and contemporary furnishings. They could just as easily be recycled for a multitude of other uses: the point is that there is always use for existing structures if they are located in a viable community.

Rehabilitation compares favorably to construction in the area of cost, running 30–40 percent less than the investment in a similar new building. If the citizens of a community have taken pride in their school program, they will usually be gratified to see a people-serving program in its place, utilizing the same building.

Studies have shown that the most important element in a successful school closing is involvement of the community very early in the process. At the first announcement of declining enrollment, the citizenry must be enlisted to help.

They should, along with the school board and the school's staff, review the facts, research possible solutions, and prioritize their alternatives if the decline continues. Public hearings are essential. Then, when it becomes clear that a decision regarding the future of the school must be made, the school board will have the support of the community people who have been involved in the planning process all along.

Cong. Heinz' bills offer a community a wise alternative to consider in their planning process. However, at the present time, H.R. 12947 stipulates that the school building must be closed and not in use as of the date of application for the funds to renovate.

I would like to suggest that this bill be amended to allow a community to apply for the funds prior to the school closing, just after the decision to close is determined. In the interim period, the grant will be in process—with the hope that the money will be approved about the time that the school closes.

This way, a school board will be able to accompany its negative announcement of the school closing with a positive report of the plans for use of the building. The community will avoid the bad effects of a vacuum in the use of the building and the vandalism which may occur.

I encourage community leaders in education, architecture and social services, and other interested citizens, to write to their elected officials about this important legislation. Federal money for the rehabilitation of abandoned school buildings can help a community turn the crisis of a school closing into a real opportunity for new kinds of services.

By Mr. BAYH:

S. 794. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974, that this amendment may be cited as the "Juvenile Delinquency in the Schools Act of 1977"; to the Committee on Human Resources and the Committee on the Judiciary, jointly, by unanimous consent.

JUVENILE DELINQUENCY IN THE SCHOOLS ACT

Mr. BAYH. Mr. President, 3 years ago the Congress enacted my Juvenile Justice and Delinquency Prevention Act which for the first time makes possible a coordinated effort by Federal, State, and local governments along with private groups to address the problems and causes of crime and delinquency among our youth. During the course of our work on this legislation I became increasingly concerned over reports from educators and others of the mounting problems of violence and vandalism in our schools. Since no effort to control the escalating rate of juvenile delinquency could succeed by ignoring the tremendous impact of school problems, I requested the Juvenile Delinquency Subcommittee staff to began an in depth investigation to determine both the extent of these problems and possible programs for improvement.

The subcommittee has devoted considerable attention to this important subject. To date we have conducted a nationwide survey of school systems enrolling approximately half of the public elementary and secondary students in the country. We initiated a series of meetings and correspondence with more than 70 prominent educational, juvenile, governmental, and private organizations that have a particular interest in these problems. Additionally the subcommittee held several public hearings with over 30 witnesses including teachers, administrators, students, parents, counselors, school security directors, and superintendents.

While the range of estimates of the extent of these problems may differ somewhat, the subcommittee's study can leave little doubt that significant numbers of our schools in urban, suburban, and rural areas are facing disturbing, and at times critical, levels of violence and vandalism. On a national scale we are currently spending almost 600 million education dollars each year as a result of vandalism in our schools—more money than we spent for textbooks in 1972 and enough to hire 50,000 additional experienced teachers without increasing taxes by one cent. Even more shocking, however, is the almost 70,000 physical assaults on teachers and the literally hundreds of thousands of assaults on students perpetrated in our schools annually. There can be little doubt that a school experiencing significant numbers of such incidents will soon find that the already challenging task of education has become almost impossible to carry out.

Last June the subcommittee released two volumes containing the transcripts of our hearings along with a series of selected articles, studies, and reports that can assist the educational community in formulating workable and effective strategies for improving the situation in our schools: "Nature, Extent and Cost of School Violence and Vandalism" and "School Violence and Vandalism: Models and Strategies for Change."

As a result of our efforts the Office of Juvenile Justice and Delinquency Prevention is currently engaged in a pilot project with the Office of Education based on the subcommittee's hearings on this subject.

Mr. President, today I am introducing the Juvenile Delinquency in the Schools Act of 1977 as an amendment to the Juvenile Justice and Delinquency Prevention Act. Anyone who has followed our study of school violence and vandalism is well aware that there can be no purely "Federal" solution to these problems. The prevention of the developments of patterns of delinquency in schools must rely more on the involvement and cooperation of local juvenile authorities, school officials, and concerned members of the community than on the decisions and policies of people in Washington.

This does not mean, however, that the Federal Government cannot help in these efforts and my amendment to the Juvenile Justice Act is designed to do just that. This legislation would require the cooperation and involvement of the Office of Juvenile Justice and Delinquency Prevention, the National Institute of Education, and the Office of Education to establish:

First. A safe school center to provide information on and technical assistance to schools, juvenile authorities, and communities concerning the development and implementation of strategies to prevent violence and vandalism. This approach would allow for the widest latitude in refining programs to meet local needs and conditions.

Second. A grant program to assist those schools and communities with a particular need in bearing the financial burden of implementing these programs.

Third. A national safe school panel composed of 21 members representing all elements of the educational and delinquency prevention community including juvenile authorities, students, teachers, parents, principals, administrators, and school security directors to advise the Office of Juvenile Justice on the proper priorities and implementation of this legislation.

Mr. President, in an effort to continue our attempts to develop a wider appreciation and understanding of the complexity of school violence and vandalism and at the same time encourage the active involvement of juvenile community and educational authorities in the reduction and prevention of these problems, I will be releasing on February 25 the subcommittee's final report on the nature and prevention of school violence and vandalism: "Challenge for the Third Century: Education in a Safe Environment."

I ask unanimous consent that the text of this legislation appear at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 794

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. Title II of the Juvenile Justice and Delinquency Prevention Act of 1974 is amended by adding a new Part E as follows:

PART E—JUVENILE DELINQUENCY IN THE SCHOOLS ACT

SEC. 271. (a) The Congress hereby finds that—

(1) Juveniles account for almost half the arrests for serious crime in the United States today;

(2) the elementary and secondary school experience has a direct impact on the potentiality for delinquency in young people;

(3) numerous elementary and secondary schools across the country are experiencing serious and at times critical levels of violence and vandalism;

(4) the impact of violence and vandalism in our schools effects the morale of students, teachers, administrators and parents, impedes educational advancement, and fosters patterns of juvenile delinquency; and

(5) violence and vandalism in the nation's schools results in enormous loss of educational resources and human potential, and contributes to the high rate of juvenile delinquency within the United States.

(b) Congress further finds that schools can assist in controlling or preventing violence and vandalism through a combination of educational programs and security plans that will promote learning, insure the rights and responsibilities of all members of the school community, prevent unwarranted and arbitrary suspensions and expulsions, coordinate community resources and agencies, foster parental involvement and secure the physical safety of students, school personnel and school property.

SEC. 272. (a) It is the purpose of this Act—

(1) to encourage the cooperation of Federal, State and local units of government along with the private sector in efforts to prevent and control the development of patterns of delinquency and incidents of violence and vandalism in schools;

(2) to establish a centralized research effort on the problems of school violence and vandalism and to disseminate the findings of such research;

(3) to establish a Safe School Center to be available to State and local educational agencies for assistance in preventing or reducing patterns of delinquency, violence and vandalism in schools;

(4) to make available teacher training programs to provide professionals and paraprofessionals with training in the most effective methods of coping with disciplinary situations and to foster sensitivity toward problems of student development;

(5) to assist State educational agencies, private associations and schools in establishing interdisciplinary approaches to educational programs and security plans that will reduce school violence and vandalism.

DEFINITIONS

SEC. 273. For purposes of the Juvenile Delinquency In The Schools Act—

(1) the term "Law Enforcement Assistance Administration" means the agency established by Section 101(a) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended;

(2) the term "Office of Juvenile Justice and Delinquency Prevention" means the Office established by Section 201(a) of the Juvenile Justice and Delinquency Prevention Act of 1974;

(3) the term "Assistant Administrator" means the person appointed by the President pursuant to Section 201(c) of the Juvenile Justice and Delinquency Prevention Act of 1974;

(4) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term includes any other public institution or agency having administrative control or direction of a public elementary or secondary school and it also includes any other authority recognized by the State which is directly responsible for providing public education for handicapped children (including mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled or other health impaired children who by reason thereof require special education) or for children in institutions for neglected or delinquent children;

(5) The term "State educational agency" means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools;

(6) The term "elementary school" means a day or residential school which provides elementary education as determined under State law;

(7) The term "secondary school" means a day or residential school which provides secondary education as determined under State law;

(8) The term "community education program" is a program in which an elementary or secondary school is used as a community center operation during and after regular school hours in conjunction with other groups in the community, community organizations or local governmental agencies to provide educational, recreational, cultural and other related community services for the students of the school and the community served by the school;

(9) The term "alternative education program" means any program public or private recognized by the State educational agency or its designated agency with such responsibilities and established either within a public school or in another community facility which provides continuing or optional educational programs designed to reflect a variety of learning styles and educational goals;

(10) The term "school security equipment program" means the purchase and installation of equipment designed to protect students, school personnel or school property from incidents of violence or vandalism. Such term shall also mean the renovation, remodeling or alteration of existing structures for such purposes:

(11) The term "school security personnel program" means the training and assignment of educationally oriented personnel to protect students, school personnel and school property from incidents of violence and vandalism and to assist the educational community in the prevention of delinquency among students.

(12) The term "alternative to suspension program" means any program designed to reduce the number of disciplinary suspensions and keep students in elementary and secondary schools;

(13) The term "school based delinquency prevention program" means any additional program or activity that is not specifically defined in this section related to the prevention of conditions that foster patterns of juvenile delinquency including incidents of school related violence and vandalism. Such term shall include but not be limited to

programs involving truancy prevention, counseling and guidance, curriculum reform, codes of school rights and responsibilities as well as programs encouraging student and parental involvement.

(14) The term "professional educational organizations" includes national and local associations representing teachers, counselors, principals, parents as defined in section 273(16) of this Act, school security directors and administrators of local and State educational agencies;

(15) The term "student" means any person enrolled in an elementary or secondary school as defined in Section 273 (6) and (7) of this Act:

(16) The term "parent" means the legal guardian of a student as defined in Section 273(15) of this Act.

SAFE SCHOOL CENTER

SEC. 274(a) There is hereby established within the Office of Juvenile Justice and Delinquency Prevention and under the authority of the Assistant Administrator a Safe School Center.

(b) It shall be the purpose of the Center to provide for the collection, preparation and dissemination of information and techniques regarding the prevention of school violence and vandalism and the reversal of patterns of delinquency in persons attending elementary or secondary schools. In addition the Safe School Center is authorized to develop and conduct seminars, workshops and demonstration projects at the request of local or State educational agencies or professional educational organizations concerning effective techniques and methods for preventing or reducing patterns of delinquency, violence and vandalism in elementary and secondary schools.

(c) The Safe School Center is also authorized to provide at the request of State or local educational agencies technical assistance teams to assist elementary or secondary schools in designing, implementing and operating community education, alternative education, school security, alternative to suspension or any other school based delinquency prevention program.

(d) The Safe School Center shall design a suggested curriculum for in-service and pre-service training programs designed to assist teachers and administrators in the prevention and control of delinquency, violence and vandalism in schools. The Safe School Center shall disseminate such curricula to the educational community including but not limited to State educational agencies and institutions of higher learning. At the request of an institution of higher learning or a State or local educational agency the Safe School Center shall assist as far as practicable in implementing such in service or pre service training program.

(e) In conducting the functions authorized for the Safe School Center under Sections 201 (b), (c) and (d) of this Act the Assistant Administrator shall consult, cooperate with and seek the advice, involvement and recommendations of the Department of Health, Education and Welfare including the Office of Education and the National Institute of Education and shall also seek the advice and recommendations of the various elements of the educational community represented on the Safe School Advisory Panel established by Section 275 of this Act.

SAFE SCHOOL ADVISORY PANEL

SEC. 275(a) There is hereby established a Safe School Advisory Panel to consist of 21 members appointed by the Assistant Administrator.

(b) The Safe School Advisory Panel shall consist of:

(1) representatives of professional educational organizations as defined in Section 273(14) including teachers, counselors, principals, school security directors and administrators of local and State educational agencies;

(2) representatives of the Department of Health, Education, and Welfare including the Office of Education and the National Institute of Education. Persons appointed under Subsection 275(b)(2) shall be appointed only upon the approval of the Secretary of Health, Education, and Welfare;

(3) representatives of local or state law enforcement agencies;

(4) at least four parents as defined in section 273(16) of this Act. Persons appointed under subsection 275(b)(3) shall not have been eligible to serve on the Safe School Advisory Panel under any other subsection of this section of the Act;

(5) at least four students as defined in Section 273(15) of this Act; and

(6) individuals who by virtue of their training or experience have special knowledge concerning the problems of violence and vandalism in schools and the prevention of patterns of delinquency.

(c) Members of the Safe School Advisory Panel shall serve for terms of three years and shall only be removed for good cause shown. However in the case of the first composition of the Safe School Advisory Panel one-third of the members shall be appointed to one year terms, one-third to two year terms and one-third to three year terms.

(d) The Chairperson of the Safe School Advisory Panel shall be designated by the Assistant Administrator. Meetings shall be held at the call of the Chairperson but not less than four times a year. The Safe School Advisory Panel may adopt by majority vote rules and procedures to govern their meetings and carry out their duties as prescribed by this Act.

(e) Members of the Safe School Advisory Panel who are employed by the Federal Government full time shall serve without compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out their duties. Members not employed full time by the Federal Government shall receive compensation at a rate not to exceed the rate now or hereafter prescribed for GS-18 of the General Schedule by section 5332 of title 5 of the United States Code, including traveltime for each day they are engaged in the performance of their duties. Members shall be entitled to reimbursement for travel, subsistence and other necessary expenses incurred by them in carrying out their duties.

SEC. 276. (a) The Safe School Advisory Panel shall:

(1) make recommendations to the Assistant Administrator with respect to planning, funding priorities, operations and implementation of the Juvenile Delinquency In The Schools Act: and

(2) make recommendations to the Safe School Center with respect to its operation.

FEDERAL ASSISTANCE FOR STATE AND LOCAL SCHOOL DELINQUENCY PREVENTION PROGRAMS

SEC. 277. (a) The Assistant Administrator is authorized to make grants to and enter into contracts with State and local education agencies, professional education organizations as well as public and private groups, institutions or individuals to plan, develop or operate community education programs, alternative education programs, alternative to suspension programs, school security programs or any other school based delinquency prevention program.

(b) No agency, organization or individual who enters into such contract or receives such grant shall expend more than 50 per centum of any funds received under this Act for school security programs and no funds received under this Act shall be used to support the introduction, presence or use of firearms, chemical agents or other weapons in any elementary or secondary school.

SEC. 278. (a) Any State or local educational agency, professional educational organization, as well as public or private groups, institutions or individuals may receive a grant or enter into a contract for funds under section 401(a) of this Act only upon application approved by the Assistant Administrator.

(b) In accordance with guidelines established by the Assistant Administrator each application shall—

(1) provide that the program for which assistance is sought will be administered by or under the supervision of the applicant;

(2) set forth a comprehensive program for carrying out one or more of the activities set forth in Section 277(a);

(3) provide for the proper and efficient administration and supervision of such program;

(4) provide that regular reports on the program shall be sent to the Assistant Administrator and to the State education agency and the local education agency if applicable;

(5) indicate if the program has been submitted to and approved by the appropriate State educational agency;

(6) if the program is to be conducted in conjunction with an elementary or secondary school or a local educational agency indicate if the program was conceived with the cooperation and consultation of the appropriate school administrator or local educational agency;

(7) indicate if the program was conceived or will be operated with the involvement and consultation of the appropriate educational community including students, teachers, parents, and school security directors;

(8) if the comprehensive program is to involve aspects of a school security program provide assurances that such program will not infringe on the legitimate privacy interests of members of the school community; and

(9) provide for such fiscal control and fund accounting procedures as may be necessary to assure prudent use, proper disbursement and accurate accounting of funds received under this Act.

(c) In determining whether or not to approve applications for grants under section 277 the Administrator shall consider—

(1) the probable effectiveness of the program in reducing delinquent behavior including violence or vandalism in schools; and

(2) the need for assistance, taking into account such factors as:

(A) the extent and impact of delinquency, violence or vandalism upon elementary and secondary schools in the relevant area; and

(B) the financial need of such local educational agency and the extent to which other sources of funds have been explored.

(3) the extent to which the program was devised and will be implemented with the cooperation and involvement of members of the relevant educational community including school administrators, juvenile authorities the State and local educational agency, parents, students and teachers;

(4) the extent to which the proposed program reflects a comprehensive approach to controlling or preventing in school patterns of delinquency, violence and vandalism; and

(5) if the program is to be conducted in conjunction with an elementary or secondary school or a State or local educational agency the degree to which the appropriate school or agency has or will establish and disseminate effective procedures concerning the rights and responsibilities of students and school employees.

SEC. 279. (a) Whenever the Assistant Administrator, after giving reasonable notice and opportunity for hearing to a recipient of financial assistance under this title, finds—

(1) that the program or activity for which such grant was made has been so changed that it no longer complies with the provisions of this title; or

(2) that in the operation of the program or activity there is failure to comply substantially with any such provision;

the Assistant Administrator shall initiate such proceedings as are appropriate.

(b) In accordance with criteria established by the Assistant Administrator, it is the policy of Congress that programs funded under the Juvenile Delinquency In The Schools Act shall continue to receive financial assistance providing that the yearly evaluation of such programs is satisfactory.

SEC. 280. (a) No financial assistance for any program under this Act shall be provided unless the grant, contract, or agreement with respect to such program specifically provides that no recipient of funds will discriminate as provided in subsection (b) with respect to any such program.

(b) No person in the United States shall on the ground of race, creed, color, sex, or national origin be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with any program or activity receiving assistance under this Act. The provisions of the preceding sentence shall be enforced in accordance with section 603 of the Civil Rights Act of 1964. Section 603 of such Act shall apply with respect to any action taken to enforce such sentence. This section shall not be construed as affecting any other legal remedy that a person may have if such person is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with any program or activity receiving assistance under this Act.

Mr. BAYH. Mr. President, I ask unanimous consent that this legislation be jointly referred to the Committees on Human Resources and the Judiciary.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BAYH. I thank the Chair.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, may I ask the distinguished Senator from Indiana if the request for the joint referral has been cleared with the chairmen of the respective committees.

Mr. BAYH. I have to say to our distinguished leader I have not talked to one chairman; I cannot speak with authority for our chairman. Our staffs have conversed, and inasmuch as it is the same staff, with the same individuals involved last year, and the same subject matter, I see no reason why there would be any objection to this.

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold his request until he can state for the record that it has been cleared by both chairmen? I have been requested to do this by our chairmen, and in the Democratic conference the other day I stated I would have to inquire any time such a request was made if all the respective chairmen had cleared the matter.

Mr. BAYH. Yes. I assumed the staff had cleared it with the chairmen. I cannot honestly say I talked to my colleagues. I will do so, if the leader will just give me a moment or two.

Mr. ROBERT C. BYRD. Very well.

The PRESIDING OFFICER. Does the Senator from Indiana temporarily withdraw his request?

Mr. BAYH. Yes, I do.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, I ask unanimous consent that this matter be jointly referred to the Committees on Human Resources, and Judiciary. I can say to my colleagues this matter has been cleared by the respective chairmen.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. BAYH:

S. 795. A bill to restore and to promote competition in the petroleum industry, and for other purposes; to the Committee on the Judiciary.

PETROLEUM INDUSTRY COMPETITION ACT OF 1977

Mr. BAYH. Mr. President, I am today introducing the Petroleum Industry Competition Act of 1977 which is designed to break the stranglehold that a small number of vertically integrated oil companies have maintained on the production, refining, distribution, and sale of crude oil and refined petroleum products.

This is essentially the same legislation which I introduced in the last Congress and which was favorably reported by the Senate Committee on the Judiciary last June. The bill is similar to a proposal considered as a floor amendment in 1975 and which 45 Senators supported at that time.

The bill is addressed to the domination of all aspects of the oil business, from drilling until the time gasoline is sold to the consumer, by a relatively small number of companies. Because of the anticompetitive consequences of such vertical integration, the legislation proposes vertical divestiture.

Essentially this means that oil companies would be split into three component parts: Production, transportation, and refining-marketing. However, to protect gasoline retailers from further encroachment by large refiners, the bill prohibits large refiners from acquiring retail outlets not owned prior to January 1, 1977.

Since vertical integration only reaches severe anticompetitive levels with firms of a certain size, the bill is addressed to producers who produce 100,000 or more barrels of oil a day, and to refiners and marketers who refine or market more than 300,000 barrels a day, respectively. The 18 companies affected by these criteria are indicated in the following table:

MAJOR PRODUCERS, REFINERS, AND MARKETERS
(U.S. ONLY)

[Barrels per day]

	Crude production	Refinery throughput	Marketing
Exxon	890,000	1,123,000	1,782,000
Texaco	807,000	945,000	1,338,000
Shell	586,000	1,005,000	1,060,000
Standard Oil (Indiana)	539,000	936,000	1,012,000
Gulf	476,300	813,000	860,600
Mobil	420,000	823,000	928,000
Standard Oil of California	413,080	867,000	1,006,000
Atlantic-Richfield	383,100	653,500	697,600
Getty	300,300	[1] (215,500)	[1] (254,000)
Union	268,400	439,100	441,200
Sun	265,588	489,988	570,546
Phillips	255,700	523,000	541,000
Continental	218,000	322,000	364,000
Cities Service	212,300	[1] (231,800)	348,400
Marathon	174,039	[1] (264,415)	[1] (280,106)
BP-Sohio	[1] (29,646)	323,336	332,996
Amerada Hess	[1] (98,816)	530,000	591,000
Ashland	[1] (23,071)	329,789	457,007

[1] Below size threshold contained in S. 2387.

Source: National Petroleum News, "Factbook Issue," mid-May 1975.

In addition, the bill would require divestiture of all pipelines, with the exception of those integral to production or refining operations, in adherence to the principle that crude oil and product pipelines should be common carriers.

Mr. President, the anticompetitive nature of the petroleum industry is not a new phenomenon. Indeed, as far back as the end of the 19th century there were questions raised about the lack of competition in the oil industry, and the Supreme Court decision ordering the breakup of the old Standard Oil trust in 1911 still stands as a landmark decision in antitrust enforcement.

In the decades following the dissolution of the Standard Oil trust there were numerous efforts to deal with the persistent anticompetitiveness of the oil industry. This included congressional initiatives and attempts by different administrations to tackle the structure of the oil industry under existing antitrust laws. One current effort is the case the Federal Trade Commission brought against the eight major oil companies in 1973. In that proceeding, known as the Exxon case and which is still in the prehearing conference stage, the FTC has charged the companies with engaging in a host a anticompetitive practices. It is relevant to note that the head of the FTC Bureau of Competition, when asked what remedy he would seek if the FTC won the case, replied without hesitation "divestiture."

While the FTC action in the Exxon case has been the most dramatic initiative in the executive branch in the area of oil industry competition in recent years, it is important to note that our late colleague, Senator Philip Hart of Michigan, worked for years as chairman of the Subcommittee on Antitrust and Monopoly to focus attention on the anticompetitive nature of the oil industry and to encourage consideration of divestiture as a solution to the institutional problem in the industry.

Senator Hart's insightful work focused on the issue of vertical integration by the major oil companies. As I said, vertical integration refers to the active involvement of a single company in all four phases of the oil business: exploration and production, transportation, refining, and marketing. Such integration permits a relatively small number of companies to control the flow of crude oil and refined products, and to resist the price competition of a free market.

It is for the precise goal of bringing a free market to the oil industry that I propose the Petroleum Industry Competition Act.

I should say at this point, Mr. Presi-

dent, that while the goal of this legislation is to create a free market in crude oil and refined petroleum products, critics of this legislation take precisely the opposite approach and suggest that divestiture is undue Government interference with the free enterprise system. That is simply wrong. On the contrary, enactment of divestiture legislation would constitute an affirmation of support for free enterprise and an unwillingness to permit vertical integration to undercut the very enterprise system to which oil company executives often pay only lipservice.

Mr. President, in order to provide my colleagues and others with concise information on this legislation and the issue of vertical divestiture, I request unanimous consent to include in the RECORD following my remarks the following documents: A factsheet summarizing the goals of the legislation and detailing the manner in which divestiture would be achieved; a "point and counterpoint" document which deals with the various arguments most commonly raised in objection to divestiture; the conclusion of the majority report on the divestiture bill (S. 2387 reported by the Judiciary Committee in the last Congress); and, finally, a copy of the bill itself.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1, 2, 3, and 4.)

Mr. BAYH. Mr. President, I feel it is necessary to take note of the vast amount of oil industry propaganda that has been unleashed against this legislation, and to set the issue briefly in perspective.

The oil industry has spent millions of dollars in an extensive public relations campaign designed to turn public opinion against divestiture. The companies' charges resemble the arguments in the attached "point and counterpoint" and the rebuttal to those arguments in that attachment provide the needed substantive response to the unfounded allegations. All that I wish to add, Mr. President, is an expression of confidence that neither the American people nor the Senate will fall prey to the high-priced public relations efforts of a small number of self-serving multinational oil companies.

The perspective in which the issue of divestiture must be considered is the public policy arena of sound economic and energy policy. Divestiture will not alone solve our energy problems, nor by itself end the danger of inflation. Rather, divestiture will permit the operation of an unencumbered free market in oil, probably the most important commodity to the economic and social well-being of the American people. Divestiture will also end the cozy relationship between the multinational integrated oil companies and the Organization of Petroleum Exporting Countries—OPEC. When the Senate is asked to make its decision on divestiture it will have to turn aside the phony arguments of the oil companies and address directly these very real, substantive questions about the nature of the American economy and the thrust of national energy policy. When faced with those fundamental questions I am convinced the Senate will wisely take the significant, yet essential, step required to reaffirm our commitment to free enterprise and to a truly competitive oil industry.

EXHIBIT 1

FACT SHEET ON THE PETROLEUM INDUSTRY COMPETITION ACT OF 1977

1. The bill, introduced by Senator Birch Bayh, is substantively unchanged from S. 2387 which was reported favorably by the Senate Committee on the Judiciary late in the 94th Congress.

2. The legislation has several objectives:

(a) To create a free market in crude oil. At present independent oil producers are often forced to sell their oil to major, vertically integrated oil companies. Also, independent refiners are almost entirely dependent on Federal regulation to assure them of a fair supply of crude oil at reasonable prices. Creating a free market in crude oil will not only provide all refiners equal access to crude oil, but also will provide now absent price competition. It will also remove the existing entry barriers that have limited the growth of independent capacity.

(b) To protect retailers franchised by the major oil companies and independent marketers from predatory pricing and other anti-competitive practices by the major, vertically integrated oil companies. Major companies are increasingly closing dealer operated service stations and replacing them with company owned stations managed by company employees.

(c) To remove major incentives for the multi-national, vertically integrated oil companies to cooperate fully with the pricing and supply practices of the Organization of Petroleum Exporting Countries. Because higher OPEC prices increase the value of the oil reserves of the major oil companies, and because those companies need an assured supply of crude oil for their downstream (refining and marketing) operations, there is no incentive to try to weaken the cartel. Through divestiture we can create a situation in which refiners will finally want to buy crude oil as cheaply as possible and thus begin to exert pressure on OPEC prices.

(d) To provide all oil producers, refiners and marketers equal, non-discriminatory access to crude oil and petroleum product pipelines, thus ending the monopoly power exploited by the vertically integrated major oil companies through their control of more than 90 percent of the nation's pipeline capacity.

3. The legislation proposes to achieve these objectives through vertical divestiture of the largest, integrated oil companies. Divestiture would work in this fashion:

(a) The 18 largest integrated oil companies would be required to separate their exploration and production from their refining and marketing within five years of the bill's enactment.

(b) With limited exceptions, oil producers, refiners and marketers would be prohibited from owning crude oil or petroleum product pipelines, thereby giving these pipelines the common carrier status they should have. Exceptions are provided for pipelines integral to the operation of a production or refining asset where retention of such pipelines will not contravene the purposes of the legislation nor impede competition. Exception may be granted by the Federal Trade Commission upon application by an affected company.

(c) While permitting refining and marketing to remain together, refiners may not operate or own, directly or indirectly, marketing outlets not owned or operated prior to January 1, 1977.

(d) The Federal Trade Commission is empowered to receive and to approve, and to amend if necessary, divestiture plans to be prepared by the affected companies and submitted to the FTC within 18 months of enactment. Such plans must take effect no later than five years after enactment.

(e) A special Temporary Petroleum Industry Divestiture Court is created to handle all litigation arising from the legislation to assure expeditious action on such litigation. All appeals from decisions of the Temporary Court will go directly to the U.S. Supreme Court which is also instructed to give expeditious action to suits arising from the legislation.

4. Affected companies include all crude oil and petroleum product pipelines and major producers, refiners and marketers. For the purposes of the legislation major producers are defined as those producing 100,000 barrels of oil a day and major refiners and marketers are defined as those refining or marketing 300,000 barrels of oil a day, respectively.

MAJOR PRODUCERS, REFINERS, AND MARKETERS, 1974 (U.S. ONLY)

[In barrels per day]

	Crude production	Refinery throughput	Marketing
Exxon	890,000	1,123,000	1,782,000
Texaco	807,000	945,000	1,338,000
Shell	586,000	1,005,000	1,060,000
Standard Oil (Indiana)	539,000	936,000	1,012,000
Gulf	476,300	813,000	860,000
Mobil	420,000	823,000	928,000
Standard Oil of California	413,080	867,000	1,006,000
Atlantic-Richfield	383,100	653,500	697,600
Getty	300,300	[1] (214,500)	[1] (254,000)
Union	268,400	439,100	441,200
Sun	265,588	489,988	570,546
Phillips	255,700	523,000	541,000
Continental	218,000	322,000	364,000
Cities Service	212,300	[1] (213,800)	348,400
Marathon	174,039	[1] (264,415)	[1] (280,106)
BP-Sohio	[1] (29,646)	323,336	332,996
Amerada Hess	[1] (98,816)	530,000	591,000
Ashland	[1] (23,071)	329,789	457,007

[1] Below size cutoff.

Source: National Petroleum News, "Factbook Issue", mid-May 1975.

EXHIBIT 2

POINT AND COUNTERPOINT ON VERTICAL DIVESTITURE

The vertical divestiture debate centers on fifteen basic points of contention. The following briefly discusses these points.

IMPACT ON OPEC

The oil companies claim that vertical divestiture will help strengthen the Organization of Petroleum Exporting Countries (OPEC) . . .

The truth is that vertical divestiture is an essential step in the direction of breaking-up the cartel.

The integrated oil companies affected by the proposed divestiture legislation have three very important reasons to cooperate fully with the cartel:

(1) While many of the OPEC nations have bought out the oil reserves previously controlled in their countries by the oil companies, those same companies stand to make new riches as the producing agents of the OPEC countries;

(2) The worldwide increase in the price of oil brought about by the cartel has increased by hundreds of billions of dollars the reserves owned by the integrated oil companies in the U.S. and around the globe. For example, the OPEC price increases of the past four years have increased the value of oil in Alaska's North Slope by $100 billion. This is a simple windfall for the companies owning the rights to North Slope oil.

(3) Integrated companies require a guaranteed supply of crude oil for their downstream (refining and marketing) operations. The guarantee of supply is far more impor-

tant to an integrated company that the price of oil since they are often paying themselves for crude oil and, in turn, selling refined product to themselves. Because supply is often more important to an integrated company than price, the major oil companies have little incentive to destroy their sweetheart relationship with OPEC.

While divestiture legislation is not likely to interrupt the close relationship between OPEC and the production companies operating in the OPEC countries, divestiture will help bring pressure to bear on the cartel. It will do so in this fashion:

With refiners separated from producers the refiners will develop a now absent interest in purchasing crude at lower prices in order to compete in the sale of refined products. Instead of blithely paying the OPEC price, refiners will have a now non-existent incentive now glaringly absent to begin to try to drive down the price.

Also, after divestiture the companies will no longer have the same motivation and ability they now have to control output from the OPEC countries to help sustain higher prices. No less an authority than the Shah of Iran has acknowledged that the integrated companies now regulate output to maintain the OPEC price. With an end to their stranglehold on the marketplace the companies will no longer be in a position to do OPEC's dirty business for it.

IMPACT ON COMPETITION

The oil companies claim that the enactment of divestiture legislation will actually lead to less, not more, competition . . .

The truth is that divestiture opens the door for competition where it is now lacking.

The oil industry is essentially non-competitive for three reasons:

(1) It is more integrated than any other basic industry, with a relatively small number of companies controlling the oil from the time it is produced until the time it is sold to the consumer.

(2) The industry has developed a set of interrelationships more designed to inhibit than to promote competition. Such techniques as the joint bidding for the rights to produce oil on Federal property, joint ownership of oil pipelines, the swapping of crude oil and refined products, and the whole host of joint ventures by the companies create common interests that inevitably stifle competition.

(3) The industry is highly concentrated, with a small number of companies having extensive control of much of the crude oil, pipeline and refining capacity and marketing outlets.

By addressing itself to the most deleterious of these problems—the vertical integration—divestiture legislation can spur competition in the following ways:

There will be a free market in crude oil in which all refiners will have an equal opportunity to bid for all crude oil with a common interest in holding prices down.

Pipelines will become true common carriers, providing equal access to all shippers and ending the discrimination the independent sector of the industry has faced in trying to use crude oil and product pipelines.

Since major companies will be prohibited from expanding their marketing operations the service station dealers whose very existence has been threatened by the integrated companies will be protected against further encroachments. These dealers are most often independent businessmen who seek to compete fairly and openly, but who have been the victims of anti-competitive behavior by the major companies.

IMPACT ON PRICES

The oil companies claim that prices will go up if the divestiture legislation enacted . . .

The truth is just the opposite—divestiture should mean lower enegy prices for consumers.

Independent marketers have traditionally undersold integrated marketers by three to six cents a gallon. With the free market to be created by divestiture there will be true price competition and the law of supply and demand will be permitted to operate in the oil industry. When free enterprise is permitted to operate in the American economy the historical record is for prices to come down. In the case of oil such successful price competition could translate to savings for consumers of at least $3 billion a year for gasoline alone. This is based on the sale of 100 billion gallons a year and allows for price reductions in the three to six cent range in that portion of the retail market now controlled by the integrated companies.

Also, independent refiners with an assured supply of crude oil have been able to provide price competition to the refining operations of integrated companies. The president of Ashland Oil, for example, has said he can pay a dollar more a barrel for crude oil, than a major refiner and compete in the sale of refined products.

The absence of a free market in crude oil, with independent producers forced to sell to integrated pipelines and with independent refiners dependent on Federal regulations to guarantee them a crude supply, prevents price competition. Divestiture, on the other hand, by providing all producers with equal access to crude pipelines and by providing all refiners with an equal opportunity to purchase crude oil will hold prices in check through healthy competition. It is important to recognize that even the limited competition now provided by independent refiners and marketers would be impossible were it not for an elaborate system of government regulation of prices and supplies. Divestiture will permit a free market to operate without such government interference in the marketplace.

IMPACT ON CAPITAL

The oil companies claim they will have trouble raising the capital for energy exploration and development if divestiture legislation is passed . . .

The truth is that the Petroleum Industry Competition Act should have no bearing on capital formation. The 18 companies covered under the bill's provisions as major producers, refiners and/or marketers are so large that after divestiture each of the component parts of those companies would qualify for the Fortune 500 list of America's largest corporations. Just one example of the size of these companies can be found in the case of Exxon, now the largest company in the world. After the proposed divestiture the refining and marketing company created from Exxon would be the second largest of all corporations, and the production company created from Exxon would be the sixth largest. The fact is that after divestiture the component parts of the affected companies would all rank among the top ¼ of one percent of all corporations in the U.S. and thus be in an excellent position to raise capital.

The truth is that the oil industry raised the same phony cry about capital formation when the oil depletion allowance was repealed. Yet, according to the American Petroleum Institute, the oil industry drilled 17.5 percent more wells in 1975 than in 1974, despite the fact that depletion was almost entirely repealed effective January 1, 1975.

The truth is that the oil industry is quite profitable and that it has had, and will continue to have, no trouble attracting needed capital. Indeed, the capital available to the industry so far exceeds what it needs for energy exploration and development that Mobil has committed close to a billion dollars to the purchase of Marcor, the parent company of Montgomery Ward, and Atlantic Richfield has bid almost $200 million for Anaconda. Gulf even went so far a couple of years ago as to try to use some of its capital to buy the Ringling Brothers Circus.

LESS EFFICIENCY OR MORE

The oil companies claim their integrated structure provides efficiencies which will be lost if divestiture legislation is enacted. . . .

The truth is that the industry has never demonstrated what those efficiencies are; it has never substantiated this claim.

The truth is that the extensive vertical integration and unparalleled interrelationships of the major oil companies provide a degree of market control which minimizes the need for efficiency in oil company operations. By bringing the free enterprise system to bear in the industry divestiture will require the oil industry to respond to a free market, as should all industries. Then the uninhibited operation of the law of supply and demand will provide the proper incentive for the industry to truly be efficient.

The real test of efficiency in the industry has been met by the independents who have had to compete with the integrated companies. Faced with the market domination of the majors the independents have survived because of the implementation of efficiencies far greater than those employed by the major, integrated companies.

There may be no better source to refute the claim that divestiture will mean the loss of efficiencies of integration that the respected economist M. A. Adelman, who is himself opposed to divestiture. Professor Adelman wrote in the Washington Post of May 8, 1976: "The industry's contention, that vertical integration helps efficiency, is unfounded."

The phony nature of this argument of efficiency is even further devastated by the testimony of Exxon officials in state tax cases in Wisconsin and South Carolina that the company is already divided among functional lines such as those to be followed in divestiture. In the South Carolina case Exxon said: "Each of these functions is managed and accounted for on a functional operating basis. Each is a segment of (Exxon's) total corporate enterprise, but each has its own accounting, budgeting and forecasting, its own management and staff, its own profit center, its own investment center, its own physical facilities, etc."

If integration provides efficiencies, Exxon has hidden them quite well.

IMPACT ON STOCKHOLDERS

The oil companies claim that divestiture will hurt their stockholders. . . .

The truth is that precedents support the argument that stockholders will actually benefit from divestiture.

Under the most likely form of divestiture, called stock spin-offs, stockholders receive shares in the divested companies in proportion to their holdings in the original integrated company. When such a divestiture of the Standard Oil of New Jersey Trust was ordered by the U.S. Supreme Court in 1911, the combined value of the stocks on the divested companies rose 47 percent in one year, while the stockmarket as a whole rose by only seven percent.

The interests of stockholders would be fully protected under divestiture, especially since the affected companies are actually empowered to write their own divestiture plans, subject to approval by the Federal Trade Commission.

It should be little wonder that Joseph Tovey, a stock analyst opposed to divestiture, has said, ". . . from an investor's standpoint, if there were to be a breakup, I think it would be a bonanza for investors."

FREE ENTERPRISE OR GOVERNMENT TAKEOVER

The oil companies claim that divestiture legislation is a major step toward a government takeover of the industry. . . .

The truth is that divestiture is designed to provide a free market in crude oil and refined petroleum products and thus to lessen the need for government involvement in the oil industry.

At present, through an elaborate system of price regulation, supply allocations, and refiner entitlements, the oil industry is the most closely regulated of all industries, other than public utilities. This complex maze of government regulations developed in response to the lack of competition in the industry and to the heavy-handed treatment of independent refiners and marketers by the integrated companies.

Divestiture is designed to create a free market in the oil industry and thus enable us to move away from such extensive government regulation of this vital industry. Unless the market control of the major, vertically integrated companies is ended through the enactment of divestiture legislation it will be necessary to perpetuate unwieldy government regulation of the industry, something divestiture proponents seek to avoid.

The truth, also, is that divestiture in no way opens the door for nationalization of the industry. Quite to the contrary, divestiture is designed to still the cry for nationalization by requiring the oil industry to operate—like other U.S. industries—under a truly free market.

THE CONCENTRATION ARGUMENT

The oil companies claim that vertical divestiture legislation is misdirected since the oil industry is less concentrated than some other industries . . .

The truth is that the industry's attempt to focus attention on concentration ratios is a public relations effort to divert attention from the real culprit—vertical integration.

The truth is that while divestiture proponents have not built their case on concentration the oil industry is actually far more concentrated than the industry numbers suggest.

Competition is lacking in the oil industry because of the unique combination of extension of extensive vertical integration and serious concentration. While some other industries are more concentrated than oil, no other basic industry has the same degree of vertical integration as the oil industry, and it is to integration that the divestiture legislation is addressed.

The oil companies are fond of talking about all the independent oil producers, refiners and marketers in the U.S. The fact is that most oil discovered by independents is sold to major, integrated oil companies who gain control of crude oil through their extensive control of the nation's crude oil pipelines. Also, independent refiners are beholden to the integrated companies for crude oil. The power of the integrated oil companies was demonstrated in recent years when they sought to deny lower priced crude oil to independent refiners, an anti-competitive gambit that brought forth an elaborate system of government regulation known as entitlements. Similarly, when refined petroleum products were in short supply the integrated companies sought to use their market control to put independent service station dealers out of business. The large companies might well have succeeded except for the imposition of mandatory allocation rules by the Federal government.

The simple fact is that the existence of independents at different levels of the oil business does not refute the reality of the market control enjoyed by the integrated major oil companies. Since that integration includes control of more than 90 percent of the nation's oil pipelines by the top twenty oil companies, and since many of those lines are actually joint ventures of two or more of those huge companies, the integrated companies are able to take control of more than 90 percent of the nation's crude oil.

In understanding the lack of validity of the industry's recitation of concentration figures, it is important to bear in mind that if concentration were the problem in the oil industry, conventional anti-trust legislation might well solve the problem. The divestiture legislation directed at a different, yet quite serious, problem of vertical integration: the total domination of all phases of the oil industry by a relatively small number of companies.

THE DISRUPTIVE ARGUMENT

The oil companies claim that divestiture will create confusion in the industry and disrupt the normal operations of the oil industry . . .

The truth is that the industry has been guilty of duplicity in describing the current nature of the industry, and the threat of havoc in the industry with divestiture has not been substantiated.

The argument that divestiture will create confusion and disrupt the industry is based on the contention that integrated oil companies are single "unitary" companies not easily divided along functional lines. Yet Exxon actually went to court in Wisconsin and South Carolina to avoid state taxes by proving just the opposite—that the company is divided along distinct functional lines. As the Exxon counsel told the Wisconsin State Tax Appeals Commission: "Our evidence . . . will show that each function is independent and unitary to, or an integral part of, any other function." Exxon went so far as to bring into the Wisconsin case the head of the Houston office of the Arthur Anderson and Company, the huge accounting firm, who testified on the basis of his personal knowledge that other companies, besides Exxon maintained functional divisions in their operations.

The oil industry cannot have it both ways, it cannot claim to be divided along functional lines and then claim that divestiture along those functional lines will create disruption.

IMPACT ON PROFITABILITY

The oil companies claim that they are not very profitable and that vertical divestiture would destroy them . . .

The truth is that the integrated companies are actually quite successful and the argument that they are not profitable is an adroit, but somewhat deceptive, use of numbers. The basis for the contention that the oil industry is not very profitable is the fact that the industry's return on equity is close to the average for all companies. However, this fails to take into account the key fact that the oil industry has a much higher equity to debt ratio than most industries and thus its return on equity is much lower than it would be if it had a more traditional equity to debt ratio. This is why the authors of a basic accounting textbook have written: "In evaluating the financial position of a firm the relationships as indicated by both the absolute amounts and the ratios, *it is especially import that the limitation of the data be realized . . . One ratio* or even several ratios standing alone, whatever their value, *may be insignificant.*"* (emphasis added)

The truth is that the very profitability of the oil industry, enabling it to build a very strong equity position, provides the basis for the misleading contention that the industry is not too profitable.

However, it is probable that the profits of the major, integrated companies are depressed somewhat by virtue of their gargantuan size. The independent sector of the marketing industry, supply and price being equal, is able to provide price competition to the marketing operations of the large integrated companies. And the president of Ashland Oil, a large refiner without significant production, has said he can spot the integrated companies a dollar a barrel in crude prices and undersell them. The point in both cases is the same, the largest, vertically integrated companies have become so large that they are not truly efficient and their profitability suffers as a result. This is why Joseph Tovey, a securities dealer who is actually opposed to divestiture, has said, ". . . if there were to be a breakup, I think it would be a bonanza for investors."

IMPACT ON ENERGY INDEPENDENCE

The oil companies claim that divestiture will hurt the national effort to achieve energy independence . . .

The truth is that the oil companies have interests that coincide with the international oil cartel and the "sweetheart deal" between the companies and the cartel has actually increased U.S. dependence on foreign oil.

For years the multi-national oil companies shifted their drilling activities from the United States to the countries that now comprise the Organization of Petroleum Exporting Countries (OPEC). They did this to maximize profits with little regard for the U.S. national interest.

Those same companies also declined for many years to expand U.S. refining capacity, and even worked with the Nixon Administration to prevent smaller competitors from building new refineries.

It is such a lack of interest in the U.S. national interest that caused us to become so vulnerable to the OPEC states.

Now, when the United States seeks to reduce its independence on foreign oil, and perhaps to actually achieve energy independence the oil companies are waving the banner of energy independence. The fact is that the passage of vertical divestiture legislation will have no negative consequences for the goal of energy independence. The percentage of U.S. energy needs to be met with oil and natural gas cannot grow significantly in the next decade; oil is not the key to energy independence.

The real answer to energy self-sufficiency can be found in the vast U.S. coal reserves. Coal production, the implementation of more efficient, cleaner techniques for using coal as coal, and, ultimately, the conversion of coal to gas and liquid are the means by which we will reduce our reliance on imported oil. If one recognizes that coal—and not oil—is the key to energy independence then it is easy to understand that vertical divestiture of the oil industry will have no impact on that goal.

But, while we are moving toward the improved used of U.S. coal reserves, vertical divestiture will mean that U.S. oil reserves are priced—as they are now—by a foreign cartel and a small group of non-competitive, multinational oil companies.

IMPACT ON NATIONAL SECURITY

The oil companies claim that the enactment of vertical divestiture legislation will endanger the national security. . . .

The truth is that a number of those same companies bowed to pressure from the oil producing countries and refused to supply oil to the U.S. Sixth Fleet in the fall of 1973 when war was raging in the Middle East.

The truth is that the cozy relationship between the multi-national, vertically integrated oil companies and the Organization of Petroleum Exporting Countries (OPEC) has actually increased the U.S. vulnerability to another OPEC oil embargo. Since one of the purposes of the divestiture legislation is to end the mutuality of interests between the oil industry and OPEC, it will actually serve to help protect the U.S. national security.

The truth is that for years the integrated oil companies devoted their attentions to the development of foreign oil reserves, rather than U.S. reserves, to maximize profits without regard to the growing dependence of the

*Glenn Welsch, Charles Zlatkovich and John White, *Intermediate Accounting*, Richard D. Irwin, Inc., 1972.

U.S. on foreign oil. If those same companies that now talk about national security had devoted more attention to developing U.S. oil reserves, the consequences of the 1973–74 oil embargo would have been far less severe.

LOGICAL OR EMOTIONAL

The oil companies claim that the divestiture legislation is an emotional, mis-guided and unnecessary response to public concern about energy policy and oil prices. . . .

The truth is that the divestiture legislation is the logical heir to generations of public concern about the lack of competition in the oil industry, and a reflection of the harsh reality that nothing short of legislated divestiture is adequate to provide the competition now absent in the oil industry.

Even a cursory look at a few of the highlights of the public concern about the lack of competition in the oil industry can show the background in which divestiture legislation must be cast:

1890 the Ohio Attorney General first posed questions about the monopolistic behavior of Standard Oil of New Jersey.

1906 the U.S. Department of Justice brought a civil suit charging the Standard Trust with violation of the anti-trust laws.

1906 Senator Henry Cabot Lodge called for divestiture of oil pipelines.

1911 the U.S. Supreme Court upheld the Justice Department case and ordered the break-up of Standard Trust.

1920–22 Senator Robert LaFollette conducted extensive hearings into the oil industry and reached the conclusion that all oil pipelines should be common carriers.

1940 the U.S. Department of Justice brought the famous "Mother Hubbard" case charging 22 oil companies, hundreds of their affiliates, and the American Petroleum Institute with anti-trust violations.

1973 the Federal Trade Commission charged the eight largest oil companies with engaging in a host of anti-competitive practices.

The pending divestiture legislation, rather than being an emotional and unnecessary step, is the only logical step to take since it is clear that existing anti-trust law is inadequate to bring competition to the oil industry.

IMPACT ON EMPLOYEES

The oil companies claim that divestiture will hurt their employees, either through a reduction in jobs or by endangering pension rights. . . .

The truth is that oil company employees, along with all Americans, stand to benefit from divestiture and vertical divestiture has been endorsed by many major unions.

The oil industry is not labor intensive; it has relatively few employees for so large an industry and thus the employment consequences of divestiture will not be great. While the employment impact of divestiture will not be great it still should be a positive, not a negative, impact by removing entry barriers that have inhibited the independent sector of the industry.

This is another of the areas in which the oil industry tries to argue both sides of an issue. The industry claims divestiture will increase operating costs by destroying present efficiencies and requiring the hiring of unneeded personnel. And then the industry turns around and tries to argue that divestiture will cost jobs. It can't have it both ways.

In any event, rather than letting the oil companies speak to the employment issue, let those most directly affected respond. And that response can be found in the endorsement of vertical divestiture by the AFL–CIO, the UAW, and the Teamsters.

Regarding the alleged threat to employee pensions through divestiture, the major pension law enacted in 1974, the Federal Employment Retirement Income Security Act, protection for the pension rights of oil company employees. Any suggestion to the contrary shows an unwillingness or an inability to understand how this landmark legislation works.

GOVERNMENT WITNESSES

The oil companies claim that all government witnesses opposed divestiture in 1976.

The truth is that divestiture was opposed by the Ford Administration and opponents of the legislation did bring a parade of Ford appointees to Capitol Hill to testify against the legislation.

Far more revealing is the fact that in 1973 the Federal Trade Commission filed a major anti-trust case charging the eight largest oil companies with engaging in a host of anti-competitive practices. Instead of listening to the appointees of a President who has consistently taken the side of the oil companies, even recommending total decontrol of oil and natural gas prices, listen instead to the Federal Trade Commission:

"While varying numbers of independent companies operate at each level, the industry is dominated by 18 vertically integrated companies that operate at all levels."

The Federal Trade Commission has also said:

"The major firms seek to consolidate market power by various exclusionary tactics. These firms basically attempt to sharply limit the supply of crude available to independent refiners and refined product available to independent wholesalers and retailers. This is accomplished by minimizing use of formal market sales and thus avoiding flows of product from within the majors' vertically integrated structure to the market. It is also accomplished through control of pipelines, exchange agreements, processing agreements, and price protection coupled with price wars. An elaborate network of devices to deny independents access to product has been erected. The resulting system endangers existing independents, makes new entry difficult or impossible, and yields serious economic losses to American consumers."

The FTC suit against the oil companies is three years old. Given the massive legal counter-assault of the oil companies and the slow movement on the case it is clear it will take many more years to resolve. But when the head of FTC's Bureau of Competition was asked what remedy he would seek when the case was finally won, he said: "Divestiture."

EXHIBIT 3

CONCLUSION

On the basis of the voluminous record discussed above, the Committee finds a number of conclusions inescapable. First, a handful of large integrated companies have effectively monopolized the supply of domestic crude oil. With their control over crude, these firms have been able to restrict entry into refining and limit the competitiveness of independent refiners. This, in turn, has enabled them to force on the consuming public a wasteful, inefficient, and extremely costly system of marketing. It has also permitted the callous exploitation of large numbers of people who operate service stations under franchise agreements.

This control of domestic crude by a small number of firms has become increasingly dangerous. As OPEC escalates the world price of crude, it increases the price that refiners will have to pay for crude once price controls and entitlements are eliminated. But costs of producing crude from established fields are not rising proportionately with price. Those firms with substantial quantities of "old" crude are going to have a staggering advantage over the non-integrated sector of the industry.

The potential consequences of this threat to competition for the consumer are of very serious proportions.

The concern shown through this report for the fate of independent refiners and marketers is not based upon any notion that the independent sector is made up of special individuals who deserve to be protected from the normal economic forces. Rather, it is based on the solid evidence that the independent sector is the only source of real price competition in the industry. Without the discipline imposed by these firms, the consumer would pay substantially higher prices for petroleum products.

The opponents of S. 2387 have asked: If divestiture is intended to benefit independent refiners, why have so few of those intended beneficiaries not supported the measure? The answer is obvious. S. 2387 is not intended to "benefit" the independent refiner or marketer. It subsidizes no one. Its purpose is to benefit the public by increasing competition. The independent refiners have been perfectly willing to demonstrate the absence of any real competitive markets in the industry. But when it comes to proposing a remedy, the independents have learned a great deal from their larger brothers. Their solution for the lack of free markets is to ask for more Government regulation. They have shown considerable imagination in devising schemes that would, through Government intervention, guarantee them supplies of crude and adequate price margins, all without appreciably increasing competition or giving much benefit to the consumer.

One cannot blame them. Clearly, history shows that special interest measures for the oil industry have always fared better than any efforts to create free markets.

A second conclusion is that 70 years of experience have proven Senator Henry Cabot Lodge, Sr. was right when he argued that pipelines should be treated like other common carriers and that shipper ownership of the pipelines should be prohibited. There is an inherent conflict of interest between a company as owner of a common carrier pipeline and the same company as a shipper on the pipeline. Decades of experience with the Hepburn Act have demonstrated that the conflict cannot be cured by regulation.

The third conclusion is that both logic and experience demonstrate that it is inherent in the nature of the integrated international companies to exchange guaranteed access to their downstream facilities and markets for the right to remain the preferred marketers of the OPEC nations' crude oil. This bargain, while of great benefit to the individual firms, is a substantial factor in insulating OPEC from the usual pressures that afflict cartels. The cost to the consuming nations of the world has been enormous.

Fourth, we conclude that there is no economic advantage for society as a whole from vertical integration. As Exxon has persuasively demonstrated in the Wisconsin tax court proceedings, each functional level of the major integrated companies is fully capable of operating on its own. The efficiencies claimed for vertical integration are, in reality, the advantages of market control and produce no public benefits. The task of restructuring the major companies, while of considerable dimensions, involves problems no more difficult or complex than those regularly handled by the financial community. There is no reason why divestiture should in any way jeopardize the interests of shareholders, debtors, employees or pension holders.

The industry, on its side of the argument, has bundled itself in a myth—the myth of the competitive market. Industry spokesmen have invoked that school of economic thought which Robert Lekachman has described as able "to perceive competition where it was invisible to others." We have been asked to accept at face value concentration ratios which totally ignore the underlying institutional realities. We are asked, for example, to pretend that satellite and captive companies are real competitors of the majors who control the terms of their survival. We are asked to pretend that two

giant international companies are fierce competitors when their joint venture accounts for more than half the revenue of each company. We have been asked to consider the occasional emergence of asphalt plants and the buying and selling of small refineries as evidence that entry into refining is easy.

But oil companies are not run by academic ideologues. The Mobil general counsel who could not believe that the Justice Department would permit the Aramco partners to monopolize a large share of the world's crude supply was not deceived by concentration ratios. The president of Gulf, who asked his colleagues in the industry not to trade away their ability to bargain on price for control of OPEC's crude output, knew that OPEC was not dealing with an economist's idea of a competitive industry. And even corporate economists do not deceive their management. The Atlantic Refining Company economist who told his firm that control of pipelines was the next best thing to control of crude itself was not misled by an academic theory of common carriers.

Divestiture has been criticized as an effort to deal with bad industry conduct through changing the industry structure. But to believe that the industry structure has not conditioned its conduct and performance, one would have to believe that oilmen are in some way worse than the general run of mankind—that somehow their industry requires special regulation. There is no evidence to support such a notion. The problem is clearly structural. At its inception, the industry was cast in the shape of a monopoly and it has struggled to keep that form ever since. It's basic defects have survived one haphazard restructuring, two world wars, and a massive amount of regulation. To believe that its problems can be solved by a little more regulation and a little less bad conduct ignores seven decades of experience.

There is, of course, a considerable temptation to accept one of the regulatory schemes proposed by the independent sector of the industry on the grounds that it would be less drastic, less radical, or more reasonable than divestiture. But our experience with regulation in this industry gives no grounds for hope from such measures. The industry has defeated or twisted to its private advantage virtually every regulatory effort. And the recent experience is the most appalling of all. With a clear mandate to conduct its business in such a way as to enhance competition, the Federal Energy Administration has managed to tangle the industry in a web of regulations of unbelievable complexity and doubtful utility. Their enforcement efforts against major companies have been notably timid.

It is impossible to avoid the conclusion that the industry as presently structured is beyond the ability of the Government to regulate effectively, if at all. We must either reform its structure or abandon completely the concept of a free market for the industry.

The idea that the industry can be restructured, much less controlled, through antitrust enforcement is totally devoid of foundation in reality. Mr. Kauper's narration of the Antitrust Division's handling of the *Colonial Pipeline* case alone is sufficient to dispel any misplaced confidence in the antitrust enforcement system.

A great deal of the debate over S. 2387 to date has centered on the short-term price effect of divestiture. No doubt this is an important consideration. We have argued that there is much to be gained in improving the competitiveness and efficiency of domestic markets and in removing the props which stabilize the OPEC cartel. The potential gains there are enormous. Even very small changes—a few pennies a gallon on gasoline prices, or dollars on crude prices—translate into billions of dollars.

But the ultimate case for this measure cannot rest solely on these considerations. Divestiture commands an institutional change whose effect will be felt beyond the foreseeable future—far beyond the ability of any economist to confidently predict price behavior. All kinds of factors may intervene to render the best judgments invalid.

For example, although the industry has always registered structural reform on the grounds that permanent shortage is imminent, it is possible that this time the industry is not just "crying wolf." The world may be running out of petroleum altogether. If demand were to sharply increase over the next few years, and there were to be no major discoveries—even the awesome surplus capacity of the OPEC nations could disappear. In this event, the strength of OPEC would be beyond disruption. And the chances of periodic outbreaks of price competition resulting from divestiture would become extremely improbable.

Therefore, in the end, the case for divestiture must rest upon a value judgment about the kind of people we want to be and the kind of society we want to have. The values at stake here are clear. We must ask ourselves whether we should do business in the world through the agency of private corporations endowed with governmental powers. As the history of the Iranian Consortium demonstrates, the international companies have, in effect, been given an exemption from our laws on the grounds that they have performed special governmental functions. The present status of the international companies can be compared to Burke's description of the East India Company as "a state in the disguise of a merchant." Their present status challenges our fundamental belief that all men and all institutions should be subject to law, that they should be equal before the law, that there should be no special exemptions for wealth and power, that our public affairs should be conducted by public officials who are responsible to democratic institutions.

If it is true that we must have these gigantic corporations to raise capital for new energy, to plan our economic future, that "regulatory" arrangements between unaccountable corporate oligarchs and bureaucrats are preferable to free markets, that our corporations must wield monopoly power to compete with monopolies sponsored by other nations, then we should give free enterprise a respectful burial and not disgrace an honorable—if much abused—concept by using it to camouflage a system of corporate socialism.

There are those who argue that we should do nothing to lower the price of energy. If we were to succeed, they contend, we would only increase our dependence upon foreign petroleum; high prices, on the other hand, make alternative energy sources more profitable and reduce consumption. But the proponents of this argument would once again assign to private corporations a governmental function—the collection of "taxes" for public purposes. Obviously, conservation and the development of alternative energy sources are commendable goals but they need not be accomplished by promoting private monopoly or supporting foreign cartels.

There is a far more fundamental defect in this argument. Perhaps the industrialized nations of the world can absorb higher energy prices with only minor discomfort for most of their citizens. But there are others on the earth not so fortunate. Petroleum means food and life for millions and for the very poor higher petroleum prices mean starvation and death. There is no way to calculate the impact of higher energy prices on the total sum of human misery.

Granted, divestiture provides no complete solution to the problem. It offers only a very reasonable chance for somewhat lower prices, but it is a measure we owe to the world to take.

EXHIBIT 4

S. 795

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Petroleum Industry Competition Act of 1977".

FINDINGS AND PURPOSE

SEC. 2. (a) FINDINGS.—The Congress finds and declares that—

(1) this Nation is committed to a private enterprise system and a free market economy, in the belief that competition spurs innovation, promotes productivity, prevents undue concentration of economic, social, and political power, and helps preserve a democratic society;

(2) vigorous and effective enforcement of the antitrust laws and reduction of monopoly and oligopoly power in the economy can contribute significantly to reducing prices, unemployment, and inflation;

(3) existing antitrust laws have been inadequate to maintain and restore effective competition in the petroleum industry; and

(4) the extraordinary dimensions of the remedy required by this Act necessitate expedited judicial supervision of the divestitures and attendant actions required by this Act.

(b) PURPOSE.—It is the purpose of the Congress in this Act to facilitate the creation and maintenance of competition in the petroleum industry, and to require the most expeditious and equitable separation and divestment of assets and interests of vertically integrated major petroleum companies.

TITLE I—INDUSTRY COMPETITION

DEFINITIONS

SEC. 101. As used in this title—

(a) "person" means an individual person or a corporation, partnership, joint stock company, trust, trustee in bankruptcy, receiver in reorganization, association, or any organized group whether or not incorporated, and whether or not domiciled or incorporated within the United States. It does not include any authority of the United States or of the several States;

(b) "control" means a direct or indirect legal or beneficial interest in or legal power or influence over another person, directly or indirectly, arising through direct, indirect, or interlocking ownership of capital stock, interlocking directorates or officers, or contractual relations which substantially impair the independent business behavior of another person;

(c) "affiliate" means a person controlled by, controlling, or under or subject to common control with respect to any other person;

(d) "asset" means any property (tangible or intangible, real, personal, or mixed) and includes stock in any corporation;

(e) "commerce" means commerce among the several States, with the Indian tribes, or with foreign nations; or commerce in any State which affects commerce among or between a State and a foreign nation;

(f) "energy resource" means crude oil, natural gas liquids and condensate;

(g) "refine" means to change by any operation the physical or chemical characteristics of petroleum or petroleum products in order to create a derivative product for resale, exclusive of the operations of passing petroleum through a separator to remove gas, placing petroleum in settling tanks to remove basic sediment and water, dehydrating petroleum and generally cleaning and purifying petroleum;

(h) "refined product" means any product,

whether liquid or gas, which is produced by a refinery asset;

(i) "marketing asset" means any asset used in the sale and distribution of gasoline or fuel oil, including diesel and distillate, to ultimate consumers at a retail motor fuel outlet, other than the initial sale with transfer of ownership to customers at the refinery;

(j) "operate" means engaging in the business of selling gasoline and diesel, directly or indirectly, or through any agent who receives any commission, compensation, or payment because of the sale of such product;

(k) "production asset" means—

(A) natural deposits of crude oil, or condensate and natural gas liquids;

(B) any asset used primarily in the exploration for, development of or production of an energy resource including, but not limited to, an interest in real property, whether or not such real property is developed or undeveloped;

(C) geological and geophysical information; and

(l) "refinery asset" means any asset used in the refining of an energy resource;

(m) "transportation asset" means any asset used in the transportation within the United States by pipeline or gathering line of crude oil or refined product;

(n) "major marketer" means any person which, during the calendar year 1974 or in any subsequent year, alone or with affiliates, marketed or distributed 110,000,000 barrels of refined product within the United States;

(o) "major producer" means any person which, during the calendar year 1974 or in any subsequent calendar year, alone or with affiliates, produced within the United States either a total of 36,500,000 barrels of crude oil, condensate and natural gas liquids, or whose interest in crude oil, condensate and natural gas liquid production totaled 36,500,000 barrels;

(p) "major refiner" means any person which, during the calendar year 1974 or in any subsequent calendar year, alone or with affiliates, refined within the United States 110,000,000 barrels of refined product, including that refined by another refiner under a processing agreement;

(q) "petroleum transporter" means any person which transports an energy resource or refined product by pipeline in commerce within the United States,

(r) "Outer Continental Shelf" means all submerged lands lying seaward and outside of the area of lands beneath navigable waters as defined in section 2 of the Submerged Lands Act (67 Stat. 29) and of which the subsoil and seabed appertain to the United States and are subject to its jurisdiction and control;

(s) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and the Trust Territory of the Pacific Islands, and the Outer Continental Shelf;

(t) "Commission" means the Federal Trade Commission; and

(u) "prohibited asset" means any marketing asset, production asset, refining asset, or transportation asset, the retention of which is prohibited by section 102 of this Act.

UNLAWFUL RETENTION

SEC. 102. Notwithstanding any other provision of law, five years after the date of enactment of this Act, it shall be unlawful—

(a)(1) for any major producer to own, or control, any interest in any refinery asset, transportation asset, or marketing asset;

(2) for any petroleum transporter to own or control any interest in any production asset, refinery asset, or marketing asset;

(3) for any major refiner or major marketer to own or control any interest in any production asset or transportation asset;

(b) for any person who owns any refining asset, production asset, or marketing asset to transport any energy resource or refund product in which he has any interest, by means of any transportation asset in which he has any interest.

UNLAWFUL OPERATION

SEC. 103. Upon enactment of this Act, it shall be unlawful for any major refiner to operate, either directly or indirectly, any marketing asset which it did not operate prior to January 1, 1977.

EXEMPTIONS

SEC. 104. (a) The Commission may, upon application by any person required to divest interests in assets under section 102 or prohibited from using assets by section 102 (b), exempt any major producer, petroleum transporter, major refiner, major marketer, or any other person from the operation of section 102 with respect to any transportation asset upon a finding—

(1) that such transportation assets are so integral a part of other assets, the retention or use of which is not prohibited under section 102, that no public purpose would be served by the divestment of or prohibition of the use of any such transportation asset; and

(2) that the retention or use of any such transportation asset will not tend to injure competition or otherwise subvert the purposes of this Act.

(b) In order to facilitate the purposes of this section, the Commission is authorized to exempt any corporation formed or reorganized as a result of compliance with this section from the prohibitions contained in section 8 of the Act of October 5, 1914 (38 Stat. 732; 15 U.S.C. 19) for a period not to exceed one year.

REPORTS

SEC. 105. Each person subject to section 102 or 103 shall, within 30 days from the date of enactment of this Act, file with the Commission a report listing their prohibited assets. The Commission may order subsequent reports from persons subject to section 102 or 103 and may order reports from such other persons as it requires. Appeals from an order of the Commission issued under this section must be filed with the court within five days after the order has been served and the court must grant or deny the appeal, or modify the order as it deems proper within ten days.

PROHIBITION ON SOLICITATION

SEC. 106. It shall be unlawful for any person to solicit or to permit the use of his or its name to solicit, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, any proxy, power of attorney, consent, or authorization regarding any security of a corporation subject to the requirements of sections 102 or 103 or a subsidiary corporation thereof in contravention of such rules.

ENFORCEMENT

SEC. 107. (a) The Commission, in accordance with such rules, regulations, or orders as it deems appropriate to carry out the purposes of this Act, shall require each person subject to the provisions of section 102 or 103 to submit to the Commission within 18 months of the date of enactment of this Act, a plan or plans for the divestment of the prohibited assets. Such plan must—

(1) be fair and equitable to all affected persons; and

(2) substantially accomplish the required divestiture within 5 years of the date of enactment of this Act.

The Commission, within 120 days after the submission of the plan or plans by the persons subject to section 102, or 103, shall file its plans with the court; except that no plan shall be filed which will not substantially accomplish divestment of prohibited assets on or before 5 years from the date of enactment of this Act. Failure of any person or persons to file a plan or plans shall not relieve the Commission of its duty to file its plan or plans for the divestiture of the prohibited assets of that person or persons.

(b) The plan required under subsection (a) of this section shall be devised by each person subject to the provisions of this Act, with respect to their own interests only, in consultation with the officers and employees of the Commission and the Securities and Exchange Commission under guidelines which the Commission, with the advice and counsel of the Securities and Exchange Commission, shall promulgate.

(c) The Commission shall institute suits or actions only in the court established under title II of this Act for such relief as is appropriate to assure compliance by any person with this Act, including, but not limited to, orders of divestiture, declaratory judgments, mandatory or prohibitive injunctive relief, interim equitable relief, the appointment of temporary or permanent receivers or trustees, civil penalties, and punitive damages for willful failure to comply with lawful orders of the court.

(d)(1) In the administration of the provisions of this section, the Commission shall have primary oversight jurisdiction and responsibility for the preparation and final approval of the required divestiture plans.

(2) The Securities and Exchange Commission shall advise the Commission as to the conformity of each such plan with general standards of fairness and equity with respect to the interests of the holders of debt and equity interests in corporations affected by the operation of section 102 or 103.

(e) In carrying out the provisions of this Act, the Commission and the Securities and Exchange Commission are each authorized to utilize all powers conferred upon them separately, and all sanctions associated therewith, by any other provision of law.

(f) The Commission and the Securities and Exchange Commission shall serve as advisers to the court in any reorganization proceeding related to the operation or enforcement of the provisions of section 102 or 103 of this Act.

FAIR AND EQUITABLE

SEC. 108. Simultaneously with the filing of the Commission's plan with the court, the Securities and Exchange Commission shall file separately and independently an analysis of the conformity of such plan with general standard of fairness and equity with respect to the holders of debt and equity interests of any corportaion affected by the provisions of section 102 or 103.

STATEMENT OF DIFFERENCES

SEC. 109. Any person subject to the provisions of section 102 or 103, not later than 60 days after the date on which the Securities and Exchange Commission and the Commission have filed the reports pursuant to the requirements of section 107, shall be entitled, as a matter of right, to file with the court a statement of differences with the proposed plans.

JUDICIAL DISPOSITION

SEC. 110. After the filing of the plans by the Commission, the court shall—

(a) give notice to all persons affected by the plans;

(b) permit the intervention by all persons having legally cognizable rights affected by the final disposition of the plans;

(c) resolve in hearings on the record such disputes of law and fact as may arise between and among the affected persons, the Commission, and the Securities and Exchange Commission regarding the disposition of the plans for divestiture of the prohibited assets;

(d) prior to entering a final order regarding the implementation of the plans, give an opportunity to all interested persons to file written comments on the plans; and

(e) no later than 2 years from the filing by the Commission of its plans, issue orders causing the implementation of the plans in such a manner as will accomplish the purposes of the Act within 5 years of its enactment and be fair and equitable to all persons affected.

The court shall have the power to modify the plans as it deems necessary.

Notwithstanding any other provisions of law, the Attorney General of the United States may intervene in any matter before the court as a matter of right. The court may seek the advice of the Attorney General concerning any matter before it.

ADMINISTRATIVE SUPPORT

SEC. 111. Notwithstanding any other provision of law, the Commission and the Securities and Exchange Commission may contract for the services of such persons including lawyers, economists, accountants, appraisers, securities analysts, neutral experts, and such other personnel as may be necessary to expeditiously carry out the responsibilities vested in each of them respectively by the provisions of this Act.

SANCTIONS

SEC. 112. (a) Any person or any officer, director, or partners thereof, who violates any provision of this Act shall forfeit and pay to the United States a civil penalty of not more than $100,000 in the case of an individual, or not more than $1,000,000 in the case of a corporation. Such penalties shall accrue to the United States and may be recovered in a civil action brought by the Commission. Failure to obey any order of a court pursuant to this Act shall be punishable by such court as a contempt of court.

(b) Any person or any officer, director or partner thereof, who violates a lawful order of the Commission issued pursuant to this Act shall forfeit and pay to the United States, for each violation, a civil penalty of not more than $100,000 which shall accrue to the United States and may be recovered in a civil action brought by the Commission. Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey an order of the Commission, each day of continuance of such failure or neglect shall be deemed a separate offense.

SEC. 113(a). The Commission shall promulgate such rules, regulations and orders as it deems necesary to require that any plan or plans for divestment of the prohibited assets shall provide for the maintenance of competitive conditions in capital markets for the sale of notes, securities or assets pursuant to such plan or plans.

(b) To this end, the Commission shall require that the size, timing, and other conditions of sale for such notes, securities or assets shall be such as to encourage broad participation by underwriters and potential purchasers.

The Commission shall promulgate such rules, regulations and orders as it deems necessary to assure that competitive conditions are maintained in capital markets when loans, leases, and other financings are entered into by persons required to submit a plan or plans required pursuant to this Section during the pendancy or in conjunction with such plan or plans.

TITLE II—TEMPORARY PETROLEUM INDUSTRY DIVESTITURE COURT ESTABLISHMENT

SEC. 201. There is hereby created a court of the United States to be known as the Temporary Petroleum Industry Divestiture Court (hereinafter referred to in this title as the "court") which shall consist of three or more judges to be designated by the Chief Justice of the United States from judges of the United States district courts and circuit courts of appeals. The court shall be dissolved by order of the Chief Justice of the Supreme Court upon a determination that its purposes have been accomplished and at such time its power, jurisdiction and any unfinished business shall be transferred to the United States District Court for the District of Columbia.

JUDGES

SEC. 202. The Chief Justice of the United States shall designate one of such judges of the court and may, from time to time, designate additional judges for such court and revoke previous designations. The chief judge may, from time to time, divide the court into divisions of three or more members and any such division may render judgment as the judgment of the court.

REFERENCE JURISDICTION

SEC. 203. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this Act. The court or a panel thereof may, at any stage of a proceeding under this Act, refer the proceeding or any part thereof or any issue therein to a referee in bankruptcy to hear and determine any and all matters not reserved to the court or panel by this Act, or to referee as a special master, to hear and report generally or upon specified matters, or to a special master for such action with respect thereto as the court or a part thereof may direct.

TRANSFER JURISDICTION

SEC. 204. (a) A single or panel of the court may exercise all functions of the Judicial Panel on Multidistrict Litigation as provided under section 1407 of title 28, United States Code, with respect to any matter befor the court.

(b) The Judicial Panel on Multidistrict Litigation shall exercise no function with respect to any matter before the court.

GENERAL JURISDICTION

SEC. 205. The court shall have exclusive jurisdiction, without appeal, except as otherwise provided in this Act, of all plans, actions, and suits brought under this Act or which relate to any matter affected by the operation of this Act and the resolution of which is necessary to the expeditious implementation of any provision of this Act or of any divestiture required by this Act. The jurisdiction of the court shall not include any action brought by the Department of Justice or the Commission under the antitrust laws or the Federal Trade Commission Act.

COMPULSORY PROCESS

SEC. 206. Notwithstanding any other provision of law in the execution of its responsibilities and powers under this title the court may issue its process to any person and service thereof may be had in any district where such person resides, transacts business, or may otherwise be found. The court, in aid of the execution of this provision may issue such writs as may be provided under section 1651 of title 28, United States Code.

RULES

SEC. 207. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this Act.

APPEAL

SEC. 208. The court may fix and establish a table of costs and fees to be approved by the Supreme Court of the United States but the costs and fees so fixed shall not exceed with respect to any item the costs and fees charged in the Supreme Court of the United States. Within thirty days after entry of a judgment or order, interlocutory or final, by the court a petition of a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a circuit court of appeals of the United States. No interlocutory appeal may be filed without certification of the court. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this section. The court and the Supreme Court upon review of judgments and orders of the court shall have exclusive jurisdiction. Except as provided in this section, no court, Federal, State, or territorial, shall have jurisdiction or power to consider any appeal involving any action or suit brought under this Act or any matter affected by the operation of this Act and the resolution of which is necessary to the expeditious implementation of any provision of this Act or any divestiture required by this Act.

CLERK AND EMPLOYEES

SEC. 209. (a) The court may appoint a clerk who shall be subject to removal by the court. The court may appoint or authorize the appointment of such other officers and employees in such number as may be approved by the Director of the Administrative Office of the United States Courts.

(b) The officers and employees of the court shall be subject to the removal by the court or, if the court so determines, by the clerk or other officer who appointed them, with the approval of the court.

(c) Referees and special masters appointed under section 203 shall be compensated as provided under section 40 of the Act entitled "An Act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898 (30 Stat. 544, 556), as amended (11 U.S.C. 68).

(d) The clerk shall pay into the Treasury all fees, costs, and other moneys collected by him and make returns thereof to the Director of the Administrative Office of the United States Courts.

LAW CLERKS AND SECRETARIES

SEC. 210. The judges of the court may appoint such law clerks and secretaries as may be necessary.

LIBRARIAN, MARSHAL, AND BAILIFFS

SEC. 211. (a) The court may appoint a librarian and necessary library assistants who shall be subject to removal by the court.

(b) The court may appoint a marshal, who shall attend the court at its sessions, be custodian of its courthouse or chambers and offices, have supervision over its custodial employees, take charge of all property of the United States used by the court or its employees, and perform such other duties as the court may direct. The marshal shall be subject to removal by the court. The marshal, with the approval of the court, may employ necessary bailiffs. Such bailiffs shall attend the court, preserve order, and perform such other necessary duties as the court or marshal may direct. The bailiffs shall receive the same compensation as bailiffs employed for the district courts of the United States.

SEAT

SEC. 212. The principal seat of the court shall be in the District of Columbia. The court may sit at such times and places within the United States as the court may designate.

SEAL

SEC. 213. The court shall have a seal which shall be judicially noticed.

SESSIONS

SEC. 214. The time and place of the sessions of the court shall be prescribed by the chief judge pursuant to rule of the court.

CONFLICTS

SEC. 215. No judge of the court, receiver in bankruptcy, or special master shall hear or determine any matter in which he has a conflict of interest.

APPROPRIATIONS

SEC. 216. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

By Mr. McGOVERN (for himself, Mr. DECONCINI, Mr. HUMPHREY, Mr. MELCHER, and Mr. STONE):

S. 797. A bill to exercise the power of the Congress under article IV of the Constitution to declare the effect of certain State judiciary proceedings respecting the custody of children; to the Committee on the Judiciary.

CHILD SNATCHING

Mr. McGOVERN. Mr. President, today, I am introducing legislation along with four of my colleagues which addresses the problem of valid but conflicting child custody decrees. Similar legislation has been introduced in the House of Representatives by Congressmen JOHN MOSS and DON EDWARDS.

Presently, 900,000 children a year are affected by the divorce of their parents in the United States. Tens of thousands of these children are further traumatized by parents who steal them and take them to another State intent upon obtaining a custody decree in their favor.

The legislation I propose will complement the Uniform Child Custody Jurisdiction Act which was drafted in 1968 by the National Conference of Commissioners on Uniform State Laws and was designed to solve the problem of conflicting custody decrees. So far, only 10 States have adopted this legislation and the situation for innocent children remains much the same.

Since the Supreme Court has not held that child custody decrees are entitled to full faith and credit there is no precedent to follow. However, under article IV section 1 of the Constitution, Congress is empowered to declare the effect of full faith and credit with respect to certain judicial proceedings.

The legislation I propose would simply provide that the decision of the first court to issue a custody decree shall be binding on other courts in other States which may subsequently be asked to consider the custody question. It would apply in all cases except when the court of original jurisdiction no longer has, or declines, to exercise its authority.

Child snatching is a growing and serious problem. This legislation would remove a legal sanction which perhaps encourages it.

By Mr. PROXMIRE:

S. 798. A bill requiring the Department of Labor and the Bureau of Labor Statistics to publish a monthly report on job vacancies and job vacancy statistics; to the Committee on Human Resources.

MONTHLY PUBLICATION OF JOB VACANCY STATISTICS

Mr. PROXMIRE. Mr. President, today I am introducing a bill which would require the Department of Labor and the Bureau of Labor Statistics to compile and publish a monthly report on job vacancies and job vacancy statistics. Such a monthly report was made until January 1974, when it was discontinued. The need for it today is greater than ever before.

As chairman of the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee, I have a special interest in this subject for the committee has jurisdiction over Government statistical information.

Hardly a day goes by when I am in Wisconsin when a businessman does not tell me he has jobs which cannot be filled. And the want ad sections of the daily newspapers are full of job offers. Yet the unemployment level is just below 8 percent, and Congress and the administration are pushing for job-creating programs. Therefore, the matching of those looking for work with those offering work is very important in helping to overcome unemployment.

But at almost the precise moment the economy started its massive decline, the Bureau of Labor Statistics stopped publishing its job vacancy report which detailed hires, quits, and layoffs for factory labor. If Mrs. O'Leary had canceled her fire insurance the night before the cow kicked over the lantern, it could not have been less timely.

In addition to republishing the job vacancy statistics, the country also needs a more widespread system of matching the unemployed with job openings through computers and job banks. While this is happening in some areas, it is often wholly inadequate.

These reforms are necessary and overdue. This bill would accomplish part of that program.

The text of the bill is as follows:

Notwithstanding the compilation or publication of any other index, the Secretary of Labor through the Bureau of Labor Statistics shall compile and publish job vacancy statistics on a monthly basis, making such modifications in the compilation required by this Act as the Secretary determines to be necessary to make the information on such job vacancies useful to the public.

I send the bill to the desk and ask that it be appropriately referred.

By Mr. PROXMIRE:

S. 799. A bill to amend section 1103 of the Merchant Marine Act, 1936, to require that notice be given to the Congress of any guarantee proposed to be made under such section in excess of $25,000,000; to the Committee on Commerce, Science, and Transportation.

LOAN GUARANTEE LIMITATIONS

Mr. PROXMIRE. Mr. President, the bill I am introducing today will give Congress a future veto over loan guarantees such as the $727 million outgoing Secretary of Commerce Elliot Richardson approved for seven ships that will be used by a foreign corporation in foreign trade.

The Secretary of Commerce has far too much arbitrary power. Without congressional approval the Secretary of Commerce can routinely provide almost unlimited loan guarantees, backed by the full faith and credit of the U.S. Government, for ships that will have no foreign trade connection with the United States.

And that is exactly what outgoing Secretary of Commerce Richardson did in his last week in office. He approved a $727 million loan guarantee for seven supertankers which will be operated by a foreign company and will carry liquified natural gas between Indonesia and Japan. If anything goes wrong in the building of these ships, the American taxpayer will have to foot the bill.

While the ships will be built in the United States, they will not be used to alleviate the energy crisis here or contribute to the solution of our foreign trade problems.

In other words, the American taxpayers will guarantee the success of a business arrangement which will profit a foreign corporation and will provide no trade benefits to the United States.

The authority to do this is contained in the Merchant Marine Act of 1936. Under its provisions the Secretary of Commerce can approve loan guarantees totaling $7 billion without congressional consent. The law is written so tightly that the Secretary of Commerce, by assertion alone, can make the loan guarantees incontestable.

That is an awesome power that can easily be abused.

Therefore, today I am introducing legislation to require that Congress be notified of any pending loan guarantee or commitment under the Merchant Marine Act. After notification Congress would have a 60-day period during which either House of Congress could pass a resolution of disapproval and kill the proposed guarantee.

This legislation is similar to the "anti-bailout" restrictions passed by Congress in 1973, which closed loopholes in Department of Defense, Selective Service, and Advance Payments provisions of the U.S. Code.

Due to the way the current law is written, the new legislation will only apply to further guarantees.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 799

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1103(a) of the Merchant Marine Act, 1936 (46 U.S.C. 1273(a)), is amended to read as follows:

"(a)(1) The Secretary of Commerce is authorized, subject to the provisions of paragraph (2), upon application by a citizen of the United States, to guarantee, and to enter into commitments to guarantee, the payment of the interest on, and the unpaid balance of the principal of, any obligation which is eligible to be guaranteed under this Act.

"(2) No guarantee or commitment to guarantee the payment of interest or principal authorized to be made under paragraph (1) may be made by the Secretary of Commerce in any amount in excess of $25,000,000 unless the Secretary first notifies the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives in writing of the proposed guarantee or commitment to guarantee and 60 days of continuous session of Congress have expired following the date on which such notice was transmitted to such committee and neither House of Congress has adopted, within such 60-day period, a resolution disapproving such proposed guarantee or commitment to guarantee. For the purposes of this section, the continuity of

a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of such 60-day period.".

SEC. 2. The amendment made by the first section of this Act shall not apply to any guarantee or commitment to guarantee made prior to the date of enactment of this Act.

By Mr. HART (for himself, Mr. ABOUREZK, Mr. BROOKE, Mr. BUMPERS, Mr. CASE, Mr. HEINZ, Mr. HUMPHREY, Mr. LEAHY, and Mr. NELSON):

S. 800. A bill to promote the use of energy conservation, solar energy, and total energy systems in Federal buildings; to the Committee on Environment and Public Works.

CONSERVATION AND SOLAR ENERGY—FEDERAL BUILDINGS ACT OF 1977

Mr. HART. Mr. President, I am pleased to be among a group of Senators and Congressmen who are introducing this week a package of legislative proposals designed to bring solar energy and energy conservation technology out of its infancy and into our economy as a competitive alternative to our dependency on conventional fuel supplies. In this comprehensive package we have proposed a wide range of Federal subsidies and incentives to homeowners, farmers, small businessmen, and others who wish to take advantage of cleaner, cheaper, and more efficient energy systems.

As part of this joint House/Senate effort, I am introducing a bill to require that Federal buildings be equipped with the most energy-efficient technology available. This legislation, which is being introduced in the House by my colleague, Mr. OTTINGER, is similar to a bill we introduced in the 94th Congress, particularly with regard to its emphasis on the utilization of solar energy technology in both existing and new buildings owned and used by the Federal Government.

Mr. President, although this country has achieved some of the most impressive architectural and structural engineering feats ever witnessed in the technology of construction, little attention has been paid to energy waste. Now that our energy resources have become both scarce and expensive, it is imperative that we redirect our methods of construction to energy-saving architectural design and utilization of alternative energy systems within our buildings.

The legislation I am introducing today insures that Federal building policy corrects the excesses of the past by demanding more efficient use of energy in those buildings owned and operated by the Federal Government. It directs the FEA, with the assistance of the OMB, ERDA, NBS, and HUD, to establish life-cycle cost methodology for the construction or procurement of new Federal buildings, and for the retrofitting of existing buildings with energy-efficient systems. In order to carry out this provision, each Federal agency is required to conduct an energy audit of each building under its jurisdiction to assess the potential for improving the energy efficiency of each. The bill provides for an orderly process of installing new energy-saving equipment, to be carefully monitored by Congress. The design and construction of all new buildings, on the other hand, must also employ life-cycle cost energy evaluations.

The principal benefits I envision in this proposal are two. First, it would enable the Federal Government to effectively reduce long-term costs of owning and operating its 400,000-plus buildings which total 2.5 billion square feet of space to be heated, cooled, and lighted. Second, and more importantly, a Government project of this size could provide the needed impetus to foster, in a very few years, a viable market for solar energy equipment and other energy-conserving technologies.

Use of solar energy systems and conservation measures in Government buildings would contribute significantly to national energy conservation. It is estimated that under an accelerated solar energy program of Government and industry action, oil savings of up to 1 million barrels per day would be obtained by 1985–90. In a recent FEA study, it is estimated that through the use of combined solar space and water heating systems in 15,000 Government buildings throughout the country, we could save 51,000 barrels of oil per day within 5 years. It is obvious from this estimate of the benefits of such a limited program that if the provisions of this legislation were to be implemented, our energy savings would be considerable indeed.

Apart from the direct benefits of encouraging expanded solar energy commercialization, demonstrable Government utilization of solar energy systems and energy-saving architectural design would provide a constant testimony to people throughout the country of the alternatives to polluting nonrenewable and costly conventional fuels. Take, for instance, the opportunity offered by buildings operated by the U.S. Postal Service which are included in this legislation. The 36,000 buildings owned and operated by the Postal Service throughout our country offer a particularly wide exposure for solar heating and cooling equipment and energy conservation design to not only the public but to contracted engineers and architects who could familiarize themselves with conservation and solar technology techniques.

The encouragement of the use of solar equipment on these facilities would thereby substantially stimulate public awareness of this alternative energy source. I am particularly proud to say that a representative post office building located in Boulder, Colo., is planning for solar equipment retrofit this year with the possible duplication by the Postal Service on an additional 750 buildings.

However, Government commitment on the scale provided by this legislation is the least that is necessary to insure the successful development of alternative energy sources as part of the solution to our energy problems. In sum, this legislation requires the Government to put in money where its rhetoric is.

The entire infrastructure of the solar energy industry will be affected by such a project. All segments of this industry from the developer to the consumer will benefit from this type of commitment on the part of the Federal Government. Installation procedures, maintenance techniques, architectural design, and construction methods will ultimately be enhanced by the large-scale procurement of the building project. Not only will citizens familiarize themselves with solar heating and cooling equipment but the operation and installation of this equipment will help educate those technical services involved at this level throughout the country.

Interestingly enough, conservation assessments and solar energy feasibility evaluations are now being made selectively in some agencies. The U.S. Postal Service stated in a recently published report that the application of solar heating to buildings is a practical alternative to reduce total energy requirements on the order of 40 percent. Already there are solar heated and cooled buildings operating at 90 percent energy efficiency over traditional construction and design methods which utilize conventional energy systems. This means that for a building of compartive size and function only 10 percent normal energy requirements are needed for heating, ventilation, and air conditioning.

The General Services Administration on a limited basis makes an assessment of the economic and technical feasibility of using conservation and solar technology in their operations and as a result have completed two buildings using solar energy: The Federal building in Manchester, N.H., and one of the buildings of the Denver Federal Center in my home State of Colorado. Nine additional GSA projects using solar energy are in various stages of development.

It is important to stress the adjustments to the total costs when evaluated in light of the life-cycle basis, for herein lies the key to promoting the competitive benefits of solar equipment and energy conservation design. Life-cycle costs are assessed to incorporate the total costs and benefits of the use of solar energy systems and conservation measures versus the use of conventional heating and cooling systems in a building over its entire economic life. This assessment necessitates the inclusion of such variables as rising energy costs: the integration of energy-related factors into the structural design: and future inflation rates and maintenance costs. Obviously initial capital costs will be at a higher level but the adjustment affected by the life-cycle assessment will spread these costs competitively over a longer period.

Congress, in the 93d Congress, provided impetus to the research, development and demonstration of solar heating and cooling projects. Under the National Plan for Solar Heating and Cooling, authorized under Public Law 93–409, solar heated homes have been and are being built throughout the Nation and I note with pride the substantial enthusiasm for solar energy in my own State. Solar water heaters have been in use for many years in countries like Japan, Israel, and Australia. Thus, there is no apparent reason why a legis-

lative program such as this will fail to have a significant impact on the commercialization of this much-needed energy alternative. Indeed there are many indications which suggest the positive impact to be gained from a Federal policy which will successfully promote the accelerated utilization of these technologies.

An FEA working paper on the subject of the use of solar energy systems in Government buildings states that energy savings from Federal buildings alone would be upward to 20,000 barrels a day by 1980. However, as Frank Zarb stated 2 years ago, the real significance of a Federal buildings project would be the "stimulative effect the program will have on the solar manufacturing industry." The working paper succinctly indicates the significant contribution that Federal buildings can offer in terms of establishing a strong early market for solar heating and cooling systems: "First, the market can be controlled to limit exposure to untried systems which might otherwise 'turn off' the public sector market. Second, the 'cost of money' for a Federal building (an extremely important factor in life-cycle costing) is probably the lowest of any market. Third, the market is large enough to stimulate the interest of the appropriate industries. Fourth, an informed maintenance capability is available. Fifth, there is better opportunity for performing an operations analysis." These benefits can be realized through implementation of the program developed in this legislation.

Without detracting from the strength of the objectives of this bill, I must state that it is unfortunate that the purview of this program is limited only to those buildings controlled and used by the Federal Government. The persuasive arguments made for adapting these buildings to energy efficient technology should be no less applicable to potentially every building under the sun. I would like to see a program of this sort extended to all federally assisted buildings, and also to buildings under the control of regional, State, and local units of government, as well. Ultimately, I hope that the advantages realized through this project will spur the private sector to follow the Government's lead.

It is my general concern that we, as a Nation, reorder our conventional perceptions of energy use, as exemplified by the gluttonous energy demands of our buildings, by taking into account the resource limitations we now face. The legislative package which my colleagues and I have proposed here, together with other bills which I and others have introduced to expand the development and use of solar and other energy-efficient technologies, would do great service to this Nation's energy needs. Again, I am greatly pleased to be part of this unified effort, and I urge my Senate colleagues to give careful consideration to supporting some, if not all, of the proposals we have offered.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 800

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Conservation and Solar Energy—Federal Buildings Act of 1977."

FINDINGS

SEC. 1. The Congress finds that—

(1) there is an urgent need to promote the design, construction, and operation of buildings to conserve and make more efficient use of fuels and energy;

(2) a shift from dependence on non-renewable to renewable energy sources would have a beneficial effect on the Nation's overall energy supply;

(3) programs for energy conservation in buildings, along with the use of renewable energy sources, would stimulate industries and create new job opportunities for supplying and servicing new or improved energy—conserving and energy-supplying systems and equipment;

(4) in the construction or renovation of buildings, the cost of energy consumed over the life of such buildings must be considered as well as the initial cost of such construction or renovation; and

(5) the Federal Government, being the largest energy consumer in the United States, should be in the forefront in implementing energy conservation measures along with the use of renewable energy sources.

POLICY

SEC. 2. It is the policy of the United States that the Federal Government has the opportunity and responsibility, with the participation of industry, to further develop, demonstrate, and promote the use of energy conservation, solar heating and cooling, and total energy systems in Federal buildings.

PURPOSE

SEC. 3. It is therefore the purpose of this Act to promote the use of commonly accepted methods to establish and compare the life cycle costs of operating residential, commercial, and industrial buildings, and the life cycle fuel and energy requirements of such buildings, with and without special features for energy conservation, the use of solar heating and cooling, and the use of total energy systems.

DEFINITIONS

SEC. 4. For purposes of this Act—

(1) the term "Administrator" means the Administrator of the Federal Energy Administration;

(2) the term "life cycle cost" means the total costs of owning, operating, and maintaining a building over its economic life, determined on the basis of a systematic evaluation and comparison of alternative building systems and including considerations of projected inflation and discount rates; and a building is "life cycle cost effective" if it embodies the alternative building design or system (or both) which minimizes the building's total life cycle cost;

(3) the term "energy audit" means a determination of the per square foot energy demand, either actual or calculated, of existing buildings, and of the physical characteristics of such buildings including but not limited to their age, use, construction, and retrofit potential;

(4) the term "Federal building" means any building, structure, or facility, or part thereof, which is constructed, renovated, or leased specifically for use by the United States or by an agency or agencies thereof; and

(5) the term "existing Federal building" means any Federal building for the construction, renovation, or leasing of which funds have been appropriated or otherwise actually made available prior to the date of the enactment of this Act, and the term "new Federal building" means any other Federal building; except that a building shall be considered a "new Federal building" even though funds for its construction, renovation, or leasing have been made available prior to that date if (A) its construction, renovation, or leasing has not been completed prior to that date, and (B) the Administrator determines that the plans for such construction, renovation, or leasing can still feasibly be modified to take into account the provisions of this Act relating to new Federal buildings.

ESTABLISHMENT AND USE OF LIFE CYCLE COST METHODS

SEC. 5. (a) The Administrator, in consultation which the Director of the Office of Management and Budget, the National Bureau of Standards, the Administrator of the Energy Research and Development Administration, and the Secretary of Housing and Urban Development, shall establish a practical and effective method of estimating and comparing life cycle capital and operating costs for residential, commercial, and industrial buildings, including the life cycle fuel and energy requirements for such buildings.

(b) All new Federal Buildings shall be life cycle cost effective as determined in accordance with the methods established under subsection (a). In the procurement of new Federal buildings, awards shall be made on the basis of life cycle cost rather than first cost and the bidder shall demonstrate that he has considered the use of solar heating and cooling.

(c) In addition, the Administrator shall take such actions as may be necessary or appropriate to promote to the maximum extent possible the use and acceptance of such methods in the construction and renovation of non-Federal public buildings and in the construction and renovation of other buildings, structures, and facilities in all segments of the economy.

ENERGY PERFORMANCE TARGETS FOR EXISTING BUILDINGS

SEC. 6. In addition to establishing methods for estimating and comparing life cycle costs under section 5, the Administrator, in consultation with the Administrator of the Energy Research and Development Administration, the Secretary of Housing and Urban Development, and the Director of the Office of Management and Budget, shall establish energy performance targets for existing buildings, structures, and facilities, and shall take such actions as may be necessary or appropriate to promote to the maximum extent feasible compliance with such targets by all existing Federal buildings within the United States. The performance targets established under the preceding sentence shall be compatible with any new building performance standards adopted or developed by the Secretary of Housing and Urban Development.

ENERGY AUDITS AND RETROFITTING OF EXISTING FEDERAL BUILDINGS

SEC. 7. (a) As soon as possible after the date of the enactment of this Act, each Federal agency shall conduct an energy audit of all existing Federal buildings under its jurisdiction, occupancy, or control which contain 30,000 or more square feet, and shall furnish the results of such audit to the Administrator. The Administrator shall submit to the Congress a preliminary report of the energy audits conducted under the preceding sentence within six months after the date of the enactment of this Act, and a final report on such audits within two years after such date.

(b) (1) Each Federal agency shall, in accordance with this subsection, select from the energy audit of existing Federal buildings under its jurisdiction, occupancy, or control appropriate buildings for retrofit measures to improve their energy efficiency in general and their life cycle cost effectiveness in particular. Such measures shall include, without being limited to, energy conservation measures and measures involving solar technology.

(2) At least one percent of the total gross square footage contained in all existing Federal buildings under the jurisdiction, occupancy, or control of any Federal agency shall be retrofitted by such agency under paragraph (1) during the first year after the date of the enactment of this Act; at least an additional two percent of such total gross square footage shall be so retrofitted during the second year after such date; and an additional percentage of such total gross square footage equal to at least one percentage point higher than the percentage applicable under this paragraph in the preceding year shall be so retrofitted during each year after the second such year, with a view to achieving full compliance with paragraph (3) by the time specified therein.

(3) By no later than January 1, 1990, all existing Federal buildings which are under the jurisdiction, occupancy, or control of any Federal agency shall have been the subject of such retrofit measures under paragraph (1) as will assure their maximum possible life cycle cost effectiveness.

ENERGY PREFERENCE FOR LEASED BUILDINGS

SEC. 8. Each Federal agency, in leasing buildings for its own use or the use of any other Federal Agency, shall give an appropriate preference to buildings having a high degree of life cycle cost effectiveness.

BUDGET TREATMENT OF ENERGY ITEMS BY FEDERAL AGENCIES

SEC. 9. Each Federal Agency, in the preparation and submission of its budget requests for any fiscal year, shall specifically set forth (and identify in a separate line item or items) the funds being requested for retrofit measures to be undertaken in accordance with section 7(b), and the portion of any other funds being requested which represents the initial costs of construction or renovation attributable to capital equipment for energy conservation or for the utilization of solar energy.

FEDERAL SUPPLY SERVICE

SEC. 10. In order to facilitate the purchase by other Federal agencies of equipment for energy conservation and for the utilization of solar energy and total energy systems, the Administrator of the General Services Administration shall at all times include such equipment in the Federal Supply Service.

REPORTS

SEC. 11. Each Federal agency shall periodically furnish the Administrator with full and complete information on its activities under this Act, and the Administrator shall annually submit to the Congress a comprehensive report on all activities under this Act and on the progress being made toward achievement of the objectives of this Act.

TRANSFER OF FUNCTIONS

SEC. 12. Within sixty days after the effective date of any law creating a Federal Department of Energy or its equivalent (or within sixty days after the enactment of this Act if the effective date of such law occurs prior to the enactment of this Act), the functions vested in the Administrator of the Federal Energy Administration under this Act and any funds which may have been appropriated pursuant to section 13 of this Act, to the extent necessary or appropriate, may, in accordance with regulations prescribed by the Office of Management and Budget, be transferred to and vested in such Department.

AUTHORIZATION OF APPROPRIATIONS

SEC. 13. There are authorized to be appropriated to the Administrator such sums, not exceeding $ in the aggregate, as may be necessary to enable him to perform the functions vested in him under this Act; and there are also authorized to be appropriated any amounts otherwise required to carry out this Act.

By Mr. TOWER (for himself, Mr. PELL, Mr. STONE, and Mr. ZORINSKY):

S. 802. A bill to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1976 to provide that States will be assured of receiving grants at a level equal to that which was received prior to the date of enactment of such amendments; to the Committee on Human Resources.

Mr. TOWER. Mr. President, on February 1, 1977, the Federal Register published the new formula designed by the National Institute on Alcohol Abuse and Alcoholism to determine allotments for each State for alcohol abuse and alcoholism prevention, treatment, and rehabilitation programs. The new formula was mandated by Public Law 94-371. It was deemed necessary by the Senate Labor and Public Welfare Committee because the earlier formula did not make adequate allowance for the incidence and prevalence of alcohol abuse in each State.

On the surface, the requirement for a revised formula seems entirely reasonable. However, assuming a fiscal year 1977 appropriation equal to that for fiscal year 1976—$55.5 million—implementation of a revised formula will mean a reduction in the allotment to many rural States and an increase to a few more populous States with generally higher per capita income.

As published in the Federal Register and assuming a $55.5 million appropriation, the revised formula will result in the following funding reductions:

Alabama	$19,429.68
Arkansas	33,782.95
Colorado	4,709.06
Florida	127,179.27
Georgia	44,577.34
Idaho	16,180.13
Indiana	37,986.42
Iowa	101,443.41
Kansas	58,439.69
Kentucky	50,674.54
Maine	20,595.67
Maryland	21,322.83
Massachusetts	26,167.27
Minnesota	117,117.57
Mississippi	87.29
Missouri	100,501.75
Nebraska	46,011.60
New Hampshire	4,529.72
New Mexico	11,066.68
North Carolina	60,928.50
Ohio	28,165.25
Oklahoma	42,739.40
Pennsylvania	16,530.10
Rhode Island	8,342.49
South Carolina	46,721.79
Tennessee	32,140.49
Texas	49,313.17
Utah	14,775.56
Virginia	48,880.17
West Virginia	69,299.84
Wisconsin	59,041.60

Although the new formula may conform more closely to the original requirement of the act that funds be allotted to the States "on the basis of the relative population, financial need, and need for more effective prevention, treatment, and rehabilitation of alcohol abuse and alcoholism," the effect will be to disrupt the services already established in the rural States. Through no fault of their own, many of them will have to close down halfway houses in rural areas where alcoholism is a chronic problem.

Of course, actual allotments for fiscal year 1977 will depend on the actual appropriation for alcohol formula grants. In view of the likelihood that the appropriation will not avoid a fund reduction in many States, I am introducing a bill containing a "hold harmless" clause which will simply insure that, no matter what the 1977 appropriation, each State will at least receive the level of its 1976 allotment. It is the fair thing to do until higher appropriations have phased in the new formula without hardship to anyone.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 802

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 10(b) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1976 is amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding the provisions of the amendments made by paragraph (1), no State shall receive an amount under section 409 of the Drug Abuse Office and Treatment Act of 1972 which is less than it received in the fiscal year preceding the effective date of the amendments made by paragraph (1).".

By Mr. HELMS:

S. 803. A bill to amend the Internal Revenue Code of 1954 to provide that certain liens for taxes shall not be valid unless actually entered and recorded in the office in which the lien is filed; to the Committee on Finance.

Mr. HELMS. Mr. President, I am today introducing a fair play bill which, I believe, all reasonable citizens can support. We all know that the greatest investment of the average citizen is in his home. Nothing, therefore, is more important to this citizen than that title to his home be secure, so that his major life investment will not turn into a nightmare of adverse claims, lawyer's fees, and lengthy court proceedings.

In order to avoid title disputes, almost all purchasers are prudent enough to employ an attorney or title company to conduct a title search. The searcher, when so employed, goes over to the county courthouse and searches the "chain of title." One of the most important parts of his title search is a check for liens against the property, such as mortgages, judgments, and tax liens. All States have recordation statutes, which require any such liens to be recorded in alphabetical indexes in the courthouse. If such a lien is not so recorded, the purchaser can acquire the property free and clear of such lien even if the lien exists at the time of his purchase, provided, in most States, that the purchaser has no actual awareness of the existence of the lien.

The end result is that the searcher is able to certify that the title is free and clear from all defects and liens, or, as an alternative, he can point out the liens and defects, so that they can either be removed prior to purchase, or, if not

removable, the purchaser can at least know what he is buying. When the searcher has made this determination, he or his firm issues a title certificate which certifies that the title is free and clear, or, if not, specifically how it is encumbered. Presumably, the purchaser can rest at peace in full knowledge of precisely what he owns.

Unfortunately, however, the Internal Revenue Service, with the cooperation of at least one Federal district court, has supplied some reason for the purchaser still to toss and turn. In a recent case, *Adams* v. *United States*, 420 F. Supp. 27 (S.D.N.Y. 1976), the court held that property could be held subject to an unrecorded tax lien as long as the IRS made a bona fide attempt to file such a lien. In other words, if the IRS sent a tax lien notice to the county clerk, and the county clerk negligently failed to record such lien, the property is subject to the lien notwithstanding the fact that it had not been recorded. After noting that the "creation, form, and priority of Federal tax liens are matters to be determined by Federal law," the court summarized its findings as follows:

> Plaintiffs contend that recordation, here, in the Index, not mere presentation to and receipt by the County Clerk, is necessary to create a valid tax lien, and that § 6323 was intended to abrogate the pre-existing doctrine . . . that the United States' interest in property by virtue of an unrecorded or "secret" tax lien was superior to a subsequent purchaser's interest. . . .
>
> While there is some merit to plaintiffs' contention, the plain wording of the Code, § 6323, cannot be ignored; *Congress used the term "filed" and not "recorded"*. (420 F. Supp. at 30). (Emphasis added).

In an apparent attempt to minimize problems resulting from the Adams decision, Congress enacted section 2008(c) of the Tax Reform Act of 1976, which effectively supersedes the Adams case by imposing a dual recording requirement on the Treasury. Under this statute, a Federal tax lien must be:

First, "filed," not recorded, in the office within the State—or the county, or other governmental subdivision—as designated by the laws of such State; and

Second, indexed in the district office of the Internal Revenue Service for the district in which the real property is situated.

If both these requirements are not complied with, the Federal tax lien will not be valid, as against a purchaser, holder of a security interest, or lien creditor.

Unfortunately, this attempt to correct the potential inequities of the Adams doctrine has not accomplished its purpose. While the IRS has been given the additional burden of filing their liens in their own district office, presumably open for public inspection, the IRS is only required to make a bona fide attempt at filing the lien in the county office; actual recordation is still not necessary for the lien to be valid.

Of course, a title searcher, by checking the lien file in the IRS district office, could ascertain with certainty whether the property in question is subject to a tax lien, but as a practical matter, this would be unduly burdensome to the searcher.

In North Carolina, for instance, the only IRS district office is in Greensboro. Searchers cannot be expected to travel to Greensboro from all over North Carolina to check out a tax lien in the IRS district office. Searchers, even if they were willing to do so, cannot make such a trip without enormous expense to their client, and since most people would be unwilling to pay such fees, a prudent attorney will end up excepting Federal tax liens from his title certification, at least to the extent that they are not recorded in the county courthouse.

Therefore, it can be seen that the tax reform bill of 1976 did nothing to alleviate the injustice of the Adams case. We are still faced with a situation where innocent purchasers can acquire property against which no liens are recorded, and then subsequently be required to pay someone's taxes or lose their home.

The bill I am introducing today takes care of this problem. Simply, it provides that "the notice of lien * * * shall not be treated as meeting the filing requirements * * * unless * * * the fact of filing is entered and recorded in a public index at the office where the notice is required to be filed (under state law)." This, for once and for all, will give the purchaser the protection to which he is entitled.

Of course, this situation would arise only through the negligence of a clerk or other recording official. Presumably, most clerks are conscientious and competent and will make few mistakes. However, should mistakes occur, this bill shifts the burden of bringing an action for negligence against the clerk—or, more accurately, his bonding or insurance company—from the purchaser to the Internal Revenue Service. Surely, the IRS, with its attorneys and other facilities, is better equipped to prosecute an action or make a settlement than is an individual purchaser who may be unacquainted with business matters or legal precepts, and who, in any case, is not prepared to pay large attorney fees.

To the extent that the IRS is unable to obtain monetary satisfaction from the negligent public official who failed to properly record the lien, it would seem far more equitable and just that the Treasury suffer this burden than a single individual or family who might see all their dreams and life's work vanish overnight. In any case, these occurrences would be very rare, and the revenue impact negligible.

Mr. President, this simple change in the law would cause little distress to the IRS or to the Federal Treasury. But it would provide the purchaser—the consumer—protection from great financial and emotional distress.

This, in my view, is real consumer legislation—simple, direct, fair, reasonable, and free from philosophical and partisan disputes. This legislation is mainly commonsense; it is these small things when added together that constitute a government that believes in elementary fair play. It is also important that this legislation can be implemented at negligible cost to the taxpayers, and without creating a new layer of Federal bureaucracy. I am hopeful all Members of the Senate will join me in pressing for its timely enactment.

By Mr. DURKIN:

S. 804. A bill to authorize and direct the President to obtain independent determinations of the domestic crude oil and natural gas resources of the United States, and for other purposes; to the Committee on Energy and Natural Resources.

CRUDE OIL AND NATURAL GAS INFORMATION ACT OF 1977

Mr. DURKIN. Mr. President, every one of us in this Chamber should be ashamed that we are unable to tell the hundreds of thousands of workers unemployed by the recent natural gas emergency and the thousands of businessmen forced to limit their operations whether they suffered because of legitimate shortfalls or because of industry-manipulated shortages designed to boost prices and bring windfall profits.

We should be ashamed that no one—not the Department of Interior, not the Federal Power Commission, not the Federal Energy Administration, not the Congress, and not the President—now has specific statutory authority to determine the true extent of our naural energy reserves.

We should be ashamed that the Federal Government has sat on its hands for years while being spoon fed self-serving information by the giant oil and gas companies. For years now we have swallowed their figures indicating shortages and the need for higher prices without being able to verify them.

We should be ashamed that we will shortly face the task of shaping a national energy policy and making far-reaching decisions such as deregulation of natural gas without knowing precisely the true extent of our natural energy reserves and without authorizing and requiring that this information be provided.

We should be ashamed that we have only now learned that for 3 years fields in the Gulf of Mexico have been producing at half their expected rate.

Mr. President, we sit here today like mapmakers of centuries ago, attempting to chart unseen lands by relying on secondhand information. Are we running out of natural gas and crude oil, and if so, when will these precious resources be depleted? Or are ample supplies being hoarded by the giant oil and gas companies in hopes of reaping greater profits? How much time is left before we are faced with a crisis that threatens the national economy or our basic military strength? These are questions of vital importance to our national security and economic well-being, yet the Federal Government does not even have the legal tools necessary to get the answers.

For example, the disclosures of possible withholding in anticipation of higher prices in the Gulf of Mexico have prompted an Interior Department investigation, but even if that investigation is entirely successful it will barely begin to tell us what we need to know about the extent of our natural gas reserves.

The Department of Interior only has authority to enter Federal gas-producing lands, which in recent years have accounted for only about half of the gas in the interstate market and virtually none in the intrastate market. The gas fields to be investigated in the Gulf of Mexico produced only 17 percent of American gas last year.

The power of the Federal Power Commission is little better. The FPC only has authority over gas in the interstate market and not the intrastate market as well. Also, the FPC has no specific authority to go on private land to conduct their own tests to verify industry data. The FPC relies on information provided by the gas industry and the industry has every incentive to provide self-serving data which indicates the need of higher prices.

The information shortage is more critical with intrastate gas. Not only is there no specific Federal authority to make on-site inspections on private lands to determine the extent of natural gas reserves, but the individual States have no verified statewide surveys of intrastate gas reserves, and the Federal Government agencies receive little information on gas consumption from the States.

Mr. President, for these reasons I am today introducing the Crude Oil and Natural Gas Information Act of 1977, which authorizes and directs the President to get this urgently needed information and to report it to Congress annually. In particular, it requires the President to make an independent determination of the MER—maximum efficient rate—and MPR—maximum production rate—in relation to the actual production from fields, reservoirs, and wells, commencing 12 months immediately prior to the date of enactment. It requires an independent estimate of total proved and probable natural gas and crude oil reserves by fields and reservoirs, and a determination of the utilization of both natural gas and crude oil in terms of end use markets. It also requires a study of the relationship of the information to the requirements of conservation, industry, commerce, and the national defense.

The President is authorized to delegate his authority to conduct this study to appropriate Federal agencies, but he alone is ultimately responsible for providing the information to Congress in a form that is readily usable. The act authorizes the use of subpenas by the President, or his authorized designee, to obtain the necessary information.

Mr. President, every previous effort by the Federal Government to obtain this type of information has been bogged down in lengthly litigation. The Federal Power Commission has attempted to obtain some of the same information that would be collected pursuant to the bill I introduce today, beginning in 1974, and still has not gotten to first base. There is simply not the luxury of time to allow technicalities to be used to continually deprive the Federal Government of this urgently needed information. Therefore, section 6 of the act provides that no court shall have jurisdiction to grant any injunctive relief to stay or defer action taken under this act.

My bill leaves to Presidential discretion the manner in which information is to be gathered. The President need not duplicate existing efforts, but may, if he chooses, rely in part upon work now being performed under other provisions of law, provided he assures the accuracy, independence, and credibility of the energy information he reports annually to Congress.

Mr. President, overlapping jurisdiction and inadequate authority have resulted in confusion and uncertainty at the Federal level. Not only are the second-hand figures received by Federal agencies not independently verified, but agencies sometimes withhold from other agencies what little information is available. The only thing that everyone agrees upon, from Secretary Andrus to FEA Administrator O'Leary, is that we simply do not have the information we need. My legislation would provide the authority and direction to gather this information. Without it, we cannot fashion a national energy policy and we cannot make decisions now before us which impact on future generations.

I ask unanimous consent that the text of the Crude Oil and Natural Gas Information Act of 1977 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 804

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Crude Oil and Natural Gas Information Act of 1977".

SEC. 2. (a) The Congress hereby finds that—

(1) There is a serious lack of adequate basic energy information available to Congress and the President with respect to crude oil and natural gas resources of the United States;

(2) There is currently an urgent need for such information;

(3) The existing collection of energy data and statistics by scores of federal agencies is uncoordinated, fosters duplication of reporting, is jurisdictionally limited in scope, and relies too heavily on unverified information from industry sources; and,

(4) Adequate, reliable and comprehensive information with respect to domestic crude oil and natural gas resources wherever located is essential to the national security of the United States.

(b) The purpose of this Act is to enable the President and Congress to gain a full and complete knowledge of the status of crude oil and natural gas supplies, reserves, and production available to meet current and future energy supply emergencies, and to gain accurate knowledge of the potential quantity of available domestic natural gas and crude oil resources, and to aid in establishing energy pricing and conservation policies.

SEC. 3. The President is authorized and directed to conduct a continuing investigation relative to the exploration, development, production, gathering, transportation and sale of all natural gas and crude oil produced or located in the United States or in any state, including, but not limited to, fields, reservoirs and reserves in the Outer Continental Shelf, and onshore and offshore lands, whether or not subject to the jurisdiction of the Federal Power Commission.

SEC. 4. The investigation conducted pursuant to this Act shall include, among other items:

(a) an independent determination of the MER (Maximum Efficient Rate) and MPR (Maximum Production Rate) in relation to the actual production from the fields, reservoirs, and wells in this study commencing with the twelve month period immediately prior to the date of enactment of this Act. The President shall direct that an independent estimate shall be made indicating whether production from these fields, reservoirs, and wells was less than the MER and MPR, and, if so, the reason for this difference;

(b) an independent estimate of total proved, probable, and possible natural gas and crude oil reserves by fields and reservoirs;

(c) a determination of the utilization of natural gas and crude oil in terms of end use markets so as to ascertain the consumption by different classes and types of end users; and,

(d) the relationship of any and all such information to the requirements of conservation, industry, commerce and the national defense.

SEC. 5. (a) In order to obtain information required by this Act, the President may—

(1) sign and issue subpoenas for the attendance and testimony of witnesses and the production of books, records, papers, and other documents;

(2) require any person, by general or special order, to submit answers in writing to interrogatories, requests for reports or for other information, and such answers shall be made within such reasonable period, and under oath or otherwise as the President may determine; and,

(3) secure, upon request, any information from any federal department or executive agency.

(b) The appropriate United States district court may, upon petition of the Attorney General at the request of the President, in the case of refusal to obey a subpoena or order of the President issued under this section, issue an order requiring compliance therewith, and any failure to obey an order of the court may be punished by the courts as contempt thereof.

SEC. 6. Prior to a final judgment, no court shall have jurisdiction to grant any injunctive relief to stay or defer the implementation of this Act, or action taken by the President under this Act.

SEC. 7. The President shall submit an initial report to Congress on the results of the continuing investigation required under this Act not later than six months after enactment of this Act, and shall submit subsequent reports annually thereafter.

SEC. 8. The President may delegate all or any portion of the authority granted to him under this Act to such executive agencies (within the meaning of 5 U.S.C. 105) or officers of the United States he determines appropriate, and may authorize such redelegation as may be appropriate. Except with respect to section 552 of title 5 of the United States Code, any officer or executive agency of the United States to which authority is delegated or redelegated under this Act shall be subject only to such procedural requirements respecting the exercise of such authority as the President would be subject to if such authority were not so delegated.

By Mr. MCINTYRE (for himself, Mr. LEAHY, Mr. HEINZ, Mr. ABOUREZK, Mr. KENNEDY, Mr. BROOKE, Mr. CASE, and Mr. HUMPHREY):

S. 805. A bill to provide for incentives for the commercial application of solar energy, energy conservation, and renewable resource equipment and devices

in homes, neighborhood and community structures, small businesses, and facilities owned or occupied by nonprofit organizations; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. McINTYRE (for himself, Mr. LEAHY, Mr. HEINZ, Mr. ABOUREZK, and Mr. CASE):

S. 806. A bill to amend the Internal Revenue Code of 1954 to provide income tax incentives for the conservation of energy used to heat or cool residences and commercial buildings, and for the utilization of renewable fuel energy sources; to the Committee on Finance.

By Mr. McINTYRE (for himself, Mr. LEAHY, Mr. HEINZ, Mr. ABOUREZK, Mr. KENNEDY, Mr. CASE, Mr. BROOKE, and Mr. HUMPHREY):

S. 807. A bill to amend the Small Business Act and the Federal Nonnuclear Energy Research and Development Act of 1974 to provide certain assistance to individuals and small business concerns in the areas of solar energy equipment and energy-related inventions; to the Committee on Energy and Natural Resources.

CONSERVATION AND SOLAR ENERGY

Mr. McINTYRE. Mr. President, I am pleased to announce that a bipartisan coalition of Senators and Congressmen has prepared an important package of energy conservation and solar energy legislation. The Senators and Congressmen in this group understand well, Mr. President, that the Nation's best interests regarding future energy supplies are not well served by making energy a partisan issue.

All of these bills will be introduced in the Senate today, and I am personally introducing three of them. I would also note that our energy package was introduced in the House of Representatives yesterday.

In all, 9 Senators and 15 Members of the House have assisted in preparing parts of this energy package.

Mr. President, I wish to take the opportunity to list those who are sponsors of all or some of the legislation in this package:

SENATE

Mr. Abourezk (South Dakota), Mr. Brooke (Massachusetts), Mr. Case (New Jersey), Mr. Hart (Colorado), Mr. Heinz (Pennsylvania), Mr. Humphrey (Minnesota), Mr. Kennedy (Massachusetts), Mr. Leahy (Vermont) and Mr. McIntyre (New Hampshire).

HOUSE

Mr. Ambro (New York), Mr. Baucus (Montana), Mr. Bedell (Iowa), Mr. Drinan (Massachusetts), Mr. Harrington (Massachusetts), Mr. Jeffords (Vermont), Mr. Long (Maryland), Mr. McKinney (Connecticut), Mr. Moakley (Massachusetts), Mr. Mottl (Ohio), Mr. Oberstar (Minnesota), Mr. Ottinger (New York), Mr. Pickle (Texas) and Mr. Richmond (New York).

I urge all my colleagues to cosponsor individual bills or all parts of this important energy legislative package and to join in the campaign for energy conservation and alternative energy. I wish to note for the record that cosponsorships of individual bills are welcome and are not to be considered as endorsements of other bills in the package. Some of my esteemed colleagues named above have endorsed the purposes of the package of bills as a whole but are not sponsors of some individual bills.

Mr. President, I ask unanimous consent to insert in the RECORD at this point the summaries of the bills in this energy legislative package. Prime sponsor is listed at the end of each summary.

There being no objection, the bills and the summaries were ordered to be printed in the RECORD, as follows:

S. 805

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Solar and Energy Conservation Commercialization Act".

FINDINGS, POLICY, AND PURPOSE

SEC. 2. (a) FINDINGS.—The Congress hereby finds and declares that—

(1) new alternative energy sources and rigorous energy conservation steps are necessary to stem America's increasing dependence on foreign energy supplies;

(2) solar and other renewable energy sources may provide substantial amounts of heating, cooling, and other energy needs when implemented in the residential, commercial, and industrial sectors;

(3) accelerated energy conservation efforts in homes, stores, and buildings will bring about fast, cost-efficient and environmentally sound methods of energy savings in the near future in the United States; and

(4) rapid development of renewable energy sources and energy conservation practices can be facilitated by Federal financial assistance in the form of grant programs and low interest loans.

(b) POLICY AND PURPOSE.—It is the policy and purpose of this Act—

(1) to foster and promote the commercialization and implementation of solar, energy conservation, and other renewable energy sources;

(2) to provide Federal financial assistance and commercialization incentives in the form of grant programs and low interest loans; and

(3) to speed the installation of new energy technology so as to reduce America's energy supply problems.

QUALIFIED SOLAR, RENEWABLE SOURCE, AND ENERGY CONSERVATION MEASURES AND EQUIPMENT

SEC. 3. (a) The last unnumbered paragraph of section 2(a) of the National Housing Act is amended by inserting before the period at the end of clause (3) a comma and the following: "and such term includes any renewable resource energy measure which the Administrator of the Federal Energy Administration has approved pursuant to section 365(e) of the Energy Policy and Conservation Act".

(b) Qualified measures and equipment under (a) of this section include but are not limited to—

(1) solar equipment:

(A) solar heating and cooling systems; and

(B) solar hot water systems.

(2) renewable source equipment:

(A) geothermal energy systems; and

(B) wind energy systems.

(3) energy conservation measures and equipment:

(A) insulation;

(B) heat pumps;

(C) devices or improvements to increase furnace efficiency; and

(D) clock thermostats.

FINANCIAL ASSISTANCE FOR HOMEOWNERS

SEC. 4. (a) In order to carry out the purposes of this Act, the Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") is authorized to make grants and loans to individuals and families to assist them in purchasing and installing qualified solar, renewable source, and energy conservation measures and equipment in residential structures.

(b) Section 2 of the National Housing Act is amended by adding at the end thereof the following:

"(i)(1) The Secretary is authorized, with respect to any commercial loan which is made to any individual whose gross income (when combined with that of such individual's spouse) does not exceed $30,000 per annum, to make grants for the purpose of encouraging the purchase and installation of qualified energy measures and equipment, in an amount not to exceed the lesser of $400 or 20 percent of the amount thereof, except that in the case of solar or renewable system loans, the maximum amount of the grant shall be the lesser of $1,500 or 25 percent of the amount of the loan. Such a grant shall be made to the borrower or to the commercial lender who shall, in accordance with such regulations as the Secretary may prescribe, apply the amount of the grant to reduce monthly payments required to amortize the loan.".

(c) Section 2(b) of such Act is amended by adding at the end thereof the following: "A loan made available by the Federal Government to finance the installation of a qualified energy system for a homeowner shall—

"(A) involve such amount not exceeding $4,000 as may be necessary to cover 75 percent of the costs of the purchase and installation of such system, except that in the case of solar or renewable system loans, the amount shall not exceed $10,000; and

"(B) have a maturity not exceeding 20 years.".

(d) Where grants are made available to individual and family homeowners under (b) of this section, Federal loans as provided for in (c) of this section are not available to those same individual and family homeowners, except where special circumstances exist as certified by the Secretary.

FINANCIAL ASSISTANCE FOR NEIGHBORHOOD, COMMUNITY, AND NONPROFIT PROJECTS

SEC. 5. (a) The Secretary is authorized to make grants and loans to neighborhood, community, and nonprofit groups to assist them in purchasing and installing qualified solar, renewable source, and energy conservation measures and equipment in residential or community structures. Where such neighborhood, community, or nonprofit installations may significantly improve the overall cost efficiency or energy efficiency of solar, renewable, or energy conservation equipment and measures, proposals for multistructure units shall be given preference over single structure proposals.

(b) Section 2 of the National Housing Act is amended by adding at the end thereof the following:

"(i)(1) The Secretary is authorized, with respect to any commercial loan which is made to neighborhood, community, and nonprofit groups, to make grants for the purpose of encouraging the purchase and installation of qualified energy measures and equipment, in an amount not to exceed the lesser of $1,600 or 20 per centum of the amount thereof, except that in the case of solar or renewable system loans, the maximum amount of the grant shall be the lesser of $6,000 or 25 per centum of the amount of the loan. Such a grant shall be made to the borrower or to the commercial lender who shall, in accordance with such regulations as the Secretary may prescribe, apply the amount of the grant to reduce monthly payments required to amortize the loan. However, grants may only be made to neighborhood groups (where individual homeowners will benefit) when the average gross income for each individual and his spouse

participating in the project does not exceed $30,000 per annum.".

(c) Section 2(b) of such Act is amended by adding at the end thereof the following: "A loan made available by the Federal Government to finance the installation of a qualified energy system for a neighborhood, community or nonprofit group shall—

"(A) involve such amount not exceeding $16,000 as may be necessary to cover 85 per centum of the costs of the purchase and installation of such system, except that in the case of solar or renewable system loans, the amount shall not exceed $40,000; and

"(B) have a maturity not exceeding 30 years.".

(d) Where grants are made available to neighborhood, community, or nonprofit groups under (b) of this section, Federal loans as provided for in (c) of this section are not available to those same groups, except where special circumstances exist as certified by the Secretary.

(e) For the purpose of this Section—

(1) a neighborhood group is defined as a number of individual or family homeowners assembled together for the purpose of purchasing and installing qualified energy systems which may jointly benefit the homes or structures of each; and

(2) a community group is defined as a number of individuals assembled together for the purpose of purchasing and installing qualified energy systems in structures belonging to a municipality, community association, or similar public organization.

FINANCIAL ASSISTANCE FOR SMALL BUSINESS

SEC. 6. (a) The Administrator of the Small Business Administration is authorized to make loans to small businesses to assist them in purchasing and installing qualified solar, renewable source, and energy conservation measures and equipment in structures owned or operated by small businesses.

(b) Section 7(a) of the Small Business Act is amended by inserting after the first sentence thereof the following new sentence: "Loans under this subsection may include loans to finance the purchase and installation of solar and renewable energy systems and energy conserving improvements, as such terms are defined in section 2 of the National Housing Act, except that the maximum amount of a loan to finance the acquisition of energy conservation measures may not exceed $25,000, and the maximum amount of the loan for solar and renewable energy systems may not exceed $50,000.".

INTEREST ON LOANS

SEC. 7. Loans made under this Act shall bear interest at a rate equal to the average market yield (computed as of the end of the calendar month preceding the month in which the loan is made) on all marketable interest-bearing obligations of the United States then forming a part of the public debt (with such average yield, if not a multiple of one-eighth of 1 per centum, being adjusted to the nearest such multiple), plus one-half of 1 per centum for administrative costs.

INTERAGENCY COOPERATION AND APPLICATION OF THE ACT

SEC. 8. (a) In carrying out their functions under this Act, the Secretary of Housing and Urban Development and the Administrator of the Small Business Administration shall cooperate and regularly consult with the Administrator of the Federal Energy Administration. Wherever possible, the purposes and provisions of this Act shall be coordinated with other ongoing Federal energy programs.

(b) The Secretary of Housing and Urban Development, the Administrator of the Small Business Administration, and the Administrator of the Federal Energy Administration shall consult with the Commission on Federal Paperwork in order to insure that administrative requirements and costs imposed on the Federal Government and on the beneficiaries of the programs carried out under this Act are minimized. Special care shall be exercised to reduce administrative delays and difficulties in applying for grants and loans made available under this Act.

ANNUAL REPORT

SEC. 9. Not later than March 1 of each year, the Secretary of Housing and Urban Development, the Administrator of the Small Business Administration, and the Administrator of the Federal Energy Administration shall jointly transmit to the President and the Congress a report on the activities carried out under this Act during the preceding fiscal year. Such report shall include—

(1) a summary of the actions taken to implement the provisions of this Act;

(2) a summary of existing or anticipated problems with respect to further implementation of the provisions of this Act;

(3) recommendations for additional legislation, if any, which is deemed necessary; and

(4) any other matters which the Secretary and the Administrators deem appropriate.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 10. There are authorized to be appropriated not to exceed $100,000,000 for the fiscal year ending September 30, 1978, and $200,000,000 for each fiscal year thereafter prior to the fiscal year ending September 30, 1981, except that not less than $35,000,000 of any amount so appropriated shall be available only for loans under the second sentence of section 7 of the Small Business Act.

S. 806

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Renewable Energy and Energy Conservation Tax Act of 1977".

SEC. 2. AMENDMENT OF INTERNAL REVENUE CODE OF 1954.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 3. INSULATION AND OTHER ENERGY-CONSERVING ALTERATION OF PRINCIPAL RESIDENCE.

(a) GENERAL RULE.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section:

"SEC. 44B. INSULATION AND OTHER ENERGY-CONSERVING ALTERATION OF PRINCIPAL RESIDENCE.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 30 percent of that portion of the qualified insulation and other energy-conserving component expenditures paid or incurred by the taxpayer during the taxable year with respect to his principal residence (within the meaning of section 1034) as does not exceed $750.

"(b) LIMITATIONS.—

"(1) REDUCTION BASED ON ADJUSTED GROSS INCOME.—The amount of the credit otherwise allowable by subsection (a) shall be reduced (but not below $150) by 2.3 percent of the amount by which the adjusted gross income of the taxpayer for the taxable year exceeds $10,000.

"(2) APPLICATION WITH OTHER CREDITS.—In determining the credits allowed under—

"(A) section 33 (relating to foreign tax credit),

"(B) section 37 (relating to credit for the elderly),

"(C) section 38 (relating to investment in certain depreciable property),

"(D) section 40 (relating to expenses of work incentive programs),

"(E) section 41 (relating to contributions to candidates for public office),

"(F) section 42 (relating to general tax credit),

"(G) section 44 (relating to purchase of new principal residence), and

"(H) section 44A (relating to expenses for household and dependent care services necessary for gainful employment).

the tax imposed by the chapter shall (before any other reductions except the reduction allowed under section 42) be reduced by the credit allowed by this section.

"(3) PRIOR EXPENDITURES TAKEN INTO ACCOUNT.—If the taxpayer made qualified insulation and other energy-conserving component expenditures with respect to any residence in any prior taxable year, then subsection (a) shall be applied with respect to such residence for the taxable year by reducing the $750 amount contained in such subsection by the amount of such prior expenditures allowed as a credit under this section for such prior taxable year.

"(4) VERIFICATION.—No credit shall be allowed under subsection (a) with respect to any qualified insulation and other energy-conserving component expenditure unless such expenditures are verified in such manner as the Secretary shall prescribe by regulations.

"(5) CERTAIN NEW EQUIPMENT.—No credit shall be allowed under subsection (a)—

"(A) for any amount paid or incurred for the installation of equipment designed to permit the use of fuels other than conventional home heating fuels, or

"(B) for that portion of any amounts paid or incurred in connection with the installation of an entirely new heating system which are properly attributable to elements of such system which are not energy conserving components.

"(6) STATE AND LOCAL GOVERNMENT REQUIREMENTS.—No credit shall be allowed under subsection (a) for any amount paid or incurred with respect to a principal residence located in a State—

"(A) which, as determined by the Secretary, does not enforce thermal efficiency standards and insulation requirements for new and renovated buildings in accordance with the requirements of section 362(c)(4) of the Energy Policy and Conservation Act of 1975, or

"(B) in which improvements in residences resulting from the installation of energy-conserving measures are taken into account for property tax assessment purposes.

"(7) NEW RESIDENCES.—For purposes of subsection (a), qualified insulation and other energy-conserving component expenditures paid or incurred in connection with a residence the construction of which commences after December 31, 1976, shall be taken into account only to the extent of the portions thereof properly attributable to the installation of insulation or other energy-conserving components which exceed the applicable requirements referred to in paragraph (6)(A).

"(8) SECTION DOES NOT APPLY TO PROPERTY ACQUIRED WITH FEDERAL FUNDS.—This section does not apply to any property acquired by the taxpayer with amounts received by the taxpayer from the United States (or any agency or instrumentality thereof), as a grant, loan, or loan guarantee.

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED INSULATION AND OTHER ENERGY-CONSERVING COMPONENT EXPENDITURES.—The term 'qualified insulation and other energy-conserving component expenditures' means any amount paid or in-

curred by an individual for insulation and other energy-conserving components (including amounts paid or incurred for the original installation of such insulation but not including amounts paid or incurred for insulation and other energy-conserving components in connection with any reconstruction of a dwelling unit) installed after December 31, 1976, and before January 1, 1982, in a dwelling unit located in the United States which is—

"(A) Used by the taxpayer as his principal residence (within the meaning of section 1034), and

"(B) in existence on January 1, 1977.

"(2) INSULATION.—The term 'insulation' means any insulation (including the insulation of furnaces or boilers not so equipped, and the ducts or steam and hot water piping extending therefrom), storm (or thermal) window or door, caulking, weatherstripping, insulating shutter, clock thermostat, solar screen, reduction of window area on the north side of the dwelling, waterflow restrictor for shower nozzles and faucets, or any other similar item—

"(A) which is specifically and primarily designed to reduce, when installed in or on a building the heat loss or gain of such building,

"(B) the original use of which commences with the taxpayer,

"(C) which has a useful life to the taxpayer of at least 3 years,

"(D) which meets the criteria and standards for energy conserving improvements prescribed by the Secretary of Housing and Urban Development under section 2 of the National Housing Act, or such similar criteria and standards as the Secretary may prescribe, and

"(E) which is determined by the Secretary to be capable of saving 3,000 British thermal units per square foot of residential space per year under ordinary circumstances.

"(3) OTHER ENERGY-CONSERVING COMPONENT.—The term 'other energy-conserving component' means any—

"(A) retention head burner or comparable new burner at a reduced firing rate or such firing rate as is necessary to achieve a reduction in the amount of fuel consumed as a result of increased combustion efficiency,

"(B) devices electronically or mechanically operated to provide prompt and effective ignition,

which meet such performance and safety standards, including having a useful life of at least three years, and which will materially increase efficiency of operation of the unit, thereby conserving fuel, as the Secretary may prescribe by regulations after consultation with the Administrator of the Federal Energy Administration and the Secretary of Housing and Urban Development, and the original use of which commences with the taxpayer.

"(4) HEATING SYSTEM.—The term 'heating system' means the entire assembly of items, fixtures, equipment, or materials which is designed, when installed in or on a building, to provide the heating for such building, to provide for the heating of the water used within such building, and to provide for the automatic operation and control of such hardware. Such term includes, but is not limited to, all necessary fittings and related installations which are a part of such assembly.

"(5) JOINT OCCUPANCY.—In the case of any dwelling unit which is jointly occupied and is used during any calendar year as a residence, by two or more individuals—

"(A) the amount of the credit allowable under subsection (a) (after applying subsection (b)(2)) with respect to any qualified insulation and other energy-conserving component expenditures paid or incurred during such calendar year by any of such individuals with respect to such dwelling unit shall be determined by treating all such individuals as one taxpayer whose taxable year is such calendar year; and

"(B) each of such individuals shall be allowed a credit under subsection (a) for the taxable year in which such calendar year ends (subject to the limitation of subsection (b)(1)) in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount paid or incurred by such individual during such calendar year for such expenditures bears to the aggregate of the amounts paid by all of such individuals during such calendar year for such expenditures.

"(6) TENANT STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who holds stock as a tenant stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual—

"(A) shall be treated as owning the dwelling unit which he is entitled to occupy as such stockholder; and

"(B) shall be treated as having paid his tenant stockholder's proportionate share (as defined in section 216(b)(3)) of any qualified insulation and other energy-conserving component expenditures paid or incurred by such corporation.

"(d) REDUCTION OF BASIS.—The basis of any property shall not be increased by the amount of any qualified insulation and other energy-conserving component expenditures made with respect to such property to the extent of the amount of any credit allowed under this section with respect to such expenditures.

"(e) CARRYOVER OF UNUSED CREDIT.—If the amount of the credit determined under subsection (a) for a taxable year (including amounts carried over to that year under this subsection) exceeds the liability for the taxpayer for tax under this chapter for the taxable year, the excess shall be carried over to each of the 3 taxable years succeeding that taxable year. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the 3 taxable years of the succeeding 2 taxable years to the extent that it may not be added for a prior taxable year to which it might be carried.

"(f) TERMINATION.—This section shall not apply to any amount paid or incurred after December 31, 1981, except in the case of amounts paid after such date pursuant to a binding contract entered into before January 1, 1982.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for such subpart A is amended by inserting immediately before the item relating to section 45 the following new item:

"Sec. 44B. Insulation and other energy-conserving alteration of principal residence.".

(2) Subsection (a) of section 1016 (relating to adjustments to basis) is amended by striking out the period at the end of paragraph (20) and inserting in lieu thereof a semicolon and by inserting after paragraph (20) the following new paragraph:

"(21) to the extent provided in section 44B(d), in the case of property with respect to which a credit has been allowed under section 44B.".

(3) Section 6096(b) (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44A" and inserting in lieu thereof "44A, and 44B".

SEC. 4. RESIDENTIAL SOLAR WIND AND GEOTHERMAL ENERGY EQUIPMENT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section:

SEC. 44C. RESIDENTIAL SOLAR WIND AND GEOTHERMAL ENERGY EQUIPMENT.

"(a) GENERAL RULE.—In the case of an individual there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to—

"(1) 40 percent of that portion of the sum of qualified solar energy equipment expenditures plus qualified wind energy equipment expenditures, geothermal energy equipment expenditures paid or incurred by the taxpayer during the taxable year with respect to any residence as does not exceed $1,500, plus

"(2) 25 percent of that portion of such sum paid or incurred by the taxpayer during the taxable year with respect to any residence as exceeds $1,500 but does not exceed $9,100.

For the purposes of this section, expenditures for qualified wood stove equipment, heat pump equipment, or for a qualified retention head burner or comparable new burner at a reduced firing rate or such firing rate as is necessary to achieve a reduction in the amount of fuel consumed as a result of increased combustion efficiency shall be treated as qualified solar energy equipment, wind energy equipment or geothermal energy equipment expenditures, but the amount '20 percent' shall be substituted for the amount '40 percent' in paragraph (1) and the amount '12.5 percent' shall be substituted for the amount '25 percent' in paragraph (2).

"(b) LIMITATIONS.—

"(1) REDUCTION BASED ON ADJUSTED GROSS INCOME.—The amount of the credit otherwise allowable by subsection (a) shall be reduced (but not below $500) by 9.52 percent of the amount by which the adjusted gross income of the taxpayer for the taxable year exceeds $1,500. For the purpose of applying this paragraph to amounts determined under the second sentence of subsection (a), the amount '4.76 percent' shall be substituted for the amount '9.52 percent'.

"(2) APPLICATION WITH OTHER CREDITS.—In determining the credits allowed under—

"(A) section 33 (relating to foreign tax credit),

"(B) section 37 (relating to credit for the elderly),

"(C) section 38 (relating to investment in certain depreciable property),

"(D) section 40 (relating to expenses of work incentive programs),

"(E) section 41 (relating to contributions to candidates for public office),

"(F) section 42 (relating to general tax),

"(G) section 44 (relating to purchase of new principal residence), and

"(H) section 44A (relating to expenses for household and dependent care services necessary for gainful employment),

the tax imposed by this chapter shall (before any other reductions except the reductions allowed under sections 42 and 44B) be reduced by the credit allowed by this section.

"(3) PRIOR EXPENDITURES TAKEN INTO ACCOUNT.—If the taxpayer made qualified solar energy, equipment, wind energy equipment, or geothermal energy equipment expenditures with respect to any residence in any prior taxable year which were taken into account in determining the amount of the credit allowable under subsection (a) to the taxpayer for such prior taxable year, then subsection (a) shall be applied with respect to such residence for the taxable year by reducing the dollar amounts contained in such subsection by the amount of any such prior expenditures. In applying the provisions of this paragraph, such prior expenditures shall be applied first to reduce the $1,500 amount contained in paragraph (1) of such subsection until that amount is reduced to zero, and additional prior expenditures, in excess of $1,500, shall be applied to reduce the $9,100 amount contained in paragraph (2) until it is reduced to $1,500.

"(4) SECTION NOT TO APPLY TO PROPERTY ACQUIRED WITH FEDERAL FUNDS.—This section does not apply to any property acquired by the taxpayer with amounts received by the taxpayer from the United States (or any agency or instrumentality thereof), as a grant, loan, or loan guarantee.

"(5) CERTAIN NEW EQUIPMENT.—No credit shall be allowed under subsection (a)—

"(A) for any amount paid or incurred for the installation of equipment designed to permit the use of fuels other than conventional home heating fuels, or

"(B) for that portion of any amounts paid or incurred in connection with the installation of an entirely new heating system which are properly attributable to elements of such system which are not energy conserving components, or

"(6) STATE AND LOCAL GOVERNMENT REQUIREMENTS.—No credit shall be allowed under subsection (a) for any amount paid or incurred with respect to a principal residence located in a State—

"(A) which, as determined by the Secretary, does not enforce thermal efficiency standards and insulation requirements for new and renovated buildings in accordance with the requirements of section 362(c)(4) of the Energy Policy and Conservation Act of 1975, or

"(B) in which improvements in residences resulting from the installation of energy-conserving measures are taken into account for property tax assessment purposes.

"(7) INSULATION OF WEATHERSTRIPPING REQUIREMENTS.—No credit shall be allowed under subsection (a) for any amount paid or incurred with respect to a principal residence unless it has ceiling insulation and weatherstripping which meets the requirements referred to in paragraph (5)(A).

"(8) NEW RESIDENCES.—For purposes of subsection (a), qualified expenditures paid or incurred in connection with a residence the construction of which commences after December 31, 1976, shall be taken into account only to the extent of the portions thereof properly attributable to the installation of equipment which exceeds the applicable requirements referred to in paragraph (5)(A).

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED SOLAR ENERGY EQUIPMENT EXPENDITURES.—The term 'qualified solar energy expenditures' means any amount paid or incurred by an individual for any installation which occurs after December 31, 1976, and before January 1, 1982, of solar energy equipment, in, one, or connected to any dwelling unit located in the United States.

"(2) QUALIFIED GEOTHERMAL ENERGY EQUIPMENT EXPENDITURES.—The term 'qualified geothermal energy equipment expenditures' means any amount paid or incurred by an individual for any installation which occurs after December 31, 1976, and before January 1, 1982, of geothermal energy equipment in, on, or connected to any dwelling unit located in the United States.

"(3) QUALIFIED HEAT PUMP EQUIPMENT EXPENDITURES.—The term 'qualified heat pump equipment expenditures' means any amount paid or incurred by an individual for any installation which occurs after December 31, 1976, and before January 1, 1982, of heat pump equipment in, on, or connected to any dwelling unit located in the United States, but only if such installation is in connection with the replacement of existing electric resistance space heating by qualified solar energy; wind energy or geothermal energy equipment which constitutes the principal source of space heat for such dwelling unit.

"(4) QUALIFIED RETENTION HEAD BURNER OR COMPARABLE NEW BURNER EXPENDITURES.—The term 'qualified retention head burner or comparable new burner expenditures' means any amount paid or incurred by an individual for any installation which occurs after December 31, 1976, and before January 1, 1982, of retention head burner equipment or comparable equipment in, on, or connected with any dwelling unit located in the United States, but only if such installation is in connection with the installation of qualified solar energy, wind energy or geothermal energy equipment which constitutes the principal source of space heat for such dwelling unit.

"(5) QUALIFIED WOOD STOVE EQUIPMENT EXPENDITURES.—The term 'qualified wood stove expenditures' means any amount paid or incurred by an individual for any installation which occurs after December 31, 1976, and before January 1, 1982, of wood stove equipment in, on, or connected with any dwelling unit in the United States except where wood stove equipment may be prohibited by the Administrator of the Environmental Protection Agency, but only if such wood stove equipment installation is in connection with the installation of qualified solar energy, wind energy or geothermal energy equipment which constitutes the principal source of space heat for such dwelling unit.

"(6) QUALIFIED WIND-RELATED ENERGY EQUIPMENT EXPENDITURES.—The term 'qualified wind-related energy equipment expenditures' means any amount paid or incurred by an individual for any installation which occurs after December 31, 1976, and before January 1, 1982, of wind-related energy equipment on or adjacent to any dwelling unit in the United States.

"(7) WIND-RELATED ENERGY EQUIPMENT.—The term 'wind-related energy equipment' means equipment—

"(A) which, when installed on, or adjacent to, and uses wind energy to generate electricity to heat or cool such building or to provide hot water for use within such building.

"(B) which meets such standards or criteria for performance as the Secretary of Housing and Urban Development shall prescribe.

"(C) the original use of which commences with the taxpayer; and

"(D) which has a useful life of at least 3 years.";

"(6) SOLAR ENERGY EQUIPMENT.—The term 'solar energy equipment' means equipment—

"(A) which, when installed in or on, or when connected to, a building—

"(i) uses solar energy to heat or cool such building or provide hot water for use within such building; and

"(ii) meets the latest technical standards prescribed by the Secretary of Housing and Urban Development under the Solar Heating and Cooling Demonstration Act of 1974;

"(B) the original use of which commences with the taxpayer; and

"(C) which has a useful life of at least 3 years.

"(7) GEOTHERMAL ENERGY EQUIPMENT.—The term 'geothermal energy equipment' means any machinery or equipment—

"(A) which is necessary to distribute or use geothermal steam and associate geothermal resources (as defined in section 2(c) of the Geothermal Steam Act of 1970 (30 U.S.C. 1001(c));

"(B) which, when installed in or on, or when connected to, a building uses geothermal energy to heat or cool such building or provide hot water for use within such building;

"(C) the original use of which commences with the taxpayer;

"(D) which has a useful life to the taxpayer of at least 3 years; and

"(E) which meets such standards and criteria for performance as the Secretary of Housing and Urban Development may prescribe.

"(8) HEAT PUMP EQUIPMENT.—The term 'heat pump equipment' means equipment—

"(A) which, when installed in or on, or when connected to, a building uses a compressible refrigerant system which is reversible to move heat into and out of a building by rejecting or absorbing heat from water, the ground, or the air.

"(B) the original use of which commences with the taxpayer; and

"(C) which has a useful life of at least 3 years.

"(9) RETENTION HEAD BURNER OR COMPARABLE NEW BURNER.—The term 'retention head burner or comparable new burner' means equipment—

"(A) which operates at a reduced firing rate or such firing rate as is necessary to achieve a reduction in the amount of fuel consumed as a result of increased combustion efficiency under such regulations as may be prescribed by the Federal Energy Administration.

"(B) the original use of which commences with the taxpayer; and

"(C) which has a useful life of at least 3 years.

"(10) WOOD STOVE EQUIPMENT.—The term 'wood stove equipment' means equipment—

"(A) equipment other than a fireplace of stone, brick, or other construction materials, and not a fixed part of the structure of a dwelling unit, and which uses as its primary fuel, wood which is readily available from nearby replenishable forests;

"(B) the original use of which commences with the taxpayer; and

"(C) which has a useful life of at least 3 years.

"(11) JOINT OWNERSHIP.—In the case of any building which is owned by two or more individuals—

"(A) the amount of the credit allowable under subsection (a) (after applying subsection (b)(2)) with respect to any qualified solar energy equipment expenditures and qualified geothermal energy equipment expenditures paid or incurred during such calendar year by any of such individuals with respect to such building shall be determined by treating all of such individuals as one taxpayer whose taxable year is such calendar year; and

"(B) each of such individuals shall be allowed a credit under subsection (a) for the taxable year in which such calendar year ends (subject to the limitation of subsection (b)(1)) in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount paid or incurred by such individual during such calendar year for such expenditures bears to the aggregate of the amounts paid or incurred by all of such individuals during such calendar year for such expenditures.

"(10) TENANT STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who holds stock as a tenant stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual—

"(A) shall be treated as owning the dwelling unit which he is entitled to occupy as such stockholder; and

"(B) shall be treated as having paid his tenant stockholder's proportionate share (as defined in section 216(b)(3)) of any qualified solar energy equipment expenditures and qualified geothermal energy equipment expenditures paid or incurred by such corporation.

"(d) REDUCTION OF BASIS.—The basis of any property shall not be increased by the amount of any qualified solar energy equipment expenditures and qualified geothermal energy equipment expenditures made with respect to such property to the extent of the amount of any credit allowed under this section with respect to such expenditures.

"(e) CARRYOVER OF UNUSED CREDIT.—If the amount of the credit determined under subsection (a) for a taxable year (including amounts carried over to that year under this subsection) exceeds the liability for the taxpayer for tax under this chapter for the taxable year, the excess shall be carried over

to each of the 3 taxable years succeeding that taxable year. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the 3 taxable years to which it may be carried, and then to each of the succeeding 2 taxable years to the extent that it may not be added for a prior taxable year to which it might be carried.

"(f) TERMINATION.—This section shall not apply to—

"(1) any qualified solar energy equipment expenditures or qualified geothermal energy equipment expenditures paid or incurred after December 31, 1981, or

"(2) any qualified heat pump equipment, wood stove, or retention head burner or comparable equipment expenditures paid or incurred after December 31, 1978, except in the case of amounts paid or incurred after such date pursuant to a binding contract entered into before January 1, 1979."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for such subpart A is amended by inserting before the item relating to section 45 the following:

"Sec. 44C. Residential solar and geothermal energy equipment.".

(2) Subsection (a) of section 1016 (relating to adjustments to basis) is amended by striking out the period at the end of paragraph (21) and inserting in lieu thereof a semicolon and by inserting after paragraph (21) the following new paragraph:

"(22) to the extent provided in section 44C(d), in the case of property with respect to which a credit has been allowed under section 44C.".

(3) Section 6096(b) (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44B" and inserting in lieu thereof "44B, and 44C".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 1976.

SEC. 5. INVESTMENT TAX CREDIT CHANGES RELATING TO ENERGY CONSERVATION.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to rules for computing credit for investment in certain depreciable property) is amended by inserting immediately after section 46 the following new section:

"SEC. 46A. SPECIAL RULES RELATING TO CERTAIN ENERGY CONSERVATION EQUIPMENT.

"(a) IN GENERAL.—In lieu of the amount which would be determined under section 46(a)(2) with respect to property described in subsection (b) of this section, the amount of the credit allowed by section 38 for the taxable year with respect to such property shall be an amount equal to the percentage (determined under subsection (c)) of the qualified investment (as determined under section 46 (c) and (d)) in section 38 property which is (or, for the purposes of applying section 46(d), will be) property described in subsection (b).

"(b) PROPERTY TO WHICH THIS SECTION APPLIES.—

"(1) IN GENERAL.—This section applies to property described in paragraph (2) or (3)—

"(A) which is specifically and primarily designed to reduce, when installed in or on a structure, the heat loss or gain of such structure, and

"(B) the original use of which commences with the taxpayer.

"(2) CATEGORY I PROPERTY.—Property described in this paragraph is property which is (or for the purposes of applying section 46(d), will be)—

"(A) ventilation equipment,

"(B) insulation, including but not limited to—

"(i) loading dock door seals,

"(ii) caulking and weatherstripping,

"(iii) roof insulation,

"(iv) wall insulation, and

"(v) double or triple-glazed thermal or storm windows or doors;

"(C) control system items, including, but not limited to—

"(i) automatic thermostat controls,

"(ii) devices to control exterior lighting,

"(iii) clock thermostats for air conditioners,

"(iv) the installation of individual metering for utilities in multiple family housing units, and

"(v) individual thermostatically controlled radiator valves;

"(D) water system equipment, including, but not limited to—

"(i) devices to restrict water flow,

"(ii) devices to use waste heat for heating water, and

"(iii) individual water meters in each family residence unit in multiple family dwellings,

"(E) lighting equipment, including, but not limited to—

"(i) equipment designed to use energy-conserving flourescent lamps, and

"(ii) devices to provide more efficient lighting sources;

"(F) heating generation and distribution systems, including, but not limited to—

"(i) devices to preheat combustion air,

"(ii) devices to return condensed steam to boilers, and

"(iii) insulation for heating pipes and steam lines;

"(G) cooling generation and distribution systems, including, but not limited to—

"(i) efficient air conditioners, and

"(ii) insulation of air ducts in unheated areas;

"(H) other equipment, systems, or structural changes, which save at least 3,000 British thermal units of energy per square foot of building per year, as determined by the Secretary.

"(3) CATEGORY II ITEMS.—Property described in this paragraph is property which is (or for the purposes of applying section 46(d), will be) solar energy equipment, wind-related energy equipment, or geothermal energy equipment.

"(c) DETERMINATION OF PERCENTAGE.—

"(1) IN GENERAL.—For purposes of subsection (a), the percentage determined under this subsection is—

"(A) 12 percent with respect to category I property, and

"(B) 25 percent with respect to category II property.

"(2) ADDITIONAL PERCENTAGE.—In the case of a corporation which elects to have the provisions of this paragraph apply, the amount of the credit allowed by section 38 for the taxable year with respect to property described in subsection (b) shall be an amount equal to the percentage determined under paragraph (1) for such property, plus—

"(A) an additional percent of the qualified investment in such property (as determined under subsections (c) and (d) of section 46), and

"(B) an additional percent (not in excess of one-half percent) of such qualified investment (so determined) equal in amount to the amount determined under section 301 (e) of the Tax Reduction Act of 1975.

An election may not be made to have the provisions of this paragraph apply for the taxable year unless the corporation making the election meets the requirements of section 301(d) of the Tax Reduction Act of 1975. An election by a corporation to have the provisions of this paragraph apply shall be made at such time, in such form, and in such manner as the Secretary may prescribe.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) INSULATION.—The term 'insulation' means any insulation, storm (or thermal) window or door, or other similar item (of a character subject to the allowance for depreciation)—

"(A) installed on or in, or in connection with, a structure which is in existence on January 1, 1977, but only if such installation incurred after December 31, 1976, and before January 1, 1982,

"(B) the costs for which are paid or incurred after December 31, 1976, and before January 1, 1982,

"(C) which is specifically and primarily designed to reduce, when installed in, on, or in connection with a structure, the heat loss or gain of such structure,

"(D) the original use of which commences with the taxpayer and

"(E) which, for residential structures, meets the latest technical standards for energy conserving improvements prescribed by the Secretary of Housing and Urban Development under section 2 of the National Housing Act, and, for business structures, such similar technical standards as the Secretary may prescribe.

"(2) SOLAR ENERGY EQUIPMENT.—The term 'solar energy equipment' means property (of a character subject to the allowance for depreciation) which, when installed in, on, or adjacent to a structure, uses solar energy to heat or cool such structure or to provide hot water for use within such structure, the original use of which commences with the taxpayer, and which meets the interim or definitive performance criteria prescribed, for residential structures, by the Secretary of Housing and Urban Development under the Solar Energy Heating and Cooling Demonstration Act of 1974, and, for business structures, by the Administrator of the Energy Research and Development Administration. For purposes of this subpart such equipment shall be treated as section 38 property (as defined in section 48(b)), but the rules contained in section 48(a)(3) (relating to property used for lodging) and the words 'and its structural components' contained in section 48(a)(1)(B) shall be disregarded with respect to such property.

"(3) GEOTHERMAL ENERGY EQUIPMENT.—The term 'geothermal energy equipment' means property (of a character subject to the allowance for depreciation)—

"(A) which is necesary to distribute or use geothermal steam and associated geothermal resources (as defined in section 2(c) of the Geothermal Steam Act of 1970 (30 U.S.C. 1001(c))),

"(B) which, when installed in or on, or adjacent to a structure, uses geothermal energy to heat or cool such structure or to provide hot water or steam for use within such structure,

"(C) the original use of which commences with the taxpayer, and

"(D) which meets such criteria and standards for performance as the Secretary of Housing and Urban Development or the Administration of Energy Research and Development Administration may prescribe.

For purposes of this subpart such equipment shall be treated as section 38 property (as defined in section 48(b)), but the rules contained in section 48(a)(3) (relating to property used for lodging) and the words 'and its structural components' contained in section 48(a)(1)(B) shall be disregarded with respect to such property.

"(4) WIND-RELATED ENERGY EQUIPMENT.—The term 'wind-related energy equipment' means property (of a character subject to the allowance for depreciation) which, when installed on or adjacent to a structure, uses wind energy to generate electricity to heat or cool such structure or to provide hot water for use within such structure, the original use of which commences with the taxpayer, and which meets such criteria as the Secre-

tary of Housing and Urban Development may prescribe. For purposes of this subpart such equipment shall be treated as section 38 property (as defined in section 48(b)), but the rules contained in section 48(a)(3) (relating to property used for lodging) and the words 'and its structural components' contained in section 48(a)(1)(B) shall be disregarded with respect to such property.

"(5) TRANSITIONAL RULES.—Under regulations prescribed by the Secretary rules similar to the rules applicable under section 49 (relating to termination for period beginning April 19, 1969, and ending during 1971) shall apply to property placed in service by the taxpayer after December 31, 1981, to which subsection (a) would apply but for the date on which the property is placed in service.

"(6) SECTION NOT TO APPLY TO PROPERTY ACQUIRED WITH FEDERAL FUNDS.—This section does not apply to any property acquired by the taxpayer with amounts received by the taxpayer from the United States (or any agency or instrumentality thereof), as a grant, loan, or a loan guarantee.

"(7) STATE AND LOCAL GOVERNMENT REQUIREMENTS.—No credit shall be allowed under subsection (a) for any amount paid or incurred with respect to property placed in service in a State—

"(A) which, as determined by the Secretary, does not enforce thermal efficiency standards and insulation requirements for new and renovated buildings in accordance with the requirements of section 362(c)(4) of the Energy Policy and Conservation Act of 1975, or

"(B) in which improvements in structures resulting from the installation of energy-conserving measures are taken into account for property tax assessment purposes.

"(e) CONVERSION OF ENERGY CONSERVATION EQUIPMENT TO OTHER USE.—If property with respect to which the credit allowed by section 38 was determined under this section is used substantially in any taxable year before the close of the useful life which was taken into account in computing the credit for a purpose or use which is a purpose or use other than that by reason of which this section applied to the property, the taxpayer shall be treated for purposes of section 47 as having disposed of such property on the date on which such other purpose or use substantially commenced.

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this section.

S. 807

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Energy Research Incentives Act".

TITLE I—SMALL BUSINESS ACT AMENDMENTS

SEC. 101. (a) Section 7 of the Small Business Act (15 U.S.C. 636) is amended by adding at the end thereof the following new subsection:

(1) The Administrator may make loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administrator may determine to be necessary or appropriate to assist any small business concern in financing—

"(1) plant construction, conversion, or expansion (including acquisition of land for such plant), and

"(2) the acquisition of equipment, facilities, machinery, supplies, or materials

to enable such concern to design, produce, distribute, install, or maintain solar energy equipment or other equipment the primary purpose of which is the conservation of energy.".

(b) Subsection (c) of section 4 of the Small Business Act (15 U.S.C. 633(c)) is amended—

(1) in paragraph (1) by inserting "7(l)," after "7(i),"; and

(2) in paragraph (2) by inserting "7(l)," after "7(i)".

(c) There is authorized to be appropriated to the business loan and investment fund established under section 4(c) of the Small Business Act $75,000,000 to carry out section 7(j) of such Act.

SEC. 102. Subsection (d) of section 7 of the Small Business Act (15 U.S.C. 636(d)) is amended by inserting "(1)" after "(d)" and by adding at the end of such subsection the following new paragraph:

"(2) The Administration may make grants to any nonprofit organization for the purpose of enabling such organization to provide training seminars for small business concerns concerning practical and easily implemented methods for the design, installation, and maintenance of solar energy equipment.

SEC. 103. Subsection (b) of section 8 of the Small Business Act (15 U.S.C. 637(b)) is amended by striking out "and" at the end of paragraph (14), by striking out the period at the end of paragraph (15) and inserting in lieu thereof "; and", and by adding after paragraph (15) the following new paragraph:

"(16) to provide, at not more than 50 per centum of the cost to the Administration, to any small business concern technical manuals on the design, installation, and maintenance of solar energy equipment.".

TITLE II—FEDERAL NONNUCLEAR ENERGY RESEARCH AND DEVELOPMENT ACT OF 1974 AMENDMENTS

SEC. 201. The Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5901 et seq.) is amended by adding at the end thereof the following new sections:

"OFFICE OF INVENTION AND INNOVATION

"SEC. 19. (a) There is hereby established in the Energy Research and Development Administration the Office of Invention and Innovation. Through such Office, the Administrator may (subject to subsection (b))—

"(1) accept and evaluate, in coordination with the National Bureau of Standards, proposals by any individual or small business concern for the development of any energy-related invention;

"(2) provide grants, not to exceed $50,000 for any proposal, to any individual or small business concern for research, development, and demonstration of any such invention; and

"(3) provide grants, loans, or loan guarantees in excess of $50,000 for research, development, and demonstration of any such invention if such grants, loans, or loan guarantees are approved by the Assistant Administrator of the Energy Research and Development Administration with authority over the energy technology area to which such invention relates.

"(b)(1) Not more than $5,000,000 may be used in any fiscal year to carry out subsection (a)(2).

"(2) Not more than $50,000,000 may be used in any fiscal year to carry out subsection (a)(3).

"EXPENDITURE OF FUNDS UNDER SOLAR ENERGY PROGRAMS

"SEC. 20. Not less than 20 percent of the amount of funds appropriated to the Energy Research and Development Administration to carry out any solar energy program (exclusive of administrative costs) shall be expended for the benefit of small busines concerns and individual inventors.

"DEFINITION OF SMALL BUSINESS CONCERN

"SEC. 21. For purposes of this Act, the term "small-business concern" shall be defined by the Administrator in consultation with the Administrator of the Small Business Administration.".

SEC. 202. Section 4 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5903) is amended by striking out "and" at the end of paragraph (d), by strikng out the period at the end of paragraph (e) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(f) vigorously encourage the participation of individuals and small business concerns in—

"(1) the research and development (including demonstration of commercial feasibility and practical applications) of the extraction, conversion, storage, transmission, and utilization phases related to the development and use of energy from fossil, nuclear, solar, geothermal, and other energy sources; and

"(2) the advancement of energy conservation technologies, as described in section 6(b)(3)(A).".

SEC. 203. Paragraph (1) of section 15(a) of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5914(a)) is amended by inserting before the semicolon at the end thereof ", with specific reference to the activities carried out pursuant to section 4 (f)".

CONSERVATION AND SOLAR PACKAGE—BILL SUMMARIES

1. SOLAR AND ENERRGY CONSERVATION COMMERCIALIZATION ACT

The purpose of this Act is to encourage the commercialization and installation of solar, energy conservation and other renewable energy source equipment and measures. This bill offers low interest loans to homeowners, the loans covering 75% of the cost of purchase and installation of the equipment up to $4,000 for energy conservation and $10,000 for solar and renewable resources. Grants are available to those whose incomes are less than $30,000, to cover up to 20 to 25% of the purchase and installation costs. Financial incentives in the form of loans and grants are also made available to neighborhood, community and non-profit groups for the installation of qualified energy systems. Small businesses are eligible for low interest loans.

The Department of Housing and Urban Development and the Small Business Administration will administer the Act, in cooperation with the Federal Energy Administration. While financial safeguards must be applied, the agencies are directed to make the incentives available to applicants with as little difficulty and red tape as possible. Senator McIntyre

2. AGRICULTURAL SOLAR ENERGY RESEARCH, DEVELOPMENT AND DEMONSTRATION ACT OF 1977

This Act is a comprehensive promotion of solar energy programs within the Department of Agriculture. The legislation extends the USDA's authority for research to include solar energy research related to agriculture, authorizes the Extension Service to instruct and demonstrate solar energy uses, and directs the Farmer's Home Administration to include solar energy equipment within their housing and farm equipment loan programs.

The Act also establishes an information system for compiling a list of solar energy research projects related to agriculture such as solar crop dryers, irrigation pumps, and livestock shelter heating systems, and a national network of farms within each state which will demonstrate this solar equipment.

These demonstration farms, which will be implemented by the State Departments of Agriculture with the assistance of the USDA Extension Service, land grant colleges, and experiment stations, are for the purpose of displaying the energy savings, economic viability, and usefulness of such solar equipment to local farmers and interested groups and individuals.

The amount of funds authorized to be ap-

propriated under this Act is $45 million. Senator Humphrey

3. INTERNATIONAL APPROPRIATE ENERGY TECHNOLOGIES PROGRAM

Two bills, amending the Foreign Assistance Act and the Federal Nonnuclear Energy Research and Development Act establish a cooperative program with developing countries to accelerate the development of nonconventional, decentralized, rural energy technologies. An explicit purpose of this program is to stimulate the commercialization of small-scale power systems by U.S. private industry, to the mutual benefit of the U.S. and developing countries.

The program includes a series of regional and country studies to be carried out with the close cooperation of private industry to determine what energy needs, uses and sources can be identified in various climatic regions, and the establishment of a comprehensive information network which will permit the early transferability of these technologies around the world. Pilot projects are to be started as quickly as possible. A.I.D. is authorized at least $10 million and ERDA $5 million for FY 78 to carry this program. This proposal ratifies the best thinking along appropriate energy technology lines that has emerged from A.I.D. and ERDA; mandates and funds a conceptualization which has been the subject of a recent Memorandum of Understanding between the 2 agencies. Senator Case

4. FEDERAL BUILDINGS: PROMOTION OF SOLAR ENERGY CONSERVATION AND LIFE-CYCLE COST EVALUATION

This bill promotes the use of energy conservation, solar energy, and total energy systems in Federal Buildings.

The first two requirements of the legislation are an energy audit of existing buildings and the establishment of life cycle cost methodology to be used for new building construction and procurement and the refitting of existing buildings with energy conservation and solar techniques. The bill then establishes an orderly refitting of existing buildings and requires all new Federal building construction to incorporate life cycle cost energy evaluations.

In addition G.S.A. is required to include equipment for energy conservation and for the utilization of solar energy and total energy systems in the Federal Supply Service.

Each Federal Agency shall, in the preparation of its budget requests, include a specific line item for retrofit measures and new construction costs relating to the provisions of this bill. The coordination of agency activity and reporting resides with the Administrator of F.E.A. until such time as the transfer of duties is required under the newly estabilised Department of Energy. Senator Hart

5. FEDERAL BUILDINGS SPACE AND WATER HEATING, AND PHOTOVOLTAIC INSTALLATIONS

Federal buildings are a prime candidate to give a needed push in order to insure rapid commercialization of space and waterheating as well as automation and cost reduction of photovoltaic equipment. In order to bring the rapid economies of scale of these technologies which have been recently predicted by various ERDA contractors, this bill mandates, first, installation of solar space heating and hot water systems in over 15,000 GSA and DOD buildings over a 6-year period. Second, the installation of some 50 megawatts per year for 5 years of photovoltaic electrical systems. Cost of space heating, about $600 million, for photovoltaics $100 million, spending which it is believed will be more than recouped by our oil payments abroad and through replacement of remote electrical generators with photovoltaic systems. Senator Humphrey

6. SMALL BUSINESS INCENTIVES IN SOLAR ENERGY RESEARCH/DEMONSTRATION

Purpose is to assist small businesses in obtaining federal funding for worthwhile renewable energy research and demonstration projects. Title I authorizes $75 million in Small Business Administration loans for small businesses involved in commercial solar energy or energy conservation technologies; and establishes an SBA grant program to assist non-profit institutions in holding training seminars to teach independent contractors and small businesses how to install and service commercially available solar energy systems. SBA would also prepare and publish technical manuals for solar heating and cooling systems.

Title II creates an Office of Innovation and Invention in ERDA to provide small grants—up to $50,000—to small business concerns and individuals for research and demonstration of promising energy technologies. Authorization of $5 million per year would be available for small grant programs. The program is structured to handle proposals now received at ERDA labeled "unsolicited".

Title II also includes a 20 per cent setaside for small businesses in existing ERDA solar R & D programs, requires ERDA to use SBA's definition of "small business" so that subsidiaries of large companies would not qualify, and directs ERDA to "vigorously encourage" small business and individual participation in ERDA research and demonstration programs. Senator McIntyre.

7. SOLAR ENERGY AND ENERGY CONSERVATION TAX CREDIT

A tax credit is provided to individuals for investments in renewable (solar, geothermal, wind) energy and energy conservation. The individual tax credit is graduated by income of the recipient. A person with income under $15,000 annually is eligible for a credit of up to $2,500 depending upon the amount spent on renewable energy investments. This ceiling is gradually scaled down to $500 for persons with incomes over $36,000. The energy conservation tax credit is a maximum of $750 for persons under $10,000 scaled down to $150 for persons with incomes over $36,000. Tax tables will make calculations simple for the taxpayer. A straight investment tax credit of 12 per cent for energy conservation and 25 per cent for renewable energy investments is provided to businesses and industry.

The bill contains a detailed list of eligible items based upon lists developed by FEA for other federal conservation/solar subsidy programs. Senator McIntyre.

Mr. LEAHY. Mr. President, I am proud to join in this important initiative for energy conservation and for developing new energy technologies.

For too long we have used and wasted more than our fair share of the world's energy resources, without an accompanying commitment to expand or conserve our own domestic resources.

The wealth of energy that nature bestowed upon us has taken billions of years to produce, but we are using it up at breakneck speed, without a thought to the future. Commonsense and simple economic wisdom tell us that a more efficent use of our present energy resources can be achieved by a strong commitment to conservation and a simultaneous resolve to tap virtually unlimited alternative energy sources.

As a nation we seem irrevocably tied to an increasingly dangerous dependence upon imported oil for industry, for transportation, for heating and cooling our homes. Our relatively recent—and precarious—position as a net importer of energy was forecfully brought home to us during the 1973 embargo, and most recently during this winter's heating oil and gas shortages. It is clear now that the probems of energy price and supply in such an energy-intensive society as ours will continue to fuel inflation and stall economic recovery.

But time is running out. At the same time that we are exhausting our precious resources at an unprecedented rate and endangering the future of our way of life, the world's developing nations are nurturing rising expectations. Not to curb our wasteful use of scarce energy resources and develop new ones now could prove disastrous.

While some say that we cannot now afford to develop new and encourage existing renewable resource technologies, I maintain that we cannot afford not to. This package of seven bills, backed by coaltion of Senate and House Members that cuts across geographical and party lines will hopefully be the beginning of a truly national effort to conserve our limited fossil fuel resources and develop renewable, alternative technologies.

Mr. BROOKE. Mr. President, I am especially delighted to take part in introducing this package of solar energy legislation to the Congress because it represents not only a major effort to acknowledge the potential benefits of using renewable energy resources but also a major step forward for the Government's role in solar energy. Up until now Government efforts have been largely confined to the development of big hardware for use in the distant future or the study of questions about how solar energy can be collected, stored, and transmitted. There is no question that such work is essential. But we can do a lot more in the solar field a lot sooner. Certain kinds of solar energy technologies are ready right now to be applied directly to a wide variety of uses.

For several years, I have been urging the Congress to pass tax credits to promote the use of solar energy in homes and businesses. I have filed S. 97 for just this purpose. The solar energy package contains a rather similar tax credit measure together with other provisions. It would encourage farms, schools, public buildings, large and small businesses, nonprofit groups, and residential buildings of every description to back up their conventional energy systems with solar energy and technology.

The importance of this morning's bipartisan effort in both Houses of Congress backed by consumer groups is that it shows there is now a large coalition, in and out of Government, that recognizes that we know enough about solar energy to give it a try. The technology to get going is with us. It is high time we began learning the answers to the question of whether the economics of solar are on our side as well.

Of course, we must not abandon our wider effort to develop sophisticated, large-scale solar energy technologies. We should continue at a high level of funding the ERDA program to experiment with many ways of using solar energy. In the distant future, we may be able to replace our rapidly depleting mineral resources and our environmentally and economically questionable nuclear resources with the renewable, virtually infinite, promise of the Sun's power.

It is certainly true that, compared to the kinds of solar energy technologies that we may have someday and that the

Energy Research and Development Administration is working on even today, the hardware we have at our disposal resembles more a crystal set than an FM stereo radio. But the tools we have are useful ones. They can help us out of our energy shortage now, for the day when we can begin to harness the power of the Sun is truly here. I hope that the Congress and the administration will acknowledge this promptly and give us the laws we need to go forward.

SOLAR ENERGY—ACTION IS OVERDUE

Mr. HEINZ. Mr. President, I am today joining a number of my colleagues in both the House and the Senate in sponsoring a comprehensive package of solar energy legislation. Included in the package are bills to provide tax and loan incentives for the installation of solar equipment, funding for small businesses to enter the solar field, encouragement for the use of solar technology in Federal buildings, promotion and export of nonnuclear technologies abroad, and dissemination of solar technology as applied to agriculture.

Since widespread recognition of our energy problems began several years ago, there has been general agreement that solar energy is one of our brightest hopes for the future. It is clean and nonpolluting. It is inexhaustible and not difficult to find. Relative to other sources, particularly fossil fuels, it will be, in the long run, cheap.

What disagreement there has been over solar energy has centered around its current technological viability and its current price relative to alternative forms. Without going into detail, I think it is clear that while a number of applications of solar need further development to bring prices down, some of its most basic uses, notably home and hot water heating, are technologically developed and have already been adequately demonstrated commercially. Solar heating, for example, already compares favorably with electric heat in most parts of the country and is close to oil heat prices in some parts. What is needed at this point are incentives to encourage the use of solar equipment which will stimulate mass production and bring prices down even further.

Congress has considered such solar incentives legislation on several occasions in the past. Tax incentives passed both House and Senate in the 94th Congress but were never enacted into law. Hearings were held in several committees on a number of other bills. Loan incentives, encouragement for Federal use of solar heating and cooling, and small business incentives are three examples.

None of this legislation was enacted, and there is widespread agreement that action is long overdue. It is our hope that the introduction of this package today will stimulate congressional activity and that by the end of the 95th Congress we can point with pride to a comprehensive solar energy policy. We might well haggle about the details of some of these bills, but there is no question in my mind that conceptually the package is on the right track—that it will make meaningful a national commitment to the development and commercialization of alternative energy sources and that in the long run it will save us money and fuel.

By Mr. CASE (for himself, Mr. HUMPHREY, Mr. KENNEDY, Mr. MCINTYRE, Mr. LEAHY, and Mr. HEINZ):

S. 808. A bill to amend the Foreign Assistance Act of 1961 to encourage greater emphasis on the production and conservation of energy in developing countries through the development and utilization of unconventional energy technologies; to the Committee on Foreign Relations.

Mr. CASE. Mr. President, I am today introducing a bill to help meet the energy problems of developing countries, to develop markets for American industry, and to promote the development in this country of nonconventional, decentralized energy technologies.

Joining with me in sponsoring this legislation are Senators HUMPHREY, KENNEDY, MCINTYRE, LEAHY, and HEINZ. Our bill is part of a package of seven bills being introduced in the Senate today by myself and other Senators, including the cosponsors of this particular bill.

All of the bills are designed to promote the development and use of energy conservation, solar, wind, and other nonconventional, decentralized energy technologies.

The bill I am introducing amends the Foreign Assistance Act to establish a cooperative program with developing countries to stimulate commercialization of small-scale power systems that can be used appropriately in developing countries.

This program will help developing countries reduce their dependence on high-priced imported oil and centralized nuclear energy projects that can be distorted into nuclear weapons projects.

In the process, it will develop a broader market for American industry, thereby encouraging further investment in these technologies and permitting cost reductions through automated production lines.

Our bill authorizes an appropriation of $10 million to the Agency for International Development for a series of regional studies, to be carried out in close cooperation with private industry, to determine what technologies are appropriate to the climatic conditions and energy needs of various developing countries. AID also is directed to establish a comprehensive information network which American industry can use to determine the energy needs of developing countries and developing countries can use to determine technologies available to meet their needs.

Finally, our bill directs AID to begin pilot projects as quickly as possible.

The types of projects and the technologies that can be used are not limited by the bill.

The program could encompass the use of wind machines now being developed by American industry to pump water from the shallow water tables of the Sahel to irrigate the desert. Or it could promote the use of mass-produced photovoltaic cells to power television sets in schools at relatively low cost, permitting the viewing of educational programs carried by communications satellites.

I believe this is an important bill and I hope that it will be given careful consideration.

By Mr. THURMOND:

S. 810. A bill granting an extension of patent to the United Daughters of the Confederacy; to the Committee on the Judiciary.

Mr. THURMOND. Mr. President, on December 18, 1977, the patent on the insignia of the United Daughters of the Confederacy will expire. The United Daughters of the Confederacy is very anxious to have this patent renewed as it is very proud of its attractive and meaningful insignia.

I am pleased to introduce this bill for this fine organization. I happen to be an honorary associate member of the United Daughters of the Confederacy and am familiar with the outstanding work that it has rendered for our country over the years.

I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 810

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a certain design patent issued by the United States Patent Office of date November 8, 1898, being patent numbered 29,611, which is the insignia of the United Daughters of the Confederacy, which was renewed and extended for a period of fourteen years by Public Law Numbered 213, eighty-eighth Congress, approved December 18, 1963, is hereby renewed and extended for an additional period of fourteen years from and after the date of enactment of this Act, with all the rights and privileges pertaining to the same, being generally known as the insignia of the United Daughters of the Confederacy.

By Mr. BAKER (for Mr. CURTIS (for himself), Mr. ALLEN, Mr. BARTLETT, Mr. BUMPERS, Mr. DOLE, Mr. EASTLAND, Mr. GARN, Mr. GOLDWATER, Mr. HANSEN, Mr. HATCH, Mr. HATFIELD, Mr. HELMS, Mr. LAXALT, Mr. MCCLELLAN, Mr. MCCLURE, Mr. ROTH, Mr. SCOTT, Mr. STENNIS, Mr. TALMADGE, Mr. THURMOND, Mr. WALLOP, Mr. YOUNG, and Mr. ZORINSKY):

S.J. Res. 26. A joint resolution to require the Federal Government to end deficit financing; to the Committee on the Judiciary.

END DEFICIT FINANCING

Mr. BAKER. Mr. President, for Mr. CURTIS, on behalf of himself and others, I introduce a joint resolution to require the Federal Government to end deficit financing.

I ask unanimous consent that a statement by Senator CURTIS be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CURTIS: TO A PAY-AS YOU-GO CONSTITUTIONAL AMENDMENT

Today I introduce a proposed constitutional amendment that would require the

Federal Government to end deficit financing and go on a pay-as-you-go basis. I have been informed that the number for this resolution will be S.J. Res. 26. I offer this in behalf of myself and the following Senators who are cosponsors: Senators Allen, Bartlett, Bumpers, Dole, Eastland, Garn, Goldwater, Hansen, Hatch, Hatfield, Helms, Laxalt, McClellan, McClure, Roth, Scott, Stennis, Talmadge, Thurmond, Wallop, Young, and Zorinsky.

This resolution, when adopted, would put an end to deficit financing on the part of the Federal Government, except in times of war or when a grave national emergency has been declared by Congress. The discipline of a constitutional amendment requiring fiscal responsibility is essential for the economic well-being of our country and the full employmnt of our citizens. Failure on the part of the Federal Government to bring spending under control can lead to very serious consequences. Disaster is not too harsh a word to describe what could happen if we continue to follow the course that we have followed for the last quarter of a century. Mr. President, we have had only one balanced budget since the fiscal year 1960, and that was in fiscal 1969.

These continuous deficits are most disturbing. They were disturbing when they amounted to $4, $5, or $6 billion a year or less. Americans who are concerned about the future of our country rightly raise the question "where are we headed?" This question is especially pertinent when we find that the deficit for fiscal year 1975 exceeded $45 billion and the deficit for 1976 exceeded $66 billion. The deficit for fiscal year 1977 is estimated as $68½ billion and the deficit for fiscal year 1978, which will begin on June 1 next, is being estimated at as much as $70 billion, and certain members of the Carter transition team have been talking of a $75 billion deficit.

Seldom can you find a Member of Congress or a President who will express opposition to a balanced budget. Their answer is "not yet." There is always an impelling reason for the claim that we cannot balance the budget now. Advisors to Presidents often convince a President that the budget cannot be balanced in his term, but when they get through with their "fine tuning" it will be balanced at the end of four years. Then at the end of four years, we start all over again with a new takeoff of astronomical deficits. We should ask the question "where will it end?"

I believe that a great boon to our economy will come when we embark on a continuous course of balancing the budget. If everyone knew that the United States Government had its finances under control it would create confidence at home and abroad. The potential of this country is tremendous. The possibilities are unlimited. I do not believe that private enterprise and self-government are failing theories. I believe that the future can be bright if we reverse that trend toward totally uncontrollable deficit financing.

Is there anything more conducive to investment and the providing of more jobs than the sure knowledge that the government in Washington was and would continue to follow a responsible course, pay bills and maintain the value of its money?

There can be little dispute that continued deficit financing leads to inflation. Inflation is a cause of unemployment. When inflation is rampant, it takes all of the income of most of our citizens to provide the bare necessities of life for themselves and for their families. In the absence of inflation, wage earners, farmers, businessmen and professional men have sufficient income to buy much more than the bare necessities of life. These additional purchases whether they be carpets, draperies, radios, TV's, furniture, new houses, additions, automobiles, boats, ski equipment, pianos, music lessons or dental services, set in motion a wide range of activity. It means jobs for more people. It doesn't take a sizeable proportion of our work force to produce the bare necessities of life. Full employment can only come when the people can buy additional items, including luxuries. Every time there is an article sold, it means that someone had to produce the raw material, someone had to manufacture, transport, advertise, sell, finance and insure the article. All of which means economic activity and jobs for individuals of all ages.

Washington is infested with too many self-proclaimed experts who hold to economic theories that are erroneous. These individuals assume the role of "fine tuners." They believe that if they can add to the Government spending, increase the deficits and dissipate revenues, somehow at some future date business will pick up, and an economic utopia will be reached, and the budget will balance itself. They overlook many factors, including the results of their own self-created inflation and the record of Congress in always voting more expenditures. The "fine tuners" have a very bad track record. Their theories haven't worked and the record is clear. These would-be experts who are bent on fine tuning and managing our economy should immediately be replaced with intelligent, tough budget balancers.

Mr. President, we should start now to advance a pay-as-you-go constitutional amendment. At the best it takes several years to get the constitutionally required 2/3 vote in both the House and Senate and have an amendment ratified by ¾ths of the States. This means that if the Senate passes this resolution in this Congress, its effective date will be down the road several years, so that Congress will have to comply and bring the budget into balance.

Mr. President, a great many of the States have constitutional provisions against deficit financing and the creation of debt. They vary as to form. These provisions in our State constitutions have been responsible in maintaining the solvency of those States. We need a similar discipline at the Federal level.

The resolution being introduced today is a simple and workable plan. Yet it is firm and effective. It mandates the Congress to balance the budget every year. But it goes further than merely declaring for a balanced budget. It has an enforcing provision. This amendment provides that within twenty days after the close of the fiscal year the President is required to ascertain if there is a deficit—if so, how much? The President is required to calculate the amount of surtax necessary to recoup the deficit in the next fiscal year. This surtax would be an added percentage tax on the income tax of all individuals and corporations. It might amount to a surtax of three percent, or seven percent or twenty percent, whatever the case might be. The surtax would automatically go into effect for the coming year. The President would not be empowered to impose the surtax; the surtax would go in automatically under the authority of the Constitution.

Under this plan the people of the country would know what direction we are headed and the Congress would know it also. Congressmen and Senators wouldn't like an announcement made on or about the 20th day of October that a surtax would have to be imposed on individuals and corporations because the Congress had spent too much money. The adoption of this resolution will bring about the necessary discipline which will lead to a balanced budget. Some programs can be eliminated; others can be postponed. New programs will be looked at more realistically. The question will be asked of all programs—are they necessary or merely desirable? If the Congress is faced with the choice of reduced spending or increased taxes, expenditures will be reduced. If not, the voters have a remedy at the ballot box.

It would be foolish to amend our Constitution so that we couldn't use our credit in order to defend ourselves in time of war. It would be unwise to amend our Constitution so that our country could not meet a grave national emergency that plagued our entire Nation. Therefore, the resolution provides that upon ¾ vote of both Houses of Congress, the requirements of the amendment could be set aside for a year at a time whenever there was a declaration of war or a finding by the Congress of a grave national emergency. If the war or an emergency extended beyond a year, there would be another vote every year if the requirements of the amendment were to be waived.

Mr. President, we are faced with a grave situation. If the United States Government is to return to a course of fiscal responsibility, it will require courage and the making of some hard decisions. There is no easy answer. I believe in our country and in its future. I believe that the rewards that will come to our republic if we regularly balance the budget will be very great. I hope that the Senate can move on this resolution very soon.

HALTING MONETARY INIQUITY BY A BALANCED BUDGET

Mr. GOLDWATER. Mr. President, it is a pleasure for me to join again today with my good friend from Nebraska, Senator CURTIS, in proposing a constitutional amendment compelling the Federal Government to operate under a balanced budget.

Nothing can be more important than securing the honor and credit of America by keeping the value of its money strong. The confidence of our people in their currency preserves the entire American system of private property and free enterprise. It upholds the concept that when a person earns something and earns it fairly, it is his or hers to keep and no one can arbitrarily take it away.

But what happens if the Government fails to keep the value of its money strong? Private property is wrecked. The aged will find their savings melting away. The earnings of workers will dwindle in purchasing power before they have time to spend what they make. And confidence in the Nation would depreciate among the outside world, as fast as our currency does at home.

It has happened to us before. All we have to do is remember the tribulations of the patriots who won independence. Historians will recall that the Continental Congress faced an overwhelming problem of paying for the War of Independence. The solution Congress selected was printing paper money—as fast and for as long as the people would bear it.

Between them, the Continental Congress and the Thirteen Original States deluged the country with floods of unbacked money. The enthusiasm of the great majority of citizens for freedom was the only thing that kept this financial system afloat for some 5 years. But, finally, in 1781 the Continental dollar expired "without a sigh or a groan."

Providence and patriotism saved the day. It was exactly at this moment that a great deal of gold and silver was introduced into the United States by trade with the West Indies. In addition, France made us a sizable loan.

The lesson is that it can happen here. As terrible as the horrifying example may be of inflation run rampant in post-World War I Germany, we can find

our own example at home. In the words of George Washington, the crisis of "a great and accumulated debt, ruined finance, depreciated money, and want of credit," nearly destroyed the struggle for independence.

The lesson was not lost upon Washington, nor was it lost upon Thomas Jefferson. When each became respectively the first and third Presidents of the United States, they labored long and hard to restore public faith in the dollar by policies of strict governmental economy and retirement of the national debt.

The same solution should be obvious to us today. With a national debt of well over $400 billion, we should wake up to the need for fiscal responsibility.

The constitutional amendment we are sponsoring today would, in my opinion, do just that. It would restore fiscal soundness by compelling the Federal Government to operate on a pay-as-you-go basis. Instead of postponing the day of reckoning to an unborn generation, the Government would be directed by a constitutional mandate to live within its expenses.

The proposal would restore one of the original principles by which the Framers assumed future generations would govern the affairs of their country. The Founding Fathers had learned in the hard schooling of the revolution that it is impossible for anyone to spend more than one is earning—without going bankrupt. This truth is precisely why I see disaster unless we adopt a balanced budget as a constitutional requirement.

Mr. THURMOND. Mr. President, I am pleased to join Senator CURTIS, the distinguished senior Senator from Nebraska, as a cosponsor of his resolution that would require the Federal Government to end deficit financing and go to a pay-as-you-go basis.

I would like to commend Senator CURTIS for his efforts to keep this issue before the Senate of the United States. I share the concern of the distinguished Senator from Nebraska over the danger that continued deficit spending poses to the economic stability of the United States. We, as a nation, just cannot continue to spend more than we take in. I believe that it is in the longrun best interest of the United States for us to have a balanced Federal budget.

As we all know, professional economists are continuously debating the pros and cons of deficit financing and its effect on unemployment, interest rates, inflation, capital formation, and State and local government expenditures. From these debates, there are no clear answers. However, I believe that it is clear, even to the laymen, that there is no "free lunch." There will always come a day of reckoning, a day when we must pay up.

In cases when we choose to "deficit finance" a program, we are either paying by inflation or deferring payment to the future. For instance, it is evident that we are today paying for the social programs initiated in the midsixties.

Mr. President, this is what bothers me. Inflation redistributes the cost, but it is still paid for just as it would have been with increased taxes. Unfortunately, in most instances, the American citizens do not realize the connection between deficit spending and inflation. Nor do they realize the heavy and unfair burden which borrowing places on future generations.

In my opinion, the Federal Government should operate on a pay-as-you-go basis where we can more closely associate the costs with the benefits. Let us put the choices out in the open and not hide or disguise them with deficit financing. We should not fool ourselves, and more importantly, we have no right to fool our fellow citizens.

Mr. President, I believe that restoring fiscal responsibility to the Federal Government is extremely important to the future of our country, and I am pleased to join the distinguished Senator from Nebraska in sponsoring this resolution.

Mr. ZORINSKY. Mr. President, I rise in support of this resolution which the senior Senator from Nebraska has introduced regarding a constitutional amendment to balance the Federal budget.

The mere fact that a number of my colleagues feel obliged to resort to legislation designed to amend the Constitution in order to bring about a balanced budget is indicative of the seriousness of the situation.

The Federal budget is the most important single piece of legislation that the Congress enacts each year. The Federal budget represents the hopes and aspirations of millions of Americans, it touches all of our lives in some way. We see its influence on our State and local communities and a multitude of programs that are as diverse as defense, health, agriculture, education, and taxes to name but a few.

The need for this measure is indicated by the fact that in 39 of the last 47 years this Nation has spent more money than the Federal Treasury received. My constituents and, indeed, Americans across this Nation understand that they as individuals cannot spend more than they earn for very long without disastrous consequences. They do not understand how the Government can continue spending, year in and year out, more than it takes in in revenues. Whether an individual or a government overspends they recognize that there must be a day of reckoning ahead.

There seems to be a consensus on the need to establish better control on the Federal budget and Federal expenditures. But unfortunately, mere recognition of the need is not enough. We must do more. We must act effectively to make the balanced budget a reality. I think that my colleagues in Congress deserve high marks for their efforts in recent years which resulted in the enactment of the Budget Reform Act of 1974 and the new budget process which has been utilized for the last 2 years. It seems clear that Federal spending and the deficits would have been higher and the economy would be in worse shape than now but for the new budget process.

Nonetheless, I believe that more can and should be done in order to put this Nation on a sound fiscal basis. I believe that this can be accomplished by legislation which is the aim of this resolution being introduced today.

Earlier, I indicated that the Federal budget touched all of our lives and virtually every conceivable activity across the land in some way. Thus, the fundamental importance of the Federal budget is obvious. Unfortunately, not so obvious is the fact that when the Federal budget continues to run big deficits it tends to flaw many of the other programs and actions which are dependent upon the budget.

We need to question the way the Federal budget is used in our Nation's activities today. Instead of using the Federal budget to make possible those programs that are truly necessary to meet our Nation's needs there are too many people sitting around dreaming up programs just to find some new ways to spend money. How much better our Nation would be served if this imagination and energy were devoted to increasing fiscal responsibility, to improving the management of the Nation's financial affairs.

I am under no illusions about living under a balanced budget. It will not be easy, but I believe it is necessary. Conservation of energy is a popular theme these days. However, why not a conservation program covering all the Nation's vital resources—including our money. While a balanced budget will require greater individual and collective discipline I believe such a system is a necessity. We cannot afford it all. We must develop priorities if we are to succeed in meeting the Nation's real needs I. am persuaded that a number of the activities and items for which the taxpayer's money is spent by the Congress and the Government can be eliminated. We have some unnecessary programs that can be cut. We can operate the remaining essential program more efficiently.

Unfortunately for too long spending has been viewed as a panacea for all of our problems. When we do not have a solution we tend to throw money at the problem. No matter what the ailment the remedy seems to have become one of spending more. Whether the problem is recession, inflation, stagflation or whatever, the usual prescription is more spending.

I believe that bringing the Federal budget under control would greatly assist in stabilizing our economy and lead toward a more healthy, viable economy than we now have. Our spendthrift tactics have led to loss of confidence by Americans and by others around the world.

I recognize that we cannot balance the budget overnight. It may take several years to achieve a constitutional amendment which will make a balanced budget a reality. But that is all the more reason why this legislation should be enacted early. We now have a serious problem with nearly 8 million people unemployed. The economy is operating well below capacity, business is down and because people are not working the flow of revenues into the Treasury is lacking. We must effectively resolve these problems now so that the Nation can once again

enjoy economic prosperity which has been a hallmark of America's success.

This resolution is not inconsistent with acting on the immediate situation. In fact there is general agreement that our current economic problems would be greatly reduced, if not nonexistent, had the Nation lived within its means and balanced the budget when the economy was running at virtual capacity and times were prosperous. Thus, this resolution aims to structure a better system in order to eliminate the need for stopgap action which has become all too frequent in recent years.

In conclusion, Mr. President, while I believe that the budget can be balanced without amending the Constitution the facts are, as indicated earlier in my statement, we have failed to do that in 39 of the last 47 years. Deficit spending has grown to the point that it has become virtually a way of life for our Government. Thus I believe that the only way that we are going to put this Nation back on a sound fiscal basis so that the Nation can once again enjoy true economic prosperity is to enact this legislation to amend the Constitution in order to require a balanced budget.

I yield the floor.

By Mr. DECONCINI (for himself, Mr. DANFORTH, Mr. SCHMITT, and Mr. GOLDWATER):

S.J. Res. 27. A joint resolution proposing an amendment to the Constitution of the United States with respect to the number of terms of office which Members of the Senate and the House of Representatives may serve; to the Committee on the Judiciary.

(The remarks of Mr. DECONCINI when he introduced the above joint resolution appear earlier in today's RECORD.)

By Mr. DANFORTH (for himself, Mr. DECONCINI, Mr. WALLOP, Mr. SCHMITT, Mr. HAYAKAWA, and Mr. GOLDWATER):

S.J. Res. 28. A joint resolution proposing an amendment to the Constitution of the United States with respect to the number of terms of office of Members of the Senate and of the House of Representatives; to the Committee on the Judiciary.

(The remarks of Mr. DANFORTH when he introduced the above joint resolution appear earlier in today's RECORD.)

By Mr. BURDICK:

S.J. Res. 29. A joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week"; to the Committee on the Judiciary.

NATIONAL FAMILY WEEK

Mr. BURDICK. Mr. President, I am today introducing a joint resolution authorizing the President to issue an annual proclamation designating the week in November which includes Thanksgiving as "National Family Week." The purpose of this resolution is simple: It sets aside a specific time each year to recognize the importance of the family in American life and the fundamental role it has played in forming the values upon which the Nation is founded. The resolution picks the Thanksgiving week—a time when families traditionally gather—as an appropriate time to recognize the contributions family life has made to our shared values of liberty, justice, equality, and compassion.

While I realize many people are skeptical about a proliferation of official holidays, it is important to remember that National Family Week is not commercial or promotional. Its purpose is not to encourage sales or promote festivities. It is simply a way of encouraging people to pause for a moment and reflect, each in his own way, about the role families have played in our lives and in the course of our Nation.

Nearly every State in the Union has set aside some time for a celebration of this kind over the past few years. With the strong backing of the American Legion, the Committee for a National Family Week, and the Mormon Church, both the 92d and the 94th Congress approved resolutions authorizing National Family Weeks. In the last Congress, 22 Senators joined me in cosponsoring this measure. This support, combined with President Carter's desire to emphasize the importance of the family in American life, makes this year the time for passage of a resolution authorizing National Family Week on an annual basis. I hope it will be quickly enacted.

By Mr. HART (for himself and Mr. METCALF):

S.J. Res. 30. A joint resolution providing that competition is reaffirmed as the best means of serving American consumers' telecommunications needs; to the Committee on Commerce, Science, and Transportation.

COMPETITION IN THE TELECOMMUNICATIONS INDUSTRY

Mr. HART. Mr. President, today I am intrdoucing a resolution reaffirming the intent manifested by Congress in the Communications Act of 1934—that competition in the telecommunications industry should be permitted wherever it serves the public interest. It has become necessary to do so because of the current attempt by American Telephone & Telegraph Co., already the largest corporation in the world with assets of $85 billion, to secure congressional support for legislation that would extend its monopoly across the whole U.S. telecommunications field.

As I discussed at length in my RECORD statement on Friday, February 4, a series of recent decisions by the Federal Communications Commission has authorized competition in two small areas of the telecommunications industry. These are the provision of private long-distance business lines and the market for terminal equipment—which includes telephone instruments, multifacility switchboards, answering machines, call diverters, and automatic dialers. After detailed and lengthy investigations, the FCC held that full and fair competition in these two areas would be publicly beneficial and would not cause economic or technical harm to the public telephone network.

As a result, the established telephone industry—A.T. & T. and the independent telephone companies—now competes with a number of new suppliers to provide consumers with these specialized services and equipment. In the private line field, eight specialized carriers now offer interstate microwave or satellite transmission facilities in competition with the Bell system's own private line services. About 400 small companies outside the established telephone industry are now manufacturing and distributing a wide range of innovative terminal equipment.

Consumers enjoy major benefits from these FCC procompetitive policies. Many of the services and equipment offered by these new private line and terminal equipment companies were previously unavailable. Greater attention has been paid to individual needs, with products and services tailored to special requirements. Even the Bell System's customers have benefited from the new competition, with A.T. & T. becoming more responsive to the market and offering new products and services.

In its docket 19129 decision reported in the press today, the FCC has again recognized the value of the products offered by the competitive terminal equipment companies and other manufacturers of telecommunications equipment. A.T. & T. has been asked to submit proposals this year to enable these firms to compete on equal terms with its manufacturing subsidiary Western Electric in supplying equipment to the 23 Bell operating companies.

The impact of the new private line and terminal equipment companies on the quality and variety of the communications services and equipment available to American consumers has led many observers to overlook the tiny proportion of telecommunications industry revenues they account for. In a $35 billion industry dominated by the $29 billion operating revenues of the Bell System and the $5.5 billion received by the independents, the revenues enjoyed by the new terminal equipment suppliers and specialized carriers amount to less than $200 million.

It should be emphasized that the two limited private lines and terminal equipment sectors of the industry are the only areas that the FCC has opened to competition. The public telephone network has remained a regulated monopoly, provided by A.T. & T. and over 1,600 independent telephone companies including many small rural companies whose services are made possible by Government-supported loans.

The FCC's concern to protect that monopoly against competition has been demonstrated in its recent decisions rejecting applications for two new specialized carrier services on the grounds that they were too similar in characteristics to the monopoly long-distance services.

However, the established telephone industry claims that the FCC decisions in favor of competiton in the terminal equipment and private-line sectors represent a major threat to the basic telephone network. If competition is

allowed to continue in these two limited areas, A.T. & T. and the independents maintain, the resulting loss in revenues to the established industry could force local telephone rates to go up by over 70 percent.

As I emphasized in my previous statement, no evidence is available to support this conclusion. It has never been explained convincingly how the activities of a number of small companies with only a tiny one-half of 1 percent share of the total telecommunications market can possibly make such a massive rise in local rates necessary.

Even the chairman of A.T. & T. has admitted that so drastic an increase is highly unlikely. He was right to do so, as industry figures indicate that the established industry is most unlikely to suffer any net loss of revenues at all as a result of the activities of its private line and terminal equipment competitors.

To the contrary, the statistics show that both the competitive markets are expanding at a much faster rate than the revenues of the new entrants. A.T. & T. and the independents' revenues from terminal equipment and private lines are increasing each year by substantial amounts—by $373 million in 1975, for example, nearly twice as much as the total revenues of their competitors.

Currently, the established industry dominates these competitive markets overwhelmingly, with over a 95 percent share of the $4.2 billion of industry revenues which comes from private lines and terminal equipment. All projections are that they will continue to dominate these areas in the future, with increasing revenues.

In its recently concluded docket 20003 investigation of the impact of competition in telecommunications, the FCC conducted an exhausitve examination of the arguments put forward by A.T. & T. and the independents. Its conclusion was that there is no apparent basis for their claims that competition in private lines and terminal equipment either has had or is likely to have any adverse impact on telephone company revenues or on local telephone rates.

A very different, but equally compelling, rebuttal of the established industry's arguments against competition is made in studies carried out by several State regulatory commissions. They suggest that in the very unlikely event that the established industry was to hand over both these competitive markets in their entirety to its new competitors, local ratepayers would actually be better off. These studies have found that rates for A.T. & T.'s terminal equipment and private line services may not be covering their costs. Their conclusion is that, far from helping to keep local rates low by contributing to common costs, these services may in fact run at a deficit and be keeping local rates artificially high.

A.T. & T. and the independents' most powerful argument is that competition represents a special threat to the small independent telephone companies and their rural subscribers because of the higher cost of providing telephone service in rural areas. But there is no evidence that competition in terminal equipment and private lines has so far had any harmful effects on these companies at all.

In the 94th Congress, the established industry did receive extensive lobbying support from the National Telephone Cooperative Association, which represents 240 small, primarily nonprofit, rural independent telephone systems from 33 States.

At the NTCA's 1977 annual meeting held last week in Houston, however, its membership pointedly refrained from endorsing the Consumer Communications Reform Act, the legislation proposed by A.T. & T. and the independents to outlaw competition in telecommunications. Instead, NTCA's members adopted a resolution stating that—

> There is a need for comprehensive review by the Congress of domestic telecommunications policy to delineate the proper roles of competition and monopoly and protect the consumer as well as the interests of the telecommunications industry and its competitors.

It is true that inflation and large future capital requirements may place these small independent companies in a more vulnerable position than other sectors of the telephone industry. But, as the NTCA resolution implies, it is not necessary to rid the entire telecommunications industry of all competition in order to help them.

There are other, more appropriate ways of protecting the interests of the rural subscriber, as last week's NTCA resolution went on to emphasize. It asked us to pay special attention to the preservation of uniform telephone rates, and to the contributions that long-distance revenues make to support the local exchange service provided by the small independent companies.

Here, I believe we should begin by examining how to safeguard this large revenue contribution the small independents receive from the interstate revenue pool—by removing terminal equipment from the separations process, for example. We could also study the need for further Government support for these small companies, perhaps through an extension of REA financing.

Despite the weakness of its arguments, the established industry has devoted massive resources to reversing the FCC's procompetitive policies. After numerous unsuccessful attempts in the courts, it is now seeking to achieve its objectives through passage of the Bell bill, as its misleadingly titled "Consumer Communications Reform Act" has become known.

Last year A.T. & T. spent over $2.5 million lobbying for this legislation and persuaded a substantial number of Members of Congress to introduce it. Again, this year, several Senators have sponsored the industry-written bill, S. 530, and it has also been reintroduced in the House.

It is not generally realized, that the issues raised by this special interest legislation affect much more than the telephone industry. By placing new barriers in the way of competition in terminal equipment and private lines, and "reaffirming" the monopoly structure of the industry, this legislation is in fact asking us to place our dependence on one corporation for all our future telecommunications needs It does so at a time of rapid technological advance in the field which may bring major changes in our patterns of work and leisure.

With the increasing use of microwave and satellites for high speed data transmission, telecommunications is gradually converging with computers. The sophisticated data communications networks made possible by these changes promise to play an important role in such diverse activities as government, banking, manufacturing, transportation, health, and education.

Developments like electronic mail, information utility banks, electronic shopping, and home and office information centers offer potentially massive energy savings and are all claimed to be easily foreseeable. How we deal with these new information systems may be just as important to our future as was the struggle of an earlier generation to adapt to the transition from agriculture to industry. Our future public policy on telecommunications will play a critical role.

The Communications Act of 1934 has proved to be an unsatisfactory basis for the regulation of interstate and foreign communications in the 1970's and a thorough overhaul to redefine the public interest in this area is long overdue. We must continue to safeguard low rates and high quality in the public telephone network, paying special attention to the problems faced by the small independent companies. We also now have a new challenge before us—to decide how to satisfy the widespread service demands created by technological innovations in computers and communications that have taken telecommunications way beyond the limited technologies of 40 years ago.

By proposing a virtual single corporation monopoly over telecommunications, the Bell bill raises more questions than it answers. There are real dangers to individual liberties inherent in allowing any one entity significant control over the flow of information in a society. There is also the question of whether any single organization, even one that provides the best telephone service in the world can guarantee the technological innovation, diversification, specialization, adequate capital investment, and efficiency that is clearly necessary in such a vital and expanding area of our economy.

Numerous industries are affected by the convergence of communications and computers. In the hearings on "Competition in the Telephone Industry" held last September by the House Subcommittee on Communications, concern about the possible effects of the Bell bill was voiced by Aeronautical Radio, Inc.—which provides the airlines' communication services—Securities Industry Automation Corp.—the data processing and communications subsidiary of the New York and American Stock Exchanges—and in the evidence submitted by Sears, Roebuck & Co.

This supposedly consumer-orientated measure is also being opposed by consumer groups. Indeed, the Consumer Communications Reform Act has not won the support of any consumer bodies at all. A resolution passed last week at the annual meeting of the Consumer Federation of America states:

Under present governmental processes, AT&T and other telephone corporations have all the advantages of monopoly with inadequate regulation.

To the extent that no natural monopoly exists, the presumption should be in favor of competition. Concurrently, the regulatory agencies should be improved and citizen intervention encouraged, promoted and facilitated.

The proposed Consumer Communications Reform Act should not be enacted since it seeks to reverse some existing FCC precedents promoting beneficial competition, and does not address the problems of regulatory failure, citizen access and the communication services needs of the average consumer. CFA, therefore, opposes the "Bell bill" and any other legislation incorporating its basic tenets.

Another consumer group, Congress Watch, testified against the bill at the hearings held by the House subcommittee.

I am introducing the procompetition joint resolution today along with my colleague, Senator METCALF.

It is also being introduced in the House by my colleague from Colorado, TIM WIRTH, along with RICHARD OTTINGER, CHARLES WHALEN, and other Members. It reaffirms the intent of Congress regarding the competition in the telecommunications industry and would redress the anticompetitive effects of the substantial congressional support last year for the Bell bill. For the possibility that competition will be legislated out of the telecommunications industry has confused and intimidated the investors, customers, suppliers, and employees of A.T. & T.'s competitors.

The joint resolution also expresses the strong support of Congress for the procompetitive actions taken by the FCC and the courts during the past decade. Instead of establishing a presumption in favor of monopoly, our starting point in the debate on our future telecommunications policy should, I believe, be a clear statement by Congress that consumers are best served by competition in the industry wherever it is shown to be economically and technically feasible.

It is our general experience in this country that consumers gain the most benefits from an unfettered free market. Apart from the public telephone network which, I believe, should remain a regulated monopoly, no arguments have so far been presented justifying the telecommunications industry as an exception.

ADDITIONAL COSPONSORS

S. 27

At the request of Mr. INOUYE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 27, a bill to amend title 38, United States Code, to provide that the Administrator of Veterans' Affairs may furnish outpatient dental services and treatment for a nonservice-connected disability to any war veteran who has a service-connected disability of 80 percent or more.

S. 60

At the request of Mr. INOUYE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 60, a bill to amend title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits, to provide benefits for widowed fathers with minor children, and to make certain other changes so that benefits for husbands, widowers, and fathers will be payable on the same basis as benefits for wives, widows, and mothers.

S. 80

At the request of Mr. BURDICK, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 80, to restore to Federal civilian and Postal Service employees certain rights as private citizens in the political processes of the Nation.

S. 81

At the request of Mr. INOUYE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 81, a bill to amend the Social Security Act to provide that certain persons, who have innocently entered into a legally defective marriage to an insured individual and have lived with such individual as his husband or wife for at least 5 years, shall be treated, for benefit purposes, as if such marriage had been legally valid.

S. 104

At the request of Mr. INOUYE, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 104, a bill to amend the Social Security Act to provide for inclusion of the services of licensed registered nurses under medicare and medicaid.

S. 107

At the request of Mr. PEARSON, the Senator from North Dakota (Mr. YOUNG) was added as a cosponsor of S. 107, to reform veterans' pensions.

S. 123

At the request of Mr. INOUYE, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 123, a bill to amend the Social Security Act to provide for the payment of services by psychologists, and for other purposes.

S. 127

At the request of Mr. INOUYE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 127, a bill to amend chapter 55 of title 10, United States Code, to require the Armed Forces to continue to provide certain special educational services to handicapped dependents.

S. 132

At the request of Mr. INOUYE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 132, a bill to authorize the Secretary of the Army to make available to the State of Hawaii through it to the Queen's Medical Center physical facilities not needed by the Army at Fort DeRussy, Hawaii, for the purpose of establishing a mental health clinic in such facilities.

S. 146

At the request of Mr. GOLDWATER, the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of S. 146, to amend the Social Security Act.

S. 174

At the request of Mr. CLARK, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 174, to amend the United Nations Participation Act.

S. 196

At the request of Mr. BURDICK, the Senator from Oklahoma (Mr. BARTLETT) and the Senator from Wyoming (Mr. WALLOP) were added as cosponsors of S. 196, to amend the Internal Revenue Code.

S. 223

At the request of Mr. INOUYE, the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 223, a bill to amend part B of title XI of the Social Security Act to assure approximate participation by professional registered nurses in the peer review, and related activities authorized thereunder.

S. 231

At the request of Mr. INOUYE, the Senator from Hawaii (Mr. MATSUNAGA) and the Senator from Minnesota (Mr. HUMPHREY) were added as cosponsors of S. 231, a bill to require that skilled nursing homes furnishing services under the medicare and medicaid programs be adequately equipped with wheelchairs and other appropriate equipment and supplies.

S. 232

At the request of Mr. INOUYE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 232, a bill to amend title 10, United States Code, so as to provide that the Chief of the Biomedical Sciences Corps of the Air Force shall be a brigadier general, and for other purposes.

S. 233

At the request of Mr. INOUYE, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 233, a bill to provide for a greater utilization of the professional services of qualified professional psychiatric nurses in the medicare and medicaid programs.

S. 234

At the request of Mr. INOUYE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 234, a bill to provide Federal programs of educational, employment, and other assistance to areas with heavy concentrations of foreign-born persons.

S. 256

At the request of Mr. PEARSON, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of

S. 256, the Natural Gas Act Amendments of 1977.

S. 256

At the request of Mr. BENTSEN, the Senator from Texas (Mr. TOWER), the Senator from North Carolina (Mr. HELMS), and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 256, the 1977 amendments to the Natural Gas Act.

S. 368

At the request of Mr. INOUYE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 368, a bill to amend title II of the Social Security Act to provide that the amount of insurance benefit payable thereunder to remarried widows and widowers will not be reduced on account of their remarriage.

S. 375

At the request of Mr. BELLMON, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 375, to amend the Wild and Scenic Rivers Act.

S. 408

At his own request, Mr. HELMS was added as a cosponsor of S. 408, a bill to amend title 5, United States Code, to extend certain benefits to former employees of county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, and for other purposes.

S. 417

At the request of Mr. PROXMIRE, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 417, a bill to establish a National Commission on Neighborhoods.

S. 459

At the request of Mr. CHURCH, the Senator from Montana (Mr. MELCHER) was added as a cosponsor to S. 459, a bill to authorize reduced air fares for youth and elderly.

S. 506

At the request of Mr. HUMPHREY, the Senator from Michigan, (Mr. RIEGLE) and the Senator from Vermont, (Mr. LEAHY) were added as cosponsors of S. 506, the Wage Supplements for Handicapped Individuals Act.

S. 509

At the request of Mr. CHURCH, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor to S. 509, a bill to amend the Controlled Substances Act so as to make unlawful the robbery of a controlled substance from a registered pharmacy.

S. 532

At the request of Mr. INOUYE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 532, a bill to amend title XVIII and title XIX of the Social Security Act to provide for a greater utilization of the professional services of qualified clinical social workers in the medicare and medicaid programs, to include outpatient services, community mental health centers, and neighborhood health centers among the entities which may be qualified providers, and to remove the special limitations which are presently imposed on coverage of psychiatric and mental health services under parts A and B of title XVIII and title XIX.

S. 551

At the request of Mr. HUMPHREY, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 551, a bill to provide for grants to States for the payment of compensation to persons injured by certain criminal acts and omissions, and for other purposes.

S. 594

At the request of Mr. BENTSEN, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 594, a bill to amend the Trade Act of 1974 in order to authorize the President to designate any of certain countries as eligible for the tariff preferences extended to developing countries under title V of such act if the President determines that such designation is in the national economic interest.

S. 597

At the request of Mr. BENTSEN, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 597, to amend the Federal Water Pollution Control Act.

S. 602

At the request of Mr. PELL, the Senator from West Virginia (Mr. RANDOLPH), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Maine (Mr HATHAWAY) were added as cosponsors of S. 602, the Library Services and Construction Act Amendments of 1977.

S. 607

At the request of Mr. JOHNSTON, the Senator from Indiana (Mr. BAYH), the Senator from Arizona (Mr. DECONCINI), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Texas (Mr. TOWER), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of S. 607, a bill to establish a Minority Business Development Administration in the Department of Commerce.

S. 617

At the request of Mr. INOUYE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 617, a bill to amend the CHAMPUS program provided for under chapter 55 of title 10, United States Code, in order that the services of a qualified professional psychiatric nurse may be provided under such program without a requirement that such services be specified by a physician.

S. 618

At the request of Mr. INOUYE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 618, a bill to amend the CHAMPUS program provided for under chapter 55 of title 10, United States Code, in order that the services of a licensed registered nurse may be provided under such program without a requirement that such services be specified by a physician.

S. 671

At the request of Mr. BENTSEN, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 671, to amend the Federal Aviation Act of 1958.

S. 672

At the request of Mr. HUMPHREY, the Senator from Michigan (Mr. GRIFFIN) was added as a cosponsor of S. 672, a bill to provide for the procurement by the General Services Administration of existing solar energy devices for use in Government buildings.

S. 708

At the request of Mr. CLARK, the Senator from Minnesota (Mr. ANDERSON), the Senator from Nevada (Mr. CANNON), the Senator from New Hampshire (Mr. DURKIN), the Senator from New York (Mr. JAVITS), and the Senator from Louisiana (Mr. JOHNSTON) were added as cosponsors of S. 708, a bill to amend title XVIII of the Social Security Act to provide payment for rural health clinic services.

S. 720

At the request of Mr. HUMPHREY, the Senator from Kansas (Mr. DOLE) was added as a cosponsor of S. 720, the National Child Nutrition Information and Education Act of 1977.

S. 740

At the request of Mr. PEARSON, the Senator from Vermont (Mr. LEAH), the Senator from Michigan (Mr. GRIFFIN), and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 740, to amend the Internal Revenue Code.

S. 744

At the request of Mr. BARTLETT, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 744, a bill to restore public accountability for decisions affecting the compensation of Members of Congress and other Federal officials.

S. 746

At the request of Mr. MCGOVERN, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 746 to provide emergency price and income protection for farmers for the 1977 crops.

AMENDMENT NO. 40

At the request of Mr. MCCLELLAN, the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of amendment No. 40, intended to be proposed to S. 11, to provide for the appointment of additional district court judges.

SENATE RESOLUTION 94—SUBMISSION OF A RESOLUTION RELATING TO INTERNATIONAL COOPERATION TO CURB NUCLEAR PROLIFERATION

(Referred to the Committee on Foreign Relations.)

Mr. CHURCH (for himself, Mr. PERCY, Mr. ANDERSON, Mr. BAYH, Mr. BIDEN, Mr. BROOKE, Mr. CASE, Mr. CLARK, Mr. CRANSTON, and Mr. EAGLETON) submitted the following resolution:

S. RES. 94

Resolved,

Whereas the proliferation of nuclear explosive devices poses a grave threat to continued international progress toward world peace and development;

Whereas the detonation of nuclear explosives, even by developing countries, underscores the urgency of this threat;

Whereas the Senate of the United States ratified the Treaty on the Non-Proliferation of Nuclear Weapons, which committed the United States "not in any way to assist, encourage, or induce any nonnuclear weapons State to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices . . .";

Whereas nonnuclear weapons states agreed to the Non-Proliferation Treaty to accept international safeguards to prevent "diversion of nuclear energy from peaceful uses to nuclear weapons or other nuclear explosive devices";

Whereas the proposed transfer of nuclear enrichment and reprocessing facilities to nonnuclear weapons states enhances their ability to construct nuclear weapons;

Whereas the accumulation of spent reactor fuel, containing potential weapons-grade material, under the sovereign control of nonnuclear weapons states raises immediate dangers of further nuclear weapons proliferation;

Whereas the continued indigenous development of nuclear facilities (including reprocessing and enrichment) beyond the reach of existing international controls emphasizes the imperative need to increase the scope, comprehensiveness, and effectiveness of international safeguards and other controls on the use of nuclear technology;

Whereas international efforts to control proliferation historically have failed to keep pace with world nuclear development, and,

Whereas there is a pressing need for more concerted United States leadership to raise international awareness of the magnitude of the proliferation threat and to seek effective international action to curb proliferation: Now, therefore, be it

Resolved, That the Senate of the United States—

(a) commends the President of the United States for his stated intentions to give diplomatic priority to the pursuit of nonproliferation measures;

(b) endorses and strongly supports active consultations and negotiations with world leaders on the highest level—

(1) to curb the spread of nuclear enrichment and reprocessing facilities and otherwise discourage the diversion of nuclear energy from peaceful uses to nuclear weapons or other nuclear explosive devices;

(2) to achieve universal acceptance of international safeguards on all peaceful nuclear activities, as well as to seek international cooperation to improve the packaging and handling of high level wastes and to provide for international storage of plutonium, spent reactor fuel, and other sensitive nuclear materials;

(3) to explore possible international arrangements for the provision of nuclear fuel services to help meet the legitimate energy needs of cooperating states;

(4) to reach agreement on sanctions to be applied against any nation which seeks to acquire a nuclear explosives option; and,

(5) to strengthen the safeguards of the International Atomic Energy Agency;

and,

(c) shall act promptly on legislation to enact a clear statement of goals for United States non-proliferation policy providing guidance and support to these Presidential diplomatic initiatives, and to establish a clear statutory framework for the development and implementation of United States nuclear export policy.

Mr. CHURCH. Mr. President, 14 years ago, President John F. Kennedy warned of "the new face of war." He said:

> Total war makes no sense in an age when great powers can maintain large and relatively invulnerable forces and refuse to surrender without resort to those forces. It makes no sense in an age when a single nuclear weapon contains almost ten times the explosive force delivered by all of the allied air forces in the Second World War. It makes no sense in an age when the deadly poisons produced by a nuclear exchange would be carried by wind and water and soil and seed to the far corners of the globe and to generations yet unborn.

These words remain as poignant today as in 1963. The urgency with which President Kennedy pleaded for a "strategy of peace" rather than annihilation has not lost its meaning. If anything, the dangers have grown, for we now stand at the threshold to an era of unexpected energy demands likely to sow the Earth with nuclear reactors—each one of which could become the parent of new-born bombs.

Whether or not a system of global birth control can be devised and imposed upon this lethal parenthood remains to be seen. Certainly our record so far is lamentable. We have faced several major opportunities to harness the atom, and each time we have failed. Cats, we pretend, have nine lives; but I have never heard that claim made for civilization.

Today, as President Carter has said:

> . . . the hour is too late for business as usual, for politics as usual, or for diplomacy as usual. An alliance for survival is needed—transcending regions and ideologies—if we are to assure mankind a safe passage to the twenty-first century.

For now we confront the worst peril yet in the unhappy history of man against the bomb. Tremendous are the pressures that stimulate the spread of nuclear reactors across the Earth. The energy crisis is upon us, and virtually every nation reaches out for its own reactors to generate electricity. A multibillion-dollar market summons eager salesmen from the United States, England, France, Germany, Canada, the Soviet Union, Japan, and other supplier nations. The lure of enormous profits becomes overriding, and considerations of arms control and environmental safety—even the specter of nuclear war itself—gives way.

Said Adlai Stevenson in 1952:

> We will never be able to release the power of the atom to build, unless we are able to restrain its power to destroy.

We face the same dilemma today. How can these nuclear reactors produce their electricity and still be harnessed to the ends of peace?

Some believe it is already too late. Not long ago, a distinguished panel of scientific experts concluded that "nuclear war in some form is likely before the end of this century, and will probably occur as the direct result of a proliferation of nuclear powers and weaponry."

Clearly, a dramatic act of leadership by the United States is called for—not a utopian dream. Schemes to change human nature have not worked well in the past, and we shall never quell the human appetite for profit and power. Instead, we must pursue plans that have some chance in the real world. It will be difficult, but not impossible. As President Kennedy said in 1963, "Our problems are manmade; therefore, they can be solved by man."

What are the elements that might furnish us with a solution? We must begin by recognizing the mutuality of interests among nations able to supply nuclear reactors and those desiring to purchase them. The suppliers have a common interest in developing uniform international controls to prevent diversion of reactor fuels into bomb building.

As long as unrestricted competition for these multibillion-dollar sales continues to govern, the buyers—not the sellers—will set the terms. We have seen this happen for years in conventional arms sales. In 1952, our international arms sales amounted to $300 million; today, they have soared to an estimated $20 billion in this last year alone. Not that we wished to fill Asian countries with huge stockpiles of weapons; not that we believed the inflammatory Middle East was a good place for mountains of missiles and tanks; but because we reasoned that others would sell the weapons if we did not.

The United States has become munitions maker of the world, selling the means for new wars on almost every continent, always with the justification: "If we don't, the Russians, the French, the English, or somebody else will." So, for the profit, the balance of trade, and the political leverage, we do it.

And so it is with nuclear reactors, too. Already, we are introducing nuclear technology and equipment into the tension areas of the world, under the guise that "if we don't others will"—the universal excuse for doing wrong. We have assisted South Korea, Iran, Taiwan, and India, among others, with so-called peaceful nuclear programs only to find the Koreans and Iranians striving to buy reprocessing plants from European suppliers; Taiwan developing stockpiles of plutonium diverted from her reactors; and India setting off a nuclear explosion. Within weeks of the Indian blast, President Nixon promised first Egypt, then Israel, to help expand their nuclear energy programs in the very midst of the inflamed Middle East. And last May an American firm applied for a license to introduce reactors into South Africa, at the tip of another continent seething with unrest.

This terrifying trend must be stopped before it is too late.

Legislation now pending in the Congress to strengthen controls on nuclear sales abroad testifies to the growing concern in the United States over this chain reaction.

But the lessons of the past demonstrate that the passage of national legislation, however well intended, will fall short of the mark in the absence of an international accord to tame the atom. We, ourselves, soon will disregard our

own standards if other supplier nations keep offering the carrot of complete fuel cycles, in order to make lucrative sales.

Mr. President, it is of utmost importance that the United States commit itself to an active nonproliferation policy and take the lead in establishing new safeguards that would promote peace and security while giving all States access to the peaceful use of nuclear technology. It is absolutely vital for our country to work with others to formulate a worldwide safeguard system for nuclear fuels while there is still time.

In a spirit of support for the efforts of the new administration to achieve these important goals, I join with Senator PERCY of Illinois to submit a resolution on nuclear proliferation. We are joined by several cosponsors: Senators ANDERSON, BAYH, BIDEN, BROOK, CASE, CLARK, CRANSTON, EAGLETON, GLENN, GRAVEL, HATFIELD, HEINZ, HUMPHREY, JAVITS, KENNEDY, LEAHY, MATSUNAGA, MCGOVERN, METCALF, METZENBAUM, PELL, RIBICOFF, RIEGLE, STEVENSON, and ZORINSKY.

Mr. PERCY. Mr. President, the resolution which Senator CHURCH and I are submitting today with the cosponsorship of several of our colleagues deals with one of the most pressing problems facing the United States and the world today—nuclear proliferation.

During the 94th Congress, countless hours were devoted to the task of breaking new ground with legislation to formulate a coherent U.S. policy in this field, including strengthened nuclear export controls and a call for new diplomatic initiatives. Although no final action was taken on this legislation, congressional efforts did contribute to a new awareness of the problem.

A great deal remains to be done if we are to have any hope of bringing proliferation under control. Prompt Senate action on this resolution will help to renew that effort.

The resolution notes the magnitude and urgency of the proliferation threat, pointing out the grave danger of recent developments in nonnuclear-weapon states—including the spread of sensitive nuclear enrichment and reprocessing technology, the accumulation of spent reactor fuel containing potential weapons-grade material, and the steady movement in many nations toward the capability to produce nuclear explosive devices beyond the reach of existing international controls.

Three central points lie at the heart of the resolution. First, that we are greatly encouraged by President Carter's efforts to give this issue the diplomatic priority which it requires, including conversations between Vice President MONDALE and numerous world leaders and the continuing bilateral discussions.

Second, it urges the President to continue to pursue this issue on the highest levels. If the United States hopes to persuade other nations to adhere to unprecedented controls in order to further this international imperative, we must begin by conveying the great importance which we attach to the issue.

Finally, the resolution expresses the intention of the Congress to act promptly in the 95th Congress on comprehensive legislation to establish a clear U.S. policy on proliferation. The resolution recognizes that much of this effort can only be accomplished through diplomatic initiatives, not through legislation. However, it does note the very important responsibility of Congress to act in those areas where legislation is appropriate and to provide guidance and support to the President's diplomatic efforts.

Mr. President, I am confident that the Senate will want to act promptly on this resolution as a signal to the world that we strongly endorse the efforts of our President to seek an answer to this staggering problem, and as a signal to our President that the Congress intends to present him with comprehensive legislation in this session of Congress.

AMENDMENTS SUBMITTED FOR PRINTING

INLAND NAVIGATION IMPROVEMENT ACT OF 1977—S. 712

AMENDMENT NO. 44

(Ordered to be printed and referred to the Committee on Environment and Public Works.)

Mr. DOMENICI. Mr. President, previously during today's session, I had the opportunity to introduce "the Inland Navigation Improvement Act of 1977." A description of that bill to authorize the reconstruction of locks and dam 26 and impose a national system of waterway user charges can be found at another location in the RECORD. That bill essentially consists of two sections from last year's omnibus bill, sections that I helped to write.

But as I have worked on this subject, it has become clear to me that an alternative approach needed consideration during our hearings this year. It is for that reason that I am today introducing this amendment that deals specifically with the problems associated with locks and dam 26. This amendment establishes a user fee at locks and dam 26, and only at that facility, and it bases the fee solely on the costs to the Federal taxpayer of construction locks and dam 26.

Our Nation confronts in the years ahead the challenge of a major reconstruction of the inland waterway system. There are estimates that the cost of such a program will run to several billions of dollars. As I have explained on the Senate floor on many previous occasions, I do not believe that such a full Federal subsidy is fair to the American taxpayer, and I believe that it subverts a rational and cost-effective national transportation policy. Stated simply, it is not in the national interest to continue to give the barge operators a totally free ride.

The approach of this amendment may overcome some of the arguments, however incorrect, that last year's committee bill would have imposed burdens unequally. This alternative approach would say that any components of the system now in existence, or actually under construction, shall be finished and will be operated and maintained for free by the Federal Government.

But when the Federal Government begins construction of a new major navigational project or begins major rehabilitation on an older one, it shall be the policy of the Congress to impose a charge that recovers that capital cost, with Government-rate interest, over the life of the project. This approach anticipates that the Federal Government will continue to provide the costs of operating and maintaining those projects as a subsidy to the waterway industry. This approach has one further benefit, I believe. For the first time, it will give real assurance to the taxpayers of the real need for a particular waterway "improvement." It will lessen the danger that projects will float along on inflated "benefits," because the potential users will no longer lobby for the gold plate, since they will have to pay for it. The corps will build what is needed, and no more.

This approach, I would note in closing, is very similar to that now utilized by the Corps of Engineers and other Federal agencies in requiring that the users of hydroelectric power and municipal water and irrigation water agree to repay the full Federal cost of those benefits over the life of the dam.

Mr. President, I ask unanimous consent that the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 44

On page 7, line 9, insert the following and renumber subsequent sections accordingly:

"SEC. 6(a) In order to promote greater equity among all modes of transportation and to demonstrate more effectively the economic benefits for the project authorized by Section 1 of this Act, the Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to institute a lockuse fee at such project, under the terms of subsection (b) of this section.

"(b) Following public hearings and not later than 15 months after the date of enactment of this Act, the Secretary shall publish in the Federal Register final regulations for the lock-use fee authorized by subsection (a) of this section. Such fee shall be set at a rate sufficient to recover the full cost to the Federal government of the project authorized by Section 1 of this Act, together with a rate of interest that is based on the yield of Federal long-term obligations, over the life of the project. Such fee shall vary according to tonnages, value of cargo, or such other factor as the Secretary finds to be reasonable and equitable.

"(c) Notwithstanding any other provision of law, the fees authorized by subsection (a) of this Section shall become effective on January 1, 1979, or 90 days following the initiation of construction on the project authorized under Section 1 of this Act, whichever occurs later. During the period of construction, fees shall be set so no more than 10 per cent of the final Federal cost will have been recovered when the new project is opened to traffic, with the remainder to be recovered in equal installments during the succeeding 50 years, or the estimated life of the project, whichever is the lesser. Such fees shall be adjusted annually to reflect any variation in receipts greater or lesser than had been anticipated.

"(d) Each commercial user of Locks and Dam 26 shall pay the fee authorized by this Section prior to transit of Locks and Dam 26 The Secretary shall prohibit transit of such lock to any commercial vessel that fails to make such payment.

"(e) In establishing and revising the fee under this section, the Secretary shall allow, as an offset or deduction the payment of any Federal tax, including a tax on fuels, that may be imposed on commercial vessels using the inland waterways of the United States, or any general waterway user charge that may be enacted subsequent to enactment of this Act."

DIRECT ELECTION OF THE PRESIDENT—SENATE JOINT RESOLUTION 1

AMENDMENTS NOS. 45 THROUGH 51

(Ordered to be printed and Referred to the Committee on the Judiciary.)

Mr. ALLEN submitted seven amendments intended to be proposed by him to the joint resolution (S.J. Res. 1) proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

Mr. ALLEN. Mr. President, in a moment I shall send to the desk a series of amendments to Senate Joint Resolution 1. All of these amendments proposed are constitutional amendments, and they are designed to be submitted under the same resolution that would submit the direct election of the President and Vice President amendment.

It is not necessary, Mr. President, as the Senator knows, to have a separate resolution on each proposed amendment to the Constitution. One resolution can submit a series of amendments, each one going out to the States under the resolution and be acted on separately by the State legislature.

And it is the custom to provide that the amendment must be adopted within 7 years from its submission.

If these amendments are agreed to in the Committee on the Judiciary or if one or more of them are agreed to, the resolution submitting the direct election of the President and Vice President amendment would contain such amendments as Congress might agree to and would be submitted in the Senate in such manner as the Committee on the Judiciary might submit it to the Senate. Of course, it would then be subject to amendment and debate here on the floor.

The first amendment that I am going to propose to Senate Joint Resolution No. 1 is an amendment that provides that no person shall be assigned to any public school or public school system on the basis of race. That would be an antibusing amendment to the Constitution.

The next amendment I am proposing—and it would be my understanding that these amendments would go to the Judiciary Committee where Senate Joint Resolution 1 is being considered—would be a constitutional amendment which would provide for definite terms of office for the members of the Supreme Court, the courts of appeal, and the district courts, providing for 8-year terms for Supreme Court Justices, 6-year terms for courts of appeal, and 6-year terms for district Federal judges, the only difference being that the district judges, under the amendment, would be elected by the people of the district wherein they might serve.

As to the election it would have no affect on the manner of selection of the district judges. They are already appointed for life and would not be subject to the election provisions of this amendment. It would apply to the length of term of Supreme Court Justices, and the fact that they would be appointed for 8-year terms. They, of course, would be eligible for reappointment if the then sitting President saw fit to reappoint them.

The next amendment I am proposing as an amendment to Senate Joint Resolution 1 is a constitutional amendment which would permit prayer, voluntary, nondenominational prayer or meditation, in public schools or other public buildings which are supported in whole or in part through the expenditure of public funds.

I might say this amendment was voted here in the Senate on one occasion, though the amendment at that time, to which it was attached, did not pass the Senate. It has been acted upon favorably here in the Senate.

The next amendment would be a right to life constitutional amendment.

The next amendment would be an amendment requiring a balanced budget by our National Government, something that both Mr. Carter and Mr. Ford in the recent Presidential election promised they would see the Nation had during the 4-year period which we entered upon on January 20. This would make that not just a campaign promise but a reality. I have two amendments of that nature, wording the issue somewhat differently.

The next amendment is a novel approach to the problem that our Chief Executives, our Presidents, sometimes face when they leave office in that frequently they are young men—John F. Kennedy would have been still in his 40's, I believe, or early 50's, at the end of his second term had he had the opportunity to serve for two terms—but their talents and their abilities are not called upon by the Nation to be put to use in the interest of the Nation. Sometimes they speak; sometimes they do nothing but have a proposed vacation.

I think it might be well, and this amendment would advance the idea, of providing that any person who shall become President of the United States after ratification of this article shall, upon leaving office as President, and upon certifying to the Secretary of the Senate his desire so to do and taking the oath of office prescribed for a U.S. Senator, become a U.S. Senator from the Nation at large. The term of office of such Senator from the Nation at large shall be for a single term of 6 years dating from the next preceding January 3 prior to the date on which he shall have left office as President.

In other words, it would be coextensive with the Senate term rather than a Presidential term.

Such Senator from the Nation at large shall have one vote in the Senate except that he shall not have the right to vote in the Senate in the organization of the Senate.

I think that would be a wise provision, to provide that he could not vote on the organization of the Senate. That would be done by the 100 Senators.

Except for that he shall otherwise have the same duties, responsibilities, rights and privileges as other Senators, but he shall not be paid a salary.

The chances are he would possibly have legislative retirement and Presidential retirement and would not need an additional salary. He would have the right to have an office, staff allowance, and other emoluents of office. This would not apply to anyone except those who were elected after the ratification of the amendment.

Of course, if the amendment is submitted and is sent out to be ratified by three-quarters of the States, it would take several years at best to be ratified. The chances are it would not apply to the person who might be elected in November of 1980, though it could theoretically apply to that person. It would apply to all persons elected subsequent to that. It would give retiring Presidents a 6-year term in the U.S. Senate, having all rights and privileges of a Senator, except the right to vote on the organization of the Senate.

Mr. President, I ask unanimous consent that these amendments be submitted to the Judiciary Committee and that they be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. CANNON. Mr. President, on Wednesday, March 2, at 10 a.m., in room 301 of the Russell Senate Office Building, the Committee on Rules and Administration will hold an open meeting to organize the committee and adopt committee rules for the 95th Congress.

Immediately following that meeting the committee will commence open hearings on Senate Resolution 5 and other resolutions relating to Senate Rule XXII which were referred to the Rules Committee on January 4 with instructions to report back not sooner than 60 nor more than 90 days, a period ending on April 4.

I would appreciate it if Senators desiring to testify or submit statements for the record would notify the Rules Committee by telephoning Miss Peggy L. Parrish at extension 4-0281.

LIBRARY SERVICES AND CONSTRUCTION ACT AMENDMENTS

Mr. PELL. Mr. President, I am glad to add the names of Senators RANDOLPH, WILLIAMS, and HATHAWAY as cosponsors of S. 602, the Library Services and Construction Act Amendments of 1977. It is a pleasure to be working with them on this effort.

In regard to the bill, I wish to announce that we will hold a hearing on libraries in Washington on March 9. We hope to follow this hearing with two others, one each in New York and in Providence. The Providence hearing will be held on March 19, and the hearing in New York will be held near that date.

ADDITIONAL STATEMENTS

BUDGET FOR EDUCATION

Mr. PELL. Mr. President, President Carter has submitted his proposed budget for education for fiscal year 1978. I view it with mixed emotions—it is neither as disastrous for education as was widely rumored prior to its submission, nor as favorable as one who is deeply interested in our Nation's educational system could have hoped.

The previous administration proposed deep slashes in education funding. President Carter has, in most cases, restored program funding requests to their existing levels, thereby assuring that vitally needed educational services not be drastically reduced. However, I am disappointed that this is all that he has done in his budget requests. By reinstating the status quo, dollar for dollar, he has failed to take into account the ravages of inflation. His 1978 dollars will not be able to buy the same level of educational services and materials that our schools and colleges were able to purchase with their 1977 dollars. I intend, as chairman of the Education Subcommittee, to do what I can to insure that increased levels of funding are attained, so that ongoing educational programs do not suffer.

In two significant areas, President Carter has proposed substantial increases—title I of the Elementary and Secondary Education Act and the basic educational opportunity grant program. I commend him for his wisdom and compassion in targeting additional funds on these two programs.

Title I is our largest program of aid to elementary and secondary education, focused on the disadvantaged who need additional educational attention in order to keep up with their classmates. For the past 10 years, title I spending per pupil has increased at only three quarters of the rate of spending per pupil for all other children. The increase of $350 million proposed by President Carter, putting the total appropriation request at $2.635 billion for fiscal year 1978, will cut that expenditure gap in half. In addition, it will allow needy children who are not currently enrolled in title I programs to participate in these remedial programs.

The Basic Educational Opportunity Grant program, of which I was the principal author in 1972, provides the foundation of student financial assistance for postsecondary education for all students. It is based on the premise that higher education should be available to all who seek it and can benefit from it, not limited to the privileged few who can afford it. For the past 2 years, the program has been fully funded, with the maximum grant of $1,400. In the Education Amendments of 1976, the Congress raised the grant ceiling to $1,800, in recognition of spiraling college costs. The level of $2.316 billion proposed by President Carter will allow for a maximum grant of $1,600 for the academic year 1978–79. While this does not take the full step toward full funding of the program, as I would have hoped, it represents a major improvement over the request of the prior administration, which would have left grants at $1,400 or less.

Under the budget level proposed by President Carter, basic grants will be available for the first time to some half-million students from families with incomes in the $13,000–$17,000 range. These families, as well as those from lower income brackets, are being increasingly squeezed by rising college costs. Finally, grant assistance will be available for their children, a result I have worked for for years. I am pleased that President Carter has taken a partial step toward our ultimate goal of an $1,800 ceiling on grants; I look forward to working with him to attain that goal.

Two budget decisions made by President Carter distress me, and I would hope that he would reconsider them. The first is his decision not to request any new funds for the National Direct Student Loan program. This loan program has been a basic source of student support since its enactment in 1958. Low interest loans have been available to needy students through their colleges. Many of these students could probably not have obtained similar loans through banks.

In the January/February 1977 issue of Today's Education, then President-elect Carter noted "many who attend college face tuition increases at the same time they find it difficult to acquire grants and loans." Unless this decision is reversed, students will find it even more difficult—if not impossible—to find loan assistance to enable them to complete their education.

The other decision which I believe to be misguided involves the impact aid program. This is the program which compensates communities for the financial drain on their tax base and educational system due to the presence of Federal employees and military personnel in the school district.

I am aware that a succession of Presidents, beginning with President Eisenhower, have sought to curtail this program, and to reform its operation. For that reason, the Congress rewrote the legislation in 1974 to make the Federal payments more accurately reflect the nature of the Federal burden on school districts. Now, through his budget request, President Carter seeks to undo everything that we accomplished.

Districts across the country have planned their school budgets and set their tax levies in anticipation of their entitlement for impact aid. Slashing program appropriations in half, as the President proposes, could severely harm educational programs in a large number of school districts.

Of special concern to my own State of Rhode Island, as well as to a number of other States, is the President's failure to request funding for a number of hold harmless provisions in the law which are designed to cushion the effect of the reforms enacted in 1974 by gradually decreasing a district's entitlement. One of these provisions deals with communities which formerly had military installations whose children were educated in public schools. When these bases were closed, the children remained, but they were no longer counted for purposes of eligibility for funding. The potential impact on these school districts' budgets was catastrophic. As a result, the phasedown was enacted, to enable these communities to gradually increase their school revenues to make up the slack caused by the Federal pullout. If this hold harmless, as well as others, is not funded, many school districts in my State will suffer severely.

One final note of disappointment concerning these two adverse budget decisions—both of them violate the law that is now on the books. The law requires that the national direct student loan program be funded at the level of at least $286 million before the basic grant program can be funded. President Carter's budget ignores this requirement.

Similarly, the law requires the payment of impact aid for children whose parents reside on non-Federal property and in public housing, as well as for those whose parents reside on Federal property. President Carter's budget ignores this requirement.

We have been through too many years when the law has been ignored or winked at. I regret that President Carter seems to have fallen into the same trap by adopting two of the budget recommendations of the previous administration. I sincerely hope that, upon reflection, he will reverse his earlier decision to go along with reduced budget levels, and will instead support adequate levels of funding for loans and impact aid, in conformity with the statutes authorizing these programs.

ELECTRONICS PRODUCTION: THE NEW AMERICAN INDIAN CRAFT

Mr. BARTLETT. Mr. President, Dr. Keith L. Fay, visiting professor of marketing at the American University School of Business Administration, and the author of numerous publications, papers, and articles on the marketing industry, has recently completed an article entitled "Electronics Production, the New American Indian Craft—a way to better economic opportunities" which relates how and the instances in which the manual dexterity and keen eyesight of Native Americans has been applied to develop economic opportunities for Indian Tribes and communities.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ELECTRONICS PRODUCTION—THE NEW AMERICAN INDIAN CRAFT (A WAY TO BETTER ECONOMIC OPPORTUNITIES)

(By Dr. Keith L. Fay)

Historically the American Indian people have been noted for their artistic ability and their craftsmanship in handmaking jewelry, blankets, and magnificent beadwork. These abilities have now been turned to more modern endeavors today. More and more Indian

people are learning to apply their skills to the manufacturing of electronics equipment and components.

While not every Indian has all of the skills necessary to become an immediately employable person in this industry, the native manual dexterity and keen eyesight of the Indian people make them excellent workers for the assembly of tiny electronic components. In the words of one such individual, a member of the Hidatsu Tribe of North Dakota, "The teachings of my early youth in the making of pottery and bead and quillwork, which demand patience and attention to detail in order to complete the job, gave me steady hands. This helped me prepare for work in electronics assembly. Now I'm working and earning good money."

The opportunity for gainful employment has been the desire of most Indians for many years. The way to better living conditions is through better job opportunities.

The lack of permanent job opportunities in reservation areas has long been recognized, by both tribal officials and Bureau of Indian Affairs economic development specialists, as a major deterrent to the improvement of living conditions on many of America's Federal Indian reservations. On some reservations, less than fifty percent of the available labor force is currently employed on a full-time basis. On others, the only employment available in the past has been in agriculture, in extractive industry such as mining, lumbering, or fishing, or in arts and crafts pursuits.

During the past several years, significant advances in improving employment opportunities have been made by many tribes. Through the combined efforts of tribal leaders and industrial development specialists of the Bureau, in cooperation with leaders of electronics firms, several tribes have located electronic production facilities on their reservations. The plants offer employment to several hundred Indians, with facilities ranging in size from a fifteen-person work force to one which employed over 1,000 Indian employees. Operation of the firms varies from complete Indian ownership and management to an Indian-owned facility leased to a national manufacturer who supervises operations, often using Indian managers and foremen.

The number of electronics firms operating in reservation areas precludes a discussion of each firm. However, by using a representative sample, one can see the effect the electronics industry has had on alleviating employment problems on reservations. One can also see how well the Indian people have adapted to this new craft. Several firms and their histories are presented to achieve this end. The firms are: Fairchild Semiconductor Division, Fairchild Camera and Instrument Company; General Dynamics Corporation; Nothrup Dakota Inc.; The Turtle Mountain Corporation; and the Warm Springs Assembly Plant, and Omni-Lab, Inc. which is no longer operational.

FAIRCHILD SEMICONDUCTOR DIVISION

The initial contact with Fairchild was made in July, 1964, by Mr. John Zachry, Industrial Development Specialist, Los Angeles Office of the Bureau of Indian Affairs. The purpose of this meeting was to induce Fairchild to locate part of their electronics production on an Indian reservation.

The officials of Fairchild visited many reservations and held discussions with several tribal groups before the company decided to locate a branch plant on the Navajo Reservation near Shiprock, New Mexico. The plant was to be used for the assembly of silicon transistors. The industrial development agencies of the State of New Mexico and the city of Farmington played a major part in demonstrating to Fairchild the value of a New Mexico location, and the tribe convinced the company that Shiprock should be the site for the plant. Company officials were also convinced that the Navajo people were particularly suited for the type of work entailed in the production of transistors.

The Shiprock site was selected by the tribe as a part of the tribal endeavor to create an industrial complex in an area that in the past had been solely agricultural in nature. The Navajo Tribe, long aware of the needs of its people, especially regular employment, was establishing vigorous economic and manpower development programs to assist tribal members to enter the mainstream of American life. Fairchild's new plant on the reservation was expected to contribute substantially to that goal.

The company operated in temporary quarters in the Shiprock community until the tribe completed the construction of new plant facilities. The plant constructed was a modern 33,600 square foot building, estimated to have cost $844,000, including fixtures and facilities. It was built using tribal funds with a healthy assist ($463,000) from the newly formed Economic Development Administration (EDA), Department of Commerce, in the form of a business loan, which is being repaid by the tribe.

The plant is designed and equipped to accommodate the largest number of American Indian workers (1500–2000) ever employed on a single private payroll. The work force increased from 50 Indians to about 900 Indians in 1973, with a high of 1,130 in 1969.

The firm consistently had a labor force made up of 97 percent Indian workers. These Navajo workers established production and job attendance records that compared favorably with Fairchild operations in other locations in the United States and foreign countries. The employee turnover decreased from 8.8 percent in 1966 to 3.4 percent in 1973; absenteeism decreased from 5.5 percent in 1966 to 4.2 percent in 1973. The plant was forced to close in 1974 when a group of militant Indians (not members of the Navajo Tribe) of the American Indian Movement (AIM) took possession of the plant. Negotiations are underway to re-open the plant.

The employment record at Fairchild was an obvious refutation of the old cliche about the inability of Indians to work at steady jobs. Another myth was exploded: with 30 of the 35 production supervisors being Indian, one can no longer say that Indians are reluctant to accept supervisory positions in Indian-staffed plants because of cultural hang-ups over directing and giving orders to other Indians.

The creation of added employment opportunities caused an influx of workers into the Shiprock area. This created a housing shortage which must be alleviated. The construction of new housing created further employment for Indians residing on the reservation.

Electronic assembly production usually has more female-oriented employment than male; and in an area of general unemployment, having women as breadwinners of the family created some special types of social problems. To combat these problems, Fairchild brought in new production techniques more suited to male aptitudes, and eventually intended to employ 400 men as a part of the regular work force.

The introduction of manufacturing employment normally stimulates service type enterprises in an area. The Navajo Tribal leaders project that, in response to the regular payroll, an additional 350 to 400 service type jobs were created, at least 50 percent of these jobs were filled by males.

If success of this facility were to be measured on the basis of providing jobs for those who have had no jobs and those jobs can keep them on their own lands, or in their own communities, among their own people, and with the way of life they know best, then the Fairchild plant can be considered to have been a success.

With the closing of the plant 800 skilled electronics employees became unemployed. However, these people will undoubtedly reenter the employment stream as highly skilled technicians rather than as artisans learning a new craft. They will be valuable to any manufacturing electronics equipment.

In addition to Fairchild, the Navajo Tribe has another well-established firm, General Dynamics Corporation, located on its reservation at Fort Defiance, Arizona. This electronics operation has also been instrumental in relieving Indian employment problems and providing better economic opportunities to Navajo people.

GENERAL DYNAMICS CORPORATION

Early in 1967, negotiations between the Navajo Tribal leaders and the General Dynamics Corporation, a major manufacturer of electronic equipment, were started with the assistance of Bureau of Indian Affairs industrial development specialists from the Washington and Navajo area offices. The firm had need for additional manufacturing facilities, while the tribe had unemployed people who could be trained in the manufacturing of electronic parts.

The operation of General Dynamics actually started in the summer of 1967, when six General Dynamics supervisors and 30 local Navajo trainees activated the enterprise in a former food distribution center which has been known locally as the "old Commissary." The training in the Fort Defiance, Arizona, project proceeded under the guidance of company personnel. During this training period, the tribal officials were preparing a permanent site for the enterprise.

On November 14, 1967, Raymond Nakai, then tribal chairman of the Navajo Tribe, dedicated a new 26,000 square foot, air-conditioned plant located on a five-acre plot of land in the Fort Defiance Industrial Park. The building, costing $800,000 was built by the Navajo Tribal Design and Construction Department and was the first major industrial establishment in the Fort Defiance area. The building, constructed with tribal funds, was leased by General Dynamics on a long-term basis from the tribe.

The Bureau provided an initial $260,000 on-the-job training (OJT) funding to train the Indians for employment in the newly constructed facility. Prospective employees were given an initial six-week training program, where they were taught soldering, welding, and other aspects of electronics production. The training was conducted under the auspices of the Arizona Employment Security Commission through the provisions of the Federal Manpower Development and Training Act, and the Concentrated Employment Program (CEP).

When the trainees completed training and met General Dynamics requirements, they were given certifications and placed with the company as on-the-job trainees. During this period, the trainees received coaching and instruction in advanced production procedures. Supervisors in the Navajo facility gave instructions while the trainees were actually working on production units, thereby making the Indians productive employees even while in training.

By December 1969 the initial 30 Indian employees grew to a staff of 225 (92 percent of the total labor force). Fifteen of these individuals were now working in a supervisory capacity. The employment of Indians was steady, but the slowdown in the electronics industry was felt at Fort Defiance as well as elsewhere in the Nation. The employment of Indians dropped to 137 in December of 1970, and by December 31, 1973, only 83 were employed at the plant. However, this constituted 90 percent of the total labor force. At this time some 88 Indians are employed in the plant.

Because of a heavy turnover in Indian labor during the early phases of operations, the Bureau steadily poured OJT funds into the firm. In six years of operation, General Dynamics received in excess of one million dollars in OJT money.

The expenditures of monies to train the Indians employed in this facility is well-warranted. At a cost of approximately $875 per employee, the facility is now generating a payroll in excess of $800,000 per year in an area where, in the past, only seasonal employment and welfare payments had sustained the Indian population.

The Navajo people have long been known for their manual dexterity in the fields of weaving, silversmithing, and jewelry making. This dexterity made it possible for many Indians to quickly adapt themselves to electronics production. Indians from tribes who have not been as broadly noted for this same dexterity have also found production of electronics equipment a satisfactory type of employment. This can best be exemplified by reviewing the operation of the Warm Springs Assembly Plant located in Beaverton, Oregon.

WARM SPRINGS ASSEMBLY PLANT

This plant, a different form of reservation type development, came about as a coordinated effort of the tribal leaders, the Bureau's development specialists, and a very people-oriented firm, Tektronix, Inc., a manufacturer of oscilloscopes, located in Beaverton, Oregon.

The initial contact with Tektronix was made by members of the tribe's Land Use and Industrial Development Committee in an attempt to provide year-round employment of women who were for the most part limited to part-time or seasonal employment, such as potato harvesting and packing. Tektronix was interested in the development of an assembly operation and agreed to pursue the idea if the tribe could provide the facilities for such an operation.

The tribal committee passed a resolution setting up the enterprise and allocated $10,000 of tribal funds to be used to remodel a building which had formerly been used as as a tribal rehabilitation center. The physical plant was fitted with the necessary equipment, proper heating, air conditioning, and lighting. The plant became operational early in 1969, although several Indians had been in training prior to the official opening of the facility.

Since oscilloscopes are highly sophisticated instruments that plot a graph of electrical events, and Tektronix, Inc., is one of the leading manufacturers of these complex devices, and the firm emphasizes quality control. Therefore, training was a most important factor in establishing the War Springs plant.

The company provided free training to selected Indian manager nominees and trainees who were to be used to train other workers at Warm Springs. The original trainees, Everett Miller, plant manager, and two female workers were trained at the Beaverton facility for six weeks, learning the various phases of component assembly.

The Indian women employed at the plant have shown exceptional dexterity and adeptness in the assembly of components. Employment has grown from the initial seven workers to twenty-three. Tektronix firm officials have reported the quality of the work is excellent, with deliveries being made on or before schedule.

Tribal leaders are not looking to Tektronix as their sole source of continuing contracts. They are hoping that since the organization has shown it has a skilled work force that is dependable, well-trained, well-managed, and has the potential to expand the firm will be able to attract contracts with other companies, and is acively seeking new contacts and contracts.

This plant has been managed by an Indian manager since its inception, and salaries have been based on a $4.50 per standard labor hour, introduced by Tektronix in the original contract, which guaranteed the tribe 400 hours of work per week at $4.50 per standard hour of production or $93,600 of income per year for Indians. This employment has been generated at no direct cost to the Government.

At this writing, the firm is preparing to expand its operation and build a new plant. Negotiations are under way with several firms, and there is every expectation that the employment will double in the very near future.

A more recently opened firm started operations in what is considered to be an extremely isolated area of the United States where little if any manufacturing had ever taken place. This plant, Northrup Dakota Inc., opened in New Town, North Dakota.

NORTHRUP DAKOTA INC.

During the late 1960's, Northrup Corporation did an extensive study of several geographical locations to determine the availability of facilities and a labor pool which could be used to produce electronics and aircraft items such as harness and table assemblies, and circuit boards. New Town satisfied all of the requirements, particularly the availability of a labor pool which would be trained readily.

The United tribes of the Hidatsa, Mandan, and Arikara Indian Nation reside in and around New Town on the Fort Berthold Reservation. Northrup Dakota currently employs a large number of Indian people from the reservation. These people have been found to be easily trained and highly adapted to employment in electronics production.

Indians are being employed in a variety of activities which require a high degree of manual dexterity. Activities such as assembling of printed circuit boards, harness boards, and wound components, particularly small transformers, are conducted predominently by the Indian employees.

The adaptability, the Indian people to the needs of Northrup has led to economic advantages for both; the Indian people are offered an opportunity to raise their living standards through wage earnings, Northrup has a highly skilled labor force located in the United States rather than a foreign land yet enjoys a competitive advantage comparable to a foreign operation.

While the majority of the electronics firms locating operations in reservation areas have been successful in attracting Indian workers and remaining in operation, not all have had the same degree of success. In one instance, a firm has gone defunct because of the lack of market demand for its products.

OMNI-LAB, INC.

Omni-Lab, Inc., a manufacturer of electronic educational devices, negotiated for the lease of an unused school facility located at New Post Indian Community on the Lac Courte Oreilles Reservation, Wisconsin. The firm remodeled the building to make it suitable for manufacturing operations. The contact for the lease of the building had been made through field representatives of the Bureau's Branch of Industrial and Commercial Development.

The company immediately applied for support from the Bureau in attaining an OJT contract in the amount of $13,000, to be used in training an initial labor force of 20 persons. The purpose of the initial training was to make employees proficient in the assembly, wiring, and soldering of electrical-mechanical switching equipment, cabinet-making—the making of cabinets out of plywood and formica—and sheet metal fabrication. The training was planned to begin in July of 1966.

By June 29, the Bureau had cleared the application, and Omni-Lab became No. 4 on the priority list for funding out of fiscal year 1967 funds. However, later (August, 1966) Omni-Lab, Inc., indicated a preference for the Wisconsin Manpower Development Training Act program and elected to enter into it. The provisions of this program included funding for both Indian and non-Indian employees. The Bureau offered no objections to this change. Omni-Lab was deleted from the OJT program,

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(volume-to-value ratio) inherent to electronics manufacturing makes it possible for firms to locate in semi-isolated areas and still remain competitive in markets. Transportation costs are not exorbitant; thus, a highly labor-intensive industry can profit through use of skilled Indian laborers.

Many firms now operating in overseas facilities might well find it advantageous to locate on Indian reservations. Having production capacity within the boundaries of the reservations, companies can contribute to the relief of Indian unemployment as well as have access to a highly trainable work force located much closer to sources of supply and markets.

With the current world economic situation leading toward higher costs for overseas production and transportation, Indian reservation production may well provide American firms an opportunity to become more competitive in world markets.

NATURAL GAS

Mr. GRAVEL. Mr. President, the Department of State very recently asked for my views on Alaska natural gas policy in connection with Prime Minister Trudeau's visit this week in Washington for discussions with President Carter. I directed my staff to prepare a memorandum for the State Department discussing general background of the Alaska natural gas supply, particularly from Prudhoe Bay on the North Slope of Alaska; the Alaska Natural Gas Transportation Act of 1976; initial Federal Power Commission action on Alaskan natural gas; and the chief issue: delivery of the gas to American consumers.

I think this memorandum serves the public interest with its arguments and considerations for a trans-Alaska delivery system to move sorely needed natural gas to American consumers. As most of our colleagues know, the Alaska delegation is strongly behind the State of Alaska in its advocacy of a trans-Alaska, all-American gas line. Since Congress late this year will be reviewing and approving the President's recommendation, if any, for a pipeline route, this memorandum should prove of assistance.

This memorandum is drawn from FPC, State of Alaska, and industry source materials.

Mr. President, I ask unanimous consent to have this material printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C. February 14, 1977.

ALASKA NATURAL GAS

BACKGROUND

In 1968 a significant discovery of hydrocarbons consisting of roughly 19 billion recoverable barrels of oil and 26 trillion cubic feet of recoverable natural gas was made at

Prudhoe Bay on the North Slope of Alaska. By competitive sales held in 1968–1969, the State of Alaska sold the basic leases on 200 square miles known as Prudhoe Bay field for about $900 million, reserving for itself a 12.5% royalty interest. Development of the Prudhoe Bay field and plans for an oil pipeline commenced immediately. This field, which holds the largest discovered gas reserve on the North American continent represents roughly 10% of proven 1975 U.S. natural gas reserves and more than a year's supply for all U.S. consumers.

Coeval with plans to develop the Prudhoe Bay field and transport the oil, several companies commenced studies to move the natural gas to markets in the lower 48 states. The first formal proposal to emerge and to be filed with the Federal Power Commission in March 1974 was from the Arctic Gas Study Group, primarily a consortium of American and Canadian natural gas pipeline companies (although the original group also included the principal producers).[1] This group, Arctic Gas, proposes an overland pipeline route 4500 miles long extending east from Prudhoe Bay, crossing the Alaskan Wildlife Range and the Mackenzie River Valley, then south through Alberta to the U.S., entering at two points, one on the British Columbia-Idaho border and the other on the Alberta-Montana border. Distribution in the U.S. will be through an eastern leg by the Northern Border group to Dwight, Illinois, and a western leg via Pacific Gas Transmission Company to west coast states. This high pressure, 48 inch diameter pipeline is also designed to transport Canadian Mackenzie Delta gas and future Beaufort Sea gas to Canadian markets.

In September 1974, a second system was formally proposed by the El Paso Alaska Company (El Paso). It would move only Alaskan gas by 800 miles of 42-inch pipeline roughly paralleling the Alyeska or trans-Alaska oil pipeline across Alaska to a liquefaction plant at a warm water port at Gravina Point on Prince William Sound, Alaska, then by a fleet of liquefied natural gas (LNG) tankers to a California terminal and regasification plant to be operated by Western LNG Company (Western LNG), and then by pipeline and through displacement procedures to other natural gas companies throughout the United States.[2] No transportation of Canadian Mackenzie Delta gas is contemplated.

In July of 1976 Alcan Pipeline Company filed a third competitive application, seeking certification of a 5400 mile route across Alaska to Fairbanks, Alaska, then along the Alcan Highway to the Alaska-Yukon border, then through Canada along the Yukon-British Columbia border, then south utilizing in part some existing Canadian gas lines in British Columbia and Alberta, and then to the U.S. border, connecting in the west with Northwest Pipeline near Sumas, Washington and Pacific Gas Transmission at Kingsgate, B.C., and in the east with facilities to be constructed by the Northern Border group at Monchy, Saskatchawan. Pipelines in this system would be of mixed diameter. This application assumes Northern Border, an applicant in the Arctic Gas project, would distribute gas in the midwest and east.

As an adjunct to the applications here, one must also consider the Foothills proposal before the National Energy Board (NEB) of Canada to move Mackenzie Delta gas to Canadian markets through the so-called "Maple Leaf Project."

No one disputes that these applications are mutually exclusive: a grant of any route to any applicant would preclude a grant to another. The present level of discovered gas reserves will justify only one transportation system, and the billions of dollars of capital costs for initial construction are simply so high that it would be cheaper in the foreseeable future to add to an existing line rather than to commence another.

The magnitude of the physical undertaking and cost of building a gas transportation system from Alaska apparently exceeds any prior U.S. private undertaking. The estimated $8–$11 billion costs are such that the resolve to go forward will require a financial commitment over the construction period of a substantial amount of that funding normally available to all utilities. Definitive values to be placed on these considerations cannot be given; the values shift with our own perceptions of the need for energy, our evaluation of this country's ability to conserve energy or at least limit its growth, the availability of alternative fuels, and the economic, social, environmental and political costs of bringing other fuels to market.

THE ALASKA NATURAL GAS TRANSPORTATION ACT OF 1976

Throughout 1975 and 1976 the Congress of the United States studied the efficacy of passage of a statute to govern the ultimate certification of these Alaska natural gas applications through (1) involvement of the Executive and Legislative Branches in the review procedure and (2) a concommitant limitation on judicial review. The Alaska Natural Gas Transportation Act of 1976, PL94–586 (Alaska Act) was passed unanimously by the Congress on September 30, 1976, and signed into law on October 22, 1976 (15 U.S.C. 719, 90 Stat. 2903—attached).

In accordance with the Alaska Act, the FPC will make a recomendation to the President by May 1, 1977, of a system to bring Prudhoe Bay gas to the 48 contiguous United States. The President will review the FPC recommendation and submit his decision on routing to Congress by December 1, 1977, at the latest. He may also choose not to recommend any route. Final certification of a system depends on a joint resolution of approval by the Congress within 60 legislative days thereafter.

INITIAL FPC ACTION ON ALASKAN NATURAL GAS

A FPC Administrative Law Judge, Nahum Litt, on February 1, 1977, recommended approval of the Arctic Gas proposal. This "Initial Decision on Proposed Alaska Natural Gas Transportation Systems" was based largely on the ability of the Arctic Gas high pressure 48-inch pipeline to carry additional volumes of gas in the event they are found.

Studies have shown that the Arctic Wildlife Range of Alaska contains the most promising areas of large future supplies of gas and oil reserves. However, if additional reserves were not found, Arctic Gas's large capacity line would have unused capacity. Additional gas exploration in the Mackenzie Valley in Canada along Arctic Gas's proposed route has been disappointing.

The Alcan proposal was, in effect, dismissed by the Judge, as neither efficient nor economic. He called the Alcan proposed three-year phase-in construction schedule "(n)ot credible . . ." There are a number of considerations involving Canada that the decision did not address. It stated that politics was the proper responsibility of the President: "The FPC does not make foreign policy for the U.S." Moreover, one of the observations regarding Canada in the decision made the assumption that Canada needs natural gas supplies as much as the U.S. does. This assumption was based on outdated estimates of the Canadian natural gas supply and demand situation. In 1975, the Canadian gas producers reported to the National Energy Board (NEB) that Canada would experience shortages of nautral gas immediately. They recommended phasing out oil and gas exports to the U.S. and developing frontier gas—that in the Mackenzie River Delta of Northwestern Canada. However, December 1976 revisions of the estimates indicate that Canada will not experience natural gas shortages before the late 1980's and possibly later. In addition, current natural gas consumption is 18% below the NEB projected figures of 1976. In view of this situation, Canada finds itself in no urgent need for developing frontier gas—particularly the gas of the Mackenzie River Delta with limited reserves of 3.8–5.1 trillion cubic feet that probably would be priced as high as imported oil for Canada.

Canada has also found reserves of natural gas in the northern Arctic Islands—15 trillion cubic feet. Recently, oil reserves were also found in the same area. The Polar Gas consortium expects to file an application with the NEB in late 1977 for a large diameter pipeline to bring this gas to eastern Canadian markets. Canada's interest for developing natural gas would appear to be in these Arctic Islands.

DELIVERY OF ALASKA NATURAL GAS TO AMERICAN CONSUMERS

Of the three proposals before the FPC for transportation of the natural gas, two involve trans-Canada pipelines and are thus subject to Canadian review and approvals. The El Paso project involves only American approvals and is the only system where control over the timing of transportation of natural gas reserves from Alaska is all in the U.S.A.

The major elements of the central decision-making question—how to deliver Alaska natural gas to American consumers—are basically four: timing, economics, environmental impact and security. While the Canadians are questioning their own national interest in proposals to bring natural gas from Canada's Mackenzie Delta, the U.S. must determine its own priorities. There is no argument over the need for natural gas. The current winter has demonstrated that the United States needs to plan for delivery of the natural gas supplies in Alaska as soon as possible. All proposals will be expensive—the most expensive construction project in history. Which project would bring gas to the lower 48 states most quickly and efficiently?

The El Paso system emphasizes the employment it would generate in the U.S. It is estimated that the Alaskan segment alone would provide jobs for 22,000 workers. During peak construction time the El Paso project would create over 42,000 jobs. In addition, it would require approximately three times the permanent work force upon completion as would either the Alcan or the Arctic routes.

The problems of financing so large a project are just beginning to emerge. Arctic Gas has asked for government financial guarantees here and in Canada. El Paso has maintained it could finance its system in the private sector. El Paso, however, would make use of U.S. government guaranteed ship financing bonds issuable under the Merchant Marine Act of 1936 for financing the LNG fleet of 8–11 supertankers. Arctic's request for government financial guarantees will add another step to the timetable in Canada and the United States. Such government

[1] As finally constituted, this group includes four principal pipeline applicants—Alaskan Arctic, Canadian Arctic (an applicant before the National Energy Board of Canada), Northern Border (a partnership of six natural gas pipeline companies), and Pacific Gas Transmission Company.

[2] Displacement is a method of distribution whereby natural gas may be supplied from a closer point in exchange for gas elsewhere. At its optimum, it avoids physically transferring gas between markets.

guarantees would likely involve government approvals in both countries—including debate in Parliament and Congress. The "Position Brief of the Commission Staff", prepared by FPC staff attorneys in December 1976, stated that, "In terms of financial costs, the El Paso project is more attractive."

Regarding timing: The trans-Alaska project could be completed perhaps sooner than the trans-Canadian Arctic Gas project for several reasons:

The availability of the trans-Alaska oil line's gravel haul road, gravel work pads, camps, and equipment.

The construction of El Paso's pipeline will be independent of the need to construct what are called snow roads and snow work pads in the fragile northern Arctic environment. This construction cannot be avoided by the Arctic project.

Only American approvals are required to launch the El Paso project.

Litigation protesting the trans-Canadian project's crossing of the Arctic National Wildlife Range, if it is forthcoming, could delay construction considerably.

Alaskan Natives' land claims are settled; agreement even to *negotiate* Canadian Natives' land claims along the proposed trans-Canada route is still in the future.

The cooperation of the State of Alaska has been assured in expediting the Trans-Alaskan project's execution.

The cooperation of American labor has been assured since 43 national and international unions support the Trans-Alaskan project.

The Department of Interior's "Report to the Congress (EP-231)", December 1975, entitled "Alaska Natural Gas Transportation Systems" estimated that the risk of delay in completion of the Trans-Alaska project is half that of the trans-Canadian project:

The second issue is economics. The trans-Alaska project should benefit the United States as follows:

It should provide more American jobs than will the trans-Canadian project—by a margin of 345,000 man-years.

El Paso has committed to procure all possible goods and services within the American economy, in contrast to possible billions of dollars to be spent by the trans-Canadian project outside the U.S.A.

Interstate pipeline systems have not been able to add new supplies of gas sufficient to offset the decline in existing sources. The trans-Alaska project would utilize the idle capacity in these existing systems—presently being paid for by American consumers—in bringing Alaskan gas to markets served by these systems.

Were the trans-Canadian project approved, it would generate (at present tax rates) an estimated $7 billion in Canadian taxes, most of which would be paid by the U.S.

Without undertaking to quantify the advantages of the trans-Alaska project from the standpoint of balance of payments, political and security risks, employment of American workers and environmental impacts, the Department of Interior in its "Report to the Congress" showed the trans-Alaska project enjoying a cost advantage over a trans-Canada project after giving credit to U.S. taxes paid under either.

All of the U.S. consumers' payments for trans-Alaskan transportation of gas should remain in the U.S. economy; under a trans-Canadian project, payments would flow into the Canadian economy over the life of the project.

The "shrinkage" (consumption of natural gas) of the trans-Alaska project is substantially the same as the trans-Canadian project. However, in the trans-Alaska project, that portion of the "shrinkage" attributable to the transformation of gas into a mass of "super cold" will be available for future use in the making of industrial gases and in food processing, as now employed in connection with LNG projects in France and Japan, and for other uses.

All aspects of the trans-Alaska project over its entire life will be subject exclusively to the national interest of the United States as expressed from time to time by the Congress and President and implemented by the Federal Power Commission.

Third, environmental standpoint:

El Pasco's pipeline will follow the routing of Alyeska's oil pipeline in a highly exhaustively studied corridor. The trans-Canadian project would lay 4,600 miles of pipe, much of it in new corridors in Canada and the United States.

The trans-Canadian project would require more than five times as many minor waterway crossings, and six times as many major waterway crossings as will El Paso.

Fourth, security—not in the sense of a threat of war, but peacetime requirements for pipeline security and the need for future expansion as other supplies of gas and oil in Alaska (e.g., Naval Petroleum Reserve No. 4 and the Beaufort Sea) are produced:

The Department of Defense has concluded that the "Alaska-LNG route permits full U.S. physical control and does not require reliance on a foreign government for defense in war and security in peace." (as contained in the Department of Interior December 1975 "Report to Congress" on Alaska natural gas transportation).

With the trans-Canadian project, future expansion of pipeline capacity in order to market additional increments of Alaskan gas would be subject to Canadian regulatory approval, Canadian corporate control, and Canadian political factors.

Failure to obtain timely expansion of a trans-Canadian gas line could adversely affect production of new Alaskan oil discoveries, with which additional natural gas may be associated, including the oil produced in the Naval Petroleum Reserve contiguous to the Prudhoe Bay field.

The above discussion has not dealt with the Alcan proposal, since the initial FPC decision of February 1, 1977, found the Alcan documentation so incomplete and inadequate.

MARKETABILITY

It must also be recognized that the marketability of Alaskan North Slope gas in the lower 48 states several years in the future cannot now be determined with full assurance. One must consider unanticipated cost overruns for the construction of a transportation system, to which must be added the presently unknown price of gas in the field and gas gathering and conditioning costs. The actual total delivered cost in the market place could reach a level which prospective consumers would find unattractive, when compared with the then-current costs of alternative energy supplies. Such alternative energy costs will depend, in part, on U.S. regulatory and national energy policy determinations over the intervening years and on the intervening price movement in international fuel supplies, principally imported oil.

CANADA-U.S. TRANSIT PIPELINES AGREEMENT

On January 28, 1977, Canada's ambassador to the U.S.A., Mr. Jack Warren, and the Assistant Secretary of State for Economic and Business Affairs, Mr. Julius Katz, signed an agreement between the two countries concerning transit pipelines. The treaty would facilitate pipelines across the two countries carrying hydrocarbons to serve American or Canadian energy needs by confirming to both countries a regime of noninterference and non-discrimination for transit pipelines carrying oil and natural gas destined for one country across the territory of the other. The agreement will not enter into force until ratification by both countries.

The Agreement should benefit Canada immediately, since over 40% of Canada's hydrocarbon energy supplies cross U.S. territory in transit.

Which actions, however, a given Canadian political entity has the power to effect become relevant to consideration of benefits to the U.S.A., if any, from the Agreement. Canadian federal taxation and regulation, provincial regulation and provincial taxation are the principal areas for analysis. It is unclear whether are the principal areas for analysis. It is unclear whether the Canadian Parliament will pass a statute implementing the Agreement. In Canadian law, a treaty or agreement is binding on Canada in international law when signed by government. In general, however, a treaty has no domestic force until it is enacted in a statute of Parliament, in which case it is the statute that is controlling. However, an implementing statute is not always necessary.

The Agreement has significant provisions regarding federal taxation and regulation of the pipeline. To summarize, federal taxation must be nondiscriminatory and may not burden the hydrocarbons in transit (Article III); federal regulations must be nondiscriminatory and reasonable (Article IV); and interference with the transmission of hydrocarbons is proscribed (Article II).

The effect of the Agreement on provincial powers is not as clear. Articles II, III, and IV of the Agreement can all be read as applying to provincial governments as well as the federal government and presumably would have this effect if an implementing statute is passed. There is dispute, moreover, as to whether Parliament, by enacting a statute implementing an international treaty, can gain authority to restrict provincial powers which Parliament would not otherwise have under the British North America Act, Canada's equivalent to the U.S. Constitution.

ARIZONA KNIGHTS OF COLUMBUS

Mr. DECONCINI. Mr. President, last August the Arizona State Council of the Knights of Columbus established the "Arizona Knights of Columbus Don Bolles Memorial Award," to honor annually a public official that best exemplifies the integrity, honesty, and high moral characteristics possessed by the late Arizona Republic investigative reporter, Don Bolles.

Recipient of the first award is the Honorable Bruce Babbitt, Arizona State, attorney general.

The Arizona State Council of the Knights of Columbus is to be commended for its interest, and willingness to exhibit appreciation to public officials who advance governmental integrity.

I ask unanimous consent that the text of the Knights of Columbus motion be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

MOTION

1. The Arizona State Council of the Knights of Columbus as part of its Americanization Program shall recognize every year a political figure at the State and/or City government level that has served and/or is serving his or her office with honor, honesty, integrity and high moral standing.

2. This recognition shall be made by granting, to the candidate chosen, a special award during the annual state conventions. In order to accomplish this goal during the bicentenary of the United States this year,

the award shall be presented during the banquet that will precede the Fourth Degree Exemplification in October.

3. The State Council will seek the cooperation of members of the press in the State of Arizona in order to gather the names of candidates that deserve this recognition. This doesn't mean that the State Council cannot gather information through other channels as well.

4. The investigation of the candidates and the selection of the winner shall be the sole responsibility of the State Council. In order to fulfill this objective, the State Council will create a committee composed by some of its members. The committee will be presided by the State Deputy who will also appoint the other members of the committee including among them the State Master. The total number of members that will form the committee will be determined by all the officers of the State Council.

5. Due to the importance of this special recognition, and as an example that shall be followed by all the K of C in the United States, the Arizona State Council will present a resolution in the Supreme Convention in order to establish the same award at a national level.

Presented in the Arizona State Council meeting held in Glendale, Arizona on August 7, 1976.

SUNSET: NEW SUNLIGHT ON GOVERNMENT

Mr. HATHAWAY. Mr. President, my colleague, Senator MUSKIE, introduced a proposal earlier this year which would put all Government programs on a 5-year reauthorization schedule. Commonly termed "sunset" legislation, Mr. MUSKIE's bill is a perfect companion to budget reforms adopted by Congress. What it asks is simply that no Government program is automatically extended year after year. Many programs authorized by Congress fill a necessary, but not permanent, need. If a program is to continue after the 5-year period, it must justify its existence or automatically be terminated.

Trial magazine, a publication of the Association of Trial Lawyers of America, carries an article on the sunset proposal by Senator MUSKIE in its February issue. In it, my colleague explains the proposal and its need. When Senator MUSKIE introduced the legislation last year, nearly 60 of us agreed to cosponsor it. As the author of this proposal, Senator MUSKIE is most qualified to discuss its merits and goals, and at this time, Mr. President, I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SUNSET: NEW SUNLIGHT ON GOVERNMENT

(By Senator EDMUND S. MUSKIE)

One of the most common grievances against government, expressed by the American people in one public opinion survey after another, is that they do not think they are getting their money's worth out of the tax dollars they pay. Judging from the rhetoric on the campaign trail this fall, this message promises to make a major mark on the direction of national debate over the next few years.

This rising chorus of "anti-Washington" themes strikes a popular chord with the American public, I am sure. For much of the rhetoric not only overstates the problem but understates the difficulty of solving it. Because I do believe there is a very real problem—a federal government that is not as productive or effective as it should be—I am concerned over the perils of political rhetoric which is long on scapegoats but short on practical solutions.

Making the federal government more productive could well be one of the most difficult tasks any of us—either in Washington or out—has ever undertaken. It demands not breezy promises about slashing the size of government—promises which probably can never be met—but diligent, unexciting scrutiny of the nuts-and-bolts operations of Congress and the Executive Branch.

Finding the proper mechanism to provide for such scrutiny is where the basic difficulty lies. For every politician, every bureaucrat, and every special interest group will have its own reason for protecting the status quo, in preference to the uncertainty of change.

One answer to this perennial dilemma of government is a systematic reform that will change some of the basic assumptions about the way government works.

THE "SUNSET" BILL

On February 3, 1976, I introduced a bill—along with Senators Roth, Glenn and Bellmon—which many believe would accomplish such fundamental change. By the end of this past session of Congress, that legislation—which has been nicknamed the "sunset" bill—had almost 60 co-sponsors in the Senate and had been unanimously approved by the Government Operations Committee. Companion legislation in the House had well over a hundred supporters.

Specifically, the bill seeks to establish a process through which Congress is forced to apply greater scrutiny to the fruits of its legislative work. The bill would accomplish this by terminating every single federal program—with only a handful of exceptions—and every single federal tax expenditure every five years.

From a broader perspective, sunset is intended to accomplish for the individual parts of the federal budget what budget reform has begun to do for the budget as a whole—lend discipline and cohesiveness to the way the federal government handles the American taxpayers' money.

Sunset is a logical follow-up to budget reform. And like budget reform, sunset would dramatically alter the way we do business in Washington. It would not do so overnight, nor in a very exciting way. But it is a starting point for serious debate on what I believe is one of the most important items on the congressional agenda in the immediate future.

In general, the concept of "sunset" embodies the assumption that there will be an end to government programs—that they do not continue forever—that the sun must set on them before they can be recreated.

PROVISIONS OF THE BILL

The legislation I introduced makes use of this concept in the following way:

First, it would put *all* government programs on a five-year reauthorization schedule. All would have to be specifically reauthorized every five years or go out of business. The sole exceptions to this termination provision would be payment of interest on the national debt, and programs under which individuals make payments to the federal government in expectation of later compensation—for example, railroad retirement, Social Security, civil service retirement, and Medicare.

Second, the bill would establish a schedule for reauthorization of programs on the basis of groupings by budget function. Programs within the same function would terminate simultaneously, so that Congress would have an opportunity to examine and compare the federal effort in that functional area in its entirety, rather than in bits and pieces as is the practice now. The schedule would be set up so that all of the functional areas would be dealt with within one five-year cycle.

Third, the bill would reverse the assumption that all existing programs deserve to be continued next year simply because they existed last year, by requiring two things: (1) that no program could continue after its termination date unless specifically reauthorized and (2) that before any program could be reauthorized, it be subject to a thoroughgoing "zero base" review to determine what future funding level—if any—is justified.

Fourth, the bill would require the Congress, upon the advice of the Finance and Ways and Means Committees, to adopt a similar five-year schedule for the termination of all tax expenditures, so that they too, like direct federal spending programs, would be subject to regular review and possible termination.

The rationale behind these sunset and review provisions is to bring Congress closer to the results of its legislative work. Gone would be the idea of permanent programs and activities which receive only irregular and often cursory review by Congress. Instead, sunset assumes that there is no government activity so important that it should not be subject to regular and thorough review.

Gone also would be the present-day assumption of budgeting which says that because a program was funded one year, it deserves to be funded the next year at the same or higher level, regardless of how well it is doing the job. Instead, sunset proposes that no program be reenacted unless a case can be made that it is still needed.

The principal operating mechanism of the bill is this "sunset" provision. In order to ensure that it results in something more substantive than simply a speeded up version of the current reauthorization process, the bill requires further that no program or activity be reauthorized until it has been subject to a zero base review by the standing congressional committees. While not mandating the implementation of specific zero base budgeting procedures, the legislation clearly does endorse one underlying principle of that process—that is, the need to cut into the base of a program's funding level, in order to better determine that the most service is being provided for the least amount of money.

BEHIND THE BILL * * *

A number of factors have led me to introduce and work actively for the enactment of this kind of proposal.

First, I suppose, are the regular opinion polls which tell us that the American people have lost faith in the responsiveness and effectiveness of their government. The only government worker getting high marks from the public is the local trash collector, because at least people *know* whether he is doing the job or not.

A second major factor has been my brief, but very educational experience, with the new congressional budget process. Under that process, Congress is finally beginning to reassert control over the federal budget—the most important statement of national priorities that we have.

The progress we have made thus far is very encouraging. Nevertheless, I—and I believe other members of the committee as well—have been frustrated by the limits of the system within which we have to work.

To illustrate from this year's budget—the cost of continuing all 1976 programs in the 1977 budget was estimated at approximately $45–50 billion higher than last year's spending level. Thus, despite targeted program cutbacks, the final budget resolution for FY 1977 set spending at $413 billion, about $50 billion above the final budget outlays for FY 1976. Most of this growth is attributable to the increase in so-called "uncontrol-

lable" spending, which in 1967 accounted for about 50% of that year's budget but which in FY 1977 will take up roughly 77% of all federal spending.

At this rate, the much-hailed new congressional budget process could, in the not-too-distant future, become little more than the simple arithmetic sum of predetermined spending levels.

The implications of this trend for discretionary spending, or for innovative federal programs to meet coming national needs, are of equal concern to me. It is these efforts which stand to suffer most in the competition for increasingly scarce federal resources.

As Dr. Allen Schick of the Library of Congress testified during hearings on the bill, uncontrollable spending is "bleeding" controllable spending. "If we compared the 1966 and 1976 budgets, we would find dozens of major programs which were funded then, but not now. We would find dozens more which have grown less than inflation. And we would find dozens in which there is a significant and growing gap between the amount authorized and the amount actually appropriated."

Because of this predicament—which I foresee only getting worse in the future—I have come to believe that no matter how successful the new budget process really is, the statement of national priorities embodied in the Federal budget as a whole will not be complete until Congress has better control over the individual parts—and thus over the services the budget is intended to buy.

Sunset has been offered as a framework through which Congress can begin to exert such control.

A third and related reason why I have come to believe in the necessity of some kind of sunset approach stems from the active support I have given to many of the new federal program initiatives over the last 15 years.

Over that period, we have built up an awesome federal structure for the purpose of solving what are truly serious national problems—hunger, poverty, ignorance and disease. I personally have expended a considerable amount of energy in helping to nurture that system along.

Today, however, I find that many of the goals I have worked for are being thwarted by an unwieldy and unresponsive federal establishment.

I have often cited the example of the GAO study of outpatient health care facilities in the District of Columbia, where several different federal programs funded eight separate clinics in one neighborhood. The result of this lack of coordination was that doctors in some of these clinics were seeing as few as four or five patients a day.

I found this example outrageous—not because I no longer believe in a major federal role to ensure that poor Americans receive the health care they need—but because I do believe so strongly in that federal role. And because I know that federal resources are not unlimited, and that if better use were made of the resources we do have, more Americans could receive the services they need and which these resources were intended to buy.

I have come to see sunset as offering us one of the few chances we may have to locate scarce resources that are not now used effectively—and to redirect those resources where they are needed most.

A final reason for my support of the sunset concept is more amorphous. I do not know if the situation described by the GAO, to which I referred above, is typical of many federal programs or not. Probably no one knows the real story, on a government-wide basis. And I suggest that the fact that no one knows is in itself a compelling reason to pursue a sunset-type of reform.

By now, the numbers demonstrating the multiplicity of federal programs are becoming quite familiar—302 health programs, 259 community development programs, more than 150 income security and social service programs, etc.; more than 1,000 federal advisory boards, committees, commissions, and councils; and more than 4,000 quasi-governmental units, such as law enforcement planning regions, air quality regions, comprehensive areawide health planning agencies, and the like.

These numbers invite an obvious, but to my mind, simplistic, response—that the answer to government inefficiency is consolidation of programs.

Frankly, I do not think this is an adequate reply. For I think we ought to be less concerned with the actual number of programs than with the questions they raise: How did we get where we are today? And what have we gotten in return?

The answer to the first question is relatively clear. We have gotten where we are today largely by accident, through individual legislative initiatives enacted in a piecemeal fashion. No one has decreed that 302 health programs is the right number of health programs. I am not suggesting that it is a wrong number. What I am suggesting is that it is a number that should be arrived at deliberately, not by default. If Congress determines that we need all 302 of these programs, so be it. At least then we will have a positive, comprehensive statement of federal health policy.

The answer to the second question is not so easy.

Clearly, we have provided health care to many Americans previously unable to afford it. But we still have not cracked the fundamental health problem—providing high quality care at a cost all can afford.

Clearly, we have raised the standard of living for a great many poor Americans. But we have not yet eliminated poverty, nor even corrected the imbalance in the distribution of income to any degree.

Clearly, we have spent billions of dollars to revive our nation's cities. Yet we still have no national urban policy, and the root cause of the cities' problems, defined so eloquently by the Kerner Commission several years ago, still remains.

Can we not do more? Clearly, I think, we must. But until we bring what activities we now have under control, we simply may not have the reserves we need—either in the budget or the public's trust—to pursue new legislative solutions to pressing national problems.

And Congress must be the one to do it.

The goals we have sought elude us not because we haven't tried. But in too many cases, we in Congress have satisfied ourselves with the rhetoric of legislation, leaving the hard work of implementation—from rulemaking to evaluation—to the Executive Branch. Permanent appropriations—funds spent without any review by Congress—have become the fastest growing component of the federal budget, tripling from $55 billion in 1966 to $165 billion in 1976.

WHY SUNSET?

The sunset proposal offers a vehicle for Congress to respond rationally and constructively to the criticism that we are not in control of our own house.

It proposes a neutral process. It does not propose to judge the success or failure of any program or for that matter of the totality of federal programs which now exist. Nor does it propose to judge national priorities. These judgments must continue to be made by the standing committees of the Congress, and by the Congress as a whole, as they are now.

And it offers a stronger congressional voice in setting national priorities—out from under a suffocating system which now has the upper hand in the fate of programs we enact.

Last winter, when I introduced the sunset bill, I had no idea that a bill which would so radically alter the way we do business in Congress would catch on as rapidly as it has—both in Washington and throughout the country.

Why has sunset met with such success thus far?

Because, I believe, sunset is a uniquely sound and appealing idea.

Because the need it seeks to address is one upon which everyone agrees.

And because through budget reform, Congress has found that change in the status quo can be very beneficial — not only to the public's perception of Congress as a responsible and responsive institution.

The sunset bill has opened a dialogue on the important task of making government more productive. And this is an undertaking in which liberals and conservatives alike have a vital stake.

STATEMENT SUBMITTED BY REQUEST

(By request of Mr. BAKER for Mr. HANSEN, the following statement, together with the material attached thereto, is printed in today's RECORD:)

STATUS REPORT ON PROPOSED FEDERAL SURFACE MINING RECLAMATION LEGISLATION

Mr. HANSEN. At the present time, both the House and the Senate are considering surface mining legislation. After reviewing both measures as introduced, I have concerns that I believe must be addressed. It is my belief that any surface mining legislation must adequately protect the rights of the states, landowners and the public in general.

I am especially concerned because my State of Wyoming has been a leader in the passage of laws that deal with problems incident to surface mining. Wyoming was also a leader in its agreement with the Department of the Interior to enforce state mining and reclamation laws on federal lands. Wyoming can be proud of this agreement; we should encourage the concept of state authority. I am also greatly concerned about surface owners' rights, and the use of royalty income to pay for reclamation of abandoned mines.

I believe the protection of our environment, our land and water resources, and the agricultural way of life, is of the highest importance. It is my belief that the only way to insure the proper protection of these things, is to carefully scrutinize the legislation that has been proposed. Because of its extreme complexity, I have attached this analysis of some of my concerns, along with excerpts of testimony by Secretary of the Interior, Cecil Andrus and Federal Energy Administrator John O'Leary, from the recent hearing on S. 7.

[Attachment]

STATUS REPORT ON PROPOSED FEDERAL SURFACE MINING RECLAMATION LEGISLATION, FEBRUARY 15, 1977

MAJOR DIFFERENCES BETWEEN SENATE, HOUSE BILLS

Legislation to establish a federal surface-mining reclamation law has been introduced in both Houses of Congress—in the House of Representatives by Congressman Mo Udall, D-Ariz. (H.R. 2); and in the Senate by Senator Lee Metcalf, D-Mont. (S. 7).

The House Interior Committee and the Senate Energy and Natural Resources Committee (formerly the Interior Committee) have begun hearings on these bills. More Senate hearings will be held in March. A federal law of some sort will very likely be enacted, in view of President Carter's ex-

pressed support for federal surface-mining reclamation legislation. Congress has passed similar bills on two previous occasions, but both were vetoed by former Presidents.

The provisions of the pending House and Senate bills are not the same. Major differences between the two bills include the way they would affect people who own land on top of federal coal deposits; the rights and responsibilities of states like Wyoming that have their own reclamation laws and have entered into agreements with the government to apply those laws to the mining of federal coal; and whether part of the royalty income from federal coal will be used for abandoned mine reclamation.

What follows is a comparison of the provisions in the House and Senate bills affecting these three major areas of concern—surface-owner protection, the right of states to regulate mining within their borders, and whether reclamation of abandoned mines will be paid for out of mineral royalty receipts.

STATE ADMINISTRATION AND ENFORCEMENT OF RECLAMATION LAWS ON FEDERAL LAND

The Senate version of the surface mining bill (S. 7) contains the following provision on state regulation of mining and reclamation:

"Section 423(d).—Any state with an approved state program may elect to regulate surface coal mining and reclamation operations on federal lands within the state. Such regulations shall be subject to all the provisions of this Act."

The House version of the bill, H.R. 2, contains no comparable provision concerning state administration and/or enforcement on federal lands.

Both the Senate and House versions allow states to submit a plan to regulate mining and reclamation on lands *other than* federal and Indian lands. Also, both bills authorize state-federal enforcement agreements for "checkerboarded" land where a single management plan would be more desirable. In other words, if a mining region were "dotted" with small areas containing federal coal, as opposed to state or privately-owned coal, a plan could be worked out so that the "dotted" areas could be regulated by state officials.

RIGHTS OF SURFACE OWNERS

The Senate bill contains the "Mansfield prohibition"—a provision originally drafted several years ago by former Montana Senator Mike Mansfield that bans surface-mining of federal coal where the surface is privately owned, even if the surface owner favors such mining.

This provision was deleted from an earlier federal reclamation bill, but it has been resurrected in the pending Senate bill. The provision says that where the surface is privately owned and the coal beneath it is federally owned, that coal can only be mined by underground methods. This provision amounts to a flat prohibition on mining since Western coal is too close to the surface to be underground-mined without causing the surface to collapse. The provision says:

"423(e).—All coal deposits, title to which is in the United States, in lands with respect to which the United States is not the surface owner thereof, are hereby withdrawn from all forms of surface mining operations and open-pit mining, except for surface operations incident to an underground coal mine."

The House bill gives surface owners the right to say "yes" or "no" as to whether federal coal beneath their lands can be mined, but it limits what a landowner can be paid and and sets up a complex system for determining the value of the surface owner's interests. The House provision says:

"(c) Prior to placing any deposit subject to this section in a leasing tract; the Secretary shall give to any surface owner whose land is to be included in the proposed leasing tract actual written notice of his intention to place such deposits under such land in a leasing tract.

"(d) The Secretary shall not enter into any lease of such coal deposits until the surface owner has given written consent and the Secretary has obtained such consent, to enter and commence surface mining operations, and the applicant has agreed to pay in addition to the rental and royalty and other obligations due the United States the money value of the surface owner's interest as determined according to the provisions of subsection (e)."

Subsection (e) says: "The value of the surface owner's interest shall be fixed by the Secretary based on appraisals made by three appraisers. One such appraiser shall be appointed by the Secretary, one appointed by the surface owner concerned, and one appointed jointly by the appraisers named by the Secretary and such surface owner. In computing the value of the surface owner's interest, the appraisers shall first fix and determine the fair market value of the surface estate and they shall then determine and add the value of such of the following losses and costs to the extent that such losses and costs arise from the surface coal mining operations;

"(1) loss of income to the surface owner during the mining and reclamation process;

"(2) cost to the surface owner for relocation or dislocation during the mining and reclamation process;

"(3) cost to the surface owner for the loss of livestock, crops, water or other improvements;

"(4) any other damage to the surface reasonably anticipated to be caused by surface mining and reclamation operations; and

"(5) such additional reasonable amount of compensation as the Secretary may determine is equitable in light of the length of tenure of the ownership; *Provided*, that such additional reasonable amount of compensation may not exceed the value of the losses and costs as established pursuant to this subsection and in paragraph (1) through (4) above, or $100 per acre, whichever is less.

"(f) All bills submitted to the Secretary for any such lease shall, in addition to any rental or royalty and other obligations, be accompanied by the deposit of an amount equa' to the value of the surface owner's interest computed under subsection (e). The Secretary shall pay such amount to the surface owner either upon the execution of such lease or upon the commencement of mining, or shall require posting of bond to assure installment payments over a period of years acceptable to the surface owner, at the option of the surface owner. At the time of initial payment, the surface owner may request a review of the initial determination of the amount of the surface owner's interest for the purpose of adjusting such amount to reflect any increase in the Consumer Price Index since the initial determination. The lessee shall pay such increased amount to the Secretary to be paid over to the surface owner. Upon the release of the performance bonds or deposits under Section 519, or at an earlier time as may be determined by the Secretary, all rights to enter into and use the surface of the land subject to such lease shall revert to the surface owner.

"(g) For the purpose of this section the term 'surface owner' means the natural person or persons (or corporation, the majority stock of which is held by a person or persons who meet the other requirements of this section) who:

"(1) hold legal or equitable title to the land surface;

"(2) have their principal place of residence on the land; or personally conduct farming or ranching operations upon a farm or ranch unit to be affected by surface coal mining operations; or receive directly a significant portion of their income, if any, from such farming or ranching operations; and

"(3) have met the conditions of paragraphs (1) and (2) for a period of at least three years prior to the granting of the consent. In computing the three-year period, the Secretary may include periods during which the title was owned by a relative of such person by blood or marriage during which period such relatives would have met the requirements of this subsection.

"(h) Where surface lands over coal subject to this section are owned by any person who meets the requirements of paragraphs (1) and (2) of this subsection (g) but who does not meet the requirements of paragraph (3) of subsection (g), the Secretary shall not place such coal deposit in a leasing tract unless such person has owned the surface lands for a period of three years. After the expiration of such three-year period such coal deposit may be leased by the Secretary: provided, that if such person qualifies as a surface owner as defined by subsection (g) his consent has been obtained pursuant to the procedures set forth in this section.

"(i) The determination of the value of the surface owner's interest fixed pursuant to subsection (e) or any adjustment to that determination made pursuant to subsection (f) shall be subject to judicial review only in the United States district court for the locality in which the leasing tract is located.

"(k) At the end of each two-year period after the date of enactment of this Act, the Secretary shall submit to the Congress a report on the implementation of the Federal coal leasing policy established by this section. The report shall include a list of the surface owners who have (1) given their consent, (2) received payments pursuant to this section, (3) refused to give consent, and (4) the acreage of land involved in each category. The report shall also indicate the Secretary's views on the impact of the leasing policy on the availability of federal coal to meet national energy needs and on receipt of fair market value for federal coal.

"(l) This section shall not apply to Indian lands.

"(m) Any person who gives, offers, or promises anything of value to any surface owner or offers or promises any surface owner to give anything of value to any other person or entity in order to induce such surface owner to give the Secretary his written consent pursuant to this section, and any surface owner who accepts, receives, or offers or agrees to receive anything of value for himself or any other person or entity, in return for giving his written consent pursuant to this section, shall be subject to a civil penalty of one and one half times the monetary equivalent of the thing of value. Such penalty shall be assessed by the Secretary . . ."

SENATE BILL WOULD USE MINERAL ROYALTY MONEY FOR RECLAMATION

The Senate version of the bill contains a provision authorizing reclamation of abandoned mines. The reclamation would be paid for out of the royalties the federal government collects from the mining of federal coal. This provision could reduce the amount of money Western states will get under their 50 per cent share of royalties since it would siphon off a portion of the "total amount of royalties paid leaving the states with half of whatever is left." The states' share of royalties was increased to 50 per cent from 37½ per cent last year under a provision sponsored by Senator Hansen.

COMMENTS OF ADMINISTRATION OFFICIALS ON SENATE BILL

On February 7, the Senate Energy and Natural Resources Committee (formerly the Interior Committee) held a one-day hearing to question Carter Administration officials on the Senate bill, S. 7. Following are excerpts from that hearing, where Senator Hansen questioned Secretary of the Interior Cecil Andrus and Federal Energy Administrator John O'Leary about states' rights, surface owners' rights, and use of royalty income to pay for reclamation of abandoned mines:

Senator HANSEN. "As you know, I have supported surface mine legislation as it has come down through the legislative process in times past. It is my intention to support it again, if the final version adequately protects the rights of the states, landowners and the public in general. I think the protection of our environment, our land resources and agricultural way of life, and our water, is of the highest importance. I certainly want to do everything I can to see whatever is passed here takes full recognition of these values. I am also concerned because my state of Wyoming has taken a very active role in passing laws that address the problems that are incident to the development of energy through coal. A federal strip mining bill enters the area of federal-state jurisdiction and touches upon the police powers that normally have been under the jurisdiction of the states . . ."

". . . the Governor of Wyoming and the Secretary of the Interior entered into an agreement prompted by a lawsuit brought by the State of Wyoming, which marks out areas of state authority, recognizing among other things the adequacy of the laws passed by the State of Wyoming insofar as reclamation and mining processes generally are concerned. I hope this legislation will recognize this very worthwhile cooperative effort between the federal government on the one hand and the states on the other, recognizing the continuing validity of the kind of agreement your predecessor, Mr. Secretary, and my Governor entered into.

"My first question deals with the state versus federal responsibility in this area. As you know, four states, including Wyoming, North Dakota, Utah and New Mexico, have entered into agreements with the Department whereby the state laws will apply, and I think it would be fair to note, the State of Wyoming has probably gone farther in this regard than the other states, although I have not had the opportunity to personally examine those agreements. But would it be your thought this approach recognizes the diversity of conditions and situations and is the kind of cooperative agreement you might want to promote and continue?"

Secretary ANDRUS. ". . . I would like to see the states have the ability and then the right to participate in the regulatory measures in this regard. I have not personally looked at those documents that were signed the last week or the week prior to my coming into office, but the concept I concur with. As I mentioned in my testimony, rather than just a blanket situation where they can request they have the program, I think it would be well if the Department of Interior had the opportunity to enter into a contract with them because of the very point you bring out, the diversity of the various states it is very difficult.

Senator HANSEN. "I think the concern you expressed in your prepared statement was that competitively, there may be later on an effort made by one state to lower its standards, to reduce its requirements, and the performance that might be expected so as to gain an economic advantage over another state. My question to be precise is this: If a state equals or exceeds the requirements in the federal law, then would you be willing to leave with that state the administration and enforcement of the law?"

Secretary ANDRUS. "Mr. Chairman, yes sir. And I concur *it should be on federal lands as well as other lands*, all lands with coal in the state with the single proviso the Department of Interior enters into that contract and makes certain these standards are upheld. We don't intend to have two, one following the other."

Senator METCALF. "Do you envisage any Constitutional problems involved with delegation of authority over federal lands to the administration of state agencies?

Secretary ANDRUS. "No, sir. I do not. But I would yield to my colleague."

JOHN O'LEARY. "Senator Metcalf, I was instrumental in the New Mexico agreement in my capacity as Director of Energy Resources there. We carefully reviewed that. There was no problem. Indeed, it was contemplated the regulations issued by the Secretary of the Interior, following the August 4 amendments to the Mineral Leasing Act. In our view, there simply is no conflict."

(Both Secretary Andrus and Administrator O'Leary agreed at this point to supply written comments on the issue of state administration and enforcement on federal lands of state surface mining reclamation laws.)

Senator HANSEN. "My next question has to do with abandoned mine reclamation. Two proposals have been discussed. One is to establish a fund from federal royalties and the other proposal would establish the fund by levying fees on all mined coal. As you know, last year one of the bills that was passed was the BLM Organic Act and it contained a provision that was directed to bring relief to those hard-hit communities where an explosion of activity occurred in the development of energy which we know quite a lot about—all too well in my state of Wyoming—to provide front-end money so the towns that are called upon to provide extra services, extra facilities, and to do planning, can afford it.

"Under the bill as it first passed the Senate, 60 percent of those royalties would have been given back to the states for the social and economic impact problems. Finally, out of the compromise of the House and Senate, it was scaled down to 50 per cent. Those funds come from federal royalties.

"What way do you think the reclamation of abandoned mines should be paid for? Do you think from royalties, or from a tax on the coal or a fee on the coal?"

Secretary ANDRUS. "Mr. Chairman, in response, there is room for discussion in that area. If you are asking which one I would prefer, it is a fee on the coal. Then you are in a position where the people who are actually profiting from the extraction of that coal are building a fund for the reclamation and I think that is the fairest way to guarantee the funds will be available for that purpose."

Senator HANSEN (to Mr. O'Leary). "Would you care to comment?"

Mr. O'LEARY. "Yes, Mr. Chairman. I would like to support that. We have taken a look, of course. There is a commitment (to the states) of 50 per cent. We think it would be unfortunate if that were to be diluted. All in all, this is a matter of internalizing some costs that have not so far been borne by the coal operations. We think the tax approach is appropriate."

Senator HANSEN. "I do have one further question, Mr. Chairman. Contained in S. 7 is language which precludes operations in significant portions of the state of Wyoming. (The language is the Mansfield amendment.) I refer to language which would prohibit the mining of federally-owned coal where the surface is owned by some other property owner than the federal government. I would invite your observations on this particular section."

Secretary ANDRUS. "Senator, this is one of the areas where we are concerned. We recognize the need for protection for those people that have the surface rights and the federal government has the mineral rights. We are very sympathetic to an outright consent, but we also recognize that there are given situations where perhaps consent of that surface owner who by the sweat of his brow created that ranch or that farm, then maybe consent could be a way out and there should be protection for them to do it. I refer to the language that was in the conference report of a year ago, or last year, that we prefer over the outright consent prohibition."

MAO'S FUNERAL

Mr. GOLDWATER. Mr. President, several times I have remarked on the floor of the Senate about the unusual way that some Americans and some of our press acted when Mao died in Red China. One would have thought that one of the world's more kindly, decent people had just gone to his rest but, instead, he was the murderer of millions, how many we just do not know. It took a man like Ben J. Wattenberg writing about Mao's funeral in Harper's magazine of February to really put this whole thing in its proper stance and proper position. He speaks out loud about eminent Americans who paid their respects to a successful enemy and it is so succinctly done that I think my colleagues would benefit by reading it. Mr. Wattenberg certainly cannot be classed as a conservative Republican but, nevertheless, his views are the views of more and more liberals who are coming to realize that things are not just like they seem in other parts of the world, particularly Red China. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Harper's Magazine, February 1977]

MAO'S FUNERAL

(By Ben J. Wattenberg)

Something is out of joint and I am troubled. Here is the Great Hall of the People—a resplendent, massive, Mussolini-style building in the middle of Peking, sure enough the capital of the People's Republic of China, purest Communist nation on the face of the earth. Inside the Great Hall on this strange September day are the last earthly remains of Chairman Mao Tse-tung, the most revered Communist of the twentieth century.

We are going up the stairs of the Great Hall. By design of protocol we follow close on the heels of some of the world's great democrats and civil libertarians. There are the Albanians! And the North Koreans! And our good friends the North Vietnamese. And there go the Cambodians, those fine peasant reformers whose latest reform involved mass transit—the sudden movement of 2.5 million residents of Phnom Penh into the steamy depths of the Asian jungle.

Just behind these idealists, and in front of the rest of the world diplomatic community, we go up the stairs and on into the Great Hall. Here is James Schlesinger, one

of the outstanding American public servants of this generation—anti-Communist, hardline, realistic Jim Schlesinger, who thought Ford and Kissinger were soft on detente. In the party with him is Richard Perle, a senior foreign-policy aide to Sen. Henry Jackson—Scoop Jackson, who probably never became President because he was regarded by elements in his party as too viscerally anti-Communist. And there is Robert Bartley, editor of the editorial page of *The Wall Street Journal*, one of the foremost daily pages in American journalism, and one that consistently exercises rigorous surveillance over the cause of freedom in the world. I am wondering as I go up the stairs, Whom does Bartley line up with in American politics? Probably Reagan. There is Edward Luttwak, a former consultant to the Department of Defense when Schlesinger was Secretary. Luttwak writes on foreign policy for *Commentary* magazine, which surely qualifies as one of the American periodicals least hospitable to Communism. And here am I. I've worked with Senator Jackson on two Presidential campaigns and occasionally with Daniel P. Moynihan during his recent Senate campaign. I live in the Maryland suburbs of Washington, but if I lived across the river, in the Virginia suburbs, I'd surely have worked for and voted for Adm. Elmo Zumwalt in his recent, unsuccessful try for elective office. A few years ago I helped form a factional group within the Democratic party called the Coalition for a Democratic Majority. CDM has devoted much of its time and attention to foreign policy and national defense and has received solid support from the AFL–CIO. It comes to mind in the present context that George Meany has sometimes expressed the opinion that Scoop Jackson is a little soft on Communism.

Up the stairs we go.

We are all wearing black armbands. We are all wearing black ties—except me, and that is only because someone forgot to include me in the body count before the tie-buying detail went out to the Friendship Store.

Into the Great Hall we go, across a massive marble arcade. A thousand floral wreaths surround the arcade. The smell of incense wafts along the airconditioned currents. A slow dirge booms out, hitting its own echo.

Our party, led by Schlesinger, is greeted by a small receiving line of eight people. The first is a pudgy man who does not look familiar to me, although the columnist Joe Kraft and Jerrold Schecter, *Time's* diplomatic editor, seem to be studying him closely as we approach.

The pudgy man is Hua Kuo-feng, the premier, soon to replace Chairman Mao as head of the Central Committee. The other men are seven of the ten members of the Politburo of the Chinese Communist party. One Politburo member not present is Chiang Ching, Mao's widow.

We shake hands, nod solemnly, and proceed to Mao's bier.

His catafalque is encased in glass; a scarlet flag with the hammer and sickle on it is draped over his large and portly body. Mao Tse-tung. Dead.

In a moment, we leave. As we pass a group of Chinese, we hear sobs.

I am not grieving. A single thought keeps running through my mind.

What are we doing here? What is Schlesinger doing here? What are the Jackson-Moynihan-Zumwalt-Reagan-Meany surrogates doing here? Why are we wearing solemn black?

Ostensibly we are here because Jim Schlesinger believes that it is the Russians, not the Chinese, who are the greater threat to world peace and stability. He believes this because he has made a point of knowing the difference between booby-trapped chicken coops of the sort the Chinese military so proudly displayed for us and 2,400 nuclear-tipped intercontinental ballistic missiles. Schlesinger is a man who usually speaks his mind, making him no friend of Henry Kissinger, who doesn't, but building for himself a constituency throughout the world, including China. In order to show symbolically that they had in Washington a man who saw the Russians as they did, some months ago the Chinese invited Schlesinger to come and visit. The invitation, we were told in China, had come at the instance of Mao himself. (We were also told that two previous invitations had been issued in 1974, but Schlesinger says he never received them, and the public guessing is that they were intercepted by a pudgy man with curly hair and glasses.

Schlesinger, when invited by the Chinese, set down some conditions. What he could learn on a quick trip to Peking, he said, he could learn from briefings in the U.S. On the other hand, if he could really get to see the country as any curious American would want to—a trip to the Russian border in Sinkiang, a trip to Inner Mongolia, a visit to Tibet—why, then he would be interested indeed.

The Chinese came back with a simple answer: yes. And so our party of eleven (five staff, six press) ended up in Peking. On our third day there, just as we were leaving a military demonstration by the Third Army Garrison Division north of Peking, we suddenly heard the strains of the "Internationale" blaring from a loudspeaker, and we were told that the chairman had expired.

Four days later we are mounting the stairs of the Great Hall of the People to pay our last respects, and we are very near the front of the line so the Chinese can send both the Russians and Dr. Kissinger a message. (Thomas Gates, himself a former U.S. Secretary of Defense, is the head of the U.S. Liaison Office in Peking. Protocol dictates that he pay his respects last. He does, and, iroically, the high dignitaries are gone by the time he passes the bier.)

So what is bothering me? What troubles me about this black armband?

We are, after all, guests in a great nation where a legendary leader has fallen. Moreover, as a result of the curious vicissitudes of recent history, the United States and China are almost allies; at least we acknowledge that we are pursuing parallel interests in the great game of big-power triangulation. So, we and other Americans are in China because strategic interests demand it. We are at Mao's bier in black armbands because courtesy requires it.

But what really bothers me is what I see of life in China. Every year the widely respected organization Freedom House makes a two-part survey of the nations of the world. On a descending scale of one to seven it rates their performance in the areas of "civil rights" and "political rights." China gets seven in both areas. The Soviet Union does slightly better, with six and seven respectively. In barely seven days of travel I have learned enough about China to confirm in my own mind the accuracy of the Freedom House ratings and to understand what formerly I only assumed:

The government (the party) decrees what kind of clothing (drab and colorless) can be worn.

The government decrees that sexuality is bad.

The government decrees that each block of each city will have a political commissar to spy on the neighbors.

The government decrees a semi-official age for marriage—in the late twenties.

The government decrees that there can be no entertainment, only propaganda.

To these austere codes, peculiarly Chinese, must be added the standard conception of freedom in a Communist paradise:

No free press.

No free job mobility.

No free trade-union movement.

No rights of travel or emigration.

No tolerance of public political opposition.

And, despite the picture presented in the American press, China, for all its progress, is still a desperately poor, backward, peasant economy—a fact which is not even argued by the Chinese. One sees it in the countryside, where work gangs of thirty or forty people ("revolutionary teams") work at stoop labor in the paddy fields beneath the hot sun, just as their ancestors did. One sees it in the urban neighborhoods when you can glance into ground-floor apartments and see one tiny room for a three-generation family with pallets stacked two and three deep along the walls.

On the whole, despite all the hosannas to Chinese progress, it is probably right to say that on the postwar scale of development China is somewhere in the middle: it has not done as well as Brazil, Mexico, Taiwan, South Korea, or the Ivory Coast, but it has done better than India, Burma, and most of the African nations.

Poverty, or moderate economic progress is, of course, no measure of the beneficence of a regime. But when the method of achieving only moderate progress turns out to depend for its success upon such severe repression, it is appropriate to ask, Does the material progress justify the spiritual cost?

This question, I have found, is typically bypassed in the West with such pronouncements as: "Well, of course, it's not something we'd want for ourselves, but it's a good Chinese solution for the Chinese."

A Chinese solution for the Chinese: wear the same clothes, spy on your neighbors, think the same thoughts, read the same propaganda, do what you're told. A Chinese solution indeed! For one of the world's great cultures! Was Stalinism a Russian solution for the Russians? Was Nazism a German solution for the Germans? Was Tojo a Japanese solution for the Japanese? Is General Pinochet a Chilean solution for the Chileans?

There is a high irony in hearing the same people who, a few years ago, thought putting funny hats on the White House police a major step toward tyranny argue that Maoism is just a Chinese solution for Chinese problems.

Why, then, must we worry about the nature of life in China? What business is it of ours?

Only this. How do you forge a freedom coalition if American Presidents and an American Secretary of State, American intellectuals and writers compete to be the first among their friends to eat bird's nest soup in Peking and make political love in public to one of the most repressive governments in history?

There has been a great brush-fire war of ideology going on in America over the past half-dozen years. What Pat Moynihan once called the Liberty party has shown signs of stirring again. It has reappeared in various guises: now it is a Jackson Amendment for free emigration from the Soviet Union. Now it is Moynihan at the United Nations, or Solzhenitsyn, using forums provided by George Meany. Later it becomes Meany's arch-adversary Ronald Reagan riding to Kansas City on the issue of morality in foreign policy. And it is the remarkable change in public opinion that leads politicians suddenly to begin clamoring for higher defense spending. And it is Jimmy Carter in the second campaign debate saying in his opening non-answer that he endorses the Republican platform's foreign-

policy plank! It is Gerald Ford's pollsters discovering that the issue described as "traditional American values" was the most important issue of the 1976 campaign.

Americans seem to lust for meaning in their lives, and in political life that meaning is somehow tied to the promotion and preservation of liberty. I'd suggest that the resurrection of a commitment to liberty—mildly messianic and nonjingoistic in tone—is far more important than the size of the defense budget, than the specific resolution of the SALT talks, than whether we pursue parallelism with Chairman Hua.

This is not a plea for dissociating ourselves from China. The Schlesinger journey had its rewarding moments. Schlesinger himself has become a useful link between two great powers. In that sense as well as others, he is a national resource.

But carefully, friends, carefully. Careful in optics, careful in cosmetics. Strategic and moral claims are rarely identical. Distinctions must be drawn—and with Nixon, Ford, and Kissinger so recently in Peking, the American press beatifying Mao, and the apologetics offered by Mao's fans and followers. I know that we still have some discriminating to do. It is a devilish question, of course: morality or strategy. What I am saying is that the essential strategy is morality.

After Mao's funeral we get into cars and go back to our hotel. I am wondering how the New York Daily News headline writers will handle Mao's death. "Big Red Bites Dust" comes to mind. This kind of silliness has sustained our group through this journey so far, and without humor our days would be difficult. When we reach the lobby of the hotel Richard Perle comes up to me with a sly grin on his face. "Well," he says, "dead fellows make strange politics." It is one of the few lines I've heard in a week that makes sense.

AMERICAN MERCHANT MARINE

Mr. INOUYE. Mr. President, with the gracious consent of the chairman of the Commerce Committee and other members of the committee, I have assumed the chairmanship of the Subcommittee on Merchant Marine and Tourism for the U.S. Senate. Needless to say, as the senior Senator from Hawaii, I have more than a casual interest in not just the survival of the American merchant marine, but also in its restoration to its proper position in the maritime world.

This will not be an easy task. With the situation that is existing today, it is a task that will not be performed overnight. It is a task that will have to be completed phase by phase.

It is the purpose of this statement to go into the various phases and to set forth in some detail part of the program as I envision it. I will be delighted to receive any comments from any of the Members or any of the public with regard to improving the approach that I propose.

While there are many legislative matters involving maritime situations that will have to be considered, I see four basic problems that the American-flag merchant marine faces today. They are:

First. The insidious rebate situation that exists in the American foreign trade as well as in other trades around the world.

Second. The great threat that state-owned shipping companies impose on American-flag, independently owned operators, particularly within the American foreign trade.

Third. The various problems that we have in our tanker fleet, and I heartily endorse the position that a percentage of oil coming into the United States must move in American-flag bottoms and must move in ships that are not going to damage the environment of the oceans surrounding this country and its island States.

Fourth. Whether the American-flag carrier is obtaining a fair share of American financed cargo moving from the United States to foreign countries.

The fifth problem I see with the American merchant marine today overlaps each of the problems mentioned above. It is whether or not the present laws governing the American merchant marine are obsolete. The question may not be whether the laws are obsolete, but whether they have been properly administered. The question may also be that even with the ability of proper administration, have these laws been placed in isolation by the laws of other nations which have in reality usurped the utility value of the laws that we now have on our books.

As our committee reviews the four basic concepts set forth above, as well as other matters that may come before our committee, I anticipate that the committee will go into depth as to the applicability of the various laws; that is, the Shipping Act 1916; the 1920 act; the Merchant Marine Act 1936; and even the 1970 act. We must see whether these laws are aiding or to the contrary, are they doing harm to the success of our American-flag carriers.

Serious consideration must be given to whether unilaterally adopted regulation of shipping in the international liner trades, such as our own legislation, can ever be effectively enforced internationally, or whether some other remedy more consistent with comity among nations can be developed. We now have the spectacle of the United States attempting to regulate international shipping by legislation and friendly trading partners enacting legislation designed to thwart our laws and our regulations.

It has recently been brought to the attention of the entire shipping world, and specifically to the maritime elements of our own Government, to the Members of Congress, and very specifically to the Departments of Justice and State that our American-flag carriers are facing critical problems in the rebate situation that exists in the shipping world. My brief and preliminary investigation of the situation suggests that every liner carrier in the American foreign trade, whether he is American or foreign flag is rebating in one form or another.

The Government's knowledge of rebating in the merchant marine is not something new. It was the subject of much discussion during the hearings of the Alexander committee from 1912 to 1914, which resulted in the Shipping Act of 1916. In fact, if one wishes to go further back, one need only review the reports of the British Royal Commission on shipping rings of 1906, which was part of the foundation of causing the Alexander committee to go into the problem.

The subject of rebates was also primary during the Celler committee hearings and the Bonner committee hearings in 1960 and 1961. The 1962 report of the Antitrust Subcommittee of the House Committee on the Judiciary is replete with references to rebating in shipping. All of these studies and reports show that rebating had long been a problem with the American merchant marine. Clearly the Federal Maritime Commission and its predecessor agencies were fully familiar with the problems of the surreptitious activities. Moreover, in 1972 the Congress, at the request of the Federal Maritime Commission, changed the penalty for rebating from a misdemeanor to a civil penalty, although the basic potential pecuniary fines remained the same. Thus it is clear the Federal Maritime Commission, the principal agency for the enforcement of the maritime laws, up until recently has been lacking in enforcement of known illegal practices.

It is also very clear that the Department of Justice cannot claim ignorance to the problem when one looks back to the 1962 report. It is also clear that the Department of State was fully cognizant of the rebating problem as early as the Bonner and Celler committee hearings, if not before. Yet the problem has gone on unabated until recently. It is now clear that Congress must act. There is absolutely no question in my mind whatsoever that unless a proper and long-term solution to rebating in the international trade is found, the U.S.-flag American merchant marine will not survive. Time is very much of the essence.

It appears to me that the United States law prohibiting rebating is almost unique unto itself. I do understand there are some laws in other countries that at least on the surface deal with the problem. I understand recently some other nations are considering further changes in their maritime laws as it relates to rebating. I also understand there is a total lack of coordination and cooperation between nations and particularly with the United States insofar as the rebating situation is concerned. I understand that many nations have in fact passed laws which condone rebating and which forbid carriers under their flag to cooperate with the U.S. Government, or any government, in connection with a review of the rebating situation in their trades.

These are our trading partners. These are nations whose ships virtually dominate the American foreign trade. The result is that the foreign flag carrier may rebate abroad with relative immunity.

Even though these foreign flag carriers are subject to the Shipping Act and carry almost 95 percent of the American-borne commerce, the fact is that where the rebate is agreed and paid abroad, it is virtually impossible for the United States to enforce this law.

I would also expect our committee to take cognizance of the fact that rebating is really only forbidden in the foreign commerce of the United States. It is virtually a universally accepted practice in

every trade around the world between all nations. This, of course, permits rebates in cross trading, making it impossible for the U.S. Government to control, or even to obtain facts concerning such cross trading. For example, a carrier offering services from Europe to the United States and Europe to the Far East may technically comply with the U.S. law as to shipments in our foreign commerce. At the same time, it can gain competitive advantage on that traffic by paying a large rebate to the same shipper in the European-Far Eastern trade.

Rebating can take many forms. For example, rebates may be direct payments of cash, or checks, or "tea money," or absorption of costs and many other malpractices.

There is absolutely no question in the minds of members of our subcommittee, and in the minds of all Members of the Senate, that we must have a long-term solution to this problem in our international trade, and unless we do, the U.S.-flag and the American merchant marine will not survive regardless of any amounts of subsidies paid.

It is my opinion there is nothing more urgent; nothing more vital than a prompt and comprehensive investigation and hearings relating to the rebating malignancy. From our studies, I envision that action will be taken by our subcommittee almost immediately. In this connection I expect our staff to confer in advance with officials of the Federal Maritime Commission, the Department of Justice, and the Department of State. I should emphasize that we do not intend to single out any particular carrier, be it American or foreign, as culpable under the law. We do not expect to single out any particular shippers as recipients of rebates.

We do expect to have the industry accept the fact that rebating does exist and to aid the committee in finding a permanent solution. We intend to limit our investigation and our activities only to the shipping acts, of course, and only to those items that are within the jurisdiction of the subcommittee. Our hearings will in no way be in the atmosphere of a witch hunt for any shipper, any individual, or any Government agency. We expect the same cooperation from all that we interview and from all of the witnesses that we anticipate. We fully expect that this first phase of these hearings will commence no later than mid-March. We anticipate recommending a solution to the problem no later than mid-June.

The second and no less important problem facing the American merchant marine is the predatory aspects of the state-owned fleets in our American foreign trade. I introduced in the 1st session of the 94th Congress what was then known as the third flag bill, S. 868. Testimony of state-owned carriers raised the defense that their rates were no lower because of the secret rebates which I have alluded to above.

I have every reason to believe that this is not so.

The third flag bill did not ultimately become enacted into law, although extensive hearings were held in both the Senate and the House. However, as a direct result of these hearings, and at least temporarily suspending the necessity of the legislation, there were certain commitments made to the Federal Maritime Commission, and the legislation was set aside. This agreement is now pending before the Federal Maritime Commission. But even there, the state-owned carriers, under certain circumstances, will be given preferential rates.

It is my understanding that this agreement is now in jeopardy. We also understand that the Department of Justice is opposed to the agreement. We do feel the pressure that the so-called third flag bill must be reconsidered. Recently, Fortune magazine carried an article which indicates that at least the Soviets' state-owned fleet and those of the nations it dominates, are no longer concerned with the potential restrictions of the third flag bill. The article speaks in detail of the activities of these fleets and notes that the present established rate structure of these state-owned fleets is at least 21 percent lower than the conference rate structure in the same trade.

The Soviet wage level is low. The average able-bodied seaman receives $190 a month. The American seaman's salary is close to $720 a month. The Soviet seaman is given insurance and workman's compensation by the state. In the United States, these benefits exceed 104 percent of the seaman's monthly wages. The Soviet states pay for all insurance premiums on their vessels. These are costs directly to the American-flag carrier. It is safe to assume that the Russian daily operation of containerships may be as much as 40 to 50 percent lower than the American or other foreign containership costs. State-owned lines are subsidized through hidden budgetary processes, enabling these fleets to have a rate cutting ability and practices which are predatory to the American carrier.

It is significant to note that the U.S. freighter fleet has been declining since 1965, and yet the Russian fleet in that same period has increased by 119 percent. The Russian fleet today is second only to the Liberian-flag vessels. The Soviet fleet today consists of 2,404 vessels; the Liberian fleet, 2,546. We must compare these figures with the ownership of the American-flag carriers, which is now down to but 580 vessels. Thus, our committee will very promptly be reinstituting hearings to initiate legislation.

I would like to emphasize that while we will be reviewing the legislation noted above, and other legislation that will be introduced, we will be simultaneously reviewing those sections of the existing statutes which have an effect on the problem, and which have allowed these problems to mushroom to the size that they are today.

In considering the two sets of proposed hearings, I would like to compliment the present Chairman of the Federal Maritime Commission. I have his permission to quote from his letter to me of February 4. In it he states a position with which I agree completely.

A thorough and critical review by Congress of the 1916 Shipping Act and other statutes that collectively comprise our national ocean transportation policy is long overdue, the last such review having taken place in 1961. As you know, since that date, there have been revolutionary worldwide changes in the technology and philosophy underlying the ocean trades and, in particular, the liner conference system. As a result, a number of statutory provisions that this Commission has been charged to administer are no longer responsive to present conceptual or economic realities.

This is a realistic view and it will be one of the prime concerns of our subcommittee throughout our hearings.

At this point, I want to mention a third phase, and no less important than the first two, and that is the need for increasing the share of oil cargoes carried by U.S. vessels. Senator MAGNUSON has already introduced legislation on this subject. It parallels the legislation passed in the last Congress, which was pocket vetoed by the former President. It is my intention to bring before our subcommittee again the legislation that was so vetoed. There is no question of our full support for Senator MAGNUSON's position in connection with these tanker problems. We plan to take this legislation up very promptly. We hope to have it offered to the full committee and to the full Senate within the next several months.

Finally, I would underscore our belief that there is a lack of concern in many areas of the Federal Government with regard to the utilization of American-flag carriers for cargoes that those Government agencies control.

It will be the intention of our committee to fully review these potential cargoes. Again, we will be glad to accept suggestions in advance of these hearings from any Government agency, or from any of the public. We are presently compiling a list of agencies that are involved and we will shortly be in communication with them, pointing out the necessity for the utilization of the American-flag carrier. We will want this utilization to be made public, so that the American people will also have the opportunity to comment on our considerations.

Mr. President, while this announcement may be viewed as somewhat all-encompassing, I wish to emphasize that it is not. There will be many more legislative proposals coming from our subcommittee. However, I felt it absolutely necessary that we should set forth our initial basic agenda so that there will be no questions in the minds of the shipping public, of the shipowners, and of the pertinent Government agencies involved that our subcommittee takes these four matters very seriously. We expect to move very promptly and we expect satisfactory conclusions leading to permanent solutions of these problems that are malignant to the continuation of the American-flag merchant marine.

NATIONAL TRANSPORTATION POLICIES AND PROGRAMS

Mr. SCHMITT. Mr. President, during the Commerce Committee's confirmation hearing on the nomination of Brock Adams, I requested the new Secretary of Transportation to reply to several writ-

ten questions which I submitted for the RECORD.

Secretary Adams has kindly sent to me a set of written responses to these questions.

My Senate colleagues should find his statements of interest as they reflect on the philosophy affecting national transportation policies and programs during the Carter administration.

Mr. President, I ask unanimous consent that the complete text of my questions and Transportation Secretary Adams' answers be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ANSWERS TO WRITTEN QUESTIONS FROM SENATOR HARRISON SCHMITT

Q. What is your position regarding airline regulation and legislative proposals in the Congress for deregulation? Specifically.

(a) The CAB, DOT and the Senate Subcommittee on Administrative Practices and Procedures have extensively reviewed the airline industry and independently concluded that, without federal regulation, airline fares would decline by as much as 20% to 50% below present rates. What is your estimate? Upon what studies do you base your conclusion?

(b) Do you believe that air service to small communities would be hurt or helped by reducing federal controls? Upon what studies do you base your conclusion?

Do you support increased competition among airlines, freer market entry and more competitive pricing of air fares? Do you have plans to submit to the Congress new Administration proposals for deregulation in these areas?

A. I support legislation to reduce CAB regulation and increase competition in the domestic airlines. In particular, restrictions on entry into the industry by new carriers should be eased; carriers should be given flexibility in choosing the markets they serve; and carriers should have more room to set their fares competitively. CAB practices and procedures should also be improved.

It is my understanding that President Carter does not plan to submit a bill to Congress because many proposals introduced during the 94th Congress reflect my general thinking on the subject and because development of a new bill would only delay Congressional action on this issue. As I said last week, I intend to work closely with Congress in the months ahead as it shapes a final bill.

The impact of legislation upon fare levels will depend, in large measure, upon the pricing and entry provisions in the final legislation. The intrastate experience in California and Texas, recent filings before the Board, as well as studies by the CAB, the DOT, and the Senate Subcommittee on Administrative Practices and Procedures indicate that lower fares may be possible in many markets, but I believe the numbers referred to in the question are too high.

With respect to small community service, I plan to review the conclusions of the Department of Transportation that a reduction in CAB regulation may actually improve air service to small communities. This has not been the history as shown by the local carrier subsidy program. In addition, I understand that the CAB is currently studying ways to improve the subsidy program that guarantees services to many of the smaller communities. As I said last week, I look forward to receiving the CAB's recommendations on this issue; and I hope the Board will complete its work as quickly as possible.

Q. The United Kingdom has rescinded a major bilateral agreement with the United States covering air routes between our country and London. The U.K. apparently wants to extend the agreement but is demanding half of the total revenues from all trans-Atlantic flights between our two countries. Actually, only about 40% of the fares are British citizens. What will be your department's position in future negotiations with Britain?

A. Negotiations of the bilateral agreement between this country and the United Kingdom covering air routes are not conducted by by the Department of Transportation alone. Many other agencies of the Federal governmen are involved, including the Department of State, the Department of Commerce, the CAB, and the White House. I plan to work with my colleagues in these agencies very soon in developing a position that will not prejudice this country's carriers ability to provide an equitable share of air service between the two countries. It has been the U.S. position to date not to accept the United Kingdom's demand for pooling and 50% of all traffic.

Q. Trans-Atlantic charter fares are currently competitive and relatively cheap because they have not been subject to controls. Some domestic U.S. commercial airlines are seeking regulation to standarize these fares. What are your views regarding such regulation?

A. I have been informed by the CAB that at this time the Board is not considering a request from any domestic U.S. commercial airline seeking regulation to standardize fares for Trans-Atlantic charter rates. The President has referred to the Board the route question regarding direct service to inland cities.

Q. The Interstate Commerce Commission's regulation of the trucking industry has operated to the disadvantage of small truckers and minority entrepreneurs.

(a) Truckers who own and would like to operate their own rigs find that they cannot enter business and compete with commercial truckers who are certificated. In some states they have been arrested for operating their rigs without ICC certificates. What do you intend to do to assist entrepreneurs, particularly minority entrepreneurs, in entering the free enterprise system and eliminate discriminatory effects of ICC regulation?

(b) Independent truckers who own rigs but are not certificated must hire out to ICC-approved trucking lines, sometimes paying up to 25% of their contract revenues to conduct business. What do you propose to do as Transportation Secretary with respect to this situation?

(c) What is your attitude toward permitting regulated businesses to establish committees to set uniform industry-wide rates?

(d) Do you intend to submit legislation to the Congress to eliminate the anti-competitive practices described in (a), (b), and (c)?

A. The Department of Transportation will take part in rule-making proceedings before the Interstate Commerce Commission leading to the elimination of artificial barriers to minority entrepreneurs entering the motor carrier business.

I am well aware of the serious problems faced by the independent owner operators. It may be that they do not have adequate legal remedies to protect themselves from exploitation. If further analysis indicates that changes in existing law are needed to ensure fair treatment for owner-operators, I will recommend to the President that legislation be submitted to the Congress. The problems demonstrated by the bankruptcy of many unregulated carriers carrying exempt commodities show the danger in complete deregulation.

Rate bureaus serve a useful coordinating function for transportation industries whose rates are regulated so as to protect the public from unreasonable or discriminatory rates. In addition, companies, not the government, set rates so joint rates have to be set by bureaus to avoid discrimination. I have supported reforms of rate bureau practices in the railroad industry, and the Railroad Revitalization and Regulatory Reform Act forbade members of rail rate bureaus from voting on single line rates or on interline rates in which they could not practically participate or protesting an independent action of a member before the ICC. Similar reforms may be necessary for some motor carrier rate bureaus, but the number of such bureaus, the enormous number of participants, and general openness of the bureaus makes the chance for abuse less and the type of reform somewhat different than that used for the railroads rate bureaus.

Q. What approach would you as Transportation Secretary recommend for evaluating alternative means of coal transport in this country? I am especially interested in your comments concerning the slurry pipeline and its advantages or disadvantages vis-a-vis railroads.

A. There is a serious question as to whether the construction of coal slurry pipelines is necessary and the effect on the rail carriers is substantial. I do not think the Federal government should stimulate large investment in transportation facilities which would duplicate existing capacity unless it is shown that this will further a total national transportation policy which will maintain bulk freight service to many small towns which depend on rail service as well as trucks.

Q. In your opinion, does the United States currently have the potential to develop an advanced supersonic transport aircraft which is environmentally acceptable? Would you support construction of such an SST?

A. There is no question in my mind that the United States has the technological ability to develop a supersonic aircraft that would be environmentally acceptable; and as a member of Congress, I supported the efforts to provide civilian research and development of this newest jet. I am now concerned whether the economics will support a supersonic airplane for international routes and have therefore indicated the present testing program for the British-French Concorde will be continued as scheduled.

Q. During my days at NASA, I found arrangements between the Agency and DOT at times very unsatisfactory. Do you envision your Department exploring ways of transferring research and development from our space, energy and defense programs into transportation in order to develop new transport systems?

A. I hope that the Department of Transportation would work closely with NASA to take full advantage of technological developments in the energy and space programs which would have practical application in improving transportation efficiency. I am not personally aware of the problems you refer to in your question, but I hope my attitude will improve relations between the two agencies.

Q. In your statement you spoke of the desirability of using our Nation's rail system as a means of employing those persons out of work and on welfare and you indicated that, as Secretary, you will speed up Transportation employment programs already authorized and appropriated by the Congress. Is there also a need to use the upgrading of rail and other transportation systems in the United States as an integral part of unemployment and welfare programs currently offered? In other words, isn't there a supporting link between government railroad revitalization and reorganization efforts and welfare reform such as is being explored by experimental programs undertaken by Massachusetts?

A. In the Railroad Revitalization and Regulatory Reform Act, the Congress made substantial sums available for upgrading the Northeast Corridor and for improving and rehabilitating railroads throughout the country. It was our intention that this financial assistance be one way of providing jobs for the unemployed while improving our Nation's transport.

SENATE RESOLUTION 4

Mr. CANNON. Mr. President, I rise to speak against those actions taken on February 11 when committee assignments were made that did violence to the reforms adopted by the Senate when Senate Resolution 4 was agreed to just 1 week earlier. Specifically, Mr. President, I call attention to the changes made in the sizes of nine of the 12 class A standing committees; the action which allowed three new Members of the Budget Committee to serve on the Budget Committee and a second committee listed in paragraph 3(a) of rule XXV, as amended by Senate Resolution 4; the action which allowed three Senators who presently sit on the Budget Committee to serve on the Budget Committee, one additional class B committee and two class A committees; and the action which allowed two Senators to serve on three class A standing committees listed in paragraph 2, even though they had not been on all three class A committees previously and one was a newly elected Member of the Senate. We now have one Senator who is a freshman "grandfather" and another Senator serving on four standing committees of the Senate.

Mr. President, there was no reason or justification for those actions. Senate Resolution 4 was the result of almost a year of effort by the Senate to reduce the workload on Senators by reducing the number of committees on which they must serve. In its final form it was approved overwhelmingly by the Senate—by a vote of 89 to 1. Senate Resolution 4 requires that Senators serve on two and no more than two of the 12 class A standing committees listed in paragraph 2 of rule XXV. It allows Senators to serve on one but no more than one of the standing, select, special and joint committees listed in paragraphs 3(a) and 3(b). Certain specific exceptions to these rules were provided in the reform to allow members then "grandfathered" onto those standing committees to serve on a third class A committee for one Congress. This was to allow them a transition period—a brief period of time to finish certain business they had in progress before they were required to get off. Another exception allowed the chairmen and ranking minority members of the abolished Post Office and Civil Service and the District of Columbia Committees to continue to serve on the Governmental Affairs Committee, the committee to which the functions of the two abolished committees were transferred. This, too, was a good exception, Mr. President, for the purpose of providing a necessary continuity of knowledge and insight and policy awareness into the successor committee.

But, Mr. President, there is no reason why one Senator should have been allowed to serve on three class A committees: Armed Services, Environment, and Judiciary. The senator was not on judiciary in the last Congres. There was no need to make this exception, Mr. President.

There was also no need to make the exception that allows another Senator to be on three class A committees: Banking, Human Resources, and Commerce. This member, newly elected to the Senate, has never served on any of these committees.

There were no transition needs to be fulfilled. To allow a newly elected Senator to serve on three class A committees, Mr. President, makes a mockery of the limitation. And it must be especially distasteful to other Senators, not newly elected, who willingly gave up committee memberships to comply with the reforms of Senate Resolution 4.

Mr. President, I am especially surprised that two Senators would even allow these exceptions to be made on their behalf, because they have been among the most active and the most outspoken workers in the cause of Senate reform.

Mr. President, I do not want to belabor these two exceptions further. I would like to call your attention to another action that took place on February 11 in which four Senators were allowed to serve on more than one committee in paragraphs 3(a) and 3(b) of rule XXV. Specifically, Mr. President, these Senators are being allowed to serve on the Budget Committee and on one other class B committee listed in paragraphs 3(a) and 3(b). One Senator is also on Veterans' Affairs; another is also on Aging; a third is also on Intelligence. Also, another three of our colleagues are being allowed to serve on Budget in addition to two class A committees even though they are new members of Budget and required by Senate Resolution 4 to treat it as one of their two class A assignments.

These deviations from the provisions of Senate Resolution 4 are not the exclusive concern of the majority party. Indeed, the minority has resolved their committee assignment challenge in a fashion which is equally arbitrary. I am informed that two additional slots were found for minority Senators on the Budget Committee, one on Commerce, a fourth on Energy and a fifth on Aging.

Mr. President, since there is no objective reason or justification for these exceptions, why were they permitted? Why should we all not be allowed to serve on three class A committees, or on two class B committees. I am indeed disappointed that this action was taken and I am convinced that many other Senators feel the same way. To prove my good faith I willingly gave up some committee assignments in the interest of reform as set forth in Senate Resolution 4, but was unhappy to learn that some champions of reform were given assignments contrary to the provisions of that resolution.

Mr. President, some other violence was done to Senate Resolution 4 on February 11. It was not as serious a breach of the principles of reform as those that I have already covered, but I want to comment on them lest I be thought to concur.

Mr. President, the sizes of the committees were changed. We just agreed a week earlier on the committee sizes, Mr. President, and already they are being changed. And the changes did not involve an equal number of increases and decreases. The changes resulted in an overall increase in the number of class A committee slots from 203 to 208. This was to accommodate those Senators who were excepted from the limitation on committee assignments. Mr. President, the committee sizes and the total number of committee slots provided are important. They fix the overall boundaries within which committee selections must be made by Senators. If committee sizes are increased this will result in some committees having member vacancies. The sizes must be adhered to so that the limitations on the number of assignments will insure that all committees have their full complement of members.

Mr. President, in closing I want to reaffirm my commitment to the reforms of Senate Resolution 4. I believe they are good reforms and much needed. They required sacrifices by many Senators who had to give up committee assignments in which they had a deep interest and on which they had done outstanding work. But give them up they did—except for a few. And, Mr. President, I am disappointed that some Senators allowed special unwarranted exceptions to be made on their behalf and especially disappointed that some of the leaders of reform are in that group.

Thank you, Mr. President.

LITHUANIAN INDEPENDENCE DAY

Mr. SCHWEIKER. Mr. President, I am pleased to join in today's commemoration of the 59th anniversary of the Declaration of Independence of Lithuania.

Lithuania achieved independence from German occupation on February 16, 1918. But since 1944, Lithuania has been occupied by the Soviet Union. It is fitting that we pause today to commemorate Lithuania's struggle for freedom, and reconfirm our support for Lithuania's right to self-determination.

Lithuanians are a courageous and proud people, and the continued occupation of their country has not dimmed their hopes for freedom. I am proud to know and work closely with many Lithuanian-Americans in Pennsylvania, and to know of their strong loyalties for their native country.

Today I join with the Lithuanian-American community to express our dedication to the Lithuanian people, and to people throughout the world, who share the important goal of living daily lives with freedom and justice. It is my hope that one day Lithuania will be able to rejoin the world community as a free and independent state.

TRIBUTE TO THE LITHUANIAN PEOPLE

Mr. HEINZ. Mr. President, this week commemorates the time 59 years ago when the sovereign State of Lithuania realized its dream of freedom by declaring its independence from the Russian

Empire. Only 22 years later, this freedom was stolen from them when the Soviet armies forcibly annexed Lithuania to the Union of Soviet Socialist Republics.

For a time, at least, Soviet domination has destroyed the realization of freedom for Lithuania. But, the dream of independence still lives on in the hearts and minds of those Lithuanians now living under Soviet rule, and in the hearts and minds of the over 1 million people of Lithuanian background now living in the United States. The contributions of these people to this country have been great, and their continuing strength as a national group has been an inspiration. It is undoubtedly painful for them to celebrate this anniversary of their independence, while Lithuania itself continues under Soviet domination. We owe them a debt of gratitude for this annual reminder of how precious is the right of freedom, and how staggering is its loss.

It is tragic that such a fundamental freedom should continue to be suppressed. We in the United States condemn it; the free nations of the world condemn it; Lithuania condemns it. We can only look forward to that day when such suppression will exist no longer, when the sovereignty of all nations shall be restored, and when the celebration of February 18 will mean that Lithuania's dream of independence has again become a reality.

THE 59TH ANNIVERSARY OF LITHUANIAN INDEPENDENCE

Mr. RIEGLE. Mr. President, I was honored to accept an invitation from Mr. Raymond Sakis to speak before a group of American-Lithuanians from Michigan, as they commemorated the 59th anniversary of Lithuanian Independence.

This group passed a resolution which I ask unanimous consent to have printed in the RECORD, at the end of my remarks, a copy of which I have forwarded to President Carter.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. RIEGLE. Mr. President, this small Baltic nation of unparalled beauty, was built upon the very principles of independence, freedom and human rights, which we, as Americans, are richly blessed with. As we move into our third century of independence, I find it only fitting that we pay c tribute to Lithuania; a nation and people dedicated to bringing about the very principles of freedom, liberty, and independence, that we in America enjoy.

Lithuania is a country with a turbulent history. It first claimed independence more than 700 years ago, only to lose its sovereignty when Czarist troops took control in 1795. On February 16, 1918, Lithuania gained its independence for the second time. During its 22 short years of independence, in a spirit of freedom and liberty, the Lithuanians made giant strides toward a better life based on these very principles.

In the secret Molotov-Ribbentrop agreement with Nazi Germany in 1940, the Soviet Union occupied and forcibly annexed Lithuania, Latvia, and Estonia. Since that time Lithuania has been claimed illegally as a Soviet Republic.

Though deprived of their independence once again, the tenacious Lithuanians continue to work to preserve their national heritage and culture and to further their goals of eventual freedom and independence. At the present time, the national resistance movement continues to grow. For the past 5 years, a large group of citizens and priests have been operating an underground newspaper, reporting violations of Soviet officials.

I believe the time has come when the free democratic nations of the world should take a greater interest in the self determination of nations, and human rights. As a citizen of a country founded on freedom of political expression and human rights, I feel it is imperative that the executive and legislative branches of our democratic Government, work to bring about international recognition of these fundamental rights.

The strength, courage, and hard work shown by Lithuanians throughout the world is to be commended by us all. I am very honored to be able to speak out on behalf of Lithuanians as they work together to achieve the greatest goal any group can attain—freedom for all.

EXHIBIT 1

RESOLUTION

We the United States citizens of Lithuanian descent residing in the Greater Detroit area and having met on February 13, 1977 at 12:30 p.m. at the Lithuanian Cultural Center at 25335 West Nine Mile Road, Southfield, Michigan to commemorate Lithuania's Independence Day, hereby declare that:

Whereas the three once sovereign Baltic States of Lithuania, Latvia and Estonia are illegally occupied by the Soviet Union;

Whereas the United States Senate unanimously passed Resolution 319 on July 26th in the Bicentennial Year 1976 of our Republic stating that United States should continue not to recognize this illegal occupation.

Now, therefore, be it resolved

That the United States raise the question of this hideous occupation at the Belgrade Conference as the most pressing moral issue and as a fitting tribute to the just aspiration to liberty and freedom by those oppressed people;

That we empower the Chairman of the Day to sign this Resolution and resolve to send it to the President, the President of the Senate, the Speaker of the House of the Representatives and the Senators and Representatives from the State of Michigan.

RAYMOND SAKIS,
Chairman of the Day.
STASYS SIMOLIUNAS,
Secretary.

AGNES JUST REID

Mr. CHURCH. Mr. President, today I would like to pay tribute to a unique woman from Idaho—Agnes Just Reid.

All her life was spent in eastern Idaho. Born in Preston, she attended school and then taught at Cedar Creek—always writing. She had a profound interest in the entire world. She enjoyed politics and ran three times for State senator on the Democratic ticket from her district. When she died, she was 89 years old, still sowing the seeds of contemplation.

She was a woman who brought much joy not only to those who knew and loved her, but also to those who knew her through her poetry. We who had the privilege of knowing her personally take heart in her poem "Song of Friendship." She wrote:

Not even distance can destroy
A friendship that is woven strong
Not even death can break the tie
Or end the cadence of the song.

Agnes Just Reid will always be a special friend to the people of Idaho. The spirit that abides in her poetry can never be taken from us. So, Mr. President, I ask unanimous consent that this tribute, the accompanying editorial from the Idaho State Journal "A Poet's Farewell", and the tributes from the Idaho Falls Post-Register and the Blackfoot News be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A POET'S FAREWELL

Poetry is an old-fashioned art. The hurrying style of late 20th Century life has a way of knocking aside the leisure needed to reflect and create.

Still, as a Spanish proverb says, "Of musician, poet and madmen, we all have a little." In all of us, there seems to be a hunger for poetry. We need that pause to see the beauty around us and within us.

Agnes Just Reid, who died Saturday at the age of 89, sowed the seed of contemplation in many Idahoans. Her parents were immigrants, and she knew the frontier world of Southeast Idaho. Mrs. Reid—or Agnes Just, as she was named then—taught in a one-room log schoolhouse.

She was a keen observer of her surroundings. In fact, she chronicled frontier life in "Letters of Long Ago," published in 1923. The book was written as a series of letters from her mother in Idaho to her father in England. The most recent reprint of the letters was in 1973.

Agnes Just Reid was best known for her poetry. Her first book of poems was published in 1916, and until her death she was writing and publishing poetry. Idaho State Journal readers remember Mrs. Reid's poetry. Many readers clipped the verses and tucked them into scrapbooks or tacked them on walls or bulletin boards.

Mrs. Reid was a charter member of the Idaho Writers League. Through her published work and her participation in the organization, she remained a teacher throughout her life, and she set an example for many Utah and Idaho residents.

Another side the public didn't see was Agnes Just Reid the family person. Her verse was an outgrowth of her sensitivity to people and to the varied expressions of nature. Certainly, her pioneer roots and her practical lifestyle as wife, mother, grandmother, and great-grandmother kept her close to the rhythms of life.

Despite her close ties to her southeastern Idaho home, the land in which she lived her life, Mrs. Reid had a broader sense of herself and the world. She could thrill at the sight of a flock of wild geese, and she could see beyond that moment in space and time.

A member of no formal church, Mrs. Reid's favorite quotation was, "The world is my country; to do good is my religion." No one disagreed with her to our knowledge.

Mrs. Reid's funeral was this morning. Her burial will be in the rich soil of the dry, windy land she knew and expressed so well.

Despite the formalities, poets have an immortality denied to more prosaic folk. Mrs. Reid lives each time someone discovers her verses. The clippings in scrapbooks will fade and crumble, but the poems will remain as books are reprinted and as memory brings them back.

As a poet should, Mrs. Reid wrote her own eulogy, "In Memoriam":

Do not pile flowers on my casket,
Nor where my body shall lie,
It's only the part that is earth-bound,
The part that was born to die.
But think of me in the springtime,
Think of me at the dawn,
Think of me when the geese fly north,
For that is the part that lives on.

AGNES JUST REID HONORED POSTHUMOUSLY BY WRITERS

SUN VALLEY.—Agnes Just Reid, a well known Idaho writer, who died Aug. 7, 1976, was posthumously honored as the Idaho Writer of the Year at the recent Idaho Writers' League Conference in Sun Valley. This is one of the highest writing awards presented in the state.

Mrs. Reid was a longtime Blackfoot-Firth area resident and a pioneer member of the Idaho Falls Writers' League. She was the author of three books: "Range Cayuse," written in 1916; "Letters of Long Ago," written in 1923 and 1936; and "Songs of the Soil" written in 1941.

She joined the Idaho Writers' League in 1941 and the Idaho Falls Chapter at its inception in 1943. Until her death, her column "Here's a Thought" was published in the Blackfoot News or its predecessors each week for over 40 years.

All of her long life was lived in the house where she was born at Presto (not to be confused with Preston) on Sept. 7, 1886. After her marriage to Robert Reid in 1906, they continued to live and raise their family of five sons there on the ranch east of Blackfoot. Mr. Reid died in 1947. She attended school at Preston and Albion State Normal School. She taught school at Cedar Creek, 25 miles east of Blackfoot, for a term while continuing her writing.

Although Mrs. Reid lived in the country of Eastern Idaho, she was reported to be interested in the entire world. She took a lively interest in politics and in 1952–54 and 1956 she ran for state senator on the Democratic ticket from her district.

In October 1955, "Life" magazine carried a picture of Mrs. Reid along with one of her poems which she had written. It seems Mrs. Reid had written a fan letter to Anne Lindberg about her then new book, "Gift of the Seas." Some of Mrs. Lindbergh's words echoed the same thoughts that were in a poem by Mrs. Reid which follows:

Artistic Urge

Each day I write a poem
To satisfy my soul,
About a lovely sunset
Or how the breakers roll,
Today I cannot write one
No matter how I try,
An still my soul is satisfied,
I've made a lemon pie.

Mrs. Reid was once told that she was as wise as Portia and she replied that she had played that role in her Albion Normal days. In 1972, the University of Utah honored Mrs. Reid by publishing a memorial edition of her book "Letters of Long Ago." Today the book is a valuable collectors item.

Friends who knew Mrs. Reid say that she had a keen sense of humor and always enjoyed a good chuckle. In the past few years she had not been able to attend many of the writer meetings because of failing health, but kept in contact by telephone calls and visits from friends.

WELL-KNOWN AUTHOR DIES

Funeral services for Agnes Just Reid, 89, of Firth, have been scheduled for Tuesday at 11 a.m. at the Nalder Mortuary in Shelley, with burial in the Goshen Cemetery.

Mrs. Reid, the daughter of a pioneer Bingham County couple, Nels A. and Emma Thompson Just, had been hospitalized at Bingham Memorial in Blackfoot since July 20.

She was born Sept. 7, 1886, at Presto near the Blackfoot River east of Firth. She and Robert E. Reid were married Nov. 28, 1906, in Blackfoot. Her father came from Denmark and her mother from England.

Mrs. Reid was the author of a fictionalized account of the emigration of her parents to Idaho entitled "Letters of Long Ago."

She attended Albion Normal School and later taught school briefly at Cedar Creek in the hills 25 miles east of Blackfoot. The one-room log school had only a handful of pupils—but one of them was later to become her husband. Mr. Reid died in 1947.

Surviving are: five sons, Eldro Just Reid, Blackfoot, and Vincent, Fred B., Douglass J. and Wallace, all of Firth; a sister-in-law, Mrs. Kittie Blair, Firth; 20 grandchildren; and 20 great-grandchildren.

The family requests that no flowers be sent, and that her poem "In Memoriam" be honored: "Do not pile flowers on my casket, Nor where my body shall lie, It's only the part that is earth-bound. The part that was born to die. But think of me in the springtime, Think of me at the dawn, Think of me when the geese fly north, For that is the part that lives on."

Memorial contributions to a charity are encouraged for those who wish.

Mrs. Reid was a member of no church, and a favorite quotation was "The world is my country, to do good is my religion." She was a charter member of the Idaho Falls chapter of the Idaho Writers League.

She was active in the Democratic Party of Bingham County, and ran for state senate three times unsuccessfully.

"Letters of Long Ago" was published first in 1923 by Caxton Printers of Caldwell, and republished in 1936. The book was picked in 1973 for a third reprint by the University of Utah Press, Tanner Trust Fund. This final publication was as one of a series of reprints of historical books.

Mrs. Reid's published books of poetry were Range Cayuse" in 1916, Songs of the Soil" in 1941, Rugged Rhymes" in 1947 and Autumn Leaves," 1965.

Though she was a lifelong writer, the fact sometimes embarrassed her. In a story on writers who had arrived," she said "I still get red in the face when somebody speaks of me as a writer."

As the end of that same story, she wrote: "It has been fun writing, fun selling, and even fun getting things back. The uncertainties of life are what makes life interesting and a person who writes has them at every turn of the road or at every coming of the postman."

MRS. REID DEAD AT 89

Agnes Just Reid, 89, the daughter of a pioneer Bingham County couple, died Saturday at Bingham Memorial Hospital.

Mrs. Reid was the author of "Letters of Long Ago," a fictionalized account of the settlement of the Blackfoot River and Presto Bench.

She was the writer of a weekly column "Here's a Thought" in The Blackfoot News and its predecessor, The Bulletin, beginning in 1935.

Many of Mrs. Reid's poems were published in the editorial section of the Idaho State Journal. Four books of her poetry were published between 1916 and 1965.

Mrs. Reid had been hospitalized since July 20. A detailed account of her life and funeral information is on page 2 of today's paper.

ENERGY CONSERVATION AMONG OECD COUNTRIES

Mr. STEVENS. Mr. President, a comprehensive national energy policy must provide answers to a number of important questions. Among these questions are: How much energy will be produced domestically each year and from which sources? How will the Nation hedge against an interruption? How will the limited energy supplies be allocated among different users and what prices will they pay? And, what can the Nation do to reduce its consumption of energy and thus relieve the strain on its own resources, save more of its resources for future generations, and reduce its vulnerability to an embargo?

A recent article in the OECD Observer compares the conservation efforts of the member nations of the International Energy Agency. It observes that "Countries are not approaching energy conservation with the same intensity and commitment that is being applied to energy expansion."

Although no countries are mentioned by name at that point, the figures presented later in the article show the United States as making less than average achievements in energy conservation.

A list of specific recommendations is included with the article.

I think that the article is well worth the attention of the Senate, especially in the next few months as we make some important decisions on our own national energy policy.

Mr. President, I ask unanimous consent that this article from the September/October 1976 OECD Observer be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONSERVATION OF ENERGY: HOW ARE COUNTRIES PERFORMING?

Governments of the International Energy Agency countries must press for adoption of conservation programmes. This is the conclusion of IEA's first published report[1] on the conservation policies of its Member countries. Although much has been accomplished already, especially by comparison with pre-energy-crisis trends, the potential is far greater. If Members are to reduce their dependence on oil imports, this potential must be realised and the IEA report sets forth a list of the areas in which measures should be taken (see measures below).

"By almost any standard, the reduction in energy demand of IEA countries has been impressive." IEA's report on the conservation policies of its Member countries[2] qualifies this general conclusion with the recognition that part of the 1975 savings (energy consumption was 14.3 per cent below the 1968 to 1973 trend, was due to the reduction in world-wide economic activity and the relatively mild winter, but energy use declined more than production (or rose less) in every Member country but four (see chart B). In addition, many countries have taken measures along the lines recommended by the International Energy Agency.

Overall, the IEA notes that countries are not approaching energy conservation with the

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[1] "Energy Conservation in the International Energy Agency: 1976 Review."

[2] Austria, Belgium, Canada, Denmark, Germany, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. Luxembourg is a member but did not take part in the review. Greece has joined the IEA too recently to have been included.

same intensity and commitment that is being applied to energy supply expansion. And this is a mistake because a barrel saved is as useful as a barrel produced—better in many respects.

PRICES AND TAXES

Among the recommended measures priority is given to prices and taxes since IEA is concerned that pricing energy below world market levels as some countries still do will discourage consumers from making a real effort to save energy and also discourage the necessary investments in energy efficiency.

A number of countries (Austria, Belgium, Germany, Italy, and Norway for example) have in fact used pricing and taxation as the core of their conservation programmes. Sweden has made "excellent use of pricing and taxes" on all major energy sources including a 10–20 per cent tax on electricity to stimulate conservation. Italy has the highest tax on gasoline of any IEA Member country (see table 1). The United States on the other hand is judged to have hampered its overall conservation programme by keeping oil and gas prices below those of the world market and by imposing very low taxes on all fuels (the price of gasoline, including taxes, for example, is less than half the range of 30–40 cents a litre which prevails in most OECD countries, see table 2). "Because of the extensive use of these fuels in the U.S. it is clear that prices and taxes must rise soon to reflect at the very least the real value of the energy if long term conservation is to be taken seriously by industry and consumers", notes the report. Canada too has low gasoline prices though they have been increasing rapidly. (See table 3.)

Some countries have reached world price levels but have made exceptions for certain kinds of fuel or industries—Austria for the aluminium industry, the Netherlands for natural gas in private residences, and New Zealand for natural gas and coal which are sold at "strongly promotional tariffs". IEA comments that such exceptions should be eliminated if conservation is to be effective.

TABLE 1. TAXES ON FUEL AS PERCENT OF PRICE IN TABLE 2

Country	Gasoline	Heating	Heavy fuel	Coal	Country	Gasoline	Heating	Heavy fuel	Coal
Canada	39.4				Italy	64.6	14.6	10.8/12.1	
United States	20.5				Netherlands	59.7/58.6	13.4	11.9/12.5	7.4
Japan	30.8				Norway	52.7			
New Zealand	35.8/33.9				Spain	58.8/43.0	20.0	8.7	1.5
Austria	48.5/57.4	23.4	7.4	7.4	Sweden	55.0/52.8	12.7/13.0	15.1/13.7	
Belgium	62.2/60.1				Switzerland	57.7	5.3	8.2	.2
Denmark	46.0	8.5	8.5		Turkey	51.7/56.1	41.0	16.7	
Germany	54.8/51.0	12.6			United Kingdom	52.7	3.5	4.5	
Ireland	50.0/48.4								

TABLE 2. ENERGY[1] PRICES IN IEA MEMBER COUNTRIES
[As of Dec. 31, 1975—including taxes]

Country	Retail price (cents per liter)			Country	Retail price (cents per liter)		
	Gasoline	Heating oil	Heavy fuel		Gasoline	Heating oil	Heavy fuel
Canada	18.6	9.0	6.5	Norway	[2]36.6	12.1	9.3
United States	[2]15.6	10.4		Spain	31.8–43.5	11.6	8.9
Japan	[2]36.7	[4](W) 11.4	[3]7.0	Sweden	[3]34.2–35.6	[6]11.6–11.4	[10]8.7, [8]9.6
New Zealand	27.4–28.9			Switzerland	[7]37.8	11.1	8.4
Austria	[3][5]31.3–35.1	14.6–14.0	[6]7.6	Turkey	18.5–22.8	16.6	9.9
Belgium	[3]35.9–38.1	13.6	8.9	United Kingdom	[3]30.1–30.6	12.7	9.9
Denmark	37.2	13.0	8.3				
Germany	[3]32.5–34.9	12.4		IEA maximum	[2]46.1	14.6	9.9
Ireland	[3]32.6–33.5	9.3	9.3–8.5	IEA minimum	[2]15.6	9.3	6.5
Italy	[2]46.1	[4][8]11.3	[4][8]7.8	IEA average	[2]32.4	12.1	8.3
Netherlands	[3]37.7–38.4	13.0	[8]6.9, [10]6.6				

[1] Converted at the exchange rates as of Dec. 31, 1975.
[2] Regular.
[3] Further details in individual country submissions.
[4] Excluded in maximum, minimum, or average calculations.
[5] Regular-super.
[6] Delivered price to industry.
[7] Super.
[8] FOB.
[9] Low sulfur.
[10] Normal sulfur content.

TRANSPORTATION

High gasoline prices and/or taxes have promoted the manufacture and purchase of relatively efficient autos in Western Europe while low prices (or taxes) have led to use of large, inefficient autos in the United States and Canada, the IEA report notes. (The energy used per passenger mile in these two latter countries is 1½–3 times higher than in most European countries.) Austria and New Zealand also have low automobile efficiency. This added to the fact that autos in these countries account for a very large proportion of total transport (95 per cent of urban passenger travel in the United States, for example) means that such inefficiencies are detrimental to the cause of conservation.

The automobile is the main vehicle of urban transport in almost all countries, even those with cheap and efficient urban mass transit (Japan is an exception). This appears to be largely the result of urban living and working patterns and, although countries subsidize urban mass transport by lowering fares and try to discourage autos with parking surcharges and auto-free zones, the "real problem"—urban planning—does not seem to have been addressed effectively anywhere.

TABLE 3. CHANGES IN CONSUMER PRICES OF FUEL (1973=100)

Country	Gasoline (real)		Fuel and light oil (real)		Country	Gasoline (real)		Fuel and light oil (real)	
	1974	1975	1974	1975		1974	1975	1974	1975
Canada	105.1	107.1	102.5	104.4	Italy	133.8	127.3	113.6	108.4
United States	122.0	119.6	106.7	108.5	Netherlands	111.2	105.5	104.6	113.1
Japan	121.1	119.9	102.8	103.3	Norway			105.6	103.7
Austria	[1]161.1	[1]161.1	195.6	195.6	Spain	125.0	133.0	166.0	228.0
	[2]158.5	[2]158.5			Sweden	107.0	107.1	129.9	125.7
Belgium	([3])	([2])	([3])	([2])	Switzerland	116.8	111.1	106.0	98.8
Luxembourg	125.1	114.1	97.3	97.7	Turkey			95.1	([3])
Denmark	137.2	132.6	114.2	120.3	United Kingdom	123.0	123.6	100.9	108.3
Germany	112.3	105.3	109.2	113.8					
Ireland			129.0	124.5	IEA total	121.2	118.1	112.2	119.0

[1] Premium.
[2] Standard.
[3] Not available.

IEA'S INDICATIVE LIST OF RECOMMENDED ENERGY CONSERVATION MEASURES[3]

1. All energy priced at world market levels. This does not necessarily mean thermal equivalent pricing.

2. Significant taxes on certain fuels to reinforce the effects of market prices where these prices are judged for national reasons to be inadequate signals (e.g. gasoline taxes).

3. Priority for government funding of energy efficient public transport (e.g. rail, bus) over funding for less energy-efficient modes (e.g. air travel, highway construction).

4. Speed limits (of e.g. 90–110 km/hr) on all highways, including superhighways.

5. Programmes to increase automobile efficiency in countries where average new car efficiency is low (e.g. fuel economy standards, weight, horsepower or displacement taxes).

6. Programmes to increase load factors on transportation modes with excess capacity (e.g. car pools, public transit).

7. Programmes to stimulate energy efficiency in industrial production (e.g. target

[3] The elements are in the order in which they are treated in the text not that of the list published by IEA.

setting, loans for energy improvements, tax credits, rapid depreciation allowance, energy audits of individual companies, provision of information for small companies).

8. Thermal and lighting efficiency in new commercial and public buildings to improve thermal efficiency (e.g. loans or grants for insulation).

9. Incentives to increase refitting of existing residences and commercial buildings to improve thermal efficiency (e.g. loans or grants for insulation).

10. Energy efficiency labelling for all major consumer appliances (e.g. water heaters, air conditioners, refrigerators, freezers, automobiles).

11. Programmes to improve the efficiency of heating/cooling devices and major appliances.

12. Changes in utility marketing practices and price structures to reward conservation by final consumers.

13. Programmes to increase use of waste heat from electrical generation and from industrial processing.

14. Policies and programmes to improve the efficiency of electrical generation such as Peak Load Pricing, Ripple Load Controls, Thermal Storage and other Load Management Techniques.

15. a. Comprehensive public education programmes with a conservation message, including programmes specifically directed at schools.

b. Specialised energy conservation education and/or training for such personnel as architects, engineers and building contractors, supervisors and inspectors.

16. a. Permanent full-time government conservation staff of adequate size.

b. Consultants and other government staff spending a significant proportion of their time on energy conservation.

17. Programmes to intensify government energy conservation R & D (excluding those encompassed within IEA R & D activities).

18. An exemplary and effective effort to reduce all central government and local government energy use.

TABLE 4.—*Efficiency in automobile transport—Direct fuel consumption*

[Kcal./pass. km.]

Turkey	212
Denmark	350
United Kingdom	367
Norway	373
Italy	375
Spain	376
Netherlands	410
Sweden	475
Germany	484
Switzerland	451–601
Austria	500–750
United States	645
Japan	645
New Zealand	827
Canada	964
Belgium	n.a.

The low average load factor in OECD countries means that another sound approach to increasing the efficiency of the auto is car pooling, but little has been done to encourage this form of energy saving except in the United States which does have a comprehensive programme. IEA calls this lack a "major and surprising weakness" of its members' conservation efforts.

Speed limits of between 90–110 km per hour are in effect in roughly half the IEA countries and have yielded energy savings of 3–5 per cent as well as sometimes remarkable records in the elimination of accidents, injury and death.

Nor is much being done to prevent the encroachment of trucks on rail traffic which has taken place in virtually every IEA country in the last years despite the lesser efficiency of motor transport of goods. A few countries like Austria continue to ship predominantly by rail.

Other measures have been taken in individual countries—a progressive tax on car weight has been introduced in the Netherlands and New Zealand, and an existing tax increased in Austria. A similarly motivated tax in Spain is on horsepower. The United States has a mandatory programme designed to double the efficiency of autos by 1985. Canada has a similar programme together with a requirement that autos be labelled for energy efficiency.

INDUSTRY

The fact that the same industry uses very differing amounts of energy from country to country indicates the potential for energy savings. Thus for steel, the least efficient producers use five times as much energy as the most efficient. In paper and aluminum it is roughly three times as high and for cement twice as high. Even for petroleum products there is a wide range of difference. Some of this difference is accounted for by purely fortuitous factors such as climatic conditions. But even if these are discounted, the differences attributable to variations in the efficiency of methods of production are striking. Small firms are notably more energy-consuming than large ones, in part because they lack the knowledge of where energy waste takes place.

Measures introduced to encourage savings in industry include group conservation targets, auditing schemes and the use of voluntary or compulsory reports on energy conservation. In Japan selection of a "heat manager" is compulsory. And this is in the context of a comprehensive programme including targets, accelerated depreciation for investments in conservation and loans granted by the government at less than commercial rates.

Most countries provide financial incentives to industry to invest in conservation—usually for the improvement of insulation, heating and lighting. In Canada, which ranks lowest among IEA countries in energy efficiency in the pulp and paper and petroleum products industries, a voluntary target-setting and reporting system has been established along with a capital cost allowance to spur industry to enhance its efficiency. And in Denmark where energy efficiency is very high, loans and grants are available for investment in conservation equipment. Educational programmes, publications, seminars, demonstrations, internal and external auditing complete the panopoly of measures in this field.

TABLE 5. EFFICIENCY IN INDUSTRY

[10^4 kcal per ton of product]

Country	Crude steel	Pulp and paper	Cement	Petroleum products	Aluminium
Austria	[1] 450.0	344.0	90.0	NA	1,346.0
Belgium	NA	NA	NA	NA	NA
Canada	555.0	[5] 673.0	[d] 95.0, [w] 148	[5] 179.6	NA
Denmark	236.0	353.0	[w] 164.0	53.0	NA
Germany	326.0	438.2	90.8	[7] 80.0	1,481–1,503
Ireland	[e] 139.7	NA	153.4	42.5	NA
	[1] [e] 166.6				
Italy	334.0	340.0	96.0	44.8	NA
Japan	513.3	512.2	119.6	46.0	1,385.0
Luxembourg	701.0	----------	NA	----------	
Netherlands	470.0	----------	[2] 131.4	NA	1,290.0
New Zealand	738.9	691.8	174.8	131.2	2,164.5
Norway	[e] 189.0	[5] 659.0	115.2	NA	[e] 1,591.0
Spain	[e] 180.0	220.0	130.0	60.0	2,800.0
Sweden	397.8	[5] 489.0	139.7	49.0	1,648.2
Switzerland	----------	[5] 557.0	NA	NA	NA
Turkey	500.0	NA	[d] 98.0, [w] 139	NA	NA
United Kingdom	[3] 478.0	627.0	[2] 138.4	[7] 73.4	[10] [e] 2,106.6
United States	[3] [4] 543.0	[5] [6] 579.0	[2] 161.4	89.7	[9] 946.5

[1] Electric arc furnaces and open hearth furnaces.
[2] NATO CCMS.
[3] Country Report: 678.
[4] Country Report: 860.
[5] OECD Industry Committee (1972).
[6] Country Report: 550 (purchased energy only).
[7] Refineries own use.
[8] Klimoff Study: gravity at 0.863.
[9] Excluding bauxite mining.
[10] Assuming 100 percent electricity.
[d] Dry process.
[e] Electricity only.
[i] Pig iron.
[s] Scrap iron.
[w] Wet process.
[w*] 100 percent wet process.

USE OF ENERGY IN THE HOME

Most IEA Members have adopted incentives—grants and low interest or interest-free loans for example—designed to promote the insulation of existing buildings, with the government providing between ¼ and ⅓ of the total cost. Governments also encourage improvements on new buildings and use tax reductions for this purpose. Most countries have provisions on insulation in their building codes some of which, as in Canada, are new.

One country, the United States, has initiated a programme to label appliances with their energy efficiency ratings; a similar programme will be introduced in Canada shortly. Linked to labelling is the practice of setting a target or minimum standard for the efficiency of major appliances.

Denmark, in addition to making grants for refitting residences and improving standards for new buildings, has the best developed district heating programmes in the IEA—10 per cent of all homes are heated in this way. Germany has strengthened its programme which includes, among other measures, mandatory annual maintenance for all building heating units; in Spain, households are limited to 80 per cent of 1973 consumption, and in the United States proposed measures to stimulate conservation in the home have not yet been made law, though the IEA judges that they are crucial if the total conservation package is to be effective.

UTILITY EFFICIENCY

To improve the efficiency of electricity generation, countries have taken numerous measures to use current installations more intensively and equilibrate demand over the course of the day and the year.

To accomplish this, pricing techniques have been used in many European countries since before the oil crisis and are now being experimented with in the United States as well. The emphasis is on increasing rates during peak hours as well as reducing them during periods of low use, at night and in summer.

Research is being carried out on new forms of energy storage and more efficient long-distance transmission mechanisms. Using electricity from thermal plants during slack

hours to pump water to a dam and using the hydro power during peak hours has become a common practice. Combined heating and power stations are encouraged, and in a few countries, such as Germany, allowances are granted for this purpose.

THE NEED FOR NEW TECHNOLOGY WARSHIPS

Mr. HART. Mr. President, I would like to bring to the attention of my colleagues an article from the Washington Star concerning United States and Soviet developments of new technology warships. The article discusses a report by the prestigious Jane's Surface Skimmers that U.S. developments in surface effect ships are being met by Soviet developments in the area of large hydrofoils.

Both surface effect ships and large hydrofoils offer promise of greatly increased effectiveness, especially in the vital area of antisubmarine warfare. The U.S. Navy has proposed programs in both areas, with work to begin soon on a 3,000 ton surface effect ship. Design work on a large hydrofoil—HOC—has also been proposed.

I think it is of great importance that we continue our work on both of these types of ships. As this article points out, the Soviets are making every effort to develop such ships for their own use. In fact, they already have in service surface effect ships usable for transporting naval infantry and equipment.

Secretary of Defense Brown has shown that he understands the importance of surface effect ships, with his recent decision to go ahead with the 3,000 ton prototype. The Senate Armed Services Committee has also strongly supported this program, with emphasis on assuring that the prototype has adequate weapons and sensors. I hope my colleagues will join in supporting these vital programs. Mr. President, I ask unanimous consent that the article "Jane's Sees U.S.-Soviet Skim Ship Rivalry," from the Washington Star, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Feb. 14, 1977]

JANE'S SEES U.S.-SOVIET SKIM SHIP RIVAL

LONDON.—The United States is developing 3,000-ton, 80-knot submarine hunter frigates for the 1980s and may well have a fleet of warships of up to 8,000 tons capable of the same super speeds by 1980, Jane's Surface Skimmers said today.

But the Soviet Navy is also developing 300-ton hydrofoils capable of speeds up to 55 knots, Jane's said, "making it the world's biggest operational hydrofoil warship to date."

The future U.S. sub-hunters will be of the so-called "surface effect ship" type, floating on 18-foot air cushions, like the "hovercraft" pioneered by Britain.

But the "surface effect ship," also designated "advanced naval vessel," differs from the air cushion vehicle by having rigid "sidewalls" that penetrate into the water, providing stability for high-speed operations in rough water.

Jane's said four of these "surface effect ship" frigates, at a speed twice or three times the conventional ships, "will provide a far more effective shield against attack than 12 conventional warships." They will carry two helicopters or one Harrier "jump jet" fighter, guided missiles and torpedoes.

"Within the industry," Jane's said, "it is widely believed that 3,000-ton 'surface effect ship' frigated could be in service with the U.S. Navy by 1985 and that by 1990 larger 'surface effect ships' of 6,000-8,000 tons could be available."

"These would be employed in 'show of force' situations," Jane's said, "when the Navy needed to deploy troops and equipment to distant parts with the minimum delay to counter local emergencies."

The Soviet Union's giant new turbine-powered hydrofoil is approximately 155 feet long, its displacement is estimated to as being in excess of 300 tons," Jane's said, "making it the world's biggest operational hydrofoil warships to date. Its armament includes the latest ship-to-ship missiles and a ship-to-air missiles system of a new concept."

The Russian hydrofoil, first detected last autumn in the final stages of construction on one of Leningrad's canals, is expected to pack a maximum speed of 55 knots.

U.S. DELEGATION TO FUNERAL SERVICES OF PRESIDENT AHMED OF INDIA.

Mr. PERCY. Mr. President, the death of President Fakhruddin Ali Ahmed of India was very sad for the Indian people. Although President Ahmed was not well known in the United States, he had played a major role in Indian political affairs for four decades, both at the state level and in the Central Government. The Indian people knew him well, respected and admired him.

President Carter, in his message of condolence to Acting President B. D. Jatti, said that "India has lost a devoted public servant, the world has lost a distinguished statesman, and the United States has lost a respected friend." To Mrs. Ahmed, he said that her husband's long career of public service "will always be a source of pride for you and of fond remembrance for his many American friends."

To represent the United States at the funeral, President Carter chose to send his mother, Mrs. Lillian Carter, his son Chip Carter, Representative JOHN CAVANAUGH and me, accompanied among others, by Adolph Dubs, the able Deputy Assistant Secretary of State. It was our responsibility to attend the funeral service, meet with India's governmental leaders and those from other countries, and convey publicly and through the media the condolences of President Carter, the Congress and the American people to the government and people of India and to the family of President Ahmed.

Mrs. Lillian Carter, who had worked in India 10 years ago as a Peace Corps volunteer, said upon arrival in New Delhi that she was saddened that her return to India after so many years was for the purpose of conveying the sympathy and condolences of the American people and President Carter personally to the people and Government of India and to the family of the late President. In every way, to the Indian people and Government.

Mrs. Carter was a marvelous representative of President Carter, because she has a genuinely warm feeling for the people of India and the warmth was reciprocated. Congressman CAVANAUGH, Mrs. Percy, State Department officials, and I were also proud of the way that Chip Carter represented his father and the American people.

The delegation very much appreciated the thoughtfulness of Ambassador Kewal Singh of India coming to Andrews Air Force Base to see us off.

Though a sad occasion, it was a good time for a U.S. delegation to go to India. We temporarily have no Ambassador there though our Embassy, headed now by the distinguished and able career foreign service officer, charge d'affaires David T. Schneider.

I had not been to India since the imposition of the emergency in June 1975. But now, with the scheduling of elections in March, the release of legislators, the allowing of opposition leaders to speak out and campaign, and the relaxation of restrictions on the press, the restoration of democratic practices has begun. I was hopeful that the presence of the American delegation at the funeral, and our contacts with the Prime Minister and other government officers, would constitute a signal of our encouragement and full support for all steps toward a return to the democratic process.

It seems to me that a sound American relationship with India would enhance the prospects for developing the understanding and sensitivity which might contribute to stability on the subcontinent and the cause of greater world peace and prosperity. Our primary foreign policy objective in the region should be to encourage sound and constructive relations among the various important nations there. We have many friends on the subcontinent and I think it desirable that we be a good friend to each of them, favoring all of them rather than one of them. Leadership on the subcontinent is to be commended for making progress in recent years to resolve by themselves many of their own complex and difficult interrelationship problems.

Our traditional friendship for India means much to me personally, because I care deeply about the well-being of the Indian people. The recent good harvests, which have replenished food stocks and reduced the rate of inflation in food prices, and the forthcoming free and open elections are just two of many aspects of Indian life that is heartening to those of us who wish the best for India.

ALABAMA STATE EMPLOYMENT SERVICE DIRECTOR WRITES ON YOUTH UNEMPLOYMENT

Mr. HUMPHREY. Mr. President, since I introduced the Comprehensive Youth Employment Act of 1977 on January 11, I have received letters from many State and local government officials, and from concerned citizens, all over the country. Their letters of support have been a tremendous source of encouragement to me in this endeavor to create jobs for young people, and their comments have been a tremendous source of ideas.

One of the most knowledgeable letters

has come from Mr. James M. Carter, who is the director of the Alabama State Employment Service. Mr. Carter has a first-hand experience with the employment problems of youth, with more than 120,000 youths applying to the Alabama Employment Service for jobs between July 1975 and September 1976.

In his letter, Mr. Carter emphasizes the need for better occupational information for youths, better counseling in the schools, and more on-the-job training. All of these programs are included in the Comprehensive Youth Employment Act, and I am pleased to see that Mr. Carter believes they will help our Nation's unemployed youths.

Mr. President, I ask unanimous consent that Mr. Carter's letter and enclosure be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JANUARY 26, 1977.

Hon. HUBERT HUMPHREY,
U.S. Senate,
Senate Office Building, Washington, D.C.

DEAR SENATOR HUMPHREY: I have noted from the news media reports that you and Senator Javits have introduced a bill to establish a program for youth with the purpose of reducing the high rate of unemployment in this age group. You are to be commended for taking the leadership in initiating legislation for the benefit of our young people. It has been my opinion for many years that this nation cannot solve its crime problem, drug problem, welfare problem, etc., until we have solved our problem associated with the transition of youth from school to employed workers.

I respectfully submit some thoughts and comments for your consideration in developing the legislative package. These comments are based on experience gained through thirty years of attempting to provide employment assistance to youth.

1. Schools and other agencies working with youth have a great need for an up-to-date reliable occupational information system. In Alabama the State Department of Education and the State Employment Service have combined efforts and developed an on-line computer occupational information system which can be used by school counselors, Employment Service counselors, and any other agency personnel who are working with youth, handicapped, and other hard-to-place groups. The system which we have is operational in Mobile in the State Employment Service offices and the senior high schools. It will become operational in the Birmingham and Montgomery metropolitan areas at an early date. We would like to expand this system state-wide, however, we do not have the resources at the present time to go beyond the major metropolitan areas. I feel that an occupational information system such as we have developed should be made available in all states. I am enclosing a pamphlet which briefly describes our system and would be happy to furnish you more detailed information if you life, or arrange for the appropriate Senate staff to see a demonstration of the system.

2. When considering the youth problems it is essential to differentiate between youth who are school drop-outs and those who have completed high school or possible a trade school. For those who drop-out before completing high school, it is going to be necessary to provide some type of skill training and remedial education before they can successfully compete in the job market. Most of those who have completed high school and trade school possibly can compete in the labor market if they have a job opportunity, and the proper counseling and guidance to prepare them for work. In some instances though it may be necessary to provide some type of skill training to the group.

3. In preparing a program for the youth I feel that it is essential that we have resources to provide for on-the-job training with private employers. We should be able to reimburse an employer for extra added costs of training a youth for a job. The need for this type of reimbursement would possibly vary from as little as eight weeks up to a maximum of thirty weeks depending upon the skill level of the job and the ability of the youth to perform on the job.

The State Employment Service has been the agency where most youth out of school turn for assistance. It has been tragic that the Employment Services have not had the resources to provide the services which the youth need. To furnish you some data to show that the youth look to the Employment Services, we had in Alabama during the period July, 1975 through September, 1976, 121,005 youth under the age of twenty filing applications and seeking assistance from the Employment Service. This was 24% of the 498,842 total individuals who filed applications with us seeking assistance. The 498,842 individuals who filed application with us is a staggering workload. I believe that most leaders in Congress do not realize the high percentage of the total population of a state who ask for assistance from the Employment Service. In 1970 the census showed that Alabama had a total of 3,444,165 residents. Each year approximately 10% of the total population of the state comes to us for service. The Employment Service positions which we have funded to provide the services under the Wagner-Peyser Act is approximately 400. You can readily see that it would be humanly impossible for us to adequately serve the 498,842 individuals who ask for our assistance.

Beginning in the early 1950s and continuing until approximately eight years ago we had a very good joint Employment Service/high school program to assist youth in the transition from school to work. At the beginning of the school year the Employment Service counselors would go into the schools and work with those students who were not planning to go on to higher education and administer aptitude tests, counsel with students, and work with employers to have a job available when school ended. This cooperative agreement worked extremely well and we were able to assist many hundreds of students with the transition from school to work, however, about eight years ago the Department of Labor who is responsible for the state employment services and provides one hundred percent of our funds changed program emphasis and directed the State Employment Service agencies to discontinue this service. I hope that your legislation would recognize a program activity which has been successful in the past and mandate that the schools and the employment services return to this cooperative working arrangement.

The Employment Services have had a degree of success in serving youth for many years. During the July, 1975-September, 1976 period when we had the 121,005 youth under age twenty applying to us for work we were able to place 43,136 individuals in some type of job. Of the 43,136 individuals placed in jobs, 59% of them were minorities and 65% were economically disadvantaged. It is true that many of these jobs were for summer employment with a good number being subsidized by the Federal government through Federal agency hiring of youth during the summer and through hiring in the Comprehensive Employment and Training Program. However, one-half of the individuals were placed in permanent jobs. Tragically, we were unable to provide services other than taking applications for 46% of the youth who came to us asking for assistance. I hope the legislation will recognize that fact that most youth turn to the Employment Service for assistance and we do not have the resources to provide them aptitude tests, counseling, job development, etc., which is so essential if they are successful in bridging the gap from student status to work status.

Your consideration of any comments and recommendations will be appreciated. If you would like to have any additional information concerning the items I have discussed, please let me know and I will be glad to furnish it.

JAMES M. CARTER,
Director, Alabama State Employment Service.

PUTTING IT ALL TOGETHER IN THE MATTER OF CAREER CHOICE

USING THE AOIS INTERACTIVE FILES

1. National occupational file.—The user may explore various career alternatives from 1300 primary occupations with 3000 related occupations. There are 275 different ways an occupation can be selected and described. Part of the information the user receives includes: job description, required skills, employment outlook, educational requirements, etc.

2. State occupational file.—This file provides the user with approximately 340 Alabama occupations and 1400 related occupations. These occupations represent over 90% of the total employment in Alabama. The user receives information about the present employment, employment outlook, annual average job openings, annual starting salary and usual highest salary—this date is statewide and for the SMSA's (Standard Metropolitan Statistical Area) of Montgomery, Mobile, Birmingham, Huntsville, Tuscaloosa, and Florence.

3. State occupational training file.—Users may select Alabama training programs and courses from the following sources: (1) public, private, proprietary including secondary area vocational programs; (2) technical colleges; (3) continuing education at the university level; (4) apprenticeship, trade or labor programs. The program must last four calendar weeks or longer and thirty days notice given to AOIS prior to program start up.

4. Four-year college file.—The user may choose a four-year institution from 1600 colleges and universities nationwide. There are 600 different characteristics to select and describe a college or university. An individual receives information such as; tuition and fees, admission deadline, majors, etc.

5. Two-year college file.—An individual may select a two-year college from 1000 junior and community colleges nationwide. The user has over 400 characteristics to select and describe a two-year institution.

6. National scholarship and financial aid file.—A user has access to over $750 million in financial aid from; charitable groups, foundations, federal government, business, trade and labor organizations, religious groups, etc.

7. State scholarship and financial aid file.—Users may locate financial aid from the following Alabama sources; technical colleges; junior and community colleges; public and private four-year colleges and universities; organizations, associations and institutions at the local, county and state level.

8. Job bank summary file.—Individuals may obtain a list of Alabama job vacancies statewide and area wide. This file does not list employers but refers the user to their local State Employment Service office. These job vacancies are current as of the preceding Friday.

9. Career resource file.—A teacher, counselor, or anyone else who wants to incorporate occupational information into their setting may select from over 3000 multi-media materials by occupational cluster, character-

istics about occupations within industries, grade level, type of media, etc.

THE PRESIDENTIAL PARDON

Mr. CLARK. Mr. President, in the weeks following President Carter's pardon of Vietnam draft resisters, there has been a great deal of discussion—both in opposition to and in support of the President's action.

Enlightened debate is an important part of this country's democratic system, and I welcome it.

Among those participating in this debate are newspaper editors, and I have been made aware of a recent editorial on the subject of the pardon by Jack Maher, editor and publisher of the Times in West Branch, Iowa.

Mr. Maher addresses a particular concern of many of those writing to me—that the President's pardon represented an insult to the many Americans who have served their country honorably. His points are eloquently made, and I thought my colleagues would be interested in reading Mr. Maher's editorial.

I ask unanimous consent that the editorial from the January 27, 1977, West Branch Times be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

We would like to address a subject which is receiving national attention because of its most controversial nature; to applaud the first official Presidential act of Jimmy Carter, President of the United States; that of pardoning those individuals who evaded the provisions of the Selective Service Act during the so-called Vietnamese conflict.

This will come as no surprise to many; though I expect to take some flack from the superpatriots who disagree.

But it should also be evident that the people who went to Canada or refused to register for the draft aren't the only ones forgiven; those of us who would forgive them are also willing to forgive those who failed to go to service because they went to college; or because they were in an essential occupation; or because they acquired a family at the right moment, or were otherwise "excused."

Few who condemn the act of pardon seem to remember that the United States of America is one of the few nations which retained (at the time) a universal draft in peacetime (though it has been abandoned here, or at least suspended now in this so-called enlightened era).

Few who condemn the act of pardon remember that the Vietnamese conflict was never a "declared" war; that by no stretch of the imagination was our homeland or the lives of our citizens ever threatened. It was supposedly in defense of "liberty" that we entered it in the first place; and when this became a farce, if these so-called "draft evaders" hadn't taken the lead in abandoning it, we might be there yet.

If a few people in Nazi Germany hadn't rebelled against the actions of authority just a generation or two before the successors to Adolph Hitler might still be murdering members of his race (or faith) in the ovens of the prison camps.

It seems to me that this country that can pardon a Richard Nixon, and a Tokyo Rose, and free a Lieutenant Calley, who took the blame for the Mai Lai massacre has no other alternative.

We would point out that Mr. Carter's pardon fixes no blame, points no finger of shame, nor does it attempt to make judgment of guilt or innocence. It simply says, as society has to offenders down through the ages, that "you are forgiven, let us start afresh." This year of Our Lord, 1977, marks the completion of our first 200 years—the beginning of our third century. It is indeed, a time for a new beginning for us all.

ENERGY CONSERVATION RATIONING AND CONTINGENCY PLANS

Mr. JACKSON. Mr. President, on January 19, 1977, the Ford administration attempted to submit to the Congress for review a contingency plan for rationing gasoline and three emergency mandatory energy conservation contingency plans.

The plan describing mandatory gasoline and diesel fuel rationing was subsequently published in the Federal Register (42 FR 4813, January 26, 1977). These plans were developed by the Federal Energy Administration under the previous Administrator, Frank G. Zarb. They represented the Ford administration's response to a congressional mandate, contained in the Energy Policy and Conservation Act—EPCA—that contingency plans be developed and put on the shelf which could be activated during a future oil embargo or other severe energy supply emergency. The plans are intended to permit an orderly, but rapid, reduction in domestic energy consumption in the event a severe energy supply shortfall appears imminent. In addition to the obvious need for such standby plans from the standpoint of national security, our obligations to the International Energy Agency with respect to participation in the IEA emergency oil sharing program involve the development of emergency energy demand reduction measures similar to those mandated in EPCA.

The provisions of EPCA actually required the submission of these plans to the Congress for review within 6 months of enactment. Thus, the plans should have been transmitted to Congress for review in June 1976. The review procedures for the plans call for affirmative action by each House of Congress within 60 days for any plan to be considered accepted. In addition, the law requires a second congressional review, over a 15-day period, with right of veto by either House before implementation of any emergency rationing plan during a period of severe supply shortfall.

The effort on January 19 by the Ford administration to submit these contingency plans went awry, and the key documents were not delivered to the President of the Senate until after the expiration of that administration's authority. As a result, the status of the plans has remained confused. The views of the Carter administration with respect to the merits of these plans individually are also not known.

Accordingly, on February 3 I wrote to the new FEA Administrator John F. O'Leary requesting a clarification of these matters. His reply has now been received. I ask unanimous consent that both letters be printed in the RECORD at the conclusion of these remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
Washington, D.C., February 3, 1977.

Hon. JOHN F. O'LEARY,
Administrator, Federal Energy Administration, Washington, D.C.

DEAR MR. O'LEARY: Part A of Title II of the Energy Policy and Conservation Act (EPCA) directs the President to develop and submit to the Congress energy conservation and rationing contingency plans which could be used to reduce domestic energy demand on an emergency basis in the event of a future oil embargo or other severe energy supply interruption. The Act specifies that these plans be submitted for Congressional review on or before June 22, 1976.

No such plans were submitted by the Ford Administration during the 94th Congress. However, a rationing contingency plan and several energy conservation contingency plans were developed by FEA during 1976. Apparently an attempt was made to transmit the rationing plan and three of the conservation plans to Congress in January, 1977 shortly before the inauguration of President Carter.

I am advised, however, that the Senate has no record of receipt of such plans. In fact, there is considerable confusion in the House of Representatives, in the Senate and at FEA concerning the status of these proposals.

These standby plans were required by Congress to insure that advanced planning is undertaken and that an orderly and coordinated program of energy demand reduction will be implemented in the event of a future oil embargo.

I would like to request that you review the plans developed during the previous Administration and determine, at the earliest possible time, the status of these plans with respect to the procedures for Congressional review specified in the EPCA. If the plans meet with your approval, I urge clarification of the conditions of their submittal to Congress.

In any event, I would strongly urge that you advise the Committee of your intentions with respect to this responsibility under EPCA at the earliest practicable date.

Sincerely yours,

HENRY M. JACKSON,
Chairman.

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., February 18, 1977.

Hon. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of February 3, 1977, inquiring about the status of certain contingency plans prepared by the Federal Energy Administration (FEA) pursuant to sections 201–203, 42 U.S.C. 6261–6263, of the Energy Policy and Conservation Act (EPCA) and section 4(a) of Executive Order 11912 of April 13, 1976.

By letter dated January 19, 1977, the President sent to the Congress a rationing contingency plan and three energy conservation contingency plans, including emergency restrictions on heating, cooling and hot water, emergency commuter parking management and carpooling incentives, and emergency boiler combustion efficiency. I understand that while the plans were submitted to the majority and minority leaders of the Senate on January 20, the plans were not actually received by the President of the Senate and are therefore not indicated as having been

received in the official Senate record. The plans did appear in the official House record for January 20. Since the EPCA requirement that plans be transmitted to both Houses of Congress on the same day has not been complied with. I have concluded that the plans were never transmitted in full accord with applicable provisions of the EPCA.

I intend to review in detail the conservation and rationing contingency plans developed by the FEA and forwarded to the Congress in January. At the conclusion of this review, I will determine the steps to be taken relative to the submission of these plans.

I hope this information will clarify the current status of these plans. If I can be of further assistance, please let me know.

Sincerely,

JOHN F. O'LEARY,
Administrator.

Mr. JACKSON. Mr. President, FEA confirms my own view that the plans developed by the previous administration have not been properly submitted to Congress. Thus the new administration has the responsibility to give this matter a fresh look.

It is the intent of Congress, as expressed in EPCA, that these standby emergency plans be developed and that they serve as one component of an effective system to insulate the domestic economy to the maximum extent possible from the impact of a new oil embargo. The previous administration failed to carry out this provision of law, and I believe we are weaker for that failure. I urge the new administration to correct this situation as soon as is practicable. I am gratified that Administrator O'Leary has indicated his willingness to do this. These plans will inevitably involve controversy, since they envision mandatory reductions in energy consumption during times of emergency, in order to accommodate supply shortages in the most efficient, sensible, and equitable manner. We should get on with the work of developing these plans, resolving differences with respect to their provisions and putting them into standby status, ready in the event they are needed.

RICHARD E. ZIMMERMAN

Mr. MATHIAS. Mr. President, Richard E. Zimmerman, an arresting figure on the landscape of my hometown of Frederick, Md., died at the age of 58 on January 31.

Richard Zimmerman was a man of prodigious energy. He did nothing halfheartedly and for him the possibility of failure did not exist. These qualities made him a valuable ally and a formidable antagonist. As a tireless exponent of development, he quite literally changed the face of Frederick County. And, while I did not always agree with the direction of that change, I could not help but wonder at the extraordinary versatility and ingenuity he brought to his clients' service.

Richard Zimmerman was a powerful, vivid man, and although his life was short, his impact was enormous. The Frederick Post on February 2, 1977, skillfully captured the essence of this useful man in its lead editorial. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RICHARD E. ZIMMERMAN

Few men in the history of growth and development in Frederick County have been more controversial—or more effective and successful—than Attorney Richard E. Zimmerman.

"Dick" Zimmerman died unexpectedly late Monday night, Jan. 31. He had recently suffered a heart attack, but was showing signs of a strong recovery. He was 58.

Mr. Zimmerman, few will disagree, became a giant in matters of planning and zoning and development in this era of phenomenal growth in our county—a tumultuous period marked by explosions in population and counter-explosions fused by master plans, comprehensive plans, zoning ordinances, appeal boards, sewer and water regulations, and a proliferation of ad hoc protestations—all concerned with controlling this growth . . . or, in some cases, stopping it in its tracks.

Having armed himself with penetrating knowledge, experience and sheer political savvy, Richard Zimmerman was a man who always did his homework, who studied and knew the enemy well. He seldom backed off from a fight, always seemed to maintain the offensive, and projected such a display of stamina and total capacity for work that he was often successful in simply wearing down the opposition.

His was the side of the developer, and he did whatever he could for the developer, for his client. Mr. Zimmerman would do anything he could to win his side, and with that so-familiar bassoprofundo oratorial voice he would boom out the multitude of benefits that would accrue to the community as a result of his client's investment.

The more successful he was, the more controversial he became as a public figure. Loved by some, hated by others, he was, nevertheless, respected by all for his expertise, his drive and—yes, to be sure—that unique quality he possessed to be friendly and forgiving, even "helpful" to a point, to his avowed enemies.

Though his image was one of a political king-maker and ruthless entrepreneur, at times explosive and vocal to a fault, he was, nevertheless, cautiously brilliant, always guarded and openly concerned that what he said would be misused against him or his cause. Thus, the press came to know, and his proponents and opponents as well, that his every word was weighed carefully, no matter how heated the occasion, and injected into the discourse for stereospecific reasons.

He once quipped to this column, though there was reason to consider its gospel, that "I'm better wired for sound than the Oval Room."

Mr. Zimmerman, indeed, did his homework well. A Democrat, he was equally influential in both parties in urging people to run for office, and was loyal in supporting them. Again, though strongly a Democrat, he did a lot for people in and out of the political process, to improve the government's lot and that of the local community and his state. He was a died-in-the-wool Terrapin fan and University of Maryland supporter.

He commanded respect. Having served as a member of the Maryland House of Delegates, he knew "how to build up trading stamps . . . and he knew how to use them effectively," said one local businessman, "to get done what he had to do."

Mr. Zimmerman was recognized by many as an outstanding zoning attorney, and those who wanted their projects to succeed sought out his services and the expertise of his law firm as he and his partner of long standing, David Aldridge, recruited and shaped a strong team of brilliant young attorneys.

The years will come and go; planning and zoning will have its ups and down; the county will grow despite all forms of opposition, and through it all, there will remain the lasting influence of a dynamic man named Richard Zimmerman, a man who thrived on controversy, was loved and hated for it, and above all, was respected for his strengths.

HOW CANADA ATTACKS THE YOUTH UNEMPLOYMENT PROBLEM

Mr. HUMPHREY. Mr. President, when our country faces a major economic problem such as youth unemployment, I often find it instructive to find out how other countries with similar economies solve the same kind of problem. We are very fortunate in the United States to have a neighbor to the North which not only faces many of the problems of our own economy, but which has the leadership and foresight to take innovative approaches to these problems.

On Tuesday, January 25, the Honorable Bud Cullen, a Member of Parliament and the Minister of Manpower and Immigration, addressed the Canadian Council on Social Development, on the topic of youth unemployment in Canada.

I was struck to learn not only that Canada has a youth unemployment problem which is very similar in its causes and its extent to the youth unemployment problem in the United States, but that many of the innovative programs being developed by Minister Cullen are almost identical to programs which would be established under the Comprehensive Youth Employment Act of 1977, which I introduced on January 11.

Youth unemployment in Canada is the result of many of the same factors which exist here. Canada experienced a baby boom during the 1940's and 1950's and these young people are now entering the job market in record numbers. Canada is also experiencing a disturbing lack of communication between its educational system and the world of work, with young people being inadequately trained to bridge the gap between school and work. A third factor involves the tendency of young people to experiment with different jobs, staying with any one for only a short period of time. This frustrates employers who solve it by avoiding the hiring of any youths. In addition, young people have very little work experience, which puts them at a disadvantage against more experienced adults. Finally, Cullen points out, universities have provided many more youths with college degrees than there are available jobs for university graduates.

These factors are found in the economy of this country as well, and our youths face the same problems in the job market.

What does Canada do about youth unemployment?

First, they have a Young Canada Works Program that will create youth jobs which are "oriented toward youth interests and aspirations, but also em-

phasizing work of community value." This program is very similar to the Youth Community Service which would be developed under Title I of the Comprehensive Youth Employment Act.

Second, Canada is developing a Summer Job Corps which will provide out-of-door work experience. In the United States, I believe we should have a year-round conservation corps to provide useful work for youths on conservation projects in our national parks and forests and on local public lands.

Third, the Manpower Ministry has developed a new program called Careers Canada/Careers Provinces, which involves information on every occupation in Canada. It is being distributed to every school and library in Canada and is designed to provide young people with detailed information on entry requirements, working conditions and employment prospects for each occupation. Much added information will be hooked into a computer that will allow young people to explore occupations at the console. These are the kinds of programs that would be established under the Occupational Information and Job Counseling part of the Comprehensive Youth Employment Act.

Finally, there are two private sector jobs programs—the Co-operative Education program and the Job Experience and Training program. Both help young people get work experience and job training with private employers. The Co-operative Education program does this for in-school youths, while the Job Experience and Training program does it for youths who are out of school. The Comprehensive Youth Employment Act has two similar programs—Work Experience for In-School Youths, and Youth Opportunities in Private Enterprise.

Canada has taken the lead in youth unemployment. Our young people will be very fortunate if we merely follow that lead and establish the same kinds of programs here.

Mr. President, I ask unanimous consent that the remarks of Minister Cullen be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

NOTES FOR AN ADDRESS BY THE HONORABLE BUD CULLEN

I want to congratulate the Canadian Council on Social Development for its initiative in assembling this expert group to deal with the questions of youth and youth unemployment. The challenges and problems before you are not uniquely Canadian, but are perhaps more severe here than in many countries of the world. Since they are basic to our society and our future, this conference is one of the most important to take place for quite some time.

As I am sure you know, young people aged 14–24—2.7 million of them—comprise more than a quarter of our labour force. Each year, another 480,000 school leavers must make a decision about entering the labour market. Most of them do so, with the result that youth constitute a growing proportion of our labour force. Unfortunately, they also comprise an increasingly disproportionate share of our unemployed.

As some people have pointed out, this has always been the case in Canada, and in most major industrialized countries. Japan is, I believe, the only such country with historically higher unemployment rates among older than younger people. In 1961, the Canadian youth unemployment rate was about 80 per cent higher than that of adults: today, the youth unemployment rate is some 250 per cent higher. By any measure, this is a serious and growing problem.

A key question, of course, is why? Why is the youth unemployment rate higher than that of adults? Why has it been getting worse?

UNDERLYING FACTORS

One factor underlying youth unemployment is the extraordinary growth—91 per cent—in the number of young workers entering the labour force since 1961. Their entry is the result of the baby boom that began in the mid-1940s and peaked in 1959. Although Canada has since led all other western industrialized countries in producing jobs, our labour force growth has come from youth and women—those who previously were not in the labour market. Much of the explanation for the high and growing unemployment rates among young people is simply that they started without a job. We can expect higher unemployment in demographic groups just entering the labour market than in those groups which are largely established in secure and stable employment.

Although sheer growth in numbers is basic to higher youth unemployment, the problem existed even with fewer job-seekers. The flood of young people into the labour force has emphasized a second factor at play—the inadequate links between our educational system and the world of work. The Organization for Economic Co-operation and Development summarized the predicament well when it stated:

"Clearly the problems of joblessness among young people cannot be solved in the labour market alone for they reach back into the educational system and its inadequate relationship with the labour market."

Many educational institutions view their role as one of simply imparting knowledge. But the education they provide must be relevant to the 40 years most people will spend at work. And they must also provide the means for bridging the gap between school and work. It must be a bridge over which young people can and will wish to travel.

A third factor related to youth unemployment is the well-known tendency of young people to "job shop" and to "job hop." For employers, this is extremely frustrating. Too often they find that a job is accepted only to be abandoned days or weeks later. And too often, the reaction of employers is to avoid hiring those just out of school. The "job shop" tendency is, however, only the reflection of a much deeper problem—unrealistic job expectations. Young people do not shop around for jobs just to frustrate employers. But because of their unrealistic expectations, youth are frequently seeking that elusive, perfect job—not defined in their own minds and often non-existent.

Lack of knowledge of the work world and unrealistic job expectations are inevitably associated with another reason for youth unemployment—lack of experience. If you perused our Job Information Centres in the Canada Manpower Centres or newspaper advertisements, you would rapidly see that one of the most frequently demanded requirements of employers is experience. Yet, the hard facts are that a person who has spent 10 or 12 years in an educational system may have waited on tables, carried bags in a supermarket, or cut grass. Such jobs have value in teaching young people about work habits and work environments, but they do not provide the kind of experience employers demand. I realize that all employers are not faultless, setting unrealistic job requirements which mitigate against youthful job-seekers. We are constantly reminding employers of this fact.

I cannot leave this review of the key factors in youth unemployment without also touching on a recent disturbing trend in post-secondary institutions to overlook the job needs of our economy. A few years ago we began to produce more post-secondary graduates than there were jobs requiring such an education.

It is not uncommon to discover that your taxi driver has a bachelor's or master's degree. That, I am afraid, is symptomatic. The National Students' Union recently reported that among 45 candidates for the position of warehouse foreman, seven held a master's degree in business administration. We often hear disconcerted arts graduates comment: "Why did we spend four years at university? We would have been better off apprenticing in a trade such as plumbing or carpentry." And, indeed, this may be an accurate assessment.

It is time for us in Canada to reorient our educational systems so that young people get the education and training that will assure them of employment. We need to expand in the interesting and rewarding occupational areas that offer jobs. And we need to make sure that when we talk about the "dignity of work," we are including trades as well as professions—that we really do value the plumber as much as we value the professor of English. In this sense I believe it is also imperative that we respect the right of the individual to pursue a career in which he or she will develop, contribute and enjoy.

These are the key factors underlying youth unemployment, but more important are the plans and initiatives we must undertake to resolve this problem.

THE NEW POLICY INITIATIVES

For some years, my department has offered a number of programs aimed at assisting youth. Each year, we have coordinated the federal government's Summer Student Employment and Activities Program. Last year the federal funding for this program totalled $24 million. We have operated special Canada Manpower Centres for Students and have experimented with youth modules in our regular CMCs. A large percentage of our regular training program funds are spent to train youth; our mobility program helps young people move to areas of real opportunity; and of course our job creation programs have a very high youth component.

But in the face of continuing and increasingly more serious youth unemployment, and general unemployment in this country, my department has introduced an over-all Employment Strategy which, you may recall, I presented last October.

The rationale behind our Employment Strategy is simply to create more employment opportunities. The $200 million Canada Works Program that begins this spring will provide jobs for an estimated 60,000 Canadians, of whom a large number will be youth. This summer, we will have a Young Canada Works Program that will create about 21,000 more jobs for students—jobs oriented toward youth interests and aspirations, but also emphasizing work of community value. Our new Summer Jobs Corps will provide out-of-doors work experience. The cost of both these programs will be about $40 million.

The job creation programs are enormously important and will continue to be so, as long as young people are forced to compete in a labour market where unemployment is high. What I find more exciting, though, are some of the completely new approaches we are taking.

As many of you know, about four years ago my department launched a major program to develop its occupational forecasting to become as relevant as possible in planning courses and choosing careers.

One major development in the area of occupational counselling is the publication of

the Careers Canada/Careers Provinces counselling series, covering every occupation in Canada. Careers Canada, now about 40 per cent complete, is being distributed to every secondary school, Canada Manpower Centre, and library in the country. It is designed to provide young people with detailed, meaningful information on entry requirements, working conditions, and employment prospects of each occupation. The reception of this material has been excellent—so excellent that we find it hard to keep our own copies in the Canada Manpower Centres.

We are also currently designing, and hope to have operational by the end of the year, a whole new way of providing occupational counselling to people. This system, called "CHOICES", will be essentially an on-line computerized version of Careers Canada/Careers Provinces, providing additional recent counselling material. If we are successful in its development, this system will allow young people to expore occupations at the console rather than job-hopping to obtain the same information.

To have more jobs available for young people and to have first-rate counselling material available is part of the answer, but for youth to obtain experience we must also promote a more productive blending of education and work.

An increasing, but still small, number of Canadian educational institutions have begun to develop co-operative work study programs—Co-operative Education, for short. These programs enable a student to acquire work experience in jobs related to those he or she hopes to have after graduation. This experience does two things. Sometimes it provides enough insight to convince a student that he or she is in the wrong field of study and should think of something else. More importantly, Co-operative Education gives students the relevant experience that nearly all employers will demand later. Co-operative Education is an opportunity for students to acquire that experience, to learn about the operations of a number of employers, and perhaps even to set up a job for later on. For the employer, it is an opportunity to assess some interested students who are potential employees.

Co-operative Education, everyone agrees, is a great idea. It is a marvelous arrangement for the students, the institutions, and for industry, but because it involves so many sectors, it is not easy to get off the ground. Therefore, as part of the Employment Strategy, we are making some initially small investments in the development of Co-operative Education programs. We will share with provinces half the cost of getting such programs started. The initial response has been good and I very much hope that together we can stimulate a fruitful combination of theoretical study and practical experience. It is a very real part of what I meant when I earlier said that we need to build bridges between school and work.

In the interim and more immediately, we have a further innovation which I feel has a vast potential. During the past year, we have provided small grants to organizations like Boards of Trade and Chambers of Commerce to develop local job experience programs. We have been sharing with them the costs of providing additional summer jobs for students in commercial enterprises. The scale and the costs have been small but we have been greatly encouraged by the extremely positive response, both from industry, the students and schools concerned.

We are also starting a new program which we call J.E.T.—Job Experience and Training. It will have two components—one summer, one winter. In the summer my department, in co-operation with Chambers of Commerce, Boards of Trade, high school officials, and community groups, will place potential secondary school dropouts with participating employers for nine weeks of realistic on-the-job work experience. We will subsidize 50 per cent of the salary paid to each student up to a maximum of $500 per student. Through active contact with the world of work, potential secondary school dropouts will be better able to decide whether to continue with their education or enter the labour market on a permanent basis.

The winter component of J.E.T. will also go into effect this year. It is aimed at recent secondary school-leavers—those who have been out of high school one year or less. Its objective is to enhance their successful permanent integration into the labour force by providing nine weeks of on-the-job worthwhile work experience. The young people involved will be those who lack competitive job skills and an understanding of employee responsibilities, and who have difficulty convincing employers of their potential. We will provide 50 per cent of the salary paid to each participant by employers, up to a maximum of $500.

The J.E.T. Program is expected to help about 6,700 young people at a cost of some $5 million. It is an exciting concept because it truly bridges the gap between school and work. It provides the experience young people need to complement their education and training.

A LOOK TOWARDS THE FUTURE

I think you will agree that, although these approaches have been modestly publicized, we have developed some very exciting and innovative responses to job problems of youth.

I also believe that our new initiatives are really just the beginning of what may prove to be some of the most productive developments underway anywhere in the world.

Our job creation programs will do a great deal for young people, both by providing them with work and experience of work, but I must say that I look forward to the day when we will not need them. Essential though they are at the moment, such programs do not have the same fundamental importance as those innovations aimed at bridging the gap between school and work.

I would like to see a more fundamental attack on the problems—a reorientation of our thinking about the relative value of occupations in our society; a reorientation of our training and educational systems so that they are more concerned with the ultimate fate of their graduates than is now the case; the development of a variety of Co-operative Education systems across the country; and the development of in-industry programs to provide relevant experience for future work. In the long run, these are all things that I see as being of far greater importance for bridge-building than the job creation programs that we must and do have now.

That may be visionary, but it is just as important to have the right vision of the future as to have the right analysis of the problems.

I feel, Mr. Chairman, that the time has come to look, not just at more programs for youth, but also at the basic steps we must all take to ensure a sensible and effective approach to their problems.

Between the federal government and the provinces, immense sums are now spent on the education, training, and employment of youth. If my vision is to become a reality, we will need to develop a real "partnership for youth" between the federal and provincial governments, the educational institutions, industry, and youth themselves. That partnership is the vision I hope to develop in the months ahead.

FAIR PLAY FOR ASCS PERSONNEL

Mr. HELMS. Mr. President, I am happy to join the distinguished senior Senator from Kentucky as a cosponsor to S. 408, a bill which would give Agricultural Stabilization and Conservation Service employees certain rights upon separation from the Department of Agriculture which civil service employees have.

ASCS offices are located in each agricultural county throughout the United States. These offices are particularly important in North Carolina since they administer the tobacco, peanut, corn, cotton, and wheat programs as well as the Agriculture Conservation program, the Forestry Incentive program, and the disaster programs. Effective, efficient administration of these farm programs is vital to North Carolina agriculture, which is the backbone of our State.

Mr. President, we have 98 county offices in North Carolina with over 500 employees who serve Tarheel farmers. County ASCS personnel are not civil service employees. They are hired by the county ASCS committees, composed of local farmers. Although they are not civil service employees they are allowed certain fringe benefits including health benefits, retirement benefits, and others.

However, because ASCS employees are not civil service they do not have "career status" if they separate from the Agriculture Stabilization and Conservation Service and desire to move into other Federal service outside the Department of Agriculture.

S. 408 would remedy the "second class" status that ASCS employees now have. This legislation would allow ASCS employees upon separation who transfer to other Federal service:

First, to maintain their former salary,

Second, to transfer annual and sick leave,

Third, to count their ASCS tenure for Federal seniority purposes used in determining annual leave and in reduction-in-force procedures.

Mr. President, North Carolina is a major producer of agriculture commodities; however, without the assistance of dedicated ASCS employees our farmers would not be nearly so productive. Their "second class" status is demoralizing and often is a handicap in attracting good people to ASCS.

I urge the Senate to take prompt action on S. 408 so that these hard working ASCS employees will have the benefits they need and deserve.

Mr. President, I ask unanimous consent that I be added as a co-sponsor to S. 408 which would extend certain benefits to farmer employees of ASCS county committees.

The PRESIDING OFFICER. Without objection, it is so ordered.

THREE CENTS A LOAF

Mr. CHURCH. Mr. President, a recent advertisement in a Moscow, Idaho, paper read: "We'll buy back all the wheat in the bread you eat!" The ad was part of an effort by the Latah County Wheat Grower's Association and the Moscow Chamber of Commerce Agricultural Committee to dramatize low wheat prices to the producer.

During the week of January 17 through 21, the group offered to pay 3 cents for every bread wrapper turned in. This latest effort in the use of re-

bates brought in 820 bread wrappers representing $24.60 in payments to consumers.

"Full refund for the cost of wheat in bread" the posters proclaimed, but the advertisement did not say the refund would be 3 cents a loaf. Marilyn and Kenneth Jenkins, a Genesse farm couple brought in several wrappers during the week period. "That's the only profit I've made this year," Jenkins said, only half jesting, as he looked at the 9 cents in his hand.

The wheat used for each loaf, about seven-tenths of a pound, results in the one-half pound of flour contained in a standard 1-pound loaf of white bread. Based on $2.50 for a 60-pound bushel of wheat—the net price to the Latah farmer on December 20—the farmer's share in the loaf is 3 cents.

Where does the rest of the 45 cents we pay for an average-priced loaf of bread go? Well, about 39 cents goes to millers, bakers, retailers, transportation companies and other off-farm middlemen. Other ingredients, such as shortenings, sugar, malt, dairy products, and nonfarm ingredients, amount to about 3 cents a loaf.

Consumers must be made aware of the fact that the farmer is not responsible for the bulk of the bill at the grocery store.

More importantly, we must understand, as we undertake to review expiring farm programs, that many farmers are not even receiving the cost of their production and are being forced to leave the farm.

Hopefully, the lesson to be learned from the rebate program for wheat conducted in Moscow, Idaho, will not be lost on us as we attempt to develop a coherent national farm policy during the 95th Congress.

Mr. President, I ask unanimous consent that two recent articles about the wheat refund be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

TALE OF THE 3-CENT LOAF

A bushel basket of wheat drew more attention yesterday from 26 fifth-graders than the three cents each received as the farmer's share of a one pound loaf of white bread.

Stephanie Anfinson's class at Lena Whitmore school wanted to know how the farmer's share was determined.

The Latah County Wheat Grower's Association and the Moscow Chamber of Commerce Agricultural Committee teamed up to dramatize low wheat prices to the producer.

A week-long offer to pay three cents for every bread wrapper turned into the chamber office ended at 5 p.m. yesterday with a stack of 820 bread wrappers representing $24.60. The sponsors had $100 in pennies ready to pay out.

Not many people were willing to climb the stairs to the chamber office to exchange their plastic bags for three bright, new pennies.

A University of Idaho student, Ken Crosby of Caldwell, gathered up the wrappers from a week's bread supply at the Wallace Complex. He received $11.94 for the 393 plastic bags. The engineering major said he planned to pay his $7 hall dues, contribute $1 toward his living group's "kegger," and "maybe buy some books."

Marilyn and Kenneth Jenkins, a Genesee farm couple, brought in several wrappers yesterday morning. "That's the only profit I've made this year," Jenkins said, only half jesting.

"Buy back all the wheat in the bread you eat," poster proclaimed. The wheat, 7/10 of a pound, results in the ½ pound of flour contained in a one-pound loaf of white bread. Based on $2.50 for a 60-pound bushel of wheat—the net price to the Latah farmer Dec. 29—the farmer's share in the loaf of bread is three cents. The computations were made by University of Idaho agricultural economists.

[From the Lewiston (Idaho) Morning Tribune, Jan. 19, 1977]

WHEAT REBATE CAUSES STIR

(By Kevin Roche)

Moscow.—A promotion to demonstrate the earnings of a wheat farmer from American bread sales has caused a news event of major proportions for the Moscow Chamber of Commerce.

"It's the hottest thing we've had since Olga Korbut," Chamber Manager Larry Grupp told the Lewiston Morning Tribune Tuesday night.

But the gambit is attracting more Northwest reporters than local consumers, who have been invited to visit the chamber office with an empty bread sack and claim a rebate equal to the farmer's net share of a 45 cent loaf of bread—about 3 pennies.

Grupp said all commercial television stations in Idaho, from Lewiston to Boise to Pocatello, have contacted his office and two of the Spokane stations sent film crews to Moscow Monday. Grupp also has had calls from television stations at Seattle and Portland.

Tuesday the emphasis was on radios, Grupp said. "Everybody was calling in wanting actualities."

The scheme was fostered by the chamber as a way of telling the consumer what any wheat farmer already knows: that of a typical 45 cent loaf of bread, nearly 39 cents goes to bakers, retailers and transporters. The wheat farmer's cut is about 3 cents.

The chamber's Agriculture Committee and the Latah County Wheat Growers Assn. joined forces to offer a cash rebate all this week for anyone who brings an empty bread sack to the chamber's office downtown.

"We haven't had a great flood of people in," Grupp told the Tribune. "We've got $100 worth of change in there and they're not really making a dent. It's kind of a commentary on how you can't even give away what the wheat grower gets for his product, yet the farmers are expected to make a living on it."

VIOLENCE IN RHODESIA

Mr. CLARK. Mr. President, Bishop Donal Lamont of Umtali, Rhodesia wrote a letter to the Rhodesian Government last August in which he argued that only justice, human rights, and racial equality could bring an end to the violence in Rhodesia. He stated that, while the Rhodesian Government claimed to be defending Christianity and Western civilization, it was in fact violating Christian principles and Western standards of democracy and justice. He further argued that, while the Rhodesian Government claimed to be fighting against communism, its practice of racial domination was in fact doing more to encourage the spread of communism in Rhodesia than anything else.

Bishop Lamont has been one of the greatest forces for justice and peace in Rhodesia. He has been sentenced by the government to 10 years hard labor.

When evaluating all the Rhodesian Government's assertions that it is defending Christianity and Western civilization by maintaining racial domination, the letter from Bishop Lamont to his government should be kept in mind.

Mr. President, I ask unanimous consent that Bishop Lamont's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LETTER FROM BISHOP DONAL LAMONT TO RHODESIAN GOVERNMENT

(Following is the text of an open letter by Bishop Donal Lamont of Umtali, Rhodesia, to the Rhodesian government. Dated Aug. 11, it was made public in Rhodesia on Aug. 15.)

Dear Minister,

Concern for world peace and for the well-being of Rhodesia and all its people compels me to take the unusual step of addressing myself to you, the members of the government, in this grave moment of the nation's history.

As a Catholic bishop I cannot be silent while civil discontent, racial tension and violence are so much in evidence and daily on the increase. There is serious danger of bloody confrontation between the races within Rhodesia itself, of the political involvement of other countries, and of the consequent escalation of the conflict throughout the whole of the subcontinent. Already along the full length of my diocese a state of war exists. Last night's bombardment of the city of Umtali brought home to everyone this hard reality.

Conscience compels me to state that your administration by its clearly racist and oppressive policies and by its stubborn refusal to change is largely responsible for the injustices which have provoked the present disorder and it must in that measure be considered guilty of whatever misery or bloodshed may follow.

Far from your policies defending Christianity and Western civilization, as you claim, they mock the law of Christ and make Communism attractive to the African people. God wills His world and its peoples to be ruled with justice. He desires that men should do to their fellowmen what they would like done to themselves. Such will is openly disregarded and deliberately frustrated by the manner in which you rule Rhodesia.

On whatever dubious grounds you may at one time have based your claim to rule, much argument no longer has any validity. You may rule with the consent of a small and selfish electorate, but you rule without the consent of the nation—which is the test of all legitimacy. All the legalistic quibbling in the world cannot alter that fact.

Neither can you deny that the world community of nations rejects your claim to legality. Your administration is an outcast from and stands condemned by the civilized world. Justification for this condemnation is set out with the most detailed, objective and incontrovertible clarity in the legal study recently published and distributed throughout the world by the International Commission of Jurists. This important document which you dare not neglect and cannot refute, supports my considered belief that the dangers which threaten Rhodesia have their roots in the repressive legislation which you have enacted in an effort to maintain the power and the privilege of the white minority, reckless of the rights of the rest of the population.

To summarize in its briefest form your abuse of power, I can do no better than to quote the words of Pope Paul VI when addressing the United Nations on the subject of racial discrimination. The Pope said: "Within a country which belongs to each one, all should be equal before the law, find equal

admittance to economic, cultural and social life, and benefit from a fair share of the nation's riches." In every single detail of that magisterial statement your administration fails. The non-European people of Rhodesia are by your law denied every one of these rights which are theirs as from nature.

No wonder the oppressed people, made marginal to society in their own country, have welcomed and continue to welcome those whom they call "freedom fighters" and whom you call "terrorists." This is readily understandable. It is understandable too that such a force should have arisen and that it should daily be on the increase. Your oppression has called it into existence and given the young men and women who belong to it an attractive cause to espouse. They feel themselves compelled in conscience to fight for the elimination of all the discrimination which has degraded their people and make them second-class citizens in the land of their birth.

While I say this I must make it absolutely clear that, as in the past, I deplore and denounce with all the power which I have to command, all acts of violence which may have been perpetrated by these or by any other individuals or groups. The Church can never condone such violence, no more than it can turn a blind eye to its causes. At the same time I must repeat—no matter what the consequences for myself—that the institutional violence sanctioned by your administration and made respectable by acts of parliament, is itself the root cause of most of the physical violence which Rhodesia has experienced during the past ten years.

Prescinding from the long-standing discrimination practiced against the non-white population of this country, and lest I should seem to speak in vague generalities, let me record here some of the grave injustices which your administration has introduced since it came to office. Oppressive legislation has been multiplied, even when publicly rejected by your own Senate Legal Committee. The African civilian population has been clearly made to feel that it is now the deliberate target for what would normally be called "the forces of law and order." The army and police have been officially accorded excessive powers and guaranteed indemnity against the abuse of them.

Approval has been granted for the bombing and destruction of villages, even though these should contain innocent people. Obstacles of all kinds have been placed in the way of those who seek either legal justice or compensation for death or brutal treatment or loss of property. The media of communication have been placed almost entirely under the control of one political party, your own, and are manipulated constantly to suppress or to distort the truth.

Nor is this all: In a state which claims to be democratic, people are restricted or imprisoned without trial, tortured or tried in camera, put to death by secret hanging, and justification for all this barbarity is sought by you in the name of Christianity and of Western civilization and for what you call the "maintaining of Rhodesian standards." Surely this is the final absurdity.

In spite of their limited vision and of their consequent denial of integral development to all the people of Rhodesia, the efforts of previous governments had indeed brough many of the benefits of Christianity and of Weestern civilization to this country. You, however, by your total insensitivity to the rights of the human person and by your inability to read the signs of the times, have undone much of what had previously been accomplished. Yet you refuse to recognize your sorry condition and appear satisfied to continue your oppressive policies even though they should bring ruin to Rhodesia. Your reaction to the recent Quenot Report on Racial Discrimination is eloquent proof of this.

Over the years and as a matter of principle the Catholic Church has had to refuse to practice racial segregation in its schools and hospitals or to limit to the percentage laid down by your administration, the service of Christian charity which is commanded of it by the Gospel. Today an equally important decision will have to be taken whenever or wherever the charity of the Church is sought by those who are in conscience opposed to your regime. Have not those who honestly believe that they fight for the basic human rights of their people a justifiable claim on the Church for the spiritual administration of the clergy? How can one counsel loyalty and obedience to your ordinances when to do so is tantamount to giving approval to the manifold injustices you infict? To keep silence about one reign of oppression in order the better to combat what you alone consider to be another, is wholly unacceptable.

If intensification of racial hatred, widespread urban guerrilla activity, increased destruction of property and fearful loss of life are to be avoided; if the whole sub-continent of Africa is not to be engulfed in a cruel war, you must without delay change your present tragic course of action. To continue Pope Paul's remarks: "As long as the rights of all the peoples, among them the right of self-determination and independence, are not duly recognized and honored, there cannot be true and lasting peace, even though the abusive power of arms may for a time prevail over the reactions of those opposed. All men must participate in the life of the nation. Power, responsibility and the decision-making cannot be the monopoly of one group or race segment of the people." Undoubtedly this will involve for some the sacrifice of privileges based solely on race, but being a work of justice it should eliminate the sources of discontent and violence and bring about that peace that we all long for.

It is up to you to give the lead. The fate of Rhodesia and its people is in your hands.

JUDGE BLUMENFELD RETIRES FROM U.S. DISTRICT COURT

Mr. RIBICOFF. Mr. President, Judge M. Joseph Blumenfeld has retired from his full-time duties as U.S. District Court judge in Hartford, Conn., a position he has held with great distinction for 16 years.

Judge Blumenfeld will continue on the Federal bench, however, serving as a senior judge and handling about 60 percent of his previous caseload. He will maintain an office in Hartford and will also sit as a visiting judge in other parts of the Nation where cases are backlogged.

Appointed a Federal judge by President John F. Kennedy, Judge Blumenfeld earned a well-deserved reputation as a jurist of fairness, compassion, wisdom and a deep knowledge of the law.

Judge Blumenfeld is a close and longtime friend of mine.

Mr. President, Andrew Kreig of the Hartford Courant wrote an article in the Courant Sunday Magazine on February 13, 1977, entitled, "Activist Judge Graced Court With Much Style." I ask unanimous consent that this article about Judge Blumenfeld be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ACTIVIST JUDGE GRACED COURT WITH MUCH STYLE

(By Andrew Kreig)

At lunchtime most weekdays, M. Joseph Blumenfeld can be spotted at a no-frills Hartford eatery amongst a clientele that includes threadbare pensioners, neatly-dressed office clerks and sometimes a ragged drifter or two.

Like other regulars at the bare-tabled Municipal Cafeteria, Blumenfeld uses a yellow discount meal ticket that's punched each day.

Shored by his meal, Blumenfeld returns to work, a job that makes him one of the most influential decision-makers in the state.

Last month Blumenfeld stepped down from his full-time duties after 16 years during which he had seen his job as U.S. District Court judge in Hartford transformed. Nationwide legal developments have pulled judicial scrutiny into everyday life and have caused judges like him to preside over powerful institutional clashes never foreseen when the federal judiciary was created in the 1780s.

Blumenfeld, who is only the 16th federal district judge in Connecticut's history has acquired the reputation of an activist judge with a good track record when it comes time for out-of-state appeals courts to review his decisions.

The judge has a variety of courtroom images. He's sometimes gruff to a windy lawyer or to a pompous official. But legal aid lawyers often look to him for innovative, compassionate decisions.

Some prosecutors have said privately that his criminal sentencings sometimes are too lenient. Before the practice became impossible in 1973, some defense lawyers delayed their cases purposely so that their clients could be sentenced by Blumenfeld. Now such "judge-shopping" is impossible.

The judge's view is that the purpose of sentencing "isn't to be vindictive but to prevent reoccurrence."

Crime is only one of many concerns for a district judge. Class action and "multi-district" lawsuits are relatively novel developments that have increased the impact of court decisions. Blumenfeld was one of a panel of three dozen federal judges who in 1967 devised the "multi-district" procedure by which similar cases nationwide could be consolidated in one court.

"The cases now are often far from the traditional 'one-on-one'," Blumenfeld said in a recent interview. Previously cases were mostly between two individuals or one person against the government or a corporation, he said.

"What these new cases do is to hold the government or a large institution responsible for its actions, and not just to the one unusual individual who has the time or energy to litigate," the judge said.

Blumenfeld, 72, has overseen some titanic corporate struggles. In one case, he approved the acquisition by International Telephone and Telegraph Co. of the Hartford Fire Insurance Co. over the protest of consumer advocate Ralph Nader. The $1.5 billion deal was the biggest merger in world history.

Last year the judge refused to allow Amax Inc., a Greenwich firm that does more than $1 billion a year in sales, to merge with Copper Range Co. of White Pine, Mich., the nation's seventh largest copper mining operation.

This fall the judge approved settlement of an antitrust class action in which a dozen state governments were among the builders who accused lockmaking firms of conspiring together to keep prices high.

Yet the judge looked on two other cases as more important. One, chastizing the state judiciary for delaying appeals of convicted criminals for up to four or five years, said

the federal courts might intervene after 18 months. The state Supreme Court changed its appeals structure, cutting the time for appeals about in half, according to several lawyers closely involved in the case.

The other decision ordered the state to undertake an extensive outreach program to make sure that poor persons eligible for food stamps knew about the program.

Not all of the disputes that come before a federal court judge are so weighty. Many of the 515 civil suits filed in 1976, evenly divided between Hartford's two judges—concerned auto accidents, minor broken contracts and truth-in-lending violations.

Criminal matters handled by the judges range from what prosecutors call organized crime murder to petty theft of checks in the mail.

Blumenfeld runs one of the liveliest courtrooms in the district, sometimes cutting off lawyers he thinks repetitive or injecting humor in the proceedings.

Last spring a check thief in his 50s asked for leniency from the judge because the crime was committed while the defendant was living alone, in bad health with no money.

"You're too old to live like that," the judge said in seeming agreement. The judge said he was going to send the defendant to a nice place where a staff would take care of him, provide a rounded diet, medicine and the companionship of others.

The defendant looked worried. He quickly replied that he didn't want to go to jail and could take care of himself without resorting to crime. He was given a suspended sentence, and warned that he would be jailed if he violated the conditions of his probation.

Once when a juror told the judge she couldn't hear a soft-speaking dentist on the witness stand Blumenfeld told the dentist, "Please open wide, doctor."

Blumenfeld was a Harvard Law School graduate, a federal prosecutor and a partner of the late U.S. Sen. Thomas J. Dodd, D-Conn. before he was named a judge by President John F. Kennedy.

A life-long Democrat, Blumenfeld delayed his resignation until Jan. 21, the day President-elect Jimmy Carter assumed power to make appointments.

Blumenfeld, who enjoys fishing and gin-rummy plans to become a "senior judge," handling about 60 per cent of the caseload of a regular judge. He will maintain an office in Hartford and will also sit as a guest judge in other parts of the nation where cases are backlogged.

Blumenfeld, stricken by a heart attack in 1966 while playing golf, underwent two hip operations three years ago but is now recovered.

The judge is married, with three children and five grandchildren living in the New York City area.

Blumenfeld, born in Minnesota, lists his name and address in the telephone book even though he's sentenced hundreds of criminals.

He said he's never been particularly worried about revenge. Prisoners sometimes "feel they've been treated unfairly but hardly ever do they feel they've been treated vindictively," the judge said. He said he's received a couple of threats but none he felt were serious enough to report to the FBI.

He pointed with pride to an oil painting in his office, one of several sent by a bank robber, Francis A. Fitzmaurice, whom the judge sentenced to eight years in prison. Fitzmaurice, 35, of New Britain, wrote the judge recently that "you've been the most decent person I've ever known."

Fitzmaurice, who's been in 14 prisons or jails said in an interview, "Not all people who end up in prison are what you could call really bad or criminally insane. Many find prisons to be breeding grounds for crime and corruption."

"And it's judges like Judge Blumenfeld who are willing to step in and find out what's going on—and even to go as far as inquire about men they sentenced—that keep prisons from turning into complete cesspools," he said.

But after one unusually heavy week last winter in which Blumenfeld dismissed three lawsuits by prisoners, the judge said that too many prisoners suits are frivolous. The suits, usually drafted by the prisoners themselves, generally seek to use the Constitution to gain new trials or improve prison conditions.

"Each case has to receive meticulous attention with the recognition that because they are unschooled in the law . . . their cases must often be decided on the merits rather than on the technicalities," Blumenfeld said.

"It's been therapeutic for the plaintiffs but the burden has been on the federal judges," he continued.

Blumenfeld, like many other federal judges, is gravely worried about the increasing caseload, which has grown "in geometric proportions" since the years of the Warren Supreme Court.

Developments that have broadened litigation in poverty, environmental and civil rights law have generally been a healthy development for society, Blumenfeld said. But the changes have brought serious dangers as well.

Right now "the ordinary litigant whose only dispute is with another private person is going to have his case delayed," Blumenfeld said.

"It's gotten to the point where there are so many cases that you cannot handle them with the present number of judges," he said.

Yet more judges isn't the answer, he said. "The high regard in which the federal judicial system is held by most people is one of the things that will attract successful lawyers to become a judge."

"If there are so many federal judges that they are no longer regarded as something special," top private lawyers will no longer be willing to take pay cuts to become $42,000 a year federal judges, he said.

"A better solution" would be to take many of these cases which don't require "full use of judicial talent"—like truth-in-lending, social security, environmental impact, and housing discrimination disputes—and resolve them through administrative hearings outside of court, he said.

Although Blumenfeld is often regarded as an activist judge, he said he is worried that the traditional role of the courts as arbitrators of private civil litigation is being subordinated to suits against the federal government.

Progressive relaxation of requirements of "legal standing" has allowed almost any person to go to court to complain about almost any act or omission in the whole spectrum of federal activity, he said. And Congress, he believes, has helped confirm this process and prevent its reversal.

He said that although the courts should be flattered by their Congressionally-sanctioned new role in supervising federal power, the prestige of the courts will suffer if they become commonplace administrators. Blumenfeld said he wants Congress to narrow the jurisdiction of federal courts and to consider very carefully any actions that expand the jurisdiction.

T. Emmet Claire, who became Chief District Judge in Connecticut when Blumenfeld stepped down from the post, said his colleague is a man "whose well-reasoned and scholarly opinions have caused him to be recognized as one of the great judges in the federal system." Claire was appointed a Hartford federal judge in 1961, a month after Blumenfeld.

Of course the judge also has his critics, including some suburban Hartford officials who think he was wrong last year to hold up some of their federal funding because they failed to plan for low-income housing. His decision was affirmed on appeal.

Blumenfeld recalled that his decision on extending food stamp information, combined with his affirmation of a young man's right to wear an American flag on a pair of pants, caused a letter-writer to question his sanity.

"So long as people make suggestions like that, a judge is unlikely to get swell-headed or to believe that his judgments are perfect," Blumenfeld said.

"This criticism didn't disturb me particularly," the judge said, noting that the flag abuse case was affirmed by the Supreme Court.

"Instead of going to a psychiatrist to find out whether he thinks I should continue to serve as a judge, the more appropriate question at a time like this, in looking back, might be: Would I do it over again?" the judge said.

Blumenfeld affirmed his question by saying, "The work is hard but it is important work . . . and I enjoy doing it."

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, I stand before you now as I do every day the Senate is in session, to urge my colleagues to put the United States name down as a ratifier of the Genocide Convention. What does this Convention intend to do? Its purpose by now should be clear and simple. It would outlaw actions that result in elimination of members of a racial, ethnical, national or religious group. It seeks to eliminate mass murder such as that of the Jewish people by the Nazis in World War II.

The mass annihilation of the Jews should be reason enough to ratify this treaty immediately. Do we want crimes like that to occur again—without being able to outlaw them? When the Nuremberg trials were held, it was decided that the Nazis could not be punished for acts of genocide committed prior to 1939. The Nuremberg tribunal which tried war criminals for crimes against humanity refused to consider outrage occurring before the war on the grounds that no international law was violated. Had the Genocide Convention been in existence two decades ago, those who perpetuated atrocities between 1933 and 1939 could have been brought to justice.

The Genocide Treaty is a document that displays the world's outrage and concern over acts of genocide. Yet the United States has refused to sign that document.

Mr. President, in the interest of further international peace and safety and in hopes of eliminating future crimes against humanity, I urge my colleagues to join me in support of the Genocide Treaty today.

JUSTICE DEPARTMENT DEFENDS HYDE AMENDMENT BEFORE SUPREME COURT

Mr. HELMS. Mr. President, on September 17, 1976, the Senate, by a vote of 47 to 21, passed the Hyde amendment to the Labor/HEW Appropriations Act for fiscal 1977, section 209 of Public Law 94-439. Section 209 provides:

None of the funds contained in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term.

On October 22, 1976, U.S. District Judge John Dooling issued a preliminary injunction against enforcement of the provisions of the Hyde amendment. Earlier requests of other Federal district courts for injunctions were denied by Judge Vincent Biunno and Judge John Sirica. During this time, Representative HENRY HYDE, former Senator James Buckley, and I intervened as parties to the case before Judge Dooling. We entered this case to protect the appropriation power of Congress under the separation of powers doctrine, asserting that article I, section 9, clause 7 of the Constitution grants Congress the exclusive power of appropriation and that a judicial invalidation of the Hyde amendment amounts to a judicial appropriation of funds in violation of the Constitution. We argued that in adopting the Hyde amendment:

Congress made one inescapable fact absolutely clear: it was not appropriating, it refused to appropriate, any federal funds for elective abortions. In brief, there has not been, and there is not now, any appropriation for the period October 1, 1976 through September 30, 1977, of funds for elective, non-medically dictated abortions. It is beyond the competence of any court, state or federal, to sit in judgment respecting the wisdom of Congress when Congress refuses to make appropriations.

On November 17, our attorneys filed an appeal with the U.S. Supreme Court to suspend the effect of the preliminary injunction. On February 11, the Acting Solicitor General filed a jurisdictional statement before the Supreme Court in this case on behalf of the Secretary of Health, Education, and Welfare.

Mr. President, the Justice Department's statement is a vigorous defense of the Hyde amendment. It argues that the district court proceeded upon "a misapprehension of the nature of the Federal role in the furnishing of Medicaid assistance to the needy," and that it did not clearly explain the legal basis for holding the Hyde amendment unconstitutional. The statement further explains that the right to an abortion free of criminal sanctions granted in Roe against Wade and Doe against Bolton does not include requiring the Federal Government to provide financial support for abortions. The statement concludes that it was entirely proper for Congress, by means of the Hyde amendment, to protect potential human life, and to avoid spending Federal funds to support an activity many taxpayers feel to be morally repugnant.

Mr. President, because of the important contribution this analysis makes to the debate regarding Federal funding of abortions, I ask unanimous consent that the following section of the Justice Department's statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[In the Supreme Court of the United States, October Term, 1976]

JURISDICTIONAL STATEMENT

No. 76–1113

Joseph A. Califano, Secretary of Health, Education, and Welfare, Appellant
v.
Cora McRae, et al.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF NEW YORK

The questions are substantial

The question whether the federal government has a constitutional obligation to provide financial assistance with respect to abortions is one of obviously substantial social, political, and fiscal importance. But the decisions of this Court make plain that the plaintiffs lack standing to bring this question before the federal courts.

1. In undertaking to adjudicate the dispute in this case, the district court proceeded upon a misapprehension of the nature of the federal role in the furnishing of medicaid assistance to the needy and, consequently, upon a misunderstanding of the effect of the statute challenged here. Enforcement of Section 209 will not inflict any legal injury upon the plaintiffs or impair any of their legal rights. They therefore lack standing, even in the minimal constitutional sense, to bring this suit.

The federal government does not provide assistance directly to medicaid beneficiaries. Instead, federal payments are made to the states "[f]or the purpose of enabling each State, as far as practicable under the conditions in such State, to furnish * * * medical assistance on behalf of [certain needy] families * * *." 42 U.S.C. (Supp. V) 1396. A state is entitled to federal payments only if it establishes a satisfactory plan for medical assistance pursuant to 42 U.S.C. (and Supp. V) 1396a. Under this arrangement, reimbursement of the medical expenses of medicaid beneficiaries is made by the participating states in accordance with their separate plans for medical assistance. The federal government then pays to the states a percentage of the amount expended, by category of expenditure. 42 U.S.C. (and Supp. V) 1396b.[11]

Under this statutory scheme, a state's duty to reimburse the cost of a specific medical procedure arises from its plan for medical assistance and is not affected by a partial withdrawal of federal funding. Accordingly, if a state's plan requires it to reimburse the cost of elective abortions, the state must continue to provide such reimbursement unless and until the plan is amended to delete coverage for elective abortions, without regard to whether federal funds will be made available to cover a portion of the cost.

The questions whether either the Constitution or Title XIX of the Social Security Act requires the states to reimburse the cost of nontherapeutic abortions are now before this Court in *Beal* v. *Doe*, No. 75–554, and *Maher* v. *Roe*, No. 75–1440, both argued January 11, 1977. If this Court holds that the states must provide such reimbursement, *a fortiori* the states would not be permitted to amend their plans to delete coverage of elective abortions. In that event, state reimbursement of the cost of abortions would remain available notwithstanding enactment of Section 209. In that instance, the effect of Section 209 would be to reduce federal support to the states without any concomitant reduction in state assistance to medicaid beneficiaries. In those circumstances, the plaintiffs would not be affected, even indirectly, by enforcement of Section 209.[12]

If, to the contrary, this Court holds in *Beal* and *Maher* that the states need not reimburse the cost of nontherapeutic abortions, the states would then be free to amend their plans to delete coverage of such abortions (or to enforce existing provisions denying such coverage).[13] In those circumstances, a state's right to terminate coverage at least of nontherapeutic abortions would be exercisable without regard to whether the federal government had undertaken to defray a part of the cost of such abortions.

Of course, a state's decision whether to cover abortions might be influenced by the federal government's choice not to assist such coverage. The impact of Section 209 may be to discourage some states that otherwise would reimburse the cost of abortions from doing so. But that is the only way in which individual medicaid recipients or their providers could be affected, even indirectly, by enforcement of Section 209. Moreover, since the State of New York chose to deny coverage of nontherapeutic abortions long before enactment of Section 209 (see note 11, *supra*), the plaintiffs' interest in the outcome of this lawsuit is reducible to little more than a desire to remove Section 209 as an impediment to a possible future decision by New York to reverse its medicaid policy with respect to abortions.

This interest is far too insubstantial to confer standing upon the plaintiffs to seek judicial resolution of their claim that Section 209 is unconstitutional. "[W]hen a plaintiff's standing is brought into issue the relevant inquiry is whether * * * the plaintiff has shown an injury to himself that is likely to be redressed by a favorable decision." *Simon* v. *Eastern Kentucky Welfare Rights Organization*, 426 U.S. 26, 38. See also *Warth* v. *Seldin*, 422 U.S. 490; *O'Shea* v. *Littleton*, 414 U.S. 488. The plaintiffs here have shown no such injury.

At most, their claim is only that enforcement of the challenged statute may lead some third person, in this case the State of New York, to exercise a right in a manner contrary to their economic interests. Such an allegation is not sufficient to establish standing. *Planned Parenthood of Missouri* v. *Danforth*, No. 74–1151, decided July 1, 1976 (slip op. 8, n. 2) (holding that physicians who perform abortions lack standing to challenge a statute that denies parental rights to women whose children survive an attempted abortion, even though the statute could discourage some women from seeking abortions). Cf. *Rizzo* v. *Goode*, 423 U.S. 362; *Linda R. S.* v. *Richard D.*, 410 U.S. 614. In short, this case is governed by the general rule that a plaintiff lacks standing to challenge a statute that does not apply, and has not been applied, to him. See, *e.g.*, *California Bankers Association* v. *Schultz*, 416 U.S. 21, 67–70. Cf. *New York Civil Service Commission* v. *Snead*, 425 U.S. 457.[14]

2. The district court did not clearly explain the legal basis for its conclusion that Section 209 is unconstitutional.[15] Broadly stated, the plaintiffs appear to rely both upon considerations of due process, including constitutional notions of privacy, and upon an asserted denial of equal protection. Neither line of argument supports their claim that Section 209 is unconstitutional.

a. The plaintiffs' due process argument rests upon this Court's decisions in *Roe* v. *Wade*, 410 U.S. 113, and *Doe* v. *Bolton*, 410 U.S. 179. In those cases, the Court found a qualified constitutional right of privacy in "a woman's decision whether or not to terminate her pregnancy" (*Roe* v. *Wade*, *supra*, 410 U.S. at 153) and held that the imposition of criminal sanctions upon the exercise of that right in favor of abortion could be constitutionally justified only by compelling governmental interests. See also *Planned Parenthood of Missouri* v. *Danforth*, *supra*. But the logic of those decisions stops far

Footnotes at end of article.

short of requiring the federal government to provide financial support for abortions.

Section 209 does no more than deny federal funding for abortions. It does not place any prohibition, or impose any sanction, upon the performance of abortions. The physician remains free to perform abortions without federal restriction of any kind; the woman's right of privacy remains legally unimpaired.

Presumably the plaintiffs will argue that the withdrawal of governmental financial assistance effectively impairs the right of indigent women to receive abortions. But that argument proceeds upon a mischaracterization of the relevant legal right. There is no right to receive an abortion. The privacy right vindicated in *Roe* v. *Wade* and *Doe* v. *Bolton* is not the right affirmatively to obtain an abortion but rather the lesser right to be free to seek abortion services without governmental obstruction or interference.

Thus the plaintiffs' argument is not that Section 209 actually impairs their privacy rights but only that the federal government has refused to enhance the value of those rights by paying for their exercise. The government, however, has no constitutional obligation financially to facilitate the exercise of privacy rights.[16] Its constitutional duty is merely to refrain from violating such rights, and there has been no violation here.

b. The plaintiffs' equal protection argument asserts an invidious discrimination between those medicaid beneficiaries who choose to have an abortion and those who instead choose to carry their pregnancies to term, on the ground that only the medical treatment furnished to the latter group is federally assisted.[17] But in eliminating federal funding for elective abortions, Congress was motivated by two legitimate concerns: to protect the potentiality of human life, and to avoid spending federal funds to support an activity many taxpayers feel to be morally repugnant. These concerns constitutionally justify the distinction drawn by Congress between abortion and childbirth.

There can be no question but that an interest in protecting potential human life underlay enactment of Section 209: the sponsor of the legislation, Representative Hyde, explicitly stated, "we * * * seek to protect that most defenseless and innocent of human lives, the unborn * * *." 122 Cong. Rec., p. 20410, June 24, 1976. Congress was entitled to act on the basis of that interest in allocating welfare funds among potential beneficiaries. This Court has recognized that "the State does have an important and legitimate interest * * * in protecting the potentiality of human life." *Roe* v. *Wade*, *supra*, 410 U.S. at 162. Although this Court in *Roe* v. *Wade* indicated that this interest may not be "compelling" with respect to a fetus not yet viable, nevertheless the interest is sufficiently substantial to afford a reasonable basis for legislative action affecting the previability stages of fetal development.[18] In the circumstances of this case, equal protection is satisfied by the existence of a reasonable basis for the statutory classification. See *Legion* v. *Richardson*, 304 F. Supp. 456 (S.D. N.Y.), affirmed *sub nom. Legion* v. *Weinberger*, 414 U.S. 1058; *Kantrowitz*, v. *Weinberger*, 388 F. Supp. 1127 (D. D.C.), affirmed, 530 F.2d 1034 (C.A. D.C.), certiorari denied, October 4, 1976, *sub nom. Kantrowitz* v. *Mathews* (No. 75–1522). See generally *Dandridge* v. *Williams*, 397 U.S. 471, 486–487; *Richardson* v. *Belcher*, 404 U.S. 78, 81; *San Antonio School District* v. *Rodriguez*, 411 U.S. 1, 33; *Geduldig* v. *Aiello*, 417 U.S. 484, 495; *Weinberger* v. *Salfi*, 422 U.S. 749, 768–769.

Moreover, Congress was unwilling to continue federal funding for "a * * * procedure that appalls the conscience of a very substantial percentage of the American taxpayers." 122 Con. Rec., p. 27675, August 25, 1976) (Senator Buckley).[19] Widely held concepts of morality afford a constitutionally permissible basis for statutory classifications.[20] Considerations of morality have special force, moreover, where, as here, the legislature acts not to prohibit private activity but rather only to allocate social welfare monies contributed by the very taxpayers whose moral views are being respected. Congress may properly take account of such considerations in order to maintain public confidence in, and public support for, federal social welfare programs. It therefore is permissible for Congress to choose not to require federal taxpayers to pay for abortion, which many of them regard as anathema, even if it also chooses to make federal funding available to cover the costs of child delivery.

c. The question whether the states have a constitutional obligation to reimburse the cost of nontherapeutic abortions for indigents is now before this Court in *Maher* v. *Roe*, *supra*. The decision in that case necessarily will affect, and may control, determination of the constitutional issue presented here. Unless constitutional significance resides in any difference between nontherapeutic and elective abortions (see notes 2 and 5, *supra*), if the Court in *Maher* holds that the states need not reimburse the cost of nontherapeutic abortions, it would appear to follow *a fortiori* that the United States need not provide funding for elective abortions. Thus if the Court holds for the state appellant and reverses in *Maher*, the order granting a preliminary injunction in this case also should be reversed.

On the other hand, if the Court holds that the states are constitutionally required to reimburse the cost of nontherapeutic abortions, it does not necessarily follow that the United States would have a similar obligation to the states. Compare *Legion* v. *Richardson*, *supra*, and *Kantrowitz* v. *Weinberger*, *supra*, with *O'Connor* v. *Donaldson*, 422 U.S. 563. Accordingly, if this Court affirms in *Maher*, the Court should grant plenary review of both the threshold question of standing and the constitutional issue presented in this case.

FOOTNOTES

[11] As the system works in practice, an individual eligible for medicaid assistance receives treatment from providers of medical services who have agreed to accept a sum fixed by the state as full payment for the services rendered. The provider then bills the state. If the treatment is reimbursable under the state plan, the state pays the claims and reports the payment to the Secretary. Every three months, the Secretary makes advance payments to the states in amounts estimated to be sufficient to cover the "Federal medicaid assistance percentage" (42 U.S.C. 1396b) of each state's medical assistance payments for the forthcoming quarter. Appropriate quarterly adjustments are made for under- or over-payments. 45 C.F.R. 201.5.

[12] In other cases involving the constitutionality of Section 209, district courts have denied injunctive relief on the ground that the plaintiffs there failed to demonstrate injury in view of the states' continuing obligations under Title XIX. See *Doe* v. *Mathews*, D. N.J., Civ. No. 76–1912, decided October 1, 1976; *Doe* v. *Mathews*, D. D.C., Civ. No. 76–1835, decided October 21, 1976.

[13] New York's medicaid plan denies coverage of nontherapeutic abortions, but the State is presently under court order to continue to reimburse the cost of such abortions. See *Klein* v. *Nassau County Medical Center*, 347 F. Supp. 496 (E.D. N.Y.), vacated and remanded, 412 U.S. 924, decision on remand, 409 F. Supp. 731, appeal pending, No. 75–1749.

[14] This case does not involve plaintiffs' standing as taxpayers. Plaintiffs challenge not an expenditure but rather a nonexpenditure of funds. There is thus no logical nexus between any status the plaintiffs may claim to have as taxpayers and the statute they challenge. Cf. *United States* v. *Richardson*, 418 U.S. 166; *Schlesinger* v. *Reservists to Stop the War*, 418 U.S. 208.

[15] The linchpin of the district court's analysis was the self-evidently erroneous proposition that the legislature lacks constitutional power to resolve controversial issues in favor of either of two contending sides. Observing that "fundamental philosophical beliefs are in direct conflict" over the issue of abortion, the court announced:

"Division between sober and God-fearing people so deep and equal deny to civil authority any power to intervene by direction or indirection, either to compel abortion as a measure of population control or to deny medical assistance to the needy who act on their own beliefs. *When the power of enactment is used to compel submission to a rule of private conduct not expressive of norms of conduct shared by the society as a whole without substantial division it fails as law and inures as oppression.*" (Emphasis added.)

[16] For example, although there is a constitutionally protected interest in interstate travel (*Shapiro* v. *Thompson*, 394 U.S. 618), the federal government has no constitutional obligation to defray the travel expenses of indigents.

[17] There is no discrimination here against indigents as a class. Although the effect of provisions like Section 209 may be to encourage the states to withhold funding for elective abortions and thereby to deny governmental assistance to indigent women seeking abortions, the government has no constitutional obligation to relieve all the burdens of poverty. See *Dandridge* v. *Williams*, 397 U.S. 471, 485.

[18] "Logically, of course, a legitimate state interest in this area need not stand or fall on acceptance of the belief that life begins at conception or at some other point prior to live birth. In assessing the State's interest, recognition may be given to the less rigid claim that as long as at least *potential* life is involved, the State may assert interests beyond the protection of the pregnant woman alone." Ely, *The Wages of Crying Wolf: A Comment on Roe* v. *Wade*, 82 Yale L.J. 920, 925 n. 41 (1973) (emphasis in original).

[19] Senator Helms further observed:

"We must * * * consider today whether we will force millions of Americans to violate their long tradition of religious morality concerning abortion and force them to finance an act which they believe to be homicide." [122 Cong. Rec., p. 27673, August 25, 1976.]

[20] Moral considerations historically have played an important and legitimate role in legislative decision-making. For example, such considerations underlie most legislative proscriptions against "victimless" crime, such as prostitution and gambling.

CWA SUPPORTS WARNKE

Mr. McGOVERN. Mr. President, I am both heartened and impressed by the strong support of one of the country's largest and most prestigious labor unions—the Communications Workers of America—for the nomination of Mr. Paul Warnke as director of the Arms Control and Disarmament Agency and chief U.S. negotiator in the strategic arms limitation talks.

CWA President Glenn Watts has submitted for the Foreign Relations Committee hearing record on Mr. Warnke a statement which is both eloquent and highly persuasive. It cites as "particularly distressing to CWA" the fact that:

Because of our relentless participation in escalating arms race, the United States has

turned its back on many pressing domestic priorities. . . .

The Communications Workers also recognize that this is an "especially propitious" time for disarmament talks, in part because of divisive problems besetting the Soviet Union. And they note that on the basis of both his background and his outlook, Mr. Warnke is "eminently qualified to play a pivotal role in disarmament issues. . . ."

I believe this fine statement merits the attention of all Members of the Senate, and I therefore ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COMMUNICATIONS WORKERS OF AMERICA,
Washington, D.C., February 14, 1977.

Senator JOHN SPARKMAN,
Chairman, Senate Foreign Relations Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am enclosing Congressional testimony from the Communications Workers of America in support of the nomination of Mr. Paul Warnke to serve as Director of the Arms Control and Disarmament Agency. CWA would appreciate it if this testimony was included in the permanent, printed hearing record on this nomination.

Sincerely,

GLENN E. WATTS,
President.

STATEMENT OF THE COMMUNICATIONS WORKERS OF AMERICA SUBMITTED TO THE SENATE COMMITTEE ON FOREIGN RELATIONS ON THE NOMINATION OF PAUL WARNKE, FEBRUARY 1977

The Communications Workers of America supports the nomination of Paul Warnke to serve as both the Director of the Arms Control and Disarmament Agency and as chief negotiator for the United States at the Strategic Arms Limitation Talks with the Soviet Union.

President Carter has prudently recognized that the current period in United States-Soviet relations presents a unique opportunity to halt and reverse the mad momentum of the nuclear arms race. The Chief Executive expressed his commitment to this goal when he recently announced his support for "the complete elimination of nuclear weapons from the earth."

Currently the American nuclear arsenal possesses an overkill capacity capable of pulverizing the Soviet Union 25 times over. Even more disturbing, we are stockpiling hydrogen bombs at the rate of three a day. The Pentagon now maintains a nuclear arsenal equivalent to 600,000 times the single bomb which devastated Hiroshima 32 years ago.

The acceleration in the arms race gives heightened meaning to the warning of the late President John F. Kennedy who admonished that "the weapons of war must be abolished before they abolish us."

Because of the nuclear proliferation, four scientific experts all agreed that they envisioned some form of nuclear conflagration by the year 2000 when they were recently asked whether they foresaw an atomic war in the near future.

This chilling assessment not only envisions the prospect of a nuclear confrontation between America and Russia. It also takes into account the likelihood of a nuclear war involving China, France, India or other nations which now brandish these super weapons of death and destruction. Moreover, still more countries are attempting to process plutonium so that they too can possess this most sophisticated "status symbol" of 20th century technological development, membership in the nuclear weapons club.

Because of our relentless participation in the escalating arms race, the United States has turned its back on many pressing domestic priorities, a development that has been especially distressing to CWA.

While we have spent hundreds of billions of dollars to construct futuristic weapons of death and destruction, our economy has stagnated, our cities have decayed and our citizens have suffered from a policy of "benign neglect." Human needs have been ignored while the merchants of death have prospered.

Fearing a potential, cataclysmic, first-strike nuclear attack from the Soviets, we have armed ourselves with a diversified arsenal of offensive and defensive military weapons to deter our adversary. In reality, the probability of such an attack is remote, yet because we have been mesmerized by its mere possibility, we have upset our list of values so seriously that domestic problems are now a far more serious threat than the counterfeit threat of Soviet-launched nuclear holocaust.

The time is now especially propitious for disarmament talks because the Soviet Union is also beset by divisive problems. The increasing fragmentation among the member states of the Communist commonwealth has created serious conflicts.

So varied have become the many roads to socialism that the idea of Marxist ideology as a common umbrella overhanging the diverse systems is becoming tenuous and suspect, especially with the growth of autonomous centers of Marxist interpretation in Peking, Belgrade and Tirana. Indeed, for the immediate future, no problem looms larger for Moscow than the conduct of "foreign policy" inside the Communist bloc itself.

Mr. Chairman, Paul Warnke has a special sensitivity for the rare opportunity we now have to negotiate with the Soviet Union a de-escalation of our mutual nuclear deterrents.

Indeed, Mr. Warnke is eminently qualified to play a pivotal role in disarmament issues, having served as General Counsel to the Department of Defense and also as an Assistant Secretary of Defense for National Security Affairs.

Contrary to the myth propagated by his opponents, Mr. Warnke is not an advocate of precipitate, unilateral American disarmament. Instead, he favors phased mutual restraint. He stands for a negotiated, balanced reduction of weapons with the U.S.S.R., not prostrate abdication of the American defense posture.

Mr. Warnke is keenly aware that to reduce the balance of nuclear terror, both sides must take the first step of agreeing to reduce their weapons of terror. The nuclear arms race is a contrivance of men's will and, as such, is neither permanent nor irreversible.

Thousands of years ago a Chinese philosopher observed that "a journey of a thousand miles must begin with a single step." The nomination of Paul Warnke to serve as our nation's chief arms control spokesman is a significant step forward toward reducing the likelihood of a suicidal nuclear holocaust as America embarks on the third century of its experience as the world's leading democracy.

TRIBUTE TO THOMAS TERRY

Mr. RIEGLE. Mr. President, it is indeed a great honor to have this opportunity to pay tribute to Publisher Thomas Terry, as his newspaper, the Flint Spokesman, celebrates its 6th year of earnest dedication to the citizens of my hometown, Flint, Mich.

Mr. Terry is an exceptional man and outstanding citizen. His deep faith in—and concern for—people is reflected in his many years of dedicated work. In addition to his many responsibilities as publisher, he finds time to devote to various community organizations. Mr. Terry has served on the NAACP board of directors, was former president of the Black Business Alliance, and currently is on the board of directors of the Greater Flint Opportunities Industrialization Center.

I want to congratulate the Flint Spokesman upon the occasion of its 6th anniversary. Mr. Terry, as publisher of the Spokesman is to be commended for his many years of service, dedication, and hard work in the newspaper industry.

AMERICAN ECONOMIC MYTHOLOGY

Mr. McGOVERN. Mr. President, the February 14 issue of Newsweek magazine contained a concise and compelling "My Turn" article which explodes many of the current myths about the country's economic stature and comparative rate of growth.

The author of the article is Lester C. Thurow, a professor of economics and management at the Massachusetts Institute of Technology. I have found Mr. Thurow to be among the most articulate and enlightened economists in the country, and I think many of my colleagues will agree after examining this article. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE MYTH OF THE AMERICAN ECONOMY

(By Lester C. Thurow)

"The U.S. has the world's highest standard of living. It's not utopia, but in the real world, our economy is the best there is." How often have you heard these statements either as an expression of national superiority or as a defense of the status quo?

Alas, they are simply untrue. Our country has not generated the world's highest per capita GNP since the early 1950s when we were surpassed by Kuwait. More important, perhaps, is the fact that we have been surpassed, or are about to be, by a number of countries in Europe. Among industrial countries, Sweden and Switzerland can each claim to be more successful with a per capita GNP 20 per cent above ours. We have also been passed by Denmark and are about to be surpassed by Norway and West Germany. Relative to achievements in the rest of the world, the U.S. economy no longer "delivers the goods."

It is still, moreover, marked by large inequalities in the distribution of economic resources. The richest 10 per cent of our households receive 26.1 per cent of our income while the poorest 10 per cent receive only 1.7 per cent. And most of this small amount comes in the form of government income transfer payments. Blacks earn 69 per cent as much as whites; women who work full time earn only 56 per cent as much as men. If we look at the distribution of physical wealth, the top 20 per cent owns 80 per cent of all that can be privately owned in the United States and the bottom 25 per cent owns nothing (many of them, in fact, have debts that exceed their assets).

THE GROWTH OF INCOMES

Traditionally, the "world's highest standard of living" has been used to justify these inequalities. They may be regrettable, but they are a necessary price that must be

paid for growth. After all, so the argument goes, a person near the bottom of the U.S. income distribution would be at least middle class in the rest of the world.

All of these propositions are called into question when we look at the countries that are outstripping us. With the growth of incomes in Western Europe. America's poor are no longer middle class abroad. They are poor. As we have seen, the top 10 per cent of all U.S. households receive fifteen times as much income as the bottom 10 per cent. In the industrial country with the world's highest standard of living, Sweden, the same ratio is 7. In the country with the world's highest rate of growth, Japan, the same ratio is 10. In the major country that is about to surpass us, West Germany, the same ratio is 11. The degree of inequality that exists in America (100 per cent more than that in Sweden, 50 per cent more than that in Japan, and 36 per cent more than that in West Germany) is clearly not necessary to sustain economic growth. (The U.S. does not, however, have the highest degree of inequality among industrial countries—that honor is reserved for France. We are only second.)

RATING PRODUCTIVITY

But our affluent competitors are interesting from another perspective. In the long run, standards of living are determined by productivity. Improvements in productivity allow us to have both more goods or services and more leisure. In this sphere the U.S. is clearly falling behind. Our competitors in Western Europe have enjoyed a sustained rate of productivity growth over the past two decades twice that of ours; Japan has achieved a rate of productivity growth three times ours. We have comforted ourselves with the idea that our poor performance could be explained by our economic leadership. Our competitors were achieving higher rates of productivity growth because they were simply adopting technologies already developed by us rather than developing new technologies themselves.

But as these countries have reached our level of productivity, their growth rate has not slowed down to ours. In the first five years of the 1970s, the level of industrial productivity rose 11 per cent more in Sweden, 17 per cent more in West Germany and 25 per cent more in Japan than in the U.S. These countries continue to outstrip us even though they have advanced to a point where they are now the leaders in industrial productivity. We are the ones with the "easy" task of adopting existing technologies.

Sometimes the poor productivity performance of the American economy is blamed on the size of the defense budget. We are using 6 to 7 per cent of our GNP for defense, West Germany and Sweden are spending only 3 per cent, and Japan only 1 per cent. There may be some truth in this argument, but military expenditures are often defended and seen by other nations as a vehicle for generating new technologies. If they are simply a negative weight slowing down economic progress, then this negative influence needs to be taken into account in setting our defense budget and in sharing defense expenditures with our allies.

The standard conservative response is to advocate the "liberation of free enterprise" and a reduction in social expenditures. Yet this is not how any of these countries have outperformed us—quite the opposite. Sweden is famous for the most comprehensive social-welfare system in the world; West Germany insists that union leaders hold places on corporate boards of directors; the Japanese Government controls and plans the economy to a degree that makes the U.S. seem like rugged free enterprise.

EXPENDITURES AND SUCCESS

"Liberating free enterprise" also runs into the facts about the U.S. economy. In the history of the United States our best decade in terms of growth in real per capita GNP (a 36 per cent increase) was that of the 1940s when the economy was run as a command (socialist) wartime economy. The second best decade (a 30 per cent increase) was that of the 1960s with all of its social-welfare programs. The best decade (a 22 per cent increase) prior to the advent of government intervention occurred between 1900 and 1910. Real per-capita growth since the advent of government intervention has been more than twice as high as it was in the days when government did not intervene or have social-welfare programs.

As both our own experience and foreign experience demonstrate, there is no conflict between social expenditures or government intervention and economic success. The lack of government planning, worker participation, and social spending may in fact be at the heart of our poor performance in recent decades. As we, and others, have shown, social reforms can be productive, as well as just, if done in the right way.

IN TRIBUTE TO GEORGE ROGERS CLARK

Mr. BAYH. Mr. President, earlier this week, the Senate paused to pay its respects to George Washington. I would be remiss in my duties as a Senator from Indiana if I failed to call to the attention of my colleagues the fact that tomorrow, February 25, marks the anniversary of the major battle of the Revolutionary War to be fought in Indiana. The man who led the victorious American troops on that date in 1779 was George Rogers Clark, whose activities both during and after the war have secured him a revered place in American history.

As was the case with many of the outstanding leaders of the day, George Rogers Clark was quite young when his potential for leadership became known. He achieved prominence as both a political and military leader on the American frontier as a leader of resistance against British-inspired Indian raids and one of those who organized Kentucky as a county of Virginia. In addition, he was a surveyor and often settled disputes over land claims between settlers. During the Revolutionary War, Clark gained the support of the Government in Williamsburg and was able to inspire the loyalty of the men who followed him on daring guerrilla-type attacks against enemy outposts located along the Mississippi and Wabash Rivers.

In 1778, with the promised backing of Gov. Patrick Henry, George Rogers Clark set out on an expedition designed to take the offensive in the West from the British. He and his forces descended the Ohio River to the mouth of the Tennessee, and then crossed Illinois, capturing the settlement at Kaskaskia in July. At this time, word came that the French had made an alliance with the Americans struggling for their freedom. This news, coupled with the generous treatment accorded the French settlers by Clark, improved the American position. Later, the French settlement at Vincennes, Ind., pledged its loyalty to the United States of America.

When word of this development reached the British at Detroit, the commander, Col. Henry Hamilton, determined to attack and regain possession of Vincennes, the site of Fort Sackville. Unfortunately, Hamilton's victory was an easy one, and the Americans were driven back into Illinois.

Clark was left with no alternative but to attack and retake Vincennes. He began his march in February 1779, leading his men over a distance of 200 miles in 16 days. The elements were against Clark, as his men faced days of snow and cold, as well as high waters. The promised supplies did not arrive, there was no food and little ammunition, and many of the men were sick.

But the element of surprise was on Clark's side. He deployed his troops so that their appearance belied their numbers. Friendly French villagers aided the Americans, and Clark defeated the British and sent Hamilton east to Virginia as a prisoner.

Following the capture of Vincennes, Clark established his headquarters at Fort Nelson—now Louisville, Ky.—to oversee the defense of Kentucky and Illinois. The discontent and difficulty in getting supplies, which grew as the war dragged on, made it impossible for Clark to achieve his ultimate goal—the decisive defeat of the British at their main headquarters at Detroit. Clark came under criticism from leaders in the East, where his accomplishments on the frontier were often either ignored or unappreciated. Still, George Rogers Clark continued to perform his duties with brilliance and dedication until resigning his military command.

In retirement, Clark settled in Clarksville, Ind., on land awarded to his soldiers for their wartime service. He attempted, unsuccessfully, to collect reimbursement from the Government for the resources he and others had expended in the service of liberty. He served on the postwar commission which attempted to conclude a separate peace with the Indians and also was named one of the first trustees of Transylvania College in Kentucky.

Beyond his unique military acumen, Clark was noted for his interest in Indians and natural history. Frequent visitors to his cabin along the banks of the Ohio included Indian chiefs, who called Clark "the first man living, the great and invincible Long Knife." Among the other visitors was John James Audubon, the famous naturalist. Clark was largely responsible for stimulating the enthusiasm of his friend, Thomas Jefferson, for the development of the western territories, as the two men continued an active correspondence in Clark's later years.

Although he had little formal education, Clark was an eloquent writer and speaker. He also had an inventive mind, and conceived a design for a horse-powered boat. The news of his success is said to be responsible for inspiring many families to move West. Many of them interrupted their travels to stop and pay homage to Clark at his home.

Tomorrow and Saturday, citizens of Indiana are gathering to remember George Rogers Clark. I hope that my colleagues will indulge my remembrance as well. Although we have officially ended our Bicentennial observance, it is entirely fitting that we continue to recall

our forefathers, and marvel at their achievements in the face of overwhelming odds.

RADIOACTIVE WASTES: SOME URGENT UNFINISHED BUSINESS

Mr. McGOVERN. Mr. President, in December of last year, the Energy Research and Development Administration announced the expansion of its data-gathering program to examine several areas suitable for the storage of commercial nuclear wastes.

My home State of South Dakota was listed as having underground geologic formations suitable for closer examination, and I stated at that time my feelings that this move was premature pending the many unanswered questions about the safety of nuclear waste storage—geologic or otherwise. The same questions and doubts which I expressed have been restated since that time by many public officials and private citizens in South Dakota. Now, in the February 18 issue of Science magazine, Luther J. Carter focuses attention on the reasons for our mutual concern. Mr. Carter traces the history of past waste disposal programs, examines the shortcomings of the current plans, and concludes that before any further nuclear energy research and development is proposed, the unfinished business of finding a means to safely store the wastes must be settled.

Mr. President, I ask unanimous consent that Mr. Carter's article, "Radioactive Wastes: Some Urgent Unfinished Business," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RADIOACTIVE WASTES: SOME URGENT UNFINISHED BUSINESS

Many thoughtful people are now convinced that this country's nuclear enterprise will be in serious trouble unless the Energy Research and Development Administration (ERDA) demonstrates, and demonstrates fairly soon, that radioactive wastes can be permanently isolated from the human environment. Harvey Brooks of Harvard University, who is chairman of a National Academy of Sciences committee now evaluating the pros and cons of nuclear power, has put it this way: "No single aspect of nuclear power has excited so persistent a public concern as has radioactive waste management. . . . I would predict that, should nuclear energy ultimately prove to be socially unacceptable, it will be primarily because of the public perception of the waste disposal problem."

From its birth in 1946 until its demise in early 1975, the Atomic Energy Commission was responsible for managing nuclear wastes. But, by and large, the AEC never gave the waste problem the kind of priority that nearly everyone now thinks it deserved. Its stewardship was marked by a resort to temporary expedients that turned out to be not so temporary after all and by some hastily contrived attempts at longer-term or permanent disposal that proved abortive.

Two years ago, the burden of waste management passed to ERDA and the Nuclear Regulatory Commission (NCR) at the very time the nuclear enterprise was becoming a matter of growing controversy. Both agencies have been made acutely aware—in part by the lawsuits filed by environmental groups—that the public must be convinced that all dangerous and long-lived radioactive wastes, whether generated by the nuclear power industry or by ERDA's military plutonium-production processes, can and will be isolated from the biosphere for the several hundred thousand years that they will remain hazardous.

And ERDA, concerned lest further growth of the nuclear power industry be stymied at a time of rising oil imports, has felt particularly under the gun to show that the so-called "commercial wastes" from the power industry can be safely disposed of. Accordingly, for more than a year now the agency has had under way a $2-billion program to establish a system of deep geologic repositories for such wastes—although President Carter's energy adviser, James R. Schlesinger, now seeks to cut back the scale and pace of this program in order to give new prominence to a controversial interim storage facility known as the "Retrievable Surface Storage Facility." If and when the government squarely addresses the total waste management problem, of which the 30-year accumulation of "military wastes" is at present the larger part, it will be engaged in a massive effort that could require expenditures averaging $1 billion to $2 billion a year for the next two decades. The volumes of wastes that will be involved, and the logistical problems which they clearly imply, are large.

Because of the huge volume of military wastes, the total cost of ultimate disposal could be something on the order of what it cost to put a man on the moon. To recover all of the high-level waste from the profusion of storage tanks—a difficult and uncertain task—and then solidify it for final disposal may cost as much as $20 billion, although all current estimates are little more than guesses. Then, the expense of establishing geologic repositories and handling and transporting all of the high-level and other military wastes could run the total bill up by another $2 billion to $3 billion.

Yet, however costly it might be to isolate the military wastes from the biosphere, many people believe it imperative that this be done. Leakage of waste from some of the storage tanks at both Hanford and Savannah River has been a persistent problem, although to date there have been no known human casualties. All told, nearly 500,000 gallons of waste have leaked from the tanks, with the most serious leak having occurred at Hanford in 1973 when 115,000 gallons of waste escaped from tank 106–T to the surrounding soil.

But, even if the military waste problem does not get the immediate attention that may be called for, the several plutonium-production reactors still operating and the nuclear Navy are not going to be shut down for that reason. This perhaps helps explain why neither the AEC nor ERDA has given the problem a high priority. On the other hand, as ERDA apparently perceives, it is entirely conceivable that a continued failure to deal properly with the commercial waste problem could result in the growth of nuclear power being slowed or arrested.

At any rate, ERDA began addressing this latter problem in a major way in 1975, and last year it got congressional approval to pursue plans to establish, by the mid-1990's, as many as six geologic repositories for the permanent disposal of commercial wastes.

The repositories would receive either spent fuel or—if the government and the nuclear industry decide in favor of fuel reprocessing and recycling—solidified high-level wastes and transuranic low- to intermediate-level wastes. Their total cost, estimated at $2 billion for construction, operation, and all related R & D, is supposed to be recaptured from the utility industry through disposal fees.

The first two repositories, scheduled to be ready to receive wastes in 1985, would be built in large salt formations, at a depth of from one thousand to several thousand feet below the earth's surface (see figure, page 664). Later repositories might be built in shale or crystalline formations such as granite or volcanic basalt. A particular advantage seen in salt is that it flows plastically, and, once disposal of the wastes has been made final by backfilling a repository's chambers and passageways with crushed salt, the repository is expected to be self-sealing as the formation settles and again becomes a solid mass.

The concept of deep geologic disposal was first put forward 20 years ago and ERDA believes that carrying it out will require no more than "straightforward technology and engineering development." There are other concepts, such as deep seabed disposal, ejection of wastes into outer space, and transmutation of troublesome radionuclides into more benign forms, but none of these is regarded by ERDA as feasible for the near term.

The marked proclivity to short-term expedients which the past history of waste management reveals is more understandable for the early nuclear years than for the more recent years. During World War II and the immediate postwar period there was probably no real possibility, given competing priorities, of developing a means of permanent disposal that would remove the military wastes from the biosphere.

But later, when a start might have been made toward establishing respositories for final disposal, there seems to have been little inclination on the part of the AEC to do this. Last July at an ERDA-sponsored international symposium on waste management, Harvey Brooks, who was serving as a nuclear physicist and engineer early in the nuclear era, observed: "In the first years after the war the waste disposal problem was never attacked with a real sense of urgency. Research and development expenditures were relatively small, and the whole problem had little prestige or glamor among the scientists and engineers who were being attracted to the new and growing field of nuclear energy."

But even when forward-looking proposals for waste management were advanced, the AEC, perhaps reflecting a cold war preoccupation with nuclear weapons development and also busy with naval reactors and an infant commercial power program, did not follow up effectively. In 1957, when the National Academy of Sciences committee on radioactive waste disposal (a body which had been formed at the AEC's request) proposed that high-level wastes be solidified and put in deep geologic disposal, the AEC response seems to have been typical. Instead of doing as the committee had suggested and searching for the most stable and secure geologic formations available (salt was especially recommended), the agency, with an eye to cost and convenience, wanted to establish repositories on-site at its Hanford, Savannah River, and Idaho Falls installations where the wastes were being generated.

In fact, except for undertaking some experimental work at a salt mine near Lyons, Kansas, the AEC gave short shrift to all of the committee's advice.* And, when another critical report was submitted in 1966, the agency suppressed it and cut off the committee's funding.

Some of the AEC's other management decisions in the 1960's also seem to have rendered the waste problem less tractable than it might have been otherwise. From the beginning of the plutonium production program at Hanford and Savannah River, the high-level waste from the reprocessing plants—waste which is acidic and potentially corrosive—has been neutralized by the

*The unhappy relationship that existed between the Academy committee on waste disposal and the AEC is described in detail by Philip M. Boffey in *The Brain Bank of America* (McGraw-Hill, New York, 1975).

addition of sodium hydroxide to make it suitable for storage in carbon steel tanks. But this doubles the waste's total volume and makes removal of all of the waste from the tanks quite difficult.

By the 1960's, what with the waste inventory still growing and the storage tanks proliferating and sometimes leaking, it was evident that something had to be done. And, as a matter of fact, an attractive waste management alternative was demonstrated in 1963 at the AEC's national laboratory at Idaho Falls, where high-level wastes from the reprocessing of spent fuel from experimental and naval reactors had always been left in their acidic state and stored in corrosion-resistant stainless steel tanks. What the laboratory now did was to start running these wastes through a simple, relatively inexpensive high-temperature process to convert them to "calcine," a granular material somewhat like a fine sand. This calcining process, which has been used continuously ever since, reduces the total waste volume by a factor of 9 or 10 and changes the waste into material which the laboratory confidently believes can be incorporated into glass for permanent disposal. (Unless immobilized as a solid the wastes might eventually migrate.)

Although perhaps stuck with the large volume of neutralized wastes already in storage at Hanford and Savannah River, the AEC could have gone to stainless steel tanks and the calcining process for all newly generated wastes. The fact that it chose not to do so is significant, for about a third of all the high-level waste in inventory at those installations today has been generated since the mid-1960's.

In 1965, the agency did begin separating the principal heat-generating radio-nuclides from both new and old neutralized wastes and using evaporators to convert the bulk liquids to a damp salt cake, thereby reducing the volume by a factor of 5 and making bad leaks less likely—but making removal of the wastes from the tanks more difficult still. (Almost half the waste is now in salt cake.) As an interim measure for coping with the existing waste, this seems to have been wise. But, while it is also true that this was the cheapest way in the short term to cope with the new waste, it offered not nearly the advantages of calcining in terms of volume reduction of progress toward ultimate disposal. Solidification of the salt cake or its dangerous radionuclides in glass can apparently be accomplished, but at a price far higher than what it costs to calcine and solidify acidic wastes.

By the end of the 1960's, circumstances compelled the AEC to give the matter of establishing geologic repositories a higher priority. When, in the aftermath of the disastrous 1969 fire at the AEC weapons facility at Rocky Flats, Colorado, the agency began shipping large amounts of debris that had been contaminated with plutonium to the waste burial ground at Idaho Falls, state officials objected. They said that Idaho should not be the place for permanent disposal for such material, and also insisted on eventual removal of the plutonium-contaminated wastes that had been routinely buried there in the past. The upshot was that the AEC agreed to start removing such wastes as soon as a repository became available.

Another compelling circumstance was the fact that commercial wastes would soon be generated in substantial volume. Indeed, several fuel reprocessing facilities were due to begin regular commercial operation by the mid-1970's and it was clearly unthinkable to repeat what had been done in the case of the military wastes by allowing another proliferation of underground tanks for the indefinite storage of high-level wastes. In 1970 the agency declared, as a matter of policy, that all commercially generated high-level wastes would have to be solidified within 5 years by the fuel reprocessor and transferred to a federal repository no later than 10 years after reprocessing.

Finally persuaded that the need to provide means for permanent geologic disposal of wastes was indeed pressing, the AEC also decided, at least tentatively, to make the salt mine at Lyons, Kansas, where it had been doing experimental work, a prototype national repository. But even as this decision was announced, William W. Hambleton, director of the Kansas Geological Survey, was raising questions as to the geologic integrity of the Lyons site.

Representative Joe Skubitz of Kansas challenged the AEC decision and, in 1971, Congress directed the agency not to proceed until the repository project could be certified as safe. After it was learned that numerous exploratory oil and gas wells had been drilled near the site and that some 175,000 gallons of water had mysteriously disappeared during the hydraulic fracturing operation once attempted at a nearby salt mine, the AEC abandoned the Lyons project in early 1972.

Shortly thereafter, the agency initiated a project to establish a geologic repository near Carlsbad, New Mexico, for intermediate-level transuranic wastes from the weapons program. Several years later, in 1975, this project (which is still in progress today) suffered at least a temporary reversal when a big pocket of brine was discovered deep inside the salt formation at the specific site then being investigated. This setback could have been avoided had AEC officials in Washington done as the project contractor suggested and let further geophysical exploration precede the drilling.

A few months after the embarrassment at Lyons, the AEC, still eager to come up with a solution to the commercial waste problem, announced a stopgap. Pending availability of a geologic repository, the agency proposed that the Retrievable Surface Storage Facility (RSSF) be established to provide safe storage for commercial and military high-level wastes for up to 100 years. The RSSF was to consist of a large field of numerous individual concrete mausolea into which thick-walled casks containing canisters of solidified wastes were to have been inserted; the wastes were to be cooled by natural air flows. It would have been built at an AEC installation in the West, probably either Hanford or the Nevada Test Site.

But, upon reviewing the proposal, the Environmental Protection Agency expressed uneasiness. It was afraid that, because the RSSF would be relatively cheap, it might be palmed off as a permanent low-budget substitute for deep geologic repositories. Stung by this criticism and conscious that commercial reprocessing was not going to be coming along as soon as had been expected, the AEC's successor agency, ERDA, in April 1975 gave up its plan for early construction of the RSSF and began developing the plan for a system of deep geologic repositories.

As the plan has been conceived, work toward its implementation could continue even should there be more reverses such as the one at Lyons. By providing for the selection of multiple sites, with two or more in salt and others in shale and granite, at least some of them would be expected to prove usable. Two of the six repositories proposed could accommodate all of the commercial wastes to be generated by the year 2000. And, for some years after a particular repository has been opened, the wastes committed to it could be retrieved if trouble should develop.

The same redundancy of approach is to be followed with respect to the development of technologies for the solidification of high-level liquid wastes. Initial demonstration of these and other relevant technologies—such as those for reducing the volume of transuranic wastes—is scheduled to be completed in 1978. This may be ambitious, however. An NRC study of management alternatives for the now-defunct Nuclear Fuel Services reprocessing operation at West Valley, New York, found that to develop an operational process for vitrifying (converting to glass) the 600,000 gallons of neutralized high-level wastes now in tank storage there would take 14 years.

Besides hedging against unexpected geologic or technical problems, the ERDA plan for multiple repository sites has been designed to assure the various states that no one of them will be asked to take all of the nation's high-level and transuranic wastes in its own backyard. Nevertheless, trouble arose late last spring in northern Michigan when word spread that ERDA was about to begin exploratory drilling in Alpena County.

The trade magazine *Nucleonics Week* had reported: "Union Carbide [the ERDA contractor in charge of the commercial waste program] is moving into the final stages of its waste isolation site-selection program with the salina basin [salt deposit] in Michigan and the [gulf state] salt domes leading the list." A Union Carbide official was quoted as saying that Alpena and two neighboring counties had been singled out for intensive investigation. Subsequently, the Michigan press was full of stories quoting various local officials and citizens who wanted ERDA to stay out of Michigan. And, as the result of questions raised by Representative Philip E. Ruppe, the Republican congressman for Alpena County and most of the remainder of northern Michigan, ERDA gave up its plans for exploratory field work in that region, at least temporarily.

Meanwhile, the pressure on ERDA to make good on its repository plan, with no more failures or delays, was mounting sharply. Although California voters last June rejected the nuclear ballot initiative that would ultimately have shut down all nuclear power plants in the absence of a permanent and safe system of waste disdospal, the state legislature enacted a law that could stop further growth of nuclear power under such circumstances.

Also, as the result of a U.S. Circuit Court of Appeals ruling in July, the NRC stopped issuing reactor construction permits or full-power operating licenses, pending further analysis of the environmental and health hazards associated with fuel reprocessing and waste management. Although licensing has since been resumed under a stay of the court order, the Natural Resources Defense Council (NRDC), an environmental law group, continues to press for a moratorium or slowdown on expansion of nuclear power until the NRC formally determines that radioactive wastes will in fact be disposed of safely.

Terry Lash, the NRDC staff scientist involved in the litigation, regards geologic disposal as promising but is afraid that ERDA, in its haste to eliminate the waste management issue as an impediment to the growth of nuclear energy, will make mistakes that will lead to another grand foul-up. "It's important to be very deliberative," he says, "yet they [ERDA officials] are running around like chickens with their heads chopped off—and this after 20 years when nothing was done."

Obviously anxious to avoid further troubles of the kind encountered in Michigan, ERDA sent letters late last fall to 36 governors, informing them of its plans for conducting field investigations or geologic literature searches in their states. It was emphasized that the first two sites would not be chosen before the nationwide search is completed in 1978 and that no site would be selected over a state's objections. "Anyone who thinks this is a matter for federal preemption is out of his goddamn mind," one ERDA official remarked to an interviewer from *Science*. Agency officials say that thus far, no state has refused to cooperate, though the attitude typically is one

of caution and reserve. In Michigan, Governor William G. Milliken's ad hoc advisory task force on nuclear waste disposal recommended in December that ERDA's geologic investigation should be allowed to proceed there if certain conditions and safeguards are met. Also, New Mexico's Legislative Energy Committee has proposed—though not without stirring up some local controversy—that a demonstration nuclear fuel cycle center, which would include a waste repository, be established in that state.

In view of the emphasis that Jimmy Carter put on nuclear safety during his campaign last year it seems surprising that there should now be serious talk of again looking to RSSF, or surface repository, concept for a possible interim solution. But this is precisely what has been going on during the transition to a Carter presidency. As chairman of the AEC in the early 1970's, James Schlesinger favored the RSSF concept. And, after being named Carter's energy adviser, he called on ERDA to develop an alternative plan directed at having an RSSF as well as one or two deep geologic repositories by the mid-1980's.

The idea would be to rely perhaps on the RSSF as the backup if technical or political difficulties made it impossible to use the first geologic repository developed. Also, the scope of the search for geologic repository sites could be narrowed because, as Schlesinger reportedly assesses the situation, there would not be a need for more than three or four such repositories for the foreseeable future.

SEAMANS TAKES EXCEPTION

Robert C. Seamans, Jr., who has just left his job as administrator of ERDA with the change of administrations, thinks Schlesinger could be making a bad mistake. Although Seamans does not object to building an RSSF for extra insurance, he thinks that there should be no change in the scale and pace of the existing plan to develop geologic repositories, with the first two being established in pairs and with each available as a backup to the other. "Your are just temporizing with the RSSF," he told *Science*.

William P. Bishop, chief of NRC's waste management program, is another official who takes strong exception to what Schlesinger has been proposing. To elevate sharply the place of the RSSF in the ERDA waste management program would suggest a "clear lack of confidence in the viability of the geologic disposal concept," Bishop says. And, given such a lack of confidence, the NRC would be "put in the logically awkward position of being asked to license reactors that will produce wastes without assurance that the wastes can and will be disposed of safely," he adds.

This question as to whether and how the ERDA plan for waste repositories will be changed must be decided soon, but, at last report it was still very much up in the air.

Another major unresolved policy question is, quite obviously, what to do about the military wastes. Seamans says that the military as well as commercial waste must be put in deep geologic isolation because they both poso essentially the same hazards for the human environment. And, in truth, any who would deal with them differently will not find it easy to explain why. As Terry Lash observes, "If we are going to put the commercial wastes several thousand feet underground, how can we possibly justify leaving the military wastes 20 feet underground?"

Nevertheless, it is apparent from various ERDA documents that because of the extraordinarily high cost of retrieving and solidifying the high-level waste for geologic disposal, ERDA continues to regard tank storage as an active option for the long term.

The "technical alternatives" documents that ERDA plans to issue this year on management of the military wastes could represent a first step at least in addressing this long-deferred military waste problem. And the issues may be sharpened by the new lawsuit that NRDC has brought to force ERDA to seek an NRC license for 20 new carbon-steel waste storage tanks that it now plans to build at a cost of nearly a quarter of a billion dollars.

Whether fuel reprocessing and the recycling of plutonium are to be allowed is also a key policy question be ring upon waste management. The case for reprocessing rests on the fact that, while it could only extend the life of the light water reactor program for one or two decades, it would be a mainstay of the breeder reactor program on which all hope of nuclear power becoming a major energy resource for the very long term depends. But the waste man gement problems associated with reprocessing, and especially the fact that large volumes of transuranic wastes would be generated, are significant and must be considered along with reprocessing's more celebrated drawbacks, namely the hazards associated with plutonium theft or diversion.

Still another policy issue that needs addressing is whether waste management will ever really receive the consideration it is due so long as it remains under ERDA, which gave this problem a low priority in the past and may do so again sometime in the future. Mason Willrich, a University of Virginia law professor who has written extensively on nuclear issues, recently suggested in a contract study done for ERDA that a special waste management corporation be chartered by the government.

One reason why it is important for the United States to get on top of its nuclear waste problem is that a number of other nations, especially in the Third World, will almost certainly need American help in overcoming their own. In fact, waste management is a field in which international cooperation will be essential. The countries now developing a nuclear power industry vary in technical competence, territorial size, geology, and possibilities for disposing of nuclear cause of such differences, an internationally run program for disposal of wastes beneath the deep seabed is considered possibly to hold the answer for many countries. As contributors to the work of the Organization for Economic Cooperation and Development's Nuclear Energy Agency, four of the major nuclear nations—the United States, the United Kingdom, France, and Japan—have begun a modest effort to establish a data base for the seabed disposal concept.

Should the United States, the nation that opened the nuclear era, fail over the next 10 to 15 years to set an example for safe and permanent disposal of radio-active wastes, its leaders will have themselves partly to blame if other nations do no better. And, as the U.S. experience of the past two decades has shown, in waste management to defer ultimate solutions is often to make them far more difficult and costly to achieve. Moreover, if the future growth of nuclear power does match the expectations of its advocates at home and abroad, the accumulation of wastes could become such as to make permanent disposal an illusory goal unless there is a steadfast commitment now to achieve it.

THE RADIOACTIVE WASTE INVENTORY

The weight of the waste management and regulatory burden that ERDA and NRC have assumed is apparent from a look at the commercial and military waste inventories, existing and prospective.

The commercial wastes. The inventory of spent fuel on hand today in temporary storage (nearly all of it in water basins at power plant sites) is comparatively modest, as only about 2500 metric tons of such fuel has thus far been discharged from the 64 reactors now operating. But, by 1985, when there will be at least 136 reactors on line, the inventory will have grown to nearly 25,000 tons. And, if the growth of the nuclear power industry matches the NRC's projections, there will be more than 125,000 tons by the year 2000, or the accumulation expected from the operation of about 500 large reactors.

If disposed of as waste and not reprocessed for recovery of plutonium and unconsumed uranium, these tonnages can be translated into thousands upon thousands of large waste canisters (some 10 to 15 feet in height and 12 inches in diameter) emitting both heat and dangerous high-energy, penetrating radiation. Indeed, by the year 2000 there could be as many as 400,000 such canisters.

If the spent fuel is reprocessed, the resulting volume of wastes will be even greater than if it is not. There will be only about a tenth as many canisters of reprocessing (or "high level") wastes giving off heat and high-energy radiation, but there will be a great outpouring of chopped-up fuel cladding and other trash that has been contaminated with transuranic elements, especially plutonium.

In fact, by the year 2000, the equivalent of more than 700,000 55-gallon drums of such "transuranic wastes" could accumulate, and, like the high-level waste, all of it would need to be disposed of so as to ensure isolation from the biosphere for hundreds of thousands of years. In addition, there could be a need to dispose of as many as 20 million drums of "low-level," nontransuranic wastes, which would be generated whether there is reprocessing or not. (Less demanding than the high-level and transuranic wastes in the isolation required, such low-level waste may be properly disposed of through burial in deep trenches.)

The military wastes. All of the high-level military waste, some 75 million gallons of it, is currently stored in about 200 underground tanks of up to 1.3 million gallons capacity each at ERDA's Hanford, Savannah River, and Idaho Falls installations. Because the fuel in plutonium-production reactors is irradiated less than the fuel in commercial power reactors, the wastes produced contain fewer fission products than do commercial wastes and therefore are not as "hot," either radiologically or thermally. Nevertheless, like the commercial waste, this military waste must be kept isolated from the biosphere for what, in the human perspective, is essentially forever.

If an effective program aimed at permanent disposal is soon initiated, the total volume of solidified waste on hand by the year 2000 could come to 11 million cubic feet, or enough to fill more than 90,000 huge canisters, each one 10 feet in height, 4 feet in diameter, and weighing as much as 8 to 10 tons. In addition, at least 1 million drums of low- to intermediate-level transuranic waste waste—much of which already has been packaged and buried in a retrievable mode—will have to be committed to repositories. Also, if the expensive, time-consuming, and possibly hazardous attempt is made to recover all of the transuranic waste that has been buried without provision for retrieval, room will have to be found for still another million drums.

Should the military and commercial waste inventories grow as ERDA and the NRC foresee, by sometime after the turn of the century it would take a thorough mixing of the hazardous radionuclides in the waters of all the world's oceans to lower the concentration to within presently acceptable limits. And, perhaps by the middle of the 21st century, the radioactivity could be quite beyond all possibility of dilution to safe levels. The hypothesis is of course farfetched, for no such mixing could conceivably occur. But, by the same token, the potential for contamination of local and regional environments is significant.—L.J.C.

SOME ENERGY SAVING MEASURES

Mr. HARRY F. BYRD, JR. Mr. President, the question of energy is one of

the major issues facing the United States today.

Indeed, it is imperative that the President and the Congress develop a coherent national energy policy to assure that shortages like this winter's—and the equally serious threat of an interruption in foreign oil supply—do not become permanent features of our national life.

We need a strong national energy policy based on realistic fuel pricing, vigorous exploration and development of our domestic energy resources, including intensive research in new areas such as solar energy, and a greater development of the uses of coal.

These projects will take time. But there is another aspect of a good energy program that could begin today and that could help save a large portion of our valuable fuel resources—the practice of conservation.

In his new administration, President Carter has emphasized the need for national conservation.

I strongly support his emphasis and in the Senate, I have joined with Senator RANDOLPH of West Virginia in sponsoring legislation calling for a conservation crusade. I have long advocated that if the people of our Nation are given the facts about energy, they will respond.

Recently, I received in the mail such a response from a class of concerned biology students at Orange County High School in Orange, Va.

Their letter includes recommendations for saving energy in the kitchen, the laundry, the family room, and other household areas. It shows an excellent grasp of sound conservation practices based on commonsense and the need for each individual citizen to get involved.

Throughout America's history, our youth has made valuable contributions. I suggest that this document is another such fine contribution, as it represents the efforts of clear-thinking young Americans who are concerned about America's energy needs.

I ask unanimous consent that the letter and enclosure from Orange County High School, entitled "Some Energy Saving Measures," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ORANGE COUNTY HIGH SCHOOL,
Orange, Va., February 11, 1977.

Senator HARRY F. BYRD, Jr.,
Russell Office Building,
Washington, D.C.

DEAR SENATOR BYRD: Our biology class at Orange County High School has been discussing the energy crisis and we have come up with some ideas that might conserve energy.

We have put them into several categories in an attached sheet. We are writing this to you in hopes that other people might benefit from our ideas.

Sincerely yours,

Stark Smith, Ralph Carter, Reggie Lewis, Melvin Dickerson, Sarah Rogers, LaVerne Johnson, Janice Lucas, Marsha Nicklaw, Marty Wickber, Bernard Kuhl, Earl Mesimer, Tyrone Ellis, Robert Williams, S. E. Reid, Teacher.

SOME ENERGY SAVING MEASURES

FOR THE KITCHEN

1. Think about the items that you will need for a meal and then take all of those needed from the refrigerator at one time.

2. Place lids on pots and pans and use the burner which fits the size of the pot.

3. Try to make one pot meals.

4. If using the oven, attempt to cook everything needed for that meal in the oven.

5. Pre-heat the oven only 10 minutes and after use open the oven door.

6. Rinse dishes with cold water and wash dishes by hand whenever possible.

7. Use exhaust fans in the kitchen only when necessary.

8. Keep the refrigerator and freezer away from heat sources.

9. Keep grills and evaporator coils clean.

10. Use small appliances for cooking, baking, and toasting if they are more efficient than the range.

11. Use as many hand appliances as possible instead of electric ones. Example: can opener.

12. Buy appliances which use less electricity. Shop wisely. A normal refrigerator uses much less electricity than a self-defrosting one.

FOR THE LAUNDRY

1. Wash full loads in cold or warm water.

2. Line dry garments and household items when practical. When using a dryer, dry full loads and take the dry clothing out immediately. By hanging these items up quickly, you will reduce the amount of ironing needed.

3. When ironing, attempt to iron during periods when little electricity is needed. After 7 p.m. and before 10 a.m. are good times.

4. Wear clothes longer between washings and wash only when clothes need to be clean.

5. Reduce ironing to a minimum by careful selection of garments and household items.

FOR THE FAMILY ROOM

1. Turn off all lights, radio, and TV when not in use. Do not turn the radio or TV on just for noise.

2. TV sets with the advancer use electricity even when not on. Unplug the TV when you are not watching it.

3. Use an electric heater in the room or if you have a fireplace, burn wood to help warm the room.

4. Make sure the fireplace damper is closed at night so you will not lose heat up the chimney.

IN GENERAL

1. Close drapes at night and open those that are exposed to the sun during the day.

2. Use storm doors and windows if possible. If this is not possible, use plastic or newspaper to insulate your windows.

3. Shut doors to unused rooms and cut off the heat to these rooms.

4. Check the furnace annually and change filters regularly.

5. Weather strip doors and caulk windows. This will prevent a 15 to 30% heat loss.

6. Use mats under doors to keep cold air out and use cloth or towels around window sills.

WARNKE NOMINATION

Mr. McGOVERN. Mr. President, on February 8 the Wall Street Journal published an editorial which referred to Mr. Paul Warnke's association with my 1972 campaign and expressed doubts—on that basis and others—about whether Mr. Warnke should be confirmed.

The Journal published my response to that editorial on February 22.

Because they may be of assistance to my colleagues in reaching a judgment on this nomination, I ask unanimous consent that both of these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Feb. 8, 1977]

JIMMY MCGOVERN?

Our usual feeling is that Presidents ought to have the officials they choose, and that the Senate should reject presidential appointees only for clear cause. But the hearings starting today on the nomination of Paul C. Warnke as head of the Arms Control and Disarmament Agency are quite appropriately the occasion for a debate on the drift of President Carter's appointments to foreign policy and defense posts.

For Mr. Warnke is best understood as George McGovern's defense secretary. During the 1972 presidential campaign he was chief apologist for Mr. McGovern's plan to lop $30 billion off the Pentagon budget, along the way killing most American strategic programs without a nod toward curbing the Soviet buildup. More recently, Mr. Warnke has been an advocate of unilateral disarmament initiatives—stopping U.S. programs merely on the hope that the Soviets would follow suit.

The appointment is symbolic of what is happening with key second-tier appointments in State, Defense and the National Security Council. The top figures of Cyrus Vance, Harold Brown and Zbigniew Brzezinski bridge the middle to left of the foreign policy establishment. But Anthony Lake and Leslie Gelb at State, David Aaron at the NSC, as well as the names being floated for yet unfilled policy and research posts at the Pentagon, these are the names of the new politics. While some appointments are better and some worse, some posts are still unfilled and some lower-level officials are relative unknowns, it's difficult to avoid the impression that on foreign and defense matters we are getting a McGovernite administration.

That the nomination of Theodore Sorensen as head of the CIA fit this pattern, of course, was the underlying reason the appointment collapsed. With controversy now swirling around Mr. Warnke as well, Mr. Carter probably feels the Senate is treating him unfairly in comparison with previous incoming Presidents. But if he intended to follow the foreign and defense policies so roundly rejected by the voters four years ago, it would have been nice if he had told us so during the campaign. Since his appointments are the first real sign of a McGovernite drift in foreign policy, they naturally are the first occasion for the inevitable controversy.

Now, with regard to Mr. Warnke specifically: We doubt that his nomination is in much real danger. If this were an isolated appointment rather than part of a pattern, we doubt that it would stir controversy at all. Even many Senators who would have opposed Mr. Sorensen for the CIA will see nothing at all wrong with having an outspoken arms controller as head of ACDA. But there is one point within the responsibilities of that post on which the Senate ought to go to great lengths to reassure itself.

This is the matter of verification, or in plain English, the ability to detect Soviet cheating on any arms control agreement. That we are an open society and the Soviets a Gulag one creates an automatic imbalance in disarmament treaties. With the present treaty the Soviets have played shyster with every conceivable loophole, and in fact have been forced to admit and correct one unmistakable violation of the terms. Unless treaty language is designed to insure verification its limits will apply to the U.S. and not to the Soviet Union. Under Fred C. Ikle, verification was a principal preoccupation of ACDA.

It is greatly to be doubted that this emphasis will be continued by someone who believes in unilateral initiatives—disarmament without any treaty at all, let alone a tight one. Yet surely verification is the absolute key to any truly sound arms control agreement. And with the mounting evidence that the Soviets are doing nothing to slow their monumental buildup, verification of any arms control treaty will also be a key to

U.S. national security. The Senate ought, at the very least, to make this concern unmistakable to Mr. Warnke.

In fact, the Senate ought itself to start brushing up on verification. While it is possible the McGovernite appointments are the result of presidential inexperience, it seems increasingly likely they actually do represent Mr. Carter's policy preferences. In any event, the difference scarcely matters if the options before him are to be filtered through the single-minded bureaucracy he seems to be assembling. The Senate is likely to have a McGovernite disarmament treaty before it for ratification, and if no one in the administration has worried whether its terms allow the Russians to cheat, the Senate will have to answer that question for itself.

[From the Wall Street Journal, Feb. 22, 1977]

SENATOR MCGOVERN ON MR. WARNKE AND SALT

Editor, The Wall Street Journal:

Aside from the tiresome use of "McGovernite," as an epithet, there are several factual and conceptual errors in the Journal's editorial "Jimmy McGovern?" (Feb. 8) questioning the nomination of Paul Warnke as ACDA director and chief SALT negotiator.

First, it is in error to state that I proposed in 1972 to "lop $30 billion off the Pentagon budget, along the way killing most American strategic programs without a nod toward curbing the Soviet buildup." Anyone who has read the Alternative Defense Budget I proposed in 1972 knows that it called for reductions over a three year period, with the amount explicitly contingent upon how the Russians responded.

And the term "killing most American strategic programs" is misleading. The only element of then existing forces I proposed to retire were the older versions of the B–52, which was not really part of our strategic force anyway. Beyond that I proposed nearly $4 billion, in 1975 dollars, for investments in research, development and deployment of new strategic programs each year.

More to the current point (since Paul Warnke, not George McGovern, has been nominated for these jobs), it is both erroneous and unfair to depict Mr. Warnke as the "chief apologist" for that alternative defense posture. My arms budget recommendations were published in January of 1972, at a time when Mr. Warnke was advising Senator Muskie. Later he joined a group of distinguished and experienced arms experts—including three retired flag officers of the armed forces—to help in the fall campaign.

The only charge that can be fairly made on the basis of his 1972 activities is that he preferred me over Mr. Nixon. And if he must bear guilt by that association, the same logic would make everyone who supported the 1972 Republican ticket a "Nixonite" who is unfit, by virtue of *that* association, to hold high public office.

Nor is it sensible to be unduly concerned about the risk that Paul Warnke is likely to negotiate arms control agreements under which Soviet compliance cannot be verified. I take it that was the main concern of the Journal editorial.

But one of the most ironic twists of the current situation is that Paul Nitze, who vehemently opposes Mr. Warnke, was on the U.S. team which negotiated the SALT I agreement under which, the Journal says, the Soviet Union has "played shyster with every conceivable loophole."

The main problem with compliance has not been violations of the treaty's terms, but Soviet neglect of our own unilateral statements of understanding to which the Soviets never agreed. Mr. Warnke has been a strong critic of the practice of announcing unilateral understandings and a forceful advocate of counting upon only those terms that are included in the text of treaties to avoid confusion over who has agreed to what.

In any case, the question of the need for treaties which are verifiable by both sides is one of the few real non-issues between strategic hawks and doves. There are dozens of disputes over strategic doctrine and negotiating postures. But every expert that I know of on every side of the issue agrees that a treaty isn't worth much if either we or the Russians cannot tell—primarily by satellite reconnaissance and other unilateral means—whether its terms are being observed.

As practiced thus far the strategic arms limitation talks have accomplished very little—not much more of a lasting nature than the prohibition against antiballistic missile systems which both sides knew would not work or could be easily countered anyway. In my view the absence of real progress is due to the lack of any real commitment to the concept of negotiated arms control on the part of those who have had the dominant role in setting our SALT posture.

Under Presidents Nixon and Ford, there was a consistent struggle between Secretary Kissinger, who wanted the negotiations to succeed, and the Pentagon, where the main interest was in building and deploying new weaponry. The Pentagon always won. As a consequence, the SALT process was treated not as a process of bargaining toward mutual advantage, but simply as another arena in the struggle to stay ahead of the Russians.

I am not yet convinced that the Carter administration will adopt a more promising approach. Despite a change in administrations and in the top policy jobs, most of the people in the Executive Branch remain the same. The dominant tendency in the bureaucracy is toward inertia. At the very least, those who prefer the old posture have no cause to fear that their views will be inadequately represented as the crucial decisions are made.

But there is at least a chance for change. I draw that conclusion not so much on the basis of the appointments Mr. Carter has made, but because the President himself has given every indication—both before and since the election—that he is personally and genuinely committed to negotiated limits on arms. At long last, the negotiating process may be about to have a fair test.

Some might find that a fearful prospect. But they should be mindful that the real hardliners in both parties were defeated in the 1976 primaries, and that the President who represented the SALT approach we have followed since 1969 was defeated last fall. It is unseemly in the extreme for the frustration of those defeats to be taken out on Mr. Carter's nominee.

Just perhaps, the voters in 1976 were reflecting their understanding that the best route to security is not more of the same costly arms competition, but the stability of negotiated mutual restraint. And it is, after all, their ultimate right to make that choice, and to confer upon President Carter the power to assemble the team he needs to set the arms negotiating posture for the country.

GEORGE MCGOVERN,
U.S. Senate.

Washington, D.C.

GOALS ON BEHALF OF CHILDREN

Mr. HUMPHREY. Mr. President, Mrs. Helen Blank, the Washington executive director of the American Parents Committee, has provided my office with a copy of that agency's legislative goals for 1977. APC is the Washington division of the Child Welfare League of America, Inc., which has worked since 1947 in behalf of our Nation's children. The APC chairman is George J. Hecht, publisher of Parents' magazine, and a vigorous spokesman for enlightened and responsible parenthood.

I was impressed with the concern, compassion and high expectations implicit in the committee's program, and want to share it with my colleagues.

This list is an expression of a profound commitment to providing children with the care, protection, and opportunity they deserve as America's pride and its greatest resource. The condition of our children is the best measure of our national responsibility and compassion.

The concerns expressed in this list reflect the new challenges of changing social values and economic conditions.

The need for day care reflects the growing role of American women in assuming part or all of family financial responsibility.

Recognizing the crucial importance of diet to growth, development, health, and learning in the formative years, the goals include making the food stamp program readily available to all who are eligible.

Education receives priority attention, and the committee advocates a Federal effort that will insure a quality education for every American youngster, including the disabled and disadvantaged.

The APC supports the enactment of comprehensive national health insurance with universal coverage and strong cost controls. It expresses a continuing commitment to improved and expanded maternal and child health services under title V of the Social Security Act. It addresses the growing problem of unwanted pregnancies among teenagers.

In this brief paper, the APC reflects the concerns of millions of American parents. These concerns deserve a vigorous response from a new administration and a new Congress. I am pleased to include this document in the RECORD as a spur to our unfinished efforts and unrealized aspirations in behalf of the Nation's children.

Mr. President, I ask unanimous consent that the "Washington Report on Federal Legislation for Children" be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

WASHINGTON REPORT ON FEDERAL LEGISLATION FOR CHILDREN

THE AMERICAN PARENTS COMMITTEE'S 1977 FEDERAL LEGISLATIVE GOALS ON BEHALF OF CHILDREN

These 1977 goals were approved at the January 24, 1977 meeting of the APC's Board of Directors:

(The order in which these legislative goals are listed has no significance.)

The declining economy will definitely be the major issue to confront the new Administration. Obviously, the economic health of the country has great bearing on the well-being of our children and must be the first order of priority. However, many specific child-related needs remain unmet. The American Parents Committee will continue to lobby for new legislation and increased appropriations for existing programs that benefit children. It will work to assure that another major concern of the Administration—reorganization—is directed to re-

flect the best interests of children. We have set the following goals for the organization in 1977:

Younger Americans Act: APC supports the creation of an Administration on Children and Youth to serve as an advocate for children within the Department of Health, Education, and Welfare. The Administration on Aging has sucessfully highlighted the needs of the elderly within HEW and we feel that a similar Agency is warranted for children. Too many of the programs for children and youth are spread throughout the Department and have little overall voice or impact. APC will support legislation creating this Administration and necessary appropriations.

Day Care and Child Development: The introduction and hearings on the Child and Family Services Act of 1975 by Rep. John Brademas and Senator Walter Mondale is to be commended. APC hopes that another Senator will choose to sponsor this or a comparable bill, now that Mondale is Vice-President, and that Rep. Brademas will reintroduce the Act in 1977. We believe, however, that this legislation requires certain changes and modifications, especially in the amount of money available. However, we shall continue to work vigorously on behalf of legislation that will provide universally available, high quality day care development programs to all who request them. Such legislation should: (1) meet high quality Federal standards, which shall be enforced, (2) make services available to all who need and request them, (3) avoid such approaches as vouchers or other systems that would enable funds to go to private, for profit groups, (4) be operated as a public utility, (5) utilize existing facilities and personnel on a full-time, year round basis, (6) provide education for parenting and homemaker services, (7) include parental involvement, and (8) provide the necessary funds to accomplish these purposes.

Child Welfare Services: Child welfare services have a unique role to play in the protection and furthering of the well-being of children. As such the federal and state child welfare services programs must be strengthened and maintained as a distinctive function with their own leadership, standards, and financing. The APC will actively pursue initiatives in the field of foster care, adoption, and other child welfare services. We shall work for legislation that supports the principles adopted by the National Council of Organizations for Children and Youth in its Adoption/Foster Care Cluster. Specifically these include the protection of children in jeopardy, no discrimination in services because of economic status, the adoption of case review systems, Federal support for adoption information exchange programs, guarantees of the confidentiality of records, uniform adoption subsidies to be vested in the child, including Medicaid benefits for pre-existing conditions, training for child welfare workers, adoptive parents, and post placement counseling. We also support legislation to permit voluntary placement of children in foster care with Aid to Families With Dependent Children (AFDC) funds with the consent of parents or guardian. We believe that the change in Administration offers us a new opportunity to examine and correct the whole system of foster care, adoption, and other aspects of child welfare.

Food and Nutrition Programs: Last year's long and bitter food stamp battles were not resolved legislatively. In 1977, the authorization for the existing programs is due to expire. New legislation should not lower the level of benefits for present participants. The APC will strive for a program that reduces administrative complexity so that it is readily available to all who are eligible. We will continue to monitor school lunch and child nutrition programs to ensure that regulations and program guidelines are consistent with Congressional intent.

Social Services Amendments—Title XX: The APC will work for increased appropriations for social services. We will also endorse legislative changes, including those necessary to improve outreach as recommended by the Hecht Institute's Special Report on Title XX.

Family Planning: President Carter's support of family planning is heartening. The right of families to plan for and space the number of children they desire is a fundamental goal of the APC. We have urged in the past, and will continue to support, increased appropriations in this field. APC will support the development of a range of safe and effective means of family planning and contraceptive methods including the use of Federal funds for abortion, and the comprehensive availability of all methods to enable families (including minors) to achieve their family size goals.

Public Education: With shrinking financial resources at the State and local levels and increasing taxpayer resistance, the APC believes, with the National Education Association and other education organizations, that the Federal government must assume its obligation to provide adequate funding for public schools. The Elementary and Secondary Education Act should be renewed and additional appropriations provided, especially for Title I. The Federal government has a demonstrable national interest in providing quality education for all. The APC continues to support existing categorical aid programs, such as compensatory education, innovative services, vocational education, higher education, assistance to the handicapped and gifted, bilingual and Indian education. It also urges that the appropriate committees hold oversight hearings on the administration of these categorical aid programs and on the enforcement of antidiscrimination requirements in Federally assisted programs under Title VI of the Civil Rights Act of 1964. Full funding should be sought for PL 94-142, The Education for All Handicapped Children Act.

Supplemental Security Income (SSI) for Children: APC was pleased with the passage in the 94th Congress of improvements in SSI. We will continue to work for improvements and increased entitlements in this program. Additional outreach activities remain to be mounted to assure that families of eligible disabled children in their own homes are advised of their rights to SSI and assisted in applying for benefits.

Handicapped Children: The APC will encourage Congress to hold hearings on the problem of the tragic mislabeling of handicapped children. Hearings should focus on the recommendations of research on testing, labeling, and evaluation, such as the Hobbs Project on Classification of Exceptional Children. We are also concerned with research in and promotion of measures to prevent handicaps. An important concern of the APC is improved programs of education, treatment, and vocational rehabilitation for handicapped children.

Aid to Families with Dependent Children: Some effort at welfare reform may be on this year's Congressional agenda. Any income assistance plan must assure that children and families in no State receive less than the current aggregate of benefits from all programs for which they are presently eligible and that an adequate minimum level of benefits be mandated. Parents must retain the right to refuse work or training if, in their judgement, any child under 6 or any handicapped or developmentally-disabled child requires their care and supervision. Parents of children under 6 should also have the right to refuse work or training if day care facilities are not in compliance with Federal Interagency Day Care Requirements. The APC strongly believes that reform must include the eligibility of all otherwise eligible pregnant women from the date of conception of their first pregnancy.

National Health Insurance: The APC is committed to the enactment of comprehensive national health insurance. It endorses an approach to national health insurance which features universal coverage, Federal administration, strong cost control mechanisms and improved ways of delivering health services, including appropriate mental health services. The APC believes that any legislation must include services to pregnant women, infants, and children as well as the full range of contraceptive and family planning services. APC will strive to ensure that appropriate services, including appropriate and adequate coverage for mental health services, offered by qualified non-medical providers are provided under any plan. Not only must there be a focus on enacting national health insurance, but the APC will also continue to work for adequate children's health programs such as Title V projects.

Children's Health Programs: The APC strongly believes in enhancing existing Federal programs in the area of children's health. Specifically, we are committed to the extension of the Title V Maternal and Child Health program. Only 2 States are currently offering all mandated services and nationwide 83 projects exist where 253 are required. The previous Administration severely restricted the staffing of this program over Congressional objections. We shall work with the new Administration to restore the necessary staff positions.

The APC also believes that programs for children under Title XIX, The Early Periodic Screening, Diagnosis and Treatment program (ESDT), offers the best hope for preventive medicine for children. We shall continue to work with the Administration to ensure that this program is in place in all States and will work with Congress on any necessary legislative changes. We view with favor any attempt to ear-mark funds for children in broad range health programs.

Teenage Pregnancy: Teenage pregnancy is rapidly becoming a major public health and welfare issue, and indicates the need for appropriate sex education and family life education for young persons. Teenage pregnant mothers are in high risk situations. The number of teenagers giving birth is continuously rising. Teenage pregnancy often produces low-birth-weight babies whose chances of breaking the poverty cycle are lessened by inadequate pre- and postnatal care. The bleak future of their young mother further stymies the infant's chances for normal development.

Juvenile Justice and Delinquency Prevention: We will work to ensure the integrity of the Juvenile Justice Act and to increase its appropriations. APC will also strive to see that States and local governments are held accountable for the implementation of the law with regard to prevention, diversion from the traditional juvenile justice system, and alternatives to inappropriate institutional care. APC would support transferring the Juvenile Justice Program from LEAA in a governmental reorganization scheme.

Child Labor: The APC has long advocated protective child labor legislation. Attempts have been made in the past, and will likely occur again, to exempt some areas from the provision prohibiting children under 12 from working in the fields. We shall oppose all such moves. Strict enforcement by the Department of Labor is necessary and we will work to see that they enforce the law.

Youth Camp Safety: In 1976, the Senate failed to pass legislation to allow grants for the establishment of Federal standards and Federal enforcement of standards for summer and youth camps. The House did pass such a bill and APC strongly supported it. We believe that high standards must be in

place in camps as children are away from home for considerable periods of time, often in potentially hazardous situations. APC will work for this item again in 1977.

Unemployment Insurance—Several states now provide an additional children's allowance for unemployed workers with children. The APC feels that this is an important concept to support as it recognizes the extra financial burden that families must bear. We will encourage Congress to mandate all states to adopt similar provisions.

Appropriations: With reorganization a key item for the Administration, APC will work to ensure that any new organization of services does not result in any diminishing of efforts on behalf of children. We will continue to oppose any plan to turn health, education, social services, and child nutrition into bloc grants with diminished Federal standards. APC urges that fiscal 1977 appropriations provide full funding for children's services. Increased monies for Child Welfare Services under Title IV-B of the Social Security Act is a must if the nature of the program is not to be further distorted. APC supports cost of living increases under Title XX so that adequate services can be delivered by communities.

The United Nation's Children's Fund: The APC supports the request to the State Department, by UNICEF's Executive Director, for a U.S. contribution of $25 million to UNICEF in the government's fiscal 1978 (which began on October 1, 1977). This requires Congressional enactment.

SUPPORT FOR PAUL WARNKE

Mr. CLARK. Mr. President, on Monday, the distinguished chairman of the Committee on Foreign Relations introduced into the RECORD a substantial volume of mail and articles regarding the nomination of Paul C. Warnke to be director of the Arms Control and Disarmament Agency. This nomination, plus Mr. Warnke's nomination to hold the title of ambassador so that he can head the U.S. team at the SALT negotiations, was reported out favorably by our committee on Tuesday by an overwhelming majority. Later in the day the Senate Armed Services Committee heard testimony from Mr. Warnke, further spelling out his views in this area vital to our security. As the material introduced by Mr. SPARKMAN shows, a wide range of experienced and knowledgeable persons, ranging from former ACDA Director Gerald C. Smith to former Secretaries of Defense Robert S. McNamara and Clark M. Clifford, went on the record in support of his nomination. I was particularly impressed by the lists of supporters who belong to the American Committee on United States-Soviet Relations: a moderate, balanced group particularly knowledgeable on the Soviet Union.

Mr. President, my attention has been called to yet another list of distinguished supporters of Mr. Warnke. Encouraged by Gerard C. Smith and William C. Foster, two former Directors of the Arms Control and Disarmament Agency who were also chief SALT negotiators, by Adrian Fisher, a Deputy Director of ACDA, and former Undersecretary of the Air Force, Townsend Hoopes, 41 distinguished American citizens with personal knowledge of Mr. Warnke, from many walks of life, have warmly and unequivocally endorsed the President's choice.

The statement endorsed was:

The President chose very well in nominating Paul C. Warnke as his chief arms negotiator and as Director of the Arms Control and Disarmament Agency. Mr. Warnke is a man of integrity, character, and high ability. He would bring a wealth of relevant government and professional experience to these responsibilities.

Other signatories, followed by present or relevant former positions held are:

1. J. W. Fulbright, former Chairman of the Senate Foreign Relations Committee.
2. John Sherman Cooper, former Member, Senate Foreign Relations Committee.
3. Peter Peterson, formerly Secretary of Commerce, under President Nixon.
4. Charles Yost, former Ambassador to the United Nations under President Nixon.
5. Rev. Theodore Hesburgh, President of the University of Notre Dame; Vice Chairperson of the civic organization, New Directions.
6. David Cohen, President, Common Cause.
7. Harold M. Agnew, Director, Los Alamos Scientific Laboratory; former Chairman General Advisory Committee, Arms Control and Disarmament Agency under Presidents Nixon and Ford.
8. McGeorge Bundy, former National Security Adviser to President Kennedy.
9. William Colby, Director of the Central Intelligence Agency under President Ford.
10. Arthur Dean, U.S. Ambassador to the Eighteen Nation Disarmament talks.
11. Thomas Finletter, Former Secretary of the Air Force.
12. Lieutenant General Royal B. Allison, retired, former Member of the SALT negotiating team.
13. Vice Admiral John Marshall Lee, retired, former Commander of the Eastern Sea Frontier; former Vice Director, International Military Staff, NATO Military Committee.
14. Leonard Woodcock, President, United Auto Workers.
15. Barry Zorthian, Vice President for Governmental Affairs, Time, Incorporated.
16. Lucius Battle, former Deputy Executive Secretary, NATO.
17. John Knowles, President, the Rockefeller Foundation.
18. Alain Enthoven, former Assistant Secretary of Defense for Systems Analysis.
19. Thomas Hughes, former Director of Intelligence and Research, Department of State; President, Carnegie Endowment for International Peace.
20. Arthur Krim, former Chairman, Democratic National Finance Committee; former Chairman, Democratic Advisory Council Elected Officials.
21. Sargent Shriver, Attorney and former Ambassador to France.
22. Franklin A. Long, former Assistant Director, Arms Control and Disarmament Agency.
23. Herbert Scoville, Jr., former Deputy Director for Science and Technology, Central Intelligence Agency.
24. Francis Bator, former Deputy National Security Advisor to President Johnson.
25. Benjamin Read, former Executive Assistant to Secretary of State Dean Rusk.
26. Alfred Hayes, President, Federal Reserve Bank of New York.
27. James L. Ferguson, President, General Foods Corporation.
28. Robert Barnett, former Deputy Assistant Secretary of State for East Asian and Pacific Affairs.
29. Parker Thompson Hart, former Assistant Secretary of State for Near Eastern and South Asian Affairs.
30. Leonard Meeker, former Ambassador to Romania and Legal Adviser to the Department of State.
31. Arthur Okun, former Chairman, Council on Economic Advisors.
32. Spurgeon Keeney, former Assistant Director for Science and Technology, Arms Control and Disarmament Agency.
33. Tony T. Dechant, President, National Farmers Unions.
34. Paul Ignatius, former Secretary of the Navy.
35. Marvin L. Goldberg, former Chairman, Strategic Weapons Panel, President's Science Advisory Committee.
36. Adam Yarmolinsky, former Special Assistant to the Secretary of Defense.
37. Peter Barton Hutt, former General Counsel, Food and Drug Administration.

Mr. CLARK. Mr. President, I ask unanimous consent that an additional list of 30 distinguished citizens who have endorsed Paul C. Warnke be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

SUPPORT FOR WARNKE GROWS

Joining the 41 Americans who endorsed Paul C. Warnke earlier this week (February 22, 1977 release above) were the following 30 distinguished citizens:

1. W. Averell Harriman, former Governor and Ambassador.
2. Arthur Goldberg, former Justice of the Supreme Court and Ambassador to the U.N.
3. George W. Ball, former Under Secretary of State.
4. Harlan Cleveland, former Ambassador.
5. James E. Akins, former Ambassador.
6. George B. Kistiakowsky, the Presidential Science Adviser to President Eisenhower.
7. William Bundy, Assistant Secretary of Defense for International Security Affairs.
8. Herbert F. York, former Director, Defense Research and Engineering, Department of Defense.
9. Jerome Weisner, president, Massachusetts Institute of Technology; former National Science Adviser.
10. Carl Kaysen, former Deputy National Security Adviser to the President.
11. Sidney Drell, former Chairman, Panel on Strategic Weapons, President's Science Advisory Committee.
12. Glenn T. Seaborg, former Chairman, Atomic Energy Commission.
13. Philip Farley, former Deputy Director, Arms Control and Disarmament Agency.
14. Abraham S. Goldstein, Dean, Yale Law School.
15. James MacGegor Burns, Historian, Williams College.
16. George W. Rathjens, former Deputy Director, Advanced Research Projects Agency, Department of Defense.
17. Burke Marshall, Deputy Dean, Yale Law School; former Attorney General for Civil Rights.
18. Jack P. Ruina, former President, Institute for Defense Analysis.
19. Samuel Huntington, former Chairman, Harvard Government Department.
20. Archibald Alexander, former Assistant Director of the Arms Control and Disarmament Agency.
21. Donald Hornig, former chairman, Office of Science and Technology.
22. Harvey Brooks, Dean Emeritus, Harvard School of Engineering.
23. William Gaud, former Administrator of AID, Department of State.
24. Robert V. Roosa, former Undersecretary for Monetary Affairs, U.S. Treasury.
25. Franklin A. Lindsay, former Chairman of the Board, Itek Corporation.
26. James P. Grant, President, Overseas Development Council.
27. Harry S. Ashmore, Senior Fellow, Center for Study of Democratic Institutions.
28. Lloyd Cutler, lawyer; former Executive Director of the National Committee on the Causes and Prevention of Crime.
29. Leon Shull, Director of Americans for Democratic Action.
30. John J. Gunter, Executive Director, U.S. Conference of Mayors.

PROBLEMS OF AMERICAN FOREIGN POLICY—1977

Mr. SPARKMAN. Mr. President, for reasons ranging from good luck to the solid accomplishment of the Ford administration, the new administration faces many problems but few if any crises in our foreign relations. Most of these problems—including the arms race, the Middle East, Africa, and uncontrolled population growth in the third world—have ample potential for becoming crises—crises indeed of the first order—if they are not acted upon intelligently and in a fairly short time. But because they do not require the instantaneous response of a war or confrontation, they allow us time to develop sound and rational policies—and little excuse for failing to do so.

In this enterprise important roles must be played by both the Executive and the Congress. President Carter has made known his receptiveness to congressional advice in the making of foreign policy, and although it is our constitutional duty to attend the foreign policymaking party even if we have to muscle our way in, it is nice to be invited. In that spirit I rise today, Mr. President, to offer once again some thoughts on American foreign policy—on the problems which seem most pressing, and on approaches toward resolving them.

Before I turn to regional and substantive issues, a word seems in order on process: As we have discovered many times in our history—most recently during the Vietnam war—no policy can be successful, or long sustained, if it does not command public support. Experience also indicates that policies which will command—and deserve—public support are usually the product of a certain kind of partnership between the Executive and Congress. I emphasize a certain kind of partnership—one in which each branch exercises its authority vigorously and responsibly, while also showing scrupulous respect for the authority of the other.

In the years between the Second World War and the Vietnam war the Executive asserted steadily expanding power over foreign relations. Two full-scale wars were fought without bona fide congressional authorization, and in both of these conflicts—Korea and Indochina—public and congressional support steadily ebbed away as the wars dragged on. During this period Presidents also fell into the habit of circumventing or ignoring the Senate's treaty power in the making of international agreements. At the end of the Ford administration it remained the official position of the State Department—as stated by its Legal Adviser—that the President has independent constitutional authority to enter into international agreements and that the choice of instrumentality—treaty or executive agreement—lies exclusively with the President, except insofar as he is inhibited by established customs and practices.

On the other side of the ledger, Congress over the last 10 years has taken a series of actions to reclaim its atrophied powers. The War Powers Resolution of 1973 has not, happily, been put to a major test, but by requiring the President to consult with Congress before committing the Armed Forces to hostilities, and by limiting any unauthorized use of the Armed Forces to 60, or at the most 90, days, this new law seems a reasonable and effective means of restoring to the Congress, at least partially, the authority over war and peace vested in it by the Constitution. The Case Act of 1972, which requires the submission of all executive agreements to Congress for its information, is useful as far as it goes, but that is not very far. In the summer of 1976 both the Senate Foreign Relations Committee and the House International Relations Committee held hearings on proposals to restrict the scope of executive agreements, but the issue is yet to be resolved.

In still other areas—those coming closer to the day-to-day conduct of foreign policy—I believe that the Congress may be pressing too far in its reassertion of power. It seems to me, for example, that the right which Congress has given itself to veto major arms sales has been asserted in certain instances with insufficient regard to broader political issues, and with mischievous consequences for our relations with the countries involved. I am skeptical too of an overzealous concern on the part of Senators or Congressmen with the internal affairs of friendly countries, especially when no commensurate concern is shown for the internal practices of adversaries.

I hope—and strongly urge—that the new administration and the 95th Congress will develop a constructive partnership in the making of foreign policy. I would urge the administration to recognize the authority of Congress to pass upon—and not merely be notified of—major international agreements. I would urge the administration to keep the Congress—or its appropriate committees—fully informed of foreign policy developments, and also to consult fully with Congress in advance of major decisions. For our part as Senators, I reiterate the advice I offered my colleagues a year ago, that "Our proper stance toward the executive is one of judicious independence—skeptical perhaps but friendly, with a continuing awareness that while powers in our system can be separated, the national interest cannot."

Turning now to some of the global issues faced by the new administration and the new Congress, we find once again at the top of the agenda the problem of stabilizing the peace between the nuclear giants. A year ago, in a similar tour-of-the-horizon speech, I expressed optimism that a sound compromise on strategic arms limitations might be in the making. I regret that my optimism turned out to be unfounded, due in part no doubt to the intractability of the issue, but also because of the pressures and distractions of the election year. In November 1974 President Ford and General Secretary Brezhnev agreed at Vladivostok on an overall ceiling for each side of 2,400 missiles and bombers, including 1,320 with multiple warheads. Agreements were subsequently reached on specific issues, but the talks became stalemated over the question of controls on the American cruise missile and the Soviet Backfire bomber. Meanwhile the arms race has proceeded apace, with rapidly rising costs for both sides, as we draw closer to the expiration of the SALT I interim agreement on October 3, 1977.

I think it no exaggeration to say that the conclusion of a new strategic arms agreement qualifies as one of the two or three top priorities of our foreign policy. Soviet intentions are unclear and much debated, but there is no better way to clarify them than by putting the Russians promptly to the test of their own conciliatory words. Two days before Mr. Carter's inauguration General Secretary Brezhnev expressed Soviet willingness to join the new American administration in "a major new advance in relations," calling specifically for the early conclusion of a new SALT agreement based on the Vladivostok accord.

Time will not wait,

Mr. Brezhnev said:

and the conclusion of the agreement must not be postponed.

President Carter replied promptly and emphatically, calling in an interview on January 24 for "a fairly rapid ratification of the SALT II agreement." In subsequent statements President Carter has reiterated his call for an early SALT agreement, suggesting that it might be achieved by setting aside for the time being the difficult Cruise and Backfire issues. Further, the President said on January 24—and this is most encouraging—he would like to move very quickly toward "a much more substantive reduction in atomic weapons as the first step to complete elimination in the future."

Specialists in Soviet affairs are hotly debating the scope and intentions of the current Soviet military buildup. Some say the Soviets are striving for strategic and conventional military superiority, others that they are merely trying to catch up with the United States. Surely the way to resolve this issue is not by assuming the worst and plunging into an accelerated arms race, thus assuring that the worst will indeed come to pass, but rather by putting the Soviets to the test of their own conciliatory words, as President Carter has indicated he intends to do. If it becomes evident that the Soviets are not serious about a new SALT agreement, or seek an agreement so loose and limited as to leave them free to bid for a politically intimidating strategic superiority, we will of course have to respond in kind.

That, however, must be a last resort, partly because of the enormous expense of an accelerated strategic nuclear arms race, but even more because of the terrible threat to world peace. Former Secretary Kissinger stated the essence of the matter in his farewell appearance at the National Press Club. He noted—

The term "supremacy," when casualties will be in the tens of millions, has practically no operational significance, as long as we do what is necessary to maintain a balance.

Conventional military strength and tactical nuclear forces in Europe pose a different set of problems. The current Soviet conventional military buildup may be no more than the culmination of a long-term program, or it may have more to do with unrest in Eastern Europe than

with the specific intent to threaten NATO. Another possibility is that it is designed for the political intimidation of Western Europe, or more specifically for strengthening the hands of Communist parties in such countries as France and Italy. The motives of the Soviet buildup are uncertain, but the fact of it apparently is not. Under these circumstances, and with the marathon talks on "mutual and balanced force reductions" stalled, it would seem most unwise for the United States to consider any unilateral reduction in our present force level of 300,000 troops in Europe. Vice President MONDALE was right on the mark, in my judgment, in advising the NATO Council that the United States will sustain and even increase its commitment to NATO and will withdraw troops, or otherwise agree to reducing NATO defense capabilities, only through a negotiated agreement with the Warsaw Pact nations for mutual force reductions.

I would add two important qualifications: First, the United States cannot be expected to sustain—nor could Congress be expected to support—a high or increasing level of support for NATO unless our European allies make a commensurate effort. Collectively, the European NATO nations dispose of substantially greater resources and manpower than the Soviet Union, and it is, after all, their territory not ours which is immediately affected by the Soviet buildup. Our security is linked to theirs, and is indeed inseparable, but the day has passed when the United States could or should accept more than its fair share of the common defense responsibility of the West.

Second, even if we do find it necessary to increase our support for NATO for the time being, let us never lose sight of our broader objective, which is to create the conditions in which we can safely reduce, and not expand, our military effort. The issue is as much one of attitude as of actions taken. When we find it necessary to increase rather than decrease military strength and expenditures, the occasion should be regarded not as an advance for our policy but rather as a diversion or a tactical retreat. If a new SALT agreement can be concluded fairly quickly, as President Carter hopes, the atmosphere should then be much improved for a new initiative toward mutual force reductions in Europe. That is where our major emphasis must lie—not upon stepping up our rivalry with the Russians but upon reducing that rivalry as soon as possible and in every possible way. Our basic aim, let it never be forgotten, is not confrontation but détente. It is more important to get along with the Russians than to have confrontation and a resumption of the cold war in which we indulged for so many years.

That is the clear and laudable intent of our new President's strong initiatives toward ending all nuclear tests and curbing nuclear proliferation. Prior to this year the U.S. position has been one of receptiveness to a comprehensive test ban provided that it was adequately verified, whereas the Soviets have called for a comprehensive test ban but they would exempt peaceful nuclear explosions—a clear distinction but a dubious difference, since the experts agree that peaceful nuclear explosions can have military uses and may indeed be used to disguise military tests. Against this background President Carter has taken a long step forward with his assertion, on January 24, that he "Would like to proceed quickly and aggressively with a comprehensive test ban treaty," and further, that he is "In favor of eliminating the testing of all nuclear devices, instantly and completely."

The new administration has also taken a strong early lead toward curbing the spread of nuclear weapons capacity. President Carter has called for international controls to stop all exports of fuel enrichment and reprocessing technology which can produce weapons-grade plutonium. The Ford administration apparently persuaded France to back away from the proposed sale of a reprocessing facility to Pakistan, and according to press reports, Vice President MONDALE has impressed upon Chancellor Schmidt of West Germany the Carter administration's unalterable opposition to West Germany's prospective sale to Brazil—a nonsignatory to the nuclear nonproliferation treaty—of complete enrichment and reprocessing facilities. Following upon these laudable initiatives I would urge the administration and Congress to move quickly and cooperatively to adopt new legislation setting forth strict standards for nuclear exports, not only for ourselves but to be urged upon other nuclear suppliers as part of a new international agreement.

It is probably too late to prevent the further spread of nuclear weapons in the world. The genie is out of the bottle, and the technology can be developed even when it cannot be purchased. We must try nonetheless to conclude an international agreement prohibiting the transfer of enrichment and reprocessing technology to countries which do not now possess nuclear weapons. If we cannot realistically hope to prevent altogether the further spread of nuclear weapons, we must still do all we can to restrain and retard it. A nuclear world—we must never permit ourselves to forget—is a destabilized world, and if it is beyond our resources to control this over time, there is much to be said then for playing for time, and in the time gained to work and hope for breakthroughs to greater awareness of the awful, common danger which threatens mankind.

Another problem confronting the new administration—as complex in its morals as in its political implications—is the problem of economic and military assistance and arms sales abroad. Two basic dilemmas are involved: One is that some of the countries to which we sell or give arms and economic assistance, although friendly to the United States, are hostile to each other; the other dilemma is that certain of these countries, although conducting foreign policies which are compatible with our own, engage in internal practices which are offensive to our standard of human rights.

The new President has said that he will seek to curb future arms sales and that he will review proposed sales personally. This is all to the good, but beyond that the President and Congress must cooperate in devising means of resolving the two basic dilemmas I have cited. I assume that we will wish to reconcile as best we can, the conflicting interests involved and not go all out for one or the other. Some of the discussions thus far has been less than illuminating for lack of appreciation of the need to strike a balance between genuine but not wholly compatible national interests.

Proposals to stop certain arms sales to Arab countries, for example, have been based on an entirely proper concern for the security of Israel, but have shown insufficient concern for the security of the Arab countries concerned—countries whose friendship is important to the United States. Similarly, objections to our military sales to Iran have been made on grounds of reported violations of human rights in that country as well as of extravagance and excessive American involvement. All of these objections may be well-founded in one degree or another, but they fail to take account of Iran's genuine security needs as a neighbor of the Soviet Union, and also of Iran's value to the United States as an ally—and incidentally as a supplier of oil to Israel as well as to the United States.

I hope—and trust—that in its evaluation of these difficult issues, the new administration will avoid the extremes of indifference to human rights on the one side and sanctimonious meddlesomeness on the other. I hope too that it will avoid the tendency—so conspicuous in the United Nations and other places—to apply a double standard as between human rights violations in Communist and non-Communist countries.

It is noteworthy that the first initiatives by the new administration in this field have been statements condemning denials of fundamental freedoms by the Soviet Union and Czechoslovakia in violation of the Helsinki agreement. My own view is that condemnations of the internal practices of other countries should be expressed with restraint and only under unusual circumstances, but when protests are lodged, it should be in an evenhanded way as between allies and adversaries. I would not have us pontificate against Communist totalitarianism while exonerating the practices of non-Communist dictatorships. But neither would I have us condemning the unquestioned deprivations of freedom in Korea, Brazil, or Chile without taking note of the more thoroughgoing totalitarianism of most Communist countries, to say nothing of the reported draconian cruelties of the new regimes in Cambodia and Laos.

On the whole it is usually unwise—and even more usually ineffective—to attempt to reform the domestic practices of either allies or adversaries. That is surely one of the major lessons of the Vietnam war. Committed as we are to freedom in the world, we cannot extend our aid or sell our arms in wholesale disregard of the way governments treat their own people, but the primary consideration must remain security of the United States, its allies, and its friends, and the maintenance of world peace.

I would also urge the new administra-

tion to develop an aid and arms sales strategy which evaluates each transaction in the context of broader political issues and in relation to other aid and sales programs in the same region. Arms sales to Saudi Arabia, for example, must be evaluated in several political contexts: the Arab-Israel conflict, Saudi Arabia's relations with Iran, Saudi security needs with respect to neighboring Arab States such as Iraq, and our own growing dependency on Persian Gulf oil. Similarly, every sale or gift of arms to one country must be evaluated in relation to arms transactions with other countries in the same region. Arms sales to Arab countries, for example, must be evaluated in relation to what we have already provided to Israel, and also in relation to any new Israeli requests which are likely to be precipitated by a particular sale to an Arab country. Similarly, when we consider, for example, providing Israel with an advanced new aircraft, we ought also to anticipate the consequent air defense needs of Jordan or Saudi Arabia.

It is unsound policy, in my judgment, for the executive to sell or give arms, or for Congress to exercise its veto power over arms sales, in a discriminatory way. Strive as we must to divest ourselves of the unenviable role of "arms salesman to the world," we must also take care that our arms aid to one friendly country does not have the unintended effect of jeopardizing the security of another friendly country. With such considerations in mind, the Foreign Relations Committee last fall adopted by unanimous vote a resolution calling upon the executive branch to submit to Congress no later than April 15, 1977, a "comprehensive proposal for the guidance and regulation of arms sales to foreign countries." I take this occasion to remind the new administration of the Congress concern, and also of the request contained in our resolution.

Turning now to some of the regional issues confronting the new administration, we may discern dangers—and opportunities—in the Middle East, Africa, Asia, and Latin America—with the Middle East, once again, in the first place—from the standpoint of our national interest—as a potential crisis zone.

In my general foreign policy speech early in the last session of Congress, I suggested that we have two vital interests in the Middle East—the survival and security of Israel and the oil and friendship of the Arabs. These interests, I suggested at that time and I now reiterate, "cannot be separated, but they can, I feel sure, be reconciled—through a general settlement based on guarantees for Israel, withdrawal from occupied territories, and self-determination for the Palestinian people."

There have been profound changes in the Middle East in the last year, and the overall effect of these changes is favorable for peace. A year ago the Lebanese civil war was raging, and the Arab nations were quarrelling bitterly with each other over Lebanon. This situation gave Israel a transient tactical advantage, but it also incapacitated the Arab nations for entering realistic peace negotiations. Since then the Lebanese civil war has been brought to an enforced end; Syria and Egypt have ended—or at least suspended—their quarrel; the PLO has been reduced militarily and brought to a new degree of realism about Israel and its own aspirations; and Saudi Arabia, under moderate but newly assertive leadership, has emerged as the effective arbiter of the Arab world.

Under these new circumstances the Arabs seem genuinely ready to negotiate a peace settlement assuring Israel's survival in return for restoration of the territories occupied in 1967. The time for peace negotiations is as propitious as it has ever been—or is likely to be. If there is no progress in the fairly near future, it is a safe prediction that the current unity of the Arabs will crack, positions will harden, and the Arabs will fall once again into competitive animosity against Israel.

On the Israeli side the picture is less certain. Until a new government is chosen in the election scheduled for May, the Israelis cannot be expected to enter serious, difficult peace negotiations in a renewed Geneva conference. The United States cannot of course intervene in the processes of Israeli democracy, but we can—and in my judgment should—make known our strong hope that the new Israeli Government, whatever its composition, will take a positive, conciliatory and innovative attitude toward peace negotiations with the Arabs. One hopes that Secretary of State Vance has pressed this point during his trip to the Middle East.

It would probably be unwise for the President of the United States to set forth a detailed American blueprint for a Middle East settlement. I would think it highly appropriate, however, for the President to make a public statement on an early occasion expressing our basic interests with respect to the Middle East, and perhaps also suggesting some basic principles of an equitable settlement. These basic principles—which now seem to represent a consensus among informed, moderate observers of the Middle East problem—might be summarized as follows:

First, the Arab States and also the PLO must recognize without qualification the legitimacy and permanence of Israel as a sovereign state with the right to live in peace and security within recognized borders.

Second, Israel must withdraw, within a specified period of time, to her borders of 1967, with only such modifications as may be agreed upon.

Third, the Palestinian people must be accorded the right of self-determination, either in the form of confederation with Jordan or a separate West Bank-Gaza State, according to their own free choice.

Fourth, the Arab States—including the new Palestinian State or entity—must agree to end all hostile actions or propaganda against Israel and also agree to a fixed timetable for the establishment of normal political and economic relations with Israel.

Finally, the entire settlement should be supported by solid international guarantees—including arrangements for demilitarized zones, limitations on armaments, commitments by the United Nations Security Council to uphold and if necessary defend the terms of the settlement, and if desired, an explicit American guarantee of Israel's survival and security.

Although war does not now seem imminent in the Middle East, it could very well become so if the present opportunity is allowed to pass. It would be worse than futile for the United States or other outsiders to try to impose a settlement, but as the Brookings Study Group on the Middle East advised last year, the international community can usefully offer "initiative, impetus and inducement" for peace.

Although the Middle East problem ranks first from the standpoint of our national interest, southern Africa is currently the area of most immediate danger. In the wake of the conflict in Angola and the Soviet-Cuban intervention there, the United States embarked upon a more assertive—if not theoretically new—policy of advancing both majority rule and minority rights in Rhodesia and Namibia. Our policy, as outlined by Secretary Kissinger in a landmark speech at Lusaka, Zambia, on April 27, 1976, is designed to aline the United States with indigenous African aspirations, and by so doing to resist and if possible thwart Soviet exploitation of black liberation movements.

Namibia—or Southwest Africa as it was known until recently—has a special status as a ward of the international community. It came under South African rule as a League of Nations mandate after World War I but South Africa refused to allow it to be converted into a United Nations trusteeship after World War II, and the South Africans then introduced their system of racial apartheid into the territory. In 1966 the United Nations General Assembly revoked South Africa's mandate over Namibia, and in 1971, with the concurrence of the United States, the World Court declared South African rule of Namibia illegal. Negotiations for Namibian independence between the South African Government and representatives of some but not all of the Namibian tribes and communities are currently stalemated, and it seems likely that impetus and inducement from abroad will be required to get them moving again. The official American position, as outlined by Secretary of State Kissinger in his speech to the United Nations General Assembly on September 30, 1976, is that a U.N.-sponsored conference should be convened to achieve independence for Namibia "within a fixed, short time limit."

I urge the Carter administration to proceed with this policy, taking care to remember, however, that our purpose is to advance both majority rule and minority rights, and to do so by peaceful and lawful means. The Namibian people leave a powerful claim to independence as legal wards of the United Nations. That claim is not advanced but undermined when United Nations members advocate the use of force to achieve Namibian independence. In an act of singular irresponsibility—a "political atrocity" in the Washington Post's view—the U.N. General Assembly at its recent session

adopted overwhelmingly—by 107 to 6—a resolution endorsing "armed struggle" to end South African rule in Namibia. Actions of this kind do nothing to advance the cause of Namibian independence; their real effect is to weaken and discredit the United Nations, whose Charter—as every one of the 107 members who voted for the Namibian resolution ought to know—states that—

All Members shall settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered.

The more dangerous situation for the immediate future is in Rhodesia. The Geneva talks between the white Rhodesian Government and the black leaders have broken down, perhaps irretrievably—due partly to intransigence on the part of the Ian Smith government, partly to rivalries among the black factions, and partly to Britain's lack of leverage as mediator. Unless new diplomatic initiatives are taken soon, the prospect is for continuing, probably accelerating, guerrilla warfare, with the Soviet Union—and perhaps Cuba—supporting and encouraging the militant guerrillas.

However unwelcome, the diplomatic burden now shifts again to the United States, for the simple reason—as noted by Ivor Richard, the disillusioned British mediator—that the United States has more "clout." The basic plan to which Secretary Kissinger last year gained the acquiescence of the Rhodesian authorities—calling for an interim multiracial administration to be followed by majority rule within 2 years—remains a sound objective. It is now up to President Carter to take new initiatives to advance that policy, and as noted, he does not have much time. I would suggest that at the outset President Carter reiterate the American commitment to both majority rule at a fixed date and minority rights—the latter to be guaranteed by something more solid than vague or general assurances.

Perhaps a renewed conference on Rhodesia might devise—or at least suggest—a plan for black-white economic cooperation and protection of property rights, as well as for equal political rights for all individuals regardless of race. In the immediate future it might also be advisable—as recommended by a recent Foreign Relations Committee staff report—for the United States to send a special, temporary mission to Rhodesia—not as a mark of recognition of the present regime, and surely not of approval, but for the purpose of keeping in communication with the Rhodesian authorities and also with black nationalist officials, taking any opportunities that may arise to encourage moderation on both sides.

In my foreign policy speech of a year ago I expressed deep concern with Soviet-Cuban involvement in Angola, noting the violation of international law and the dangerous precedent set by this unchallenged and successful military intervention in the civil war of a newly independent African country. I herewith reiterate that concern. There are still some 12,000 to 16,000 Cuban soldiers in Angola, financed by the Soviet Union, and they are reported to be providing the Neto government—which they helped to put in power—with crucial assistance in trying to overcome continuing guerrilla resistance. Although some Cuban forces are being withdrawn from Angola, it is fair to say that as long as Cuban forces remain on the African continent, they will remain a potentially disruptive factor in the unresolved issue of Rhodesia and Namibia.

Here again we encounter a most puzzling double standard as between our own actions and those of other countries. It will be recalled that critics here at home set up a hue and cry when President Ford asked for funds to assist the pro-Western factions in Angola, while only the feeblest protests were lodged against the far longer—and decisive—intervention of the Soviet Union and Cuba. Surely it would be a misreading of the "lesson of Vietnam" to conclude that it is wrong for the United States to intervene but not necessarily wrong for others. In any event, as the Carter administration shapes its African policy, it would do well to address itself not only to the challenges of Namibia and Rhodesia but also to the broader questions of intervention and nonintervention, of the precedents set thereby, and of the sanctity—or lack of it—of the United Nations Charter.

I pass more quickly today over two other regions of the world—Asia and Latin America—not because these regions are less important to the United States, but because I believe our policy on the whole to be on the right track in these areas and I, therefore, have no major new suggestions to urge upon the new administration.

There are times and places where the most useful thing you can do is to do little or nothing. That would seem to apply at the moment to our Far Eastern policy, where unresolved problems remain with regard to China and Taiwan, Vietnam and Korea.

I would not think there is anything we ought to do, for the time being, to alter our relations with Taiwan. The People's Republic of China maintains that it cannot establish normal relations with the United States unless we sever our security treaty with Taiwan. This, it seems to me, would be both unwise and unnecessary at this time. The Taiwanese economy is flourishing, and the Chinese and native Taiwanese seem to be living together on the island in reasonable, if less than perfect, harmony. There is no indication, moreover, of any popular desire for reunion with China. As far as China is concerned, our relations are in fact close enough to normal to accommodate both their and our national interests. I would think that we can both live comfortably enough for a while longer with liaison offices in each other's capitals, which in fact are embassies in all but name.

As to Vietnam, something of a hue and cry was raised last fall when the United States vetoed the admission of Vietnam to the United Nations because of unanswered questions over American MIA's—soldiers and airmen still missing and unaccounted for. Although it is generally desirable for United Nations membership to be universal, and although it might also be more rewarding to deal with the MIA's as a bilateral issue, it does not seem to me that our veto of last November was a matter of supreme consequence. Sooner or later—probably this year—Vietnam will be admitted to the United Nations, and eventually we will wish to establish normal relations with the new Vietnam. The latter, I daresay, will require extensive negotiations, but these should become easier as the passage of time allows the lingering animosities of the long war to begin to abate.

There have been mounting pressures in recent years for the withdrawal of U.S. Forces from Korea, where we still maintain 40,000 troops. It is now almost 24 years since the Korean war ended, and it would seem appropriate for the United States to consider anew the most appropriate means of continuing to honor our security treaty with the Republic of Korea. That commitment, in my judgment, is still justified and important, not only to assure the Republic of Korea against attack from the North, but also in the broader strategic context of our relations with Japan and the People's Republic of China. It might well be advisable, however, to redeploy our ground troops in Korea some distance back from the demilitarized zone so as to eliminate the danger of immediate, automatic American involvement in any border incidents. We might also examine the implications of a gradual, phased withdrawal of our forces, taking into account at every stage any possible threat to South Korea's security and also the attitude of Japan. I would urge indeed that any changes in the American stance in Korea be undertaken only after full advance consultation with Japan.

Turning briefly to our own hemisphere, we are confronted this year with problems involving the Panama Canal and also Cuba.

There is reason to believe—and hope—that after 12 years of unsuccessful effort we will reach agreement this year on a new treaty governing the Panama Canal. The 1903 treaty, which yielded the Canal Zone to the United States "in perpetuity" with authority to act "as if it were sovereign," has long been considered intolerable by the Panamanians, and in 1965 President Johnson committed the United States in principle to the abrogation of the old treaty and the negotiation of a new one. As negotiations are renewed in February 1977 two central objectives must be kept in mind: The need of an arrangement treating the Republic of Panama as a juridicial equal and solid guarantees that the neutrality of the canal will be maintained. Whatever specific arrangements are devised regarding the disposition of the Canal Zone and American bases and installations, our negotiators may be expected to keep in mind the negotiating guidelines enacted by the 94th Congress, which stated that—

Any new Panama Canal treaty or agreement . . . must protect the vital interests of the United States in the Canal Zone and in the operation, maintenance, property, and defense of the Panama Canal.

Also on our hemispheric agenda for 1977 is the question of relations with Cuba. In the wake of our policy of

détente with the Soviet Union and the opening to China in 1972, it became appropriate to reevaluate our political and economic boycott of Cuba. An antihijacking accord was concluded in 1973, and there have been no hijackings to Cuba since that time. The agreement, however, was denounced by Premier Castro following the terrorist bombing of a Cuban airliner in October 1976. In 1975 the United States supported a "freedom-of-action" resolution in the Organization of American States permitting member states to restore diplomatic and economic relations with Cuba as they saw fit.

I should have thought it proper thereafter to take further steps toward restoring relations but for Cuba's military intervention in Africa. Having intervened in an African civil war and secured the victory of one faction over the others, Cuba has now accomplished in an African country exactly what she tried earlier—and with less success—to do in a Latin American country. For reasons of both sound policy and respect for the United Nations Charter, the United States cannot accept or condone Cuban intervention in Africa; we should indeed make it known that we will object strongly to any further such violations of international law. Nevertheless, the new administration has indicated that it is willing to proceed toward normalizing relations, and from the standpoint of our hemispheric policy, that seems to me clearly to be the proper course of action, if for no other reason than that the policy of isolating Cuba has failed. Normalizing relations with the Castro government may not prevent "future Angolas," but it seems at least possible that it will give us the leverage for moderation which the policy of isolating Cuba has clearly failed to provide.

Finally, I would like to say a few words about the United Nations, which, like a prodigal child, is the despair but also the best hope of our foreign policy.

Our despair is fueled by the undeniable irresponsibility of the world body in dealing with many issues. I cited earlier the General Assembly's resolution endorsing "armed struggle" against South African rule in Namibia. This is an extreme example, but year after year the General Assembly has cranked out resolutions which are either patently unjust—such as equating of Zionism with racism—or hopelessly impractical—such as the various resolutions calling for radical redistribution of the world's wealth.

In addition, as also noted earlier, the Third World majority in the General Assembly apply a double moral standard in their strictures against various social evils. South Africa and Rhodesia are flayed for their racism, and Chile for its denials of human rights, but to the best of my recollection, no General Assembly resolution has ever condemned East Germany for shooting down citizens who try to escape to the West, or the new Cambodia for the regimentation of its own people.

At the other end of the spectrum the United Nations has shown itself capable of performing limited but useful peacekeeping functions. United Nations peacekeeping forces have played significant roles in policing cease-fires in Cyprus, in the Congo in 1964, and on several occasions in the Middle East. Looking to the future it is almost certain that United Nations peacekeeping forces would be required to implement a Middle East peace settlement, and it is also likely that the United Nations would participate in the establishment of new regimes in southern Africa. Looking even farther ahead, we may also find it useful and feasible some day to begin to implement the full-fledged peace enforcement powers of the Security Council which are spelled out in the United Nations Charter.

The United Nations also plays a constructive role with respect to certain social and economic issues, notably the so-called North-South dialog on economic issues and the world distribution of wealth. The Conference on International Economic Cooperation, CIEC, has been working fitfully—but on the whole constructively—in Paris on such issues as the staggering increase in international indebtedness—especially of the poorer countries—which is due largely to the multifold increase in the price of oil imports.

When the CIEC Conference resumes in April, I would like to see the United States address itself in a generous but responsible spirit to the needs of the developing countries for debt relief, financing of energy imports, and commodity price stabilization. For these purposes we must press energetically for a common strategy with the developed industrial countries and also the major oil-exporting countries—only a few of whom so far have acknowledged their extraordinary responsibility for maintaining world financial stability and heading off the real danger of a global Great Depression.

I would also like to see the United States, acting within the framework of the United Nations, take a strong new initiative this year to encourage population control programs. If the overstraining of the international financial system is the greatest short-term threat to the world economy, there can be little doubt that uncontrolled population growth is the greatest long-term threat. It is noteworthy that in the First United Nations Development Decade of the 1960's the developing countries taken together actually achieved their goal of raising annual growth rates to 5 percent, but the gain in per capita terms was more than wiped out by population growth, so that the gap between rich and poor countries actually grew wider during the 1960's.

The United Nations sponsored a World Population Conference at Bucharest in 1974, but little came of it except pious pleas and unrealistic attempts to shift the blame for economic ills from the failure of the third world countries to control population growth to the economic policies of the developed countries. Whatever merit there may be in these arguments—and I do not think there is much—it is obvious to any rational observer that no amount of aid is going to lift the burden of poverty from the third world unless effective measures are taken to curb population growth.

Accordingly, I would urge the Carter administration, acting both bilaterally and through international organizations, to establish a direct correlation between economic assistance and effective population control programs. This may seem severe, but our resources are limited and priorities must be established. It seems to me infinitely more humane to direct our aid where it will really help people rather than to places where it will be quickly buried in the avalanche of uncontrolled population growth.

Why, it may be asked, is it important for the United States to work through, and try to strengthen, an organization so faulty as the United Nations. The answer is far less in the world organization's performance than in its still bright promise for the future. The Charter of 1945 remains the only real hope we have for a system of world peace under world law in the nuclear age, and the evolving United Nations system probably represents our best hope for a world in which social and economic justice can be brought within the reach of all peoples. For these reasons I hope that the new administration will treat the United Nations whenever feasible as its preferred forum of diplomacy and also of our foreign economic policy. A renewal of American commitment is required—not to the United Nations as it is but to what it is capable of becoming.

(This concludes additional statements submitted by Senators today.)

CENTRAL INTELLIGENCE AGENCY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence have until 5 p.m. today to file the report on the nomination of Adm. Stansfield Turner to be Director of the Central Intelligence Agency.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 2 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 2 p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

SCHEDULING SENATE SESSIONS

Mr. ROBERT C. BYRD. Mr. President, I deliberately have been arranging for the Senate to convene in the afternoon rather than before noon as much as possible, and as often as possible, at 1 o'clock or 2 o'clock in the afternoon, so as to give committees ample opportunities to meet without interruptions. We also have avoided coming in on days when it was possible to do so.

I merely take the floor at this time to express the hope that committees will meet and take advantage of the opportunities during the early part of the year to conduct their business without interruptions; because as time goes on and we get deeper into the session, the Senate will have to meet earlier, and we will have to meet more often.

I am sure that the distinguished Republican leader joins me in expressing the hope that our committees can get as much work done as possible in the early part of the year; because when the fall comes, I think we will all be happy that we did as much work as we could get done in the early part of the year.

I hope for an October adjournment this year, as we had last year, and it will be difficult to have an October adjournment. It will take the cooperation of the other body, it will take the cooperation of the administration, it will take the cooperation of Senators on both sides of the aisle, and it will require working hard during the early part of the session.

I just want to call this to the attention of our colleagues, that we are doing our best here on the floor, from day to day, to accommodate committees, in the hope that in the long run it will inure to the benefit of Senators and to the benefit of the Senate.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. Mr. President, I commend the majority leader for his remarks, and I thoroughly agree with and entirely support his statements.

The majority leader should be commended—and I commend him—for the appropriate and efficient allocation of the Senate's time in the weeks we have been in session.

I point out that the Senate has quickly dealt with all matters which have been presented to it and that the calendar is virtually without any business yet to be transacted. I think that augurs well for the future efficient operation of the Senate, and I am delighted that it has developed this way.

Now that the committees are getting underway, and now that the majority and minority members of the standing and other committees are established and the agenda for the year are being set, I believe that this extra time in the mornings and early afternoons can be very useful and can advance still further the efficient operation of the Senate.

So I join the majority leader in the hope that committees avail themselves well of that time and that we will take care of calendar business promptly. I pledge to the majority leader that I will cooperate in every way to dispatch the business of this body and to adjourn as soon as possible.

Mr. ROBERT C. BYRD. I thank the distinguished Republican leader. His cooperation has been excellent, and it is much appreciated.

I believe that, as the days come and go, if committees can get into their work expeditiously, we will be able to handle floor work as rapidly as possible, and in the end the public will be served.

AUTHORITY FOR COMMITTEES TO FILE REPORTS UNTIL MIDNIGHT TONIGHT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may have until midnight tonight to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR INSERTION OF CERTAIN RECORD MATERIAL TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may have until 5 p.m. today to insert statements, resolutions, bills, petitions, and memorials in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR SCHMITT TOMORROW

Mr. CRANSTON. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on Friday, the Senator from New Mexico, Senator SCHMITT, be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2 P.M. TOMORROW

Mr. CRANSTON. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 2 p.m. Friday.

The motion was agreed to; and at 3:41 p.m. the Senate recessed until Friday, February 25, 1977, at 2 p.m.

NOMINATIONS

Executive nominations received by the Senate February 24, 1977:

DEPARTMENT OF THE INTERIOR

James Alfred Joseph, of Indiana, to be Under Secretary of the Interior, vice Dale Kent Frizzell, resigned.

Leo M. Krulitz, of Indiana, to be Solicitor of the Department of the Interior, vice H. Gregory Austin, resigned.

DEPARTMENT OF COMMERCE

Frank Alan Weil, of New York, to be an Assistant Secretary of Commerce, vice Leonard S. Matthews, resigned.

DEPARTMENT OF LABOR

Robert J. Brown, of Colorado, to be Under Secretary of Labor, vice Michael H. Moskow, resigned.

Donald Elisburg, of Maryland, to be an Assistant Secretary of Labor, vice John C. Read, resigned.

Ernest Gideon Green, of New York, to be an Assistant Secretary of Labor, vice William H. Kolberg, resigned.

Carin Ann Clauss, of Virginia, to be Solicitor for the Department of Labor, vice William Jeffrey Kilberg, resigned.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Hale Champion, of Massachusetts, to be Under Secretary of Health, Education, and Welfare, vice Marjorie Ward Lynch, resigned.

Thomas D. Morris, of the District of Columbia, to be Inspector General, Department of Health, Education, and Welfare (new position).

Mary Berry, of Colorado, to be Assistant Secretary for Education in the Department of Health, Education, and Welfare, vice Virginia Y. Trotter, resigned.

Arabella Martinez, of the District of Columbia, to be an Assistant Secretary of Health, Education, and Welfare, vice Stanley B. Thomas, resigned.

ACTION AGENCY

Mary Elizabeth King, of the District of Columbia, to be Deputy Director of the ACTION Agency, vice John L. Ganley, resigned.

COUNCIL ON ENVIRONMENTAL QUALITY

Charles Hugh Warren, of California, to be a member of the Council on Environmental Quality, vice Russell W. Peterson, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 24, 1977:

CENTRAL INTELLIGENCE

Adm. Stansfield Turner, U.S. Navy, to be Director of Central Intelligence, and to have the grade of admiral while so serving.

DEPARTMENT OF STATE

Warren M. Christopher, of California, to be Deputy Secretary of State.

AMBASSADOR AT LARGE AND U.S. REPRESENTATIVE FOR THE LAW OF THE SEA CONFERENCE

Elliot L. Richardson, of Massachusetts, to be an Ambassador at Large and the Special Representative of the President of the United States for the Law of the Sea Conference and Chief of Delegation.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE FOREIGN SERVICE

Foreign Service nominations beginning David G. Briggs, to be a Foreign Service Information Officer of Class 1, and ending Jane Daniel Wilson, to be a Foreign Service Information Officer of Class 7, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 10, 1977.

HOUSE OF REPRESENTATIVES—*Thursday, February 24, 1977*

The House met at 11 o'clock a.m.

The Reverend Mihkel Soovik, Estonian Evangelical Lutheran Church, Detroit, Mich., offered the following prayer:

Let us pray:

I lift my eyes to the hills, whence my help comes.—Psalms 121: 1.

We lift our eyes toward You, O Lord, and humbly beseech Your presence. Give us spirit of fairness, sensitivity for justice, and deep respect for rights of people.

We bring before You those nations deprived of their sovereign rights by ideological schemes and physical power. Today we remember the three Baltic countries: Estonia, Latvia, and Lithuania; especially Estonia, my former beautiful home. Give them courage, perseverence, and hope.

Mercifully look upon the President, Vice President, and the Government of our country. Guide decisions in the Senate and this worthy assembly. Bless every effort that we may be united as free and responsible people in defense of dignity and rights of humans everywhere.

In the name of suffering Jesus. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE—SUBPENA IN THE MATTER OF EDWARD A. GARMATZ

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.
February 23, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: On February 2, 1977, I was served with the attached subpoena duces tecum and the accompanying order of the United States District Court for the District of New Jersey.

The subpoena directs me to appear before the Grand Jury on February 15, 1977 and to bring with me the documents named therein, and the accompanying order of the court declares that such documents are necessary, material, and relevant to a pending criminal investigation regarding possible violations of Title 18, United States Code, Section 201. Previous to that date, an extension of time within which to comply with the subpoena was agreed to by representatives of the United States Attorney's office and a letter confirming such extension is forthcoming.

In response to the subpoena and order, the attached letter and certification were transmitted to the United States Attorney for the District of New Jersey.

Accordingly, I am hereby transmitting to you the subpoena and accompanying order of the court, together with my response to said subpoena and the certification thereto and the matter is presented to the House for such action as it deems appropriate.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

THE GOALS OF THE 95TH CONGRESS

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, as a new Member of this Congress and this House, I have been very concerned that sometimes our good intentions are not manifest in the actions taken on the floor of the House.

I hear talk about the taxpayer's taking it on the chin; I hear talk about the fact that the average workingman and woman is paying more and more in taxes. The value of their dollar is shrinking, and yet we do nothing about it.

We have a goal of attempting to balance the budget in 1980, so the administration says, but the plans that we establish to achieve that goal are very inconsistent with the objective.

Our Government must do many things for many people, and properly so—provide for our national defense, help to improve housing, help to achieve quality education, just to name a few.

However, if we destroy the private sector, we will ultimately be unable to provide services as a government, for the public sector is dependent on what the private sector provides.

So, Mr. Speaker, I would hope that we will preserve and strengthen the private sector by strengthening productivity, individual initiative and incentive. Then we will be able to deliver as a government those vital services so necessary for the well-being of all people.

PROVIDING FOR CONSIDERATION OF H.R. 11, LOCAL PUBLIC WORKS CAPITAL DEVELOPMENT AND INVESTMENT ACT AMENDMENTS

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 304 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 304

Resolved, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11) to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works and Transportation, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Public Works and Transportation now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against said substitute for failure to comply with the provisions of clause 7, rule XVI, are hereby waived. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Illinois (Mr. MURPHY) is recognized for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 304 provides for the consideration of H.R. 11, the Local Public Works Capital Development and Investment Act amendments. This resolution provides for an open rule with 1 hour of general debate. House Resolution 304 further provides that the committee substitute be in order as an original bill for the purpose of amendment.

House Resolution 304 waives section 402(a) of the Congressional Budget Act to permit consideration of this bill. Section 402(a) prohibits the consideration of bills providing new budget authority not reported by May 15 of the preceding year. Since H.R. 11 authorizes the enactment of new budget authority for fiscal year 1977, it violates the Budget Act. However, the Budget Committee has no objection to the waiver. The bill provides economic stimulus initiatives contemplated in the third budget resolution which passed the House yesterday.

The rule also waives points of order against the substitute for failure to comply with the provisions of clause 7, rule XVI, which requires all amendments to be germane. This waiver is necessary because section 5 of the committee substitute is not germane to the original bill.

H.R. 11 authorizes an additional $4 billion to the $2 billion previously authorized for fiscal 1977 in direct Federal grants for local public works projects. This bill is expected to generate 600,000 new jobs largely in the construction and related industries in areas hit hardest by unemployment.

H.R. 11 requires EDA—the Economic Development Administration—to consider an applicant's average unemployment for the preceding 12 months instead of just the previous quarter in order to take into consideration seasonal fluctuations in the unemployment rate. The bill states that projects approved

must be located in the community whose unemployment rate was used in the application for the project. H.R. 11 prohibits any project from being constructed by any State or local government through the use of its employees.

This bill makes needed changes in the present law to insure a more equitable distribution of projects and to simplify administrative regulations. This legislation will help our Nation's financially pressed communities while creating jobs for the unemployed in the construction industry. There is an urgent need for this legislation. I urge the adoption of House Resolution 304 that we may discuss and debate H.R. 11.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 304 provides an open rule with 1 hour of general debate for the consideration of H.R. 11, the Local Public Works Capital Development and Investment Act amendments. In order to expedite the amending process, the rule provides that the committee substitute will be in order as an original bill for the purpose of amendment. The rule also waives section 402 (a) of the Budget Act. This waiver is necessary since this bill was not reported in time to meet the May 15 deadline. In addition, the rule provides a waiver of clause 7, rule XVI, which is the germaneness rule. This waiver is provided because the committee substitute contains material not germane to the original bill.

H.R. 11 adds $4 billion to the $2 billion previously authorized for fiscal year 1977 in the Local Public Works Capital Development and Investment Act of 1976. The bill also makes substantive revisions in the law.

As a former member of the Budget Committee, I support the maintenance of a balanced budget that President Carter proposed and supported during his campaign for the Presidency. How soon we forget!

Mr. Speaker, the 94th Congress passed a bill authorizing $2 billion for use in local public works projects across the Nation. It is almost unanimously agreed that this initial program is not yet off the ground. Congress should now be patient enough to see what the effect this stimulus will have on our economy before rushing forward spending money we do not have and must borrow, and increase the already burdensome public debt.

Further, the urgent administration request for this legislation is based on "doom-saying" about the economy which is hard to accept when, for example, a major automobile manufacturer, always a fairly good economic barometer, can announce a larger profit in 1976 than it has had in years. I hasten to add that the observation is offered without the suggestion attributed to a former Secretary of Defense that what is good for a major automobile firm is good for the Nation. I would suggest that instead of depending on the shaky premise that an ailing economy will be assisted by a program of public works with benefits as yet unproven, we ask ourselves some serious counter questions regarding the contribution of this bill to an inflationary spiral already threatening to run out of control.

Mr. Speaker, the rule should be voted down and failing that, which I am confident will happen, the House should defeat the bill.

Mr. Speaker, I have no further requests for time and reserve the balance of my time.

Mr. MURPHY of Illinois. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appear to have it.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 384, nays 5, not voting 42, as follows:

[Roll No. 27]

YEAS—384

Abdnor	Burlison, Mo.	Evans, Colo.
Addabbo	Burton, Phillip	Evans, Del.
Akaka	Butler	Evans, Ga.
Alexander	Byron	Evans, Ind.
Allen	Caputo	Fary
Ambro	Carney	Fascell
Ammerman	Carr	Fenwick
Anderson, Calif.	Cavanaugh	Findley
	Cederberg	Fish
Anderson, Ill.	Chappell	Fisher
Andrews, N.C.	Chisholm	Fithian
Andrews, N. Dak.	Clausen, Don H.	Flippo
		Flood
Annunzio	Clay	Florio
Applegate	Cleveland	Flowers
Archer	Cochran	Flynt
Armstrong	Cohen	Foley
Ashbrook	Coleman	Ford, Tenn.
Ashley	Collins, Ill.	Forsythe
Aspin	Collins, Tex.	Fraser
AuCoin	Conable	Frenzel
Badillo	Conte	Frey
Bafalis	Conyers	Fuqua
Baldus	Corcoran	Gaydos
Barnard	Cornell	Gephardt
Baucus	Cornwell	Giaimo
Beard, R.I.	Cotter	Gibbons
Beard, Tenn.	Coughlin	Gilman
Bedell	Crane	Ginn
Beilenson	D'Amours	Glickman
Benjamin	Daniel, Dan	Goldwater
Bennett	Daniel, R. W.	Gore
Bevill	Danielson	Gradison
Biaggi	Davis	Grassley
Bingham	de la Garza	Gudger
Blanchard	Delaney	Guyer
Blouin	Dellums	Hagedorn
Boggs	Derrick	Hall
Boland	Derwinski	Hamilton
Bonior	Dickinson	Hammer-schmidt
Bonker	Dicks	
Bowen	Diggs	Hanley
Brademas	Dingell	Hannaford
Breaux	Dodd	Harkin
Breckinridge	Downey	Harrington
Brinkley	Drinan	Harris
Brodhead	Duncan, Oreg.	Harsha
Brooks	Duncan, Tenn.	Heckler
Broomfield	Early	Hefner
Brown, Calif.	Edgar	Heftel
Brown, Mich.	Edwards, Ala.	Hightower
Brown, Ohio	Edwards, Calif.	Hillis
Buchanan	Edwards, Okla.	Holland
Burgener	Eilberg	Hollenbeck
Burke, Calif.	Emery	Holt
Burke, Fla.	English	Holtzman
Burke, Mass.	Erlenborn	Horton
Burleson, Tex.	Ertel	Hubbard
Huckaby	Montgomery	Sebelius
Hughes	Moore	Seiberling
Hyde	Moorhead, Calif.	Sharp
Ichord		Shipley
Ireland	Moorhead, Pa.	Shuster
Jacobs	Moss	Sikes
Jeffords	Mottl	Simon
Jenkins	Murphy, Ill.	Sisk
Jenrette	Murphy, N.Y.	Skelton
Johnson, Calif.	Murphy, Pa.	Skubitz
Johnson, Colo.	Murtha	Slack
Jones, Okla.	Myers, Gary	Smith, Nebr.
Jones, Tenn.	Myers, Ind.	Snyder
Jordan	Myers, Michael	Solarz
Kasten	Natcher	Spellman
Kastenmeier	Nedzi	Spence
Kazen	Nichols	Staggers
Kelly	Nix	Stark
Kemp	Nolan	Steed
Ketchum	Nowak	Steers
Keys	Oberstar	Steiger
Kildee	Obey	Stockman
Koch	O'Brien	Stokes
Kostmayer	Ottinger	Stratton
Krebs	Panetta	Studds
LaFalce	Patten	Stump
Lagomarsino	Patterson	Taylor
Latta	Pattison	Thompson
Le Fante	Pepper	Thone
Leach	Perkins	Thornton
Lederer	Pickle	Tonry
Lehman	Pike	Traxler
Lent	Poage	Treen
Levitas	Pressler	Trible
Lloyd, Calif.	Preyer	Tsongas
Lloyd, Tenn.	Price	Tucker
Long, La.	Pritchard	Udall
Long, Md.	Pursell	Ullman
Lott	Quayle	Van Deerlin
Lujan	Quie	Vander Jagt
Luken	Quillen	Vanik
Lundine	Rahall	Vento
McCloskey	Rangel	Volkmer
McCormack	Regula	Waggonner
McDade	Rhodes	Walgren
McEwen	Rinaldo	Walker
McFall	Risenhoover	Walsh
McHugh	Roberts	Wampler
McKay	Robinson	Watkins
McKinney	Rodino	Weaver
Madigan	Roe	Weiss
Maguire	Rogers	Whalen
Mahon	Roncalio	White
Mann	Rooney	Whitehurst
Marks	Rose	Whitley
Marlenee	Rosenthal	Wilson, Bob
Marriott	Rostenkowski	Wilson, C. H.
Martin	Rousselot	Wilson, Tex.
Mattox	Roybal	Winn
Mazzoli	Rudd	Wirth
Meeds	Runnels	Wolff
Meyner	Ruppe	Wright
Mikulski	Russo	Wydler
Milford	Ryan	Wylie
Miller, Calif.	St Germain	Yates
Miller, Ohio	Santini	Yatron
Mineta	Sarasin	Young, Fla.
Minish	Satterfield	Young, Mo.
Mitchell, N.Y.	Sawyer	Young, Tex.
Moakley	Scheuer	Zablocki
Moffett	Schroeder	Zeferetti
Mollohan	Schulze	

NAYS—5

Badham	Clawson, Del	McDonald
Bauman	Kindness	

NOT VOTING—42

Bolling	Hansen	Oakar
Broyhill	Hawkins	Pease
Burton, John	Howard	Pettis
Carter	Jones, N.C.	Railsback
Corman	Krueger	Reuss
Dent	Leggett	Richmond
Devine	McClory	Smith, Iowa
Dornan	Markey	Stanton
Eckhardt	Mathis	Symms
Ford, Mich.	Metcalfe	Teague
Fountain	Michel	Waxman
Gammage	Mikva	Whitten
Gonzalez	Mitchell, Md.	Wiggins
Goodling	Neal	Young, Alaska

The Clerk announced the following pairs:

Mr. Teague with Mr. Broyhill.
Mr. Dent with Mr. Dornan.
Mr. Dent with Mr. Drinan.
Ms. Oakar with Mr. Krueger.
Mr. Eckhardt with Mr. Carter.
Mr. Hawkins with Mr. Hansen.
Mr. Howard with Mr. Markey.

Mr. Jones of North Carolina with Mr. Michel.
Mr. John Burton with Mr. Devine.
Mr. Mitchell of Maryland with Mr. Gammage.
Mr. Waxman with Mr. Pease.
Mr. Richmond with Mr. Leggett.
Mr. Smith of Iowa with Mr. Goodling.
Mr. Mathis with Mr. McClory.
Mr. Metcalfe with Mrs. Pettis.
Mr. Mikva with Mr. Railsback.
Mr. Fountain with Mr. Wiggins.
Mr. Ford of Michigan with Mr. Stanton.
Mr. Reuss with Mr. Neal.
Mr. Whitten with Mr. Symms.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. SISK. Mr. Speaker, on behalf of the Committee on Rules, I ask unanimous consent that it may have until midnight Friday to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, could the gentleman explain the request? What reports are to be filed?

Mr. SISK. At present, a rule has been granted by the Committee on Rules on regulation Q, which is a bill out of the Committee on Banking, Finance and Urban Affairs, which will be filed, I am sure, sometime later today.

The committee expects to complete its hearings and to file a rule on the ethics bill, House Resolution 287. Basically, as far as this Member knows, those are the two that we would expect to file under the unanimous-consent request.

Mr. BAUMAN. The gentleman has asked for midnight Friday?

Mr. SISK. Yes, that is correct.

Mr. BAUMAN. It is the understanding of the gentleman from Maryland that we are going to be in session tomorrow, anyway. I have no objection to the banking bill, but again I would like to see the form in which the Committee on Rules completes the action.

I wonder if the gentleman could just confine his request to the banking bill at this point.

Mr. SISK. Mr. Speaker, of course, I would like to have had the additional; but so far as I am concerned, I asked unanimous consent that we have until midnight tonight to file the banking bill report.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

LOCAL PUBLIC WORKS CAPITAL DEVELOPMENT AND INVESTMENT ACT AMENDMENTS

Mr. ROE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11) to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976.

The SPEAKER. The question is on the motion offered by the gentleman from New Jersey (Mr. ROE).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11, with Miss JORDAN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New Jersey (Mr. ROE) will be recognized for 30 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. ROE).

Mr. ROE. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, the bill before you today, H.R. 11, amends and increases the authorization for the Local Public Works Capital Development and Investment Act of 1976. There can be no question that an extension of the local public works program is vital to our national economic recovery. There are still some 8 million Americans unemployed today, and unemployment rates in the construction and material trades industries are still two to three times higher than that of the general economy. President Carter has recognized the need for a continuation of this program as part of the Nation's economic recovery package and has requested the full authorization of $4 billion in the revised budget request that the Congress received this week.

Madam Chairman, the success of the 1976 local public works—LPW—program clearly attests to the need and support for additional funds for public works job creation. The response to the original $2 billion appropriated last year was absolutely overwhelming: within a 6-week period over 25,000 applications were received by the EDA totaling nearly $24 billion of requested funds. The size of this response has clearly confirmed the fact that there is an enormous backlog of useful public facility projects throughout the country that can be moved forward immediately if the necessary funding is available. It is also clear that any program which has $2 billion to distribute and applicants seeking $24 billion is bound to cause disappointment. The Economic Development Administration received 12 times the number of applications which could be accommodated. Today, the EDA has on hand $20 billion in applications representing some 20,000 projects which could be approved and funded immediately. In addition, there are another 4,000 applications for over $4 billion which need some changes but could be ready for approval within a few weeks. Prompt enactment of this extension bill will enable the EDA to immediately release the additional funds for these applications already on file, and put our people back to work.

Madam Chairman, I want to emphasize that we have proven without a doubt that public works projects can be expedited with a minimum of redtape and that we can put our people back to work within a relatively short period of time. We have a delivery system in place at the Economic Development Administration that works. The projects that were funded under the first $2 billion were badly needed local public facilities—hospitals, schools, water and sewer lines, repairs on streets, roads and bridges, construction of recreational buildings, courthouses and other municipal buildings—these are all worthwhile projects that were funded under the 1976 local public works program. They were not make-work projects but projects that offered meaningful work to the unemployed and a lasting improvement to the cities and towns of our Nation.

Madam Chairman, I want to also emphasize that the reason this program has worked so well—the reason that we were able to move so quickly to implement this program—is that the Committee on Public Works and Transportation very carefully designed this program so that it could be implemented as efficiently and expeditiously as possible, avoiding the long lag time sometimes associated with public works construction. We designed this program to have an immediate antirecessionary impact on the economy. Public works projects obviously have a long term impact in the benefits they provide to a community in the repair or construction of needed public facility. But not all public works programs are designed to have an immediate impact on job creation now. Under the 1976 LPW program applications were processed in 60 days and we required that on-site labor must begin within 90 days after the project application was approved. In addition, we required that the Economic Development Administration publish its rules and regulations within 30 days. These are very significant time factors that are unique to this bill.

The job impact of this first local public works program should also be mentioned. According to the estimates of EDA of the 2,000 projects that are currently being funded, a total of nearly 300,000 jobs will be created—over 141,000 direct onsite construction jobs and an equal number of offsite jobs in the construction materials and supply industries. Based on these recent statistics, we can expect at least 600,000 jobs to be created with the $4 billion authorization under H.R. 11.

Madam Chairman the Committee on Public Works and Transportation held 6 days of hearings on the extension of the LPW program receiving testimony from more than 100 witnesses. Members of Congress, representatives of labor, State, county, and municipal government officials, environmentalists, Indian groups, and numerous public interest organizations testified to the need for this program and for increased Federal funding. Our hearings also clearly showed that a number of changes would have to be made in the 1976 act if Federal funds

were going to be targeted to the areas of highest unemploymest.

The bill before you today, H.R. 11, contains several amendments to the 1976 Local Public Works Act which address many of the problems that were raised during our hearings. These amendments will—

First, insure a more equitable distribution of projects;

Second, simplify the administration of the program by making the rules and regulations more easily understood;

Third, insure that whenever possible, local officials are given the opportunity to identify and have funded those projects which reflect their priorities and needs; and

Fourth, eliminate the gerrymandering of project areas so that program investments will be oriented more toward the areas of greatest distress.

In addition to the specific amendments we have made to the LPW program, the Committee on Public Works and Transportation through its Subcommittees on Economic Development and Investigations and Review will hold oversight hearings as the new program regulations are developed by the Economic Development Administration.

Recent articles in the Washington Post and the Washington Star have reported on a number of so-called horror stories which resulted from the inequities in the distribution of funds under the LPW program. Madam Chairman, although the stories reported by the Post and the Star did in fact take place, I do believe it is important for the record to show that the number of success stories under this program far outweigh the so-called horror stories.

Our committee's hearings clearly established that there were in fact serious inequities in the first round of LPW funding. The major problem uncovered by our hearings and reported in the recent news stories centered on an applicant's ability to gerrymander a project area under the act. A small community like Mound Bayou, Miss.—a town with a population of 2,314, an annual budget of $200,000 a year and only 217 people unemployed—was able to take in all of the unemployed labor force of surrounding communities to define its project area, thereby receiving a higher ranking on their project application. As a result of this type of gerrymandering Mound Bayou ended up with a grant totaling $4.9 million to install not one, but three public works projects. The project application from Mound Bayou consumed almost half of Mississippi's $10 million allocation, while Jackson, Miss., with an unemployment rate equal to if not higher than Mound Bayou's, received no funding at all. Under H.R. 11, the provision which allowed communities to determine their unemployment rate by including the unemployed labor force of adjoining areas, has been repealed.

All jurisdictions may either utilize unemployment statistics for their entire jurisdiction, or may draw data for an identifiable pocket or census tract contained within that jurisdiction. Such units of government may not employ statistics from an area larger than its jurisdiction. A city or town, for example, may not use unemployment data of an adjoining jurisdiction or surrounding county.

Another major problem that occurred under the 1976 program was the failure to fund applications from major cities of the Nation—like Pittsburgh and Seattle—because of the heavy weight given to per capita income in the scoring formula developed by the EDA for project rankings. In addition, many witnesses felt that the administration overacted to the problem of undue concentration of projects in larger cities, and, as a result, 45 of the Nation's 100 largest cities received no funding under this program.

The reason for these inequities can be traced to several factors. Not only were communities able to cleverly design their project area, but many communities also figured out that their chances of being funded under the 70-percent category—where funds were reserved for areas with unemployment above the national average—were much lower, than if they were funded under the 30-percent category—which was reserved for areas with unemployment below the national average but above 6½ percent. In many communities it did not take a clever grantsman long to figure out that there would be a much higher degree of competition for the limited 70-percent funds than the 30-percent funds—so the best chance a project application would have would be under the 30-percent category.

The allocation of funds as a result of the 70–30 split resulted in a serious inequitable distribution of projects. In many cases, projects were selected in areas with unemployment rates below the national average, while many other areas with rates above the national average received no projects becuse the 70-percent funds had been exhausted. The 70–30 split also resulted in cases where a wealthy suburban community received a project under the 30-percent category while the distressed neighboring central city received no funds because the 70-percent funds had already been expended in other areas of the State. Under H.R. 11, this 70–30 provision is deleted from the act so that all areas within a State will be competing against each other and only those areas with the highest unemployment will be funded. It is our intent that areas that have unemployment rates below 6½ percent would only be funded under this condition in a State where it is necessary to reach the minimum amount guaranteed to each State.

Let me comment at this point on the concerns that public educators have recently brought to my attention. As my colleagues are probably well aware, public elementary and secondary education represents a little over one-half of all local government employment and one-half of local government budgetary expenditures. In this regard, the committee was pleased to note that a substantial number of the funded projects went for the purposes of public education. The committee recognizes that many unmet education needs still exist, especially in the areas of high unemployment. Accordingly, it is clearly the intent of the committee that applications from school districts, following past procedure, be treated on the same basis as applications from units of local government. The committee does not intend section 2(e) of the bill, requiring a statement of local priorities, to give authority to other units of government to rank school district applications. Similarly, the committee specifically does not intend that Federal procedures, including any rating systems, be so devised as to give lesser priority to the applications of school districts than would be received by other units of local government. Applications for public education purposes have proved to be a very expeditious and effective method of carrying out the intent of the act. Therefore, there is no intent to lessen school district participation.

Madam Chairman, another problem that occurred under the 1976 local public works program had to do with the unemployment statistics requirements. Under the 1976 law unemployment data used in making grants was to be calculated for the 3 most recent consecutive months. The average of the 3 most consecutive months was not in many instances a representative picture of unemployment in a community and caused serious inequities in the project selection. Unemployment data for the 3 most recent consecutive months also represented seasonal or temporary fluctuations in the unemployment of a community's labor force.

Communities, such as those in the Upper Midwest or Northeast, which had low unemployment during the summer due to tourism, but had high unemployment the rest of the year were penalized due to the timing of the program. Under H.R. 11, we have amended this provision to require that unemployment data be calculated for the most recent 12 consecutive months. This data will in essence be seasonally adjusted and will eliminate many of the inequities which resulted from using unemployment data from different 3-month periods of time. The provision which allows for unemployment data to be supplied to the EDA from the U.S. Department of Labor, the States and local government is retained. We feel very strongly that a community not be denied assistance under this act because national unemployment figures are available for a local jurisdiction. In addition, we have directed the Economic Development Administration, to go directly to the States, when necessary, to obtain unemployment data for local project applications. We are aware that under the OMB's circular A–46 that Federal agencies are required to use unemployment data developed by the Bureau of Labor Statistics. However, we are also aware that the BLS does not have unemployment data for all communities that may be eligible for assistance under this program. In order that communities of 25,000 population or more received every consideration in their application for assistance under this program, the EDA must be given the flexibility to use State figures where the BLS data is not available.

Madam Chairman, another problem associated with the need for accurate and uniform measurements of unemployment in the country, is the problem of Indian

unemployment. Many inequities resulted under this program due to the large number of applications received from Indian tribes. Unemployment rates and per capita income figures calculated by the Bureau of Indian Affairs are simply not comparable to non-Indian data. In many cases, the BIA essentially counted anyone that is over 16 years of age and not working, as unemployed. With many Indian tribes having unemployment rates of 40 to 60 percent, many good non-Indian projects in communities with unemployment far above the national average, did not receive funding.

In order to correct these inequities and insure that the Indian tribes receive an equitable share in the program, H.R. 11 provides that up to 2½ percent of the funds appropriated shall be granted to Indian tribes. This provision will eliminate the competition with local non-Indian projects and will also free up additional funds for State and local governments that have Indian tribes within their borders. For the remaining States that have no Indian tribes within their borders this section is further amended to increase the minimum percentage granted to any one State, from one-half of 1 percent to three-quarters of 1 percent.

One important amendment states that the Secretary will give priority and preference in cases where building projects are competing with other building projects to those projects which will result in the most energy conserving building.

Madam Chairman, there are several other amendments under H.R. 11 which deal with the specific problems that occurred in the administration of the first round of funding. One of the purposes of our extensive hearings was to uncover those problems that did occur and seek recommendations for their solution. I sincerely believe that the bill that is before you today offers a solution to the inequities many communities faced last time around. H.R. 11 is more finely tuned to target this Federal assistance to our areas of highest unemployment. There were many worthwhile projects that were not funded under the first $2 billion, projects that were from areas of great distress, that will receive priority and funding under H.R. 11. The fact that there are so many needed public facility projects around the country, projects that are "ready to go," but have been deferred because of the inability of local and State governments to provide the necessary funding, clearly attests to the need for increased funding under H.R. 11.

It is also important that we realize that not all of the most worthwhile projects will be reached under the local public works program. For over a decade now, the Economic Development Administration has administered a program that deals with the long-term economic problems of many communities that have applied for assistance under the 1976 local public works bill. The Public Works and Economic Development Act of 1965—commonly called the EDA program—is specifically tailored to meet both short-term problems of economic dislocation as well as the longer-term problems of economic decline in communities. I want to emphasize to all our Members today that it is absolutely imperative that the EDA program receive full funding. The fact that we have consistently underfunded this vital program, year after year, is no excuse for doing the same now. The only way we are going to be able to target assistance to those areas of the country which are suffering structural unemployment problems, the pockets of poverty in the Nation, and those areas which are suffering from long-term economic deterioration as we see in our older industrial States of the Midwest and the Northeast—is by beefing up our regular EDA program. The local public works program was designed to be a countercyclical program. That is, it was designed as a short-term measure to put our people back to work as quickly as possible, particularly those construction workers who have suffered so much from the current recession.

We were pleased that many applications submitted under the first round of funding were aimed at urban conservation through rehabilitation and recycling of old buildings. These are very important to the revitalization of our urban areas and we would encourage funding of these projects under other programs such as the regular EDA program, which are designed to provide this type of renovation assistance, which is labor intensive, and provides long-term economic benefits. In my own district in Paterson, N.J., we are in the first stage of restoring a commercial district, which includes over 100 acres in the core of the city. As with other successful preservation efforts in other cities—like Pioneer Square in Seattle, Wash.—Paterson's renewal through preservation should produce a broader tax base, increase long-term employment, and provide immediate labor intensive construction work.

Madam Chairman, I strongly urge our Members to support H.R. 11 which increases the authorizations for the Local Public Works Act by $4 billion. We recognize that this is not a panacea for all our economic problems, but it will provide employment for many of our unemployed workers today, particularly those in the construction and material trades industries and is a vitally important first step in a national economic stimulus program.

Mr. JOHNSON of Colorado. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Madam Chairman, I thank the gentleman for yielding.

Section 2(b) of the bill states:

> Notwithstanding any other provision of this Act, not more than 2½ per centum of all amounts appropriated to carry out this title shall be granted to Indian tribes under this Act for local public works projects.

It is my understanding that the intention of the committee is that 2½ percent, in fact, would be granted to Indian tribes and that that was not intended to be a limitation; is that correct?

Mr. ROE. I am sorry. Would the gentleman repeat that, please.

Mr. JOHNSON of Colorado. I have read that section 2(b) which relates to Indian tribes and it says that not more than 2½ percent of all amounts appropriated would go to Indian tribes.

It was my understanding that in the committee there was a discussion about this particular subject; and it was indicated that the committee's intent was that a full 2½ percent would go to Indian tribes and that this was not a discretionary amount. In other words, it is not 2½ percent or less that is to be spent in the Indian areas. It is a full 2½ percent; is that correct? I think the legislative history should reflect that.

Mr. ROE. It is the position of the Committee that not more than 2½ percent can be utilized. However, from the number of applications which are pending from Indian tribes throughout the Nation, I do not really feel that it is going to be detrimental because in many areas there are not enough applications to use up the full amounts now.

Mr. JOHNSON of Colorado. Madam Chairman, I thank the gentleman.

I was concerned that it might be a discretionary matter and that perhaps only 1 percent or 1½ percent might be utilized; but actually it is 2½ percent; is that correct?

Mr. ROE. Yes. The applications that would be available would determine how much of the set-aside is used.

Mr. BURKE of Massachusetts. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. Madam Chairman, as the gentleman from New Jersey (Mr. ROE) knows, the town meeting form of government is the common form of government in many New England comunities; the town meeting is the "governing body." During the first round of the Local Public Works Act the EDA counsel granted a specific waiver to the requirement that the governing body approve an application. This was necessary in order that the local governments be afforded sufficient flexibility to respond quickly to changing regulations as calling a special town meeting requires as much as 35–40 days.

Is it the Committee's understanding that the chief executive officer, either the chairman of the board of selectmen or the town manager, will be able to apply on behalf of the local community?

Mr. ROE. The answer to that question is definitely yes. We are aware that that particular problem exists in some of our States and the problem it has created, and there is no question about what the intent of the Committee is on that question.

Mr. BURKE of Massachusetts. I thank the gentleman.

Mr. YOUNG of Florida. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Madam Chairman, first let me thank the gentleman for yielding to me and second I wish to compliment the gentleman in the well and the committee for correcting one of the problems that many of us felt, and that was the 70–30 percent separation in last year's bill. This caused a consider-

able problem in Florida. For example, under last year's bill there was one area that had less than 2 percent of the State's unemployed and another area in the same State had 6 percent of the State's unemployed, yet the area with only 2-percent unemployment received $1 million more than the area with 6-percent unemployment.

My question is: Has the committee given consideration to this and is there some kind of solution presented to us in this legislation?

Mr. ROE. The answer is, "Yes we have." Basically what we have done in this legislation is eliminate that 70-30 percent split which the gentleman from Florida has just directed our attention to. We have also placed an amendment in the bill that requires the community or the applicant, be it town, village or county, to use their own unemployment figures, they cannot gerrymander all over the lot. That was the biggest fault we found in the legislation originally. I believe we have corrected this in the present configuration of the legislation in which the gerrymandering is eliminated entirely.

Mr. YOUNG of Florida. Madam Chairman, I thank the gentleman for his answer.

I would also ask the gentleman whether applications that were filed with the EDA in the past year, under last year's bill are still in order, or, what will become the status of those applications? Will they still be considered as a proposal, or will those applications have to be withdrawn and a new application will have to be submitted?

Mr. ROE. That is a valid question. Let me say to the gentleman from Florida that the pending applications before EDA are still pending applications. Under the new regulations they will have to submit some supplemental data, but they are all active applications in this regard.

Mr. YOUNG of Florida. Will they have any priority over the others?

Mr. ROE. Yes, they will. It is the intent of the committee and it has been directed to EDA to consider those particular applications that are now pending, of which there are some 22,000.

Mr. YOUNG of Florida. I thank the gentleman.

Mr. AMBRO. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from New York.

Mr. AMBRO. Madam Chairman, in order to establish the intent of the committee, and in the absence of what we decided in the markup having been installed in the report perhaps I can get the chairman to answer a couple of questions with respect to the manner in which county unemployment data is calculated.

Recognizing the areawide responsibility of county governments, is the intent of the bill to permit an applicant county to use the unemployment level throughout the entire county?

Mr. ROE. The answer is "Yes," because the county government would be considered a coequal as a local applicant.

Mr. AMBRO. Would this include unemployment within any incorporated jurisdiction as well as unemployment within unincorporated areas?

Mr. ROE. Yes, it will. The basic fundamental purpose of the act and the changes that were made in that, were based upon the view that the applicant, be it town, village, city, or county—which the gentleman is speaking of now—must use their own self-contained employment figure.

Mr. AMBRO. Madam Chairman, I have an additional question, in order to underline or to stress what may have been said and that is: Is it the gentleman's understanding, then, that in any new go-round of funding, the Economic Development Administration will consider county unemployment data in the same manner as they did during the current authorization?

Mr. ROE. The gentleman is talking about county figures?

Mr. AMBRO. Yes.

Mr. ROE. The answer is "Yes."

Mr. AMBRO. And the last question then, Madam Chairman:

Since there have been formulas and other changes thus far, and there may be others later through amendments, will the EDA permit revisions in first round applications?

Mr. ROE. The answer to that is absolutely "Yes."

Mr. McHUGH. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from New York.

Mr. McHUGH. I thank the gentleman for yielding.

Madam Chairman, I should like to follow up that question about gerrymandering with this one specifically. If a village has applied for funding, is it possible for the village to use the county unemployment figures or not?

Mr. ROE. Is it possible for what, sir?

Mr. McHUGH. Is it possible for the village to use the unemployment figures for the county?

Mr. ROE. No, not under this bill. The basic underlying situation or prognosis, if you like, in the bill is based upon the fact that the applicant being a political jurisdiction such as a locality has to use its own unemployment figures.

Mr. McHUGH. Are those figures available, to the gentleman's knowledge, in most cases below the county level?

Mr. ROE. In some areas they are; in some areas they are not. However, we include a provision in the bill that if a community is not satisfied with the figures that may be assigned to them by the State government or the Federal Government and they object to that, they can develop their own figures, and they have the right to do that with the approval of the Secretary.

Mr. McHUGH. If the gentleman will yield further, I have one other question. Given the manner in which the EDA has distributed funds in the first round, giving considerable weight to absolute numbers of unemployed people, will not a village be disadvantaged considerably if it cannot use the unemployed figures for the county in which it is located, even though certainly a village would be drawing from that county for a project that is going to be constructed there?

Mr. ROE. Not necessarily. I think that what we are trying to say here is we have to eliminate the gerrymandering, which I know the gentleman is familiar with. If we do not do that and we do not apply the figures back to the community of highest need, we could have a village that could come in with an unemployment index of 12 or 14 percent and it is eligible. So I think that if we then apply, for example, all the county figures, the county figures could be relatively lower because it has to take in affluent areas in all of the cities. So I think if a village or community, which is a political subdivision, files its application if its unemployment rate is 12 or 14 percent, that is what it is going to have to use.

Mr. McHUGH. It is not the rate I am so much concerned about; it is the absolute numbers of unemployed people in that village when the distribution of funds comes from EDA, because clearly a village with a small absolute number of unemployed is going to be at a tremendous disadvantage in competition with a large metropolitan area that clearly has a large absolute number of unemployed people.

Mr. ROE. I understand what the gentleman's problem is: I do not know how to solve it, to be honest with him.

Mr. CONYERS. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Michigan.

Mr. CONYERS. I thank the gentleman for yielding.

Before I place my question, I should like to commend the gentleman on the very important job that he and his committee have done in improving the fairness in the criteria that will be used in the future under the bill that is now before the committee. My question relates to all of the applications that apply, for example, to the city of Detroit, which had some 24 denials. Will there be prejudice attached to those denials when the city now refiles those same applications under this new legislation, when and if it is passed?

Mr. ROE. Not at all, because in effect what is going to happen there, I will say to the gentleman from Michigan, is that the applications remain in force. They are not going to have to literally refile; they are going to have to file supplemental data, bringing all of these factors in that have now changed. It is going to help their position.

Mr. CONYERS. I thank the gentleman.

Mr. ANDERSON of California. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from California.

Mr. ANDERSON of California. I thank the gentleman for yielding.

I have a question based on one of the gentleman's previous responses related to section 2(d) of H.R. 11.

Now, because we are switching from a base of 3 months to 12 months in the calculation of unemployment figures, applicant scores will be based on what is probably a more accurate measurement of economic depression.

My question is this: Will this section also facilitate an applicant switching from city data to county data? The rea-

son I ask this is that Long Beach was told by the local EDA office to use their own data, because Long Beach is a CETA prime sponsor. Long Beach later found out that they not only could have used the Los Angeles County unemployment data, but should have used the Los Angeles County unemployment data.

Now, as a result of following the advice of the local EDA office, Long Beach lost out to many small—very small—communities within the county which used county rate figures.

Now, my question is this: Can Long Beach now change their data base to that of the county of Los Angeles, as they should have if they had not been so incorrectly advised by the local EDA office?

Mr. ROE. No; they cannot. They must use the unemployment base of their own community as must every other applicant.

Mr. ANDERSON of California. Now, to follow up on that, and I am going to use my own county of Los Angeles as an example. Must any city in the county of Los Angeles that heretofore used the county of Los Angeles data, rather than their own, now come in with revised data, using the data from their own city, that is to say their own unemployment figure; is that correct?

Mr. ROE. That is absolutely correct.

Mr. DANIELSON. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from California.

Mr. DANIELSON. Madam Chairman, I have a three-part question. I understand that the applications already pending or that were pending under the old law must be deemed to be pending and will be considered under the new law.

Mr. ROE. Yes.

Mr. DANIELSON. Now, first, are new applications accepted?

Mr. ROE. Not under this round.

Mr. DANIELSON. Well, that takes care of the second part of my question.

Then as to the third part, those applicants who have an application already pending and who may need to submit supporting or additional data, will they be notified of that need for supporting additional data or must they ferret that out for themselves?

Mr. ROE. Absolutely. May I just elucidate a little on the gentleman's question? The answer is absolutely "Yes." The gentleman from California (Mr. JOHNSON), chairman of the full committee, has stated that oversight hearings will be held on the regulations under the new bill to be sure this time that the intent of Congress is followed to the letter. The point the gentleman is making will be included in that legislation.

Mr. DANIELSON. Madam Chairman, if the gentleman will yield further, then I could safely assure the city fathers of one of my cities, for example, if it is necessary to submit additional data, they will be notified and their application will not be prejudiced for their failure to submit that data, unless they have been notified?

Mr. ROE. That is exactly the understanding of the committee.

The CHAIRMAN. The gentleman from New Jersey has now consumed 23 minutes.

Mr. DON H. CLAUSEN. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Madam Chairman, if I could engage in a dialog at this point with the gentleman from New Jersey (Mr. ROE)—I would appreciate it if the floor manager would provide reassurances on one point for me.

During the action of our Public Works Committee on this bill, our committee discussed the status of counties in the program. The committe recognized the fact that county governments provide services to citizens throughout the entire county, to those people living within cities and villages as well as to people living in the unincorporated areas.

The committee further recognized the fact that the county is responsible for those facilities and services used most heavily by city residents and, I might add, greatly impacted by unemployment. Welfare and social services, alcohol and mental health services, hospitals and community health clinics, courts, jails and probation services, to name a few, usually are provided by counties on a countywide basis. During the current round of public works funding, applicant counties used the unemployment data for the entire county.

When a county applies under this new authorization, on what basis will the county unemployment data be calculated?

Mr. ROE. Recognizing the countywide responsibility of county governments, the intent of the committee is for an applicant county to use the unemployment level throughout the entire county. This would include unemployment within any incorporated jurisdiction as well as unemployment within unincorporated areas.

Mr. DON H. CLAUSEN. Is it your understanding then, that in anv new round of funding, the Economic Development Administration will consider county unemplovment data in the same manner as they did during the current authorization?

Mr. ROE. Yes.

Mr. FINDLEY. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Illinois.

Mr. FINDLEY. Madam Chairman, it has come to my attention that a specific policy governing the administration of the local public works program affects adversely some local government applicants who, acting in concert, are attempting to fund projects of significance to all communities represented in the application. For example, in my district in Illinois, Camp Point, Clayton, and six surrounding communities applied for funds for the purpose of constructing a public water system to serve the needs of the participant communities. The proposed regulations for continuing the local public works program may be interpreted to grant the Camp Point-Clayton water district only 5 points instead of 10 points granted to all local governments. This discrimination is due to the fact that the applicants would be viewed as a "special purpose district" and not as "general purpose units of local government." Actually, the water system that they propose would serve all eight communities and represents the full, effective, and legal cooperation of the participating communities just as much as if all eight participants had filed individual applications for water supply systems. Under such circumstances, I hope it is not the purpose of this bill to discriminate against such multicommunity projects.

Could the gentleman give me assurance on this point?

Mr. ROE. Yes; they are equally eligible. Where communities join in concert to submit an application to the Economic Development Administration, their application should not be penalized or treated differently than an application from a general purpose unit of local government.

Mr. MAGUIRE. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. Madam Chairman, I rise in support of H.R. 11, the extension of the local public works program and congratulate Chairman ROE and the committee on an outstanding legislative accomplishment.

The Subcommittee on Economic Development held 6 full days of hearings on H.R. 11 and other related bills referred to the subcommittee to amend or extend the Local Public Works Act.

More than 100 witnesses testified in the course of the hearings, including organized labor leaders, Federal, State, and local government officials, spokesmen for public interest groups, and a number of our colleagues. Their testimony overwhelmingly supported continuation of the local public works program, with a number of recommendations for changes in the existing law to correct what were described by many witnesses as "inequities" in the allocation of the $2 billion of Federal funds that went into the program last year.

Based on the recommendations made by witnesses during the hearings, the Public Works Committee has recommended a number of amendments that are designed to improve the administration of the program with an objective of giving more equitable treatment to all applicants.

Major provisions and amendments to the bill as reported by the committee are as follows:

First. The bill would authorize an additional $4 billion to fund the local public works program;

Second. The provision requiring 70 percent of funds appropriated to go for projects of State and local governments having an unemployment rate in excess of the national rate and the remaining 30 percent to go to other areas would be deleted;

Third. The provision which permits the Secretary to consider the unemployment in adjoining areas from which the labor force for a project may be drawn would also be repealed;

Fourth. The time span for the unemployment data to be used in making grants would be changed from the 3 most

recent consecutive months to the 12 most recent consecutive months to avoid seasonal fluctuations;

Fifth. When more than one project is submitted by an applicant, the applicant would establish its own priority in regard to these projects;

Sixth. Funding for Indian tribes would be treated separately by providing up to 2½ percent of amounts appropriated for that purpose;

Seventh. No force account projects would be permitted under the program;

Eighth. The Secretary would be authorized to set aside 1½ percent of funds to make appropriated grants for projects that were rejected through error in processing the applications in the first round of funding; and

Ninth. Building project applications made after enactment of this bill that will result in conserving energy will be given priority by the Secretary.

It is anticipated that on the next round of funding the projects would be selected from the more than 22,000 backlog of applications on hand.

This bill is part of the economic recovery package requested by President Carter. As of February 17, the bill had been cosponsored by 228 Members.

Budget authority and outlay for this bill are included in the third concurrent resolution on the budget for fiscal year 1977 (H. Con. Res. 110) which was debated by the House yesterday. The budget resolution authorizes $4 billion in budget authority with estimated outlays totaling $500 million in fiscal year 1977.

The January national unemployment figures show that 8 percent of the labor force is still out of work and this figure is predicted to climb. In human terms, this means that approximately 8 million workers are unemployed. In the construction industry, unemployment far exceeds the national rate. This bill will directly attack this problem by creating 600,000 new jobs in the construction industry.

Madam Chairman, this bill deserves our immediate attention and support.

Mr. OBERSTAR. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Madam Chairman, the Local Public Works program is a proven, effective tool for creating jobs and reducing unemployment. It works, and we know it works because we have established a track record with the $2 billion program voted in the 94th Congress.

We have demonstrated, beyond a shadow of a doubt, that public works works. By public works I do not mean massive, capital intensive projects for flood control, irrigation and hydroelectric power that take years to plan and execute. Rather, I am referring to community facilities such as courthouses, city halls and community centers which are designed and ready to go, so construction can start within weeks of project approval.

The LPW program creates much needed facilities of lasting value that local communities could not finance by themselves during this period of inflation and recession.

The program is effective because it works through the private sector. It does not pad government payrolls, nor does it create permanent jobs in the public sector which will drain public resources for years to come. Instead, it creates short-term, high-paying jobs in the construction industry. It puts union members, private contractors and subcontractors to work and removes many of them from the unemployment rolls and the welfare rolls. It not only creates immediate jobs in the construction industry, but also creates almost as many offsite jobs in related industries. These jobs, as well, are in the private sector.

Admittedly, the local public works program has been attacked from many quarters, and much of that criticism was justified. By and large the Economic Development Administration did a remarkable job of implementing a complex bill in record time with minimal additional manpower. Errors and problems were inevitable, but the bill we are considering today is designed to correct those deficiencies and insure a more equitable distribution of funds this time around.

In the 94th Congress we appropriated $2 billion for local public works, without any accurate way of measuring the actual need for such a program. We now have proof that the real need is far greater than we imagined. Roughly 25,000 applications totaling $24 billion were submitted to EDA in less than 2 months. Over 90 percent of those requests are still pending before the agency.

In the first round of LPW funding, the agency and the communities were so successful in complying with the intent of the law that onsite construction will have commenced less than 7 months after the bill was enacted.

In this second round of funding, we can undoubtedly improve on that most admirable record. The projects are ready to go, the applications are already on file, and the money can be pumped into local economies without delay.

Madam Chairman, the local public works program is a fast, fair and effective means of combating unemployment. Let us help our workers and our communities now, by passing these amendments to the Local Public Works Capital Development and Investment Act of 1976.

Mr. ANDERSON of California. Madam Chairman, will the gentleman yield further?

Mr. ROE. I yield to the gentleman from California.

Mr. ANDERSON of California. Madam Chairman, H.R. 11 does not in any way alter section 108(e) of the Public Works Act of 1976, which allows the unemployment rate to be based upon the unemployment rate of any community or neighborhood—defined without regard to political or other subdivision or boundaries within the jurisdiction of such local governments, if the project in the neighborhood will be of direct benefit to or employ unemployed individuals within the neighborhood.

Since section 2(d) of H.R. 11 amends the law to provide that unemployment data be measured—be based upon the 12 most recent months, applicants will obviously have to submit new data.

Now, I want to know if they can also redefine the project area, and thus the unemployment rate at the same time?

For instance, in my area, the Wilmington section of Los Angeles is far more economically depressed than the city of Los Angeles as a whole. I would hope that such an area could take advantage of this underutilized section of the act, since we are now tripling the original authorization.

Could Wilmington, then, in the application by the city of Los Angeles for Wilmington, use the data for Wilmington, separate from that of the total of Los Angeles City?

Mr. ROE. The answer, Mr. ANDERSON, is "Yes." There are two points you raise in the redefinition of the area by the applicants.

In view of the fact that the committee has passed an amendment that requires the applicant to use its own figures, and cannot so-called gerrymander, the answer is that there will have to be a refinement to that issue.

The second point you ask, about the 12 months average unemployment data, also will require an updating of the applications.

Mr. EDGAR. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Madam Chairman, as a member of the Committee on Public Works and Transportation who has worked diligently to make this bill as clear, simple, and strong as it can be, I am pleased to support passage of H.R. 11, amending the Local Public Works Capital Development and Investment Act of 1976. This bill provides a crucial element in a balanced program of Federal stimulus to our still-depressed national economy. This local public works approach to economic recovery has a number of characteristics which I believe make it a highly desirable tool:

The aid is targeted to those communities in our Nation which are most severely depressed and most in need of assistance. The elimination of the requirement in the 1976 act that 30 percent of the funds go to areas less distressed than average is a critical improvement in the effectiveness of this legislation.

The jobs created by this legislation will all be in the private sector, which has to be the key to our economic recovery. There is no way we can solve the unemployment of more than 7 million workers through public service jobs.

In addition to providing jobs for the duration of this program, this legislation will also provide permanent, tangible improvements to the infrastructure of the communities which receive the aid. It is the committee's hope that this aid will be used for projects which will leverage additional private sector investment in the communities by making them more attractive places to live and to carry on business.

The experience under the 1976 version

of this act has demonstrated that under an accelerated local public works program, it is possible to create jobs quickly enough to respond to current unemployment problems. This experience is in sharp contrast to the usual public works programs which take years to get to the employment stage.

During our committee's hearings on H.R. 11, we heard extensive discussions of the problems which everyone concerned with the program perceived in the 1976 round of funding. We have done our best to correct those problems through this revised bill. Some of the problems required statutory changes, and the bill we are considering today includes those changes. But many of the problems can readily be resolved through administrative changes not requiring amendments to the statute. The committee report on H.R. 11 thoroughly discusses our intent on most of these changes. There are a few additional areas of particular concern to me on which I would like to expand regarding what the committee heard and what it intends:

First. Inequity resulted in the first round of the program from the failure of EDA to include in its public regulations the definition it was using of a material criterion in its point scoring system: "long-term benefits." In implementing this new phase of the LPW program, all material terms to be considered in scoring applications should be defined in the Federal Register. In defining long-term benefit, EDA should alter its previous working definition to more clearly reflect the intent of the Congress that priority should be given to those projects which promote long-range plans for improving socioeconomic conditions in the area. The best use of these EDA funds, in terms of improving long-range socioeconomic conditions, is to attract larger amounts of private capital investment. Such projects as street repair, sewer extensions, industrial site preparation, provision of recreation facilities, in my view, clearly meet this test. Construction of municipal buildings, in my view, seems less appropriate under this test. In any event, EDA should clearly disclose to applicants, before they are asked to prioritize their several applications, what long-term benefits point scores it intends to assign to various types of projects.

Second. EDA developed a benchmark system for the first phase of the program to prevent the undue concentration of funds in any area within a State. That system achieved this goal, but it created another problem: Some clearly needy areas received no funds at all. In implementing this next phase of the LPW program, any benchmark system should protect against the neglect of a clearly needy area as well as against the overattention to an area.

Third. The bill under consideration amends the act to require that the sponsor's project area, for the purposes of citing unemployment rates and unemployment numbers, be no larger than the legal boundaries of that jurisdiction. This system will be more equitable than the previous one which permitted creative gerrymandering of project areas to cite the most favorable statistics. However, it will be more equitable only if EDA's project scoring system is devised so that small jurisdictions, with high unemployment rates but relatively low unemployment numbers, are not overwhelmed in the scoring by large jurisdictions with high raw numbers of unemployed. This is particularly serious a concern in areas, such as the area I represent, which have extremely dense population but are divided into many small units of local government. The labor market from which such jurisdictions will be drawing the labor force to work on the projects will be quite large—there is no doubt that it can accommodate large projects. But within the restricted boundaries of these small jurisdictions, the numbers of unemployed will be quite small compared to those in the adjacent city of Philadelphia or even in the entire Delaware County area. The EDA must be mindful of such situations when devising their scoring system for this next phase of the program. Hopefully we have permitted them to use common sense both in devising their system and in interpreting the results of their scoring system to make awards.

Mr. HAMMERSCHMIDT. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, the President and his administration have voiced their support of this measure as a job-creating economic stimulus. I am a bit confused, on the other hand, by President Carter's statement of February 21 in which he announces his intent to halt funds and the construction of 19 Federal water resource projects. In most cases, these are projects which have already had at least partial funding. These projects would also create jobs and in addition would provide water and recreational benefits to areas of the country which need them. I cannot understand the apparent contradiction of policy—to create jobs through this public works bill and to halt the construction of water resource projects which would create thousands of additional jobs.

To halt these projects 15,000 jobs would be lost immediately. Ultimately, if the entire $5.1 billion is deauthorized as the President implies over a million jobs could be lost. That action does not apply to this bill but it does apply to the problem this bill hopes to alleviate—unemployment—nevertheless I wish to associate myself with the remarks of my distinguished colleague and chairman of the Economic Development Subcommittee, Mr. BOB ROE. I want to commend him on his diligent efforts to bring this bill to the floor of the House. I want to indicate my support of H.R. 11, which continues title I of the Public Employment Act of 1976 by providing an additional $4 billion for grants to State and local governments to build public facilities. The local public works capital development and investment program was originally designed to create jobs, stimulate the badly depressed construction industry, and to provide funds to local communities for the construction of libraries, industrial parks, water and sewer services, and other types of public facilities.

Initially $2 billion was made available for this purpose and if applications are any indication of need, that need is certainly well documented since EDA received applications amounting to 12 times more than the amount of funds initially available. The unusually large response to this program meant that regardless of the merit of many local communities' projects there were insufficient funds for grant approval.

Certainly we are all aware of the many disappointed officials throughout the country whose projects were not funded. The bill before us today provides additional funds and it is the expressed intent of the committee that priority will be given to applications which had already been submitted to the EDA. When these funds become available, a large number of communities will be able to benefit and additional community facilities can be initiated.

While there was unanimity of support for this program, a number of problems were called to our attention during extensive Economic Development Subcommittee hearings on this legislation. This bill attempts to resolve some of those problems. A 12-month unemployment rate is to be used rather than the 3-month base used under present law. This change will provide greater uniformity among communities and will take into account seasonal adjustment problems not recognized in the first round of funding.

A good deal of confusion resulted from communities using unemployment figures from adjoining neighborhoods. They were permitted to do this under section 108(f) of Public Law 94–369. In an effort to correct this situation, this section has been deleted. The effect of this change will mean that the project area will be required to use unemployment data which coincides with its area of jurisdiction.

A special set-aside is provided for Indian projects. Indian unemployment data is collected differently and it would seem more fair to have these projects compete with each other. Furthermore, a guarantee is provided that each State without Indians will receive at least three-fourths of 1 percent of the funds appropriated. You will recall the minimum was previously one-half of 1 percent. I believe these changes will strengthen the program.

I am an enthusiastic supporter of public works projects, and I fully recognize the need to create jobs and provide local communities with funds to build public facilities. However, it concerns me that against this backdrop of 22,000 unfunded applications there was considerable pressure to provide more funds and to provide them quickly.

This atmosphere for doing something now, has helped us miss the opportunity to objectively measure the impact of the program. In my opinion a 90-day delay would have allowed us to write better legislation. The results of the program cannot yet be adequately assessed. In keeping with the requirement that onsite construction must begin within 90 days, groundbreaking for a number of projects will be started around the 23d of March.

It will take some time to evaluate these projects, the types of people who were employed, and the number of jobs created in this manner. I am hopeful that the legislative changes included in this bill will strengthen this program. Yet as the first round of funding demonstrated, it is difficult to obtain certainty that the practical application of the law will have the desired effect. I, like each of you, wish I could have a few more assurances that these funds will be spent where they are needed the most in a way that is fair to all.

In this regard, I want to assure my colleagues that I am committed to continuing oversight of this program. I am pleased that our distinguished chairman, Mr. JOHNSON, and capable chairman of the subcommittee have also expressed their commitment to hold oversight hearings as the regulations for this program are developed by the EDA. I think this is necessary to insure that congressional intent is carried out and to maximize congressional input to see that the public works jobs program is equitably and efficiently administered.

Mr. CAPUTO. Madam Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. Madam Chairman, I yield for a question briefly to the gentleman from New York (Mr. CAPUTO).

Mr. CAPUTO. Madam Chairman, I would like to clarify the use of the words "local government" in section 108(e) of this report, which permits local governments to designate within their jurisdiction communities or neighborhoods for purposes of submitting grants for that community or neighborhood. The definition of "local government" does not use the word "village" or "school district."

I understand it is our unanimous understanding that villages and school districts are considered units of general purpose local government for purposes of section 108(e).

Mr. HAMMERSCHMIDT. The gentleman is correct. They are eligible applicants under this law.

Mr. CAPUTO. I know the gentleman understands that that determination with respect to the number of persons unemployed was not used directly as a gross number but the logarithm of the number of persons unemployed. That means, in the case of New York City, which I represent, which has 1 million people out of work, we received a score of 6, which is a logarithm of 1 million; whereas a hypothetical small town, with 1,000 people out of work, got a score of 3, which is a logarithm of 1,000. In the case of New York City, even though we do not have twice as many people out of work, we have 1,000 times as many peopeople out of work. I believe we can adjust for the fact that New York City is bigger. But using a logarithm, a rapidly accelerating mathematical formula can make it necessary to adjust for the difference in population. I am hopeful we will not use logarithms to drastically underestimate the severity of the conditions of unemployment in urban areas such as New York City.

Mr. HAMMERSCHMIDT. I may say to the gentleman that we are well aware of this concern, and I appreciate the gentleman's remarks.

Mr. YOUNG of Florida. Madam Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. I thank the gentleman for yielding.

Madam Chairman, I am curious as to what 12-month period will be used on the unemployment figure. Will it be the preceding 12 months, or calendar year, or has that been decided yet?

Mr. HAMMERSCHMIDT. It will be the immediate preceding 12-month period.

Mr. YOUNG of Florida. Prior to the enactment of the bill?

Mr. HAMMERSCHMIDT. Prior to the enactment of the bill; that is correct.

Mr. YOUNG of Florida. I thank the gentleman.

Mr. HAMMERSCHMIDT. Madam Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. HARSHA).

Mr. HARSHA. Madam Chairman, at this juncture of the proceedings I would like to engage in a colloquy with my good friend, the gentleman from New Jersey, the chairman of the subcommittee which reported out this legislation.

I am concerned, after reading the report and the various parts of the report alluding to communities of 50,000 population or 25,000 population, or more, that there may be some effort here to eliminate those cities of less than 25,000 from consideration as applicants.

Is it the intention of the committee that all communities, regardless of size, that otherwise qualify, are to be treated as applicants in this case?

Mr. ROE. Madam Chairman, it is the full intent of the committee that all of our communities, whether they be villages or townships which have local political jurisdictions have to be considered equally.

Mr. HARSHA. And there will be no limitation in the size of the community?

Mr. ROE. Absolutely none.

Mr. HARSHA. Further along that same line, if the gentleman will accommodate me, for many of the communities, for example, in Ohio, the only statistics for unemployment are either those statistics gathered by the Bureau of Labor Standards or those statistics gathered by the State of Ohio, and they are generally limited to county statistics rather than individual municipality statistics for unemployment.

It is my understanding under this legislation that it is fully the intention of the committee that a municipality may be able to present its own unemployment figures?

Mr. ROE. The gentleman is absolutely correct.

Mr. HARSHA. I thank the gentleman for enlightening me on that.

Madam Chairman, I rise in support of this legislation which has been so well explained by the chairman of the subcommittee and by the ranking minority member of the subcommittee.

There has been a number of improvements in this legislation which have been made by the committee, comparing this act to the previous act.

Without boring the Members with repetition, I again want to assure the Members that we have taken out the 70–30 provision that caused so much trouble, we have taken out the gerrymandering provision which caused so much trouble, and we have taken out the 3-month unemployment statistics which again caused some inequities because they did not provide for fluctuations in employment. We have resorted to a 12-month period for unemployment statistics, and we believe that will materially improve the act and take into consideration the various fluctuations in employment and unemployment in the various States.

On the whole, Madam Chairman, I believe the bill has been very much improved. I support it, and I urge my colleagues to support it.

Mr. HAMMERSCHMIDT. Madam Chairman, I yield 3 minutes to the gentleman from California (Mr. DON H. CLAUSEN), a member of the committee.

Mr. DON H. CLAUSEN. Madam Chairman, I rise in strong support of the legislation as presented by the committee, and I wish to commend the distinguished chairman of our full committee, the gentleman from California (Mr. JOHNSON), and the distinguished chairman of our subcommittee, the gentleman from New Jersey, Mr. BOB ROE, for an extraordinary job under very definite time constraints.

Madam Chairman, I rise in support of H.R. 11, a bill to authorize an additional $4 billion for title I of the Local Public Works Employment Act. This bill also amends the original act to correct deficiencies created by the original law such as the gerrymandering provision, the 70 to 30 split, and the narrowly based unemployment statistics, all of which led to inequities in project selection of the first $2 billion. H.R. 11 is a product of 6 days of hearings with testimony of over 100 witnesses.

The Subcommittee on Economic Development, chaired by the able gentleman from New Jersey (Mr. ROE), is to be commended for its diligent and forthright efforts to move this legislation swiftly for this additional authorization so that the upcoming construction season can be utilized under this act. With $22 billion worth of projects pending there is certainly ample need for this added authorization. I know that many applicants were disappointed in not receiving funding for their particular projects, but the Economic Development Administration followed the letter of the law in approving projects. What weaknesses existed were primarily a result of the law itself. We are confident those weaknesses have been eliminated so that equity will prevail in the next selection round.

In subcommittee markup it was my hope to authorize an additional $2 billion for this program and provide the other $2 billion for the regular EDA program of title I grants for essential public facilities. There are many reasons why I favored this approach. First and foremost is the lengthy and commendable track record of EDA in providing grants to cities and counties in distress and in greatest need of essential public facilities such as water and sewer lines, access roads, industrial parks, and the like, to strengthen and revitalize their local economies. The title I program is a

catalyst for long-term, self-sustaining economic growth to bring these cities and counties up to the national standards of employment and income. EDA's work force, although small, is trained, competent, and dedicated to the objectives of the act; that is, to provide Federal assistance to areas and regions of substantial and persistent unemployment and underemployment by taking effective steps in planning and financing their public works and economic development. EDA further provides that new employment opportunities should be created by developing new and expanding existing public works and other facilities and resources rather than by merely transferring jobs from one area of the United States to another.

EDA has been in existence since 1965. The Committee on Public Works and Transportation has saved this agency from extinction three times—in 1971, in 1973, and in 1974. The agency has met with some adversity because of conflicts with previous administration policies; but, in 1976 Congress and the administration agreed to a 3-vear extension of this program with modifications and improvements. The objective now is to fund fully those titles of this act which to date have been operating at about 30 percent of their authorized levels. The $2 billion I spoke of earlier would provide further thrust to the program whereby not only facilities would be added to communities but also a rational strategy of development would be included in project activities. I know my colleagues on the committee are sympathetic with this point of view and our efforts now are directed to fully funding the regular EDA program.

In addition to the traditional EDA program activities, I would encourage and support legislative changes to provide EDA with the authority to be the lead agency in all public investment; highways, airports, water, pollution control facilities, mass transportation, and water resource projects, so that one agency, with economic development as its objective, could coordinate and direct the public facility investment program in a rational manner. I have long been an advocate of this approach to public facilities investment. In so doing, this country could use its public funds to promote development, create jobs, and foster growth.

Although the administration supports the additional $4 billion in authorization for the jobs program, I am dismayed that this new administration can support a jobs measure with one hand and recommend eliminating job-creating measures with the other, such as the water resource projects currently being recommended for cuts. I find it hard to understand why these projects are recommended to be eliminated, especially at a time of high unemployment, slack national demand, and needed Federal stimulus to move our economy forward.

The lack of a national economic policy for recovery and growth creates these haphazard and conflicting decisions. I am a supporter of a comprehensive policy of balanced national growth. Perhaps with such a policy we would not be faced with the dilemma of a job bill one day and cuts in water resources projects the next. Congress can and should produce a genuine growth and development policy whereby these decisions could be rational. The Public Works and Transportation Committee, with its established jurisdiction over water resources, the "clean water" community sewage grant program, public buildings and all transportation systems except rail, is uniquely equipped and qualified to handle the legislative responsibilities of such a coordinated program. I urge passage of this bill.

Mr. HAMMERSCHMIDT. Madam Chairman, I yield 4 minutes to the chairman of the subcommittee, the gentleman from New Jersey (Mr. ROE).

Mr. ROE. Madam Chairman, I greatly appreciate the gentleman's yielding to me this time, and I yield 2 minutes of that time to the distinguished gentleman from Indiana (Mr. CORNWELL).

Mr. CORNWELL. Madam Chairman, As a member of the Subcommittee on Economic Development of the Committee on Public Works and Transportation, I would take this opportunity to urge all of my colleagues to vote favorably on H.R. 11, the public works jobs bill.

H.R. 11 would authorize an additional $4 billion for funding of the local public works capital development and investment program. In order to search out and correct blatant inequities in the previous program the Subcommittee on Economic Development held a full 6 days of hearings. During the course of these hearings more than 100 witnesses, from all walks of life, testified. Many good suggestions as to how to better effectuate the program were discussed. Based on such recommendations, the subcommittee adopted amendment designed to ultimately correct those inadequacies which have plagued the program.

Notwithstanding the many inequities which occurred as a result of less than adequate legislative definition and the hurried, impersonal administration of the Public Works Capital Development and Investment Act of 1976, the program was proven to be a viable approach to economic stability and unemployment problems nationwide. Scores of projects, affecting the jobs and everyday lives of virtually millions of people throughout our country were funded through the 1976 act. I think all of us can be proud of this accomplishment.

However, thousands of worthy projects in areas of high unemployment still remain to be funded. It is in the best interests of all Americans that we move quickly to extend and appropriate additional funds for this program.

Madam Chairman, what we have done in this program is to provide a mechanism for quickly getting money into the economy to stimulate the economic development in industry and business in areas of high unemployment and high underdevelopment.

I urge all my colleagues to vote favorably for this bill.

Mr. ROE. Madam Chairman, I yield such time as he may consume to the gentleman from New Jersey (Mr. PATTEN).

Mr. PATTEN. Madam Chairman, I strongly urge my colleagues to vote for H.R. 11 without any amendments which weaken it.

The Public Works Employment Act is not only very important to Middlesex County, N.J., but to every area in the Nation which suffers from high unemployment.

During the month of December 1976 there were 31,900 persons unemployed in Middlesex County, representing a jobless rate of 10.8 percent. I firmly believe that $4 billion must be authorized and appropriated if this program is going to really help the unemployed. Most Members from areas suffering from high unemployment know that the $2 billion included in the first round was inadequate.

Even though Middlesex County suffered from a jobless rate of 9.3 percent, representing almost 31,000 persons and its communities submitted 112 grant applications totaling $112 million, only one application—$330,000—was approved by the Economic Development Administration—EDA. That, of course, was a severe shock to the county and its municipalities, so I hope that a $4 billion program will not only help us in Middlesex County and other parts of the State, but other sections of the country, as well where there is high unemployment.

I support H.R. 11 because it would help provide jobs for the unemployed, and also because it would help communities with urgently needed capital improvements—from libraries to municipal buildings.

Mr. ROE. Madam Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. Madam Chairman, I rise in strong support of H.R. 11.

Madam Chairman, I wish to express my support for the legislation now before us, the local public works capital development and investment amendments. The overwhelming response of States and local units of government to last year's bill testifies to the need for an extension.

Unemployment is still intolerably high, particularly in the construction industry. Our cities and towns are in need of new facilities which will provide real benefits to the citizens of those communities. H.R. 11 gives us the opportunity to combine these worthy goals of reducing unemployment and building structures of permanent value.

I am also pleased with the changes which have been included in this bill. I believe that they will eliminate many of the shortcomings of the program which became evident with the awarding of the grants last December. I was most concerned, as were many of my colleagues, by the apparent discrepancies in the awards. There appeared to be no rhyme or reason to many of the decisions.

The elimination of the provision which allowed communities to utilize the unemployment statistics of neigboring jurisdictions will prevent unnecessary distortion of the competition for funding. The removal of the requirement that 30 percent of the funds go to jurisdictions

with an unemployment below the national average will help assure that the help goes to where it is needed most.

This legislation will also assist many of our school districts which need help in building schools and other facilities. I wish to emphasize that school districts should receive equal treatment with other jurisdictions in the competition for funding of projects. Last year this was the subject of some controversy and I believe it imperative that the intent of Congress with respect to this question be made clear.

Mr. ROE. Madam Chairman, I yield such time as he may consume to the gentleman from California (Mr. JOHNSON), the chairman of our committee.

Mr. JOHNSON of California. Madam Chairman, the bill we bring before you today, H.R. 11, would authorize an additional $4 billion in Federal grants for the construction of local public works projects and correct the inequities in the first round of funding.

President Carter has given his full support for the $4 billion in increased authorization of $4 billion and has requested a supplemental appropriation.

The President has made it very clear that the Local Public Works Act is a vital component of our overall strategy for economic recovery.

Madam Chairman, there is little need for a long explanation of this bill.

It was considered at length by the House last session.

With an unemployment rate nationally close to 8 percent today, with 30 percent or more of our construction workers still unemployed, and with our State and local governments still caught in the fiscal squeeze of our most recent recession, it is vitally important that we move this legislation as quickly as possible.

This legislation is directly targeted at a segment of our economy that has, perhaps, suffered the most from our recent economic problems.

The construction and building trades industry has been in the worst economic decline this country has ever experienced since the great depression of the 1930's.

The President of the AFL–CIO Building and Construction Trades Department recently testified that unemployment levels were still at the unacceptably high rates of 20 to 30 percent in some of our major cities.

Madam Chairman, the construction industry is a bellwether of our national economy.

We must put our unemployed construction workers back to work, and that is what this bill is designed to do.

In addition, a second and most important goal of the local public works program is to provide badly needed help to local governments.

We know there are thousands of badly needed public facilities that have been deferred by our local governments.

This legislation provides for 100-percent grants by the Secretary of Commerce to assist State and local governments in the construction, renovation, repair or other improvement of local public works projects.

Mr. Chairman, our experience with the first round of funds clearly shows that we have developed an effective delivery system.

This bill was very carefully designed by the Committee on Public Works and Transportation to avoid the long lag times sometimes associated with public works construction.

We were able to cut out the redtape in this bill and require that project applications must provide assurances that onsite labor could begin within 90 days.

Despite this requirement, which would insure that only projects that were "ready to go" would be funded, the Economic Development Administration received more than 25,000 applications for $24 billion in little more than 1 month.

The size of this response clearly confirmed the fact that there is a huge backlog of local public facility projects that are badly needed by communities in this country and are ready to go into construction.

I want to emphasize Madam Chairman, that these applications were not for make-work projects. All of these projects met some important need in our communities—for the repair of roads, for repair of a hospital, or the construction of vitally needed water and sewer systems.

There were some inequities in the distribution of funds throughout the country.

Many of the problems that occurred in the distribution of projects had to do with the legislation and we have tried to correct these faults in H.R. 11.

Other inequities resulted from the regulations which developed formulas for project ranking and selection.

The Committee on Public Works and Transportation held 6 days of extensive hearings to uncover the problems that occurred in the program

We heard from more than 100 witnesses, inluding 40 Members of the House.

We listened to each witness very carefully, Madam Chairman, and we developed a series of amendments to the bill based on their recommendations.

Madam Chairman, the Committee on Public Works and Transportation through its subcommittees on Economic Development and Investigations and Review will hold oversight hearings on the rules and regulations developed by the Economic Development Administration for the administration of this next $4 billion.

We intend to make sure that EDA simplifies the administration of this program so that the rules and regulations are more easily understood.

The amendments we have made will insure a more equitable distribution of the projects throughout the country.

We have insured that whenever possible, local officials will be given an opportunity to identify which projects reflect their priorities and needs.

And, we have eliminated any possibility for a community to gerrymander another community's unemployed labor force in defining their project area by providing that only unemployment data within the jurisdiction of the applicant will apply—so that we target this $4 billion to our areas of greatest distress.

Madam Chairman, I want to thank BOB ROE, the chairman of our Subcommittee on Economic Development, for his tireless efforts in seeing this bill through—both BOB ROE and JOHN PAUL HAMMERSCHMIDT, the ranking minority member of the subcommittee labored many long and hard hours to make this bill possible today.

They not only have participated fully in the hearings we held before the committee, but have worked diligently to iron out the problem areas of this bill.

Finally, I want to particularly thank all of the new members of our committee for their active participation in our hearings and their work during our committee's markup on this bill.

Mr. ROE. Madam Chairman, I yield such time as he may consume to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Madam Chairman, I rise in support of H.R. 11. The local public works program authorized by this legislation is a vital component of our national economic recovery package. I want to remind my fellow colleagues that while we have heard that the economy is picking up, the aftermath of the recession this country has experienced during the last 2½ years is by no means over. Unemployment levels are going to remain high for some time, and probably throughout the rest of the decade. Today there are still some 8 million Americans unemployed. The construction industry is still in a state of shock. Unemployment levels are still up around 20 and 30 percent in major cities of the Nation. And, there does not appear to be any relief in sight. State and local construction activity has been particularly hard hit and this legislation is specifically directed to assist this segment of the construction industry.

Although the Bureau of Labor Statistics has proudly announced that construction unemployment is now at a 2-year low hovering around 14 percent, the seasonally unadjusted figures are more realistic—20.1 percent or 961,000 men out of work. If one looks further at these statistics, the main reason for the decline is that the number of persons that have left the construction labor market altogether, are not even counted. The AFL–CIO's Building and Construction Trades Department just completed an employment survey in January of 54 selected communities in the country. The figures in this survey confirm the fact that the construction industry has suffered double-digit unemployment for over 34 months now. I am including a copy of the survey for the RECORD.

Madam Chairman, there is no question that the 1976 local public works program was a success. The Economic Development Administration received over 25,000 applications totaling about $24 billion when there was only $2 billion to distribute. Of the 22,000 applications that were finally considered 1,988 were selected for final processing and approval; their total value was $1.95 billion. Out of these 1,988 projects more than 300,000 jobs will be produced. With

an additional expenditure of $4 billion we can expect at least 600,000 more jobs to be created.

Madam Chairman, when the Public Works Employment Act of 1976 was considered by the House last year it received overwhelming support, and was passed over President Ford's veto by a vote of 319 to 98. There is one reason for the consistent support this House has given to antirecession public works legislation. No Member of Congress, either Republican or Democrat, has a vested interest in unemployment. Members of both sides of the aisle sat through long hearings on this bill and concluded, as I hope the full House will again today, that unemployment—whether it is 8 percent or 7.5 percent or any percent—is not a Republican or Democratic problem—it is not a partisan issue—it is an American problem and a very serious one. This bill is aimed at one segment of our unemployed people—the construction workers, the building and tradesman, and the contractors who are out of work in every major city and town in this country. This bill is not going to put all of our unemployed back to work but is a vital and integral part of our economic recovery package which relies on the private sector and the private enterprise employers and employees to get the job done.

Last year we spent over $19 billion in unemployment compensation just to maintain the unemployed. This year it is estimated that we will spend another $16 to $17 billion this year. A total of 23 States have been forced to take out loans from the Federal Treasury as the demands of high unemployment have exhausted their unemployment compensation funds. The failure of these States to fully recover from the recession is a major reason for their present indebtedness.

On top of the billion we are spending on unemployment compensation, the other benefits that are needed to maintain our unemployed population—food stamps, and aid to families with dependent children—totaled some $16 million last year, and will come close to these figures this year. Surely, $4 billion spent for the creation of productive jobs under H.R. 11 is a better investment for the unemployed. I do not believe the American people want more handouts—more unemployment compensation checks—or other short-term measures. The people of this country expect more from Congress than tax cuts, and tax rebates. The people of this country want jobs and a chance to make a contribution to their community. The Local Public Works Act provides the opportunity for the unemployed to have a job and to make that contribution to their community. The public facilities that are constructed or repaired under this program make lasting improvements to communities all across this Nation. Hospitals, schools, human services centers, water and sewer systems, recreational centers, facilities for retarded people, and municipal buildings—these are all worthy projects that have been funded under this legislation and provided jobs to our unemployed.

While I had personal reservations about the size of the budget resolution increases to provide for economic stimulus, the House has spoken and adopted that resolution. Of the programs contemplated by that resolution by far the best and most effective and productive program is this local public works and capital development bill. It creates private sector jobs and meaningful work. When completed these projects contribute to the building of vital and lasting investments in America.

Madam Chairman, passage of this act is absolutely imperative if we are to restore our Nation's economic well-being if we are to give people hope rather than despair in finding meaningful work and if we are ever to restore the productive capacities of our professed goals of full employment and full production. I urge the Members to join with me in support of H.R. 11.

HOUSE PUBLIC WORKS ATTACHMENT A
COMPILED JANUARY 5, 1977

[In percent]

Nation	27.1
Northeast region	60
Mid-Atlantic region	34.8
Midwest region	22.9
Western region	20.5
Southern region	24.5
Tuscaloosa, Ala	11.5
Bricklayers	4
Electrical workers	0
Laborers	25
Plasterers and cement masons	69
Plumbers	0
Fresno, Calif	21.8
Carpenters	22
Electrical workers	0
Iron workers	60
Painters	30
Plumbers	8
Roofers	30
Sheet metal	18
Los Angeles, Calif	15.1
Bricklayers	0
Carpenters	14.3
Engineers	12.2
Iron workers	21.5
Painters	15.9
Plumbers	22
Sheet metal	18
Oakland, Calif	29.3
Bricklayers	40
Carpenters	23.3
Laborers	10
Lathers	38
Lino and soft tile setters	3
Painters	33
Plasterers	35
Roofers	25
Sacramento, Calif	22.4
Bricklayers	9
Boilermakers	40
Carpenters	11
Electrical workers	11
Elevator constructors	7
Engineers	35
Glaziers	0
Ironworkers	50
Laborers	41
Lathers	12
Marble polishers	8
Painters	14
Plasterers	24.5
Plumbers	16
Roofers	10
Sheet metal	17
San Diego, Calif	16.7
Bricklayers	18
Carpenters	24
Electrical workers	10
Glaziers	9
Laborers	13
Lathers	40
Painters	11
Plasterers	1
Roofers	13
Tile and marble finishers	12
San Francisco, Calif	30.3
Boilermakers	90
Carpenters	20
Elevator constructors	21.8
Engineers	31
Painters	10
Plumbers	15.4
Roofers	5
Tile and marble finishers	0
Santa Ana, Calif	9.5
Carpenters	12
Electrical workers	20
Laborers	8.1
Millmen and cabinet makers	2
Painters	2
Plasterers and cement masons	10
Roofers	20
Santa Barbara, Calif	29
Carpenters	10
Electricians	60
Laborers	24
Painters	35
Plumbers	28
Sheet metal workers	10
Delaware	44.5
Asbestos workers	0
Bricklayers	75
Carpenters	55
Electricians	25
Engineers	30
Iron workers	50
Laborers	55
Lathers	20
Millwrights	50
Painters	60
Plasterers	20
Pipe fitters	50
Plumbers	35
Sheet metal	35
District of Columbia	23
Carpenters	25
Glaziers	22
Iron workers	15
Plasterers	49
Sheet metal workers	14
Stone and marble masons	10
Tampa, Fla	34.8
Bricklayers	60
Carpenters	43
Electricians	15
Elevator constructors	45
Engineers	15
Iron workers	36
Laborers	50
Lathers	55
Millwrights	28
Plumbers	18.5
Sheet metal workers	50
Hawaii	16.6
Asbestos workers	11
Electricians	13
Elevator constructors	2
Lathers	20
Plasterers	35
Boise, Idaho	9
Bricklayers	5
Carpenters	11
Electricians	0
Laborers	20
Painters	10
Plasterers	10
Plumbers	(On strike)
Roofers	0
Sheet Metal	0
Chicago, Ill	30.5
Boilermakers	10
Bricklayers	31.5
Cement masons	40
Electrical workers	12
Elevator constructors	19
Engineers	15
Glaziers	2.5
Iron workers	44.7
Laborers	70
Lathers	30
Machinery movers	27

Painters	17.5
Plasterers	6
Plumbers	11
Roofers	10
Rockford, Ill.	10.3
Carpenters	0
Electrical workers	20
Engineers	10
Iron workers	0
Laborers	15
Plasterers	25
Plumbers	0
Roofers	10
Sheet metal workers	25
Paducah, Ky.	49.4
Carpenters	40
Electricians	40
Iron workers	44
Painters	5
Plumbers	80
Roofers	10
Alexandria, La.	29
Bricklayers	85
Electricians	0
Laborers	19
Lathers	20
Plasterers	60
New Orleans, La.	15.5
Asbestos workers	0
Boilermakers	40
Electrical workers	5.5
Elevator constructors	6.5
Engineers	26
Laborers	10
Lathers	15
Millwrights	37
Painters	25
Plasterers	20
Roofers	8
Sheet metal	20
Shreveport, La.	14.5
Carpenters	5
Cement masons	15
Electricians	2.1
Elevator constructors	10
Iron workers	27
Plumbers	30
Roofers	10
Portland, Me.	29
Bricklayers	8
Carpenters	65
Electricians	3
Laborers	25
Baltimore, Md.	32.8
Asbestos workers	20
Boilermakers	35
Bricklayers	50
Carpenters	53
Cement masons	30
Electrical workers	35
Elevator constructors	10
Operating engineers	13
Iron workers	30
Laborers	33
Lathers	10
Marble finishers	7
Millwrights	34
Painters	0
Plasterers	50
Plumbers	36
Roofers	30
Sheet metal workers	55
Sprinkler fitters	33.3
Steam fitters	25
St. Paul-Minneapolis, Minn.	11.5
Asbestos workers	11
Bricklayers	20
Carpenters	4
Cement masons	17
Electrical workers	18.6
Engineers	12
Floor coverers	1
Lathers	30
Painters	4.7
Sheet metal workers	17.5
United Association	25
Detroit, Mich.	30
Asbestos workers	22.8
Boilermakers	14
Bricklayers	40
Carpenters	40
Cement masons	40
Electrical workers	33
Elevator constructors	14
Operating engineers	50
Riggers	60
Glaziers	10.5
Iron workers	11.5
Laborers	17
Lathers	28
Painters	22
Pipefitters	11
Plumbers	33
Resteel	40
Roofers	5
Sheet metal workers	22.5
Sprinkler fitters	3
Tile layers	15
Kansas City, Mo.	14
Carpenters	20
Cement masons	25
Glaziers	0.3
Iron workers	0
Laborers	6
Plumbers	11
Sheet metal workers	10
St. Louis, Mo.	9.3
Asbestos workers	0
Boilermakers	10
Bricklayers	50
Carpenters	5
Electrical workers	4.5
Elevator constructors	3
Operating engineers	25
Glaziers	7
Granite cutters	0
Iron workers	25
Laborers	20
Lathers	21
Marble finishers	0
Painters	3
Pipefitters	0
Plumbers	19
Roofers	10
Sheet metal workers	5
Terrazzo finishers	15
Tile workers	4
Lincoln, Nebr.	33.5
Bricklayers	10
Electricians	25
Laborers	50
Plumbers	50
Sheet metal workers	20
Buffalo, N.Y.	36.4
Bricklayers	30
Cement masons	30
Elevator constructors	14
Engineers	46
Glaziers	29
Laborers	31
Marble finishers	40
Sheet metal workers	40
Long Island City, N.Y.	77
Bricklayers	90
Carpenters	30
Iron workers	60
Riggers	75
New York City	67.5
Asbestos workers	45
Blasters and drillers	70
Bricklayers	84.5
Carpenters	40
Concrete workers	90
Elevator constructors	70
Iron workers	57
Laborers	70
Lathers	68
Marble setters	60
Painters	62
Plasterers	80
Plumbers	70
Roofers	60
Sheet metal workers	52.6
Rochester, N.Y.	41.1
Asbestos workers	50
Bricklayers	45
Electrical workers	25
Engineers	50
Glaziers	25
Iron workers	28
Millwrights	35
Fargo, N. Dak.	13.6
Carpenters	18.2
Engineers	40
Iron workers	1
Painters	1
Plumbers	1
Sheet metal workers	10
Northeastern Pennsylvania Council	19
Asbestos	33
Bricklayers	15.2
Carpenters	15
Cement masons	10
Electrical	20
Elevator constructors	12
Laborers	19.5
Lathers	34.8
Operating engineers	15
Painters	18
Plumbers	15
Pipefitters	25
Roofers	12
Sheet metal workers	20
Steam fitters	25
Boilermakers	25
Plasterers	3
Philadelphia, Pa.	48.6
Asbestos workers	15
Boilermakers	31
Carpenters	70
Electrical workers	40
Elevator constructors	30
Engineers	35
Iron workers	32
Laborers	40
Lathers	50
Marble polishers	31
Painters	40
Plasterers	66
Plumbers	40
Roofers	80
Sheet metal workers	33
Scranton, Pa.	28.2
Bricklayers	75
Carpenters	15
Electrical workers	20
Glaziers	35
Laborers	75
Painters	1
Plasterers	0
Plumbers and pipe fitters	3.1
Roofers	2
Akron, Ohio	24.8
Bricklayers	25
Carpenters	21
Electrical workers	19.27
Laborers	35
Painters	10
Cincinnati, Ohio	26
Asbestos workers	8
Bricklayers	40
Boilermakers	10
Carpenters	40
Elevator constructors	10
Engineers	20
Laborers	23.8
Lathers	50
Marble setters	50
Painters	24
Plumbers	9
Plasterers	30
Iron workers	15
Floor coverers	90
Sheet metal workers	13
Cleveland, Ohio	25
Asbestos workers	50
Boilermakers	10
Bricklayers	45
Engineers	14
Laborers	43
Painters	19
Plumbers	30
Plasterers	43.7
Lathers	30
Columbus, Ohio	10.6
Iron workers	14
Plasterers	18
Plumbers	13

HOUSE PUBLIC WORKS ATTACHMENT A COMPILED JANUARY 5, 1977—Continued

Columbus Ohio—Continued	
Roofers	5
Sheet metal workers	5.7
Toledo, Ohio	14.1
Bricklayers	33
Carpenters	15
Elevator constructors	7
Glaziers	15
Painters	10
Plumbers	0
Roofers	3
Sheet metal workers	36
Portland, Oreg	11.6
Carpenters	15
Elevator constructors	11
Iron workers	18
Laborers	11.1
Lathers	0
Linoleum workers	0
Plasterers	10
Sheet metal workers	9
Dallas, Tex	24.2
Asbestos workers	0
Bricklayers	5
Carpenters	12
Elevator constructors	6.6
Electrical workers	33
Engineers	15
Floorlayers	50
Glaziers	10
Iron workers	50
Laborers	35
Lathers	0
Millwrights	52
Painters	20
Plasterers	60
Plumbers	16
Roofers	47
Sheet metal workers	11.5
San Antonio, Tex	41
Asbestos workers	30
Electrical workers	35
Elevator constructors	20
Engineers	40
Iron workers	80
Plasterers	14
Plumbers	30
Waco, Tex	12.5
Carpenters	0
Electrical workers	35
Painters	25
Plumbers	12
Sheet metal workers	10
Corpus Christi, Tex	11
Carpenters	9.4
Electrical workers	0
Engineers	20
Iron workers	20
Laborers	15
Millwrights	1
Operative plasterers	95
Plumbers	2
Seattle, Wash	18.5
Asbestos workers	5
Bricklayers	0
Plasterers	55
Sheet metal workers	15
Sprinkler fitters	20
Tacoma, Wash	17.9
Bricklayers	8
Carpenters	12.9
Electrical workers	25
Engineers	14.34
Painters	30
Eau Claire, Wis	26.2
Laborers	33.5
Painters	3
Plasterers	25
Plumbers	25
Roofers	0
Madison, Wis	26.3
Bricklayers	24.3
Carpenters	18.9
Electrical workers	43.3
Iron workers	32.3
Laborers	19.8
Painters	31.3
Plasterers	25
Plumbers	27
Sheet metal workers	51
Manitowoc, Wis	3.8
Bricklayers	4
Carpenters	0
Electricians	10
Engineers	5
Iron workers	0
Laborers	0
Painters	0
Plumbers	20
Roofers	0
Sheet metal workers	2
Milwaukee, Wis	13.3
Asbestos workers	2
Boilermakers	1
Bricklayers	3.6
Carpenters	6
Elevator constructors	6
Lathers	10
Plasterers	7.25
Plumbers	7
Sheet metal workers	0
Atlanta, Ga.	
Carpenters	22
Sheet metal workers	22
Plumbers	22
Iron workers	22
Operating engineers	7–8

Mr. ROE. Madam Chairman. I yield such time as he may consume to the distinguished gentleman from Puerto Rico (Mr. CORRADA).

Mr. CORRADA. Madam Chairman, I rise in support of H.R. 11, the local Public Works Capital Development and Investment Act Amendments of 1977, legislation that will increase the authorization for the 1976 legislation which, following its enactment last year, has already provided substantial benefits to the economic recovery of the country.

Madam Chairman, I would like to first briefly commend the members of the House Public Works Committee, its chairman, Mr. HAROLD T. "BIZZ" JOHNSON of California, the chairman of the Economic Development Subcommittee, Mr. ROBERT ROE of New Jersey, and to members of the committee on both sides of the aisle for their diligence and hard work in reporting out this legislation in such a short period of time.

As the newly elected Resident Commissioner from Puerto Rico, I can personally attest to the fact that the long-range benefits already begun in the first round of funding, will help our beleaguered construction industry and provide additional job opportunities in Puerto Rico.

We have an incredibly high rate of unemployment in Puerto Rico, officially it was 19.2 percent for the month of December. But the sad fact is that real numbers of unemployed are in the neighborhood of 30 percent. In the construction industry the level of unemployment in 1976 was around 45.2 percent with an estimated 42,000 workers idled.

Madam Chairman, it is plain that, if economic recovery is to be stimulated, one of the most practical solutions lies in the creation of jobs, through the legislation before us, and by the construction of valuable building projects so desperately needed in communities throughout the Nation.

The economy of Puerto Rico has experienced a slow down. But in the construction industry, that slow down has been most severe with a resultant drop, not only in unemployment, but in allied industries.

The construction business capability of Puerto Rico, as well as our desire to find ways to enhance development rather than dependency, makes me believe that the congressional passage of the stimulus which will be provided by increased public works funding may be the vital key to our attempts, in Puerto Rico, to find our way out of the present economic difficulties in which the island finds itself.

The legislation which we are now considering is an essential part of President Carter's economic package. It is one of the first major pieces of legislation considered by the House of Representatives during the 95th Congress.

It is, in short, a needed symbol of hope to the country, that where unemployment is above the national average, this nation intends to fund thousands of essential job-creating projects that can be initiated on short notice.

I am particularly pleased that the Committee on Public Works, in its wisdom, has recommended removal of the 70–30 percent allocation formula. In Puerto Rico, it is a lamentable fact that there are no areas where unemployment is below the national average and the removal of this limitation will allow the island to distribute funds for public works projects more equitably.

The changes made by the committee will, I believe, result in a fair and just distribution of public works funds and it is with a measure of enthusiasm that I support the legislation being debated here today.

Mr. ROE. Madam Chairman, I yield such time as he may consume to the gentleman from New York (Mr. NOWAK).

Mr. NOWAK. Madam Chairman, I certainly want to compliment the chairman for the outstanding work he has done in bringing this bill to the floor.

Madam Chairman, I rise in support today for H.R. 11, providing increased authorization for the 1976 public works jobs program. This bill would authorize an additional $4 billion for the program of Federal grants to support quick-starting, vitally needed community improvements and create jobs in the distressed construction and building trades industry.

The House Public Works and Transportation Committee has made some refinements in this legislation, principally to eliminate the inequities over the allocation formula use during the first $2 billion round of funding in 1976. In sum, I believe that the committee amendments will result in a more equitable distribution of these funds in the future and refocus this program more clearly to the intent of Congress to target these funds to the areas of greatest need.

Therefore, I respectfully urge my colleagues to adopt the bill as reported by the Committee on Public Works and Transportation without amendment.

I believe there is general agreement that a genuine need exists to extend and expand this public works program at this time. Our national economy continues its sluggish recovery. Many of our older industrial areas are recovering at even a slower pace than the Nation at large. The economic deterioration of these areas was exacerbated by the recession. High unemployment and State

and local governments in dire fiscal straits remain an unpleasant reality.

Nationally, the projected low growth rate of 3 percent for the last quarter of 1976 has now been confirmed at an even lower rate—2.4 percent.

The combination of slow growth and nagging unemployment clearly indicate the need for additional economic stimulus by the Federal Government. The need for that stimulus is now. That is a principal reason why I urge the adoption of the committee-passed version of this legislation. If we keep this bill relatively simple, we can reap a much more expeditious return on our investment of these public works moneys. The administration and the Congress, I believe, are in general agreement on the concept. We must keep the momentum going.

Despite the complaints and the inequities of the first round of project grants under this program, I believe our experience overall has been a positive one. The need for this program was obvious. The Commerce Department's Economic Development Administration—EDA—received in excess of $24 billion in applications for the initial $2 billion that was available nationwide.

From these applications, EDA—meeting the stringent timetables for drafting regulations and reviewing the candidate projects—selected nearly 2,000 for project grants. These included 473 water and sewer facilities, 468 for municipal buildings, 133 for public safety facilities, 220 for streets and bridges, 49 for hospitals, and 6 for ports and harbors.

These are not make-work, leaf-raking projects. These are essential community improvements, many of which were stymied by recession-related fiscal pressures on local and State treasuries.

John W. Eden, the outgoing Assistant Secretary of Commerce for Economic Development, has been quoted as stating:

> We are impressed with the quality of these projects and their capability to contribute long-term benefits to their communities.

He added:

> The results have proven that it is possible to efficiently infuse public works investments into the economy.

Under the terms of the act, the actual work on these projects funded in the first round will begin in April. We have shown here too that it does not require years to inject public works moneys meaningfully into the economy.

Yet, the need for jobs, the need for vital community improvements continues. That is why we are here today. That is why I urge your support for the committee bill, H.R. 11.

The series of amendments adopted in committee will insure that the new funds are targeted to high unemployment areas. The refinements will certainly make more likely the fulfillment of congressional intent—that there be an equitable allocation of these finite resources.

These changes were made upon lengthy deliberation and reflection and after having heard voluminous testimony from all segments of the national community.

H.R. 11, as presented today, therefore, reflects what the committee members genuinely feel is the best approach to alleviating unemployment through public works expenditures.

For example, we have eliminated the controversial 70–30 percent distribution of funds that existed during the first round of funding. This particular provision received the most criticism during our hearings.

As you know, this required that 70 percent of all the funds be spent in areas of unemployment above the national rate and that 30 percent be spent in areas with unemployment below the national rate.

Deletion of this 70–30 provision will insure that jurisdictions suffering from excessive unemployment will not be ignored, while areas of moderate unemployment receive funding. Evidence of that type of inequity was illustrated in the final project award list compiled by the Economic Development Administration.

For instance, in my home State of New York, applications for the 70 percent portion of the appropriation reportedly were submitted at the rate of $7 in applications for every $1 in funds available. On the other hand, the ratio for the 30 percent portion was $2 for every $1 in funding. In other words, the competition for the 70 percent category was much more intense and, thus, areas of moderate unemployment had a much better chance of receiving funding than those of high unemployment.

This circumstance, contrary to the intent and design of the legislation, was repeated in other States and other communities.

The committee also approved an amendment that will require that the unemployment rates and statistics used in determining eligibility be the actual data of the applicant jurisdiction. Under the previous procedures, jurisdictions were allowed to utilize unemployment rates and statistics from adjoining areas. The resultant overweighting again thwarted the legislative intent to focus on high unemployment areas. In many cases, jurisdictions with excessive unemployment received no funding while neighboring jurisdictions, with less unemployment, were granted project awards. The committee has sought to preclude repetition of those situations by deleting the section which allowed such gerrymandering of unemployment statistics.

The committee also approved an amendment providing that the Economic Development Administration require that American-made products and supplies be used on projects approved under this public works program. Thus, in addition to the construction jobs created under this program, we seek to insure that the rippling benefits on materials suppliers impacts on our American economy. This provision will help stimulate our unused plant capacity and provide additional job opportunities.

I believe that the members of the Committee on Public Works and Transportation feel that the refinements in this legislation will result in a program that is equitable and that will benefit the areas of the greatest need the most.

I believe we have produced a bill that will benefit our national economy, while assisting local governments provide the vital physical services needed to improve the quality of life.

Varied as they may be, these physical structures constructed under this legislation will long stand as memorials to the determination of the 95th Congress to act firmly and fairly during this period of national economic crisis.

Therefore, I urge the adoption of H.R. 11 as reported by the Committee on Public Works and Transportation.

I would like to commend the House leadership for their expeditious scheduling and enthusiastic support of this legislation and the skillful management of this bill by Mr. JOHNSON, chairman of the full committee, and Mr. ROE, chairman of the Subcommittee on Economic Development.

Thank you, very much.

Mr. ROE. Madam Chairman, I yield 1 minute to the gentleman from Connecticut (Mr. DODD).

Mr. DODD. Madam Chairman, I thank the chairman for yielding. May I take this opportunity to congratulate the distinguished gentleman from New Jersey (Mr. ROE) as well as the members of the Public Works Committee for acting as expediously and competently as they have in bringing this desperately needed legislation to the floor. I also want to congratulate the chairman for making significant improvements in the extension of the jobs bill.

Madam Chairman, I would at this time like to engage the distinguished chairman (Mr. ROE) in a short colloquy regarding the use of "benchmarks" in the allocation formula of the bill.

I understand that the Economic Development Administration had established "benchmark" figures for each county or labor market area to determine the upper limit on funds going to any one area of a State—in other words to prevent overfunding.

I understand that benchmarks under the program extension could be determined on a community-by-community basis. Benchmarks then supposedly are based on the ratio of the number of unemployed in any one community compared with the total number of unemployed in the State.

My concern is this: How will we insure that communities with relatively low absolute numbers of jobless people—our small towns and cities—but with fantastic unemployment rates, will receive fair funding under the act? Just because a city or town is small, and thus has but a small percentage of the State's total unemployed work force, does not mean that its own jobless problem is any less severe and that it should not receive public works funds under this act.

How can we be sure that benchmarks will not discriminate against these smaller communities, that they still will receive the proper funding under the act?

Could there ever be a situation where a benchmark figure would be less than what a town seeks for any one project, thus preventing that community from obtaining any funds?

Or will the benchmarks only be used after a town has received funding for

at least one project, assuming it meets all other eligibility requirements, so as to prevent overfunding?

Mr. ROE. Madam Chairman, if the gentleman will yield, we think we have corrected that under the legislation. We do have a provision in the legislation which specifically directs that there not be undue concentration in one particular area.

Mr. DODD. Madam Chairman, I thank the gentleman from New Jersey.

Mr. HAMMERSCHMIDT. Madam Chairman, I yield 1 minute to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Madam Chairman, I thank the gentleman for yielding.

I, too, would like to engage in a colloquy with either the chairman or the ranking member on the question of benchmarks.

This question expresses my concern not so much that the small community might suffer, but as to the many examples that we have seen of a very small community with a small number of unemployed really getting many more dollars than a very large community with a lot of people unemployed.

I wonder how that has been provided for in this bill.

Mr. ROE. Madam Chairman, if the gentleman will yield, any one community has a right to apply under its level of unemployment. Of course, there is going to be some competition between the smaller communities and the larger cities. There is no question about that.

The benchmark would be set for the local communities to participate under, as the gentleman knows, so that if a community has a high level of unemployment and is competing with others, the one with the high level of unemployment is going to get the particular project. The trigger mechanism, I think, is important here. Therefore, if the Secretary is precluded from establishing undue concentration, all of the projects could not be put in one particular community.

Mr. YOUNG of Florida. Madam Chairman, I thank the gentleman.

Mr. HAMMERSCHMIDT. Madam Chairman, I yield 1 minute to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Madam Chairman, I am particularly concerned with that section of the bill on page 2 and page 3 known as the so-called buy American provision.

Our trade subcommittee, which has been concerned about this matter, has received copies of three letters, one from the Department of State, one from the Department of Commerce, and one from the special trade representative, all indicating opposition by the administration to this feature of the bill.

Madam Chairman, it is my understanding that the distinguished gentleman from Florida (Mr. GIBBONS) will be sponsoring an amendment to try to remove this particular feature of the bill; and I simply wanted to call the attention of all of the Members to this amendment which I hope will soon be offered.

Mr. HAMMERSCHMIDT. Madam Chairman, I yield 1 minute to the gentleman from California (Mr. ANDERSON).

Mr. ANDERSON of California. Madam Chairman, I would like to engage in a colloquy with the gentleman from New Jersey (Mr. ROE).

I have a question about the city of Long Beach, which made six applications for urgent projects. Yet, none of these projects were funded.

As such, the city of Long Beach has, of absolute necessity, begun work on two of these projects. One is a fire station; the other is a street-improvement project.

My question then is, will the city of Long Beach be able to transfer funds from an approved project on which they have already begun work to another project submitted by the city if the unfunded project is considered to be of at least as high or higher priority in this city?

Mr. ROE. The basic fundamental provision in the legislation was that if a project was already under construction and the community had demonstrated that it had its own funds to proceed, it would not be considered.

As I understand the gentleman's question, the gentleman is talking about the pending applications for projects already under construction, could they possibly be funded in the second round?

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAMMERSCHMIDT. Madam Chairman, I yield to the gentleman from New Jersey 1 additional minute.

Mr. ROE. Madam Chairman, I think the basic point here is that all of the other applications of the community are active when they amend their application under the new criteria, then EDA will decide on the level of their eligibility to receive a grant award.

The question is, can they transfer any other funds in any other way. I do not know of any way they can do it under the bill.

Mr. HAMMERSCHMIDT. Madam Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Madam Chairman, I rise in opposition to H.R. 11, the public works jobs bill. It will throw another $4 billion of our citizens' tax dollars into dozens of public works projects across the country. These projects—many of them highly questionable—will increase the inflationary pressures on our economy while doing little to reduce unemployment.

I am somewhat at a loss to understand the rationale for this multibillion-dollar proposal. The bill supposedly is an extension of the Public Works Capital Development and Investment Act of 1976, which set aside $2 billion for public works projects.

The 1976 act, however had serious drawbacks. Despite the promise of providing speedy employment, few jobs have been created. Furthermore, much of the money has gone to fund projects of an extremely dubious nature.

Five months have already passed since funds were appropriated under the 1976 act. Yet the impact on the unemployment rolls is still virtually nil. According to the February 17 edition of the Washington Star, the scorecard so far is "some 250 people hired—by the Commerce Department to help figure out how to distribute the money."

And what a way the money has been distributed. Many questionable projects have been funded to the tune of hundreds of thousands of dollars. Port Graham, Alaska, for example, a town of only 122, received over $882,000 to build a community service center. This works out to $80,000 for each of the town's 11 unemployed citizens. Alaska's second largest city, Fairbanks, received nothing.

The population centers of Washington State—Seattle, Spokane, Tacoma, and Belleview—were left out of the picture. Clarkson, however, with a population of 6,875 and an unemployment rate two points below the national average, received $179,000 to build an animal shelter and an indoor pistol range.

To take another case, Mound Bayou, Miss., has only a population of about 2,134 people, approximately 217 of whom are out of work. Nevertheless, it was awarded $4.9 million, about half of all the funds allotted to the State, for paving the streets and constructing a new municipal building and storage facility.

The list of anomalies could go on and on. After such a dismal record, it is hard to justify putting another $4 billion into these projects. The rationale would seem to be that if $2 billion in Federal funding is a dud, then just double the amount and try again. Frankly, I find this unacceptable. It seems to constitute an unconscionable waste of taxpayers' funds.

The next $4 billion in H.R. 11 would be directed toward the 20,000-plus applications which are on hand but still unfunded. This leaves great potential for Federal funding of even more dubious projects. As the Washington Star facetiously noted, if your community was not among those selected, do not despair.

> If the taxpayers' money holds out and the government's printing presses don't break down, the computers down at Commerce may get to all the applications eventually . . .
>
> There's the danger, of course, that by the time the projects get going—even those under the first $2 billion installment—the federal spending may fuel the inflation rate more than it reduces the unemployment rate.

In all seriousness, however, what really could be expected from this program? The 100-percent Federal funding provision in the 1976 act and now again in H.R. 11 is a major mistake. Local communities are offered the prospect of totally free money, with not even the smallest matching fund requirement to insure that the project is necessary. Consequently, the temptation is to request projects that are of low priority or are not needed at all and postpone projects that would better meet long-term needs.

Another major drawback is the long lag time between enactment of public works legislation and the point when the money is actually spent. Many months, if not years, can go by before the funds are finally utilized. A Congressional Budget Office document, for example, shows that well over 50 percent of the funds may

remain unexpended even 24 months after enactment of such a program.

The long delay makes public works projects an unreliable method of stimulating the economy. The majority of the funds may be spent so late that rather than increasing employment and speeding economic recovery the spending instead hinders that recovery by fueling inflation. Or, as the CBO has phrased it, "public works can potentially increase inflationary pressures if they add to the demand for scarce skills or materials during a recovery period."

Finally, funding of public works projects produces far fewer jobs than its backers claim. A study prepared by economist Alan Fechter of the Urban Institute indicates that each $1 billion of spending provides only 30,000 to 60,000 jobs. Furthermore, the Federal money may displace up to 50 percent of State and local funds being used to provide public services. Consequently, public works legislation is a relatively ineffective device when it comes to fighting unemployment.

For these reasons, Madam Chairman, I am voting against H.R. 11 and I urge my colleagues to do likewise.

Mr. HAMMERSCHMIDT. Madam Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. HARSHA).

Mr. HARSHA. Madam Chairman, I think it is important at this point in the proceedings to point out to the Members that all of the projects, and all of the applications that are on file are certainly not going to be funded. Many of the communities may be disappointed again, as they were the last time. Actually we had some 25,000 applications calling for some $25 billion in money, and we only had $2 billion to go around. Also in this next round we are only going to get another $2 billion. Obviously all the applications that are on file are not going to be funded.

Do not be deluded because we are extending the authorization on this bill that all of the communities that have applications are going to get more funds.

We are trying to do the best we can with the remaining resources we have because this hits at the highest areas of unemployment and hits at the highest areas of economic distress.

But again it is going to be kind of a lottery system where you make your application, or it is already on file—do not misunderstand me, there are those who have already filed them, but they are going to have to present new information and follow new criterions that will be set forth in the rules and regulations—but, even so, this does not insure that each of these communities is going to receive a grant from the Federal Government because there just is not enough money available to do that. So I wanted to caution the Members in that regard.

However, this particular legislation is a great improvement over the previous legislation.

The administration strongly supports this, and feels that it will be a help along with the rest of their package to try to give an economic stimulus to the economy and to bring about some relief to the tremendously high unemployment, particularly in the building trades area.

Mr. CONTE. Madam Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Massachusetts.

Mr. CONTE. Madam Chairman, I join many of my colleagues here today in support of H.R. 11, an expansion, extension, and revision of the Public Works Employment Act. Much attention has been focused recently on the general state of the economy with a national unemployment rate of over 7 percent and a severe cold wave, which will have a particularly disrupting economic impact on regions throughout the Nation, especially the Northeast. These developments, coupled with the pledges of the new administration to stimulate the economy, have intensified our orientation toward direct job-creation programs. The Nation's key economic problem is unemployment and the solution is jobs.

As one of the original cosponsors of the Public Works Employment Act, and one who fought hard to get it enacted, I joined many of my colleagues last month in proposing expansion of this program based on examinations of the administrative problems which arose with the present program. Most of us would agree that that program did not turn out entirely as we had hoped and, from these results, we have before us legislation which corrects the most glaring inadequacies of the act.

The bill would add an additional $4 billion authorization in fiscal year 1977 to fund direct, 100-percent Federal grants to State and local governments for public works projects that can create jobs quickly in areas of severe unemployment. Basic job creation programs are already on the books, and the necessary administrative machinery for many public employment programs already exist at all levels of government. These programs can be expanded quickly to provide jobs and consumer spending power vitally needed to rebuild the economy.

I believe strongly in using the public works program as a direct means for reducing unemployment.

After a series of intensive hearings and panel discussions, the Committee on Public Works and Transportation has presented us with legislation which addresses and corrects many of the major problems that occurred in the administration of the first program funding. An important revision made by the committee is in the elimination of the 70/30 split. Inadvertently, this formula for distributing funds worked in contradiction of the intent of the act to help the areas with highest unemployment.

As it turned out, applications under the 70-percent category had a 1-in-10 chance of being funded, while applications submitted under the 30-percent category had a 1-in-5 chance. This discrepancy appears to be a contradiction of the original intent of the legislation to help the most severe unemployment areas. I think we should give serious consideration to increasing the percentage of funds given to areas of highest unemployment.

In examining the rating criteria of the present program, it appears that insufficient weight was given to the long term employment creating effects of a proposed project. Such things as water and sewer lines, industrial park development, and urban renewal will have an impact on the economic viability of a community or region much longer than the actual duration of the project. We must provide funds for projects which will have an enduring economic impact—in attracting a business or industry to settle in an area and retaining jobs. I believe this should be a major consideration on awarding grants.

Recently, as you know, much attention has been focused on the economic erosion of the Northeast and Midwest regions compared to the economic standing of the Sunbelt States. As cochairman of the New England Congressional Caucus and a member of the Northeast-Midwest Economic Advancement Coalition, I am seriously concerned over the high unemployment and economic stagnation of the Northeast.

I believe it is imperative to initiate policies to reverse this regional decline and to take remedial action by determining more equitable Federal allocation formulas. Certainly unemployment is one of the major areas in need of infusion of Federal funds, since the Northeast has the highest unemployment and business failure rate in the Nation. Yet, over the years, this region has received the lowest in public works and average overall EDA funding. This trend was evident in the last round of public works funds distribution—a program which was conceived to target funds to those localities with the most severe unemployment problems.

Madam Chairman, I believe that the public works employment program is sound economic policy. This bill makes it clear that it is the intent of Congress to target funds to areas with highest unemployment. It is a realization of the magnitude of the unemployment problem—what it is doing to the Nation's people, industries, and quality of life. The public works program is not the sole remedy for our Nation's economic malaise—but it will move us closer to the goal of full employment and revitalization of our lagging economy. I urge my colleagues to support this bill and to act promptly in extending the public works employment program so we can get our people back to work.

Mr. HAMMERSCHMIDT. Madam Chairman, I yield myself 1 minute.

Madam Chairman, I wish to associate myself with the remarks that were just made by our distinguished ranking member of the full committee, the gentleman from Ohio (Mr. HARSHA), and to express my appreciation for the great leadership he has given to this bill from our side of the aisle in the full committee.

Madam Chairman, I now yield such time as he may consume to the gentleman from Michigan (Mr. SAWYER).

Mr. SAWYER. Madam Chairman, I rise in support of H.R. 11, providing for $4 billion for increased authorization for the 1976 public works jobs programs.

In view of the climbing national unemployment rate, now over 7 percent, I concur with the objectives of this program of public works as a step toward relieving unemployment. I am pleased to see the reforms contained in H.R. 11, which incorporates the successes and weeds out the failures contained in the original legislation passed in the 94th Congress. Specifically, from the results which I have seen in my own congressional district, the promise of strict oversight and revision of the allocation formula will go far toward making this revised program a more effective vehicle in tackling unemployment.

I, for one, am philosophically opposed to the grab bag concept on handing out Federal funds; however, I believe funding these public works programs, which are already designed and ready to be implemented, will provide meaningful jobs to those seeking work, and at the same time, will provide for construction of useful permanent additions to the communities participating in the program. Projects such as parks, libraries, municipal buildings, and other badly needed public buildings will be built, and we will also provide a positive stimulus to our struggling local economies.

H.R. 11 is a good investment, and I believe the bill deserves our support.

Mr. ANDERSON of California. Madam Chairman, I thank our distinguished colleague, the chairman of the Subcommittee on Economic Development, Mr. ROE, for his clarifying answers to my questions today.

Chairman ROE, and Chairman JOHNSON of the full committee on Public Works and Transportation, have rendered oustanding service to this Nation by bringing this major piece of economic stimulus legislation to the floor of the House at this early date. As you know, this bill, H.R. 11, is a major component of President Carter's economic stimulus program.

I believe that President Carter and the Congress are demonstrating to the people of this Nation that their Government can act quickly, aggressively, and cooperatively, to bring improved health to our Nation's economy.

The Public Works Capital Development and Investment Act of 1976 demonstrated that local public works projects can be an effective means of quickly putting people to work in this country.

The bill before us today increases the original authorization for local Public Works from $2 billion to $6 billion. This should create an additional 600,000 jobs in the private construction industry and the related construction materials industry—an accomplishment in which we can all be proud.

Madam Chairman, the Local Public Works and Capital Development Act of 1976 is not a perfect piece of legislation—nor has it been perfectly implemented by the Economic Development Administration. H.R. 11 will improve the authorizing legislation itself—and I strongly urge its passage. But H.R. 11 will not perfect the implementation of the act itself. I am, however, encouraged by the commitment of Commerce Secretary Juanita Kreps and Economic Development Administrator-designate Robert Hall, to make this program function quickly, properly, and effectively.

In this regard, I want to commend Chairman JOHNSON for his directive that the Subcommittee on Economic Development and Investigations and Review, carefully review all proposed rules and regulations to carry out this legislation before they are put into effect. I firmly believe that this type of oversight is a responsibility which we in the Congress have too often neglected.

Mr. SIKES. Madam Chairman, I support the bill before the House today to provide an increase in the authorization for the 1976 public works jobs program. However, I feel that proper safeguards must be included in the legislation to prevent the inequitable distribution of projects that occurred during the first phase of the jobs program.

Last fall, thousands of towns, cities, and local agencies applied to the Economic Development Administration for Federal assistance under the jobs program. More than 24,000 applications were submitted and, after EDA completed an extensive selection process, only 1,988 projects were approved. Shortly thereafter, municipalities across the country began to voice their protests. Inequities in the final allocations were pointed out. Prosperous communities with apparently little unemployment received significant allocations while neighboring jurisdictions, whose unemployment rates were much higher, got little or nothing.

Most of the counties in my congressional district, and particularly the smaller counties, were ignored in the selection of the new public works projects. Apparently the same inequitable distribution of projects took place throughout the Nation. I have no quarrel with the projects that were selected, but I am disappointed that so many meritorious projects were left out.

It is clear that the selection formula was unsatisfactory. Flaws in both the EDA regulations and the legislation itself have been pointed out since the allocations were announced in December. Recent hearings on this legislation indicated the necessity for major changes in the 1976 act in order to target the Federal assistance more accurately into the areas of greatest need. The hearings on the first round of funding also clearly showed that the next round of funding should insure a more equitable distribution of projects; simplify administration by making the program regulations more easily understood; reflect local priorities and eliminate gerrymandering of project areas so that program investments are oriented more toward the areas of greatest distress.

The jobs program was established to put people back to work, particularly in the construction trades where the unemployment rates have been consistently double the national average. But it was not created as a panacea for our Nation's urban ills at the expense of the jobless in rural America, as it turned out.

I strongly urge that the obvious discrimination against rural America, inherent in this act, be dealt with either through administrative regulation procedures or by amendment on the floor of the House so that the jobs bill can have true significance to all Americans—not just those in the cities.

I am hopeful that the amendments which were drafted by the committee, designed to meet the objections raised during the hearings, will insure a more equitable distribution of projects. I am pleased that the committee intends to continue holding oversight hearings as the new program regulations are developed to help achieve these objectives. We must make sure that the selection formula meets the needs of those intended to benefit from the program before approving this legislation.

It is the intent of the committee that the 22,000 existing applications now on file be updated or revised and used in the next round of funding.

Mr. DRINAN. Madam Chairman, I rise in support of the Local Public Works Amendment Act, H.R. 11, which will authorize an additional $4 billion in direct Federal grants for local public works projects.

This additional $4 billion should provide a significant stimulus to the economy on top of the $2 billion public works program which has already been funded. The new legislation is a top priority item in both the administration's and the Congress economic recovery program. According to the calculations of the House Public Works Committee, it should create as many as 600,000 new jobs in construction and related industries in those areas hardest hit by unemployment.

Madam Chairman, this new economic legislation comes none too soon. For my constituents in Massachusetts and others in the colder regions in the United States, this winter has been one of the worst in recent memory. It has greatly taxed our citizen's energy bills and led to many workers being laid off. It will indeed take a long time to recover from the winter of 1977, but I am hopeful that this bill will aid in that pursuit.

Under the original Local Public Works Act which was passed in the 94th Congress, $2 billion were made available for local construction projects. Under this program, more than 25,000 applications were received from municipalities all over the country. Unfortunately, these applications far surpassed the funds which were appropriated to finance the bill. As a matter of fact, a total of $24 billion in assistance was requested by towns and cities for public works programs.

While the Congress is authorizing an additional $4 billion for the new legislation, Madam Chairman, there can be little question that the additional amount will only fund the projects of a limited number of municipalities. The legislation will create jobs and it will provide the economic stimulus which we need as a whole in the United States. However, the Federal Government's resources are limited and many towns and cities are bound to be disappointed. I sincerely regret that these funds are limited, but if this legislation does indeed help to stimulate the economy, much still will have been gained.

Under the terms of H.R. 11, many of the original provisions in the public works bill have been changed. As my colleagues know, there were situations whereby funds were misallocated to States and municipalities whose unemployment needs were not as great as others. In many States, in particular those towns and cities which were most hard hit by unemployment, received no grants from the Economic Development Administration in their implementation of the program. Therefore, many of the reforms encompassed within the bill were sorely needed.

One of the biggest problem areas for the original Public Works Act concerned the use of unemployment statistics. Because the EDA regulations took into account only a 3-month unemployment average, States such as Massachusetts were unfairly represented in their ranking of high unemployment areas.

With the passage of H.R. 11, unemployment data will be expanded to include the 12 most recent months' average for unemployment. This should help to eliminate the seasonal fluctuations in the joblessness statistics and record a large number of unemployed workers whose jobless status has not been carried in statistics due to quirks in the system.

Another change in the new public works bill is that the former "70–30 percent" formula funding will be eliminated. Under this previous formula, only 70 percent of the funds had to go to the highest unemployment areas in the United States. With the new bill all of the funds of the act will be targeted for high unemployment areas, which should substantially benefit the most hard pressed States. In combination with the fact that the unemployment reporting will be improved, the distribution of funds should become much more equitable under the new formula.

There are other changes in addition to those that I have mentioned here, Madam Chairman, which will go to improve the original legislation. There is no need to go into each of these provisions, though I would like to advise the Economic Development Administration that they should apply these improvements with great zeal in order to insure the proper workings of the program. Many localities were hurt by the original EDA formula, and I am hopeful that this experience will not be repeated in the next round of funding.

Madam Chairman, in spite of the problems which we have seen here already, I feel that this new legislation will help to both equitably distribute public works funds and stimulate the U.S. economy. It is unfortunate that more funds are not available, but this additional $4 billion should have a substantial positive effect on the continuation of our economic recovery.

I therefore urge my colleagues to support the passage of H.R. 11.

Mrs. COLLINS of Illinois. Madam Chairman, I rise today to urge all of my colleagues to support H.R. 11, which provides increased authorization for the 1976 public works jobs program. As a cosponsor of H.R. 1971, an identical measure, I believe that passage of this bill is crucial to the success of our attempts to bring about an economic recovery in America.

December's unemployment figures listed 7.6 percent of the Nation's work force as being out of a job. In my own district in Chicago there are pockets of persistent high unemployment that exceed the national figures. I receive many heartbreaking letters every day from those who are unable to find jobs. And this is by no means a problem unique to my district. There is pervasive unemployment nationwide, particularly in the metropolitan areas.

If passed, H.R. 11 will create up to 600,000 new jobs. These jobs are needed badly by the many men and women who have spent too long hunting fruitlessly through the classifieds and checking with the employment agencies for jobs that do not exist. To reiterate, passage of this measure will help to alleviate the severe shortage of jobs affecting my district and those of many of my colleagues.

It is essential to both those currently unemployed and to the Nation's economic recovery that we vote positively on H.R. 11 today.

Mr. ST GERMAIN. Madam Chairman, while my colleagues are debating this crucial legislation. I would like to once again stress the importance of the first word of the title of this bill: local. The emphasis is on putting those unemployed local residents to work on the public works projects this bill would create. The Economic Development Administration has encouraged the use of local labor, but has not always made this a mandatory requirement.

I would strongly urge that, along with the other improvements in the existing program which this bill will provide, we should give consideration also to the impetus for the creation of the original legislation: the need to provide jobs for unemployed residents of areas with high unemployment rates.

Too often, I have found it necessary to remind a community receiving a grant under this program that the funding was awarded on the basis of unemployment statistics. If this data is disregarded once the money is received, then the entire purpose of this legislation is frustrated.

Therefore, I hope that in extending, enlarging, and improving the Local Public Works Capital Development and Investment Act, due attention will be paid to the use of local labor on the construction projects which are funded.

Mr. ALEXANDER. Madam Chairman, I rise in continued support of H.R. 11, extension of title I of the Public Works Employment Act of 1976. There is no question as to the potential of this program to stimulate the economy. Public works jobs programs serve a twofold purpose: while putting scores of unemployed individuals to work, these programs also stimulate local economic development by providing cities and towns across the Nation with needed buildings and facilities.

In the first round of grants we saw local units of government acquire funding for community centers, schools, courthouses, police and fire stations, water and sewer improvements, and other basic building blocks necessary for economic development.

I recognize the abundance of the testimony that the committee heard in favor of elimination of the 70–30 split as mandated by the 1976 act and I believe the committee acted wisely in increasing the minimum allocation from one-half of 1 percent to three-quarters of 1 percent for those States, like Arkansas, which received the minimum appropriation in the first round of grants.

I would ask my colleagues, however, to keep clearly in mind as we debate jobs proposals that the unemployment problems of nonmetropolitan areas are just as severe, in degree if not in numbers, as the unemployment problems of metropolitan areas. Unemployed workers in the countryside are just as unemployed as the jobless in the cities.

The most recent Bureau of Labor Statistics data available indicates that roughly 30 percent of those individuals unemployed live in nonmetropolitan areas. This is a disproportionately large percentage when compared with the portion of the total national population that actually resides in nonmetropolitan areas.

In extending and revising this program, we must insure that it, as well as all other programs, gives equitable treatment to all regions of the Nation. The provisions of Public Law 94–369 should be strengthened to provide continued insurance against undue concentration of assistance in one region of the Nation or in any State.

I believe the committee has done a commendable job in the revisions it proposes. The change in the time span for unemployment data used in making grants from the three most recent consecutive months to the 12 most recent consecutive months will, I believe, give better treatment to those areas throughout the Nation with longstanding, chronic high unemployment rates.

The law has also been strengthened by requiring local units of government submitting more than one application to give their list of priorities at the time of application. This will help to insure that the most pressing needs of a distressed area are being met.

I would caution, however, that the Congress must continue to monitor the alterations which the Economic Development Administration makes in its formula and point assignment for ranking of project applications.

As a sponsor of H.R. 11, I urge speedy adoption of this legislation by the House and swift action on the appropriations necessary to fund extension of this economic-stimulus program.

Mr. GILMAN. Madam Chairman, I would like to take this opportunity to commend the House Committee on Public Works and Transportation on their thorough study of the Local Public Works Capital Development and Investment Act of 1976 and the proposed amendments in H.R. 11 which would rectify the problems encountered in the administration of the act, thereby insuring a more

equitable distribution of projects and eliminating the "gerrymandering" of project areas so that funds will be projected toward those areas in greatest need of funding.

As cleared by the Congress, this measure will authorize a total of $4 billion in new funds for State and local public works projects: An authorization which reflects the conviction of the Congress for the need for timely funding of programs designed to correct our Nation's serious unemployment problem. As we are all well aware, the original program prompted what can only be described as a national furor: Literally thousands of communities across the country complained of the inequitable distribution of funds for their projects. And not without good reason, for hundreds of communities in every State with unemployment rates way over the national average received no funding whatsoever from a program designed to pump dollars for public works projects into high unemployment areas.

In view of the obvious problems in the allocation and distribution of funds, I applaud the revisions proposed in H.R. 11 which refines our approach to this act, insuring a more equitable distribution of emergency jobs money for areas which urgently need these funds.

I still have reservations, however, regarding some of the proposed amendments to the Public Works Capital Development and Investment Act, which I would like to bring to my colleagues' attention.

First, section 111 of the act, if amended, would "authorize the Secretary to make grants for projects that were not received, not considered, or were rejected solely because of error made by an officer or employee of the United States,"—page 6, House report to accompany H.R. 11. While I firmly believe that communities which submitted their applications for funds in good faith and were rejected because of errors made by another agency should be considered for this round of funding, I believe just as firmly that every community should also be allowed to revise and improve their existing applications if they believe such corrections are in order, and that any community should be allowed to resubmit its application, no matter why their project was rejected. This would not only insure that the applications already submitted to the Department of Commerce would be utilized so that the large amounts of money and hundreds of hours of preparation time spent on individual applications will not go to waste, but would also allow hundreds of worthwhile projects to have a better chance to receive urgently needed funds.

Second, according to the House report submitted by the committee on Public Works and Transportation, the committee provided, in section 108(c), "That information regarding unemployment rates may be furnished by the Federal Government, or by States, or by local governments provided that the secretary of commerce determines that such unemployment rates are accurate,"—page 5, House report. I urge that if local governments are able to substantiate unemployment figures which differ radically from Federal or State unemployment figures, these communities should be allowed to certify these figures and utilize them in their applications for project funding.

Third, although H.R. 11 does implement many improvements over the former Public Works Act, it still does not rectify a basic injustice in the original program: The allocation of project funding in such a way that urban areas are favored over rural areas. Because the old formula basing appropriation allotments upon the absolute numbers of unemployment rather than the rate of unemployed, rural areas with comparatively low density populations cannot compete with urban areas, even though these rural areas may have an equal for even higher percentage of unemployed individuals. One method of rectifying this inequity would be to allow communities to determine their own labor markets in terms of counties, and have the Department of Commerce certify these labor markets so that they might be used in revising applications.

Fourth, under section 108(e), another amendment provides for only urban "pockets of poverty" to receive assistance. I suggest that this provision be rewritten to include "pockets of poverty" to rural areas. Many districts, including my own, have towns and villages whose unemployment rate exceeds that of the county in which these communities are located. If these rural areas are not allowed to use their own unemployment rate in project applications, they will not be able to receive a fair and urgently needed share of project funding.

Fifth, it has come to my attention that no system to guard against computer errors in compiling and analyzing data received from applicants has been proposed, although I, along with many other members pointed out to the Public Works Committee, that computer runs were often significantly inaccurate in their results. I strongly urge that an independent check of all data be made before it goes into the computer, to guard against any incorrect statistics being utilized to administer funds.

Finally, section 108(c) of the Public Works Act specifies that EDA must provide assistance to a community seeking to determine its unemployment rate. I believe that EDA should have qualified staff members readily available on a permanent basis to consult and assist communities in the technicalities of revising and correcting applications, so that every community can receive prompt and adequate guidance from EDA when completing their applications. Furthermore, the geographic quotas used by EDA should be published ahead of time so that applicants will be aware of the maximum amount and the areas for which their community is budgeted. It is my contention that these two provisions will greatly aid EDA in complying with section 108(c).

In our next public works legislation, these proposals should be considered so that Federal funds can be channeled to areas where they are most desperately needed and so that the original intention of the Congress' public works legislation, the rectification of our Nation's serious unemployment problem, will be properly fulfilled.

Mr. MITCHELL of New York. Madam Chairman, the bill before us is designed to pump needed money into worthy local public works projects as soon as possible to provide jobs for a large number of unemployed Americans, particularly in the construction trades, right away. I think it will accomplish that goal and therefore is deserving of our support.

On the domestic scene, our No. 1 priority should be to develop job opportunities for our people. We should do everything we can to make it possible for our citizenry to earn their way.

Millions of Americans are unemployed in this land of plenty. I am not one who subscribes to the theory that these people are all looking for handouts from a benevolent government. Rather I think they are looking for a helping hand, an opportunity to be gainfully employed in order to provide the basic necessities of life for self and family.

The Public Works Employment Act of 1976 was a bold venture. We proved that we have the capability to act with dispatch to meet a crisis. That crisis—the alarmingly high rate of unemployment—was not going to go away by itself. Obviously, we all would have preferred to have the shaky economy get on solid ground by itself and through the normal course of events create new job opportunities for an expanding workforce without the necessity of some form of intervention on the part of the Federal Government. But that was not to be. We faced the problem forthrightly and the Public Works Employment Act was a part of our affirmative response.

All across the country, the program was viewed as a needed shot in the arm. However, all of us who gave it support were understandably concerned about the ability of local governments to take advantage of what was being offered. Would they have the immediate response capability we sought? Could they come up with worthy public works projects right away and did they have the ability to get them underway without delay?

These and the many other questions we had were answered promptly. The response from all across America was overwhelming. Applications by the thousands poured into the regional offices of the Economic Development Administration.

I will not go into all the details of the first go-around of funding. We all know the numbers. More than 25,000 applications were received, representing billions of dollars worth of projects.

As we now know, the funding was totally inadequate if we were to come even close to meeting the expectations of our mayors, county and State officials. We soon learned $2 billion did not go far, out of the more than 25,000 applications received, only 1,988 were funded before the well ran dry.

We also learned that there were many deficiencies in the original program which resulted in disappointment after disappointment. There were voids all over the map, areas of substantial and persistent unemployment which did not get a dime for worthy projects. Other

areas, with lesser rates of unemployment got projects funded while neighboring jurisdictions, with a far more serious rate of unemployment, drew a blank. Some areas used one set of figures from one source while others used entirely different figures from another source.

There were problems. That is for sure. But despite the problems, it quickly became evident that we had a program which—despite all of its faults—gave every promise of meeting its stated objective without undue delay. Wisely, we did not stop our effort. Unemployment continued. So did the need for jobs. Immediately we launched an effort to come up with an expanded, improved program which brings us to the point where we are today.

H.R. 11 incorporates many of the changes and improvements that I and a number of my colleagues sought in our effort to guarantee a better program, one that would come closer to guaranteeing a fairer, more equitable distribution of projects and funds.

The managers of the bill have focused attention on these changes so I will not go into detail on them. However, I wish to register my support for reserving all of the funds—100 percent—for those areas with an unemployment rate above the national average. And I think it makes sense to start in the second round of funding with those applications already on file.

I like the concept of using unemployment statistics for the previous 12-month period, rather than the previous quarter as was the case in the first round, because this allows for seasonal fluctuations and pays the most attention to areas where the unemployment is both substantial and persistent.

I also favor elimination of the provision in the original act which permitted jurisdictions to gerrymander a project area so it could use a distant jurisdiction's unemployment figure, to "beef up" an application's standing. The result of this was that many areas with a lesser unemployment problem came out on top with their "beefed up" applications while more severely depressed jurisdictions which did not employ the gerrymandering tactic ended up with nothing.

Yes, the bill before us represents a significant improvement. It is deserving of support without major revision. I am sure there are some technical perfections that will be added during our proceedings, but on an overall basis it is my feeling the Public Works Committee, particularly the Subcommittee on Economic Development, under the able leadership of my distinguished colleague from New Jersey (Mr. ROE) deserves commendation for the product presented for our consideration.

I am hopeful, Madam Chairman, that the House will go along with our national allocation formula and not alter it as our colleagues in the Senate did yesterday. We must continue to place our greatest emphasis on helping areas with the greatest need. It is not simply a parochial view to advocate extra consideration for States like New York—or New Jersey, Connecticut, and a number of others—where the unemployment is above the national average. To do so is consistent with the intent of the legislation.

My hope is that we will act with dispatch in approving a good bill. The bill before us, as reported by the Committee on Public Works, passes that test.

Mr. CLEVELAND. Madam Chairman, considering what we have seen in recent years in the way of court decisions, bureaucratic idiocy, and congressional impoundments, I am getting the impression that we are destroying more jobs in this country than we could ever hope to create through H.R. 11.

I therefore rise in opposition to its passage, not so much for what it does as for what it does not do: namely, unshackle a huge assortment of public works programs, not to mention private sector construction, already on the shelf in such high-priority areas as water pollution control, long-term economic development, bridge and highway construction, housing for the elderly, and many others.

It is nothing short of a tragedy that at a time of need for jobs and public facilities in our communities we cannot turn the spigot and get these programs moving.

This bill is not all bad: I see some good in it. Certainly it is an improvement over the original $2 billion number with all the booby traps legislated into it.

There is no doubt that this bill will eventually be enacted and that some worthwhile projects will result. But the fact is that we have no earthly idea what the results of the first $2 billion ration are going to be, much less the results of a $4 billion expansion.

I am as concerned over jobs—public works jobs—as anyone in this House. But I am concerned over net impact. How many will be created? How many would have been anyway under other Federal and non-Federal programs? How many of the latter were and are being delayed while communities exhaust all possibilities of obtaining 100 percent Federal funding?

On February 18, Assistant Secretary Eden wrote me confirming that there can be no answer at this juncture. But he also wrote in response to other questions I posed as follows:

> In regard to your question concerning a comparison of our long-term program to the Local Public Works Program, we calculate that over half of the projects selected for local public works funding are for types of projects that are not normally funded under our regular program. These projects include construction for public safety facilities, hospitals, schools, and public buildings. The regular program is not normally used to fund these kinds of projects because they do not have significant long-term economic development impact.

There you have it. Projects that are nice to have, some certainly needed. That is not the point. The question is whether we get the multiple benefit of short-term job creation and long-term economic revitalization which can best be achieved under local plans and priorities.

I shall not impose further on Members' time. The full text of a sermon on the subject is to be found in my views accompanying the committee report on H.R. 11.

Regardless of whether Members share my views on H.R. 11, I hope we can shortly join in the task of making programs already on the books work, take a new look at the employment potential of long-term economic development programs and examine other unmet needs now stalled by senseless legalities and bureaucracy. One area becoming critical is inadequate prison facilities. It will be interesting to see the extent to which H.R. 11 can help meet needs in this area.

Mr. AMMERMAN. Madam Chairman, we are taking today the second step in as many days toward breathing life into our lagging economic recovery. With passage yesterday of House Concurrent Resolution 110, the third budget resolution for fiscal year 1977, the House adopted a revised set of budgetary targets which hopefully will provide the spur our economy has been needing to move more rapidly along the road toward better economic health and reduced unemployment.

The bill we are taking up today would provide the funding authorization for one of the most critical components of that economic stimulus package—the accelerated public works program. H.R. 11, of which I am a cosponsor, would authorize an additional $4 billion in fiscal year 1977 for quick response public works projects—those which State and local governments can start within 90 days.

Our committee tells us that this bill could create as many as 600,000 more jobs, the vast bulk of them in the hard hit construction industry. With the Nation's unemployment rate still standing at between 7 and 8 percent, those jobs are badly needed. For even if we adopt this program and the rest of the economic stimulus package, our unemployment rate is still projected to be almost 7 percent at the end of this year and over 6 percent at the end of 1978.

As I said yesterday, we have to lick unemployment if we are going to attain fiscal responsibility. That is one of the major reasons why I am supporting this legislation.

As we are all well aware, the $2 billion authorized by the Public Works Employment Act of 1976 has proved to be quite inadequate. Less than 2,000 of the some 24,000 applications filed by our States, cities and localities could be approved. Thus the infusion of additional funds in fiscal year 1977 called for in H.R. 11 is not only essential for job creation, it will also finance worthwhile public projects from the list of over 22,000 applications still pending.

This bill not only authorizes more money, it incorporates amendments designed to meet a number of objections to the program pursued under Public Law 94–369. One key amendment would eliminate the provision of current law limiting to 70 percent the proportion of the funds authorized which can go to areas with unemployment above the national average. Another would lengthen from 3 to 12 months the period of time over

which unemployment rates would be calculated for purposes of this act. This provision would eliminate the impact of seasonal fluctuations in the unemployment rate on fund distribution.

Still a third change worthy of mention is an amendment directing the Economic Development Administration to give priority to projects which would result in energy conservation. In today's era of fuel shortages and declining domestic production, this is surely a commendable emphasis.

With these and other improvements, this bill is clearly deserving of our support. Having endorsed the basic approach to economic stimulus set out in the revised budget resolution, let us now proceed to implement its specific elements. With that I urge my colleagues to support this bill.

Mr. APPLEGATE. Madam Chairman, I rise today to speak on behalf of the Local Public Works Capital Development and Investment Act which I am proud to cosponsor. As a new member of the Public Works and Transportation Committee, I have been impressed with the hard work schedule our committee has maintained on this much needed legislation. Chairman BIZ JOHNSON and Subcommittee Chairman BOB ROE provided the direction and leadership to complete our difficult job on schedule.

This legislation is very much needed, due to our sluggish economy. The EDA has received 24,000 applications requesting some $22 billion last year for this program. The very severe winter which Ohio has experienced will have ramifications far into next year. This program has caused great expectations throughout my district. There were 63 applications requesting 63 million refunds throughout our area, enough to use all of Ohio's allocation. However, the program as it was administered caused a great many inequities.

After hearing more than 80 witnesses representing city, county, State and Federal governments, organized labor, contractors, environmentalists and public interest groups, we rewrote the law.

Speaking for all of us on the committee who worked so hard, we earnestly hope our changes enable a new administration at the Department of Commerce to award the grants where they are most needed.

Mr. COTTER. Madam Chairman, I rise in support of H.R. 11.

Title I of the Public Works Employment Act of 1976 was the result of months of labor by the House Committee on Public Works and Transportation. It came in the midst of one of our Nation's most serious economic recessions—a recession that took its heaviest toll in the construction industry. In that sector, unemployment rates of 40 percent were not uncommon.

Title I has two purposes: to stimulate employment in the construction industry, and to help State and local governments undertake public works projects and services that they could not finance themselves.

We had great hopes for this program when it became law over the President's objections last fall. The committees which labored over it and the Economic Development Administration which administered it both did outstanding work, but as we know all too well, the program was defective and its allocations often inequitable.

I asked town officials in my district this year to explain their complaints about local public works programs in detail and to recommend changes that would make it more efficient and equitable. Among many helpful suggestions, two were stressed over and over again.

First, the program should be more equitable in its distribution of grants.

Second, it should be made more simple and more easily understood.

I believe the public works extension we have on the floor today can achieve these goals, and I therefore urge my colleagues to vote "yea" without amendment.

This bill eliminates many of the utmost unworkable and inequitable features of last year's program. The so-called 70–30 split in appropriations which caused unfair competition for grant money between high- and low-unemployment jurisdictions, does not appear in this bill. Moreover, a new provision allows applicants to indicate their priorities among the projects they have proposed for Federal funding. This provision eliminates EDA "guesswork" and the funding of low-priority projects that was so common in last year's program.

Today's legislation also puts an end to the loophole that allowed municipalities to "borrow" the unemployment statistics of neighboring communities. This loophole permitted many high unemployment jurisdictions to win massive grants while adjacent cities where unemployment was higher, went begging.

Other improvements in the new legislation should be noted especially a set-aside for native American tribes and the guarantee that congressional oversight of regulations will take place before they are approved.

Chairman BOB ROE should be commended for expertly guiding his subcommittee in their complicated work. He and his subcommittee have done much to make local public works an efficient program that concentrates its efforts on the municipalities that need help the most.

Ms. MIKULSKI. Madam Chairman, I wish to speak in favor of H.R. 11. This is a good beginning to put American people back to work. Presently there are 7.6 million Americans who are out of work; another million who have dropped out of the work force and 3.4 million who are working part time because full-time work is not available. If America is to continue to grow and remain strong, Americans must have meaningful jobs.

I also favor many of the amendments to the local Public Works Capital Development Act of 1976 included in H.R. 11. The allocation in the past contributed to many inequities. In fact, the citizens of Baltimore did not receive their fair share of the funds. One example of the inequities was that a county in Maryland that had unemployment rates below the national average received $5.5 million, whereas, Baltimore with an unemployment rate of 8 percent—received $5.7 million—virtually the same dollar amounts for two different economic situations.

In particular I applaud the following amendments:

First. Deleting the provision that 70 percent of the funds appropriated go to State and local governments having unemployment rates in excess of the national average and the remaining 30 percent go to other jurisdictions.

Second. Deleting the provision which permitted local jurisdictions to include in their figures the unemployment in adjoining areas.

Third. Changing the timespan from 3 months to 12 months in determining the unemployment data to be used.

Fourth. Changing the point allotted to per capita income from 15 to 5. This will allow for a fairer distribution for people in urban areas.

Fifth. Adding the provision that would require the use of American material and American-made articles on projects approved under this act. Since the purpose of this act is to increase the total number of jobs for all Americans; this provision would increase jobs in those industries which manufactures these materials.

Sixth. Adding the provision that if a district applies for more than one grant, the applicant would establish its own priorities. In the past, the determination was made by EDA with no consultation with the applicant.

I still feel that the allocation process will not be entirely equitable. I would like to see the distribution based solely on the unemployment rate in each State. In other words, delete the provision that 65 percent of the funds would go to all States based on the unemployment rate and then an additional 35 percent would go to States that have unemployment rates above the national average. This discriminates against the citizens of Baltimore. The unemployment rate of the State of Maryland is not above the national average, but in Baltimore and other sections of Maryland it is well above the national average.

In conclusion, I would like to reiterate my support for H.R. 11. We must continue to do more so that all Americans who want to work, will have a job.

Mr. BOLAND. Madam Chairman, H.R. 11, the Local Public Works Capital Development and Investment Amendments of 1977, comes before us today as a vehicle of necessary change, a repository of great hope. It is our expectation and intention that the jobs it will create will provide employment in a severely hard pressed economic sector, the construction industry. Some 600,000 jobs in construction and related industries are predicted to result if the full $4 billion of new authorization in this bill is appropriated. The economic jolt such an infusion of spending will have on the economy as a whole is an integral part of the administration's assault on recession and stagnation.

I believe that this bill provides a program which can be of enormous assistance to economic recovery—if it is properly organized from the start. I was one of the first sponsors of the original title I bill. I would like to see public improve-

ments of a lasting and socially important nature result from the economic policies we employ to return this Nation to full employment and economic health. Nonetheless, I found serious fault with the end results of the project allocations made under title I in my home State of Massachusetts.

My objections centered principally around the geographic distribution of title I funds. Nearly one-half of the State, encompassing two congressional districts and parts of a third, shared only one grant. I saw communities, from other areas I consider affluent, receiving grants while, at the same time, the applications of communities with much higher numbers of unemployed were rejected. The formula devised by EDA simply acted to place all those badly needed public works employment jobs in the eastern portion of our State to the near exclusion of the western half.

I have stated publicly on a number of occasions that I would myself offer an amendment to this legislation when it reached the floor to mandate geographic distribution of new title I funds if necessary. When this legislation was in committee and the subject of hearings, I joined spokesmen from numerous communities in Massachusetts in urging a more equitable distribution of title I allocations under the new law. It is as a result of our comments and those of other areas which have suffered similarly that the Subcommittee on Economic Development has rewritten title I to drop the 30 percent set-aside for projects in areas with less than the national rate of unemployment, increased the period for computation of unemployment statistics, prohibited the "gerrymandering" of project areas and revised the weight given per capita income figures. These changes can all, I believe, help to prevent the uneven concentrations of funds that resulted during the last go-round. They represent the consensus of the committee in reviewing title I. I have deferred plans to offer an amendment to provide geographic distribution of funds only because I have been assured these changes will help accomplish the same result.

During the next round of title I allocations that will result when this bill becomes law, nearly all the funds which are distributed will go to communities which have already applied for funds in round 1 and whose applications can be swiftly reweighed under the law's new criteria. In addition to this, there is a small set-aside for projects which were denied or which were not considered or even received solely because of the error of EDA reviewers. I welcome this section although I am certain other Members are aware of many such applications from their own districts. There will unquestionably be a long line of applicants in this category.

Madam Chairman, these ills of the past will be best forgotten only in light of the smooth functioning of programs which have been corrected to prevent their recurrence. I have great hopes for the success of H.R. 11 and I only trust that our deliberation today lead us to a vehicle which can satisfy those hopes.

Mr. FORD of Michigan. Madam Chairman, I rise in support of H.R. 11, a bill I cosponsored with Chairman ROE, which provides for a $4 billion refunding of title I of the Local Public Works Employment Act. This measure is not only vital to my State of Michigan, but is essential to the slumping economy of our Nation.

The Public Works Employment Act has a stated twofold purpose—first, to alleviate the problem of national unemployment, and second, to stimulate the national economy by assisting State and local governments build badly needed public facilities. Nothing could be more appropriate for Michigan—and especially for the district I represent.

The legislative mechanism is now in place and I commend our colleagues on the Public Works and Transportation Committee for their efforts in helping this program become law. Unfortunately, however, although some $2 billion in funds has already begun to flow, the problems the bill was designed to solve still persist—and in some cases they have grown even more severe.

Let me give you one example from my own State of Michigan. The district I represent encompasses the suburbs of Detroit located in western Wayne County. This area has been one of the hardest hit in the country; it continues to suffer double digit unemployment. One of the hardest hit industries in metropolitan Detroit is the construction industry, which suffers from an unemployment rate twice the national average. To show the necessity of this legislation, the committee last year used the Detroit metropolitan area as an illustration and stated: "In Detroit, Michigan, for example, 30 percent of the bricklayers are unemployed. Since that report was written, unemployment for bricklayers has grown by one-third; 40 percent of the bricklayers in the Detroit area are now unemployed.

Madam Chairman, I could go on indefinitely reciting the devastating stories of unemployment in Michigan. Approximately 55 percent of the painters are out of work in the Detroit area. Unemployed construction workers in the Detroit area now number about 50,000. Over one-third of a million Michigan workers are without jobs. The severity of the unemployment problem is without question and there is no question that we can create hundreds of thousands of additional jobs by pumping more money into this program.

Madam Chairman, I believe there is another very good reason why this program should receive substantially more funds. During the past several years, we have heard a growing demand for the Federal Government to respond more directly to the needs of State and local governments. What better way can we illustrate our willingness to fulfill this task than to provide more funds for the Public Works Employment Act?

I need not refresh anyone's memory that President Ford twice vetoed this legislation, contending that it would not be possible to put the program into operation quickly enough to make it worthwhile. The tremendous response from throughout the country indicates that State and local officials were willing and able to move immediately. According to the Economic Development Administration, it received some 25,000 applications representing over $20 billion in requests and a potential 1,500,000 new jobs.

Of these, only 1,988 projects could be funded, providing about 142,000 on-site jobs. The 133 communities will use their funds to build such vital facilities as police and fire stations, prisons and other detention facilities, while 473 jurisdictions received some $400 million for essential water and sewer systems, water treatment plants and storage facilities.

Other communities will be building courthouses, municipal offices, libraries, parking structures and community centers; and still others will have new hospitals and nursing homes—all built with funds authorized by this act. But, unfortunately, some 23,000 well-conceived projects remain unfunded. These projects represent thousands of jobs and needed facilities throughout the country. In my district alone, there are still over 70 worthwhile projects awaiting funding.

At this point, I would like to voice some concerns I have heard from school officials in Michigan. During the first round of public works grants, the Economic Development Administration—EDA—proposed regulations which would have granted a lesser 3-point priority to school district applications and a larger 5-point priority to city and county governments. However, based on very clear floor debate between Mr. JOHNSON of California and Mr. WRIGHT of Texas—CONGRESSIONAL RECORD, June 23, 1976, pages 20031–32, the EDA regulations were corrected to reflect congressional intent that school districts be treated on the same basis as all other units of local government.

In light of recent past experience, Michigan educators have asked me what effect H.R. 11 would have on school districts. I have assured them that with regard to the definition of "local government" the committee bill makes no change in existing law or existing Federal procedure. Consequently, the existing statute remains unchanged and the working of it along with the legislative history established by Mr. JOHNSON and Mr. WRIGHT leaves no doubt that school districts must receive the same priority rating as other units of local government.

In concluding, I would point out that public school systems employ over half of all local public employees and account for one-half of all local expenditures. Despite the fact that schools represent one-half of all local government activity, less than 20 percent of the public works funds were awarded to elementary-secondary education. Currently, education budgets are strained and many education needs remain unmet—especially in the high unemployment areas.

Madam Chairman, at this point I would like to ask my colleagues from both sides of the aisle to give their full and enthusiastic support to the quick passage of H.R. 11. I cannot overemphasize the desperate need for refunding this program. We must, and can through this legislation, put more Americans back to

work, get our economy moving again, and provide our cities, townships, counties, and educational agencies with badly needed new facilities.

Mr. AKAKA. Madam Chairman, I rise in support of H.R. 11 as amended and I ask for unanimous consent to revise and extend my remarks.

I would like to thank Chairman ROE and the Committee on Public Works, who deserve high praise for such timely and far-reaching legislation.

I would also like to commend Mr. PARREN MITCHELL of Maryland and his colleagues on their efforts to insure positive action on minority interests.

In doing so this bill not only strives to mobilize unemployed America, but also insures that minority groups will have the right to share in the building of America.

Mahalo.

Mr. STOKES. Madam Chairman, I rise in support of H.R. 11, the Local Public Works Capital Development and Investment Act amendments.

Madam Chairman, the rate of unemployment recently rose in 33 States, with at least 16 States either equaling or surpassing the conservative national estimate of 7.9 percent. Not insignificantly the rate of unemployment for blacks continues at twice the national average, while the unemployment rate for black youths is a startling six times the national average. All of these facts and figures point most strikingly to the need for the Congress and the President to make job creation a chief component of any economic stimulus package. This is not to suggest that public works jobs creation is a new concept. Twice during the 94th Congress, President Ford vetoed emergency public works legislation, which he characterized as "an election year pork barrel." Yet, Congress matched President's Ford's "pork barrel" rhetoric with a $2 billion emergency public works program which coincided with the realism of an American people who wanted jobs.

Madam Chairman, though we in Congress were pleased to secure $2 billion for the creation of emergency public works jobs, it would be an overstatement to conclude that we were satisfied. Clearly, we were not for we knew that the jobless deserved more.

Madam Chairman, the Local Public Works Capital Development and Investment Act amendments are more. They would increase from $2 billion to $6 billion the authorization for title I of the Public Works Employment Act of 1976. These funds would be focused as direct Federal grants for local public works projects. The result would be the creation of more than 600,000 new jobs primarily in the construction and related industries.

Not insignificantly, the funds for this legislation would be earmarked for the areas hardest hit by unemployment. Specifically, H.R. 11 would require that 70 percent of the funds appropriated would go for projects of State and local governments evidencing an unemployment rate in excess of the national average.

Moreover, H.R. 11 would delete the requirement of the 1976 act which mandated that 30 percent of total funding go to applicants whose jurisdiction has an employment rate above 6.5 percent but below the national average. Madam Chairman, in this manner the poor and those most in need would truly benefit.

H.R. 11 also helps to preserve jobs. Under the terms of its authorization there is a provision requiring the use of materials made and manufactured within the United States. This section would dissuade the use of cheaply manufactured foreign construction materials and thus maintain jobs.

Madam Chairman, as enlightened as the Local Public Works Capital Development and Investment Act amendments are, they are not perfect. Their job creation capacity not only falls short of the need, but the amendments do not address the problem of unemployment in the minority construction sector. In this sector there is currently an unemployment rate of 35 percent. In addition 20 percent of the complementary construction industries, which are owned by blacks, have failed for want of work.

To rectify the shortcomings of H.R. 11, I plan to work for an increased authorization and support the Mitchell amendment which requires that 10 percent of the articles, materials, and supplies which will be used in public works projects must be procured from minority business enterprises.

Madam Chairman and my distinguished colleagues, I urge you to join with me in support of the Local Public Works Capital Development and Investment Act amendments. The passage of this vital legislation not only represents a ray of hope for the poor and downtrodden but serves as a notice to the American people that Congress is sincere in its commitment to eradicating unemployment.

Mr. MOFFETT. Madam Chairman, this is a significant piece of legislation, a bill designed specifically to put people back to work quickly, at a time when our economy is in a dangerously weak condition and unemployment is raging at record levels.

The country needs it desperately—particularly my own part of the Nation, the hard-hit Northeast. I hope my colleagues will not permit its effect to be blunted by this amendment.

Public works projects, with good reason, are targeted to help areas hardest hit by unemployment. Therefore, to propose a uniform per-capita distribution of funds—which is what allocation based on the actual number of people unemployed in a State rather than on the percentage unemployed would do—is to undermine the purpose of a public works program.

I understand Members from States with relatively low unemployment rates have argued that this formula would provide a more equitable distribution of funds. However, the money is most urgently needed by the areas struggling with unemployment rates far above the national average, and will have its greatest impact if it is spent there.

If we are striving to ease unemployment, then it makes the most sense to spend the money in communities, like many of those in my State, struggling with unemployment rates of up to 16 percent.

The passage of the Shuster amendment would create a terrible precedent. The premise underlying this bill is to direct help to areas with severe unemployment. That implies that the hard-hit States like Connecticut, New Jersey, and Michigan will not have funds diverted to States with less severe unemployment.

Mr. LE FANTE. Madame Chairman, I rise in support of H.R. 11, the Local Public Works Capital Development and Investment Act amendments, which is aimed at creating jobs quickly in areas hardest hit by unemployment.

The public works job effort is a significant part of the Carter administration's economic recovery program. It is also of vital importance to the more than 7 million people in this country who are currently out of work. While this public works program obviously will not solve all our unemployment problems, it will give a much needed boost to our sagging economy and provide immediate relief to the construction industry, whose unemployment rate is two to three times that of the general population.

The legislation will also benefit this country's financially-pressed communities by offering Federal assistance to State and local governmental jurisdictions for construction, repair, rehabilitation or improvement of local facilities such as schools and hospitals, water and sewer systems, and police and fire protection facilities.

The committee has made some important changes in the existing public works program which I believe will provide for more equitable distribution of funds. Improvements made in the program as a result of recent experiences in allocating the $2 billion of Federal funds last year should insure that priority will be given to those States and localities with the greatest need.

We must not lose sight of the fact that the purpose of this legislation is to provide jobs immediately in those areas that have been hardest hit by unemployment. As a representative from New Jersey, a State which consistently has an unemployment rate higher than the national average, I have seen the effects of joblessness firsthand. I firmly believe that the bulk of the aid contained in this bill should be concentrated in those areas with the highest percentage and numbers of unemployed. For that reason, I strongly support the bill as reported out by the Public Works and Transportation Committee of the House.

I was very pleased to note the committee's intention to continue holding oversight hearings as the new program regulations are developed to help achieve the objectives set by this legislation.

Madam Chairman, the local public works jobs program is a very important part of the battle against unemployment in this country. In addition, public works

projects have the beneficial effect of producing something which will last over time, rather than creating only "make-work" projects.

I urge my colleagues to pass H.R. 11 as reported out by the Public Works and Transportation Committee so we can get on with the job at hand and that is putting Americans back to work.

Mr. SISK. Madam Chairman, I am concerned that you and our colleagues be made fully aware of the implications of the drought in California and the Western States in terms of job losses as well as higher prices for consumers. As we consider the Local Improvements and Capital Investment Act, I feel a warning should be sounded against the Carter administration's announced cutbacks on water development projects. While we strive to create jobs, it seems ironic to be destroying them with the other hand.

Indeed, the implications in the water programs on job creation are stronger, in my estimation, than an equal amount of funds expended in the proposed Works Act. Consider this: When the farmer cannot get water for all his acreage, he is forced to plant only that portion for which his water will suffice. This immediately means fewer days of employment for his own help, and in the long run, fewer jobs all along the food and fiber distribution system. Now consider the other side of the coin: When crops are smaller, the supply fails to meet the active demand, and prices are forced upward accordingly.

If we want to provide a quick solution to the employment problem, we should accelerate rather than slow down our water development programs. If we want to ease inflation, we should provide our farmers in the West with plenty of irrigation water to utilize their acres to the utmost. If we want to encourage consumers to consume more, then we should provide them with more food and fiber at the lower prices that ensue from an ample supply situation.

Last year, farmers in the four counties I represent wholly or in part were able to produce some 200 commodities valued at $1.46 billion. For the entire Central and San Joaquin Valleys the total was $4.13 billion. Current estimates based on this year's crops show a half-billion dollar deficit from last year's values.

For the whole Central and San Joaquin Valleys, this year's crops are estimated at $1.17 billion less than last year's. You just cannot take that much out of the total and not destroy thousands of jobs, as well as lessening the amount of food on America's tables—and at the same time raising the prices. What we need, for the sake of the jobless, the farmers, and the American consumers is a well-coordinated system for gathering, storing, and dispensing that most precious of liquids—water.

California's State administration has now recognized the need for a well-thought-out water development program and is making proposals which hopefully this body will support once the details are worked out.

Based on recent actions by individuals in our Federal administration it appears we need to educate some of them as well, and I personally hope it does not take as long a period of time as it took to awaken our State administration. Moreover, I sincerely trust we will not have to work from a crisis situation in order to enlighten the Federal administration to the benefits of water development. What emerges must be a balanced program, and recreation and environmental concerns must be a part of that balance. But that balance need not always be titled at the expense of water for drinking, of food to eat, fiber to wear, and jobs.

Mrs. HOLT. Madame Chairman, as I look at H.R. 11, which would authorize an additional $4 billion in public works spending, I can only shake my head and say: "Here we go again!" This will do nothing to produce durable economic growth and permanent, productive jobs.

The legislation would send a ton of additional tax dollars into the economy to create jobs that will end when the funds are exhausted, and what then? It will increase consumer spending without providing any incentive for production of goods and services to be purchased, and the inevitable result will be more inflation and worse unemployment.

Do not consider this bill in isolation. Consider it as part of the pattern we have seen so often in recent years. The congressional majority always approaches any problem by throwing money at it. We experience inflation followed by recession, then more inflationary spending followed by another recession, and so on.

When will the Congress realize that the enormous growth of government, its outrageous spending, its huge and growing debt to finance deficits, and its suffocating regulation of private industry are the real problem affecting our economy? The legislation before us today is quackery pure and simple. It does not deal with the real problem.

Yesterday, I joined with many of my colleagues in supporting a substitute budget resolution that would have allowed the only effective remedy for the condition of the economy. Our substitute to House Concurrent Resolution 110 would have set the stage for permanent tax cuts.

Permanent tax reduction for all income brackets would do much more than increase consumer purchasing power. They would stimulate investment in production and the creation of productive jobs without inflation.

But the congressional majority defeated that amendment, and today offers us legislation that is designed to build more government. It treats the patient by bleeding him some more, draining the earnings and savings of the people.

Mr. KOCH. Madam Chairman, a number of amendments have been proposed to this public works bill, and I would like to take this opportunity to explain my position on some of those that are of particular interest to me and my constituents. The most important issue that we will consider today involves the formulas for allocating public works funds among those areas needing assistance in creating jobs and building public projects.

I want to clarify my position on the various amendments that would alter the funding formula that has been presented by the committee. I support the committee funding formula and I would not wish to see any changes in that formula.

The purpose of this legislation, Madam Chairman, as I understand it, is to address the severe economic conditions that many parts of the country are now facing. The committee formula would allot 35 percent of the funds to those States that had extremely high rates of unemployment. That approach would put Federal funds where they are most needed. The Shuster amendment would remove that portion of the formula altogether and I therefore oppose it. Its adoption could mean a loss of $80 million to the State of New York—when contrasted to the current funding formula—at a time when the State is facing very difficult economic conditions. While other amendments, such as the Edgar amendment, may partially restore the lost funds, and I support them for that purpose, I am hopeful the committee bill will pass without any significant formula changes.

On another question, I am very concerned about the extreme protectionism evidenced in language now contained in this bill forbidding any materials of foreign origin from being used in projects built with money contained in this legislation. I believe that this provision is both unwise and unworkable. It is unwise, because it will invite retaliation by foreign governments who will see the United States as attempting to close its borders to foreign imports and who will slap tariffs, quotas, and other restrictions on our exported goods. The United States exported over $100 billion in various goods and services last year and imported about the same amount. If we expect other countries to buy from us, we have to be prepared to buy some things from them.

Furthermore, there are existing regulations and Executive orders, which require foreign products purchased by the U.S. Government to have at least a 6 percent price advantage over American products, before their purchase with taxpayers dollars can be authorized. There is an even greater differential where American small business enterprise is involved. We do not need additional protectionism.

This provision, in my opinion, is unworkable, because it is impossible to prohibit all materials of foreign origin from winding up in an American building projects. I have been told that the United States now imports 89 percent of its chromium, 87 percent of its aluminum, and 21 percent of its iron ore. It is impossible to check every nail, every piece of aluminum siding, and every stainless steel beam that is used in our building projects to see whether any of it came from abroad. I would urge my colleagues

to consider carefully the implications of a provision that absolutely prohibits foreign materials from being used on public works projects. The current safeguards are adequate.

Mr. JOHNSON of California. Madam Chairman, to guard against any misunderstanding, I want to confirm that it is the intent of the committee that school districts be given the same priority as basic units of local government. I have been very pleased with the role that education has played in carrying out the purposes of this legislation. The applications submitted by public elementary and secondary education will not only fulfill the committee's objectives of providing jobs quickly and efficiently to the construction industry, but also improve the quality of life for our most precious possessions—our children. The committee intends that there be parity in the competition among local school districts and basic units of local government, and that no rating system be devised to put local school districts at any disadvantage whatsoever.

Economic problems are shared by all local governments—cities, counties and local school districts, and the committee does not intend section 2(e) to allow other units of local government to rank local school district applications. Education employs over one-half of all local government employees and accounts for one-half of local government budgetary expenditures, and the committee reaffirms its intention that education participate to the fullest.

Mr. SKUBITZ. Madam Chairman, I am as interested, as compassionate, as desirous of helping those in need as any Member of this body, but before plunging this Nation another $4 billion in debt, I think it behooves each of us to look at the problem as it actually is.

At 4:45 p.m. today, I called Director of Labor Statistics to find whether we were talking about hunger and deprivation or maintaining the family standard of living. This is what I was told.

First, in 60 percent of the households where there is a member unemployed there is at least one pay envelope coming into the home;

Second, in 50 percent of the households there is at least one member bringing a paycheck home;

Third, of the total unemployed only 4.8 percent is the head of the household;

Fourth, of the total households where a man is considered the head of the household 4.37 percent are unemployed and where a woman is considered head of the household—7 percent.

Mr. WEISS. Madam Chairman, I would like to compliment the members of the Public Works and Transportation Committee and Chairman ROE for their work on the extension of the Local Public Works and Capital Development and Investment Act which we are about to vote on. This is an admirable, and necessary, effort to attack the root causes of the recession which has hit virtually every industry in the country but especially the construction industry which still has an unemployment rate two to three times that of the general economy. In addition to providing decent and meaningful work, this bill will do much to revitalize the construction of needed public facilities which has been severely hampered by the effect of cuts in local budgets as we have seen in the city of New York.

Unhappily the action on the floor this afternoon undermines the basic intent of this piece of legislation. H.R. 11, as originally written, correctly attacked the unemployment situation by dealing with the rate of unemployment. The amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER), which the House has just approved, will hurt those areas which have the greatest need—areas with the highest rate of unemployment. Mr. SHUSTER's amendment will have a devastating effect on public works projects in many industrial States with very high levels of unemployment. In addition to the $93 million which my own State of New York will lose as a result of today's vote, the State of Connecticut will lose $22 million, New Jersey, $40 million; Rhode Island, $12 million; and Michigan will lose $94 million.

It is ironic that an amendment which bases the allocation formula on the number of unemployed persons as opposed to the rate of unemployment was proposed in this body and in the Senate by Members representing our sister State of Pennsylvania, a component part—a link if you will—of the Northeast-Midwest coalition. This coalition has been attempting to build painstakingly a unified effort to deal with the economic depression in our part of the country for the past year.

I would like to commend my friend and colleague, Mr. EDGAR of Pennsylvania, as well as the junior Senator from my own State, Senator DANIEL PATRICK MOYNIHAN for their heroic efforts to stymie the severe amendments of Representative SHUSTER and Senator HEINZ. The Moynihan-Edgar compromise would certainly cost New York and the other States most severely effected some public works funds but not to the extent that Heinz-Shuster will cost.

I would like to express the hope that the House-Senate conference will be able to maintain the compromise formula if it is not able to revive the original intent of the bill by replacing the original language.

Finally, I call upon my colleagues from all regions and all sections to recognize that in order to get this country working again we must deal intelligently and objectively with the problem of unemployment wherever it may exist. I realize the temptation to vote our parochial interests—each of us often succumbs—but the problem of unemployment is too severe for us to be doing so at this time. If we do not act wisely we may find ourselves looking back at this problem in a year only to find that it is still crippling our national economy because we voted self-interest instead of national concern.

Mr. LUNDINE. Madam Chairman, it is with deep reluctance that I am voting against the Local Public Works Capital Development and Investment Act amendments. I was elected on a platform of full employment and I intend to be consistent to the pledge to place employment opportunity at the very highest priority of my own objectives here in Congress. But I was also elected as an aggressive advocate for a region which has long been ignored and which has enormous potential. I would be unfaithful to my commitment to that region to approve a public works program which discriminates against it simply because it is supposed to be good macroeconomic strategy.

I believe in public works as a technique to stimulate economic recovery when the construction sector is seriously lagging and great numbers of building tradesmen are unemployed. However, to be effective such a program must direct the effort fairly to the places where unemployment exists. My evaluation of the previous public works program is that it tended to exclude areas of high unemployment while at the same time funding those much less needy. I commented on the EDA regulations when issued last fall and those comments were ignored. The result was exactly as I had anticipated, with rural areas of high unemployment almost totally excluded from the program.

Again, during committee consideration of the present public works funding, I testified constructively regarding the equity of the program. While some changes were made in the priorities for project approval, these changes only serve to reinforce the bias against smaller cities and rural areas and to insure that they will be effectively excluded wehther they have high unemployment or not.

Not only does the program continue discrimination against rural areas, but it does not give a more active role to regional planning agencies. Congress has not indicated any way in which the merits of individual projects may be assessed in conjunction with the unemployment and the other needs of an area. We have limited resources with which to construct projects with full Federal funding. In allocating those limited resources, it would seem logical to utilize them in the projects which would give us the best investment in our economic infrastructure.

In spite of my testimony and that of other concerned Congressmen, neither the House nor the Senate versions of the public works bill indicates that there would be evaluation of these projects on their merits. Although the committee bill does permit local applicants to rank their own projects, this is of no help to areas like mine in which it is unlikely that any significant number of applicants will be able to produce more than one project application. Only the overall regional planning agencies in such areas have both the professional capability and the overall viewpoint which would enable them to rank projects constructively. Exclusion of those agencies from the planning process, even though their review could have been completed in a very short time, simply eliminates any potential for real local input from rural regions.

Madam Chairman, I have thought long and hard about this vote. I was an enthusiastic supporter of the Public Works

Jobs Act which passed this body last year, and I would have liked to vote for this bill which has been recommended by so many of my colleagues and friends. But I have finally concluded that it is only by taking this position and by drawing attention to the inequities which this bill contains, that we will finally see Federal legislation which does take the needs of rural America into account.

Mr. ASHLEY. Madam Chairman, I am happy to announce my support of H.R. 11, the proposed amendment to and extension of the Local Public Works Capitol Development and Investment Act of 1976.

Through exhaustive hearings and the diligent efforts of Chairman ROE of the Economic Development Subcommittee, Chairman JOHNSON of the parent Committee on Public Works and Transportation, and other members and staff of that committee, many of the problem areas of the 1976 legislation have been eliminated or provided for. It is anticipated that the corrective measures taken by the subcommittee in carefully drafting this legislation will reduce sharply, if not do away with the misallocation of title I moneys that occurred during the last round of allocations in December of 1976.

My home city—Toledo, Ohio—was written out of the allocations under the 1976 act. Written out along with Louisville, Seattle, Phoenix, Omaha, Tulsa, Akron, and Yonkers, largely because of anomalies in the statistical underpinnings of title I eligibility in the 1976 act. So you can be assured that I have examined this bill with an eye to ensuring that all reasonable legislative steps have been taken to include those areas and units of local government deserving of more consideration last year, but excluded because of defects in the administration of the law.

I am pleased to report that the operative principle of this bill—the targeting of $4 billion into areas of highest unemployment and greatest need—is reflected in the mechanism for implementing the funding itself. It is provided, for example, that the backlog of 22,000 applications left over after the $2 billion was used up under the 1976 legislation, will be acted upon before any new applications are accepted by the Economic Development Administration. While this will not go so far as to result in preferential treatment for areas excluded in the last round of allocations, it will insure a careful review of much-needed projects that went without funding.

One of the most important remedial aspects of H.R. 11 is the requirement that governmental instrumentalities confine themselves to their political boundaries in the gathering of unemployment and related economic data, as justification for their inclusion in the title I funding. The gerrymandering of statistics that was so prevalent during the last round of allocations, and which led, as many of you are aware, to results that would be laughable were it not for the economic hardship they worked on communities such as Toledo. Hopefully, there will be no public works windfalls under H.R. 11.

Also, the bill provides that the average unemployment statistics be stretched over the previous 12-month period, rather than for the preceding quarter. Clearly this will give a truer picture of the economic situation in a given community or governmental area and inevitably lead to more uniform and consistent allocation of available moneys.

Finally, as it relates to the question of allocation of these moneys on the basis of need, I applaud the committee's decision to eliminate the 70–30 percent ration that existed under the former bill. As you are aware, this required that 70 percent of the available moneys had to go to those areas which exceeded the national average on unemployment, relagating 30 percent for those areas in excess of 6.5 percent unemployment, but below the national average. This requirement under the 1976 bill, when coupled with the provisions which permitted the gerrymandering of unemployment data, had the net effect of favoring suburbs, exurbs, and counties at the expense of urban areas which contained pockets of unemployment well in excess of the national average, notwithstanding an overall rate just below that average.

In sum, the bill as reported by the Public Works and Transportation Committee provides for a much fairer, more uniform and consistent allocation of title I moneys under the Public Works bill. There is every reason to anticipate that the goals of this bill will be realized, because of the more effective allocation mechanism built in. I am happy to support its passage.

Mr. CAVANAUGH. Madam Chairman, H.R. 11 seeks to increase the authorization for the Local Public Works Capital Development Investment Act of 1976 by an additional $4 billion. The additional funds will only be made available to fund applications which were submitted to the Economic Development Administration during the first round of competition last fall. At that time EDA received over 22,000 applications valuing in excess of $24 billion.

Section 2(b) provides that 2½ percent of all funds will be set aside for eligible Indian tribes. I believe that such a set-aside is justified by the existence of high unemployment on western Indian reservations and because during the first round Indian nations successfully siphoned off a significant amount of money which would otherwise have gone to units of local government within the States. All eligible Indian tribes will now compete against each other for the available $100 million in the set-aside. The bill before us also, however, provides that any minimum State that has no eligible Indian tribes within its borders will receive an additional one-quarter of 1 percent of total funds available or in this case $10 million. As I have previously described, my State of Nebraska, therefore, will not be able to receive as much funds as its neighbor State, Arkansas, solely because Arkansas is a minimum State with no Indian tribes within its borders. This results from the fact that there is only one eligible Indian application that could be funding pending before the Economic Development Administration from Nebraska. That application has a value of $910,000. Therefore, we have a situation where Nebraska can be eligible to receive a maximum of $20,910,000 because it is a minimum State with an Indian tribe within its borders and the State of Arkansas will be eligible to receive $30 million because it is a minimum State and solely because it has no eligible Indian tribes within its borders. There are several other States which are in the same disadvantaged situation as Nebraska.

Below is information relative to the situation in which each of the several States will find itself as a result of eventual congressional action. Included in the data below is a breakdown of allocation and unemployment rate for the first round of the Local Public Works Capital Development Investment Act funding as well as information relative to unemployment which will be used in the second round of funding.

Table 1 presents allocation and unemployment rate for round one as well as the 12-month unemployment average that will be used during round two, the number of Indian applications pending before the Economic Administration from each State, the total value of those applications, as well as, whether or not the State will receive the minimum one-half of 1 percent or less than $30 million. Also indicated on the table are the six States and territories that will be eligible to receive the additional $10 million by virtue of their lack of Indian tribes. My office is prepared to offer specific information relative to pending Indian applications for all States.

Table 2 presents the preliminary allocations based on both the proposed Senate allocation formula and the formula which is included in H.R. 11. I suggest that each Member examine these tables and determine for yourself whether or not your State will benefit or lose vis-a-vis section 2(a) of H.R. 11.

Also included below is an analysis of points for consideration of the affects of the Indian set aside and the one-half of 1 percent versus the three-quarter of 1 percent minimum State allocations on round two. This discussion is based on round one unemployment data and can be quickly updated by referring to tables 1 and 2. It should be kept in mind that Indians in Maine and North Dakota received a disproportionate share of funds in the first round because they greatly exceeded benchmark levels and will most likely not be funded further. To cite another example under the Senate formula the State of Iowa will be considered a minimum State but it has no applications pending and therefore would be eligible only for $20 million. Under the House formula Iowa based on its volume of unemployment would be eligible for $25.7 million but since it has no applications pending it would not be eligible for the additional quarter of 1 percent. There are many States that fall into many categories.

Table 1 was compiled from data provided by the Economic Development Administration and table 2 is part of their own computer run.

The material follows:

	Round I data LPWCDI		Round II data			Proposed formula [1]	
	Allocation (millions)	Unemployment rate	Unemployment / rate 12 mo. average	Indian applications pending	Amount (millions)	House	Senate Adm.
Alabama	$18.4	7.0	6.8				
Alaska	10.0	9.0	8.0			X	X
Arizona	13.2	7.7	9.8	14	$22.1		
Arkansas [2]	10.0	5.9	7.1				X
California	250.0	9.6	9.2	17	16.3		
Colorado	12.6	5.9	5.9	3	3.8		X
Connecticut	48.4	9.4	9.5				
Delaware [2]	10.0	7.7	8.9			X	X
Florida	136.6	10.1	9.0	2	2.3		
Georgia	24.8	6.6	8.1				
Hawaii [2]	10.0	8.6	9.8			X	X
Idaho	10.0	6.1	5.7			X	X
Illinois	64.1	7.0	6.5				
Indiana	22.8	5.3	6.1				
Iowa	11.8	4.8	4.0			X	X
Kansas	10.0	4.0	4.2			X	X
Kentucky	15.2	5.9	5.6				X
Louisiana	25.4	7.9	6.8	1	.22		
Maine	10.0	7.9	8.9	23	9.2	X	X
Maryland	20.1	6.0	6.8				
Massachusetts	52.3	8.1	9.5				
Michigan	158.3	10.1	9.4	1	.7		
Minnesota	16.8	5.0	5.9	12	11.4		
Mississippi	10.0	5.9	6.6				X
Missouri	19.4	5.0	6.2				
Montana	10.0	6.8	6.1	5	3.6	X	X
Nebraska	10.0	4.8	3.3	1	.9	X	X
Nevada	10.0	7.9	9.0	6	20.5	X	X
New Hampshire [2]	10.0	4.4	6.4			X	X
New Jersey	100.0	9.2	10.4				
New Mexico	10.0	6.6	9.1	16	9.8	X	X
New York	232.9	9.2	10.3	7	3.3		
North Carolina	28.0	6.2	6.2	1	1.7		
North Dakota	10.0	4.6	3.6	3	5.7	X	X
Ohio	59.5	7.0	7.8				
Oklahoma	16.4	7.6	5.6	28	16.8		X
Oregon	29.4	8.9	9.5	2	1.7		
Pennsylvania	83.3	7.8	7.9				
Rhode Island	16.4	10.0	8.1			X	X
South Carolina	13.4	6.2	6.9				
South Dakota	10.0	4.2	3.4	14	21.7	X	X
Tennessee	22.5	6.8	6.0				
Texas	55.5	5.7	5.7				
Utah	10.0	5.9	5.7	1	.8	X	X
Vermont	10.0	9.0	8.7			X	X
Virginia	21.8	5.3	5.9				
Washington	40.1	8.7	8.7	31	39.7		
West Virginia [2]	10.0	5.8	7.5			X	X
Wisconsin	21.7	5.6	5.6	8	7.5		
Wyoming	10.0	3.4	4.1	1	1.7	X	X
Puerto Rico	127.4	19.0					
District of Columbia [2]	10.0	7.6	9.1			X	X
Guam, Virgin Islands, Samoa [2]	10.0						

[1] A minimum State or receiving less than $30,000,000 (¾ of 1 percent).

[2] Minimum States with no eligible Indian tribes will receive the additional ¼ of 1 percent e qual to $10,000,000.

TABLE II.—ROUND II STATE ALLOCATIONS BASED ON ADM./SENATE AND HOUSE FORMULAS

	Adm./Senate	H.R. 11	Difference	Percent
Alabama	34.457968	48.649027	14.191059	41.2
Alaska	20.000000	20.000000	0	0
Arizona	55.936327	45.243595	−10.692732	−19.1
Arkansas	23.561291	30.162397	6.601106	28.0
California	500.000000	432.489850	−67.510150	−13.5
Colorado	21.717081	34.540809	12.823728	59.0
Connecticut	81.036898	67.622148	−13.414750	−16.6
Delaware	20.000000	20.000000	0	0
District of Columbia	20.000000	20.000000	0	0
Florida	172.596504	152.757945	−19.838559	−11.5
Georgia	85.781803	87.081758	1.299955	1.5
Hawaii	23.461431	20.000000	−3.461431	−14.8
Idaho	20.000000	20.000000	0	0
Illinois	101.550293	161.514770	59.964477	59.0
Indiana	45.269408	72.000560	26.731152	59.0
Iowa	20.000000	25.788984	5.783984	28.9
Kansas	20.000000	22.378552	2.378552	11.9
Kentucky	24.775825	39.405712	14.629887	59.0
Louisiana	34.803472	49.135517	14.332045	41.2
Maine	22.793854	20.432591	−2.361263	−10.4
Maryland	44.105670	62.270755	18.165085	41.2
Massachusetts	153.337741	127.946941	−25.390800	−16.6
Michigan	215.664877	181.947361	−33.717516	−15.6
Minnesota	33.646181	53.513930	19.867749	59.0
Mississippi	20.000000	30.162397	10.162397	50.8
Missouri	40.681292	64.703206	24.021914	59.0
Montana	20.000000	20.000000	0	0
Nebraska	20.000000	20.000000	0	0
Nevada	20.000000	20.000000	0	0
New Hampshire	20.000000	20.000000	0	0
New Jersey	219.079820	167.839143	−51.240677	−23.4
New Mexico	23.931958	20.919082	−3.012876	−12.6
New York	500.000000	386.273275	−113.726725	−22.7
North Carolina	48.634026	77.351953	28.717927	59.0
North Dakota	20.000000	20.000000	0	0
Ohio	166.843705	179.514910	12.671205	7.6
Oklahoma	20.000000	31.621868	11.621868	58.1
Oregon	59.468586	49.622008	−9.846578	−16.6
Pennsylvania	187.328797	197.515050	10.186253	5.4
Rhode Island	20.000000	20.000000	0	0
South Carolina	31.036421	42.324654	11.288233	36.4
South Dakota	20.000000	20.000000	0	0
Tennessee	33.646181	53.513930	19.867749	59.0
Texas	97.268052	154.703906	57.435854	59.0
Utah	20.000000	20.000000	0	0
Vermont	20.000000	20.000000	0	0
Virginia	41.598915	66.162677	24.563762	59.0
Washington	72.314210	66.649167	−5.665043	−7.8
West Virginia	21.570513	24.811004	3.240491	15.0
Wisconsin	37.316674	59.351813	22.035139	59.0
Wyoming	20.000000	20.000000	0	0
Puerto Rico	159.757803	87.081758	−72.676045	−45.5

Senate/adm. formula

Sixty-five percent distributed among all states according to their number of unemployed as compared to unemployment of all states.

Thirty-five percent distributed among states whose unemployment is above 6.5 percent in proportion to the extent that they rate.

House formula

One hundred percent distributed among all states according to their proportion of numbers of unemployed as compared to all states.

Please note

Preliminary allocation—based upon Bureau of Labor Statistics "benchmarked" data for calendar year 1976, published February 23, 1977.

The preliminary allocation assumes an appropriation of $4 billion in FY 1977. Funds for Indians ($100 M), Trust Territories ($20 M), procedural corrections ($90 M), and administrative costs ($15 M) have been deducted leaving a balance of $3.775 billion for allocation under the respective formulas.

BASED ON ROUND I UNEMPLOYMENT DATA

Points for consideration of effects of Indian set-aside and ½ of 1 percent versus ¾ of 1 percent Minimum State Allocation on Round II of LPW Program.

Assumptions

a) Using same State allocations formula as in Round I

b) Using a benchmark system for project selections similar to Round I for choosing which Indian projects to fund.

1. Seven States with no Indian tribe would receive a minimum allocation of ¾ of 1 percent: Arkansas, Delaware, D.C., Hawaii, West Virginia, New Hampshire, Vermont.

2. Four States which would receive a minimum allocation of ½ of 1 percent and have a number of Indian tribes and pending applications and are likely to receive additional funds from the Indian set-aside.

[Dollar amounts in thousands]

State	Round I		Remaining		Congressional district
	Number	Amount	Number	Amount	
Nevada	5	$1,584	6	$2,059	1
New Mexico	4	2,119	16	9,827	1 and 2
South Dakota	4	7,165	14	21,797	1 and 2
Alaska [1]					

[1] Alaska Native villages as well as Indian tribes should be considered. Precise information is not presently available on which communities are considered "Indian." However, we do know that a number were funded under round I and would also be funded under round II.

Implication

The trade offs between the States in Category 1 & 2 seem fair.

3. States which would receive a minimum allocation of ½ of 1 percent because they contain an Indian tribe, but which would not receive any additional funds from the set aside since all Indian applications submitted were previously selected:

	No.	$(000)
Idaho	2	1,693
Kansas	1	378
Mississippi	1	577

Similarly, Iowa, although slightly above "minimum" state, has no more Indian applications.

Implication

These states would receive less funds than those in the first category. There is no reasonable justification for these different funding levels.

4. Six States which would receive a minimum allocation of ½ of 1 percent where there are Indian applications remaining, but because of the disproportionately high level of Indian funding under the first round, would probably receive little or no funds from the Round II set-aside.

[Dollar amounts in thousands]

State	Round I		Remaining		Congressional district
	Number	Amount	Number	Amount	
Maine	3	$995	23	$9,243	2
Montana	6	4,865	5	3,555	1 and 2
Nebraska	2	2,304	1	911	1
North Dakota	4	6,936	3	5,755	1 and 2
Utah	2	2,368	1	837	1
Wyoming	5	2,861	1	1,778	1

Implication

Similar, to the third category, these minimum States would also receive less funding than those in the first category.

5. *Arizona & Colorado*—Although just above being "minimal States", Arizona would be similar to those States in the second category and Colorado would be similar to those in the fourth category.

Mr. HAMMERSCHMIDT. Madam Chairman, I have no further requests for time.

Mr. ROE. Madam Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, all time for general debate having expired, the Clerk will now read the committee amendment in the nature of a substitute recommended by the Committee on Public Works and Transportation now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 11

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 106 of the Local Public Works Capital Development and Investment Act of 1976 is amended by adding at the end thereof the following new subsections:

"(e) No part of the construction (including demolition and other site preparation activities), renovation, repair, or other improvement of any public works project for which a grant is made under this Act after the date of enactment of this subsection shall be performd directly by any department, agency, or instrumentality of any State or local government. Construction of each such project shall be performed by contract awarded by competitive bidding, unless the Secretary shall affirmatively find that, under the circumstances relating to such project, some other method is in the public interest. Contracts for the construction of each project shall be awarded only on the basis of the lowest responsive bid submitted by a bidder meeting established criteria of responsibility. No requirement or obligation shall be imposed as a condition precedent to the award of a contract to such bidder for a project, or to the Secretary's concurrence in the award of a contract to such bidder, unless such requirement or obligation is otherwise lawful and is specifically set forth in the advertised specifications.

"(f) Notwithstanding any other provision of law, no grant shall be made under this Act for any local public works project unless only such unmanufactured article, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, and supplies mined, produced, or manufactured, as the case may be, in the United States, will be used in such project.".

SEC. 2. (a) Subsection (a) of section 108 of the Local Public Works Capital Development and Investment Act of 1976 (Public Law 94-369) is amended by inserting immediately after "any one State" the following: "unless a State has no Indian tribe in such State in which case the minimum percentage to be granted within such State shall be three-fourths of 1 per centum".

(b) Such subsection (a) of section 108 is further amended by adding at the end thereof the following new sentence: "Notwithstanding any other provision of this Act, not more than 2½ per centum of all amounts appropriated to carry out this title shall be granted to Indian tribes under this Act for local public works projects.".

(c) Subsection (b) of such section 108 is amended by adding at the end thereof the following new sentence: "In making grants for projects for construction, renovation, repair or other improvement of buildings for which application is made after the date of enactment of this sentence, the Secretary shall also give priority and preference as between such building projects to those projects which will result in conserving energy, including but not limited to, projects to redesign and retrofit existing public facilities for energy conservation purposes.".

(d) The first sentence of subsection (c) of such section 108 is amended by striking out "three most recent consecutive months" each place it appears and inserting in lieu thereof "twelve most recent consecutive months".

(e) Subsection (d) of such section 108 is amended to read as follows:

"(d) Whenever a State or local government submits applications for grants under this Act for two or more projects such State or local government shall submit as part of such applications its priority for each such project.".

(f) Subsection (f) of such section 108 is hereby repealed.

(g) Subsection (g) of such section 108 is amended by inserting "for improving socio-economic conditions" immediately before the period.

SEC. 3. The first sentence of section 109 of the Local Public Works Capital Development and Investment Act of 1976 is amended by striking out "by contractors or subcontractors".

SEC. 4. Section 111 of the Local Public Works Capital Development and Investment Act of 1976 (Public Law 94-369) is amended to read as follows:

"SEC. 111. Notwithstanding any other provision of this Act, the Secretary is authorized to make a grant for a public works project under this Act to any State or local government whose application for a grant for such project under this Act made after the date of enactment of this Act was not received, was not considered, or was rejected, if, as determined by the Secretary, such application was not received, was not considered, or was rejected solely because of an error by an officer or employee of the United States. Not to exceed 1½ per centum of the amount authorized by section 113 of this Act may be expended to carry out this section.

"SEC. 112. Whenever a State certifies to the Secretary that such State has standards for construction of jails, and that all such standards will be met in connection with any grant made under this Act for a project relating to jails, such State standards shall be the sole standards criteria governing approval of such jails for the purpose of any grant made under this Act.

"SEC. 113. There is authorized to be appropriated not to exceed $6,000,000,000 to carry out this Act.".

SEC. 5. The Secretary of Agriculture and the Secretary of the Interior shall immediately initiate the construction of those Federal public works projects (A) which are the responsibility of their respective departments, (B) which have been authorized, and (C) which can be commenced within 60 days of the date of enactment of this section and completed no later than the 180th day after commencement of construction. No funds authorized by section 113 of the Local Public Works Capital Development and Investment Act of 1976 (Public Law 94-369) may be used to carry out this section.

Mr. ROE (during the reading). Madam Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AMENDMENT OFFERED BY MR. GARY A. MYERS

Mr. GARY A. MYERS. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARY A. MYERS: On page 3, after line 7, add the following new subsection:

"(g) No grant shall be made under this Act except for those projects for which the applicant has given satisfactory assurances, in such manner and form as may be required by the Secretary and in accordance with such terms and conditions as the Secretary may prescribe, that, the project can be completed

not later than the last day of the 18th month which begins after the first day on which on-site labor is begun on such project.".

Mr. GARY A. MYERS. Madam Chairman, the reason I have offered this amendment is because one of the criticisms leveled at legislation such as this, public works types of legislation, is that it tends to stretch the expenses out over a number of years and, therefore, does not address the near term unemployment problem and is not a good tool to use against cyclical unemployment.

In support of that argument, I refer to a piece of legislation that was on the floor yesterday, that of the third budget resolution. If the Members will refer to page 86 of the Budget Committee's report yesterday, they will see a paragraph which begins in this way:

Another major drawback in this program—

And they are referring to the public works bill we are now addressing—

is the delayed spendout. Even some of the most optimistic estimates of spendout rates from public works projects show large unexpended balances remaining 18 to 24 months after the enactment of the program, . . .

It is this concern that I have about this legislation, and I think that we should do everything possible to reduce that potential hazard.

I questioned numerous witnesses during the hearings who had been dealing with the projects from all government levels. None of them objected to the provision of a back-end date whereby they should make assurances that projects would fit within an 18-month timeframe. There seemed to be no problem whatsoever. For that reason, if in fact they were presenting their side of the story accurately, I think that we should give to EDA the authority to pass over those projects which obviously cannot be completed within 18 months of the starting date.

The intent of this amendment is certainly not to have EDA exclude projects which may take 19 months if a certain paint is not available or a certain door is not available. But on the basis of projections at the time the project is approved by EDA, if in fact there is an obvious delay period which could go into 2 or 3 years, I think that they should have this authority. If they do not have the authority to do that, I am concerned that what we are going to be faced with is just the fact that if a certain number comes up as an evaluation from the computer on a municipality project, it is going to have to be funded regardless of what the construction projection might be. It is for this reason I offer this amendment. It is not a complex amendment. I think it strengthens the legislation. I did offer it in committee and it was discussed thoroughly there. I am not sure that the Members fully assessed its intent. It is not a matter of whether or not a small piece of construction inadvertently becomes unavailable.

The decision would have to be made at the time that EDA acts on the application. So therefore if there is approval given to a project which seems to fit within the 18-month range but which due to some construction delay stretches into some time frame beyond that, they would be able still to get their funding. It is simply to be used as a tool at the time grants are made. If we do intend it to be a short-term, local public works project, this particular amendment would strengthen this bill.

Mr. GLICKMAN. Madam Chairman, will the gentleman yield?

Mr. GARY A. MYERS. I yield to the gentleman from Kansas.

Mr. GLICKMAN. What concerns me—and the proposal has merit—is if we have a difficulty in the project beyond the control of the contractor, perhaps an act of God or something else, does this proposal take account of that situation?

Mr. GARY A. MYERS. The proposal simply says at the time EDA passes on the applications, they have to have reasonable assurances the project can be completed within an 18-month period. If the construction is in fact delayed because of the example the gentleman has given, there will be no provision whereby EDA can withdraw funding. It is simply applicable at the point of approving the projects.

I think we would be in a very weak position if a locality came in with a 5-year program and EDA had no authority to disapprove that project.

Mr. GLICKMAN. How do the contractors or localities feel about this limitation?

Mr. GARY A. MYERS. Every witness I asked about this problem, I gave the option of 18 months or more, and they all said they could live with the 18 months.

Mr. GLICKMAN. I thank the gentleman.

Mr. ROE. Madam Chairman, I raise in opposition to the amendment.

I sat in on every single 6 days of hearings that lasted 8 or 10 hours a day on this bill. What we are trying to do here is to get some self-determination back to the communities. One of the major problems under the original interpretation of the EDA Act was based on the point of view that there were too many of these floating-around codicils and opinions that regulations could be drawn around. We have weather conditions and potential strikes and things of that nature which have to be considered, and I do not think we should be putting further constraints on the applications and offering more language that may deter a community's particular program.

It seems to me if a project is going to last a little bit longer because they are waiting for some internal material to finish that program or they have to wait for something to be shipped from another section of the country, that should not be a reason to disapprove a project.

I do not think that constraint is necessary to add to this bill. Therefore I rise in very strong opposition to this amendment.

Mr. HAMMERSCHMIDT. Madam Chairman, I rise in opposition to the amendment.

Madam Chairman, while I commend the gentleman from Pennsylvania for his very diligent work on the committee and his constructive help, I must be in opposition to this amendment which would prohibit project approval for any projects that would take longer than 18 months to complete. Such a restriction would severely limit the kind of project that would be eligible in Northern States due to the shortness of the construction season which would ultimately affect the time required for project completion. The 18-month completion requirement may be met in many cases. It is expected that most projects under the first round of funding will require 18 to 24 months for completion. However, it is restrictive and unwise to legislatively impose such a restriction. I therefore urge the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. GARY A. MYERS).

The amendment was rejected.

AMENDMENT OFFERED BY MR. COCHRAN OF MISSISSIPPI

Mr. COCHRAN of Mississippi. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN of Mississippi: Page 3, strike out lines 8 through 20, inclusive, and insert in lieu thereof the following:

SEC. 2. (a) Subsection (a) of section 108 of the Local Public Works Capital Development and Investment Act of 1976 (Public Law 94–369) is amended by—

(1) inserting "(1)" immediately after "(a)";

(2) inserting immediately after "any one State" the following: "unless a State has no Indian tribe in such State in which case the minimum percentage to be granted within such State shall be three-fourths of 1 per centum";

(3) adding at the end of such paragraph (1) the following new sentence: "Notwithstanding any other provision of this Act, not more than 2½ per centum of all amounts appropriated to carry out this title shall be granted to Indian tribes under this Act for local public works projects."; and

(4) adding at the end of such subsection the following new paragraph (2):

"(2) The Secretary shall not approve any application for a grant in a State which would result in the payment to the recipient of such grant of an amount in excess of 10 per centum of the total amount available for grants under this Act in such State.".

Reletter succeeding subsections and references thereto accordingly.

Mr. COCHRAN of Mississippi (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COCHRAN of Mississippi. Madam Chairman, the purpose of this amendment is to add a new subsection to this section of the bill which would provide, and I will read the pertinent part as follows:

(2) The Secretary shall not approve any application for a grant in a State which would result in the payment to the recipient of such grant of an amount in excess of 10 per centum of the total amount available for grants under this Act in such State.

Madam Chairman, the purpose of this amendment is to spell out in clear language that the Administrator can understand that there shall, in fact, be no undue concentration of funds within any State to which funds have been allocated under this act. As an example of what can happen if this language is not adopted and included in the bill, I would like to cite an incident which occurred in my State of Mississippi during the first round of the funding under the $2 billion phase of this program last year. We were very fortunate in not having a very high rate of unemployment, nor a large number of unemployed persons relative to the other States of this great Nation; so we were allocated the minimum amount of $10 million. We were not alone in this position, because there were some 21 other States and territories which also received the minimum funding under the bill. Our local EDA representative, presumably at the suggestion and request of Washington officials in the Department, had suggested to our towns and communities that they keep their requests for funding at about the level of $250,000 or $300,000, so that a large benefit could be provided in a widespread way across the State and there would be no undue concentration of funds in any one county or town. Irrespective of that suggestion and the understanding which was hoped to be conveyed to our towns and communities throughout the State, we had one town which submitted an application for $4.9 million. This town has fewer than 3,000 people who are residents of the town, but this application for funding of a municipal complex and some streets and a maintenance garage for the town was approved. The net effect was that 49 percent of the State's allocation went to one small town.

Madam Chairman, I am not suggesting that small town did not need those funds for those purposes. The point is that we had many towns and counties throughout the State of Mississippi which had applications and which had as high a rate of unemployment, and as many unemployed persons in it as did the town which received virtually half of the available funds.

I want to congratulate, Madam Chairman, since I have the time, the chairman and the ranking Member of the Economic Development Subcommittee for permitting Members to come before the committee and talk about experiences under this program, so that we could learn from them. They did an important job in giving us this opportunity. Many of us took advantage of it; but I cannot find in this bill. Madam Chairman, any language that has changed since the act was adopted last year which would actually prevent the same situation that occurred in Mississippi from occurring in about 21 other States under this next round of funding. We do have language in the bill which says there shall be no undue concentration of funds, but that did not seem to apply in this legislation to Mississippi.

There is also, as we are aware during general debate here between the gentleman from Connecticut directing a question to the chairman of the subcommittee, an effort that was made by the Administrator to establish benchmarks to try to help prevent undue concentration of funds and we learned from that that it did not work. It did not, in fact, prevent this undue concentration of funds; so I suggest that the only way to really keep this from happening is to adopt this amendment, so that we write into the bill clearly and concisely what we mean by undue concentration of funds.

Those of us from States such as Kansas, Arizona, Iowa, Mississippi, South Carolina, and many others, may be interested to know about this experience, so that we can help to avoid it in the future.

Mr. YOUNG of Florida. Madam Chairman, I move to strike the last word. I take this time to inquire of the sponsor of the amendment, if he would join me in a colloquy, if the gentleman would tell us whether or not this amendment would apply to all 50 States, or does it apply only to the minimum-funded States.

Mr. COCHRAN of Mississippi. If the gentleman would yield, it is my intent for the amendment to be applicable in all the States that receive allocations under the bill.

Mr. YOUNG of Florida. I understand the gentleman's intent. Is the gentleman convinced that the way the amendment is presented, that it will apply to all 50 States?

Mr. COCHRAN of Mississippi. That is my intent. It may be that there would be other opinions. There is no language that is restrictive in the amendment itself which would make it applicable only to the hold-harmless States or to those States which would be entitled to the minimum allocations under the bill.

It provides that no grant could be approved in a State where the grant would exceed 10 percent of the total amount available for grants under this act in such State.

Mr. YOUNG of Florida. I thank the gentleman for his information. I wonder if the ranking minority member would be willing to respond to that question, as to how he sees this amendment.

Mr. HAMMERSCHMIDT. Madam Chairman, I oppose the amendment. I see that it has been drafted to apply to all States, as I understand it, rather than just to those States that receive minimum funding.

Mr. YOUNG of Florida. I thank the gentleman.

Mr. ROE. Madam Chairman, I move to strike the last word, and I rise in opposition to the amendment.

I have the greatest regard and respect for my colleague on our committee, the gentleman from Mississippi (Mr. COCHRAN). I think that the presentation he made in reference to a circumstance that had evolved in Mississippi was one of the four or five or six horror stories, so to speak, that were presented to our committee during the long and lengthy hearings we had.

I do call to the attention of the committee seated here, however, that if we place a ceiling—in effect, a percentile—on the use of the funds in those respective States, many of the applications that would be submitted which would be more than a million dollars, which might be $1,100,000, would be precluded it from being eligible. What the Committee on Public Works has tried to do is to solve that problem by eliminating the gerrymandering situation in States, and the logarithmic program devised by EDA for determining levels of unemployment in urban areas. So, this circumstance the gentleman from Mississippi refers to could not occur again. I have the greatest respect for what he is attempting to achieve, but I think it would be a terrible mistake if the committee should adopt this because it would simply denigrate the whole program and take away the type of priority the cities and counties need.

Therefore, I respectfully urge my colleagues to vote down this amendment.

Mr. HAMMERSCHMIDT. Madam Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Madam Chairman, I rise in opposition to the amendment offered by the gentleman from Mississippi, which would impose a limitation on the size of any project approved under this act to 10 percent of that allocation. Again, Madam Chairman, it would be unwise to place a restriction of this type on project selection since there may be a project of good merit which may be rejected because of such a restriction. In those States receiving the minimum allocation there would be significant reduction in the number of eligible projects for the next round of funding if this imposition were placed on project selection. I therefore urge that this amendment be rejected.

Mr. GARY A. MYERS. Madam Chairman, I move to strike the last word, and I rise in support of the amendment.

Madam Chairman, I would like to point out that there is one other benefit that is subtly contained in the amendment. That is, that most of us would agree that as the projects become larger and larger in dollar figures, the likelihood of them being strung out over an undesirable period of time increases, so that one of the subtle benefits of the gentleman's amendment simply is that it will preclude a number of larger projects which would have a tendency not to assist with short-term unemployment.

Therefore, I support the amendment. I think we would be dealing with projects which are perhaps just as meaningful and will get people to work more rapidly and efficiently.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi (Mr. COCHRAN).

The amendment was rejected.

AMENDMENT OFFERED BY MR. GARY A. MYERS

Mr. GARY A. MYERS. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARY A. MYERS: On page 4, after line 16, add the following new subsection:

"(f) Subsection (e) of such section 108

is hereby repealed." Subsequent subsections to be designated accordingly.

Mr. GARY A. MYERS. Madam Chairman, I would like to say at the outset that I heartily support the idea of using public works as an approach to dealing with our immediate unemployment problems, and I think this bill can do this. However, I do feel that there are some refinements which should be made.

We are well aware of the fact that many people were frustrated with the outcome of the $2 billion bill which we passed last year. One of the frustrating issues was that the craft of grantsmanship was well rewarded in that bill. In other words, those communities which could afford it, and were aware of the individuals who had knowledge enough of the field, could manipulate the bill to their favor. I think the element of fairness was sacrificed on that altar.

This bill contains an element also that allows that grantsmanship to prevail above the element of fairness once again.

I admit we have in this bill, as it comes to the floor, removed what I refer to as the external gerrymandering feature. I opposed that in last year's bill. I would have liked to see it removed. My feelings did not prevail at that time. I think also we ought to look at this bill very closely; and if we do, we will see there is now provided still in this bill an opportunity for what I call internal gerrymandering. I think, on the basis of fairness, both gerrymandering features should have been removed. The committee did not see fit to do that, even though I offered that amendment in committee.

The thing I am concerned about in allowing internal gerrymandering to continue, aside from the fact that well-paid grantsmen will be rewarded for it, is the fact that if this remains, and unless there is some strong language in the report, what could very well happen is that a community or jurisdiction could reach down in a very small area, for instance, a 2- or 3-block area, and identify the unemployment rate at an abnormally high rate, perhaps 40 or 50 percent, use that as one of the application figures to EDA, then step back and look at the whole jurisdiction, for instance, the whole city limit, as the population from which to determine the total number of unemployed. And if that is not gerrymandering and grantsmanship, I do not know what is. So that I feel strongly, first of all, that we should eliminate section 108(e), and if we do not have the wisdom to do that, I suggest strongly a colloquy on the floor of this House to direct EDA not to permit applicants to use one set of population figures for percentage of unemployment and another set for the numbers of unemployed and perhaps for per capita income.

The underlying characteristics of this bill should be that we are trying to improve employment in the private sector on a regional basis. Although I realize that there are pockets of unemployment that one could justify the need to key in on, we really lose sight of the fact that regional unemployment is what our objective was as we began initiating this bill.

For those reasons, I offer this amendment, and I would gladly answer any questions which Members might have. I think it is an important amendment. I think if we do not eliminate it we will see ourselves sitting in committee looking for a scapegoat, EDA or some other agency, or some bureaucrat providing regulations which will allow the manipulation of projects within certain jurisdictions.

We have the opportunity to remove it now; we have the opportunity to provide a more fair basis for analysis of these projects. If we do not do it, it is once again going to be our responsibility to face the problem.

One thing I saw in the committee was that we had a tendency to blame the bureaucracy for the guidelines and the gerrymandering when in fact it was in our legislation. It was in the language although a number of us opposed it.

Madam Chairman, some of us would like to eliminate the internal gerrymandering, and we fear we face a problem again after the $4 billion is granted if this amendment fails.

Mr. HAMMERSCHMIDT. Madam Chairman. I rise in opposition to the amendment.

This amendment offered by the gentleman from Pennsylvania (Mr. GARY A. MYERS) would repeal section 108(e), the pockets of poverty provision. This feature is very important to many cities which otherwise could not receive assistance for projects under this act. Some cities may have an overall unemployment rate that is by comparison mild but have areas within the city with unacceptably high rates of unemployment.

If I might refer to the gentlewoman from Texas (Miss JORDAN), who is chairing the Committee of the Whole on the State of the Union, she made a very valuable presentation to our committee. In representing her city of Houston, she pointed out the fact—and I will just use the city of Houston as an example—that without section 108(e) there would be no grant for that city, but by having this section in the bill some of the real needs of that city are met. That is just one example of the many projects that have been funded.

The current law provides that in these cases the city may wish to use this pocket as their unemployment rate. The report language to accompany H.R. 11 clearly spells out that in the case where an area uses a pocket of poverty that the project applied for with the use of the unemployment rate of the pocket must be located in the pocket, regardless of who builds it. Furthermore, in the current law there is a requirement that the projects have direct benefit to the unemployed in those pockets. I therefore urge that this amendment be defeated.

Mr. EDGAR. Madam Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentleman for yielding, and I would like to associate myself with his remarks.

I think there are a number of communities, counties, towns, and larger jurisdictions that may on the whole not have large numbers of unemployed and high percentages of unemployed but have these pockets of concern. I think that the testimony before our committee pointed to the problem of outgerrymandering or drawing one circle wider, but it also focused on the fact that within jurisdictions there are these certain areas that have particular needs. Our bill by this particular provision provides for that.

I would urge my colleagues to vote against the amendment. In the community I represent, which is Delaware County, the overall unemployment rate is only 7.2 percent, but if we divide the county in half by a railroad line, on one side of that railroad line we find that between 13 and 18 percent are unemployed and on the other side we see very low areas of unemployment. This would provide the opportunity for us to focus on those areas of need.

Madam Chairman, I think this is an important feature of a bill that tries to put moneys in areas that are economically distressed.

Mr. GARY A. MYERS. Madam Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Pennsylvania, the author of the amendment.

Mr. GARY A. MYERS. Madam Chairman, the gentleman quoted the committee report saying that a community could identify a small segment for the purpose of stating a percentage of unemployment; is that correct?

Mr. HAMMERSCHMIDT. The gentleman is correct.

Mr. GARY A. MYERS. Does the committee report require that those communities live within that same geographical area for all other statistics and data with reference to whatever application they make?

Mr. HAMMERSCHMIDT. Madam Chairman, I heard the gentleman comment with apprehension on that particular point in his original statement. It is my impression that they must use like statistics, that they cannot cross statistics using one from one area and one from another.

This is with reference to rates of unemployment in these areas.

Mr. GARY A. MYERS. Madam Chairman, that is my concern. For example, almost every municipality could identify a block or two that would have perhaps an unemployment rate of 15 percent. It would be grossly unfair to allow that provision to stand in the bill as is and then also allow them to gerrymander out the full jurisdiction area and thus identify the total number of unemployed within the one jurisdiction.

Mr. HAMMERSCHMIDT. Madam Chairman, I agree with the gentleman on that.

Mr. ROE. Madam Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from New Jersey.

Mr. ROE. Madam Chairman, that contention as stated is not correct. The basic fundamental point of view is that a community must use its own unemployment statistics to apply for its particular project.

However, where a community has a particular pocket of poverty—and maybe it is three or four square blocks—it can use that particular pocket of poverty for the project to be specifically located in that pocket of poverty and the governing body of the community scores and sets the priority of the projects that would be approved for that community.

They cannot use the reverse gerrymandering and say, "We want to locate something here or we want to locate something there" and use that particular method.

Mr. HAMMERSCHMIDT. Madam Chairman, let me say that I totally agree with the chairman, and that is what I said earlier.

The CHAIRMAN. The time of the gentleman from Arkansas (Mr. HAMMERSCHMIDT) has expired.

(On request of Mr. GARY A. MYERS and by unanimous consent, Mr. HAMMERSCHMIDT was allowed to proceed for 3 additional minutes.)

Mr. GARY A. MYERS. Madam Chairman, will the gentleman yield further?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Madam Chairman, I would like to address myself to what the chairman said. The point the chairman is making is a good one, but not the point about which I was speaking. I am not talking about where the project goes or is moved to. When EDA takes the application and they allow a community to identify that portion of the community which has a certain percentage of unemployment, is it the chairman's and is it the bill's intent that that community must also be within the same geogrophical bounds and that it be required to provide all other data such as total numbers of unemployed, per capita income, or any other feature? In other words, it would be to guard against identifying a block area which may, in fact, have a percentage of unemployment of 50 percent and perhaps only has 300 unemployed. However, an application may come in and say that 50 percent are unemployed or 5,000 are unemployed in a whole city.

My question does not have anything to do with where the project is moved. The concern I have is that the grantor says, "All right. Identify the one with the highest rate of unemployment," and then they can go to some other segment of statistics to identify the total numbers of unemployed.

Mr. ROE. Madam Chairman, if the gentleman will yield, the fundamental legislation says, (a) an applicant, a community, town, or county, must submit its application using those specific forms relating thereto. However, where there is a particular problem which exists in a city, in three or four blocks such as the gentleman is talking about, they can file an application for a project that specifically relates to that area having to do with severity of levels of underemployment, so that there are a lot of tests that have been written into the eligibility requirements with respect to that feature.

Madam Chairman, I think the gentleman from Pennsylvania is saying, Could the city or town use that method to put projects in other areas?

Mr. HAMMERSCHMIDT. No. Madam Chairman, if I may try to clarify this colloquy, the applicant must use the same criteria of numbers of unemployed and rates of unemployment. He must use the same statistics across the project area defined in the application.

Mr. GARY A. MYERS. If the gentleman will yield, that is the question.

Mr. HAMMERSCHMIDT. Then they must use those criteria.

Mr. GARY A. MYERS. Madam Chairman, if the gentleman will yield further, since this bill now extends to a 12-month average unemployment figure, does it make it mandatory that if a four-block area or whatever segment is used is involved, that the unemployment rate for the 12-month period must be set forth and positively identified with that same segment?

Mr. HAMMERSCHMIDT. Those applications will be reviewed, of course, and be included in the unemployment base; and that answer may allay the gentleman's apprehensions.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. GARY A. MYERS).

The amendment was rejected.

AMENDMENT OFFERED BY MR. GIBBONS

Mr. GIBBONS. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GIBBONS: Page 2, line 3, strike out "subsections" and insert in lieu thereof "subsection".

Page 2, line 22, insert quotation marks immediately after the period.

Page 2, strike out line 23 and all that follows down through and including line 7 on page 3.

Mr. GIBBONS (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed int he RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GIBBONS. Madam Chairman, this is a serious amendment. However, in order to thoroughly understand it, I am going to have to make some humorous remarks about this piece of legislation.

Madam Chairman, I want to pay tribute to the committee, particularly to the subcommittee chairman and to the committee chairman, for having done serious work on this bill and especially for having worried about many of the things that have bothered the Congress about this piece of legislation.

There is one piece, the piece I attempt to strike out now, that I think got in here inadvertently, without much consideration. It is new to this legislation, Madam Chairman; and it is with no disrespect to the subcommittee chairman and to the chairman that I seek to strike it.

My amendment might be called the "anti-adobe hut" amendment, because if this bill is enacted into law in its present form, about the only thing we could legitimately and easily build under this bill is an adobe hut made of rainwater and mud.

I am talking about the provision that starts at the top of page 3. If the Members will take out their copies of the bill and read them they will see that it says this kind of works project:

. . . only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, and supplies mined, produced, or manufactured, as the case may be, in the United States, will be used in such project.

Well, you know, that sounds real good. That is "buy American." But we have a "buy American" law already on the law books. I am not seeking to repeal the existing "buy American" law. The "buy American" law is a fundamental part of the United States Code. I repeat, I am not seeking to change that. But this legislation does seek to change it and seeks to change it in a ridiculous manner.

Unless my amendment is adopted, about the only thing one can build is an adobe hut from rainwater and mud.

Let us go through it.

If one tries to build a steel structure, that is the steel that is needed in a foundation and in the building that uses structural steel, that steel cannot be hardened without the use of chromium and molybdenum, both of which minerals must be imported from outside of the United States because we do not produce them.

We have no tin in the United States so we can do no tinwork on the building.

Galvanizing raw materials must be imported.

Much of the cement that is produced in my area is made of materials that come from foreign countries.

We produce no bauxite in the United States that is needed to make aluminum.

The glaze that goes on bricks is, I believe, composed of products that have to come in from outside of the United States.

The big timbers that are used come primarily from Canada.

The hardwood for the doors, even the veneers that are used to face the doors usually comes from Honduras or someplace like that, it is not produced in this country.

Now do we want to regulate our communities to build adobe huts? I do not think so. I am sure the committee did not mean so. I am sure the committee meant to preserve, protect, and defend the "buy American" provision that is currently in the statute, but we do not need to do anything to it. It is not a part of this act.

If we want to build buildings and build them sensibly, and build them in accordance with existing law, and not force everybody to go back to the drawing boards, then we should adopt my amendment

I say all this giving due deference to the committee. I know that they concentrated their efforts, opinions, and their resources on working out all of the vexatious problems that were discussed by previous speakers, but not this one.

So I respectfully ask the Members to strike this provision by adopting my amendment.

Mr. ROE. Madam Chairman, I rise in opposition to the amendment.

Madam Chairman, I would like to sug-

gest, that I am sure that my distinguished friend from the great State of Florida did not mean that the efforts of the committee were ridiculous because in formulating this bill we did not mean to be ridiculous. We were trying to do something to provide jobs for the people of the United States, people who are unemployed and who are hungry in our own country.

Now, when you think about it, I do not know what is so terribly wrong with "buy American." That is why I want this colloquy on the floor in order to make a very indelible point to everyone in this room, and that is that we are not raising a matter of foreign policy but, rather, we are trying to provide jobs for Americans. If we do not have in this bill some type of limitation on funding that we are putting in this bill to subsidize the basic steel industry, we cannot do this because they are competing with steel that is manufactured in all countries.

We can go through the whole litany of everything that is manufactured in this Nation. But I should like to deal with a little bit of the facts on the table as the facts ought to be dealt with. We are talking about a very succinct point in here. For every $2 billion that we are pumping as Members of Congress into this bill, those $2 billion are estimated to create on-site jobs for 150,000. Then we said in the debate 2 years ago, going through two vetoes and everything else, that an on-site job of one equaled one other job in American industry. Whatever comes out on this debate, and whatever we decide to vote, understand one thing, that that is a lie; it is not a truth; it is a fallacy. One billion dollars is going to go—part of it without this amendment—to subsidize foreign industries throughout the world, and it is not going to provide jobs for people in the United States. However we decide to vote, that is important. But let us get that square and smack right in the middle on this particular issue.

I do not want to get our public works jobs involved in an international situation, but let us not fake it either. The fact still remains that there are still other arguments that are going to be made to try to change direction. In other words, whose ox is going to be gored? One can get the most out of this section or that section.

We are dealing with equity for people trying to provide jobs for unemployed people. We borrowed $4 billion—23 States—from the Unemployment Compensation Trust Fund. So let us not have any crocodile tears. Let us deal with it as it is. What we are going to vote up and down here is not the international policy of the United States; we are going to vote up and down on this particular amendment as to whether or not we want part of that billion dollars to go to provide jobs for manufacturers in this country.

Mr. VANIK. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman for yielding.

If the language remains as it is in the bill, how will it structurally operate? Will every project require letters of certification or some documentation to insure that everything involved in the capital improvement, everything involved, every item purchased is a total American product? Is that going to be part of the paperwork that is going to be required? It seems to me that the extra paperwork could tremendously slow down what our real aim is here: to create jobs.

Mr. ROE. I would assume that the gentleman knows that the agency will structure the regulations based on that issue and will not have to come up with that answer.

Mr. VANIK. If the distinguished chairman will yield further, how will it operate? What will the regulations require?

Mr. ROE. I would assume the certification regulations would follow what the amendment says and what the section of the law says. It has to be "buy American."

Mr. VANIK. How much documentation does the chairman contemplate will be involved with the certification that everything involved in the project is 100 percent American?

Mr. ROE. By the same token, I will say to my good friend, regarding the documentation that is needed—which is five feet high—to import everything that is imported into this country, let us compare paper with paper, not as to whether it is manufactured in New Jersey or in Ohio, but manufactured in some other country. Let us compare the paperwork we have to pile up for the importation we are going to make.

Mr. VANIK. Supposing the paper that certifies it is 100 percent American was made of some imported pulp. Will that invalidate the whole business?

Mr. ROE. It will invalidate the gentleman's paperwork and mine. All I want to do is buy the products from our country.

Mr. VANIK. It seems to me what is suggested here is a way to slow up the whole process with a tremendous amount of paperwork and, I believe, litigation before we move to develop capital projects and desired employment stimulation.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. OBERSTAR, and by unanimous consent, Mr. ROE was allowed to proceed for 3 additional minutes.)

Mr. OBERSTAR. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Madam Chairman, this debate I think has lost sight of some of the essential language in the bill, and that essential word is "substantially." The bill does not say 100 percent. The committee was very careful in writing that language and in considering the Buy American feature. It says "substantially" and it does not say 100 percent.

We had testimony before our committee that in the structural steel industry, imports have risen to some 30 percent of domestic consumption, imports from countries where there is unemployment but where there is susbtantial subsidy from governments to those competing industries, where there is unfair foreign competition with domestic production, and we wanted to make sure in this public works bill that we would create jobs in the United States and that we are not disadvantaging any part of American industry.

So, coming from a steel-affected area, one that produces iron ore and as the gentleman from Ohio knows, because he comes from an area that produces the steel, I am sure he would agree that we should be very sensitive to the need to assure that what goes into these public works projects will be substantially American—not 100 percent.

Mr. STEIGER. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Wisconsin.

Mr. STEIGER. Madam Chairman, what is the definition of "substantial"?

Mr. ROE. That would be interpreted by the agency that interprets it. It has to be more than 50 percent I assume. That would be my interpretation.

Mr. STEIGER. Do I understand the provisions as drafted applies to manufactured goods and that as to raw materials it is 100 percent? Is that a correct interpretation of the language?

Mr. ROE. That is a correct interpretation.

Mr. OBERSTAR. But in further interpretation, if the gentleman will yield, I would point out we do not use iron ore, in construction projects, we use steel. It is a manufactured product.

Mr. DUNCAN of Oregon. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. Madam Chairman, I appreciate the point the gentleman is making and I am in sympathy with his argument, except that he has not yet addressed himself, and I wish he would, to the point of the gentleman from Florida, who talked in terms of some commodities without which we can hardly construct a modern public works project, commodities such as aluminum or tin or zinc which are not manufactured in this country. On the steel industry, yes, and perhaps language can be worked out in that respect, but with respect to aluminum or tin or products of this sort it seems to me the provision is substantially unworkable.

Mr. ROE. I think, as the gentleman from Minnesota pointed out, we are talking about substantial amounts of material.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

(By unanimous consent, Mr. ROE was allowed to proceed for 1 additional minute.)

Mr. ROE. Madam Chairman, I want to report on the gentleman's comment that we are talking about substantial amounts of material. The point the gentleman is making is a good one on bauxite and other ore. As far as I am concerned we do not have a problem with that.

Mr. VOLKMER. Madam Chairman, will the gentleman yield on this point?

Mr. ROE. I yield to the gentleman from Missouri.

Mr. VOLKMER. Madam Chairman, I question whether it is necessary to have that language in there, including "substantially all" down to "United States" where we provide that supplies manufactured in the United States will be used in such projects and we raise the problem of the definition of the word "substantially." Is that necessary?

Mr. ROE. To me basically the word "substantial" means more than 50 percent.

Mr. VOLKMER. But is it necessary to have that word "substantial" in there at all?

Mr. ROE. The committee, recognizing the very strong feelings, as pointed out by the gentleman from Minnesota, deliberately included that. We felt we should put that word in there to meet some real problems.

PERFECTING AMENDMENT OFFERED BY MR. HARSHA

Mr. HARSHA. Madam Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Perfecting amendment offered by Mr. HARSHA: Page 3, line 7, after the first period insert the following:

"This subsection shall not apply in any case where the Secretary determines it to be inconsistent with the public interest, or the cost to be unreasonable, or if articles, materials, or supplies of the class or kind to be used or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality."

Mr. HARSHA. Madam Chairman, as the colloquy here indicated there are very valid concerns with the language that is in the bill. There are very valid concerns with the rules and regulations and with the certifications that would have to follow and possibly the delays which would be incurred.

So the effect of my amendment is merely to put into the language of the bill that language in the Buy American Act that is already in the law, that provides the necessary escape clauses to circumvent all of these problems that have been raised here. I think we will achieve both objectives if the committee will accept my perfecting amendment.

Mr. ROE. Madam Chairman, if the gentleman will yield, the majority side of the committee will accept the gentleman's amendment.

Mr. HARSHA. Madam Chairman, I thank the gentleman, and we will accept the amendment on this side, too.

Mr. VANIK. Madam Chairman, I join my colleague SAM GIBBONS in urging the deletion of the buy-national provision contained in subsection (f) on page 2 of H.R. 11.

This is a mischievous provision which will do much more harm than good.

H.R. 11 is designed to get people to work fast. All that subsection (f) will do is slow up the economic recovery. It will result in enormous confusion and delay as Government officials write letters back and forth to each other, dissecting the contents of every bag of cement, every steel I-beam, and indeed, the origin of the wood pulp on the reams of new Government forms which will be required to administer subsection (f).

Second, the provision will create havoc with our negotiations to remove foreign trade barriers to American products, and will result in foreign restrictions against our $110 billion export trade. Any jobs which might be gained—and gained only at enormous expense to the purchasing governments—would be offset by jobs lost in our export industries due to foreign retaliation. Each Member's office should have received a "Dear Colleague" letter from me this morning containing the text of a letter which I have just received from the Acting Special Representative for Trade Negotiations. This letter strongly urges the deletion of the amendment and reports that progress has been made in our negotiations to make foreign governments reduce their buy-national restrictions which hurt our producers.

Subsection (f) would completely upset these negotiations and result in both a short- and long-range loss of established American jobs. Subsequently, letters from the Departments of Commerce and State have been sent pointing out the enormous harm this provision would do to the goals of the program and to our export trade.

Since the gentleman from Ohio (Mr. HARSHA) offered an amendment to the Gibbons amendment reaffirming the "Buy America" provisions of existing law, I am pleased to support the Harsha amendment.

Mr. GARY A. MYERS. Madam Chairman, I move to strike the last word.

Madam Chairman, I will reluctantly support the amendment, not because I am against "buy America," but because there are a number of factors we should consider, probably not the least of which is one of the arguments the chairman used against one of my amendments, that it places more responsibility on EDA and could slow down the program. Therefore, we should remove as many barriers as possible to a rapid approval of projects.

The second question I would have is that we are dealing now with projects which were submitted last year and, in fact, it is hard for us to predict how the costs on those contracts were derived. Some of them may, in fact, have included some materials which now would not qualify.

The question I have to the committee chairman is, are we going to allow the local municipalities to automatically increase costs for a submitted project if, in fact, they are affected by this language?

Mr. ROE. Madam Chairman, would the gentleman from Pennsylvania repeat part of that again? I heard most of it, but everybody is talking over on this side and it is difficult to understand.

Mr. GARY A. MYERS. Madam Chairman, we are going to be moving on with what essentially were old projects submitted last year. Some of those projects may be approved by this amendment. Are we going to allow the communities to adjust and resubmit their projects if, in fact, they are affected by this language?

Mr. ROE. Madam Chairman, if the gentleman will yield further, if any of those projects are upgraded, they will have to be upgraded to the cost situation at this time.

I think what the amendment of the gentleman from Ohio (Mr. HARSHA) has done is clean up these provisions and they are more workable at this point.

Mr. GARY A. MYERS. So the communities will be able to upgrade the costs of their submitted projects with regard to the provisions of this section?

Mr. ROE. The answer is that any applicant, who has an application on file at the EDA, as I understand the procedures of the agency, would upgrade the costs of those projects. We both know there has been an increase of 12 to 14 percent inflationary construction costs alone.

The gentleman is suggesting that if "Buy America" is going to increase their prices, then I say "Buy America," because somebody else is going to get the job in this country.

Mr. FRENZEL. Madam Chairman, I move to strike the last word.

Madam Chairman. I move that H.R. 11 be amended to strike subsection (f) of section 1. This subsection would require that any unmanufactured materials used in local public works projects financed with grants made under this act be of domestic origin. It also requires that manufactured articles be made "substantially all" from domestic articles. The net effect of such a provision is to proscribe the use of all foreign source materials in any public works projects contracted under this act.

While I certainly applaud the object of such a provision—which is to assure that public works money will generate domestic jobs as broadly as possible—I think there are many reasons why such a provision is ill-advised and should not be a part of this bill.

First, the language of this subsection is so broad that it would prevent the use of many materials which are either in short supply or unavailable at all in this country. None of us needs be reminded of the extent to which this country is dependent upon foreign oil. Some 87 percent of our aluminum demand is supplied from abroad, one-fifth of the iron ore we use is foreign, and nearly 90 percent of our chromium is imported. The language of subsection (f) would seem to prohibit the use of funds for any project requiring any significant quantity of these and other imported materials.

Furthermore, the object of H.R. 11 is to finance the maximum number of job opportunities in communities where unemployment is far above the national average. But this subsection would, in many cases, substantially increase the cost of such projects by requiring more expensive American materials. Obviously, such increased costs can only result in a reduction in the number of new job opportunities and thereby, run counter to the objectives of this legislation.

Moreover, a 1976 GAO report notes that Federal officials use domestically produced goods whenever possible, as dictated by the Buy America Act, Executive orders, Federal regulations, national security requirements, and practical considerations. But subsection (f) would impose on local governments a far more stringent domestic purchasing requirement than the Federal Government has imposed upon itself.

It is, however, as a member of the Ways and Means Subcommittee on Trade that I offer my primary reason for opposing this subsection. As we all are aware, U.S. exports account for an important and growing number of domestic jobs. These jobs are related to products which increasingly are purchased by foreign governments or by government-controlled entities. By including this subsection in H.R. 11, we could trigger similar action on the part of foreign governments with respect to their purchases of U.S. products. This can only have a serious adverse affect on domestic employment and thus be counterproductive to the purpose of H.R. 11.

As well, for a number of years we have been engaged in multilateral negotiations seeking to work out a code that would establish international standards for awarding Government and public works contracts. The result of such an international code would be to further open foreign markets to U.S. suppliers in exchange for our elimination of some or all of our "buy America" restrictions against foreign suppliers. During these negotiations we have impressed upon all parties the desirability of not increasing the existing restrictions against foreign suppliers. We have made progress in this area. But if subsection (f) were to remain a part of H.R. 11 our efforts to establish an international code favorable to U.S. interests would be set back substantially.

Along with the President's Special Trade Representative, the State Department, and the Commerce Department, I therefore urge acceptance of this amendment to strike subsection (f) of section 1, in furtherance of the object of the Local Public Works Capital Development and Investment Act of 1976.

Madam Chairman, I would like to ask the gentleman from Ohio about the amendment the gentleman has offered. There is added material to follow line 7 on page 3 at the end of clause 106(f). Is it the intention of the gentleman that this amendment will make this particular bill operate as the Buy America Act now operates?

Mr. HARSHA. Madam Chairman, if the gentleman will yield, that is correct.

Mr. FRENZEL. So that for purposes of administration and interpretation on the part of the local governments, they could make the assumption that whatever we are doing now at the Federal Government level under buy America would be permitted under this bill?

Mr. HARSHA. Madam Chairman, if the gentleman will yield, the answer is that is correct.

Mr. FRENZEL. Madam Chairman, I yield to the gentleman, and in that case, although I would prefer to have the Gibbons' language, which is the striking of the clause, I think the gentleman has made a responsible compromise and I think we may be able to move ahead with projects under the gentleman's language.

Mr. CONABLE. Madam Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding to me.

Madam Chairman, it seems to me that this probably is a good compromise only in the sense that it will keep us from doing something foolish. The gentleman from New Jersey raised the point that we should not confuse foreign policy with public works. Whether we like it or not, we are involved in foreign policy in this body. If Members do not believe so, they should read the Trade Reform Act of 1974. What we do here is watched by our trading partners for the straws in the wind that will tell them congressional attitudes.

Quite frankly, last year we exported over $105 billion worth of goods. We have got to continue to export heavily if we are going to import as much oil as our lack of energy policy requires. That $105 billion in goods involves considerable employment, not only for our farmers but for our manufacturers as well.

It seems to me that we have got to be extremely careful of votes in this body, that will be interpreted as assaults against trade, to the detriment of the tremendous number of jobs now involved in the export trade. In the light of the importance of this export trade, we should be extremely careful about such things. Such a vote punishes our leadership in trying to improve worldwide procurement practices.

I am pleased that a compromise has been worked out. I think it is clear that we must restrain our national enthusiasm for wanting to buy American, considering our obligations as a leader in world trade generally, and the positions we have taken in the MTN in Geneva.

Mr. FRENZEL. I thank the gentleman for his contribution, and wish to associate myself with those remarks.

Madam Chairman, I would like to say further than when it is appropriate I will ask unanimous consent to insert into the RECORD three letters. One is from the Department of Commerce; one is from the Office of Special Trade Representative, and the third is from the Department of State. They are all in objection to clause (f), section 106, for many of the reasons that have just been articulated by the gentleman from New York. The administration obviously opposes clause 106(f).

We are now engaged in negotiations in Geneva trying to reduce restrictions raised by some governments against American sales. It is very difficult for us to achieve any kind of important result in that respect if we pass new legislation that makes it more difficult for foreigners to trade here.

We create a good deal more jobs in foreign trade by our exports than we ever reduce by our imports. Therefore we must be extremely careful not to interfere with trade expansion, as we might have done today. Thankfully, we have now achieved what seems to be a satisfactory compromise which has been given to us by the gentleman from Ohio (Mr. HARSHA).

Madam Chairman, the letters I referred to follow:

GENERAL COUNSEL OF THE
DEPARTMENT OF COMMERCE,
Washington, D.C., February 23, 1977.

Hon. HAROLD T. JOHNSON,
Chairman, Committee on Public Works and Transportation, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is to express the concerns of the Department of Commerce regarding certain new requirements contemplated by H.R. 11, amending and extending the Local Public Works Capital Development and Investment Act of 1976 (the "Act"), as reported by your committee. The Department of Commerce believes that the enactment of the proposed 106(f) of the Act could impede the economic stimulus purpose of the public works program and will not be in the best interest of U.S. foreign trade policy.

The new subsection 106(f) would require that any unmanufactured or manufactured materials for local public works financed with any grant made under the Act be of domestic origin. No similar requirement currently exists for such local public works projects. While the Buy American Act (41 U.S.C. 10 a-d) requires use of domestic materials for federal public works, department heads may waive the requirement upon a determination that it is "inconsistent with the public interest or the cost is unreasonable". No such waiver authority is included in the proposed subsection 106(f).

The Department believes that the requirements of subsection (f) could cause delays and require modification in the implementation of projects, and perhaps cancellation of others, thus impeding the economic stimulus which grants authorized by the Act otherwise would generate. Delays in implementation will occur since an appropriate policing mechanism must first be instituted. Proposals already submitted by communities will have to be reexamined to assure that no foreign materials are to be used. Second, such grants made under the Act will fund smaller, and perhaps fewer projects, as communities revise upwards cost estimates to cover the greater costs of using higher priced domestic materials. Third, communities would have to forgo some projects in circumstances where domestic materials were in short supply or not available at all.

The Department also strongly believes that the inclusion of subsection (f) is not in the best interests of U.S. foreign trade policy. If enacted, subsection (f) would seriously undermine our ability and efforts in the Multilateral Trade Negotiations to obtain removal of foreign barriers to U.S. exports resulting from existing buy national policies of other countries.

For these reasons, the Department strongly opposes the enactment of the proposed Subsection 106(f).

We have been advised by the Office of Management and Budget that there would be no objection to the submission of this letter from the standpoint of the Administraion's program.

Sincerely,

HOMER E. MOYER, JR.,
Acting General Counsel.

THE SPECIAL REPRESENTATIVE
FOR TRADE NEGOTIATIONS,
Washington, D.C., February 23, 1977.

Hon. CHARLES A. VANIK,
Chairman, Subcommittee on Trade, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I have noted that the Subcommittee on Economic Development has amended H.R. 11, by adding a subsection (f) to Section 106 of the Local Public Works Capital Development and Investment Act of 1976, the net effect of which is to proscribe the use of foreign source materials in public works contracts carried out under the Act.

For a number of years we have been engaged in a multilateral negotiation looking toward an international code under which foreign markets would be opened to U.S. suppliers in exchange for our eliminating some or all of our buy-national restrictions against foreign suppliers. We have made progress in this effort. During the negotiations we have impressed upon all parties the desirability of not increasing the existing restrictions against foreign suppliers.

I would urge that steps to increase the restrictiveness of the U.S. procurement system not be taken during these negotiations. We therefore strongly urge that the amendment be reconsidered in light of these considerations and that the amendment be stricken at the earliest possible opportunity.

Very truly yours,

ALAN WM. WOLFF,
Acting Special Representative for Trade Negotiations.

DEPARTMENT OF STATE,
Washington, D.C.

Hon. ROBERT A. ROE,
Chairman, Subcommittee on Economic Development, Committee on Public Works and Transportation, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I understand that H.R. 11, a bill intended to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976, as reported out by the Committee on Public Works and Transportation contains a provision to the effect that all projects funded under the program must be American made.

This exclusionary provision is of great concern to us because of its implications for U.S. trade. As you know, U.S. exports account for an important and growing number of U.S. jobs domestically, including products which increasingly are purchased by foreign governments or government controlled entities. Adoption by other governments of provisions similar to that proposed in H.R. 11—in response to or in emulation of our actions—can only result in an adverse effect on U.S. domestic employment which is contrary to the purpose of H.R. 11.

Indeed, the U.S. has taken the initiative in the negotiation of an international government procurement code to ensure that our exporters are not discriminated against and U.S. jobs dependent on such exports are protected. Such a code would provide procedures and controls for assuring non-discriminatory purchasing by signatory governments. We have made considerable progress in the development of this code in the OECD and discussions are now taking place in the Multilateral Trade Negotiations. Our objectives in these negotiations would be set back considerably if at the same time we extended the restrictiveness of the U.S. procurement system.

The objective of H.R. 11 is to finance the maximum number of job opportunities in communities where unemployment is far above the national average. The "buy national" provision would, in many cases, increase substantially the cost of the projects, limiting the number of new job opportunities and thus would run directly counter to the objectives of the proposed legislation.

For the above reasons, we urgently request that the buy national provision be reconsidered and that it be eliminated from the bill.

I would like to advise you that I am sending an identical letter on this subject to Mr. Harsha.

Sincerely,

KEMPTON B. JENKINS,
Acting Assistant Secretary for Congressional Relations.

Mr. GIBBONS. Madam Chairman, I move to strike the last word. I only take the floor for the purpose of asking the gentleman from Ohio to clarify his amendment. As I understand it, this amendment is a substitute for my amendment. If the gentleman's amendment is adopted, my amendment would be wiped out and his would, in effect, be reaffirmation of the existing buy American law.

Mr. HARSHA. I think that is more in the nature of a parliamentary inquiry which should be addressed to the Chair. I offered the amendment as a perfecting amendment to the language in the bill, which would take precedence, as I understand it, over the gentleman's amendment.

Mr. GIBBONS. Madam Chairman, I ask unanimous consent that the gentleman's amendment be considered as a substitute for my amendment.

The CHAIRMAN. The Chair would say to the gentleman from Florida that the amendment offered by the gentleman from Ohio is a perfecting amendment to the text of the bill, and it will be voted on first because of its precedence.

Mr. GIBBONS. That is the same as a substitute. That is the ruling of the Chair.

Mr. HARSHA. Madam Chairman, will the gentleman yield?

Mr. GIBBONS. I yield.

Mr. HARSHA. I want to say to the gentleman, and for the benefit of the gentleman from Minnesota, that my intention in offering the amendment was just as I have stated, but my intention also is to join the chairman in emphasizing the fact that we hope that American-made products will be used where consistent with the national interest. So, in no way do we want to interfere with the foreign policy of the government or any of its other activities. But, we do want to emphasize the urgency of buying American materials and American products where consistent with our national interests.

Mr. GIBBONS. I think all of us agree with that position. I certainly do.

Let me say that as one who attempted to strike the language in the current bill—and this problem comes up from time to time throughout the year—I would like to state for the benefit of those who are listening that as long as we stick to the current law, I am not going to try to change it. But when committees come in here time and time and time again trying to change the current law that has been worked out in the Committee on Government Operations, I will certainly be down here in the well defending the existing law.

Mr. STEIGER. Madam Chairman, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from Wisconsin (Mr. STEIGER).

Mr. STEIGER. I thank the gentleman for yielding.

Madam Chairman, I want to associate myself with the remarks of the gentleman, particularly on this last point. I would hope that the experience we have gone through this afternoon may be useful for other committees who may be tempted to try to go beyond and disrupt what was worked out by the Committee on Government Operations. I think it would be harmful for us, both internationally and domestically, if that would happen, and I join with the gentleman in the well in his warning.

Madam Chairman, I am grateful for the kind of leadership that has been offered by the gentleman from Minnesota (Mr. FRENZEL), the gentleman from Florida (Mr. GIBBONS), and others, for working this out in a satisfactory manner. I thank the gentleman from Ohio for offering this perfecting language.

Mr. FOLEY. Madam Chairman, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. I thank the gentleman for yielding.

Madam Chairman, I want to associate myself with the remarks of the gentleman from Florida (Mr. GIBBONS) and the gentleman from Wisconsin (Mr. STEIGER), and I want to compliment the gentleman from Ohio (Mr. HARSHA) for offering this amendment. I think we would have made a bad mistake to proceed with the original language of this bill, and I think the gentleman's amendment perfecting the language is a very strong improvement to this legislation.

PARLIAMENTARY INQUIRY

Mr. ROE. Madam Chairman, would the Chair explain the parliamentary situation?

The CHAIRMAN. The parliamentary situation is this:

The gentleman from Florida (Mr. GIBBONS) offered an amendment to strike a paragraph from the bill. The gentleman from Ohio (Mr. HARSHA) offered an amendment which is a perfecting amendment to the original bill and which, if it is adopted, would be a part of the original text which the gentleman from Florida proposes to strike.

The question would then occur on the amendment offered by the gentleman from Florida (Mr. GIBBONS). If the amendment offered by the gentleman from Florida (Mr. GIBBONS) were adopted, then the language which had been included as a perfecting amendment would also be stricken, along with the rest of the paragraph.

The question is on the perfecting amendment offered by the gentleman from Ohio (Mr. HARSHA).

The perfecting amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. GIBBONS).

The amendment was rejected.

AMENDMENT OFFERED BY MR. GOLDWATER

Mr. GOLDWATER. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GOLDWATER: Page 5, line 15, strike out section 112, and insert in lieu thereof the following new section 112:

"SEC. 112. The Secretary shall not reject any application for a grant for the construction of a detention facility or a correctional facility on the grounds that the applicant failed to design such facility to meet design standards or requirements promulgated by the Federal Government."

Mr. GOLDWATER. Madam Chairman and colleagues, the purpose of this amendment is, to get the LEAA completely out of the business of dictating jail designs for State and local governments. This similar language was offered and adopted on September 2, 1976, when it was offered by my colleague, the gentleman from California (Mr. WIGGINS), to the LEAA extension bill last year. It was supported by the full House, as well as most members of the Committee on Public Works and its chairman.

The amendment that I am offering deletes section 112 of H.R. 11 found on page 5 and inserts a new section which forbids EDA from rejecting construction standards.

Section 112 was adopted by the full committee in accepting an amendment offered by our colleague, the gentleman from Texas (Mr. MILFORD), to accomplish somewhat the same task. That language that was adopted, however, did not go far enough. In essence, the Milford amendment which was adopted and which is now section 112 prevents LEAA from intervening in States which have their own standards as far as the construction of jails is concerned; 15 States do not presently have their own standards.

However, I think the fundamental question that must be asked and addressed by ourselves is this: Why is it that the Federal Government is getting into the business of design and construction of local detention facilities?

Now, to be sure, some States and some localities have erred. But what makes any Member in this Chamber think that the Federal administrator is infallible? If a locality makes a mistake, only its citizens suffer and the Nation may indeed profit from the experience, but if a Federal administrator errs, the Nation as a whole suffers.

We all feel strongly, I believe, about the elimination of unnecessary Federal bureaucratic intrusion into local affairs. This amendment would provide for removing the local governments from the business of setting standards for the modification, renovation, and improvement of their local detention facilities. This gives us an opportunity in essence to put up or shut up on our often expressed convictions.

What this amendment, therefore, does is to make absolutely clear that on jail construction projects covered by H.R. 11 LEAA cannot dictate facility design or standards and provides that the whole issue will be left up to the States and local governments.

I say that the people who sent us here have enough confidence and common sense, in my opinion, to build a local jail without Federal intervention, and, therefore, Madam Chairman, on behalf of my colleague, the gentleman from California (Mr. WIGGINS), who was successful in his attempt to have this amendment adopted last year, I urge my colleagues to reaffirm once again our faith in local government in this particular area of jail construction as pertains to this accelerated public works bill, H.R. 11.

Mr. ROE. Madam Chairman, I rise in opposition to the amendment.

For the benefit of the members of the committee, in analyzing this amendment I call to the attention of the Members the fact that the Committee on Public Works and Transportation reluctantly accepted the amendment offered by the gentleman from Texas (Mr. MILFORD) in the committee in the first place, but the questions he raised and his method of presentation were very telling.

Repeating part of what the gentleman from California (Mr. GOLDWATER) has stated today in his presentation, the gentleman from Texas (Mr. MILFORD) came back and said, "Well, there are areas in local public investment where there would be three or four cells added or part of the construction of an existing jail." We thought that was reasonable because we are talking about the Local Public Works Capital Development and Investment Act.

If we go the route of taking out the entire review by the LEAA organization or the LEAA structure, that means that anybody can do anything they want in any type of construction without referring to LEAA at all. I think that would be making a terrible error in judgment in the whole area of penal facilities construction and the penal code as far as advancing construction in that area.

Madam Chairman, I firmly recommend to the committee that this amendment be rejected.

Mr. GOLDWATER. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from California.

Mr. GOLDWATER. Madam Chairman, I might say to the gentleman from New Jersey (Mr. ROE) that it is peculiar that in this area to which the gentleman refers he is on record, I believe, last year, when the amendment was offered to the LEAA extension bill by the gentleman from California (Mr. WIGGINS), as voting in favor of it. I wonder why he has now changed his mind in regard to the amendment offered on this same issue.

Mr. ROE. The bill did not modify the part (E) section of that at all.

If we are going to spend large amounts of money such as $5 million and we are going to build institutional or correctional facilities, I have no quarrel with the gentleman's amendment.

However, we are talking about a cap of $5 million that has been placed on any project. This amendment opens this whole program to the point that it is wide open for any of the local communities and the counties to be able to build their courthouses or expand their jails to meet the existing needs.

I do not really believe that the gentleman means that where there is a $10 million or $15 million or $20 million change in the institutional construction program of a project that he would want to negate that entire LEAA requirement.

Mr. GOLDWATER. Madam Chairman, if the gentleman will yield, I think what this amendment pertains to is only these moneys in H.R. 11.

If the gentleman had an opportunity to analyze the memorandum of understanding between LEAA and EDA, it would be obvious to him that those requests for funds would not have been granted because of the bureaucratic redtape entailed under that method of understanding or procedure.

Mr. ROE. I do not really think that that is germane because EDA has to go by the new standard which we wrote in the bill. In addition, I would like to point out to the gentleman from California that during the first allocation of funds under the Local Public Works Act, the LEAA's national clearinghouse on criminal justice planning and architecture, certified 382 out of 433 projects submitted which involved detention in excess of 24 hours. This part (E) certification rate of approximately 88 percent indicates that local governments did not have unreasonable difficulty meeting the advanced practices criteria of the LEAA. We are also aware that over $1 billion worth of criminal justice projects certified by the national clearinghouse as meeting part (E) criteria during the first round of funding remain unfunded. We do not anticipate, therefore, that there will be any delay in the flow of Federal funds to our local governments as a result of the LEAA part (E) requirements under H.R. 11.

Therefore, Madam Chairman, I am in opposition to this particular amendment.

Mr. HAMMERSCHMIDT. Madam Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Madam Chairman, I want to compliment the gentleman who offered this amendment since he is a very valuable member of our committee.

He may recall that this whole problem arose because of regulations promulgated by the Economic Development Administration as a result of language in the report on the Public Works Employment Act of 1976 from the other body.

In that report from the other body, which accompanied the public works bill, the following language appeared:

With respect to any expenditure of funds for detention facilities, the Secretary of Commerce shall make grants only to those projects which meet the criteria set down under part (e) of the Omnibus Safe Streets and Crime Control Act of 1968, as amended . . .

As a result, we did write into the language of this bill that is before us some compromise wording, and I will read that into the RECORD also.

The compromise we arrived at in section 112 says:

Whenever a State certifies to the Secretary that such State has standards for construction of jails, and that all such standards will be met in connection with any grant made under this Act for a project relating to jails, such State standards shall be the sole stand-

ards criteria governing approval of such jails for the purpose of any grant made under this Act.

That was put in there through an amendment offered by the gentleman from Texas (Mr. MILFORD).

Madam Chairman, I think we have arrived at a reasonable compromise. To go any further would encroach on another committee's jurisdiction, that of the Committee on the Judiciary.

Therefore, Madam Chairman, I object to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. GOLDWATER).

The amendment was rejected.

AMENDMENT OFFERED BY MR. MITCHELL OF MARYLAND

Mr. MITCHELL of Maryland. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MITCHELL of Maryland: Page 2, line 23, insert "(1)" immediately before "Notwithstanding."

Page 3, line 7, strike out the quotation marks and the period immediately following the quotation marks.

Page 3, immediately after line 7, add the following:

"(2) Notwithstanding any other provision of law, no grant shall be made under this Act for any local public works project unless at least 10 per centum of the dollar volume of each contract shall be set aside for minority business enterprise and, or, unless at least 10 per centum of the articles, materials, and supplies which will be used in such project are procured from minority business enterprises. For purposes of this paragraph, the term 'minority business enterprise' means a business at least 50 percent of which is owned by minority group members or, in case of publicly owned businesses, at least 51 percent of the stock of which is owned by minority group members. For the purposes of the preceding sentence, minority group members are citizens of the United States who are Negroes, Spanish-speaking, Orientals, Indians, Eskimos, and Aleuts."

Mr. MITCHELL OF Maryland (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. MITCHELL of Maryland. Madam Chairman, the minority and the majority side have been provided with a revised copy of the amendment. I ask unanimous consent to merely insert the words "10 per centum of the dollar volume of each contract shall be set aside for minority business enterprise."

Madam Chairman, I am merely asking unanimous consent to modify the amendment at this point to include that phrase. That is in the revised amendment that is before the Chair.

The CHAIRMAN. The Chair will advise the gentleman from Maryland (Mr. MITCHELL) that if that language is in the revised language at the desk, his unanimous consent request is not necessary.

Mr. MITCHELL of Maryland. Madam Chairman, it is in the revised language at the desk, and it is in the copies provided the minority side and the majority side.

The CHAIRMAN. Then the request of the gentleman would not be necessary.

Mr. HARSHA. Madam Chairman, if the gentleman will yield, would the gentleman care to tell us where this language that he would like to insert would appear.

Mr. MITCHELL of Maryland. The language referred to appears at page 3, immediately after line 7, in the revised amendment that the gentleman has before him.

It is in the revised amendment that the gentleman has before him, it says:

Notwithstanding any other provision of law, no grant shall be made under this Act for any local public works project unless at least 10 per centum of the dollar voumes of each contract shall be set aside for minority business enterprise.

That is the only insertion.

Mr. HARSHA. Madam Chairman, I thank the gentleman.

Mr. MITCHELL of Maryland. Madam Chairman and my colleagues, all this amendment attempts to do is to provide that those who are in minority businesses get a fair share of the action from this public works legislation.

I want to commend the chairman and the members of the committee who have done a great deal to make this public works bill far more equitable than it was last year. They have targeted and have amended the legislation to cover areas of high unemployment and they have improved the legislation so that it is a much better bill. But there is one shortcoming that I see in the bill that I am attempting to address through my amendment. That shortcoming is that there will be numerous contracts awarded at the local level for various public works projects, but in that there is no targeting—and I repeat—there is no targeting for minority enterprises.

Let me tell the Members how ridiculous it is not to target for minority enterprises. We spend a great deal of Federal money under the SBA program creating, strengthening and supporting minority businesses and yet when it comes down to giving those minority businesses a piece of the action, the Federal Government is absolutely remiss. All it does is say that, "We will create you on the one hand and, on the other hand, we will deny you." That denial is made absolutely clear when one looks at the amount of contracts let in any given fiscal year and then one looks at the percentage of minority contracts. The average percentage of minority contracts, of all Government contracts, in any given fiscal year, is 1 percent—1 percent. That is all we give them. On the other hand we approve a budget for OMBE, we approve a budget for the SBA and we approve other budgets, to run those minority enterprises, to make them become viable entities in our system but then on the other hand we say no, they are cut off from contracts.

In the present legislation before us it seems to me that we have an excellent opportunity to begin to remedy this situation.

I know what the points in opposition will be. The first point in opposition will be that you cannot have a set-aside. Well, Madam Chairman, we have been doing this for the last 10 years in Government. The 8–A set-aside under SBA has been tested in the courts more than 30 times and has been found to be legitimate and bona fide. We are doing it in this bill. We are targeting for various groups of people. We are targeting for the Indians, that is a set-aside. All that I am asking is that we set aside also for minority contractors.

I would point out also that this concept of a set-aside is becoming increasingly popular. Many States and many local subdivisions have moved into the process of setting aside contracts for minorities. That is because that is the only way we are going to get the minority enterprises into our system.

Let me continue, and, very seriously—and perhaps it is unfortunate, maybe, that I am not balancing all of these matters in proper perspective—because I think this is so important. We cannot continue to hand out survival support programs for the poor in this country. We cannot continue that forever. The only way we can put an end to that kind of a program is through building a viable minority business system. So I am deadly serious about it.

The other objection that will be raised is the objection that everybody else is going to go on a competitive bid basis; why should not the minority enterprise people go on a competitive bid basis? The answer is very simple: we cannot. We are so new on the scene, we are so relatively small that every time we go out for a competitive bid, the larger, older, more established companies are always going to be successful in underbidding us. That is an absolute truism.

The third objection that will be heard—and I can anticipate all of them—will be that this will cause a delay in getting certain projects off the ground. Indeed, it will not. It will not cause any delay because I do not know of any single State of the 50 States that under its EDA program has not already developed a roster of capable minority enterprises ready to do the job. All we have to do is go down that list of companies capable of doing the job.

I think I have raised the objections, and I think I have answered them. This is the only sensible way for us to begin to develop a viable economic system for minorities in this country, with the ultimate result being that we are going to eventually be able to pull down deficits in spending; we are going to be able to end certain programs which are merely support survival programs for people which do not contribute to the economy. I support those programs because at present we have nothing else to offer. On the other hand, I would urge adoption of my amendment because to the extent we are willing to let minorities do business with the government, we will be able to reduce survival support programs now paid for by the Federal Government. I urge the Members' support.

Mr. KAZEN. Madam Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding.

I can agree with practically everything the gentleman has said, but, as I understand his amendment, it is mandatory that 10 percent be set aside; am I correct?

Mr. MITCHELL of Maryland. That is correct.

Mr. KAZEN. All right. What happens in the rural areas where there are no minority enterprises? Will the 10 percent be held up in order to bring minority enterprises from somewhere else where there is no unemployment into a place where there is unemployment and there is no minority enterprise?

Mr. MITCHELL of Maryland. In response to the gentleman's question, the answer is "No."

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. MITCHELL of Maryland was allowed to proceed for 2 additional minutes.)

Mr. MITCHELL of Maryland. Let me tell the gentleman why that would not occur. When Presidents Nixon and Ford put out their Executive orders to all the agencies to utilize minority contractors, the agencies then established certain guidelines which said, all right, we will utilize these minority contractors wherever possible, but where there are none, there can be no utilization, and therefore no project should be delayed.

For example, I would not expect to take my minority contractors from Maryland into Idaho to meet that State's requirement. That will not be an issue.

Mr. KAZEN. If the gentleman would yield further, this is what I wanted the gentleman to clarify, that where there are no minority enterprise contractors then this provision would not be in effect; am I correct?

Mr. MITCHELL of Maryland. That is absolutely correct, and that is done by administrative action already on the books with all of the agencies.

Mr. KAZEN. Does the gentleman's amendment leave room for that type of discretion in the Secretary?

Mr. MITCHELL of Maryland. I assume that it does. It would be my intent that it would because that is existing administrative law.

Mr. KAZEN. I thank the gentleman.

Mr. ROE. Madam Chairman, I move to strike the last word.

Madam Chairman, I sympathize completely with the gentleman from Maryland and have reviewed his proposed amendment. I might want to suggest a point for consideration by the Committee. What the gentleman is attempting to do is see that there is an equitable relationship for minority contractors and suppliers to be able to participate, which I think is right and is proper.

On the other hand the way the amendment is drafted, it would indicate that the 10 percent would be set aside. I do not know where that 10 percent would be set aside. This is a very important amendment, if we would just like to think it out. I want to vote for this issue but I am pointing out some technical problems in the draftsmanship of it. To me the way this appears to be written is that if we are talking about a 10-percent set-aside, where are we talking about the set-aside?

I would appreciate it if the gentleman would join me in a colloquy. The way this bill functions now is that funds are allocated among the States depending on their respective unemployment. Under that particular posture the EDA reviews the applications coming in from the subdivisions within that State, whatever they happen to be, and they make the grant approval to the city or the community or the county before the project goes out for bid.

Mr. MITCHELL of Maryland. And that is where the set-aside occurs. Under the procedures that are now existing in many political subdivisions using Federal funds, at the time of that approval, at the time of the submission of the request from the local political subdivision by way of illustration EDA simply says:

O.K. It looks awfully good to us. We would recommend that you set aside 10 percent for minority contractors.

Indeed, this occurs, if my distinguished chairman will listen, many times.

Mr. ROE. Oh, he is listening.

Mr. MITCHELL of Maryland. This occurs even before any submissions are made, very often, by agencies. The agency will say:

O.K. We are about to embark on this program in your district. We would ask you to adhere to a set-aside.

And that becomes a part of the original guidelines, and then the State or city or the county takes the responsibility of actually carrying out the set-aside operation, not EDA.

Mr. ROE. May I build on that. That sounds good in theory, but let me tell the gentleman how it works. There are many States that have prohibitions in their constitutions or they require, for example, that a particular community, say X community, was awarded a grant for some project by EDA, and they then have to take that grant and go out to public bidding. The contractors, the prime contractors have to bid on that public bid. I do not know how we can say, and I am just asking how the gentleman's thought processes go, if we have say five contractors that want to bid and the minority contractor has a bid which is higher than any—is the gentleman suggesting that the contract then would have to be awarded to the highest bidder because he is the minority bidder?

Mr. MITCHELL of Maryland. Oh, no.

Mr. ROE. That is what this amendment says.

Mr. MITCHELL of Maryland. It does not say that or operate in that fashion at all.

My State of Maryland has a proviso requiring competitive bidding. In addition to that proviso my State of Maryland, without benefit of law, has suggested to the agencies:

Why do we not do something to try to bring minority businesses into government participation?

It further suggests that of all the contracts that are let, x percent should be set aside to be handled on a noncompetitive basis for minorities. That is an administrative action. It is not the law of Maryland but it is one way, one means by which we are able to move toward solving the problem in my State.

Mr. ROE. I think the question raised by the other gentleman who brought it out is that we are only looking for an answer, and the question raised is that in many areas of the country we do not have minorities. We do not have a minority problem at that point. We are trying to understand the gentleman's amendment and how we can apply it uniformly across the country, because the way it is written now it automatically does apply and there would be a 10-percent set-aside at every level of government. This is the way it appears to be written. Then we would come back and say, whether it is a State or a county or a municipal project, that 10 percent of the contracting and 10 percent of the supplies would have to be secured from a so-called minority contractor at that point.

Mr. MITCHELL of Maryland. Let me clarify one issue. It is 10 percent of the contracts and/or supplies. That gives a great deal of leeway to the governments, so that if they do not have minorities capable of providing the supplies, they have got people capable of performing the contracts. That is the first point I want to make.

The second point, and I reiterate what I said earlier, that we already have in existence within the agency structure the SOP administrative law that says this kind of amendment would not apply where there are no minority contractors or where there are no minorities. It is already in the law.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

(By unanimous consent, Mr. ROE was allowed to proceed for an additional 3 minutes.)

Mr. ROE. Madam Chairman, that does not hold on the point of law. If there is an administrative director, let me tell the gentleman, that in this bill we have made very careful adjustments to meet what were the minority interests. We did have a group of people from the civil rights group and minority interest groups.

Mr. MITCHELL of Maryland. Madam Chairman, if the gentleman will yield further, I applauded the gentleman for his interest in that direction.

Mr. ROE. I know the gentleman did.

I think we have to allow elbow room in the amendment to make it workable.

I have a suggestion for an amendment which I would like to discuss with the gentleman from Maryland which is something in words to the effect:

Except to the extent that the Secretary determines otherwise, no grant shall be made under this Act for any local public works project unless the applicant gives satisfactory assurance to the Secretary that at least 10 percent of the amount of each grant shall be expended for minority business enterprises. For purpose of this paragraph, the term 'minority business enterprise' means a business at least 50 percent of which is owned by minority group members or,

And then it takes in the rest of the gentleman's language.

What the gentleman is saying here is that they are mandated to go to 10 percent where the material and supplies are available and the contractors are available; but if we get into an area where they are not available, we have another problem. We have to go to another State to get those people in.

Does the gentleman see what I am getting at?

Mr. MITCHELL of Maryland. Madam Chairman, if the gentleman will yield further, if my understanding of the gentleman's amendment is correct, I am inclined to accept it, if that would help clarify the matter of not importing minority contractors and businesses from another State.

Mr. ROE. Madam Chairman, that is exactly what I am saying.

Mr. MITCHELL of Maryland. Madam Chairman, if the gentleman will yield further, that is acceptable with the caveat that there must be a mandate, because, I say to the Members of the House, every agency of the Government has tried to figure out a way to avoid doing this very thing. Believe me, these bureaucracies can come up with 10,000 ways to avoid doing it. That is why I am insisting it be mandated.

Mr. ROE. Well, my amendment can accomplish both goals. We are saying each grant shall be expended for minority enterprises. We are mandating it in this amendment.

Mr. MITCHELL of Maryland. Madam Chairman, if the gentleman will yield further, if my understanding is correct, I willingly accept the gentleman's amendment.

Mr. ROE. We want to make it clear.

Mr. MITCHELL of Maryland. Madam Chairman, if the gentleman will yield further, I think the local municipalities should have the right to utilize minority enterprises and his amendment will support that right.

Madam Chairman, I accept the amendment to my amendment.

AMENDMENT OFFERED BY MR. ROE TO THE AMENDMENT OFFERED BY MR. MITCHELL OF MARYLAND

Mr. ROE. Madam Chairman, I offer an amendment to the amendment offered by the gentleman from Maryland (Mr. MITCHELL) and ask unanimous consent that it be adopted.

Mr. HARSHA. Madam Chairman, reserving the right to object, I would like to know exactly the language of the gentleman's amendment.

The Clerk read as follows:

Amendment offered by Mr. ROE to the amendment offered by Mr. MITCHELL of Maryland: In lieu of the Mitchell amendment insert the following:

Page 3, in lieu of the matter proposed to be inserted after line 7, insert the following:

"(2) Except to the extent that the Secretary determines otherwise, no grant shall be made under this Act for any local public works project unless the applicant gives satisfactory assurance to the Secretary that at least 10 per centum of the amount of each grant shall be expended for minority business enterprises. For purposes of this paragraph, the term 'minority business enterprise' means a business at least 50 percent of which is owned by minority group members or, in case of a publicly owned business, at least 51 percent of the stock of which is owned by minority group members. For the purposes of the preceding sentence, minority group members are citizens of the United States who are Negroes, Spanish-speaking, Orientals, Indians, Eskimos, and Aleuts."

Mr. ROE. Madam Chairman, I ask unanimous consent that the wording of the amendment may be corrected so that after the word "amount" insert the word "of" and after "in case of" insert the word "a" and correct the spelling of the word "Eskimos".

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

Mr. HARSHA. Madam Chairman, reserving the right to object, may I further inquire, the language I have says:

Except to the extent that the Secretary determines otherwise, no grant shall be made under this Act for any local public works project unless the applicant gives satisfactory assurance to the Secretary that at least 10 percent of the amount of each grant shall be expended for minority business enterprises.

Does this mean each and every grant?

Mr. ROE. Madam Chairman, if the gentleman will yield, that is what the amendment of the gentleman from Maryland (Mr. MITCHELL) said originally. What we are saying in this amendment, wherein that is not possible to comply with, because different regions in the country do not have minorities concentrated in the construction trades and it would not apply.

Mr. HARSHA. Does the gentleman mean by the language which says to the extent that the Secretary determines otherwise, that that gives the Secretary the authority to set aside this provision for their own minority business enterprises?

Mr. OBERSTAR. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Madam Chairman, I think that is part of the gentleman's amendment, to give the Secretary the authority to determine in a place where there is no minority enterprise.

The CHAIRMAN. Without objection the Clerk will re-report the amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. ROE to the amendment offered by Mr. MITCHELL of Maryland:

Page 3, in lieu of the matter proposed to be inserted after line 7, insert the following:

"(2) Except to the extent that the Secretary determines otherwise, no grant shall be made under this Act for any local public works project unless the applicant gives satisfactory assurance to the Secretary that at least 10 per centum of the amount of each grant shall be expended for minority business enterprises. For purposes of this paragraph, the term 'minority business enterprise' means a business at least 50 percent of which is owned by minority group members or, in case of a publicly owned business, at least 51 percent of the stock of which is owned by minority group members. For the purposes of the preceding sentence, minority group members are citizens of the United States who are Negroes, Spanish-speaking, Orientals, Indians, Eskimos, and Aleuts."

The CHAIRMAN. Is there objection to the unanimous-consent request of the gentleman from New Jersey to amend the amendment offered by the gentleman from Maryland?

Mr. HARSHA. Madam Chairman, reserving the right to object, I want to try to clarify this.

Do I take it now that this language, the gentleman feels, gives the Secretary the authority to exempt a particular project from this provision if there is no minority business enterprise within the project area or within the employment area?

Mr. ROE. It appears to me that what we are saying here is that no grant shall be made under this act for any public works project unless the applicant gives satisfactory assurance to the Secretary that at least 10 percent of the amount of each shall be expended for minority business enterprises, meaning suppliers or whatever; however, if that situation does not prevail and the minority business people are not in that area, then the Secretary has to make a judgment on it.

Mr. HARSHA. Then who certifies whether or not there is a minority business enterprise available with the material needed in a project?

Mr. ROE. Well, the way this proposed amendment to the amendment is written, it would have to be determined by certification, I think, from the applicant. Then, any question that would arise in the Secretary's interpretation—

Mr. MITCHELL of Maryland. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. It seems to me that the distinguished gentleman from New Jersey has resolved the major part of our dilemma.

The CHAIRMAN. The gentleman will suspend. Does the gentleman from Ohio object to the unanimous-consent request of the gentleman from New Jersey?

Mr. HARSHA. I still reserve the right to object.

The CHAIRMAN. Rather than proceed under the gentleman's reservation of objection, the Chair will treat the amendment offered by the gentleman from New Jersey to the amendment offered by the gentleman from Maryland as pending and proceed under the 5-minute rule, so that debate can then take place in the proper way.

Mr. HARSHA. Well, I want to clarify this, Madam Chairman, because the report may include in this such minority groups as Indians, and we have already set aside 2½ percent for Indians. How much more are we going to give Indians? We are talking about 10 percent of $4 billion, which is $400 million. I want to get to that point. I do not want to object to the gentleman offering his amendment, so that we can get rid of this issue.

Madam Chairman, I withdraw my reservation of objection.

PARLIAMENTARY INQUIRY

Mr. ROE. Madam Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROE. Is it possible for others who desire to do so to reserve the right to object?

The CHAIRMAN. The Chair will put the question on the amendment offered

by the gentleman from New Jersey to the amendment offered by the gentleman from Maryland, unless further Members desire to debate the issue under the 5-minute rule.

The gentleman from New Jersey (Mr. ROE) is recognized for 5 minutes on his amendment.

PARLIAMENTARY INQUIRY

Mr. HOWARD. Madam Chairman, I have a parliamentary inquiry.

The CHAIRMAN. Does the gentleman yield for a parliamentary inquiry?

Mr. ROE. Of course, Madam Chairman, I yield to the distinguished gentleman from New Jersey.

Mr. HOWARD. Madam Chairman, I would ask the Chair if unanimous consent was granted for the amendment offered by the gentleman from New Jersey to be before the House.

The CHAIRMAN. That was not necessary. It is still an amendment to an amendment which is pending business to be voted on by the committee.

Mr. ROE. Now that we have settled that down, let us get to the issue.

Mr. HARSHA. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Ohio (Mr. HARSHA) to pursue the point further.

Mr. HARSHA. I thank the gentleman for yielding.

Madam Chairman, I am just trying to clarify what we are doing here. I have no objection to the purpose of the gentleman from Maryland, but in fairness to everybody concerned, we are setting aside 10 percent of this authorization, which is for $4 billion, which is $400 million. We have also set aside specifically for the Indians 2½ percent of the total authorization. If we are going to set that much more aside, it seems to me we are getting to a percentage which is going to discriminate against the rest of them.

Madam Chairman, I recognize the validity and the merit of what the gentleman from Maryland is saying, that if we are going to have minority contractors they have to be able to compete. In many instances they cannot compete against established contracts. On the other hand, if we set aside 10 percent of the sum here for minority contractors, then we get a number of contractors that are not minority contractors but who hire minorities, and they then are deprived of bidding on that 10 percent.

How do we resolve the issue of discrimination?

Mr. ROE. Madam Chairman, I think the gentleman is striking at an important point. We must remember the facts. More mistakes are made due to lack of facts than due to poor judgment.

We have set aside 2½ percent for Indian tribes. There is no provision in the law as presently constituted which says that the person working for the Indian tribe has to be an Indian. He can be an Oriental, or somebody else. I do not think that clouds the issue.

Let us take the second point of when we are talking about companies held by minority groups or 51 percent held by stock groups. Certainly people of a variety of backgrounds are included in that. That is not really a measurement. They are talking about people in the minority and deprived.

What we are saying here, basically, is that the Secretary can determine if this provision or proposal can be implemented in the given area. If we do not have Spanish-speaking people, Negroes, Orientals, Indians, Eskimos or Aleuts, then he has to make that judgment.

The only thing I can see is that the applicant who has the project, in the first place, has to give satisfactory assurance to the Secretary that at least 10 percent of the amount of each grant shall be expended for minority business enterprises. It does not talk about whether it is the contractor, necessarily, or the supplier. Some part of the enterprise would be oriented toward that group. That is what the amendment says.

Mr. HARSHA. If the gentleman will yield further, that is the crux which I was trying to get at. There are many areas where this cannot apply, and I would not want to deny an area a project certainly because of the fact that they did not have a minority enterprise available or could not provide the material, the equipment, contractors, or what have you, from the minority groups.

If I interpret the gentleman's explanation of it correctly, the gentleman has assured me that that will not occur.

Mr. ROE. That is my understanding.

Mr. DON H. CLAUSEN. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Madam Chairman, as the gentleman knows, referring to these contracts, they are handled like contracts in any other political subdivision under the EDA program as far as sharing, and so forth. But there is one question that comes to my mind after listening to the gentleman from Maryland (Mr. MITCHELL).

The gentleman indicated, if I understood him correctly, that they have worked out their problem administratively in the State of Maryland. If this resolves their problem in the State of Maryland, why should we clutter up the legislation for the balance of the country if in fact his situation in the State of Maryland has been worked out through the administrative processes of the State of Maryland?

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. ROE) has expired.

(On request of Mr. MITCHELL of Maryland and by unanimous consent, Mr. ROE was allowed to proceed for 5 additional minutes.)

Mr. MITCHELL of Maryland. Madam Chairman, will the gentleman yield to me?

Mr. ROE. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Madam Chairman, I thank the gentleman for yielding.

In response to the query of the gentleman from California (Mr. DON H. CLAUSEN), let me point out that I am very pleased with the rate at which my State and my city happen to be moving in terms of solving this problem. We have not reached the millennium by any means, but I think we are moving well.

On the other hand, I think we must look at other States and cities around this country that have not really addressed the problem at all and do not have any lever on which to hang an operation designed to begin to redress this grievance that has been extant for so long.

For example, it is my belief that in the State of Michigan there has not yet been a movement toward set-asides, even on an administrative basis. There are other States in which that situation obtains. By setting the tone at the Federal level, I would point out to the gentleman, what we do in terms of these local political subdivisions is to give them the added impetus to do those things which are right and fair.

Mr. CONYERS. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from New York.

Mr. CONYERS. Madam Chairman, I would like to comment to some extent on the apparent resolution that this body is working toward between the proposal offered by the gentleman from Maryland (Mr. MITCHELL) and the amendment as perfected by the gentleman from New Jersey. There are two points that ought to be made clear.

First of all, minority contractors and businessmen who are trying to enter in on the bidding process—and my office is replete with examples of this—get the "works" almost every time. The bidding process is one whose intricacies defy the imaginations of most of us here. The sad fact of the matter is that minority enterprises usually lose out, and subsequently end up in a congressional office or some other unlikely place complaining bitterly. Not all of them come to the offices of members of the congressional Black Caucus either, because many other Members have had the same dismaying experience of trying to give solace to small businessmen who through no fault of their own simply have not been able to get their foot in the door.

The second point, and one that is very critical, is the fact that this amendment does not jeopardize any application in any Member's district or community where there may not be in existence a minority enterprise element in that community. We have in the amendment the language that specifically allows the Secretary to exclude them from application, so if the district does not have black businessmen, it does not mean that the applications will be delayed or denied; it simply means that the provisions of the amendment will not apply in that situation.

Mr. PEASE. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Ohio.

Mr. PEASE. Madam Chairman, I would like to support this general concept. I have a very fine minority contractors association in my county that I have been working with, and I would like to see a workable proposal.

I would like to ask first, if I may, how this fits in with the competitive bidding process and the requirement of the State law in many States that bids must be let to the lowest and best bidder.

Mr. ROE. Well, they would have to be let to the lowest and best bidder, but as part of that bid, when there are subcontractors and what-have-you, 10 percent of it would have to relate by certification to the fact that they are dealing with a minority interest.

Mr. PEASE. Madam Chairman, if the gentleman will yield further, what happens if in the bidding process there do not happen to be any minority enterprises as the low bidders in any of these areas?

Mr. ROE. Madam Chairman, they are going to have to buy their material, that is, 10 percent of their material and services, from minority enterprise businessmen.

Mr. PEASE. Madam Chairman, if the gentleman will yield for one more question, the idea of this bill is to get public works projects moving as quickly as possible in order to stimulate the economy.

Does the gentleman have any idea at all as to how long it would take for the administrative requirements of the Secretary reviewing these situations and what kind of a delay that would cause in the letting of these contracts?

Mr. ROE. No. I would not presume to try to answer because I do not know. I think it is a sticky issue. The fact remains that it is a movement which merely says that 10 percent will participate in minority enterprise and minority business.

I think in view of the fact that the originator of the amendment, the gentleman from Maryland (Mr. MITCHELL), has gone along with what seems to be a reasonable compromise is in itself significant. We are saying, "If the Secretary shall determine." In other words, there is movement there. There is movement to set up a provision in the rules and regulations; and this committee is going to oversee those rules and regulations and is going into the document itself when it is presented to it.

Mr. HAMMERSCHMIDT. Madam Chairman, I move to strike the last word.

I rise in support of the perfecting amendment of the gentleman from New Jersey (Mr. ROE) to the amendment of the gentleman from Maryland (Mr. MITCHELL).

I believe that the concerns expressed by our ranking minority member (Mr. HARSHA) in the colloquy with the gentleman from New Jersey (Mr. ROE), the chairman of the subcommittee, cleared up any apprehensions that I had and which several of us may have had over the way in which this amendment would be administered.

Therefore, Madam Chairman, with that cleared up, I am ready to support the amendment.

Mr. BIAGGI. Madam Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from New York.

Mr. BIAGGI. Madam Chairman, I rise to indicate my full support of the amendment offered by my distinguished colleague from Maryland as amended by the gentleman from New Jersey (Mr. ROE). I consider the amendment wholly complimentary to the bill as its objective is to guarantee to minority business enterprises that they too will benefit from the passage of this legislation.

This Nation's record with respect to providing opportunities for minority businesses is a sorry one. Unemployment among minority groups is running as high as 35 percent. Approximately 20 percent of minority businesses have been dissolved in a period of economic recession. The consequences have been felt in millions of minority homes across the Nation.

What the amendment seeks to do is guarantee that at least 10 percent of all funds in this legislation will go to contracts which will be awarded to minority business enterprises. This is not an unreasonable demand—in fact it is quite modest. If implemented however it could have great benefits to the entire minority community. Fiscal year 1976 figures indicate that less than 1 percent of all Federal procurement contracts went to minority business enterprises. This is a situation which must be remedied.

The objectives of this legislation are both necessary and admirable. Yet without adoption of this amendment, this legislation may be potentially inequitable to minority businesses and workers. It is time that the thousands of minority businessmen enjoyed a sense of economic parity. This amendment will go a long way toward helping to achieve this parity and more importantly to promote a sense of economic equality in this Nation.

Mr. SISK. Madam Chairman, today, we consider legislation designed to reduce a substantial amount of our national unemployment. I am deeply worried, however, that whatever efforts we may undertake—such as this proposed legislation—will be completely useless. Our unemployment problem—despite our best efforts to create jobs—will still remain and will in fact get far worse. Unfortunately, for every one of the 800,000 public service jobs created by President Carter's economic proposals, at least two illegal applicants will be competing with each jobless American citizen.

A minimum of 1.7 million people illegally entered and stayed in American last year, looking for work which would otherwise be available to Americans. Another 400,000 people were admitted as immigrants. And finally, 1.3 million Americans were added to our population last year.

These figures may seem insignificant. But taken together, they result in ominous facts. America is now growing by greater numbers than any other nation in the world—except for China and India. We add each year 3.6 million people to our country, equivalent to the combined populations of Alaska, Wyoming, Vermont, Delaware, Nevada, North Dakota, and South Dakota. We are, in a sense, adding seven States to our Union each year. And that number is dramatically increasing each year.

According to Mr. Tom Braden in an article in the Washington Post of February 12, 1977, the U.S. population has been swollen by at least 5 million illegal immigrants in the past 5 years. Within 10 years, according to the environmental fund, the United States will be adding over 12 million people annually if present trends continue, a number just a few million less than the number of people being added to India each year. By 1986, for example, the United States would approach a population of 300 million. In just 47 years, the U.S. population would double to almost 450 million people.

In short, Madam Chairman, the United States may very soon have the highest population growth rate in the world, even though our birth rate has declined substantially. Illegal immigration is rapidly changing the face of this Nation. It is raising serious questions of civil liberties and law enforcement. It is changing our schools and communications. And it is propelling us toward what Mr. Braden describes as a "separatist language system and a population larger than environmentalists believe we can sustain." And it is costing the U.S. taxpayer over $16 billion annually.

But no one seems to care to do anything about it. For example, while President Jose Lopez Portillo of Mexico and President Carter recently had extended discussions on relations between our two nations, the problem of population growth and illegal immigration was hardly dealt with. And it is rapid population growth which is at the heart of Mexico's extreme poverty, her 40 percent or more unemployment and our substantial illegal alien problem.

Mr. James Reston of the New York Times commented on this in a February 18 column. He wrote that the two leaders could "not really deal with these problems so long as Mexico's population growth outruns its industrial and agricultural production and its ability to produce jobs at living wages for the millions of Mexican's who are entering the United States illegally." Unfortunately, both the United States and Mexico refuse to acknowledge that they both have a population problem.

Madam Chairman, in 1900, Mexico contained 13 million people, with over 5 acres of arable land to support each of its citizens. But today, it has over 63 million people, increasing at 3.8 percent a year, with much of that increase simply leaving for the United States. And Mexico now has only 1 acre of arable land from which to support each of its citizens.

Mexico's population, at current growth rates, will double in less than 20 years. In the lifetime of a child born today, Mexico could become a nation with as many people as China has today. Obviously, since Mexico cannot adequately support even her present population, most of these people will look elsewhere for food, shelter, and work. And most of them will come to the United States.

In conclusion, Madam Chairman, in our efforts to create jobs for the almost 10 million Americans out of work, as well as to help deal with Mexico's substantial economic and agricultural problems, population growth and illegal immigration must be high on the agenda of this country as serious problems that must soon be dealt with now.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. ROE) to the

amendment offered by the gentleman from Maryland (Mr. MITCHELL).

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. MITCHELL), as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. STARK

Mr. STARK. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STARK: Page 3, line 7, strike out the quotation marks and the final period.

Page 3, after line 7, insert the following:

"(g) No grant shall be made under this Act for any project for which the applicant has not given assurances satisfactory to the Secretary that the project will be designed and constructed in accordance with the standards for accessibility of transportation and public facilities to the handicapped and elderly under the Act entitled 'An Act to insure that certain buildings financed with Federal funds are so designed and constructed as to be accessible to the physically handicapped', approved August 12, 1968 (42 U.S.C. 4151 et seq.).".

Mr. STARK. Madam Chairman, I am offering an amendment to section 1 of the Local Public Works Capital Development and Investment Act of 1976.

My amendment is really very simple. It would require that grants be awarded only to projects for which the applicant has given satisfactory assurances that the project will be designed and constructed in accordance with the standards for accessibility of transportation and public facilities to the handicapped and the elderly. A similar amendment was offered yesterday by Chairman RANDOLPH in the Senate Environment and Public Works Committee and was unanimously adopted.

One out of every 11 Americans is handicapped as a result of a physical or mental condition which limits some of their activities. For most of these people, the curbs, stairways, doors, et cetera, that are a simple part of everyday life for us present difficult and sometimes insurmountable barriers.

The Federal Government has dealt with this problem in such legislation as the Architectural Barriers Act of 1968 and the Rehabilitation Act of 1973. However progress has been slow, and for most handicapped Americans job hunting, sightseeing, et cetera, continues to be an unfair exercise in frustration.

Many people have already benefited from the local public works program. And many will benefit from the use of facilities being constructed and renovated. Certainly, the handicapped and the elderly deserve to share in these benefits. My amendment would provide additional assurance that they do. I urge your support.

Mr. ROE. Madam Chairman, will the gentleman yield?

Mr. STARK. I yield to the gentleman from New Jersey.

Mr. ROE. Madam Chairman, the committee has seen the gentleman's amendment. We think it is splendid and further clarifies the intent of our committee. Therefore, the majority side accepts the gentleman's amendment.

Mr. HAMMERSCHMIDT. Madam Chairman, will the gentleman yield?

Mr. STARK. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Madam Chairman, I agree with the chairman of the subcommittee. We, too, have examined the gentleman's amendment. We think it is appropriate, and we thank him for bringing it to the floor.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. STARK).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KINDNESS

Mr. KINDNESS. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KINDNESS:

Page 5, immediately after line 21, add the following new section:

"SEC. 113. Notwithstanding any other provision of this Act, 2 per centum of all amounts authorized to carry out this title shall be available only for making grants to States and local governments for projects for the replacement or reconstruction of bridges on those highways which are not on any Federal-aid system. For purposes of this section, the terms 'Federal-aid system' and 'highway' have the meaning given such terms in section 101 of title 23 of the United States Code.

Page 5, line 14, strike out "113" and insert "114".

Page 5, line 22, strike out "113" and insert "114".

Page 6, line 6, strike out "113" and insert "114".

Mr. KINDNESS. Madam Chairman, we have before us a bill that I honestly have very lukewarm feelings about. The experience of the local Public Works Employment Act distribution of funds in December was one that disappointed many of us. This amendment is intended, by me at least, to try to improve the measure that is before us and to help to meet a problem that is facing, I believe, every State in the United States, that is the replacement and the repair of bridges. That is something that has not really been provided for very well by the local governments over the years. In that respect I might say that all of the funds that are covered in this bill, or authorized in this bill, could be used, and much more, to repair and replace bridges throughout the United States that are not on the Federal-Aid Highway System. The whole amount of the money and more could be used. What I am suggesting here, though, is that 2 percent of the funds—and there were many bridge projects included among the applications that were not funded in December—would be used for those bridge projects that are not on the Federal-Aid Highway Systems.

This is a local public works employment act concept that we are talking about and this is the very local type of work that I believe needs assistance.

The gentleman from Iowa (Mr. HARKIN) will offer an amendment which goes further than this and is one that I believe has a great deal of merit, and that is extending the concept to the Federal-Aid Highway System bridges. Both are needed very much.

Remember that many of the bridges we are talking about that are within the local jurisdictions are bridges that were built in the 1930's under the WPA and PWA programs. These are bridges that in many cases have survived over those years without any substantial amount of repair, replacement or reconstruction. They are worn out.

The National Association of County Officials Newspaper of February 21, 1977 carries a front page article on the bridge crisis, pointing out problems in Pennsylvania, in Nashville and in Davidson County, Tenn., and in various other places throughout the country. There are many problems with bridges that we have yet to meet in terms of assistance that might be provided by this Congress.

Very frankly, what is proposed in this amendment is only a start. Two percent of the funds involved here will not go very far toward meeting the overall problem.

I hope we will have a look at subsequent opportunities toward helping local and State governments meet the bridge problems that face them. But right now, at this point, I think it would be not only moderate and reasonable but a very firm, constructive step for this Congress to make.

It is a policy statement, in effect, that we have got to start working away at this bridge problem. Local and State governments have this problem in a magnified degree in the off Federal-Aid Highway Systems. So that is why emphasis in this amendment is placed on that part of the problem.

The scope of the problem is large, the need is great because the safety of millions of people is at risk daily in the use of bridges that are inadequate. Can we not point toward an improvement in this problem? At least let us get a start by adopting this amendment. I would urge support for this amendment by the Members of the House.

I would just point out that although figures do not happen to be available for every State, I can point out an example in the State of Ohio in which there are a total of 31,007 bridges, out of which 7,449 are old, weak, or with a reduced load limit.

Three hundred fifty-five have collapsed since January 1968, the date of the Silver Bridge collapse. Six hundred thirty-two are closed due to weaknesses.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOWARD. Madam Chairman, I rise in opposition to the amendment.

It is true, as the gentleman stated, that there is a problem with bridges in this country. It is estimated that there may be as many as 100,000 either unsafe or structurally deficient bridges in the country. However, in the Federal Aid Highway Act of 1976, which is extended for two years, there has been placed $180 million per year for the bridge program. This is a 75 percent Federal and 25 percent State program.

The gentleman referred to the off-system bridges that we have, and I should like to point out that in that same bill there is for each year $200 million placed in the off-system program. This money may also be used for the improvement

or replacement of bridges on a 75–25 basis.

It also should be noted, Madam Chairman, that in any State, money that accrues from this specific legislation may be used by the States as their share in the Federal program, so that instead of the necessity of taking this money to put it in grant money to complete an entire bridge, all the State money could be used if the State so desires and sees it as its priority as only 25 percent of a bridge replacement program, calling upon 75 percent Federal money for this. So actually there is really no need for this whatever.

It is anticipated that during this Congress the Committee on Public Works will come out with its new Federal aid highway program, and this program, instead of having $180 million per year, it is anticipated will increase the Federal Highway Trust Fund and have a program for 6 years amounting to $2 billion per-year. Therefore, I want to point out that in this bill, which is meant to reach each State so that it can meet its needs as it sees them, a lot of these bridges that need repairs would not be covered by this bill because they are not in the areas that would meet the criteria for getting grants.

Therefore, Madam Chairman, I feel that in the interest of having this bill do what it was intended to do—due to the fact that here is money on the 75–25 Federal-State matching basis for bridges, this bill could be used much better if it has the maximum flexibility so that the States may meet their priority needs and put the money where it will do the most good according to their own needs. That may very well be what the States desire in a bridge program. Therefore, I hope that we defeat this amendment.

Mr. KINDNESS. Madam Chairman, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from Ohio.

Mr. KINDNESS. I thank the gentleman for yielding.

Will the gentleman agree that there have been a great many applications for bridge projects within the December 23 deadline that are filed under this program for which there are not funds available, and which are projects that can proceed quickly and which would benefit very greatly the areas most intended to be affected by this bill?

Mr. HOWARD. That is true. I believe that this bill will be able to provide that money and some of the States will be able to use it with only a 25-percent matching share. Certainly with the additional money in this bill, I am certainly hopeful that many of the States will see to it, without our mandating an amount of funding, that it will be used for bridges. However, by the end of this Congress we expect to have a $2 billion-per-year Federal replacement and bridge repair program.

Mr. KINDNESS. Will the gentleman yield for one further question?

Mr. HOWARD. I yield to the gentleman from Ohio.

Mr. KINDNESS. I thank the gentleman for yielding.

Will the gentleman agree that in accordance with the requirements of the local Public Works Act that is already on the books, these are projects that are ready to go right away, that is, within the 90-day period, and, therefore, we are talking about something not only consistent with legislation before us to extend the act, but also consistent with the need to put people to work?

Mr. HOWARD. Absolutely, and that would be handled without the gentleman's amendment which mandates that especially since, as he has stated, many of the States do have their request in for this bridge money under this legislation, as well as the utilization. They can take this money if they wish, and use it for the 25 percent non-Federal requirement under the regular Federal Aid Highway Program and call on that program for the remainder of the necessary funds.

I think that dollarwise would be a much wiser way for the States to utilize it. Rather than take the entire public works grant from this bill it would be wiser to take the States' money and use it as their share to get more Federal money.

Mr. HARKIN. Madam Chairman, I move to strike the last word.

I rise in support of the amendment.

I would like to engage the gentleman from New Jersey in a colloquy on this. I understand what the gentleman is saying, but expectations are one thing, and reality is another. I would like to expect $2 billion in the next year also. But it seems what we have here is a public works bill that addresses itself to unemployment right now. The highest rates of unemployment right now are among those workers who would be directly involved in bridge repair programs, laborers, steelworkers, construction workers, and so forth.

We have a definite need, as the gentleman knows, for more bridge replacement and reconstruction programs. Under the formulas worked out in the last public works bill, and I am afraid those which will be worked out in this bill, many of the grants we applied for were in areas that were rated as 1, 2, 3, 4, 5, and down maybe through 12, and they may not have had a need for bridges in that area but they got a grant and they effectively cut out other communities and municipalities from getting grants for the repairs of bridges they may have need for.

Mr. HOWARD. I would say to the gentleman certainly a State could take as part of its share 25 percent of the cost of that and draw the other 75 percent that is available to the State under the Federal-aid highway program, and get three times the amount of money the gentleman is talking about, rather than trying to get it out of this bill under the mandating. I think it would be much simpler to do it in that way and the State would be happier because it would use only one-quarter rather than using the gentleman's amendment, where they would have to use the four quarters in this bill, if they wanted to do this.

I say that plus the fact that they do not have to do it in a deprived area. Under the gentleman's amendment it would only come under the kind of unemployment situation in the area that comes under the purview of this bill. But if the States uses its 25 percent and draws on the Federal money it would be unrestricted because they might have their most dangerous bridge in an area that does not have that kind of unemployment. They would be much wiser to do it in that way. I think the States and local people can set their priorities best. There is $180 million per year already in the Federal-aid highway bill on the system and $200 million in the off system program, which would be 75 percent Federal and only 25 percent local funding.

Mr. HARKIN. In my State alone under that formula it will take about 800 years to replace the bridges.

Mr. HOWARD. We expect to have our program out before that and I doubt that. I believe the gentleman's State has its 25-percent share at this time that it can draw on.

Mr. HARKIN. Except, as the gentleman knows, there are many competing forces within a State for these funds and many times those bridges are in areas that, shall we say, do not have the kind of help to get the grant applications in for that, and the money goes to those areas that have the expertise and power.

Mr. HOWARD. Madam Chairman, if the gentleman will yield further, the gentleman would mandate that all States use that, whether that meets the priority need or not. Maybe the gentleman's State does. What about another State that says, "Our bridges are not that bad. We do not need it that drastically;" then the gentleman says we have to use it for that anyway.

Mr. HARKIN. But this is a public works bill to put people to work.

Mr. HOWARD. Madam Chairman, if the gentleman will yield further, it is to put people to work in a way that the local people in an area set as a priority for their needs, not that we say they have to put this much in it and that much in that.

Mr. HARKIN. I see no difference in 2 percent for this and 2½ percent to the Indian tribes. They are both mandates.

Mr. HARSHA. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I think we are losing sight of the fact that this is a local public works program. We have even further emphasized that fact by setting forth in legislation in the new law that we have approved that a community that files more than one application must set its priority. In other words, if they want to build a community house or if they want to build a sewer system or if they want to build a hospital or replace a bridge, they may do that; but they must tell the EDA which of those projects has the highest priority. They must rate them one, two, three, or four. If we say here we should priortize or tell a community they should put the first emphasis on bridges, we are getting completely away from the focal point of this legislation. Neither can we alleviate the bridge problem in this country with a

public works bills, because there are 105,000 deficient bridges, some obsolete, some structurally deficient and have to be closed, some are closed.

Madam Chairman, it is estimated that the cost of repair and improvement to the bridges in this country is in excess of $25 billion alone, so there is no way we can address the bridge program in this particular legislation; but aside from that, if a community wants to use that as its particular type of project, there is nothing to stop it. It may file an application to replace or repair that bridge.

Madam Chairman, let me point out, there are all types of projects. There are waterlines, there are streets, there are local libraries, there are courthouses, there are bridges, there are roads, there are sewer facilities, there are civic centers, there are museums, there are health facilities. If we are going to start to set aside 2 percent, or whatever percentage it is of this sum for bridge repair, how much are we going to set aside for health facilities? How much are we going to set aside for water projects? How much are we going to set aside for sewer projects? Why do the communities back home have to even file an application? We are going to tell them what their priority is. We are going to tell them what they will do. We cannot start a process for setting this aside for each vested interest.

Madam Chairman, I know the gentleman is sincere with the problem. It is a very grave problem. The gentleman has discussed this problem with me a number of times when we have been dealing with highway legislation.

I get communication after communication from county and township officials that they do not have enough money to repair their bridges, they want more money; but we cannot address all the problems of the country, all the problems of the world, so to speak, in this one piece of legislation; we cannot sit here and try to itemize or set aside a percent of funds for every particular type of project, regardless of its worth, and take away the initiative from the local community. Let us keep this a local public works program and let the localities set their priorities.

Madam Chairman, I urge defeat of the amendment.

Mr. KINDNESS. Madam Chairman, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from Ohio.

Mr. KINDNESS. Madam Chairman, is it not correct that the projects we are talking about are those that were the subject of applications submitted prior to the December 23 date of 1976?

Mr. HARSHA. That is correct.

Mr. KINDNESS. Madam Chairman, if the gentleman will yield further, so we are talking about a finite group of applications. This is where the concern comes in that I expressed in supporting this amendment. We are talking about a finite group, a group that I submit at least in my own State and probably in other States got nothing out of the first distribution of funds. Should we not at least be talking about some reasonable solution of a problem that is so serious? Here we are talking about only 2 percent.

Mr. HARSHA. I agree with the gentleman; it is a very serious problem, but I do not want to supplant my judgment for that of a State or community and tell them that they should only use so much or a percentage of this money for health facilities; so much for hospitals; so much for fire protection; so much for street repair and so much for bridge repair. I think the local people—and I know the gentleman subscribes to this theory—the local people are in a much better position to determine the priority of projects they want to build. Hopefully in this second round of funding your communities will receive some assistance under this Act, but you must understand there is only a relatively small amount of money available and the competition is keen.

Mr. HAMMERSCHMIDT. Madam Chairman, I move to strike the last word.

I rise in opposition to the amendment. I want to expand on what the gentleman from Ohio (Mr. HARSHA) was discussing, and on what the distinguished chairman of the Subcommittee on Transportation and Public Works stated. They are exactly correct.

In this first round of funding, there were applications for roads, streets and bridges. There is not a breakdown for bridges, but there are applications for roads, streets and bridges in that first round of applications of over $2 billion—$2,000,044,000.

If a State or a community or a county decided in its wisdom that a project for a bridge was one of its priorities, and if it meets all the other criteria it will be funded. We make a serious mistake if we try to designate particular needs out of the local community for particular bridges, water and sewer projects, hospitals or anything else. So, I oppose the gentleman's amendment, even though I know that he offered it with the best of intentions.

Mr. BEARD of Rhode Island. Madam Chairman, I move to strike the last word.

Madam Chairman, I rise to support the amendment offered by the gentleman from Ohio. I feel that, judging from my own State of Rhode Island—and I brought this up when I was in the Rhode Island General Assembly about the conditions of the bridges—they are a disaster. We had the highest unemployment in the Nation last year, and we are heavy with construction workers.

I feel that this would be a step towards getting some of the work badly needed for bridges.

Mr. HARKIN. Madam Chairman, will the gentleman yield?

Mr. BEARD of Rhode Island. I yield to the gentleman from Iowa.

Mr. HARKIN. All the talk about telling local communities how they should spend the public works money is kind of comical in light of what went on in the past round, because I know that in my own State, in my district, of about the top eight or nine grant proposals that went in from my district, only one was funded because the administrative rules that came up through EDA on how to apply that money resulted in distributing it in other areas.

So, local communities really do not have the final say on what they are going to get, because the rules were set administratively by EDA. Therefore, I would oppose the gentleman from Ohio on that count.

Mr. HAMMERSCHMIDT. Madam Chairman, will the gentleman yield?

Mr. BEARD of Rhode Island. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. We realize that was so to a large extent, and that is why we made changes in this bill. We do think there will be local input on what the priority will be at the present time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. KINDNESS).

The amendment was rejected.

AMENDMENT OFFERED BY MR. EDWARDS OF CALIFORNIA

Mr. EDWARDS of California. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWARDS of California: Page 4, line 6, immediately before the first period insert the following: ", and projects using alternative energy systems".

Mr. EDWARDS of California. Madam Chairman, I wish to offer a clarifying amendment to section 2(c), page 4, line 6. The gentleman from Washington (Mr. MCCORMACK) had the foresight to add in committee a provision amending section 108 of the act. That amendment requires the Secretary to give priority and preference to building project applications which will result in energy conservation. I commend the gentleman from Washington for this provision and I wish to add language specifying that the Secretary include priority consideration of projects using alternative energy systems to achieve the stated conservation goals. My amendment enunciates the growing need for serious consideration of solar, wind, and other new and developing technologies to produce energy.

Mr. ROE. Madam Chairman, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from New Jersey.

Mr. ROE. Madam Chairman, we have analyzed the phraseology of the amendment, and as far as the majority is concerned, we accept the language in the amendment.

Mr. EDWARDS of California. I thank the gentleman.

Mr. HAMMERSCHMIDT. Madam Chairman, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. We have studied this amendment, and it is acceptable to the minority. I congratulate the gentleman on offering it.

Mr. EDWARDS of California. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. EDWARDS).

The amendment was agreed to.

Mr. LEVITAS. Madam Chairman, I move to strike the last word.

Madam Chairman. I want to take this opportunity to clarify, underscore, and emphasize a certain provision of this bill. The provision I refer to is section 107 in the original 1976 act which provides that in considering the amount

of unemployment or underemployment, the Secretary of Commerce shall—and I repeat "shall"—consider the amount of unemployment or underemployment in the construction and construction-related indusries.

As the author of that provision in the law, I am very concerned that it be fully implemented.

The purpose of this provision in the bill as written by Congress was obviously to give account to the fact that public works mean construction, and that gives employment to people in the construction industry. It means the utilization of contractors and the purchase of building supplies and materials. That provision has been maintained in the bill before us today. However, as a result of regulations adopted by EDA, this congressional mandate was bureaucratically ignored and, as a result, the emphasis and consideration to be given the construction industry unemployment was ignored.

We had extensive testimony before our committee this time and during oversight hearings last year which proved that these construction unemployment data are available throughout the country and that it could be easily utilized if EDA were desirous of doing so and will change their regulations to permit its utilization.

The level and rate of construction industry unemployment throughout the country is far and away above the general level of unemployment. For EDA to ignore this is not only a travesty, in terms of unemployment in the Nation, but it flies directly into the face of the mandate which Congress enacted in the last Congress and as reconfirmed in this Congress by having this provision remain in the law.

Now, Madam Chairman, I would like to address a question to the distinguished chairman of the subcommittee, the gentleman from New Jersey (Mr. ROE).

It is my understanding that oversight hearings will soon be held on the regulations adopted by EDA both under the last legislation and this legislation?

Mr. ROE. That is correct.

Mr. LEVITAS. I am wondering if I can get some assurance from the chairman of the subcommittee that he will do all in his power to assure that the Secretary does give emphasis and does give effect to the congressional mandate that will let communities applying for grants under this program to utilize the data, if available and acceptable, for the construction industry and construction industry-related unemployment.

Mr. ROE. The legislation, as the gentleman from Georgia knows, specifically says that the Secretary must give attention to those levels of unemployment in a given region as it relates to the construction trade, and certainly we will take that up.

Mr. LEVITAS. I thank the gentleman.

Mr. JOHNSON of California. Madam Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from California (Mr. JOHNSON).

Mr. JOHNSON of California. Madam Chairman, I would say to the gentleman that I agree with the remarks of the subcommittee chairman, and we will see that this will be given consideration.

Mr. LEVITAS. I thank the gentleman, and I also want to commend the subcommittee for its outstanding work in bringing this before the House today.

AMENDMENT OFFERED BY MR. BIAGGI

Mr. BIAGGI. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BIAGGI: Page 2, line 22, after the period insert the following: No grant shall be made under this Act for any local public works project unless the State or local government applying for such grant submits with its application a certification acceptable to the Secretary that no contract will be awarded in connection with such project to any bidder who will employ on such project any alien in the United States in violation of the Immigration and Nationality Act or any other law, convention, or treaty of the United States relating to the immigration, exclusion, deportation, or expulsion of aliens.

Mr. BIAGGI. Madam Chairman, I rise to offer an amendment to H.R. 11, the Local Public Works Capital Development and Investment Act Amendments of 1977. My amendment adds a very simple but extremely important requirement on those States and local governments applying for funds under this act. The requirement is that they submit with their application, a certification acceptable to the Secretary that no contract will be awarded to anyone who will employ illegal aliens.

This amendment is far more than a mere symbolic gesture. It represents a definite requirement as well as a statement of principle that this massive $4 billion public works bill will benefit only those it should—namely, American workers.

This is not my first effort in trying to ban the employment of illegal aliens. I have introduced legislation in each of the past two Congresses to make it an immediate crime to hire illegal aliens. Unfortunately, this body chose not to act on my proposals. Today we have a real chance to come to grips with this problem by prohibiting illegal aliens from gaining access to any of the hundreds of thousands of jobs which will be created by this legislation.

There is ample justification for this amendment. At the present time according to immigration service estimates, more than 3 million illegal aliens are employed. Many hold good paying jobs which are sorely needed by American workers. This Nation has been laboring with an unacceptably high unemployment rate for the past several years. While we are the most advanced economic Nation in the world, we have millions of able-bodied men, women, and young people out of work. It is disgraceful.

This legislation is an important and significant demonstration by us and the President, that we are committed to reducing unemployment. My amendment is complimentary to the objective of this legislation in seeking to guarantee that these new jobs will go to unemployed Americans, and not to the thousands of illegal aliens who arrive in this Nation year after year.

The illegal alien problem has received a great deal of attention in recent months from both administrations. Under the previous administration, the Domestic Council Committee on Illegal Aliens released a report citing the adverse affect of illegal aliens on the employment market and recommending sanctions be imposed against the employers of illegal aliens. The Carter administration has also made its position known. On February 15, Attorney General Griffin Bell indicated his support of legislation which would make it unlawful for employers to knowingly hire illegal aliens. His views were echoed this week by Labor Secretary Ray Marshall, who called for the creation of a special committee to deal with the illegal alien phenomenon.

What we see is a universal sense of agreement on the need to prohibit illegal alien employment. The question of course remains, how best can we achieve this goal.

I am proposing a new and very real approach with this amendment today. The amendment interpreted in its literal sense, adds a reasonable condition for States and units of local government to receive funding under this act. They must certify in a manner acceptable to the Secretary, that they will not fund any project which would employ aliens who are in violation of the Immigration and Nationality Act. The amendment imposes no criminal or civil penalties against employers—a measure which some criticize. It does not call for the mass deportation of illegal aliens already here—which some criticize. It simply provides a basic guarantee to the millions of unemployed Americans that they will have the first and only crack at gaining these public works jobs.

This represents one facet of the total solution to the illegal alien problem. Still to be discussed are ways to more strictly enforce immigration laws to prevent the relentless flow of illegals into this Nation. Included in this area is the urgent need to provide additional immigration service enforcement personnel. Still to be considered is the question of amnesty for those illegal aliens already here. These issues all will have their day in Congress. Today, we have the opportunity to take a first step in relieving the illegal alien problem in this Nation. We are dealing here with the primary incentive that draws illegal aliens to this Nation—employment.

We are considering one of the largest, single pieces of job creating legislation ever. My amendment is attempting to remove the potential for abuse in this legislation. Illegal aliens must not be permitted to compete with American citizens for these jobs.

The solutions to the illegal alien problem are both social and political in nature. But it cannot be forgotten that the problem they are creating in this Nation is primarily an economic one. The millions of illegal aliens who are here today and the millions more who wish to be here, are escaping from adverse economic

conditions in their homelands. They come here for the opportunities which this Nation provides. But we have been too accommodating and as a result, our own citizens are not sharing the wealth.

This Nation grew strong by the hands of lawful aliens who came here and who worked with Americans for a better country. Illegal aliens are different. They are here to take what they can get from this Nation, and not to improve it. Illegal aliens take jobs, enjoy all basic services, pay no taxes and create hardships for our major cities. They should not have carte blanche access to the hundreds of thousands of jobs we will be creating under this bill.

I am proud to offer this amendment on behalf of American workers. They have been waiting for such legislation to free them from the bonds of unemployment and poverty. They expect the President and the Congress to attack the unemployment problem squarely. Passage of this legislation with my amendment will be an important commitment and demonstration of our intention to deal with our most pressing economic problem—unemployment. I urge your support today.

Mr. ROE. Madam Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from New Jersey (Mr. ROE).

Mr. ROE. I thank the gentleman for yielding.

Madam Chairman, the majority side has reviewed the language in this amendment, and we have no objection to this amendment.

Mr. HAMMERSCHMIDT. Madam Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from Arkansas (Mr. HAMMERSCHMIDT).

Mr. HAMMERSCHMIDT. I thank the gentleman for yielding.

Madam Chairman, I commend the gentleman for bringing this amendment to us. I might say to the gentleman that this concern was also expressed by the gentleman from California (Mr. SISK) and the gentleman from Mississippi (Mr. LOTT). This meets with our approval on this side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BIAGGI):

The amendment was agreed to.

AMENDMENT OFFERED BY MR. JOHN L. BURTON

Mr. JOHN L. BURTON. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHN L. BURTON: Page 2, before line 1, insert the following:

That section 102 of the Local Public Works Capital Development Investment Act of 1976 is amended by adding at the end thereof the following:

"(4) 'public works project' includes the transportation and providing of water to drought-stricken areas.".

Page 2, line 1, strike out "That section" and insert in lieu thereof the following:

"SEC. 2. Section".

Renumber succeeding sections of the bill accordingly.

Mr. JOHN L. BURTON. Madam Chairman, I am offering this amendment on behalf of myself and the gentleman from California (Mr. PANETTA). The purpose of this amendment is to clarify eligibility under this act for local governments in drought stricken areas to engage in the transportation and providing of water. It is also our intention that local government applications for these purposes would be given top priority to any funding allocation within that jurisdiction. I am pleased that the amendment has the support of the distinguished chairman of the subcommittee, the gentlemen from New Jersey, and the ranking members as well as the majority of the House of Representatives.

Mr. ROE. Madam Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I would be happy to yield to the chairman of the subcommittee.

Mr. ROE. Madam Chairman, the majority has reviewed the language, and we feel that it is a refinement to our legislation. We accept the amendment.

Mr. DON H. CLAUSEN. Madam Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Madam Chairman, as the gentleman in the well will recall, he has discussed this matter with me. We are offering this amendment because the drought situation he speaks of is very real in our immediate area and all of California. So I strongly recommend to the minority the acceptance of this amendment.

Mr. HAMMERSCHMIDT. Madam Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Madam Chairman, I appreciate the fact that the two gentlemen from California, Mr. BURTON and Mr. CLAUSEN, have made this recommendation. The amendment is acceptable to the minority side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. JOHN L. BURTON).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. STRATTON

Mr. STRATTON. Madam Chairman, I offer an amendment

The Clerk read as follows:

Amendment offered by Mr. STRATTON: On page 5, line 12, after the words "United States" strike out the period and insert the following: "during the initial round of funding carried out under this Act, or by a computer operated by an officer or employee of the United States during such initial round. For the purposes of this section an 'error' shall include but not necessarily be limited to a failure to award funds to a project ranked higher on the eligibility list for the initial round of funding than another project which did receive a grant of funds; and where the benchmark figure for the area to which the unfunded application was applicable had not been reached. Any funds granted pursuant to this section shall not be counted against the benchmark figure established for such areas in the follow-on round of funding."

Mr. STRATTON. Madam Chairman, I think the committee has done an excellent job in trying to correct some of the omissions and errors that occurred in the first round of funding on these various projects. But I still think that some clarifying language is required to spell out exactly what is intended.

In particular, my amendment, which addresses itself to changes in section 111 on page 5, would spell out the fact that we are dealing not only with errors carried out by officers and employees of the United States but also errors by a computer operated by officers and employees of the United States.

In my district two counties were left out completely because somebody had improperly programed the main computer. I believe that the wording presently in the bill does not clearly cover this point, and, therefore, it seems to me that it is important that we put in the word, "computer," since most of the major decisions in that first round were, in fact, made by a computer and not by individuals or officers of the United States.

Also this amendment would spell out just what we mean by an "error," as referred to in this bill. One could get into a lot of argument when an important project is affected, so we ought to define that term. An error would be a case where a project actually ended up ahead of another on the eligibility list but was unfunded while the one that was below it on the eligibility list was funded. That is what we would regard as an "error" under my amendment. That is precisely what occurred with Albany County projects in my congressional district during the last go-round.

Finally, my amendment would provide that when errors of this sort are responsible for special consideration of certain projects and when 1½ percent of the allocation is set aside for them, the money so designated would not be counted against the benchmark figure or the allocation—that is the language which EDA has used—for that particular area. So in the second round of funding that particular area would not have to suffer because of the money that goes into the taking care of these earlier errors.

Madam Chairman, I think this is a worthwhile amendment, and I urge its adoption.

Mr. ROE. Madam Chairman, I rise in opposition to the amendment.

Madam Chairman, I have to object to this particular amendment because I understand what the distinguished gentleman from New York (Mr. STRATTON) is attempting to do, I think; however, we must recognize that with the changes that are being made in the formula now, basically with the local priority being determined and the 70/30 situation being eliminated, that these particular pending applications are going to have to have amendments added to them and improvements made to those applications.

Therefore, Madam Chairman, I do consider that to be an area of error. The present legislation that we have written specifically sets aside something to take care of that.

Madam Chairman, 1½ percent is set aside for the correction of any errors and any mistakes that may have been made, so that we have specifically covered that.

I think that if we get into a point of view where we are going to start writ-

ing the rules and regulations on the floor, we are going to be denigrating the intent of what the committee is trying to achieve.

Madam Chairman, I can assume the gentleman that we understand the area of his concern and that we are going to review the rules and regulations before the full committee before they are put into the register and adopted. We will take that matter into consideration and see that it is corrected as we go along.

Mr. HAMMERSCHMIDT. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Madam Chairman, the subcommittee chairman is eminently correct. We have the language in the bill that would speak to the gentleman's grievance. We did agree that 1½ percent of the funds would be set aside.

Madam Chairman, I think the language is adequate. I think the amendment would clutter up the bill.

I associate myself with the remarks of the subcommittee chairman, and I oppose the amendment.

Mr. STRATTON. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from New York.

Mr. STRATTON. Madam Chairman, I wonder whether the distinguished chairman of the subcommittee could assure me that what he has said means that if under this section a project, let us say, in the County of Albany for a $4 million construction undertaking at the State University College in Albany is approved out of that 1½ percent, that $4 million will not then be applied against the total allocated to Albany County.

Mr. ROE. Madam Chairman, the gentleman is absolutely correct. That is a specific set-aside to accommodate these legitimate errors that might be made and would not denigrate or take away from the new benchmark under the provisions of the bill.

Mr. STRATTON. Madam Chairman, if the gentleman will yield further, I am satisfied with that explanation by the chairman. I appreciate it.

Mr. GARY A. MYERS. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Madam Chairman, I have some concern in this area. I think there is some fuzziness as to what is meant by this provision. The situation, I think, is not clear as to whether or not projects which were submitted last December and were rejected in error would be ranked on the basis of the statistics that were in place at that time and not be required to make an update and compete on the basis of the new statistics. That is where the evaluation would be made; is that correct?

Mr. ROE. The gentleman's interpretation is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. STRATTON).

The amendment was rejected.

AMENDMENT OFFERED BY MR. PHILLIP BURTON

Mr. PHILLIP BURTON. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIP BURTON: Page 2, before line 1, insert the following:

The paragraph (2) of section 102 of the Local Public Works Capital Development and Investment Act of 1976 is amended by striking out "and American Samoa." and inserting in lieu thereof the following: "American Samoa, and the Trust Territory of the Pacific Islands."

Page 2, line 1, strike out "That section" and insert in lieu thereof the following:

"SEC. 2. Section".

Renumber succeeding sections accordingly.

Mr. PHILLIP BURTON. Madam Chairman, this amendment merely clarifies the definition of a State to include what I am sure was an unintended omission of the Pacific Trust Territories.

Mr. ROE. Madam Chairman, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the distinguished gentleman from New Jersey.

Mr. ROE. Madam Chairman, I thank the gentleman for yielding to me and would state that the majority on the committee accepts the language of the gentleman's amendment.

Mr. DON H. CLAUSEN. Madam Chairman, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to my colleague the gentleman from California (Mr. CLAUSEN).

Mr. DON H. CLAUSEN. Madam Chairman, may I say that I have chaired silently the Subcommittee on the Pacific Trust Territories along with the gentleman from California (Mr. PHILLIP BURTON) and I would strongly urge the committee to accept his amendment.

Mr. HAMMERSCHMIDT. Madam Chairman, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Madam Chairman, again, acting on the statement made by the gentleman from California (Mr. DON H. CLAUSEN) and the gentleman from California (Mr. PHILLIP BURTON), I accept the amendment.

Mr. PHILLIP BURTON. Madam Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. PHILLIP BURTON).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CAVANAUGH

Mr. CAVANAUGH. Madam Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. CAVANAUGH: Delete section 2(A) and insert in lieu the following:

Subsection (a) of section 108 of the Local Public Works Capital Development Act of 1976 (Public Law 94-369) is amended by inserting immediately after "Not less than" the following: "three fourths of One Per Centum"

Mr. CAVANAUGH. Madam Chairman, this amendment addresses itself to a grave and unreasonable inequity that has arisen in this legislation, I believe by inadvertence and in an attempt to address itself to a legitimate problem.

Section 2(b) of H.R. 11 provides that 2½ percent of all amounts appropriated will be granted to Indian tribes. If we assume a funding level of $4 billion, then Indian tribes across the Nation will have a $100 million fund for which they will all compete on an equal basis. There are two basic reasons for the inclusion of this section. First, hearings of the committee clearly established that there is an extremely high rate of unemployment on western Indian reservations and, second, it is generally agreed that Indian tribes siphoned off substantial funds from local governments during the first round of competition at the end of 1976.

Section 2(a) of H.R. 11 provides that each State that does not have an Indian tribe will receive a minimum of three-fourths of 1 percent of all funds. If we assume a $4 billion funding level, any State that does not have an Indian tribe and whose unemployment level is below the national average will receive three-fourths of 1 percent of all funds or, in the case of a $4 billion appropriation, $30 million.

Because of section 2 (a) and (b) a problem exists. The problem simply demonstrated is this: The State of Nebraska, which has an unemployment rate below the national average, under H.R. 11 will receive one-half of 1 percent or $20 million, based on its rate of unemployment. That $20 million will be competed for by all units of local government within the State. Additionally, there is one Indian application which would, most likely, successfully compete for funds in the Indian set-aside. Therefore, the State of Nebraska can potentially realize $20,900,000 from this legislation as drafted.

The State of Alabama, which has an unemployment rate below the national average, does not have an eligible Indian tribe living within its borders. It, therefore, under section 2(a) of H.R. 11, will be eligible to receive a minimum of three-fourths of 1 percent of total funds, or $30 million, assuming a $4 billion funding level. Alabama will benefit to the tune of $10 million, because it does not have any Indian tribes and that is the sole and only reason that Alabama will have a preference over other States.

There are nine States similarly situated who will receive an excess appropriation to that of other States or one-quarter of 1 percent, based on statistics I have received, the justification being they do not have Indian tribes in their States. This I believe seems to be a clearly indefensible method of dispersing these funds and I would urge the adoption of the amendment.

Mr. FLIPPO. Madam Chairman, will the gentleman yield?

Mr. CAVANAUGH. I yield to the gentleman from Alabama.

Mr. FLIPPO. Madam Chairman, may I say to the gentleman from Nebraska that Alabama is not under the minimum.

Mr. CAVANAUGH. I was not aware of that.

Mr. FLIPPO. I would suggest the gentleman consult the record and I believe he will find that Alabama is not.

Mr. CAVANAUGH. Then, Madam

Chairman, my statistics are inaccurate in that regard. But the facts are still the same. I will say that Alabama will not be receiving the minimum but will still be benefited. Therefore, leaving out the possibility of Alabama, there would be seven States from the statistics that I have been provided.

Mr. ROE. Madam Chairman, I rise in opposition to the amendment.

Madam Chairman, what the gentleman from Nebraska is saying is that we have a very specific problem that has emerged relative to the Indian tribes which are located through 26 States, if my memory serves me correctly. What happened was because the Bureau of Indian Affairs does not keep their unemployment statistics on the same basis as the Bureau of Labor Standards, as far as the Nation is concerned that before we put an arrangement in for this set aside in the funds as part of the State's funding of money that was allocated in the first round, that the level of unemployment was higher in the Indian tribes, because they count everybody from 16 years up and higher.

The second point that the EDA added is a test in the legislation that had a mean level income average. In view of the fact that the Indian tribe's income ran somewhere between $200 and $300 per year, it meant that the preponderance and the priority of the funds allocated to Indian States went to the Indian tribe. Consequently, Madam Chairman, on that basis, that is the reason that it is under the States that we are in competition with the Indian tribes who lost out on that particular issue. What we did by setting the set-aside aside for the Indian tribes was to take that responsibility off the allocation that was allocated to each one of those particular States that does have Indian tribes, in which case that would mean that they would have additional funds made available to them. So with regard to the request of the gentleman, I realize his position, but we have set aside $50 million for the Indians. We have taken that burden off the States that have Indian tribes in their particular districts, and I think that the amendment should be defeated.

Mr. CAVANAUGH. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. I thank the gentleman for yielding.

The gentleman understands that I do not object to the set-aside for the Indian tribes. The substance of my amendment is an objection to enriching States that have no Indians. What the provision says in section 2 is that a State that has no Indian tribes and is suffering minimum unemployment or below minimum unemployment will be entitled to receive one quarter of 1 percent more than a State that has minimum unemployment and has an Indian tribe.

Mr. ROE. I thank the gentleman for yielding. The gentleman is talking about setting aside $50 million for the Indian tribes that are in those Indian States, so it is not the fact that we have denigrated the funding for those 13 States. We came back and said we are providing a whole pot for the Indian tribes to be able to do their particular work in their respective States—and these are based on the unemployed in those respective States, too. If there is a particular State, for example, that is a $10 million State—which is the point the gentleman is making—and let us assume that they have $16 million worth of Indian valid applications, which is not counted against their particular $10 million, it means that that State could receive as much for its citizens up to $26 million.

Mr. CAVANAUGH. If the gentleman will yield, Madam Chairman, that is not the case in any State. In Idaho, Kansas, and Mississippi, they are minimum States that have Indian tribes. They have no applications pending and, therefore, will receive nothing in terms of Indian funding. In addition to that, because of the simple fact that they have Indian tribes residing within their States, they will not receive the one quarter addition. Yet their neighbor Arkansas will receive its one quarter more for the simple reason that they have no Indian tribes residing within their State. In Nebraska, Wyoming, and Utah, the grants pending are: Nebraska, $900,000; Wyoming, $1.7 million and in Utah, $800,000. Even if those applications are granted, what I am saying is those States are still suffering a penalty, because the States that do not have Indian tribes, and for the pure and simple reason that they have no Indian tribes, they will receive one-quarter of 1 percent more than the States of Nebraska, Wyoming, and Utah. That is unreasonable and indefensible.

The States of North Dakota, Montana, and Maine also have Indian tribes but their applications have already been accepted.

Mr. ROE. If it is my time, and it is my time, I would like to suggest to the gentleman that I appreciate his warmth and his point.

The fact still remains we have been attempting to be as equitable as we can and we have literally tried to help those States where the Indian tribes are considered an integral part of the labor force of those States, and we put in $50 million to help those States. Now the gentleman is coming back and saying we are unjust and unfair. I fail to see the gentleman's rationale.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska (Mr. CAVANAUGH).

The amendment was rejected.

Mr. PANETTA. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I would like to add my voice to those today who have expressed their support and admiration for the work done by the Public Works Committee, under the chairman of the committee, the distinguished gentleman from California (Mr. JOHNSON), and under the chairman of the Economic Development Subcommittee, the distinguished gentleman from New Jersey (Mr. ROE). The subcommittee heard more than 100 witnesses and developed what I believe to be a much improved local public works program.

In addition, I would like to say that I am greatly pleased with the changes the committee has made in the allocation guidelines for additional authorization. Specifically, I would cite the following changes:

First. Only those who have previously applied will be eligible for the increased authorization.

Second. The unemployment statistics used in the formula will be based on a 12-month, rather than a 3-month period, which will allow fluctuations in unemployment to be taken into consideration. This is particularly significant for rural areas, where employment is seasonal.

Third. The new guidelines require that all funds now go only to areas above the national average in unemployment. The previous guideline allowed 30 percent of the funds to go to areas below the national level of unemployment.

Fourth. Applicants are now allowed to indicate their own priorities for funding when they submit more than one application.

Fifth. Areas must now use only the unemployment statistics from their own immediate jurisdiction, which will eliminate manipulation of such statistics.

Madam Chairman, I would like to ask the distinguished gentleman from New Jersey (Mr. ROE) if there is in the bill any special consideration for the many areas of the Nation that have suffered greatly from drought, cold, snow, and flood. It would seem reasonable that this bill, which is designed to provide immediate assistance to specially targeted areas of economic suffering, should take into account applications from designated emergency or disaster areas.

In California alone, estimates of agricultural unemployment resulting from the drought run to 48,000 jobs, with a minimum $3 billion loss in the agricultural industry. When the secondary impact on related industries is computed, the figures run to 144,000 jobs lost and a $9 billion loss to the State's economy. Economists consider these figures conservative.

Department of Agriculture studies of soil moisture indicate a similar loss in Washington, Oregon, Idaho, and the great Red River Valley areas of the Midwest. My colleagues from Kansas, Iowa, and Wisconsin, among others have been deeply concerned about the impact of the drought on their States' farms.

Needless to say, the suffering of the Northeast during this winter has been immense. Unemployment due to natural gas shortage and snowfall has effected the diverse States of Florida, New York, Michigan, and many others. Between October 1976 and the present 417 emergency areas in 13 States and 132 disaster areas in seven States have been designated by the Federal Government.

Madam Chairman, I would respectfully say that it is my hope that some special consideration will be given to assisting these areas under the Local Public Works Act. I feel strongly that this bill is ideally suited to helping to alleviate the aggravated primary and secondary unemployment in these areas.

Mr. SNYDER. Madam Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Kentucky.

Mr. SNYDER. Madam Chairman, I appreciate the gentleman's comment about both the drought and unemployment problems and his support of this bill. I also support the bill. I am cosponsor of this bill and a companion bill, H.R. 12. As a member of the Public Works Committee, I would like to know what the gentleman thinks about the Auburn Dam being taken out of the budget by the administration these past 10 days. That was one of our best solutions to the drought. We are coming here with a bill to create jobs and they are knocking out 19 ongoing projects where people are employed. It seems as though the administration wants to create unemployment by eliminating 19 projects so they can hire those unemployed by jobs created under this legislation.

I am not trying to put the gentleman on the spot, but I think it is time to point out the inconsistency of this legislation with what the administration did this past week. I would also point out that California's drought problem would be greatly alleviated by the Auburn Dam which they want to knock out.

Mr. PANETTA. I thank the gentleman. Without reference to any specific public works project, my point is related to the bill as it relates to the basic problem of the suffering caused by the drought.

Mr. ROE. Madam Chairman, I listened to the gentleman's adroit presentation and I share his concern. What has happened, and as the gentleman from Ohio said a while ago, is that everybody is interested in this particular bill and is trying to get the camel's nose under the tent. We have $20 billion worth of applications and 22,000 applications. We need $20 billion—but let me polish that up. The huskies in Alaska in the snow are fighting over their bits of meat. There is only so much money to go around. The State of California by the efforts of the people we are talking about here received the largest quantitative dollars out of this past bill, $250 million. I believe the gentleman is a Californian. If we are successful in getting this bill through with the funding for it, the gentleman's State will receive another half billion. They will be receiving something like 12½ percent of the entire funding.

I would suggest that if we could reach out a hand to New York and New Jersey, I hope the gentleman will be with me when we bring up another bill that has another amendment that is going to cut down California and cut some others. What are we trying to do in that? We are trying to provide equity.

AMENDMENT OFFERED BY MR. STRATTON

Mr. STRATTON. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STRATTON: On page 4, line 6, strike out the period, and insert a semicolon, and add the following: "except that each county with a population is excess of 50,000 and with an unemployment rate as determined by this section in excess of the national average, shall be awarded at least one such project."

Mr. STRATTON. Madam Chairman, I want to make another effort, if I can, to offer an amendment that I think will help to improve the bill and will correct some of the errors that we encountered in the first go-around. The committee, as I said, has done a good job. They have made some eliminations and some improvements; but I am afraid that under the formula that the committee has come up with we are still likely to see most of the money in this bill directed toward the very large cities, the city of New York, the city of Buffalo in my own State, for example. And very little to smaller areas, more rural areas.

The chairman has just indicated the amounts of money that are going to California and probably most of that will go to its largest cities, too. But we also have other areas that are suffering from severe unemployment too. Those are covered by my amendment.

I think one of the major objections to this legislation when it first went into operation was that so much of the money handed out was concentrated in areas with large populations and so little went to communities that did not have the population of New York, or the population of Buffalo. They were left out entirely. It seems to me if we are going to develop a truly national program, then we have to provide this help to some extent around the whole country.

Madam Chairman, this amendment of mine would simply provide that where we have a county of substantial size, over 50,000, and with an unemployment rate above the national average, at least one project ought to be funded in that county. So that will insure that not all the money is going to be concentrated in one area, and areas which have serious unemployment problems, as we have in Amsterdam, N.Y., for example, will not have to say once again "Why didn't they consider us?"

We have to remember that this is a bill for all America and not just for the big cities.

Mr. ROE. Madam Chairman, I rise in opposition to this amendment.

I would like to point out to my friend, the gentleman from New York, and the rest of the Members that are here, I know the hour is getting late; but if there ever was a committee that worked their bottoms off for 2 years in developing equity in the first bill and which worked for 6 days, day and night, to create equity in this situation, it was Public Works Committee.

We do not want to pit brother against brother and city against city. Simply in this amendment we are saying categorically that every community of 50,000 or more would be guaranteed a project. That is not even what this bill is directed toward. The bill has been put together to meet the needs of regions with high unemployment and to bring in the infrastructures of our cities and towns and counties; so this would be denigrating and further reducing the effect of this legislation.

Madam Chairman, I recommend this amendment not be approved.

Mr. OBERSTAR. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Madam Chairman, if ever there was an amendment that guaranteed the title or the label of pork barrel legislation, this is it. If this body wants to go on record as supporting pork barrel, then support this amendment. That is not the purpose of this legislation, and I do not think that is what this body wants to do. Nor do I think that is what the gentleman from New York intends with his amendment, but that is what it will be called. We are trying to combat unemployment. Let us defeat this amendment and stay with the central purpose of directing funds where they are needed most in areas of high unemployment.

Mr. HAMMERSCHMIDT. Madam Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Madam Chairman, I want to associate myself with the remarks of the chairman, to say that this committee worked long and hard in an effort to be fair to all. I think the agency did, too. One indication is the agency's promulgation of their criteria in establishing a benchmark to preserve equity.

Madam Chairman, I oppose the amendment.

Mr. STRATTON. Madam Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from New York.

Mr. STRATTON. Madam Chairman, I resent the implication of the gentleman from Minnesota (Mr. OBERSTAR) that there is any pork barrel aspect to a county which may have 14 or 15 percent unemployed, as does the County of Montgomery in my State of New York. The whole point of this bill is to get help into counties where there is large unemployment. But under the original bill—and I do not see how the formula has been materially changed—it is not just the percentage of employment, but also the total numbers of unemployed people.

The people who are unemployed in Montgomery County are just as important, just as unemployed, just as much in need of help, as the people in the city of New York. But because they have got 400,000 unemployed in New York City, the money under the bill as it now stands tends to go into that area rather than into a smaller but equally affected rural area such as Montgomery County.

My amendment tried to correct that. I do not see anything else in this bill that would eliminate that kind of gross inequity. It has got nothing to do with a pork barrel. This amendment is designed to help people in smaller areas.

Mr. HAMMERSCHMIDT. If I may recapture my time, of course I did not mention pork barreling in my remarks.

Mr. STRATTON. I appreciate that. My remarks were not directed to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Let me remind the gentleman that to establish project selection, if the gentleman recalls, the agency set up four basic criteria. One was the numbers of unemploy-

ment; one was the rate of unemployment; one was the per capita income, and the other was on the labor intensity of the project.

With that criteria, they tried to determine equity. Then, they gave bonus points for other criteria. They may not have done the best job possible, and that is why we are rewriting this bill to a large extent. We hope that we can speak to the gentleman's concerns in this bill, but I do think his amendment is not the right approach.

Mr. STRATTON. If the gentleman will yield further, it was precisely because that particular formula had proved to be inequitable that I am offering this amendment, because I do not see any way in which the revisions which your committee has made really direct themselves to the particular problem of ignoring rural, upstate counties that have a lot of unemployment but not vast numbers of people.

Mr. HAMMERSCHMIDT. We did two very important things. We took out the 70/30 percent split, and we took out section 108(f), which allowed gerrymandering. Also, more than that, as the chairman of the full committee and the chairman of the subcommittee have assured us, we are going to have hearings so that we can continue to monitor this program. We do not know fully what the project criteria will be, but this amendment certainly brings to our attention the gentleman's concern, and it will be considered as they develop those criteria.

Mr. STRATTON. I hope the gentleman will approve it in the bill itself.

Mr. GILMAN. Madam Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from New York.

Mr. GILMAN. Madam Chairman, I thank the gentleman for yielding to me. I want to commend the committee, first of all, for bringing forth this measure and for incorporating many of the suggestions made by the Members who appeared before the committee. However, I would like to rise in support of the amendment offered by the gentleman from New York, who has made a very important point for those of us who live in areas outside of metropolitan regions, and where there has been a disparity and inequity in the distribution of funds for this important purpose. I think the gentleman's amendment is worthy of consideration and would help cure that inequity.

I urge my colleagues to give it appropriate consideration.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. STRATTON).

The amendment was rejected.

Mr. KETCHUM. Madam Chairman, I move to strike the last word.

Madam Chairman, one of the most serious shortcomings of public works programs as an antidote to unemployment is the difficulty of determining where aid should go. In my estimation, H.R. 11 lends itself to just such a problem.

There are many good claims for aid, from widely differing communities; how can we decide which claim is the strongest? Are we to put the need of a community with a high unemployment rate above that with a community with a declining industrial base, such that it faces almost total unemployment in the near future? Is a small community with a high unemployment rate deserving of the same aid as a large community with a lower unemployment rate? Questions such as these abound.

The operation of the present public works impact program has suffered from these problems. The Department of Commerce, in its "Final Report: An Evaluation of the Public Works Impact Program," estimated that fully 18 percent of the areas designated for assistance in fiscal year 1973 had unemployment rates less than the national average. In 1972, 25 percent of the areas given aid were better off than the average for the Nation.

It is only natural that when communities are faced with this kind of discrepancy—which is unavoidable because of the magnitude of the task—they air their grievances. Such is the case with numerous applicants in the 18th District of California.

The Commerce Department agreed that a good many of the rejected projects were of as high quality as those it approved. However, the applications received totaled well over $20 billion with only $2 billion to spend on the program. I am hopeful that, should this legislation pass, these meritorious projects which were denied funding in the original allocation of money will be reconsidered in a more equitable manner.

In the end, I do not quarrel with the stated intent of this bill—to create jobs, stimulate the economy, and eventually produce more revenue to balance a bloated Federal budget. The problem remains that this additional authorization of funds for public works projects will produce none of these salutary goals, but rather will eventually add to inflationary pressures, reduce the amount of capital available to businesses, and create an intolerable amount of deficit in the Treasury.

We have before us a bill which authorizes an additional $4 billion, which the Government does not have, for State and local government public works projects. This lunatic method of solving our unemployment is exactly what we do not need. What is essential are some true and effective solutions which will really solve our national economic problems. We must return to a balanced budget. We must encourage capital formation by private industry which will create permanent, meaningful jobs. That is the program we need to follow, and I shall vote against H.R. 11 on the principle that more Government spending and more inflation can never cure what such policies have already caused—a period of massive recession.

Mr. BOLAND. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I have waited patiently all afternoon. I thought I would wait until the very last moment to talk about an amendment that I was considering offering to this bill.

I had drafted an amendment which would make it clear that the distribution of funds within a State would be done on a geographical basis. I do this because of the way the funding was committed in Massachusetts under the Public Works Employment Act of 1976. My distinguished colleague and friend from Massachusetts (Mr. CONTE) and myself represent the entire western part of the Commonwealth.

In the distribution of some $52 million under the Public Works Employment Act of 1976, only one project for a small town in western Massachusetts was funded for $200,000. All of the rest of the money went to the central or eastern part of the State or the southeast part of the Commonwealth—an incredibly unfair distribution.

The gentleman from Massachusetts (Mr. CONTE) and I represent about 130 cities and towns in the western part of Massachusetts. It was my intention to offer an amendment to this bill which would make it mandatory that there would be a geographical distribution of the funds within the State—everything else being equal—looking at what the approved projects are and then having the Secretary of EDA review those projects that are approved and say, "Now, where are they located within the particular State?" and then determine whether some parts of the State have been left out. That would seem to me to be a fair way of distributing the funds.

My understanding is that the formula now in this bill probably takes care of that problem. I would address my remarks to the distinguished chairman of the subcommittee, who, incidentally, in my judgment, has done a magnificent job, not only this year, but last year on the public works bill. I am wondering whether he would like to comment on my observation.

Mr. ROE. If the gentleman will yield, I think what the gentleman has stated in the observation of the last go-around regrettably is a story which we encountered in other States, as the gentleman knows. I think the fact that we have taken out a lot of the elements that gave it a 70 percent/30 percent gerrymandering situation has cleared up a lot of that.

I think the gentleman is correct that there should be an equitable distribution on a benchmark basis for the counties, and for the States, and for the cities. That is what the agency is working for, to get a reasonable and equitable distribution. We support that. We are going to review those rules and regulations before they are printed and promulgated, and we will take the situation into consideration.

Mr. BOLAND. Madam Chairman, I wonder whether or not it would be the position of the distinguished chairman to say that, having arrived at the applications which could be approved, the Secretary really ought to take a look at the geographic distribution of the funds. This kind of a revision within the State itself would result in a fair and equitable geographic distribution of those funds.

Mr. ROE. If the gentleman will yield, I think the gentleman's point is well

taken. One of the gravest criticisms we received during the testimony and in this debate we have had is that there should be some judgmental value used that makes some commonsense, and we will move in that particular direction.

Mr. BOLAND. I thank the gentleman.

Mr. LATTA. Madam Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. I thank the gentleman for yielding.

Madam Chairman, I want to say that I support the gentleman's position. I am glad to hear the chairman say that they will take this matter into consideration, because in our State we had some districts that did not get a dime the last go-around.

I think we have to look at this from a geographic standpoint because, in my judgment, this is really not a jobs bill, it is a public works bill, when you get right down to it, and this should be spread around the State and not be put in one spot.

I support the gentleman's position.

I thank the gentleman from Ohio for his remarks.

Mr. CONYERS. Madam Chairman, I move to strike the last word.

Madam Chairman, I would not have taken this time, except for the previous colloquy, which I think needs to be put in some form of balance.

My experience with the subject, I say to the gentleman from Massachusetts (Mr. BOLAND), who is a friend of mine, is that in Michigan we have precisely the reverse situation, where the city of Detroit had 45 applications, only one of which was granted on the basis of the criteria that would have given them at least a third of those 44 or 45 applications. To me it looked as if that is exactly what they did; they looked around the State and said, "We are going to drop these grants on some kind of a geographical basis," and this was done without any real regard for the criteria that I think has been important to the improvement of this bill.

So the gentleman's problem, I think, could be best addressed by examining whether the criteria was precisely and accurately followed or not. If it was not, I join with the gentleman in his grievance. However, we should not ask those areas that would be entitled to more grants than other areas on the basis of the criteria that we have so carefully defined and reevaluated in this legislation to give up their prerogatives. We should not say that they should get fewer grants than they are entitled to merely because we want to have a map that shows that revenue sharing is a concept that is applied to a public works bill.

Madam Chairman, I think I should at this point end these balancing remarks to the gentleman's commentary.

AMENDMENT OFFERED BY MR. GARY A. MYERS

Mr. GARY A. MYERS. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARY A. MYERS: Page 4, strike line 18 and insert in lieu thereof the following:
amended to read as follows:

"(f) Eighty-five per centum of all amounts appropriated to carry out this Act shall be granted for public works projects submitted by State or local governments given priority under clause (1) of the first sentence of subsection (c) of this section. The remaining 15 per centum shall be available for public works projects submitted by State or local governments in other classifications of priority.".

Mr. GARY A. MYERS (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GARY A. MYERS. Madam Chairman, this amendment would simply provide that there would be an 85 percent-15 percent split, similar to the provision of the previous bill which had a 70 percent-30 percent split.

In other words, communities with unemployment levels above the national average would share in the funds at a level of 85 percent of the funds coming into the State, and those communities which have had unemployment rates above 6½ percent up to the national average would have the means available to compete for the remaining 15 percent of the funds. We should not confuse this amendment by any means that the local communities would have to commit 15 percent of the project cost. That is another issue and not contained in this amendment.

I think it is important to point out that, although it has been implied on the floor here today that we have corrected all the problems of the 1976 bill I do not think we have.

I think it takes considerable thought to realize that the 70–30 split was not the key to the problem that we found existing with the last bill. In fact, there was a good rationale and good reasoning for going to the 70–30 split, and it was simply this: It was felt that communities that suffered an unemployment rate of 6½ percent up to the national average certainly had a basic unemployment problem, and that if we did not have some sort of a provision whereby they could share in the funds, it would be difficult to get all the Members of the House to say to the people in their areas that they are going to be able to compete fairly for at least some of the money in this bill.

There are at least some Members who will say that since we have eliminated the 70–30 split and the external gerrymandering, that is going to do away with all our problems. The Members will remember that I offered an amendment earlier today that would have eliminated the possibility of internal gerrymandering, identifying an area of highly concentrated unemployment. I think if that had been adopted, then we would not need the 85–15 percent split, and that it would in fact have been a more equitable bill and I would not have offered this amendment.

However, by virtue of the fact that we have allowed that gamesmanship to continue in this bill, I think we have to say to those communities that cannot gerrymander around and find a small section of their area that has 40 or 50 percent unemployment that they can get some funds.

Madam Chairman, as it now stands in this bill, there is a very good likelihood that many communities are going to be automatically excluded from fair competition because they will not be able to make that gerrymandering requirement.

Madam Chairman, the gentleman from Massachusetts just expressed some concern about a number of his communities not being able to get funding under the last bill. I think that it should be pointed out that if, in fact, EDA sees some desirable projects down the list of applications they are not going to have any flexibility in which to go down the line with a few projects and pick out some projects that might be highly desirable from the standpoint of community projects and from the standpoint of overall employment, both immediate and long-term employment.

Therefore, Madam Chairman, if, in fact, we do not provide some set-aside or some split here, we are saying to EDA, "You cannot exclude a project in favor of another project even if the project is desirable except for unemployment concentration."

There will be some worthy projects of smaller communities, particularly those which will not be able to establish the high concentration of unemployment which would probably not have the slightest chance of being funded.

Mr. HARSHA. Madam Chairman, I rise in opposition to the amendment.

Madam Chairman and members of committee, one of the provisions of the 1976 public works bill that caused so many problems and so much consternation among the several witnesses who appeared before the committee was the fact that there was a mandatory 70–30 split. That provided that 70 percent of the money went to those areas having unemployment of 6.5 percent and above the national average and further mandated that 30 percent of the moneys should go to those areas having unemployment below the national average, but above 6.5 percent.

Madam Chairman, the effect of that provision in the law meant that certain areas in a State which were fortunate enough not to have unemployment above the national average still received money for projects, while a neighboring community in that same State was denied money because of the severe competition among the highly unemployed areas for the 70 percent money.

Consequently, Madam Chairman, in order to remove that inequity, the committee struck out the 70–30 provision. Now this is an effort to reimpose a similar circumstance by setting forth an 85–15 percent provivsion, mandating that 15 percent should be reserved for those areas with lower unemployment than that of the areas with the most unemployed, the more critical areas.

Madam Chairman, I say to the Members that if the 70–30 was bad, the 85–15 is just a little bit worse. It is like the old

story that one cannot be just a little bit pregnant.

If the one formula is bad and we turn it down to make it just a bit less troublesome, that does not alleviate the situation or does not remedy the problem.

Madam Chairman, it is extremely difficult for Members who have communities involved in this program to see one community with unemployment of only 6.5 percent or 7 percent get a project, while another community, because of the severe shortage of funds and the extreme competition in this program for the 70 or 85 percent money, cannot get funded.

We tried to obviate that problem by striking it out, and now to reimpose the same problem on the administration, to a lesser degree, seems to me not to resolve the problem at all.

Therefore, Madam Chairman, I would urge the defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. GARY A. MYERS).

The amendment was rejected.

Mr. PATTISON of New York. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, we all agree that the intent of the legislation we are considering today is to provide quick-start jobs in areas of high unemployment. This is a much-needed program which is a vital element of our economic recovery package and the benefits provided by these funds are large.

As we review the potential of this bill, however, I believe it is important to consider also the long-term benefits that this type of program could provide. We could possibly double the impact of our funding if we gave additional weight to long-term economic stimulus during project selection. This factor would not conflict with the expressed intent of the program. Rather, it would complement our efforts by helping hard-pressed communities not only now, but in the years ahead.

H.R. 11 contains specific provisions which highlight the importance of planning and the need to set priorities. I support these provisions. In particular, the provisions are: First, an amendment to put emphasis on the need to recognize plans and programs for improving social as well as economic conditions; second, a provision requiring a State or local government to submit as part of its application its priority ranking whenever it submits more than one project; and third, an amendment requiring the Secretary to give priority and preference to those building projects which will result in conserving energy, including but not limited to, projects to redesign and retrofit existing public facilities for energy conservation purposes.

In hearings conducted on this bill it was pointed out time and time again that EDA should evaluate a project based on its potential stimulus to the economic welfare of an area. The provisions I noted seem to indicate that it is the legislation's aim to encourage extended advantages in project selection.

I hope that my interpretation of these provisions is an accurate one. I would urge EDA to make full use of these funds by favoring projects that provide both immediate jobs and long-term economic benefits to needy areas.

AMENDMENT OFFERED BY MR. SHUSTER

Mr. SHUSTER. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHUSTER: Page 5, after line 3, insert the following:

"SEC. 111. Notwithstanding any provision of this Act, other than subsection (a) of section 108, amounts appropriated after the date of enactment of this section to carry out this title shall be allocated by the Secretary among the States not later than the 30th day after the date of enactment of such appropriation on the basis of the ratio that the average number of unemployed persons in each State during the 12-month period ending on the date of enactment of such appropriation bears to the average number of unemployed persons in all the States during such 12-month period."

Page 5, line 4, strike out "111" and insert "112".

Page 5, line 14, strike out "113" and insert "114".

Page 5, line 15, strike out "112" and insert "113".

Page 5, line 22, strike out "113" and insert "114".

Page 6, line 6, strike out "113" and insert "114".

Mr. SHUSTER. Madam Chairman, this is a very simple amendment. It provides that the basis for awarding the funds shall be the ratio of the average number of unemployed persons in each State to the overall average number of unemployed persons in all the States.

This is the fairest possible distribution of funds. It puts the money where the unemployment is. Unfortunately in the first round of the jobs bill, the first $2 billion that was awarded, some States did not receive their fair share. In fact, 26 States did not receive their fair share. Some States received $178, for example, per unemployed person while other States received over $700 per unemployed person.

If this is distributed proportionately to the unemployed, each State would get about $265 per unemployed person.

The Members may hear that this disturbs the carefully honed formula developed by the Committee on Public Works and Transportation. I would point out this is not so. After the money is allocated to the States on the basis of the number of unemployed in the States, then the formula—that carefully honed formula—developed by the Committee on Public Works and Transportation does apply in its entirety: severity of unemployment within a State is considered; priority is given to the applicants who have an unemployment rate which is above the national average; then, thereafter priority is given to those applicants who have unemployment between 6½ percent of unemployment and the national average and, indeed, the minimum guarantee of the small States is totally undisturbed and the formula applies once the money goes to the State.

As I say, 26 States gain, but they only gain fairly, based on the proportion, their proportion, to the total number of unemployed. Listen carefully, here are the States who gain from this particular amendment:

Alabama, Arizona, Arkansas, Colorado, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Minnesota, Mississippi, Missouri, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.

In addition, there are 17 States which receive the same amount of money, which are in no way affected by this amendment, and those States which continue to receive the same amount of money are:

Alaska, Delaware, District of Columbia, Hawaii, Idaho, California, Maine, Montana, Nevada, Nebraska, New Hampshire, New Mexico, North Dakota, South Dakota, Utah, Vermont, and Wyoming.

So in the interest of what is fair and justified, those 17 States as well could support this very same amendment.

I appreciate that there are those here today whose States will lose, and they will lose because they do not have the same proportion of unemployment.

I realize, I appreciate, and I respect the fact that those Members who are going to lose because they do not have the unemployment to justify it will perhaps vigorously oppose this amendment. There is talk of a so-called Moynihan amendment coming over from the Senate because New York will benefit from that. There is talk of other amendments which might be offered to water this down, but I say even though my own State of Pennsylvania would gain further by the so-called Moynihan amendment of which the Members may be hearing in a few minutes, I say it is not as fair; it is not as equitable because it does not provide the funds on the basis of a proportion of unemployed in each State to the total number of unemployed. Therefore, this is a simple amendment. It is a fair amendment, and it does, I again emphasize, permit that finely honed formula developed by the Committee on Public Works to function in its entirety within the States, once the money goes to the States. So I urge the adoption of this very fair amendment.

Mr. WYLIE. Madam Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

I am in receipt of a letter from the Honorable James A. Rhodes, Governor of the State of Ohio.

Madam Chairman, I will make a unanimous-consent request in the House that this letter be included in the RECORD. Meanwhile, I would like to read the third and fourth paragraphs of the letter from Governor Rhodes:

I suggest that appropriations be allocated to States on the basis of each State's share of the total national unemployment. To base this allocation on State unemployment rates wrongly supposes that labor market boundaries follow State boundaries. EDA's allocation system resulted in Michigan receiving approximately $407 per unemployed person. Ohio's share was about $176 per unemployed person, and the national average was approximately $275. Based on my suggestion and the $275 per unemployed person average, Ohio would have received over $30 million more than actually received under the recent Public Works program.

It is important to focus the funds on areas which are hardest hit by unemployment; but this focusing should be done within States, recognizing realistic labor market areas, rather than between States.

Does that language fairly state the gentleman's position?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. SHUSTER was allowed to proceed for 2 additional minutes.)

Mr. SHUSTER. Yes, it does state the gentleman's position with the one exception that my amendment does not knock out the minimum guarantee to the small States. Otherwise it precisely addresses the problem that the gentleman's Governor addresses.

Mr. WYLIE. I thank the gentleman for his explanation, and I support his amendment.

The letter is as follows:

STATE OF OHIO,
OFFICE OF THE GOVERNOR,
Columbus, Ohio, February 16, 1977.

Hon. CHALMERS P. WYLIE,
U.S. House of Representatives,
Washington, D.C.

DEAR CHALMERS: I am writing in regard to the public works portion of the economic stimulation package presently being considered by Congress. You will recall that I suggested some changes in the implementing regulations which the Economic Development Administration promulgated for Title I of the Public Works Employment Act of 1976 (PL 94–369). My letter to you dated September 22, 1976 contained those suggestions, which were not accepted by EDA.

I am offering a similar set of suggestions now, with the thought that they may be effected through Congressional action rather than administrative rule making. We now have actual experience rather than intuition upon which to base these suggestions.

I suggest that appropriations be allocated to States on the basis of each State's share of the total national unemployment. To base this allocation on State unemployment rates wrongly supposes that labor market boundaries follow State boundaries. EDA's allocation system resulted in Michigan receiving approximately $407 per unemployed person. Ohio's share was about $176 per unemployed person, and the national average was approximately $275. Based on my suggestion and the $275 per unemployed person average, Ohio would have received over $30 million more than actually received under the recent Public Works program.

It is important to focus the funds on areas which are hardest hit by unemployment; but this focusing should be done within States, recognizing realistic labor market areas, rather than between States.

There is another point to consider. The Public Works Employment Act of 1976 created some very high expectations among local units of government. In Ohio, over 1200 applications totalling well over $1 billion were prepared. National figures indicate $24 billion worth of applications were filed for this $2 billion program.

I thank you for your interest and cooperation concerning our previous suggestions, and hope that this information will be useful as you consider the economic stimulus proposals and their impact on Ohio.

Sincerely,

JIM RHODES,
Governor.

Mr. ANDERSON of Illinois. Madam Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Madam Chairman, I would like to commend the Public Works Committee, particularly the Subcommittee on Economic Development, for conducting such a thorough inquiry into the Local Public Works Capital Development and Investment Act of 1976. I would also applaud the subcommittee for its well conceived amendments to this $4 billion extension of the act, which we are considering here, today.

I had the opportunity to testify before the subcommittee and recommend my own amendments to H.R. 11. I am pleased that the subcommittee's actions reflect many of the concerns and suggestions I raised.

However, the central thrust of my testimony was that the allocation formulas for each State should be based on the number of unemployed persons in that State.

The method for State allocations in H.R. 11, as reported from the committee, is not specified. As in the earlier $2 billion authorization, the bill leaves it up to the Economic Development Administration to devise a formula. The formula which EDA implemented under the previous authorization proved to be quite distorted. For instance, Puerto Rico received $716 per unemployed person while my own State of Illinois received ony $178 per capita.

I therefore support the amendment of the gentleman from Pennsylvania (Mr. SHUSTER) which stipulates that State allocations would be based on per capita unemployment. If Mr. SHUSTER's amendment is adopted, then all States, except those receiving the minimum State allotment—which will receive a larger per capita allotment—will receive approximately $265 per unemployed person.

The gentleman from Pennsylvania's amendment will benefit 26 States, and will bring the 10 States and possessions which received disproportionately high funds into an equal standing with the other States.

Applicants for public works funds from one State should be given an equal fighting chance to receive grants as applicants from other States.

Madam Chairman, I am sure that many Members have received numerous complaints from applicants in their districts who did not receive funding. If we are serious about treating the unemployment conditions in the construction trades industry, and want to avoid the disparity witnessed with the December allocations, then we should more carefully focus these funds. With the attention now being given to regional discrimination of Federal largesse, here is an opportunity for us to strike a blow for a more equitable distribution. A vote for Mr. SHUSTER's amendment will be a vote for equiproportional distribution of these funds.

Mr. SHUSTER. I thank the gentleman.

Madam Chairman, I yield back the remainder of my time.

Mr. ROE. Madam Chairman, I rise in opposition to this amendment.

Madam Chairman, I should like to take a moment of my 5 minutes to thank all of the distinguished Members of the House who took the time to hear the debate today and for their effort and energy that our friends on both sides of the aisle have extended. However, now we are really down on it. Now the decision is how do we cut it up, and now we hear all kinds of elocution that comes back and says this is equity; this is fair play. We battle to set aside point by point to meet the needs throughout this country. We fought for 2 years through two vetoes to get this bill passed when there was nothing to fight over.

Everything we did in the amendments before had to be done on the basis of trying to have enough votes to be able to override a veto, as the last time around. Now we are sitting here trying to cast the dice over who will pick up the robe, and we will have to determine which kid in which family will be getting an income and which will not.

Here the gentleman from Pennsylvania says, "Is this not the most equitable way?" It sounds as if it may be equitable.

Let us on the other hand look at another point of view. There are now 23 States in this Nation whose unemployment compensation trust accounts are bankrupt. The fact of the matter is those States have had to borrow up to as high as $622 million, including my own State and also the State of Pennsylvania.

But how do they keep score? They do not keep score in the Bureau of Labor Statistics on the number of people who are necessarily out of work. They do not even count those people who have run out of unemployment compensation and who are not able to collect. They do not count them. They do not count the unemployed. They do not count the people not in the labor market any more.

Here are States such as Michigan, New Jersey, and New York, three of the States with the highest levels of unemployment in this country, and now the brothers are going to cast the dice over the robe and now they are going to deprive the people in those States from having bread.

Where is the equity? Where can we come back to and say it is a simple numbers game? If we are talking about unemployment and the severity of unemployment and the issues covered in this particular bill, those provisions were written into this bill in order to be fair and equitable.

Must there always be in this House of Representatives this situation—and I say, yes, the people are going to look at this House. Must it be that it will not matter whether the thing is equitable or just? Must it be that the decision is based upon whether one can garner enough votes to be able to take home the swag? And then somebody comes along and says: "Look at what a great job I did."

But in the meantime many States will be denigrated because of the false premise being presented under this particular amendment. We ought to search

our consciences a bit and say a couple of things. We ought to say that, yes, we are going to deal with those people who have not gotten a crack at the American system. We are going to set aside for the Indians an amount because they do not get a crack at the American system.

But now we are going to cut away from those States the fair play and the justice, because somebody feels this should be the way we are going to do it.

I would say, yes, I have to vote in part and at times for my State, but I must say at times that even though it is my State I must give a part to another State.

If ever a committee worked hard to bring about equity and fair play and to bring about a balance in everything which is conceivably possible, it is the members of this committee, the Members of this House who worked on this bill.

But now where do we cast the dice? I say we ought to search our consciences as to what is right and fair. It does not mean that for every bill that comes before this House we have to sit down and say in caucus: "I am going to gain a dollar, you are going to lose a dollar," and that is what the decision is based on.

Rather our decision should be made on the basis of fairness and justice, as this bill was finely honed to do.

I say to every Member of this House this amendment is more than mischievous. It is diabolic. It ought to be voted down and it ought to be voted down overwhelmingly so we can get fair play.

Mr. CONYERS. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Michigan.

Mr. CONYERS. Madam Chairman, I think the gentleman has articulated the most important premise that has been uttered during the discourse on this bill. I think it is critical that this amendment be rejected.

I commend the gentleman on his presentation.

Mr. ROE. I thank the gentleman.

Mr. HAMMERSCHMIDT. Madam Chairman, I rise in opposition to the amendment offered by the gentleman from Pennsylvania which would change the allocation of funds to States from the 65–35 ratio of the numbers of unemployed and the excessive rates of unemployment to a ratio of 100-percent unemployment based on the numbers of unemployed in each State.

The original act speaks to the severity of unemployment, which means not only numbers of unemployed in each State, but also the rate of unemployment. Eliminating any element that would reflect the excessive rate of unemployment would be harmful to those States in greatest need.

In 6 days of hearings which the subcommittee held on extensions and revisions in the Public Works Employment Act, not one witness complained about a State's allocation nor recommended any change in a State's allocation.

The proposed amendment would have such serious inequities that some large States, even though their unemployment rates may be less than the national average, would gain in their allocations.

Madam Chairman, I find this inequitable and contrary to the purposes of the act. As was stated here earlier, I believe they said my home State of Arkansas would gain; but we are not looking at a provincial pork barrel take-home motivation in this bill. We are looking for equity across the State and trying to cure the unemployment problem on an equitable basis.

Mr. SKELTON. Madam Chairman, I rise in support of Mr. SHUSTER's efforts to prevent an inequity in the public works bill from continuing. I share his, and many of my colleagues', interest in revising the allocation formula in such a way that each State will receive funds based on the total number of employed persons in that State, rather than the unemployment rate.

While I am grateful to the members of the House Public Works and Transportation Committee, who spent many hours deliberating on this bill, in an effort to revise and improve it, and who have successfully eliminated many of the obvious administrative difficulties, I would be remiss if I did not encourage them, and the rest of the House to lend their support to this amendment. If it is the intent of this body to remove the inequities in this program and truly assist the unemployed throughout our Nation, then this particular injustice must be removed. We must prove to the ever increasing numbers who skeptically view the actions of the Congress, that we are sincerely interested in putting the money where the unemployment is.

There is no doubt that much of my concern lies with the fact that my own State of Missouri stands to improve its lot should this amendment be accepted. Missouri would have the opportunity to receive about $265 per unemployed person rather than the minimum $172.70 per capita unemployed which was awarded in round one. My primary objective, however, in supporting the gentleman from Pennsylvania's amendment is based on equity. I am not interested in disturbing the formula painstakingly prepared by the Public Works Committee nor eliminating the minimum guarantee of small States. Priority must be given to those areas within a State where unemployment and this amendment would not change that. My support for this necessary revision is geared to treating every unemployed person equally.

AMENDMENT OFFERED BY MR. EDGAR AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. SHUSTER

Mr. EDGAR. Madam Chairman, I offer an amendment as a substitute for the amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER).

The Clerk read as follows:

Amendment offered by Mr. EDGAR as a substitute for the amendment offered by Mr. SHUSTER: Page 5, after line 3, insert the following:

"SEC. 111(a) Notwithstanding any provision of this Act, other than subsection (a) of section 108, 65 percent of amounts appropriated after the date of enactment of this section to carry out this title shall be allocated by the Secretary among all States not later than the 30th day after the date of enactment of the appropriation on the basis of the ratio that the average number of unemployed persons in each State during the 12-month period ending on the date of enactment of such appropriation bears to the average number of unemployed persons in all the States during such 12-month period.

"(b) Notwithstanding any provision of this Act, other than subsection (a) of section 108, 35 percent of amounts appropriated after date of enactment of this section to carry out this title shall be allocated by the Secretary among those States having an average unemployment rate of 6½ percent or more for the 12-month period ending on the date of enactment of such appropriation. Such allocation shall be made not later than the 30th day after the date of enactment of the appropriation on the basis of the ratio that the average number of unemployed persons in each such State during the 12-month period ending on the date of enactment of such appropriation bears to the average number of unemployed persons in all such States during such 12-month period."

Page 5, line 4, strike out "111" and insert "112".

Page 5, line 14, strike out "113" and insert "114".

Page 5, line 15, strike out "112" and insert "113".

Page 5, line 22, strike out "113" and insert "114".

Page 6, line 6, strike out "113" and insert "114".

Mr. ERTEL. Madam Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Forty-five Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, she will vacate proceedings under the call when a quorum of the Committee of the Whole appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Chair recognizes the gentleman from Pennsylvania (Mr. EDGAR).

Mr. EDGAR. Madam Chairman, on behalf of my colleague, the gentleman from Pennsylvania (Mr. ERTEL), and myself, I offer this substitute compromise amendment to the amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER).

If the Members analyze the amendment very carefully, they will discover that our compromise goes right to the heart of this particular piece of legislation. This compromise is one between the existing formula in the legislation and the amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER). It provides for a distribution of funds throughout the Nation utilizing a formula that focuses in on the original purpose of this legislation.

Madam Chairman, I direct the attention of the Members to an editorial which appeared in the New York Times just this past Monday which eloquently explained

the need for a fair and equitable formula. I would like to take a moment to quote briefly from this editorial:

Structurally, unemployment has persisted through the best of times, unrelieved by such programs as public works construction. That is why Congress began to—

And this is the important part—

target extra funds to areas with above-average unemployment rates, those regions which are more likely to contain pools of high-quality labor which could be put to work with little impact on wages and prices.

I think we have to be reminded that this is an antirecession bill. I think we have to be reminded that the heart of this bill is trying to put money into the areas most highly impacted by recession-related unemployment.

Madam Chairman, the Edgar-Ertel amendment would provide that 65 percent of the funds be distributed throughout the Nation based upon the total number of unemployed in each State, and that 35 percent of the funds would be distributed among those States whose rates of unemployment are 6.5 percent or above. This does not deviate from the initial purpose of the legislation. It is not a significant change from the formula currently in law and in this bill. It simply makes a slight adjustment to provide for equity throughout the States.

I would hope that we in the Congress will put this money where the need is, in those States which have the highest levels of skilled labor which is tragically idle and which have the most immediate need to put these funds to work.

Mr. ERTEL. Madam Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Pennsylvania (Mr. ERTEL).

Mr. ERTEL. I thank the gentleman for yielding.

Madam Chairman, I rise in support of this particular amendment. If we compare this amendment to the amendment presented by the gentleman from Pennsylvania (Mr. SHUSTER), we can show that this is a much more equitable amendment for the entire Nation. The amendment as presented by the gentleman from Pennsylvania (Mr. SHUSTER) only goes to the numbers of unemployed and does not go to the intensity of the unemployment. There is no consideration in this amendment for the rate of unemployment. Thus, if a State has a great number of unemployed, percentagewise, they get no more than any other State. So, therefore, this amendment is a compromise.

Further, the Senate has agreed, in principle—at least the Committee on Public Works—with the amendment offered by the gentleman from Pennsylvania (Mr. ERTEL) and myself.

So when this goes to conference, there will be a unanimity of feeling, and this bill will then become law very quickly and get the job done, getting the funds to areas of recession and to areas where there are high rates of unemployment.

Madam Chairman, I support the substitute amendment offered by the gentleman from Pennsylvania (Mr. EDGAR).

Mr. EDGAR. Madam Chairman, I thank the gentleman for his support.

I would like to make one further comment. I think it is very critical for us to enact this legislation before us and get to work as quickly as possible distributing some $4 billion of Federal funding. We must be wary of deviating too much from the original intention of the legislation.

I think it is important to know, in light of the comments made by the chairman of the subcommittee, the gentleman from New Jersey (Mr. ROE), and by the ranking minority member of the subcommittee, that we need to find that equitable compromise, so that can provide throughout the Nation the kind of funding needed to revitalize our economy.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. EDGAR) has expired.

(By unanimous consent, Mr. EDGAR was allowed to proceed for 2 additional minutes.)

Mr. PATTISON of New York. Madam Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from New York.

Mr. PATTISON of New York. Madam Chairman, I rise in support of the gentleman's substitute for the amendment.

We should keep a couple of things in mind here. I think we have to keep in mind the fact that we are dealing here with a national problem as a national legislature, and that it is not a simple matter to find equity.

If we start dealing with this on the basis that the gentleman from Pennsylvania (Mr. SHUSTER) discusses, it would seem to me that we would start distributing money for parks, for roads, for highways, for dams, and a variety of other things which impact on certain areas of the country more than they do on other areas of the country on a per capita basis or a per-acre basis or some other basis like that. That is not a sensible way to solve the problem.

I think this approach by the gentleman from Pennsylvania (Mr. EDGAR) seems on its face to be equitable, and that the approach of the gentleman from Pennsylvania (Mr. SHUSTER) is not nearly as equitable. I think the gentleman's substitute does in fact adopt some of the approach of the gentleman from Pennsylvania (Mr. SHUSTER), and it does in fact provide a little more equity than the bill does.

Therefore, Madam Chairman, I support the gentleman's substitute, and I congratulate him for offering it.

Mr. SHUSTER. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, there are several points which I would like to make with regard to the substitute just offered.

First, perhaps this is not greatly significant, but my own State of Pennsylvania would gain more as a result of the substitute just offered. Therefore, I stand here not for any parochial interest, but I rise to oppose it because it simply is not as fair as a formula which puts the money into the States where the unemployment exists.

It has been pointed out that 65 percent under this substitute would still go to the States based on the number of unemployed in the State. However, 35 percent of the money would be set aside—and I want the Members to hear this—exclusively for those States which had 6½ percent unemployment or greater. I will ask the Members to think about that for a minute.

What it means is that there can be States or there can be areas within States which have terrible pockets of unemployment but because the entire State had an unemployment rate of under 6.5 percent, they would not get 1 penny of that 35-percent money.

This is not just simply a theory. Let us take New Hampshire, for example, which has statewide a low unemployment rate. However, there are areas of Nashua, N.H., with extremely high unemployment rates, I am told. So there is a fallacy in this 35 percent, and I am wondering about this: If we are willing to say that 65 percent of the money is fair and should be distributed on the basis of numbers of unemployed, why should it not be 100 percent?

Last, I would emphasize this: that in perusing this so-called Moynihan amendment, which indeed does benefit New York and some of the other States—and I want the Members to get this—we find that only 12 States gain from that so-called Moynihan amendment, whereas 26 States gain from the so-called Shuster amendment which we now have before us.

Mr. GARY A. MYERS. Madam Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Madam Chairman, I ask the gentleman, with respect to the 35-percent set-aside, how will that be provided?

Mr. SHUSTER. As I understand the gentleman's substitute, the 35 percent would be set aside to be distributed exclusively to those States with an unemployment rate of 6.5 percent and above.

Mr. GARY A. MYERS. Yes, but on what percentage basis? If one State has 7.8-percent unemployment and another has 7.8 percent, what percentage of the 35 do they get?

Mr. SHUSTER. I do not know the answer to that. I do not think that the substitute directs itself to that question, but the key point is that with respect to pockets of unemployment in overall States which had low unemployment rates, they would get absolutely zero of that 35 percent and would be cut out by the statute from any consideration and from getting even one penny of that money.

Mr. SEIBERLING. Madam Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Madam Chairman, of course, Ohio and Pennsylvania are in the section of the country that has been suffering recently from the outward migration of industry, et cetera; and we are going to have to tailor make legislation to take care of this situation, just as we did in years past for the Southern States, or else we will find ourselves behind the eight ball.

Are we not creating a very bad precedent when we start down the road by say-

ing, "No, we are going to base it on per capita and are not going to look at the percentage of unemployment"?

Mr. SHUSTER. I would like to respond to that. The per capita is not some arbitrary decision. This whole bill is aimed at the unemployment problem. What is fairer than aiming the dollars into those areas where the unemployed people are? There is no fairer way in which to distribute this money if our objective is to put the money into those areas where we have unemployment and therefore put the money where the unemployed people are.

Mr. SEIBERLING. If the gentleman will yield further, I would agree, but the principle also has to be there that the percentage of unemplyoment is important because we cannot just take people and move them from one State to another, willy-nilly.

Mr. SHUSTER. Madam Chairman, I am delighted that the gentleman from Ohio (Mr. SEIBERLING) made that point because again I should emphasize the severity of the percentage problem which in no way is stricken from this bill by my amendment. What it means is that the severity of the problem is demonstrated when the percentage is above 6.5 or above the national average. Those finely honed formulae from the public works bill take effect in the State when the money is allocated to the State.

Mr. SEIBERLING. Yes, but it is not between States, and that is pretty important.

Mr. SHUSTER. There is not a State in the Union which does not have high unemployment within areas of the State.

Mr. ROE. Madam Chairman, I move to strike the requisite number of words, and I rise in favor of the substitute amendment.

Madam Chairman, more mistakes are made from the lack of fact than from poor judgment.

There is no such thing in this bill at all, in either the amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER), to which the gentleman from Pennsylvania (Mr. GARY A. MYERS) directed a question, or in the amendment offered by the gentleman from Pennsylvania (Mr. EDGAR) which says that there is a set-aside. There is not any set-aside.

What we are saying basically under the Shuster formula is that we take into consideration only the number of people unemployed.

In the amendment that has been presented by the gentlemen from Pennsylvania (Mr. EDGAR and Mr. ERTEL), they go back to the basics, and they make these two points: That 35 percent of that formula relates to unemployment rate and the other 65 percent of that formula relates to the numbers of unemployed.

Madam Chairman, let us not be fooled because we have so many elements in this bill so that when we start to try to change that particular formula, we are going to be in danger of denigrating one particular State.

As I said before when we are talking about principle, what was the local public works devised for? What was it supposed to do? It was supposed to be used for the areas that have the highest levels of unemployment.

In order to provide equity in this bill we set aside $10 million minimum for 24 other States because we said even though they did not have the high level of unemployment that they had in Illinois, New Jersey, New York, Pennsylvania, by the same token they should be eligible for part of the funding because they do have pockets of poverty in their rural towns and areas that need help.

We are coming back and saying to you that they do not count those people who are no longer on the unemployment compensation rolls because they have run out of their time to receive payments. They do not count the young people who are out of college who are not seeking jobs, they are not counted in these figures.

This bill is directed to one need, to the communities and areas who need to rebuild their infrastructures, their streets, their sewers, their water systems, and it is needed to rebuild areas of high levels of unemployment.

Or are we going to make this a subjective bill and just scatter the money to the four winds around the country?

The issue is whether or not we do this equitably and fairly. It seems to me that if we are going to do as has been said here by some of the Members on the floor, if we are going to just be passing out a dollar here or a dollar there, then we ought to go back and amend the bill, and we ought to do some other things. Let us take the $10 million out of the funds for those who do not have the high level of unemployment as the others do. We ought to take the money out for the Indian tribes. Maybe we ought to go back and say that in the rural areas they do not have the problems that they have in the cities of America which are literally on the verge of collapsing economically. We fought 2 years for this bill. We are fighting to build the cities in New York, New Jersey and Illinois every one of those are part of America, they are vital to the strength of this country, they will determine whether our country is viable or not but they do not have the jobs that they need. Do we want to take away the $10 million from this bill when we have people walking the streets because they do not have jobs? For every nickel we take away from the States and from the families in this bill we had better be prepared to pile up that many more millions where people are unemployed and are on welfare and on food stamps.

When do we take the resources of this country and put them back to work to create and to build?

This discussion should not be before us.

What we are saying is that we have created a formula and everyone wants to get in under the umbrella in this act, schools, private schools, jails, whatever it is, the system worked. The system works. It is the only delivery system we have available, it is a system that works in the cities and in the rural areas and there is no delivery system that delivers as this one does. This is an accelerated program to help those areas that need the help the most.

Or do the Members think we should, for the sake of a few pieces of silver—because that it what the debate is all about, it does not have to do with equity or fair play—if we want to trade a few pieces of silver for the citizens of this country, you can do it but I urge you not to.

I urge you to vote for this amendment.

Mr. GARY A. MYERS. Madam Chairman, I move to strike the requisite number of words, and I rise in opposition to the Edgar amendment.

I think the chairman of the subcommittee made some pretty important points here. However, I come to a different conclusion than he does. It seems to me when we are talking about people who are on welfare or people who are getting benefits, and one way or another we are talking about individuals. We are not talking about percentages of people in a community; we are talking about individuals—individuals who have to get food stamps, individuals who are unemployed. That is what the Shuster amendment addresses—the number of individuals who are unemployed. So I think the chairman makes a good argument for the Shuster amendment that we ought to look at this on an individual basis and not at some figure that is based on some formula.

The chairman would also imply that these numbers of people who have quit looking for work, who are no longer figured in the unemployment percentages, are included somehow in the figures the gentleman from Pennsylvania (Mr. SHUSTER) is working with, but not included with the percentages. That is not true. They are not figured in the percentage of unemployed; they are not figured in the numbers of unemployed; so I do not really see where it can be argued that the Edgar amendment is a stronger amendment simply because some people do not go to the unemployment office any more. If they do not go there, they do not affect the Shuster amendment, and they do not affect the Edgar amendment, so I do not think that is a reasonable argument at this point.

I should like to ask the gentleman from Pennsylvania to respond to a question. I understand that the gentleman indicated that 65 percent of the funds would be allocated on the basis of the numbers of unemployed, and the remaining 35 percent would be distributed among those States having an unemployment figure above 6.5 percent. Is that what the gentleman said?

Mr. EDGAR. If the gentleman will yield, that is correct.

Mr. GARY A. MYERS. I would ask the question, then: How is this 35 percent then shared among those States who have more than 6½ percent?

Mr. EDGAR. If the gentleman will yield further, I think that it is relatively

clear that it would be shared in the same way that it is shared under the existing bill and under the past distribution which used, rather than the 6.5 percent, the national average. What my compromise provides is moving that national average down to 6.5 percent, and those States that qualify for the 35-percent funding—States which have unemployment levels above 6.5 percent—would be ranked in order of their priority above that 6.5 percent.

Mr. GARY A. MYERS. If the gentleman would pause there for a second, in other words, a State which has 13 percent unemployment would receive twice as much money out of that pot as a State which has 6½ percent?

Mr. EDGAR. No.

Mr. GARY A. MYERS. What would the relationship be?

Mr. EDGAR. If the gentleman would yield further, the relationship is each State's unemployment rate as compared to the 6.5-percent base cutoff. So those States that qualify for the 35-percent funding, as under the earlier legislation, would be ranked according to their unemployment rate, and those States with, for example, 9 percent unemployment would receive more than those States with 7 percent unemployment. They would get their funding from the 65-percent pool on the basis of their total number of unemployed.

I think the gentleman would agree that the legislation was designed and created to provide local accelerated public works in areas of high unemployment and very much distressed by the recent recession. We simply, by using this formula, try to focus in on those particular areas.

Mr. GARY A. MYERS. I thank the gentleman for his comments. It still seems to me that we are giving to EDA a rather complex formula to work with. That is the very criticism that we had in the last bill. It seems to me that we are talking about individuals; we are talking about people. A person unemployed in Michigan is as much worried about his job as a person unemployed in Pennsylvania. So I think we ought to deal with the numbers. He does not care whether it is 8 or 7 percent if he is unemployed. I think that is his concern.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. GARY A. MYERS was allowed to proceed for 2 additional minutes.)

Mr. EDGAR. Madam Chairman, will the gentleman yield?

Mr. GARY A. MYERS. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentleman for yielding.

The gentleman makes a point which I think has to be clarified. He indicates somehow that coming before us to testify were large numbers of people who were dissatisfied with the State allocation. We received little or no testimony from anyone who was concerned, at least while I was there, with any of the formulas going to the States. The concern was on the formulas that I think we have clarified in the fine-tuning of the legislation.

Mr. GARY A. MYERS. Madam Chairman, I thank the gentleman.

I did not mean to imply that. I did have some people ask how Puerto Rico got more than Pennsylvania, almost double. If the gentleman did not get those complaints, apparently he did not listen to the same people as I did. Most witnesses did not get to the broader aspects of the program but concentrated on the gerrymandering.

I think the States would have addressed these problems more, but they did not, with all the weaknesses in the other program, have the time to attend to these problems. I think if we are going to contribute $200-and-some for an unemployed person in a certain State, that we should not try to justify supplying only $160 per person to other States, regardless of what States are affected. It will take essentially the same amount of money to get each person back to work, whether he is in Pennsylvania and regardless of the percentage.

If we deal with the actual numbers of unemployed, I think that is what this bill is all about.

Mr. MILFORD. Madam Chairman, I rise in support of the amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER) and in opposition to the substitute amendment offered by the gentleman from Pennsylvania (Mr. EDGAR).

Madam Chairman, there were many inequities in the present formula, inequities which we must try to correct. We all had to go home and try to answer the questions put to us by our constituents about the old formula—as to why some areas received so much money and others none. We now have a second chance to try to find a way to spread our limited funds throughout the States in a fair and equitable way.

I must be very frank in saying I do not believe we have succeeded in the bill we have before us today. As a Representative from Texas, I am afraid that this bill will do very little to help the unemployed in my district and in the State. Under this bill the limited funds available will be siphoned off by the larger areas of unemployment in the country leaving very little for the rest of us. While I am in sympathy with these areas, I also know that to be unemployed in Dallas, Tex., or Butte, Mont., is the same as being unemployed anywhere else. I believe that we must arrive at a system where the funds are distributed as fairly as possible.

I am not certain that the amendment we have before us is the best solution, but it is the most equitable I have seen to date. It provides that the funds will be allocated among the States solely according to their proportionate number of unemployed. I believe that it is as fair to Texas as it is to New York or any other of the 50 States and I urge its passage.

Mr. MAGUIRE. Madam Chairman, I had planned to introduce an amendment to the Edgar substitute. I have decided not to do that. I think the Edgar substitute is imperfect. I would have preferred either the existing formula, which I think puts emphasis where it belongs, that is on the areas of our country which have highly impacted unemployment.

My amendment to the Edgar substitute would have provided some more help to the States such as New Jersey and others in the Northeast, and Michigan and Oregon and Washington on the west coast, and others, and more in the South, where there is a very high unemployment rate.

The purpose of this legislation was eloquently described by my colleague, the gentleman from New Jersey, the distinguished chairman of the subcommittee (Mr. ROE). We are trying to funnel relatively small amounts of money, when we think about and compare it with our total problem, to the places where that money will be the most effective and will put the most people back to work and help the economies of the most places in this country to the greatest possible extent. That is what this bill is about.

My amendment would have said: Let us use a 6.5-percent base instead of the national average, only we will put more States in for qualifying under the second part of the formula, but then it would have said: Let us split on a 50–50 basis instead of a 35–65 basis. Let us give the 50-percent shot to those States with the really serious unemployment problems.

I think that would have been the best and the most equitable solution. My State would have been advantaged under that approach and it will not be as advantaged under the Edgar approach, but I have been persuaded that the Edgar proposal is the decent compromise which ought to be supported by this House if we cannot have the formula the way it stands now, and I would urge my colleagues from States in the Northeast and elsewhere in the country where unemployment is as serious as it is to join in supporting the Edgar substitute rather than the Shuster amendment, which I think is pernicious in its effects, and I hope that we can proceed in this way.

Mr. EDGAR. Madam Chairman, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Madam Chairman, I would like to commend the gentleman for not offering his amendment and for supporting my amendment. I think the gentleman raises a very important point that the gentleman's State would be helped if the original formula remained

intact in the legislation. I commend the gentleman for supporting the compromise at this time.

Mr. MAGUIRE. Madam Chairman, I think as the chairman indicated earlier, we cannot count every dollar in terms of some abstract concept. We have to make the system work and let us adopt the Edgar amendment.

Mr. LEVITAS. Madam Chairman, I move to strike the requisite number of words. I rise in opposition to the Edgar amendment.

Madam Chairman, I have no way of predicting the outcome of the debate we are now engaging in, but I think it is important that we need to put matters in perspective and say precisely what we are talking about.

I think the distinguished chairman of the subcommittee, the gentleman from New Jersey (Mr. Roe), who has demonstrated leadership of great quality in this body and will in the future afford great leadership wherever the gentleman chooses to serve, perhaps spoke the greatest truth when he said that notwithstanding all the talk about principle and equity and piety, what we are really talking about is dollars. I think that is really what it gets down to and it is not surprising that the New York Times should inveigh against the Shuster approach, because the State of New York under that program, of course, would get less funds.

It seems to me that when we talk about unemployment rates and statistics, as opposed to people who are unemployed, we have lost sight really of what the problem is. The problem is not a rate here or a rate there or a statistic some place. The problem with unemployment is people who cannot get jobs. If we put money after statistics in order to help the problem, instead of putting money where the people are unemployed, then we have missed the entire point of what this bill is supposed to do.

If there are, as I am told, in combat only 2 percent of the people are killed, that is the percentage, but those 2 percent who are killed are 100 percent dead. The people who are unemployed by the thousands in States across this Nation take no solace when we tell them that the rate of unemployment may be less than it is in another State.

Madam Chairman, I think that the Shuster approach, as compared to the Edgar approach, is the approach that puts money where those jobs are needed to provide employment for people. What we have got to be concerned with is that unemployed wage earner who today is on food stamps, seeking welfare and other social benefits, who goes down to the unemployment office week after week seeking employment and cannot find it and the answer to him is, "Well, the job rate here doesn't count enough." He and thousands like him, don't care about rates and statistics. They are individually and collectively, by the millions, suffering from not having the opportunity to work.

Madam Chairman, what we should be concerned about are the people and not the statistics and if we adopt the Edgar approach we will be dealing with statistics and not people.

The Shuster approach says to look at where the people are unemployed, let the dollar go per capita to those people. Then we will truly deal with the unemployment problem in this country, which is not an unemployment of statistics, but an unemployment of human beings.

Therefore, let us defeat the Edgar substitute and vote for the Shuster amendment.

Mr. VOLKMER. Madam Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Missouri.

Mr. VOLKMER. Madam Chairman, what are we saying basically, that if someone is out of work and has been out of work for some time, it does not make any difference to him as an unemployed person in need of funds that there may be only 5 percent of the other people in employment force out of work. He is out of work and he needs a job as much as the man who is in the 12-percent unemployment bracket.

Mr. LEVITAS. Madam Chairman, that is correct. Let me point out that if there are a thousand people in a community and 500 people are unemployed, compared to a community with 10,000 people unemployed, compared to a community with 500,000, we have a higher rate of unemployment in the first instance than the second; yet we have more human beings suffering in the second. It is that situation that the Shuster amendment addresses itself to. Therefore, I believe in the allocation of these funds we should look at where the people are unemployed and deal with that problem. We have dealt with mere, inhuman statistics too long.

Mr. ERTEL. Madam Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Madam Chairman, I listened to the debate here, but it does not appear to me that we have reached the merits of what this bill is designed to do. Looking at the bill, we have to recognize that in America we have some structural unemployment. It is just the base unemployment which under the Shuster amendment we would be giving money to.

But this bill is a bill designed to take care of those who are out of work as a result of the recession, who are temporarily unemployed; not the structural unemployed who have been unemployed for a long period of time. This money is going to skills, to people who can go back to work quickly. We have programs to take care of the structural unemployed. We have those bills. We have retraining bills. This is not a retraining bill. This is to take care of those people who are out of work merely because there is a recession and those jobs are not available.

When we look at that, we must today look at the rate of unemployed, the increase, and start with the base which we would have normally had, had we not had a recession. If we take the Shuster amendment and apply it, we are going to send money into areas which cannot use it for the projects which would be done under this bill. It would cause a demand for services which are not there and would, in fact, bid up prices.

Whereas, if we put the money in areas where these people are unemployed, who have the skills to do these types of projects, then we will get to the purpose of this bill. The only way we can get there is to have a provision relating to the rate of unemployment.

Mr. GARY A. MYERS. Madam Chairman, will the gentleman yield?

Mr. ERTEL. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Madam Chairman, the gentleman said the important ingredient is to work from the base of unemployment, that is, long-term unemployment. I see nothing in the Edgar amendment that indicates the States will be evaluated from a base of long-term unemployment. If I have missed that, I would welcome an explanation.

Mr. ERTEL. Certainly. The figure of 6.5 percent is not the base unemployment. It is probably higher than that, but at least we know that those above 6.5 percent are in the incremental people who are unemployed due to recession. That is why we have the base in there. This bill is not perfect. This is a compromise, but it is a compromise between what the gentleman from Pennsylvania (Mr. Shuster) has recommended, and something else. We cannot get a perfect bill, but it does take into account that incremental unemployment above 6.5 percent.

Mr. GARY A. MYERS. Will the gentleman yield further?

Mr. ERTEL. I yield.

Mr. GARY A. MYERS. It would seem to me that just picking out 6.5 percent does not guarantee that we have adequately evaluated what the base unemployment was for Pennsylvania, Michigan, Kentucky, and so forth. We have nothing in this bill to support that philosophy, or in the amendment.

Mr. ERTEL. If the gentleman would recall, we have had unemployment rates in this country as low as 3 and 3.5 percent, so 6.5 percent guarantees that we are only getting an incremental, that we are getting the people who are out of work because of inflation. It does do that. These people are the ones out of work because of recession. This is a compromise, and anytime we set a figure, it is an arbitrary figure to some degree.

Mr. CORRADA. Madam Chairman, will the gentleman yield?

Mr. ERTEL. I yield to the Delegate from Puerto Rico.

Mr. CORRADA. Madam Chairman,

I would like to commend the gentleman from Pennsylvania (Mr. ERTEL) for his support of the Edgar amendment rather than the Shuster amendment.

I would like to state very clearly that under the Shuster amendment, our program in Puerto Rico would be cut down to practically one-third of what we received in the first round of money from the Public Works Funding Act. With the Edgar amendment, we get a more equitable position, even though not as equitable as we had the first time around.

Now, I would like to state that in Puerto Rico the level of unemployment in the construction industry is 45 percent versus 14 percent for the national level of unemployment in the construction industry. These are funds for development; they are not for dependency. I do not want to have this program cut for Puerto Rico and have Puerto Ricans going to Pennsylvania to get better welfare there.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(On request of Mr. SHUSTER and by unanimous consent Mr. ERTEL was allowed to proceed for 1 additional minute.)

Mr. SHUSTER. Madam Chairman, will the gentleman yield?

Mr. ERTEL. I yield to my colleague from Pennsylvania.

Mr. SHUSTER. I would like to call the attention of the committee to the very significant point just made by the gentleman from Puerto Rico, which was that, in effect, Puerto Rico received under the previous jobs bill $127 million—more than almost any State of the Union.

Under the Shuster amendment, certainly Puerto Rico would not be left out. They would receive $47 million. The gentleman has made a good point.

Mr. ROE. Madam Chairman, will the gentleman yield?

Mr. ERTEL. I yield to the gentleman from New Jersey (Mr. ROE).

Mr. ROE. Madam Chairman, I am glad that came up. I am very glad that came up. So let us deal with that approach.

In every other piece of legislation that we have had, so far as I know, out of the public works end of it, what we are faced with is that we treat Puerto Rico as a State.

Mr. SHUSTER. Madam Chairman, I ask that his words be taken down.

The CHAIRMAN. The gentleman from Pennsylvania (Mr. SHUSTER) asks that the words of the gentleman from New Jersey (Mr. ROE) be taken down. The demand comes too late, since debate has proceeded beyond that point.

Mr. ROE. Madam Chairman, if I have used the wrong words, I apologize right here and now. I did not mean anything personal.

Mr. SHUSTER. Madam Chairman, I was on my feet.

The CHAIRMAN. The gentleman was not seeking recognition.

Does the gentleman from New Jersey ask unanimous consent to withdraw his words?

Mr. ROE. Madam Chairman, I ask unanimous consent that I may be allowed to withdraw any words that I may have used inappropriately.

Mr. SHUSTER. I thank the gentleman.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ROE. Madam Chairman, I think it is very important for the Members to to understand that in every other piece of legislation that comes out of the Committee on Public Works and Transportation, whether it is highway, mass transit, or whatever, the Commonwealth of Puerto Rico is treated as a State.

I must suggest that in the basic bill that we put through, that was passed by this House, Puerto Rico was treated as a State, as it has been traditionally. On the basis of the need, the unemployment, they were given their fair share. Now because of some other methodology, Puerto Rico loses about another $80 million. I think it is important to note that we checked out that situation in the Commonwealth of Puerto Rico as to whether they did have the levels of unemployment to do the work, and the number of jobs, and the answer was "yes." Did they have the expertise to perform? The answer was "yes."

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. ERTEL) has expired.

(On request of Mr. PHILLIP BURTON and by unanimous consent, Mr. ERTEL was allowed to proceed for 2 additional minutes.)

Mr. PHILLIP BURTON. Madam Chairman, will the gentleman yield?

Mr. ERTEL. I yield to the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. I thank the gentleman for yielding.

Madam Chairman, I would like to associate myself with the remarks of the gentleman from New Jersey (Mr. ROE). We have some 2.7 million-plus fellow Americans living in Puerto Rico. There is not anybody with the slightest understanding of the needs of the people of Puerto Rico who would countenance the kind of massive slash countenanced by the Shuster amendment. That unemployment rate is up to 20 percent, possibly 30 percent. The only real ultimate impact is that the people in Puerto Rico can have no gainful employment. They merely go to the mainland, where they swell the urban centers; and if they are unable to get work, then they are eligible for all of the income programs available on the continent. It is really unthinkable that at this stage of the desperate nature that the people of Puerto Rico find their economy in, that anybody would countenance this kind of outrageous cut.

Mr. ERTEL. I thank the gentleman from California.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. EDGAR) as a substitute for the amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER).

The question was taken.

RECORDED VOTE

Mr. EDGAR. Madam Chairman, I demand a recorded vote.

The CHAIRMAN. A recorded vote is demanded.

PARLIAMENTARY INQUIRIES

Mr. SHUSTER. Madam Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SHUSTER. Madam Chairman, did the Chair rule on the vote?

The CHAIRMAN. The Chair is in doubt. The Chair did not rule.

There is a request now before the Chair for a recorded vote.

Mr. GARY A. MYERS. Madam Chairman, is the Chair entitled to the privilege of not announcing a vote until after a decision has been made as to whether or not there will be a recorded vote?

Mr. HAMMERSCHMIDT. Madam Chairman, I ask for a division.

The CHAIRMAN. When the Chair is in doubt on a voice vote, it is the prerogative of the Chair to recognize a Member to demand a recorded vote.

Mr. GARY A. MYERS. Madam Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GARY A. MYERS. Madam Chairman, perhaps one further question is in order. If in fact a recorded vote is not ordered here and the Chairman announces her decision, is it in fact in order then to request another recorded vote?

The CHAIRMAN. It would be in order then to ask for a division, or the Chair could order a division vote on its own initiative.

Mr. HAMMERSCHMIDT. Madam Chairman, I ask for a division.

The CHAIRMAN. A recorded vote has already been requested.

All in favor of a recorded vote will please rise and remain standing until counted. Evidently a sufficient number have arisen, and a recorded vote is ordered.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 187, noes 201, not voting 43, as follows:

AYES—187

[Roll No. 28]

Addabbo	Annunzio	Bellenson
Akaka	Applegate	Bennett
Alexander	Ashley	Biaggi
Ambro	AuCoin	Bingham
Ammerman	Badillo	Blanchard
Anderson, Calif.	Baucus	Boland
	Beard, R.I.	Bolling

Bonior
Bonker
Brademas
Brodhead
Broomfield
Brown, Mich.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Caputo
Carney
Carr
Cederberg
Chisholm
Clay
Conte
Conyers
Danielson
Delaney
Dellums
Dicks
Diggs
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Early
Edgar
Edwards, Calif.
Eilberg
Ertel
Fary
Fascell
Fenwick
Fish
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Gaydos
Giaimo
Gibbons
Gilman
Hammer-schmidt
Hanley
Hannaford
Harrington
Heckler
Heftel
Hollenbeck
Holtzman
Howard
Hughes
Ireland
Jacobs
Jeffords
Johnson, Calif.
Jones, Okla.
Kemp
Kildee
Kostmayer
Krebs
LaFalce
Le Fante
Lederer
Lehman
Lent
Lloyd, Calif.
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Maguire
Markey
Meeds
Metcalfe
Meyner
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Moss
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Michael
Nedzi
Nix
Nolan
Nowak
Oberstar
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Pike
Price
Pritchard
Pursell
Rahall
Rangel
Richmond
Rinaldo
Risenhoover
Rodino
Roe
Rogers
Rooney
Rosenthal
Roybal
Ryan
St Germain
Scheuer
Schroeder
Seiberling
Shipley
Simon
Sisk
Slack
Solarz
Staggers
Stark
Steed
Stockman
Stokes
Stratton
Studds
Stump
Thompson
Traxler
Tsongas
Tucker
Udall
Ullman
Van Deerlin
Vander Jagt
Vento
Walgren
Walsh
Waxman
Weaver
Weiss
Whalen
Wilson, Tex.
Wolff
Wright
Yatron
Zablocki
Zeferetti

NOES—201

Abdnor
Allen
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Aspin
Badham
Bafalis
Baldus
Barnard
Bauman
Beard, Tenn.
Bedell
Benjamin
Bevill
Blouin
Boggs
Bowen
Breaux
Brinkley
Brooks
Buchanan
Burgener
Burleson, Tex.
Byron
Cavanaugh
Chappell
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Coleman
Collins, Ill.
Collins, Tex.
Conable
Corcoran
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Derwinski
Dickinson
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erlenborn
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Findley
Fisher
Fithian
Flippo
Flowers
Flynt
Frenzel
Frey
Gephardt
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Grassley
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hansen
Harkin
Harris
Harsha
Hightower
Hillis
Holland
Holt
Horton
Hubbard
Huckaby
Hyde
Ichord
Jenkins
Johnson, Colo.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kelly
Ketchum
Keys
Kindness
Krueger
Lagomarsino
Latta
Leach
Levitas
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Luken
McDonald
Madigan
Mahon
Mann
Marks
Marlenee
Marriott
Martin
Mattox
Mazzoli
Mikulski
Milford
Miller, Ohio
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Gary
Myers, Ind.
Natcher
Neal
Nichols
Obey
O'Brien
Perkins
Pickle
Poage
Pressler
Preyer
Quayle
Quie
Quillen
Regula
Reuss
Rhodes
Roberts
Robinson
Roncalio
Rose
Rostenkowski
Rousselot
Rudd
Runnels
Ruppe
Russo
Sarasin
Satterfield
Schulze
Sebelius
Sharp
Shuster
Skelton
Skubitz
Smith, Nebr.
Snyder
Spellman
Spence
Steers
Steiger
Taylor
Thone
Thornton
Tonry
Treen
Trible
Vanik
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whitten
Wilson, Bob
Winn
Wirth
Wydler
Wylie
Yates
Young, Alaska
Young, Fla.
Young, Mo.
Young, Tex.

NOT VOTING—43

Ashbrook
Breckinridge
Brown, Calif.
Brown, Ohio
Broyhill
Burke, Calif.
Butler
Carter
Corman
Cornwell
Cotter
Dent
Derrick
Devine
Eckhardt
Fountain
Fuqua
Gammage
Gonzalez
Hawkins
Hefner
Jones, N.C.
Kazen
Koch
Leggett
Lundine
McClory
Mathis
Michel
Mikva
Oakar
Pettis
Railsback
Santini
Sawyer
Sikes
Smith, Iowa
Stanton
Symms
Teague
Waggonner
Wiggins
Wilson, C. H.

Messrs. DAVIS and JENRETTE and Mrs. COLLINS of Illinois changed their votes from "yea" to "nay."

Messrs. ALEXANDER, STAGGERS, and McDADE changed their votes from "nay" to "yea."

So the amendment offered as a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER).

The question was taken and the Chairman announced that the Chair was in doubt.

RECORDED VOTE

Mr. ROE. Madam Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 229, noes 158, not voting 44, as follows:

[Roll No. 29]

AYES—229

Allen
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Armstrong
Aspin
Badham
Baldus
Barnard
Baucus
Bauman
Beard, Tenn.
Bedell
Benjamin
Bevill
Blouin
Boggs
Boland
Bolling
Bowen
Breaux
Brinkley
Brooks
Buchanan
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Byron
Carney
Cavanaugh
Clawson, Del
Cleveland
Cochran
Cohen
Coleman
Collins, Ill.
Collins, Tex.
Conte
Corcoran
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Derwinski
Dickinson
Drinan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Eilberg
Emery
English
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Findley
Fisher
Fithian
Flippo
Flood
Flowers
Flynt
Ford, Tenn.
Frenzel
Gaydos
Gephardt
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Grassley
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hansen
Harkin
Harris
Harsha
Hightower
Hillis
Holland
Holt
Hubbard
Huckaby
Hyde
Ichord
Jacobs
Jenkins
Jenrette
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Keys
Kindness
Kostmayer
Krueger
Latta
Leach
Lederer
Levitas
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Luken
McDade
McDonald
Madigan
Mahon
Mann
Marks
Marlenee
Marriott
Martin
Mattox
Mazzoli
Metcalfe
Mikulski
Milford
Miller, Ohio
Mitchell, Md.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Gary
Myers, Michael
Myers, Ind.
Natcher
Neal
Nichols
Obey
O'Brien
Perkins
Pickle
Poage
Pressler
Preyer
Price
Quayle
Quie
Quillen
Rahall
Regula
Reuss
Rhodes
Risenhoover
Roberts
Robinson
Rooney
Rose
Rostenkowski
Rousselot
Rudd
Runnels
Russo
Satterfield
Schroeder
Schulze
Sebelius
Sharp
Shipley
Shuster
Simon
Skelton
Skubitz
Slack
Smith, Nebr.
Snyder
Spellman
Spence
Staggers
Steed
Steers
Steiger
Taylor
Thone
Thornton
Tonry
Treen
Trible
Tsongas
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whitten
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wright
Wylie
Yates
Yatron
Young, Alaska
Young, Tex.
Young, Mo.
Zablocki

NOES—158

Addabbo
Akaka
Alexander
Ambro
Ammerman
Anderson, Calif.
Ashley
AuCoin
Badillo
Bafalis
Beard, R.I.
Beilenson
Bennett
Biaggi
Bingham
Blanchard
Bonior
Bonker
Brademas
Brodhead
Broomfield
Brown, Mich.
Burgener
Burke, Fla.
Burton, John
Burton, Phillip
Caputo
Carr
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clay
Conable
Conyers
Danielson
Delaney
Dellums
Dicks
Diggs
Dingell
Dodd
Dornan
Downey
Duncan, Oreg.
Early
Edgar
Edwards, Calif.
Evans, Colo.
Fascell
Fenwick
Fish
Florio
Foley
Ford, Mich.
Forsythe
Fraser
Frey
Giaimo
Gibbons
Gilman
Hammer-schmidt
Hanley
Hannaford
Harrington
Hollenbeck
Holtzman
Horton
Howard
Hughes
Ireland
Jeffords
Johnson, Calif.
Johnson, Colo.
Kelly
Kemp
Ketchum
Kildee
Krebs
LaFalce
Lagomarsino
Le Fante
Lehman
Lent
Lloyd, Calif.
Lujan
McCloskey
McCormack
McEwen
McFall
McHugh
McKay
McKinney
Maguire
Markey
Meeds
Meyner
Miller, Calif.
Mineta
Minish
Mitchell, N.Y.
Moffett
Moss
Murphy, N.Y.
Nedzi
Nolan
Nowak
Oberstar
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Pike
Pritchard
Pursell
Rangel
Richmond
Rinaldo
Rodino
Roe
Rogers
Roncalio
Rosenthal
Roybal
Ruppe
Ryan
St Germain
Sarasin
Scheuer
Seiberling
Sisk
Solarz
Stark
Stockman
Stokes

Stratton	Ullman	Whalen
Studds	Van Deerlin	Wilson, C. H.
Stump	Vander Jagt	Wolff
Thompson	Walsh	Wydler
Traxler	Waxman	Young, Fla.
Tucker	Weaver	Zeferetti
Udall	Weiss	

NOT VOTING—44

Abdnor	Eckhardt	Mikva
Ashbrook	Fountain	Nix
Breckinridge	Fuqua	Oakar
Brown, Calif.	Gammage	Pettis
Brown, Ohio	Gonzalez	Railsback
Broyhill	Hawkins	Santini
Burke, Calif.	Hefner	Sawyer
Butler	Jones, N.C.	Sikes
Carter	Kazen	Smith, Iowa
Corman	Koch	Stanton
Cornwell	Leggett	Symms
Cotter	Lundine	Teague
Dent	McClory	Waggonner
Derrick	Mathis	Wiggins
Devine	Michel	

Mrs. HECKLER changed her vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. MILLER of Ohio. Madam Chairman, today we consider a bill that seeks to sustain an accelerated public works program and repair its deficiencies which were either ignored or unanticipated last fall when Congress rushed through its enactment and funding.

Continuation of the Local Public Works and Capital Development and Investment Act of 1976 at a higher funding level is now an integral part of the administration's economic stimulus package, not because it has proven to be so successful in putting people to work, but because it is so politically popular.

Last December when EDA announced its title I approvals, the basic allocation flaws of the program became apparent.

The 70/30 percent funding provision favored those applicants in the 30 percent category. Gerrymandering of unemployment rates led to duplication of applications and diversion of funds away from critically high unemployment areas. The unemployment data was too imprecise to afford accurate calculations. Qualified applications were denied because of local processing errors. Some applicants loaded up on applications and thus had a more favorable approval rate.

The act's deficiencies which led to these and other inequities were not unrecognized last year when we considered this act. Last August, in my minority views to the Appropriations Committee's report to fund Public Law 94–364, I made the following obseravtions:

MINORITY VIEWS OF HONORABLE CLARENCE E. MILLER

The three days of Committee hearings on this bill only served to validate and reenforce the President's July 6 veto of the Public Works Employment Act of 1976.

PL 94–369 is the classic example of Congress promising that which cannot be reasonably delivered. If the nation's unemployed rest their hopes on working again with this kind of Congressional hocus pocus, then they are in store for bitter disappointment. The wage earner desperately trying to make ends meet is in for another inflationary shock when the $4 billion cost of this bill starts rippling through the economy.

At best the Act supposedly will create 160,000 jobs, not the 325,000 jobs its sponsors projected, at a per job cost of $25,000. Its impact will be felt neither now nor in the immediate future, but primarily in late 1977 and 1978 when the economy will be well advanced in its recovery stage. Finally, the money that will be borrowed to fund its provisions will stimulate inflation at a time when fiscal restraint is dictated.

More questions about the Act's implementation, cost, and effect were raised during the course of the Committee's hearings than were answered. The legislative intent may be clear to those who are going to administer the various titles but the Act's infrastructure is so handicapped and poorly conceived as to make implementation difficult if not impossible. For example, under title II it is unclear what unemployment data is to be used in the allocation formula, how the states are to accomplish intrastate allocations, which governmental units are eligible for funds, and how economization assurances are to be achieved. Even more fundamental to title II is what jobs are basic to the maintenance of local governmental services. Paradoxically, local school boards are not eligible for title II personal services funds but are eligible for title I construction funds.

The Act is replete with totally unrealistic time deadlines that will create an administrative nightmare. For example under title I within the initial sixty day review/approval period, among other requirements, a favorable Environmental Impact Statement must be obtained. Anyone who has had experience with an EIS knows that it can be a lengthy, complex undertaking certainly one that in many cases cannot be accomplished overnight or within two months. In addition, the requirement that ninety days after project approval construction must start does not take into account the inevitable challenges many bids are subjected to locally. The rub is that when a project does not start within ninety days, the Act requires the funds to be deobligated.

Because title I further requires that an application not processed and reviewed by EDA within sixty days is automatically approved, enormous pressure will be placed on the agency to push paper. With only cursory review the result may well be approval of constructions of questionable quality and solvency.

I am also concerned that smaller communities without the capability to gear up quickly and submit an application package title I will be denied program participation regardless of the severity of its unemployment. Those political subdivisions well-advanced in the area of grantsmanship will fare much better in getting more than their share of the pot.

In addition, I think we will see the substitution of the easy 100% federal money under title I for local money that is readily available to do the same construction work as well as some double dipping into each of the title pots.

Too many unanswered questions about the Act remain to justify this appropriation. The Committee simply does not know how much it will cost to administer the program, how many new bureaucrats will be needed, what the paperwork burden will be, where the benefits will go, who will receive them and what their extent will be, and finally what the real inflationary impact will be.

What the Congress has created here are not new job opportunities but an election year illusion for the folks back home. No matter how politically expedient it may be, pumping $4 billion the Federal Government does not have into the economy to produce a few $25,000 jobs is still economically irresponsible.

Madam Chairman, when Congress drafts a pretty shoddy piece of legislation and then pumps money into it, we can expect the end results to be flawed. In this bill the committee takes a stab at cleaning up some of the act's more obvious deficiencies. Through the amendatory process, I hope we can make even more improvements. However, there still remains the question of how valid is the basic concept of accelerated public works in permanently reducing unemployment.

The act's employment impact is short term. Permanent positions to meet a growing labor force still must be created after approved projects are completed. The cost/benefit ratio per job under the act is still difficult to justify. The time lag between planning and actual construction of projects gives stimulus at a future date when stimulus may not be needed.

It should be clear that the $4 billion H.R. 11 authorizes to be spent is money we do not have in current revenues. Because the Treasury will have to borrow more funds, added inflationary pressures will be created in the credit markets. Those moneys soaked up in those credit markets to fund this act will not be available to expand private employment. The labor market becomes more distorted and unstable.

Finally, the allocation procedure will always be imperfect because the Government can never adequately distinguish among the variances in local employment conditions and community needs and target Federal money effectively.

This public work's program has developed its own momentum. I hope the Congress is not deceiving itself as to what this program will actually do and how much it will cost.

Mr. YOUNG of Florida. Mr. Chairman, it is with great regret that adoption of the amendment by the gentleman from Pennsylvania leaves me with no alternative but to vote against final passage of H.R. 11. When I came to the floor this morning, I fully intended to vote for the bill as I did last year, but this last minute surprise amendment reduces the amount of benefits Florida will gain from the act in drastic proportions.

In fact, the legislation as amended reduces Florida's allocation by $90 million or 33 percent and I respectfully suggest that a cut of that proportion is more inequitable than all of the injustices of last year's program combined. Almost every Member, including the Speaker, will recall that last year's formula created gross inequities for areas of high unemployment. The committee attempted to resolve those problems in H.R. 11 and while not completely satisfied that this year's proposal would have cleared up all of the past mistakes, I was in agreement with the changes that were implemented. However, the bill as amended now confuses the issue once again and the only thing that is certain is that Florida and several other States with high unemploy-

ment rates have been thrown out in the cold during a very severe winter. Many of the unemployed from other States in the Nation have chosen to spend their out of work time in our mild climate and others have decided to vacation in our State while waiting for jobs. That combined with an economy which follows the country's cyclical pattern by about 6 months has created an unemployment rate for our State which is among the highest in the country.

The authors of this legislation last year, and again this year, took these factors into consideration in drafting the legislation, but this 11th hour maneuvering has eliminated any compassion for areas such as Florida. The potential public works facilities that the residents of every State in the Nation would use when they visit our State will be severely curtailed.

I compliment the chairman of the subcommittee which drafted this bill for his convincing pleas for equity in his opposition to this crippling amendment. The ranking minority member of the subcommittee has shown great courage in also opposing the amendment even though his State will gain from its inclusion.

Even though I opposed the Edgar amendment which would have reduced Florida's share somewhat, I could probably have supported the bill even with Edgar's compromising formula, but the formula that the House has adopted today not only is counter to the best interest of Florida, but also to the Nation. We all recall after acting in haste last year, the almost unanimous disapproval of the formula for distribution of the funds. Through this last minute amendment, the House has again acted in haste, and I fear we will be equally disappointed. The only comforting thought that I have at this point is that this is only the first round. When the bill comes from the conference committee, I hope that the conferees will have restored at least some of the funds for Florida so that I can then support this legislation on final passage.

The CHAIRMAN. Are there further amendments?

There being no further amendments, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Miss JORDAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11) to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976, pursuant to House Resolution 304, she reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the qusetion is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. CLEVELAND

Mr. CLEVELAND. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CLEVELAND. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CLEVELAND moves to recommit the bill H.R. 11 to the Committee on Public Works and Transportation.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ROE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 295, nays 85, not voting 51, as follows:

[Roll No. 30]

YEAS—295

Addabbo	Carney	Flynt
Akaka	Carr	Ford, Mich.
Alexander	Chappell	Ford, Tenn.
Allen	Chisholm	Gaydos
Ambro	Clausen, Don H.	Gephardt
Ammerman	Cohen	Giaimo
Anderson, Calif.	Coleman	Gilman
Anderson, Ill.	Collins, Ill.	Ginn
Andrews, N.C.	Conte	Glickman
Andrews, N. Dak.	Conyers	Gore
Annunzio	Cornell	Gudger
Applegate	Coughlin	Guyer
Ashley	D'Amours	Hall
Aspin	Danielson	Hamilton
AuCoin	Davis	Hammer-schmidt
Badillo	de la Garza	Hanley
Baldus	Delaney	Hannaford
Barnard	Dellums	Harkin
Baucus	Dickinson	Harrington
Beard, R.I.	Dicks	Harris
Bedell	Diggs	Harsha
Beilenson	Dingell	Heckler
Benjamin	Dodd	Heftel
Bennett	Downey	Hightower
Bevill	Drinan	Holland
Biaggi	Duncan, Oreg.	Hollenbeck
Bingham	Duncan, Tenn.	Holtzman
Blanchard	Early	Howard
Blouin	Edgar	Hubbard
Boggs	Edwards, Ala.	Huckaby
Boland	Edwards, Calif.	Hughes
Bolling	Eilberg	Hyde
Bonior	Emery	Ireland
Bowen	Ertel	Jeffords
Brademas	Evans, Colo.	Jenkins
Breaux	Evans, Del.	Jenrette
Brinkley	Evans, Ga.	Johnson, Calif.
Brodhead	Evans, Ind.	Johnson, Colo.
Brooks	Fary	Jones, Okla.
Broomfield	Fascell	Jones, Tenn.
Buchanan	Fenwick	Jordan
Burke, Fla.	Findley	Kasten
Burke, Mass.	Fish	Kastenmeier
Burlison, Mo.	Fisher	Keys
Burton, John	Fithian	Kildee
Burton, Phillip	Flippo	Kostmayer
Byron	Flood	Krebs
Caputo	Florio	Krueger
	Flowers	Lederer
Le Fante	Nolan	Skelton
Lehman	Nowak	Slack
Levitas	Oberstar	Snyder
Lloyd, Calif.	Obey	Solarz
Lloyd, Tenn.	O'Brien	Spellman
Long, La.	Ottinger	Staggers
Long, Md.	Panetta	Stark
Lujan	Patten	Steed
Luken	Patterson	Steers
McCloskey	Pattison	Stokes
McCormack	Pease	Stratton
McDade	Pepper	Studds
McFall	Perkins	Thompson
McHugh	Pickle	Thornton
McKay	Pressler	Tonry
McKinney	Preyer	Traxler
Madigan	Price	Trible
Maguire	Pritchard	Tsongas
Mahon	Pursell	Tucker
Mann	Quillen	Udall
Markey	Rahall	Ullman
Marks	Rangel	Van Deerlin
Mattox	Regula	Vanik
Mazzoli	Reuss	Vento
Meeds	Richmond	Volkmer
Metcalfe	Rinaldo	Walgren
Meyner	Risenhoover	Walsh
Mikulski	Roberts	Wampler
Milford	Rodino	Watkins
Miller, Calif.	Roe	Waxman
Mineta	Rogers	Weaver
Minish	Roncalio	Weiss
Mitchell, Md.	Rooney	Whalen
Mitchell, N.Y.	Rose	White
Moakley	Rosenthal	Whitley
Moffett	Rostenkowski	Whitten
Mollohan	Roybal	Wilson, Bob
Moore	Runnels	Wilson, C. H.
Moorhead, Pa.	Russo	Wilson, Tex.
Moss	St Germain	Wirth
Murphy, Ill.	Sarasin	Wolff
Murphy, N.Y.	Scheuer	Wright
Murphy, Pa.	Schroeder	Yates
Murtha	Schulze	Yatron
Myers, Gary	Seiberling	Young, Alaska
Myers, Michael	Sharp	Young, Mo.
Natcher	Shipley	Young, Tex.
Neal	Shuster	Zablocki
Nedzi	Simon	Zeferetti
Nichols	Sisk	

NAYS—85

Archer	Goodling	Pike
Armstrong	Gradison	Poage
Badham	Grassley	Quayle
Bafalis	Hagedorn	Quie
Bauman	Hansen	Rhodes
Beard, Tenn.	Hillis	Robinson
Brown, Mich.	Holt	Rousselot
Burgener	Horton	Rudd
Burleson, Tex.	Ichord	Ruppe
Cavanaugh	Jacobs	Ryan
Cederberg	Kelly	Satterfield
Clawson, Del	Kemp	Sebelius
Cleveland	Ketchum	Skubitz
Cochran	Kindness	Smith, Nebr.
Collins, Tex.	LaFalce	Spence
Conable	Lagomarsino	Steiger
Corcoran	Leach	Stockman
Crane	Lent	Stump
Daniel, Dan	Lott	Taylor
Daniel, R. W.	McDonald	Thone
Edwards, Okla.	McEwen	Treen
English	Marlenee	Vander Jagt
Erlenborn	Marriott	Walker
Foley	Martin	Whitehurst
Forsythe	Miller, Ohio	Winn
Frenzel	Montgomery	Wydler
Frey	Moorhead, Calif.	Wylie
Gibbons	Myers, Ind.	Young, Fla.
Goldwater		

NOT VOTING—51

Abdnor	Devine	Mathis
Ashbrook	Dornan	Michel
Bonker	Eckhardt	Mikva
Breckinridge	Fountain	Mottl
Brown, Calif.	Fraser	Nix
Brown, Ohio	Fuqua	Oakar
Broyhill	Gammage	Pettis
Burke, Calif.	Gonzalez	Railsback
Butler	Hawkins	Santini
Carter	Hefner	Sawyer
Clay	Jones, N.C.	Sikes
Corman	Kazen	Smith, Iowa
Cornwell	Koch	Stanton
Cotter	Latta	Symms
Dent	Leggett	Teague
Derrick	Lundine	Waggonner
Derwinski	McClory	Wiggins

The Clerk announced the following pairs:

On this vote:

Mr. Cotter for, with Mr. Teague against.

Mr. Corman for, with Mr. Lundine against.

Mr. Carter for, with Mr. Wiggins against.
Mr. Railsback for, with Mr. Butler against.
Mr. Sikes for, with Mr. Latta against.
Mr. Eckhardt for, with Mr. Abdnor against.
Mr. Dent for, with Mr. Michel against.
Mr. Kazen for, with Mr. Devine against.
Mr. Koch for, with Mr. McClory against.
Mr. Hawkins for, with Mr. Symms against.

Until further notice:

Mrs. Burke of California with Mr. Ashbrook.
Mr. Nix with Mr. Stanton.
Mr. Sawyer with Mr. Dornan.
Mr. Broyhill with Mr. Derwinski.
Ms. Oakar with Mr. Brown of Ohio.
Mr. Mottl with Mr. Mikva.
Mr. Santini with Mr. Waggonner.
Mr. Clay with Mr. Brown of California.
Mr. Breckinridge with Mr. Bonker.
Mr. Cornwell with Mr. Fraser.
Mr. Derrick with Mr. Gonzalez.
Mr. Hefner with Mr. Leggett.
Mr. Jones of North Carolina with Mr. Mathis.
Mr. Smith of Iowa with Mr. Fountain.
Mr. Gammage with Mr. Fuqua.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROE. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO HAVE UNTIL MIDNIGHT, FRIDAY, FEBRUARY 25, 1977, TO FILE A PRIVILEGED REPORT

Mr. SISK. Mr. Speaker, I ask unanmous consent that the Committee on Rules may have until midnight tomorrow night, Friday, February 25, 1977, to file a privileged report on the Obey report.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Speaker, reserving the right to object—and I shall not object—I just want to make this observation to the gentleman from California. I have had occasion to read the rule that he is requesting to file which pertains to the so-called financial ethics bill, and it specifically excludes the right of the minority to offer a motion to recommit with or without instructions.

In the last Congress there was an agreement worked out, as I understand it, with the majority members of the Committee on Rules that the minority's right would always be protected and that motions to recommit with or without instructions would be in order. I understand that that agreement no longer exists. I would hope that my distinguished friend, the gentleman from California, would relay this message to the Committee on Rules the suggestion being that, if we are to be denied our rights as a minority, there are many, many difficulties that can arise on the floor of the House when unanimous consent requests are made. I know the gentleman was no party to this, but I do think that it is an important right for us and certainly should remind the majority of the fact.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the distinguished minority leader.

Mr. RHODES. I thank the gentleman for yielding.

I should like to thoroughly concur in the remarks the gentleman from Maryland has just made. I, too, thought that we had an agreement—and we did in the last Congress. I would hope that we can make one in this Congress that there will be motions to recommit with or without instructions on all pieces of major legislation. Certainly this is a piece of major legislation. The matter is very disturbing to me.

Mr. SISK. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I of course yield to the gentleman from California.

Mr. SISK. I thank the gentleman for yielding. Let the gentleman from California state that as far as he personally is concerned, he will recognize this as a basic right of the minority at all times. I am unaware that the matter was even considered. I will have to plead innocent to any intent in this case—and I mean that as far as this Member is concerned.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

LEGISLATIVE PROGRAM FOR FEBRUARY 28

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I take this time to inquire of the distinguished majority leader as to the program for the balance of the week and next week.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Speaker, upon conclusion of the business today, this will conclude the legislative business for the week and it will be my purpose to ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock on Monday next.

Next week there are two major pieces of legislation anticipated, one being the financial ethics legislation, the Obey Commission report, and the other being the Tax Reduction and Simplification Act of 1977.

It is expected that the House will met at noon on Monday.

There is one bill on suspension, H.R. 2329, to improve the administration of fish and wlidlife programs.

On Tuesday the House would meet at noon.

There are no bills scheduled for suspension, but there is one bill scheduled for regular consideration, H.R. 3365, a 1-year extension of regulation Q, and Federal Credit Union amendments. That will be under an open rule with 1 hour of general debate.

On Wednesday the House will meet at 3 o'clock to consider House Resolution 287, financial ethics, the Obey Commission report, under a modified open rule.

On Thursday and the balance of the week the House will meet at 11 o'clock.

There are five measures from the Appropriations Committee:

House Joint Resolution 269, the urgent disaster relief appropriation;

House Resolution 305, a disapproval resolution;

House Resolution 306, a disapproval resolution; and

House Resolution 307, a disapproval resolution; and H.R. 3839, the Second Budget Rescission Bill, 1977.

Following that it would be expected the House would consider House Concurrent Resolution 110, the third concurrent resolution on the budget for fiscal year 1977 might be available for a vote on a conference committee report. Of course that would be subject to the conference committee's report being filed.

Then we would have House Resolution 3477, the Tax Reduction and Simplification Act of 1977, subject to a rule being granted.

There is another bill, H.R. 2846, the John F. Kennedy Center emergency repair bill, subject to a rule being granted.

The House will adjourn by 3 p.m. on Fridays and by 5:30 p.m., or a quarter of 6, rather, on all other days except Wednesdays, when we would continue until the business had been concluded.

Conference reports of course may be brought up at any time and any further program may be announced later.

Mr. RHODES. Mr. Speaker, of course on Wednesday the financial ethics resolution will be brought up under what the distinguished majority leader called a modified open rule but which I would call a modified closed rule, but nevertheless I am wondering if, since even under the so-called modified open rule there are some motions to strike and amendments which might be in order and pro forma amendments are in order, it would not be a good idea if the House met earlier than 3 p.m. on that day. Is it not possible to meet earlier on Wednesday?

Mr. WRIGHT. I do not think this is in keeping with the general rules that have been established for our governance during these first few months of the year, and it seems probable the committees might have made other arrangements in the expectation of our abiding by the rule.

Mr. RHODES. But I wonder if the majority leader would consider, if it might not be too disruptive of the committees, if we might meet earlier on that day.

Mr. WRIGHT. Perhaps, if the gentleman will yield further, we could discuss this privately and if such an arrangement could be worked out, some agreement might be sought. At present the

majority leader has no alternative but to follow the program that has been established and set forth in accordance with the rules of the House at the beginning of this session.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule on Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT TO MONDAY, FEBRUARY 28, 1977

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next at 12 o'clock noon.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT AS MEMBERS OF ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

The SPEAKER. Pursuant to the provisions of section 3(a), Public Law 86–380, the Chair appoints as members of the Advisory Commission on Intergovernmental Relations the following members on the part of the House: the gentleman from North Carolina, Mr. FOUNTAIN; the gentleman from New York, Mr. RANGEL; and the gentleman from Ohio, Mr. BROWN.

APPOINTMENT AS MEMBERS OF COMMISSION ON FEDERAL PAPERWORK

The SPEAKER. Pursuant to the provisions of section 4(a), Public Law 93–556, the Chair appoints as members of the Commission on Federal Paperwork the following Members on the part of the House: The gentleman from Oklahoma, Mr. STEED; and the gentleman from New York, Mr. HORTON.

APPOINTMENT AS OFFICIAL ADVISERS TO THE U.S. DELEGATIONS TO INTERNATIONAL CONFERENCES, MEETINGS, AND NEGOTIATION SESSIONS RELATING TO TRADE AGREEMENTS

The SPEAKER. Pursuant to the provisions of section 161(a), title I, Public Law 93–618, and upon recommendation of the chairman of the Committee on Ways and Means, the Speaker has selected the following members of that committee, to be accredited by the President, as official advisers to the U.S. delegations to international conferences, meetings, and negotiation sessions relating to trade agreements during the first session of the 95th Congress: The gentleman from Ohio, Mr. VANIK; the gentleman from Florida, Mr. GIBBONS; the gentleman from Oklahoma, Mr. JONES; the gentleman from New York, Mr. CONABLE; and the gentleman from Wisconsin, Mr. STEIGER.

APPOINTMENT AS MEMBERS OF PRIVACY PROTECTION STUDY COMMISSION

The SPEAKER. Pursuant to the provisions of section 5(a)(1), Public Law 93–579, the Chair appoints as members of the Privacy Protection Study Commission the following Members on the part of the House: The gentleman from New York, Mr. KOCH; and the gentleman from California, Mr. GOLDWATER.

THREE CHEERS FOR PRESIDENT CARTER'S STAND ON HUMAN RIGHTS

(Mr. KOCH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. KOCH. Mr. Speaker, I have applauded the statements of support made in recent weeks by President Carter and the State Department on behalf of the brave individuals in the Soviet Union and Czechoslovakia who at great personal risk have publicly stood up for their basic human rights, rights which their governments by international treaty have agreed to respect. Yesterday the President in his press conference reaffirmed these earlier indications that full support of human rights will assume its proper place as one of the top priorities of American foreign policy and broadened that support to include all parts of the world.

I am heartened by President Carter's recognition of American responsibility in this regard, conveyed by his statement that as a signatory of the 35-nation Helsinki accord—

> We have . . . a responsibility and a legal right to express our disapproval of violations of human rights.

This stance is a refreshing contrast to the Ford administration's bland silence on the subject, the most notorious example of which was the former President's failure to invite the Nobel Prize winning Soviet author and dissident Alexander Solzhenitsyn to the White House when the latter came to this country. I might add that Ford has since termed this action "regrettable," stating:

> I think in retrospect it would have been better for me to have had him to the Oval Office.

For his part, President Carter has announced that he and Vice President MONDALE are scheduled to meet next week with the well-known Soviet dissident Vladimir K. Bukovsky, who was recently deported from Russia. This meeting is to my mind fitting and proper. At issue is not only the question of whether the Soviet Union will respect basic human rights within its borders, but a more pragmatic, if not more fundamental, question as well; namely, Can the United States depend upon the Soviet Union to carry out the terms of agreements it freely and openly enters into?

The Soviets claim that American support of human rights in Russia constitutes interference in the internal affairs of a fellow sovereign state. But this is clearly not true. The current administration is simply informing the Soviet Government that the United States expects it to live up to an international agreement it freely and openly signed—the Final Act of the Conference on Security and Cooperation in Europe, signed at Helsinki.

The Soviets further state that continued U.S. support of human rights activists in the U.S.S.R. will become an obstacle to progress in areas of mutual interest, presumably a reference to the SALT II negotiations. My feeling is that the American public should know whether the Soviets will carry out the agreements already in force before being asked to accept any new ones, especially in accord with the far reaching implications of SALT II.

The issue of human rights, of course, stands on its own merits as well; and those merits cut across differences in ideological and political persuasion. To illustrate this point, I am inserting a recent release by Bernard Barker, president of the Workmen's Circle, and a resolution adopted by the National Committee of Social Democrats, U.S.A., both dealing with violations of human rights by the Soviet Union:

RELEASE BY THE WORKMAN'S CIRCLE

Secretary of State Cyrus Vance was urged today to publish Soviet violations of the Helsinki Pact "now", and to have "our representative to the U.N. Human Rights Commission call for appropriate action" in this regard.

The message, which also commended the new administration on its forthright positions as regards human rights in the USSR, came from Bernard Backer, president of the Workmen's Circle, the Jewish fraternal order, in a telegram to Vance.

The text of the telegram follows:

"We commend the forthright positions taken by you and President Carter on violations of human rights in the USSR, but we are dismayed by continued reports from the Soviet Union of harassment of American newsmen, Soviet dissidents, Jewish scholars, especially the arrest of Aleksandr I. Ginsburg, in total violation of Helsinki accord.

"Recent Soviet T.V. documentary so distorted the Eichmann capture and trial as to deliberately provoke anti-semitism in Russia.

"We feel these and other violations of the Helsinki Pact should be published now and that our representative to the U.N. Human Rights Commission call for appropriate action.

"We must give clear reassurance to dissidents in the Soviet Union that America will oppose violation of rights pledged at Helsinki.

"We also question the wisdom of holding the East-West Human Rights Conference in Belgrade in view of Yugoslavia's imprisonment of its own dissidents. We must at least obtain guarantees of unhampered freedom of the press and admission of observers.

"BERNARD BACKER,
"President."

[Social Democrats, U.S.A.]

RESOLUTION ON HELSINKI AND BELGRADE

(Adopted by the National Committee February 6, 1977)

Despite massive efforts by the Communist leaders of the Soviet bloc to keep a tight lid on dissent, there has been a remarkable outpouring of dissident activity in recent months. The resurgence of dissent at this

time shows that the Soviet Union and some of its satellite states in East Europe are passing through a political and economic crisis which, if not acute, shows no signs of abating. Significant manifestations of resistance have appeared simultaneously in three major East European states—Poland, Czechoslovakia, and East Germany—a development that has given hope to the beleaguered human rights activists in the USSR itself. The situation is particularly troubling to the Kremlin because the unrest has been caused by economic discontents (in Poland especially), in addition to opposition to foreign Soviet rule and by a desire for greater freedoms. Moreover, the recent protests have undoubtedly been prompted in part by the approaching meeting in Belgrade where the 35 signatories to the Helsinki accords will review the agreement. For the peoples of the Soviet bloc, the so-called Basket Three of the Helsinki Accords provides a charter for human rights, an internationally recognized set of human rights standards on which they can base both their appeals for support in the West and their protests against the failure by the Communist regimes to live up to the agreement.

The bold human rights manifesto called Charter 77, signed by over 300 Czech intellectuals and former Communist leaders, emphasizes both the relationship of the Czech struggle to the Helsinki agreement and, concurrently with that, the universal nature of the human rights movement. Charter 77 describes itself as a free association of individuals of diverse backgrounds "linked by the desire to work individually and collectively for respect for human and civil rights in Czechoslovakia and the world—the rights provided for in the enacted international pacts, in the Final Act of the Helsinki Conference, and in numerous other international documents against wars, violence and social and mental oppression. It represents a general declaration of human rights." The manifesto also underlines the symbolic nature of the name Charter 77, which "stresses that it has been established on the threshold of what has been declared the year of political prisoners, in the course of which a meeting in Belgrade is to review the progress—or lack of it—achieved since the Helsinki Conference."

The reaction of the Czech regime to Charter 77 was predictable—and in blatant violation of the Helsinki accords which called upon all signatories to "respect human rights and fundamental freedom." Leaders of Charter 77 have been repeatedly detained and arrested, in some cases physically assaulted by the security police. The regime has threatened to exile eight of the leading members of Charter 77. The official Communist party paper, Rude Pravo, warned the dissidents that "those who lie on the rails to stop the train of history must expect to get their legs cut off." Far from being intimidated, the Charter 77 group has increased its appeal for solidarity in the West with its cause.

The situation in Poland is even more critical from the viewpoint of the Communist regime, for there the intellectual dissident movement has linked up with a mass movement of workers' resistance. The most recent working class uprising in Poland took place in June of last year when workers at a number of factories left their jobs after the government announced food price increases. The regime rescinded the price increases and the workers returned to their jobs. But the police then went on a rampage, beating and arresting hundreds of workers and firing tens of thousands. Since workers laid off for political reasons get no benefits in Poland, a Workers Defense Committee was formed by a group of intellectuals to raise funds for the fired workers and their families. In an act of equal courage, some 900 workers at a tractor plant outside Warsaw signed a petition calling for the reinstatement of the 20,000 workers who had been fired.

Increased resistance activity has also been noticeable in East Germany. Spurred by the Helsinki provision for free emigration, 200,000 East Germans have sought permission to leave, a remarkably high figure in a country of only 17,000,000 where nonconformity carries great risks. The East German government responded by blocking the entrance to Bonn's mission in East Berlin, the place where East Germans came daily to inquire about settling in the West. The blockade was lifted after strong West German protests, but the situation remains tense. The Honecker regime has tried to repress growing protests from intellectual dissidents by exiling some, as in the highly publicized case of the singer Wolf Biermann, and using even harsher measures against others, such as the imprisonment of physicist Robert Havemann and the police kidnapping of writer Jurgen Fuchs who has disappeared entirely.

Of all the figures in the human rights struggle, none has shown greater courage and integrity, than Andrei Sakharov. His continuing struggle in defiance of constant harassment, signifies the inability of the Soviet regime to crush the dissident movement, despite the exiling of most of the prominent Soviet intellectuals and the imprisonment—or confinement in psychiatric institutions—of so many others. The extent of the resistance movement can be estimated from the report of a recent exile who said that inmates in scores of labor camps engage in repeated hunger strikes and collectively mark an annual "Political Prisoners Day."

Of the greatest importance is the protection of Dr. Sakharov who has been warned by the authorities that he risks criminal prosecution if he continues his "slanderous activities." In this regard we welcome the recent State Department declaration that efforts to "intimidate" Dr. Sakharov would be in conflict "with accepted international standards of human rights." The subsequent attempt by President Carter and Secretary of State Vance to distance themselves from this stand by saying that the statement was made without their prior knowledge was unfortunate in that it diluted the effect of the declaration in defense of Sakharov and revealed a picture of an Administration both confused in its thinking on the fundamental issue of human rights and unduly timid toward the Russians.

If the Carter Administrations campaign promises to defend human rights are to have any meaning, the President should speak up unequivocally in support of individuals such as Sakharov and the Charter 77 group. In particular, the Administration should use the opportunity of the upcoming Belgrade conference to emphasize our country's concern with human rights in the Soviet bloc. To those who say that this policy would mean an end to detente and a return to the Cold War, we have only to remind them of Moscow's insistence on the compatibility of detente and the "ideological struggle." If this is an acceptable formulation for Moscow, it should be for us, too. If, on the other hand, Moscow finds U.S. statements in support of human rights activists in the Soviet bloc inconsistent with detente, then clearly there can be no detente or anything else which implies a relationship of mutual accomodation. In our view, we have had enough of a false detente under Nixon and Ford. The continuation of this policy under Carter would mean the betrayal of the hopes which the new President engendered during his campaign and the abandonment of good and brave people to a cruel fate.

THE FEDERAL DEBT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BADHAM) is recognized for 5 minutes.

(Mr. BADHAM asked and was given permission to revise and extend his remarks.)

Mr. BADHAM. Mr. Speaker, I would like to call the attention of my colleagues to the sobering state of the Federal debt, which is currently $652 billion and may exceed $705 billion by the end of fiscal year 1977—this according to the Department of Treasury. If the debt in itself is not painful enough, it will cost the taxpayers an estimated $42 billion in fiscal year 1978 in interest alone. This makes the annual net interest on the Federal debt the fourth largest single item on the Federal budget—and that, to me, is appalling.

Now in the interest of stimulating the economy—no pun intended—the administration has proposed a $50-per-capita rebate on personal income taxes. This rebate plan is going to add $11.4 billion to the Federal deficit and cost taxpayers an additional $718.2 million in interest on the public debt.

Many leading economists point out the dangers of such a plan. These include Nobel Prize Winner Milton Friedman, who stated:

> The rebate program is not a good way to refuel the economy.

The group of economists predicted that such a program would significantly increase the chances for another boom-bust cycle. These respected economists concluded:

> This would be most unfortunate for both the American people and the world community.

I wholeheartedly agree.

Despite these repeated warnings from highly respected sources, the administration has embarked on a course that will take the United States deeper and deeper into the red and make it all that much tougher to eventually stabilize the economy.

At this point, I would like to remind my colleagues that President Carter made the topic of a balanced budget a major issue in the last campaign. I can hardly call a proposed $57.7 billion deficit for fiscal year 1978 a step forward on the road toward a balanced budget and a stable economy.

I see Government deficit spending as one of the main causes of inflation in our Nation today. If Congress continues to spend beyond the taxpayers' means, our Nation will not be moving toward a sound national economy, but rather toward economic ruin. I am not an alarmist—I am an optimist, and more importantly, a realist. In that light I am introducing a sense of Congress resolution that states a rebate on 1976 individual income taxes should not be enacted by Congress and no rebate on individual income taxes should apply to any taxable year if such rebate will cause an increase in the Federal debt.

If this rebate plan is successful in passing through Congress, it is my intention to return my rebate to the U.S. Treasury to aid in the retirement of the national debt. Now that, I admit, is a little like throwing a glass of water on a raging forest fire, but we must start somewhere. The time is now, and the decision is ours. Let us work to balance the budget—I feel the elimination of the $50 rebate is a good place to begin.

REDUCING TAXES IS CENTRAL TO THE PLAN UNVEILED BY LABOR AND BUSINESS FOR THE ECONOMIC REVITALIZATION OF NEW YORK CITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, New York City's economic condition has been very much on the minds of Congressmen during the past several years. The slump in the State and national economies worsened the city's circumstances, but everyone acknowledged the city has helped cause its own set of economic woes. And, everyone also knew the city would have to go far toward helping itself. The only question was what specifically the city had to do to help itself. Both supporters and opponents of increased aid to the city felt this way.

In the midst of the debt crisis, a group of prestigious business and labor leaders formed a business and working group to come up with answers to the city's problems. The formation of that working group reflected an astute awareness that publicly elected officials in the city have too often stood as roadblocks to the changes needed by it. The working group involved the personal efforts of over 150 management executives and labor chiefs and concentrated on 14 separate job and economic activity areas.

The working group was cochaired by David Rockefeller, the chairman of the board of the Chase Manhattan Bank, and Harry Van Arsdale, the president of the central labor council, AFL–CIO. Other participants in the group were:

Dr. Ivan Bennett, provost and dean of the New York University Medical Center, chairman of the Health and Medical Task Force;

Peter J. Brennan, president of the New York City Building and Construction Trades Council and former U.S. Secretary of Labor, chairman of the Real Estate Task Force;

Edgar Bronfman, chairman of Seagram Co., Ltd.;

Dr. George Bugliarello, president of the Polytechnic Institute of New York;

Sol Chaikin, president of the International Ladies Garment Workers Union, chairman of the Garment and Textiles Task Force;

Howard L. Clark, chairman of the American Express Co., chairman of the Corporate Headquarters Task Force;

Morris D. Crawford, chairman of the board of the Bowery Savings Bank;

Murray Finley, president of the Amalgamated Clothing Workers of America, cochairman of the Garment and Textiles Task Force;

Gabriel Hauge, chairman of the board of the Manufacturers Hanover Trust Co., chairman of the Finance Task Force;

W. H. James, president and publisher of the Daily News;

J. Bruce Llewellyn, president of Fedco Foods Corp.;

Mrs. G. G. Michelson, senior vice president of Macy's, chairwoman of the Retail Task Force;

Edmund T. Pratt, chairman of Pfizer, chairman of the Manufacturing and Industrial Development Task Force;

Hon. John Sawhill, president of New York University, chairman of the Education Task Force;

Martin Segal, chairman of Wertheim Assets Management Services, Inc., chairman of the Culture Task Force;

Richard R. Shinn, president of Metropolitan Life Insurance Co.;

Herman Soifer, president of the New York Men's Clothing Association;

Robert Sorg, chairman of the board of Sorg Printing Co., chairman of the Printing Task Force;

Arthur Sulzberger, publisher of the New York Times;

Arthur R. Taylor, chairman of the Communications Task Force;

Charles C. Tillinghast, Jr., chairman of TWA, chairman of the Port and International Trade Task Force;

P. Robert Tisch, president of Loews Corp., and chairman of the Tourism Task Force; and

Cyrus R. Vance, of Simpson, Thatcher & Bartlett, and now the Secretary of State, chairman of the Business Services Task Force.

I wish to report to Congress the findings of this group. It has not only given us answers to the economic problems of New York City and State, but has also proved that business and labor can work hand-in-hand to meet common objectives. This is a point I made when I helped bring business and labor together in the Buffalo area in 1974 to start work on the same objectives.

IMPROVING NEW YORK'S ECONOMIC CLIMATE

I am heartened by the findings in this new report, "Summary Report of the Business and Labor Working Group on Jobs and Economic Regeneration in New York City." I am pleased to see the report draws conclusions parallel to those I set forth during the debt crisis, in subsequent papers and remarks on the economic problems of the State, and in a major address last September before the Associated Industries of New York in Albany.

In that Albany address I set forth this principal point:

> Now is the time for New York State itself to reduce the tax barriers to both employment and investment. Across-the-board tax cuts actually would increase State revenues because of increased economic activity, consumer purchasing power, and upturn in investments in plants and tools, and additional jobs. It is certainly the only means of revitalizing the State without having to curtail severely public services.
>
> One cannot overestimate the impact of these tax burdens. And one certainly cannot overestimate their impact in pushing businesses and people out of the State. Businesses suffer under these tax burdens because those taxes mean less with which to expand plant and equipment, distribute as dividends to shareholders, or distribute as wages and benefits to workers. Business executives suffer under these burdens because of the personal tax rates they have to pay. Thus, as decision makers within business, when the question comes up, should the business remain in or leave New York State, they are pushed in the direction of moving elsewhere. The work force suffers under these burdens because of the tax rates they have to pay, tax rates which leave them with less take-home pay than they would be getting in other areas of the country.
>
> What emerges from this is the necessity of reducing tax rates on Federal and State levels. This is the route we should be following. It is straightforward. It will have the greatest positive, job-creating impact on the economy. And it does not smack of tax loopholes. If a legislature is unwilling to face up to the necessity for across-the-board tax rate reductions, other types of tax incentives may be needed—credits, accelerated depreciations, forgivenesses, et cetera. But those incentives should be last resort measures. Such incentives are giving back with one hand what the same governments took with the other, making it look like those governments are doing a big favor for the taxpayers when they really are not. In reality, those governments are trying to give some degree of relief for tax burdens already so high they know the necessity of such relief. Using special incentives also has the unfortunate potential of shifting the percentages of total tax burdens borne from one type of taxpayer to another. Lastly, tax rate reductions produce total tax revenue increases through increased business activity, thus enabling us to both cut taxes and maintain services simultaneously.

The new business and labor report minces no words in endorsing this study and calling for swift action. The report concludes:

> All of the working groups have concluded that the rising level of New York City and State taxation of individuals and businesses is increasingly uncompetitive and a major cause of job loss. Indeed, our studies strongly confirm reports of other organizations that many elements of the City and State tax structures are counter-productive to future industrial and employment growth in New York City. Public tax policy must recognize that a lesser share of something is better than all of nothing, and that it is the tax base with which we must be increasingly concerned.

We particularly urge thorough study and swift action with respect to the following areas:

First. Reduction of the stock transfer tax on transactions with the public.

Second. Alleviate noncompetitive business and manufacturing taxes. These include the occupancy tax, the tax on machinery and equipment, the executive alternative tax, and the sales tax on advertising and printed matter.

Third. Work toward parity in bank taxation.

Fourth. Stabilize and reduce the real estate tax. High real estate taxes have an increasingly serious impact on New York's commercial and residential base, and

Fifth. Taxation of individuals. Recent studies point to the fact that New York's high personal income taxes are noncompetitive with our neighbors, and thus a continuing source of job erosion in corporate headquarters, manufacturing and related service areas. This disadvantage erodes not only the general job base, but also the middle and upper middle income residential and professional base necessary to the city's future.

Action to make New York taxes more competitive is imperative.

We urge that a complete tax review continue immediately and include three elements:

First. Specific job impact analysis by sector. In order to determine appropriate tradeoffs, every tax should be evaluated from the point of view of jobs lost or jobs created—its economic impact versus its impact on revenue—and this should be the prime criterion for tax change.

Second. An ongoing effort, involving both business and labor. We recommend that some ongoing mechanism be created, involving business, labor, State and City officials, to review tax issues in a consistent manner, and

Third. A recognition of longer-term, overall policy needs. In taxation, the natural tendency seems too often to find the nearest available goose, squeeze it for what it is worth, and then go on to the next subject. We would urge that future tax policy should take greater account of broader goals such as the encouragement of employment, as well as energy conservation or housing rehabilitation.

The city and State of New York—the mayor and council, the Governor and the legislature—would be well advised to take heed of these recommendations and pursue the course offered. Unfortunately, that is not the course being followed by either the mayor or the Governor.

The mayor has proposed additional real estate taxes of up to $485 million, and his temporary finance commission has recommended a double New York City tax on nonresidents. The Governor has proposed selective individual tax reductions which will ultimately increase the tax burdens borne by the lower- and middle-income groups, as upper-income groups continue their exodus because rates applying to them were not similarly reduced. Plus, the Governor wants to extend the devastating corporate income surtax which is inhibiting capital investment in New York.

If the business climate is going to be improved in New York—and it must be improved if we are ever to stop and then reverse, the outflow of industries, jobs, and dollars—it will require a lot more forward thinking than the mayor and the Governor have shown to date. I will return to this point in a few moments.

WORKING GROUP'S PROPOSED ACTIONS TO IMPROVE THE ECONOMIC CLIMATE

The business and labor working group report makes a number of additional recommendations, couching them in terms of what the real problems are. That report makes a persuasive case, and I will attempt to summarize it here.

Increased fiscal self-discipline must be accompanied by vigorous actions to maintain and strengthen the city's economic and job base. There is consensus that private sector jobs have too long been taken for granted, so that the present economics of doing business in New York are often uncompetitive. There is, therefore, a need for greater emphasis on economic factors in a manner that recognizes the common good. Those most concerned with jobs now feel that too often short-term or highly localized or vocalized special interests have been allowed to destroy efforts for the general and basic public well-being. Lastly, there is the need for ongoing cooperation between management and labor and between the public and private sectors. New York has vast, often unrecognized and enduring sources of strength. Not the least of these is the fact that business and labor could work so closely together in an effort of this importance.

The costs of doing business in New York have historically been relatively high, but they have been offset by solid competitive advantages in terms of such factors as location, labor supply, marketing and supportive services. In recent years, however, these and other advantages have diminished at the same time costs have continued to escalate. The result in many cases is a highly noncompetitive position that has led to the loss in New York City of 582,900 private sector jobs since 1969.

The working group then identified a wide range of economic disadvantages that should be corrected, as well as economic opportunities that should be built upon. Their recommendations fall into five categories: Tax reform, regulatory reform, business development, promotion and marketing, and capital projects, and investments.

I have already discussed their findings as to tax reform.

REGULATORY REFORM

As to regulatory problems, there are recurrent themes which demand immediate attention. The State and the city's regulatory agencies must include a greater awareness of their impact on economic vitality and jobs in their decisions.

In order to improve the economic environment with respect to the burdens of regulation, the working group proposed six actions:

First. Cut the redtape by creating time limits for the issuance of permits, by using one-stop reviews wherever possible, by the preparation of a clear guide to city agencies, by giving authority and resources to the Office of Economic Development in order to serve as a central point of clearance and arbitration in regulatory matters, and by eliminating duplicative and unnecessary regulatory agencies and functions.

Second. Create local improvement mechanisms, including in-place industrial parks.

Third. Change the city's purchasing policies to bolster New York's economy, urging that a new formula be created to acknowledge the overall economic impact of using indigenous suppliers.

Fourth. Improve New York's position as a center of world trade.

Fifth. Reduce energy and utility costs.

And last, mitigate the impact of trade regulations adverse to New York's economy.

BUSINESS DEVELOPMENT

New York City and State possess a host of potential tools to attract businesses to the city and assist business expansion, but New York has a poor record at best of accomplishment in these areas.

The working group, thus, recommended the following actions:

First. Focus and augment existing public efforts, providing realistic supportive budgets. The Public Development Corp., for example, doese not have a budget for advertising or the payment of brokerage fees to attract new business. A major stumbling block to the implementation of an effective development strategy is the provision in the State constitution which restricts the ability of public agencies to provide money or other services for necessary projects. Thus, the working group urged the current gifts and loans provision of the constitution be altered so as to facilitate the assemblage, preparation, and marketing of industrial parks and related facilities.

Second. Explore the creation of a private industrial development bank to facilitate small business financing needs.

Third. Extend the assistance of the job development authority to employers who rent additional space for the purpose of increasing production and thus provide more job opportunities. It would also be desirable to amend the New York State constitution to authorize the job development authority to participate in the financing of the purchase of machinery and equipment acquired by a firm whether or not such equipment is located on the premises it rents or owns.

Fourth. Involve business and labor leadership more deeply in the business development process.

Fifth. Institute a private sector buy New York campaign.

PROMOTION AND MARKETING

Because of New York's longstanding attractions and strong competitive position, the city has never felt the need to launch a large-scale promotion and/or business attraction campaign. Times have changed. As the city's image has become tarnished in spots and competition from other localities has stepped up sharply, the city has lost nearly all of its edge.

The working group feels it is essential that New York mobilize all available resources to maintain and attract both people and jobs. Real assets must be exploited and built upon through the im-

plementation of a comprehensive and completely professional marketing plan, perhaps including a new public/private mechanism focused solely on marketing. Toward this end, the working group recommended three actions.

First. Creation of a unified point of strategy and appointment of a director for the city's marketing effort.

Second. Augmentation of the city's convention and tourism efforts.

Third. Speaking up more for the city. I think all of us who are sympathetic to the problems of New York have felt this has been one of the biggest problems—too few people speaking up for what is right with the area.

CAPITAL INVESTMENT

Capital investment by both the public and the private sectors is essential to New York's present and future job base. Most of the suggestions in the working group's report, particularly those directed at tax reform, are aimed at maintaining the current or attracting new private sector investment. The importance of this should be readily apparent, when one reflects on the fiscal situation in the city and State, one which makes any public sector investment highly problematical no matter how important. The working group did recommend two major projects of special merit, urging they proceed with all possible speed—the Westway project and the convention center.

The working group also makes important recommendations respecting public and private policies and actions with respect to the quality of life.

GOVERNOR CAREY'S NEW TAX PROPOSALS: ARE THEY A STEP IN THE RIGHT DIRECTION?

On January 18, Governor Carey presented his budget, containing the features he had outlined in his state of the State message for revitalizing the State's economy. Unfortunately, I believe that the Governor is taking the wrong approach and that his proposals, if enacted, will do nothing to reverse economic stagnation throughout New York.

It is clear to most that a reversal of the factors which caused industry to leave New York would also cause a reversal of this trend. Since high tax rates are the most important of these factors it is the one which needs the most substantial revision.

To his credit, Governor Carey does make a cut in taxes a feature of his program. He has proposed elimination of the personal income tax surcharge; a move designed to return $100 million back to the people each year. He also wants to make additional cuts of $100 million aimed at low and middle income groups. This will make a total of $200 million in tax cuts, but unless they are across the board they will be counterproductive.

These tax cuts should have been across the board on all New Yorkers, because the problem is not just taxes in the lower and middle income people but on upper incomes as well and they are deserting the State. It is the higher income people and businesses who when affected by high marginal tax rates, leave the State. If nothing is done to give incentives to these groups as well there will be no change in their migration to the sunbelt or other areas where the cost of government is considerably lower and they are not abused.

Along with a general reduction in everyone's tax rates, New York must also eliminate the corporate surtax. This would immediately have positive effects on New York businesses plus attracting new investment into the State. I know this will take courage, but New York needs a departure from politics and economics as usual.

Instead of addressing himself more fundamentally to the problem of high taxes, Governor Carey proposes several things designed to lure businesses back to New York: First, an increase in the budget of the job development authority; second, an increase in capital construction projects through a $750 million bond issue; and third, additional efforts to secure commitments for building projects from the Federal Government and the Port Authority of New York and New Jersey.

What is wrong with this strategy is that the job development authority cannot attract new business until it has a better product to sell; namely, a better climate for investment through reduced taxes. Floating another bond issue only mortgages the future and repeats the same errors which got New York City and New York State into their present situations. After all, today's bond issue is tomorrow's taxes anyway. And Federal matching funds will still require new expenditures by the State for projects that cannot be sources of future tax revenue or employment. Though some jobs will certainly be created by these efforts in the short run, they cannot possibly begin to put New York State back on the path of sustained economic growth and prosperity.

The Governor's problem is understandable. Cutting taxes appears to result in a reduction of State revenues since he is constitutionally mandated to balance the budget each year, it is difficult for him to see how this could be otherwise. But the fact is that substantial permanent cuts in tax rates would not mean a loss in tax revenues. New jobs would be created, businesses would be able to expand, profitability would increase, the business migration out of New York would stop, and workers and consumers would have greater disposable incomes. The increase in productivity, capital spending, and jobs would produce enough new revenue to more than offset the cut in taxes. These will be permanent jobs in the private sector, producing additional revenues year after year, rather than temporary jobs in the public sector which can only exist on increased taxation.

THE FUTURE COURSE

As I said, it will take great courage to reverse the course that New York has followed for decades and learn some lessons from the corresponding growth in other parts of the country. A simple comparison will show that the level of taxation is by far the most significant difference between the economies of the Northeast and the Southwest. Consequently, the tax rates are the first things which must be revised in any program to stimulate the economy of New York and revitalize the Northeast.

When the Congress is being encouraged to authorize additional Federal assistance for New York, the working group's report and the Governor's proposals become very relevant. The Congress needs to know what New Yorkers are doing to improve their economic condition. The Congress certainly needs to know there is movement toward abandoning the spend-and-tax-and-spend policies which got New York into trouble to start with. It needs to know how much or how little hope there might then be for New York getting back on its feet again in the near future. The working group report shows that some influential New Yorkers are prodding the State's and city's elected officials to move in the right direction. We should be encouraged by it regardless of politics for the good of New York and the good of our Nation.

PUBLIC WORKS IMPROVEMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY) is recognized for 5 minutes.

Mr. McKINNEY. Mr. Speaker, despite the fact that Connecticut's Fourth Congressional District received $11,426,947 in title I public works funds last December, I was sorely disappointed that the Economic Development Administration's ultimate selection process resulted in some rather obvious and severe inequities.

At that time, I and a number of my colleagues requested a Government Accounting Office—GAO—study of the program to determine "whether this Agency—EDA—is following Congress expressed intent in this act, and whether, as presently administered, the act will have the desired effects of stimulating the economic recovery and reducing unemployment."

That study, released just yesterday, identifies several statutory changes which would serve to direct round II public works funds to those people and places most in need of this type of stimulus. Therefore, I am pleased to rise in support of H.R. 11—a bill which contains most of those improvements—and urge prompt approval of this increased funding proposal.

It is not often we get a chance to "fine-tune" one of our legislative efforts so soon after its initial implementation. However, by eliminating the 70/30 percent funding split, eliminating gerrymandered unemployment figures, expanding the unemployment criteria from 3 to 12 consecutive months, and by requiring applicants to rank their project proposals, this bill corrects the statutory flaws which resulted in disproportionate suburban awards and too often left our cities drastically underfunded. Furthermore, this increased urban focus enables public works dollars to more immediately and directly create employment among construction and materials workers now forced to draw upon overburdened urban

welfare and unemployment rolls. Although the scant reliable analysis available indicates that public works projects have only an indirect impact on unemployment among the unskilled, the young and minorities, I believe these improvements will serve to spread the benefits of construction stimulus to those groups as well.

In addition, H.R. 11 mandates a priority for energy conservation and energy efficient projects—a wise move in view of a severe winter which has only aggravated energy-related unemployment. This bill also requires materials and equipment used in public works projects to be of U.S. origin. While I agree this idea has a nice ring, it is practically impossible and politically unwise. Amendments to strike this clause and require only American laborers on public works projects—a provision strangely absent—would be welcome.

To accompany these statutory changes, EDA has promised to alter those aspects of its allocation formula which diluted the impact of the program. The use of State planning targets, the coordination of area and local benchmarks, the accumulation of round I unfunded benchmark figures and round II benchmarks, and the deemphasis of per capita income in the scoring process will meet the complaints of those who felt that December's awards funded projects to distant from real unemployment pockets and ignored cost of living differentials. Also, by establishing December 23 as the deadline for round II applications, this legislation recognizes that Congress grossly underestimated the demand for public works moneys in the first place.

In testimony I submitted to the Economic Development Subcommittee of the Public Works and Transportation Committee, I noted the experience of the seven Connecticut cities and towns I represent in applying for public works grants and suggested how these statutory and administrative changes would improve the programs' impact there. Another administrative change which I believe to be necessary is the designation of a separate New England EDA region. Presently, EDA's Region I office in Philadelphia is responsible for the largest and certainly most diverse constituency consisting of 16 Eastern States. Not only do New England's unique employment needs go unaddressed in that regional plan, but practically speaking, the Philadelphia office was unprepared and ill-equipped to handle the volume of applications it was required to score. In my view, a separate New England region would make the program both more effective in meeting its stated goal of reducing hard-core unemployment and more efficient in adequately evaluating program applications.

I received word this morning that the Department of Commerce and EDA officials have tentatively agreed to reestablish a New England regional office of EDA. This is most encouraging news and I only hope that office can be functioning in time to facilitate future public works, countercyclic aid and economic development efforts.

Critics of increased public works funding cite the traditionally long lead times for such projects and voice fears that H.R. 11 will inflate an already stimulated economy rather than stimulate a sluggish one. Given the volume of worthy applications worth more than six times the maximum spending levels we authorize today, I see this bill as providing a solid base of economic recovery activity through fiscal year 1980. Both present and proposed requirements that preference be given to fast-starting, labor-intensive projects should insure that public works funding remains a non-inflationary part of our overall economic improvement process.

LEGISLATION TO INSURE INCREASES IN SOCIAL SECURITY ARE PASSED THROUGH TO INDIVIDUALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 5 minutes.

Mr. WHALEN. Mr. Speaker, today my colleague from Ohio (Mr. SEIBERLING) and I will introduce a package of five bills targeted at seven means-tested Federal programs which normally allow individuals who also receive social security to be adversely affected by automatic cost-of-living increases in the social security program.

Currently, increases in social security benefits are counted as income for the purpose of participation in other Federal aid programs. When the income of a recipient of a means-tested program increases, that benefit does not necessarily go to the individual. Instead, it may be withdrawn in effect by increased rents in public housing, by increased charges for food stamps, by loss of eligibility for programs such as supplemental security income—which also affects eligibility for medical care under medicaid, by decreased veterans' benefits or similar actions.

The purpose of today's legislation is to insure that intended increases in social security income are indeed passed through to the individual.

Approximately 40 Members are joining us today in the initial introduction of this legislation. During the 94th Congress, 144 Members endorsed resolutions expressing the sense of the Congress that automatic cost-of-living increases in social security should not trigger cut backs in Federal or federally assisted programs. In May of 1976, our colleague from New Jersey (Mr. RINALDO) succeeded in attaching an important amendment to the Housing bill which would have prevented social security recipients from receiving automatic rent hikes at public housing projects as a result of the July increase in their social security checks. This amendment carried in the House by 260 to 99, but was dropped by the Senate.

For too long we have given with one hand and taken away with the other. This cruel hoax is worked against those who have been hardest hit by our continuing inflation, the elderly and the poor.

The five bills we are introducing at this time, if enacted, would prevent this recurring injustice in the following areas: Veterans' pensions for nonservice connected disability and some veterans' compensation; certain Federal housing programs; aid for families with dependent children; supplemental security income in some States; medicaid; the food stamp program and distribution of surplus commodities.

TARIFF ON CANCER DRUG PLACES BURDEN ON PATIENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Delaware (Mr. EVANS) is recognized for 5 minutes.

Mr. EVANS of Delaware. Mr. Speaker, as we all know, cancer has become one of the most dread diseases in the United States today. Millions of dollars are being spent by the Government and private industries for research aimed at stemming the ever-increasing tide of fatalities from this disease.

One of the most promising avenues in the care and treatment of the cancer patient is in chemotherapy treatment by a variety of drugs aimed at preventing the further spread of cancer and hopefully controlling this disease.

One drug recently introduced into the United States which has demonstrated significant activity in the treatment of cancer is trademarked Adriamycin doxorubicin hydrochloride. Because of its method of manufacture, this drug is classified as an antibiotic and comes into the United States from Italy with a 5-percent tariff imposed under section 437.32 of the Tariff Schedule. My bill would suspend this duty for 2 years. The drug is manufactured in Italy and the U.S. patent is held by an Italian pharmaceutical company.

Mr. Speaker, this drug is used in the treatment of acute leukemias, malignant lymphomas, Wilm's tumor, soft tissue and bone cancer, and cancers of the breast, lungs, ovaries, bladder, and thyroid. Adriamycin is cytotoxic, that is, it kills cells and its activity in killing cancer cells was significant enough to attract the National Cancer Institute as the sponsor for the new drug application approved in 1974.

The National Cancer Institute itself is the single largest domestic customer for this material. Because of the toxicity of this drug, it is used solely as an antineoplastic agent and is recommended for use only by physicians qualified in the area of cancer chemotherapy. Treatment with Adriamycin requires close observation of the patient and extensive laboratory monitoring.

Adriamycin, although it cannot be considered a breakthrough or a cure for cancer, does occupy a specific and well-received place in the field of cancer patient care. Adriamycin is not produced in the United States and it is not in direct competition in the marketplace with other antineoplastic agents. Instead, it augments or supplements other forms of

treatment and the use of other anti-neoplastic drugs.

The nature of this drug is such that it is administered periodically over a period as long as 6 months. A course of treatment could cost as much as $1,200 to $1,500. As mentioned, the single largest customer in the United States is the National Cancer Institute. This Government contract provides that the National Cancer Institute shall receive a reduction in the price of the drug as of the effective date of any suspension of the tariff.

The domestic distributor also intends to register a general price reduction should the tariff be suspended.

The suspension of the tariff will have a significant and immediate effect on the medical costs, which are placing a heavy burden on many cancer patients.

I urge swift consideration of this measure.

WORKERS' COMPENSATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. SARASIN) is recognized for 30 minutes.

Mr. SARASIN. Mr. Speaker, I rise at this time for the purpose of calling your attention to the January 19, 1977, report of the Policy Group of the President's Interdepartmental Workers' Compensation Task Force. That policy group consisted of representatives of the Departments of Health, Education, and Welfare; Labor; Housing and Urban Development, and the Office of Management and Budget.

In December 1970, before I became a Member of this body, the events leading to this report were set in motion with the enactment of the Occupational Safety and Health Act. However, most of us are aware that OSHA created the first National Commission on Workers' Compensation which was authorized to conduct a study to determine if the workers' compensation statutes of the 50 States provided for an "adequate, prompt, and equitable system of compensation" for work-caused injuries and diseases. In its mid-1972 report the Commission made 84 recommendations for the improvement of State workers' compensation laws and their administration. The Commission labeled 19 of those recommendations as essential and urged uniformity in those areas. It further recommended the creation of a second commission to evaluate and chart the progress of the States and to assist them in their efforts to comply with these 19 essential recommendations. The January 19 report of the policy group outlined the accomplishments of the States and the task force, as well as its recommendations. Not yet available are the underlying research studies and reports on the results of its technical assistance to the States.

At the same time that the task force was engaged in this task, the predecessor of the Subcommittee on Compensation, Health, and Safety on which I then served and am now ranking member, held extensive hearings on bills to establish Federal standards for those State laws. In my view, these bills and hearings did not resolve some of the more serious questions regarding the feasibility and necessity of federalizing the workers' compensation system at this time. The task policy group has concluded that "legislation to federalize the system is not warranted at this time."

While the policy group "assessment of the progress which has been made by the States shows that they have put forth considerable effort to improve their workers' compensation systems," it recommended that "the technical assistance effort be increased significantly in size" and that the "Federal Government offer an appreciable amount of short-term grants to States interested in installing data systems and implementing particular reforms." The policy group report declared that an "active and effective role for State workers' compensation agencies is central to its recommendations." The case the report makes for formalizing and increasing technical assistance, grants to the States and monitoring of their progress cannot be ignored.

I have noted with interest that prior to our having the benefit of this latest report, JOSEPH GAYDOS, my colleague and the new chairman of the subcommittee has introduced a bill on the subject (H.R. 2058). I feel that the subcommittee should continue its activities in the national effort to improve the workers' compensation laws of the 50 States. To that end I look forward to the hearings where we will have the benefit of the underlying research studies and findings and reports on the results of the task force technical assistance effort. As these hearings progress I hope to be able to keep you advised on matters of significance as they develop.

COFFEE PRICES, WHY ARE THEY SO HIGH?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, the higher and higher prices of food are of increasing concern to me. This week, two House subcommittees held hearings together on one important commodity—coffee—which has tripled in price in the past year alone.

I wanted to offer my testimony at these hearings because I feel that even though coffee is not an integral part of anyone's diet, finding out why prices have skyrocketed is necessary if we are going to avoid this situation with other products.

The following is my testimony delivered on February 22 before the Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition; and the Subcommittee on Commerce, Consumer, and Monetary Affairs:

TESTIMONY OF REPRESENTATIVE FRANK ANNUNZIO, CHAIRMAN—CONSUMER AFFAIRS SUBCOMMITTEE

Mr. Chairman, as both a consumer advocate and a coffee consumer, I have spent a great deal of time trying to decide whether or not to join the nationwide coffee boycott. I have a few thoughts to offer you today which I don't believe will provide as many answers, as take-off points for discussion on why prices are so high, and also how to avoid future upheavals with other internationally traded commodities.

I sincerely hope that at the end of these hearings we do have more answers in these admittedly technical areas of international trade, for it is the consumer who is paying the tripling and quadrupling prices. We may not be able to bring prices back down to pre-1975 levels, but we can at least try to offer some sound explanations as to why not.

I would first like to address myself to the present state of affairs in Brazil because I feel that is where the key to this problem rests. I am sure we are all aware that Brazil's annual production of coffee represents the bulk of America's consumption and world production. Certainly, in world-wide coffee economics, what is good for Brazil must be good for America.

NOT A TRUE SUPPLY-DEMAND SITUATION

This would be accurate in a true supply-demand situation. But I maintain that recent developments both inside Brazil, and between Brazil and other countries, has caused a distortion of that type of market and are the reasons coffee prices are so high. Sure, the frost is significant, but it is not—in my opinion—*the* factor pushing our prices toward $4 a pound.

Brazil has had problems recently which are not matched anywhere else in the world. This country, which was once labeled "The Economic Miracle" during the late 60's and early 70's, is fast becoming an economic shambles.

To elaborate quickly, Brazil is experiencing growth pains. Its standard of living has been raised remarkably in the past ten years, creating a huge market for imported goods. This also holds true for industry; the demands for higher technology have caused the importation of expensive computers and machinery. The result is a total national debt of about $28 billion, with an import-export deficit of $2.3 billion last year alone. Add this economic drain to that created by the quadrupling of oil prices in the past five years, and you have an inflation rate of nearly 50% there. All of this—I am very sorry to say—has had a devastating effect on Brazil's economy.

COFFEE IS LIKE OIL IN INTERNATIONAL TRADE

Another statistic which I want to inject here is the fact that coffee is the world's second most-traded commodity. That is, next to oil, coffee is the second biggest product in the international marketplace. And like oil, coffee is money. And hoarding, profiteering and speculation seem inevitable.

Brazil has shown its economic genius in the past, but I am afraid that its present state of affairs coupled with the strong lesson of the oil cartel successes, have caused them to want to "spread the wealth" or devastation, so-to-speak, to the U.S. consumer. By withholding coffee from the market and triggering a doubling, tripling and finally a quadrupling of the price of coffee, the Brazilians might just be hoping that the American consumer won't mind paying off some of that debt for them.

The hard part to admit, Mr. Chairman, is that there is nothing illegal about this. Objectively, it even makes sense. If the American consumer is willing to pay $4 per pound and Brazil needs the money so badly, why not keep the coffee back?

My position is this—if we are going to have a Brazilian foreign aid program, let's organize it, publicly announce it and fund it through the usual legislative processes. Let's not allow Brazil to design one around our addiction to a couple of cups of coffee in the morning. Consumers pay taxes which are supposed to fund our foreign aid programs and

payments into multilateral bank loan programs. If Brazil needs money, let them borrow it from the World Bank like other countries do.

I do not want to present my views solely as an attack on Brazil, but I feel that Brazil is the leader of coffee producers—if unofficial—and that Columbia, the Ivory Coast, Nicaragua and all, more or less look to Brazil for leadership. When Brazil raises prices, the others raise prices. The price went from 50 to 80 cents per pound as soon as the Brazilian frost damage become known in July of 1975. Other countries followed right along, despite the fact that no damage had been suffered there at that time.

Brazil has also bought coffee from El Salvador and others to keep it off the market until the price was higher and they smacked on a steep export tax of five times the pre-frost level. This means now that Americans pay $1.2 billion a year in taxes alone for the privilege of importing Brazilian beans.

UNITED STATES AND BRAZIL DIFFER ON CROP SIZE

Estimates vary, but U.S. Department of Agriculture predictions of the Brazilian crop far exceeded Brazilian promises. The latest figure showed a differential of 2.5 million bags. That's about 330 million pounds of beans! Therefore, I think one of the biggest questions to be answered in these hearings is whether those stockpiles of coffee which Brazil held a year ago in excess of 20 million bags, have indeed been depleted, or whether there is a serious attempt at boarding here. If there is, then I suggest some official U.S. moves which will make it clear that the United States will not condone the use of this mechanism against the American pocketbook.

This brings me to the second area I would like to discuss this morning and that is our international trade agreement on coffee. I have serious reservations as to whether this was an actual agreement or a concession on our part. The idea sounded good: help the frost-ridden producers by assuring them a minimum price later if they will work hard to replant now. In return, those producers were supposed to ship their reserve supplies to the United States now in an effort to lower skyrocketing prices.

COFFEE AGREEMENT SHORTCOMINGS

It sounded like a great agreement, accomplishing the stabilizing effects it was supposed to.

But, in establishing a minimum price we consumers will pay, the agreement sets no ceiling. No level was set which, in effect, guarantees the same protection for the consumer that is guaranteed for the producer by the minimum level. The way it turned out, producers are always protected; consumers aren't.

The International Coffee Agreement also includes no provision which penalizes stockpiling. Indeed, this one issue which has become so important now, was a point of contention between the Americans and the Brazilians during the negotiations. The U.S. finally compromised and an agreement was reached. According to the Wall Street Journal of November 28, 1975:

"The U.S., which has long suspected Brazil of market-rigging by withholding supplies at crucial moments, sought to penalize nations that don't fulfill their quotas. Brazil adamantly refused any sanction. The compromise rewards nations that allow their deficits to be reallocated, but doesn't penalize those that don't.

Therefore, Mr. Chairman, I submit that our negotiators entered into this agreement knowing full-well that it might someday sanction hoarding at the expense of the American consumer, and that that someday was at hand since the agreement was made only four months after the frost. Given the fact that despite Brazilian attempts to convince us of severe crop shortages. I have yet to see a supermarket shelf which isn't packed with quality Brazilian coffee at three to three fifty a pound.

The final reservation I have about the ICA is that it provides that one-tenth of one percent of the price of each pound of coffee be put into a promotion fund. That means that the U.S., which is expected to buy about 2.64 billion pounds of coffee this year, will be throwing in millions of dollars for advertising in order to be convinced to drink more of it. Now, I'm not one of those who believes that coffee is an addictive drug, but I do NOT feel it is a healthy habit. As a matter of fact, I have read of several medical studies which associated coffee with ulcers and heart disease, and cited the possibility that coffee could be linked with birth defects and bladder cancer. In light of this, adding to the price of coffee to pay for promotion seems irrational. But I would at least hope that our priorities would require that we match that amount with study grant money which might help determine what effects coffee truly has on the medical well-being of Americans.

Finally, Mr. Chairman, just let me throw out a few more thoughts about the importance of this situation from a more general perspective and about why I decided to support the coffee boycott.

It appears now that all food prices are going to go up again later this year. With the severity of the winter in Florida and in other food producing states and the horrible drought currently threatening crops in the West, we can expect to spend more than ever on food. Beef producers who cut back because of high grain prices in the past two years will also be bringing in far less meat than last year and the result will be higher prices there too.

FOOD PRICES RISE

A few years ago, food prices amounted to less and less of each paycheck. Today, that trend has been reversed. An average family today pays more in food prices than on any other necessity. And incomes are only increasing about one-half as fast as food prices.

The Carter Administration has made it clear this winter that the key to our future will be in our willingness to conserve. That implies a readiness for Americans to give up some of their creature-comforts. That may mean we eat less steak, it may mean we give up our big cars, or it may mean we turn our thermostats lower than ever before. But our future depends on our willingness as a population of two hundred and ten million to do these things in unison.

Coffee is not a necessary part of anyone's diet. It is not something Americans are going to have to have in the future. Right now, however, we are paying triple last year's price for every pound and crop blight and American dock worker disputes threaten to make the situation even worse. My point is that unless we can cut back and show the producers of coffee and the producers of oil and of every other limited commodity that we can do it, we will be vulnerable to repeated shortages. And declaring economic war will become the prevalent way to do business in this world.

RENEGOTIATION REFORM ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. MINISH) is recognized for 10 minutes.

Mr. MINISH. Mr. Speaker, I am today introducing the Renegotiation Reform Act of 1977. The following members of the Subcommittee on General Oversight and Renegotiation are joining me as cosponsor of this measure: Mr. EVANS of Indiana, Mr. GONZALEZ, Mr. ANNUNZIO, Mr. ALLEN, Mr. MITCHELL of Maryland, and Mrs. SPELLMAN. In addition, I am pleased that Chairman HENRY S. REUSS of the full House Banking, Finance and Urban Affairs Committee and Chairman JACK BROOKS of the House Government Operations Committee have agreed to cosponsor the legislation. Mr. STEWART MCKINNEY formerly of the subcommittee, is also a cosponsor.

Renegotiation is the process under which the Government attempts to reclaim excessive profits on defense and certain other Government contracts. Unfortunately, authority under the law was allowed to expire last September when the Senate failed to consider comprehensive House-passed legislation to reform the act.

The bill I am introducing today would revive the authority for renegotiation retroactively to last September, and make the act itself permanent. It is clear that we must do our utmost to see that the American taxpayer is not "ripped off" by excessive profits on defense contracts relating to the national interest and national security of our country.

The Renegotiation Act has been extended 14 times since 1951. These short term extensions have adversely affected the operation of the Renegotiation Board by discouraging the development of long-range planning, long-range programs, and the recruitment of a high caliber professional staff. By making the act permanent, we will alleviate these problems and provide continuous assurance that the American taxpayer is not being overcharged in his investment in our Nation's defense.

In brief, other important provisions of the bill include a grant of subpena power to the Renegotiation Board and its regional boards in order that they may have access to sufficient and adequate information on which to base their decisions. The bill also requires auditing of information submitted to the Board and provides that renegotiation will be conducted by division and major product lines within a division. This latter provision should be especially effective in preventing the large conglomerates from averaging profits and losses from unrelated product lines in order to escape renegotiation.

In order to insulate the Board from political pressures, the bill grants staggered, 5-year terms for Board members and provides that no more than three members may be from the same political party.

Presently, a large proportion of the filings with the Renegotiation Board are tardy. The bill, therefore, provides civil sanctions for contractors who fail or refuse to file required information with the Board.

The measure modifies the standard commercial articles exemption and repeals the oil and gas exemption. In addition, it increases the minimum amount

subject to renegotiation from $1 to $2 million, thus allowing many of the smallest Government contractors, who now bear a disproportionate share of excessive profit determination, to escape the process entirely. This "minimum filing floor," Mr. Speaker, has not been raised since 1956.

The Subcommittee on General Oversight and Renegotiation will conduct hearings on this legislation in the near future. I am hopeful that both the House and Senate will recognize early in this Congress that there is a need for an effective renegotiation process.

At this point in the RECORD, I include a section by section summary of the proposed bill:

SECTION-BY-SECTION ANALYSIS OF PROPOSED RENEGOTIATION REFORM ACT OF 1977

SECTION 1.—*Title:* This section provides that the Act may be cited as the "Renegotiation Reform Act of 1977."

SECTION 2.—*Removal of Termination Date:* Paragraph (a) of Section 2 removes the termination date of the Renegotiation Act of 1951, thereby making the Renegotiation Act of 1951 permanent.

Paragraph (b) of Section 2 redefines excessive profits by deleting the phrase "war and peacetime products" and inserting "renegotiable and nonrenegotiable products and services."

Paragraph (c) of Section 2 is a technical amendment which reflects the reorganization of the Atomic Energy Commission. The provisions of the Renegotiation Act will now include the Nuclear Regulatory Commission and the Energy Research and Development Administration.

SECTION 3.—*Terms of Office and Political Affiliation of Members of the Renegotiation Board:*

Paragraph (a) of Section 3 grants the Board members a five-year term of office and provides that no more than three members of the Board may be members of the same political party.

Paragraph (b) of Section 3 provides that paragraph (a) shall apply only to members appointed to the Board on or after January 1, 1978, and further provides that members of the Board as of December 31, 1975 shall be appointed for terms ending December 31, 1978, 1979, 1980, 1981, and 1982.

SECTION 4.—*Procedures for Renegotiation:*

Paragraph (a) of Section 4, Subparagraph 1, provides that the Board shall make an agreement with the contractor with respect to elimination of excess profits or the Board shall issue an order determining the amount of excess profits. Further, it provides that the Board's order is final and conclusive unless appealed to the U.S. Court of Claims.

Paragraph (a) of Section 4, Subsection 2, provides that renegotiation should be conducted by division and by major product lines within a division, rather than by analyzing the total aggregate renegotiable sales of a contractor in a fiscal year. This section also prohibits the use of the percentage of completion method of accounting. Further, it provides that in the case of a long-term contract, in which a stated price for a production unit or a unit of service is established, the amounts received or accrued shall be included in the fiscal year in which such units are delivered or services rendered or, in the alternative, in the fiscal year in which the contract is completed.

SECTION 5.—*Elimination and Amendment of Exemptions for Certain Contracts:*

Paragraph (a) of Section 5 provides for the repeal of the oil and gas well exemption.

Paragraphs (b) and (c) modify the standard commercial article exemptions by: 1) Increasing the percentage of goods which must be sold commercially from 55% to 75%; 2) Repealing the class of articles exemption which allowed an article comparable to standard commercial articles to be exempted; 3) Excluding from the commercial sales denominator (in computing the commercial articles percentage test) the sales to non-covered federal government agencies; 4) Repealing the commercial services exemption.

SECTION 6.—*Increase in Floor Level:*

Paragraph (a) of Section 6 increases the minimum amount subject to renegotiation from $1 million to $2 million.

Paragraph (b) provides that the minimum amount subject to renegotiation for agents or brokers is increased from $25,000 to $50,000.

SECTION 7.—*Penalties for Failure to File Certain Statements or for Filing Misleading Information:*

Paragraph (a) of Section 7 provides that any contractor who knowingly fails or refuses to file any data on or before the date required by the Board, shall be subject to a civil penalty of $100 a day. The maximum civil penalty is $100,000.

Paragraph (b) of Section 7 provides that any contractor who knowingly furnishes false information to the Board shall, upon conviction, be punished by a fine of not more than $50,000 or imprisonment for not more than one year, or both.

SECTION 8.—*Interest on Amount of Excessive Profits:*

Section 8 provides that interest on profits found to be excessive shall begin to accrue on the day following the end of the fiscal year in which the excessive profit was made.

SECTION 9.—*Authority, Salary and Functions of the Chairman and Salary of Other Board Members:* This section enlarges the administrative responsibilities of the Chairman and makes him the Chief Executive Officer of the Renegotiation Board. The Chairman's compensation is increased to Level IV, and Board members' compensation is set at Level V.

Section 10.—*Administration and Powers of the Renegotiation Board:*

Paragraph (a) of Section 10 authorizes a majority of the Board to issue subpoenas requiring the production of any records, books, or any other documents required under this Act. It further provides that any person who refuses to obey a subpoena is subject to a contempt citation.

Paragraph (b) of Section 10 provides for an audit of financial statements, books, and records.

Paragraph (c) of Section 10 provides that the Board shall, not later than 90 days after each fiscal year, submit to the Secretary (as defined by Section 103(a)) a summary of each financial statement reported by a contractor who, for the fiscal year for which such statement was filed, received or accrued amounts under contracts with such Department.

Paragraph (d) of Section 10 provides that the General Accounting Office shall conduct an annual review of activities and operations of the Board and submit a report of such review to Congress.

SECTION 11.—*Repeal of Witness Fees:* Section 11 repeals the payment of fees by witnesses, who appear for the Board, before the U.S. Court of Claims.

SECTION 12.—*Refunding of Overcollections:* This section is a technical amendment which provides for the method of refunding overcollections.

SECTION 13.—*Reports to Congress:* This section changes the due date of the Board's annual reports to Congress to reflect the new fiscal year.

SECTION 14.—*Authorization:* Authorization section.

THE 59TH ANNIVERSARY OF THE DECLARATION OF INDEPENDENCE OF THE REPUBLIC OF ESTONIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. LE FANTE) is recognized for 5 minutes.

Mr. LE FANTE. Mr. Speaker, I wish to join my colleagues and the Estonian American community today in commemorating the 59th Anniversary of the Declaration of Independence of the Republic of Estonia.

The people of this small Baltic nation, bordering on the Gulf of Finland to the north, have sought throughout the centuries to preserve their cultural heritage and to maintain their political freedom alongside their larger and more powerful neighbors.

The Roman historian Tacitus notes that by the first century A.D., Estonia was already established as a "national area." Throughout the Middle Ages Estonia was forced to continuously defend itself against foreign invaders, succumbing first to the Danish kings, and later, in the 18th century, to Russia, from which she won her independence in 1918.

The Estonians can be particularly proud of many aspects of their national culture. Their University of Tartu, which was founded in 1632, is 4 years older than our own Harvard University. A hard-working and tenacious people, the Estonians living in their homeland today enjoy one of the highest literacy rates—99.6 percent—of any people under Soviet domination. And their folklore, among the richest in the world, has won praise for its originality and artistic value.

In every field of endeavor, from literature to the arts, from entertainment to sports, Estonians have excelled. During the Estonian period of independence from 1918 to 1940, Estonian athletes figured prominently in many of the Olympic games, setting records and winning medals in marksmanship, wrestling, and track and field events.

Mr. Speaker, Americans of Estonian ancestry have a heritage of which they can be proud, and I for one am proud that our Nation has never recognized the incorporation of Estonia into the Soviet Union. On behalf of the people of my congressional district and the State of New Jersey, I join in the observance of Estonian Independence Day, confident in the belief that the United States will continue to champion the right of self-determination for the Estonian people, and for all nations of the world.

SOCIAL SECURITY BENEFITS AFFECTING OTHER PENSIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, one of the most glaring inconsistencies in Government today is the fact that we grant increases in social security benefits and then take them away by reductions in

other pensions and programs. I do not believe that this was the original intent of Congress and I feel we have to do something about it.

Therefore I am introducing a bill to help these people on fixed incomes who are penalized by having social security benefit increases offset by reductions in other programs. In some cases, this can result in an aggregate loss of income. In other cases, while there is not an aggregate loss in income in current dollars, their purchasing power has not kept pace with inflation.

When a person gets both social security and veterans' benefits, for example, as the social security goes up, the veterans' pension is adjusted downward. The exact way this happens requires some explanation. It is important to realize the veterans' pension is what is known as a needs based pension. In other words, it depends on what your other sources of income, including social security, are. If the other sources go up, your "need" correspondingly, goes down. I think this principle is basically sound. There have been proposals, however, which would simply ignore all social security income, or all social security increases, for the purposes of determining veterans' pension. I think this goes too far because it creates a "false need" by pretending that the recipient does not have certain income.

My bill would permit certain adjustments in a person's veterans' pension, but the veterans' pension would never be allowed to drop below what it was before the increase in social security. I have sought in my bill to apply this principle to all Federal programs affected by increases in social security benefits. The general principle is this: any increase in social security benefits shall be taken into account in determining the eligibility and the amount of benefits provided under other programs, except that this process would not allow a decrease in the level of benefits provided under the other programs prior to the social security increases. I think in this way, we can keep the principle of needs based programs, while at the same time insuring that no one ends up worse off because of a social security benefit increase.

Mr. Speaker, in the last Congress, I introduced a similar bill which attracted a large number of cosponsors. This year, I have been getting calls asking whether I would reintroduce the bill. The measure I am today introducing represents, I think, an improvement on last year's version and I hope that it also will get a large amount of support in the Congress.

TRAGIC SINKING OF THE MV "T. I. SAWYER"

The SPEAKER. Under a previous order of the House, the gentleman from Florida (Mr. IRELAND) is recognized for 5 minutes.

Mr. IRELAND. Mr. Speaker, in the early morning hours of January 10, a Belcher Oil Co. tugboat en route from Miami to New Orleans sank in 12-foot seas and four crewmen, including the captain, were lost. The home port of this tugboat, the MV *T. I. Sawyer*, was Port Manatee in my congressional district.

This past weekend, Belcher Oil Co. dedicated a memorial garden at Port Manatee to the four who lost their lives—Capt. David E. Lamkin, mate Ronald J. Peterson, engineer Hugh W. Ballard, and cook Clarence Bunherkemper. The employees of Belcher Oil contributed a fitting memorial plaque.

I want to commend Belcher Oil Co. and its employees for dedicating a beautiful garden in memory of these men. I also want to commend the U.S. Coast Guard for their part in rescuing the two survivors of this tragic accident. The families of the men who lost their lives have my deepest sympathy.

RESOLUTION TO REAFFIRM INTENT MANIFESTED BY CONGRESS IN COMMUNICATIONS ACT OF 1934

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. WIRTH) is recognized for 5 minutes.

Mr. WIRTH. Mr. Speaker, along with the gentlemen from Ohio and New York (Messrs. WHALEN and OTTINGER) and 20 of our colleagues, I am introducing a resolution which reaffirms the intent manifested by Congress in the Communications Act of 1934—that competition in the telecommunications industry should be permitted wherever such competition serves the public interest.

In a series of recent decisions, the Federal Communications Commission has authorized competition in limited sectors of the telecommunications industry. These decisions—permitting customers to provide their own terminal equipment including telephone instruments, answering machines, switchboards, and data processing devices, and to contract with specialized carriers for private intercity business lines—have given customers greater freedom of choice and have resulted in substantial savings to both business and residential users. It should be emphasized that these decisions allow competition in limited sectors of the telecommunications industry. The FCC has not authorized competition in markets where the established telephone companies enjoy a natural monopoly, such as the local telephone market.

Having failed in the courts to overturn the FCC's decisions, the telephone companies are now seeking legislation to reverse them and which would effectively put the telephone companies' competitors—who account for less than 1 percent of U.S. telecommunications industry revenues—out of business. Last year, A.T. & T. spent more than $2.5 million lobbying for the telephone industry written Consumer Communications Reform Act. As a result of this effort, the telephone company was able to get a substantial number of Members of Congress to introduce this legislation, better known as the Bell bill, in the 94th Congress. Again, this year, the bill has been introduced, so far, by a much smaller number of Members.

The Pro-Competition Resolution we are offering is, in part, a countermeasure to the "Bell bill." But more importantly, it is a raffirmation of congressional intent regarding competition in the telecommunications industry. The resolution serves also as a statement of support for the procompetitive actions taken by the FCC and the courts during the past decade.

Since Messrs. WHELAN, OTTINGER and I first circulated a draft of the Pro-Competition Resolution, a number of national organizations have taken positions supporting the resolution or opposing the Bell bill. Representative of these are statements by Congress Watch, the National Cable Television Association, the National Citizens Communications Lobby and the Consumer Federation of America. I would like to insert these in the RECORD at this point. I also include the text of the Pro-Competition Resolution in the RECORD:

H.J. RES. 285

Joint resolution providing that competition is reaffirmed as the best means of serving American consumers' telecommunications needs

Whereas American consumers traditionally have relied upon free market forces to provide them with reasonably priced goods and services of superior quality, to allow them diversity and freedom of choice, to assure them of benefits of timely innovation, and to guard them against dangerous concentrations of economic and political power; and

Whereas success in achieving national goals such as stable consumer price levels, quality health care, improved access to education and information services, energy conservation, and other goals which are basic to the quality of life in the United States depends in part upon the availability of modern, efficient, economical, flexible, diverse telecommunications services; and

Whereas the Congress provided in the Communications Act of 1934 for competitive entry into the telecommunications market wherever the Federal Communications Commission determines that such entry serves the public convenience and necessity; and

Whereas the objective of extending basic telephone service to all parts of the Nation has been essentially achieved, so it is timely and appropriate to give priority attention to making more advanced telecommunications services and equipment available to the people of the United States; and

Whereas the Federal Communications Commission has determined that competition is feasible in certain sectors of the United States telecommunications industry, and that "the public interest is better served by permitting consumers to obtain specialized services and equipment from any company or individual that is ready, willing and able to meet consumer needs or demands—rather than by limiting communications users to a sole source monopolist"; and

Whereas the Department of Justice has broadly supported the actions taken by the Federal Communications Commission to encourage competition in the telecommunications industry; and

Whereas the actions taken by the Federal Communications Commission to authorize such competition in domestic telecommunications have been upheld by the courts wherever they have been tested on appeal: and

Whereas American consumers have benefitted from competition in specialized communications and terminal equipment markets because such competition has permitted

suppliers of goods and services to provide them more efficiently and at lower cost; and

Whereas the availability of high quality, low cost data communications services and equipment enhances the effective and economical use of computers in increasing the quality and variety of goods and services available to consumers and in reducing the costs of such goods and services; and

Whereas American Telephone and Telegraph and the independent telephone companies control 97 percent of the United States telecommunications industry, and have experienced undiminished and substantial growth in revenues and profits for both monopoly and competitive services throughout the past decade; and

Whereas the telephone companies' competitors received less than $200 million in revenues in 1975 compared with telephone companies' revenues of nearly $35 billion; and

Whereas the Federal Comunications Commission has determined "that there is no apparent basis for the telephone industry's claim that private line and terminal equipment competition either have had or are soon likely to have any significant impact on telephone company revenues or on the rate for basic telephone services"; and

Whereas studies by regulatory agencies in New York, Massachusetts, and Vermont indicate that there is no credible evidence supporting claims of the telephone companies that their competitive services have been subsidizing local telephone rates but, in fact, indicate that such services have been underpriced and have therefore required higher local telephone rates; and

Whereas the courts and the Federal Communications Commission have recognized the right of the public to attach to the telephone network terminal equipment obtained from sources other than the telephone carriers, where such equipment is privately beneficial without being publicly detrimental, and the Commission has exercised its primary jurisdiction over such equipment to protect that right of the public; and

Whereas the Office of Telecommunications Policy has determined that "there is not any credible evidence that competition in the terminal equipment market will result in damage to the public network or in deterioration in the quality of services derived therefrom": Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That competition is hereby reaffirmed as the best means of serving the American consumers' diverse and rapidly changing telecommunications needs, except where there is clear and convincing evidence that such competition would produce unreasonably higher costs or poorer service for the American consuming public.

CO-SPONSORS FOLLOWING MR. WIRTH

Mr. Whalen, Mr. Ottinger, Mr. Bingham, Mr. Carr, Mrs. Chisholm, Mr. Conte, Mr. Corrada, Mr. Edgar, Mr. Kildee, Mr. Koch, Mr. Mitchell of Maryland, Mr. Moss, Mr. Pattison, Mr. Pease, Mr. Richmond, Mr. Rosenthal, Mrs. Schroeder, Mr. Seiberling, Mr. Stark, Mr. Waxman, Mr. Weiss, and Mr. Wilson of Texas.

PUBLIC CITIZEN,
Washington, D.C., February 9, 1977.

DEAR REPRESENTATIVE: The fraudulently labeled "Consumer Communications Reform Act" has returned in the 95th Congress. Last June, consumer groups and new enterprises recently authorized to compete in the telecommunications industry warned that this special interest legislation would result in higher prices, stifled competition, and increased concentration in a monopoly industry. We testified to the same effect before Lionel Van Deerlin's Communications Subcommittee in September. As a result of the excellent hearings organized by that committee, American Telephone and Telegraph and the established independent telephone systems have found it considerably more difficult to pressure members of Congress into sponsoring the legislation in the new Congress.

Many members who put their names on this legislation last year said, rather apologetically, that they sponsored the bill in order to force a public discussion of the issue of competition in telecommunications. Such a discussion is clearly needed and Chairman Van Deerlin has promised a thorough review of this issue.

Another way however that this issue can be forced is by sponsoring legislation which will reaffirm the decisions of the Federal Communications Commission allowing competition in the limited areas of telecommunications of private line service and terminal equipment. Such legislation will soon be offered, in the form of a Joint Resolution by Congressmen Timothy E. Wirth, Richard L. Ottinger and Charles W. Whalen, Jr.

This proposed resolution puts Congress on record reaffirming its preference for competition over monopoly. The resolution does not, however, foreclose the possibility of monopoly where a natural monopoly can be demonstrated to exist. The resolution effectively tells the Federal Communications Commission that it has been traveling along the right path.

There is a strong need for the passage of a pro-competition resolution. The competitors to the Bell System, both in private lines and in terminal equipment, find it unusually difficult to secure capital and to attract customers because of the uncertainty of the market. Prospective customers and lenders are understandably worried that the Bell legislation could shut out the competitors from the market altogether. Bell has, in fact, used this argument to win customers away from the competition. If Congress enacts pro-competition legislation this uncertainty will end and competition will be able to meet its potential.

The potential of competition is vast. It can provide consumers with lower prices for goods and services, as well as for telecommunications. Competition will result in a greater diversity of telephone services for consumers to choose from and a stronger consumer consciousness on behalf of the telephone industry. Of paramount importance, competition will remove the power to make crucial decisions about the future of the American economy from a single economic entity, the American Telephone & Telegraph Corporation.

For these reasons, we urge you to oppose the mislabeled "Consumer Communications Reform Act" and to support, instead, the pro-competition resolution, offered by Representatives Wirth, Ottinger and Whalen.

Sincerely yours,

ANDREW A. FEINSTEIN.

NATIONAL CABLE
TELEVISION ASSOCIATION,
Washington, D.C., February 7, 1977.

DEAR REPRESENTATIVE: The National Cable Television Association strongly urges you to oppose H.R. 8, the so-called Consumer Communications Reform Act, and to support the pro-competition resolution proposed in the February 2nd Dear Colleague letter of Representatives Ottinger, Whalen, and Wirth.

Commonly referred to as the "Bell Bill", H.R. 8 will have an adverse impact on cable television subscribers. For this and many other reasons, the bill is not in the best interest of your constituents. The pro-competition resolution, on the other hand, reaffirms the existence of open and free competition in the communications marketplace to the benefit of all.

If the Bell Bill passes, cable television systems will be limited in their ability to import programming via microwave. Such program importation is essential to cable television's ability to provide consumers with viewing diversity and variety. For instance, if terrain restrictions make off-the-air reception difficult, cable television uses microwave relays to import top quality signals. In many other instances, cable television will expand programming from a distant city.

Whereas a competitive marketplace now fosters the growth and reasonable pricing of microwave services, the Bell Bill would make microwave service a monopoly of the telephone company. In short, the telephone company would have a life and death hold over what the cable television consumer may view.

The expanded monopoly created by the Bell Bill is unfair and anti-competitive. Such a blanket power grab by the telephone company is even more unfounded and unnecessary in light of AT&T's billion dollar per quarter profit record.

Enclosed is a short analysis of the Bell Bill's impact on cable television. We believe it presents a very persuasive case as to why you should oppose H.R. 8 and support the pro-competition resolution.

Sincerely,

ROBERT L. SCHMIDT,
President.

NATIONAL CITIZENS
COMMUNICATIONS LOBBY,
Washington, D.C., February 22, 1977.

DEAR REPRESENTATIVE: On behalf of the National Citizens Communications Lobby, I urge you to support the resolution affirming competition in the telecommunications industry which will be introduced by Congressman Timothy Wirth, Richard Ottinger, and Charles Whalen.

The Bell Bill—erroneously titled the "Consumer Communications Reform Act" (S. 530, H.R. 8) is pure special interest legislation, designed to guarantee ATT a perpetual and inviolable monopoly over communications. The long-range implications of such exclusive technological control are just beginning to be realized. To vest such economic power in one corporate entity is frightening.

The telephone company argues that competition will lead to technological ineptitude and rate increases. That we have seen both, there can be no doubt. But they are far more likely to be the product of stifling monopoly than free and open competition.

Even the Federal Communications Commission—never thought to be an ATT antagonist—has consistently ruled in favor of competition in the limited areas of terminal equipment and private line services. This limited competition has proven healthy. Consumers now have available to them a diversity of innovative services which would have gone unrealized under Bell's monopoly.

The Communications Act of 1934 provides that competition in the telcommunications industry should be permitted wherever such competition serves the public interest. The pro-competition resolution upholds that Congressional mandate and supports the FCC's rulings.

We hope you will endorse your colleagues' resolution.

Sincerely,

MELINDA HALPERT,
Executive Director.

CONSUMER FEDERATION OF AMERICA POSITION ON THE CONSUMER COMMUNICATIONS REFORM ACT

Under present governmental processes, AT&T and other telephone corporations have all the advantages of monopoly with inadequate regulation.

To the extent that no natural monopoly exists, the presumption should be in favor

of competition. Concurrently, the regulatory agencies should be improved and citizen intervention encouraged, promoted and facilitated.

The proposed Consumer Communications Reform Act should not be enacted since it seeks to reverse some existing FCC precedents promoting beneficial competition, and does not address the problems of regulatory failure, citizen access and the communication services needs of the average consumer. CFA, therefore, opposes the "Bell Bill" and other legislation incorporating its basic tenents.

LEGISLATION AUTHORIZING SECRETARY OF INTERIOR TO DETERMINE FEASIBILITY OF POWERPLANTS ON FRIANT DAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. KREBS) is recognized for 5 minutes.

Mr. KREBS. Mr. Speaker, I rise today to introduce legislation, cosponsored by my colleague, the Honorable B. F. SISK, which authorizes the Secretary of the Interior to engage in studies which should ultimately result in the generation of much-needed additional power in the West. Specifically, the bill authorizes the Interior Department's Bureau of Reclamation to conduct a powerplant feasibility investigation of the Friant Dam on the San Joaquin River in central California. This dam is a vital link in the water resources structure in the southern part of the Central Valley.

A Federal energy expansion study evaluation team has recommended that a high priority energy study be conducted in fiscal year 1978 regarding the feasibility of powerplants on the Friant Dam. The evaluation team came to this conclusion after surveying potential power projects in the 17 Western States last summer. The average annual runoff of the San Joaquin River at the dam site is significant—1,800,000 acre-feet of water. The hydroelectric energy which could be generated from this runoff would be considerable too. An appraisal-grade analysis of potential hydropower at Friant Dam shows a total capacity of 22,700 kilowatts, with a generation potential of 130,800,000 kilowatt hours per year.

The negative environmental effects of the construction of power facilities are considered to be minor and we have been told that there should be no adverse effects on the dam itself nor on the canal areas. In fact, any environmental effects would be positive, in view of the fact that hydroelectric energy is pollution free. It has been estimated that Friant Dam powerplants would conserve over 200,000 barrels of oil per year by means of the energy generated. Thus, air pollution would be significantly reduced, while clean energy now being wasted would be effectively utilized.

We are pleased to submit this bill.

ABUSES IN THE SECOND MORTGAGE MARKET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. STARK) is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, I have introduced legislation to put an end to the abusive practices in the second mortgage market, H.R. 3700.

This bill is intended only to prohibit those practices which so often result in the foreclosure on the house—because the lender extended credit while knowing the consumer would not be able to meet the payment schedule.

We are all familiar with incidents of this sort, but let me briefly explain the one in California which prompted me to introduce this bill:

An elderly widow was having trouble making ends meet on the upkeep of her home. The original mortgage had been paid off while her husband was alive. After his death, however, the widow had to take out a loan—from a large bank—to make small home repairs. Then her taxes went up and the bank would not let her refinance the loan for more cash, since her fixed income would not permit larger payments. So she opened the yellow pages and called a finance company which advertised fast and easy cash. In fact, the salesman would even come to her house—something important to the elderly with limited mobility. The salesman immediately called on her and agreed to make her a loan with low monthly payments, at a high interest rate. Her house was put up as collateral. With rising expenses and a fixed income, she soon fell behind in these payments, and the salesman refinanced a new loan. This time, he also conveniently neglected to tell her about the final payment, the "balloon" which would be several times the amount of all the monthly payments. He knew that she would be unable to meet the balloon payment, and would have to keep refinancing the loan; each time with lower monthly payments, a higher balloon payment and, of course, much more total debt. This was fine with the salesman. All he cared about was getting as much money from the widow as he could, regardless of the human wreckage he left behind.

Sure enough, the widow kept refinancing the loan. In less than 2 years, her debt had swelled from around $5,000 to over $30,000. Inevitably, the finance company foreclosed on her house.

Unlike many victims, this widow also went to court and sued the finance company. They agreed to settle out of court, but her lawyers took most of the small award. This 85-year-old woman finally got a settlement of $500 a month, for as long as she lived. She moved into a tiny apartment.

My bill is aimed at just these practices on the part of the lenders. Encouraging elderly widows to go into debt and lose their homes is as criminal to me as robbing them at gunpoint. Perhaps it is even worse since it is drawn out over a long period of time, and can cause utter destitution.

I shall welcome the support of my colleagues for this legislation, and hope that many will choose to cosponsor the bill. It is long overdue.

At present, these fraudulent transactions, veiled by complex regulations and obscure provisions of law, often result in only a slap on the wrist instead of imprisonment and a heavy fine. In the recent Washington, D.C., case exposed just a few years ago, two swindlers who cheated homeowners into buying "townhouse fronts" and losing hundreds of thousands of dollars were merely put on probation. On the same day, these two were reprimanded, a 24-year-old man received a 2- to 6-year sentence for stealing a $500 television set. An 18-year-old youth who snatched a purse with $40 in it was denied probation and sent to prison.

The judge said, "this is robbery." There is just too much of that around.

The people who generally trumpet law and order the loudest are strangely silent on the subject of white-collar crime. Yet crimes in the executive suites costs Americans millions of dollars each year, and uncountable mental anguish.

Those preyed upon are usually low- and middle-income seniors, financially inexperienced people; although others who should know better are also victimized with embarrassing regularity.

My bill would make it impossible for unscrupulous lenders to make these second mortgages. First, it requires the lender to certify that the projected income of the homeowner is sufficient to meet the payment schedule, or sufficient to make payments on a newly negotiated first mortgage, should refinancing be necessary.

The bill prohibits the imposition of prepayment penalties, usually charged each time the loan is refinanced, thereby increasing the total debt. It prohibits harrassment or intimidation of the homeowner in collection attempts.

In addition, a judicial hearing is required for each foreclosure action. Violation by the lender of the above mentioned provisions would constitute grounds for making the foreclosure or seizure of the house invalid.

Violations by the lender would entitle the homeowner to stop making payments on the loan, without regard to the amount he has been advanced by the lender, and also entitle him to be paid for the costs of the action and reasonable attorney's fees.

Finally, this bill contains a section which would strip away the incentive for lenders to make many of these loans. In the event of a foreclosure sale or auction of the house no real estate broker who arranged the loan may submit a bid or seek to acquire the property directly or indirectly. Since, in so many cases, the objective of the lender from the beginning is simply to acquire the house, far under its market value, and then resell it to make a quick profit, this should insure that no loans will be made for illegitimate purposes.

I would like to point out that this bill will in no way inhibit the flow of legitimate credit in the form of second mortgages. First, the bill exempts all transactions for the initial purchase of a house. Second, since the "projected income" section requires that the customer be able to refinance a new first mortgage, should that become necessary. No legitimate

business transactions where the house is fused as collateral will be affected.

ADMINISTRATION PROPOSALS WOULD DEPRIVE TAXPAYERS OF PRIVACY RIGHTS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I would like to address myself to the administration's objections to section 7609 and section 7217 of the Internal Revenue Code. I have not had access to the administration's exact objections and, therefore, will discuss what I have heard to be their main complaints.

As you may be aware, I am currently serving as a member of the Privacy Protection Study Commission. The Commission was set up by the Privacy Act of 1974, of which Representative GOLDWATER, JR., and I were the prime sponsors.

The objections of the administration to section 7609—the administrative summons provision—are outrageous. As the conference report clearly describes, the more lax standards of the Senate amendment were adopted over the more stringent requirements of the original House version.

As the section stands, it is riddled with exceptions, to be found in subsections (a)(4), (c)(2), and (g). These exceptions are more than adequate to protect the needs of the Justice Department and the IRS. The exception in (a)(4) provides that the notice requirement does not apply where a summons is issued solely to determine if records exist with respect to a particular person. The exceptions in (c)(2) provide that the Service is not required to give notice or to follow the "John Doe" procedure where the purpose of the inquiry is simply to learn the identity of the person maintaining a numbered bank account—or similar arrangement; provide that notice is not required in the case of a summons issued to a bank in connection with the collection activities of the IRS. Finally an exception is provided in (g) where the IRS can demonstrate to a court that compliance with the notice requirement might result in a material interference with an investigation or might create a substantial possibility that the noticee might flee or engage in the destruction of records.

The more lax Senate amendment, which the conference agreement follows, was drawn with the needs of the law enforcement agencies in mind. The conference report specifically states:

> The Amendment is intended to enable the Service to avoid material interference with an investigation where it reasonably believes that this might occur.

It is not clear to me what more the administration needs. Certainly the individual is entitled to the fundamental due process rights of notice and standing to intervene over records that most people consider their private records.

In contrast to the Supreme Court's opinion I think that most Americans do have an expectation of privacy with respect to their bank records. Furthermore, the Court in its narrow legalisms overlooked the realities of modern life. The California Supreme Court made both these points in its excellent opinion in Burrows against Superior Court:

> It cannot be gainsaid that the customer of a bank expects that the documents, such as checks, which he transmits to the bank in the course of his business operations, will remain private, and that such an expectation is reasonable.
>
> For all practical purposes, the disclosure by individuals or business firms of their financial affairs to a bank is not entirely volitional, since it is impossible to participate in the economic life of contemporary society without maintaining a bank account. In the course of such dealings, a depositor reveals many aspects of his personal affairs, opinions, habits and associations. Indeed, the totality of bank records provides a virtual current biography. . . . To permit a police officer access to these records merely upon his request, without any judicial control as to relevancy or other traditional requirements of legal process, and to allow the evidence to be used in any subsequent criminal prosecution. . . . opens the door to a vast and unlimited range of very real abuses of police power.

In conclusion, I want to urge retention of section 7217—civil damages for unauthorized disclosure of returns and return information. If the statute is to provide effective protection and relief from violations, criminal penalties alone are plainly insufficient. Prosecutions for illegal disclosure or receipt of tax information would be at the discretion of the Attorney General and the various U.S. attorneys, who are appointees of the President. Under Federal law, the refusal of the executive branch to bring prosecution is not reviewable by the courts. A Federal prosecutor may even refuse to sign an indictment returned by a lawfully constituted grand jury.

Congress recognized, when it adopted the Privacy Act of December 1974, that criminal sanctions cannot assure compliance with a statute if most violations are likely to be committed by Government officials. The Privacy Act imposes criminal penalties for illegal revelation or receipt of personal information, but also creates a right of action in any aggrieved individual to enforce the provisions of the act in a Federal civil suit. Similarly section 7212 must be retained to assure compliance with the new disclosure provisions.

WASHINGTON POST STRATEGIC ARMS DEBATE SERIES

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, yesterday I placed in the RECORD the first two articles in the series that the Washington Post is running this week dealing with the nuclear arms debate and particularly the question of whether the United States or the Soviet Union is ahead in strategic nuclear weapons. This series is so outstanding in presenting the issues in a concise and objective way that I believe every Member of Congress should have maximum opportunity to study and digest this information, since the Members will be voting on matters involving this momentous issue this year and many years to come. The matter gains particular currency, because of the debate sparked by President Carter's announced goal of negotiating with Russia in an effort to reduce nuclear weapons and the hearings on his nomination of Paul Warnke, a leading expert on the subject of strategic arms limitation negotiations.

I am offering with these remarks the third in the Post series, entitled, "The New Nuclear Math—How Much Is Enough for Security?" by George C. Wilson. Mr. Wilson lays out the relative strengths and weaknesses of the nuclear triads possessed by both Russia and the United States, pointing out that while the United States has achieved and maintained substantial lead in numbers of deliverable nuclear warheads and accuracy of delivery, the Soviet Union has achieved and maintained a lead in numbers of missiles to deliver such warheads and size of warhead.

The text of the article follows these remarks:

THE NEW NUCLEAR MATH—HOW MUCH IS ENOUGH FOR SECURITY?

(By George C. Wilson)

Whether the United States or the Soviet Union is ahead in strategic nuclear weapons is an argument anyone can engage in but no one can definitively win.

This is because there is something for everybody in the new nuclear math, the numbers the Pentagon issues each January on how much holocaust the two superpowers have aimed at each other.

Hawks, in demanding more weapons, can cite the Soviet lead in sheer tonnage of H-bombs. Doves, in calling for a halt to the arms race, can cite the American lead in the numbers of bombs and warheads. There the argument is joined.

The numbers used in those arguments show that, at a minimum, both sides have far more than they need for inflicting "unacceptable" damage on the other after absorbing a first strike. This is the level that has long been accepted as the basis for mutual deterrence—the doctrine that has kept the two nuclear superpowers from blowing each other up.

During the 1960s former Defense Secretary Robert S. McNamara repeatedly tried to quantify how much nuclear might was enough to make the policy of mutual deterrence work. Soviet leaders, McNamara judged, would be deterred from pushing their button if the United States had enough bombs to destroy "one-fifth to one-fourth" of the Soviet population and "one-half of her industrial capacity" after the United States had absorbed a first strike.

The destructive capability of the American nuclear arsenal, and that of the Russians' arsenal, has gone far beyond that scale of retaliatory strength.

The United States has 8,500 H-bombs available to dump on the Soviet Union's 60 major military targets and 200 cities. The Soviet Union has 4,000 bombs to drop on corresponding targets in the United States.

Each superpower has built three delivery systems for those bombs: long-range bomb-

ers, land-based intercontinental missiles and missile-firing submarines. This three-pronged force is called a "triad" in the argot of war planners.

Pentagon officials defend the size of the American warhead and bomb stockpile on grounds that no one knows how many would be destroyed in a surprise attack, miss their targets or be knocked down by Soviet defenses. They have no ready answer to the question of how much is enough in providing security in numbers. Less than one-fourth of the U.S. force of 41 nuclear missile-armed submarines could deliver 1,600 H-bombs of 50 kilotons each in a second strike.

The warhead advantage on the American side is due, primarily, to the technology of piggybacking several H-bombs on one missile—the so-called MIRV (Multiple Independently Targetable Re-Entry Vehicle). MIRV, for example, has multiplied fourteenfold the number of H-bombs one missile tube on a Poseidon sub could fire at the Soviet Union.

The Soviet Union, which in the early days of the missile race opted for giant missiles with big H-bombs up front, is now following the U.S. lead and MIRVing its missiles.

The Joint Chiefs of Staff warn that the United States dare not let the Soviet Union push ahead in both quantity and quality of strategic nuclear weaponry.

Nonetheless, Soviet defense planners feel obliged to keep up with what they conceive to be a rough equivalency with the United States. This is the underlying dynamic of the nuclear arms race.

The Brookings Institution estimates that when the U.S. and Soviet megatonnage is put on a comparable basis—equivalent megatonnage—the Soviets control 5.3 billion tons of explosive power as compared with 4.2 billion tons for the United States.

Accuracy is the crucial multiplier in the new nuclear math. The megatons that count are those that arrive on target. In nuclear math the chances of destroying a target are cubed by the factor of accuracy. A Minuteman missile with a 1.5-metagon warhead hitting a half mile from its target has the same chance of destroying a missile silo as a 12-megaton weapon exploding a mile from its target.

The United States has opted for higher accuracy and less megatonnage in its warheads. Of the 1,054 LCBMs listed in the U.S. inventory, 54 are Titan II liquid-fueled missiles with nine-megaton warheads and the rest are ICBMs from the Minuteman family, each carrying smaller but more accurately propelled warheads.

The margin of accuracy for the Titan II is one mile; for the Minuteman III, one-quarter mile.

On the nuclear evolution scale, the United States moved from the nine-megaton Titan II to the submarine-launched Poseidon, which can fire clusters of 10 warheads of 50 kilotons each within a margin of accuracy of fewer than four city blocks.

The latest technological wrinkle in upgrading the accuracy of missile systems is MARV (Maneuverable Re-Entry Vehicle)—son of MIRV—each of whose warheads is guided by an electronic "brain" that locks the bomb onto a target, even though it may be thousands of miles away. MIRV warheads ride like passengers on a bus and are dropped off along the trip at a point from which they will fly, directed by gravity and the momentum of the "bus."

MARV's birth was greeted with critical comments from some arms controllers who see the "smart" H-bomb warhead as a major leap into the irreversible momentum of first-strike technology.

In overall numbers, the U.S.-Soviet missile balance for the three major systems of the weapons triad is as follows:

For land-based intercontinental ballistic missiles (ICBMs): U.S. 1,054—U.S.S.R. 1,450; submarine missiles; U.S. 656—U.S.S.R. 880; long-range bombers; U.S. 418—U.S.S.R. 210.

Although these totals seem to reflect a Soviet superiority in missiles—2,540 to 2,128—there is an offsetting factor in the 2-to-1 U.S. lead in warheads. Missiles merely propel. Warheads explode.

Here is how the weapons experts assess the two powers from the standpoint of each major weapons system:

Long-range bombers: The U.S. edge here is wider than the numbers make it appear. A key to how much a bomber can carry and how far it can fly is the number of tankers available to refuel it in flight. The U.S. tanker fleet is far superior to the Russian fleet.

Also, the United States already has a new strategic bomber flying, the Air Force B–1, while the Backfire is the only Soviet bomber in production. Backfire is a medium bomber that U.S. military leaders consider capable of strategic bombing. The U.S. Joint Chiefs of Staff reported this year that the Soviets may build a new long-range bomber but acknowledge that it could not become operational until the early 1980s.

Land-based ICBMs: The Russians hold the decisive lead in numbers of missiles and deliverable megatonnage but this is, as pointed out, offset at the current stage of development by the accuracy of the U.S. Minuteman missile. As the Russians develop their own MIRV technology, however, their heavier-muscled missiles coupled with bigger warheads could give them more destructive power with which to strike at hardened U.S. targets.

Because of the growing vulnerability of the land-based weapons to attack, there is the question of whether they may not become obsolescent sitting ducks in a nuclear strike.

President Carter underlined the issues on the land-based weapons by offering to forgo deploying mobile land-based ICBMs, such as the Air Force's MX missile, which would be carted from silo to silo through underground tunnels, if the Soviet Union would do likewise.

Submarine-based missiles: Increasingly accurate submarine missiles already deployed by both sides, along with the advent of MARV, pose additional threats to the land-based weapons.

The Soviet Union last year started deploying its 500-foot-long Delta II nuclear-powered sub that carries 16 SSX–8 missiles, which have a range of 4,200 nautical miles.

The United States in 1979 expects to send its 560-foot-long Trident to sea. Each of these subs will carry 24 Trident missiles with a range of 4,000 nautical miles at first and 5,000 miles later.

Because of their long-range missiles, each of the sub systems—the Delta II and the Trident—can stick close to the safety of port while covering potential enemy targets.

A footnote in the comparison of the rival nuclear submarines is that the United States keeps about 50 per cent of its fleet at sea at all times, according to the Joint Chiefs, while the Soviet Union deploys only 11 per cent of its ships.

With so much nuclear firepower going to sea in submarines, it is safe to assume that the two superpowers are backing away from the risk of mutual incineration because each has an invulnerable retaliatory force at the ready in the ocean depths?

If the submarines armed with missiles were truly invulnerable, then one could reason that the "we-won't-if-you-won't" underpinning of deterrence is securely in place. But the constant upward spiral of technology has not let this happen.

The United States can, and does, track Soviet missile submarines with American hunter-killer subs and with an array of detection systems, including microphones on the ocean bottom. An antisubmarine-warfare plan, called "the barrier strategy," calls for ambushing and destroying Soviet subs in a war as they sail through the straits and gaps to put their missiles in range of the United States.

U.S. killer submarines have the Mark 48 torpedo, which can swim 20 miles after launch to find and destroy a sub detected by sonar listening systems. The Soviets can be presumed to be working on the same kind of weapons.

As implausible as it may sound to laymen, Soviet planners do have to worry about U.S. capability to make a coordinated first strike where hunter subs would kill their missile subs, where highly accurate MIRVs and MARVs from subs and land launchers would disable their ICBMs and bombers, and where B–52 and B–1 bombers would finish off anything left standing.

If the U.S. Navy builds its Seafarer system for communicating with its subs in the depths, Soviet worst-case strategists would have to worry more seriously about an American coordinated first strike. Today's communications methods with submarines are complicated, requiring subs to rise toward the surface during prearranged transmission periods.

Conversely, American war planners have to worry about the Soviets catching up with U.S. antisubmarine technology now that they have closed the gap on quantity.

So far, there is no evidence that the Soviets track U.S. missile submarines the way the United States does theirs. But this secure undersea force could end up being vulnerable if the Soviets adopt U.S. Navy tactics.

And so the imponderables of time, numbers and national motivation make it difficult today and perhaps impossible tomorrow to answer the question: Is anybody winning?

NUCLEAR TALKS MUST SUCCEED ON TWO FRONTS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, the fourth in the series of Washington Post articles on strategic arms issues is by Murrey Marder and deals with the problems a U.S. administration faces within itself and with the Congress in attempting to negotiate nuclear arms limitation agreements. It points out that Presidents Nixon and Ford both faced such problems and that the way they were handled had a crucial effect on the ability of the then President to obtain acceptable agreements and the substance of the agreements that were made.

Particularly striking is the account of the disastrous effect of President Ford's efforts to placate the "hardliners" in the Government and his primary election opponent, Ronald Reagan. At this point, we may devoutly hope that the Carter administration is able successfully to surmount such obstacles in its quest for balanced and meaningful nuclear arms control and reduction agreements.

The text of the article follows these remarks:

NUCLEAR TALKS MUST SUCCEED ON TWO FRONTS

(By Murrey Marder)

Every President who reaches for an agreement with the Soviet Union on nuclear arms control takes on two sets of negotiations—one with the Kremlin, and another with his own government.

Among arms control specialists, it is often said that the "internal negotiations" can be more difficult than the "external negotiations," for both the United States and the Soviet Union.

To purists, the comparison is overdrawn. But it evidently stands high in the mind of President Carter as a danger to avert. He has pointed to the dissent inside the Ford administration, and the presidential election, as the principal reasons for Ford's inability to conclude a strategic arms limitation talks (SALT) treaty with the Soviet Union.

In private, many Ford administration insiders go much further than that. The former President, sources on both sides of his SALT impasse say, was outmaneuvered inside the government.

Ford was caught between two conflicting priorities: his campaign for nomination against Ronald Reagan vs. a SALT II accord to complete the nuclear agreement he made with Soviet leader Leonid L. Brezhnev at Vladivostok in November, 1974.

In effect, Ford was compelled to sacrifice one objective for the other. He defeated Reagan for the Republican nomination. But in moving to the right of the political spectrum, to compete with Reagan for right-wing votes, Ford became a hostage to the opponents of a SALT compromise that Secretary of State Henry A. Kissinger implored him to make.

The opposition—the Defense Department and its allies in government and in the Congress—was not passive about the President's dilemma. Nor was Kissinger.

Kissinger told the President he needed only "to spill a little [bureaucratic] blood" to reach the SALT compromise, sign it at the long-projected Washington summit conference with Brezhnev, and carry it into the November election as a foreign policy triumph.

The internal clash reached a peak in January-February, 1976, the most sensitive political period for Ford, after Kissinger returned from Moscow in January urging a compromise. Reagan was beginning his attack on the Ford-Kissinger foreign policy, heading into the nation's first primary election, in New Hampshire Feb. 24.

Kissinger's opponents on SALT made sure the President recognized the political consequences of following Kissinger's advice: If the Pentagon was overruled on SALT, that was bound to "leak out," exploding against Ford in the primary campaign.

There was nothing so bald as a direct threat to the President. Said one Kissinger opponent, drily, "It was all done within the system."

Ford, as a consequence, sided with Kissinger's opponents in February. He sent Moscow what both sides describe as a "hang tough" reply to the proposal that Kissinger brought from Moscow.

The negotiations virtually froze.

After Ford won the Republican nomination in August, he pushed for a SALT compromise to recoup his earlier hopes. It was too late; by then even some of the strongest SALT supporters opposed a last-minute rush for agreement just before the November election.

In retrospect, the former President is reported by some sources to wish he had forced through a SALT compromise, over the internal opposition. Whether Ford would still occupy the White House if he had done so is anyone's guess. Beyond question, the 1976 election campaign would have been considerably different.

Each President who negotiates with the Soviet Union must decide how he will deal with his own bureaucracy. Bargain with it? Overrule it? Circumvent it?

No consensus automatically springs up over nuclear strategy. Experts can disagree strongly about what is prudent and what is perilous. The ultimate choices, therefore, are political decisions.

There were long roots to the dispute that frustrated President Ford's SALT ambitions. Some of them have entangled Paul C. Warnke, Carter's nominee for director of the Arms Control and Disarmament Agency and chief SALT negotiator.

Former President Nixon and Kissinger, then at the White House, conducted the SALT I negotiations in extraordinary secrecy. "Back channels" were used to communicate to the Kremlin, behind the back of U.S. negotiators, and sometimes without knowledge of the Secretaries of State and Defense.

The suspicions that developed afterward, coupled with charges that Kissinger had made lopsided concessions to the Russians in 1972, converged in the decisive opposition to Kissinger's negotiations on SALT II.

In one tradeoff after SALT I, to try to help ease the path for SALT II, Nixon sought to make peace with Sen. Henry M. Jackson (D-Wash.) Kissinger's prime challenger. Nixon agreed to divide the posts of arms control director and chief SALT negotiator, and put harder-line negotiators on SALT.

In addition, the arms-control agency itself was stiffened, with officials holding a sterner view of the Russians moved in to replace more ardent arms control champions. That "purge" had unintended consequences. It helped to convert the arms control agency into a Pentagon ally against Kissinger in 1976.

Another tradeoff of 1972 had greater repercussions four years later.

To enlist support of the Joint Chiefs of Staff for ratification of the 1972 nuclear agreements, Nixon obtained a major increase in weapons research and development funds.

One project was long-range cruise missiles, which the Pentagon was prepared to drop in 1973. (The cruise missile, is, in effect, an unmanned, low-flying jet with a range up to 2,000 miles.) Kissinger urged the military to continue primarily to save cruise missiles as a future "bargaining chip" with the Russians. Instead, cruise missiles turned into the most confounding obstacle for Kissinger's attempt to resolve the SALT II treaty.

Cruise missiles, and the Soviet bomber system known in the West as Backfire, became the principal obstacles to a new agreement.

Two major nuclear agreements had been signed at Moscow in 1972. For the first time, adversary nations agreed to ban national defense systems, exposing themselves to attack from each other with intercontinental missiles. This was the Anti-Ballistic Missile Treaty, a major breakthrough, little-disputed.

Virtually all subsequent argument centers on the complementary side of the process—controls on offensive strategic weapons. A five-year accord was signed in 1972; it runs out Oct. 3 of this year. Its replacement is the Ford-Brezhnev Vladivostok accord, to run until 1985.

In 1972 the Russians were racing to catch up with previous American superiority, and had taken the lead in numbers of intercontinental missile launchers. The SALT I "freeze" on missile launchers left the Russians with superior numbers of strategic missiles launched from land or sea, a maximum of 2,358 to 1,710 for the United States. The United States had, and retains, the advantage in nuclear warheads, with its multiple-warhead missiles and a larger fleet of intercontinental bombers.

Kissinger and other administration officials maintained that the agreement was balanced, with the United States behind in missile launchers but ahead in warheads, bombers and technology. Critics contended that the Russians, with more and larger missiles, eventually could duplicate the multiple warheads and other technology, and gain military superiority.

The ratification of the SALT I accords moved the argument to SALT II. At Vladivostok, Kissinger said, any imbalance was wiped out by agreement on similar numbers of strategic delivery systems on both sides, with "important concessions" by the Soviet Union.

An equal ceiling of 2,400 American and Soviet intercontinental missiles and bombers was set, of which 1,320 could have multiple warheads. Ford hailed this as "a cap" on the arms race.

The debate only shifted direction. Critics on right and left assailed the ceiling as far too high. Then "the cap" began oozing from the two sides, in the new dispute over Soviet Backfire bombers and American long-range cruise missiles, both omitted from the Vladivostok discussions.

The Joint Chiefs of Staff insisted that the Backfire can operate as a long-range bomber against targets in the United States, and should be counted as strategic. The Soviet Union maintained that Backfire is a medium bomber, outside the Vladivostok limits.

Positions are reversed on long-range cruise missiles. As non-ballistic missiles, the United States claimed, they were exempt from the Vladivostok ceilings. The Soviet Union originally sought to ban all cruise missiles beyond 600 kilometers, or 373 miles, the range of existing Russian types.

Long range cruise missiles, with accuracy precise enough to hit a selected building ("You can shoot it down a pickle barrel at 2,000 miles," Reagan exclaimed during the election campaign), are claimed to cost only about a tenth as much as ballistic missiles. Because they can carry nuclear or non-nuclear warheads, and serve as strategic or tactical weapons, they also raise great problems of distinguishing which is which.

Kissinger and his supporters regarded the Backfire and cruise missiles, as one source expressed it last week, as "far out on the margin of strategic significance."

Privately, even some Kissinger critics agree. The military services themselves are divided about roles and missions for cruise missiles. But the controversy solidified Kissinger's critics in the different camps, especially advocates of cruise missiles, who see intermediate-range cruise missiles as a major offset to Soviet power in Europe, and "a great equalizer" against the Russians at sea.

Kissinger was ready to trade about 250 Backfire bombers with Soviet pledges of limitation on their use for an equal number of long-range cruise missiles on ships, both outside the Vladivostok ceilings; to count bombers with 1,500-mile cruise missiles as multiple-warhead weapons, and to ban long-range cruise missiles on submarines.

Critics assailed that mix as unbalanced in Soviet favor and Soviet assurances on Backfire as unacceptable.

The opposition to Kissinger was led by the Joint Chiefs of Staff. They were supported by Defense Secretary Donald H. Rumsfeld, President Ford's longtime confidant, recently arrived at the Pentagon to replace ousted James R. Schlesinger. Ford's summary firing of Schlesinger, widely misconstrued as a victory for Kissinger, had infuriated the Republican right-wing, and that was already troubling Ford's election advisers.

Kissinger was without allies beyond the State Department and the National Security Council staff. The arms control agency, semi-autonomous in the State Department and largely ignored by Kissinger, joined the op-

position, with mild-mannered director Fred C. Ikle encouraged by his deputy, John F. Lehman Jr., to speak out.

Lehman, although a onetime member of Kissinger's NSC staff, was championing cruise missiles. So was Lehman's close friend, Richard Perle, a nuclear specialist for Sen. Jackson and one of the most effective Kissinger critics in Washington.

Perle recently said that, compared to "the resources Henry had at his disposal," the opposition's resources "were trivial." "I could talk to people one at a time," Perle said; "Henry had a whole planeload [of reporters] and the stories went all over the world." The problem, however, Perle insists, was not internal disagreements, but Soviet intransigence.

Nevertheless "the key factor was the election," said a central participant, and numerous others agree. If President Ford had supported Kissinger, this source said, "It very soon would have come out that Defense had been overruled."

In place of the compromise Kissinger sought, the counter that went back to the Russians, in several variations, was an offer to proceed with the original portions of the Vladivostok accords and to bypass the Backfire and cruise missile controversy for subsequent negotiations.

Kissinger argued that the Soviet Union would reject that out of hand (which it did) because it left the more dynamic weapons system, cruise missiles, unconstrained. His critics charged that Kissinger undermined the counterproposal, and failed to press it forcefully.

Basically this is the same offer that President Carter now has made to the Soviet Union publicly and privately. Is there any reason to expect the Soviet Union to accept this approach which they previously rejected? Carter administration sources maintain there is.

There are numerous ways to set aside the Backfire-cruise missile dispute, in a form more equitable to the Soviet Union. A slowdown or limit, or both, on cruise missile development is an obvious approach, suggested by many outside specialists.

Carter administration strategists say they believe the Soviet Union is eager to reach a SALT II accord before the Oct. 3 deadline, and then move into SALT III negotiations on arms reductions as Carter has urged.

By his unusual public, and private, emphasis on arms control, these sources say, the President has aroused Soviet interest for "locking in" his administration to continuing negotiations.

The Carter administration believes it has a good prospect for avoiding the internal splits that plagued the Ford administration's nuclear strategy, with Harold Brown at Defense, Cyrus R. Vance at State, Zbigniew Brzezinski as national security adviser, and Warnke as chief SALT negotiator.

Carter already has spent an unprecedented amount of time for a new President in private discussions with the Joint Chiefs of Staff. He also has struck sparks of parallel interest with Sen. Jackson and other Kissinger critics.

The President "is determined that people get a fair hearing," said one insider; "They don't have to go to the Hill to get an argument raised."

But, the insider added, President Carter "has made it clear that he is going to make the decisions."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Ms. OAKAR (at the request of Mr. WRIGHT), for today, on account of a death in the family.

Mr. CORMAN (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. DENT (at the request of Mr. WRIGHT), for today, on account of a death in the family.

Mr. FOUNTAIN (at the request of Mr. WRIGHT), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. EDWARDS of Oklahoma) and to revise and extend their remarks and include extraneous matter:

Mr. KEMP, for 30 minutes, today.
Mr. MCKINNEY, for 5 minutes, today.
Mr. WHALEN, for 5 minutes, today.
Mr. MILLER of Ohio, for 10 minutes, today.
Mr. EVANS of Delaware, for 5 minutes, today.
Mr. SARASIN, for 30 minutes, today.

(The following Members (at the request of Mr. GUDGER) and to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. MINISH, for 10 minutes, today.
Mr. LE FANTE, for 5 minutes, today.
Mr. BEDELL, for 5 minutes, today.
Mr. WIRTH, for 5 minutes, today.
Mr. KREBS, for 5 minutes, today.
Mr. STARK, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SISK, to revise and extend his remarks immediately following Mr. BIAGGI on the amendment regarding illegal aliens on public works bill.

Mr. MILLER of Ohio, to revise and extend his remarks prior to the vote on H.R. 11.

(The following Members (at the request of Mr. EDWARDS of Oklahoma) and to include extraneous matter:)

Mr. SAWYER.
Mr. MCCLORY.
Mr. DERWINSKI in four instances.
Mr. CORCORAN of Illinois.
Mr. HAMMERSCHMIDT.
Mr. LOTT.
Mr. WALSH.
Mr. MARKS.
Mr. FORSYTHE in two instances.
Mr. RINALDO.
Mr. ERLENBORN.
Mr. KASTEN.
Mr. CONABLE.
Mr. ASHBROOK in two instances.
Mr. SYMMS in two instances.
Mr. GILMAN.
Mr. WHALEN in two instances.
Mr. SARASIN.
Mr. FINDLEY.
Mr. SNYDER in two instances.
Mr. KEMP in two instances.
Mr. PRESSLER in two instances.
Mr. CEDERBERG.
Mr. FREY.

(The following Members (at the request of Mr. GUDGER) and to include extraneous matter:)

Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. BLANCHARD.
Mr. MATHIS.
Mr. RODINO.
Mr. BAUCUS.
Mr. TEAGUE in 10 instances.
Mr. KILDEE.
Mr. HOWARD.
Mr. FLIPPO.
Mrs. COLLINS of Illinois.
Mr. NIX.
Mr. DELANEY.
Mr. WOLFF in two instances.
Mr. STUMP.
Mr. CORRADA.
Mr. MIKVA.
Mr. HEFTEL.
Mr. ALEXANDER.
Mr. BONKER.
Mr. UDALL in two instances.
Mr. ASHLEY.
Mr. CHARLES H. WILSON of California.
Mr. PEPPER.
Mr. BLOUIN.
Mr. BYRON in two instances.
Mr. ZEFERETTI in two instances.
Mr. HARKIN.
Mr. RAHALL.
Mr. BRADEMAS.
Mr. WAXMAN.
Mr. RANGEL.
Mr. COTTER.
Mr. ROSENTHAL in two instances.
Mr. BRINKLEY.
Mr. FORD of Michigan.
Mr. OTTINGER.
Mr. AMMERMAN.
Mr. CARNEY.
Mr. STUDDS.

ADJOURNMENT

Mr. GUDGER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 24 minutes p.m.), under its previous order, the House adjourned until Monday, February 28, 1977, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

813. A letter from the Adjutant General, Veterans of Foreign Wars of the United States, transmitting the proceedings of the 77th National Convention of the Veterans of Foreign Wars, held in New York, N.Y., August 15–20, 1976, pursuant to section 3 of Public Law 88–504 and Public Law 90–620 (H. Doc. 95–87); to the Committee on Armed Services and ordered to be printed with illustrations.

814. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to extend the national

flood insurance program and emergency implementation authority thereunder; to the Committee on Banking, Finance and Urban Affairs.

815. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to provide authorizations for and amend laws relating to housing, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

816. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to extend certain FHA mortgage insurance and related authorities, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

817. A letter from the Director of Communication, Department of Agriculture, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 522(d); to the Committee on Government Operations.

818. A letter from the Clerk, U.S. House of Representatives, transmitting his semiannual report of receipts and expenditures for the period July 1 through December 31, 1976, pursuant to section 105(a) of Public Law 88–454 [2 U.S.C. 104a] (H. Doc. No. 95–88); to the Committee on House Administration and ordered to be printed.

819. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a supplemental report on political contributions made by members of the family of Elliott L. Richardson, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

820. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to amend the Foreign Relations Authorization Act, Fiscal Year 1976, to authorize additional appropriations for the foreign service buildings program for fiscal year 1977; to the Committee on International Relations.

821. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to amend title I of the Foreign Relations Authorization Act, fiscal year 1977, to authorize additional appropriations for fiscal year 1977; to the Committee on International Relations.

822. A letter from the Acting Director, U.S. Information Agency, transmitting a draft of proposed legislation to amend title II of the Foreign Relations Authorization Act, fiscal year 1977 (Public Law 94–350; 90 Stat 829), to authorize appropriations for the fiscal years 1978 and 1979, and for other purposes; to the Committee on International Relations.

823. A letter from the chairman, U.S. Consumer Product Safety Commission, transmitting the Commission's determination that available scientific information is insufficient to establish that a level of lead in paint above .06 percent but not over .5 percent is safe, pursuant to section 501(3) of the Lead-Based Paint Poisoning Prevention Act, as amended (90 Stat. 706); to the Committee on Interstate and Foreign Commerce.

824. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the financial report of the corporation for the month of November 1978, pursuant to section 308 (a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

825. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved during the period January 16–31, 1977, according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended (79 Stat. 915); to the Committee on the Judiciary.

826. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting report concerning visa petitions approved during the period Friday February 1–5, 1977, according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended (79 Stat. 915); to the Committee on the Judiciary.

827. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting the Commission's comments on the draft bill "Amending title 5 of the United States Code to improve agency rulemaking by establishing paperwork control mechanisms, and by expanding the opportunities for public participation"; to the Committee on the Judiciary.

828. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing the acquisition of space by lease in Atlanta, Ga., pursuant to section 7 (a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

829. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to eliminate the requirement for inspections of the mobile home manufacturing process by the Administrator of Veterans' Affairs; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DODD: Committee on Rules. House Resolution 337. Resolution providing for the consideration of H.R. 3365. A bill to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions, and for other purposes (Rept. No. 95–26). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 3477. A bill to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform; with amendment, and referred to the Committee on Appropriations for a period not to exceed 15 legislative days with instructions to report back to the House as provided in section 401(b) of Public Law 93–344 (Rept. No. 95–27, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEDELL:

H.R. 3998. A bill to assure that an individual or family whose income is increased by reason of a general increase in monthly social security benefits will not, because of such general increase, suffer a loss of or reduction in the benefits the individual or family has been receiving under certain Federal or federally assisted programs; to the Committee on Ways and Means.

By Mr. BENNETT:

H.R. 3999. A bill to protect the constitutional rights of those subject to the military justice system, to revise the Uniform Code of Military Justice, and for other purposes; to the Committee on Armed Services.

By Mr. BENNETT (for himself, Mr. STEIGER, Mr. MITCHELL of Maryland, Mr. CHARLES H. WILSON of California, Mr. DELLUMS, Mr. ANDERSON of Illinois, Mr. LEHMAN, Mr. STOCKMAN, Mr. PREYER, Mr. DUNCAN of Tennessee, Mr. LLOYD of California, Mr. FASCELL, Mr. PEPPER, Mr. BEDELL, Mrs. FENWICK, Mrs. COLLINS of Illinois, Mr. MCCLOSKEY, Mrs. SPELLMAN, Mr. BADILLO, Mr. DICKS, and Mr. TONRY):

H.R. 4000. A bill to amend title 10, United States Code, to regulate the discharge of members of the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. BENNETT (for himself, Mr. FISH, Mr. MCKINNEY, Mr. ARMSTRONG, Mr. CARTER, Mr. HEFNER, Mr. LAGOMARSINO, Mr. WHITEHURST, Mrs. LLOYD of Tennessee, Mrs. SPELLMAN, Mr. FASCELL, Mr. BUCHANAN, and Mr. MATHIS):

H.R. 4001. A bill to amend title 18, United States Code, to provide that any parent who kidnaps his minor child shall be fined not more than $1,000, or imprisoned for not more than 1 year, or both; to the Committee on the Judiciary.

By Mr. BENNETT (for himself, Mr. RYAN, Mr. OBERSTAR, Mr. RUNNELS, Mr. BOLAND, Mr. BEDELL, Mr. CORRADA, Mrs. FENWICK, Mr. SCHEUER, Mr. AKAKA, Mr. CHARLES WILSON of Texas, Mr. TONRY, Mr. GOLDWATER, Mr. MAZZOLI, Mr. HORTON, and Mr. NEAL):

H.R. 4002. A bill to amend title 18, United States Code, to provide that any parent who kidnaps his minor child shall be fined not more than $1,000, or imprisoned for not more than 1 year, or both; to the Committee on the Judiciary.

By Mr. COHEN (for himself, Mr. ICHORD, Mr. ANDERSON of Illinois, Mr. BRECKINRIDGE, Mr. D'AMOURS, Mr. DAVIS, Mr. DRINAN, Mr. MITCHELL of New York, Mr. RAILSBACK, Ms. SCHROEDER, Mrs. SPELLMAN, and Mr. ZEFERETTI):

H.R. 4003. A bill to establish requirements for notification of Congress before the closure of, or significant reduction in force at, any military installation is caried out; to the Committee on Armed Services.

By Mrs. COLLINS of Illinois (for herself, Mr. BADILLO, Mr. BEARD of Rhode Island, Mr. BEDELL, Mr. BRODHEAD, Mrs. CHISHOLM, Mr. CORRADA, Mr. DELLUMS, Mr. FLORIO, Mr. FORD of Tennessee, Mr. JENRETTE, Mr. LE FANTE, Mr. LEHMAN, Mr. MAGUIRE, Mrs. MEYNER, Ms. MIKULSKI, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. OTTINGER, Mr. PEASE, Mr. RICHMOND, Mr. ROSENTHAL, Mr. ROYBAL, and Mr. SCHEUER)

H.R. 4004. A bill to amend the Elementary and Secondary Education Act of 1965 to preserve the eligibility of certain children for assistance through grade 3, notwithstanding improvements in their reading aptitude; to the Committee on Education and Labor.

By Mrs. COLLINS of Illinois(for herself, Mr. SEIBERLING, Mr. STARK, Mr. TONRY, Mr. TRAXLER, Mr. VENTO, and Mr. WOLFF):

H.R. 4005. A bill to amend the Elementary and Secondary Education Act of 1965 to preserve the eligibility of certain children for

assistance through grade 3, notwithstanding improvements in their reading aptitude; to the Committee on Education and Labor.

By Mr. CORMAN:

H.R. 4006. A bill to amend title XVIII of the Social Security Act to establish a program of long-term care services within the medicare program, to provide for the creation of community long-term care centers and State long-term care agencies as part of a new administrative structure for the organization and delivery of long-term care services, to provide a significant role for persons eligible for long-term care benefits in the administration of the program, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 4007. A bill to amend the Internal Revenue Code of 1954 to designate the home of a State legislator for income tax purposes and for other purposes; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. ANDREWS of North Dakota, Mr. BADILLO, Mr. CORRADA, Mr. GAMMAGE, Mr. GLICKMAN, Mr. LEDERER, Mr. LE FANTE, Mr. MITCHELL of Maryland, Mr. MOORHEAD of California, Mr. MURPHY of Illinois, Mr. PANETTA, Mr. ROYBAL, Mr. STARK, and Mr. ZEFERETTI):

H.R. 4008. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly, to the Committees on Ways and Means, Interstate and Foreign Commerce.

By Mr. CORMAN (for himself, Mr. BADILLO, Mr. CORRADA, Mr. GLICKMAN, Mr. LEDERER, Mr. LE FANTE, Mr. MITCHELL of Maryland, Mr. OTTINGER, Mr. PANETTA Mr. STARK, and Mr. ZEFERETTI):

H.R. 4009. A bill to amend title XVIII of the Social Security Act to provide for the coverage of certain psychologists' services under the supplementary medical insurance benefits program established by part B of such title; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. CORMAN (for himself, Mr. BADILLO, Mr. BREAUX, Mr. CORNWELL, Mr. CORRADA, Mr. GAMMAGE, Mr. LEDERER, Mr. OTTINGER, Mr. CHARLES WILSON of Texas, Mr. WOLFF, and Mr. ZEFERETTI):

H.R. 4010. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. CORMAN (for himself, Mr. BOLLING, Mr. BONIOR, Mr. BONKER, Mrs. BURKE of California, Mr. HARRIS, Mr. HAWKINS, Mr. TRAXLER, Mr. WEISS, and Mr. ZABLOCKI):

H.R. 4011. A bill to create a national system of health security; jointly, to the Committee on Ways and Means, and Interstate and Foreign Commerce.

By Mr. CORNWELL (for himself, Mr. UDALL, Mr. BRODHEAD, Mr. OTTINGER, Mr. MURPHY of Pennsylvania, Mr. ROGERS, Mr. AKAKA, Mr. MOSS, Mr. HAWKINS, Mr. AUCOIN, Mr. CHARLES WILSON of Texas, Mr. SANTINI, Mr. DAN DANIEL, Mr. ST GERMAIN, Mr. WHITEHURST, Mr. DELLUMS, Mr. BEDELL, Mr. RAHALL, Mr. SCHEUER, Mr. MITCHELL of Maryland, Mr. ZEFERETTI, Mr. MOFFETT, Mr. GEPHART, RONCALIO, and Mr. MAZZOLI):

H.R. 4012. A bill to amend title VII of the Social Security Act to require that social security and supplemental security income benefit checks be mailed in time for delivery prior to the regularly scheduled delivery day whenever that day falls on a Saturday, Sunday, or legal holiday; to the Committee on Ways and Means.

By Mr. DUNCAN of Tennessee:

H.R. 4013. A bill to authorize appropriations for coal extraction and preparation technology research; to the Committee on Interior and Insular Affairs.

H.R. 4014. A bill to provide for grants for pilot testing of coal land reclamation proposals; to the Committee on Interior and Insular Affairs.

H.R. 4015. A bill to amend title XVIII of the Social Security Act to provide for comprehensive and quality health care for persons with communicative disorders under the health insurance program (medicare) including preventive, diagnostic, treatment, and rehabilitative functions; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. EILBERG:

H.R. 4016. A bill to amend title II of the Social Security Act to reduce from 72 to 65 the age beyond which deductions on account of an individual's outside earnings will no longer be made from such individual's benefits; to the Committee on Ways and Means.

By Mr. EVANS of Delaware:

H.R. 4017. A bill to amend the Local Public Works Capital Development and Investment Act of 1976 to permit priority consideration of applications from certain local governments; to the Committee on Public Works and Transportation.

H.R. 4018. A bill to suspend until the close of June 30, 1979, the duty on certain doxorubicin hydrochloride antibiotics and for other purposes; to the Committee on Ways and Means.

By Mr. FASCELL:

H.R. 4019. A bill to prohibit travel at Government expense outside the United States by Members of Congress who have been defeated, or who have resigned, or retired; to the Committee on House Administration.

By Mr. FISH:

H.R. 4020. A bill to amend titles 10 and 32, United States Code, to authorize additional medical and dental care and other related benefits for Reservists and members of the National Guard, under certain conditions; to the Committee on Armed Services.

H.R. 4021. A bill to require the inspection of certain towing vessels, and for other purposese; to the Committee on Merchant Marine and Fisheries.

H.R. 4022. A bill to amend the Internal Revenue Code of 1954 to encourage manufacturing-related investment in any State which has an unemployment rate which exceeds the national unemployment rate; to the Committee on Ways and Means.

By Mr. FORD of Tennessee (for himself, Mr. CONTE, Mr. AKAKA, Mr. BADILLO, Mr. BAUCUS, Mr. BROWN of California, Mr. BUCHANAN, Mr. CORNWELL, Mr. DAN DANIEL, Mr. EILBERG, Mr. EMERY, Mr. ERTEL, Mrs. FENWICK, Mr. FRASER, Mr. HORTON, Mr. HOWARD, Mr. LLOYD of California, Mr. MCCORMACK, Mr. MURPHY of Pennsylvania, Mr. ROONEY, Mr. ROYBAL, Mr. SCHEUER, Mr. STEERS, Mr. WAXMAN, and Mr. WEAVER):

H.R. 4023. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. FRASER (for himself, Mr. ANDERSON of Illinois, Mr. ASHLEY, Mr. BADILLO, Mr. BEDELL, Mr. BINGHAM, Mr. BLANCHARD, Mr. BLOUIN, Mr. BONIOR, Mr. BONKER, Mr. BRADEMAS, Mr. BROWN of California, Mr. BUCHANAN, Ms. BURKE of California, Mr. JOHN L. BURTON, Mr. CARR, Ms. CHISHOLM, Mr. CLAY, Mr. COHEN, Ms. COLLINS of Illinois, Mr. CONYERS, Mr. CORMAN, Mr. CORRADA, Mr. COTTER, and Mr. DELLUMS):

H.R. 4024. A bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome; to the Committee on International Relations.

By Mr. FRASER (for himself, Mr. DICKS, Mr. DIGGS, Mr. DODD, Mr. DOWNEY, Mr. DRINAN, Mr. EDGAR, Mr. EDWARDS of California, Mr. FASCELL, Mr. FAUNTROY, Ms. FENWICK, Mr. FINDLEY, Mr. FORD of Tennessee, Mr. HAMILTON, Mr. HARKIN, Mr. HARRINGTON, Mr. HAWKINS, Ms. HOLTZMAN, Mr. HORTON, Mr. JENRETTE, Ms. JORDAN, Mr. KASTENMEIER, Ms. KEYS, Mr. KOCH, and Mr. KOSTMAYER):

H.R. 4025. A bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome; to the Committee on International Relations.

By Mr. FRASER (for himself, Mr. LEDERER, Mr. LEGGETT, Mr. LEHMAN, Mr. MCHUGH, Mr. MCKINNEY, Mr. MAGUIRE, Mr. METCALFE, Ms. MEYNER, Ms. MIKULSKI, Mr. MILLER of California, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. MOSS, Mr. NIX, Mr. OBEY, Mr. OTTINGER, Mr. PANETTA, Mr. PEPPER, Mr. RANGEL, Mr. REUSS, Mr. RODINO, Mr. ROSENTHAL, and Mr. ROYBAL):

H.R. 4026. A bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome; to the Committee on International Relations.

By Mr. FRASER (for himself, Mr. RYAN, Mr. SCHEUER, Mr. SEIBERLING, Mr. SIMON, Mr. SOLARZ, Ms. SPELLMAN, Mr. STOKES, Mr. STUDDS, Mr. THOMPSON, Mr. TONRY, Mr. UDALL, Mr. VENTO, Mr. WEISS, Mr. WIRTH, Mr. WHALEN, Mr. CHARLES WILSON of Texas, Mr. WOLFF, and Mr. ZABLOCKI):

H.R. 4027. A bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome; to the Committee on International Relations.

By Mr. FREY:

H.R. 4028. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. GILMAN:

H.R. 4029. A bill to amend the Internal Revenue Code of 1954 to allow a credit for amounts paid for insulation and solar energy equipment, and for other purposes; to the Committee on Ways and Means.

By Mr. GUYER (for himself and Mr. WAGGONNER):

H.R. 4030. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the stock which certain private foundations may hold in certain public utilities without being subject to the excise tax on excess business holdings; to the Committee on Ways and Means.

By Mr. HARKIN (for himself, Mr. BAUCUS, Mr. LUNDINE, Mr. ANDREWS of North Dakota, and Mr. ST GERMAIN):

H.R. 4031. A bill to establish a program for repairing and replacing unsafe highway bridges; jointly, to the Committees on Public Works and Transportation, and Ways and Means.

By Mr. HOWARD:

H.R. 4032. A bill to amend title 5, United States Code, to require the heads of the respective executive agencies to provide the Congress with advance notice of certain planned organizational and other changes or actions which would affect Federal civilian employment, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. KETCHUM:

H.R. 4033. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide that occupants have priority in the purchase of surplus Government housing; to the Committee on Government Operations.

By Mr. KREBS (for himself and Mr. SISK):

H.R. 4034. A bill to authorize the Secretary of the Interior to engage in a feasibility investigation of a potential water resource development; to the Committee on Interior and Insular Affairs.

By Mr. LEHMAN:

H.R. 4035. A bill to encourage the conservation of energy by requiring that certain buildings financed with Federal funds are so designed and constructed that the windows in such buildings can be opened and closed manually; to the Committee on Banking, Finance and Urban Affairs.

H.R. 4036. A bill to amend title 38, United States Code, to eliminate the time period in which a veteran has to use his educational benefits; to the Committee on Veterans' Affairs.

By Mr. LOTT (for himself, Mr. MOORHEAD of California, Mr. COLLINS of Texas, Mr. MATHIS, Mr. BUCHANAN, Mr. BURKE of Florida, Mr. NEAL, Mr. COCHRAN, Mr. BADHAM, Mr. MONTGOMERY, Mr. DORNAN, and Mrs. FENWICK):

H.R. 4037. A bill to define letter mail under the Private Express Statutes; to the Committee on Post Office and Civil Service.

By Mr. LUKEN:

H.R. 4038. A bill to amend the Federal Election Campaign Act of 1971 to provide that candidates for Federal office may not make personal use of excess campaign contributions and other amounts contributed to such candidates, and for other purposes; to the Committee on House Administration.

By Mr. McFALL:

H.R. 4039. A bill to establish a National Energy and Conservation Corporation (AMPOWER), and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Science and Technology.

By Mr. MATHIS:

H.R. 4040. A bill to amend chapter 49 of title 10, United States Code, to prohibit union organization in the Armed Forces, and for other purposes; to the Committee on Armed Services.

H.R. 4041. A bill to provide a penalty for the robbery or attempted robbery of any narcotic drug from any pharmacy; to the Committee on the Judiciary.

H.R. 4042. A bill to permit collective negotiation by professional retail pharmacists with third-party prepaid prescription program administrators and sponsors; to the Committee on the Judiciary.

H.R. 4043. A bill to amend title 38 of the United States Code to permit veterans to determine how certain drugs and medicines will be supplied to them; to the Committee on Veterans' Affairs.

By Mr. NIX (for himself, Mr. HAWKINS, Mr. SCHEUER, Mr. BAFALIS, Mr. CHARLES H. WILSON of California, Mr. WON PAT, Mr. WHITEHURST, Mr. WOLFF, Mr. ROE, Mr. ROBINSON, Mr. DELLUMS, Mr. METCALFE, Mr. BEVILL, Mr. PRITCHARD, Mr. MURPHY of Illinois, Mr. MITCHELL of Maryland, Mr. DAVIS, Mr. NEAL, Mr. EDWARDS of Oklahoma, Mr. MICHAEL O. MYERS, Mr. ZERERETTI, Mr. MURPHY of New York, Mr. ERTEL, Mr. DIGGS, and Mr. LEDERER):

H.R. 4044. A bill to provide a penalty for the robbery or attempted robbery of any controlled substance from any pharmacy; to the Committee on the Judiciary.

By Mr. RAHALL:

H.R. 4045. A bill to amend title 5, United States Code, to provide for the reclassification of positions of deputy U.S. marshal, to include supervisory and managerial or specialists positions, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SARASIN (for himself, Mr. ADDABBO, Mr. BRECKINRIDGE, Mr. COTTER, Mr. DRINAN, Mr. EILBERG, Ms. HOLTZMAN, Mr. HORTON, Mr. LEFANTE, Mr. MINETA, Mr. MOFFETT, Mr. OTTINGER, Mr. PATTEN, Mr. RANGEL, Mr. VENTO, Mr. WON PAT, and Mr. ZEFERETTI):

H.R. 4046. A bill to provide for the development and implementation of programs for youth camp safety; to the Committee on Education and Labor.

By Mr. SAWYER:

H.R. 4047. A bill to repeal the provisions of law allowing automatic cost-of-living adjustments in the salaries of Members of Congress; to the Committee on Post Office and Civil Service.

By Mr. SLACK:

H.R. 4048. A bill to amend the Internal Revenue Code of 1954 to encourage greater conservation of energy in home heating and cooling by allowing individuals a credit of 25 percent of amounts paid or incurred for the installation of more effective insulation and heating equipment in existing residential structures; to the Committee on Ways and Means.

By Mr. STAGGERS (for himself, Mr. ROONEY, Mr. DEVINE, and Mr. SKUBITZ):

H.R. 4049. A bill to amend the Regional Rail Reorganization Act of 1973 to authorize additional appropriations for the U.S. Railway Association; to the Committee on Interstate and Foreign Commerce.

By Mr. STUMP (for himself, Mr. RHODES, Mr. RUDD, and Mr. UDALL):

H.R. 4050. A bill to amend Public Law 94-565 to provide funds for schools in the Grand Canyon National Park; to the Committee on Interior and Insular Affairs.

By Mr. SYMMS (for himself, Mr. ADDABBO, Mr. ASHBROOK, Mr. BAUMAN, Mr. BURGENER, Mr. DEL CLAWSON, Mr. DEVINE, Mr. DORNAN, Mr. GOLDWATER, Mr. GOODLING, Mr. GUYER, Mr. HAGEDORN, Mr. HANSEN, Mr. KELLY, Mr. KEMP, Mr. MILLER of Ohio, Mr. MOORHEAD of California, Mr. RANGEL, Mr. RINALDO, Mr. ROUSSELOT, Mr. RUPPE, Mr. SEBELIUS, Mr. SISK, Mr. TAYLOR, and Mr. THONE):

H.R. 4051. A bill to expand the medical freedom of choice of consumers by amending the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under the act solely to assure their safety; to the Committee on Interstate and Foreign Commerce.

By Mr. THONE:

H.R. 4052. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. VOLKMER (for himself and Mr. GEPHARDT):

H.R. 4053. A bill to authorize the construction of a replacement lock and dam for Locks and Dam 26, Mississippi River, Alton, Ill., and for other purposes; to the Committee on Public Works and Transportation.

By Mr. WHITEHURST (for himself, Mr. COHEN, Mr. HYDE, Mr. KINDNESS, Mr. MOTTL, Mrs. SPELLMAN, Mr. TONRY, and Mr. WINN):

H.R. 4054. A bill to authorize a career education program for elementary and secondary schools, and for other purposes; to the Committee on Education and Labor.

By Mr. WHITEHURST (for himself, Mr. BEDELL, Mr. BUTLER, Mrs. COLLINS of Illinois, Mr. ROBERT W. DANIEL, Jr., Mr. DERWINSKI, Mr. FINDLEY, Mr. HANNAFORD, Mr. HARRIS, Mr. HAWKINS, Mr. SCHEUER, Mr. TONRY, Mr. CHARLES WILSON of Texas, and Mr. YOUNG of Florida):

H.R. 4055. A bill to amend the Ports and Waterways Safety Act of 1972, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. WHITEHURST (for himself, Mr. BEDELL, Mr. BUTLER, Mr. ROBERT W. DANIEL, Jr., Mr. DERWINSKI, Mr. FINDLEY, Mr. HANNAFORD, Mr. HAWKINS, Mr. SCHEUER, Mr. TONRY, Mr. CHARLES WILSON of Texas, and Mr. YOUNG of Florida:

H.R. 4056. A bill to require that a percentage of U.S. oil imports be carried on U.S.-flag vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. WHITEHURST (for himself, Mr. BEDELL, Mr. BOLAND, Mr. DAN DANIEL, Mr. EDWARDS of Oklahoma, Mr. ERTEL, Mrs. FENWICK, Mr. KEMP, Mr. KINDNESS, Mr. MOORHEAD of California, Mr. OTTINGER, Mr. ROBINSON, Mr. STEIGER, and Mr. VENTO):

H.R. 4057. A bill to amend section 3682 of title 39, United States Code, to increase the size and weight limits for parcel post mail; to the Committee on Post Office and Civil Service.

By Mr. WHITTEN:

H.R. 4058. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 4059. A bill to amend the Internal Revenue Code of 1954 to exempt certain agricultural aircraft from the aircraft use tax, to provide for the refund of the gasoline tax to the agricultural aircraft operator, and for other purposes; to the Committee on Ways and Means.

By Mr. WOLFF (for himself, Mr. LENT, Mr. AMBRO, Mr. WALSH, Mr. MAGUIRE, Mr. BOLAND, Mr. CEDERBERG, Mr. MARKEY, Mr. BLANCHARD, Mr. CARR, Ms. COLLINS of Illinois, Mr. MOFFETT, Mr. BONIOR, Mr. ASHLEY, Mr. MITCHELL of Maryland, Mr. SEIBERLING, Mr. KOSTMAYER, Mr. STEERS, Ms. SPELLMAN, Mr. FORD of Michigan, Mr. VANDER JAGT, and Mr. SARASIN):

H.R. 4060. A bill to amend the Federal Water Pollution Control Act relating to the period of time for which certain funds allotted to States for the construction of treatment works shall remain available; to the Committee on Public Works and Transportation.

By Mr. ZEFERETTI:

H.R. 4061. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer

to defer a portion of his income tax based upon the amount of certain expenses paid or incurred by him in connection with the education or training at an institution of higher education or a vocational school of the taxpayer, his spouse, or any dependent; to the Committee on Ways and Means.

By Mr. ANDERSON of California (for himself and Mr. SANTINI):

H.R. 4062. A bill to amend title II of the Social Security Act to increase to $7,500 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. BRODHEAD (for himself, Mr. BLANCHARD, Mr. PURSELL, Mr. NEDZI, Mr. CEDERBERG, Mr. KILDEE, Mr. DIGGS, Mr. CARR, Mr. FORD of Michigan, and Mr. BROWN of Michigan):

H.R. 4063. A bill to amend the Internal Revenue Code of 1954 to repeal the excise tax on trucks, buses, and tractors and parts and accessories for such vehicles; to the Committee on Ways and Means.

By Mr. BROWN of Michigan (for himself, Mr. MICHEL, and Mr. DON H. CLAUSEN):

H.R. 4064. A bill to amend the National Housing Act to increase maximum mortgage amounts and reduce downpayment requirements under certain FHA single-family mortgage insurance programs, to permit full implementation of the graduated payment mortgage program, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BUCHANAN (for himself, Mr. BEVILL, Mr. DICKINSON, Mr. FLOWERS, and Mr. NICHOLS):

H.R. 4065. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BURKE of Massachusetts:

H.R. 4066. A bill to amend title 38 of the United States Code in order to entitle veterans with service-connected disabilities rated as total to domestic and overseas travel on military aircraft on a space-available basis; to the Committee on Veterans' Affairs.

By Mr. DRINAN (for himself, Mr. BADILLO, Mr. BEDELL, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. DE LA GARZA, Mr. DOWNEY, Mr. EDWARDS of California, Mr. EILBERG, Mr. HAWKINS, Mr. JENRETTE, Mr. LEGGETT, Mr. MAZZOLI, Mr. MITCHELL of Maryland, Mr. MICHAEL O. MYERS, Mr. PRICE, Mr. ROYBAL, Mr. RYAN, Mr. SCHEUER, Mr. SEIBERLING, Mr. SIMON, Mr. SOLARZ, and Mr. STOKES):

H.R. 4067. A bill to amend the Wagner-Peyser Act to provide more effective job placement services, improved administration and management planning, review of policy alternatives, innovative employment services, and for other purposes; to the Committee on Education and Labor.

By Mr. EVANS of Colorado:

H.R. 4068. A bill to direct the Secretary of the Interior to amend the legal description of certain land conveyed by the United States in a land patent; to the Committee on Interior and Insular Affairs.

H.R. 4069. A bill to establish a comprehensive system for regulation of weather modification activities, and for other purposes; to the Committee on Science and Technology.

By Mr. FINDLEY:

H.R. 4070. A bill to authorize a program to alleviate siltation problems at Quincy Bay and Broad and Triangle Lake areas, Illinois; to the Committee on Public Works and Transportation.

By Mr. FITHIAN:

H.R. 4071. A bill to deauthorize the Lafayette Dam and Reservoir, Wabash River, Ind.; to the Committee on Public Works and Transportation.

By Mr. FLOOD:

H.R. 4072. A bill to provide authorizations for the Department of State, and for other purposes; to the Committee on International Relations.

By Mr. FREY:

H.R. 4073. A bill to amend the Communications Act of 1934 with respect to the renewal of licenses for the operation of broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. KETCHUM:

H.R. 4074. A bill to amend the Internal Revenue Code of 1954 to repeal the provisions requiring withholding of tax on certain gambling winnings; to the Committee on Ways and Means.

By Mr. KETCHUM (for himself and Mr. MOORHEAD of California):

H.R. 4075. A bill to amend the Internal Revenue Code of 1954 with respect to income earned abroad by U.S. citizens living or residing abroad; to the Committee on Ways and Means.

By Ms. KEYS (for herself, Mr. BONIOR, and Mr. WIRTH):

H.R. 4076. A bill to relieve taxpayers from liability with respect to certain underpayments of estimated tax, underwithholding, and interest on underpayments of tax attributable to the application to 1976 of the sick pay and other provisions of the Tax Reform Act of 1976; to the Committee on Ways and Means.

By Mr. MANN:

H.R. 4077. A bill granting an extension of patent to the United Daughters of the Confederacy; to the Committee on the Judiciary.

H.R. 4078. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. MARKS:

H.R. 4079. A bill to offset the human and economic hardships created by critical shortages of energy supplies because of unusually severe weather conditions; jointly to the Committees on Banking, Finance and Urban Affairs, Education and Labor, and Small Business.

By Mr. MINETA:

H.R. 4080. A bill to amend the act of September 7, 1957, relating to the Government guarantee of private loans to certain air carriers, to require that, with respect to the purchase of turbojet-powered aircraft, guarantees only be made if the aircraft comply with certain noise standards; to the Committee on Public Works and Transportation.

H.R. 4081. A bill to preserve the public health, safety, and welfare by prohibiting the entrance into and operation within the United States of civil supersonic aircraft that do not meet appropriate noise standards; to the Committee on Public Works and Transportation.

By Mr. MINISH (for himself, Mr. EVANS of Indiana, Mr. GONZALEZ, Mr. ANNUNZIO, Mr. ALLEN, Mr. MITCHELL of Maryland, Mrs. SPELLMAN, Mr. MCKINNEY, Mr. BROOKS, and Mr. REUSS):

H.R. 4082. A bill to revise and extend the Renegotiation Act of 1951; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MURPHY of New York (for himself, Mr. LEGGETT, and Mr. FORSYTHE):

H.R. 4083. A bill to authorize funds for the acquisition, improvement, rehabilitation, and maintenance of the National Wildlife Refuge System areas, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. NIX (for himself, Mr. BAFALIS, Mr. BEVILL, Mr. CARR, Mr. DAVIS, Mr. DELLUMS, Mr. DIGGS, Mr. EDWARDS of Oklahoma, Mr. ERTEL, Mr. GILMAN, Mr. HAWKINS, Mr. LEDERER, Mr. METCALFE, Mr. MITCHELL of Maryland, Mr. MURPHY of Illinois, Mr. MURPHY of New York, Mr. MICHAEL O. MYERS, Mr. NEAL, Mr. PRITCHARD, Mr. ROBINSON, Mr. ROE, Mr. SCHEUER, Ms. SPELLMAN, Mr. WHITEHURST, and Mr. CHARLES H. WILSON of California):

H.R. 4084. A bill to provide a penalty for the robbery or attempted robbery of any controlled substance from any pharmacy; to the Committee on the Judiciary.

By Mr. NIX (for himself, Mr. WOLFF, Mr. WON PAT, and Mr. ZEFERETTI):

H.R. 4085. A bill to provide a penalty for the robbery or attempted robbery of any controlled substance from any pharmacy; to the Committee on the Judiciary.

By Mr. ROGERS:

H.R. 4086. A bill to amend title 38 of the United States Code to provide that veterans' pension and compensation will not be reduced as a result of certain increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. ROGERS (for himself, Mr. ROSTENOWSKI, Mr. FORD of Tennessee, Mr. HEFNER, Mr. MIKVA, Mr. MOORHEAD of California, and Mr. QUIE):

H.R. 4087. A bill to strengthen the capability of the Government to detect, prosecute, and punish fraudulent activities under the medicare and medicaid programs, and for other purposes; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. TEAGUE (by request):

H.R. 4088. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Science and Technology.

By Mr. ULLMAN (for himself, Mr. FRENZEL, Mr. RONCALIO, and Mr. UDALL):

H.R. 4089. A bill to amend the Internal Revenue Code of 1954 to provide the same tax exemptions and general tax treatment to recognized Indian tribes as are applicable to other governmental units; to the Committee on Ways and Means.

By Mr. WAGGONNER:

H.R. 4090. A bill relating to the withholding on the proceeds of certain wagers with respect to horse races, dog races, and jai alai; to the Committee on Ways and Means.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. BADILLO, Mr. BUTLER, Mr. CONYERS, Mr. DIGGS, Mr. DOWNEY, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. EILBERG, Mr. FASCELL, Mr. FLORIO, Mr. FORD of Tennessee, Mr. HANNAFORD, Mr. HARRINGTON, Mr. HEFTEL, Ms. HOLTZMAN, Mr. HUGHES, Mr. JOHNSON of California, and Miss JORDAN):

H.R. 4091. A bill to provide that certain cost-of-living and other increased benefits received under title II of the Social Security Act will not be considered as income for purposes of determining eligibility and the amount of benefits of participants in the

food stamp program and for purposes of determining eligibility and the amount of benefits of participants in certain programs concerning surplus agricultural commodities; to the Committee on Agriculture.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mrs. KEYS, Ms. LLOYD of Tennessee, Mr. MATHIS, Mr. MAZZOLI, Mr. METCALFE, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MURPHY of Pennsylvania, Mr. OTTINGER, Mr. PATTEN, Mr. PEASE, Mr. PEPPER, Mr. RAHALL, Mr. RODINO, Mr. SARASIN, Mr. SIMON, and Mr. STUDDS):

H.R. 4092. A bill to provide that certain cost-of-living and other increased benefits received under title II of the Social Security Act will not be considered as income for purposes of determining eligibility and the amount of benefits of participants in the food stamp program and for purposes of determining eligibility and the amount of benefits of participants in certain programs concerning surplus agricultural commodities; to the Committee on Agriculture.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. VENTO, Mr. WEISS, and Mr. ZEFERETTI):

H.R. 4093. A bill to provide that certain cost-of-living and other increased benefits received under title II of the Social Security Act will not be considered as income for purposes of determining eligibility and the amount of benefits of participants in the food stamp program and for purposes of determining eligibility and the amount of benefits of participants in certain programs concerning surplus agricultural commodities; to the Committee on Agriculture.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. BADILLO, Mr. BUTLER, Mr. CONYERS, Mr. DIGGS, Mr. DOWNEY, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. EILBERG, Mr. FASCELL, Mr. FLORIO, Mr. FORD of Tennessee, Mr. HANNAFORD, Mr. HARRINGTON, Mr. HEFTEL, Ms. HOLTZMAN, Mr. HUGHES, Mr. JOHNSON of California, and Miss JORDAN):

H.R. 4094. A bill to provide that social security benefit increases occurring after May 1977 shall not be considered as income or resources for the purposes of determining the eligibility for or amount of assistance which any individual or family is provided under certain Federal housing laws; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mrs. KEYS, Ms. LLOYD of Tennessee, Mr. MATHIS, Mr. MAZZOLI, Mr. METCALFE, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MURPHY of Pennsylvania, Mr. OTTINGER, Mr. PATTEN, Mr. PEASE, Mr. PEPPER, Mr. RAHALL, Mr. RODINO, Mr. SIMON, and Mr. STUDD):

H.R. 4095. A bill to provide that social security benefit increases occurring after May 1977 shall not be considered as income or resources for the purposes of determining the eligibility for or amount of assistance which any individual or family is provided under certain Federal housing laws; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. VENTO, Mr. WEISS, and Mr. ZEFERETTI):

H.R. 4096. A bill to provide that social security benefit increases occurring after May 1977 shall not be considered as income or resources for the purposes of determining the eligibility for or amount of assistance which any individual or family is provided under certain Federal housing laws; to the Committee on Banking, Finance and Urban Affairs:

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. BADILLO, Mr. BUTLER, Mr. CONYERS, Mr. DIGGS, Mr. DOWNEY, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. EILBERG, Mr. FASCELL, Mr. FLORIO, Mr. FORD of Tennessee, Mr. HANNAFORD, Mr. HARRINGTON, Mr. HEFTEL, Ms. HOLTZMAN, Mr. HUGHES, Mr. JOHNSON of California, and Miss JORDAN):

H.R. 4097. A bill to amend title XIX of the Social Security Act to make certain that individuals otherwise eligible for medicaid benefits do not lose such eligibility, or have the amount of such benefits reduced, because of increases in monthly social security benefits; to the Committee on Interstate and Foreign Commerce.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mrs. KEYS, Ms. LLOYD of Tennessee, Mr. MATHIS, Mr. MAZZOLI, Mr. METCALFE, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MURPHY of Pennsylvania, Mr. OTTINGER, Mr. PATTEN, Mr. PEASE, Mr. PEPPER, Mr. RAHALL, Mr. RODINO, Mr. SARASIN, Mr. SIMON, and Mr. STUDD):

H.R. 4098. A bill to amend title XIX of the Social Security Act to make certain that individuals otherwise eligible for medicaid benefits do not lose such eligibility, or have the amount of such benefits reduced, because of increases in monthly social security benefits; to the Committee on Interstate and Foreign Commerce.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. VENTO, Mr. WEISS, and Mr. ZEFERETTI):

H.R. 4099. A bill to amend title XIX of the Social Security Act to make certain that individuals otherwise eligible for medicaid benefits do not lose such eligibility, or have the amount of such benefits reduced, because of increases in monthly social security benefits; to the Committee on Interstate and Foreign Commerce.

By Mr. WHALEN (for himself, Mr. HILLIS, and Mr. ZEFERETTI):

H.R. 4100. A bill to provide that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. BADILLO, Mr. BUTLER, Mr. CONYERS, Mr. DIGGS, Mr. DOWNEY, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. EILBERG, Mr. FASCELL, Mr. FLORIO, Mr. HANNAFORD, Mr. HARRINGTON, Mr. HEFTEL, Ms. HOLTZMAN, Mr. HUGHES, Mr. JOHNSON of California, and Miss JORDAN):

H.R. 4101. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension or compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mrs. KEYS, Ms. LLOYD of Tennessee, Mr. MATHIS, Mr. MAZZOLI, Mr. METCALFE, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MURPHY of Pennsylvania, Mr. OTTINGER, Mr. PATTEN, Mr. PEASE, Mr. PEPPER, Mr. RAHALL, Mr. RODINO, Mr. SARASIN, Mr. SIMON, and Mr. STUDDS):

H.R. 4102. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. VENTO, Mr. WEISS, and Mr. ZEFERETTI):

H.R. 4103. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mrs. KEYS, Ms. LLOYD of Tennessee, Mr. MATHIS, Mr. MAZZOLI, Mr. METCALFE, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MURPHY of Pennsylvania, Mr. OTTINGER, Mr. PATTEN, Mr. PEASE, Mr. PEPPER, Mr. RAHALL, Mr. RODINO, Mr. SARASIN, Mr. SIMON, and Mr. STUDDS):

H.R. 4104. A bill to amend the Social Security Act to make certain that recipients of aid to families with dependent children and recipients of supplemental security income benefits will not have the amount of such aid or benefits reduced because of increases in monthly social security benefits; to the Committee on Ways and Means.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. BADILLO, Mr. BUTLER, Mr. CONYERS, Mr. DIGGS, Mr. DOWNEY, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. EILBERG, Mr. FASCELL, Mr. FLORIO, Mr. FORD of Tennessee, Mr. HANNAFORD, Mr. HARRINGTON, Mr. HEFTEL, Ms. HOLTZMAN, Mr. HUGHES, Mr. JOHNSON of California, and Ms. JORDAN):

H.R. 4105. A bill to amend the Social Security Act to make certain that recipients of aid to families with dependent children and recipients of supplemental security income benefits will not have the amount of such aid or benefits reduced because of increases in monthly social security benefits; to the Committee on Ways and Means.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. VENTO, Mr. WEISS, and Mr. ZEFERETTI):

H.R. 4106. A bill to amend the Social Security Act to make certain that recipients of aid to families with dependent children and recipients of supplemental security income benefits will not have the amount of such aid or benefits reduced because of increases in monthly social security benefits; to the Committee on Ways and Means.

By Mr. BURLISON of Missouri (for himself, and Mr. MCCORMACK):

H.J. Res. 281. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. LONG of Maryland (for himself, Mr. STUMP, Mr. CHARLES WILSON of Texas, Mr. EVANS of Georgia, Mr. KETCHUM, and Mr. WHITLEY):

H.J. Res. 282. Joint resolution proposing an amendment to the Constitution of the United States to provide that the President shall not, without the approval of Congress, grant a pardon to a person for a criminal offense against the United States for which such person has not been convicted; to the Committee on the Judiciary.

By Mr. MATHIS:

H.J. Res. 283. Joint resolution to designate the week commencing with the third Monday in February of each year as National Patriotism Week; to the Committee on Post Office and Civil Service.

By Mr. WHITEHURST (for himself, Mr. BEDELL, Mr. BUTLER, Mr. ROBERT W. DANIEL, JR., Mr. DERWINSKI, Mr. FINDLEY, Mr. HARRIS, Mr. HAWKINS, Mr. KINDNESS, Mr. SCHEUER, Mr. SIMON, Mr. TONRY, Mr. CHARLES WILSON of Texas, and Mr. YOUNG of Florida):

H.J. Res. 284. Joint resolution calling for protection of international waters from further pollution; to the Committee on International Relations.

By Mr. WIRTH (for himself, Mr. WHALEN, Mr. OTTINGER, Mr. BINGHAM, Mr. CARR, Mr. CHISHOLM, Mr. CONTE, Mr. CORRADA, Mr. EDGAR, Mr. KILDEE,

Mr. KOCH, Mr. MITCHELL of Maryland, Mr. MOSS, Mr. PATTISON of New York, Mr. PEASE, Mr. RICHMOND, Mr. ROSENTHAL, Mrs. SCHROEDER, Mr. SEIBERLING, Mr. STARK, Mr. WAXMAN, Mr. WEISS, and Mr. CHARLES WILSON of Texas):

H.J. Res. 285. Joint resolution providing that competition is reaffirmed as the best means of serving American consumers' telecommunications needs; to the Committee on Interstate and Foreign Commerce.

By Mr. ADDABBO:

H. Con. Res. 128. Concurrent resolution expressing the sense of the Congress that the President should convene immediately a meeting of the heads of all appropriate Federal departments and agencies for the purpose of taking such steps as may be necessary to prevent Arab discrimination against American business enterprises which have Jewish individuals serving in positions of major responsibility or which do business with Israel; to the Committee on International Relations.

By Mr. BADHAM:

H. Con. Res. 129. Concurrent resolution recommending that there be no rebate of 1976 individual income taxes; to the Committee on Ways and Means.

By Mr. WHITEHURST:

H. Con. Res. 130. Concurrent resolution pertaining to the methods used on animals in research; to the Committee on Science and Technology.

By Mr. BROOKS:

H. Res. 328. Resolution to provide for the expenses of investigations, studies, oversight, and functions to be conducted by the Committee on Government Operations; to the Committee on House Administration.

By Mr. DIGGS:

H. Res. 329. Resolution providing funds for the Committee on the District of Columbia; to the Committee on House Administration.

By Mr. FRENZEL (for himself, Mr. DEVINE, Mrs. FENWICK, Mr. WINN, Mr. WHITEHURST, Mr. REGULA, Mr. CONABLE, Mr. YOUNG of Florida, Mr. WALKER, and Mr. ABDNOR):

H. Res. 330. Resolution to amend the Rules of the House of Representatives, and for other purposes; divided and referred as follows; Title I, section 301, titles IV, V, and VI to the Committee on Rules; title II and section 303 to the Committee on Standards of Official Conduct; and section 302 to the Committee on House Administration.

By Mr. HAMILTON (for himself, Mr. OBEY, Mr. D'AMOURS, Mr. MEEDS, Mr. FRASER, Mr. NEDZI, Mr. MOAKLEY, Mr. FUQUA, Mr. THONE, Mr. MAZZOLI, Mr. FORD of Michigan, Mr. BEILENSON, Mr. RINALDO, Mr. MCHUGH, Mr. BRODHEAD, Mr. FASCELL, Mr. ROE, Mr. PRITCHARD, Mr. SEIBERLING, Mr. CORNELL, Mr. RANGEL, Mr. FISHER, Mrs. SCHROEDER, Mr. WIRTH, and Mr. CHARLES H. WILSON of California):

H. Res. 331. Resolution to amend the Rules of the House of Representatives, and for other purposes; divided and referred as follows: Title I, section 301, and titles IV, V, VI, and VII to the Committee on Rules for a period ending not later than February 25, 1977; title II and section 303 to the Committee on Standards of Official Conduct for a period ending not later than February 23, 1977; and section 302 to the Committee on House Administration for a period ending not later than February 23, 1977.

By Mr. HAMILTON (for himself, Mr. OBEY, Mr. D'AMOURS, Mr. MEEDS, Mr. TRAXLER, Mr. HOLLAND, Mr. RYAN, Ms. LLOYD of Tennessee, Mr. HUBBARD, Mr. NIX, Mr. BLOUIN, Mr. KREBS, Mr. KOCH, Mr. AKAKA, Mr. BENJAMIN, Mr. PEASE, Mr. MITCHELL of Maryland, Mr. STUDDS, Mr. NEAL, Mr. DICKS, Mr. YOUNG of Missouri, Mr. FARY, Mr. VENTO, Mr. WEAVER, Mr. EVANS of Georgia, Mr. GLICKMAN, and Mr. KOSTMAYER):

H. Res. 332. Resolution to amend the Rules of the House of Representatives, and for other purposes; divided and referred as follows: Title I, section 301, and titles IV, V, VI, and VII to the Committee on Rules for a period ending not later than February 25, 1977; title II and section 303 to the Committee on Standards of Official Conduct for a period ending not later than February 23, 1977; and section 302 to the Committee on House Administration for a period ending not later than February 23, 1977.

By Mr. MOSS:

H. Res. 333. Resolution providing for continuation of the appointment of a special counsel to represent the House and the Committee on Interstate and Foreign Commerce in certain judicial proceedings; to the Committee on House Administration.

H. Res. 334. Resolution providing for the continuation of the appointment of a special counsel to represent the House and the Committee on Interstate and Foreign Commerce in certain judicial proceedings; to the Committee on House Administration.

By Mr. PIKE (for himself, Mr. DELLUMS, Mr. MURPHY of Illinois, Mr. LEHMAN, and Mr. JOHNSON of Colorado):

H. Res. 335. Resolution to establish a standing committee of the House on intelligence, and for other purposes; to the Committee on Rules.

By Mr. WAGGONNER:

H. Res. 336. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII,

20. The SPEAKER presented a memorial of the Legislature of the Trust Territory of the Pacific Islands, relative to the Angaur phosphate claims; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EVANS of Delaware:

H.R. 4107. A bill for the relief of the Knights of Pythias Hall Co. of Wilmington, Del.; to the Committee on the Judiciary.

By Mr. MCFALL:

H.R. 4108. A bill for the relief of William Phillips; to the Committee on Interior and Insular Affairs.

By Mr. MOORE:

H.R. 4109. A bill for the relief of Albert Cheuk-Kei Tsang; to the Committee on the Judiciary.

By Mr. PATTERSON of California:

H.R. 4110. A bill for the relief of Mr. Duk Pung Koh and Mrs. Bong Nyu Koh; to the Committee on the Judiciary.

By Mr. UDALL:

H.R. 4111. A bill for the relief of Ernest L. Green; to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H.R. 4112. A bill for the relief of Angel Medico Borisosky and Guillermina Herrara de Medico; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

RHODESIA'S FIX

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, February 24, 1977

Mr. HARRY F. BYRD, JR. Mr. President, the issue of morality has become a very recent evident concern in our foreign policy deliberations in recent months. In our relations with the Soviet Union, Chile, and other countries, the United States has sought to highlight moral concerns. More recently our attention has been turned to the African continent and much has been said about the need to strongly support the concept of "black majority rule" and to strongly oppose "racism," "colonialism" and "exploitation."

These terms are hard to resist, both emotionally and politically. Yet, I question if our current policies in southern Africa will actually lead to the moral goals espoused. I recently rediscovered an article from the Roanoke Times by James J. Kilpatrick which addresses this issue and I would like to share it with my colleagues. I ask unanimous consent that the text of this article be printed in the Extensions of Remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Roanoke Times, April 26, 1976]

HYPOCRISY PREVAILS—RHODESIA'S FIX

(By James J. Kilpatrick)

The Rhodesian situation seems to be simmering uncertainly these days, just keeping warm on the back of the stove. Before it heats up again, a few observations are in order. What we are witnessing is a nice joining of the New Morality and the Old Hypocrisy.

The New Morality wraps itself in lovely flags: democracy majority rule, one man-one vote. The New Morality rejects all the old ugly vices: racism, colonialism, exploitation. For the past 10 years, since Rhodesia declared her independence of Great Britain, apostles of the New Morality have been preaching all these things.

We heard the preachments as to Angola and Mozambique, where the Portuguese boot was thought to trample on native rights. We hear cries incessantly as to South West Africa. Freedom! Democracy! Nationhood!

Such allurements, as Secretary Kissinger knows well, are politically irrestible. The propagandists of the New Morality have done their work surpassingly well. Mr. Kissinger could not lift a finger in support of the governments of either Rhodesia or South Africa. The least friendly gesture toward Salisbury or Pretoria would set the liberal wolf pack to howling. The United States cannot afford to be identified with the "op-

pressors" while the Soviet Union succors the "oppressed." It is a pretty fix.

There is no satisfactory way out of it. But something may be gained, if only in terms of historic truth. If we strip from the New Morality its trappings of pretense and fraud. What stands revealed is the Old Hypocrisy.

The National Review Bulletin recently said what needs to be said: "The black African nations do not object to the Ian Smith government because it is undemocratic but because it is white; the other nations of the world, from a variety of motives, are willing to help hide this fact that in truth is known to everyone. The Smith government is more accurately defined as a democratic oligarchy. One thing at least is certain: that if it goes, when it goes, it is not going to be replaced by democratic 'majority rule'."

The editors of National Review took a look at the record. The Organization of African Unity is composed of 47 nations—44 former colonies that have gained their independence in the past generation, plus Ethiopia, Liberia and Egypt. Of the 47, at least 15 are open military dictatorships; 29 others are nominaly civilian despotisms characterized by one-party rule. Only Botswana, Gambia and Mauritius retain a semblance of political pluralism.

The pending charade in Rhodesia fits exactly into this pattern. Let us suppose, to be grimly supposing, that Rhodesia is overrun by guerrilla "freedom fighters," supported by Cuban troops armed by the Soviet Union. Let us suppose that the new Communist masters of Zimbabwe have now seized all private property—all the banks, mines, farms, stores, and the like. The 250,000 whites have been slaughtered, subdued, or driven out. The Smith government has fled and a new government has taken over.

National Review's prophecy coincides exactly wtih my own: "The Zimbabwe regime that would succeed the present Rhodesian government is going to be one more of those depositic, arbitrary, usually personalized, often tribal, frequently bloody political arrangements that are Africa's indigenous political products.

"Under this depositic government the six million Rhodesian blacks will be more ruthlessly suppressed and exploited than they are under the present government, and they will eat less. But the successor government will be a black government; and that is all—quite literally all—that matters to the present Conscience of Mankind."

Whether the process is known as rebellion, revolution, liberation, conquest, coup, or reform, in Africa the cynical adage applies. The first goal of insurgency is to throw the rascals out; and the second is to throw our rascals in.

A SINGLE AGENCY FOR ERISA

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. ERLENBORN. Mr. Speaker, on September 2, 1974, a measure was signed into law, the main purpose of which is to protect pensions promised to workers in the private sector. I refer, of course, to the Employee Retirement Income Security Act, better known as ERISA.

As a coauthor of this law, I have faith that it will indeed protect the pensions of tens of millions of people. Like many of our colleagues, however, I also have concerns about ERISA.

My list of concerns is lengthy, but I would like now briefly to discuss just one—the problems caused by the number of agencies involved in ERISA's administration, not the least of which is the likelihood that ERISA could be thwarting its major goal.

What follows is a Congressional Research Service report: "Pension Plan Terminations—What Do the Statistics Suggest?" Two statistics are obvious: Pension plan terminations have substantially increased since the September 1974 enactment of ERISA, and the number of pension plans has decreased.

The report suggests several reasons for these statistics—adverse economic conditions, liquidation of the employer's business, change in business ownership, and the costly, excessive paperwork and frustration caused by ERISA's administration.

We can help to assure the protections ERISA intends to give by putting the responsibility of administering this law in a single agency. Congressman JOHN DENT and I will soon be introducing a bill for this purpose. I invite our colleagues to review this CRS report and consider the value of a single agency to administer ERISA.

PENSION PLAN TERMINATIONS

WHAT DO THE STATISTICS SUGGEST?

Considerable concern has been expressed in recent months over the large number of pension plan terminations. Critics charge that the Employee Retirement Income Security Act of 1974 (ERISA) is the chief reason for the upsurge in plan terminations, whereas others believe that business and economic conditions are the primary reason. Congress is particularly concerned about the increase in the rate of pension plan terminations since it passed ERISA for the purpose of protecting the interests of participants in private pension plans and their beneficiaries. In shaping the legislation, Congress was cognizant that no employer had to provide a pension to its employees and tried to minimize any adverse effect that the legislation might have on the private pension system. But at the same time Congress was aware of the serious shortcomings that existed in the private pension system after almost ten years of study and debate.

Since there is as yet only limited experience with ERISA, it is both difficult and premature to judge the impact of the law and whether the high rate of terminations experienced since enactment will continue into the forseeable future. It is therefore important to have additional information before any conclusions are drawn concerning the effects of the law. In this regard, both the Labor Department and the General Accounting Office are engaged in studies to determine the effect of ERISA on plan terminations. In the interim, the following information may be useful when viewing the termination statistics.

HOW MANY PENSION PLANS HAVE TERMINATED?

Statistics are available on the number of plans obtaining and maintaining tax-qualified status under the Internal Revenue Code. The data show that there has been a substantial increase in the annual number of plan terminations and a decrease in new plan starts since the enactment of ERISA on September 2, 1974. The following graph (not reproduced) shows that the number of new pension plans increased at a rather steady rate from 1948 to 1966. It then increased rather rapidly until 1973–74 when the number of new plans leveled off at around 60,000. In 1975, the number of new plans dropped off sharply to about 30,000.

Plan terminations grew at a rather steady rate from 1948 until 1969. The following graph (not reproduced) shows that from 1970 to 1974, the rate of terminations picked up reaching a significantly higher level in the period immediately after enactment of ERISA.

Since the enactment of ERISA there has been a decrease in the annual ratio of new plans to terminated plans. During the ten years prior to enactment, the average ratio of new plans to terminated plans was about 14.4 to 1. In 1975, the ratio was 3.7 to 1, and only 1.2 to 1 during the first nine months of 1976. Furthermore, since enactment of ERISA most of the new corporate and self-employed plans have been of the defined contribution type (that is, profit-sharing and money purchase plans). Defined contribution plans are not insured by the Pension Benefit Guaranty Corporation (PBGC) and are not required to meet the funding standards of ERISA. During the period January-September 1976, only about 10 percent (1,330) of the 14,270 new tax-qualified plans were of the defined benefit type.

The following are the yearly totals of new plans and terminating plans from 1965 to 1976 together with the ratio between the two.

Tax qualified corporate plans

Year	New plans	Terminated plans	Ratio of new plans to terminated
1965	13,532	1,036	13.1
1966	18,183	1,210	15.0
1967	20,521	1,307	15.7
1968	23,782	1,443	16.5
1969	28,075	1,729	16.2
1970	32,574	2,306	14.1
1971	40,664	3,335	12.2
1972	49,335	3,520	14.0
1973	59,605	4,130	14.4
1974	59,385	4,604	12.9
1975	30,039	8,108	3.7
1976[1]	[2]14,270	11,909	1.2

[1] Through September 1976.

[2] Includes a small number of plans for the self-employed.

Source: Internal Revenue Service.

Quarterly data are available on new and terminated plans since 1959. A breakdown is available for both profit-sharing and stock bonus plans, as well as pension and annuity plans. The following two graphs (not reproduced) show that the number of new and terminated plans within each benefit plan category followed the same general patterns. In recent years, however, pension and annuity plans accounted for a proportionately greater amount of the increase in both new and terminated plans.

HOW MANY PLANS COULD HAVE BEEN EXPECTED TO TERMINATE?

Since plans have terminated in the past, it is reasonable to assume that they would continue to terminate in the future. But how many plans could have been expected to terminate notwithstanding ERISA?

The number of terminations takes on meaning as a measure of the impact of ERISA when compared with the number of plan terminations which might reasonably be expected in the absence of ERISA. Based upon historical trends and economic data, over 9,000 plans could have reasonably been

expected to terminate in the two years following September 1974. ERISA may therefore only be responsible for the incremental increase over the anticipated number of plan terminations. However, this in itself is significant since the actual number of post-enactment terminations (21,123) is over twice the extrapolated amount (9,132).[1]

WHAT IS KNOWN ABOUT TERMINATED PENSION PLANS?

A limited amount of information is available for defined benefit pension plans that come under the termination insurance provisions of ERISA. These plans account for about half of all terminations.

On March 19, 1976, the Pension Benefit Guaranty Corporation released an analysis of single employer defined benefit pension plans that terminated during 1975. The analysis was based upon a ten percent systematic sample of terminated plans. Some of the highlights of this analysis are as follows:

In 35 percent of the plan terminations involving an ongoing employer, an intent to provide pension coverage to plan participants through another plan was cited.

Seventy-seven percent of the plan terminations covered by the insurance program did not indicate that ERISA was the reason for termination. Adverse economic conditions, change in ownership, or liquidation of the employer's business were typical of the cited reasons for plan termination.

Twelve percent of the plan terminations covered by the insurance program indicated that ERISA was the reason for termination.

An additional eleven percent cited other reasons in addition to ERISA, such as adverse economic conditions.

The June 30, 1975, Annual Report of the Pension Benefit Guaranty Corporation provides additional information on terminating plans based upon a 20 percent random sampling.

The terminating plans in the sample averaged 30 participants.

Fifty-three percent of the plans covered fewer than 10 participants.

Thirty percent of the plans were less than 5 years old.

Some pension experts question the validity of the reasons cited by employers for terminating their pension plan. Under pre-existing IRS procedures (see Rev. Rul. 69–24, 69–25, and 72–239), if a plan were discontinued within a few years after adoption, an employer could lose prior years' tax deductions unless the plan were terminated for valid business reasons. Accordingly, a plan which had been in existence only a short period of time might be reluctant to cite ERISA as the primary reason for terminating so as not to jeopardize prior years' tax deductions.

In a November 5, 1976, news release by the American Society of Pension Actuaries it is stated that "According to 70% of participants in a recent survey of qualified plan practitioners, ERISA, not business conditions, is the major cause of the recent upsurge in plan terminations." Concerning a small number of new plans being formed, the release stated that "red tape, burdensome funding rules, and overly-liberal eligibility rules" were the factors deterring new plans. Also mentioned were the fiduciary provisions of ERISA as well as the easy availability of Individual Retirement Accounts (IRAs) as an alternative.

[1] The expected values for the two-year period following enactment are projected from two regression equations estimated with quarterly data beginning with the first quarter of 1959 through the third quarter of 1974. These equations control for the effects of inflation, as well as historical and seasonal trends.

IS THE "FALLOUT" ALL BAD?

While ERISA may have caused a number of plans to terminate, it is important to look beyond the termination statistics. Some employers terminating their plans, for instance, are reportedly converting to other types of employee benefit plans; other employers may be taking a "wait and see" approach before adopting a plan until all the regulations are out. Furthermore, it could be hypothesized that the "worst" is over. ERISA may have caused a number of "poorer" or marginal plans to terminate—precisely the type of plan which led to the enactment of minimum Federal standards.

While some individuals may have lost pension coverage, ERISA will increase the chances of other individuals participating in ongoing plans to earn pension benefits through the liberalization of the participation and vesting requirements. Thus, the net effect could be an actual increase in the number of individuals who may eventually receive pension benefits at retirement. Furthermore, individuals with vested rights under a defined benefit pension plan will receive those benefits (within certain statutory limitations) under the termination insurance program established by ERISA.

It should also be noted that the statistics on plan terminations do not reflect the number of people who may have been reasonably expected to receive benefits under the plans or what their current pension status is. Nothing is known, for instance, about how "good" the plans were; that is, how many participants of these plans had earned vested rights to benefits, how long an individual was required to work before benefits vested, or how much benefits each individual could have been expected to receive if the plan had not been amended to comply with ERISA. Many participants may have been covered by plans under which they would have received little or no benefits anyway. These individuals would at least now be eligible to save for their own retirement by setting up an Individual Retirement Account.

It should also be recognized that the economy has just experienced the most serious recession since World War II. (The pension "boom" began shortly after the end of World War II.) As shown in graph 4, profit-sharing plans are exempt from some of the provisions of ERISA (i.e., funding requirements and termination insurance provisions) and which often had rather liberal participation and vesting provisions followed the same sharp postenactment termination increase. This suggests that some factors beyond the law contributed to the sharp increase in terminations.

The answers to these important questions may be available when the General Accounting Office and the Labor Department complete their termination studies. While the GAO study covers only defined benefit plans covered by the PBGG termination insurance program, the Labor Department study will cover all plans. The GAO study is expected to be completed in Summer 1977. The final report of the Department of Labor, however, will probably not be available until Fall.

RAY SCHMITT,
Education and Public Welfare Division.

RHODESIAN CHROME

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, February 24, 1977

Mr. HARRY F. BYRD, JR. Mr. President, there is currently before the Senate a bill which, if passed, would allow the President to reimpose an embargo on the importation of chrome from Rhodesia. This is a matter which has come before the Congress several times in the past several years and each time the validity of importing chrome from Rhodesia has been upheld.

On February 6, 1977, the Sunday News American of Baltimore published an editorial on this subject. I ask unanimous consent that the text of this editorial be printed in the Extensions of Remarks.

There being no objection, the editorial was order to be printed in the RECORD, as follows:

[From the Sunday News American, Feb. 6, 1977]

A STRANGE MORALITY

Hard-Left activists and their dupes in Congress are mounting a new drive for repeal of the 1971 Byrd Amendment, under which this country imports chrome from Rhodesia in disregard of United Nations sanctions. Few Americans realize how serious a threat to the national security is involved, or how such a repeal would help the Soviet Union.

They certainly should—and it is high time congressional dupes quit falling for the activist argument that the United States is a disgrace for continuing to do business with a racist government in defiance of world opinion. Just about the whole world has been hypocritically and quietly ignoring the UN embargo on Rhodesian exports. Only the U.S. has been honest and candid about its actions.

The Byrd Amendment was enacted out of vital necessity. Chromite ore of metallurgical grade is a strategic material, absolutely essential in the manufacture of special steels used in a wide variety of armaments. Although Rhodesia has 67.3 per cent of the world's dwindling chrome resources, of which we have none domestically, Soviet Russia to date has been our major supplier.

In 1975, for example, the U.S. bought 17.5 per cent of its metallurgical grade chromite from Rhodesia and 49 per cent from Russia. The rest of our imports came from a variety of other countries, including 14 per cent from Turkey. What this boils down to is one all-important fact, namely that the U.S. simply could not manage its chrome problem if deprived of both Rhodesian and Russian supplies. This is precisely what could happen if the stalemated Rhodesian talks erupt into full-scale racial war and, as in Angola, a Marxist government emerges as the result of Soviet-Cuban backing. Thereafter, U.S. chrome supplies would be almost wholly dependent on Kremlin policies.

What this would mean in the event of a direct, nonatomic military showdown with our ideological arch enemy is obvious. And it should be equally obvious that virtual control of the Rhodesian chrome mines at the very least would give the Soviets a powerful new weapon for use against us in other conflicts. In the Korean war, it should be noted, Moscow seriously hampered the U.S. by cutting off its own chrome supplies to us.

The drive for repeal of the Byrd Amendment—a drive incidentally supported by our new UN ambassador, Andrew Young—is as ironic as it is menacing to the national security. It is a strange kind of American morality that can ignore that security in condemning the U.S. for trading with Rhodesia while seeing nothing wrong with buying from the Soviet Union Communists, bosses of the most repressive long-time regime in the world today.

TAX INCENTIVES FOR ENERGY CONSERVATION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. GILMAN. Mr. Speaker, within the past 3 years, this Nation has experienced two devastating energy crisis: first, the 1973 oil embargo by the Organization of Oil Exporting Countries (OPEC) whose increased exorbitant oil prices contributed to the world's spiraling inflationary economy and to the economic hardships for this Nation's low-, middle- and fixed-income taxpayers, and second, the current, harsh winter, which created unseasonable demands for increased fuel consumption, produced severe gas shortages throughout the eastern two-thirds of the country.

This winter's freezing temperatures paralyzed river transportation from the Hudson to the Mississippi and stalled barges carrying precious supplies of fuel to beleagured schools, factories, homes and office buildings. Fuel shortages closed schools, silenced factories and laid off more than 2 million workers. President Carter declared nine States—New York, Pennsylvania, Ohio, Indiana, Michigan, New Jersey, Maryland, Virginia, and Florida—disaster areas qualifying for emergency assistance. Western New York State, particularly the Buffalo area, already blanketed by more than 14 feet of snow since the fall, reeled under the harsh winter as more than 300,000 residents in that part of the State joined the unemployment lines, thereby contributing to an estimated economic loss of more than $225 million in two of the nine Presidentially declared disaster counties.

Mr. Speaker, this Nation has become dependent upon oil, gas and electricity for its energy sources and upon foreign nations to bridge the widening gap between what this Nation demands to feed its insatiable energy appetite and what the Nation produces. We have recently experienced an oil embargo and a gas shortage, and as more homes, schools, factories and office buildings turn to electricity for heating and air conditioning, we have experienced increased massive power failures from overloaded electrical circuits.

These energy crises and the dependency upon foreign nations to replenish our dwindling energy supplies can no longer be tolerated. We must conserve our energy. We must recognize that we do not have unlimited energy resources, and we must learn to accept the economic fact that this Nation's energy demands have exceeded its productive capabilities.

As the Congressional Budget Office, in a February 1977 report entitled, "Budget Options for Fiscal Year 1978," stated: "the low-cost abundant, and secure supply of energy that fueled the Nation's economic growth and life-style is simply no longer available." The Washington Post recently reported that this country "wastes more energy than most nations consume," estimating that "wasted energy may account for 30, or even 50, percent of all energy consumed in the United States." Commenting on the aftermath of the 1973 oil embargo, the General Accounting Office, in its January 27, 1977, report entitled "National Energy Policy: An Agenda for Analysis," stated: "The Nation is more dependent upon foreign energy sources today than it was 3 years ago." This view is identical to the Report of the Twentieth Century Fund Task Force on United States Energy Policy whose report, entitled "Providing for Energy," stated:

> Imports have risen from 23 percent of oil consumed annually (at a cost of $3 billion) in 1970 to a rate of 41 percent (at a cost of $35 billion) in 1976. The share of these imports originating in the OPEC countries has risen from 68 percent on the eve of the embargo to nearly 90 percent now, so that the nation is more than ever a potential hostage of a powerful cartel.

Mr. Speaker, what can be done to help alleviate this energy crisis and restore our energy supplies? Foremost, this Nation must adopt a more flexible, diversified approach to energy consumption and conservation. We must adopt policies and programs that will promote energy conservation and, through research and development, explore alternative sources of energy that are environmentally safe, inexpensive to consumers, protect the Nation from disruptions in supply, and reduce the Nation's reliance on existing energy resources. Such a flexible, diversified approach would reduce our dependence on oil, gas and electricity and our reliance on foreign energy sources.

Mr. Speaker, today I am introducing legislation that helps accomplish these objectives by providing a tax credit for the purchase and installation of solar energy equipment and insulation.

Under my proposal, a homeowner or apartment renter would receive a maximum tax credit of 30 percent or $225 of insulation expenses not exceeding $750. Insulation includes installing a storm or thermal window, or any other device that is designed to reduce the loss of heat and that has a useful life of at least 3 years.

An individual who installs qualified solar heating and cooling equipment in his residence would also be eligible for a maximum tax credit of 25 percent or $2,000 of the cost of the equipment and installation not exceeding $8,000. To qualify the equipment must use solar energy to heat or cool the building or to provide hot water for use in the building, and the equipment must have a useful life of at least 3 years. A taxpayer installing qualified insulation or solar energy equipment in his residence prior to the enactment of this measure would also qualify for a tax credit.

Insulation installed in a building used as a business, or solar energy equipment installed in such a building would also receive investment credits as depreciable property.

Furthermore, a taxpayer would be entitled to a deduction by amortizing for 60 months equipment that (a) uses, processes, prepares, or recycles waste into fuel; or (b) reaches, converts or extracts oil shale into oil or gas; or (c) uses geothermal energy or solar energy equipment to heat or cool a building or to provide hot water or steam for the building.

This measure would encourage taxpayers to make the necessary improvements on their property in order to conserve energy and to reduce their fuel and electrical costs. It would also help our Nation reduce its dependence on foreign energy sources and its reliance on existing natural energy resources.

Mr. Speaker, in the interest of fostering these objectives, at this point in the RECORD I am inserting the full text of my bill and I would welcome my colleagues' support of this legislation.

H.R. 4029

A bill to amend the Internal Revenue Code of 1954 to allow a credit for amounts paid for insulation and solar energy equipment, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INSULATION OF RESIDENCE.

(a) GENERAL RULE.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section:

"SEC. 44B. INSULATION OF RESIDENCE.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 30 percent of the qualified insulation expenditures paid by the taxpayer during the taxable year with respect to any residence to the extent that such expenditures with respect to such residence do not exceed $750.

"(b) LIMITATIONS—

"(1) PRIOR EXPENDITURES TAKEN INTO ACCOUNT.—If

"(A) the taxpayer made qualified insulation expenditures with respect to any residence in any prior taxable year, or

"(B) any prior occupant of any residence made qualified insulation expenditures with respect to such residence,

then subsection (a) shall be applied with respect to such residence for the taxable year by reducing (but not below zero) the $750 amount contained in such subsection by the aggregate of the expenditures described in subparagraphs (A) and (B).

"(2) VERIFICATION.—No credit shall be allowed under subsection (a) with respect to any qualified insulation expenditures unless such expenditures are verified in such manner as the Secretary shall prescribe by regulations.

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED INSULATION EXPENDITURES.—The term 'qualified insulation expenditures' means any amount paid by an individual for any installation of insulation in any dwelling unit which at the time of such installation is owned or rented by the individual used by him as a residence. Such term shall only include amounts paid for the original installation of any insulation in a dwelling unit.

"(2) INSULATION.—The term 'insulation' means any insulation, storm (or thermal) window or door, or any other similar item—

"(A) which is specifically and primarily designed to reduce, when installed in or on a building, the heat loss or gain of such building,

"(B) the original use of which commences with the taxpayer,

"(C) which has a useful life to the taxpayer of at least 3 years, and

"(D) which meets such performance standards as the Secretary may prescribe by regulations after consultation with the Administrator of the Federal Energy Administration and the Secretary of Housing and Urban Development.

"(3) JOINT OCCUPANCY.—In the case of any dwelling unit which is jointly owned or rented, and is used during any calendar year as a residence, by two or more individuals—

"(A) the amount of the credit allowable under subsection (a) (after applying subsection (b)(1)) with respect to any qualified insulation expenditures paid during such calendar year by any of such individuals with respect to such dwelling unit shall be determined by treating all of such individuals as one taxpayer whose taxable year is such calendar year; and

"(B) each of such individuals shall be allowed a credit under subsection (a) for the taxable year in which such calendar year ends in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount paid by such individual during such calendar year for such expenditures bears to the aggregate of the amounts paid by all of such individuals during such calendar year for such expenditures.

"(4) TENANT-STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who holds stock as a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual—

"(A) shall be treated as owning the dwelling unit which he is entitled to occupy as such stockholder; and

"(B) shall be treated as having paid his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of any qualified insulation expenditures paid by such corporation.

"(d) REDUCTION OF BASIS.—The basis of any property shall not be increased by the amount of any qualified insulation expenditures made with respect to such property to the extent of the amount of any credit allowed under this section with respect to such expenditures."

(b) ALLOWANCE OF REFUND.—Subsection (b) of section 6401 of such Code (relating to certain excessive credits treated as overpayments) is amended to read as follows:

"(b) EXCESSIVE CREDITS.—If the amount allowable as credits under section 31 (relating to tax withheld on wages), 39 (relating to certain uses of gasoline, special fuels, and lubricating oil), 43 (relating to earned income credit), 44B (relating to insulation of principal residence), and 44C (relating to residential solar heating equipment) exceeds the tax imposed by subtitle A (reduced by the credits allowable under subpart A of part IV of subchapter A of chapter 1, other than credits allowable under sections 31, 39, 43, 44B, and 44C), the amount of such excess shall be considered as an overpayment."

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for such subpart A is amended by inserting immediately before the item relating to section 45 the following new item:

"Sec. 44B. Insulation of principal residence."

(2) Subsection (a) of section 1016 of such Code (relating to adjustments to basis) is amended by striking out the period at the end of paragraph (23) and inserting in lieu thereof a semicolon and by inserting after paragraph (23) the following new paragraph:

"(24) to the extent provided in section 44B(d), in the case of property with respect to which a credit has been allowed under section 44B."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 2. RESIDENTIAL SOLAR ENERGY EQUIPMENT.

(a) GENERAL RULE.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section:

"SEC. 44C. RESIDENTIAL SOLAR ENERGY EQUIPMENT.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 25 percent of the qualified solar heating and cooling equipment expenditures paid by the taxpayer during the taxable year with respect to any residence to the extent that such expenditures with respect to such residence do not exceed $8,000.

"(b) PRIOR EXPENDITURES TAKEN INTO ACCOUNT.—If—

"(1) the taxpayer made qualified solar energy equipment expenditures with respect to any residence in any prior taxable year, or

"(2) any prior owner of such residence made qualified solar energy equipment expenditures with respect to such residence,

then subsection (a) shall be applied with respect to such residence for the taxable year by reducing (but not below zero) the dollar amount contained in such subsection by the aggregate of the expenditures described in paragraphs (1) and (2).

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED SOLAR ENERGY EQUIPMENT EXPENDITURES.—The term 'qualified solar energy expenditures' means any amount paid by an individual for any installation of solar energy eqipment in any dwelling unit which at the time of such installation is owned by the individual and used by him as a residence.

"(2) SOLAR ENERGY EQUIPMENT.—The term 'solar energy equipment' means equipment—

"(A) which, when installed in or on, or when connected to, a building—

"(i) uses solar energy to heat or cool such building or provide hot water for use within such building; and

"(ii) meets the interim or definitive performance criteria prescribed by the Secretary of Housing and Urban Development under the Solar Heating and Cooling Demonstration Act of 1974;

"(B) the original use of which commences with the taxpayers; and

"(C) which has a useful life of at least 3 years.

"(3) JOINT OWNERSHIP.—In the case of any building which is jointly owned, and is used during any calendar year as a residence, by two or more individuals—

"(A) the amount of the credit allowable under subsection (a) (after applying subsection (b)) with respect to any qualified solar energy equipment expenditures paid during such calendar year by any of such individuals with respect to such building shall be determined by treating all of such individuals as one taxpayer whose taxable year is such calendar year; and

"(B) each of such individuals shall be allowed a credit under subsection (a) for the taxable year in which such calendar year ends in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount paid by such individuals during such calendar year for such expenditures bears to the aggregate of the amounts paid by all of such individuals during such calendar year for such expenditures.

"(4) TENANT-STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who holds stock as a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual—

"(A) shall be treated as owning the dwelling unit which he is entitled to occupy as such stockholder; and

"(B) shall be treated as having paid his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of any qualified solar energy equipment expenditures paid by such corporation.

"(d) REDUCTION OF BASIS.—The basis of any property shall not be increased by the amount of any qualified solar energy equipment expenditure made with respect to such property to the extent of the amount of any credit allowed under this section with respect to such expenditures."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for such subpart A is amended by inserting before the item relating to section 45 the following:

"Sec. 44C. Residential solar energy equipment."

(2) Subsection (a) of section 1016 (relating to adjustments to basis) is amended by striking out the period at the end of paragraph (24) and inserting in lieu thereof a semicolon and by inserting after paragraph (24) the following new paragraph:

"(25) to the extent provided in section 44C(d), in the case of property with respect to which a credit has been allowed under section 44C."

(c) EEFECTIVE DATE.—The amendments made by this section shall apply to amounts paid after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 3. CHANGES IN INVESTMENT CREDIT RELATING TO INSULATION AND SOLAR ENERGY.

(a) INSULATION AND SOLAR ENERGY.—Section 48 of the Internal Revenue Code of 1954 (relating to definitions and special rules for purposes of the investment credit) is amended by redesignating subsection (l) as subsection (m) and by adding after subsection (k) the following new subsection:

"(l) RULES FOR INSULATION AND SOLAR ENERGY.—

"(1) TREATMENT AS SECTION 38 PROPERTY.—Any—

"(A) insulation installed in a structure which is used in a trade or business (or held for the production of income) or

"(B) solar energy equipment installed in a structure which is used in a trade or business (or held for the production of income) shall be treated as section 38 property.

"(2) LODGING RULE NOT TO APPLY.—For purposes of this subsection, paragraph (3) of subsection (a) (relating to property used for lodging) shall not apply.

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) INSULATION.—The term 'insulation' has the meaning given to such term by section 44B(c)(2).

"(B) SOLAR ENERGY EQUIPMENT.—The term 'solar energy equipment' means equipment—

"(i) which, when installed in or on a building, uses solar energy to heat or cool such building or provide hot water for use within such building and meets such criteria as the Secretary shall by regulations prescribe;

"(ii) the original use of which commences with the taxpayer; and

"(iii) which has a useful life of at least 3 fixed years.

The Secretary shall initially prescribe regulations under clause (i) not later than 1 year after the date of the enactment of this section."

(b) EFFECTIVE DATES.—The amendment made by subsection (a) shall apply to amounts paid or incurred after the date of the enactment of this Act.

SEC. 4. AMORTIZATION OF QUALIFIED ENERGY USE PROPERTY.

(a) GENERAL RULE.—Part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) is amended by adding at end thereof the following new section:

"SEC. 192. AMORTIZATION OF QUALIFIED ENERGY USE PROPERTY.

"(a) ALLOWANCE OF DEDUCTION.—Every person, at his election, shall be entitled to a deduction with respect to the amortization of any qualified energy use property (as defined in subsection (b)), based on a period of 60 months.

"(b) QUALIFIED ENERGY USE PROPERTY.—For purposes of this section—

"(1) QUALIFIED ENERGY USE PROPERTY.—The term 'qualified energy use property' means—

"(A) qualified waste equipment,

"(B) qualified shale oil conversion equipment,

"(C) qualified solar energy equipment,

"(D) qualified geothermal energy equipment.

"(2) QUALIFIED WASTE EQUIPMENT.—The term 'qualified waste equipment' means any machinery or equipment (of a character subject to the allowance for depreciation)—

"(A) necessary to permit the use of waste as a fuel in a facility burning only waste or a combination of waste and oil as its principal fuel (including unloading equipment, feeding systems, and refuse-firing ports for waste fuels),

"(B) used to process waste into a fuel, or

"(C) used to sort and prepare solid waste for recycling or used for recycling solid waste.

"(3) QUALIFIED SHALE OIL CONVERSION EQUIPMENT.—The term 'qualified shale oil conversion equipment' means any machinery or equipment (of a character subject to the allowance for depreciation) necessary—

"(A) to reach the oil shale,

"(B) to extract the oil shale, or

"(C) to convert the oil shale into oil or gas.

"(4) QUALIFIED SOLAR ENERGY EQUIPMENT.—The term 'qualified solar energy equipment' means solar energy equipment, as defined in section 44C(c)(2).

"(5) QUALIFIED GEOTHERMAL ENERGY EQUIPMENT.—The term 'qualified geothermal energy equipment' means property (of a character subject to the allowance for depreciation)—

"(A) which is necessary to distribute or use geothermal steam and associated geothermal resources (as defined in section 2(c) of the Geothermal Steam Act of 1970 (30 U.S.C. 1001(c))),

"(B) which, when installed in or on, or adjacent to a structure, uses geothermal energy to heat or cool such structure or to provide hot water or steam for use within such structure,

"(C) the original use of which commences with the taxpayer, and

"(D) which meets such criteria and standards for performance as the Secretary of Housing and Urban Development or the Administrator of Energy Research and Development Administration may prescribe.

"(c) AMOUNT OF DEDUCTION.—The amortization deduction for any qualified energy use property shall be an amount, with respect to each month of the 60-month period within the taxable year, equal to the adjusted basis of the qualified energy use property at the end of such month divided by the number of months (including the month for which the deduction is computed) remaining in the period. Such adjusted basis at the end of the month shall be computed without regard to the amortization deduction for such month. The amortization deduction provided by this section with respect to any qualified energy use property for any month shall be in lieu of the depreciation deduction with respect to such property for such month provided by section 167. The 60-month period shall begin, as to any qualified energy use property, at the election of the taxpayer, with the month following the month in which such property was placed in service or with the succeeding taxable year.

"(d) SPECIAL RULES FOR ADJUSTED BASIS.—

"(1) For purposes of this section, the adjusted basis of any qualified energy use property with respect to which an election has been made under subsection (e) shall not be increased for amounts chargeable to capital account for additions or improvements after the amortization period has begun.

"(2) The depreciation deduction provided by section 167 shall, notwithstanding subsection (c), be allowed with respect to the portion of the adjusted basis which is not taken into account in applying this section.

"(e) ELECTION OF AMORTIZATION.—The election of the taxpayer to take the amortization deduction, and the election to begin the 60-month period with the month following the month in which the qualified energy use property is placed in service or with the taxable year succeeding the taxable year in which such property is placed in service, shall be made by filing with the Secretary, in such manner, in such form, and within such time as the Secretary may by regulations prescribe, a statement of such election.

"(f) TERMINATION OF ELECTION.—

"(1) BY THE TAXPAYER.—A taxpayer which has elected under subsection (e) to take the amortization deduction with respect to any qualified energy use property may, at any time after making such election, discontinue the amortization deduction with respect to the remainder of the amortization period, such discontinuance to begin as of the beginning of any month specified by the taxpayer in a notice in writing filed with the Secretary before the beginning of such month. The depreciation deduction provided under section 167 shall be allowed, beginning with the first month as to which the amortization deduction does not apply, and the taxpayer shall not be entitled to any further amortization deduction under this section with respect to such property.

"(2) CONSTRUCTIVE TERMINATION.—If at any time during the amortization period any qualified energy use property ceases to meet the requirements of subsection (b) or becomes property with respect to which an amortization deduction under this section is not allowable by reason of subsection (g), the taxpayer shall be deemed to have terminated under paragraph (1) his election under this section. Such termination shall be effective beginning with the month in which such cessation occurs or in which a lease exists which causes disallowance under subsection (g).

"(g) LIFE TENANT AND REMAINDERMAN.—In the case of any qualified energy use property held by one person for life with remainder to another person, the deduction under this section shall be computed as if the life tenant were the absolute owner of the property and shall be allowable to the life tenant.

"(h) APPLICATION OF SECTION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the amortization deduction provided by this section shall apply to that portion of the basis which is attributable to construction, reconstruction, or erection after the date of the enactment of this section, with respect to property which is placed in service after such date and before the date 5 years after such date.

"(2) SPECIAL RULE.—In the case of property constructed, reconstructed, or erected by the taxpayer, or for the taxpayer pursuant to a contract which is binding on the taxpayer on the date 5 years after the date of the enactment of this section, and at all times thereafter, which is placed in service on or after the date 5 years after such date of enactment, the amortization deduction provided by this section shall apply to that portion of the basis which is attributable to construction, reconstruction, or erection before the date 5 years after such date of enactment.

"(i) CROSS REFERENCE.—

"For treatment of certain gain derived from the disposition of property the adjusted basis of which is determined with regard to this section, see section 1245."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for part VI of subchapter B of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Sec. 192. Amortization of qualified energy use property."

(2) The second sentence of section 46(c)(2) of such Code (defining applicable percentage for purposes of determining qualified investment) is amended by striking out the period at the end thereof and inserting in lieu thereof "(or, if the taxpayer has elected an amortization deduction with respect to the property under section 192, the amortization period)."

(3) Section 1245(a) of such Code (relating to gain from dispositions of certain depreciable property) is amended by striking out "or 191" each place it appears and inserting in lieu thereof "191, or 192".

(4) Section 642(f) of such Code (relating to amortization deductions of estates and trust) is amended by striking out "and 191" and inserting in lieu thereof "191, and 192".

(5) Section 1082(a)(2)(B) of such Code (relating to basis for determining gain or loss) is amended by striking out "or 191" and inserting in lieu thereof "191, or 192".

(6) Section 1250(b)(3) of such Code (relating to depreciation adjustments) is amended by striking out "or 191" and inserting in lieu thereof "191, or 192".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

DREDGING OF QUINCY BAY SOUGHT

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. FINDLEY. Mr. Speaker, I am today introducing a bill to authorize the U.S. Army Corps of Engineers to find a solution to the siltation problems at

Quincy Bay and in the area of Broad and Triangle Lakes on the Mississippi River adjacent to Quincy, Ill.

Congress failed to act on an identical bill I introduced during the last session. The committee to which the bill was assigned asked the Department of the Army and the Office of Management and Budget for reports on July 14 of last year. No reports were received, however, before the session ended, which explains the lack of further legislative action.

In the interest of navigation, environmental quality, water quality, recreation, fish and wildlife, a program of dredging to save this splendid recreational area from eventual total destruction ought to be undertaken right away. I urge the Congress and appropriate agencies to act speedily, and I will do all that I can do to encourage prompt response.

The Quincy Bay, Broad and Triangle Lakes and Willow Slough areas in the Mississippi River have provided unparallelled recreational opportunities for people in west central Illinois for over 100 years. Unfortunately, these areas have been damaged gradually over the years by siltation, filling in slowly at first but more rapidly in recent years to the point where waters previously used for water sport are so shallow that they cannot be traversed even by shallow-draft watercraft.

Gravel and rock washed down from hilly regions above and silt from the river forms mudbars and have already deposited 3 to 4 million cubic yards of material. The lower Broad Lake area that was dredged some years ago for fill for a new railroad bridge was originally 25 to 30 feet deep but is now less than 15 feet deep in most parts.

The dredging of the Quincy Bay area coupled with other conservation and hydraulic engineering changes, should preserve Quincy Bay and the surrounding area for the recreational use of generations to come.

DECLARATION OF INDEPENDENCE OF THE REPUBLIC OF ESTONIA

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. DELANEY. Mr. Speaker, on February 24, 1918, the Council of Elders of the Estonian Diet issued the following Manifesto to all Peoples of Estonia:

By virtue of the right of self-determination of nations.

Estonia in her historical and ethnic boundaries is declared to be an independent democratic Republic.

Today, Estonians in the United States and throughout the free world are commemorating this 59th anniversary of their independent Republic.

When Russia two and a half centuries ago, after the Great Northern War, first conquered Estonia, the "scorched earth" method of the Russians left the country completely devastated. As General Sheremetjev reported to the Czar: "There was nothing left to destroy; not a cock crowed from Lake Peipus to the Gulf of Riga." Yet, the laborious and tenacious Estonian people recovered and their State became an outpost of Western culture in Eastern Europe despite two centuries of Czarist rule.

The country again demonstrated its enduring stamina and its capacity for self-government and national development during its 20 years of independence following the declaration of 1918. But, on June 17, 1940, the Soviet Union under the terms of the infamous Ribbentrop-Molotov Agreement forcibly seized the Baltic Republics.

Mr. Speaker, even though Estonia has been reoccupied for over a generation by the Russians, the Estonian people have preserved, against all odds, their national identity and retained their Western orientation. Theirs is a fortitude based on a rich cultural tradition. Their sons and daughters who emigrated to these shores have made outstanding contributions to American art, science, and humanities.

Estonia's desire for true national self-determination can only be an inspiration to free men everywhere and I assure them that the United States has never and does not recognize Soviet sovereignty over the Baltic States. It is my fervent prayer that the closing words of the 1918 Manifesto:

> Estonia, you stand on the threshold of a hopeful future in which you will be free and independent in determining and directing your fate . . .

may soon again become a reality.

ESTONIAN INDEPENDENCE DAY

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. HOWARD. Mr. Speaker, I am proud to announce that today marks the 59th anniversary of independence for the Republic of Estonia. I would at this time, take great pride in joining with my constituents of the Third District of New Jersey in commemorating this significant and historic occasion.

It was 59 years ago today that the people of this Baltic State achieved their independence. But, it was not to last. The Communists of the Soviet Union brought an abrupt halt to the freedom of these people during their expansion westward in the early stages of World War II. The Soviets have since failed to restore the precious freedom that was once possessed by the people of Estonia.

Although the United States has never officially recognized this takeover by the Soviet Union, one must sit and wonder if by our passivity on this issue, we have begun to concede to the fact that Estonia is indeed a part of the Soviet Union.

However, we must not fail to recognize the salient issue that is at hand. That is the right of all people to be free and independent. If we neglect this main concept, then we are no better than the Communists who continue to repress these ennobled people.

Now is the time to follow up on the State Department's recent statements concerning the violation of these rights by the Soviet Union. We have the opportunity now to take advantage of President Carter's personal concern toward the Republic of Estonia.

I am sure that you share my view that Estonia should not be deprived their God-given right of freedom. It is imperative that the democratic countries of the world stand up and voice their opposition to the Soviets in their attempt to gain international recognition of what is essentially a regime of military occupation and political abuse.

Those of us in the United States must encourage the Estonian people in their efforts to retain their liberty and dignity in the hopes that one day they may once more experience independence.

PUBLIC WORKS EMPLOYMENT ACT

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. ZEFERETTI. Mr. Speaker, today we are considering an extension of title I of the Public Works Employment Act of 1976, which will pump an additional $4 billion into the funding of local public works projects.

The unemployment problem in this country is certainly one of the most pressing issues facing the Congress and this public works bill is an important stimulus in putting jobless Americans back to work, particularly in the construction industry. In my home State of New York, the State department of labor estimated that the unemployment rate among construction workers averaged more than 24 percent during the first 10 months of 1976.

Public works projects are effective in that they not only have an immediate impact on reducing joblessness but they result in a lasting project that benefits the entire community.

When the original $2 billion measure was enacted over former President Ford's veto last year, the Economic Development Agency was swamped with 25,000 project applications. The vast majority of those proposals are quite worthwhile and those that were funded are making it possible for our State and local governments to provide critical services to their citizens through the construction of schools, hospitals, roads, and other vital areas that would otherwise be shelved for lack of sufficient funding.

A few aspects of the 1976 law did raise controversy. For example, cities with low jobless rates actually found funding easier to attain than cities with a high rate, due to a 70–30 formula. The

act allocated 70 percent of the funds to areas with high unemployment and 30 pecent to areas with lower than average rates. However, most of the applicants sought funds from the 70 percent pool and, as a result, many of the largest cities in America were excluded from funding. I am happy to see that this provision has been deleted along with other controversial segments of the original bill.

Apparently there is a move afoot in the Senate to eliminate the provision that provides additional money where unemployment exceeds the national average. The purpose of the legislation at hand is to establish jobs, and I feel it is of utmost importance to target the funds more closely to areas of high unemployment, particularly our citiies, and that purpose can be better achieved if this aspect of the legislation is retained.

Certainly the Public Works Employment Act is not a cure-all for America's employment needs, but the additional $4 billion authorization will provide an important stimulus to our economy. Therefore, I lend my wholehearted support to the passage of this much needed piece of legislation.

HEARINGS ON EXTENSION OF THE CHILD ABUSE PREVENTION AND TREATMENT ACT

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. BRADEMAS. Mr. Speaker, on Friday, February 25, 1977 and Wednesday, March 9, 1977, the Subcommittee on Select Education, which I have the honor to chair, of the Education and Labor Committee will hear testimony on proposals to extend and amend Public Law 93–247, the Child Abuse Prevention and Treatment Act.

The Department of Health, Education, and Welfare has estimated that approximately 1 million children, in both reported and unreported cases, suffer each year from some form of abuse or severe neglect at the hands of adults.

Funds appropriated since the enactment in 1974 of the Child Abuse Prevention and Treatment Act have supported research and local programs of child abuse prevention and treatment.

Mr. Speaker, among the witnesses scheduled to testify before the subcommittee on February 25 will be Dr. Vincent Fontana, director of the Department of Pediatrics at St. Vincent's Hospital in New York; Barbara Blum, of the New York State Department of Mental Hygiene; Dr. Saad Z. Nagi of Ohio State University; and representatives of the following agencies and organizations:

National Committee for the Prevention of Child Abuse;

Child Welfare League of America;

American Public Welfare Association;

National Association of Social Workers;

Child Abuse and Neglect Coordinating Organization of St. Joseph County, Indiana;

Child Abuse and Neglect Project, Texas Migrant Council;

Tennessee State Department of Human Services;

Vermont Division of Social Services;

Massachusetts Office of Children; and

Illinois Department of Children and Family Services.

The hearing will take place at 9:30 a.m. in room 2261 of the Rayburn House Office Building.

Mr. Speaker, the witnesses scheduled to appear before the Subcommittee at the hearing on March 9 include Dr. Edward Zigler of Yale University; Arabella Martinez, Assistant Secretary Designate for Human Development, Department of Health, Education, and Welfare; and a representative of the New Jersey Division of Youth and Family Services.

The March 9 hearing will commence at 9:30 a.m. in room 2175 of the Rayburn House Office Building.

DROUGHT IN SOUTH DAKOTA

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. PRESSLER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Mr. Speaker, I have on many occasions brought to your attention the severity of the drought in South Dakota and other Midwest States. Today, I would once again like to bring to your attention the hardship many South Dakota farmers and ranchers are facing. I would like to place in the RECORD an article that appeared in the Farmer, February 5, 1977 entitled "We'll have to sell the cattle." This article was sent to me by a constituent of mine, Mrs. Katharina Redlin of Summit, S. Dak. Mrs. Redlin told me that she and her husband will soon be in the same situation as the people mentioned in the article. I found this article very upsetting and one that clearly shows the serious problems of the South Dakota farmers and ranchers due to the prolonged drought.

WE'LL HAVE TO SELL THE CATTLE

(By Berdeen Oland)

The sky was clear—not a single cloud to screen the hot sun. The range grass had stopped growing and was turning brown and dry. Each day was a repeat—hot, dry, with little promise of rain.

Dave slid out of the saddle. His boot touched the brittle brown grass. Mentally, he calculated the days it would take to finish off this pasture: 20–30? Maybe 40, if a shower would come up and water the dry land.

Dave was a newcomer in the cattle business. But by planning carefully and using good breeding stock, he had built up a herd of beef cattle.

At 45, he had retired from the army as a master sergeant. He had grown up on a farm. When World War II came along, he was drafted and spent three years in the service. An enemy shell had exploded near him and a fragment slammed into his shoulder. He awoke in a hospital with a pretty nurse bending over him.

He calls that his lucky day, for exactly one year later he married her. Then, after weighing the pros and cons, he re-enlisted. Twenty years later he had a little gray hair, three sons, a daughter and a 43-year-old wife.

That was 10 years ago. Now he stood looking at the brown grass and the Herefords that were mowing it down.

The toe of his boot slipped into the stirrup, his right leg swung up and over the saddle. He turned and rode back toward the ranch house. His wife came out of the house and walked toward him.

"If it doesn't rain soon we will have to sell the cattle." How many times had he said that? But this time he meant it!

"How long will it be?" she asked.

"Oh, about a month." Dave tried to hide the worry nagging at him. Cows were cows. One cow is the same as another, he told himself.

"How about a cup of coffee?" she smiled. "You betcha!" Dave grinned, as he stepped down from the pony.

The hot days wore on. Ten-15, 20. Now Dave knew, even with rain soon, there would not be grass enough to save the cattle.

He put the phone down. It was done. The semis would come in the morning. To the truck drivers, it would be just another pick-up. It would be dark. They would slow down and stop as the gate was swung open. Then smooth diesels would purr as the giant trucks rolled into the yard and backed up to the loading chute.

In a few minutes the cattle would be loaded; gates would be slammed shut and locked.

There, in four semis, would be 10 years of bone-tired days, cold nights, lost sleep. And the best years of his life.

He knew each cow—the nervous ones, the mean ones and the good, sweet-tempered ones that were his pets. Those tame old gals that he milked out so their udders wouldn't cake from too much milk. They all would be in the trucks, soon in the stockyards. Dave turned from the phone, walked slowly into the kitchen.

"The trucks are coming in the morning, around 5:30," he stated. "They should be in Sioux Falls by noon.

Her eyes searched his face as she replied, "Couldn't we keep some of the cows? Roanie, Betsy, Ginger? They're my favorites.

"Remember last year when Ginger lost her calf and she came up to the barn to get you to help look for it! And Roanie always had too much milk at first."

He knew his wife well. She did not want to cry, but tears were on their way from her heart to her eyes.

"It would be nice to have a few cows around for company. A ranch is lonesome with all the animals gone. We could buy a little hay."

She was a great gal, this ex-army nurse turned ranch wife. She had been veterinarian, nurse and midwife to these cows.

"Couldn't we, Dave?" Her eyes were swimming now. "Couldn't we?"

Morning came. The trucks came over the hill.

Dave hurried out to open the gate.

One by one, the trucks were loaded. The rattle of the ramps and the crash of closing gates were repeated again and again.

Less than an hour had passed. The trucks disappeared over the hill.

Dave turned and walked dejectedly through the corral. Slowly he pushed open the large gate. Suddenly, he was face to face with his wife and three cows! There she stood in her Levi's and old cowboy hat, with her arm around Ginger's neck.

"Are you mad at me, Dave?" Her question was soft and childlike. He grinned at her. "Shucks," he said. "we have to keep some for seed, don't we?"

They looked at each other, this man and his wife. Ten years of hopes and dreams were gone. But more years were coming, better years. Rain would come again. Grass would grow thick and green again. They would build another herd of herefords.

"You're a great gal," he said.

He saw her lip tremble. He pulled out his big red handkerchief and wiped away her tears.

TRIBUTE TO SURVIVORS OF THE NAZI HOLOCAUST

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. WAXMAN. Mr. Speaker, I would like to bring to the attention of my colleagues a very special Bicentennial Celebration which was held by the Council of Post-War Jewish Organizations, Survivors of the Nazi Holocaust. On December 5, 1976, 1,200 people assembled at Temple Beth Am in Los Angeles to pay tribute to America. Mayor Thomas Bradley declared the week of December 5 to be "Jewish Survivors of the Nazi Holocaust Week."

I feel that this was a most appropriate celebration of our Bicentennial, for, it was, of course, on the principles of religious freedom and equal opportunity for all, that America was founded. I would like to have reprinted in this RECORD the inspiring resolution passed by the Council of Post-War Jewish Organizations in which the survivors pledged to rededicate themselves to America:

RESOLUTION

Whereas, the United States of America opened its shores for the oppressed and freedom loving people; and

Whereas, the Jewish survivors of the Nazi holocaust coming from the valley of death found a home of unlimited opportunities in this country of ours; and

Whereas, the United States of America was the first country to extend recognition to the newly founded State of Israel, enabling 300,000 of our fellow survivors of the Nazi holocaust to establish themselves with a new home in the land of our forefathers; and

Whereas, the Jewish survivors of the Nazi holocaust and their children in this country reached unprecedented heights in the fields of science, literature, medicine, art, music, business and government; and

Whereas, the United States of America was a haven for millions of Jewish men, women and children who escaped the pogroms in czarist Russia, instigated for the same evil reasons that caused the destruction of the Jewish communities in Europe;

Now, therefore, be it known that the Jewish survivors of the Nazi holocaust, gathered at this historic bicentennial celebration this 5th day of December, 1976, declare that we are proud to be citizens of this great union, the United States of America.

We hereby pledge to rededicate all our efforts to uphold, cherish and work for the development of this Great country and for the moral foundation of a society which will be an example for the whole world.

COUNCIL OF POST-WAR JEWISH ORGANIZATIONS, SURVIVORS OF THE NAZI HOLOCAUST.

VOICE OF DEMOCRACY CONTEST

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. BRINKLEY. Mr. Speaker, every year the Veterans of Foreign Wars and its Ladies' Auxiliary conduct a Voice of Democracy contest, in which nearly half a million secondary school students participate, competing for five national scholarships. This year's theme was "What America Means to Me."

The winning speechwriter from each State will be coming to Washington in March for the final national judging, and I am extremely proud that this year's winner from Georgia, Daniel Edward Summers, lives in my hometown, Columbus. He is an immensely versatile student at Jordan Vocational High School, and looks forward to a career in space engineering.

Daniel's speech is inspiring, and I insert it in the RECORD for the benefit of my colleagues.

WHAT AMERICA MEANS TO ME

(By Daniel Edward Summers)

America is not just a geographic location. America is a concept. America is an idea; a desire. America is the great dream.

America is freedom, the freedom to do and say and to think in a manner which seems most likely to affect your well-being. America is the freedom to "life, liberty, and the pursuit of happiness." America is the freedom to be whatever you wish to be.

For over two hundred years the great American dream has been growing; looking inward; testing its strengths and discovering its weaknesses. America has been finding herself.

There is no precedent, no blueprint, no path for the great dream to follow. Every step America takes is a step into an unexplored region, a step in a new direction. Only time will tell if it is a step in the right direction.

The road to greatness is long and arduous. America has tripped several times. She had to struggle uphill in 1776. And she almost fell in 1812. She was wounded deeply when her sons died fighting each other in the 1860's. America was cut in World War I, and again in World War II, during the Korean conflict, and in the Vietnamese action. She cried out in pain as her children died fighting in foreign places with strange names—names like Chateau Thierry, Iwo Jima, Inchon, and Danang.

America's leaders have disappointed her; their actions have shamed her in the eyes of the world; her people have become disillusioned. Yet the dream never stops. America does not hide her faults; she exposes them and tries to correct them. America possesses courage; the courage to push on when the day is darkest; the courage to push on towards a brighter tomorrow.

But lately some men have said that the great dream is dead. They have said that the government is corrupt. They have said the people are apathetic. They have said that the young men and women have forgotten what the dream really means.

We have not forgotten. The dream still lives in our hearts, in our minds, and in our souls. We, the youth of today, see America for what she is and for what she can be. We, the adults of tomorrow, see the faults and errors of our Nation. Yet we also see the promises of the future she holds. The faults we will correct. The promises we will build upon. We, the leaders of the future, are willing to work together to make America as great as she can be.

We have a dream. A dream of the future; a dream of a time when man need not fear his fellow man. A dream of a time when all men are equal. A dream of a time when there is equal justice under the law and all men live by the law. We have this dream.

If we, the people of these United States work together we can turn our great dream into a reality and we can instill new hope in all men.

MUTUAL FUND INVESTMENTS IN FARMING: OBJECTIONS TO AG-LAND TRUST

HON. MICHAEL T. BLOUIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. BLOUIN. Mr. Speaker, this afternoon I had the privilege of testifying before the House Subcommittee on Family Farms and Rural Development. The subcommittee is studying a proposal by a Chicago bank and a New York brokerage firm to create a tax-exempt mutual fund, called Ag-Land Trust-I, which would buy and lease farmland.

Although representatives of the bank and brokerage firm apparently feel such investments would be good for family farmers, bankers in the Second District of Iowa clearly do not.

If there is no objection, I would like to enter the text of my remarks before the subcommittee for the benefit of those Members of the House who could not attend the subcommittee's hearing:

TESTIMONY BY MICHAEL T. BLOUIN BEFORE THE SUBCOMMITTEE ON FAMILY FARMS AND RURAL DEVELOPMENT

Mr. Chairman and members of the Subcommittee, I want to thank you for the opportunity to appear before you today and to submit, for the record, copies of correspondence I have received from local bankers in my district concerning the Ag-Land Trust-I proposal currently under review by this Subcommittee.

I realize that, at this point, some members of the Subcommittee and others are convinced that Continental Bank and Merrill-Lynch have or very shortly will withdraw their proposal for a tax-exempt, mutual fund for investments in farms and farmland. I hope this proves to be the case.

If it does, this Subcommittee deserves the credit for acting quickly and with determination to spotlight the Ag-Land Trust problem and to provide a national forum for farmers, business people, conservationists and consumers to express their concern about the very serious problems posed by an investment scheme of this sort.

As I reviewed the testimony presented before this Subcommittee last week, I was amazed to hear that officials of Continental Bank apparently tried to convince you that the Ag-Land Trust plan was actually designed to help family farmers. Only near the

end, when the futility—and the absurdity—of that position overwhelmed them, did they admit that other factors (notably, the profit motive) played an important role in their decision to propose such a plan to the investment community.

I, for one, resent the fact that Continental Bank officials think farmers are only interested in profits—that land ownership, as one of those officials suggested last week, is of less importance to farmers than simple profits. The family farmers I know would find that attitude preposterous, to put it kindly. Yet that attitude represents the theory—the philosophy—on which the Ag-Land Trust concept is built, and therein lies its most serious weakness.

The bankers at Continental Illinois in Chicago may think farmers are ecstatic about a plan like Ag-Land Trust. The bankers in my district clearly know they are not pleased at all by such a scheme. It amounts to no less than a system of absentee landlords and tenant sharecroppers which we have long ago rejected in this country.

In private conversations and in letters to me, bankers in my district—representing banks from large and small communities, some of which are actually correspondent banks with Continental Illinois—have repeatedly stressed the severe financial hardship which mutual fund investments like Ag-Land Trust would pose for family farmers and small town businesses. The letters I am submitting to the Subcommittee today are representative of opinion in my district, not only among bankers, but among farmers, community leaders and small business people as well. I have no doubt that they represent a growing consensus in this country which opposes the gradual but deliberate takeover of family farms by large, national corporations or investment funds. They are, no doubt, representative of the type of reaction which the members of this Subcommittee have heard from their own constituents.

One local banker in my district—and bankers, you know, are not easily given to hyperbole—called the potential impact of funds like Ag-Land Trust "devastating." Another compared the eventual result to the economic control which the oil cartel exercises in the marketplace today. Agricultural bankers from smaller, largely agricultural communities like those in eastern Iowa, are concerned about the impact which mutual fund investments in farming would have on local land prices, on the ability of young farmers to enter farming, on the local economy, on the productivity of the land itself, and, in the final analysis, on the survival of family farms.

The cost of farmland has already surpassed the ability of that land to produce an adequate return on a farmer's investment. One banker, whose letter I am submitting to the Subcommittee today, reports that farm incomes at today's market prices cover no more than two-thirds of the cost of land at prevailing interest rates. "It stands to reason," he writes, "that a trust with its favored tax status can accept a lower return on investment than a family farmer, and consequently, will be able to bid higher for land than a farmer could justify if he were to operate the land and pay for it from the profits it would produce."

Another local banker explains the threat to local ecnomies this way: "Our small community school systems are already suffering decreased enrollment. Our small town businesses need the support of the local farming community to survive. This support would be endangered if the trust bought seed, feed, fertilizer and other needs from a centralized source for all of its farming operations."

But schools and businesses would not be the only ones to suffer. The land itself might soon bear the unmistakable scars of investment farming. One banker, responding to my concerns, observed what he called "a tendency to 'bleed' the land" when absentee landlords are involved in farming—and especially, he wrote, "where the control is centered in an absentee financial institution." By bleeding the land, he explained, "we mean that they take all the income that is available and fail to maintain . . . the farms . . ."

I am hopeful that in the very near future this Subcommittee, and in turn the Congress as a whole, will take the necessary steps to adequately insure the survival and prosperity of family farms. I am certain that it is no accident that the Continental-Merrill-Lynch proposal is called Ag-Land Trust-I. If we have seen one such proposal for investing mutual funds in farming, we shall certainly see more. If they are not identical, they will surely be very similar. And they will all share one common denominator—the eventual demise of the family farm.

Last year I introduced legislation to prevent the expansion of corporate farming in this country. Now, legal experts at Legislative Counsel and the American Law Division at Congressional Research Service tell me that there is some doubt whether that legislation, as introduced last year, would adequately prevent mutual fund investments like Ag-Land Trust. I fully realize, as one of the bankers points out in his letter, that it is difficult in our free enterprise system to legislate matters such as this—to establish by law who may or may not purchase land. Yet the survival of family farms may require legislation which does in fact prevent the purchase or operation of farms by corporations and investment trusts.

I know this Subcommittee shares my concern—and the concern expressed in these letters—about the future of family farms. I wish you luck in your efforts to marshal the resources and the support of the federal government on their behalf.

Thank you, Mr. Chairman.

MAJORITY RULE FOR THE BALTIC STATES

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. McCLORY. Mr. Speaker, in the past year, no principle of American foreign policy has received more attention than that of majority rule. Indeed, as the situation in southern Africa demanded more of our concern, majority rule became the cornerstone of policy under the Ford Administration. Indications are that it will remain so under President Carter.

But if the principle of majority rule has gained prominence from events in Southern Africa, its applicability extends far beyond that continent.

Mr. Speaker, on the day we commemorate the 59th anniversary of Estonian independence, I would like to suggest that the principle of majority rule should be applied to the Baltic states. Certainly these freedom-loving people, if given a chance to choose their political system, would spurn the Soviet oppression under which they have suffered for three decades.

While urging majority rule, we must also insist on adherence to the principles of the Helsinki agreement. While this treaty does not end political captivity—the horrible basic fact of Estonian life—it does contain guarantees of human rights not being honored in the Baltic States.

Events of the past year sadly illustrate this tragedy. During the summer, the Soviets increased tariffs on incoming packages by as much as 135 percent. This unprecedented increase stemmed from politics, not concern about foreign trade.

What the increase means is that the many Estonians, Latvians, and Lithuanians who have relatives in the West can no longer receive support from their loved ones. These packages were not only tangible expressions of devotion, but also provided many necessities, particularly food and medical supplies.

Apart from such institutional oppressions, which the Soviets seem to build into their system with as little concern as they did before the Helsinki charter, the personal stories of political prisoners continue to dismay us. My constitutent, Olaf Tammark, president of the Estonian Association of Northern Illinois, recently called two such cases to my attention.

Mart Niklus, an Estonian ornithologist and teacher, spent 10 years at hard labor in various Siberian Gulag camps following his conviction in 1959 for giving some innocuous snapshots of his homeland to visiting Westerners.

On September 30 of last year, Mr. Niklus, stripped of his profession due to his conviction, was arrested again for no apparent reason, released, and then rearrested a week later for "resisting the police" the first time. Mr. Niklus is currently awaiting trial in Isolation Ward 1 of the Central Prison in Tallinn. Speculation exists that he may be sent to a KGB "psychiatric institution."

Another tragic case is that of Pastor Maksimilians Grivans, a minister of the Evangelical Lutheran Church of Latvia. When Pastor Grivans' wife and children escaped Latvia in 1944, he chose to remain and serve his congregation.

Since then, he has served two separate 8-year terms in Siberia though his crimes have never been revealed. At the age of 75, he has been denied his minister's license. His repeated applications for an exit visa also were denied, until he was suddenly given permission to emigrate to Sweden this month. Only the Soviets know why they decided to relax their harassment of Pastor Grivans. But his case remains persuasive evidence of the pattern of religious suppression in the Baltic states under Soviet domination.

Mr. Speaker, as we begin the 95th Congress, we must rededicate ourselves to the principle of national self-determination. The abuses of human rights, which cause untold suffering for both victims and their relatives, continue regardless of the Helsinki agreements, and the United States must continue to assert its outrage at these violations.

Mr. Speaker, we must support basic human freedoms throughout the world. We must champion majority rule for Estonia, Latvia, and Lithuania.

EDUCATIONAL EXPENSES TAX DEFERRAL ACT

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. ZEFERETTI. Mr. Speaker, today I am pleased to join in cosponsoring the legislation introduced by my distinguished colleague, ABNER MIKVA, H.R. 1961, known as the Educational Expenses Tax Deferral Act of 1977. It should prove to be an expertly devised plan to ease payment of higher education's burdensome costs.

In times such as these, with the cost of living steadily increasing and the emphasis on the need for advanced education as great or greater than ever, the taxpayer who is financing their education or the education of their spouse or children needs the type of consideration offered by this bill.

By allowing taxpayers to defer significant portions of their Federal income taxes in amounts equivalent to the specified allowable educational expenses incurred by themselves, spouse or children for a 10-year period, the roadblock of financial disability will be removed from the pathway to knowledge for those who otherwise might have to pass by the option of continued education for themselves or immediate dependents.

Under the provisions of H.R. 1961, a taxpayer engaged in the payment of qualified educational expenses of a student will be permitted to defer the payment of income tax in an amount equal to those educational expenses. By "qualified expenses" I am referring to tuition fees, books, and other supplies related to the costs of instruction, but exempting expenses for room and board.

Also, the amount of deferments claimed by a taxpayer during the taxable year in which education expenses are incurred will be reduced during that year. The deferment of income tax payment will be permitted only if the student is attending an institution which is accredited by a recognized accrediting agency. The institution may be one of higher learning or a vocational school.

I believe the inclusion of vocational school expenses under the provisions of this bill is a wise move which will encourage more Americans to develop those skills which lead to meaningful employment in the trade sector of the job market. In a time when so much emphasis is placed on higher education and so many are attending colleges that a 4-year degree is in many cases virtually worthless. I think we need to encourage the young to explore the opportunities of vocational education.

Because no interest will be charged on the deferments, which will be paid annually over a 10-year period which begins either the 1st year following graduation or in the 10th year after the first deferment—whichever is earlier—the legislation will have the effect of granting taxpayers a grace period of 10 years on a percentage of educational expenses.

While I am confident this bill represents a workable plan which should be instituted with expediency, I also recognize the need for the safeguards of observation and evaluation. For this reason the inclusion of an executive branch study to be conducted by the Secretaries of Treasury and HEW and later reported to Congress, tentatively in 1980 and 1982, receives my firm support. It is a great gesture to grant flexibility in the payment of income taxes for the tradeoff of an increasingly informed public, but we must not let these actions go unregulated.

ESPRIT DE CORPS OF THE AGGIES

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. TEAGUE. Mr. Speaker, much has been said of the Texas Aggies, both in peace and war; and also in some jokes which are not generally accepted by a Texas Aggie.

One gentleman, however, has said it all in the following article entitled "Not One Joke" written by Mr. Lynn Ashby that appeared in the Houston Post on February 9, 1977, which portrays the Aggie spirit and camaraderie.

The article follows:

NOT ONE JOKE

(By Lynn Ashby)

Dr. Jacobus D. Bothma is a professor of wildlife management at the University of Pretoria in South Africa. Romulo B. Sanchez is a patent examiner in the U.S. Patent Office in Washington. Emmanuel B. Kuanyin can be found in the Peoples Assembly in Khartoum, Sudan. Baxter Hogue works for Jensen & Co. in Hellerup, Denmark. And if you are ever in Beni, Bolivia, with a sick llama, look up Dr. Winston Suarez-Arauz.

All of these people, however far flung and wide spread, have one thing in common.

They are all Texas Aggies.

That rather boggles the mind, doesn't it? One thinks of Aggies as plowing the back 40 with a sagging mule, or growing moss on rolling stones, or even—on extremely rare occasions—rounding up Longhorns. They do all of these things, to be sure, but over the past 100 years the Farmers have turned to other pursuits, and not all of them are farmers. They are deep sea divers, bankers and doctors. An Aggie is the head coach of the Chicago Bears. Two assistant coaches in the NFL are from College Station; so are 15 players. There are times on Sunday afternoons when Aggies are lined up against Aggies.

Aggies now dwell in 80 countries, all 50 states and every single one of Texas' 254 counties. The school has graduated 80,000 persons, of which 70,000 are still around. They are insidious. The president of the Agrarian University in Lima is Dr. Orlando Olcese, Aggie. Dr. Rasipur N. Varadarajan at the College of Engineering and Technology in Madras, India, ditto. The vice chancellor of the engineering university in Dacca, Bangladesh, the dean at Riyadh University in Saudi Arabia, are Aggies. If you wish to get into the Harvard Graduate School of Business, don't tell any Aggie jokes. Dean Lawrence E. Fouraker is A&M '44.

After careful consideration, I fully believe that Texas A&M is a front for the CIA. If not, then why are there Aggies in Luanda, Angola and Holguin, Cuba? The U.S. Army may have pulled out of South Vietnam, but even today in Cholon, Dalat and Saigon, there are small fellows in black pajamas wearing familiar class rings. Indeed, they are everywhere. Moshen Haddad governs a province in Tunisia, but is an Aggie. Carlos Aquino, class of '70, was secretary of agriculture in the Dominican Republic. He was replaced by Jaime Vinas, class of '71. It's all in the family.

"We have families in Mexico which are now in their third generation of Aggies," says Paul Creech, director of the school's international programs. "A&M has been educating students all over the world for so long that these days I can be waiting in any airport in the world, and inevitably some nice-looking, clean-cut young man will come up and say, "You don't remember me, but . . ."

Putting such stress on the military aspect, as they tend to do in the Brazos bottoms, it is no surprise to learn that over the years 150 Aggies have become generals and admirals. At one point in Vietnam, there were two U.S. Marine divisions, both commanded by Aggies. Even today, the APO and FPO addresses in the former students' directory runs into the hundreds and hundreds.

As I said, they are everywhere, no doubt quietly plotting the overthrow of the rest of us. There are 30 Aggies in Bogota, five in Rio de Janeiro, nine in Baghdad, 28 in Hong Kong and 35 in Kowloon. They hang out in Tel Aviv, Cairo, Casablanca and Oslo. In Athens (2), Bombay (16) and Seoul (11).

If you ever visit the Khairathabad Mosque in Hyderabad, India, you may hear the soft chant of a mysterious prayer from the Himalayas: "Hullabaloo, kaneck, kaneck," because an Aggie, Mohammed Haq, lives there master's degree in agriculture, class of '47).

Sugar mills in Panama, plan; breeding in the outback of South Africa, airline in El Salvador, businesses in Cairus, Australia, game preserves in Swaziland, all are overrun with Aggies. I once came across a Briton who had served as an officer in the Indian Army. No, not out of Sandhurst, but College Station. Every April 21 they have muster and this year there will be 400 of them, including 140 overseas. They have held them on cruise ships in the South Pacific (several Longhorns were allowed to attend) and 23 Aggies held muster on April 21, 1942, on Corregidor before surrendering. There is no record as to whether the Japanese commander was an Aggie, but there are rumors to that effect.

There are drawbacks to all of this. Emory Bellard says every time he goes into a men's room he meets an Aggie. But there are pluses, too. Like the Sunday afternoon when A&M President Dr. Jack Williams and his wife were driving along outside of Monroe, La., and hit something, putting a hole in their gas tank. Call a mechanic? No need, Dr. Williams called Buck Weirus back in College Station. Weirus is executive director of the Association of Former Students and therefore knows the exact whereabouts of all living 70,000 Aggies at any given time.

Weirus checked his files and within a few minutes, as Dr. Williams recalls, "there was a platoon of Aggies coming to help." They took him to Shreveport where an Aggie got the local Cadillac dealer to open his shop and replace the tank, and the Williamses were on their way.

"Now," says Weirus proudly, "Dr. Williams always carries a copy of the directory of former students with him."

ESTONIAN INDEPENDENCE DAY

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. FORSYTHE. Mr. Speaker, on February 24, the Estonian people cele-

brate the 59th anniversary of the Declaration of Independence of the Republic of Estonia. To gain independence in 1918, Estonia bravely withstood onslaughts by the Russian and German armies. However, her independence was short-lived, for some 22 years later, Estonia was to fall victim to those two powers.

Estonia was incorporated into the Soviet Union in 1940. Since then, the United States has never recognized the Soviet aggression in annexing the free nations of Estonia, Latvia, and Lithuania.

Even though Estonia is within Soviet borders, Estonia would like to have a meaningful existence of its own, free from Soviet domination and restrictions. Despite Soviet attempts to erase the country's culture and national identity, Estonia remains as one of the unique Western regions in present-day Soviet Union. The peaceful people of Estonia hope that someday the Soviet Union will allow them the freedom and independence which is rightfully theirs.

Although there are only a small number of Estonians living in the United States today, they have contributed significantly to our heritage. It is our hope that Estonians may once again enjoy the right to individual freedom that they are entitled. We in the United States support the Estonians goal of sovereignty and personal freedom.

LET US GET AT IT

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. CONABLE. Mr. Speaker, the problem of social security financing is nearing a critical stage.

Both major trust funds, used to pay benefits to 32.8 million beneficiaries, are being depleted rapidly. In 2 years, there will not be enough money left in the disability insurance trust fund to meet benefit demands. Within another 5 years, the old age and survivors insurance trust fund similarly will be exhausted. Corrective action is needed, and needed soon.

But this is not news. The plight of the social security trust funds has been all but shouted from the rooftops for several years. Newspapers, magazines, and radio and television stations have carried the message to virtually every household in the Nation.

In each of the past 2 years, the preceding administration—responding to the growing need—sent us recommendations for tax increases sufficient to take care of the trust fund shortfalls. Yet, despite the warnings we have had, the Congress has dawdled on the issue for 2 straight years.

Unfortunately, the new administration has produced no recommendations for bringing in more money to the trust funds. The Carter budget has, in effect, ignored the crisis.

But we cannot afford to ignore it. The trust funds are running out of money, and we are running out of time.

DIFFICULTIES WITH HIGH-TECHNOLOGY ENERGY

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. HARKIN. Mr. Speaker, this week's Science magazine, the publication of the American Association for the Advancement of Science, reports that the leaders of solidly respectable middle-class environmental organizations have recommended a major shift away from large-scale high-technology energy, including a phaseout of nuclear energy over the next 10 years.

A task force of groups such as the National Audubon Society and the Sierra Club has pointed out that big, capital-intensive, environmentally-disruptive energy technologies such as nuclear energy, synthetic fuels from coal, shale oil extraction, and large central-station generating plants are wasteful of energy and capital.

The projected capital requirements for these types of energy total more than $1,000 billion over the next decade. Half this amount would pay to install a sizable solar space and hot water heating system and add adequate insulation to every one of the 75 million dwelling units in the country, even if it is assumed that there would be no significant economies from mass production.

I am inserting the Science article into the RECORD for the benefit of my colleagues:

FAILURE SEEN FOR BIG-SCALE, HIGH-TECHNOLOGY ENERGY PLANS

(By Luther J. Carter)

Environmentalists come, by and large, from the more comfortable reaches of the middle class, and, this being true, most are at one with the rest of the affluent society in the lavish use of energy and other resources. Nonetheless, conservation of energy and all nonrenewable resources has long been a watchword of the environmentalists—they were preaching it on the first "Earth Day," in the spring of 1970, and even before. It was therefore predictable that, when a special environmental task force reported on February 2 to a meeting of the faithful in Washington on "The Unfinished Agenda,"[1] the central theme should be that the nation must become a "conserver-society." But what was not predictable was that this task force—made up of leaders of solidly respectable middle-class organizations, such as the National Audubon Society and the Sierra Club, and sponsored by the Rockefeller Brothers Fund—should go so far as to recommend a phaseout of nuclear energy over the next 10 years and a major shift away from large-scale, high-technology energy development generally.

A MESSAGE TO PRESIDENT CARTER

The task force report is meant to let President Carter and his new Administration know how a representative group of environmentalists assesses the problems and the priorities across a wide range of issues, including those having to do with population and food policies, air and water pollution, control of toxic substances, and even the regulation of recombinant DNA research. But it comes to its most striking conclusions in discussing energy policy.

The report holds that, up to now, national energy policy has been characterized by a heavy emphasis on large-scale, capital-intensive, and potentially environmentally disruptive endeavors to rapidly increase supplies of energy, especially electricity. This policy, with its early pretensions to "energy independence" by 1985, is put down as a sure failure, in part because of enormous and unsustainable demand for capital investments totaling more than $1 trillion over the next decade.

Although the report dwells more on the alleged drawbacks of nuclear power than on those associated with other big, capital-intensive energy technologies, it is unsparing in its treatment of all of them. This is how it sums up their prospects:

The large coal-synthetics and oil-shale industries once envisioned will never be built because they waste too much energy and capital. Massive strip-mining of the arid West will never become publicly acceptable. The full exploitation of the Arctic is only a dream. The electric utility industry is faltering and may soon be financially moribund, in part because the utility laws force the utilities to be so wasteful of both capital and energy. And above all, nuclear power is dying. Dying not only because in economic terms it is too capital-intensive to be viable as a long-range energy option, but because the more debate surrounds it, the less viable it becomes as a political reality. Nuclear proponents are winning a few battles, but losing the war.

Besides calling for an early phaseout of nuclear power, the report recommends that all subsidies be withdrawn from all of the energy industries, and that the antitrust and securities laws be vigorously enforced. It holds that all of the large-scale, capital-intensive energy technologies would lead to bad results; compulsory governmental diversion of capital, skills, water, and other scarce resources; huge concentrations of political and economic power; and conflicts between central (often federal) authority and local governments as energy projects are thrust upon people who do not want them and high social costs are imposed on politically weak but resource-rich regions—such as Appalachia or the Navajo country in the southwest—for the benefit of urban energy consumers.

The task force's own "blueprint" for an energy policy calls chiefly for a two-pronged strategy that would involve cutting energy demand by half through conservation and using and developing "soft" energy technologies, such as solar heating and cooling, wind power, and conversion of organic matter. Instead of more large centralized energy systems, as typified by big electric generating plants hooked up to regional and national power grids, a profusion of small-scale energy systems of various kinds at the local, neighborhood, and householder levels would be promoted. Coal and other fossil fuels would be used judiciously over the next few decades in making the transition to the new energy era.

Although the report represents a consensus

[1] Members of the environmental agenda task force were Gerald O. Barney (coordinator), of the Rockefeller Brothers Fund staff; John H. Adams, Natural Resources Defense Council; David R. Brower, Friends of the Earth; George D. Davis, Wilderness Society; Robert T. Dennis, Zero Population Growth; Thomas L. Kimball, National Wildlife Federation; Ian C. T. Nisbet, Massachusetts Audubon Society; G. Jon Rousch, Nature Conservancy; Arlie Schardt, Environmental Defense Fund; Maitland S. Sharpe, Izaak Walton League of America; Anthony Wayne Smith, National Parks and Conservation Association; Elvis J. Stahr, National Audubon Society; and Paul Swatek, Sierra Club. The report, *The Unfinished Agenda: The Citizen's Policy Guide to Environmental Issues*, is available at $3.95 (paperback) from Thomas Y. Crowell Company, 666 Fifth Avenue, New York 10019.

of the thinking of the 13 members of the task force, certain chapters were prepared by outsiders. The energy chapter was done by Amory B. Lovins, a British physicist who drew heavily on his widely noticed article ("Energy Strategy: The Road Not Taken") in the October 1976 issue of "Foreign Affairs." A sit happens, Lovins was also among nine environmentalists, economists, and energy specialists who met for 3 days last October at a Georgia retreat to draft what has since been circulated as "The Wolf Creek Statement: Toward a Sustainable Energy Society." [2]

This paper, also addressed to the attention of the Carter Administration, is no less pessimistic than the report of the Rockefeller Brothers task force in its view of the conventional approach to solving the energy problem. And it, too, recommends a major new emphasis on conservation and a gradual shift to small-scale, decentralized energy technologies based largely on solar energy. But, in its recommendations for a transition strategy, the Wolf Creek group put forward something new. An "energy royalty," or Btu (British thermal unit) tax, to be applied at the point of severance or extraction, would be imposed in gradually increasing amounts over several decades on all nonrenewable fuels, namely, gas, oil, coal, and uranium.

FEDERAL PAY RAISES

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. DERWINSKI. Mr. Speaker, most Members are complaining of the public controversy stemming from the editorial commentary on the recent pay increases received by Members of Congress, Federal Judiciary, and high level officials of the Government.

In checking through my files, I came across a very sound editorial commentary by WGN Continental Broadcasting Company in Chicago, broadcast on January 19, which the Members may wish to quote to properly explain the issue to their constituents.

The editorial follows:

FEDERAL PAY RAISES

Pay raises for some 20,000 federal employees were part of the final budget sent to Congress by Gerald Ford. The package was included after the out-going administration received assurance that the proposal would have the support of the Carter administration.

The attention-getting figures are the raises proposed by members of Congress, cabinet and sub-cabinet officials and our federal court judges. Indeed, the 3000 or so people in these categories will get substantial salary hikes. But, the salary package covers about 20,000 people, those working at the upper levels of government.

While government salaries have increased with the cost of living for just about everybody who draws a federal pay check, these 20,000 have had a single five percent salary boost over the last eight years, at a time when the cost of living has risen 60%.

A salary of $60,000 a year or more looks mighty good to most of us. But, that is what private industry is paying those who are in key management positions. And, that is what the government must pay to induce people with the talents needed to give up private employment for public service.

AFRO-AMERICAN HISTORY MONTH

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. RANGEL. Mr. Speaker, 3 weeks ago 80 million Americans viewed the television epic "Roots." This show awakened many individuals to the struggle faced by the American black from his ancestral days in Africa to their struggle after emancipation.

In an effort to help increase Americans' knowledge of Afro-American History, New York Gov. Hugh I. Carey, a former member of this House, proclaimed February 1977, as Afro-American (Black) History Month in New York State. This proclamation is a credit to him and the people of New York.

I would like to share this proclamation with my colleagues:

PROCLAMATION

The history and culture of all segments of the American people contribute to the vitality of our way of life. An important segment of our culture is the study of Afro-American life and history.

The Association for the Study of Afro-American Life and History was founded in 1915 by Dr. Carter G. Woodson, for the purpose of calling attention to the contribution of black people to the advancement of America.

The study of black history and culture can foster better understanding between people and encourage a keener appreciation of the heritage of all Americans.

Now, therefore, I, Hugh L. Carey, Governor of the State of New York, do hereby proclaim the month of February, 1977, as Afro-American (Black) History Month in New York State.

FIFTY-NINTH ANNIVERSARY OF ESTONIAN INDEPENDENCE

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. WOLFF. Mr. Speaker, at a time in our history when the people of our Nation have just celebrated 200 years of independence, let me take this opportunity to remind my colleagues that there are still many people in parts of the world who cannot call themselves free. I speak now of the Estonian people, who, since 1940, have been bound by the shackles of Soviet authority.

Today, February 24, marks the 59th anniversary of this proud people's homeland, the Republic of Estonia. In 1918, this nation received its independence, only to be seized in 1940 by the forces of the Soviet Union.

In our quest for human rights, let us not forget the Estonian people and all other peoples of the world who are still denied their basic liberties. I call upon my colleagues to join me in commemoration of the Republic of Estonia and in reaffirming our efforts to bring about the true independence of these subjugated people.

ENERGY CONSERVATION: A NATIONAL NECESSITY

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. TEAGUE. Mr. Speaker, once again the American people are facing the grim realities of the ever-worsening energy crisis. Mother Nature has hit the eastern two-thirds of the United States with perhaps the coldest winter on record. The cold wave has put a massive strain on our natural gas reserves and especially on our interstate distribution system. Industries have had to close down, putting nearly 2 million people temporarily out of work. Many schools have been forced to send their children home, and millions of Americans have turned their thermostats down to conserve our remaining natural gas reserves for home heating and priority users.

Austere conservation measures like these, and some cooperation from the weather, will help us get through this present crisis situation. But these measures will not answer our long-range energy problems. We must develop a coordinated energy conservation program which would be an integral part of a comprehensive energy strategy.

Long-term conservation will take the cooperation of all of us. President Carter and Congress must take the lead together in developing an imaginative conservation program to meet this problem. Such a program will also require the commitment of industry and the American people to curb all wasteful use of energy.

I commend to my colleagues' attention a statement of just such a commitment by Frank N. Ikard, president of the American Petroleum Institute, which appeared in the January 16 Washington Post. I found it informative, and hope each Member of this body will find likewise:

ENERGY CONSERVATION: A NATIONAL NECESSITY

Many distinguished Americans across the country are saying it.

Government officials of both political parties are saying it.

The petroleum industry has been saying it for years.

Yet, as President-elect Carter declared during his campaign:

"There is no major energy conservation program in this country."

[2] Available at no cost from the Georgia Conservancy, Suite 407, 3110 Maple Drive, Atlanta 30305. The others besides Lovins who took part in drafting the statement were James W. Benson, ERDA's solar energy division; Charles J. Cicchetti, University of Wisconsin; Herman Daly, Louisiana State University; Denis A. Hayes, Worldwatch Institute; Bruce M. Hannon, University of Illinois; Eugene P. Odum, University of Georgia; David W. Orr, University of North Carolina; and Cecil R. Phillips, Georgia Conservancy.

We in the petroleum industry agree with Mr. Carter.

We believe that people should continue to remember those long angry lines of embargo days.

And that we all should constantly remind ourselves that the United States now is importing more than 40 percent of the oil used in this country.

Energy conservation must be everybody's business.

More than four years ago, testifying for the American petroleum industry before the Platform Committee of one of our national political parties, I said:

"From now on, however, we will have to learn to be close-fisted about our use of energy in everything from home air conditioning units to the operation of our cars. I can assure you that the petroleum industry endorses and is actively supporting this kind of conservation mindedness."

The petroleum industry wants to conserve energy because it makes economic sense for us just as it does for other industries and all the people of the nation. Our industry's big problem in the years ahead is not going to be selling oil, but finding enough supply to meet the demand.

Of course oil companies compete with each other in the marketplace. That's what competitive enterprise is all about. But there is no conflict between the oil industry's comprehension of the need for energy conservation and the fact that each oil company wants the people to buy its brand when they do buy.

The country needs a major energy conservation program, with White House leadership and Congressional guidance that will move every institution and each individual American to participate.

Mr. Carter has put energy conservation on the agenda as a subject for discussion in a national "fireside" chat early in his administration.

The petroleum industry pledges its support to enlightened new public policies which will make energy conservation and efficiency a national ethic.

FRANK N. IKARD,
President, American Petroleum Institute.

THE FOOTBALL TEAM KEEPS FARRELL, PA., NO. 1

HON. MARC L. MARKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. MARKS. Mr. Speaker, the high school football team in Farrell, Pa., is being honored Friday, February 25, 1977, for winning the 1976 WPIAL, class AA championship, the first for the school since 1951.

Winning a WPIAL title is quite an achievement. Football experts throughout the Nation will agree that this particular league is perhaps the toughest in the Nation. Its list of graduates are those you see in the sports headlines. One name that comes to mind immediately is Anthony Dorsett of Alliquippa who played one of his last high school games on Farrell's gridiron.

Just in case the name Farrell rings a bell in athletic circles, I remind you that its basketball team has brought fame to the city over the past quarter of a century in having won more State championships than any school in the history of the Commonwealth of Pennsylvania.

One would tend to think that with a record like that, accepting championship trophies would be "old hat" and in fact make the fans somewhat blasé. Not so. Each win produces more excitement than the last and today is no exception. I offer congratulations to the boys, their parents, the coaches and certainly the vast legion of supporters who never allow Farrell to be anything less than No. 1.

THE JOBLESS YOUNG

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. SARASIN. Mr. Speaker, the issue of minimum wage for youth has been one of the more controversial in the Congress. The central question is whether or not such a wage scale deters businesses from hiring our young people and just what impact this has had on the 22 percent unemployment rate for youth.

I believe that we have talked the issue to death without sufficient facts. On Wednesday, February 9, 1977, the Wall Street Journal ran a lead article which, in my view, clearly hits the proverbial nail on the head: we do not know enough to really determine what effect minimum wage has on youth, but what little we do know indicates that it has a dramatic effect on those youth most desperately in need of employment. I commend this article to the attention of all Members of the House:

THE JOBLESS YOUNG—ARE TEENAGERS IDLED BY THE $2.30 PAY FLOOR? SOME YOUTHS THINK SO—BUT UNION CHIEFS WANT RISE TO $3 HOURLY MINIMUM, FEAR A SPLIT-LEVEL RATE—'IN DANGERS AN ILLEGAL SITTER

(By Alfred L. Malabre, Jr.)

Betty Jackson has a message for the people in Washington who want to raise the nation's minimum wage:

Drop dead.

If you suspect that Betty Jackson is a profit-greedy employer of unskilled workers who toil in some sweatshop for $2.30 an hour—the minimum allowed by federal law—you are wrong. Plump, middle-aged, black, the mother of four ranging from 17 years of age down to 11, she employs no one. She is poor, and she herself is employed, at modest pay, as a social worker by Dade County, Fla. Her job is to try to find work for jobless teenagers in a poverty-ridden area just north of Miami.

"It would be just awful for the kids if they (the federal authorities) raise the minimum wage again," the black woman says. "It's bad enough now, but if the floor goes up again, the kids simply won't ever get hired."

A NEW ATTITUDE

A decade ago, people such as Betty Jackson, working closely with the poor and the unemployed, probably would have talked differently; the prospect of a sharply higher minimum wage would have been heartily welcomed. But no longer. Over the years, teen-age unemployment has mounted even faster than joblessness in general. And, increasingly, some people in the front line of the war against teen-age joblessness single out minimum-wage regulations as a major barrier.

Nevertheless, plans are afoot in both houses of Congress to raise the minimum wage to $3 an hour and to provide automatic living-cost adjustments. The AFL–CIO regards such legislation as a top-priority need that should, the federation says, "benefit the entire economy by generating additional purchasing power and additional jobs." That view is strongly endorsed by F. Ray Marshall, President Carter's Labor Secretary.

Congressional proponents of a higher minimum wage, as well as many labor leaders, firmly oppose suggestions that any exemption be made for teen-age pay. "Teenagers would simply replace older workers if they were exempted," warns Clara F. Schloss, an AFL–CIO economist, taking a view that harks back to the days before child-labor laws were enacted. "Nothing is gained by pitting one age group against another."

And an aide to Rep. John H. Dent (D., Pa.), who plans shortly to introduce the $3-an-hour proposal in the House, declares that "with such high adult unemployment as we have today, we certainly don't want to encourage a substitution of teen-agers for breadwinners."

SCARCITY OF STUDIES

Extensive, impartial studies of the causes of teen-age joblessness are surprisingly scarce, inconclusive and devoid of comment from teen-agers themselves. About seven years ago, the Labor Department issued a 189-page booklet titled "Youth Unemployment and Minimum Wages." The booklet stated that "increases in the level and coverage of the federal minimum wage may have contributed to the employment problems of teen-agers." However, it went on to caution that "it is difficult to disentangle such effects from numerous other influences," such as training programs and schooling.

The booklet didn't address the important question of whether teen-agers might grab jobs from adults. Besides, some observers suspect that it is adults—particularly the women surging into the labor force—who are grabbing unskilled, low-paying jobs from teen-agers. And the competition for entry-level work is rising at a time when an increasingly technological economy may be generating proportionately fewer such jobs.

Betty Jackson, of course, works entirely on teen-agers' problems and not an adult unemployment which remains about 7 percent despite nearly two years of economic recovery in the U.S. Accordingly, she cringes at the prospect of a $3 minimum that would include teen-agers. In fact, she is convinced that even the current $2.30 wage floor has tended to increase the teen-age jobless rate, which stands at nearly 20 percent for all teen-agers and roughly twice that level for black youths.

SURVEYING THE TEEN-AGERS

Many teen-agers themselves share her views, according to a recent survey of more than 100 Dade County youths. Undertaken by the county consumer advocate's office, the survey sought to find out whether rising minimum wages do in fact contribute to teen-age joblessness. Today's $2.30 minimum is up from $1.60 as recently as 1971.

Teen-age unemployment is a severe problem in Dade County, an area with large black and Cuban-refugee populations. Some 40 percent of the youths interviewed said they were looking for work. The others either held jobs or didn't want one. Nearly half of those looking claimed that they would be willing to work for less than $2.30 an hour. Office work and restaruant jobs were frequently cited as occupations in which minimum-wage rules tend to limit the hiring of youths.

A second, more-comprehensive study into the causes of teen-age unemployment in Dade County is being planned, with graduate students at the University of Miami volunteering to help county officials. But the

recent survey leaves little doubt about the impact of minimum-wage rules.

Among the teen-agers surveyed is Maggie Jones, a 17-year-old black. Maggie, who recently gave birth to a boy, is unemployed but wants work. Guided by Dade County social workers, she recently applied for work at enterprises ranging from fast-food chains to department stores. However, she says, the answer that she gets is "always no, there's nothing available just now."

Would she work for less than $2.30 an hour? "You bet I would, but there aren't many jobs like that around," she says.

Jimmy Harris, an 18-year-old black neighbor of Maggie's, also wants a job. He had one last year, helping with inventories in a department store; it paid $2.30 an hour, and he says he liked it. But he was laid off on Dec. 20, when the Christmas shopping rush began to subside. Like Maggie, Jimmy claims that he would gladly work for less than $2.30 an hour. But "there's nothing around," he says, although he is a high school graduate.

Leonard Murray, a 17-year-old black, recently had job interviews at Miami branches of two fast-food chains, but he says, "I've had no luck." He had earned $2.60 an hour in a metalworking plant; however, he recently was laid off. "I would have been happy to work there the rest of my life," he says. "It was an eight-hour day, but I really had to work hard only three or four hours." He reckons that "there would be more work if there was no minimum wage" for teen-agers.

Some of the teen-agers interviewed who do hold jobs are working for less than the $2.30 minimum. In some instances, federal law apparently is being violated. No violation of state law is involved because Florida is one of 10 states with no minimum-wage statute of its own.

Deborah Evans, 17 and black, earns $15 a week baby-sitting for a neighbor. The job, which is steady, entails about four hours of work a day, so that on an hourly basis she receives far less than the $2.30 minimum. Neither Deborah nor her neighbor seem aware that a federal regulation is being violated. Although casual baby-sitting for a few hours a week isn't subject to minimum-wage rules, Labor Department officials say a job such as Deborah's which involves more than 20 hours a week, clearly comes under the regulations.

WOULD JOB "DISAPPEAR"?

In any event, Deborah seems happy with the job. If she were to demand $2.30 an hour, she says, the neighbor simply couldn't afford her services, the job would "disappear" and the neighbor would have to either give up her own job or leave young children alone in the house.

Various estimates indicate that roughly 10 million persons in a nonsupervisory labor force of more than 70 million remain uncovered by the federal law, although many of them are covered by state statutes. Some states' rules are stricter than federal law: Alaska's minimum is $2.80 an hour, and New York's, though $2.30, applies to a wider assortment of jobs than the federal minimum.

To try to enforce the federal minimum-wage regulations, the government employs about 1,000 so-called compliance officers. Complaints from workers also help. In a recent 12-month period, employers paid nearly $71 million to some 447,000 workers who had been receiving less than federal law required. But no one knows how many violations of minimum-wage regulations go on.

Federal officials say enforcement is difficult and will grow even harder if the minimum is raised and coverage expanded again. Over the years, more and more job categories have been brought under the regulations; this year, for example, the law was extended to more than 500,000 workers in certain types of chain-store outlets.

CONCERNED BUSINESSMAN

Among Dade County establishments still exempt from minimum-wage regulations is John Manley's small, stand-up restaurant in a poor, black district in the southern part of Miami. Mr. Manley, a middle-aged black whose menu is limited to 18-inch hot dogs and buns, soft drinks and beer, is deeply distressed by teen-age unemployment in his neighborhood. "I would guess only about 10% of the kids around here have jobs," he says. He employs three teen-agers and pays each $2.25 an hour. If the minimum wage were raised and extended to cover restaurants such as his, would he be able to keep all three? "No way," he says, adding, "If I had to pay them $3 an hour, two would have to go."

Mr. Manley notes that several teen-agers who have worked for him have gone on to better jobs at the minimum wage or higher. One such teen-ager, he says, now holds a "very good job" as a cook in a downtown Miami restaurant.

Mr. Manley sharply criticizes the local school system, which, he says, produces some "11th graders who can't even change a dollar bill" for a customer. He adds, "They learn more on the job here than at school." Many neighborhood teen-agers are heavily "into drugs," he says, and they wouldn't "work steady if I paid them $5 an hour." He sees a clear connection linking teen-age unemployment, subsequent idleness, drug use and crime to support the drug habit.

A FATHER'S HELP

Among the few working teen-agers interviewed who gets more than the minimum wage is Jose Ortiz, whose family fled to the U.S. from Cuba in 1962. Jose works as a filing clerk at a Miami hospital. The youth has "no strong feelings one way or the other" about minimum-wage rules and frankly concedes that "I got the job because of my father," an administrator at the hospital. Unlike most teen-agers in the Dade County survey, Jose is from a relatively affluent family.

Moreover, most jobless teen-agers who say that they wouldn't work for less than the minimum wage also appear to belong to fairly well-off families. Gregg Greene, a white youth enrolled at a Miami high school, has "never had a job" but, he adds, "I never really needed one." He believes that if he does get one, he should rightfully earn "just as much as any adult."

Some proponents of a lower minimum for teen-agers note that most industrial nations have lower minimums, or none at all, for youths. Yet, it's said unemployment at all age levels in such countries generally is below corresponding U.S. jobless rates.

DEPUTY MARSHALS

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. RAHALL. Mr. Speaker, much too long, the deputy U.S. marshals have been overlooked by the U.S. Government.

Today I am introducing legislation which will provide for the upgrading of working grades of deputy marshals.

The bill provides for deputy marshals to be adequately paid, in amounts commensurate with the degree of danger and that they be paid at rates not less than the rates at which other law enforcement personnel are paid.

This legislation is long overdue and I am proud to support our law enforcement establishment so that the citizens of West Virginia can continue to receive the best possible protection for their wives and children.

BRICK TOWN'S "OUTSTANDING CITIZEN"

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. FORSYTHE. Mr. Speaker, a Methodist pastor in the Herbertsville section of Bricktown has been given the "Outstanding Citizen" award by the Brick Township Chamber of Commerce. Rev. Ronald E. Dunk, although still quite a young man, is already in his 14th year as principal pastor of St. Paul's United Methodist Church. I applaud the chamber's choice.

I have learned that, on the occasion when representatives of the chambers board of directors attended services at St. Paul to formalize the decision, Reverend Dunk, or Ron, as he prefers to be called, stepped immediately to the pulpit, and delivered the morning message—on politicians. However, the chamber's delegation had not reason to be apprehensive, for Ron's words are said best to have been described as a civics lesson with a theological frame.

St. Paul's celebrated its centennial year in 1976, and the pastor, that morning, tied into one composite package the significance of the Nation's Bicentennial, the church's centennial, and the rite of political passage implicit in the inaugural ceremonies. Although the sermon topic and the act of presentation coincided only by accident, Ron has made a point of combining his theological and civic interests. Nevertheless, Ron carries his theology into the work-a-day world, rather than bringing that world into the pulpit where the role and function of the small "e" evangelical church are the universal theme.

Perhaps the best example of theology in civic life is Reverend Dunk's service as chaplain, both to the Brick Township Police Department and to the Herbertsville Fire Company and First Aid. But there are a host of other, only slightly less tangible theological pursuits carried on by Ron Dunk in the community of Brick. Ron became district director of youth, 15 years ago, and his juvenile activities have been outstanding throughout Ocean County. He is also chairman of the Conference Board of Education as well as a member of the New Jersey Council on Alcohol Problems. Reverend Dunk also was instrumental in promoting the "meals on wheels" program sponsored by the ministerium.

Although Ron scrupulously keeps political issues out of his pulpit, civic matters frequently are combined with religious ones on the regular "Kaleidoscope" program at 8:30 on WADB on Sunday mornings, a program founded

by Reverend Dunk, and now cohosted by Ron and Father Edward Reisner of Epiphany Roman Catholic Church.

In addition to such contributions, the chamber must certainly have been influenced in its selection by the fact that Ron is a very active chairman of the Brick Township Ethics Committee, a member of its Juvenile Conference Committee and a trustee of Point Pleasant Hospital.

The presentation of the award to Reverend Dunk actually took place on a Saturday night in late January at Lakewood's Woodlake Country Club. It was a gala evening, one in which Ron shared the honors with his wife, Arlene, and their two daughters, MaryBeth and Alisa.

PIERRE FISCAL SANITY AND WASHINGTON FOOLISHNESS

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. PRESSLER. Mr. Speaker, someone once said, "there is nothing common about commonsense," and with that quote in mind, I would like to place in the CONGRESSIONAL RECORD today a copy of an editorial recently run in the Sioux Falls Argus-Leader that was sent to me by Mr. George Robertson of Sioux Falls, S. Dak. The editorial is worthy of our review as it cites the reasons why the State of South Dakota has successfully avoided any bonded indebtedness. I cannot help but to wonder aloud if we in Congress might not learn something from the fiscal sanity now being practiced in South Dakota.

PIERRE FISCAL SANITY AND WASHINGTON FOOLISHNESS

South Dakota is one of the few states in the nation that doesn't have a bonded debt. It is one of the few states that lives within its means.

The reasons for fiscal sanity in Pierre are found in the South Dakota Constitution. The constitution requires the legislature, if ordinary expenses exceed income, to levy a property tax of not to exceed two mills to make up the deficit. A state mill levy hasn't been used for this purpose for years. The state has been in the black consistently. Another provision in the South Dakota Constitution limits the state's indebtedness to $100,000.

South Dakota voters in 1978 may get to vote on another constitutional brake on state spending. The South Dakota House passed a resolution calling for a constitutional amendment which would prohibit tax increases without a two-thirds vote of the legislature or a vote of the people. The resolution also has a provision limiting the property tax assessment at 60 per cent unless changed as required by the resolution.

The Senate should enable the South Dakota electorate to vote on this resolution. If it becomes a part of the constitution, it could do much to inhibit increased spending. It might also discourage requests from the public for government at Pierre to do things for them that they can do themselves.

Washington would do well to emulate South Dakota's example of fiscal responsibility. Unfortunately, the climate along the Potomac doesn't seem to indicate such a switch in federal behavior.

The Senate Budget Committee is recommending that the federal government pay up to $250 of the fuel bills of families in areas hardest-hit by the uncommonly cold winter. The chairman is U.S. Sen. Edmund S. Muskie, from the state of Maine, which has cold winters. President Jimmy Carter is considering giving some relief to low income Americans on their heating bills.

Paying part of the public's increased heating bills for the worst winter to strike the Midwest and East in 100 years would give Washington's big spenders a precedent to subsidize just about everything else that hurts Americans in the pocketbook.

Muskie should know better. Here's a United States senator urging more spending, without any increase in taxes or reduction somewhere else. Carter should rely on what some Americans perceive as his Southern conservatism to answer this question. Would his fellow Georgians pay for their neighbors' heating bills? Should South Dakota help out Muskie's constituents? We can't imagine South Dakotans passing the tin cup for themselves in the worst of winters.

Carter should ask Americans to do more for themselves and expect a bit less from Washington, except in better performance by the bureaucracy.

If Congress had to contend with spending and tax structures like the ones in effect in Pierre, there'd be an end sometime to mortgaging the future to pay for fuel-foolish ideas like the one from the Senate Budget Committee.

REIMBURSEMENT TO LOCAL GOVERNMENTS FOR TREATMENT GIVEN ILLEGAL ALIENS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. ANDERSON of California. Mr. Speaker, on February 17, I joined with several other Members of this Congress in cosponsoring a bill whose time has come.

This legislation authorizes the Secretary of Health, Education, and Welfare to reimburse medical treatment facilities and local governments for medical treatment provided in emergencies to indigent illegal aliens.

This legislation stands to begin making restitution to hard-pressed areas who have felt the major impact of the continuing flow into this country of such aliens. In Los Angeles County alone, a part of which is included within my district, an estimated $54 million annually is spent for nonreimbursed health care provided to nonresidents, 90 percent of which is for illegal aliens.

Mr. Speaker, I cannot impress upon my colleagues too strongly the urgent need for immediate action to relieve the county taxpayer in my district and others throughout the Nation of the cost of supporting aliens, whose presence in this country is mainly due to failures of this body to make certain that proper enforcement responsibilities are carried out by the Government.

This bill, like the original introduced by Congressman B. F. SISK, amends the Public Health Service Act to provide financial assistance to medical facilities for treatment of certain aliens, including illegal aliens.

I urge Chairman PAUL ROGERS to schedule hearings immediately so that this or similar legislation can proceed. This tremendous cost can no longer be born by the already over-burdened taxpayer.

Mr. Speaker, it is estimated that by 1981, more than 1 million illegal aliens will live in Los Angeles if they continue to reach the city at the alarming rate of the last 5 years.

According to figures compiled by the Los Angeles Police Department, illegal aliens in the city increased from an estimated 190,000 in 1971 to 650,000 in late 1976, a 242-percent increase. This is like coming to Washington for work one morning and finding out that every man, woman, and child living in the District of Columbia was an illegal alien. There are that many such persons in Los Angeles

Until the Federal Government moves from "benign neglect" of this problem, we must provide relief to local taxpayers. It is the very least we can do.

Mr. Speaker, I ask consent to include with my remarks a letter from Pete Schabarum, a county supervisor from Los Angeles. In addition, I am enclosing a copy of the minutes of the board of supervisors on this subject:

BOARD OF SUPERVISORS,
COUNTY OF LOS ANGELES,
Los Angeles, Calif., February 18, 1977.

Re H.R. 2400 (Sisk) Medical treatment of aliens

Hon. GLENN M. ANDERSON,
House Office Building
Washington, D.C.

DEAR CONGRESSMAN: Congressman Sisk has introduced H.R. 2400 (Medical Treatment of Aliens) which would authorize the Secretary of HEW to reimburse medical treatment facilities and local governments for medical care provided in emergencies to indigent illegal aliens.

The Los Angeles County Board of Supervisors has historically supported such legislation.

I have informed Congressman Sisk that an estimated $53 million annually is spent by the County of Los Angeles Department of Health Services for non-reimbursed health care provided to non-residents, 90 percent of which is for illegal aliens. Emergency care accounts for an estimated $11.4 million of this amount.

I have no quarrel with the humanitarian aspect of providing health services to illegal aliens; it is a moral obligation of all involved in government to do so. I am concerned, however, with the question of who has the ultimate responsibility of paying for those services. I believe it belongs to the Federal government, which is responsible for controlling the flow of immigrants, legal or illegal, into California.

The uncontrolled influx of illegal aliens into this country is having a major impact on the cost of local government. I encourage you to join Congressman Sisk as a cosponsor of this legislation.

Sincerely yours,

PETE SCHABARUM,
Supervisor, First District.

MINUTES OF THE BOARD OF SUPERVISORS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Supervisor Schabarum presented the following statement and motion, which was seconded by Supervisor Edelman:

The County of Los Angeles has no control over the entry of illegal aliens into this country.

That is, correctly so, the responsibility of the Federal government.

The Los Angeles Times has presented a number of stories in the past few weeks concerning illegal aliens. According to the latest story, the City of Los Angeles spends $37 million annually on providing police services to illegal alien residents.

We've been fighting a battle for several years in regard to getting reimbursement for the costs of medical, welfare and criminal justice support for such persons. However, Federal and State governments have failed to recognize this as a major local problem.

The uncontrolled influx of illegal aliens into this Country is one of the most important social issues in our society today. Yet, to date, this issue has not been resolved.

Failure to come to grips with this problem adds to the substantial burden of the property taxpayer.

For example, Federal authorities say public assistance shall not be given to illegal aliens. The State, on the other hand, says such aid must be given until such time as the Immigration and Naturalization Service—INS—verifies residency status.

State law does not give the County authority to render nonemergent medical care services to illegal aliens. Yet, the Department of Health Services is the primary source of medical help for illegal aliens living here—at a cost of approximately $48 million annually

The Federal government is clearly failing in its responsibility to control immigration into this country. Their failure costs local government millions of dollars because, as a practical matter, County government cannot shirk its humanitarian and mandated service responsibilities.

The Board must continue to press the Federal and State governments to face up to their responsibilities.

I, therefore, move that:

1. The CAO summarize the actions the Board has taken with regard to illegal aliens and present a status report of the results of these actions.

2. The County seek legislation which would resolve the conflict between State and Federal policy concerning assistance payments to illegal aliens.

3. The Board press for legislation requiring the Federal government to assume full responsibility for the cost of health and welfare aid provided to *all* aliens, as the Federal government has the responsibility for controlling immigration.

4. The CAO be instructed to take action to request the Secretary of Health, Education, and Welfare to hold a hearing to determine the conformity of State and Federal laws regarding granting of public assistance to illegal aliens.

5. The Executive Officer request the Secretary of the State Health and Welfare Agency to revise regulations to require that proof of legal status be submitted or in-person referral to INS be made before benefits are granted by the County to any applicant.

6. The Executive Officer request the Commissioner of the Immigration and Naturalization Service for adequate staffing of INS offices so that documentation of alien status can be handled as expeditiously as possible."

Supervisor Hahn offered an amendment, which was accepted by the author, to request the appropriate congressional committees to hold hearings on this matter in Los Angeles in order to develop proposed legislation to correct the problem.

Supervisor Hayes offered an amendemnt, which was accepted by the author, to request President Carter to personally review the situation and to develop legislation which would correct the problem.

Supervisor Ward offered an amendment, which was accepted by the author, to delete recommendation No. 5, relating to requesting the Secretary of Health and Welfare to revise State regulations.

Supervisor Schabarum's original motion, as amended, was duly carried by the following vote: Ayes: Supervisors Schabarum, Hahn, Hayes, Ward and Edelman; Noes: None.

WALL STREET JOURNAL ARTICLE SUPPORTS FINANCIAL BENEFITS OF HOME HEALTH CARE

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. PEPPER. Mr. Speaker, the plight of the elderly is a long-recognized problem challenging all of society. It seems rather paradoxical that, in such an affluent and progressive nation, so many of our senior citizens are forced to seek inappropriate and expensive institutionalization.

The Subcommittee on Health and Long-Term Care of the House Select Committee on Aging, which it is my privilege to chair, reported in a recent study that there are 1 million elderly persons in long-term institutions, including 14 to 25 percent of these individuals who do not belong there. The lack of alternatives to institutionalization indicates a grave weakness in the priorities we as a nation have set for ourselves. In recognition of this fact, the subcommittee strongly advocates the expansion and improvement of home health care services.

Donald Moffit, author of a recent Wall Street Journal article entitled "Costs of Home versus Institutional Health Care," examines the financial benefits of home health care services as opposed to institutionalization.

For example, Mr. Moffit cites the case of a 74-year-old woman from Birmingham, Ala., who, requiring several months of nursing care and physical therapy, was sent to a nursing home after surgery and treatment of rheumatoid arthritis. Because of the tremendous financial burden, her family was forced to bring the woman home. "At $40 a day, the nursing home bill would have run $8,400. But at home, over a 17-month period, the cost of home care amounted to only $699.33." These home health care services consisted of 6 visits by a nurse, 5 visits by a physical therapist and 18 visits by a home health aid.

In another instance, an elderly woman underwent surgery for breast cancer. Nineteen additional days in a nursing home for recuperation would have cost $1,235; instead, she utilized home health care, with 19 visits by a nurse and 9 visits by a home health aid. The total cost was only $667.

Several of the proposals I have introduced in the 95th Congress focus on home health care. H.R. 1116 proposes extensive revisions in the medicare law to liberalize coverage for more home health care visits, expand the kinds of services included in home health care, and provide for outpatient medical services. Moreover, extensive amendments are proposed in H.R. 1130. The home health care features of the medicare program is current statutory language which limits coverage for home health services "to 100 visits during a calendar year" would be deleted and replaced with a subsection that enlarges the home health services to include home services, nutrition services, long-term institutional care services, day care, and community mental health center outpatient services.

Home health services should be developed as a crucial component of a well-defined continuum of alternative living arrangements for the elderly. Not only can it be less costly and maintain the financial stability of the family, as Mr. Moffit's article indicates, but home health care values the lifestyle of patients and allows for personal freedom.

Mr. Speaker, I commend this article to the attention of my colleagues:

COSTS OF HOME VERSUS INSTITUTIONAL HEALTH CARE

(By Donald Moffitt)

NEW YORK.—At rates that may range upward of $1,000 a day for intensive care, medical costs can become a crushing burden even on wealthy families. Successful heart surgery last month cost one California man $22,000; the hospital bill for a Texas woman for the six days before her death last fall came to more than $6,000. Even when health insurance pays most of the bill, the money ultimately comes right out of the pockets of taxpayers or corporations and individuals paying premiums for the insurance.

In some cases, at least, there is a partial solution to the cost problem. The National League of Nursing, a non-profit organization of nursing agencies, says that many people appear to be more carefully comparing the costs of hospitalization or nursing home care for aging parents or other relatives with the costs of keeping them at home. And the league offers a number of recent case histories to show the kind of cash savings that are possible.

Last year, for example, a 74-year-old woman in Birmingham, Ala., went to a nursing home after surgery and treatment for rheumatoid arthritis and related ailments. As it turned out, the woman needed seven months of nursing and physical therapy. When her family found out what it would cost, they took the woman home. At $40 a day, the nursing home bill would have run to $8,400. But at home, over a seven-month period, the cost of her care amounted to only $699.33. This included six visits by a nurse, five visits by a physical therapist and 18 visits by a home health aide.

INTENSIVE CARE AT HOME

In May last year, a 66-year-old Philadelphia woman underwent surgery for breast cancer. Instead of remaining in the hospital for 19 additional days at a cost of $3,610, or going to a nursing home at a cost of $1,235, the woman went home. Nineteen daily visits by a nurse and nine visits by a home health aide, provided the routine medical care she needed at a total cots of just $667.

A 54-year-old Philadelphia man went to the hospital last June for surgery that revealed he was dying of cancer. Instead of staying in the hospital or going to a nursing home, he returned to his own home and died six days later. A daily visit by a nurse cost his wife a total of $151.80. Six days in the hospital would have cost $1,140, and in a nursing home, $390.

Sometimes even when intensive care is required, the nursing league says, big cost savings are possible; some of the equipment needed for intensive care at home can be rented. In November 1975, a 59-year-old New Yorker left a hospital after a severe heart

attack with complications. He lived 77 days at home. The oxygen gear needed to keep him alive was rented; with medication, it cost $1,276.31. Twenty-five visits by a nurse and one visit by a physical therapist cost $690, for a total cost of $1,966.31. Similar care in institutions—14 days in a hospital and 63 days in a nursing home—would have come to $5,109.58.

In deciding whether to care for an ailing relative at home, the nursing league says, the family doctor should be consulted first. Many hospitals employ nursing-service specialists who can also assist in designing home-health care programs, often involving the training of family members in routine health-care procedures.

STRESS ON FAMILIES

"Home health care," the league says, "is recognized as an increasingly important alternative to hospitalization or care in a nursing home—less expensive and more effective means of providing health services to those who do not need or who no longer need 24-hour-a-day profesional supervision.'

A new book called "When Your Parents Grow Old," by Jane Otten and Florence D. Shelly (Funk & Wagnalls, New York; $9.95); estimates the average national cost of nursing-home care at $600 a month in 1975 and the cost in big-city, full-service nursing homes at more than $1,000 a month.

But the authors point out that home health care for an aging parent can cause serious difficulties for a family. "Even very loving and caring families," they say, "exhaust their tolerance when they have been caring for a severely impaired parent for what seems like a long time. This kind of obligation, with its often ceaseless demands, disrupts the lives of family members, destroys harmonious family relationships, and can create great emotional problems for the caretakers."

The National League for Nursing, which can provide detailed information on home health care, is at 10 Columbus Circle, New York, N.Y. 10019.

BOOK SERIES, "TO PROTECT THESE RIGHTS," HAILED

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. MIKVA. Mr. Speaker, I would like to bring to the attention of my colleagues an exceptionally valuable, scholarly and readable set of books, a six-volume series called, "To Protect These Rights."

The series is edited by a gifted scholar, Dr. Franklyn S. Haiman, of Northwestern University, and was planned as a Bicentennial project to further an understanding and appreciation of the Bill of Rights. Each of the six volumes provides a thorough, enlightening discussion of an area of contemporary importance—freedom of speech, rights of privacy, religious freedom, women and the law, racial equality, and due process of law.

Not only does this series make a significant contribution to an understanding of the concepts underlying the Bill of Rights, but it does so in a style that will be appreciated by interested citizens as well as scholars, students and policymakers. These six paperback volumes were published as a joint project by the national American Civil Liberties Union and the National Textbook Co. of Skokie, Ill. They would be a useful and affordable addition to anyone's library and are being distributed in part by the ACLU as a nonprofit effort.

I would like to thank Dr. Haiman, as the editor of this series, for producing the best kind of tribute to the true meaning of the Bicentennial.

ANTIBOYCOTT LEGISLATION IS URGED TO PROTECT AMERICAN BUSINESS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. ROSENTHAL. Mr. Speaker, I commend to the attention of my colleagues an editorial which appeared this morning in the New York Times. The editorial notes some recent concerns expressed about an alleged risk to United States-Saudi relations in the passage of strong antiboycott legislation. The editorial concludes, however, that these fears are completely misplaced.

As the Times makes clear, the proposed legislation has been carefully drafted solely to address the adverse impact upon American business of the Arab boycott. It attempts to meet the highly discriminatory and uniquely anticompetitive effects in our country of the Arab's secondary boycott while not interfering with the Arab's primary boycott against Israel. In this way, the bill raises almost wholly domestic issues.

Anyone who would link the bill with prospects for a Middle East settlement not only misconstrues its intent but, given the sensibilities in that part of the world, makes accommodation more difficult. I am convinced that the bill will ultimately be accepted by all interested parties for exactly what it is: An important and reasonable step toward the protection of legitimate domestic American business interests. As the Times says:

Secondary and tertiary boycotts force American businesses to become the instruments of the foreign policies of other nations. They are wrong and should be illegal.

The full editorial follows:

ONE BOYCOTT IS ENOUGH

Anti-boycott legislation is about to come before Congress again, raising two issues: how to guide American business through the Arab boycott against Israel in a morally defensible way, and how to handle a delicate Middle East diplomatic problem.

In these pages the other day, Richard Nolt, the former United States Ambassador to Egypt, emphasized this country's growing dependence on Saudi Arabia. Oil revenues, he noted, have brought the Saudis a monetary surplus of $53 billion, half of which is probably in U.S. banks, or invested in U.S. Government securities. More important, the Saudis supply one-quarter of our imported oil. By 1980, the United States will import half its oil, and half of that will come from the Saudis.

Mr. Nolte pointed out that the Saudis have been a moderating force in the Middle East. They were instrumental in ending the war in Lebanon, resolving the quarrel between Egypt and Syria, aiding moderates in the Palestine Liberation Organization, and moving all these parties toward a negotiated settlement with Israel.

And in their oil pricing policy, the Saudis have been the most restrained of all the OPEC nations.

Such friendly behavior should be rewarded, maintain Mr. Nolte and others respectful of the "Saudi connection." The reward the Saudis seek, it is said, is American pressure on Israel for a Middle Eastern settlement, and an end to our fretting about the boycott. Anti-boycott legislation, we are warned, would be a "red flag" to the Saudis. The problem should be resolved by diplomacy.

The Saudis are a moderating force. That suits their own ends as well as ours. And they are certainly an economic force to be reckoned with. More and more business is flowing to Riyadh, and American business does not wish to be barred from it. A Senate committee has already heard some nervous testimony about American jobs that may be lost if anti-boycott legislation is adopted.

In weighing that legislation, it is important to sort out the degrees and levels of boycott practice. No one denies the legality of a primary boycott of Israel. No one expects the Arabs to buy oranges from Haifa at the moment. The United States has used that kind of boycott itself against Cuba. But there is also a secondary boycott, that blacklists American firms that trade with Israel, or contribute to Israel in some meaningful way. And there is a tertiary boycott that blacklists American firms that deal with other American firms, which happen to deal with Israel. So the tertiary boycott aims to reach domestic American transactions, penalizing, quite possibly, a Texas firm that sells to a California firm.

Further complicating the scene is the former Arab practice of asking American companies whether they employ Jewish directors, officers and suppliers. President Carter recently denounced this invitation to racial discrimination as "obnoxious in a society like our own" and quiet diplomacy, together with the reporting requirements of the Commerce Department, are said to have diminished the practice.

Some form of anti-boycott legislation is clearly needed to protect the constitutional rights of American citizens, and to clarify the legal aspects of business behavior. Secondary and tertiary boycotts force American businesses to become the instruments of the foreign policies of other nations. They are wrong and they should be illegal. Which of the various bills before Congress best achieve that end remains to be seen; international transactions affecting trade, credit and shipment are complicated and next week's hearings will make us all wiser. Secretary of State Vance will speak to the subject on Monday.

As for the Saudi connection, it should not suffer from this effort to codify American principles of fair and proper domestic activity. Far from being a red flag, legislation would avoid all misunderstanding. If America's new friends in the Arab world are truly gaining in sophistication and moderation, they will respect both our intent and our clarity.

THE THIRD WORLD DESERVES BETTER

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. DERWINSKI. Mr. Speaker, as a member of the House International Relations Committee, I recognize the preoccupation of the diplomatic community

in their efforts to help the so-called Third World.

The New World, the official newspaper of the Catholic Archdiocese of Chicago, discusses this subject in a brief but practical editorial in the February 11 issue:

[From the New World, Feb. 11, 1977]

THE THIRD WORLD DESERVES BETTER

Word that Fidel Castro wants to become the leader of the Third World after the death of Marshal Tito of Yugoslavia, now 84, comes just as the January issue of the magazine Of Human Rights reaches our desk.

Of Human Rights is published twice a year by Human Rights, Inc., a nonprofit organization concerned with questions of rights in Cuba. It originates at Georgetown University in Washington.

The latest issue quotes a piece written by John Maclean for the Chicago Tribune Press Service to describe brutal treatment of political prisoners in Cuba. It tells of the apparent use of prisoners as human guinea pigs for medical experiments, of prisoners who died "walled in" and whose deaths "are discovered by the stench."

Castro, the man who wants to head the Third World, has refused to permit any international organization to visit political prisoners. There have been repeated requests from such groups as the Organization of American States.

The U.S. State Department thinks there are at least 20,000 political prisoners in Cuba, a relatively small country. Traditional Marxism, and the Castro adaptations, do not allow for dissent and consider individual freedom a weakness.

The Third World deserves better leadership than the Cuban dictator can provide.

INTRODUCTION OF BROADCAST RENEWAL LEGISLATION

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. FREY. Mr. Speaker, today I am introducing broadcast license renewal legislation that provides for a 5-year license period for both radio and television broadcasters and establishes realistic renewal criteria to be used by the FCC.

Before discussing this bill, however, let me answer a question that many of my colleagues may ask. Why is a leading proponent of the reassessment of the entire Communications Act of 1934 introducing piecemeal legislation? The answer, Mr. Speaker, is that while the staff of the Subcommittee on Communications proceeds with its work in presenting policy options to the members of the subcommittee with regard to the entire rewrite, I intend to make my views on certain issues known through the introduction of legislation so that they may be incorporated in the new Communications Act. I firmly believe that the issues of broadcasting, cable television, and common-carrier policy are so interwoven that a total reassessment of U.S. communications policy is necessary. That belief, however, does not ameliorate my concern about ongoing problems.

In the area of broadcast license renewal, I believe that it is time we recognized the basic realities. It makes no sense to put licensees through the paperwork shuffle every 3 years; it makes no sense to require broadcasters to travel to Washington every time an issue is appealed to the U.S. circuit court of appeals; it makes no sense to require radio broadcasters, who are, after all, businessmen who want to stay in business, to formally ascertain the needs, views, and interests of their audience.

Allow me to elaborate for a moment on that last point. Radio broadcasters, by their very nature, must maintain close contact with their audience to assure economic survival. A radio broadcaster in a small community must be sensitive to that community in order to generate adequate listener and advertiser support. Likewise, a major market radio broadcaster develops a listening audience that is loyal to that station or to its format. Unlike a television station in a major market that must broadcast to the entire market area—viewers are obviously channel changers or we would have only one network—a radio station in that same market broadcasts to a particular audience, and it attracts advertisers who wish to address that particular audience. Such a station does not need to be told to formally ascertain the needs, views, and interests of its audience; it must do so if it wants to generate revenue.

Mr. Speaker, this bill is a straightforward solution to a problem that has been too long debated and clouded by an incredible amount of rhetoric.

I urge a reassessment of our national communications policy, but I do not think this must mean major changes for change's sake.

DRUG THEFTS FROM PHARMACIES

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. NIX. Mr. Speaker, I am today reintroducing my bill to make the robbery or attempted robbery of any controlled substance from any pharmacy a Federal crime. This year 27 Members of the House have joined me in cosponsoring this legislation, which has been gaining increasing support from various organizations throughout the country.

Neighborhood pharmacists across America are faced with an epidemic of robberies and burglaries. Along with the other hazards of small businessmen, pharmacists have a special vulnerability. They have supplies of narcotics and other controlled substances which are highly prized by criminals.

As Federal and local law enforcement agencies attempt to crack down on illegal trafficking in drugs, they leave the neighborhood pharmacist as a frontline target for those who seek drugs for illegal purposes. In fiscal 1974 there were 6,000 drug thefts from pharmacies, accounting for more than 80 percent of all drugs stolen in the United States. Sixteen percent of these thefts were armed robberies. Moreover, in my Second District of Pennsylvania alone, retail drugstores have decreased by 100 from 1970 to 1976.

Pharmacists are concerned with more than just the material losses they are suffering. From all across the country there are continuing reports of escalating violence used in the commission of these crimes. In many areas, pharmacies that once provided late night service to those in need of medication now close their doors early for fear of armed assault.

Mr. Speaker, I believe that the Federal Government has an obligation to act decisively to reverse this trend. The Federal Government already provides rigid controls on drugs under the Controlled Substance Act. The Federal Government has assumed the primary responsibility for curbing trafficking in drugs. And I believe the Federal Government must provide protection for pharmacists, who are now left exposed as the easiest target for those in pursuit of narcotics and other controlled substances.

RICHARD C. FRAME

HON. JOSEPH S. AMMERMAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. AMMERMAN. Mr. Speaker, this morning I was personally jolted by news of a terrible tragedy in Pennsylvania. I am referring to the light aircraft crash just outside of Harrisburg in which nine people were killed, among whom was a close personal friend and former colleague of mine in the Senate of Pennsylvania, the Honorable Richard C. Frame.

Dick, as he was known to almost everyone, served with distinction in every field to which he ever devoted himself, whether it was the law, or politics, or as a public servant. He was always friendly, he was always kind and he was always true to his word.

Dick served in the Pennsylvania Senate for over 14 years, in fact, the voters of his district only last November elected him to another 4-year term. In addition, he was completing his third year as chairman of the Republican State Committee. From 1973 until January of this year he served as an able and articulate floor leader for the minority in the senate.

Dick Frame and I always enjoyed a warm and close relationship, despite our different political affiliations. The senatorial district which I represented for 6 years and the senatorial district which Dick represented for 14-plus years combined make up almost the exact same boundaries as the 23d Congressional District. So, in addition to our years of mutual service in the senate, Dick has been, for a very short few months, one of my most distinguished constituents.

Mr. Speaker, there is not enough time for me to express to this House my deep personal feelings of friendship, respect, and admiration for this man. When I think of his distinguished career and of

the high offices he held, despite these achievements he was always a kind man and a gentle man. I shall always feel privileged for having known him as well as I did. He will not be forgotten by any of us.

ARKANSANS HOLD APPRECIATION NIGHT FOR DR. J. F. COOLEY

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. ALEXANDER. Mr. Speaker, on December 3d of last year, Arkansans gathered at Arkansas Baptist College in Little Rock to honor Dr. J. F. Cooley. I consider it a privilege to know this man, one who has spent his entire life in the service of his fellow man.

Dr. Cooley, a native of Rowland, N.C., and academic dean since 1972 at Shorter College in Little Rock, was honored for his "dedicated and sacrificial work in the State of Arkansas for the past 19 years."

Dr. Cooley distinguished himself, among other pursuits, as the first black chaplain at Tucker Prison, earning a certificate of merit from Gov. Dale Bumpers in 1973.

I think Dr. Cooley's contributions to our State are best noted in two articles which I would like to share with my colleagues—the first is an article from his hometown newspaper, the Robesonian, of Lumberton, N.C., on the occasion of his appreciation night and the second is an article from the January 1972 issue of Hep magazine, which highlights Dr. Cooley's work as chaplain at Tucker Prison.

I am indeed proud to call Dr. J. F. Cooley my friend.

The articles follow:

[From the Lumberton (N.C.) Robesonian, Nov. 30, 1976]

ROWLAND MAN HONORED FOR SERVICE

A former Robeson County man is slated to be honored this week for public service in Arkansas.

He is Dr. J. F. Cooley, a native of Rowland, and academic dean since 1972 at Shorter College in Little Rock, Ark. He was a 1949 graduate of Southside High School at Rowland and a 1953 graduate of Johnson C. Smith University at Charlotte, where he also received a B.D. degree in theology in 1956.

A "Dr. J. F. Cooley Appreciation Night" program is planned for Friday night, Dec. 3, at Arkansas Baptist College, in recognition of his "dedicated and sacrificial work in the State of Arkansas for the past 19 years."

Announcement of the occasion stated that Gov. David Pryor of Arkansas would give recognition to Dr. Cooley, and that the speaker would be a man with whom Dr. Cooley had worked each week for 12 years, from the time the man was sentenced to death until his sentence was commuted and he was paroled.

Dr. Cooley, the first Black chaplain at Tucker Prison, was awarded a certificate of merit by Gov. Dale Bumpers in 1973. He has served as a deputy prosecuting attorney and as a staff member of the Arkansas attorney general's office, in addition to his work in education and religion.

In 1971, when he received an M.A. degree in sociology, Dr. Cooley had two honorary degrees—Doctor of Divinity and Doctor of Civil Law—bestowed on him. Another college conferred a Doctor of Divinity degree in 1973, when he was chosen one of the "Outstanding Educators of America."

Dr. Cooley was pastor of two churches and taught in the public schools for 11 years before going to Shorter College in 1969. Accepting part-time work as chaplain and counselor at Tucker Intermediate Reformatory and Cummins Prison—a job created by a group of church bodies—he enrolled in a federal training program and earned two certificates qualifying him to be a jail or prison administrator. He has received numerous citations for his work in crime prevention.

On "appreciation night" Dr. Cooley is to be honored for his work in 13 areas:

1. Juvenile crime prevention.
2. Prison parolee and prison reform.
3. Encouraging and inspiring people to stay in the church and school.
4. Getting scholarships for school dropouts.
5. Helping unwed mothers to secure training, jobs, and aid.
6. Trying to keep peace and harmony between the citizens and all law enforcement agencies.
7. Several wholesome cultural events.
8. Educational program for the prison inmates.
9. Free lunch programs for deprived teenagers.
10. Six Day Care Centers to accommodate poor working mothers.
11. Recreational program for youth for nine years.
12. Instrumental in getting over 600 persons released from prison, jails, courts, penal farms, and other places of confinement.
13. Locating homes of love for neglected and children with no parents.

"Most of this work," the program announcement says, "has been performed with Dr. Cooley's own limited funds, depriving himself of many things, and causing him to make great sacrifices for others."

[From HEP magazine, January 1972]

BLACK PILGRIM AT TUCKER PRISON FARM

(By B. A. Mitchell)

Being a prison chaplain is a difficult task. But to be the first black man to serve as chaplain of Arkansas' Tucker Prison Farm is a challenge that can test the highest ideals of the man filling the position. The Reverend J. F. Cooley, 45, faces just such a challenge.

On June 1, 1971, Rev. Cooley became the first Negro minister to serve at Tucker Prison; a sprawling 4,500-acre prison-farm-complex located 35 miles southeast of Little Rock, Arkansas.

Having been branded a controversial civil rights figure in Arkansas for the past 13 years, it is somewhat ironic that James Franklin Cooley would be appointed chaplain of a prison that has attracted worldwide notoriety.

During the past seven years, reports of death, inmate torture, slave-type labor, brutal and inhuman living conditions—as well as a recent Federal Court ruling—have caused the entire Arkansas Prison System to be declared "Unconstitutional." A wave of prison reform measures is struggling to bring changes but progress seems excruciatingly slow; especially to those 330 inmates confined under such infamous conditions.

But perhaps a black leader bold enough to speak out against other human indignities in the south, is just the type leader needed to help correct the spiritual, social and human inadequacy that is so prevalent among men in prison.

Prisons are not new to James Cooley. He has been involved in various phases of jail and prison ministry for the past ten years; helping scores of people, both blacks and whites, to win their freedom from confinement and return to society to live normal constructive lives.

He became prominently involved with the inmates of Tucker Prison even before his appointment as chaplain. Two-and-one-half years ago, he began weekly visits to the prison's Death Row in an attempt to help 19 men then awaiting execution in the electric chair.

He detected a strong desire in some of these condemned men to under-take academic studies while incarcerated. He decided to establish a program offering extension study courses to inmates; a program made available through Shorter College, a predominately Negro school in North Little Rock, Ark., where Rev. Cooley is Director of Ministry of Service and Dean of men. These were the first college courses ever made available to prisoners in Arkansas.

He encouraged these Death Row inmates to aid themselves while confined; pointing out the fact that possibly a better day was ahead for all of them. This later proved true, in a two-fold manner, as Rev. Cooley spearheaded a campaign to urge then-Governor Winthrop Rockefeller to commute the death sentences of all condemned men—at that time 10 blacks and five whites.

In December, 1970, this act of mercy was granted through executive clemency being extended to these prisoners—an act of mercy unprecedented in the South.

The second phase of Rev. Cooley's "better day" prediction came about as seven inmates—five blacks, two whites—completed with high honors the studies that had been offered to them.

SENSE OF PRIDE

On May 27, 1971, these inmates were transported to Shorter College to receive their Associate of Arts degrees. A sense of pride and achievement radiated from their faces as these once down-trodden men paraded in cap and gown during graduation ceremonies. No one at the commencement exercises could distinguish these inmates from 69 other members of the graduating class.

Mr. Cooley had done much of the teaching duties at the prison, as funds were not available to employ a full staff of instructors. He was assisted by Miss Wanda Laskey, Mrs. Linda Frazzini and Mr. John Bowen; all of whom also served without salary.

But such contributions to mankind are not unusual for this black leader of people, despite his own adverse beginning in life.

Born the youngest of 12 children to poverty-racked parents living in Rowland, North Carolina, James Franklin Cooley has little difficulty recalling the hardships of the past.

He well remembers "seeing my mother take in laundry, working 14–16 hours a day, seven days a week, standing over a cauldron of boiling water while hand-scrubbing clothes so that she could earn 25 cents per day to help feed a hungry family. But somehow we always managed," he related. "Even when there was no money for food, I can remember others offering small amounts of help to us. And, I can remember of learning how to be thankful—thankful to be alive; thankful that others cared, and thankful that there is a God. I knew, even at this early age, that with God's help, I would some day help others as they had helped me."

Hard work, determination and an ever-increasing faith in God, is what allowed James Cooley to become the only member of his family to attain a formal education. Performing odd jobs, he worked his way through both elementary and high school. He interrupted his schooling to serve two years in the U.S. Army, where he was awarded two Battle Star citations during combat action in Europe. After receiving his honorable discharge he returned to Rowland, where

he became involved in cotton and tobacco farming.

Shortly after his return, he met and married Louvina McCallum. After 25 years of marriage, they have four children; Virginia, 23; Gladys, 21; James Francis, 22; and Franklin D., 20.

POVERTY AND SQUALOR

Realizing the need to further his education, he enrolled in Johnson C. Smith University at Charlotte, North Carolina, where he made the Dean's Honor Roll a total of five times during his three years of study. After earning his A.B. degree in Social Science, he enrolled in the Theology School of Johnson Smith University, and earned his B.D. degree in Theology in 1956.

He later became pastor of Grant Chapel Presbyterian Church in Darien, Georgia. It was while serving here that Rev. Cooley received a call to pastor St. Andrew's Presbyterian Church at Forrest City, Arkansas. A call that was to have a profound effect upon many lives; including his own.

Rev. Cooley explained that the thing that most persuaded him to remain in Forrest City was, "the poverty and squalor in which I saw so many of our people living. Blacks had virtually no hope of a brighter tomorrow. And what was even worse was the fact that they had no one to offer leadership to them. Many of our people had never exercised their voting rights. They were afraid to demand equal rights; afraid to seek equal pay for their labors. The black schools were overcrowded and inadequate. The illegitimate birth rate was astronomical; juvenile delinquency among our teen-agers was rampant. Conditions in practically every phase of life were deplorable."

James Cooley accepted the pastorate of St. Andrew's, but he went beyond normal ministerial boundaries as he rendered his teaching services at Lincoln Junior High School, where he taught the 7th and 8th grades for nearly 12 years.

See hungry and destitute children coming to school each day, prompted him to organize Cooley's Athletic Club; a place where young people could gather for recreation—and the only black organization in Arkansas providing free lunches and dinners to under-privileged teen-agers—a program still in operation at Forrest City, Ark.

During his years in Forrest City, he brought much change into the lives of people. He advocated civil rights, non-violence and brotherhood in the community. Many teen-agers detoured from a life of crime due to his untiring efforts to help them with needed counseling and assistance. Juvenile delinquency among blacks fell 60% in eight years. Voter registration among blacks began to increase. Clean-up programs for slum areas were organized.

But progress, especially the meaningful progress that tends to break down barriers of racial prejudice, social structures and poverty, comes slow. It also brings the frustrations of a new way of life with it—frustrations that only spurred James Cooley on his efforts to help his people be heard. He knew that he must work as quickly as possible, as there were others attempting to hinder his work, and even stop him completely.

EXPLOSIVE POWDER KEG

Before long, the citizens of Forrest City, like a slumbering monster suddenly awakened to find an enemy attacking its lair, became acutely aware of James Cooley.

The city, and indeed, the entire St. Francis County region, became a racially explosive powder keg. James Cooley had begun to stir a sense of dignity in his black brothers and sisters. He had also stirred the wrath of southern "red-neck prejudice."

Painful though it was, he remained mute as he heard insults and accusations hurled at him. People began calling him an "agitator," a "rabble-rouser," a "Black Panther," and some even insinuated he was probably "a member of the Communist Party."

Tension mounted and tempers flared. Talk of how this "Smart Ass Nigger" might be permanently silenced began circulating. His life was physically threatened several times by members of the white community. And, oddly enough, was even threatened by members of his own race.

However, no complaints of violence on his part, nor complaints of harm done to others by him, were ever lodged against James Cooley. In fact, the main complaint voiced against him was, "We don't understand him, why does he want to make changes? Why doesn't he leave well enough alone?"

But James Cooley couldn't leave "well enough" alone. He knew that as long as there was racial discrimination, poverty, social and judicial injustice being suffered by his people, then "well enough" wasn't good enough.

The threats against him increased, with the final blow coming when he heard the school board declare that his "services were no longer needed." A move that prompted near-violent protests from students in the area.

Unable to find meaningful employment due to the boycott against him in Forrest City, he moved to the Little Rock area where he took a position with Shorter College; a position he held at the time of his appointment to the chaplaincy at Tucker Prison. The appointment was made by the Arkansas Board of Corrections following the accidental death of Rev. Wayne W. Haun. Chaplain Haun had been the first full-time chaplain ever to serve in the state's prison system.

State-wide reaction following the announcement of James Cooley's appointment was mixed. Many persons expressed shock that a black man had been selected to fill the vacancy. Some persons expressed doubt as to his qualifications for the job; while others expressed apprehension, basing their fears upon unfounded hate rumors.

Though he had long been associated with prisons and inmates, Chaplain Cooley stated that he was "more than a bit surprised when I learned of my appointment as chaplain." He related also that he was awed by the tremendous responsibility facing him.

He knew that as chaplain he would be expected to provide spiritual and moral leadership to some 330 men not normally prone to accept things that smacked of religion. He knew also that in order to serve effectively, he would have to work hard to earn the trust and confidence that a chaplain must have among the inmate population—a population that is almost equally divided at Tucker by integration of blacks and whites.

When asked of his beliefs, his goals and his desires at the time he assumed the duties, he stated that, "I believe in the Fatherhood of God, and in the Brotherhood of man. I believe that it is possible for all men to live together in harmony, and I look forward to seeing the day come when this happens.

He also stated, "I do not condone violence or prejudice in any form; whether it be white against black, or black against white. People are only prejudiced against things they know nothing about. Ignorance breeds fear of the unknown. And I believe that as man strives to gain understanding of his brother's ways, then prejudice will become a phase of history.

POVERTY AND SQUALOR

"I hope that during my tenure as chaplain, I can help provide some inspiration to the men confined here to live above their past mistakes; to prepare themselves for a better life at such time as their freedom might be restored to them.

"I firmly believe that the most vital step in any man's life, whether he be free or bound, is that step he takes to establish a right relationship with God. When a man's heart is right with God, then other areas of his life will reflect this proper relationship. Crime, poverty, distrust, wars, racial and social injustice, hatred and sorrow; plus all other ills that plague mankind, can only be relieved and defeated by man's striving to emulate Christ.

"Society needs to take a long, close look at its prison systems. Ninety-five per cent of the men confined today, will one day be free to return to live in our cities. In many cases, they will be YOUR next-door neighbor. It is up to society to decide just how they want these men returned to them. Society can have them back as rehabilitated, better adjusted individuals that constitute no threat to other citizens, or, they can have them back as bitter, frustrated and hate-filled ex-convicts that are ready to lash-out against society. Prison reform measures can help provide the former. Neglect, apathy and brutality tend to promote the latter. I'd like to see as many of them as possible return to society as better men than they were at the time they entered prison.

"This can only be acheived," he said, "when society begins to realize that its prisons contain human beings and not animals.

"As chaplain, I hope to provide an example to all men; to offer encouragement whenever possible; to help inspire faith in weary souls; and to help set men free from the spiritual, mental, social and physical prisons which confine them. If I can do this, for even one person, then God will have made my time and efforts worth-while."

Six full months have passed since Chaplain Cooley began his work at Tucker Prison. During this time, doubts and fears surrounding his ministry have been dissolved. His abilities, his examples in leadership, plus his deep concern for humanity, coupled with his strong conviction that men can change, is proving very effective.

Twice-weekly worship services are held in the prison's Island of Hope Chapel; the first chapel ever built inside the Arkansas Prison system. Seventy-five to 85 inmates attend worship services on a voluntary basis, Tuesday evenings and Sunday mornings, to hear the gospel proclaimed to them in an ever-fresh and contemporary manner. Daily counseling sessions are available to men with more severe personal problems. These inmates, as well as most others, are learning to recognize the wisdom and value of Chaplain Cooley's advice. They also appreciate the warm hand of friendship that he extends to all of them.

This black pilgrim still has a long, arduous trek ahead of him in helping to surmount the human frailties that beset so many prisoners. But no one doubts any longer that his journey will be successful.

PRESIDENTIAL CLASSROOM STUDENTS

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. LOTT. Mr. Speaker, I would like to take this opportunity to recognize four outstanding young people from the Fifth Congressional District of Mississippi, Harriet Lee Carmichael, Dawn Renee Stewart, David Jack Randall, and Levy Alexander Eymard, who are here in

Washington this week to participate in the 1977 Presidential Classroom for Young Americans.

I always enjoy discussing the operations of our Federal Government with the Presidential Classroom students and commend these young Americans on their interest and attitude toward our Nation's destiny.

TRIBUTE TO DR. KENNETH E. JOHNSON

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. FLIPPO. Mr. Speaker, it is with a great deal of sadness that I learned of the death of Dr. Kenneth E. Johnson, a national leader in energy and environmental studies and a resident of Huntsville, Ala. His untimely passing will leave a tremendous void in our Nation's efforts.

However, Ken Johnson was not only a leader and innovator in the environmental area, but he was a great civic leader and a close friend to the people of Alabama and the citizens of Huntsville. He served diligently as an elected official in local government and was appointed to State and national governmental agencies. Dr. Johnson possessed dedication and leadership qualities rarely found in one individual.

It is fitting to note that the Center for Environmental and Energy Studies at the University of Alabama in Huntsville has been named for Dr. Johnson and will be designated as the Kenneth E. Johnson Environmental and Energy Center.

I include in the RECORD at this time the eulogy presented by Dr. Joseph C. Dowdle, vice president for administration and acting chief executive officer of the University of Alabama in Huntsville, at the funeral service for Dr. Johnson:

MEMORIAL TRIBUTE TO DR. KENNETH E. JOHNSON

Each of us who is here today will arrive someday at the end of our life's journey and there will be a similar group like this who will be gathered, listening to someone like me attempting to pay tribute to a life that is being honored. But when that time comes for those of us who are here today, it can justly be said that we lived a little better life, that we were in some manner a little better man or a little better woman because our lives touched the life of Kenneth Eugene Johnson, a life marked by a multitude of successes for its brief 44 year span..

And so I find myself here this afternoon with a feeling of profound sorrow, quite humble, even inadequate, but nevertheless exceedingly honored that I have been asked to express the tribute which all of us feel for Ken Johnson, our friend; Ken Johnson, a man who to me was the embodiment of the term "a true gentleman;" that is, he was courteous, kind, honorable, forthright, and of impeccable integrity. But he was more than that. He was a scientist, a scientist who was a master of an extraordinary and minute knowledge of those scientific disciplines in which he was interested . . . yes, a learned man. He was a politician, but he was a politician with high ideals of ethical statesmanship. He was a humanitarian with deep social conscience and he always showed a compassionate concern for the weak, the underprivileged, and the less fortunate. He never exulted over success and he well masked disappointment when defeated, which seldom happened. No matter how acutely he might differ with even his colleagues on an issue large or small, I don't believe that he ever permitted himself to show the slightest disparagement for either the colleagues or their arguments.

But Ken was also a family man with deep, abiding, intrinsic love, which was shared with his wife Betty, his sons David and John, his daughters Susie and Jenny, and his mother Mrs. Berry.

Yes, undoubtedly it will stand to the credit of all of us in Huntsville, Alabama, that Ken Johnson passed through this world; and I am proud to recount a little bit about this man whom I could call friend.

Ken was born and raised in Lincoln Village in Huntsville and attended Lincoln School where, as many of you who knew him then know now, he got an early running start on striving for the standard of excellence which he exhibited all of his life. He was a top student with the best grades and he seemed destined from an early age to be a leader. He was chosen to receive the Barrell Award as the outstanding male student at Lincoln School. He was chosen Valedictorian of his class and selected as a representative to Boys' State.

But he was also an athlete—playing baseball, basketball, and football, always with manifestations of leadership in that he was co-captain of the football team, and captain of the basketball team among other leadership roles.

Upon leaving high school Ken went on to Berea College in Kentucky to study for the career which he had chosen for his life's work, the field of chemistry. After working his way through two years at Berea with high scholastic honors, he transferred to The University of Alabama where he completed his work for the degree of Bachelor of Science in Chemistry in 1955.

He then went on to Iowa State University and to the California Institute of Technology and pursued the Ph. D. degree in chemistry.

To Ken, going to college was important and this same educational philosophy held with him for life. But he wasn't just quick to advise high school graduates that they needed to go on to college. If they needed help he assisted them in identifying scholarships and other financial aids which would make it possible.

After the award of his Ph. D. degree from Iowa State University in 1959 he returned to Huntsville where he joined Rohm & Haas Co. and for some ten years distinguished himself not only in chemistry team management but in highly scientific chemical research. His numerous scholarly publications included topics covering basic research in synthetic chemistry, chemical kinetics and thermodynamics, polymer chemistry, and the thermal decomposition and combustion of solid rocket propellants and their ingredients. In this latter area his successes in behalf of the missile program of the Army Missile Command have been well documented.

Upon joining the Alabama Development Office he served as State Environmental Advisor and was chosen by the Governor to serve as his Scientific Advisor. It was also at that time that he was appointed head of the Alabama Task Force for Water Resources and Related Land Use Planning.

Although I had known Ken for years before he joined The University of Alabama in Huntsville to develop and head the Center for Environmental and Energy Studies, it wasn't really until then that I could closely observe the academic leanings of this man who was at ease with Governors or national politicians as he was with any of the many young people's groups with which he worked.

It was really Ken more than anyone e.se who deserves credit for having first the vision and then the know how to bring the Center for Environment and Energy Studies into being. As its director he molded it into an interdisciplinary program with major efforts in environmental research and education, motor vehicle research, and more important to him than any other area, the area of solar energy research. He had the vision long ago for the need for a State Solar Energy Institute and took great pride in the national recognition that his center had attained in a few short years.

Just a few days before he last went to the hospital he was proud to outline for me the many ways which he saw UAH being able to serve the State in this crucial energy field.

As many of you know he was a member of the Huntsville Solar Energy Research Institute Task Force and deserves considerable credit for Huntsville having been chosen as the institute site should it come to Alabama.

I could go on for hours and discuss his many accomplishments in technological fields, with all of his memberships on State and National Boards, his accomplishments in City government because I don't believe there was ever a more dedicated Council member than Ken and a lot of his record is in brick and mortar for us to see. I could talk about the many, many labors of love which he devoted to the Salvation Army, the Lincoln Gir.s' Club, the Community Council, The Kidney Foundation and even to the kids in his Little League activities and many others. But I can simply say that the respect, love, and confidence of the people with whom he associated and the appreciation of his service to his city, state, and people, as well as this nation is attested to by the fact that he was continually called upon to serve in so many ways and yet he gave so unfailingly of himse:f. As you know Ken did not take friendships lightly and he made and maintained many lifelong friendships as attested to by the presence of so many who are here today.

But while Ken is gone, yet he leaves us with many, many pleasant memories of all of his accomplishments, his ideals, and especially his love for his fellow man. But, I don't think that there will be any more vivid remembrance than the memory of the strength and stamina of his determination to do whatever was called upon him to do over recent weeks.

He remained among us, working to the last, fighting hard the weakness of his illness with undaunted spirit and with unflagging interest in the many responsibilities of his position at the University, his position as a citizen of the community, and in his love for his family and friends.

No one could fail to respect the energy, persistence, and determination which he always displayed, even under those most adverse circumstances. But I can't help but believe that behind it all was the dominant note of a firm courageous and fearless independence of soul.

As I think back on what I saw in Ken and what I think he felt, I am reminded of the works of the poet Robert Browning after he lost his wife Elizabeth Barrett Browning. He was grief stricken by his wife's death and for sometime he couldn't write; but then when at last he did, there flowed from his pen a passionate, defiant challenge of death by one who thought that he too was near death and if so he would meet it boldly. I want to share Browning's words with you.

Fear death?—to feel the fog in my throat,
The mist in my face,
When the snows begin, and the blasts denote I am nearing the place,
The power of the night, the press of the storm, The post of the foe;

Where he stands, the Arch Fear in a visible form, Yet the strong man must go:
For the journey is done and the summit attained, And the barriers fall,
Though a battle's to fight ere the guerdon be gained, The reward of it all.
I was ever a fighter, so—one fight more, The best and the last!
I would hate that death bandaged my eyes, and forebore, And bade me creep past.
No! let me taste the whole of it, fare like my peers, The heroes of old,
Bear the brunt, in a minute pay glad life's arrears of pain, darkness and cold.
For sudden the worst turns the best to the brave, The black minute's at end,
And the elements' rage, the fiend-voices that rave, Shall dwindle, shall blend,
Shall change, shall become first a peace out of pain, Then a light, then thy breast
O thou soul of my soul! I shall clasp thee again, And with God be the rest!

ANNIVERSARY OF ESTONIAN INDEPENDENCE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. DERWINSKI. Mr. Speaker, today marks the 58th anniversary of the establishment of the independent Republic of Estonia on February 18, 1918. I would like to take this opportunity to join the Americans of Estonian origin and descent in commemorating Estonian Independence Day. Further, I would like to add my prayers to those of the Estonian-Americans who someday hope to see their relatives and friends liberated from the brutal repression of Soviet rule.

Freedom for the Estonian people came to an end 22 years later when the nation was forced to sign a treaty which permitted the construction of Soviet military bases and Russian troop occupation. Annexation soon resulted and on August 6, 1940, the tiny Republic was absorbed by the Soviet Empire.

As is common in Soviet-occupied non-Russian nations, the people of Estonia have been continually subjected to arrest and exile. From 1941 to 1944, about 10 percent of the population was either killed or forced to flee the country. Large numbers of Estonians were deported to other parts of the Soviet Union.

However, this history of terrorism and the continued suppression of their culture and self-expression, has not dampened the innate desire of the brave Estonian people for national independence. They yearn for their human rights and personal dignity to be restored.

Mr. Speaker, I believe it is especially important for the United States to continue its full and uncompromising support for the basic concept of the sovereign rights of a people to the free and independent choice of the form of government under which they wish to live. The Soviets have continued to ignore their promise to fulfill the "human rights" provision of the 35-nation Final Act of the European Conference of Cooperation and Security, signed in Helsinki in August 1975. This portion of the Helsinki accord, "Basket 3," gave official international recognition to the rights of individuals within Soviet-rule countries.

Thus, if the Communists continue to renege on human rights, it is imperative that the democratic countries of the world assert their opposition to this form of political tyranny and reinforce Estonians and others behind the Iron Curtain in their determination to keep alive the aspirations of liberation from the bondage of Russian colonialism.

We must not forget the fate of those who have fallen under Communist totalitarianism in their ongoing efforts to achieve the restoration of sovereign rights and self-government in their homelands.

CARGO THEFT: AN OLD ENEMY

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. PICKLE. Mr. Speaker, here I am again—same station, same program. It is time for Congress to do something about the "great American ripoff," the "rape of the consumer on the loading docks of America."

It is time to put an end to the $2 billion per year racket of stealing cargo.

I have introduced the Cargo Security Act of 1977, along with my colleague, Mr. RISENHOOVER, of Oklahoma. This is a moderate, reasonable blueprint for Government action to combat cargo crime.

To support my message on this, I ask my colleagues to read two outstanding articles which appeared in the February 13 and 14 issues of the Washington Star. They were written by William Jobes of the newspaper:

[From the Washington Star, Feb. 13, 1977]

CARGO THEFT: $6 MILLION-A-DAY RACKET TOUCHES US ALL

It's a $6 million-a-day racket, a $2 billion-a-year drain on the U.S. economy and it touches every consumer to a greater or lesser degree.

The crime falls under the umbrella term "cargo theft," and it includes everything from spectacular truck hijackings and railyard burglaries to sea and air terminal thefts.

Every day on truck terminal loading docks and seaport wharves, tons of saleable goods are being diverted to illicit markets: "discount stores," wholesale "outlets" and corner hucksters. And, despite industry and government efforts over the years to plug the leaks, little significant progress has been reported.

On one side are the players, the well-known and the anonymous: Big-time mobsters and amateur street thieves are all getting a piece of the action. On the other side, law enforcement agencies at every level have entered the battle.

So has the federal government, with Cabinet-level agencies under presidential mandate trying to regulate it away and Congress trying to legislate against it, all with little discernible impact.

For example, the motor carrier industry alone in calendar year 1975 generated $8.5 billion in operating revenues. Of this total, some $53.5 million was lost through thefts of various sorts.

And, from the criminal's perspective, the opportunities are great and the risks relatively minimal in almost all cargo thefts. A bank robber, for example, averages $2,400 a shot in his high-risk, high-visibility ventures. On the other hand, a truck hijacker's average take per hit is $45,000—high-value loads can yield more than $100,000—and he stands a far better chance of eluding capture.

While cargo theft is continually targeted by well-intentioned law enforcement efforts, a firm and lasting solution has not been found, and the reasons are as complex as the cargo industry itself.

A series of interviews with top government and industry officials points to several factors as being directly on the relative lack of progress in stemming cargo thefts:

Industry has shown only sporadic interest in cargo security. Many trucking firms, one government official said, don't get the faith until they've been hit."

Organized crime is deeply entrenched in cargo theft rackets. The mob has perfected hijacking to a science, and it won't "hit" a load without intimate details of what it will receive for its trouble, how much the goods are worth, and who's going to buy the stolen property.

Nearly all cargo losses are the result of "inside jobs," and industry has not yet found a workable way to clean its house of criminal tipsters.

Federal inter-agency squabbling has limited the effectiveness of cargo security programs. In one instance the Federal Maritime Commission refused to cooperate with a Transportation Department program to gather statistics on cargo thefts, because, industry sources say, if shippers become aware of massive pilferage at one port, they'll take their business elsewhere.

Congress has been unable to clear legislation to establish orderly coordination of federal cargo security efforts. Rep. J. J. Pickle, D-Tex., first introduced such a bill in 1970. Seven years later the bill is back in the Hill hopper, and its prospects are again questionable.

And all the while as theft-loss statistics mount daily, criminals get richer, consumers and legitimate businesses get poorer and the outward trickle of the economy's life blood continues.

Cargo thefts occur daily throughout the air, sea, rail and road sectors of the transportation industry. Everything from cash and securities in busy air terminals to a tractor-trailer load of color televisions is vulnerable. Even loads of raw industrial materials have been diverted from legitimate channels to illicit buyers when the time and price were right.

The hottest items at any given time are those in great consumer demand. When beef prices skyrocket, for example, so does the number of beef-hauler hijackings.

Industry security personnel, accordingly monitor consumer goods barometers to see which items are in particular demand and which have shown recent price increases. Currently coffee is the "hot" item, and security surrounding its shipments has increased markedly.

A Transportation Department study titled "Cargo Theft and Organized Crime," relates a coffee shipment hijacking of several years ago when a similar price surge was experienced.

"A recent mob-engineered hijacking of a load of coffee in the New York area," the report says, "illustrates the speed with which ultimate disposition can be accomplished. The hijack occurred at 4:30 p.m. By 5:15 p.m. the coffee was being sold in a supermarket at $1.34 for a two-pound can. The normal price is about $1.89."

To show the profitability of cargo thefts, the report cited a 1967 case in which 12 mob-connected defendants were convicted

in four truck hijackings and sentenced to 10 to 20 years in prison.

Of the four hijackings, the report stated, "Three involved the theft of silver bars and one of cameras, film and photographic equipment. Total value: $1 million."

The most recent national government-industry review of the cargo theft issue was contained in a report to then-President Gerald Ford in March 1976. In it, representatives of each major cargo shipping industry gave their assessments of the problem, from which the following comments are excerpted:

Railroads. R. R. Manion, vice president, American Association of Railroads:

"The railroads have been the targets for criminal activity for the past 100 years. We regret to advise that (increased security efforts) have not met with uniform success. In 1970, railroads paid $5.5 million in settlement of claims resulting from cargo thefts . . . In 1974, the theft losses were $15.2 million. While railroads have substantially improved physical conditions in yards . . . it is impossible to guard the entire 200,000 miles of road. Despite these efforts, attacks by criminals on railroads have increased. Between 1969 and 1974, property crime had increased 31 percent nationally, burglaries had increased 46 percent and larceny-theft 28.9 percent. We regard the railroad experience as paralleling that of the nation."

Airlines. Harry J. Murphy, security director, Air Transport Association of America:

"The airlines have indeed given cargo security a new and higher priority. The air carriers have established the Airport Security Council in New York as their laboratory for the study of security problems. A quick review of claims paid since 1971 reveals that . . . the airlines may have improved their financial results by $17 million over the past five years."

Shipping. Richard L. Schultz, executive director, American Association of Port Authorities:

"Public port authorities spent approximately $110 million in security "hardware" in the 1970–75 period. Organized theft is moving outside the gates for the most part, into the stream of transportation. The hardware portion of the job is about half completed requiring an additional expenditure of $110 million over the next several years. The need remains for . . . prevention of the spread of organized theft into port areas not as yet fully protected."

Trucking. Unsigned report, American Trucking Associations:

"The cargo theft problem in the trucking industry is improving. While reports show an increase in cargo thefts . . . the annual rate of increase in the number of cargo thefts has been significantly reduced. This improvement is the result of increased activity in the cargo security area by government and industry. We are opposed to cargo security regulation for control of the problem. Civil penalties imposed on the motor carrier for violations . . . is an unjust and irrational approach to the problem. Cargo theft in the trucking industry continues to increase although the annual rate . . . has been significantly reduced.

A major roadblock to solving the cargo theft problem, analysts believe, is reluctance of industry to fully acknowledge the scope of the problem. As the excerpts above indicate, only the rail industry fully admits the severity and extent of cargo thefts.

Other carrier industries have demonstrated a reluctance to face head-on the cargo loss issue, and even within each industry, support for security programs is varied.

A common sentiment expressed by industry is a fear of a tainted image—if shipment losses are too great and too frequent, the thinking goes, producers will take their transportation business elsewhere.

As a result, while industry and government seemingly take a pea-shooter to the elephant, the thefts continue.

In one of the most spectacular episodes in cargo theft annals, a former airline employe, Charles Roberts, told congressional investigators that he and his partners in a recent four-year period stole cash, checks, credit cards, furs, jewelry and other goods from air terminals across the United States.

According to the Transportation Department study, Roberts' take is conservatively estimated at $100 million.

[From the Washington Star, Feb. 14, 1977]

CARGO THEFT FIGHTERS WINNING BATTLES BUT NOT THE WAR

NEW YORK.—Frank Lasar looked down on the maze-like pattern of Manhattan streets 15 stories below his Park Avenue offices, thinking aloud on how easy it is for a truck to disappear there.

The key cargo security official of the New York State Motor Truck Association, Lasar has just compiled his theft statistics for 1976. In the New York City area, at least, truck hijackings and grand larcenies of cargo loads have been sharply reduced. Fewer trucks are disappearing there.

Lasar is one of many industry and government people working diligently to curb the persistent $2 billion annual cargo theft racket.

It is at once a rewarding and thankless job, as those favoring improved cargo security find themselves up against opposition not only from criminal elements, but also often from within industry and government.

And, as observers are now beginning to realize, a reduction in cargo theft losses in one region as often as not brings a concurrent increase in hijackings and pilferage in another area. While New York's picture improved in 1976, Boston's deteriorated as New York organized crime elements moved their cargo heist operations northward.

New York has for years been the nation's hot spot for criminal cargo thefts. The progress made there recently by city, federal and industry officials, lends evidence that it is possible to markedly reduce cargo theft losses.

According to industry statistics, truck hijacking incidents in New York declined from 112 with a value of $4.6 million in 1975 to 83 with a value of $2.4 million in 1976. This reflects a significant reduction from the most recent peak year, 1971, when hijackers hit 378 trucks with a cargo load value of $7.8 million.

Similarly, grand larceny of cargoes fell from 115 in 1975 to 90 in 1976, with losses dropping from $4.3 million to $2.5 million. In grand larceny's peak year, 1970, police recorded 2,324 hits valued at $12.5 million.

But, all these statistics translate into losses to the honest consumer. For every "hot" dress, television or can of coffee bought on the illicit market, the legitimate economic cycle absorbs the cost.

And, according to available indicators, the cargo theft losses continue to the tune of $6 million a day. "As a matter of fact, I don't think we even know the entire scope of the thing," Lasar said, noting that unregulated carriers are causing the greatest problems.

The law of supply and demand determines criminal interest in hijack targets.

In 1976, Lasar noted, there were 16 loads of foodstuffs valued at $532,000 seized in New York. Of the total, six were loads of coffee valued at $416,000 and four of these coffee hijackings occurred in December when prices increased. Likewise, during the 1974 Arab oil embargo, three gasoline tankers were taken.

Lasar, however, like others working on cargo security, does find some hope amid the depressing national picture.

"We have pretty much improved our lot," Lasar said in a recent interview, "but it's a continuing educational thing among our (security) supervisors." Lasar's organization represents more than 800 trucking companies in New York State, and it has coordinated a comprehensive industry-wide cargo security awareness campaign.

Edward Burban, chief of security for Motor Freight Express, a large interstate carrier based in York, Pa., believes that industry interest is essential to any successful security campaign. And, Burban stresses, since most hijackings and larcenies are "inside jobs," internal company controls must take priority. "You employ your own problems," Burban remarked.

On hiring practices in the trucking industry, Burban says, "The larger carriers go into it a little deeper, but our hands are tied to a certain extent." According to Burban, firms are unable, for example, to verify job applicants' statements on whether they have criminal records because law agencies refuse to divulge the information.

"Most of our dockmen and drivers are good, hard-working people, but there are a few bad ones," Burban says.

A retired 20-year New York City detective, Burban worked for years against the cargo rackets. "A slick operator can have a truck stripped and its load on the streets in half an hour, even before it's reported stolen," he said.

And, while acknowledging that major crime families are deeply into the cargo game, Burban adds, "Even the amateurs are in it now, it's so profitable." When a truck is hit, Burban explains, drivers are instructed to cooperate with their assailants. "We advise them, 'Do what you're told. You're worth more to us alive.' "

While truck, air, rail and maritime industries approach the cargo theft enigma with varying degrees of enthusiasm and success, so too, have federal officials.

James Fernan heads the cargo division in the Transportation Department's office of transportation security. A former FBI agent with a legal background, Fernan also worked in industry before joining the federal effort to promote cargo security.

He is now working under authority of an executive order issued by then-President Gerald R. Ford in January 1975 which seeks to coordinate the efforts of several federal agencies in a unified cargo security program.

A central element of the federal plan is voluntary industry involvement. "We're trying to get industry to take better care of its own internal operations," Fernan said. "We try to stress there is more money to be made by virtue of shipments not being lost. And, we don't stress guards, fences and police; we try to peddle preventive measures," he added.

But, government and industry sources consistently point to erratic industry interests in taking a tough security stance. Many firms chalk up thefts as operating losses and rationalize that view further by allowing insurance to at least partially cover their losses.

"The point is," Fernan says, "they're eating the losses themselves even though they think they've got insurance. Insurance does help on catastrophic losses, but not on the big drain."

Fernan sees some basic improvement in the cargo loss picture, but notes that loss ratios are now constant at an unacceptable rate. "Over the past 10 years, I would say that it has been reduced substantially, but it has leveled off in the last three years."

Daniel Ward, chief of Transportation's security operations, said that all federal progress depends on voluntary industry involvement. "We have no statutory authority to regulate, and every time we've made progress, it's been with the help of top management." He cites one large firm which, after introducing stringent theft prevention measures, en-

joyed a $20 million increase in gross revenues in a single year.

Ward, however, says some industry hesitance on security matters is directly linked to loopholes in the criminal justice system. Because of dissatisfaction with a general lack of success against criminals in the courts, "industry is disheartened," he said. "For this reason, there's apathy."

Ralph Culver heads the Justice Department criminal division team coordinating law enforcement action against cargo theft.

"I'm not going to lead you to believe cargo thefts have significantly decreased. I don't think they have," Culver said. He feels that to successfully prosecute cargo theft cases, industry must cooperate by instituting stricter controls on shipments, including improved identifiable labeling of goods by manufacturers and shippers.

"It's a two-way street. In order to successfully prosecute these cases, we have to be able to identify the merchandise involved," Culver said. "And, I believe some of the responsibility rests with the shipper."

Culver agrees with other key officials in their assessment that industry's interest in cargo protection needs to be stimulated. "No progress has been made on the voluntary approach," he said. "I also believe that while regulations would be a last resort, if the authority to regulate was on the books, maybe that would work."

According to Culver, the Justice Department is doing what it can to battle a resourceful enemy. "Certain resources have been committed, but we're getting many demands on (them), and we can only do so much," he said.

Culver did indicate the basic thrust of the Justice effort. "The man we're really after is the fence. He's the one who motivates the thief."

In Congress, Rep. J. J. Pickle, D-Tex., has been trying for seven years to get legislation passed to safeguard goods in shipment. Persistent opposition to it by management and organized labor has stymied Pickle in the past and promises to do so again this session, but he is optimistic.

"I think our chances are better than ever before. The public is ready for something to be done," Pickle said.

He now has a tentative commitment from the congressional leadership for public hearings on cargo security by the Public Works Committee, and he believes this will spur passage of his bill by both the House and Senate. "We have the tentative agreement, and that's a big step," he said.

"Businesses are always saying they'd rather pay for it (theft losses) than squabble about it," Pickle said, explaining why his legislation has had tough going in past years.

These are the key elements of the Pickle bill:

Allow the Transportation Department to set limited regulations in certain areas.

Attack the jurisdictional dispute between the Transportation and Treasury Departments.

Force the Federal Maritime Commission to report maritime losses.

Create legislatively an Office of Cargo Security.

Create legislatively an Inter-Agency Council on Cargo Security.

In addition, the Pickle bill seeks a uniform packaging, documentation and labeling plan to assist prosecutors in bringing theft cases to resolution in the courts.

In a speech here last year in support of his bill, Pickle expressed a sentiment reflected by others fighting the $2 billion annual cargo theft rackets:

"Unfortunately, the mobsters return to 'business as usual' when the camera lights flicker and the headlines fade. That is why legislation is needed. It's time to stop the Great American Rip-off."

UNCLE SAM WILL PAY

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. KASTEN. Mr. Speaker, very soon congressional committees will begin in earnest the debate on Government reorganization and regulatory reform. The President has committed his administration to the task of making Government more efficient and more responsive to the needs of the people it serves. We in Congress share that goal while I am confident that each of us has his own philosophy of how to achieve that goal.

The public discusion that is about to begin should prove to be one of the healthiest and most informative debates in the history of our country. As Members of the House, each of us has no doubt heard numerous tales from constituents relating to the cost of doing business with Federal Government. Now examples of these stories will be told over and over again in a national context with every Federal agency coming under scrutiny.

All Americans, not just those whose lives have been badgered by the Federal regulatory process, will see as never before the cost of Federal regulations to the consumer and the inhibitions such regulations place upon the producer of goods and services. In short, the realities of doing business in America today should make every citizen of our country pause and take notice.

Since first coming to Congress 2 years ago there has been one particular aspect of this problem that has disturbed me most; that being, the cost of defending oneself against the Government. Oftentimes, defending oneself against a civil suit filed by a Federal regulatory agency is the most costly course of action one can take. Even if a businessman wins his case in court, he must pay his attorney's fees and litigation costs, expenses that are often in excess of the fine he would have paid if he had pleaded "no contest," or the price of preventive compliance, or both. Moreover, if a businessman is successful in clearing himself of one charge, he still faces the possibility that an agency, or an inspector of an agency, will continue to search for violations in an effort to bring about eventual compliance and achieve vindication.

An August 1975, editorial in U.S. News & World Report, provided an excellent analogy:

> It is one thing for Uncle Sam to come to the aid of companies or communities in times of emergency. It is quite another thing for his agents, clad in the armor of federal law, to poke into every nook and cranny of the free enterprise system—very often doing more harm than good.

I am sure that every Member of this body knows that this editorial is not idle gossip. It tells a true story, and each of us can fill in the names of constituents who have been similarly attacked by agents acting in the name of the Federal Government.

Those of us desirous of making the Government more responsive and responsible have attempted to find a way to address this problem in a practical manner. Our answer is contained in the bill being introduced today. It would provide compensation for reasonable attorney's fees and other reasonable litigation costs to successful defendants in civil suits filed by the Federal Government.

I believe this bill has several attractive features which merit its early consideration and enactment.

It would provide for the first time a quantitative measurement of agency error. It would give the bureaucrats reason to pause and reflect before taking action against a citizen, for if they lose in court, the already angry American taxpayer will pay the bill and demand an explanation.

This bill provides a mechanism for individuals and businesses to take on the Federal Government when they believe they are right. Certainly, in a free society, when the Government errs, citizens should not be restrained for financial reasons from asserting their rights.

Our bill is a simple first-step toward achieving the more difficult task of reorganizing the Government. Without requiring the repeal or reform of a single agency, this bill would reduce regulatory abuse by giving those who believe they have been unjustly treated a viable alternative to capitulation. If an individual or a business knew it had a chance to "fight city hall" without going bankrupt in the process, it might ease the resentment against the Federal bureaucracy that now pervades American society.

As my colleagues know, this same bill was introduced in the last Congress. I hope the spirit of reform which is so much in the minds of us all prompts early consideration of this bill. I think it is a fair and practical approach to a very serious problem.

WHALEN SUPPORTS COMPETITION IN THE TELECOMMUNICATIONS INDUSTRY

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. WHALEN. Mr. Speaker, I am pleased to join my colleagues, Mr. WIRTH and Mr. OTTINGER, in introducing today a resolution reaffirming our support for free enterprise competition within the telecommunications industry. Joining us are approximately 20 cosponsors, and I understand that Senator HART is introducing an identical measure in the other Chamber.

The purpose of our resolution is to provide moral support and encouragement to the Federal Communications Commission and others who believe that it is good and healthy to have more than one company offering goods and services to consumers in the telecommunications marketplace. We recognize that certain aspects of telephone service tend toward

a natural monopoly, but we also recognize that other elements of the consumer telecommunications field can and do benefit greatly from responsible competition.

It is no secret that our "procompetition" resolution is intended in part to be a counterweight to the proposed Consumer Communications Reform Act. As you know, that measure is designed to stifle, if not extinguish, competition within the so-called interconnect industry.

On January 17 of this year I placed in the CONGRESSIONAL RECORD—page 1315 et seq.—a detailed analysis of the Consumer Communications Reform Act. I urge all those interested in this issue to read that critique.

Beginning next month, I intend to issue a series of additional studies that will further explain the potential consequences of passage of the Bell bill. I believe that when all the nuances are fully understood by the Members of Congress and the public, then rejection of the Consumer Communications Reform Act will be overwhelming.

THIRD CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1977

HON. RAYMOND F. LEDERER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 23, 1977

Mr. LEDERER. Mr. Speaker, I would like to enter some comments into the CONGRESSIONAL RECORD concerning the extension of the current FSB program for 1 year until March 31, 1978.

I am in full support of the attempts by the Budget Committee to keep expenditures within certain limits.

I have voted for the third concurrent resolution of the budget on March 31, 1977. I want to compliment the chairman of the committee for their fine work. However, I am distressed that this budget does not include full funding for the Federal supplemental benefits program. I realize the concern of this body to keep our expenditures within a reasonable level. Yet, I am deeply concerned about those thousands of unemployed Americans whose unemployment benefits will expire on March 31, 1977. Congressman GUS YATRON has introduced legislation, H.R. 2235, to extend the current program of 65 weeks for 1 year. Hopefully by that time, the economic stimulus program will begin to reduce the current levels of unemployment. I realize this budget calls for an extension of up to 52 weeks. I, and some 30 Members of the House, have cosponsored this important legislation. These Americans do not want a handout. Yet, the American Government has the responsibility to compensate workers who are temporarily out of work through no fault of their own. I urge my colleagues to give consideration to H.R. 2235 even if it might exceed our budget requirements.

DEALING WITH OPEC

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. ASHBROOK. Mr. Speaker, with the extremely cold winter that much of our Nation has been experiencing, millions of Americans have seen their fuel bills getting more and more costly. Many of these price increases can be laid at the door of the Federal Government. Federal policy has resulted in fuel shortages and higher prices. In addition, U.S. Government policy or lack thereof has led to the increasing stranglehold OPEC countries have on our energy supplies.

Irving Kristol has written a perceptive article on "The OPEC Connection" in the Wall Street Journal. He points out some of the costs to the United States of OPEC policies.

At this point I include the text of the article in the RECORD and commend it to the attention of my colleagues:

[From the Wall Street Journal, Feb. 22, 1977]

THE OPEC CONNECTION

(By Irving Kristol)

If political decadence can be identified with "a failure of nerve"—that is to say, an unwillingness to confront and cope with reality—then the reaction of the West to the emergence of OPEC is about as clear a sign of decadence as one could imagine. In every possible way, we have sought to minimize, ignore, and otherwise evade the new facts of life that OPEC has presented us with.

The modes of evasion are various. Many hard-headed bankers, for instance, have promptly concentrated their attention (and ours) on the terms of trade. They announce that the "recycling" of OPEC's new-found wealth is proceeding better than had been anticipated, and that the economics of the problem are quite manageable. This, of course, is economic nonsense. Why should we be pleased that Saudi Arabia buys our goods with our dollars, instead of burying those dollars in the sand? Is it easier for us to produce goods than to print dollars? Is it cheaper?

What the bankers seem unable to realize is that we are talking about a net transfer of real wealth—a levy, a monopoly tax—and that whether we transfer this wealth in the form of goods or dollar bills is of no economic significance to the nation as a whole (even if it does make a difference to bankers). As a matter of fact, that very term, "recycling," helps disguise the economic reality of the transaction that is taking place. The word, as originally applied to problems of pollution, signified a process that produced a net economic gain—what had been waste matter was now being converted into a marketable commodity. But as applied to our relations with the OPEC countries, it obscures the fact that we are talking simply about their gain and our loss.

Or take the popular rhetoric about the importance of "conservation." Obviously, if we arrange our lives so as to use less energy, we shall need less of it, and we shall then seem to be paying a smaller levy to OPEC. But we will in fact be paying the original total levy—only we shall be taking some of it out of our own hides. "Conservation" means making ourselves poorer by doing without—it doesn't affect the costs to us of the OPEC monopoly, but simply reveals those costs openly.

A MAJOR OPERATION

There is much to be said in favor of paying the costs of OPEC in this candid, self-disciplined way. But to listen to some of the apostles of conservation, one would think that it is a costless enterprise. That is because the conservationists of today—like their brethren, the environmentalists—are for the most part anachronistic hangovers of the 1960s. They still believe we live in an "affluent society," in which economics is no longer a significant problem as compared with something called the "quality of life." When they preach "conservation" they think that they are talking about sacrificing a few of the frills that decorate the American standard of living, and suggest that this may even be good for us. They fail completely to realize the profound crisis in world economics that OPEC has plunged us into. Continuing to pay for OPEC is not a matter of snipping off a few frills but of cutting to the bone.

The costs of OPEC, to the United States and to the West generally, are invariably underestimated and often unperceived. Thus, it is generally known that the United States' bill for oil imports next year will be in the vicinity of $40 billion. That is a lot of money—but when viewed as a percentage of our Gross National Product it does not seem wildly alarming.

But is that the full story? Certain factors seem to have been overlooked. For one thing, oil is not merely a commodity—it is also the dominant source of energy in our industrialized societies. When the price of oil rises, so do the prices of all alternative forms of energy. When we reckon the costs to us of OPEC, we ought to be thinking of energy costs, not oil costs. OPEC is as much responsible for the higher cost of coal and gas as it is for the higher cost of oil.

One may also properly wonder if it makes much sense to talk about the cost of oil to the United States and the cost of oil to the so-called Less Developed Countries (which, for this purpose, would include such a nation as Italy) in isolation from one another. Since 1973, the non-OPEC LDC's have increased their borrowing—mainly from the U.S. and Western Europe—by over $100 billion. Not all of this is the result of the increased price of oil, but much of it is. Does anyone really expect that the bulk of these loans will ever be repayed in full? Those countries are never going to be that flush. The loans will be renegotiated unto infinity, until at some point they will be cancelled. In other words, we have huge hidden costs here, disguised by conventional bookkeeping. And those costs will increase, since the LDC's are going to have to keep on borrowing, as their economies grow and as the price of oil is steadily raised by OPEC. And we shall have to continue to lend, lest those countries collapse utterly, with economic and political consequences that are beyond calculation.

In addition, there is the effect of the increased costs of energy on our existing capital stock. As Charls Schultze pointed out, when he was still at Brookings, those increased costs have reduced the value of our industrial equipment, since the technology incarnated in existing capital goods was premised on much cheaper energy. Now we are, in effect, experiencing an involuntary write-down of that technology and that equipment. In the same way, increasing energy costs make all capital stock less productive than it would otherwise have been, so we experience a decrease in productivity.

The costs of OPEC, therefore, are far, far greater than we generally realize. And by our continuing refusal to face up to these costs and their implications, we have made matters even worse than they need have been. As Francis Kelly, of Blyh Eastman Dillon, has

acutely observed, there are only four ways in which we could cope with those costs.

The first is inflation—printing money, which we are doing. But this provides only a temporary relief which is a prelude to longer-term debility.

The second is to place the burden directly on consumers by way of reduced real income and higher unemployment. No one dares avow such a policy, though it is to some extent surreptitiously followed.

The third is to put the burden on the public sector, by cutting government services. To the degree that such services are worthwhile, this is another cost for the consumer to bear. But, in any case, our politicians regard this possibility as unthinkably sacrilegious.

The fourth is to pile those costs on the capital-formation sector, through reduced profitability. For the most part, this is the policy we have been following, with a predictable result: the eventual impoverishment of the American economy.

It is the OPEC connection that makes most current prescription of economic policy so irrelevant. The assumption behind all such prescriptions is that, if only the right advice is heeded, the American economy can return to a prosperous condition. But the OPEC levy, with its effects diffused through the world economy, makes such a prospect chimerical. That levy must be paid, not only today but tomorrow and the day after. We can pay it with inflation, we can pay it with unemployment, we can pay it by a general reduction in our standard of living—but pay we must. And the more successful we are in meeting those payments, the easier it will be for OPEC to increase its levy.

A THREAT TO WORLD COMMERCE

It is this same OPEC connection that is now threatening the whole structure of world commerce. As each nation seeks to evade its share of the cost, seeks to pass it on to others, a new spirit of protectionism is everywhere evident. To a very large degree, the extraordinary economic growth in the post-World War II decades was based on the growing volume of international trade and investment. The new protectionism is therefore economically self-defeating, but it is so attractive politically that it is hard to see what can prevent its gaining momentum.

Nor is there any easy escape from this OPEC connection. For the next decade or so we are "locked into" it. Even if we were to make Herculean efforts to develop alternative, economical sources of energy, putting aside all environmental considerations, the "lead time" necessary before they could make significant contributions to the economy brings us to 1985 or beyond. Nuclear power plants cannot be built overnight; neither can the vast transportation network needed to transport huge amounts of coal. And by 1985, the cost of oil imports to the consumer nations is estimated by Walter J. Levy at $300 billion! Who is going to pay that bill? And how?

The problem is OPEC. Though we can cope with OPEC in better or worse ways—and we have hitherto generally chosen the worse over the better—there is no way of coping that avoids oppressive economic costs. And, ultimately, political costs too: When a society finds itself in economic distress, it inevitably turns to government to do something about it. The OPEC monopoly doesn't merely violate free market principles. It will, if it endures, subvert all free market economies where (and to the extent that) they still exist.

The OPEC monopoly—like any other successful monopoly—is a political arrangement for economic ends. Copying with OPEC, therefore, is a matter of politics, not economics. Specifically, it is a problem for American foreign policy—yet it is not even on our foreign policy agenda. Until it appears on that agenda, the notion that we are somehow coping with OPEC is nothing but a costly and self-defeating illusion.

ALAN N. QUEEN

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. ROSENTHAL. Mr. Speaker, I am pleased to bring to the attention of my colleagues that Alan N. Queen, 16, a senior at the Bronx High School of Science, has been chosen as one of the semi-finalists in the prestigious Westinghouse Science Competition.

Alan, who is active in the community and has served as a volunteer in a number of political campaigns, volunteered for service in the Methodist Hospital's Department of Pathology and Clinical Laboratories during 1974, and in 1975, was a volunteer at New York's Municipal Archives, is the son of Robert I. Queen and Bella A. Queen, active constituents in my district.

Bob, who was with the public relations/legislative counsel for City Councilmen Morton Povman, Eugene F. Mastropieri, Thomas J. Manton, currently serves as public affairs officer for New York State Assemblyman Leonard P. Stavisky, chairman of the Committee on Education.

His wife, Bella, is an assistant principal at Junior High School 125, Bronx.

Alan, who aspires to a career as a doctor, has also won a Regents scholarship with a 98/99 percentile average.

The article describing the science talent hunt in the Long Island Press follows:

[From the Long Island Press, Jan. 27, 1977]

SCIENCE TALENT HUNT TAPS 43 LONG ISLAND STUDENTS

Forty-three Long Island students were among 300 high school seniors selected nationwide as semi-finalists in the 36th annual Westinghouse Science Talent Search.

The 300 winners were chosen from more than 1,000 entries submitted, and all will be recommended for scholarships to colleges and universities.

Forty finalists will be chosen for expense-paid trips to Washington, where they will compete for top scholarships totaling $67,500. The 40 finalists will be announced next week.

Ten students will be chosen to receive the top scholarships, ranging up to $10,000.

New York State again led all other states in semi-finalists, with 83 winners. Of those, 23 were girls and 60 were boys. Florida had the second largest contingent of winners with 18.

The winners were determined on the basis of individual science projects, the students' general scholastic ratings, and teacher recommendations.

Listed are the winners from Long Island, their schools and the titles of their projects:

Matthews, Erin Alice, Baldwin H.S., Regeneration of Transected Axons in Lumbricus terrestris.

Milrod, Robert John, Baldwin H.S., Lethal Concentration of Phenols Derived from Fucus vesiculosus and Its Effect on the Parasites Released from Nassarius obsoletus.

Seiderman, Cara Beth, Baldwin H.S., Design of a Mobile Home Park and Its Environmental Impact.

Shadrick, Nancy Ann, Baldwin H.S., Limnotogical Study.

Dubow, Michele Aimee, Bayside H.S., Search for an Amber Mutant of the T4 Bateriophage in the Gene Whose Product Unfolds the Escherichia coli Chromosone.

Hersh, Douglas Evan, Cardozo H.S., Bayside, Correlation Between Intensity and Exposure Time of 1MHz Ultrasound as it Affects Dictyostelium discoideum.

Nagel, Daniel Seth, Cardozo H.S., Effect of a Single Amputation of the Right and the Left Maxillae of the Tobacco Hornworn on the Selection of Host Plant Food.

Oelkers, Eric Hermann, Cardozo H.S., Semiamicable Numbers.

Pillinger, Michael Harris, Cardozo H.S., Effects of Electromagnetic Radiations of Various Wave lengths Upon Entrainment of Paramecium Multimicronucleatum into a Circadian Mitotic Rhythm.

Rivelle, Tad, Cardozo H.S., Monotonically Increasing Sequence of Series Generated by the Binary System.

Schaumberger, Ann Gail, Cardozo H.S., Extending the Euler Line and Expanding the Euler Circle.

Stimler, Charles Eric, Cardozo H.S., Behavior Modification of the Phototaxic Response in Drosophila melangoaster through Avoidance Conditioning.

Teano, Christopher Anthony, Cardozo H.S., Effects of Gibberellic Acid on Chlorella vulgaris Population Density.

Dance, Garland Ray, Bridgehampton H.S., Effects on Antacids on Protein Digestion in the Stomach.

Hertzson, Daniel Avram, Commack North H.S., Determination of the Potential for the Use of a Lifting Airfoil in the Darrieus Vertical Axis Windmill.

Malchiodi, Lynne Rose, Half Hollow Hills H.S., Chemical Synecology of Subarboreal Decomposer Communities.

Kirschenbaum, Jeffrey Marshall, Francis Lewis H.S., Elemental Analysis of Sand from the South Shore of Long Island by Proton-Induced X-ray Emissions.

Stordeur, Diana Claudia, Francis Lewis H.S., Distribution of Bathypectinura as a Factor to Determine That the Gene is Polytypic.

Gertner, Robert Henry, Forrest Hills H.S., Vector Analysis in Multi-Dimensional Geometrics.

Judson, James Frederick, Forest Hills H.S., Triangles inside Triangles.

Propp, James Gary, Great Neck North H.S., Perfect Sequences: Properties and Approximations.

Givant, Stephen Gerald, Jamaica H.S., Model Rocket Plane Trajectory Study.

Mahoney, John Joseph, Jamaica H.S., SOLAR. Simulation Of Logis Gate Circuits.

Tick, Evan Michael, Jamaica H.S. DARTS: Discrete Rapid Transit System Simulator.

Villaneuva, Merceditas Santos, Jamaica H.S., Chromatographic Survey of an Iodinated Extract as a Prerequisite to a Biodistribution and Time Study.

Mansfield, Robert William, Division Ave. H.S., Levittown, Computer Assisted Amateur Radio Operations.

Hodges, David, Bronx H.S. of Science, Effect of Ultraviolet Radiation and Heat Exposure on the Rate and Efficiency of Bacterial Transformation.

Hsu, Suzzanne Siuling, Bronx H.S. of Science, Effects of Indoleacetic Acid and Indolebutyric Acid on the Development of the Fern Gametophyte.

Kwok, Titus, Bronx H.S. of Science, Arrangements of Objects in a Square and an Application to Cell Counting.

Laske, Douglas Walter, Bronx H.S. of Science, Role of Cyclic AMP in Glucose Repres-

sion of B-D-Galactosidase Synthesis in Bacteria.

Laster, David Scott, Bronx H.S. of Science, Initial Digit Problem.

Lo, Andrew Wen-Chuan, Bronx H.S. of Science, Infective Pathway of Bacteriophate T4.

Menon, Victor Paul, Bronx H.S. of Science, Hypercin: Possible Advantages of a Photosensitizer's Use as an Antibiotic.

Nunez, Richard, Bronx H.S. of Science, Role of Serotonin in the Mammalian Thyroid Gland.

Petryiak, Daniel Peter, Bronx H.S. of Science, Role of Membranes and Microtubules in the Circadian Rhythms of Gonyaulax polyedra and Crypthecodinium cohnii.

Queen, Alan N., Bronx H.S. of Science, Effect of Various Environmental Factors on the Tardigrade hypsibius.

Roberts, Jonathan Seth, Bronx H.S. of Science, Primitive Roots Modulo a Prime.

Schoneberg, William Peter, Bronx H.S. of Science, Investigation of the Triangular Number Sequence.

Sherman, Steven Ira, Bronx H.S. of Science, Effects of Nalidixic Acid on Chloroplast DNA.

Yeh, Danny Lo-Tien, Bronx H.S. of Science, Invariance of Magic Properties of Magic Square in Mod m.

Grant, David Ross, Stuyvesant H.S. Brooklyn, Treatise on Euler's Three Biquadrate's Problem.

Glickman, Jeff Bret, The Wheatley School, Old Westbury, Development of an Ultra-Compact Speech Synthesizer.

Maddon, Paul Jay, Van Buren H.S., Queens Village, Correlation Between Pteridines and Genetic Aberrations in the Rosy Cistron of Drosophila melanogaster.

As an update to the above-mentioned article, I would like to point out that four of these young students from my congressional district are finalists in the Westinghouse science talent search, and will be coming to Washington early in March to compete for scholarships and awards. They are: Andrew Wen-Chuan Lo of Bayside, Paul Jay Maddon of Bayside, Jonathan Seth Roberts of Flushing, and Evan Michael Tick of Flushing.

My warmest congratulations are extended to these youngsters who have made such outstanding contributions to the fields of science and education.

SPEED DELIVERY OF ALASKAN GAS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. DERWINSKI. Mr. Speaker, at a time when we are very properly concerned with the energy crisis, which will return to plague us from time to time unless the proper legislative and administrative action is taken, I commend the editorial in the Chicago Daily News, weekend edition of February 5–6, to the attention of the Members. The article very effectively urges the expeditious delivery of Alaskan natural gas to help in alleviating future energy shortages.

The article follows:

SPEED DELIVERY OF ALASKAN GAS

The federal government has taken another tiny, cautious step toward tapping the rich natural-gas reserves buried on Alaska's North Slope. Belated though it was, it was the right step, and a measurable one.

The step was this: A Federal Power Commission hearing judge endorsed a plan to move Alaskan natural gas (equal to about 5 per cent of current U.S. consumption) to the rest of the nation by way of a 4,000-mile trans-Canadian pipeline. One leg of the pipeline would open into central California and the other leg into central Illinois, where two-thirds of the gas would be delivered.

The plan offers an obvious benefit to Midwestern gas users, who have been particularly hard hit by the natural gas shortage, but it has more than parochial interests to recommend it, as we have noted several times in recent months.

It is the best of three such proposals because it could deliver more gas quickly to areas that need it most at a lower cost to consumers than either of the other plans. The other two plans propose an elaborate system of pipelines, tankers, liquefaction hardware and other devices that raise the suspicion that a latter-day Rube Goldberg was put in charge of planning and construction.

The trans-Canadian pipeline has its shortcomings, not the least of which are the questions raised by an increasingly nationalistic tone in Canadian politics. (One of the most encouraging aspects is that a consortium of U.S. and Canadian firms is backing the trans-Canada route with equal fervor.) Treaties protecting U.S. interests will have to be signed and problems of taxation remain unsettled.

But those are small problems indeed compared with the dislocations—social, economic and political—threatened by the current natural gas shortage in the United States.

The pipeline plan—more than two years in discussion—still must be approved by the Federal Power Commission, President Carter and Congress, and the soonest that natural gas could begin moving through the line would be the early 1980s.

The natural gas shortage undoubtedly will still be critical then. It is time to end the talking and make the decision.

JOHN BROLAN: VETERANS' VETERAN

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. WALSH. Mr. Speaker, yesterday, the people of Central New York lost a great and good friend with the death of John E. Brolan, who had devoted his personal life to his church, his family, and—especially—his fellow veterans of service in the Armed Forces of the United States.

Mr. Brolan was legitimately called "the veterans' veteran." He served with the Army's 82d "All American" Division in World War I in France and became Commander of the Veterans of World War I Barracks 844. In addition to his leadership with this organization, he rose to the post of Department Inspector and to National District II Commander. He also served as the National Service Officer for his fellow World War I veterans.

In addition, he was a Department Commander of the Army-Navy Union, and was also Commander of the Albert Young Garrison of that body.

Even more important, were his activities on behalf of the Onondaga County Veterans Council, of which he was a Commander, and the American Legion Post 41, which he also led.

He organized and was the permanent leader of the Memorial Association, a group which organized and conducted memorial services for veterans of all wars on appropriate occasions.

Recognition of John Brolan's service to his fellow men are legion. In 1966 he was awarded life membership in the Army and Navy Veterans Union. In 1968 he received the leadership award from the Onondaga County Veterans Council, and he was cited both locally and nationally for his efforts to revive Armistice Day obeservances and to restore the Armistice Day holiday to November 11.

John Brolan was a retired police officer and, as you would expect, a hero in that line as well. In 1942 he was awarded the city's highest honor for bravery for capturing an armed murderer.

I had the privilege of knowing and working with John Brolan for many, many years. After coming to Congress and beginning my service with the Veterans' Affairs Committee, I worked more closely with him then ever. Despite his advancing years and declining health, he was extremely active until shortly before his death.

John Brolan was an inspiration to all who knew him and his fellow citizens will be forever in his debt.

MRS. ROSE P. BERNARD, DISTINGUISHED CITIZEN OF YOUNGSTOWN, OHIO, RETIRES

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. CARNEY. Mr. Speaker, I would like to take a few moments to pay tribute to an outstanding woman of my congressional district.

The woman I am referring to is Mrs. Rose P. Bernard. Born and raised in the city of Youngstown, Mrs. Bernard attended Market Street, Brier Hill, Jefferson, and Rayen Schools. Following graduation from high school, Rose Bernard embarked on a career in which she became a leader in church, civic, and political affairs.

A loyal Democrat, Rose Bernard has been active in Democratic Party politics her entire adult life. She was one of the organizers and a charter member of the Jackson-Roosevelt Club. She was one of the first members sponsored by that club to obtain a position in the Mahoning County Court House. In 1935, she became the first Democrat to work in the county recorder's office, where she worked for 42 years. She was a Democratic precinct committeewoman for 25 years in the third ward, precinct D, in Youngstown. In addition, she has served on the executive committee of the Mahoning County Democratic Party for 23 years. She is also

a member of the Federated Democratic Woman's Club.

A devout Catholic, Mrs. Bernard attends St. Christine Church and has been active in a wide variety of church functions. She currently resides in Youngstown with her daughter, Viola C. Rodgers, who is the administrative assistant to the Honorable John M. Hudzik, Mahoning County recorder.

Mr. Speaker, Mrs. Rose P. Bernard is a wonderful lady who has given herself unselfishly in service to others. She is a dear friend of mine, and I wish good health and happiness in her retirement. When her many friends join together to honor her at a testimonial banquet, it will be my pleasure and my privilege to be among them.

THE VOTE ON THE THIRD BUDGET RESOLUTION; $19 BILLION MORE GOVERNMENT SPENDING OR $19 BILLION LESS TAXES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. KEMP. Mr. Speaker, yesterday the House voted to approve the third concurrent resolution on the budget for fiscal year 1977. This resolution accommodates President Carter's economic stimulus program and provides for increased Government spending of $19 billion. Mr. Speaker, you cannot spend your way to prosperity. If we could, New York, N.Y., and Britain would be prosperous, indeed.

There was an alternative to this program offered by the minority, which would have cut all tax rates by an equal amount, roughly 22 percent across the board. I think that it is a tragedy to the working people of America and those who want to work that this amendment was not adopted, because it would have brought us a lot closer to the goals we are all interested in, that is full employment and real economic growth without inflation.

The fact is that President Carter's program and those who voted for spending $19 billion more, does nothing about the fundamental reasons for the economic slump we are now in. The principal reason is, the high taxes and the inflation that has increased the real tax burden in this country tremendously by pushing individual incomes into higher tax brackets without increasing real purchasing power. The result is a net loss in real aftertax income. This, in turn, has built in great disincentives, to produce, to hire, to work, and to invest.

The situation today is exactly the same situation which we encountered in the early 1960's. At that time, President Kennedy proposed massive across-the-board cuts in individual and business taxes. The result was that the economy was stimulated so strongly that there was a net increase in Government revenues caused by expansion of the tax base, rather than a revenue loss. As Professor Heller has testified, the Kennedy tax cuts paid for themselves immediately.

Mr. Speaker, the time has come to stop dealing with symptoms and get to the cause of our problem. More Government spending will only lead to inflation, and this will lead to a continuation of the hidden increase in taxation, which I believe is helping to choke our economy.

The people have a clear idea of how their elected representatives view the issue facing our Nation. On one hand, the majority voted to spend more, inflate more and create Government jobs while we in the minority voted to leave more of the people's income in their own hands, we voted to reduce taxes, reduce deficit financing, and reduce inflation. Next year when inflation is rising I hope the people will remember this vote.

AN OPEN LETTER TO SENATOR FRANK CHURCH REGARDING CONFIRMATION OF PAUL WARNKE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. SYMMS. Mr. Speaker, President Carter's nomination of Paul Warnke to head the U.S. Arms Control and Disarmament Agency and to be Chief U.S. Negotiator at the SALT talks with the Soviet Union has aroused considerable controversy throughout America.

I have written the following open letter to Senator FRANK CHURCH, the senior Senator from my State of Idaho, urging him to vote against confirmation of Mr. Warnke.

I would like to share this letter with my colleagues in the Congress:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 23, 1977.

Hon. FRANK CHURCH,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR CHURCH: During the four years that we have worked together in the Congress of the United States, we have frequently disagreed as to our conclusions of how best to address the problems facing our country, but I have always respected the sincerity of your convictions. Consequently, I have never attempted to influence your vote in the U.S. Senate.

However, the nomination of Paul Warnke as Director of the Arms Control and Disarmament Agency and as Chief Negotiator for the Strategic Arms Limitation talks requires me to break with this tradition. I am asking you to please consider the following points which argue for a vote against confirmation of Paul Warnke:

(1) Paul Warnke is on record as being opposed to development and production of the B–1 Bomber, the Trident Submarine and the Cruise Missiles—all of which will come under discussion in the SALT negotiations. The fact that Mr. Warnke is already on record as opposed to these systems will make it very difficult for him to negotiate effectively for a balanced SALT II treaty. The Soviets will be in a position to simply utilize his own arguments against these systems and for unilateral disarmament initiatives by the United States.

(2) During the confirmation hearings in the Senate, Mr. Warnke's own testimony has, at times, been self-contradictory as to where he really stands on arms control issues. For example, when questioned about his opposition to the B–1 Bomber, he responded by stating that he favored the concept of a stand-off bomber utilizing cruise missiles as an alternative to the B–1; yet, he is on record as being opposed to the cruise missile program.

(3) Mr. Warnke has demonstrated amazing misjudgements about technology. For example, he has been surprised by short-term developments in the area of multiple warheads (MIRVs) by the Soviet Union—something that an adequate arms adviser should have foreseen (others did)—and by our own cruise missile technology. This is disturbing since as an arms adviser he would have to judge technological trends in the closed Soviet society.

(4) Mr. Warnke apparently does not recognize that the Soviet Union considers nuclear superiority over the United States to be a worthwhile goal and that such superiority is politically useful.

(5) Since Mr. Warnke has been nominated to head both the Arms Control Agency and the SALT negotiating team, he would have more influence than any other adviser in evaluating SALT proposals and negotiating points. To concentrate so much power in one man with one point of view is a conflict of interest and could well be contrary to our national security.

In conclusion, Mr. Warnke's opposition to nearly every major U.S. weapon system that could be at issue in the SALT talks is certain to undermine his effectiveness in "hard-ball" negotiations with the Soviet Union. Thus, the confirmation of Paul Warnke would send out the wrong signal and could well set our progress towards a stable nuclear balance back several years.

Consequently, I again urge you to vote against his confirmation.

Sincerely,

STEVE SYMMS,
Member of Congress.

HAS TORRIJOS ADDED HIS LAST FOREIGN MINISTER TO PANAMA'S EXILE LIST?

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. SNYDER. Mr. Speaker, the State Department blindly insists Panama has a stable government on which the United States can rely. The truth is, a tragicomic opera script writer could not have dreamed up a better plot as Panama's list of exiles gets longer.

Ambassador Ellsworth Bunker is now negotiating a new treaty with Panama's third Foreign Minister in some 10 months.

First, Juan Tack resigned—or was fired—ostensibly because of his alleged connections with Panama's drug traffic. Tack was succeeded on April 2, 1976, by Ambassador to the United Nations, Aquilino Boyd.

Boyd suddenly resigned—or was fired—on February 9, being replaced by Ambassador to the United States, Nicolas Gonzalez Revilla.

Only 8 days later, Boyd, who long condemned the Canal Zone as an imperialist enclave, drove into the Zone, and with

his wife, baggage and new Mercedes, took passage on a ship for the United States at 1300 hours, February 17.

Was it only for an "extended vacation," or did he get the word from self-styled "maximum leader," Omar Torrijos, that his presence was no longer tolerable?

ILLEGAL ALIENS: VICTIMS AND VICTIMIZERS

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. CHARLES H. WILSON of California. Mr. Speaker, in my Washington Report to the constituents of the 31st District of California, I discussed the serious problems we face with respect to the numbers of illegal aliens living in the United States at the present time and the many that arrive each year. I would like to insert this article into the RECORD with my recommendation that my colleagues in the Congress quickly adopt the two legislative measures I mention before the problem becomes uncontrollable:

ILLEGAL ALIENS: VICTIMS AND VICTIMIZERS

Leonard F. Chapman, Commissioner of the Immigration and Naturalization Service (INS), estimates there are about 6 million illegal aliens living in the United States at the present time and indicates between 500,000 and 1 million come into this country every year. Those figures are estimates—the number of illegal aliens who go undetected are staggering.

For the most part, illegal aliens are a shifting mass that are difficult to detect once they become submerged into society. Living in constant fear of being apprehended they live "silent" lives and take their lot here in the U.S. without question. Most of them are from Mexico where the birthrate is one of the highest in the world. When faced with circumstances as they are in their native country—excessively high unemployment running up to 40 percent in some border towns—America becomes a more and more attractive prospect. Also, Mexico and other overpopulated nations don't do much if anything about illegal migration out of their countries because it acts as a safety valve.

One of the major criticisms of U.S. immigration law is that it does nothing to those who hire illegal aliens and then exploit them by paying less for longer hours at menial jobs. It is only a crime for those who enter the country illegally and even then, there is little or no punishment other than deportation out of the country—a good majority return time and time again.

There are two schools of thought—one, that since illegal aliens take the low-priority, low-paying, dead-end jobs, they do not detract from the job market for American citizens or legal aliens. However, a firm hired by INS, ICF, Inc., estimated that the tax burden for approximately 6 million illegal aliens is $13.5 billion plus another $3 billion for U.S. balance-of-payments deficit. Also, the firm stated, the presence of large numbers of illegal aliens in the job market forces many citizens to take unemployment compensation and welfare and many illegal aliens use public health and education facilities incurring further costs.

It is a wholesale violation of the law that seriously threatens to disrupt not only our entire immigration system, but it also adversely affects economic growth and stability.

It was estimated that Los Angeles County spends approximately $10.5 million to provide health care to illegal aliens. While no one would deny treatment to a sick person, the extra burden placed on state and local governments makes it difficult to meet required services notwithstanding the medical debts incurred by hospitals and health care facilities that go uncollected. Consequently, the taxpayer foots the bill. To provide funds to help LA County and other areas meet medical costs for the high number of illegal aliens, I have cosponsored H.R. 2400 that authorizes the Secretary of Health, Education and Welfare to reimburse medical treatment facilities and local governments for care provided in emergencies to indigent illegal aliens.

In Compton (California), the City Council has also moved to do something about the problem of illegal aliens by passing a resolution calling for state and federal legislation to allow the identification of illegal aliens "without abusing individual rights." I am happy to report that I am a sponsor of a bill that will accomplish that very purpose. H.R. 3737 would prevent the hiring of illegal aliens through issuance of a permanent plastic social security card with a photo or other identifying mark as a requirement for employment. The social security system is the one jurisdiction which applies to every potential worker in the U.S. and therefore could be very effective in cutting down on the number of illegal aliens coming into this country. Another major advantage of the bill is that it would place the responsibility where it should be—in the hands of the Federal government. Employers themselves would not have to act as policemen in enforcing the law. The plastic social security card would not become an internal passport or national ID card—it simply would contain the pertinent information required to ascertain that the bearer is the rightful owner and is entitled to legally work in the U.S.

By enacting legislation that will curb the flow of illegal aliens, the government is not attempting to turn their backs on anyone who wishes to live here. Rather, it is to insure that those who do so, do within the bounds of the law.

CONGRESS SALUTES MISS "T"

HON. RAYMOND F. LEDERER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 23, 1977

Mr. LEDERER. Mr. Speaker, I appreciate you and my colleagues taking this time today to salute Estelle Tyler Sullivan, my special assistant, who will celebrate her 50th year of service on Capitol Hill on March 4, 1977.

Since coming to the Hill in 1927 as a staff assistant to Congressman Vincent L. Palmisano, who represented her native Baltimore, Miss Tyler has provided invaluable knowledge and experience to nine different Congressmen.

Miss Tyler has assisted Members of the Pennsylvania delegation for 36 of those 50 years. She has been helping three generations of Philadelphians in my district—first with Congressman William J. Green, Jr., then with his son, Bill Green, and now with me. These Philadelphians have come to know her affectionately as Miss "T."

Indeed, Miss "T" is truly a legendary figure on Capitol Hill. Her reputation is only exceeded by her list of friends and admirers. She is still as active and dedicated as she was when she started in the 70th Congress and has been invaluable to me in getting my start as a Congressman here in the 95th Congress.

Therefore, in special recognition of the long service of Miss Tyler, I ask my colleagues to join me in saluting Miss "T" and wishing her every happiness. I know Miss Tyler will be involved in the workings of this august body for many years to come, and I am equally sure that we all benefit by her long and exceptional service.

THE REHABILITATION INSTITUTE ON LONG ISLAND

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. WOLFF. Mr. Speaker, during a time when all Americans are greatly concerned with rising welfare rolls and the increasing tax burden for care of the unemployed, I feel it is most appropriate to call attention to the Rehabilitation Institute on Long Island. This agency has performed a herculean task in rehabilitating the emotionally handicapped and placing them in competitive employment.

Since the inception of the Rehabilitation Institute—TRI—in 1965, this voluntary, nonprofit agency has placed 1,300 rehabilitated clients in competitive employment and returned hundreds more to healthy, productive lives as homemakers. It has enabled hundreds more to go on for advanced schooling or training. And it has maintained a sheltered workshop program so that those with handicaps too severe for competitive employment could earn a semi-independent wage while working at their own pace.

TRI is to be applauded not only for its humanitarian efforts in restoring lives that were decaying in back wards of State hospitals, but also for the economic benefits it has bestowed on taxpayers. By transforming welfare recipients into taxpayers, it has saved Long Islanders literally millions of dollars over the past decade. In addition, TRI's programs are successfully operated at a $3,200-per-client cost to taxpayers per year. This is contrasted against the $20,000 it costs taxpayers on Long Island to maintain one client in a State hospital per year.

TRI has also served as an outstanding national model for providing community-based rehabilitation to the mentally ill. Not only has its 11 years of operation in the heart of a business community been unmarred by client disturbances, but, on the contrary, its business neighbors have acknowledged it as a vital part of the community and praised its work.

TRI has also rightfully earned the respect of professional peers. It was recently awarded the 1976 Program of the Year Award by the Long Island Rehabilitation and Counseling Association—the first award of its kind ever given.

I would like to add my personal ac-

knowledgment and appreciation of the outstanding work of this institute and its foresighted founders, Dr. Edmund C. Neuhaus and Mrs. Louise Friedman.

JOHN GARDNER: AN UNCOMMON MAN

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. UDALL. Mr. Speaker, John Gardner is one of the most remarkable men of our time. In a time of cynicism about our public institutions he refused to give up on our system. His work in organizing Common Cause and his courage in pushing its programs have had a lot to do with the restoration of some degree of public confidence in our country and its political system.

As he steps down from chairmanship of this new, effective citizen action group, he can take justified satisfaction in the favorable assessments being recorded about his service. Albert R. Hunt wrote in the Wall Street Journal:

> Few private citizens have had as lasting an impact on the governmental system as he.

And the Washington Evening Star notes:

> The big accomplishment, though, has been to show yet again how much can be done in the American system through simple determination. You can fight City Hall and win.

Common Cause is strong, viable, effective. A tribute to its membership, ably led by a grand fellow.

The two articles follow:

[From the Washington Star, Feb. 20, 1977]

JOHN GARDNER'S UNCOMMON CAUSE

There have been good government groups before. There have even been good government activists with a turn for the subtleties of philosophic thought. But John Gardner and Common Cause, the "citizen's lobby" he started six and a half years ago, are still something special.

When President Nixon's Secretary of Health, Education and Welfare left the cabinet, many people thought the public interest pressure group he wanted to form would be primarily a vehicle for presidential aspirations. If it didn't turn out to be a mere do-gooders' nothing, that is.

The Gardner combination of eloquence, originality of thought and vigor in the practical sphere, exhibited at the Carnegie Corporation and HEW, had some people talking about philosopher-kings. It had a White House gleam, it was said—at least, it could have, if the man had a power base.

But John Gardner did not use Common Cause that way. He made it into just what he said he was going to make it into: a nonpartisan coalition dedicated to looking at government structures and processes in the large and to pressing hard for change where analysis indicated it would be useful.

The organization has 250,000 members, each of whom pays at least $15 a year to be part of it and many of whom give time as well, writing and visiting candidates and legislators to push their viewpoints. There's a professional staff of 75 to orchestrate the effort.

Common Cause is less political on the broad sweep of issues than the League of Women Voters. It's less flamboyant than Ralph Nader and the environmentalists.

There's a price to concentrating on anything as comparatively dry as the mechanics of government—it's not as easy to get people excited about congressional seniority rules as about wars or whales. But neither sophisticated goals nor a low-key approach has kept Common Cause from getting results.

The accomplishments credited to it have to do mainly with political campaign financing and the way Congress conducts its business. Always, the direction has been toward making government more accountable to citizens, opening up the secret places and creating new avenues for people to influence what their lawmakers do.

The big accomplishment, though, has been to show yet again how much can be done in the American system through simple determination. You can fight City Hall and win.

Whether Common Cause will win as often without John Gardner running it as with his leadership remains to be seen. Cool as the membership is to the jazzier aspects of popular appeal, there's a need to find issues of sufficiently far-reaching interest to mobilize support without being too divisive. Tax reform, the subject highest on the present agenda, makes it on the first count but is shaky on the second.

However, as Mr. Gardner himself has said, there's no danger of running out of problems. And, a bit apart from the lobbying battle lines, the man who has written with such incisiveness and grace on the dilemmas of trying to mesh an egalitarian society with a meritocracy can once again offer us the fruits of his contemplative side.

[From the Wall Street Journal, Feb. 18, 1977]

JOHN GARDNER'S ENDURING LEGACY IN COMMON CAUSE

(By Albert R. Hunt)

WASHINGTON.—Back in 1970 John Gardner announced he was starting an organization called Common Cause. Its purpose, he said, was nothing less than to achieve fundamental reforms in the American governmental system.

A lot of people laughed.

Washington cynics said the former Secretary of Health, Education and Welfare obviously intended for the organization to serve mainly as a device for furthering his presidential ambitions. They said he was too patrician and cerebral to lead the tough kind of political fights he was talking about. They said the whole idea of Common Cause was hopelessly naive.

Today, Mr. Gardner is preparing to step down as chairman of Common Cause. Among several other achievements during his tenure, he has proved the cynics wrong. The 64-year-old Mr. Gardner and his organization have clearly demonstrated that determined citizens can actually reshape their government.

Naturally, Common Cause has made mistakes. But overall it has pursued its goals with an effective degree of shrewdness and tenacity. As a result, it is widely acknowledged now as one of the most influential lobbying organizations in Washington and elsewhere around the country.

Common Cause was a major influence in setting off a recent series of basic reforms in the way Congress operates. It had a lot to do with the big changes that lately have occurred in the financing of political campaigns. And from its inception it has consistently pushed for the "open government" concept that Jimmy Carter now preaches.

Mr. Gardner never made it to the Oval Office; in fact, he never tried. But it's likely that few private ctiizens have had as lasting an impact on the governmental system as he.

Essentially, Common Cause has proved the validity of two elemental, but sometimes forgotten, ideas. The first is that the processes of government must be made to work well before citizens can have much impact on specific policy decisions. The second is that although it's difficult, you can fight city hall.

Even though Mr. Gardner and his organization frequently are assailed by the political right, these themes transcend ideology. The problems of secrecy and the need for accountability by government officials are as important to conservatives as to liberals. And the notion of effective citizen action hardly is a radical idea.

"There isn't any possibility that we can make power less seductive," Mr. Gardner said in an interview in the New Yorker magazine several years ago. "What we can do is to devise realistic arrangements that will make it more difficult for officials to separate the citizens from the levels of power and much more difficult for a tightly knit inner circle to monopolize those levels."

Operating under the maximum that "accountability is at the heart of free self-government," Mr. Gardner frequently has riled entrenched interests in an effort to achieve a more democratic system. Surprisingly often, he has succeeded.

Common Cause deserves at least part of the credit for several changes in government procedures that recently have occurred, or that are about to occur.

Some examples: Nearly all congressional committees now operate only in open sessions. Congress is preparing to pass legislation requiring lobbyists to disclose their activities. Lawmakers are expected to adopt soon a strict ethics code for themselves. California voters approved a measure minimizing government secrecy and putting restrictions on political contributions. A new Michigan law provides for taxpayer-financing of that state's gubernatorial campaigns. Florida has adopted tough financial disclosure requirements for elected officials there.

Certainly the public revulsion over the Watergate affair was a big factor in some of these developments. But when Mr. Gardner and Common Cause began pushing for such changes, Watergate was nothing more than a big apartment complex on the Potomac.

In 1971, for instance, Common Cause began lobbying to end the automatic seniority system in the House by requiring that committee chairmen be directly elected by their party caucus. Skeptics doubted that such a significant change was possible, but by 1975 it had happened.

Three committee chairmen were unseated two years ago, and this year one appropriations subcommittee chairman was ousted. "The days of the autocratic chairman are over," says a House committee chairman. "You're not going to be dictatorial to people you know can determine your fate."

The secret of Common Cause's success is its members—250,000 of them, each paying at least $15 in annual dues. Congressmen say they are perpetually badgered by letters and visits from these members. During political campaigns, local Common Cause units have been remarkably successful in getting commitments from candidates to fight for positions backed by the organization.

"Our real strength comes from having a cohesive constituency," says David Cohen, president of Common Cause. "This is basic. John Gardner understands that you have to motivate people, that the morale of our Society is fundamental to dealing with problems. It's very important that people have a real sense of participation."

It's true that Common Cause members generally are more financially and socially able to participate than other citizens; one lawmaker calls the group's members the "guilty rich."

Whether that assessment applies or not, it

is nonetheless salutary for thousands of Americans to band together in an effort to improve the way their government operates. Mr. Gardner, who believes it is time for him to move on to new challenges, has noted that eventually any citizen organization will "grow old and ineffective." But he adds that "the idea of citizen action will continue," and for his role in assuring that, he deserves the nation's thanks.

PUBLIC WORKS JOB BILL

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. RINALDO. Mr. Speaker, the economic outlook for the Northeast States and the Far West has taken an exceedingly grim turn this winter. Extremely cold weather in the Northeast has seriously aggravated what some economic experts consider to be a chronic state of unemployment.

Due to the energy shortage, 300,000 workers were temporarily laid off in New Jersey. Some have gone back to work. But the disruption has left the State's economy in trouble, and I seriously doubt that it can recover without additional help.

Furthermore, just as the Far West is facing the worst drought since the Dust Bowl days of the thirties, New Jersey's reservoirs are drying up too as a result of a winter drought. Even if we have heavy rains in the next few weeks, the ground is so frozen that the reservoirs and underground wells will be unable to recapture this rainwater to the extent that we normally would.

There is no doubt that the Federal Government, along with the States, needs to take prompt action before the drought hits with full force, causing more unemployment on our farms, closings of more factories, brownouts because of a decrease in hydroelectric power, and a series of shock waves through the economies of the Northeast and the Far West. The rest of the Nation, of course, would feel the effects too in lost production, higher welfare and unemployment expenditures, lost taxes, and a sharp slowdown to our economy.

In addition to this imminent crisis, Northeastern States like New Jersey are suffering from chronic unemployment. New Jersey has a total work force of 2.6 million people. But in 1975, it lost 219,000 jobs. Last year, thanks to Government job assistance, including the public works job bill, the attrition in employment was slowed. New Jersey lost 40,000 jobs instead of 219,000. But it was the fourth year in a row in which the State of New Jersey, once the manufacturing leader in the Nation, has lost jobs.

According to figures of the U.S. Bureau of Labor Statistics, the Northeastern region of 18 counties in New Jersey have lost 590,000 jobs since December 1969.

Mr. Speaker, the Federal Government must give even more attention to this economic hemorrhage in the Northeast and New Jersey.

The $4 billion public works job bill that I have cosponsored and which we are considering today would be helpful in that respect. It would provide New Jersey with an estimated $225 million in Federal funds that would generate 50,000 jobs in communities where unemployment is most severe. It would be twice as much as New Jersey is currently receiving from the 1976 public works job bill.

That bill only scratched the surface, and it also suffered from what I would consider "computer gimmickry" in the manner in which the Economic Development Administration dispenses the funds. Cities like Elizabeth, with high unemployment, received no funds, while Newark and Essex County received one-fourth of all the funding for New Jersey.

Yet, as lopsided as the formula was in favor of Newark, the town of Bonney Lake, Wash., with a population of 3,000, received a public works job grant of $3.8 million. When 44 of the Nation's 100 largest cities wind up with nothing in public works funds, it is inconceivable that a town of 3,000 should be selected. H.R. 11, which I am urging Members of the House to support, would more realistically use human judgment to establish the benefits of a public works project to city or region.

The amount of funds in this bill will not resolve the unemployment problem. The AFL–CIO, for instance, estimates that we would need to spend $30 billion in public works to put a major dent in unemployment by providing for 2 million jobs. Given the fact that one out of every four construction trade workers is unemployed, I can understand the AFL–CIO's concern that the amount of the funds be increased.

Yet this $4 billion is what we can afford without setting off a race toward double-digit inflation. Furthermore, there is little danger that the outlays in this bill would drag on long after they are needed and thereby contribute to inflation.

Public works jobs and projects in the energy conservation field would be given priority under this bill.

Mr. Speaker, public works jobs, like the old Civilian Conservation Corps that helped to pull America out of the depression, make sound economic sense. Putting millions of Americans back to work at constructive and urgent tasks is not an expenditure but an investment that will more than pay itself off in more jobs, lower welfare and unemployment expenditures, higher personal and business tax revenues and, most importantly, by sustaining the Nation's confidence in itself, the economy and the Government.

We need a simple program with clear guidelines that are written by officials with good economic judgment. I believe that the EDA and Congress have learned a lesson from the shortcomings of the first public works bill of last year. H.R. 11 will do a better and more equitable job of distributing the funds to those in the worst communities in greatest need and for those projects which will have the greatest economic benefit to the largest number of people.

Congress has a new opportunity under this bill to define its intentions more clearly and to establish priorities for levels of funding that are directed toward transportation and highways, municipal construction, and schools.

ANALYSIS OF PROPOSED REDUCTIONS IN THE DEFENSE BUDGET

HON. ELFORD A. CEDERBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. CEDERBERG. Mr. Speaker, yesterday I included in the RECORD some remarks on President Carter's revisions of the fiscal 1978 Federal budget, with some special emphasis on revisions in the defense budget. In connection with those remarks, I recommend to the attention of my colleagues an analysis of proposed reductions in the defense budget, prepared for my staff by Richard Cronin of the Congressional Research Service.

CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., February 24, 1977.

To: Mike Hugo, House Appropriations Committee, Minority Staff.

From: Richard P. Cronin, Analyst in National Defense.

Subject: Department of Defense Budget Amendments.

The following is in response to your request for an analysis of the recent Department of Defense amendments to the FY 1978 budget along the lines of that contained in CRS Multilith 76–205F—"An Analysis of Congressional Reductions in the Defense Budget; Fiscal Years 1971–1976." This report examined congressional budget reductions on a line item basis and categorized those reductions as either "substantive," "noncritical," "postponements and deferrals" or "adjustments" (financing and other adjustments having no program impact).

The basis for the following report is the prepared statement by Secretary of Defense Brown submitted to the House Appropriations Committee on February 22, 1977. Among other things, the statement itemizes and briefly explains the Carter Administration's amendments to the FY 1978 defense budget request.

Our estimate is that of the total identified net reductions of about $2.7 billion in total obligation authority (including $.6 billion in additions and $3.3 billion in reductions), about 96% on a dollar basis could be classified as postponement and deferral actions. Most of the balance of the reductions would fall into the "substantive" category as used in our Multilith report cited above.

The categories used in the Multilith report and in this analysis are intended to be neutral in implication. For instance, "substantive" refers only to the apparent relationship of the item to the primary military mission. Thus, the term does not imply any judgment about the actual effectiveness, efficiency, need etc. of the program, item or weapons system. The proposed elimination of a weapons system is counted as a substantive reduction regardless of the actual qualities of that system. The addition of funds for what is described by the Carter Administration as essential base construction and maintenance must also, by our methodology, be considered substantive for want of more information about the proposed use of the funds.

Postponements and deferrals are generally more clear cut. Even here, however, there

may be some questions as to whether a reduction is really a postponement or whether in fact the system or item actually will be funded in subsequent years. The B–1 bomber program is a case in point. The Administration proposes to reduce FY 1978 procurement from 8 to 5 aircraft pending a decision on full scale procurement. In this case we judged that sufficient doubt exists about the future of the program in the Administration's plans to rate the cut as "substantive." If, however, the Administration should commit itself to full scale production then the FY 1978 proposed reduction would effectively constitute a postponement.

Some proposed reductions which were judged postponements and deferrals could effectively become substantive cuts should they lose Administration support during the period of reduced production or developmental slowdown. These systems include SRAM–B, the Follow-on Interceptor, the Advanced Attack Helicopter, the F–15 fighter program, the Advanced Tanker-Cargo Aircraft and AWACS.

Details on the methodology utilized, including methodological problems, are contained in pages 2–8 of CRS Multilith 76–205F.

The attached table (Attachment A) identifies the announced budget amendment items and indicates their categorization. If you have any questions regarding this analysis please call 426–5060.

ATTACHMENT A

CATEGORIZATION OF PROPOSED FY 1978 BUDGET AMENDMENTS—DEPARTMENT OF DEFENSE

	(Dollars in millions)
Substantive	
Improve airfield readiness, Europe	+60.0
Preposition stock facilities, Europe	+50.0
Construction and maintenance at U.S. installations	+200.0
Urgent equipment overhauls and repairs	+280.0
B–1 bomber procurement	−280.0
Non-nuclear Lance program (cancelled)	−77.7
Hawk program (cancelled)	−35.3
A–7E attack aircraft (cancelled)	−24.4
Nuclear strike cruiser (CSGN) (cancelled)	−187.0
Conversion of support ship (AGHS) (cancelled)	−43.0
Transfer of 40,000 Naval Reserve billets from selected reserve to individual ready reserve	−50.0
Total substantive	−107.4
Non-Critical	
Uniformed Service Univ. of Health Sciences	−14.0
Civil Reserve Aircraft Fleet modifications	+15.0
Total non-critical	+1.0
Postponements and Deferrals	
SRAM–B production deferral	−23.4
M–X development	−160.0
Follow-on interceptor program	−26.3
Polaris SSBN submarine program	−27.2
Advanced attack helicopter program	−100.0
CH53E heavy-lift helicopter program	−62.0
F–15 tactical fighter	−334.0
Advanced tanker-cargo aircraft	−276.6
Airborne Warning and Control System (AWACS)	−150.0
SSN submarine program	−230.0
Guided missile frigate (FFG) program	−282.0
Naval reactor cores and components	−150.0
Combat support and service programs	−651.0
Communications and electronics programs	−92.0
Total postponements and deferrals	−2,564.5
Grand total	−2,670.9

H.R. 11—ECONOMIC DEVELOPMENT ADMINISTRATION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. CONYERS. Mr. Speaker, in the past few weeks, the Economic Development Subcommittee has heard over 100 witnesses. I was one of 36 Members of Congress who had the privilege to address the subcommittee and express my concerns about Public Law 94–369 and, more particularly, the Economic Development Administration's implementation of it which resulted in violations of Congress legislative intent. In supporting H.R. 11, I commend the Economic Development Subcommittee and Chairman BOB ROE for making many critical changes. At the same time, I want to underscore and elaborate on my specific concerns as we prepare to enact an extension and expansion of the act.

Several analyses of the distribution of the first $2 billion of local public works—LPW—funds showed the same three significant conclusions. First, underfunding of metropolitan areas in comparison with rural areas; second underfunding of cities in comparison school districts and suburban areas; and third, overfunding of smaller jurisdictions. As pointed out by several witnesses, including Jo-Ann Terry, chairperson of the Michigan Advisory Committee to the U.S. Civil Rights Commission, each of these major shortcomings in the distribution of project funds resulted in large racial inequities.

Although EDA's project selection process probably did not reflect conscious racial discrimination, the net effect was essentially the same: Underfunding of larger center cities with sizable minority concentrations.

EDA established scoring and other procedures that deliberately attempted to make sure that urban areas with large numbers of unemployed did not receive most of the LPW dollars. The results clearly indicate that EDA's strategy succeeded all too well.

Ironically, whereas Congress intended to focus on areas of high unemployment, "undue concentration" of unemployment became a primary reason for project rejection or the loss of substantial funding resources. This cost the city of Detroit neary $20 million or 33 percent of its deserved funds. However, Detroit was luckier than the other top 20 cities in the United States. Three of the top 20—Pittsburgh, Dallas, and Seattle—received no funds at all.

Presumably, in EDA's Catch–22 project selection process, these cities had too many unemployed persons to qualify for this major unemployment relief program. Granted, this view oversimplifies EDA's project scoring and selection process—but not much.

Project selection criteria seem to have been ingeniously designed to discriminate against larger cities with heavy concentrations of the unemployed and minorities. Sometimes in the arcane workings of Federal bureaucracy it is extremely difficult to distinguish between malicious intent and sublime ignorance. In this instance, I will reluctantly give EDA the benefit of the doubt. But I have had an almost impossible time explaining to my unemployed constituents how and why EDA benchmark formulas and logarithmic tables have worked to keep them on unemployment lines and public assistance. The typical reaction might be translated as: "I thought that I've been hit by every kind of racism in the book. But what in hell is a logarithm?" I have tried to explain that normalizing was even worse than logarithms, and that benchmarks were better than both, but still bad news.

In sum, my unemployed constituents' basic problem under EDA's scoring system has been not living on a farm, still better in a suburb or, best of all, on an Indian reservation.

One of the most bizarre features of EDA's project funding process resulted, for a change, in compensatory justice for Indians. Thanks to an esoteric statistical procedure called normalizing, Indian reservations—perhaps for the first time in history—wiped out non-Indian communities in the competition for LPW funds. More power to the Indians, but this was a freak statistical accident, with the computer as an unwitting accomplice.

Perhaps Government computers sometimes can produce poetic justice, but computers have not proven to be very astute about enforcing the antidiscrimination provisions of the 1964 Civil Rights Act or section 10 of the Public Works Act. EDA's Office of Civil Rights apparently made little effort to closely review affirmative action and civil rights compliance data within individual applications. Expansion of these efforts is essential but, to make any sense, requires that the act as a whole be cleaned up.

For example, by rewarding the level of per capita income in the EDA scoring system, inevitably larger cities—and States—would be discriminated against in project selection. Obviously, per capita income varies directly with the size of cities. Many center cities with higher per capita income could not compete with counties for project funding, which substantially contributed to the inequities mentioned previously. Income of the project area should count for more than the per capita income of the applicant's jurisdiction.

Furthermore, in the bizarre statistical manipulation of project scoring, the factor of the potential benefits of the project itself got lost. This fact brings me to my final point. The long term employment benefits produced by LPW projects should be given substantial credit in the project selection process as should the socioeconomic benefits to the

project area. These considerations probably were so obvious thta EDA overlooked them.

With this in mind, I strongly support the amendment offered by Chairman ROE that adds to the end of section 108 the words, "for improving socioeconomic conditions." If passed, section 108(g) would read:

States and local governments making applications under this Act should . . . (2) where feasible, make requests which, although capable of early initiation, will promote or advance longer range plans and programs for improving socioeconomic conditions.

While this amendment is short, it is nonetheless very significant. Equally significant, however, will be the creation of a systematic procedure which makes it possible to evaluate how, and to what extent, the LPW program actually meets the intent of Congress and succeeds in remedying the gamut of problems and inequities that have plagued Public Law 94–369.

OPPOSITION TO PRESIDENTIAL ACTION ON THE CENTRAL ARIZONA PROJECT

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. STUMP. Mr. Speaker, President Carter's decision to halt further construction of the Central Arizona project is a shocking disclosure in the light of the financial resources the State of Arizona has committed to the project and the years of labor so many of our citizens have contributed.

No more disruptive action could be taken at this time to so upset the economy of our State and Nation which the President has stated he is giving the highest priority to stimulate.

The CAP through the years has had the wholehearted support of every one of its Governors, the State legislatures, and congressional delegation of every political persuasion, and the general public. With this show of unity we prevailed when we were opposed by the State of California on the legality of our entitlement to Colorado River water. After many years of difficult negotiations we succeeded in getting the approval of Congress for the project, and then in 1968 President Johnson signed the authorizing legislation, calling it a landmark in water resources development.

Since construction started in 1970 more than $392.4 million, including the Government's share of the cost of the Navajo generating plant, has been appropriated for construction of the project. Forty-five miles of aqueduct is nearing completion; 68 miles of transmission lines are being built; and 4,900 acres of land have been acquired for rights-of-way.

It is incomprehensible that the President would take such drastic action without consulting the Governor, the elected officials of our State, or those who have the responsibility for the project. This is totally inconsistent with the pledge he made to the people of this country to conduct the affairs of state openly.

The effect of all of this is that Arizona is being denied the water the Congress of the United States has promised it will deliver to our fast-growing, urban population; expanding industries; and to our Indian tribes and non-Indian farmers.

COMMENTS ON AMBASSADOR YOUNG'S AFRICAN VISIT

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mrs. COLLINS of Illinois. Mr. Speaker, United Nations Ambassador Andrew Young recently returned from his first trip to Africa since assuming his new post. While there, he discussed current African issues and American policy toward Africa with many of the continent's major leaders.

The trip was both a symbolic and a practical way for the Carter administration to show that it is fundamentally rethinking previously held American attitudes toward Africa. As Mr. Young said,

They (the Africans) are anxious for a new start, and that's what I'm looking for too.

In the February 16 issue of the Washington Star, Columnist Carl T. Rowan presented an intelligent and insightful essay on the Young trip and what it may mean for the future of American-African relations. I include Mr. Rowan's column in the CONGRESSIONAL RECORD so that my colleagues will have a chance to consider this increasingly important topic:

YOUNG, CARTER AND AFRICA

(By Carl T. Rowan)

People already are citing Ambassador Andrew Young's mission to Africa as proof that President Carter scored a diplomatic coup when he named this black man as his chief representative at the United Nations. They are saying that only a black American with Young's honesty and simplicity of approach could have closed the wide and icy chasm that has existed recently between the U.S. and Nigeria, Africa's most populous and richest nation.

Undoubtedly, Young's blackness has been a factor in the warmth of the initial welcome he received. But it would be a serious mistake to assume that the former Georgia congressman can ride the "bonds of race" to any lasting triumphs in Africa.

After all, we had a black ambassador to Nigeria (John Reinhardt, new director of the U.S. Information Agency) from 1972 to 1975. That didn't stop Nigeria from displaying arrogant hostility toward the U.S. and U.S. officials on frequent occasions.

Ambassador Young has been embraced by Lt. Gen. Olusegun Obasanjo, Nigeria's head of state, not so much because of Young's race as for the fact that Obasanjo and other Africans believe Young is the spear-carrier for a new breed of U.S. policymakers.

Young stuck his neck out and said he could virtually guarantee Africans that the U.S. would repeal the Byrd amendment that has permitted the import of chrome from Rhodesia. Days later Secretary of State Cyrus Vance was telling Congress that "the Carter administration attaches the highest importance to repeal" of this 1971 amendment, named after its sponsor, Sen. Harry F. Byrd Jr. of Virginia.

Africans sense that Young feels secure enough to say what he thinks proper and do what he regards as necessary, however much it may startle or upset diplomatic traditionalists back home.

Young provoked disavowals, spoken gently, at the State Department when he said that Cuban troops lent a measure of stability to Angola. Young spoke the truth. If the Cuban troops were not there, South African forces from the south and troops from Zaire to the east would be rummaging around in Angola, and the civil war would be in full blaze. Young's problem is that his saying it suggests the Carter administration wants Cuban-enforced stability.

Nevertheless, this conflict with official policy did not deter Young from meeting with Angolan leader Agostinho Neto when an opportunity arose in Nigeria. He didn't hide behind the old line that "you just don't meet with people whom the U.S. has not officially recognized."

Nigerians refused to receive former Secretary of State Henry Kissinger because they believe he sold out the black peoples of Namibia (South-West Africa) and South Africa in an effort to bribe South African Prime Minister John Vorster into helping to force Rhodesian whites to accept black majority rule. The evidnece is overwhelming that the Nigerians read the situation correctly.

Nigerian and other black African leaders clearly expect the Carter-Vance-Young team to lower the boom on Rhodesia, to pressure South Africa to stop holding Namibia in defiance of world opinion, and to demand that Vorster's Afrikaaner government halt its suppressions of South Africa's black, colored and Asian majority.

With the exception of pressures on South Africa itself, where even Young speaks with a strange ambivalence, the black Africans are not likely to be disappointed.

But if the U.S. does disappoint them—if Carter administration policies fall far short of what Africans expect—Ambassador Young will find no refuge in his blackness. Alienation between the U.S. and Africa will grow—to the detriment of human freedom everywhere.

LETTER TO UNCLE SAM

HON. CECIL "CEC" HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. HEFTEL. Mr. Speaker, I would like today to call attention to a young man from the 50th State who has distinguished himself and inspired others with his vision of what America is and can be in the future.

David Susumu Lancaster, a 17-year-old senior at Farrington High School in Honolulu, has been judged the Hawaii State Winner in the 30th annual voice of democracy scholarship program.

The program is sponsored by the Veterans of Foreign Wars and its ladies auxiliary and offers thousands of young men and women across our Nation the opportunity to express their understanding of the ideals on which our nation was founded.

The theme of this year's program is "What America Means to Me." Mr. Lan-

caster demonstrated his originality and outstanding writing ability by composing a letter to his "Uncle Sam." I offer this letter for the general edification of the House.

LETTER TO UNCLE SAM

Dear Uncle Sam: I received your letter, stating that you are making out your Will. I understand your eagerness to hear from each one of your 60,000,000 nieces and nephews, throughout the United States of America. You need very much to know where each one of us stands on this all-important topic: "What America Means to Me." May I state that I feel that you are perfectly justified in requesting this declaration from each one of us, for, as you have stated—you recently passed your 200th Birthday! You should not find it necessary to shoulder the full responsibility of the Government, by the Government, and for the Government, for over 200,000,000 American citizens. Tomorrow, the reins of American Democracy will be in our hands! You do not wish to turn this exiciting, beautiful Countryside over to irresponsible, foolish Youth! You do not wish to see your national Wealth, squandered on Alcoholism, Drug Abuse, and other degenerating experiences! Your search is a genuine one, for the Rightful Heirs to the Land!

I shall, therefore, try to be as truthful and as brief as possible; for, as you know, I am one of your 18-year-old nephews who wishes very much to share in our Country's rich heritage and promising Future! For, the next twenty years will be of great importance in determining which Ideology, Democracy, or, Communism, will lead the World. My peers and I are very much aware of the fact that, as our Master Teacher stated, "We are our Brother's Keeper." To the millions of Freedom-cherishing citizens of the Globe, "America is the last great Hope of Mankind."

"What does America mean to me?" you ask, Uncle Sam! May I say, simply, that, to me, *My Country means Everything in the World!* She represents my Parents and my Friends! Her Spirit is in Air that I breathe, the Food that I eat, and, even in the Clothes that I wear! She goes with me to my favorite Church on Sunday morning. She sits beside me at the Football Game on Friday evening. She has guided me in my chosen career of Statesmanship, which I hope to pursue for a Lifetime! She holds my Past, my Present, and my Future, in her strong, right Hand! She represents my Country's History, my Rightful Heritage, and my complete Happiness! I trust that you will not find me overly-sentimental, Uncle Sam; but, when I see Old Glory fluttering in the breeze, my Pride swells up, inside, and out, often, I brush a tear from my cheek. On Veterans' Day, when a National Leader places a wreathe at the Tomb of the Unknown Soldier, in Arlington National Cemetery, I utter a special prayer of Thanksgiving, not only for my own Brother, who died in Vietnam, but, also, for the thousands of "other" Brothers—of all Races and of all Wars, who have been willing to place their young lives, upon our Country's Altar of Freedom!

On January 20, 1977, a "new face" took his place in the White House. A "new name" now carries the banner of the world's highest-elected Political Office, a person who represents the Soil, the United States Naval Academy, and one of America's finest Institutes of Technology! I think you know how earnestly your teen-age nieces and nephews are praying *that* this person, this new president, will be able to lead our Country and our Congress—as we solve our gigantic problems of Unemployment, Inflation, and Crime!

In a few short years, I trust that I, too, shall be worthy of being a "new name" and a "new face" in American Politics. Confidentially, I am studying, learning, and applying my talents—in order that I, too, may become a well-qualified, humble servant to my Country and for my Fellow-Man! With a Heritage, and with a Legacy, such as mine—which are bequeathed to me, by my favorite Uncle, Uncle Sam, I can do no less!

Signed, Your devoted Nephew,
DAVID SUSUMU LANCASTER.

DROUGHT IN THE WEST

HON. MAX BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. BAUCUS. Mr. Speaker, I would like to say a few words today about the disastrous drought problems in the West. We in the West are in dire need of immediate Federal planning and assistance to address this problem.

Nineteen of my western colleagues joined me earlier this month in a letter to President Carter calling upon his administration to initiate disaster relief programs for drought-stricken areas. We must not forget that the West is facing the same economic catastrophe for having a mild winter that the East is facing for its harsh winter.

However, we in Congress should not idly sit by and wait until the President acts on the drought. We can offer help, and we should. This budget resolution is our vehicle to offer the West relief.

Yesterday we approved a third budget resolution for the current fiscal year. The new budget substantially increases fiscal year 1977 outlays for agriculture—$844 million—and for natural resources—$1 billion. Also fiscal year 1977 budget authority for commerce is increased by more than $100 million. Hopefully, these increased amounts will be directed in substantial part to deal with the problems of western drought.

The West needs assistance in form of disaster relief for communities, farms, and ranches which face certain loss of water due to reduced precipitation. And, we should not be deluded by this week's weather reports. Yes, it is raining and/or snowing in the West, but experts have stated that for our region to have its normal amount of precipitation this winter, it must have double the amounts we normally receive during the months of February, March, and April. I may not be a good weather forecaster—in fact I hope I am not—but I doubt if increased rainfall is on its way.

We need water, and we need it immediately. Weather modification has been talked about as a tool to help alleviate the lack of rain and snow. However, it is being used by individual States, especially Colorado, Oregon, and Washington, and not according to a regional plan. We need a regional plan to seed clouds.

Make no mistake about it. Cloud seeding does work. Earlier this week Colorado's snowfall was increased 20 percent by seeding. Yet, we in the West cannot act as a region until the Department of Commerce completes a study on weather modification under the recently passed National Weather Modification Policy Act of 1976. I hope that Commerce can expedite its study so that the West will receive cloud seeding this winter. It is needed now—not next summer when it will be too late.

I am submitting today a copy of the letter to President Carter. I will present next week a series of letters I will be sending to other members of the new administration urging additional specific actions on the drought.

The letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 8, 1977.

Hon. JIMMY CARTER,
President of the United States,
Washington, D.C.

DEAR MR. PRESIDENT: As you know, the Northwest and the Northern Plains are going through an unusually mild winter. Although that may seem pleasant in contrast to the frigid East, there are certain fundamentally serious problems in our region that we wish to bring to your attention.

Our districts are experiencing severe drought conditions, causing loss of revenues at ski resorts, anticipated loss of crops, and a lessening of energy produced by hydroelectricity.

Government snow surveys show that this year's snowfall is well under normal snow pack. In some of our states, we have fifty percent less snow than past years, causing our ski industries to lose millions in expected revenues.

Perhaps more ominous, harvests in the Plains states will almost certainly be substantially reduced unless there are precipitation increases over the rest of the winter. The drought is retarding grass growth and ranchers are relying more on feed grains, the cost of which is increasing sharply. Some ranchers are faced with foreclosure, in part because lending institutions are concerned about the effect of the drought on agriculture production.

According to recent reports, the drought in northern California may cost commerce upwards of $1 billion.

Also, our forests are in dire trouble if rain does not increase. Not only do we fear fires this summer, but this is the first time in memory that our constituents fear fires in the winter.

Many localities in our districts have begun to ration water. Others are actually dry now and are having to truck in water.

We sympathize with families in the East whose states are either snowbound or are being disrupted by the lack of natural gas. Nevertheless, we urge your Administration not to overlook the fact that our region is facing the same economic catastrophe for having a mild winter that the East is facing for its harsh winter.

Government efforts exerted to date are, in our collective judgment, inadequate to prepare the nation for the consequences of what is likely to become a prolonged drought in the Northwest and Northern Plains.

In light of the above, we urge your Administration to take certain immediate steps. First, there should be undertaken immediately an assessment of how much crop damage has been and is expected to be caused by the drought. Further, an assessment should be undertaken of the consequences that reduced harvest will have on farm prices and on national and world food supplies.

Second, we urge your Administration to undertake an immediate assessment of our nation's electrical supply to determine how the energy needs of Northwest and Northern Plains users who rely almost exclusively on the electricity produced by water power generation will be met when the drought reduces that supply.

Third, we urge your Administration to set into place immediately plans that will provide disaster relief and other appropriate assistance to communities, farmers, and ranchers in the Northwest and Northern Plains who almost certainly will have inadequate or no water supply in the coming months.

Your attention to these requests is most appreciated.

With best personal regards, we are

Sincerely,

Max Baucus, James Abdnor, William Armstrong, Les AuCoin, Don Bonker, John Burton, Norman Dicks, Robert Duncan, Frank Evans, Mike McCormack, Gunn McKay, Ron Marlenee, Dan Marriott, Larry Pressler, Joel Pritchard, Teno Roncalio, Pat Schroeder, Steve Symms, James Weaver, Tim Wirth.

BEHIND THE PROMISES

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. SYMMS. Mr. Speaker, this morning I had the privilege of being a guest of my good friend Eddie Cole of J. C. Penney Co. at the Penney management group meeting. The speaker at a breakfast this morning was the Honorable Meldrim Thomson, Governor of New Hampshire. I would like to take this opportunity to commend Governor Thomson's speech to my colleagues in Congress:

BEHIND THE PROMISES

(By Meldrim Thomson, Jr.)

(Speech given to the J. C. Penney management group Washington, D.C., February 24, 1977)

Behind the promises of Jimmy Carter and his Democratic Administration, what is the outlook for the economy of the nation?

Frankly, I view the prospects for a strong and prosperous America in the immediate years ahead as foreboding.

In the few minutes we have together this morning, I would like to tell you why I believe our economy is in trouble and by it our national security imperiled.

Under the strong stimulus of a Presidential campaign, Jimmy Carter laced his oratory together with such pleas as trust me, and we need more love and understanding.

His plea for trust reminds me of the tombstone inscription in one of our ancient cemeteries back home. The worn lines read:

Look on these lines as you pass by
As you are now so once was I
As I am now so you must be
Prepare to die and follow me

A local legend tells us that one night a wag crept into the cemetery and with penknife in hand added the following lines:

To follow you I'm not content
Until I know which way you went

Many of us who hold a conservative philosophy are unwilling to trust and follow the new President when we read the directional signs he and his administration have been busily hanging out in the last five weeks.

The Democratic platform all but admits that America today is a socialist society.

In bold strokes, it paints a futuristic picture of government control, welfare giveways, and public works programs.

Its multitudinous promises of public assistance, national health insurance, and relief for cities, schools and any supplicant with a strident tin cup would increase our swollen national budget by ⅓ or about $200 billion.

If these campaign promises could be kept, the near disastrous inflation of 11 percent that almost smothered our economy in 1974, would seem like a grass fire compared to the mighty conflagration that an additional $200 billion of government spending would spark.

The mixture of gimmickry and gall that thus far has marked the Carter administration gives small comfort to those who believe that the wealth of a nation is based upon sound principles of management and the productivity of labor.

Only as we convert natural resources and fabricate products, whether shirts and shoes for J. C. Penney or jumbo jets for commercial airlines, do we create wealth.

Several weeks ago President Carter proclaimed with much fanfare that door-to-door limosine service would be discontinued for the new bureaucratic aristocracy. Soon thereafter, he was flying an expensive government jumbo jet to Plains, Georgia for a weekend. Probably in one flight he wiped out the limo savings for a year.

Just before leaving office President Ford proposed a national budget of $440 billion for fiscal 1978. Of this huge sum, it was proposed that $47 billion be in deficit.

Now comes President Carter and says the budget is too low. It will have to be increased by $19.4 billion. And it's a good bet that it will be increased many billion more before the end of fiscal 1978.

Friends, we will never again have a strong economy until we can curb the terribly swift escalation of spending at all governmental levels, and especially federal spending.

It is estimated that today for every dollar earned by an American, 44 cents must go for taxes.

In Britain where socialism, the forerunner of totalitarianism, has a strangle hold on the people and the smell of decadence permeates the land, a worker must part with 60 percent of his earned income.

George Washington had wise advice for his fellow countrymen when on September 19, 1796, in his famous Farewell Address, he said:

"As a very important source of strength and security, cherish public credit.

"One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering also that timely disbursements to prepare for danger frequently prevent much greater disbursements to repel it, avoiding likewise the accumulation of debt, not only by shunning occasions of expense but by vigorous exertion in time of peace to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear."

Washington might well have had in mind as he penned those lines, that the first annual budget of our new nation was only $637,000 for about 4 million people. That figured out to a per capita cost of 21 cents.

How shocked he would be if he were abroad in the land today and could know that our current annual budget will be about $420 billion of which $68 billion will be in deficit. That is almost $2 thousand per capita.

In two hundred years the annual cost for government with its multivarious services has risen from 21 cents to almost $2 thousand for every man, woman and child in America.

Now that wouldn't be so bad if we could afford it. But our national debt is $650 billion.

The interest alone on the debt is $46 billion. This is almost equal to the entire national budget for 1950.

In 1977 the deficit for the national budget will be $68 billion. That is almost as much as the entire budget twenty years ago.

The disastrous effect of this constant compounding of the cost of government is seen in the deterioration in the purchasing power of the dollar. The 1967 dollar is worth only 58 cents today.

How little heed we have paid to Washington's admonition "to cherish public credit."

And how ungenerously we have heaped upon our children those financial burdens which we ourselves ought to bear.

Excessive public expenditures not only lead to that ugly sneak thief, inflation, but even worse they inevitably lead to government control over the free market place.

Wage and hour controls, allotments, allocations and the best of regulatory devices employed by bureaucrats are not the inventions of modern man. They were known and practiced by the ancients.

Toward the end of the Roman Empire the Emperor Diocletian resorted to managed socialism to overcome depression and prevent revolution.

He gave food to the poor and built extensive public works to provide for the unemployed.

To insure the necessities for the cities and the armies he bought up whole segments of industry and established state control over the import of grain.

Will Durant tells us that butchers, bakers, masons, builders, glass blowers, ironworkers, and engravers were ruled by detailed regulations.

The result of this government control was inevitable. It took half the population to manage government.

"To support the bureaucracy, the court, the army, the building program, and the dole, taxation rose to unprecedented peaks of ubiquitous continuity."

Now comes the Carter administration and makes its first major changes to the 1978 Ford budget. Just the Carter increase would amount to one and a half times the cost of federal government in 1940.

Welfare and Education programs would go up by $7 billion and community development by $2 billion. Six hundred new employees would be added to the Environmental Protection Agency for regulatory work—meaning, of course, more harassment of the private sector and further curtailment on the real production of energy.

Thus, the Carter administration proposed to further socialism in America by walking resolutely in the historic footsteps of the emperor Diocletian.

Almost a century and a half ago, the young man Abraham Lincoln told a Lyceum audience—

"All the armies of Europe, Asia and Africa combined with all the treasures of the earth (our own excepted) in their military chest, with a Bonaparte for a commander, could not by force take a drink from the Ohio or make a track on the Blue Ridge in a trial of a thousand years.

"If destruction be our lot we must ourselves be its author and finisher. As a nation of free men we must live through all time, or die by suicide."

After two hundred years of glorious development, is America now contemplating suicide?

Certainly, there is no need for it if we will but strike the shackles of government control and dependence and put into full motion again the great American free enterprise system.

Look at the jobs that could be made over night if encouraged by our free enterprise system to produce the energy we need to prosper and survive. There are wells to be drilled, gas to be piped and nuclear plants to be constructed.

In building just three ten-thousand megawatt nuclear plants the private sector could offer more jobs then would any public assistance program yet proposed by Congress—and all would be good paying jobs.

In New Hampshire, probably more than

in any other state we follow the tenets of the free enterprise.

We have created a healthy tax climate by avoiding general sales or income tax.

Forty-five states have sales taxes. Forty-one have income taxes. Thirty-six have both. We in New Hampshire have neither. Thus we have the lowest per capita state tax in the nation.

In New England, we have the lowest combined state and local tax at $525 per capita.

We are the only New England State with a triple A bond rating. Our public debt of $179 million is the lowest in the region.

We had a $6 million surplus this year and consistently operate on a balanced budget.

We have a surplus employment fund and thus can offer a lower employment security tax rate than can other New England States.

Small wonder we had the largest number of industries move to New Hampshire last year in the history of the state. Some fifty-six fine industries accounting for almost 10,000 new employees, came to our state.

Latest unemployment figures as of February 14th show our 3.4 percent unemployment rate not only the lowest in New England but also the lowest in the nation.

In our administration we have vigorously fought against the encroachment of the federal government upon our state sovereignty.

When the Coast Guard tried to take over control of our lakes and rivers, we threw them out. We are constantly in federal court trying to protect our citizen from the harassments and depredations of our monolithic federal government.

We believe in practice the free enterprise system.

That is why we say, "New Hampshire is what America was."

MILTON S. BYAM DAY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. ROSENTHAL. Mr. Speaker, this past Sunday was Milton S. Byam Day in Queens, N.Y. in recognition of "selfless service to all people" by this distinguished New Yorker. I am proud that he is one of my constituents.

The National Conference of Christians and Jews also joined on that day in honoring Mr. Byam for his humanitarian and community service.

Queens Borough President Donald R. Manes proclaimed the day Brotherhood Sunday to honor Mr. Byam's "endeavor to afford each person the most valuable human resource, the development of the individual and his or her creative powers."

Mr. Byam is director of the Queens Borough Public Library and has devoted the past three decades to professional library service.

He also has served as chairman of the Department of Library Science at St. John's University and director of the District of Columbia Public Library.

He has held leadership positions in many professional, service, and civic organizations and has received numerous honors from his professional peers as well as his community.

I wish to commend Mr. Byam on this most recent and well-deserved honor and insert in the RECORD Borough President Manes' proclamation of Milton S. Byam Day:

Whereas, Brotherhood is a universal concept guaranteeing justice, dignity and respect for all, here and the world over; and

Whereas, for nearly thirty years, Milton S. Byam has committed his life to the humanization of librarianship as an effective means of educating for Brotherhood; and

Whereas, his whole life, as a citizen and man, has been an example of selfless service to all people, and he has sought to afford to each person the most valuable human resource, the development of the individual and his or her creative powers; and

Whereas, the Queens Region of the National Conference of Christians & Jews, Inc. will appropriately honor Milton S. Byam at a dinner on Sunday, Feb. 20, 1977, at Antun's Restaurant,

Now, therefore, I, Donald R. Manes, President of the Borough of Queens, the City of New York, do hereby proclaim Brotherhood Week Sunday, Feb. 20, 1977, as Milton S. Byam Day in Queens in his honor and urge all residents to emulate his lifelong dedication to the spirit of liberty, which seeks to understand the minds of all men and women, while paying him the respect and love which he so eminently deserves.

WHAT AMERICA MEANS TO ME

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. KILDEE. Mr. Speaker, I was very happy to learn that Danny E. Corey of Flint, Mich., has been named the Michigan State winner of the Voice of Democracy essay contest, sponsored by the Veterans of Foreign Wars.

Danny is the son of Edward and Najat Corey, and is a student at Flint Northern High School. He serves as president of his senior class and has been a member of the Honor Society for 2 years.

Writing is only one of Danny's talents—he also earned a varsity letter in tennis, is a member of his school's marching band and drama club, and is an amateur photographer.

Danny hopes to study political science and law, and based on his past accomplishments, I am certain he will do very well.

I should like to take this opportunity to share with my colleagues, the very fine essay written by Danny Sorey:

WHAT AMERICA MEANS TO ME

(By Danny Corey)

It has been said that a nation's greatness can be measured by how great its people are. Our nation has enjoyed 200 years of greatness through its people. From all parts of our country, through every walk of life, there are people who demonstrated the American ideal.

In Atlanta, Georgia, on January 15, 1929, a man was born who would become a leader to be remembered. He spoke of his dream; of seeing in his own lifetime equality and brotherhood for all men. Martin Luther King died before he could fulfill his goal, yet in his short lifetime he was able to preach the same ideals that our founding fathers had struggled for. He was a man with a dream—an American at heart, and that's what America means to me.

Helen Keller was born with a handicap that determined the course of her life. She may have been physically blind; yet she had a vision beyond measurement—a sight for hope and determination. With her strength and willpower she won fame for her success and later established help for other blind people. She was a woman with vision far beyond the physical act of seeing. An American at heart, and that's what America means to me.

A young man was born on a farm in Nebraska. He was not fortunate enough to gain fame for his achievement. To him growing up in America might have meant enjoying the simplicities of baseball and apple pie or maybe the dream of going to college or taking over the family farm. But before any of his plans could materialize he was called to duty to defend his country along with thousands of other boys. He died on the grounds of the Argonne forests in World War II. His name is unimportant, yet his patriotism symbolized an American way of life since the minutemen gave their lives for liberty. This young man, like many others, was a man with courage and loyalty. An American at heart, and that's what America means to me.

Looking back at our nation's history and seeing the accomplishments of the many Americans like Martin Luther King, Helen Keller or the tragedy of a lonely soldier on a battlefield, proves that the vital element in our nation's success is contained in the preamble to our Constitution in the simple phrase "We the people". Think what that phrase really means. It's the essence of our democracy. It doesn't mean the president; it doesn't mean the Congress, nor does it mean labor unions and big business. It means we, the people. We the blacks, we the whites, we the rich, we the poor, we the multitude! And that is what America means to me.

This powerful declaration means that we the people hold the key to open the doors for this country, to build this nation into even higher glory and to guarantee the full rights of our citizens.

Our forefathers struggled through a bitter civil war, an impeachment of a president, two world wars and a great depression, and we too must struggle. I am inspired by our history and the work of our forefathers who kept the idea of "we the people" burning in their hearts and minds. I feel "we the people" must challenge ourselves to the responsibility of fighting for the right to preserve the American dream and keep the torch of justice and democracy burning forever.

The greatest honor of being an American is the inheritance of a land, a Constitution and an ideology devoted and pledged to the freedom of all men, the equality of mankind, and the preservation of a democracy so precious in our hearts.

We must dedicate ourselves to this challenge with our every last measure of devotion. Our best years are not behind us—they are yet to come.

I am confident that we the people will not forget the dreams of Martin Luther King, the vision of Helen Keller, or the courage and loyalty of millions of Americans who fought to bring us to where we are today. So that we will look to the future and understand that we, too, have the responsibility of keeping the ideals and principles of America burning. So that future generations will be able to share in the great American dream. And that's what America means to me. Thank you.

PUBLIC ASSISTANCE BENEFITS UNDER SOCIAL SECURITY ACT

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. CORRADA. Mr. Speaker, yesterday I introduced H.R. 3871, a bill that would extend full public assistance benefits under the Social Security Act

to the U.S. citizens residing in Puerto Rico, Guam, and the Virgin Islands, who would otherwise qualify for such assistance.

This assistance is now being denied solely on the basis of a geographic discrimination.

Ever since the enactment of the public assistance titles of the Social Security Act the residents of the offshore territories have either been excluded from receiving many of its benefits or there are such discriminatory ceilings in the grant to the territories that the benefits received under these programs are totally inadequate to meet the needs of the people.

Specifically, the residents of Puerto Rico are excluded completely from receiving benefits under the so-called Prouty amendment and supplementary security income and labor under the following ceilings and restrictions on other titles:

1. Income maintenance (AFDCE and Adult categories) $24.0 million ceiling and 50% matching requirement.

2. Medicaid—$30.0 million ceiling and 50% matching requirement.

3. Title XX—$15 million ceiling if unallocated.

4. Family Planning and WIN services—$2.0 million ceiling.

Mr. Speaker, these ceilings and restrictions have created serious inequities in the benefits received by the U.S. citizens residing in Puerto Rico and other offshore territories. For example, although per capita income in Peutro Rico is less than 40 percent of the U.S. level and 60 percent of all families have incomes below the Federal poverty level, only about 13 percent of the population receives cash assistance due to funding limitations. Also due to funding limitations Puerto Rico pays only 40 percent of its AFDC need standard. The Federal share of the AFDC grant is a disproportionately low $4.78 versus a U.S. average of $39, and Puerto Rico has found it necessary to overmatch the Federal share in order to maintain a minimum adequate level of support, these higher matching rates have been a burden to Puerto Rico given our limited fiscal capacity.

These ceilings have remained static since 1972, and if we take into consideration the high rate of inflation, we find that the real value of Federal payments have been reduced to less than 60 percent of the 1972 level.

Faced with these blatant inequities and obvious discrimination, the Under Secretary of Health, Education, and Welfare named an advisory group on Puerto Rico, Guam, and the Virgin Islands, to make recommendations regarding this situation.

The advisory group recommended that—

The Department should move toward a posture that reflects the dominant treatment of Puerto Rico under all Federal legislation.

That is as a State.

My bill will do just that, to treat U.S. citizens residing in Puerto Rico as full-fledged citizens of the United States for the purposes of the titles of the Social Security Act that now discriminates against them.

In President Carter's message to Gov. Carlos Romero-Barceló of Puerto Rico on the occasion of the Governor's inauguration on January 2, 1977, the President expressed his commitment to the people of Puerto Rico in the following words:

Too long have some sectors of Washington approached Puerto Rico on a dividing "we and you" basis, forgetting that Puerto Rico is an island where over three million American citizens live. As President of the United States, you can be assured that I will be conscious of the needs of all American citizens, wherever they may be.

The President also stated that—

The Constitution of the United States does not distinguish between citizens. We do not have in our country first and second class citizens.

Puerto Ricans, Mr. Speaker, particularly the poor, are treated as second class citizens under parts of the Social Security Act.

I hope, Mr. Speaker, that Congress, in its wisdom will adopt this kind of attitude toward the U.S. citizens residing in Puerto Rico, particularly the poor, the elderly, and the disabled. People that by their circumstances look upon their government to provide them with adequate assistance to upgrade the quality of their lives.

ESTONIAN INDEPENDENCE DAY

HON. PETER W. RODINO, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. RODINO. Mr. Speaker, I want to commemorate a brief but great moment in Estonian history when the Estonian people achieved their independence from foreign domination and installed a democratic government.

Following the exodus of the Communist regime with the arrival of German troops during the First World War, Estonian leaders took the initiative to quickly proclaim their independence on February 24, 1918.

As it rapidly became obvious that German rule would prove no better than Soviet control, many prominent Estonians temporarily fled their country and campaigned abroad for the diplomatic recognition of a sovereign Estonia. Their efforts proved so successful that even while under German occupation, Estonia received de facto recognition from Great Britain, France, and Italy.

With the tide of war turning against the Germans, they withdrew from Estonia in 1918 and a Soviet attempt to recapture the tiny Baltic nation was valiantly repelled by the Estonians, later assisted by Finland and England. In February, 1920, 2 years after their declaration of independence, Estonia and the Soviet Union signed a peace treaty in which the Russians agreed to renounce forever any rights over the people of Estonia. Later in 1920 a constitution was adopted providing for a democratic form of government and guaranteeing the rights of minority groups. By 1922 Estonia had received full diplomatic recognition from the United States and was a member of the League of Nations.

Estonia enjoyed liberty until the outbreak of World War II, when she was "assigned" once again to the Russians by the nonaggression treaty between Nazi Germany and the Soviet Union. The arrival of Soviet troops was the first stage in destroying Estonian freedom, and by the middle of 1940 the Estonian Government had effectively ceased to exist.

The courageous struggle of the Estonian people for liberty against tremendous odds is an inspiration to freedom-loving people everywhere, and it is fitting that we reaffirm today our commitment to their cause.

"WHAT AMERICA MEANS TO ME" SARAH JANE POPOVICH, VOICE OF DEMOCRACY WINNER, ARIZONA

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. UDALL. Mr. Speaker, Arizona's winner in the Voice of Democracy scholarship program sponsored by the Veterans of Foreign Wars hails from the congressional district I have the honor to represent.

She is Sarah Jane Popovich of Huachuca City, a junior at Tombstone High School.

Sarah, in her winning essay, takes note of the freedom of choice, the option of both men and women in our country.

"So many things to decide each and every day, but they are our own choices, not choices that are forced on us," Sarah observes.

I commend her winning essay to my colleagues:

WHAT AMERICA MEANS TO ME

(By Sarah Jane Popovich)

When I sing the Star Spangled Banner or say the Pledge of Allegiance, I get this strong and beautiful feeling inside. I am so proud of my country. America, a name that means something different to each of us, and something very special to me.

America, which has been said before, is a land of opportunities. How wonderful it is that I can choose a goal, a career, and be assured that if I work toward it I can reach it. How many times have poor people worked to become wealthy and succeeded? How many people have a college education today that would not have one if they lived in another country? Any man with a dream, ingenuity, and a willingness to work can see that dream come true. Isn't that wonderful? I am so proud to live in this land.

From the time our country was founded, people have had freedom of choice. Today a woman can choose to have a career or not. She can be married and be a homemaker, she can be married and still work if she chooses. She can even hold a political office. Likewise, a man has the choice of marrying or not, holding a career or just working at an unskilled job, he can join one of our armed forces, be a politician, or a farmer. So many things to decide each and every day.

but they are our own choices, not choices that are forced on us.

I feel that America has the best working government in the world, and part of the reason is that we are allowed and encouraged to criticize it. Because people are constantly criticizing it, it is constantly being improved upon. To me this is one of our most important rights—freedom of speech. Without it America would only be a weak, unimportant country, but because we have freedom of speech, we have a great and progressive country.

Two very important things in my life are God and music. I am so thankful to live in a land where I can choose my own religion, my own way of worshiping God as I see fit. No one can dictate to me or pressure me into believing a certain way. If this right were taken away, America would not hold its same meaning.

America is also a land of music. Music fills our lives in every corner, it is heard everywhere. America has many different types of music that are only characteristic to Americans and no one else. And isn't it fitting that a land filled with so many different people has so much beautiful music?

Americans love like no other people. Americans have such compassion for one another. There are so many charities and helpful organizations based on love for mankind. Look at all of the holidays we celebrate by giving gifts or just giving ourselves.

So to me America means opportunities, freedom of choice, freedom of speech, freedom of religion, beautiful music, and love for people. America is the land I love above every other and always will. I will always try to keep her the way she was meant to be, with liberty for all.

NATO IN DISARRAY

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. CORCORAN of Illinois. Mr. Speaker, in an era in which it has become fashionable to endorse the slashing of defense budgets, I think all of us would find it enlightening to read an article to be published in the March issue of the Alternative magazine entitled "NATO in Disarray." In this stirring article, Mr. F. S. Manor, the senior editor of the Winnipeg Free Press reflects on the seeming obliviousness to the massive Soviet arms buildup in Europe and the enormous gap between NATO's military forces and those of the Warsaw Pact.

As Mr. Manor so eloquently points out in the Alternative—a magazine which I have found to be a refreshing and lively journal of our lives and times—NATO no longer has time to take counter measures against the Russians, "because Soviet forces massed at the West German border are so fully integrated, equipped and supported that they can advance immediately. The Russians have their entire infrastructure at the border and they can move any time without mobilizing reserves or bringing up reinforcements first."

Mr. Speaker, I believe that we would do well to consider the gravity of the Soviet military buildup and its threat not only to the freedoms of our friends in Western Europe, but to our own as well. I insert Mr. Manor's thought-provoking article at this point in the RECORD and urge my colleagues to take heed to his words.

[From the Alternative Magazine, March 1977]

NATO IN DISARRAY

(By F. S. Manor)

The itinerary of my winter journey was entirely fortuitous. Yet the three pieces of the mosaic—Cyprus, Brussels, and Vienna—produced a remarkable coherent picture, one of Western ingenuity and enterprise, threatened by an equal dose of Western pusillanimity and an obstinate refusal to face harsh realities. Having spent a good part of the Second World War worrying about the efficacy of black-out, I find an almost childish pleasure in the dazzling illumination and the brightly lit, richly stocked shopwindows of the festive season. This Christmas, however, as I strolled amidst the well-dressed throng of Brussels and Vienna, watching passers-by laden with parcels, peering into stores crowded with customers, but above all savoring the gay lights that dispelled the early December darkness, I could never suppress the thought nagging at the back of my mind: How much longer?

An utter obliviousness to present realities informed the spirit wherever I went: Under the swaying palm-trees of beautiful Cyprus, where the Greeks still believe they will go back to the areas now firmly held by the Turks; in Brussels where—as in the Vienna of 1918—the situation is considered hopeless but not desperate; and in Vienna itself where the Austrians are trying to convince themselves their neutrality will save them from whatever cataclysm may engulf their neighbors.

CYPRUS: THE SCORPION AND THE TURTLE

On a tree-lined avenue of Nicasia the thick walls of the Moorish-style building surrounded by delightful gardens spoke of a time long before air-conditioning had been invented. The punkah that monotonously whirred on the ceiling to cool the 80-degree heat of Nocosia's December was witness to the British legacy: The punkahs that once revolved from the countless ceilings between the Mediterranean and Hong Kong were as British as Yorkshire pudding. Young men impeccably dressed, except for the minatory bulge in their jackets, lounged by the various entrances while elderly messengers shuffled forever with cups of sweet Turkish coffee, this a legacy of three centuries of Turkish dominance.

The Greek-Cypriot cabinet minister, who, preparing for a vital international conference for which he was leaving that very evening, yet found time to spare an hour to a newsman from the Canadian Prairies, was remarkably realistic about his neighbors. He did not foresee an early end to the Lebanese tragedy—and the latest reports of sporadic fighting in Lebanon bear out the minister's accurate assessment. He was equally pessimistic about the prospects of an Arab-Israeli settlement, his views sharply at variance with the anodyne pap on the Middle East fed to the public by the departing President Ford.

But when it came to the future of Cyprus the minister's clear vision became clouded. He believed in an united Cyprus in which the Greeks would be allowed to move freely across the zonal boundary, a line that in Nicosia is as ugly and depressing as that which divides Berlin. It still lacks the vicious East German dogs, but my long experience of human folly leads me to believe that is only a question of time. The minister argued that the central government of Archbishop Makarios must be sufficiently strong to hold the island state together. And when I hesitantly pointed out that such dreams were unlikely to be realized, the minister said he had to maintain "positive optimism." Otherwise he really could not be in the job.

The same illusions cloud the vision of the Canadians, who for 12 years have been supplying substantial forces in the futile attempt to "keep peace" on this peaceless island, once dedicated to Aphrodite, the goddess of love. It is depressing to watch these smartly turned-out soldiers, the best troops in NATO, wasted on ludicrous duties where they forever argue with the two sides about a new piece of concrete wall, a new platform on an Observation Post that makes the Turkish OP three feet higher than the opposite Greek post or vice versa. They plead, they cajole, they argue, and when they cannot persuade one or the other side, they file a grievance with the United Nations in New York. It would be funny if it were not for the backdrop of all those Soviet tanks and ground forces poised along the Central Front of Europe, where a well-trained Western company may mean the difference between these gay Christmas lights and a new devastation.

Meanwhile, the spirit of free enterprise that built our civilization, indeed the Greek spirit that had inspired Western thought processes, is as alive as ever. The truncated Greek part of the island is humming with activity. Hotels had been lost in the part seized by the Turks, but new hotels are rising in the Greek sector, and if the British tourists no longer come because they have become poor, perhaps the Scandinavians will come, or the Germans, or the French. This faith in economic future, in the ability to master all adversity whatever the odds, differs sharply from the Western refusal to protect the fruits of these labors, to defend the freedoms each of us cherishes. Indeed, it would seem as if we were two different civilizations, one full of ingenuity, the other dying on its feet.

The same paralysis of will that makes the British and the Dutch slash their defense budgets in the face of the biggest offensive build-up ever by the Soviet Union, obscures the vision of the Greeks and the Turks, both threatened by the self-same build-up, both refusing to forget their petty quarrels in the face of a far more deadly peril. The Turkish foreign minister who attended the NATO meeting in Brussels called a press conference to warn the Western public about the possibility that his government might effect a reversal of alliances and make friends with the Soviet bloc, as Helsinki encourages everyone to do. ("Helsinki" has ceased to be a geographical term and now covers a vast multitude of sins.)

The southern flank of NATO is thus in complete disarray. A senior naval officer in Brussels suggested we might have to "amputate" Cyprus to save the alliance in the Mediterranean. He "tilted" towards the Turks, and indeed all military estimates indicate that in a conflict the Turkish forces would go through the Greek lines like a knife through butter. But why a conflict? Why not a settlement? It is the old Israeli story about the turtle and the scorpion all over again.

The scorpion asked the turtle to carry it across the Suez Canal. "No," the turtle refused, "you are too dangerous. You would sting me." "Don't be silly," the scorpion reassured the turtle. "You know I cannot swim and if I sting you we'll both drown." So the turtle carried the scorpion on its back and in the middle of the Canal it stung the turtle. "Why did you do it?" the turtle asked in agony. "Now we'll both die." "This," answered the dying scorpion, "is the Middle East." The Middle East of Beirut and Cairo, of Nicosia and Ankara.

BRUSSELS: PANTS AT HALF-MAST

In Brussels, as in Canada, the air-traffic controllers were on strike and our Boeing circled the airport for an hour, consuming precious fuel for which we give the Arabs our hard-earned substance plus our weapons that in due course they will use against the West. The Canadian air-traffic controllers had

objected to the use of French in air traffic control, and one wondered whether the Brussels controllers objected to Flemish.

At NATO headquarters near the airport the pickets were out. The civilian personnel of the alliance was on strike, placards and all. I watched an Italian Communist reporter I know, the Brussels correspondent of *l'Unità* of Rome, together with her colleagues from *Pravada*, Tass, and—a new appearance this at the NATO meeting—a group of Bulgarian "accredited correspondents," interview the pickets and carefully copy in their notebooks the text of the slogans on the placards. The Bulgarians' cameras clicked and whirred—Warsaw Pact meetings were never like this.

It was a perfect reflection of the state of the alliance. The enemy is at the gates and the very heart of NATO is paralyzed by a quarrel over a cost-of-living bonus, with Communist correspondents on hand to report it all.

I have now attended the NATO ministerial meetings for more than a decade and I believe this was one of the gloomiest sessions I have ever witnessed. The ministers were given figures, shown pictures and graphs illustrating the massive gap between the forces of NATO and the Warsaw Pact. And at the end of the week they duly dispersed without taking any decision, having come to the comfortable conclusion that the Russians are not ten feet tall—as if even pygmy Russians could not race those tanks to the Channel and press buttons on all their wonder missiles. Back at home it is defense-budget-cutting-time as usual, something that is about as logical as cancelling, as an economy measure, a fire insurance policy while the neighbor's house is burning.

Western superiority in quality is going fast, if it has not already gone, substantially helped by Western exports of sophisticated technology and large cheap credits given to the Soviet Union, something everybody in Brussels deplored, but the British had hardly finished their deploring when they turned on the United States to castigate the Pentagon for interfering with an export contract that would greatly improve the performance of Soviet missiles.

NATO lacks ground forces, tanks, and planes; but, first and foremost, the alliance lacks time and space, two vital ingredients without which deterrence is an illusion. Once, it was thought, a political crisis would be accompanied by a Soviet build-up that could be observed by satellites and give NATO time to take counter-measures. But NATO no longer has such time, because the Soviet forces massed at the West German border are so fully integrated, equipped, and supported that they can advance immediately. And NATO lacks space because Western anti-tank weapons could not stop the overwhelming mass of Soviet tanks once they got moving.

The Russians have their entire infrastructure at the border and they can move any time without mobilizing reserves or bringing up reinforcements first. "They have it all ready on the ground," I was told repeatedly, "and they are right at our throat."

"At present the danger is we shall be jumped at unprepared," a British general told me. "And a jump from peace to war would catch the alliance with pants half down."

Pants seemed to figure almost as much in the discussions as did the estimated height of the average Russian. A NATO defense minister mused on what may be happening. "We must consider that if they think we are soft enough," he said, "and they believe in their system, they may intend to use their new military capability. You cannot be sanguine about that." He then complained about the ministers sitting in closed meetings and being briefed while the public remains unaware of what is happening.

"You have to have public awareness of this to get the political support that is necessary to do the things that are essential," the minister said. So I asked him whether, as an experienced politician, he planned to enlighten the public. "If you mean that I shall go up and down the country scaring the pants off people, no I shall do nothing of the kind," he replied. Why not? In the present climate, manufactured by our all-powerful media, he would have "to sound like a redneck," he admitted ruefully. What he did not say was that this would end his political career.

The tragedy—or perhaps the criminal negligence—is that so many people are perfectly aware of what is going on, but are afraid to say so aloud, or if they say so are howled down by a chorus of media "persons" yapping in unison: "cold-warrior! warmonger!"

A French officer attached to NATO, one who obviously does not share the go-it-alone ideas of his political bosses, said the Soviet preponderance in tanks was "a frightening prospect." He dismissed as wishful thinking reports that the Soviet aircraft captured in Japan was second-rate. It was a fine aircraft, and the Russians are continuously improving their weapons on a scale the West cannot match.

Our "flexible response" strategy is yet another instance of wishful thinking in Western liturgy, "graduated response" means that if the superior Soviet conventional forces overrun NATO defenses, NATO will reply with its little tactical nukes and go on to slightly bigger nukes and so on. The Soviets have never accepted this premise. They say the moment nuclear weapons are used, whatever their size, they will let go with everything in their arsenal. There is, moreover, a new facet to Soviet tactics: The Russians are now fully trained for chemical warfare.

In a recent exercise Soviet forces contaminated an area in East Germany with modern chemicals, then went through it simulating an attack on NATO's rear, and after a successful completion of the exercise decontaminated the region making it safe for occupation. The Soviet units were fully equipped and trained for chemical warfare. They must have been training somewhere beyond the Urals before bringing their new chemical toys to Germany to try them out on what would closely approximate the future battleground. But we must keep this quiet. No use scaring the pants off people.

We have detente. And SALT II. And the Mutual Balanced Force Reduction talks or MBFRs. (The 'B,' however, is silent and must never be pronounced.) The NATO defense ministers were told in Brussels by their military advisers that none of these talks will affect the military balance or lead to a change in the three-to-one Soviet superiority in conventional forces. But like the proverbial show, the talks must go on.

The new Canadian minister of external affairs, Don Jamieson, was typical of the "face-the-wall-my-darling" attitude that prevailed among the foreign ministers. (The defense ministers have more guts, but they wield less influence and have no money.) Mr. Jamieson waffled as much as his external affairs department top advisers, who insisted that the Soviet preponderance was "perfectly manageable." These were Mr. Jamieson's enlightening comments: "If I have an overall impression from this meeting, it is that the Kissinger approach is the one that commends itself to me, because there is always in this kind of discussions the problem of assessing Soviet strength and saying the only alternative is to match it, in which case we would be in a horrendous arms race, whereas Mr. Kissinger was saying you have to couple a realistic appraisal with again renewed effort at disarmament and finding some kind of understanding that does not lead to a scandalous waste of resources."

Perfect, is it not? On the authority of the world's Number One Guru we don't have to do anything. All we need is another realistic appraisal and then let us offer the Russians yet another round of negotiations. The talks can go on while the Russians complete their build-up, if there is anything more to complete, that is. Meanwhile, we shall worry about indexed unemployment benefits and forget the "horrendous waste."

MBFR: MUCH BETTER FOR THE RUSSIANS

To see how we are getting along with finding that "some kind of understanding" I flew to Vienna to learn more about MBFRs. At NATO the initials (interpreted by some as "much better for the Russians) still stand, but in the Russian language "balanced" is a four-letter word very much infra dig. A Western diplomat's wife, who sent a note to the Soviet ambassador thanking him for one of those parties with which the diplomats ease the tedium of their inaction, received the note back unopened. She had committed the unforgivable *faux pas* of addressing the note to "the Soviet ambassador to MBFRs"—and it was rejected like an impertinent diplomatic protest.

A few days after by arrival in Vienna, yet another round of talks was completed and the negotiations adjourned for the Christmas/Grandfather Frost holidays. We could have an agreement tomorrow, a diplomat told me, if we accepted the Soviet proposals. These are endearingly simple: An acknowledgement by NATO of permanent Soviet preponderance in Europe further tilted in Soviet favor by new drastic restrictions on West German forces; and a pledge by NATO not to enlarge the alliance, such as by bringing in Spain. Not a word in the Soviet proposals about NATO's demand that the Russians withdraw one army of 68,000 men and 17,000 tanks behind the Soviet border. This is not much to ask since "disparity in ground manpower in the area (i.e. Central Front) is somewhat larger than 150,000 men."

This estimate is taken from the communiqué issued by the Western allies on the occasion of the Christmas recess. There is another interesting sentence in the communiqué: ". . . it is apparent that the military significance of what the West is offering is at least as great as the military significance of what it is asking from the East." Note, not of what the East is offering: the East does not offer anything. Nonetheless, the communiqué ends on a brave note: "As regards prospect for progress in coming rounds, we are not pessimistic." The foreign ministers will be glad to hear it. They know that "we must develop a more realistic understanding of detente, and the task of public education falls on the Western governments themselves."

BEFORE THE SACK

I wound up my Vienna talks listening to Austrian politicians and officials, who after all are right in the middle of the row, desperately trying to keep out of it.

The Austrians still tell jokes. Which is the world's most neutral country? Czechoslovakia, of course. They don't interfere even in their own affairs.

Otherwise, the Austrians reminded me of that Greek-Cypriot minister. They were all eminently clear-sighted about the coming dangers, but they felt they had to maintain a "positive optimism." If things become really bad, a well-informed official told me—and he fully expected the East-West conflict to become much worse—Austria will have to abandon her present active role in international affairs and withdraw completely into her shell.

But will she be allowed to do so? An allied officer with much field experience demonstrated on his map how any Soviet advance into Yugoslavia would cut right across Austria.

I hasten to add that the officer was not an American. In fact, a very senior American officer shared the Austrian optimism and believed that (a) the Russians would stay out of post-Tito Yugoslavia whatever the temptation; and (b) that should they, contrary to expectations, succumb to temptation, they would scrupulously respect Austrian neutrality. The American was a naval man. Perhaps, in view of the growth of the Soviet naval might, he too has to maintain "positive optimism."

Yugoslavia, Eurocommunism, an enormous increase in Soviet weapons research expenditure, and five Soviet armies with reserves and back-up forces at our throat: This is the message for 1977. But in Europe the city lights were bright, the peoples' countenances happy, business brisk. It probably was the same in Rome just before Genseric sacked the city.

BILLY LANGDALE: A STUDY OF CONTRADICTIONS

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. MATHIS. Mr. Speaker, an extraordinary individual and one which I have been honored to call a good friend recently retired from the Lowndes County, Ga., County Commission after many years of dedicated service to the community. Mr. Billy Langdale's life could well serve as the subject of an outstanding novel. The Valdosta, Ga., daily newspaper recently published an article about this outstanding citizen and I am inserting it into the RECORD in order that my colleague can enjoy the story of the Honorable William Pope Langdale:

[From the Valdosta (Ga.) Daily Times, Feb. 13, 1977]

BILLY LANGDALE: A STUDY OF CONTRADICTIONS

(By Archie McKay)

It almost took an act of God to get him above the rank of private in the Marines. Some would say it was divine retribution that threw the man as a lieutenant on Bougainville with a handful of men to lead and thousands of Japanese soldiers to elude. William Pope Langdale Sr. is a study of contradictions. He eludes categories about as well as he eluded the Japanese during those days of World War II.

Langdale recently "retired" from Lowndes County commission after being on the board for 16 years. He is an officer of the Langdale Company, the Langdale Ford Company, Langdale-Willis Insurance Co. and Langdale-Shelton Oil Company.

The songwriter could well have had Langdale in mind when he penned the recently popular ballad: "Pilgrim."

"He's a poet . . . he's a thinker, a walking contradiction, partly truth and partly fiction . . ."

There are probably more stories about the man, his antics, accomplishments, exploits and lifestyle than any other person living in Lowndes County. Some are true, many have elements of truth and a few might come from fertile imaginations, but not many.

Langdale, Billy to most, is perhaps best known in the public arena as a politician. The stories there are legion.

His friends contend Langdale does not have a selfish bone in his body, he loves people and really has no burning desire to make piles of money or hold materiel stockpiles.

"Grandfather (the late Judge Harley Langdale Sr.) always said he had three sons: one to make money, one to save money and one to spend it," recalls W. P. "Bill" Langdale Jr., a Valdosta lawyer and son of Billy.

He pointed out "The Judge" meant that Harley Jr. could make the money and son John could save it. "You know who he was talking about spending the money," said the younger Langdale with a chuckle, meaning of course his father. But he spoke of the tale with fondness, something almost everyone who talks of Langdale does.

Langdale himself admits to feeling some pangs about not "pulling my load" at the family business, one of the largest wood processing companies of the area.

That would be disputed, and is, by his brothers, who call him a valuable member of the management team.

But Langdale said the company is a prime reason he left county commission.

"My oldest brother (Harley Jr.) has shouldered a lot of the burden here at the company . . . we are all getting older now and somebody has got to mind the store. I felt I needed to do my part, and too, it sort of seemed like we needed some new blood on the commission, some younger men with new ideas.

"I had been there so long and dominated some things so I felt it was better to get some other viewpoints in there.

"Scared? No, I felt deep down I would have had less trouble this time than the last time," said Langdale, asked about his decision not to seek reelection.

"You know I'll be 56 Thursday (last Thursday) and I would have been 60 when the term ended. I think we need some maturity on the board, but not a 60-year-old man," said Langdale.

If Langdale has outside interests, they surely revolve around fishing and what a former county official called "a little bit of nosiness . . . old Billy likes to know what is going on and he could do that as a commissioner. But he did a damn good job while nosing around and Lowndes is going to miss the devil out of him."

Langdale said he was proudest of the optional sales tax, which he helped guide to approval here, of all the things he had a part in during his political years.

He is an arch foe of property tax.

His disappointments are hard to get out of him. He concedes he wanted a county jail near the courthouse of which the county could be proud and other things, but mostly, he prefers the upbeat, he doesn't like to talk about the sad or bad times.

If Tom Sawyer grew up to be a responsible, conservative, unselfish man, then Mark Twain might have had Langdale for a model.

"You go fishing with him every time he asks you. If you don't learn something, though you probably will, you will enjoy it and if you think Billy loves you then you are mighty right." said Roy McLane, who was on the board with Langdale for 12 years.

"You can't sit there with two other men that long and not get to know them and to love them. I loved his daddy and I love Billy. He is the most unselfish man I know. You might say he is one of the last of the old school," said McLane, an open and frank admirer of Langdale.

Langdale went into the U.S. Marines in February of 1942 on the flip of a dime. Had the dime landed on the other side he and a fellow University of Georgia dropout would have been in the U.S. Navy.

When he left, not without a little politicking, in 1943, he had a bronze star, was a commissioned officer and had been in the thick of the Third Marine Division's South Pacific adventures.

The young Langdale sort of had in mind getting a forestry degree or going into the law, but was finding it fairly difficult to concentrate on studies long enough to get his undergraduate degree in anything.

"We just sort of got patriotic—well I wasn't cutting too much ice in school anyway—and joined up. My parents didn't find out about it until a few weeks later," recalls Langdale.

He was a private and stayed a private, even after his platoon and higher group went to the South Pacific.

A number of officers were needed. The tough Marine in command rejected the idea of bringing in "90-day-wonders," young men who had just come in to the Marines and been commissioned, so it was decided to commission a few troops in the field.

"I had a platoon sergeant, a fine man, a veteran and he was later killed. I couldn't even make pfc and lo and behold he looked up one day and saw me, the most trifling, troublesome problem he ever had, walking down the company street as a second lieutenant. . . . I don t think he ever got over that," said Langdale.

It was about this time he and a few of his men boarded a sub, with one other officer and his small group of men, and were put off on Jap-held Bougainville, to scout out future landing sites and inland airfield sites, under the very nose of the enemy.

The other officer who went along is now commandant of the U.S. Marines.

"Well, we didn't have a chance to talk much on that sub and, I tell you, there wasn't no time to talk after we hit that island,". said Langdale, choosing to change the subject when it got serious about his war record.

He prefers to tell how a friend working for a congressman, Country Johnson, and others helped free him from service after the Marines brought him back stateside for training duty and wouldn't let him return to the fighting. The war was partially over, and the Japs surrendered shortly after his discharge. He holds the permanent rank of lieutenant colonel in the Marine reserve.

If there is a key to Langdale, it is his attitude toward life. He exhibits no love for money, though he will spend it. He seems to like people, all types and would rather go fishing with a mill hand than the company president.

More often than not his fishing companions on a regular basis are Dr. Harry Mixson, Valdosta physician and one of his closest friends, or Buddy Meeks, an official of the sales force at the Langdale Ford Co., another close friend.

The stories abound about their tricks on each other while fishing. While being interviewed one day, he stopped long enough to call a man in Houston, Tex., trying to find out the name of a special bait, one he felt he could keep a secret from Dr. Mixson and outfish him next outing.

Two weekends ago he loaded up grandchildren, neighborhod children (plus two dogs belonging to a neighbor without his permission) and took them all "camping." The trip included hamburgers cooked by Langdale, two romps in a county sandpit which Langdale recommends highly over Disney World, and spending the night in a cabin.

"He has always been like that," said his son Bill, one of two boys and one girl in the family of W. P. and Jacquelyn Williams Langdale.

"He was a scoutmaster for years, even before we were old enough to be scouts and we were not even in his troop.

"He loves to do things for people, I don't understand it. I like to do things productive but he just has no selfish motives," said son Bill.

"He is just as unselfish with his time and I honestly don't think he cares about money or things like that. Daddy is not what you would call real careful about his dress,"

said young Langdale, who said his father buys shoes at a discount store and is "real proud of them."

"I had a brand new pair of shoes, the kind with tassles, and they didn't quite fit so I took them over and gave them to daddy . . . he wore them in the woods and lost one tassle and the next time I saw him the other tassle was gone. When I asked him what happened he said he took his pocket knife and cut off the other tassle so they would look alike . . . I would have thrown the darn things away but not daddy, he's proud of them," said the son, with a trace of pride and amazement.

Of all the stories, one is a favorite of many.

One opponent of Langdales' in a election cited his lack of property ownership. Langdale didn't own a house but he promptly filed a return listing his fishing boat. An understanding tax commissioner, asked about Langdale's taxes, and they had recently increased because he (the tax man) had put on with the boat a hound dog.

"By gum, I bet I was the only man ever in Lowndes County history paying taxes on a blame old dog that wasn't worth nothing . . . well I sort of liked him but he wasn't much worth paying taxes on but I did . . . I think he (tax commissioner) felt he was helping me out."

FOREIGN-FLAG TANKERS

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. STUDDS. Mr. Speaker, the problem of oil tanker safety is one which has gained great prominence in recent months due to a series of major oil spill incidents on both coasts and on several of our inland waterways. It is more than coincidence that most of these oil spills have resulted from oil tankers flying the flags of foreign nations, particularly that of Liberia. Mr. John Kifner, a reporter for the New York Times, recently did a story on this subject which I believe would be of interest to my colleagues:

LIBERIA: A PHANTOM MARITIME POWER WHOSE FLEET IS STEERED BY BIG BUSINESS

(By John Kifner)

"The day of the gunboat is over," William T. Coleman, then Secretary of Transportation, told the members of the Senate Commerce Committee last month as the Senators, aroused by a series of oil spills and wrecks involving Liberian-flag tankers, began a series of hearings.

Explaining why there was little regulation or control over foreign-flag ships bringing oil to this country, he said that the United States could no longer "take a gunboat and put it beside Liberia and say, 'If you don't do so and so, we will not let your ships out.'"

But, in fact, Liberian-flag shipping, the largest merchant fleet in the world, has little to do with Liberia or Liberians.

Rather, it is a phantom maritime power that was created by American businessmen under a former American Secretary of State, the late Edward R. Stettinius Jr. It is crucial to the movement of oil around the world, and it serves the interests of the major oil companies and shippers.

To them, the flag of Liberia is an economic boon, a device that frees them of national restrictions and therefore lets them operate more cheaply and profitably. Liberia, too, benefits; it derives 8 percent of its gross national product from that system.

To critics, it is a system that allows dangerously unsafe ships and crews to ply the seas and pollute the shores.

HEADQUARTERS IN MANHATTAN

The ships flying the star and stripes of Liberia are controlled not from Monrovia, the man-made port built with American aid in the small West African nation, but from suites of offices at 103 Park Avenue in Manhattan.

Calls there are answered "683-2030."

That New York switchboard can connect a caller to Captain Alister Crombie, Deputy Commissioner for Maritime Affairs, the Liberian government official in charge of issuing licenses and overseeing shipping.

At the same number, the caller can also reach:

Guy E. C. Maitland, the executive director of a 62-member association of the owners of ships registered in Liberia.

Frank Wiswall, an admiralty lawyer with the New York firm of Burlingham, Underwood & Lord, who is the chief adviser to the Maritime Bureau, the director of the relatively new inspection system and Liberia's most important representative at international shipping conferences.

Fred T. Lininger, who is a senior deputy commissioner for maritime affairs, as well as a senior vice president of the International Bank of Washington, which owns the International Trust of Liberia, which in turn operates the maritime system.

None are Liberian.

INTERLOCKING DIRECTORATES

Mr. Lininger, who was for many years Mr. Stettinius's personal assistant, has run the Liberian shipping operation in New York since 1948. He is a senior vice president of the International Bank and chairman of the board of Liberian Services Inc., which is owned by International Trust and which provides services to the Liberian Maritime Administration and helps companies incorporate themselves in Liberia. The president of Liberian Services is Mr. Wiswall, the admiralty lawyer.

Mr. Lininger, Mr. Wiswall and Mr. Maitland of the owners' group also serve on Liberian delegations to the United Nations-sponsored international meetings to set maritime safety rules.

In a telephone interview, Mr. Lininger said that he saw "no conflicts" between what he described as "my corporate role and my government role."

But those who run the Liberian shipping operation are concerned that the publicity over the oil spills and the wrecks will hurt the system they have set up. They see it as the worst situation since 1971, when two Liberian-flag ships ran into each other in the English Channel, causing the authorities to announce that they had set up an inspection system.

The shipowners' association hired Carl Byoir & Associates, a prominent New York public relations firm, on Jan. 15. In addition, they are undertaking an investigation of the wreck of the Argo Merchant, which caused the largest oil spill off the United States coast. The investigation is being coordinated by Mr. Lininger.

Some ships flying the Liberian flag are owned by well-known companies and persons such as D. K. Ludwig of National Bulk Carriers Inc. and its subsidiary, Universe Shipping, America's largest shipowner, Y. K. Pao and C. Y. Tung, both of Hong Kong, believed to be No. 1 and No. 2 in worldwide shipping; Aristotle Onassis and Stavros Niarchos; and seven international oil companies, Exxon, Mobil, SoCal, Texaco, Gulf, B. P. and Shell.

TWO DIFFERENT FLEETS

Many of these ships are, as Mr. Maitland and other spokesmen for the Liberian shipping interests contend, among the newest, best equipped and most expensive in the world.

But, Robert J. Blackwell, the assistant secretary of maritime affairs in the United States Maritime Administration, told the Senate Commerce Committee recently, "You have two different types of fleets in that flag of convenience registry.

"Many are out to make the cheapest buck, to put on the cheapest crew," he said. "They avoid maintaining their vessels."

Thus, among Liberian-flag ships are those run by less well-known operators ,such as Amerships Inc., operator of the Argo Merchant, the ill-starred tanker that broke up off Nantucket Island in December, releasing 7.5 million gallons of oil. Amerships operated seven other second-hand ships, *each* owned by a separate Liberian corporation, a device which served to hide the identity of investors and to limit liability in case of suits.

"The fact is, you can't expect small countries who gather a great deal of their revenue from registering foreign ships or registering ships owned by other economic interests in their countries to exercise stringent control of those ships," Mr. Blackwell said. "They want that revenue. They want those fees. If Panama * * * to Liberian. If the Liberians do it, they go to Malaysia."

LIBERIA BENEFITS

Ship registration fees make up about 8 percent of Liberia's gross national product, according to Mr. Maitland of the shipowners' association. It costs $1.20 a ton to register a ship in Liberia for the first time and 10 cents a ton annually thereafter.

One of the most important factors in shipowners' desire for Liberian registry, according to Philip J. Loree, the director of the Federation of American Controlled Shipping, which represents 20 American shippers using the Liberian and Panamanian flags, is the high cost of American maritime union labor. He contended the foreign-flag system is the only way to keep American shippers in the competitive market without the heavy government subsidies paid to American-flag ships.

For a 50,000-ton tanker, relatively typical of those bringing oil into American ports, a 32-man crew would cost $1.7 million a year at American wages, Mr. Loree said.

In contrast, he said, by using the Liberian flag, a shipowner can hire crews of other nationalities at the following rates: all-Italian, $600,000 a year; British, $500,000; Spanish, $450,000; Greek, $325,000; Chinese, $250,000, and Filipino, $250,000.

What he described as a "motley crew," one made up of various nationalities, would cost about $200,000 a year. Such a crew, of Greek officers and Pakistanis, Filipino, Honduran and other crewmen, manned the Argo Merchant.

Further, Mr. Loree said, the cost of using American shipyards, as required under American registration, would be about twice as much, again because of wages. He said a typical 200,000-ton supertanker costing about $90 million in the United States could be built for about $40 million in Japan.

The "flag of convenience" system goes back to the early days of World War II when, along with Lend-Lease, it was used to send aid to beleaguered Britain while preserving technical neutrality. For many years, Panama was the leading flag of convenience, allowing American shipowners, for example, to avoid such requirements of American registry as the use of American crews and shipyards.

The public rationale for this system was strategic: to keep American oil ships, which were being registered under other flags because of high labor costs, within "effective control" under the flag of a friendly nation in the event of war. Those involved made millions.

Stressing the slogan that the shipping was "American-controlled" and would be readily available to return to United States direction

in the event of war, the shipping interests have been able to defeat legislation that would have required more of the imported oil to be carried on American-flag vessels. However, the Liberian-flag fleet respected the boycott of Israel imposed by the Arab states in the Six Day War, contrary to American policy.

The Liberian registry emerged as a leading flag of convenience under the direction of Mr. Stettinius, just after the war. America was concerned over maintaining access to Middle Eastern oil, and that concern led to the waiver of antitrust regulations to permit the American oil companies to become part of Aramco, the Arabian American Oil Company. According to testimony before the Senate Subcommittee on Multinational Corporations, it also led to secret United States State and Treasury Deparment agreement on tax credits for payments to oil-producing countries. These credits permit the oil companies to pay practically no United States taxes despite huge profits.

After leaving the State Department in June 1945, Mr. Stettinius joined a group of American businessmen in forming the Liberia Company to develop and exploit Liberian natural resources, particularly, iron ore. Before joining the wartime government to run the Lend-Lease program, Mr. Stettinius had been president and chairman of the board of United States Steel.

Liberia, which had been settled by freed American slaves, had close ties to the United States; it uses the American dollar as its currency. Its dominant economic influence had been the Firestone Rubber Company.

What became known as the "Stettinius group" asked New York lawyers to draw up the corporate and maritime law that would accomplish their desires. That law was adopted by the Liberian government.

A commemorative history of Liberia's emergence as a maritime nation, published by the International Trust Company, recounts the development:

"To develop a legal framework in which a sound and viable program could grow, Liberia drew on the experience of the world's foremost admiralty law experts and specialists in international law. Out of these specialized efforts came the drafting of the Liberian Maritime Law, the Liberian Corporation Law, and a charter for the International Trust Company of Liberia to administer the maritime program. These were adopted as three companion laws by the Liberian Legislature in December 1948."

Mr. Niarchos, the Greek shipowner, registered the first ship under the Liberian flag in 1949, the tanker World Peace. The fleet grew rapidly.

Among the salient features of Liberian corporate law is a guarantee of anonymity. Thus the system can serve as a tax hideaway or a kind of investor's version of a Swiss bank account.

In addition, corporations that operate outside the country, as shipping firms do, are not subject to Liberian taxes.

For the large shipholders he represents, Mr. Loree said, the Liberian tax situation no longer provides a big advantage because of changes in the United States tax laws. Other sources, however, noted that it is still possible to use investment in a Liberian-flag ship to conceal income from the Internal Revenue Service.

Things did not go entirely smoothly for the Stettinius group. A number of them, most notably Julius C. Holmes, later President Kennedy's Ambassador to Iran, were indicted on charges of illegally selling war-surplus tankers to Mr. Niarchos and Mr. Onassis, who were just getting started in the business, and to Chinese nationalists. The Justice Department later dropped the charges, although the situation was something of a scandal at the time.

Today, 80.6 percent of the International Trust Company of Liberia is owned by the International Bank of Washington, an international holding company of banking and insurance interests, located in its own modern office building at 1703 Pennsylvania Avenue, just down the street from the White House. Its tenants include the economic section of the Liberian Embassy.

ESTONIAN INDEPENDENCE DAY

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. ANNUNZIO. Mr. Speaker, February 24 marks the 59th anniversary of the declaration of independence of the Republic of Estonia. Thirty-seven years is a long time for the people of one country to be under the domination of another against their own desires for independence and sovereignty. Yet, it is appropriate that we again call to the attention of all Americans and peoples of the world the sad plight of the people of Estonia, a nation occupied by the Soviet Union in 1940 and still held under the harsh and brutal yoke of Communist domination.

Mr. Speaker, the Estonian World Council submitted a memorandum to the European Security and Cooperation Conference regarding the status of Estonia, and a portion of that memorandum follows:

V. THE QUESTION OF NATIONAL SURVIVAL IN OCCUPIED ESTONIA

1. While instances of the Soviet occupation regime's oppressive policies and malfeasance are too numerous to be detailed in the Memorandum at hand, the Estonian World Council would herewith draw attention to a matter of the gravest concern: the systematic reduction of the native Estonian population.

2. There is evidence that Soviet authorities had developed plans for the large-scale extermination and deportation of Estonian, Latvian and Lithuanian nationals well in advance of the occupation of the Baltic Republics by the USSR.

NKVD Secret Order No. 001223, entitled "Deportation of Anti-Soviet Elements from Lithuania, Latvia and Estonia," was signed by General Ivan Serov, deputy chief of USSR state security, and dated October 11, 1939. A copy of this infamous document was captured by Baltic partisans in 1941 and it has been published in its entirety in the Third Interim Report of the Select Committee on Communist Aggression, U.S. House of Representatives.

Although sporadic arrests and summary executions by the NKVD commenced immediately after the Soviet occupation in June 1940, Secret Order No. 001223 was not executed until the night of June 13/14, 1941. Under this particular order 11,157 Estonian civilians of both sexes and of all ages were slated for arrest and deportation.

It has been established that at least 59,732 persons were either executed or deported from Estonia during the first year of Soviet occupation (1940–1941).

3. The next mass deportations occurred after the reoccupation of Estonia by Soviet forces in September 1944. It is estimated that some 20,000 Estonians were deported in 1945–46. Deportations on a smaller scale continued throughout 1947 and 1948.

The greatest single wave of mass deportations struck Estonia between March 24 and March 27, 1949, and comprised about 40,000 persons. Reliable calculations place the total of Estonian deportees during the years 1945–1949 at 80,000 persons.

4. Although some wholesale deportations occurred during the period 1950–1954, these were on a considerably smaller scale than the mass deportations described in Paragraphs 2 and 3 of this section.

5. The deportations of Estonians referred to in Paragraphs 2, 3 and 4 above are estimated to have involved a total of some 140,000 Estonians.

6. More recently the Soviet occupation regime has come to depend upon different means to eliminate the national and ethnic identity of Estonia; these means involve the massive settlement of Russians in Estonia and a corresponding dispersal of Estonians (particularly Estonian youth) over the hinterlands of the USSR.

This systematic program of russification is being implemented without the overt application of KGB terror, but with the calculated and methodical application of administrative and economic pressures.

To date, this program of russification has proven extremely effective. According to USSR census statistics for 1970, Estonians constituted only 68.2% of the population of Estonia (as opposed to 88.2% in 1939).

Demographic studies published in 1973 indicate that the proportion of Estonians has declined even further (to 66.62%) since the 1970 USSR census. In connection with these statistics, it must be pointed out that Soviet military personnel stationed in Estonia, and their dependents, are not taken into account for census purposes, even though they represent a numerically substantial presence.

7. It is clear that a campaign of this nature and of these proportions presents a grave threat to the perservation of Estonian national and ethnic identity in the historic homeland of the Estonian nation. This crisis of national survival has been reported by Western journalists who have visited occupied Estonia. Their reports indicate that the program of russification is being intensified and is proceeding currently at the rate of one percentage point per annum.

8. The Estonian World Council reminds the participating Governments at the Conference that the USSR's policies and actions vis-a-vis the Estonian people (with reference to Paragraphs 2, 3, 4 and 5 of this Section) specifically violated the principles of international law established and affirmed in the Genocide Convention, the United Nations Resolution affirming the Charter of the International Military Tribunal (vide Article 6 (C) of said Charter), and the Universal Declaration of Human Rights.

9. The Estonian World Council further reminds the participating Governments that the USSR's current policies and actions vis-a-vis the Estonian people (with reference to Paragraphs 6 and 7 of this Section) constitute present and continuing violations of international conventions and covenants pertaining to genocide and crimes against humanity.

10. The policies and actions of the USSR referred to in Paragraphs 6 and 7 also contravene all international declarations and United Nations Resolutions condemning colonialism.

Mr. Speaker, it was for these reasons I introduced House Concurrent Resolution 5 on the first day of the current 95th Congress, expressing the sense of the Congress with respect to the incorporation of the Baltic States into the Soviet Union. A copy of House Concurrent Resolution 5 follows:

H. CON. RES. 5

Whereas the Government and the people of the United States of America have maintained and enjoyed excellent and friendly relations with the Governments and peoples

of the Baltic States Republics of Latvia, Lithuania, and Estonia, during the years of independence of these Republics; and

Whereas the concept of liberty and freedom of choice of government is still alive in this country, as it has been constantly since the Declaration of Independence; and

Whereas the evidence produced at the hearings of the select committee of the House of Representatives to investigate the incorporation of the Baltic States into the Union of Soviet Socialist Republics overwhelmingly tends to prove that the actions of the Union of Soviet Socialist Republics in relation to these free and independent Baltic Republics were contrary to the principles of international law and the principles of freedom; and

Whereas the people of this Nation have consistently shown great sympathy for the peoples of these three Republics, especially as a result of their enslavement and as a result of the inhuman exile and deportation of great numbers of law-abiding persons from their native lands to imprisonment in slave labor camps in the Union of the Soviet Socialist Republics: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that—

(1) the President of the United States of America should continue the American policy of nonrecognition of the unlawful absorption of the Baltic States Republics of Latvia, Lithuania, and Estonia into the Union of Soviet Socialist Republics, and continue the recognition of the diplomatic and consular officers of these Republics as the lawful representatives of these three nations in the United States of America; and

(2) the President should take such steps as may be appropriate, through the United States delegation to the United Nations, to raise in the United Nations the question of the forced incorporation of Latvia, Lithuania, and Estonia into the Union of Soviet Socialist Republics and request the United Nations to conduct an investigation of conditions in the said Baltic Republics to the intent and purpose that Soviet armed forces, agents, and colonists be withdrawn therefrom, and that the exiled peoples of these Republics be returned thereto in freedom, and that free plebiscites and elections be held therein, under the supervision of the United Nations, to let the people, in freedom, make their own election and choice as to government.

Mr. Speaker, I proudly join with Americans of Estonian descent in my own 11th District, in the city of Chicago, and all over this country commemorating this 59th anniversary of Estonian independence as they share with Estonians everywhere the fervent prayer that their bravery and strength of character will soon be rewarded, that right will triumph over injustice, and that Estonia will be free once more.

THIRTY-FIFTH ANNIVERSARY OF THE VOICE OF AMERICA

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. WHALEN. Mr. Speaker, today marks the 35th anniversary of the Voice of America.

As you know, last year the Congress voted to give the Charter of the Voice of America the status of law. The Charter states the governing principles of the Voice: First, to serve as a consistently reliable source of objective and comprehensive news; second, to present a balanced and comprehensive projection of significant American thought and institutions; and third, to present the policy of the United States clearly and effectively as well as responsible discussion and opinion on these policies.

In a recent VOA broadcast commorating its anniversary, the Deputy Program Manager of the Voice, Mr. Clifford B. Groce, traced its history. I believe this broadcast would be of interest to Members of this Chamber, and would like to paraphrase a portion of it. I cannot quote him specifically since I am prohibited by section 501 of Public Law 402 from "disseminating within the United States, its territories, or possessions" material which was produced for broadcasts abroad.

As Mr. Groce noted, the Voice began as a wartime effort to report to the world. As the first broadcast—in Germany—said 79 days after Pearl Harbor on February 24, 1942, "The news may be good or bad but we shall tell you the truth."

During the war, VOA's efforts preceded those of the Office of War Information in bringing the message of the American war effort to the peoples of the world. It was incorporated into the OWI during the war years. Following World War II, it was concluded by the Government that it was important to maintain this kind of broadcast contact with the peoples of the world in order to continue to explain American policy and to bring to them a reflection of American life.

Due largely to changing political situations in different parts of the world, there have been differences of emphasis, differences of languages of broadcasts, and differences of hours of broadcasts through the intervening 35 years. For example, during the Korean War, a massive 2-year effort was undertaken in which programs were broadcast in almost 50 languages. However, since 1953 the Voice has been operating at substantially today's level.

After World War II, VOA, like all other overseas information activities of the OWI, was incorporated into the State Department where it remained until August, 1953. During those years the Voice was headquartered in New York City.

When the U.S. Information Agency was established in 1953, it was decided to incorporate the Voice of America and to relocate the headquarters in Washington alongside other information operations for our Government and other nations.

In closing, Mr. Groce noted that Americans generally cannot receive VOA broadcasts on domestic channels because the Smith-Mundt Act, which legalized the information program back in 1948, clearly designated the overseas informations, including the Voice of America, as exclusively for overseas audiences. This was done deliberately lest there be the suspicion that these enterprises, governmentally funded, sponsored, operated, could be used to influence American public opinion.

Mr. Speaker, more than 50 foreign broadcasting services around the world have sent congratulations and commendations to the Voice on this occasion.

From Japan alone, four broadcasting systems have extended warm greetings.

Kazuto Yoshida, director of the Overseas Broadcasting Department of Japan Broadcasting Corp.—NHK—cabled:

On behalf of "Radio Japan"... I am happy and honored to offer sincere congratulations to offer sincere congratulations to VOA on its 35th Anniversary. As broadcasting services which regularly transmit programs overseas, introducing culture and arts of our respective countries and national traits and daily lives of our people, I believe both VOA and "Radio Japan" are similar in character and purpose. I congratulate able staff of VOA on a high caliber of programs, which during past years have been highly evaluated by listeners around the world. I like to think NHK has been of service through Japanese announcers we have assigned to work in previous years at VOA in Washington. Their experience with VOA's Japanese Language Service, now discontinued, has played an important role in promoting closer relations between U.S. and Japan. I earnestly hope that, in coming years, VOA, will continue to contribute to better understanding and friendship among all peoples. With best wishes from myself and the entire staff of "Radio Japan."

Mr. Kiyoshi Hara, president of Aashi Broadcasting Co.—ABC–Osaka—cabled:

It is my great honor to express warm congratulations to you on your 35th Anniversary. The Voice of America has given me many excellent ideas and served as a source of courage in course of my 25-year career as broadcast.

We now have in Japan a shortwave listening "boom" while you, unfortunately, no longer have broadcasts in Japanese. I confess that I find absence of VOA Japanese broadcasts regrettable. Along with my appreciation and best wishes on your anniversary, may I ask you to consider resumption of the Japanese Service which would further deepen U.S.-Japan relations.

The director-general of Maritius Broadcasting Corp., Mr. Forest Side, cabled:

It gives me great pleasure to forward my congratulations on the occasion of Voice of America's 35th year of existence and to compliment VOA staff on the excellent job they have been putting out ever since their start in the war years when, along with BBC, they were our best and most reliable link with the outward world.

Radio Del Plata in Argentina, broadcast:

Undoubtedly, every 24th of February a significant event is celebrated in the world of transmissions. . . . And that event is, as it has occurred during the last 35 years, the celebration of a new anniversary of that moment when the Voice of America cut through the space carrying its American message of peace and friendship between countries. . . Radio del Plata, Buenos Aires, Argentine private radio station, sends its brotherly and cordial salute.

The director of the Hellenic Radio and Television Network, Mr. John Lampsas, cabled:

The completion of 35 years of continuous operation by a broadcasting network whose transmission is not aimed at one specific nation is not a common event. It serves as evidence, in fact, of the success of a tremendous effort by thousands of people of all nationalities who work hard each day so that

the Voice of America can be heard in all the latitudes and longitudes of the world. It also serves as a point of departure for new ventures with lofty targets such as the free communication of ideas and mainly, the impartial informing of world opinion. With these thoughts, I address warm greetings to the listeners of the Voice of America, and may the Voice live to celebrate its Golden Jubilee.

Other broadcasting agencies sending greetings included Turkey, Egypt, Israel, the Republic of China, Nigeria, Malta, Liberia, and Sri Lanka. Personal letters were also received from the President of El Salvador and the President of Venezuela.

Mr. Speaker, I believe we as Americans can well be proud of our overseas voice which reaches out to the world. On this happy occasion, I would like to join in extending to all members of the Voice of America our congratulations, our thanks for a job well done, and our best wishes, as well, for at least a "golden jubilee."

SUDAN AND THE UNITED STATES

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. BONKER. Mr. Speaker, I am pleased by the in-depth coverage the Washington Post has given recently to the Sudan, a country otherwise unknown to most Americans except for the romantic images conjured up by the name of the capital, Khartoum, located at the confluence of the Blue and White Niles.

In fact, Sudan has acquired increasing political influence, situated as it is near the volatile Horn of Africa, not to mention being literally and figuratively midway between the Arab world and black Africa. Its moderating influence offers to calm some of the present and looming tensions of the region, something the United States stands only to gain by encouraging.

For starters, the situation of the Afars and Issas, astride the entrance to the Red Sea, is unstable: a scheduled French withdrawal this spring may well tempt Somalia and Ethiopia to step in and square off. Superpower confrontation could ensue, since those two countries are extensively supplied with military aid respectively by the Soviet Union and the United States. A similar confrontation could flow from developments in Eritrea, where would-be secessionists, backed by the Soviets, are engaged in bloody battle with the Ethiopian Central Government, which, despite its Marxist and anti-American rhetoric, we still heavily support. Ethiopia depends on both Djibouti and the Eritrean province for ports and railroads and not surprisingly will do what it can to prevent antagonists taking them over. At the same time, the Eritreans have serious historic grievances and, given their substantial Islamic composition, strong Arab support; neither do the competing factions in Djibouti care to be absorbed by Ethiopia.

The prospect for violence is evident. Meanwhile, the United States is naturally apprehensive about the Soviets enhancing their presence in the Bab el Mandeb area even beyond their apparent concessions already in Berbera and Aden, not to mention the Indian Ocean generally. On this ground the previous administration pressed for, and the Congress finally approved, some higher American visibility on Diego Garcia.

Sudan maintains a long-standing offer to mediate some of the problems, though it is itself unavoidably becoming a party to the Eritrean dispute, what with refugees and possibly guerillas crossing the border, something that may provoke Ethiopian reprisals. Already Sudan and Ethiopia have recalled their respective ambassadors and traded strong charges.

I do not believe that it will be necessary, and certainly not desirable, for the United States to line up definitely on one side or the other of the political and military warfare in the region. We should calculate exactly what stake we have in a Red Sea or Horn presence, or in blocking the Soviets from one; and whether the carrot or the stick is more effective in improving our status. It should at least be the rule of thumb that we seek friendly relations with all countries that offer us goodwill. Certainly one of them at the moment would seem to be the Sudan.

The Post articles follow:

[From the Washington Post, Jan. 27, 1977]

NIMERI EFFORTS, ARAB RIVALRY SEEN ENDING U.S.-SUDAN RIFT

(By David B. Ottaway)

KHARTOUM, SUDAN, Jan. 26.—After a decade of periodic tensions and repeated setbacks in their relations, the United States and Sudan appear to be on the verge of establishing close ties.

If a breakthrough occurs, it will be due partly to the persistent efforts of Sudanese President Jaafar Nimeri and partly to shifts within big-power and Arab rivalries in northeastern Africa.

A broad array of Western nations and conservative Arab oil powers led by Saudi Arabia and Kuwait have come to the economic and diplomatic rescue of the Nimeri government which had depended heavily on Moscow for arms and aid until a few years ago.

Today, the Soviet Union and its new-found Arab ally, Libya, are regarded here as the country's prime enemies. The new backbone of Nimeri's foreign policy is an American-blessed triangular partnership among Egypt, Saudi Arabia and Sudan.

The overt and concrete support of the United States, which was previously lacking seems now to be in the making.

There is a steady stream of American businessmen to the Nile River capital these days. The U.S. Agency for International Development is cranking up a new, $10 million to $20 million economic assistance program and Washington just recently approved the sale of arms to this country.

"Relations between us and Sudan are developing in a very satisfactory direction and are now very good," says U.S. Ambassador William D. Brewer. "We are working to develop a very meaningful program here."

It has been a long, hard, uphill struggle for those favoring closer Sudanese-American relations to break a diplomatic logjam dating back to the 1967 Arab-Israeli war, when Sudan abruptly severed its ties with the United States.

Then, having taken the initiative among Arab states to renew relations with Washington in July 1972, Nimeri saw his overture spoiled by the assassination of U.S. Ambassador Cleo Noel and his top aide, George Curtis Moore here in March 1973. A heavy pall immediately fell over relations between the two countries, made even worse by Nimeri's decision under Arab pressure to release the Palestinian terrorists responsible for the deed.

In fact, Washington recalled Ambassador Brewer in June 1974 for six months in protest. Strong lobbying by the State Department's irate foreign service officers prevented any significant thaw in the prevailing coolness in relations until last year.

Now, however, things are visibly changing—and at a crucial moment in the life of the Sudan. Nimeri has veered sharply toward the West and the conservative Arab oil states in search of both economic and military assistance to bolster his hand against Libya and Ethiopia, the two neighboring nations he is now convinced are conspiring with Soviet blessings, to overthrow him.

The 47-year-old general is still recovering from the trauma of the nearly successful Libyan-sponsored coup attempt against him last July. That event has apparently removed any lingering doubts he might have had about the need to beef up his security apparatus and also to switch his source of military supplies from the Soviet Union to the West.

Reports circulating here say that Nimeri is considering the purchase of up to half a billion dollars worth of Western arms in the next few years, with the cost to be borne primarily by Saudi Arabia.

In mid-November, the outgoing Ford administration ruled that Sudan was now eligible to buy American military equipment. Pentagon sources said at the time that Nimeri's first request would probably be for communications equipment and sensors for monitoring anti-government activities within this sprawling, million-square-mile nation, the largest in Africa.

Actually, private American companies are already working here to improve the country's communications system. Northrop Page built the ground station to tie Sudan into the international satellite communications system, and another American firm, Harris Corp. of Cleveland, has an $18 million contract to provide telephone, telex and television links between Khartoum and the country's 13 provincial capitals.

According to unconfirmed reports here, the United States proved its potential value to Nimeri in the security field when it intercepted a radio message among the conspirators involved in the July coup attempt and warned the president of the trouble that lay ahead shortly before his plane landed at Khartoum airport. He was returning from a visit to the United States and France.

Since the November ruling by Ford, a number of Sudanese have reportedly gone to the United States for security training, although there seems to have been no firm decision taken yet on any specific arms sales. U.S. embassy officials here are extremely reluctant to discuss the whole arms issue, however, apparently because of uncertainty over the new Carter administration's policy toward Sudan and arms sales in general.

Sudanese officials have long expressed to American journalists their desire for a closer relationship with the United States, and their frustrations over the slow progress in American-Sudanese ties. Even now that a breakthrough has apparently come, it is unlikely the United States will have a full-scale AID program before the 1979 fiscal year because of the cumbersome bureaucratic procedures involved in launching it.

AID Director Frederick Machmer said he

is planning projects in the areas of road building, agriculture extension, manpower development and health. But all await approval from Washington, and the final shape of the program is still uncertain. Thus, it seems likely that U.S. military assistance will precede any economic aid to the country.

The big spur to improve American-Sudanese relations came last June, when President Nimeri made a 20-day visit to the United States. Significantly, his trip was made after first consulting with King Khalid of Saudi Arabia and President Anwar Sadat of Egypt, whose governments are believed to have encouraged the whole reconciliation process between Khartoum and Washington.

During his stay, Nimeri met not only with President Ford, but with a wide range of Pentagon, congressional, World Bank and private busines leaders. He reportedly made an extremely effective sales pitch on behalf of Sudan, stressing its strategic importance and its economic potential.

As a result of his personal diplomacy and also of the growing attraction of Sudan as a long-term investment market, American firms, particularly agribusiness concerns, are showing considerable interest.

Nimeri has established a special interministeria. committee to foster Sudanese-American relations especially the expansion of the technical and economic cooperation. It is headed by Mansour Khalid, the former foreign minister and now special adviser to the President on foreign policy matters.

One of the main aims of the special committee is reportedly to help American investors overcome the voluminous government red tape and execute their projects with a minimum of delay. Dealing with the local bureaucracy is still a major obstacle for investors.

But with Sudan embarking on a $6.5 billion six-year development plan, and the Arab nations planning to invest $5.7 billion over the next 10 years, business prospects are regarded as excellent by Western economists and businessmen here.

Among American companies already working in Sudan or scouting investments here are Allis Chalmers Corp., Chevron Corp. and American Pacific International Inc. which are exploring for oil in the Red Sea and central Sudan; two Honolulu-based agribusinesses, Alexander and Baldwin, Inc., and Hawaiian Agronomics, plus King Ranch Inc. Tenneco, Inc. Bechtel-McLaughlin, Inc., Mack Truck Inc., Ford, Hilton Hotels Corp., whose new Nile Hotel opens here in March, Sheraton Corp. of America and Holiday Inn, Inc., and Northrop Page and Harris in the communications field.

[From the Washington Post, Jan. 30, 1977]

SUDAN "BREADBASKET": A 3D WORLD MODEL?

(By David B. Ottaway)

KHARTOUM.—A highly ambitious plan to turn Sudan into the "breadbasket" of the Arab world is testing the strategy of combining Arab oil money with Western technology to help some of the Third World's poorest nations to develop rapidly.

If the plan succeeds here, it could well become the basis for a whole new model of development, providing an alternative to the socialist model that now exercises a magnetic attraction on an increasing number of developing countries.

Moreover, the combination of conservative Arab wealth and Western know-how could prove an irresistible political force capable of swinging a number of African states back toward the West. Already, Sudan has been swayed away from its former socialist path and close ties with the Soviet Union, and Marxist Somalia is currently being courted by Saudi Arabia with a promise of massive economic and military aid in return for the expulsion of the Soviets.

At this point it is still too early to judge the effectiveness of this strategy, but the initial prospects appear good, based on what is happening here in Sudan, the largest country in Africa. Sudan holds an enormous unrealized potential for food production.

Already, this country is posting a 4 per cent to 5 per cent growth rate, while most other African countries are barely holding even or are slipping backward. The Arab goal is to boost this rate to 7.5 per cent a year, making it an economic pace-setter on the continent.

Led by Saudi Arabia and Kuwait, the Arab countries have drawn up a $5.7 billion investment program for Sudan, and a growing number of Western companies are proferring goods, skills and technology, often in partnership with Arab interests.

Far more than Egypt, seemingly a bottomless pit for Arab petrodollars with a dim outlook for any returns, Sudan seems to have all the ingredients for becoming a long-term paying Arab investment.

Unlike Egypt, this country has millions of idle acres of rich land and no problem of overpopulation. Indeed, with only 17 million people scattered over nearly a million square miles of land, it is, if anything, too sparsely populated. In addition, Sudan has large quantities of water still available from the two Nile rivers, an excellent climate and a fair number of technicians and administrators.

But there are still many obstacles to a rapid economic take-off, including a small labor force, few good roads (only 200 miles of hardtop until recently), limited port facilities, an inadequate overall transportation system and an easy-going work ethic that has yet to adopt to the rigors of a would-be booming economy.

Last year there was a shortage of migrant laborers to pick cotton, the country's big foreign-exchange earner, and skilled and even unskilled workers are emigrating by the thousands to the nearby Arab oil states. Gasoline shortages are chronic, even in the capital, and the projects under way are meeting long delays and huge cost overruns.

Some of these problems are on their way to a solution. For instance, a 500-mile pipeline carrying 4.2 million barrels of oil from Port Sudan to Khartoum is about to begin operating; the various pieces of the 750-mile-long road from the coast to the capital are nearing completion and new locomotives and rolling stock are increasing the railroads' capacity considerably.

For other problems such as manpower, no immediate solution is in sight. "There's a real movement of skills out of Khartoum to Jeddah" said one Western economist. "It's getting difficult even to find domestics because the salaries in Saudi Arabia are five to six times higher than here."

Undaunted by such bottlenecks, the oil powers of the Arabian Peninsula are becoming daily more committed to uplifting Sudan as part of their own long-term economic survival strategy, particularly in food production.

Saudi and Kuwaiti money in particular is pouring into Sudan by the tens of millions of dollars as projects are identified, studied and put into execution, usually by a consortium of Arab and Western companies. No one seems to know precisely how much Arab and Western capital is now tied up or committed here, but one estimate put the total sum at well over $1 billion, with more coming all the time.

In addition, Saudi Arabia is thought to have provided something like $350 million in the past few years in various disguised forms to cover Sudan's chronic balance-of-payments deficit. Western economists do not expect Sudan to default on its short-term debts of somewhere around $500 million, because, as one of them put it, "the Saudis will bail them out."

The Arab commitment to Sudan's economic development is embodied in the about-to-be-established Arab Authority for Development and Agricultural Investment, which has been set up to implement the initial $5.7 billion, 10-year Arab investment program here.

This is part of a 25-year plan to make Sudan the primary source of food for the whole Arab world and to create an alternative source of investment to the industrial West for excess Arab petrodollars. Reading between the lines of the 56-page Arab proposal, one clearly detects the unstated objective of freeing the Arab world from any kind of blackmail by oil-consuming nations, such as the United States, that might attempt to use their food exports as a bargaining chip against the oil producers.

By 1985, Sudan is projected to be providing 42 per cent of the Arab world's total vegetable oil consumption, 58 per cent of its basic food and 20 per cent of its sugar needs, according to the plan drawn up by the Arab Fund For Economic and Social Development.

To achieve this initial goal, the amount of land under irrigation in Sudan will have to be increased from about 3 million to 4.4 million acres and the rainfed crop area from 12 million to 17 million acres. Production of livestock will have to jump 35 per cent from its present level, the plan states.

Of the $5.7 billion investment, the Arabs are apparently scheduled to provide $2.75 billion in hard currency and Sudan to raise the rest in local savings.

The authors of the ambitious plan raise the question of this country's ability to absorb such a large infusion of outside capital and also to repay the principal and interest on loans expected to total $4.25 billion. But they conclude that this is not a sufficient argument against the plan even if its completion is delayed several years due to the existing bottlenecks.

The plan describes at length the tremendous potential here are for a massive expansion in agriculture. Only about 15 million acres have been put to use in this sprawling country, it says, while there are easily an additional 6 million acres available for irrigated land, 71 million for rainfed crops and 200 million for grazing land.

Everyone here seems to think in six-digit figures when planning new farming schemes and nine-digit price tags. For example, the new Rahad farm near Wad Madani, 110 miles southeast of the capital, which is scheduled to begin production this year, will cover 300,000 acres and is costing between $250 million and $300 million.

The Kenana sugar estate near Rabak in the White Nile Provine will produce 350,000 tons of sugar a year when it begins operation late next year. It is expected to cost more than $800 million before it is completed and to be one of Africa's largest.

Other projects under discussion to grow cotton, grain, peanuts and other export crops involve as much as 500,000 to 620,000 acres in a single development and are priced in the hundreds of millions of dollars.

American agribusiness representatives here are practically drooling over the prospects. "I have to say, it's a country that has tremendous potential for farming," says Wayne Richardson Jr., a top official of the Honolulu-based Alexander and Baldwin Co. who has worked in 60 different countries and is acting as a consultant to Kuwaiti interests here.

"It has more ingredients for good agribusiness than any country in the world," he said enthusiastically. "The climate is great and there is a lot of land waiting to be irrigated." But he added, "it's not a get-rich-quick kind of thing here. You have to think in terms of 10, 12 or 15 years and you'll need a lot of patience and understanding. But as you can see, I'm bullish on the Sudan."

Great optimism about the long-term with the short-term problems—this seems to be the prevailing attitude among Sudan's Arab financial backers and Western business partners as they plot together the making of a new Sudan.

ESTONIAN INDEPENDENCE

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. BLANCHARD. Mr. Speaker, February 24 marks the 59th anniversary of the Declaration of Independence of the Republic of Estonia.

The United States has never recognized the occupation and annexation of Estonia or the other Baltic States by the Soviet Union. What we do recognize and admire is the courageous spirit of a people whose desire for freedom has not been diminished despite the cruel oppression they have been forced to suffer.

The people of Estonia and Estonian Americans have continued to achieve and excel in the face of seemingly insurmountable obstacles. Despite domination by Russia, the Estonians have achieved and maintained an exceptionally high educational level. They have also excelled in almost every field of sports. In addition, the Estonians can be particularly proud of their folklore which has won recognition for its originality, colorful variety, and great artistic value.

As an example of the bravery and determination of the Estonian people, I would like to include in the RECORD the story of Konstantin Pats as told in the booklet "Estonia—Story of a Nation":

KONSTANTIN PATS

Konstantin Pats was born on February 23, 1874, at Tahkuranna in Southern Estonia, near the Latvian border. His forefathers of four generations had been millers, from where stems also the family name "Pats," meaning loaf, as in loaf of bread.

His father Jakob Pats was a farmer, but moved after some years to the city of Parnu, where he took up his former building profession. This passion for building also remained with his son who became one of the founding fathers of the Republic of Estonia and the most prominent political leader in the Estonian nation.

The life story of Konstantin Pats reflects the history of the Estonian people for more than half a century.

Konstantin Pats' grandfather had converted to the Greek-Orthodox faith, which often happened as a protest against the German noblemen of Lutheran faith. The young Konstantin received his secondary education at the religious seminary of Riga (capital of Latvia), but he was not interested in the priesthood. He graduated from the High School Parnu, and continued in the Law School of Tartu University (1894–93) specializing in Roman Law. He declined an offer to prepare for a professor's chair at the University to devote himself to public life.

In 1900, he began his career as a young lawyer in Tallinn, the capital of Estonia. In 1901, he founded the newspaper Teataja (Review) which lead the political campaign for more rights for all Estonians under the Czarist Russian regime.

It was a personal victory for Pats when at the elections to the City Council of Tallinn, the Estonians for the first time gained a majority. He himself became deputy mayor of the capital.

A short, but flourishing period in the City's development came to an abrupt end in 1905, the year of the revolutionary movement in Russia. K. Pats now started a vigorous campaign, organizing memoranda to be sent to the Minister of Home Affairs with demands for free elections and a meeting of representatives of the Estonian people; assurances for citizens' rights; unification of Estonia and the Estonian speaking districts of North Livonia into one political entity; extension of rights for the Estonian language, etc.

These demands during such a critical period resulted in an arrest warrant for Pats by the Russian authorities. Konstanin Pats, together with some of his political friends, had to flee the country. The flight was organized via Poland with the help of clandestine Jewish emigration offices. He settled as a refugee in Switzerland, and there read in a Russian paper that he had been sentenced to death in his absence. He had left behind his wife, whom he married in 1901, and two small sons.

In 1906, Pats moved to Finland in order to be nearer his home country. Under an assumed name he maintained frequent contacts with Estonia. Still underground, from 1908 to 1910, he lived near St. Petersburg, editing the Estonian language paper in the Russian capital.

In 1910, Pats surrendered to the judicial authorities, and as some of the more severe accusations against him had in the meantime been dropped, he was sentenced to nine months imprisonment. During his stay in prison his wife died of a lung disease.

From 1911 to 1916, Pats continued to edit his paper in Tallinn, but being an officer in reserve he was called to active service in World War I.

He remained, however, in Tallinn and after the abdication of the Czar in February, 1917, he founded the League of Estonian Organizations which presented to the Russian Provisional Government a proposal for Estonian autonomy which also was granted in April, 1917.

In July of the same year, an all-Estonian National Congress met in Tallinn with Konstantin Pats as its chairman. He also organized a meeting of representatives for all Estonian soldiers and officers forming a Supreme Committee of Estonian Servicemen with Konstantin Pats as its leader, thereby laying the basis for a future Estonian army.

In the fall of 1917, the Estonian National Council (Diet) was created in accordance with the Autonomy Law, which appointed an Executive Committee (Provisional Government) with Konstantin Pats as its head.

After a period of Bolshevik rule in Estonia, during which Pats was also arrested, and before the German forces reached the country, a secret meeting of the National Council was held. A special Committee of three men, including K. Pats, was elected and given the powers to proclaim the independent Republic of Estonia. On February 24, 1918, the Republic was proclaimed and Konstantin Pats became Prime Minister of the first Provisional Government.

The German occupation authorities tried to arrange the incorporation of Estonia into Germany. Pats was organizing a vigorous protest against these attempts, and was arrested by the Germans and sent to a prison camp in Poland.

After the German defeat in November, 1918, he returned to Estonia. The Government was reformed with Konstantin Pats as Prime and Defense Minister. Only a week later the Red Army attacked Estonia which was the beginning of the Estonian War of Liberation. During this critical period Pats played the most decisive role for the future of an independent Estonia.

After the successful end of the war, Konstantin Pats was continuously active in strengthening the young Republic. He was several times head of government and speaker of parliament. His conservative Farmers Party became the strongest political power in Estonia.

In the beginning of the 1930s, the veterans' movement was promoting a new constitution with strong executive power. Konstantin Pats had for years advocated a new constitution for the Republic with a better balance between the branches of government. When the people adopted the draft of the veterans then he saw the danger for democracy in the country. With the authorization of Parliament he halted this development and using his exceptional powers he led the nation to a third constitution, which came into force in 1938. K. Pats was then elected President of the Republic.

After a period of semi-authoritarian regime the people were promised that the system would gradually return to full democracy. The events during World War II never allowed the complete realization of this goal.

President K. Pats was deported to Soviet Russia in July, 1940. His fate has remained unknown.

Konstantin Pats helped create a prosperous, free country, and his memory of able leadership in critical days remains in the hearts and minds of all freedom loving Estonians.

Konstantin Pats belonged to the academic fraternity, Korporatsioon Fraternitas Estica. Members of the fraternity in exile have compiled this work to commemorate his 100th birthday.

THE REWRITING OF HISTORY

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. HAMMERSCHMIDT. Mr. Speaker, for many Americans, including myself, memories of the period in our history known as the McCarthy era are deeply imprinted in our minds and on our national consciousness. For us, that time is not looked upon as a distant and blurry period of our past; it remains all too vivid.

I was therefore concerned recently over the television broadcasting of a program called "Tail Gunner Joe," which purported to be a realistic recounting of the life and times of Senator Joseph McCarthy. Because I believe that my memory serves me correctly, I was chagrined at the program's portrayal because it did not accurately represent actual events and did not sufficiently convey the mood of the country at that time. I believe it is important that the truth be known about that turbulent era.

In my view, the record has clearly been set straight by Mr. Leo Cherne, who has recently devoted an editorial column, which appeared in the Washington Star, to the program and the period. I feel that this man's perception of history and the truth is accurate and I am pleased to submit to the attention of my colleagues Mr. Cherne's excellent article:

[From the Washington Star, Feb. 20, 1977]

REVISIONISM IN FULL BLOOM: THAT "TAIL GUNNER JOE" FABLE

(By Lea Cherne) *

Revisionist history blossomed in full flower on the evening of Feb. 6.

A sect of serious historians has labored for years to rewrite the history of post-World War II relations between the U.S. and the USSR. Another work propagatd the thesis that the Korean War was actually precipitated by South Korea. In recent months, what had been an obscure cultish effort has been transformed into a chic intellectual vendetta.

Until now these passions have not engaged more than a fragment of American thought. But on Feb. 6 NBC's three-hour Big Event, the story of "Tail Gunner Joe," reached into some 9 million American homes with what purported to be a re-creation of Senator Joseph McCarthy—his life and times.

Since so much of television is by necessity fiction, what difference did this particular pseudo-documentary make? The answer is as complex as it is relevant to today's political attitudes.

First, it must be said that the portrayal of Joe McCarthy himself was essentially accurate, though in some ways he was more sinister than the intermittently comic character brilliantly acted by Peter Boyle. Yet so much else, including some things which have a factual base, was so wrong as to result in seriously damaging and destructive miseducation.

The falsehoods, distortions and omissions in the telecast fall into two categories:

(1) The period of American and world history in which the McCarthy phenomenon occurred was ignored, trivialized for falsified.

(2) "Tail Gunner Joe" would have us believe there was only isolated and sporadic opposition to McCarthy and virtually none in the political center.

These distortions do not simply rewrite a decade of American history. They seriously damage an understanding of some contemporary issues.

The glaring deficiencies in the TV "documentary" suggest the basic thrust of much of the more serious revisionist efforts to turn a painful period on its head. These include the falsification of history, introduction of a new set of heroes, the staining of America's motivés, the diminishment of once admired leaders, and the obliteration of much that was liberal and decent in American life during that period.

Thus, in "Tail Gunner Joe," there was a virtually complete absence of the painful events which were happening and which made it possible for Joe McCarthy to exploit very real anxieties. The author will of course insist that he did indeed vividly describe the background events which made McCarthy possible. Here it is intact—all 51 seconds of the playwright's recaptured history:

"The time was ripe. Alger Hiss had just been convicted and thrown in jail. The Rosenbergs were arrested, found guilty and executed as spies, traitors to their country. A British atomic scientist named Klaus Fuchs, who worked on our atomic bomb—he was tossed into the slammer for 14 years for spying for Russia. There just seemed to be spies everywhere.

"The Cold War—listen it was a bad time. Sensible people like my wife and myself—building bomb shelters. And then North Korea, backed by Russia, attacked South Korea. The cold turned hot, and we were literally, if not legally, at war with the Red menace.

"And, after all, World War II had been over for a couple of years, and I think there was a sense of loss. I mean it had been exciting to have an enemy—someone you could hate without feeling guilty."

That is it. That is the extent of the effort to acknowledge one of the most dangerous and painful tragedies, whose continuing effect clouds our present and shadows our future.

Not a word about Moscow's expansion into Central Europe that put the hammer and sickle above the ancient spires of Prague and the dreary streets of Berlin, and gave the Russians political control over a corridor of once-independent nations that stretched from the Baltic to the Adriatic, and did so in direct violation of U.S.-British-Soviet agreements. The plight of intellectuals in Poland and Czechoslovakia, so much in the news today, is but part of the continuing consequences of those violations.

There is no reference to the Berlin blockade or to the American airlift, no hint of the threat to world peace the Berlin issue posed for so long, no allusion to how close the Communists came to capturing power in France and Italy, nor to Soviet efforts to bring down Greece and Turkey.

Most striking of all the omissions, perhaps, is the absence of Joseph Stalin's name. It is as if he had been dropped into one of George Orwell's 1984 shredders. Yet the McCarthy era in the United States could never have come to life without the horrors that marked his rule.

All of these events are nearly non-existent facts to Americans under the age of 35. Since our median age is 28.5, more than half of America has only a dim sense of events, of how dangerous indeed that period was.

If, fundamental to revisionist history is the need to expunge the record of Soviet aggression and the betrayal of human freedom and the independence of small sovereign states, then there is the remorseless need to obliterate or libel the efforts of so many who were engaged in arousing opposition to those depredations. Revisionists can only permit a very few Americans through their own political filter. And those few who are acknowledged are isolated and rare exceptions. The same reticence is not required about those here and elsewhere who found little in Soviet life and behavior disturbing.

If we are to understand Joe McCarthy, the period during which he flourished and why and how he was finally brought down, we must understand how deeply decent men and women felt about the advance of the Soviet Union, and that their opposition to the senator, as well as to the Soviet Union, was a vigorous though difficult part of that period's political discourse.

In fact, McCarthy and his methods made it progressively more difficult, for liberals and conservatives alike, to express their concern about *communism* without risking the appearance of seeming to support the senator from Wisconsin. It is his deadly legacy to have tainted serious opposition to communism, and it is one of the ironies of McCarthy's demagogy that the only group in America he helped were those attracted to the Communist cause.

"Tail Gunner Joe" would have you believe that all but a few of those who opposed the senator were craven or corrupt. Meanwhile the Communists and those enchanted with them, (almost never embarrassed by McCarthy's inquisition), emerge by reflection benign and pure.

A passage from Lillian Hellman's *Scoundrel Time* illustrates the contemporary revisionism which seeks the same blurring and distortion of our past as she tells of a conversation with Henry Wallace:

"When we had walked for a while, he asked me if it was true that many of the people, the important people, in the Progressive Party were Communists. It was such a surprising question that I laughed and said most certainly it was true. He said, 'Then it is true, what they're saying?' 'Yes,' I said, 'I thought you must have known that. The hard, dirty work in the office is done by them and a good deal of the bad advice you're getting is given by the higher-ups. I don't think they mean any harm; they're stubborn men.' 'I see,' he said, and that was that."

By Lillian Hellman's own account, the Communists did dominate an important political party and its bid for the presidency. Had Henry Wallace and the Progressive Party been a shade more effective than it was, Tom Dewey and not Harry Truman would have won that election in 1948.

The influence of the Communist Party in the United States in the 1940s cut deep and wide, but opposition to them was far wider and deeper. The Communists had succeeded in dominating a section of the U.S. labor movement. In Wisconsin they controlled the state CIO Council when McCarthy first sought a Senate seat in 1946. Did their support of Joe McCarthy (which he publicly welcomed) not deserve comment? Or the fact that in the judgment of political analysts studying that race, McCarthy's margin of victory was supplied by the Communist Party apparatus?

Am I suggesting that a new theater of the absurd replace the theater of revisionist history? Why would the Communist Party want a McCarthy victory in Wisconsin? It is curious that "Tail Gunner Joe" depicts and identifies a host of major historical figures of the time—Truman, the Kennedy brothers, Eisenhower, Senators Flanders, Symington and Margaret Chase Smith—but not the incumbent senator defeated by McCarthy. In the script, Robert La Follette Jr. was presented as a hapless, inarticulate and unnamed professor, a simple-minded foil for McCarthy's venom.

In truth, he was the skillful and courageous head of the Senate Civil Liberties Investigation. La Follette and his committee had already probed the infringement of civil liberties in several key areas of American life and had just begun the first intensive inquiry into Communist influence over U.S. labor unions. The Communists were determined to stop that investigation. It was stopped—by Joe McCarthy.

Here is what the most respected study of that time, Dector and Rorty's *McCarthy and the Communists*, says of this episode:

"McCarthy was elected to the Senate in 1946, as the result of a successful campaign against the incumbent senator from Wisconsin, Robert La Follette Jr. La Follette had been an extraordinary effective anti-Communist legislator. His clear, forthright opposition to Roosevelt policies at Casablanca, Teheran, and Yalta, unlike that of some other congressmen of the time, could not be and was not attacked by the Roosevelt supporters as stemming from a reactionary, isolationist position. For Senator La Follette was no longer an isolationist (as his father had been) and was among the most liberal members of Congress. Indeed, his combination of liberalism and anti-Communism, both effective, made him hated by the Communists.

"But McCarthy accepted the support of the Communists in his campaign to defeat La Follette, archenemy of communism."

This writer's interest in McCarthy was kindled by his challenge to La Follette and to the La Follette inquiry into civil liberties which I considered a vital contribution to the enlargement of freedom. McCarthy's election filled me with foreboding, well before his now-infamous speech in Wheeling, W. Va. It was no accident, therefore, that I was asked

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to appear as McCarthy's opponent in his first exposure to a national radio audience on the then popular "Town Meeting of the Air," one month after his swearing in in 1947. The subject: "Should the Communist Party be Outlawed?"

McCarthy took the affirmative; I, the negative. My reasons were a mixture of the traditional libertarian's view of the political process and a pragmatic realization of the consequences. I was not alone in my pragmatic assessment. J. Edgar Hoover's FBI then opposed outlawing the party, nor for libertarian concerns but because Canada's experience in banning it had shown that an underground Communist Party would be more difficult and dangerous to observe than one pursuing more openly its political goals.

I claim no special credit for my early opposition to McCarthy and what he stood for. Indeed, I cite my role only as illustration of the cross-section of Americans who did speak out against him—a group whose activities the writers of "Tail Gunner Joe" have consigned to the historical dust-bin.

Harry Truman is portrayed as a pre-McCarthy pioneer of McCarthy-like actions. Dean Acheson, whose effective career McCarthy destroyed, comes off little better. Eisenhower's moment of Wisconsin cowardice during the 1952 campaign is highlighted, but his years of quiet leadership in the battle White House and congressional forces waged against McCarthy is pointedly ignored.

John and Robert Kennedy emerge as McCarthy playmates—"tennis at Hyannis and all that." Robert Kennedy is shown as a member of Joe McCarthy's staff. But no mention is made of Bob Kennedy's transfer shortly thereafter to the group of Democratic senators on the committee which was investigating McCarthy.

That magnificent lady, Margaret Chase Smith, stands alone in being given a nearly adequate presentation. But of course there is no mention either of her long and tenacious opposition to communism in America.

And how can any fair accounting of the period be given without mentioning the role of so many others? Left-to-liberal Democrats formed Americans for Democratic Action to express liberal anti-Communist concerns.

Where in this rewriting of history is one to find Hubert Humphrey, Robert Nathan, Leon Henderson, and their numerous colleagues in the anti-Communist opposition to McCarthy? Where too the local political groups, like the Liberal Party in New York which was created to oppose that state's Communist-dominated American Labor Party? Freedom House, which labored for years to rally anti-McCarthy opposition, merely continued its historic antipathy to totalitarianism of any kind, left or right, communist or fascist.

Nor was the world of journalism as bereft of courage as this mean-spirited script pretends. The Luce publications—yes Luce—shared a deep and often-expressed antipathy to McCarthy and were willing to risk lost circulation and advertising revenue for their stand. And they did lose both. The show does show us Drew Pearson's courage. But Ed Murrow is mentioned only twice in passing. Yet his "See It Now" programs on McCarthy were one of the most powerful single events contributing to the senator's fall.

What about the pioneering works of a small journal, *The Progressive*, which dug out all of McCarthy's sordid political history—including that curious marriage of articles and editorials other magazines and newspapers ran against him?

To borrow a phrase Joseph Welch used to such effect, "Where in heaven's name" is there the slightest suggestion of the extensive efforts by many people in political life, in journalism, in broadcatsing, in that large part of the American community which was appalled by what was happening elsewhere in the world and not less appalled by Joseph McCarthy and his fake anti-communism?

The need for drama in a TV play does not explain what was presented, left out or distorted. There was more drama in "See It Now" than in the Pearson episode in the TV script—not only that of Murrow's journalistic surgery on McCarthy, but of CBS affording McCarthy time to reply just days later—at Murrow's behest. Only the Army-McCarthy hearings packed a bigger dramatic punch.

And there were so many other moments of high tension to choose from: McCarthy's seven-hour speech in the Senate, for one, in which he detailed charges of treason against Gen. Marshall and labelled Eisenhower as Marshall's chief aide in a Moscow-led conspiracy.

Ah! But it's all past, isn't it? No, it's not. The revisionist effort to rewrite the history of that period is now in full flower. And it is not simply their rewriting of history which is important. They are reshaping, or seeking to, our present perceptions. We as a nation must cope with present dangers even as we apply patient effort to reduce those dangers. To distort the origin or reality of those hazards, or to ignore them, is to alter our future ability to understand and respond.

That the author of "Tail Gunner Joe" understands this implication for the present is clear in the brief and outrageous dialogue which closes his TV drama:

"So what's your theory? How did he stay on top?"

"Because most of the media and most of the public stood around and watched. Because nobody who was really important stood up to him in time."

"What about Margaret Chase Smith, Murrow, and Pearson?"

"When I said important, I meant who happened to be president of the United States."

"He wasn't Hitler or Napoleon and fortunately people like that aren't born every day."

"You're right, but people like McCarthy are born every 30 seconds and that is the horror."

"What you're saying is it could happen again."

"Hasn't it?"

CONGRESS MUST NOT RATIFY CUTS IN THE U.S. DEFENSE CAPABILITY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 24, 1977

Mr. KEMP. Mr. Speaker, the Carter administration has submitted its list of defense cuts for fiscal year 1977 and 1978, and I am distressed to report that the consequences of the proposed recissions and reductions are worse than many observers have feared. Faced with an avalanche of evidence about the character of the Soviet military builduo, the Carter administration has elected to cut bone and muscle in response to the demands of the shrillest elements of the left wing of the Democratic Party.

Before discussing the Carter defense cuts, I should spell out what I believe are the necessary objectives our defense programs should pursue in the coming fiscal year 1978.

First, we should be demonstrating to the Soviet Union that our strategic nuclear force can be improved to the extent necessary to at least threaten the survival of the most menacing Soviet strategic systems, the SS–18 and SS–19. This means that we must maintain the capability to rapidly augment our existing strategic forces, both in numbers and quality.

Second, our NATO posture must eliminate any doubts that the United States will either allow its forces to be subtly disarmed through the erosion of their capability through underfunding of modernization or operation and maintenance or to emphasize a defense posture that will encourage fears that the United States may someday abandon its forward deployment in Europe by pulling its forces back to the United States.

Third, the United States should be taking vigorous efforts to rebuild its Navy, decimated by a decade of neglect to half of its size in the mid-1960's.

Having stated what I believe to be appropriate objectives for the Nation's fiscal year 1978 defense programs, I would like to review the significance of the Carter administration's changes in the defense budget.

CARTER'S INCREASES

The administration is seeking $605 million in increases in defense expenditure over the proposals of the Ford administration. All of these increases deal with improvements to our conventional nonnuclear warfare capability. The most important elements include $60 million for airfield improvements in Europe, $60 million to expand facilities for prepositioned stocks of equipment in Europe, $15 million to modify civilian aircraft for use in strategic mobility, and $480 to increase overall combat readiness and domestic military construction and maintenance projects.

At first reading, one would assume that these proposals represent the administration's efforts to make good on its rhetoric about improving the U.S. military posture in Europe.

But, I fear, it will undermine the very values we wish to emphasize in our defense program with respect to Europe. Every significant element of the proposed increases can be justified in the context of a gradual reduction in our European forward deployment. Measures which are oriented toward pre-positioning of equipment, and the improvement of our airlift capability, when combined with the character of the cuts proposed in the fiscal year 1977 and fiscal year 1978 budgets can only serve to encourage speculation about the Carter administration's intentions with respect to the American commitment to NATO. Does the Carter administration intend to improve our NATO posture through the notion of enhancing our ability to withdraw under the cover of a cosmetic improvement in our ability to airlift forces to Europe? Perhaps not, but our needs in Europe are so well known that it is difficult to accept the notion that these needs were overlooked. Increases in Soviet manpower, tank and armored personnel carrier deployments, increased missile

and canon artillery, and substantial additions to the Soviet advanced tactical aircraft inventory demand that we respond with additional tank production, an acceleration of the conversion of "light" infantry divisions to "heavy" mechanized and armored divisions, and an increase in the rate of deployment of advanced tactical aircraft to the European theater. We are, in fact, cutting our capability in Europe to offset the Soviet build-up there, not enhancing it.

CARTER'S CUTS

One need draw no inferences from Carter's proposed defense cuts; the significance of most of them are extraordinarily clear for both our strategic nuclear forces, and our conventional or general purpose forces.

Faced with an unprecedented Soviet strategic nuclear build-up by the Soviets since the 1972 strategic arms limitation accords were ratified, the United States would be hard-pressed to develop means of reducing the magnitude of the threat posed to the survivability of U.S. strategic nuclear forces in the light of the deployment of several particularly threatening Soviet systems including the SS–18 and SS–19, as well as the initial deployment of new types of long-range submarine-launched systems and a land-mobile missile system that can be employed in an intercontinental role.

Last year, the Congress initiated a program whereby the United States would at least retain the option to deploy large numbers of Minuteman III missiles in a short period of time if there were a significant deterioration in the international climate by keeping the Minuteman III production line open. This seemed to be the minimum prudent step we could take so that we would have at least one strategic system in production while we were developing new strategic systems in our laboratories and simultaneously seeking to negotiate an equitable strategic arms agreement with the Soviet Union.

The administration has even eliminated this minimal program thereby bringing to a halt the only strategic missile production line in the Western World, and imparting a delay of up to 3 years if circumstances required that we deploy additional Minuteman missiles on an urgent basis.

The decision to terminate the Minuteman III production line, in lieu of Salt II treaty, reckless as I believe it is, should at least have stimulated greater efforts to develop alternatives to the Minuteman III so that a long period of time will not elapse between the closing of the Minuteman III production line, and the production of a newer and more capable ICBM to replace it. In fact, the Carter administration proposes to do the opposite. The MX ICBM program is to be cut by $160 million, and the earliest date for initial deployment slipping into the mist of the future—1984 or beyond—while further studies be conducted to determine the best form of mobile basing for the missile. The evolution of the Soviet-American strategic balance that is inevitable through the early 1980's unless the Soviet leadership opts for pacifism calls for development of the MX on an urgent basis; not the slowed down pace which the administration proposes.

The thoroughgoing decimation of our strategic defense program continues; the administration proposes to defer funds for the Follow-on Interceptor despite the fact that the Soviets have deployed supersonic intercontinental aircraft, have configured their new transport aircraft for the aerial tanker role, and that we are almost entirely devoid of antiaircraft defense for the continental United States.

The manned bomber component of our strategic forces has fared no better. The B–52 bomber, designed in 1948 as a high altitude heavy bomber has undergone numerous modifications to make it suitable for a mission for which it was never designed—to penetrate hostile air defenses at low altitudes and at high speeds. The intelligence exploitation of the Soviet MiG–25B Foxbat aircraft in Japan demonstrates that we cannot count on the B–52 to be able to penetrate hostile air defense much longer. Its huge size compared to the B–1 makes it visible to Soviet radar in time to alert its air defense forces when the B–1 would slip by before air defenses could be brought to bear. Yet, the administration proposes as an interim measure to reduce the purchase of B–1 bomber aircraft from 8 to 5. Meanwhile the Soviet Union has deployed nearly 100 Backfire supersonic bombers with its naval and long range air forces.

Despite the high volume of administration rhetoric about enhancing our NATO posture, the administration is cutting the bone and muscle of our NATO modernization.

The F–15, the heart of our air superiority aircraft deployments in Europe to offset the rapid buildup of the new Flogger, Fitter C, Backfire, and Foxbat aircraft in Europe is being cut sharply—$334 million. Thus the day when the United States can hope to guarantee air superiority to NATO forces slips further into the future.

The field air defense of U.S. Forces in Europe fares no better. It is vital for the U.S. to have a dense line of antiaircraft missiles at the forward edge of the battle area—FEBA—if we are to prevent Soviet interdiction and close air support aircraft from disrupting our lines of supply or attacking our forces maneuvering in forward areas with armored and mechanized units. To provide adequate field air defense against the enhanced threat, more Hawk missiles are needed. The administration's response is to cancel the procurement of six additional Hawk battery sets. If we learned nothing else from the 1973 Middle East war, we should have learned that the old assumptions about combat consumption rates do not stand up well in modern warfare. Yet, Secretary Brown declares the additional Hawk battery sets to be "in excess of total inventory needs."

Witness after witness from the Navy has testified as to the urgent requirement for a suitable platform to deploy the Aegis air defense system at sea for the urgent needs of the air defense of the fleet. Last week, the administration indicated its opposition to the modification of the cruiser *Long Beach* for an Aegis system. This week it supports cancellation of the nuclear-powered strike cruiser as an Aegis platform. The only alternative is the nonnuclear powered DDG–47 class ships. We are heading in a direction where our entire fleet may be headed for a 1980-style Pearl Harbor because of the administration's foreclosure of options for fleet defense.

The list is extensive and thorough. Even a warning system for chemical weapons attack is scheduled for oblivion by being consigned to low level production. No one should be confused by the character of these cuts; they go in the wrong direction. The direct threat to the survival of the United States and our allies has never been greater, and yet the administration offers an assortment of defense cuts that imply a dangerous degree of complacency on the part of the Carter administration. It is my hope that the Congress will expercise the kind of leadership it has so often done in the past as in the nuclear submarine program, and shipboard nuclear power program, antiballistic missile defense research, and so many other programs that have been forced on previous administration's grown too complacent to recognize the danger widely perceived by the ordinary American citizen.

SENATE COMMITTEE MEETINGS SCHEDULED

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure beginning February 21, and until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD.

Any changes in committee scheduling will be indicated by placement of an asterisk to the right of the name of the unit conducting such meetings.

Meetings scheduled for Friday, February 25 may be found in the Daily Digest section of today's RECORD.

The schedule follows:

SCHEDULED MEETINGS
FEBRUARY 28

9:00 a.m.

Agriculture, Nutrition, and Forestry

To resume hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.

Until: Noon 322 Russell Building

Banking, Housing, and Urban Affairs
Subcommittee on International Finance
To resume hearings on S. 69 and 92, to amend and extend the Export Administration Act, including provisions on anti-boycott and nuclear proliferation.
5302 Dirksen Building

9:30 a.m.
Human Resources
Subcommittee on the Handicapped
To resume hearings to review programs for handicapped persons.
4232 Dirksen Building

10:00 a.m.
Armed Services
To hear Paul C. Warnke testify and answer questions in behalf of his nomination to serve as Director of ACDA, with the rank of Ambassador.
Room to be announced
Environment and Public Works
To hold hearings to review Presidential budget requests for fiscal year 1976 for the Environmental Protection Agency.
4200 Dirksen Building
Select Small Business
To resume hearings on problems of U.S. supplemental air carriers, including charter regulations, applications for low-cost scheduled service discriminatory enforcement of CAB rules, and military airlift contract procedures.
6202 Dirksen Building

11:00 a.m.
Indian Affairs
Business meeting on committee organization.
1105 Dirksen Building

12:00 Noon
Appropriations
Subcommittee on Labor-Health, Education, and Welfare
To hold hearings to receive testimony on proposed supplemental appropriations for the Department of Health, Education, and Welfare, to hear testimony on certain health programs and on special benefits for disabled coal miners.
S-128, Capitol
Appropriations
Defense Subcommittee
To hold hearings on several pending proposed rescissions of budget authority for the defense establishment.
S-126, Capitol

MARCH 1

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

10:00 a.m.
Commerce, Science and Transportation
Subcommittee on Science and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building
Energy and Natural Resources
Subcommittee on Minerals, Materials and Fuels
To resume hearings on S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.
3110 Dirksen Building
Human Resources
Subcommittee on Health and Scientific Research
To hold hearings on proposed legislation authorizing funds for the National Science Foundation for fiscal year 1978.
4232 Dirksen Building

11:00 a.m.
Banking, Housing, and Urban Affairs
To consider S. 756, proposing the extension of the authority for the flexible regulation of interest rates on deposits and accounts in depository institution, (Regulation Q).
5302 Dirksen Building

5:00 p.m.
Joint Defense Production
Business meeting to discuss committee organization.
Until: 6 p.m. EF-100, Capitol

MARCH 2

9:30 a.m.
Environmental and Public Works
To hold hearings to review Presidential budget requests for fiscal year 1978 for the Economic Development Administration and the Appalachian Regional Commission.
4200 Dirksen Building
Human Resources
Subcommittee on the Handicapped
To resume hearings to review programs for handicapped persons.
3302 Dirksen Building
Veterans' Affairs
Business meeting, to discuss committee organization.
412 Russell Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to discuss budgetary and other committee business.
Until: Noon 322 Russell Building
Banking, Housing, and Urban Affairs
To hold hearings on proposed authorizations for major housing and community development programs.
5302 Dirksen Building
Energy and Natural Resources
Subcommittee on Minerals, Materials and Fuels
To continue hearings on S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.
3110 Dirksen Building
Human Resources
To hold hearings on the nominations of Peter G. Bourne, of the District of Columbia, to be Director, and Lee I. Dogoloff, of Maryland, to be Deputy Director of the Office of Drug Abuse Policy.
4232 Dirksen Building
Rules and Administration
To discuss committee rules and organization, to be followed by hearings on S. Res's. 5 through 12, proposing changes in Senate rules.
301 Russell Building

10:30 a.m.
Judiciary
To hold hearings on the nominations of Wade H. McCree, Jr., of Michigan, to be Solicitor General; Barbara A. Babcock, of California, to be an Assistant Attorney General (Civil Division); Benjamin R. Civiletti, of Maryland, to be an Assistant Attorney General (Criminal Division); Drew S. Days, II, of New York, to be an Assistant Attorney General (Civil Rights Division); Daniel J. Meador, of Virginia, to be an Assistant Attorney General (Office for Improvements in the Administration of Justice); and Patricia M. Wald, of Maryland, to be an Assistant Attorney General (Office of Legislative Affairs).
2228 Dirksen Building

MARCH 3

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings and proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

9:30 a.m.
Environment and Public Works
To hold hearings to review Presidential budget requests for fiscal year 1978 for the Fish and Wildlife Service.
4200 Dirksen Building
Small Business
To hold hearings on bills to provide disaster assistance to small businesses (S. 570 and 704).
3302 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed authorizations for major housing and community development programs.
5302 Dirksen Building
Commerce, Science and Transportation
Subcommittee on Science and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1976 for the National Aeronautics and Space Administration.
235 Russell Building
Energy and Natural Resources
Subcommittee on Minerals, Materials and Fuels
To continue hearing on S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.
3110 Dirksen Building
Rules and Administration
Subcommittee on Privileges and Elections
To hold hearings on the proposed fiscal year 1978 authorization for the Federal Election Commission.
301 Russell Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

MARCH 4

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

9:30 a.m.
Environment and Public Works
To hold hearings to review Presidential budget requests for fiscal year 1978 for the Army Corps of Engineers.
4200 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed authorizations for major housing and community development programs.
5302 Dirksen Building

11:00 a.m.
Joint Economic Committee
To hold hearings on the employment/unemployment situation for February.
1202 Dirksen Building

MARCH 7

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

9:30 a.m.
Environment and Public Works
To hold hearings to review Presidential budget requests for fiscal year 1978 for the General Services Administration.
4200 Dirksen Building

10:00 a.m.
Appropriations
Subcommittee on Military Construction
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs.
S-146, Capitol
Commerce, Science and Transportation
Subcommittee on Military Construction
To resume hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building

MARCH 8

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building
10:00 a.m.
Rules and Administration
Subcommittee on Privileges and Elections
To hold hearings on the operation of the Overseas Citizens Voting Rights Act (Public Law 94-203), and S. 703, operation of such Act.
301 Russell Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

MARCH 9

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building
9:30 a.m.
Environment and Public Works
To hold hearings to review Presidential budget requests for fiscal year 1978 for the Federal Highway Administration.
4200 Dirksen Building
Small Business
To hold hearings to consider the impact of product liability insurance on small businesses, and on S. 527, authorizing the Small Business Administration to furnish reinsurance for property liability insurers for small business concerns which would not otherwise be able to obtain product liability insurance on reasonable terms.
6202 Dirksen Building
10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up (1) proposed legislation authorizing funds for fiscal year 1978 housing program; (2) S. 417, the proposed National Neighborhood Policy Act; and (3) to review those items in the Presidential budget for fiscal year 1978 which fall within the committee's legislative jurisdiction.
5302 Dirksen Building
Commerce, Science and Transportation
Subcommittee on Science and Space
To hold closed hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building
Select Intelligence
Subcommittee Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

MARCH 10

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building
Until: Noon
Banking, Housing and Urban Affairs
To hold oversight hearings on the state of the U.S. banking system.
5302 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

MARCH 11

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building
10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on the state of the U.S. banking system.
5302 Dirksen Building

MARCH 14

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

MARCH 15

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building
10:00 a.m.
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

MARCH 16

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on corporate bribery and investment disclosure legislation.
5302 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

MARCH 17

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up the proposed legislation to extend the Export Administration Act and related matters.
5302 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To hold closed hearings on proposed fiscal year 1976 authorizations for Government intelligence activities.
S-407, Capitol

MARCH 21

9:30 a.m.
Commerce, Science and Transportation
To hold hearings to inquire into domestic communications common carrier (i.e., telephones, computers, etc.) policies.
235 Russell Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 929 and S. 689.
5110 Dirksen Building
Small Business
To hold hearings to consider the impact of product safety regulations on small businesses.
318 Russell Building
10:00 a.m.
Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on the activities of the Electronic Fund Transfer System Commission.
5302 Dirksen Building

MARCH 22

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings to inquire into domestic communications common carrier (i.e., telephones, computers, etc.) policies.
235 Russell Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building
10:00 a.m.
Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on the activities of the Electronic Fund Transfer System Commission.
5302 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

MARCH 23

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings to inquire into domestic communications common carrier (i.e. telephones, computer, etc.) policies.
235 Russell Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building
10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

MARCH 24

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building
10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building
Energy and Natural Resources
To hold oversight hearings on the proposal for an international petroleum transshipment port and storage center located in the Palau District, Western Caroline Islands, Trust Territory of the Pacific Islands.
3110 Dirksen Building

MARCH 25

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building

MARCH 28

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

MARCH 29

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S-407, Capitol

MARCH 30

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up proposed legislation on corporate bribery and investment disclosure.
5302 Dirksen Building

MARCH 31

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Foreign Relations
Subcommittee on Oceans and International Environment
To hold hearings on S. Res. 49, expressing the sense of the Senate that the U.S. Government should seek the agreement of other governments to a proposed treaty requiring the preparation of an international environmental impact statement for any major project expected to have significant adverse effect on the physical environment.
4221 Dirksen Building

APRIL 1

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

APRIL 19

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation on housing and community development, with a view to reporting its final recommendations on housing programs to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 20

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation on housing and community development, with a view to reporting its final recommendations on housing programs to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 21

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation on housing and community development, with a view to reporting its final recommendations on housing programs to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 22

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation on housing and community development, with a view to reporting its final recommendations on housing programs to the Budget Committee by May 15.
5302 Dirksen Building

SENATE—*Friday, February 25, 1977*

(Legislative day of Monday, February 21, 1977)

The Senate met at 2 p.m., on the expiration of the recess, and was called to order by Hon. DANIEL PATRICK MOYNIHAN, a Senator from the State of New York.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, show us how to walk the luminous trail of Him who was the Way, the Truth, and the Life. As we walk this highway make us to know that it leads to a cross of pain, to death and resurrection. Show us the truth that the giving of self is self-fulfilling, that losing life for others is to find it again resplendent and complete. May the President, the Congress, and all workers in Government be mastered by Him who came not to be ministered unto, but to minister and give His life for many.

In His name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 25, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DANIEL PATRICK MOYNIHAN, a Senator from the State of New York, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. MOYNIHAN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, Thursday, February 24, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, there are various nominations on the Executive Calendar which are cleared. I therefore ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, will the Senator yield for a moment?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. Mr. President, I might advise the majority leader that the entire Executive Calendar, including the nominations for the U.S. Air Force, the U.S. Army, the U.S. Navy, and others, through the entire content of the Executive Calendar, have been cleared on the Republican side.

Mr. ROBERT C. BYRD. I thank the distinguished Republican leader.

NOMINATIONS ON THE EXECUTIVE CALENDAR AND ON THE SECRETARY'S DESK

Mr. ROBERT C. BYRD. I ask unanimous consent, Mr. President, that all nominations appearing on the calendar today under U.S. Air Force, U.S. Army, U.S. Navy, U.S. Marine Corps, and the nominations placed on the Secretary's desk in the Air Force, Army, and Marine Corps be considered and confirmed en bloc.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, I yield to the distinguished majority whip who has an especial interest in two nominations that he may ask to have those called up for consideration

by the Senate, which were reported earlier today.

Mr. CRANSTON. Mr. President, I ask that two nominations at the desk be called up at this point, for Director of the ACTION Agency and for Administrator of Veterans' Affairs.

VETERANS' ADMINISTRATION

The second assistant legislative clerk read the nomination of Joseph Maxwell Cleland, of Georgia, to be Administrator of Veterans' Affairs.

Mr. CRANSTON. Mr. President, I wish to say a word before we proceed with the nomination. Max Cleland, the nominee to be head of the VA, is an outstanding American with a remarkable record. He was severely wounded in Vietnam. He was an Army captain.

I first became acquainted with him when he appeared as a witness before a Veterans' Affairs hearing which I was chairing in 1969.

He will be the first Vietnam-era veteran to head the VA. He is in tune with the needs not only of the veterans who are younger, but those who are older.

He will bring, I believe, the compassion and competence to that agency that President Jimmy Carter hopes to see throughout the Government.

Nobody can do it better than Max Cleland can do it in the VA.

I am very proud to have played a part in his nomination and in the step that now brings his nomination to the floor of the Senate.

Mr. ALLEN. Will the Senator yield?

Mr. CRANSTON. Certainly.

Mr. ALLEN. Mr. President, I commend the distinguished Senator from California for his comments about Max Cleland. I, too, know Max and feel that this is indeed an outstanding choice the President has made.

I know that he will make a great head of the Veterans' Administration. I commend the President for his fine choice.

Mr. STEVENS. Mr. President, I join in the statements concerning Max Cleland. He has been our neighbor across the hall in the Russell Building for a couple of years. We have gotten to know him very well. He is a man of immense energy and, I think, mental capacity.

Certainly, we look forward to his leadership in this very vital area with great anticipation. I know that the people who have come to my office and also visited the Veterans' Affairs Committee office across the hall have all been impressed with him. We also welcome this nomination.

Mr. CRANSTON. I am delighted that we have such a proud moment in the Senate, and I urge that we now proceed with the nomination.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

ACTION AGENCY

The second assistant legislative clerk read the nomination of Samuel Winfred Brown, Jr., of Colorado, to be Director of the ACTION Agency.

Mr CRANSTON. Mr. President, I would also like to say a word about the nomination of Sam Brown. This is another remarkable nomination by President Jimmy Carter of an outstanding young American. He is 32 years old. He was a leader of the effort against the Vietnam war but in a very peaceful, nonviolent way. He headed the Vietnam moratorium.

He later was elected to public office as treasurer in the State of Colorado.

He and Max Cleland come before the Senate together in a rather unique way. Both had their own experiences and learned a very great deal in the course of the Vietnam conflict. Both were in the White House on the afternoon of January 20 with President Carter to discuss the respective assignments the two are now assuming. Their link in history in the past in the Vietnam era, now in the post-Vietnam era, and in the future in the Carter administration, is a very interesting development in the course of our country.

I am proud to speak for the Sam Brown nomination as I did speak for the nomination of Max Cleland.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be immediately notified of the confirmation of all nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER EXTENDING TIME FOR FILING COMMITTEE REPORT—SENATE RESOLUTION 36

Mr. ROBERT C. BYRD. Mr. President, I do not want to impinge on the time of the distinguished Senator from New Mexico (Mr. SCHMITT) who has a special order, but I would like to ask unanimous consent at this time that the Special Committee on the Code of Public Conduct for Senators, Officers, and Employees of the Senate be given 2 additional days for the filing of its report.

Under the resolution which was adopted unanimously, and which was co-authored by the distinguished Republican leader and myself, that committee was mandated to report back to the Senate, not later than March 1, a code of ethics. According to the resolution Senate Resolution 36, the resolution was thereupon to become the immediate pending business.

The committee, under Mr. NELSON's chairmanship, has done an exceedingly extraordinary job working under great time pressures. It has, I think, completed its work in marking up the bill. But the chairman (Mr. NELSON) tells me that he feels that he needs more time in order for the report to be properly written; in order for the bill to be gone over carefully by the staff to be sure that there are no incorrections and so forth therein; and that he would like to have a couple of extra days.

That being the case, and also, in view of the fact that I feel that Members on both sides of the aisle would like to have 2 or 3 days, at least, to study the report, I ask unanimous consent at this time—I have discussed it already with the distinguished minority leader—that the Nelson committee have until no later than March 3, at midnight, to file its report and that the majority leader be authorized to call up and make the code of ethics the pending or unfinished business at any time beginning with Monday, March 7—at any date beginning with that date or thereafter.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I yield to the distinguished minority leader.

Mr. BAKER. Mr. President, if the Chair will withhold action on the unanimous-consent request, I reserve my rights. I do not intend to object. I think this is a reasonable request. I, too, think the committee has done a very good job in a brief time.

Mr. ROBERT C. BYRD. And in a very fine bipartisan spirit.

Mr. BAKER. In a very good bipartisan spirit. I am happy, then, to join with the majority leader in this request.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORITY FOR SELECT COMMITTEE TO FILE REPORT ON TUESDAY, MARCH 1

Mr. ROBERT C. BYRD. Mr. President, I make the following statement on behalf of the distinguished Senator from Illinois (Mr. STEVENSON).

Pursuant to Senate Resolution 109, the Temporary Select Committee to Study the Senate Committee System is required to submit to the Senate a final report of its findings, together with recommendations, by February 28, 1977.

Since the Senate will not be in session on Monday, February 28, I ask unanimous consent that the select committee be allowed to submit its recommendations on Tuesday, March 1.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New Mexico is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield, I yield back the remainder of my time under the order.

Mr. BAKER. Mr. President, if the Senator will yield to me, I shall yield back my remaining time under the standing order.

Mr. SCHMITT. I am happy to yield.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. I ask unanimous consent, Mr. President, that all

committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REPORT FROM NEW MEXICO

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New Mexico is recognized for not to exceed 15 minutes.

Mr. SCHMITT. Mr. President, I have just returned from a period of travel in my home State, New Mexico, in which I visited with the residents of the State in what we have come to call the nonlegislative period, which I believe used to be called a recess. I believe it is extremely important that Congress, at every reasonable opportunity, visit with the constituents that populate the real world of this Nation, and I would like to give a brief report on what I learned, or believe I learned, during my recent visit to New Mexico.

I think it is important in our legislative activities that we listen to the opinions that our constituents have on what has been done, what we think will be done, and, maybe most importantly, what ought to be done about major problems facing our States and our Nation as a whole. The major areas of concern in New Mexico do not seem to be much different than I sense are concerns elsewhere. However, our perspective sometimes varies with that of other parts of the country.

Energy supply and energy prices are a major topic of concern, particularly from our point of view in New Mexico. We hope that the producing States such as New Mexico will not be asked to sacrifice unfairly with respect to sacrifices that should be asked of the consuming States. New Mexico, as I am sure you are well aware, is one of the leading States in the production of oil and gas and coal. We will, I am sure, be one of the leading States, if not the leading State, in the production of energy from solar sources. And we are the leading State in the production of uranium.

Another area of major concern is our national security. This, of course, has been emphasized as a consequence of the nomination of Mr. Paul C. Warnke to be a major figure in our arms control talks and in the formation of arms control policy. In general, the perception of Mr. Warnke is in conflict with the perception that he has been trying to give to the Committee on Foreign Relations and the Committee on Armed Services of the U.S. Senate. I think therein lies the most difficult problem that we have in confirming Mr. Warnke when that nomination comes before the full Senate. Perception is very important. The signal that we send to friend and foe alike in this regard must be considered. I find that the constituents in New Mexico are surprisingly well informed on Mr. Warnke's past statements and philosophy.

Maybe most critical to the individual New Mexican, and probably to every American, is a growing feeling that government, particularly Federal Government and its regulations, are extraordinarily impersonal, and that the relationships that an individual maintains are increasingly difficult because of this impersonal nature of government and regulation. Most of the people that came to me during office hours in Albuquerque, Santa Fe and Farmington were concerned with problems of social security, veterans' retirement benefits, railroad retirement benefits, grazing regulations, and a lack of responsiveness, particularly on the part of the Department of Labor, in their regional office. These are the kinds of problems that really, when you look into them, should not occur. It is, I think, clearly related to a lack of understanding by the Federal Government and some of the people who work in the Federal Government concerning the specific nature of local problems and local situations. We must do something in this body to change this impersonality of government.

There is a great interest in New Mexico, and I detect it in most of the Western States and elsewhere, in increasing the responsibility of government at the local level. In this regard, I ask unanimous consent to have printed at the end of my remarks an address that I made to the New Mexico State Legislature which emphasizes a new view of federalism in the context of some of our present problems.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SCHMITT. One of the problems that exists on an institutional level and which was mentioned in the conversations that I had with constituents is a lack of internal coordination within government, both between agencies of the Federal Government and between the Federal and local governments. I think that, as we proceed through this session of Congress, we must try to uncover and eliminate these areas of conflicting jurisdiction and conflicting regulations wherever they exist. It seems to be particularly critical in New Mexico relative to the use of educational funds, particularly Federal funds allocated on a categorical basis to special education programs.

Another example of this lack of apparent coordination was a recent memorandum sent to private and potential producers of oil and gas in New Mexico and in other States by the Secretary of the Interior asking for their cooperation in accelerating the production of such commodities. I think this is commendable that such a request be made, and I find that everybody that I talked to is more than happy to try to comply. However, there are many bottlenecks within the Department of the Interior that prevent compliance with such requests. For example, present pipeline interconnections in the State of New Mexico are taking at least 120 days, most of that time required to get the Bureau of Land Management to approve the interconnect.

There is also an increasing problem in dealing with the Bureau of Indian Affairs and in getting interconnects across land under their jurisdiction or under the jurisdiction of local governments. In one instance, there has been a pending request with the Bureau since last May, still no interconnect is possible—that is, an interconnect between a potential producing gas well and an interstate pipeline.

The coal gasification plans that have been considered in our area for many years are still in a state of limbo for two reasons, first, the lack of sufficient loan guarantees by the Federal Government for these very ambitious, and I think, extremely necessary projects, and second, the great difficulty in coordination between various governmental entities—State, local, and private governments.

This brings me to an area of great concern in the State of New Mexico—and I think of growing concern throughout the country. That is, the status of our policies relative to native Americans, or what are generally called Indian affairs.

There is unbelievable confusion and growing resentment among Indians and non-Indians alike for the lack of resolution of many issues resulting from either Federal policy or the lack of policy. Communication between local and Indian and Federal Government entities must improve. As a matter of fact, if the situation does not improve very quickly I am afraid our problems have just begun.

There is another matter that illustrates the problem we have in the Congress that has just arisen. There is now authorized by act of Congress the sale of some 250,000 acres of Federal lands to the Navajo Tribe as part of the land that will be transferred to the Hopi Tribe in Arizona.

There must be some resolution to compensate the Navajo Tribe and the people displaced as a result of the agreement with the Hopis. However, there is tremendous economic impact in the sale of that magnitude of acreage of lands under the management of the Federal Government, particularly the Bureau of Land Management.

I think this authorization was approved in the Congress very late. I do not believe that we sufficiently considered the legislation and its economic impact. We must learn to consider such things fully not only in this case, but in any similar cases that may occur.

The specific concerns that were often mentioned as I talked to the constituents in New Mexico were those that related to actions that were either taken or not taken by the Federal Government.

For example, the President's pardon of Vietnam draft evaders has created great resentment in New Mexico. So, too, has the Congress failure to vote up or down on the question of top-level executive, congressional, and judicial pay raises.

Associated with the issue of pay raises is the issue of ethics. I do not find that New Mexicans demand a full disclosure of the amount of incomes. They do not necessarily demand that incomes earned or unearned be forfeited by the Members of Congress. They just want to be sure any conflicts of interest that might occur are visible and that they can, in fact, evaluate their representatives in a fair and equitable way.

We often tend to concentrate on the negative. On the positive side there was great encouragement among my constituents in New Mexico that the Senate had acted responsibly in reforming the committee structure and in insuring that there will be greater concentration of

jurisdiction over many problems that affect our State.

New Mexicans were particularly encouraged by the proposal of the distinguished Senator from Georgia (Mr. TALMADGE) to require that regulatory impact will be considered with each new piece of legislation that comes before the Senate. I was happy to cosponsor his effort in that regard.

From the standpoint of the present administration, the most enthusiasm seems to have arisen from the interest of the President in Latin American affairs and in improving Latin American policy over the next few years.

I certainly commend the President in that regard. We will cooperate and I know all the border States will cooperate, in every way possible in improving relationships with Mexico and other Latin American countries.

Finally, Mr. President, I hope that my colleagues will also see fit to report on their home State impressions during the recess, so that we all can begin to correlate the feelings of the real world with respect to our actions in the Congress, both now and in the future.

Mr. President, I yield back the remainder of my time.

EXHIBIT 1

A NEW VIEW OF FEDERALISM

(By HARRISON H. SCHMITT, U.S. Senator)

It has been four years since I had the privilege of addressing the legislature of my home state. When I last visited with you I had just returned as your representative on the moon.

Most of the problems we discussed have not disappeared but have grown worse, among the most notable are energy policy, water policy and the management of government. I see by the legislation before you that you are striving to come to grips with major portions of these problems. Before moving into the main topic of my address, I hope that you will permit me to reinforce the sense of caution which I am sure you all share.

There is no question that we must reserve a share of the financial returns from our extractions of mineral resources for future generations. The investment of their share must be in the needs of the future, most notably in education and the broadening of our economic base. However, we must be very careful that the level of taxation we establish permits our growth to continue and is based on a realistic appraisal of the economics of the extraction of specific mineral commodities.

All of the members of the legislature realize, I am sure, that our present crisis of high prices and low supply of natural gas is the direct result of a 24 year-old regulation of the price of interstate natural gas at artificially low prices. We should be wary of compounding the problem by artificial regulation of the price of gas produced for use in New Mexico. Rather we should assist national efforts to greatly increase overall supply through gradual deregulation of the price of natural gas and oil while at the same time developing temporary programs that will help the New Mexico consumer of gas bear the financial burdens of the transition to other energy sources.

As you consider the questions related to increasing the efficiency of New Mexico's state government, I am sure it is realized that whatever organizational structure is finally established, that structure must have two basic characteristics. First, the duties and responsibilities of each department and division must be clearly defined and bounded so that conflicts are minimized and your own oversight responsibilities are manageable. Secondly, no department or division should deal with numbers of duties and responsibilities which are beyond the capability of human administrators to assimilate and manage. I hope you will show the federal government how to clean its own house.

My primary concern today, however, is the health of our federal system. Our national experiment in democracy is only a form of democracy called a "republic". The two dominant characteristics of this republic are first, that the people elect their representatives and, secondly, that the vast powers the people transfer through this process are divided between a distant central government and local city, county, and state governments.

These characteristics have given us our federal system which is guaranteed by the tenth amendment to the constitution of the United States.

The traditional constitutional battles have been those related to the restriction or preservation of state rights. Now it may be the time to take a new view of federalism, a view that recognizes that in the continued division of power we have our only real institutional protection of our personal freedoms.

It may be time for the states to assume the leadership in revitalizing the federal system, not just by resisting the encroachments of Washington, but by showing imaginative and responsive solutions to the problems that are and will be unique to our third century of national existence. The variety and traditions that are New Mexico's should enable us to lead the Nation to solutions in many problem areas.

Today, I would like to discuss several problem areas with you in an attempt to illustrate some directions the state of New Mexico might take to revitalize the federal system.

FREE ENTERPRISE ECONOMIC SYSTEM

Even though the extraction of mineral resources and agriculture now provide the foundation of New Mexico's economy, our unemployed and underemployed citizens and our future citizens require a broader spectrum of economic growth.

Let us show that all parts of the free enterprise system in New Mexico will thrive if state government encourages the system rather than discourages it; that a favorable tax and regulatory climate encourages the consumer to generate demand and business to generate capital; that an unrestrictive labor climate encourages employment, productivity and wages; and that research, development and imagination encourages new business and employment opportunities.

Let us show that the role of government is not to stifle and fragment competition, but that its role is to insure that all parts of the free enterprise system—consumer, business, labor, research, and government itself—compete fairly within and between themselves.

EFFICIENT GOVERNMENT

The strength of character seen in New Mexicans, and in most other Americans, comes, I believe, from our love of personal freedom, our love of competition and our compassion towards those who truly cannot help themselves. From our love of personal freedom and competition comes the efficiency and vitality of the free enterprise system; from our compassion comes our need for social action.

Unfortunately, government by itself has shown to be unable to satisfy our compassionate needs without great waste and inefficiency. On a national scale this failure and its resulting financial deficits have encouraged inflation, unemployment and a loss of national productivity and pride.

Let us in New Mexico begin to marry the efficaciousness of our free enterprise system to the needs for social action. If we are imaginative, and if all will act with the state's best interests in mind, then we can begin to demonstrate for the Nation a whole new concept of governmental management; one which combines all the basic strengths of the American character.

As a first step in this marriage, let us explore the possibilities of placing the retirement security program of government employees in personal, guaranteed investments within the private financial community of New Mexico. Such retirement programs not only will provide high returns on the invested dollar but will add much needed capital for others to invest in New Mexico's future economic growth. If New Mexico will lead the way, it may be possible to enact similar retirement security programs at the national level as long-term replacements of an unfair, inadequate and discriminatory social security system.

REGIONAL FEDERALISM

Many of the major problems facing our state today require regional cooperation if solutions are to be found. Problems of crime and illegal aliens plague the states bordering Mexico; questions related to energy, environment and water combine to inhibit growth in the four corners region; proper interstate and intrastate management of the waters of the Rio Grande concern the states of the watershed of that great river system; and the future of high plains agriculture is at stake in the states of the Llano Estacado.

New Mexico's interests are central to the solution of these regional problems. Let us take an increasingly energetic lead in establishing working regional relationships on an issue by issue basis. As regional solutions can be found, arbitrary action by Washington can be avoided.

I am working to increase regional cooperation at the congressional level. I hope you will do the same out here in the "Real World."

ENERGY AND ENVIRONMENTAL POLICY

There is much talk about energy and environmental policy these days, and rightly so. If our present inadequate national defense policies don't bring this republic to its knees, then our *lack* of a national energy policy will do just as well. Emergency Natural Gas Acts can hardly be called a "National Energy Policy".

But what is a "National Energy Policy"? It is not specific legislation; legislation is the means of implementing policy not policy in itself. A National Energy Policy is, I believe, a set of guidelines, which through general goals and specific objectives, take us from our present crisis of supply, through a transition period, into a time in the next century when the use of energy is balanced with its creation and with insignificant effects on our environment. Within such a policy there must be sufficient flexibility to allow use of the imagination, and initiative and economic perspective of the private sector and the states.

New Mexico also needs an Energy Policy. The formulation of a State Energy Plan, the establishment of state conservation objectives, the proper balance between internal use and export of energy, and the focusing of New Mexico's research and development community on New Mexico's problems can be done better by you than by Washington's legions of bureaucrats.

INDIAN POLICY

A major bottle neck in our capability to govern in New Mexico is the lack of clear definitions of the distribution of responsibilities between the state and tribal governments. This bottleneck is reflected in concerns about law enforcement, taxation, conduct of elections, health and welfare, economic development, gambling, liquor, and many other problems that affect both the state of New Mexico and the various tribes.

This definition of mutual responsibilities exists between the state and the city and county governments. Let me suggest that state and tribal officials begin to work directly toward the creation of governmental

interface agreements which can serve as the legal and practical basis for providing better government to all New Mexicans.

If we are succesful in creating such agreements they will surely serve as a model for other states of the Union.

HEALTH CARE

New Mexico is already known for many innovative experiments in improving and reducing the costs of health care. These experiments range from one of the best malpractice legislative packages in the nation, to Presbyterian's consolidation of administrative functions of small town hospitals, to Phelps-Dodge's modern clinical communication system in southwestern New Mexico, to the PSRO review of medicare and medicaid services.

* * * * *

All of these current experiments, and many highly efficient and successful health care institutions, point New Mexico's way toward even broader efficiencies and much lower costs for health care services. Unless we take these steps and set an example for other states, it may be impossible to avoid the national socialization of health care, the consequences of which cannot yet be calculated.

EDUCATION

Unfortunately, last in all the rhetoric and magic of economic stimulus packages is the grim fact that fully 50% of our unemployed are between the ages of 16 and 24 years. Not only are these young people unemployed, but they would be largely unemployable no matter what the economic activity of the country may be.

Many proposals exist aimed at creating training and job opportunities for the youthful unemployed. This type of action is clearly appropriate; however, we must also go to the central question which is "Why is there a steady supply of unemployable 16 year-olds entering the job market?"

The answer is, I believe, that our educational system has become so inefficient and so diluted with non-essential activity that all students, particularly those with learning disadvantages, are not being adequately prepared for adulthood.

The problems do not lie with inadequate funding, but rather with bureaucratic roadblocks in the way of using that funding efficiently. Worst of all, teachers have less and less time to teach the basic subjects that are essential to future voting and working.

I hope that you will join with me and the citizens of New Mexico in identifying the sources of educational inefficiency and in taking rapid and appropriate steps to eliminate those sources. The future of New Mexico is at stake; the future of the Nation is watching.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business for not to extend beyond 30 minutes, with statements limited therein to 10 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RESCISSION OF CERTAIN BUDGET AUTHORITY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 27, H.R. 3347.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 3347) to rescind certain budget authority recommended in the message of the President of September 22, 1976 (H. Doc. 94-620), transmitted pursuant to the Impoundment Control Act of 1974.

Mr. ROBERT C. BYRD. Mr. President, H.R. 3347 is the first budget rescission bill of the session. It is traveling separately because of an earlier March 1 deadline on action by Congress, and the committee recommends that it be passed without amendment.

This rescission involves $47.5 million in contract authority for helium purchases under permanent authority of Public Law 87-122.

This is a routine rescission that is identical to the rescission we passed last year. The purchase contracts for which the contract authority is provided were terminated by the Interior Department in 1973. These contracts are the subject of pending suits before the U.S. Court of Claims. Presumably any future Federal payment would be handled under a claims and judgment appropriation.

Without this rescission the Interior Department would be mandated under the terms of the Impoundment Control Act of 1974 to make the contract authority—which is appropriation authority—immediately available for obligation. Therefore, I recommend the approval of the bill as reported so that we can complete congressional action on it before the impending deadline.

Mr. BELLMON. Mr. President, this rescission before us today is the necessary result of a confused and disjointed Government policy toward the storage of helium. This situation is an excellent example of governmental confusion and drift. A brief review of the events leading up to this proposed rescission will, in my opinion, substantiate these claims, and will hopefully alert those concerned with the need for developing and maintaining a consistent energy policy regardless of the commodity involved.

Many years ago, Mr. President, the Federal Government decided to implement a program for the storage of helium for future use. The Government, through the Department of Interior, entered into contracts with several private companies to carry out this work. These companies constructed plants and storage facilities to accomplish the task of separating the helium from natural gas as it was produced and storing the helium. Prior to this program, great amounts of helium were being wasted since the gas occurs in natural gas deposits. As the natural gas is burned as fuel, the helium goes into the atmosphere where it is recovered only at great cost. Current and future uses of helium dictate that the gas be stored and not wasted.

In 1973, under pressure from the Office of Management and Budget, the Secretary of Interior abruptly terminated these contracts. In the minds of many, including this Senator, the action was taken contrary to both the letter and the spirit of the law. The immediate result of this action by the Secretary of Interior was the filing of lawsuits by the various companies against the Government requiring performance of the Government under the terms and obligations of the contractual agreements. Since 1973, certain companies have continued the storage of helium. Others have ceased operations pending judicial action. Much of the helium once saved by this program is now being wasted.

As is usually the case, judicial action has been slow. However, two decisions have been handed down, and in each case, the companies were awarded summary judgments based upon the Government's breach of contract. Several suits are still pending, but it seems safe to say that subsequent decisions will reach the same conclusion.

Mr. President, I realize that this rescission will in no way affect the claims of these companies. Any damages awarded will be satisfied through appropriations for claims and judgments. I am also aware that the $47.5 million proposed in this rescission cannot be obligated until the U.S. Court of Claims settles the remaining lawsuits. Consequently, I am not opposing this particular rescission. In fact, this is nothing new, as we have approved similar rescissions in the past.

My concern is the manner in which this entire situation has been handled. This rescission allows the Government to renege on valid contracts and the equity implications contained therein. Failure to continue the helium program leads to the wasting of a valuable and irreplaceable resource. Whatever dollars are saved by this rescission in the present fiscal year will be required later should the courts decide in favor of the companies. If, in the future—as is likely—we reach the point where our only source of helium is the atmosphere, then the cost of production will easily exceed present production cost by at least five times. The fact is, Mr. President, no savings will be realized from this rescission.

Mr. President, it is my feeling that an overall energy policy should include a program of helium storage. This was once the position of the Interior Department and I would encourage the new administration to address this question. The manner in which these contracts were terminated, and the lengthy delay by the Court of Claims in settling the question has contributed to the confusion of our Nation's policy toward helium storage.

I intend to bring this matter to the attention of the Secretary of Interior to encourage some positive action with respect to the production and storage of helium.

In summary, Mr. President, while I will not oppose this rescission, I feel this action contributes further to the overall confusion. The helium storage question must be settled promptly either by the courts, by the new administration, or by the Congress.

Mr. President, I ask unanimous consent that a statement by the senior Senator from New Mexico (Mr. DOMENICI), together with material attached thereto, be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT BY MR. DOMENICI

I have long advocated the conservation of helium. Last year, I introduced S. Res. 253, a simple resolution which expressed the sense of the Senate that the President of the United States should direct the Secretary of the Interior to conserve the helium which is now being extracted from natural gas and then wasted into the atmosphere. This resolution was considered by the Senate Interior

Committee and reported to the full Senate. The Senate agreed to the resolution. I ask unanimous consent that an excerpt from the Senate report be printed in the Record following my remarks.

This report explains the economics of helium conservation in a succinct manner and I believe that if my colleagues read the report they will come to the same conclusion that I have reached. That is, it is unwise for this Nation to continue to allow helium to escape into the atmosphere.

The action to eliminate the annual budget authority for the $47.5 million helium fund provides the opportunity for the Senate to consider this matter again.

Helium is a rare natural resource. Natural gas—primarily fuel gas—is the only known economic source of helium. The atmosphere contains an inexhaustible supply of helium, however, recovery from that source in large quantities is not attractive because of excessive cost and energy requirements.

I have just returned from New Mexico and during my time there I had an opportunity to visit Los Alamos Scientific Laboratories. I was very much impressed with the new phase of energy technologies that are being developed at LASL. They are involved in advanced energy-producing and distributing technologies. Large scale commercialization is anticipated to occur in the post-2000 year period. Among other things, these technologies will be dependent upon (a) adequate supply of the helium resource, and (2) the low cost of this resource. Recent assessments of helium demand and supply to the year 2000 by the Bureau of Mines, ERDA and NSF are in general agreement that adequate supplies exist for project usage during this time period. Consideration by ERDA for the post-2000 year suggests, however, that resource availability may have a serious impact upon introduction and implementation of these new energy technologies.

Helium is a unique, valuable and wasting natural resource which is essential to the vital interests of this country. Because of this I intend to pursue this matter and develop a program to reestablish a program to conserve this Nation's helium resources. This is a matter of immediate concern because as we develop our natural gas supplies, helium is being wasted at the rate of 2.4 billion cubic feet a year.

[Attachment]

I. PURPOSE

S. Res. 253 is designed to promote and encourage conservation by Federal Government of helium which is presently being extracted by private companies in the process of upgrading natural gas prior to distribution. This helium, which was formerly produced under contract to the Department of the Interior, is now being wasted to the atmosphere, representing a significant loss of a national resource which will become increasingly scarce and valuable.

II. BACKGROUND AND NEED

The Bureau of Mines has had the executive management of the Nation's helium program since 1925. The helium program has been carried out under legislation enacted in 1925, 1927, 1937 and 1960. Large and rapid growth in the Federal need for helium in the 1950's and the apparent decline of helium resources led to the passage of the Helium Act Amendments of 1960.

This Act added two new dimensions to the helium program: (1) it provided authority for the Secretary to enter into long-term contracts for the purchase of helium for conservation purposes; and (2) it fostered and encouraged individual enterprise in the development and distribution of supplies of helium.

In carrying out these new responsibilities, the Secretary, through the Bureau of Mines, entered into four long-term contracts for purchasing helium for long-term storage. The Secretary also took other actions to encourage and promote development of private helium production and distribution, including setting the Government selling price of helium at about three to four times as high as its basic production costs. This not only helped to defray part of the cost of conserving helium, but also assured that commercial users would go to commercial sources for their helium supply.

In 1972, based on a study of future helium needs of Federal agencies, the Secretary terminated all purchases of helium, thereby precipitating several lengthy and ongoing lawsuits against the Government by suppliers. Meanwhile, the Bureau is storing its excess helium production at a rate of approximately 150 MMcf per year. The Government reportedly has about a 40-year supply of helium on hand at the present time. Private firms are also now storing their own helium under contract at the Government's Cliffside Field at the rate of 600 MMcf per year.

A report issued by the Energy Research and Development Administration on April 11, 1975, pursuant to Section 104(e)(3) of the Energy Reorganization Act of 1974, pointed out that the United States has already dissipated to the atmosphere 25–50 percent of its originally-held helium resources and called for establishment of a National Helium Policy. See Summary of Data and Conclusion of ERDA Report—Appendix I.

Most importantly, the ERDA report described three helium-dependent energy-related technologies which have been identified as probably technically and economically feasible by the year 2000. These are: super-conducting magnetic energy storage, super-conducting power transmission, and fusion reactors. All will require large amounts of helium.

The new ERDA policy would call for ensuring the existence of adequate amounts of non-atmospheric helium and postponing the need to extract helium from the atmosphere (an exorbitantly-expensive and energy-intensive process) in order to support helium-dependent energy technologies and other essential needs to the extent it can be done at a justifiable cost.

Although the Committee recognizes that the pending lawsuits (See Report of Secretary of Interior) have injected an element of uncertainty into the question of how the ERDA recommendations can be implemented, the Committee is nevertheless convinced that ways and means must be found to renegotiate the contracts and to reestablish the conservation program. It is short-sighted in the extreme to foreclose future development of technologies which are bound to determine to a large extent whether or not the United States can meet its future energy requirements. When the risks to national growth and security are assessed, the Committee can only conclude that further delay in removing whatever obstacles stand in the way of helium conservation is totally unjustifiable.

III. LEGISLATIVE HISTORY

Senate Resolution 253 was introduced by Senator Domenici on September 18, 1975.

IV. COMMITTEE RECOMMENDATIONS AND TABULATION OF VOTES

The Senate Committee on Interior and Insular Affairs, in open business session, on May 5, 1976, by unanimous vote of a quorum present recommends that the Senate pass S. Res. 253, if amended, as described herein.

V. COMMITTEE AMENDMENTS

The Committee amendment updates the reference to the preamble of the resolution to the amount of helium which was formerly piped to Government storage reservoirs from private contractors and is now being wasted.

VI. COST AND BUDGETARY CONSIDERATIONS

In accordance with Section 252(a) of the Legislative Reorganization Act of 1970, as amended, the Committee provides the following estimates of costs:

Approval of Senate Resolution 253 will not require any expenditure of Federal funds. Existing law authorizes all the expenditures necessary to comply with the resolution. If the President and the Secretary of the Interior did comply with the intent of the resolution, an increase of expenditures would be required. The following brief discussion of the economics of helium indicates the estimated costs involved.

ECONOMICS OF HELIUM CONSERVATION

At the present time, there is approximately two billion cubic feet per year of helium being extracted from natural gas and then being wasted to the atmosphere. In calculating the economic costs of storing this helium, there are three basic considerations:

1. The costs involved in the physical storage of the helium.

2. The costs involved in any purchase by the government and the subsequent storage.

3. The costs involved in recovering the helium from the atmosphere at some future time.

Even though the Committee resolution deals directly only with the first consideration, the other two are obviously pertinent.

The Bureau of Mines is presently charging 4¢ per thousand cubic feet (Mcf) for storage, plus 4¢ per Mcf per year and 22¢ per Mcf for redelivery. In other words, the costs of physical storage for the two billion cubic feet of helium presently being wasted would be:

$$4¢ \text{ (Mcf} \times 2 \times 10^6 \text{ Mcf} = 10^6¢$$

or

$80,000 per year.

To this should be added a storage charge of $80,000 per year for each two billion cubic feet stored plus the $440,000 costs involved in withdrawing the helium from storage.

If the government were to purchase the helium and then store it, then the costs would be:

$$\$12/\text{Mcf} \times 2 \times 10^6 \text{ Mcf}$$

or

$24 million per year.

If at some future time the helium is extracted from the atmosphere, the Energy Research and Development Administration estimates that the costs would be between $3,000 and $6,000 per Mcf. Therefore, for two billion cubic feet per year, extraction costs would be between $6 billion and $12 billion per year.

To compare total program costs, it can be assumed that the present natural gas reserves being used for helium extraction will be sufficient for ten more years of production. In other words, an additional 20 billion cubic feet of helium could be extracted and stored. The costs that would be incurred under the three different approaches toward this helium are:

1. Physically store the helium—$9.6 million (including withdrawal).

2. Purchase and store the helium—$240 million.

3. Extraction from air—Low: $60 billion; high: $120 billion.

VII. EXECUTIVE COMMUNICATIONS

While there has been no formal report received from the Executive Branch on S. Res. 253, an exchange of correspondence on the matter of the ERDA recommendations for a helium conservation program has occurred between Senator Lee Metcalf and the Director of the Bureau of Mines.

In addition, the committee has received the 1975 Annual Report of the Secretary of the Interior required by the Helium Act of 1960.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF MINES,
Washington, D.C., October 3, 1975.

Hon. LEE METCALF,
Chairman, Subcommittee on Minerals, Materials and Fuels, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR METCALF: Because of your continued interest in helium and the Government's helium program, we are pleased to inform you that the Bureau of Mines has recently entered into new contracts for the storage of privately-owned helium. As a result, privately-owned helium is being delivered into the Government's helium conservation system at a rate of about 600 million cubic feet a year.

We are currently negotiating with several other companies who have expressed a desire to enter into similar contracts, and we are hopeful that within the next several months the rate of helium delivery to storage will more than double.

Additional details regarding the new storage contracts are contained in the enclosed news release.

Sincerely yours,

THOMAS V. FALKIE,
Director.

Enclosure.

DEPARTMENT OF THE INTERIOR NEWS RELEASE

(For Release October 7, 1975)

BUREAU OF MINES CONTRACTS TO STORE PRIVATELY-OWNED HELIUM

The Interior Department's Bureau of Mines today announced that it has signed several contracts for the storage of privately-owned helium at the Government-owned Cliffside Gas Field near Amarillo, Texas.

The private helium will be stored with Federally-owned helium in the Bureau's helium conservation system, which consists of the partially depleted Cliffside field and a 425-mile pipeline connecting the field with helium sources in Texas, Oklahoma, and Kansas. Storage capacity of the system is in excess of current Government needs and can be used efficiently and economically to store helium for the companies involved.

Under the recently completed contracts, the Bureau of Mines has agreed to store helium for periods not exceeding twenty-five years. The companies will pay the Bureau of Mines a fee to transport and store the helium until it can be used or sold.

Helium is a minor constituent of natural gas and unless extracted and saved, the helium is wasted when the natural gas is used for fuel or other purposes. It is anticipated that the new storage contracts will enable the companies to conserve relatively large volumes of helium for future beneficial use.

The storage of helium is authorized under the Helium Act, approved September 13, 1960 (P.L. 86-777· 74 Stat. 918; 50 U.S.C. 167).

The helium storage contracts have been signed with Jack B. Kelley Co. of Amarillo, Tex.; Airco Industrial Gases Co. of Murray Hill, N.J.; and Kansas Refined Helium Co. of Wichita, Kans. Fees charged by the Bureau are 4 cents per thousand cubic feet (Mcf) for accepting helium for storage, 4 cents per Mcf for each year of storage, and 22 cents per Mcf for redelivery of stored helium to the owners.

OCTOBER 30, 1975.

Dr. THOMAS V. FALKIE,
Director, Bureau of Mines,
Department of the Interior,
Washington, D.C.

DEAR DR. FALKIE: I appreciate your letter of 3 October advising me of the initiation of new contracts entered into by the Bureau of Mines for the storage of privately-owned helium.

In reviewing a report of the Energy Research and Development Administration, "The Energy Related Applications of Helium", as issued on 11 April, 1975, I am struck by several considerations which lead me to wonder whether there are other initiatives which the Bureau might be taking now or in the immediate future to guard against a crippling shortage of helium. Pointing out that the United States has already dissipated to the atmosphere 25–50% of its originally held helium resources (p. 89), the study calls for the establishment of a National Helium Policy. The objectives of such a policy would include ensuring the existence of adequate amounts of nonatmospheric helium to firmly establish new energy technologies requiring helium, and postponing the need to extract helium from the atmosphere to support helium-dependent energy technologies and other essential needs to the extent that it can be done at a justifiable cost (p. 103).

ERDA has listed among the elements of a National Helium Policy the following programs (p. 103):

1. Preserving the existing helium stockpile and non-depleting reserves as far into the future as is finally justified, encouraging industry and the Government to rely on privately produced helium extracted from helium-rich natural gas until that resource is exhausted.

2. Obtaining better estimates of the Nation's non-depleting helium reserves.

3. Establishing a management policy for the eventual release and pricing of government-owned helium.

4. Facilitating the storage of excess helium by private extractors some of whom are currently venting helium from conservation plants (an estimated total of at least 19 BCF of excess helium could be recovered in the next fifteen years).

5. Re-evaluating periodically the Nation's demand for helium.

In discussing the storage of Federally-produced helium, the study examines two cases and concludes: "Of these two limiting cases, storage appears uneconomic for only one of the four scenarios considered. It would therefore appear that the storage of the helium produced by the Government plants is probably more beneficial economically than its use to satisfy present Federal requirements."

I would appreciate your comments on the findings of the ERDA study, particularly as related to storing of helium produced from Federal lands.

Very truly yours,

LEE METCALF,
Chairman, Subcommittee on Minerals, Materials and Fuels.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF MINES,
Washington, D.C., November 18, 1975.

Hon. LEE METCALF,
Chairman, Subcommittee on Minerals, Materials and Fuels, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR METCALF: This is in reply to your letter of October 30, 1975, regarding the Government's helium program, in which you requested comments on the findings of the ERDA study, particularly as related to storing of helium produced from Federal lands.

We believe it would be helpful to provide some background information on certain aspects of the Federal Government's helium program before commenting on ERDA's recommendations and your specific questions.

MANAGEMENT OF THE FEDERAL HELIUM PROGRAM BY THE DEPARTMENT OF THE INTERIOR

The Department of the Interior, Bureau of Mines, has had the executive management of the Nation's helium program since 1925. The helium program has been carried out under legislation enacted in 1925, 1927, 1937, and, most recently, 1960. Large and rapid growth in the Federal need for helium in the 1950's and the apparent decline of helium resources led to the passage of the Helium Act Amendments of 1960. This Act added two new dimensions to the helium program: (1) It provided authority for the Secretary to enter into long-term contracts for the purchase of helium for conservation purposes; and (2) it fostered and encouraged individual enterprise in the development and distribution of supplies of helium. In carrying out these new responsibilities, the Secretary, through the Bureau of Mines, entered into four long-term contracts for purchasing helium for long-term storage. Shortly after passage of the Act, the Secretary also took other actions that encouraged and promoted the development of private helium production and distribution facilities. One of these actions was to set the Government selling price of helium at about 3 to 4 times as high as its basic production costs. This not only helped to defray part of the cost of conserving helium, but also assured that commercial users would go to commercial sources for their helium supply.

An additional feature of the Congressional concern for assuring a continuing supply of helium to meet Federal needs is the provision of the Mineral Lands Leasing Act of 1920, as amended, whereby the helium found on Federal land under a Federal oil and gas lease is reserved to the Government. 30 CFR 181 states: "The United States reserves the ownership of and the right to extract helium from all gas produced from lands leased or otherwise granted under the provisions of this chapter, under such rules and regulations as shall be prescribed by the Secretary of the Interior: *Provided further,* That in the extraction of helium from gas produced from such lands it shall be so extracted as to cause no substantial delay in the delivery of gas produced from the well to the purchaser thereof."

RECENT ACTIONS BY DEPARTMENT OF THE INTERIOR AND THE CONGRESS

Federal helium demand began a steady decline in 1967 which continued through fiscal year 1974 This substantial diminution in Federal helium needs raised the question of the need for the continued purchase and storage of helium. Concurrently, commercial helium production grew and sales to both domestic and foreign consumers increased. With the decline of Federal helium demand, there was an accompanying decline in Bureau of Mines sales and revenue. These factors served to emphasize the question of continued large-scale purchases of helium for storage for future Federal use. The Department of the Interior undertook a re-evaluation of the helium program and of the need to continue to purchase helium for storage. Similarly, Congress was apprised of the situation and also questioned the need to purchase additional helium for storage.

A total re-evaluation of the future helium needs of Federal agencies was undertaken by Interior, and an Environmental Statement on Termination of the Helium Purchase Contracts FES 72-41, was issued November 13, 1972. Based on this evaluation, the Secretary determined that it was no longer necessary to continue the purchase of helium for storage for future Federal needs. The Secretary found that there had been a substantial diminution in Federal helium demand and that significant new helium discoveries had been made. Accordingly, pursuant to the terms of the helium purchase contracts, the Secretary terminated the purchase of crude helium. One firm sued in 1970 for breach of contract by virtue of the Government's failure to make payments for helium delivered. Two other firms filed suit in the Court of Claims during 1975, also contending that their contracts were breached. The fourth firm has taken no action as of this date. Crude helium accepted under these contracts was discontinued in late 1973. Interior has about a 40-year supply of helium on hand at the present time.

ESTABLISHMENT OF ERDA AND THE REQUIREMENT TO STUDY THE POTENTIAL ENERGY-RELATED APPLICATIONS OF HELIUM

The Energy Research and Development Administration was established under "Energy Reorganization Act of 1974." Section 104(e)(3) of this Act provided for a report on the energy-related applications of helium and resulted in a report by ERDA dated April 1975 entitled "The Energy Related Applications of Helium." While it touches on other uses of helium, the report is almost exclusively related to the subject of electrical power generation by proposed new nuclear methods and use of superconductivity. Another feature of the report is that it addressed itself to helium needs for the period beyond the year 2000 to 2030 and, admittedly, acknowledges that such long-term estimates have many features that are speculations.

RESPONSES TO RECOMMENDATIONS CONTAINED IN ERDA REPORT

The following comments are numbered in the same order as the ERDA's report beginning on page xv.

1. *Policy Toward Private Helium Storage.*—The ERDA report recommends that the Federal Government should facilitate the storage of privately-owned helium in the Government-owned Cliffside Field. As indicated by our October 3 letter to you, the Bureau of Mines has taken action to facilitate the storage of privately-owned helium. During the last three months the Bureau has entered into five new contracts for the storage of helium for private firms. In addition the Bureau has storage contracts with three other firms which have been in effect for a number of years. These older contracts have certain features which are not conducive to large-volume helium storage, and the Bureau is in the process of replacing one of them with a new contract and is willing to do the same with the others.

As a result of these new storage contracts, private firms are now storing helium at a rate of about 600 million cubic feet a year. It appears that the rate of storage should increase significantly during the next few months.

In addition to the storage contracts per se, the Bureau has agreed to purify the owners' stored helium upon redelivery. This facilitates storage by firms who are not equipped to purify helium themselves and thus leads to the saving of helium that might otherwise be wasted.

Accordingly, we believe that our policy toward private helium storage is a successful one as evidenced by its wide acceptance by the private helium industry.

We want to point out also that the storage contracts and other agreements related to the storage of private helium require the companies to pay fees which assure that the Bureau recovers all related costs.

2. *Policy Toward Use of Publicly Owned Helium.*—The Department of the Interior has so managed the Federal helium program that four private helium production plants, currently in operation, furnish the major quantities of helium for domestic and foreign markets. In February 1975, a private company began operating a new helium plant in New Mexico. For all practical purposes, the entire world's supply of helium was produced by American companies from United States resources. Small plants exist in the Netherlands, France, and Canada. A new plant in Poland is reported to be nearing completion, and its helium production output is estimated to be about half the total European market. Some of the helium production will likely be reserved for other eastern European countries. The total impact of this new source of helium cannot be evaluated, but it is thought to be not very large. Policies of the Department of the Interior have, in less than 15 years, resulted in a large private American helium industry that supplies helium worldwide

Because the Federal Government's helium program is aimed primarily at filling needs of Federal agencies, there is no competition between private helium producers and Interior. In fact, Interior has set its selling price of helium so that it is approximately twice the price of helium from commercial sources. This was done in accordance with Congressional policy to defray the costs for purchasing and maintaining a supply of helium to meet future Federal needs. Current Federal helium policy, as promulgated by the Secretary, encourages private enterprise to furnish the commercial market. Private production and sales of helium have increased from near 0 in 1961 to about 500 million cubic feet in 1974. About 75 percent of the domestic helium market is supplied by private producers. Accordingly, the current policy of Interior is accomplishing recommendation 2. No change in this policy is anticipated.

3. *Administrative Responsibility for the Federal Helium Program.*—The ERDA report recommends that the Department of the Interior should continue to administer the Federal helium program. This recommendation is in keeping with a long, successful tradition of Interior wherein it started a farsighted conservation effort. It is also in keeping with the Helium Act Amendments of 1960 and is a reflection of the Department's ability to carry out the policies of the Congress as they relate to conservation, production, and exploitation of helium. The Secretary has also carried out the intent of the Congress to encourage individual enterprise in the development and distribution of supplies of helium and, at the same time, provide within economic limits, through the administration of the Act, sustained supplies of helium which, together with supplies available or expected to become available otherwise, will be sufficient to provide for essential Government activities.

4. *Policy with Respect to Improving Supply and Demand Estimates of Helium.*—

4(a). *Supply Estimates.*—The Federal Government, through the Bureau of Mines, has conducted a series of investigations, studies, and evaluations on the United States resources of helium, dating back to 1920. The Bureau has been an active, and almost the sole, contributor to information in this field. The Bureau has accomplished this work in the past for internal management purposes and has a competent staff to direct the evaluation of helum resources. The following work functions of the Bureau of Mines, Division of Helium, are for the purpose of defining the magnitude of the Nation's helium resources. (Much of this work will be contracted out.)

(1) Magnetometer and seismograph surveys to locate and define the geographic limits and obtain reservoir data regarding potential helium-bearing gas structures on Federal lands.

(2) Exploratory drilling to further define known helium-bearing gas structures on Federal lands.

(3) Reservoir engineering studies to determine the amount of helium contained in natural gas reservoirs on Federal and non-Federal lands.

(4) Study and develop processing equipment for separating helium from gases containing low percentages of helium, high percentages of hydrogen sulfide and carbon dioxide and/or having other characteristics not normally processed in helium plants because of unusual composition or low heating value.

4(b). *Demand Estimates.*—ERDA has recommended that the Bureau undertake periodic comprehensive helium supply and demand analyses in support of program management. The Bureau has been making such analyses for many, many years and will continue to do so. These analyses were the basis for construction of four new helium plants during World War II and for the Helium Act of 1960 which permitted the conservation of helium for future use.

The Bureau has recently entered into a contract with the Midwest Research Institute for a comprehensive study of current helium usage and projections of helium usage to the year 2000. This study is scheduled to be completed in the spring of 1976. Similar studies will be made in the future as older studies become outdated.

In summary, with regard to the findings of the ERDA study, the Department of the Interior, through the Bureau of Mines, is accomplishing the recommendations made by ERDA concerning the Government's helium program. New contracts for helium storage for private firms have been made and others are in process. Private American industry is supplying at least 75 percent of the domestic helium market and all of the export market. The pricing of Government-owned helium is set at nearly double the price of privately produced helium. The Bureau has a vigorous program for improving estimates of the helium resources of the Nation and of other countries. It also has a plan for periodic comprehensive studies of future helium supply and demand.

With regard to your request for comments related to storing helium produced from Federal lands, our studies show that currently there is not a large amount of helium being produced from such lands. However, there are large reserves of helium on Federal lands in the Western States of Arizona, Colorado, Montana, Utah, and Wyoming. Most of the helium resources of these States, however, happen to be associated with natural gases having little or no value as fuel gas. Consequently, the gas is not being produced, and the helium is not being wasted. It is estimated that as of January 1, 1975, the helium reserves in the non-wasting gasfields were: Proved—12.0 billion cubic feet (Bcf); Probable—40.6 Bcf; Total 52.6 Bcf. Since the helium on Federal lands is reserved to the Government, most of the 52.6 Bcf will be available for recovery and storage if and when the natural gas is produced for other purposes. When this is added to the 42 Bcf in the Bureau's Cliffside storage field at Amarillo, Texas, it provides a probable supply of nearly 95 Bcf. By comparison, helium-using Federal agencies have estimated their needs to be only 6 Bcf during the next 25 years.

Attached are two photographs of Bureau of Mines briefing charts that may be of interest to you. One shows the helium resources of the United States as of 1975 and the other, helium sales for the years 1921–1975.

If you desire additional information, please let us know.

Sincerely yours,

THOMAS V. FALKIE, *Director.*

Enclosures.

U.S. SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C., December 3, 1975.

Dr. THOMAS V. FALKIE,
Director, Bureau of Mines, Department of the Interior, Washington, D.C.

DEAR DR. FALKIE: Thank you for your 18 November letter regarding the Federal Government's helium program. I am gratified to learn that the Bureau of Mines has implemented some of the recommendations made by ERDA in its study entitled "The Energy Related Applications of Helium". Stimulation of private helium production, helium storage for private firms and similar efforts are all to the good as far as alleviating a possible shortage of helium is concerned.

However, there is a broader issued raised by ERDA. It concerns a longer time frame than you have appeared to allow, particularly with regard to the study contract with Midwest Research Institute, which you describe as covering helium usage to the year 2000. ERDA states that beginning in the year 2000 three helium-dependent energy-related technologies have been identified, "assuming that their technical and economic feasibility will have been demonstrated prior to the year 2000 and that their introduction into the economy begins shortly thereafter." These

technologies are superconducting power transmission, superconducting magnetic energy storage, and fusion reactors.

How do these long-range projections fit into your planning for helium? For example, would you recommend retention of the Federal helium stockpile in 1990, which is an option recommended by ERDA? At what point would helium production from the non-wasting gas fields which you mention be appropriate? Do your calculations support ERDA's estimate that "by 1990 the volume flow of natural gas will have decreased to the point that supply will no longer exceed demand"? If so, would retention of the Federal helium stockpile, together with storage of private helium be sufficient to carry us into the period when new technologies can be developed for extraction of helium from the atmosphere on a large scale?

These are difficult questions, I realize, with answers depending upon complex and perhaps imponderable factors. However, if the Bureau's overall helium program is aimed at meeting future national needs, a longer perspective should be taken than what is indicated in your letter. I would appreciate having your current thinking on this issue.

Very truly yours,

LEE METCALF,
Chairman, Subcommittee on Minerals, Materials and Fuels.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF MINES,
Washington, D.C., December 23, 1975.

Hon. LEE METCALF,
Chairman, Subcommittee on Minerals, Materials and Fuels, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR METCALF: This is in reply to your letter of December 3, 1975, concerning the Bureau's helium program.

With regard to your question about the time frame of our current study of future helium usage, we agree that projections should extend beyond the year 2000. However, we want our contractor, Midwest Research Institute, to focus its attention on current usage and anticipated usage during the next 25 years. Reliable data for that period will then enable the Bureau of Mines, and others, to estimate need for helium well beyond the year 2000. Moreover, as indicated by our letter of November 18, we will conduct helium usage studies, in the future, probably at 5-year intervals, or more frequently should it appear necessary. The study by Midwest Research Institute is progressing as scheduled and should be completed in the spring of 1976. We will provide you with the results of this when it is completed.

Long-range projections of helium needs for emerging technologies such as superconducting power transmission, superconducting magnetic energy storage, nuclear power generation, and other such usage will, of course, be taken into account in our planning. Midwest Research Institute will project the need for helium for all current uses as well as for anticipated future uses. When these projections are available, Midwest Research Institute and the Bureau of Mines will be in a better position to answer the questions raised in your letter; however, our current thinking is outlined below.

With regard to the Federal helium in underground storage at Cliffside field, we would strongly recommend its retention, not only in 1990, but beyond that time until it is needed to meet demand. The helium storage reservoir currently contains about 42 billion cubic feet (Bcf) of helium. The helium-using Federal agencies have recently supplied the Bureau with projections showing that their total needs for the next 25 years will amount to about 6 Bcf. The Bureau will extract at least 3 Bcf of helium at its Keyes (Oklahoma) plant during the next ten years or so before the helium-bearing gas supply is exhausted. Consequently, assuming the Bureau does not produce helium elsewhere, 39 Bcf of helium will remain in Cliffside field at the turn of the century. As pointed out in our previous letter, there is a vigorous private helium industry, and we do not foresee the need to use Federal helium to supply commercial users to any great extent during that period. We now have eight contracts for the storage of privately-owned helium in Cliffside field and are negotiating another. Seven of these contracts have terms of 25 years. There are a number of private helium plants in operation, and we believe that private industry will build additional plants in the future as they are needed. There is little likelihood, therefore, that more than 3 or 4 Bcf of stored helium will be withdrawn from Cliffside during the next 25 years.

Your question as to the appropriate time to produce helium from non-wasting gas fields is indeed difficult to answer. There are many factors to consider when determining whether it would be in the Government's interest to produce helium from a particular gas field, and a different set of factors apply to each field. These non-wasting gas fields in the Western States are generally on Federal lands under lease to oil and gas companies, and, as you know, the ownership of, and the right to extract helium gas produced on Federal leases, is reserved to the Government. However, the Government has no control over the production of the gas containing the helium. The gas is not being produced at present because it is poor quality and cannot be used for fuel unless it is upgraded by processing to remove inert constituents such as nitrogen and carbon dioxide or, in some cases, poisonous hydrogen sulfide. At current fuel-gas prices, it is not economically feasible for the companies to process the gas. However, at some point in the future, if natural gas prices continue to rise, it will be profitable to produce and upgrade the gas to fuel quality. When that time comes, the Government will have to determine whether or not the cost of extracting the helium is justifiable in light of the then current projections of the future need for helium.

We believe estimates by the Energy Research and Development Administration as to the relationship between future natural gas production and demand are reasonable. However, even though demand exceeds production in the 1990's, there will still be large volumes of natural gas being produced. As indicated by estimates in the ERDA report, several hundred trillion cubic feet of natural gas remain to be discovered in the United States. It is highly unlikely that it will all be discovered, let alone developed and produced to depletion, within the next 50–75 years. Consequently, since all natural gas contains helium in far greater percentages than the atmosphere, the need to produce large quantities of helium from the air lies far in the future. We believe, therefore, that the helium stored in Cliffside, future production and storage of helium at existing private and Bureau plants, non-wasting helium resources, and future discoveries of natural gas will be sufficient to carry us far into the next century.

The Bureau of Mines is indeed considering the Nation's long-term helium needs. However, to avoid any misunderstanding, we want to point out that the Helium Act does not provide for the Government to purchase and store helium to meet the requirements of the Nation as a whole, but only for Federal agencies. This does not mean that the Bureau is overlooking long-term national needs from the standpoint of supply and demand studies.

If you desire additional information, please let us know.

Sincerely yours,

THOMAS V. FALKIE, *Director.*

REPORT TO THE CONGRESS ON MATTERS CONTAINED IN THE HELIUM ACT

1. NATURE AND SCOPE OF REPORT

This report is submitted on conformance with Section 16 of the Helium Act of 1960 (Public Law 86–777) to advise the Congress of the current status of the Government's helium program. This report contains financial, statistical, and operating information about the helium program for the fiscal year ending June 30, 1975.

2. GENERAL STATUS OF THE GOVERNMENT'S HELIUM PROGRAM

The Federal helium program, as conducted by the Bureau of Mines under 50 U.S.C. 167, is designed to provide for the current and foreseeable future requirements for helium for essential Government activities. The program involves the production, conservation, sale, and distribution of helium and includes the following functions:

(a) Acquisition, construction, operation, and management of helium plants, gas fields, helium storage fields, pipelines, and fleets of helium tank cars and semi-trailers.

(b) Searching for new sources of helium-bearing natural gas and negotiating contracts for supplies of helium-bearing gas.

(c) Establishing reserves of helium.

(d) Experimentation and research to discover helium supplies and to improve methods of helium production, purification, transportation, liquefaction, storage, and utilization.

These functions are carried out by the Bureau of Mines through the Division of Helium, Washington, D.C. A field manager is located at Amarillo, Texas. During 1975, the Bureau operated two processing plants, a shipping terminal, storage field facilities, and related pipelines all located in Texas, Oklahoma, and Kansas.

The emphasis of the Bureau's helium program is on conservation, production, and distribution of helium for essential Government needs. Historically the Bureau of Mines has managed the helium program to provide helium users with needed quantities and qualities of helium. Helium is used for shielded arc welding, breathing mixtures for deep sea diving and medical purposes, pressurizing and purging in the space program, controlled atmosphere for growing crystals for transistors, heat transfer medium in nuclear power generators, lifting gas, leak detection, fundamental research, cryogenic refrigerators, chromotography, and in the developing fields of superconductivity.

Sec. 6(a) of the Helium Act provides: "The Department of Defense, the Atomic Energy Commission, and other agencies of the Federal Government, to the extent that supplies are readily available, shall purchase all major requirements of helium from the Secretary" (of the Interior), Helium has a wide variety of uses in Federally funded programs, and the helium for these uses is available from the Bureau of Mines.

As of June 30, 1975, the Government had $534 million invested in the helium program. Of this amount, $412 million is owed to the U.S. Treasury, leaving a net investment of $122 million.

Further details concerning program activities, litigation, and financing are presented in more detail in the following sections.

3. HELIUM CONSERVATION

At the present time, the Government is not purchasing any helium for storage as authorized by the Helium Act. However, the Bureau is storing its excess helium production at a rate of approximately 150 million cubic feet (MMcf) per year.

As of June 30, 1975, 38,352 MMcf[1] of helium was in storage in the Cliffside Gas Fields

[1] All volumes in this report are at 14.7 psia and 70° F.

near Amarillo, Texas. Of this amount, 29,977 MMcf is Government-owned helium, 954 MMcf is stored for others, and 7,421 MMcf was accepted under a court-ordered injunction.

The Cliffside Field helium storage reservoir actually contains about 42,100 MMcf of helium. In addition to the 38,352 MMcf in storage, there is approximately 3,748 MMcf of helium contained in the native natural gas remaining in the reservoir.

As part of its overall responsibility in the area of helium conservation and utilization, the Bureau continues to maintain the Cliffside storage reservoir, associated pipelines, and monitoring services. It continues to conduct surveys of the United States and foreign countries to discover new sources of helium, and appraises and evaluates current and potential reserves as they relate to program needs.

During the fiscal year, 10,778 thousand cubic feet (Mcf) of helium was stored for others under private storage contracts and 88,302 Mcf was redelivered from storage to the owners.[2]

4. HELIUM SUPPLY AND DEMAND

Natural gas—primarily fuel gas—is the only known economic source of helium. The atmosphere contains an inexhaustible supply of helium since the helium content remains constant at about 5 parts per million. However, although the atmosphere is an assured supply of helium, its recovery from that source in large quantities is, at present, not attractive because of excessive cost and energy requirements.

As of January 1, 1975, the Bureau of Mines estimated that approximately 111 billion cubic feet (Bcf) of helium was contained in proved reserves of "helium rich" natural gas (containing at least 0.3 percent helium). The Bureau has further estimated proved shut-in reserves of "helium rich" gas at about 13 Bcf of helium. Probable shut-in reserves in helium rich natural gas have been estimated at about 41.7 Bcf. Along with the 38.4 Bcf of helium in storage in the Cliffside Field, it is estimated that about 3.7 Bcf of helium is contained in the Government-owned native gas in that field. Thus, with 3.5 Bcf of helium expected to be recovered in its Keyes Helium Plant under an exclusive "life of the field" gas supply agreement, the Government has an assured supply of about 45.6 Bcf of helium, plus a probable additional volume of 41.7 Bcf.

In 1975, the six major helium-using agencies (NASA, DOD, ERDA, NOAA (Weather Bureau), National Bureau of Standards, National Science Foundation) submitted estimates of their respective helium needs through the year 2000. Based on those estimates, the future helium requirements of those agencies for the period 1975–2000 were approximately 6.2 Bcf. Thus, the Government's supply of 45.6 Bcf of helium would be over seven times as much as would be necessary to meet the needs of essential Government activities through the year 2000.

The total market for United States helium increased in 1975 over 1974. The Bureau of Mines supplied about 30 percent of the domestic helium market and private industry shows the total market for United States helium from 1967 to 1975, including exports. In 1975 exports were 135 MMcf and were supplied by private industry.

TABLE 1.—*Market demand for United States helium, MMcf*

1967	922
1968	929
1969	840
1970	675
1971	602
1972	580
1973 (revised)	640
1974 (revised)	665
1975	700

[2] As of September 12, 1975, the Bureau of Mines had contracted with three new companies for the storage of privately-owned helium.

5. HELIUM PRODUCTION

The Keyes Helium Plant was operated to provide pure helium for all essential Federal requirements. Pure helium production of 336 MMcf was 9 percent higher than in 1974 and was adequate to meet the 172 MMcf demand. The remainder was injected into Cliffside Gas Field to meet near-term future helium needs. Some of this injected helium was withdrawn during the year to meet demand when production was low due to low gas supply. Helium production was up because of an increase in the market demand for natural gas from Keyes field.

The Excell plant operates to process conservation crude helium and native gas from the Cliffside Gas Field for operation of the underground storage at Cliffside Field.

Table 2 shows the annual Bureau production figures for fiscal years 1967 to 1975.

TABLE 2.—*Bureau of Mines helium production, MMcf*

1967	769
1968	713
1969	673
1970	645
1971	666
1972	593
1973	306
1974	308
1975	336

6. HELIUM DISTRIBUTION

Helium shipments to Federal agencies and a few commercial customers totaled 172 MMcf in 1975, which is 2.3 percent more than 1974. Table 3 shows total Bureau sales for FY 1967 through FY 1975. It also breaks down Bureau sales by consumer-Federal agency or commercial market.

TABLE 3.—*Bureau Helium Sales, MMcf*[1]

Fiscal year	Commercial market	Federal agencies	Total
1967	165	554	719
1968	38	496	534
1969	11	439	450
1970	9	264	273
1971	4	189	193
1972	6	160	166
1973	9	170	179
1974	7	161	168
1975	8	164	172

[1] Includes Bureau of Mines helium sold through eligible (30 CFR Part 602) private helium distributors.

About 232 railway tank cars, 730 automotive semitrailers, and 73,547 cylinders were used to ship helium to Bureau customers during FY 1975.

7. ENGINEERING STUDIES AND EVALUATIONS

Engineering studies provide the basis for long-range management planning for reductions in production costs and for increased efficiency in production, distribution, and conservation of helium.

Major activities for 1975 included (1) reservoir studies of 35 gasfields as a part of the evaluation for the helium resources in the United States (2) equipment modifications at the Excell plant for facilities needed in storage and withdrawal operations, (3) development of special analytical procedures for the analysis of helium in air and soil-gas, (4) continued improvement of energy conservation measures which resulted in a savings of 34 percent over FY–73 in non-process energy usage, and (5) reservoir and production data studies in the Hugoton and Brown-Bassett gas fields for FEA.

Two reports, "Helium Resources of the United States, 1975" and "Proved and Potential Supply of Natural Gas in the United States from 1973 through 2020," were completed. In addition, an I.C. "Analyses of Natural Gases, 1974" containing the analyses of 352 gas samples was approved for publication.

A detailed well testing program was conducted at the Bush Dome Helium Storage Reservoir to monitor the movement and configuration of the 38.4 Bcf of conservation helium stored in the reservoir. Pressure and gas analysis data obtained from the individual Bush Dome wells are used to aid in determining how the wells are to be operated to keep the helium in the smallest possible area.

8. LITIGATION

(a) *Northern Natural Gas Company, et al. v. Ralph Grounds, et al.* (No. KC–1969 in the United States District Court for the District of Kansas). This litigation involves interpleader actions brought by helium extraction companies and their parent pipeline companies (helex companies) against the holders of mineral rights in certain lands (landowners) in Kansas, Oklahoma, and Texas and their lessee-producers. The purpose of the action is to determine title to the helium in natural gas produced by lessee-producers from the lands of the landowners, which helium is extracted from the gas by the helex companies and thereafter sold to the United States. The landowners and lessee-producers brought certain cross-claims and counterclaims.

Two actions were brought by the landowners against the United States for the reasonable value of helium allegedly owned by the landowners. The first action claimed conversion by the United States of helium allegedly owned by the landowners. The second action alleged that the United States had acquired the landowners' helium by the exercise of its power of eminent domain.

On April 15, 1969, the United States District Court entered judgment for the helex companies and denied the cross-claims and counterclaims of the landowners and lessee-producers. The court entered judgment for the United States in the two actions brought by the landowners. On March 2, 1971, on appeal, the U.S. Court of Appeals, Tenth Circuit, reversed the judgment of the district court as to the helex companies and affirmed as to the United States.

The Government is interested in the outcome of the litigation because the four helium purchase contracts it has entered into contain provisions under which the United States may be required to indemnify the helium extraction companies if the latter are required to pay the lessee-producers more than about $3 per thousand cubic feet of helium. On July 17, 1972, the district court granted the motion of the United States to intervene as a plaintiff in the litigation.

A trial was held in March 1974 to determine the value of helium in natural gas ("commingled helium") prior to being extracted from the gas and sold to the United States. On November 12, 1974, the court ruled that the value of "commingled helium" ranged from 61¢ per Mcf in 1962 to 70¢ per Mcf in 1972.

This ruling has been appealed to the U.S. Court of Appeals, Tenth Circuit.

(NOTE.—The case described above involves the helium extraction companies whose plants are situated in the State of Kansas. They are Cities Service Helex, Inc., National Helium Corporation, and Northern Helex Company. The following four lawsuits concern the other helium extraction company, Phillips Petroleum Company, whose two helium extraction plants are situated in the State of Texas. Phillips' lawsuits are similar to the Kansas case involving the other three helium extraction companies, i.e., determination of the reasonable value of helium in natural gas delivered to the helium extraction plants.)

(b) *Ashland Oil, Inc. v. Phillips Petroleum Company* (No. 67–C–238 in the U.S. District Court for the Northern District of Oklahoma). The United States has been permitted to intervene in the case. The purpose of the lawsuit is to determine the reasonable value of helium contained in natural gas sold by Ashland to Phillips. The court found that the

reasonable value of the helium prior to extraction and sale to the United States ranged from $12 to $17 per Mcf. This decision was appealed to the United States Court of Appeals, Tenth Circuit. The district court's decision was sustained. Defendant has petitioned the court of appeals for a rehearing.

The decision in this case is important because the contract for the sale of helium to the United States by Phillips contains a provision which may require the United States to indemnify Phillips for payments to third parties for helium value in excess of about $3 per Mcf. If the value of $12 to $17 per Mcf as determined in this case is finally upheld it may result in claims against the United States amounting to $9 to $14 per Mcf in addition to the average of about $12 per Mcf the United States has already paid for helium.

(c) *Amoco Production Company* v. *Phillips Petroleum Company* (No. 44,864, 108th Judicial District Court, Potter County, Texas). The United States has been permitted to intervene in a suit filed to determine the reasonable value of helium contained in natural gas sold by Amoco to Phillips. The Government is interested in the outcome of the litigation for the reasons stated in (b) above.

(d) *Cities Service Oil Company* v. *Phillips Petroleum Company* (No. C-75-818, District Court of Tulsa County, State of Oklahoma). This case involves the reasonable value of helium contained in natural gas sold to Phillips by Cities Service. The case is of interest to the United States for reasons stated in (b) above.

(e) *Texaco, Inc.* v. *Phillips Petroleum Company* (No. C-75-90, District Court of Tulsa County, State of Oklahoma) See comments on (b) above.

(f) *Northern Helex Company* v. *The United States* (No. 454-70 in the United States Court of Claims). On December 24, 1970, Northern Helex Company sued the United States to recover damages for breach by the United States of Contract No. 14-09-0060-2421, dated August 15, 1961, for the Sale and Purchase of a Helium-Gas Mixture. The plaintiff alleged that the damages which have been or will be caused by the Government's material breach of contract will aggregate $92,304,000. A decision by the Court of Claims held that the Government had materially breached the contract by failing to make payments on time, therefore justifying the contractor to regard the contract at an end.

Helium was stored for Northern for a fee under a short-term contract which lapsed September 28, 1972. Since that date, Northern has vented its helium production to the atmosphere except for some volumes sold and shipped in truck trailers to private industry helium plants for purification and resale.

The parties presented their cases on the issue of damages, if any, due the company in March and April 1973. On December 3, 1974, the trial judge held that the company is entitled to $78 million in damages. This is subject to review by the full Court of Claims and oral argument was held in June 1975.

(g) *Cities Service Helex, Inc.* v. *The United States* (No. 138-75, U. S. Court of Claims). On April 24, 1975, Cities Service Helex, Inc., sued the United States to recover damages for breach by the United States of Contract No. 14-09-0060-2424, dated August 22, 1961, for the Sale and Purchase of a Helium-Gas Mixture. The company alleges that the damages which have been or will be caused by the Government's breach of the contract will aggregate $101,557,041.51.

(h) *National Helium Corporation* v. *The United States* (No. 158-75 in the U. S. Court of Claims). On May 12, 1975, National Helium Corporation sued for breach by the United States of Contract No. 14-09-0060-2429, dated October 13, 1961, for the Sale and Purchase of a Helium-Gas Mixture. The company alleges that the damages which have been or will be caused by the Government's breach of the contract will aggregate $171 million, less any operational cost savings to it by reason of the Government's closing of the valve and shut-in of the pipeline and the resulting cessation of helium extraction operations.

(NOTE.—Background information leading up to cases (g) and (h) is as follows: During the years between 1947 and 1959, the use of helium by Federal agencies showed a steady increase. Direct sales to the agencies grew from 30 MMcf in FY 1948 to 247 MMcf in FY 1958. In the succeeding fiscal year, such sales amounted to 277 MMcf. In July 1959, a legislative proposal was submitted to the Congress looking to a conservation progam. The Helium Act Amendments of 1960 became law in September 1960, and four helium purchase contracts were entered into during the last six months of calendar year 1961.)

The conservation program operated as anticipated until about seven years ago when the total helium demand decreased as shown in Table 1, page 3.

This drop in demand for helium occurred with the completion of several developmental phases in the space program, the overall slowdown in the national economy, and particularly because of the cut-back in space efforts and funding. Demands for Government helium were further complicated by the loss of commercial markets to private helium producers.

On January 26, 1971, a determination was made by the Under Secretary of the Interior that continuation of the helium purchase contracts was unnecessary to achieve the objectives of the Helium Act to provide, within economic limits, "a sustained supply of helium, which, together with supplies available or expected to become available otherwise, will be sufficient to provide for essential Government activities." The actions taken by the Under Secretary in January of 1971, to terminate the contracts, did not become effective because of the issuance of an injunction resting on the procedural requirements of the National Environmental Policy Act.

Pursuant to that ruling, the Bureau of Mines prepared and disseminated a final environmental statement. Thereafter, the Government moved to dissolve the injunction. On January 12, 1973, the court issued an oral ruling denying the motion. However, the court interpreted the injunction as allowing the Secretary to proceed anew to determine whether or not to terminate the three conservation contracts. The Secretary of the Interior issued new termination notices on February 2, 1973, to be effective April 4, 1973. The Government again moved to dissolve the injunction. On March 14, 1973, the district court denied the motion holding, *inter alia*, that the Bureau's impact statement was inadequate. The Government appealed, and, on October 19, 1973, the Court of Appeals for the Tenth Circuit reversed the judgment of the district court and remanded the case with directions to dismiss the action. On November 12 1973, the Government ceased accepting helium for purchase from the three companies. On May 13, 1974, the Supreme Court declined to review the decision of the court of appeals.

In the latter part of 1974, Interior began negotiations with each of the three companies to settle the issues resulting from termination of the contracts. However, shortly after negotiations were initiated, decisions in two helium lawsuits had extremely adverse effects on the possibility of reaching a settlement. Negotiations were discontinued and two of the companies, Cities Service Helex, Inc. and National Helium Corporation, filed suit The other company, Phillips Petroleum Company, has taken no action to date

(i) *Airco, Inc.* v *Morton, et al* (No 75-C-904 in the U.S. District Court for the Southern District of New York) This lawsuit concerns the reporting to the Bureau of Mines by private helium distributors their sales of helium to Federal agencies The Helium Act requires Federal agencies to purchase all major requirements of helium from the Secretary In this connection the Secretary issued regulations whereby private helium distributors become eligible to sell helium to Federal agencies so long as they buy an equivalent volume from the Bureau These regulations require the distributors to report their Federal sales to the Bureau as well as their purchases of Bureau of Mines helium. The reports are made each six months and, if the sales to Federal agencies exceed purchases of Bureau helium, they are required to make up the difference.

Airco was found to be out of balance during the first six months of 1974 because it interpreted the regulations as not requiring the reporting of either sales of liquid helium or sales to Federal contractors whose purchase orders specify delivery of Bureau of Mines helium. The company was informed that its interpretation of the regulations was incorrect and was directed to amend its reports to include such sales. Airco appealed to the Board of Contract Appeals and also filed this lawsuit.

(j) *Caroline Bush Emeny, et al.* v. *The United States* (No. 317-66 in the United States Court of Claims). The landowners alleged that the United States had taken, under the power of eminent domain, the storage rights in Bush Dome, Cliffside Field, Potter County, Texas, and asserted that they were entitled to just compensation therefor The United States contended that it had the right to store helium in Bush Dome for reason of gas rights it acquired many years ago from the landowners' predecessors.

At the request of the parties, the initial submission to the court involved only the question of whether the right to store helium in Bush Dome was vested in the United States or the landowners. The court decided this question in favor of the landowners.

Landowners and the United States presented their cases as to the value of the storage rights to the Court of Claims in June and July 1970. Landowners claimed the storage rights have a value of about $2.3 million. The United States claims the storage rights are of no practical value to anyone other than the owner of the gas rights.

The court awarded the plaintiffs $221,880 plus interest from January 3, 1963, to the time of payment. The plaintiffs subsequently filed claims for costs of litigation and the trial judge has recommended an award of about $350,000 Final judgment is pending.

9. HELIUM PROGRAM EXPENDITURES, INCOME, AND FINANCIAL CONDITIONS

As of June 30, 1975, the Government had $534 million invested in helium stored for future use and in helium plants, gasfields, pipelines, and transportation equipment. Program income during 1975 was about $7.4 million. Expenditures were about $5.8 million.

The Helium Act Amendments of 1960 require that all funds borrowed from the Treasury plus accrued interest be repaid. During 1975, accrued interest on borrowings totaled $22.1 million, and thus increased the indebtedness of the U.S. Treasury from $389.9 million to $412 million. Table 4 shows the status of the indebtedness as of June 30, 1975.

TABLE 4.—*Status of Indebtedness of Helium Fund, June 30, 1975*

Indebtedness to U.S. Treasury, June 1, 1975	$389, 860, 205
Funds borrowed in 1975	0
Interest accrued on indebtedness during 1975	22, 101, 419
Total indebtedness prior to repayments	411, 961, 624
Repayments to U.S Treasury during 1975	0
Indebtedness to U.S. Treasury, June 30, 1975	411, 961, 624

The annual expense of the Government's helium program is financed by income from Bureau helium sales and services and by borrowings from the U.S. Treasury. Table 5 presents a summary of the helium program cash flow during 1975.

TABLE 5.—*Helium Program Cash Flow—Fiscal Year 1975*

Cash on hand July 1974	$6, 766, 765
Cash received during 1975	7, 262, 663
Cash available in 1975	14, 029, 428
Cash disbursements during year	6, 807, 401
Cash on hand June 30, 1975	7, 222, 027

Table 6 shows the total funds required and funds available in 1975 on an accrued expense and income basis. Table 7 summarizes the assets, liabilities, and net worth of the Helium Fund as of June 30, 1975.

TABLE 6.—*Bureau of Mines, Division of Helium, Fund Statement for Fiscal Year 1975* [1]

Accounts payable start of year	$36, 666, 139. 93
Funds required current year:	
Acquisition and storage of helium (conservation)	3, 606, 315. 68
Production and sales of helium	2, 129, 970. 93
General and administrative	520, 873. 91
Capital investment	235, 903. 38
Total funds required	43, 159, 203. 83
Funds available from operations:	
Income from helium sales, services, and other	7, 465, 235. 72
Accounts receivable, start of year	1, 915, 246. 86
Less: Accounts receivable, end of year	2, 073, 533. 66
Net	(158, 286. 80)
Cash on hand, start of year	6, 766, 765. 48
Less: Cash on hand, end of year	7, 222, 027. 18
Net	(455, 261. 70)
Net changes in other assets	(387, 303. 13)
Total funds available	6, 464, 384. 09
Additional funds required	0
Borrowings from U.S. Treasury	
Accounts payable	36, 694, 819. 74

[1] Includes value of helium delivered under court-ordered injunction.

TABLE 7.—*Bureau of Mines, Division of Helium, Financial Condition, June 30, 1975* [1]

ASSETS	
Current Assets	
Cash	$7, 222, 027
Accounts receivable	2, 073, 534
Inventory and work in progress	547, 535
Deposits and imprest funds	190, 073
Total current assets	10, 033, 169
Fixed assets	
Helium in underground storage	533, 930, 365
Plants, property, and equipment (net)	27, 577, 354
Total Fixed Assets	561, 507, 719
Total assets	571, 540, 888
LIABILITIES AND NET WORTH	
Current liabilities:	
Accounts payable	$36, 694, 820
Advances	208, 864
Deposits and imprest funds	190, 073
Other	387, 286
Total current liabilities	37, 481, 043
Long-Term Debt: Indebtedness to U.S. Treasury	411, 961, 624
Total liabilities	449, 442, 667
Net worth	
Donations and transfers	325, 443
Retained earnings	121, 772, 778
Total net worth	122, 098, 221
Total liabilities and net worth	571, 540, 888

[1] Includes value of helium delivered under court-ordered injunction.

SUMMARY OF THE DATA AND CONCLUSIONS

Helium possesses certain unique properties which are being utilized in a number of advanced energy technologies now under development. Adequate supplies of helium are essential for their successful operation.

In this report the Nation's helium resources are examined, supply and demand projections are reviewed and recommendations relating to the management of the Federal Helium Program are made which will insure an adequate supply of helium for the development of helium-dependent energy-related technologies and for other essential uses. The following is a summary of the data and the resulting conclusions upon which these recommendations are based.

RESOURCES

Helium exists in natural gas but the concentration of the helium differs from field to field. Approximately 85% of the Nation's proven reserves of helium-rich (>0.3%) natural gas are located in Texas, Oklahoma and Kansas. Because natural gas is used as a fuel, these helium reserves are depleting. From 1962–1971 helium was extracted from about half of this gas on its way to market, purchased by the Government and stored underground in a partially-depleted Government-owned gas field. Helium has also been discovered in natural gases with a fuel content too low to be marketed. These helium reserves are "shut in" and are nondepleting.

An analysis of the Nation's natural gas reserves, their helium content and the rate at which they are being depleted indicates that about 280 billion cubic feet (Bcf) of helium still exist as proved recoverable reserves. By 1990, about 15 Bcf will have been used beneficially, 200 Bcf will have been wasted to the atmosphere, and only about 65 Bcf including the stored helium will remain. In addition, nondepleting helium reserves, designated as "probable", exist in the amount of 35±28 Bcf. This excessive uncertainty should be reduced.

Helium also exists in the atmosphere. There its concentration is five parts per million. Although helium can be extracted from the atmosphere, to do so is costly both in energy and in dollars.

DEMAND

Current U.S. demand for helium is about 0.7 Bcf/yr. Helium is used in industry for welding, leak detection, cryogenic research, etc. These uses are expected to increase slowly reaching a level of about 1.4 Bcf/yr in the year 2000.

Energy-related uses of helium are projected to be primarily in the area of advanced electric power technology. However these uses are not expected to become substantial until after the year 2000. How much helium will then be required depends upon overall energy usage in the U.S. and also upon the "mix" of the forms in which the energy will be utilized, i.e., how much in the form of electricity and how much in the form of portable, transportable fuels such as oil, etc.

In this study two long term energy scenarios, developed by the Federal Energy Administration in its Project Independence report, have been used. These two scenarios both forecast significantly lower energy growth rates than in the past and they differ considerably in their projected utilization of electricity.

Beginning in the year 2000 three helium-dependent energy-related technologies have been identified which require large amounts of helium. These are:

(1) Superconducting power transmission.

(2) Superconducting magnetic energy storage.

(3) Fusion reactors.

Estimates of helium demand with time have been developed for these technologies assuming that their technical and economic feasibility will have been demonstrated prior to the year 2000 and that their introduction into the economy begins shortly thereafter. Other energy-related uses of helium are relatively small, but their cumulative total is not. These other nonconventional uses have been recognized in this analysis.

Energy-related helium demands could increase from essentially zero in the year 2000 to between 1 and 5 Bcf/yr by 2030. This five-fold uncertainty in demand is a consequence of (a) uncertainty in the overall growth scenario adopted by the Nation as a whole and (b) the differing helium requirements of competing fusion reactor designs. These uncertainties in the projected annual demand for helium yield cumulative demand estimates by the year 2030 ranging from a low of 100 Bcf to a high of 180 Bcf. These demand uncertainties will presumably be diminished as the competition among alternative fusion reactor designs is resolved and as achievable National energy growth rates are agreed upon. Consequently periodic reviews of helium requirements should be scheduled in order to correlate the management of the Federal helium program with changes in projected demand.

SUPPLY

Government-owned and privately-owned in-place helium extraction plants exist with a potential production capability of about 5 Bcf/yr.[1] Since being built, the volume flow

[1] See table 7.

of the natural gas through these plants has diminished such that only about 3.8 Bcf/yr of helium can be produced at the present time. This is still many times current demand, hence the helium extraction facilities of many of these plants are not operational.

By 1990 the volume flow of natural gas will have decreased to the point that supply will no longer exceed demand. A choice will then have to be made with respect to the source of additional helium. The available options will depend upon what action is taken between 1975 and 1990.

If no action is taken the Government could elect to release helium from its stockpile in 1990 to supplement the remaining production capacity. Following depletion of the stockpile, other nondepleting helium resources could be exploited. Such a course of action would provide about 20 Bcf from current production, 60 Bcf from proved nondepleting reserves and perhaps 35 Bcf from probable nondepleting reserves. The total would amount to about 115 Bcf and this would marginally ensure that a shortage of helium would not impede the implementation of one of the two above-mentioned Project Independence energy scenarios to the year 2030. The other such scenario, which requires 134 Bcf (min) and 180 Bcf (max) of helium by the year 2030 could not be fully implemented. Given the fact that helium will sooner or later have to be extracted from the atmosphere however, the available reserves of helium will at least ensure a substantial development of these new technologies, particularly fusion technology. It is not unreasonable to imagine the dedication of a small percentage of new fusion plants to the task of helium production from the atmosphere for make-up and future growth.

An alternative and more prudent course of action is to hold back the helium in the Federal stockpile in 1990, thus forcing the conventional demand to be satisfied by alternative sources. These alternative sources are not well defined at this time, but they would presumably include imports, the construction of new helium extraction plants on remaining helium-lean natural gas streams (if any, or if any in adequate amounts), etc. It is doubtful that these sources will be able to supply more than 10–20 Bcf before release of helium from the Federal stockpile will become mandatory. Adoption of this course of action will extend the supply of helium.

A third and the most prudent course of action is to provide for the private storage of the excess helium production capacity which exists at the present time. At least 19 Bcf of helium could be so stored by 1990. This helium could be released thereafter to meet demand or it could be held for a longer period forcing maximum utilization of the alternative sources discussed above. Normal economic forces would presumably dictate the mix. The net result could be a significant extension of the helium supply and a long step toward ensuring adequate supplies of helium to permit the playing out of either energy growth scenario, at least through the year 2025. Again it will eventually be necessary to resort to helium extraction from the atmosphere, but this third course of action defers this action the farthest into the future. Procedures for facilitating the private storage of helium should clearly be developed.

HELIUM EXTRACTION FROM THE ATMOSPHERE

The cost of extracting helium from the atmosphere is projected to range between $3000–$6000 per thousand cubic feet. This is 150–300 times the present commercial cost of helium and 350–700 times the cost of Bureau of Mines helium produced from existing plants. In terms of energy, the production of 1 Bcf/yr of helium from the atmosphere would require about 70% of the projected annual output of the Alaskan oil pipeline or 16% of current annual coal production. This very considerable disparity between the cost of stored helium and helium extracted from the atmosphere underlines and emphasizes the importance of extracting and storing helium from currently available supplies of helium-rich natural gas.

INTERNATIONAL CONSIDERATIONS

Although the United States has been the major world source for helium in the past, in the future foreign gas fields will be developed as alternative sources. Such sources will probably last well into the next century but world demand for such helium may be expected to increase at about the same time and at about the same rate as the U.S. demand.

MANAGEMENT OPTIONS

No advantages or benefits are discernible in changing responsibility for the management of the Federal Helium Activity.

THE FEDERAL HELIUM PROGRAM

The current policies of the U.S. Bureau of Mines Helium Activity such as debt repayment, sale of helium to Federal agencies, stockpiling of Federally-produced helium, etc. warrant further study in view of the findings of this report.

RECOMMENDATIONS

The following recommendations concerning the management of the Federal helium program as related to energy are divided into four categories. The first category proposes that a policy relating to the storage of privately-owned helium be established. The second category recommends that a comprehensive policy for the management of publicly-owned helium be developed. The third category addresses the issues of the auspices under which the Federal helium program should be managed and the fourth category relates to proposed actions which will better define the state of the Nation's remaining helium reserves and the future helium demand.

1. *Policy Toward Private Helium Storage.*—The Federal government should facilitate the storage of privately-owned helium in the government-owned Cliffside Field. Since financial, legal and administrative obstacles to such private storage of helium presently exist, government action may be necessary to accomplish this recommendation.

2. *Policy Toward Use of Publicly-owned Helium.*—The Federal government should establish a management and pricing policy for the Federal Helium Program consistent with the objectives of Recommendation No. 1 and taking into account the benefits and costs to the public. This policy should encourage the use of helium from sources other than the Federal helium inventory as long as extraction from other sources is financially justified. Such a policy would encourage investment in new helium extraction plants utilizing helium in helium-lean natural gas, helium production from air separation plants and importation of foreign helium.

3. *Administrative Responsibility for the Federal Helium Program.*—The Federal helium program should continue to be administered by the Department of the Interior.

4. *Policy with Respect to Improving Supply and Demand Estimates of Helium.*—The Federal Government should:

(a) Improve estimates of the magnitude of helium-rich reserves (concentration greater than 0.3 percent) currently identified in the probable nondepleting category where this can be accomplished by a limited program in high opportunity areas, e.g., exploration of helium in the Tip Top field in Wyoming. To this end, alternative levels of effort should be identified and an appropriate program selected based on probable costs and benefits.

(b) Undertake periodic comprehensive helium supply and demand analyses in support of program management. The large uncertainties in projected supply and demand and the possibility of acting to conserve additional helium before the end of the century suggest that program management should periodically consider improved supply and demand data as they are developed and adjust program efforts as required.

VIII. CHANGES IN EXISTING LAW

In compliance with subsection 4 of Rule XXIX of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by S. Res. 253.

The ACTING PRESIDENT pro tempore. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 2:08 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its clerks, announced that the Speaker has made the following appointments:

Mr. VANIK, Mr. GIBBONS, Mr. JONES of Oklahoma, Mr. CONABLE, and Mr. STEIGER, as Official Advisers to the U.S. Delegations to International Conferences, Meetings, and Negotiation Sessions relating to trade agreements during the first session of the Ninety-fifth Congress;

Mr. STEED and Mr. HORTON, as members of the Commission on Federal Paperwork;

Mr. KOCH and Mr. GOLDWATER, as members of the Privacy Protection Study Commission; and

Mr. FOUNTAIN, Mr. RANGEL, and Mr. BROWN of Ohio, as members of the Advisory Commission on Intergovernmental Relations.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC–735. A letter from the Assistant Secretary for Administration of the Department of Agriculture transmitting, pursuant to law, a

corrected and revised copy of the sixth Annual Report on the Location of New Federal Offices and other Facilities for fiscal year 1976 and the transition quarter (with an accompanying report); to the Committee on Agriculture, Nutrition, and Forestry.

EC–736. A letter from the Secretary of Housing and Urban Development transmitting a draft of proposed legislation to extend the national flood insurance program and emergency implementation authority thereunder (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

EC–737. A letter from the Secretary of Housing and Urban Development transmitting a draft of proposed legislation to extend certain FHA mortgage insurance and related authorities, and for other purposes (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

EC–738. A letter from the Secretary of Housing and Urban Development transmitting a draft of proposed legislation to provide authorizations for and amend laws relating to housing, and for other purposes (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

EC–739. A letter from the Acting Administrator of the General Services Administration transmitting, pursuant to law, in Atlanta, Georgia (with an accompanying report); to the Committee on Environment and Public Works.

EC–740. A letter from the Acting Assistant Secretary for Congressional Relations of the Department of State transmitting a draft of proposed legislation to amend title I of the "Foreign Relations Authorization Act, fiscal year 1977," to authorize additional appropriations for fiscal year 1977 (with accompanying papers); to the Committee on Foreign Relations.

EC–741. A letter from the Acting Assistant Secretary for Congressional Relations transmitting a draft of proposed legislation to amend the Foreign Relations Authorization Act, fiscal year 1976, to authorize additional appropriations for the Foreign Service buildings program for fiscal year 1977 (with accompanying papers); to the Committee on Foreign Relations.

EC–742. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Potential Effects of National Health Insurance Proposals on Medicare Beneficiaries" (with an accompanying report); to the Committee on Governmental Affairs.

EC–743. A letter from the Director of Communication of the U.S. Department of Agriculture transmitting, pursuant to law the U.S. Department of Agriculture's Freedom of Information Annual Report for the Calendar Year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–744. A letter from the Acting Staff Secretary for the National Security Council transmitting, pursuant to law, the Freedom of Information Report for Calendar Year 1976 (with an accompanying report); to the Committee on the Judiciary.

SELECT COMMITTEE ON SMALL BUSINESS ANNUAL REPORT—REPT. NO. 95–30

Mr. NELSON, from the Select Committee on Small Business, submitted the annual report of the Select Committee on Small Business, which was ordered to be printed.

Mr. NELSON. Mr. President, on behalf of the Select Comittee on Small Business, I am submitting to the Senate today the committee's 27th annual report, covering its activities during 1976, and ask that the report be printed together with its exhibits and appendixes.

Senate Resolution 58 of 1950 requires the committee to:

Study and survey by means of research and investigation all problems of American small-business enterprises, and to obtain all facts possible . . . which would . . . be of public interest (and) would aid Congress in enacting remedial legislation, and to report to the Senate from time to time the results of such studies and surveys.

Pursuant to this mandate, we are pleased to inform the Senate that during 1976, the Small Business Committee held 44 days of public hearings, for a total of 107 for the 94th Congress—the largest number of hearings which this committee has ever conducted during any 2-year period of its history.

The results of these inquiries are reported in 18 chapters which are itemized in a detailed table of contents and highlighted in an introductory chapter of this report. The textual material is accompanied by charts, tables, and appendices which are also listed as a part of the contents for convenience.

The opening chapter of the report recounts the committee's efforts to elevate small business policy nationally so that it receives greater visibility and a higher priority. It suggests the convening of a White House Conference on Small Business, the first since 1956, to develop a systematic agenda for restoring an economic climate in which new and small business can survive and flourish.

The report also recapitulates the committee's extensive activites in the tax area, which received a special impetus from the fact that six of its members were also members of the Senate Committee on Finance during 1975 and 1976. The committee's 12 days of hearings on tax and other financial matters during 1975 lead to the inclusion of corporate rate reductions and other small business provisions in the Tax Reduction Act of 1975 and extension of these provisions, as well as thorough reform of the estate and gift tax law and significant revisions of subchapter S—governing closely held corporations. These enactments constitute the most significant tax relief and reform for small- and medium-sized business in the past generation.

The report explains the committee's review of the programs of the Small Business Administration, and its preparation for enhancing its activities in this area pursuant to the action of the Senate in April 1976, conferring upon the committee legislative authority over that executive agency.

Other chapters deal with committee efforts to bring about legislative and adminstrative actions to reduce paperwork burdens of small business: To eliminate excessive regulation of small firms; to broaden Government procurement from small business contractors and subcontractors; to encourage equality of treatment for women and minority women business owners, to assist family farmers; to solve the product liability insurance crisis facing small producers and distributors; to curb cargo theft and combat abuses of the competitive process—particularly in the pharmaceutical, cosmetic and airline industries—and many other matters.

The report can serve valuable educational purpose. It still surprises many people that small business accounts for 97 percent of the 13 million U.S. business firms, and more than half of all private employment, 48 percent of the business output, and approximately 43 percent of the gross national product.

In addition, it has been established that smaller business contributes more than half of the inventions and innovations in the economy and is a more consistent supporter of charitable and social institutions in small cities and towns than larger and often absentee corporations.

Thus, a wider understanding of the problems and the potential of small business had a direct bearing upon our country's ability to increase employment, fight inflation, increase productivity and efficiency, improve work environments, and to keep alive the American dream of business ownership. We believe these initiatives can strengthen the overall economy of our Nation and the fabric of our democratic society.

It is, therefore, our hope that the 27th annual report will prove to be a valuable resource for research and action on the part of the Senate, the small business community, and the general public.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CRANSTON, from the Committee on Veterans' Affairs:

Joseph Maxwell Cleland, of Georgia, to be Administrator of Veterans' Affairs.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. SPARKMAN, from the Committee on Foreign Relations, and Mr. WILLIAMS, from the Committee on Human Resources:

Samuel Winfred Brown, Jr., of Colorado, to be Director of the ACTION Agency.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ORDER FOR STAR PRINT—S. 442

Mr. PACKWOOD. Mr. President, I ask unanimous consent for a star print of S. 442, a bill to amend title III of the Bankhead-Jones Farm Tenant Act, as amended, to increase the amount of any loan for which funds may be appropriated without prior approval of such loan by congressional committees.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR STAR PRINT—S. 741

Mr. PROXMIRE. Mr. President, on February 11, I introduced S. 741, the Emergency Mortgage Credit Act of 1977.

As originally printed, however, the bill contained several errors and was incomplete.

Accordingly, I ask unanimous consent for a star print of S. 741, making several corrections in the original and completing the bill by providing for $7.5 billion in borrowing authority under the Government National Mortgage Association tandem plan in fiscal year 1978.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated.

By Mr. PROXMIRE:

S. 811. A bill to authorize additional funds for housing assistance for lower-income Americans in fiscal year 1977, and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

By Mr. PACKWOOD (for himself and Mr. HATFIELD):

S. 812. A bill to improve the quality of unshelled filberts and shelled filberts for marketing in the United States; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. STENNIS (for himself and Mr. EASTLAND):

S. 813. A bill to authorize study of major tributaries draining into the Mississippi River between Bayou Pierre and the Buffalo River in the State of Mississippi with a view to flood control and related purposes; to the Committee on Environment and Public Works.

By Mr. WILLIAMS:

S. 814. A bill to amend the Tariff Schedules of the United States to provide duty-free treatment of any aircraft engine used as a temporary replacement for an aircraft engine being overhauled within the United States if duty was paid on such replacement engine during a previous importation; to the Committee on Finance.

By Mr. JAVITS:

S. 815. A bill for the relief of Ilana Opher; to the Committee on the Judiciary.

By Mr. BAYH:

S. 816. A bill for the relief of certain Postmasters charged with postal deficiencies; to the Committee on the Judiciary.

By Mr. YOUNG:

S. 817. A bill to authorize the Secretary of the Interior to defer repayment of municipal and industrial costs of the Dickinson Unit; to the Committee on Energy and Natural Resources.

By Mr. WILLIAMS:

S. 818. A bill to end the use of steel-jaw leghold traps; to the Committee on Environment and Public Works.

By Mr. MATHIAS:

S. 819. A bill to require the appointment of interpreters for hearing impaired individuals in certain judicial proceedings, and for other purposes; to the Committee on the Judiciary.

By Mr. HUMPHREY (for himself, Mr. MCGOVERN, Mr. LEAHY, Mr. METCALF, and Mr. ANDERSON):

S. 820. A bill authorizing the Secretary of Agriculture to establish a demonstration program for the application of existing energy conserving and renewable energy technology to farms and agricultural communities; to the Committee on Agriculture, Nutrition and Forestry.

By Mr. HUMPHREY (for himself, Mr. MCINTYRE, and Mr. CASE):

S. 821. A bill to authorize the inclusion of solar energy research, development, and demonstration programs in certain agricultural programs; to the Committee on Agriculture, Nutrition and Forestry.

By Mr. MATHIAS:

S. 822. A bill to abolish the Renegotiation Board; to the Committee on Banking, Housing and Urban Affairs.

By Mr. RANDOLPH:

S. 823. A bill to require that buildings utilized by Federal agencies incorporate the best practicable measures for the conservation of energy and the use of solar energy systems; and for other purposes; to the Committee on Environment and Public Works.

By Mr. BARTLETT (for himself and Mr. BELLMON):

S. 824. A bill to authorize and direct the Secretary of the Interior to convey the mineral interest of the United States to Oklahoma State University to certain lands in Oklahoma, and for other purposes; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE:

S. 811. A bill to authorize additional funds for housing assistance for lower-income Americans in fiscal year 1977, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. PROXMIRE. Mr. President, I am introducing, on behalf of the administration, the Supplemental Housing Assistance Authorization Act of 1977.

This act would authorize additional funds for housing assistance payments and operating costs under programs established by the United States Housing Act of 1937, and for the urban homesteading program established by the Housing and Community Development Act of 1974.

The act would also authorize appropriations to cover losses charged to the general insurance fund in connection with the operation of FHA mortgage insurance programs, and authorize an increase in the contract period for housing assistance payments in newly constructed or rehabilitated privately owned leased housing.

By Mr. PACKWOOD (for himself and Mr. HATFIELD):

S. 812. A bill to improve the quality of unshelled filberts and shelled filberts for marketing in the United States; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. PACKWOOD. Mr. President, my home State of Oregon has the distinction of being the producer of 95 percent of the U.S. production of filberts, a small round delicious nut often called a hazel nut. It has been the experience of filbert producers in Oregon that imported filberts are frequently of lower quality, thereby damaging the reputation of filberts generally. These imported nuts, primarily from Turkey, are marketed in this country at prices below the cost of production in Turkey.

In 1974 and 1975 the Turkish Government paid 13 5 Turkish liera for filberts when the world market price was only 9.4 Turkish liera. This created an excess supply which the Government is now trying to get rid of by providing a 5- to 10-percent tax rebate to marketers exporting filberts. In addition, the Union of Filbert Marketing Cooperatives in Turkey is authorized to reduce the price of shelled round filberts by $10 per 100 kilograms. The Turkish Government then pays the union the $10 per 100 lost in the sale. These two direct subsidies have created an inequitable situation for domestic filbert producers.

While we can obviously do nothing about the internal subsidies provided by the Turkish Government to their producers, we can require that imported filberts meet certain standards of size and grade when they are imported into this country. Today I am reintroducing a proposal to amend section 8e of the Agricultural Adjustment Act to give the Secretary of Agriculture the authority to issue a marketing order for imported filberts. He could then promulgate standards for which imported filberts would have to comply. These marketing orders are nothing new. The current list of commodities which can be regulated by the Secretary includes tomatoes, raisins, olives, prunes, avocados, mangoes, limes, grapefruit, green peppers, Irish potatoes, cucumbers, oranges, onions, walnuts, dates, and eggplants.

As my colleagues in the Senate know, I do not favor import restrictions. On the other hand, we cannot allow our country to be the dumping grounds for low-quality, subsidized food commodities produced in other countries. This type of unfair competition ruins the economics and reputation of significant and stable domestic markets.

In addition to introducing this bill, I am asking Senator TALMADGE, chairman of the Senate Agricultural Committee, to consider this issue in hearings he is holding regarding the farm bill. I would like to bring to the committee's attention and the attention of every Senator the statement by President Carter as reported in the Mid-America Dairymen, Inc. Reporter, December 1976. He said:

> We must carefully scrutinize the entry of subsidized imports into American markets, especially meat, dairy products and palm oil and take vigorous action to prevent illegal importation of agricultural goods.

I feel this is one of the most important things we can do to insure that domestic producers are not faced with inequitable, imported competition. I encourage all of my colleagues in the Senate to support this and other similar legislation.

By Mr. STENNIS (for himself and Mr. EASTLAND):

S. 813. A bill to authorize study of major tributaries draining into the Mississippi River between Bayou Pierre and the Buffalo River in the State of Mississippi with a view to flood control and related purposes; to the Committee on Environment and Public Works.

Mr. STENNIS. Mr. President, the Homochitto and Buffalo Rivers in Mississippi have a long history of periodic flooding, with consequent heavy damage to private and public property, and loss of life. In the last 2 years alone seven deaths have been caused by this flooding.

The Homochitto-Buffalo River Basin extends through five counties—Copiah, Franklin, Lincoln, Amite, and Wilkinson—and the lands and properties in-

volved are very widespread. The flooding causes extensive damage to crops and livestock production, private structures, public roads and bridges, and public utilities.

Similar problems are encountered with other major streams in Adams, Jefferson, and Caiborne Counties, such as Catherine Creek, Coles Creek, and Bayou Pierre. All of the rivers and streams named are major tributaries of the Mississippi River. They are all subject to flash flooding and some to subsequent extended periods of flooding of agricultural land because of slow drainage characteristics of parts of the stream basins.

The flooding history of the Homochitto River alone is illustrative of the severe problem. This river has been particularly destructive with respect to highway and railroad bridges. It has both severe bank erosion problems and degradation of the streambed throughout much of its length. It floods quickly, tends to meander, and silts up in the wrong places. It has been a problem for a long time to the citizens of the area, the local governments, the State highway department, and the Illinois Central Railroad.

The destruction of bridges by floods on the Homochitto River is noteworthy. In May 1953, five 20-foot approach spans to the bridge on Mississippi Highway 33 were washed out. In April 1955, undermining of a pier by floodwater caused the main span of the U.S. Highway 61 bridge to collapse, with loss of life. This flood also washed out a county bridge, the Illinois Central Bridge at Rosetta, and again damaged the bridge on Mississippi Highway 33.

After the flood of 1971 the Highway 33 bridge had to be extended 300 feet because of river channel changes. This bridge and the Illinois Central Railroad bridge were again washed out by the floods of 1974 and 1975. The cost of replacing the highway bridge alone is $11,000,000.

Mr. President, Senator EASTLAND joins me in introducing this bill to authorize a study by the Chief of Engineers of major tributaries draining into the Mississippi River between Bayou Pierre and the Buffalo River in the State of Mississippi, with a view of flood control and related purposes. We urge its early consideration by the Public Works Committee, and passage by the Senate at the soonest practicable date.

By Mr. WILLIAMS:

S. 814. A bill to amend the Tariff Schedules of the United States to provide duty-free treatment of any aircraft engine used as a temporary replacement for an aircraft engine being overhauled within the United States if duty was paid on such replacement engine during a previous importation; to the Committee on Finance.

U.S. TARIFF SCHEDULES

Mr. WILLIAMS. Mr. President, I am today introducing legislation which would amend the Tariff Schedules of the United States to provide duty-free treatment of any aircraft engine used as a temporary replacement for an aircraft engine being overhauled or repaired within the United States if duty was paid on such engine during a previous importation.

A similar measure, H.R. 2181, passed the House of Representatives during the 94th Congress. The measure, with amendments, passed the Senate near the end of the 94th Congress. However, the two Houses were not, prior to the end of the 94th Congress, able to resolve the differences which resulted from the addition of a nongermane and controversial amendment to the Senate version of the measure.

Firms in the United States engaged in aircraft engine overhaul and repair must as a necessary part of their customer service provide, for temporary use, engines to replace those undergoing overhaul or repair. For instance, if a customer has a malfunctioning engine on an aircraft in use abroad, the U.S. firm will send him a rental engine. The foreign operator will install the replacement engine in his aircraft and ship the defective engine to the U.S. firm. The U.S. firm then repairs the original engine and ships it back to the customer who then returns the rental engine to the U.S. firm.

Current law requires that a duty be assessed on foreign-made replacement engines not only when first imported but each time such a loaned engine is reimported upon return of the original engine overhauled or repaired by a U.S. firm. The requirement of successive duty payments on each reimportation of "loaner" aircraft engines after the duty has been paid on original importation serves no purpose and is a cost disincentive to U.S. based firms providing engine overhaul and repair services on foreign-based aircraft.

Enactment of the bill I introduce today will correct this inequity by allowing for the duty-free treatment of any aircraft engine used as a temporary replacement for an aircraft engine being overhauled within the United States if such duty was paid on such replacement engine during a previous importation. This bill inserts a new item 801.20 to handle this specific problem without any further opening up of the Tariff Schedule.

The wide use of turbine engines in corporate as well as airline aircraft has resulted in making the aircraft overhaul and repair industry a multimillion dollar one. Turbine engines typically require an overhaul—that is, servicing—every 5 years according to industry averages. It is estimated that the aircraft engine overhaul and repair business could generate as much as $20,000,000 in sales in 1977 alone.

Present law prevents American businessmen from competing on equal terms in the highly competitive aircraft engine overhaul and repair industry, since they cannot use foreign-made engines as "loaners". Enactment of this measure would enable American business and labor to meet the international competition in this industry on equal terms. Presently, our aircraft overhaul and repair centers must compete with centers in Great Britain, Sweden, France, Brazil, Taiwan, and Australia for much of their business. Even on this continent, our aircraft engine service shops face heavy competition from companies such as Rolls Royce of Canada and United Aircraft of Canada. These Canadian enterprises are not operating under the same disadvantage as American enterprises. Once a foreign manufactured good is imported into Canada and duty is paid, the goods become nationalized and are regarded from that time forward as Canadian manufactured goods for Customs purposes.

At a time when unemployment is unacceptably high, when we are losing too much business and too many jobs to foreign competition, we can by enacting this measure help to insure that America's aircraft engine overhaul and repair industry remains vital and competitive and continues to provide employment opportunities for our people. Airwork service division of Purex Corp., which is engaged in the aircraft engine overhaul and repair business, alone employs over 600 people in my State, New Jersey. The enactment of this bill will allow the aircraft engine overhaul and repair industry, now adversely affected by our tariff regulations, to adjust to foreign competition.

Based on current operation of the aircraft engine overhaul and repair business, the annual customs revenue loss resulting from enactment of this bill would be approximately $2.5 million, a modest amount.

When the present customs regulations were originally drafted, the now common-place type of transactions involving loaner engines were not contemplated. Had they been, I am confident the exemption sought today would have been included in those regulations.

A viable U.S. aircraft engine overhaul and repair industry able to compete in the world market would obviously help improve the balance of payments situation of our country. Enactment of this measure will promote competitive opportunities for U.S. business in foreign markets and promote economic growth and employment in the United States. At a time when we urgently need to expand investment and employment opportunities for our people and promote export development, we should enact this measure which will assist us greatly in achieving these goals.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 814

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart A of part 1 of schedule 8 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately after item 801.10 the following new item:

" 801.20	Any aircraft engine or propeller, or any part or accessory of either, previously imported, with respect to which the duty was paid upon such previous importation, if (1) reimported without having been advanced in value or improved in condition by any process of manufacture or other means while abroad, after having been exported under loan, lease, or rent to an aircraft owner or operator as a temporary replacement for an aircraft engine being overhauled, repaired, rebuilt, or reconditioned in the United States, and (2) reimported by or for the account of the person who exported it from the United States	Free	Free "

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

By Mr. WILLIAMS:

S. 818. A bill to end the use of steel-jaw leg-hold traps; to the Committee on Environment and Public Works.

STEEL-JAW LEG-HOLD TRAPS

Mr. WILLIAMS. Mr. President, today I am introducing a bill to end the use of the steel-jaw leg-hold trap.

Three incidents which were recently reported in the Star Ledger are illustrative of the need for this legislation:

Hiking near Colliers Mills, William Biel and Phil Pringhorn of Point Pleasant came upon a fawn standing quite still in a clearing. The fawn tried to run when it caught sight of the men, but fell and couldn't rise. The men approached slowly, moving carefully, so the young deer would not panic. They saw immediately that the fawn's right foot was missing, and the animal was terribly thin . . . The veterinarian confirmed their opinion: The deer had been caught in a leghold trap, and escaped only by leaving its foot behind.

Two children sledding near a shopping center just off the Garden State Parkway at Toms River saw a large fox struggling in the snow, trying to escape from a trap which held him by one leg. They called their parents, who alerted The Shelter in Brick Town. When shelter manager Florence Smith and Virginia Andresen—who has a state licence to keep injured wildlife—arrived, the fox was trying to chew off his leg in order to get free. "There were no tracks around him in the snow, which had stopped falling 17 hours earlier, so he had been suffering at least that long," Smith said. "One has to ask how many other traps were set in that deep snow, and how close had the children come to stepping into a trap themselves?"

Only four days later, Mark Roth of Beachwood came to The Shelter with a female mallard duck he had just rescued from a muskrat trap set in a food area across from four houses on Dover Road in Dover.

Thousands of incidents such as these occur in the United States every year, though most of them are not reported. For every animal trapped for its fur, two others which have no commercial value are killed or mutilated in traps, only to be discarded. The problem is that steel traps are not selective. They do not distinguish between a coyote, a pet dog, a bird, or even a child. The New Jersey branch of the Humane Society of the United States has compiled extensive data on trapping abuses in New Jersey, documenting hundreds of cases of pets inadvertently caught in steel traps.

In response to growing public awareness of the cruelty of these devices, several countries have banned them. In nearly all Western European countries, only humane traps are used. In the United States, some State legislatures have either prohibited or restricted the use of steel traps. My own State of New Jersey banned their use in urban counties in 1972.

The bill I am introducing today would prohibit the interstate shipment or importation of steel traps. It would also prohibit the shipment of animal furs or other products from States or countries which have not banned the traps.

Mr. President, I ask unanimous consent that the bill and the Star Ledger articles by Lois Stevenson be printed at this point in the RECORD.

There being no objection, the bill and articles were ordered to be printed in the RECORD, as follows:

S. 818

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

SECTION 1. (a) It is hereby declared to be the public policy of the United States to discourage the needless maiming and suffering inflicted upon wild animals by the use of leg-hold and steel jaw traps; and

(b) In furtherance of this general policy, it shall also be the public policy of the United States to prohibit, among other things, the manufacture, sale, interstate shipment, and use of leg-hold and steel jaw traps in the United States.

SEC. 2. (a) No fur, leather, or other by-products, whether raw or in finished form, shall be shipped into interstate or foreign commerce if such fur, leather, or other by-products come from animals trapped in any State or foreign country which has not banned the manufacture, sale, and use of leg-hold and steel jaw traps.

(b) The Secretary of State shall ban all imports of fur, leather, or other by-products from animals from any and all foreign countries which have not banned the manufacture, sale, and use of such leg-hold and steel jaw traps.

CURRENT LIST

SEC. 3. The Secretary of State shall compile, publish, and keep current a list of foreign countries which have not banned the manufacture, sale, and use of leg-hold and steel traps.

PENALTIES

SEC. 4. Anyone shipping or receiving fur, leather, or other by-products in contravention of Section 2 of this Act shall, for the first offense, be fined not more than $1,000; for the second or subsequent offenses, he shall be fined not more than $5,000 and imprisoned for not more than two years.

SHIPMENT OF TRAPS

SEC. 5. Whoever delivers, carries, transports, or ships by any means whatever, in interstate or foreign commerce, any leg-hold, or steel jaw trap or whoever receives, acquires, or purchases, knowingly, any such trap so delivered, carried, transported or shipped, shall for the first offense, be fined not more than $1,000; for the second or subsequent offenses, he shall be fined not more than $5,000 and imprisoned for not more than two years.

DEFINITIONS

SEC. 6. As used in this Act, the term—

(1) "State" includes each of the several States of the United States, the District of Columbia, and the territories and possessions of the United States; and

(2) "interstate or foreign commerce" shall have the same meaning as that provided by Section 10 of Title 18, United States Code.

EFFECTIVE DATE

SEC. 7. The provisions of this Act shall become effective one year after the date of its enactment.

LOVELY FAWN KILLED AS TRAP SEVERS FOOT

(By Lois Stevenson)

The steeljaw leghold trap is permitted in 11 of New Jersey's 21 counties. Ocean County is one of them. Last week, a trapping incident occurred there of the kind which happens repeatedly—only the victims change.

Hiking near Colliers Mills, William Biel and Phil Pringhorn of Point Pleasant came upon a fawn standing quite still in a clearing. The fawn tried to run when it caught sight of the men, but fell and couldn't rise.

The men approached slowly, moving carefully, so the young deer would not panic. They saw immediately that the fawn's right rear foot was missing and the animal was terribly thin.

Picking up the deer carefully, they placed it in their truck and took it to The Shelter in Bricktown. There, shelter manager Florence Smith watered the thirsty animal, then placed it tenderly in The Shelter's ambulance for transportation to a veterinarian.

The veterinarian confirmed their opinion: The deer had been caught in a leghold trap, and escaped only by leaving its foot behind. The stump was beginning to heal, but infection was rampant. The doctor administered antibiotic and medicated the stump.

The fawn was given its own room at The Shelter and surrounded with pine boughs, so the sight and scent would be that of its natural habitat. All the rest of that day and through the night, Mrs. Smith tended the malnourished animal, offering a milk formula, alfalfa pellets, oatmeal and apples. Frequently, she rubbed the deer's back with a rough sponge, simulating a doe's tongue caress for her offspring.

At first the fawn appeared to improve. She was docile, her large brown eyes filled with trust in her human friends so obviously trying to help her. But at dawn, too weak to overcome the massive infection running through her body, the young fawn died—another victim among the millions of innocent and helpless creatures trapped annually in this country.

The vicious steeljaw trap is nonselective; it slams shut on any unsuspecting animal or bird that steps into it. In New Jersey there are documented cases of children's hands or feet being caught. There are hundreds of documented cases of dogs and cats that have lost feet, legs or their lives in these reprehensible devices.

This barbaric cruelty has no place in a compassionate and caring society. We can do away with it if only we make the effort, and every person of humanitarian instinct will certainly want to make the effort.

A bill to prohibit the steeljaw leghold trap throughout the state has gathered dust in the Assembly's Agriculture and Environment Committee for the past year. Only public demand can get that bill out of committee and onto the Assembly floor for action. From there, it still has to go through the Senate.

Write now to the Agriculture and Environment Committee, The State House, Trenton, N.J. 08625 and request that they release the bill, A–764. Then write to your own assemblyperson and ask that he or she support this legislation.

Remember, every day that passes means that animals like the fawn are suffering and dying because of leghold traps.

FOX FALLS VICTIM TO "JAWS OF DEATH"

(By Lois Stevenson)

Another beautiful and fleet-footed creature of the wild became the tortured victim of a steel jaw leghold trap in Ocean County last week.

Two children sledding near a shopping center just off the Garden State Parkway at Toms River saw a large fox struggling in the snow, trying to escape from a trap which held him by one leg. They called their parents, who alerted The Shelter in Brick Town.

When shelter manager Florence Smith and Virginia Andresen—who has a state license to keep injured wildlife—arrived, the fox was trying to chew off his leg in order to get free.

"There were no tracks around him in the snow, which had stopped falling 17 hours earlier, so he had been suffering at least that long," Smith said. "One has to ask how many other traps were set in that deep snow, and how close had the children come to stepping into a trap themselves?"

After tossing a net over the fox, Smith and Andresen were able to get him into the shelter's ambulance and to a veterinary hospital. Dr. David Eisenberg administered a tranquilizer to relieve the fox's extreme pain. Then it took the combined efforts of the doctor and Smith to remove the double-spring trap.

Because the animal's leg was so badly fractured in two places, Eisenberg said, amputation was the only recourse. Treated for shock, the fox was placed in a cage to await surgery. But, too weak to withstand the trauma of his hours-long ordeal, the fox died within the next few hours.

Only four days later, Mark Roth of Beachwood came to The Shelter with a female mallard duck he had just rescued from a muskrat trap set in a wooded area across from four houses on Dover Road in Dover. (Ocean County.)

Still under treatment at a veterinary hospital, the duck's future remains uncertain. "She has two broken bones in her left foot, and the bone was exposed," noted Dr. Peter Falk.

After the story of a trapped deer appeared in this column two weeks ago, this writer received several highly emotional, abusive and profane letters from trappers who claimed the deer's injury was too high on the leg to have been caused by a trap.

Obviously, these self-styled "experts" have never heard of the jump trap: Its spring is a single strip of steel, which leaps upward when released, causing the animal to be grabbed higher on the leg, or at the shoulder, making it more difficult for the animal to chew off its foot.

Out of New Jersey's more than seven million people, about 3,500 are licensed trappers. Thus, a mere five-one hundredths per cent of our population is permitted to injure, torture and kill domestic pets and wildlife which—if it belongs to anyone at all—belongs to all of us. And, what's more, make money from the wicked practice.

By Mr. MATHIAS:

S. 819. A bill to require the appointment of interpreters for hearing-impaired individuals in certain judicial proceedings, and for other purposes; to the Committee on the Judiciary.

INTERPRETERS FOR THE HEARING IMPAIRED ACT

Mr. MATHIAS. Mr. President, I send to the desk the Interpreters for the Hearing Impaired Act. This bill would provide for the following:

First. Court appointment of "interpreters" for a hearing-impaired defendant or witness throughout any Federal criminal proceeding;

Second. Court appointment of "interpreters" for hearing-impaired persons who are parties or participants in any Federal civil action;

Third. Discretionary authority for a judge to order the visual electronic recording of any or all testimony given by a hearing-impaired person;

Fourth. Development and maintenance of lists of certified "interpreters" available for appointment in Federal court actions; and

Fifth. Certification of qualified "interpreters" for inclusion on such lists.

The bill is designed to remedy a continuing problem within our Federal court system. I refer specifically to the difficulty those suffering from either a full or partial hearing impairment have when they become involved with our judicial system. Many millions of Americans who are deaf or hearing-impaired are not now able to understand and communicate during Federal court proceedings. My bill is designed to insure that these Americans stand equal before the law. I am proud that my own State of Maryland has been in the forefront of those jurisdictions which have enacted legislation providing for the appointment of interpreters for hearing-impaired individuals in State court proceedings.

Currently, the Federal Rules of Criminal Procedure, Civil Procedure, and Evidence provide for the appointment of translators at the discretion of the judge. This causes several problems. First, the word "translators" generally suggests a foreign language and not sign language. In addition, as there is no equivalent in modern sign language for many spoken words, particularly technical words and phrases, direct translation is not possible. Consequently, "interpretation" and not "translation" is needed for the hearing-impaired. This bill would clarify the present ambiguity in the language of the law by specifically authorizing the appointment of "interpreters."

Second, the discretionary nature of the rules is overly broad. As a result, there is no uniform national standard to govern the appointment of interpreters.

Third, the rules do not address the significant question of what constitutes a "qualified interpreter"; nor do they provide authority for Federal courts to compile and maintain lists of qualified interpreters. My bill would remedy this situation.

Current estimates of the deaf or hearing impaired population range from 14 million to 20 million. The bill I am introducing today would guarantee these citizens fair and just treatment when they come in contact with our judicial system.

Mr. President, I urge my colleagues to support this bill. If we fail to act, we will in effect have denied to a significant group of our fellow citizens their right to fair and equitable treatment in our courts.

Mr. President, I ask unanimous consent that the text of the Interpreters for the Hearing-Impaired Act be printed in the RECORD, together with an excellent article which appeared in the New York Supplement, entitled "The Deaf Individual in a Legal Setting" by Michael A. Chatoff. Mr. Chatoff is himself deaf. Despite this handicap, Mr. Chatoff is a practicing attorney, who has been a leader in working for the rights and interests of the deaf. Mr. Chatoff's pioneer efforts have been of great value in the development of the bill I introduce today.

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 819

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Interpreters for the Hearing Impaired Act".

SEC. 2. (a) Chapter 119 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1827. Proceedings involving the hearing impaired

"(a)(1) In any criminal action in a court of the United States, whenever the judge determines, on his own motion or on the motion of a party to the proceedings, that (A) the defendant, because of hearing impairment, does not speak or understand the English language with a facility sufficient for him to comprehend either the proceedings or the testimony, or (B) in the course of such proceedings, testimony may be presented by any witness who because of hearing impairment does not speak or understand the English language, the court in all further proceedings in that action, including arraignment, hearings, and trial, shall order that (i) the proceedings be conveyed to such defendant or witness in a language or other mode of communication that he understands and (ii) the testimony of such defendant or witness be interpreted into English for the court by an interpreter selected in accordance with the provisions of subsection (b).

"(2) In any civil action in a court of the United States, whenever the judge determines on his own motion or on the motion of a party to the proceedings, that (A) a party, because of hearing impairment, does not speak or understand the English language with a facility sufficient for him to comprehend either the proceedings or the testimony, or (B) in the course of the proceedings, testimony may be presented by any witness who because of hearing impairment does not speak or understand the English language, in all further proceedings in that action, including hearings and trial, the court shall order that (i) the proceedings be conveyed to such party or witness in a language or other mode of communication that he understands and (ii) the testimony of such party or witness be interpreted into English for the court by an interpreter selected in accordance with the provisions of subsection (b).

"(3) In any criminal or civil action in a court of the United States, the judge, on his own motion or on the motion of a party to the proceedings, may order all or any part of the testimony of the hearing impaired individual and the interpretation thereof to be electronically recorded (visually) for use in verification of the official transcript of the proceedings.

"(4) The defendant in any criminal action in a court of the United States, or a party in any civil action in a court of the United States, who is entitled to an interpretation under this section, may waive the interpretation in whole or in part. Such waiver must be (A) expressly made by the defendant or party upon the record after the judge has explained to such defendant or party, through the use of an interpreter selected in accordance with the provisions of subsection (b), the nature and effect of such waiver, and (B) approved by the judge and, in the case of a defendant in any criminal action, by such defendant's attorney.

"(5) The term 'judge' as used in this sec-

tion means a judge of the United States, a United States magistrate, or a referee in bankruptcy.

"(b)(1) The district court in each judicial district shall maintain on file in the office of the clerk of the court a list of all persons in that district who have been certified as interpreters for the hearing impaired by the Director of the Administrative Office of the United States Court as provided in section 604(a)(13) of this title.

"(2) In any action where the services of an interpreter are required to be utilized under this section, the court shall obtain the services of a certified interpreter in the judicial district in which the court is located, except that, if there are no certified interpreters in that judicial district, the court, with the assistance of the Administrative Office of the United States Courts, shall determine the availability of and utilize the services of certified interpreters from a nearby district. If no certified interpreter is available from a nearby district, the court shall obtain the services of an otherwise competent interpreter. If the interpreter appointed by the court is unable to communicate effectively with the defendant, party, or witness, the court shall dismiss such interpreter and appoint another interpreter in accordance with the provisions of this paragraph.".

(b) The analysis of chapter 119 of title 28, United States Code, is amended by adding at the end thereof the following:

"§ 1827. Proceedings involving the hearing impaired.".

SEC. 3. Section 604(a) of title 28, United States Code, is amended—

(1) by redesignating paragraph (13) as paragraph (14); and

(2) by inserting immediately after paragraph (12) the following new paragraph:

"(13) Pursuant to section 1827 of this title (A) prescribe, determine, and certify the qualifications of persons who may serve as certified interpreters in proceedings involving the hearing impaired, taking into consideration the education, training, and experience of such persons; (B) maintain a current list of all interpreters certified by him, and report annually on the frequency of requests for, and the use and effectiveness of interpreters in proceedings involving the hearing impaired; (C) provide or make readily available to each district court appropriate equipment and facilities for the interpretation of proceedings involving the hearing impaired; (D) prescribe, from time to time, a schedule of reasonable fees for services rendered by such interpreters and, in those districts where the Director considers it advisable based on the need for interpreters for the hearing impaired, authorize the full or part-time employment by the court of such certified interpreters; and (E) pay out of moneys appropriated to the judiciary for the conduct of proceedings involving the hearing impaired interpreters' fees or costs of electronic recording which are incurred in a particular proceeding, unless the court, in its discretion, directs that all or part of such fees or costs be apportioned between the parties to a civil proceeding or allowed as costs in such proceeding; and".

SEC. 4. There are authorized to be appropriated to the Federal judiciary such sums as may be necessary to carry out the amendments made by this Act.

SEC. 5. The amendments made by this Act shall take effect on October 1, 1977.

THE DEAF INDIVIDUAL IN A LEGAL SETTING

(By Michael A. Chatoff)

Almost 200 years ago, Thomas Jefferson said: "Equal and exact justice to all men * * * These principles form the bright constellation which has gone before us and guided our steps through an age of revolution and reformation." This country has taken great strides to guarantee that equal justice is assured to all individuals—but much remains to be done. Legally, deaf individuals are among the truly disenfranchised. It is axiomatic that one who cannot hear, cannot understand legal proceedings. Lipreading is a very imprecise science—even in an ideal situation an adept lipreader can understand no more than 40 to 50 percent of words spoken on the lips, but a courtroom proceeding is far from an ideal situation—different people speak in rapid succession so that a person attempting to read the speakers' lips must swivel his head as if he were at a tennis match. Further, the tone of some communications can be gleaned from the gestures of the speaker, but frequently a deaf individual will find it difficult to determine who the speaker is at any one time. Also, it should be noted that many deaf individuals have little or no usable speech—because the development of speech requires that an individual hear his own voice as well as the voices of others.

Clearly, in a criminal proceeding, a deaf individual cannot confront (in the Constitutional sense) the witnesses against him or consult with or assist counsel—unless his deafness is compensated for in some way. An interpreter should be appointed for him as a matter of right. A qualified interpreter can interpret the proceedings into sign language (fewer than one half of the deaf individuals in this country know sign language, because most schools for the deaf and many educators of the deaf are opposed to teaching deaf students any form of manual communication), transcribe them, or use any other technique designed to convey the meaning of the proceedings to the deaf individual and to convey the testimony of the deaf individual to the court. True, the simultaneous transcription of the proceedings will slow the legal process, but the alternative will be to deny the defendant, solely because of his deafness, the Constitutional rights that are his due. It would be ludicrous for the Federal Government or a State Government to place in jeopardy the life, liberty, or property of a deaf individual and then to deny that individual the right to defend himself, solely because of a physical disability that can be compensated for. *See Mothershead v. King*, 112 F.2d 1004 (Eighth Circuit, 1940); and *Ralph v. State*, 124 Ga. 81, 52 S.E. 298 (1905).

In a far-sighted opinion, fifty years ago a State judge noted the problems of a deaf defendant in a criminal proceeding: "In the absence of an interpreter it would be a physical impossibility for the accused, a deaf-mute, to know or to understand the nature and cause of the accusation against him, and, as here, he could only stand by helplessly, take his medicine, or whatever may be coming to him, without knowing or understanding, and all this in the teeth of the mandatory constitutional rights which apply to an unfortunate deaf-mute, just as it (sic) does to every person accused of a violation of criminal law * * * Mere confrontation would be useless * * * bordering upon the farcical if the accused could not hear or understand the testimony." *Terry v. State*, 21 Ala. App. 100, 105 So. 386 (1925).

To date, more than thirty States[1] have enacted laws providing for the appointment of an interpreter for a deaf defendant in a criminal proceeding. Although those laws represent a substantial beginning, the Federal Government and almost two-fifths of the States have no statutory provisions to protect the rights of a deaf defendant. Further, not one of the existing State statutes is even arguably adequate, for one or more of the following reasons. They:

1. Provide for the translation of the proceedings into sign language only (thereby denying a deaf individual who does not know sign language his Constitutional rights, for that reason alone; *Cf. Ferrell v. State*, 479 S.W.2d 916 (Texas Crim. App., 1972));

2; Require a deaf individual to request affirmatively the assistance of an interpreter (an unlikely occurrence inasmuch as most deaf individuals are unfamiliar with the law);

3. Fail to provide for the appointment of an interpreter at critical stages in the criminal process that precede trial, i.e., arraignment, line-up (essential steps at which accused individuals are supposed to be accorded all Constitutional rights);

4. Fail to provide for Governmental payment for the services of an interpreter (thereby requiring a deaf individual, who more often than not is a low-income individual, to pay for such services, to assure him rights due him under the Federal and State Constitutions; *See Myers v. County of Cook*, 34 Ill.2d 541, 216 N.E.2d 803 (1966)); or

5. Fail to provide for the certification and registration of interpreters for deaf individuals (thereby making it all but impossible for judges, except in large municipalities, to locate a qualified interpreter).

Although there are some similarities in the legal problems experienced by deaf individuals and by mentally incompetent individuals and individuals who speak a language other than English, the problems of individuals in the three groups differ considerably, and any attempt to assure the rights of more than one group in one piece of legislation will result most assuredly in the denial of rights to all concerned. Except in rare instances, a physical disability, such as deafness, can be compensated for if the necessary effort is made. Although I do not profess to know or understand all the problems of mentally incompetent individuals, it is my belief that little can be done in a legal setting to compensate for a mental deficiency. Of course, the problems of an individual who is unable to speak a particular language can in no way be compared with the problems of an individual who has lost one of the two major senses.

The right of a deaf individual to an interpreter in a criminal proceedings would appear to be irrefutable. Several of the above-referred to State statutes provide for the appointment of an interpreter for a deaf individual in a civil proceeding as well. The Constitutional right of a deaf individual to the appointment of an interpreter in a civil proceeding remains unclear, although the case of *Boddie v. Connecticut*, 401 U.S. 371, 91 S. Ct. 780, 28 L.Ed.2d 113 (1971) and the decision following hold that an individual cannot be denied "access to the courts" in civil matters. Inasmuch as a deaf individual who has not been provided with an interpreter will be shut out of the courtroom as surely as if the doors had been locked and the key thrown away, he may well be denied the "access to the courts" that is his Constitutional right.

Helen Keller stated on several occasions that deafness is a more severe disability than blindness because of the difficulty it creates in communications between individuals. However, it is not my purpose to pit the deaf against the blind—each reader can decide for himself which disability he considers the more severe. But either, or even both, can be lived with if others who are in a position to do so take the necessary steps to compensate for that disability. As a matter of humaneness alone, individuals capable of assuring deaf individuals an opportunity to understand proceedings that threaten to deprive them of their freedom ought to seize the opportunity. But the problem is more than one of humaneness; it seems incontestable that any legal system that seeks to deprive an in-

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[1] Alabama, Arizona, Arkansas, California, Connecticut, Florida Georgia, Illinois, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Jersey, New York, North Carolina, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Virginia, Washington, West Virginia, and Wisconsin.

dividual of his liberty must accord him the chance to defend himself.

By Mr. HUMPHREY (for himself, Mr. McGOVERN, Mr. LEAHY, Mr. METCALF, and Mr. ANDERSON):

S. 820. A bill authorizing the Secretary of Agriculture to establish a demonstration program for the application of existing energy conserving and renewable energy technology to farms and agricultural communities; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HUMPHREY (for himself, Mr. McINTYRE, and Mr. CASE):

S. 821. A bill to authorize the inclusion of solar energy research, development, and demonstration programs in certain agricultural programs; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURE SOLAR ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT OF 1977

Mr. HUMPHREY. Mr. President, our agricultural sector is not immune to the pressures of our current natural gas shortage. Farmers and rural communities in general are at the end of pipelines—they pay top prices and are the first to feel shortages. Propane is an excellent example. This winter saw propane prices reach record highs, yet it became so scarce that some farmers were not able to heat their homes.

Farmers and our rural communities, however, are far from helpless. They have one major asset which urban dwellers do not—plenty of land and sunshine. They are uniquely situated to utilize solar energy as it becomes more and more competitive with fossil fuels.

But farmers and our rural citizens face other problems similar to urban dwellers. Solar technology is still relatively expensive; it requires the availability of front-end capital. In addition, it requires a more concentrated research and development effort on solar technology applicable to agricultural and small rural communities.

For that reason, I am today offering the Agriculture Solar Energy Research, Development, and Demonstration Act of 1977. An identical bill is being offered today by my friend GEORGE BROWN in the House of Representatives. I congratulate him for the initiative and effort in developing this act.

The Agricultural Solar Energy Research, Development, and Demonstration Act of 1977 establishes a comprehensive solar energy R. & D. program in the USDA. It authorizes the Extension Service to accelerate solar energy use and enables the Farmer's Home Administration to make loans for solar energy devices. It establishes model solar demonstration farms as well to be managed by USDA with assistance from the Extension Service, land grant colleges, and State experiment stations.

As you know, Mr. President, this bill is one of many being offered today by a coalition of Congressmen and Senators vitally concerned with our lagging solar energy efforts. I share their legitimate concern that we must make a more aggressive effort to bring solar energy into the mainstream of our society. Its costs are falling. Its reliability and technology are improving. And, it has a large role to play in providing a sizable portion of our future energy supplies.

Let me remind my colleagues that I and some 25 other Senators are sponsoring S. 672, the Solar Energy Government Building Act, which is designed to slash solar space- and water-heating costs, plus solar photovoltaic costs—to make them economically competitive with conventional heating and electricity generation systems. That bill was referred to the Senate Environment and Public Works Committee under the chairmanship of my good friend, Senator RANDOLPH. I understand that committee will review the wisdom of applying solar energy to Government buildings and I hope it will conclude that an effort similar to that called for in my legislation is warranted.

AGRICULTURAL ENERGY DEMONSTRATION ACT OF 1977

Mr. President, the current energy crisis has hit farmers and rural families particularly hard. They depend heavily on propane which has soared in price—if any can be located at all. And they are concerned over the availability this spring of nitrogen fertilizer.

If data on gas reserves is to be believed, the current crisis is merely the tip of a longrun supply shortage problem. And the natural gas problem is symptomatic of our entire national energy outlook.

I want the Department of Agriculture to make a major response to this situation by accelerating energy conservation efforts as well as the development of new energy sources for agriculture, food processing, and rural America generally.

I hope that the President's energy program, to be announced by April 20, will not fail to deal with energy as it relates to the agricultural sector. At the same time, I want to insure that agricultural and rural America is not overlooked—and that a fair portion of our energy conservation and renewable energy demonstration efforts are oriented in this direction.

With the creation of the Energy Research and Development Administration—ERDA—the United States was expected to embark on a period of aggressive, balanced energy research. I believe that ERDA has done worthwhile, basic energy research. The USDA must now take these findings and begin the process of demonstrating and applying ERDA's work—giving practical application to the fruits from ERDA's basic research efforts.

Highly developed processes for utilizing solar, wind, geothermal, and waste product energy already exist. Due to its small size and compact operations, a farm that draws a large portion of its energy from the Sun, wind or agricultural waste products is not very far off. Also, while a city of 500,000 may face serious problems in trying to use solar energy on a large scale, a small rural town of several hundred or even 5,000 or 10,000 would not be subject to the same difficulties.

Yet, the Department of Agriculture's Agricultural Research Service, cooperative State research service, and State experimental stations must rely on grants from ERDA or the National Science Foundation to finance agricultural and rural energy R. & D. programs to construct pilot plants utilizing alternative energy sources.

Since there is a great opportunity for early utilization of alternative energy forms in rural areas, I am introducing the Agricultural Energy Demonstration Act of 1977, which will change the method by which a part of the USDA's agricultural energy research program is financed.

The bill establishes an Office of Agricultural Energy Demonstration within the Department of Agriculture; $20 million for fiscal year 1978 and $30 million for fiscal year 1979 would be provided to the Office for the demonstration of energy conserving and renewable energy application on farms and in farming communities.

The Office's mission will be to formulate and carry out a coordinated demonstration program designed to increase agricultural and rural energy efficiency by implementing alternative energy source demonstration projects and by refining energy conservation developments to specific agricultural and rural uses.

With its new mission and the specific organizational framework to carry it out, the Office of Agricultural Energy Demonstration will be able to develop rural alternative energy source pilot plants at a pace that will benefit the entire Nation. Small efforts like this one clearly play as great a role as major programs in helping the United States achieve a modicum of energy independence. Dollar for dollar, this is surely a wise investment of American taxpayers' money.

Mr. President, I ask unanimous consent that the text of my bills be printed at this point in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 820

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Energy Demonstration Act of 1977."

SEC. 2. Purpose. It is the purpose of this act to stimulate the adoption and application in farms, farm homes, farm machinery, farm buildings, rural communities and food processing facilities of new technology designed to conserve energy and to produce renewable energy through the establishment of a demonstration program within the Department of Agriculture.

SEC. 3. Definitions.

(a) The term "energy conservation" means devices, systems and techniques designed to improve the efficiency with which energy is utilized including the capture of waste heat;

(b) The term "renewable energy" means energy with appropriate storage capacity which is produced directly or indirectly from solar radiation, wind, water thermal gradiants, the combustion or anerobic digestion of agricultural or wood products, or geothermal resources; and

(c) The term "Secretary" means the Secretary of Agriculture.

SEC. 4. Program Establishment.

(a) The Secretary shall establish within 90 days following enactment of this act, an Agricultural Energy Conservation and Renewable Energy Demonstration Program (hereinafter termed "Program"), such Program to be conducted by the Office of Agri-

cultural Energy Demonstration (hereinafter termed the "Office").

(b) Duties of the Secretary. In conducting the Program established pursuant to this section, the Secretary shall:

(1) demonstrate the application of energy conservation to:

(A) food processing;

(B) grain and crop drying;

(C) farm homes, buildings, machinery and equipment;

(D) crop irrigation;

(E) electricity production on the farm and in rural communities; and

(F) other appropriate purposes.

(2) demonstrate the application of renewable energy technology to:

(A) produce electricity for farms and for rural communities;

(B) produce electricity and process heat for food processing;

(C) irrigate cropland;

(D) heat and cool farm homes, buildings and rural communities;

(E) heat water;

(F) power farm machinery, equipment and vehicles;

(G) replace fossil fuels in farm and rural applications; and

(H) other appropriate applications, including the harvesting of crops for nonagricultural or rural application.

(3) actively solicit proposals on a continuing basis which are designed to achieve the purpose of this Act.

(4) develop such standards for systems, devices and techniques utilized in the program as the Secretary deems appropriate, with assistance from the Director of the National Bureau of Standards, the Administrator of the Energy Research and Development Administration, the Administrator of the Federal Energy Administration, and the Secretary of Housing and Urban Development.

(5) insure that the Office utilizes to the maximum extent possible the resources of the Cooperative State Research Service, State agricultural experimental stations, land-grant universities, the Extension Service of the Department of Agriculture, the Farmers Home Administration, and the Rural Electrification Association.

SEC. 5. PROGRAM GUIDELINES.—In determining priorities for the allocation of funds provided for the demonstration of energy conservation and renewable energy applications, the Secretary shall:

(a) consider the extent to which each demonstration application will reduce the national dependence on nonrenewable fossil fuels;

(b) give priority consideration to demonstration applications which will stimulate the development of a widespread infrastructure of personnel trained in the production, installation, and maintenance of energy conservation and renewable energy systems, devices, and technology;

(c) give priority to the generation of electricity and process heat by distributed, on-site renewable energy systems and devices;

(d) give priority to the needs of small and independent farmers (as the term "farmer" is defined in section 343 of the Consolidated Farm and Rural Development Act, and U.S.C. 1923); and

(e) give priority to the dissemination of information regarding energy conservation and renewable energy opportunities to farms and rural communities.

SEC. 6. PROGRAM MONITORING, REPORT.—

(a) The Secretary shall monitor the demonstration applications established pursuant to this Act, and shall annually report to Congress and the President regarding the status of the existing program, and make recommendations for the acceleration of such program.

SEC. 7. AUTHORIZATION.—

(a) There is hereby authorized for the purpose of this Act the sum of twenty million dollars for the fiscal year ending September 30, 1978, and thirty million dollars for the fiscal year ending September 30, 1979, to carry out the provisions of this Act.

S. 821

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Solar Energy Research, Development, and Demonstration Act of 1977".

TITLE I—EXISTING PROGRAMS

AGRICULTURAL RESEARCH

SEC. 2. The Act entitled "An Act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges," approved June 29, 1935 (popularly known as the Bankhead-Jones Act), is amended—

(1) by inserting after "electricity and other forms of power;" in the third sentence of section 1 (7 U.S.C. 427) the following: "research and development relating to uses of solar energy with respect to farm buildings, farm homes, and farm machinery (including equipment used to dry crops and provide irrigation);";

(2) by adding at the end of section 1 the following new sentence: "For purposes of this title, the term 'solar energy' means energy (other than energy derived from the fossilization process) obtained from solar radiation."; and

(3) by adding at the end of section 10 (7 U.S.C. 427i) the following new subsection:

"(f) Of the sums authorized to be appropriated for any fiscal year under subsection (a) of this section, $25,000,000 is authorized to be appropriated to carry out research and development relating to uses of solar energy with respect to farm buildings, farm homes, and farm machinery (including equipment used to dry crops and provide irrigation)."

AGRICULTURAL EXTENSION

SEC. 3. The Act entitled "An Act to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an Act of Congress approved July second, eighteen hundred and sixty-two, and of Acts supplementary thereto, and the United States Department of Agriculture", approved May 8, 1914, is amended—

(1) by inserting after "subjects relating to agriculture" in the first section (7 U.S.C. 341) the following: ", uses of solar energy with respect to agriculture,";

(2) by adding at the end of the first section the following new sentence: "For purposes of this Act, the term 'solar energy' means energy (other than energy derived from the fossilization process) obtained from solar radiation.";

(3) by inserting after "demonstrations in agriculture" in section 2 (7 U.S.C. 342) the following: ", uses of solar energy with respect to agriculture,"; and

(4) by adding at the end of section 3(a) (7 U.S.C. 343(a)) the following new sentence: Five percent of the sums so authorized to be appropriated for each fiscal year shall be used to carry out cooperative agricultural extension work with respect to uses of solar energy."

RURAL DEVELOPMENT

SEC. 4. (a) Section 303 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923) is amended by inserting "(a)" immediately before the first sentence and by adding the following new subsections at the end of such section:

"(b) For purposes of this subtitle—

"(1) the term 'improving farms' includes the acquisition and installation of any qualified solar energy thermal conversion system in any residential structure located on a family farm; and

"(2) the term 'qualified solar energy thermal conversion system' means solar heating and cooling equipment (within the meaning of the Solar Heating and Cooling Demonstration Act of 1974) which meets the Intermediate Minimum Property Standards prescribed by the Secretary of Housing and Urban Development or such later or revised appropriate and available standards as may be prescribed by the Secretary.

"(c) Five years after the enactment of this subsection, no loan may be made or insured under this subtitle for the purpose of financing the acquisition and installation of any such system in any residential structure located on a family farm."

(b) Section 312(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1942(a)) is amended—

(1) by inserting after "poultry, and farm equipment" in clause (2) the following: "(including equipment which utilizes solar energy)"; and

(2) by adding at the end of such section the following new sentence: "For purposes of this section, the term 'solar energy' means energy (other than energy derived from the fossilization process) obtained from solar radiation."

TITLE II—SOLAR DEMONSTRATION FARMS

SOLAR RESEARCH INFORMATION SYSTEM

SEC. 5. The Secretary of Agriculture (hereinafter in this title referred to as the "Secretary") shall, through the Cooperative State Research Service and other agencies within the Department of Agriculture which the Secretary considers appropriate, in consultation with the Energy Research and Development Administration, the Agricultural Institute of the National Academy of Sciences, and private and nonprofit institutions involved in solar energy research projects, compile and list solar energy research projects which are being conducted by Federal, State, private, and nonprofit institutions. Such projects include heating and cooling methods for farm structures and dwellings (such as greenhouses and livestock shelters), storage of power, operation of farm equipment (including irrigation, pumps, crop dryers, and anaerobic digesters), and development of new technology to be used on farms which are powered by solar energy.

SOLAR DEMONSTRATION FARMS

SEC. 6. There is established within the Department of Agriculture an advisory committee to be known as the Research and Demonstration Planning Committee (hereinafter in this Act referred to as the "Committee").

SEC. 7. (a) The Committee shall be composed of nine members, including a chairman, appointed by the Secretary. In making appointments to the Committee, the Secretary shall appoint the following members:

(1) one member from each of the following agencies within the Department of Agriculture: the Agricultural Research Service, the Extension Service, and the Cooperative State Research Service;

(2) one member who will be able to represent the interests of land-grant colleges and universities as a result of his or her having been employed by such a college or university;

(3) one member who will be able to represent the interests of State agricultural experiment stations as a result of his or her having conducted or supervised research at such an experiment station;

(4) one member who will be able to represent the interests of nonprofit research institutions as a result of his or her having been employed by such an institution; and

(5) one member who will be able to represent the interests of private research institutions as a result of his or her having been employed by such an institution; and

(6) two members who will be able to offer expert advice concerning the utilization and conservation of energy resources as a result of his or her having extensive and distin-

guished experience in the study of the utilization and conservation of energy.

(b)(1) Except as provided in paragraphs (2) and (3), members shall be appointed for terms of four years.

(2) The Secretary shall appoint the first members of the Committee within 90 days after the date on which this title takes effect. Of such first members—

(A) three shall be appointed for terms of one year,

(B) three shall be appointed for terms of two years, and

(C) three shall be appointed for terms of three years,

as designated by the Secretary at the time of appointment.

(3) Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

(c) A vacancy on the Committee shall be filled within sixty days after the vacancy occurs and in the manner in which the original appointment was made.

Sec. 8. (a) The Committee shall—

(1) be responsible for compiling and listing solar energy research projects under section 5;

(2) meet annually with four regional representatives of the State departments of agriculture to determine which solar energy research projects listed under section 5 will be useful and beneficial to States which are in each of the 4 regions into which the States are divided by the State departments of agriculture;

(3) reevaluate and reformulate the selection of solar energy research projects for demonstration each year;

(4) annually review and evaluate the progress, the degree of local interest, and the effectiveness of the demonstration farms within each State; and

(5) prepare and submit an annual report to the Secretary and both Houses of the Congress containing an evaluation of the demonstration farms within each State (including comparisons of the usage of energy, water, and organic matter before and after the demonstrations on such farms) and of the degree of farmer and local interest.

(b) In determining which projects will be useful and beneficial to States under subsection (a)(2), the Committee and regional representatives shall—

(1) consider the energy and agricultural needs and resources of the States within each region described in subsection (a)(2).

(2) determine, taking into consideration the particular problems of the State and region concerned, which projects are likely to result in the farmers of such State conserving energy, lowering operating costs, and producing agricultural commodities more efficiently;

(3) consider the needs of small farmers; and

(4) consider all factors which directly affect the use of various solar energy systems, including such factors as climate, number of livestock farms, wind velocity, and farm sizes.

Sec. 9. (a) Except as provided in subsection (b), members of the Committee shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-12 of the General Schedule for each day (including travel time) during which they are engaged in the actual performance of duties vested in the Committee.

(b) Members of the Committee who are full-time officers or employees of the United States or Members of Congress shall receive no additional pay on account of their service on the Committee.

(c) While away from their homes or regular places of business in the performance of services for the Committee, members shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

Sec. 10. (a) The Committee shall have a Director of Staff Personnel who shall be appointed by the Committee and who shall be paid at a rate established by the Committee.

(b) Subject to rules which may be adopted by the Committee, the Director of Staff Personnel may appoint and fix the pay of such staff personnel as he or she deems desirable.

(c) The Director of Staff Personnel and the staff of the Committee may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) The Committee may procure temporary and intermittent services by experts and consultants to the same extent as is authorized by section 3109(b) of title 5 of the United States Code.

(e) Upon request of the Committee, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Committee to assist it in carrying out its duties under this Act.

Sec. 11. The Committee shall continue in existence until terminated by Congress.

Sec. 12. (a) In order to promote the establishment and operation of solar energy demonstration farms within each State and territory of the United States, 80 percent of the funds authorized to be appropriated to carry out this title shall be utilized by the State departments of agriculture, with the assistance of the Extension Service of the Department of Agriculture, the State agricultural experiment stations, the land-grant colleges and universities, and local nonprofit research groups, to carry out the activities described in subsections (b) and (c).

(b) Each State department of agriculture shall—

(1) after the annual meeting of regional representatives and the Committee under section 8(a)(2), meet with its regional representative to determine which solar energy research projects will be demonstrated in that State under section 8(a)(2);

(2) establish (working with the Extension Service of the Department of Agriculture, the State agricultural experiment station, land-grant colleges and universities, and local nonprofit research groups) one large model farm—

(A) which demonstrates all the solar energy research projects determined to be useful and beneficial to that State under section 8(a)(2);

(B) which is located in that State on land owned by that State; and

(C) which includes other farming practices, such as raising livestock and crops, in order to provide a model of a farm using solar energy as a means of heating, cooling, drying crops, and providing other farming needs; and

(3) sell the crops produced on the model farm established under paragraph (2) and deposit any funds received from such sales into the miscellaneous receipts of the Treasury of the United States;

(4) provide tours of such model farm to farmers and other interested groups and individuals;

(5) determine the costs of energy, the income, and the total costs of such model farm; and

(6) annually compile a report concerning energy usage, income, costs, operating difficulties, and farmer interest with respect to the model farm and individual farm demonstrations established under this section and shall submit the report, along with any recommendations concerning project changes and specific needs of such farm or demonstrations, to its regional representative who shall submit the report at the annual meeting of such representative with the other regional representatives and the Committee under section 8(a)(2).

(c) Within 1 year after the date on which a model farm is established in a State under subsection (b)(2), the State department of agriculture shall establish not less than 10 demonstrations of solar energy research projects which such department determines to be the most efficient or practicable research projects demonstrated on such model farm. Such demonstrations shall be carried out on farms which are already operating in such State and which the State department of agriculture selects. An owner of a selected farm who is willing to carry out such a demonstration shall enter into an agreement with the State department of agriculture. Such agreement shall include the following provisions among others:

(1) solar energy may be installed on such farm by the State department of agriculture;

(2) such owner will operate and maintain the equipment for a period of 5 years;

(3) during such period—

(A) the Extension Service of the Department of Agriculture will provide such owner with technical assistance concerning the operation and maintenance of the equipment;

(B) such owner will record all changes in energy usage and energy costs on such farm before and after the installation of the equipment;

(C) such owner will report such changes, along with any other appropriate findings concerning such equipment, to the State department of agriculture; and

(D) such owner will give tours to farmers and other interested groups and individuals and provide them with a summary of the costs and operation of the equipment; and

(4) at the end of such period, such owner will have all rights and title to the equipment.

DEFINITIONS

Sec. 13. For purposes of this title, the term "solar energy" means energy (other than energy derived from the fossilization process) obtained from solar radiation.

By Mr. MATHIAS:

S. 822. A bill to abolish the Renegotiation Board; to the Committee on Banking, Housing, and Urban Affairs.

RENEGOTIATION BOARD

Mr. MATHIAS. Mr. President, I send to the desk a bill to abolish the Renegotiation Board.

ECONOMY IN GOVERNMENT

I am committed to the principle of economy in Government. Taxpayers are fed up with waste and inefficiency. The hard-earned dollars of our citizens must not be squandered on boards and agencies which fulfill no useful purpose. The Renegotiation Board is such an agency.

Adm. Hyman Rickover, the father of the nuclear Navy, and one of the most effective managers in the complex world of defense construction, has called the Renegotiation Board probably the biggest sieve in Government.

My bill will scrap that sieve.

The Board is supposed to recover excessive profits from defense contractors—a laudable objective. The problem is the Board does not do its job. The Board's performance has been criticized time and again by congressional investigations and by the General Accounting Office. We have waited too long for

improvement. Now, rather than tinker with this or that aspect of the Board's structure in the hope of improving it, I propose we abolish it.

FIVE REASONS TO ABOLISH THE BOARD

There are at least five compelling reasons to abolish the Renegotiation Board.

First. The Board's method of operation does not permit the kind of careful scrutiny of individual defense contracts that would protect the Government from unfair profits. The Board does not audit on a contract-by-contract basis, or even by divisions or product lines of defense suppliers. It merely tests overall company profits on an annual basis which allows large companies to escape scrutiny by "averaging" their profits.

Second. Small businesses, as the 1975 report of the Joint Committee on Internal Revenue Taxation found, are "subjects of a disproportionate amount of the Board's determinations." A Government agency so biased in its operations does not merit our support.

Third. The Board uses inadequate measurements in its audits. The Board has consistently declined to use the measurements and findings of the Defense Contract Audit Agency, which are considerably stricter than the Board's.

Fourth. I believe that the best place to prevent excessive profits in defense contracts is in the contracting process itself, not some time later when the damage has already been done. We must focus our efforts on improving procurement and contracting practices within the Defense Department. To impose another layer of bureaucracy on the problem seems to me wasteful and counterproductive.

Finally, I question whether it is consistent with the principles of our free enterprise system to "renegotiate" contracts duly made. Under the pressures of wartime, when procurement decisions must be hastily made without competitive bidding, I can see a need to review defense contracts. But in peacetime, I cannot see why contract officers in the Defense Department should not be able to deal with competitive bids prudently and definitively.

A HISTORY OF SUBPAR PERFORMANCE

A review of the Renegotiation Board's history and practice reinforces these arguments.

When a Renegotiation Board was first formed in 1942, it was required to look for excess profits on a contract-by-contract basis. Six months later, that concept was changed to require only that any company's business be reviewed by the fiscal year. The contract-by-contract practice was killed because of the burden it placed on the Board's small staff. Thus, the most effective way of reviewing contracts for possible renegotiation was ruled out almost from the Board's inception. Indeed, the Board's name is misleading since individual contracts are never renegotiated or even given consideration.

The Board's annual report describes the actual process this way:

> Under the statute, renegotiation is conducted not with respect to individual contracts but with respect to the receipts or accruals under all renegotiable contracts and subcontracts of a contractor in the contractor's fiscal year . . . Accordingly, aggregate renegotiable profits in any given fiscal year of a contractor will often reflect the performance of several contracts in different stages of completion, and may thus result from an offset of losses or low profits on some contracts against high or even excessive profits on others. Thus fiscal year renegotiation, which deals with aggregate profits, is entirely different from price adjustment or redetermination of individual contract prices pursuant to contract provisions.

So nothing is done, as they say, "pursuant to contract provisions." The Board reviews the profit margins of companies that deal with the Departments of Defense, Army, Navy, and Air Force, the Maritime Administration, the Maritime Subsidy Board, the Federal Maritime Commission, the General Services Administration, the National Aeronautics and Space Administration, the Federal Aviation Administration, the Nuclear Regulatory Commission and the Energy Research and Development Administration. Contractors which have business with these agencies amounting to more than $1 million a year must file reports with the Board.

As I mentioned earlier, a congressional report on the Board found that small businesses appeared "to be subjects of a disproportionate amount of the Board's determinations." The reason is simple. The Board's staff is inadequate to audit large companies, so it takes their reports at face value. Small companies, on the other hand, are intensively scrutinized, because their accounting procedures and company structures are readily accessible and easily inspected.

A 1970 Government Operations Committee report emphasized the advantage large companies and conglomerates have in averaging high and low profits on Government contracts in different lines of business. It pointed out that the structure of American corporations has changed since the enactment of the Renegotiation Act of 1951, so that a conglomerate can avoid excessive profit determinations on some defense or space contracts by offsetting high-profit items against lower profits or losses in other areas of business with the Government. That committee corroborated that most excessive profit determinations by the Board have been against smaller companies.

The Board's accounting practices also leave a good deal to be desired. It relies on Internal Revenue Service documents to measure profits and losses. But, they allow costs which are clearly not applicable to Government work, such as advertising and charitable deductions. The Joint Tax Committee report analyzes the problem this way:

> Because of its staffing limitations, the Renegotiation Board does not generally conduct detailed examinations of a contractor's books of accounts. In effect, the Renegotiation Board "reviews" the contractor's segregation of sales and the composition and allocation of costs incurred with respect to renegotiable business. However, the Board does rely heavily upon audits by the Internal Revenue Service to verify the correctness of sales and tax allowable costs.

Accounting standards used by the agencies that do the original negotiations are much stricter than those used by the Board. In spite of that, the Board declines to use the resources of the Defense Contract Audit Agency and relies solely upon its own staff and somewhat irrelevant tax documentation.

In addition to these inadequacies, I question the basic rationale for the Board.

But, what are the alternatives? The House passed a bill in the last Congress which would extend the Board and correct many of its defects. That bill was not brought to the Senate for a vote. Therefore, the Board is not authorized to do new business.

The Board is thus in a state of limbo since its authorizing legislation ended on September 30, 1976. It is now handling only those cases which were opened during the period of authorization.

While the House bill has some good features, it nevertheless substantially maintains the Board's present structure and approach to "renegotiation." I believe that our best alternative is to abolish the Board and apply our efforts to insuring effective procurement practices within the departments that negotiate defense contracts. Any other approach will only relieve those departments of their ineluctable responsibility. The result will be to shortchange the American taxpayers.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 822

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Renegotiation Board established under section 107(a) of the Renegotiation Act of 1951 (50 U.S.C. app Sec. 1217a) is hereby abolished effective on the ninetieth day after the date of enactment of this Act.

By Mr. RANDOLPH:

S. 823. A bill to require that buildings utilized by Federal agencies incorporate the best practicable measures for the conservation of energy and the use of solar energy systems; and for other purposes; to the Committee on Environment and Public Works.

LEGISLATION TO FOSTER ENERGY CONSERVATION IN FEDERAL INSTALLATIONS

Mr. RANDOLPH. Mr. President, the energy challenge to America is well known: We must develop domestc energy resources to supply a greater portion of our needs and we must lower our level of energy consumption. To meet this latter objective, I introduce today the Federal Buildings Energy Conservation and Solar Energy Utilization Act of 1977. It is similar to legislation introduced in the 93d and 94th Congresses.

Energy conservation must be a permanent consideration in all aspects of our lives. This means that we must examine customary building design and construction methods from this new perspective. It has been estimated that if all new buildings were electrically heated and properly insulated, there would be a 40-percent reduction in energy consumption.

The Federal Government has already instituted energy conservation programs in the facilities it owns

The GSA's "Energy Conservation Design Guidelines for Office Buildings" set forth 185 ideas for conserving energy in

the design, construction, and operation of office buildings. The companion document, "Energy Conservation Guidelines for Existing Office Buildings" sets forth more than 300 recommendations.

The Federal Government owns and operates some 410,000 buildings in the United States. Application of the GSA guidelines could save between 20 and 30 percent of the energy consumed in the operation of existing office buildings. This would amount to a maximum savings of 1.0 to 1.5 million barrels of oil per day.

The 94th Congress witnessed enactment of the initial elements of a national energy conservation policy. Of particular concern for Federal buildings are two provisions of the Energy Policy and Conservation Act—Public Law 94–163.

First, under Federal energy conservation programs the 1975 act requires the development of a 10-year plan for energy conservation in buildings owned or leased by an agency of the United States. Implementation of a 10-year Federal energy conservation plan, which is conditioned on the use of authority under other Federal law, will involve major Federal expenditures. Moreover there is no assurance that energy conservation actions will be undertaken consistent with the GSA's guidelines.

Second, the Energy Policy and Conservation Act also contains energy conservation requirements affecting Federal procurement. The President is required to develop mandatory standards to govern Federal procurement policies and to assure their implementation.

In addition, in order to encourage the States to establish energy conservation programs, the 1975 Energy Policy and Conservation Act authorizes grants-in-aid. To be eligible for such Federal assistance, proposed State energy conservation programs must include provisions for: Mandatory thermal efficiency standards and insulation requirements for new and renovated buildings (except public buildings owned or leased by the United States); mandatory lighting efficiency standards for public buildings (except public buildings owned or leased by the United States); and mandatory standards and policies relating to energy efficiency to govern the procurement practices of such State and its political subdivisions; as well as programs to promote the availability and use of carpools, vanpools, and public transportation. In addition, the State energy conservation plan may include, first, restrictions governing the hours and conditions of operation of public buildings—except buildings owned or leased by the United States; and second, restrictions on the use of decorative and nonessential lighting, as well as transportation controls.

During the 94th Congress the Public Works Subcommittee on Buildings and Grounds, chaired by the able Senator from North Carolina (Mr. MORGAN) conducted oversight and legislative hearings on these energy conservation programs. Three major policy issues emerged:

First, greater emphasis is needed on energy conservation for new Federal facilities—the present program is principally concerned with existing buildings;

Second, provision is needed for the authorization and appropriation of funds to implement the Federal plan; and

Third, buildings leased by the Federal Government are specifically exempted from the State energy conservation programs.

Subsequent to these 3 days of hearings by the Public Works Subcommittee, the General Accounting Office—GAO—completed and transmitted to the Congress on August 19, 1976, its report on 77 military and civil installations around the country. The GAO found that, generally, the facilities had been active in attempting to conserve energy; however, the GAO concluded that much more can be done, stating, and I quote,

"Some installations had good energy program management, many did not. Deficiencies included a lack of conservation plans, an absence of any individual or group to manage the program, and a plethora of responsible individuals who did not devote much time to energy matters or receive or generate the information needed for management.

"At some locations energy conservation programs and practices were not reviewed by installations' energy conservation officers, internal audit, or other independent groups. Reviews by external groups from headquarters or intermediate levels also were missing.

"A need for greater leadership and more aggressiveness in promoting energy conservation existed. Energy conservation ideas were not exchanged between installations. Employee awareness of the desirability of conserving was not pushed. Other employees, although aware, were antagonistic or apathetic to the idea of cutting energy use.

"The Federal Energy Administration stated that overall the Government was meeting the President's energy reduction goals. However, many installations GAO visited were not achieving these goals. Compounding the situation was the continuation of a previously reported problem of measuring energy usage completely and accurately.

"Greater conservation efforts in vehicle operations were needed. The Government as a whole and many installations we visited had not met mileage reduction goals. A large number did not have complete and accurate mileage information.

"Acquisition of subcompact and compact vehicles was growing, but many locations had yet to acquire their first one. Some installations advocated carpooling; others did not.

"Although installations revised their lighting, heating, and cooling levels for buildings, over one-half did not attain the standards set forth in Federal regulations. Family housing and commercially leased buildings were particular problem areas. Engineering surveys were needed to focus on means to reduce consumption, and building modification projects had to be identified, funded, or undertaken.

"More attention needed to be given to modifying mission and training operations to conserve energy. For example, some installations revised aircraft operations to conserve energy; others did not. Major changes in operations would be lucrative areas for energy savings, but a determination has to be made at the highest level that potential energy shortages are important enough to warrant such modifications."

Mr. President, the GAO report entitled, "Energy Conservation at Government Field Installations—Progress and Problems," recommends that the Federal Energy Administrator, in conjunction with the Administrator of General Services and the heads of other Federal departments and agencies, should undertake a number of actions to strengthen the Government's energy conservation program, such as the following, and I quote:

Program management: First, promote good energy program management procedures and practices at Government installations;

Second, reassess the adequacy of energy conservation goals;

Third, make reviews and inspections of energy conservation activities; and

Fourth, stimulate employee awareness of the need for energy conservation and attempt to negate employee apathy and antagonism.

Energy consumption data: First, carry out GAO's prior recommendation that the Federal Energy Administration issue guidelines for use by Federal agencies in developing complete and accurate energy-use information systems and monitor closely the agencies' progress in developing their systems; and

Second, eliminate the inconsistencies between agencies in the treatment of program changes when making comparisons with the baseline period. Also, in presenting consumption data, distinguish between energy savings resulting from the energy reduction program and those resulting from major workload reductions.

Vehicles: First, enforce more strictly the Government regulations on mileage reductions and smaller car acquisitions;

Second, enforce the requirement for mileage reports on General Services Administration and agency-owned vehicles and commercially leased and privately owned vehicles authorized for official travel; and

Third, attain greater carpooling participation.

Facilities: First, enforce more stringently the Government's lighting, heating, and air-conditioning standards;

Second, make in-house and external engineering surveys of ways to reduce consumption; and

Third, identify, fund, and undertake facility modification projects that will increase energy efficiency.

Mission and training: First, delve more deeply into alternative ways to conserve energy in aircraft and ship operations.

Second, require installations to change mission and training operations to conserve energy except in those cases where the effective carrying out of objectives will be adversely affected.

Third, determine whether potential energy shortages are of enough significance to warrant cut backs in mission and training operations to be cut back.

Mr. President, the GAO concluded that "implementation of provisions of the Energy Policy and Conservation Act will further strengthen the conservation programs."

In response to issues raised during the 3 days of hearings, I introduced the Federal Buildings Energy Conservation and Solar Energy Utilization Act of 1977. This measure requires the Federal Government to exercise leadership in the development and implementation of energy conservation techniques in building construction and renovation. It would commit the Federal Government to a policy of energy conservation in all Federal and federally assisted construction.

In summary, the bill directs the GSA Administrator, after consultation with other agencies, to publish energy conservation guidelines and solar energy guidelines and solar energy guidelines. Such guidelines will include information on all variable factors that may affect energy conservation and utilization, such as architectural features, site orientation, building composition, energy consumption practices, new techniques, and

energy expended in manufacturing and handling the basic materials used in construction, repair, or maintenance of such buildings. The measure directs that such guidelines shall be developed in accordance with the energy related studies and findings of the Energy Research and Development Administration and the Federal Energy Administration.

The measure also requires Federal agencies to prepare an energy utilization analysis and an energy-economic analysis for each building to be constructed, repaired or maintained under their supervision.

In addition, the bill directs that energy utilization and cost data be indicated in prospectuses submitted to the Congress.

The measure directs GSA, in consultation with FEA and the Office of Federal Procurement Policy, to survey all Federal procurement in excess of $10,000 from the viewpoint of energy conservation, and report to the President and the Congress, recommending improvements.

The bill establishes an energy conservation demonstration program for retrofitting selected existing Federal, State, and municipal buildings. Provision is made for the selection of at least 40 federally owned buildings to be retrofitted. Federal matching grants also are authorized on a 3-to-1 basis for retrofitting State and municipal buildings.

The measure directs GSA to submit an annual report to Congress on activities under this act; it also directs each Federal agency to examine their buildings and report to the GSA on energy conservation improvements that could be made in their buildings, for incorporation in the annual report.

The measure authorizes such funds as necessary to carry out various provisions of the act.

Mr. President, I ask unanimous consent that S. 823, the Federal Buildings Energy Conservation and Solar Energy Utilization Act of 1977, be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 823

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Buildings Energy Conservation and Solar Energy Utilization Act of 1977".

SEC. 102. (a) The Congress finds that—

(1) the utilization of energy in buildings, including Federal buildings and federally assisted buildings, has a significant impact on the consumption of energy in the United States;

(2) the energy conservation practices adopted for the design, construction, renovation, and operation of these buildings will have a beneficial effect on the overall supply of energy;

(3) energy utilization in the operation and maintenance of these buildings over their economic life must be considered, in addition to the initial cost of such buildings;

(4) the design of these buildings must take into consideration the efficient use of energy over the economic life of the building;

(5) the procurement of solar heating and cooling systems for use in Federal buildings in connection with demonstrations of solar energy applications for such buildings under this Act should help to create a market for such units generally; and

(6) that the national costs and benefits accruing to the United States from the use of solar energy systems and conservation technology extends beyond the direct economic tradeoffs of the energy life cycle cost analysis to include the preservation of nonrenewable resources, the reduction of environmental impacts of energy production and utilization, and the reduction of oil imports.

(b) The Congress declares that it is the policy of the United States to assure that the best practicable energy conservation and utilization practices and solar energy technologies are employed in Federal and federally assisted buildings.

DEFINITIONS

SEC. 103. As used in this Act, the term—

(a) "Federal agency" means an executive department, a Government corporation, or an independent establishment in the executive branch;

(b) "Federal building" means any building which is constructed or renovated by a Federal agency, or which is leased by a Federal agency and more than 66 per centum of the net assignable area of which is used by a Federal agency;

(c) "major building" means any building of twenty-five thousand or more square feet of usable floor space;

(d) "major Federal building" means a major building which is constructed, renovated, or acquired by or on behalf of a Federal agency, or which is leased by or on behalf of a Federal agency on or after the date of enactment of this Act, and more than 66 per centum of the net assignable area of such building is to be used by a Federal agency;

(e) "federally assisted building" means a building constructed in whole or in part, other than by a Federal agency, with Federal funds or with funds guaranteed or insured by a Federal agency;

(f) "federally assisted major building" means a major building constructed or renovated in whole or in part, other than by a Federal agency, with Federal funds or with funds guaranteed or insured by a Federal agency;

(g) "existing building" means a building (other than a privately owned residential structure) which is owned by the United States or which is leased by a Federal agency as of the date of enactment of this Act, and more than 66 per centum of the net assignable area of which is used by a Federal agency on or after the date of the enactment of this Act;

(h) "initial cost" means the cost of construction, and in the case of a major building the cost of construction or renovation;

(i) "economic life" means the projected useful life of a building;

(j) "initiated" means, with respect to construction or renovation, that offers or proposals for the construction or renovation work have been solicited or invited by the responsible Federal agency or its grantee, or the lessor in the case of building leased by a Federal agency; and

(k) the term "solar energy" means direct and indirect solar radiance and intermediate solar energy forms, as further defined in the Solar Heating and Cooling Demonstration Act of 1974 (42 U.S.C. 5501, Public Law 92–409) and the Solar Energy Research, Development, and Demonstration Act of 1974 (42 U.S.C. 5551, Public Law 93–473).

ENERGY CONSERVATION AND SOLAR ENERGY GUIDELINES

SEC. 104. (a)(1) The Administrator of General Services, in consultation with the Administrator of the Federal Energy Administration, Administrator of the Energy Research and Development Administration, the Secretary of Defense, the Secretary of Commerce, acting through the Director of the National Bureau of Standards, the Secretary of Health, Education, and Welfare, the Secretary of Housing and Urban Development, and the Administrator of Veterans' Affairs, shall, not later than one year after the date of enactment of this Act, publish energy conservation guidelines (including energy management guidelines) and solar energy guidelines for use in the design, construction, renovation, and operation of certain categories of residential, office, commercial, institutional, and other buildings, including the procurement of goods and services for such categories of buildings.

(2) Such guidelines, within one hundred and eighty days after issuance, shall take effect with respect to Federal buildings, federally assisted buildings, major Federal buildings, and federally assisted major buildings on which construction or renovation is initiated after the effective date of the guidelines and related procurement of goods and services.

(b) The energy conservation guidelines published pursuant to this section by the Administrator of General Services shall include information on those variable factors which may affect energy conservation and utiliation, including—

(1) architectural features and site orientation of buildings to make the most efficient use of sunlight and other natural phenomena;

(2) buildings configuration and composition (including the usage of glass and insulation), illumination levels, electrical distribution systems, and the elimination of excessive fenestration;

(3) energy consumption practices in heating, ventilation, air-conditioning, and service water systems;

(4) new techniques for energy supply, generation, and transmission; and

(5) to the extent feasible, the energy expended in the development processing, manufacture, and transportation of basic materials used in the construction, renovation, and maintenance of such buildings.

(c) The solar energy guidelines published pursuant to this section by the Administrator of General Services shall be developed in accordance with the energy-related studies and findings of the Energy Research and Development Administration and the Federal Energy Administration.

(d) The Administrator of General Services may, in consultation with the Administrator of the Federal Energy Administration, Administrator of the Energy Research and Development Administration, the Secretary of Defense, the Secretary of Commerce, acting through the Director of the National Bureau of Standards, the Secretary of Health, Education and Welfare, the Secretary of Housing and Urban Development, and the Administrator of Veterans' Affairs, at periodic intervals amend or revise the guidelines published pursuant to this section, and such amendments or revisions shall take effect as determined by the Administrator.

(e) In the development of energy conservation guidelines pursuant to this section, the Administrator of General Services is authorized to consult with and utilize the services of private individuals, institutions, and organizations, including, but not limited to, professional engineering and architectural societies, private standard-setting bodies, trade associations, and consumer interest organizations.

ENERGY ECONOMIC AND UTILIZATION ANALYSES

SEC. 105. (a) Each Federal agency shall follow energy conservation guidelines and solar energy guidelines established pursuant to section 104 of this Act.

(b) Each Federal agency having authority over the construction of any Federal building or federally assisted building or the construction or renovation of any major Federal building or any federally assisted major

building shall require the preparation of an energy utilization analysis and an energy-economic analysis for such building consistent with applicable guidelines issued pursuant to section 104: *Provided, however,* That in the case of Federal buildings and federally assisted buildings, each Federal agency may for a category or type of building, including residential buildings, determine that the energy conservattion benefits to be derived from an energy utilization analysis or an energy-economic analysis do not justify the expense for either, or both, such analysis, in which such analysis shall not be required under this subsecttion. In the case of residential buildings that determination shall be made taking into consideration the size of the residential development involved.

(c) Any energy utilization analysis performed pursuant to this section with respect to any building shall consist of an evaluation of the efficiency of the energy consuming systems (including, but not limited to, the heating, ventilating, air-conditioning, and lighting systems) and components thereof by demand and type of energy (including the internal energy load imposed on a building by its occupants, equipment, and components, and the external energy load imposed on a building by climatic conditions). Such energy utilization analysis shall include, but not be limited to—

(1) an evaluation of two or more energy system alternatives;

(2) the simulation of such energy consuming system over the anticipated range of operation of the building for a year's operating period considering the variable occupancy and operating levels of the building, including illumination levels;

(3) the evaluation of the energy consumption of component equipment in each energy system considering the operation of such components at both full and part load conditions as well as rated outputs;

(4) consideration of energy management procedures; and

(5) consideration of the interior and exterior design of the building, including the insulation, fenestration, site orientation, and shape, that will affect the efficient utilization of sunlight;

(6) consideration of the construction materials to be used in such building, including the extent to which such materials reduce the energy requirements of such building;

(7) consideration of new techniques for energy supply, generation, and transmission, including on-site total energy systems;

(8) an identification and qualification of sources of heat loss or heat gain with respect to such building;

(9) in the case of a proposed acquisition of a building, recommendations for the improvement of the thermal efficiency of such building; and

(10) in the case of a proposed renovation of a building, an estimate of the impact of such alteration on the energy requirements of such building.

(d) Energy-economic analysis performed pursuant to this section shall include consideration of—

(1) the economic aspects of the energy utilization analysis performed for such building pursuant to subsection (c) of this Act;

(2) the initial cost of each energy-consuming system being compared and evaluated;

(3) the annual and projected cost of maintaining and operating each energy-consuming system (including the cost of all utilities) over the entire range of anticipated operation of such building over the economic life of such building;

(4) the average replacement cost of each energy consuming system expressed in annual terms for the economic life of the building;

(5) the coordination and positioning of the building on its physical site;

(6) the building composition and configuration, including the amount and type of fenestration and the amount of insulation incorporated in the building;

(7) the estimate of future inflation rates, based on historical economic trends; and

(8) an estimate of the future costs of depletable resources.

(e) If discount rates are employed in calculating the energy economic analysis with respect to any building, the assumed rate shall take into account both the current Federal prime interest rate as determined by the Federal Reserve Board and the best available estimates of future inflation rates.

(f)(1) The energy consuming system or combination of systems shall be selected for each Federal building and federally assisted building, taking into consideration the energy-economic analysis performed for such building under this section.

(2) In the selection of locations for new Federal and federally assisted buildings the Administrator of General Services and Federal agencies shall consider the proximity of such buildings to existing and planned mass transit facilities.

(3) Each Federal agency shall make, and submit to the Administrator of General Services for use in carrying out the purposes of this Act, an energy utilization analysis and an energy-economic analysis for any building to be constructed, renovated, acquired, or leased by it or for its use.

(4) No major component of a heating, ventilating, air-conditioning, lighting, or other energy-consuming system for any building, and no other item or equipment having as one of its primary purposes the generation, utilization, or conservation of energy in or for any building, shall be purchased from any person by any Federal agency unless such person has submitted, along with or prior to the execution of the purchase contract, an energy utilization analysis and an energy-economic analysis with respect to such component, item, or equipment.

(g) The energy utilization analysis and energy-economic analysis required by this Act, included specific data relating to the consumption, efficiency, and cost, of energy for any building subject to this Act shall be included in any prospectus submitted (with respect to such building) by a Federal agency to the Congress, including any prospectus submitted by the Administrator of General Services to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives under section 7 of the Public Buildings Act of 1959 (40 U.S.C. 606): *Provided, however,* That such prospectus shall incorporate the findings of such analyses (including the optimum system or combination of systems based on such analyses) into the plans and specifications for such building.

(h) Nothing in this Act shall preclude the demonstration of experimental energy systems.

(i) Section 305(a)(2) of the Energy Conservation and Production Act (42 U.S.C. 6834) is amended to read:

"(2) Such new building has been determined, pursuant to any applicable approval process described in subsection (b) and pursuant to certification by the design architect and engineers of record, to be in compliance with such final performance standards (Certification will be accomplished by an energy utilization analysis required by this Act, including specific data relating to the consumption and efficiency of energy for the building. Commercial computer energy utilization analysis programs may be used as the basis of certification); or".

(j) Section 306 of the Energy Conservation and Production Act (42 U.S.C. 6835) is redesignated Section 306(a) and the following new subsection inserted thereof:

"(b) the procedures adopted by the heads of each Federal agency responsible for the construction of any Federal building shall include certification by the design architect and engineers of record to be in compliance with applicable final performance standards. Certification will be accomplished by an energy utilization analysis required by this Act, including specific data relating to the consumption and efficiency of energy for the building. Commercial computer energy utilization analysis programs may be used as the basis of certification.".

FEDERAL INITIATIVES

SEC. 106. (a) Section 381(a)(1) of the Energy Policy and Conservation Act (42 U.S.C. 6361) is redesignated subsection 384(a) and the following new subsection inserted in lieu thereof:

"(b) The Administrator of General Services, in consultation with the Director of the Office of Federal Procurement Policy and the Administrator of the Federal Energy Administration, is directed to make a study and survey of all Federal agency procurement in excess of $10,000, from the viewpoint of energy conservation, and report pursuant to subsection (c) to the President and to the Congress the results of such study and survey, together with such recommendations as he may have of measures to assure that energy conservation is a major consideration in Federal agency procurement policies and practices.".

(b) The Energy Policy and Conservation Act (42 U.S.C. 6201) is further amended by inserting "Energy Conservation Plan for Federal Buildings" before the redesignated subsection 384(a) and by amending section 384 to read as follows:

"SEC. 384. (a) The President shall develop and, to the extent of his authority under other law, implement a ten-year plan for energy conservation with respect to buildings owned or leased by an agency of the United States. Such plan shall include mandatory lighting efficiency standards, mandatory thermal efficiency standards and insulation requirements, restrictions on hours of operation, thermostat controls, and other conditions of operation, and plans for replacing or retrofitting to meet such standards.

"(b)(1) Each Federal agency shall conduct an inventory and examination of buildings under its custody or control and report to the Administrator of General Services, not later than one year after the date of enactment of this Act, and annually thereafter, on improvements that can be or are being made to assure that such buildings will utilize the best practicable measures for energy conservation and the use of solar energy systems consistent with energy conservation guidelines and solar energy guidelines issued pursuant to this Act.

"(2) The Administrator of General Services shall coordinate such inventory and examination of buildings and prepare a consolidated report to the Congress pursuant to this section. Such report shall set forth detailed plans and specifications for incorporating such improvements in those buildings, including (A) a description of equipment, methods of construction, and operating practices used to achieve energy conservation, and (B) comparisons of energy consumption and costs for buildings in which such equipment, methods or practices will and will not be employed.

"(c) The President shall submit to the Congress an annual report concerning all steps taken to implement this section together with recommendations, including schedules, for the appropriation of funds necessary to achieve the purposes of the Federal Buildings Energy Conservation and Solar Energy Utilization Act of 1977.".

FEDERAL PROGRAM

SEC. 107. (a) Within ninety days after the enactment of this Act, the Administrator

of General Services, in consultation with the Director of the National Bureau of Standards, shall establish procedures for identifying existing buildings as candidates for retrofitting with energy conservation equipment and systems for the purpose of decreasing the cost of supplying such buildings with energy for climate-conditioning, water-heating, lighting, and other major uses of energy. In developing such procedures the Administrator and the Director shall consult with other Federal agencies and appropriate professional architectural and engineering societies as required to insure a broad perspective and maximum utilization of professional expertise.

(b) The Administrator of General Services shall, within six months after the date of enactment of this Act, select no fewer than forty federally owned buildings as candidates for retrofitting with energy conservation equipment and systems. The buildings shall be selected so as to offer a wide range of geographic and technological circumstances and opportunities for implementation of energy conservation and solar energy measures which can be justified on the basis of an energy-economic analysis.

(c) The Administrator of General Services shall, within six months after the date of enactment of this Act, solicit proposals for retrofitting each building identified in subsection (b) of this section with energy conservation equipment and systems. On the basis of the proposals received in response to his solicitations, the Administrator, in consultation with the Director of the National Sciences Foundation, is authorized to award contracts for the design and installation of energy conservation equipment and systems in any or all of the federally owned buildings identified in subsection (b) of this section. In addition to the cost and estimated effectiveness of the proposal in achieving energy conservation, the potential for a novel and innovative approach to be of particular value in wide application shall be a factor in awarding contracts.

(d) Grants for Federal buildings shall be for the full cost of the contract, within the limit of funds available, but not to exceed $1,000,000 for any one building.

STATE AND MUNICIPAL PROGRAM

SEC. 108. (a) Governors of the fifty States and executives of municipalities may submit to the Administrator of General Services requests for grants for retrofitting of buildings owned by their respective States or municipalities. Requests for grants shall be submitted to the Administrator, and shall include, in accordance with procedures published by the Administrator in the Federal Register, a description of their State or municipal awards panel, the criteria and procedures by which it will select proposals for awards, and an identification of the State or municipal buildings for which grants are to be sought.

(b) The Administrator is authorized to allocate grants to States and municipalities from funds appropriated for those purposes, in accordance with criteria for State and municipal programs established pursuant to this section.

(c) Grants to States and municipalities shall be on a 3-to-1 Federal to State or municipality matching basis and may not be used for any other purpose. Grants may not exceed $10,000,000 Federal share for any one State nor $6,000,000 Federal share for any one municipality out of one year's appropriation under this Act for the purposes of this section.

AUTHORIZATION

SEC. 109/110. There is authorized to be appropriated to carry out the purposes of this Act not to exceed $30,000,000 for the Federal program, $60,000,000 for the State program, and $60,000,000 for the municipal program, to remain available until expended.

By Mr. BARTLETT (for himself and Mr. BELLMON):

S. 824. A bill to authorize and direct the Secretary of the Interior to convey the mineral interest of the United States to Oklahoma State University to certain lands in Oklahoma, and for other purposes; to the Commitee on Energy and Natural Resources.

Mr. BARTLETT. Mr. President, I am introducing for my colleague Mr. BELLMON and myself, a bill to transfer to Oklahoma State University the mineral interests reserved by the United States in certain lands in the vicinity of Lake Blackwell, Okla.

In December 1954 the U.S. Government transferred to Oklahoma State University the surface and one-fourth of the mineral rights held by the United States at that time in the subject lands. The remaining three-fourths of the mineral rights were reserved by the United States.

The regents of the university desire to manage all of its properties in a coordinated and efficient manner. The property transfer accomplished by this bill would facilitate prudent management of these lands by the university and would enhance the timely development of any mineral resources which might underlie them.

Any revenues which might accrue to the university because of oil or gas development would, of course, be used to enhance the quality of higher education at the university, in Oklahoma, and in the United States.

The benefits which would result from the coordinated management and timely development of these lands will more than offset any potential revenue loss to the United States if the remaining, reserved mineral rights are retained.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 824

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to convey to Oklahoma State University, by patent or such other document as he deems appropriate, all interest in minerals reserved to the United States in the following described lands located in the State of Oklahoma:

(1) Township Eighteen North, Range One East of the Indian Base Meridian

Section Two: Northwest quarter, South half,

Section Three: Entire,

Section Four: Northeast quarter, Southwest quarter of the northwest quarter, All of lot four in the northwest quarter excepting a tract in the northwest corner of lot four more particularly described as follows: Commencing at northwest corner thereof, about 26 rods by the M. E. Church; thence south along the east boundary of the church property 15 rods; thence west about 16 rods to the west line of said lot four; thence north 15 rods to the place of beginning, South half,

Section Nine: Northwest quarter,

Section Ten: North half, Southeast quarter,

Section Eleven: North half, Southeast quarter,

Section Twelve: West half, Southeast quarter;

(2) Township Nineteen North, Range One East of the Indian Base Meridian

Section Three: West half,

Section Four: Entire,

Section Five: Entire,

Section Six: Entire,

Section Seven: Entire,

Section Eight: Entire,

Section Nine: Entire,

Section Ten: West half,

Section Fifteen: A parcel of land in the northwest corner of the northeast quarter of the northwest quarter described as follows: Beginning at the northwest corner, thence south 466.69 feet, thence east 466.69 feet, thence north 466.69 feet, thence west 466.69 feet to the point of beginning, containing five acres, more or less, Northwest quarter of northwest quarter,

Section Sixteen: Entire,

Section Seventeen: Entire,

Section Eighteen: Entire,

Section Nineteen: North half, Southwest quarter,

Section Twenty: Entire,

Section Twenty-one: Entire,

Section Twenty-two: West half,

Section Twenty-six: North half of northeast quarter, North twenty-one rods of the south half of the northeast quarter, Northwest quarters,

Section Twenty-seven: North half, Southeast quarter,

Section Twenty-eight: Northwest quarter,

Section Twenty-nine: North half except one acre in the northeast corner preserved for school purposes,

Section Thirty-two: Southwest quarter,

Section Thirty-four: Northeast quarter, South half,

Section Thirty-five: Northeast quarter;

(3) Township Eighteen North, Range Two East of the Indian Base Meridian

Section Seven: North half of southwest quarter;

(4) Township Nineteen North, Range One West of the Indian Base Meridian

Section One: Entire section except one acre in southwest corner,

Section Two: Northeast quarter, South half,

Section Three: South half,

Section Four: Southeast quarter,

Section Ten: North half,

Section Eleven: Entire, less twelve acres in the southwest corner thereof described as follows: Beginning at the southwest corner of section eleven; thence north along the section line 578.55 feet, thence east 903.5 feet; thence south 579.2 feet to the section line; thence west along the section line 903.5 feet to point of beginning, containing 148 acres more or less,

Section Twelve: Entire,

Section Thirteen: North half, Southeast quarter,

Section Twenty-four: East half,

Section Twenty-five: North half of the north half of the northeast quarter;

(5) Township Twenty North, Range One East of the Indian Base Meridian

Section Thirty-one: South half of northwest quarter, South half,

Section Thirty-two: South half of northeast quarter, Northwest quarter, South half except one acre in square out of southeast corner of lot five for cemetery purpose,

Section Thirty-three: Lots one, two, three, four, six, seven, and eight of north half.

SEC. 2. Mineral exploration and development of the lands described in this Act shall be considered a use for public purpose as required in subsection (c), section 32, Title III, Bankhead-Jones Farm Tenant Act (7 U.S.C. 1012(c)), as amended, if the funds derived from such exploration and development are used by Oklahoma State University for public purposes.

ADDITIONAL COSPONSORS

S. 107

At the request of Mr. PEARSON, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 107, a bill to reform veterans' pensions, to avoid a reduction in veterans' pensions, concomitant with increases in social security benefits.

S. 243

At the request of Mr. NELSON, the Senator from Oregon (Mr. PACKWOOD) was added as a cosponsor of S. 243, a bill to amend the Small Business Act and the Small Business Investment Act of 1958.

S. 256

At the request of Mr. PEARSON, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 256, a bill to regulate commerce to assure increased supplies of natural gas at reasonable prices for consumers, and for other purposes.

S. 274

At the request of Mr. THURMOND, the Senator from Ohio (Mr. GLENN) and the Senator from Delaware (Mr. BIDEN) were added as cosponsors of S. 274, a bill to prohibit unionization of the military services.

S. 388

At the request of Mr. BARTLETT, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 388, to amend the Internal Revenue Code of 1954.

S. 503

At the request of Mr. BAKER, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 503, a bill to expand manpower services reductions for individuals and business.

S. 528

At the request of Mr. WILLIAMS, the Senator from Vermont (Mr. STAFFORD) and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of S. 528, a bill to require an employer which assumes the ownership or operation of a business to honor the terms and conditions of a collective bargaining contract.

S. 555

At the request of Mr. RIBICOFF, the Senator from Michigan (Mr. GRIFFIN), the Senator from Vermont (Mr. LEAHY), the Senator from New Jersey (Mr. CASE), the Senator from Kentucky (Mr. FORD), the Senator from Arizona (Mr. DECONCINI), the Senator from Hawaii (Mr. INOUYE), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors to S. 555, a bill to establish certain Federal agencies, effect certain reorganization of the Federal Government, to implement certain reforms in the operation of the Federal Government and to preserve and promote the integrity of public officials and institutions, and for other purposes.

S. 604

At the request of Mr. JAVITS, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 604, a bill to amend and improve the programs authorized under the Emergency Unemployment Compensation Act of 1974, and to extend such programs for 1 year, and for other purposes.

S. 705

At the request of Mr. JAVITS, the Senator from Colorado (Mr. HASKELL), the Senator from Missouri (Mr. EAGLETON), and the Senator from Iowa (Mr. CLARK) were added as cosponsors of S. 705, a bill to amend the Public Health Service Act to revise and strengthen the program under that act for the regulation of clinical laboratories.

S. 730

At the request of Mr. BAKER, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 730, a bill to amend the Natural Gas Act with respect to court review of Federal Power Commission orders pursuant to such act.

S. 737

At the request of Mr. BAKER, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 737, a bill to amend the Internal Revenue Code of 1954 to provide income tax incentives for the conservation of energy used to heat or cool residences.

S. 744

At the request of Mr. BARTLETT, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 744, a bill to restore public accountability for decisions affecting the compensation of Members of Congress and other Federal officials.

SENATE JOINT RESOLUTION 15

At the request of Mr. GARN, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of Senate Joint Resolution 15, a joint resolution to propose an amendment to the Constitution of the United States for the protection of unborn children and other persons.

SENATE RESOLUTION 95 AND SENATE RESOLUTION 96—SUBMISSION OF RESOLUTIONS DISAPPROVING CERTAIN BUDGET DEFERRALS

(Referred to the Committee on Appropriations and the Committee on the Budget, jointly, pursuant to the order of January 30, 1975.)

Mr. DOMENICI (for himself, Mr. BAKER, and Mr. SCHMITT) submitted the following resolutions:

S. RES. 95

Resolved, That the Senate disapproves the proposed deferral of budget authority (deferral numbered D 77–52) for operating expenses for certain activities of the biomedical and environmental research program conducted by the Energy Research and Development Administration set forth in the special message transmitted by the President to the Congress on January 17, 1977, under section 1013 of the Impoundment Control Act of 1974.

S. RES. 96

Resolved, That the Senate disapproves the proposed deferral of budget authority (deferral numbered D 77–50) for operating expenses for certain research activities in the magnetic fusion energy program conducted by the Energy Research and Development Administration set forth in the special message transmitted by the President to the Congress on January 17, 1977, under section 1013 of the Impoundment Control Act of 1974.

Mr. DOMENICI. Mr. President, I am submitting today, on behalf of Senators BAKER, SCHMITT, and myself, two resolutions whose purpose is to disapprove certain budget deferrals announced by former President Ford on January 17. These resolutions, if passed by the Senate, will free funds for use in the current fiscal year for important programs in magnetic fusion and biomedical and environmental research being carried on by the Energy Research and Development Administration. We have previously introduced a companion disapproval resolution, Senate Resolution 51, relating to ERDA's community assistance program.

The first of the disapproval resolutions introduced today addresses the Presidential deferral D–77–50. If passed, this resolution would free $12 million in budget authority and $6 million in budget outlays for additional work this fiscal year directed toward answering crucial questions concerning the usefulness of a future energy resource of unlimited potential, magnetic fusion. These funds will be applied in critical development areas such as confinement systems, materials technology, plasma physics, and reactor design, at various laboratories across the country.

Deferral D–77–52, the subject of our second disapproval resolution, affects $8.2 million in budget authority and $6.2 million in budget outlays, and reduces by one-half funds available for environmental policy analysis, the national coal utilization assessment, and various other multitechnology assessments. Of particular concern to me are proposed delays in funding of studies to assess the impact of energy resource development in communities and regions of this country that are unusually well endowed with energy resources. This deferral will affect ongoing ERDA programs in at least 10 States.

Mr. President, I am convinced that these two deferrals, as well as ERDA deferral D–77–51, which is the subject of our Senate Resolution 51, should be disapproved by the Congress. It was carefully considered congressional action, concurred in by the President, that made these funds available in the first place. It is unreasonable now that we should acquiesce in this unilateral and arbitrary action taken by the executive branch.

Mr. President, as my fellow Senators know, disapproval of a Presidential deferral by either House of Congress is sufficient to make the funds available as originally intended. It may be that the House of Representatives will act in the very near future on these deferrals. If not, however, I would urge my Senate colleagues to support our three disapproval resolutions.

AMENDMENTS SUBMITTED FOR PRINTING

ADDITIONAL JUDGESHIPS—S. 11

AMENDMENT NO. 52

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. GARN (for himself and Mr. HATCH) submitted an amendment intended to be proposed by them jointly to the bill (S. 11) to provide for the ap-

pointment of additional district court judges, and for other purposes.

Mr. GARN. Mr. President, on behalf of myself and my colleague from Utah, Mr. HATCH, I offer an amendment to S. 11, a bill to provide for the appointment of additional district court judges. This amendment will provide that the President shall appoint, by and with the advice and consent of the Senate, one additional district judge for the district of Utah. There are currently two Federal district court judges serving that district.

Most of us are aware of the growing burden being placed upon the Federal judiciary. This burden is attributable to many causes, but certainly the number and nature of the legislation passed by Congress is one of the most important factors in increasing litigation. The Speedy Trial Act is perhaps the best example of legislation which places a severe burden on the Federal courts, and it is a piece of legislation which has recently been referred to by Chief Justice Burger as he has pled for additional district judgeships and new judgeships in the courts of appeals. Some of the Chief Justice's remarks were inserted in the RECORD on January 10, 1977, by Senator MCCLELLAN when he introduced S. 11, and I will not again refer to those remarks from Mr. Burger's year-end report. Instead, I will cite one paragraph from the Chief Justice's 1977 report to the American Bar Association, delivered in Seattle, Wash., February 13, 1977. The Chief Justice said:

> ...The Congress has taken no action on the obvious need for sixty-five additional judgeships badly needed for five years. All this time the growth of new filings has continued, and it is now imperative that we have, not sixty-five new judgeships, but approximately one hundred thirty-two—one hundred seven district judgeships and twenty-five circuit judgeships. I am hopeful now, with the election behind us, there will be no further delay in the creation of these desperately needed judgeships.

Let me also remind this body that the Chief Justice urges us to consider "judicial impact statements." We must do a better job of predicting the consequences of legislation on the workload of the judiciary. I believe, in some instances, this Congress and American society place too great a reliance on the judicial machinery, and I hope that that trend can be reversed in some areas. At the same time, we must see the facts as they are and realize that the legislation which passes this Congress each year depends in large measure on the courts for its enforcement.

On April 1, 1976, the Senate passed S. 287, which would have created 45 new district court judgeships. The bill was referred to the House Judiciary Committee, which reported the bill, with an amendment, on September 28, 1976. The House committee recommended 49 new district court judgeships.

The Senate committee established four criteria by which to judge the need for additional district judgeships. Districts which "met all or most" of the criteria were judged in need of one or more additional judgeships. Those criteria are listed on page 13 of the Senate report (No. 94–387) as follows:

> (1) Either raw or weighted case filings are 400 or more per judge; and (2) terminations are in excess of the national average of 358 per judge; and (3) the bench time averages 110 or more days per judge; and (4) the district has made efficient use of existing judges, supporting personnel, and procedural devices in order to cope with its existing workload.

The committee applied the criteria objectively except for certain large metropolitan districts. The Court allowed additional judgeships in these large districts without the necessity of meeting the above criteria.

The House committee—House report No. 94–1705—felt strongly that the Senate's report was an "enormous contribution to congressional understanding of Federal court manpower problems." However, the House committee did not strictly adhere to the Senate formula because it felt that the Senate formula did not necessarily produce the correct result in every district in which it was applied. The House report correctly points out that the Senate did not strictly follow the four criteria either. Therefore, both committees used the criteria as a useful starting point for analysis. In the words of the House report:

> . . . like the Senate, the House Committee did not itself apply the formula strictly to each district. Rather, in some cases it was necessary to reach behind the screen of statistics to find a true picture of the needs of a particular district.

In the case of the U.S. District Court for the District of Utah, the statistics show 346 filings per judge during fiscal year 1976. This compares with the standard set by the committee of 400 filings per judge. During fiscal year 1976, the Utah district showed 348 terminations per judge and this number is just shy of the committee figure of 358. For the third criterion of bench time, the Utah district had 149 days per judge, which is about 35 percent higher than the committee threshold of 110 days per judge.

The fourth committee criterion requires efficient use of existing judges, supporting personnel, and procedural devices in order to cope with the existing workload. This criterion is subjective and facts cannot be put alongside it which yield a ready comparison. There are serious problems with the administration of the District of Utah. Perhaps the best statement on the Utah court situation was given by the Honorable David T. Lewis, Chief Judge of the U.S. Court of Appeals for the 10th Circuit, on May 18, 1976, when Judge Lewis testified in support of S. 1130. The judge's statement clearly shows that the Utah court has administrative problems. Progress can be made—there is no doubt about that—but the Utah court is in a unique dilemma. Our administrative problems are due, in large part, to the very fact that we have a two-judge district court and that the chief judge continues to serve as such although he is well beyond age 70. This predicament is attributable to a "grandfather clause" of a 1958 statute which provides an exception from the general rule for two-judge district courts. The general rule is, of course, that all judges must relinquish their chief judgeship at age 70.

The Utah situation is unique. We believe this amendment is justified because the Utah court has a workload level sufficient to meet two of the three objective criteria of the Senate committee and because the appointment of a third judge would alleviate the serious administrative problems posed by the "grandfather clause" and the irascible temperament of the chief judge.

I will not include Judge Lewis's full statement here, but I will see that the Judiciary Committee has it brought to their attention.

I may say, Mr. President, that although I have not communicated with Utah's present chief judge, Willis W. Ritter, on this particular issue, it is believed that Judge Ritter favors the appointment of a third judge. In a letter to the Honorable Quentin N. Burdick from Judge Ritter dated May 14, 1976, and printed in pages 204–206 of the hearing record on S. 1130, Judge Ritter states:

> . . . creating a third district court judge for the district of Utah [is] a problem which does need long overdue congressional attention.

In the same letter, Judge Ritter calls the third-judge idea something that will prove "constructive and of lasting benefit" for Utah. Judge Ritter's letter was written in opposition to my attempt to have him adhere to the same laws applying to other chief judges, but I am happy to see that we can agree on the need for a third judge in Utah.

There will undoubtedly be some question as to the workload of the Utah court and its need for an additional judge. I have cited the statistics which demonstrate such need, but let me bolster those statistics with some comparisons. The Utah court exceeds by about 35 percent the third committee criterion, that is bench time per judge. This needs to be emphasized because the following comparisons will deal only with total filings and total terminations which are the first two criteria of the Senate committee.

Recently, the Director of the Administrative Office of the U.S. Courts transmitted to Congress the volume "Management Statistics for U.S. Courts, 1976." This very helpful document sets out relevant facts for the courts of appeals and district courts of the United States. The U.S. District Court for Utah is shown as 69th among all U.S. district courts in the number of total filings per judge and 62d among all U.S. district courts for total terminations per judge. The Utah district was not recommended to receive a third judge, however several districts with lower standings received recommendations for additional judgeships.

For example, the District Court for the District of Northern Indiana stands 71st and 63d in the standings; the Washington Eastern District stands 74th and 75th in the standings; the District for Eastern Oklahoma stands 84th and 81st in the standings. Each of these districts has been recommended to receive one additional district judge and those recommendations are now pending before the Judiciary Committee in amendment No. 40 to S. 11. Amendment No. 40 was introduced by Senator MCCLELLAN on February 10, 1977, and contains the recommendations of the Judicial Conference of the United States.

There are other districts that rank below Utah but have also received recom-

mendations for additional judges. The district for South Dakota is tied with Utah in the ranking for total filings, but slightly ahead of Utah for terminations. The districts of Minnesota, New Jersey, New York Eastern, and New York Northern, have all been recommended for additional judges but rank below Utah in total terminations per judge.

I understand that there are many and varied circumstances which compel the Judicial Conference to make recommendations for additional judges. For example, of the districts that I have compared with Utah, there are some which are large metropolitan districts and which have been singled out in the past for special consideration and there are some—that is Oklahoma—which have special circumstances and needs. This is precisely my point. The Judicial Conference and the Senate and House Judiciary Committees must use the established criteria as a beginning point. From that beginning point the committee must consider additional factors. These factors have been considered—obviously—in those districts which ranked lower than Utah for filings and terminations but which have received a recommendation for an additional judge.

Utah surpasses several districts in workload but has not been recommended for an additional judgeship. Utah has unique, and unfortunate, administrative problems. Problems of which many members of the Judiciary Committee are aware and for which hearings were held last year on May 18 on S. 1130. The amendment which we introduce today is designed to provide for Utah the level of judicial assistance commensurate with its needs.

NOTICES OF HEARINGS

COMMITTEE ON HUMAN RESOURCES

Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Human Resources has scheduled a hearing on Wednesday, March 2, 1977, at 10 a.m. in room 4232 Dirksen Senate Office Building, on the nominations of Peter G. Bourne of the District of Columbia to be Director of the Office of Drug Abuse Policy and Lee I. Dogoloff of Maryland to be Deputy Director of the Office of Drug Abuse Policy.

Persons wishing to testify or submit statements, please contact Lisa Walker, of the committee staff.

SENATE SELECT COMMITTEE ON SMALL BUSINESS

Mr. NELSON. Mr. President, I wish to announce that the Senate Select Committee on Small Business has scheduled a hearing on disaster relief legislation.

The hearing will be held on Thursday, March 3 in room 3302 of the Dirksen Senate Office Building at 9:30 a.m., and will be chaired by Senator HASKELL.

COMMITTEE ON HUMAN RESOURCES

Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Human Resources has scheduled a hearing on Thursday, March 3, 1977, at 9 a.m. in room 4232 Dirksen Senate Office Building, on the nomination of Mary Elizabeth King of the District of Columbia to be Deputy Director of the ACTION Agency.

Persons wishing to testify or submit statements, please contact Lisa Walker of the committee staff.

POSTPONEMENT OF HEARING ON PRODUCT LIABILITY PROBLEMS AND S. 527

Mr. NELSON. Mr. President, I wish to announce that the hearing scheduled to be held by the Small Business Committee on "product liability problems affecting small business, and S. 527" on February 23, has been rescheduled for March 9, 1977. The hearing will begin at 9:30 a.m. in room 6202, Dirksen Senate Office Building, and will be chaired by the Senator from Iowa (Mr. CULVER).

ADDITIONAL STATEMENTS

AIRLINE COSTS AND PASSENGER FARES

Mr. PEARSON. Mr. President, on March 21, the Aviation Subcommittee of the Committee on Commerce, Science, and Transportation will begin 2 weeks of extensive hearings into the need for comprehensive legislative action to reform the regulation of this Nation's commercial air transportation industry.

The hearings will focus primarily on the two major airline regulatory reform proposals before the Congress: S. 292, sponsored by the distinguished minority leader and myself, and S. 689, sponsored by the distinguished senior Senators from Nevada and Massachusetts. Both measures provide for substantial changes in the Federal Aviation Act of 1958 so as to encourage more competition and rationalize carrier operation.

The consensus today indicates that the regulatory framework enacted some 40 years ago is no longer appropriate for the modern age of commercial aviation. The evidence suggests that the airlines could have—at least in recent years—operated at lower total cost per passenger and that passenger fares could have been lower. This evidence is further substantiated by a February 18 report to Congress by the Comptroller General of the United States entitled "Lower Airline Costs Per Passenger Are Possible in the United States and Could Result in Lower Fares."

The study is GAO's analysis, update, and extension of a study by Dr. Theodore E. Keeler—University of California, Berkeley—entitled "Airline Regulation and Market Performance." The Keeler study attempted to determine the effects of domestic airline regulation.

The conclusion and recommendation of the GAO study are as follows:

Based on this report, we believe that markets now served by the trunk airlines could be profitably served at a lower total cost per passenger, and that passenger fares could be lower as a result. The arguments for greater reliance on a more competitive market to determine services and prices are persuasive, but this report does not answer a number of questions about what might happen if the form of airline regulations were changed or if regulation were abandoned completely.

We recommend that CAB continue to work toward improving airline efficiency under its existing legislation by emphasizing higher load factors, higher seating densities, and the other factors identified in this report by increasing its reliance on competition to determine service and prices.

We also recommend that the Congress, as part of its current reexamination of the need for economic regulation of the airline industry, provide to CAB legislative guidance defining current national objectives for air transportation, and the extent to which increased competition should be used to achieve those objectives.

Both CAB and the Congress should allow for reasonable transition periods to avoid undue disruption of the air transportation system.

Mr. President, perhaps this further evidence of the need for regulatory reform in the airline industry will prompt the Senate to act expeditiously on airline regulatory reform.

AMERICA'S GREAT LAKES PROGRAM: THE BUREAUCRATIC MESS IN THE UNITED STATES

Mr. NELSON. Mr. President, the International Joint Commission—IJC—on the Great Lakes recently conducted in Windsor, Ontario, Canada, a workshop on "Economic and Legal Enforcement Mechanisms" as they affect the Great Lakes. Several weeks ago, I agreed to give a speech to this meeting on the progress we have made and the problems we still face in protecting and enhancing the water quality of the Great Lakes. Due to my responsibilities as chairman of the Special Committee on Official Conduct, I had to cancel my appearance. A staff member represented me at the IJC meeting.

I believe my remarks entitled "America's Great Lakes Program: The Bureaucratic Mess in the United States" present new information on the direction and scope of this country's pollution abatement efforts. It calls for a rededication to previously established goals and new programs to solve old problems. I ask unanimous consent that my prepared remarks for the Windsor meeting of the IJC be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

AMERICA'S GREAT LAKES PROGRAM: THE BUREAUCRATIC MESS IN THE UNITED STATES

(An address by U.S. Senator GAYLORD NELSON to the Research Advisory Board of the International Joint Commission)

The United States is making disappointingly slow progress in its fight to protect and enhance the water quality of the Great Lakes In the U.S., programs to upgrade and protect the environmental quality of the Great Lakes have, in my judgment, been weak, misdirected, and oftentimes non-existent. Simply put, the programs and policies America has adopted over the last ten years to save this magnificent and unique natural resource may be accurately described as "the bureaucratic mess in the U.S."

Seventy-one percent of the world's surface is water. Less than one one-hundredth of this is fresh water. And the Great Lakes contain 20 percent of this fresh water. The world's largest body of fresh water, a series of five great lakes that contain over 65 trillion gallons of water, continues to be degraded by man. Until very recently, we have had absolutely no idea what the long-term adverse, ecological consequences of this continued pollution will be on the biotic life support systems of the Lakes. Now we are beginning to get glimmers of understanding.

Over the course of the last 150 years, all the problems that have plagued the Lakes have been the direct result of man's ignorant tinkering with a massive ecosystem. Municipal and industrial discharges of raw or partially treated effluent continue to pollute

some of the cleanest water in the world. Agricultural runoff and large amounts of phosphorus accelerate the Lakes' natural aging processes. Toxic substances and pesticides poison the Lakes' fish, food chain, bottom sediments, and finally, the human population using the resource.

Shipping contaminates the water with oil and sewage. The opening of the Welland Canal introduced exotic species, the lamprey and alewife, into the lakes that have caused massive changes in the ecosystems of the Lakes. Reserve Mining continues to dump 67,000 tons of taconite tailings a day into Lake Superior despite strong scientific evidence that the ingestion of these tailings cause cancer. The residents of the north shore are now drinking specially filtered water while the Federal Government rushes to install advanced water treatment facilities to purify these communities' water supplies. Moreover, the Corps of Engineers' proposed extension of the winter navigation season raises the most fundamental questions of long-term adverse environmental impact. What is the impact of the Corps' ice cover removal program? Will the heating of the water disrupt or alter fish reproduction cycles? What are the impacts on the entire Lake ecosystem? The Corps has no answers to these questions. We must know before any expansion of the navigation season is authorized.

In less than 200 years, in less time than America has been a nation, a brief moment in terms of man's life on this planet, significant adverse changes in the Lakes' water quality have occurred. The responsibility for these changes rests solely with man.

This record should not be accepted as a harbinger of the future. The residence time of the water in the Lakes is long. In Lake Superior's case, 200 years long. Today's pollution becomes an immediate long-term problem that will adversely affect the entire chain of Lakes over the next several hundred years. Consequently, we cannot afford to waste more time. We must move rapidly and decisively toward achieving the goals and objectives contained in the Federal Water Pollution Control Act Amendments of 1972 and the 1972 Water Quality Agreements.

America has had problems in the past in meeting its obligations. We are making more progress now but we are still not moving fast enough. Furthermore, it is in our own vested interest to increase these efforts. Business and industry depend on the Lakes for shipping and water. Tens of millions of Americans depend on the Lakes for drinking water and recreation. A very large majority of the economic and social livelihood of the Upper Midwest is intrinsically tied to the continued health and well-being of the Great Lakes. To continue to degrade the biological productivity of these waters is to degrade the economic and social well-being of the heartland of the U.S.

In the United States, the most fundamental problem facing the Great Lakes is the Federal Government Regrettably, for the past several years, there has been an inadequate national commitment to the protection of the Lakes within the EPA. There is a refusal to acknowledge that the Lakes are threatened and that this continued threat poses a serious national and international problem. Rather than recognizing the significance of these bodies of water, the EPA continues to view the Lakes as a regional problem that must be solved using only regional resources. This policy is dead wrong and must be changed.

The Lakes are in trouble today because Washington has paid too little attention to their problems. There has been little or no national leadership paid to the Lakes since 1972.

Washington seems to have forgotten that it has a strong moral and legal obligation to the Lakes. The Lakes are a unique natural resource belonging both to the U.S. and Canada. They are "great" not only in their size, but in their beauty and power. The Great Lakes, like every other natural system, is not infinite. The Lakes are limited. Man cannot continually pollute without creating an adverse effect. Man cannot continually abuse a resource without degrading the resource.

However, these basic ecological lessons appear to have gone unlearned. Man has caused the problems. Man must have the will to save the Lakes. There is no one else to do the job.

The legal obligations of my country are clear and concise. Two international agreements concerning the Great Lakes have been negotiated. The 1909 Treaty and the 1972 Agreement place responsibilities on each country to protect and enhance the water quality of the Lakes. The 1972 Agreement deals exclusively with various aspects of water quality. Objectives were established; goals and timetables were set. Unfortunately, many of these goals have been subsequently ignored by both countries.

As a U.S. Senator representing a State that borders on two of the Lakes, Superior and Michigan, I am not proud to tell you this evening that the U.S. has not done its share in meeting its moral and legal obligations. I am not proud to tell you the Lakes have been victims of Federal neglect and shortsightedness. However, I will tell you that things are not going to remain the same. I intend to introduce a major legislative program that will change the way my Government views the Great Lakes.

The roots of the second problem, the failure of the EPA to establish a viable research program, once again lies with the misplaced priorities of the past Administrations.

In 1972, the Congress gave the EPA rather broad authority to establish a viable and meaningful research program for the Great Lakes. Section 104(f) of the 1972 Water Pollution Control Act Amendments specially establishes a Great Lakes research program. However, it seems to be based on determining impact, not understanding how the Lakes work.

Only a small amount of work has been funded under this statutory authority—it is a skeleton program. The intent of the Congress in drafting a specific research program for the Great Lakes seems to have been lost by the Washington EPA policymakers. According to the fiscal year 1978 budget submitted by the Ford Administration, the ongoing bare bones research effort will be cut by nearly 40 percent.

Moreover, Section 108 of Public Law 92–500 established a specific "pollution control in the Great Lakes" program. This Section of the law needs to be updated. For example, EPA should be the lead federal agency on all water quality matters. Under Section 108(d)(1), the Corps is given direct responsibility to conduct a Lake Erie demonstration program. This is clearly EPA's responsibility, not the Corps'. While some experts within the EPA suggest the answer is line item funding for research and line item budgetary support for a comprehensive Great Lakes program, specific statutory authority is needed if we are to achieve an active long-term research effort.

We know relatively little about the ecology of the Lakes. Yet, four years after Public Law 92–500 became law, four years after a specific research program was legislated, the Great Lakes research program has no line item budget. The entire program is continually at the mercy of Washington bureaucrats who determine the priority list for research funding on an annual basis.

In March 1975, the General Accounting Office (GAO), the investigative arm of the Congress, reported that at the current funding levels the U.S. would not be able to adequately support the water quality goals and objectives contained in the 1972 Water Quality Agreements. If the U.S. is to meet its research, surveillance, and analysis obligations contained in this Treaty, more dollars and more manpower will have to be obligated on a line item, multi-year basis.

For example, during FY'77, the current budget cycle, Region V EPA will receive $2 million for baseline ecological research. Its need is estimated at $5 million. The surveillance and analysis (S&A) program is also being drastically underfunded. In FY'77, the S&A program will receive $750,000 while its need is estimated at $3.5 million.

We are not only spending too little on basic scientific research but misdirected priorities channel what funds exist into less important areas. A 1975 report to the Senate's National Ocean Policy Study states that $176.2 million was expended by all federal agencies on Great Lakes studies during FY'74. Of this amount, only 5.9 percent was spent on research. Almost 60 percent was spent on navigation and transportation. If the water quality of the Lakes is to be improved, these priorities will have to be changed so that more money and manpower can be spent on basic ecological research.

While on a volume basis, municipal and industrial discharges comprise approximately 90 percent of the effluent emitted into the Lakes, a far greater danger is posed by the continued release into the environment of toxic and hazardous substances. Conventional treatment cannot remove these substances from the sewage. The continued discharge of these substances threatens human health, water quality, and the biotic productivity of the Lakes. The 1975 report of the Great Lakes Water Quality Board to the IJC recommendation correctly called for "substantial priority consideration" in this area.

The Board's report stated, ". . . as a matter of high priority source identification, monitoring, and control problems for persistent chemicals such as PCB, mirex, and mercury must be intensified."

As you may know, the 94th Congress enacted a toxic substances control law. This action culminated a five-year struggle between the Congress and the Administration. This new law speaks directly to the concerns raised by the IJC in its most recent report.

PCBs are a serious problem for all the Lakes. Lake Ontario has the dubious honor of containing the highest concentrations of this toxic substance. In the Wisconsin waters of Lake Michigan, the Wisconsin Department of Natural Resources has banned the commercial fishing of Lake trout and coho salmon because of PCB contamination. People throughout the region are warned not to eat fish coming from the Lakes more than once a week. State health officials in Michigan are now warning nursing mothers not to regularly eat fish taken from Lake Michigan.

PCBs are the third most widely distributed environmental pollutant. Most organisms in all the Lakes have PCB levels greater than those called for in the 1972 Water Quality Agreements' objectives. Samples of Lake trout taken near Isle Royale National Park in western Lake Superior exceed the U.S. Food and Drug Administration's (FDA) standard by three. Carp taken from Green Bay contain 51 parts per million of PCB, the highest concentration found anywhere in the Lakes. The FDA safety level is five parts per million. These levels also greatly exceed the Water Quality Board's recommendation. There is no indication of a downward trend in the contamination.

However, the U.S. will be making more rapid progress in curtailing the introduction of new sources of PCBs in the future. An amendment I offered in the Senate to the Toxic Substances Control Act will effectively ban the manufacture of PCBs in less than two years. This legislation requires: (1) the EPA within the next four months to issue regulations governing disposal of PCBs and labeling of products containing PCBs, (2) within the next ten months a ban of the manufacture, use, and distribution on non-

enclosed systems using PCBs such as paint, and carbonless carbon paper, (3) within the next 22 months a ban on all enclosed systems using PCBs, and (4) within the next 28 months a total ban on the manufacture of PCBs.

Since 1970 we have seen a 60 percent decline in mercury residue levels taken from fish in Lake Erie and Lake St. Clair. However, the levels currently found throughout the Lakes continue to exceed both the FDA's and Canadian Government's recommended minimums.

DDT levels in Lake Michigan fell dramatically in the 1969–1974 period. DDT levels in Lake Michigan are now within the FDA's guidelines. The levels in Lake Superior, however, have not decreased.

Residues of dieldrin, a widely used insecticide, first discovered in the Lakes in the early 1960s, has shown no decline even though Canada banned its use in 1969 and the U.S. in 1974.

Both countries face a new challenge on the toxic substance issue. For the last several years, attention has been almost exclusively focused on preventing toxic and other hazardous substances from entering the environment. Little attention and research has been devoted to getting the material out of the environment, once introduced. We have no idea whether it causes more danger to dredge the residues out or leave them in. If we do dredge them out, where do we put them?

Fourth, phosphorus continues to remain a major unresolved issue for the Lakes. The relationship between phosphorus and eutrophication was recognized as a significant problem crying out for attention when I first came to the Senate in 1963. In fact, one of the first bills I introduced, 14 years ago, called for the convening of a national commission to study the interrelationships between phosphorus and eutrophication in the Great Lakes. That legislation passed the Senate but was killed in the House.

There is general scientific agreement that phosphorus is the major cause in the acceleration of the natural aging process in the Great Lakes. There is no doubt that the major and significant controllable source of the phosphorus is detergents.

On October 16, 1963, I testified before the Senate Public Works Committee's Environmental Pollution Subcommittee on the question of phosphorus degradation of the Great Lakes. I said (in part):

"But the solution to this problem cannot be postponed. It grows worse every day and every hour. And if we continue to delay in facing up to it, we may discover some day that it is too late—that our natural resources have been destroyed to such an extent that they can never be restored again." Nine years later, after much dispute and disagreement, a first step was reluctantly taken. The Nixon Administration decided, despite all the evidence, not to support a phosphorus ban in detergents; rather, EPA proposed an extremely expensive program of requiring advanced phosphorus removal technology to be installed at municipal sewage treatment plants that discharged effluent into the Lakes. Enough phosphorus would be removed, the EPA argued in 1971, to solve the problem. The most recent evidence on this subject, compiled coincidentally by the EPA, strongly suggests that the Agency was wrong. It now seems clear that even implementation of advanced phosphorus removal technology will not remove enough phosphorus to protect the Lakes. Furthermore, the advanced methodology required for the removal of the phosphorus is very expensive and creates an additional problem of increased sludge disposal.

Every IJC water quality report since 1970 has recommended a ban on phosphorus in detergents used in the Great Lakes Basin. Each year the U.S. Government, the EPA, has refused to listen or take action on this recommendation. And I will be candid with you, despite all this evidence, the question remains unresolved within the EPA today. Technical and scientific experts at the regional level are pushing hard for agency support of such a ban, a position that is entirely logical and totally supported by the latest scientific findings. This evidence, in my view, is overwhelming and conclusive. Moreover, Russell Train, former Administrator of the EPA, in a December 3, 1976 memo to the Region V Regional Administrator on this subject, said, "I was very concerned that our efforts this far, under PL 92–500, to carry out the terms of the Great Lakes Water Quality Agreement of 1972 had fallen so far short of the need in respect to eutrophication. . . ." Train continued on about the effectiveness of a detergent ban and concluded, "I believe that it is an effective method of achieving immediate improvements and should be considered throughout the Great Lakes Basin just as recommended by the International Joint Commission. . ."

On the surface there seems to be an agreement, yet no action has been taken since this memo was drafted.

We need a uniform phosphorus ban for the Great Lakes Basin states, and we need it now. Since the EPA seems unwilling to listen to its own experts, it is obvious they will have to be prodded by the Congress. We need a piece of legislation for the Great Lakes that is modeled after the Minnesota Pollution Control Board regulation, a provision that sets a 0.5 percent by weight limit on the amount of phosphorus contained in cleaning agents and detergents. Implementing such a ban on a basin wide level, is the single most important action that should be taken to protect the ecological quality of the Lakes.

Fifth, another problem of significance that faces the U.S. and the Great Lakes is the municipal construction grant and combined sewer program.

The GAO estimates that the U.S. is three years behind the Canadians in constructing municipal secondary sewage treatment plants. Former President Nixon's illegal impoundment of $9 of the $18 billion appropriated for sewage treatment plant construction by the Congress in 1972 is directly responsible for at least half the delay. An additional year was lost in red tape while EPA revised its construction grant regulations.

According to the Water Quality Board's 1975 report, approximately 59 percent of the population of the U.S. within the Great Lakes Basin is currently served by secondary sewage treatment. When all the construction within this region that is now underway is completed, 94 percent of the populace will be served by secondary treatment. Full compliance with the secondary treatment requirements set by the Federal Water Pollution Control Act Amendments of 1972 is anticipated in the mid 1980s. Conversely, in Canada, 94 percent of the Great Lakes Basin populace is already served by secondary treatment or its equivalent. One hundred percent compliance is expected in 1977.

The cost of compliance is high. EPA now estimates that an additional $62 million will be required to provide the secondary and advanced phosphorus standards for Great Lakes Basin municipal treatment plants.

In addition to the problems directly associated with the municipal sewage treatment plant construction program, we are faced with a larger and more expensive problem of storm water runoff and combined sewer overflow. A large number of municipal treatment plants now are capable of handling and processing dry flow discharges from their combined sewers. However, whenever there is a heavy rainfall, substantial amounts of raw sewage and runoff bypass treatment and are directly discharged in the Lakes.

Combined sewer overflow presents both countries with a major problem of considerable expense. Cooperation is needed and both countries should begin working together to develop a program that speaks to this concern. EPA conservatively estimates that $1 billion is needed in the Great Lakes Basin for construction of additional capacity and combined sewers.

Once again, the IJC correctly stated the problem and recommended the correct solution. "These efforts (accelerating the construction program)", the IJC said in 1975, "must be strengthened and in fact accelerated if the water quality objectives are to be achieved by the end of this century."

The IJC's 1975 assessment that "progress in implementing the terms of the 1972 Agreement has been generally slow, uneven, and in certain cases, disappointing," is unfortunately true. I don't believe we are repairing the damage quickly enough. Much more needs to be done.

National attention should be focused on the Great Lakes and national resources should be allocated to rapidly solving the policy and administrative problems that currently exist. When I return to Washington, I intend to introduce a three point legislative program to clean up "the mess in the U.S." I intend to press for early hearings and swift Congressional action on this package.

There is very strong public support for such a program to accelerate America's water pollution abatement effort. A Harris poll taken in late last November showed that 67 percent of the people surveyed considered water pollution a serious problem. The degree of concern expressed by this poll is up 16 percent over a similar poll taken a little over a year ago. Most of the people questioned by the Harris organization last November correctly believe the U.S. Government is not doing an adequate job to abate water pollution.

The first major component of my legislative program will focus national leadership on the complex problems that confront the Great Lakes. The three point package will settle the internal EPA problems and make the Great Lakes a national issue of high priority.

To begin this process, I intend to revise and reintroduce S. 2797, a bill I sponsored in the 93rd Congress that deals with the organization of the American half of the International Joint Commission. This legislation, if enacted into law, will: (a) establish a fixed five-year term of office for the American Commissioners, and (b) require that no more than two of the Commissioners be members of the same political party, making the American side bi-partisan.

This legislation will upgrade the stature of the Commission and strengthen its policy-making role. To be truly effective in recommending actions to the American Government, the Commissioners should have the full support and confidence of both the President and the Congress. S. 2797 will give the Commission that important support.

Second, I intend to introduce legislation to formally establish an Office of Great Lakes Research within the Region V EPA Headquarters in Chicago. This office will be charged with the responsibility to develop, coordinate, and implement a baseline ecological research program for the Great Lakes. The responsibility for such a program will rest with the Regional Office, not with Washington. I will propose a five-year authorization level of $25 million, $5 million a year for FY '78–FY '82. According to a confidential memo prepared by EPA, "to understand and protect the Great Lakes ecosystem, as called for in the Agreement, optimum funding would have to be provided." This five-year authorization represents EPA's estimate of that optimum funding level.

Moreover, I will press hard for a reivew of the EPA's surveillance and analysis program. We need to upgrade and expand this effort. I will propose that the Great Lakes S&A pro-

gram be funded at a $2.5 million annual level for the five-year FY'78–FY'82 period. According to the confidential EPA memo, "while this funding increase will not achieve parity with the Canadians or fulfill the IJC's program, it would be a major step in the right direction." As you know, the S&A program primarily is intended to provide information to address water quality issues and to assess achievement of water quality objectives.

Currently a little more than one percent of the total Agency's Research and Development budget can be directly identified with the Great Lakes. When one considers that these Lakes represent 97 percent of the nation's contiguous fresh water storage, excluding Alaska and Hawaii, one cannot help to conclude that the extent of the R&D budget for the Great Lakes must be considerably expanded.

By establishing this office and securing funding, the Agency will be able to move ahead and expand its basic research program in the toxic and hazardous substances field. We need an effective program that will help us understand the ecology of the Lakes. We need an effective program to monitor and properly interpret the current status of the Lakes. We need a program that can effectively assess any adverse changes in water quality. And we need a program to develop strong abatement efforts. We do not have such a program now.

Third, I will introduce legislation to ban the use of phosphorus in cleaning agents and detergents in any of the Great Lakes Basin states. A 0.5 percent limit by weight limitation would be statutorily established by the bill. The legislation would become effective within six months of the date of enactment. The EPA would be directed to evaluate the feasibility and advisibility of extending this ban nationwide and report back to the Congress.

The Nixon-Ford Administration's program of limiting the discharge of phosphorus by requiring advance and very expensive technology to be added to municipal sewage treatment plants will not stop the rapid aging and dying of these Great Lakes. This program has failed to save the Lakes. A new approach is needed.

Recent scientific studies have confirmed phosphorus as the Lakes' limiting factor. Excess phosphorus is the problem and detergents are the principle manmade source of the phosphorus. Studies done by the Chicago Metropolitan Sanitary District and the State of Indiana indicate that alternatives are readily available and depending on the hardness of the water, cost the consumer about the same.

This controversy has been continuing since the early 1960s. It is time we corrected a mistake in judgement and did something about it.

If this three point call for action becomes law, the U.S. will once again be full partners with Canada in a strong and vigorous program to clean up the Great Lakes. The moral and legal requirements are clear and cannot be disputed. More than adequate scientific and technical data exist to fully support the programs and policies contained in this proposed legislative program. All that is lacking is the will to commit the funds and manpower for the abatement program and research. The reform of the IJC and the phosphorus ban can be enacted with no direct cost to the Federal taxpayer. The additional research program and the acceleration of the municipal treatment and combined sewer programs can only be viewed as investments in the future.

It is obvious that these national treasures have enormous problems that require Federal attention. It is also clear that the Canadians have done a better overall job than the U.S. in meeting its moral, legal, and environmental obligations. This is a logical time for the U.S. to make major changes in its attitudes and programs. I ask you to join with me in supporting this legislative package to save the Great Lakes from further degradation.

MOBILIZING MATURE MANPOWER

Mr. PERCY. Mr. President, I would like to discuss briefly a valuable resource which we, in this country, are wasting each day. I am speaking of the talents of older Americans. More than 4,000 Americans reach the age of 65 each day. On retirement day they are automatically treated as "old" by employers, government agencies and society in general. Retired persons are denied the right to continue holding the job they spent many years learning and the job they know best.

People do not just suddenly become aged on their 65th birthday. People age gradually during their lifetime, some more rapidly than others. Growing evidence indicates that forced retirement accelerates the aging process. It has been proven that emotional, psychological and physical problems can be brought on or even aggravated when an older person has been forced to leave his job and remove himself from the job market.

Mandatory retirement results in an enormous waste of human talent. Polls have shown that thousands of workers in this country would prefer to continue to be productive members of society. According to several local court decisions, forced retirement may even be a violation of due process. The issue may eventually come before the U.S. Supreme Court, but if the judicial branch does not reckon with the issue of mandatory retirement, then Congress must.

A phased retirement policy should be considered. There is ample precedent in other countries for such a policy. Such a policy could reduce drastically the "retirement shock" experienced by millions of retired persons in this country. The time has come for us to address the injustices of mandatory retirement.

I recently learned about a reitrement plan from a Washington, D.C. resident, Morton Weiss, which I think deserves mention. He calls his phased retirement plan, "Mobilizing Mature Manpower."

An article about Mr. Weiss' plan was published in the Cincinnati Enquirer.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CREATIVE USE OF RETIREMENT

Just because a man hits 65 and leaves a payroll is no sign his brain or imagination ceases to function. Yet society's principal message to him, all too often, is simply, "go fishin'."

For some men (and their wives), enforced idleness is too much. Psychologists compare what sometimes happens to a business executive in retirement, for example, with the deep-sea diver for whom the pressure lifts too suddenly and the "bends" result.

Such groups as the American Association of Retired Persons have given the problem a lot of attention in recent years, of course. But a lot more, we believe, needs to be given.

So we were pleased to learn of an idea put forward in Washington by Morton D. Weiss, 71, a retired government research and finance expert, for the creative use of retirees with lively minds and proven ability. Mr. Weiss' plan is simply this: Permit retirees from the scientific community and such agencies as the Commerce Department to rent office space at a nominal fee, in a private building downtown, then let them use it as they see fit.

Mr. Weiss' thesis is that able, creative minds, spent in many years on the job, "need time to reflect, and retirement gives them that time. But then they also need to come together, and when that happens, the results could be plans, projects and ideas in the national interest."

Maybe such an approach would prove impractical, though on its face it seems to have a lot of logic. In any case, Mr. Weiss, married to the former Dena G. Morgenstern of Cincinnati, is actively pursuing it with private interests in the nation's capital. The federal establishment has surely spawned many a "pilot project" with what seemed a lot less potential than his idea. Moreover, Mr. Weiss' experiment would cost a pittance of even the most humble federal undertaking.

We wish him well, then, in his proposed venture. Certainly not all good ideas from Washington have to flow from the public sector (and treasury).

ENDORSEMENTS FOR COMPREHENSIVE YOUTH EMPLOYMENT ACT

Mr. HUMPHREY. Mr. President, I am very pleased to bring to the attention of my colleagues two endorsements I recently received for S. 170, the Comprehensive Youth Employment Act of 1977, from Hoaliku L. Drake, director of the Office of Human Resources for the city and county of Honolulu, Hawaii, and from Mr. George E. Leonard, the president of the National Vocational Guidance Association.

No one knows the problems of youth unemployment better than the local mayors and city officials who daily confront the alienation of jobless youths, the drug addiction and crime which come out of youth unemployment, and the specter of youths wandering aimlessly while there is important work to be done. Mrs. Drake's letter describes the youth unemployment problem in Honolulu, and it could probably have been written by many other mayors or city officials throughout the rest of the country as well.

Mr. Leonard, on behalf of the National Vocational Guidance Association, which represents more than 10,000 counselors nationwide, wrote in strong support of this piece of legislation. I hope Congress will share the concern of these counselors about this critical problem and enact youth employment legislation swiftly.

Mr. President, I ask unanimous consent that Mrs. Drake's letter and Mr. Leonard's mailgram be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CITY AND COUNTY OF HONOLULU,
Honolulu, Hawaii.

Senator HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee, Congress of the United States, Washington, D.C.

DEAR SENATOR HUMPHREY: The implications for benefit to Honolulu's youth in your Comprehensive Youth Employment Act of 1977 are tremendous. I congratulate you on

the creative and thoughtful drafting of S. 170.

Our concern for our youth is particularly grave in the context of the unfavorable job market here. As young people become increasingly discouraged at their inability to find jobs, their alienation from society increases. All of our studies mark the strong correlation between the lack of employment opportunity and the increase in criminal behavior.

The City and County of Honolulu, comprising all of the island of Oahu, has a current unemployment rate of 8.8%. Figures for insured unemployed show persons under 25 as 22% of Oahu's unemployed. However, as this does not reflect the numbers of young people seeking employment for the first time, we estimate the actual unemployment ratio of our young people as being much higher than this. Particularly in the age group of 16–19 years old to which your legislation addresses itself, we would estimate close to 50% unemployed. The serious dangers in this alarm us.

For these reasons, the Bill you have introduced is of tremendous importance to us. We pray for its successful passage.

We are already starting planning so that we will have solid projects ready to go as soon as S. 170 becomes law.

We applaud your informed concern for the young people of the nation.

With Warmest Aloha,

HOALIKU L. DRAKE,
Director, Office of Human Resources.

Hon. HUBERT HUMPHREY,
Russell Senate Office Building,
Washington, D.C.

The landmark legislation you have introduced as the Comprehensive Youth Employment Act of 1977 (S–170) represents a giant leap forward in regard to human resources policy which can benefit our youth.

The intelligence shown in the formulation of this legislation regarding coordination of agencies and personnel in both the public and private sectors is found from both theorectical and practical view points. Speaking for over 10,000 counselors serving at all educational levels in both sectors we stand ready to support the legislation, and to accept the challenge its alternate passage presents to our profession.

GEORGE E. LEONARD,
President, National Vocational Guidance Association, a division of the American Personnel and Guidance Association, College of Education, Wayne State University, Detroit, Mich.

U.S. ENERGY DILEMMA

Mr. BELLMON. Mr. President, recently an article appeared in the Daily Oklahoman explaining how the American petroleum industry is responding to the challenge of our fuel-short times.

The article quoted the American Petroleum Institute as saying that the oil industry has increased its refining capacity by 51 percent over the past 10 years. This is not the work of an industry conspiring against the American people as some would have us believe. It is, instead, a product of one segment of our free enterprise system, striving to meet consumer demands.

I wish that I could say that we in government have responded as well to the energy needs of the American people. The natural gas crisis proves that we have not.

We have not adopted a national energy policy, but hopefully that will change in the coming months of this first session of the 95th Congress.

As is pointed out in the Oklahoman's article, the Members of the two Houses must prepare and present to the people an energy policy that is realistic and unselfish. The policy must recognize the need for energy conservation and look to the future when we must utilize alternate energy sources since the time is coming when we will no longer be able to rely upon petroleum reserves which have powered this Nation for many decades.

Mr. President, because the Daily Oklahoman's article explains some of the basic problems facing the petroleum industry and our Nation as a whole and would, therefore, be helpful to my colleagues in the Senate, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Daily Oklahoman, Feb. 21, 1977]

FROM BAD TO WORSE

There is good news and bad news in the American Petroleum Institute's annual report for 1976, but the bad far outweighs the good.

First, two nuggets of good news. U.S. refinery capacity reached a new high of 16.1 million barrels a day, an increase of slightly more than 5 per cent over 1975.

And despite obstacles imposed by opposition on sites, air and water quality standards, and the enormous capital investment required, the American petroleum industry managed to boost total domestic refining capacity by 51 per cent over the past 10 years.

The past year also saw the industry compile its best drilling record since 1964, an indication that oilmen are responding to the challenge posed by increasing dependence on foreign sources.

An estimated 39,763 wells were completed, up about 7 per cent over 1975 and 50 percent higher than the level of drilling activity in 1973 when the Arab oil embargo made the energy crisis a household phrase.

At that point, however, the good news runs out and the bad news starts flowing.

First, the United States was forced to rely on imports for 42 per cent of its oil consumption during 1976, an all-time high dependency mark. That represented an increase of 28 per cent over the level of crude oil imports in 1975.

And that's only the beginning of the bad news. U.S. production of crude oil and natural gas declined 2.8 per cent from the previous year's output—the sixth consecutive year of falling production despite increased drilling activity.

About one-fourth of all the wells completed during the year were exploratory—and 74 per cent of them resulted in dry holes. Overall, the sucess ratio of total drilling was 43 per cent for oil, 23 per cent for gas, and 34 per cent found nothing.

Meanwhile, the estimated average daily demand for petroleum products inched upward to a new peak of 17.4 million barrels daily after slight reductions in 1974 and 1975.

There is a message three-fold in those gloomy figures which all Americans, and especially the 95th Congress, should take to heart.

One is that practical and effective energy conservation must become a way of life for both individuals and industries. Another is that unrealistic and selfish minority interests should not be permitted to further delay the exploration and development of additional oil reserves both inland and offshore.

And finally, the figures argue convincingly that failure to embark upon development of alternate energy resources, particularly coal and nuclear power, will amount to national economic suicide.

ARTICLE III OF THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, many people in opposition to the Genocide Convention believe that U.S. ratification of this treaty will destroy free speech in America. Article III specifies that five acts involving genocide shall be punishable. These acts are: The crime of genocide itself; conspiracy to commit genocide; direct and public incitement to commit genocide; attempt to commit genocide; and complicity in genocide. They fear that this article of the Convention will empower the Government to prevent citizens from exercising their constitutional right to speak as they please.

Two major flaws exist in this "freedom of speech" argument. First it overlooks the first amendment to the Constitution which specifically guarantees all Americans the right of free speech. Article VI says that the Constitution is the supreme law of the land. Acts of Congress and treaties are also the supreme law of the land when they conform to the Constitution. The U.S. Supreme Court and other Federal courts have consistently maintained that acts of Congress and treaties must conform to the Constitution and where they do not they are null and void. Thus the Genocide Convention cannot in any way abridge the freedom of speech guaranteed under the Constitution.

Second, the crime defined in article III of the convention is "direct and public incitement to commit genocide." To prohibit public incitement to commit genocide would not be an abridgement of free speech. It has long been recognized that the first amendment does not give a person the right to say anything he wants. A person cannot speak a libel. A person cannot give false evidence under oath. A person cannot incite others to commit any crime, whether murder, arson, or if this treaty is ratified and the implementing legislation is enacted, genocide.

Mr. President, perhaps with a clearer understanding of the provisions of article III, my colleagues will want to act more swiftly in ratifying this convention.

TRIBUTE TO MRS. KATHARINE E. BYRON

Mr. MATHIAS. Mr. President, the death of Mrs. Katharine Edgar Byron just after Christmas cast a pall on Marylanders during the final days of our Bicentennial year. Mrs. Byron, mother of my friend, neighbor and colleague Representative GOODLOE E. BYRON of Frederick, Md., was Maryland's first woman Member of Congress and she did the Free State proud.

Katharine Byron was a remarkable, vibrant woman whose death is a very great loss to all who knew her. But, of one thing I am absolutely certain, Mrs. Byron will never be forgotten. If part of immortality is the memories we leave with other people, I can personally guarantee a little piece of it to Katharine Byron. This indomitable woman provided me with what was certainly the most memorable experience of my youth.

On December 7, 1941, when the news of Pearl Harbor hit Haverford College, I and several other students left immediately for Washington. I will never forget our arrival at dawn the next day. There were machine gun emplacements at the Lincoln Memorial and at other strategic spots along the Mall where the temporary buildings leftover from World War I still housed the Navy Department.

I headed for the Congress and camped in Katharine Byron's office. I knew the President was coming to the Capitol to seek a declaration of war and I was determined to be present on that historic occasion.

The Capitol was in chaos. There was no established procedure for a joint session to hear the President ask for a declaration of war. But everyone in Washington and many, like me, from outside of the city had converged on the Capitol to participate in that momentous event.

Congresswoman Byron was more than equal to such a situation. She penned me a "To Whom It May Concern" letter and she and her able assistant Helen Potts—now Mrs. E. DeLong Bowman of The Plains, Va.—urged me to press forward.

I remember vividly walking through the tunnel from the House to the Capitol that day. Soldiers were stationed every 5 or 10 feet along the tunnel with bayonets fixed.

Although security was tighter than I have ever seen it since, such was the force of Mrs. Byron's name that her "To Whom It May Concern" letter got me past every barrier to the House Galleries. There was not a seat anywhere. But, the guard took one look at that signature on my letter and allowed me, against all rule and custom, to stand at the back of the gallery.

And so, thanks to the force of Katharine Byron's name alone, I heard President Franklin Delano Roosevelt pronounce the words, "December 7, 1941, is a day that will live in infamy * * *"

I will never forget that experience. I will never forget Katharine Byron. And so that my colleagues may fully appreciate this amazing woman, I ask unanimous consent that the account of her life that appeared in the Frederick Post, December 29, 1976, be printed in the RECORD. This account includes the very moving words Mrs. Byron herself spoke in support of the declaration of war.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KATHARINE E. BYRON, STATE'S FIRST WOMAN CONGRESSWOMAN, DIES

Mrs. Katharine Edgar Byron, Maryland's first woman member of Congress and mother of 6th District Congressman Goodloe E. Byron of Frederick, died early Tuesday at her Washington, D.C., home. She was 74.

Mrs. Byron served in Congress from May 27, 1941, until Jan. 3, 1943, representing the 6th District of Maryland. She was elected to the House of Representatives in special balloting in May, 1941, and filled the unexpired term of her husband, Democrat William D. Byron, who died in a plane crash near Atlanta, Ga., three months earlier.

Running on a platform of carrying out her husband's programs, Mrs. Byron defeated Charles Stewart of Frostburg, but did not run for re-election in 1942. She stayed in Washington, but remained active in Western Maryland politics.

She was the daughter of Brigadier General Clinton Goodlow Edgar and Mary McComas Edgar. Her grandfather, Louis Emory McComas, also represented Maryland's 6th District in Congress from 1883–1891 and was a U.S. Senator from 1899–1905.

Mrs. Byron was born Oct. 25, 1902, in Detroit, Mich. She attended the Liggett School, Detroit; Westover School, Middlebury, Conn., and Holton Arms School, Washington, D.C.

She moved to Williamsport in 1922 and married William D. Byron, who served in Congress from 1938 until his death in 1941. Mrs. Byron was president of the Parent-Teachers Association of Williamsport in 1935, chairman of the Red Cross flood disaster committee of Williamsport in 1936, town commissioner of Williamsport 1938–1940, and was elected to Congress in 1941.

Her election campaign and service in Congress was characterized by her advocacy of a strong position in opposition to Hitler's early aggression in Europe. Because of her advocacy of this position, she was chosen by Speaker Sam Rayburn to give one of five speeches on Dec. 8, 1941, in favor of President Franklin D. Roosevelt's request for a Declaration of War against Japan.

Her total dedication to her country is exemplified in this speech, as she said, "I am willing to give my sons to their country's defense. I am 100 percent in favor of avenging the wrong done our country and maintaining our country's honor. We must go into this thing to beat the Japanese aggressor. I shall do everything by voice, by vote, everything within my power to bring about this end."

She was a member of Christ Episcopal Church in Georgetown, the Army-Navy Club of Washington, D.C., the National Capital Democratic Club, the Arts Club, Washington, D.C., the Women's National Democratic Club, the Capital Democratic Club, and the Congressional Club.

She is survived by four sons, William D., James E., Goodloe E., and Louis McC. A fifth son, David, died in 1964. Her 17 grandchildren are William D. IV, Susan, Sandra, James E. Jr., Sally L., Keith, Catharine D., Goodloe E. Jr., Barton K., Mary McC., William McC., Susanne, Melissa, David W. II, Louis McC., Thomas McC., and Winston Scott Byron, and one great-grandchild.

Funeral arrangements are being handled by Wawlers of Washington, D.C. Friends may call at the Byron home at 3202 Scott Place, N.W., Washington, D.C. between 3–5 and 7–9 p.m. Thursday, Dec. 30. Services will be held at Christ Church in Georgetown at 11 a.m. Friday, Dec. 31. Interment will be at 2:30 p.m. at Riverside Cemetery, Williamsport.

RESULTS OF CEA COLD WEATHER STUDY

Mr. HUMPHREY. Mr. President, a lukewarm economic recovery has run into a very severe winter. Families will be spending more to heat their homes, many plants were temporarily closed and hundreds of thousands of workers suffered short-term unemployment. In an attempt to measure the quantitative impact of the cold weather, I asked the Congressional Research Service, CRS, of the Library of Congress to prepare an estimate of how much more consumers would spend on their home heating bills this winter compared to last. The CRS estimate, prepared by John W. Jimison, indicated that home heating bills would rise by $8.4 billion.

Mr. President, I wanted to gage the administration's thinking on the impact of the cold weather on the economy. I asked Charles Schultz, Chairman of the Council of Economic Advisers, CEA, to give the CEA's best estimate.

According to a study that I received on February 21, 1977, home heating bills will rise by between $2 and $5 billion. The difference between the two figures reflects different assumptions about the weather—the lower figure is based on a return to normal temperatures in mid-February while the higher figure assumes the cold wave will persist throughout the remainder of the winter.

In addition to higher heating bills, the CEA study predicts that the cold weather will cause a loss of $100 million in vegetables and $50 to $100 million in citrus fruit. Overall, the CEA projects that the real rate of growth in GNP will drop by one-half to 1 percentage point in the first quarter of 1977.

The CEA forecast remains basically optimistic. The Council expects that almost all the first quarter loss to GNP will be made up by the end of calendar 1977. But there are yet other problems ahead for the American economy. The relatively sanguine view of the CEA does not take account of possible floods this spring, drought in the West and Midwest, or the need to curtail production while the inventories of natural gas are replaced. Nor does the CEA analysis take account of the impact the cold weather may have on business or consumer confidence.

Mr. President, I remain apprehensive about what the cold weather may do to the economy. But the CEA study is a careful and useful first look at what the winter damage to the economy has been. I ask unanimous consent that the full CEA study be printed in the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

THE CHAIRMAN OF THE COUNCIL OF ECONOMIC ADVISERS,
Washington, D.C., February 21, 1977.

Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: I am sending along a copy of the Council of Economic Advisers' study on the economic impact of the cold weather we have experienced this winter.

The contents of this study are, I hope, responsive to the request you made to me for counsel on this matter. I hope the report is of use of you and to the Joint Economic Committee.

Sincerely,

CHARLES L. SHULTZE.

Enclosure.

ASSESSMENT OF THE PROBABLE EFFECTS OF THE COLD WEATHER ON THE PERFORMANCE OF THE ECONOMY IN 1977

SUMMARY

Assessment of the economic effects of the cold winter weather and of natural gas shortages is fraught with hazard. Weather prospects for the remainder of the winter are uncertain; data on plant shutdowns and curtailments of construction and other forms of economic activity during the first quarter are fragmentary; and the effects of the cold weather on business and consumer confidence remain problematical.

Based on such information as we have been able to glean, our tentative conclusions are these:

1. Production curtailments because of natural gas shortages and cold weather will have a significant, but largely temporary, depressing effect on total real output of goods and

services in the first quarter of this year. Real output will still rise appreciably, but the level for the quarter may be from ½ percent to 1 percent below earlier expectations. These production losses will be largely made up by the fourth quarter of 1977.

2 Because of additional consumer expenditures for fuels, and to a lesser extent because of higher food prices, consumer expenditures for other goods and services will rise slightly less during 1977 than had been anticipated The magnitude will be quite small if normal weather prevails for the rest of the heating season and somewhat larger if abnormally cold weather returns.

3. Prices will increase somewhat faster in 1977 because of the cold weather. Increases in demands for fuels will lead to an increase in oil imports and hence to a rise in the average price of a barrel of oil, and to some increase in prices of gasoline and heating fuels. Emergency sales of natural gas may lead to a small rise in natural gas prices. Because of crop damage in Florida, fresh fruit and vegetable prices will be sharply higher through the remainder of the winter and early spring months. As a rough estimate, the annual rate of increase in consumer prices during the first half of this year may be about ¾ of one percent higher because of the cold weather than had been anticipated. The underlying rate of inflation, however, is unlikely to be affected by these developments, and remains in the range of 5 to 6 percent.

4. The dampening effect on the overall rate of economic expansion from these developments will be mild. If temperatures stay close to normal for the rest of the heating season, the real GNP by the fourth quarter of this year is not likely to be accepted significantly. If abnormal cold returns for a lengthy period, the fourth quarter effect could be observable, but still modest—perhaps reducing real GNP in that quarter by about 0.2 percent below earlier projections.

This assessment makes no allowance for possible ice jams and floods related to the cold weather that may develop this spring, or for continuing shutdowns of industrial plants—to restore inventories of natural gas—on a significant scale after April. Also, the estimated effect on consumer prices makes no allowances for developments unrelated to the cold weather. There are substantial uncertainties at the present time with regard to the effects on agricultural production and food prices of water shortage in the West and the potential for drought in the grain belt.

WEATHER ASSUMPTIONS

Estimates of the effects of cold weather on usage of fuels depend on the extent of subnormal temperatures, the time period over which subnormal temperatures persist, and the size of the population. Weather severity for this purpose is conventionally measured as the number of degree days (weighted by population) relative to earlier periods. As of the end of January 1977, the population-weighted number of degree days was 38 percent above the winter of 1975–1976 and 22 percent above the average of the last 30 years.

For purposes of this assessment, two assumptions have been made about the weather for the remainder of the heating season:

(1) A return of temperature and fuel consumption to normal about mid-February. Under this optimistic assumption, degree days for the entire winter would be about 14 percent above normal and 28 percent above last year.

(2) A continuation over the remainder of the heating season of cold weather as severe, relative to normal, as the period through the end of January. Under this pessimistic assumption, degree days for the entire winter would be 23 percent above normal and 38 percent above last year.

PRODUCTION ADJUSTMENTS IN THE FIRST QUARTER

As yet, there are relatively few hard facts about the effects of the cold weather on production and employment in the first quarter. Residential construction is being curtailed, as is industrial production. In January, new housing starts fell sharply—particularly in the North Central and North Eastern States—and industrial output declined an estimated one percent. However, a large number of the industrial plants that were shut down in the latter half of January and early February by shortages of natural gas cold weather, or heavy snow have already reopened, and activity on many construction sites has probably resumed also.

Since the middle of January, the U.S. Departments of Labor and Commerce have made efforts to develop as much information as possible on the extent to which fuel shortages or cold weather have curtailed enployment. These estimates are subject to an extremely high degree of uncertainty, but they are the best available. It appears that workers off the job for reasons related to weather rose to a peak level in the neighborhood of 1¼ to 1¾ million during the first week of February. Since then, the number has declined steadily to around ½ million by the middle of February.

Based on our optimistic weather assumptions and these estimates of employment losses to date, we believe that manhours lost due to plant shutdowns and curtailment of construction activity during the first quarter might total about 0.3 to 0.4 percent of total manhours worked. If the pessimistic weather assumption proves correct, the proportion of aggregate manhours lost due to the weather might run as high as 0.6 to 0.8 percent.

In translating these figures into estimates of lost production, we have made allowance for the possibility that widespread plant shutdowns may affect productivity adversely. Accordingly, our estimates of weather-related output losses during the first quarter range from ½ percent to 1 percent.

Offsetting these losses of output in manufacturing and construction in weather-affected areas will be increases in consumer expenditures for fuels that will probably not be offset fully by reduced consumer expenditures for other goods and services or by reductions in fuel inventories. As a rough estimate, the addition to measured real GNP from this source during the first quarter will range from 0.1 to 0.2 percent.

The net reduction in real GNP during the first quarter due to weather-related phenomena would thus be in the range of 0.4 to 0.8 percent.

CONSUMER EXPENDITURES ON FUEL

Consumer expenditures on fuel will be substantially larger this winter than last. Prices of energy items in the consumer price index have been rising rapidly since May 1976; the quantity of fuel purchased will be much higher this winter because of the cold weather, and this larger quantity purchased will itself tend to exert some upward pressure on fuel prices.

To obtain estimates of the effects of cold weather on the consumer fuel bill, it is important not to include the increase in expenditures over last year that is attributable to the general rise of energy prices since last year. That had already been allowed for in our earlier projections of economic activity during 1977. What is needed is an estimate of the additional expenditures for fuel associated entirely with the cold weather.

Based on statistical studies of past relationships between temperature and fuel usage, the cold weather is expected to lead to residential fuel bills that are $2 to $5 billion higher for the entire winter of 1976–1977 than had been anticipated—toward the lower end of the range if our optimistic weather assumption obtains; toward the upper end of the range if the pessimistic assumption proves to be correct.

AGRICULTURAL PRODUCTION

The Florida freeze destroyed a large portion of Florida tomatoes and other cold-sensitive vegetables, and damaged a substantial part of the Florida citrus fruits. It is estimated that the loss of vegetables will be approximately $100 million, and of citrus fruits between $50 million and $100 million, at last year's prices.

The impact of these losses will show up in higher consumer prices for fresh fruits and vegetables for the remaining winter and early spring months. The particular vegetables lost in the Florida freeze have a relatively high weight in the consumer price index, and that weight will rise as a consequence of higher prices. We estimate that the annual rate of increase of the total CPI may be boosted by ½ of one percent during the first half of 1977 due to price increases for fresh fruits and vegetables.

EFFECTS ON ECONOMIC PERFORMANCE OVER THE REMAINDER OF 1977

To assess the significance of the cold weather on longer run economic performance, it seems desirable from a conceptual standpoint to distinguish carefully between the effects of plant shutdowns and work stoppages in the first quarter, and the effects of additional consumer expenditures for fuel because of the cold weather.

Additional purchases by consumers of fuels will tend to reduce consumer spending on other goods and services. To be sure, the funds going into additional fuel expenditures will not be entirely lost to the spending stream. Part of these added outlays will result in additional oil imports in 1977—and to higher receipts by oil-exporting nations. Eventually, some of the dollars going abroad will work their way back into the spending stream through larger demands for our exports. Another part of the added outlays for fuel will accrue to domestic producers and distributors of fuel, or to electric utilities, mainly in the form of higher profits, and this will eventually result in higher dividend payments or larger investments. But the return of these funds to the spending stream may occur mainly in 1978 or later years, rather than in 1977. As a result, the drain of consumer purchasing power stemming from higher fuel bills will tend to exert a dampening influence on the rate of economic expansion during the course of this year.[1]

This drain of purchasing power due to higher fuel bills is a once-for-all loss rather than a continuing drag on consumer real incomes. The adverse effect on economic growth is therefore unlikely to be either large or long lasting. The results of simulations on an econometric model suggest that if additional consumer fuel expenditures for the heating season were to equal or somewhat exceed the upper limit of our estimate—$5 billion—real GNP by the fourth quarter of 1977 would be only about 0.1 to 0.2 percent below our earlier expectations.

Turning to the potential longer-run effects of the production loss in the first

[1] A similar argument could be made about additional consumer expenditures for food because of rising food prices. The resulting enlargement of farm income—at the expense of real incomes of wage and salary workers—might result in some reduction in aggregate demand because farmers may spend less of their additional income on goods and services this year than wage and salary workers would have. The return of funds to the spending stream in this case, however, is likely to be much larger and more prompt than is the case with additional consumer fuel expenditures, and the magnitudes, in any event, are much smaller.

quarter, note first that the estimated magnitude of this loss is no larger than has sometimes occurred during a strike in a major industry. For example, a strike at a major auto manufacturing company in the fourth quarter of 1970 reduced auto output by more than one percent of real GNP—an amount greater than our higher estimate of the output loss in the first quarter of 1977.

Apart from responses of the economy to major strikes, there is little or no empirical evidence available to judge how the economy's longer-run performance might be affected by a development of this kind. It seems reasonable to expect, however, that both producers and consumers will recognize the transitory character of the work stoppages and will hold to their longer-range spending plans. Plants shut down in the first quarter will tend to work overtime later in the year, and the loss of wages and salaries during the first quarter will thereby be made up. Workers off the job in late January or early February will tend to maintain their consumption expenditures by digging into savings, and later build up their savings funds again.

A good part of the production loss—though probably not all of it—may be made up in the second quarter. We believe that virtually all of this loss will have been made up by the fourth quarter.

CONCLUDING REMARKS

Our overall judgment is that total real output of goods and services in the last quarter of 1977 will only be slightly affected by the cold weather. This effect could range from near zero to about an 0.2 percent reduction, depending on whether not severe cold returns over the remainder of the winter. Even the maximum loss would be well within the range of normal forecast error.

It must be emphasized, however, that the economic outlook for 1977 has become considerably more uncertain because of adverse weather. As noted earlier, we have made no allowance in our assessment for several possibilities that may eventuate—such as floods this spring, continuing work stoppages to restore inventories of natural gas, or drought in the Mid-West and the West. Nor can we take into account such imponderables as the effect of the weather on consumer and business confidence. Thus, while our point estimates of output and employment in the fourth quarter of 1977 remain essentially unchanged, there is now a larger band of uncertainty surrounding them.

THE DEPARTURE OF JOHN GARDNER: A LOSS AND A GAIN

Mr. PERCY. Mr. President, if one were to ask a man on the street what the term citizen action meant to him, he would almost certainly respond with some mention of Common Cause, the citizens' lobbying organization.

During its 7 year existence, Common Cause has been directly involved with some major reforms in our system of government. Because of this highly effective organization, the American people have a more responsive and more open government today than they had seven years ago. And the work of Common Cause has only just begun.

But the future work of the lobby will no longer be directed by the man who is responsible for its creation, organization, and ultimate success. John Gardner has decided to step down as chairman of Common Cause.

In an article which appeared in the Wall Street Journal on February 18, Arthur R. Hunt commented, "Essentially Common Cause has proved the validity of two elemental, but sometimes forgotten ideas. The first is that the processes of government must be made to work well before citizens can have much impact on specific policy decision. The second is that although it is difficult, you can fight city hall." Mr. Gardiner's role in proving these two points cannot be overstated.

Few private citizens have influenced the manner in which our country is governed the way Mr. Gardner has. He shall surely be missed. But we can all be consoled by the fact that he is leaving behind a strong organization, the work of which shall continue to make our Government a better one.

I ask unanimous consent that Mr. Hunt's article entitled, "John Gardner's Enduring Legacy in Common Cause" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOHN GARDNER'S ENDURING LEGACY IN COMMON CAUSE

(By Albert R. Hunt)

WASHINGTON.—Back in 1970 John Gardner announced he was starting an organization called Common Cause. Its purpose, he said, was nothing less than to achieve fundamental reforms in the American governmental system.

A lot of people laughed.

Washington cynics said the former Secretary of Health, Education, and Welfare obviously intended for the organization to serve mainly as a device for furthering his presidential ambitions. They said he was too patrician and cerebral to lead the tough kind of political fights he was talking about. They said the whole idea of Common Clause was hopelessly naive.

Today, Mr. Gardner is preparing to step down as chairman of Common Cause. Among several other achievements during his tenure, he has proved the cynics wrong. The 64-year-old Mr. Gardner and his organization have clearly demonstrated that determined citizens can actually reshape their government.

Naturally, Common Cause has made mistakes. But overall it has pursued its goals with an effective degree of shrewdness and tenacity. As a result, it is widely acknowledged now as one of the most influential lobbying organizations in Washington and elsewhere around the country.

Common Cause was a major influence in setting off a recent series of basic reforms in the way Congress operates. It had a lot to do with the big changes that lately have occurred in the financing of political campaigns. And from its inception it has consistently pushed for the "open government" concept that Jimmy Carter now preaches.

Mr. Gardner never made it to the Oval Office; in fact he never tried. But it's likely that few private citizens have had as lasting an impact on the governmental system as he.

Essentially, Common Cause has proved the validity of two elemental, but sometimes forgotten, ideas. The first is that the processes of government must be made to work well before citizens can have much impact on specific policy decisions. The second is that although it's difficult, you *can* fight city hall.

Even though Mr. Gardner and his organization frequently are assailed by the political right, these themes transcend ideology. The problems of secrecy and the need for accountability by government officials are as important to conservatives as to liberals. And the notion of effective citizen action hardly is a radical idea.

"There isn't any possibility that we can make power less seductive," Mr. Gardner said in an interview in the New Yorker magazine several years ago. "What we can do is to devise realistic arrangements that will make it more difficult for officials to separate the citizens from the levers of power and much more difficult for a tightly knit inner circle to monopolize those levers."

Operating under the maxim that "accountability is at the heart of free self-government," Mr. Gardner frequently has riled entrenched interests in an effort to achieve a more democratic system. Surprisingly often, he has succeeded.

Common Cause deserves at least part of the credit for several changes in government procedures that recently have occurred, or that are about to occur.

Some examples: Nearly all congressional committees now operate only in open sessions. Congress is preparing to pass legislation requiring lobbyists to disclose their activities. Lawmakers are expected to adopt soon a strict ethics code for themselves. California voters approved a measure minimizing government secrecy and putting restrictions on political contributions. A new Michigan law provides for taxpayer-financing of that state's gubernatorial campaign. Florida has adopted tough financial disclosure requirements for elected officials there.

Certainly the public revulsion over the Watergate affair was a big factor in some of these developments. But when Mr. Gardner and Common Cause began pushing for such changes, Watergate was nothing more than a big apartment complex on the Potomac.

In 1971, for instance, Common Cause began lobbying to end the automatic seniority system in the House by requiring that committee chairmen be directly elected by their party caucus. Skeptics doubted that such a significant change was possible, but by 1975 it had happened.

Three committee chairmen were unseated two years ago, and this year one appropriations subcommittee chairman was ousted. "The days of the autocratic chairman are over," says a House committee chairman. "You're not going to be dictatorial to people you know can determine your fate."

The secret of Common Cause's success is its members—250,000 of them, each paying at least $15 in annual dues. Congressmen say they are perpetually badgered by letters and visits from these members. During political campaigns, local Common Cause units have been remarkably successful in getting commitments from candidates to fight for positions backed by the organization.

"Our real strength comes from having a cohesive constituency," says David Cohen, president of Common Cause. "This is basic. John Gardner understands that you have to motivate people, that the morale of our society is fundamental to dealing with problems. It's very important that people have a real sense of participation."

It's true that Common Cause members generally are more financially and socially able to participate than other citizens; one lawmaker calls the group's members the "guilty rich."

Whether that assessment applies or not, it is nonetheless salutary for thousands of Americans to band together in an effort to improve the way their government operates. Mr. Gardner, who believes it is time for him to move on to new challenges, has noted that eventually any citizen organization will "grow old and ineffective." But he adds that "the idea of citizen action will continue," and for his role in assuring that, he deserves the nation's thanks.

PAY-AS-YOU-GO CONSTITUTIONAL AMENDMENT—S.J. RES. 26

Mr. STENNIS. Mr. President, I want to commend the distinguished Senator from Nebraska (Mr. CURTIS) for his concern for the public welfare and his sense of fiscal responsibility which have prompted him to once again introduce a joint resolution proposing a pay-as-you-go constitutional amendment. I have been a cosponsor of this resolution in the past, and am pleased to join again with the Senator from Nebraska and others in proposing this amendment.

The proposed amendment is very clear and simple. It would require that any Federal budget deficit be offset by surtax to be levied in the calendar year following the year in which a deficit is incurred. If adopted, the amendment would be self-executing. No discretion on the part of anyone would be involved. If expenditures exceeded revenues a surtax would have to be levied in the following calendar year to balance the budget. The rate of surtax would be determined by the President as a mathematical calculation and would not require the exercise of judgment or discretion.

The sole exception from the requirement for a balanced budget would be that it could be set aside by a three-fourths vote of all Members of each House in case of a grave national emergency. This would be a safety valve available in such cases as a state of declared war or a serious depression.

I do not intend at this time to go into this matter in excessive detail or to cite a great number of facts and figures. However, I do want to point out that since 1950 the Federal budget has been in balance on only five occasions. We have had a deficit every year but once since 1960. The result is and was inevitable. Like the ordinary citizen who does not properly manage his finances and continues to spend more than he earns, we find ourselves deeper and deeper in debt.

As a result of these continuing deficits, the national debt on December 31, 1976, was over $650 billion. Twelve months earlier it was only $577 billion. This is an increase of $73 billion in 1 short year. We are now paying about $42 billion a year in interest on the national debt. This is almost as much as the entire Federal budget for fiscal year 1950.

The Federal deficit in fiscal year 1977 is now estimated at somewhere around $68 billion. This includes the increase in the deficit which will result from the economic stimulus measures recommended by President Carter. We must face the unpleasant fact that the fiscal deficit may be more than $70 billion for fiscal year 1977. For fiscal year 1976 the deficit was about $66 billion.

I would like to point out again, Mr. President, that it took 186 years—until 1962—for the annual total of Federal spending to reach $100 billion. In 1971, only 9 years later, Federal expenditures exceeded $200 billion. In fiscal year 1975, only 4 years after that, the $300 billion mark was passed. In fiscal year 1977 Federal expenditures will certainly exceed the $400 billion level.

To state the matter in a slightly different manner, the cold fact of the situation is that in the last 15 years the Federal budget has seen a four-fold increase—from about $100 billion to more than $400 billion.

Payments by the Federal Government to individuals, to look at only one phase of the budget, have increased according to one estimate from $12 billion in fiscal year 1955 to $167 billion in fiscal year 1977. These payments continue to spiral upward.

I will not prolong this discussion, Mr. President. I do want to say again that the proposed amendment has much to recommend it.

First, it would be self-executing. The imposition of the surtax would be mandatory when expenditures exceeded revenues.

Secondly, the Congress will have the option at the outset to control the expenditures so that the surtax will not be necessary, and if Congress fails to do this, then the people will know exactly what it costs them in added taxes to offset the deficit which the Congress has created.

In my judgment, the adoption of the proposed constitutional amendment would be a giant step toward fiscal responsibility and financial integrity, and would effectively prohibit the Congress from continuing to mortgage the Nation's future in such excessive amounts.

I say once again, Mr. President, that I am proud to cosponsor this resolution. I will fight hard for its adoption, just as hard as I can. In the Federal financial arena it is high time for action rather than idle rhetoric. In conclusion, I again commend the distinguished Senator from Nebraska for his concern and interest in this vital area, and for his continued zeal in pushing for the adoption of this amendment. I sincerely hope that the Congress will adopt the joint resolution and that the amendment will thus be submitted to the States for ratification.

At best, it will require some years to ratify this amendment. In the meantime we should make all the progress possible in an effort to improve our financial and fiscal affairs. Even if the budget should be balanced within a few years, as is hoped, we would still strongly need this amendment as a safeguard for the future.

HELMUT SONNENFELDT, COUNSELOR OF THE DEPARTMENT OF STATE

Mr. MATHIAS. Mr. President, today marks the final day of service in the U.S. Government of Helmut Sonnenfeldt, counselor of the Department of State. It is a fitting time to reflect on the contribution that he has made during a long and distinguished career, both to U.S. foreign policy in general and to East-West relations in particular.

Throughout his professional life Mr. Sonnenfeldt has been intimately involved in the major issues which have marked the course of our own country and that of the Soviet Union in world affairs: first as an intelligence analyst in the Department of State during the early postwar years, when Stalin's iron curtain was settling down across a divided Europe; later as a member of the staff of the Arms Control and Disarmament Agency upon its establishment in 1961; and later still as Director of the State Department's Office of Intelligence and Research for Soviet and East European Affairs.

Mr. Sonnenfeldt's achievements during this period were significant but were, nevertheless, only prelude. He joined the staff of the National Security Council as its senior member responsible for East-West relations and United States-Soviet affairs in 1969 at a time when the basic precepts of U.S. cold war policies were coming under review. The policy changes which ensued were extraordinary.

Special effort and attention went to developing a new and broad relationship with the Soviet Union, one aimed at a reduction of tension between our two countries and a downscaling of the pressures to squander our national treasure and energies on ever more sophisticated, powerful and deadly weapons. Détente—however abused the word may appear today—then denoted a bold concept aimed at a rational and orderly deescalation of the arms race so that, despite the inevitable disagreements which would arise between the United States and the U.S.S.R., the danger of nuclear holocaust would be made minimal. One of the architects of that policy was Helmut Sonnenfeldt.

In early 1974, Mr. Sonnenfeldt was appointed counselor of the Department of State, becoming a member of that institution's top management team with responsibilities that encompassed the activities of several of its bureaus. In this capacity, as was the case during his tenure in the White House, he participated in all summit-level meetings between the President and the Secretary of State and the leaders of Western Europe, Eastern Europe and the Soviet Union, and played a leading role in the development of policies that flowed from them—whether relating to strategic arms negotiations, nuclear nonproliferation or, more recently, United States-European economic relations.

Mr. President, throughout his professional life Mr. Sonnenfeldt has served his country with unswerving dedication and great ability. In the development of a strong, farsighted and coherent policy toward the Soviet Union, Mr. Sonnenfeldt was there at the beginning; his personal imprint upon that policy was fundamental. As he leaves the Department of State his fellow citizens owe him a debt of deep gratitude.

LITHUANIAN INDEPENDENCE DAY

Mr. RIBICOFF. Mr. President, at a time when the cry of dissidents in Eastern Europe can be heard throughout the world, it is significant to note that February 16 marked the 59th anniversary of the establishment of the Republic of Lithuania.

The Lithuanian people have been troubled since their Republic was forcibly incorporated into the Soviet Union 36 years ago. Since that time they have looked to the United States for moral support, and we have responded by refusing to recognize the forced annexation by the Soviets. Moreover, Americans have always shown a warm sympathy toward a nation's aspirations for freedom and independence, and in this struggle both the United States and Lithuania share a common heritage.

Recently, the Lithuanian people looked to the spirit of détente and the Helsinki Declaration as a possible answer to their years of oppression. But these hopes were not fulfilled last year by month after month of mass arrests of political and religious dissidents. This wave of repression exposed Soviet involvement in Lithuania for what it is—a heavy-handed domination by force of an entire people. Freedom-loving people throughout the world must speak loudly in opposition to such repressive practices.

We in the Senate have sharply condemned such oppression. As abuses continue to mount, we will redirect our efforts toward securing fundamental human rights for these people. The injustices endured by the Lithuanians cannot be tolerated in silence by humanitarian nations any longer.

PAY-AS-YOU-GO CONSTITUTIONAL AMENDMENT—SENATE JOINT RESOLUTION 26

Mr. GARN. Mr. President, Tuesday, President Carter submitted his revised budget for fiscal year 1978 to the Congress, and while we were expecting something outlandish, what we got fairly takes the breath away. President Ford had proposed a budget with a healthy deficit of $47 billion, which was more than I thought it should be, but which clearly showed that President Ford was looking for a way out of the seemingly interminable spiral of spending increases we seem to have gotten into. President Carter now proposes to increase that deficit by almost $11 billion, in the interests of "stimulating the economy."

In that same interest, there is every indication that the Congress will go the President some better. Indeed, both Houses have already adopted budget resolutions larger than needed to accommodate the President's request. I am sure that both Houses will use all the leeway provided for them in the resolutions.

So it is with a sense of some discouragement that I join Senator CURTIS today in sponsoring a constitutional amendment which would, except in times of specified emergency, require the Federal budget to be balanced. I am discouraged because I just do not see the Congress ready to exercise the will it will take to enact this bill, and to bring about the spending and taxing policies necessary to make it a reality.

So we will go on, Mr. President, inflating our currency, robbing the poor and the elderly, and all those on fixed incomes, of their buying power, destroying the value of municipal bonds, of investments, destroying the incentive and will to save and invest, and our national treasure will become worth less and less.

We will continue to do so, I say, until the day comes when the people will have had enough. And for my part, I hope that that day comes soon. We see already indications that the reckoning is not far off. Strong movements have been mounted in several States to adopt amendments to State constitutions limiting the State tax take to 25 percent of income. A nationwide movement to accomplish the same goal has been formed, and I wish it every success. May it accomplish its goal while there is still a little blood in the political turnip. Until we are willing to put our own house in order, to learn that there must be a time for saying "No" to interest groups that seek our ear, the people we are supposed to be serving will continue to lose faith in us, will continue to distrust us, and even to hate us.

The Nation cannot continue this way, Mr. President. Somewhere, we must call a halt. I think Senator CURTIS' amendment aims in the right direction, though no doubt we will be dismissed as "kooks," as unrealistic, and our bill ignored as too radical. It is radical, Mr. President, in that it gets to the root of the problem. But in extreme circumstances, laying the axe to the root of the tree is entirely appropriate. In no other way are we likely to stop the growth of the Federal forest.

LITHUANIAN INDEPENDENCE DAY

Mr. BAYH. Mr. President, the Senate set aside February 24 to commemorate the 59th anniversary of Lithuanian independence. On the historic date of February 16, 1918 the Council of Lithuania proclaimed that: Basing itself on the recognized right of national self-determination and on the resolution adopted at the Lithuanian Conference of Vilnius, on September 18–23, 1917, declares that it is restoring an independent Lithuanian state on democratic foundations, with its capital in Vilnius, and that it is severing all the ties that have ever bound this state to other nations.

The spirit which sparked this declaration of independence is kindred to the aspirations of our forebears when they made a similar statement of self-determination on July 4, 1776. Fortunately, we were able to overcome the forces hostile to our Nation's birth. For Lithuanians the cataclysm of World War II cut short their sovereignty as the Lithuanian state fell prey to the dark forces of Soviet imperialism.

While the forces of arms imposed by the Red Army may have crushed the Vilnius government it could never subdue the spirit of the Lithuanian people. Today, in what can only be considered the real spirit of Helsinki, the Lithuanian consciousness has manifested itself in resolute resistance as demonstrated in Kauñas in 1972 and the widely read "Chronicle of the Catholic Church in Lithuania." The percentage of Lithuanians in Soviet labor camps is reportedly inordinately high. And who can forget the case of Simas Kudirka who sought political refuge aboard a U.S. Coast Guard vessel only to be denied because of a policy by our Government which at that time was unclear on the human rights question. But as President Carter reminded us in his inaugural address:

> The passion for freedom is on the rise. Tapping this new spirit, there can be no nobler nor more ambitious task for America to undertake on this day of a new beginning than to help shape a just and peaceful world that is truly humane . . . Becaue we are free we can never be indifferent to the fate of freedom elsewhere.

Fortunately, Mr. Kudirka was able to finally obtain an exit visa to come to this country. However, the tragedy was that it took years of waiting to realize this basic human right of emigration. Those who have a "well-founded fear of persecution" should be extended safe haven, regardless of whether the threat to their safety comes from a superpower attempting to crush dissent or a "friendly" dictatorial regime relying on torture as a tool of political control.

Today we mark a moment of indestructable pride in the history of Lithuania. The true patriots of Lithuania such as Petras Paulaitis and other heroes of the democratic movement should continue to be a source of real pride for Lithuanian Americans. I think we should also pause here to extend a special note of thanks to the distinguished senior Senator from Illinois (Mr. PERCY), whose diligent efforts as a member of the Senate Foreign Relations Committee allows us this occasion to pay tribute to the courage of the Lithuanian people.

Yes, there is a new spirit in this country seeking to match the rise of the passion for freedom in countries round the globe. As we move toward the Belgrade Conference on the implementation of the Helsinki Declaration we should take heart that even the most terrible tyranny can never completely erase the desire and the demand for liberty where hearts are strong and the cause is just. We take this opportunity today to once again reaffirm our support for those hearts and the essential rightness of that cause.

A VITAL NEED TO HELP SMALL BUSINESS

Mr. MATHIAS. Mr. President, on January 10, I introduced S. 49, "the Small Business Administrative Review Act of 1977." S. 49 is an effort to give small business in this country access to a new court, so that they can have a forum to contest Federal citations and fines without having to go to the brink of financial ruin in the process. It is, in essence, a proposal to give the small businessmen and women of this country their day in court. My bill is based on the fundamental principle of due process, a right which, for small business, has been frequently jeopardized by the near-overwhelming burden of Federal regulation.

Small business deserves our help. In this regard, I should like to bring to the attention of my colleagues a fine article by Herbert Heaton of the Rockefeller Foundation. This article deals with the creation of an innovative organization

Support Services Alliance, Inc., to help small business. The Alliance is organized to provide direct access to services of all types for entrepreneuring individuals and small enterprises. The Alliance would provide access to legal, accounting, and insurance services that too often are unavailable to small enterprises. In addition, the Alliance will serve as a clearing house for financing mechanisms and techniques, entrepreneuring theory and methods, research, representation, publications, and miscellaneous services.

I think that the article is an important and timely one and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ENTREPRENEURING AND THE ALLIANCE PROGRAM

(By Herbert Heaton)

(More than twenty-five percent of us are self-employed or work in organizations with fewer than twenty employees. Entrepreneuring is important and it must have organized support.)

For millions of people, entrepreneuring is a matter of survival because there are not enough jobs to go around. For others, being small but independent is the only way they would like to make a living. Difficult as it is, entrepreneuring is also satisfying because it involves the three elements of satisfaction: one's own goals, one's own methods and feedback. Entrepreneuring is the basis of freedom because freedom requires alternatives which people can pursue. Entrepreneuring is economically essential because a healthy economy requires a mixture of sizes with small enterprises and self-reliant individuals to innovate, take risks and provide efficient individualized services. Art, music, literature and fine crafts, as we know them, are products of entrepreneuring individuals.

Unfortunately individual workers and small enterprises do not presently have good access to many of the services they need to survive and thrive: professional services, financing, training and representation to name some of them. In general, physical goods still move through the marketplace to any purchaser regardless of size. Services, on the other hand, are usually available only through organizational arrangements to which individuals and small enterprises do not have access. SUPPORT SERVICES ALLIANCE, INC. has been organized to provide access to services for entrepreneuring individuals and small enterprises. The Alliance is a nonprofit membership organization with a dual pattern of activities: (1) providing direct access to services for members and (2) providing general support to the entrepreneuring community.

INVISIBLE

Irving Kristol has applied the term "forgotten people" to those of us who have become invisible in recent decades: independent workers and those in family or community size organizations. Why invisible? Because modern systems analysis provides information only about people and things inside the system being analyzed. In our split-level economy, economic analysis deals mostly with the part for which statistics are accumulated and in which big organizations are located, leaving the traditional sector with its self-employed and small impermanent units to be stereotyped instead of seen and served. Research focuses on the prestigious problems of big organizations which subsidize the researchers.

When we are invisible to others, we tend to lose sight of ourselves. Having internalized the labels that organizations give to the parts of us they deal with (factory hands, auditors, students, drop-outs) it is not easy for us to see ourselves as whole people. Without this insight, however, the door to entrepreneuring is closed. Beyond this it is even more difficult to see as a whole the great community of independent craftworkers and professionals, masons, musicians, merchants, small landlords, farmers, and cooperators in self-help projects. It is a community with many shared values, strengths and needs. Men and women who belong to this community need not stand alone and apart, invisible, forgotten and disadvantaged.

BUT IMPORTANT

The health of a society can be no better than the health of its smallest units. Loss of small enterprises, both profit and nonprofit, occurs in ghettos and depressed areas as they degenerate, just as growth of small enterprises occurs in developing communities. There are no complete statistics about small enterprises and self-employed persons, but obviously it is not large enterprises alone that can make the country healthy. In fact, large affluent organizations must cultivate markets where the money is and shun areas with economic and social problems. Development starts at the grass roots and growth occurs blade by blade; only the fertile fields can be harvested by a giant combine.

Never before have the grass roots of our society been threatened as much as today. Twenty million people have been displaced from agriculture since World War II, mostly from small farms, and today the big agricultural cooperatives find themselves unable to serve the most needful of the small farmers who remain. Vast urban areas are losing their landlords, stores, carpenters, professionals and even their unskilled handymen and today, access to insurance, financing, professional assistance, research, education and other services is not available to those who remain.

It is not that insurance companies, banks, lawyers, accountants, and schools do not want to serve. What is wrong is that small enterprises and entrepreneuring individuals have not had an organization through which to receive the services. When it comes to services, consumers must be copartners in production. For example, consumers must learn to manage risks to justify insurance and must associate with others who also seek insurance in order to minimize the administrative and selling costs which make up such a large part of the premium dollar on individual policies. Support Services Alliance, Inc. offers a seminar on risk management and its members constitute an organized pool which can command group rates.

THE NEXT STEP

We laugh at the old joke about giving directions: "There is no way to get there from here." But it is no joking matter when economists and systems analysts give the same kind of directions telling us there is no way to save our cities and no way to give jobs to everyone without causing inflation. What the experts mean in each instance is that they do not know the way. Then psychologists tell us we cannot do better for ourselves, that they know where we stand and what paths we must not follow and what steps we must not take. The essence of entrepreneuring, on the other hand, is a belief in one's own ability to make one's own way step-by-step to one's own goals. Evaluations which deny any point to trying, have no value to those who try.

Small enterprises and entrepreneuring individuals need feedback, not evaluations. It is not easy, however, to get feedback on how one is doing. Conventionally, people are evaluated in terms of their assumed potential instead of given feedback on their performance. Those who internalize low rankings from evaluators and see themselves as failures, tend to interpret setbacks and mistakes as confirmation of their failing status instead of happenings to learn from. Feedback must be aggressively sought. Why was the loan refused and what steps would change the decision? Each step forward is not a triumph.

Each step is both an end and a beginning. Each answer learned today is the basis for a new question to seek an answer to tomorrow. Each problem solved creates an opportunity to work on a new problem tomorrow. These progressions comprise development. When we cease having new questions and problems and a next step to take tomorrow, we cease developing and entrepreneuring.

ACCESS TO LEARNING

Through most of history, growing up on a farm was the way to learn farming. Growing up in a trade, craft or profession or apprenticing to one of them was the way to acquire skills and find out how to run small enterprises. Today apprenticeship is still a basic learning model and large organizations use it. Factories have lead workers, stores their senior salespeople and offices and bureaucracies their working supervisors to break in and guide new employees. Hospitals and large professional firms provide supervised practical experience to newly credentialed doctors, lawyers and accountants. Through cooperative education programs, schools and colleges provide internships in which to learn job skills.

For millions of us in this country, however, the learning model of observing and doing under supervision is not available. It is not available to peddlers, commission salespeople, freelance writers, painters, repair and service workers, medical and dental practioners and others who live independently by their skills and wits. For survival, satisfaction and productivity, however, all of them need access to entrepreneuring knowledge, e.g. how to handle mistakes and complaints, how to price services or products, and how to negotiate. Fortunately there are alternative learning models for entrepreneuring to which access can be organized.

In order of importance, learning resources are first oneself, second one's peers and third teachers who are not one's supervisors on the job. To exploit oneself as a learning resource, there are skills to be mastered, particularly in obtaining and using feedback. One of the first learning modules made available to members of Support Services Alliance is a seminar on this subject. To learn from one's peers is important, because their knowledge and skills should be current and relevant. The mechanisms of peer counseling have been developed into peer learning modules by researchers at Full Circle, a nonprofit, community based service organization in New York City. Some of the modules currently being tested are especially designed for entrepreneuring and members of SSA will have access to them. Peer learning is important because it is the start of a personalized mutual support network. Beyond independence is interdependence, beyond self-help is development of organized cooperative supporting services.

Finally, there must be access to systematic continuing education. There are trade associations that offer specialized courses to their members and a management association that offers courses to key people in large organizations, but entrepreneuring individuals and managers of small enterprises have special needs. SSA is making available to begin with twenty learning modules in the form of small group seminars on such subjects as cash flow, bidding on jobs or contracts and effectively using the experts like lawyers and tax accountants. The list will expand and some self-study programs are projected. The modules are being prepared by the University Without Walls at Skidmore College which has contracted to develop the overall program. As a result, enrichment as well as technical modules will be available and arrangements can be made to have the modules

apply toward a college degree. Fees paid to SSA for continuing education are generally tax deductible by members.

ACCESS TO PROFESSIONAL SERVICES

There are legal, accounting and management aspects to almost everything we do. That does not mean that we need assistance from lawyers, accountants and management consultants whenever we lift a finger. Access to effective professional assistance requires, first of all, that we be selective and timely in our requests. Second, access to effective professional assistance requires that we fill our roles as coproducers of the services we need. No use to ask a lawyer for a will unless we can provide him with an inventory of assets and liabilities and a statement of who the heirs should be. No use to ask an accountant to prepare a tax return unless we have documents and records from which the return can be prepared. Third, we need to find a professional person who will listen to our problem, look at our situation and respond constructively. Finding the right professional person is not simply a matter of looking in the Yellow Pages.

The first and second points above are matters of personal training and experience and a training seminar of SSA will deal with them. The third point is organizational and membership in SSA will provide helpful connections and referrals.

Legal Services. A high percentage of legal needs can be met by a five minute phone discussion with an attorney, an unpublished survey has shown. Members of SSA will be able to have such a discussion for a modest fee by calling an 800 number. The phone will be answered by a young attorney working under professional guidance. Instruction sheets will be prepared for dealing with recurring problems like getting satisfaction on an equipment guarantee. The sheets will list a series of steps to take and if satisfaction is not obtained by the time the last step is taken, referral to an attorney can be requested.

On a different level, United States Senator James Buckley has written of the need for self-employed individuals and those in small enterprises for support in defending themselves against bureaucratic harassment. With Representative Crane, Buckley introduced legislation calling for reimbursement of legal fees for successful defense in the courts against the Federal government or its agencies. But who can afford the up-front money, perhaps fifty thousand dollars or more, that taking an issue to court requires? SSA is exploring the possibility of arrangements for support services in this area.

Accounting Services. "Government has developed an insatiable appetite for paper and red tape. It is choking the life out of free enterprise and individual initiative in America. Government reporting requirements cost small businesses in America $18 billion a year." (From a speech by President Ford in May 1976) Obviously the reporting requirements are for the benefit of the government, not the enterprises that prepare the reports. Obviously, then, the government should pay for the reports. No other solution has any plausibility. No other solution can enable small businesses to afford the professional assistance needed to prepare the reports. It is not subsidies and special favors that small organizations and the self-employed need, just simply equity.

Inadvertently, the public accounting profession too has laid it on small organizations, but corrective actions may soon be forthcoming. Public accountants appeared in this country sixty years ago and increased in numbers as public ownership of corporations increased. As corporations grew in size, CPA's formed larger professional partnerships to serve them and prescribed increasing uniformity in accounting procedures and reports. It is needlessly expensive, however, for a local merchant to be bound by accounting rules that were designed to meet the requirements of the SEC, the stock exchanges and investment analysts. Furthermore, giant professional partnerships are not well suited to serve the day to day needs of small clients. Fortunately, there may soon be official liberation of small enterprises from accounting rules designed for giants. Hopefully, there will be a revitalization of individual CPA practitioners and small accounting firms to serve small clients. SSA will encourage these important reorientations of the accounting profession.

ACCESS TO INSURANCE

Under a group contract, administrative and selling costs are minimized, resulting in lower premium costs. But group contracts like those covering employees of large corporations, presuppose that risks average out within each group. Since jobs in large organizations tend to be filled by homogeneous groups of workers who have more or less similar life styles, live in the same or similar communities and have the same access to medical care, insurance companies find they have standard claim patterns which approximate predicted averages. The self-employed and those in small enterprises, on the other hand, can be perceived to be a heterogeneous group with diverse life styles, diverse access to medical care and perhaps with atypical life expectancies. It is not easy to assure that risks will average out in such a scattered group.

Nonetheless, the equivalent of group insurance savings in administrative and selling costs can be achieved by the self-employed and those in small enterprises. SSA is the mechanism for such savings to its members. To assure that risks will average out within the membership of SSA, there will be special provisions. Experience rating should be favorable because entrepreneuring people are by definition self-reliant, responsible and potentially productive as copartners in producing the services they consume, such as health care.

The income tax laws should be changed so that payments by the self-employed for medical and life insurance under a group plan are deductible for tax purposes just as are the payments for such insurance for employees of large organizations. Unemployment insurance is presently unavailable to the self-employed, but its equivalent could readily be provided. Let the self-employed deposit four percent of their gross income in special savings accounts—and deduct the payment as a business expense just as unemployment insurance payments are deducted by large organizations. Withdrawals would be reportable for tax purposes. SSA will research the equity and economics of potential tax reforms which can benefit its members.

AND MORE

Financing mechanisms and techniques, entrepreneuring theory and methods, research, representation, publications and miscellaneous services.

SSA will promote the availability of guaranteed post-funded annuities so that sales of small businesses can be financed out of future profits just as sales of large businesses are. SSA will also promote other mechanisms and techniques that are already available but underused, like leasing and sweat equity financing. But in running a business, the control of cash flow is usually more important and more difficult than raising money and too much success in borrowing is a common cause of business failure. Each type of asset used in a business can call for a different financing method. It is even possible to have the use of assets that are not owned and need not be financed at all. Look for articles and seminars on practical financing methods for the self-employed and small enterprises.

Entrepreneuring theory and methods are very different from the management theory and methods appropriate for large organizations. Entrepreneuring calls for individualized responsiveness, not standardization. Small farms and many small businesses must be family enterprises, but personnel practices in large organizations generally prohibit employment of relatives. When small organizations grow, it is necessary to superimpose big organization administrative practices on entrepreneuring methods. But courses in management for small enterprises and the self-employed that prescribe big organization management methods are counterproductive or literally destructive. Look for articles and seminars on practical, down-to-earth entrepreneuring theory and methods.

Miscellaneous services will include guaranteed education loans for children of members. Discounts on rental cars will be available. The objective is to provide members with full access to the benefits inherent in the mainstream of the American business system.

CONCLUSION

Large and small organizations are interdependent, the well being of each group making it possible for the other group to thrive. The role of Support Services Alliance, Inc. is to make sure that the services of large organizations effectively reach small ones. Large organizations will support this effort because the greater the survival, satisfaction and productivity of the members of Support Services Alliance, Inc. the greater the well being of the economy and society as a whole.

Trustees and officers

Harry Andrews, former Executive Vice President Dry Dock Savings Bank, Vice President.

Max Delson, Esq., Senior Partner Delson & Gordon, Trustee.

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LITHUANIAN INDEPENDENCE DAY

Mr. WILLIAMS. Mr. President, February 16, 1977 was a day of special meaning for Americans of Lithuanian descent and their countrymen throughout the world. On that date, 59 years ago, a 20-member National Council declared Lithuania free and independent. This declaration marked the end of a long struggle for the Lithuanian people, dating back to 1795, when they fell under the domination of Czarist Russia.

Although Lithuanian independence was to last for only 22 years, in that time the Lithuanian people made remarkable advances with respect to their social, economic, and cultural life. A Constituent Assembly was elected in 1920, and a democratic Constitution modeled after our own was adopted.

As World War II began, Lithuania tried to steer a neutral course, but events dictated otherwise. In 1940, the country fell victim to Soviet expansionism,

despite a 1926 treaty of nonaggression with the Soviet Union. Lithuania was soon made a satellite of the Soviet Union, an act that the United States has never recognized. Shortly thereafter, the Soviets were thrown out by Nazi invaders, who brought with them their own brand of terror and oppression. In 1944, the Soviets returned and reestablished firm control over the Lithuanians, a control characterized by the denial of human and civil rights and by a systematic attempt to destroy the Lithuanian culture. This tyranny continues to the present.

Still, the Lithuanian people remain committed to the idea and the reality of a free and independent Lithuania, once again taking its rightful place among the free nations of the world. The courage of the Lithuanians in the face of oppression, and their faith in their eventual deliverance are an inspiration for all who love freedom.

A NONSOLUTION TO THE NARCOTICS PROBLEM

Mr. PERCY. Mr. President, John S. Lang of the New York Post authored a February 8 article entitled "Feds May Corner World's Opium Market." The article describes a report by the House Select Committee on Narcotics Abuse and Control which, in its working draft, recommends that the Federal Government endeavor to negotiate with the world opium-producing countries for a fixed price for opium. We would then buy "the entire world supply" of the drug and destroy it. In this way, the report reasons, Federal authorities can eliminate opium derivatives, such as heroin, from street distribution.

In my view this suggestion represents the height of absurdity.

There can be no "cornering the supply" through the market mechanism as long as opium producers are able to continue to grow more—indeed, considerably more. Attempting to fix a legal price for an illegal commodity is, prima facie, impossible.

Opium purchases by the Federal Government could well increase drastically the demand for the substance. And the very first lesson of economics is that increased demand leads to higher prices and new avenues of supply. Opium producers—and their governments—would have no reason to resist this process; it would mean windfall profits for them.

Even if the price of opium is inflated out of reach of the street user through massive Federal purchases, we will not have accomplished much. Opium is not the only source of psychoactive drugs, and close substitutes would surely emerge in readily available quantities.

Unless the report's authors can pull a rabbit out of their economic hat, the scheme is doomed to failure, and at the risk of rewarding the very traffickers in destruction who should be behind bars.

The article mentions that "the plan may well find wide acceptance in Congress." Not if I can help it. I will do everything I can to keep preclusive buying of opium from becoming a reality. Not many ideas would waste so much money with so little rhyme nor reason and so negligible a return.

Taking opiates off the streets is a laudable concern. The planners who conceived of this alternative are well-intentioned. But let us not ignore the lessons of economics as we move to counter the tragedy of drug addiction.

Mr. President, Mr. Lang does us a great service by forewarning of this futile plan, and I ask unanimous consent that his article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FEDS MAY CORNER WORLD'S OPIUM MARKETS

(By John S. Lang)

WASHINGTON.—A special House Committee wants the U.S. government to buy all the opium in the world in an effort to keep heroin off the streets.

A working draft of a report by the House Select Committee on Narcotics Abuse and Control recommends that the State Dept. try to convene a conference with all opium-growing countries.

At such a meeting, the report proposes, American diplomats would work to establish a world purchase price for opium, the substance from which heroin is derived.

"Having agreed to the price, the U.S. should offer to purchase the entire world supply for eventual destruction," states a preliminary draft of the proposal obtained by The Post.

The recommendation has caused controversy within the committee, and the final version may contain somewhat different language. But Chairman Lester Wolff (D-Nassau) supports the plan and once before urged this government to purchase a Far Eastern opium crop.

The idea is received with ridicule and dismay among longtime federal narcotics control officers.

"It could start a bidding war between the government and the Mafia," jeered one Drug Enforcement Administration official. "And don't you know who would win?"

"It's a ridiculous idea," said another Federal drug control source. "Even if we bought all the opium available that wouldn't stop illegal growing or smuggling. They'd just grow more. As long as there is a profit motive and demand, people are going to grow bootleg crops."

However controversial, the plan may well find wide acceptance in Congress, which created Wolff's panel last July and reconstituted it last month.

As justification for making the government an opium buyer, the committee says that "even if drug abuse has not been a chief concern in the countries where opium is grown, we must give the growing nations a reason for having a deep and abiding interest in preventing the movement of drugs."

The report suggests that the State Dept. try to set up the opium price-fixing conference with—or without—cooperation from the UN. Any agreement establishing a global price would be sent to Congress for ratification.

Since it was created, the committee has been holding hearings to determine why the number of heroin addicts in this country has doubled to 800,000 in the last three years.

It found that less than 10 per cent of the total heroin supply coming into this nation is seized by authorities. Yet it said the drug agencies are so overwhelmed that cases involving up to 500 pounds of smuggled marijuana are going totally unprosecuted.

COMMUNITY REINVESTMENT

Mr. PROXMIRE. Mr. President, South Shore National Bank of Chicago is a remarkable example of how a bank can take the lead in fostering the economic revival of its community, when the bank makes a commitment to do so. I am including for the record a fascinating article on the bank and its chairman, Ronald Grzywinski, from Chicago magazine.

This should be mandatory reading for the Nation's bankers. I have introduced legislation, S. 406, the Community Reinvestment Act, which would make community reinvestment a higher priority activity for the Nation's banks. I do not know whether it is possible to legislate more Ron Grzywinskis, but we are going to try.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MONEY MATTERS

(By Judith Barnard)

Water began seeping into the elegant South Shore Villa condominium during the night of October 21, 1976. Within a few minutes, the city water department had been called and a crew left the station at 79th and Ashland to drive in to South Shore. Before they got to the Villa, the cracked water main that had allowed the seepage burst, and five million gallons of water exploded into 69th Street at South Shore Drive.

The street was sucked into a 60-foot lake; cars floated on its surface. As the earth washed away, the south wall of the Villa crumbled, opening living rooms, bedrooms, and kitchens to the night air.

The water department crew had to shut off six valves to stop the flow; each took 20 minutes. When they had finished, and the sound of rushing water had died away, television crews, news photographers, and residents lining the collapsed street took stock of the damage.

It was a terrific disaster for the public—high drama and no one hurt or killed. But for those who knew what the Villa meant symbolically, the flood had wounded an entire neighborhood. That regal building had been given up as a prospective slum by its mortgage holder, Talman Federal. The community of South Shore had been declared a disaster area, soon to become one large slum, by urbanologist Pierre de Vise, by a majority of its former white residents, and by the money merchants of Chicago.

But the 39-unit Villa had been reclaimed, renewed. It was sold at a hefty profit to a developer, and its residents formed a strong, active condominium association. It was both an example and a symbol of what South Shore could achieve in its homes and businesses—if the streets held, and if the community didn't become discouraged. And if the commitment held firm among the people behind the Villa renovation, behind the effort to turn South Shore around—the staff of the South Shore National Bank.

At its peak, the South Shore National Bank had assets of $80 million—a stable bank in a stable, prosperous white community with a lakefront, an enclave of mansions, blocks of modest homes, and solid three-story walkups, high-rises, designer shops along 71st Street, churches, synagogues, schools, proximity to the Loop and the University of Chicago, and a heterogeneous population of 80,000.

What happened in South Shore isn't a unique story any more—but what's happening now is unique. It may even carry hope for other deteriorating urban areas where all those involved claim—and believe—they are victims of forces beyond their control.

South Shore "went black." Within a few years, the population in the area bounded by

Jackson Park (67th Street), Stony Island, 83rd Street, and the lake shifted from 99 percent white to 85 percent black. The white residents who stayed either had substantial investments in mansions in the section called the Jackson Park Highlands, or an investment of another kind: a commitment to integration and a brief, or hope, that they could keep South Shore from going the way of neighboring Woodlawn.

The forces that accompany, and accelerate the deterioration of an area are complex and, seen in isolation, baffling. But they have a pattern, and South Shore's in the 1950s and 1960s went something like this:

The pressure for good housing for blacks was enormous. Where they could, blacks burst out of their overcrowded, deteriorating neighborhoods into areas with better housing, lower crime rates, better schools, and breathing space. The demand pushed prices up; landlords raised apartment rents, and blacks, having few options, paid them. Other landlords followed suit, and white families, who did have options, moved to neighborhoods where rents were lower.

At this point, two things happened. Landlords assumed that blacks would ruin the area, so many saw no sense in spending good money on maintenance or on screening applicants or on enforcing density restrictions. Maintenance became minimal; rents went up; many black families, to make payments, shared apartments with cousins or friends. And owners watched their self-fulfilling prophecies be fulfilled.

By "milking" their buildings (also called "managing for demolition"), owners pocketed money they would have spent on maintenance and taxes. In that way they could recover the purchase price of a building in three years. The City of Chicago allows a "grace period" of *ten years* of nonpayment of taxes before it takes over a building; so the owners, their names often buried in land trusts, had plenty of time to walk away from buildings that by then were worthless.

Single-family homes were treated much the same way. Black families that could not get conventional mortgages (the area, by this time, had been redlined by most banks and savings and loan institutions), got FHA-insured mortgages. And when they couldn't keep up payments (FHA screening procedures are minimal), and the mortgages were foreclosed, those houses had to stand empty for one year (a peculiar FHA regulation) before new owners could take over. By that time, the houses had become playgrounds, stripped of their fixtures and damaged by cold, rain, and wind. More, neighbors had stopped fixing up their homes because the sore spots depressed values on the block.

"Disinvestment" means the conscious decision by financial institutions to keep investment money out of a community. It applies to banks in the community as well as to those downtown. At about the time the color of South Shore began changing, the owners of the South Shore National Bank decided they couldn't cope with the new residents. Banking habits were different, the people were different from those with whom the bank had been comfortable. Many familiar customers were leaving and taking their deposits elsewhere. The bank made its own decision to disinvest, which in effect meant creating conditions that would speed the outflow of deposits. The lobby got dirty and wasn't cleaned up, tellers weren't replaced when they left, and people had to stand in line for as long as an hour to open a new account. The minimum deposit required for high-interest accounts was greater than in downtown banks, services were minimal, and mortgages were refused. In 1972, the bank lent $59,000 in South Shore mortgages for the entire year: two homes.

As a policy, it worked. Assets dropped from $80 million to $46 million, deposits to $41 million. Business was so bad, the owners said, they had to get out. They had buyers who wanted to move the bank to the Standard Oil Building. They filed an application to move.

Looking over its shoulder at Woodlawn, the South Shore Commission, a community organization begun in the 1950s, fought the move. They testified before the Comptroller of the Currency that there wasn't a good reason for the bank to move, that the move would do irreparable damage to South Shore.

And for the first time, the Comptroller of the Currency turned down such an application, stating that the bank "has failed to show persuasive reason at this time for abandoning its present service area and leaving the South Shore community without a strong, established, and adequately capitalized commercial bank."

Sometimes events concide as if by plan. At the same time that the owners of the South Shore National Bank were looking for a way out of a community they no longer understood, a group of people in Hyde Park was looking for a bank to buy. One member of the group was the former president of the Hyde Park Bank and Trust Company, Ron Grzywinski (Griz-win-ski), who had just completed a two-year fellowship at the Adlai Stevenson Institute, where he worked up a model for a development bank that could help a community reverse the spiral of deterioration.

Grzywinski named his model the Neighborhood Development Corporation; it would be a holding company that would buy a bank and eventually form subsidiaries, both for profit and nonprofit, to act as a catalyst and a base of support for neighborhood rehabilitation and development.

He had talked it out with the people who would help him put the model into action: Mary Houghton and Milton Davis, who, as directors of the Hyde Park Bank's urban development division, had created the successful minority business-loan program.

In another of those fortuitous conjunctions of events, in August 1972, at the same time Grzywinski was looking over the South Shore National Bank, the Federal Reserve Board ruled that bank holding companies could make "investments in corporations or projects designed primarily to promote community welfare, such as the economic rehabilitation and development of low-income areas." The ruling went on: "Bank holding companies possess a unique combination of financial and managerial resources making them particularly suited for a meaningful and substantial role in remedying our social ills."

It was a trumpet sounding the charge. Grzywinski took his model, the new Fed ruling, and his own considerable charm, and went calling on foundations, wealthy individuals, and church groups, looking for four million dollars.

He wasn't preaching the kingdom of heaven as a reward for good works in South Shore; he was making a business pitch for investments that he expected, but could not promise, would pay dividends if investors would agree to defer their earnings until the new owners could reverse the outflow of deposits and attract new money from within and outside South Shore.

At no time, verbally or in his written proposals, did he conceal the role that he and his fellow officers intended the bank to play in making an experiment that hadn't been made in any other deteriorating neighborhood in the country:

"While the policy of the corporation is to make loans and investments only in situations which it believes offer a reasonable expectation of return to the corporation, *it will not attempt to maximize such return at the expense of its primary goal of developing the neighborhood for the benefit of its residents.* Moreover, the corporation expects to conduct or contract for research and studies to provide technical assistance and to make grants related to neighborhood development. While the effect of such expenditures may be to improve the neighborhood, they may also reduce the returns, if any, to the participants in the corporation." (From the Offering Circular of the Illinois Neighborhood Development Corporation; italics added.)

It was hardly a conventional approach; what followed was even less so. The Offering Circular reiterated the dangers the new owners might face—hostility from the community, lack of sufficient outside investments to maintain momentum, absence of any models on which to base their experiment, the danger of the bank's going under before the decay could be reversed. Then the circular added, almost casually, that if the bank became profitable and succeeded in its commercial and residential development goals, its ultimate goal would be "to sell to residents of the neighborhood the equity in the corporation, or alternatively in the bank."

But that radical punch line was only one line in 47 pages of hard business and banking sense, with the comforting word "profit" appearing frequently, and it was presented by Grzywinski with his special blend of youth (he is 40), energy, and experience as a bank president in Hyde Park and in Lockport, Illinois. Between the first offering (1973-74) and the second (beginning in 1975) nearly three million dollars was committed. And Ron Grzywinski bought a bank.

"The first day," Mary Houghton says, "nothing was different at the bank except that three new people came to work."

They went to work on August 23, 1973—Ron Grzywinski, chairman of the board, Mary Houghton, vice-president, and Milton Davis, president. Mary Houghton, tall, with an open engaging smile, walks with a long stride, bent forward as if hurrying to see around the next corner. She is forthright and accessible—hallmarks of the entire staff, by design as well as by inclination. They came to a bank where their predecessors had been distrusted, even despised by many black residents, a bank that had been run by white males who had tried their damndest to get out of South Shore. Now here was a new bunch taking over; was the fact that Houghton was female and Davis was black and Grzywinski "cared" about people enough to convince South Shore that things had really changed?

Not for a long time. "The population was nervous about the bank," says Calvin Bradford (of the Circle Campus College of Urban Sciences), who has been studying the South Shore community. "They took one look at these people who came in saying, 'We're going to remake your neighborhood,' and their first reaction was to say, 'The hell you are.' No one knew whether they were bankers or some new kind of community group. Did they want to make a splash and then leave, or a fat profit and then leave, or did they really have something new in mind?"

There is one tested way to reach into a community and convince people you're for real: Grzywinski and Davis did what independent precinct workers in Chicago have done for years; they had a coffee campaign.

They started in the lobby of the bank, Grzywinski young and roseate, Davis short, stocky, dark, with a quiet smile and an even quieter voice, almost a murmur. (Oddly, all three of them, Grzywinski, Davis, and Houghton, speak in low tones, sometimes mumbling, as if the radical things they have to say—radical for bankers—are better said slidingly and then put into action.)

Davis and Grzywinski stood in the lobby of the bank, offering coffee, asking questions—What do you want from the bank? What do you want for South Shore? What services are important to you?—and talking about themselves at the same time.

Then they went to living rooms, recreation centers—wherever they could wangle an invitation. Sometimes only three people came to listen; at other times, up to a dozen. But information travels, and one special piece of information got around: With the new ownership, no resident of South Shore could be turned down for a loan unless Grzywinski, Davis, or Houghton agreed. The days of low-echelon summary refusals were over. "What they'd had," says Houghton, "was some stuffy banker talking to a street-wise black. They just talked past each other. Eventually they stopped talking altogether."

"Of course, we do turn down applications," Grzywinski says "We should take more risks, but our interest is in surviving."

"The point is," adds Houghton, "that many loans can be made less risky if someone tries to put a package of protections together. That's one of our main roles."

But the coffee campaign wasn't only about loans; it was also about deposits, urging South Shore residents to "plant your mo..ey close to home," to deposit their dollars where the dollars would stay, in the form of loans, mortgages, and investments.

Eighty thousand people live in South Shore, with a total of more than $110 million in their bank accounts, most of which are in large downtown banks.

In 1974, the Chicago Disclosure Ordinance required those banks wanting to qualify as depositories for city funds to disclose the amount of their savings deposits and home loans in every census tract in the city. Some of the disclosures:

In 1974, Continental Bank made 92 percent of its loans in suburbs, eight percent in the city, of which 59 percent were made in the North Side Gold Coast and three percent downtown.

Harris Trust and Savings made 95 percent of its loans in suburbs, and five percent in the city, of which 49 percent were made in the Gold Coast.

First National made 76 percent of its loans in suburbs, 24 percent in the city, of which 46 percent were made in the Gold Coast.

In 1974, six banking institutions (Continental, LaSalle, First National, Exchange, Central, American National), with $144 million in savings deposits from the communities of Logan Square, Austin, Roseland, West Englewood, and South Shore, returned to those communities one-half cent on the dollar in home loans.

To the argument that no one in these redlined communities asked for mortgages, or qualified, the officers of the South Shore Bank responded with skepticism in 1973 and 1974. In 1976, they responded with figures on home mortgages they made in South Shore in that year alone: 52 loans made for a little over one million dollars. At the end of the year, only two were delinquent.

While the evenings were given over to downing coffee and talking up the new policies, the days were occupied with raising a sinking bank. In the 12 months before the new owners took over, $6.3 million in deposits had been withdrawn. Customer fraud and delinquent personal loans were rampant, and reporting systems were poor.

It took 26 months for the new owners to report to their shareholders that "in 1975, the South Shore National Bank restored profitability to its operations and, for the first time in seven years, experienced substantial growth in ordinary deposits."

(By the end of 1976, Grzywinski was beginning to talk about the possibility of paying dividends to shareholders, as each quarter's profits were dramatically higher than those of the preceding quarter. His goal is to pay a standard (for banking) return of ten to twelve percent on invested capital, which would, he says, "make it very difficult for bankers to say that profitability and development are mutually exclusive.")

The new owners had put a host of new procedures into practice. They hired a number of highly professional banking people, and others whom Mary Houghton calls "compulsive, flexible people who don't necessarily have a banking background, but are very good at solving problems."

They rewarded tellers for speed and accuracy with the highest teller salaries in the city, which, together with tighter procedures, reduced teller fraud and carelessness and eliminated the long lines that had infuriated would be depositors.

Interest rates were made competitive with those of downtown banks; certificate-of-deposit accounts were made available; free-checking-with-savings accounts were introduced; banking hours were lengthened to six p.m. on weekdays and, for the first time, included Saturday mornings; data processing was upgraded; loan collection procedures were strengthened. "The Bread Rapper," a bimonthly newsletter in the format of Illinois Bell's "Telebriefs," was inaugurated and sent to all checking-account customers; it is both a community newspaper and a regular report of bank activities.

And they redecorated the bank, inside and out.

"I was ashamed to say I worked there," Houghton says. "It was grubby and depressing. I remember there was a sign up front above the teller cages that said, 'We no longer give deposit balance information.' It was filthy and covered with fingerprints; it had been there for three years."

They replaced the blue tile on the exterior walls with new brick facing; the lobby was completely redone with carpeting, sofas, bright lights, graphics of the bank's new logo, a walnut counter for tellers, ceiling-high plants, and a dramatic burgundy-and-blue color scheme.

"People had been saying the bank must be in trouble," Houghton says. "Any place that looked as lousy as this one did had to be in trouble. Which was another way of saying how bad things were in South Shore. Then we fixed up the place and people began saying the bank must be doing well, and that meant South Shore was doing better because not only were we staying here, but we looked prosperous. And if we believed in South Shore, that was big news because bankers always know what's safe to believe in, right?"

By the end of 1976, with a remodeled bank, a new drive-in facility recently opened two blocks west on 71st Street, land cleared and construction under way for a much-needed parking lot across the street, and a lobby that was becoming a community social center, the bank had 30,000 deposit accounts totaling $47,844,300. Its assets stood at $54,-500,580, and its profit for the year was $420,000. More important, it had financial fingers in a number of South Shore pies.

That, after all, was the main idea. The bank Sales Book, which is given to potential investors, sets this sentence alone on one page: "To our knowledge, INDC [Illinois Neighborhood Development Corporation] is the only bank holding company organized for the primary purpose of neighborhood renewal."

"What we had to do," Milton Davis says, "was put people and their money together." He smiles: such a simple idea. He sits in his small office off the main lobby, with just enough room for a desk and two guest chairs; his door is usually open. For weekly meetings he goes upstairs, past the small alcove off the hall where Mary Houghton has her desk, and into the combined conference room and Neighborhood Development Center. (Until recently, Ron Grzywinski used the conference table as his desk; finally, after three years, he has his own office: a cubicle at the end of the upstairs hall.)

At the weekly meetings of the various bank committees, people and their money are put together—when possible. The various committees evaluate personal and business-loan applications from what could be the split-personality viewpoint of banker and developer. The drive behind these meetings is to keep the split from getting too wide.

"A banker is a judge," Grzywinski says. "A developer is an advocate. There's inevitable tension between the two. We try to be as creative as possible in keeping the tension to a minimum and being developers as much as possible."

"All mortgages," says University of Chicago sociologist Richard Taub, who has used South Shore as a living laboratory for three years, "should be seen as development techniques. Banks traditionally have been passive; instead, they should go out and actively seek people who can become owners. There's no other way to create a real sense of community, to truly develop an area."

Grzywinski agrees; it is basic to the way the bank views some mortgages—which, elsewhere, might be perfectly conventional loans—as tools for the development of South Shore. "Power runs to ownership in this country. If we can get a core of stable, home-owning families, a lot of the other problems that come with transient populations will be eliminated."

"And," adds Mary Houghton, "to do that we use every guarantee we can find—the Mortgage Guarantee Insurance Corporation, Federal insurers, good collateral, any solid help we can get to make mortgages others might refuse."

The center of these efforts is the newly formed Neighborhood Development Center, headed by Mary Houghton, with fund raising handled by Susan Davis.

The funds are raised from outside South Shore. Susan Davis has sent letters (signed by Ron Grzywinski) to more than 30,000 people, and has made telephone calls to hundreds of others, asking for savings deposits of at least $1,000 as a unique investment in a community.

The approach is both conventional and offbeat. First, depositors are assured they will receive the same insurance protection and interest paid by all banks; they aren't being asked to plunge into risky waters. But Susan Davis also tells them that each $1,000 they deposit produces $500 in credit and $25 in annual earnings, which goes directly into the rebuilding of South Shore. And the importance of that kind of investment to people outside the community (aside from the chance to do good without losing a penny) is that if the experiment works, if a neighborhood can be rehabilitated and made livable and attractive to the whole city, not only is the city strengthened, but other neighborhoods can have hope that eventually rehabilitation may spread as rapidly as urban blight does now.

There are, then, two "kinds" of money coming in to the bank: regular deposits from South Shore residents which, with bank investment activity, support the day-to-day operations, expansion, and so on; and development deposits, aimed at turning South Shore around, which are solicited from beyond the area and dispensed by the Neighborhood Development Center. Says Mary Houghton: "In most banks, rewards are given for caution. At South Shore we're more interested in innovation—not irresponsible, but still not the kind of caution exercised elsewhere. But even with innovation, there are proposals that no one in the bank will take a chance on; those are the ones we get in the development center. We try to find ways to minimize the risk, then one of us presents the application to the loan committee as its advocate. And still we turn down about 90 percent of the small-business loan applications we get."

Paul Carson, commercial loan officer, adds, "If all else fails, I ask the applicants if there's a brother or cousin or friend who

might go in with them and share the risk. If they can't find anyone, we have to give up."

The development center began with some dismal statistics:

In 1975, there were 148 vacant stores in South Shore totaling more than 200,000 square feet: 20 percent of all retail space in the area. Many of the occupied stores looked, and often were, marginal.

There was no central shopping area; only commercial strips with plenty of fast-food carry-outs and wig shops, but no mix of stores for one-stop shopping. As much as 80 percent of South Shore's sales potential went to shopping centers outside the area.

"Our customers were all gone," says Seymour Seder, in his elegant women's shop in Flossmoor Commons. His old store on 71st Street still has the outlines of the name Seder above the front door. "It wasn't that we wanted to leave; we had to leave."

"Everyone feels like a victim," Ron Grzywinski says. "The banks, the store owners, the people who leave, the people who move in. They don't talk about adjusting to new conditions; they talk about 'losing' a neighborhood."

"Bankers," says Milton Davis, "and many shopkeepers, had nothing in their backgrounds to give them an understanding of what was happening in South Shore."

Against expectations, the average income level of South Shore residents was no lower than it had been when the area was all white. But the spread became greater: about 17 percent of the residents earn more than $20,000 a year; about 17 percent are on welfare (a close approximation, by the way, of the whole city); and "black money" was seen by financial and business people as less dependable than "white money." So shop owners fled, small-business loans were generally unavailable, mortgages and home-improvement loans were refused, and the weeds grew along the Illinois Central tracks that split 71st Street down the middle.

When the Neighborhood Development Center was formed, more than 13 percent of South Shore's housing units were in trouble: 476 buildings with 2,982 units were in abandonment, tax delinquency, foreclosure, or combinations of these. And a building that's in trouble has company; it infects the blocks in all directions. The biggest problem in South Shore was that the buildings most in trouble weren't clustered where they could be isolated for drastic one-shot action; they were scattered throughout the community, each infecting its own area.

Susan Davis's letters and phone calls for development deposits focused on the two problems of South Shore: deteriorated commercial strips and housing units in trouble. And the money has come in, growing from the first year's deposits of $863,000 to a total at the end of 1976 of $7,300,000.

But that isn't the whole story. When solicitation costs and development expenses (staff time, etc.) are subtracted, development income doesn't approach development expense. In a monthly report from the development center, Mary Houghton lists loans that "furthered the bank's development objectives by extending funds within South Shore in innovative ways." There were loans to small businesses and community groups, personal education loans, home-improvement loans, and mortgages (including several in the South Shore Villa, the showplace of development activity in South Shore). There were also one-time projects such as the preparation of a booklet for bank customers titled *A Guide to Banking Services*—a description of bank service charges, interest computation, ways to maximize earnings and avoid charges—following a trail blazed by California consumer groups pushing for full disclosure of bank charges.

All of this is "development expenses," which, in 1976, exceeded development income by approximately $125,000 (money that might otherwise have been paid as dividends to investors) mostly because of an item called "staff time."

It's one of the biggest and probably the most slippery expense for the bank, because without large infusions of staff time, development wouldn't happen. "Bricks and mortar are the easiest," Grzywinski says. Development is as much an attitude as it is a rehabilitated building. And that takes not only dollars, but energy and time.

Early on, the new owners went to the South Shore Commission, the community organization that, though buffeted and drifting, was the most intact group in the area. Commission members and bank staff established a resident advisory council to work with the bank on policy and to act as a liaison with the community. It is the only citizen advisory board to a commercial bank in the country.

"We don't replace the Commission," says Bob Pickens, chairman of the advisory council. "But we have committees that work directly with the bank—bank services, commercial development, housing, and marketing and education. We discuss with the bank whether certain businesses would be a good addition to the community, how the bank can help residents, what people expect and need from the bank. We thought it would be a good idea to have classes on balancing checkbooks, and the bank had them. They were very successful. The bank also provides space for us to meet, and research and staff time."

There it is again: staff time—provided on request to every group formed or in formation in South Shore. Staff time is provided to the Parkside Project, though a foundation grant pays the salary of the project director, Jim Bringley. Parkside (the northwest corner of South Shore) is the area's most deteriorated section. Bringley devotes full time there, going door to door, talking to people about their needs, locating owners, identifying the buildings being managed for demolition, and the status of tax payments. "At first we really weren't trusted," he says. "But lately that's changed. In one month we made seven home-improvement loans; we've applied for a grant to landscape three empty lots as parks. And through Model Cities and the Woodlawn Urban Progress Center, CETA [Comprehensive Education and Training Act] workers scraped and painted window frames. Do you have any idea of the amazing difference fresh-painted window frames make to the appearance of a building? And to the attitude of the people who live there, and to the whole block?

"There are things we can do together with the city. If we find five or six people to buy a building of 12 or more units, the city would give a grant of 50 percent of the rehab money; the bank, together with other financial institutions and insurance companies, would finance the rest. We could do whole blocks at once that way. We have to make large, visible changes; there's no other way."

"If you inch your way along," says Cal Bradford of Circle Campus, "buildings die behind you as you go."

Bank staff time is provided to the South Shore Arts Association, a nonprofit group formed by residents to operate the Jeffrey Theatre. To insure room for future expansion, the bank has bought the building next door, which houses the theatre. The bank leases the theatre to the Arts Association and helps the group plan renovation and develop profitable management techniques. Profits—when they come—will be plowed into other community programs: summer concerts, ballets, plays, art fairs.

Staff time is provided to the South Shore Center on the Lake, a nonprofit group organized to save the South Shore Country Club from demolition. Though in disrepair from neglect by the park district, which now owns it, the club is a natural community center, and the Center on the Lake, with bank help, is trying to find ways to keep that magnificent white elephant and its 65 acres available to the public.

Staff time is provided to the South Shore Block Club Coalition for United Action—residents who organized to renovate and sell a square block of abandoned townhouses in the center of South Shore. When the block club coalition and those abandoned townhouses came together at the bank, the trumpet call of the Fed ruling on bank holding companies sounded loud and clear—"to promote community welfare, such as the economic rehabilitation and development of low-income areas." As a direct result, the Jeffrey Development Corporation, a nonprofit subsidiary of the bank holding company, was formed and staffed by bank people, to work with community groups—specifically, for a start, with the block club coalition—to rehab housing units. The bank applied to the Chicago Department of Urban Renewal for a grant to hire an architect and housing consultant. It promised the coalition that it would appraise the units after rehab, write the proposal for interim financing of the rehab project on a revolving fund basis as soon as the houses were sold (the money would go back into the fund for use as interim financing of the next project), advertise for buyers, screen would-be purchasers, and provide mortgages.

The bank also promised to arrange financing for neighboring homeowners for improvement to *their* property (the inevitable "ripple" effect), to clean up the neighborhood, and to convert an open space (when a nearby building was demolished) to a playlot or park.

But perhaps the biggest step of all requiring staff time in line with the Fed ruling and the goals of the bank, is the latest one: the formation of the South Shore Area Development Company. The formal launching was at a reception at the South Shore Country Club, with 70 business and professional people and the guest of honor, Mitchell Kobelinski, director of the Small Business Administration (SBA). There were brief speeches and a slide show of a shopping mall in Maryland, and then everyone went back to work, but the occasion was important and the guests knew it. South Shore is one of the few communities (and the one most closely watched because of the presence of the bank) to have a nonprofit local development corporation (LDC) organized to borrow SBA money and funnel it to for-profit businesses for construction, modernization, or expansion. Up to $500,000 per business may be borrowed at 6.625 percent for up to 25 years. The LDC will receive applications and screen them with the help of the bank, then borrow 90 percent of the cost of each project from the SBA, investing the other ten percent itself. (The ten percent can be a pledge of assets, though usually it will be dollars.) Merchants may be asked to put up 90 percent of the LDC's required ten percent, but the bank is looking for grants to fund the full ten percent required for each business.

While a few community groups have formed an LDC without much outside support, it is unlikely that the South Shore Area Development Company would have come into being without the bank. The spur to the renewal of South Shore has been the bank—there is a straight line from its staff to the South Shore Commission to the resident advisory council to the local development corporation.

(Paul Carson says, "I talk to people who used to come in for loans and weren't even listened to. Now, when I go to meetings, like the chamber of commerce, I hear people say, 'That's my banker.'")

Four years ago, conventional wisdom had it that by 1976 South Shore would be a slum.

An officer of a downtown bank says that major banks and savings and loans were trying to dump all their investments in South Shore. Talman Federal, for one, sold the South Shore Villa at a loss to a developer who remodeled it, converted it to condominiums, and made a profit on it. Two of the condominium mortgages were made by Talman.

Elzie Higginbottom, a vice-president of Baird and Warner, has developed, independently, two large high-rises in South Shore, financing the rehab work through the Illinois Housing Development Authority. He raised rents to attract more stable tenants and screened those who applied. "We have no robberies, no muggings; we don't need 24-hour security. We have a good mix of tenants; some units are subsidized for elderly residents under section eight of FHA regulations, but nobody knows who they are; there's no stigma. It's been a profitable venture for me, largely because the bank is there as an anchor in the community. You put people in the right frame of mind—believing in a place—and it's amazing what they can do."

"When a building is renovated," says Ron Grzywinski, "other people on the block mow their lawns, paint window frames, plant flowers. It happens every time."

"But," adds Higginbottom, "parts of South Shore will need more than private assistance to stop the cancer. Middle-class blacks are taking a 'wait-and-see' attitude, and the bad areas need massive kinds of help to convince those people to move in."

Saul Klibanow is the director of Rescorp (Renewal Effort Service Corporation), a development company funded by 57 savings and loan institutions in Chicago. Rescorp has rehabilitated more than 150 units in large buildings in South Shore and soon will begin work on another 150. Klibanow says, "We went in because the bank was a stabilizing, commercially sound factor. And we made a profit of $75,000 The main thing is that we did a highly visible cluster of buildings. Phase Two will be the same—several large buildings on one or two blocks, each unit rehabbed, the exteriors sandblasted, and the grounds landscaped. Our job is to demonstrate the potential of an area that we think will respond to a stimulus. We give the stimulus; we construct an environment."

The rehab done by Rescorp was financed by the Illinois Housing Development Authority (IHDA), as were Elzie Higginbottom's two buildings. Irv Gerick, the director of IHDA, echoes Klibanow: "We went into South Shore because the bank was a source of private capital that would still be there when IHDA an Rescorp were gone. And we felt that the combination of IHDA money and the bank's presence would influence other developers. Nobody, after all, has enough funds to save a whole community. We look for strong developers, strong contractors, various protections against default, and an institution like the bank. A project has to make economic sense to make social sense; we've put seed money in to show our faith that South Shore can make sense both ways."

Once a month, on a Wednesday afternoon when the bank is closed, the officers and staff meet at Ron Grzywinski's Hyde Park home from three in the afternoon through dinner.

"It's really a chance for me to cook," Grzywinski says, but, though relaxed, the group spends an intense three hours reading and discussing reports on community groups like the Metropolitan Area Housing Alliance; bank activities; other banks in Chicago; and the South Shore community.

As he cooks Swiss chard (picked a few minutes before from the backyard vegetable garden), slices cucumbers (also just picked), and mixes up a salad dressing, Grzywinski answers questions about the bank, especially, "What makes it different from other banks?"

"If you looked at most bank staff meetings, they wouldn't look like this one," he says, for openers. Fifteen to twenty people sit in a circle. They range in age from early twenties to over forty; they're about evenly divided between black and white. Uncompetitive among themselves, eclectic, with an air of defiance in their talk of "other banks" (especially attempts to get branch-banking legislation passed), they are absorbed in the continuing problems of the costs of banking, the costs of community renewal, the costs of even the less ambitious but first-step goal of stabilization of the neighborhood.

In a number of ways, South Shore has stabilized. Welfare and crime figures have stopped rising, though they haven't fallen. Since the new owners took over the bank, homes and apartments have appreciated between five and ten percent, depending on the area within South Shore. Foreclosures are down, though many buildings still are being managed for demolition. Six to seven large buildings a year are being converted to condominiums, increasing the number of owners—a major condition of stability.

Perhaps most important, community organizations are proliferating; all of them depend on the bank for staff time and facilities, but they are beginning to build their own momentum. Says Stanley Hallett of the Northwestern University Center for Urban Affairs, and a board member of the South Shore Bank: "People see things happening and they follow each other's lead. Something important has happened in South Shore: people are beginning to understand the structure of their neighborhood—specific problems, how they can be tackled, in what order, by whom, and when. The level of their goals, the agendas of their meetings have gone way up; large numbers of them suddenly are working very hard to get things done. That's all a function of their understanding who 'we' are and what 'we' have to do to make South Shore a good place to live. For all of this, the bank is necessary but not sufficient. The people are the first investors in their neighborhoods."

With the growth of community organizations, the apparent stability of the area, millions of dollars loaned by IHDA for rehabilitation, and loans and mortgages made by the bank, large businesses are re-evaluating South Shore.

Jewel Companies' Chicago real-estate manager, Pat Burke, says Jewel sees "nothing to discourage us in South Shore." The company is building a 44,000-square-foot store—"the largest in Chicago except for the Grand Bazaars"—at 75th and Stony Island. In addition, Jewel executives are "observing" shopping patterns to decide if they want to buy the land across the street which had been the chosen spot for a new National before that company decided to pull out of the Chicago area.

Walgreen's has expanded one store and is remodeling another; Certified food store owner Michael Berezin bought the Hi-Lo when it closed (retaining the entire staff) and in 1976 enlarged his own office space, citing the bank for "investing in people, which is the best way to invest in an area."

The consensus on the bank is not unanimous. When National wanted to expand its supermarket at 71st and South Shore Drive, which required demolishing a building (from which most of the tenants had already moved), neighbors objected to having a large store and a parking lot next to their apartment buildings. The bank defended the store at community meetings, and much of the opposition faded when National presented plans for fences and landscaping to screen the parking lot. With National gone, the issue has died, but it did revive the initial suspicions about Grzywinski, Davis, and Houghton: Are they bankers or developers, and what do they expect to get out of us?

For some, the question lingers, fed by the bank's decision to raze buildings across the street for a parking lot. No one doubts the desperate need for parking on 71st Street, but residents did question the location: "They tore down buildings that were in good shape," said one at a recent town meeting held at the South Shore Country Club. "Those aren't the ones they should be tearing down."

Others question the bank's priorities. At that same meeting, Bill Saphir, president of one of the neighborhood councils in South Shore, challenged the decision to tear down buildings for parking instead of studying the feasibility of an area-wide transportation system, such as the mini-bus run by Michael Reese Hospital.

In all probability, when the now-empty land is surfaced and landscaped to Ben Weese's impressive design, the opposition will fade, and residents and shop owners will laud the bank for its leadership in providing parking in an area where people have been complaining about the lack of parking for more than 20 years.

The pattern of doubt, slow acceptance, and then lavish enthusiasm has been repeated throughout the three years the new owners have been at the bank by nearly every group with which they have dealt. Today it is difficult to find substantive local criticism. Whatever the future of South Shore, community leaders are convinced that it is the bank that will make that future happen.

William Strickland, whose Midas Muffler Shop on Stony Islands is one of the most successful in the country, is one of the bank's strongest supporters, though he takes no active part in community organizations. "They're one of the few groups who still care about helping us. Don't you ever think things happen in this country by accident; the national commitment to help minorities has ended. If it weren't for the bank, we'd be left with the racism of the downtown banks, we'd be ignored just like we were before the bank changed hands, and South Shore would have gone nowhere but down."

The commitment of the South Shore Bank is not specifically to integration, but to the development of the community, whatever the make-up of its population. "We have too many massive problems to put integration near the top," Milton Davis says. "We have about 15 percent white residents now; if more white families are going to move to South Shore, it will be only when we have a stable community with good shopping and a relatively low crime rate. Right now, we're concerned with the people who live here."

Calvin Bradford of Circle Campus adds: "There's a feeling, finally, that a community doesn't have to die as soon as it 'turns black.' In fact, there's a waiting list for many buildings in South Shore. That doesn't mean the problems are solved, only that there are indicators they can be."

At the staff meeting at Ron Grzywinski's house, the talk is of MAHA studies on redlining. Why would other banks make loans in South Shore, even if the South Shore National Bank is a profitable institution?

"For three reasons," Grzywinski answers. "First, legislative. There's a growing realization on the part of government that there won't be enough public monies to rebuild neighborhoods. And we have to rebuild them; housing units are desperately needed and it's far too expensive to build new units. So banks, savings and loan institutions, pension funds, and so on are being looked at as sources of money. There may well be legislation that will restrict the ways institutions may use some of their funds.

"Second, there's clout. Political leaders can say to the banks, 'If you want branch banking, if you want city deposits, if you want

other kinds of help we can give you, here's what you do.'

"And finally there are profits. There is enormous profit potential in the rehab of older buildings. If clusters of buildings are refurbished or completely rehabbed, there's a very big spread between a purchase price of say, $3,000 for a building and the price its units can be sold for, even after adding in all the rehab costs. Rescorp has proved it. We're about ready to go into the community ourselves, as Rescorp has done: Our holding company would acquire and rehab properties for sale as condominiums or low-income co-ops if we could get Federal or private subsidies for them.

"Look at what's been done already in South Shore; not one developer who has come in in the past few years to rehab for sale or rent has lost money. Every one of them has made a profit. We're not saying we don't have a lot to learn; we're not saying there are no problems. Some are huge, and none of them are easy to solve. But we are saying that South Shore—and maybe most other deteriorating communities—aren't necessarily places where investors will get burned."

On Wednesday night, October 17, 1976, Alderman Ross Lathrop convened a meeting at the South Shore Country Club with representatives of the city's water department and an attorney from the corporation counsel's office. About 300 South Shore residents were there to hear what the city was going to do about the 60-foot hole in 69th Street and the property washed out by the broken water main.

The city, said the officials, was not legally responsible for the damage, but Mayor Daley had decided, "for moral reasons," to pay for ruined automobiles, personal property, and damage to the South Shore Villa, as soon as the residents filed their claims. The South Shore National Bank is providing staff time to help the residents with the paper work.

A TRIBUTE TO THE ESTONIAN PEOPLE

Mr. HEINZ. Mr. President, on February 24, 1977, Americans of Estonian descent celebrated the 59th aniversary of their declaration of the independence of the Republic of Estonia from the Russian Empire. First expressed late in August 1917 by Jaan Tonisson, the actual proclamation of independence 6 months later was a courageous step for Estonia to take, given the threatening military moves of both Germany and Russia at that time. As in other Baltic States, the initial independence of this courageous nation was short-lived, ending abruptly the very next day when German troops marched into the city of Tallinn. For decades, the oppressive measures of the German occupation alternated with equally harsh measures under Soviet domination, and Estonian hopes for independence waned.

Frequently, in times of national crisis, a symbol of hope emerges in the form of one strong personality. For Estonia, this symbol of hope can be found in the person of Konstantin Päts. On the very day the idependence for Estonia was declared, Konstantin Päts was proclaimed Prime Minister of the First Provisional Government. Arrested by the Germans and sent to a prison camp in Poland, Päts returned after the German defeat and was proclaimed both Prime and Defense Minister. For the next several decades, Konstantin Päts was continuously active in strengthening the young Estonian Republic, holding numerous public offices and eventually assuming the Presidency in 1938.

The events of World War II, however, never allowed Estonia to complete the realization of free and full independence. After a lifetime of able leadership in the critical days of his country, Konstantin Päts was deported to Soviet Russia in 1940. To this day, his fate remains unknown.

The fate of Konstantin Päts, and the fate of his country Estonia, is abhorrent to free men and nations everywhere. We can only look forward to the day when all nations under repression will regain their sovereignty, and when the cry of "Vabadus" will mean that Estonia's dream of independence as a nation will have again become a reality.

AMERICAN FILM INSTITUTE SALUTES BETTE DAVIS

Mr. RIBICOFF. Mr. President, the notable contributions of Bette Davis, a resident of Westport, Conn., to American motion pictures span nearly half a century. She is being honored in March with the American Film Institute Life Achievement Award for her remarkable career and for her role in our Nation's film heritage.

The trait most often identified with Bette Davis is her enduring independence. She cast her own unique image—one which has never been duplicated.

Her versatility as an actress is evidenced in the variety of her performances. Miss Davis has performed in historical dramas such as "The Private Lives of Elizabeth and Essex" and "The Virgin Queen," stage adapations such as "The Little Foxes" and "The Corn Is Green," social commentaries, character studies, and comedies.

Miss Davis has appeared in more than 80 motion pictures since her film debut in 1931. Miss Davis' long-lasting popularity and continuing hard work is proof that talent can—and should—be encouraged and allowed to persevere. Now 68 years of age, she continues to star in films and television shows.

Throughout her career, Miss Davis has received critical acclaim, public admiration, and industry awards. Her talent has been acknowledged by scholars, critics, professional peers, and the general public. Her work has stood the test of time.

Such enduring Davis performances as "Jezebel," "Now Voyager," "Dark Victory" and "Juarez" attest to her theatrical ability. Films such as "Of Human Bondage," "The Petrified Forest," "All About Eve," "All This and Heaven Too" and "Mr. Skeffington" demonstrate Miss Davis' capacity to portray a wide range of characters and human feelings.

Miss Davis' career has been marked with scores of honors, including two Academy Awards for best actress. Her co-stars include Henry Fonda, Errol Flynn, George Arliss, Olivia de Havilland, Joseph Cotten, Paul Muni, Marilyn Monroe, Humphrey Bogart, Edward G. Robinson, Claude Rains, Barry Fitzgerald, Ernest Borgnine, and Faye Dunaway. Her producers and directors similarly included Frank Capra, John Huston, Joseph Mankiewicz, William Wyler, and Michael Curtiz.

Many of Miss Davis' colleagues will be among the 1,200 friends, associates, and admirers who will attend a dinner in her honor in California on March 1. Highlights of this tribute will be shown on CBS–TV on Monday, March 21.

I am pleased that my constituent Bette Davis is to be honored for her impressive contributions to our uniquely American art form—the movies.

The American Film Institute Life Achievement Award, which was established by the AFI board of trustees, has been presented to the late John Ford, James Cagney, Orson Welles, and William Wyler. The award is but one of many activities of the AFI. The institute, created by the National Endowment of the Arts, has developed programs to preserve America's film heritage and advance the art of film and television. To accomplish these goals, AFI has established education and training programs, a film catalog and archives, and exhibition programs for classic films in Washington and at museums and universities nationwide. In the decade since it was established, AFI has developed new funding sources so that its Federal funding share has decreased annually. The Life Achievement Award is an important AFI function since revenues from the dinner and a subsequent TV show help support AFI general programs as well as funding scholarships at the AFI Center for Advanced Film.

LABOR'S LOVE LOST

Mr. PERCY. Mr. President, I have had a long-standing interest in public television, which began early in the 1950's. At that time, I was a director, and, later, chairman of the board of the fund for adult education of the Ford Foundation. We expended approximately $22 million of Ford Foundation funds to establish what was then known as educational television in the United States and which subsequently became public broadcasting.

The Corporation for Public Broadcasting now has a budget of some $100 million, in addition to the budgets of almost 200 public broadcasting television stations throughout the country. Funded by government, foundations, corporations and individuals, CPB has had a significant and beneficial impact upon American television. The quality and variety of its programing are well known and, for a large audience, these programs constitute the preferred alternative to commercial television.

It is with great concern, therefore, that I read the statement attributed to Bud Wolfe of the American Federation of Television and Radio Artists, a statement reflecting a spirit contrary to the intent and purpose of public television as it was originally conceived by private entities, Congress and the executive branch.

Because I believe this deserves the attention of my colleagues, I ask unanimous consent that an article by George S. Will from the Washington Post of

February 6, entitled "Labor's Love Lost" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LABOR'S LOVE LOST

(By George F. Will)

I had not suspected that Shakespeare's works were George Meany's constant companions. Meany, head of the AFL–CIO, is known as tribune of the proletariat, not as a drama critic.

But the Corporation for Public Broadcasting has decided to become a minor partner in the British Broadcasting Corporation's production of Shakespeare's 36 plays, which will be shown on U.S. public stations. And after prayerful contemplation, Meany has announced that the decision is not justified economically or "artistically."

Meany is gifted at cloaking narrow interests in broad phrases. Actually, he considers the CPB decision unesthetic because the small sum involved will not be spent to employ members of his unions.

The CPB will pay the BBC $200,000 a year for six years, a tiny fraction of the more than $100 million the CPB will spend on programming in that period, and a small fraction of the $13.5 million the BBC will spend on the series. Exxon and Morgan Guaranty Trust Company each will match the CPB contribution.

Bud Wolff of the American Federation of Television and Radio Artists says this is "shocking" evidence of the CPB's "monumental insensitivity" to public television's purpose. He thinks it may be necessary to ask Congress to "prevent federal funds from being used to subsidize runaway production."

Wolff says it is "obscene" for corporations to use "tax-free dollars" to export American jobs." It is probably a measure of Wolff's confidence in his argument that he tries to make up with megatonnage what his words lack in accuracy.

One of the CPB's assignments from Congress is to contract for "programs of excellence and diversity." Congress has said nothing about discriminating against foreign productions. In the Shakespeare series, federal funds will not subsidize "runaway production" or the "export" of jobs. The BBC was going to produce the series in any case. The "obscenity" of which the CPB, Exxon and Morgan Guaranty are guilty consists of getting a spectacular series for America at a bargain price.

It is true that the BBC limits non-British productions to 14 per cent of its air time. But that is no reason for punishing American viewers with reciprocal protectionism.

Besides, the BBC spends 10 times as much on U.S. imports as it receives from exports to the United States. And even with three British series on our public television in the first half of this year, all foreign programming is expected to constitute less than 10 per cent of total programming.

One of the purposes of public television is to expand the horizons of commercial television, and public television has done this with British imports. ABC's spectacularly popular "Roots" was made possible, in part, by "The Forsyte Saga" and "Upstairs, Downstairs." The popularity of those series on public television gave commercial TV a new sense of possibilities in terms of novels adapted to television.

But Bud Wolff from AFTRA is so extreme in his opposition to the Shakespeare series that he even objects to the arrangement whereby the CPB will recoup its original investment by selling the series to schools. He says this will injure American children because they will be "told by example that only foreign culture is worth learning and American artists have no standing of their own."

Wolff's argument that British productions of Shakespeare must be bad for impressionable American children is a sample of the philistinism we can expect if labor bosses become, as they are trying to become, arbiters of televised culture. And this is not an abstract danger.

Implicit, and sometimes explicit, in the arguments of Wolff and kindred spirits is a demand for cultural protectionism. This might take the form of a quota on cultural imports for public television, or of a ban on the use of public funds, or tax-deductible private contributions, for purchases of foreign productions.

When protectionists try to limit imports of foreign shoes, they are just attempting to take money from our pocketbooks. But when they try to limit our exposure to the likes of Hudson the butler in "Upstairs, Downstairs," or to Plantagenet Palliser in the current Trollope series, the protectionists are tampering with the nation's mind, and deserve the severest punishment.

They should be chained to a chair in front of a set tuned to commercial television's routine offerings.

AIR POLLUTION CONTROL PHILOSOPHIES

Mr. GARN. Mr. President, some time ago, President Carter's nomination as chairman of the Council of Economic Advisers came before the Committee on Banking, Housing, and Urban Development, of which I have the honor to be a member. I was pleased to see that the nominee, Mr. Charles Schultze, has economic ideas which differ significantly from the traditional Democratic programs. Of course I did not agree with all of his views, but I was happy to discern a willingness to look at the evidence, and reach for solutions which go beyond the usual.

In one area in particular, Mr. Schultze and I had a fruitful exchange. We discussed the idea of pollution charges as an alternative to the absolute standards approach that has characterized so much of environmental protection in the United States in recent years. This is an approach which, it seems to me, deserves more attention than it has received. I wrote to President-elect Carter last December, suggesting that his administration carry out an immediate study on the possibilities of pollution charges in promoting air quality in the United States.

Today, Mr. President, I would like to call to the attention of Senators an article written by a professor at the University of Utah, Dr. Noel de Nevers. The article was prepared for the March 1977 issue of the Journal of the Air Pollution Control Association, and discusses four major air pollution control philosophies, including pollution charges.

Dr. de Nevers discusses the strategies of emission standards, air quality standards, emission charges, and cost benefit analysis in their pure forms, and the extent to which each has been used in the past in the United States. I found his discussion illuminating, and think other Senators might.

I ask unanimous consent that Dr. de Nevers' article be printed in the RECORD, and hope that my colleagues will take this opportunity to read it.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AIR POLLUTION CONTROL PHILOSOPHIES

(By Noel de Nevers)

(NOTE.—Figures referred to in text are not printed in the RECORD.)

INTRODUCTION

Although air pollution control actions have a history reaching at least as far back as the 13th Century, the major efforts have taken place in this century. The people who undertook these efforts tended to "control pollution" rather than philosophies. However, the magnitude of the effort now being made and the public controversies which have surrounded it indicate the need for some philosophical understanding of air pollution control.

Some of the controversies have resulted from the fact that the opposite sides in the controversies were basing their views on entirely different philosophies, and did not recognize that; and some have resulted from the fact that the philosophies have been applied in mixed forms, without clear delineation of which philosophy was truly the governing one. In this paper the philosophies are examined as if they existed in "pure form," even though in practice they often occur in mixed form.

The wish of all concerned with air pollution is that we could have a completely unpolluted environment at no cost to anyone. That is apparently only possible if we can repeal the laws of nature. Since that appears impossible, our logical goal is to have an appropriately clean environment, obtained at an appropriate cost, with this cost appropriately distributed among industry, car owners, homeowners, etc. An air pollution philosophy is a fundamental idea or set of ideas about how one would determine what constitutes an appropriately clean environment, appropriate control cost, etc. These ideas must be implemented by detailed regulations. Such regulations have been the subject of controversy in recent years. The purpose of this paper is to examine the underlying ideas on which such regulations are based. In setting forth these detailed regulations, one can do it in a strict way or a lax way (one may choose to err on the side of strict control or on the side of minimum control cost). Whether one should be strict or lax in applying the philsophy is a question separate from the questions about the underlying philosophies which this paper discusses.

THE PROPERTIES OF A GOOD PHILOSOPHY

Considering the difficulties we have had with various kinds of air pollution control regulations and their underlying philosophies, we can formulate a list of the properties which a perfect air pollution control philosophy and its implementing regulations would have. A perfect air pollution philosophy (and its implementing regulations) would be cost-effective, simple, enforceable, flexible, and evolutionary.

A cost-effective philosophy gains the maximum possible benefits (reduced damages or discomforts) for the resources expended on pollution control. A simple philosophy (and its implementing regulations) is understandable to all involved in the pollution control effort and does not require legal interpretation of every word of the regulations. An enforceable philosophy and its regulations is one which makes clear who must do what, in a way which courts of law will enforce. A flexible philosophy and its regulations has a good way of dealing with emitters with special difficulties (control equipment breakdown, delays in control equipment delivery, etc.). A flexible philosophy and its regulations enables us to take into account new data on the effects of pollution and new

developments in control technology without major overhauls of our legal structure or major revisions of existing industrial plants.

THE FOUR PHILOSOPHIES

The four philosophies of greatest interest are emission standards, air quality standards, emission taxes, and cost-benefit standards. The first two are in current use in the USA and other industrial countries and are fairly well understood. The latter two have mostly been the subject of academic publications and have not had much practical testing.

Each of these philosophies can be stated and examined in "pure form," as is done here, and could in principle be applied in pure form. As later examples will show, this is not always done.

EMISSION STANDARDS

The basic idea of the emission standard philosophy is that there is some maximum possible or practical degree of emission control. This maximum degree of control varies between various classes of emitters but presumably can be determined for each. If it is determined for each, and each member of that class of emitters is required to control his emissions to this maximum degree possible, then we will have the lowest possible emission rate. Because emission rate and air cleanliness are inversely related, it follows that if this philosophy is carried out rigorously, we will have the cleanest possible air. Thus in the pure form this might reasonably be called a "cleanest possible air" philosophy.

Apparently the first large-scale application of this philosophy was in the form of the Alkali Acts in England starting in 1863.[1] These followed the introduction of the Leblanc process for manufacturing soda ash (an alkali). A byproduct of this process is hydrochlorid acid, which in the original form of the process was emitted from the plant's smokestack as a vapor or mist. This emission devastated vegetation downwind and led to controversy and legislation. The legislation created the corps of "alkali inspectors" whose duty was regularly to inspect all alkali plants and to find the best techniques for minimizing the emission of harmful pollutants. Once such a technique had been shown to be effective in one plant, the inspectors forced all the other plants to adopt it. Thus, in this case, the emission limitations were steadily made more stringent as the control technology developed, and each member of the class was obliged to meet the same emission limitation as the cleanest member of the class. This kind of application is frequently called the "best technology" type of emission standard because the requirement which is placed on all the members of a class is that they employ the best technology currently available for controlling emissions and that they keep the control equipment in good operating condition. In this type of regulation there is generally no specified emission rate or emission test; the operator who installs and operates properly the "best technology" is deemed to be complying with the regulation. The English equivalent phrase for "best technology" is "best practical means." English air pollution law is very strongly oriented to best practical means.[2]

This "best technology" approach is in widespread use and is well liked by the air pollution control fraternity. For example, the Los Angeles Air Pollution Control District Rule 56[3] requires all parties who store gasoline in quantities of 40,000 gallons or more to store it in a floating-roof tank or a tank with a vapor-recovery system or some other system which can be shown to be of equal control efficiency. Many other jurisdictions have followed this procedure for controlling emissions from gasoline storage. Measuring emissions from a floating-roof tank is a difficult task; but since a well-maintained one is a low-emission storage system, this has been a widely approved technique.

A different kind of emission standard is the prohibitive standard; for example, the widely applied prohibition of open burning of combustible wastes. This is an emission standard because open burning is not the minimum-air-pollutant-emission way of disposing of such wastes. Land fill or closed incineration produce much lower air-pollutant emissions. By forbidding open burning, we force waste-disposers to use better technology.

A third kind of emission standard is a visible emission standard. This was introduced into air pollution by Ringleman,[4] who devised a system for visually estimating the opacity of emissions from the chimneys of coal-burning furnaces. Since the opacity is related to the rate of emission of particles (not by a simple relation), limiting the opacity of the effluent limits the particle emission rate. This type of regulation has the virtue that trained smoke readers can make such readings very quickly and inexpensively without entering the plant from which the emissions come. Thus the Ringleman test is a cheap, rapid tool for emission regulation and enforcement.

Fuel-sulfur content limitations and olefin-content limitations in gasoline are also emission limitations because most of the sulfur in fuels enters the atmosphere as sulfur dioxide and because olefins are more effective in causing photochemical smog than equivalent amounts of other hydrocarbons.

The final kind of emission standard is the numerical one. For example,[5] under current EPA regulations, no coal-fired electric power plant whose construction commenced after August of 1971 may emit to the atmosphere more than 1.2 pounds of sulfur oxides per 10^6 BTU of fuel burned as determined by stack test. Similarly, 1976 model automobiles may not emit more than 1.5 gm/mile of hydrocarbons in a well-defined test procedure.[6]

All of these kinds of emission standards and their variants have the same general idea; namely, that there is some level of control of emissions which it is practical to ask all members of a well-defined class of emitters to achieve and that that level of control should be achieved by all members of the class nationwide.

This philosophy has been the basis of most of the air pollution control activities in the industrial world for the period between 1863 and 1965. In current U.S. air pollution law, there are two sections which are "pure" emission standards. These are the New Source Performance Standards,[7] which set nationwide maximum permissible emission levels for various classes of emitters (new electric power plants, new sulfuric acid plants, new municipal incinerators, etc.) and the Hazardous Pollutant Standards[8] which set specific emission regulations on mercury, beryllium, and asbestos. These latter three pollutants are considered to be inappropriate to attempt to control by the air quality standards philosophy (discussed later). Although it is not clear in the Clean Air Act that ambient air concentrations should play any role in setting Hazardous Pollutant Emission Standards, EPA did in fact consider them in setting the beryllium and mercury standards.[9]

These are "pure" emission standards in the sense that the emission rates permitted were determined on the basis of "best technology" in the way described above and were not determined as a subsidiary to some other philosophy. In addition, there is a set of emission standards for motor vehicles[10] whose values were determined not by inquiring what was the best available technology but rather by deciding on the basis of the ambient air quality standard philosophy (discussed later) what emission level was permissible and then making that emission level the standard

Because the standards arrived at this way were more stringent than could be met by the then-current "best technology," this is referred to as a "technology forcing" emission standard.[11] Many state and local air pollution agencies have emission standards, both "pure" emission standards based directly on their assessment of what is "best technology," and those based on an overriding application of the air quality standards philosophy.

THE ADVANTAGES AND DISADVANTAGES OF EMISSION STANDARDS

Table 1 compares emission standards (and the three other philosophies to be discussed later) with the list of qualities previously given. The emission standard philosophy's cost effectiveness is very bad. If we apply the same uniform emission standards to a class of emitters including those at a remote location and those in the center of an industrial, densely populated area, then if the standard is stringent, the remote plants will make a large expenditure with a small reduction in damage to receivers and hence a small benefit. If the standard is lax, then the plants in the industrial area will not be controlled to the degree which minimizes the damages to the surrounding population. This is a natural consequence of the application of a common standard ("cleanest possible air") to densely populated and sparsely populated areas.

Because of this poor cost-effectiveness, we frequently do not apply the emission standard philosophy in its "pure form," but rather apply it in modified forms which take the location of the source into account.

The simplicity of the emission-standard philosophy is excellent. The entire set of regulations consists of the permitted emission rates and the description of the test method to be used to determine if the emission standards are met.

The problem of the tradeoff between cost-effectiveness and administrative simplicity of the emission standard strategy is well illustrated by the history of the emission standards for motor vehicles in the United States. In 1967 the automobile manufacturers petitioned the Congress of the United States to write uniform motor vehicle emission standards for the whole United States and forbid the states from individually writing their own. They did so because they feared the complexity of having to produce a multiplicity of different vehicles to meet different state standards.[12] In 1973 they petitioned Congress to do the reverse and allow it to use a "two-car strategy" in which very stringently controlled vehicles would be sold in areas with severe air pollution problems, and much less stringently controlled vehicles would be sold in areas without severe air pollution problems.[13] They did this because they believed that the extra expenditure for stringently controlled cars in areas without severe air pollution problems was not cost-effective.

The enforceability of the emission standards philosophy is excellent. Once standards are set and test methods defined, one knows whom to monitor and for what; and violation criteria can easily be written and penalty schedules formulated.

The flexibility of this philosophy is poor. If a plant orders pollution control equipment in good faith and the equipment fails to meet the manfacturer's predicted performance criteria (and hence the emission standards), it will generally take years to replace it. How should the control authorities deal with this plant? Under this philosophy they can close the plant, fine it, or give it a variance to operate until the equipment is fixed. Experience has shown that plant closing is politically impossible, serious fines are politically very difficult, and the variance is an invitation to infinite delays, but under this philosophy there are no other obvious alternatives.

Footnotes at end of article.

The evolutionary ability of this philosophy is fair. If a new technology makes it possible to set a lower standard, it can be done for all sources built after a certain date. This works well for autos, whose lifetime in the economy averages 10 years, but poorly for industrial plants, whose lifetime is 30 to 50 years. Mandating a lower emission standard for plants built after a certain date will help the air quality in areas undergoing growth after that date but not those which do not have such growth.

In its early days this was an excellent philosophy. Most of the progress which has been made in air pollution since 1863 was made by the application of this philosophy. The "best technology" approach made sense for the Leblanc soda-ash plants because their pollutant could be collected and sold at a profit. It made sense for coal-burning furnaces because their black soot emissions were wasted fuel. But most of the air pollutant emissions which can be recovered and sold at a profit are now being so collected and sold. Further progress in control of air pollutants (either to get to cleaner air or to maintain current air cleanliness in a time of industrial and population growth) will be made by applying more stringent controls to sources which cannot recover a saleable product or reduce expenses by reducing emissions. For this problem, the emission standard philosophy is useless.

This uselessness is illustrated by the question of the design efficiency of electrostatic precipitator for large particulate emitters, e.g., coal-fired electric power plants. The typical percent recovery of particulates by new installations has risen steadily over the past two decades, from 90 percent to 99+ percent. There appears to be no reason why we cannot build precipitators with recovery efficiencies of 99.9 percent or 99.99 percent, etc. The most general design equation for these precipitators is the Deutsch-Anderson equation [14]

Equation 1:

$$\text{collection efficiency} = 1 - \exp\left(-v_d A/Q\right)$$

where v_d is the "drift velocity" which is an appropriate average particle movement velocity toward the collecting plates, A is the area of the collecting surface and Q is the volumetric flow rate of gas being cleaned. The cost of an electrostatic precipitator is roughly proportional to the area of the collecting surface (A) so that for a given installation (and hence a constant Q and v_d) we can say approximately

Equation 2:

$$\text{collection efficiency} = 1 - \exp\left(-\text{some constant} \times \text{cost}\right)$$

Thus, according to Equation 2, if it costs N dollars to install a 90 percent efficient precipitator, it will cost 2N for 99 percent, 3N for 99.9, 4N for 99.99, etc. (This is only approximate because precipitators collect the big particles preferentially so that as efficiency goes up, the average value of v_d goes down.)

Given this approximate cost-efficiency relation, what is the "best technology" or "cleanest possible air" value for this kind of installation? Clearly, we can mandate any level of control efficiency we wish, and the precipitators can be built to meet them. If the level of "best technology" is deemed to be 99.5 percent (a typical current value) and some plant installs a 99.95 percent efficiency one, shall we then mandate that all future plants should install precipitators that efficient?

That is the logical result in the pure form of this philosophy. At that point the effluent would contain approximately 6 percent as many particles per unit of heat released as the typical home oil-fired space heating furnace.[15] However, even then we could design and build more stringent control devices if we wished. Should we?

If society had infinite resources and were willing to commit them to the control of air pollution, this would not be a difficult question. But I believe society has finite resources and will probably only commit some fraction of them to air pollution control. If this is correct, then it would seem folly to commit all of them to this particular kind of pollutant. But the "best technology" philosophy or "cleanest possible air" philosophy if carried out relentlessly, would lead inevitably to that. For this reason, those who have tried to apply this philosophy have generally tempered it with some qualifier like "taking costs into account." The same idea appears in the protracted discussions over the meanings of terms such as "good technology," "best reasonable technology," "best demonstrated technology," and "reasonably available control technology," and "best available control technology".[16] These all reflect the fact that this philosophy, if pursued to its logical conclusion, leads to impossible results. Thus although it has been useful in the past, it provides little guidance for the future.

The dilemmas of this philosophy are also illustrated by an example from the author's personal experience. In trying to prevent this relentless application of this philosophy, Congress, in the Clean Air Act of 1970 [1] required that one of the emission standards should be based on ". . . the best system of emission reduction which (taking into account the cost of achieving such reduction) . . . has been adequately demonstrated." EPA based its power-plant sulfur dioxide regulation on the demonstrated performance of the largest limestone scrubber then in operation in an investor-owned power plant in the USA. The electric utility industry then pressured the owners of that plant to disavow it and claim that it was not functional, practical, etc. EPA pressured the owners to defend it. These conflicting pressures were so great that when I asked the vice president of that power company for a simple public realtions photo of the plant to use in a magazine article,[17] he refused. If the whole industry must do whatever the most advanced has done, then he who advances fastest incurs the wrath of his colleagues. Given this basis for standard setting, the electric power industry has taken action to prevent one of its members from installing advanced control equipment on its plants.[18] If that member succeeds, all must follow, whether it is a prudent use of the country's resources or not. This particular case (limestone scrubbing for sulfur control) is an issue which is under intense, current national debate. The emission-standard philosophy gives no guidance at all on how that debate should be resolved.

THE AIR QUALITY STANDARDS PHILOSOPHY

If the emission standards philosophy is logically a "cleanest possible air philosophy, the air quality standards philosophy is logically a "zero damage" philosophy. To see why, consider a dose-responsive curve, Figure 1.

We know most about dose-response curves from pharmacology where one regularly gives laboratory animals known doses of experimental pharmaceuticals and measures their response. From theory and experiment,[19] we know that for pharmaceuticals the most common dose-response curve is the "no-threshold" curve, which passes through the origin. A quite different view prevails in industrial hygiene. There it has been observed that for workers industrially exposed to toxic materials there is some exposure concentration, called the "threshold value," which "represent(s) conditions under which it is believed that nearly all workers may be repeatedly exposed day after day, without adverse effect."[20] These values, called "threshold limit values," are established by industrial hygiene boards; and industrial plants are expected to protect their workers from higher values.

The air quality standards philosophy is based on the assumption [21] that the true situation for most major air pollutants is the "threshold value" situation sketched in Figure 1. If that assumption is true, and if we can determine the concentration values (including time of exposure) which correspond to such threshold values, and if we can regulate the time, place, and amount of emissions to guarantee that these threshold values are never exceeded, then it follows as an inescapable consequence that there can be no air pollution damage, ever, anywhere. This is precisely what the air pollution community is trying to do now in the USA, in carrying out the air quality standards philosophy which is the basic philosophy of the Clean Air Act of 1970.

To implement this philosophy, some body or group must study the available dose-response data and determine what are the "threshold values." In U.S. air pollution law, these are to be set "with an adequate margin of safety . . . to protect human health," [22] and are called Ambient Air Quality Standards. (Note the upbeat wording; this really means permitted levels of contamination.) The Environmental Protection Agency has established such standards for five major pollutants.[23] The state are now attempting to manage the air quality to assure that those standards will not be violated, ever, anywhere. How this is being done is illustrated, in flowchart form, in Figure 2.

The process (for some specific locality) begins with a measurement of the ambient air quality. This is then compared with the standards. If the measured value is acceptable (i.e., less than the Ambient Air Quality Standards) then the next step is to compute the predicted future air quality over some finite time period. If this is acceptable, no action is needed. If the future emissions (taking into account population and industrial growth, etc.) are above the standards, then emission regulations must be devised to prevent this predicted future violation.

If the current values are above the permitted values, then emissions must be reduced to bring the current values into compliance with the standards. To do this, one must have some way of estimating the relation between emissions and ambient air quality. This is normally done by means of some kind of air quality model.

Based on these models, one computes a set of needed emission reductions, enacts the regulations to compel the emitters to reduce their emissions, enforces this set and, once the emissions have been so reduced, again measures the ambient air. If the standards are not met (and the emissions have indeed been reduced as required by the model) then the modeling exercise must be repeated and the entire cycle repeated until the standards are met. This process was begun in the USA for the first time in the spring of 1971 [24] with the standards all to be met in 1975.

Delays in meeting the standards were granted, as provided by law, in some cases. The states and the EPA are now in the process of determining where the standards are and are not being met, and thus initiating the second trip around the loop shown in Figure 2.

Comparing the air quality management philosophy with the list of desirable qualities described above (See Table I), we see that its cost effectiveness is good but not excellent. It has the virtue of concentrating pollution-control expenditures in the areas with the worst pollution problems and allowing higher emission rates (and lower pollution control expenditures) in areas with

Footnotes at end of article.

less serious problems. However, once a set of nationwide air quality standards has been set, they must be met everywhere, even in areas seldom or never visited by people. Thus, it will require some control expenditures for which the damage-reduction benefits will be small.

To date no one has found a way to write a simple set of regulations based on this philosophy. EPA's best efforts to write a simple set of regulations to enforce the air quality standards philosophy in the Clean Air Act of 1970 have resulted in a very complex set of regulations which have been the subject of a seemingly unending set of legal challenges. Some critics have referred to the Clean Air Act of 1970 as the "Lawyers' Full Employment Act of 1970." The reason for this complexity is that we are attempting to control the concentration of pollutants in the ambient air. Those concentrations are influenced by a wide variety of emitters, some nearby, some far away. The connection between their emissions and air quality at a given point depends on the meteorological transport and dispersion of the pollutants [25] and atmospheric reactions of the pollutants.[26] Neither of these subjects is well enough understood to allow exact and unequivocal calculations of the contributions of individual emitters to specific location concentrations in urban areas. Given this uncertainty, regulations attempting to deal with local and long-distance polluters have been promulgated, and contested in court, with resulting modifications and complexities.

The enforcement difficulty of this philosophy results from the same cause as its complexity; namely, that one is trying to enforce air quality. When the air quality standard is not met, it is not generally obvious who is responsible. Furthermore, some industries have proposed "intermittent control plans" in which they would reduce emissions at times of poor atmospheric dispersion, and thereby meet the standards with higher annual emissions than would result if they controlled emissions constantly at a level which led to meeting the standards at all times. If the philosophy of air quality standards were enforced in an absolutely "pure" way, this would seem to be a sensible way to meet them. However, there are some objections concerning long-range transport of pollutants [27] and in addition an enforcement problem. If we are dependent on daily monitoring and daily management of emissions both done by industry to meet the standards, how are we enforcing the law? This later has led to EPA rejection of one plan involving such intermittent control; [28] that rejection will almost certainly be litigated.

The flexibility of the air quality standard philosophy is fair. Because of the multiple ways air quality standards can be met, those administering it have some flexibility, and each local agency can choose the detailed regulations it considers best, within limits. Special cases and emergencies can be handled locally.

Its evolutionary ability is fair. As new data require it, standards can be changed; but that will then probably require complete new emission regulations, which will be expensive and time consuming. Improvements in control technology will increase the options open to those regulating emissions.

One clear difficulty with the air quality standards philosophy, which had led to court action in the USA concerns "non-degradation" or "non-deterioration." If it were absolutely true that there was no damage at all of any kind at concentrations below the "threshold values," then there could be no logical objections to polluting up to those concentrtaions. In effect the EPA guidelines to the states for developing ther "State Implementation Plans" [29] took this view. In contesting those regulations, a consortium of environmental groups showed that this was not apparently the intent of Congress nor even completely consistent with EPA's own regulations issuing the standards.[29] Aside from these purely legal questions, the logical bases for opposing this view are 1) that the setting of threshold values is bound to be based on limited data and that, therefore, one cannot be certain that we will not harm pure-air areas by polluting them up to the levels of the standards and 2) that visibility (the ability to see distant vistas) is inherently not a threshold value property but rather [30] is clearly a no-threshold property. Hence, if we were to pollute up to the standards, most of the scenic areas of the arid southwest and the Rocky Mountain states would experience a marked and significant deterioration of their traditionally high visibility and clear skies.

This controversy has been considered by the US Supreme Court once, with the conservation groups winning (on a tie vote) and has been the subject of several sets of proposed and final EPA regulations.[31] It seems certain to be the subject of future litigation. It clearly reveals the most basic difficulty with the air quality standards or zero-damage philosophy; namely, that this philosophy is totally and completely dependent on the assumption that there are threshold values below which there is zero damage. For visibility this assumption is demonstrably false. Thus the strongest intellectual basis for the non-deterioration or non-degradation doctrine is this attack on the false premise in the air quality standard philosophy. However, as more and more data accumulate on air pollution effects on humans, it becomes harder and harder to believe that the threshold value idea truly applies to human populations.[32] If it becomes clear that it does does not apply, then it will be equally clear that the ambient air quality standard or zero-damaged philosophy is without intellectual foundation. If that is the case, we will still be able to use ambient air quality standards if we wish; but we will have to choose the values on some philosophical basis entirely different from that used to date. As an example of the setting of an ambient air quality standard at some value other than the "zero damage" value, an ambient air quality standard for asbestos has been proposed [33] whose proponents indicate that this standard would correspond to a mortality rate of 150 lives/year nationally due to ambient asbestos exposure. If one decides to permit a finite amount of human health damage, he must then decide how much. The cited article does not discuss how it was decided that 150 deaths/year was the desirable level. Clearly that is not arrived at by a "zero damage" assumption.

EMISSION-TAX PHILOSOPHY

The two previously discussed philosophies are in current active use in the USA. We know a great deal about them, their advantages, and their drawbacks. The two philosophies discussed next are not to any significant extent in use anywhere in the world but rather are ideas which have had theoretical discussion in academic journals. They represent possible future alternatives.

An emission-tax philosophy would tax each emitter of major pollutants according to some published scale related to its emission rate; e.g., x¢ per pound of a pollutant for all emitters. This tax rate would be set so that most major polluters would find it economical to install pollution control equipment rather than pay the taxes. In its "pure form" there would be no legal nor moral sanction against an emitter who elected to pay the tax and not control his emissions at all. Because regulated public utilities could probably pass such taxes on to consumers, the tax would have to be set high enough that it would cost them less to control than to emit, and hence public utility commissions would base the allowable rates on the lower cost of control rather than on the higher cost of paying the tax. In the pure form, it is clearly quite a different philosophy from the air quality standard or emission standard philosophy.

Emission taxes have also been proposed in combination with the air quality management philosophy; in this combination, emission taxes would act as an added incentive to reduce emissions to lower levels than those required to meet air quality standards.[34] In this case the two philosophies would work in parallel. An alternative form would have the tax rate steadily increased until some predetermined ambient air quality was reached. In this version emission taxes are not an independent philosophy but a tactic being used to implement air quality standard philosophy.

Emission taxes can be considered as one member of a larger class of philosophies called "economic incentives." The other members of this class are tax rebates and public loans for the installation of air pollution control equipment and direct public subsidies for pollution control. These latter seem in most cases not to have been proposed as separate and complete philosophies (i.e., they have no "pure form") but rather have mostly been proposed and applied as ways of disturbing the costs of implementing air quality standard or emission standard philosophies.

The emission-tax philosophy assumes that the environment has natural removal mechanisms for pollutants (with chloro-fluorocarbons as a possible exception [35]) and that hence any particular contaminant level, the environment has a finite absorptive or dispersive capability. If this is so and that capability is seen as public property, then it should logically be rented to private users to return maximum benefits to the public treasury, and it should not be overutilized; the analogy with publicly-owned forest or grazing land seems obvious. For this reason one might think of the emission-tax philosophy as a "market allocation of public resources" philosophy, as compared to the "cleanest possible air" and "zero damage" bases of the two previous philosophies.

If we (the government) take that view and apply the "pure form" of emission taxes, then we accomplish two desirable results. First, we make the level of pollution control by the individual firm an internal economic decision. In either of the two previously discussed philosophies if the individual firm can persuade (or litigate) the control authorities into a less restrictive regulation, that firm saves money and possibly gains an advantage over its competitors who are not able to do so. If we use the emission-tax philosophy, each firm must make the individual decision as to which level of control efficiency will minimize its sum of control costs and emission taxes. This sort of minimization is something American industry is demonstrably good at.

The second desirable result is that the emission-tax philosophy should minimize the misallocation of pollution-control resources. If we use it, small emitters will presumably find it economical to pay the taxes rather than put economically-wasteful control devices on their plants. Large emitters, on the other hand, will find the taxes on their emissions prohibitive and install very high-quality control equipment. Overall, this should allocate resources well.

Many versions of emission taxes have been proposed and discussed, but none has reached the state of legislation. Comparison of this philosophy with the list of qualities must be based on impressions of how the legislation would work.

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The cost effectiveness should be fair because it would allow each emitter the choice of controlling emissions or paying the taxes (or controlling to some economic level and paying for the rest). Making the decision whether or not to control and the level of control desired a matter of the internal economics of major emitters would probably result in a better overall level of cost-effectiveness than is possible with uniform emission standards. However, if we enact a uniform national set of emission taxes, it may result in some remote plants installing control equipment at large cost to minimize taxes without much corresponding reduction in damages. This is the principal limitation on its cost effectiveness.

Most schemes proposed so far only envisage taxes on large sources. Such schemes are simple. For large sources, the tax rates and emission test methods comprise the whole of the regulations. If an attempt were made to extend the tax to all emitters (e.g., autos, household fireplaces, small industries), then the problem would become much more complex[36]. For sulfur oxides, for example, one could tax motor vehicle and home-heating fuels based on sulfur content at a rate comparable to the rate for sulfur emissions from large industrial sources. This would be simple. But no comparably simple scheme for particulate emissions from home-heating sources, autos, etc., is yet apparent.

If the tax schemes are limited to large sources, then enforceability should be excellent. The emission-testing industry would have to be expanded and certification of testers (like the current certification of weights and measures) instituted; but once a certified body of independent emission testers was available, their test values would be readily accepted as the basis for tax payments. Recording emission meters in exhaust stacks would also be most useful.

Flexibility to deal with the kinds of problems previously discussed would be unnecessary. Flexibility is needed in the other philosophies to deal with the problem of an emitter who cannot economically meet an area-wide standard or who cannot meet it by a statutory deadline. In an emission-tax system, he simply pays the tax.

The evolutionary ability should be good because the tax rate could be changed as the need arose. This would have to be done with some caution because industry has complained about their difficulties with changing standards. (They speak of the difficulty of "shooting at a moving target.")

However, raising tax rates for existing plants causes much less economic disruption than lowering an emission standard. In the case of the tax rate increase, the existing plant would probably elect to pay the higher tax, while for the lowered emission standard, it would probably have to replace its existing pollution-control equipment with more effective equipment.

Although the emission-tax philosophy is widely favored by economists in pure or mixed form and was once proposed in one of President Nixon's messages to Congress,[34] it has generally been anathema to American industry. One industrial group states,[37] "As a matter of principle, the right to pollute the environment should never be 'for sale.' " If we compare this view to the view of the holders of grazing rights on the public domain, we see that it is the same. Those who enjoy the free or subsidized use of the public domain are reluctant to pay the fair market price for that use.

An inherent difficulty with emission taxes as a pure philosophy is that there is no obvious answer to the question of how high the taxes should be. Generally it is suggested that we will raise the tax rates on a previously-announced schedule, continuing until the air is "clean enough," and then hold the rates constant. How will we decide that the air is "clean enough"? If we decide on the basis of assumed threshold values, then emission taxes become merely a novel way (possibly a very good one) of implementing the air quality standard philosophy and not a pure philosophy at all. If, as discussed previously, the basic assumption of the air quality standards philosophy proves incorrect, then using it as a basis for determining "clean enough" in the emission tax philosophy has the same drawbacks as discussed previously.

We could opt not to consider air quality at all in deciding on our tax rates and use some purely economic criteria; e.g., maximum tax revenue or marginal cost of pollution control equal to some current "best technology" value. Such an approach would presumably ignore the question of air pollution damage to the public.

COST BENEFIT PHILISOPHY

The previous discussion has shown that only the ambient air quality standards philosophy gives any guidance on how clean the air should be and that this guidance is based on the assumption that there are true threshold values. If that proves false, then that philosophy gives no guidance. If the assumption turns out to be true, it may still turn out that the true thresholds are so low that the cost of maintaining "zero damage" air quality is more than we can bear.

The cost-benefit approach assumes that either there are no thresholds, or if there are, they are low enough that we cannot afford to have air that clean. If this is so, then it follows that we must accept some amount of air pollution damage to someone, somewhere. In this situation this philosophy suggests that we face this fact and attempt to decide, in as rational a manner as possible, how much damage we should accept and correspondingly how much we should be willing to spend to reduce damages to this level.

The idea is illustrated in its simplest form on Figure 3. This figure, which is only conceptual and does not represent any particular situation, shows that if we make zero air pollution control expenditures, we will have some large ambient concentration of pollutants. As we increase the control expenditure, the concentration of pollutants will fall with the costs going up very steeply as we approach zero concentration. The damage-cost curve is shown starting at some low value at a small or zero concentration and increasing rapidly at high concentrations. The sum of the two is shown to have a minimum value at some intermediate concentrations. This minimum is the optimum; expenditures above or below it are wasteful.

Figure 3 is but one example of the classic "minimization of the sum of two costs" problem which appears in economics and engineering texts. The minimum occurs when the slopes of the two cost curves are equal and opposite, or

Equation 3:

$$\frac{d(\text{pollution damage plus pollution control cost})}{d(\text{concentration of pollutant in the atmosphere})}=0.$$

Figure 3 is a great simplification of reality because it shows one control cost curve, one damage curve, and one atmospheric concentration. In the real problem there is a damage curve for each individual exposed to air pollution, a control curve for each emitter (including autos, household space-heating plants, etc.), and a concentration dimension for each pollutant at each location. Thus instead of having a one-dimensional optimization, we have a multi-dimensional optimization with the number of dimensions being at least as large as the number of people in the world. One can in principle solve such multi-dimensional optimization problems; the solution of this one—in principle—is

Equation 4:

$$\left[\frac{\left(\begin{array}{c}\text{pollution control and}\\ \partial\ \text{damage cost for whole}\\ \text{nation)}\end{array}\right.}{\left.\begin{array}{c}\text{(pollution control and}\\ \partial\ \text{damage cost for each}\\ \text{individual)}\end{array}\right]_{\text{all others constant}}=0$$

Equation 4 indicates that at the true global optimum for each person and each pollutant, we are at a minimum of the form sketched in Figure 3. Although this is clearly the right place to be, getting there may be difficult, and Equation 4 should be considered as only a philosophical guide until we know much more about its detailed application.

This approach is frequently criticized by those who say, "You can't reduce . . . to monetary terms," where . . . may be human health, human life, or the quality of a clear sky, or air pollution damage to the cathedrals of Europe, or something else (e.g.,[38]).

"To press non-economic values into the framework of the economic calculus, economists use the method of cost/benefit analysis. This is generally thought to be an enlightened and progressive development, as it is at least an attempt to take account of costs and benefits which might otherwise be disregarded altogether. In fact, however, it is a procedure by which the higher is reduced to the level of the lower and the priceless is given a price. It can therefore never serve to clarify the situation and lead to an enlightened decision. All it can do is lead to self-deception or the deception of others; for to undertake to measure the immeasurable is absurd and constitutes but an elaborate method of moving from preconceived notions to foregone conclusions; all one has to do to obtain the desired results is to impute suitable values to the immeasurable costs and benefits. The logical absurdity, however, is not the greatest fault of the undertaking: what is worse, and destructive of civilisation, is the pretence that everything has a price or, in other words, that money is the highest of all values."

It is hard to believe that a distinguished economist could write this, and clearly ignore what all economists teach: that money is an indicator of value, and not a value itself.

It is hard to assign monetary values to non-material things, but society obviously does. The value we place on health is indicated by how much we are individually willing to spend to safeguard or improve our own personal health and by how much society is willing to spend to improve community health. The value society places on human life is indicated by how much society will spend to prevent one accidental death. Juries set financial values on loss of life and health every day.[39]

The value we place on clear skies is indicated by how much people will give up to live in areas with such clear skies. Frequently, the person making this criticism disagrees with society's evaluation. I disagree with some of society's evaluations, but that is not ground for saying that society cannot and does not evaluate these things.

A paradox which continually puzzles me is that many well-educated people express such strong chagrin and distaste at the idea that society places dollar values on such things as human life, human health, the quality of the clear sky, etc. Frequently, the people who assert that setting such dollar value is immoral simultaneously reject as too expensive such life- and health-saving measures as mandatory seat belts, mandatory safety measures in auto construction, more comprehensive and thorough drug testing, safer highway design, improved public health facilities, improved occupational health standards, etc. In so doing they show

Footnotes at end of article.

that, at least subconsciously, they have placed dollar values on human health and human life. It appears that setting such dollar values is for our society like sex was for the Victorians; everyone does it, everyone knows that we all do it, but it is considered awful and disgusting to talk about it in public or admit that one does it.

Comparing the cost-benefit philosophy with the list of desirable properties, we see that its cost effectiveness is excellent. Since the whole idea of this philosophy is to solve the cost-benefit minimization problem, if it is done properly, it must have the best possible cost effectiveness.

Its simplicity should be terrible. Given the problem of solving Equation 4 with as many variables as there are people and enacting regulations to enforce that, one can see the magnitude of the problem. Clearly, some simplified version of the solution to Equation 4 must be used. Even so, the complexity should be fearsome.

Because of this complexity, it seems very unlikely that we will even have air pollution regulations based directly on cost-benefit analysis or on the direct application of Equation 4; i.e., a "pure" cost-benefit philosophy. More likely, greatly simplified approaches will be used. Two probable approaches are the use of cost-benefit analysis to set emission standards or to set air quality standards. Most likely this has been going on, informally, for many years. Most applications of the emission standard philosophy have included some wording in the laws suggesting that the standards be set . . . "taking into account the cost . . ."[7] or analogous words about "reasonableness" or "practicality." In deciding what is reasonable or practical, those writing the regulations have consciously or unconsciously attempted to decide what the benefits of a given control measure would be and balanced these benetfis against the cost. I know of no conscious example where this has been done with air quality standards; but when and if it becomes clear that one or more of the major air pollutants is a no-threshold pollutant, this will probably be the way used to decide what the air quality standard will be.

Because Table I is written for "pure" philosophies, I have listed "unknown" for the enforceability and flexibility of the cost-benefit philosophy. No one has, to my knowledge, published any clear idea of how a set of regulations based on "pure" cost bennfit analysis would be written. Hence this uncertainty. One may estimate that the evolutionary ability would be good. As we discover new air pollution damage data or new control technology, we can introduce these into our cost-benefit equation and modify the regulations to take this into account.

If, as stated above, this philosophy will most likely be used, not as a "pure" philosophy, but as a guide for setting emission or air quality standards (and this has been going on, informally, for a long time), why list this as a philosophy at all? The major purpose of this paper is to elucidate the true philosophical bases on which we are currently acting. If, as I suggest, we have been applying this philosophy in an informal, non-public way while using emission standards and air quality standards as our public philosophies, then I believe we ought to admit it. If we really are using emission standards and/or air quality standards not as basic philosophies but as enforcement tools for an overall cost-benefit strategy, then we ought to devote the thought and effort necessary to putting our cost-benefit decisions on as sound a basis as possible. To do so will require public exposure of the assumptions and value judgments which are needed to do cost-benefit calculations involving human health damage, aesthetic damage, etc.[40] I predict that exposing such value judgments will be painful and controversial, but the alternative is to continue making air pollution control decisions in ways where the true bases are hidden from public view and public debate.

CONCLUSIONS

From 1863 to 1965 air pollution control efforts were largely based on the emission-standards or "cleanest possible air" philosophy. From 1965 to the present, the air quality standards or "zero damage" philosophy has found increasing application and become the dominant philosophy in US air pollution law. The emission tax or "market allocation of public resources" philosophy has been proposed and discussed as an alternative to these two philosophies.

Air quality standards answers the question, "How clean should the air be?" but bases the answer on an unproven assumption. The other two philosophies do not answer it at all. If the basic assumption of the air quality standards philosophy proves false, then none of these philosophies will answer that question.

Informally, or unconsciously, pollution control agencies have answered the question by some kind of estimates of costs and benefits. In the future, the author suggests that this kind of analysis should be removed from the guesswork and "engineering judgment" of pollution control officers and become a formal, publicly debated part of our air pollution regulation-setting procedure.

FOOTNOTES

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TABLE 1.—COMPARISON OF STRATEGIES

	Emission standard	Air quality management	Emission taxes	Cost-benefit analysis
Cost effectiveness	Very bad	Good	Fair	Excellent.
Simplicity	Excellent	Poor	Excellent	Terrible.
Enforceability	do	Fair	do	Unknown.
Flexibility	Poor	do	Unnecessary.	Do.
Evolutionary ability.	Fair	do	Good	Good.

Mr. BAKER. Mr. President, an article appeared in the February 16, 1977, edition of the Knoxville News Sentinel by Mr. William R. Burleigh, editor of the Evansville Press, regarding the relationship between our current shortage of natural gas and Federal regulation of interstate gas prices. I share Mr. Burleigh's analysis and his view that free market forces will, in the long run, resolve our supply problems more efficiently than will Government regulation. I would like to share Mr. Burleigh's remarks with my colleagues in the Senate, and I ask unanimous consent that his article be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BUNGLING BIG BROTHER CAN'T KEEP US WARM

(By William R. Burleigh)

A friend with rare insight was commenting the other day that politicians, like newspaper editors, just can't believe that there's any problem without a solution. At least in the politicians' case, it's usually a solution calling for the healing powers of government to be spread on thick.

My friend's wisdom goes to the heart of the energy crisis.

Evidence mounts to support the belief that we have a natural gas shortage today mainly because Government a quarter of a century ago began to stifle natural economic forces. And over the years, the more the Government meddlers have intruded, the more serious the problem has grown. Not only that, the more painful becomes the ultimate day of reckoning.

In 1954 the Supreme Court gave the Federal Power Commission authority to regulate the price of natural gas destined for interstate use. Bitter hindsight tell us now that the FPC has kept those prices artificially low, entangled the gas producers in unbelievable amounts of red tape and completely frustrated the machinery that normally takes care of the supply and demand of basic goods in a free-market economy.

Meanwhile, the gas producers, prevented from selling their product for prices they knew it was worth, did what any sane entrepreneurs would do. They grew reluctant to gamble their money on finding new supplies. Instead they looked around for places to sell what was available at prices that weren't artificially held in check by Government.

This perfectly natural reaction made them evil robber barons in many eyes. Government was depicted as the good guy, keeping prices at affordable levels. Business was the bad guy because it just happened to be responding to the profit motive.

Locked into this false stereotype, we have been face to face with real anguish—a record winter, not enough gas, factory layoffs, desperate cries for conservation from the same politicians who preach the religion of price controls. And all of this in a country made great and powerful by a system of free enterprise.

So why don't we bite the bullet and vote for the deregulation of natural gas prices that would, eventually at least, be pretty certain to restore our supplies? The great preponderance of informed opinion now agrees that's the way to go. It will cost each of us more money and it will take time. It will be no panacea, for this country can't go on for many more decades relying on natural gas, even if all reserves are drilled. But it should without question get us out of the current pinch.

So why won't our political leaders do it? Why won't we have faith in the basic economic system that time after time has proved its superiority to anything else we have devised? Why is there such a reluctance to trust those natural forces over the man-made force of bungling Government?

Big Brother has proved he can't keep us warm. Isn't it time to give somebody else a chance?

WARNKE NOMINATION

Mr. PERCY. Mr. President, the controversy over Mr. Warnke's nomination to head the Arms Control and Disarmament Agency and to be chief negotiator for SALT is based on ideology rather than competence. There has been no question of his competence as a manager. Moreover, his testimony before the Foreign Relations Committee reveals him to be knowledgeable, articulate, and persuasive.

From my review of Mr. Warnke's extensive writings, prior testimony, and his confirmation testimony, it is clear that there has been some modification in his views. I do not, as some seem to, ascribe these modifications to a sinister and deliberate attempt to win confirmation. I believe him to be sincere when he states he would not negotiate away any U.S. advantage. I believe he has a firm commitment to maintain the U.S. deterrent. His testimony before the Foreign Relations Committee is available to anyone who cares to read it. In it are strong words in support of negotiations, careful attention to the need for a strong defense posture, and commitment to consult with this body.

I did not make up my mind until I had consulted qualified people for and against the nomination. I asked Paul Nitze to testify before the committee and state his reasons for opposing the nomination. I consulted two former Directors of ACDA, Bill Foster and Gerald Smith, who gave their enthusiastic endorsement of Mr. Warnke; these two able men know from first-hand experience what Mr. Warnke will face during arms control negotiations, and they feel he is the right man for the job.

I have carefully and thoughtfully weighed all points of view. I have reread Mr. Warnke's articles and reviewed his testimony. A former Assistant Secretary of Defense, he knows this field. His record as an administrator is a good one. He will, I am convinced, bring total dedication to his new assignments. I am therefore, supporting Mr. Warnke to be both Director of the Arms Control and Disarmament Agency and our chief SALT negotiator.

The hearings just concluded illustrate the strength of the confirmation process. We have put Mr. Warnke through grueling and possibly uncomfortable hearings. He has been examined and cross-examined, and he has heard dedicated men such as Representative STRATTON, Senator MCCLURE, and Paul Nitze express deep reservations about his nomination. In the process we have subjected our arms control policy to thorough debate. When Mr. Warnke conducts business in the name of the United States, he will be mindful of this process and the whole spectrum of views which has been expressed. He will remember the words of good and able men who had grave doubts about his views, as well as those who spoke in his support.

I believe that this experience will serve Mr. Warnke well in his new job when—with both hats on—he encounters the bureaucratic infighters, the political counterpunchers, the diplomatic doubletalkers, the stolid Muscovites, the hardliners, the softliners, and the one liners. Let us confirm him and remember him in our prayers.

OPPOSITION TO NOMINATION OF PAUL C. WARNKE AS SALT NEGOTIATOR

Mr. THURMOND. Mr. President, the 2 days of testimony by nominee Paul Warnke did nothing to allay my fears relative to his effectiveness as our negotiator with the Soviets for strategic arms.

The hearings validated that Mr. Warnke over the past 8 years has consistently opposed the major portion of the key programs approved by the President and Congress.

Of equal concern is his opposition as well to even research and development in such vital strategic weapons as the B–1, Trident submarines, the mobile MX, multiple independently retargetable

warheads, the airborne warning and control system, et cetera.

It is simply incomprehensible to me as to why a man with this background would be named to negotiate with the Soviets when he has opposed more U.S. weapon systems than even the Soviets have suggested we abandon.

Also, I am deeply troubled by the fact—proven by lengthy questioning—that Warnke has changed his position on some weapon systems to coincide with his nomination. He has clearly altered his position in some instances, although he refuses to admit that change.

For example, he claims he has supported research in areas essential to our overall defense strength while the record simply does not support that position.

Mr. President, a number of articles on this subject have appeared in the press recently. I request unanimous consent at this time to have printed in the RECORD following my remarks the below-listed items:

1. The Washington Post, February 10, 1977, "Warnke: 'Aping' Through Unilateral Abandonment"—Will.

2. Detroit News, February 10, 1977, "Who is Paul Warnke?"—Heinl.

3. Christian Science Monitor, February 17, 1977, " 'Dove' and 'Hawk' Ruffle Their Feathers"—Southerland.

4. The Washington Post, February 22, 1977, "Why Paul Warnke Should Not Be Confirmed As Director of the Arms Control and Disarmament Agency and Chief Negotiator for the Strategic Arms Limitations Treaties . . . An Open Letter To The United States Senate."—Graham.

5. The News and Courier, February 24, 1977, "Mr. Warnke and SALT."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 10, 1977]

WARNKE: "APING" THROUGH UNILATERAL ABANDONMENT

(By George F. Will)

Paul Warnke is an open book. Indeed Warnke, President Carter's nominee to head the arms control agency and strategic arms negotiating team, is an open book who has been reading himself to the nation for years.

In writings, lectures, debates and congressional testimony, he has tirelessly advocated distinctive ideas, such as a program of defense cuts that would have produced a defense budget for fiscal 1978 about $25 billion less than what Carter considers necessary.

Regarding strategic arms, Warnke believes the United States and Soviet Union are comparably "mindless"—two "apes on a treadmill." Such primitive beasts like apes have no intentions, properly speaking, only reflexes. So one cannot infer alarming intentions from the Soviet rush to strategic superiority.

Warnke thinks the principal impediment to arms control is "superpower aping," each nation reflexively responding to the other. Because the United States is the only "superpower model" the Soviet Union has to follow, Warnke says, it is probable that unilateral U.S. restraint would inspire Soviet reciprocity.

Warnke's view of the world is almost engagingly childlike, but it does not explain why the Soviet Union has not "aped" the restraint already shown by this country.

The United States delayed deploying antiballistic missiles in the hope that this would produce reciprocal restraint in Moscow. It did not. In 1967, we had 1,054 land-based ICBM launchers, the Soviet Union had fewer. Today, we have 1,054, the Soviet Union has approximately 1,600.

In 1967, the United States had 656 submarine launchers, the Soviet Union had fewer. Today, the United States has 656, the Soviet Union has more than 800.

Between 1960 and 1976, U.S. strategic arms spending (in real dollars) declined an average of eight per cent a year; total defense spending has been declining as a percentage of Gross National Product and government outlays. Soviet spending has been increasing and now is twice as large a portion of Soviet GNP as U.S. defense spending is of our GNP.

In 1965, when Defense Secretary Robert McNamara included Warnke among his advisers, McNamara announced: "The Soviets have decided that they have lost the quantitative race, and they are not seeking to engage us in that contest." Now they have emerged quantitatively superior, but Warnke has unshaken—and, it seems, unshakable—faith that unilateral U.S. abandonment of some strategic programs will evoke Soviet restraint.

So he has opposed Trident submarines, B–1 bombers, cruise missiles, improved missile accuracy, more multiple independently targeted re-entry vehicles (MIRVs—in short, most of what arms negotiations are about. He wants the United States to undertake "unilateral initiatives"—curtailments—more drastic than the Soviet Union has yet had the audacity to demand.

Under Henry Kissinger, U.S. "negotiators" conducted a losing monologue with themselves. The Soviet side could be relatively silent while our side persuaded itself to make the next concession.

Under Warnke's approach, U.S. "negotiators" would sit silently, waiting for U.S. "unilateral initiatives" to inspire the Soviet Union to "ape" the restraint of its U.S. "model." But if reciprocity did not result, Warnke would not be much alarmed, because he thinks that "even substantial nuclear superiority, short of nuclear monopoly, could not be a decisive factor in any political confrontation between the U.S. and the Soviet Union."

Warnke's policy—meeting increased Soviet strategic efforts with increasingly risky U.S. restraint—is foolproof. If it works (provokes reciprocal Soviet restraint), it works; if it doesn't work, it doesn't much matter because "substantial superiority" doesn't much matter. But in any case, why call "unilateral initiatives" a "negotiating" policy?

If, before the election, Carter had embraced the policies embraced by Warnke, Carter would not be in a position to nominate Warnke. What Carter promised (in the crucial second debate) was "a defense capability second to none." On the record, Warnke believes that promise is irrational because it is wasteful, and immoral because it is provocative. What the electorate thinks of Warnke's national security policies was made abundantly clear in 1972, when he was national security adviser to George McGovern, who had favored a $32 billion defense cut.

Until recently, strategic superiority did not need to be a stated national goal; it was a fact. The Nixon-Ford-Kissinger policy was that the meaning of superiority is unclear, but "essential equivalence" is, well, essential. Now comes Warnke, just the man for the next stage of national decline, wherein the Soviet Union will enjoy substantial nuclear superiority.

[From the Detroit News, Feb. 10, 1977]

WHO IS PAUL WARNKE?

(By Col. R. D. Heinl, Jr., USMC, Retired)

WASHINGTON.—The intellectual measure of Paul Warnke, who President Carter has designated as our chief arms-control executive, can be taken from his assertion that "No sane president would go to war to gain political objectives."

Evidently Warnke has never read Karl von Clausewitz. In his magisterial treatise on war and statecraft, the great 19th century Prussion strategist points out, in sharp contrast to Warnke, that all wars are rooted in politics and political objectives, and that war is a political process.

Emphasizing is one of his most famous dicta that war is necessarily "a political act," Clausewitz defined war as "a political instrument, a continuation of political relations by other means."

Thus, if we are to take Warnke at his word—and he is an eminent lawyer and professes to be a serious man—he is signalling Russia the United States renounces war as an ultimate response no matter how far the Kremlin pushes.

This may seem like a good idea to Warnke (and is certainly consistent with his past record as an advocate of unilateral disarmament), but it is very good news indeed for Leonid Brezhnev.

Unfortunately, this is not the only good news of this kind of Kremlin has been receiving from the Carter administration in a succession of signals which, to give them their most charitable gloss, suggest heedlessness and inexperience, or, more ominously, that the President and his dovish national security advisers really do mean to roll over before Russia and play dead.

Andrew Young, our new ambassador to the United Nations, has justified the presence of the Soviets' Cuban foreign legion in Angola as "a stabilizing factor" and says they are there "by invitation."

Vice-President Walter Mondale affirming Mr. Carter's campaign promises, announced in Japan that we are going to withdraw our ground forces from Korea.

But the most disastrous signals toward the Kremlin have been coming from Mr. Carter himself, who only a month ago all but blessed Russia's mighty armaments surge by asserting—on what evidence is far from clear—that the United States is "by far stronger" than Russia.

Item: Mr. Carter has set himself a negotiating deadline for achieving a SALT agreement. Self-imposed deadlines habitually give the Russians a classic opening to raise the price of agreement.

Item: Apparently prepared to throw in our most effective new strategic weapons system for the sake of some agreement, President Carter has said on record he would not let cruise missiles "stand in the way" of SALT II.

Item: Unmindful of Russia's repeated exploitation of previous summit meetings, Mr. Carter has already begun to talk about a future summit with Mr. Brezhnev.

What all this amounts to, whether it is intended or not, is that President Carter and his new administration are simply setting themselves up as a mark for the Kremlin.

That, as Talleyrand, who knew the Russians well, would have pointed out, is worse than a crime: It is a blunder.

[From the Christian Science Monitor, Feb. 17, 1977]

"DOVE" AND "HAWK" RUFFLE THEIR FEATHERS—GREAT DEBATE ON U.S. ARMS CONTROL LED BY TWO MEN WITH STRONG VIEWS

(By Daniel Southerland)

WASHINGTON.—Two men have come to symbolize starkly different approaches to negotiating an arms-control agreement with the Russians.

In the crude shorthand of Washington politics, Paul C. Warnke and Paul H. Nitze have been labeled "dove" and "hawk," respectively.

The intense feeling these two figures inspire in their opponents can be seen in the immoderate language sometimes used to describe them. To liberals, Mr. Nitze is the very

incarnation of the "superhawk." To conservatives, Mr. Warnke is, as one of them who is a defense specialist put it, "cavalier" in his approach to important questions of national security.

But in many ways, the two men are similar. Mr. Warnke, President Carter's nominee as the United States' chief arms-control negotiator, and Mr. Nitze, former arms negotiator, secretary of the Navy, deputy secretary of defense, and perhaps the leading critic of Mr. Warnke, are intelligent, urbane, articulate—and even eloquent—advocates of their points of view.

Both come from privileged backgrounds: For Mr. Warnke, it has been Yale University, Columbia Law School, and partnership in a leading Washington law firm. For Mr. Nitze, Harvard University, membership on the boards of directors of leading companies, and chairmanship of the advisory council of the Johns Hopkins School of Advanced International Studies in Washington.

Both have held top Defense Department jobs, Mr. Warnke at one point working under Mr. Nitze. Both are widely respected for their clarity of thought, use of the English language, and ability to remain cool under pressure. And both are Democrats who served as foreign-policy advisers to President Carter in the pre-election period.

Mr. Nitze and Mr. Warnke have offices high above the nation's capital city, with Mr. Warnke's law office looking down on the Tidal Basin, the Jefferson Memorial, and the Potomac River. Mr. Nitze, as a consultant to the System Planning Corporation, appropriately views it all from the Pentagon side of the river, in northern Virginia. Both men command spectacular views.

But there the resemblances seem to end.

Based on what the two have said and written over the past few years, they could hardly view the future more differently.

A reporter who is expert in the national security field summed it up by describing Mr. Nitze as "a Paul Warnke who got religion through negotiating with the Russians."

[From the Christian Science Monitor, Feb. 17, 1977]

PAUL WARNKE: LEANS TOWARD ACCOMMODATION TO BRING A-CURB

WASHINGTON.—When Paul Warnke testified recently before the Senate Foreign Relations Committee, his critics, in the words of one of his supporters, "didn't lay a glove on him."

As President Carter's nominee for the important positions of chief arms-control negotiator and director of the Arms Control and Disarmament Agency, Mr. Warnke displayed in his testimony a characteristic charm and verbal agility. But the fact that he heavily qualified a number of his past positions on arms control left some of his opponents doubting as much as they ever had his suitability for the sensitive posts.

ACCOMMODATION CLUE?

Because of the positions on arms control which he has taken over the years, Mr. Warnke has become a symbol to the conservatives of those in the national-security field who are likely to be "soft on the Russians." His appointment confirmed, in the view of his critics, that President Carter is moving toward accommodation with the Russians without adequately guarding against what they consider to be a Soviet drive toward strategic superiority.

As if anticipating the criticism from his Senate opponents, Mr. Warnke started out his testimony by stressing that he had no preconceived ideas on arms control and came to it with an open mind. He could not be tied to everything he said in the past. He would be acting as part of a team under guidance from the President and not as an individual.

1975 ARTICLE CITED

What rankles Mr. Warnke's critics most is his past advocacy of cuts in defense spending and restraints in the development of certain weapons systems, as well as his statements to the effect that superiority in nuclear weapons became meaningless once the United States and the Soviet Union developed the power to destroy each other.

The critics frequently cite an article written by Mr. Warnke in a 1975 issue of the magazine Foreign Policy in which he called for a process of "matching restraint" in the arms race, with the initiative to be taken by the United States. In that article, Mr. Warnke attacked what he called an American "preoccupation" with military power as a political tool, called for an end to the notion that the United States can be the world's "policeman," and criticized as a "fallacy that inflates defense spending" the proposition that the U.S. "must remain ahead of the Soviet Union in most if not all perceivable elements of military power."

RESTRAINT PERIOD PROPOSED

In the same article, entitled "Apes on a Treadmill," Mr. Warnke advocated a six-month period of restraint in the development of several weapons systems, to be followed by a review of actions the Soviet Union might take during the same period.

In his Senate testimony, Mr. Warnke backed off from that proposal, saying that he would not advocate such restraint "in a negotiating context," but would make a freeze on weapons development part of a whole negotiating package. He did stick by his previous position that it is not necessary for the U.S. to remain No. 1 across the whole spectrum of strategic and conventional forces. And while he saw a need to examine the usefulness of mobile missiles, he saw no need to go ahead at this time with their development. Mobile-missile development is something a number of more conservative experts see as part of the answer to the Soviets' growing nuclear arsenal.

Despite all the hedging he did in his testimony, Mr. Warnke's defenders expect him to inject new ideas and a new flexibility into the U.S. negotiating position. Many of Mr. Warnke's supporters refer to themselves as "arms controllers"—people who want to see the stress placed on arms control, rather than on extending the arms race. Some of them would be willing to risk limited, unilateral restraints in the hope of inducing the Soviet Union to follow the U.S. example.

A MATTER OF SIGNALS

The critics say, on the other hand, that what counts with the Russians is strength. To appoint Mr. Warnke, they say, would be to send the Soviets "the wrong signal."

By attempting to muster Senate votes against Mr. Warnke's confirmation, the critics hope to send the Russians a signal of their own. Any new strategic arms limitation agreement (SALT) would require a two-thirds vote in the Senate. While Mr. Warnkes nomination is not likely to be defeated, a strong vote against him might indicate rough going for any future arms agreement. It might also serve as a warning to President Carter that his domestic opponents in the arms-control field expect to fight for a tough U.S. bargaining position when the arms-control talks with the Russians resume.

According to the conservative weekly Human Events, Mr. Warnke's opponents intend "wounding him severely enough that he will be unable to surrender our major weaponry at the SALT II negotiations, which are expected to begin sometime this year.—D. S.

[From the Christian Science Monitor, Feb. 17, 1977]

PAUL NITZE: ATTACKS NOMINEE AS A RISK TO U.S. POWER

WASHINGTON.—Sitting in his black, high-backed swivel chair and looking out from his penthouse office across the Potomac River, Paul Nitze was fighting mad.

The former deputy secretary of defense, secretary of the Navy, and adviser to presidents had just read accounts of President Carters first official press conference and of Paul Warnke's Senate testimony as Mr. Carter's nominee for the position of chief arms-control negotiator.

Mr. Carter, as he saw it, was making public offers to the Russians which, if realized, would put the United States at a distinct disadvantage. Mr. Warnke, in his view, was shifting from a conciliatory position on arms control to a tougher stance, thus betraying a lack of conviction that cast doubt on his ability to lead a negotiating team. He was, said Mr. Nitze, "an unserious person in this kind of thing."

"He says he'll just coolly execute what the President wants," said the white-haired Mr. Nitze of Mr. Warnke's Senate testimony.

"It reminds me of John Mitchell," he said. "We don't want people who are wholly 'yes' men."

Recalling his own role in helping to negotiate the anti-ballistic missile treaty with the Russians, Mr. Nitze said that the American negotiators exercised considerable initiative.

HOMEWORK CONCEDED

Of all the "hawks" engaged in the current debate over national security, Mr. Nitze is probably the most listened to. For one thing—however much his critics may disagree with him—they have to concede that he does his homework and that he has wide experience in the national-security field. In addition to holding top Defense Department posts and serving as secretary of the Navy, he was vice-chairman of the U.S. Strategic Bombing Survey during the period 1944–46. This give him a first-hand look at the effects of the atomic bombs that devastated Hiroshima and Nagasaki at the end of World War II.

From the spring of 1969 until mid-1974 Mr. Nitze served as the representative of the Secretary of Defense to the strategic-arms limitation talkes (SALT) with the Soviet Union. He resigned, he told this reporter, when it became clear that President Nixon's "Watergate crimes" had undermined the United States negotiating position. Mr. Nitze said he felt that Mr. Nixon was eager to make progress in the negotiations so as to improve his shaky domestic political position, a position that had been fatally weakened. It was no way to negotiate with the Russians, in Mr. Nitze's view, and his resignation statement he expressed doubt that real progress could be made until the United States got its house in order and upheld the Constitution.

Mr. Nitze recently joined a group of outside experts commissioned by the President's Foreign Intelligence Advisory Board to take a critical look at estimates of Soviet capabilities and intentions prepared by the intelligence agencies. The group, known as team "B," came to the controversial conclusion that Soviet military strength has been consistently underestimated.

HIROSHIMA MEMORY ETCHED

Speaking of his experience at the end of the war, Mr. Nitze said, "I have an intimate knowledge of the effects of the Hiroshima and Nagasaki A-bombs. I want to devote my life to minimizing the chances of that ever happening again and to minimizing the

chances that the Gulag Archipelago spreads all over the world."

His experience in negotiating with the Russians has led him, he said, to believe that they understand strength and firmness, but do not necessarily respond to restraint on the part of the United States.

Mr. Nitze further believes that more attention should be paid to the Soviets' civil-defense system and to what the Soviets say in their own literature about the possibility of nuclear warfare. Americans, he contends, think almost exclusively in terms of "deterring" such a war, while the Soviets think more about what might actually happen in such a war.

The former arms-control negotiator believes that the Soviet civil-defense program weakens the U.S. nuclear deterrent by reducing the vulnerability of the Soviet population, a view that is sharply disputed by a number of experts.

In a recent article in the magazine Foreign Affairs, Mr. Nitze wrote that all the trends in the development of nuclear weapons are moving in a direction favorable to the Soviet Union.

"Today, after a strategic nuclear counterforce exchange under normal U.S. alert conditions, the Soviet Union would hold superiority in all indices of capability except numbers of warheads, and even that sole remaining U.S. advantage would be gone within two or three years," he declared in that article.

"Neither SALT I nor the projected SALT II agreements have had—or promise—any discernible effect in arresting the trend toward an increasingly large margin of Soviet superiority."—D.S.

[From the Washington Post, Feb. 22, 1977]

WHY PAUL WARNKE SHOULD NOT BE CONFIRMED AS DIRECTOR OF THE ARMS CONTROL AND DISARMAMENT AGENCY AND CHIEF NEGOTIATOR FOR THE STRATEGIC ARMS LIMITATIONS TREATIES

An open letter to the United States Senate:

Dear Senators:

During the recent Presidential election campaign, Candidate Carter advocated a strong National Defense. He did this in the second debate and in other campaign speeches. Had he not done so, there is good reason to believe that he would not now be President.

It is also unlikely that he would be President now had he announced his choice for Director of the Arms Control and Disarmament Agency before the election. It is shocking that he has nominated Paul C. Warnke, an advocate for many years of *one-sided* disarmament in the face of continued Soviet buildup of nuclear and conventional military forces worldwide.

Few thinking Americans would oppose *bilateral*, equal cuts in the military strength of the two world superpowers, provided the terms of such treaties are faithfully observed by both. Most Americans would welcome relaxation of world tensions. Few would want it, however, at any risk to our freedom.

A QUESTION OF JUDGMENT

Since 1975, Mr. Warnke has been a registered agent of the Government of Algeria, a government which is a public supporter of terrorist groups, including the Palestinian Liberation Organization (PLO) and the Black Liberation Army which was involved in murderous attacks in the United States.

Columnist John P. Roche, a Democrat, puts the problem this way in the *Washington Star*, February 11, 1977:

"... [Warnke] has indicated on a number of occasions he trusts totalitarians. In 1973, he went so far as to state that Saigon, not Hanoi, offered the major threat to maintaining the Paris agreement's military cease-fire. Anyone who believed this could believe anything and anyone who can believe anything should not be negotiating with the toughest crowd of ideological gangsters of the 20th Century ..."

DEMOCRATIC OPPOSITION

A memo, written by moderate Democrats, summarizes Warnke's dove-like positions across the years and concludes:

"... simply stated, it is hard to see how the American side in SALT can be effectively upheld by someone who advocates, as Warnke does, the unilateral abandonment by the United States of every weapons system which is subject to negotiations at SALT (as well as many others which are not under discussion)."

THE EMERGING STRATEGIC IMBALANCE

Since 1971, the Soviets have been ahead of us in operational strategic offensive delivery vehicles, according to the *United States Military Posture for the Year 1978*, issued by General George Brown, Chairman of the Joint Chiefs of Staff. In addition, the report comments, the Soviets are ahead of us in operational strategic offensive throw-weight at this time, and will be further ahead of us by the end of Fiscal Year 1982.

NITZE AGAINST CONFIRMATION

Paul H. Nitze, a respected Democratic defense authority, in a letter to the chairman of the Senate Committee on Foreign Relations, recently stated, in opposing the Warnke appointment:

"... [Warnke takes] a highly cavalier attitude concerning significant cuts [in the military], not only in almost all elements of those U.S. conventional capabilities but also in those improved U.S. nuclear capabilities that might make escalation less likely ... I am concerned that Mr. Warnke, who has spoken with such certainty on matters of military requirements, weapons capabilities and strategy, may nevertheless not be a qualified student or competent judge of any of those matters. It is claimed that he is a superb negotiator. I am unfamiliar with his successes in this area. I recognize that he has certain abilities as an advocate, but at least with respect to defense matters, these do not include clarity or consistency of logic. I doubt that such advocacy has much of a chance of success against the strategy and tactics of the highly serious and competent Soviet negotiators ..."

Washington Post columnist George F. Will made this comment in the February 10, 1977 issue of the *Post:*

"In 1965, when Defense Secretary Robert McNamara included Warnke among his advisers, McNamara announced: 'The Soviets have decided that they have lost the quantitative race, and they are not seeking to engage us in that contest.' Now [the Soviets] have emerged quantitative superior, but Warnke has unshaken—and, it seems, unshakable—faith that unilateral U.S. abandonment of some strategic programs will evoke Soviet restraint. So he has opposed Trident submarines, B–1 bombers, cruise missiles, improved missile accuracy, more multiple independently targeted re-entry vehicles (MIRVs)—in short, most of what arms negotiations are about. He wants the United States to undertake 'unilateral initiatives'—curtailments—more drastic than the Soviet Union has yet had the audacity to demand."

WARNKE'S OWN STATEMENTS

Mr. Warnke has written:

". . . Secretary of Defense Schlesinger, in a television documentary on 'Peace and the Pentagon,' predicted that if we were to 'drop the torch,' there would be no one to pick it up. I hope that he is right. . . The proposition that we must remain ahead of the Soviet Union in most if not all perceivable elements of military power is the second fallacy that inflates defense spending. . . . We might inform the Soviet Union both privately and publicly that we have placed a moratorium on further MIRV-ing of our land- and sea-based missiles. We should also announce that a hold has been placed on development of the Trident submarine and the B–1 strategic bomber . . . We can, and should, for example, substantially reduce the numbers of tactical nuclear weapons now deployed in Europe . . ."

Mr. Warnke has repeatedly expressed the view that new American weapons developments will be "destabilizing" and will stimulate the arms race. He almost never expresses a similar concern about Soviet arms buildups.

In summary, the U.S. Senate should vote down the confirmation of Mr. Paul Warnke as Director of the U.S. Arms Control and Disarmament Agency and Chief Negotiator for the Strategic Arms Limitations Treaties (SALT Talks).

Sincerely,

DANIEL O. GRAHAM.
JOHN M. FISHER.
Emergency Coalition Against Unilateral Disarmament Co-chairmen.

[From the Charleston (S.C.) News and Courier, Feb. 24, 1977]

MR. WARNKE AND SALT

Unwarranted abuse is being addressed to Paul Warnke. President Carter's nominee for chief U.S. disarmament negotiator. Mr. Warnke's respectable record as a public servant entitles him to a fair hearing even from those who disagree with him. The senators, we hope, will reject out of hand contentions coming from a loony fringe that Mr. Warnke is a Kremlin agent just because he has written and spoke in favor of withholding deployment of certain weapons and delaying the deployment of others to see if the Soviet Union reciprocates.

All the same, it is patent that Mr. Warnke has greatly undermined his chances of getting an even break from the Soviets if he should be appointed. The best kind of man to send to talk to the Russians is one from whom they know not what to expect. The second best is one who can be expected to take a line which enforces "give" upon the part of the Soviets as well as allowing them some "take." The least desirable man is the one who has telegraphed his position in advance. Knowing where Mr. Warnke once stood gives the Soviets a headstart in a contest of will in which all parties ought to be getting off the mark exactly even.

The fact that he has taken his own positions on disarmament does not, of course, mean that Mr. Warnke must remain locked into those positions.

If he goes to the Strategic Arms Limitation Talks as President Carter's representative, he will be there to express Mr. Carter's views and not his own. It is not inconceivable that between now and then his own ideas will undergo revision.

That does not entirely remove the fundamental objection to Mr. Warnke's appointment. Knowing that he felt a certain way once, the Russians will be justified in suspecting that he still feels that way. They will be constantly probing for what to them appears to be his weakness. The United States cannot afford to have an absolutely inflexible man at SALT. It cannot afford, either, to have someone who is too accommodating. Flexibility at SALT is desirable. It has to be the flexibility of a steel spring which bends and twists but does not give—and is ready to snap back.

EASTERN COAL ESSENTIAL TO ENERGY INDEPENDENCE

Mr. GARN. Mr. President, despite passage of emergency natural gas legislation

last week we remain in the midst of a serious energy crisis in the United States. No one can say that the American public has not been warned about the possible natural gas shortages; warnings of such shortages go back many years. And I firmly believe that they could have been avoided had we long ago deregulated natural gas and developed a more rational pricing system. But whatever the reason, the crisis exists and it will not soon be over.

If we are to avoid even more serious situations in the next year or two we must immediately proceed with increased use of the one fossil fuel that we do have abundantly available: coal. In the long run there will be alternative energy sources which will be clean burning and renewable but for the immediate present we must use the coal we have available and we must develop the technology to use it more efficiently.

Mr. President, the senior Senator from West Virginia has long been in the forefront of those who have clearly foreseen this need for increased coal usage. On November 15 of last year Senator RANDOLPH spoke to the Eastern Coal Forum in Charleston, W. Va., and he accurately addressed a number of the issues we face today. Certainly, Senator RANDOLPH and I do not agree on every detail of a desirable coal utilization program. But Senator RANDOLPH is certainly to be commended for his foresight in calling attention to the problems of coal development and use, and his sponsorship of legislation which will produce the technology for allowing for more efficient use of this, our most abundant energy resource.

Senator RANDOLPH notes, for instance, that—

> For the most part, the energy savings achieved since the 1973 embargo have resulted mainly from our economic recession, higher energy prices, and the 55 miles per hour speed limit.

As Senator RANDOLPH notes, until renewable energy sources are developed "only the vastly expanded production and utilization of coal can lessen the United States long-term dependence on unreliable foreign oil."

Mr. President, I ask unanimous consent that Senator RANDOLPH's speech be printed in the RECORD, in hope that his wisdom in this area will serve as a lesson to all Senators, so that we can avoid future crises of the kind we are now undergoing with respect to natural gas.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Mining Congress Journal, January 1977]

EASTERN COAL IS ESSENTIAL TO ENERGY INDEPENDENCE: ITS LONG TERM ROLE

We were confronted with a grave emergency energy crisis three years ago—and we are in the grips of a continuing and deepening crisis. The difference is this: today's crisis is less widely recognized than was the 1973 oil embargo which beat on our economy and drove us into the ground. But this critical energy problem is potentially more severe than was that of 1973.

Our national demand for energy continues to increase—although at a slightly less rapid rate. We import considerably more oil than we did in 1973, but, after repeated declarations that we must do so, we have failed to develop a National Fuels and Energy Policy. Neither have we acted in these United States to meet a proper proportion of our energy requirements from the most abundant fuel resource—coal.

Less than two months ago, the United States elected a new President. Next Jan. 20, the Carter Administration will begin to grapple with national problems which face the American people—foremost among them being energy.

Many of us have long known that America must make greater use of coal to supply our energy needs. We will be fortunate in having in the White House a man who shares this belief.

CARTER STATES COMMITMENT TO COAL

It was in Charleston on Aug. 14 that candidate Jimmy Carter stated his commitment to coal. He said: "The future of West Virginia Appalachian coal is indeed bright if we can have a government policy that recognizes this valuable resource."

In an interview a month later, Governor Carter said "a shift from oil to coal" is a key part of his proposed energy program for our nation.

President-elect Carter gave me several opportunities to discuss this subject. So, I have reason to anticipate that we will have an administration aware of the importance of coal and determined to use this vast resource for the benefit and security of the United States. This is essential to creation of an orderly energy policy and the reduction of our perilous dependence on foreign sources of energy.

Americans are conscious of the benefits our country has derived from its abundant natural resources. The energy resources of Appalachia have been fundamental to the industrial development of our nation as a whole and are essential to the continued prosperity of these United States.

Appalachia is the prime eastern source of domestic energy supplies. As such, this region will serve a special role in the achievement of energy self-sufficiency by our country.

We must not repeat past errors. We must reappraise our attitudes toward the production and the utilization of non-renewable resources. We must temper resource consumption with concern for the quality of the environment and the need for energy conservation.

ENERGY, ENVIRONMENTAL ISSUES ARE RECONCILABLE

Some individuals believe environmental protection should be pursued above all other national goals. Others advocate growth and production as the lone objective. But I emphasize that either of these extremes would impose excessive societal costs on our country—costs which are neither desirable nor necessary.

The relationship between energy and environmental quality cannot be cast aside. We should agree that the issues surrounding energy and environmental quality are reconcilable with give and take.

We can have a clean and healthy society and a productive society. But for this to occur the issues of energy versus all-out production must be equitably resolved. Our great nation has survived because concerned citizens reconciled many opposing viewpoints in a balanced and responsible manner. In the implementation of environmental laws, however, this has not always been the case. But I am confident that the American people and the citizens of Appalachia will continue to demand that reasonable judgments be applied in the search for equitable solutions to these problems which press in on us.

NATIONAL ENERGY POLICY NEEDED

On many occasions since early in World War II, I have urged that there be a national commitment to meet our country's energy requirements from domestic resources. Meanwhile, the needs of the American consumer for energy have continued to grow and they must be satisfied. As a consequence, domestic petroleum resources have been depleted and we have increasingly turned to oil from overseas.

Before the 1973 OPEC embargo, both industry and government assumed that international oil prices would remain low and supplies from abroad would be easily available. The fallacy of this assumption was revealed by several events to wit: in the early 1970's oil production peaked in the United States—the largest oil user; concurrently, world energy requirements and international oil trade increased dramatically; and the major oil producing nations took over greater control of their energy resources from multi-national oil companies.

As world oil prices escalate, so does the economic attractiveness of greater coal utilization. The long-term role of coal is now established if people will study the problem; but this role has yet to be integrated into a coherent National Fuels and Energy Policy.

OIL IMPORTS DOUBLED SINCE 1971

The stark reality is that until at least 1985 the United States cannot satisfy its tremendous appetite for energy without increasing oil imports. The production of domestic alternatives, such as coal, cannot grow fast enough. The alternatives to oil imports are mechanisms such as rationing or severe and mandatory energy conservation.

Because of our frustrating inaction, many possibilities earlier considered viable are no longer realistic. For example, 1970 projections for synthetic oil and gas supplies from coal by 1985 have been reduced drastically to approximately one-seventh the earlier estimates. The resultant shortage must be filled by oil imports. Similar shortfalls for nuclear power also will have to be filled by oil imports—assuming they are available. This is a distressing condition for us to contemplate.

Oil imports in 1971 were approximately 3.4 million bbl per day, at an annual cost of $3.7 billion. By comparison, 1976 energy imports are up 10 percent over 1975 to almost 7.5 million bbl of oil per day or 43 percent of national oil requirements. This doubling of amount has been accompanied by a ten-fold increase in annual American consumer costs to $35 billion.

Moreover, 1980 imports are expected to grow to $45 billion at current prices, and a 10 percent price increase is expected before the end of this year so future costs will be even higher.

These trends transform public uncertainty over inflation into a conviction that the situation unfortunately is chronic. We are exporting United States dollars to industrialize other countries. These moneys should be invested in coal production and utilization.

We are at the crossroads. We must select the road to economic prosperity through energy independence. But will we choose and take the right courses of action?

U.S. ENERGY FUTURE DEPENDS ON GREATER COAL USE

Energy conservation can minimize the economic impact of energy independence, but its influence on growth of energy demand is yet to be realized in any adequate degree. For the most part, the energy savings achieved since the 1973 embargo have resulted mainly from our economic recession, higher energy prices, and the 55 miles-per-hour speed limit. The most recent estimates by the Department of Transportation indicate that universal observance of the national speed limit would reduce consumption by 200,000 bbl a day.

But even should major conservation efforts reduce the rate of growth of energy consumption, our country's energy future would depend on greater coal utilization for the next 80 to 100 years.

Some persons question the wisdom of expanded coal production and utilization.

These critics advocate the use of renewable energy sources. But such sources as solar, geothermal, wind and tidal power have inherent disadvantages. Long research and development times are required before their commercial application. Solar heating is an exception.

Renewable energy resources offer significant potential, but it may take 50 years to harness them. In my judgment, this is an unnecessary gamble. These technologies are unproven as sources of bulk energy supply.

In the interim only the vastly expanded production and utilization of coal can lessen the United States' long-term dependence on unreliable foreign oil.

Even the world's petroleum resources are limited when compared to coal. Ultimate worldwide reserves of natural gas and oil are estimated at approximately three times proven reserves. In addition, they are concentrated in a few countries with over half of them being in the tempestuous Middle East. By comparison, presently recoverable coal reserves are more than three times oil and gas reserves. Ultimate worldwide coal reserves are estimated to be 15 times greater and are distributed more uniformly.

Coal is an effective source of heat; and it can be converted into gaseous and liquid fuels, and into chemicals, too. The role for coal as the natural successor to oil and natural gas thus is established. So is the role for Appalachian coal.

OIL AND GAS INCREASINGLY EXPENSIVE AND SCARCE

As natural gas and oil become more scarce and increasingly expensive, their advantages over coal will diminish. Bulk energy supplies, such as industrial steam and electric power generation, thus will convert to coal. Cost, rather than the conveniences of oil or gas, is the prime consideration for these large-scale users.

For example, the cost of electricity is very sensitive to increases in the cost of primary energy, such as the increase in international oil prices over the last three years. Since these prices can be expected to continue to rise, it would be in the consumers' and the national interest for utilities to convert to coal.

To encourage greater coal utilization, I introduced S. 1777 in the 94th Congress. This measure would have required new electric power plants and other major fuel burning installations to be constructed to use coal where consistent with environmental policies. Experience with the Energy Supply and Environmental Coordination Act of 1974, which I also sponsored, indicates that numerous existing power plants can be converted from oil to coal at reduced electricity costs for consumers.

Since inception of this program, the Federal Energy Administration has notified 122 electric power plants of proposed coal conversion orders. Subsequently 30 such orders were finalized, which will increase annual coal demand by 43 million tons. Moreover, oil imports will be reduced by 155 million bbl annually, at a savings of $500 million a year to consumers. When the additional orders are finalized, even greater reductions in oil imports will be possible through greater coal utilization.

Early in the 95th Congress I will reintroduce coal conversion legislation. This measure would provide a stability to future energy supplies not presently afforded by oil imports.

In the long term, significant improvements also are possible in the direct utilization of coal by fluidized bed combustion. This technology offers dramatic improvements in the efficiency of coal utilization and in reducing adverse environmental impacts, when compared with conventional systems. A fluidized bed test facility is planned at the Morgantown, W.V., Energy Center by the Federal Energy Research and Development Administration. This program must be expanded.

GAS FROM COAL CHEAPER THAN ELECTRICITY

As natural gas production declines, substitute energy supplies must be found. The United States presently has over $100 billion invested in its gas transmission, distribution and end-user equipment system. On an economic basis, keeping these gas pipelines full, even with higher priced synthetics may be cheaper for the American consumer. Extension of the useful life of present pipeline systems is cheaper than creating new systems—cheaper by far.

First generation coal gasification technologies were commercially developed during World War II by Lurgi and by Koppers-Totzek. These technologies also were demonstrated in the United States under the Synthetic Liquid Fuels Act of 1944, which I sponsored with former Sen. Joseph O'Mahoney. While uneconomic at that time, recent data indicates that synthetic natural gas for cooking, clothes drying, space and hot water heating is significantly cheaper than is electricity. The production, transportation and distribution of natural gas also is more efficient—67 percent for synthetic natural gas compared to 37 percent for electricity. To deny American consumers such synthetic substitutes would be to commit them to higher cost alternatives.

The capital required to produce and deliver a unit of energy in the form of synthetic natural gas from coal also is less than that required to produce electricity from coal. The use of utility-financing mechanisms could reduce synthetic fuels prices by one-third, compared to 100 percent equity financing.

FEDERAL FUNDING NEEDED FOR COAL LIQUEFACTION

In the longer term, coal liquefaction also will be important in the production of chemicals and similar specialty products and in the production of liquid fuels for transportation. However, timely commercial development of coal liquefaction by the private sector, without federal assistance, would appear unlikely. In June 1975 the Federal Energy Research and Development Administration projected that coal liquefaction would contribute 2.5 million bbl of oil per day by 1985 from first generation processes. However, the General Accounting Office recently found that, "it (is) highly unlikely that any commercial-size coal liquefaction plant will be operating in the United States in 1985." Direct funding by the federal government, with industry participation, would seem necessary for the development of this technology before the 1990's.

Clearly the inadequate federal commitment to the development of coal gasification and liquefaction does not reflect the urgency of our country's energy problems. Because of the small federal non-nuclear energy research programs, the United States must now stockpile high cost oil in an attempt to neutralize oil against the possibility of another embargo. Oil, I emphasize, is too important to our economy and the economy of the world to be used as the political weapon of a few privileged producers.

By the end of 1978 approximately 150 million bbl of crude oil will be stored at federal expense. The full reserve system will entail one billion bbl; enough to supply 3 million bbl per day for one year. This strategic reserve capability is intended to protect our nation's economy against a recurrence of the massive unemployment that confronted the nation during the 1973 embargo.

But let us consider the costs and what could be achieved for the same investment. These emergency stockpiles will cost about $12.5 billion. An identical federal investment could construct coal gasification facilities capable of supplying the equivalent of 1 million bbl of oil per day for at least 20 years.

The assertion that synthetic fuels are not cost effective fails to recognize the costs of synthetic fuels from the standpoint of the consumer.

FEDERAL INCENTIVES NEEDED

The United States does not presently possess the necessary infrastructure to support wide-scale deployment of such technologies. The establishment of a synthetic fuels industry is too large a task to be undertaken under emergency conditions following major natural gas curtailments or worldwide oil shortages. However, development of this capability can be undertaken now, while our country is at peace, and completed over the next five to ten years.

Two years ago the Congress created the Federal Energy Research and Development Administration to foster non-nuclear energy alternatives. Subsequently, the Federal Non-Nuclear Research and Development Act of 1974 authorized the use of such federal incentives as direct grants, contracts and loans. The 1974 act also authorized federal purchase of products and the creation of government-industry corporations.

These federal programs and incentives now must be restructured toward major development of synthetic oil and natural gas. However, wavering and uncertainty presently surround the federal financing of synthetic fuels.

If we wait until the economics are precisely defined, conventional oil and gas supplies will be on their deathbed. Our economy will be in chaos. The United States cannot afford to wait. We must act now to commercially demonstrate known technologies. Construction of a limited number of first generation systems can provide us with financing as well as operating experience. To stimulate such activity in 1975 I introduced legislation to provide federal loan guarantees for the development of synthetic fuels. Governor Lamm of Colorado recently endorsed such federal loan guarantees as necessary for the orderly development of a synthetic fuels industry in the United States.

Legislation to carry out such a program has passed the Senate twice in varying forms. On two occasions similar bills have been defeated in the House. The proposed loan guarantee program would have encouraged the early construction of pioneer facilities to demonstrate the potential of new energy technologies. I will continue to work toward its early enactment.

Appalachia has extensive energy expertise which is not being utilized. This national resource can and must be applied to the commercialization of new energy technologies. Too much emphasis is being placed by ERDA on the use of national contract laboratories originally established in support of nuclear power. An Appalachian National Energy Laboratory is needed to fully utilize the energy and coal research capabilities existing within the region, including West Virginia. The Senate approved my proposal in July for such a laboratory, but this action also failed to receive House concurrence. I will continue to support the need for such a facility.

UNCERTAINTY REDUCING COAL PRODUCTION OUTLOOK

But all this cannot come about without increased coal production. As recently as two years ago, national leaders were advocating a doubling in coal production by 1985 to 1.2 billion tons. However, this figure has been reduced to 1 billion tons and its achievement is in jeopardy due to uncertainty of federal policies.

Many new additions planned by coal companies between now and 1980 have been postponed. Nevertheless, over the next 10 years, the coal industry plans 508 million tons of new or replacement capacity, according to the National Coal Association. Approximately 230 million tons will be added east of the Mississippi with the largest additions being planned for West Virginia, Illinois and Kentucky. Almost all of the 193 million tons of new underground capacity is expected in

the East. Appalachia will hold a key role in this production.

But federal incentives are needed to stimulate even greater additions in the East. Federal loan guarantees were approved by the Congress in December 1975 for this purpose. However, this program has yet to be implemented by the Federal Energy Administration. Clearly this does not represent recognition of the urgency of the problem.

UNPRECEDENTED GROWTH AHEAD FOR COAL OUTPUT

After almost 20 years of famine, the coal industry can logically question whether today's prices and projected growth are real. But real they are, along with the pressing responsibility to act constructively, purposefully and with vision. Not with a vision of what next year's market may be, but a vision of the emerging contribution that coal must make during the next century.

However, unless the coal is produced at reasonable costs and at reasonable profits, the timely conversion of coal to synthetic gaseous and liquid fuels is unlikely to proceed.

The coal industry is faced with a future of unprecedented growth in production. There are needs for a steady improvement in coal recovery, improved safety and higher production rates, as well as more and better surface mine reclamation.

The future for a greater coal utilization is inextricably intertwined with coal production yet to be realized in the United States. The Congress, industry and the American people must support the long-term development of sufficient domestic energy supplies to assure economic stability in the tomorrow which will stand us in good stead. The coal resources of the United States are a cornucopia which at long last can pour forth its manifold gifts for the greater comfort and security of all people.

TOWARD A SUSTAINABLE ENERGY SOCIETY

Mr. PERCY. Mr. President, I have recently read a compelling analysis of the Nation's energy future. It is called the Wolfcreek Statement, and it is the product of a meeting held last October in the North Georgia Mountains at Wolfcreek Wilderness.

I urge my colleagues and others to study this document. It is lucid, brief, and arresting. I am delighted that one of the participants in the project, Eugene P. Odum, director of the Institute of Ecology at the University of Georgia, has agreed to serve on the Advisory Board of the Alliance To Save Energy.

I ask unanimous consent that "The Wolfcreek Statement: Toward a Sustainable Energy Society" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE WOLFCREEK STATEMENT: TOWARD A SUSTAINABLE ENERGY SOCIETY

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SUMMARY

The United States urgently needs a rational energy policy. Without a comprehensive and farsighted approach to energy, we cannot implement sound foreign, economic, agricultural, or urban policies. The time has come for a new policy based on new realities. Clinging instead to outmoded ideas and extending past trends of exponential energy growth will seriously damage our social and economic health and will soon put our best alternatives out of reach. If we chose now, however, we can expand our options for the future while strengthening our economy and society.

The keystone of a rational energy policy must be a national commitment to energy conservation. Such a commitment will provide the time we need to develop and deploy energy technologies that are safe and sustainable, appropriately scaled, and economically sound. To achieve these objectives we recommend: (1) removing all subsidies for non-renewable fuels; (2) placing a royalty on non-renewable fuels in a manner that is equitable to all and beneficial to the economy; and (3) eliminating all institutional barriers to efficient energy use.

The advantages of this course are overwhelming: employment can be increased; inflation can be more easily controlled; pollution can be reduced; scarce resources can be conserved; social equity and the quality of life can be improved; dependence on foreign energy sources can be reduced; and the pressure toward nuclear proliferation can be relieved. But time is short. More than half of our recoverable domestic supply of our two choicest fuels has been exhausted.

The future holds inevitable conflicts between habits and prices, between convenience and vulnerability, between the broad public good and narrow private interests. To solve these conflicts our approach requires active leadership by the President and by those in all levels of government—leadership that encourages new attitudes about people, resources, and the economy. We make no pretense that such a course will be easy, but we believe that, given strong leadership, the people of this nation will join in the search for a viable future.

I. CONVENTIONAL ENERGY FORECASTS

Present energy forecasts describe the United States as caught in the iron grip of inexorably rising demand. According to such forecasts population will increase by less than one-fifth in the next few decades, total energy demand will double, and demand for electricity will triple (3)*. The advertisements paid for by U.S. energy companies and their financial supporters threaten that any reduction in energy use means cold homes and rising unemployment. Not surprisingly their forecasts show the necessity of unlimited energy growth. But such self-fulfilling predictions elevate energy from a means to an end on the assumption that the more energy we use the higher will be our quality of life. We suggest, on the contrary, that unlimited energy growth leads to increased unemployment, persistent inflation, serious capital shortages, and social instability.

The physical realities of the conventional energy approach are becoming all too familiar: thousands of giant power stations, both coal fired and nuclear; ubiquitous transmission towers; vast stripmines; thousands of arctic and offshore oil and gas wells; and huge refineries. We are promised even more: a massive new synthetic fuels industry; oil shale development with even more stripmining; coal slurry lines; and the emergence of of a plutonium economy and its attendant transport and support facilities.

The economic realities of the conventional course are equally dismal. Synthetic fuels are many times more capital and energy intensive than are traditional direct fuel technologies, and electrification is even more capital demanding. The costs of a high energy growth program are responsibly estimated to be as much as two-thirds of all net new capital investment between now and 1985(9). Such vast expenditures would, among other things, foster rising prices and deprive industry of the funds it needs to invest in more energy-efficient technologies. Moreover, such an investment pattern would push unemployment upward since investments in energy facilities produce fewer jobs per dollar than any other investment we can make.

The environmental risks of the proposed giant energy technologies are forbidding. Drilling for oil in arctic and offshore areas would introduce unprecedented technical risks to fragile regions. Coal, shale, and uranium mining would devastate hundreds of communities and millions of acres, often irrevocably. The predicted doubling of the amount of carbon dioxide in the atmosphere from the burning of fossil fuels will jeopardize climatic stability and world agriculture. Energy growth increases the likelihood that catastrophic events—including nuclear accidents, oil spills, natural gas explosions, and dam failures—would undermine both natural and social systems.

Ecological risks would be joined by social and political risks. Centralized energy systems would have to be protected against the terrorist attacks to which they are vulnerable, and against the legitimate dissent they are likely to arouse. The powers of the state would have to expand to try to divert needed resources into the energy sector to override local siting objections, to substitute elitist technocracy for democratic processes, and to regulate energy through bureaucracies far removed from the people they supposedly serve. The resultant changes in a democratic society ought not to be taken lightly in view of our recent experience of abuses of police power by the CIA and the FBI. Moreover, the conventional path of energy growth could lead to the creation of "zones of national sacrifice" and to divisive interregional conflicts.

Similar divisions and conflicts could occur internationally. Expanded use of complex and expensive technologies developed by the wealthy states could in poorer countries create technological dependencies and

*The numbers in parentheses refer to references listed at the end of article.

commercial monopolies while simultaneously imposing inappropriate cultural patterns and values upon the new users. Even more important, American reliance upon nuclear power both directly and indirectly promotes the international spread of nuclear power and its inevitable companion: nuclear weapons capability.

The United States is now at an historic crossroad in its national life. Before us is the unprecedented task of moving from dependence upon a rapidly declining non-renewable energy base to dependence upon a new base that is as yet undetermined. Our present drift can only lead us into unresolvable conflicts between energy production and food production, between democratic ideals and emerging technological imperatives, and between safety and our seemingly relentless addiction to energy. History offers few, if any, examples of equivalent challenges. To a large extent the ultimate success of the incoming administration will depend upon its ability to create a rational, farsighted energy policy to guide the nation through this transition.

II. THE CASE FOR CONSERVATION

We reject the conventional approach to the energy problem and with it any notion that we must be compelled by the force of uncontrollable energy demands. But if, as we argue, our present course is unacceptable, is there a plausible, realistic alternative? We believe there is. A growing body of evidence suggests that an energy conservation program that would allow us time to create a sustainable energy posture is possible in the immediate future (7,12). But while desirable, such a program is not inevitable, and is indeed improbable without a major national commitment and a transition policy extending over a period of several decades.

The largest source of energy available to the United States is the energy we currently waste. Our country ranks only fourteenth among the eighteen members of the International Energy Agency in terms of effective energy conservation efforts (10). Sweden, West Germany, and Switzerland, at comparable standards of living, consume only 60 percent as much energy per capita. In 1976 Americans wasted more fossil fuel than was used by two-thirds of the world's population. This excess, which currently comprises one-half of our energy budget, represents our nation's largest, cheapest, cleanest, and safest near-term source of new energy.

It is feasible for the United States to sharply increase its energy efficiency by the year 2000 and in the process greatly extend its energy supply. Energy consumption can be made more efficient by carefully matching the quality of fuel with the quality of work desired. Such matching would eliminate, for example, the burning of high quality natural gas and oil at temperatures in excess of 1000° to obtain room temperatures of 70°. Energy consumption can also be reduced by changing the patterns of consumption to favor efficiency through the use of mass transit, bikeways, cluster housing, district heating, and recycling (11).

The list of good ways to conserve energy is long. For example, ceiling insulation in a typical home costs about $300 but will save about seven barrels of oil each year for the lifetime of the house. These seven barrels, which are as valuable as new oil pumped out of the ground, can then be employed more productively elsewhere. The energy saved in just 10 years would amount to 70 barrels, which means that we are "producing" oil at $4.30/barrel. When heating oil costs $3 per barrel, insulation was no bargain. But today, heating oil often costs $16 per barrel, and insulation has become a cheap source of new energy.

Industry currently consumes 40 percent of this country's fuel. Recent studies by the Conference Board and the Ford Foundation's Energy Policy Project suggest that enormous energy savings can be made with existing technology without denting industrial productivity (2,4). The primary metals industries use about one-fifth of all industrial fuel. By adopting technologies now widely employed in other countries, the steel industry can reduce its inordinate fuel demands by about 50 percent by 1995. Using the new chloride process instead of the traditional Hall method to refine aluminum yields energy savings of about one-third. Recycled scrap aluminum requires only 5 percent as much energy as aluminum refined from virgin ore.

Forty-five percent of all industrial fuel is used to generate process steam. If this steam were first used to generate electricity and then used as process steam, considerably more electricity would be produced than the entire industrial sector now purchases from utilities. The additional fuel and capital needed per kilowatt-hour of industrial "co-generation" is only half that required by the most efficient new centralized powerplants.

From 30 to 50 percent of the operating energy in most buildings can be economically conserved now. Moreover, the American Institute of Architects estimates that the use of advanced conservation technologies including solar devices, heat pumps, and total energy systems can conserve up to 80 percent of energy consumption in new buildings (1). A national commitment to upgrading the energy efficiency of buildings would, by 1990, save the equivalent of 12.5 million barrels of oil a day.

Equally dramatic energy savings are within practical reach in the transportation sector. The use of manual transmissions would save one-tenth of all automotive fuel consumed. Switching to radial tires would save another tenth. Reducing the average vehicle size from 3,600 pounds to 2,700 pounds would save the nation one quarter of its present gasoline use. Carpooling, the use of mass transit, and greater use of railroads could further cut energy waste.

Aside from the intrinsic merit of saving scarce fuels, the case for energy conservation rests on at least four additional points. First, conserving energy by substituting labor for energy can help to reduce unemployment. A carefully designed program of energy conservation can create up to 930,000 jobs per quad* of energy saved (6). The return to a more labor intensive economy can also encourage meaningful employment and worker participation, both of which are conducive to personal development. Second, by increasing employment while encouraging energy thrift, we can reduce the rate of inflation. Third, conservation will reduce the environmental damage implicit in the acquisition, transport, and consumption of energy. Fourth, energy conservation allows us to reduce our reliance on foreign sources of fossil fuels, which has steadily increased despite a stated policy of "energy independence."

III. THE LONG-TERM GOAL: A SUSTAINABLE ENERGY SOCIETY

Energy conservation will give us the time we need to make a transition from an energy base consisting of geologic capital (oil, coal, natural gas, and uranium) to one based on renewable, safe, direct and indirect solar income. This time provides a reprieve in which we can examine alternative energy technologies. If our present knowledge advances even modestly over the next several decades, we may confidently expect a rising level of energy derived from the renewable income sources (9).

In most respects solar power is an ideal energy source: it is free, abundant, and safe; it implies no social or political regimentation; and it can either be used in its low temperature form or concentrated to high temperatures. Solar energy can be used directly as a source of low grade heat (which constitutes over one-half of our energy needs), and indirectly in the form of wind and bioconversion for industrial processes. Moreover, there is reason to expect that the direct conversion of sunlight into electricity will be commercially feasible within the next two decades.

Because sunlight is compatible with decentralized applications, many solar proposals dispense entirely with the expensive transportation and distribution networks that encumber conventional energy sources. But this savings must be weighed against the additional costs of collecting and storing a form of energy that is dilute, intermittent, and seasonally variable.

Objections to solar energy on grounds that it is more expensive than its alternatives are based on the practices of discounting the value of energy resource in situ of granting of depletion allowances to encourage resource exploitation. The illusion of cheap energy based on this kind of thinking has led to extravagant use and rapid exhaustion of scarce supplies. Pricing non-renewable fuel at its renewable replacement cost, which is at least as logical and a good deal wiser, would make the price of renewable energy technologies competitive immediately.

A sustainable energy posture would also offer the advantages of greater political stability and immunity to disruption through sabotage. The vulnerability of decentralized technology systems to terrorism and the likelihood that they will be misused as weapons is negligible. Political stability would also be enhanced by the movement toward decentralized, small-scale, and adaptable energy production systems that reduce the need for distant, high technology experts and large regulatory bureaucracies. The positive implications for the conservation and expansion of civil liberties in such a society are considerable.

Internationally, the transition to a sustainable energy society would be the most significant contribution the United States could make to world peace. An alternative to present forms of modernization that are economically and ecologically unsustainable is obviously necessary. Modern states have climbed the ladder of prosperity only to find the upper rungs are loose. To those clamoring to make the same ascent, our protestations that the ladder cannot support our combined weight are inevitably, and properly, interpreted as self-serving. In these circumstances the creation of an alternative that would ease our weight on the ladder and demonstrate an alternative model of sustainable energy development would mean more than all the foreign aid we could conceivably muster. Initially such a course would, by freeing resources needed elsewhere, signal our serious interest in global equity and would re-establish American moral influence in the world.

Equally important would be the effect of sustainable energy goals in lessening the prospect of energy wars and in arresting the steady slide toward nuclear proliferation. To remain on the current path with a sizable U.S. commitment to nuclear energy can only encourage the spread of nuclear energy technology and, eventually, of nuclear weapons. To expect others to abstain where we have indulged lacks both prudence and wit.

IV. A TRANSITION STRATEGY

It is apparent that there are two mutually exclusive energy paths before the nation. One option is based upon continued drift down the path of "hard" technology. It is fraught with technical risks and with economic and social uncertainities. The second option,

*Quadrillion BTU's. Total U.S. energy use in 1974 was 73 quads.

which begins with a national commitment to energy conservation, represents a more cautious, sustainable approach. But while the choice of either tends to preclude the other, only the hard path is irreversible. At issue is our willingness to gamble against great odds that we can achieve a high technology solution to our energy needs and that we would be wise enough to manage the result. The option represented by a sustainable energy approach is more modest in what it promises, but it is also much less likely to imperil our future. The time for decision is now—continued drift could soon remove any possibility of moving in sustainable directions. Continued depletion of fossil fuels and growing investment of our capital and our reputation in hard technology will at some unknown date effectively preclude flexibility.

We maintain that such a course is neither realistic nor prudent, and accordingly we recommend the development of a comprehensive energy policy that commits the nation to energy conservation and to a gradual, planned transition to renewable energy sources. A comprehensive energy policy must build upon voluntary energy thrift, but it must also be implemented by all levels of government in all sectors of society, including transportation, industry, construction, and agriculture. Finally, a comprehensive policy must outline both a goal and a realistic transition strategy that does not jeopardize democratic institutions.

A. The removal of energy subsidies

From World War II to the early 1970's, the cost of oil, gas, coal, and electricity (corrected for inflation) fell, while the cost of virtually everything else rose. As a consequence, cheap energy was systematically substituted for labor, capital, and materials wherever possible. Thus, the problem of designing an energy efficient state is in large part one of assigning appropriate values to high quality fuels whose scarcity is not yet adequately reflected in the marketplace.

A first step in a rational energy policy, then, is to remove distortions in the fuel marketplace created by tax loopholes, depletion allowances, intangible drilling costs, foreign tax credits, and promotional rate structures. The effect of removing such subsidies and of enforcing anti-trust laws would be to curb waste and to provide additional sources of federal revenue.

B. An energy royalty

While eliminating all subsidies to energy growth is necessary, such a step is not, in our judgment, sufficient. To achieve the goal of conservation and to encourage the use of renewable sources, a general increase in the cost of energy relative to its primary substitutes of labor and capital is recommended. To encourage both conservation and a shift toward use of renewable sources, the government must control the cost of energy so that it rises as wages and interest rates rise. The best strategy to effect the desired substitution would also involve the least governmental administration. We believe this strategy would be to place a severance royalty on all non-renewable energy sources. The use of a royalty would avoid the creation of yet another large federal bureaucracy and the consequent inefficiencies and inequities characteristic of the regulatory process. Moreover, a royalty would encourage conservation through higher prices for primary fuels such as oil, coal, and uranium but the proceeds would be awarded to the government rather than to energy companies.

By increasing the price of fuels at the point of severance—the wellhead or mine—product cost increases would occur in proportion to the direct and indirect energy required in production and marketing. Changes in consumer prices would affect the pattern of demand so that consumers would shift from purchases having a high direct energy content (eg. gasoline) and from those with a high indirect energy content (eg. throwaway containers) and toward products and services that require less energy but more labor. Similarly, industry and commerce could be expected to react to price increases by changing to energy saving technologies.

The net effect of this process would be a gradual reduction of overall energy use and an increase in the use of labor. Hence, aside from saving scarce fuels, the most important and immediate advantage of an energy royalty would be a general increase in employment. As we have noted earlier, investments in anything other than energy will provide more jobs per dollar than expenditures on fuel. As examples: each quad of energy saved by the use of inter-city trains instead of automobiles provides 700,000 jobs; intercity buses instead of cars provides 330,000 jobs; and expenditures on a federal health insurance program instead of new highway construction would provide 640,000 jobs (5,6).

To avoid economic and social disruption, the royalty should be increased gradually over a period of several decades. Consumers and businesses would find it increasingly advantageous to economize on the use of non-renewable energy and to use labor and tax-free renewable energy instead. The rate and timing of the royalty ought to be flexible and in accord with an economically and socially optimal transition speed. The ultimate level of the tax should be set so that the cost of non-renewable energy is eventually equal to or higher than that for renewable energy. This provides an incentive to lower the cost of capturing, storing, and distributing solar energy.

The amount of energy savings derived from any given level of royalty is still highly conjectural, but studies suggest that a levy of 50 cents per million BTU's would over five years yield an 8 percent reduction in energy use and generate $28 billion in federal revenues with only minimal effects on Gross National Product (8).

The revenues derived from this energy royalty can be used in a variety of ways. While the royalty would be borne equitably by all parts of the populace, the proceeds could be returned to the poor and elderly as rebates in order to redistribute income. Alternatively, revenues could be channeled into employment programs and the accelerated development of energy conservation and refitting programs such as home insulation. The royalty might also be returned to industry on a short-term basis in proportion to payroll taxes to stimulate employment.

The fuel resources of the earth are part of our common heritage and should be carefully husbanded for essential uses. A ton of steel can be recycled indefinitely, but once a gallon of gasoline is burned, it is gone forever. Most economists currently think of fuel resources in the ground as free goods; their prices encompass only the costs of extraction, refining, and (increasingly) pollution control. But their prices should also reflect an inherent value—their irreplaceability. The equivalent of that value should become part of the national treasury and should be used to compensate future generations for the depletion of a national resource.

C. The removal of institutional barriers

In addition to the severance royalty, we recommend the elimination of critical barriers to efficient energy use: outdated federal transport regulations, restrictive home mortgage conditions, utility rates that promote growth, building codes that prohibit efficient technologies, and others. We favor the adoption of minimum efficiency standards for products such as automobiles, air conditioners, and appliances, and mandatory energy labelling of major consumer items. Both efficiency standards and energy labelling will provide market advantages to responsible manufacturers.

We urge the installation of solar technologies on all new government buildings and the use of "life-cycle costing" in all other major governmental purchases. We also believe that energy impact statements, perhaps prepared as part of more comprehensive environmental impact statements, should be filed for all major federal actions.

V. CONCLUSIONS

Energy choices have too often been framed in terms of unsatisfactory trade-offs between inflation and unemployment, environmental damage and economic stagnation, productivity and equity. We believe that the course we have outlined offers an escape from these sterile options. It offers advantages for every constituency: employment for those who most need it, availability of capital for industry, environmental protection for conservationists, worthwhile long-term projects for labor, and opportunities for small business to experiment and for big business to refit. It offers the opportunity to restore the traditional virtues of thrift and community, civil rights and social equity, and decentralization, thereby pleasing the alienated, the liberals and the conservatives alike. The only groups we can identify who would not immediately benefit would be those whose profits and satisfactions are now derived from activities no longer appropriate to changed conditions—those whose reason for being is endless energy growth. Even for such groups, our proposed policy offers an opportunity to divert their much needed resources to the public good.

All citizens of this country would benefit from energy stability, a stronger economy, a cleaner environment, and a healthier democracy. Our nation would benefit from a more robust and resilient position in the world. All future citizens would in their turn benefit by expanded options, conserved resources, and a more humane heritage. Finally, all people abroad would benefit by reduced pressure on scarce fuels, free access to what we learn about wise energy use, and the reduced threat of nuclear violence.

The new administration can offer the American people the old and faded agenda that continues the frantic quest for endless economic growth. Alternatively, it can offer the opportunity to rediscover the ingredients of neighborhood and community, to reverse spiritually eroding effects of unchecked materialism, and to restore a sense of meaningful national destiny. The latter direction will require strong Presidential and legislative commitments to develop a comprehensive, long-term energy policy.

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DOWNTOWN SERTOMA CLUB OF SPARTANBURG, S.C.

Mr. THURMOND. Mr. President, last week I had the pleasure and honor of attending a meeting of the Downtown Sertoma Club of Spartanburg, S.C. As you no doubt are aware, Sertoma is an organization of business and professional persons dedicated to helping each other and serving their fellow men. Sertomans are also noted for their exemplary patriotism.

The Spartanburg Sertoma Clubs have a particularly fine group of members. In a society that sometimes seems to be getting increasingly selfish, it is reassuring to spend time with these good men and good citizens. They are constantly working for the benefit of their communities.

One of the worthy projects of the Spartanburg Sertoma Club is an essay contest. High school students in the area are invited to submit original compositions on American history and traditions. This year's winner, Layne McDaniel of Chesnee High School, wrote an analysis of the Declaration of Independence which shows insight and literary attainment far beyond the years of its author.

When I heard this essay read aloud at the meeting, I felt that my colleagues would wish to see it. In order to accomplish this purpose, and to memorialize the happy occasion on which I heard it, I ask unanimous consent that Layne's essay and the program of events be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE DECLARATION OF INDEPENDENCE AS A GUARANTEE OF OUR AMERICAN FREEDOM

(By Layne McDaniel)

When our forefathers drafted the Declaration of Independence, they did more than declare that America should be totally independent. They declared that as citizens of the United States of America, we are entitled to the rights of life, liberty, and the pursuit of happiness.

Our forefathers wanted to insure that we did not escape from the tyranny of one country to become slaves of another country. They wanted their seed to have the freedoms which they had been denied. They also wanted to insure that these freedoms could not be taken from them.

Our forefathers did themselves, and generations to come, a great service by stating in the second paragraph of the Declaration of Independence that "all men are created equal, that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness." Each of these freedoms is very important to our lives.

The right to life is one of our most precious liberties. Without the right to life we would wither away and die. This freedom was val-

iantly fought for by our ancestors. Many are still battling for this liberty which we so often take for granted. For a man just to know that he has the right to live is essential to life. For without this knowledge, man loses hope. Once a man has lost hope he cannot live. Without hope man no longer strives to achieve his supreme goal.

To give a man the right to life is not enough. He must be given the right to live his life as he chooses; providing that this is within the laws of God and man. An individual must be given this privilege, because without it his life would be meaningless. He still would not be able to reach his final goal. He would not even be allowed to set his own goal. Perhaps he would be forced into accepting a goal that was not suited to him as an individual. If a person is not an individual he cannot contribute to society in a meaningful way.

Many feel that to give a man life and liberty is sufficient. It is not. These two freedoms by themselves would be only a clever imitation of liberty. Man's emancipation would still be imcomplete.

Without the right to pursue happiness, people would become robots. We would be mannequins, with painted expressions, but no real feelings. Man must be allowed to search for joy, and more importantly obtain it, if it harms no one. Government must let man enjoy living, as well as make a living. If man does not enjoy living he might decide to end life. Without happiness life would be a cup of bitter hemlock.

If civilization is to survive all mankind must be given these three rights. He must be allowed to live. Man should be able to set his own goals and work toward them at his own pace, and be allowed to rejoice in his freedom.

"FREEDOM WEEK" SPONSORED BY THE SERTOMA CLUBS OF SPARTANBURG, S.C.

Presented by the Sertoma Clubs of Spartanburg: Downtown Sertoma Club (host club), Pat Cecil, President; Greater Spartanburg Sertoma Club, Gene Whitlock, President; Piedmont Sertoma Club, Donnie Woodward, President; Sertoma Club of Spartanburg, Charles Smith, President; South Spartanburg Sertoma Club, Charles Spann, President.

The meeting was held at the Sheraton Inn, Spartanburg, S.C., Friday, February 18, 1977, 12:30 p.m.

PROGRAM

Welcome—Pat Cecil, President, Downtown Sertoma Club.

Pledge to Flag—Buddy Womack, Master of Ceremonies.

Invocation—The Rev. David Clyburn.

Meal—Sheraton Inn.

Presentation of Club Presidents—Buddy Womack.

Introduction of Speaker—W. Sterling Anderson.

Speaker—The Honorable Strom Thurmond, U.S. Senator.

Presentation of Awards to School Essay Winners—Pat Cecil.

Reading of Overall Winner's Essay—Buddy Womack.

Adjournment.

CODE OF ETHICS—SERTOMA INTERNATIONAL

I affirm my allegiance to my country, and its constitution and believe in its everlasting endurance through law and order.

I believe in The Sertoma Club and its principles of cooperation, friendship and mutual helpfulness.

I pledge myself as follows: To realize that I am a business or professional man ambitious to succeed, but that I am first an ethical man and wish no success that is not founded on the highest justice and morality. To use my greatest endeavor to elevate the standard of the calling in which I am engaged and to conduct myself in such a way that others may find it wise, profitable and conducive to happiness to follow my example. To understand that one of the greatest assets of the business or professional man is friendship and that true friends demand nothing of one another. To abuse the confidence of friendship is unethical and not in keeping with the principles of true cooperation, as adhered to by Sertoma International.

The Sertoma Club exists for the high and noble purpose of benefitting mankind at large. True Sertoma spirit is not competitive. All real Sertomans live up to the belief that true cooperation is not confined to the limits of the Sertoma Club but should extend to the limits of the race itself.

The emblem is a badge of true fellowship, assistance and friendship, and will always stand as an ever-present reminder of the great strength of those united, and the frail weakness of the separated. The Roman fasces ever recalls the ancient lesson of the bundle of faggots which it was impossible to break when bound together, but was easily destroyed when separated. It is the hope that Sertoma clubs be bound closely together in the spirit of cooperation, fellowship and good will in Sertoma International, that they will be an unbreakable power for good, advancement, helpfulness and strength in every community.

Finally, I believe that the dignity and character of industry can be sustained and improved by Sertoma International, to which I fully pledge my support and will so administer my affairs as to reflect credit on this great organization.

SOCIETY OF ENGINEERS

Mr. BAKER. Mr. President, my distinguished colleague from Nebraska did the State of Tennessee a great honor last evening. He was the speaker at the annual meeting of the Chattanooga Society of Engineers. Over the years this group has had some of America's most distinguished leaders appear before it.

The remarks of our colleague from Nebraska are on a plane with any who have addressed this forum before him. I want to publically express my gratitude to the senior Senator from Nebraska and respectfully request unanimous consent that his remarks in Chattanooga be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM THE REMARKS OF SENATOR CARL T. CURTIS BEFORE THE MEETING OF ENGINEERS AT CHATTANOOGA, TENN., ON FEBRUARY 24, 1977

Mr. Chairman, there is no group on the American scene that I revere more than the engineers. Your profession is an honored one. You play a most important, key role in the industrial greatness of our country. The projects upon our rivers, the erection of industrial plants, the planning for the expansion of industry, and man's walking on the moon are all advances that carry the imprint of the engineer. We could go on and enumerate many other activities wherein the engineer constitutes a vital part of the activity.

Tonight I want to talk to you about some of the public issues vitally affecting our economy. It might be well said that as our economy goes so goes the engineering business. There are some important issues facing the Congress which vitally affect the future of the economy of our great country. I want to touch on a few of those issues.

There are several decisions to be made in reference to labor legislation, which should be of concern not only to engineers but to all citizens who want business expansion and full employment. A wrong decision in reference to any one of these issues can be injurious to American industry. There are powerful forces at work in the country promoting a course of action which in my opinion would be very harmful to our economy.

First of all, I would mention the bill which would make common situs picketing legal. Under present law if there is a labor dispute on a large project, the picketing must be confined to the area of the employer directly involved. The proposal would permit picketing of the entire project and would interfere with the work of all the employers. It would mean that a handful of workers of one particular employer with a grievance or a claimed grievance could shut down a multimillion dollar project with complete immunity. It should be called "the industrial slow-down bill." It did pass the Congress last year and President Ford vetoed it. It will be a close fight this year. The American people should rally behind those of us in the Congress who are going to oppose the common situs picketing bill and if they do, we could win the fight. We can't except to be saved by a veto this time.

I believe in the Right-to-Work Law. Such a law exists in a number of States. I do not think any citizen should have to belong to any particular organization in order to work. The States are permitted to have a Right-to-Work Law by reason of section 14(B) of the Taft-Hartley Law. The same forces that are supporting the common situs picketing bill are out to repeal section 14(B), the President has stated that he would sign such a repealer. The Congress is the last battleground if the right of States to enact right-to-work laws is to be preserved. I believe that if the American public knows what is going on, they will become alert and we can win the fight to save our right-to-work laws.

There are other labor issues that should cause concern for all of us. If we follow the statements that have been made by Secretary of Labor Marshall, we have reason to be concerned about the first steps being taken that could lead to the eventual unionization of the members of our Armed Forces. This is unthinkable! It would be disastrous for the defense of our country. Likewise, we are in danger of forcing a situation where the right to strike will be extended to Government employees, including postal employees. Wherever any part of our economy comes to a halt, it isn't good news for engineers.

Congress faces some vital decisions in reference to energy. This is a subject which engineers understand. You know the importance of energy in our economy. A factory cannot run without energy: Production cannot take place without energy. Conservation in the use of energy is not the answer to our energy needs. We should conserve energy as a matter of efficiency and to prevent waste. But the maintenance of jobs depends on the use of energy not the saving of energy.

The Congress has totally failed the American people in reference to energy legislation. Our main objective should be to increase the production of energy.

We should remove the price controls from the production of natural gas. We should restore the incentives for the search and drilling for oil that the majority in the Congress has taken away in the last few years. We should insist upon a balance between our environmental needs and our economic needs. The extreme and emotional environmentalists have done too much to stifle our economy. I hold in my hand a clipping from my State of Nebraska bearing date of February 8, 1977. The headline is "State May Lose 10 Percent of Oil Wells." I will read the first paragraph which is as follows:

"About 10 percent of Nebraska's 1,200 oil wells—producing over 1,000 barrels of oil daily—probably will be closed because of the new U.S. Environmental Protection Agency (EPA) regulations."

The environmentalists should not have that much power.

We should be using more coal. We should use coal for everything where it can be used.

The Union of South Africa is producing about 20 or 25 percent of their gasoline needs from coal. They are doing it without a subsidy. They are expanding their facilities so that in time of emergency they can supply all of their essential needs for gasoline from coal. Why aren't we doing the same thing? We should turn to all the alternate forms of energy. We should proceed with the production of nuclear power, geothermal and solar power.

The majority in Congress has totally failed the American people on energy legislation. We are importing about one-half of our oil needs. Imagine what another oil embargo could do to the defense of this country. Now there is no political division between the administration and the majority in Congress and the American people must and will insist that the Congress develop an energy policy that will make industrial expansion and full employment possible.

Another issue facing the Nation is the excessive spending, ever increasing deficits and mounting national debt. Fiscal responsibility is essential for the economic well-being of our country and the full employment of our citizens. Failure on the part of the Federal Government to bring spending under control can lead to very serious consequences. Disaster is not too harsh a word to describe what could happen if we continue to follow the course that we have followed for the last quarter of a century. We have had only one balanced budget since the fiscal year 1960, and that was in fiscal 1969.

These continuous deficits are most disturbing. They were disturbing when they amounted to $4, $5 or $6 billion dollars a year or less. Americans who are concerned about the future of our country rightly raise the question "where are we headed?" This question is especially pertinent when we find that the deficit for FY 1975 exceeded $45 billion and the deficit for 1976 exceeded $66 billion. The deficit for FY 1977 is estimated as $68½ billion and sometimes at as much as $70 billion, and certain members of the Carter transition team have been talking of a $75 billion deficit.

Seldom can you find a Member of Congress or a President who will express opposition to a balanced budget. Their answer is "not yet." There is always an impelling reason for the claim that we cannot balance the budget now. Advisors to Presidents often convince a President that the budget cannot be balanced in his term, but when they get through with their "fine tuning," it will be balanced at the end of four years. Then at the end of four years, we start all over again with a new take-off of astronomical deficits. We should ask the question "where will it end?"

I believe that a great boon to our economy will come when we embark on a continuous course of balancing the budget. If everyone knew that the United States Government had its finances under control it would create confidence at home and abroad. The potential of this country is tremendous. The possibilities are unlimited. I do not believe that private enterprise and self-government are failing theories. I believe that the future can be bright if we reverse that trend toward totally uncontrollable deficit financing.

Is there anything more conducive to investment and the providing of more jobs than the sure knowledge that the Government in Washington was and would continue to follow a responsible course, pay bills and maintain the value of its money?

There can be little dispute that continued deficit financing leads to inflation. Inflation is a cause of unemployment. When inflation is rampant, it takes all of the income of most of our citizens to provide the bare necessities of life for themselves and for their families. In the absence of inflation, wage earners, farmers, businessmen and professional men have sufficient income to buy much more than the bare necessities of life. These additional purchases whether they be carpets, draperies, radios, TV's, furniture, new Houses, additions, automobiles, boats, ski equipment, pianos, music lessons or dental services, set in motion a wide range of activity. It means jobs for more people. It doesn't take a sizeable proportion of our work force to produce the bare necessities of life. Full employment can only come when the people can buy additional items, including luxuries. Every time there is an article sold, it means that someone had to produce the raw material, someone had to manufacture, transport, advertise, sell, finance and insure the article. All of which means economic activity and jobs for individuals of all ages.

A great many of the States have constitutional provisions against deficit financing and the creation of debt. They vary as to form. These provisions in our State constitutions have been responsible in maintaining the solvency of those States. We need a similar discipline at the Federal level.

Twenty-two other Senators have joined me in introducing a proposed constitutional amendment to compel a balanced budget. It is a simple and workable plan. Yet it is firm and effective. It mandates the Congress to balance the budget every year. But it goes further than merely declaring for a balanced budget. It has an enforcing provision. This amendment provides that within twenty days after the close of the fiscal year the President is required to ascertain if there is a deficit—if so, how much? The President is required to calculate the amount of surtax necessary to recoup the deficit in the next fiscal year. This surtax would be an added percentage tax on the income tax of all individuals and corporations. It might amount to a surtax of three percent, or seven percent or twenty percent, whatever the case might be. The surtax would automatically go into effect for the coming year. The President would not be empowered to impose the surtax: the surtax would go in automatically under the authority of the Constitution.

Under this plan the people of the country would know what direction we are headed and the Congress would know it also. Congressmen and Senators wouldn't like an announcement made on or about the 20th day of October that a surtax would have to be imposed on individuals and corporations because the Congress had spent too much money. The adoption of this resolution will bring about the necessary discipline which will lead to a balanced budget. Some programs can be eliminated; others can be postponed. New programs will be looked at more realistically. The question will be asked of all programs—Are they necessary or merely desirable? If the Congress is faced with the choice of reduced spending or increased taxes, expenditures will be reduced. If not, the voters have a remedy at the ballot box.

The resolution provides that upon ¾ vote of both Houses of Congress, the requirements of the amendment could be set aside for a year at a time whenever there was a declaration of war or a finding by the Congress of a grave national emergency. If the war or an emergency extended beyond a year, there would be another vote every year if the requirements of the amendment were to be waived.

I believe in my country and I believe in its future. I am convinced that if we bring spending under control and stop inflation that we will have a future far brighter than we dare imagine. We should not let the spenders destroy this wonderful country. We should remember that he who saves his country saves all things and all things saved will bless him. He who lets his country die lets all things die and all things dying will curse him. May it be said of our generation by those who follow that we were blessed.

[From the Lincoln Journal, Feb. 8, 1977]

NEW EPA REGULATIONS—STATE MAY LOSE 10 PERCENT OF OIL WELLS

(By Harold Simmons)

About 10% of Nebraska's 1,200 oil wells—producing over 1,000 barrels of oil daily—probably will be closed because of new U.S. Environmental Protection Aegncy (EPA) regulations.

And it will take about $1 million in improvements for many Nebraska wells to meet the new regulations and stay in operation, said Paul Roberts, director of the State Oil and Gas Conservation Commission.

The EPA regulations govern underground injection of oil field water and are aimed at avoiding contamination of underground sources of drinking water.

Roberts said, however, that EPA can't cite a single instance of contamination of underground drinking water any place in the nation to justify the regulations.

CLASSIC OVERKILL

"It's a classic case of environmental overkill," Roberts said. "I asked EPA officials why they were issuing the regulations and they said 'because.' That's all the reason they had."

EPA's fear, Roberts said, is that water injected down well casings will leak out. Meeting the new regulations will require installation of a separate pipe for water injection, he said.

Roberts said there are about 300 wells in Nebraska using the injection system which will require improvements to meet the new regulations. And the cost per well will probably run $25,000 to $30,000, he said.

NOT ECONOMICAL

But there are also over 100 wells where it would not be economical to try to comply with the new regulations, he said. These wells are now producing over 1,000 barrels of oil a day.

That oil, Roberts said, sells for $5.25 a barrel, compared to $15 a barrel for imported Arab oil. That means the production value that would be stopped is around $5,000 a day.

MORE CORROSIVE

In parts of the state where the water is more corrosive, he said, state regulations already require measures to avoid leakage and possible contamination of underground water.

The new EPA regulations will have considerably more impact in the older oil producing states, such as Texas, Oklahoma, Kansas, California and Ohio, Roberts said.

In Texas alone, he said, it is estimated the new regulations will require 10,000 wells to be closed.

The American Petroleum Institute, an industry trade group, estimates the new regulations will cost the oil industry $406 million and shut off 3.5 billion barrels of oil production because of closed wells.

CONSERVATION ENERGY

Mr. PERCY. Mr. President, former Federal Energy Adminstrator, John C. Sawhill, recently published in the Washington Post an article of great importance to all of us. His topics were energy and the necessity for immediate national action. As a former public official dedicated to helping solve our energy crisis—and this winter has proven once

again how precarious our energy security really is—Mr. Sawhill is experienced and his advice is valuable. His voice should not be left crying unheard and unacknowledged in the wilderness. His admonitions are timely and relevant to our economic growth and stability.

Mr. Sawhill points out how so little has been accomplished since the 1973 oil embargo that imports now account for an ever greater percentage of total U.S. consumption than they did at that time. In 4 years we have actually lost ground in our struggle to become secure and independent in our energy supplies.

This is partly because we have not taken seriously the most efficient, cleanest means of increasing our energy supply—conservation energy. While the United States must continue to research new forms of energy, we must reduce the enormous amounts of energy we waste daily. The effective utilization of our energy supply is so lacking at the present time that we could create vast amounts of energy simply by increasing the efficiency with which we consume energy.

Through tough energy-conservation measures and technologically ingenious methods of eliminating energy waste, the United States could reduce its rate of energy-demand growth to well below 2 percent a year. By reducing demand the United States also can potentially moderate world energy prices. Thus through mature self-discipline and an active national energy policy the United States can begin on a path away from its energy crisis and toward a more secure and healthy future for all its citizens.

The Alliance To Save Energy, which Senator HUMPHREY and I recently launched, is dedicated to promoting the more efficient use of energy. I am delighted that John Sawhill, whose article in the Washington Post prompted these remarks, is on the board of directors.

Mr. President, I ask unanimous consent that the Washington Post article of January 22, 1977, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

[From the Washington Post, Jan. 22, 1977]

TOWARD A NATIONAL ENERGY PLAN

(By John C. Sawhill)

There is a growing national awareness that we face a serious energy problem in both the short and long term. And there is a general consensus that we need a national energy policy to deal with those problems. But turning that consensus into effective action has so far eluded us.

The new administration must move quickly beyond mere rearrangement of boxes on our federal organization chart—one of the few concrete proposals that has surfaced so far. For so little has been done since the 1973 Arab oil embargo that imports now account for a higher percentage of total U.S. consumption than they did then. And our energy conservation program is so ineffective (ranking near the bottom of the list of industrialized nations) that we are missing our best chance of defusing the Arab oil weapon.

The immediate problem is the growing U.S. dependence on oil imports increasingly concentrated in the Middle East. The longer-range problem is the need to find alternative sources of energy to sustain the world's economy in the next century when oil and gas supplies are depleted. Unless we solve the near-term problem, our domestic economy and our foreign policy will remain unduly vulnerable to the manipulation by the Arab states, and the mounting debt burdens on the non-oil producing less-developed countries will continue to threaten international financial stability. Unless we solve the longer-range problem, we will have difficulty maintaining a rising standard of living once liquid hydrocarbon reserves are exhausted.

Several critical decisions are called for, the first of which is to establish short- and long-range goals for U.S. dependence on foreign sources for petroleum. A second is to set a target for reducing the growth of energy consumption and to enact a package of tough energy-conservation measures. Somewhat higher fuel prices, coupled with other economic incentives (like tax credits for insulation) and regulatory measures (such as banning nonreturnable bottles), could reduce the rate of energy-demand growth well below 2 percent a year.

One of the most pressing energy issues before Congress is whether the government should continue to regulate oil and gas prices. Opponents of regulation claim that controls encourage consumption, discourage investment in new production, and maintain an unnecessary government bureaucracy. Proponents argue that oil prices have always been regulated de facto—first through production limits set by the Texas Railroad Commission and later through the import-quota program.

If controls were completely eliminated today, the price of oil would not be determined by free market demand-and-supply conditions, but by the OPEC cartel. U.S. oil prices should be as consistent as possible with U.S. economic recovery and energy objectives; it is unlikely, to say the least, that the OPEC managers will act on this criterion. My own view is that complete deregulation is not the best course. The United States must continue to regulate crude oil prices with a view toward keeping our economic engine lubricated, but permit them to rise enough to encourage conservation, new exploration, and the development of new facilities. Petroleum product prices and the price of new natural gas at the wellhead should be deregulated, however, since they will tend to move with crude-oil prices.

The best way to moderate world energy prices is to reduce our import dependency. Beyond this, however, there are other actions that should be explored. One is the possibility of establishing a government agency to purchase some imports (such as those necessary to build an oil stockpile) under a system whereby OPEC suppliers would be required to submit sealed bids for access to the U.S. market as a means of fostering competition among them. The dissension at the recent Qatar meetings suggests that there may be opportunities for the new administration to widen cracks in the cartel, and thereby bring downward pressures on prices.

In addition to prices, a pressing question facing the new Carter energy team is the future role of nuclear power. Reducing our dependency on oil as a primary energy source in the longer term will require much expanded capacity for electrical generation besides an increased role for coal. This means some firm decision on nuclear energy. The current debate on this issue has centered around questions of reactor safety and waste disposal and, as a result, has tended to obscure the more critical issue, which is the problem of weapons proliferation. The key to reducing the proliferation risks is to limit the spread of plutonium until appropriate safeguards are in place.

Fortunately, the U.S. has sufficient uranium reserves to last well into the next century. For this reason, we are in a position to defer the decision on plutonium recycling and on commercialization of the breeder reactor (which uses plutonium) in order to influence foreign suppliers to do the same. Simultaneously, we should work from the other end to persuade potential buyers of these facilities that their benefits are outweighted by the risk of weapons proliferation. Strengthening and broadening the mandate of the International Atomic Energy Agency would help to enforce measures to limit proliferation.

In sum, then, we need serious commitment to a national energy plan. We will be able to measure the seriousness of this commitment by the speed with which proposals are made and decisions are reached on these overall goals. The consequences of continued inaction are grave indeed.

NEWBERRY COLLEGE CELEBRATES FOUNDERS DAY

Mr. THURMOND. Mr. President, one of the finest educational institutions in South Carolina is Newberry College. Founded in 1831 under the auspices of the Lutheran church, Newberry College has maintained high standards of academic excellence ever since. Its dedicated staff and stimulating liberal arts curriculum attract able young people from all over the Southeast. The student body now numbers nearly 900.

Newberry College is properly conscious of its long history, and celebrates Founders Day every year. This year there was particular cause for celebration, as the four oldest buildings on campus—Smeltzer Hall, Keller Hall, Holland Hall, and Derrick Hall—have recently been added to the National Register of Historic Places. In addition, a major renovation program, funded partly by grants and partly by a loan secured from the Farmers Home Administration, will shortly be undertaken on Smeltzer Hall.

Because of my interest in Newberry College, and in the recognition and preservation of its historical heritage, I was invited to attend this year's Founders Day ceremonies, which took place on February 17. On that day, I had the privilege of receiving the college's annual Algernon Sydney Sullivan Award, given in honor of the eminent 19th-century lawyer and philanthropist who, while a native of Indiana and a resident of New York, was all his life a Southerner at heart. At the time, I expressed my gratitude as well as I could. It is always an especial honor to find favor with those whom you greatly respect and admire.

It has since occurred to me that my colleagues might wish to know more about Newberry College. Perhaps some of them will be visiting South Carolina and will have a chance to see for themselves the beautiful and historic campus. I can testify that it is well worth a visit. In order to offer an inducement to them, and in recognition of the splendid work done by this fine institution, I ask unanimous consent that the program from the Founders Day ceremonies be printed in the RECORD.

There being no objection, the program was ordered to be printed in the RECORD, as follows:

FOUNDERS DAY CONVOCATION, FEBRUARY 17, 1977, 9:25 A.M., WILES CHAPEL

PROGRAM

Prelude: Chorales for the New Year, Helft mir Gott's Gute preisen; Das alte Jahr vergangen ist; In dir ist Freude, Bach; Thomas Spacht, D.M.A., Associate Professor of Music and College Organist.

Processional hymn: God of Our Fathers, Warren; Dr. Spacht.

(The audience will rise when the procession enters and remain standing until the conclusion of the Invocation.)

1. God of our fathers, whose almighty hand
Leads forth in beauty all the starry band
Of shining worlds in splendor through the skies
Our grateful songs before Thy throne arise.

— Interlude —

2. Thy love divine hath led us in the past,
In this free land by Thee our lot is cast;
Be thou our Ruler, Guardian, Guide, and Stay;
Thy word our law, Thy paths our chosen way.

3. From war's alarms, from deadly pestilence,
Be Thy strong arm our every sure defense;
Thy true religion in our hearts increase,
They bounteous goodness nourish us in peace.

— Interlude —

4. Refresh Thy people on their toilsome way,
Lead us from night to never-ending day;
Fill all our lives with love and grace divine,
And glory, laud, and praise be ever Thine.
Amen.

The invocation: The Reverend Harry Weber, M. Ed., College Chaplain.

Choral response: A Rose Touched By The Sun's Warm Rays, Berger; Newberry College Singers.

Greetings and introduction of special guests: Glenn E. Whitesides, Ph. D., President.

Introduction of speaker: President Whitesides.

The address: J. Benjamin Bedenbaugh, Ph. D., "Person to Person."

Dr. Bedenbaugh is Professor of New Testament at the Lutheran Theological Southern Seminary, Columbia. A 1950 graduate of Newberry College, he received the B.D. degree from Southern Seminary and the M.A. and Ph. D. degrees from Boston University. Dr. Bedenbaugh wrote the College's Centennial History in 1956, a project which was begun by his uncle, J. Holland Bedenbaugh, in 1930.

Special music: Now Let All Sing, Kirk, Newberry College Singers and Instrumental Ensemble, Milton W. Moore, Ed D., Director, Darr Wise, M. Mus., Piano.

Newberry College Student Association project: Keith Shealy, President, NCSA.

For the third consecutive year, NCSA is participating in the Founders Day celebration through the planting of flowering trees. To complement the Japanese Cherry tree planted in 1975 and the thirteen Dogwood trees planted last year in honor of the college presidents, three additional Japanese Cherry trees have been planted in the Campus Quadrangle area around Smeltzer Hall. The trees are in memory of Mrs. Helma "Mom" Reeves, Col. James Holcombe, and Dr. Frank Hoskins.

Conferring of Honorary Degrees: President Whitesides.

The President will be assisted by the Vice President for Academic Affairs, Dr. B. Lee Cooper, and The Secretary of the Faculty, Professor Margaret Paysinger.

Doctor of Divinity: The Reverend Albert Stemmermann.

Albert Stemmermann is a beloved pastor of the Lutheran Church in America, having served in pastorate and other church positions in South Carolina, Ohio, and Michigan. Retired from a life of full service, he is still active as the volunteer Chaplain for the Franke Home, a Lutheran retirement center in Charleston. Pastor Stemmermann, as a servant of the Church, is a symbol of the Church's role in the history of the College that dates back to 1828, nearly 30 years before the College was actually chartered as a degree-granting institution in 1856.

Doctor of Humane Letters: Edwin F. Averyt.

Edwin F. Averyt is a prominent businessman and church leader who has expressed his strong interest in private higher education and in the goals and objectives of Newberry College. An active member of the College's Board of Trustees, he has supported the College's total program with his time, talent, and wisdom. On this special day of celebration, he stands as a symbol of business and industrial leaders who have contributed to Newberry's development.

Presentation of the Algernon Sydney Sullivan Award: President Whitesides.

The President will be assisted by Dr. Cooper and Dean Traylor.

Honoring: Senator Strom Thurmond.

Strom Thurmond, the distinguished senior Senator from South Carolina, has been a long-time friend of Newberry College. He was one of the guiding forces in the naming of the College's four oldest buildings to the National Register of Historic Places, and he has been instrumental in helping to secure the necessary funds for the renovation of Smeltzer Hall. A frequent visitor to the campus, Senator Thurmond is highly respected and much appreciated for the many ways in which he has shown his support and interest in private higher education and in Newberry College.

Response: Senator Thurmond.

Closing Remarks: President Whitesides.

Alma Mater

Though small nor rich in worldly goods,
Our Alma Mater dear,
We bless thy name, fresh crowned with fame
In every passing year.
Oh Newberry, we pledge to thee
Our hearts and hands this day;
Our love, our faith, our loyalty,
Hail Scarlet and the Gray.
Our love, our faith, our loyalty,
Hail Scarlet and the Gray.
When years have passed and college days
Become but memories,
Though far or near we'll all hold dear
Thy name, thy victories.
Where'er we go, come weal or woe,
For thee we'll work and pray,
Thy loyal sons we'll ever hail
The Scarlet and the Gray.
Thy loyal sons we'll ever hail
The Scarlet and the Gray.

Recessional: Finale (Symphonie 1): Vierne.

A Reception will be held in the Summerland Reception Room, Smeltzer Hall, immediately following the convocation program. Everyone is cordially invited.

Members of the Cardinal Key National Honor Sorority are serving as ushers.

THE ACADEMIC PROCESSION

The Order

Academic protocol sets specific guidelines for an academic procession. Tradition demands that the President be the last person in the procession and that he lead the procession following the ceremony. The highest ranking members of the Faculty, including Faculty and Administrators Emeriti (based on rank and seniority) lead the procession and follow the President and the platform party in recessing.

The college's four vice presidents (those who are not in the platform party) lead the Administration group: and the Newberry College Student Association Executive Officers lead the NCSA Senate.

The Academic Regalia

Academic dress in the United States generally conforms to a code adopted by colleges and universities at the end of the nineteenth century. Theoretically, the costume indicates the subject field, the highest degree held by its wearer, and the university which granted that degree. The standard gown is black, although a few institutions have adopted gowns in special colors. Patterns vary with the degree held. The doctor's gown is cut much fuller than the other gowns and is marked by velvet panels down the front and around the neck, as well as by bars of the same material on the sleeves. The facing and chevrons of the doctor's gown may be black or the color which symbolizes the subject in which the degree was earned.

The hood is lined with the colors of the university which granted the degree. The border or edging of the hood is in the color indicating the subject of the degree.

Arts, Letters, Humanities—white.
Commerce, Accountancy, Business—drab.
Economics—copper.
Education—light blue.
Fine Arts—brown.
Journalism—crimson.
Library Science—lemon.
Music—pink.
Philosophy—dark blue.
Physical Education—sage green.
Science—golden yellow.
Theology—scarlet.

The President's Gown

The President's Gown, designed by Ward and Company expressly for the College, uses the College colors of scarlet and gray. It was used for the first time at least year's Founders Day/Inauguration program.

Student Marshals

Student Marshals are chosen for their academic achievement; they represent the highest scholastic attainment in their respective classes.

Senior Class: Jan E. Burrows, Jo Ann Carrie, Irelou Easley, Keith D. Shealy, Robert W. Wingard.

Junior Class: Joy Abel, Steven E. Davis, Mary R. Williams.

Sophomore Class: Mark M. Murray, Sharon A. Risinger, Kelly Shealy.

Freshman Class: F. Christine Bernhardt, Jane Brown, Richard M. Pritchard, Kathy L. Williams.

Faculty Marshal

James F. Cummings, Ed.D.

THE NEWBERRY COLLEGE HISTORIC DISTRICT

The four oldest buildings on the campus form the newly created Newberry College Historic District and will be listed in the National Register of Historic Places.

The quartet of buildings are typical of the late 19th and early 20th century institutional architecture. Smeltzer Hall (completed in 1877) is the focal point of the new Historic District; other campus buildings in the District include Keller Hall (1895); Holland Hall (1904); and Derrick Hall (1924).

The National Register of Historic Places is the official list of the Nation's cultural resources worthy of preservation; it is under the responsibility of the National Park Service of the Department of the Interior.

Smeltzer Hall

Smeltzer, an Italianate Victorian structure, was built in 1877 on the site of the original building when Newberry College returned to Newberry after being in Walhalla, S.C., for nine years after the Civil War.

The original building, completed in 1858, was razed after the War and after the College had moved to Walhalla because of the damage done to the building by the Federal troops that used the building as its head-

quarters during the occupation of the City of Newberry.

Today, Smeltzer is the freshman women's residence hall and serves as the reception area for campus social events. Named for the third president of the College, Dr. J. P. Smeltzer, the 100-year-old building will be completely renovated in time for the opening of the 1978–79 academic year.

Keller Hall

Another Victorian structure, Keller Hall, was constructed in 1895 partially from funds donated by Mrs. F. E. Keller of Haigler, S.C., in memory of her son, J. Aiken Keller, who died in 1884 while a student at Newberry.

The two-story brick building with a bell tower has been used as a chapel, library, and classroom and laboratory facility in the past 80 years. Today it houses the offices of the student publications and the student government, provides storage space for the campus theatre costume shop, and space for a dance studio.

The bell in the old tower is still rung to announce athletic event victories.

Holland Hall

Holland Hall, a neo-classic revival brick structure with four Roman Ionic columns, was built in 1904 partially from funds appropriated by Congress to repay the College for damage done to the original College Building by Federal troops after the Civil War. The commanding officer of the Federal troops, Brigadier General Charles Van Wyck, garrisoned in the old building, was a member of Congress when the funds received Congressional approval.

Holland, named for Dr. George D. Holland, the college's fourth president, is the present administration building although classes also met in the two-story structure until the early 1970's. The building was remodeled and renovated in 1972.

Derrick Hall

The fourth building in the Newberry College Historic District is Derrick Hall, a three-story Classic Revival building with four Ionic columns; it was built in 1924 as a men's residence hall. It was renovated in 1965 for use as a women's dormitory.

The dormitory was constructed during the presidency of Dr. Sidney J. Derrick, Newberry's eighth president, for whom the building is named.

The Newberry College Historic District is one of two Districts in Newberry County and one of 31 in South Carolina. The other Newberry County District is the Community Square in Newberry.

SMELTZER HALL RENOVATION TO BEGIN IN LATE SPRING

The renovation of Newberry's oldest building, Smeltzer Hall, which serves as a residence hall for freshman women and as the reception area for the campus, is scheduled to begin in late May.

When work is completed in 1978, the inside of the building will have a new look—with new wiring, heating, plumbing, and air-conditioning. But, the outside of the Victorian structure and the reception rooms and public areas will remain basically unchanged to remind Newberrians of the 100 years of Newberry College history that Smeltzer Hall has helped to make.

The College's Board of Trustees and three supporting Synods have authorized a $500,000 loan from the Farmers Home Administration for the renovation project. An additional $50,000 has been designated for the project from foundation grants and individual gifts; and a $50,000 challenge gift has been made available from the Kresge Foundation—if the last $100,000 is raised to complete the $700,000 renovation cost.

In October, the Board of Trustees authorized a special campaign to raise these additional funds. Recognizing that Smeltzer Hall has been a women's residence for almost half a century and would continue to house women and to serve as the campus reception area, ladies asked for the privilege of raising these funds. With Mrs. Gaines O. Boone as chairman, these Ladies for Smeltzer hope to enlist 100 "Smeltzer Belles" who by their own contributions or through solicitation will provide $1000 each toward the $100,000 needed.

Gifts and pledges amounting to over $40,000 have been received through the efforts of 66 Ladies for Smeltzer, 26 of whom are already "Smeltzer Belles" through the $1000 or more each has contributed or solicited.

"Smeltzer Belles"

(As of February 11, 1977)

Mrs. Edwin F. Averyt.
Mrs. Hugh Baumgartner.
Mrs. Gaines O. Boone.
Mrs. Herman Boozer (in memoriam).
Mrs. Martyn Cavanaugh.
Mrs. John Clarkson.
Mrs. Noah E. Derrick.
Mrs. Milton Frick.
Mrs. Deems Haltiwanger.
Mrs. Chester Hawkins.
Mrs. Harrison Jenkins.
Mrs. Hart Kohn, Jr.
Mrs. Hal Kohn, Jr.
Miss Erin Kohn.
Miss Nell Kohn.
Miss Hattie Belle Lester.
Mrs. C. E. Mitchell.
Mrs. Esther S. Pruett.
Mrs. George Rast.
Mrs. George Segelken.
Mrs. Armand Shealy.
Mrs. Otho Shealy.
Mrs. George W. Smith.
Mrs. H. A. Strickland.
Mrs. Fred Wessels, Jr.
Mrs. C. I. Youmans.

In addition to the "Smeltzer Belle" campaign, the Newberry College Women's League is soliciting funds among its membership, and the College's Faculty Women's Club is sponsoring several money-making projects to contribute toward decorating the reception parlors in antique furniture and decorative pieces.

PRIVATE FIRM DOMINATES PROCESSING OF MEDICARE/MEDICAID CLAIMS

Mr. PERCY. Mr. President, I would like to call attention to an excellent series of articles on health care in the United States, written by Mr. Curt Matthews of the St. Louis Post Dispatch and syndicated nationally.

With extensive documentation and his usual attention to detail, Mr. Matthews points out a serious threat to our system of health care—the danger that a single, private computer firm may, over the next few months, attain a near monopoly position in the administration of the Federal medicare and medicaid programs.

This firm, the Electronic Data Systems Corp.—EDS—of Dallas, already processes around 20 percent of all claims under these two programs, while no other private company handles as much as 1 percent of this total. If, as appears likely, EDS succeeds in its bids for the management of medicaid programs in New York, Pennsylvania, and Massachusetts, its share will swell to 43 percent. In addition, around 15 other States will solicit bids on such contracts within the next year; if its successes continue, EDS will consolidate its dominant market position by the year's end. Such a development would tend to stifle the competitiveness of the medical claims processing industry, which one industry executive termed "the fastest growing segment of the data processing industry."

Recently, EDS has begun moving beyond the simple processing of claims and into the actual management of medicare/medicaid programs, thereby increasing the potential for conflicts of interest between these two functions. For example, as fiscal agent for Texas' health care programs, EDS controls the approval of the claims the firm itself must pay through its insurance subsidiary. Clearly, the fewer claims it approves, the more it stands to make through its insurance operations.

Likewise, in Tennessee, EDS can influence the effectiveness of these programs—and, potentially, its own profitability—by determining the complexity of claim-filing procedures, establishing the usual and customary charges for the medical services covered by the programs, and determining the amount of documentation required for reimbursable claims.

Far more important is the need to insure that control of these two programs, which collectively provide medical care for one-fourth of the U.S. population, remains in the hands of the public and its representatives at all levels of government. The authority to make decisions of the sort EDS is empowered to make in Tennessee properly belongs in the public domain, and open to public scrutiny. I am deeply concerned about the delegation of such broad responsibility to a single private company, particularly one with such market-dominating power.

Until recently, there were several vigorous competitors in the claims-processing field. Now, some are exiting from the market.

The sheer size of EDS discourages some from even submitting bids on many contracts, particularly those encompassing entire statewide health care systems. Such contracts are tailored to firms of considerable size and diversity. Even more discouraging to potential competitors than the trend toward larger and more comprehensive contracts are instances where contracts may have been awarded to EDS despite lower bids by other data processors.

The Senate Permanent Subcommittee on Investigations, of which I am ranking minority member, has been looking into this matter for some time. Senator SAM NUNN, who has been outstanding as acting chairman of the subcommittee, and has now been designated as vice chairman and I will continue this inquiry into questionable practices in the awarding of contracts to private firms for computer and management services. We have been greatly aided in this effort by the painstaking and conscientious work of Mr. David Vienna, an accomplished investigator for the subcommittee. I am confident that he will continue his excellent inquiry into this area in the days and weeks ahead.

Mr. President, I ask unanimous consent that Mr. Matthews' articles appearing in the St. Louis Post-Dispatch on

January 29, February 2, and February 4, 1977, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TEXAS FIRM MOVING INTO POSITION TO CONTROL U.S. HEALTH CARE

(By Curt Matthews)

DALLAS, TEX., Jan. 29.—A Texas computer company known for its efficient but often secretive style is moving quietly into position to dominate health care in the United States, much as American Telephone and Telegraph Co. now dominates communications, the Post-Dispatch has learned.

Officials in Washington and elsewhere have expressed concern that the company, Electronic Data Systems Corp. (EDS), could evolve into the only firm in the U.S. with the experience and the technology to run a multibillion-dollar government health care program that Congress is expected to approve next year.

Operating out of headquarters in Dallas, EDS already has won contracts to do a substantial share of the processing of claims for the Federal Government's medicare and medicaid programs. In recent months the company has expanded and changed its operations to take on management responsibilities for some medicaid programs.

Government officials say that EDS may soon exercise management control over nearly 50 percent of the medicaid program, which in 1976 provided health care for more than 23,000,000 poor persons as a cost to the Government of 14.7 billion dollars.

The company currently has a bid pending for a contract to join with Blue Cross and Blue Shield to manage the claims processing of medicaid in Massachusetts. The company also is expected to bid soon on a contract to process drug claims under medicaid in Pennsylvania.

According to well-informed Government and industry sources, EDS also appears to be the prime contender—or in the words of one Government official, "the only viable competitor"—for the contract to run the 3-billion-dollar medicaid program in New York.

Officials in New York issued a formal request for bids last Monday, asking that bidders be prepared to act as "fiscal agent" for the New York program.

If EDS is successful in New York, Pennsylvania and Massachusetts, the company would have key management responsibility for about 43 percent of all the claims submitted under medicaid program, according to figures supplied by individual state agencies and the Department of Health, Education and Welfare.

Electronic Data Systems was founded in 1962 by H. Ross Perot, who at the time was a 31-year old computer salesman for IBM Corp. Perot, a graduate of the U.S. Naval Academy, is now chairman of the company. EDS reported revenue of $132,952,000 for the year ending last June.

About 20 percent of all claims submitted by doctors and other providers of medical care under the Government's two major health care programs, medicaid and medicare, are being processed by the firm, the Post-Dispatch has learned.

No other commercial company processes as much as 1 percent of the total claims generated by the programs.

EDS got its start in the health care industry and has largely confined its operations to that business for 14 years. However, the company has recently obtained contracts to assume full management responsibility for medicaid in five states.

Going one step further, the company has assumed the "risk" of providing health care under a $750,000,000 insurance plan covering medicaid recipients in Texas.

The remarkable success that EDS has had in recent months in obtaining medicaid management contracts concerns Government officials for several reasons:

—Competitors for the contracts are rapidly withdrawing, convinced in some cases that EDS is so well entrenched in the health care management business that only small or marginally profitable contracts will go to other firms.

Before the end of this year, 15 to 20 more states will seek bids on contracts to run their federally funded health care programs. If only one company appears as a strong contender for this business, a near monopoly could develop in the management of government health care.

State and federal officials agree that companies exercising management responsibility over government health care programs can greatly influence the cost, structure and ultimate effectiveness of such programs. A single dominant company could largely determine the quality of health care for the proposed national health insurance program, now under congressional consideration.

The Senate's permanent subcommittee on investigations has started investigating the way private firms are running the various government-funded health care programs and competing to get contracts for this business.

EDS is one of several companies involved in the inquiry, but there is no evidence that the company acted illegally in obtaining its dominant share of the Government's health care management business.

Morton H. Meyerson, a vice president of EDS and a member of the board of directors, rejected the idea that the company's success thus far would lead to its dominating government-funded health care programs.

"Any fears that we will be the only viable competitor for this business are not well founded," Meyerson said. "As more publicity is focused on the market situation, then naturally other firms will jump in to compete."

Meyerson drew a sharp line between the administration of a government-funded health program and the actual delivery of medical services under such programs.

"We are not chartered to deliver health care," he said, "only to administer the programs. I don't see how we get involved in social aspects of it and I don't think we should."

Meyerson said EDS had competed openly and fairly to obtain medicare and medicaid contracts and subcontracts and that, given the company's excellent performance and unusually long experience with the two programs, EDS should be expected to "be a very strong competitor." He said that 25 other bidders also had sought the last six contracts that EDS bid on.

Reflecting on the company's role, Meyerson said, "so long as the net result is a lower cost of administration in these programs and better service to both providers and recipients of health care, then how can our activities be construed to be bad? We are actually improving the situation."

Staff investigators for the permanent subcommittee on investigations say the Government is spending about 1.5 billion dollars a year to process claims under the medicaid, medicare and the health care programs for military families.

At a subcommittee hearing last September, the subcommittee chairman, Senator Sam Nunn (Dem.), Georgia, said "The contractors who will win the medicaid management information system contracts and operate the medicaid computer programs will most likely be the computer service firms for any national health insurance plan."

Since then, EDS has been awarded:

A $4,313,000 contract from North Carolina to manage that state's medicaid program for 18 months beginning Jan. 1.

A $9,500,000 contract in Tennessee, also effective Jan. 1, to manage that state's medicaid program for the next three years.

A $750,000,000 contract in Texas, effective Jan. 1, to be administrator, claims processor and insurance carrier for medicaid in Texas over the next 32 months.

About $50,000,000 of the Texas contract will cover administration of the program, with the remaining $700,000,000 paid by the state to an EDS insurance subsidiary in the form of premiums for health insurance covering the state's 700,000 medicaid recipients.

By forming an insurance subsidiary—chartered in Texas Dec. 30 under the name "National Health Insurance, Inc."—Electronic Data Systems has been able for the first time to obtain a contract that fully encompasses the profit potential of the medicaid program.

In addition to the nearly $17,000,000 a year that EDS will earn under the Texas contract as a "management fee" and for processing claims, the company could earn $1,000,000 to $2,000,000 more a year on its insurance operation.

A conservative rule of thumb within the insurance industry holds that health insurance companies can expect to make 1 per cent net profit on premium income if the number of claims does not greatly exceed the projected number of claims.

Some of the firm's competitors have been unwilling to take on the management and insurance responsibilities of the medicare and medicaid programs, contending that there are built-in conflicts of interest.

In Texas, for example, EDS, will be able to control approval of claims that its insurance subsidiary may eventually be required to pay under the medicaid program. The fewer claims approved for payment, the more the company stands to make through its insurance operation.

In addition to Texas, North Carolina and Tennessee, EDS has obtained contracts or subcontracts for managing the medicaid program, or for processing claims generated by that program, in Alabama, California, Idaho and Washington.

Annual revenues generated by the medicaid contracts are estimated at $40,000,000, based on information supplied by HEW, the agency that monitors state administration of the medicaid program.

In addition, EDS is responsbile for processing claims under the medicare program run by the Social Security Administration in eight states, including California, Massachusetts and Ohio. These contracts produced about $57,500,000 in revenue for EDS last year, according to quarterly reports issued by the Social Security Administration.

Throughout the first 10 years of the medicaid program, the role of "fiscal agent" or program administrator at the state level has been filled primarily by state welfare offices or by various nonprofit health insurance organizations such as Blue Cross and Blue Shield.

Electronic Data Systems was granted its first contract as a fiscal agent for a state medicaid program in the state of Washington late in 1975.

HEW officials and others at the state level say that companies that manage government-funded health programs as fiscal agents can greatly influence the cost and structure of such programs, as well as the quality of health care delivered.

For example, as fiscal agent for the medicaid program in Tennessee, EDS will be allowed to:

Set the practical limits on how much care is provided under the program by establishing procedures that each doctor must go through to receive payment for treatment of a particular illness.

Control the cost effectiveness of the program by establishing in co-operation with medical care providers the "usual and customary" charges for medical procedures that will be reimbursed under a state's health care program.

Reduce or encourage fraud and abuse, depending on how tightly a program is run and the quality of documentation required before claims are reimbursed by the Government.

Determine the number and professional competence of doctors participation in the program by the attention given to "provider relations," by the amount of paperwork required for processing a claim and by the promptness of payment.

Act as a clearing house for complaints about the program from doctors and patients and in such a role greatly influence government decision-making about the allocation of public funds to support the program.

Staff members of the Senate's investigating subcommittee said this week that the committee planned to conduct public hearings early this year that would focus on EDS and other companies with contracts to manage government-funded health programs. The hearings, originally scheduled for next month, have been delayed by the Senate's reorganization of its committee structure.

FASTEST GROWING U.S. INDUSTRY

Providing and administering health care has become the fastest growing segment of the national economy, accounting for 8.3 per cent of all goods and services produced in the United States.

The cost of health care has increased 300 per cent over the last ten years. Americans are spending about 118.8 billion dollars a year for doctors, clinics, nursing home care, hospital care and medicine.

The medicare program was approved by Congress in 1966 to provide hospital and doctor expenses for persons over 65 years old. Essentially, it is an extension of the Social Security program. About 24,000,000 persons claimed benefits under the medicare program last year, requiring government outlays of about 17.8 billion dollars. In 1967, the medicare program cost 4.7 billion dollars.

The medicaid program, approved by Congress in 1965, pays hospital and doctor expenses for poor persons. Essentially, it is a co-operative state-federal welfare program with the Federal Government paying 50 per cent of the program costs and up to 90 per cent for program development costs at the state level.

The increased federal participation in the financing of programs to approve administration of medicaid at the state level is intended to be an incentive for state governments to adopt management procedures that will control fraud and abuse.

About 23,000,000 poor persons received assistance under medicaid last year at a total cost to the government of 14.7 billion dollars. In 1966, the medicaid program cost 1.7 billion.

Taken together, the medicare and medicaid programs provided some form of medical care to nearly one fourth of the U.S. population last year.—CURT MATTHEWS

[From the St. Louis Post-Dispatch, Feb. 2, 1977]

MEDICAID RULES FAVOR SINGLE CLAIMS HANDLER

(By Curt Matthews)

WASHINGTON, Feb. 2—Specifications established by federal and New York state officials appear to have virtually assured that a Texas computer company will receive a multimillion-dollar contract to process medicaid claims in New York, the Post-Dispatch has learned.

The firm, Electronic Data Systems Corp. (EDS) of Dallas, already is beginning to dominate the field in winning contracts to process claims for the Government's major health care programs. Specialists in the computer field say requirements to handle the New York medicaid program—by far the largest in the nation—call for a management system and establish a time frame that appear to favor EDS over other potential bidders.

Procedures dictated by state and federal officials for bidding on the New York contract are highly unusual, partly because of the size of the program and the pressure of the welfare system on the state's precarious financial position.

There is no indication that the officials acted intentionally to help EDS, a firm that already processes about 20 per cent of all claims generated throughout the United States by the medicaid program.

However, the situation illustrates the company's growing dominance in the administration of Government-financed health care programs, say Government officials concerned about the way such programs are being managed.

The Post-Dispatch reported Sunday that officials in Washington and elsewhere were concerned that EDS was rapidly moving into a position that would allow it to dominate health care in the United States the way American Telephone and Telegraph Co. now dominates communications.

Information gathered from various Government and industry sources suggests that, if current trends continue in the management of Government health-care programs, EDS will soon be processing about 50 per cent of all medicaid claims and more than 20 per cent of all claims submitted by doctors and other providers under "Part B" of the medicare program.

Together, the medicaid and medicare programs cost more than 30 billion dollars a year and provide some form of medical care to nearly one-fourth of the U.S. population.

At the federal level, Electronic Data Systems was given a strong boost in the competition for the medicaid claims-processing contract in New York when the state's Department of Health, Education and Welfare "mandated" that a fiscal agent be hired to run the program.

Harold F. Weinberg, an associate administrator in the Social and Rehabilitation Service at HEW, which monitors the medicaid program, said his office "strongly recommended" that New York use an outside contractor to run its medicaid program because experience had shown that the state was incapable of running it.

Employes at HEW familiar with that agency's monitoring of the medicaid program can recall no instance other than New York where the Federal Government forcefully suggested that a state not run its own program.

EDS is said to be the only major computer service firm in the United States with experience as a fiscal agent for a state medicaid program and the technology and financial stability to assume management of the massive New York State program.

Sources in the computer processing industry and in Government have described EDS as "the only viable competitor" for a contract to serve as fiscal agent for the medicaid system in New York.

The size and complexity of the medicaid program in New York could automatically eliminate many companies from assuming management responsibility for the program.

More than 25 per cent of the Federal Government's total expenditures under the medicaid program go to New York. The Government's inability to control the program is demonstrated by the lack of statistical information about it. For example, no one knows how many claims are being filed under the program each year or precisely how much is being lost through waste and fraud.

A report issued last September by Richard V. Horan, New York's welfare inspector general, estimated that $550,000,000 had been drained off the medicaid program in New York in 1975 through fraud and abuse.

Medicaid cheaters are not primarily poor, lower-class persons too lazy to work, Horan's report suggested. Instead, the cheaters are more likely to be professional medical people who have learned how to collect money for services that were not provided, it said.

Doctors, hospitals, nursing home operators and pharmacists stole more than twice as much more from the medicaid system in New York last year as those claiming health care benefits under the program. Horan's report said.

The doctors and similar "providers" of health care cheated the medicaid system of about $250,000,000 in 1975, the report said. Improper payments to persons claiming eligibility under the medicaid program amounted to about $100,000,000.

Money to run the medicaid program is channeled through federal, state and local agencies—but it all comes from taxes. The Federal Government pays 50 per cent of the medicaid program in New York, and the state and county welfare agencies each contribute 25 per cent of the program's total cost.

At the state level, officials in New York have helped the chances of EDS in winning the contrast to manage the state's medicaid program by establishing a tight timetable for getting a program management system in operation.

The initial request for proposals to run the program was distributed on Jan. 24. The state has called for final bids on the management contract within 30 days and a workable system to begin processing claims in New York City by November.

State and federal officials agree that the urgency in getting control of New York's wayward medicaid program is directly related to the serious financial crisis faced by that state, particularly the exploding welfare costs in New York City.

The request for bids to run the medicaid program in New York notes that over the last 10 years the costs of the program have risen to more than 3 billion dollars from $400,000,000 a year.

The bid request document states, "The sooner a medicaid management information system was available in New York State, the greater would be the cost-saving accrued . . ."

According to those familiar with practices in the computer industry, it is highly unusual to permit only 30 days for the preparation of final bids on a computer system as complex as New York's.

Government and industry sources contend that only a company with considerable experience in the medicaid program and ready resources to focus on the New York contract will be able to meet the time constraints established by state officials.

"Unless somebody is walking around with a system in his back pocket, there's no way a company is going to come up with one in 30 days," said a marketing representative for a computer company whose executives are undecided about whether to bid on the contract.

"The only company with a system in its hip pocket is EDS," he said.

Michael Diem, a deputy commissioner in the state office of social welfare and director of Medicaid Information Systems in New York, said last week that he expected "eight or nine" bids on the contract to run the state's medicaid business, including EDS.

An industry source told the Post-Dispatch that state officials had drawn up a list of

prospective bidders but aside from EDS, only two have experience at managing a state medicaid program. They are the Computer Co. of Richmond, Va. which acts as fiscal agent for the program in Virginia, and Health Applications Systems of Burlingame, Calif., the fiscal agent for the Arkansas program.

Health Applications Systems is reported to be in a weak financial condition, a factor in the firm's recent lack of success in bidding on Government contracts.

The firm lost out to EDS last fall in bidding to operate the medicaid program in Texas. Sources within the company say that nothing has happened since then to improve its financial stability.

The firm recently defaulted on a contract to run the medicaid system in North Carolina and has been replaced there by EDS.

Both Government and industry sources agree that the Computer Co. does a good job of running the medicaid program in Virginia, but they point out that the New York program is much larger.

About 5,600,000 medicaid claims are processed each year in Virginia. The company that assumes management responsibility for the New York system will be required to process that many claims in 19 days.

"There's not much margin for error or breakdown," says Stuart Patterson, a former New York State medicaid official now working in the same program in Michigan. "If you miss three days of claims processing, you're blown right out of the water. You can never catch up."

Executives at the First National City Bank of New York, apparently sensitive to the need for some medicaid program experience in trying to manage the New York program, reportedly have met with representatives of two computer firms to discuss the possibility of a co-operative bid on the New York contract.

However, both companies—the Computer Co. and Optimum System Co., which holds a contract to process medicare claims in Connecticut—were reportedly rejected by the bank as partners.

Sources within the Department of Health, Education and Welfare, reluctant to be identified as critics of the decisions of their superiors, say HEW may have overstepped its authority in requiring the State of New York to turn over management of its medicaid program to the private sector.

On Nov. 23, former Undersecretary Marjorie Lynch wrote to Gov. Hugh L. Carey of New York and said, "We believe it is in the best interest of New York State to contract with a fiscal agent since the problems are much broader than merely the lack of adequate automated systems."

Mrs. Lynch, who was appointed to the job at HEW by former President Gerald R. Ford and has since left office, noted in her letter that unless the entire program in New York was placed up for bid the state would "discourage some of the highly qualified potential contractors."

Industry sources and Government officials who monitor the various state medicaid programs disagree with that view and contend that more bidders would have been drawn to compete for the medicaid management contract if responsibilities for various parts of the New York program were split into more manageable segments.

An indication of the intensity of bidding on the New York contract will come tomorrow in Albany, the state capital, when a bidders' conference is scheduled. Those attending the conference must submit letters to the state expressing an intention to bid on the system.

[From the St. Louis Post-Dispatch, Feb. 4, 1977]

TEXAS FIRM FAVORED—HEALTH CARE LOW BIDS FAIL

(By Curt Matthews)

WASHINGTON, February 4.—Although it has been underbid repeatedly, a Texas computer firm has become so proficient at winning contracts to manage the Federal Government's major health-care programs that some of its prime competitors have stopped bidding for such awards.

The firm, Electronic Data Systems Corp. (EDS), of Dallas, has won contract after contract, worth millions of dollars although its bids frequently have been well above those of its competitors.

Federal investigators found on one occasion that EDS had been favored unfairly over other bidders for a medicare claims-processing contract in Ohio and West Virginia. At least three suits have been filed by competitors who lost to EDS on lucrative medicaid contracts despite having submitted lower bids.

Executives of other firms have complained to Congress that they have found it extremely difficult to win a medicare or medicaid bid award when EDS is a competitor and have called for controls over the bidding process. Executives have protested also that bidding procedures are structured to favor EDS.

EDS spokesmen attribute their success to a highly professional approach and early entry into the business of managing Government health-care programs.

The Post-Dispatch reported Sunday that officials in Washington and elsewhere were concerned that EDS was rapidly moving into a position that might soon allow it to exercise near monopoly influence over administration of Government health-care programs in the United States.

EDS now processes about 20 per cent of all claims submitted by doctors, pharmacists and other providers of medical care under the medicaid and medicare programs. No other comercial company processes as much as 1 per cent of the total claims.

Executives of competing companies say they have lost out to EDS despite putting forward what they consider the strongest possible proposals at costs far lower than offered by EDS.

McDonnell Automation Co., a subsidiary of McDonnell Douglas Corp. of St. Louis, is among the companies apparently forced from the competition to provide data processing technology and management skills for the Government's health-care programs.

Three years ago, McDonnell Automation Co. was looked on by Government officials and industry analysts as a major competitor for the 1.5-billion-dollar-a-year data processing business that the medicare and medicaid programs were expected to generate.

"We're not going after that market anymore," a spokesman for McDonnell Automation Co. now says.

The McDonnell spokesman refused to explain why the company's data processing subsidiary was passing up a billion-dollar-plus data processing market. He said only that "no one in the company wants to talk about it."

Other sources in the data processing industry told the Post-Dispatch that McDonnell Automation's inability to compete with EDS was a prime factor in the company's decision to pass up business generated by the medicare and medicaid programs.

"Figure it out for yourself," one executive in Washington said. "If McDonnell had been winning contracts and making money, do you think the company would be passing up the business? It's the fastest-growing segment of the data processing market."

In 1971, McDonnell Automation and EDS appeared to be developing as strong competitors for the claims processing business under the medicare program. McDonnell held six subcontracts with various insurances and Blue Shield organizations that managed medicare programs at the state and local level. EDS had nine such contracts.

The competition between the two companies appeared to intensify over the next two years. McDonnell Automation developed a model claims processing system for the medicare program designed as an alternative to a system offered by EDS. Meanwhile, EDS continued to win major contracts for processing medicare claims.

Early in 1972, both companies bid for a major claims processing subcontract offered by Nationwide Insurance Co., which managed the medicare program in Ohio and West Virginia.

In the initial bidding, McDonnell Automation proposed to process medicare claims at an average price of 53 cents a claim. EDS bid the same type service for 93 cents a claim. A sequence of meetings and secret negotiations followed the opening of bids and EDS eventually won the contract, which today gives it about $9,500,000 a year in revenue.

The procedures followed by Nationwide Insurance in awarding the subcontract to EDS were so controversial that a full investigation was conducted by the General Accounting Office.

The GAO concluded that McDonnell Automation and another bidder, University Computing Co., had not been dealt with fairly in the negotiations that followed the opening of bids.

Representatives of Nationwide Insurance met with Social Security Administration officials several weeks after the bids were opened to discuss aspects of the EDS bid that did not conform with the administration's policy. Nationwide, which apparently favored the bid by EDS despite the higher cost, invited EDS representatives to attend the meeting.

At the meeting, verbal agrements were reached allowing EDS to overcome the objections raised by the Social Security Administration—primarily the higher cost of the EDS proposal over that of McDonnell. EDS agreed to lower its bid. Shortly after the session, EDS was awarded the contract.

"Nationwide and EDS agreed to modify the proposed subcontract substantially," the report said. "Despite the Social Security Administration's suggestion that other (bidders) be given the opportunity to compete, Nationwide did not give University Computing or McDonnell Douglas such an opportunity."

The GAO report concluded that the subcontract arrangement reached by Nationwide and EDS "was not consistent with the Social Security Administration's stated policy of fostering competition among the various suppliers of data processing services." However, no effort was made to rescind the contract.

After its experience with the Nationwide Insurance subcontract, McDonnell Automation began to shift its interest from the medicare and medicaid data processing business to developing automated accounting services for hospitals.

Other data processing companies have had similar experiences in trying to compete with EDS for business generated by medicare and medicaid.

An executive of University Computing Co. told a special commission on medicare ad-

ministration in June 1973 that his firm was withdrawing from competition with EDS because it could not win.

"We have spent many thousands of dollars trying to compete in the medicare data processing market through competitive bidding," the executive said. "Our analysis of this 'competitive bidding' suggests that cost could not win an award, good service could not win an award, quality proposals could not win an award and knowledge of medicare processing could not win."

A similar complaint was made last October to the Senate's Permanent Subcommittee on Investigations.

Robert N. Trombly, president of Delphi Associates, Inc., a data processing firm in Wakefield, Mass., told the committee, "It's obvious to me that legislation or regulations . . . must be strengthened to exercise greater control over the subjective decisions which a state can currently make, or else the current farce of competitive bidding should not be required at all."

Trombly's firm, a subsidiary of Arthur D. Little Co. of Cambridge, Mass., had joined with Blue Cross of Washington to bid against EDS on a contract to be financial administrator and claims processor for the medicaid program in Washington State. Delphi's bid was $4,000,000—lower than that submitted by EDS over the three-year term of the contract, but state officials in Washington awarded the contract to EDS.

State officials said the contract went to EDS because the plan for carrying out the Delphi-Blue Cross claims processing system would have been "chaotic."

Delphi had a similar experience last year when it bid against EDS for the medicaid claims-processing contract in Idaho. Delphi offered to process the state's medicaid claims—about 450,000 a year—for 82 cents a claim. EDS bid $1.25 a claim. The contract went to EDS.

Trombly told the Senate subcommittee that his firm's frustration in bidding for medicaid contracts followed a similar experience in bidding for medicare contracts.

"Our first few futile attempts at securing business in the medicare market led us quickly to realize that we had better concentrate in some other area than medicare," he said.

Medicare is a federally financed program to provide hospital and doctor expenses for persons over 65 years old. Medicaid, essentially a cooperative state-federal welfare program, pays hospital and doctor expenses for poor persons. Both programs were started 10 years ago.

The awarding of the medicaid management contract in Idaho to EDS has been challenged by Blue Cross in court, and final signing of the contract has been held up.

A suit to block the awarding of a medicaid management contract was also filed recently in North Carolina, where the initial low bidder for a contract lost to EDS after negotiations between the company and state officials after bids were opened.

The Computer Co. of Richmond, Va., a firm that is financial manager and claims processor for the medicaid program in Virginia and EDS both presented "final bids" last Nov. 10 to run the medicaid program in North Carolina.

State officials awarded the $4,313,000 contract to EDS although the Computer Co. bid was several thousand dollars lower over the 18-month term of the contract.

Walter Witschey, president of the Computer Co. said, in an interview of the company's encounter with EDS in North Carolina, "If we are unable to get the business by doing everything right, what does it take?"

Stan Neeley, president of Optimum Systems Corp. of Dallas, expressed similar sentiments recently in discussing with the Post-Dispatch his firm's attempt to win medicare claims-processing contracts in Indiana, Iowa and California.

In each case, the contracts went to EDS. Optimum Systems filed suit over the California contract award, charging that the bidding procedures were structured so that only EDS could win.

In June 1973, a special advisory commission on medicare reported that data processing firms trying to compete with EDS for contracts were at a disadvantage for several reasons. The report said EDS had a "reputation for doing a good job," could offer a broader range of data processing and management services, already had the bulk of the business and maintained close ties with influential politicians.

Morton H. Meyerson, a vice president of EDS, told the Post-Dispatch that the company's dominance was the result of a highly professional approach to data processing and EDS's early entry into the business of managing Government health-care programs.

The success EDS has had in obtaining medicaid and medicare management contracts concerns Government officials for several reasons:

—EDS is rapidly becoming so well entrenched in the complex business of health-care management that only small or marginally profitable contracts will go to other firms.

—Between 15 and 20 states will seek bids on contracts to run their federally financed health-care programs this year. If only one company appears as a strong contender for this business, a near monopoly could develop in the management of Government health care.

—State and federal officials agree that companies exercising management responsibility over Government health-care programs can greatly influence the cost, structure and ultimate effectiveness of such programs.

Officials are further concerned about the changing nature of EDS operations. Last year the company began bidding against Blue Cross and Blue Shield in several states to go beyond the processing of claims and take over the entire management responsibility for medicaid and medicare programs at the state and local level.

In Texas, EDS has gone even deeper into the health-care business by forming a subsidiary insurance company to assume risks involved in that state's $250,000,000-a-year medicaid program.

[From the St. Louis Post-Dispatch, Feb. 9, 1977]

TWENTY-TWO PERCENT PROFIT ON WORK FOR MEDICAID

(By Curt Matthews)

WASHINGTON, February 9—Electronic Data Systems Corp. made a 22 per cent after-tax profit on its medicaid claims processing business in California over the last three years, an independent audit made public by state officials shows.

Marion J. Woods, director of the California Department of Welfare Payments, called the company's profits excessive, unrealistic and unnecessary. The company defended them as reasonable.

"Our principal finding is that the Electronic Data Systems profit trend is resulting in profits substantially in excess of what we believe to be necessary or reasonable for a contract of this nature and duration," Woods said in a letter Jan. 25 to the head of the California Health and Welfare Agency.

Woods noted also that the arrangement California had for running its medicaid program, with EDS processing claims under a subcontract with Blue Cross and Blue Shield organizations, did not give the state adequate control over claims processing.

Similar arrangements for running the medicaid programs in Massachusetts and New York are now being sought by EDS.

The New York program is the largest in the nation, costing about 3 billion dollars a year and accounting for more than one fourth of all federal expenditures for medicaid. The Massachusetts system is the fifth largest, costing about $600,000,000 a year.

A recent independent state study in Michigan, focusing on EDS charges for data processing services rather than the company's profits, found that costs of EDS services were consistently higher than processing alternatives being considered by state officials.

EDS now processes about 20 per cent of all claims generated throughout the United States by the Government's two major health care programs, medicare and medicaid. If EDS is successful in its bids in New York and Massachusetts, the company would exercise control over nearly 50 per cent of the total medicaid claims processing operation, government figures show.

Medicaid, approved by Congress in 1965, provides health care for more than 23,000,000 poor persons and handles more than 14.7 billion dollars in state and federal funds.

Officials in Washington and elsewhere have expressed concern that EDS could become the nation's only firm with both the technology and the experience to manage the billion-dollar government health care program that Congress will be asked to approve next year.

The California audit was done by Arthur Anderson & Co., a certified public accounting firm under contract for the Department of Benefits Payments and the state's auditor general.

Among the recommendations was that the state should seek new bids on a contract to manage the program and incorporate in it better controls over costs and procedures.

That recommendation is being considered as part of a total overhaul of the state welfare system, a state official said last week.

In 1969, a Blue Shield-type organization in California, known as California Physicians Service, signed a contract with EDS to process claims under medicaid so that doctors and other providers of health care to the poor would receive payment for their services.

Subsequently, the two Blue Cross organizations in the state joined the arrangement and formed an organization called Medi-Cal Intermediary Operations (MIO). EDS processes medicaid claims in California under a subcontract with Medi-Cal.

The audit summary says that because of EDS's "unique" position in processing claims under government-financed health care programs, the auditors had trouble establishing common financial elements in other companies to measure the cost and profit performance of EDS. The auditors finally decided to compare EDS profits in California with its profits from other business operations.

This comparison disclosed that EDS made twice as much profit from the Medi-Cal claims processing business as it did from its other business operations in the three-year period ending June 30, 1976.

The audit report makes clear that EDS has not mischarged or overcharged the state in violation of its agreement. The report points out also that various studies in recent years have concluded that neither the state nor other outside contractors appear to be able to process medicaid claims more cheaply than EDS.

The audit marks the first time that government officials have been asked to measure accurately EDS profits for claims processing under medicare and medicaid.

Until recently, the company has been able to keep its earnings confidential because they were made through a wholly owned subsidiary known as Electronic Data Systems Federal (EDSF).

However, in 1975, Congress passed a law that allows any company deriving substantial revenues from government sources to be audited. This is effective whether the firm is a contractor or a subcontractor.

In response to the audit, Lester M. Alberthal Jr., an EDS vice president, said the company's profits over the six years of the California contract amounted to 15.6 per cent of revenues.

"Since 1969, EDS has committed substantial financial and corporate resources in support of the Medi-Cal program while operating under a month-to-month contract in an environment that can best be described as uncertain," Alberthal said in comments attached to the audit report. "When considering these factors, we feel that our profit margin . . . is reasonable."

EDS suggested that bids should be sought on a new contract if the state was dissatisfied.

At the time the audit was being prepared, California was the only state in which EDS held a subcontract to process all types of claims under a state's medicaid program. However, since last June, the cut-off date for information included in the audit, EDS has been awarded contracts for claims processing and medicaid program management in Alabama, Idaho, North Carolina, Tennessee, Texas and Washington.

Although EDS got its start in the health care industry as a claims processor using an advanced system of electronic data processing, in recent months it has expanded the scope of its operations to include management responsibility for state medicare and medicaid programs.

The audit report in California comes only a few months after the independent study in Michigan concluded that that state had saved considerable money by acting as its own medicaid claims processor.

The study compared the cost for processing a single claim in Michigan with the cost of processing claims in four states in which EDS is involved.

The study said that the EDS charge in Indiana for each line of information entered on a medicare claim was 95 cents and that the comparable cost in Michigan was 36 cents.

In Washington, which only last year awarded a contract to EDS to manage the state's medicaid program, EDS charges 48 cents to prepare each document related to a claim. In Michigan, the comparable charges are 16 cents.

In California, under its subcontract to Medi-Cal, EDS charges about 91 cents to process a claim, says the Michigan report. The comparable claims processing functions cost only 26 cents in Michigan.

Similar cost data adverse to EDS was presented and documented in the report regarding the company's charges for processing medicaid claims in Texas.

The Michigan study concludes, "In summary of our review, Michigan's present medical assistance claims processing and payment system is most effective, includes all features offered by EDS, and is being operated at much lower administrative costs."

Three years ago, the Department of Health, Education and Welfare engaged the accounting firm of Touche Ross & Co. to conduct a study of state administration of the medicaid program. That study, which some industry sources say is biased, concluded that states that arrange for outside firms to run their medicaid programs can expect to pay 30 per cent higher administrative costs than those states that run their own programs.

Missouri officials have rejected overtures from EDS, contending the state can process its own claims more inexpensively.

(This concludes additional statements submitted by Senators today.)

ORDER FOR RECESS UNTIL 3 P.M. ON TUESDAY, MARCH 1, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 3 p.m. on Tuesday next.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEES TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may have until midnight tonight to file reports.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I also ask unanimous consent that committees also may have until midnight on Monday of next week to file reports.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—I have a parliamentary inquiry. The filing of the report is not the effective aspect of the 3-day rule, is it?

The ACTING PRESIDENT pro tempore. The 3 days commence from when the report becomes available in printed form.

Mr. BAKER. So that to extend the time for the filing of the report, the 3-day rule would still obtain, running from the time of the availability of the report?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. ROBERT C. BYRD. Mr. President, a word of explanation to the distinguished Republican leader as to why I made this request: I know what he has in mind—I think I do. He probably has in mind the report on the Warnke nomination. That was not what I had in mind.

I want to facilitate the actions of committees, during those days when the Senate is not in session, to meet and to mark up bills and to file reports, so that the measures can be listed on the calendar, thus enabling the Senate to begin floor activity on such measures at the earliest possible moment.

Mr. BAKER. Mr. President, I thank the majority leader for that explanation.

NOMINATION OF PAUL C. WARNKE

Mr. GRIFFIN. Mr. President, I ask unanimous consent to have printed in the RECORD the minority views which I have filed today as a member of the Committee on Foreign Relations, relating to the nomination of Paul C. Warnke to be the chief U.S. SALT negotiator.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MINORITY VIEWS OF U.S. SENATOR ROBERT P. GRIFFIN

In general, I believe the Senate should not interfere unnecessarily with a President's right to appoint officers in his administration whose views and judgment he respects.

Only in rare instances have I felt compelled to oppose confirmation of a Presidential nominee. I do so now with reluctance and out of deep concern for the public interest.

Two nominations of Mr. Paul C. Warnke are pending: one, to be Director of the Arms Control and Disarmament Agency (ACDA), and the other, to be Ambassador (for the Strategic Arms Limitation Talks). After meeting with Mr. Warnke privately in my office, attending the public hearings of the Committee on Foreign Relations, and reviewing his writings and public statements at some length, I have concluded that I must vigorously oppose his nomination to be our chief SALT negotiator.

My reasons for this decision are several:

Over a period of years Mr. Warnke has established a record of opposition to virtually every major U.S. strategic initiative, including the sea-launched cruise missile, the B–1 bomber, the Trident submarine, the Trident II submarine-launched ballistic missile, and the MIRV and MARV re-entry vehicle programs. To send *him* to Geneva to negotiate with the Russians would be like hiring a real estate agent to sell your house who already has publicly declared that it's worth only half the asking price.

It is apparent from his confirmation-hearing testimony that Mr. Warnke suddenly has changed his mind on a number of his long-held positions. Of greater concern: during the hearings, he at least misstated—if not misrepresented—some of the positions he earlier held. In each case, one can only speculate as to why.

The defense strategy that Mr. Warnke has articulated consistently—until now—is, in my view, incompatible with U.S. security interests. Instead of helping to secure a verifiable arms control agreement, I believe Mr. Warnke's approach would make the attainment of meaningful arms control less likely. In the process, such an approach could even expand the likelihood of international aggression and increase the danger of nuclear proliferation.

Finally, I believe a compelling case can be made that one person should not hold simultaneously both the position of ACDA Director and chief SALT negotiator.

Let's examine the record:

I. WHAT DOES MR. WARNKE REALLY BELIEVE?

Until February 8, 1977, it was no problem to determine what Mr. Warnke stood for. Theretofore, he had written numerous articles and had testified on many occasions before House and Senate committees with remarkable consistency.

But suddenly, when he testified on February 8, 1977, before the Foreign Relations Committee, he took a different line. Here are some examples of the kinds of conflicting statements that cause me concern.

Strategic forces

The Sea-Launched Cruise Missile

The sea-launched cruise missile (SLCM) has been a major stumbling block to consummation of a SALT II treaty. The Soviets have proposed that such weapons be limited in range to 600 kilometers. The United States has viewed this as unrealistic in the absence of provisions for on-site inspection,[1] which the Soviets have refused to permit.

What has been Mr. Warnke's view of the SLCM? In 1972 he testified before the Foreign Relations Committee concerning the SALT I agreements, and he referred to the cruise missile in these terms:

"'This has little more merit than a nuclear arrowhead shot from a cross-bow.'"[2]

During his recent confirmation hearings, I asked Mr. Warnke how he was going to negotiate on this issue with the Soviet Union if that was his view of the cruise missile. He replied:

". . . I cannot defend today everything I may have said in the past, and I won't try to do so. Obviously, the cruise missile technology has progressed amazingly since

Footnotes at end of article.

1972. . . . We have to look at it very closely. I think that it's not a decision that ought to be reached specifically." [3]

Shortly thereafter, this exchange occurred:

"Senator HATCH. What about the cruise missile?

Mr. WARNKE. The cruise missile, I think, requires extensive study. I don't know what the eventual position is that I would recommend with respect to the cruise missile." [4]

During the same hearing, I noted that Mr. Warnke has been a member of the advisory board of the Center for Defense Information, an organization that in 1976 argued that the United States *should* accept a range limitation on the cruise missile. This exchange followed:

"Mr. WARNKE. I have en entirely open mind on Cruise missiles, Senator Griffin. I had no participation in the formulation of that particular recommendation at all.

Senator GRIFFIN. So that recommendation [of the Center for Defense Information] does not necessarily represent your personal viewpoint?

Mr. WARNKE. I have not made up my mind at the present time as to what position I would advocate.

Senator GRIFFIN. You do believe that, if there are restrictions . . . as far as Cruise missiles are concerned, that verification is going to be necessary?

"Mr. WARNKE. Verification would certainly have to be necessary. I think that is one of the problems involved in the Cruise missile question because I do not believe that the satellites would be able to tell, with any degree of reliability, just what the range was of any given Cruise missile." [5]

In general, I found Mr. Warnke's statements on cruise missiles during his confirmation hearings quite reassuring. But I am still troubled by his earlier statements on the same subject.

For example, consider this exchange from Senate Armed Services Committee hearings of July, 1973:

"Senator MCINTYRE. You will probably be pleased to know that the [Research and Development] subcommittee will also recommend that we do not proceed with the submarine-launched cruise missile.

"Mr. WARNKE. I am very pleased to hear that, Senator." [6]

Or consider—especially in view of Mr. Warnke's efforts to disassociate himself from the range limitations on cruise missiles proposed in 1976 by the Center for Defense Information—this exchange, which took place just one year ago during a program sponsored by Members of Congress for Peace Through Law:

"*Question*. What is your position on cruise missiles?

"Answer [by Mr. WARNKE]. We should not develop the SLCM, since it can be put in any type of deck launcher. If we can agree with the Soviet Union to ban testing of SLCMs that would be enough to stop its use, since the military wouldn't want to use something that has never been tested. ALCM's [air-launched cruise missiles] should have a 1,500 mile range limit." [7]

There are several factual problems inherent in this position.

Mr. Warnke asserts that a ban on SLCM testing "would be enough to stop its use." This ignores the fact that the Soviets have already tested and *deployed* hundreds of sea-launched cruise missiles. And since much of the testing required for SLCMs can be conducted in wind tunnels, or can otherwise be concealed from satellite observation, it would be *extremely* difficult, if not impossible, to verify that such a ban was being honored by the Soviets.

Mr. Warnke's suggestion that a range limit be placed on air-launched cruise missiles is also fraught with problems. The range of a cruise missile can be greatly increased through modifications in fuel-to-payload ratio, improvements in engine design or fuel quality, or changes in flight profile. As has already been noted, Mr. Warnke himself testified during his confirmation hearings that: "I do not believe that the satellites would be able to tell, with any degree of reliability, just what the range was of any given cruise missile." This fact is further illustrated by a report in the current issue of *Aviation Week*. Discussing current U.S. cruise missile programs, the magazine observed:

"[The Air Force] also hopes to begin development within the near future of a B version of the [air-launched cruise] missile, which would approximately double the 750 mi. range capability of the current A model now under development. This would be accomplished by the insertion of a 60-in. fuselage plug designed primarily to carry additional fuel for the systems . . . engine." [8]

Finally, given his consistent opposition to the SLCM *at least* up until a year ago, Mr. Warnke's assertion now at the confirmation hearing that he has "an entirely open mind on cruise missiles" is surprising—to say the least.

The B–1 Strategic Bomber

In his confirmation hearings, Mr. Warnke said this about the B–1 bomber:

"I have expressed my concern about the B–1 bomber as not being the optimum replacement bomber. . . ." [9]

"If the B–1 bomber turns out to be the optimum bomber to replace the B–52, then that is the bomber we ought to buy." [10]

Has he in fact just "expressed his concern" in the past, or did he in fact *oppose* the program and urge that it be halted? The record is clear.

In 1972, Mr. Warnke said:

"What the ABM Treaty does provide is that we need . . . no new bombers . . . to enable us to penetrate a nonexistent Soviet defense." [11]

In 1974, he argued:

"Procurement of addiitonal B–1 aircraft should be halted and development work begun on a follow-on to the B–52 bomber which could use the stand-off air-to-surface weapons now under development." [12]

The Trident II Missile

During his confirmation hearing, Mr. Warnke asserted that he has supported the Trident II sub-launched ballistic missile:

"I have supported consistently the TRIDENT missile, because that's what gives you the increased capability. The TRIDENT missile, of course, initially raises the range from 2,000 miles to 4,000 miles, and I believe that the follow-on one [TRIDENT II] has a range of 6,000 miles. That is a distinct increase in the deterrent efficacy of our force, and I support it." [13]

But has this, in fact, been his "consistent" position in the past? Consider this statement which he made to the Senate Appropriations Committee in May of 1974:

"The 4,000 mile Trident I missile—usable in the existing force—is a worthwhile program, but the . . . 6,000 mile Trident II missile . . . [is] not and should be suspended at least until an evaluation can be made as to the proper replacement for Polaris." [14]

Other Strategic Programs

In addition to opposing the sea-launched cruise missile, the B–1 bomber, and the Trident II submarine-launched ballistic missile, Mr. Warnke has also gone on record in opposition to the Trident submarine,[15] the so-called MIRV [16] and MARV [17] reentry vehicles for our ballistic missiles, and other programs "designed to increase the accuracy and yield of our existing strategic nuclear missiles." [18]

Tactical nuclear weapons in Europe

During the February 8, 1977 confirmation hearing, the following exchange took place:

"Senator GRIFFIN. And you've indicated [support for] the cutback from 7,000 to less than 1,000 of our tactical nuclear weapons in Europe?

Mr. WARNKE. Again, I testified that I thought that we probably ought to take a look at our tactical nuclear weapons in Europe from the standpoint of the security of the United States, yes. I think that there are some that are positioned in a fashion that ought to be re-examined." [19]

Once again, what *was* Mr. Warnke's earlier position with respect to tactical nuclear weapons in Europe? Did he testify that "we probably ought to take a look at" them? Or did he, in fact, argue that they should be reduced?

Testifying before the Foreign Relations Committee in March of 1974, Mr. Warnke said:

"I think the deterrent purpose of tactical nuclear weapons could be served by something like several hundred rather than several thousand. . . . In my opinion, the number of tactical nuclear weapons now deployed in Europe *should be very substantially reduced*. . . . Rationally considered . . . the present number and variety of our tactical nuclear weapons in Europe is dangerously excessive and their pattern of deployment is undesirable." (Emphasis added.) [20]

It is perhaps worth noting that Secretary of State Vance has repudiated Mr. Warnke's call for a unilateral withdrawal of tactical nuclear weapons from Europe.[21]

Conventional weapons

What has been Mr. Warnke's attitude toward U.S. conventional forces? Here is what he said during his confirmation hearing:

"Senator DANFORTH. Do you think that we should have a reduction in our conventional capability?

Mr. WARNKE. No, I don't think that we should have a reduction in our conventional capabilities because at the present time the CIA estimates are that the Soviet Union is spending more money than we anticipated on them, as a consequence, we would be rash, particularly at a time when we are trying to reach arms control agreements, to cut back on our actual capability.

Senator DANFORTH. Is this a change of position for you?

Mr. WARNKE. No. I have suggested in the past that we could reduce the defense budget, but that is not inconsistent with the position of maintaining a conventional capability. It is a question of finding more effective ways to perform the desirable and necessary missions." [22]

To begin with, there is a significant difference between maintaining "*our* conventional capabilities" and "maintaining *a* conventional capability."

More importantly, the record suggests that—in spite of his denial—Mr. Warnke *has* changed his position on this issue.

Tactical Aircraft

In 1974, Mr. Warnke headed a 21-member panel on defense programs for an organization known as the Project on Budget Priorities, which called for demobilization of 8 of our 29 U.S. tactical air wings.[23] He has consistently opposed the F–14 aircraft and its Phoenix missile.[24] On at least one occasion, he has opposed the F–15 as well.[25] He has also been a consistent critic of AWACS.[26]

U.S. Air Defense Programs

Mr. Warnke has called for cancellation of the SAM–D Army anti-aircraft missile,[27] and has expressed "serious questions . . . as to the desirability of going ahead with *any* further expenditures for air defense in the continental United States." (Emphasis added.) [28]

Aircraft Carriers

Mr. Warnke has called for a gradual reduction from 12 to 9 aircraft carriers.[29]

The XM–1 Tank

In testimony before the Senate Appropriations Committee in May 1974, Mr. Warnke

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urged the suspension of all new tank development, asserting:

". . . [M]assive procurement and development of a super tank are hardly justified at present." [30]

More recently, in testimony before the House Budget Committee, Mr. Warnke argued:

"I think there is no question of the fact that we are all the victims of our experience and that there is a tremendous tendency to refight the last war . . . .

[T]here is a tendency on the part of the Army to think in terms of tank combat on the plains of Europe. . . .

With regard to the proposals that the Army has come up with, I would say with respect to tanks that it is sort of the same phenomenon we have had with tactical aircraft, or with the B–1, that there is a feeling once a particular item gets to be a certain age you have to replace it. It is the new car syndrome and after a period of time you somehow are disadvantaged unless you come up with a new model. . . . The capabilities that are being built into them are probably either unnecessary or else of such marginal value as not to be worth the cost." [31]

Given the fact that the Soviet Union has been outproducing the United States by about 6 to 1 in tanks during the past five years,[32] that Warsaw Pact forces now have about three times as many tanks as NATO forces in the critical Northern and Central European area [33]—and that Moscow has now begun deploying in Eastern Europe its latest T–72 tanks,[34] which are significantly more modern than existing U.S. tanks—Mr. Warnke's approach seems at best naive.

Manpower Reductions

What about Mr. Warnke's views on reducing military manpower? During the course of his confirmation hearings, he said that ". . . we ought to take a look at that, too, because the cost of manpower is now something like 53 percent of our total defense budget." [35] But for him to say now that "we ought to take a look" at manpower requirements does not quite reflect accurately his earlier positions on this subject.

For example, consider this exchange before the Senate Appropriations Committee in 1974:

"Chairman McCLELLAN. In order to make the cuts or hold the level of spending to what you suggest, would you think that it would require a reduction in personnel?

Mr. WARNKE. I believe that it should require a reduction in personnel, yes.

Chairman McCLELLAN. We have a total of 2,194,000 in military personnel. How much do you think we should reduce the total?

Mr. WARNKE. I think certainly a figure of 2 million would be perfectly adequate.

Chairman McCLELLAN. You would take off 194,000?

Mr. WARNKE. Yes. . . . As I say, there is no magic in the figure 194 [thousand]. I think we can take out more than that." [36]

During the same hearing, responding to a question submitted in writing for the record by Senator Young, Mr. Warnke said:

"Any proposals for a buildup in ground forces should, in my opinion, be premised on some perception of an increased Soviet threat. I have seen no evidence of such increased threat. . . . Soviet military manpower has remained relatively static for some years." [37]

This statement raises serious questions about Mr. Warnke's knowledge of Soviet military trends. In fact, while U.S. military manpower levels have been decreasing consistently in recent years, the Soviet Union has increased its personnel strengths significantly. During the 10 years prior to Mr. Warnke's response to Senator Young, Soviet armed forces increased by more than 10 percent (up 360,000), while U.S. forces dropped 25 percent (down 550,000). In 1973–1974 alone, Soviet forces increased by 100,000—or a 2 percent increase.[38]

It appears that Mr. Warnke was actively lobbying for major cuts in the defense strength of the United States without first learning what the Soviets were doing.

Troop Cuts in Europe

Mr. Warnke has also called for "significant" unilateral reductions in U.S. forces in Europe. Even while the United States was trying to negotiate a Mutual and Balanced Force Reduction (MBFR) agreement with the Warsaw Pact nations, Mr. Warnke argued that we should not wait for progress in the negotiations, but instead should begin a unilateral withdrawal.

For example, in 1974 he said:

"There is certainly no military necessity nor any diplomatic purpose for maintenance of all our present 300,000 troops in Europe indefinitely. Nor can we wait indefinitely for complex arms control negotiations to begin this process of reduction. We should work out with our European allies a practical program for restructuring our NATO conventional plans in ways that will permit gradual but significant reductions in the U.S. force."

Mr. Warnke said he would not wait "indefinitely." Just how long would he have waited? He wanted to begin that very year:

"Mr. WARNKE. I probably would make a minor cut in NATO forces.

Chairman McCLELLAN. What is a minor cut?

Mr. WARNKE. Something like 30,000.

Chairman McCLELLAN. 30,000 from NATO. Would you demobilize those?

Mr. WARNKE. I would." [39]

Continuing, Mr. Warnke stressed that the 30,000 cut was to be just a first step:

"Mr. WARNKE. I think also we ought to be looking toward more substantial reductions in the NATO forces over a period of time.

Chairman McCLELLAN. I am talking about this year. . . .

Mr. WARNKE. As I say, that would be as far as I was concerned the first withdrawal." [40]

Defense budget cuts

Mr. Warnke has consistently called for *major* reductions in the level of U.S. defense spending.

In 1972, when the defense budget was $85.9 billion, he said:

"A defense budget of $50 billion to $60 billion is anything but an isolationist budget." [41]

In other words, he at least appeared to be supporting a reduction in U.S. defense spending of between $26 billion and $36 billion—which, at the time, would have been a cut of as much as 40 percent.

In 1974 he advocated a $15 billion cut in the defense budget. He said:

"Far more than a $5 billion cut, or a $6.5 billion cut, could be made without sacrifice to our national security. A report in which I participated defined some $15 billion that might safely be trimmed from the current military request . . . Any realistic assessment of the valid purposes of military power in today's world would justify the deletion of these items.[42]

That same year, in addition to proposing a 16 percent reduction in the defense budget, Mr. Warnke urged the Congress to set a ceiling on defense spending and to reduce that ceiling in constant dollars by 3 percent each year over a five-year period.[43]

And yet, after all of those consistent calls for major reductions in strategic and conventional forces, Mr. Warnke told the Foreign Relations Committee during his confirmation hearing that:

"I believe, and I have said repeatedly, that we cannot yield superiority either in strategic or conventional arms to the Soviet Union." [44]

Strategic superiority

During his recent testimony Mr. Warnke repeatedly assured the Committee that he would not yield "strategic nuclear superiority" to the Soviet Union. But there is considerable evidence that Mr. Warnke believes that the concept of nuclear superiority is meaningless.

In an article he wrote for the October 1969 issue of the *Washington Monthly*, for example, Mr. Warnke said:

" 'Superiority' in nuclear missiles . . . is too expensive if all it gives us is a status symbol. And 'inferiority' is no cause for alarm or even embarrassment if what we have is enough to deter any Soviet effort at a preemptive strike." [45]

In 1971 Mr. Warnke told the Foreign Relations Committee:

"There appears to be considerable agreement that *'nuclear superiority' has become a meaningless and irrelevant criterion* in designing strategic forces. The argument continues to be made, however, that a numerical lead which is militarily meaningless may somehow be exploitable politically. I feel this is a fallacy and can lead to weapons overdesign and the escalation of the arms race." (Emphasis added.) [46]

After the 1972 SALT interim agreement was signed in Moscow, Mr. Warnke again testified before the Foreign Relations Committee. Here is what he had to say about the numerical disparity in the agreement—which allowed the Soviets to have 2,350 missile launchers to the United States' 1,710:

" . . . [T]he continuation of the missile numbers game is in fact a mindless exercise, . . . there is no purpose in either side's achieving a numerical superiority, which is not translatable into either any sort of military capability or any sort of political potential. That is why, in my opinion, the ceilings that are placed in the interim agreement on both land-based and sea-based missiles should not be the cause of any concern on our part . . . [W]e should not be concerned about the existing mathematical edge nor should we be concerned about any attempts that the Soviet Union might make to add additional, useless numbers to their already far more than adequate supply. . . . [W]ere the Soviet Union to do this, we might perhaps feel some relief that they have not expended their funds on militarily more meaningful and potentially more mischievous purposes . . . If missile numbers were a valid measure of national strength, then the Interim Agreement would be improvident; but since they are without significance, there is nothing for which we need compensate." [47]

At about the same time, Mr. Warnke participated in a debate with Senator James Buckley, under the auspices of the American Enterprise Institute. During that debate, Mr. Warnke said:

"And even substantial nuclear superiority, short of nuclear monopoly, could not be a decisive factor in any political confrontation between the United States and the Soviet Union." [48]

Mr. Warnke's record on this critical subject has been remarkably consistent. And while he, like all of us, has the right to change his mind—the dramatic differences between his past statements and those expressed at his confirmation hearings cannot be explained away so easily.

Both privately in my office and later before the Foreign Relations Committee, I asked Mr. Warnke why he had opposed the SALT I interim agreement in 1972. On each occasion he replied that his primary concern had been the numerical disparity in strategic missile launchers.[49]

I have re-read his 1972 testimony several times, and can find *no* indication that he was seriously troubled by the numerical differences. On the contrary, as the excerpts quoted above indicate clearly, Mr. Warnke

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testified that these differences were "without significance."

II. REPLY TO MR. NITZE

Among the most persuasive testimony the Committee received against the nomination of Mr. Warnke was a letter from his former Pentagon superior, Mr. Paul Nitze—who later testified in person against the nomination.

Senator Percy read a portion of Mr. Nitze's letter, and invited Mr. Warnke to respond. The letter said that Mr. Warnke represented a school of thought that:

". . . believed our true strategic interests were limited to Western Europe, Japan and Israel; that the U.S.S.R. presented our *only* military threat and that that threat could be deterred with forces less capable than those that had already been authorized." (Emphasis added.)[50]

In response, Mr. Warnke disagreed, arguing—among other things—that:

"I certainly don't believe that our strategic interests are limited to Western Europe, to Japan, and to Israel. What I have suggested is that the *primary* military threat is the Soviet Union and that military forces ought to [be] optimized to deal with that particular threat." (Emphasis added.)[51]

Let's take these two points in reverse order.

Has it been the position of Mr. Warnke that the Soviet Union is "our *only* military threat," as Mr. Nitze asserted in his letter? Or, has Mr. Warnke argued—as *he* claims—that the Soviet Union is "the *primary* military threat?"

Here are some of his past statements:

In 1974 he said:

"I think we have to recognize two things. One of them is that when we talk about Soviet aggression, we do so because that is the *only* real military threat because they *only* have the capability. (Emphasis added.)[52]

And in 1975, Mr. Warnke wrote:

"We face a *single* military threat, not a hostile world." (Emphasis added.)[53]

"We ought to recognize that, in terms of military threat, what we face today is not a hostile world but a world in which the Soviet Union is the *only* power confronting us that raises a military threat." (Emphasis added.)[54]

More recently, in 1976 he said:

"We, however, face *only* one threat—the use of Soviet military power against us or those whose autonomy is integral to our security." (Emphasis added.)[55]

Now let's consider the other point. Mr. Warnke denied that it has been his position that ". . . our strategic interests are limited to Western Europe, to Japan, and to Israel." Here are some relevant excerpts from his writings and public statements:

"I still believe our alliances with Western Europe and Japan continue to serve the interests of international stability and healthy progress; but surely the time has passed when one could consider it healthy, or even rational, to engage worldwide in a game of choosing up sides."[56]

Following is an exchange which occurred in May 1974, in the Senate Appropriations Committee:

"Chairman McCLELLAN. . . . You say we ought to be prepared to support NATO?

Mr. WARNKE. That is correct.

Chairman McCLELLAN. And we ought to be prepared to protect Japan to keep her comfortable, using your expression.

Mr. WARNKE. That is correct.

Chairman McCLELLAN. Where else? . . . Now where else will the military play a part? Where else should we be sure that our military is adequate to play a part in world peace besides these two areas?

Mr. WARNKE. Apart from those areas, Mr. Chairman, I can think of none in which the United States ought to be prepared to go to war.

Chairman McCLELLAN. No other areas except those two areas?

Mr. WARNKE. The intervention of American military forces in any other area is something that is beyond my imagination to conjure as being useful."[57]

I believe the factual record supports Mr. Nitze's analysis of the Warnke position—at least on these points—despite Mr. Warnke's assertions to the contrary.

III. MR. WARKNE'S THEORY OF MUTUAL RESTRAINT THROUGH UNILATERAL ACTION

Mr. Warnke is best known as an arms controller for his theory of "mutual restraint."[58] Just a few excerpts from his writings and public statements of the past five years should establish the intensity and consistency of this approach in his arms control philosophy.

Past Warnke statements

The SALT I interim agreement on offensive strategic weapons was intended, as its title suggests, to be a temporary step in solving a major problem. Further negotiations were expected to lead to more permanent limitations.

When Mr. Warnke appeared before the Foreign Relations Committee in June 1972, he said this about the SALT I agreements:

"In my view, the major accomplishment of the agreements signed at Moscow is to assure time for sensible self-restraint. No action that the Soviet Union can take, at least for the duration of the Interim Agreement, can threaten our deterrent or in any way endanger our security.

"Accordingly, I would recommend that we announce now that we are withholding any further deployment of nuclear weapons pending further negotiations. . . . What the ABM Treaty does provide is that we need no more MIRVs, no new bombers, no larger submarines to enable us to penetrate a nonexist[ent] Soviet defense.

"Instead of bargaining chips, I think our restraint can create the best climate for further progress in arms limitations. Our example can be well publicized and can, and I believe would, put great pressure on the Soviet Union to respond in kind."[59]

In 1974, while the Administration was opposing unilateral U.S. military reductions in Europe—on the premise that any cutbacks should come through the MBFR talks then underway with the Warsaw Pact nations—Mr. Warnke again called for unilateral restraint. Testifying before the Senate Appropriations Committee, he argued:

"Nor can we wait indefinitely for complex arms control negotiations to begin this process of reduction. We should work out with our European allies a practical program for restructuring our NATO conventional plans in ways that will permit gradual but significant reductions in the U.S. force."[60]

Three months later, Mr. Warnke said this to the Senate Budget Committee:

"My own feeling . . . is that we ought to try a unilateral initiative. . . . Why can't we call on the Soviet Union to match our restraint? Why can't we say we are going to stop any further MIRVing, we are going to stop the B–1 program, we are going at least to slow down the Trident program, and we are going to ask for your response, and we expect a response from you."

What kind of a response did Mr. Warnke expect? Here is what he had to say:

"Now I don't think we can expect them not to MIRV at all, because at the present time they have not, and we have . . . something in the nature of 800 or 900. So we can't expect them to have any different idea of strategic equality than we have, and so they will go ahead with some MIRVing. But as long as they limit the size of the missiles that they MIRV, so that they don't have any more of an ability to destroy our land-based missiles than we have to destroy theirs, then we are not faced with the necessity of taking further, more expensive, I think more dangerous initiatives of our own. And at least this could be tried. Maybe it won't work, but I certainly am never going to be confident that it won't work until it has been demonstrated that it fails, because if it makes sense to us, it makes sense to them."[61]

Writing in the Spring 1975 issue of *Foreign Policy*—in what was probably his most widely read article—Mr. Warnke again made a plea for unilateral U.S. restraint in the hope that the Soviet Union would emulate our action. Characterizing the Soviet strategic buildup as the "'monkey see, monkey do' phenomenon," and by his title comparing the strategic arms race to "Apes on a Treadmill," Mr. Warnke concluded that by unilateral restraint, "We can be first off the treadmill."

He explained:

"The question inescapably arises whether, under our current defense policies, we can afford to negotiate about arms control . . . Insofar as formal agreements are concerned, we may have gone as far as we can now go . . . What is needed most urgently now is not a conceptual breakthrough but a decision to take advantage of the stability of the present strategic balance. It's futile to buy things we don't need in the hope that this will make the Soviet Union more amenable. The Soviets are far more apt to emulate than to capitulate. We should, instead, try a policy of restraint, while calling for matching restraint from the Soviet Union.

"As a start, we might inform the Soviet Union both privately and publicly that we have placed a moratorium on further MIRVing of our land- and sea-based missiles. We should also announce that a hold has been placed on development of the Trident submarine and the B–1 strategic bomber. We should advise the Soviet Union that this pause will be reviewed in six months in the light of what action the Soviet Union takes during the period.

"If the Soviet Union responds by some significant slowing of its own strategic arms build-up, we can at the end of the first six months announce additional moves."[62]

Even within the past year, Mr. Warnke has continued to advocate unilateral restraint. For example, speaking to a gathering of Congressmen and staff members under the auspices of an organization known as Members of Congress for Peace Through Law, Mr. Warnke said on February 24, 1976:

"We have never seriously attempted arms reduction. I am an optimist that, if we genuinely tried, we could succeed. The only serious attempt made in this direction was made by President Kennedy at the time of the Test Ban Treaty. It was only accomplished when the bold unilateral initiative was taken by the U.S. . . . To take the initiative today, we must change our rhetoric, and initiate a freeze on nuclear weapons. Once we have made the effort, we can call for 'reciprocal restraint' on the part of the Soviets."[63]

Shortcomings of "mutual restraint" theory

In view of the consistent emphasis which Mr. Warnke has given to "mutual restraint" as the most promising means of securing arms control, it is worthwhile to comment on the inherent shortcomings of such a policy.

1. It has been tried—And it doesn't work

Mr. Warnke frequently asserts that mutual restraint has never really been tried, except in 1963 when it led to the Test Ban Treaty. He is mistaken.

In April 1965, the U.S.–U.S.S.R. military balance looked very good to the Pentagon. Defense Secretary McNamara felt optimistic enough to assert in a *U.S. News & World Report* interview, that:

"[T]he Soviets have decided that they have lost the quantitative [arms] race, and they are not seeking to engage us in that con-

Footnotes at end of article.

test. . . . [T]here is no indication that the Soviets are seeking to develop a strategic nuclear force as large as ours." [64]

This strategic assessment was apparently encouraging enough that the Johnson Administration decided to try just the sort of unilateral restraint that Mr. Warnke now advocates.

On April 26, 1965, Adlai Stevenson, our ambassador to the United Nations, addressed the U.N. Disarmament Commission—in the presence of the Soviet delegation—and said this:

". . . I should also say, Mr. Chairman, that while we discuss actions to be taken to limit and reverse the arms race, we should all be conscious of what we ourselves can do. Each nation has an obligation to make its contribution in the way that is in the first instance most immediate—by its own actions. For its part, the United States has taken some actions which we hope will be reciprocated. I have mentioned the effort made by my Government that has resulted in reduction of military expenditures; I have noted the reductions in the planned production of fissionable materials; and I have commented on the program initiated to begin the reduction of B–47 strategic bombers from our active inventory. In connection with this last point I might observe that by mid–1966 the United States will have inactivated or destroyed over 2,000 B–47 bomber-type aircraft. I might also add that none have been provided as potential strategic nuclear vehicles to other countries. In addition, the United States will make a reduction during 1965 in the number of B–52 heavy strategic bomber aircraft in the existing operational force. These reductions also will be accomplished by destruction of aircraft. Moreover, the United States now plans to forego the construction of some advanced-design Minuteman missiles which were included in our plans, as well as further increments of such missiles for the future. *These are examples of restraint on the part of a nation which is capable of far greater military production. There are limits, however, to the restraints or other actions that can be taken unilaterally without reciprocity.*" (Emphasis added.) [65]

These were *significant* measures of unilateral restraint by the United States, and U.S. restraint in strategic programs continued for more than a decade. The numbers of American strategic missiles—both ICBMs and SLBMs—remained constant from 1966 until today.

If Mr. Warnke was correct in his premise that the Soviets were merely "aping" the strategic policies of the United States, presumably some reciprocity to this unilateral restraint should have followed. It didn't.

In fact, the Warnke position was addressed in some detail just last month, when ACDA Director Dr. Fred Iklé testified before the Foreign Relations Committee. Dr. Iklé said:

"I would like to turn now . . . to one persistent criticism of our strategic policy that combines a partial truth with a larger measure of misleading inaccuracy: the view that U.S. strategic programs drive the arms race, and the Soviets merely respond. The actual record strongly refutes this charge. If Soviet programs were merely a reaction to ours, their strategic budget would have declined over the last 15 years, because that is what ours did; they would have stopped deploying ICBMs when they reached 1,000 instead of building up to 1,600, because we stopped at 1,000; they would have stopped at 710 ballistic sea-launched missiles, as we did, instead of building up to 950.

"A similar pattern appears among the great many nuclear systems which exist outside of SALT. Thus, when we dismantled our intermediate range ballistic missiles and bombers, the Soviets did not follow suit. On the contrary, they are modernizing those forces and substantially upgrading them with the new SS-20 missile and Backfire bomber.

"The Soviets have also deployed large numbers of air-launched and sea-launched cruise missiles, even though the U.S. until recently had taken little interest in equipping its own forces with these systems.

"If we were in the driver's seat, our cutbacks in the past and our unilateral restraint would have put on the brakes." [66]

Further evidence that the Soviets have not been "aping" the United States was provided last month by the Central Intelligence Agency. A new CIA study, entitled "A Dollar Cost Comparison of Soviet and U.S. Defense Activities, 1966–1976, "tells what actually has been the trend in strategic spending during the decade since Ambassador Stevenson made his plea for mutual restraint:

"Over the 1966–1976 period, the level of Soviet activity for strategic forces measured in dollars has been two and one-half times greater than that of the U.S. Estimated dollar costs for Soviet strategic forces have greatly exceeded U.S. outlays throughout the period, with the difference growing since 1969. In 1976, the Soviet level is over three and one-half times that of the U.S." [67]

As a consequence, while the number of U.S. ICBMs remained constant, the U.S.S.R. increased its ICBM force by 167 percent, overtook the United States and established nearly a 40 percent numerical margin of superiority. In the past decade, the U.S. has developed one new ICBM, while the Soviets have developed seven—three of which are larger and more powerful than ours.

A similar picture appears if we look at submarine-launched ballistic missiles. America has the same number today as in 1966. During that period the Soviets have increased their SLBM force nearly seven-fold. Not only do they now lead us in SLBM missile launchers, but they also have nearly twice as many submarines equipped to launch them.

If it had any effect at all, the policy of unilateral restraint announced in April 1965 by Ambassador Stevenson appears to have encouraged the Russians to *step up* their strategic programs. Secretary McNamara's optimistic conclusion that Moscow had given up in the quantitative arms race proved not to be prophetic. Indeed, a dozen years later his successor as Secretary of Defense, and the Joint Chiefs of Staff, were forced to conclude that—rather than simply seeking nuclear deterrence—the Soviet Union today is seeking a capability to fight and to win a nuclear war. [68]

A more recent example of U.S. restraint in strategic weapons concerned the anti-ballistic missile (ABM) defense system. The following account is extracted from the 15th annual report of the Arms Control and Disarmament Agency—the organization Mr. Warnke has been nominated to head:

"Experience suggests that unilateral initiatives are not effective in changing positions on issues where there is basic disagreement. For several years in the 1960's, American officials publicly urged the benefit of mutual restraint in ABM deployment. In an interview on February 15, 1967, then Secretary of Defense McNamara stated his belief that the introduction of ABM systems 'would be wasteful' and that 'it would actually increase the risk to both of the parties were they to deploy anti-ballistic missile systems.'

The Soviet view at that time was quite different. In response to whether a moratorium on ABM development was possible, Premier Kosygin stated rather emphatically at a London news conference on February 9, 1967:

"I think that a defensive system, which prevents attack, is not a cause of the arms race but represents a factor preventing the death of people. . . . An antimissile system may cost more than an offensive one, but it is intended not for killing people but for saving human lives. I understand that I am not answering the question that was put to me, but you can draw appropriate conclusions yourselves."

Only after the United States abandoned its earlier restraint and began vigorous pursuit of an ABM system did Soviet views about the value of ballistic missile defense begin to change. without this U.S. military effort, it is doubtful that we would have been able to negotiate the ABM Treaty." (Emphasis added.) [69]

2. It doesn't provide for verification

Another flaw in Mr. Warnke's "mutual restraint" theory, and in my view a fatal one, is that it fails to include provisions for verification.

Mr. Warnke cites President Kennedy's use of unilateral restraint prior to the 1973 Test Ban Treaty. But President Kennedy was not a fan of uninspected mutual restraint.

In a March 2, 1962 television address, President Kennedy spoke to the Nation about "Nuclear Testing and Disarmament." In that speech, he said in part:

". . . [T]his Nation has long urged an effective worldwide end to nuclear tests. And this is why in 1958 we voluntarily subscribed, as did the Soviet Union, to a nuclear test moratorium, during which neither side would conduct new nuclear tests, and both East and West would seek concrete plans for their control.

But on September first of last year . . . the Soviet Union callously broke its moratorium with a two-month series of tests of more than 40 nuclear weapons. Preparations for these tests had been secretly underway for many months. . . . As new disarmament talks approach, *the basic lesson of some three years and 353 negotiating sessions at Geneva is this—that the Soviets will not agree to an effective ban on nuclear tests as long as* a new series of offers and prolonged negotiations, or *a new uninspected moratorium, or a new agreement without controls, would enable them once again to prevent the West from testing while they prepare in secret* . . .

On the 14th of March, in Geneva, Switzerland, a new 18-power conference on disarmament will begin. . . . The United States will offer at the Geneva conference . . . a series of concrete plans for a major 'breakthrough to peace.' . . . [W]e shall . . . present once again our proposals for a separate comprehensive treaty—*with appropriate arrangements for detection and verification*—to halt permanently the testing of all nuclear weapons, in every environment. . . . But *this must be a fully effective treaty. We know now enough* about broken negotiations, secret preparations, and the advantages gained from a long test series *never to offer again an unsupervised moratorium.* . . . In short, in the absence of a firm agreement that would halt nuclear tests by the latter part of April, we shall go ahead with our talks—striving for some new avenue of agreement—but we shall also go ahead with our tests.

. . . [I]f they [the Soviets] persist in rejecting all means of true inspection, then we shall be left with no choice but to keep our own defensive arsenal adequate for the security of all free men." (Emphasis added.) [70]

More than any exercise of unilateral restraint, it seems to me, it was President Kennedy's *refusal* to rely on unverifiable moratoria that led to the 1963 Test Ban Treaty.

3. Warnke refutes Warnke

Even Mr. Warnke now appears to recognize the importance of verification. Consider, for example, these excerpts from his testimony during his confirmation hearings:

". . . [A]ny measures of arms limitation that are pursued must be soundly conceived and any agreements that are reached must be adequately verifiable." [71]

"We obviously have to make sure in any agreement that there is adequate provision for verification." [72]

"I think . . . that *an agreement which is*

Footnotes at end of article.

not verifiable is worse than no agreement. It is a source of instability rather than stability." (Emphasis added.)[73]

". . . I say if you're going to get an arms control agreement, you have to have one that does not rely on trust, but which is, in fact, solid and verifiable."[74]

Toward the end of his testimony, Mr. Warnke appeared so concerned with verification that he advocated on-site inspection—a condition which the Soviets have consistently and adamantly refused to consider at SALT.

"Senator HATCH. What verification procedures would you insist on as a negotiator?

Mr. WARNKE. I would think that some measure of *on-site inspection* will become necessary when you reach the point of getting genuine arms control. Now, I think that the Soviet Union would have to recognize that there would have to be what they would regard as more intrusive methods than they were prepared to accept in the past. Now, whether or not they will accept those kinds of measures, I don't know; but that would be part, it seems to me, of the precondition of having any kind of effective arms control regime." (Emphasis added.)[75]

How could Mr. Warnke urge unilateral restraint and yet insist upon adequate verification? His apparent solution was to abandon the position that has been his hallmark for half a decade—his support of unilateral restraint, outside of the formal negotiating process. (It should be recalled that the SALT and MBFR talks have been in progress since 1972 and 1973, respectively.)

Consider these excerpts from his confirmation hearing:

"I would think that any concrete measures of parallel restraint would have to be part of the negotiating package, rather than being in any sort of informal context."[76]

"Senator HATCH. Would you cut back on our forces without a corresponding cutback by them [the Soviets]?

Mr. WARNKE. of course not; no."[77]

"Mr. WARNKE. . . . [W]hen you are at a time of active negotiations, I would not advocate taking any sort of restraint action except on the basis of concrete measures of parallel restraint which had been talked out with the Soviet Union. In other words, I do not think that in a negotiating context that I would advocate the kind of approach that I suggested in my 1975 ["Apes on a Treadmill"] article.

Senator JAVITS Well, give us that again. You would not advocate that, and why not?

Mr. WARNKE. Because if you were actively negotiating with the Soviet Union, it would strike me as being poor negotiating tactics to take a unilateral, not previously announced initiative of that kind. I would think that under those circumstances, you would discuss with the Soviet Union what would you do if I did such and such and get some kind of understanding from them in advance."[78]

If this represents genuine conversion on the part of Mr. Warnke, I am as pleased as I am surprised. However, I can't help but wonder what brought about this strange and sudden transformation.

Even if we conclude that Mr. Warnke has in fact abandoned his previous stance, other questions come to mind.

Was it the new—or the old—Warnke that President Carter really wanted when he nominated a SALT negotiator?

To avoid sending the wrong signals—which can confuse both Moscow and our allies—would it not make more sense to select a negotiator who had a more consistent record on arms control? Or, failing this, a negotiator with no public record at all?

IV. ONE TOO MANY HATS

One final aspect of this dual nomination needs our consideration.

Is it in America's interest to have one person hold both the position of ACDA Director and head of the SALT delegation?

I believe the case against one person wearing both hats was well presented in a recent editorial by the Detroit Free Press, which reads in part:

"The Carter administration has put together a strong team to deal with arms control, which the president has given high priority. The latest choice is Paul Warnke, a Pentagon veteran who has been considered for secretary of state and secretary of defense. Mr. Warnke will head the U.S. Arms Control and Disarmament Agency (ACDA), which has never been allowed to rise to its full potential as a major government agency . . . .

But we have reservations about a second aspect of the Warnke selection. He also will directly negotiate with the Soviet Union for arms limitation. The two tasks may seem to go hand in hand, but *the risk is that some of ACDA's potential usefulness will be lost because Mr. Warnke will wear two hats.*

The reason is that ACDA has a dual function: to be a part of the president's team in evaluating arms control and national security matters, and also to be an advocate of arms reduction. That second role has been badly underplayed. . . .

Perhaps Mr. Warnke will develop that strength in ACDA. But it is hard to imagine ACDA's criticizing some aspect of U.S.-Soviet arms talks if Mr. Warnke himself is the chief figure in those talks.

We fully appreciate Mr. Warnke's qualities and his experience. But *we wish President Carter had chosen him for one or the other of these two tasks.*" (Emphasis added.)[79]

V. CONCLUSION

I am forced to conclude that the Senate should not consent to the nomination of Paul C. Warnke as Ambassador during his term as Director of the Arms Control and Disarmament Agency.

Although Mr. Warnke has been an eloquent exponent of significant reductions in the nuclear arms race, the approach he has advocated is incompatible with American security interests and may indeed act as a barrier to a meaningful SALT II accord.

As the record reveals:

Mr. Warnke has opposed consistently and emphatically for many years almost every U.S. strategic initiative, some of which are crucial issues at SALT.

Not until now, with his confirmation pending, has he seen fit suddenly to repudiate a number of his long-standing positions—creating at the very least serious doubts about his credibility as a negotiator.

He has advocated a policy of unilateral American restraint on strategic arms—a policy which not only has failed dismally in the past, but which could encourage the Soviets to drag their feet in formal arms control negotiations.

He has urged major cutbacks in both U.S. strategic and conventional forces, which could signal to our allies a weakening of our defense commitments, and could even encourage aggression by our enemies.

Quite clearly, President Carter can find someone else for this crucial position whose record is more consistent and whose philosophy toward arms control is more compatible with American objectives.

Beyond that, there are compelling reasons why no one person should be both ACDA director and SALT negotiator. Not only are both full-time jobs, but the ACDA director's role as disarmament advocate is potentially in conflict with the SALT negotiator's obligation to obtain the best possible bargain from the U.S. national security perspective.

The President should withdraw Mr. Warnke's nomination to be Ambassador and submit another nominee for the Senate's consideration. Failing that, I believe the Senate should reject Mr. Warnke for that job.

The issues at stake in the SALT negotiations are far too important, and the unavoidable problems too many, to unnecessarily interject any further possible barriers to the prompt conclusion of a meaningful strategic arms control agreement.

As Mr. Warnke himself has noted:

". . . [N]o arms control policy can succeed unless it has the solid support of the American people as expressed through their elected representatives."[80]

It is already apparent that significant opposition exists in the Senate to this nomination.

Given the importance the American people place on securing an equitable and verifiable SALT II Treaty—which, like all treaties, would require the support of two-thirds of the Senate before ratification—I would hope that President Carter would view anything short of overwhelming Senate confirmation of Mr. Warnke as a signal to reconsider and withdraw his nomination.

Report filed: February 25, 1977.

FOOTNOTES

[1] For a discussion of the difficulties involved in trying to verify restrictions on cruise missiles, see my remarks on the subject in the *Congressional Record*, May 26, 1976, beginning on page 15621.

[2] Testimony to Senate Foreign Relations Committee, June 28, 1972, p. 184.

[3] Testimony to Senate Foreign Relations Committee, February 8, 1977, p. 44.

[4] *Ibid.* p. 66.

[5] *Ibid.* pp. 82–83.

[6] Testimony to Senate Armed Services Committee, July 17, 1973, p. 5867.

[7] This exchange occurred on February 24, 1976, and was inserted in the *Congressional Record*, June 15, 1976, p. 18218.

[8] *Aviation Week & Space Technology*, February 21, 1977, p. 20.

[9] Testimony to Senate Foreign Relations Committee, February 8, 1977, p. 54.

[10] *Ibid*, p. 67.

[11] Testimony to Senate Foreign Relations Committee, June 28, 1972, p. 183.

[12] Testimony to Senate Appropriations Committee, May 30, 1974, p. 29.

[13] Testimony to Senate Foreign Relations Committee, February 8, 1977, p. 54.

[14] *Ibid*, p. 28.

[15] *Ibid*, pp. 28, 44.

[16] Testimony to Senate Foreign Relations Committee, June 28, 1972, p. 183; Testimony to Senate Armed Services Committee, July 17, 1973, p. 5871.

[17] Testimony to Senate Appropriations Committee, May 30, 1974, pp. 67–68.

[18] *Ibid*. p. 68.

[19] Testimony to Senate Foreign Relations Committee, February 8, 1977, p. 55.

[20] Testimony to Senate Foreign Relations Committee, March 14, 1974, pp. 57, 64, 65.

[21] The following exchange occurred during a UPI interview with Secretary Vance (State Department Press Release No. 37, February 3, 1977, p. 5): "Q. But you don't agree with him [Warnke], I gather, on the question of a unilateral withdrawal of some nuclear forces from Europe? At least some statements he is associated with? A. What I said on that— I think it would be inappropriate at this time to withdraw our tactical nuclear forces or weapons from Europe. That issue is already a subject which is on the table in the MBFR discussions, and it doesn't make sense to me to take such a step while it is currently under negotiation in the larger context of the MBFR talks."

[22] Testimony to Senate Foreign Relations Committee, February 8, 1977, p. 57.

[23] *Washington Post*, May 14, 1974.

[24] See for example Mr. Warnke's testimony to the Senate Appropriations Committee, May 30, 1974, p. 22.

[25] Paul C. Warnke and Leslie H. Gelb, "Security or Confrontation: The Case for a Defense Policy," *Foreign Policy*, Winter 1970–1971, p. 27.

[26] Testimony to Senate Appropriations Committee, May 30, 1974, p. 22.

[27] Testimony to Senate Armed Services Committee, July 17, 1973, p. 5859.

[28] *Ibid*. p. 5868.

[29] *Ibid.* p. 5858.
[30] Testimony to Senate Appropriations Committee, May 30, 1974, p. 22.
[31] Testimony to House Budget Committee, September 11, 1975, pp. 79–80.
[32] Donald H. Rumsfeld, *Annual Defense Department Report, FY 1978*, p. 11.
[33] *Ibid.*, p. 23; General George S. Brown, *United States Military Posture for FY 1978*, p. 63; International Institute for Strategic Studies, *The Military Balance 1976–1977*, p. 101.
[34] Brown, *United States Military Posture for FY 1978*, p. 63; *Parade* magazine, February 6, 1977.
[35] Testimony to Senate Foreign Relations Committee, February 8, 1977, pp. 57–58.
[36] Testimony to Senate Appropriations Committee, May 30, 1974, pp. 65–66.
[37] *Ibid.* p. 71.
[38] International Institute for Strategic Studies, *The Military Balance 1976–1977*, p. 83.
[39] Testimony to Senate Appropriations Committee, May 30, 1974, p. 19.
[40] *Ibid.* pp. 66–67.
[41] *New York Times*, August 24, 1972.
[42] Testimony to Senate Budget Committee, August 22, 1974, p. 302.
[43] Testimony to Senate Appropriations Committee, May 30, 1974, p. 34.
[44] Testimony to Senate Foreign Relations Committee, February 8, 1977, p. 26.
[45] Paul C. Warnke, "National Security: Are We Asking the Right Questions?", *Washington Monthly*, October 1969, reprinted in the *Congressional Record*, November 25, 1969, p. H. 11375.
[46] Testimony to Senate Foreign Relations Committee, July 13, 1971, p. 205.
[47] Testimony to Senate Foreign Relations Committee, June 28, 1972, pp. 179–180.
[48] Debate between Senator James L. Buckley and Paul C. Warnke, published under the title, *Strategic Sufficiency: Fact or Fiction?* (Washington, D.C.: American Enterprise Institute, 1972) p. 21.
[49] This exchange occurred during Mr. Warnke's confirmation hearing (after I had already indicated that I had read his 1972 testimony):

"Senator GRIFFIN. Could you summarize what your concerns were then [i.e., in 1972] about SALT I?

Mr. WARNKE . . . I was concerned about a number of things. I was concerned, first of all, about the numerical disparity because it seemed to me that that made the agreement perceptually vulnerable. Any agreement which appears to give the Soviet Union a numerical lead is not one which is going to be very well received by our friends."

This exchange appears on page 45 of the hearing transcript. The fact remains that even this version bears no resemblance to Mr. Warnke's actual testimony before the Foreign Relations Committee on 1972. That testimony is reprinted on pages 47–54 of the hearings.
[50] Testimony to Senate Foreign Relations Committee, February 8, 1977, p. 84.
[51] *Ibid.*
[52] Testimony to Senate Appropriations Committee, May 30, 1974, p. 61.
[53] Paul C. Warnke, "Apes on a Treadmill," *Foreign Policy*, Spring, 1975, p. 14.
[54] Testimony to House Budget Committee, September 11, 1975, p. 62.
[55] *Congressional Record*, June 15, 1976, p. H. 5923.
[56] Paul C. Warnke, "In the New International Climate, Should We Reassess Old Alliances?," *The Center Magazine*, November-December 1973, p. 79.
[57] Testimony to Senate Appropriations Committee, May 30, 1974, p. 56.
[58] Anyone having doubts about this point might review the many press accounts of the nomination of Mr. Warnke, such as those in the *New York Times* (January 31, 1977, p. 9), and the *Washington Post* (February 1, 1977, p. A2).
[59] Testimony to Senate Foreign Relations Committee, June 28, 1972, pp. 182–183.
[60] Testimony to Senate Appropriations Committee, May 30, 1974, p. 19.
[61] Testimony to Senate Budget Committee, August 22, 1974, p. 976.
[62] Warnke, "Apes on a Treadmill," pp. 27–28.
[63] *Congressional Record*, June 15, 1976, p. H. 5924.
[64] *U.S. News & World Report*, April 12, 1965, reprinted in *Congressional Record*, April 7, 1965, p. S. 7271.
[65] Department of State *Bulletin*, May 17, 1965, pp. 773–774.
[66] Testimony to Senate Foreign Relations Committee, January 14, 1977.
[67] Central Intelligence Agency, "A Dollar Cost Comparison of Soviet and U.S. Defense Activities, 1966–1976," SR 77-10001U, January 1977 (Unclassified), pp. 9, 11.
[68] Donald H. Rumsfeld, *Annual Defense Department Report, FY 1978*, p. 18; Letter from Joint Chiefs of Staff to Senator William Proxmire, dated January 28, 1977, p. 6.
[69] U.S. Arms Control and Disarmament Agency, *Arms Control Report, 15th Annual Report to the Congress*, July, 1976, pp. 25–26.
[70] John F. Kennedy, *Public Papers*, 1962, pp. 186–192.
[71] Testimony to Senate Foreign Relations Committee, February 8, 1977, p. 18.
[72] *Ibid.* p. 40.
[73] *Ibid.* p. 90.
[74] *Ibid.* p. 68.
[75] *Ibid.* p. 90.
[76] *Ibid.* p. 64.
[77] *Ibid.* p. 89.
[78] *Ibid.* p. 28.
[79] Detroit *Free Press*, February 6, 1977.
[80] Testimony to Senate Foreign Relations Committee, February 8, 1977, p. 19.

AUTHORITY FOR THE SECRETARY OF THE SENATE TO RECEIVE AND REFER MESSAGES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until 3 p.m. on Tuesday next, the Secretary of the Senate be authorized to receive and to refer messages from the House of Representatives and/or from the President of the United States.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORITY FOR THE SIGNING OF DULY ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until 3 p.m. on Tuesday next, the Vice President of the United States, the President pro tempore of the Senate, the Acting President pro tempore of the Senate, and the Deputy President pro tempore of the Senate be authorized to sign all duly enrolled bills and joint resolutions.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORITY FOR SUBMISSION OF CERTAIN RECORD MATERIAL TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all Senators may have until 5 p.m. today to introduce statements, bills, resolutions, petitions, and memorials in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR SCOTT AND SENATOR CRANSTON AND FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON TUESDAY, MARCH 1, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, on behalf of Mr. SCOTT of Virginia, that on Tuesday next, after the two leaders or their designees have been recognized under the standing order, that he be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the remarks of Mr. SCOTT of Virginia on Tuesday next, the distinguished Senator from California (Mr. CRANSTON) be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Tuesday next, after the orders for the recognition of Senators have been consummated, there be a brief period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 10 minutes each, for the purpose only of the introduction of bills, resolutions, petitions, memorials, and statements into the RECORD, and with no resolutions coming over under the rule.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

W. M. "BILL" BROWN—1976 MAN OF THE YEAR IN AGRICULTURE

Mr. ALLEN. Mr. President, Bill Brown, of Atmore, Ala., has been named 1976 Man of the Year in Service to Alabama Agriculture, by Progressive Farmer magazine.

It is fitting that this outstanding Alabamian has been given this honor. Bill Brown is a man with conviction and determination, who has shown what practical application of a vision combined with hard work can do. He operates a cattle farm which has become literally a "showplace" visited by hundreds of cattlemen and farmers yearly.

I ask unanimous consent that the article from the February 1977, issue of the Progressive Farmer, telling Bill's success story, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

W. M. "BILL" BROWN—1976 MAN OF THE YEAR IN SERVICE TO ALABAMA AGRICULTURE

It's doubtful that anyone, professional agricultural worker or farmer, is a more vocal

or persistent champion of Alabama and the Southeast than is W. M. (Bill) Brown of Atmore, Ala.

His fervor and enthusiasm are based on the belief that we have an advantage enjoyed by no other section of the country—the ability to produce untold amounts of grass and forage for cattle. His dream is to see this ability translated into grasses that grow 12 months of the year. For, as he sees it, "Even those of us who are full-time farmers are getting only part-time production because we're not working our land all year long."

The story Brown tells with greatest conviction is how he can make as much net profit per acre by growing grass and corn silage and feeding these forages to cattle as he could growing row crops.

People listen closely when Brown talks. That's because they know he's talking about realities, not dreams. These realities have been experienced on his own farm in South Alabama.

Brown gets more invitations for speaking engagements than he can comfortably handle.

Hundreds of visitors stop by his farm each year too. "Seldom does a month go by without a visiting tour group," he says.

Some of these visits have been generated by articles in *Progressive Farmer* about his operation—articles about his grain handling facilities, his contract backgrounding operation, his custom feedlot venture, his winter grazing, and his double-cropping successes. But the tour groups really started pouring in after Southern Railway's agricultural tour bus started making Brown's farm a regular stop on its itinerary and after a group of Ohio cattle feeders stopped by. The latter visit kicked off his cattle backgrounding operation.

Many of his speaking engagements are related to his position as Southeast representative on the Cattle-fax board of directors for the American National Cattlemen's Association. In addition, he was 1973 president of the Alabama Cattlemen's Association and has been featured speaker at annual meetings of cattlemen's associations in several other states. You can safely bet that, in addition to promoting cattle, he promotes Alabama wherever he goes.

Visitors, though, probably are a bigger drain on his time than are his speaking engagements. These visitors come because they want to see for themselves just how Brown is proving the wisdom of carrying calves to heavier weights on his own farm instead of selling them as lightweights.

They want to see why he's so sincere when he says, "Winter pasture planted in the fall of the year is our best crop." They want to see how he gets full production from each acre by coming back on that same land with a crop of corn or soybeans the next spring. And they want to see how he finishes his own cattle in the feedlot on silage plus a small amount of grain.

During the past few years, Bill and his wife Jeanette have started keeping a guest register for tour groups. But there's little time to keep up with the many drop-in visitors who come alone or with a couple of others.

Perhaps one reason the Browns are such gracious hosts to visitors is that they have done their share of visiting too. As a result of a visit by the Browns to a Western cattle feeder in 1964, they got started in the business of finishing out their own cattle on silage. There's another reason. Brown puts it very simply: "The cattle business has been good to me and my family. I've never lost faith in it.

But the real reason for our success is that we have had opportunities to travel to other states and see what was going on. And we have been able to put a lot of those ideas to work on our farm. Sure, we gave a little time and gave a little work free, but that's how we got our chance to travel and visit others."

As might be expected, demands on Brown's time continue to grow. He's just been named to serve as chairman of Auburn University's Agricultural Advisory Council. We feel certain every farmer in Alabama will continue to benefit from dreams that he helps push to reality.

We are pleased to name Bill Brown as 1976 Man of the Year in Service To Alabama Agriculture.

PROPOSED $50 TAX REBATE

Mr. ALLEN. On another subject, Mr. President, even though our gross national product is at an all-time high, some 10 million Americans are without work. Some form of economic stimulus, costing over 30 billion dollars over a 2-year period is certain to pass in Congress. Thus, we are moving further away from a balanced budget. My objection to the approach being used is, first, that too little emphasis is being placed on creating permanent jobs in the private sector and too much emphasis is being placed on "make-work" types of public service jobs, and, second, that the proposal to shower $50 bills on every man, woman, and child in the country—apparently to be modified somewhat in Congress—at a cost to the taxpayers of some $11.4 billion in borrowed money, is not sound. For this temporary relief, with its inflationary impact, the American taxpayer would be called on to pay an interest bill of some $900 million each and every year until Gabriel blows his horn. That is the price we are paying for this temporary relief possibly lasting a few weeks and showering $50 bills on the people of this country.

Now few are willing to oppose Santa Claus, but my view of what is right and sound demands that I do so, and certainly when this measure comes before the Senate that would be my position.

RECESS TO TUESDAY, MARCH 1, 1977 AT 3 P.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 3 p.m. on Tuesday next.

The motion was agreed to; and at 2:46 p.m. the Senate recessed until Tuesday, March 1, 1977, at 3 p.m.

NOMINATIONS

Executive nominations received by the Senate February 25, 1977:

Department of Defense

Gerald Paul Dinneen, of Massachusetts, to be an Assistant Secretary of Defense, vice Albert C. Hall, resigned.

David E. McGiffert, of the District of Columbia, to be an Assistant Secretary of Defense, vice Eugene V. McAuliffe, resigning.

John McGrath Sullivan, of Pennsylvania, to be an Assistant Secretary of Defense, vice David P. Taylor, resigned.

Department of Commerce

Jerry Joseph Jasinowski, of the District of Columbia, to be an Assistant Secretary of Commerce, vice Richard G. Darman, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 25, 1977:

Veterans' Administration

Joseph Maxwell Cleland, of Georgia, to be Administrator of Veterans' Affairs.

ACTION Agency

Samuel Winfred Brown, Jr., of Colorado, to be Director of the ACTION Agency.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

In the Air Force

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be general

Gen. Paul K. Carlton, [redacted] FR (major general, Regular Air Force), U.S. Air Force.

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be general

Gen. Louis L. Wilson, Jr., [redacted] FR (major general, Regular Air Force), U.S. Air Force.

In the Army

The following-named officers for appointment in the Regular Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3284 and 3306:

To be brigadier general

Brig. Gen. John C. Faith, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Emil L. Konopnicki, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Paul M. Timmerberg, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Charles K. Heiden, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Hillman Dickinson, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Sinclair L. Melner, [redacted] Army of the United States (colonel, U.S. Army).

Lt. Gen. Marvin D. Fuller, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Phillip Kaplan, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Jere W. Sharp, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Charles P. Graham, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Lucien E. Bolduc, Jr., [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Louis W. Prentiss, Jr., [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Jack V. Mackmull, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. John B. Blount, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. James H. Merryman, [redacted] Army of the United States (colonel, U.S. Army).

In the Navy

The following-named captains of the line of the Navy for temporary promotion to the

grade of rear admiral, subject to qualification therefor as provided by law:

Karl J. Christoph, Jr.	Thomas M. Hopkins
James H. Webber	James W. Lisanby
Grover M. Yowell	William G. Sizemore
Warren C. Hamm, Jr.	Edwin Barrineau
Robert W. Carius	Jack F. O'Hara
James A. Winnefeld	Crawford A. Easterling
Paul A. Lautermilch, Jr.	Thomas M. Ward, Jr.
Thomas R. Kinnebrew	Daniel G. McCormick III
Henry J. Davis, Jr.	Frederick G. Fellowes, Jr.
Alexander M. Sinclair	Milton P. Alexich
Huntington Hardisty	Curtis B. Shellman, Jr.
Floyd H. Miller, Jr.	David S. Cruden
Albert J. Baciocco, Jr.	Clyde R. Bell
Arthur S. Moreau, Jr.	Bernard M. Kauderer
Charles O. Prindle	Frederick C. Johnson
Lowell F. Eggert	Conrad J. Rorie
Samuel W. Hubbard, Jr.	

The following-named officers of the Naval Reserve for temporary promotion to the grade of rear admiral subject to qualification therefor as provided by law:

LINE

Joseph Louis Loughran	Samuel Amspoker Cummins
Herbert Marvin Bridge	Martin Joseph Andrew

MEDICAL CORPS

Matthias Henry Backer, Jr.

SUPPLY CORPS

William Alvin Armstrong

CIVIL ENGINEER CORPS

Peter Ross Brown

DENTAL CORPS

William James Hughey Vaughn

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of major general:

Warren R. Johnson	William B. Fleming
Calhoun J. Killeen	Charles G. Cooper
Edward J. Megarr	John K. Davis

The following-named officers of the Marine Corps for temporary appoitnment to the grade of brigadier general:

Alexander P. McMillan	George B. Crist
Vincente T. Blaz	Dwayne Gray
David B. Barker	Albert E. Brewster, Jr.
William A. Scott, Jr.	Richard A. Kuci
Lawrence R. Seamon	Ernest C. Cheatham, Jr.
Thomas R. Morgan	John V. Cox

IN THE AIR FORCE

Air Force nominations beginning Richard F. Abel, to be colonel, and ending Marion J. Stansell, to be colonel, which nominations were received by the Senate and appeared in the Congressional Record on January 31, 1977.

Air Force nominations beginning Richard A. Ames, to be colonel, and ending Dan C. Mills, to be colonel, which nominations were received by the Senate and appeared in the Congressional Record on January 31, 1977.

IN THE ARMY

Army nominations beginning Nathan W. Adamson, Jr., to be colonel, and ending John C. Henry, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on January 31, 1977.

Army nominations beginning Peter A. Becque, to be lieutenant colonel, and ending Alan M. Kimball, to be first lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on February 1, 1977.

IN THE MARINE CORPS

Warrant Officer Truman W. Crawford, USMC, for appointment to the grade of Captain (temporary) while serving as the Director of the Marine Corps Drum and Bugle Corps, which nomination was received by the Senate and appeared in the Congressional Record on January 31, 1977.

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS SCHEDULED

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure beginning February 21, and until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

The schedule follows:

SCHEDULED MEETINGS

FEBRUARY 28

9:00 a.m.

Agriculture, Nutrition, and Forestry

To resume hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.

Until: Noon — 322 Russell Building

9:30 a.m.

Human Resources

Subcommittee on the Handicapped

To resume hearings to review programs for handicapped persons.

4232 Dirksen Building

10:00 a.m.

*Armed Services

To hear Paul C. Warnke testify and answer questions in behalf of his nomination to serve as Director of ACDA, with the rank of Ambassador.

1114 Dirksen Building

Banking, Housing, and Urban Affairs

Subcommittee on International Finance

To resume hearings on S. 69 and 92, to amend and extend the Export Administration Act, including provisions on anti-boycott and nuclear proliferation.

5302 Dirksen Building

Environment and Public Works

To hold hearings to review Presidential budget requests for fiscal year 1976 for the Environmental Protection Agency.

4200 Dirksen Building

Energy and Natural Resources

To hold hearings on the nominations of James A. Joseph, to be Under Secretary of the Interior, and Leo M. Krulitz, to be Solicitor, Department of the Interior.

3110 Dirksen Building

Select Small Business

To resume hearings on problems of U.S. supplemental air carriers, including charter regulations, applications for low-cost scheduled service, discriminatory enforcement of CAB rules, and military airlift contract procedures.

6202 Dirksen Building

11:00 a.m.

Select Indian Affairs

Business meeting on committee organization.

1150 Dirksen Building

Special Aging

Business meeting on committee organization.

4221 Dirksen Building

Appropriations

Subcommittee on Labor-Health, Education, and Welfare

To hold hearings to receive testimony on proposed supplemental appropriations for the Department of Health, Education, and Welfare, to hear testimony on certain health programs and on special benefits for disabled coal miners.

S-128, Capitol

Appropriations

Defense Subcommittee

To hold hearings on several pending proposed rescissions of budget authority for the defense establishment.

S-126, Capitol

Appropriations

Subcommittee on Public Works

To hold hearings on proposed budget estimates for fiscal year 1978 for public works projects for the North Atlantic Division and the New England Division.

S-146, Capitol

Conferees

On S. Con. Res. 10, revising the congressional budget for the Federal Government for fiscal year 1977.

S-207, Capitol

MARCH 1

9:00 a.m.

Agriculture, Nutrition, and Forestry

To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.

Until: Noon — 322 Russell Building

9:30 a.m.

Appropriations

Interior Subcommittee

To hold hearings on supplemental appropriations for fiscal year 1977 for the Department of the Interior and related activities.

1114 Dirksen Building

10:00 a.m.

Appropriations

Defense Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the defense establishment to hear Air Force witnesses.

1223 Dirksen Building

Appropriations

Labor-HEW Subcommittee

To hold hearings on proposed supplemental appropriations for fiscal year 1977 for the Office of Education.

S-128, Capitol

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury to hear Secretary Blumenthal.

1318 Dirksen Building

Armed Services

To receive a report from General Alex-

ander Haig, Supreme Allied Commander in Europe for NATO and Commander-in-Chief of United States Forces in Europe, on the status of United States and Allied military forces and the NATO situation generally.
5110 Dirksen Building

Commerce, Science and Transportation
Subcommittee on Science and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building

Energy and Natural Resources
Subcommittee on Minerals, Materials and Fuels
To resume hearings on S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.
3110 Dirksen Building

Finance
To consider committee recommendations to the Budget Committee on the fiscal year 1978 budget in accordance with the Congressional Budget Act.
2221 Dirksen Building

Human Resources
Subcommittee on Health and Scientific Research
To hold hearings on proposed legislation authorizing funds for the National Science Foundation for fiscal year 1978.
4232 Dirksen Building

10:30 a.m.
Foreign Relations
To consider pending nominations and other committee business.
4221 Dirksen Building

11:00 a.m.
Banking, Housing, and Urban Affairs
To consider S. 756, proposing the extension of the authority for the flexible regulation of interest rates on deposits and accounts in depository institution (Regulation Q).
5302 Dirksen Building

2:00 p.m.
Appropriations
Labor–HEW Subcommittee
To hold hearings on proposed supplemental appropriations for fiscal year 1977 for the Office of Education and on welfare programs.
S–126, Capitol

Appropriations
Legislative Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Library of Congress and the Copyright Royalty Tribunal.
S–128, Capitol

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the U.S. Customs Service and Federal Law Enforcement Training Center.
1318 Dirksen Building

Armed Services
Tactical Air Power Subcommittee
To hold hearings on proposed military program authorizations for fiscal year 1978 for tactical weapons modernization program.
224 Russell Building

3:00 p.m.
Foreign Relations
To receive a briefing in closed session from Secretary of State Vance on his recent trip to the Middle East.
S–116, Capitol

5:00 p.m.
Joint Defense Production
Business meeting to discuss committee organization.
Until: 6 p.m. EF–100, Capitol

MARCH 2

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on supplemental appropriations for fiscal year 1977 for the Department of the Interior and related activities.
1114 Dirksen Building

Environmental and Public Works
To hold hearings to review Presidential budget requests for fiscal year 1978 for the Economic Development Administration, the Appalachian Regional Commission, and the General Services Administration.
4200 Dirksen Building

Human Resources
*Subcommittee on the Handicapped
To hold hearings on S. 725, authorizing funds through fiscal year 1982, for certain education programs for handicapped persons.
3302 Dirksen Building

Veterans' Affairs
Business meeting, to discuss committee organization.
412 Russell Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to discuss budgetary and other committee business.
Until: Noon 322 Russell Building

Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear testimony on manpower and reserve affairs.
1223 Dirksen Building

Appropriations
Subcommittee on Foreign Operations
To hold hearings on proposed budget estimates for fiscal year 1978 for the foreign aid programs, to hear officials of the Department of the Treasury.
1318 Dirksen Buidling

Armed Services
Research and Development Subcommittee
To hold closed hearings on proposed military program authorizations for fiscal year 1978 for Army programs.
224 Russell Building

Banking, Housing, and Urban Affairs
To hold hearings on proposed authorizations for major housing and community development programs.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to hear Dr. Rivlin of the Congressional Budget Office.
357 Russell Building

Energy and Natural Resources
Subcommittee on Minerals, Materials, and Fuels
To continue hearings on S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.
3110 Dirksen Building

Finance
To consider its recommendations to be made to the Budget Committee on the fiscal year 1978 budget in accordance with the Congressional Budget Act.
2221 Dirksen Building

Foreign Relations
Subcommittee on Foreign Economic Policy
Closed business meeting to discuss subcommittee organization and proposed work schedule.
S–116, Capitol

Human Resources
To hold hearings on the nominations of Peter G. Bourne, of the District of Columbia, to be Director, and Lee I. Dogoloff, of Maryland, to be Deputy Director of the Office of Drug Abuse Policy.
4232 Dirksen Building

Rules and Administration
To discuss committee rules and organization, to be followed by hearings on S. Res's. 5 through 12, proposing changes in Senate rules.
301 Russell Building

10:30 a.m.
Judiciary
To hold hearings on the nominations of Wade H. McCree, Jr., of Michigan, to be Solicitor General; Barbara A. Babcock, of California, to be an Assistant Attorney General (Civil Division); Benjamin R. Civiletti, of Maryland, to be an Assistant Attorney General (Criminal Division); Drew S. Days, II, of New York, to be an Assistant Attorney General (Civil Rights Division); Daniel J. Meador, of Virginia, to be an Assistant Attorney General (Office for Improvements in the Administration of Justice); and Patricia M. Wald, of Maryland, to be an Assistant Attorney General (Office of Legislative Affairs).
2228 Dirksen Building

1:30 p.m.
Appropriations
Subcommittee on Agriculture
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Agriculture.
1224 Dirksen Building

2:00 p.m.
Environment and Public Works,
To hold hearings on the nominations of Douglas M. Costle, of Virginia, to be Administrator of the Environmental Protection Agency; and Barbara Blum, of Georgia, to be Deputy Administrator of the Environmental Protection Agency; to be followed by consideration of these nominations.
4200 Dirksen Building

3:00 p.m.
Appropriations
HUD–Independent Agencies Subcommittee
To hold hearings on proposed supplemental appropriations for fiscal year 1977 for the Department of Housing and Urban Development.
1318 Dirksen Building

MARCH 3

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings and proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

Human Resources
To hold hearings on the nomination of Mary Elizabeth King, of the District of Columbia, to be Deputy Director of the ACTION Agency.
4232 Dirksen Building

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget for fiscal year 1978 for Indian Education and the Indian Health Service.
1114 Dirksen Buildng

Environment and Public Works
To hold hearings to review Presidential budget requests for fiscal year 1978 for the Fish and Wildlife Service.
4200 Dirksen Building

Small Business
To hold hearings on bills to provide dis-

aster assistance to small businesses (S. 570 and 704).
3302 Dirksen Building

10:00 a.m.
Appropriations
Denfense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Defense establishment.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To hold hearings on the certain 1977 supplemental appropriations and fiscal year 1978 budget estimates for the National Transportation Safety Board, Federal Highway Administration, Federal Aviation Administration, and Pan Am Airways.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Secret Service, and Bureaus of Mint and Engraving and Printing, Department of the Treasury.
S-126, Capitol

Banking, Housing, and Urban Affairs
To hold hearings on proposed authorizations for major housing and community development programs.
5302 Dirksen Building

Commerce, Science and Transportation
Subcommittee on Science and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1976 for the National Aeronautics and Space Administration.
235 Russell Building

Energy and Natural Resources
Subcommittee on Minerals, Materials and Fuels
To continue hearing on S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.
3110 Dirksen Building

Finance
To consider its recommendations to be made to the Budget Committee on the fiscal year 1978 budget in accordance with the Congressional Budget Act.
2221 Dirksen Building

Human Resources
Subcommittee on Health and Scientific Research
To resume hearings on proposed legislation authorizing funds for the National Science Foundation for fiscal year 1978.
Until: 1 p.m. 4232 Dirksen Building

Rules and Administration
Subcommittee on Privileges and Elections
To hold hearings on the proposed fiscal year 1978 authorization for the Federal Election Commission.
301 Russell Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

11:00 a.m.
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget.
357 Russell Building

Foreign Relations
Subcommittee on Foreign Economic Policy
To consider its recommendations to be made to the full committee for inclusion in its recommendations to the Budget Committee on fiscal year 1978 items in accordance with the Congressional Budget Act.
S-116, Capitol

1:30 p.m.
Appropriations
Agriculture Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Agriculture.
1318 Dirksen Building

2:00 p.m.
Appropriations
Legislative Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Architect of the Capital, Botanic Gardens, and Government Printing Office.
S-128, Capitol

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for Metro, National Highway Traffic Safety Administration, and the Air Transport Association; and to hold hearings on supplemental appropriations for fiscal year 1977 for the National Highway Traffic Safetv Administration.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Internal Revenue Service.
S-126, Capitol

MARCH 4

10:00 a.m.
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to hear Defense Secretary Brown.
357 Russell Building

11:00 a.m.
Foreign Relations
Subcommittee on Foreign Assistance
To receive testimony on human rights issues and their relationship to foreign assistance programs.
4221 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Coast Guard.
1224 Dirksen Building

MARCH 7

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to receive testimony from Army officials on research, development, training, and evaluation.
1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Environmental Protection Agency.
1318 Dirksen Building

Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for military construction programs.
S-146, Capitol

2:00 p.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on supplemental appropriations for fiscal year 1977 for the District of Columbia.
1114 Dirksen Building

Appropriations
Legislative Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Office of Technology Assessment.
S-128, Capitol

Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the St. Lawrence Seaway, Materials Transportation Bureau, Civil Aeronautics Board, and Interstate Commerce Commission.
1224 Dirksen Building

MARCH 8

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Mines.
1114 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Defense establishment, to receive testimony from Army officials on procurement programs.
1223 Dirksen Building

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to receive testimony in behalf of funds for migration and refugee assistance, and the U.S. Emergency Refugee and Migration Assistance fund, Department of State.
S-126, Capitol

Appropriations
HUD—Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Environmental Protection Agency and the Council on Environmental Quality.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW, to hear Secretary Califano.
S-128, Capitol

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Bureaus of Government Financial Operations, Public Debt, and Alcohol, Tobacco and Firearms.
S-146 Capitol

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to hear representatives of the Department of Defense.
357 Russell Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear testimony in behalf of funds for International Narcotics Control, Department of State, and International Disaster Assistance, and the American Schools and Hospitals Abroad, AID.
S-126, Capitol

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Health, Education, and

Welfare, to receive testimony on health programs.
S–128, Capitol

Appropriations
Legislative Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Congressional Budget Office.
S–146, Capitol

2:30 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

MARCH 9

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to hear representatives of the Department of Agriculture.
322 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear officials of the Mining Enforcement and Safety Administration and for the Institute for Museum Services.
1114 Dirksen Building

Small Business
To hold hearings to consider the impact of product liability insurance on small businesses, and on S. 527, authorizing the Small Business Administration to furnish reinsurance for property liability insurers for small business concerns which would not otherwise be able to obtain product liability insurance on reasonable terms.
6202 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed estimates for fiscal year 1978 for the defense establishment.
1223 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the U.S. Tax Court, and units in the Executive Office of the President.
1318 Dirksen Building

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs.
S–146, Capitol

Appropriaions
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW, to hear officials of the Health Services Administration.
S–128, Capitol

Banking, Housing, and Urban Affairs
To mark up (1) proposed legislation authorizing funds for fiscal year 1978 housing program; (2) S. 417, the proposed National Neighborood Policy Act; and (3) to review those items in the Presidential budget for fiscal year 1978 which fall within the committee's legislative jurisdiction.
5302 Dirksen Building

Commerce, Science and Transportation
Subcommittee on Science and Space
To hold closed hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building

Environment and Public Works
To hold hearings to review Presidential budget requests for fiscal year 1978 for the Federal Highway Administration.
4200 Dirksen Building

Select Intelligence
Subcommittee Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S–407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW, to hear officials of the Center for Disease Control.
S–128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

MARCH 10

9.00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear officials of the Geological Survey.
1114 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs to hear testimony on funds for the Peace Corps, the Inter-American Foundation, and the International Organizations and Programs, and U.N. Environment Fund.
1318 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittees
To continue hearings on proposed budget estimates for fiscal year 1978 for certain units in the Executive Office of the President, and for the Office of Federal Procurement Policy.
1224 Dirksen Building

Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear Navy witnesses on procurement programs.
1223 Dirksen Building

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs.
S–146, Capitol

Banking, Housing and Urban Affairs
To hold oversight hearings on the state of the U.S. banking system.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on welfare programs.
357 Russell Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S–407, Capitol

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the U.S. Postal Service, the Office of Drug Abuse Policy, and Commission on Federal Paperwork.
1224 Dirksen Building

MARCH 11

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear Air Force witnesses on procurement programs.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
To continue oversight hearings on the state of the U.S. banking system.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on health programs.
357 Russell Building

MARCH 14

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies
To resume hearings on proposed budget estimates for fiscal year 1978 for the Veterans' Administration.
1318 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works project.
Room to be announced

MARCH 15

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 and on proposed supplemental appropriations for fiscal year 1977 for the Trust Territory of the Pacific Islands.
1114 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for

the Council of Economic Advisers, the Council on Wage and Price Stability, the National Security Council, and the National Center for Productivity and Quality of Working Life.
1224 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Veterans' Administration, American Battle Monuments Commission, and the U.S. Army Cemeterial Expenses.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
E-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 568, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Election Commission, the Civil Service Commission, the Defense Civil Preparedness Agency and the Federal Labor Relations Council.
1224 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

MARCH 16

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on corporate bribery and investment disclosure legislation.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on the overall economic outlook.
357 Russell Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

MARCH 17

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposad budget estimates for fiscal year 1978 for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building

Banking Housing, and Urban Affairs
To mark up the proposed legislation to extend the Export Administration Act and related matters.
5302 Dirksen Building

10:00 a.m.
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget.
357 Russell Building

Select Intelligence
Subcommittee on Budget Authorization
To hold closed hearings on proposed fiscal year 1976 authorizations for Government intelligence activities.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building

MARCH 21

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings to inquire into domestic communications common carrier (i.e., telephones, computers, etc.) policies.
235 Russell Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 929 and S. 689.
5110 Dirksen Building

Small Business
To hold hearings to consider the impact of product safety regulations on small businesses.
318 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on the activities of the Electronic Fund Transfer System Commission.
5302 Dirksen Building

MARCH 22

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings to inquire into domestic communications common carrier (i.e., telephones, computers, etc.) policies.
235 Russell Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear officials of the Defense Communications Agency, Mapping Agency, Nuclear Agency, and Supply Agency.
1223 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on the activities of the Electronic Fund Transfer System Commission.
5302 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government.
1224 Dirksen Building

MARCH 23

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings to inquire into domestic communications common carrier (i.e. telephones, computer, etc.) policies.
235 Russell Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

MARCH 24

9:00 a.m.
Select Nutrition and Human Needs
To resume hearings to examine the relationship between diet and health, to receive testimony on beef consumption.
Until: 1 p.m. 457 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building

Energy and Natural Resources
To hold oversight hearings on the proposal for an international petroleum transshipment port and storage center located in the Palau District, Western Caroline Islands, Trust Territory of the Pacific Islands.
3110 Dirksen Building

MARCH 25

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear Congressional witnesses.
1223 Dirksen Building
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building

MARCH 28

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

MARCH 29

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building
10:00 a.m.
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S-407, Capitol

MARCH 30

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building
10:00 a.m.
Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear Congressional witnesses.
1223 Dirksen Building
Banking, Housing, and Urban Affairs
To mark up proposed legislation on corporate bribery and investment disclosure.
5302 Dirksen Building

MARCH 31

9:00 a.m.
Select Nutrition and Human Needs
To continue hearings to examine the relationship between diet and health, to receive testimony on the need for fiber in diet.
Until: 1 p.m. 3302 Dirksen Building
9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building
10:00 a.m.
Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear public witnesses.
1223 Dirksen Building
Foreign Relations
Subcommittee on Oceans and International Environment
To hold hearings on S. Res. 49, expressing the sense of the Senate that the U.S. Government should seek the agreement of other governments to a proposed treaty requiring the propagation of an international environmental impact statement for any major project expected to have significant adverse effect on the physical environment.
4221 Dirksen Building
9:00 a.m.
Select Nutrition and Human Needs
To hold hearings to examine the effects of nutrition on mental and emotional health.
Until: 1 p.m. 3302 Dirksen Building

APRIL 1

9:30 a.m.
Commerce, Science, and Transportation
Subcommittees on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building
10:00 a.m.
Appropriations
Subcommittee on Military Construction
To resume hearings on proposed budget estimates for fiscal year 1978 for NATO.
S-146, Capitol

APRIL 19

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation on housing and community development, with a view to reporting its final recommendations on housing programs to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 20

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation on housing and community development, with a view to reporting its final recommendations on housing programs to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 21

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation on housing and community development, with a view to reporting its final recommendations on housing programs to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 22

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation on housing and community development, with a view to reporting its final recommendations on housing programs to the Budget Committee by May 15.
5302 Dirksen Building

MAY 3

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building

MAY 4

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 6

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 10

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building

HOUSE OF REPRESENTATIVES—*Monday, February 28, 1977*

The House met at 12 o'clock noon.

The Chaplain, Reverend Edward G. Latch, D.D., offered the following prayer:

Who shall ascend the hill of the Lord? Who shall stand in His holy place? He who has clean hands and a pure heart, who does not lift up his soul to what is false. He will receive blessing from the Lord.—Psalms 24: 3–5.

Eternal God, whose goodness is inexhaustible and whose truth endureth forever, come Thou into our hearts and search our minds to see if there be any evil way in us. Then with Thy forgiving and renewing power lead us in the ways of faith and hope and love. Soothe our troubled spirits, heal our broken hearts, forgive our waywardness, and so fill us with Thy grace that we may not fail man nor Thee again.

We pray for the leaders who govern our country. Grant unto them courageous hearts, wise minds, and faithful spirits that they may do what is right and good for all. We pray for our people. May they ever be loyal to Thee, the Most High, and live with love in their hearts that we may dwell together in peace and with good will for each other.

In the spirit of Him who is the Lord of Life we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill and joint resolution of the House of the following titles:

H.R. 3347. An act to rescind certain budget authority recommended in the message of the President of September 22, 1976 (H. Doc. 94–620), transmitted pursuant to the Impoundment Control Act of 1974; and

H.J. Res. 132. Joint resolution to authorize a special gold medal to be awarded to Miss Marian Anderson.

The message also announced that the Senate disagrees to the amendments of the House to the concurrent resolution (S. Con. Res. 10) entitled "Concurrent resolution revising the congressional budget for the United States Government for the fiscal year 1977," agree to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MUSKIE, Mr. MAGNUSON, Mr. HOLLINGS, Mr. CRANSTON, Mr. CHILES, Mr. ABOUREZK, Mr. BELLMON, Mr. DOLE, Mr. MCCLURE, and Mr. DOMENICI to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 521. An act to amend the John F. Kennedy Center Act to authorize funds for the repair of leaks; and

S. 776. An act to dedicate the canal and towpath of the Chesapeake and Ohio Canal National Historical Park to Justice William O. Douglas, and for other purposes.

The message also announced that the Vice President, pursuant to Public Law 79–304, appointed Mr. JAVITS, Mr. ROTH, Mr. MCCLURE, and Mr. HATCH to be members, on the part of the Senate, of the Joint Economic Committee for the 95th Congress.

And that the President pro tempore, pursuant to Public Law 94–566, appointed Warren Cooper, of Charleston, W. Va.; Walter Bivins, of Jackson, Miss.; and Alphonse Jackson, of Shreveport, La.; from private life, to be members of the National Commission on Unemployment Compensation.

TRIBUTE TO JOHN DENVER ON HIS APPEARANCE BEFORE SUBCOMMITTEE ON PUBLIC LANDS OF COMMITTEE ON INTERIOR

(Mr. RONCALIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RONCALIO. Mr. Speaker, we began this morning in the Subcommittee on Public Lands of the Committee on Interior hearings on H.R. 3454, the Endangered Wilderness Act of 1977. Among the witnesses was Mr. John Denver, the singer, who brought with him an excellent statement in support of the legislation.

Mr. Speaker, he was a delight. He rendered a special song for us, and I just wish to recognize the contribution he made to the quality of the morning and express a measure of thanks for the delight he brought to the members of the subcommittee this morning.

ADJOURNMENT FROM TUESDAY, MARCH 1, 1977, TO 1 P.M. WEDNESDAY, MARCH 2, 1977

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns on Tuesday, March 1, 1977, it stand adjourned until 1 o'clock p.m. on Wednesday, March 2, 1977.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON SENATE CONCURRENT RESOLUTION 10, THIRD CONGRESSIONAL BUDGET RESOLUTION FOR FISCAL YEAR 1977

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on Senate Concurrent Resolution 10, third congressional budget resolution for fiscal year 1977.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION TO EXCUSE FROM SERVICE AS CONFEREE AND APPOINTMENT OF NEW CONFEREE ON SENATE CONCURRENT RESOLUTION 10, THIRD CONGRESSIONAL BUDGET RESOLUTION FOR FISCAL YEAR 1977

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the gentleman from Texas (Mr. BURLESON) be excused from service as a conferee on Senate Concurrent Resolution 10, third congressional budget resolution for fiscal year 1977.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The Chair appoints the gentleman from California (Mr. MINETA) to fill the existing vacancy on the committee of conference on Senate Concurrent Resolution 10.

CHANGE IN LEGISLATIVE PROGRAM

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, I take this time to announce that the bill (H.R. 3753) to bring certain governing international fishery agreements within the purview of the Fishery Conservation Zone Transition Act will be considered as the only bill under suspension of the rules on tomorrow.

PROVIDING FOR CONSIDERATION OF HOUSE RESOLUTION 287

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95–28) on the resolution (H. Res. 338), providing for consideration of House Resolution 287, which was referred to the House Calendar and ordered to be printed.

TO IMPROVE ADMINISTRATION OF FISH AND WILDLIFE PROGRAMS

Mr. MURPHY of New York. Mr. Speaker, I move to suspend the rules and pass the bill H.R. 2329, to improve the administration of fish and wildlife programs, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2329

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fish and Wildlife Improvement Act of 1977".

SEC. 2. FISH AND WILDLIFE COOPERATIVE UNITS ASSISTANCE.

The first section of the Act of September 2, 1960 (74 Stat. 733; 16 U.S.C. 753a) is amended—

(1) by striking out "technical personnel" and inserting in lieu thereof "scientific personnel"; and

(2) by inserting immediately after "respective units," the following: "to the provision of assistance (including reasonable financial compensation) for the work of researchers on fish and wildlife ecology and resource management projects funded under this subsection".

SEC. 3. ENFORCEMENT AUTHORITY FOR THE PROTECTION OF FISH AND WILDLIFE RESOURCES.

(a)(1) AUTHORITIES FOR DESIGNATED PERSONNEL.—In addition to any other authority conferred by law, any officer or employee of the United States Fish and Wildlife Service who is designated by the Secretary of the Interior, or any officer or employee of the National Oceanic and Atmospheric Administration who is designated by the Secretary of Commerce, to enforce any Federal law relating to fish or wildlife may, in the performance of such law enforcement duties, exercise such of the following authorities as each such Secretary, after written notice to the United States Attorney General, may deem appropriate:

(A) Carry firearms.

(B) Secure, execute, and serve any order, warrant, subpena, or other process, which is issued under the authority of the United States.

(C) Search without warrant or other process any person, place, or conveyance as provided by law.

(D) Seize without warrant or other process any evidentiary item as provided by law.

(E) Offer and pay rewards for services or information which may lead to the apprehension of violators of such laws.

(F) Make inquiries, and administer to, or take from, any person an oath, affirmation, or affidavit, concerning any matter which is related to the enforcement of such laws.

(G) Upon the request of any law enforcement agency of any State, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, Guam, and the Trust Territory of the Pacific Islands, assist such agency in the enforcement of State or local laws and regulations relating to fish or wildlife.

(H) Make an arrest with or without a warrant—

(i) for any offense against the United States if such officer or employee has reasonable grounds to believe that the person to be arrested is committing an offense in his presence or view, or

(ii) for any felony under the laws of the United States if such officer or employee has reasonable grounds to believe that the person to be arrested has committed or is committing such felony.

Nothing in this paragraph shall be construed as authorizing any such officer or employee to initiate or pursue any subsequent investigation of any violation which is not related to fish or wildlife matters.

(2) The Secretary of the Interior and the Secretary of Commerce shall each designate, through publication in the Federal Register, those laws under his jurisdiction which he determines the purpose of which to be the

protection or conservation of any fish or wildlife. Any law so designated shall be a "Federal law relating to fish or wildlife" for the purposes of paragraph (1).

(b) LAW ENFORCEMENT TRAINING PROGRAM.—(1) In order to provide for and encourage training, research, and development for the purpose of improving fish and wildlife law enforcement and developing new methods for the prevention, detection, and reduction of violation of fish and wildlife laws, and the apprehension of violators of such laws, the Secretary of the Interior and the Secretary of Commerce may each—

(A) establish and conduct national training programs to provide, at the request of any State, training for State fish and wildlife law enforcement personnel;

(B) develop new or improved approaches, techniques, systems, equipment, and service to improve and strengthen fish and wildlife law enforcement; and

(C) assist in conducting, at the request of any appropriate State official, local or regional training programs for the training of State fish and wildlife law enforcement personnel.

Such training programs shall be conducted to the maximum extent practicable through established programs.

(2) There are authorized to be appropriated beginning with fiscal year 1978 such funds as may be necessary to carry out the purposes of subsection (b), and the Secretary of the Interior and the Secretary of Commerce may each require reimbursement from the States for expenditures made pursuant to subsections (b)(1)(A) and (C).

(c) LAW ENFORCEMENT COOPERATIVE AGREEMENT.—Notwithstanding any other provision of law, the Secretary of the Interior and the Secretary of Commerce may each utilize by agreement, with or without reimbursement, the personnel, services and facilities of any other Federal or State agency to the extent he deems it necessary and appropriate for effective enforcement of any Federal or State laws on lands, waters, or interests therein under his jurisdiction which are administered or managed for fish and wildlife purposes and for enforcement of any laws administered by him relating to fish and wildlife. Persons so designated by either Secretary, who are not employees of another Federal agency—

(1) shall not be deemed a Federal employee and shall not be subject to the provisions of law relating to Federal employment, including those relating to hours of work, competitive examination, rates of compensation, and Federal employee benefits, but may be considered eligible for compensation for work injuries under subchapter III of chapter 81 of title 5, United States Code;

(2) shall be considered to be investigative or law enforcement officers of the United States for the purposes of the tort claim provisions of title 28, United States Code;

(3) may, to the extent specified by either Secretary, search, seize, arrest, and exercise any other law enforcement functions or authorities under Federal laws relating to fish and wildlife, where such authorities are made applicable by this or any other law to employees, officers, or other persons designated or employed by either Secretary; and

(4) shall be considered to be officers or employees of the Department of the Interior or the Dpartment of Commerce, as the case may be, within the meaning of sections 111 and 1114 of title 18, United States Code.

(d) DISPOSAL OF ABANDONED OR FORFEITED PROPERTY.—Notwithstanding any other provision of law, all fish, wildlife, plants, or any other items abandoned or forfeited to the United States under any laws administered by the Secretary of the Interior or the Secretary of Commerce relating to fish, wildlife, or plants, shall be disposed of by either Secretary in such a manner as he deems appropriate (including, but not limited to, loan, gift, sale, or destruction).

(e) DISCLAIMER.—Nothing in this section shall be construed to invalidate any law enforcement agreement or delegation made by the Secretary of the Interior or the Secretary of Commerce with respect to fish and wildlife matters prior to the date of enactment of this Act.

(f) REFUGE RECREATION ACT.—Section 4 of the Act of September 28, 1962 (76 Stat. 654, 16 U.S.C. 460k–3), is amended by adding at the end thereof the following new sentence: "The provisions of this Act and any such regulation shall be enforced by any officer or employee of the United States Fish and Wildlife Service designated by the Secretary of the Interior.".

(g) BALD EAGLE PROTECTION ACT.—The first sentence of section 3(a) of the Act of June 8, 1940 (54 Stat. 251, 16 U.S.C. 668(a)), is amended to read as follows: "The provisions of this Act and any permit or regulation prescribed under the authority of this Act shall be enforced by any officer or employee of the United States Fish and Wildlife Service designated by the Secretary of the Interior.".

(h) NATIONAL WILDLIFE REFUGE SYSTEM ADMINISTRATION ACT.—Section (4)(f) of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd(f)) is amended to read as follows: "The provisions of this Act and any regulation prescribed under the authority of this Act shall be enforced by any officer or employee of the United States Fish and Wildlife Service designated by the Secretary of the Interior. Any property, fish, bird, mammal, or other wild vertebrate or invertebrate animals or part or egg thereof seized with or without a search warrant shall be held by such person or by a United States marshal, and upon conviction, shall be forfeited to the United States and disposed of by the Secretary, in accordance with law.".

(i) BEAR RIVER MIGRATORY BIRD REFUGE.—(1) The first sentence of section 6(a) of the Act of April 23, 1928 (45 Stat. 449, 16 U.S.C. 690e), is amended to read as follows: "The provisions of this Act and any regulation prescribed under the authority of this Act shall be enforced by any officer or employee of the United States Fish and Wildlife Service designated by the Secretary of the Interior.".

(2) Section 6(b) of such Act is amended by striking at the end thereof the term "and disposed of as directed by the court having jurisdiction." and inserting in lieu thereof the term "and disposed of as directed by the Secretary of the Interior, in accordance with law."

(j) UPPER MISSISSIPPI RIVER WILD LIFE AND FISH REFUGE ACT.—The first sentence of section 8(a) of the Upper Mississippi River Wild Life and Fish Refuge Act (16 U.S.C. 727) is amended to read as follows: "The provisions of this Act and any regulation prescribed under the authority of this Act shall be enforced by any officer or employee of the United States Fish and Wildlife Service designated by the Secretary of the Interior.".

(k) FISH AND WILDLIFE ACT OF 1956.—The first two sentences of section 13(d) of the Fish and Wildlife Act of 1956 (16 U.S.C. 742j–1(d)) are amended to read as follows: "The Secretary of the Interior shall promulgate such regulations as he deems necessary and appropriate to carry out the enforcement of this section. The provisions of this section and any regulations promulgated thereunder shall be enforced by any officer or employee of the United States Fish and Wildlife Service designated by the Secretary of the Interior.".

(l) MIGRATORY BIRD TREATY ACT.—Section 5 of the Migratory Bird Treaty Act (16 U.S.C. 706) is amended to read as follows:

"SEC. 5. The provisions of this Act and any regulation prescribed under the authority of this Act shall be enforced by any officer or employee of the United States Fish and Wildlife Service designated by the Secretary of the Interior. Any judge of any court established under the laws of the United States and United States magistrates may, within their respective jurisdiction, upon proper oath or affirmation showing probable cause, issue warrants in all such cases. All birds, or parts, nests, or eggs thereof, captured, killed, taken, sold or offered for sale, bartered or offered for barter, purchased, shipped, transported, carried, imported, exported, or possessed contrary to the provisions of this Act or of any regulation prescribed thereunder shall, when found, be seized and, upon conviction of the offender or upon judgment of a court of the United States that the same were captured, killed, taken, sold or offered for sale, bartered or offered for barter, purchased, shipped, transported, carried, imported, exported, or possessed contrary to the provisions of this Act or of any regulation prescribed thereunder, shall be forfeited to the United States and disposed of by the Secretary of the Interior in such manner as he deems appropriate.".

(m) MIGRATORY BIRD HUNTING AND CONSERVATION STAMP ACT.—Section 6 of the Act of March 16, 1934 (48 Stat. 452, 16 U.S.C. 718f) is amended to read as follows:

"SEC. 6. The provisions of this Act shall be enforced by any officer or employee of the United States Fish and Wildlife Service designated by the Secretary of the Interior. Any judge of any court established under the laws of the United States, and any United States magistrate, may, within his respective jurisdiction, upon proper oath or affirmation showing probable cause, issue warrants in all cases involving violations of this Act. Any bird or part thereof taken or possessed contrary to this Act shall, when seized, be disposed of by the Secretary in accordance with law.".

(n) BLACK BASS ACT.—Section 6(a) of the Act of May 20, 1926 (46 Stat. 846, 16 U.S.C. 852d(a)), is amended by inserting immediately after "Act" in the first sentence thereof the following: ", in addition to any other authority provided by law,".

(o) TITLE 18.—(1) Section 43(c)(2) of title 18, United States Code, is amended by striking out "authority" in the first sentence and inserting in lieu thereof the following: "authority, in addition to any other authority provided by law relating to search and seizure,".

(2) Sections 3054 and 3112 of such title 18 are each amended by inserting immediately after the first reference to "customs" in the first sentence thereof the following: ", in addition to any other authority provided by law,".

(3) Section 1114 of such title 18 is amended by inserting immediately before "or of the Department of Labor" the following: ", the Department of Commerce,".

SEC. 4. FISH AND WILDLIFE ACT OF 1956.

Section 7 of the Fish and Wildlife Act of 1956 (16 U.S.C. 742f) is amended—

(1) by striking out paragraphs (4) and (5), and inserting in lieu thereof the following:

"(4) take such steps as may be required for the development, advancement, management, conservation, and protection of fish and wildlife resources including, but not limited to, research, development of existing facilities, and acquisition by purchase or exchange of land and water, or interests therein.";

(2) by inserting "and" immediately after the semicolon at the end of paragraph (3); and

(3) by adding at the end thereof the following two new subsections:

"(b)(1) In furtherance of the purposes of this Act, the Secretary of the Interior is authorized to accept any gifts, devises, or

bequests of real and personal property, or proceeds therefrom, or interests therein, for the benefit of the United States Fish and Wildlife Service, in performing its activities and services. Such acceptance may be subject to the terms of any restrictive or affirmative covenant, or condition of servitude, if such terms are deemed by the Secretary to be in accordance with law and compatible with the purpose for which acceptance is sought.

"(2) Any gifts and bequests of money and proceeds from the sales of other property received as gifts or bequests pursuant to this subsection shall be deposited in a separate account in the Treasury and shall be disbursed upon order of the Secretary for the benefit of programs administered by the United States Fish and Wildlife Service.

"(3) For the purpose of Federal income, estate, and gift taxes, property, or proceeds therefrom, or interests therein, accepted under this subsection shall be considered as a gift or bequest to the United States.

"(c)(1) The Secretary of the Interior and the Secretary of Commerce may each recruit, train, and accept, without regard to the provisions of title 5, United States Code, the services of individuals without compensation as volunteers for, or in aid of programs conducted by either Secretary through the United States Fish and Wildlife Service or the National Oceanic and Atmospheric Administration.

"(2) The Secretary of the Interior and the Secretary of Commerce are each authorized to provide for incidental expenses such as transportation, uniforms, lodging, and subsistence of such volunteers.

"(3) Except as otherwise provided in this subsection, a volunteer shall not be deemed a Federal employee and shall not be subject to the provisions of law relating to Federal employment, including those relative to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

"(4) For the purpose of the tort claim provisions of title 28 of the United States Code, a volunteer under this subsection shall be considered a Federal employee.

"(5) For the purposes of subchapter I of chapter 81 of title 5 of the United States Code, relating to compensation to Federal employees for work injuries, volunteers under this subsection shall be deemed employees of the United States within the meaning of the term 'employees' as defined in section 8101 of title 5, United States Code, and the provisions of that subchapter shall apply.

"(6) There are authorized to be appropriated to carry out this subsection $100,000 for the Secretary of the Interior and $50,000 for the Secretary of Commerce for each of the fiscal years 1978, 1979, and 1980.".

SEC. 5. MIGRATORY BIRD CONSERVATION ACT.

Section 5 of the Migratory Bird Conservation Act (16 U.S.C. 715d) is amended to read as follows:

"SEC. 5. The Secretary of the Interior may—

"(1) purchase or rent such areas or interests therein as have been approved for purchase or rental by the Commission at the price or prices fixed by the Commission; and

"(2) acquire, by gift or devise, any area or interests therein;

which he determines to be suitable for use as an inviolate sanctuary, or for any other management purpose, for migratory birds. The Secretary may pay, when deemed necessary by him and from moneys authorized to be appropriated for the purposes of this Act (A) the purchase or rental price of any such area or interest therein, and (B) the expenses incident to the location, examination, survey, and acquisition of title (including options) of any such area or interest therein. No lands acquired, held, or used by the United States for military purposes shall be subject to any provisions of this Act.".

SEC. 6. NATIONAL WILDLIFE REFUGE SYSTEM ADMINISTRATION ACT OF 1966.

Section 4(d)(1)(A) of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd(d)(1)(A)) is amended by striking out "; and" at the end thereof and inserting in lieu thereof "unless the Secretary finds that the taking of any species of migratory game birds in more than 40 percent of such area would be beneficial to the proper management of such species; and".

SEC. 7. MIGRATORY BIRD HUNTING AND CONSERVATION STAMP ACT.

Section 2 of the Migratory Bird Hunting and Conservation Stamp Act (16 U.S.C. 718b) is amended by striking out "September of each fiscal year" in the fifth sentence thereof and inserting in lieu thereof "June of each year".

SEC. 8. CRAB ORCHARD NATIONAL WILDLIFE REFUGE.

The second sentence of section 2 of the Act of August 5, 1947 (61 Stat. 770; 16 U.S.C. 666g), is amended to read as follows: "Such lands as have been or may hereafter be determined to be chiefly valuable for industrial purposes shall be leased for such purposes at such time and under such terms and conditions as the Secretary of the Interior shall prescribe. All moneys received or collected in connection with such leases shall be subject to the provisions of the Act of June 15, 1935, as amended (49 Stat. 383; 16 U.S.C. 715s).".

The SPEAKER. Is a second demanded?

Mr. FORSYTHE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from New York (Mr. MURPHY) and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes each.

Mr. MURPHY of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill H.R. 2329 represents an important step in the improvement of our fish and wildlife management by the U.S. Fish and Wildlife Service and the National Marine Fisheries Service. This legislation provides a comprehensive law enforcement approach to numerous fish and wildlife laws containing fragmented and obsolete authorities. Moreover, it clarifies and expands some of the essential responsibilities of these two Services in protecting our valuable and irreplaceable natural and wildlife resources.

The most significant purpose of this bill will is to establish in one act the requisite law enforcement authorities for all fish and wildlife laws in order to facilitate their effective and efficient administration. In the past, both Services have had to act in many instances under implied authority to rely upon ambiguous statutory authorizations in the exercise of their law enforcement responsibilities. As a result, the proper administration of fish and wildlife programs has suffered.

Among the other important provisions, this legislation establishes a national law enforcement training program for State fish and wildlife law enforcement personnel and to assist in the conduct of local and regional training programs. Moreover, specific authority is provided to the Secretary of the Interior and the Secretary of Commerce to enter into cooperative agreements with any other Federal or State agency as appropriate for effective enforcement of any Federal or State laws dealing with fish and wildlife matters.

At a time when more and more Americans are learning the pleasures of outdoor recreation in our Federal wildlife refuges and our recreational areas, it is essential that our Federal and State managers have the necessary and appropriate legal tools to protect their safety and welfare. The U.S. Fish and Wildlife Service and the National Marine Fisheries Service should not be hampered by fragmented and ambiguous laws in fulfilling their protective responsibilities.

At this point, Mr. Speaker, I would like to yield the floor to Mr. LEGGETT, the chairman of the Subcommittee on Fisheries and Wildlife Conservation and the Environment, to explain in more detail the provisions of this legislation.

Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from California (Mr. LEGGETT), the chairman of the Subcommittee on Fisheries and Wildlife Conservation and the Environment, in order to explain this legislation in more detail.

Mr. SIKES. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Speaker, I thank the gentleman for yielding, and I have asked for this time in order to ask one quick question. I know that the distinguished gentleman from New York (Mr. MURPHY) is an expert in this field and his contributions have made a great improvement in the legislation, and there are needed improvements in the legislation before us, but I am concerned that there are some who would seek to license children whose parents want to take them hunting and fishing. Is there such a proviso for licensing children in this legislation?

Mr. MURPHY of New York. Mr. Speaker, I will yield to the gentleman from California (Mr. LEGGETT) to answer that question.

Mr. LEGGETT. Mr. Speaker, I can answer that very simply and quickly, there is no such provision in this bill.

Mr. SIKES. I thank the gentleman very much.

Mr. LEGGETT. Mr. Speaker, I rise in support of H.R. 2329. As our distinguished chairman has described, the purpose of this legislation is to improve the administration of fish and wildlife programs by the Department of the Interior and the Department of Commerce.

Section 2 of H.R. 2329 amends the first section of the Fish and Wildlife Cooperative Units Act to allow the use of unit funds for the support of researchers in fish and wildlife ecology and resource management projects.

This amendment will expand the flexibility of the 25 cooperative fishery research units and the 20 wildlife units which are located at various universities throughout the United States. The units conduct cooperative research and advanced training programs related to

fisheries and wildlife resources. Each unit, staffed by two Service employees, is administered cooperatively by the Service, and by the respective State fisheries and wildlife agency and university. Universities provided in-kind services including office and laboratory space, utilities, secretarial and administrative assistance.

State agencies contribute approximately $1 million each year to their support while the Federal Government contributes approximately $55,000 per unit each year.

The law enforcement provisions of section 3 are particularly important because they clarify, consolidate and strengthen the enforcement capabilities of the U.S. Fish and Wildlife Service and the National Marine Fisheries Service. For example, although the Services already have explicit enforcement authorities pursuant to a number of wildlife statutes, for example, the Endangered Species Act of 1973, which authorizes searches without a warrant, H.R. 2329 consolidates this existing authority so that it clearly applies to all fish and wildlife programs.

Moreover, major changes in the methods and techniques of hunting migratory game birds have rendered obsolete authorities which were once effective. The modern violator is highly mobile, can easily destroy evidence or evade apprehension from Federal officers restricted by a warrant requirement. Most States have recognized the change that has taken place in hunting techniques and have provided their wildlife officers with authority to make inspections and reasonable warrantless searches. The committee strongly feels it is time the Federal Government provided its Fish and Wildlife Service special agents with similar authority for all programs. This is especially the case where Federal activity is grounded on treaty obligations, as is the situation with the entire migratory bird program, and by a recent convention, the endangered species program.

Another definitional problem has involved the authority of Federal enforcement officers to carry weapons for self-defense. Every hunter stopped in the field carries a loaded firearm. Since passage of the Migratory Bird Treaty Act, five Fish and Wildlife Service enforcement agents have been killed in the line of duty and over 200 have been assaulted. While the Federal agents have carried firearms, pursuant to implied authority, to protect themselves, statutory authority is needed to obviate problems with State and local gun control and registration requirements. Thus, H.R. 2329 establishes uniform law enforcement authority for officers or employees designated by the Secretary of the Interior or the Secretary of Commerce with enforcement of Federal fish and wildlife laws.

Specifically, section 3 includes the authority to: First, carry firearms; second, secure, execute, and serve a warrant or other process; third, search without a warrant or other process as provided by law; fourth, seize without a warrant or other process as provided by law; fifth, offer and pay rewards for services or information which may lead to the apprehension of violators of Federal fish and wildlife laws; sixth, make inquiries, and administer to or take from, any person an oath, affirmation, or affidavit on matters relevant to enforcement of Federal fish and wildlife laws; seventh, assist State and Territorial law enforcement agencies in the enforcement of State or local fish and wildlife laws and regulations; and eighth, to arrest with or without a warrant: For any offense against the United States or for any felony under the laws of the United States, not just crimes related to fish and wildlife, if the enforcement officer has reasonable grounds to believe that the person to be arrested is committing the offense in his presence or view. However, the bill limits an enforcement officer's authority to initiate or pursue any investigation of violations which are not related to fish and wildlife matters.

Let me emphasize that this authority does not go beyond the limits of existing case law and accepted law enforcement practice. The language "as provided by law" is used in the search and seizure provisions to assure that this authority will remain consistent with future judicial interpretations of constitutional safeguards.

Section 3 also establishes a comprehensive program for fish and wildlife enforcement training, research and development, and authorizes an appropriation of such funds as may be necessary. Further, the two Secretaries may require reimbursement from the States for establishing, conducting or assisting in the conduct of training of State fish and wildlife law enforcement personnel.

In this same regard, section 3(c) provides discretionary authority to the Secretary of the Interior and the Secretary of Commerce to, notwithstanding any other law, utilize by agreement, with or without reimbursement, the personnel services and facilities of any other Federal or State agency for enforcement of Federal fish and wildlife laws. Paragraphs (1), (2), (3), and (4) clarify the authorities, rights and obligations of the Federal Government, the individuals concerned and the public at large with regard to the actions of other Federal and State personnel when assisting in the enforcement of Federal fish and wildlife laws. The status of such personnel is established for the purpose of such laws as the Federal Tort Claims Act, Federal assault and murder statutes, Federal employee benefit programs and Federal statutes empowering designated employees to search, seize, arrest or exercise other Federal law enforcement functions.

The next section 3(d) authorizes the Secretary of the Interior and Secretary of Commerce to dispose of all fish, wildlife, plants or any other items abandoned or forfeited to the United States under any Federal fish, wildlife or plant laws administered by the Secretary. The language in this section permits either Secretary to destroy forfeited or abandoned fish, wildlife, plants or other items when they cannot be devoted to official uses and when the allocation or sale of such property would be contrary to law or public policy. Under this legislative authority, the Secretary could loan the forfeited or abandoned property to public or private scientific or educational institutions or to individuals in order to promote scientific knowledge and research to educate the public in the interest of conservation. The provision will also allow the Secretary to donate wholesome and edible fish, wildlife or plants to such institutions as orphanages, homes for the aged, prisons and the like. It would give the Secretary discretion to transfer forfeited or abandoned property to the General Services Administration for allocation to other Federal agencies or for public sale, when, in his view, the sale or allocation would be consistent with existing law and policy.

Sections 3(f) through 3(o) amend various statutes in order to make fish and wildlife law enforcement provisions uniform.

Section 4 amends the Fish and Wildlife Act of 1956 to clarify the Secretary of the Interior's authority as it pertains to the acquisition by purchase of land and water or interests therein for conservation and enhancement of fish and wildlife resources and to authorize the Secretary to accept any gifts, devises or bequests of real and personal property, or proceeds therefrom, or interests therein, for the benefit of the U.S. Fish and Wildlife Service, its activities and services. Further, it stipulates that any gifts and bequests of money and proceeds from the sales of other property received as gifts or bequests shall be deposited in the Treasury and distributed upon order of the Secretary of the Interior.

Moreover, new subsection 7(c)(1) authorizes both the Secretary of the Interior and the Secretary of Commerce to recruit, train and accept without regard to the civil service classification laws, rules, or regulations the services of individuals without compensation as volunteers for or in aid of programs conducted by either Secretary through the U.S. Fish and Wildlife Service or the National Marine Fisheries Service.

In so doing, either Secretary may provide for incidental expenses such as transportation, uniforms, lodging, and subsistence for such volunteers.

Volunteers are exempt from the provisions of law relating to Federal employment including those relative to hours of work, rates of compensation, leave, unemployment compensation and Federal employee benefits; but are covered by the tort claim provisions and workers compensation. There is authorized for appropriation for this section $100,000 to the Secretary of the Interior and $50,000 to the Secretary of Commerce for each of the fiscal years 1978, 1979, and 1980.

I would note that the National Park Service obtained such authority to accept volunteer and uncompensated services and pay for certain incidental expenses associated therewith by enactment of the Volunteers in the National Park Act of 1969, Public Law 91-357 (84 Stat. 471). Incidental authority was also provided to the Secretary of Agriculture by the Volunteers in the National Forest Act of 1972, Public Law 92-300 (86 Stat. 147).

Section 5 amends the Migratory Bird Conservation Act to clearly allow the

Secretary of the Interior to acquire by gift or devise an interest in lands or water for migratory birds. The existing law is not clear on this point. The committee recognized that there may be situations where migratory bird habitat may be protected by easement or other partial interest in land at little or no cost to the Federal Government if the owner may continue to hunt. This amendment would permit the acquisition of those rights when protection of the habitat is essential. Easements or other partial interests in lands of this nature would probably have most application on hunting clubs and large estates that are now maintaining habitat at private expense, but are under continuous pressure for conversion away from wildlife habitat. This could prevent future conversion of habitat for real estate development. A second amendment to the Migratory Bird Act would also allow acquisition for other management purposes as well as for an inviolate sanctuary.

Section 6 of H.R. 2329 amends the National Wildlife Refuge System Administration Act of 1966 to allow the Secretary to open all or any portion of an inviolate sanctuary to the taking of migratory birds if he finds that such taking would be beneficial to the species.

The committee recognizes that there are a number of situations where proper management of migratory bird populations requires maximum flexibility to manipulate the various management tools available. The mandatory 60 percent closure, as presently required under provision of the National Wildlife Refuge System Administration Act, is not always conducive to achieving this flexibility. The potential for large scale waterfowl mortality from communicable diseases such as Dutch duck plague—DVE—or other environmental catastrophies could be diminished by effectively reducing, when necessary, dense concentrations of waterfowl through control of hunting pressure. Hazing and other techniques are not always effective in reducing such concentrations. Manipulation of hunting pressure could also be used to prevent large concentrations from forming which often occurs when the sanctuary is provided and other necessary requirements, such as food and open water, are present. Undesirable delays of traditional migration flows—shortstopping—could also be reduced by flexibility to open or close all or a portion of a refuge to migratory bird hunting. For these reasons, the committee believes the Secretary should have the flexibility to open a refuge by more than 40 percent to the taking of migratory birds upon a finding that such taking would be beneficial to the species.

Section 7 amends section 2 of the Migratory Bird Hunting and Conservation Stamp Act, to maintain a July 1 through June 30 year as the valid dates of the stamp and to provide for a June 30 date of redemption of the stamp by the Postal Service. With change in the Federal fiscal year to begin October 1, brought about by enactment of Public Law 93-344, Congressional Budget and Impoundment Control Act of 1974, reference in the Migratory Bird Hunting and Conservation Stamp Act to the stamp being valid "only during the fiscal year for which issued" required an appropriate amendment.

Finally, section 8 was adopted to allow the U.S. Fish and Wildlife Service to use the receipts from the leases on the Crab Orchard National Wildlife Refuge to defray administrative costs and pass on the remaining amount to the committee.

The bill H.R. 2329 is important to insure effective management of our wildlife and fisheries resources. I would urge the House to act upon this bill favorably.

Mr. ROBERTS. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Texas.

Mr. ROBERTS. I thank the gentleman for yielding.

I am a little concerned about some of the sections here. Does the gentleman propose that these volunteers are going to be able to search without a warrant or any other process any person, place, or conveyance? These are volunteers.

Mr. LEGGETT. This is an omnibus bill and provides for training of personnel, in general. It provides for the acceptance of gifts; it also provides for enforcement. In addition, it provides for acceptance of volunteers. However, these are not volunteer law enforcement personnel. Under no circumstances will volunteers be aiding and abetting in any of the enforcement activities included in this section.

Mr. ROBERTS. Under what provision does the gentleman think one would be allowed to search a place without a warrant? The FBI cannot do that.

Mr. LEGGETT. This does not expand at all the existing law on search and seizure. This provides for exactly the same authority that is provided under existing law today. This was taken as boilerplate language out of existing authorities for other Federal agencies. There are some situations where, for example, in hot pursuit the Supreme Court has interpreted the law to mean that one can in fact search without a warrant.

I might state that at the bottom of page 2, under paragraph (C) of section 3 (a) (1), these officers are authorized to "Search without warrant or other process any person, place, or conveyance as provided by law."

This is not an expansive bill at all. It merely restates existing law in that regard. Be assured that my concern is for civil rights and the rights of hunters and other people, as much as the gentleman's concern.

I might further point out that this law does not expand the existing law one iota but merely gives the same authority to the fish and wildlife enforcement officers as other Federal law enforcement personnel have.

Mr. ROBERTS. Frankly, Mr. Speaker, this bill scares me very much.

Mr. LEGGETT. I can appreciate the gentleman's concern. I think we are all concerned that perhaps anybody out hunting might be able to be picked up and have his car ravaged by law enforcement personnel. We have limitations against that. The bill requires the arresting officer to have reasonable grounds to believe that a felony has been committed or is being committed.

Mr. RONCALIO. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT I yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Speaker, I thank the gentleman for yielding.

I notice the bill is reported out of the Committee on Merchant Marine and Fisheries. Has there been any input from the Committee on the Interior on this and the preparation of this?

Mr. LEGGETT. This was exclusively under the jurisdiction of our committee. It was not referred to the Interior Committee last year nor was it referred to that committee this time. The bill was passed out of the committee unanimously, it was passed out of the subcommittee unanimously, and last year it was passed on the floor unanimously. There has been no effort that I am aware of by the Interior Committee to have this bill sequentially referred to it.

Mr. RONCALIO. I thank the gentleman.

I read the bill and I believe the bill states nothing which would change the existing and ongoing regulations as far as the Elk Ridge Reservation in the Rocky Mountains. Is that correct?

Mr. LEGGETT. I believe that is correct.

Mr. FORSYTHE. Mr. Speaker, I urge that H.R. 2329 be approved. For too long, officers of the Fish and Wildlife Service and the National Oceanographic and Atmospheric Administration have labored under a severe handicap caused by the fact that the numerous laws they enforce frequently contain conflicting and inconsistent enforcement authorities.

For example, the Bald Eagle—our national emblem—is protected by the Bald Eagle Act, the Endangered Species Act, the Migratory Bird Treaty Act, and the Air Borne Hunting Act. Unfortunately the enforcement authority is different in three of these four laws. If the evidence is adequate to show violations under each statute, the Fish and Wildlife Service simply chooses the statute with the strongest enforcement authorization. However, the penalty provisions of the statute, which the Service might be forced to choose to overcome an authority problem, may not be appropriate to the case. If, as sometimes occurs, the evidence is stronger in one area and weaker in another, the Service may be forced to prosecute under a statute with a weaker penalty provision.

For instance, if a warrantless search was involved and the Fish and Wildlife Service is forced to rely on the Migratory Bird Treaty Act, the problem is apparent since, according to the 10th Circuit Court, warrantless searches are not allowed under this act. No matter how the case turns out, however, it is clear that the Fish and Wildlife Service enforcement program could be restricted, and there is no reason to continue this legal game of chance. By making the Fish and Wildlife Service enforcement authority uniform and complete, H.R. 2329 remedies this problem.

H.R. 2329 will also save the taxpayers many thousands of dollars. As a result of their enforcement activities, the Fish and Wildlife Service and the National Oceanic and Atmospheric Administra-

tion have accumulated almost $3 million of forfeited property. However, neither agency has adequate statutory authority to dispose of this material and thus each agency continues to store the property at an unnecessary cost to the taxpayer. H.R. 2329 would give the agency the necessary authority to dispose of these forfeited items.

Furthermore, since the enactment of the Fish and Wildlife Act of 1956, the Fish and Wildlife Service has felt it needed more specific authority to accept gifts of property or partial interests therein for the benefit of the service. Under current law, land acquisition authority is limited to the purchase of refuge land. Rising land costs and increased public pressures to provide wildlife habitat for current and future public enjoyment necessitates alternative methods of acquiring land. This bill would provide the Fish and Wildlife Service the authority to acquire easements, and any other less than fee interest. H.R. 2329 will, therefore, save the taxpayer's dollar by ensuring that valuable wildlife habitat can be protected without the expenditure of large amounts of money for land acquisition.

Finally, H.R. 2329 authorizes both agencies to utilize the services of volunteers. In the case of the Fish and Wildlife Service, it is anticipated that up to 1,000 volunteers would be recruited to assist the service in many areas, including projects to overcome the unconscionable backlog of maintenance work which must be done in the National Wildlife Refuge System. President Ford's bicentennial land heritage program recognized the need to overcome this backlog and H.R. 2329 represents an important first step.

Mr. Speaker, H.R. 2329 will assist the Fish and Wildlife Service and the National Oceanic and Atmospheric Administration to meet their existing responsibilities and I urge its adoption.

Mr. Speaker, I yield such time as he may consume to my ranking minority member on the full committee, the gentleman from Michigan (Mr. RUPPE).

Mr. RUPPE. Mr. Speaker, I thank the gentleman for yielding.

I rise in support of H.R. 2329, which provides necessary enforcement authority for officers of the Fish and Wildlife Service and the National Oceanic and Atmospheric Administration who are charged with enforcing the wildlife laws of this Nation. This legislation is virtually identical to H.R. 5523, which passed under suspension of the rules during the second session of the 94th Congress by a vote of 369 to 0, with 1 Member voting "present." That bill was supported by the Ford administration and the current bill is supported by the new administration.

For too long, the officers of those agencies have been hampered by the lack of adequate enforcement authority. For example, because the Migratory Bird Treaty Act specifically authorizes searches only with a warrant, there are appellate court decisions reversing lower court convictions where the evidence that led to the conviction of the violator of that statute was obtained without a warrant. To remedy this weakness in our enforcement program, H.R. 2329 would authorize searches without a warrant as provided by law. It should be noted that this authority is identical to the enforcement authority of other Federal enforcement agents, including U.S. marshals, Secret Service agents, Customs officials, and FBI agents.

H.R. 2329 also represents a benefit to the taxpayers. Section 3(d) authorizes the Secretary of the Interior and the Secretary of Commerce to dispose of all fish, wildlife, and plants abandoned or forfeited to the United States. At the present time, the Government is storing, at an unnecessary cost to the taxpayers, almost $3 million in forfeited property. The bill before us today will permit this property to be disposed of for scientific and educational purposes.

H.R. 2329 would permit the Secretaries of Commerce and the Interior to recruit, train, and accept the services of volunteers. In the case of the Fish and Wildlife Service, it is anticipated that up to 1,000 volunteers would be recruited to assist the Service in many areas, including projects to overcome the tremendous backlog of maintenance work which must be done in the National Wildlife Refuge System. The National Park Service has successfully utilized the services of volunteers for many years and I believe we should expand and encourage the use of volunteers in other agencies.

The bill before us today furthermore has important ramifications for wildlife management. H.R. 2329 amends the National Wildlife Refuge System Administration Act to permit the taking of migratory birds. As currently written, the law requires that 60 percent of such sanctuaries be set aside as inviolate. In recent years, the Fish and Wildlife Service has found that its flexibility to manage these areas, particularly to control the conservation of birds and the movement of birds in their migration pattern, has been inhibited by the requirement that 60 percent of the area remain closed.

Finally, this legislation clarifies the authority of the Secretary of the Interior to acquire lands for the National Wildlife Refuge System and for the protection of migratory waterfowl. Existing statutes have been interpreted as restricting the Secretary's acquisition authority to renting or purchasing lands in fee simple. H.R. 2329 specifically permits the Secretary to acquire the use of property by easement, by gift, and by exchange. With these changes, the Secretary will be better able, with his limited resources, to meet our national goals of wildlife conservation and management.

Mr. Speaker, in short H.R. 2329 will assist the Secretary of the Interior and the Secretary of Commerce to meet their existing responsibilities, and I urge its adoption.

Mr. DON H. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. RUPPE. Mr. Speaker, I yield to the gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Speaker, I rise in support of H.R. 2329, a bill to consolidate enforcement authority for officers of the Department of the Interior's Fish and Wildlife Service and the Department of Commerce's National Marine Fisheries Service.

The bill which passed the House last year without opposition has significant ramifications for those charged with enforcing our wildlife laws and will lead to better management of these resources.

Concern has been expressed to me regarding section 3 of the bill which authorizes Federal enforcement officers to conduct warrantless searches and seizures. The concern is that this authority will lead to unreasonable search and seiure actions in violation of our constitutional rights.

My distinguished friend and colleague from Michigan (Mr. RUPPE) has addressed this question. However, I would like to reemphasize that this bill simply consolidates existing authority under one uniform statute.

Explicit authority is currently contained in the Endangered Species Act of 1973, the Bald Eagle Act, and the Airborne Hunting Act. In other programs, the authority is undefined and officers have acted under implied authority. This situation has created legal difficulties and has crippled officers' efforts to enforce protection of valuable species.

H.R. 2329 will remove this uncertainty and provide for a comprehensive and uniform law enforcement authority for both Services.

I urge my colleagues to support the legislation.

Mr. FORSYTHE. The Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I do not know what the rush for this legislation is. The gentleman from Maryland was unable to attend the full committee meeting of the Committee on Merchant Marine and Fisheries last week because he was at the full Committee on the Interior when Secretary Andres was testifying. I was notified the bill was being brought up by unanimous consent and could not return in order to object.

Mr. Speaker, I think the bill should have gone through the complete subcommittee hearings, with new hearings this year. I believe we should fully explore the questions a lot of us have on our minds, not about the sections of the bill that are obviously noncontroversial, but about the so-called codification of the powers of Federal agents to arrest and search without a warrant in the enforcement of the fish and wildlife laws.

Mr. Speaker, it has been my experience that this particular area of the Federal criminal law is one of the few areas where an accused is presumed guilty until he proves himself innocent. There are too many instances where people have not, in fact, had their rights protected and convictions for game violations have been imposed with very stiff fines and criminal sentences, sometimes on the basis of questionable evidence. Certainly I do not condone any breaking of the law. The laws should be enforced, but in this bill we are giving rights to Federal Fish and Wildlife agents that we certainly would not give to the FBI, I am

sure, to search and seize without warrants. While such agents can already arrest and search when they have due cause to believe a violation has been committed, this extension of power is questionable. The bill also sets up a paid informer system, which a great many in this House have objected to in connection with other criminal laws. I think this bill goes too far and should have had a proper hearing and a written report. For that reason, Mr. Speaker, I oppose it today, under the suspension procedure.

Mr. FORSYTHE. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Nebraska (Mrs. SMITH).

Mrs. SMITH of Nebraska. Mr. Speaker, I oppose this bill because it, in fact, removes important safeguards on the Government's authority to acquire lands. Whenever the Government decides to condemn lands, some landowners who would rather not sell their land are going to be harmed. The public benefits, whether they be wildlife protection or some new building or transportation system, are not an ample compensation to the landowner who forfeits the land or water rights his family has held for generations. No amount of money is commensurate with the value of private land in the eyes of the owner who would prefer not to sell.

Realizing the sanctity of private land holdings, Congress provided safeguards against arbitrary Government use of its land acquisition powers. For instance, section 7 of the Migratory Bird Conservation Act provides that no land may be acquired without first receiving consent from the State where the lands are located. Similarly, the Migratory Bird Conservation Act of 1966 and the Fish and Wildlife Act of 1956 only provide for purchase or rent of land titles, not of partial interests. This puts an important financial limitation on the amount of land that can be taken from private owners. The Congress wisely realized in 1956 and 1966 that budgetary constraints would prevent the Federal Government from extending its controls over wide sectors of private land. Thus, Congress did not provide easement authority when these bills passed.

In my district there is an ideal example of this principle: the proposed Platte River National Wildlife Refuge. The Fish and Wildlife Service in conjunction with the Migratory Bird Conservation Commission have targeted around 90,000 acres of prime agricultural land along the Platte River for preservation. This land has been identified as habitat for the sandhill crane which migrates through this area twice a year. Even more startling is the Fish and Wildlife Service's admission that they would demand some controls upon Platte River stream flows once they have established themselves as riparian landowners.

Thus, the Federal Government intends to force some form of regulation upon the river which irrigates one of the most fertile agricultural valleys in our Nation. Congress intended to avoid this form of Federal intrusion by forcing the Government to completely purchase any lands that it wished to preserve. Obviously in this case, the Government would have a hard time convincing Congress to provide money to purchase title to 90,000 acres of prime bottom land to preserve habitat for birds who occupy the area for a few weeks every year. But H.R. 2329 intends to remove this precaution against wholesale Government interference with private land rights.

In addition to the flaws in H.R. 2329 which I have already noted, it would inordinately expand the law enforcement authority of the Fish and Wildlife Service. For instance, Federal officers enforcing fish and wildlife laws would be able to conduct searches and seizures without warrants. The fourth amendment of the Constitution specifically protects "the right of the people to be secure in their persons, houses, papers and effects, against unreasonable searches and seizures." Congress must not presume to dilute this strong constitutional protection by allowing warrantless searches in the name of wildlife preservation or any other worthy cause.

The legislation would also empower Fish and Wildlife Service officers to carry firearms, serve warrants, pay rewards for information leading to arrests, and administer oaths in enforcement procedures. All of these added powers are simply not necessary. The Fish and Wildlife Service has working agreements with State enforcement agencies which have adequately protected wildlife for years. Since the State enforcement agencies have successfully demonstrated their ability to enforce fish and game laws, there is no need to authorize the added expense of duplicating these efforts with Federal officials.

H.R. 2329 is not the simple, noncontroversial bill which is supposed to appear when the rules have been suspended and amendments are not in order. I urge my colleagues to reject this measure and force it to come to the floor with a rule allowing amendments to delete some of its questionable provisions.

Mr. FORSYTHE. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I oppose this bill. What is the big hurry? Why is this far-reaching proposal being swept through the House like there were a clear and present danger?

This proposal has unwarranted overkill in its warrantless searches, its high-handed authoritarian concepts and disregard of simple due process. Why assume hunters and fishermen are guilty before the fact?

The liberals who promote these schemes would cry bloody murder if the CIA or FBI would use the same prerogatives this legislation gives to Federal officers patrolling our woods and streams. I think provisions which promote wildlife, fish and orderly seasons for hunting and fishing are appropriate but we do not need this camel's nose under the tent which we have before us today.

Mr. FORSYTHE. Mr. Speaker, I yield such time as he may consume to the gentleman from Kentucky (Mr. CARTER).

Mr. CARTER. Mr. Speaker, this bill presents some serious problems to the American public, as I see it, in that a Federal officer can make an arrest and search without a warrant. Of course, the fourth amendment of the Constitution, as I read it, says that warrants shall not issue except on probable cause.

Mr. Speaker, it is my feeling that this is somewhat similar to the "no-knock" law which passed this House some years ago by a large majority and a year or so later was repealed by the same large majority when it was found that it was an iniquitous and unfair law. I doubt if this is really consistent with the fourth amendment of the Constitution of the United States.

Mr. Speaker, I ask my good friend, the gentleman from California (Mr. LEGGETT) if the gentleman can enlighten me on that subject?

Mr. LEGGETT. Mr. Speaker, if the gentleman will yield, I appreciate the query of the gentleman from Kentucky on the matter.

Certainly this should be cleared up. As in the last session when the same bill came up and some of the same arguments were made, we specifically set out that when we state that they can seize without a warrant or other process any evidentiary item, we added to that, "As provided by law."

In every single section where these rights occur, under section (c), search without a warrant, any person, place or conveyance, "as provided by law."

The "as provided by law" incorporates the exact provisions of the Constitution which the gentleman has called to our attention. That is why we put it in there in that manner. Obviously, whatever we do is subject to the Constitution.

Mr. CARTER. I would like for the gentleman to tell me where in the code a peace officer or Federal officer can arrest and search a man without a warrant. Would the gentleman give me that section please?

Mr. LEGGETT. We have a general provision for warrantless searches in the existing law with respect to the enforcement of endangered species, 16 United States Code 1540(e); 16 United States Code 668(b), subparagraph (a); 16 United States Code 742, and in other places.

Mr. CARTER. I would ask the distinguished gentleman if he would give the same rights to the Federal Bureau of Investigation as he gives to these Federal officers.

Mr. LEGGETT. I did not cite that authority, but as a practical matter the authority that the FBI has today is the granddaddy authority for all of this legislation.

Mr. CARTER. We frequently hear that it goes too far, and yet we are extending that to another group of officials and it is my fear that it may be seriously abused and may wreak havoc upon the public.

Mr. LEGGETT. As the gentleman knows, national columnists have taken on the Director of the Fish and Wildlife Service for not having adequate enforcement personnel for enforcing the fish and wildlife measures of the United States, and so what we are doing here is carrying out a policy which appears to have strong support among the general

public. If we are going to pass the laws, let us go ahead and enforce them, and if we are going to enforce the law, let us enforce the fish and wildlife laws as strictly as we do the other laws on the books.

Mr. CARTER. I thank the distinguished gentleman for what he has said. As it happens, Mr. Speaker, I have been a hunter for practically all of my life, and I am a practicing environmentalist. I support the basic concepts of this legislation, but I just do not believe that arrest and search without warrant is consistent with the fourth amendment of the Constitution.

Mr. LEGGETT. I might state in further reply to the gentleman that the States today are, as a practical matter, the prime enforcers of the fish and game laws that we have. They are exercising authority under the Constitution, virtually exactly as the FBI and the other agencies do, although hopefully they are not abusing it. The authority here is merely to conform the authority for a Federal agency to the authority most States have given the State enforcement agencies, and have been given to the Federal enforcement agencies.

Mr. CARTER. I thank the distinguished gentleman, but it still comes back to my ears that warrants shall not issue except on probable cause.

Mr. LEGGETT. But there are exceptions to that, and the Supreme Court has allowed certain exceptions. I am a hunter also, and believe me, the gentleman from Kentucky is concerned about the rights of hunters and so am I, but we are not changing the Constitution in that regard.

Mr. CARTER. I believe this is the first occasion. I thank the distinguished gentleman.

Mr. MURPHY of New York. Mr. Speaker, I yield 1 minute to the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO. Mr. Speaker, I was very interested in the dialog between the gentleman from Kentucky and the chairman of the subcommittee. In Wyoming, a great hunting State, we had an example many years ago which fell into the gray area of this constitutional question.

In our example, the late, great Judge Ilsley of Newcastle, Wyo., was driving through an antelope checkpoint on a highway in the Newcastle area. He did not have his pickup truck and did not have a gun, for he was going from one county courthouse to another 70 miles away. An overly ambitious game warden stopped his car and said, "Let me look in your trunk."

The judge said, "Do you have a warrant?"

The warden said, "No. I do not need one. This is hunting season."

The judge said, "Young man, if you restrain my liberties here today, you may be before a court of law tomorrow."

Finally, the warden understood. He said, "Yes. I guess you can drive on without my searching your car."

So there will be always a gray area.

If one is in a hunting vehicle, has weapons, and the warden asks to look through the car, I believe he has a right to do that without a warrant—on another subject.

I hope those officials administering the Fish and Wildlife Act and the Migratory Bird Act will restore the fishery at Saratoga, Wyo., and will move to bring about a better stocking of the streams in Wyoming.

Some of my reservations about this bill have been removed with the support of my good friend, the gentleman from Michigan (Mr. RUPPE).

Mr. MURPHY of New York. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Speaker, first let me extend my appreciation to my colleague, the gentleman from New York (Mr. MURPHY), for the work that his committee has done, and to indicate my trepidation, really, in getting up to voice my reservations about this legislation in light of the work they have done.

Mr. Speaker, I have two basic problems with the bill before us. One, there is no report. I must say that as a new Member, I do not have the background that other Members may have about this legislation, which, apparently, was adopted by the House last year, nor do I have access to the report which was filed last year.

It seems to me that we should have a full report before us.

Second, I am not concerned about the rights of hunters as hunters, but I am concerned about the rights of American citizens as American citizens. I am concerned about the potential violation of the fourth amendment provision of the Constitution in those provisions of this bill which authorize search and seizure without a warrant.

Mr. Speaker, it seems to me that the better part of wisdom would be to lay this bill aside or to recommit it until we have had a full report that all of us could study, to see what the facts are as to the ramifications of this legislation.

Until such time, I really have no alternative except not to vote for this legislation.

Mr. MURPHY of New York. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I rise to engage in colloquy with the gentleman from California (Mr. LEGGETT).

This question with respect to search and seizure also concerns me. This concern has been expressed by my distinguished colleague, the gentleman from Kentucky (Mr. CARTER) and others.

For example, if a paid informer should state to a Federal or State officer that a certain person had more than the limit of fish which he was entitled to catch, or had killed a doe in violation of the law, and that it was in his residence, under this law would the officer or agent have the right to go in and search that party's house merely on that information?

Mr. LEGGETT. If the gentleman will yield, if he obtains a warrant, certainly, on the basis of that information, he would have plenty of time in which to get a warrant based on the information that he has.

There is no indication of emergency in the situation presented by the gentleman, and under the law as I understand it, that would not justify a warrantless search.

The legislation under consideration today does not extend or broaden the existing case law on this subject. We are in an area, as has been indicated, which is somewhat gray, but from the situation presented by the gentleman, that would be an area where one could not have a warrantless search.

This law does not extend that at all.

Mr. ALLEN. Mr. Speaker, will the gentleman answer one further question for me?

Mr. LEGGETT. Surely.

Mr. ALLEN. Mr. Speaker, let us suppose that a game warden was informed by someone in the woods or along a stream that a certain person was carrying in the trunk of his car certain proscribed game. Would he have the legal right under this law to stop the car and search it merely on the information that he had received from a fellow hunter or fisherman?

Mr. LEGGETT. Mr. Speaker, if the gentleman will yield, there is a long line of cases on that very subject matter that the gentleman postulates. We do not provide additional authority under this legislation that would change that case law. We just do not get into that, and this law does not affect that situation.

I do not want to make a statement here that is wrong. We are all very much concerned as to exactly at what point Federal officers or State officers—they would most likely be State officers—can go into a trunk of a car or in which situations they may do that. We know very well there are some places where they can and there are other places where they cannot. This legislation does not expand that general case law in any respect whatsoever.

Mr. ALLEN. Mr. Speaker, I have one further question.

In the case of the power that would be granted to the Federal Government to expand wildlife preserves, what is required of the Federal agency before it can go in and condemn land and include it in a national park or in a national preserve?

Mr. LEGGETT. Mr. Speaker, will the gentleman yield?

Mr. ALLEN. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Speaker, counsel advises that the procedures spelled out in this legislation do not affect condemnation authority at all.

Mr. ALLEN. They would still have to proceed under the present condemnation law?

Mr. LEGGETT. Yes, they would still be required to proceed under whatever law is now in effect.

Mr. MURPHY of New York. Mr. Speaker, I yield 1 minute to the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Speaker, I wish to engage the chairman of the subcommittee in a colloquy.

Referring to page 3 of the bill, toward the bottom, in line 17, it says: "Make an arrest with or without a warrant," et cetera.

Is it my understanding that this language does not change the existing case

law or the existing statutory law under which we are currently operating in the Federal system?

Mr. LEGGETT. Mr. Speaker, if the gentleman will yield, that is true. This allows for arrest by these particular authorities with or without a warrant for any offense that is being committed within their presence or view if such authorities have reasonable grounds to believe an offense is being committed.

Mr. SKELTON. And that is the existing law today?

Mr. LEGGETT. That is the existing law today for certain other Federal officers.

Mr. SKELTON. When it comes to a felony, they may arrest when they have reasonable grounds to believe a felony has been committed outside their presence?

Mr. LEGGETT. Yes; that is exactly what is stated:

For any felony under the laws of the United States if such officer or employee has reasonable grounds to believe that the person to be arrested has committed or is committing such felony.

Mr. SKELTON. So I am safe in assuming that this is not an extension of the search and seizure law in any manner whatsoever other than what we have in existence today?

Mr. LEGGETT. The gentleman is exactly correct. Under no circumstance would I support any legislation that would expand the search and seizure law of the United States. We are merely giving the same authority of enforcement to these Federal officers that certain other officers of the United States have today.

Mr. SKELTON. Mr. Speaker, I thank the gentleman very much.

Mr. FORSYTHE. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky (Mr. CARTER).

Mr. CARTER. Mr. Speaker, I thank the distinguished gentleman for yielding me this time.

At this time, Mr. Speaker, I wish to read for the elucidation of the Members of the House the fourth amendment of the Constitution:

The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

Now, Mr. Speaker, it seems to me that we are going beyond or we are contravening this amendment at the present time. This amendment was placed in the Constitution because of the unlawful search and seizure by British soldiers before the Revolutionary War. I think this amendment is very necessary for the protection of all people throughout our country.

Therefore, Mr. Speaker, I certainly oppose the portion of this legislation which permits arrests and searches without a warrant.

Mr. ALEXANDER. Mr. Speaker, I rise in support of H.R. 2329, legislation that will provide a uniform, comprehensive authority for enforcement of our Federal fish and wildlife laws.

Federal fish and wildlife programs are administered by the U.S. Fish and Wildlife Service in the Department of Interior and by the National Marine Fisheries Service in the Department of Commerce.

In the past, both Services have been charged with the responsibility for implementing numerous fish and wildlife laws accompanied by enforcement authority, which at best, has been fragmented. Officers of these Services have theretofore acted under "implied" authority for their enforcement actions.

This bill gives clear authority to law enforcement officers or employees to carry firearms and search, seize, and arrest without a warrant.

This bill also gives these services specific authority to establish and conduct national training programs or to utilize by cooperative agreements the enforcement assistance of other Federal agencies or State agencies. The lack of such training programs has hindered both Services in the recruitment of well qualified enforcement personnel.

This legislation also clarifies provisions of the Migratory Bird Conservation Act, the National Wildlife Refuge System Administration Act, and the Fish and Wildlife Act of 1956 regarding authority for disposal of forfeited and abandoned items, the acceptance of partial interests in land and water, and the management of sanctuaries.

This bill is vital to insure the effective management of our wildlife and fisheries resources. As the representative of a State that is rich in these natural resources, I urge adoption of this bill that will help to enhance the legacy we will leave for future generations.

Mr. FORSYTHE. Mr. Speaker, I have no further requests for time.

Mr. MURPHY of New York. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from New York (Mr. MURPHY) that the House suspend the rules and pass the bill H.R. 2329, as amended.

The question was taken.

Mr. FREY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 206, nays 136, answered "present" 1, not voting 88, as follows:

[Roll No 31]

YEAS—206

Alexander	Bolling	Burke, Fla.
Ammerman	Bonior	Burke, Mass.
Anderson, Ill.	Bonker	Byron
Annunzio	Bowen	Carney
Ashley	Brademas	Cederberg
Aspin	Breaux	Chappell
AuCoin	Breckinridge	Clausen,
Bafalis	Brodhead	Don H.
Baldus	Broomfield	Cochran
Beard, R.I.	Brown, Calif.	Cohen
Beard, Tenn.	Brown, Mich.	Coleman
Bingham	Broyhill	Collins, Ill.
Blanchard	Buchanan	Conte
Boggs	Burgener	Conyers
Corcoran	Hughes	Patterson
Corman	Hyde	Pattison
Cornell	Jacobs	Pepper
Cornwell	Johnson, Calif.	Perkins
Cotter	Jones, N.C.	Preyer
Coughlin	Jones, Tenn.	Price
D'Amours	Kasten	Pritchard
Danielson	Kastenmeier	Railsback
Davis	Kelly	Regula
Delaney	Ketchum	Reuss
Dent	Keys	Rinaldo
Derrick	Lagomarsino	Rodino
Derwinski	Lederer	Rogers
Dicks	Leggett	Roncalio
Dingell	Lehman	Rooney
Downey	Lent	Rose
Duncan, Oreg.	Lloyd, Calif.	Rostenkowski
Early	Long, La.	Ruppe
Edgar	Long, Md.	Russo
Eilberg	Lott	Santini
Emery	Lujan	Schroeder
Ertel	Luken	Sharp
Evans, Colo.	Lundine	Shipley
Evans, Ind.	McClory	Shuster
Fascell	McCloskey	Sikes
Fenwick	McCormack	Simon
Fish	McDade	Sisk
Fisher	McFall	Skubitz
Fithian	McKay	Slack
Flippo	McKinney	Stanton
Flood	Madigan	Steiger
Flowers	Marks	Stockman
Forsythe	Marlenee	Stokes
Fraser	Mazzoli	Stratton
Frey	Meeds	Studds
Fuqua	Metcalfe	Traxler
Gaydos	Meyner	Trible
Gibbons	Michel	Tsongas
Gilman	Miller, Calif.	Udall
Ginn	Mitchell, Md.	Van Deerlin
Goldwater	Mitchell, N.Y.	Vander Jagt
Gore	Moakley	Vanik
Gradison	Montgomery	Vento
Gudger	Moore	Walgren
Guyer	Murphy, Ill.	Walsh
Hamilton	Murphy, N.Y.	Whalen
Hanley	Murphy, Pa.	Whitley
Hannaford	Murtha	Wilson, Bob
Harris	Myers, Gary	Wilson, C. H.
Harsha	Natcher	Wirth
Hefner	Neal	Wolff
Horton	Nedzi	Wright
Howard	Oberstar	Wylie
Hubbard	Obey	Yatron
Huckaby	Patten	Zablocki

NAYS—136

Abdnor	Grassley	Pike
Allen	Hagedorn	Poage
Andrews, N. Dak.	Hall	Pressler
Archer	Hammer-schmidt	Quayle
Armstrong	Hansen	Quie
Ashbrook	Harkin	Quillen
Barnard	Harrington	Rangel
Baucus	Heftel	Risenhoover
Bauman	Hightower	Roberts
Bellenson	Holt	Robinson
Benjamin	Holtzman	Rosenthal
Bennett	Ichord	Rousselot
Bevill	Jeffords	Roybal
Blouin	Jones, Okla.	Rudd
Brinkley	Jordan	Runnels
Brooks	Kemp	Ryan
Brown, Ohio	Kildee	Satterfield
Burton, Phillip	Kindness	Schulze
Butler	Kostmayer	Sebelius
Caputo	Krebs	Seiberling
Carr	Krueger	Skelton
Carter	LaFalce	Smith, Iowa
Cavanaugh	Latta	Smith, Nebr.
Clawson, Del	Leach	Snyder
Clay	Levitas	Solarz
Collins, Tex.	Lloyd, Tenn.	Spence
Conable	McDonald	Staggers
Crane	McEwen	Symms
Daniel, Dan	McHugh	Taylor
Daniel, R. W.	Maguire	Thompson
Dellums	Mahon	Thone
Devine	Marriott	Treen
Dickinson	Martin	Waggonner
Dornan	Mathis	Wampler
Duncan, Tenn.	Mattox	Watkins
Edwards, Ala.	Milford	Weaver
Edwards, Calif.	Miller, Ohio	Weiss
Edwards, Okla.	Mineta	White
English	Moorhead, Calif.	Whitehurst
Evans, Ga.	Myers, Ind.	Whitten
Findley	Nichols	Winn
Flynt	Ottinger	Yates
Foley	Panetta	Young, Alaska
Fountain	Pease	Young, Mo.
Gephardt	Pickle	Young, Tex.
Goodling		

ANSWERED "PRESENT"—1

Bedell

NOT VOTING—88

Addabbo	Giaimo	O'Brien
Akaka	Glickman	Pettis
Ambro	Gonzalez	Pursell
Anderson, Calif.	Hawkins	Rahall
	Heckler	Rhodes
Andrews, N.C.	Hillis	Richmond
Applegate	Holland	Roe
Badham	Hollenbeck	St Germain
Badillo	Ireland	Sarasin
Biaggi	Jenkins	Sawyer
Boland	Jenrette	Scheuer
Burke, Calif.	Johnson, Colo.	Spellman
Burleson, Tex.	Kazen	Stark
Burlison, Mo.	Koch	Steed
Burton, John	Le Fante	Steers
Chisholm	Mann	Stump
Cleveland	Markey	Teague
de la Garza	Mikulski	Thornton
Diggs	Mikva	Tonry
Dodd	Minish	Tucker
Drinan	Moffett	Ullman
Eckhardt	Mollohan	Volkmer
Erlenborn	Moorhead, Pa.	Walker
Evans, Del.	Moss	Waxman
Fary	Mottl	Wiggins
Florio	Myers, Michael	Wilson, Tex.
Ford, Mich.	Nix	Wydler
Ford, Tenn.	Nolan	Young, Fla.
Frenzel	Nowak	Zeferetti
Gammage	Oakar	

The Clerk announced the following pairs:

Ms. Oakar with Mr. Akaka.
Mr. Mottl with Mr. Badham.
Mr. Roe with Mr. de la Garza.
Ms. Mikulski with Mr. Anderson of California.
Mr. Moffett with Mr. Erlenborn.
Mr. Teague with Mr. Cleveland.
Mr. Addabbo with Mr. Frenzel.
Mr. John Burton with Mr. Glickman.
Mr. Koch with Mr. Andrews of North Carolina.
Mr. Hawkins with Mr. Gammage.
Mr. Ambro with Mrs. Heckler.
Mr. Richmond with Mr. Applegate.
Mr. Badillo with Mr. Kazen.
Mr. Zeferetti with Mr. Gonzalez.
Mr. Moorhead of Pennsylvania with Mr. Jenkins.
Mr. Boland with Mr. Hillis.
Mr. Scheuer with Mr. Markey.
Mr. Waxman with Mr. Minish.
Mr. Diggs with Mr. Holland.
Mr. Biaggi with Mr. Mikva.
Mr. Eckhardt with Mr. Mollohan.
Mr. Florio with Mr. Hollenbeck.
Mr. Giaimo with Mr. Moss.
Mr. Jenrette with Mr. Walker.
Mrs. Burke of California with Mr. Ullman.
Mr. Burleson of Texas with Mr. Tucker.
Mrs. Chisholm with Mr. Steers.
Mr. Dodd with Mr. Myers.
Mr. Burlison of Missouri with Mr. Steed.
Mr. Drinan with Mr. Nix.
Mr. Fary with Mr. Nolan.
Mr. Ford of Michigan with Mr. Stark.
Mr. Ireland with Mr. O'Brien.
Mr. Ford of Tennessee with Mrs. Pettis.
Mr. Le Fante with Mr. Nowak.
Mr. Mann with Mr. Pursell.
Mrs. Spellman with Mr. Rahall.
Mr. Sawyer with Mr. Sarasin.
Mr. St Germain with Mr. Stump.
Mr. Wilson of Texas with Mr. Tonry.
Mr. Thornton with Mr. Volkmer.
Mr. Wiggins with Mr. Wydler.

Mr. ALEXANDER changed his vote from "nay" to "yea."

Messrs. OTTINGER, SMITH of Iowa, EDWARDS of California, KINDNESS, PANETTA, MINETA, PIKE, THOMPSON, RANGEL, CLAY, and FOUNTAIN changed their vote from "yea" to "nay."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. LEGGETT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the bill H.R. 2329 just considered.

The SPEAKER. Is there objection to the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

Mr. CORNWELL. Mr. Speaker, on rollcall No. 30, H.R. 11, I was absent because of official business. Had I been present, I would have voted "aye."

TEAMSTER CENTRAL STATES PENSION FUND INVESTIGATION PROGRESS

(Mr. PICKLE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. PICKLE. Mr. Speaker, actions by Labor Secretary Ray Marshall and the Internal Revenue Service give hope that at last the Government may be willing to make a major effort to insure the mammoth Teamster Central States Pension Fund is run for the exclusive benefit of its participants.

The Labor Department announced a willingness to go to court to remove old-time trustees of the fund and replace them with outside professionals.

After 18 months of negotiations, fund trustees, in a memo released Friday by the Internal Revenue Service, had only now agreed to turn investment decisions over to independent, neutral professionals, something which should have been one of the first actions taken to protect the fund for participants.

The Friday release by the Internal Revenue Service announced a new extension postponing the effects of their revocation of the fund's tax-exempt status last June 25, but limited the extension announcement to the impending Labor Department action. This indicates the agencies are working closer together, and if true, it is a further welcome development.

I have expressed repeated concern that the Government seemed too willing to negotiate ad infinitum with fund lawyers. If these new actions indicate a more decisive approach will be followed by the Carter administration, I think it will for the first time give the Government a chance to clean up the fund.

On March 14–15, the Oversight Subcommittee of Ways and Means has scheduled hearings on this investigation. I look forward to more fully assessing the new developments with pertinent agencies and to continuing efforts to see that in this and other enforcement efforts the pension reform law (ERISA) is being followed and is providing the agencies the tools they need to protect pension plans.

An article from the Monday, February 28, Wall Street Journal describing the recent developments follows:

TEAMSTERS FUND FACES LAWSUIT BY LABOR AGENCY

(By Walter S. Mossberg)

WASHINGTON.—The Labor Department has apparently decided to go to court to force the ouster of Teamsters Union President Frank Fitzsimmons and three other trustees from the union's biggest pension fund.

The decision to take legal action against the trustees of the union's $1.4 billion Central States Pension Fund, after an 18-month federal investigation, results from a change in tactics by the Carter administration's new team at the Labor Department.

Labor Secretary Ray Marshall has taken a tougher stand than his predecessors in continuing private negotiations with the trustees over the operation of the fund, which has been accused of corruption, mismanagement and ties to organized crime.

Sources close to the fund said Mr. Marshall, who has assumed personal control of the Teamsters investigation, is demanding that Mr. Fitzsimmons resign as a trustee of the fund along with three other longtime trustees. The four kept their posts last October when 11 of 15 men then serving as trustees resigned under government pressure, and the number of trustees was pared to 10.

OUTSIDE PROFESSIONALS URGED

The sources said the Labor Department also is demanding that the four men's seats be turned over to outside, neutral professional investment experts who would effectively control the huge fund's assets. Currently, half the trustees, including Mr. Fitzsimmons and one of the other targets of the government's resignation demand, are drawn from the union. The other five, including two trustees the government wants out, are drawn from employer groups.

The fund's trustees have angrily rejected the new demands, sources said, and the government last week decided to take the fund to court under the 1974 pension law, unless the trustees change their minds soon. "The Secretary of Labor has determined to play very, very, hard ball," said one lawyer familiar with the details of the investigation.

The decision to go to court was hinted at Friday in a press release issued by the Internal Revenue Service, which is working with the Labor Department on the investigation. The press release announced that the fund's tax exemption, which has been continued only on a temporary basis since last June, was being extended for the fourth time, through April 30. Without the extension, employers contributing to the fund on behalf of their employes might have lost their right to deduct those contributions for tax purposes after today.

However, the release went on to disclose that discussions between the government and the fund on "reformation of fund practices and procedures . . . haven't progressed to a point of agreement at this time" and that "the Department of Labor has determined to take appropriate remedial action." Government sources confirmed that "appropriate remedial action" mentioned would be a civil lawsuit under the 1974 federal pension law.

Fund Declines Comment

In Chicago, a spokesman for the fund declined comment on the press release, saying: "It would be inappropriate for the fund to attempt to define the Labor Department's language."

It isn't known exactly what the suit will demand, but sources indicated it will seek at

least to remove four longtime trustees—and all 10 current trustees—and to replace them with outside professionals. The coming court battle might still be avoided if the trustees agree to resign. In fact, some knowledgeable sources said the fund still hopes to negotiate some sort of compromise or consent decree that could avoid a trial.

But if the suit is filed, it will provide a major legal test of the 1974 law, still largely unproved in court, that gives the government broad powers to correct pension abuses. Indeed, some tax-and-pension lawyers doubt the government can make a case in court for removal of some or all trustees, especially as the fund has made major improvements in its procedures since the federal investigation began in the fall of 1975.

But Labor Secretary Marshall is apparently convinced that the investigation should be brought to a head soon. Congressional criticism of the inquiry's pace tarnished the reputation of his predecessor, W. J. Usery Jr., and provided the toughest moments of Mr. Marshall's confirmation hearings last month. A new set of congressional hearings is scheduled for mid-March, and the Carter administration is anxious for progress on the case.

Further, some government lawyers are convinced that the intervention of a federal court is essential if control of the fund's investments is ever to be turned over to neutral professionals. They believe few pension experts would agree to take on the task unless they could do so under a court order protecting them from financial liability.

In the past two years, under prodding by the Labor Department, the fund has hired new staff managers, retained outside investment consultants, pledged to sell its often-questioned real-estate holdings, stopped granting loans and forced out most of its trustees. But it has resisted the Labor Department's goal of placing control of the fund's assets in the hands of outside professionals, free from interference from the trustees.

Ironically, in response to the new demands for the trustees' resignations, the fund finally agreed last week to let outsiders control the investments, though apparently not as full-fledged trustees. A memorandum from the fund released by the IRS Friday contained a pledge by the trustees to "delegate investment authority over fund assets to a committee of independent, neutral professionals" and to restrict the current trustee's authority to "noninvestment matters."

The concessions were sought for months by the Ford administration. But they apparently weren't enough to satisfy the tougher demands of the Carter administration, which insists that the neutrals hold power as full trustees and wants Mr. Fitzsimmons and the three other holdovers—Roy L. Williams, John F. Spickerman Sr. and A. G. Massa—out.

According to sources close to the fund, Mr. Fitzsimmons was angry when the new demands were presented to the trustees by Secretary Marshall's aides at a Feb. 16 meeting in Chicago. He is said to be adamant against being forced out as a trustee under a cloud of suspicion. Over the months of the federal investigation, he has doggedly defended his own integrity and that of the fund.

Meeting last Tuesday, the trustees decided to reject the resignation demand but in an apparent last effort to avoid a lawsuit, they offered to accept the government's longtime call for the placement of the fund's investment decisions in the hands of outside professionals. They really thought something might be worked out after (their) decision Tuesday, said a source close to the fund.

But after several days of meetings among government lawyers, the decision was made to issue the IRS press release indicating that the Labor Department has decided to go to court.

PUBLIC WORKS JOBS BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 5 minutes.

Mr. RAILSBACK. Mr. Speaker, I was pleased that last week the House passed H.R. 11 by an overwhelming vote of 295 to 85. This legislation will increase the authorization for the Local Public Works Capital Development and Investment Act of 1976, which authorized $2 billion of direct, 100-percent Federal grants to State and local governmental jurisdictions for construction, repair, rehabilitation, or other improvements of local facilities, such as schools and hospitals, police and fire protection facilities. It also provided funds for water and sewer systems which could be started with a minimum of delay and which would have direct and substantial job-creating impact. The Economic Development Administration believes that approximately 240,000 jobs will be created by this House action.

The time period for filing requests for this Federal help extended from October 26 to December 3, 1976, and when the deadline expired it was found that 24,000 applications had been filed, asking for a total of $24 billion. Unfortunately, out of that overwhelming response, only 1,988 projects could be processed and cleared for Federal grants before the $2 billion fund was exhausted.

The legislation passed last Thursday will increase the authorization by $4 billion—a realistic approach to a real need in light of our current economic condition. Only those applications filed before the deadline last fall will be considered for the new appropriation. However, provisions have been made in this act which would cover instances where applicants prepared and submitted their applications in good faith, but were rejected due to a governmental error.

It is hoped that the extension provided by H.R. 11 will, in part, contribute to what we all hope will be a brightening economic climate.

PRESIDENT CARTER ADVOCATES CONGRESSIONAL PAY RAISE DEFERRAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. STEERS) is recognized for 5 minutes.

Mr. STEERS. Mr. Speaker I am happy to see that, once again, President Carter has voiced support for the idea of congressional pay raise deferral.

As an original sponsor of H.R. 1365, the Congressional Pay Raise Deferral Act, which was introduced by my distinguished colleague from Ohio (Mr. WHALEN) on the opening day of this session, I hope that President Carter's statements will encourage my colleagues to act favorably on this bill which will permit truly constructive debate on the merits and faults of future congressional pay raises.

In a copyrighted Boston Globe story dated February 26, President Carter, referring to the recent 28 percent pay raise given to Congress without a vote, said:

> I think the salary increase was warranted. But the way it was done was a mistake. In the future any increase should benefit the members of following Congresses.

The problem that Congress has faced in the past in deliberating congressional pay raises will remain with the Congress unless the process is changed. I urge all of my colleagues who are not presently in favor of congressional pay raise deferral to consider President Carter's second statement in 2 weeks in support of this concept.

PREVENT FEDERAL GOVERNMENT FROM REQUIRING TOLLS ON FREE BRIDGES IN NEW YORK CITY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 15 minutes.

Ms. HOLTZMAN. Mr. Speaker, I am introducing today, together with Representatives CHISHOLM, RICHMOND, SCHEUER, SOLARZ, ZEFERETTI, ADDABBO, DELANEY, ROSENTHAL, WOLFF, MURPHY of New York, BIAGGI, BADILLO, DOWNEY, NOWAK, and KEMP, legislation to prevent the Federal courts and the U.S. Environmental Protection Agency from requiring the imposition of tolls on the free bridges across the East and Harlem Rivers in New York City.

EPA and the Federal courts have ordered that tolls be imposed on the 13 free bridges across the East River and Harlem River as part of the New York clean air plan. After long and careful study of the available information, my colleagues and I decided that the tolls plan is both unjustified and unwise.

The Brooklyn congressional delegation has sought the best information available on the likely impact of the tolls plan on New York's environment and economy. We have met twice with EPA officials and received a detailed analysis of the plan. On the basis of the information we received, the Brooklyn delegation concluded that the imposition of tolls would produce no substantial environmental benefit for the city, and may well have serious negative consequences. The entire Queens delegation and Members from Manhattan, the Bronx, and elsewhere in the State join us in this conclusion.

We have reached this conclusion for the following reasons:

First. EPA has failed to demonstrate that the tolls will make any meaningful improvement in air quality. It is estimated that rush hour traffic into Manhattan—the most significant source of auto pollution—will be reduced less than 1 percent. On the other hand, it seems likely that traffic congestion in the area

of toll plazas will increase pollution on the Brooklyn, Queens, and Bronx sides of the bridges.

Second. Tolls imposed only at rush hours will produce little additional revenue for mass transit. Only if tolls are imposed 24 hours a day, can they produce significant revenues for mass transit. Yet such tolls would have serious economic and social consequences which have not been considered. In addition, the estimate of $140 million in annual revenue for a $1.50 round trip toll is based on grossly underestimated costs of construction for the toll plazas.

Third. By discouraging commercial traffic, tolls will undermine Manhattan's economic base—its shops, restaurants, entertainments, and cultural attractions. Unemployment is likely to increase and city tax revenues will drop. In the middle of a severe financial crisis, New York simply cannot afford to sustain further economic damage.

Fourth. The tolls are unfair. They constitute a regressive tax on the people of Brooklyn, the Bronx, and Queens. Drivers driving within Manhattan, although they contribute greatly to pollution, will not have to pay the tolls.

Fifth. There was no real opportunity for the public to be involved in or comment on the decision to impose tolls. There was, in fact, only one public hearing in the city, 2½ years ago, in Manhattan, announced by a tiny notice in the newspaper which gave no indication that a matter as important as the bridge tolls was under consideration.

Sixth. The tolls will divide the city. Middle-class families in the outlying boroughs are likely to wonder why they should endure New York's problems in order to have no easier access to Manhattan than do residents of New Jersey or Long Island.

For the foregoing reasons, my colleagues and I believe the tolls must be stopped. Our bill will do this by specifically prohibiting the inclusion of the tolls strategy in New York's clean air plan. The bill will affect no other part of the plan and no other State.

Our bill does not remove New York's obligation to clean up its air. Indeed, it specifically requires that a substitute strategy be developed if the elimination of the tolls will keep New York from meeting Federal clean air standards.

There is no question that the work of cleaning up New York's air has been put off for far too long. The city, State, and Federal governments have all dragged their heels in developing and implementing an effective clean air plan. Tolls, however, produce only the illusion of action. They do not contribute to, and in fact detract from, the real effort that is needed.

THE LATE MICHAEL GUTERMAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. LE FANTE) is recognized for 5 minutes.

Mr. LE FANTE. Mr. Speaker, the people of Bayonne lost a great and good friend with the passing of Michael Guterman. A dedicated and sincere individual, he devoted his life to the welfare and improvement of his city and its people.

As both a leader of the Bayonne business community and as an outstanding example of a public spirited citizen, he labored tirelessly on behalf of bettering the lives of the residents of the city he loved so much. In fact, had it not been for his failing health and untimely death at the age of 38, he would have presided at the Bayonne bicentennial celebration, a project he had diligently directed from its inception.

Mr. Speaker, I consider myself fortunate to have known Mike Guterman and to have had the opportunity to work with him for the benefit of the citizens of Bayonne.

At this time, I would like to share with my colleagues a letter to the editor by Michael Guterman's friend, Ronald Bressler, which appeared in the Dispatch:

Editor The Dispatch:

The deaths of many of our Presidents left an immediate and profound sense of shock and an enduring deep feeling of loss acknowledged by our whole nation. The masterful exercise of presidential leadership established their greatness in the minds of millions and their continued impact on history grows with each succeeding generation.

Had none of these men ever attained the Presidency, their greatness would never have touched a whole nation, nor been acknowledged by it. Yet each of them would have touched and better the lives of everyone in their own community.

Michael Guterman of Bayonne touched and bettered the lives of everyone in his community. He gave his all, literally put his whole heart into Bayonne's Bicentennial celebration and all other civic activities. Those of us who had the profound knowledge knowing him must say that this was because of his firm and unshakable commitment to the principles of freedom that established our nation and his personal dedication to its unlimited preservation in the future. Michael Guterman passed away within the shadow of the birthday celebration of 200 years of American independence and freedom. We shall not see the like of him again.

RONALD G. BRESSLER.

BILL TO ELIMINATE LOBBYING DEDUCTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CARR) is recognized for 5 minutes.

Mr. CARR. Mr. Speaker, the dangers of special interest groups pressuring the Government for their own parochial ends is one of the clichés of the day. In our trips back home we conjure before the public the beleaguered Congressman hemmed in on every side by spear waving, blood drinking lobbyists. We shake our heads in despair before the voters, but when we return to Congress few of us are willing to do anything about a situation that we all decry.

Today I propose legislation that will eliminate individual and business tax deductions for lobbying expenses and that will reduce the tax deduction for dues and charitable contributions by the percentage of the receiving organizations expenditures for lobbying. If the Congress really wants to do something about the legislative influence of special interests, it can start by withdrawing the tax benefits for lobbying.

But the lobbying deduction for businesses is also one of our most inequitable tax policies. Briefly put, businesses are permitted to deduct expenses incurred in lobbying, but individuals generally are not. For example, an auto manufacturer or a beverage container company can communicate with a Member of Congress against pollution control or against returnable bottles and then claim a tax deduction for the expenses incurred. The deduction can include the costs of transportation to Washington, D.C., the costs of lodging and meals, and even the costs of preparing testimony.

In contrast, an individual who writes to his Congressman about pollution or roadside litter usually cannot deduct even the expense of the envelope and the stamp.

Though individuals and businesses are governed by the same section of the Internal Revenue Code covering lobbying deductions—section 1.162–20—the code works far more to the benefit of businesses than of individuals. Under the code, lobbying, expenses must qualify as an "ordinary and necessary business expense" to be deductible. To claim such a business deduction, an individual taxpayer must be able to prove his livelihood has a "direct interest" in the legislation he is lobbying over.

Several unsatisfactory results follow from the lobbying deduction provisions of the Internal Revenue Code. First to prove a "direct interest" in vast amounts of legislation is generally very easy for big business but very difficult for individuals. Second, though the code seems to speak to the lobbying interests of individuals, it strangely restricts those interests to business and business alone. Such a definition leaves out critical concerns of individuals that are often more important than business. The urban environment, noise, air and water pollution, traffic congestion, crime, and health care, for example, are matters of life and death for many people, even though they may not be direct business concerns.

Current law invites businesses to lobby for business interests, but it discourages individuals from lobbying for the public welfare. Since many of our industries have a financial investment in air pollution or strip mining, for example, they are able to deduct lobbying expenses for their interests. But the public, the victims of pollution and of a ravaged countryside, do not have the encouragement of a tax deduction to lobby individually against environmental blight. Is there any justification for such a one-sided advocacy receiving the blessing of the Internal Revenue Code?

But the inequities of lobbying deductions compound. The present restrictions make lobbying expenses of individuals much greater than lobbying expenses of businesses because corporations may

lobby with "before tax" dollars while individuals must lobby with "after tax" dollars. Thus, a corporation can buy a dollar's worth of lobbying activity with each dollar it earns, but an individual must pay taxes on each dollar he earns before he can spend it on lobbying. An individual in a 30-percent tax bracket, for example, can buy only 70 cents worth of lobbying activity with each dollar of income. A further disservice of our current provisions is that they also force the people to pay not once but twice for business lobbying.

First, consumers pay the added cost to a business for its lobbying activities in the form of higher prices. Second, the taxpayer must make up the revenue that is forfeited by allowing business lobbying deductions from income. Our tax policy toward lobbying is both illogical and burdensome.

Some critics have suggested that the inequities of the present tax treatment of lobbying expenses might be answered by broadening the definition of deductible expenses for individuals. However, liberalizing individual lobbying deductions has the disadvantage of reducing revenue from income taxes and of further complicating the Internal Revenue Code. I believe my proposal, denying all deductions for expenses incurred for lobbying, is a better solution. For one, it will eliminate the indirect subsidy for the lobbying efforts of big business which broadening individual deductions would not do.

But just as importantly, it speaks to the larger question of Federal policy toward all lobbying by special interests, be they individuals, businesses, foundations, charities, union, or public interest groups. Our current tax laws, despite the reforms of the last Congress, are a confusion of different regulations for different groups and individuals involved in lobbying. The Federal Government should make a single, clear-headed statement about its tax policy toward any organization or individual attempting to influence legislation for its own purposes or its own point of view. Lobbying by any group is part of our democratic process, but that taxpayers must financially support and specifically encourage those activities ought not to be part of our system. Those who shout the loudest have no greater claim to a tax break than those who speak softly or do not speak at all.

Why has the Congress not acted before now? Whatever else the reasons, this is one of them: as much as we denounce the power and influence of special interest groups, we also depend on them for arguments, information, and positions about public policy that we do not have at our immediate command. Because we have come to rely on lobbyists, openly or privately, we are reluctant to block their availability. But the Congress is already glutted with an excess of outside pressure and material. We do not suffer from too little information, we suffer from too much. If my bill would reduce the bulk and influence of lobbying, then it might increase the influence of dispassionate judgment and good sense. If my bill might lighten the amount of waste paper stuffed in congressional mailboxes, then it might facilitate some weightier considerations by the House and the Senate. But most importantly, I believe that it is time to reconsider the way we conduct our business. It is time to renew a government of all the people rather than of the noisiest people. It is time, perhaps, to listen less to the special interests and to think and do more.

LOCK AND DAM NO. 26—TRAFFIC BOTTLENECK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. HAGEDORN) is recognized for 5 minutes.

Mr. HAGEDORN. Mr. Speaker, an issue that ought to concern every consumer in the country is the growing traffic bottleneck at lock and dam No. 26 along the Mississippi River. Located near Alton, Ill., lock and dam No. 26 is one of only two lock and dam systems along the river which must handle all traffic from both the upper Mississippi and Illinois Rivers. With an operating capacity of 46 million tons of cargo annually, however, it has a capacity of less than half that of its equally busy counterpart downstream—lock and dam No. 27.

Having reached its capacity 7 years ago, and with annual traffic increases of 2–3 million tons, barges navigating through lock and dam No. 26 have been subject to increasingly lengthy delays with cargo backlogs being pushed further and further upstream. Especially during grain harvest seasons, barges have remained idle for up 2 days while traffic was cleared through the locks. The inadequacy of lock and dam No. 26 to handle its growing volume of traffic is compounded by rapid structural deterioration, with numerous visible cracks and deficiencies. As a result of structural failure in April of 1976 which affected the main lock, more than 1,000 barges remained idle for a full week at a cost of more than $300 million to farmers, consumers, and carriers. Despite its shortcomings, lock and dam No. 26 is expected each year to carry more commodity cargo than the Panama Canal, and nearly 40 percent of the total cargo of the Panama.

The delays attributable to a deteriorating lock and dam No. 26 are costly in a number of ways. They are certainly costly to the barges which incur losses of $200 for each hour that they remain idle. They are also costly to consumers who must pay more for the commodities being shipped on these barges. They are costly to utility users who must pay more for the electricity generated by the huge amounts of coal that pass through the locks. They are costly to farmers who must transport their produce to market through the locks. And they are extremely costly to an economy dependent upon export grains traveling downstream along the Mississippi for its favorable balance of trade. More than $8 billion in export grain passes through lock and dam No. 26 each year from the farms of the Midwest to the ports of New Orleans.

I have introduced legislation which would authorize the construction of a new 110-foot by 1,200-foot main lock near the present lock, as well as a 110-foot by 600-foot auxiliary lock. This conforms to the recommendations of the Army Corps of Engineers, and would equip the new lock and dam No. 26 with the equivalent capacity of lock and dam No. 27 which was completed a quarter of a century ago. Full opportunity would be provided to assess the environmental and economic impact of the auxiliary lock, with final project approval contingent upon favorable determinations.

The advantages to simultaneously authorizing both locks are time and cost. There is little doubt that a compatible, auxiliary lock is going to be needed at Alton if there is to be any growth capactiy to lock and dam No. 26. By the time the main lock is finally constructed, traffic through the locks will likely have increased to a point where even its increased capacity will be tested. Without circumventing any opportunities for project review, I believe that final construction of the auxiliary lock, if approved, could be facilitated by immediate authorization. An estimated $30 million per year, or $80,000 per day, is added to the cost of this project through delay. An immediate authorization can limit unnecessary costs while also eliminating the necessity for embroiling Congress again in this matter shortly.

Although I am aware that many environmental groups remain unassuaged by these provisions in other bills authorizing funds for a replacement locks and dam No. 26, my bill also states clearly that absolutely no authority is vested in the Army corps to deepen any of the navigation channels leading to Alton. Any authority which may have explicitly or implicitly been given them in the past to even study the feasibility of doing this is also revoked. While I do not believe that we can maintain the Mississippi River in the totally pristine condition that some environmentalist desire, I do share their concern that nothing be done to construct a deeper channel along the Mississippi.

Mr. Speaker, the replacement of lock and dam No. 26, while not a glamorous issue, is nevertheless one of paramount concern to the agricultural and commercial vitality of the American Midwest. Because of this, I do not believe that it is too far-fetched to say our country's prosperity requires an efficient navigation system along the Mississippi River. While there remain legitimate differences among those who believe that the present locks and dam system can simply be repaired to accommodate increased traffic, and those who believe that the issue of waterway user taxes ought to be considered in conjunction with a decision on lock and dam No. 26, I strongly urge my colleagues to familiarize themselves with the problems at stake here. There are important implications for our Nation's transportation policies.

THE CONTROL OF OIL

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, on February 13, the New York Times Book Review ran a fascinating review of a new book, "The Control of Oil," by the late John M. Blair.

The review by Ronald E. Müller, who with Richard Barnet coauthored "Global Reach: The Power of the Multinational Corporation," is an enthusiastic one, indicating that Mr. Blair had a rare and exceptional understanding of the nature of the oil business. Blair's understanding, according to Müller, was unusual in that it resulted from a blend of serious scholarly work in academia with work in the intense political arena in Washington.

I would like at this point to share with my colleagues this interesting book review and, indeed, to recommend the book that is the subject of that review:

[From the New York Times Book Review, Feb. 13, 1977]

THE CONTROL OF OIL

(By John M. Blair. 441 pp. New York: Pantheon Books, $15.)

(Review by Ronald E. Müller)

A quarter of a century in the making, the definitive book on oil has finally appeared. No other industry is filled with such immense contradictions and so prone to the perpetuation of myths. Yet John Blair in "The Control of Oil" has succeeded in breaking through the confusion with an impeccable scholarly analysis that is readily comprehensible to any one who takes the time to read it. In the future, official Washington cannot plead either ignorance or confusion about how the oil industry operates.

The one tragic footnote to the book is its author's unexpected death a few days before its release. The loss is ours because Blair was a rare individual, an academic economist with a lifelong career in Government. Noting Blair's professional dedication, Walter Adams, former President of Michigan State University and Distinguished University Professor of Economics, wrote that "He was the prototype of the incurably curious scholar and the incorruptable public servant." The character of the man, his determination to compile, assess and analyze facts, however politically difficult, can be felt in the strength and stature of his book.

Blair's academic books and articles matched the best of those by university economists, but he added a unique ingredient to his work: over 25 years of direct involvement in Washington's politics of oil. After serving on the famed Temporary National Economic Committee (TNEC) of the New Deal, he became Assistant Chief Economist for the Federal Trade Commission and directed the 1952 landmark work, "The International Petroleum Cartel," which was the catalyst for a major Justice Department antitrust case. In 1956 he became Chief Economist of the Senate Subcommittee on Antitrust and Monopoly, first under the chairmanship of Estes Kefauver and later Philip Hart. His selection by Kefauver and Hart was no coincidence; for while they were admired by their colleagues as the "Watchdog" and the "Conscience" of the Senate, Blair was the moving force behind the subcommittee's extensive investigations that revealed the structure of big oil.

Those years of investigation led Blair to his book's central judgment about the power of the multinational oil companies, the so-called "Seven Sisters"—Exxon, Mobile, SoCal, Texaco, Gulf, Royal Dutch Shell, British Petroleum. Blair believed that their near-perfect control of supply and marketing has operated so inimically to the public interest that it must be made subject to effective regulation, or, preferably, neutralized through comprehensive dissolution and divestiture.

The facts that Blair relentlessly gathered gave him two major reasons for this verdict. First, the present symbiotic relationship between private interests and local, state and Federal Government has resulted in a depletion of the nation's domestic oil reserves far beyond what it would have been had competitive conditions existed. Second, the Seven Sisters' control of oil has forced us into an unnecessary degree of dependence on the Middle East. Blair never wavered in this opinion. In an interview given a few days before his death, he remarked that OPEC, the so-called "cartel" of petroleum exporting countries, "didn't break down, and the reason it didn't is because the [Seven] companies make more money by maintaining and enhancing the OPEC price structure than they do by bringing about reductions in the OPEC price structure."

Like a skilled surgeon, Blair dissects the anatomy of OPEC and of the Seven Sisters themselves. His conclusions, while no surprise to oilmen, have largely escaped the attention of the public including the media. Although the OPEC countries appear to have the will and at times the political cohesion, they simply do not have sufficient economic muscle—the technological and marketing facilities—to increase world prices. These instruments of power belong to the Sisters, the "lucky Seven," and without their consent the international cartel in oil would not be possible. "But the majors must clearly bear the responsibility for curtailing supply . . . for raising prices more than any increase in costs occasioned by OPEC actions [as indicated by the rise in their profit rates]."

Blair used to get annoyed with professional economists who called OPEC a cartel. For him, OPEC had become the veil diverting the public's attention from the real cartel, the international oil companies. They had been the real cartel ever since the majors set down their first written principles in the 1928 Achnacarry Agreement that initially divided world markets.

One point keeps recurring in this book: "no other industry begins to offer the data problems that are presented by petroleum." From the disclosure laws to statistical records, one constantly encounters the frustration of trying to make outdated, New Deal era information requirements illuminate the realities behind balance sheets that are the result of post-World War II "creative accounting." Here the Seven Sisters were pioneers. They were the first to become vertically-integrated, the first to discover the advantages of directing and declaring profits at one end or the other of the process in step-wise industries—in this case from crude extraction to final retailing. They were in the vanguard of multinational businesses, among the first to discover the merits of transferring profits earned in countries with high tax rates to those with lower ones.

At a hearing during the Arab boycott, a Senate Committee wondered about the state of national security energy reserves. Richard Helms, director of the C.I.A. at the time, replied with the alarming statement that only the oil companies had such information. In terms of strategic importance to our economy, energy is outranked only by agriculture. In contrast to the multitude of American schools of agricultural economics, there are no colleges of energy economics, no courses and no textbooks. When it comes to ownership, the case is equally hopeless. The last systematic ownership data was compiled in 1938.

Blair's indictment is not limited to the Seven Sisters. Time and again his facts implicate willing state and local politicians, foreign authorities, and even Federal Government bodies, "particularly the United States Department of State." For their own reasons, some unwittingly and some knowingly, each assisted in creating what is today the control structure of oil. From the early days of buying off officials in Pennsylvania through the Teapot Dome scandals of the 1920's to Nixon's secret campaign fund, no other industry has equaled oil's record of generating enormous sums of uncontrolled money. A wayward history of bribes, extortion and payoffs is part of the vicious circle explaining how corruption begets inadequate information and inadequate information begets ineffective regulation. The first principle of democracy has always been that without the checks and balances of effective information and disclosure, abuse of power is inevitable. Nowhere is this better borne out than in the case of oil.

The oil executives who faced Blair's burning questioning during Congressional hearings at times felt him to be a radical, anti-business advocate. This, however, was not the case. Blair's aim, wrote the late Senator Paul Douglas, himself a distinguished economist as well as a politician, was "to preserve the system of competitive capitalism from the encroachments of monopoly." In page after page, Blair demonstrates why the oil industry has neither "free markets" nor "free enterprises." This despite the fact that these two most abused political-economic concepts are constantly on the tongues of the Seven Sisters' managers, the very men who do not permit these conditions to exist.

We are still in a period of uncertainty about the economy's stability. Almost daily there are revelations of corporate political abuse resulting from concentrated economic power. Indeed, this is the essence of two major challenges facing our constitutional system: First, can political accountability over concentrated economic power be maintained? Second, can our democratic political process generate timely and effective policies to deal with the economy's new problems of instability? The two problems are casually related. Each represents a lag in the Government's adjustment to a fundamental transformation of our largest corporations, and, therefore, of our economy. Including the major oil companies, some 800 of our largest firms, which account for about 70 percent of all private sector activity, have evolved from single-industry national enterprises into multinational and multi-industrial conglomerates. The pace of this postwar change in the economy's structure has been so rapid that the lag in Government policy became noticeable only in the early 1970's.

Historically the current process is akin to the last great transformation of American business between the end of the Civil War and the 1930's. The policy changes of the New Deal were, in fact, a belated response to an unstable economy no longer composed of small, regional businesses but instead dominated by nationally-integrated corporations. In both the pre- and post-World War II periods, the economy's transformation was pushed by a combination of technological, financial and social imperatives. On the whole, these changes were not caused by the design of "robber barons" or a conspiratorial plot on the part of big business. However,

there was an inevitable systemic outcome: the further erosion of free competitive markets. Consequently, we can no longer rely on the "natural forces" of short-run changes in supply and demand to yield a fully employed, non-inflationary economy. Our current economic stabilization policy lags behind the reality of the situation it seeks to control. The checks and balances of existing disclosure requirements are also outdated—ill-equipped to prevent political abuses growing from business practices in a post-market world.

This is the historical perspective from which our future energy policy should be considered. The major oil companies are a fitting microcosm for understanding the transformation under way throughout our entire economy. Blair recognized that the Sisters' initiatives in going multinational in the 1920's and then, starting in the late 1950's, taking steps to become conglomerates were both pioneering and significant.

The bulk of the book is a factual analysis of these dramatic changes in the past and present control of oil. Blair ends with the verdict that the current situation no longer serves the public interest. The concluding chapters develop what Blair calls an "action program for public policy." He quickly dismisses extreme views of both the right and the left. The "Chicago Boys," as he called the right, with their hands-off policy of deregulation, would only speed further concentration and the erosion of market forces. Equally objectionable are the left's arguments for nationalization: the behavior of the state-owned British Petroleum (BP) is little different, he notes, from Exxon's. With years of Capitol Hill experience about what is politically feasible, he is not overly optimistic about "preventing a bad situation from becoming worse." He hopes nevertheless that a feasible, combined policy package can be developed to change technology and law. His discussion of technology shows the absurdity of our current policy's singular emphasis on long-run technological breakthroughs to the neglect of near-at-hand improvement, particularly in transportation.

Turning to the law, Blair faced a dilemma. Historically, public utility and anti-trust regulation, the traditional legal avenues for maintaining public accountability has a poor track record. Blair proposed more vigorous anti-trust actions in order to increase competition by encouraging smaller, independent national producers and refiners. Divestiture actions, for example, could "require the major oil companies to make a determination of whether they wish to stay in production, refining or marketing and then to divest themselves of their holdings in other areas."

John Blair's goal in writing "The Control of Oil" was to provide the American public with the information needed to "support their government in its efforts to control an industry which has never yielded very nicely to the imposition of controls in the public interest." It is a goal he splendidly achieved.

SHUT-IN GAS WELLS

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, recently I received a very interesting and somewhat sobering letter from my constituent, Mr. Walter Geiger of New Rochelle, N.Y.

Mr. Geiger is a participant in a small natural gas venture in Texas, and wrote to tell me that the Texas Railroad Commission has required the particular well to be shut in because the well had "overproduced."

Mr. Speaker, the action by the Texas Railroad Commission strikes me as being entirely counter to the national interest—the more so since the decision was reached in January at a time when we were moving into the worst winter in 50 years.

I commend to the attention of my colleagues Mr. Geiger's letter and the attachments to it detailing the actions of the Texas Railroad Commission:

NEW ROCHELLE, N.Y.
February 5, 1977.

Hon. RICHARD D. OTTINGER,
U.S. House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR SIR: I am a participant in a natural gas venture in Texas. This gas venture was shut down by the Texas Railroad Commission for having "overproduced" 16 million cubic feet of natural gas.

Attached are the official notifications by the firm managing the property. This venture is, of course, small, but there must be thousands of other operators in the field in similar situations; or they may not be producing as much as they could and would like to produce because they would be threatened by similar restrictions.

Every day, for weeks and months I read and hear of assurances by Oil and Gas producers and pipe line transportation firms that there is not enough gas available. Restrictions of a hardship nature have been placed on consumers. Public officials, appointed and being paid to protect the public interest, support these allegations.

Please advise what can be done to put an end to this kind of duplicity.

This is a saddening state of affairs. The sooner a vertical divestiture of the seven big oil companies can be legislated, the better.

In the meantime, I trust this information will lend support to the present investigation to determine whether or not the present natural gas shortage is contrived or true.

Sincerely yours,

WALTER GEIGER.

SIGMA EXLORATION CORP.,
Dallas, Tex., January 25, 1977.

Whittenburg lease—November and December, 1976	
Volume 1,883 (gross $836.72) (tax $62.75)	$773.97
Volume 1,199 (gross $572.69) (tax $42.95)	529.74
Subtotal	1,303.71
Less: Whittenburg Min	410.00
Total	893.71
Whittenburg lease—December 1976 and January 1977	
Management	275.00
S. W. Bell	13.95
Plemmons Ind. School Tax 1976	187.05
J. N. Sachs—trip to Austin for 2d R.R.C. hearing	100.00
	576.00
	317.71
Held over from last accting	1,166.47
Total	1,484.18

NOTE.—A second hearing was held in Austin by the Railroad Commission in regards to increasing our allowables since we have been overproduced as explained previously. We were turned down again and consequently will have to shut in the lease until the overproduction has been made up. This could be for an approximate period of 10 months.

MEMORANDUM G. A. WHITTENBURG LEASE, HUTCHINSON CO., TEX.

We are holding the excess funds in suspense for the present time, as the Texas Railroad Commission has ordered us to shut in the lease until we have made up approximately 16 million cu. ft. in overproduction. Our allowable is 1.5 million per month and we have overproduced for many months. We have appealed to the Railroad Commission by special hearing to increase our allowables to 3 million cu. ft. per month and forgive the overproduction. At first they turned us down, and we have again appealed to them for reconsideration. We have not heard as yet from the second appeal. If we are turned down again, then we will most likely have to shut in the lease for about 10 months to make up the overages. In this case, we won't have any income from the lease, but in order to cover certain expenses each month during this period, we have held back these funds for that purpose. If the Railroad Commission rules in our favor, then we will, of course, make distribution.

Respectfully,

J. N. SACHS.

COMO BLUFF, WYO.

(Mr. RONCALIO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, Como Bluff, located in southeastern Wyoming, is one of the most historical and valuable vertebrate paleontological sites on Earth, and is the site of the first major discovery of dinosaur remains anywhere in the world.

The wonders hidden in the bluffs were uncovered in 1877, when a Yale paleontologist, Othneil Marsh received a letter from "Harlow and Edwards," advising him of the large dinosaur bones they had discovered in the area. "Harlow and Edwards" turned out to be acquaintances of Professor Marsh, who had disguised themselves to protect the area from other paleontologists.

Despite the attempts at protection, an old rival of Professor Marsh, Prof. Edward Cope, paleontologist and naturalist at the Philadelphia Academy of Sciences, soon arrived on the scene and their conflicts provided a colorful background for the discovery of fossils of large Jurassic dinosaurs, and the first and best examples of Jurassic mammals.

Nearly all of the restorations of Jurassic dinosaurs were made from bones found at this site. The restorations include mounted skeletons in the Peabody Museum of Natural History at Yale University, the American Museum of Natural History in New York, and the U.S. National Museum in Washington, D.C. Due to the early discovery of complete specimens, nearly every book of geological history refers to Como Bluff. The discovery of 80 new vertebrate species, and the completeness of the finds contribute to make Como Bluff one of the most significant Mesozoic vertebrate localities in the world.

The discoveries of Como Bluff did

much to stimulate public awareness of dinosaurs, and to attract further research. Its contribution to our knowledge of the development of life on Earth is one that cannot be undermined. I have today introduced legislation to authorize a study of Como Bluff for inclusion in the National Park System, and hope that my colleagues will view this measure favorably.

LITHUANIA'S INDEPENDENCE

(Mr O'NEILL (at the request of Mr. WATKINS) asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. O'NEILL. Mr. Speaker, I call to the attention of my distinguished colleagues a resolution in reference to the problems in Lithuania today, taken by the Lithuanians of greater Boston at a meeting at the Lithuanian Club in South Boston, Mass., on February 20, 1977.

This resolution expresses the concern of the Lithuanian American Council of Boston for the full restoration of independence and human rights to Lithuania and her people.

The resolution is as follows:

AMERIKOS LIETUVIU TARYBOS BOSTONO SKYRIUS LITHUANIAN AMERICAN COUNCIL OF BOSTON: RESOLUTION

We, the Lithuanian Americans of Greater Boston, assembled this 20th day of February, 1977, at South Boston Lithuanian Club, commemorate the restoration of Lithuania's independence, do hereby state as follows:

That February 16, 1977, marks the 59th anniversary of the restoration of independence to the more than 700 year old Lithuanian State, which was restored by the blood sacrifices of the Lithuanian people during the wars of independence of 1919–1920, and recognized by the international community of States;

That the Republic of Lithuania was forcibly occupied and illegally annexed by the Soviet Union in 1940, in violation of all the existing treaties and the principles of international law;

That so many countries under foreign colonial domination have been given the opportunity to establish their own independent states; while Lithuania is still exposed to the most brutal Russian oppression and is nothing but a colony of the Soviet Empire;

That although the Soviet Union, through programs of resettlement of peoples, intensified russification, suppression of religious freedom and political persecutions, continues in its efforts to change the ethnic character of the population of Lithuania, the Soviet invaders are unable to suppress the aspirations of the Lithuanian people for self-government and the exercise of their human rights.

Now, therefore, be it resolved

That we demand that the Soviet Union withdraw its military forces, administrative apparatus and the imported Russian colonists from Lithuania and allow the Lithuanian people to govern themselves freely;

That we demand immediate release of all Lithuanians who are imprisoned for political and religious reasons and who for years are lingering in various Soviet jails and concentration camps or kept in psychiatric wards;

That, meanwhile, we protest against the degradation of the Lithuanian people by Soviet rulers in proclaiming that Lithuanians shall be grateful to the Soviet Union for their "liberation"; and that we further protest against subversion and corruption of the minds of the Lithuanian people by the preaching of lies about all kinds of human rights in occupied Lithuania which in fact do not exist.

That we are deeply grateful to the 94th Congress of the United States for the passage of new Resolutions expressing the sense of the Congress relating to the status of the Baltic States.

That in expressing our gratitude to the United States Government for its firm position of non-recognition of the Soviet occupation and annexation of Lithuania, we request an activation of the non-recognition principle by stressing at every opportunity in the United Nation and other international forums the denial of freedom and national independence to Lithuania and the other Baltic States.

That copies of this Resolution be forwarded to the President of the United States, to the Secretary of State, to the United States Senators and Congressmen from our State, and to the news media.

RULES OF PROCEDURE OF AD HOC SELECT COMMITTEE ON OUTER CONTINENTAL SHELF

Mr. MURPHY of New York. Mr. Speaker, pursuant to rule XI, clause 2(a) of the Rules of the House of Representatives, the rules of procedure of the Ad Hoc Select Committee on Outer Continental Shelf are submitted for publication in the CONGRESSIONAL RECORD:

RULES OF THE AD HOC SELECT COMMITTEE ON OUTER CONTINENTAL SHELF (95TH CONGRESS)

RULE I. APPLICABILITY OF OTHER RULES

(Rule XI, Clause 1(a) (1) & (2))

The Rules of the House insofar as they are applicable shall be the Rules of the Select Committee. The procedure in the Select Committee shall follow the procedure of the House.

RULE II. MEETINGS

(Rule XI, Clause 2(g))

A.—(1) Each meeting for the transaction of business, including the mark-up of legislation, of the Select Committee shall be open to the public except when the Committee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: Provided, however, That no person other than Members of the Select Committee and such Congressional staff and such departmental representatives as the Members may authorize shall be present at any business or mark-up session which has been closed to the public. This paragraph does not apply to open Select Committee hearings which are provided for by subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters.

(Rule XI, Clause 2(g) (2))

(2) Each hearing conducted by the Select Committee shall be open to the public except when the Select Committee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: Provided, however, That the Select Committee may, by the same procedure, vote to close one subsequent day of hearing.

(Rule XI, Clause 2(c) (1))

B.—(1) The Chairman of the Select Committee may call and convene, as he considers necessary, meetings of the Select Committee for the consideration of any bill or resolution pending before the Select Committee or for the conduct of other Select Committee business. The Select Committee shall meet for such purpose pursuant to that call of the Chairman.

(Rule XI, Clause 2(c) (2))

(2) If at least three Members of the Select Committee desire that a special meeting of the Select Committee be called by the Chairman, those members may file in the offices of the Committee Clerk their written request to the Chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the Clerk of the Select Committee shall notify the Chairman of the filing of the request. If, within three calendar days after the filing of the request, the Chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, a majority of the Members of the Select Committee may file in the offices of the Committee their written notice that a special meeting of the Select Committee will be held, specifying the date and hour of, and the measure or matter to be considered at, that special meeting. The Select Committee shall meet on that date and hour. Immediately upon the filing of the notice, the Clerk of the Committee shall notify all Members of the Committee that such special meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

(Rule XI, Clause 2(g) (3))

C. The date, time, place and subject matter of meetings of the Select Committee shall be announced to all Members of the Select Committee and the public at least one week before the meeting, unless the Chairman, in consultation with the Ranking Minority Member, determines that there is good cause to begin the meeting at an earlier date. If such determination is made by the Chairman, the Select Committee shall make public announcement and provide oral and/or written notice to Select Committee Members at the earliest possible date. Any announcement under this paragraph shall be promptly published in the Daily Digest.

(Old rules)

D. When a duly called Party Caucus or Conference of either Party is scheduled on a date and at a time which directly conflicts with a scheduled Select Committee meeting, the meeting of the Select Committee shall be cancelled and oral and/or written notice to that effect shall be given to all Select Committee Members and staff by the clerk of the Select Committee.

(Rule XI, Clause (2) (1))

E. The Select Committee may not sit, without special leave, while the House is reading a measure for amendment under the five-minute rule.

RULE III. COMMITTEE PROCEDURE

(Rule XI, Clause 2(g) (4))

A.—Unless authorized by the Chairman of the Select Committee, a witness shall not be permitted to testify or present evidence, and such statement or testimony will not be included in the Select Committee hearing record, unless seventy-five copies thereof have been delivered to the Select Committee at least twenty-four hours prior to such meeting. To the extent feasible, statements and testimony of witnesses from Federal and Administrative agencies shall be accompanied, if not previously received, by fifty copies of the Federal agency report requested by the Select Committee on matters pending before it. The presentation of testimony by any one witness shall not exceed ten (10) minutes. This will be a synopsis of the prepared testimony which will be presented for the record.

(Rule XI, Clause 2(j) (1) and (2), plus old rules)

B.—Select Committee Members may question witnesses only when they have been recognized by the Chairman for that purpose. All questioning shall be pertinent to the subject matter of the hearing. In accordance with Rule XI, clause 2(j)(2), Rules of the House, each Select Committee Member may request up to five minutes in the first round of questioning to question a witness until each Member who so desires has had such opportunity. After completing his questioning, the Chairman shall recognize the ranking majority and then the ranking minority member, and thereafter in recognizing members present, he shall recognize two majority members and one minority member alternating in that order, giving preference to the members on the basis of their arrival at the hearing. Thereafter, additional time may be extended to a Select Committee Member at the discretion of the Chairman. Written responses to questions propounded by Members and Select Committee staff counsel, and other data submitted for the record, shall be submitted in triplicate to the Select Committee Counsel. One copy of such material shall be retained for printing and the remaining copies furnished to the other staff members.

(Old rule; Rule XI, Clause 2(h))

C.—One-third of the Members of Select Committee shall constitute a quorum for the purpose of transacting Select Committee business, other than reporting measure or recommendation when a majority quorum is required. However, testimony may be taken and evidence received in any meeting at which there are present not fewer than two Members of the Select Committee, one of whom should be, whenever possible, a Minority Member. Unless two members are present at least one of whom is a majority member, the meeting must be adjourned.

(Rule XI, Clause 2(g)(5))

D.—No point of order shall lie with respect to any measure reported by the Select Committee on the ground that hearings on such measure were not conducted in accordance with the provisions of Rule XI, clause 1, clause 2(g); except that a point of order on that ground may be made by any Member of the Select Committee which reported the measure if, in the Select Committee, such point of order was (A) timely made and (b) improperly overruled or not properly considered.

(Rule XI, Clause 2(e)(1))

E.—A rollcall vote may be ordered by one-fifth of the Members present. The results of rollcall vote in any meeting of the Select Committee shall be made available in the Committee office for inspection by the public, as provided in Rule XI, clause 27(B), Rules of the House. Information so available for public inspection shall include a description of the amendment, motion, order, or other proposition and the name of each Member voting for and each Member voting against such amendment, motion, order, or proposition and whether by proxy or in person and the names of those Members present but not voting. Any rollcall vote on a motion to report a measure from the Select Committee shall be printed in the report, showing the total votes cast for and against such motion.

(Old rules: Rules XI, Clause 2(j)(1)

F.—Whenever any hearing is conducted by the Select Committee on any measure or matter, all Members shall be entitled to recommend in writing to the Chairman the name of witnesses to appear. The Minority Members of the Select Committee shall be entitled, prior to completion of the hearings and upon request to the Chairman by the Ranking Minority Member or by a majority of the Minority Members, to call witnesses selected by the Minority to testify with respect to the measure or matter pending, at least one day during the hearing.

(Rule XI, Clause 3(e))

G.—The Select Committee, by majority vote, may permit any of its public hearings or meetings to be televised, broadcast by radio, or photographed subject to the following requirements:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(Rule XI, Clause 3(f)(1)(13))

(2) No witness served with a subpoena by the Committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to clause 2(k)(5) of Rule XI of the Rules of the House, relating to the protection of the rights of witnesses.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimoney and any Member of the Committee or the visibility of that witness and that Member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the Committee is in session.

(Rule XI, Clause 3(f)(1)(13))

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the Members of the Select Committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then curently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

(Rule XI, Clause 2(f))

H.—A Member may vote by special proxy only on a specific measure or matter and any amendments or motions pertaining thereto; except that a Member may authorize a general proxy only for motions to recess, adjourn, or other procedural matters In order to be considered a valid and duly executed proxy, the proxy authorization shall be in writing, shall assert that the Member is absent on official business, or is otherwise unable to be present at the meeting of the Select Committee and shall designate the person who is to execute the proxy authorization. If it is desired to give a proxy for sessions on succeeding days, it must be so stipulated in the proxy, and if not so stipulated, it cannot be voted. Each proxy to be effective shall be signed by the Member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum. All executed proxies shall be turned over to the Clerk for inclusion in the official records of the meeting after they have been voted. Points of order as to the validity of proxies must be made at the time the proxies are voted.

RULE IV. COMMITTEE REPORTS/PUBLICATIONS

(Old rule)

A.—Records and transcripts of open hearings before the Select Committee shall not be available to the public for quotation of any Member until after such Member has had an opportunity to examine and approve such hearing records. Closed session transcripts and records shall be available to Members of the House and Select Committee staff for inspection, but may not be released or divulged to any other person without the consent of the Chairman or a majority of the Select Committee. In no event shall executive session or mark-up transcripts and records be taken from the possession of the Select Committee.

(Old rule)

B.—All Select Committee prints and other material prepared for public distribution shall be approved by the Chairman of the Select Committee prior to such distribution.

(Rule XI. Clause 2(e)(2))

C.—The permanent records of the Select Committee shall be available to all Members of the House for examination.

(Rule XI, Clause 2(d)(1)(A))

D–(1) It shall be the duty of the Chairman to report or cause to be reported promptly to the House any measure approved by the Select Committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(Rule XI Clause 2(1)(1)(B))

(2) In any event, the report of the Select Committee on a measure which has been approved by the Select Committee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the Clerk of the Select Committee a writtten request, signed by a majority of the Members of the Select Committee, for the reporting of that measure. Upon the filing of any such request, the Clerk or Counsel of the Committee shall transmit immediately to the Chairman of the Committee notice of the filing of that request.

(Rule XI, Clause 2(1)(2)(A))

E.—(1) No measure or recommendation shall be reported from the Select Committee unless a majority of the Select Committee was actually present.

(Rule XI, Clause 2(1)(2)(B))

(2) With respect to each rollcall vote on a motion to report any bill or resolution of a public character, the total number of votes cast for, and the total number of votes cast against, the reporting of such bill or resolution shall be included in the Select Committee Report.

(Rule XI, Clause 2(1)(3))

F.—The report of the Select Committee on an approved measure shall include (1) the oversight findings and recommendations required pursuant to clause 2(b)(1) of Rule X of the House Rules separately set out and clearly identified; (2) the statement required by section 308(a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures; (3) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the Committee; and (4) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 4(c)(2) of Rule X of the House Rules separately set out and clearly identified whenever such findings and recommendations have been submitted to the Select Committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the Select Committee's deliberations on the measure.

(Rule XI, Clause 2(1)(4))

G.—Each report of the Select Committee on each bill or joint resolution of a public character reported by the Select Committee shall, insofar as possible, contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(Rule XI, Clause (1)(5))

H.—If, at the time of approval of any measure or matter by the Select Committee, any Member of the Select Committee gives notice of intention to file supplemental, Minority, or additional views, that Member shall be entitled to not less than three calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that Member, with the Clerk or Counsel of the Select Committee. All such views so filed by one or more Members of the Select Committee shall be included within and shall be a part part of, the report filed by the Select Committee with respect to that measure or matter. The report of the Select Committee upon that measure or matter shall be printed in a single volume which—

(1) shall include all supplemental, Minority, or additional views which have been submitted by the time of the filing of the report, and

(2) shall bear upon its cover a recital that any such supplemental, Minority, or additional views (and any material submitted under subdivisions (3) and (4) of section F) are included as part of the report.

This subparagraph does not preclude—

(i) the immediate filing or printing of a Select Committee Report unless timely request for the opportunity to file supplemental, Minority, or additional views has been made as provided by this section, or

(ii) the filing by the Select Committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by the Select Committee upon that measure or matter.

(Rule XI, Clause 2(1)(6))

I.—A measure or matter reported by the Select Committee shall not be considered in the House until the third calendar day, excluding Saturdays, Sundays, and legal holidays on which the report of the Select Committee upon that measure or matter has been available to Members of the House. If hearings have been held on any such measure or matter so reported, the Select Committee shall make every reasonable effort to have such hearings printed and available for distribution to the Members of the House prior to the consideration of such measure or matter in the House. This subparagraph shall not apply to—

(1) any measure for the declaration of war, or the declaration of a national emergency, by the Congress; or

(2) any executive decision, determination, or action which would become, or continue to be, effective unless disapproved or otherwise invalidated by one or both Houses of Congress.

(Rule XI Clause 2(1)(7))

J.—If, within seven calendar days after a measure has, by resolution, been made in order for consideration by the House, no motion has been offered that the House consider that measure, any Member of the Select Committee which reported that measure may be recognized in the discretion of the Speaker to offer a motion that the House shall consider that measure, if the Select committee has duly authorized that Member to offer that motion.

RULE V. POWER TO SIT AND ACT; SUBPOENA CONTEMPT OF CONGRESS

(Rule XI Clause 2(m)(1))

A.—For the purpose of carrying out any of its functions and duties under this Rule and Rule X of the House of Representatives (including any matters referred to it under Clause 5 of Rule X of the House Rules), the Select Committee is authorized (subject to subparagraph B(1) of this paragraph)—

(1) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings; and

(2) to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. The Chairman of the Select Committee, or any Members designated by such Chairman, may administer oaths to any witness.

(Rule XI Clause 2(m)(2))

B.—(1) A subpoena may be authorized and issued by the Select Committee under subparagraph A(2) in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the Members of the Select Committee voting, a majority being present. The power to authorize and issue subpoenas is also delegated to the Chairman of the Committee, and authorized subpoenas shall be signed by the Chairman of the Select Committee or by any Member designated by the Select Committee.

(2) Compliance with any subpoena issued by the Select Committee under subparagraph A(2) may be enforced only as authorized or directed by the House.

RULE VI. AMENDMENT OF THE RULES OF THE SELECT COMMITTEE

(Old rule)

The Rules of the Select Committee may be modified, amended, or repealed, by a majority vote of the Select Committee, provided that two legislative days written notice of the proposed change has been provided each Member of the Select Committee prior to the meeting date on which such changes are to be discussed and voted upon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. AKAKA (at the request of Mr. WRIGHT, for today, on account of official business.

Mr. BREAUX (at the request of Mr. WRIGHT), for February 28 through March 4, on account of official business of the Committee on Merchant Marine and Fisheries.

Ms. OAKAR (at the request of Mr. WRIGHT), for today, on account of a death in the family.

Mr. YOUNG of Florida (at the request of Mr. RHODES), for today and tomorrow, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HAGEDORN) to revise and extend their remarks and include extraneous matter:)

Mr. RAILSBACK, for 5 minutes, today.

Mr. YOUNG of Florida, for 10 minutes, today.

Mr. STEERS, for 5 minutes, today.

(The following Members (at the request of Mr. WATKINS) and to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. BENJAMIN, for 5 minutes, today.

Mr. KOCH, for 10 minutes, today.

Ms. HOLTZMAN, for 15 minutes, today.

Mr. LE FANTE, for 5 minutes, today.

Mr. WOLFF, for 5 minutes, today.

Mr. CARR, for 5 minutes, today.

Mr. WOLFF, for 60 minutes, on March 16.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. HAGEDORN) and to include extraneous material:)

Mr. YOUNG of Alaska.

Mr. ARMSTRONG.

Mr. MARKS.

Mr. DERWINSKI in three instances.

Mr. HAGEDORN.

Mr. MOORHEAD of California in two instances.

Mr. HYDE.

Mr. CORCORAN of Illinois.

Mr. CONABLE.

Mr. ANDREWS of North Dakota.

Mr. KASTEN.

Mrs. SMITH of Nebraska.

Mr. KETCHUM.

Mr. SNYDER.

Mr. SCHULZE.

Mr. COLLINS of Texas in four instances.

Mr. COHEN.

Mr. ABDNOR in two instances.

Mr. SPENCE.
Mr. HANSEN in two instances.
Mr. BOB WILSON.
(The following Members (at the request of Mr. WATKINS) and to include extraneous matter:)
Mr. JENRETTE.
Mr. MOLLOHAN.
Mr. HUCKABY.
Mr. ANNUNZIO in six instances.
Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. BROWN of California in 10 instances.
Mr. MURPHY of Illinois.
Mr. MCDONALD in three instances.
Mr. PATTISON of New York.
Mr. ASHLEY.
Mr. ICHORD.
Mr. ALEXANDER.
Mr. RANGEL.
Mr. CARNEY in two instances.
Mr. AUCOIN.
Mr. FARY.
Mr. DAN DANIEL.
Mr. BINGHAM in 10 instances.
Mr. KOCH in two instances.
Mr. HARRIS.
Mr. GEPHARDT.
Mr. BURKE of Massachusetts.
Mr. GINN in two instances.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3347. An act to rescind certain budget authority recommended in the message of the President of September 22, 1976 (H. Doc. 94-620), transmitted pursuant to the Impoundment Control Act of 1974; and

H.J. Res. 132. Joint resolution to authorize a special gold medal to be awarded to Miss Marian Anderson.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 776. An act to dedicate the canal and towpath of the Chesapeake and Ohio Canal National Historical Park to Justice William O. Douglas, and for other purposes, to the Committee on Interior and Insular Affairs.

ADJOURNMENT

Mr. WATKINS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 5 minutes p.m.) the House adjourned until tomorrow, Tuesday, March 1, 1977, at 12 o'clock noon.

CONFERENCE REPORT ON THIRD CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1977

Mr. GIAIMO submitted the following conference report and statement on the Senate concurrent resolution (S. Con. Res. 10) revising the congressional budget for the U.S. Government for the fiscal year 1977:

CONFERENCE REPORT (H. REPT. No. 95-30)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 10) revising the congressional budget for the United States Government for the fiscal year 1977, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That the Congress hereby determines and declares, pursuant to section 304 of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1976—

(1) the recommended level of Federal revenues is $347,700,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $10,600,000,000;

(2) the appropriate level of total new budget authority is $472,900,000,000;

(3) the appropriate level of total budget outlays is $417,450,000,000;

(4) the amount of the deficit in the budget which is appropriate in light of economic conditions and all other relevant factors is $69,750,000,000; and

(5) the appropriate level of the public debt is $718,400,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 304 of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1976, the appropriate level of new budget authortiy and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authortiy, $108,800,000,000.
(B) Outlays, $100,100,000,000.
(2) International Affairs (150):
(A) New budget authority, $7,900,000,000.
(B) Outlays, $6,800,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $4,500,000,000.
(B) Outlays, $4,400,000,000.
(4) Natural Resources, Environment, and Energy (300):
(A) New budget authority, $18,700,000,000.
(B) Outlays, $17,200,000,000.
(5) Agriculture (350):
(A) New Budget authority, $2,300,000,000.
(B) Outlays, $3,000,000,000.
(6) Commerce and Transportation (400):
(A) New Budget authority, $17,300,000,000.
(B) Outlays, $16,000,000,000.
(7) Community and Regional Development (450):
(A) New budget authority, $14,800,000,000.
(B) Outlays, $10,550,000,000.
(8) Education, Training, Employment, and Social Services (500):
(A) New budget authority, $30,400,000,000.
(B) Outlays, $22,700,000,000.
(9) Health (550):
(A) New budget authority, $40,600,000,000.
(B) Outlays, $39,300,000,000.
(10) Income Security (600):
(A) New budget authority, $170,900,000,000.
(B) Outlays, $141,300,000,000.
(11) Veterans Benefits and Services (700):
(A) New budget authority, $18,900,000,000.
(B) Outlays, $18,100,000,000.
(12) Law Enforcement and Justice (750):
(A) New budget authority, $3,500,000,000.
(B) Outlays, $3,600,000,000.
(13) General Government (800):
(A) New budget authority, $3,500,000,000.
(B) Outlays, $3,500,000,000.
(14) Revenue Sharing and General Purpose Fiscal Assistance (850):
(A) New budget authority, $7,600,000,000.
(B) Outlays, $7,700,000,000.
(15) Interest (900):
(A) New budget authority, $38,000,000,000.
(B) Outlays, $38,000,000,000.
(16) Allowances:
(A) New budget authority, $800,000,000.
(B) Outlays, $800,000,000.
(17) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$15,600,000,000.
(B) Outlays, —$15,600,000,000.

And the House agree to the same.

ROBERT N. GIAIMO,
JIM WRIGHT,
THOMAS L. ASHLEY,
PARREN J. MITCHELL,
ELIZABETH HOLTZMAN,
BUTLER DERRICK,
DONALD M. FRASER,
PAUL SIMON,
NORMAN Y. MINETA,
Managers on the Part of the House.

EDMUND S. MUSKIE,
WARREN MAGNUSON,
ERNEST HOLLINGS,
ALAN CRANSTON,
LAWTON CHILES,
JAMES ABOUREZK,
HENRY BELLMON,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Houses to the concurrent resolution (S. Con. Res. 10), revising the congressional budget for the United States Government for the fiscal year 1977, submit the following joint statement to the House and Senate in explanation of the action agreed upon by the managers and recommended in the accompanying conference report:

GENERAL

The conference report revises the Second Budget Resolution for FY 1977 (S. Con. Res. 139, adopted September 11, 1976) in order to accommodate congressional action on measures needed to stimulate the economy. It also makes needed adjustments in the Second Resolution's revenue and spending estimates, adjustments resulting from changed economic circumstances and program developments and supplemental budget requests from the new Administration. The new budget aggregates and distributions by functional categories would be as follows:

BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES
FISCAL YEAR 1977

[In billions of dollars]

	House passed	Senate passed	Conference agreement
Revenues	348.8	346.8	347.7
Budget Authority	477.921	467.0	472.9
Outlays	419.13	415.0	417.45
Deficit	70.33	68.2	69.75
Debt Subject to Limit	718.915	718.3	718.4
050—National defense:			
Budget authority	108.788	109.2	108.8
Outlays	100.077	100.1	100.1
150—International affairs:			
Budget authority	7.956	7.9	7.9
Outlays	6.841	6.8	6.8

BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES
FISCAL YEAR 1977—Continued
[In billions of dollars]

	House passed	Senate passed	Conference agreemen
250—General science, space, and technology:			
Budget authority	4.468	4.5	4.5
Outlays	4.406	4.4	4.4
300—Natural resources, environment, and energy:			
Budget authority	18.627	18.8	18.7
Outlays	17.209	17.2	17.2
350—Agriculture:			
Budget authority	2.355	1.6	2.3
Outlays	3.044	3.0	3.0
400—Commerce and transportation:			
Budget authority	17.313	17.3	17.3
Outlays	15.961	16.0	16.0
450—Community and regional development:			
Budget authority	15.023	14.3	14.8
Outlays	10.819	10.0	10.55
500—Education, training, employment, and social services:			
Budget authority	30.355	30.4	30.4
Outlays	22.620	23.2	22.7
550—Health:			
Budget authority	40.651	40.6	40.6
Outlays	39.283	39.5	39.3
600—Income security:			
Budget authority	174.993	166.3	170.9
Outlays	142.050	139.3	141.3
700—Veterans benefits and services:			
Budget authority	18.917	18.9	18.9
Outlays	18.130	18.1	18.1
750—Law enforcement and justice:			
Budget authority	3.524	3.5	3.5
Outlays	3.657	3.6	3.6
800—General government:			
Budget authority	3.560	3.5	3.5
Outlays	3.554	3.5	3.5
850—Revenue sharing and general purpose fiscal assistance:			
Budget authority	7.578	7.6	7.6
Outlays	7.696	7.7	7.7
900—Interest:			
Budget authority	38.287	37.9	38.0
Outlays	38.287	37.9	38.0
Allowances:			
Budget authority	.794	.8	.8
Outlays	.764	.8	.8
950—Undistributed offsetting receipts:			
Budget authority	—15.268	—16.1	—15.6
Outlays	—15.268	—16.1	—15.6

The economic goals and assumptions of the resolution for calendar year 1977 are as follows:

Economic goals and assumptions of the resolution

[Calendar year; dollars in billions]

Item	1977
Gross national product:	
Current dollars	$1,865.0
Constant (1972) dollars	1,325.0
Incomes:	
Personal income	1,517.0
Wages and salaries	991.0
Corporate profits	163.0
Unemployment rate (percent):	
Calendar year average	7.2
End of year	6.8
Consumer Price Index	5.9
Interest rate, 3-month Treasury bills	5.0

ECONOMIC STIMULUS PROGRAM

The conference substitute provides for additional stimulus of up to $17.5 billion—up to $13.8 billion in tax legislation stimulus and $3.7 billion in increased outlays during FY 1977. These amounts compare to the President's total proposals of $15.7 billion—$13.8 billion in tax legislation stimulus and $1.9 billion in increased outlays during FY 1977.

REVENUES

The Senate resolution provided for revenues of $346.8 billion. The House resolution provided for revenues of $348.8 billion.

The conference substitute provides revenues of $347.7 billion, based upon the following assumptions:

(1) revenue reductions of $10.6 billion, including possible postponement of the sick pay provisions of the Tax Reform Act of 1976, and

(2) budget authority and outlays in Function 600: Income Security of $3.2 billion.

The conference substitute includes as budget authority and outlays $3.2 billion which could accommodate the President's proposals for payments to certain low-income individuals. Of this amount, $1.4 billion represents an accounting shift in the Senate resolution from revenues to the Income Security Function. In addition, payments in excess of tax liability amounting to $856 million under the earned income credit provisions of the Tax Reform Act of 1975 are treated as losses of revenue. The managers recognize that a difference in budget treatment exists between the two Houses with respect to payments in excess of tax liability. The Committees intend to reconsider this question *de novo* during consideration of the First Budget Resolution for FY 1978 with the intent of developing a common position at that time between the two Houses and the Administration.

BUDGET AUTHORITY

The Senate resolution provided for a total new budget authority of $467.0 billion. The House resolution provided for budget authority of $477.921 billion. The conference substitute provides for budget authority of $472.9 billion.

OUTLAYS

The Senate resolution provided for outlays of $415.0 billion. The House resolution provided outlays of $419.130 billion. The conference substitute provides outlays of $417.45 billion.

DEFICIT

The Senate resolution provided for a deficit of $68.2 billion. The House resolution provided for a deficit of $70.330 billion. The conference substitute provides for a deficit of $69.75 billion.

PUBLIC DEBT

The Senate resolution provided for a public debt level of $718.3 billion. The House resolution provided a debt level of $718.915 billion. The conference substitute provides a debt level of $718.4 billion.

DISTRIBUTIONS BY FUNCTIONAL CATEGORIES

050: National defense

The Senate resolution provided budget authority of $109.2 billion and outlays of $100.1 billion. The House resolution provided budget authority of $108.788 billion and outlays of $100.077 billion.

The conference substitute provides budget authority of $108.8 billion and outlays of $100.1 billion. It assumes the House's position with respect to shipbuilding rescissions.

150: International affairs

The Senate resolution provided budget authority of $7.9 billion and outlays of $6.8 billion. The House resolution provided budget authority of $7.956 billion and outlays of $6.841 billion. The conference substitute provides budget authority of $7.9 billion and outlays of $6.8 billion.

250: General science, space, and technology

The Senate resolution provided budget authority of $4.5 billion and outlays of $4.4 billion. The House resolution provided budget authority of $4.468 billion and outlays of $4.406 billion.

The conference substitute provides budget authority of $4.5 billion and outlays of $4.4 billion.

300: Natural resources, environment and energy

The Senate resolution provided budget authority of $18.8 billion and outlays of $17.2 billion. The House resolution provided budget authority of $18.627 billion and outlays of $17.209 billion. The conference substitute provides budget authority of $18.7 billion and outlays of $17.2 billion.

350: Agriculture

The Senate resolution provided budget authority of $1.6 billion and outlays of $3.0 billion. The House resolution provided budget authority of $2.355 and outlays of $3.044. The conference substitute provides budget authority of $2.3 billion and outlays of $3.0 billion. The increase over the Senate budget authority level is provided for additional reimbursement to the Commodity Credit Corporation for net realized losses.

400: Commerce and transportation

The Senate resolution provided budget authority of $17.3 billion and outlays of $16.0 billion. The House resolution provided budget authority of $17.313 billion and outlays of $15.961 billion. The conference substitute provides budget authority of $17.3 billion and outlays of $16.0 billion.

450: Community and regional development

The Senate resolution provided budget authority of $14.3 billion and outlays of $10.0 billion. The House resolution provided budget authority of $15.023 billion and outlays of $10.819 billion.

The conference substitute provides budget authority of $14.8 billion and outlays of $10.55 billion. The substitute would accommodate funding of counter-cyclical assistance implementing a revised formula effective April 1, 1977, as recommended by the President; and funding for disaster relief and Community Service Administration's home weatherization program.

500: Education, training, employment and social services

The Senate resolution provided budget authority of $30.4 billion and outlays of $23.2 billion. The House resolution provided budget authority of $30.355 billion and outlays of $22.620 billion. The conference substitute provides budget authority of $30.4 billion and outlays of $22.7 billion.

550: Health

The Senate resolution provided budget authority of $40.6 billion and outlays of $39.5 billion. The House resolution provided budget authority of $40.651 billion and outlays of $39.283 billion. The conference substitute provides budget authority of $40.6 billion and outlays of $39.3 billion.

600: Income security

The Senate resolution provided budget authority of $166.3 billion and outlays of $139.3 billion. The House resolution provided budget authority of $174.933 and outlays of $142.050 billion.

The conference substitute provides budget authority of $170.9 billion and outlays of $141.3 billion. It allows $12.6 billion in budget authority for a housing assistance supplemental, $3.0 billion below the amount in the House resolution. In addition, it makes adjustments in budget authority and outlays discussed under Revenues above.

700: Veterans benefits and services

The Senate resolution provided budget authority of $18.9 billion and outlays of $18.1 billion. The House resolution provided budget authority of $18.917 billion and outlays of $18.130 billion. The conference substitute provides budget authority of $18.9 billion and outlays of $18.1 billion.

750: Law enforcement and justice

The Senate resolution provided budget authority of $3.5 billion and outlays of $3.6

billion. The House resolution provided budget authority of $3.524 billion and outlays of $3.657 billion. The conference substitute provides budget authority of $3.5 billion and outlays of $3.6 billion.

800: General government

The Senate resolution provided budget authority of $3.5 billion and outlays of $3.5 billion. The House resolution provided budget authority of $3.560 billion and outlays of $3.554 billion. The conference substitute provides budget authority of $3.5 billion and outlays of $3.5 billion.

850: Revenue sharing and general purpose fiscal assistance

The Senate resolution provided budget authority of $7.6 billion and outlays of $7.7 billion. The House resolution provided budget authority of $7.578 billion and outlays of $7.696 billion. The conference substitute provides budget authority of $7.6 billion and outlays of $7.7 billion

900: Interest

The Senate resolution provided budget authority of $37.9 billion and outlays of $37.9 billion. The House resolution provided budget authority of $38.287 billion and outlays of $38.287 billion. The conference substitute provides budget authority of $38.0 billion and outlays of $38.0 billion.

Allowances

The Senate resolution provided budget authority of $0.8 billion and outlays of $0.8 billion. The House resolution provided budget authority of $.794 billion and outlays of $.764 billion. The conference substitute provides budget authority of $0.8 billion and outlays of $0.8 billion.

950: Undistributed offsetting receipts

The Senate resolution provided budget authority of —$16.1 billion and outlays of —$16.1 billion. The House resolution provided budget authority of —$15.268 and outlays of —$15.268 billion. The conference substitute provides budget authority of —$15.6 billion and outlays of —$15.6 billion. The managers assume an increase in anticipated Outer Continental Shelf receipts of $300 million from the amount in the House resolution.

ALLOCATIONS OF BUDGET AUTHORITY AND OUTLAYS TO HOUSE AND SENATE COMMITTEES

Pursuant to section 302 of the Congressional Budget and Impoundment and Control Act of 1974, the conferees make the following estimated allocation of the appropriate levels of total new budget authority and total budget outlays for fiscal year 1977 among the committees of the respective Houses:

SENATE COMMITTEE ALLOCATIONS PURSUANT TO SEC. 302 OF THE CONGRESSIONAL BUDGET ACT
[In billions of dollars]

Committee	Direct spending jurisdiction		Entitlements, requiring Appropriations actions [1]	
	Budget authority	Outlays	Budget authority	Outlays
Appropriations	321.3	282.0	----	----
Bgriculture, Nutrition, and Forestry	1.5	.2	7.3	7.7
Crmed Services	[2]	[2]	8.4	8.3
Eanking, Housing, and Urban Affairs	.5	—1.7	----	----
Aommerce, Science, and Transportation	.9	[4]	.2	.2
Anergy and Natural Resources	.5	1.5	[3]	[4]
Environment and Public Works	3.7	.2	----	----
Finance	173.7	170.8	37.8	33.1
Foreign Relations	6.7	8.5	.1	.1
Governmental Affairs	20.7	13.3	----	----
Human Resources	4.1	4.1	2.4	2.2
Judiciary	.1	.1	.2	.2
Rules and Administration	[2]	[2]	----	----
Veterans' Affairs	1.0	.6	13.0	11.4
Indian Affairs	.3	.1	[5]	[5]
Small Business	[7]	[7]	----	----
Not allocated to committees	—62.2	—62.2	----	----
Total	472.9	417.45	69.4	63.2

[1] All amounts shown in these columns are included under "direct spending jurisdiction" for the Appropriations Committee.
[2] Less than $15,000,000.
[3] Less than $40,000,000.
[4] Less than $20,000,000.
[5] Less than $35,000,000.
[6] Less than $25,000,000.
[7] Less than $500,000.

Note: Details may not add to totals due to rounding.

Allocation of spending responsibility to House committees pursuant to section 302 (a) of the Congressional Budget Act
[In thousands of dollars]

House committee function	Budget authority	Outlays
Appropriations Committee:		
National Defense	111,604,584	101,200,508
International Affairs	7,202,684	7,370,639
General Science, Space, and Technology	4,498,726	4,396,874
Natural Resources, Environment, and Energy	20,413,285	17,984,739
Agriculture	2,253,913	2,927,948
Commerce and Transportation	13,858,340	17,680,207
Community and Regional Development	14,451,752	10,419,761
Education, Training, Employment, and Social Services	29,805,322	22,133,727
Health	23,476,053	23,382,229
Income Security	61,199,237	39,958,134
Veterans Benefits and Services	18,434,328	18,228,106
Law Enforcement and Justice	3,502,189	3,608,653
General Government	6,903,150	6,916,894
Revenue Sharing and General Purpose Fiscal Assistance	5,402,481	5,384,753
Interest	1,000	1,000
Allowances	800,000	800,000
Committee total	323,897,045	282,394,257
House Agriculture Committee:		
Natural Resources, Environment, and Energy	126,428	56,696
Agriculture	97,049	123,014
Community and Regional Development	126,301	3,207
Income Security	83,747	38,945
Revenue Sharing and General Purpose Fiscal Assistance	70,039	70,039
Committee total	503,564	291,901
House Armed Services Committee:		
National Defense	10,152	—15,700
Commerce and Transportation	30	30
Veterans Benefits and Services	12	15
General Government	1	1
Committee total	10,195	—15,654
House Banking, Finance and Urban Affairs Committee:		
National Defense	0	600
International Affairs	1,273,531	0
Commerce and Transportation	—948,840	—1,602,529
Community and Regional Development	116,905	116,274
Education, Training, Employment, and Social Services	446	—813
Health	0	—86
Income Security	15,378	—6,929
Veterans Benefits and Services	0	—7,660
General Government	3,500	2,955
Interest	7,836	7,836
Committee total	468,756	—1,490,352
House District of Columbia Committee:		
Community and Regional Development	832	832
Law Enforcement and Justice	5,911	5,894
Revenue Sharing and General Purpose Fiscal Assistance	40,000	40,000
Committee total	46,743	46,726
House Education and Labor Committee:		
Education, Training, Employment, and Social Services	59,232	31,987

House committee function	Budget authority	Outlays
Income Security	3,916	3,317
General Government	21	21
Committee total	63,169	35,325
House International Relations Committee:		
National Defense	6,508,667	8,328,000
International Affairs	70,414	75,990
Commerce and Transportation	4,252	4,884
Income Security	159,301	83,015
Committee total	6,742,634	8,491,889
House Government Operations Committee:		
General Government	1,155	1,096
Revenue Sharing and General Purpose Fiscal Assistance	8,318,475	8,439,710
Committee total	8,319,630	8,440,806
House Administration Committee:		
General Science, Space, and Technology	55	67
Education, Training, Employment, and Social Services	4,573	4,672
General Government	35,000	7,970
Committee total	39,628	12,709
House Interior and Insular Affairs Committee:		
Natural Resources, Environment, and Energy	120,765	39,581
Community and Regional Development	251,969	148,610
General Government	32,641	37,391
Revenue Sharing and General Purpose Fiscal Assistance	162,050	161,218
Committee total	567,425	386,800
House Interstate and Foreign Commerce Committee:		
Commerce and Transportation	15,593	15,973
Health	1,600	1,802
Income Security	3,981,532	3,983,646
Revenue Sharing and General Purpose Fiscal Assistance	5,185	85
Committee total	4,003,910	4,001,506
House Judiciary Committee:		
Natural Resources, Environment, and Energy	300	278
Income Security	34,176	3,403
Law Enforcement and Justice	0	−6,447
General Government	167,018	167,025
Committee total	201,494	164,259
House Merchant Marine and Fisheries Committee:		
International Affairs	2,328	2,328
Natural Resources, Environment, and Energy	105,931	91,783
Commerce and Transportation	369,276	−34,502
Revenue Sharing and General Purpose Fiscal Assistance	4,300	7,000
Committee total	481,835	66,609
House Post Office and Civil Service Committee:		
Commerce and Transportation	5,171	4,771
Health	0	−10,928
Income Security	16,564,900	9,118,337
General Government	4,134,566	4,143,698
Committee total	20,704,637	13,255,878
House Public Works and Transportation Committee:		
Natural Resources, Environment, and Energy	4,063,239	−1,863
Commerce and Transportation	4,063,239	−1,863
Community and Regional Development	42,078	51,154
Committee total	4,148,490	1,186,096
House Science and Technology Committee:		
General Science, Space, and Technology	3,000	4,840
Natural Resources, Environment, and Energy	−29,064	−29,064
General Government	0	1
Committee total	−26,064	−24,223
House Small Business Committee:		
Community and Regional Development	172	172
Committee total	172	172
House Veterans' Affairs Committee:		
Veterans Benefits and Services	975,146	389,025
Committee total	975,146	389,025
House Ways and Means Committee:		
Education, Training, Employment, and Social Services	546,149	546,149
Health	23,128,364	21,933,000
Income Security	96,814,101	96,074,420
(New Entitlement Authority)	(3,708,000)	
General Government	4,018	4,018
Revenue Sharing and General Purpose Fiscal Assistance	330,000	329,725
Interest	42,293,000	42,293,000
Committee total	163,115,632	161,180,312
Unassigned to Committees:		
National Defense	−9,413,403	−9,413,403
International Affairs	−648,957	−648,957
General Science, Space, and Technology	−1,781	−1,781
Natural Resources, Environment, and Energy	−2,080,818	−2,080,818
Agriculture	−50,962	−50,962
Commerce and Transportation	−67,061	−67,061
Community and Regional Development	−190,010	−190,010
Education, Training, Employment, and Social Services	−15,722	−15,722
Health	−6,006,017	−6,006,017
Income Security	−7,956,288	−7,956,288
Veterans Benefits and Services	−509,486	−509,486
Law Enforcement and Justice	−8,100	−8,100
General Government	−7,781,070	−7,781,070
Revenue Sharing and General Purpose Fiscal Assistance	−6,732,530	−6,732,530
Interest	−4,301,836	−4,301,836
Undistributed Offsetting Receipts	−15,600,000	−15,600,000
Committee total	−61,364,041	−61,364,041

ROBERT N. GIAIMO,
JIM WRIGHT,
THOMAS L. ASHLEY,
PARREN J. MITCHELL,
ELIZABETH HOLTZMAN,
BUTLER DERRICK,
DONALD M. FRASER,
PAUL SIMON,
NORMAN Y. MINETA,
Managers on the Part of the House.

EDMUND S. MUSKIE,
WARREN MAGNUSON,
ERNEST HOLLINGS,
ALAN CRANSTON,
LAWTON CHILES,
JAMES ABOUREZK,
HENRY BELLMON,
Managers on the Part of the Senate.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

830. A letter from the President of the United States, transmitting proposed supplemental appropriations for fiscal years 1976 and 1977 and amendments to the fiscal year 1978 budget for fiscal years 1976, 1977, and 1978 (H. Doc. No. 95–89); to the Committee on Appropriations and ordered to be printed.

831. A letter from the Assistant Secretary of Agriculture for Administration, transmitting corrections to the sixth annual report on the location of new Federal offices and other facilities, pursuant to section 901(b) of the Agricultural Act of 1970, as amended; to the Committee on Agriculture.

832. A letter from the Chairman, Federal Election Commission, transmitting the Commission's fiscal year 1978 appropriation request, pursuant to section 310(d)(1) of the Federal Election Campaign Act of 1971, as amended; to the Committee on Appropriations.

833. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to provide for increased participation by the United States in the Asian Development Bank and the Asian Development Fund; to the Committee on Banking, Finance, and Urban Affairs.

834. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to provide for increased participation by the United States in the International Bank for Reconstruction and Development and in the International Finance Corporation, and for other purposes; to the Committee on Banking, Finance, and Urban Affairs.

835. A letter from the Secretary of Commerce and the Secretary of Health, Education, and Welfare, transmitting preliminary estimates for 1975 of the total number of schoolage children 5 to 17 years of age living in families below the poverty level in each State, pursuant to section 822(a) of Public Law 93–380; to the Committee on Education and Labor.

836. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report on the Office's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

837. A letter from the Secretary, American Battle Monuments Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

838. A letter from the Executive Director, Committee for Purchase from the Blind and Other Severely Handicapped, transmitting a report on the committee's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552 (d); to the Committee on Government Operations.

839. A letter from the Acting Governor, Farm Credit Administration, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552 (d); to the Committee on Government Operations.

840. A letter from the Executive Director, U.S. Federal Labor Relations Council, transmitting a report on the Council's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

841. A letter from the Chairman, Foreign Claims Settlement Commission of the United States, transmitting a report on the Commissions' activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

842. A letter from the Chairman, Marine Mammal Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

843. A letter from the Acting Chairman, National Endowment for the Humanities, transmitting a report on the Endowment's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

844. A letter from the Acting Director, Office of Government and Public Programs, National Science Foundation, transmitting a report on the Foundation's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552 (d); to the Committee on Government Operations.

845. A letter from the Executive Director, Pennsylvania Avenue Development Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

846. A letter from the Secretary, Railroad Retirement Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

847. A letter from the Director, Defense Security Assistance Agency, transmitting analyses of the fiscal year 1977 military assistance program and international education and training program, pursuant to section 634(d) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

848. A letter from the Director, Defense Security Assistance Agency, transmitting a report on sales of excess defense articles made under the Arms Export Control Act to foreign governments and international organizations during the period July–December 1976, pursuant to section 217 of Public Law 94–329; to the Committee on International Relations.

849. A letter from the Executive Director, Board for International Broadcasting, transmitting a draft of proposed legislation to amend the Board for International Broadcasting Act of 1973 and to authorize appropriations for fiscal year 1978 and 1979 for carrying out that act; to the Committee on International Relations.

850. A letter from the Administrator, Federal Energy Administration, transmitting a report on the impact on the economy and the supply of crude oil, residual fuel oil, and refined petroleum products of regulation amendments made under the authority of section 8 of the Emergency Petroleum Allocation Act and section 121 and 122 of the Energy Conservation and Production Act, pursuant to section 8(f)(1) of the Emergency Petroleum Allocation Act, as amended (89 Stat. 944, 90 Stat. 1133); to the Committee on Interstate and Foreign Commerce.

851. A letter from the District of Columbia Representative, Ladies of the Grand Army of the Republic, Inc., transmitting the organization's annual audit for the year ended August 31, 1976, pursuant to section 3 of Public Law 88–504; to the Committee on the Judiciary

852. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space presently occupied at the Imperial Building, 1441 L Street, NW., Washington, D.C., pursuant to section 7 of the Public Buildings Act of 1959, as amended, to the Committee on Public Works and Transportation.

853. A letter from the Acting Director, National Science Foundation, transmitting the statistical portion of the report on Federal support to universities, colleges, and selected nonprofit institutions during fiscal year 1965, pursuant to section 3(a)(7) of the National Science Foundation Act, as amended (82 Stat. 360); to the Committee on Science and Technology.

854. A letter from the Acting Comptroller General of the United States, transmitting a report on the status of the Army's advanced attack helicopter program (PSAD–77–32, February 25, 1977); jointly, to the Committees on Government Operations, and Armed Services.

855. A letter from the Comptroller General of the United States, transmitting a report on the potential effects of national health insurance proposals on medicare beneficiaries (HRD–76–129, February 24, 1977); jointly, to the Committees on Government Operations, Ways and Means, and Interstate and Foreign Commerce.

856. A letter from the Acting Administrator, Energy Research and Development Administration, transmitting a draft of proposed legislation to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes; jointly, to the Committees on Science and Technology, Armed Services, and Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on Feb. 24, 1977, the following report was filed on Feb. 25, 1977*]

Mr. BOLLING: Committee on Rules. House Resolution 287. Resolution to amend the Rules of the House of Representatives, and for other purposes; with amendment (Rept. No. 95–21, Pt. III). Referred to the House Calendar.

[*Filed Feb. 28, 1977*]

Mr. BOLLING: Committee on Rules. House Resolution 338. Resolution providing for the consideration of House Resolution 287. Resolution to amend the Rules of the House of Representatives, and for other purposes (Rept. No. 95–28). Referred to the House Calendar.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 2329. A bill to improve the administration of fish and wildlife programs, and for other purposes; with amendment (Rept. No. 95–29). Referred to the Committee of the Whole House on the State of the Union.

Mr. GIAIMO: Committee of conference. Conference report on Senate Concurrent Resolution 10 (Rept. No. 95–30). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of North Dakota:

H.R. 4113. A bill to require that imported meat and meat food products made in whole or in part of imported meat be subjected to certain tests and that such meat or products be identified as having been imported; to require the inspection of imported dairy products and that such products comply with certain minimum standards of sanitation; to require that the cost of conducting such tests, inspections, and identification procedures on imported meat and meat food products and on dairy products, as the case may be, be borne by the exporters of such articles, and for other purposes; to the Committee on Agriculture.

By Mr. BREAUX:

H.R. 4114. A bill to authorize appropriations for the national sea grant program during fiscal year 1978; to the Committee on Merchant Marine and Fisheries.

By Mr. BROWN of California (for himself, Mr. OTTINGER, Mr. CHARLES WILSON of TEXAS, Mr. AKAKA, Mr. HAWKINS, Mr. MURPHY of Pennsylvania, Mr. KREBS, Mr. STARK, Mr. SCHEUER, Mr. BADILLO, Mr. STEERS, Mr. NEAL, Mr. YOUNG of Florida, and Mr. KOSTMAYER):

H.R. 4115. A bill to amend the Federal Meat Inspection Act for purposes of requiring that meat inspected and approved under such act be produced only from livestock slaughtered in accordance with humane methods; to the Committee on Agriculture.

By Mr. CARR:

H.R. 4116. A bill to amend the Employee Retirement Income Security Act of 1974 to require the Pension Benefit Guarantee Corporation to insure certain nonbasic benefits; to the Committee on Education and Labor.

H.R. 4117. A bill to amend the Internal Revenue Code of 1954 to deny the business deduction for amounts paid or incurred for lobbying before Congress or other legislative bodies; to the Committee on Ways and Means.

By Mr. CARR (for himself, Mr. HARRIS, Mr. DELLUMS, Mr. FRASER, Mr. LEACH, and Mr. DIGGS):

H.R. 4118. A bill to require Federal agencies to report to Congress certain expenditures made for or on behalf of Members of Congress or employees of Congress and to provide for the reimbursement of such expenditures; to the Committee on House Administration.

By Mr. COHEN (for himself and Mr. KOCH):

H.R. 4119. A bill to provide that polling and registration places for elections for Federal office be accessible to physically handicapped and elderly individuals; to the Committee on House Administration.

By Mrs. COLLINS of Illinois (for herself, Mr. BEARD of Rhode Island, Mr. CLAY, Mr. MITCHELL of Maryland, Mr. DOWNEY, Mr. FISH, Mr. AKAKA, Mrs. SPELLMAN, Mr. DUNCAN of Tennessee, Mr. DIGGS, Mr. NIX, Mr. ROYBAL, Mr. CORNWELL, Ms. MIKULSKI, Mr. PHILLIP BURTON, Mr. VENTO, Mrs. LLOYD of Tennessee, Mr. CONYERS, Mr. BEDELL, Mrs. CHISHOLM, Mr. BURGENER, and Mr. EILBERG):

H.R. 4120. A bill to provide the certain services under the Older Americans Act of 1965 be delivered by personnel trained in the field of aging and to encourage the development of training programs in the field of aging under the Higher Education Act of 1965; to the Committee on Education and Labor.

By Mr. CORNELL (for himself, Mr. AKAKA, Mr. BADILLO, Mr. BALDUS, Mr. BEDELL, Mr. BENJAMIN, Mr. BLANCHARD, Mr. BONIOR, Mr. BUTLER, Mr. COHEN, Mr. DAN DANIEL, Mr. DELANEY, Mr. DELLUMS, Mr. DRINAN, Mr. EMERY, Mr. ERTEL, Mr. EVANS of Indiana, Mr. FASCELL, Mrs. FENWICK, Mr. HOWARD, Mr. KINDNESS, Mr. KOCH, Mr. KREBS, Mr. LEACH, and Mr. MARTIN):

H.R. 4121. A bill to amend the Internal Revenue Code of 1954 to allow persons covered by certain other retirement plans to establish personal savings for retirement; to the Committee on Ways and Means.

By Mr. CORNELL (for himself, Mr. MAZZOLI, Mr. MOORHEAD of California, Mr. NEAL, Mr. OTTINGER, Mr. PATTERSON of California, Mr. SARASIN, Mr. SCHEUER, Mr. SEIBERLING, Mrs. SPELLMAN, Mr. STOCKMAN, Mr. VENTO, Mr. WAXMAN, Mr. WEAVER, and Mr. WEISS):

H.R. 4122. A bill to amend the Internal Revenue Code of 1954 to allow persons covered by certain other retirement plans to establish personal savings for retirement; to the Committee on Ways and Means.

By Mr. ROBERT W. DANIEL, JR. (for himself, Mr. ANDREWS of North Dakota, Mr. AUCOIN, Mr. BROWN of Ohio, Mr. BROYHILL, Mr. BYRON, Mr. DICKS, Mr. ERTEL, Mr. EVANS of Delaware, Mr. HANNAFORD, Mr. HEFNER, Mr. IRELAND, Mr. LEHMAN, Mr. MAZZOLI, Mr. PATTERSON of California, Mr. QUAYLE, Mr. RAHALL, Mr. RAILSBACK, Mr. SIMON, Mrs. SPELLMAN, Mr. SPENCE, Mr. TUCKER, Mr. WALSH, Mr. YATRON, and Mr. ZEFERETTI):

H.R. 4123. A bill to provide that the changes made by the Tax Reform Act of 1976 to the exclusion for sick pay shall only apply to taxable years beginning after December 31, 1976; to the Committee on Ways and Means.

By Mr. DERWINSKI:

H.R. 4124. A bill to establish a Commission on American Government to study and appraise the organization and operation of the executive branch of the Government; to the Committee on Government Operations.

By Mr. DIGGS (for himself, Mr. PRICE, Mr. REUSS, Mr. CONTE, Mr. FRASER, Mr. CHARLES H. WILSON of California, Mr. BINGHAM, Mr. CONYERS, Mr. EILBERG, Mr. GIAIMO, Mr. HARRINGTON, Mr. BADILLO, Mr. CARNEY, Mr. DRINAN, Mr. RANGEL, Mr. MOAKLEY, Mr. BLANCHARD, Mr. BRODHEAD, Mr. FARY, Mr. LEDERER, Mr. HEFTEL, Mr. LE FANTE, Ms. MIKULSKI, Mr. WALGREN, and Mr. VENTO):

H.R. 4125. A bill to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers; to the Committee on Education and Labor.

By Mr. EDGAR (for himself, Mr. COUGHLIN, Mr. NEAL, Mr. SCHEUER, Mr. SIMON, and Mr. STARK):

H.R. 4126. A bill to provide for certain additions to the Tinicum National Environmental Center; to the Committee on Merchant Marine and Fisheries.

By Mr. FASCELL:

H.R. 4127. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 4128. A bill to provide for the protection of franchised distributors and retailers of motor fuel; to encourage conservation by requiring that information regarding the octane rating of automotive gasoline be disclosed to consumers; and to prevent deterioration of competition in gasoline marketing; to the Committee on Interstate and Foreign Commerce.

By Mr. FASCELL (for himself, Mr. LEVITAS, Mr. UDALL, Mr. BOLLING, Mr. KINDNESS, Mr. HAWKINS, Mr. KOCH, Mr. SNYDER, Mr. MCCORMACK, Mr. GIBBONS, Mr. BROYHILL, Mr. LEHMAN, Mr. RINALDO, Mr. BUTLER, Mr. HUGHES, Mr. D'AMOURS, Mr. WHITEHURST, Mr. FORD of Tennessee, Mr BLANCHARD, Mr. TRAXLER, Mr. EDGAR, Mr. RISENHOOVER, Mr. SHARP, Ms. MIKULSKI, and Mr. LUNDINE):

H.R. 4129. A bill to reestablish the period within which the President may transmit to the Congress plans for the reorganization of agencies of the executive branch of the Government, and for other purposes; to the Committee on Government Operations.

By Mr. FASCELL (for himself, Mr. LEVITAS, Mr. MADIGAN, Mr. RAHALL, Mr. PEASE, Mr. CARNEY, Mr. BALDUS, Mr. LEACH, Mr. BEDELL, Mr. NOLAN, Mr. DICKS, and Mr. ERTEL):

H.R. 4130. A bill to reestablish the period within which the President may transmit to the Congress plans for the reorganization of agencies of the executive branch of the Government, and for other purposes; to the Committee on Government Operations.

By Mr. GEPHARDT:

H.R. 4131. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for contributions to a neighborhood corporation and to provide other financial assistance to such corporations organized under State law to furnish their own neighborhood services; to the Committee on Ways and Means.

By Mr. HANNAFORD:

H.R. 4132. A bill to amend title II of the Social Security Act to increase to $7,500 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted an individual each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

H.R. 4133. A bill to amend title II of the Social Security Act to reduce from 20 to 10 years the length of time a divorced woman's marriage to an insured individual must have lasted in order for her to qualify for wife's or widow's benefits on his wage record (with such benefits being payable in reduced amounts in case of a woman whose marriage to the insured individual lasted for less than 20 years; to the Committee on Ways and Means.

By Mr. HARRIS (for himself, Mr. CARR, Mr. DE LUGO, Mr. DOWNEY, Mr. ECKHARDT, Mr. GIBBONS, Mr. LLOYD of California, Mr. MAGUIRE, Mr. MEEDS, Mr. MILLER of California, Mr. OTTINGER, Mr. REGULA, Mr. RODINO, Mr. SANTINI, Mr. SEIBERLING, Mr. SOLARZ, Mr. STARK, Mr. UDALL, Mr. WON PAT, and Ms. SPELLMAN):

H.R. 4134. A bill to amend the act of April 17, 1954, which preserved within Manassas National Battlefield Park, Va., important historic properties relating to the battles of Manassas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Ms. HOLTZMAN (for herself, Mrs. CHISHOLM, Mr. RICHMOND, Mr. SCHEUER, Mr. SOLARZ, Mr. ZEFERETTI, Mr. ADDABBO, Mr. DELANEY, Mr. WOLFF, Mr. ROSENTHAL, Mr. BIAGGI, Mr. BADILLO, Mr. DOWNEY, Mr. NOWAK, Mr. MURPHY of New York, and Mr. KEMP):

H.R. 4135. A bill to amend the Clean Air Act to prohibit the use of tolls on New York City bridges for purposes of the applicable air quality implementation plan; to the Committee on Interstate and Foreign Commerce.

By Mr. ICHORD:

H.R. 4136. A bill to amend title II of the Social Security Act to provide that an individual may qualify for disability insurance benefits and the disability freeze if he has 40 quarters of coverage, regardless of when such quarters were earned; to the Committee on Ways and Means.

H.R. 4137. A bill to amend title II of the Social Security Act to provide that increases in monthly insurance benefits thereunder (whether occurring by reason of increases in the cost of living or enacted by law) shall not be considerd as annual income for purposes of certain other benefit programs; to the Committee on Ways and Means.

By Mr. KETCHUM:

H.R. 4138. A bill to amend title XVI of the Social Security Act to provide that supplemental security income benefits shall be payable only to aged, blind, or disabled individuals who are both citizens and residents of the United States; to the Committee on Ways and Means.

H.R. 4139. A bill to amend title XVI of the Social Security Act to provide that supplemental security income benefits shall be payable to a resident alien only if he has continuously resided in the United States for at least 5 years; to the Committee on Ways and Means.

By Mr. LEGGETT (for himself and Mr. FORSYTHE):

H.R. 4140. A bill to extend the provisions of the Fishermen's Protective Act of 1967, relating to the reimbursement of seized commercial fishermen, until October 1, 1980; to the Committee on Merchant Marine and Fisheries.

H.R. 4141. A bill to extend until October 1, 1980, the appropriation authorizations for the Seal Beach, Great Dismal Swamp, and San Francisco Bay National Wildlife Refuges; to the Committee on Merchant Marine and Fisheries.

By Mr. MATHIS:

H.R. 4142. A bill to amend the Internal Revenue Code of 1954 to exempt certain agricultural aircraft from the aircraft use tax, to provide for the refund of the gasoline tax to the agricultural aircraft operator, and for other purposes; to the Committee on Ways and Means.

By Mr. MEEDS (for himself, Mr. PEASE and Mr. BALDUS):

H.R. 4143. A bill to create the Young Adult Conservation Corps to complement the Youth Conservation Corps; to the Committee on Education and Labor.

By Mr. MURPHY of Pennsylvania:

H.R. 4144. A bill to extend and amend the Export Administration Act of 1969, as amended; to the Committee on International Relations.

By Mr. GARY A. MYERS (for himself, Mr. BADILLO, Mrs. FENWICK, Mr. EDGAR, Mr. KEMP, Mr. HARRINGTON, Mr. KILDEE, Mr. SOLARZ, Mr. RINALDO, Mr. OTTINGER, Mr. LAFALCE, Mr. KOSTMAYER, Mr. TONRY, and Mr. MAGUIRE):

H.R. 4145. A bill to provide for the Federal payment of State unemployment compensation benefits which are paid to individuals who are unemployed because of the natural gas shortage; to the Committee on Ways and Means.

By Mr. QUIE:

H.R. 4146. A bill to establish a Department of Education, Training, and Careers; to the Committee on Government Operations.

H.R. 4147. A bill to amend the Internal Revenue Code of 1954 to provide an additional income tax exemption for a taxpayer, his spouse, or his dependent, who is disabled; to the Committee on Ways and Means.

H.R. 4148. A bill to amend the Tariff Schedules of the United States to permit the free entry of Canadian petroleum (including reconstituted crude petroleum) and crude shale oil, provided that an equivalent amount of the same kind and quality of domestic crude petroleum (including reconstituted crude petroleum) and crude shale oil has been exported to Canada; to the Committee on Ways and Means.

By Mr. RAILSBACK:

H.R. 4149. A bill to amend title 23 to provide a comprehensive bridge replacement and rehabilitation program; to the Committee on Public Works and Transportation.

By Mr. RISENHOOVER (for himself, Mr. AUCOIN, Mr. DIGGS, Mr. FAUNTROY, Mr. HAWKINS, Mr. HOWARD, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, and Mr. PERKINS):

H.R. 4150. A bill to establish a utility stamp program which will provide utility stamps to certain low-income households to help meet utility costs incurred by such households; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS:

H.R. 4151. A bill to amend the Clean Air Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RONCALIO:

H.R. 4152. A bill to authorize the Secretary of the Interior to study certain areas in the State of Wyoming; to the Committee on Interior and Insular Affairs.

By Mr. STEED:

H.R. 4153. A bill to allow Federal employment preference to certain employees of the Bureau of Indian Affairs, and to certain employees of the Indian Health Service, who are not entitled to the benefits of, or who have been adversely affected by the application of, certain Federal laws allowing employment preference to Indians, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WOLFF (for himself, Mr. SEIBERLING, Mr. EDWARDS of California, Mr. BLANCHARD, Mr. HOWARD, Mr. DIGGS, Mr. DOWNEY, Mr. SCHEUER, Mr. CHARLES WILSON of Texas, Mr. MOFFETT, Mr. BRODHEAD, Mr. MURPHY of Pennsylvania, Mr. DAN DANIEL, Mr. BADILLO, Mr. STEERS, Mr. JEFFORDS, Mr. BEDELL, Mr. VENTO, Mr. MOAKLEY, Mr. SOLARZ, Mr. NOLAN, and Mr. WALGREN):

H.R. 4154. A bill to amend the Internal Revenue Code of 1954 to allow a deduction or credit against tax to individuals and corporations for certain expenses incurred in the conversion of pilot lights to a system of manual ignition in certain gas appliances; to the Committee on Ways and Means.

By Mr. YOUNG of Missouri:

H.R. 4155. A bill to amend the Federal Water Pollution Control Act to provide for additional authorizations, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ICHORD (for himself, Mr. BOLLING, Mr. SKELTON, Mr. VOLKMER, Mr. BURLISON of Missouri, Mr. YOUNG of Missouri, Mr. CLAY, and Mr. GEPHARDT):

H.R. 4156. A bill to clarify and reaffirm the intent of Congress with respect to the transmission and sale of electric power and energy generated or purchased in the Southwestern power area; to the Committee on Interior and Insular Affairs.

By Mr. MEEDS (for himself, Mr. LUJAN, Mr. UDALL, Mr. DON H. CLAUSEN, Mr. KREBS, Mr. SYMMS, Mr. WON PAT, Mr. CORRADA, Mr. RUNNELS, Mr. TSONGAS, Mr. JOHNSON of California, and Mr. ROSE):

H.R. 4157. A bill to provide for a continuing program of water resources research and development; to the Committee on Interior and Insular Affairs.

By Mr. MURPHY of Pennsylvania:

H.R. 4158. A bill to amend the Mineral Leasing Act of 1920 to ban the exportation of Alaskan petroleum and natural gas to insure the use of these fuels to alleviate domestic energy shortages; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and International Relations.

By Mr. LAGOMARSINO (for himself, Mr. AKAKA, Mr. CORRADA, Mr. FLOOD, Mr. FRENZEL, and Mr. SEBELIUS):

H.J. Res. 286. Joint resolution designating the period March 1, 1977, through March 7, 1977, as National Weights and Measures Week; to the Committee on Post Office and Civil Service.

By Mr. MARKS:

H.J. Res. 287. Joint resolution to designate the week commencing with the third Monday in February of each year as National Patriotism Week; to the Committee on Post Office and Civil Service.

By Mr. HAGEDORN (for himself and Mr. RINALDO):

H. Con. Res. 131. Concurrent resolution establishing a Commission on Legislative-Judicial Relations; to the Committee on the Judiciary.

By Mr. CARR (for himself, Mr. BEDELL, Mr. BRODHEAD, Mr. KILDEE, Mr. PANETTA, Mr. STEERS, Mr. EDWARDS of Oklahoma, Mr. CHARLES WILSON of Texas, Mr. FISH, Mr. DOWNEY, Mr. HARRIS, Mr. BAUCUS, Mr. KETCHUM, Mr. NOLAN, Mr. RICHMOND, Mr. WALSH, Mr. DELLUMS, Mr. LUJAN, Mr. EDWARDS of California, Mr. STARK, Mr. QUAYLE, Mr. LUKEN, Mr. LEACH, and Mr. DIGGS):

H. Res. 339, Resolution to amend the Rules of the House of Representatives to require committee approval of certain travel proposals, and for other purposes; to the Committee on Rules.

By Mr. COHEN:

H. Res. 340. Resolution to provide that Members of the House of Representatives and certain employees of the House, except in certain cases, may not be reimbursed for the difference between the cost of first-class air travel accommodations and the cost of other air travel accommodations; to the Committee on House Administration.

By Mr. HAMILTON (for himself, Mr. OBEY, Mr. D'AMOURS, Mr. MEEDS, Mr. KOCH, Mr. BENJAMIN, Mr. KASTENMEIER, Mr. LUKEN, and Mr. AUCOIN):

H. Res. 341. Resolution to amend the Rules of the House of Representatives, and for other purposes; divided and referred as follows: Title I, section 301, and titles IV, V, VI, and VII to the Committee on Rules; title II and section 303 to the Committee on Standards of Official Conduct; and section 302 to the Committee on House Administration.

By Mrs. MEYNER:

H. Res. 342. Resolution applauding the courageous efforts of the Women's Peace Movement to end the tragic sectarian violence in Northern Ireland; to the Committee on International Relations.

By Mr. MURPHY of New York:

H. Res. 343. Resolution to provide for the expenses of investigations, and studies to be conducted by the Ad Hoc Select Committee on the Outer Continental Shelf; to the Committee on House Administration.

By Mr. PANETTA (for himself, Mr. MINETA, Mr. WEISS, Mr. ROYBAL, Mr. CAVANAUGH, Mr. HANNAFORD, and Mr. KASTENMEIER):

H. Res. 344. Resolution to amend the Code of Official Conduct of the House of Representatives to prohibit Members of the House from using funds other than those appropriated by Congress for the purpose of fulfilling their activities as Federal officeholders; to the Committee on Standards of Official Conduct.

By Mr. RAILSBACK (Mr. ABDNOR, Mr. ANDERSON of Illinois, Mr. BADILLO, Mr. BLANCHARD, Mr. BLOUIN, Mr. BONIOR, Mr. COLLINS of Texas, Mr. FRENZEL, Mr. GLICKMAN, Mr. HYDE, Mr. LEACH, Mr. MOAKLEY, Mr. OTTINGER, Mr. PURSELL, Mr. QUIE, Mr.

SIMON, Mr. SOLARZ, Mrs. SPELLMAN, Mr. STEERS, Mr. TREEN, Mr. TRIBLE, Mr. CHARLES WILSON of Texas, Mr. CHARLES H. WILSON of California, and Mr. WHITEHURST):

H. Res. 345. Resolution expressing the sense of the House of Representatives that the effect on our society of the level of violence depicted on television requires more consideration and study; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

21. By the SPEAKER: Memorial of the Legislature of the State of South Dakota, relative to plans for the Oahe Irrigation Unit; to the Committee on Interior and Insular Affairs.

22. Also, memorial of the Legislature of the State of Nevada, relative to the reduction of social security old-age benefits on account of earnings; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Ms. HOLTZMAN:

H.R. 4159. A bill for the relief of Antonio Escolar Alfonso; to the Committee on the Judiciary.

By Mr. LEHMAN:

H.R. 4160. A bill for the relief of United Broadcasting Company of Florida, Inc.; to the Committee on the Judiciary.

H.R. 4161. A bill for the relief of William H. Commons; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII.

53. The SPEAKER presented a petition of the city council, Pittsburgh, Pa., relative to the proposed Consumer Communications Reform Act of 1976, which was referred to the Committee on Interstate and Foreign Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. RES. 287

By Mr. FRENZEL:

Page 19, strike out line 17 and all that follows thereafter through page 21, line 21, and insert in lieu thereof the following:

TITLE VII—SELECT COMMITTEE ON ETHICS

SEC. 701. There is hereby established in the House a select committee to be known as the Select Committee on Ethics (hereinafter in this title referred to as the "select committee").

SEC. 702. (a) The select committee shall consider and report to the House on a bill which may hereafter be referred to it by the Speaker and which includes provisions which incorporate into permanent law the matter contained in title I (relating to financial disclosure), title II (relating to the Code of Official Conduct), that portion of title III which relates to unofficial office accounts and to the Code of Official Conduct, and title IV (relating to the use of the frank). Such bill shall be introduced by the chairman of the select committee; and the select committee shall have exclusive jurisdiction over it.

(b) The select committee shall adopt interpretive regulations respecting the application of Rule XLIII, Rule XLIV, and Rule XLVI of the Rules of the House.

SEC. 703. (a) The select committee shall be composed of twelve Members of the House of Representatives. Members shall be appointed by the Speaker, 6 from the majority party, one of whom he shall designate as chairman, and 6 shall be appointed from the minority party, upon the recommendation of the minority leader.

(b) Any vacancy occurring in the membership of the select committee shall be filled in the same manner as the original appointment.

(c) For purposes of this section, the term "Members" includes Delegates to the House and the Resident Commissioner from Puerto Rico.

SEC. 704. (a) The select committee is further authorized and directed to conduct a thorough and complete study respecting all records, memorandums, papers, documents, books, and other information of any standing or select committee of the House or officer of the House respecting expenses incurred by or on behalf of any such committee or its members or employees. The select committee also is authorized and directed to conduct a thorough and complete study and audit of any allowances and expenses, or any other funds, made available to Members of the House pursuant to House resolution or law.

(b) In conducting any study under subsection (a), the select committee is authorized and directed to—

(1) examine and audit all records, memorandums, papers, documents, books, and other information in the possession of or under the control of any standing or select committee of the House respecting expenses incurred during the Ninety-third, Ninety-fourth, or Ninety-fifth Congress by the committee or by any member or employee of such committee in the performance of his duties as a member or employee,

(2) examine and audit all records, memorandums, papers, documents, books, and other information in the possession of or under the control of any officer of the House respecting expenses incurred during the Ninety-third, Ninety-fourth, or Ninety-fifth Congress by any standing or select committee of the House or by any member or employee of any such committee in the performance of his duties as such a member or employee,

(3) examine and audit all records, memorandums, papers, documents, books, and other information in the possession of or under the control of any Member of the House respecting the expenditure of any allowances or expenses, or any other funds, made available to such Member pursuant to House resolution or law during the Ninety-third, Ninety-fourth, or Ninety-fifth Congress,

(4) examine and audit all vouchers submitted to the Committee on House Administration, and which are in its possession or under its control, for the payment reimbursement of expenses incurred during the Ninety-third, Ninety-fourth, or Ninety-fifth Congress by (A) any committee referred to in paragraph (1) or member or employee of any such committee in the performance of his duties as such a member or employee, or (B) any Member of the House,

(5) examine and audit all reports and other documents filed by any committee referred to in paragraph (1) or by any Member of the House with the Committee on House Administration (and which are in its possession or under its control) respecting expenses during the Ninety-third, Ninety-fourth, or Ninety-fifth Congress of any such committee or of any member or employee of such committee in the performance of his duties as such a member or employee or of any such Member,

(6) examine and audit all records, memorandums, papers, books, and other information (including complete access to any computer containing such information) in the possession of or under the control of the Committee on House Administration respecting expenses during the Ninety-third, Ninety-fourth, or Ninety-fifth Congress of any committee referred to in paragraph (1) or of any member or employee of such committee in the performance of his duties as such a member or employee (including the salary, name, title, and job description of any such employee) or respecting expenses of any Member of the House, and

(7) review and examine the auditing and other review procedures adopted and carried out by the Committee on House Administration respecting items referred to in paragraphs (d), (5), and (6).

In conducting the study, the select committee may interview any Member, officer, or employee of the House of Representatives who may provide information regarding the subject matter of the study.

(d) For the purpose of carrying out this resolution the select committee is authorized to sit and act during the present Congress, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to hear witnesses and other evidence. The chairman of the select committee, or any member of the committee designated by him, may administer oaths to witnesses.

(e) On request of the chairman of the select committee, the head of any Federal department or agency (including the General Accounting Office) is authorized to detail, on a reimbursable basis, any of the personnel of such department or agency to assist the select committee in carrying out any of its functions or duties.

(f) The select committee shall not hire more than the equivalent of five full-time professional and five full-time clerical staff in carrying out its duties. This limitation shall not apply, however, to personnel detailed to the select committee from any Federal department or agency on a reimbursable basis.

(g) The select committee shall report to the House as soon as practicable during the present Congress the results of its study, together with such recommendations as it deems advisable. Any such report which is made when the House is not in session shall be filed with the Clerk of the House.

(h) For purposes of this section, the term "Member of the House" or "Member" means any Representative in, or Delegate or Resident Commissioner to, the Congress.

SEC. 705. (a) For purposes of this title, the select committee may sit and act, and hold hearings in the same manner and to the same extent as is provided in the case of standing committees of the House under clause 2(m) of Rule XI of the Rules of the House.

(b) Any bill and accompanying report of the select committee shall be subject to the Rules of the House in the same manner as though it had been reported from a standing committee of the House.

(c) The select committee may utilize the services of the staffs of committees and commissions of the House.

SEC. 706. Subject to the adoption of expense resolutions as required by clause 5 of Rule XI of the Rules of the House, the select committee may incur expenses in connection with its duties under section 702.

SEC. 707. Not later than September 30, 1977, the select committee shall report the bill to the House which is described in section 702 (a), and not later than December 1, 1977, the select committee shall adopt interpretive regulations described in section 702(b).

SEC. 708. The select committee shall expire thirty days after reporting to the House the bill described in section 702(a) and adopting the interpretive regulations described in section 702(b), and its records, files, and material shall be transferred to the Committee on Standards of Official Conduct of the House.

EXTENSIONS OF REMARKS

NORTH DAKOTA VFW VOICE OF DEMOCRACY WINNER

HON. MARK ANDREWS

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. ANDREWS of North Dakota. Mr. Speaker, I am proud to announce that Miss Karen Jorde of Grand Forks, N. Dak., has won the Voice of Democracy essay contest in North Dakota.

Miss Jorde is currently a junior at Grand Forks Central High School and plans to pursue a college major in speech and journalism.

She is the daughter of Mr. and Mrs. Oren Jorde of Grand Forks.

In her winning essay, Miss Jorde reminds us of the significant contributions of new immigrants to our great Nation. The sacrifices and visions of immigrants underscore the responsibility we all share in working for preservation of the concept of individual freedom, she writes.

Miss Jorde is an outstanding example of one who effectively translates worthwhile thoughts into meaningful words. Her inspirational speech is a call for action, an appeal to all of us to insure that this country keeps its promise that all men would be guaranteed the inalienable rights of life, liberty, and the pursuit of happiness.

I would again like to congratulate Miss Jorde. Her essay deserves public attention and at this time I would like to insert it into the RECORD:

1976–77 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM, NORTH DAKOTA WINNER KAREN LOUISE JORDE

The melting pot of the world, a system that works in the face of a national nightmare, seemingly endless unbroken prairies, "hot dogs, baseball, apple pie and Mom"! This is America, the country more poets, songwriters and novelists have described than any other nation. If you look you will find these things here, but you'll also find something more, because America isn't a country made of swan songs and rose petals—it's made of people. It was built, very simply, on an immigrants dream of what could be.

356 years ago a small band of people risked everything they possessed because they had a single-minded determination to worship freely.

156 years later the people of 13 unimportant colonies had a new idea, a country where everyone could be his own person, owing nothing to the earthly prince. "Pure lunacy" it was said, but they fought for it long and hard, surprisingly enough, they won. It's been working ever since.

I can't lay claim to any ancestor of mine who was one of those people. But I'm proud to say that I come from a new breed of people who were raw, independent and every bit as determined as the people who struggled for freedom before them. They were the pioneers. They came here on dirty little ships where disease played havoc with human life and often destroyed it. Yet they made it! It's estimated that 8.8 million people immigrated to America in the first decade of the 20th century alone.

These people were the misfits, poor and forgotten of the European world. But they held within them the power to dream. I am a part of those people, a part of their dreams, the house I live in, the school I attend, the community which I was born in are all a part of their hopes. Countries such as ours, however, aren't built just on visions either. They're built because of the sacrifices of people who believe.

I owe my very existence to those people. I owe a debt to the future generations of America. I accept the responsibility to continue to work for and preserve the concept of individual freedom. For this reason, I agree with Washington Post editor Ben Bradlee who said, ". . . if you let anyone take one bite out of your freedom, they'll take it all." The fight for freedom wasn't a battle won long ago and then forgotten. No, it's a never-ending full-scale war.

Today, unfortunately, there are some people who have lost faith in the principles of our nation's founding. These people are fools and history will record them as such. I know we have problems to solve, but I still believe in America. Millions of other Americans do, also. My faith in America is renewed each time I remember the vision of the immigrants who settled here. Years later the inspirational words of Martin Luther King captured the essence of this country and what it means to me when he said, "When the architects of our republic wrote the magnificent words of the Constitution and the Declaration of Independence, they were signing a promissory note to which every American was to fall heir. This note was a promise that all men would be guaranteed the inalienable rights of life, liberty and the pursuit of happiness . . . I am not unmindful that some of you have come here out of great trials and tribulation . . . even though we face the difficulties of today and tomorrow, I still have a dream."

Like Martin Luther King and millions of other Americans, so do I.

MANY LANDMARKS OF WASHINGTON'S LIFETIME

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. EILBERG. Mr. Speaker, we recently celebrated the birthday of our first President and I believe it should be noted that George Washington spent far more time in Philadelphia than in any other city, and many landmarks of his lifetime can still be seen here. The most important are—

Independence Hall, Chestnut between 5th and 6th Streets, Washington was commissioned as Commander in Chief in the Assembly Room in 1775. In 1787, he presided here over the Constitutional Convention, seated in the "rising sun chair."

Congress Hall, 6th and Chestnut Streets, Washington was inaugurated for his second term as President in this building in 1793.

Carpenters' Hall, 320 Chestnut Street, Washington was a delegate from Virginia to the First Continental Congress which met here in 1774.

Second Bank of the United States, 420 Chestnut Street, a life-size wooden statue of Washington by William Rush stands in the main banking room of the building, which has been converted to a portrait gallery.

Visitor Center, Independence National Historical Park, Third and Chestnut Streets, see the 28-minute film "Independence" in which Washington plays an important role.

Christ Church, Second above Market Street, George and Martha Washington's pew bears a marker.

St. Peter's Church, Third and Pine Streets, Washington worshipped here in 1781 and 1782.

Powel House, 244 South Third Street, the Washingtons often visited the home of Mayor Powel. China presented to Powel by Washington is on view.

Washington Square, Sixth and Walnut Streets, a Washington statue by the famed French sculptor Houdon stands in the square.

Atwater Kent Museum, 15 South Seventh Street, this museum of Philadelphia history displays a model of the house on Market Street where Washington lived as President.

Historical Society of Pennsylvania, 1300 Locust Street, has numerous portraits, documents, and memorabilia of Washington in its collections.

City Hall, Broad and Market Streets, a marble statue of Washington stands on the second floor above the north archway; it was formerly in front of Independence Hall.

Masonic Temple, 1 North Broad Street, the Masonic Museum has Washington's Masonic apron, embroidered by Madam Lafayette, which the President wore when he laid the cornerstone of the U.S. Capitol.

Benjamin Franklin Parkway, an elaborate Washington monument with an equestrian statute of the general, by the German sculptor Siemering, stands in front of the Philadelphia Museum of Art.

Deshler-Morris House, 5442 Germantown Avenue, President Washington spent the summers of 1793 and 1794 here when a yellow fever epidemic raged in Philadelphia, 7 miles from Germantown.

WHO CONTROLS THAT BUCK?

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. DERWINSKI. Mr. Speaker, as we conclude the first month of a new administration, I wish to reemphasize my view that President Carter is entitled to

a proper time period before being subjected to automatic political criticism.

In an editorial, appearing in the February 10 edition of the Desplaines Valley News, serving suburban Cook County, Ill., editor Harry Sklenar very properly emphasizes the need for local government self-reliance rather than the overdependence on the Federal Government. The editorial follows:

[From the Desplaines (Ill.) Valley News, Feb. 10, 1977]

WHO CONTROLS THAT BUCK?

Our newly inaugurated President has asked for the Truman regime desk top sign proclaiming "The Buck Stops Here."

Does it really? In countless instances, that buck, meaning responsibility for a particular program or administration effort, sometimes keeps rolling, rolling, and rolling since it is the people who really can stop it.

Past Presidents have vetoed legislation which Congress and the Senate then passed over that veto, thus keeping that buck rolling. In other instances, the Supreme Court took a hand and decided where that buck should go.

Thus, it may be a bit early to criticize, but when the President announces intention to secure invitations to visit with common persons and learn of their concerns, he may find that many have the belief that the federal government can solve each and every concern with money grants or by issuing new mandates, or meet many "I wanna" individuals.

However, a little thought should be given to self-reliance which still exists. This week a news report disclosed some 38 persons over age 80 found their water line busted and leaky. Their contractor wanted over $50,000 to install a new line to their tiny community. So they decided to dig that ditch and lay the line themselves.

Needless to say, their County and State authorities informed them of required "public hearings," "impact statements," "assessments," and paper work.

Those senior citizens ignored the objections, dug their ditch, laid their own water line. The authorities are still fuming about the failure of them to observe all those bureaucratic edicts.

It should be pointed out that our nation was founded on that principle of self-reliance and neighborly cooperation. It expressed itself with disasters such as the recent snow storm when strangers took in stranded motorists and gave them shelter even before any "disaster" proclamation was issued. Compassion, not red tape took precedence.

When Bridgeview village originated over 25 years ago, the residents constructed their own village hall and two fire stations, themselves. In Summit, the Zion Lutheran parishioners constructed their own school building with volunteer effort. That play equipment in Summit's four parks was donated by various civic groups and individuals.

The various volunteer firemen and ambulance squads take training on their own time and drop their regular employment on receiving a disaster call.

Somehow, however, little by little that volunteer self-reliance effort is being erased as government grants are being handed out for this and for that.

Our nation was built on the cornerstone of self-reliance. The buck wasn't passed to the government for decision. Nor was the President asked to talk to the residents.

The Chinese are currently realizing the need for self-reliance and pride to the point of rejecting foreign aid in the recent earthquake.

It doesn't matter how much of a debt our nation assumes it seems, just as long as a grant is received.

Suppose just one time we depend on self-reliance rather than sending the "buck" up to Washington for the President to stop. In other words, just stop wanting money grants and seek less mandates.

—HARRY SKLENAR.

GLENDALE COMMUNITY COLLEGE

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. MOORHEAD of California. Mr. Speaker, Glendale Community College, Glendale, Calif., one of the many fine educational institutions in California's 22d Congressional District which I am pleased to represent, is celebrating its 50th anniversary this year—a milestone representing 50 years of excellent service. Glendale citizens are justly proud of this college and I am happy to share its success story with my colleagues.

The college is a public institution and, as such, is dedicated to educating its students to be productive individuals and responsible citizens. Students, teachers and administrators work together to develop and improve curricula which will best meet the personal, academic and vocational needs of each individual. Its philosophy is based on the principle that every person has worth, integrity, and dignity, and that each is capable of growing in intellectual curiosity and creativity as well as in moral and spiritual values. Students have the opportunity and encouragement to explore the humanities, the pure sciences and technology, and a broad variety of career interests. Its program is designed to offer both an associate in arts degree and an associate in science degree and a transfer program is available to other California colleges and universities if a student's chosen field demands an academic basic or graduate degree. In addition, a certificate program is available for those students who, having completed the requirements, desire to enter the labor force directly.

Glendale Community College, which began as Glendale Junior College, first opened its doors on September 19, 1927, in a wing of the Glendale Union High School. That first year there were 10 instructors and 139 students; the annual budget was $72,500. After 2 years, the college moved to a temporary location at Harvard and Louise Streets. The buildings in which it was housed there were destroyed in the 1933 earthquake but classes continued in tents on the site now occupied by the Glendale City Library. In 1937, 10 years after its beginning, Glendale Junior College moved to its present location at 1500 North Verdugo Road where, today, its beautiful campus covers 50 acres and its classes are held in 10 permanent buildings. Overflow classes meet in temporary bungalows.

In this its 50th year, Glendale Community College enrolled 8,150 students for college credit, and 5,400 students in noncredit and high school credit adult education classes. There are 125 full-time faculty members, with 206 part-time staff. The 1977 budget totals $11,900,000.

The college operates under the jurisdiction of the Glendale Community College district, Dr. Burtis E. Taylor, superintendent. Dr. John A. Grande is president of the college and serves as assistant to the superintendent.

FOLLOW SOUTH DAKOTA'S EXAMPLE

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. ABDNOR. Mr. Speaker, South Dakota has a provision in its constitution which should be copied into the U.S. Constitution. In South Dakota, our State government is required to collect as much revenue as it proposes to spend. We find it has been most helpful in helping our State avoid political excess—to say nothing of its merits in obviating the payment of interest on a monstrous debt.

In the three terms I have been in Congress, my legislation has included cosponsorship of a proposed constitutional amendment calling for a balanced Federal budget. The February 13, 1977, edition of the Sioux Falls, S. Dak., Argus-Leader contained an editorial on the subject which merits the attention of all Members:

PIERRE FISCAL SANITY AND WASHINGTON FOOLISHNESS

South Dakota is one of the few states in the nation that doesn't have a bonded debt. It is one of the few states that lives within its means.

The reasons for fiscal sanity in Pierre are found in the South Dakota Constitution. The constitution requires the legislature, if ordinary expenses exceed income, to levy a property tax of not to exceed two mills to make up the deficit. A state mill levy hasn't been used for this purpose for years. The state has been in the black consistently. Another provision in the South Dakota Constitution limits the state's indebtedness to $100,000.

South Dakota voters in 1978 may get to vote on another constitutional brake on state spending. The South Dakota House passed a resolution calling for a constitutional amendment which would prohibit tax increases without a two-thirds vote of the legislature or a vote of the people. The resolution also has a provision limiting the property tax asesssment at 60 per cent unless changed as required by the resolution.

The Senate should enable the South Dakota electorate to vote on this resolution. If it becomes a part of the constitution, it could do much to inhibit increased spending. It might also discourage requests from the pub-

lic for government at Pierre to do things for them that they can do themselves.

Washington would do well to emulate South Dakota's example of fiscal responsibility. Unfortunately, the climate along the Potomac doesn't seem to indicate such a switch in federal behavior.

The Senate Budget Committee is recommending that the federal government pay up to $250 of the fuel bills of families in areas hardest-hit by the uncommonly cold winter. The chairman is U.S. Sen. Edmund S. Muskie, from the state of Maine, which has cold winters. President Jimmy Carter is considering giving some relief to low income Americans on their heating bills.

Paying part of the public's increased heating bills for the worst winter to strike the Midwest and East in 100 years would give Washington's big spenders a precedent to subsidize just about everything else that hurts Americans in the pocketbook.

Muskie should know better. Here's a United States senator urging more spending, without any increase in taxes or reduction somewhere else. Carter should rely on what some Americans perceive as his Southern conservatism to answer this question. Would his fellow Georgians pay for their neighbors' heating bills? Should South Dakota help out Muskie's constituents? We can't imagine South Dakotans passing the tin cup for themselves in the worst of winters.

Carter should ask Americans to do more for themselves and expect a bit less from Washington, except in better performance by the bureaucracy.

If Congress had to contend with spending and tax structures like the ones in effect in Pierre, there'd be an end sometime to mortgaging the future to pay for fuel-foolish ideas like the one from the Senate Budget Committee.

TRIBUTE TO HARVEY HOLLOWAY

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. KETCHUM. Mr. Speaker, it is with great pleasure that I pay tribute today to a remarkable citizen, my very good friend and constituent, Mr. Harvey Holloway of Wasco, Calif.

Mr. Holloway's many civic and professional accomplishments were honored recently by his own community in the most fitting of tributes: he was selected as the 1977 citizen of the year by the Wasco Chamber of Commerce and Agriculture. Just as there could be no recognition more appropriate for Harvey, so there could be no individual more qualified to receive that honor than is Mr. Holloway.

Harvey Holloway's public service to his community, and to Kern County, has been constant. There is virtually no area in which Mr. Holloway has not been ready and willing, not to mention extremely able, to contribute. He has not confined his donations of time and effort to "leadership only" positions, but has also worked diligently behind the scenes to assure the highest level of community service. Harvey has supported, and participated in, the Citizens Advisory Committee to the city of Wasco; the Wasco Scholarship Association, and the Wasco Rotary Club. His service on the Kern County Grand Jury has been of invaluable assistance to the area.

In addition to Mr. Holloway's extensive civic offerings, he has also benefited his city, his county, his State, his Nation, and, indeed, the world through the business in which he engages. As chairman of the board of H. M. Holloway, Inc., Harvey's more than 30 years of leadership has made major contributions. Engaged in the mining and sales of agricultural gypsum, the company has enhanced the reclamation of soil in what can only be termed America's richest agricultural region, California's great San Joaquin Valley.

I ask that my colleagues join with me in congratulating Harvey upon his selection as citizen of the year, and that we further commend his many distinctive contributions. His public service has benefited those around him enormously, and the activities of his business have materially aided agriculture as it strives toward superior production of commodities to feed and clothe individuals across our Nation, and around the world.

Harvey Holloway is a man who has recognized and fulfilled his responsibilities as a concerned citizen, a community helpmate, a contributor to our fine system of free enterprise, and as one who feels obligated to assure the comfort and security of others. I am proud to count him among my constituents, and to call him my friend.

U.S.S.R. NOT LIVING UP TO HELSINKI AGREEMENT WITH SEEL FAMILY IN GERMANY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. McDONALD. Mr. Speaker, numerous instances have been noted since the signing of the Helsinki agreements wherein the U.S.S.R. blithely ignores the intent of such agreements. A case in point is the Seel family. Mr. Heinrich Seel, who lived most of his life in the Soviet Union, was able to leave the U.S.S.R. with his wife and two daughters in 1975, but his married son, Harri, his wife, Nina, and their daughter, Irena, are unable to leave Novosibirsk and join the rest of the family, in spite of their desire to do so. In this connection, the members of the Seel family in Novosibirsk have petitioned the Soviet authorities on numerous occasions for permission to joint the remainder of the Seel family in West Germany. Permission to leave was last denied on May 20, 1976. A petition filed in November 25, 1976, is still pending. Thus, the Soviet Government still believes in closed frontiers and in preventing family reunions when it suits its purpose.

REPRESENTATIVE JACK BRINKLEY AND CIVIL DEFENSE

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. GINN. Mr. Speaker, our colleague, the Honorable JACK BRINKLEY of Georgia, is the leading national advocate of preserving and improving our civil defense system. His leadership, I am confident, will make it possible for us to maintain the broad-based civil defense program that is necessary to protect the American people from both natural disaster and the effects of any military emergency.

Representative BRINKLEY's work in this area was recently recognized in a column by Mr. John Crown of the Atlanta Journal, and I insert this column in the RECORD at this point:

[From the Atlanta Journal, Feb. 7, 1977]

BRINKLEY AND CIVIL DEFENSE

(By John Crown)

Late last year I attended a civil defense meeting here in Atlanta and heard Rep. Jack Brinkley of Columbus volunteer that as soon as Congress convened he would introduce some needed civil defense legislation.

To Mr. Brinkley's credit he did precisely that. On the day that Congress convened, Jan. 4, he introduced a bill which would allow civil defense funds to be used by local civil defense agencies to cope with natural disasters and civil disturbances.

From the inception of civil defense in the United States until recently civil defense funds could be used for these purposes. But one of the economies which President Ford felt constrained to impose was to withhold such federal funds for such contingencies.

The Ford administration took the view that civil defense should be limited to preparations for acts of war, for enemy attack, for contingencies of a military nature. Local civil authorities were expected to deal with civil disturbances and natural disasters.

There is no question that a convincing argument can be made along this line. Certainly a mayor, or a county commission or a governor should be able to deal with natural disasters and civil disturbances.

But when you pause and look at the way the federal government has already injected itself into virtually every local aspect of life, it doesn't make much sense. If a president can proclaim a particular area a disaster area and thereby federal funds are made available, it doesn't make much sense to withhold federal civil defense funds from local civil defense agencies when communities are faced with natural disasters and civil strife.

Civil defense in this nation has been handicapped by benign neglect and public apathy. A few dedicated people have continued to keep civil defense alive. But it is far from well. It has been ignored. And the restrictions imposed in the name of economy merely worsened its condition.

Thus Jack Brinkley's bill, if it wins sufficient support for enactment, would fill a vacuum both within the civil defense effort and within local and state jurisdictions.

The way to keep a human body healthy is to exercise it. The way to keep civil defense healthy is to exercise it, as well. And there is just so much exercise that can be accomplished by simulated enemy attacks.

If, however, civil defense is faced with responsibility of responding to natural disasters and civil disturbances—as by its very name

it should—then there is more reality to the organization and more public interest in it.

Rep. Brinkley proposes to insert "or from major disasters" immediately behind the words "from attack" in the current civil defense law. And he defines major disaster as "any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, drought, fire, explosion, civil disturbance, sabotage, or other catastrophe in any part of the United States which causes, or which may cause, substantial damage or injury to civilian property or persons."

Now that's as complete a list as I've ever seen. And if you're wondering what tsunami means, as I wondered, I found the "American Heritage Dictionary of the English Language" defines it as "a very large ocean wave caused by an underwater earthquake or volcanic eruption."

There has been increasing interest recently in the extensive civil defense program and preparations which the Soviet Union has embarked upon. It is pointed out with good reason that the ability of the Soviet Union's population and industry to survive a nuclear strike provides a military advantage on their side.

In the United States, on the other hand, there is little interest in civil defense. Either people refuse to face the possibility that war might really come. Or they have adopted a fatalistic or apathetic attitude toward it.

Rep. Brinkley's bill is not going to resolve that problem. But by extending the responsibilities of civil defense, it follows that it will become healthier and stronger. And that could be beneficial to all of us.

SELECT COMMITTEE ON ENERGY

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. KASTEN. Mr. Speaker, I am pleased today to cosponsor a House resolution calling for the creation of a Select Committee on Energy.

Since the opening session of the 95th Congress, each of us has realized that one of our foremost concerns this year will be the enactment of a comprehensive national energy policy. The President has indicated his strong desire to submit such a policy for enactment. The severity of this winter's cold spell removes any lingering doubts that the energy crisis is real and that the United States remains woefully unprepared to meet its consequences.

To have a balanced national energy policy, however, the administration and Congress must move boldly and discard previous structural barriers which have prevented the development of a comprehensive strategy. Resource development, allocation of fuels, conservation, environmental consequences and development of alternative fuels may involve many agencies, separate budgets and different goals. But, together they formulate the equation which leads to the enactment of a comprehensive energy policy.

I am pleased to note that President Carter has indicated his desire to overcome structural barriers within the executive branch and will move shortly to the creation of a Department of Energy. The Senate has recently revised its committee structure and created a Committee on Energy and Natural Resources which will have jurisdiction over all energy-related legislation. It is now up to the House to act in a similar fashion in order to speed consideration of the legislation necessary to achieve a comprehensive energy program.

The resolution we are introducing today will amend the House rules to provide for the creation of a Select Committee on Energy. This committee will utilize existing staff and draw its membership from six of the current House committees now exercising jurisdiction over major components of energy legislation.

This select committee will have legislative jurisdiction and will be able to provide for joint referrals to other committees, but with provision for time limitations so that no single committee can cause a prolonged delay in the consideration of a component piece of the energy package.

Unless the mechanism for examining energy legislation in the Congress is united into a working whole, the efforts of members and staff as well as thousands of tax dollars will continue to be wasted. It is, therefore, imperative that our resolution to create a select committee is immediately approved and that the work of the committee begin soon.

REPEAL OF BYRD AMENDMENT

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. ASHLEY. Mr. Speaker, I am pleased to join 90 of my fellow House Members in cosponsoring H.R. 1746, which calls for the repeal of the so-called Byrd amendment, which has permitted the United States to continue the importation of chrome from Rhodesia notwithstanding the U.N. boycott.

Initially it is now clear that there are no persuasive economic reasons for the maintenance of this practice. Technological developments have rendered the importation of the higher-quality Rhodesian chrome unnecessary. Lower quality, perfectly usable chrome is plentiful and available from other sources. Various experts have assured us that this lower grade chrome produces acceptable stainless steel, and that no steelworker jobs will be jeopardized by a reimposition of the Rhodesian boycott. It is also clear that trade with Rhodesia at this time is difficult if not impossible, moral questions aside, owing to last year's closing of the Mozambique-Rhodesia border.

Second, this country has a critical stake in all of Africa. Economically, this is clear from the fact that we are increasingly dependent on other African countries for such raw materials as oil, copper, cobalt, manganese, bauxite, aluminum, graphite, iron ore and uranium. Diplomatically we have a tremendous stake also, as Ambassador Young's recent trip has so vividly and promisingly emphasized. There can be little doubt that our defiance of the U.N. boycott, after twice voting to impose it, has undermined our African relations and fostered wide mistrust on the entire continent. A show of congressional support of the boycott by passage of this bill, in conjunction with President Carter's stated opposition to the Byrd amendment, and the promise of Ambassador Young's recent tour, will go a long way toward building a new foundation for the restoration of our credibility and the improvement of relations with African countries across the continent.

Finally, however, and most importantly, repeal of the Byrd amendment would send an overdue, unmistakable message to the Smith regime in Rhodesia that the repressive policies of his minority government do not enjoy the sanction of the U.S. Congress. It may be hoped, that in the wake of the failed Geneva peace talks, such a message might induce Mr. Smith's regime to be more flexible in bargaining with the various African nations and black nationalist groups. At the very least it will put this House on record as believing that repeal of the Byrd amendment is a positive step toward peace and the eradication of racism in Rhodesia.

EDUCATION

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. COLLINS of Texas. Mr. Speaker, America's youth deserves better education. The schools of our country have forgotten fundamentals. Teaching is neglected.

Apparently, leading educators are judged by how many articles they have written for periodicals. Sometimes, they are given special awards for being innovative. I think it is time that the American educational system evaluates its educators by results. I do not care how many articles they have written for magazines or how many advanced educational theories they have. I think the real question is whether or not they are educating the youth of America.

I just read in the Enquirer about comparisons with foreign students. Our Federal spending for education has increased from $714 million in 1964 to $9.36 billion in this year's budget. We have many educators with advanced degrees. We have big school buildings and modern buses to haul children across town. But what do they learn? More spending and more degrees in teachers has not improved the American child's education.

The Stockholm based International Association for the Evaluation of Educational Achievement made a study of 250,000 children around the world.

The reading comprehension test shows America's 10-year-olds finished in 9th place out of 11 countries.

We know that a child who cannot read is doomed in all educational endeavors.

Also one that cannot write properly or who cannot spell is severely handicapped in adjusting to advanced training.

But in the sciences, we were not doing much better. In chemistry, America's 14-year-olds came in 7th out of 14. In physics, our 14-year-olds came in 8th out of 14.

Remember that the College Achievement Boards of the past 12 years have shown a continual decline in high school graduates' verbal scores from 473 to 434.

WHAT GAS?

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. PICKLE. Mr. Speaker, for everyone who thinks there is plenty of gas down in Texas, I would like to put into the RECORD a list of gas curtailments to the Lower Colorado River Authority, Austin, Tex., since November 1976. The river authority is in my congressional district in the heart of Texas.

So when people want to take gas from Texas, and not drill for gas in their own backyard, or ocean, these figures will be good ones to remember:

LOWER COLORADO RIVER AUTHORITY GAS CURTAILMENTS, NOVEMBER 1976–FEBRUARY 1977

LCRA percentages for priorities: A–2 86.66, B–2 10.65, D–2 2.69.

Monday, November 29, 1976:

1000–2400—100% curtailment on B–2 and D–2 customers.

1300–2400—50% curtailment on A–2 customers.

Oil Consumption: 206,488 gallons, plus Hydro.

Tuesday, November 30, 1976:

0001–2400—50% curtailment on A–2 customers.

100% curtailment on B–2 and D–2 customers.

Oil Consumption: 394,332 gallons, plus Hydro.

Wednesday, December 1, 1976:

0001–1200—50% curtailment on A-2 customers.

0001–2400—100% curtailment on B–2 and D–2 customers.

Oil Consumption: 145,981 gallons, plus Hydro.

Thursday, December 2, 1976:

0001–1300—50% curtailment on B–2 and D–2 customers.

Oil Consumption: 0, plus Hydro.

(NOTE.—Oil consumption from November 29 to December 2, 1976 was 746,791 gallons).

Sunday, January 2, 1977:

1300–2400—100% curtailment on B–2 and D–2 customers.

Oil Consumption: 227,714 gallons, plus Hydro.

Monday, January 3, 1977:

0001–2400—100% curtailment on B–2 and D–2 customers.

Oil Consumption: 189,472 gallons, plus Hydro.

Tuesday, January 4, 1977:

0001–1200—50% curtailment on B–2 and D–2 customers.

Oil Consumption: 0, plus Hydro.

Monday, January 10, 1977:

0300–1400—50% curtailment on A–2 customers.

100% curtailment on B–2 and D–2 customers.

1400–2400—100% curtailment on A–2, B–2 and D–2 customers.

Oil Consumption: 578,784 gallons, plus Hydro.

Tuesday, January 11, 1977:

0001–1200—100% curtailment on A–2 customers.

0001–1700—100% curtailment on B–2 and D–2 customers.

Oil Consumption: 348,564 gallons, plus Hydro.

Monday, January 17, 1977:

0001–2400—100% curtailment on B–2 and D–2 customers.

Oil Consumption: 110,054 gallons, plus Hydro.

Tuesday, January 18, 1977:

0001–2400—100% curtailment on B–2 and D–2 customers.

0800–1000—50% curtailment on A–2 customers.

1000–2400—100% curtailment on A–2, B–2 and D–2 customers.

Oil Consumption: 492,244 gallons, plus Hydro.

Wednesday, January 19, 1977:

0001–0300—100% curtailment on A–2 customers.

0300–1700—50% curtailment on A–2 customers.

2400–2400—100% curtailment on B–2 and D–2 customers.

Oil Consumption: 296,497 gallons, plus Hydro.

Thursday, January 20, 1977:

0001–1200—100% curtailment on B–2 and D–2 customers.

Oil Consumption: —0—, plus Hydro.

Monday, January 31, 1977:

1000–2400—100% curtailment on B–2 and D–2 customers.

1300–2400—50% curtailment on A–2 customers.

Oil Consumption: 139,621 gallons, plus Hydro.

Tuesday, February 1, 1977:

0001–1100—50% curtailment on A–2 customers.

0001–2400—100% curtailment on B–2 and D–2 customers.

Oil Consumption: 108, 787 gallons, plus Hydro.

Wednesday, February 2, 1977:

0001–2400—100% curtailment on B–2 and D–2 customers.

Oil Consumption: —0—, plus Hydro.

Thursday, February 3, 1977:

Oil Consumption: –0–, plus Hydro.

0001–1700—100% curtailment on B–2 and D–2 customers.

Oil Consumption: —0—, plus Hydro.

Wednesday, February 9, 1977:

1700–2400—100% curtailment on B–2 and D–2 customers.

Oil Consumption: —0—, plus Hydro.

Thursday, February 10, 1977:

0001–1200—100% curtailment on B–2 and D–2 customers.

Oil Consumption: —0—, plus Hydro.

(NOTE.—Oil consumption from January 2 to February 10, 1977, 2,491,737 gallons).

From November 29, 1976 to February 10, 1977, 3,238,528 gallons.

VOTING RIGHTS FOR THE ELDERLY AND THE HANDICAPPED

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. KOCH. Mr. Speaker, a significant number of U.S. citizens are unable to exercise a fundamental right in a democracy, the right to vote, because they have a physical handicap that prevents them from entering a polling place or booth. Many times a handicapped or elderly person will attempt to participate in the democratic process, only to find that architectural barriers physically bar him or her from the polling place door. For these persons, the right to vote is effectively abrogated, simply because of the presence of physically insurmountable barriers.

To help these people exercise their voting privileges, I am introducing today, with Mr. COHEN of Maine, a bill to provide that polling places for elections for Federal office be accessible to physically handicapped and elderly individuals. Architectural barriers have long frustrated the handicapped and aged in their attempts to find and hold jobs, improve their education, shop in central business districts, and take part in social activities. When such barriers interfere with the fundamental exercise of democratic citizenship, the need for vigorous action is especially acute.

Conservative estimates of the number of physically handicapped persons in the United States are as high as 20 million. The Architectural Barriers and Compliance Board reports that a substantial portion of that population would benefit from the removal of architectural barriers at voting sites.

When the needs of our elderly and temporarily physically disabled voters are taken into account, the number grows larger. And according to a survey by the National Center for Law and the Handicapped, architectural barriers which make polling places inaccesible to many disabled and elderly persons are an immediate problem in most of the 50 States.

In addition to polling places, voter registration offices are equally inaccessible to those with mobility problems. In Philadelphia alone, for example, it was estimated by a local organization working on behalf of the disabled that there may be as many as 30,000 handicapped persons who had not registered to vote because of physical barriers at voter registration centers.

My bill seeks to address both of these problems. First, the voting rights for the elderly and handicapped bill would require that all polling places and voter registration centers be located in facilities that provide temporary or permanent access by ramps or other means to individuals in wheelchairs. It would provide for the modification of those physical barriers, such as curbs, narrow doorways, and steps, which prohibit the handicapped and elderly from gaining access to polling places or voter registration sites.

If modification of building access at such sites is not readily possible, my bill would require the appropriate election official to file a report with the Attorney General of the United States describing the efforts made to comply with barrier-free architectural standards.

In the event that polling places cannot be made physically accessible immediately, the bill requires the institution of adequate voting alternatives. For example, the handicapped or elderly person may be assigned to an alternative polling place which is physically accessible. Also, the bill allows the use of "curbside bal-

loting." If a physically disabled or elderly person is unable to enter a polling place without assistance, clerks or judges may present an official ballot to the voter at the polling place door. Finally, the bill provides for the extension of absentee balloting to those handicapped or elderly citizens who request it.

Whatever alternative method is selected for a voting precinct will be advertised through public notice at least 60 days in advance of every upcoming election for Federal office. In addition, to prohibit the possibilities for election fraud, any handicapped or elderly citizen who intends to vote by an alternative method will notify the appropriate election official of his or her intention at least 30 days before such an election.

My bill would also require that paper ballots be made available at all polling places used for election of Federal officials, regardless of whether or not the polling places are physically accessible. These ballots would be for the use of those who have difficulty operating a voting machine, and who are thereby excluded from voting.

Finally, the Attorney General is given the power to seek injunctive relief against any State or political subdivision he or she believes has failed to comply with the standards of this bill.

Mr. Speaker, much progress has been made in extending voting privileges to groups who have been excluded from the electoral process because of racial and language discrimination. The institution of barrier-free design at polling places and voter registration sites would remedy the problem another large group of citizens—our elderly and handicapped—have had in exercising their right to vote.

PHILADELPHIA WINS TWO AWARDS IN FIRE SAFETY AND FIRE PREVENTION

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. EILBERG. Mr. Speaker, the Philadelphia Fire Department has received two national awards for excellence in fire prevention education.

The National Awards Jury of the Freedoms Foundation of Valley Forge has selected the fire department for its principal award in the governmental unit category, the highest national award the foundation gives.

The department was cited for its outstanding year-round fire prevention efforts directed toward youth and school activities.

This marks the fourth time the department has received the principal award and the 13th year in which they have been recognized by the Freedoms Foundation.

Fire Commissioner Joseph R. Rizzo noted with pride that the Philadelphia Fire Department continues to be recognized by the National Fire Protection Association for its outstanding fire prevention programs.

In the first year of the new "Learn Not to Burn" competition, the NFPA has selected the Philadelphia Fire Department for an award in their fourth group category for its outstanding fire prevention program in the public, parochial, and private schools of Philadelphia.

In announcing the award, Charles S. Morgan, NFPA president said:

The Philadelphia Fire Department has done much to set the tone of quality for the new Learn Not to Burn competition and is to be congratulated for its outstanding contribution in the interest of a better municipal fire prevention safety education program.

In the NFPA's prior national contest, which terminated last year, Philadelphia had won first place 18 of the last 23 years for its fire prevention efforts.

SCHOOL IMPACT AID FUNDS COULD BE CUT IN HALF

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. HARRIS. Mr. Speaker, I am greatly disturbed by both the Ford and Carter 1978 education budgets and that $396 million in impact aid funds for local school districts has been proposed for reduction. I have calculated what this dramatic cut—half of last year's appropriation—means across the country and am pleased to share with my colleagues a State-by-State table which shows how much each State would lose in the 1977–78 school year under these proposals.

Federal impact aid goes to over 4,300 school districts across the country. The program has been integral to local school budgets for 27 years. These funds go into school systems' basic operating accounts; they are used to finance basic elements of our school program. Unlike the Federal categorical programs which target special needs, impact aid helps pay teachers salaries, heating and other utility bills, school lunches, and instructional materials. School officials are right now preparing their budgets for the next school year and are coping with a real money crunch. Our schools need these funds now.

I have prepared information on how these cuts will affect the schools of every congressional district in the country and I would be pleased to share it with my colleagues if they would like to know how much their schools would lose. I hope you will feel free to call me or my staff at 225–9120 or 225–4376.

SCHOOL FUNDS CUT; EFFECT OF FORD/CARTER FY 1978 IMPACT AID BUDGET REQUEST

State	1978 Funds* Deleted
Alabama	$8,778,433
Alaska	5,383,107
Arizona	5,886,126
Arkansas	2,367,068
California	48,955,433
Colorado	10,472,658
Connecticut	2,867,521
Delaware	507,272
District of Columbia	3,727,528
Florida	14,718,235
Georgia	11,348,445
Hawaii	5,428,347
Idaho	2,629,411
Illinois	10,723,516
Indiana	1,909,479
Iowa	904,770
Kansas	3,912,917
Kentucky	3,441,640
Louisiana	3,812,946
Maine	1,458,792
Maryland	19,179,250
Massachusetts	6,311,989
Michigan	3,994,006
Minnesota	2,030,383
Mississippi	2,708,114
Missouri	6,116,042
Montana	1,746,208
Nebraska	2,744,620
Nevada	2,296,080
New Hampshire	1,028,178
New Jersey	11,931,111
New Mexico	6,613,060
New York	31,045,898
North Carolina	8,891,989
North Dakota	1,302,489
Ohio	10,821,985
Oklahoma	8,291,572
Oregon	2,926,047
Pennsylvania	10,140,389
Rhode Island	2,311,460
South Carolina	6,181,867
South Dakota	1,450,082
Tennessee	8,585,180
Texas	26,749,443
Utah	8,016,176
Vermont	158,634
Virginia	32,998,032
Washington	11,503,650
West Virginia	709,932
Wisconsin	1,356,563
Wyoming	1,962,659
Guam	1,590,042
Puerto Rico	2,790,286
Virgin Islands	524,852
Total cut	$396,241,969

* Figures represent the 1977 appropriation for "B" children and the "hold harmless" section of the program. The Ford/Carter budgets propose not to fund these in 1978.

CRISIS IN SOCIAL SECURITY TRUST FUND

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. CONABLE. Mr. Speaker, the most glaring omission from the new administration's budget is a recommendation for averting an impending crisis in the social security trust funds.

This will be the third consecutive year in which the combined Old-Age, Survivors and Disability Insurance Trust Funds have disbursed more money than they have received. In 1976, income to the funds totaled $74.8 billion, while outgo was $78.1 billion, for a deficit of $3.3 billion. This year, estimates point to income of $83 billion, outgo of $86.8 billion, and a deficit of $3.8 billion. Unless the Congress acts, the deficits will continue rising, and by 1979, the Disability Insurance Fund will be exhausted. By 1984, the Old-Age and Survivors Fund will be exhausted.

There is no issue on our agenda more important to the people of this country today than the erosion of those funds.

Yet the Executive has failed to suggest a remedy.

The new administration has been in office just a little longer than a month. But that is long enough to come to grips with this particular problem.

There are other, more complex problems besetting the social security system. and it can be argued that these matters require further study by the new administration before recommended answers can be developed. But correcting the short-term trust fund deficits is far less complicated and demands immediate attention. If there has been time enough to produce a budget, there has been time enough to produce a short-term social security financing proposal.

WHEN BLACKS OPPRESS BLACKS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. DERWINSKI. Mr. Speaker, Father Andrew Greeley, the noted sociologist, discusses the persecution perpetrated by Uganda dictator Idi Amin, in an editorial which appeared in the February 17, Chicago Tribune. Father Greeley also makes the point that oppression of blacks against blacks should be of as much concern as any other type of racial oppression.

The editorial follows:

WHEN BLACKS OPPRESS BLACKS

(By Andrew Greeley)

Andrew Young is one of the most impressive public men I have ever met. His generosity and self-sacrifice in giving up a safe and increasingly powerful congressional seat to go to the United Nations show an impressive capacity to sacrifice personal ambition for public service. I have always thought that Young could easily be the first black Vice President and even the first black President.

Hence, I was shocked by his ambiguity on the subject of tyranny in black Africa. He cannot, he said on TV, denounce a man like Idi Amin because Amin is a head of state and the UN is not a place to denounce heads of state.

Has Ambassador Young forgotten that Adolph Hitler was also a head of state?

How can a man object to white oppression of blacks in South Africa and not scream to heaven in outrage when blacks oppress other blacks in Uganda or Angola or the Central African "Empire"?

Perhaps a hundred black people have died at the hands of white police in South Africa. Several hundred thousand blacks have died at the hands of black police and troops in Uganda. Is the first behavior immoral and the second moral? If Young is to denounce evil in South Africa why is he reluctant to denounce evil in Uganda?

Would he have us believe—as many white liberals would—that most of the black people of Africa are incapable of political freedom and that the tyrannic governments in power in that continent are necessary because of the political immaturity of the people? I cannot believe that Andrew Young would be the victim of that kind of racism. Nor can I believe that a man who has been on the side of freedom all his life in the United States would be on the side of oppression in Africa—just because it happens to be a black oppression. I cannot believe that Andrew Young thinks that blackness is more important than freedom.

Will Young continue to mouth the foolish cliche about "black majority rule" when he knows that there is no such thing as majority rule in most African countries? Rule, such as it is, is the rule of corrupt minority elites who happen to have the guns—or in the case of Angola, the foreign mercenaries.

Does the United States of America stand for freedom everywhere or does it not? Young had better make up his mind.

Is there a single standard of international morality or is there not? One of Young's predecessors thought there was a single standard. He denounced Amin and recently, on the same grounds, opposed aid to Chile. But, as Sen. Moynihan pointed out, if you oppose aid to Chile because of its violation of human rights, you place yourself "in opposition on important matters to an extraordinary number of nations with which most of us would otherwise like to have close and supportive relations."

And that surely includes most of Young's favorite nations in Africa. If there is any difference between Chile on the one hand and Angola, Zaire, the Central African "Empire" Ethiopia, and Uganda [for example] on the other, it is that the Chilean junta is much less bloody than the governments of any of the other countries mentioned.

And the victims of these countries happen to be black. Or does that matter?

As Moynihan said, referring to Stephen Spender pondering long ago the civil war in Spain, "Unless he cared about all murdered children indiscriminately, he didn't really care about children being murdered at all."

AG-LAND FARM FUND

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. CORCORAN of Illinois. Mr. Speaker, we are at a point in American agriculture where, for the first time in many years, the majority of our farmers can consider the possibility of buying additional land and making greater profits. The ag-land farm fund which is awaiting IRS approval would set our farmers back substantially.

My concern is based on four points:

First. The capital assets of the proposed fund would give the fund a great advantage in land purchases. Small farms, and especially young farmers—who already find it difficult to get started—would be unable to compete with the resources of the fund when high quality farmland is offered for sale.

Second. The availability of fund money will add impetus to the rise in land values, making available land continually more expensive.

Third. Farmers would further be disadvantaged in the matter of taxation. The fund would pay no tax on capital gains, and may not pay tax on earnings. Individual farmers, on the other hand, would enjoy no such exemptions.

Fourth. Inevitably, if this fund grows, as it most surely will, economic power in our food production and distribution system will be concentrated in the hands of a few large banks and investors, rather than in the hands of individual farmers and landowners. Such a system, almost feudal in nature, can only be harmful to our economy.

Yet, I want to emphasize most vigorously that I do not think Continental Bank or Merrill-Lynch have any dark or devious motives in this endeavor. Both companies are honorable organizations, and in fact, Continental Bank has long been regarded as providing one of the country's outstanding farm management services.

I do believe, however, that in this case their concern lies, as is to be expected, with the investors in the fund, rather than with the small farmers who might be affected.

On February 11, during our recent district work period, I met with farm leaders from several counties in my district. When the discussion turned to the proposed Ag-Farm Fund, the consesus was that the fund would seriously damage the family farmer.

As the president of the Woodford County Young Farmer Organization said:

We're scared. Where could we get loans to buy land at a high enough rate to compete with them?

Mr. Speaker, I believe his fears are justified. That is why I urge this House to seriously consider the impact this fund would have on American agriculture.

I have learned that my colleague from Illinois, Congressman PAUL FINDLEY, will sponsor legislation to end the tax-exempt status of the fund if the IRS gives its approval to the fund. I will enthusiastically support, and will cosponsor, such legislation.

NEW CONCEPT IN CULTURAL EXCHANGE

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. SNYDER. Mr. Speaker, I would like to acquaint my colleages with a new concept in cultural exchange. We have a group of goodwill ambassadors in Kentucky who have a unique approach. Instead of exporting music, they plan to tour Europe sharing a form of music, developed, not in this country at all but in Europe—during the renaissance.

The Jesse Stewart Madrigals are masters of the type of song from which they draw their name—the madrigal, which they tell me is a polyphonic vocal composition that blends as many as six lines of melody. The madrigal is sung without instrumental accompaniment and is often spoken of as "vocal" chamber music.

The Madrigals have appeared throughout Kentucky and southern Indiana and have ranged as far afield as Innsbruck, Austria, to win the 1975 Insbruck music festival. More recently, the Madrigals defeated 15 bands and 17 choirs to bring home the first place tropy of the North American International Music Festival which was held in Quebec, Canada.

For 5 consecutive years the group has maintained a record of perfect scores in competition in the process of collecting 518 gold medals and 7 silver medals in individual and small ensemble competition.

This outstanding group of vocalists is now raising money to finance another tour of Europe, planned for this summer. In addition to a schedule packed with at least 22 concerts, they will compete in the World Music Festival in Sheffield, England.

I urge you to join me in wishing them well in their endeavor and luck in the international competition, as they add a new level of harmony to independent cultural exchange.

PRESIDENT OF THE AMERICAN SOCIETY FOR MEDICAL TECHNOLOGY ANNOUNCES PLAN TO CERTIFY LABORATORY PERSONNEL

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. HYDE. Mr. Speaker, an January 28, Beverly Jean Fiorella, a resident of Oak Park, Ill., and president of the American Society for Medical Technology, announced the establishment of an independent certification agency to certify laboratory personnel across the United States.

Ms. Fiorella is an associate professor in the School of Associated Medical Sciences at the University of Illinois Medical Center in Chicago. She has served on many committees at the school and the college of medicine, and has been an active member of the Missouri, Ill., and American Society of Medical Technology since 1955. Ms. Fiorella has a bachelor of science degree from Webster College in Missouri, and a master of science degree from Central Michigan University.

I would like to share with my colleagues the text of Ms. Fiorella's January 28 statement:

STATEMENT BY BEVERLY J. FIORELLA

A new and independent certification agency has been established which will be responsible for certifying laboratory personnel in the United States. Its name is the National Certification Agency for Medical Laboratory Personnel.

The American Society for Medical Technology, which represents more than 28,000 laboratory administrators, supervisors, educators, technologists, technicians and specialists, endorses this new agency and supports its objectives. For over 20 years ASMT has been actively involved in developing standards of certification and accreditation for clinical laboratory professionals. We have participated with various organizations in these endeavors, including the American Medical Association, the National Accrediting Agency for Clinical Laboratory Sciences, the American Society of Clinical Pathologists, and the United States Office of Education.

I cite these organizations and the years of our involvement to demonstrate the deep commitment of ASMT to the highest standards of professionalism, competence and quality patient services.

For many years we have encouraged the establishment of an independent and autonomous certifying body for clinical laboratory professionals which would be free of control by any single professional organization.

There is a clear and compelling reason why certification by an independent agency is needed. An independent certification agency, under the direction of individuals representing a broad spectrum of interests, and having as their primary concern the quality of laboratory services, is the most effective manner in which to assure professional competence. Independent certification is a progressive step towards the profession's acceptance of its responsibility to provide optimum patient services.

In the 44 years since the ASMT was founded, great advances have been made in the preparation and continuing education of laboratory personnel, particularly as sophisticated technology entered the field. Our profession, in a very real sense, has become a highly skilled discipline. The knowledge and scientific capabilities required of our people demand extensive training and education. We have reached a new level of recognition and standing in the medical community. An independent certification agency by and for medical laboratory personnel can be more responsive to the growth of the profession.

There are also other circumstances which favor such a step. The Federal Trade Commission has made known its intention to initiate a major program of "inquiry into various competitive problems in the delivery of health care services." A major area of concern is the vested interest of professional organizations in certification activities which may be considered a conflict of interest. The ASCP Board of Registry is a potential target of such scrutiny.

While the ASMT took the initiative to help establish the National Certification Agency, I want to assure you that we consider the independence and autonomy of this agency of paramount importance. Even though, for an interim period, the agency will be located in the same building as the ASMT Headquarters in Houston, I want to emphasize that their offices and personnel are entirely separate from the ASMT offices.

The National Certification Agency is fortunate to have three exceptionally talented and dedicated officers who will serve the agency during the initial period of organization. They are Sara Marie Cicarelli, president; Verna L. Rausch, secretary and Annamarie Barros, treasurer. All three have excellent credentials and are highly respected in the medical laboratory field. Inquiries concerning the new agency and its plans should be directed to its president.

It is our strongest desire that the National Certification Agency maintains its independence and achieves its objectives. We hope that all groups now certifying in the laboratory field will participate. A strong and independent certification agency is the greatest assurance to the medical profession and to the public that the high quality of service provided by laboratory personnel will be maintained.

NEIGHBORHOOD GOVERNMENT ACT

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. GEPHARDT. Mr. Speaker, I am today introducing the second in a series of bills designed to promote conservation of our older neighborhoods.

Since World War II our Nation's cities have experienced a steady outmigration of both people and jobs, leading to deterioration of their tax bases and a subsequent decline in the quality of urban life.

To a large extent, this condition has grown out of Federal policies which have created tax incentives for new home construction, financed highways for easy access to the suburbs, encouraged home-buying outside the city, and so on.

Our older neighborhoods, however, have many assets worth preserving. Their buildings provide valuable residential and business space in addition to serving social functions through churches, schools, and other institutions. Some of the buildings in our older neighborhoods have historical significance and some are simply fine old buildings worth preserving for their own sake and for the sake of future generations. In addition, living in older neighborhoods helps protect the environment and save energy. Their location near jobs and recreation afford opportunities for protecting the environment and saving energy.

Fortunately, the past decade or so has marked a period of renewed interest in urban living. Today many people seek out older homes because of their substantial construction, interesting design, and often lower price. More and more suburbanites are now moving to older neighborhoods because they provide relief from commuting and easier access to entertainment and recreation.

It is this change in attitude by a growing portion of our population that offers the best hope for the future of our cities. It should be Government's role to encourage the new trend and protect the Nation from loss of its valuable cities.

To this end, on February 9 I introduced the National Neighborhood Policy Act which would establish a Commission on Neighborhoods to undertake a comprehensive investigation of the factors contributing to the decline of our city neighborhoods and to recommend changes in Federal, State and local laws and programs to promote neighborhood conservation. This bill has already been approved by the Housing Subcommittee.

The bill I am introducing today would encourage perhaps the strongest catalyst of our cities' resurgence—the voluntary efforts of urban citizens.

The proposed Neighborhood Government Act offers Federal income tax credits to individuals for contributions to community corporations delivering services to their neighborhoods.

The bill encourages communities and neighborhoods to incorporate for this purpose and to seek certification by the Internal Revenue Service.

The amount of tax credits for contributions to neighborhood corporations would be on a sliding scale according to income, with the highest proportion—80 percent—going to those taxpayers earning $10,000 or less. Full credit would be allowed to residents of the neighborhood served by the corporation.

Many of us from urban districts have probably seen already the splendid work

of neighborhood organizations in dealing effectively with housing rehabilitation, neighborhood cleanup, youth employment, crime prevention and so on.

In my home district of St. Louis, several such organizations have made substantial progress in preserving and improving their neighborhoods. One of the better known examples is Hill 2000 which has maintained the cohesiveness of this famous Italian community—where Yogi Berra and Joe Garagiola grew up—despite efforts by both Government and commercial interests to disrupt it with highways or undesirable enterprises.

Another example is Jeff-Vander-Lou, Inc., which was created in the shadow of Pruitt-Igoe, declaring war on blight. The corporation has rehabilitated over 300 housing units with many more underway, established senior citizen and day care centers, and persuaded the Brown Shoe Co. to build a job-intensive factory in their neighborhood.

Other St. Louis organizations like Bevo 2001, Dutchtown South, Carondelet, and Grand Oakhill, are mirrored in major cities throughout the country. The Neighborhood Government Act would provide additional financial support for these groups and promote participation. It would also encourage residents of other neighborhoods to organize for the purpose of providing some of their own services.

Neighborhood associations help relieve the feelings of frustration and alienation that have plagued the American taxpayer. They give individuals closer control over their affairs. They fight apathy and facilitate the growth of community spirit, thus preventing deterioration and blight of urban neighborhoods. Such voluntary efforts merit support from the Federal Government. By providing tax incentives for creating and participating in community corporations, we can help reverse decline of our Nation's cities and make a significant contribution toward saving their valuable older neighborhoods.

A SALUTE TO THE LITHUANIAN PEOPLE

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. FARY. Mr. Speaker, 59 years ago on February 16, 1918, an independent Republic of Lithuania was established. Its independence was cherished by the peoples of that nation, an independence that struggled forward for generations. Then in 1940, 22 years after reaping their reward of freedom, 300,000 Russian soldiers marched onto Lithuania's soil and stole away their independence by force.

This day of February commemorates not just Lithuania's onetime independence but also the continuing pride and ever mounting determination of those peoples to free their country, even as they endure exiles and repressions under the heavy hand of Russian domination.

The people of Lithuania have always held closely to the principles of independence and freedom. During the Middle Ages Lithuania established itself as a country that encouraged education and toleration. Their strong sense of nationalism helped to keep their large and powerful European neighbors at bay until in 1795 Lithuania was overcome by Tsarist forces from Russia. The Lithuanian people were not broken or dispirited. They kept the dream of independence and their sense of nationalism burning until, on February 16 of 1918, the momentum of their struggle brought them to break with Russia and establish their own government based on democratic principles.

With its independence Lithuania set itself to the task of building her nation and participated in cooperative endeavors with other countries. In September of 1921 Lithuania joined the League of Nations. It held peace treaties with other nations including Russia.

It was in June of 1940 that Russia broke their treaty by sending 300,000 troops into Lithuania ending that country's independence. The Soviet Union then began attempts to stifle their nationalism and break the unity of Lithuanian people by exiling 350,000 Lithuanians and sending in Soviet colonists. Persecutions claimed over 45,000 lives, but the Soviets could not crush the determination of the Lithuanian people to regain their independence and freedom.

Today this quality is still apparent in the peoples of Lithuania. Leaders within that country have organized, at the risk of severe punishment, an oversight committee to try to uphold the agreements made at Helsinki concerning human rights. This committee is in contact with other groups throughout the Soviet Union including Sakharov's committee in Moskow.

The more than 1 million Lithuanians living here in America support over 2,000 Lithuanian charity, scholarship, and mutual aid organizations. The continued vigilance of these people serves as a shining tribute to those human qualities that demand self government. The hope that these people will some day regain control of their country is one that all freedom loving people can share.

WHAT AMERICA MEANS TO ME

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. JENRETTE. Mr. Speaker, I rise to call the attention of this body to the outstanding accomplishment of a young gentleman from my district, Dennis Guida, Jr., who is the South Carolina winner of the 1976–77 VFW Voice of Democracy scholarship program. It is my distinct personal honor to insert his award winning essay into the RECORD for the consideration of the Congress. I am most certain that my colleagues, when reading these remarks, will join me in agreeing that Dennis exemplifies the best in our Nation's young people. He demonstrates not only patriotism, but the moral fiber which sustains democracy.

WHAT AMERICA MEANS TO ME

When thinking of America, we must take a lot of things into consideration. We must look at our freedoms, our rights, and the men who have made all these possible. What makes America great, and why do I love it so much?

My freedom means a lot to me. The freedom to express my opinions in the way that I want is important to me. Sometimes we take this privilege for granted, but we would be lost without it. Although freedom can be and has been abused, most Americans have made good use of it. We can see these uses all around us in the democracy of our modern cities, our technology behind our great rockets, and even the massive organization on our farms. Our freedom to discuss and design our ideas has made all of these possible. When freedom is used properly it is a valuable tool in making progress. I'm sure that freedom means a lot to all of us, but it gives this nation a special meaning to me.

Even though our freedoms are extremely important to me, our rights are a necessity in guaranteeing the pursuit of happiness. We Americans are very fortunate that the Constitution gives us the right to choose our leaders. In this way, we, the people, are able to govern ourselves. As long as we have this right, we will have no fear of being run by an unfair dictator or monarch. Another of these important rights is our freedom of religion. We are blessed with the right to pray and worship as we please. This right means a lot to me as worshiping my God has had a great effect on my life. We are also fortunate to have the right to a free press. Although we may think that sometimes the press uncovers a little too much, it is the people's greatest weapon for maintaining a sound government and is perhaps our greatest right. Surely, our rights are very important, and they mean a great deal to me. If America ever loses her rights, we will cease to be great.

Our freedoms and rights are wonderful and good, but when I think of America, her people come to my mind. Most of us have great pride in our country. We work hard to make America great and good. America is her people. I could say much about our democratic form of government, or, about our great traditions, but these would be meaningless words if it were not for the men and women alike who were willing to give their very lives to protect the principles for which this nation was founded. These people thought that much of you and me, and, of right and wrong. These people have preserved our rights and our freedoms and have given me a tremendous sense of responsibility. We are indebted so very much to these who can truly be called "Americans". Our forebears and many who are still living are the essence of this great nation, and the reason, why I love it so much.

As I have noted, America is a great nation, for many reasons. I love this country, and I hope that my generation and generations that follow, will preserve its pride, its heritage, and its hope and keep it the best nation under the sun.

JAPANESE DUMPING OF TELEVISION SETS HURTS U.S. ECONOMY

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. MURPHY of Illinois. Mr. Speaker, today over 65,000 Americans are employed in the color television industry.

Their jobs are being threatened by ever-increasing numbers of foreign goods which are flooding the American market. Imports of color television sets from Japan are four times greater than they were in 1968. The Japanese captured almost 40 percent of the American market in 1976, an incredible jump from 17.8 percent the year before.

American firms accuse the Japanese of dumping in order to capture the market. Dumping means selling a product below the price the same product is sold for in its home country. In 1971 the Tariff Commission ruled unanimously that the American industry was being injured by Japanese dumping. Industry does not believe the practice has stopped.

These imports threaten American jobs—over 12,000 people are presently employed in Zenith's Chicago plant alone. It is estimated that altogether 65,000 jobs in the industry are endangered. This figure does not include the thousands of jobs already lost in the industry.

I am inserting in the RECORD two articles which were recently written by Bob Wiedrich of the Chicago Tribune on this very serious problem for the information of my colleagues:

[From the Chicago Tribune, Feb. 27, 1977]

UNITED STATES DEAF AS ZENITH CRIES FOUL ON JAPAN

(By Bob Wiedrich)

Illegal practices by Japanese television makers have cost 60,000 Americans their jobs because the United States refuses to enforce its laws against unfair foreign competition.

That is the shocking tenor of charges leveled by John Nevin, chairman of the nation's largest TV manufacturer, the Zenith Radio Corp.

Nevin reports that nearly 17,000 of those jobs have been lost to workers in Illinois alone, a majority of them in the Chicago area.

And all because, he says, the Justice and Treasury departments have failed to act against the Japanese for price fixing, payment of secret rebates, and other unlawful practices at the behest of the American State Department.

Simply stated, American diplomats don't want to rock the boat in their relations with Japan, Nevin charges. So if that means sacrificing an entire American industry and the livelihoods of those employed by it, then that's just tough.

Nevin's accusations against Washington bureaucrats are damning indeed. But he is able to back them up with facts and figures that should send an irate Congress to the ramparts of the West Coast.

Nevin has been hollering foul against the Japanese for several years. But apparently those in authority have not been listening.

For while Uncle Sam has been consciously ignoring his own laws, Nevin charges, the Japanese have captured well over 90 per cent of the stereophonic phonogragh and black and white TV market in the U.S.; 40 to 50 per cent of the color TV business, and 99 per cent of the radio sales.

In fact, Nevin says, to the best of his knowledge only one radio is still made in this country, Zenith's own Transoceanic model.

Now, much of the allegedly unfair and unlawful Japanese competition has been occurring at a time when the United States has been plagued by recession, inflation, and high unemployment.

While 60,000 Americans in the TV manufacturing industry have been dumped from their jobs because of the Japanese, contributing to the 8 per cent unemployment rate in America, Japan has managed to keep its jobless rate to a marvelous 2 per cent.

That low jobless rate, Nevin said, results from the illicit Japanese practice of "dumping" excess TV production in the U.S. at prices less than those at which the sets are sold in Japan.

That way, the Japanese work force can be kept on the job at the expense of American workers. And, at the same time, the Japanese make it virtually impossible for American firms to compete in the Japanese market by highly restrictive laws.

"Dumping is selling a product in an export market at a price lower than you can sell the same or similar product in the home market," Nevin explained.

"The Japanese turn only a modest profit on their sets sold here, if any at all. But they maintain their employment rate while practicing calculated, wholesale assassination of the American TV manufacturing industry with the help of our own government."

Nevin charged the Japanese are breaking American laws through outright fraud against the U.S. government and other devices to successfully dump TV sets on the market here under the brand names of major retail chains.

Of the Japanese firms doing business in the U.S., only Sony has established a reputation for innovative quality, Nevin said, with the result that Sony products are priced higher here.

Nevin charged Japanese firms have committed fraud against the U.S. government by recording prices on U.S. customs documents that are higher than those actually paid by importers.

Then behind the scenes, he said, the companies have forked over to the American buyers secret rebates, in violation of the law.

For example, he said, the price reflected on a customs document for an imported set will be $220 when the cost actually charged the importer is $180.

Similarly, importers will explain away the difference in the cost of lower-priced Japanese made TV sets here to the Treasury Department by claiming the same set sells for more in Japan because of different manufacturing or warranty requirements.

"We tear down competitors' sets every day at Zenith," Nevin said. "We know that, with few exceptions, the sets sold in Japan are identical and that the cost difference is at most less than $5."

[From the Chicago Tribune, Feb. 28, 1977]

JAPAN IMPERILS OUR TV SET MAKERS

(By Bob Wiedrich)

Nine of this nation's best known television makers have been bombed out of business by unlawful Japanese competition that has created economic chaos in the industry.

And, unless Washington officials start enforcing the law, this industrial genocide could reduce the number of domestic TV producers to two or three within the next five years.

Which means, of course, that many more thousands of American workers will have lost their jobs in an industry that has already been defrocked of 60,000 jobs by unfair and illegal foreign competition by the folks who brought us Pearl Harbor.

Granted, that event occurred more than 30 years ago. And since then, the United States and Japan have become the fastest of friends in the Far East.

But Japan's undeclared war on the American TV manufacturing industry is proving just as destructive as the bombs that sank a substantial part of the American Pacific fleet.

Which logically leads the observer of this tragic scene to question who really won World War II.

As we explained in a previous article, Japanese TV manufacturers have been "dumping" excess TV production in this country at prices far less than those for which the sets are sold in Japan.

The sets are primarily marketed under the brand names of major American retailers and yield little if any profit for the manufacturers.

However, the practice permits the Japanese to keep their work force intact at the expense of American workers while seriously undermining the American television industry.

And these practices have been permitted to flourish at a time of rising U.S. unemployment by a federal bureaucracy that appears totally insensitive to the plight of the American workers who have lost their jobs.

American TV producers have been protesting the Japanese duplicity to Washington since 1970, but to no avail.

In 1971, the United States Tariff Commission found after a lengthy investigation that the Japanese were guilty of dumping underpriced TV sets on the American market to the considerable detriment of domestic producers.

But that conclusion also fell on deaf ears and the practices were permitted to continue because of the failure of the Justice and Treasury departments to take action against errant Japanese manufacturers.

Of 16 U.S. TV makers studied by the tariff commission, 10 were reporting losses by 1970.

It was already clear by then, says Chairman John Nevin of the Zenith Radio Corp., America's largest television manufacturer, that many domestic producers were in serious financial trouble and that some would not survive the illicit assault from the Far East.

By 1970, four of the 16 TV makers studied by the tariff commission had been forced out of the television business. Since then, five others have become involved in mergers or acquisitions.

"The financial difficulties that led to these sales and mergers can be directly related to the depressed prices that have characterized the American television market," Nevin said.

"We haven't asked Washington for tariff barriers or government subsidies. All we are asking is that the laws of this country be enforced. If the government will do that, we'll beat the pants off the Japanese."

Some people claim the Japanese have successfully raided the American TV market through better quality and manufacturing and technological superiority.

That, says Nevin, is a lot of baloney.

They have not been electronically innovative, he asserts. Rather, they have spent over $200 million in the last decade buying American technology and know-how through licensing agreements and technical assistance agreements with U.S. firms.

"We have an earned reputation in this country for producing the highest quality TV sets in the world," Nevin declared. "If the Japanese are so efficient, why doesn't the Japanese consumer get a better price on the TV set he buys."

In Japan, the least expensive 19 inch TV set sells at a suggested retail price of just over $500. The same set is sold through private brand retailers in the U.S. for less than $300.

In short, the Japanese are literally carving the U.S. television manufacturing industry apart with an unlawful Samurai sword and Uncle Sam is holding down the victim.

Last month, Sen. Edward M. Kennedy (D. Mass.) demanded to know why the Justice Department has failed to investigate apparent Sherman antitrust violations that have caused "the near destruction" of the American TV industry.

He charged that a 1970 written agreement by 18 Japanese TV makers created "a classic cartel situation" involving price fixing and the allocation of customers and markets in the U.S.

It is one thing, he said, to support a liberal trade policy that benefits American consumers through vigorous foreign competition. It is quite something else for bureaucrats to ignore blatant violations of American law that could sound the death knell of an entire industry.

If Congress doesn't act soon to force the hand of the bureaucrats, the economic futures of thousands of American workers will have been buried beneath a sea of Japanese made TV sets.

And the American taxpayer will have gotten it in the neck again—with a Samurai sword.

MILITARY RETIREMENT

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. ARMSTRONG. Mr. Speaker, recently there has been a great deal of controversy about the military retirement system.

Numerous magazine and newspaper articles have focused on the problem of high-ranking military personnel who draw both retirement pay and salary from another job at the same time. The way the media report the situation, it is no wonder a lot of people feel "double-dipping" is unfair.

But there is another side to the story that also needs to be considered. Today, the Armed Forces operate under a forced retirement system. That is, those who are not promoted are forced to retire, whether they wish to do so or not. As a consequence, many retirees find themselves with a retirement income inadequate to support themselves without taking another job—and even then, some find themselves with lower incomes than before their forced retirement.

Recently I received a letter from a resident of my district which tells of the hardship and frustration experienced by many retirees. I would like to share this letter with my colleagues:

Congressman WILLIAM L. ARMSTRONG,
Washington, D.C.

DEAR CONGRESSMAN ARMSTRONG: I won't waste your time with the niceties in starting a letter, but get to the point, the disgust I feel toward a government that lets certain elected legislators demoralize the few dedicated men and women of this country. Let me state that I am the wife of a retired Marine Officer who served in two wars, and not as a desk jockey, but as an infantry Staff Non-Commissioned Officer in Korea, and in Viet Nam as an infantry Company Commander. The one particular Legislator I refer to is Representative Les Aspin, and refer to his article, The Burden of Generosity (Harper's Dec. 1976). Why in this country, is the serviceman and service woman continually being verbally attacked, by these certain Legislators, as to our fringe benefits and retirement pay. Now I have read where Representative Aspin has proposed that retirees' pay be reduced in the basis that military retirees may have outside earnings.

During wars they can't do enough for us, but during times of peace we appear as a problem to society, and must be reduced to second class citizens once more.

Now really do our elected Legislators believe all our country's economic problems lie within our military personnel benefits, and retirees' pay? Our retired servicemen and servicewomen cannot live on their retirement alone, nor on the pay as a civilian when he has to start all over again. Do they believe retirees start at the top in civilian life? No way, in my own husband's case! They offered him less pay, and justified that by stating, "that after all he received a military retirement check." The retirement pay of a serviceman and servicewoman retired at twenty years or more, and with his civilian pay brings their earnings up to the status of his civilian counterpart on the job twenty years or more. Also in many cases the wife still has to work to make ends meet. Is it not our way of life in this freedom loving country to better ourselves?

I do not believe our economic problems lie with our servicemen's and servicewomen's fringe benefits and retirees pay. The root of our country's economic problems have all come from within Washington, D.C. and our elected Legislators. I am sure there are many areas in which taxes can be cut. No one ever proposes cutting our Legislators' benefits, or pay. Or how about the monies appropriated for different grants, such as the grants to universities to study the sex life of a frog? Government advertising alone reached $113.4 million for 1975. The only legitimate advertisement, in my opinion, was the recruitment for our armed forces.

One would think our government wants our service personnel to unionize. Certainly some of our Legislators seem bent on forcing our service personnel to that goal with continual threats, and untrue accusations as to our well being. If only we could boast how great it is to live on easy street, as that is what some of our Legislators would have the civilians believe. I think our military personnel and civilians alike envy our Legislators. After all, where in this world can Legislators vote a raise in pay for themselves, especially with the economic problems the country now faces, but see nothing wrong in taking it away from the service personnel? However, Congressman Armstrong, I take pride in the knowledge that you have been opposed to such an outragous use of political, and hypocritical power.

Military retirees worked hard for their retirement benefits and pay, pay depending on their rank upon retirement. One did not sit around and twiddle their thumbs to be promoted. If military life is as great as we are all led to believe by some of our Legislators, why isn't there a stampede to the recruiting offices?

Enclosed you will find a copy of a letter sent to President Carter, which I am still waiting a reply.

As a constituent and ardent Republican I hope that this long letter will at least give you some insight as to how I feel about these issues.

Sincerely yours,

DELORES F. REID.

REVENUE SHARING AND THE ELDERLY

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. PEPPER. Mr. Speaker, in order to meet the needs of all Americans, Congress passed the general revenue sharing program in October 1972. This legislation specifically cited "social services for the poor and aged" as one of the priorities for the use of the $30.2 billion of Federal money allocated to local governments.

Unfortunately, congressional intent has not been met in this area. A General Accounting Office study, conducted at my request, indicated that only two-tenths of 1 percent of all Federal revenue sharing funds are apportioned to the elderly.

Ms. Bethany Covington, a research assistant with the Subcommittee on Health and Long-Term Care investigated this problem. Her conclusions follow:

REVENUE SHARING AND THE ELDERLY

BACKGROUND

The State and Fiscal Assistance Act of 1972, referred to as general revenue sharing, became law in October 1972. The Act calls for the distribution to states and local governments of $30.2 billion of federally collected revenue monies over a period of five years to terminate December 31, 1976. The Act was extended in October 1976 with an additional $30.2 billion to be distributed by 1980. The intent of Congress was to concentrate funds in areas which were of high priority nationally. The Act created eight priority expenditure categories in which local units of governments could expend their revenue sharing entitlements.[1]

"SOCIAL SERVICES FOR POOR AND AGED"

"Social services for the poor and aged" is one of the priority categories mandated. The Act leaves the definition of the category undefined. The Office of Revenue Sharing did, however, establish criteria to aid local governments in determining their position and potential action relative to the category.

Administrative expenses incurred in the operation of programs for the poor and aged are allowed as ordinary and necessary operating expenses;

The funding of an agency which administers a number of subagencies, only one of which provides social services, does not constitute a priority expenditure, since the revenue sharing funds would not be used exclusively on social services for the poor and aged;

Salaries of social workers, case workers and others working in programs with the poor and aged can be paid from revenue sharing funds;

The operating expenses of neighborhood social centers and other neighborhood facilities which are of benefit to the poor and aged may be partially funded with revenue sharing funds to the extent that such funding reflects the true use made of those facilities for the benefit of the poor and aged.

The payment of a portion of a poor tenant's rent is a permissible expenditure if the money goes to the landlord and not to the tenant. Direct welfare payments to the poor and aged are not permitted by the Act.

Revenue sharing funds may also be used to operate and maintain public housing.

A day care center and day care services may be funded through revenue sharing.

Nursing homes and old-age homes for the poor and aged may be funded with revenue sharing funds.

In general then, any activity which can reasonably be called a social service for the poor and aged may be funded through revenue sharing.[2]

ACTUAL STATISTICS

As shown by the list above, there are many possible usages of revenue sharing monies within the category of social services for the poor and aged. However, the statistics show that in reality very little has been expended in this category. Through June 30, 1975, recipients of the funds had reported spending less than one-half of one per cent on programs for the elderly.[3] The Comptroller General compiled a report on spending from an analysis of data collected from 250 gov-

Footnotes at end of article.

ernmental units (as of June 30, 1973). Of these 250 units, only 28 had authorized the expenditure for the benefit of the elderly. It was concluded that even though $1.688 billion was available for use by the 250 units, only $2.9 million was used for the elderly. While those over 65 represent over 10% of the population and 28% of the poor, expenditure on their behalf amounted to only about two-tenths of one per cent of the available total funds.[4] Information taken from the Actual Use Reports submitted by recipient governments to the Office of Revenue Sharing indicated that 3%–4% of total GRS allocations are being spent in the category of social services for the poor and aged.[5] The following tables further show the low expenditure in the area of social services for the poor and aged.

These statistics and tables provide a clear indication as to where the elderly stand when local officials determine priorities for expenditure of revenue sharing funds.[6]

SOLUTIONS-PROBLEMS-SUGGESTIONS

From studies of the present Revenue Sharing Act, made by individuals and organizations, several problems have been identified, each of which may be partially responsible for the low expenditure of revenue sharing funds for the aged.

One such problem is the fungibility of the revenue sharing funds. This term means simply that the local and state recipient governments intermingle their revenue sharing funds with all of their other various revenues. Thus the RS monies become one part of the total state and local resources; they are no longer a separate and distinct entity.[7] Also, RS funds are substituted for local money. This local money is then freed to be used for purposes very often unrelated to the eight priority categories outlined in the Act. Thus an identification and measurement of the real impact of RS becomes extremely difficult.[8] It becomes impossible for citizens to know how these funds are spent. Thus citizen participation is made impossible. As a result, the elderly are left at the mercy of the local decision-makers in receiving funding of their specific programs from the RS funds.

One solution suggested for this problem is that the RS funds be set aside in a separate fund in each community or state. This fund would then be drawn upon solely for carrying out a specific use plan for the monies.[9] Another suggestion made was that the present reporting system be abolished. Instead, a recipient government would be required to provide the public with a year to year comparative financial data report on uses of all its RS funds.[10]

Lack of citizen participation in the decision-making on how the received funds are to be spent has been cited as a second problem. This is a direct result of the Act because there is no provision included in the Act for citizen participation.[11] Therefore most decisions on how the funds are to be spent are made by the local and state recipients. Citizens have little or no direct influence on the decisions made. It is required by law that each state and local government recipient publish copies of their planned and actual use reports (submitted for each entitlement period) in a newspaper which has general circulation within the geographic area of these governments.[12] However many governments fail to make prominent public notice when the funds are received and when decisions are made. For example, published planned and actual use reports have been found in the want-ads of some community newspapers.[13] The result is obvious: citizens, including the elderly, can't lobby for their cause if they don't know when to.

To insure citizen participation in the decision-making process, it has been suggested that citizens, including representatives of the elderly, be placed on an advisory board. This board would be present and heard at all public hearings and help in the planning for the use of the funds.[14] To guarantee that the citizens be heard by the local officials, governments would not be allowed to spend RS funds unless there was a public hearing at which the public is duly represented.[15]

It has been projected that as older citizens and all citizens become more familiar with the workings of the program they will have increasing success in influencing officials on the expenditures of the funds.[16]

Another problem area of the Act is the entitlement floor and ceiling. The Act says that per capita allocations must not be more than 145% nor less than 20% of the per capita allocation made to all local governments in the state.[17] This provision of the Act contradicts the idea that the funds are to be spent on the basis of need. Larger sums than necessary are sent to very small communities which have limited needs and at the same time, there is a cut in funds for very needy larger communities. The statistics show that more than 1,800 jurisdictions, including most of the Nation's large cities which contain a majority of the elderly people, receive less money than they need as a result of the ceiling.[18]

Elimination of the existing floor and ceiling has been brought up as a solution to this problem. This would allow the channeling of a greater portion of RS funds to communities which need greater assistance, communities with a high concentration of poor elderly citizens. These funds would be spent on social services and housing for the poor and aged.[19]

The present prohibition on the use of RS funds as part of a local contribution for federal matching programs has been criticized also. This is direct discrimination against the elderly because most federal programs which benefit the elderly are funded through such a matching program. Communities are thus discouraged to use their RS funds to aid the elderly with programs, housing, etc., specifically for them.[20]

One resolution is that the present prohibition dealing with this be eliminated from the Act. Another is that the category of social services for the poor and aged be exempted from the matching prohibition if it is retained. This provision would increase the social services for the elderly. Further, social services programs would be expanded by the local governments in order to receive a large match.[21]

RS has further been criticized for the dissolution of categorical programs in the social service area, many of which were developed for the dirct benefit of the elderly. It has been claimed that RS, instead of supplementing the federal funding of pre-existing social service programs (as assumed it would), has supplanted it. As a result, many of the categorical programs for the elderly have suffered, either from a decrease in funds or total dissolvement.[22] This is one view of the issue.

Antithetically, it has been claimed that federal categorical aid to the elderly has greatly increased since RS was enacted in 1972. In support of this, it was brought up that the funding of categorical programs as authorized by the Older Americans Act has risen from $44.7 million in fiscal year 1972 to $245.58 million in fiscal year 1975. Similarly increases in funding have occurred for elderly hospital and medical services and income security benefits. Thus RS has been said to have "accompanied" this increase rather than to have caused a cutback.[23]

One of the major controversies concerning RS and the elderly is that an inadequate portion of the available RS funds has been spent for the category of social services for the poor and elderly by the recipient governments, especially the local units.[24] For example, local units of government received 62% more in RS funds than all state recipients, yet local units spent 44% less on social services for the poor and aged than the states did. State governments spent 7% of the total RS funds on social services for the poor and aged, while local governments spent only 2% of the funds for it. As the unit of government becomes smaller, there is a decline in the percentage of funds spent for this category.[25] The following tables further show the discrepancy between local and state expenditure.

This variance in expenditure between state and local units is a result of two factors: 1) geographic differences and 2) legal limitations. Congress gave the states greater discretion in the use of the funds; states can use RS funds for whatever purposes are lawful for their own funds. Local governments, however, must observe the eight priority categories specified within the Act. Further, there are considerable differences from state to state as to the potential powers and functions carried out by the state and the local units within. Both of these factors together then help determine the particular uses to which RS funds are put by the state and local recipients.[26]

The hard fact remains, however, that the elderly are not receiving their fair share of the funds, considering they do make up 10% of the population. To insure that the elderly do receive their proportional amount of the funds, it has been suggested and supported by several individuals and organizations that a specified percentage of the funds be earmarked specifically for social services for the poor and aged. The specifics of the programs to be funded within this category would be determined by the state and local officials in conjunction with the citizen's advisory board.[27] It has been proposed that 10% of the total RS funds be earmarked for the elderly on the basis that they constitute 10% of the population and more so because 28% of these are under the poverty level.[28, 29] Another suggestion was that 15%–20% of the state's total RS monies be earmarked for the elderly. This would equal nearly 10% of the total RS monies. In this way the "voice of the elderly would be built into the law."[30]

This suggestion has been criticized on the grounds that it would destroy the special purpose of RS—to provide federal funds to state and local governments in order to meet their locally identified needs. To achieve this, the funds can not be targeted to special goals. It has been brought up that there are other federal assistance programs intended for the solution of such specific problems as those of the elderly. RS, however, serves a different purpose—to provide no-strings, generalized money for the recipient governments.[31] One critic of the earmarking provision claims that if the elderly ask Congress for a specific % of the funds, all other special groups (i.e. blind, disabled) would be justified in asking for the same. The ensuing problem is obvious—there is not enough to give every group 15–20% of the funds.[32]

Despite these various problems concerning RS and the elderly, there are some benefits for senior citizens as a result of the program. For example, when local and State governments use RS funds to wholly or partially finance a community program, which was before financed with their own money, other uses may be made with its freed money. Tax reduction is one of these uses. When tax reduction or stabilization is allowed by RS funds the elderly—the ones most often on fixed incomes—are directly benefited. Another use being made with the freed funds, especially by those governments receiving large RS entitlements, is the development

Footnotes at end of article.

and funding of more social service programs for the poor and elderly.[33]

Another benefit is that the elderly do gain from the social services delivered to the vast overall population. Spending in such categories as health, public transportation, recreation, etc. may be of benefit to the entire community, but that includes the elderly segment of it also. Further, older citizens derive many more advantages, direct and indirect, than the use reports indicate. Many programs and projects which benefit the poor and aged might not be listed on the use reports under the social services for the poor and aged category.[34] For example, one use report showed an expenditure of funds on the air-conditioning of a senior citizens center. This was listed on the report under the category of recreation. Funds spent on a bus service for the elderly were listed under the category of Public Transportation.[35]

FOOTNOTES

[1] Department of the Treasury, *"What is General Revenue Sharing"* (1973), p. 1.

[2] Office of Revenue Sharing, *"Revenews"* (1973), p. 4.

"Governments Response to the Elderly," hearing before the Select Committee on Aging, House of Representatives (94 Congress, November 18, 1975), p. 3.

[4] "A National Policy for Older Americans," National Council of Senior Citizens, p. 13.

[5] Treasury Papers, "Benefits to the Aging seen in Revenue Sharing Program," (1975), p. 11.

[6] Office of Revenue Sharing, "Reporting Uses of General Revenue Sharing Funds 1974–1975—A Tabulation and Analysis of Data from Actual Use Report 5," (1976), pp. 7–39.

[7] Hearing (Nov. 18, 1975), p. 5.

[8] Ibid, p. 27.

[9] Ibid, p. 28.

[10] Ibid (Staat's statement), p. 12.

[11] Maureen McBreen, "General Revenue Sharing: A Comparison of Provisions of the 1972 Act with the Ford Administration Proposal and with HR 13367", (1976), p. 11.

[12] Ibid, p. 13.

[13] Hearing (Nov. 18, 1975), p. 30.

[14] Ibid, p. 5.

[15] "State and Local Fiscal Assistance Act", Hearing before the Subcommittee on Government Operations (94 Congress, Oct. 23, 1975), p. 932.

[16] Treasury Papers, p. 11.

[17] McBreen, p. 5.

[18] Hearing (Nov. 18, 1975), p. 4.

[19] Ibid, p. 5.

[20] Ibid, p. 5.

[21] Hearing (Oct. 23, 1975), p. 926.

[22] Hearing (Nov. 18, 1975), p. 3.

[23] Treasury Papers, p. 10.

[24] Hearing (Nov. 18, 1975), p. 17.

[25] Hearing (Oct. 23, 1975), p. 928.

[26] Office of Revenue Sharing, pp. 11–12.

[27] Hearing (Nov. 18, 1975), p. 5.

[28] Ibid, p. 8.

[29] Ibid, p. 8.

[30] Hearing (Oct. 23, 1975), p. 933.

[31] Hearing (Nov. 18, 1975), p. 15.

[32] Ibid, p. 31.

[33] Ibid, p. 14.

[34] Treasury Papers, p. 11.

[35] Hearing (Nov. 18, 1975), p. 14.

NEW SUBCOMMITTEE ON THE CITY BEGINS STUDY OF URBAN WOES

HON. EDWARD W. PATTISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. PATTISON of New York. Mr. Speaker, the House Banking Committee's new Subcommittee on the City, under the chairmanship of Congressman REUSS, is beginning an intensive study of the problems of American cities. The subcommittee will bring together the best thinking available on the panoply of problems, including such neglected subjects as urban finance, the changing economic base of the cities, neighborhood revitalization, and how the responsibility for urban solutions should be shared among the various levels of government.

The first set of hearings, tentatively set for the first week of April, will take a look at how other cities of the world have dealt with the same kinds of problems American cities face. An article on the subcommittee's ambitious agenda, by Jerome Watson, appeared in the Chicago Sun-Times of February 20, 1977. I insert the article at this point in the RECORD.

CAN REP. REUSS' BRAINCHILD HELP SOLVE CITIES' WOES?

(By Jerome Watson)

WASHINGTON.—What can Chicago, Detroit or Boston learn from London, Munich or Singapore?

A new House study panel—the subcommittee on the city—suspects the answer is quite a lot, and it proposes to hold hearings this spring on the great foreign cities of the world. The goal will be to find out how such cities have dealt with various problems afflicting U.S. cities.

And that's only part of an ambitious agenda drawn up by the subcommittee at its organizational meeting last week. The city subcommittee also plans to investigate the impact of the energy crisis on the cities, and whether grant-in-aid funds are adequate or, indeed, even helpful at all.

But the panel's supreme ambition is to formulate a national urban policy.

The subcommittee was the idea of U.S. Rep. Henry S. Reuss, a Milwaukee Democrat who is chairman of the new subcommittee as well as its parent House Banking, Currency and Housing Committee. Reuss, 64, has represented Milwaukee since 1954 and is one of the House's more respected liberals and spokesmen on the economy and the cities.

Reuss said he conceived the idea for a city subcommittee during some hearings the Banking Committee was holding last fall on the state of the cities.

"I realized there was no place in the Congress where the full range of city problems was being considered," Reuss said. Currently, jurisdiction over urban matters is scattered among a number of committees. Reuss decided there ought to be a sort of think-tank body that would take a comprehensive look at the central cities and perhaps be a catalyst in congressional efforts to see and reach specific goals.

And so the city subcommittee was established, with a first-year budget of $157,000 and a staff of four.

The list of "great" foreign cities has not been drawn up, but staff director Hal Wolman said it could include not only London, Munich and Singapore, but Paris, Copenhagen, Stuttgart, Sidney, Toronto and perhaps an East European city or two.

Wolman said that, in contrast with the United States, some foreign countries, such as England and Italy, have developed at least partial urban policies.

The subcommittee will formulate a list of U.S. urban concerns and then examine whether some foreign cities have dealt more effectively with similar problems.

Possible subjects to be explored with foreign-city experts include economic decline, inadequate tax base, neighborhood revitalization and conservation, crime, housing, delivery of services, loss of industry and the kinds of industry a city should seek, urban amenities, urban finance and ties to regional and national governments, transportation, home-rule powers, jobs, economical use of energy, the adequacy of current federal aid programs and how local governments share the burden of providing services with state governments.

One subcommittee member also has proposed examining the social stresses created by city life.

Meanwhile, Reuss has ordered the subcommittee staff to work with other government services to develop the flow of federal money to the central cities. Other projects:

Develop a set of "urban indicators" which would gauge such matters as unemployment, cost of living and crime rates.

Devise a system for producing "city impact" statements that could be written to accompany legislation.

Plan meetings with urban experts.

Reuss wants industry to be given incentives to locate in the cities, better transportation provided for city dwellers to get to suburban jobs, cheaper suburban housing for the growing volume of suburban workers, a national employment placement system and national service jobs.

He wants the federal government to provide higher welfare payments for persons living in areas with higher living costs, more federal grant funds for the central cities and less for the suburbs, less red tape and an expanded countercyclical grant program.

Reuss would like President Carter to appoint a co-ordinator of cities who could work in the executive branch to develop an urban policy.

JOE FOSS—AMERICAN

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. ABDNOR. Mr. Speaker, Joe Foss is one of this Nation's most distinguished citizens. This native South Dakotan became not only one of the great heroes of World War II, but went on to distinguish himself as Governor of South Dakota and later on the national scene. A feature article on his achievements recently appeared in Frontier magazine, a publication of Frontier Airlines. It follows:

JOE FOSS—AMERICAN

(By C. A. Stevens)

Today, the renowned hero of World War II is director of public affairs for KLM Royal Dutch Airlines, the oldest air carrier in the world. And he is looking back on a life crammed with enough adventure and drama to fill a few hundred movie scripts.

Joe Foss was born in a South Dakota farmhouse in 1915—four miles east of Sioux Falls. He was bitten by the flying bug—as were so many youths of his time—when Lindbergh made his Atlantic flight. In 1927, his father bundled the whole family into their car and took them to Renner Field north of Sioux Falls to see the Lone Eagle and his *Spirit of St. Louis*—an event Joe Foss still remembers with fondness. He had no way of knowing that 28 years later Lindbergh would be flying in his squadron as a civilian technical advisor. Lindbergh flew with Joe's outfit for more than a month and they became good friends.

Joe was a senior in his school when the first of many tragedies in his life struck. His father had been plowing a field until midnight and on his way home in his 1927 auto-

mobile, a storm came up and the wind loosened a high-tension wire which sagged across the road. The top of the car struck the wire and the engine quit. Joe's father got out of the car to investigate and was electrocuted.

It became Joe's responsibility to run the farm while he was still attending Augustana College in Sioux Falls—a double-duty that didn't work out. After quitting school, he suffered another bad break in the form of a disastrous dry season. Later, he went to work in a packing plant at 43 cents an hour, but he was able to resume his college career at Augustana College and the University of South Dakota, graduating in 1940. A husky 200-pounder, he played football, boxed and was on the track team. But it was flying that was in his blood.

He had taken his first airplane ride when he was still a boy, in a Ford Tri-motor flown by Clyde Ice (who was still flying at age 83!) Clyde gave Joe and his father a ride over the city of Sioux Falls at night for $1.50.

Joe started flying in 1937, and joined the Field Artillery as a private. He enlisted in the Marine Aviation branch the day he graduated from the University of South Dakota, and immediately began primary training at Wold-Chamberlain Field, Minneapolis. He was commissioned a second lieutenant on March 15, 1942,—his wings two weeks later.

His first combat assignment as a fighter pilot—a status he achieved although 27 is supposed to be too old for fighter flying—was leading a flight of Grumman Wildcats against 18 Japanese bombers escorted by a swarm of Zeros attacking Guadalcanal. He scored his first victory on that day, blasting a Zero with one burst at close range. He also almost "bought the farm" himself (three Zeros jumped him, puncturing his oil cooler and ripping away a chunk of wing. He made a forced landing at Henderson Field with a smoking dead engine, coming in so fast that an ambulance was called out to pick up the pieces. It was the first of many narrow escapes.

In only 63 days, between October 1942 and January 1943, Foss shot down 26 Japanese planes and became the first American to tie Eddie Rickenbacker's World War I record. His flight became known as the "Flying Circus," and it was one of the best combat outfits in the Pacific with Foss a natural-born leader.

There was an occasion, however, when the Circus figured it had lost its leader. The day started out good with seven of his flight shooting down six Zeros. Joe recalls seeing five parachutes floating down empty, and above him was the sixth—with an enemy pilot dangling in the harness. At that moment the pilot unbuckled himself and jumped out. He passed Joe on his back and seconds later hit the sea. The other five flyers had apparently done the same. (The reasons for such suicidal tactics was a mystery to Joe, as he had never seen either side shoot at a parachuting man in the Guadalcanal area.) Shortly after this engagement, he spotted a two-place Japanese bi-plane with a gunner in the rear cockpit. Joe came up on this enemy aircraft so fast that he had to dive to the right to keep from crashing into it. This gave the Japanese gunner a perfect shot and he sprayed Joe's plane from nose to tail. Although his F4F was badly shot up, he made a turn-around and sent the bi-plane down in flames. Within the next few minutes he flamed two more enemy planes. During this action he became separated from his teammates and found himself heading for Guadalcanal all by himself. His engine started acting up and occasionally quit. He knew he wasn't going to make it home.

In Joe's words: "My hair stood up so straight it raised my helmet right off my head." He had an island in sight at this point and decided to ditch offshore.

The Wildcat sank like a big rock, and Foss wound up floating in his Mae West fully expecting to become shark bait—he actually saw shark fins around. Everytime he put out his arm to swim, he expected to draw back a stub. Luckily, he wasn't attacked, and he headed for a bay.

After darkness set in, he suddenly heard voices—in English. Joe was fished out of the water into a canoe by a sawmill owner who later told him the bay he was aiming at was filled with man-eating crocodiles. The island itself turned out to be Malaita, and there was a mission there largely occupied by missionaries who were refugees from other islands captured by the Japanese.

Foss was given dry clothing and hung out his parachute to dry. Early the next morning, Joe was awakened by singing. Services were underway at a little thatched church with a dirt floor. The singing—a kind of weird howling would describe it better—was the chanting of natives. A Wildcat flew by piloted by Lt. Brugeman who spotted the chute and Joe. A PBY-5A sea-plane showed up later to pick him up. He hurriedly thanked everyone and gave his parachute to the nuns to make vestments for the church.

Joe returned to the squadron wearing old socks, a pair of baggy white pants and a van dyke. After a riotous reunion, Foss resumed his own war against the Japanese—despite a serious case of dysentery and malaria, which dropped him from 197 to 160 pounds and put him in the hospital for awhile.

Shortly after Foss achieved his 26th victory, the Flying Circus flight was shipped home for a rest and reassignment—with a total of 72 enemy planes to its credit. Joe's flight had lost 14 men and the squadron, commanded by Duke Davis, had 263 victories to its credit.

For Foss, the voyage home—on a ship—was a nightmare. The malaria struck again, and at one point he was so sick he overheard a sailor complaining about the canvas that would be wasted when they buried Foss at sea.

He recovered sufficiently to enjoy a thundering welcome home at Sioux Falls where a crowd of 75,000—in a town with only 41,000 inhabitants—greeted him. On May 18, 1943, Foss was presented the Congressional Medal of Honor by President Roosevelt at a White House ceremony.

He returned to combat duty late in the fall of 1943 as a major. A year later, malaria forced him to return to the U.S. for noncombat duties, and he was discharged from the Marines in 1945. His memories of the war, like most men who faced death so often are mixed—they are sharp, poignant, good—and bad. He had grown to hate the Japanese, although he respected them as valiant adversaries. He always felt, that the Zero had the best speed and maneuverability but that the F4F was more durable and had greater fire power.

After the war, he started up "The Joe Foss Flying Service" with Duke Corning, a former Navy pilot. They parlayed a one-plane operation into a 35-plane fleet. During the time the "Foss Flying Service" was in operation, Joe organized the South Dakota Air National Guard, and he and Corning put on air exhibitions throughout the country.

It was at this point that Joe's friends urged him to enter politics. He refused at first.

"Then I remembered some of the politicians who used to come to our bases in the Pacific," he says. "Most of them had backgrounds as shallow as the Missouri River and I decided maybe I could do as well."

A disastrous fire wiped out his flying service in 1949 while he was serving in the legislature.

He served in the house of representatives for one special term and two regular terms, lost the 1950 gubernational primary by a hair and went back into the Marines during the Korean War, flying jets. Foss then served two years in the South Dakota legislature before running for governor again. His campaign manager was Hodley Dean, who had known Foss when they were college students together. Dean, today one of South Dakota's leading businessmen and a member of Frontier Airlines board of directors, worked for the Associated Press after World War II and then served as an aide to a senator and congressman before returning to South Dakota. Dean's own business associates talked him into becoming Foss's campaign manager, the two of them criss-crossing the state in a Piper Super Cub—one of the first, and possibly the first time, a candidate has campaigned by airplane.

Foss won the primary and became governor in January 1955. To the man who had successfully managed his campaign went the job of highway commission secretary. Later Dean was named commissioner of the West River area, but his chief contribution to the Foss gubernatorial regime was his role as a trusted advisor (they have remained close friends, and often meet in such places as Washington, where Joe's office is located, the Black Hills and sometimes in Arizona where Joe now lives).

Joe's press secretary during his governorship was Bob Lee, now editor of the Sturgis (S.D.) Tribune, who remembers some anecdotes that reflect the humaneness, refreshing informality and down-to-earth close touch Joe had with his constituents.

"The Pierre Junior High School is situated just across the street from the State Capitol, and during the winter a lot of kids from there would spend their lunch hour in the Capitol corridors," Lee recalls. "As the governor's right-hand man, I received complaints from the custodial crews that the kids were scattering parts of their lunches all around. So I stayed in the building over one lunch hour to see if I could catch them. Sure enough, I did. So I very officiously told them they couldn't eat there anymore. It was somewhat to my amazement when they chorused back, "well, Joe said we could!"

"I asked Joe about it. And they were right—he had given them his permission. But the next day, he called them into his office, explained that the Capitol is a place of pride for all South Dakotans including young people, and that they shouldn't be messing it up. We had no further trouble."

Lee also recalls this story:

"When Ralph Edwards wanted Joe on his *This is Your Life* program, it was a problem to get the governor to Los Angeles without him knowing the reason for the trip. However, Joe was chairman of the Easter Seal Campaign that year for the National Association of Crippled Children and Adults, and we got them to schedule the drive's kickoff in California—as Joe had committed himself to make a number of public appearances throughout the country on behalf of the drive. When he got off the plane in Los Angeles and was greeted by Edwards, Joe thought he was being welcomed as the fund drive chairman and began making an appeal for funds for the Easter Seal Society. Of course, he was surprised to learn that he was the subject of that night's *This is Your Life* program. But it worked out well for the Easter Seal Society too as it drummed up a lot more contributions on the West Coast."

And this one:

"On one occasion Joe was coming in for fuel at New Orleans, La., while flying a National Guard jet. He radioed to the tower that he had a governor and a VIP aboard as well as an Air Force general. The tower asked how many people were in that single-seat jet. 'One,' was Joe's reply."

After leaving the governorship of South Dakota, Foss became commissioner of the American Football League from 1959 to 1966, subsequently going into television as a producer and later as a star of the television series, "The Outdoorsman—Joe Foss."

Throughout the post war years, Joe has been very active in mentally retarded and crippled children programs. He is a board member of the Sun School for Mentally Retarded Children in Phoenix, Arizona.

Today, he confesses to being a "Born Again" Christian. His own words best describe his discovery of serenity after a hectic and often harassed existence:

"I always considered myself a Christian. When I was young I played in the church orchestra and I sat right up next to the preacher. I was taught at a very early age right from wrong. All through my life I always went to church and when I was governor I taught Sunday school. I really thought that was all there was to being a Christian. During my lifetime, I've come close to death many times. In fact, I came so close that my whole life passed by in a vision. And that's *too* close! I thought death was going to score and I wasn't ready to go and now I'm glad I didn't. I mentioned these close calls because I always thought that old Joe had a big part in saving himself. Oh, I prayed, but it was a real short and to the point prayer like: 'thank you!' I always tried to follow what my father said: 'whatever job you do do it right. If it's digging a ditch, dig the best ditch.'

"About eight years ago I was attending a church service in Scottsdale, Arizona and the preacher was giving a hard hitting sermon. He said, 'A lot of people think they're Christians. But they're *not*. They go through the ceremony, but when it comes right down to it that's all they are—ceremonial and not real Christians!'

"After the service I realized that all you have to do to become a Christian is to ask the Lord to come into your life, ask him to forgive your sins and pray to God that he will have you say and do the things that he wants you to do.

"Since the day I attended that service in Scottsdale, I have asked God to give me the strength and grace to grow as a born again Christian. And I want to share with other people what the Lord has done in my life.

"I told you about the many times I've been close to death and I wasn't ready to go. I don't see how anyone can be ready without the Lord in his heart. About a year ago after speaking at a large banquet in San Antonio, Texas I started having severe chest pains. My wife, Donna, had a doctor for me in no time. He listened to my heart and said it was skipping beats. I said I didn't mind so long as it didn't skip too many in a row. Somebody said, 'Let's shut that music off.' The music was a rock band and I said 'It's probably keeping the rhythm of my heart going.' They took me to the hospital and put me in the seclusion room (or whatever they call it). A friend of mine showed up by the name of Chuck Connors. You know him as the TV 'Rifleman' and movie star. He stopped the whole show. Everyone left me to ask him for autographs. Which goes to show you can move off the scene in a hurry.

"For the first time in my life I wasn't worried about the prospect of not making it. As it turned out, it wasn't a heart attack, but a virus infection of the outer lining of the heart. The Lord was with me all the way on that trip and I knew I didn't have a thing in the world to be afraid of.

"I could never in the past bring myself to pray for or love my enemies. Those who have known me through the years know what I thought of enemies. However, I now love and pray for my enemies and all people. I just want everyone to enjoy this wonderful life."

Joe and Donna today reside in Scottsdale, spending time during the summer at their cabin in Wyoming. They enjoy hunting, fishing and other outdoor activities. The Sioux Falls, South Dakota Airport is named "Joe Foss Field." After the dedication, Joe commented that he sure appreciated having the field named after him while he was still alive and kicking.

To those who know him, there could be no finer tribute to the South Dakota farmboy who personified the American dream.

REV. ROBERT W. BOHL

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. SCHULZE. Mr. Speaker, I am pleased to bring to the attention of my colleagues that the Reverend Robert W. Bohl, Ph. D., senior pastor of Trinity Presbyterian Church in Berwyn, Pa., for the last 10 years, has been chosen to be the pastor of the Ardmore Presbyterian Church in Delaware County, Pa.

To say that Dr. Bohl will be missed by his congregation would be an understatement. He served not only the spiritual needs of his flock but, became involved in the day-to-day problems of his community. Now, at age 39, this outstanding preacher and extrordinary leader has accepted a new challenge. The receipt of the honor certificate award for humanitarian activities by the Valley Force Freedoms Foundation is indicative of the high esteem in which Dr. Bohl is held.

Far from the least of his attributes are his charming wife, Judy, and their two winesome daughters—Angela, 11 and Beverly Ann who has just turned 7.

During Dr. Bohl's years at Berwyn the membership has grown from an apathetic 500 to an enthusiastic 850. The church school has increased from an average weekly attendance of 60 to approximately 140. Several youth organizations are highly active and a major building addition, primarily designed to provide modern facilities for the church school, was recently completed.

More important than any statistical analysis is the spirit of warmth, friendliness and inspiration that pervades the relationship between pastor and congregation. It is immediately apparent even to the casual visitor. The front cover of the church's weekly bulletin helps put it all in perspective. It lists the pastors as Dr. Robert W. Bohl and his assistant, Rev. Douglas R. Baker, and it lists as ministers "All the Members of the Church."

Before coming to Berwyn Dr. Bohl's assignments included several years as student and later assistant pastor at the Llanerch Presbyterian Church; a period of teaching in two of Greater Philadelphia's prestigious colleges, and several periods of service as interim pastor in various churches in the area.

Bob Bohl was born on November 5, 1937, in Chattanooga, Okla., of German background parents. His father was a rancher and the family, which includes one older brother, was nurtured in the Christian faith in the town's tiny Presbyterian church. His years in Chattanooga's public schools were relatively uneventful except for two major developments. During his senior year a gradual but strong calling came from the Lord to pursue the Christian ministry. And at virtually the same time he fell deeply in love with a girl one year his junior, named Judith Ann Capshaw.

In 1955 he entered the College of the Ozarks in Clarksville, Ark. This is a Presbyterian affiliated institution of very high academic standing. At the time Bohl was a student, 25 of its 27 faculty members held Ph. D. degrees, a fact that no doubt had a bearing on the young man's penchant for learning in later years. Many years earlier the Reverend Edmund G. Rawson, Ardmore's first pastor, had become intensely interested in the college while serving on the Presbyterian Board of National Missions. It was from that institution that Dr. Rawson received his D.D. degree.

While the college offers a conventional 4-year curriculum, Bob Bohl was there for only 3 years, a feat accomplished by crowding the necessary 4-year credits into the shorter period. At the end of his second year he married his childhood sweetheart just after her graduation from high school. Although they were quite young, the marriage had the full support and encouragement of both parents and proved an outstanding success. While Bob was a senior, Judy was a freshman at the Ozarks.

Despite the accelerated pace Bohl spent every weekend assisting first in the local church and later, with Judy, traveled the 50 miles to a little church in Mountainburg, Ark., where he was its student and virtually full-time pastor. All this was without benefit of formal theological training.

On campus he was president of the History Club, the Young Republican Club, the Oklahoma Club, and the Radio Club. He was voted by his peers as the "All-around Christian Male", and "Most Likely To Succeed," and was elected to "Who's Who in American Colleges and Universities." For an encore he attended an early-morning noncredit course in Greek languages 5 days a week for all 3 years.

During all of the years at Princeton Theological Seminary he and Judy weekended in Llanerch where he was student assistant minister and the following year he became full-time assistant minister. "It was a most unusual relationship," Bob recalls, "for the senior pastor encouraged me to share in the total ministry, not just the youth work." Before long he was preaching at the first service almost every Sunday.

Meanwhile Judy spent the first year attending Rider College in nearby Trenton, attaining full junior college credits. Then, to ease the financial squeeze, she worked the last years as legal patent secretary at the RCA Laboratories in Princeton.

Immediately following his graduation at Princeton, the newly titled Reverend Mr. Bohl was ordained as a Presbyterian minister in his home church in Chattanooga, Okla.

The next several years were almost equally divided between continuing studies at the University of Pennsylvania, teaching positions at both Ursinus Col-

lege and Temple University and continuing ministry at Llanerch and other churches. His studies led eventually to both M.A. and Ph. D. degrees. His teaching assignments, in various phases of history, provided invaluable additional training. His ministry, after fulfilling the needs at Llanerch, led to service as "interim pastor" in several of the area's churches and occasional preaching in many more. He also developed a personal counseling service that was in great demand.

During this period he received two very high honors: the Fulbright Fellowship which permitted a year of study and research in France, and the William S. Lingelbach Fellowship through which he was enabled to participate in a congress on diplomatic relations in Italy. The Fulbright award is sponsored by the U.S. Government and was granted that year to only 50 of the nearly 6,000 who applied. The equally limited Lingelbach Fellowship is sponsored by the University of Pennsylvania and awarded to "extraordinary students pursuing Ph. D. degrees."

As the Ph. D. came ever closer, Bob admits to a period of indecision. Did his future lie in the academic world, or in the church? Very soon the calling of the Lord came loud and clear, through the mouthpiece of the Rev. Dr. Rex Clements who had recently resigned from the Bryn Mawr Church and was serving as interim pastor at Berwyn. With Dr. Clements' urging and the insistent call of Trinity's Pastor Nominating Committee, Bob Bohl accepted the role of senior pastor in June 1967. The quest for the incompleted Ph. D. was severely interrupted, but was finally fulfilled in 1974.

Interestingly Berwyn is only 10 miles west of Ardmore, but in the Presbytery of Donegal, with headquarters in Lancaster, Pa. Once settled at Trinity Church, Dr. Bohl quickly assumed added responsibilities within the Presbytery. These have included:

Member of National Mission Committee;

Member of Commission on Ecumenical Mission and Relations;

Current chairman of Ministerial Relations Committee;

Attendance at last seven general assemblies;

Commissioner to the General Assembly in 1972;

Commissioner to Synod of the Trinity in 1971;

Member of General Assembly Special Committee on the "Theology of the Call to the Ministry" which completed its report in 1972.

In addition he has served with many community organizations including particularly the following:

Director of Upper Main Line YMCA;

Vice president of the Health and Welfare Council of Chester County;

Trustee of the Presbyterian-University of Pennsylvania Medical Center (current); and

Trustee of the Pearl S. Buck Foundation (current).

Throughout his ministry Dr. Bohl has had a very special interest in young people, participating actively in both their organized and unorganized endeavors. This embraces, especially, many retreats and work projects that have done much to help mold their Christian faith.

In summary, Dr. Bohl is a man of many exceptional abilities. He has a warm and inspiring personality, an impressive background in both academics and theology, a fantastic determination to accomplish what needs to be done, and an abiding faith in our Lord. Within the limitations of modern day mortals, he can be called a true man of God.

GEORGIA GOVERNOR TESTIFIES REGARDING ECONOMIC DEVELOPMENT

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. GINN. Mr. Speaker, the Honorable George Busbee, Governor of the State of Georgia, recently testified before the House Committee on Public Works and Transportation with regard to Federal economic development and employment legislation.

His comments merit a great deal of consideration by the Congress both for legislation currently pending before us and for future legislative initiatives. I include it to be reprinted in the RECORD at this point:

TESTIMONY BY HON. GEORGE BUSBEE

Mr. Chairman, members of the committee, since becoming the Governor of Georgia in 1975, I have become increasingly concerned with several economic development issues involving our State/Federal partnership. I appreciate this opportunity to share my concerns and views on what might be done to expedite economic recovery.

In August of 1976, the Congress of the United States, in its override of a Presidential veto, put into effect Public Law 94-369, the Local Public Works and Employment Act of 1976. It is the extension and possible amendments to title I of this act now under consideration which is my major concern.

As you know, Congress has provided the States with several economic development programs. In Georgia, as in other eastern States, two regional economic development commissions cross the State: the Appalachian Regional Commission (ARC), created by the Appalachian Regional Development Act of 1965, and the Coastal Plains Regional Commission (CPRC) established in 1967 and expanded in 1976 by the Secretary of Commerce under title V of the Public Works and Economic Development Act. In addition, the Economic Development Administration, in working with local and State government provides funds for projects through other titles and sections of the Public Works and Economic Development Act. I am also involved in State planning for the use of Federal waste water treatment funds under the Environmental Protection Agency. In this context of involvement and experience, like all Governors, I have witnessed and participated in all manner of meetings, conferences, and discussions on the practices, rules and procedures of these and other Federal institutions and their methods of resources allocation for projects.

In light of the obvious duplication of efforts in economic development programs, I question whether the people of Georgia and all the other States under the regional commission and EDA umbrella are getting the most for their economic development dollar. Would not it be better to rearrange some aspects of the available programs to enable Governors and local leaders to not only meet their priorities but the Nation's as well?

Under title I of the Local Public Works and Employment Act, a scatter gun approach to a severe national problem was taken. I realize the emergency nature of the situation which prompted Congress to quickly prime-the-pump of local governments in order to give a boost to economically hard-hit areas. The theory was fine, but the implementation of it needs revision.

In Georgia we received aproximately $25 million, about 2½ percent of the total appropriated funds, which is equal, coincidentally, to Georgia's share of the national population. At my direction, State agencies took a back seat to local projects and, as a result, the State received no funds. However, the rationale as to why various localities received what they did and others did not has left many local leaders and planning agencies scratching their heads.

For example, the city of Atlanta, with an unemployment rate of about 9 percent received $5 million for a bridge which was certainly needed. However, the project was 35th out of the city's priority list of 40 projects. In addition, Atlanta received about 25 percent of Georgia's allocation while every other city over 25,000 received nothing.

Carroll County, which has a total unemployment rate below 6 percent, had a community with 314 unemployed which received $1½ million, while nearby Henry County, door neighbor, Coweta County, which had a total unemployment rate over 8 percent and communities with larger numbers of unemployed, received nothing.

Similarly, Gwinnett County, with a total unemployment rate below 6 percent received $1½ million, while nearby Henry County, with a total unemployment rate between 8 percent and 9 percent, received nothing.

Numerous other similar complaints seem to be aimed at the Economic Development Administration's computer, which was supposed to avoid later charges of unfairness in selections. EDA fed into this computer the requirement that each State share be divided in a manner not mandated by law. Also, EDA established a comparison of county unemployed to State unemployed supposedly to ensure that disproportionate amounts of money would not be concentrated in any one area of the State. The combination of these factors left to EDA's discretion has confused our people, to say the least. The needs approach which seemed to be inherent in the legislation was missing at the allocation level.

How can a distant Federal agency individually assess the problems of small towns and communities and then weigh one against the other? There are over 3,000 counties and over 75,000 other units of governments in this country. In Georgia alone, there were 649 possible projects filed on our State's notification of intent forms per the requirement of Office of Management and Budget circular A-95. This included $462 million for local government and $43 million for State programs. Out of this expression of need, 31 projects totalling $25.2 million were approved. Certainly the EDA system worked if the only objective was to dump the money into the economy as quickly as possible, with equal certainty the system failed if you attempt to find some thread of reason as to why these 31 Georgia projects were funded over the 618 which were rejected.

To expect a small Federal agency to become omnipotent and omniscient overnight as to the equal justness of each request may be too much for us to ask. However, we

can haggle until doomsday over all the problems that EDA encountered and all the demands they failed to meet and still miss the real objective of the program: to provide a badly needed rational economic stimulus to this country.

I do not think that as Governor of Georgia I have the ability or expertise to decide what New York, North Dakota or New Mexico need to enhance their economic recovery. But I do know what Georgia needs. I can work through our county and municipal associations, our local area planning and development commissions and my intergovernmental relations council to plot out a program of State needs. I can help establish priorities on those needs in a way which will provide a coordinated approach to solving our present economic problems. I would like to have the opportunity to accomplish this end, and I would like to submit to you a way in which it might be done.

Section 302 of the Public Works and Economic Development Act Amendments of 1974 required governors to design an economic development planning process, and section 304 of this act provided a small amount of funds for implementation of projects generated by the process. In 1975, Georgia formalized its EDA section 302 planning program. The program's main goal reiterated the intent of Congress: To establish a comprehensive economic development planning process as part of the overall State planning process. This process will set the overall State goals, objectives and priorities to guide economic development in Georgia.

Elements of Georgia's 302 planning process include: The coordination of planning activities among appropriate State and sub-State agencies: The formulation of State goals and objectives as a basis for interagency development programming; and the integration of the planning and budgeting functions.

I would like to emphasize that the planning process is designed so that sub-State and local planning efforts influence the determination of State-wide development goals and project opportunities. It was and still is my intent to have this overall economic development planning process directed toward the reduction of chronic unemployment and the enhancement of low income levels.

To complement, and subsequently aid in the implementation of the State's 302 planning program, Georgia was provided a modest sum of section 304 moneys. However, because of the constraints attached to the expenditure of these funds, a number of investment opportunities have been lost. For example, I have not been able to supplement high priority Appalachian and Coastal Plains Regional Commission projects which would have enabled me to fund more projects and programs needed in the State. As another example, I was not permitted to utilize section 304 funds to supplement urgently needed title I projects which received Local Public Works Employment Act funds because "LPW" was not a "regular" EDA program. These restrictions severely affect my ability to carry out the mandate of Congress inherent in section 302. Without the means to turn our mutually developed ideas into realities my role is without potency.

Through section 302 Governors potentially have the staff, the expertise, and the statewide input to map out a fine economic recovery system for our States. The money could go for a number of worthy economic development purposes—from matching State and local monies to working in concert with the Appalachian Regional Commission and all title V commissions. I think the results could be very successful if we stick to the principle of allowing local leaders to solve local problems.

I am not asking for a handout, but a wise approach to the disbursement of public works funds. What good are the systems Congress has mandated us to develop if we are never given resources to implement them? If a portion of the title I funds under consideration were channelled through section 304 to implement programs, developed by the section 302 planning process, I believe you would find not only a lessening of the unemployment rate, but also discover the real ability of State and local governments to provide a logical and comprehensive short- and long-term economic recovery program for the people.

In conclusion, in all true partnerships, trust is the most important ingredient. If the Federal/State relationship is to be a strong and successful one, we must be able to work together to carry out our parts of the bargain. So far, Governors have not been given the necessary resources to fully utilize section 302 and section 304.

I hope you will consider incorporation of the concepts I have briefly outlined into the pending legislation, so that we may more fully participate in the Federal/State partnership and thus more efficiency and effectively use our fiscal resources in a collective economic recovery effort.

PRESENT CONDITIONS IN THE FAR EAST

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. ICHORD. Mr. Speaker, a few days ago, Mr. Edward W. Sowers, president and publisher of the Rolla Daily News, Rolla, Mo., sent me copies of several letters to President Carter regarding his recent visit to the Far East. Mr. Sowers expresses the need of military supplies for Thailand in order to resist Communist thrusts over the borders of Cambodia and Laos. Mr. Sowers also interviewed Premier Chiang and discussed his perception of U.S. foreign policy as it relates to Taiwan.

The letter to President Carter which appeared as an editorial follows:

[From the Rolla Daily News, Feb. 18, 1977]

THE EDITOR SAYS . . .

(By Edward W. Sowers)

Letter to the President from the Orient

BANGKOK, THAILAND.

DEAR MR. PRESIDENT JIMMY CARTER: I am writing you from the Orient to report my findings on a current National Newspaper Association Study Mission, up-dating facts garnered on previous trips I have made covering six of this troubled world's continents during the past 45 years.

You have asked to be kept informed by the people of your constituency, so I hasten to inform you in this open letter series because I fear you are being woefully misinformed by others, including members of your own cabinet and staff and by certain members of Congress.

As an observer on the national and international scenes for 50 years, I have paid my own way as an editor and reporter, so I am not obligated to anyone but my readers to whom I have promised truthful and informed reporting. So, please, Sir, be it known that:

Here in the uneasy capital of Thailand, from whence we withdrew our military bases, the government since was overthrown once by revolting communist elements, and now a caretaker government, in control only with strict military strength, reports it is in dire and immediate need of materiel to supply its defense forces to fend off Vietnam—and Chinese-oriented communist thrusts across three of its four border sides.

Gen. Suthee Nartvorathat, Thai Commerce Minister, authorized to speak for Prime Minister Tanin Kraivixien, simply pleaded with NA reporters to "tell President Carter that we need help—materiel—to keep our defense forces strong enough to resist increasing communist thrusts over our borders from Cambodia and Laos. We don't need soldiers or airmen," said General Nartvorathat (a graduate of Stanford University), "—we have adequate personnel, but supplies we need, and promptly."

The minister said the Thai army is using five U.S.-supplied helicopters for border patrols, in cooperation with the Burmese army, to drive back the communists.

On the day of this interview the Bangkok Post reported "one border patrol trooper killed and one seriously wounded in an ambush by communist terrorists yesterday in Laharnsai District."

The same edition announced that "more border patrol police and armoured personnel carriers have been sent to Aranyaprathet following the massacre of 34 Thai villagers by Khmer Rouge soldiers last month" and from. . .

"Am I correct, Mr. Minister, in feeling that the only real enemy of the free world is communism and that it must be resisted on all fronts?" I asked.

"Yes, that is so correct," General Nartvorathat answered. "That is what we are trying to do. Thai is what the world's ills are all about. Here, in Thailand our Prime Minister says we are now in a count-down—we have no time to lose."

An "opium war" is also heating up on the "Golden Triangle" front in north Thailand, northeast Burma and northwest Laos. Although when we were briefed by the U.S. Embassy and told that narcotics from the Golden Triangle "is no big problem now since U.S. troops and airmen have been withdrawn" yet only one day later United Press reporter Paul Vogle reported in the Bangkok Post that "Thai and Burmese forces using U.S.-supplied helicopters have begun a push against border rebels and sparked the biggest opium war in recent history."

Vogle's informants from the poppy-growing hills and mountains of the infamous triangle estimate the crop from Burma alone this year will exceed 600 tons, probably the largest in history. During the past 18 months, Burmese Communist Party troops have effectively seized control of the poppy-growing Eastern Shan States that border China and are within a three-day walk to Thailand.

The Shans, who comprise more than five million of Burma's 30 million inhabitants, are the most deeply involved, Vogle says. The Shans are controlled by 42-year-old Khun Sa, a Chinese communist, who has become the warlord of the opium Golden Triangle. His Chinese predecessor, Lo Sing Han, was captured by the Burmese in 1975 and is now under sentence of death in Rangoon. There, in 1974, this reporter was told by the U.S. Information Service that despite U.S. efforts to help the Burmese and Thais opium from the Golden Triangle is supplying the world's narcotic markets.

If we are to believe the UPI—and this reporter, a client of that news-gathering organization back in his Rolla, Mo. Daily News, believes—then the problem of opium and heroin is a very, very real problem in the free world.

Yet, Mr. President, I read another dispatch now before my eyes that your United Nations emissary, Mr. Andrew Young, is reporting to you and our nation back home (after a quick trip to Africa) that "racism,

not communism, is our enemy." Try to tell that to the Thais, the Malaysians, the now-enslaved Vietnamese, the Taiwanese, the Rhodesians or (please don't forget) the Czechoslovaks and Hungarians. They would laugh in his face, and yours, if they could muster a smile through their perpetual fear of communism. All of Southeast Asia and Africa—a short jet-hop across the Bay of Bengal—do live in deadly fear of communist takeover.

Really, Mr. President, I honestly believe that you are not "getting the straight poop," as your brother, Billy, would say. Perhaps you should send him instead of UN Ambassador Young and Secretary of State Vance on fact-finding missions abroad. I venture to say Billy would return with more truth than you seem to be getting now (or more accurate facts than your predecessor received from former Secretary Kissinger).

From this vantage point (including a look from Tokyo, Taipei, Hong Kong and Singapore) one sees the African problem as intertwined with Asia. Going back three years, NNA reporters, including this one, were told so prophetically by Ian Smith, prime minister of Rhodesia, that the communists would drive the Portuguese out of Mozambique and Angola and that the raids on his borders would increase. Mr. Smith pleaded for help, not hinderance, from the United States. In response, Mr. Kissinger and now Mr. Vance insist on helping the communists help the black majorities drive Mr. Smith and his white government (which in 50 years has built Rhodesia from a warring jungle to a modern republic) toward death and destruction.

Now, please allow me to take you for a five-hour jet hop northeast to the island of Taiwan (a three-hour hop if we could fly over Vietnam—which we cannot, thanks to the communists to whom you and Congress are thinking of rebuilding with U.S. money).

As you know, Taiwan is all that remains of Free China. But what a remarkable sea-locked island it is! There, a Chinese man named Chiang Ching-kuo is the premier. He is a chip-off-the-old-block, a son of the late Generalissimo Chiang Kai Shek. When General MacArthur pulled the Japanese off the island, the Chinese freedom-lovers left the mainland to the communists and moved to the island of Formosa, now called Taiwan, the Republic of China. Premier Chiang took up where his father left off and, with billions in U.S. aid, has built a strong, if tiny, island republic!

Now, in the past year or so, Taiwan is returning $2 for every $1 which the United States sent them to prime the pumps—returning our dollars in exports and imports, now our ninth largest trading partner. Taiwan is one of the few nations paying back U.S. aid dollars; most of them take our millions, then spit on us!

It was so easy to meet Premier Chiang. He was a classmate of a Rolla, Missouri, man, one Col. Vern Loesing, at Officer Candidate School in Fort Leavenworth, Col. Loesing sent a letter introducing me and asking that he grant me an interview. Taiwan's ambassador, Jim Shen, a friend of my congressman, Dick Ichord, in Washington, cabled a request in my behalf so when the NNA group reached Taipei, the prime minister, his cabinet and staff greeted all of us. It was so easy it makes me wonder why our Vice-President Walter Mondale did not visit Taiwan and its government when he visited nearby Tokyo, Japan. The People's Republic of China and probably the Soviet Union might have objected—but they object to everything not advantageous to communism, anyway—so Mr. Mondale, it seems to me, should have paid this great free Chinese nation a courtesy call. He was invited, a Taiwan minister told me, but the reply: "Impossible." No high-level American has been there since Vice-President Rockefeller went to Generalissimo Chiang's funeral.

Premier Chiang talked to us for an hour and answered many questions. But first his ministers flew us to the South tip of the island and showed us the massive steel mill (second only to the one in Japan) and shipbuilding yards, an incredible industrial complex. Premier Chiang flew there, too, and received us in a large room inside the yards. My first question to the Chinese leader:

"Mr. Premier, do you feel that in the light of our new president Jimmy Carter's statement that U.S. foreign policy will be with morality and justice to all nations that our treaty and friendship with your country will continue in force?'"

"Yes, yes," promptly answered the leader of Free China, "we very much like your President Carter and know that your nation under his leadership will continue to be helpful and friendly. In fact, his election has given us a new lease on life. Please tell him that."

So now I've told you, Mr. President, told you, that is, if this letter reaches your eyes.

[From the Rolla Daily News, Feb. 20, 1977]

THE EDITOR SAYS . . .

(By Edward W. Sowers)

Letter To The President From The Orient

Part II

SINGAPORE.

DEAR MR. PRESIDENT JIMMY CARTER: This small but powerful city-state is not vacillating to communism, Mr. President.

I saw little evidence of a military force but plenty of "economic power" jamming its famous crossroads-to-the-world harbor. And its government is speaking and acting, in cooperation with other southeast Asian nations, to contain the ever-present threat of communism.

Singapore has just elected a new president by a heavy majority on a platform, announced in the Straits Times that Singapore would continue on a firm program of (a) following Japan's economic development policies, (b) enforcing the law banning communism by detaining and expelling communists and pro-communists without trial, and (c) extracting from the Western world "only that which is good for us." (They mean the U.S. and western Europe, Mr. President).

We get more reliable information from the government authorities and by reading the English-language newspapers than we do from your embassies, Mr. President. Here in Singapore, NNA reporters were received and entertained beautifully at the elegant U.S. Ambassador's home, but no news came from there, naturally.

Singapore's talk-stand against the communists is backed by military force in neighboring nations, except in Hong Kong, where detente and free-trade with them is practiced. (We were cautioned not to wear our "Welcome, Journalists To Taiwan" badges in Hong Kong).

I asked Dr. Chien Fu, vice-minister of Foreign Affairs, in Taipei if there are any communists in Taiwan. His answer: "Of course not. We have a law here banning communism and pro-communist activities." He also said that 40 per cent of Taiwan's budget goes for defense, making sure the island republic can repel any conventional ground or air attack. That policy was stated to us the day before by Premier Chiang, who said "The Republic of China is always alert to any Chinese Communist military initiatives. We are fully prepared for any military attack from the Chinese Communists because they are aggressive in nature." Discussing the mainland situation, he commented:

"Hua Kuo-feng's rise to power as the leader of the Chinese Communists is only a change of many changes in Chinese Communist political turmoil."

Dr. Chien, who has traveled and lectured in the United States, said that is the reason it is dangerous for the U.S. to attempt 'normalization' with mainland China "where, from day to day, you won't know who you are dealing with. The leaders there today may be purged tomorrow. How can you deal from your announced foreign policy of human rights with dignity and justice' when the leaders of mainland China have the blood of 60 million (either murdered or imprisoned) Chinese on their hands?"

I asked a "China watcher" at another U.S. embassy to comment on that. He questioned the truth of it.

Who are we to believe, Mr. President?

I also asked if there is anything left of the SEATO organization and was told there isn't but that there is another loose federation of southeastern Asian states called 'Asean.' There is evidence of this organization and the need for it at every capital we visited excepting in Tokyo and Hong Kong.

Malaysian troops are fighting side-by-side with Thai soldiers to repel communist thrusts from Cambodia. Likewise, communist pressure, has made strange compatriots of the Burmese (Socialist-Communist) army. I didn't believe U On Pe, Burmese cabinet member, four years ago when he told me in Rangoon that his government was totalitarian socialism, "good only for Burma" and that they would fight off the communists, particularly the opium producers in the Golden Triangle, but I believe him now what with Burmese soldiers fighting with the Thais to repel communist threats and the flood of opium and heroin from the northernmost part of that nation, now under control of communist rebels with whom the Burmese government does not seem to cope.

We would learn little from the interior of Cambodia, less from Vietnam, except from reading the papers which carried articles daily describing murderous thrusts FROM Cambodia. But now comes The Reader's Digest for February with a book condensation "Murder of a Gentle Land" describing "The dark age that has engulfed the people of Cambodia." Since the communists took over the country in April 1975, "a pitiless terror has emptied the cities and turned the villages, fields and jungles into charnel houses where unburied corpses lie putrefying in the sun. The numbers of dead are staggering, yet no protest is made . . ." The authors, John Barron and Anthony Paul, estimate perhaps 600,000 dead in this fratricidal war."

Whether you read my letter or not, Mr. President, I certainly recommend you read that book condensation before you and Congress start doing business with and providing aid for the mainland China-Hanoi-Vietnamese communists!

[From the Rolla Daily News, Feb. 21, 1977]

THE EDITOR SAYS . . .

(By Edward W. Sowers)

Letter to the President from the Orient

Part III

TOKYO, JAPAN.

DEAR MR. PRESIDENT CARTER: Our NNA press group arrived in Tokyo just ahead of Vice President Walter Mondale. The Japanese, now our ally after those unfortunate and tragic events of the 1940s (the mere mention of same now taboo), welcomed us with enthusiasm.

After a long flight (nine hours) in a Boeing 747 from San Francisco our landing was delayed for nearly an hour (we circled blindly in a holding pattern over Tokyo, waiting for clearance to land on the crowded airport). Later, we learned that Tokyo has built a much larger airport on the other side of this world's largest city of 8,000,000, its use held up by environmentalists. (Japan has those blockaders of progress, too, Mr. President).

We were not permitted to interview Prime Minister Takeo Fukuda but Mr. Masajuro Shiokawa, deputy chief Cabinet Secretary of Information came to the Nippon Press Club, answering our questions through an interpreter.

Prime Minister Fukuda, understandably, is quite busy—and nonplussed—over his talks on a Japan-China peace and amity treaty, which are now stalled over the "antihegemony clause" issue. It seems that China is wary of Japan developing hegemony, explained by Webster as "any one nation taking sides with others and thus developing undue influence over other nations." China wants "peace and amity" with Japan but doesn't want Japan to become too friendly with, say, the Soviet Union, or, for that matter, the United States. It is a "be damned if you do and be damned if you don't" sort of situation as we would see it in Missouri.

Mr. Fukuda, however, has talked to Komeito Chairman Yoshikatsu Takeiri after Takeiri talked in Peking with Chinese Chairman Hua Kuo-feng and the Chinese seem to be pushing for a treaty, according to the Japan Times. Mr. Mondale steps into this sensitive situation. Besides the "hegemony issue," another problem for Japan—and the United States—is the proposed 200-mile limit on fishing rights. There are some islands and the fishing grounds in the far north of Japan which were taken by the Soviet, and Japan, which depends heavily on fishing, wants them back. The United States is also considering a 200-mile "no trespassing" by Japanese and Soviet fishermen.

It is very much a no-way-to-win situation, Mr. President, and all the Asian countries we visited are watching with bated breath every move by Japan and the United States. South Korea is pleading for continued U.S. military and economic aid and is hoping that the U.S. will not be too hasty in reducing or withdrawing its forces. South Korea is caught between three enemies—all three a brand of communism—in mainland China, North Korea and the Soviet Union. Taiwan hopes and prays we don't set her adrift to stand alone against mainland Chinese communists. Thailand fears a take-over by communists, striking from Cambodia (where the communists have already murdered possibly 1,000,000 innocent Kymers) and bordering Malaysia and Singapore fear they will be taken into the communist sphere.

It doesn't even stop with southeast Asia, Mr. President. Across and above the Bay of Bengal, India is festering with trouble with Prime Minister Indira Gandhi, and not too far southwest the whole continent of Africa faces the same big problem—communism—both the Chinese and Russian brands of it. There, Mr. President, your emissaries are compounding the problem by giving aid and abettance to the communists who are striking through the Third World nations against beleaguered Rhodesia and South Africa.

Go slow, Mr. President, in your determination to "normalize" relations with the communist countries, is the pleading of our Far Eastern and African friends who are trying desperately to hold on to their free societies and governments.

You are "a Navy man," Mr. President. I have before me the Feb. 21 issue of the Navy Times. My observations on the inescapable tie-in between the U.S. and Southeast Asia are corroborated by Brig. Gen. J. D. Hittle, USMC (Ret.) General Hittle says we didn't get rid of that problem by our run-out from Vietnam. "The fall of South Vietnam, Laos and Cambodia into the Red orbit has triggered the predictable result: Thailand is the new target, to be followed by Malaysia, Singapore and the Straits of Malacca." When Singapore and the Straits of Malacca fall, the world's Asian sea lines will be controlled by the communists, thus cutting off oil shipments to Japan, the general points out. No wonder Japan is jittery over what is happening in Southeast Asia. Such a sea blockade could cave in Japan's vast industrial complex. Moreover, says Gen. Hittle, "there is cause for Japanese concern over what is in the mill in Vietnam. Moscow and Hanoi are reported to be discussing a Russian submarine base in Haiphong, and the right to use the vast Cam Ranh Bay area as a base for Russia's Pacific air and naval forces. . . . There are also reports from Thailand that the Soviet Union is putting missile silos in the remote northern areas of Laos . . ."

"Normalization of relations" with the communist countries may lose for our free-world friends more than we will gain, Mr. President.

At the U.S. Embassy, Mr. Bill Breer, first secretary of the Political Section, said Ambassador James Hudson has resigned, effective Feb. 5. He said the Lockheed scandal shook Japan to the roots, but is certain the government will survive. (Former Prime Minister Kakuel Tanaka is on trial, denying that he had anything to do with the Lockheed bribe of 500 million yen).

Mr. Breer disclosed that environmentalists not only have held up use of the huge new airport but have also managed to hold up construction of nuclear energy plants. He said there are 35,000 U.S. troops in Japan and Okinawa. With fuel in such short supply, hotel rooms, stores and homes are never really warmed up to our standards. I was cold all the time I was in Japan. If, Mr. President, you think you have a problem with inflation, you should visit Japan. We visited in the "average home" of Mr. and Mrs. Michiko Koyasu. Mr. Koyasu said—over a cup of tea—he paid $6,000 for it 15 years ago, and it is worth $60,000 today. His annual salary of $15,000 goes for living expenses. The house—interior and exterior—is a pitiful mess. We hovered over a small portable oil heater—which also served to heat the water for tea. The kitchen was a sorry sight, the bathroom (with a wooden tub) had no hot water. In a city store, we priced some food items: Fresh strawberries, 20 berries for $2.00; cantalope $13.00 each; beef, about $10 a pound. A nearby McDonalds, however, was serving up a right fair 'burger for $1.25. It didn't taste like their "Big Macs" in Rolla, though.

The industrial might of Japan has been created, with out help, during the 30 years since the war. It is an incredible complex. Tokyo is now the largest city in the world, with hundreds of high-rise housing projects. We rode the "bullet train" out through Yokahoma and on through "fields" of factories to Kyoto and Osaka—a far cry from the isolated land opened up to the world by Commodore Perry only 100 years ago.

I could go on and on, Mr. President, with the bits and pieces observed by our Study Mission—and will do so for my patient readers—but enough with which to burden you. In your stated desire to communicate with "the people," I would be glad to hear from you through your press secretary, Mr. Jody Powell. Thank you, Sir, and with best wishes, I am

—EDWARD W. SOWERS.

THE PLIGHT OF ELDERLY WIDOWS

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. PEPPER. Mr. Speaker, as chairman of the House Select Committee on Aging I have been shocked to learn of the terrible plight of our Nation's elderly.

Older Americans have given more to our society than any other age group. Yet, despite recent legislative action, persons over 65 have less than one-half the national median income—$4,600 compared to $10,600—are often forced to retire at reduced income, have the lowest standard of living, and often have vital needs unmet in health and social services, nutrition, housing, and transportation.

Because they have an even lower median income—$2,400—than the elderly as a whole, the 6.5 million widows over age 65 in the United States should prompt special concern.

Recently, Ms. Linda Usilton, a research assistant on the committee, investigated the special needs of elderly widows and summarized her findings in a memorandum which I would like to share with my colleagues.

The text of the memorandum follows:

MEMORANDUM

To House Select Committee on Aging, from Linda Usilton, Research Assistant re Elderly Widows

According to the Bureau of the Census there were 6.5 million elderly (65+) widows residing in the U.S. households in March 1975. These widows constituted nearly one-third (31 percent) of all persons 65+ years old and over one-half (53 percent) of all elderly women. Elderly women comprise a group of special interest because their generally low financial status and high rate of residential isolation expose them to greater social and economic risks than other segments of the elderly population.

There are several reasons for the existence of such a large number of elderly widows. The most important ones are listed below:

(a) High mortality rates for males; life expectancy at birth of 68.2 years in 1974 about eight years less than for females.

(b) The average life expectancy for 65 year old females is four years greater than for males.

(c) There is an average disparity in ages between husbands and wives. According to 1970 census, three-fourths of all husbands were older than their wives.

(d) The opportunity for elderly widows to remarry is quite limited due to the small number of eligible males in this age group. Elderly females who are eligible for marriage outnumber eligible males by a ratio of 4 to 1. In addition, males who marry after age of 65 tend to marry women from younger age groups.

AGE AND RACE COMPOSITION

Elderly black women are more likely to be widowed than their white counterparts, primarily because of the higher mortality rates for blacks and the fact that the age differences between black husbands and their wives is greater than for whites; particularly in the older age group. (See table below)

Age	All races	White	Black
65 plus	52.5	51.8	60.2
65 to 74	41.9	40.8	52.6
75 plus	69.4	68.9	73.9

INCOME

The death of an eldrely woman's spouse has a considerable effect on the financial resources available to the surviving widow. Often the widow is left with an older home to maintain and an increasing number of

medical expenses at a time when her cash income is decreased significantly.

Data on cash income in 1974 show that the median income for all elderly women was $2,400. Widows and other elderly women not living with a spouse reported incomes of only $2,700. While this figure is higher than the median of $1,600 reported by elderly women living with their husbands, the latter figure represents income of the wife only. The median 1974 income of husband-wife families with an elderly head was $7,200, over 2½ times as large as the $2,700 reported for elderly women who do not have husbands and must rely primarily on their own income.

The rate of poverty for black women was about twice as high or higher than for whites. More than four of every ten elderly black widows were below the poverty level and about seven of every ten elderly black females who lived alone reported incomes below this level.

LIVING ARRANGEMENTS

Regardless of the causes, elderly married couples tend to live by themselves. The death of an elderly woman's spouse thus assumes an even greater significance because of the necessity for the widow to assess her living arrangements in light of reduced financial resources and increased isolation. For most widows, the choice is to continue residing in a separate household. About 62 percent of all widows who were 65 years and older were living alone in 1975.

AVAILABILITY OF AUTOMOBILES

The availability of an automobile can be a crucial factor in obtaining access to medical, educational, recreational and nutritional services. Particularly in areas where public transportation is not available or satisfactory.

However, 1970 census data indicate that most elderly females living alone do not own or have regular use of a private automobile. By contrast, over 80 percent of all elderly couples owned or had regular use of an automobile.

Many elderly widows choose not to own or drive a car because of financial expenses involved in maintaining and operating a vehicle and because of physical disabilities such as failing eyesight. In addition, many elderly married women either never learned to drive at all or allowed their husbands to be the principal driver and are unwilling to assume his role upon the husband's death. Thus, the transportation needs of the millions of elderly women who live alone must be given considerable attention by those who attempt to provide services to this group.

SUMMARY

Current data on various characteristics of the Nation's 6.5 million elderly widows not living in institutions indicate that the conditions of their existence are considerably different from the elderly population in general. Most widows live alone on relatively low incomes. One-fourth rely on cash incomes below the Federal Government's poverty index. Many have given up their homes and moved to smaller apartments, but housing costs consume a large share of their income. Most do not have automobiles and must rely on other sources of transportation.

The need for supportive services among a large segment of the Nation's elderly population, namely widows, is clearly indicated by the data presented in this report.

RECOMMENDATIONS

1. Provide part-time jobs through the state or county Vocational Rehabilitation Department to help elderly widows utilize some of their skills if they choose to do so, as well as to help them maintain their self-esteem.

2. Increase the income of those elderly women or men who are unable to work. Provide additional income through increased SSI and social security benefits.

3. Construct more low-income efficiency apartments located near bus or metroline routes to make it easier for shopping as well as to ease access to necessay medical or dental care.

4. Provide some form of recreational or day care centers at local church halls or other areas for the elderly to go in order to participate with contemporaries in arts, craft and activities. Provide special buses or contract local buses to transport the elderly to and from the centers.

5. Provide increased "Meals on Wheels".

COMMUNITY BASED DAY TREATMENT AND IN-HOME SERVICES FOR FAMILIES AND CHILDREN—PART II

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. KOCH. Mr. Speaker, last year alone 115,167 children across our Nation were removed from their homes and placed in institutional foster care. They were not placed in these institutions because professional counselors had determined that foster care represented the most therapeutic environment for each of these individual children. Instead, the bulk of these children are in residential care, because most of the Federal, State, and local welfare funds are channeled to support these institutions. Indeed, less costly alternative programs of care and rehabilitation that emphasize the prevention of institutionalization through the delivery of services to the family and child in the community or home are poorly funded and often not available at all.

To respond to this situation, I have reintroduced the Community Based Day Treatment and In-Home Services for Children and Families Act, which now has more than 40 cosponsorors. My bill would amend title IV-B of the Social Security Act to authorize the provision of day-treatment and in-home services by licensed child welfare agencies to families and children in trouble. It further provides for an annual transitional authorization of $50 million for a period of 2 years. My bill yould not alter the current title IV-B child welfare services program, for which $37.7 million for foster care was appropriated last year.

Mr. Speaker, at a time when serious juvenile crime has risen 26.7 percent in a 5-year period, it is clear that we are not receiving all the dividends possible from the major public investment we make into institutional foster care. It is clear that the old temptation to double the budget of our exising child welfare programs is an ineffective means of achieving increased results. The inclusion in my bill of a separate $50 million increase in authorization for child welfare programs is a response to the reality that confronts us and does not stem from the illusion that more money is the answer.

The reality that faces us is this—present Federal legislation and moneys are directed toward placing a high premium on institutional foster care as a response to the needs of troubled youngsters. In order to redirect this overwhelming emphasis on institutional foster care, legislation must contain, as mine does, strong fiscal incentives for State and local child welfare agencies to bring about such a shift in priorities.

To initially encourage the States' redirection of resources toward day-treatment and in-home service, I have proposed a $100 million authorization over a 2-year transitional period. Experts have estimated that a transfer of eligible children from residential foster care to day-treatment or in-home services could result in a nationwide cost savings of $200 million. Given a savings of this magnitude, I believe that a comprehensive national program of day treatment in-home services, and residential care can be provided within the current title IV-B authorization at the end of the 2-year transitional period.

My legislation also remedies a long-standing inequity in the allocation formulas under title IV-B. Allocation is currently based on the per capita income and child population of a given State. This formula has tended to discriminate against urban areas where the concentration of children and families in trouble is the greatest. To enable these resources to reach the greatest number of persons in need, my bill adopts an allocation formula based exclusively on population. Each State, however, will continue to receive a minimum allocation of $70,000 under my bill.

At my request, the Library of Congress' Congressional Research Service has prepared the chart below which illustrates the effect of a change in the formulas allocated under title IV-B. Column I shows the current 1976 awards for all title IV-B programs using the child population and per capita income formula. Column II shows the total sum which would be available to each State if my legislation were implemented. It should be noted that the bill specifies that the additional $50 million in column II may only be used for the outlined purposes and that one-half of that amount must be allocated to in-home services. In addition, it should be noted that column II does not add up exactly to $100 million, because of rounding in computations.

COMPARISON OF CURRENT FEDERAL FUNDING UNDER TITLE IV-B AND UNDER PROPOSED LEGISLATION

State	1976 Federal allotment	Proposed change using new formula [1] and increased appropriation
Total	$52, 500, 000	[2] $99, 999, 904
Alabama	1, 094, 830	1, 735, 761
Alaska	145, 691	246, 756
Arizona	631, 054	1, 020, 365
Arkansas	647, 968	962, 152
California	4, 088, 056	9, 086, 872
Colorado	653, 764	1, 173, 355
Connecticut	600, 429	1, 427, 279
Delaware	182, 990	336, 914
District of Columbia	176, 753	372, 517
Florida	1, 790, 153	3, 099, 006
Georgia	1, 386, 831	2, 332, 516

State	1976 Federal allotment	Proposed change using new formula [1] and increased appropriation
Guam	112, 184	121, 093
Hawaii	242, 112	455, 554
Idaho	298, 391	441, 313
Illinois	2, 189, 386	5, 166, 966
Indiana	1, 331, 679	2, 546, 125
Iowa	716, 095	1, 378, 592
Kansas	552, 261	1, 060, 681
Kentucky	985, 895	1, 592, 200
Louisiana	1, 199, 434	1, 939, 843
Maine	352, 258	540, 997
Maryland	902, 962	1, 950, 524
Massachusetts	1, 237, 635	2, 593, 562
Michigan	2, 019, 600	4, 439, 639
Minnesota	993, 794	1, 919, 637
Mississippi	827, 564	1, 212, 516
Missouri	1, 154, 001	2, 160, 476
Montana	258, 202	414, 083
Nebraska	417, 585	760, 475
Nevada	184, 416	316, 804
New Hampshire	264, 939	421, 203
New Jersey	1, 356, 730	3, 312, 518
New Mexico	425, 676	628, 846
New York	3, 252, 442	7, 887, 394
North Carolina	1, 477, 274	2, 473, 672
North Dakota	221, 334	371, 361
Ohio	2, 467, 032	5, 051, 790
Oklahoma	746, 494	1, 217, 327
Oregon	586, 886	1, 029, 794
Pennsylvania	2, 549, 831	5, 197, 756
Puerto Rico	1, 339, 738	1, 664, 558
Rhode Island	271, 102	479, 320
South Carolina	894, 567	1, 370, 317
South Dakota	251, 036	391, 567
Tennessee	1, 157, 334	1, 830, 476
Texas	3, 206, 522	5, 616, 602
Utah	452, 507	671, 567
Vermont	200, 241	285, 918
Virgin Islands	105, 435	108, 103
Virginia	1, 206, 365	2, 235, 239
Washington	819, 124	1, 618, 276
West Virginia	535, 140	855, 444
Wisconsin	1, 178, 139	2, 192, 517
Wyoming	160, 139	233, 766

[1] Based on proposed allotment formula providing a basic $70,000 per State with the remainder provided to each State in the same proportion as its population under 21 is to the total U.S. population under 21.

[2] Does not total to 100,000,000 because of rounding in computations.

THE NUCLEAR FUEL CYCLE

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. SPENCE. Mr. Speaker, there has been substantial discussion and debate throughout the Federal Government concerning nuclear proliferation. Numerous bills have been introduced in the Senate and the House of Representatives to impose tight controls on the transfer of nuclear materials and fuel. Recent statements by President Carter and congressional leaders reflect a strong desire to control nuclear proliferation, and there is currently an interagency evaluation underway to establish administration policy on this controversial subject.

Because of the location of a nuclear fuel reprocessing facility in my district, at Barnwell, S.C., the issue has been of special interest to me and to many of my constituents. It is a highly complex subject, and one which requires for most of us a great deal of technical assistance from the experts. A recent paper by Dr. L. J. Colby, Jr., of Allied Chemical Corp., entitled "Nuclear Fuel Cycle, Reprocessing and Proliferation," has been especially helpful along these lines.

Dr. Colby's paper, which was prepared for a congressional briefing, describes the nuclear fuel cycle, the reprocessing of spent reactor fuel, and how these activities worldwide must be controlled to further nonproliferation goals. I believe that my colleagues will find this material to be both educational and thought provoking, and I insert Dr. Colby's paper at this point in the CONGRESSIONAL RECORD:

THE NUCLEAR FUEL CYCLE

Uranium ore is mined domestically in the western United States. Canada, France, and South Africa are other principal free world producers, and Australia has large proven reserves that are expected to come into production in the near future. Uranium ore, which contains approximately 0.25 percent uranium, is shipped from the mines to nearby mills, where the uranium is extracted. The product of the milling operation is called "yellow cake." Because natural uranium contains only about 0.7 percent U-235 (the remainder being U-238), it must be enriched prior to use in nuclear reactors. The yellow cake is shipped from the mill for sampling, conversion to uranium hexafluoride (UF_6), and further purification. The UF_6 is then shipped in cyclinders to ERDA gaseous difusion plants for enrichment, a step in which the concentration of U-235 is increased from 0.7 percent to 3.0 percent. There are currently three uranium enrichment plants in the United States, all of which use gaseous diffusion technology. These plants are located at Oak Ridge, Tennessee; Paducah, Kentucky; and Portsmouth, Ohio.

The final form of uranium in Light Water Reactor (LWR) fuel is uranium dioxide (UO_2), a solid. The UF_6 gas in converted into powered UO_2, and subsequently pellets. In an LWR pellets are inserted into zirconium tubes. A fuel assembly is made up of a bundle of these tubes numbering from 50 to 300, depending on reactor core design. A typical reactor contains over 100 such fuel assemblies which may represent an investment of $30 million.

During operation of an LWR, the U-235 fissions creating heat that produces steam for power generation. As a result of this fission process, radioactive by-products are formed. Each fission produces neutrons. Some of these cause fission of another U-235 nucleus, other neutrons may be captured by a U-238 nucleus to produce plutonium, which in turn can also fission and contribute to the production of heat energy. Plutonium fission accounts for about one third of the heat generated during the design life of LWR fuel, even though the original fuel is 100 percent UO_2.

Gradually over the usable life of the fuel, the U-235 content is depleted and the plutonium content builds up. When the radioactive fission by-products reach a concentration where they are absorbing so many neutrons that the fission process can no longer sustain itself, which can occur after 1 to 4 years of use, the highly radio-active fuel elements are removed and placed in a storage pool at the reactor for decay cooling.

Sustained operation of LWR power plants requires that spent fuel elements discharged from the reactors be removed from the spent fuel storage pools at the reactor sites on an appropriate schedule. There are two alternatives for disposition of spent fuel: the spent fuel may be transported to a chemical reprocessing plant by rail or truck in specially designed casks for reprocessing to recover the contained uranium and plutonium—either of which may be recycled or may be stored for ultimate alternative use. The separated radioactive wastes would be cooled, solidified, and packaged for terminal storage. Related radioactive fuel assembly cladding and general process trash would be disposed of in accordance with regulations. Or, the spent fuel elements may, after cooling in a storage pool, be packaged and placed in perpetual storage as waste (the "throw-away" option).

At the reprocessing plant, the uranium and plutonium products in the fuel element would be chemically separated from the fission products and recovered. The uranium would be then reconverted to UF_6 and the process of enrichment, conversion and fabrication is repeated. The recovered plutonium would be converted to solid form for future use in LWR recycle and/or the breeder reactor. Fission products would be converted to solids, stored at the plant site for additional cooling, and then shipped to a federal waste repository.

DESCRIPTION OF A NUCLEAR FUEL REPROCESSING FACILITY

After about a 180-day cooling period at the reactor, the spent fuel will be transported to a reprocessing facility in a specially designed shipping container capable of providing shielding for the radioactive fission products and cooling of the residual heat in the spent fuel. The spent fuel will be stored in a spent fuel pool until reprocessing commences.

The spent fuel elements are next sheared by an oscillating blade into segments 2 to 5 inches long. This chopping operation exposes the soluble oxide fuel inside the insoluble zirconium cladding. The chopped fuel next drops into a dissolver where the oxide is dissolved from the cladding by hot nitric acid solution. After analysis of the nitric acid solution, the bulk of fission products are removed and the uranium and plutonium streams are separated by electrolytic partitioning and purified. This is accomplished by adjusting the chemical properties of the plutonium electrochemically. The plutonium is "stripped" into an aqueous liquid, and the uranium moves forward with an organic liquid, resulting in the separation or "partitioning" of plutonium and uranium. The uranium is then stripped from the organic liquid, concentrated by evaporation and purified. The three main liquid product streams from the Separations plant are: uranium, nitrate, plutonium nitrate, and liquid waste containing the highly radioactive fission products.

These liquid streams require further processing at the reprocessing site as follows:

Uranium Conversion: The uranium nitrate stream is converted into gaseous uranium hexafluoride (UF_6) for shipment to a government-owned uranium enrichment plant.

Plutonium Conversion: In June, 1974, the Atomic Energy Commission announced that commercial shipments of liquid plutonium nitrate would be banned effective June, 1978. While the basic chemical process of converting liquid plutonium nitrate to solid oxide form is well known, current regulatory uncertainties over conversion facility design and safeguards and solids form acceptable for storage and transportation have precluded moving ahead to design a plutonium conversion facility.

Waste Handling: The liquid waste stream from the Separations plant is stored in cooled tanks. In 1971 the AEC adopted a regulation that permitted highly radioactive liquid waste storage at the reprocessing plant for no more than five years, after which the waste is to be solidified, stored as a solid for permanent disposal. Lack of government regulatory definitions and product criteria have precluded moving ahead on design efforts on facilities and equipment for waste solidification.

STATUS OF NUCLEAR FUEL REPROCESSING IN THE UNITED STATES

Nuclear Fuel Services—NFS

On September 23, 1976, NFS announced that it was withdrawing from the reprocessing business since it would be uneconomical and perhaps impossible to meet the new seismic criteria. Thus, the only facility to

process commercial LWR fuel in the U.S. has been permanently shut down.

General Electric

In 1974, GE announced that its Morris plant was not operable due to fundamental technical problems which could not be resolved without substantial modifications and even then the probability of successful commercial operation was considered extremely low.

Exxon

Exxon Nuclear recently announced that ERDA has made available nearly 200 acres near Oak Ridge, Tennessee for a proposed $1 billion nuclear fuel storage and reprocessing complex.

Allied-General Nuclear Services—AGNS

A 1,500 metric ton per year reprocessing plant has been built in Barnwell, S.C., by AGNS. This plant, probably the only such facility which can meet current U.S. regulatory criteria, was constructed for a single purpose—to close the back-end of the LWR fuel cycle through the recycle of recovered products from spent fuel. The separations facility, a uranium conversion facility and limited storage facilities for waste and plutonium are complete and are undergoing cold check-out. It is expected that the cold chemical runs involving the separations facility will be completed during 1977.

Uncertainties continue to affect the future operating date of the AGNS Barnwell plant. Such uncertainties include: the inability to predict what action, if any, the new Administration and Congress may take as the result of continuing concern with plutonium and nuclear weapons proliferation; the statement by President Ford, on October 28, 1976, deferring the commercialization of nuclear fuel reprocessing and directing ERDA to define a reprocessing and recycle evaluation program; the absence of a definitive response by ERDA to AGNS proposals relating to completion of the Barnwell facility; the outcome of the Nuclear Regulatory Commission's plutonium recycle proceeding; the delays in the current licensing proceedings; and impediments likely to result from recent court decisions.

Sustained Barnwell plant operation is dependent upon construction and licensing of plutonium oxide and waste solidification facilities.

In the light of the uncertainties cited above, startup prior to 1979 seems unlikely and even that date may be optimistic.

On the other hand, Barnwell occupies a unique position if reprocessing is to be part of the nuclear power industry. Barnwell can also be viewed as an asset which can be adapted for use as an evaluation facility and as an important initial step toward multinational reprocessing centers, thus assisting in solving problems associated with nuclear weapon proliferation.

STATUS OF NUCLEAR FUEL REPROCESSING OUTSIDE THE UNITED STATES

British Nuclear Fuels Limited—BNFL

In the U.K., BNFL has added a head-end to the Windscale reprocessing plant in order to process spent Light-Water Reactor (LWR) fuel. This facility was available to process LWR fuel between 1968 and 1973. In 1973, the plant was shut down and modified. It is now expected that reprocessing capability at initially the 400 tons of spent fuel per year rate will be restored in 1978. BNFL is actively engaged in the detail design and site preparation at Windscale for a new LWR reprocessing complex which is currently planned to contain two 1,000 ton reprocessing plants for operation in the mid and late 1980's.

COGEMA—Compagnie Generale des Matieres Nucleaires

COGEMA was formed in 1976 to be the fuel cycle company for the French. The reprocessing plant at La Hague has had a new head-end added to allow reprocessing of LWR fuel. Hot testing of the headend subsequent reprocessing of LWR fuel was initiated during 1976. About 1,200 MTU of LWR fuel is planned to be processed through the La Hague plant betwen now and 1980. The facility is planned to operate at 800 MTU per year in 1980 and beyond.

COGEMA is planning new reprocessing plant additions at the La Hague site with two new 800 MTU plants coming on line in the late 1980's. This would raise its total capacity to 2,400 MTU annually.

KEWA

In Germany, KEWA is the organization responsible for developing a large commercial reprocessing plant. It is actively involved in selecting a site which is expected to be in northern Germany. KEWA's planning provides for a reprocessing plant of about 1,400 MTU annual capacity to be available in the late 1980's.

Eurochemic

In Belgium studies are underway to determine if the reprocessing plant located at Mol could be reractivated and expanded from 60 MTU to 300 MTU. If it can, then the Belgium requirements for reprocessing can be met by this facility into the 1990's.

PNC

The Japanese have constructed a 210 MTU reprocessing plant which is currently undergoing cold check-out and is expected to become operational in about 1978. The Japanese have likewise been considering for some time the need and location for a second Japanese reprocessing plant. It is my understanding that the Japanese have concluded that the second plant, possibly of 1,500 MTU annual capacity, should also be located in Japan. Since it will take at least ten years before this new plant can become operational, the Japanese have decided to contract with BNFL and COGEMA for reprocessing services totalling more than 3,000 MTU to bridge the gap in their demand supply situation.

ECONOMICS OF REPROCESSING AND RECYCLE

AGNS recently completed a study entitled, "Nuclear Fuel Cycle Closure Alternatives." That report measures the benefits of reprocessing versus throwaway. The GESMO documents also were recently released by the NRC and they compared the economy of recycle vs. throwaway. Even though these two studies were performed on a substantially different basis, the results are surprisingly consistent. A savings of from $5 to $10 million per reactor per year is indicated with reprocessing and recycle. The range of the savings is mostly accounted for in the assumptions on the U_3O_8 prices. It should be noted that the cost estimates for reprocessing plants will undoubtedly continue to rise due primarily to inflation. This will increase the cost of reprocessing services. The costs for enrichment plants and the cost for separative work units are also expected to rise in such a manner as to maintain a favorable economic margin for recycle vs. throwaway. It should also be noted that reprocessing would also serve to reduce the demands on enrichment facilities which do not presently have the capacity to meet the world's needs.

NUCLEAR PROLIFERATION AND COMMERCIAL NUCLEAR POWER

The proliferation of nuclear weapons is of major concern to all citizens of the world.

Two routes to nuclear weapons have been taken in the past: development of uranium enrichment capability and the extraction of plutonium from special purpose reactor fuels or test reactor fuels.

The assumption by some that large economic reprocessing centers under international safeguards are too risky from a proliferation point of view needs careful examination. If, on the one hand, large, safe, efficient, economic and well guarded recycle plants are not provided to the world nuclear energy community, then individual countries will be forced to develop their own capability to recycle or dispose of spent fuel. The technology to build a reprocessing plant is generally available to all countries. This is especially true if the intent is to build a non-economic plutonium recovery system for other than peaceful purposes. The technology and know-how to make safe and economic facilities of sufficient size is not generally available. Significant capital cost savings resulting from experience in construction techniques and demonstration of the selected processes are the reasons that one organization seeks the help of another. In other words, the transfer of technology that takes place is *not* the basic technology to separate plutonium from spent fuel but the know-how to build large efficient facilities at optimum capital cost.

It is my opinion that a world nuclear program based on large safeguarded facilities is much more secure than a world based on small national plants. The argument that no one would build small plants because of unfavorable economics is unsound in my opinion. A country could logically justify increasing the cost of power a few percent if in return that country could extend a finite uranium resource by as much as 50%.

Therefore, a plutonium economy has substantial advantages that should not be overlooked. The use of plutonium not only has favorable economic impact, but is consistent with the important national objectives of energy independence. Thus, it would play a major role in conserving a scarce natural resource (uranium) and would serve to reduce substantially our dependence on foreign oil thus improving our balance of payments, conserving foreign exchange and measurably improving our national security and defense.

Only via reprocessing is plutonium put in a form to be disposed of by burning in a reactor and nuclear wastes placed in a stable form for permanent disposition.

CONCLUSIONS

On October 28, 1976, then President Ford issued a nuclear policy statement which included the following principal policy statements:

"I have decided that the United States should greatly accelerate its diplomatic initiatives, in conjunction with nuclear supplied and consumer nations, to control the spread of plutonium and technologies for separating plutonium.

"I have decided that the United States should no longer regard reprocessing of used nuclear fuel to produce plutonium as a necessary and inevitable step in the nuclear fuel cycle, and that we should pursue reprocessing and recycling in the future only if they are found to be consistent with our international objectives."

Reactions of foreign governments to this statement were quite mixed, but the overall theme was that the US could stand still on development of reprocessing if we wanted to, but other nations would move ahead to develop reprocessing capability on their own.

In the area of the nuclear fuel cycle, it is important for the US to supply enriched uranium, nuclear reactors and services in the backend of the nuclear fuel cycle as a deterrent to proliferation. If the US does not supply these materials and services, other nations will.

In the backend of the nuclear fuel cycle, standing still on the part of the US will only serve to increase proliferation. Because reprocessing technology transfer is currently unacceptable to the US and most other nuclear supplier nations, the soundest policy from a non-proliferation standpoint is to have these same supplier nations agree to provide reprocessing services to other nations embarking on their nuclear programs. Thus, any nuclear non-proliferation policy should put the US in a position of providing

reprocessing services to other non-supplier nations.

President Carter and leaders of Congress have expressed an interest in having the management of spent reactor fuel and reprocessing under international management and safeguards. This approach is sound in that it does allow nations to derive the economic benefits from reprocessing while at the same time minimizing the possibilities for diversion of nuclear materials for weapons purposes.

INSTITUTE MANAGEMENT IMPROVEMENTS IN THE COMMISSARY SYSTEM

HON. DAN DANIEL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. DAN DANIEL. Mr. Speaker, for some time now, Congressman NICHOLS and I, along with others of our colleagues, have urged that the Department of Defense institute management improvements in the commissary system.

I include the report on improvements and efficiencies which have been provided to the Committee on Armed Services in the RECORD at this time:

DEPARTMENT OF DEFENSE COMMISSARY STORE COST REDUCTION INITIATIVES

[In thousands of dollars; fiscal years]

Initiative	Annual estimated savings 1977	1978	1979
1. Central management in the Army and the Air Force (A and AF)	7,913	14,281	15,958
2. Consolidation of regions (N)	60	240	240
3. Increased use of part-time and intermittent employees (A, N, MC, and AF)	5,318	10,481	18,351
4. Reduce the number of commissary store annexes (A, MC, and AF)	117	227	227
5. Use income from redemption of cents-off coupons as offset to personnel costs (A, N, MC, and AF)	415	1,169	1,200
6. Standard DOD automated management information system to support commissary store operations (A, N, MC, and AF)	0	(1)	(1)
Total	13,823	26,398	35,976

[1] To be determined.

Note: A—Army; N—Navy; MC—Marine Corps; AF—Air Force.

NARRATIVE SUMMARY OF DEPARTMENT OF DEFENSE COMMISSARY STORE COST REDUCTION INITIATIVES

1. Centralized Management of Commissary Stores in the Army and the Air Force. Management of the Army and the Air Force commissary systems was centralized under the Army Troop Support Agency and the Air Force Commissary Service on October 1, 1976. Prior to that time management functions for the stores were performed at each installation and major command. Cost savings to date associated with centralized management are primarily related to manpower savings. Personnel at local installations and major commands were withdrawn as being no longer required for resale commissary support and supervisory activities. Administrative staffs in the stores are being reduced as functions performed at the store level are now being performed at the supervising field office. The combining of several Air Force stores into one complex over a period of time will provide additional savings by the further consolidation of management functions.

2. Consolidation of Regions (Navy). The Navy commissary store system is centrally managed by the Navy Resale System Office. Supervision over individual stores is provided on a geographic basis by various commissary store regional offices. Where feasible, two regional offices will be merged resulting in reduced administrative personnel costs. On January 1, 1977, the Commissary Store Region Philadelphia was merged with the Commissary Store Region Patuxent River. Other consolidations of regions are under review by the Navy.

3. Increased Use of Part-time and Intermittent Employees (All Services). The use of a high percentage of part-time and intermittent employees is a common practice in the retail food industry because of extreme variation in customer shopping periods. The commissary store system also faces these variations. Increased use of part-time and intermittent employees is more efficient since the number of employees on-duty may be increased for peak periods and reduced when customer traffic lessens. Dollar savings result from increased use of part-time/intermittent employees because they do not receive the full fringe benefits of full-time permanent employees. Additionally, less than full-time employees normally do not progress to higher paying steps within their grades due to the transient nature of their employment.

4. Reduce the Number of Commissary Store Annexes (Army, Marine Corps and Air Force). In some cases small annexes have been operated on the same installation as main commissary stores in order to relieve the congestion at inadequate main stores. The Navy does not operate annexes. Commissary annexes usually carry a limited selection of merchandise in order to serve the shopper who may only need a few basic items such as bread, milk, eggs, etc. The minimal personnel staffing for annexes is provided by the main store. Closure of some annexes, where feasible, will result in moderate manpower and operating cost savings since most of the employees will return to the main store to assist with the expected increase in sales.

5. Income from Redemption of "Cents Off" Coupons to be Applied as an Offset to Personnel Costs (All Services). Manufacturers pay a handling fee for "cents off" coupons redeemed in commissary stores by patrons. In the past, these coupons were turned over to the military exchanges for processing and redemption. We plan to have the commissary stores redeem their coupons directly and return the income to the Treasury as an offset to personnel costs.

6. Standard DoD Automated Management Information System to Support Commissary Store Operations (All Services). The Air Force has been designated as the executive agent to develop and maintain a standard DoD automated management information system for use by all four Military Services to support the commissary store operation. Total savings will be identified in an economic analysis after general specifications for the system have been written in FY 1978. We expect the system to produce savings by allowing options to: (1) geographically consolidate more functions than is possible with the "interim" systems in use now; and (2) process data faster and more efficiently, e.g., to pay bills faster, to automatically reorder merchandise, and to produce timely management data for a myriad of management decisions. Also, there will be additional savings by using only one central design activity, instead of four, to develop the system and to maintain it after implementation. The Automated Data Processing (ADP) equipment for the system will be purchased and maintained using other than appropriated funds.

LITHUANIAN INDEPENDENCE DAY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. RANGEL. Mr. Speaker, the Assembly of the State of New York has recently issued a resolution calling for February 16, 1977, to be proclaimed Lithuanian Independence Day, in commemoration of the founding of the Lithuanian Republic on that date in 1918.

We are all aware of the plight of oppressed peoples in the Soviet Union and the way in which they are denied their most basic freedoms. The tragedy is underscored when one views the Russian participation in the Helsinki Conference, and their supposed agreement to the guarantee of individual human rights.

No human being with compassion in his heart for the sufferings of others and love for his fellow man would tolerate such an abhorrent control over the lives of others. It would, therefore, be my hope that all freedom-loving people join with me and the rest of the State of New York congressional delegation in supporting this honorable and charitable act. To the oppressed Lithuanian people of the Soviet Union and their relatives here in the United States we offer this token of our mutual friendship and admiration for their heroic stand in their fight for freedom. The text of the resolution follows:

LEGISLATIVE RESOLUTION No. 86

Legislative resolution requesting the Governor to proclaim February sixteenth, nineteen hundred seventy-seven as Lithuanian Independence Day

Whereas, The United States of America has most recently celebrated the two hundredth anniversary of its glorious birth as a free and independent nation by the heroic proclamation of the Declaration of Independence on the fourth day of July, seventeen hundred seventy-six; and

Whereas, We, adhering to the principles of our Declaration of Independence, ought never be insensitive to the plight of those people of this world who have had their freedom and independence taken from them by force of arms, more particularly, that great State of Lithuania; and

Whereas, We hold certain truths to be self-evident, viz; that all mankind is endowed with certain unalienable rights and that among these are the right to life, to liberty and to the pursuit of happiness and that the denial of these rights, or any one of them, to any free people diminishes all mankind; and

Whereas, These basic human rights are now, and for a long time last past have been, denied the people of Lithuania, especially since nineteen hundred forty when the armed forces of the Soviet Union invaded and forcibly annexed Lithuania to the Soviet Union; and

Whereas, Lithuania which had been a sovereign state since the year twelve hundred fifty-one had her independence reestablished on February sixteenth, nineteen hundred eighteen, subsequently becoming the modern Republic of Lithuania in nineteen hundred twenty, only to again lose its identity as such a republic by the invasion of the Soviet hordes in nineteen hundred forty; and

Whereas, The Soviet Union, despite the fact that it is a signatory to the Final Act of the Conference on Security and Cooperation in

Europe, continues to suppress the aforesaid basic human rights in Lithuania by its relentless conduct of a vast program of Sovietization and russification; and

Whereas, Many Lithuanian patriots have risked and sacrificed and are continuing to risk and sacrifice their lives in a continuing effort to regain their religious and political freedoms and the rebirth of the sovereignty of the Republic of Lithuania; and

Whereas, Unlike Colonial America, Soviet-occupied Lithuania does not possess the power and force of arms to throw off the yoke of Soviet oppression and occupation; and

Whereas, The United States does have the diplomatic and economic stature and resources in this current era of detente with the Soviet Union to introduce into its dialogue with the representation of the Soviet Union a discussion of the ultimate disposition of the Lithuanian situation with a view to the restoration of the integrity and independence of the Republic of Lithuania; and

Whereas, The Congress of the United States should urge the President of the United States to enjoin the Secretary of State and the United States Ambassador to the United Nations to raise the question of the plight of the Lithuanian people in the United Nations and in the agenda of such other international forums as they may be advised; and

Whereas, The Congress of the United States should enact legislation that would establish a special commission to monitor and inform world opinion and bring it to bear upon the Soviet Union to cease and desist its noncompliance with the principles of the Final Act: now, therefore, be it

Resolved, That the Governor of the State of New York be and hereby is respectfully requested to issue a proclamation designating February sixteenth, nineteen hundred seventy-seven as Lithuanian Independence Day, in commemoration of the fifty-ninth anniversary of the Establishment of the Republic of Lithuania; and be it further

Resolved, That a copy of this resolution be forthwith transmitted to each member of the Congress of the United States from the State of New York.

By order of the Assembly.

Adopted in Assembly on February 9, 1977.

VOTING RIGHTS FOR THE ELDERLY AND HANDICAPPED

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. COHEN. Mr. Speaker, Congressman KOCH and I have developed legislation that we are introducing today which will reenfranchise many handicapped and elderly citizens by making polling places and voter registration facilities accessible to wheelchairs and other ambulatory aids.

Most of us take for granted the simple act of voting. Yet, certain groups of persons have been systematically deprived of the right to vote. Among those are the handicapped and elderly who lack the mobility to overcome architectural barriers that have been thoughtlessly placed in their way.

Despite our best intentions in passing laws making Federal buildings accessible to the handicapped and elderly, and offering tax incentives to make similar changes in other buildings, accessibility to polling and voter registration places remains a problem. A few States, including my own State of Maine, have had the foresight to enact legislation which provides for accessibility to polling places. These laws have served as models for comprehensive Federal action.

The exact number of individuals who would benefit from legislation at the Federal level is unknown, but several reliable estimates underscore the magnitude of the problem. The National Center for Health Statistics reports that there are approximately 1.87 million Americans of voting age whose mobility is restricted as a result of physical handicaps. A large percentage of the Nation's 22.4 million elderly citizens are also affected by structural barriers. The Department of Transportation estimates that, at any one time, more than 2.6 million potential voters are temporarily disabled by serious, but short-term illnesses or injuries. Together these groups represent a significant number of Americans whose ability to exercise their right to vote is threatened by the presence of architectural barriers.

In addition to architectural barriers, another obstacle to political participation by those handicapped persons and the elderly who cannot get out of their homes to vote, even if polls were accessible, is the requirement governing absentee ballot registration and voting procedures. These laws, which were designed to protect States from voting fraud, discriminate against the handicapped and the frail elderly. Many States, for example, require a doctor's statement and often notarization before a disabled individual can vote absentee. These statements can be expensive and difficult to obtain, and, in short, become another form of poll tax.

The problem of accessible polling and voter registration places has become an increasingly important issue with individuals and organizations working on behalf of this country's elderly and handicapped. Our legislation searches for ways to make polling places and voter registration facilities accessible or to provide alternative methods of voting and registration, thus enabling these citizens to participate equally in the elective process. The bill accomplishes this task by authorizing the Attorney General, in consultation with the Secretary of Health, Education, and Welfare, to develop standards necessary to insure that physically handicapped and elderly individuals have ready access to polling places and voter registration facilities. Sites must be selected which comply, or which may be made temporarily to comply, with the set standards. If no site is available in the voting precinct or appropriate political jurisdiction, the election official with responsibility for the selection will report to the Attorney General. This requirement will not apply in States where legislation is in force setting standards for accessibility to polling and voter registration places at least as stringent as those prescribed by the Attorney General.

When no accessible polling place or voter registration site is available in a voting district, the State shall provide for alternative methods of voting and registration. In the case of voting, such alternatives will include setting up accessible voting places outside the voting precinct to which the handicapped or elderly individual is assigned to vote, modification of absentee ballot laws, and "curbside" voting. Likewise, alternatives for voter registration are required. In addition, paper ballots will be available at all polling places for the use of voters who are unable to operate a voting machine.

Whatever the alternative method of voting or registration selected, public notice shall be made at least 60 days prior to the election or close of registration in order to advise those affected citizens of the options available to them. Handicapped and elderly voters may then register by the available method, and in any event, must notify the appropriate election official of their intention to vote by an alternative method.

If the Attorney General has reason to believe that a State or political subdivision is not complying with the provisions of this act, he has the authority to bring action in Federal District Court.

Our legislation is based upon the equal protection clause of the 14th amendment to the Constitution. The freedoms encompassed by that amendment have enabled us to take great strides in eliminating racial and sexual barriers to the ballot box. It is time to take another step toward guaranteeing that right to all Americans, regardless of their physical condition, by insuring that restrictive requirements or achitectural barriers will no longer prevent anyone from exercising the franchise.

DOMESTIC FOOTWEAR—ON THE VERGE OF BECOMING AN ENDANGERED SPECIES

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. BURKE of Massachusetts. Mr. Speaker, I respectfully submit for the RECORD what I would like to term as an "environmental impact statement" on the status of domestic nonrubber footwear production in the United States. Conditions in the industry, which are the direct result of imports, threaten to place one of our basic consumer products—the American manufactured shoe—on the endangered species list:

DOMESTIC FOOTWEAR—ON THE VERGE OF BECOMING AN ENDANGERED SPECIES

OVERVIEW

Facts amassed by the U.S. International Trade Commission (ITC) in its February, 1976 Report to the President, show that the rising tide of imports is decimating the U.S. nonrubber footwear industry. Data for more recent periods than included in the ITC Report, including comparisons of the first 9 months of 1975 and 1976, indicate a continuing weakening of the domestic shoe industry. The trend, so clearly discerned in the ITC Report, is a worsening one.

The ITC Report notes there is "one worldwide level of technology" in the nonrubber footwear industry. The Commission also finds no significant differences between countries

in the quality of machines used for similar production processes. This means that the competitive standing of U.S. and foreign producers is greatly influenced by the wages paid production workers.

According to the ITC Report, U.S. workers tend to be more productive than foreign workers. Because of more efficient organization and management they are, for example, 25 to 50 percent more productive on a given piece of machinery than are European workers. Additionally, wage rates for production workers in the footwear industry are significantly below those for production workers in other U.S. manufacturing concerns. Despite all of this, the U.S. nonrubber footwear industry is unable to compete with the flood of imports from countries with low wage scales.

The devastating impact of imports is reflected in all pertinent indicators of economic health: In the decreased market percentage of U.S. companies—in the decreasing employment in the U.S. nonrubber footwear industry, and conversely, the rate of unemployment among its production workers—in plant closings and a lower plant utilization for those American companies remaining in the market;—in an unfavorable trade balance—and in lower rates of return for U.S. companies engaged in the production of nonrubber footwear.

MARKET PENETRATION

Since the onslaught of imports began in 1968, the foreign share of the U.S. market has increased drastically. Department of Commerce data show that imports accounted for only 21.5 percent of the U.S. nonrubber footwear market in 1968, but by 1975 they had increased to 41.2 percent. In 1976, imports accounted for 45.7 percent of the U.S. market! (See Chart 1) Thus, imports are continuing to expand, increasing their penetration of the U.S. nonrubber footwear market. This increased flood of exports prevented the U.S. industry from any participation in the economic recovery of 1976/77.

JOBS AND FOREIGN WAGE RATES

Total employment in the nonrubber footwear industry declined from 233 thousand in 1968 to only 163 thousand in 1975—a loss of 70 thousand jobs. 63 thousand production workers lost jobs in this period. (See Chart 2)

The loss of production jobs impacts heavily on less affluent, more economically vulnerable, workers. Production workers in the nonrubber footwear industry are predominantly women; 66 percent as compared with 29 percent for all U.S. manufacturing. The under 20 and over 60 age groups also represent a higher portion of shoe workers than for U.S. manufacturing in general. In addition to loss of jobs, imports have, in this same period, pared by over 5 percent the work week of those still employed.

In a labor intensive industry such as this, wage rates bear heavily on the final product price. Wages paid workers in all foreign footwear plants are below U.S. rates. The ITC Report states for example, that wages paid workers in Taiwan and Korea are 10 percent of ours! It is this disparity that has caused domestic producers to lose out in the contest with imports. U.S. workers are more productive and by American standards not highly paid. They have an hourly wage rate about two-thirds that paid other manufacturing workers. The wage differential between U.S. and foreign workers is so large it cannot be overcome by better management and more efficient workers.

UNEMPLOYMENT

Unemployment among shoe workers has, in recent years, run about 50% above the national average. Department of Labor statistics show an unemployment rate of 11.7 percent in the third quarter of 1976 as compared with 7.7 percent in the same quarter of 1972. Since unemployment statistics are based on insured employees only they understate the full magnitude of the problem. However, DOL estimates that there are about 26,000 unemployed shoe workers looking for jobs. Data for early 1975 showed an unemployment rate of 15 percent which, given the further increase in imports, is a reasonable estimate for today. (All unemployment data is for the total footwear industry, however, the nonrubber segment comprises about 65 percent of all production workers in this industry.)

OTHER ECONOMIC FACTORS

As of now there are about 350 U.S. firms producing nonrubber footwear in a little less than 700 plants. In 1967, according to data gathered by the staff of the ITC, there were 675 producers operating over 1,000 plants.

The dollar value of nonrubber footwear imports in 1975 was $1,132 million as compared with $328 million in 1968. Exports by U.S. manufacturers were $8 million in 1968 and $29 million in 1975. This resulted in an unfavorable trade balance for non-rubber footwear of $1,102 million in 1975 as against $320 million in 1968. The value of both imports and the unfavorable trade balance increased in 1976 at a rate about 25 percent higher than in 1975.

Data developed by the American Footwear Industries Association show that the utilization of plant capacity fell from 83 percent in 1968 to 69 percent in 1975. Declines in plant utilization tend to increase unit costs, a further factor in making U.S. manufactured nonrubber footwear less competitive with foreign imports. Conversely, systems of import restraints which would lead to increased domestic production would lower unit costs for American shoes.

The rate of return to U.S. manufacturers of nonrubber footwear has historically been less than for other manufacturers and the rate of return has dropped in recent years. For example, for manufacturers of women's and misses nonrubber footwear, the net return after taxes fell from 3.3 percent in 1970 to 1.8 percent in 1974. This compares with a rate of return in these years for all U.S. manufacturers of 4.2 percent and 4.7 percent. Clearly, the industry is not operating at a reasonable level of profit. The economic outlook provides little incentive for producers to increase their investment, and to modernize plant and equipment, essential to compete against the growing level of imports.

A BILL TO MANDATE DOMESTIC-ONLY USE OF ALASKAN OIL AND NATURAL GAS TO ALLEVIATE ENERGY SHORTAGES IN THE MIDWEST AND NORTHEAST

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. MURPHY of Pennsylvania. Mr. Speaker, by July of this year oil from a field containing some 10 billion barrels of oil and 26 trillion cubic feet of gas will begin flowing from the North Slope of Alaska, culminating several years of intensive labor and investment.

The magnitude in cost of the trans-Alaskan pipeline project can perhaps best be appreciated when one realizes that the project was calculated to cost about $900 million in 1969, but that today total all-inclusive completed project estimates range from $7 billion to $10 billion.

As a result of the OPEC oil embargo of 1973, which stimulated the pressure to build the pipeline, an even higher price, not necessarily in dollar terms, has been paid by the citizens of the United States and added on to the total construction costs of this project. Realizing the need for increased domestic energy production, Congress not only authorized the construction of the trans-Alaskan pipeline, but also waived existing laws to accommodate oil industry demands, eliminate environmental challenges, and restrict the right of citizens and others to contest the project.

The product of this great national sacrifice is about to bear fruit. By this summer, some 600,000 barrels per day of Alaskan crude will begin to flow out of the trans-Alaskan pipeline at Valdez, increasing to 1.2 million barrels per day by 1978 and up to 2 million barrels eventually.

Every barrel of oil that will come from this pipeline should remind us once again of the lesson we almost learned too late back in 1973—that it is not in the national interest that we maintain or increase our reliance on fuel energy imports; that it is not in our national interest to become over-reliant on energy sources outside of our control; that it is not in our national interest to jeopardize the economic and military security of this Nation—and that of our allies and that it is not in our national interest to allow any foreign cartel to dictate to the American people who will have a job, and who will not, or, who will freeze in the dead of winter and will not.

Mr. Speaker, what Congress and the American people did determine was that it is in the national interest that oil and gas from Alaska is badly needed for domestic use to both alleviate shortages and reduce our national vulnerability to foreign imports.

Today, more so than in 1974, the flow of new energy from Alaska to the rest of the Nation, especially to the Northeast and Midwest, is an unquestionable necessity. Congress, in passing the Trans-Alaskan Pipeline Authorization Act of 1973 (P.L. 93–153), and later the Alaskan Gas Transportation Act of 1976 (P.L. 94–586), specifically encouraged the domestic use of this new energy supply by imposing restrictions on the exportation of Alaskan oil and gas.

The value and need to restrict exportation of Alaskan oil and gas is even more apparent today than 3 years ago. Petroleum industry officials predict that this year, oil imports will rise to an unprecedented 51 percent of the total oil consumed in the United States, a figure significantly higher than during the OPEC embargo of 1973.

If the U.S. oil producing capacity continues to decline, our dependence on imports may well rise to more than 60 percent of consumption by 1980. This problem is further compounded by the switch taking place in the source of oil imports. In 1973, the year of the Arab oil embargo, Western Hemisphere countries supplied 60 percent of our imports, with only 40 percent coming from the Eastern Hemisphere. In less than 3 short

years, this has been reversed with Eastern Hemisphere nations now supplying 60 percent of total imports.

Despite the glaringly obvious need for the domestic-only use of Alaskan oil and natural gas, and the intent of the Congress that Alaskan oil and natural gas not be exported, recent reports in the media and testimony before the Senate Interior and Commerce Committee last December by oil industry spokesmen increasingly indicate that those very oil companies involved in building the trans-Alaskan pipeline now say that the oil should instead be exported to Japan—trading Alaskan oil for Japan's OPEC supply, and coincidentally, giving the oil companies a greater profit margin than if the oil was used domestically.

Congressional intent in amending section 28 of the Mineral Leasing Act of 1920 by the 1973 TAPS Act (P.L. 93–153) was to express "concern that the companies that control North Slope oil reserves might decide, on the basis of private commercial advantage, to make export sales or exchanges that result in a net reduction of crude oil supplies available to the United States, or an increased dependence of the United States upon insecure foreign supplies." Source: Senate Report 93–207, page 27.

Mr. Speaker, the amendment in the 1973 TAPS Act and a similar provision in section 12 of the Alaskan Natural Gas Transportation Act of 1976 (P.L. 94–586) was intended to provide a check upon exports of Alaskan oil and natural gas. Nevertheless, Mr. Speaker, these two statutory checks still leave loopholes for the export of Alaskan oil and gas.

Under the 1973 TAPS Act, Alaskan oil may still be exported if the President "makes and publishes an express finding that such exports will not diminish the total quantity or quality of petroleum available to the United States * * *" and if Congress approves such a decision by concurrent resolution 60 days from the date the President submits his report to Congress.

Under the 1976 Alaskan Natural Gas Transportation Act (P.L. 94–586), Alaskan natural gas may still be exported if the President makes and publishes "an express finding that such exports will not diminish the total quantity or quality, nor increase the total price of energy available to the United States."

Mr. Speaker, the American people have already paid dearly, and in the case of the ultimately selected Alaskan gas pipeline route, will pay even more dearly for these Alaskan-based fuels. We Members of Congress, in the face of this sacrifice, cannot in good conscience, let a few powerful firms dictate to the American people, that it is in the national interest of the United States to export Alaskan oil and gas to Japan or elsewhere.

Mr. Speaker, for us to allow even the possibility for the exportation of Alaskan oil and gas is an unjust and disagreeable affront to the millions of Americans dependent on these fuels. Therefore, I am today introducing two bills that will effectively close the export loopholes in the 1973 and 1976 acts, and will provide stringent penalties for those who violate this proposed ban on the exportation of Alaskan oil and natural gas.

The first bill, the "Alaskan Petroleum and Natural Gas Non-Export Amendments of 1977," amends section 28 (u) of the Mineral Leasing Act of 1920 providing for a prohibition on the export of both Alaskan oil and natural gas. This bill also provides penalties for those who violate the nonexport provision of the bill.

The second bill extends and amends the Export Administration Act of 1969 as amended, which expired last September 30, 1976. The EAA of 1969 as amended is the principal U.S. export control statute, on which the system of export licensing by the Office of Export Administration in the Department of Commerce is based. This second bill extends the authority of termination date in section 14 of that act (P.L. 91–184) by 1 year, to September 30, 1978. Further, this second bill I am introducing today increases the penalties provided for in the 1969 act, since hearings on extending the 1969 act in the last Congress brought out the fact that the current penalties provided for under the 1969 act are not stringent enough to deter export control violations.

Finally, this bill provides authorization for appropriations for fiscal year 1978 to carry out the purposes of the act. The passage of this bill would once again provide statutory authority and strengthen the U.S. export controls program generally. This measure would also complement the bill to prohibit the exportation of Alaskan oil and natural gas because it would be the Office of Export Administration in the Department of Commerce that would police the prohibition provided for in the first bill, and would also be responsible for prosecuting export-control violators.

Mr. Speaker, I strongly encourage my colleagues in the House to support these two bills, and seek their passage before oil begins to flow this summer from the North Slope of Alaska. American produced oil and natural gas should be for Americans only, since it was and will be the American consumer who ultimately pays the price, not those in foreign nations who would ultimately be the beneficiaries under any export scheme.

The text of the two bills is as follows:

H.R. 4158

A bill to amend the Mineral Leasing Act of 1920 to ban the exportation of Alaskan petroleum and natural gas to insure the use of these fuels to alleviate domestic energy shortages

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Alaskan Petroleum and Natural Gas Non-Export Amendments of 1977".

CONGRESSIONAL FINDINGS

SEC. 2. The Congress finds and declares that—

(1) the early development and delivery of petroleum and natural gas from the State of Alaska to the contiguous States of the United States is in the national interest;

(2) petroleum and natural gas supply shortages exist in many heavily populated States or portions thereof in the contiguous States of the United States;

(3) disruptions in the availability of domestic energy supplies, especially petroleum and natural gas, pose a serious risk to national security, and the health and welfare of the American people;

(4) such energy shortages cause unemployment, inflation, and other severe economic dislocations and hardships and jeopardize the normal activities of both public and private enterprise;

(5) large reserves of both petroleum and natural gas in the State of Alaska could help significantly to alleviate the supply shortages in the contiguous States of the United States;

(6) actions for the production of Alaskan petroleum and natural gas are progressing more rapidly than actions by the same parties involved for sufficient and equitable distribution and storage facilities, which may result in the exportation of Alaskan petroleum and natural gas and their products; and

(7) such exportation would be contrary to the purposes and congressional intent of the Trans-Alaska Pipeline Authorization Act (87 Stat. 584; 43 U.S.C. 1651 et seq.) and the Alaska Natural Gas Transportation Act of 1976 (90 Stat. 2903; 15 U.S.C. 719 et seq.), and contrary to the national interest and security of the United States.

BAN ON EXPORTATION

SEC. 3. Section 28(u) of the Mineral Leasing Act of 1920 (87 Stat. 576; 30 U.S.C. 185(u)) is amended to read as follows:

"(u)(1) Notwithstanding the provisions of section 12 of the Alaska Natural Gas Transportation Act of 1976 (90 Stat. 2903; 15 U.S.C. 719j), no domestically produced petroleum and natural gas, especially from within the State of Alaska, transported by pipeline over rights-of-way granted pursuant to this section shall be exported. The preceding sentence shall not apply in the case of any such petroleum and natural gas which is either exchanged in similar quantity for convenience or increased efficiency of transportation with persons or the government of an adjacent foreign state, or which is temporarily exported for convenience or increased efficiency of transportation with persons or the government of an adjacent foreign state, or which is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States.

"(2) For the purposes of this subsection—

"(A) The term 'State' means a State, the District of Columbia, and any territory or possession of the United States.

"(B) The term 'petroleum and natural gas' means—

"(i) crude oil,

"(ii) natural gas (methane in the vapor state), and

"(iii) natural gas liquids, including but not limited to gasoline, naphtha, kerosene, distillates, residual fuel oils, diesel fuel, unfinished oils, and other liquefied petroleum gases.

"(C) The term 'person' includes—

"(i) any individual,

"(ii) any corporation, company, association, firm, partnership, society, trust, joint venture, or joint stock company, and

"(iii) any State or subdivision of a State.

"(3) Any person who knowingly violates any provision of this subsection shall be fined not more than $25,000 or imprisoned not more than one year, or both. For a second or subsequent offense, the offender shall be fined not more than three times the value of the exports involved or $50,000, whichever is greater, or imprisoned not more than five years, or both."

H.R. 4144

A bill to extend and amend the Export Administration Act of 1969, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Export Administration Act of 1969 (Public Law 91-184, 50 U.S.C. App. 2401, et seq.), as amended, is further amended by striking out "September 30, 1976" in Section 14, and inserting in lieu thereof "September 30, 1978.".

SEC. 2. (a) Section 6(a) of the Export Administration Act of 1969 is amended—

(1) in the first sentence, by striking out "$10,000" and inserting in lieu thereof $25,000"; and

(2) in the second sentence, by striking out "$20,000" and inserting in lieu thereof "$50,000".

(b) Section 6(b) of such Act is amended by striking out "$20,000" and inserting in lieu thereof "$50,000".

(c) Section 6(c) of such Act is amended by striking out "$1,000" and inserting in lieu thereof "$10,000".

(d) Section 6(d) of such Act is amended by adding at the end thereof the following new sentence: "Further, the payment of any penalty imposed pursuant to subsection (c) may be deferred or suspended in whole or in part for a time equal to or less than any probation period (which may exceed one year) that may be imposed upon such person. Such deferral or suspension shall not operate as a bar to the collection of the penalty in the event that the conditions of the suspension, deferral, or probation are not fulfilled.".

AUTHORIZATION FOR APPROPRIATIONS

SEC. 3. The Export Administration Act of 1969 is amended by inserting after Section 12 the following new Section 13 and redesignating existing sections 13 and 14 as Sections 14 and 15, respectively:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 13. (a) Notwithstanding any other provision of law, no appropriation shall be made under any law to the Department of Commerce for expenses to carry out the purposes of this Act for any fiscal year commencing on or after October 1, 1977, unless previously and specifically authorized by legislation enacted after the enactment of this section.".

"(b) There is hereby authorized to be appropriated to the Department of Commerce $5,500,000 for fiscal year 1978 to carry out the purposes of this Act.".

PRESENT CONDITION OF LOCKHEED AIRCRAFT CORP.

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. MOORHEAD of California. Mr. Speaker, Mr. Robert W. Haack, chairman of the board of Lockheed Aircraft Corp. addressed the Commonwealth Club of San Francisco on February 4, 1977, concerning the present condition of America's No. 1 defense contractor, Lockheed Aircraft Corp.

The following is the text of his remarks:

A LOOK AT THE NEW LOCKHEED

(An address—Robert W. Haack, Chairman of the Board, Lockheed Aircraft Corp., an Address Before the Commonwealth Club of San Francisco, February 4, 1977)

(NOTE.—About the speech.—The following address was delivered extemporaneously before the Commonwealth Club of San Francisco. It is reproduced from a transcribed copy, slightly edited to improve readability. The "Mr. Rossen" to whom Mr. Haack refers in the third paragraph is Leonard H. Rossen, associate regional administrator, Securities and Exchange Commission. William A. Seavey, attorney in the firm of Davis, Stafford, Kellman & Fenwick, served as the club's quarterly chairman. Members' questions were asked by David J. McDaniel, senior general counsel, U.S. Steel Corporation.)

Mr. Chairman, dais guests, and members and friends of the Commonwealth Club, I rather suspect that my wife, who sees me rather infrequently these days, would not put her imprimatur on that generous introduction and your comments on my corporate commuting.

As a matter of fact, I caught up with her a few weeks ago, and after re-introductions, she looked up and said, "Father, you know, you have never *really* had a good job."

I am also constrained to comment on the presence on the dais of Mr. (Leonard) Rossen of the SEC. As you can imagine, the SEC has been my home away from home for lo the past 13 or 14 years; and no matter where I go, I always run into the SEC, be it overseas, be it in New York, be it in Washington, or be it on the dais today. I cannot help but be reminded of what I think is a proper recollection of scripture, where in the 28th chapter of the Gospel according to St. Matthew, the 20th verse, there is a reference to the fact that "Lo, I am with you always, even unto the end of the world."

I welcome this chance to engage in a dialogue with you, and my problem is to say as much as I want to say in the relatively short time that is allotted me. If you will indulge me, I have no prepared text. I would like to put a few things in front of you, for your information and possibly for your provocation. This, I suspect, is the purpose of the club.

I would like to point out to you that this embattled corporation that I now represent has a series of unparalleled accomplishments to its credit.

How many of you realize, for example, that perhaps over 50 percent of all of the satellites that our nation has put up into space have been produced by Lockheed; that 100 percent of the fleet ballistic missiles that have been launched from U.S. Navy submarines have been made by Lockheed; that every antisubmarine warfare fixed-wing aircraft purchased by the Navy in recent years, land-based or carrier-based, has been made by Lockheed; or that all of the airlift potential, the cargo planes purchased by the Air Force in the last 20 years, has been produced by Lockheed?

As an item of just incidental interest, I would remind you that Lockheed also developed the plane known as the SR-71, which some of you may be familiar with. This aircraft has some unique capabilities. It will fly higher than 80,000 feet; it will go a little faster than 2,200 miles an hour; it will photograph all of Vietnam in eight minutes. And, if you please, this aircraft has been flying for almost 15 years.

I mention this just to let you know that this is a corporation to conjure with from the technical point of view.

You might ask: How, with all of that preeminence, has it become a bete noire, so to speak—reached a corporate Gethsemane as it were?

This was due to a series of reverses, some of which were within the control of Lockheed and some of which were outside its control.

I'm speaking of things like the C-5 program, ship programs, the bankruptcy of Rolls-Royce as the manufacturer of the engine for our L-1011 aircraft, the billion dollars that was written off on the L-1011, with some $450 million yet to go. All of these things resulted in losses and financing costs in the past eight years in excess of $2 billion. I would submit for your consideration: How many corporations in America could have withstood such an onslaught and survived?

These difficulties required additional borrowing, which in turn involved the emergency loan guarantee. Just to give you some of the parameters of this problem, in 1974 Lockheed showed an indebtedness of approximately $950 million, at which time it had an equity, if you please, of $27 million.

Now, even my wife knows you can't run anything on that kind of an imbalance.

Again, to put it in perspective, in 1974 Lockheed paid out in fixed interest charges $103 million, and it's around today to tell the story.

The emergency loan guarantee—controversial, necessary—has been widely discussed. Contrary to what many people think, there is not one penny of government money in Lockheed. The extent of the government participation was to guarantee the exposure of the banks, and its maximum exposure was $245 million.

But at no time has any money been advanced. To the contrary the Emergency Loan Guarantee Board has profited through service fees and payments to them in excess of $25 million, making it one of the uniquely profitable segments of the government.

So all of these things, as I say, tended to bring this giant corporation to an imperiled position, whereby its financial viability was questioned in many places. And then, of course, there was the compounding of the problem by the disclosure of some $25 million of payments overseas, which we describe, euphemistically, as being "questionable."

As a result of that, there were a number of internal changes—not the least of which was the retirement of the former chairman and chief executive officer and also the second person in command. Both felt that their credibility had been impaired, and that it was incumbent upon them to resign.

With no qualification—probably because I was handy and in the room and they could get me without paying a search and consultant fee—I somehow or other wound up as chairman; all of which proves that if you flunk algebra and don't go to engineering school, you might wind up as chairman of an aerospace company.

But I am on a good learning curve and I am picking up all of the buzz words.

I did set a number of criteria, one of which was that I be an interim chairman, like for eight to 10 to 12 months—and Mrs. Haack thinks that "interim" is being elongated. We do have a Management Succession Committee that is focusing on the problem of finding someone to sit where I sit, and I am hopeful that within several months this will have been consummated.

We have made several other changes. We have created an Office of the Chief Executive. My talents, if any, are not in the area of production or aircraft manufacture. My background is primarily financial, and so I have focused on several other aspects of the problem. But we did create the Office of the Chief Executive with Mr. (Roy) Anderson as the vice chairman in charge of finance and administration, and Mr. (Larry) Kitchen as president and chief operating officer.

We made some other internal changes. We have strengthened the board in several ways. We added four new directors, all people of substance and experience and prestige; and we now have a board which is primarily an outside board, with 10 of the 17 members having no business affiliation with the company.

One of the principal acts of the board shortly after the revelation and disclosures relating to payments was the development of

a statement of policy as it relates to overseas marketing; and I think I can say, without fear of being strongly contradicted, that the Lockheed posture now is probably as stringent as any that I know.

Without giving you all of the details, it says in sum that nobody affiliated with the company will in any way, shape, or manner make any payment, gifts, or contribution to anybody which does not comply with U.S. and foreign law, and which does not qualify for U.S. income tax deductibility.

Moreover, the same stringencies were extended to anybody that we might retain as a marketing consultant or an overseas agent, thus removing the possibility of an agent acting as a conduit to do something illegal or improper, which the company itself is foreclosed from doing.

So we think that we have closed that loophole. Adherence to this policy is strict. It is monitored on a monthly basis. It is certified to by the vice chairman and the president, and that certification is forwarded to the Emergency Loan Guarantee Board in Washington.

Again, I reiterate, it is very, very strict.

One of the other significant developments of the past 12 months has been the financial restructuring of Lockheed. Obviously, we had a balance sheet problem with two much debt and too little equity. Keep in mind, if you will, that Lockheed, as an operating company, throws off about $250 million of annual operating income.

Nonetheless, there was a balance sheet difficulty in that the debt was excessively high.

To make a complicated and long story short, the banks did convert $50 million of their then $400 million indebtedness into equity, and they also altered the terms of the remainder of the indebtedness from a 90-day revolving credit—which is not conducive to sound sleep, I assure you, when you are on the line for hundreds of millions of dollars subject to a 90-day maturity. That maturity has been extended to six years, and so I am happy to say that I think Lockheed's viability is no longer the question that it was some eight, 10, 12 months ago.

I am certain that the refinancing was significant in developing some of our marketing successes last year. In the last 12 months we have sold about a billion dollars worth of patrol planes in Canada. We have sold $400 million worth of L-1011's to British Airways. We have contracted to develop a $625 million air traffic control system in Saudi Arabia; a $150 million Peace Log program in Iran; and another large program of an unspecified amount, which will develop for Iran its own aircraft service, overhaul, and manufacturing capability—all of which was, I do not hesitate to say, achieved as a result of a lot of hard work and with no cumshaw whatsoever.

One of the additional important developments was the creation of a Special Committee consisting of outside directors, which is making an independent world-wide analysis of all of the payments that were made.

This analysis has involved a special counsel firm, special auditing firm, world-wide interviews involving 250 or 300 people, perhaps tens of thousands of man-hours, hundreds of thousands of documents, to say nothing of a tab of $4 million. When you don't pay income taxes, those are four million real dollars, I tell you.

The committee's report will be due perhaps in spring. It will be an objective report. I don't know the content, the form, or substance of it. I have by design remained aloof and insulated myself from the committee so that their objectivity and mine cannot be questioned.

I would reiterate that I do not know what the report will cover, either domestically or overseas. But I can make one statement that I think is monumentally significant—even incredible. And that is that it is my understanding that with all of the interrogation completed and the documentation in, it would appear that no Lockheed person made any improper or questionable commercial or military payment in the United States.

It would also appear to be—and it is my understanding—that nobody from Lockheed has bestowed on any politician in the United States any largesse, and further—and unbelievably—it would appear that there is nothing to document or substantiate or warrant any charge that Lockheed violated any U.S. law by making an improper domestic political campaign contribution.

If you think that over slowly and meditate about it, it conjures up a lot of interesting speculations. How come a company would be as circumspect as that in the United States, and then expose itself to criticism overseas?

I would like to say just a word about the payments problem. It's very easy for us to look back and use hindsight—1976 or 1977 morality versus activities that went on many years ago. Admittedly, for many of the things that Lockheed and other corporations have done there is no defense. There is no defense for breaking U.S. law.

Bribery is a crime, no matter where you go in the world. But, nonetheless, I would point out just a few problems in slogging through this quagmire. The problem is not black and white and susceptible to a quick mandate that will make it go away forever. I don't go along with the idea that "it's a way of life" and "we must all do it"—that "everybody overseas does it."

Nor do I subscribe to the premise that some of the academicians put forth—namely that the market mechanism itself—the best product, the lowest price—will always get the order, because in the real world it's not always the best product or the lowest price that gets the nod.

Another question is: When does bribery become extortion? And there are indicia around the track that the two on occasion come very close to melding, and on occasion, if you please, extortion has been dominant.

I can give you a specific example of a case wherein Lockheed lost some business as a result of its new policy, and I don't mind doing so. As I say, we are flying as rightly as we know how now.

No so long ago one of my senior people came to me and said, "I have a contract here." It was an eight-figure contract—not small, but not large by Lockheed standards—and he said, "I have signed it, but my counterpart overseas hasn't signed it."

And I said, "What's the problem?" And he said, "Well, he says he won't sign the document on top until I sign the document on the bottom."

And I said, "What's the document on the bottom?" And he said, "Well, it's an order for a new Mercedes. What do I do?"

I said, "You know what to do. Tell him to go back to his Volkswagen." Which he did.

Now, he is driving his Volkswagen and we have an unfilled order blank. If that is the way the ball bounces, it's going to have to bounce that way.

But I submit that that is a problem which I think may continue to haunt a number of U.S. corporations.

You know that Secretary Blumenthal is espousing a code of ethics, which hopefully will set forth the format by which American corporations will comport themselves. I'm sure that every corporation in the United States will comply and conform, and I'm certain that Lockheed will. We have expressed our willingness to.

But where the problem becomes a little more difficult is overseas, where there are different standards. There are different traditions; there are different practices; and there is a completely different attitude concerning the probity of this kind of commercial activity. Those attitudes overseas range from "Ho-hum, I couldn't care less" to "Take a tax reduction for it," and I must ask myself: "Will that position overseas, vis-a-vis the position of U.S. corporations adhering to a strict code, create competitive imbalances that could result in loss of orders, loss of jobs?"

It could also conceivably have an adverse effect on the balance of payments.

So I mention this merely to show you that it is not a question of a problem that is susceptible to a quick solution. I reiterate: I have no tolerance for law violators here or overseas. I have no condonation of bribery or any kind of cumshaw to achieve an end. But I point these things out merely to show you that the issue is, as I say, not black and white.

I would be remiss if I didn't acknowledge my thanks and appreciation for your permitting me to hold a dialogue with you today.

I have known this forum and its prestige for a long, long time and I feel privileged to be here.

WHAT AMERICA MEANS TO ME

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 28, 1977

Mr. DERWINSKI. Mr. Speaker, it is a special pleasure for me to insert into the RECORD the winning essay from my district in the Veterans of Foreign Wars "Voice of Democracy" contest, sponsored annually by the VFW and Ladies Auxiliary Posts of West Cook County, Ill.

This year's theme was "What America Means to Me," and the essay written by April Hochevar expresses a very spirited and enthusiastic viewpoint on this subject. April is a very talented high school student from Hillside, Ill.

Again, I am pleased to insert Miss Hochevar's essay which appeared in the West Proviso Herald, serving West Cook County, Ill., as her speech represents the values and ideals that have made our Nation strong:

WHAT AMERICA MEANS TO ME

(By April Hochevar)

America—What is America? What does she really stand for? Is she, like many Americans believe, a land of big business and industry? Is she a land where violence and injustice dominate society? Or is she the physical image of our forefathers' dream of a land of equality and brotherhood?

America was founded on the strong convictions and ideals of our forefathers who believed that all men should live in freedom. But what does freedom really mean? Is it merely being independent from an oppressive government? Surely it is more than this. Freedom is the right of a man for self-expression and self-achievement. Every man should have the opportunity to reach his goals and to fulfill his dreams. On the other hand, his goals will only be achieved by the amount of effort he exerts. The poverty-stricken need the opportunity to rise above their impoverished conditions. Those socially discriminated against need encouragement to reach their goals in life through self-determination.

Although the Constitution guarantees inalienable rights to its citizens, it is up to us, the people of America, to make certain that this document is a statement of fact, and not just eloquent, meaningless words. America has faced and dealt with many

problems in the past 200 years. America has always had enemies within the world. But perhaps her most dangerous enemy is herself. The words of Abraham Lincoln seem to echo quietly in the back of our minds, "a house divided against itself cannot stand." These words, although stated many decades ago, should alert us to the dangers we face.

America, even at the beginning of her establishment, dealt with inner conflicts. The first colonies in America wanted to become 13 individual nations, rather than the United States. Yet, as the months passed, it became obvious that in order to survive and to remain free, the 13 colonies had to unite into one nation. A nation with many different voices, but always with the same goal—freedom.

America today speaks with many different voices, but is her main goal still freedom? Have we become so involved with ourselves as individuals that we can no longer unite as one? Have we lost sight of what freedom really means? Perhaps because most of us have lived in America all of our lives, we take for granted the privileges that should be so dear to us. We tend to look at all the bad aspects of our society, without realizing that good things do exist. Perhaps it would benefit all Americans to look at their country through the eyes of a newcomer—an immigrant. The immigrant has come here because he has heard that in America there is hope—hope for a man and a woman, and a future for their children. The time has come for America to wake up. The minutemen of the American Revolution rode through the country alerting the people of the approaching enemy—the British. Perhaps today we need minutemen to ride through the country and alert us of a more frightening enemy—the apathy of our own people.

Now is the time for each American to open his eyes and to be realistic about his country. America is not a perfect country. And yet her basic foundations were adorned with two interesting concepts—freedom and hope. We stand as a guiding light to all those seeking a land where they can work towards their goals and dreams. America is a land of beginnings, and with each beginning there is hope. We have the chance now to rekindle the torch of freedom and carry it onward. Liberty welcomes the tired, the poor, the huddled masses yearning to be free. To the poor and oppressed people of the world, America is the burning torch of freedom. To me, America is hope. If we can rekindle the flame of hope in every American's heart, then we will have a rebirth of freedom. The eyes of the world will behold America, a glorious land of freedom and hope.

SENATE COMMITTEE MEETINGS SCHEDULED

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure beginning February 21, and until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 1, may be found in the Daily Digest section of today's RECORD.

The schedule follows:

SCHEDULED MEETINGS

MARCH 2

8:00 a.m.

Energy and Natural Resources

To hold hearings on the drought situation in Yakima Valley, Washington.

235 Russell Building

9:00 a.m.

Appropriations

Interior Subcommittee

To hold hearings on supplemental appropriations for fiscal year 1977 for the Department of the Interior and related activities

1114 Dirksen Building

Environmental and Public Works

To hold hearings to review Presidential budget requests for fiscal year 1978 for the Economic Development Administration, the Appalachian Regional Commission, and the General Services Administration.

4200 Dirksen Building

Human Resources

*Subcommittee on the Handicapped

To hold hearings on S. 725, authorizing funds through fiscal year 1982, for certain education programs for handicapped persons.

3302 Dirksen Building

Veterans' Affairs

Business meeting, to discuss committee organization.

412 Russell Building

10:00 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to discuss budgetary and other committee business.

Until: Noon 322 Russell Building

Appropriations

Defense Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear testimony on manpower and reserve affairs.

1223 Dirksen Building

Appropriations

Subcommittee on Foreign Operations

To hold hearings on proposed budget estimates for fiscal year 1978 for the foreign aid programs, to hear officials of the Department of the Treasury.

1318 Dirksen Building

Armed Services

Research and Development Subcommittee

To hold closed hearings on proposed authorizations for fiscal year 1978 for Army programs.

224 Russell Building

Banking, Housing, and Urban Affairs

To hold hearings on proposed authorizations for major housing and community development programs.

5302 Dirksen Building

Budget

To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to hear Dr. Rivlin of the Congressional Budget Office.

357 Russell Building

Energy and Natural Resources

Subcommittee on Minerals, Materials, and Fuels

To continue hearings on S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.

3110 Dirksen Building

Finance

To consider its recommendations to be made to the Budget Committee on the fiscal year 1978 budget in accordance with the Congressional Budget Act.

2221 Dirksen Building

Foreign Relations

Subcommittee on Foreign Economic Policy

Closed business meeting to discuss subcommittee organization and proposed work schedule.

S-116, Capitol

Human Resources

To hold hearings on the nominations of Peter G. Bourne, of the District of Columbia, to be Director, and Lee I. Dogoloff, of Maryland, to be Deputy Director of the Office of Drug Abuse Policy.

4232 Dirksen Building

Rules and Administration

To discuss committee rules and organization, to be followed by hearings on S. Res's. 5 through 12, proposing changes in Senate rules.

301 Russell Building

10:30 a.m.

Judiciary

To hold hearings on the nominations of Wade H. McCree, Jr., of Michigan, to be Solicitor General; Barbara A. Babcock, of California, to be an Assistant Attorney General (Civil Division); Benjamin R. Civiletti, of Maryland, to be an Assistant Attorney General (Criminal Division); Drew S. Days, II, of New York, to be an Assistant Attorney General (Civil Rights Division); Daniel J. Meador, of Virginia, to be an Assistant Attorney General (Office for Improvements in the Administration of Justice); and Patricia M. Wald, of Maryland, to be an Assistant Attorney General (Office of Legislative Affairs).

2228 Dirksen Building

1:30 p.m.

Appropriations

Subcommittee on Agriculture

To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Agriculture.

1224 Dirksen Building

2:00 p.m.

Environmental and Public Works,

To hold hearings on the nominations of Douglas M. Costle, of Virginia, to be Administrator of the Environmental Protection Agency; and Barbara Blum, of Georgia, to be Deputy Administrator of the Environmental Protection Agency; to be followed by consideration of these nominations.

4200 Dirksen Building

3:00 p.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed supplemental appropriations for fiscal year 1977 for the Department of Housing and Urban Development.

1318 Dirksen Building

MARCH 3

9:00 a.m.

Agriculture, Nutrition, and Forestry

To resume hearings and proposed legislation to amend and extend the Agriculture and Consumer Protection Act.

Until: Noon 322 Russell Building

Human Resources

To hold hearings on the nomination of Mary Elizabeth King, of the District of Columbia, to be Deputy Director of the ACTION Agency.

4232 Dirksen Building

9:30 a.m.

Appropriations

Interior Subcommittee

To hold hearings on proposed budget for fiscal year 1978 for Indian Education and the Indian Health Service.

1114 Dirksen Building

Environmental and Public Works
To hold hearings to review Presidential budget requests for fiscal year 1978 for the Fish and Wildlife Services.
4200 Dirksen Building

Small Business
To hold hearings on bills to provide disaster assistance to small businesses (S. 570 and 704).
3302 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Defense establishment.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To hold hearings on the certain 1977 supplemental appropriations and fiscal year 1978 budget estimates for the National Transportation Safety Board, Federal Highway Administration, Federal Aviation Administration, and Pan Am Airways.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Secret Service, and Bureaus of the Mint and Engraving and Printing, Department of the Treasury.
S-126, Capitol

Banking, Housing, and Urban Affairs
To hold hearings on proposed authorizations for major housing and community development programs.
5302 Dirksen Building

Commerce, Science and Transportation
Subcommittee on Science and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1976 for the National Aeronautics and Space Administration.
235 Russell Building

Energy and Natural Resources
Subcommittee on Minerals, Materials and Fuels
To continue hearing on S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.
3110 Dirksen Building

Finance
To consider its recommendations to be made to the Budget Committee on the fiscal year 1978 budget in accordance with the Congressional Budget Act.
2221 Dirksen Building

Human Resources
Subcommittee on Health and Scientific Research
To resume hearings on proposed legislation authorizing funds for the National Science Foundation for fiscal year 1978.
Until: 1 p.m. 4232 Dirksen Building

Rules and Administration
Subcommittee on Privileges and Elections
To hold hearings on the proposed fiscal year 1978 authorization for the Federal Election Commission.
301 Russell Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

11:00 a.m.
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget.
357 Russell Building

Foreign Relations
Subcommittee on Foreign Economic Policy
To consider its recommendations to be made to the full committee for inclusion in its recommendations to the Budget Committee on fiscal year 1978 items in accordance with the Congressional Budget Act.
S-116, Capitol

1:00 p.m.
Select Small Business
Business meeting on committee organization.
424 Russell Building

1:30 p.m.
Appropriations
Agriculture Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Agriculture.
1318 Dirksen Building

2:00 p.m.
Appropriations
Legislative Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Architect of the Capitol, Botanic Gardens, and Government Printing Office.
S-128, Capitol

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for Metro, National Highway Traffic Safety Administration, and the Air Transport Association; and to hold hearings on supplemental appropriations for fiscal year 1977 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Internal Revenue Service.
S-126, Capitol

MARCH 4

10:00 a.m.
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to hear Defense Secretary Brown.
357 Russell Building

11:00 a.m.
Foreign Relations
Subcommittee on Foreign Assistance
To receive testimony on human rights issues and their relationship to foreign assistance programs.
4221 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Coast Guard.
1224 Dirksen Building

MARCH 7

10:00 a.m.
Appopriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to receive testimony from Army officials on research, development, training, and evaluation.
1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Environmental Protection Agency.
1318 Dirksen Building

Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for military construction programs.
S-146, Capitol

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

2:00 p.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on supplemental appropriations for fiscal year 1977 for the District of Columbia.
1114 Dirksen Building

Appropriations
Legislative Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Office of Technology Assessment.
S-128, Capitol

Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the St. Lawrence Seaway, Materials Transportation Bureau, Civil Aeronautics Board, and Interstate Commerce Commission.
1224 Dirksen Building

MARCH 8

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Mines.
1114 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Defense establishment, to receive testimony from Army officials on procurement programs.
1223 Dirksen Building

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to receive testimony in behalf of funds for migration and refugee assistance, and the U.S. Emergency Refugee and Migration Assistance fund, Department of State.
S-126, Capitol

Appropriations
HUD—Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Environmental Protection Agency and the Council on Environmental Quality.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW, to hear Secretary Califano.
S-128, Capitol

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Bureaus of Government Financial Operations, Public Debt, and Alcohol, Tobacco and Firearms.
S-146 Capitol

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to hear

representatives of the Department of Defense.
357 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 568, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear testimony in behalf of funds for International Narcotics Control, Department of State, and International Disaster Assistance, and the American Schools and Hospitals Abroad, AID.
S-126, Capitol

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Health, Education, and Welfare, to receive testimony on health programs.
S-128, Capitol

Appropriations
Legislative Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Congressional Budget Office.
S-146, Capitol

2:30 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

MARCH 9

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continnue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until Noon 322 Russell Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to hear representatives of the Department of Agriculture
322 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear officials of the Mining Enforcement and Safety Administration and for the Institute for Museum Services.
1114 Dirksen Building

Small Business
To hold hearings to consider the impact of product liability insurance on small businesses, and on S. 527, authorizing the Small Business Administration to furnish reinsurance for property liability insurers for small business concerns which would not otherwise be able to obtain product liability insurance on reasonble terms.
6202 Dirksen Building

Commerce, Science, and Transportation
To hold oversight hearings on the implementation of the Marine Mammal Protection Act.
5110 Dirsken Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed estimates for fiscal year 1978 for the defense establishment.
1223 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the U.S. Tax Court, and units in the Executive Office of the President.
1318 Dirksen Building

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs.
S-146, Capitol

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW, to hear officials of the Health Services Administration.
S-128, Capitol

Banking, Housing and Urban Affairs
To mark up (1) proposed legislation authorizing funds for fiscal year 1978 housing program; (2) S. 417, the proposed National Neighborhood Policy Act; and (3) to review those items in the Presidential budget for fiscal year 1978 which fall within the committee's legislative jurisdiction.
5302 Dirksen Building

Commerce, Science and Transportation
Subcommittee on Science and Space
To hold closed hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Environmental and Public Works
To hold hearings to review Presidential budget requests for fiscal year 1978 for the Federal Highway Administration.
4200 Dirksen Building

Select Intelligence
Subcommittee Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW, to hear officials of the Center for Disease Control.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

MARCH 10

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend the extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear officials of the Geological Survey.
1114 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs to hear testimony on funds for the Peace Corps, the Inter-American Foundation, and the International Organizations and Programs, and U.N. Environment Fund.
1318 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittees
To continue hearings on proposed budget estimates for fiscal year 1978 for certain units in the Executive Office of the President, and for the Office of Federal Procurement Policy.
1224 Dirksen Building

Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense etablishment, to hear Navy witnesses on procurement programs.
1223 Dirksen Building

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs.
S-146, Capitol

Banking, Housing, and Urban Affairs
To hold oversight hearings on the state of the U.S. banking system.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on welfare programs.
357 Russell Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards. (S. 682, 568, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for U.S. Postal Service, the Office on Federal Paperwork.
1224 Dirksen Building

MARCH 11

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
To hold oversight hearings on the implementation of the Marine Mammal Protection Act.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear Air Force witnesses on procurement programs.
1223 Dirksen Building
Banking, Housing, and Urban Affairs
To continue oversight hearings on the state of the U.S. banking system.
5302 Dirksen Building
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on health programs.
357 Russell Building
Energy and Natural Resources
To hold hearings on S. 9, proposed Outer Continental Shelf Lands Act Amendments.
3110 Dirksen Building

MARCH 14

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building
10:00 a.m.
Appropriations
HUD-Independent Agencies
To resume hearings on proposed budget estimates for fiscal year 1978 for the Veterans' Administration.
1318 Dirksen Building
10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration; and to consider supplemental appropriations for fiscal year 1977 for activities falling within the subcommittee's jurisdiction.
1224 Dirksen Building
2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration.
1224 Dirksen Building

MARCH 15

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building
9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 and on proposed supplemental appropriations for fiscal year 1977 for the Trust Territory of the Pacific Islands.
1114 Dirksen Building
10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Council of Economic Advisers, the Council on Wage and Price Stability, the National Security Council, and the National Center for Productivity and Quality of Working Life.
1224 Dirksen Building
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Veterans' Administration, American Battle Monuments Commission, and the U.S. Army Cemeterial Expenses.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
E-407, Capitol
10:30 a.m.
Commerce, Science, and Transportation
*Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 568, 182, 715).
5110 Dirksen Building
2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Election Commission, the Civil Service Commission, the Defense Civil Preparedness Agency and the Federal Labor Relations Council.
1224 Dirksen Building
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced
Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol
2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of the Department of Defense and AID.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

MARCH 16

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed supplemental appropriations for fiscal year 1977, and on proposed budget estimates for fiscal year 1978 for the administration of the Trust Territory of the Pacific.
1114 Dirksen Building
10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear Secretary of Defense Brown.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol
Banking, Housing, and Urban Affairs
To hold hearings on corporate bribery and investment disclosure legislation.
5302 Dirksen Building
Budget
To hold hearings in preparation of reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on the overall economic outlook.
357 Russell Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration, with testimony on nuclear aspects.
3110 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol
10:30 a.m.
Commerce, Science, and Transportation
*Merchant Marine Subcommitee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

MARCH 17

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Indian Affairs.
1114 Dirksen Building
10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for Purchase of Products and Services for the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Alcohol, Drug Abuse and Mental Health Administration, and Saint Elizabeths Hospital.
S-128, Capitol
Banking, Housing, and Urban Affairs
To mark up the proposed legislation to extend the Export Administration Act and related matters.
5302 Dirksen Building
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget.
357 Russell Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To hold closed hearings on proposed fiscal year 1976 authorizations for Government intelligence activities.
S-407, Capitol
10:30 a.m.
Commerce, Science, and Transportation
*Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Health Resources Administration.
S-128, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building

MARCH 21

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings to inquire into domestic communications common carrier (i.e., telephones, computers, etc.) policies.
235 Russell Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 929 and S. 689.
5110 Dirksen Building

Small Business
To hold hearings to consider the impact of product safety regulations on small businesses.
318 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on the activities of the Electronic Fund Transfer System Commission.
5302 Dirksen Building

Energy and Natural Resources
To hold hearings on proposed legislation on utilization of coal resources.
3110 Dirksen Building

MARCH 22

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Office of the Secretary; the Office of the Solicitor; and the Navajo-Hopi Relocation Commission.
1114 Dirksen Building

Commerce, Science, and Transportation
To hold hearings to inquire into domestic communications common carrier (i.e., telephones, computers, etc.) policies.
235 Russell Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292 and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear officials of the Defense Communications Agency, Mapping Agency, Nuclear Agency, and Supply Agency.
1223 Dirksen Building

Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
S-126, Capitol

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of the Assistant Secretary for Education and the Commissioner of Education.
S-128, Capitol

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on the activities of the Electronic Fund Transfer System Commission.
5302 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, proposed Sunset to require reauthorization of Government programs at least every 5 years.
3302 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Institute of Education.
S-128, Capitol

MARCH 23

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Land Management.
1114 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings to inquire into domestic communications common carrier (i.e. telephones, computer, etc.) policies.
235 Russell Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for elementary and secondary education programs.
S-128, Capitol

Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 proposed Sunset to require reauthorization of Government programs at least every five years.
3302 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for school assistance in Federally affected areas and emergency school aid.
S-128, Capitol

MARCH 24

9:00 a.m.
Select Nutrition and Human Needs
To resume hearings to examine the relationship between diet and health, to receive testimony on beef consumption.
Until: 1 p.m. 457 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Smithsonian Institution.
1114 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for programs for education of the handicapped, and for occupational, vocational, and adult education programs.
S-128, Capitol

Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building

Energy and Natural Resources
To hold oversight hearings on the proposal for an international petroleum transshipment port and storage center located in the Palau District, Western Caroline Islands, Trust Territory of the Pacific Islands.
3110 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (proposed Sunset Act).
3302 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for higher education and welfare programs, and for library resources.
S-128, Capitol

MARCH 25

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear Congressional witnesses.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced.

MARCH 28

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development.
1318 Dirksen Building

Energy and Natural Resources
To hold hearings on proposed legislation on utilization of coal resources.
3110 Dirksen Building

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years. (proposed Sunset Act)
3302 Dirksen Building

MARCH 29

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Fish and Wildlife Service.
1114 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear Congressional witnesses.
1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of Human Development.
S-128, Capitol

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor).
1224 Dirksen Building

Energy and Natural Resources
To hold hearings on proposed legislation on utilization of coal resources.
3110 Dirksen Building

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years. (proposed Sunset Act)
3302 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Technical Institute for the Deaf; the American Printing House for the Blind; Gallaudet College, and Howard University.
S-128, Capitol

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Administration.
1224 Dirksen Building

MARCH 30

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Park Service.
1114 Dirksen Building

Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment to hear Congressional witnesses.
1223 Dirksen Building

Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of the Export-Import Bank, and Overseas Private Investment Corporation.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommitee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Social and Rehabilitation Service.
S-128, Capitol

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To mark up proposed legislation on corporate bribery and investment disclosure.
5302 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources.
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil shale technologies.
3110 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

MARCH 31

9:00 a.m.
Select Nutrition and Human Needs
To continue hearings to examine the relationship between diet and health, to receive testimony on the need for fiber in diet.
Until: 1 p.m. 3302 Dirksen Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Outdoor Recreation and the Land and Water Conservation Fund.
1114 Dirksen Building

Commerce Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear public witnesses.
1223 Dirksen Building

Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear public witnesses.
1223 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Social Security Administration.
S-128, Capitol

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil shale technologies.
3110 Dirksen Building

Foreign Relations
Subcommittee on Oceans and International Environment
To hold hearings on S. Res. 49, expressing the sense of the Senate that the U.S. Government should seek the agreement of other governments to a proposed treaty requiring the propagation of an international environmental impact statement for any major project expected to have significant adverse effect on the physical environment
4221 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Offices for Civil Rights, Inspector General, Policy Research and General Management..
S-128, Capitol

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

APRIL 1

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for NATO.
S-146, Capitol

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration
1224 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, on funds for New York City financing.
1318 Dirksen Building

APRIL 5

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Forest Service.
1114 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission.
Room to be announced

APRIL 6

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear Congressional witnesses.
1114 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear public witnesses.
1318 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission; Office of Consumer Affairs; and Consumer Information Center.
Room to be announced

APRIL 7

10:00 a.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs, on funds for NATO and classified programs.
S-146, Capitol

APRIL 18

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development and Independent Agencies, to hear public witnesses.
1318 Dirksen Building

APRIL 19

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related Agencies, to hear public witnesses.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Administration.
1224 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation on housing and community development, with a view to reporting its final recommendations on housing programs to the Budget Committee by May 15.
5302 Dirksen Building

3:00 p.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development, to hear public witnesses.
1318 Dirksen Building

APRIL 20

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation on housing and community development, with a view to reporting its final recommendations on housing programs to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 21

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation on housing and community development, with a view to reporting its final recommendations on housing programs to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 22

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation on housing and community development, with a view to reporting its final recommendations on housing programs to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 26

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for National Highway Traffic Safety Administration.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for National Highway Traffic Safety Administration.
1224 Dirksen Building

APRIL 27

Appropriations
Transportation Subcommittee
To continue hearings on proposed estimates for fiscal year 1978 for Urban Mass Transportation Administration.
1224 Dirksen Building

APRIL 28

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

MAY 3

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building

MAY 4

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 6

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 10

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building

MAY 18

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978, to hear Secretary of Transportation Adams.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978, to hear Secretary of Transportation Adams.
1224 Dirksen Building

HOUSE OF REPRESENTATIVES—*Tuesday, March 1, 1977*

The House met at 12 o'clock noon.

The Reverend Gareth Tonnessen, Reformed Presbyterian Church, Boothwyn, Pa., offered the following prayer:

Father in heaven, thank You for each Member of this body. Thank You, too, for the unique abilities and opportunities You have given for service.

No matter what abilities men and women may have, however, we all are limited. We therefore call upon You, the Almighty God, for Your provision of what we lack.

Moreover, we are too easily led astray by our personal desires instead of seeking what is right. Grant us, then, a deep appreciation for personal integrity and a clear conscience.

We look to You for our needs this day. We ask You for insight into complex problems—whether foreign or domestic—humility in seeking solutions, courage in implementing them, and joy in service rendered.

Through Jesus Christ the Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Marks, one of his secretaries.

REV. GARETH E. TONNESSEN

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, my colleagues, it gives me great pleasure to have had here in the House Chamber my constituent, and our guest chaplain, the Reverend Gareth E. Tonnessen, who delivered the invocation today.

Although a native of Wilmington, Del., he is now the pastor of the Reformed Presbyterian Church in Boothwyn. Reverend Tonnessen studied at Covenant Seminary in St. Louis and spent a year interning in Seattle. Aside from his work in this Nation, he spent 4 years in Kenya, South Africa, on the World Presbyterian Mission.

I am sure my fellow Members have benefited from his words and I welcome Reverend Tonnessen and his family.

CALL OF THE HOUSE

Mr. ROUSSELOT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 32]

Andrews, N.C.	Erlenborn	Pike
Archer	Evans, Ga.	Poage
Armstrong	Ford, Tenn.	Rosenthal
Ashley	Giaimo	Runnels
Beard, Tenn.	Gonzalez	Sawyer
Biaggi	Harsha	Scheuer
Bingham	Hawkins	Shipley
Breaux	Heckler	Skubitz
Brown, Mich.	Johnson, Calif.	Stark
Brown, Ohio	Koch	Teague
Burleson, Tex.	McKinney	Tonry
Burton, John	Mikva	Udall
Chappell	Miller, Calif.	Walker
Crane	Moss	Wiggins
Diggs	Murphy, N.Y.	Young, Fla.
Early	Murphy, Pa.	
Eckhardt	Pettis	

The SPEAKER. On this rollcall 382 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HON. ARLAN STANGELAND

Mr. QUIE. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota, Mr. ARLAN STANGELAND, be permitted to take the oath of office today. His certificate of election has not arrived, but there is no contest, and no question has been raised with respect to his election.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. STANGELAND appeared at the bar of the House and took the oath of office.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORTS ON HOUSE RESOLUTIONS 305, 306, AND 307

Mr. BEVILL. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file privileged reports on House Resolutions 305, 306, and 307.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERMISSION TO CONSIDER HOUSE RESOLUTIONS 305, 306, AND 307 IN THE HOUSE

Mr. BEVILL. Mr. Speaker, I ask unanimous consent that when House Resolutions 305, 306, and 307, disapproving the deferral of certain budget authority, are considered, they each be considered in the House.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORT ON HOUSE JOINT RESOLUTION 269, SUPPLEMENTAL APPROPRIATION FOR DISASTER RELIEF

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on House

Joint Resolution 269 making an urgent supplemental appropriation for disaster relief.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MAKING IN ORDER ON THURSDAY, MARCH 3, 1977, CONSIDERATION IN THE HOUSE AS IN THE COMMITTEE OF THE WHOLE OF HOUSE JOINT RESOLUTION 269, SUPPLEMENTAL APPROPRIATION FOR DISASTER RELIEF

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it be in order on Thursday, March 3, or any day thereafter, to consider in the House as in the Committee of the Whole House Joint Resolution 269, making an urgent supplemental appropriation for disaster relief.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ROUSSELOT. Reserving the right to object, Mr. Speaker, can the gentleman tell us, Has this been agreed to by the minority?

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to the gentleman from Texas.

Mr. MAHON. I thank the gentleman for yielding.

This is an appropriation for disaster relief. It is a routine appropriation to replenish the funds available for disaster relief. The urgency is associated with the needs arising in recently declared areas. I do not know of any controversy as to this measure.

Mr. ROUSSELOT. I thank the gentleman for his explanation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON H.R. 3839

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the bill H.R. 3839.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MAKING IN ORDER CONSIDERATION IN THE HOUSE OF H.R. 3839 ON THURSDAY, MARCH 3, 1977

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it be in order on Thursday, March 3, 1977, to consider the bill H.R. 3839 in the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SOCIAL SECURITY SYSTEM PROBLEMS

(Mr. CONABLE asked and was given permission to address the House for 1 minute, to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, the problems we must face with respect to our social security system are numerous and troublesome, and most of them are extremely complex.

They cannot be ignored. They will not go away.

Sex discrimination provisions, withdrawals of State and local government units, problems with the disability insurance program, bilateral social insurance agreements with other countries, coverage of public employees and workers in nonprofit organizations, and scores of other thorny items clamor for attention.

But even higher on the priority list is trust fund financing. If there is not enough money to pay beneficiaries, other issues become moot.

First, we must provide for additional trust fund income to cover current, and rising, deficits. We must do this quickly, because the funds will become exhausted soon.

Next, we must correct a flaw in the automatic benefit provision which produces unintended windfall benefits to future retirees. In so doing, we need to consider ways to stabilize wage replacement ratios and to finance benefits adequately as far ahead as we responsibly can.

On all these matters, time is not on our side. We simply must get moving, keeping our eyes on obvious priorities and our minds on preserving the insurance character of the system.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
March 1, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 9:40 P.M. on Monday, February 28, 1977, and said to contain a message from the President wherein he transmits a Reciprocal Fisheries Agreement between the Government of the United States and the Government of Canada, signed in Washington, February 24, 1977.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

RECIPROCAL FISHERIES AGREEMENT BETWEEN THE UNITED STATES AND CANADA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–90)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Merchant Marine and Fisheries and ordered to be printed:

To the Congress of the United States:

I transmit herewith a Reciprocal Fisheries Agreement Between the Government of the United States and the Government of Canada, signed in Washington, February 24, 1977.

The Agreement, which is for 1977 only, satisfies important United States interests both in United States fisheries off Canada and in overall cooperative relations between the United States and Canada. The Reciprocal Fisheries Agreement is not a Governing International Fisheries Agreement within the terms of the Fishery Conservation and Management Act. The reciprocal accommodations of United States and Canadian interests required inclusion in the Agreement of provisions which are not consistent with certain sections of that Act.

Positive Congressional action therefore is required to bring the Reciprocal Agreement into force. I believe it important to take this action in order that there be no disruption of the important United States-Canadian fisheries off Canada following the establishment of the United States 200-mile fishery conservation zone on March 1, 1977.

I recommend that the Congress give favorable consideration of this Agreement by March 1. I further recommend that the Congress consider bringing the Agreement into force by Joint Resolution, such Resolution having the effect of establishing the legal basis in which the reciprocal fisheries of the two countries would go forward in 1977.

JIMMY CARTER.

THE WHITE HOUSE, *February 28, 1977.*

REPORT OF 1975 UPLAND COTTON PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Agriculture:

To the Congress of the United States:

In accordance with the provisions of Section 609, Public Law 91–524, 91st Congress, as extended by the Agriculture and Consumer Protection Act of 1973, I transmit herewith for the information of the Congress the report of the 1975 upland cotton program, prepared prior to the beginning of my term in office.

JIMMY CARTER.

THE WHITE HOUSE, *March 1, 1977.*

PROPOSED LEGISLATION TO CREATE NEW CABINET DEPARTMENT OF ENERGY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–91)

The SPEAKER laid before the House the following message from the Presi-

dent of the United States; which was read and, together with the accompanying papers, referred to the Committee on Government Operations and ordered to be printed:

To the Congress of the United States:

I hereby transmit to the Congress proposed legislation which will create a new Cabinet Department of Energy.

This legislation is a major step in my Administration's program for a comprehensive reorganization of the Executive Branch.

Nowhere is the need for reorganization and consolidation greater than in energy policy. All but two of the Executive Branch's Cabinet departments now have some responsibility for energy policy, but no agency, anywhere in the Federal Government, has the broad authority needed to deal with our energy problems in a comprehensive way.

The legislation I am submitting today will bring immediate order to this fragmented system:

—It will abolish the Federal Energy Administration, the Energy Research and Development Administration, and the Federal Power Commission, thereby eliminating three agencies whose missions overlap and sometimes conflict, and whose specialized perspectives have impeded progress toward a unified energy policy.

—It will allow us, for the first time, to match our research and development program to our overall energy policies and needs. This is particularly important if we are to make use of renewable energy sources such as solar power.

—It will enable us to move more quickly toward effective energy conservation by combining conservation programs which are now split between FEA and ERDA. And, to make certain that we will see results, the legislation creates an Assistant Secretary for Conservation, who will be personally responsible for seeing that the conservation program is carried out.

—It will place under one roof the powers to regulate fuels and fuel distribution systems, powers which are now shared by the FEA and the FPC along with the Securities and Exchange Commission and the Interstate Commerce Commission. An institutional structure built on the premise that fossil fuels are abundant and cheap no longer serves well in an era of fuel scarcity.

As this winter has shown us, uncoordinated regulatory policies can have serious impacts on our economic and social well-being. This reorganization can help us bring currently fragmented policies into a structure capable of both developing and implementing an overall national energy plan. At the same time, we must guard the quasi-judicial aspects of the regulatory process against improper influence. The legislation meets this concern by establishing a Board of Hearings and Appeals within the Department which is free from the control of the Secretary of Energy.

In addition to abolishing the FEA, ERDA, and the FPC, the legislation submitted today will transfer into the new Department several significant energy-related authorities and programs which now belong to other departments. These include the building thermal efficiency standards from Housing and Urban Development, the voluntary industrial compliance program from Commerce, and the Navy petroleum and oil shale reserves from Defense. The legislation provides for consultation between the Energy Department and the Department of Transportation on auto fuel efficiency standards, and establishes a role for the Energy Secretary in the REA loan program at Agriculture. Where it is appropriate, these departments will still carry out the program, but the new Energy Department will give them the policy guidance needed to bring unity and rational order to our energy program.

Finally, this legislation transfers certain parts of the Interior Department—those concerning fuels data collection and analysis, and coal mine research and development—into the new Department. Coal mine health and safety research will not be transferred. This will leave the Department of Interior still in charge of leasing energy resources under Federal control. We are leaving those functions in Interior because we believe that the responsibility for multiple-use of public lands, and for their environmental protection, belongs in one department—Interior—that can reflect a broad spectrum of concern. The Energy Department, however, will set long-term production goals and will have policy control over economic aspects of the leases. This will help us foster competition within the energy industries and encourage production of leased resources as expeditiously as possible.

This reorganization will also bring together our energy data gathering and analysis capabilities. More than twenty executive departments and agencies now operate more than 250 energy data programs. The FEA, ERDA, FPC and the Interior Department's Bureau of Mines together have more than 100 such programs. This fragmentation is not only uneconomic and frustrating: it can also have serious consequences. We have seen in recent weeks that, under our present system, we have no single source of information about where natural gas shortages were greatest and where supplies were still available to help make up those shortages. Consolidating these major data programs in an Energy Information Administration within the new department will now give us the ability to compile information which is complete, accurate and *believable*.

There are many things this legislation does not try to do.

I believe that health, safety and environmental regulation relating to energy—unlike economic regulation—should not be brought into the new Energy Department. Because public concerns about the safety of nuclear power are so serious, we must have a strong, independent voice to ensure that safety does not yield to energy supply pressures. Therefore, the Nuclear Regulatory Commission will remain as an independent body. For similar reasons, the Environmental Protection Agency should remain independent to voice environmental concern.

Even with a new Department of Energy, problems of interdepartmental coordination will remain, since virtually all government activity affects energy to some extent. Establishing this department, however, will give us one government body with sufficient scope and authority to do the massive job that remains to be done. Thus this legislation will abolish the Energy Resources Council. I intend to establish by Executive Order a non-statutory interdepartmental coordinating body, with the Secretary of Energy as its chairman to manage government-wide concerns involving energy.

This legislation contains no new substantive authorities. Instead, by eliminating three agencies and uniting a variety of existing energy authorities, the legislation I am submitting today will help reorganize the Executive Branch in a rational, orderly way. It is long overdue. I hope to work with the Congress to achieve our initial goal of a realistic and effective energy policy.

JIMMY CARTER.

THE WHITE HOUSE, *March 1, 1977.*

BRINGING CERTAIN GOVERNING INTERNATIONAL FISHERY AGREEMENTS WITHIN PURVIEW OF THE FISHERY CONSERVATION ZONE TRANSITION ACT

Mr. LEGGETT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3753) to bring certain governing international fishery agreements within the purview of the Fishery Conservation Zone Transition Act, as amended.

The Clerk read as follows:

H.R. 3753

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Fishery Conservation Zone Transition Act (Public Law 95–6) is amended—

(1) by striking out "and" at the end of paragraph (5);

(2) by striking out the comma at the end of paragraph (6) and inserting in lieu thereof a semicolon;

(3) by inserting immediately after paragraph (6) the following:

"(7) the European Economic Community Concerning Fisheries Off the Coasts of the United States, as contained in the message to Congress from the President of the United States dated February 21, 1977;

"(8) the Government of Japan Concerning Fisheries Off the Coasts of the United States, for 1977 as contained in the message to Congress from the President of the United States dated February 21, 1977;

"(9) the Government of the Republic of Korea Concerning Fisheries Off the Coasts of the United States, as contained in the message to Congress from the President of the United States dated February 21, 1977; and

"(10) the Government of Spain Concerning Fisheries Off the Coasts of the United States, as contained in the message to Congress from the President of the United States dated February 21, 1977;"; and

(4) by amending the last sentence thereof to read as follows: "Each such agreement referred to in paragraphs (1) through (6)

shall enter into force and effect with respect to the United States on the date of the enactment of this joint resolution, and each such agreement referred to in paragraphs (7) through (10) shall enter into force and effect with respect to the United States on February 27, 1977.".

SEC. 2. The amendments made by the first section of this Act shall take effect February 27, 1977.

The SPEAKER. Is a second demanded?

Mr. RUPPE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from California (Mr. LEGGETT) and the gentleman from Michigan (Mr. RUPPE) will each be recognized for 20 minutes.

The Chair now recognizes the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the 200-mile Fishery Zone Act went into effect early this morning. That act provides that no foreign fishing vessel can fish within 200 miles of our shores unless the foreign nation concerned has signed a Governing International Fishery Agreement with the United States, better known as a GIFA, and that such nation has secured a permit for each of its vessels planning to fish in such waters, and has paid the appropriate fees associated with the issuance of such permits.

Mr. Speaker, since the passage of that act in April of last year, the United States has entered into 10 GIFA's. The act requires the President to transmit a copy of each signed GIFA to the Congress and it further provides that no GIFA may enter into force and effect until the passage of 60 days' continuous session after it has been transmitted. Any congressional recess of more than 3 days is excluded from the computation of the 60-day period and an adjournment of Congress sine die breaks the continuous session.

Mr. Speaker, there was a considerable delay in obtaining GIFA's with foreign nations desiring to fish off our shores and there was a further delay in transmitting the signed GIFA's to the Congress by the President. Of the 10 GIFA's signed, 1 was transmitted on September 16th of last year, and 4 on January 10, 1 on January 14, and 4 on February 21 of this year.

Mr. Speaker, because of these delays and because of the early adjournment of the Congress last year in October, it became necessary to waive a number of the requirements of the act in order to allow these GIFA's to have an orderly implementation by today, March 1. Otherwise, to meet the requirements of the act this first time around, it could have been as late as April or early May before all of these GIFA's could have come into effect.

Mr. Speaker, to provide relief in this dilemma in which we found ourselves, on February 8, the House passed the predecessor legislation to the legislation we are considering today. It was House Joint Resolution 240 and it passed the House by a vote of 353 to 35. That legislation became Public Law 95–6 on February 21.

Mr. Speaker, the predecessor legislation had the effect of waiving the 60-day congressional review period and giving congressional approval to six GIFA's for purposes of the act. The GIFA's covered by the legislation were Poland, Russia, East Germany, Romania, Bulgaria and Taiwan.

Mr. Speaker, that legislation had the effect of doing three other things. It would reduce from 45 to 7 the days in which the regional fishery management councils and the public would have to comment on the applications submitted pursuant to such signed GIFA's for permits for fishing vessels to fish within our waters, and it would extend from March 1 to May 1 the time in which such foreign nations would have to pay for fees associated with the issuance of such permits and to display such permits in the wheelhouse of their vessels.

Mr. Speaker, the legislation under consideration today, H.R. 3753, would provide this same relief for the countries of Spain, South Korea, Japan, and the countries of the European Economic Community.

Mr. Speaker, more specifically, H.R. 3753 would waive the 60-day congressional review period and provide congressional approval of these four GIFA's; it would substitute a 7-day comment period for the 45-day comment period for the Councils and the public on permit applications; and it would extend from March 1 to May 1 the requirements for payment of permit fees and the display of such permits on board authorized vessels.

Mr. Speaker, needless to say, there is a degree of urgency in the passage of this legislation since the vessels of these countries cannot fish within our zone until this legislation has passed both the House and Senate and it has been signed by the President. This urgency has been communicated to Chairman MURPHY, other members of the committee, and to me by Secretary Vance and Secretary Kreps. It has the strong support of the administration and the passage of this legislation will permit these vessels to catch only those fish that are not contemplated to be caught by our own fishermen.

Mr. RUPPE. Mr. Speaker, the Fishery Conservation and Management Act of 1976, which established an exclusive United States 200-mile fishery zone, takes effect today. The act provides that no foreign fishing is authorized within the 200-mile fishery zone, unless such foreign-fishing is authorized by a Governing International Fishery Agreement and the foreign vessels seeking to fish in the zone have secured valid permits.

Regrettably there have been substantial delays in obtaining international agreements with foreign nations who have traditionally fished off our shores. This delay, in turn, has meant that the statutory 60-day congressional review period for agreements and the 45-day Regional Fishery Management Council comment period for fishing permit applications cannot be satisfied within the time frames established by the statute.

To overcome these hurdles and to attempt to meet the March 1 implementation date, House Joint Resolution 240 was introduced with respect to the fishery agreements negotiated by the State Department with Russia, Bulgaria, Romania, Taiwan, East Germany, and Poland. That resolution, known as the Fishery Conservation Zone Transition Act, approving these agreements, thereby waiving the 60-day congressional review period and reducing the 45-day Regional Council comment period to 7 days, passed the House on February 8, and was signed into law by the President as Public Law 95–6.

H.R. 3753, the legislation before us today, would amend Public Law 95–6 by adding four other international agreements to the six approved in that act. These agreements with Spain, South Korea, the European Economic Community and Japan have been found by the Merchant Marine and Fisheries Committee to be in technical compliance with the terms of the Fishery Conservation and Managment Act.

Although I support H.R. 3753 and urge my colleagues to do likewise, I must in all candor admit that I am pleased with neither the delay in successfully negotiating these agreements, nor the specific contents of some of them. More specifically, the Congress provided the State Department with approximately 11 months to conclude governing international fishery agreements with those nations who seek to fish in our 200-mile exclusive fishery zone. I do not like the executive branch practice of transmitting agreements to the Congress at the 11th hour, thereby forcing the Congress to forego its statutory right of review.

Also, I am troubled by the fact that some of the agreements we are being asked to approve today do not contain explicit provisions providing for compensation for U.S. fishermen whose vessels or gear are damaged by foreign fishing vessels. There are other omissions, but I do not believe them to be as significant as the one on compensation for damage to U.S. vessels or gear.

Notwithstanding these reservations, I support the adoption of H.R. 3753.

Mr. Speaker, I would like to yield such time as he may consume to the gentleman from New Jersey (Mr. FORSYTHE), the distinguished ranking minority member of the subcommittee.

Mr. FORSYTHE. Mr. Speaker, the legislation before us today is perhaps one of the most important steps in implementing our 200-mile fishery zone legislation. As our chairman of the subcommittee has pointed out, we did, in House Joint Resolution 240, which is now law, provide a system whereby many of the nations were permitted to get permits effective at 12:01 a.m. this morning, and we have now in this piece of legislation a continuation of that in permitting the nations of Japan, the European Economic Community, Spain, and South Korea to be able to start to fish.

Actually, as of 12:01 a.m. this morning, those nations have been prohibited from fishing and, in fact, are not fishing. It is important, I think, because these are our friends and allies who will be given the right to fish only for surplus fish which is available in the stocks around this Nation.

I realize that there are some problems with these procedures because of the pressure of time. They perhaps did not follow the letter of the law in the same way that other nations did, but I think it is more important that we do have the substance. I am convinced that we have achieved the substance of our law—that all of these nations will be regulated, and will only be permitted to fish for surplus stocks in the year of 1977 by the passage of this legislation.

As we move into following years, we will not have these time constraints, and the regional councils will have adequate opportunity to review all of the quotas that are established. It will be absolutely certain that the local people involved in the regional councils will have their full input and will have the upper hand as to how much fish may be taken by foreign fleets. I think, even as we stand here today, that the foreign fishing effort which has prevailed over the past few years will be reduced by approximately one-third.

Our 200-mile law is a major step forward. We will protect the American fishermen, and I think there will be a day when we start the way back so that the American fishing fleet will have its opportunity to begin to catch fish, to become prosperous, and to provide this Nation with the fish protein that we desperately need and which we want to see come from our American fishermen. Today, our fishermen are in a very depressed state because of the impact of this foreign fishing that has been unregulated.

Mr. Speaker, this law does provide that, I believe that it will serve the purpose. I believe today will be a historic day, so far as marine fishing for this Nation is concerned and, really, for the world. We have found other nations who are following our path; so that, in a sense, we are asserting international leadership, leadership which was started when this Congress enacted the 200-mile bill.

With that, I hope that this bill will be passed with the full support of this House today.

Mr. Speaker, I include the following permit which will be required under this bill for the information of the Members.

[NOAA Form 88-120]

U.S. DEPARTMENT OF COMMERCE,
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION.

THE UNITED STATES OF AMERICA, DEPARTMENT OF COMMERCE, FOREIGN FISHING VESSEL PERMIT

Permit Number ____

The Government of the United States of America, pursuant to Section 204 of the Fishery Conservation and Management Act of 1976 (90 Stat. 331, 16 U.S.C. 1801) (hereinafter "Act") *hereby permits*:

Name of Vessel:----------
Official (Register) No.:----------
Owned by: ----------
Chartered to:----------
Nationality: ----------
Hull Number:----------
Homeport: ----------
Tonnage: GRT____ NRT____
International Radio Call sign:____
Length:____ M. Breadth:____ M. Draft: ____ M.

Having the following fishing and/or fish processing and cargo carrying capacity:

PROCESSING EQUIPMENT

Type of Vessel	
____Stern trawler	
____Side trawler	
____Gillnetter	
____Longliner	
____Pair trawler	
____Danish seiner	
____Purse seiner	
____Factory base ship	
____Refrigerated transport	
____Passenger vessel	
____Other____	*Number of each*
Type	____
Head and Gut	____
Fillet lines	____
Fish meal plants	____
Fish oil plants	____
Flash Freezers	____
Other____	____

CARGO SPACES

Type	*Number of each*	*Names*
Freezer	____	------
Dry hold	____	------
Tank	____	------
Other	____	------

To engage in fishing activities over which the United States exercises exclusive fishery management authority, in accordance with provisions of the Act, the Agreement between the Government of the United States of America and the Government of ---------, concerning fisheries off the coast of the United States of America, signed ____, 19____, and the following terms and conditions:

1. This permit shall not be used by any vessel other than the above named vessel for which it was issued.

2. This permit shall be prominently displayed in the wheelhouse of the above named vessel at all times while this vessel is subject to the fishery management authority of the United States.

3. When signalled to stop or heave-to for boarding, this vessel shall stop immediately and lay-to, or shall maneuver in such a way as to permit the enforcement officers and their party to come aboard without unnecessary delay. A ladder shall be provided for the use of the boarding officer and his party. A manrope and safety line shall be kept readily available for use in conjunction with the ladder whenever the circumstances may require. At night, illumination for the ladder shall be readily available.

4. All persons on board the vessel will cooperate with any officer authorized to enforce the provisions of the Act, and the conditions and restrictions contained herein, in carrying out his duties to:

a. Board, search and inspect the vessel while it is subject to the fishery authority of the United States.

b. Inspect the vessel's documents including, but not limited to, the fishing, fish processing, cargo transfer and navigation logs;

c. Examine this permit and make appropriate notations hereon, including notations pertaining to the issuance of a citation by the inspecting officer and the reason for the issuance of the citation;

d. Seize the vessel and arrest any persons aboard the vessel when such officer has reasonable cause to believe an act warranting such seizure or arrest has been or is being committed.

5. The master shall maintain a logbook in which he shall record the following information immediately upon the retrieval of his fishing gear and before the vessel resumes fishing operations:

a. Date; b. Position; c. Depth of water; d. Type of gear in use; e. Depth at which gear fished; f. Time of gear in water; g. Round weight or number of fish caught, itemized by species and total from haul.

6. The vessel shall display its hull number or international radio call sign amidships on the deckhouse or the hull in colors which contrast to the background in block letters using the Roman alphabet and Arabic numerals both at least 1 meter in height.

7. The owner or operator of the vessel shall report 24 hours prior to beginning fishing activities in the area authorized in the permit and 24 hours prior to its departure from that area to the Regional Director, National Marine Fisheries Service, ---------, via any Coast Guard Communications/radio station using, call sign: (a) for morse code communication: "NCG"; or (b) for voice communication: "Any Coast Guard Communication Station."

8. The vessel or persons aboard the vessel shall not engage in the capture of Marine Mammals unless specifically authorized by separate permit.

9. Terms and Conditions. The master hereby agrees to comply with the regulations promulgated under the Fishery Conservation and Management Act of 1976, applicable to foreign fishing of the type authorized under this permit, a copy of which has been furnished to the master, and which are hereby made part of this permit.

It is noted that ---------- has been appointed agent for the owners and operators with respect to such vessel, owner or operator.

This permit expires on the last day of December 19____, except that when the country allocation for a fishery in which the above named vessel is authorized to engage has been reached, this permit is no longer valid for that fishery.

For the UNITED STATES OF AMERICA

By: ----------
Secretary of Commerce
Date: ----------, 19____

OTHER CONDITIONS AND RESTRICTIONS

10. (Number others sequentially): ____

RECORD OF CITATIONS

Pursuant to Part ____, Title 50, Code of Federal Regulations, I hereby cite the vessel named on the face of this permit for a violation of paragraph ____ of this permit, in that the vessel (master) has engaged in (failed to) ---------- and note that this citation will be recorded with the Secretary of Commerce of the United States of America.

Name ----------
Rank or Title ----------
----------, 19____

U.S. DEPARTMENT OF COMMERCE,
NATIONAL MARINE FISHERIES SERVICE,
Washington, D.C.

Mr. ALBERT I. ZUCCA,
Director, Office of Fisheries Affairs, U.S. Department of State, Washington, D.C.

DEAR MR. ZUCCA: In accordance with the provisions of Section 204 of the Fishery Conservation and Management Act of 1976, transmitted herewith is a copy of the approved application for permits to fish within the fishery conservation zone submitted by the German Democratic Republic. Also transmitted herewith are the conditions and restrictions which appertain to the application. Please transmit this notice of approval with the conditions and restrictions to the German Democratic Republic. Upon your notification to us that the German Democratic Republic has accepted the conditions and restrictions, we would be pleased to issue permits to vessels shown on the attached table.

Also enclosed is a preliminary calculation of fees based on the attached table of vessel permits and the catch allocations for Germany previously furnished by the Department of State. Formal billing will follow after

receipt of the German Democratic Republic's acceptance of the conditions and restrictions.

Fees must be paid as soon as possible, but not later than May 1, 1977. Any permit issued in advance of the fee payment shall expire on May 1, 1977, if the applicable fees are not received on or before such date.

Sincerely,

ROBERT W. SCHONING,
Director.

APPLICATION FOR VESSEL PERMITS TO FISH WITHIN THE FISHERY CONSERVATION ZONE OF THE UNITED STATES, OR FOR ANADROMOUS SPECIES OR CONTINENTAL SHELF FISHERY RESOURCES

THE UNITED STATES
OF AMERICA,
DEPARTMENT OF COMMERCE,
NATIONAL OCEANIC AND
ATMOSPHERIC ADMINISTRATION.

Date: December 15, 1976.

APPLICATION NO. GC–77. (for use of issuing Officer.)

In accordance with the provision of Section 204 of the Fishery Conservation and Management Act of 1976, (16 U.S.C. 1801–1882), and the governing international fisheries agreement entered into with the Government of the United States of America, which entered into force on: date ---------, the government (or competent authority) of: German Democratic Republic hereby submits this application for permits for fishing vessels under its jurisdiction to fish within the fishery conservation zone of the United States, or beyond that zone for anadromous species or Continental Shelf fishery resources subject to the jurisdiction of the United States.

The following information is submitted in support of this application (Use additional sheets as required).

A completed Fishing Vessel Identification Form for each permit that is requested; and a compilation of data contained in questions 5 and 20 in the attached Fishing Vessel Identification Form.

Submitted: December 20, 1976.

Signature of Authorized Official.

Approved:---------
Director General----
Title

ROBERT W. SCHONING,
Director,
National Marine Fisheries Service.

CONDITIONS AND RESTRICTIONS

The German Democratic Republic will ensure that fishing by its flag vessels is conducted in accordance with the requirements of any applicable fishery management plan, or preliminary fishery management plan, and the regulations promulgated to implement any such plans.

The German Democratic Republic will ensure that fishing by its flag vessels is conducted in accordance with the terms and conditions of the Agreement between the Government of the United States of America and the German Democratic Republic, signed October 5, 1976.

The German Democratic Republic will ensure that fishing by its flag vessels is conducted by the vessels and for the fisheries indicated in the attached table, and only for species for which allocations have been made.

Fees must be paid as soon as possible, but not later than May 1, 1977. Any permit issued in advance of the fee payment shall expire on May 1, 1977, if the applicable fees are not received on or before such date.

NATIONAL MARINE FISHERIES SERVICE.

FEBRUARY 24, 1977.

Mr. RUPPE. Mr. Speaker, I yield 5 minutes to the gentleman from Alaska (Mr. YOUNG) for his worthy comments on the legislation.

Mr. YOUNG of Alaska. Mr. Speaker, my good friend and ranking minority member, the gentleman from New Jersey (Mr. FORSYTHE) has stated that this is a step forward in the right direction concerning the 200-mile limit. I can agree that with the passage of this legislation we will have established the act of the 200-mile limit in reality. I can agree that now the Department of Commerce will be able to go forth under this regulation and issue permits. I can agree that it is some measure of success, as far as the 200-mile limit goes.

I would like at this time, though, to state my dissatisfaction with the way that this legislation has arrived on the floor. I will compliment the chairman of the subcommittee for the gentlemanlike manner in which he handled it in providing us with a format in which to voice our dissatisfaction. I would also like to compliment the chairman of the full committee. But because of the negotiations of the State Department and the Japanese Government, we were given very little time to truly understand this supposed GIFA. It has such broad and wide implications that if I were a lawyer I could have a field day with it.

We have been assured by the State Department and the Department of Commerce that everything is going to be taken care of. But I say to my colleagues of the subcommittee and the full committee that I am here before the full House notifying the State Department and the Department of Commerce that the subcommittee and the full committee are going to be monitoring month-by-month all of the activities on all of our coastal waters. We are going to be assured that our fishermen are going to be protected first and foremost, and not be the issue of international politics.

I was disturbed, and I know many of the Members were also, by a letter which was sent to our chairman, signed by the new Secretary of State Cyrus Vance. I quote from the letter:

I believe that these four agreements are of crucial importance to both the foreign countries involved and to the United States. All of these countries are important allies and our relations, which extend far beyond fisheries matters, are crucial ones.

Some say that this does not mean much; but to me it means again that the fish are the bargaining chips in international politics. I say to the Members that the reason we passed the 200-mile limit is because it is time for us to recnize that fish are the important factor, that fish, without proper management, will no longer be in the seas to feed this world, and our fishermen will be deprived of an economic base.

So, Mr. Speaker, I will say to my good friends in the House that I am not happy with this. We have been told that it has to be passed because otherwise we will have an international confrontation. I will state again for the full House that I hope my committee and other committees will look into the methods by which Japan and Russia are now negotiating their 200-mile limit agreements and see if they are under the same restraints and within the same time frame our committee has been subjected to during the consideration of this legislation.

Mr. LEGGETT. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Speaker, the gentleman from Alaska did bring up a rather sore point in the Vance letter, and we have reviewed that clause with the Secretary of State. We have just received word from Mr. Feldman in the General Counsel's office that he wanted to make it clear that in spite of that language there was no intention as far as the Secretary of State is concerned to subordinate fishery interests to any other interests in this matter. It does not mean that is the most paramount matter, but we did want to make this clear.

Mr. YOUNG of Alaska. Mr. Speaker, I thank the gentleman, and I thank the office of the Secretary of State for making that letter available, but it does give us an indication of some of the doubts and fears we have.

Mr. BONKER. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from Washington.

Mr. BONKER. Mr. Speaker, it is not true that the problems associated with the agreement between the United States and Japan are primarily procedural, that they are not substantive, and that in terms of determining the surplus and the allocation of species, those requirements will remain as would normally be the case under an official GIFA? Is it not true that we are talking merely about procedure to accommodate the Japanese Diet in acting on this agreement?

Mr. YOUNG of Alaska. Mr. Speaker, the procedure part is the one I am most disturbed about. Also, if I may add to that, the committee and I will be monitoring the program in the council. The council will be the one that is primarily responsible here, and I have informed the State Department and the Department of Commerce that I would not appreciate any undue influence over these councils in future scientific allocations that would be granted by the State Department.

That is our responsibility, and as the gentleman well knows, since we both serve on the same committee and we both have the same interests, these are the problems we are faced with. That is my basic objection to this GIFA.

Mr. LEGGETT. Mr. Speaker, I yield 5 minutes to the gentleman from Oregon (Mr. AUCOIN).

Mr. AUCOIN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I wish to say to my colleagues that I associate myself with the remarks of the gentleman from Alaska (Mr. YOUNG), with whom I serve on the Committee on Merchant Marine and Fisheries.

I wish to make a couple of observations about the Japanese fishing agreement, which is one of several we are called upon to approve today. The first point I hope the House will take note of is that we are approving in the case of Japan not a formal governing international fishing agreement, but instead an exchange of diplomatic notes. This is

quite different than a formal agreement between two nations.

Second, I would like my colleagues to note that in the case of the Japanese provisional agreement, the exchange of notes is unlike any other agreement negotiated under the 200-Mile Act.

There is no explicit language under which the Government of Japan explicitly recognizes section 201(c) of the 200-Mile Act. I quote that section here:

> Each governing international fishery agreement shall acknowledge the exclusive fishery management authority of the United States, as set forth in this Act.

Mr. Speaker, we all know why this unusual procedure has been followed. Japan is a very important ally. And Japan has some political problems in getting its parliament, the Diet, to formally approve that language.

Mr. Speaker, I think this House ought to recognize that what we are doing in approving this procedure is making Japan a privileged case.

That short-term expedient should not go without comment.

Many times this Congress has taken action for a short-term expedient—in this case, in an effort not to embarrass an ally—and later lived to regret the day it did so.

Mr. Speaker, I hope that this will not be the case here, but I am concerned that it may be. I have no doubt that this agreement will be approved but I warn the House that this short-term agreement and this usual accommodation could cause long-range pain to the United States, in two ways.

First of all, contacts I have had indirectly with other nations that have negotiated fishing agreements in good faith under the terms of the 200-Mile Act with this Government have indicated that they are astounded at the flexibility the State Department has shown in its negotiation of this agreement with Japan. I think this signals other nations around the world as to just how flexible this country is prepared to be with the 200-Mile Act. This calls into question the long-range integrity of the hard-won 200-mile law.

Further, this agreement and the procedure the United States has followed raise risks in the relationships between this Government and the Government of Japan—despite the State Department's considerable efforts not to. It is a lot like two good friends who enter into a business deal or a loan; it is conventional wisdom that if one has a good friend and has a business transaction with that good friend, he should not leave anything to ambiguity, because if he does, someone is going to misunderstand. Consequently, one jeopardizes that friendship when one of the parties misunderstands the other's intent in their initial agreement.

Mr. Speaker, this agreement is fraught with ambiguity. This agreement leaves many opportunities for misunderstanding on both sides. I just hope that we are not setting the stage for a major disagreement and misunderstanding between two important allies.

For those two reasons, Mr. Speaker, I join my colleague, the gentleman from Alaska (Mr. YOUNG), in opposing this resolution. I hate to do so because I think the U.S. negotiator, Ambassador Ridgway, has negotiated these agreements with great skill. However, in the case of the Japanese agreement, I am afraid that we have an agreement that is seriously defective.

For all of these reasons, Mr. Speaker, I want to go on record in opposition to this agreement.

Mr. LEGGETT. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. STUDDS).

Mr. STUDDS. Mr. Speaker, I understand and to a certain extent I share the reservations expressed by the gentleman from Alaska (Mr. YOUNG) and by the gentleman from Oregon (Mr. AUCOIN) with respect to the agreement with the Government of Japan.

Nonetheless, I intend to vote for this bill to approve that and the other agreements contained in it; and, Mr. Speaker, I would like the record to clearly reflect why I, and I think most members of this committee, intend to do so.

The question and really the heart of the concern of the gentleman from Alaska (Mr. YOUNG) and the gentleman from Oregon (Mr. AUCOIN) is whether or not the agreement with Japan, as mandated by the 200-mile statute, explicitly recognizes the lawful authority of the United States to extend our fisheries jurisdiction to 200 miles.

The vagueness of the language in the agreement is indeed arguable; and I gather that there were diplomatic reasons, particularly given the parliamentary situation in Japan, for the vagueness of that language.

Mr. Speaker, this Member has made up his mind to vote for this agreement based upon not simply the interpretation of that language and the good faith of the Government of Japan and of our own State Department, but upon the following two things: No. 1, at 12:01 this morning, when the 200-mile zone went into effect, all Japanese fishing vessels—and there were many hundreds of them within 200 miles of our shores—were directed by our Government to stow their gear and cease fishing.

They will cease fishing until such time as there is an agreement that is approved by this Congress and signed into law by the President of the United States.

It seems to me that this action by the Government of Japan with respect to its own vessels demonstrates at least their acceptance of the fishery authority of the United States within the 200-mile limit. Second, we have been assured by the Department of State and by the Department of Commerce that any permit applications from the Government of Japan, like those from any other government seeking permission to fish for our surplus fish in our fishery zone, will contain the following conditions and restrictions, and that these conditions and restrictions will be accepted in their entirety by the Government of Japan prior to the issuance of any such permits:

> Japan will insure that fishing by its flag vessels is conducted in accordance with the requirements of any applicable fishery management plan or preliminary fishery management plan and the regulations promulgated to implement any such plans.

With that commitment the Government of Japan, it seems to me, is going to accept the conditions that apply and were obtained by the very, very competent negotiator on the part of our country, Ambassador Ridgway, and have, I believe, substantially complied with the wishes of the Congress.

I urge the adoption of the legislation.

Mr. LEGGETT. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. BONKER).

Mr. BONKER. Mr. Speaker, because my colleagues, the gentleman from Alaska (Mr. YOUNG) and the gentleman from Oregon (Mr. AUCOIN) have risen to express their objections to this legislation, I feel it is necessary to clarify my own position as a representative from the State of Washington.

Mr. Speaker, there are essentially two agreements involved with Japan. The first is a short-term agreement which, as I understand it, has been submitted to accommodate a procedural problem with the Japanese Government, at least until the Diet's approval of the more formal agreement. The second is a long-term agreement which contains all of the requirements that are necessary to meet the provisions of our law.

The gentleman from Oregon (Mr. AUCOIN) has stated his opposition, because other nations are concerned about our flexibility with respect to Japan; but I believe that the questions we should be asking are, one, whether the terms of the act have been met—and the Ambassador who appeared before our committee in 3 days of hearings has given us that assurance—and, second, whether the quotas that are allowed in the program are complied with. Again we have received assurances from both Ambassador Ridgway and the Department of Commerce that the designated surpluses or allocations have been fully complied with, as with a normal agreement.

I understand that this is an unusual procedure and I want to commend my colleagues from Alaska and Oregon for raising these questions. The Japanese Government will be cognizant of our concerns and I think are very carefully going to be in compliance with the provisions of our law. For this I give them credit.

I am pleased we can move forward on action on this legislation today.

Mr. AUCOIN. Mr. Speaker, will the gentleman yield?

Mr. BONKER. I yield to the gentleman from Oregon.

Mr. AUCOIN. Mr. Speaker, I appreciate the gentleman from Washington yielding to me.

Mr. Speaker, the gentleman has stated what question he thinks we should be asking today. I would say to the gentleman that the questions he poses ignore the fundamental question—the long-range integrity of the 200-mile law. I think the more fundamental concern that I have is that we should not be signaling the world that because some nation happens to have political leverage on the world scene it will be given special treatment. And further, we should not be making the U.S. fisheries a bargaining chip in international politics. That is the

real question and that is exactly what this legislation was designed to avoid.

Mr. BONKER. Let me assure the gentleman from Oregon that if I felt that the action we are taking today were intended to compromise the integrity of this Nation then I would not support it. I think what the gentleman from Oregon is referring to is the treatment of other nations in negotiating those treaties. I have received no complaints from other governments who have, historically, been fishing off our coasts and who have negotiated with our Government on the basis of this law. I do not think that we are compromising the integrity of the law with respect to our own fishermen, and that is the only concern I have.

Mr. LEGGETT. Mr. Speaker, I have no other requests for time.

Mr. RUPPE. Mr. Speaker I yield 3 minutes to my distinguished colleague, the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Mr. Speaker, there seems to be a little misunderstanding as to exactly what we are doing and how we are going to monitor what we are doing. I heard the gentleman from California (Mr. LEGGETT) mention that there are now some 150 fishing vessels off the coast of our Nation. I heard the gentleman from Massachusetts say that Japan has some 250 fishing vessels in our 200-mile limitation. I am wondering, if we cannot really keep track of the number of vessels that are within that limitation, how will we be able to keep track of the number of fish that those vessels catch, and how will we be able to monitor what they will remove from the waters near our shores?

Mr. LEGGETT. Mr. Speaker, if the gentleman will yield, I will respond.

Mr. MILLER of Ohio. I yield to the gentleman from California.

Mr. LEGGETT. I thank the gentleman for yielding.

We do have the capacity to monitor exactly the number of boats. We are in the process of implementing regulations that are going to require transponders to be put on all boats. We have, in fact, monitored by observers, by inspection quotas in the past that have been negotiated by bilateral and multilateral fishing agreements, and we intend to fully support this program in the future. We are beefing up our Coast Guard. We are developing new capabilities, new ships, new aircraft surveillance. We have got the capacity to, in fact, monitor transponders through our military airborne warning and control system. Hopefully, over the next few years we will get that program deployed.

The figure that I said of 100 was the number of Japanese ships that were in American waters within our 200-mile limit area last month. Last year we noticed that the number increased in February, so when I said over 100, I anticipated that the number had probably increased to this date. We do know, though, that the total catch by Japanese boats will be reduced on the order of 11 percent for this year. They will be totally excluded from a number of species. But there is plenty of leeway for the American fisheries to fully fish all of the optimum yield that we can take in this 200-mile area.

Mr. MILLER of Ohio. Will the gentleman explain to the House exactly how the system works. Do we have a charge—and I understand we do have a charge—for each vessel? Will the gentleman explain how that system works?

Mr. LEGGETT. If the gentleman would yield further, yes, we have a charge for each vessel, and it is based on the tonnage of the vessel and the allocation that is made to that vessel. We make the allocation not only to the country but on a ship-by-ship basis. Then pursuant to regulations promulgated by the Department of Commerce, we determine how much each country will owe if they catch their allocated catch, and we presuppose that they will. We then normally collect the amount of money to cover the catch prior to the time the boats go out. This year we are allowing for a delay.

The SPEAKER. The time of the gentleman has expired.

Mr. RUPPE. Mr. Speaker, I yield 2 additional minutes to the gentleman from Ohio.

Mr. LEGGETT. If the gentleman would yield further, this year we are asking for a delay until May 1 so that the checks can catch up with the permits. We anticipate collecting this year an estimated $20 to $30 million from countries around the world who will be fishing within the American 200-mile economic zone.

Mr. MILLER of Ohio. Will the gentleman tell us how many vessels this will represent which are fishing within this 200-mile limitation?

Mr. LEGGETT. It would represent a reduction of about one-third from the vessels fishing last year and amount to roughly 1,000 ships.

Mr. MILLER of Ohio. About 1,000 ships. I thank the gentleman.

Mr. MURPHY of New York. Mr. Speaker, I rise in strong support of H.R. 3753 and urge its prompt passage.

Mr. Speaker, this is a historical day—the day so many of us have been looking forward to for many years now. It is the first day of enforcement of the 200-mile fishery zone off the coast of the United States.

Mr. Speaker, what this means is that beginning today no foreign fishing vessel can take fish within 200 miles of our shores except by permit. In order to get this permit, first a foreign nation desiring to fish in our waters must enter into a Governing International Fishery Agreement with the United States, better known as a GIFA. Once a GIFA has been entered into, then the foreign nation concerned must submit an application for permits for each of its vessels desiring to fish in our waters. In the application, the nation is required to set forth such things as the identification and tonnage of each vessel for which a permit is sought, the fishery and ocean area in which each of its vessels wish to fish, and the amount of fish or tonnage of catch contemplated for each vessel.

Mr. Speaker, since the passage of the 200-Mile Fishery Zone Act in April of last year, 10 foreign nations have entered into GIFA's with the United States. Due to the difficulties encountered in negotiating these GIFA's with these 10 countries and due to a delay in the transmission of these GIFA's by the President to the Congress and the resulting delay in the submission of applications for permits pursuant thereto, therefore, it now becomes necessary to provide a one-time-only modification of certain procedural requirements of the act in order to allow foreign fishing to continue uninterrupted after today by those nations which have signed GIFA's with the United States.

Mr. Speaker, the procedural modifications which are necessary to accommodate this situation are the affirmative approval of the GIFA's executed by Spain, South Korea, Japan, and the European Economic Community; reduce the 45-day comment period on the permits by the Regional Fishery Management Councils to 7 days; delay the requirement for posting a permit in each foreign fishing vessel until May 1, 1977; and delay payment of applicable fees until May 1, 1977, as long as the Secretary of Commerce is satisfied the foreign country will ultimately pay the fee.

Mr. Speaker, the House was faced with this same situation about 3 weeks ago when legislation reported by my committee in the form of House Joint Resolution 240 was considered to waive these procedural requirements for six nations that had signed GIFA's with the United States. The nations concerned were Poland, Russia, East Germany, Taiwan, Bulgaria, and Romania.

Mr. Speaker, that legislation provided the same relief that we are today asking to be provided for Spain, Japan, South Korea, and the countries of the European Economic Community.

Mr. Speaker, these countries have entered into GIFA's with the United States, copies of such agreements were transmitted to the Congress, approximately 2 weeks ago, and my committee has been studying these agreements and they appear to be in substantial compliance with the act.

Mr. Speaker, the councils will still have 7 days in which to make their comments on the permit applications. In view of the precarious situation in which we find ourselves, I think it is necessary that we pass this legislation today, which would provide a one-time-only modification of the procedural requirements and allow our 200-Mile Fisheries Zone Act to be enforced so that we can begin finally to give these valuable fisheries resources off the coast of the United States the protection to which they are entitled.

Mr. Speaker, the predecessor legislation passed the House 3 weeks ago by a vote of 353 to 35, and I feel sure that legislation under consideration this afternoon will pass as easily. It has the support of the administration and, in general, the Regional Fishery Management Councils, the fishing industry, and I urge its prompt passage.

Mr. RUPPE. Mr. Speaker, I have no further requests for time.

Mr. LEGGETT. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. LEGGETT) that the House

suspend the rules and pass the bill H.R. 3753, as amended.

The question was taken.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 377, nays 18, answered "present" 1, not voting 36, as follows:

[Roll No. 33]

YEAS—377

Abdnor	Danielson	Hollenbeck
Addabbo	Davis	Holt
Akaka	Delaney	Holtzman
Alexander	Dellums	Horton
Allen	Dent	Howard
Ambro	Derrick	Hubbard
Ammerman	Derwinski	Hughes
Anderson, Ill.	Devine	Hyde
Andrews, N. Dak.	Dickinson	Ichord
	Dicks	Ireland
Annunzio	Diggs	Jeffords
Applegate	Dingell	Jenkins
Archer	Dodd	Jenrette
Armstrong	Dornan	Johnson, Calif.
Ashbrook	Downey	Johnson, Colo.
Ashley	Drinan	Jones, N.C.
Aspin	Duncan, Oreg.	Jones, Okla.
Badillo	Duncan, Tenn.	Jones, Tenn.
Bafalis	Early	Jordan
Baldus	Edgar	Kasten
Baucus	Edwards, Calif.	Kastenmeier
Bauman	Edwards, Okla.	Kelly
Beard, R.I.	Eilberg	Kemp
Beard, Tenn.	Emery	Ketchum
Beilenson	English	Keys
Benjamin	Ertel	Kildee
Bevill	Evans, Colo.	Kindness
Bingham	Evans, Del.	Kostmayer
Blanchard	Evans, Ga.	Krebs
Blouin	Evans, Ind.	Krueger
Boggs	Fary	LaFalce
Boland	Fascell	Lagomarsino
Bolling	Fenwick	Latta
Bonior	Findley	Leach
Bonker	Fish	Lederer
Bowen	Fisher	Le Fante
Brademas	Fithian	Leggett
Breckinridge	Flippo	Lehman
Brinkley	Flood	Lent
Brodhead	Florio	Levitas
Brooks	Flowers	Lloyd, Calif.
Broomfield	Flynt	Lloyd, Tenn.
Brown, Calif.	Foley	Long, La.
Brown, Mich.	Ford, Mich.	Long, Md.
Broyhill	Ford, Tenn.	Lujan
Buchanan	Forsythe	Luken
Burke, Calif.	Fountain	Lundine
Burke, Fla.	Fraser	McClory
Burke, Mass.	Frey	McCloskey
Burlison, Mo.	Fuqua	McCormack
Burton, John	Gaydos	McDade
Burton, Phillip	Gephardt	McDonald
Butler	Gibbons	McEwen
Byron	Gilman	McFall
Caputo	Ginn	McHugh
Carney	Glickman	McKay
Carr	Goldwater	McKinney
Carter	Goodling	Maguire
Cavanaugh	Gore	Mahon
Cederberg	Gradison	Mann
Chappell	Grasley	Markey
Chisholm	Gudger	Marks
Clausen, Don H.	Guyer	Marlenee
	Hagedorn	Marriott
Clawson, Del	Hall	Martin
Cleveland	Hamilton	Mathis
Cochran	Hammer-schmidt	Mattox
Cohen		Mazzoli
Coleman	Hanley	Meeds
Collins, Ill.	Hannaford	Metcalfe
Collins, Tex.	Hansen	Meyner
Conable	Harkin	Michel
Conte	Harrington	Mikulski
Corcoran	Harris	Milford
Corman	Harsha	Miller, Calif.
Cornell	Hawkins	Miller, Ohio
Cornwell	Heckler	Mineta
Cotter	Hefner	Minish
Coughlin	Heftel	Mitchell, Md.
Crane	Hightower	Mitchell, N.Y.
Daniel, Dan	Hillis	Moffett
Daniel, R. W.	Holland	Mollohan
Montgomery	Rhodes	Steiger
Moore	Rinaldo	Stockman
Moorhead, Calif.	Risenhoover	Stokes
	Roberts	Stratton
Mottl	Robinson	Studds
Murphy, Ill.	Rodino	Stump
Murphy, N.Y.	Roe	Symms
Murphy, Pa.	Roncalio	Taylor
Murtha	Rooney	Thone
Myers, Ind.	Rose	Thornton
Myers, Michael	Rosenthal	Traxler
Natcher	Rostenkowski	Treen
Neal	Rousselot	Trible
Nedzi	Roybal	Tsongas
Nichols	Rudd	Tucker
Nix	Ruppe	Udall
Nolan	Russo	Ullman
Nowak	Ryan	Vander Jagt
Oakar	St Germain	Vanik
Oberstar	Santini	Vento
Obey	Sarasin	Volkmer
O'Brien	Satterfield	Waggonner
Ottinger	Scheuer	Walgren
Panetta	Schroeder	Walsh
Patten	Schulze	Wampler
Patterson	Sebelius	Watkins
Pattison	Seiberling	Waxman
Pease	Sharp	Weiss
Pepper	Shuster	Whalen
Perkins	Sikes	White
Pickle	Simon	Whitehurst
Pike	Sisk	Whitley
Pressler	Skelton	Whitten
Preyer	Skubitz	Wiggins
Price	Slack	Winn
Pritchard	Smith, Iowa	Wirth
Pursell	Smith, Nebr.	Wolff
Quayle	Snyder	Wright
Quie	Solarz	Wydler
Quillen	Spellman	Wylie
Rahall	Spence	Yates
Railsback	Stangeland	Yatron
Rangel	Stanton	Young, Mo.
Regula	Steed	Zablocki
Reuss	Steers	Zeferetti

NAYS—18

Anderson, Calif.	de la Garza	Van Deerlin
	Edwards, Ala.	Weaver
AuCoin	Frenzel	Wilson, Bob
Badham	Gammage	Young, Alaska
Bennett	Jacobs	Young, Tex.
Burgener	Kazen	
D'Amours	Myers, Gary	

ANSWERED "PRESENT"—1

Bedell

NOT VOTING—36

Andrews, N.C.	Huckaby	Runnels
Barnard	Koch	Sawyer
Biaggi	Lott	Shipley
Breaux	Madigan	Staggers
Brown, Ohio	Mikva	Stark
Burleson, Tex.	Moakley	Teague
Clay	Moorhead, Pa.	Thompson
Conyers	Moss	Tonry
Eckhardt	Pettis	Walker
Erlenborn	Poage	Wilson, C. H.
Giaimo	Richmond	Wilson, Tex.
Gonzalez	Rogers	Young, Fla.

The Clerk announced the following pairs:

Mr. Teague with Mr. Erlenborn.

Mr. Thompson with Mr. Eckhardt.

Mr. Moorhead of Pennsylvania with Mr. Brown of Ohio.

Mr. Burleson of Texas with Mr. Barnard.

Mr. Breaux with Mr. Gonzalez.

Mr. Biaggi with Mr. Conyers.

Mr. Mikva with Mr. Charles Wilson of Texas.

Mr. Moakley with Mr. Sawyers.

Mr. Staggers with Mr. Runnels.

Mr. Shipley with Mr. Tonry.

Mr. Charles H. Wilson of California with Mr. Young of Florida.

Mr. Rogers with Mr. Lott.

Mr. Koch with Mr. Huckaby.

Mr. Stark with Mr. Madigan.

Mr. Giaimo with Mrs. Pettis.

Mr. Moss with Mr. Richmond.

Mr. Clay with Mr. Andrews of North Carolina.

Mr. MARLENEE changed his vote from "nay" to "yea."

Mr. YOUNG of Texas changed his vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. RICHMOND. Mr. Speaker, I support the passage of H.R. 3753, amendments to the Fishery Conservation Zone Transition Act. Unfortunately, I was unavoidably detained on other matters and could not be present on the floor for the vote on this matter.

GENERAL LEAVE

Mr. LEGGETT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the bill H.R. 3753, just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION OF COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT TODAY WHILE HOUSE IS IN SESSION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Subcommittee on Energy Research, Development and Demonstration of the Committee on Science and Technology, may be permitted to sit today during the time the House is in session.

The SPEAKER pro tempore (Mr. DANIELSON). Is there objection to the request of the gentleman from Washington?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, what is the necessity for this?

Mr. McCORMACK. If the gentleman will yield, we are hearing testimony from the administration on the budget requests for the Energy Research and Development Administration. We find it is absolutely unavoidable to have these meetings morning, noon, and night, because of the schedule we have during this period.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, is this for testimony only?

Mr. McCORMACK. If the gentleman will yield, yes, it is for testimony only.

Mr. ROUSSELOT. I thank the gentleman for his remarks.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

DEPOSITORY INSTITUTIONS AMENDMENTS OF 1977

Mr. DODD. Mr. Speaker, by direction of the Committee on Rules, I call up

House Resolution 337 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 337

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 3365) to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Connecticut (Mr. DODD) is recognized for 1 hour.

Mr. DODD. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON) for the purpose of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 337 provides an open rule with 1 hour of general debate for consideration of H.R. 3365, the Depository Institutions Amendments of 1977. The resolution further provides that after general debate, the bill shall be read for amendment under the 5-minute rule by titles instead of by sections.

Mr. Speaker, the Depository Institutions Amendments of 1977 is an important step by this Congress to maintain the diversity and strength of our Nation's financial institutions. It is this diversity which supports the economic well-being of this Nation and the consumers who are its citizens.

Without a diversified financial sector, including savings and loan associations, commercial banks, credit unions, mutual savings banks, et cetera, our economic health, and our ability to weather periods of economic adversity such as now, would suffer significantly.

H.R. 3365 has been designed by our distinguished colleagues on the Committee on Banking, Finance and Urban Affairs, ably led by the gentleman from Wisconsin (Mr. REUSS) and the gentleman from Rhode Island (Mr. ST GERMAIN), to improve the financial operations of these institutions.

Among other purposes, this act would extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions, and it would make major changes in the Federal Credit Union Act in order to allow Federal credit unions to provide additional, needed, and desired services to their members.

The authority for Federal regulatory agencies to flexibly regulate interest rates, commonly known as regulation Q, would be extended until March 1, 1978, Mr. Speaker, and this extension is needed for at least two important reasons.

First, extension of regulation Q should allow continuation of a steadier flow of deposits in thrift institutions whose primary reason for existence is to supply funds for home mortgage financing.

This continued availability of deposit funds for home mortgage financing is essential for our Nation to provide decent homes for its citizens and to maintain a housing construction industry so essential to our economic recovery efforts.

We all know that the construction industry has suffered most severely from our latest economic troubles, and that this "Bellwether" industry must be resuscitated if we are to regain and stay on the road to economic stability.

Second, extension of regulation Q authority for another year would allow both this Congress and the new administration the necessary time and opportunity to study the complicated questions surrounding comprehensive reform of our Nation's financial institutions—including the ultimate role and utility of flexible, regulated interest rates—without discarding at this time a method still demonstrating its economic value.

In dealing with Federal credit unions, H.R. 3365 provides them with those powers considered absolutely essential to enable them to continue operating in a manner beneficial to their members and the Nation's economy.

Credit unions continue to prove their value and stability in the consumer credit and savings market and have demonstrated a legitimate claim for updated and more flexible authority granting them the opportunity to better serve their members in a highly competitive and ever-changing financial environment.

The amendments proposed in H.R. 3365 are necessary for the continued financial stability of Federal credit unions.

A major amendment would permit Federal credit unions to make real estate loans with maturities up to 30 years. At present, the 10-year maturity limit on secured loans effectively precludes Federal credit unions from making conventional mortgage loans.

State credit unions now have considerable experience in the mortgage-lending field. This experience and ability to provide needed capital to housing markets should not be overlooked, and this act would enable Federal credit unions to participate with certain restrictions to ensure that the most eligible consumers gain from this new authority.

Mr. Speaker, I urge adoption of the rule in order that the legislation may be considered.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 337 provides an open rule with 1 hour of general debate for the consideration of H.R. 3365, the extension of regulation Q, and for other purposes. The rule provides that the bill be read for amendments by titles rather than by sections. However, there is one problem with this rule. During the latter part of the 94th Congress, all rules reported by the Committee on Rules routinely included language providing for a "motion to recommit with or without instructions." On this rule, and also the rule on the ethics reform package to be considered tomorrow, the language guaranteeing this right has been omitted. This is important because in the event that a substitute is offered on the floor in place of the bill, the minority would be precluded from the right to recommit with instructions. It is hoped that during the Carter administration in which fair play is supposedly of the utmost import, this procedure is not going to become an everyday occurrence.

H.R. 3365 extends the authority which expires today, March 1, 1977, for the flexible regulation of interest rates on deposits and accounts in depository institutions. Title I of the bill provides a 1-year extension of the authority for regulation Q. Title II amends the Home Owners Loan Act to permit federally chartered savings and loans in New York State to offer checking accounts comparable to those permitted to State chartered associations. Title III of the bill extends to September 1, 1977, the authority of the Federal Reserve to purchase Federal obligations directly from the Treasury. Title IV extends deposit insurance to demand deposits of State chartered federally insured credit unions; extends to 12 years the maximum maturity on secured and unsecured loans; extends maximum term on mortgage loans from 10 to 30 years; permits mobile home loans for 15-year terms; permits Government insured or guaranteed loans on terms permitted under the insured or guaranteed program; permits loans to, or endorsed by, officers and directors up to $5,000 without board of director approval; authorizes "line of credit" approval for borrowers; within limits, authorizes loans to other credit unions and participation in loans with other credit unions; permits the offering of variable types of share accounts and share certificates; and makes modest changes in regulatory authorities.

Even with the reservations mentioned above concerning this rule, I intend to support it and recommend its adoption.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. DEL CLAWSON. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague's yielding.

Can the gentleman from California (Mr. DEL CLAWSON), a distinguished member of the Committee on Rules, give us any idea why the majority did not include the language in this rule to which he just referred, that is, a motion to recommit, with or without instructions? Why did they deny the minority, under this rule, the chance to offer such a motion?

Mr. DEL CLAWSON. Mr. Speaker, when the gentleman asks me why it was denied by the majority, I do not know.

Mr. ROUSSELOT. Maybe my colleague, the gentleman from Connecticut (Mr. DODD), can tell us.

Mr. DEL CLAWSON. To answer the gentleman further, Mr. Speaker, the minority may have to take some of the responsibility because I do not believe that we insisted upon it at the time this rule was adopted.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague's remarks, and I hope that we will insist on it in the future, realizing that we cannot offer a motion to recommit and get a vote on it in this instance.

Does my colleague, the gentleman from Connecticut (Mr. DODD), want to comment on why it was excluded?

Mr. DODD. Mr. Speaker, if the gentleman will yield, I shall be delighted to answer.

I would only point out that the gentleman from California (Mr. DEL CLAWSON) has pointed out that it was not a question of denying it. There was no insistence on the language, in the first instance. It was not a question of denying it.

Mr. ROUSSELOT. I wonder whether the gentleman from Connecticut can assure us that in the future on rules of this type, where there really is no attempt to try to deny giving the minority a chance to offer a motion to recommit, with or without instructions, that that language will be included.

Mr. DEL CLAWSON. Mr. Speaker, if I may answer, I would like to assure the gentleman that I think the minority is going to be a little more careful, especially in light of what happened in the last several days. Only this morning in a hearing that language was adopted in the rule in connection with the bill before us on the Kennedy Center. That was adopted by the committee. Therefore, I think perhaps we will be better protected in the future than we have been in the past.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman's comments, and I would be happy if my colleague, the gentleman from Connecticut (Mr. DODD), can assure us to the same effect.

Mr. DODD. If the gentleman will yield further, Mr. Speaker, I am not in a position at all to make guarantees.

Mr. ROUSSELOT. Mr. Speaker, the gentleman is a member of the committee.

Mr. DODD. I certainly will take it into consideration, but I am not prepared to speak, nor can I speak, for the majority of the committee on a matter like this.

Mr. SISK. Mr. Speaker, will the gentleman yield?

Mr. DEL CLAWSON. I yield to the gentleman from California.

Mr. SISK. Mr. Speaker, I appreciate the gentleman's yielding.

Let me say that I moved this morning to amend a rule laid before us to include a motion to recommit, with or without instructions. I can assure the gentleman that as far as this Member is concerned, that I agree with his comments.

In this instance, however, I had not assumed that this was going to be necessary. We have had those arrangements for motions to recommit for quite a long while, and I am somewhat surprised that it had been changed.

I can assure the gentleman that for the future I will in all occasions support a motion to recommit with or without instructions because in my opinion that is the right of the minority.

Mr. DEL CLAWSON. I thank the gentleman and I appreciate the gentleman's attitude.

Mr. ROUSSELOT. Mr. Speaker, I want to compliment my colleague, the gentleman from California (Mr. SISK) for his reassurance as an active member of the Committee on Rules, and I am sure he will be there to make sure that that does occur. I am also hopeful that my good colleague, the gentleman from Connecticut (Mr. DODD) will do the same.

I thank my colleagues for raising the issue.

Mr. STEIGER. Mr. Speaker, will the gentleman yield?

Mr. DEL CLAWSON. I yield to the gentleman from Wisconsin.

Mr. STEIGER. Mr. Speaker, I have asked the gentleman to yield so that I could direct a question through him to the gentleman from Connecticut who is handling the rule itself.

Will the gentleman from Connecticut (Mr. DODD) yield for an amendment, that is an amendment to the rule as proposed, which would say with or without instructions?

Mr. DODD. Mr. Speaker, will the gentleman yield?

Mr. DEL CLAWSON. I yield to the gentleman from Connecticut.

Mr. DODD. Mr. Speaker, I am not authorized by the committee to yield for such a purpose. The only purpose in yielding is for the purpose of debate only.

Mr. DEL CLAWSON. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Speaker, I thank the gentleman from California (Mr. CLAWSON) for yielding to me.

Mr. Speaker, without attempting to be redundant on the issue of the motion to recommit with or without instructions, let me remind the Members that we went through a rather substantial battle on this floor last year over the unemployment compensation bill. At the conclusion of the debate on that particular resolution, the resolution was defeated because, in the opinion of the House, both majority and minority, this did not permit the minority a motion to recommit with instructions.

Also at the conclusion of that debate I had a rather substantial discussion with my colleague, the gentleman from Missouri (Mr. BOLLING), a member of the Committee on Rules, in which he stated:

> Never again will we bring a resolution to the floor without a motion to recommit with or without instructions.

In this particular bill it does not seem to make all that much difference but we are going to have a bill in a day or so wherein it does make a great deal of difference. It seems to me that if this House is going to operate in a totally open fashion and in a fashion which at least the Members can understand, despite the fact that the public is not really well aware of what our rules do or do not do, but, if we are going to operate in an open fashion, then it seems to me that there does not have to be each member of the Committee on Rules watching the others to make sure that this provision is included in the resolution.

I do congratulate my friend, the gentleman from California (Mr. SISK) for the comments he made in this regard.

I can guarantee the House that when the resolution for the ethics bill comes before the House, I will again make this argument. I would say to all Members of the Congress that the only way to be fair is to bring the rules out under circumstances where a motion to recommit can be made with instructions. I would certainly hope that the majority members on the Committee on Rules would concur in the statement made by the gentleman from Missouri (Mr. BOLLING) last year.

Mr. DEL CLAWSON. Mr. Speaker, I have no further requests for time.

Mr. DODD. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ST GERMAIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3365) to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Rhode Island (Mr. ST GERMAIN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 3365, with Mr. DODD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Rhode Island (Mr. ST GERMAIN) will be recognized for 30 minutes, and the gentleman from California (Mr. ROUSSELOT) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Rhode Island (Mr. ST GERMAIN).

Mr. ST GERMAIN. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin (Mr. REUSS), the distinguished Chairman of the full committee.

Mr. REUSS. Mr. Chairman, I rise in support of H.R. 3365 which was favorably reported out the Committee on Banking, Finance and Urban Affairs on February 17 by a rollcall vote of 44 to 1. Our expeditious consideration of this legislation is necessitated by the fact that the authority of the Federal financial regulatory agencies to set flexible rates paid on time and savings deposits, known as regulation Q, expires today.

When Congressman ST GERMAIN, chairman of your committee's Subcommittee on Financial Institutions, and I introduced H.R. 1901, the predecessor to the legislation before us today, we gave recognition to the need that certain interim action, by the Congress, was required to provide a period of certainty for financial institutions. Additionally, H.R. 3365 is needed to rectify certain competitive imbalances brought about, in part, by our extended deliberations in the last Congress on comprehensive financial institution reform measures, and to provide additional time for the new administration to address itself to the threshold questions underlying comprehensive reform.

The issues before us today certainly are not unfamiliar. As many of our colleagues will recall, in the last Congress, Congressman ST GERMAIN and I cosponsored a comprehensive study of our Nation's financial system. After months of hearings, a bill was introduced which treated each of the issues contained in H.R. 3365 on a more permanent basis. Unfortunately, the Banking Committee was not able to resolve the many controversies surrounding the Financial Reform Act before adjournment.

Virtually all are in agreement concerning the need for comprehensive restructuring of our financial delivery system to promote greater efficiency and to more effectively meet the credit needs of all Americans. H.R. 3365 is at least a step in that direction.

Mr. ST GERMAIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 3365, which, as your committee's chairman, Mr. REUSS, has just stated, is an urgently needed interim measure to insure the continued stability of our existing financial delivery system while the Congress continues its deliberations on comprehensive financial reform measures.

Mr. Chairman, on January 13, 1977, Chairman REUSS and I introduced H.R. 1901, to insure early consideration of flexible rate control authority, known as regulation Q, which expires today.

The last time the House considered legislation dealing with this subject matter—on October 30 and 31, 1975—I expressed my hope that the Subcommittee on Financial Institutions, as a part of its detailed examination of financial institutions, would be able to reach a judgment as to the most appropriate means of achieving a permanent solution to the problem of insuring a steady flow of capital for mortgage financing, rather than reliance upon regulation Q on a temporary basis. Many weeks of hearings were held in connection with what was known as the FINE Study—Financial Institutions and the Nation's Economy. A comprehensive bill was introduced reflecting the FINE Study conclusions. Due to the complexity and size of the original bill, it was broken down into three separate bills—reform of the Federal Reserve, foreign bank operations in the United States, and expanded lending and investment powers for financial institutions. The latter bill, H.R. 13077, was similar to FIA 1975, passed by the Senate on December 11, 1975. Both bills attempted to deal with regulation Q on a permanent basis, but the ultimate impact on housing, unfortunately, continued to remain uncertain. The lateness of the session, the upcoming Presidential election and the difficulty experienced in coordinating our committee's legislative recommendations with related tax considerations within the jurisdiction of the Ways and Means Committee made it impossible to obtain a consensus within the committee for action in the closing days of the 94th Congress.

Inasmuch as the subject matter of title I—regulation Q; title II—NOW accounts; title III—extension of Federal Reserve Bank authority to make direct purchase of U.S. obligations—had been thoroughly explored by the committee in the 94th Congress, as stated above, oral testimony was requested for title IV—the credit union amendments—from the National Credit Union Administration, the Credit Union National Association, and the National Association of Federal Credit Unions. In addition, the written views of the Federal financial regulatory agencies, trade associations, State regulators, and consumer representatives were obtained and distributed to committee members during our consideration of the bill. These statements are all part of the printed record of the hearings.

Mr. Chairman, after a subcommittee hearing on February 7, a clean bill, H.R. 3365, was reported out by voice vote. I might add that during both the hearings on February 7 and the markup session on February 8, 17 out of 19 members of the subcommittee were in attendance and voted. On February 17, the Banking Committee reported out H.R. 3365, as amended, by a rollcall vote of 44 in favor and 1 vote against.

Mr. Chairman, I would like to proceed now with a brief summary of the first three titles of the bill, with a somewhat fuller explanation of title IV of the bill, the credit union amendments.

Title I extends for 1 year—March 1, 198—the authority of financial regulatory agencies to establish—under regulation Q—interest rate ceilings on time and savings deposits.

Mr. Chairman, while your committee recognizes that regulation Q, increasingly, is less effective in achieving one of its primary purposes—that is, insuring the continued availability of deposit funds for home mortgage financing, the extended deliberations on comprehensive financial reform measures, particularly as expanded consumer lending and investment powers for thrift institutions continue to be the subject of much debate, your committee contends that a 1-year extension of regulation Q is essential to insure stability given today's economic conditions. Additionally, your committiee believes the 1-year extension period will give the new administration sufficient time to address itself to the threshold questions underlying comprehensive financial reform proposals. Thus, in the absence of expanded powers which would provide the flexibility thrift institutions need to compete with banks for deposits, your committee believes that temporary rate control authority must be maintained for an additional 1-year period.

Title II—as a result of amendments, both subcommittee and full committee, this title merely responds to an actual competitive disparity existing today in New York State resulting from an enactment of the New York State Legislature on May 26, 1976, authorizing demand deposit accounts and overdraft privilege authority to state-chartered thrift associations—both mutual savings banks and State-chartered savings and loan associations. Title II, as amended, merely authorizes federally chartered institutions to offer similar accounts, maintaining the prohibition against the payment of interest on such accounts. The committee fully anticipates continuing its deliberations and review of the committee-requested Federal Reserve Board study with the hope that in the near future the popular New England NOW account—interest paying—will be available throughout the Nation, provided a number of complex and related issues can be resolved concurrently.

Title III—would renew until August 31, 1977, the authority of Federal Reserve banks to purchase directly from the Treasury public debt obligations up to a limit of $5 billion outstanding at any one time. The direct purchase authority is a temporary accommodation to be used only under unusual circumstances.

Mr. Chairman, the authority for Federal Reserve banks to make direct purchase of U.S. obligations was enacted in World War II and has been extended temporarily from time to time since enactment. The last extension—Public Law 94–125, approved November 12, 1975—extended the authority from November 1, 1975, to October 31, 1976. Thus, at present there is no authority for such direct purchases by Federal Reserve banks.

Mr. Chairman, your committee believes that the temporary authority granted to Federal Reserve banks to purchase directly U.S. obligations is important as a standby means of providing a ready source of funds to the Federal Government. The authority has been used in recent years only in periods just prior to tax payment dates. Its existence permits the Treasury Department to operate with considerably lower cash balances than would otherwise be required.

Title IV—the modernization powers contained in this title are deemed essential if credit unions are to remain viable. The basic authorities granted by this title are absolutely essential if credit unions are not only to survive, but to flourish in an increasingly competitive economic environment. A failure to grant the limited modernizing authority contained in this title would require credit unions to compete within the confines of enabling legislation which in general has been substantially unchanged since its enactment in 1934.

The provisions of this title, in one form or another, have been before the committee for the past 5 years. Due to comprehensive financial reform studies and extended deliberations, the credit unions movement has time and time again ex-

perienced disappointment as we have been unable to achieve permanent solutions to a number of complex issues having nothing whatsoever to do with credit union authorities. In the recent past, the 94th Congress, I was joined by 34 of my colleagues, 33 of whom served as members of the House Banking, Currency and Housing Committee, as cosponsors of H.R. 7474, which also contained these provisions, plus several controversial provisions, restructuring authority and the establishment of a Central Liquidity Fund, which are not a part of this title. In addition, the Senate passed on December 11, 1975, FIA 1975, which also contained the provisions of this title. Thus, in the judgment of the committee, the time has clearly come to stop holding the credit union movement hostage and enact those provisions essential to the very survival and orderly growth of the credit union movement. Title IV will accomplish this.

Title IV is a 10-section title, the last three of which—Sec. 408–410—are merely conforming sections necessitated by substantive changes in the preceding seven sections.

Section 401—Provides for Federal share insurance for demand deposit accounts of State-chartered credit unions.

Section 402—Expanded Powers. Federal credit unions may now establish varying—

Self-replenishing lines of credit to member borrowers obviating the need for a review of each transaction.

Maximum loan maturity for secured or unsecured consumer or personal loans to 12 years.

Removal of limit on unsecured loan amount that can be loaned to one member, but retains loan limit of 10 percent of unimpaired capital and surplus.

Thirty-year mortgages—1–4 family, sales price restricted to 150 percent of median sales price—providing parity with State-chartered credit unions in 27 States.

Mobile home and home improvement loans with maturities up to 15 years.

Government insured or guaranteed loans.

Loans to directors increased from $2,500 to $5,000, with review thereafter.

Charges in connection with loans remains at 12 percent maximum interest rate.

Loan prepayment—prohibits prepaypayment penalties. Loans to, and participation loans with, other credit unions. By committee amendment, originating credit union shall retain at least 10 percent of the face amount of the loan.

Section 403—Investment: Varying rates of return on shares, various classifications and maturities.

Purchase and sale of notes of members—provides flexibility to utilize secondary market facilities—liquidity—real estate loans.

Sale of assets—flexibility for liquidity purposes.

Section 404—Conforming amendment relating to removal of $2,500 unsecured loan limit.

Section 405—Statutory reserve requirement. Two-tier regular reserve formula. Permits Federal credit unions with assets of more than $500,000 in operation for more than 4 years to use a different reserve formula.

Section 406—Conforming amendment.

Section 407—Adds "unfitness" as a ground for removal of any director, officer, or committee member of a Federal credit union.

Section 408, 409, 410—Conforming amendments.

Mr. Chairman, each of the four titles of H.R. 3365 is essential to insure a period of certainty for our financial institutions as we continue our deliberations, working with a new administration on the subject of comprehensive financial reform proposals. I, therefore, strongly urge the immediate enactment of H.R. 3365.

Mr. ROUSSELOT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have debated this issue of regulation Q a great deal last year. We have at various times considered aspects of regulation Q and its impact on the money markets and on housing specifically in the Financial Reform Act hearings during the last 2 years. So today there really is not much controversy over the portion of this bill that extends regulation Q for 1 year.

Garth Marston, Chairman of the Federal Home Loan Bank Board in a letter to the chairman of the subcommittee, I believe, best summarized the reasons for a 1-year extension of regulation Q:

> It is the strong belief of this Board that the continuation of rate control authority—with an effective rate differential favoring savings and loan associations—will clearly be required for an extended period of time if the S&L industry is to meet the housing credit needs of the nation, particularly the needs of urban areas and of low and moderate income households. Consideration could be given to phasing out rate control only when savings and loans are given new powers to help them attract and maintain funds and to achieve competitive equality with other lenders. Even then, rate control authority, with a differential, would be necessary until the S&L industry was fully able to digest and implement any expanded powers, as evidenced by the increased earnings and strengthened competitive position.

As my colleagues have indicated, there is an expansion of power for credit unions in title IV. Some of us felt the expanded powers given to credit unions was a subject deserving separate consideration as a bill. There was some discussion of that issue in our committee.

The original title II—relating to NOW accounts—ran into some difficulty because of confusion over the legislative and regulatory situation in New York, New Jersey, and Pennsylvania. Most of the problems seem to have been resolved by the provision for federally chartered savings and loan associations in New York to offer checking accounts. As the committee report states, this is a limited action designed to correct an existing competitive disparity in New York State. The report goes on to say that our action today "in no way is intended to prejudice future committee consideration of nationwide extension of the NOW account experiment for individual depositors." On behalf of the minority I would like to express our willingness to work with our distinguished colleagues on your side to develop a NOW account proposal which is realistic and practical, in light of the Federal Reserve study, the New England experience, and the desires of citizens of the respective States.

Title III, which provides for a short extension of the authority of the Federal Reserve to purchase obligations directly from the Treasury, represents a most constructive effort to give the Committee an opportunity to study a facet of the Treasury's cash management operation which has not been reviewed for many years.

Mr. Chairman, I now yield 5 minutes to my colleague, the ranking Member on our side who I believe has some important statements, the gentleman from Ohio, Mr. J. WILLIAM STANTON.

Mr. STANTON. Mr. Chairman, first let me compliment specifically the two chairmen, the chairman of the committee and the chairman of the subcommittee, and the ranking minority member.

I join in the remarks of our distinguished chairman of the full committee, the gentleman from Wisconsin (Mr. REUSS), in asking support for this legislation.

Mr. Chairman, the gentleman from Rhode Island (Mr. ST GERMAIN) has described the bill so I will not go through that again. I encourage my colleagues to support the bill as reported by the committee—although it is a bit ironic that despite our efforts to cooperate in a bipartisan move to bring a good bill to the floor we now find ourselves at the 11th hour opposed by the new administration.

While I do suggest support for this bill I would be remiss if I did not call attention to its weaknesses. It is at best a stopgap measure. We play games with regulation Q because we all realize it cannot be phased out until we deal realistically with the larger problems of financial reform. Your committee has done well in reporting a 1-year extension but we are all aware that the other body is only prepared to enact a 90-day or 6-month extension. I hope that the House conferees will hold for the longer term so we can consider financial reform measures separate from the emotional atmosphere associated with pending expirations of regulation Q.

TITLE II

Title II remedies an existing inequity. State-chartered savings and loans in New York State can offer checking accounts and title II authorizes federally chartered savings and loans to do what State-chartered institutions can. I certainly support competitive equality, but I think it is important to recognize that Congress is again responding to a local initiative. Not that this is bad. It is, however, another demonstration of the value of the dual banking system. Another local initiative which has apparently proved itself prompts us to respond at the Federal level.

Mr. Chairman, I do not think it makes a great deal of difference whether we call these third-party transfer accounts checking accounts, NINOWS, or NOW accounts, the fact of the matter is that

with electronic funds transfer systems coming on all financial institutions want to position themselves to offer their customers the service they desire. There are a multitude of questions to be addressed in this area, but title II is an appropriate interim response to an existing local problem in New York State. I might note that only this morning the EFTS Commission has released its interim report. This report and the soon-to-be-expected recommendations of the Federal Reserve Board regarding the payment of interest on demand deposits should start a dialog here in Congress which will enable us to make some sound judgments on the advisability of extending these accounts nationwide.

Mr. Chairman, while I am also supporting title IV of the bill as amended, and with a further amendment that will be offered at the appropriate time, it too is a stopgap measure. Essentially title IV is merely a broadening of existing powers which will enable credit unions to serve their members better. What title IV fails to address are the more significant issues proposed in the Credit Union Modernization Act such as restructuring the National Credit Union Administration, third party transfer accounts, and a central liquidity facility.

Let me repeat, Mr. Chairman, that I do support this bill and urge my colleagues to do the same. It is a modest bill but with the committee amendments it is a good bill which moves us in the right direction. I sincerely hope the other body will accept it instead of a simple 6 months extension of regulation Q. A strong show of support for this bill here today will at least help us if a conference is convened.

Mr. ST GERMAIN. Mr. Chairman, I yield such time as he may consume, to the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Chairman, I rise in support of H.R. 3365.

I compliment and commend the chairman of the subcommittee, the gentleman from Rhode Island, for bringing this bill to the floor today and I urge Members on both sides to vote for the bill H.R. 3365.

Mr. Chairman, today, March 1, we are asked to vote on H.R. 3365. If this piece of legislation is not passed today regulation Q, the Interest Rate Control Act will expire.

This Congress is no stranger to debate on the merits or demerits of regulation Q. Whatever the arguments, there is a bottom line: The savings and loan industry needs regulation Q to assure a plentiful supply of mortgage money for home purchasers. The inflows of money needed to supply mortgage funds are a direct result of regulation Q differentials.

I am well aware of my colleagues' allegations that savings and loan institutions now have more money than is immediately needed to satisfy consumer demand for mortgage loans. I have not yet seen documentation of such excess funds. Even if it can be documented, our concern should not focus solely on a temporary excess of available mortgage funds. This is only a short-sighted view of the total housing picture.

A stable supply of mortgage money is needed to make more housing available to American consumers at affordable prices. Take away regulation Q and the result will be disruption in the housing market. Who, I ask, will be able to meet the housing credit needs of the Nation? It would not be long until consumer demand again exceeds supply of mortgage money available. Double-digit interest rates on home mortgages might be the rule, rather than the exception.

Take away regulation Q, and disruption will also result among the financial institutions. For example, a previous experience with a limited elimination of rate control on 4-year $1,000 certificates—the so-called wild card experiment—so upset the competitive balance between savings associations and banks, with massive shifts of deposits and raging rate wars, that Congress was forced to step in and devote substantial energy to outlaw them legislatively.

Mr. Speaker, I urge my colleagues not to place our economic recovery in jeopardy by causing disruptions in either the financial or housing markets. Housing starts for this critical year are estimated to be 18 percent over last year's totals. Will there be mortgage money available to finance these housing starts in the next quarter, or in the quarters after that? Extension of regulation Q is needed more than ever to avoid a slump in all areas of the building-related industries that would be felt negatively throughout the economy.

I am afraid that some of my distinguished colleagues feel only savings associations benefit from regulation Q. In reality, the ultimate beneficiary of our actions today is the entire American economy.

Acting in favor of H.R. 3365 extends further than regulation Q, however. Title II as it now stands will allow the federally chartered savings and loans of the State of New York to offer noninterest bearing checking accounts. A vote in favor of this title would grant to the Federal savings and loans in New York a power which now is held by the State-chartered savings and loans already.

Title III extends until October 1978 the authority of the Federal banks to purchase directly from the Treasury public debt obligations.

As a supporter of credit unions, I am very anxious to see passed title IV of H.R. 3365 which would extend to Federal credit unions some of the powers now held by most State-chartered credit unions. Granting the power to provide these services will only enhance the scope of services offered by this Nation's entire banking system since credit unions provide to consumers who might not otherwise have access to credit, or any other banking service for that matter.

Do not let the opportunity pass to provide the consumers of this country, indeed the total economy of this country, with such needed and timely legislation as H.R. 3365.

Mr. ROUSSELOT. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. WYLIE), a very active and distinguished member of our Committee on Banking, Finance and Urban Affairs.

Mr. WYLIE. Mr. Chairman, I thank the gentleman for yielding.

That was a little warmer send-off than I had anticipated.

Mr. Chairman, at the outset I had thought maybe we needed a little more time to discuss the issues which are addressed in this bill and I had suggested during the deliberations of the subcommittee that we ought to receive testimony from the banks, the savings and loan institutions and from the regulatory agencies, but the impact of the bill was greatly reduced during hearings before the subcommittee and later during markup before the full Banking, Finance and Urban Affairs Committee and I will vote for it today.

I will support the bill today and suggest that you do likewise because I think it is desirable to resolve the regulation Q issue for a year and not have the uncertainty and time consuming exercise of going up and down the aisle on that question every 90 days. Briefly, regulation Q with Public Law 94-200 is the authority granted to a committee composed of a representative of the Federal Reserve Board, the Comptroller of the Currency, the Federal Home Loan Bank Board, and the Federal Deposit Insurance Corporation to regulate the payment of interest on savings accounts.

Secondly the bill in its present form gives us more time to study the impact of NOW accounts and it does correct a situation in the State of New York which is punitive as far as the Federal savings and loans are concerned by allowing the Federal savings and loans the same authority as the State savings and loans on checking accounts.

Also the bill reinstates the Federal Reserve Board's direct purchase authority from the Treasury which permits a more efficient management of Treasury cash balances.

Then, too, the bill gives the Federal credit unions a chance to modernize their operations by providing mortgage lending authority to its members. In this respect, the bill addresses a problem which I think needs to be addressed. It allows Federal credit unions additional authority to improve other services to their shareholders.

So for these reasons I am going to vote for H.R. 3365 today feeling on balance that it is a good bill.

Mr. ST GERMAIN. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. LAFALCE), a very introspective, hard-working, intensive, sagacious, and succinct Member.

Mr. LAFALCE. Mr. Chairman, I will be, at least, succinct.

Mr. Chairman, I very much appreciate the kind words of my truly distinguished colleague from Rhode Island, Mr. ST GERMAIN. I rise in strong support of H.R. 3365, and would like to share with my colleagues some observations about this measure which is critical to the Nation's thrift institution industry.

Title I of the bill contains an extension for 1 year of regulation Q ceilings and interest rate differential. Regu-

lation Q provides the lifeblood of savings and loan associations and mutual savings banks throughout the country.

Under the provisions of regulation Q, these thrift institutions are able to pay a slightly higher rate on saving deposits than their commercial bank competitors. This mechanism, although not perfect, has helped since its inception to attract funds to the financial institutions that invest the lion's share of their deposits in long-term residential mortgages.

It was for the precise purpose of insuring a steady flow of funds into the Nation's mortgage market that regulation Q was first devised. The thrift industry as a whole needs this type of assistance in attracting deposits as much now as in the years gone by, and a 1-year extension of the differential at this time is critical if we are, as a body, to keep our commitment to insure adequate housing for the American people.

Title II of the bill addresses a problem of competitive inequality unique to New York State. Last spring, the State legislature in Albany passed, and the Governor signed, legislation to enable State chartered mutual savings banks and savings and loan associations to offer checking accounts with overdraft privileges to their depositors. This progressive step had the effect of introducing more competition into the marketplace in New York.

One problem that emerged, however, was that federally chartered savings and loan associations became the only major class of financial institutions in the State to be left without some form of third party payment account. Commercial banks, whether State or federally chartered, had long-standing authority to offer checking accounts. With the legislation enacted by the legislature in 1976, all State chartered savings and loan and mutual savings banks also obtained this authority.

Soon after the enactment of that legislation, the New York State consumer was confronted with full page advertisements in every major newspaper throughout the State sponsored by the various financial institutions trying to entice new accounts with "free checking" and "one stop banking" slogans. The federally chartered savings and loan associations could not compete on an equal basis with their State chartered counterparts because there was no provision in Federal law that would enable them to do so.

There are no reliable figures on the extent of the damage that this disparity in powers has created for this category of Federal financial institution. It can, however, be said that there is little question that the federally chartered savings and loan in New York have suffered some shifting of accounts out of their institutions into others which offer both the higher interest on savings deposits as well as free checking.

To correct this disequilibrium in New York's marketplace, I introduced legislation in the last Congress that would permit federally chartered savings and loan associations in New York to offer checking accounts and overdrafts to the same extent that similar, State chartered institutions are permitted to do so. This legislation went to the heart of the problem the New York Federal savings and loans have faced. I am delighted to say that my legislation from last year has been accepted by the House Banking Committee and is incorporated in the bill today as section 201. I hope that my colleagues from around the country can appreciate the dilemma this group of Federal institutions in New York is facing, and will lend your support to address this competitive inequity by passing H.R. 3365.

I would also like to call to the attention of my colleagues one other feature of the bill that merits your consideration and support. Title IV extends to Federal credit unions a number of new powers that will help this distinctive group of financial institutions launch more extensive mortgage loan programs and offer additional services essential to their members. For example, title IV permits credit unions to offer home mortgages with 30-year maturities instead of the 10-year limitation that exists at present. The 10-year limitation effectively precludes Federal credit unions from playing a very extensive role in the Nation's home finance sector.

The legislation also embodies authorization for Federal credit unions to offer self-replenishing lines of credit and raises the maximum loan maturities to 12 years for credit unions unless otherwise specified. These changes are absolutely necessary to make the Nation's Federal credit unions the diversified financial institutions they should be to best serve their members.

In conclusion, I would urge my colleagues to give their fullest consideration to this critically needed legislation.

Mr. ROUSSELOT. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Delaware (Mr. EVANS).

Mr. EVANS of Delaware. Mr. Chairman, I want to express my support for H.R. 3365, particularly Title IV of the bill having to do with credit unions. Credit unions play a vital role in providing financial services to those individuals who might otherwise be without them. As a private citizen, I have been involved in strengthening several credit unions in areas which were without adequate financial services. These facilities have made an important contribution toward broadening the horizons of members of these neighborhoods. The credit union concept is a good one and it is one that should be strengthened. H.R. 3365 allows credit unions to expand services to their members that are urgently needed.

I am pleased that the committee report followed my suggestion by inserting explicit language as to the proper limitation that must be placed on what types and amounts of mortgage loans a credit union can make under the bill. Credit unions are designed to serve individuals who may otherwise be unable to secure specific financial services. It is essential to this basic concept that mortgage loans not be available to those individuals who could obtain them from other sources. Mortgage loans made for "luxury" homes would in effect be denying that money to more needy individuals. I am confident that the administration of the National Credit Union Administration will impose maximums on the percentage of a credit union's portfolio that may be tied up by massive long-term mortgages and thereby encourage loans to persons of greater need and more modest terms.

In closing, Mr. Chairman, I would like to urge my colleagues to support H.R. 3365 as an important piece of legislation expanding the powers of our valuable credit unions.

Mrs. SPELLMAN. Mr. Chairman, I rise in support of H.R. 3365 as reported from the Banking Commitee. As a member of that committee, I am concerned that we continue our proud tradition of promoting competition to the benefit of the consumer, and this bill does just that.

The sections of H.R. 3365 which amend the Federal Credit Union Act are of particular importance to me, to consumers, and to the many credit unions in this country. No other banking institution is so close to the people, no other banking institution is more responsive to the people than is the credit union. The phenomenal growth of the credit union industry in the past few years clearly demonstrates that the services provided by credit unions are vitally important to the banking consumer. We should encourage this confidence in credit unions by continuing to provide for healthy competition with other aspects of the banking industry, not by restricting the services which a credit union may or may not offer to its members.

Approximately 26 States now permit State credit unions to make long-term real estate loans. Federal credit unions have been making real estate loans within the existing 10-year loan maturity under the Federal Credit Union Act. H.R. 3365 would permit Federal credit unions to compete with their sister State unions, and with other banking institutions by allowing real estate loans with maturities of up to 30 years with certain restrictions that insure that such loans are targeted for low- and middle-income family residences. Surely in these times of depressed housing markets, when young families cannot afford to consider purchasing a home of their own, we should encourage thrift institutions to make more loan money available for such purposes.

Just as surely, we should allow credit unions to fill in the gaps left by the inability of other financial institutions to participate in federally guaranteed or insured loans. How many of your constituents have come to you wondering why they cannot obtain a federally guaranteed student loan for their son or daughter to attend college? How many of your voters have asked why they cannot find the federally insured housing moneys which you supported last year? They cannot obtain those loans because banks cannot fill them all. Credit unions can help to fill them, and credit unions want to help fill them. And, those loans will be repaid. The stockholder, the member of the credit union vitally interested in the continuation of the credit union, is the person applying for that loan.

Credit unions should be able to make

home improvement loans, and mobile home loans, on a sensible, 15-year maturity basis. Again, our housing market, the backbone of our economy, needs the influx of new money, and the credit unions have that money to give the housing construction industry, and all of the related industries, a much-needed "shot in the arm."

Competition is the key of our business and our economy, and we should encourage competition. It benefits the consumer, and it benefits the thrift industry, too. Let us permit credit unions to share in our Nation's financial markets, to bring a breath of fresh air to our loan markets, to encourage competition to the benefit of the consumer, as one means of increasing consumer confidence in our economy. Give the consumer the opportunity to choose the financial institution that best responds to his or her needs, and I am sure that we will then see a financial industry as a whole become more responsive to consumer needs. After all, who was it that said, "A little competition never hurt anyone"? H.R. 3365 injects that "little competition" which I believe we need. I urge that my colleagues join me in supporting this measure as reported.

Mr. BADILLO. Mr. Chairman, I urge favorable consideration of H.R. 3365, the Depository Institutions Amendments of 1977.

This measure extends, for 1 year, Public Law 89–597, the so-called regulation Q, which empowers Federal financial regulatory agencies to regulate rates of interest paid by commercial banks and thrift institutions on time and savings deposits. It also continues the differential in interest rates, presently 0.25 percent higher, that thrift institutions can pay on deposits. This slightly higher interest rate in favor of thrift institutions has been in existence since the enactment of the law. It was designed to safeguard thrift institutions, perceived as the major source of conventional mortgage money throughout the Nation, against withdrawals during periods of rising interest rates and thus was intended to assure a steady source of funds for housing.

There has been much discussion lately concerning the efficacy of regulation Q and the continuation of the percentage differential, as well as the role of both thrift and commercial financial institutions in our economy. Because of shifting consumer demands and changing national needs many argue, and I agree, that a major overhaul of the laws and regulations governing these institutions must be undertaken. But the evidence is by no means all in and we need time for reasoned and orderly action. The institutions in turn must have a clear understanding of their position and expectations to be able to undertake an orderly review and commitment of their investments. In my opinion the alternatively proposed 3-month extension of regulation Q would not meet either the needs of Congress nor allow for an orderly utilization of investment portfolios. For these reasons I favor and urge the 1-year extension.

Title II of H.R. 3365 is of particular concern to New York State. The New York Legislature last year passed a bill which authorized State-chartered thrift institutions to offer checking accounts. At the time this action was taken, passage of similar legislation on the Federal level was anticipated. Unfortunately, the Federal law did not materialize and as a result there now exists a serious competitive inequity between federally and State-chartered institutions. This title merely seeks to correct that inequity, without in any way going into the much more complicated and complex question of NOW accounts. I hope that it will be retained by this body.

The rest of the legislative provisions in this measure renew until August 1, 1977, the authority of the Federal Reserve Banks to purchase U.S. obligations—an extension, I understand, sought by the Federal Reserve; and broaden the power of credit unions by removing the $2,500 limit on unsecured loans they can now offer their members; permit them to make real estate loans with maturities of up to 30 years; and make possible conventional mobile home and home improvement loans. These powers have been sought and I believe are deserved by our credit unions.

All in all, this is a good measure, worthy of support. I hope that it will be passed overwhelmingly.

Mr. CLEVELAND. Mr. Chairman, when bills dealing with the field of banking have come before the House on previous occasions, I have sometimes felt obliged to vote "present," because of a possible conflict of interest arising from my position as a director and officer of a bank in New Hampshire.

In the case of H.R. 3365, however, which the House has under consideration today, I intend to vote in favor of the bill because of my overwhelming conviction that it is primarily and essentially a bill to improve the lot of credit unions. Although certain sections of H.R. 3365 pertain to banking, and to regulation Q in particular, the central aim of the bill in my view is title IV, which grants many overdue new powers to federally chartered credit unions. Many of these powers, I should note, are already available to numerous State-chartered credit unions.

Mr. Chairman, I have long supported credit union legislation, and I am, therefore, especially eager to go on record as favoring H.R. 3365. The powers granted by this bill will bring credit unions up to a more responsive and competitive level in providing financial services to their members.

The credit union movement, originally started to promote thrift and provide credit for people of close common interests, is becoming increasingly more important in the financial lives of thousands of my constituents, but the archaic restrictions imposed upon credit union services has limited their usefulness.

In the years since they were first conceived, credit unions have certainly proved their worth in the consumer credit and savings market, and they have a valid claim for more flexible authority to serve their membership as well as possible in today's competitive and changing financial world. Legislation to broaden their powers has been in the works for several years now, but in one way or another has always been smothered by being attached to a more comprehensive—and controversial—banking bill. H.R. 3365, however, is refreshing unique; it is a credit union modernization bill with some continuing banking provisions attached, and I am pleased to announce my strong support.

Mr. PATTERSON of California. Mr. Chairman, I support the 1-year extension of the current differential for interest rates as contained in title I of H.R. 3365, however, is refreshingly unique; it for federally chartered credit unions in title IV of this important bill. A full 1-year extension of the differential will give both the Congress and the new administration an opportunity to develop a complete program for reform of financial institutions and the mortgage instrument while assuring that the housing market will continue to operate successfully in the interim. Title IV will provide expanded sources of mortgage money to which consumers may turn as they purchase homes.

The 1968 Housing and Urban Development Act set the following housing policy for the United States:

> The realization as soon as feasible of the goal of a decent home and suitable living environment for every American family.

We as a nation have supported this goal through public housing programs, tax incentives, and the extension of a differential on interest rates that can be paid by commercial banks and thrift institutions which specialize in housing. The 1-year extension of this differential is essential until we can find other methods which will guarantee adequate funds for investment in home mortgages.

The Subcommittee on Financial Institutions Supervision, Regulation, and Insurance found that the original 90-day extension proposed would allow inadequate time for the administration, the House, and the Senate to develop a viable program encompassing all of the needed reforms of financial institutions. What the subcommittee and the full Banking Committee foresaw was that the Congress would be forced into an "emergency" extension of the differential after 90 days in order to assure that disintermediation would not dry up the flow of savings into thrifts which are the foundation of housing finance. Anyone who sat on the House Banking, Finance and Urban Affairs Committee in the last Congress can assure you that it has been impossible to act quickly on an omnibus package which is both fair and assures adequate mortgage money for housing. This year we have additional complications of a new administration which has not yet appointed the people who will run the agencies involved, let alone developed a thorough financial institutions reform package.

All of the above arguments aside, the validity of providing an incentive for investment in housing should stand by itself. While we may need to look at the questions of expanded powers for thrift institutions, reform of the mortgage instrument, equalization of tax laws, and extension of the differential to any institution willing to invest in home mort-

gages, the emphasis upon encouragement of funding for housing of American people should not be diminished to any degree.

Title IV of H.R. 3365 would be an additional step in promoting a viable housing market. The increased authority for federally chartered credit unions will provide another source of funds for consumers desiring home mortgages. It is time that we allowed credit unions to expand beyond current loan limitations and to provide home mortgage, home improvement, and mobile home loans to their members.

The credit unions have done a remarkable job of providing consumer loan services for the working man and woman. With the safeguards contained in title IV, I see no reason why we should not take this step of providing authority for these institutions to enter the housing finance field. It would service the consumer by making added mortgage funds available in the market and promoting competition.

While I might like to see further expansion of powers for credit unions and other thrift institutions in the context of an omnibus financial reform bill, I see no problem with extending these limited authorities now.

Mr. ROUSSELOT. Mr. Chairman, there is such tremendous movement behind this bill that I have no other requests for time.

Mr. Chairman, I yield back the balance of my time.

Mr. ST GERMAIN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Under the rule, the Clerk will now read the bill by titles.

The Clerk read as follows:

H.R. 3365

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SEC. 101. Section 7 of the Act of September 21, 1966 (Public Law 89-597), is amended by striking out "March 1, 1977" and inserting in lieu thereof "March 1, 1978".

Mr. ST GERMAIN (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The CHAIRMAN. Are there any amendments to title I? If not, the Clerk will read title II.

The Clerk read as follows:

TITLE II

SEC. 201. (a) Section 2(a) of Public Law 93-100 (12 U.S.C. 1832(a)) is amended by inserting "New York, New Jersey, Pennsylvania," immediately after "Vermont,".

(b) Section 2(a) of Public Law 93-100 (12 U.S.C. 1832(a)) is amended by adding at the end thereof the following: "However, in the State of New York, New Jersey, and Pennsylvania, no depository institution may pay any interest or dividend on any deposit or account described in the preceding sentence unless and until such State allows all State chartered depository institutions to pay interest or dividends on such deposits or accounts.".

Mr. ST GERMAIN (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, strike out line 8 and all that follows down through line 8 on page 2, and insert in lieu thereof the following:

"SEC. 201. Notwithstanding section 5 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464), any depository institution which is chartered by the Federal Home Loan Bank Board under section 5 of the Home Owners' Loan Act of 1933 and located in the State of New York may permit withdrawals, overdrafts, or transfers of accounts on negotiable, transferable, or nonnegotiable check, order, or authorization, to such extent and subject to such requirements and conditions as may be applicable under the law of the State of New York to institutions of the same type chartered under the laws of the State of New York."

Mr. ST GERMAIN. Mr. Chairman, by way of explanation, the committee, after extended debate, due to the complexity of the issues involved from a national point of view, elected to respond to the actual competitive disparity existing today in New York State with full knowledge of the potential for such disparity in the near future in New Jersey and Pennsylvania as a result of potential State actions, both regulatory and legislative.

The New York State Legislature authorized, effective May 26, 1976, demand deposit accounts and overdraft privilege authority to State-chartered thrift institutions—both mutual savings banks and State-chartered savings and loan associations—creating a potentially serious and destructive competitive disparity for federally chartered savings and loan associations.

The committee, therefore, adopted an amendment permitting any depository institution, chartered by the Federal Home Loan Bank Board, located in the State of New York, to permit withdrawon negotiable, transferrable, or nonneals, overdrafts, or transfers of accounts gotiable check, order, or authorization, to such extent and subject to such requirements and conditions as may be applicable under the law of the State of New York to institutions of the same type chartered under the laws of the State of New York.

The committee wishes to emphasize that its recommendation in no way is intended to prejudice future committee consideration of nationwide extension of the NOW account experiment for individual depositors.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read title III.

The Clerk read as follows:

TITLE III

SEC. 301. Section 14(b) of the Federal Reserve Act (12 U.S.C. 355) is amended (1) by striking out "November 1, 1976" and inserting in lieu thereof "November 1, 1978"; and (2) by striking out "October 31, 1976" and inserting in lieu thereof "October 31, 1978".

The CHAIRMAN. The Clerk will report the next committee amendments.

The Clerk read as follows:

Committee amendments: Page 2, beginning on line 12, strike out "November 1, 1978" and insert in lieu thereof "September 1, 1977"; and on line 14, strike out "October 31, 1978" and insert in lieu thereof August 31, 1977".

Mr. ST GERMAIN. Mr. Chairman, by way of explanation, the committee adopted an amendment to title III which renews until August 31, 1977, the authority of Federal Reserve Banks to purchase directly from the Treasury public debt obligations. The committee adopted the amendment decreasing the extension period from October 31, 1978, to August 31, 1977, believing that a full review of the use of this standby authority should be undertaken during the current session of the 95th Congress.

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

The CHAIRMAN. The Clerk will read title IV.

The Clerk read as follows:

TITLE IV

SEC. 401. Section 201 of the Federal Credit Union Act (12 U.S.C. 1781) is amended by repealing subsection (c)(3) thereof.

SEC. 402. (a) Paragraph (5) of section 107 of the Federal Credit Union Act (12 U.S.C. 1757) is amended to read as follows:

"(b) to make loans, the maturities of which shall not exceed twelve years except as otherwise provided herein, and extend lines of credit to its members, to other credit unions, and to credit union organizations and to participate with other credit unions, credit union organizations, or financial organizations in making loans to credit union members in accordance with the following:

"(A) Loans to members shall be made in conformity with criteria established by the board of directors: *Provided*, That—

"(i) a residential real estate loan which is made to finance the acquisition of a one-to-four-family dwelling for the principal residence of a credit union member, the sales price of which is not more than 150 per centum of the median sales price of residential real property situated in the geographical area (as determined by the board of directors) in which the property is located, and which is secured by a first lien upon such dwelling, may have a maturity not exceeding thirty years, subject to the rules and regulations of the Administrator;

"(ii) a loan to finance the purchase of a mobile home, which shall be secured by a first lien on such mobile home, to be used by the credit union member as his residence, or for the repair, alteration, or improvement of a residential dwelling which is the residence of a credit union member shall have a maturity not to exceed fifteen years unless such loan is insured or guaranteed as provided in subparagraph (iii);

"(iii) a loan secured by the insurance or guarantee of the Federal Government, of a State government, or any agency of either may be made for the maturity and under the terms and conditions specified in the law under which such insurance or guarantee is provided;

"(iv) a loan or aggregate of loans to a director or member of the supervisory or credit committee of the credit union making the loan which exceeds $5,000 plus pledged shares, be approved by the board of directors;

"(v) loans to other members for which directors or members of the supervisory or credit committee act as guarantor or endorser be approved by the board of directors when such loans standing alone or when added to any outstanding loan or loans of the guarantor or endorser exceeds $5,000;

"(vi) the rate of interest not exceed 1 per centum per month on the unpaid balance inclusive of all service charges;

"(vii) the taking, receiving, reserving, or charging of a rate of interest greater than is allowed by this paragraph, when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person by whom it has been paid, or his legal representatives, may recover back from the credit union taking or receiving the same, in an action in the nature of an action of debt, the entire amount of interest paid; but such action must be commenced within two years from the time the usurious collection was made;

"(viii) a borrower may repay his loan, prior to maturity in whole or in part on any business day without penalty;

"(ix) loans shall be paid or amortized in accordance with rules and regulations prescribed by the Administrator after taking into account the needs or conditions of the borrowers, the amounts and duration of the loans, the interests of the members and the credit unions, and such other factors as the Administrator deems relevant.

"(B) A self-replenishing line of credit to a borrower may be established to a stated maximum amount on certain terms and conditions which may be different from the terms and conditions established for another borrower.

"(C) Loans to other credit unions shall be approved by the board of directors.

"(D) Loans to credit union organizations shall be approved by the board of directors and shall not exceed 1 per centum of the paid-in and unimpaired capital and surplus of the credit union. A credit union organization means any organization as determined by the Administrator, which is established primarily to serve the needs of its member credit unions, and whose business relates to the daily operations of the credit unions they serve.

"(E) Participation loans with other credit unions, credit union organizations, or financial organizations shall be in accordance with written policies of the board of directors."

(b) Paragraph (6) of such section is repealed.

SEC. 403. (a) Paragraph (7) of section 107 of the Federal Credit Union Act (12 U.S.C. 1757) is redesignated as paragraph (6) and is amended to read as follows:

"(6) to receive from its members, from other credit unions, from an officer, employee, or agent of those nonmember units of Federal, State, or local governments and political subdivisions thereof enumerated in section 207 of this Act and in the manner so prescribed, and from nonmembers in the case of credit unions serving predominately low-income members (as defined by the Administrator) payments on shares which may be issued at varying dividend rates, and payments on share certificates which may be issued at varying dividend rates and maturities, subject to such terms, rates, and conditions as may be established by the board of directors, within limitations prescribed by the Administrator.".

(b) Paragraph (8) of such section is redesignated as paragraph (7) and amended by adding the following paragarph:

"(I) in the shares, stocks, or obligations of any other organization, corporation, or association which strengthens or advances the development of credit unions or credit union organizations, up to 3 per centum of the total paid in and unimpaired capital and surplus of the credit union with the approval of the Administrator;".

(c) Paragraphs (9) through (14) of section 107 are redesignated paragraphs (8) through (13).

(d) Paragraph (13), as redesignated, of section 107 is amended by inserting after the first comma the following: "to purchase, sell, pledge, or discount or otherwise receive or dispose of, in whole or in part, any eligible obligations (as defined by the Administrator) of its members and".

(e) Section 107 is further amended by adding the following new paragraph after paragraph (13):

"(14) to sell all or a part of its assets to another credit union, to purchase all or part of the assets of another credit union and to assume the liabilities of the selling credit union and those of its members subject to regulations of the Administrator;".

SEC. 404. Section 114 of the Federal Credit Union Act (12 U.S.C. 1761c) is amended as follows:

(1) by adding "and lines of credit" after "loans" in the first sentence;

(2) by striking "No loan shall be made unless approved" in the third sentence and inserting in lieu thereof "Except for those loans or lines of credit required to be approved by the board of directors in section 107(5) of this Act, approval of an application shall be" and by adding "and lines of credit" after "the power to approve loans";

(3) by striking "loan" as it appears after "each" and before "approved" in the fourth sentence, and inserting in lieu thereof "application";

(4) by striking "loans" in the fifth sentence and inserting in lieu thereof "applications";

(5) by striking "for any loan which" in the sixth sentence and inserting in lieu thereof "with respect to any loan or line of credit for which the application";

(6) by adding "and lines of credit" after "loans" in the eighth sentence and by striking "the purpose for which the loan is desired";

(7) by striking the ninth sentence; and

(8) by striking "$200 or" and "whichever is greater", in the tenth sentence.

SEC. 405. Section 116 of the Federal Credit Union Act (12 U.S.C. 1762) is amended by striking out the first sentence of subsection (a) and inserting in lieu thereof "At the end of each accounting period the gross income shall be determined." and by striking out all after the colon in subsection (a), by striking out subsection (b), and by inserting in lieu thereof the following:

"(1) A credit union in operation for more than four years and having assets of $500,000 or more shall set aside (A) 10 per centum of gross income until the regular reserve shall equal 4 per centum of the total of outstanding loans and risk assets, then (B) 5 per centum of gross income until the regular reserve shall equal 6 per centum of the total of outstanding loans and risk assets.

"(2) A credit union in operation less than four years or having assets of less than $500,000 shall set aside (A) 10 per centum of gross income until the regular reserve shall equal 7½ per centum of the total of outstanding loans and risk assets, then (B) 5 per centum of gross income until the regular reserve shall equal 10 per centum of the total of outstanding loans and risk assets.

"(3) Whenever the regular reserve falls below the stated per centum of the total of outstanding loans and risk assets, it shall be replenished by regular contributions in such amounts as may be needed to maintain the stated reserve goals.

"(b) The Administrator may decrease the reserve requirement set forth in subsection (a) of this section when in his opinion such a decrease is necessary or desirable. The Administrator may also require special reserves to protect the interests of members either by regulation or for an individual credit union in any special case.".

SEC. 406. Subsection (b)(3)(B) of section 120 of the Federal Credit Union Act (12 U.S.C. 1766) is amended by striking out "shares" and inserting in lieu thereof "member accounts".

SEC. 407. (a) Subsection (g)(1) of section 206 of the Federal Credit Union Act (12 U.S.C. 1786) is amended by striking out "and that such violation or practice or breach of fiduciary duty is one involving personal dishonesty on the part of such director, officer, or committee member".

(b) Subsection (g)(2) of such section is amended by changing "dishonesty and unfitness" to read "dishonesty or unfitness" each place it appears therein.

SEC. 408. Paragraph (4) of section 101 of the Federal Credit Union Act (12 U.S.C. 1752), the second time it appears therein, is amended by inserting immediately before the semicolon at the end thereof the following: ", and such terms mean those accounts of nonmember credit unions and nonmember units of Federal, State, or local governments and political subdivisions thereof in which payments are received by a credit union pursuant to section 107(6) of this Act;".

SEC. 409. The third sentence of section 113 of the Federal Credit Union Act (12 U.S.C. 1716b) is amended by striking out "that may be held by an individual" and inserting in lieu thereof "and share certificates and the classes of shares and share certificates that may be held", and by striking out "and the maximum amount which may be loaned with or without security to any member" and inserting in lieu thereof ", the security, and the maximum amount which may be loaned or provided in lines of credit".

SEC. 410. Section 117 of the Federal Credit Union Act (12 U.S.C. 1763) is amended to read as follows:

"DIVIDENDS. At such intervals as the board of directors may authorize, and after provision for required reserves, the board may declare, pursuant to such regulations as may be issued by the Administrator, a dividend to be paid at different rates on different types of shares and at different rates and maturity dates in the case of share certificates. Dividend credit may be accrued on various types of shares and share certificates as authorized by the board of directors.".

Mr. ST GERMAIN (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 6, line 22, strike out the semicolon and insert in lieu thereof the following: "*Provided*, That a credit union which originates a loan for which participation arrangements are made in accordance with this section, shall retain an interest of at least 10 per centum of the face amount of the loan."

Mr. ST GERMAIN (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment

be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. ST GERMAIN. Mr. Chairman, the amendment was one offered by my colleague from Ohio, the ranking minority member of the committee (Mr. STANTON). It is, in my opinion, an amendment which improves the legislation. It was unanimously adopted by the full committee, and I therefore recommend its adoption.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Ohio.

Mr. STANTON. I just want to take this time to ask the distinguished subcommittee chairman if he realizes that the amendment covered in this, before it came to the House floor, had 3 percent and was reduced to 1 percent.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendments.

The Clerk read as follows:

Committee amendments: Page 7, strike out lines 16 through 24.

Page 8, line 1, strike out "(9)" and insert in lieu thereof "(8)"; and on line 2 strike out "(8)" and insert in lieu thereof "(7)".

Page 8, line 19, after "unless" insert "it is".

Mr. ST GERMAIN (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

PERFECTING AMENDMENT OFFERED BY MR. ST GERMAIN

Mr. ST GERMAIN. Mr. Chairman, I offer a perfecting amendment to the bill.

The Clerk read as follows:

Perfecting amendment offered by Mr. ST GERMAIN: On page 8, after line 8, insert the following language:

(b) Paragraph (8) of such section is redesignated as paragraph (7) and amended by adding the following paragraph:

"(I) in the shares, stocks, or obligations of any other organization, providing services which are associated with the routine operations of credit unions, up to 1 per centum of the total paid in and unimpaired capital and surplus of the credit union with the approval of the Administrator: Provided, however, that such authority does not include the power to acquire control directly or indirectly, of another financial institution, nor invest in shares, stocks or obligations of an insurance company, trade association, liquidity facility or any other similar organization, corporation, or association, except as otherwise expressly provided by this Act;".

On page 8, on line 18, immediately after the word "Paragraphs" delete "(8)" and insert in lieu thereof "(9)"; and on line 19, immediately after the word "paragraphs" delete "(7)" and insert in lieu thereof "(8)".

Mr. ST GERMAIN (during the reading). Mr. Chairman, I ask unanimous consent that the perfecting amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. ST GERMAIN. Mr. Chairman, during the committee consideration of H.R. 3365, a number of questions were raised concerning the original leeway provision of the bill as reported out of the subcommittee. During the course of committee markup, an understanding was reached with the minority that we would use the time between the committee action striking the questionable section and floor action to see whether or not we could reach an agreement as to more specific guidelines to be provided NCUA in its administration of a leeway provision. I am pleased to report that as a result of the cooperative efforts that took place during the past week, such an agreement has now been reached.

I wish to commend our distinguished ranking minority member, Mr. STANTON, and committee staff for achieving what I believe to be an appropriate solution to the problems articulated during the full committee markup. I know that the gentleman from Ohio shares with me our deep concern that the credit union movement receive modernization powers as provided for by title IV and I am pleased that we have been able to reach this agreement to permit certain flexibility in the operations of credit unions by the adoption of this leeway provision, the subject of my amendment.

In addition to the quite specific language appearing in the committee report beginning on page 10, I believe that the language of my amendment makes it absolutely clear as to the intent of our committee that this authority be exercised on a carefully controlled and monitored basis by NCUA, and its my expectation that as the credit union movement gains experience with the discretion provided by this amendment that we will be in a position to evaluate the results down the road. Should a case be made for a more liberal administration of the provision then I know that the committee stands ready to review the matter upon request of NCUA.

Mr. ROUSSELOT. Mr. Chairman, I rise in support of the perfecting amendment by Mr. ST GERMAIN, and Mr. STANTON. I would like to point out to my colleagues that the issue was debated very fully in the committee. I appreciate the fact that our subcommittee chairman has agreed that this issue needed to be addressed. I would like to remind my colleagues, as has been suggested, that the distinguished gentleman from Ohio (Mr. STANTON) was the one who properly raised this issue in the committee to make sure that this shortcoming in the original bill was corrected.

That is because there is no doubt, as the chairman has stated, that a 3-percent leeway was excessive, in relation to the reserves of our credit unions, and it was agreed upon as proposed by my colleague from Ohio (Mr. STANTON) that the leeway provision should be perfected and augmented by report language before we brought it to the floor. We have handled the amendment in this manner because of the time factor involved in trying to bring this bill to the floor quickly because regulation Q expires today. It was, therefore, necessary to utilize this method of a perfecting amendment to achieve the balance that was recommended by my colleague from Ohio (Mr. STANTON).

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my distinguished colleague from Ohio (Mr. STANTON).

Mr. STANTON. Mr. Chairman, I appreciate the gentleman yielding to me. Let me say that I in turn appreciate the full cooperation the chairman of the subcommittee has given to this matter. We are in full accord on decreasing it from 3 percent to 1 percent. The main thing is that the credit unions will be able to do with this 1 percent exactly what we intend.

I would like to ask the chairman of the subcommittee to verify this, because we want it clearly understood as far as the meaning of the language of the amendment relates to acquiring control, directly or indirectly, of another financial institution. Would the gentleman spell that out, please?

Mr. ROUSSELOT. I yield to my colleague, the gentleman from Rhode Island (Mr. ST GERMAIN).

Mr. ST GERMAIN. Mr. Chairman, certainly any investment in another financial institution will be subject to strict regulation by the administrator. Those regulations will establish minimum criteria equivalent to those delineated in the Bank Holding Company Act. In establishing such criteria, the administrator should be concerned with not only the investment in an individual credit union and financial institution, but also the collective investments of credit unions in a given financial institution, and such collective investments would probably be in the area of approximately 25 percent of the stock.

Mr. STANTON. I thank the gentleman.

Mr. ROUSSELOT. Mr. Chairman, I will say, in conclusion, that my colleague, the gentleman from Ohio, as usual, was very much alert to the fact that this change needed to be written into the new law. The credit unions themselves stated that the 1-percent "leeway" provision was more than adequate to permit credit unions to establish appropriate service corporations within given guidelines. The committee believes the following guidelines will provide adequate definition to the 1-percent "leeway" provisions:

1. To participate in the secondary mortgage market (such as the Federal National Mortgage Association) and the secondary market for student loans (Student Loan Marketing Association).

2. To permit credit unions to establish credit union service corporations which, among other things:

Provide data processing services;

Help develop small credit unions through promotion, marketing and general management support;

Provide access to sophisticated accounting systems;

Provide non-profit debt counseling services;

Provide management training and education to credit union paid and volunteer personnel;

Provide other services which are commonly associated with the routine operation of a credit union.

3. No investment made pursuant to the "leeway" provision shall be for the purpose, directly or indirectly, by a credit union or credit union controlled organization to acquire control of another financial institution.

4. No investment made pursuant to the "leeway" provision shall be in the shares, stocks or obligations of any trade association or similar organization.

5. No investment made pursuant to the "leeway" provision shall be for the purpose of the capitalization of a central liquidity facility or other similar organization.

6. Each "leeway" investment is subject to the approval of the Administrator of the National Credit Union Administration or his/her delegee, unless and until the issuance of rules and regulations provides a list of approved organizations or classes or organizations.

Mr. Chairman, I urge its adoption.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from Rhode Island (Mr. ST GERMAIN).

The perfecting amendment was agreed to.

The CHAIRMAN. The committee amendment to strike this paragraph, therefore, falls and is not voted on.

The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 13, after line 2, insert the following:

"DIVIDENDS

The committee amendment was agreed to.

The Clerk will report the last committee amendment.

The Clerk read as follows:

Committee amendment: Page 13, line 4, strike out "DIVIDENDS.—" and insert "SEC. 117."

The committee amendment was agreed to.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DODD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3365) to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions, and for other purposes, pursuant to House Resolution 337, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken.

Mr. ST GERMAIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 401, nays 4, answered "present" 5, not voting 22, as follows:

[Roll No. 34]

YEAS—401

Abdnor	Crane	Horton
Addabbo	D'Amours	Howard
Akaka	Daniel, Dan	Hubbard
Alexander	Daniel, R. W.	Huckaby
Allen	Danielson	Hughes
Ambro	Davis	Hyde
Ammerman	de la Garza	Ichord
Anderson, Calif.	Delaney	Ireland
Anderson, Ill.	Dellums	Jacobs
Andrews, N. Dak.	Dent	Jeffords
Annunzio	Derrick	Jenkins
Applegate	Derwinski	Jenrette
Archer	Devine	Johnson, Calif.
Armstrong	Dickinson	Johnson, Colo.
Ashley	Dicks	Jones, N.C.
Aspin	Diggs	Jones, Okla.
AuCoin	Dingell	Jones, Tenn.
Badham	Dodd	Jordan
Badillo	Dornan	Kasten
Bafalis	Downey	Kastenmeier
Baldus	Drinan	Kazen
Barnard	Duncan, Oreg.	Kelly
Baucus	Duncan, Tenn.	Kemp
Bauman	Early	Ketchum
Beard, R.I.	Edgar	Keys
Beard, Tenn.	Edwards, Ala.	Kildee
Bedell	Edwards, Calif.	Kindness
Bellenson	Edwards, Okla.	Kostmayer
Benjamin	Eilberg	Krebs
Bennett	Emery	Krueger
Bevill	English	LaFalce
Bingham	Ertel	Lagomarsino
Blanchard	Evans, Colo.	Latta
Blouin	Evans, Del.	Leach
Boggs	Evans, Ga.	Lederer
Boland	Evans, Ind.	Le Fante
Bolling	Fary	Leggett
Bonior	Fascell	Lehman
Bonker	Fenwick	Lent
Bowen	Findley	Levitas
Brademas	Fish	Lloyd, Calif.
Breckinridge	Fisher	Lloyd, Tenn.
Brinkley	Fithian	Long, La.
Brodhead	Flippo	Long, Md.
Brooks	Flood	Lott
Broomfield	Florio	Lujan
Brown, Calif.	Flowers	Luken
Brown, Mich.	Flynt	Lundine
Brown, Ohio	Foley	McClory
Broyhill	Ford, Tenn.	McCloskey
Buchanan	Forsythe	McCormack
Burgener	Fountain	McDade
Burke, Calif.	Fraser	McDonald
Burke, Fla.	Frey	McEwen
Burke, Mass.	Fuqua	McFall
Burlison, Mo.	Gammage	McHugh
Burton, John	Gaydos	McKay
Burton, Phillip	Gephardt	McKinney
Butler	Gilman	Madigan
Byron	Ginn	Maguire
Caputo	Glickman	Mahon
Carney	Goldwater	Mann
Carr	Goodling	Markey
Carter	Gore	Marks
Cavanaugh	Gradison	Marlenee
Cederberg	Grassley	Marriott
Chappell	Gudger	Martin
Chisholm	Guyer	Mathis
Clausen, Don H.	Hagedorn	Mattox
Clawson, Del	Hall	Mazzoli
Clay	Hamilton	Meeds
Cleveland	Hammer-schmidt	Metcalfe
Cochran	Hanley	Meyner
Cohen	Hannaford	Michel
Coleman	Hansen	Mikulski
Collins, Ill.	Harkin	Milford
Collins, Tex.	Harris	Miller, Calif.
Conable	Harsha	Miller, Ohio
Conte	Hawkins	Mineta
Conyers	Heckler	Minish
Corcoran	Hefner	Mitchell, Md.
Corman	Heftel	Mitchell, N.Y.
Cornell	Hightower	Moakley
Cornwell	Hillis	Moffett
Cotter	Holland	Mollohan
Coughlin	Hollenbeck	Montgomery
	Holt	Moore
	Holtzman	Moorhead, Calif.
		Moorhead, Pa.
		Murphy, Ill.
		Murphy, N.Y.
		Murphy, Pa.
		Murtha
		Myers, Ind.
		Myers, Michael
		Natcher
		Neal
		Nedzi
		Nichols
		Nix
		Nolan
		Nowak
		Oakar
		Oberstar
		Obey
		Ottinger
		Panetta
		Patten
		Patterson
		Pattison
		Pease
		Pepper
		Perkins
		Pickle
		Pressler
		Preyer
		Price
		Pritchard
		Pursell
		Quayle
		Quie
		Rahall
		Railsback
		Rangel
		Regula
		Reuss
		Rhodes
		Richmond
		Rinaldo
		Risenhoover
		Roberts
		Robinson
		Rodino
		Roe
		Roncalio
		Rooney
		Rose
		Rosenthal
		Rostenkowski
		Rousselot
		Roybal
		Rudd
		Runnels
		Ruppe
		Russo
		Ryan
		St Germain
		Santini
		Sarasin
		Satterfield
		Scheuer
		Schroeder
		Schulze
		Sebelius
		Seiberling
		Sharp
		Shuster
		Sikes
		Simon
		Sisk
		Skelton
		Skubitz
		Slack
		Smith, Iowa
		Smith, Nebr.
		Snyder
		Solarz
		Spellman
		Spence
		Staggers
		Stangeland
		Stanton
		Steed
		Steers
		Steiger
		Stockman
		Stokes
		Stratton
		Studds
		Stump
		Symms
		Taylor
		Thompson
		Thone
		Thornton
		Traxler
		Treen
		Trible
		Tsongas
		Tucker
		Udall
		Ullman
		Van Deerlin
		Vander Jagt
		Vanik
		Vento
		Volkmer
		Waggonner
		Walgren
		Walker
		Walsh
		Wampler
		Watkins
		Waxman
		Weaver
		Weiss
		Whalen
		White
		Whitehurst
		Whitley
		Whitten
		Wiggins
		Wilson, Bob
		Wilson, C. H.
		Wilson, Tex.
		Wirth
		Wolff
		Wright
		Wydler
		Wylie
		Yates
		Yatron
		Young, Alaska
		Young, Mo.
		Young, Tex.
		Zablocki
		Zeferetti

NAYS—4

Harrington	Myers, Gary	Poage
Mottl		

ANSWERED "PRESENT"—5

Giaimo	Pike	Winn
O'Brien	Quillen	

NOT VOTING—22

Andrews, N.C.	Frenzel	Sawyer
Ashbrook	Gibbons	Shipley
Biaggi	Gonzalez	Stark
Breaux	Koch	Teague
Burleson, Tex.	Mikva	Tonry
Eckhardt	Moss	Young, Fla.
Erlenborn	Pettis	
Ford, Mich.	Rogers	

The Clerk announced the following pairs:

Mr. Teague with Mr. Andrews of North Carolina.

Mr. Shipley with Mr. Burleson of Texas.

Mr. Breaux with Mr. Ford of Michigan.

Mr. Biaggi with Mr. Tonry.

Mr. Rogers with Mr. Stark.

Mr. Koch with Mr. Gonzalez.

Mr. Eckhardt with Mr. Gibbons.

Mr. Mikva with Mr. Moss.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed, H.R. 3365.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

SKUBITZ FEDERAL CROP INSURANCE AMENDMENTS

(Mr. SKUBITZ asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SKUBITZ. Mr. Speaker, today I am introducing a bill which would amend the Federal Crop Insurance Act, as amended, to authorize an additional $100 million in capital stock for the Federal Crop Insurance Program.

Under the provisions of the Federal Crop Insurance Act, the Federal Crop Insurance Corporation is only authorized $100 million in capital stock—of which $90 million is already issued and is outstanding. Of the remaining $10 million, a supplemental request for an appropriation to issue that amount was forwarded to Congress in 1976.

The Carter administration recently forwarded a letter to the Congress urging the adoption of an increase in the Corporation's capital stock level. That recommendation however is for $150 million—only a $50 million increase. A pertinent portion of the USDA letter forwarding that recommendation reads as follows:

> Catastrophic 1976 crop year losses in the drought-stricken Midwest have drained the Corporation's operating capital. In addition, early estimates of the freeze damage to the Florida citrus crop indicate the Corporation's resources will be all but exhausted when the indemnity payments are made. Should early heavy losses occur on 1977 winter crops, the Corporation would be unable to meet contractual commitments to farmers even with issuance of the additional $10 million in capital stock that has been requested in the form of a 1977 supplemental. The additional $50 million authority would facilitate issuance of additional stock needed to continue operations and provide producers protection on 1977 crops. Additionally, it will avoid the possible necessity of withholding payment of claims pending receipt of 1977 crop year collections. Details of the Corporation's capital position and the effect on budget authority and outlays are shown in schedules attached.

The bill I introduced today is identical to the administration's bill except that my bill would increase the capital stock level to $200 million. The reason I am proposing $50 million over and above the administration's proposal is that the Corporation has suspended writing crop insurance policies in a number of counties in my congressional district and other areas of Kansas at the very time farmers need it most. The same thing is true I understand in a number of States such as Minnesota, Iowa, and South Dakota—to name just a few.

Based on the letter accompanying the administration's proposal, I judge that the $50 million will barely cover the liabilities for crop insurance policies already written plus those which may be written in the future in open counties where irrigation may be available or where historical weather data has shown enough moisture.

I have increased the capital funding in this bill in the hope that the Carter administration will see its way clear to offer crop insurance coverage in many of the counties where the program has recently been closed and signup denied.

It does not appear to me that the general purpose of the Federal Crop Insurance Act is being served—it states in part that the purpose is "improving the economic stability of agriculture"—when insurance is denied to farmers at the time the normal sign-on period arrives because there is evidence of dry weather in areas such as my home State.

There is obviously a need for a general overhaul of the Federal Crop Insurance Act, but if it is to have any future for farmers—it must have credibility in time of need. Enactment of my legislation would provide the program with the kind of credibility it needs in my congressional district, in Kansas, and the rest of the Nation.

PASSAMAQUODDY AND PENOBSCOT INDIAN TRIBES SUIT AGAINST MAINE

(Mr. COHEN asked and was given permission to address the House for 1 minute, and to revise and extend his remarks and include extraneous matter.)

Mr. COHEN. Mr. Speaker, a dark cloud of doubt and instability is hovering over the State of Maine as a result of a lawsuit brought by the Passamaquoddy and Penobscot Indian Tribes against the State.

The tribes had originally sought a return of nearly two-thirds of the land area of the State of Maine, some 12.5 million acres, valued at $25 billion. The basis of the claim is that treaties that were entered into by the State of Massachusetts in 1794—Maine was a part of Massachusetts at that time—and by the State of Maine after it was admitted to the Union were never expressly ratified by the Congress of the United States.

Although the tribes had never questioned the substance of the treaty prior to 1972—indeed, they have been the beneficiaries of those treaties for over 180 years—they now maintain that the absence of an express consent by Congress renders those treaties null and void under the 1790 Nonintercourse Act.

The State of Maine, through its attorney general, contends that a substantial portion of the land was surrendered to Massachusetts long before the 1790 act; that a historical analysis reveals that the 1790 act was not intended to cover Eastern Indians; that the Federal Government was well aware of the treaties at the time that they were negotiated—indeed, the Federal Government had never recognized the tribes as Federal Indians prior to a 1975 decision which said that all tribes must be treated as Federal Indians—that Congress never intended to place sovereign States on the same level as private citizens in their dealings with Indian tribes; and that Congress implicitly ratified the preexisting treaties when Maine was admitted into the Union as a separate State in 1820.

While I believe that the State will ultimately prevail on the merits of these arguments, these are issues that ultimately will have to be resolved by a court of law. litigation will take years.

In the meantime, the very pendency of the suit threatens to bring the State of Maine to its knees. If the Justice Department proceeds to seek a return of the land, local municipalities in the disputed land areas will have difficulty issuing bonds to finance capital construction programs; banks will no longer finance home loans and mortgages; investment and commercial development will be terminated; and the flow of Federal dollars into programs such as FMHA, SBA and EDA may be restricted. The central nervous system of the municipalities could not survive this act of financial anoxia. Already there is a revolt beginning among the non-Indian citizens who threaten to withhold payment of taxes and mortgages pending a resolution of this controversy. This, of course, will only exacerbate the financial pressure now being exerted on local communities.

It should be pointed out that the issue of the applicability of the 1790 Nonintercourse Act, and compliance with it, is not confined to Maine. The town of Mashpee, Mass., has been crippled by a similar suit. Others are now pending in Rhode Island, Connecticut, and New York. South Carolina was recently advised that one Indian tribe will seek the return of 144,000 acres of land. In none of these cases do the States face the cataclysmic consequences now confronting Maine.

Moreover, I should make it clear that Maine may soon ask that Massachusetts be made a defendant in this case, so that if culpability is found, it will be placed at the appropriate doorstep. This will not be undertaken lightly, as we are well aware of the economic consequences that will follow an attachment of Massachusetts real estate to satisfy a multibillion dollar judgment, if it should ever become a reality.

Yesterday, the Justice Department decided that it would reduce the size of the claim to be litigated so that it will only impact upon 90,000 non-Indian citizens instead of 350,000. In addition, the tribes have indicated that they will accept money damages from some sovereign—presumably Maine or the United States—in lieu of the land held by small homeowners. This course of conduct adopted by the Justice Department still leaves in doubt the future of vast acres of land upon which are situated some of Maine's most important industries which provide the small homeowners with jobs and economic sustenance. Moreover, such a proposal ignores the financial realities now confronting these industries—the need to borrow money to finance new construction and improvements, not only to provide for more and better jobs, but to comply with environmental laws and regulations. A cloud on their real estate would effectively preclude their ability to borrow the necessary capital, thereby jeopardizing the jobs of the very homeowners that the Justice Department seeks to exempt from hardship.

Can anything be done to reconcile the interest of maintaining the economic and social stability of an entire State with our traditional notions of fair play and justice, particularly with respect to disadvantaged minorities? I believe there are several courses of action available.

One solution would be for the Federal Government to guarantee or indemnify all State and local bonds and land transactions, pending a resolution of the liti-

gation. It must be conceded, however, that neither OMB nor Congress itself will be eager to undertake a contingent liability of undefined proportions. Moreover, it is clear that whatever relief is offered to Maine will, necessarily, have to be offered to all other States involved with similar litigation. The Maine delegation intends to offer such a bill in the near future. However, with the hope that Congress will give it prompt consideration.

There is another means of resolving this controversy. It is clear that if the claim by the two tribes can remain viable for over 180 years, then it follows that Congress retains the power to ratify and confirm the very treaties which the tribes now claim are null and void.

Indeed, there is precedent for this very action. According to a report that I received from the Library of Congress, in *Seneca Nation of Indians* v. *United States*, 173 Ct. Cl. 912 (1965), the Seneca Nation argued that the appropriation of reservation land pursuant to eminent domain by the State of New York between 1858 and 1882 were void as being made without Federal consent in contravention of the Nonintercourse Act. The Court of Claims held, however, that a subsequent act of Congress which excepted the land in question from a general grant of jurisdiction to the State to apply its fish and game laws to the reservation constituted retroactive ratification of the land transfers. The court stated:

> All agree that appellant would have no complaint if assent had been given at the time of the appropriations. But approval can also come afterwards, and that is what happened here. In 1927, Congress provided that New York's game and fish laws should thereafter apply to the Seneca's oil spring reservation (among others), except "that this act shall be inapplicable to lands formerly in the oil spring reservation and heretofore acquired by the state of New York by condemnation proceedings." Act of January 5, 1927, Ch. 22, 44 Stat. 932, 933. This explicit recognition and implicit ratification of New York's ownership of the tract must be taken as Congress' approval of the original application, as well as of the State's continued claim of right. 173 Ct. Cl. 912, 915 (footnotes omitted).

Surely if the passage of time cannot bar the Indian tribes' complaint, then it follows that it cannot bar congressional review and ratification of the treaties if Congress finds they were properly negotiated at the time and were free from fraud and unfairness.

In addition, there is ample precedent that Congress can extinguish aboriginal title at any time. See, *Tee-Hit-Ton Indians* v. *United States*, 348 U.S. 272 (1954); *Johnson* v. *McIntosh*, 21 U.S. (8 Wheat.) 54 (18233).

It, no doubt, will be argued that it is unfair to deny the tribes their day in court, that this is a country of laws and not of men, and that any expedient or arbitrary manipulation of those laws by narrow-minded men for ignoble ends would unravel the very fabric of our judicial system.

In response, let me state that Maine does not seek to deny the two tribes their day in court. Indeed, with legislation that we are introducing today, the tribes will be permitted to seek monetary damages for a violation of any of their rights. And should they be successful in their effort, they will individually and collectively be in a financial position to acquire any land in or out of the State of Maine.

We have consistently supported the right of Maine's Indians to have the complex facts and legal questions heard and resolved in the courts. But there are no guilty parties in Maine today. The Federal Government bears a heavy responsibility for the present situation, and the failure of the Government to exercise its responsibility toward Maine's Indians over 180 years must be recognized.

It is with this purpose in mind, Mr. Speaker, that we are introducing a bill to extinguish the claim of aboriginal title now asserted by the Penobscot and Passamaquoddy Indians. The purpose is to remove the cloud over the State of Maine's real estate, pending the outcome of the litigation now underway. Notwithstanding the fact that Maine has abided by the treaties and the tribes, until 5 years ago, never questioned their validity, substance or adequacy, this bill would allow the tribes to pursue a claim for money damages in the event they can demonstrate any tresspass to or violation of their interests.

There is simply no equitable way of forcing a return of land which has been settled, developed and improved in good faith by Maine people for two centuries. Any settlement of the claims, whether by the courts, by Congress, or by agreement of the parties, must recognize this and protect the thousands of innocent citizens of Maine who now hold title to the land.

We offer this legislation with no intent to preclude the courts from finding that such congressional action is unnecessary because the nonintercourse act was not applicable to the treaties in question or that the State of Maine did, in fact, comply with the act and such compliance was duly approved. This legislation will serve to quiet title to the land, leaving to the courts the question of the right of occupancy and mesne damages.

One final word about fairness.

Mr. Speaker, I do not suggest that our ancestors who acquired title by conquest were generous or compassionate to the Native American Indians. The consideration and value exchanged for the land we acquired as a nation no doubt would appear shamefully inadequate under the scrutiny of contemporary morality. But if we are asked to step back into the time zone of the past, than Manhattan surely should be returned to its original owners; the rich corn and wheat fields of the Midwest should be surrendered to the remaining Indian tribes; and the oil rigs in Texas and Oklahoma should be disassembled or leveled immediately.

So if we ask whether our ancestors were fair in settling this Nation by the sword, let us not circumscribe our morality with any narrow geographical barriers.

I ask, Mr. Speaker, that we not make the State of Maine the altar upon which we seek expiration for any latent national guilt because of our ancestors' injustices or oversights. We cannot reverse the inequities of the past without doing further violence to the trust and legitimate expectations of those who live today.

THE NEW 200-MILE LAW

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ANDERSON of California. Mr. Speaker, as of today the United States of America has grown by some 2.5 million square miles due to the activation of our 200-mile limit. If the Trust Territories of the South Pacific decide to remain under our jurisdiction, another 1.5 million square miles will be under our control.

I hope that the limit accomplishes its purpose—protecting domestic stocks of fish. The real problems that the new limit will create will not be apparent at first—but I feel strongly that someday they will outweigh the benefits.

We have, in effect, opened a door, and other coastal nations will soon follow us in establishing 200-mile zones of their own. They are not likely to observe the legal niceties the United States did, such as making the zone strictly an economic one. Instead, I feel we can expect territorial zones to proliferate with nations claiming complete control over large areas of the Earth's surface, including rights of passage through some of the world's most important commercial sealanes.

Mexico moved to establish its "patrimonial sea" immediately after we passed our own 200-mile law, and, in effect, made the Gulf of California a completely controlled lake. Our own limit will eventually have to be negotiated with Cuba, which actually lies partly within it. And we have already learned that foreign interests are trying to buy American fishing boats so they can avoid the complex licensing and regulations they will soon face.

We will not know the complete effects of the limit for several years—but I strongly suspect that the benefits will eventually be outweighed by serious international repercussions.

SURFACE MINING CONTROL AND RECLAMATION ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 5 minutes.

Mr. WHALEN. Mr. Speaker, I am pleased to join my colleagues in introducing H.R. 2, the Surface Mining Control and Reclamation Act of 1977. This bill establishes minimum Federal environmental standards for surface mining operations, creates a State mining and mineral research institute, and provides for reclamation of abandoned mines. Permit me to share with you my reasons for supporting this legislation.

First, the coal industry is experiencing a revitalization which, in view of our present energy shortages, is likely to continue for some years. Both President Carter and Energy Chief James Schle-

singer have called for increased coal production to offset our dependency on natural gas and imported oil. In addition, the Federal Government has implemented a series of proposals which will lead to increased use of coal. The FEA instituted a program calling for the conversion of electric power plants to coal consumption, and the Energy Conservation and Oil Policy Act of 1975 extended the FEA's mandate. The ERDA budget for fiscal year 1977 includes $405 million for coal research and development, while the Department of the Interior requested $101 million for coal programs. Another factor which is expected to lead to rapid growth of the industry is the discovery of thick coal deposits in the West. Thus, expansion in the industry is imminent. In order to insure that this growth occurs in the manner that will best serve our long-term energy needs, we must establish Federal mining standards and coordinated research efforts now.

Second, action must be taken to resolve the environmental controversies surrounding the industry. In the past surface mining has had an enormous environmental impact. It has increased the acidity of lakes and rivers and has altered drainage patterns, which, in turn, has reduced water supplies to downstream valleys.

Mining has destroyed prime hardwood forests and wildlife habitats, degraded productive farmland, and contributed to recurrent landslides. Satellite pictures indicated that soil and hydrological characteristics in mined areas are different than those of the surrounding land, and the scars are deep and permanent. The discovery of vast Western coal reserves raises serious questions about the removal of thick coal seams and consequent disruption of river channels in a region of limited water supplies.

H.R. 2 addresses these environmental concerns by requiring mining companies to regrade the land to its approximate original contour and to meet reasonable standards regarding water supplies. Of course these requirements will not eliminate environmental disturbances. However, they will insure that at least minimum efforts in this regard are made. It is hoped that State regulatory authorities will strengthen the provisions and require additional measures to meet local needs.

Third, the bill must be enacted to insure that uniform regulations for coal production and reclamation exist across the entire Nation. It is true that all of the major coal producing States now have enacted legislation regulating surface mining. However, these laws vary greatly in stringency and enforcement. Most States are not inclined to impose tough standards on their own industries and put local businesses at a competitive disadvantage. Federal legislation would remove the unfair advantage now enjoyed by States which are allowing poorly regulated strip mining to continue.

The time to enact this legislation is now. In response to renewed interest in industry, coal producers have increased their prices. Responsible spokesmen for the industry have indicated that reclamation costs are economically acceptable now. If we enact the measure promptly, we can provide coal producers with important information they need to make plans and investment decisions for the future.

This legislation has received strong bipartisan support ever since early drafts were introduced in the 92d Congress. Now, in the 95th Congress, it is apparent that the need for such a law is great. H.R. 2 represents a culmination of previous efforts to provide for long-term, environmentally sound coal production and I join the new administration and my colleagues in urging prompt and favorable consideration of it.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. SARASIN) is recognized for 5 minutes.

Mr. SARASIN. Mr. Speaker, on February 28, 1977, I was unavoidably detained from the House for part of the legislative afternoon. Had I been present, I would have voted in the following fashion: Rollcall No. 31: H.R. 2329, Fish and Wildlife Administration, "yea."

THE PENOBSCOT AND PASSAMAQUODDY LAND CLAIM IN MAINE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. EMERY) is recognized for 10 minutes.

Mr. EMERY. Mr. Speaker, the Penobscot and Passamaquoddy Tribes of Indians are presently claiming aboriginal title to 60 percent of the land in the State of Maine. They also argue that they are entitled to damages for past interference with their property interests. The Indians' claim may apply to as much as 12,500,000 acres, an area roughly twice the size of the Commonwealth of Massachusetts. The claim for monetary damages has been estimated by some at $25 billion.

The State of Maine disputes the validity of these claims, arguing that the Indians' aboriginal title was extinguished long ago. Nonetheless, the mere existence of the Indian claims has caused several substantial problems in the State of Maine. As a result, the Maine congressional delegation has decided that the involvement of Congress in this issue is necessary to insure that the Indians' claims receive a fair judicial hearing, but that the economy of the State of Maine and the interests of its citizens are not unduly prejudiced by the pendency of the Indians' claims.

I will describe in some detail the history of the litigation to date, and some of the problems for the State of Maine and its citizens that have arisen. I will also describe the legislation submitted today by the delegation to eliminate claims for land.

The Indians claim that all transactions after 1790 purporting to extinguish the Indians' aboriginal title are void because of the absence of supervision and approval by Congress or Federal officials. Congressional approval of land transactions with Indians was required by the Non-Intercourse Act, first enacted by Congress in 1790. On the basis of the Non-Intercourse Act, the Indians claim that a treaty between the Passamaquoddy Indians and the Commonwealth of Massachusetts in 1794, and treaties between the Penobscot Indians and the Commonwealth of Massachusetts in 1796 and 1818, as well as various subsequent purchases, easements, and State projects, all are void. They claim that they still retain aboriginal title.

The State of Maine, which was a part of Massachusetts until 1820 when Congress admitted it to the Union as the 23d State, disputes the validity of the Indians' claims. The State argues that by 1790, the Penobscot and Passamaquoddy Indians had already lost aboriginal title to any land within what is now Maine. The State argues that the Indians' land interests were extinguished by conquest prior to 1760. Massachusetts had declared war on the Passamaquoddy and Penobscot Indians in 1755 during the French and Indian War, and Maine officials argue that documents dating back to 1759 indicate that the result of this conflict was the subjugation of all lands formerly controlled by the Indians to the sovereignty of Massachusetts, and the extinguishment of aboriginal title as well. The State urges that the Indians' loss of aboriginal title is confirmed by the diplomatic actions of John Jay, John Adams, and Benjamin Franklin on behalf of the American colonies in negotiating the Treaty of Paris with Britain to end the Revolutionary War. These American statesmen established that the northeastern boundary of the United States should be the St. Croix River, which still serves as part of the boundary between Maine and New Brunswick, Canada. The British argued that the Penobscot River, which is entirely within what is now Maine, should be the boundary, but the Americans prevailed, basing their argument on Massachusetts' earlier conquest of the Penobscot and Passamaquoddy territory.

State officials in Maine urge that even if the Indians still held aboriginal title to any land after 1790, their interests were not protected by the Non-Intercourse Act of 1790 because that act was never intended to apply to New England. Maine bases this conclusion on: First, congressional documents; second, remarks in congressional debates; and third, activities and writings of American officials including Maj. Gen. Henry Knox who was President Washington's Secretary of War, a resident of Maine, early proponent of fair treatment for the Indians, and a principal proponent of the Non-Intercourse Act. If, as Maine State officials claim, the Non-Intercourse Act did not apply to Maine, then it would not invalidate the treaties of 1794, 1796 and 1818.

Finally, State officials feel that even if the Indians still held aboriginal title to land in Maine afer 1790, and even if

the Non-Intercourse Act was applicable to transactions with the Indians in Maine, the requirements of the Non-Intercourse Act have been met and the treaties are valid. The act, Maine notes, only required that transactions with the Indians be approved or ratified by the Federal Government. Maine officials feel that such ratification was implicit in congressional approval in 1820 of the Maine Act of Separation which required Maine to assume Massachusetts' obligations to the Indians. Maine also observes that the Federal Government, throughout the history of its transactions involving land within the claims area, has consistently acted with the belief that the record owners and occupants had valid title unencumbered by such interests as are now claimed by the Indians. Federal transactions in the area have included the acquisition of land for parks, military bases, and various Federal buildings and harbor facilities; Federal guarantees of loans secured by real estate; and Federal grants for various programs.

I am not, in this presentation, trying to establish that either the tribes or the State should prevail. I have presented the positions of each side so that you can appreciate the scope and seriousness of the issues raised.

The litigation, at this point, has not progressed very far. No court has yet decided or even considered whether the Indians actually held aboriginal title to any land in Maine in 1790. In fact, no claim to specific land has been filed in court, so the boundaries of the claim are not known. No court has considered or decided whether the Federal Government may have ratified the treaties. The U.S. District Court in Maine has ruled that a trust relationship exists between the Federal Government and the Maine Indians, but that court did not rule that this trust relationship requires the Federal Government to litigate on behalf of the Indians the claims to land and monetary damages. The Justice Department is now considering whether to press these claims.

At this point, the land claims, even though they have not been filed in court, are a continuing threat to the economy of the State. The claims are regarded as a cloud on the title to 12,500,000 acres of land, an area occupied by 350,000 non-Indians. The Justice Department, in recent actions, has sought delay of court proceedings until June 1. The President has agreed to a request by the Maine congressional delegation to appoint a special representative to help the "parties reach an amicable settlement." Justice and Interior indicated on Monday that the tribes have reduced the lands to which they claim aboriginal title. This reduced claim is for lands actually used and possessed by them as of 1790. They have indicated they will not move against small landowners and homeowners for land or damages in the modified claim area if they can substitute recovery of monetary damages from an appropriate sovereign body, such as the Federal Government.

We have a situation in which about 2,500 Indians want an opportunity to present their claims in court, an opportunity to have generation-old complaints of unfair treatment heard and redressed. It is basic to the American scheme of justice that a man with a grievance is entitled to his day in court. The legislation we have presented is designed to insure that Maine's Indians have that right. The legislation is also designed, however, to restructure the situation so that the State is not compelled by the mere threat of these claims to a settlement which the people of the State of Maine and their elected officials regard as forced and unfair. The legislation would validate current record titles and interests in real property and extinguish any claim to aboriginal title that may still exist, if any. The legislation leaves available, however, a variety of causes of action. Primarily, the Indians may claim that any interference with aboriginal title from 1790 until the passage of this legislation constituted a trespass. While the courts have suggested that the damages which may be awarded for interference with aboriginal title differ from the damages for interference with a fee simple title, the precise measure of damages seems unclear. Nonetheless, some measure of damages, appropriate to the nature of aboriginal title, can be worked out by the courts. The Indians may also be able to assert claims against various governmental entities for breach of fiduciary duty.

The purpose of this legislation is not to deprive the Indians of an opportunity to press their claims in court, although the legisaltion does restrict the nature of the claim that may be asserted. This restriction is felt by the Maine Delegation to be necessary to prevent widespread disruption of State Government, bond sales, State taxation, real estate transactions, harvesting of timber, operation of business and industry, and the validity of pre-existing financing agreements secured by interests in real estate. The thousands of residents in the claims area, other residents of Maine, and residents of other States with interests in Maine could all be adversely and unfairly affected by an attempt by the Indians to assert in court aboriginal title to much of the State. The non-Indian residents of the area are innocent parties and should not be victimized by the pendency of land claims. The other members of the Maine Congressional Delegation and I seek by means of this legislation to permit litigation of the Indians' rights in a manner that will not have unfair adverse effects on others. It may be that in the past, Maine's Indian tribes were subjected to gross inequities. That does not, however, justify subjecting present non-Indian residents of the State to inequitable burdens today. Maine's Indians have said that they do not seek to evict homeowners. This legislation would assure Maine's residents that their homes are secure, while permitting a fair hearing for the Indians' claims. I believe the measure deserves Congress' support.

LEGISLATION TO RENAME VA HOSPITAL "HENRY SCHUMAN VETERANS' HOSPITAL"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, I have today, with my fellow colleagues from New York, Mr. ADDABBO, Mr. DELANEY, and Mr. ROSENTHAL, introduced legislation to rename the Veteran's Administration hospital at St. Alban's, N.Y., as the "Henry Schuman Veterans' Hospital."

Henry Schuman, who passed away on February 20, 1976, was perhaps more than any other individual, responsible for bringing the St. Alban's facility into the VA system. Mr. Schuman was a Navy veteran of World War II, having been medically discharged as a result of wounds received in the service of his country. As a member of the Disabled American Veterans, he was Department Commander of the New York State DAV from 1973 to 1974. Mr. Schuman was also the County Commander of the Queens County Chapter of the DAV.

The fight to bring St. Alban's within the VA hospital system was successful and the institution now occupies a prominent place in providing for the medical care of the over 600,000 veterans residing in the surrounding areas. I think it is only fittiing that this great institution be dedicated to the man who fought to make it just that.

PROVIDE RELIEF FOR HANDTOOL INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, on January 20 I introduced, along with a number of my colleagues, a bill which would provide needed relief from imports to the domestic handtool industry. H.R. 2267 would provide such relief by increasing the tariff on imports of handtools for a 5-year period beginning July 1, 1977, phased down to present levels after 5 years.

Under the provisions of this bill, the International Trade Commission would keep developments in the domestic handtools industry under review and, upon request, would advise the Committee on Ways and Means and the Senate Finance Committee of the probable economic effect on the industry of the termination of the increased tariffs after 5 years.

This bill was introduced by us in response to the demonstrated inability of the handtools industry to obtain relief from import competition under existing law.

Twice in the past 2 years the industry has sought relief under the Antidumping Act from imports of various types of handtools from Japan. The Treasury Department determined on the basis of its investigation in both cases that such handtools were being dumped in the

U.S. market by margins as large as 45 to 50 percent.

The International Trade Commission, however, found no injury or threat of injury to the domestic industry as a result of these imports, despite the increasing share of the market taken over by imports and a decline in industry profits. Consequently, no duties were imposed to compensate for the large margins of underselling through dumping.

Under the circumstances, the industry believes it would be fruitless to seek import relief under the normal procedures of the Trade Act of 1974. Since the International Trade Commission found no injury under the criteria of the Antidumping Act, it presumably would not find injury under the stiffer criteria of the Trade Act. Yet, there is a very substantial and steadily rising penetration of the U.S. market by foreign handtools, particularly of those types which are most labor-intensive.

Domestic manufacturers who formerly produced their entire product line here have turned to importation of unfinished tools, which are then finished by minor processing operations in the United States and sold under American brand names. A Bureau of Customs ruling has exempted such tools from the requirements for marking to show the country of origin.

Mr. Speaker, I introduced a similar bill in the 94th Congress. Since that time, conditions in the domestic handtool industry have continued to deteriorate.

H.R. 2267 would provide some domestic relief for this industry and its workers to enable them to overcome foreign dumping and to adjust to import competition. What we need is more production for American workers and not less, and therefore, we urge enactment of this bill as quickly as possible.

INTRODUCTION OF SOCIAL WORK MEDICARE/MEDICAID BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 10 minutes.

Mr. VANIK. Mr. Speaker, I am today introducing legislation to amend the Social Security Act to provide for direct coverage of clinical social work services rendered to medicare and medicaid patients. Similar legislation has been introduced in the other Chamber by the senior Senator from Hawaii (Mr. INOUYE).

Clinical social workers—also known as psychiatric social workers—have long been working along with psychiatrists and psychologists to provide mental health services to the American public. However, because most clinical social workers do not hold medical degrees, their services have not been covered under the medicare/medicaid program except in limited instances where the patient is under the continuing supervision of a physician. Often such supervision is not clinically required, and the requirement for supervision adds a significant—though unnecessary—additional element of cost to the patient and the program.

We are all painfully aware of the astounding increase in the cost of health care over the past few years. One effective way to reduce cost increases is to encourage patients to seek treatment from alternative, nonphysician providers such as clinical social workers.

During the past 2 years, as part of my work on the Ways and Means Oversight Subcommittee, I have made an extensive study of the end-stage renal disease program. This program, created by the 1972 Social Security amendments, basically provides medicare coverage, regardless of age, for individuals with chronic kidney disease. We have found that the cost of ESRD treatment at home is approximately one-third the cost of treatment in a kidney dialysis facility and one-fourth the cost of treatment at a hospital. Therefore, if more patients could be encouraged to undertake dialysis at home with the aid of a family member, the medicare trust funds could save enormous amounts of money—possibly as much at $14,000 to $24,000 per patient per year. Unfortunately, self-dialysis with the aid of a family member can be very difficult emotionally. The patient is dependent on a machine and on the help of a relative. The family members may be frightened by the process, by the flow of blood through a machine, by the fear of failure of the machine or of a mistake on the part of the helper, and so forth. It appears that a large number of patients who could dialyze at home do not because of emotional and psychological reasons. If the help of clinical social workers were available, I believe that a number of these fears and problems could be overcome and the patient and his family could come to undertake home dialysis and home care in a calm and rational manner. On February 3, the chairman of the Ways and Means Health Subcommittee, Mr. ROSTENKOWSKI, and I introduced legislation to improve the end-stage renal disease program. Among the provisions in our bill (H.R. 3112), we included medicare coverage of supportive services for patients attempting dialysis at home. The language in H.R. 3112 is intended to provide for psychological and social worker assistance to chronic kidney disease patients.

I believe that there are numerous other areas where the use of professional social workers could provide the type of assistance necessary to maintain health and overcome illness at the lowest possible cost. But at the present time, a medicare or medicaid patient who needs mental health services can obtain reimbursement only if the services are rendered by a physician or, in some States, by a clinical social worker working under the direct supervision of a physician. Whatever validity such a restrictive policy might once have enjoyed, it is an anachronism today in view of the following facts:

A clinical social worker who earns a masters or doctoral degree in social work and subsequently performs 3000 hours of supervised clinical practice is far better trained to do psychotherapy than a general medical school graduate who has not specialized in psychiatry;

Clinical social workers are far more numerous than psychiatrists, and are more evenly distributed geographically than psychiatrists, who tend to be clustered in the major urban centers; and

The average hourly fee of clinical social workers is fully a third less than that of psychiatrists, according to Ralph Nader's Health Research Group.

The bill I have introduced today would provide direct coverage for clinical social work services rendered to medicare and medicaid patients, regardless of whether the services are rendered in a hospital outpatient setting, a community mental health center, a neighborhood health center, or by a clinical social worker in independent practice.

Medicare and medicaid coverage decisions should be based on the kinds of services provided, and not on the title of the provider. If the diagnosis and treatment of mental health problems is to be a covered service, then reimbursement should not be dependent on the title of the provider.

The clinical social work profession has earned the right to be able to serve medicare and medicaid patients. Its members are presently licensed or certified in 20 States around the country. Its two major professional associations—the National Federation of Societies for Clinical Social Work and the National Association of Social Work—are vigorously pressing for the enactment of licensing laws in the remaining States. Both the National Federation and NASW have sponsored a national registry in which consumers can find the names of the most highly qualified members of the profession in their communities. Both organizations are actively involved in establishing and implementing uniform professional standards, and peer review to insure quality control. I believe that the bill I have introduced requires sufficient training to insure that only qualified and competent social workers would be eligible for reimbursement under the program. The various mechanisms currently in place to guard against improper utilization of services and unreasonable charges would be extended to prevent any abuse of this provision.

Most important, the people who need mental health services should be free to select the therapist of their choice, whether a clinical social worker or a psychiatrist. They should not be restricted by the reimbursement mechanism to the most expensive and least widely available mode of service. It is my firm hope and belief that by including nonphysician mental health providers in medicare and medicaid, we can make it possible for more people to get the help they need at lower cost to the Federal Government. I will be inviting my colleagues to join with me in supporting this legislation and in pressing for its prompt consideration and enactment into present law and into any future national health program.

The text of the bill follows:

H.R. —

A bill to amend Title XVIII and XIX of the Social Security Act to provide for a greater utilization of the professional services of qualified clinical social workers in the medicare and medicaid programs, to include outpatient services, community mental health centers and neighborhood health centers among the entities which may be qualified providers, and to remove the special limitations which are presently imposed on coverage of psychiatric and mental health services under parts A and B of Title XVIII and Title XIX.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 1861(r) of the Social Security Act is amended by—

(1) inserting "and Qualified Health Care Provider" after "Physician" in the heading; and

(2) inserting immediately before the period at the end of clause (5) thereof the following: ", or (6) a qualified professional clinical social worker who is recognized by the State in which such social worker is authorized to perform as a qualified social worker by the State in which he or she performs them and, then, only for purposes of section 1861(s)(1), for purposes of making a certification of the type required by section 1814(a)(2)(A), and for purposes of the meeting of the requirement imposed with respect to psychiatric hospitals that each patient of such a hospital be under the care of a physician."

(b) Section 1861(s)(1) of such Act is amended by—

(1) inserting (A) after "(1)" and before "physicians services;"

(2) adding at the end thereof the following new subparagraph:

"(B) services of a Qualified Health Care Provider under section 1861 (r) and (u);"

(c) Section 1861 of such Act is further amended by adding at the end thereof the following new heading and subsection:

"Qualified Professional Clinical Social Worker in Private Practice."

(aa) The term 'qualified professional clinical social worker,' when used in connection with the performance of any function or action, means an individual who—

1. "(A) is licensed as such by the State in which such function or action is performed; and if a State does not license clinical social workers, is otherwise legally authorized to perform the services of a clinical social worker in the jurisdiction in which he or she performs them.

"(B) holds a master's or doctor's degree in social work.

"(C) after obtaining such degree has performed at least two years or 3,000 hours of supervised clinical work, and

"(D) agrees to meet the standards with respect to appropriate programs of continuing professional education as may be prescribed by the Secretary, after consultation with nationally recognized social worker organizations representing clinical social workers."

2. Meets the qualifications for social work practice under the End-Stage Renal Disease Act as determined by the Secretary of HEW.

(d) Section 1861(c) of such Act is amended by inserting "or community mental health center" before the period at the end thereof.

(e) Section 1861(e)(1) of such Act is amended by inserting after "physicians" and before the comma, "or qualified health care provider."

(f) Section 1861(f) heading and introduction of such Act is amended to read as follows:

"MENTAL HEALTH SERVICE PROVIDERS

"The term 'qualified providers of inpatient services' as it relates to mental health care means a psychiatric hospital or a community mental health center under the Community Mental Health Centers Act."

(g) Section 1861(j)(15) of such Act is amended by—striking the clause in the first sentence after the comma beginning with "except . . ." and before the period thereof.

(h) Section 1861(k) of such Act is amended by—

(1) striking "or without" of clause (2)(A); and

(2) inserting "or qualified health care provider" after each place the word "physician" appears of clause (4) thereof.

(i) Section 1861(m)(3) of such Act is amended by—striking "under the direction of a physician" before the semi-colon thereof.

(j) Section 1861(o)(2) of such Act is amended by—

(1) striking the "or" after "physician" and before "registered professional nurse;"

(2) inserting a comma in lieu of the "or;" and

(3) adding "or qualified health care provider" before the semi-colon thereof.

(k) Section 1861(u) of such Act is amended by inserting "community mental health center, neighborhood health center and outpatient departments of hospitals," after "hospital."

(l) Section 1814(a)(2) of such Act is amended by—

(1) inserting after "physician," "or qualified health care provider;"

(2) striking "physician" under clause (A) thereof and in lieu thereof inserting "qualified health care provider;"

(3) striking "hospital" under clause (A) thereof.

(4) inserting after "physician" under clause (D) thereof, "or qualified health care provider;" and

(5) striking "physician" under clause (7) thereof.

(m) Section 1835(a)(2) is amended by adding after "physician" each place it appears "or qualified health care provider."

(n) (a)(1) Section 1812(b) of the Social Security Act is amended—

(A) by adding "or" after the semi-colon at the end of paragraph (1);

(B) by striking out "; or" at the end of paragraph (2) and inserting in lieu thereof a period; and

(C) by striking out paragraph (3).

(2) Section 1812(c) of such Act is amended by striking out "or in determining the 190-day limit subsection (b)(3)."

(b) Section 1833(c) of such Act is repealed.

(c) Section 1866(a)(2)(A) of such Act is amended by striking out the last sentence.

(o) The amendments made by this Act shall apply with respect to items and services furnished on and after the first day of the month following the month in which this Act is enacted.

(p)(1) Section 1902(a) of the Social Security Act is amended—

(A) by striking out "and" at the end of clause (35) thereof.

(B) by striking out the period at the end thereof and inserting in lieu thereof a semi-colon, and

(C) by adding after clause (36) thereof the following clauses:

"(37) provide that, with respect to health and mental health services which are covered under the State plan, payment will be made for professional services furnished by a qualified clinical social worker who is legally authorized to provide them; and

"(38) provide that payment under the State plan will not be made for inpatient services furnished by any psychiatric hospital unless, in the operation of such hospital, there is extended to qualified clinical social workers, with respect to professional services which both physicians and qualified clinical social workers are authorized to provide, the same staff and similar privileges as are extended to physicians caring for patients in such hospital. Admissions to such hospitals by qualified professional clinical social workers shall be based on a clinical diagnosis or a determined functional diagnosis."

(2) Section 1905 of such Act is amended by adding at the end thereof the following new subsection:

"The term 'qualified clinical social worker,' when used in connection with the perfomance of any function or action, means an individual who—

"(A) is licensed by the State in which such function or action is performed; and if a state does not license clinical social workers, is legally authorized to perform the services of a clinical social worker in the jurisdiction in which he or she performs them.

"(B) holds a master's or doctor's degree in social work.

"(C) after obtaining degree has performed at least two years or 3,000 hours of supervised clinical work, and

"(D) agrees to meet the standards with respect to appropriate programs of continuing professional education as may be prescribed by the Secretary, after consultation with one or more appropriate nationally recognized social workers' organizations."

(3) The amendments made by this section shall be applicable only with respect to services furnished after the month which follows the month in which this Act is enacted.

(q) The services covered herein are limited to treatment of a diagnosable illness or injury.

OREGON ENERGY REPORT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AuCoin) is recognized for 5 minutes.

Mr. AuCOIN. Mr. Speaker, my home State of Oregon is once again demonstrating its responsibility and leadership as it has moved into the field of independently assessing its own future energy demands.

Under the direction of Oregon energy director Fred Miller, my State's first annual energy report has been issued, containing an independent forecast of future energy growth and a critique of the forecasts of utilities.

But perhaps the most important thing the energy report has accomplished is to collect energy information into a relatively brief, comprehensive package, then list the major policy decisions governmental leaders must make.

Entering the field of energy forecasting, so long the exclusive domain of nongovernment utilities, can be risky. Indeed, Oregon has had its share of controversy over its efforts.

But Mr. Miller, an economist, and Richard Timm, a mechanical engineer with experience in environmental analysis, have produced a package that has won acceptance from a broad range of the Oregon public.

Some of the key points made by the energy report are:

The alternative of energy conserva-

tion may be the most important energy source we can tap in the short and mid-term;

In the long run, alternate energy sources will be increasingly important, and

Over the next 10 to 15 years, additional electricity supplies will depend primarily on the addition of thermal generating capacity—either coal or nuclear. A critical question is one of timing. The discrepancy in forecasts—between the State and the utilities—raises a question of when additional facilities should be constructed.

Oregon's most crucial and controversial energy issue involves the timetable by which new thermal electric generating facilities will be constructed. Indications from a review of the department of energy forecast and the analysis of energy suppliers are that additional generating capacity may not be required as soon as scheduled.

Some of the questions raised by the report include what kind of curtailment plans are appropriate in case of shortages and whether nuclear plants should be built until radioactive waste disposal is resolved.

While the report, which will be issued annually, is not perfect, nor as refined as it will become, it does represent a tool that can be used by policymakers on behalf of electric consumers to help assure that there will be adequate power at a price they can afford.

Much of the credit should go to Mr. Miller, a graduate of Portland State University, who earned his doctorate at Michigan State University after doing research for his dissertation in Bahia Blanca, Argentina.

From 1967 to 1972, he was an assistant professor of economics at Oregon State University. He took a leave to become a Fulbright lecturer at Technical University in Piura, Peru. In addition to teaching international trade, Miller helped organize the curriculum for the business and economic department at the University of Lima.

He also has been a visiting assistant professor on Chapman College's World Campus Afloat.

In 1973, he became an economic consultant to the Oregon Highway Division, later becoming a special assistant in charge of transportation policy research.

Miller was named director of the Oregon Energy Department in October 1976.

Fred Miller is truly promoting the Oregon tradition of setting national examples in new ways of facing society's challenges.

COMPETITION IN THE TELEPHONE INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 10 minutes.

Mr. FRASER. Mr. Speaker, in the past year, Members of Congress have received a wealth of information on the Consumer Communications Reform Act. I have studied much of the material on the bill, both pro and con, and it has confirmed my original impression—competition has hurt neither the consumers of telephone service nor the Bell system. In fact, my reading of the evidence is that all parties involved, consumers, A.T. & T., and the competitors have benefited from this new, carefully defined area in which competition is allowed.

The Federal Communications Commission has trod a careful course in slowly expanding the area of competition. No one can accuse the commission of acting precipitously. The first major decision involving terminal equipment was the Hush-A-Phone decision in 1956, followed by Carterfone in 1968, and the pending registration program for terminal equipment in 1975. The pace of decisions on private line service was only slightly faster as the 1971 Specialized Common Carrier decision was followed by an "Open Skies" policy in 1972, the 1974 Bell of Pennsylvania decision, and the 1976 Resale and Shared Use decision. These decisions opened the way very cautiously and incrementally for competitors of A.T. & T. to use microwaves to provide specialized private line service.

The rulings were made in response to evidence that consumers' needs could be met by nontraditional providers of telephone services. Perhaps more importantly, the decisions were predicated on the advance of technology outside the telephone industry, particularly new advances and declining costs of computers. Fortuitously, as the FCC report to the House Communications Subcommittee points out, transmitters became more widely used and at lower costs at the same time the computer advances were made.

These innovations began as developments in fields other than communications, but their uses for communications purposes were readily apparent. Although the breakthroughs in these areas have been significant, we have seen only the tip of the iceberg as to their uses both in homes and businesses.

Competition has been a major factor in speeding up technological changes in the communications industry. I do not mean to imply that all the advances have been made by Bell competitors. That is not the case. But the specter of competition has made the telephone company more attentive to consumers' needs and more innovative. I believe this reason alone makes a strong case for the FCC decisions and against any weakening of the carefully defined competition.

I do have serious reservations about specific sections of the Consumer Communications Reform Act. Not the least of these concerns is the pricing of telephone service to homes and businesses. So far we have not seen conclusive evidence that competition has forced up the price of residential service. We have seen some evidence that cross-subsidies do exist, but at least some of those subsidies are lower rates for certain business services at the cost of higher rates for home phones.

The FCC has just decided that A.T. & T.'s interstate rates are reasonable. I do not dispute this finding. However, we must explore this question of subsidies further and work to allocate the bulk of costs of a specific service to the rates of that service. As A.T. & T. implements its new accounting system, this pricing method will become more accurate.

In some cases we may face higher rates for certain services. One proposal is to charge for information calls over a certain number per month. A similar proposal is metered local calls with charges for additional minutes over a base period. There are legitimate questions to be raised about both of these proposals, but I think we need to move in the direction of making the price of telephone service more nearly reflect the cost of providing that service. Only then will we be able to use this marvelous resource efficiently.

I give these examples to show that I am not entirely unsympathetic to the points raised by the Bell System. However I think that passage of the Consumer Communications Reform Act would not solve the pricing problems and would be a step backward.

Chairman VAN DEERLIN of the Communications Subcommittee has agreed to look into the concerns of A.T. & T., but the investigation will properly put the telephone system into the context of the entire communications industry. With the new technology, it is very difficult to separate one form of communications from another. Just one example of this overlap is the fact that cable television uses telephone facilities for transmittal in some areas.

I commend Mr. VAN DEERLIN for undertaking this difficult but essential task. Too often, Congress responds after the fact of technological change. The chairman is proposing to look into the problems before they have arisen. A review of the 1934 Communications Act will not be easy nor can it be completed quickly. I think the results are worth waiting for and we should not burden the subcommittee with shortcut legislation which merely addresses what, if any, boundaries we want to put on the competition we want to impose on the telephone segment of the communications industry.

SOLAR ENERGY TAX DEDUCTION LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. RYAN) is recognized for 5 minutes.

Mr. RYAN. Mr. Speaker, today the President has sent to Congress legislation to create a Cabinet level Department of Energy. Coincidentally, I am introducing my solar energy tax deduction legislation.

While there have already been 60 bills introduced this session dealing with solar energy, I feel my bill is unique for a number of reasons:

Its impact is immediate—the tax deduction could be reflected in the taxpayer's 1977 tax return.

It focuses on providing a tax incen-

tive for the average homeowner interested in installing solar energy equipment.

During hearings my Subcommittee on Environment, Energy and Natural Resources, held on solar energy it became painfully obvious that the Federal agencies have placed minimum emphasis on promoting research, development, and demonstration projects in the solar energy field.

I have become aware of statistics which I consider to be significant in dealing with the energy crisis which I would like to share with you:

The 1978 fiscal year ERDA budget is $7.7 billion. At least $6 billion is earmarked for nuclear related activities. The solar energy budget amounts to only $305 million—same as Ford.

If 1 percent of all buildings in the United States were solar heated, we would save 30 million barrels of oil each year.

Twenty-five percent of all energy used in the United States is consumed in the home.

Eighteen percent of the fuel consumed in the United States is for the generation of industrial process heat at moderate temperatures achievable by solar collectors.

And 11.5 percent of the total energy used is for high temperature processed heat which can be achieved with advanced solar energy systems.

I invite your cosponsorship of this legislation.

The text of the bill follows:

H.R. 4225

A bill To amend the Internal Revenue Code of 1954 to permit individuals to deduct qualified solar energy equipment expenses

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as section 222 and by inserting after section 220 the following new section:

"Sec. 221. Qualified solar energy equipment expenses.

"(a) Allowance of Deduction.—In the case of an individual, there shall be allowed, at the election of the taxpayer, as a deduction an amount equal to 50 percent of the qualified solar energy equipment expenses paid or incurred by the taxpayer during the taxable year with respect to any residence.

"(b) Limitations.—

"(1) Dollar amounts.—The aggregate amount allowable as a deduction under subsection (a) for qualified solar energy equipment expenses with respect to any residence shall be—

"(A) $1,000, in the case of such expenses for solar energy equipment which provides hot water for use within such residence;

"(B) $4,500, in the case of such expenses for solar energy equipment which provides space heating for such residence; and

"(C) $9,000, in the case of such expenses for solar energy equipment which provides space cooling for such residence.

If any solar energy equipment performs 2 or more of the functions described in subparagraphs (A), (B), and (C), the aggregate amount so allowable shall be the sum of the dollar amounts provided in the appropriate subparagraphs.

"(2) Prior expenses taken into account.—If—

"(A) the taxpayer paid or incurred any qualified solar energy equipment expenses with respect to the residence in any prior taxable year, or

"(B) any prior owner of such residence paid or incurred any such expenses with respect to such residence,

then subsection (a) shall be applied with respect to such residence for the taxable year by reducing (but not below zero) any dollar amount determined under paragraph (1) by the aggregate of the expenses described in subparagraphs (A) and (B) which were for solar energy equipment to which such dollar amount applies.

"(c) Definitions.—

"(1) Qualified solar energy equipment expenses.—The term 'qualified solar energy equipment expenses' means any amount paid or incurred by an individual for any installation of solar energy equipment in any dwelling unit which, at the time of such installation, is owned by such individual and is used by him as his principal residence (within the meaning of section 1034).

"(2) Solar energy equipment.—The term 'solar energy equipment' means equipment—

"(A) which, when installed in or on a building—

"(i) uses solar energy to heat or cool such building or to provide hot water for use within such building; and

"(ii) meets the definitive performance criteria prescribed by the Secretary of Housing and Urban Development under the Solar Heating and Cooling Demonstration Act of 1974;

"(B) the original use of which commences with the taxpayer; and

"(C) which has a useful life of at least 5 years.

"(d) Special Rules.—

"(1) Joint ownership.—In the case of any building which is jointly owned, and is used during any calendar year as a principal residence, by two or more individuals—

"(A) the amount of the deduction allowable under subsection (a) (after applying subsection (b)) with respect to any qualified solar energy equipment expenses paid or incurred during such calendar year by any of such individuals with respect to such building shall be determined by treating all of such individuals as one taxpayer whose taxable year is such calendar year; and

"(B) each of such individuals shall be allowed a deduction under subsection (a) for the taxable year in which such calendar year ends in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount paid by such individual during such calendar year for such expenses bears to the aggregate of the amounts paid by all of such individuals during such calendar year for such expenses.

"(2) Tenant-stockholder in cooperative housing corporation.—In the case of an individual who holds stock as a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual—

"(A) shall be treated as owning the dwelling unit which he is entitled to occupy as such stockholder; and

"(B) shall be treated as having paid his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of any qualified solar energy equipment expenses paid by such corporation.

"(e) Reduction of Basis.—The basis of any property shall not be increased by the amount of any qualified solar energy equipment expenses made with respect to such property to the extent that such expenses are allowable as a deduction under this section.

"(f) Election.—An election under subsection (a) shall be made at such time and in such manner as the Secretary prescribes by regulations."

(b) The table of sections of such part VII is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 221 Qualified solar energy equipment expenses.

"Sec. 222. Cross references."

(c) Section 62 of the Internal Revenue Code of 1954 (relating to adjusted gross income defined) is amended by inserting after paragraph (13) the following new paragraph:

"(14) Qualified solar energy equipment expenses.—The deduction allowed by section 221."

(d) Paragraph (1) of section 263(a) of the Internal Revenue Code of 1954 (relating to capital expenditures) is amended by striking out "or" at the end of subparagraph (E), by striking out the period at the end of subparagraph (F) and inserting in lieu thereof ", or", and by adding at the end thereof the following new subparagraph:

"(G) qualified solar energy equipment expenses which are allowable as a deduction under section 221."

(e) Subsection (a) of section 1016 of the Internal Revenue Code of 1954 (relating to adjustments to basis) is amended by striking out the period at the end of paragraph (23) and inserting in lieu thereof a semicolon, and by inserting after paragraph (23) the following new paragraph:

"(24) to the extent provided in section 221(e), in the case of property with respect to which a deduction is allowable under section 221."

SEC. 2. The amendments made by the first section of this Act shall apply to taxable years ending after the date of the enactment of this Act.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

Mr. DRINAN. Mr. Speaker, I was unavoidably absent on February 28, 1977, during the rollcall vote on H.R. 2329, the Fish and Wildlife Improvement Act of 1977.

While I support the objectives of this legislation to strengthen and consolidate existing Federal fish and wildlife programs, several provisions of H.R. 2329 were of great concern to me. Specifically, I could not support the provisions of section 3 of the bill which authorize search and seizure without a warrant and the compensating of informers for providing information. Consequently, I would have voted "nay" on this legislation—roll No. 31—had I been present.

DO WE NEED THE M-X MISSILE?

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, in the last few days I have placed in the CONGRESSIONAL RECORD the six Washington Post articles which outline, in a balanced and objective way, the chief issues in the current debate over the strategic arms race. The debate was brought to focus by President Carter's statement of his goals for the negotiation of agreements to reduce the world's stockpiles of nuclear weapons and his subsequent nomination

of Paul Warnke as chief SALT negotiator and Director of ACDA. There can be no question about the President's determination to achieve such goals if possible, and in Mr. Warnke he has selected an admirably equipped individual to help him achieve these goals.

The Post articles afford an excellent opportunity for Members of Congress and the public to familiarize themselves with the general issues involving the strategic nuclear arms debate. However, there are many specific issues. One of the most urgent ones involves the proposed M–X missile. The Sunday Washington Post carried an excellent article outlining the pros and cons of the debate on this missile system. The article, by C. Robert Zelnick, points out that the estimated cost of the M–X system is between $20 and $50 billion. It involves, among other things, 3,000 to 6,000 miles of huge trenches all over the continental United States for housing the mobile missile. The article also points out that the M–X would be a counterforce weapon, which could well be destabilizing and would complicate enforcement of nuclear arms limitation agreements.

Secretary of Defense, Harold Brown, fortunately, has questioned the utility of a race between Russia and the United States to create this new kind of weapon, involving an enormous effort without any basic change in the strategic balance. The article quoted him as saying—

The belief on either side that you can survive a strategic thermonuclear war as a going society—when you can't—is the worst possible situation for the world to be in.

The full text of the Washington Post article follows these remarks.

[From the Washington Post, Feb. 27, 1977]

M–X AND THE NEXT ARMS DEBATE

(By C. Robert Zelnick)

Those who saw in the SALT I agreements concluded between the United States and the Soviet Union in May, 1972, the beginning of the end of strategic competition between the two countries have to date been proven anything but prophetic.

Anti-ballistic missile systems were substantially banned by treaty. And the Interim SALT Agreement, as modified by the 1974 Vladivostok accord, placed limits on the number of offensive missile launchers each side could deploy. But within those constraints, SALT I has merely served to intensify the competition for qualitative improvements in nuclear weapons technology.

Size, power and accuracy have thus far been the hallmarks of that competition. Now a developing U.S. weapon, the M–X, while combining all those strategic virtues, promises to introduce a new element into the intercontinental missile game: land-based mobility.

At his first news conference as President, Jimmy Carter invited the Soviets to join in a mutual ban on mobile missiles. "If they would agree to a cessation of the use or deployment of the mobile type missiles which could be moved around in different locations before launch," he said, "that would be a very important point for us to join them in a mutual agreement. It would mean we would not then perhaps spend the large amounts of money to develop a mobile missile."

As if to provide an earnest of the President's proposals, Defense Secretary Harold Brown announced a cut of some $160 million from the $294.4 million requested by President Ford this year for work on the M–X missile—now in its final stages of research and development—suggesting that the right kind of SALT agreement could obviate the need for production of the M–X altogether.

But there may have been less to the administration's action than met the eye. For one thing, in his yen to increase expenditures for strategic systems across the board, President Ford had accelerated the M–X's scheduled 1984 deployment by a full year and would have had production begin in October, 1977, even while several questions relating to the basing of the system remained unresolved. The slower development pace dictated by Brown thus made sense quite apart from any SALT implications.

Second, as the so-called "next generation" of U.S. intercontinental ballistic missiles (ICBMs), the M–X raises enormous policy questions which an administration only 40 days in office has had little time to consider, let alone resolve.

Whether or not to produce an M–X and what to demand from the Soviets in exchange for not producing it are decisions about which foreign policy officials—not to mention the Congress—will all want to have a voice. And to date there has been little institutional consideration of the issue within the Carter administration itself or between it and the powers on Capitol Hill. Indeed, when confronted with the Carter news conference statement, a State Department official remarked, "The President was expressing his own opinion."

Whether or not that is the case, how the Carter administration resolves the M–X question should tell both about how it intends to allocate scarce resources between the military and civilian sectors of the economy and how important it thinks nuclear weapons are in our dealings with the Soviets and in global politics generally.

In many respects, the M–X is the next logical step in qualitative missile competition under SALT. For their part, the Soviets have concentrated mostly on improving the size—the "throw-weight" and "yield"—of their ICBMs, although they have also recently made significant improvements in the accuracy of their weapons and in increasing the number of warheads or re-entry vehicles (RVs) which can be independently targeted, or MIRVed, from a single missile launcher.

The United States—which enjoys wide qualitative leads in both intercontinental bombers and submarine-launched ballistic missiles (SLBMs)—has worked hard to keep its considerable ICBM advantage over the Soviet intact. U.S. missile silos are "harder" than Russia's allowing them to better withstand attack. U.S. missiles are considerably more accurate, and a far more advanced computerized targeting technology has given the United States better than a 2-to-1 lead in the number of nuclear warheads. Each of our 550 improved Minuteman III missiles will pack about 400 kilotons of TNT power (the Hiroshima A-bomb was in the 13–20-kiloton range), each will have three independently targeted warheads accurate to within 600 feet of selected targets, each will be in silos capable of withstanding at least 3,000 pounds of pressure per square inch—and the system as a whole will be so computerized as to be completely retargetable every 36 minutes.

Still, the search has continued for an even better ICBM, one able to complement the Minuteman III force by fully neutralizing the greater throw-weight of Soviet missiles launchers accorded the Soviets by SALT I. And the M–X is the weapon settled upon by the Air Force, which runs our ICBM show.

300-FOOT ACCURACY

By any standard, the M–X shapes up as a truly awesome weapon. Each of the 300 missiles planned for deployment will contain up to 15 warheads independently targeted and packing about 200 kilotons of destructive power.

In addition, the M–X will be even more accurate than the improved Minuteman IIIs. Guiding each warhead will be an Advanced Inertial Reference System (AIRS), weighing 115 pounds. Its core, a "floated ball", 10 inches in diameter, will replace the liquid gyroscopes of the Minuteman III, permitting even greater targeting precision. In its initial deployment stage, the M–X will be accurate to within 300 feet of selected targets. "Terminal guidance systems," permitting final targeting adjustments, will be available for later generation M–Xs to improve accuracy further.

It is an accepted mathematical proposition that the doubling of a missile's accuracy is equivalent to an 800 per cent increase in throw-weight, a prime reason why the United States, despite its relatively smaller missiles, far exceeds the Soviets in the ability to destroy hardened silos. Further, due to what is known as the "fratricide phenomenon"—when more than two warheads are directed against a single target, they are more likely to kill each other than the target—the Soviets cannot compensate for their accuracy problem by aiming greater numbers of missiles at a given target. Thus, the incredible accuracy of the M–X makes it a far more destructive weapon than anything the Soviets have in the works.

The solid fuel which will propel the M–X enables the missile to be "cold-launched," meaning that the same launcher can be "re-loaded" after each missile is fired. Since SALT limits the number of launchers rather than of missiles, there is as yet no theoretical limit to the number of M–X missiles we could fire at the Soviets or, for that matter, to the number of SS–18 missiles—also "cold-launched"—which they could fire at us.

To ensure survivability, the M–X will be mobile. Mobility simply makes missiles harder for an opponent to zero in on and means that in a crisis planners will have to choose between ignoring our mobile missiles altogether and "drawing down" their own supply to the point that they place themselves at a disadvantage even should they score a direct hit. If U.S. mobility convinces Soviet strategists, for example, that they must employ five of their own missile launchers for every U.S. weapon they destroy, they would be foolish to attack our nuclear forces in the first place and, if they did, we would have more missiles left after the first exchange.

In early stages of research, the Air Force considered and rejected plans to house the M–X in hardened stationary silos, in quicksand, in lakes, on trucks and on railroad trains. The matter has now come down to a choice between "shelters"—spaced, hardened and concealed silos, with the missile and launching mechanism transported from building to building—and trenches. In an interview, Air Force Lt. Gen. Alton O. Slay, deputy chief of staff for research and development, indicated that trenches appear to be more cost-effective than shelters and are thus likely to emerge as the preferred home for the M–X.

In a recent article in Air Force magazine, Gen. Slay described the trench system: "The missile transporter/launcher moves at random intervals inside the trench, providing total uncertainty as to missile location along the length of the trench. An enemy must attack the entire trench to achieve a high-confidence expectation of destroying the missile. Survivability is attained by providing more miles of trench than the enemy's attacking RVs can destroy. Preliminary analysis indicates that each could be on the order of 10 to 20 miles long."

The M–X, then, represents more than 200 Hiroshimas inside a nosecone shuttling back and forth in a 10–20 mile trench. Its size, accuracy, multiple warheads, reloading capability and potential to survive—or, better yet, discourage—an enemy attack make it

something of a military strategist's dream. Many of these same characteristics, however, make the M–X an arms controller's nightmare. And there are doubts even among those who are persuaded that the missile would neither promote instability and miscalculation in a crisis nor present insurmountable SALT problems; they wonder whether the marginal security it would provide is worth anywhere near the cost of its development and deployment and whether the sort of strategic thinking it represents is not itself a threat to national survival. In short, the M–X could well become the most controversial nuclear system since the ABM itself—the subject of the next great American strategic debate.

The cost of the weapon is substantial. Gen. Slay himself puts it at "upwards of $20 billion." A figure of $34 billion is heard most often from sources on Capitol Hill. Independent analysts, citing both refinements in the system yet to be made and histories of cost overruns in past strategic programs, have estimated costs as high as $50 billion before the M–X is fully deployed. An administration confronted with requests for major improvements in both strategic and conventional programs and which has, in addition, pledged welfare reform, tax relief, mandatory national health insurance and financial assistance to the cities must surely view the potential costs of the M–X with foreboding.

Nor can the prospect of 3,000 to 6,000 miles of trenches in the continental United States be pleasing to many who would reside near them. Some would view them as potential targets of a nuclear attack, others as unsightly scars on the landscape—strip-mines never to be filled. In either case, a substantial constituency would likely form against them.

But the thrust of most anti-M–X arguments involves the system itself. The interim SALT agreement, for example, provides for verification of compliance by each side through "national technical means," a code term for satellite reconnaissance. The accord states: "Each Party undertakes not to use deliberate concealment measures which impede verification by national technical means of compliance with the provisions of this Interim Agreement."

Would an M–X concealed in a trench or housed in a shelter amid a colony of empty ones violate the letter or spirit of SALT I? A senior official at the Arms Control and Disarmament Agency thinks so, predicting the deployment of the M–X would have a "severe to catastrophic" impact on the SALT process. And in testimony before the Senate Foreign Relations Committee last month, Sidney D. Drell, deputy director of the Linear Accelerator Center at Stanford University, predicted that mobile missiles would cause a proliferation of trenches and shelters by the both sides and added, "It violates the SALT I provisions unless each individual shelter, whether or not occupied by a missile, is counted as a launcher. If, on the other hand, each shelter is counted, this concept is meaningless unless their allowed number greatly exceeds the numerical limits agreed to at SALT I or Vladivostok."

But top Pentagon officials disagree. One trench equals one launcher, they maintain. The trenches, they insist, would have only one entrance and missiles could be photographed as they were wheeled in. Shelters would post a more difficult problem, they concede, but even here the verification task is "not insurmountable."

IMPACT ON DETERRENCE

The high yield and great accuracy of the M-X also make it a "counterforce" weapon of some significance, and herein lies a second area of contention about the system. So-called "soft targets," such as population centers, industrial plants or military bases, can be attacked successfully by less potent, less accurate missiles. Weapons like the M-X would obviously be most useful in attacking hardened Soviet missile silos.

Arms controllers see two evils in such a counterforce capability. First, it undermines the entire concept of deterrence—that each side is dissuaded from attacking the other by the knowledge that a sufficient number of the victim's missiles will survive to inflict "unacceptable" damage on the side which strikes first. If you can knock out all or most of your adversary's missiles—thereby achieving "first strike capability"—deterrence has simply ceased to exist as a working proposition.

Second, the side achieving counterforce capability itself becomes an inviting target for its opponent, since the latter knows that only by striking first can it be certain its weapons will survive.

Supporters of counterforce weapons respond that the M-X poses no threat to the concept of deterrence since, however effective the weapons are against ICBMs, submarine-launched missiles and at least some intercontinental bombers will survive and get through to their targets. Counterforce weapons, they claim, thus provide a commander-in-chief with "flexibility" in situations involving a "limited" nuclear exchange since, if attacked, he is no longer faced with the "all or nothing" proposition of destroying civilization or doing nothing in order to prove his seriousness of purpose. A couple of hundred missiles launched at Soviet silos and, bang! the two sides are back at the conference table—10 million or so incidental civilian casualties notwithstanding.

Whichever side is correct, deployment of the M-X would likely render the counterforce debate moot anyway. Digging trenches, building multiple shelters or simply putting their missiles on wheels and letting them roam about the tundra does not seem a project likely to tax Soviet technological know-how. The "drawdown" strategy works both ways. Quite apart from the existing arms race, the M-X would undoubtedly trigger a "trench" or "multiple aim point" race in which neither throw-weight nor accuracy counted for very much. The counterforce capability of both sides would simply disappear as a potential fact of life.

This eventuality is not unrecognized by the Pentagon. Indeed, the prospect of an expensive U.S.-Soviet stand-off in the mobile missile race appears to have been central to the planning of the M–X. As the latest Defense Department annual report states: "The United States should not accept a strategic relationship in which we must bear the heavier costs of alternative basing while the Soviets are allowed the luxury of retaining their fixed ICBMs. Since high accuracies can be built into mobile as well as fixed systems, the Soviet leadership should be aware that, if the United States moves toward mobility, the Soviets will have strong incentives to go mobile as well."

Depending upon one's point of view, then, the M–X is too costly because it would sop up funds which could better be used for modernizing NATO or rebuilding Harlem, or it is cost-effective because it is virtually certain to work and no price is too high when national survival is at stake. It would choke the SALT talks because it would impede the verification process central to SALT agreements, or it would provide a more stable context for SALT because it would ensure the survivability of an essential leg of our Triad (ICBMs, SLBMs and bombers) deterrence. It would lead to instability in a crisis because of its counterforce capability, or it would build even greater stability into our relations with the Soviets because their planners would realize we would not be spending so much money protecting a system from attack if we intended to use it first. It would fuel the "mad momentum" of the arms race, or it would establish conditions essential to further arms limitations agreements because it would make the Soviets realize that we have suffered no "failure of nerve" and cannot be outspent into a position of strategic inferiority.

AN OLD ARGUMENT

If the litany of argument over the M–X seems familiar, it is because many of the arguments by both the arms control and defense establishments have been heard before: in the debates over ABM, MIRVing, the Trident submarine, the B–1 bomber and the cruise missile.

What distinguishes the two sides is not the question of whether the United States or the Soviet Union is currently ahead in the strategic weapons race, or even whether the ambitious pace of Soviet development will permit the Soviets to achieve a first-strike capability at any point in the foreseeable future.

For it is a simple, undisputed fact that, while the two sides are closer to positions of "rough equivalence" than they have been before, superior U.S. technology gives the United States substantial leads in everything from quieter submarines to the ability to destroy hardened missile silos with ICBMs. The wariest Pentagon hawk would not today trade a single leg of the U.S. Triad for its Soviet equivalent, at least not if he has read the Pentagon's own literature on the subject. Nor would he see any Soviet program as a threat to the survivability of the submarine and bomber components of our deterrent.

The issue underlying the current strategic debate centers instead on the importance—if any—of nuclear weapons in today's global politics, given first the inability of either superpower to achieve a disarming first-strike capability and, second, anything less than a monumental and highly visible strategic advantage enjoyed by either side.

The arms controllers believe such weapons are all but irrelevant, given the two conditions noted above. Shortly before accepting his current high State Department post, an arms controller summarized his feelings for me with the judgement, "Nuclear weapons mean crap."

Irrelevant as that view might be, there is considerable precedent to support it. At a time when the United States had a virtual monopoly on nuclear weapons, the Soviets blockaded Berlin, China fell to the Communists, the North Koreans pushed across the 38th Parallel and Chinese "volunteers" poured across the Yalu River. The Soviets quashed the Hungarian uprising and erected the Berlin Wall during a period when their nuclear forces were dwarfed by America's. Neither the North Vietnamese thrusting into the South nor the Arabs embargoing oil shipments were dissuaded by items like "throw-weight advantage" or "counterforce capability."

The Pentagons fiscal 1978 report, on the other hand, sees "prospective enemies, allies, neutrals, and attentive publics in the United States itself" all watching the strategic balance between the United States and the Soviet Union. These audiences tend to pay little heed to "detailed analyses" of where the two sides stand, concentrating instead on "such static indicators of relative nuclear strength as launchers, warheads, megatonnage, accuracy, throw-weight, and the like." Were all or most of these indicators to favor the Soviets, these audiences might conclude that "the United States was not equivalent to the U.S.S.R. in strategic power and that the balance was now weighted in favor of the Soviet Union," a perception which could lead to "adjustment, accommodation and subordination."

But the prime danger, according to Pentagon strategists, comes when the two sides start to play nuclear chess. If the Soviets could wipe out a substantial portion of our

ICBM force while we lacked the wherewithal to respond in kind, a "dangerous assymmetry" could develop. The Soviets could use part of their weapons to attack U.S. ICBMs or U.S. forces or military facilities in one area of the world or another, or even try "a creeping attack on SSBNs [missile-carrying nuclear submarines] at sea." If the United States could not then destroy the Soviet missiles held in reserve—which presumably would be waiting patiently in their silos for our counterattack—we might yet be able "to cause heavy damage to the industrial base of the Soviet Union and even to its people. But the withheld Soviet forces would then be able to do equal or greater damage to an equivalent target system in the United States." The United States would thus have little or no "flexibility" in the situation. It might have to back down. And this, the Pentagon warns, "is not an acceptable prospect."

GROWING DOUBTS

The Ford administration increasingly accepted the Pentagon's case for the M–X and similar systems. But a number of those familiar with Defense Secretary Brown's views say he regards as fantasy the notion that the Soviets, by improving the throw-weight of their missiles and pursuing a civil defense strategy which even the Pentagon concludes is geared primarily to the survival of leadership cadres, are intent on developing a "war winning capability'" in the foreseeable future.

Brown apparently sees talk of nuclear exchanges substantially limited to military targets as downright dangerous. In an interview following his appointment to Defense last December, he said, "The belief on either side that you can survive a strategic thermonuclear war as a going society—when you can't—is the worst possible situation for the world to be in."

The President, for his part, indicated at his Feb. 8 news conference that he has not been much influenced by the Cassandra-like prophecies of Soviet gains of the past year, saying, "At the present time, my judgment is that we have superior nuclear capability." It was at this news conference that Carter invited the Soviets to join in the mutual ban on mobile missiles.

The Soviets have as yet deployed no mobile missiles, although in the view of the Joint Chiefs both the SS–20, an intermediate range ballistic missile, and the SS–16, an ICBM carrying a single warhead, could be deployed by the Soviets in a mobile mode at virtually any time.

The fact is, however, that the Pentagon conceived the M–X not as a means of countering Soviet mobility but, at least in part, as a means of encouraging Soviet mobility, forcing them, in the words of this year's annual report, to "bear the heavier costs of alternative basing." Mobility on our side was developed as a hedge against the increasing accuracy, throw-weight and MIRV potential of the stationary Soviet ICBMs.

Thus, the Carter proposal—even if the President was only "expressing his own opinion"—could represent a clear point of departure with the thinking of the last administration, a willingness to live with a limited Soviet counterforce capability just as they must live with a similar American capability, a big step back from the "crisis scenarios" involving intercontinental nuclear missile duels with reciprocal military targets.

If that is so, the M–X may well have lost a key constituent, the President of the United States. But it retains many others, including an apparent majority of the Senate Armed Services Committee, which has already put itself on record as favoring future ICBM programs only so long as the missiles are mobile. And, with a large number of legislators sharing the perception of a Soviet Union anxiously pursuing a nuclear war-fighting capability, the debate over the M–X is likely to be questionable, whatever President Carter decides.

NUCLEAR WEAPONS AND NATO STRENGTH

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, today I am offering for printing in the RECORD the fifth in the series of Washington Post articles on the strategic arms debate. This article, by Michael Getler, points out that, while there is concern throughout Western Europe about Soviet military strength, there is less alarm there than that reflected by the recent statements by Senators NUNN and BARTLETT to the effect that the Soviets have grown so powerful that they could easily overrun Western Europe.

However, the article states the Europeans do not think they could cope with the Warsaw Pact without some nuclear weapons, at least at the present time.

The full text of the article follows these remarks:

[From the Washington Post, Feb. 24, 1977]

CRACK WEST GERMAN FORCES A KEY TO NATO STRENGTH

(By Michael Getler)

KOBLENZ.—In the hills above this ancient fortress-city on the Rhine, Leopard tanks and Marder armored combat vehicles of the 14th Panzer brigade clank noisily through village streets and then move quietly into the fields and woods of central West Germany.

These two modern weapons of war are probably the best of their kind in any arsenal in the world.

The West Germans have thousands of both in an army that, in the last decade, has grown to become what many Allied leaders think is the best, most disciplined and well-equipped fighting force in Western Europe.

The nearly 500,000-member, highly modernized West German armed force is an important factor often overlooked in the debate over whether the strength of the Warsaw Pact forces has reached a point at which NATO is vulnerable to a land attack from the East. It is a debate that has reverberated in Washington, at NATO headquarters in Brussels and in the media of both continents.

Europeans, however, and many American and Allied specialists abroad, tend not to overlook the West Germans.

While there is concern throughout Western Europe about growing Soviet military strength, there is less alarm here than that reflected by a barrage of recently released statements in the United States by Sens. Sam Nunn (D-Ga.) and Dewey F. Bartlett (R-Okla.) and retired Army Lt. Gen. James F. Hollingsworth that NATO is in disarray while the Soviets have grown so powerful they can launch a devastating attack on Western Europe virtually from "a standing start."

British Adm. Sir Peter Hill-Norton, chairman of NATO's military committee in Brussels, calls such a surprise-attack scenario "nonsense."

"My considered opinion is that the Soviets can't do that. NATO is neither asleep, stupid, slow to move nor uninformed," he says. "While the warning time before an attack has shortened, I am absolutely convinced it has not been reduced to zero.

"I have a better feel for these things than someone who came here on a three-week visit," he said, referring to the Nunn-Bartlett team that studied NATO readiness in Europe.

The admiral describes all three men as "goodies."

"They are on our side, trying to make NATO better, and they think the way to do it is to scare the hell out of everybody. I don't. It is counterproductive. They are goodies but their judgment is faulty," he claims.

"I disagree with Nunn, Hollingsworth, retired U.S. Air Force Maj. Gen. George Keegan and Belgian Gen. Robert Close," says Hill-Norton, "because they have all taken the worst-case scenario.

"You don't have to match a potential enemy gun for gun. It is a historical fact that an aggressor requires a degree of superiority to be sure of success. That degree is debatable, but 3-to-1 is about right and they don't have that in any element. They have an inferior Navy. They have quantitative but probably not qualitative superiority in the air. They have superiority on the ground approaching 3-to-1 but it depends on how you count it.

"I believe, and so does [NATO commander in chief] Gen. [Alexander] Haig and Adm. [Isaac C.] Kidd [supreme Allied commander of Atlantic forces], that NATO forces today are sufficiently well-equipped and close to the battle front to carry out deterrence.

"Sen. Nunn came here and pressed for answers about how much warning time we have and how much additional strength is needed to make an attack with short warning times less likely.

"Nobody in his senses can answer either question because the scenario the Russians choose will determine warning time. What are their objectives? Will there be political indicators? There will absolutely be military indicators," he says.

"The real question is have we got enough. Yes, we have," Hill-Norton says.

"But if the Soviets continue to spend 11 to 13 per cent of their GNP on defense, and European NATO averages 3.8 per cent, then at some point we shall not have enough.

"The Soviets are not 10 feet tall. We are both 6 feet tall. But they are growing faster."

In a dozen interviews with Allied defense and political specialists from several countries, and at NATO headquarters, virtually no one in authority believes that the West could indefinitely hold and then throw back an all-out Warsaw Pact conventional attack on Western Europe without eventualy using nuclear weapons.

On the other hand, virtually no one believes that the Soviets could or would launch such an attack, or that the Kremlin would have confidence that it would succeed and gamble that it would not result in a nuclear holocaust.

The biggest worry is not the all out assault. Most worrisome, as one British diplomat explains it, is if a crisis should develop somewhere along the flanks, at the tip of Norway or near Turkey, for example.

NATO must then decide to rush whatever reserves it has to that area or to hold back and keep an eye on the crucial Central European front. If the Soviets, in the midst of a crisis elsewhere, used the occasion to pour troops and equipment into the central region and NATO did not mobilize to match it, some fear that the Soviets then might be tempted by a fast blitz-krieg that could get to the Rhine and split Germany in a matter of days.

If an American President did not react fast enough, the intriguing question is raised as to whether the White House would order a nuclear attack on the Soviets after a Soviet attack had stopped, albeit on the Rhine.

On the other hand, some Allied officers think that if the Soviets precipitated a crisis on the flanks, then the Allies could do the same elsewhere, maybe seizing all East-bloc shipping or other such ideas rarely discussed openly.

Some experienced NATO officials believe the current round of alarming talk in some Washington circles is aimed more at ensuring that the Carter administration and other

NATO governments gain approval in their respective parliaments for the next round of weapon procurements so that the balance does not tip in the 1980s. That seems to be what Hill-Norton is saying.

Viewed from Europe, which would be the battlefield for a future war, the East-West balance is a vastly complicated panorama that looks something like this:

According to Western intelligence, the Soviets have added 130,000 men to the central region in the past five years. That pushes the total, including Warsaw Pact allied forces, to 920,000 men.

NATO has about 700,000.

The key, however, is that of the Warsaw Pact total, about 600,000 to 700,000 are Soviet troops, and NATO commanders do not think that is enough for a high-confidence initial attack.

With the possible exception of the six highly regarded East German divisions, few analysts believe the Soviets would trust the inclusion of divisions from other countries in a first wave, the crucial one. Others question whether the Soviets could leave countries such as Czechoslovakia and Poland without occupying Soviet forces during an offensive operation.

The Soviet divisions are smaller than Allied ones and are rated in the West as probably one-third ready to move on eight hours' notice, one-third on 72-hours' notice, and one-third within about 10 days.

In equivalent terms, Allied specialists estimate that the Soviets could field about 50 divisions relatively fast and NATO about 30.

The Soviets, for a much more massive attack, could field 100 divisions, but that would take several weeks and would allow that much more NATO mobilization.

Against a 50-division attack, top Allied commanders are convinced they would have a minimum of 72 hours' warning and probably more since it would be impossible to conceal preparations for such a massive undertaking. No one believes the West—specifically the West Germans, on whose turf the battle would be fought, and the Americans, with 500,000 troops and dependents in Europe—would not take some action during this time.

It is here that the West Germans are the key. They can mobilize faster than the Americans and leave no doubt that they would.

Says one of West Germany's brightest young generals, 48-year-old Deputy Chief of Staff Wolfgang Von Altenburg: "We feel we can hold long enough to get the political decision" in the West, to get the Moscow-Washington hot line working.

"We can hold them for some days"—he doesn't say how many—"without giving up vital territory or having nuclear weapons overrun or suffering troop losses that would make us inoperable. But we are on the edge."

NATO officers are less worried about the number of troops in their armies than about their location—in reserve units at home, or far from the potential front line. Large and competent forces can be added to the in-place, front-line troops with reasonable warning time, but many NATO commanders fear that the political leadership, particularly in the United States, might not respond to provocative Soviet moves quickly enough.

One top U.S. official noted that "elected governments don't like to take unpopular acts, and mobilization, unless there is absolutely convincing evidence at hand, would be politically very tough, even in Germany and the U.S.

"Governments don't make points by reacting to things that don't actually happen, and the Soviets could do lots of things piecemeal which might not provoke mobilization. They could have a big military exercise one day, dribble all their submarines out of port over a few other days. It could be hard to convince people that we have the warning time."

The Soviets also have problems. Aside from questions of satellite loyalty in a crunch, Allied specialists point out that the Soviets would be fighting on foreign soil against NATO forces defending their homelands.

Soviet military operations give no indication that their commanders have anywhere near the degree of flexibility and resourcefulness to respond to unexpected situations as do Western commanders. Soviet airmen are not well trained, by U.S. standards, nor are Soviet naval forces as experienced at sea.

But the Soviets have large numbers of men and weapons. They have long had about 2½ times as many tanks and artillery pieces as NATO, though Western tanks in many armies are better. The Soviets are said to be producing some 2,000 new tanks a year, more than double the recently accelerated U.S. rate.

Steady growth of the Soviet navy into a global fleet has long alarmed Western navies. And in the last five years or so, the Soviet air force has been modernized: long-range planes capable of offensive bombing missions behind NATO lines have replaced mostly short-range, defensive fighters.

The Soviets have added long-range, self-propelled artillery for the first time, chemical warfare equipment and river-crossing equipment. They also have deployed 3,000 helicopter gunships with a roughly 35-mile arc directly east from the central Fulda Gap attack area into Germany, an action that has Western intelligence officers puzzled.

The general improvement in Soviet forces is in quality rather than in numbers, which is worrisome to the West. The West traditionally has led qualitatively—and still does, but by a narrower margin.

British, American and West Germans believe the Soviet buildup is intentional, directed from the top, and meant to give the Soviets a political edge in any future confrontation.

"The Russians may not be intending to stage an attack tomorrow," says Von Altenburg, "but they want to be able to put on pressure. They are very careful people, as world history shows, always trying to reduce their risk potential. If they play poker, they want a good hand."

Looking at the Soviet buildup, Van Altenbury says, "You must consider they still remember the shock of 1941" and the Nazi invasion. "And they undoubtedly need troops to pacify their satellite countries, plus they do have global commitments now."

Even allowing for that, he thinks, the Soviets still have 60 to 70 per cent more troops than needed for defense in Central Europe, despite economic problems in the Soviet Union.

The Soviet buildup, however, has not gone unmatched and Western specialists believe the West has already offset a substantial portion of the Soviet efforts.

For example, while the British Royal Air Force has been reduced to a shadow of its old self, its squadrons in Germany in the past two years have been totally replaced by newer French-British Jaguar jets and U.S. Phantoms, with a slight increase in numbers. A new British-German-Italian 155 mm howitzer is coming into service now.

The U.S. Air Force in May will begin bringing additional F–111 fighter-bombers to England and new FF–1515 fighters to Germany. U.S. officers also suggest that a major additional boost to NATO airpower can be expected soon.

The United States also is producing the new AWACS aircraft to provide early warning of air attack over a European battlefield. Despite some Soviet efforts in the same field, knowledgeable sources say the Soviet version is in no way comparable.

The 190,000-man U.S. Seventh army in Germany, though short of some supplies given to Israel in the 1973 war, is infinitely better-manned and equipped than it was at the peak of Vietnam. Two new brigades have been added and enlisted men and officers stay here longer.

In addition, thousands of so-called "smart" weapons, guided bombs and antitank missiles, have been added to U.S. stockpiles overseas.

On the way, according to U.S. officers, is a new laser-guided artillery shell that fits 155 mm howitzers, the principal artillery piece in the U.S. arsenal. If it works, the shell will give the howitzer a chance to knock out tanks on the move.

Though most Americans do not realize it, the West Germans provide 50 per cent of the ground forces and 40 per cent of the air forces initially available to meet a Warsaw Pact attack.

The West Germans have 3,700 tanks, half of them the superb Leopards, and the older M–48s are due to be replaced by even better Leopard IIs now coming off the production line.

Close to 4,000 of the Marder armored combat vehicles are in service and thousands of the highly regarded French-German-built "Milan" antitank missiles are being added to British, French and West German forces here, including mounting them on the Marder.

NATO commanders do not really know if this is adequate to cope with the Soviet tank advantage. Von Altenburg, however, does not want more tanks on the West German side of the line. He would prefer armored vehicles carrying antitank missiles and armed infantry to stop Soviet tanks.

Ultimately, it is American strength—specifically the Americans' ability to threaten to use, or actually use, nuclear weapons to stop a Soviet onslaught—that the Europeans depend on.

Talk by President Carter about eventually ridding both sides of all nuclear weapons does not comfort the Europeans because they think they could not cope with Warsaw Pact nations on a strictly conventional level.

There is another factor, too.

"I don't mean this in a nasty way," says Von Altenburg, "but a war in Europe would produce many flags in American windows for losses, and that would be a tragedy. But a long war would be the end of Germany.

In short, the Europeans—not just the West Germans—want the United States to quickly invoke the threat of using nuclear weapons.

PRIMITIVE RIVALRIES IN A NUCLEAR AGE

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, the last of the Washington Post series on the strategic arms debate is by William Greider and Robert G. Kaiser. It points out that there is something terribly primitive in the rivalry of the world's two nuclear superpowers in this age of computer guided rockets and incredibly destructive weapons and that in the history of humanity this kind of rivalry usually ends in war.

One of the basic issues, rarely debated publicly, is whether victory in a nuclear exchange would have any value. The article points out that a "victorious" Soviet Union could easily emerge weaker than China, Japan or the European countries. It also points out that the most plausible explanation for the Soviet civil

defense program would appear to be the Chinese threat.

The article calls for a more objective and less passionate American appraisal of Soviet motives and suggests that a basic question is whether it is in America's long-term interest to lead the Soviets on another round of unlimited arms building or whether the Russians and the Americans have mutual motives for arms reduction, such as the pressures of their domestic economies.

The full text of the article follows these remarks:

PRIMITIVE RIVALRIES IN A NUCLEAR AGE

(Last of a series)

(By William Greider and Robert G. Kaiser)

In this age of computer-guided rockets and Buck Rogers wonders of destruction, something terribly primitive remains fixed in the rivalry of the world's two nuclear superpowers.

Us and Them, America and Russia. The Soviet butchers. The imperialist warmongers. Primitive fears, crude reflexes, ancient rituals of faith are invoked to ward off unseen demons.

These two great nations do at times behave like two primitive tribes living in adjoining valleys, worshiping different gods, each fearful of whatever it is that lurks just over the mountains. When one tribe hears rumblings of warlike noises, flashes of lightning from the mountain, warrior chiefs arouse the people and scientist priests summon new magic weapons, like ancient totems, to protect the faith.

Crudely speaking, the modern arms race reflects those ancient patterns of behavior. The rivalry is real; so is the hostility. But, in the history of humankind, these struggles usually end in warfare and so now we face a new dilemma—and twin threats of the "enemy" tribe and the nuclear threat of our own destruction. History asks: will this story end in the same old way or will these two nations find a way to break out of that primitive pattern?

In our society, as in theirs, it is taboo to think of the "enemy" as any thing but the enemy (though the penalties are quite different: an American politician is defeated for being "soft on communism;" a Russian dissident is sent to prison). But the current strategic-arms debate poses an implicit question: to what extent can Americans and Russians set aside the "enemy" ideology, their alien faith, and consider our mutual self-interests, our shared human values, reflexes, limitations?

The strategic debate rarely addresses that theme directly—it is politically damaging to do so—and yet it is implicit in almost every calculation, every alarm over new scenarios, weapons.

This season, as so often before, the conflicting approaches are at war just beneath the surface of the dialogue. President Carter urges cooperation with the Soviets toward mutual arms reduction. Yet a broad array of deeply-troubled skeptics warns with facts and figures that the Soviets are bent on destroying us—that new and dangerous rumbles have been heard from Moscow.

This season, the new rumble is a civil defense gap. The Russians, it is said, are preparing at great expense fallout shelters and evacuation plans for their population. Why would they bother if they were not serious about the possibilities of nuclear war? A good question. Serious people argue over it, from both sides. Americans will be hearing much more on the subject, as the strategic-arms debate plays out on various weaponry issues in the months ahead.

A few forceful proponents have made dire predictions about the answer to that question. Maj. Gen. George J. Keegan, former Air Force Intelligence chief, for one, fears that "the Soviet civil defense program was the decisive turning point in my judgment that we [have] already lost the strategic balance."

Paul Nitze, in his influential essay last winter in Foreign Affairs, said the Soviet Union is spending $1 billion a year on civil defense (compared with $80 million here) and Nitze cited Soviet manuals from 1969 and 1970 which assert that no more than 3 to 4 per cent of the population—a mere 10 million Russians—would be killed in a U.S. attack.

"The Soviets may well overestimate the effectiveness of their civil defense program," Nitze conceded, "but what is plain is that they have made, for 20 years or more, an approach to the problem of nuclear war that does assume, to a degree incomprehensible to Americans (or other Westerners), that nuclear war could happen, and that the Soviet Union could survive."

An associate of Nitze, T. K. Jones of Boeing, has since calculated the question more closely and made ominous projections about what the Soviets might be doing. The Soviets, he asserts, "can protect their industry and facilitate its rapid recovery should a nuclear war occur . . . can protect their work force . . . [and] protect their industrial machinery . . ."

"It makes my blood run cold," said Nitze, who mentions Jones' study without quite embracing its conclusions.

Among other things, Jones has determined that the Soviet Union could recover from a nuclear war "within no more than two to four years, whereas the U.S. could not recover in less than 12 years."

Even if Russia were to lose half of its population and all of its industry, Jones claims, it could recover its prewar gross national product within 15 years. As one arms-control advocate pointed out, this would amount to doubling the per-capita GNP for the Soviets in a very short period—a feat which they have had trouble doing without nuclear war.

When Science magazine asked Jones how much bunker-building and factory protection the Russians are actually doing, Jones' answer was, not much.

"But," he told Science, "I just have this cold, sinking feeling when I think about how much there might be that we don't know about."

As Nitze's article suggested, the adherents of the civil defense gap believe the Russians do not accept our view that nuclear war is virtually unthinkable. Instead, these people warn, the Russians are seriously prepared to fight and win an all-out nuclear war.

One indication of this, they say, is the Soviet Union's civil defense preparations: protection of some industrial installations against the hazards of blast and fallout, underground installations to save the country's leadership, underground food reserves and published plans to disperse the population if an attack is threatened.

The civil defense gap theory provokes extraordinarily strong reactions within the community of people who make it their business to follow and participate in the ongoing debate about strategic issues. While Nitze or Jones talk freely of possible Soviet preparations for nuclear war, experts with equally good credentials ridicule the entire idea as "a joke" or "ridiculous."

So when the alarm-sounders cite Soviet rhetoric about the plausibility of a nuclear war and Soviet capacity to "win" it, their critics cite other pieces of Soviet rhetoric which refer to a superpower nuclear war as "suicidal." The critics also note that American military literature abounds with references to fighting and prevailing in a nuclear war. Does that mean we are preparing to fight one?

Moreover, the figures produced by Jones to support the proposition of a speedy Soviet recovery from nuclear war are by no means the only figures available. A decade ago, for example, the Pentagon made these calculations on the potential destructive force of U.S. hydrogen bombs dropped on the U.S.S.R.:

Four hundred equivalent megatons could kill 74 million Soviet citizens and wipe out 76 per cent of Soviet industrial capacity. Eight hundred megatons could kill 96 million people; 1,600 megatons could kill 116 million.

The United States, according to one congressional estimate, now has about 4,200 equivalent megatons ready to deliver against Soviet targets.

But the "civil defense gap" raises broader questions about the nature of the enemy. Given the invulnerability of America's capacity to strike back, to level Russia's great cities, it is plausible to think that the Soviet leaders might risk the destruction of all they have built since World War II?

W. Averell Harriman, the elder statesman, one of the first to warn of Soviet hostility following the war, describes the present alarms as "this orgy of Russian terror," which obscures obvious realities about Russian society.

"Go to Leningrad," Harriman suggested. "Never in the history of the world has there been such a dedication, a determination to reconstruct the past, the imperial palaces. They're just determined to see that the German invasion will not take away any of their heritage. To think that the same people are planning a war that would bring atomic bombs down on them there and destroy everything that they have built—it doesn't make sense."

The alarmists do not reject that view so much as they reject the certainty with which it is expressed. What if Harriman is wrong? they would ask. Can we risk a mistake that could destroy the United States?

This is the frame of mind that has always dominated the American strategic debate. Prudence above all; take no risks. Defense Secretary Robert S. McNamara took this even further when he invented the notion of the "greater than expected threat"—a danger from the enemy greater than any evidence suggests is possible.

This sort of prudence seems to lead in only one direction—toward more and better weapons.

Critics of the "worst case" view of Soviet civil defense programs argue that this time, at least, we can be realistic without being imprudent. They raise many challenges to the alarmist view. For example:

Aren't there some targets in the Soviet Union which, if destroyed, would cripple the economy and invalidate optimistic projections of a speedy postwar recovery?

One of these might be the headquarters of the State Planning Commission in Moscow, whose files and computers guide virtually every aspect of the centrally planned economy. Another might be the country's oil refineries, which—according to congressional staff analysts—cannot be protected against nuclear blast. Yet another, proposed in a recent article in Orbis magazine, might be the dams and drainage systems in Soviet farm regions. Without them millions of acres of fertile land could be turned into marshes and desert.

Is mass evacuation of city dwellers into the countryside a realistic possibility?

The "worst case" scenarios predict that city dwellers could go into fields and forests, where they would dig makeshift shelters and stay for the duration of the nuclear exchange. But what about the weather? The Russian winter can last six months; in spring and fall the countryside is awash with mud. Is the Soviet Union counting on a civil de-

fense system usable only for a couple of months in summer?

Would victory in a nuclear exchange have any value?

The alarmists discuss the possibility in terms of the two superpowers and the relative speed with which they might recover from a nuclear war. But a "victorious" Soviet Union could easily emerge weaker than China, weaker than Japan, weaker in relation to the restive East European satellites. Would those countries voluntarily remain subservient to a crippled Russia that was unable to provide the oil and raw materials it now sells them? For that matter, would Estonia, Latvia and Lithuania?

(Asked about the effects of nuclear war on the Soviets' superpower status, Jones replies that in his scenarios the Russians would emerge from nuclear war with substantial military superiority over all other world powers, so the Soviets could still intimidate their neighbors, and even coerce the United States and others to provide food, machinery and other things needed for recovery.)

The most plausible explanation for the Soviet civil defense program would appear to be the Chinese threat, in the view of many scholars. China has a primitive and limited nuclear arsenal. The Chinese and Soviets have already fought along their long border, and animosity is deep.

The Soviet shelter system "would be useful under certain circumstances against the Chinese," according to the Federation of American Scientists—even if it would not assure much protection against an all-out American attack.

There are other possible explanations. Senior CIA officials have suggested that the Soviets use civil defense as one means of mobilizing the population, a tool which unelected leaders employ to instill a useful degree of fear. It helps remind the often undisciplined population that the country faces a constant foreign threat—that vigilance is a duty.

Examined closely, the Soviet Union's mailed fist is wrapped around some embarrassing weaknesses. For example, this is a superpower that cannot be traversed on a paved road—none exists that crosses the U.S.S.R. Its technology is often primitive. With a few exceptions, the Soviet civilian economy is 25 years behind ours in computerization. Soviet productivity is poor, and the Russians must turn to foreigners for basic economic inputs—the capacity to build passenger cars and trucks, and cups and saucers.

American farming makes up less than 3 per cent of our gross national product, yet U.S. productivity is so abundant that it can bail out failures in the Soviet Union, where agriculture is 17 per cent of the GNP.

In short, Soviet leaders have lots of good reasons for feeling inferior. Yet their ideology promises that someday Marxism-Leninism will overrun the "decadent capitalists" and reign supreme. How does one keep the Soviet faith when reality promises a long future as No. 2 in most spheres of modern life?

Military hardware is one area where the Soviets can catch up, crudely, at great expense, but still it is a psychic comfort, important to their ideology and their self-esteem. The Kremlin leaders wish to tell themselves, their people and the world that they, too—like the rich Americans—are second to none.

If fear and insecurity are major motivations for Soviet arms-building (as opposed to some active design to achieve a "war-fighting" capability), this perspective opens new questions for Americans to answer about their own self-interest. Is it in America's long-term interest, not to mention the world's, to lead the Soviets off on another chase, another round of unlimited arms building? Once the Russians have satisfied themselves on nuclear parity with America, do they have mutual motives for arms reductions, domestic pressures which might be more compelling and exploitable if the arms race abates?

The strategic debate deserves to be widened. By counting only weapons and ignoring the other aspects of Soviet society, the West credits the Russians in the only category in which they can compete, ignoring the many others where they cannot.

"The intelligence community will not look at the hard analytical questions which can't be answered precisely," an arms control official complained with despair. "Why do the Russians say what they say rhetorically? Why do they deploy so many different [weapons] systems? Why do they buy what they buy. What's the relationship between the political leadership and the military bureaucracy? What are their true strategic intentions?"

In short, Americans have to ask, less passionately, more objectively: what is that tribe on the other side of the mountain really like?

WHALEN NOTES GROWING SUPPORT FOR CONGRESSIONAL PAY RAISE DEFERRAL LEGISLATION

(Mr. WHALEN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WHALEN. Mr. Speaker, I am pleased to note that support continues to grow for the Congressional Pay Raise Deferral Act, which I introduced on the first day of this Congress.

As of this date, a total of 88 Representatives have joined as cosponsors of my legislation.

Just this past weekend I again read in the newspaper that President Carter endorses the concept of deferring any increase in congressional salary until the Congress following the one that approves the increase. And it is my understanding that the House Committee on Post Office and Civil Service is increasingly inclined toward acting on my proposal.

All of this is, of course, quite encouraging. A revision of our procedures for congressional pay raises is essential if we are to eliminate what seems to be the most blatant possible example of inherent conflict of interest, and this support from public officials bodes well for passage of my bill.

However, what I find most encouraging of all is the support for the Congressional Pay Raise Deferral Act among the general public. I am receiving letters from citizens around the country, encouraging me to continue pressing for passage of this legislation, and I am also receiving substantial editorial support.

In the CONGRESSIONAL RECORD of February 16 I inserted the texts of editorials that appeared in the news media in Dayton, Ohio; Omaha, Nebr.; Roanoke, Va.; and Toledo, Ohio. Today, at this point in the RECORD, I wish to insert the texts of editorials that were recently sent to me from Seattle, Wash.; Bakersfield, Calif.; Richmond, Va.; and Albany, N.Y.:

EDITORIAL FROM KOMO RADIO AND TV, SEATTLE, WASH., FEBRUARY 25, 1977

Some 15,000 federal employees, including every Member of Congress, are now enjoying their new pay raises. They come from one of those crazy pieces of legislation that becomes effective unless rejected by Congress.

The legislation was not rejected.

The measure handed over $12,000 additional salary to congressmen and high level federal employees.

But there is remedial legislation that would prohibit congressmen from fattening their own salaries in the future.

Ohio Congressman Charles Whalen wants to stop this practice and has introduced the Congressional Pay Raise Deferral Act. This act would bring the federal government into line with 37 states, including Washington, who prohibit their legislatures from raising salaries during their current term.

KOMO does not quarrel with the argument that a salary adjustment was needed. Except for a five percent cost-of-living raise, this was the first salary increase for Congress since 1969.

But KOMO does argue with an arrangement that allows Congress to vote on an issue so clearly benefitting themselves. New legislation deferring pay raises until the start of the newly elected Congress would avoid conflict of interest charges. New legislation might also help Congress regain some of the American people's confidence lost over the last few years.

[From the Bakersfield Californian, Feb. 21, 1977]

PAY GOES UP WITHOUT A VOTE

Your congressman's salary has gone up $12,000 a year—to $57,000—without a vote of Congress even though an estimated three-quarters of the House of Representatives were said to oppose the raise.

We'd say this is a strange way to run representational government.

The pay increases, recommended for legislators, members of the federal judiciary and other high federal employes by the Quadrennial Commission, were enacted by congressional inaction.

Lack of courage on the part of House leadership might be a better explanation.

Resolutions to stall the automatic raises never got to the House floor for debate.

There is every indication such a bill would have carried.

Many congressmen, Bakersfield's Rep. Bill Ketchum among them, cannot be blamed. They never got a chance to cast a vote. Ketchum and approximately 50 other representatives cosponsored legislation to deny congressmen the right to raise their own salaries. Twenty-eight states, incuding California, have such statutes.

The bill's author, Rep. Charles W. Whalen Jr., R-Ohio, observed recently that the proposal would "remove (Congress) from the awkward conflict-of-interest situation in which we are now trapped and also would be giving our constituents a fair and timely opportunity to pass judgment on the wisdom or folly of whatever we decide regarding pay increases . . ."

Whalen's measure still merits consideration, even though the horse (figuratively speaking) has left the stall.

Other changes in the legislative process also are in order. The public's will was effectively thwarted by procedural rules which blocked consideration of the Quadrennial Commission's recommendations.

Congress had but 30 days to act once the plan was transmitted by the White House.

Anyone familiar with the maze through which a bill passes en route to House or Senate floor know that a month isn't enough.

The current situation virtually guarantees enactment by default.

No proposal which raises salaries and increases the public's fiscal responsibility should become law without a vote of Congress. Even though we are opposed to the raise, we could have accepted the fact—grudgingly—had our viewpoint been defeated by majority vote.

A congressman is responsible to an electorate; the commission only to its philosophy.

We realize that Congress established this procedure. That doesn't make it equitable, any more than other general laws are proper when they give a non-elected bureaucracy the right to promulgate specific policies. The act should be changed.

Meanwhile, it should be noted that a congressman receives more than three times (in base salary) as much compensation as the median American family earns. This well could explain why so many federal lawmakers appear to have lost touch with the nation's mainstream.

They are, quite simply, a class apart from most of those they purport to represent.

[From the Richmond, Va., News Leader, Feb. 14, 1977]

PAY RAISE

Several members of Congress are aware of the shamefulness of Congress' approval of its own pay increases. Ohio Congressman Charles Whalen is pushing a bill that would forbid Congress from approving pay increases except for future Congresses. Mr. Whalen has done some historical research; he learned that such a restriction first was proposed as an eleventh amendment to the original Bill of Rights. At the time, James Madison said:

"I do not believe this is a power which, in the ordinary course of government, is likely to be abused . . . but there is seeming impropriety in leaving any set of men without control to put their hand in the public coffers, to take out money to put in their pockets; there is seeming indecorum in such power, which leads me to propose a change . . . that no law, varying the compensation shall operate until there is a change in the legislature, in which case it cannot be for the particular benefit of those concerned in determining the value of the service."

Madison's proposal was rejected after opponents voiced their opinion that future Congresses were hardly likely to abuse their power for setting pay scales. One opponent said that the proposal was unwise because it would make one session of Congress feel indebted to the previous one for performing "so disagreeable task for them." The issue came up again in 1873, when Congress voted itself a 50 percent pay increase. Public indignation forced Congress to rescind the pay raise, and the issue died.

Congressman Whalen and the cosponsors of his bill will face difficulties without public support. Obviously the Founding Fathers underestimated the willingness of present Congresses to abuse their power by voting themselves fat pay hikes. The Whalen proposal at least would place some restrictions on the possibilities of abuse. Taxpayers who are outraged at this latest raid on the treasury should rally to his cause.

[From the Albany (N.Y.) Knickerbocker News-Union Star, Feb. 14, 1977]

CONGRESS PAY

The average family in this country has an annual income of about $12,000. Somehow, if just barely, these families get by. And therefore, it's hard to work up much sympathy for the congressmen who are crying and whining about how they just can't make it on $45,000 a year. The congressional plan, of course, is to do what the average family can't do, and that is for the congressmen to raise their own pay to $57,000.

Perhaps the most objectionable feature about the process of this pay raise is that the congressmen will not have to face an election between the time they hike their own pay and the time they collect the extra money. In 37 states, including New York, legislators are prohibited from raising their own salaries during their term of office. Rep. Ned Pattison, a Democrat representing a number of Metroland counties, is one of several congressmen saying Congress should adopt the same rule as the legislatures. Pattison is right.

REEMPLOYMENT SERVICES ACT

(Mr. WHALEN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WHALEN. Mr. Speaker, as Congress considers additional funding for the Public Works Employment Act, another measure designed to alleviate our unemployment problems is being reintroduced. This bill is the Reemployment Services Act, which provides for improvement of our public employment offices. I am pleased to be among the cosponsors of the bill. Permit me to take this opportunity to share with you my reasons for supporting it.

First, the bill is designed to improve and update an already existing program. The Wagner-Peyser Act of 1933 called for the creation of a national system of public employment offices. Although this has been accomplished, the law has remained unchanged during the last 44 years, and recent statistics indicate that the present system is inadequate for today's job-market demands.

The General Accounting Office has revealed that in 1975, only 17 percent of the applicants to the employment service actually were placed in a job, and 58 percent did not receive job referral, counseling, testing, or employment services of any kind. GAO also found that a significant number of employees are dissatisfied with the Service. Fully 60 percent of the employers interviewed did not list all of their job openings with the Service, and only 10 percent were willing to list managerial positions.

In this period of high nationwide unemployment, it is imperative that we upgrade the quality of services provided by public employment offices. The Reemployment Services Act addresses this issue by establishing an "outreach" program which will provide management assistance to local offices. Each office, in turn, must develop annual plans for improved services and innovative programs. It must also make a cost-effectiveness study of proposed changes in priorities, programs, and objectives. No funding will be allocated to a local public employment office unless its management plan has been approved. It is hoped that this method will improve services and encourage job seekers and employers to utilize public employment offices.

Second, the Reemployment Services Act is designed to provide assistance to a broader range of unemployed people. At present, only 25 percent of the employers interviewed for a GAO study are willing to list job opportunities for professionals. Statistics also indicate that the employment officers, themselves, offer assistance primarily to people with short-term career goals. Approximately 53 percent of the jobs listed with the service are expected to last only for less than 5 months. Clearly, our national employment office system should provide aid not only to the unskilled worker, but also to the many unemployed people with experience, skills, and long-range objectives.

This bill states that, in order to obtain financial assistance, an agency must develop job placement and counseling programs for professional, technical, and managerial workers, clerical and service workers, craftsmen, salesmen, agricultural workers, laborers, operatives, veterans, and the handicapped. Thus, it attempts to assist the average, career-oriented man and woman faced with unemployment.

Third, the bill provides for the creation of an interstate job information network. The need for up-to-date news on job opportunities throughout the Nation became most apparent during construction of the Alaskan pipeline. Thousands of individuals moved to the State on the assumption that they would find jobs, and for a time, Alaska was faced with the burden of supporting those who could not obtain work. On the other extreme, a company in Seabrook, N.H., had difficulty locating ironworkers for a construction project because few lived in the State or knew of the project. In both of these instances, if the job seekers and employers had access to a reliable information system, neither would have had to undertake an expensive and time-consuming job or employee hunt. It is essential that we develop a job bank or similar system which can provide reliable interstate employment information in an efficient, inexpensive manner. This is a vital element of the Reemployment Services Act.

This legislation dovetails neatly with other congressional efforts to deal with unemployment. We have introduced bills to aid specific groups, such as our young people and public employees, and we have passed legislation to create more jobs. This bill directs assistance to the average, unemployed man and woman and it attempts to fill existing openings by improving an existing program. It can serve as a vital element in our approach to the complex problem of unemployment. I strongly urge my colleagues to support this legislation.

SOLAR AND CONSERVATION LEGISLATION

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, last week on February 23, 15 Congressmen and 9 Senators introduced a package of solar and conservation legislation. I was honored to have been joined by my fellow House colleagues, Congressmen GEORGE BROWN, JAMES JEFFORDS, RONALD MOTTL, BERKLEY, BEDELL, JAMES OBERSTAR, J. J. PICKLE, ROBERT DRINAN, FREDERICK RICHMOND, MICHAEL HARRINGTON, STEWART MCKINNEY, JOE MOAKLEY, MAX BAUCUS, CLARENCE LONG, and MIKE MCCORMACK in this most important response to our country's energy needs.

This comprehensive package of bills includes programs for the promotion and use of solar energy and conservation in the areas of small business, agriculture, international applications, Federal buildings, and assistance to individuals through grants, loans, and tax credits. I

have included below brief descriptions of each particular piece of legislation, and urge your support.

Although I was particularly involved in the drafting of the bill to promote the use of solar energy and conservation measures in Federal buildings, I am tremendously enthusiastic about the whole package. National benefits include increased jobs and very substantial savings of both money and nonrenewable energy supplies. The support of labor unions, environmental groups, and public interest organizations is a good harbinger of success for this package. Another good omen was the broad coalition of Members who have not only joined together to support these bills but who have worked together during the past months as the bills evolved.

A description of the bills in this important solar and conservation package follows:

SOLAR PACKAGE—BILL SUMMARIES

1. SOLAR AND ENERGY CONSERVATION COMMERCIALIZATION ACT

The purpose of this Act is to encourage the commercialization and installation of solar, energy conservation and other renewable energy source equipment and measures. The bill offers low interest loans to homeowners, the loans covering 75% of the cost of purchase and installation of the equipment up to $4,000 for energy conservation and $10,000 for solar and renewable sources. Grants are available to those whose incomes are less than $30,000, to cover up to 20 to 25% of the purchase and installation costs. Financial incentives in the form of loans and grants are also made available to neighborhood, community and nonprofit groups for the installation of qualified energy systems. Small businesses are eligible for low interest loans.

The Department of Housing and Urban Development and the Small Business Administration will administer the Act, in cooperation with the Federal Energy Administration. While financial safeguards must be applied, the agencies are directed to make the incentives available to applicants with as little difficulty and red tape as possible.

2. AGRICULTURE SOLAR ENERGY RESEARCH, DEVELOPMENT AND DEMONSTRATION ACT OF 1977

This Act is a comprehensive promotion of solar energy programs within the Department of Agriculture. The legislation extends the USDA's authority for research to include solar energy research related to agriculture, authorizes the Extension Service to instruct and demonstrate solar energy uses, and directs the Farmer's Home Administration to include solar energy equipment within their housing and farm equipment loan programs.

The Act also establishes an information system for compiling a list of solar energy research projects related to agriculture such as solar crop dryers, irrigation pumps, and livestock shelter heating systems, and a national network of farms within each state which will demonstrate this solar equipment. These demonstration farms, which will be implemented by the State Departments of Agriculture with the assistance of the USDA Extension Service, land grant colleges, and experiment stations, are for the purpose of displaying the energy savings, economic viability, and usefulness of such solar equipment to local farmers and interested groups and individuals. The amount of funds authorized to be appropriated under this Act is $45 million.

3. HOUSE RESOLUTION REGARDING THE USE OF SOLAR ENERGY IN HOUSE OFFICE BUILDINGS

The Resolution authorizes $50,000 to study the feasibility of using solar energy in connection with the heating, cooling, and hot water systems or subsystems of the office buildings occupied by the Members and staff of the House of Representatives. Priority is given to House Office Building Annex #2, which is believed to be the building most likely to prove feasible for the most extensive retrofit, and which is currently undergoing extensive renovations. The study is to be under the direction of the Architect of the Capitol and is to be completed within six months of enactment.

4. INTERNATIONAL APPROPRIATE ENERGY TECHNOLOGIES PROGRAM

Two bills, amending the Foreign Assistance Act and the Federal Nonnuclear Energy Research and Development Act to establish a cooperative program with developing countries to accelerate the development of nonconventional, decentralized, rural energy technologies. An explicit purpose of this program is to stimulate the commercialization of small-scale power systems by U.S. private industry, to the mutual benefit of the U.S. and developing countries.

The program includes a series of regional and country studies to be carried out with the close cooperation of private industry to determine what energy needs, uses and sources can be identified in various climatic regions, and the establishment of a comprehensive information network which will permit the early transferability of these technologies around the world. Pilot projects are to be started as quickly as possible. A.I.D. is authorized at least $10 million and E.R.D.A. $5 million for FY 78 to carry this program.

This proposal ratifies the best thinking along appropriate energy technology lines that has emerged from A.I.D. and E.R.D.A.; mandates and funds a conceptualization which has been the subject of a recent Memorandum of Understanding between the 2 agencies.

5. FEDERAL BUILDINGS: PROMOTION OF SOLAR ENERGY, CONSERVATION AND LIFE-CYCLE COST EVALUATION

This bill promotes the use of energy conservation, solar energy, and total energy systems in Federal buildings.

The first two requirements of the legislation are an energy audit of existing buildings and the establishment of life cycle cost methodology to be used for new building construction and procurement and the refitting of existing buildings with energy conservation and solar techniques. The bill then establishes an orderly refitting of existing buildings and requires all new Federal building construction to incorporate life cycle cost energy evaluations. In addition G.S.A. is required to include equipment for energy conservation and for the utilization of solar energy and total energy systems in the Federal Supply Service.

Each Federal Agency shall, in the preparation of its budget requests, include a specific line item for retrofit measures and new construction costs relating to the provisions of this bill. The coordination of agency activity and reporting resides with the Administrator of F.E.A. until such time as the transfer of duties is required under the newly established Department of Energy.

6. FEDERAL BUILDINGS SPACE AND WATER HEATING, AND PHOTOVOLTAIC INSTALLATIONS

Federal buildings are a prime candidate to give a needed push in order to insure rapid commercialization of space and waterheating as well as automation and cost reduction of photovoltaic equipment. In order to bring the rapid economics of scale of these technologies which have been recently predicted by various ERDA contractors, this bill mandates, first, installation of solar space heating and hot water systems in over 15,000 GSA and DOD buildings over a 6 year period. Second, the installation of some 50 megawatts electrical per year for 5 years of photovoltaic electric systems. Cost of space heating, about $600 million, for photovoltaics $100 million, spending which it is believed will be more than recouped by our oil payments abroad and through replacement of remote electrical generators with photovoltaic systems.

7. SMALL BUSINESS: COMMERIALIZATION ASSISTANCE, GOVERNMENT RESEARCH PARTICIPATION

Title I: Provide for a $75 million authorization to the SBA for loans on a direct, guaranteed or participatory basis for small businesses involved commercially in solar energy or conservation. Establishes a grant program through SBA for any non-profit organization to provide training seminars for small business concerns in practical and easily implemented methods for the design, implementation, and maintenance of solar energy equipment, (conversion of the HVAC Industry)

Title II: Establishes an Office of Invention and Innovation in ERDA to oversee NBS evaluation and unsolicited proposals. Authorizes $5 million for "small grants" (up to $50,000) to small businesses and individual inventors for the research, development or demonstration of "promising energy related inventions" found technically feasible. Authorizes $45 million for grants, loans, or loan guarantees in excess of $50,000 with the approval of the Assistant Administrator responsible for the area the technology involves. Requires that a minimum of 20% of ERDA solar funds be available to small firms. Directs ERDA to develop a definition of Small Business in consultation with the SBA Administrator. Directs ERDA to "vigorously encourage" small business and individual inventors participation in their programs, and requires ERDA to report on their implementation of this directive in their annual report to Congress.

8. RENEWABLE ENERGY AND ENERGY CONSERVATION TAX ACT

This Act provides a tax credit (effectively, a tax refund) to those who invest in energy conservation and renewable energy measures. These include insulation, storm windows, and doors, solar energy, geothermal energy and wind energy systems, and other measures.

For energy conservation in the home, the maximum tax credit is equal to 30 per cent of the amount spent, with a maximum of $750. For renewable energy in the home, the maximum credit is 40 percent of the first $1,500 spent and 25% of the additional expenditure, with a maximum credit of $2,500 per taxpayer.

In order to provide greater benefits to low- and moderate-income people, the credit is graduated. The credit is scaled down to a maximum of $150 for conservation and $500 for renewable energy for persons with incomes about $36,000. An investment tax credit of 12 per cent for conservation and 25 per cent for renewable energy is provided for businesses and industry.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. GONZALEZ (at the request of Mr. KAZEN), for today and the balance of the week, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. EVANS of Delaware) to revise and extend their remarks and include extraneous material:)

Mr. JEFFORDS, for 15 minutes, today.
Mr. WHALEN, for 5 minutes, today.
Mr. SARASIN, for 5 minutes, today.
Mr. EMERY, for 10 minutes, today.

(The following Members (at the request of Mr. WHITELY) to revise and extend their remarks and include extraneous material:)

Mr. WOLFF, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. BENJAMIN, for 5 minutes, today.
Mr. BLOUIN, for 5 minutes, today.
Mr. VANIK, for 10 minutes, today.
Mr. AUCOIN, for 5 minutes, today.
Mr. FRASER, for 10 minutes, today.
Mr. RYAN, for 5 minutes, today.
Mr. DRINAN, for 5 minutes, today.
Mr. PATTERSON of California, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. RICHMOND, immediately following vote on H.R. 3753.

(The following Members (at the request of Mr. EVANS of Delaware) and to include extraneous matter:)

Mr. SHUSTER in three instances.
Mr. ASHBROOK in three instances.
Mr. DERWINSKI in three instances.
Mr. BROOMFIELD.
Mr. LOTT.
Mr. COHEN.
Mr. GARY A. MYERS.
Mr. GRASSLEY.
Mr. CARTER in two instances.
Mr. EMERY.

(The following Members (at the request of Mr. WHITLEY) and to include extraneous matter:)

Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. ROSENTHAL in 10 instances.
Mrs. LLOYD of Tennessee in five instances.
Mr. FITHIAN.
Mr. HAMILTON in 10 instances.
Mr. SISK.
Mr. HOLLAND in three instances.
Mr. BOLAND.
Mrs. BURKE of California in two instances.
Mr. SANTINI.
Mr. FORD of Tennessee in two instances.
Mr. MURPHY of Pennsylvania.
Mr. Moss in three instances.
Mr. GIBBONS.
Mr. NOWAK in five instances.
Mr. MONTGOMERY.
Mr. FISHER in 10 instances.
Mr. PEPPER in two instances.
Mr. VANIK.
Mr. MCDONALD in two instances.
Mr. FRASER in two instances.
Mr. RANGEL.
Mr. UDALL.
Mr. SCHEUER.
Mr. STUDDS.
Mr. ST GERMAIN.
Mr. TEAGUE.
Mr. ROE.
Mr. BRODHEAD in two instances.
Mr. MURPHY of Illinois.
Mr. BENNETT.
Mr. DELLUMS in two instances.
Mr. KREBS.
Mr. PATTISON of New York.
Mr. PATTERSON of California in two instances.

A BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following title:

H.R. 3347. An act to rescind certain budget authority recommended in the message of the President of September 22, 1976 (H. Doc. 94-620), transmitted pursuant to the Impoundment Control Act of 1974; and

H.J. Res. 132. A joint resolution to authorize a special gold medal to be awarded to Miss Marian Anderson.

ADJOURNMENT TO WEDNESDAY, MARCH 2, AT 1 P.M.

Mr. WHITLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 28 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, March 2, 1977, at 1 o'clock p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

857. A letter from the Secretary of Housing and Urban Development, transmitting the third annual report on the HUD Coinsurance Program, pursuant to section 244(f) of the National Housing Act; to the Committee on Banking, Finance and Urban Affairs.

858. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a draft of proposed legislation to extend the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance, and Urban Affairs.

859. A letter from the Acting Assistant Secretary for Education, Department of Health, Education, and Welfare, transmitting the annual report of the activities of the National Center for Education Statistics and on the condition of education in the United States pursuant to section 501(a) of the Education Amendments of 1974; to the Committee on Education and Labor.

860. A letter from the Chairman, Council on Environmental Quality, Executive Office of the President, transmitting a report on the Council's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

861. A letter from the Chairman, Federal Power Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

862. A letter from the Acting Executive Director, Pension Benefit Guaranty Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

863. A letter from the Chairman, The Renegotiation Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

864. A letter from the Comptroller General of the United States, transmitting a report on the status of the Army's high-to-medium altitude air defense systems (PSAD-77-18, February 25, 1977); jointly, to the Committees on Government Operations, and Armed Services.

865. A letter from the Acting Comptroller General of the United States, transmitting a report on the status of the F-18 Naval Strike Fighter program (PSAD-77-24, March 1, 1977); jointly, to the Committees on Government Operations, and Armed Services.

866. A letter from the Acting Comptroller General of the United States, transmitting a report on the status of the Army's utility tactical transport aircraft system program (PSAD-77-31, February 25, 1977); jointly, to the Committees on Government Operations, and Armed Services.

867. A letter from the Acting Comptroller General of the United States, transmitting a report on the status of the Army's Roland and Chaparral missile programs (PSAD-77-38, March 1, 1977); jointly, to the Committees on Government Operations, and Armed Services.

868. A letter from the Comptroller General of the United States, transmitting a report on the status of the Navy's patrol combatant missile (hydrofoil) ship program (PSAD-77-46, February 25, 1977); jointly to the Committees on Government Operations, and Armed Services.

869. A letter from the Comptroller General of the United States, transmitting a report on steps the Government can take to improve the care of children in foster care institutions (HRD-77-40, February 22, 1977); jointly, to the Committees on Government Operations, and Education and Labor.

870. A letter from the Acting Comptroller General of the United States, transmitting a report on executive branch enforcement of financial disclosure reporting requirements (FPCD-77-23, February 28, 1977); jointly, to the Committees on Government Operations, the Judiciary, and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAHON: Committee on Appropriations, H.R. 3477. A bill to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform (Rept. No. 95-27, Pt. II).

Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 3753. A bill to bring certain governing international fishery agreements within the purview of the Fishery Conservation Zone Transition Act; with amendment (Rept. No. 95-31). Ordered to be printed.

Mr. WOLFF: Select Committee on Narcotics Abuse and Control. Report on summary of testimony and findings and conclusions resulting from Oversight hearings on narcotic abuse and control (Rept. 95-32). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on Appropriations. House Joint Resolution 269, Joint resolution making an urgent supplemental appropriation for the fiscal year ending September 30, 1977, for disaster relief (Rept. No. 95-33). Referred to the Committee of the Whole House on the State of the Union.

Mr. BEVILL: Committee on Appropriations. House Resolution 305. Resolution disapproving the deferral of certain budget authority (D77-50) relating to the Energy Research and Development Administration, magnetic fusion energy research, which is proposed by the President in his message of January 17, 1977, transmitted under section 1013 of the Impoundment Control Act of 1974 (Rept. No. 95-34). Referred to the Com-

mittee of the Whole House on the State of the Union.

Mr. BEVILL: Committee on Appropriations. House Resolution 306. Resolution disapproving the deferral of certain budget authority (D77-51) relating to the Energy Research and Development Administration, Program Support-Community Operations, which is proposed by the President in his message of January 17, 1977, transmitted under section 1013 of the Impoundment Control Act of 1974. (Rept. No. 95-35). Referred to the Committee of the Whole House on the State of the Union.

Mr. BEVILL: Committee on Appropriations House Resolution 307. Resolution disapproving the deferral of certain budget authority (D77-52) relating to the Energy Research and Development Administration, Biomedical and Environmental Research, which is proposed by the President in his message of January 17, 1977, transmitted under section 1013 of the Impoundment Control Act of 1974 (Rept. No. 95-36). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on Appropriations. H.R. 3839. A bill to rescind certain budget authority recommended in the message of the President of January 17, 1977 (H. Doc. 95-48), transmitted pursuant to the Impoundment Control Act of 1974; with amendment (Rept. No. 95-37). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of North Dakota:

H.R. 4162. A bill to allow Federal employment preference to certain employees of the Bureau of Indian Affairs, and to certain employees of the Indian Health Service, who are not entitled to the benefits of, or who have been adversely affected by the application of, certain Federal laws allowing employment preference to Indians, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ANNUNZIO:

H.R. 4163. A bill to amend the Gun Control Act of 1968 to provide for separate offense and consecutive sentencing in felonies involving the use of a firearm; to the Committee on the Judiciary.

By Mr. ANNUNZIO (for himself, Mr. RODINO, Mr. ADDABBO, Mr. CAPUTO, Mr. CONTE, Mr. DENT, Mr. LEGGETT, Mr. MAZZOLI, Mr. MILLER of California, Mr. MINISH, Mr. MURPHY of New York, Mr. PANETTA, Mr. RINALDO, Mr. RUSSO, Mr. SANTINI, Mr. VENTO, and Mr. ZEFERETTI):

H.R. 4164. A bill to amend the Foreign Assistance Act of 1961 to authorize additional funds for the assistance of the victims of the earthquake occurring on May 6, 1976, in the Friuli region of Italy; to the Committee on International Relations.

By Mr. AUCOIN (for himself, Mr. STUDDS, Mr. AKAKA, Mr. BAUCUS, Mr. BAUMAN, Mr. BEARD of Rhode Island, Mr. BREAUX, Mr. BURKE of Massachusetts, Mr. CARNEY, Mr. DON H. CLAUSEN, Mr. COHEN, Mr. EDGAR, Mr. EILBERG, Mr. EMERY, Mr. FLOOD, Mr. GINN, Mr. HARRINGTON, Mr. HAWKINS, Mr. HOWARD, Mr. HUGHES, Mr. JEFFORDS, Mr. JENRETTE, Mr. LENT, Ms. MIKULSKI, and Mr. MILLER of California):

H.R. 4165. A bill to amend the Fishery Conservation and Management Act of 1976 in order to clarify the definition therein of vessels of the United States and to require the Secretary of Commerce to prepare an annual report regarding foreign investment in the U.S. fishing industry; to the Committee on Merchant Marine and Fisheries.

By Mr. AUCOIN (for himself, Mr. STUDDS, Mr. MOAKLEY, Mr. MOORHEAD of California, Mr. PANETTA, Mr. PATTERSON of California, Mr. RINALDO, Mr. ROSE, Mrs. SPELLMAN, Mr. STARK, Mr. TREEN, Mr. WEAVER, Mr. WHITEHURST, Mr. WHITLEY, Mr. CHARLES WILSON of Texas, Mr. Young of Alaska, Mr. ZEFERETTI, Mr. D'AMOURS, and Mr. JOHN L. BURTON):

H.R. 4166. A bill to amend the Fishery Conservation and Management Act of 1976 in order to clarify the definition therein of vessels of the United States and to require the Secretary of Commerce to prepare an annual report regarding foreign investment in the U.S. fishing industry; to the Committee on Merchant Marine and Fisheries.

By Mr. BEARD of Tennessee:

H.R. 4167. A bill to amend the Endangered Species Act of 1973 in order to clarify the provisions of the act regarding Federal agency cooperation; to the Committee on Merchant Marine and Fisheries.

By Mr. BRODHEAD (for himself, Mr. BONIOR, Mr. BLANCHARD, Mr. KILDEE, Mr. CONYERS, Mr. FORD of Michigan, Mr. NEDZI, and Mr. DIGGS):

H.R. 4168. A bill to provide that any food which contains more than 0.02 part per million of polybrominated biphenyl shall be deemed to be adulterated for purposes of the Federal Food, Drug, and Cosmetic Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. COHEN (for himself and Mr. EMERY):

H.R. 4169. A bill relating to certain Indian land claims in the State of Maine, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. COHEN (for himself and Mrs. SPELLMAN):

H.R. 4170. A bill to impose conditions upon the right of certain institutions and organizations to require transfers of property or cash payments from aged individuals in return for the provision of continuing care to such individuals; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ROBERT W. DANIEL, JR. (for himself, Mr. ASHLEY, Mr. BADILLO, Mr. BINGHAM, Mr. BUCHANAN, Mr. CARNEY, Mr. DON H. CLAUSEN, Mr. COLEMAN, Mr. CORCORAN of Illinois, Mr. D'AMOURS, Mr. FLOWERS, Mr. GLICKMAN, Mr. GRASSLEY, Mr. GUYER, Mr. HANNAFORD, Mr. LEACH, Mr. LE FANTE, Mr. MCFALL, Mrs. MEYNER, Mr. MOFFETT, Mr. PEPPER, Mr. PRESSLER, Mr. RYAN, Mr. WALKER, and Mr. WHITLEY):

H.R. 4171. A bill to provide that the changes made by the Tax Reform Act of 1976 to the exclusion for sick pay shall only apply to taxable years beginning after December 31, 1976; to the Committee on Ways and Means.

By Mr. DANIELSON:

H.R. 4172. A bill to extend to certain Federal law enforcement and firefighter personnel who were reemployed annuitants on July 12, 1974, the benefits provided to other Federal law enforcement and firefighter personnel under the act of July 12, 1974; to the Committee on Post Office and Civil Service.

By Mr. DELLUMS:

H.R. 4173. A bill to reorganize the intelligence community of the executive branch of the Government, create an Intelligence Research and Analysis Agency, and prevent future intelligence abuses by Federal agencies, and for other purposes; jointly to the Committees on Armed Services, the Judiciary, Government Operations, and Ways and Means.

By Mr. DERRICK (for himself, Mr. APPLEGATE, Mr. BAUCUS, Mr. CORNELL, Mr. DAN DANIEL, Mr. DERWINSKI, Mr. FUQUA, Mr. HARSHA, Mr. HORTON, Mr. HUGHES, Mr. JENRETTE, Mr. MADIGAN, Mr. MONTGOMERY, Mr. TONRY, and Mr. WALGREN):

H.R. 4174. A bill to amend the Internal Revenue Code of 1954 to allow a refundable tax credit equal to 50 percent of the wages paid to certain new employees; to the Committee on Ways and Means.

By Mr. DRINAN (for himself, Mr. BADILLO, Mr. BRODHEAD, Mr. BROWN of California, Mr. BURKE of Florida, Mrs. CHISHOLM, Mr. RICHMOND, Mr. ROYBAL, Mrs. SPELLMAN, Mr. TONRY, Mr. VENTO, and Mr. WEISS):

H.R. 4175. A bill to protect purchasers and prospective purchasers of condominium housing units, and residents of multifamily structures being converted to condominium units, by providing for the establishment of national minimum standards for condominiums to encourage the States to establish similar standards, and for other purposes; to the Committee on Banking, Finance, and Urban Affairs.

By Mr. DRINAN (for himself, Mr. BADILLO, Mr. BONIOR, Mr. BRODHEAD, Mrs. CHISHOLM, Mr. CLAY, Mr. CONYERS, Mr. CORNELL, Mr. DOWNEY, Mr. EDGAR, Mr. HARRINGTON, Mr. HARRIS, Ms. HOLTZMAN, Mr. MITCHELL of Maryland Mr. MOAKLEY, Mr. SEIBERLING, Mrs. SPELLMAN, Mr. STEERS, Mr. STUDDS, Mr. WAXMAN, Mr. VENTO, and Mr. YATRON):

H.R. 4176. A bill to prescribe certain rules for Federal, State and local agencies regulating electric rates; to the Committee on Interstate and Foreign Commerce.

By Mr. DUNCAN of Tennessee:

H.R. 4177. A bill to amend title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits, to provide benefits for widowed fathers with minor children, to make certain other changes so that benefits for husbands, widowers, and fathers will be payable on the same basis as benefits for wives, widows, and mothers, and to permit the payment of benefits to a married couple on their combined earnings record where that method of computation provides a higher combined benefit; to the Committee on Ways and Means.

H.R. 4178. A bill to amend the Internal Revenue Code of 1954 to provide for the amortization of coal conversion facilities based on a 12-month period, and to establish a price support program for synthetic fuels produced from coal at such facilities; to the Committee on Ways and Means.

H.R. 4179. A bill to amend title XVIII of the Social Security Act to provide that podiatrists shall be treated as "physicians" for certification and related purposes under the medicare program the same as doctors of medicine, and to provide coverage under the supplementary medical insurance program for the cutting and removal of warts; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. EDGAR:

H.R. 4180. A bill to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees; to the Committee on Education and Labor.

By Mrs. FENWICK (for herself, Mr. BEVILL, Mr. CLEVELAND, Mr. CORMAN, Mr. DERRICK, Mr. DOWNEY, Ms. HOLTZMAN, Mr. MOSS, and Mr. YOUNG of Alaska:

H.R. 4181. A bill to amend the Bankruptcy Act to provide a priority for certain debts to consumers; to the Committee on the Judiciary.

By Mrs. FENWICK (for herself, Mr. KOSTMAYER, Mr. HUBBARD, Mr. VAN DEERLIN, Ms. HOLTZMAN, Mr. BEILENSON, Mr. BADILLO, Mr. ERTEL, and Mr. STOCKMAN):

H.R. 4182. A bill to terminate the authorization for the Tocks Island Reservoir project as part of the Delaware River Basin project, and for other purposes; jointly to the Committees on Public Works and Transportation, and Interior and Insular Affairs.

By Mr. FISHER:

H.R. 4183. A bill to require candidates for Federal office, Members of the Congress, and officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions; to the Committee on the Judiciary.

By Mr. FOUNTAIN (for himself, Mr. HORTON, Mr. ROSENTHAL, Mr. FASCELL, Mr. ERLENBORN, Mr. FUQUA, Mr. ENGLISH, Mr. WAXMAN, Mr. LEVITAS, Mr. JENRETTE, Mr. THONE, Mr. BEDELL, Mr. KOCH, Mr. WALKER, Mr. SMITH of Iowa, Ms. JORDAN, Mr. VANIK, Mr. ST GERMAIN, Mr. PREYER, Mr. MOORHEAD of Pennsylvania, Mrs. COLLINS of Illinois, Mr. HARKIN, Mr. FLOOD, and Mr. GILMAN):

H.R. 4184. A bill to reorganize the executive branch of the Government and increase its economy and efficiency by establishing Offices of Inspector General within the Departments of Agriculture, Commerce, Housing and Urban Development, the Interior, Labor, and Transportation, and within the Energy Research and Development Administration, the Environmental Protection Agency, the General Services Administration, the National Aeronautics and Space Administration, and the Veterans' Administration, and for other purposes; to the Committee on Government Operations.

By Mr. FREY (for himself and Mr. BROYHILL):

H.R. 4185. A bill to amend the Communications Act of 1934 with respect to the renewal of licenses for the operation of broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. FUQUA:

H.R. 4186. A bill to repeal the provisions of law allowing automatic cost-of-living adjustments in the salaries of Members of Congress and certain other legislative, executive, and judicial offices and positions; to the Committee on Post Office and Civil Service.

H.R. 4187. A bill to authorize and direct the Secretary of the Army to convey to the trustees of the Salem Wesleyan Church a certain parcel of land of the United States at the Jim Woodruff Dam and Reservoir project, Florida; to the Committee on Public Works and Transportation.

H.R. 4188. A bill to permit either House of Congress to disapprove certain rules proposed by executive agencies; jointly, to the Committees on the Judiciary, and Rules.

By Mr. GRADISON:

H.R. 4189. A bill to amend the Occupational Safety and Health Act of 1970 to provide that an employer shall not be subject to a civil penalty as a result of the initial issuance of a citation for any violation of such act; to the Committee on Education and Labor.

By Mr. HANNAFORD (for himself, Mr. BROWN of California, Mr. THORNTON, Mr. PANETTA, and Mr. PATTERSON of California):

H.R. 4190. A bill to reduce the hazards of earthquakes, and for other purposes; to the Committee on Science and Technology.

By Mr. HARKIN:

H.R. 4191. A bill to amend the Internal Revenue Code of 1954 to deny any deduction for amounts paid or incurred to advertise tobacco products; to the Committee on Ways and Means.

By Mr. HARRINGTON (for himself, Mr. EDWARDS of California, Mr. KOSTMAYER, Mr. PATTISON of New York, and Mr. STOKES):

H.R. 4192. A bill to establish a Solar Energy Loan Administration to assist homeowners, owners of multifamily housing projects, builders, and small business concerns in purchasing and installing solar heating or combined solar heating and cooling equipment, including solar hot water systems, by providing low-interest, long-term loans; to the Committee on Banking, Finance and Urban Affairs.

By Mr. JOHNSON of California (for himself, Mr. MCFALL, and Mr. SANTINI):

H.R. 4193. A bill granting the consent and approval of Congress to the California-Nevada Interstate Compact; to the Committee on Interior and Insular Affairs.

By Mr. JONES of Tennessee (for himself and Mr. MADIGAN):

H.R. 4194. A bill to amend the Federal Crop Insurance Act and for other purposes; to the Committee on Agriculture.

By Mr. KASTENMEIER (for himself, Mr. RAILSBACK, Mr. BRADEMAS, and Mr. PRESSLER):

H.R. 4195. A bill to require candidates for Federal office, Members of the Congress, and officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions; to the Committee on the Judiciary.

By Ms. KEYS:

H.R. 4196. A bill to amend the Internal Revenue Code to decrease the limitation on deductions for medical expenses to 2 percent of adjusted gross income, to eliminate the 1-percent limitation on deductions for drugs and medicine and to include the entire deduction for medical insurance within the 2-percent limitation; to the Committee on Ways and Means.

By Mrs. KEYS (for herself and Mr. JACOBS):

H.R. 4197. A bill to limit the number of Government executives; to the Committee on Post Office and Civil Service.

By Ms. KEYS (for herself, Mr. UDALL, Mr. SIMON, Mr. BURGENER, Mr. FRASER, Mr. BONIOR, Mr. LLOYD of California, Mr. WEAVER, Mr. MAZZOLI, Mr. CHARLES H. WILSON of California, Mr. WHITEHURST, Mr. ERTEL, Mrs. LLOYD of Tennessee, Mr. BENJAMIN, Mrs. CHISHOLM, Mr. NEAL, Mr. HUGHES, Mrs. SPELLMAN, Mr. NOLAN, Mr. HANNAFORD, Mr. COHEN, Mr. WEISS, Mr. CARNEY, Mr. EDWARDS of California, and Mr. PATTERSON of California):

H.R. 4198. A bill to amend the Internal Revenue Code of 1954 to simplify tax preparation by allowing individuals whose income consists solely of employee compensation and interest to elect to have the Internal Revenue Service compute their income tax liability, and for other purposes; to the Committee on Ways and Means.

By Ms. KEYS (for herself, Mr. MITCHELL of Maryland, Mr. BADILLO, Mr. FORD of Tennessee, Mr. RICHMOND, Mr. MOSS, Mr. NEAL, Mr. PRITCHARD, Mr. MINETA, Mr. VENTO, Mr. SCHEUER, Mrs. CHISHOLM, Mr. MOFFETT, Mr. MCCORMACK, Mr. HEFNER, Mr. STARK, Mr. DIGGS, Mr. YATRON, Mr. JACOBS, Mr. PATTEN, Mr. WALGREN, Mr. HOLLAND, and Mr. CORNWELL):

H.R. 4199. A bill to amend part B of title XI of the Social Security Act to assure appropriate participation by professional registered nurses in the peer review, and related activities authorized thereunder; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. LAFALCE (by request):

H.R. 4200. A bill to amend the Small Business Act by authorizing the Small Business Administration to furnish reinsurance for property liability insurers for small business concerns which would not otherwise be able to obtain product liability insurance on reasonable terms, and for other purposes; to the Committee on Small Business.

By Mr. LE FANTE:

H.R. 4201. A bill to amend title 5, United States Code, to include as creditable service for purposes of the civil service retirement system certain periods of service by individuals before the date they were employed by the Panama Canal Company or the Panama Railroad Company; to the Committee on Post Office and Civil Service.

By Mr. LLOYD of California (for himself, Mr. FITHIAN, and Mr. PATTERSON of California):

H.R. 4202. A bill to abolish certain Federal regulatory agencies and to bring about the abolition of certain Federal regulatory agencies or their successor agencies after a specified period of time, and for other purposes; jointly, to the Committees on Government Operations, and Rules.

By Mr. MANN:

H.R. 4203. A bill to amend chapter 67 of title 10, United States Code, to provide an annuity for the dependents of persons who perform the service required under chapter 67 of title 10, United States Code, and die before granted retired pay; to the Committee on Armed Services.

By Mr. MARKEY (for himself, Mr. AMMERMAN, Mr. BEDELL, Mr. COLLINS of Texas, Mr. DRINAN, Mr. DUNCAN of Tennessee, Mr. EILBERG, Mrs. FENWICK, Mr. FRASER, Mr. FRENZEL, Mr. GEPHARDT, Mr. GILMAN, Mr. GLICKMAN, Mr. HEFTEL, Mr. HUGHES, Mr. MAZZOLI, Mr. MOLLOHAN, Mr. MOTTL, Mr. MURPHY of Pennsylvania, Mr. RAHALL, Mr. SIMON, Mrs. SPELLMAN, Mr. STUMP, Mr. WALKER, and Mr. WATKINS):

H.R. 4204. A bill to amend section 601 (a) (2) of the Legislative Reorganization Act of 1946 to provide that the salaries of Senators and Representatives may not be subject to any cost-of-living adjustment under such section before October 1, 1978; to the Committee on Post Office and Civil Service.

By Mr. MILLER of Ohio (for himself, Mr. CEDERBERG, Mr. FLORIO, Mr. ICHORD, Mr. DEVINE, Mr. KINDNESS, Mr. GUYER, Mr. ANDREWS of North Dakota, Mr. SEBELIUS, Mr. LOTT, Mr. DERWINSKI, Mr. TREEN, Mr. MOLLOHAN, Mr. LENT, Mr. WHITEHURST, Mr. KETCHUM, Mr. BEVILL, Mr. HUGHES, Mr. KEMP, Mr. FOUNTAIN, Mr. SARASIN, Mr. LAGOMARSINO, and Mr. DAN DANIEL):

H.R. 4205. A bill to amend section 901(a) (relating to prohibition of sex discrimination) of the Education Amendments of 1972 to exempt from the prohibition of such section musical programs or activities, and social programs or activities designed for parents and students; to the Committee on Education and Labor.

By Mr. MILLER of Ohio (for himself, Mr. DEVINE, Mr. GUYER, Mr. ANDREWS of North Dakota, Mr. LOTT, Mr. DERWINSKI, Mr. TREEN, Mr. MOLLOHAN, Mr. LENT, Mr. WHITEHURST, Mr. KETCHUM, Mr. BEVILL, Mr. HUGHES, Mr. KEMP, Mr. FOUNTAIN, and Mr. DAN DANIEL):

H.R. 4206. A bill to amend section 901(a) (relating to prohibition of sex discrimination) of the Education Amendments of 1972

to exempt sex segregated gymnastics classes from the prohibition of such section; to the Committee on Education and Labor.

By Mr. MITCHELL of Maryland (for himself and Mr. RYAN):

H.R. 4207. A bill to amend section 2(a)(2) of the Commodity Exchange Act for the purpose of authorizing the President to remove for cause a Commissioner of the Commodity Futures Trading Commission; to the Committee on Agriculture.

By Mr. MONTGOMERY:

H.R. 4208. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. MONTGOMERY (by request):

H.R. 4209. A bill to amend title 38 of the United States Code to establish, for purposes of paying dependency and indemnity compensation, a presumption of death from service-connected disability in the case of certain blinded veterans; to the Committee on Veterans' Affairs.

By Mr. MOSS:

H.R. 4210. A bill to amend the Higher Education Act of 1965 and the National Defense Education Act of 1958 to defer payment of student loans during a period, not to exceed 3 years, during which the student is a participant in an accredited medical internship or residency program; to the Committee on Education and Labor.

By Mr. MOSS (for himself and Mr. ROGERS):

H.R. 4211. A bill to amend the Social Security Act and the Public Health Service Act to require the use of a uniform functional accounting and statistical system and the making of uniform reports by health services institutions under the medicare and medicaid programs; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. NOLAN:

H.R. 4212. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. PERKINS:

H.R. 4213. A bill to make certain technical and miscellaneous amendments to provisions relating to vocational education contained in the Education Amendments of 1976; to the Committee on Education and Labor.

By Mr. PERKINS (for himself and Mr. LUNDINE):

H.R. 4214. A bill to amend the Railroad Retirement Act of 1974 to provide that any railroad employee may retire on full annuity at age 55 with 30 years' service, and to provide for payment of full spouse's annuities at age 55 (or reduced spouse's annuities at age 52); to the Committee on Interstate and Foreign Commerce.

By Mr. PRESSLER:

H.R. 4215. A bill to amend the Occupational Safety and Health Act of 1970 to provide that the requirements of such act shall apply to the Congress, Federal agencies, and the courts of the United States; to the Committee on Education and Labor.

H.R. 4216. A bill to allow Federal employment preference to certain employees of the Bureau of Indian Affairs, and to certain employees of the Indian Health Service, who are not entitled to the benefits of, or who have been adversely affected by the application of, certain Federal laws allowing employment preferences to Indians, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. RICHMOND (for himself, Mr. BEDELL, Mr. BLANCHARD, Mr. BONIOR, Mr. BONKER, Mr. FISH, Mr. HOWARD, Mr. HUGHES, Mr. KASTENMEIER, Ms. KEYS, Mr. LAFALCE, Mr. MCKINNEY, Ms. MEYNER, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. ROSENTHAL, Mr. SIMON, Mr. STUDDS, Mr. TRAXLER, Mr. WEISS, Mr. WHITE, Mr. CHARLES WILSON of Texas, and Mr. CHARLES H. WILSON of California):

H.R. 4217. A bill to amend the Consolidated Farm and Rural Development Act with regard to a program designed to encourage the acquisition and installation of solar energy thermal conversion systems in residential structures located on a family farm; to the Committee on Agriculture.

By Mr. RICHMOND (for himself, Mr. BEDELL, Mr. BLANCHARD, Mr. BONIOR, Mr. BONKER, Mr. EDWARDS of California, Mr. FISH, Mr. HOWARD, Mr. HUGHES, Mr. KASTENMEIER, Ms. KEYS, Mr. LAFALCE, Mr. LEACH, Mr. LENT, Mr. LUNDINE, Mr. MCKINNEY, Mr. MOAKLEY, Mr. PANETTA, Mr. ROSENTHAL, Mr. SIMON, Mr. STUDDS, Mr. WEISS, Mr. CHARLES WILSON of Texas, and Mr. CHARLES H. WILSON of California):

H.R. 4218. A bill providing for a study of anaerobic digesters and a demonstration project for their use on family farms; to the Committee on Agriculture.

By Mr. RICHMOND (for himself, Mr. BEDELL, Mr. BLANCHARD, Mr. BONIOR, Mr. BONKER, Mr. COUGHLIN, Mr. EDGAR, Mr. EDWARDS of California, Mr. FISH, Mr. HOWARD, Mr. HUGHES, Mr. KASTENMEIER, Ms. KEYS, Mr. LAFALCE, Mr. LENT, Mr. MCKINNEY, Mr. MAZZOLI, Mr. MOAKLEY, Mr. MOFFETT, Mr. ROSENTHAL, Mr. STUDDS, Mr. TRAXLER, Mr. WEISS, Mr. WHITE and Mr. CHARLES WILSON of Texas):

H.R. 4219. A bill to amend section 2 of the National Housing Act with regard to a guaranteed loan program designed to encourage the acquisition and installation of solar energy thermal conversion systems in dwelling units; to the Committee on Banking, Finance, and Urban Affairs.

By Mr. RICHMOND (for himself, Mr. ADDABBO, Mr. AKAKA, Mr. AUCOIN, Mr. BINGHAM, Mrs. BURKE of California, Mrs. COLLINS of Illinois, Mr. DERWINSKI, Mr. DICKS, Mr. ERTEL, Ms. FENWICK, Mr. GILMAN, Mr. HOLLENBECK, Mr. HORTON, Mr. LUNDINE, Mr. MITCHELL of New York, Mr. NOLAN, Mr. PATTERSON of California, Mr. PEPPER, Mr. PRESSLER, Mr. STEERS, Mr. THOMPSON, Mr. TRAXLER, Mr. WALGREN, and Mr. WEISS):

H.R. 4220. A bill to provide an opportunity to individuals to make financial contributions, in connection with the payment of their Federal income tax, for the advancement of the arts and the humanities; to the Committee on Ways and Means.

By Mr. RICHMOND (for himself, Mr. BEDELL, Mr. BLANCHARD, Mr. BONIOR, Mr. BONKER, Mr. COUGHLIN, Mr. FISH, Ms. HOLTZMAN, Mr. HOWARD, Mr. HUGHES, Mr. KASTENMEIER, Ms. KEYS, Mr. LAFALCE, Mr. MCKINNEY, Mr. MAZZOLI, Mr. MOAKLEY, Mr. MOFFETT, Mr. ROSENTHAL, Mr. SIMON, Mr. STUDDS, Mr. TRAXLER, Mr. WEISS, Mr. CHARLES WILSON of Texas, and Mr. CHARLES H. WILSON of California):

H.R. 4221. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to amortize over a 60-month period solar heating and cooling equipment which is placed in service for nonresidential structures, and to allow an investment tax credit with respect to such equipment; to the Committee on Ways and Means.

By Mr. RICHMOND (for himself, Mr. BEDELL, Mr. BLANCHARD, Mr. BONIOR, Mr. BONKER, Mr. EDWARDS of California, Mr. FISH, Ms. HOLTZMAN, Mr. HOWARD, Mr. HUGHES, Mr. KASTENMEIER, Ms. KEYS, Mr. LAFALCE, Mr. LEACH, Mr. LENT, Mr. MCKINNEY, Mr. MAZZOLI, Ms. MEYNER, Mr. MOAKLEY, Mr. MOFFETT, Mr. PANETTA, Mr. ROSENTHAL, Mr. SIMON, Mr. STUDDS, and Mr. TRAXLER):

H.R. 4222. A bill to amend the Solar Heating and Cooling Demonstration Act of 1974 to provide for a demonstration program with specified goals, schedules, and funding with respect to the application of solar heating in greenhouses, crop-drying structures, livestock shelters, and other nonresidential agricultural structures, and for other purposes; jointly, to the Committees on Science and Technology, and Agriculture.

By Mr. RICHMOND (for himself, Mr. WEISS, Mr. CHARLES WILSON of Texas, and Mr. CHARLES H. WILSON of California):

H.R. 4223. A bill to amend the Solar Heating and Cooling Demonstration Act of 1974 to provide for a demonstration program with specified goals, schedules, and funding with respect to the application of solar heating in greenhouses, crop-drying structures, livestock shelters, and other nonresidential agricultural structures, and for other purposes; jointly, to the Committees on Science and Technology, and Agriculture.

By Mr. ROE:

H.R. 4224. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RYAN:

H.R. 4225. A bill to amend the Internal Revenue Code of 1954 to permit individuals to deduct qualified solar energy equipment expenses; to the Committee on Ways and Means.

By Mr. SCHEUER:

H.R. 4226. A bill to provide coverage under the medicaid program to persons of all ages in need of mental health services; to the Committee on Interstate and Foreign Commerce.

By Mr. SCHEUER (for himself, Mr. WAXMAN, Mr. BADILLO, Mr. BAUCUS, Mr. BEDELL, Mr. BINGHAM, Mr. BURGENER, Mr. CARNEY, Mr. CARR, Ms. CHISHOLM, Ms. COLLINS of Illinois, Mr. DOWNEY, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. EILBERG, Mr. FASCELL, Mr. FLOOD, Mr. HANNAFORD, Mr. HAWKINS, Mr. HOLLENBECK, Mr. HUGHES, Mr. HYDE, Mr. JEFFORDS, Mr. LEACH, and Mr. LEHMAN):

H.R. 4227. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit with respect to housing senior citizens in the principal residence of the taxpayer; to the Committee on Ways and Means.

By Mr. SCHEUER (for himself, Mr. WAXMAN, Mr. MCCLOSKEY, Mr. MCKAY, Mr. MADIGAN, Ms. MEYNER, Ms. MIKULSKI, Mr. MOAKLEY, Mr. MOORHEAD of Pennsylvania, Mr. NEAL, Mr. PATTERSON of California, Mr. NOLAN, Mr. OTTINGER, Mr. ROSENTHAL, Mr. SANTINI, Mr. WON PAT, Mr. SOLARZ, Ms. SPELLMAN, Mr. CHARLES WILSON of Texas, and Mr. YATRON):

H.R. 4228. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit with respect to housing senior citizens in the principal residence of the taxpayer; to the Committee on Ways and Means.

By Mr. SKUBITZ:

H.R. 4229. A bill to amend the Federal Crop Insurance Act and for other purposes; to the Committee on Agriculture.

By Mrs. SMITH of Nebraska:

H.R. 4230. A bill to require that imported meat and meat food products made in whole or in part of imported meat be subjected to certain tests and that such meat or products be identified as having been imported; to require the inspection of imported dairy products and that such products comply with certain minimum standards of sanitation; to require that the cost of conducting such tests, inspections, and identification procedures on imported meat and meat food products and on dairy products, as the case may be, be borne by the exporters of such articles; and for other purposes, to the Committee on Agriculture.

H.R. 4231. A bill to amend the Federal Water Pollution Control Act, as amended, to define the term "navigable waters" as it applies to Corps of Engineers responsibility and authority to regulate the discharge of dredged or fill material; to the Committee on Public Works and Transportation.

By Mr. SOLARZ:

H.R. 4232. A bill to establish a Commission to study and evaluate the scope and consequences of genetic research and engineering; to the Committee on Interstate and Foreign Commerce.

By Mr. THORNTON:

H.R. 4233. A bill to amend section 111 of the Agricultural Trade Development and Assistance Act of 1954, relating to the allocation of commodities furnished under title I of that act; to the Committee on International Relations.

By Mr. UDALL (for himself, Mr. BADILLO, Mr. BOLAND, Mr. BONIOR, Mr. BRODHEAD, Mr. BYRON, Mr. COUGHLIN, Mr. EDGAR, Ms. FENWICK, Mr. FRASER, Mr. HAWKINS, Ms. HOLTZMAN, Mr. LEHMAN, Mr. LONG of Maryland, Mr. MITCHELL of Maryland, Mr. RAHALL, Mr. RANGEL, Mr. ROYBAL, Mr. SIMON, Mr. STARK, Mr. STUDDS, Mr. WAXMAN, Mr. WEAVER, Mr. WIRTH, and Mr. WRIGHT):

H.R. 4234. A bill to designate certain endangered public lands for preservation as wilderness, to provide for the study of additional endangered public lands for such designation, to further the purposes of the Wilderness Act of 1964, and for other purposes; to the Commitee on Interior and Insular Affairs.

By Mr. WHALEN:

H.R. 4235. A bill to amend the Wagner-Peyser Act to provide more effective job placement services, improved administration and management planning, review of policy alternatives, innovative employment services, and for other purposes; to the Committee on Education and Labor.

H.R. 4236. A bill to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other pruposes; to the Committee on Interior and Insular Affairs.

By Mr. WOLFF (for himself, Mr. ADDABBO, Mr. DELANEY, and Mr. ROSENTHAL):

H.R. 4237. A bill to designate the Veterans Administration Hospital in Saint Albans, N.Y., as the "Henry Schuman Veterans' Hospital"; to the Committe on Veterans' Affairs.

By Mr. PEPPER:

H.J. Res. 288. Joint resolution to authorize the President to proclaim October 15 of each year as National Poetry Day; to the Committee on Post Office and Civil Service.

By Mr. TSONGAS (by request):

H.J. Res. 289. Joint resolution to designate a "National Day of Atonement"; to the Committee on Post Office and Civil Service.

By Mr. BOLAND:

H. Res. 346. Resolution to amend the Rules of the House of Representatives to establish a Committee on Intelligence; to the Commitee on Rules.

By Mr. BROYHILL (for himself, Mr. ABDNOR, Mr. ANDREWS of North Dakota, Mr. CORNELL, Mr. COUGHLIN, Mr. ERLENBORN, Mr. HILLIS, Mr. KEMP, Mr. MCCLOSKEY, Mr. MATHIS, Mr. MURPHY of Pennsylvania, Mr. RINALDO, Mr. SPENCE, and Mr. VANDER JAGT):

H. Res. 347. Resolution to create a Select Committee on Energy; to the Committee on Rules.

By Mr. BROYHILL (for himself, Mr. ANDERSON of Illinois, Mr. BADILLO, Mr. BEDELL, Mr. EDGAR, Mr. EMERY, Mr. FRENZEL, Mr. KASTEN, Mr. KINDNESS, Mr. MARTIN, Mrs. MEYNER, Mr. PEASE, Mr. ROE, and Mr. SKELTON):

H. Res. 348. Resolution to create a Select Committee on Energy; to the Committee on Rules.

By Mr. FRASER (for himself, Mr. AKAKA, Mr. AUCOIN, Mr. BADILLO, Mr. BAUCUS, Mr. BEDELL, Mr. BINGHAM, Mr. BONIOR, Mrs. BURKE of California, Mr. CARR, Mrs. CHISHOLM, Mr. CORNELL, Mr. CORRADA, Mr. DELLUMS, Mr. DICKS, Mr. EDGAR, Mr. EDWARDS of Oklahoma, Mr. EILBERG, Mrs. FENWICK, Mr. GIAIMO, Mr. GLICKMAN, Mr. HANNAFORD, Mr. HAWKINS, Mr. JEFFORDS, and Mr. KOCH):

H. Res. 349. Resolution to establish a Select Committee on Welfare Reorganization for the purpose of studying the problems which arise in the interaction of programs dealing with welfare benefits and of formulating new legislation to restructure the present welfare system in light of such problems, and for other purposes; to the Committee on Rules.

By Mr. FRASER (for himself, Mr. MCCLOSKEY, Mr. MILLER of California, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOORHEAD of California, Mr. NOLAN, Ms. OAKAR, Mr. OTTINGER, Mr. PATTERSON of California, Mr. PRESSLER, Mr. QUIE, Mr. RANGEL, Mr. RICHMOND, Mr. ROSENTHAL, Mr. SIMON, Mr. SOLARZ, Mrs. SPELLMAN, Mr. STARK, Mr. STOCKMAN, Mr. TRAXLER, Mr. TRIBLE, Mr. VENTO, and Mr. WON PAT):

H. Res. 350. Resolution to establish a Select Committee on Welfare Reorganization for the purpose of studying the problems which arise in the interaction of programs dealing with welfare benefits and of formulating new legislation to restructure the present welfare system in light of such problems, and for other purposes; to the Committee on Rules.

By Mr. HAMILTON (for himself, Mr. OBEY, Mr. D'AMOURS, Mr. MEEDS, Mr. BLANCHARD, Mr. MIKVA, Mr. FORD of Tennessee, Mr. BEDELL, Ms. MEYNER, Ms. MIKULSKI, Mr. CORRADA, Mr. DELLUMS, Mr. LE FANTE, Mr. LEHMAN, Mr. FITHIAN, and Mr. CAPUTO):

H. Res. 351. Resolution to amend the Rules of the House of Representatives, and for other purposes; divided and referred as follows: Title I, section 301, and titles IV, V, VI, and VII to the Committee on Rules; title II and section 303 to the Committee on Standards of Official Conduct; and section 302 to the Committee on House Administration.

By Mr. MCDADE:

H. Res. 352. Resolution to amend the Rules of the House of Representatives to require that the Committee on Standards of Official Conduct transmit copies of financial disclosure reports filed by Members to the clerks of all counties situated within the districts represented by the Members; to the Committee on Rules.

By Mr. MICHEL (for himself, Mr. SPENCE, Mr. BAUMAN, Mr. O'BRIEN, Mr. WHITEHURST, Mr. HAMMERSCHMIDT, Mr. BROYHILL, Mr. JOHN T. MYERS, Mr. HYDE, Mr. STANTON, Mr. WALSH, Mr. CEDERBERG, Mr. MARTIN, Mr. LOTT, Mr. DICKINSON, Mr. KETCHUM, Mr. BURGENER, Mr. LUJAN, Mr. LENT, Mr. WYLIE, Mr. SKUBITZ, Mr. SYMMS, Mr. DEL CLAWSON, Mr. GRASSLEY, and Mr. QUILLEN):

H. Res. 353. Resolution to provide that the 10 minutes of debate provided under clause 4 of rule XVI of the Rules of the House of Representatives shall apply to a motion to recommit with instructions of a simple resolution or conference report; to the Committee on Rules.

By Mr. MICHEL (for himself, Mr. QUIE, Mrs. HOLT, Mr. EDWARDS of Alabama, Mr. MCCLORY, Mr. GILMAN, Mr. SHUSTER, Mr. FORSYTHE, Mr. CONTE, Mr. TAYLOR of Missouri, Mr. ANDERSON of Illinois, Mr. MCDADE, Mr. BROWN of Michigan, Mr. SNYDER, Mr. FRENZEL, Mr. COUGHLIN, Mr. GOODLING, Mr. KEMP, Mr. BAFALIS, Mr. THONE, Mr. WIGGINS, Mr. FREY, Mr. SEBELIUS, Mr. CONABLE, and Mr. FINDLEY):

H. Res. 354. Resolution to provide that the 10 minutes of debate provided under clause 4 of rule XVI of the Rules of the House of Representatives shall apply to a motion to recommit with instructions of a simple resolution or conference report; to the Committee on Rules.

By Mr. MICHEL (for himself, Mr. PRITCHARD, Mrs. FENWICK, Mr. ROUSSELOT, Mr. SARASIN, Mr. BROOMFIELD, Mr. STEIGER, Mr. YOUNG of Alaska, Mr. BADHAM, Mr. CAPUTO, Mr. COLEMAN, Mr. CORCORAN of Illinois, Mr. DORNAN, Mr. EDWARDS of Oklahoma, Mr. EVANS of Delaware, Mr. HOLLENBECK, Mr. LEACH, Mr. MARKS, Mr. MARRIOTT, Mr. PURSELL, Mr. QUAYLE, Mr. RUDD, Mr. STEERS, Mr. STOCKMAN, and Mr. TRIBLE):

H. Res. 355. Resolution to provide that the 10 minutes of debate provided under clause 4 of rule XVI of the Rules of the House of Representatives shall apply to a motion to recommit with instructions of a simple resolution or conference report; to the Committee on Rules.

By Mr. PANETTA (for himself and Mr. PATTERSON of California):

H. Res. 356. Resolution to amend the Code of Official Conduct of the House of Representatives to prohibit Members of the House from using any funds other than those appropriated by the Congress for the purpose of fulfilling their activities as Federal officeholders; to the Committee on Standards of Official Conduct.

By Mr. RODINO:

H. Res. 357. Resolution to provide funds for the Committee on the Judiciary; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FUQUA:

H.R. 4238. A bill to authorize the Secretary of the Interior to sell reserved mineral interests of the United States in certain land in Florida to Carlton Carter, the record owner of the surface thereof; to the Committee on Interior and Insular Affairs.

H.R. 4239. A bill for the relief of Michael D. Howard; to the Committee on the Judiciary.

H.R. 4240. A bill for the relief of Archibald M. Withers; to the Committee on the Judiciary.

By Mr. HORTON:

H.R. 4241. A bill for the relief of Joseph P. Mahady; to the Committee on the Judiciary.

H.R. 4242. A bill for the relief of the estate of Joseph C. Revesz; to the Committee on the Judiciary.

By Mr. JOHNSON of California:

H.R. 4243. A bill to authorize the Secretary of the Interior to convey certain lands in Placer County, Calif., to Mrs. Edna C. Marshall, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 4244. A bill to authorize the Secretary of the Interior to rectify a public land transaction; to the Committee on the Judiciary.

By Mr. LLOYD of California:

H.R. 4245. A bill for the relief of Dolores Hernandez Macapinlac; to the Committee on the Judiciary.

By Mr. NOLAN:

H.R. 4246. A bill for the relief of Hee Kyung Yoo; to the Committee on the Judiciary.

H.R. 4247. A bill for the relief of Me Young Lee; to the Committee on the Judiciary.

H.R. 4248. A bill for the relief of Dae Sung Ra; to the Committee on the Judiciary.

By Mr. DANIELSON:

H. Res. 358. Resolution referring the bill (H.R. 3834) for the relief of P. S. Seymour-Heath to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House Rule X. Previous listing appeared in the CONGRESSIONAL RECORD of February 22, 1977, page 4976:

HOUSE BILLS

H.R. 201. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to exclude the first $5,000 received as an annuity, pension or other retirement benefit from gross income.

H.R. 202. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow individuals either a deduction or a credit against the income tax for the cost of commuting between his or her residence and place of employment.

H.R. 203. January 4, 1977. Ways and Means. Amends the Social Security Act to allow Federal officers and employees to elect coverage under the Old-Age, Survivors, and Disability Insurance program.

H.R. 204. January 4, 1977. Ways and Means. Directs the Secretary of Labor, through the Bureau of Labor Statistics, to prepare a "Consumer Price Index for the Elderly". States that the Index shall be a statistical measure of the changes in the prices of goods and services bought by individuals, as a group, who are 65 years of age or older or are otherwise entitled to monthly benefits under Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act.

H.R. 205. January 4, 1977. Banking, Finance and Urban Affairs; Armed Services; Education and Labor; Government Operations; Ways and Means. Establishes in the Executive Office of the President an Office of Economic Adjustment and the Defense Economic Adjustment Council to facilitate the economic adjustment of communities, industries, and workers who may be substantially affected by reductions in defense contracts and facilities.

Requires defense contractors to make plans for the continued employment of workers and utilization of facilities once such defense contract is completed, curtailed, or cancelled.

Authorizes financial assistance to the unemployed or underemployed employees of defense contractors.

H.R. 206. January 4, 1977. Interstate and Foreign Commerce; Ways and Means. Prohibits the importation of petroleum into the United States after October 1, 1975, except in accordance with this Act. Directs the Administrator of the Federal Energy Administration to regulate petroleum importation and the allocation of imported petroleum among domestic markets.

H.R. 207. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to provide identical income tax rates for single persons and married couples filing joint returns. Limits the earned income that must be reported by a married individual filing a separate return to the amount actually earned by that individual.

H.R. 208. January 4, 1977. Ways and Means. Amends the Tariff Schedule of the United States to increase for a five-year period the customs duty on specified hand tools.

H.R. 209. January 4, 1977. Education and Labor. Amends the Act which established the Youth Conservation Corps to direct the Secretaries of Agriculture and Interior to jointly extend the Youth Conservation Corps so as to make possible the year-round employment of young adults.

H.R. 210. January 4, 1977. Banking, Finance and Urban Affairs. Establishes the Federal Housing Administration as an independent Federal agency. Stipulates that standard risk programs under the National Housing Act shall be administered by such agency.

H.R. 211. January 4, 1977. Interstate and Foreign Commerce. Amends the Public Health Service Act to increase the authorizations of appropriations for the national cancer program and the National Cancer Institute over the period of the next four fiscal years. Accords priority to approved but unfunded projects of the National Cancer Institute. States that research plans funded by this Act include diet and other habits research.

H.R. 212. January 4, 1977. Public Works and Transportation. Renames East Lake Park, located within the West Point Lake Project on the Chattahoochee River, Georgia, the "R. Shaefer Heard Park."

H.R. 213. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow as a credit against the income tax specified higher education expenses, including tuition and fees, paid or incurred by an individual during the taxable year for himself and for any other individual.

H.R. 214. January 4, 1977. Banking, Finance and Urban Affairs; Judiciary. Prohibits any United States entity or representative from obtaining copies of, or access to, information contained in the financial records, toll records, or credit records of any customer of a financial institution, communication common carrier, credit card issuer, or consumer reporting agency. Lifts such prohibition if: (1) the records are described with sufficient particularity; and (2) the customer has authorized disclosure, the disclosure is obtained in response to an administrative subpoena, search warrant, or judicial subpoena, or disclosure is in compliance with specified provisions of the Fair Credit Reporting Act. Restricts the use of mail covers and the interception of wire and oral communications for purposes of supervisory observing by communication common carriers and others.

H.R. 215. January 4, 1977. Banking, Finance and Urban Affairs; Judiciary. Prohibits any United States entity or representative from obtaining copies of, or access to, information contained in the financial records, toll records, or credit records of any customer of a financial institution, communication common carrier, credit card issuer, or consumer reporting agency. Lifts such prohibition if: (1) the records are described with sufficient particularity; and (2) the customer has authorized disclosure, the disclosure is obtained in response to an administrative subpoena, search warrant, or judicial subpoena, or disclosure is in compliance with specified provisions of the Fair Credit Reporting Act. Restricts the use of mail covers and the interception of wire and oral communications for purposes of supervisory observing by communication common carriers and others.

H.R. 216. January 4, 1977. Ways and Means. Removes the limitation on the amount of outside income which an individual may earn while receiving benefits under title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act.

H.R. 217. January 4, 1977. Armed Services. Amends the Federal Civil Defense Act of 1950 to authorize the use of Federal civil defense funds by local civil defense agencies for natural disaster or civil disturbance relief. Increases the Federal contribution for travel expenses and per diem allowance for students in civil defense training programs and increases the Federal financial contribution to States for civil defense personnel and administrative expenses. Increases the authorization for appropriations under such Act for travel expenses, personal equipment for State and local workers, and personnel and administrative expenses.

H.R. 218. January 4, 1977. Judiciary. Grants a Federal charter to the Gold Star Wives of America.

H.R. 219. January 4, 1977. Veterans' Affairs. Designates as the "Robert G. Stephens, Jr., Veterans' Administration Hospital" the new Veterans' Administration hospital located adjacent to the Medical College of Georgia in Augusta, Georgia.

H.R. 220. January 4, 1977. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to establish the Fort Mitchell Regional Veterans' Cemetery in Russell County, Alabama, if the Russell County Commission donates certain land in the Fort Mitchell area and the Administrator and the Commission mutually agree to pay for it.

H.R. 221. January 4, 1977. Interstate and Foreign Commerce. Amends the Clean Air Act to postpone until model year 1980 motor vehicle emission standards which require a 90 percent reduction in emissions of carbon monoxide, hydrocarbons, and nitrogen oxides from light duty vehicles. Extends interim standards for such pollutants through model year 1979.

H.R. 222. January 4, 1977. Armed Services. Provides for a new Assistant Secretary of Defense for Reserve Affairs whose principal duty shall be the overall supervision of the reserve component affairs of the Department of Defense. Changes the existing position of Assistant Secretary of Defense for Manpower and Reserve Affairs to Assistant Secretary of Defense for Manpower.

H.R. 223. January 4, 1977. Banking, Finance and Urban Affairs. Authorizes the President, under the Export-Import Bank Act, to suspend the extension of credit by the Export-Import Bank to countries which are restricting exports to the United States or which are maintaining increased prices for such exports.

H.R. 224. January 4, 1977. Education and Labor. Amends the Occupational Safety and Health Act of 1970 by requiring the Secretary of Labor to publish financial impact statements regarding proposed occupational health and safety standards in the Federal Register prior to promulgating such standards as rules. Amends the Act with respect to existing facilities and equipment, inspections, promulgation of emergency standards, citations and penalties, and on-site inspections by the Secretary of places of employment.

H.R. 225. January 4, 1977. Education and Labor. Authorizes the Secretary of Labor to make grants to States to enable them to assist public and private nonprofit agencies in providing day care services for children from needy families where the parents are working, in training, or incapable of self-support.

H.R. 226. January 4, 1977. Government Operations. Exempts from disclosure under the Freedom of Information Act naval nuclear propulsion information in the absence of a finding that such disclosure will not be inimical to the interests of the United States.

H.R. 227. January 4, 1977. Interior and Insular Affairs. Requires the study of a segment of the Oklawaha River for its potential addition to the National Wild and Scenic Rivers System.

H.R. 228. January 4, 1977. Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to provide administrative and judicial review of claims which arise under the supplementary medical insurance program.

H.R. 229. January 4, 1977. Interstate and Foreign Commerce. Amends Title XIX (Medicaid) of the Social Security Act to require that States include standards for determining need for continued skilled nursing services or intermediate care services in their plan for medical insurance.

Directs the Secretary of Health, Education, and Welfare to review State Medicaid plans to insure that such plans continue to conform to the minimum requirements.

H.R. 230. January 4, 1977. Judiciary. Grants access to criminal records in the custody of the Attorney General to non-law enforcement officials and agencies of any State or city if the laws or regulations of such jurisdiction authorize or require such official or agency to acquire criminal record information in the performance of duty.

H.R. 231. January 4, 1977. Judiciary. Establishes an Antitrust Revision Commission to study the operation and enforcement of the antitrust laws and to recommend revisions to Congress.

H.R. 232. January 4, 1977. Judiciary. Authorizes the Attorney General to: (1) construct and transfer to appropriate States specified types of correctional centers; and (2) prescribe minimum standards for certain State and local correctional facilities.

Replaces the Advisory Corrections Council with a Federal Corrections Coordinating Council. Directs the Council to issue guidelines for specified Federal criminal justice agencies.

Establishes a Federal Corrections Institute to train criminal justice personnel.

Amends certain Federal laws, including the Federal Youth Corrections Act, relative to the confinement and release of adults, youth offenders, and juvenile delinquents.

Sets forth standards and procedures for the confinement of persons found not guilty due to insanity.

H.R. 233. January 4, 1977. Merchant Marine and Fisheries. Directs the Secretary of the Interior to classify and inventory wetland resources, to measure wetlands degradation, and to evaluate the environmental contribution of natural wetlands.

H.R. 234. January 4, 1977. Post Office and Civil Service. Directs the Secretary of Commerce, during the intervals between decennial population censuses, to annually produce and publish current population data for each State, county, and local unit of general purpose government which has a population of 50,000 or more and to biennially produce and publish such data for other local units of general purpose government.

Requires that the most current population data available be used in the administration of any laws in which population is used to determine the amount of benefit received by a State or local unit of general purpose government.

H.R. 235. January 4, 1977. Public Works and Transportation. Increases the maximum allowable Federal contribution to States and localities for shore restoration projects to 90 percent of the project costs.

H.R. 236. January 4, 1977. Science and Technology. Requires the Board of the National Science Foundation to establish the Mineral Conservation Research and Development Commission for the purpose of: (1) keeping a current inventory of major nonfuel raw materials; (2) monitoring and reporting on United States vulnerability and import dependence on such materials; and (3) developing substitutes for these materials.

H.R. 237. January 4, 1977. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to permit a veteran, who is being supplied with drugs but who is not a patient in a Veterans' Administration facility, to determine whether the drugs will be supplied directly by the Administrator or from a source approved by the Administrator and whether the Administrator shall pay such source directly or reimburse the veteran who will pay for the drugs.

H.R. 238. January 4, 1977. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to build a general medical, surgical, and psychiatric hospital in the Halifax area of Volusia County, Florida.

H.R. 239. January 4, 1977. Veterans' Affairs. Directs the Secretary of the Army to establish a national cemetery in Florida at an appropriate location giving due regard to those areas with the heaviest population of veterans, and to acquire such land as may be required for the establishment of such national cemetery.

H.R. 240. January 4, 1977. Veterans' Affairs. Provides that limited expeditionary campaigns or occupations including those in the Philippines, Haiti, Cuba, the Dominican Republic, Nicaragua, China and Mexico and the occupation of Germany after World War I shall be treated as periods of war for the purposes of eligibility for veterans' benefits.

H.R. 241. January 4, 1977. Ways and Means. Amends Title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to eliminate the five month waiting period which is presently a prerequisite of eligibility for disability insurance benefits.

H.R. 242. January 4, 1977. Ways and Means. Amends the Social Security Act to provide that an individual who would be fully qualified at age 62 for benefits under the Old-Age, Survivors, and Disability Insurance program may qualify for disability benefits under such program if such individual has 40 quarters of coverage, regardless of when such quarters were earned.

H.R. 243. January 4, 1977. Ways and Means. Removes the limitation on the amount of outside income which an individual may earn while receiving benefits under title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act.

H.R. 244. January 4, 1977. Interstate and Foreign Commerce; Public Works and Transportation. Amends the Clean Air Act and the Federal Water Pollution Control Act to require that compliance orders issued under applicable air and water pollution control standards include cost-benefit analyses.

H.R. 245. January 4, 1977. Judiciary; Merchant Marine and Fisheries; Interior and Insular Affairs. Establishes in the United States Treasury the Marine Resources Conservation and Development Fund. Requires the Secretary of the Treasury to pay into such Fund 70 percent of revenues paid in connection with leases on the Outer Continental Shelf lands subsequent to enactment of the Marine Resources Conservation and Development Act, such Fund to be available for use by the Secretary of the Interior for marine resources conservation programs.

H.R. 246. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to exclude certain payments to volunteer firemen and rescue workers from their gross income.

H.R. 247. January 4, 1977. Banking, Finance and Urban Affairs. Amends the Truth in Lending Act to require lenders to post current interest rates charged for various categories of loans to consumers.

H.R. 248. January 4, 1977. Banking, Finance and Urban Affairs. Amends the Truth in Lending Act to prohibit discrimination on account of age in credit card transactions.

H.R. 249. January 4, 1977. Banking, Finance and Urban Affairs. Requires the developers of all federally assisted condominium projects to disclose specific information on proposed new condominimum construction or conversion to condominimum units of existing structures.

Establishes the office of Assistant Secretary for Condominiums in the Department of Housing and Urban Development. Authorizes the Secretary of Housing and Urban Development to make grants to State and local governments to establish similar programs.

H.R. 250. January 4, 1977. Education and Labor. Requires each State receiving financial assistance under the Elementary and Secondary Education Act of 1965 which is operating a program designed to insure reading readiness for educationally deprived preschool children or children in grades 1, 2, or 3 to continue such programs at their present level.

Prohibits the exclusion of children enrolled in such program from further participation on the ground that such child has achieved a reading aptitude equal to or greater than the normal reading aptitude for the grade in which the child is enrolled.

H.R. 251. January 4, 1977. Education and Labor. Amends the Older Americans Act of 1965 to direct area and State agencies which administer or supervise State and community programs on aging pursuant to such Act to employ personnel adequately trained in the field of aging to deliver specified services to the aged. Authorizes grants to institutions of higher education to assist such institutions in planning, developing, and carrying out programs designed to apply the resources of higher education to the problems of the elderly.

H.R. 252. January 4, 1977. Interstate and Foreign Commerce. Makes it a violation of the Federal Trade Commission Act for any retailer to increase the price of a consumer commodity after the retailer has marked the price on that item.

Authorizes the Federal Trade Commission to issue a cease and desist order and to order the restitution of moneys received by a retailer in violation of this Act.

H.R. 253. January 4, 1977. Post Office and Civil Service. Requires agency heads to notify each employee of any administrative procedure through which adverse agency action, taken or proposed, may be challenged.

H.R. 254. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to provide an additional personal exemption for elderly individuals whose spouses have died.

H.R. 255. January 4, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to extend coverage to include expenses incurred in providing diagnosis of uterine cancer, if the individual receiving the test has not had such a test on a routine basis during the preceding six months.

H.R. 256. January 4, 1977. Agriculture. Establishes in the Department of Agriculture a Bureau of Agricultural Statistics under the direction of a Commissioner appointed by the President. Directs the Bureau of to obtain information about prices received by producers and processors of agricultural commodities used for food, and wholesale and retail food prices. Requires the Bureau to make recommendations to Congress twice a year regarding legislative action to lower retail

food prices when such prices increase while the prices received by producers drop or remain constant.

H.R. 257. January 4, 1977. Armed Services. Authorizes the Administrator of General Services to dispose of specified quantities of silver from the national stockpile.

H.R. 258. January 4, 1977. Banking, Finance and Urban Affairs. Establishes in the Department of Housing and Urban Development a direct low-interest loan program to assist homeowners and other owners of residential structures in purchasing and installing more effective insulation and heating equipment.

H.R. 259. January 4, 1977. Banking, Finance and Urban Affairs. Prohibits State and local laws which permit the construction of buildings or other obstructures which interfere with the effective operation of solar heating and cooling equipment.

H.R. 260. January 4, 1977. Education and Labor. Amends the Act which established the Youth Conservation Corps to direct the Secretaries of Agriculture and Interior to jointly extend the Youth Conservation Corps so as to make possible the year-round employment of young adults.

H.R. 261. January 4, 1977. Education and Labor. Requires the Commissioner of Education, under the Higher Education Act, to make payments of interest and administrative costs on federally assisted student loans to holders of such loans on behalf of the accounts of borrowers within 30 days receipt by the Commissioner of an itemized voucher.

H.R. 262. January 4, 1977. Education and Labor. Authorizes the Commissioner of Education to make grants to State educational agencies and institutions of higher learning for teacher training, pilot and demonstration projects, and comprehensive school programs, in the area of health education and health problems.

H.R. 263. January 4, 1977. Education and Labor. Amends the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees.

H.R. 264. January 4, 1977. Education and Labor. Amends the Civil Rights Act of 1964 to include as an unlawful employment practice discrimination on the basis of physical handicap.

H.R. 265. January 4, 1977. Education and Labor. Amends the Age Discrimination in Employment Act of 1967 to make the provisions, formerly applicable to persons between 40 and 60 years of age, applicable to anyone 40 years of age or older.

H.R. 266. January 4, 1977. Education and Labor. Amends the Comprehensive Employment and Training Act to reduce from 100,000 to 50,000 the minimum population of local governments or combinations thereof which may be prime sponsors in the comprehensive manpower program.

H.R. 267. January 4, 1977. Education and Labor. Amends the Occupational Safety and Health Act of 1970 by directing the Secretary of Labor to: (1) render on-site consultation and advice to any employer, upon the request of such employer, concerning compliance with the Act; and (2) establish programs for the education and training of employers and employees concerning hazards in particular industries.

H.R. 268. January 4, 1977. Education and Labor. Authorizes the Secretary of Health, Education, and Welfare to establish a national adoption information exchange system.

H.R. 269. January 4, 1977. House Administration. Prohibits travel at Government expense outside the United States by Members of Congress who have been defeated, or who have resigned or retired.

H.R. 270. January 4, 1977. Interior and Insular Affairs. Amends the Wild and Scenic Rivers Act to designate a specified portion of the St. John River in Maine as a potential addition to the National Wild and Scenic Rivers System.

H.R. 271. January 4, 1977. Interior and Insular Affairs. Amends the National Trails System Act to authorize the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of Transportation to conduct studies for the purpose of determining the feasibility and desirability of establishing specified bicycle trails.

H.R. 272. January 4, 1977. International Relations. Declares a national shortage of gasoline, distillate fuel oil, and propane gas in the United States. Directs the President to halt all exports of such products until such time as he determines that such a shortage no longer exists.

H.R. 273. January 4, 1977. Interstate and Foreign Commerce. Amends the Interstate Commerce Act to authorize the Secretary of Transportation to make financial assistance available to qualified applicants for the purpose of providing employment for unemployed persons in jobs maintaining or rebuilding railroad rights-of-way, during times of high unemployment.

H.R. 274. January 4, 1977. Interstate and Foreign Commerce. Prohibits franchisors from prematurely canceling or failing to renew motor fuel franchises unless written notification is provided and the franchisee has failed to comply with reasonable terms of the agreement.

Specifies that refiners may not increase the percentage of gasoline distributed through refiner operated retail outlets for a two-year period. Directs the Federal Trade Commission (FTC) to report to Congress on methods to promote competition in the marketing of gasoline.

Requires the FTC to prescribe rules for determining octane ratings of gasoline and display requirements for such rating.

H.R. 275. January 4 1977. Interstate and Foreign Commerce. Makes it a violation of the Federal Trade Commission Act for any retailer to increase the price of a consumer commodity after the retailer has marked the price on that item.

H.R. 276. January 4, 1977. Interstate and Foreign Commerce. Requires, under the Clean Air Act, that the manufacturer's performance warranty with respect to the motor vehicle emission system shall be for 12,000 miles or 12 months whichever first occurs.

H.R. 277. January 4, 1977. Interstate and Foreign Commerce. Requires the Secretary of Health, Education, and Welfare to appoint a Committee on Uniform Adoption Regulations to review current conditions, practices, and laws relating to adoption and to propose to the Secretary uniform adoption regulations.

Directs the Secretary to make grants to States for allocation to State agencies and to public and private nonprofit adoption agencies to assist such agencies in meeting the cost involved in the adoptive placement of children.

H.R. 278. January 4, 1977. Interstate and Foreign Commerce. Requires the Director of the National Institute of Child Health and Human Development to plan and develop a coordinated autism research program. Authorizes the Secretary of Health, Education, and Welfare to make grants, loans and loan guarantees to public or private nonprofit residential or nonresidential centers with education programs for autistic children.

H.R. 279. January 4, 1977. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants to public and nonprofit private entities which are engaged in the development of new schools of veterinary medicine to assist in such development. Requires applying schools to demonstrate that there is a reasonable indication that non-Federal financial resources for development will be available and that Federal assistance will accelerate the date on which the school will be able to begin its teaching program.

H.R. 280. January 4, 1977. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to identify tertiary eye care centers that need upgrading and to make grants to accomplish such purpose. Directs the Secretary to create a commission to assess the present state of eye care facilities in the United States, to develop plans for improving and expanding such facilities, and to make grants to public and nonprofit private tertiary eye care centers to implement such upgrading.

H.R. 281. January 4, 1977. Interstate and Foreign Commerce. Increases from three to five years the term for which a license to operate a radio broadcasting station may be issued, and for which such licenses may be renewed under the Communications Act of 1934.

H.R. 282. January 4, 1977. Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to provide administrative and judicial review of claims which arise under the supplementary medical insurance program.

H.R. 283. January 4, 1977. Interstate and Foreign Commerce. Requires the Foreign Claims Settlement Commission to determine the validity and to certify for payment valid claims under the War Claims Act of 1948 filed within one year of the date of enactment of this Act by any individual who was a citizen of the United States on the date of enactment of this Act and whose claim could not have been allowed under the Act because such claimant was not a national of the United States at the time of the loss as defined by the Act.

H.R. 284. January 4, 1977. Interstate and Foreign Commerce. Establishes a National Commission on Regulatory Reform to study and make recommendations on the activities and effect on the economy of certain Federal regulatory agencies.

H.R. 285. January 4, 1977. Judiciary. Establishes privacy standards for organizations maintaining information systems containing personal information. Specifies the rights of data subjects.

H.R. 286. January 4, 1977. Judiciary. Imposes penalties upon any Federal employee who willfully: (1) procures or inspects business or private records without a warrant or consent; or (2) opens mail without a warrant or consent or for other than specified purposes.

Repeals the authority of the President to intercept communications for national security purposes. Repeals the authority of certain State and local law enforcement officers to intercept communications without prior court approval for national security purposes or with respect to activities characteristic of organized crime.

H.R. 287. January 4, 1977. Post Office and Civil Service. Extends cost-of-living increases in benefits payable on account of disability or death to certain widows, children, and parents of members of the military reserves.

H.R. 288. January 4, 1977. Post Office and Civil Service. Stipulates that law enforcement service performed while in the Coast Guard, when the Coast Guard was not operated as a service in the Navy shall be included in determining if an employee has 20 years of service as a law enforcement officer or firefighter for purposes of qualifying for retirement.

H.R. 289. January 4, 1977. Post Office and Civil Service. Designates the anniversary of Susan B. Anthony's birth, February 15, a legal public holiday.

H.R. 290. January 4, 1977. Public Works and Transportation. Amends the Local Public Works Capital Development and Investment Act of 1976 to stipulate that reduction

of unemployment shall be the primary factor to be considered by the Secretary of Commerce, acting through the Economic Development Administration, in making grants to eligible States and localities under such Act.

Increases the authorization of appropriations under such Act.

H.R. 291. January 4, 1977. Rules. Establishes a Joint Committee on Intelligence Operations to conduct continuing oversight of, and to exercise exclusive legislative jurisdiction over the foreign intelligence activities of the United States.

H.R. 292. January 4, 1977. Science and Technology. Directs the Administrator of the Energy Research and Development Administration to establish a program for research and development of industrial energy conserving technologies. Authorizes financial assistance in the form of grants and loans for the development and demonstration of such technologies, with special attention to be given to stimulation of depressed industrial areas.

H.R. 293. January 4, 1977. Veterans' Affairs. Sets forth the amount of reimbursement which the Administrator of Veterans' Affairs shall pay to the States for furnishing domiciliary, hospital, or nursing home care to eligible veterans who receive such care in State facilities.

H.R. 294. January 4, 1977. Veterans' Affairs. Provides that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits.

H.R. 295. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to provide identical income tax rates for single persons and married couples filing joint returns. Limits the earned income that must be reported by a married individual filing a separate return to the amount actually earned by that individual.

H.R. 296. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow as a credit aaginst the income tax a limited amount of specified higher education expenses, including tuition, fees, books and supplies, incurred by the taxpayer for himself and any dependents.

H.R. 297. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to establish graduated corporate income tax rates. Creates an estate tax exemption and establishes a new rate schedule for the estate tax. increases the gift tax exclusion and establishes a new gift tax rate. Provides special treatment for the sale of stock in a closely held corporation when sold to pay estate taxes. Redefines a subchapter S corporation. Allows tax credits for the hiring of new employees. Redefines section 1244 stock (small business stock, losses on which are treated as ordinary losses).

H.R. 298. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to prohibit any deduction for the depreciation of property for a taxable year during which a housing code violation existed for such property for which the owner or his agent was convicted.

H.R. 299. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow a deduction to individuals who rent their principal residents for a portion of the real property taxes paid or incurred by their landlord.

H.R. 300. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow a limited tax credit in an amount of $250 for each individual who is at least 61 years of age before the beginning of the taxable year, whose principal place of abode during the taxable year is the principal residence of the taxpayer, and who is not a lodger with the taxpayer.

H.R. 301. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow individuals who have attained the age of 65 a limited tax exclusion for amounts received as interest on savings.

H.R. 302. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow a limited income tax credit for dependents in a higher education savings plan.

H.R. 303. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow a credit against the individual income tax, up to $1,000, for expenses paid or incurred for heating and insulation improvements in any building owned by the taxpayer in the United States.

H.R. 304. January 4, 1977. Ways and Means. Authorizes a taxpayer, under the Internal Revenue Code, to elect to treat qualified architectural and transportational barrier removal expenses which are paid or incurred during the taxable year as expenses which are not chargeable to capital account. Deems such expenses so treated as allowable tax deductible expenditures.

H.R. 305. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow a medical care deduction for the costs paid for the custodial care of a dependent suffering Down's syndrome.

H.R. 306. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to require the Secretary of the Treasury to establish specific criteria and procedures to audit returns and to report certain information regarding audits completed in the previous 12 months to the Joint Committee on Internal Revenue Taxation.

H.R. 307. January 4, 1977. Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving benefits.

H.R. 308. January 4, 1977. Ways and Means. Amends the Social Security Act to provide that an individual who would be fully qualified at age 62 for benefits under the Old-Age, Survivors, and Disability Insurance program may qualify for disability benefits under such program if such individual has 20 quarters of coverage, regardless of when such quarters were earned.

H.R. 309. January 4, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to revise the eligibility requirements for disability insurance benefits for blind persons. Revises the method of computing the primary insurance amount for blind persons under such Act.

H.R. 310. January 4, 1977. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to entitle widows and widowers who are under a disability to receive unreduced widow's and widower's benefits without regard to age.

H.R. 311. January 4, 1977. Ways and Means. Revises the method of calculating the inpatient hospital deductible under the Medicare program of the Social Security Act. Directs the Secretary of Health, Education, and Welfare to redetermine the deductible amount annually to reflect increases in hospital costs and general increases in Social Security cash benefits.

H.R. 312. January 4, 1977. Interior and Insular Affairs; International Relations. Amends the Trans-Alaska Pipeline Authorization Act and the Mineral Leasing Act of 1920 to direct the President to develop a plan for an equitable system of transportation, allocation, and distribution of Alaskan petroleum resources to all areas of the United States.

H.R. 313. January 4, 1977. Interior and Insular Affairs; Small Business. Amends the Small Business Act to encourage the Small Business Administration to make loans to enable small business concerns to obtain contracts and permits to operate concessions within any area of the National Park System. Establishes the National Park Service Concession Fund in the Treasury of the United States.

Amends the Concessions Policy Act to direct the Secretary of the Interior to insure full and open competition in entering into contracts and permits with concessioners of facilities for visitors to the National Park System.

H.R. 314. January 4, 1977. Education and Labor. Amend the service Contract Act of 1965 to extend its coverage to professional employees who are paid at a rate not exceeding the rate received by Federal Government employees in grade 15 of the General Schedule. Requires that the minimum fringe benefits and salaries paid to such employees conform to the most recent National Survey of Professional, Administrative, Technical, and Clerical Pay issued by the Department of Labor.

H.R. 315. January 4, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XI (General Provisions) of the Social Security Act to require that skilled nursing facilities covered by the Medicare program and intermediate care facilities covered by the Medicaid program, adopt a statement of the rights and responsibilities of the patients who are receiving treatment in such facilities.

H.R. 316. January 4, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) and Title XIX (Medicaid) of the Social Security Act to include in the coverage provided under such program the services of licensed (registered) nurses.

H.R. 317. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow an allowance for basic living expenses. Amends Title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to require supplemental payments by States for certain families with dependent children. Repeals the Food Stamp Act of 1964.

H.R. 318. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to limit the application of the Tax Reform Act's elimination of the sick pay exclusion for persons who have not retired on total disability, to taxable years beginning after December 31, 1976.

H.R. 319. January 4, 1977. Banking, Finance and Urban Affairs. Amends the Housing Act of 1949 to provide that specified places within standard metropolitan statistical areas be considered rural areas for purposes of financial assistance for housing under that Act.

H.R. 320. January 4, 1977. Interior and Insular Affairs. Authorizes the Secretary of the Interior to establish the Palo Alto Battlefield National Historic Site in Texas.

H.R. 321. January 4, 1977. Interior and Insular Affairs. Authorizes the Secretary of the Interior to establish the Resaca de la Palma National Historic Site in the State of Texas.

H.R. 322. January 4, 1977. Judiciary. Requires that any proposed regulations promulgated by a Federal agency required by law to be published in the Federal Register must be submitted to Congress 30 days prior to their publication or prior to their circulation for public comment, whichever is to occur first.

H.R. 323. January 4, 1977. Judiciary. Amends the Gun Control Act of 1968 to increase the penalties for the use of a firearm to commit certain felonies.

H.R. 324. January 4, 1977. Judiciary. Prohibits the relocation of the Border Patrol Academy maintained by the United States Immigration and Naturalization Service at Los Fresnos, Texas, to the Federal Law Enforcement Training Center at Glynco, Georgia.

H.R. 325. January 4, 1977. Ways and Means. Amends the Tariff Schedules of the United

States to increase the value limit for personal articles which may be imported duty-free by residents returning from American Samoa, Guam, or the Virgin Islands.

H.R. 326. January 4, 1977. International Relations. Amends the Export Administration Act of 1969 to require the Secretary of Agriculture to determine the amount of any agricultural commodity that will be available for export. Requires the Secretary of Commerce to publicly announce the determination. Prohibits the exporting of any agricultural commodity unless the person exporting such commodity has been issued an export license.

H.R. 327. January 4, 1977. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to require full disclosure of the names and amounts of ingredients used in all foods on the label of such foods.

H.R. 328. January 4, 1977. Interstate and Foreign Commerce. Directs that no part of any funds appropriated, or otherwise available, for expenditure by the Secretary of Health, Education, and Welfare shall be expended to promote the flouridation of public water supplies.

H.R. 329. January 4, 1977. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to ban the usage of diethylstilbestrol (DES) as a growth stimulant in any animal intended for use as food or in any animal the product of which is intended for use as food, until evidence proves such drug is safe for human consumption.

Directs the Secretary of Health, Education, and Welfare to accumulate and analyze evidence about DES in consultation with the National Cancer Institute.

H.R. 330. January 4, 1977. Interstate and Foreign Commerce. Prohibits the use of any appropriated funds to carry out any research activity on a living human fetus which is outside the womb of its mother or to assist any person in carrying out such research activity.

H.R. 331. January 4, 1977. Judiciary. Prohibits the transportation of contraband cigarettes in interstate commerce.

H.R. 332. January 4, 1977. Judiciary. Prohibits any person from: (1) carrying out any research activity on a human fetus which is outside the womb of its mother and has a beating heart if the research or the facility in which it is conducted is federally-supported; or (2) taking any action to kill or hasten the death of such a fetus in a federally-supported facility.

H.R. 333. January 4, 1977. Ways and Means. Increases to $5,000 the amount of outside earnings which is permitted an individual each year without any deduction from benefits under Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act.

H.R. 334. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to increase the standard personal income tax exemptions to $1,440.

H.R. 335. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to exclude from gross income the first $500 ($1,000 for persons filing joint returns) earned as interest on savings deposits in financial institutions.

H.R. 336. January 4, 1977. Ways and Means. Amends title II (old-age, survivors, and disability insurance) of the Social Security Act to revise the eligibility requirements for disability insurance benefits for blind persons. Revises the method of computing the primary insurance amount for blind persons under such act.

H.R. 337. January 4, 1977. Ways and Means; Interstate and Foreign Commerce. Amends title IV (aid to families with dependent children), title XVIII (medicare), and title XIX (medicaid) of the Social Security Act to provide that the Federal matching rate for purposes of reimbursement to States under the programs of aid to needy families with children and medical assistance shall be set at 75 percent.

H.R. 338. January 4, 1977. Armed Services. Requires the secretaries of each military department and the Secretary of Defense to review each type of personnel position in the secretaries' jurisdiction to determine whether such position could be filled by a civilian employee. Prohibits the assignment of active-duty personnel to such a position unless the individual meets specified qualifications and no civilian employee with equal or superior qualifications is available.

H.R. 339. January 4, 1977. Education and Labor. Amends the Elementary and Secondary Education Act of 1965 and the Higher Education Act of 1965 to require educational institutions engaged in interscholastic athletic competition to employ certified athletic trainers. Requires the Commissioner of Education to make grants to institutions of higher learning to assist them in educating qualified athletic trainers.

H.R. 340. January 4, 1977. Education and Labor. Amends the Occupational Safety and Health Act of 1970 by applying the safety and health standards of that act to athletic contests between secondary schools or between institutions of higher education.

H.R. 341. January 4, 1977. Judiciary. Establishes a National Prison Standards Administration

Specifies standards relative to prison conditions and prisoner rights.

Revises provisions relative to: (1) assignment and transfer of prisoners to and between institutions; (2) eligibility for parole; and (3) modification and revocation of parole.

Grants the right to vote in Federal elections to ex-convicts. Assures such right to persons confined pending trial.

Establishes the Board of Parole as an independent agency.

Amends the Omnibus Crime Control and Safe Streets Act of 1968 to require that comprehensive State plans contain assurances that the State parole system include specified elements.

H.R. 342. January 4, 1977. Judiciary. Requires that proceedings in U.S. District Courts, in criminal and civil actions, be conducted bilingually where it is determined that a party to or a witness in, such proceedings does not understand the English language. Directs the Director of the Administrative Office of the United States Courts to determine and supply the personnel and facilities necessary to conduct such proceedings.

H.R. 343. January 4, 1977. Armed Services. Establishes an office of the Assistant Secretary of Defense for Equal Opportunity within the Department of Defense to develop and supervise policies and programs to eliminate discrimination, to promote affirmative action, and to insure equal opportunity and treatment within the Department of Defense and within the work forces of contractors for the Department.

H.R. 344. January 4, 1977. Education and Labor. Amends the Civil Rights Act of 1964 to include as an unlawful employment practice discrimination on the basis of military discharge status.

H.R. 345. January 4, 1977. Education and Labor. Extends to the States and their political subdivisions the Age Discrimination in Employment Act which prohibits employers from exercising discriminatory employment practices based upon age.

H.R. 346. January 4, 1977. Government Operations. Requires the Comptroller General to conduct a continuing investigation of all matters relating to the receipt, disbursement and application of public funds and to submit to Congress and the President a report of its findings and to recommend legislation deemed necessary.

H.R. 347. January 4, 1977. International Relations; Rules. States that any executive agreement not specifically authorized by an Act of Congress or by a treaty concurred in by the Senate made on or after the date of enactment of this Act shall be transmitted to the Secretary of State who shall transmit it to Congress.

H.R. 348. January 4, 1977. Judiciary. Permits Congress to compel any person in the Executive Branch to testify or give Congress information pertinent to matters of legislative concern. Requires that any person providing such information certify that such information is complete to the best of his or her knowledge. Permits the Comptroller General to withhold funds for the operation of the agency, officer, or employee who refuses to comply with this Act. Exempts specified advice and recommendations given to the President from the requirements of this Act.

H.R. 349. January 4, 1977. Judiciary. Grants general amnesty to persons who committed specified military or selective service offenses between August 4, 1964, and the enactment of this Act.

Establishes an Amnesty Commission which is to grant amnesty upon making specified findings to persons who, during such period, committed crimes other than those enumerated in this Act.

H.R. 350. January 4, 1977. Judiciary. Makes it unlawful to: (1) possess a firearm not registered in accordance with this Act; (2) transfer any firearm or ammunition to any person not possessing a valid permit; and (3) import, manufacture, sell, buy, transfer, receive, or transport any handgun and handgun ammunition.

HOUSE JOINT RESOLUTIONS

H.J. Res. 1. January 4, 1977. Interior and Insular Affairs; Merchant Marine and Fisheries. Establishes a Commission to examine the effect of Northwest Indian Off-Reservation Treaty Fishing Rights. Designates its structure, membership prerequisites, procedures, and powers.

H.J. Res. 2. January 4, 1977. Judiciary. Constitutional Amendment. Permits prayer in public buildings.

H.J. Res. 3. January 4, 1977. Rules. Establishes a Joint Committee on National Security to be consulted by the President for purposes of the War Powers Resolution. Designates the joint committee to receive and transmit to Congressional committees information with respect to the involvement of the United States Armed Forces in hostilities together with such recommendations as a majority of the joint committee deems appropriate for legislation.

Stipulates that the joint committee shall have no authority to report legislation to Congress.

H.J. Res. 4. January 4, 1977. Rules. Establishes a joint congressional committee of five Members from each House of Congress known as the Joint Committee on Internal Security to investigate Communist and other subversive activities affecting the internal security of the United States including activities aimed at overthrowing or altering the form of government in the United States by unlawful means or which incite or employ violence or any unlawful means to obstruct justice.

H.J. Res. 5. January 4, 1977. Judiciary. Constitutional Amendment. Extends due process and equal protection to an individual from the moment of conception.

Prohibits the deprivation of human life on account of age, illness, or incapacity.

H.J. Res. 6. January 4, 1977. Judiciary. Constitutional Amendment. Denies eligibility for election to the office of President or Vice President to persons who have attained age 70. Extends the term of office of the President and Vice President to six years. Prohibits any person from being elected to the office of President more than once.

H.J. Res. 7. January 4, 1977. Judiciary. Constitutional Amendment. Prohibits a justice of the Supreme Court or a judge of any inferior court established by Congress from holding office for more than ten years after (1) taking office, (2) the Senate last consented to his continuance in office, or (3) the ratification of this amendment, whichever last occurs, unless the President nominates and the Senate consents to a continuance in office.

H.J. Res. 8. January 4, 1977. Judiciary. Constitutional Amendment. Permits prayer in public buildings.

H.J. Res. 9. January 4, 1977. Post Office and Civil Service. Designates April 13, 1977 as "Thomas Jefferson Day."

H.J. Res. 10. January 4, 1977. Post Office and Civil Service. Designates March 16, 1977 as "James Madison Day."

H.J. Res. 11. January 4, 1977. Post Office and Civil Service. Designates January 13, 1977, as "Religious Freedom Day."

H.J. Res. 12. January 4, 1977. Post Office and Civil Service. Authorizes the President of the United States to declare the week beginning October 2, 1977, and ending October 8, 1977, as "National Volunteer Firemen Week."

H.J. Res. 13. January 4, 1977. Post Office and Civil Service. Authorizes the President of the United States to issue a proclamation designating May 13 of each year as 'American Business Day."

H.J. Res. 14. January 4, 1977. Judiciary. Constitutional Amendment. Prohibits deficit spending and increases in the national debt. Sets forth a schedule for repayment of the national debt.

H.J. Res. 15. January 4, 1977. Judiciary. Constitutional Amendment. Stipulates that, upon a vacancy in the office of Vice President, the President shall nominate a person who shall become Vice President after being approved in a special referendum by a majority of the voters of the States and other jurisdictions entitled to appoint electors of the President and Vice President.

H.J. Res. 16. January 4, 1977. Judiciary. Constitutional Amendment. Establishes a ten-year term of office for justices of the Supreme Court and judges of inferior Federal courts and permits such judges to be reappointed for a second ten-year term by the President, by and with the consent of each House of Congress. Designates December 31, 1983, or ten years after taking office, whichever last occurs, as the expiration of the terms of Supreme Court justices and Federal judges holding office on the ratification date of such amendment.

H.J. Res. 17. January 4, 1977. Post Office and Civil Service. Designates Christmas Week of each year, the period running from December 26 through December 31 inclusive, as "Blood Donor Week."

H.J. Res. 18. January 4, 1977. Judiciary. Constitutional Amendment. Limits the length of time any person may hold the office of Senator to three full six-year terms. Limits the length of time any person may hold the office of Representative to nine full two-year terms.

H.J. Res. 19. January 4, 1977. Judiciary. Constitutional Amendment. Prohibits compelling a student to attend a public school other than the one nearest his residence.

Grants Congress the power to enforce by appropriate legislation the provisions of this amendment, and to insure equal educational opportunities for all students wherever located.

H.J. Res. 20. January 4, 1977. Judiciary. Constitutional Amendment. Requires official Presidential candidates of political parties to be nominated in a closed primary election by direct popular vote.

Designates the person receiving the greatest number of votes in such a primary as the official candidate if such votes equal at least 40 percent of those cast. Requires a runoff election between the two persons receiving the greatest number of votes in the event that no candidate receives such a plurality.

Directs each party to nominate a Vice Presidential candidate within a specified period following the selection of that party's Presidential candidate.

H.J. Res. 21. January 4, 1977. Judiciary. Constitutional Amendment. States that nothing in the Constitution shall empower any official or court of the United States to issue any order requiring or encouraging, or directing or permitting any funds to be used or withheld or require or encourage, the transportation or busing of students from one school to another or one school district to another or to force any student or student attending any elementary or secondary school in their own neighborhood, where such school is not established purposely to perpetuate segregation, to attend any other school against his or her own choice, the choice of his or her parents, parent or guardian, in order to accomplish any objective or purpose, express or implied, under the Constitution.

H.J. Res. 22. January 4, 1977. Post Office and Civil Service. Authorizes and requests the President to designate the second Sunday in June as "National Pet Remembrance Day."

H.J. Res. 23. January 4, 1977. Judiciary. Constitutional Amendment. Prohibits the Federal Government's participation in any commercial or financial activity not specifically provided for in the Constitution. Repeals the Sixteenth Amendment. Prohibits taxes on personal income, gifts and estates.

H.J. Res. 24. January 4, 1977. Post Office and Civil Service. Authorizes the President of the United States to designate the week of September 18 through September 24, 1977, as "National Lupus Week."

H.J. Res. 25. January 4, 1977. Post Office and Civil Service. Authorizes the President of the United States to designate the week of September 18 through September 24, 1977 as "National Lupus Week."

H.J. Res. 26. January 4, 1977. Post Office and Civil Service. Authorizes the President of the United States to designate the week of September 18 through September 24, 1977 as "National Lupus Week."

H.J. Res. 27. January 4, 1977. Post Office and Civil Service. Expresses the sense of the Congress that the State of Illinois and the City of Chicago should host the 1992 official celebration of the five hundredth anniversary of the discovery of America by Christopher Columbus.

Authorizes the President of the United States to issue a proclamation calling on the people of the United States to join with the people of Illinois in observance of this quincentennial celebration.

H.J. Res. 28. January 4, 1977. Judiciary. Constitutional Amendment. Requires the President to submit a balanced budget to Congress and requires that Congress act to provide revenues to offset Federal funds deficits.

H.J. Res. 29. January 4, 1977. Judiciary. Constitutional Amendment. Prohibits assignment of public school students to a particular school based upon their race, creed, or color.

Prohibits assignment of public school teachers or other public employees of the Federal or State governments, and subdivisions thereof, to particular jobs or locations based upon their race, creed, or color.

H.J. Res. 30. January 4, 1977. Judiciary. Constitutional Amendment. Empowers Congress and the States to impose and provide for the carrying out of the death penalty in the case of any crime involving the deliberate and willful taking of human life.

Empowers Congress to impose and provide for the carrying out of such penalty in the case of treason against the United States.

H.J. Res. 31. January 4, 1977. Judiciary. Constitutional Amendment. Permits religious observances in governmental institutions and public places. Permits reference to a supreme being in a governmental or public document, activity, place, or on money. Declares that this amendment shall not constitute establishment of religion.

H.J. Res. 32. January 4, 1977. Judiciary. Constitutional Amendment. Eliminates the force and effect of any treaty provision which denies or abridges any constitutionally enumerated right. Prohibits a treaty from permitting any foreign power or international organization to supervise, control, or adjudicate (1) the rights of United States citizens or (2) matters essentially within the domestic jurisdiction of the United States.

Predicates the effectiveness of a treaty as internal law of the United States upon the passage of appropriate legislation.

Requires executive agreements with foreign powers or international organizations to be made in the manner and to the extent prescribed by law.

H.J. Res. 33. January 4, 1977. Judiciary. Constitutional Amendment. Provides for the direct election of the President and Vice President and authorizes Congress to establish procedures relating to the nomination of Presidential and Vice-Presidential candidates.

H.J. Res. 34. January 4, 1977. Judiciary. Constitutional Amendment Allows the President an item veto in appropriation legislation.

H.J. Res. 35. January 4, 1977. Judiciary. Constitutional Amendment. Provides that total appropriations shall not exceed estimated revenues. Authorizes the suspension of such prohibition in time of war or by a concurrent resolution passed by the Senate and the House stating that a national emergency requires suspension.

H.J. Res. 36. January 4, 1977. Judiciary. Establishes a United States Court of Ethics to hear complaints of unethical conduct by any Federal officer or employee.

H.J. Res. 37. January 4, 1977. Judiciary. Constitutional Amendment. Prohibits compelling a student to attend a public school other than the one nearest his residence.

Grants Congress the power to enforce by appropriate legislation the provisions of this amendment, and to insure equal educational opportunities for all students wherever located.

H.J. Res. 38. January 4, 1977. Judiciary. Constitutional Amendment. Permits an otherwise eligible citizen of the United States to hold the office of President even if such individual is not a natural born citizen.

H.J. Res. 39. January 4, 1977. Judiciary. Constitutional Amendment. Provides for the direct election of the President and Vice President of the United States.

H.J. Res. 40. January 4, 1977. Judiciary. Constitutional Amendment. States that the election of the President and the Vice President shall be determined by a majority of the popular votes cast, or in the event that no person receives a majority, by plurality of the popular votes cast.

H.J. Res. 41. January 4, 1977. Judiciary. Constitutional Amendment. Requires the President and the Speaker of the House of Representatives to review Government revenues and expenditures at specified times and to determine a surtax rate when expenditures exceed revenues to ensure that receipts will equal outlays.

Authorizes the suspension of such measures in the case of a grave national emergency declared by Congress.

H.J. Res. 42. January 4, 1977. Judiciary. Constitutional Amendment. Provides that appropriations made by the Congress for any fiscal year shall not exceed the total revenues of the United States for such year, and prohibits spending by, or on behalf of, the United States which exceeds the total revenue for that year.

H.J. Res. 43. January 4, 1977. Interior and Insular Affairs. Authorizes the Secretary of the Interior to establish national petroleum reserves on designated public lands of the United States. Authorizes the Secretary to develop oil and gas reserves in the contiguous 48 States, subject to Congressional review. Directs the Secretary to submit to Congress within one year a plan for development of Alaskan oil and gas, subject to Congressional approval.

H.J. Res. 44. January 4, 1977. International Relations. Requires the President to seek a treaty or other arrangement with Canada calling for an immediate moratorium on the killing of the eastern timber wolf.

H.J. Res. 45. January 4, 1977. Judiciary. Constitutional Amendment. Provides for the direct election of the President and Vice President of the United States.

H.J. Res. 46. January 4, 1977. Judiciary. Constitutional Amendment. Grants Congress the power to disapprove reprieves and pardons granted by the President.

H.J. Res. 47. January 4, 1977. Post Office and Civil Service. Authorizes the President of the United States to designate October 1, 1977, as "National Coaches' Day."

H.J. Res. 48. January 4, 1977. Post Office and Civil Service. Authorizes the President of the United States to designate the week beginning on the first Saturday after the first Tuesday in January of every year as "National Ski Week."

H.J. Res. 49. January 4, 1977. Post Office and Civil Service. Requests the President of the United States to declare the fourth Saturday of each September as "National Hunting and Fishing Day."

H.J. Res. 50. January 4, 1977. Judiciary. Constitutional Amendment. Denies eligibility for election to the office of President or Vice President to persons who have attained age 70, extends the term of office of the President and Vice President to six years, and prohibits any person from being elected to the office of President more than once.

HOUSE CONCURRENT RESOLUTIONS

H. Con. Res. 1. January 4, 1977. Calls for a joint session of Congress to receive communications of the President.

H. Con. Res. 2. January 4, 1977. Provides for the continuation of the Joint Congressional Committee on Inaugural Arrangements.

H. Con. Res. 3. January 4, 1977. Government Operations. Declares that the findings and recommendations of the Commission on Federal Paperwork should be sympathetically received and considered by congressional committees and Members of Congress, that committees and Members should give careful attention to paperwork burdens imposed by proposed legislation, and that costs and benefits of information requested from Federal agencies by committees and Members making such requests be considered.

H. Con. Res. 4. January 4, 1977. International Relations. Declares it the sense of Congress that the President take the steps necessary to place the question of human rights violations in the Ukraine on the agenda of the United Nations.

H. Con. Res. 5. January 4, 1977. International Relations. Declares it the sense of Congress that the President (1) not recognize the absorption of Estonia, Latvia, and Lithuania into the Union of Soviet Socialist Republics, and (2) take appropriate steps to raise this issue in the United Nations.

H. Con. Res. 6. January 4, 1977. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that standards should be developed in the motion picture and broadcasting industries to prevent the defamation of ethnic, racial, and religious groups in films and programs which portray such groups.

H. Con. Res. 7. January 4, 1977. Interstate and Foreign Commerce. Declares that Congress has not delegated to the Federal Trade Commission any authority to preempt the laws of the States and their political subdivisions.

H. Con. Res. 8. January 4, 1977. Veterans' Affairs. Declares it to be the sense of Congress that the Veterans' Affairs Committees of the House and the Senate consider and report without delay legislation eliminating the possibility of any reduction in veterans' pensions on account of increases in social security or railroad retirement benefits.

H. Con. Res. 9. January 4, 1977. Rules. Establishes a Joint Congressional Committee on Information and Intelligence composed of seven members of the House and seven Members of the Senate. Directs the committees to make continuing studies of: (1) the activities and problems of each information and intelligence agency of the United States; and (2) the relationships between these agencies and United States-based corporations and the effect of such relationships on United States foreign policy and intelligence operations abroad.

H. Con. Res. 10. January 4, 1977. Rules. Establishes a Committee on Information and Intelligence in the House of Representatives to make continuing studies of the activities of each information and intelligence agency of the United States, the relationships between such agencies and United States-based corporations, and the problems relating to information and intelligence programs.

H. Con. Res. 11. January 4, 1977. Post Office and Civil Service; Education and Labor. Expresses the sense of Congress that experience in volunteer work should be taken into account by the Federal Government, State and local governments, charitable and service organizations, and private employers in the consideration of applicants for employment and that provision should be made for a listing and description of volunteer work on employment application forms.

H. Con. Res. 12. January 4, 1977. International Relations. Urges President Ford to request the Soviet Union to release Valentyn Moroz from prison and to permit him and his immediate family to emigrate.

H. Con. Res. 13. January 4, 1977. International Relations. Declares it the sense of Congress that the President should initiate negotiations with Turkey to stop opium production and terminate foreign assistance to Turkey if such negotiations are unfruitful.

H. Con. Res. 14. January 4, 1977. Ways and Means. Expresses the sense of Congress that: (1) the Internal Revenue Code should simplify the Federal income tax forms; (2) State and local governments should model their income tax forms on the Federal forms; and (3) Congress should simplify the language of the Internal Revenue Code.

H. Con. Res. 15. January 4, 1977. International Relations. Declares it the sense of Congress that the contingent of United States troops stationed in Europe be substantially reduced in stages over the next three and one-half years.

H. Con. Res. 16. January 4, 1977. International Relations. Declares that a world without war is possible. Declares it the policy of the United States to initiate international actions for the establishment of institutions to prevent war.

H. Con. Res. 17. January 4, 1977. International Relations. Declares it the sense of Congress that the United States should continue its role of United Nations' leadership.

Requests the President (1) to direct the Department of State and the Ambassador to the United Nations to formulate proposals for more effective functioning of the United Nations, and (2) to report to the Senate Committee on Foreign Relations and the House of Representatives Committee on International Relations on such proposals.

H. Con. Res. 18. January 4, 1977. International Relations. Condemns the killing of whales by Japan and the Union of Soviet Socialist Republics. Requires the President and Secretary of State to call upon these nations to cease all commercial whaling.

H. Con. Res. 19. January 1, 1977. Judiciary. Declares it the sense of Congress that a general or blanket amnesty or pardon for persons who committed draft or military absence offenses during our Nation's military involvement in Vietnam would present a breach of faith with those who served honorably, particularly our honored war dead and their survivors, and should not be issued or granted by the President of these United States.

H. Con. Res. 20. January 4, 1977. International Relations. Declares it the sense of Congress that it shall be the policy of the United States to require repayment of delinquent debts of foreign nations. Declares it the sense of Congress that the Department of the Treasury shall submit a list of such debts to the Congress and make arrangements with foreign nations for such repayment.

H. Con. Res. 21. January 4, 1977. International Relations. Declares it the sense of Congress that the Holy Crown of Saint Stephen should remain in the United States until a constitutional government is established in Hungary.

H. Con. Res. 22. January 4, 1977. International Relations. Directs the President to request the Soviet Union to permit Valentyn Moroz to accept an invitation of Harvard University.

H. Con. Res. 23. January 4, 1977. Judiciary; Armed Services. Expresses the endorsement of Congress for the President-elect's pardon program for persons who during the Vietnam era, failed to report for induction into, or refused induction into, the armed forces and have not been prosecuted for such violation. Requests the President-elect to extend his reconcilation program to other specified individuals.

H. Con. Res. 24. January 4, 1977. Judiciary; Armed Services. Expresses the endorsement of Congress for the President-elect's pardon program for persons who during the Vietnam era, failed to report for induction into, or refused induction into, the armed forces and have not been prosecuted for such violation. Requests the President-elect to extend his reconcilation program to other specified individuals.

H. Con. Res. 25. January 4, 1977. Ways and Means. Expresses the sense of the Congress that no individual whose social security benefits are increased should suffer, by reason of such increase, a loss of or reduction in any benefits which he or she is otherwise entitled to receive under any Federal or federally assisted program.

H. Con. Res. 26 January 4, 1977 Education and Labor Expresses the sense of Congress that there shall be a national policy to recognize the inherent right of all citizens, regardless of physical disability, to free use of the manmade environment.

H. Con. Res. 27. January 4, 1977. International Relations. Directs the President to request the Soviet Union to permit Valentyn Moroz to accept an invitation of Harvard University.

H. Con. Res. 28. January 4, 1977. House Administration. Authorizes the printing of 50,000 copies of the Constitution of the United States in Spanish.

H. Con. Res. 29. January 4, 1977. House Administration. Directs the Joint Committee on the Library to procure a bronze bust or statue of Martin Luther King, Jr. which will be placed in a suitable location in the Capitol as determined by the Committee.

H. Con. Res. 30. January 4, 1977. House Administration. Directs the Joint Committee on the Library to procure a statue of Christopher Columbus, and that such statue be placed in a suitable location in the Capitol as determined by the Joint Committee on the Library.

H. Con. Res. 31. January 4, 1977. International Relations. Declares it the sense of

the Congress that the President should take steps to express the United States' concern for the rights of Soviet citizens under the International Declaration of Human Rights.

H. Con. Res. 32 January 4, 1977. International Relations. Declares it the sense of Congress that the United States Government do nothing to compromise the freedom of the Republic of China in lessening tensions with the Peoples' Republic of China.

H. Con. Res. 33. January 4, 1977. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that standards should be developed in the motion picture and broadcasting industries to prevent the defamation of ethnic, racial, and religious groups in films and programs which portray such groups.

H. Con. Res. 34. January 4, 1977. Veterans' Affairs. Expresses the sense of Congress that the Secretary of Defense shall at the earliest opportunity enter an Unknown Soldier in Arlington National Cemetery and make permanent display of representative medals, ribbons, and tributes of the Vietnam War in the Arlington Memorial Amphitheater.

H. Con. Res. 35. January 4, 1977. Agriculture. Expressing the sense of Congress that incentives toward the fulfillment of a national soil and water conservation policy should include tax credits and federal grants to stimulate the development of shelterbelts.

H. Con. Res. 36. January 4, 1977. Armed Services. Expresses the sense of Congress that the Secretaries of the military departments concerned should award the Purple Heart posthumously to the members of the Armed Forces of the United States interred in the Tomb of the Unknowns at Arlington National Cemetery, Virginia, on Memorial Day of 1977.

H. Con. Res. 37. January 4, 1977. Rules. Creates a Joint Committee on Energy to: (1) make a continuing study of the development, use, and control of all forms of energy; (2) examine current proposals for legislation relating to energy; and (3) review the policies and actions of executive agencies with respect to the development, use, and control of energy.

H. Con. Res. 38. January 4, 1977. International Relations. Declares it the sense of Congress that it shall be the policy of the United States to require repayment of delinquent debts of foreign nations. Declares it the sense of Congress that the Department of Treasury shall submit a list of such debts to the Congress and make arrangements with foreign nations for such repayment.

H. Con. Res. 39. January 4, 1977. International Relations. Declares it the sense of Congress that the United States should continue its role of United Nations' leadership. Requests the President (1) to direct the Department of State and the Ambassador to the United Nations to formulate proposals for more effective functioning of the United Nations, and (2) to report to the Senate Committee on Foreign Relations and the House of Representatives Committee on International Relations on such proposals.

H. Con. Res. 40. January 4, 1977. International Relations. Declares that the Congress would support a declaration of policy against United States manufacture or possession of lethal chemical weapons. Urges a treaty to ban manufacture and possession of such weapons by all nations.

H. Con. Res. 41. January 4, 1977. Interstate and Foreign Commerce. Urges the telephone and hearing aid industries to utilize all available technology to provide full access to telephone communications for hearing aid users.

H. Con. Res. 42. January 4, 1977. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that standards should be developed in the motion picture and broadcasting industries to prevent the defamation of ethnic, racial, and religious groups in films and programs which portray such groups.

H. Con. Res. 43. January 4, 1977. Veterans' Affairs. Expresses the sense of Congress that the Secretary of Defense shall at the earliest opportunity inter an Unknown Soldier in Arlington National Cemetery and make permanent display of representative medals, ribbons, and tributes of the Vietnam War in the Arlington Memorial Amphitheater.

H. Con. Res. 44. January 4, 1977. Agriculture; International Relations. Declares it the sense of the Congress that every person has the right to a nutritionally adequate diet, and that the United States increase its assistance for self-help development among the world's poorest people until such assistance reaches one percent of our total national production.

H. Con. Res. 45. January 4, 1977. Education and Labor. Expresses the sense of Congress that the President call a White House Conference on the American Family.

H. Con. Res. 46. January 4, 1977. International Relations. Declares it the sense of Congress that the President seek a multilateral treaty to deny sanctuary to international terrorists.

H. Con. Res. 47. January 4, 1977. Science and Technology. Declares it the sense of Congress that States and local governments should amend property tax laws so that expenditures for solar heating and cooling equipment would not result in increased property taxes.

H. Con. Res. 48. January 6, 1977. Education and Labor. Expresses the sense of the Congress that all inspections under the Occupational Safety and Health Act of 1970 cease until the Supreme Court of the United States has determined the constitutionality of such inspections.

H. Con. Res. 49. January 6, 1977. International Relations. Declares it the sense of Congress that the United States Government do nothing to compromise the freedom of the Republic of China in lessening tensions with the Peoples' Republic of China.

H. Con. Res. 50. January 6, 1977. House Administration. Directs the Joint Committee of Congress on the Library to consult with the Architect of the Capitol for the purpose of procuring a bronze facsimile of the original documents of the Constitution of the United States which are deposited with the National Archives.

States that these items are to be displayed in an appropriate place in the Capitol.

HOUSE RESOLUTIONS

H. Res. 1. January 4, 1977. Chooses the Clerk; Sergeant at Arms; Doorkeeper; Postmaster; and Chaplain of the House of Representatives.

H. Res. 2. January 4, 1977. Informs the Senate that a quorum of the House of Representatives has assembled; and the Speaker and Clerk of the House of Representatives for the 95th Congress have been elected.

H. Res. 3. January 4, 1977. Requires the Speaker of the House to appoint a committee of three Members of the House of Representatives to join with a committee on the part of the Senate to notify the President that a quorum of each House has been assembled and that Congress is ready to receive any communication that he may be pleased to make.

H. Res. 4. January 4, 1977. Instructs the Clerk to inform the President that the House of Representatives has elected the Speaker and Clerk of the Houses of Representatives of the 95th Congress.

H. Res. 5. January 4, 1977. Adopts the Rules of the House of Representatives of the 94th Congress as the Rules of the House of the 95th Congress except as amended by this resolution. Revises committee jurisdictions with respect to nuclear energy. Limits access to the files of the Committee on Standards of Official Conduct. Opens meetings of House committees and conference committees to the public except as provided by this resolution and amends the rules pertaining to the House as a Committee of the Whole and its committees.

H. Res. 6. January 4, 1977. Authorizes the gross yearly compensation of five named minority employees of the House of Representatives pursuant to the Legislative Pay Act of 1929.

H. Res. 7. January 4, 1977. Sets forth the daily hour of meeting in the House of Representatives for the 95th Congress.

H. Res. 8. January 4, 1977. Permits compensation of specified employees of the House of Representatives at a rate not in excess of the rate for one pay level above the maximum pay level for employees of the House of Representatives as set forth in a specified rule of the Rules of the House of Representatives.

H. Res. 9. January 4, 1977. Creates a 12-member Select Committee on Assassinations to conduct a complete investigation of the circumstances surrounding the deaths of John F. Kennedy, Martin Luther King, Jr., and other persons in order to ascertain whether the laws of the United States, including but not limited to: (1) laws relating to the safety and protection of the President; (2) assassinations of the President; (3) deprivation of civil rights, and conspiracies related thereto; and (4) the investigatory jurisdiction and capability of U.S. agencies and departments are adequate, either in their provisions or in the manner of their enforcement. Requires the committee to report to the House during the present Congress.

H. Res. 10. January 4, 1977. Sets forth the conditions under which the House of Representatives will release to any court in the United States papers and documents of the House which have been subpenaed as evidence by such a court, and the procedure to be followed by a Member, officer, or employee of the House who has been subpenaed to appear before a court.

H. Res. 11. January 4, 1977. Sets forth the procedure for the allocation of funds for the continuation of activities of House standing or select committees for the period of January 3, 1977, to March 31, 1977.

H. Res. 12. January 4, 1977. House Administration. Authorizes the Clerk of the House of Representatives to withhold charitable contributions from the pay of House employees for transmittal to the Combined Federal Campaign, if the employee requests the Clerk to do so.

H. Res. 13. January 4, 1977. Rules. Establishes the Special Committee on the Captive Nations to study the captive non-Russian nations with respect to conditions in these countries and the peaceful processes by which the United States can assist them.

H. Res. 14. January 4, 1977. International Relations. Declares it the sense of the House of Representatives that the Government of the United States should maintain its rights and jurisdiction over the Panama Canal and the Panama Canal Zone.

H. Res. 15. January 4, 1977. Rules. Establishes within the House of Representatives, pursuant to the Rules of the House of Representatives, a standing Committee on Internal Security to investigate and report on Communist and other subversive activities affecting the internal security of the United States, including activities aimed at overthrowing or altering the form of government in the United States by unlawful means or which

incite or employ violence or any unlawful means to obstruct the lawful authority of the Government.

H. Res. 16. January 4, 1977. Rules. Establishes a select committee within the House of Representatives to study executions, abductions, and other denials of basic human rights in Southeast Asia by Communist forces and to report its findings during the Ninety-fifth Congress.

H. Res. 17. January 4, 1977. Rules. Amends the Rules of the House of Representatives to prohibit taking a rollcall by electronic device whenever the House of Representatives has entered into special orders after the conclusion of the legislative program and business on any day.

H. Res. 18. January 4, 1977. International Relations. Declares it the sense of the House of Representatives that the Government of the United States should maintain its rights and jurisdiction over the Panama Canal and the Panama Canal Zone.

H. Res. 19. January 4, 1977. House Administration. Requires the House of Representatives to adopt a resolution to establish or adjust allowances to Members, officers, and standing committees of the House of Representatives.

Repeals provisions allowing the Committee on House Administration to fix such allowances.

H. Res. 20. January 4, 1977. Rules. Specifies that all meetings of committees and subcommittees of the House of Representatives under the Rules of the House of Representatives shall be open to the public except when the committee or subcommittee votes in open session to close the meeting because disclosure of matters to be considered would endanger national security or would violate the Rules of the House of Representatives. Excepts from this requirement meetings relating solely to internal budget or personnel matters.

H. Res. 21. January 4, 1977. Rules. Amends the Rules of the House of Representatives to prohibit voting in any committee or subcommittee by proxy.

H. Res. 22. January 4, 1977. Rules. Amends the Rules of the House of Representatives to require a rollcall on demand of any committee member on any question before the committee and on every motion to report any bill or resolution of a public character.

H. Res. 23. January 4, 1977. Rules. Amends the Rules of the House of Representatives to prohibit the suspension of any rule for the purpose of considering any matter reported from a committee unless a majority of the committee, in open session, with a quorum present, requests that such matter be considered under a suspension of the rules.

H. Res. 24. January 4, 1977. Rules. Amends the Rules of the House of Representatives to prohibit the consideration of any report by any congressional conference committee in the House of Representatives unless the meeting of such conference committee was open to the public and such report so certifies.

H. Res. 25. January 4, 1977. Rules. Amends rule XXXII of the Rules of the House of Representatives to specify conditions for the admission of ex-Members and certain other persons to the Hall of the House and rooms leading thereto.

H. Res. 26. January 4, 1977. Rules. Establishes within the House of Representatives a select committee to study the constitutional basis of the January 22, 1973, United States Supreme Court decisions on abortion, the ramifications of such decisions on the power of the several States to enact abortion legislation, and the need for remedial action by Congress on the subject of abortions.

H. Res. 27. January 4, 1977. Rules. Directs the Speaker of the House of Representatives to take immediate action to implement a plan for the audio and video broadcasting of House floor proceedings. Provides that the broadcasts be made available to commercial and public broadcasters.

H. Res. 28. January 4, 1977. International Relations; Ways and Means. Condemns oppression of minorities in Romania. Directs the President and appropriate Congressional committees to consider this situation prior to taking action on the most-favored-nation trade status of Romania.

H. Res. 29. January 4, 1977. Rules. Amends rule XI of the Standing Rules of the House of Representatives to require committee approval of travel proposals.

H. Res. 30. January 4, 1977. Rules. Requires, pursuant to the Rules of the House of Representatives, that reports by Members or House committee employees showing expenses of foreign travel financed by committee funds be filed within ten calendar days after termination of such travel. Requires that such reports be transmitted to the Congressional Record for publication.

H. Res. 31. January 4, 1977. International Relations. Declares it the sense of the House of Representatives that the United States should maintain its sovereignty over the Panama Canal.

H. Res. 32. January 4, 1977. Rules. Amends the Rules of the House of Representatives to prohibit voting in any committee or subcommittee by proxy.

H. Res. 33. January 4, 1977. Rules. Amends the Rules of the House of Representatives to require all managers appointed by the House to each conference committee to transact all business in meetings open to the public except where the House of Representatives votes to close such meetings.

H. Res. 34. January 4, 1977. International Relations. Declares it the sense of the House of Representatives that the Government of the United States should maintain its rights and jurisdiction over the Panama Canal and the Panama Canal Zone.

H. Res. 35. January 4, 1977. Rules. Amends the Rules of the House of Representatives to require the report accompanying any public bill or resolution reported by any committee to include an estimate of the costs of such legislation to both the public and nonpublic sectors.

H. Res. 36. January 4, 1977. Post Office and Civil Service. Declares it the sense of the House of Representatives (1) that the Soviet Union permit free emigration of Soviet Jews and others, (2) that the Soviet Union permit the free exercise of religious beliefs and cultural expression, and (3) that the Congress supports "Solidarity Sunday."

H. Res. 37. January 4, 1977. International Relations; Ways and Means. Declares it the sense of the House of Representatives that the 1975 United States-Romanian Trade Agreement and the most-favored-nation status of Romania should be terminated if Romania continues to restrict the human rights of its citizens.

H. Res. 38. January 4, 1977. International Relations. Declares it the sense of the House of Representatives that the Government of the United States should maintain its rights and jurisdiction over the Panama Canal and the Panama Canal Zone.

H. Res. 39. January 4, 1977. Rules. Creates a House select committee which shall conduct an investigation of all records, memorandums, papers, documents, books, and other information of any standing or select committee of the House or officer of the House respecting expenses incurred by or on behalf of any such committee or its members or employees.

H. Res. 40. January 4, 1977. Rules. Amends the Rules of the House of Representatives to prohibit voting in any committee or subcommittee by proxy.

H. Res. 41. January 4, 1977. Rules. Amends the Rules of the House of Representatives to declare that no Member may be bound by order or instruction of his party caucus or conference to vote contrary to his conscience.

H. Res. 42. January 4, 1977. Rules. Amends the Rules of the House of Representatives to provide that, except with respect to any Member who was chairman of any standing committee of the House at any time during the Ninety-fifth Congress, no Member may serve as the chairman of the same standing committee for more than four Congresses.

H. Res. 43. January 4, 1977. Rules. Amends rule XI of the Rules of the House of Representatives to exclude from public inspection, information the committee determines would endanger the national security or would violate any rule of the House. Adds voice and division votes to the list of records of votes to be made available for inspection by the public.

H. Res. 44. January 4, 1977. Rules. Directs the Speaker of the House of Representatives to take immediate action to implement a plan for the audio and video broadcasting of House floor proceedings. Provides that the broadcasts be made available to commercial and public broadcasters.

H. Res. 45. January 4, 1977. International Relations. Declares it the sense of the House of Representatives (1) that the United States make every effort to insure compliance with the Paris Agreement and the Vientiane Agreement, and (2) that the President and the Secretary of State should take steps to determine the fate of U.S. servicemen and civilians missing in Southeast Asia.

H. Res. 46. January 4, 1977. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that the President submit to the Congress an action plan for monitoring investigations of nursing home abuses and for developing better care and cost controls.

H. Res. 47. January 4, 1977. Post Office and Civil Service. Requests the President of the United States to proclaim the week beginning April 4, 1977, as "National Rural Health Week."

H. Res. 48. January 4, 1977. Rules. Amends the Rules of the House of Representatives to transfer the responsibility of investigating Communist and subversive organizations affecting the internal security of the United States to a standing committee on Internal Security established by this Resolution. Confers upon such Committee the responsibility for investigating all organizations within the United States aimed at overthrowing the Government of the United States by force, insurrection or other unlawful means or inciting or employing violence to obstruct the authority of the Federal Government with respect to matters of internal security of the United States.

H. Res. 49. January 4, 1977. Rules. Establishes the permanent Select Committee on Energy. States that such Committee shall not have legislative jurisdiction. Grants to such Committee the jurisdiction to study all forms of energy and power to establish and maintain a coordinated program for the development, use and control of such energy and power in the United States.

H. Res. 50. January 4, 1977. Rules. Makes it out of order, under the Rules of the House of Representatives, to consider any bill, resolution, or committee report unless such legislation or report has been available to the Members on the floor for at least four hours before the beginning of such consideration.

SENATE—Tuesday, March 1, 1977

(Legislative day of Monday, February 21, 1977)

The Senate met at 3 p.m., on the expiration of the recess, and was called to order by Hon. ERNEST F. HOLLINGS, a Senator from the State of South Carolina.

PRAYER

The Reverend John W. Eyster, pastor, First Congressional Church, Emerald Grove, Wis., offered the following prayer:

Hear the words of Psalm 105: 1:

O give thanks to the Lord, call on his name, make known his deeds among the peoples!

Let us pray—

Almighty God, our Creator and our Father, it is with grateful hearts and minds that we bow before You. We see Your providential purposes in creation, in history, and in our lives. We give thanks to You, O Lord!

We see Your designs in creation and learn Your purposes for mankind through Your word and spirit. We confess that we have not faithfully conserved Your designs in creation nor pursued Your purposes in history. Forgive us and help us.

Inspire and guide us in the stewardship of Your creation and in the fulfillment of Your purposes for us and all humankind in history. Especially, O God, do we pray Your guidance for our President and his counselors, the Members of Congress, and the Justices of the Supreme Court. May these our leaders be obedient to Your will and responsive to the needs of the people.

Confident in Your steadfast love and ultimate sovereignty, we commit our way to You, trusting in You, counting on Your providential action in history, and "knowing that here on Earth God's work must truly be our own."

We pray in Jesus' name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 1, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. ERNEST F. HOLLINGS, a Senator from the State of South Carolina, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. HOLLINGS thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Friday, February 25, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE NATION'S ECONOMY

Mr. ROBERT C. BYRD. Mr. President, the economic indicators which were released yesterday by the administration were certainly disappointing, but not entirely unexpected. The poor showing in the Nation's economy reflected the generalized impact of the Western drought and the Eastern freeze.

First, the trade balance registered a record deficit; imports exceeded exports by some $1.67 billion last month. Imports rose 2.3 percent in January to $11.27 billion, while exports fell 7.8 percent to $9.6 billion. The Nation's deepest monthly trade deficit is believed to be the product of our growing oil imports this winter as well as frozen waterways and ports which slowed down shipments of domestic goods.

Second, the Government's composite index of leading indicators—the indicators are "leading" in the sense that they point to future trends in the economy—registered its largest decline since the depression of 1974–75. The index dropped 1.2 percent in January; however, the fact that the drop follows three consecutive increases in the rate suggests that the weather largely accounts for the poor showing.

These big declines in the economic indicators should not be read as signs of a faltering in our economic recovery. Rather, they serve as signs that the economy continues to be in need of a balanced economic stimulus.

Indeed, there is partial corroboration in the data to support the economic stimulus package of Congress, which places greater emphasis on jobs creation than does the stimulus package of the administration. The congressional stimulus will help provide the economic growth needed to offset the losses suffered this winter, and the excess capacity in the economy and the high rate of unemployment will serve to limit the stimulus' inflationary impact.

The ceiling in the congressional budget will permit us to take whatever legislative action is necessary.

UNEMPLOYMENT

Mr. BAKER. Mr. President, I recently read an article by columnist Nick Thimmesch regarding the complexity of our unemployment problems and the variety of solutions which have been proposed to deal with them. I found Mr. Thimmesch's analysis both concise and perceptive, and I call his remarks to the attention of our colleagues in the Senate by asking unanimous consent, which I now do, that his column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNEMPLOYMENT IS LIKE THE COMMON COLD: MUCH DISCUSSED, BUT NO SURE CURE

(By Nick Thimmesch)

WASHINGTON.—Unemployment in Western industrialized societies is much easier to deplore than cure. Since we are a work-ethic nation, and don't want to see anybody go without daily bread or other nationally advertised goodies, having a high unemployment figure is like having a drunk in the family.

Consequently, much public rhetoric about unemployment is directed toward political rather than economic remedies. Candidate Jimmy Carter promised, if elected, to reduce it substantially, and Democrats everywhere blamed Republicans for this affliction of a free economy.

Actually, the current national figure of 7.3 per cent unemployment, if measured by European standards—only counting unemployed heads of households—would be less than 4 per cent. Most hardship cases involve people either working in depressed industries, or those who lost their jobs due to technological changes. These people usually get hired when the economy picks up or is stimulated.

But then there are people who don't get work, even when there are plenty of jobs. These are usually people, not heads of families, who are unskilled or considered unreliable by employers. These people need to be recruited, trained, given a morale boost and placed in jobs.

The first impulse of many a politician confronted with the unemployment problem is to vote funds for government projects or federal aid to state and local government projects. This urge has its roots in depression thinking. Nowadays, many cagey governors and/or mayors defer local spending (thus creating even more unemployment) because they are led to believe big federal money is en route.

Congress has learned this lesson, so now the thrust is to vote tax rebates and offer incentives to industry to hire more people and make federal spending the last resort—in order to cut unemployment.

President Carter's plan to lay a $50 rebate on each claimed exemption was designed to give the economy a quick jolt, and stimulate quick hiring. Congress, however, isn't sure the idea is so good. The Carter Administration also proposed that businesses have the option of taking a 2 percent increase in investment tax credit, or getting a credit of 4 percent for Social Security payments. Again, the goal is to stimulate quick hiring, as businesses expand.

The Republican Economic Package, as introduced by Sen. Jacob Javits, provided no rebates but offered a mixed bag of measures to spur business and cut unemployment more gradually.

The GOP program calls for personal tax reductions totaling $17.3 billion in 1977 and

1978; special, locally administered training programs for unemployed youths (half the unemployed are 16 to 24 years old); federal payments to firms hiring people unemployed over 26 weeks; permanent tax cuts for small businesses; several devices to encourage small investors to get back in the market; programs to stimulate housing rehabilitation; tax credit for home insulation work.

"This package," declares Sen. Javits, "is less costly than the Carter proposal and actually creates more jobs." Interestingly enough, Javits, the liberal, had his legislation co-sponored by two GOP conservatives—Sens. James A. McClure and Pete Domenici. The Javits program costs $26.2 billion in two years; Carter's, $31 billion. Carter claims his program will provide more jobs quicker. Javits argues his will ultimately provide more jobs of a permanent nature.

Whatever, the growing consensus is that private industry and business provide the real jobs. But business today complains that, through regulation and bigger tax bites, government is stifling business from expanding and providing those real jobs.

Raymond H. Herzog, board chairman of 3M Co., says his corporation pays out half its earnings in taxes, reinvests 25 percent of earnings and pays the remaining 25 percent in dividends. "Not enough people are aware that high corporate taxes deprive private industry of the investment capital required to create new jobs," Herzog says.

Back in 1962, President Kennedy succeeeded in getting 7 percent tax credit for businesses investing in new equipment and facilities. This investment tax credit spurred the economy and took the United States out of a recession. The tax credit was taken off and put on by President Johnson, creating some uncertainty in business, but now stands at 10 percent. President Carter wants to move it up to 12 percent. Republicans favor cutting corporation tax rates over hiking investment tax credit. Chairman Herzog, like many executives, wants both the 12 percent credit and reduced taxes.

He is also skeptical of "employment tax credit programs," though he does not specify the GOP proposal. "It doesn't do much good." Herzog says, "to provide credits to hire workers. Companies will not hire workers unless there is work for them to do."

Herzog makes a good point. To hire and train an employee and provide all those fringe benefits costs a company an incredible amount of money. Business isn't going to hire people just to get a federal bonus.

If there is any encouraging development here at all, it is that Democrats and Republicans are being educated to the notion that unemployment is not caused by hard-hearted or soft-hearted liberals. Unemployment in the United States is a complex matter and, in large measure, can be linked to cultural and educational factors belonging to youth and minorities.

NATIONAL GOVERNORS' CONFERENCE LUNCHEON

Mr. BAKER. Mr. President, it was my privilege today to join with the distinguished majority leader and our counterparts in the House of Representatives in hosting a luncheon in the Senate Caucus Room for the National Governors' Conference.

The Governors of our States, of course, are an essential and vital part of the structure of the federal system, and it was my pleasure to meet with this group to exchange ideas and viewpoints and to compare notes on how better to improve the nature of our cooperation at the State and Federal levels of government.

Mr. President, I reserve the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, I still have some time remaining, do I not?

The ACTING PRESIDENT pro tempore. The Senator has 6 minutes remaining.

Mr. ROBERT C. BYRD. I thank the Chair.

A SIGNIFICANT BIRTHDAY PARTY

Mr. ROBERT C. BYRD. Mr. President, it was my pleasure last night, together with Senators SARBANES and RANDOLPH and several Members of the House of Representatives, to attend a banquet in Baltimore celebrating the 150th anniversary of American railroading and the sesquicentennial of the Baltimore & Ohio Railroad.

I am especially grateful to Mr. Charles Van Horn for his kindness in inviting me to be present. I have known Mr. Van Horn for many years, and I am aware of the many contributions he has made not only to the Chessie System and the B. & O., which is part of that system, but also to American railroading generally. It is dedication like his that has made this country the industrial and business leader of the entire world.

The Baltimore & Ohio Railroad was chartered in 1827. It was the first commercial railroad in U.S. history. Its founding marked the beginning of a bold new era in the life of this Nation and 1826 had been a historically memorable year. James Fenimore Cooper had just published "The Last of the Mohicans," a book set in America's past. On July 4, 1826, within hours of one another, Thomas Jefferson and John Adams passed away, leaving only one of the original Founding Fathers, Charles Carroll of Carrollton, still living. In 1827, the face of this young Nation was ready to turn to the future.

The same Charles Carroll laid the cornerstone for the building of the Baltimore & Ohio Railroad in 1828. The B. & O. went on to establish many precedents in the years that followed. Among them were the first regular passenger service, the first railway postal delivery, the first freight hauling, and the first dining cars. By the time the railroad reached from Baltimore to its stated destination at Wheeling on the Ohio, it had become an integral part of the development of this country.

The B. & O. became such an important means of transportation that some historians even claim that its passage through West Virginia was the primary reason for the admission of my home State to the Union in 1863.

Railroads continued spreading across the country from 1827 forward. In 1869, the Union Pacific and Central Pacific met at Promontory Point, Utah; with that meeting, the United States was tied together physically with ribbons of steel that stretched from the Atlantic to the Pacific.

But railroads are not just fragments from our past; they are also vital possibilities for our future.

In 1975, American railroads carried nearly 1.4 billion tons of freight. This figure represents over 23 million carloads of coal, iron ore, grain, chemicals, cattle, freshly harvested produce, and dozens of products that are essential for our daily lives.

In the event of disasters or threats to our national security, the railroads afford the means of moving vast quantities of men and materiel over thousands of miles. Railroads are major partners in our national defense effort.

The ongoing energy crisis has underlined the importance and potential of the railroads of this country. The continuing scarcity of fuel and energy has cast the railways in an increasingly attractive role as a practical and economic mode of transportation.

I am well aware of the problems that are confronted by our railroads, and I am eager that this Nation have an efficient, modern railway system. Moreover, I hope to see the railroads of America reach renewed heights of prosperity in the future. Some roads are demonstrating what innovative spirits in the railroad industry are capable of doing. The result is that many railroads are modernizing and adapting to the needs of America as it enters its third century. This is proof that the railroading spirit—a reflection of the spirit that built this country into the industrial giant that it is today—is still very much alive. Railroads are continuing to make their contribution to the life of this growing Nation, and they will be with us when we celebrate the 300th birthday of this country a century from now.

ORDER EXTENDING TIME FOR FILING ANNUAL REPORT OF THE SPECIAL COMMITTEE ON AGING

Mr. CHURCH. Mr. President, I ask unanimous consent that the Special Committee on Aging be given until March 22 to file its annual report. This additional time will enable the new members—appointed to the committee within the past few days—an opportunity to review the report fully.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from South Dakota.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from South Dakota yield briefly to me?

Mr. ABOUREZK. I yield.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is there an order for the transaction of routine morning business today?

The ACTING PRESIDENT pro tempore. Following two special orders for the Senator from Virginia and the Senator from California.

Mr. ROBERT C. BYRD. I thank the Chair. I ask unanimous consent that following those two special orders, there be

a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 5 minutes each, for the purpose only of the introduction of bills, resolutions, petitions and memorials, and statements into the RECORD, and that there be no provision for resolutions coming over under the rule.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Virginia is recognized for not to exceed 15 minutes.

Mr. SCOTT. Mr. President, I take this time for the purpose of commenting on several bills which I wish to introduce today.

S. 829—BROADCAST LICENSE RENEWAL

Mr. SCOTT. Mr. President, as Senators know, at the present time broadcasters are forced to operate their businesses with no assurance that their licenses will be renewed in the future, regardless of the fact that their broadcast operations have served the public interest. A broadcaster, who had invested his capital and who has made his best effort to follow FCC regulations and has in fact succeeded in that effort faces the threat that renewal of his license will be denied and awarded to a competing applicant who has made no capital investment and who may well be untested in the communications field. I believe that my proposed bill would resolve this troublesome issue and restore to broadcasters the assurance that performance in the public interest and compliance with the law would warrant license renewal regardless of competition.

Mr. President, I send the bill to the desk and ask that it be printed and appropriately referred.

The ACTING PRESIDENT pro tempore. The bill will be received and printed, and will be appropriately referred.

SENATE JOINT RESOLUTION 31—JOINT RESOLUTION RELATING TO THE TENURE OF JUDGES

Mr. SCOTT. Mr. President, today I am introducing a Senate joint resolution proposing a constitutional amendment to provide 10-year terms for all members of the Federal judiciary with the right of any Federal judge to be renominated and reconfirmed for additional terms. Among the cosponsors are Senators ALLEN, MCCLURE, and THURMOND. Other cosponsors would be most welcome.

Although this measure was originally introduced during the 91st Congress when I served in the House of Representatives and has been introduced in subsequent Congresses, it appears to be a timely measure for serious consideration by both bodies this year. Over the years we seem to have gotten away from the basic concept that Congress makes the laws, the executive branch administers them, and the judiciary interprets them. Congress has perhaps unwittingly relinquished some of its lawmaking powers by leaving to the executive and judicial branches authority to fill in the details. The executive branch has assumed quasi-legislative authority through the form of extensive regulations, and the judicial branch of government has assumed more and more authority. For example, it was not until recent years that the judiciary would even consider a so-called political or legislative question but a decade or so ago it did enter the political field and since that time has gone to such extremes that almost any matter can be brought before a Federal court.

Most of us are committed to an independent judiciary but lifetime tenure of Federal judges, in some instances, has resulted in arbitrariness inconsistent with the concept of popular sovereignty. To my mind, if a judge is given a 10-year term with the right to be reappointed and reconfirmed at the option of the executive and legislative branches, he can be reasonably independent of political consideration but still have to account for his stewardship and the ultimate sovereignty will rest in the people as I believe it should.

There was legislation under consideration during the 94th Congress to establish a judicial tenure council legislatively without any amendment to the Constitution. Frankly, I doubt that Congress can limit the years of service of members of the Federal judiciary but believe that for practical purposes the phrase that a Federal judge shall serve "during good behavior" means lifetime tenure subject only to possible impeachment proceedings. Therefore, in my opinion, the only reasonable approach to this subject is through a constitutional amendment.

I send the joint resolution to the desk, Mr. President, and ask that it be printed and referred to the Committee on the Judiciary for consideration.

The ACTING PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

S. 830—GEORGE WASHINGTON BOYHOOD HOME NATIONAL HISTORIC SITE, VA.

Mr. SCOTT. Mr. President, the third measure that I introduce today is one that would authorize the National Park Service to acquire the land in Stafford County, Va., where our first President grew up. The legislation would establish and preserve Ferry Farm, the boyhood home of George Washington as a national shrine. Let me add that this is only a few miles from the birthplace of George Washington, already under the care of the National Park Service. Both the birthplace, and the home where Washington lived as a boy and allegedly threw the silver dollar across the Rappahannock River, and chopped down the cherry tree, are places that constitute a part of our history. We have only one first President.

Therefore it would seem logical that these shrines, located near each other, should be preserved. I would hope that the Committee on Energy and Natural Resources would give serious consideration to the preservation of both historic sites. For the most part Ferry Farm is unimproved at this time. There is a small building on it that supposedly was the place where Washington had his surveyor's office and it is at least in part the original building. Now we are told by archeologists from the University of the College of William and Mary that some of the foundations are still there and it could be renovated. I just believe this is a matter that warrants the consideration of the National Park Service, the Department of the Interior and certainly our own Committee on Energy and Natural Resources of the Senate. I would hope that serious consideration can be given to this bill as we continue to encourage preservation of historic sites throughout the country.

I send this bill to the desk, Mr. President, and ask that it be appropriately referred.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

S. 831—ENERGY-SAVING HOME IMPROVEMENT EXPENSES

Mr. SCOTT. Mr. President, I have another measure to introduce today that would allow a tax credit of up to $100 to an individual for energy saving changes made in his home. Of course, this would include insulation, it would include storm windows, it would include weather stripping and other devices that would cause less energy to be used in a home.

It would appear just from my personal comfort at the moment that we may be wasting energy here in the Senate today by having the air-conditioner turned on. Certainly, it would not be this cold unless we had turned on the air-conditoning.

I know there are many approaches to our energy problem and this is a very minor one, but at the same time we are all pleased that the weather has moderated to a considerable extent from the cold that we had throughout the month of January and going into February. We are all hopeful that we will be obtaining more fossil fuel, not only from our abundant source of coal but through the Alaska pipeline and through the oil off our shorelines. We are hopeful that the time will come when we will make greater use of solar energy and that we will be able to unlock the shale oil in our West. I personally hope we can do more surface mining of coal; that we can find ways to use coal without polluting the environment. I hope we can save some of the oil that we now burn for industrial purposes.

Even though it is a very minor bill, I believe that if we put these small things together, such as reducing the speed limit on our highways, continuing the 55-mile-per-hour limit, as we lower our thermostats, as we attempt in numerous ways to use less energy and at the same time to acquire a greater source of sup-

ply, I feel that this tax credit of up to $100 for an individual who constructs energy-saving improvements on his home might cause him to spend up to $500 or more to obtain a $100 tax credit for equipment, the labor, the material, the costs of insulation.

I believe, this will also make people energy conscious. To me it is a good bill which should be considered. I send it to the desk and ask that it be referred to the appropriate committee. I might add, Mr. President, that it is my understanding that 20 to 40 percent of the energy used in our homes could be saved through a variety of conservation measures. We cannot afford to let such waste continue at a time when we need to take steps not only to acquire more energy but to save the energy that we have today.

Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. Under the previous order the Senator from California is recognized for a period not to exceed 15 minutes.

Mr. CRANSTON. Mr. President, if no one wishes to use this time, I will yield it back.

The ACTING PRESIDENT pro tempore. The time is yielded back.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to exceed 30 minutes, with statements therein limited to 5 minutes.

Is there morning business?

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that I may reclaim my 15 minutes and yield such time as he may wish to the Senator from Virginia (Mr. HARRY F. BYRD, JR.)

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, the Senator from Virginia is recognized.

THE NOMINATION OF PAUL C. WARNKE

Mr. HARRY F. BYRD, JR. Mr. President, I have been much troubled as to how I should vote on the nomination of Mr. Paul C. Warnke to be Director of the Arms Control and Disarmament Agency and, simultaneously, our Nation's chief negotiator with the Russians in seeking a limitation on nuclear weapons.

Mr. Warnke, a Washington lawyer who served 2½ years in the Department of Defense under President Johnson, undoubtedly is a man of brilliance rather similar, perhaps, to that of his mentor, former Secretary of Defense, Robert S. McNamara.

But a brilliant mind and sound judgment do not necessarily go hand and hand, as our Nation learned the hard way in the case of Secretary McNamara.

For the past 5 years or more, Mr. Warnke has been writing, lecturing and appearing before congressional committees in determined opposition to virtually all of our Nation's major strategic weapon systems. Not only is his opposition to the various weapon systems a matter of public record, but when a list of 13 was read to him by Senator JACKSON in hearings before the Senate Armed Services Committee, he replied that he had, indeed, opposed each of them.

When the chairman of the committee (Senator STENNIS) asked Mr. Warnke how he could effectively negotiate with the Russians when he is on record as being in opposition to so much of our nuclear armament program, Mr. Warnke replied:

> I have great difficulty, Mr. Chairman, thinking of anything I have said that would diminish my effectiveness as a negotiator. What I have said in some instances is perhaps some of the weapon systems that we were building were too good. I have not said they were bad.

That, indeed, is an astonishing assertion.

As I see it, the heart of the matter is this: how can a person who, over a long period of time, has been in public opposition to our strategic weapons program and has consistently sought to drastically limit our defense requirements, how can that person be an effective arms limitation negotiator with the Russians?

It is true that in his testimony before the Senate Committee on Foreign Relations, after his nomination to the important position for which he is now being considered, Mr. Warnke sought to temper the positions he has consistently held during the past 5 years. The essence of his testimony was that the Senate should not hold his prior views against him because he had done some rethinking; and besides he said, in some respects, times have changed.

Later, when he was called before the Senate Armed Services Committee, he seemed, during the early part of the hearings, to take a position similar to the one which he expressed before the Committee on Foreign Relations; namely, that he had substantially modified his views.

Later during the Armed Services hearings, Senator JACKSON identified nine different points "on which it seems to me that there has, indeed, been a fundamental change in your view—and in some cases an outright contradiction."

Mr. Warnke replied that there has been no fundamental change in the views he has held over the past 5 years.

In listening to Mr. Warnke's testimony and in reading and rereading the transcript of the committee hearings, I am frank to say that I am completely bewildered as to just what are his views.

I have been seeking a way to support his confirmation, but he has not been helpful in giving me justification.

I would have no trouble supporting Mr. Warnke were he appointed to head the Department of Health, Education, and Welfare or the Department of Housing and Urban Development, to give just two examples. But in the crucial area of national defense, I have reached the conclusion that it would not be in the best interests of the United States to have as our chief negotiator with the Russians one, however brilliant he might be, who has been a consistent and determined opponent of so many of our defense programs and policies. Nor am I impressed with his candor, or with his consistency.

Never has our Nation lived in a more dangerous time: this age of nuclear weapons. The United States and people everywhere would be better off if there were no nuclear weapons existing in the world today.

But the fact is that not only the United States but many other nations have nuclear capability. The Soviet Union is at least equal to the United States in nuclear weaponry and, in some respects, is superior.

So long as there are nuclear weapons anywhere, the threat of nuclear war will hang over the heads of the nations of the world. Arms agreements in themselves will not prevent war. Indeed, unwise arms limitations agreements could lead to war.

I think it desirable to continue the strategic arms limitations talks with the Soviet Union. But I think it is essential that the U.S. negotiator be one who fully appreciates that America must maintain a strategic capability second to none. It is vital that our negotiator fully realize the military might of the Soviet Union and its increasing nuclear capabilities.

Except for some inconsistent statements in recent days, perhaps in an effort to obtain Senate confirmation, I have seen nothing in the public record to inspire confidence in Paul Warnke as the protector of American interests in negotiations with the Russians.

In fact, Mr. Warnke has taken positions which would tend to weaken his credibility as a negotiator. He has repeatedly criticized the strategic program of the United States, while ignoring the recent, massive Soviet nuclear buildup.

In my view, his thinking with regard to our national defense posture is unrealistic.

In studying Mr. Warnke's record and listening to his testimony before the Senate Armed Services Committee, and in reading and rereading the committee transcripts, I have reached the conclusion that the positions he has taken on national defense during the past 5 years are totally out of step with that of the vast majority of Americans.

In listening to his testimony and in reading and rereading the transcripts of the committee hearings, I reached the conclusion that his apparent inconsistencies, his weaving and dodging, while

those of a brilliant lawyer, do not inspire confidence.

It is vitally important, as I see it, that anyone who concludes a nuclear arms limitation agreement with the Russians be one in whom Congress and the American people can place great confidence. In matters so complicated as nuclear weaponry, one must rely a great deal on the negotiator.

I must be frank to say that I do not have confidence in Mr. Warnke's national defense views.

I believe that his confirmation would send the wrong signal to the Soviet Union at this critical time. His record is such that he would be the wrong man at the wrong time to be the principal American official in the field of arms control.

That being the case, I shall cast my vote against Mr. Warnke.

Mr. SCOTT. Mr. President, I compliment my senior colleague on the statements that he has just made with regard to the nominee of the President to be the chief negotiator at our SALT talks with the Soviet Union. Certainly, my thoughts coincide with those of the distinguished Senator.

I want to add merely that, in addition to the testimony we have heard, both from Mr. Warnke and also from Mr. Nitze and from the former Chairman of the Joint Chiefs of Staff, Admiral Moorer, just a few minutes before the Senate convened, we had a subcommittee meeting of the Committee on Manpower and Personnel of the Senate Committee on Armed Services. I posed a question to the NATO Commander, General Haig. I asked him if, in his opinion, the United States would exercise restraint for a period of 6 months with regard to its weaponry and would hold out a conciliatory hand to the Russians, they would reciprocate. He said history did not show that to be true.

I said, "Well, now, your answer is no."

He said, "My answer is no, they would not."

Yet this is something that Mr. Warnke did indicate that he believed in. He used the concept, monkey see, monkey do, and that we were like a couple of monkeys, the two nations, the Soviet Union and the United States, one of us following the example of the other; and if we would first, for a period of 6 months, limit our armaments, then we could hope that the Russians would do the same thing.

I think that would be an extremely dangerous national policy, just an untenable view. Certainly, I have not had any intention for some time of supporting the nominee of the President. I just hope that this nomination, in the national interest, will be rejected by the Senate.

I appreciate the Senator's yielding.

Mr. HARRY F. BYRD, JR. I appreciate the comments of my distinguished colleague from Virginia.

The ACTING PRESIDENT pro tempore. Is there further morning business?

INTEREST RATE CONTROL ACT

Mr. McINTYRE. Mr. President, by direction of the Committee on Banking, Housing, and Urban Affairs, I send to the desk S. 756 and ask unanimous consent for its immediate consideration.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 756) to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions.

The ACTING PRESIDENT pro tempore. Is there objection to the immediate consideration of the bill?

Without objection, the Senate will proceed to its immediate consideration.

Mr. McINTYRE. Mr. President, I ask unanimous consent that the time on this bill be limited to 10 minutes, the time to be controlled by the distinguished Senator from Texas and myself, and that the period of 10 minutes be allowed on one amendment. That will be the only amendment allowed to be heard, the so-called Bumpers amendment; 10 minutes allowed for debate, 5 minutes each, between the Senator from Arkansas and the Senator from Tennessee.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. McINTYRE. Mr. President, I ask unanimous consent that the following members of the banking staff be granted privilege of the floor during the debate on this matter: Bill Weber, Ken McLean, Carolyn Jordan, Tony Cluff, Jerry Buckley, Pat Abshire and Lamar Smith.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MAGNUSON. Reserving the right to object, how long will this take?

Mr. McINTYRE. If we are lucky, 20 minutes will take care of the entire matter.

Mr. MAGNUSON. Very well.

Mr. McINTYRE. Mr. President, in further explanation of this bill, the purpose of this bill is to extend the existing authority to regulate deposit rate ceilings in depository institutions until October 1 of this year. The existing authority expired at midnight last night.

As originally introduced, the bill provided for an extension until June 1. The full Banking Committee, meeting in open session this morning, unanimously approved a amendment extending the date until October 1.

The Interest Rate Control Act provides the statutory authority under which the Federal financial regulatory agencies set interest rate ceilings on deposits in financial institutions under their respective jurisdictions.

In light of the expiration of the existing authority and because neither the administration nor the newly constituted membership of the Committee on Banking, Housing, and Urban Affairs has had sufficient opportunity to address the various issues which are likely to be considered in the context of any longer term extension of the Interest Rate Control Act. The committee is of the opinion that the wisest course for Congress to take at the present time is to simply extend the present authority for a 7-month period in order that these issues be considered in a prompt and timely fashion without the threat of impending expiration of the Interest Rate Control Act.

I yield to the Senator from Texas.

Mr. TOWER. Mr. President, I yield myself such time as I may require.

Mr. President, Federal authority to impose regulation Q type interest ceilings on thrift institution deposits expires today. As noted, this morning the Senate Committee on Banking, Housing, and Urban Affairs voted unanimously to extend these controls until October 1, 1977. The committee also agreed unanimously not to couple this extension with any piecemeal financial restructuring package.

By October 1, the committee should be able to develop a restructuring package which will be in the best interest of consumers and fair to all classes of financial institutions. Considerable work needs to be done to develop such a package. It must take account of recent developments in financial markets such as electronic funds transfer systems. It also must address the problems such as disintermediation which were attacked by the Financial Institutions Act of last year, the last Congress.

To give the committee time to develop such a responsible package, I urge the Senate to adopt the extension of regulation Q ceilings until October 1, 1977.

Mr. McINTYRE. Mr. President, in view of the unanimous-consent agreement and before asking for third reading, my information is that the Senator from Arkansas desires the floor at this time. We agreed to discuss this for 10 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas.

UP AMENDMENT NO. 52

Mr. BUMPERS. Mr. President, I have an amendment at the desk, which I call up.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS) for himself and Mr. MCCLELLAN proposes an unprinted amendment No. 52.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . Section 304 of Public Law 93-501 is amended by striking out "July 1, 1977" and inserting in lieu thereof "July 1, 1979".

Mr. BUMPERS. Mr. President, the amendment would extend provisions of title II of Public Law 93-501, which are scheduled to expire July 1, 1977. These provisions permit federally insured commercial banks, mutual savings banks, savings and loan associations and small business investment companies to charge interest on business or agricultural loans in the amount of $25,000 or more at a rate no more than 5 percent in excess of the discount rate on 90-day commercial paper, irrespective of the provisions of State law. Consumer loans are not affected.

An extension of this authority is nec-

essary to give to the States of Arkansas and Tennessee, which are the only States I am aware of which have constitutionally imposed usury rates on corporate loans, sufficient time to change their constitution and usury laws to correct the problem on a local level. Tennessee has already authorized a constitutional convention but the process cannot be completed until 1979. Arkansas is moving in the same direction.

Reflecting the conscientious efforts of the affected States to correct usury ceilings, which have deprived worthy borrowers of credit, the Conference of State Bank Supervisors are supporting an extension of this authority provided there is a cutoff date of no more than 4 years, the legislative language spells out that it is considered emergency legislation, and there is a retention of the right of the States to override the Federal exemption. It is my intention that these limitations be imposed on this authority.

Mr. President, I request unanimous consent that the letter of the State Bank Supervisors be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 9, 1977.

Hon. DALE BUMPERS,
U.S. Senate,
Washington, D.C.

Re Extension of Provisions of Title II of Public Law 93-501.

DEAR SENATOR BUMPERS: The Conference of State Bank Supervisors (CSBS) has been advised that you contemplate introducing legislation to extend provisions in Title II of Public Law 93-501 which are scheduled to expire July 1, 1977. Those provisions permit federally insured commercial banks, mutual savings banks, savings and loan associations and small business investment companies to charge interest on business or agricultural loans in the amount of $25,000 or more at a rate no more than 5% in excess of the discount rate on a 90-day commercial paper, irrespective of the provisions of state law.

The Conference of State Bank Supervisors, whose regular members are composed of state officials responsible for the supervision of state-chartered commercial and mutual savings banks in the fifty states plus Guam, Puerto Rico and the Virgin Islands, is interested in this proposal because of its implications to the system of state-federal checks and balances. As part of our ongoing defense of this system, approximately three years ago CSBS opposed early drafts of bills which eventually were revised to become PL 93-501. It was the feeling of CSBS that these earlier proposals represented a federal solution to what primarily was a state problem, and that state authorities in most instances have pursued appropriate measures to achieve greater flexibility in the interest rate structures of their respective states. However, recognizing the emergency nature of the problem during the extremely tight monetary restraints of 1974, CSBS supported the present wording of Title II of PL 93-501, but only after the addition of Section 206 which enabled states to become exempt from subject statute if they so desired.

CSBS has carefully considered the current circumstances forming the basis for your contemplated action to extend subject statute. Reflecting conscientious efforts of responsible interests in affected states to correct usury ceilings which have deprived worthy borrowers of credit, the CSBS Board of Directors at its meeting on November 4, 1976 voted to support a four-year extension of the provisions in Title II of PL 93-501 provided certain conditions are met. The support of CSBS would be contingent on:

1. A cut-off date of no more than four years from the date of its enactment.

2. Legislative language accompanying the bill which would spell out that this cut-off provision is indicative of the fact that it is considered by Congress as emergency legislation and that it should not be construed as reflecting a federal policy of overriding state law in this area.

3. Retention in the statute of the right of any state to override subject contemplated law by taking appropriate action at the state level to reassert or restate any state usury provisions that might have been altered or affected by passage of this legislation.

The Conference of State Bank Supervisors was honored to work with legislators and staffs from states seeking relief from adverse usury statutes through PL 93-501. We look forward to working with you and your colleagues in your effort to achieve a reasonable extension of this relief and would appreciate the opportunity to have Mr. Alexander W. Neale, Director of Government Relations for the Conference, confer with you or someone from your staff prior to the final drafting of your proposal on this matter.

Sincerely,

LAWRENCE E. KREIDER,
Executive Vice President-Economist.

Mr. BUMPERS. Mr. President, in 1974, this country found itself in a very serious financial crisis in that interest rates went to anywhere from 15 to 20 percent almost all across the country.

My State of Arkansas, as well as the neighboring State of Tennessee, has a constitutional usury limit of 10 percent—at least it is 10 percent in Arkansas and I believe that is also the interest rate in Tennessee.

Both States suffered a serious outflow of capital as a result of inability of the banks there to pay the going rate on certificates of deposit. The reason, of course, was because of the cap on the usury rate.

Mr. President, this body at that time adopted a bill which has allowed those two States—and I believe Montana was also caught in the same trap at the time—to charge up to 5 percent in excess of the Federal Reserve Bank's rediscount rate. As soon as the crunch in 1974 and 1975 diminished, it no longer became necessary, but it was still on the books. My purpose here today is to extend it in case we find ourselves in another crunch.

The amendment, basically, would do this: It would allow banks in those States that have such a usury rate to charge up to 5 percent in excess of the Federal Reserve Bank's rediscount rate on business loans in excess of $25,000. I daresay that there probably is not a loan in the United States right now under this particular provision, because, No. 1, the market would not tolerate such a rate. No. 2, I believe that, as of this moment, the rediscount rate is 5¼ percent, so 10¼ percent would be the maximum that could be charged, anyway. We would have 5 percent in excess of the rediscount rate.

This bill simply provides relief so that those States can charge the larger borrowers—who, incidentally, are quite capable of taking care of themselves—in excess of the State usury rate.

Mr. President, there are two points which I think are very cogent, and I want to be sure that my colleagues understand them.

Number one, the legislature of any State which is affected by the extension of this bill can disapprove it. If the State of Arkansas feels that this is any kind of burden on them, their legislature can repudiate it.

Second, my State—and I believe this is true of Tennessee—is about to call a constitutional convention, and that obviously will be a matter of debate in the constitutional convention.

So there is plenty of hedge for the people of the State to repudiate it if they choose.

Mr. President, the extension for which I have asked in this amendment is for 2 years, to June 30, 1979. The present law will expire on June 30 of this year. It is only intended to get us through that slight crunch and any future ones that might occur. The purpose of this is to give the States the latitude, in case money becomes in short supply, to charge something in excess of the State usury rate, only to those customers who are quite capable of defending themselves and know what they are doing—$25,000 and up.

So, Mr. President, I commend this amendment to my colleagues, and I hope they will support it.

I point out again that the legislature of any affected State can disapprove it at any time.

Mr. SASSER. Mr. President, I regret that I cannot support the amendment offered by the distinguished Senator from Arkansas, which deals exclusively with the State of Arkansas and the State of Tennessee.

As the distinguished Senator from Arkansas stated earlier, there is a constitutional convention pending presently in the State of Tennessee, which has been called for the purpose, among other things, of considering the constitutional limitation which is contained in our State constitution of a 10-percent interest ceiling.

I think it is proper for the State of Tennessee to approach this question in that manner. I do not think that this part of my State's constitution should be usurped by a decree from the U.S. Senate. The people of Tennessee have written their constitution, they have adopted their constitution, and now they are discussing whether or not to amend their constitution. The people of Tennessee are aware of the arguments for and against the removal of ceilings on interest rates. I believe they should be the ones to make the decision as to whether or not to remove these ceilings.

I might add, Mr. President, that during the election campaigns conducted in the State of Tennessee, in 1976, this issue was one of the matters discussed. In my campaign for election to this body, and in the campaigns of the various delegates to the Constitutional Convention which will assemble in Nashville, Tenn., in June of this year, members to the Constitutional Convention were elected in some instances on platforms of whether or not they supported a raise in the constitutional limitation on interest rates now contained in the Tennessee State constitution.

I submit that it is only right, that it is only reasonable, and it is only proper

that the U.S. Senate not inject itself into this matter, which addresses itself to the people of my State. These people have expended tens of thousands of dollars in electing delegates to a Constitutional Convention to decide the matter of whether or not they wish the 10-percent constitutional limitation lifted.

Likewise, Mr. President, this issue was discussed fully in my campaign for election to this body in 1976.

I regret that I must object to the amendment offered by the distinguished Senator from Arkansas.

Mr. McINTYRE. I yield myself 1 minute.

Mr. President, in view of the controversy that has developed over this amendment, I suggest to the distinguished and able Senator from Arkansas that, although the committee had been prepared to accept it without giving any guarantees of our own in conference, he withdraw his amendment, with the promise that the Committee on Banking, Housing, and Urban Affairs—the chairman is here—will have hearings on this matter, so that we can come in with all sides being heard.

Mr. BUMPERS. I thank the distinguished Senator from New Hampshire.

Mr. President, in view of the fact that there is opposition from one of the affected States—I see the distinguished chairman of the committee in the Chamber, and I assume that he concurs in the manager's statement.

Mr. PROXMIRE. By all means. We will schedule hearings as promptly as possible and act on it.

I think the Senator from Arkansas would be very accommodating if he would withdraw his amendment, because I think we should hear from the Senator from Tennessee as well as the Senator from Arkansas.

There were developments in this matter which I did not realize before I came to the floor. I understand now that it is highly controversial. Under the circumstances, I would appreciate it very much if the Senator would withdraw it. I certainly would be delighted to schedule hearings, and we will press them as rapidly as possible.

Mr. BUMPERS. I thank the Senator very much.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The Chair lays before the Senate a message from the House of Representatives on H.R. 3365, which will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 3365) to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions, and for other purposes.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read twice and the Senate will proceed to its immediate consideration.

Mr. McINTYRE. Mr. President, I move that all after the enacting clause be stricken and that the text of S. 756 be substituted therefor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. McINTYRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McINTYRE. Mr. President, I ask unanimous consent that the title be appropriately amended.

There being no objection, the title was amended so as to read:

A bill to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institution.

Mr. McINTYRE. Mr. President, I move that the Senate insist on its amendment, request a conference with the House and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. PROXMIRE, Mr. McINTYRE, Mr. SPARKMAN, Mr. BROCKE, and Mr. TOWER conferees on the part of the Senate.

Mr. McINTYRE. Mr. President, I move that the Senate postpone indefinitely consideration of S. 756.

The motion was agreed to.

FISHERY CONSERVATION ZONE TRANSITION ACT

Mr. MAGNUSON. Mr. President, I ask the Chair to lay before the Senate a message from the House on H.R. 3753.

The PRESIDING OFFICER (Mr. HOLLINGS). The Chair lays before the Senate a message from the House, which the clerk will state:

The legislative clerk read as follows:

A bill (H.R. 3753) to bring certain governing international fishery agreements within the purview of the Fishery Conservation Zone Transition Act.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read twice and the Senate will proceed to its immediate consideration.

Mr. MAGNUSON. Mr. President, the House of Representatives today, by a vote of 377 to 18, approved this bill which would give approval to fishery agreements between the United States and Japan, Korea, Spain, and the European Economic Community. The Congress has already approved all other fishery agreements that have been negotiated, except the agreement with Canada which will be dealt with separately at a later time. That approval was given on February 10, 1977, in the form of House Joint Resolution 240. President Carter signed that bill last week (Public Law 95–6).

It is urgent that approval be given to the remaining fishery agreements as soon as possible since the 200-mile fishery zone law went into effect today. Until these agreements are approved, the nations involved cannot fish in our zone.

There has been some concern about the Japanese agreement. It consists of a rather vague, two-page letter of understanding rather than the more lengthy agreement used for other nations. This is due, I am told, to the constitutional problems of the Japanese Government. A more detailed agreement is not appropriate under their system until the Japanese Diet has approved it. Consequently, the "short form" was used.

To clarify the meaning of this shorter agreement, I requested the Secretary of State and the Secretary of Commerce to provide me with their written interpretations of the agreement. These letters assure me that the substance of the "short form" agreement is no different than the longer text. In effect the Japanese have agreed to abide by all the terms and provisions of our 200-mile legislation. I ask unanimous consent that the letters from Secretary Vance and Secretary Kreps be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *February 28, 1977.*

Hon. WARREN G. MAGNUSON,
Chairman, Senate Committee on Commerce, U.S. Senate.

DEAR SENATOR MAGNUSON: As you are aware, following the signing into law of the Fishery Conservation and Management Act of 1976, (P.L. 94–265), by President Ford on April 13, 1976, it has been necessary to renegotiate all earlier bilateral arrangements with foreign nations that traditionally fished off our coasts. The Department of State has signed ten governing international fishery agreements (GIFAs) with foreign governments since that time. These agreements incorporate acknowledgement of U.S. management authority as set forth in the Act and establish the conditions under which foreign fishing will be allowed if a surplus is determined in excess of U.S. harvesting capacity in relevant fisheries.

There are now before the Congress for review agreements with the Republic of Korea, Japan, Spain and the European Economic Community (EEC), three of whose member states, the Federal Republic of Germany, France and Italy, have traditional fisheries off our coast. These agreements are similar to the six which were reviewed by the Congress under the provisions of Section 203 of the Act and approved by a Joint Resolution which President Carter signed into law on February 21, 1977 as P.L. 95–6.

The agreement with Japan for 1977 is different in form but not in substance from other governing international fishery agreements which have recently been negotiated. It consists of an exchange of notes. Attached to that exchange of notes is an initialed long-term agreement covering the period 1978–1982, which has been transmitted to Congress for its information. It will be resubmitted for formal oversight following its signature later this year.

This short-term agreement of unusual form is the result of our efforts to accommodate the constitutional procedures of Japan, which are so similar to ours, without

foreclosing the option of fishing by Japanese vessels in conformity with our law during 1977. The short-term agreement does not require this lengthy process.

There are a number of elements in the short-term agreement that support our assertion that the underlying requirement of the Act has been met; that is, that the agreement fully acknowledges our fishery management authority. These are, first, the fact that a long-term agreement awaiting Diet approval exists, and that it is a public document before Congress; second, the reference in paragraph 1 of the short-term agreement that "Japanese fisheries off the coast of the United States will be conducted in accordance with . . . the laws and regulations of both countries . . ."; third, the fact that the Government of Japan will initiate the vessel application procedure as acknowledged at paragraph 2(a) of the short-term agreement; fourth, the fact that the facilitation of the operation of those vessels off the coast of the United States is within the discretion of the United States under paragraph 2(b) of the short-term agreement; and, fifth, the fact that Japanese fishing vessels off the U.S. coast will have U.S. permits on board and be subject to U.S. enforcement.

I believe that these four agreements are of crucial importance to both the foreign countries involved and to the United States. All of these countries are important allies and our relations, which extend far beyond fisheries matters, are crucial ones. We have consulted closely with officials of the states and industries most concerned in the negotiations which produced these agreements. I believe that both the intent and the provisions of the Act have been fully complied with.

We have, however, a critical problem with respect to timing. The Act becomes effective with respect to foreign fishing within the 200-mile fishery conservation zone on March 1. If these four agreements have not been approved by the Congress by then, we face a risk of serious difficulties with the countries involved.

I therefore urge that you do everything possible to assure Congressional approval of these GIFAs immediately.

I would like to add here that on February 24 we signed a reciprocal fishery agreement with Canada. That agreement is not a governing international fishery agreement but I am aware of your interest in it and we will discuss it separately in another communication.

Sincerely,

CYRUS VANCE.

WASHINGTON, D.C.,
March 1, 1977.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce, U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: In view of the proposed legislation now before the Senate which would confirm the status of the recent agreement between Japan and the United States as a Governing International Fisheries Agreement under Section 201(c) of the Fishery Conservation and Management Act, you have asked me whether, if this legislation is enacted, adequate authorities would be available to this Department, working with the Coast Guard, to insure compliance with the Act by Japanese fishing vessels during 1977. It is our view that, with such enactment, and the entry into force of the above agreement, together with the appropriate preliminary management plans, fishery management plans, regulations governing fishing, and fee schedules, all of which are now in effect, and further provided the Japanese accept the conditions and restrictions associated with the issuance of the permits to individual vessels, we do have adequate authority to insure compliance by Japanese fishing vessels with the Act.

Sincerely,

JUANITA M. KREPS.

Mr. MAGNUSON. I am satisfied that the agreements accomplished the purpose intended in the Fishery Conservation and Management Act of 1976. While they may be imperfect in some respects, it is necessary to move forward at this time.

The quotas under these agreements can be changed from year to year by the regional fishery management councils.

I see our friend from Alaska on the floor. We went into this very carefully in the hearings, and although some of these agreements may be for more than 1 year, we have a right to look at them again and see if they are working all right and dealing only with the fish that are "in surplus."

So it is important that we go ahead. This will complete all agreements with the countries involved, except Canada. I believe that is the last one.

The Senator from Alaska and I are very glad to see such quick action on this matter and I, of course, urge the adoption of H.R. 3753, which just passed the House.

I yield to the Senator from Alaska.

Mr. STEVENS. Mr. President, I join with my good friend and colleague (Chairman MAGNUSON) in urging the Senate to pass this joint resolution implementing a series of governing international fisheries agreements negotiated pursuant to the Fisheries Conservation and Management Act of 1976.

Circumstances have forced us to seek an interim arrangement with Japan. While this arrangement is not as desirable as a formal governing international fisheries agreement we have received assurances from the Department of State and Department of Commerce that the document presented to the Congress mandates that Japan comply with our new extended fisheries jurisdiction law.

Mr. President, we might note that today marks the date on which our fisheries zone goes into effect. This is a tremendous day in the history of American commercial fisheries. For the first time, the United States will have effective conservation and management over its marine fisheries resources.

Chairman MAGNUSON and I have labored for many years to make the 200-mile limit a reality. This is the fulfillment of a great dream for the chairman and myself.

The implementation of a 200-mile fisheries zone represents a great turning point in American history. Fisheries management will now be considered a matter of U.S. domestic resource policy rather than a pawn in a much larger foreign policy game. We now as a matter of domestic law unilaterally control the management of coastal fishery resources, Continental Shelf fishery resources throughout the entire Continental Shelf including the margin beyond 200 nautical miles, and anadromous species throughout their migratory range except when they are within the fishery conservation zone or territorial sea of another nation's state.

Fisheries management will be controlled through the use of regional councils. These councils are an experiment in American Government. These unique bodies will comprehensively manage marine resources on a regional basis. These new entities are small enough to provide for substantial local management and expertise into these fisheries yet they are large enough to transcend local biases. I am confident that the regional fisheries councils will prove to be one of the most effective resource management organizations that Congress has devised.

Chairman MAGNUSON more than any other man in American Government deserves credit for today's historic implementation of a 200-mile fisheries zone. It was Chairman MAGNUSON whose relentless support for this legislation over almost a 10-year period which acted as the driving force behind the creation of a 200-mile zone. Mr. President, the U.S. fishing industry and the country owe Senator MAGNUSON a great debt of gratitude for his work on behalf of the 200-mile fishery conservation and management zone. It is my hope that the common name of this act will be the Magnuson Fishery Conservation and Management Act of 1976.

The Senate of the United States should be aware that this legislation is not a cure-all for the U.S. fishing industry. While world fishing landings have tripled since 1938 from approximately 50 billion pounds to over 150 billion pounds, U.S. landings in the same period rose only slightly, from 4.3 billion pounds in 1938 to 4.7 billion pounds in 1973. The volume of fish harvested off the U.S. coast has increased dramatically from approximately 4.4 billion pounds in 1948 to 11.6 billion pounds in 1973. Here again, landings by U.S. vessels remained virtually constant throughout the 25-year timespan while the foreign catch in U.S. coastal waters increased to an annual level of 7.9 billion pounds, a figure that represents nearly 70 percent of the commercial U.S. coastal fish harvest.

In the same 20-year period consumption of fish products in the United States has more than doubled from 3.1 billion pounds in 1948 to 7 billion pounds in 1973. Under existing growth patterns, this figure could increase by an additional 3 billion pounds by 1985. Nearly the entire growth in U.S. fish consumption has been supplied by imports that are often harvested in U.S. coastal waters by foreign fishing fleets, processed in the home port of the foreign fishing vessel, and exported for sale to the United States.

Today, the United States imports over 60 percent of its fish products needs. In 1947, the U.S. balance of trade deficit in fishery products alone amounted to nearly $1.5 billion. It has been estimated that if imports of foreign fisheries products were replaced by domestic production, the additional economic impact on the U.S. economy would approach $3 billion and result in an increase of 200,000 man-years in employment.

Not only do we wish to adequately control foreign fishing activities off our coast, but we also want U.S. fishermen to harvest an increasingly larger portion of the fish stocks off our coasts. Of particu-

lar concern to me is the Alaska bottom fish industry. Last year foreign fishermen off Alaska took 1,100,000 metric tons of bottom fish while Alaska fishermen or fishermen from other of the United States did not harvest any of that valuable resource. It is my sincere hope that in the future Alaskan fishermen will be able to break into the bottom fish industry and ultimately fully utilize all of the bottom fish off the shores of Alaska.

Senator KENNEDY and I have introduced a bill to revitalize the U.S. commercial fishing industry. We hope that Senator MAGNUSON will join with us and lend his support for this legislation which would revitalize the floundering American commercial fishing industry through the use of regionally controlled financial assistance programs funded from the import duties on fisheries products.

Over the last 20 years the increase in foreign fishing activity off the coast of the United States has decimated our stocks of commercial fish. Some 14 species are listed as depleted and a host of others are fully utilized by foreign fishermen. Destruction of the stocks off the U.S. coast naturally enough has led to a decline in the investment climate for commercial fishing operations.

In many parts of the country, such as my home State of Alaska, foreign capital has been used to fill the void created by lack of investment from American sources. It is my hope that the proposed fishing industry revitalization legislation will act in part as an investment incentive for major sources of private sector American capital.

The efficiency of foreign fishing fleets is overwhelming—200- and 300-foot highly mechanized trawlers vacuum-clean the ocean bottom for fish. These trawlers offload their catch onto huge mother ships the size of oceanliners which process and freeze its produce. The nets of oceangoing foreign commercial fishing vessels often extend 10 miles in length. The technology employed by such vessels is highly sophisticated and the amount of investment capital required to reach such a state of the art is enormous.

In order for American fishermen to become competitive with foreign fishermen they must learn to fish more efficiently. They must learn to employ new fishing techniques and must develop new types of fishing equipment and mechanized processing plants. At the present time, almost all of the private sector is unwilling to make the necessary investments in research and development and capital construction costs to meet this objective.

I wish to point out that fishing industry revitalization legislation is not an industry subsidy bill. That legislation creates a fund, administered by the Secretary of Commerce, which the regional councils, created under the Fishery Conservation and Management Act of 1976, can draw upon for use in industry enhancement projects. These projects must improve either the capability of the United States to harvest, process, and market underutilized species, or increase U.S. efficiency in harvesting, processing, or marketing fully utilized species. Increasing the capacity of American fishermen to use the resources off the coast of the United States is the primary objective of this legislation.

I am sure that the taxpayers will be happy to know that no general revenue funds will be used by this proposal. The fund created under this bill will be financed through the use of import taxes already levied on fisheries products and the fines and penalties levied against foreign products and the fines and penalties levied against foreign fishermen violating fishery management regulations established under the Fishery Conservation and Management Act of 1976.

The program funded under the proposal would be in addition to and not in lieu of the excellent work currently conducted by the National Marine Fisheries Service. This legislative proposal would in no way diminish the need for broad national programs such as those carried out by the fisheries service and I intend to urge that programs carried out by that agency continue to be fully funded.

Mr. President, I can think of no better day than on the date of implementation of the extended fisheries jurisdiction to urge passage of our proposed fishing industry revitalization bill, introduced by Senator KENNEDY and myself. If the American fishing industries dream of fully utilizing the fisheries stocks within 200 miles of the United States is ever to become a reality this bill must be signed into law at the earliest possible date.

I want to add to my statement and emphasize what the Senator from Washington has just said, that with particular reference to the interim agreement with Japan, we have proceeded on the assurances we have received from the Department of State and from the Department of Commerce.

As the chairman of our committee has said, a formal, 5-year, governing international fisheries agreement will be before us later this year or in any event within whatever time frame it takes the Japanese to get it approved in their country.

I just want to emphasize the fact because I am sure my friend from Washington will agree that we are going to keep a good, close eye on what goes on under the interim agreement.

We have done this at the request of the Government of Japan and our executive branch because we think this is the only way we can meet our commitment to have the 200-mile zone enforceable as of today. I wish to emphasize that we are in no way yielding to any deviation by any government as far as the principles set up for conservation management within our 200-mile zone.

I am sure my friend agrees with that statement.

Mr. MAGNUSON. I thoroughly agree with the Senator from Alaska. There is yet an agreement with Canada to be approved. The Secretary said in his letter to us, and I quote from Secretary Vance:

> I would like to add here that on February 24 we signed a reciprocal fishery agreement with Canada. That agreement is not a governing international fishery agreement but I am aware of your interest in it and we will discuss it separately in another communication.

So this will conclude this matter once the agreement with Canada is approved.

I move the adoption of H.R. 3753.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum for just a moment.

The PRESIDING OFFICER (Mr. METZENBAUM). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. While we are waiting for the Senator from Oregon we can discuss another matter that involves this whole fisheries matter.

THE NEW 200-MILE FISHERY CONSERVATION ZONE

Mr. MAGNUSON. Mr. President, as I said earlier, this is a very memorable day for the Senator from Alaska and myself and many other Senators who participated in the long discussion, the long fight we had, to establish the 200-mile fishing limit around these United States. Today is the day, March 1, on which enforcement begins.

The Fishery Conservation and Management Act of 1976 (Public Law 94-265) enters into force today, March 1, 1977. As of this date, enforcement officials of the U.S. Coast Guard and the National Marine Fisheries Service will be patrolling the new 200-mile fishery conservation zone.

For the first time ever, the United States has the legal authority to control the foreign fishing effort which in the past has taken as much as 85 percent of the annual catch within 200 miles of U.S. shores. We now face the difficult but achievable task of bringing rational management to nearly 10 percent of the world's fishery resources. I am confident that our efforts will be successful.

For far too long, the interests of the United States as a coastal fishing nation were ignored. Because of our narrow fishing limits—3 miles until 1966 when Congress extended them to 12 miles, fishery management in the U.S. coastal zone was accomplished through a series of bilateral and multilateral agreements. Some worked well, but most failed to come to grips with the general trend of overfishing off our shores. Most such agreements settled the issue of whether overfishing would be allowed to a large extent or to a smaller extent. Very rarely could the United States get other countries to agree to end their overfishing.

After 3 years of debate, involving five Senate and House Committees, Congress sent a comprehensive bill to then President Ford for his signature. I am proud to say that the bill the President signed is basically a conservation measure which seeks to protect the optimum yield of each fish stock, based on the best scientific information available. American fishermen are to be given first crack at all available fish and the surplus is to be made available to foreign fishermen under stringent controls.

It is also significant that each and every foreign nation operating off our

shores has signed a governing international fishery agreement with the United States acknowledging our fishery management jurisdiction. Transition to the new zone, while not without its hitches, has been orderly. The anarchy predicted by the opponents of the legislation simply did not materialize.

Those who study the role of Congress in foreign affairs should readily cite this legislation as an example of effective action. In less than a year, the United States has been helpful in establishing a new customary rule of international law. Public Law 94–265 is a responsible management scheme which takes the interests of the world community into account. Armed with this legislation, the prolific American fishing grounds will be better protected than ever before and this major source of food protein will be conserved.

But the process of implementing the law has only begun. The regional fishery management councils are feeling their way with a novel and somewhat complex law. The Congress will continue to monitor this important new law and will be prepared to make adjustments where necessary.

In closing, I am confident that the days of overfishing are over. A new future with brighter prospects is before the American fishermen. With innovation and hard work, our fishing capability should improve substantially; several thousand jobs will be created in what has been described as a dying industry. I am proud to have played a role in the renaissance of the American fisheries.

Mr. President, I have a very fine article from the Los Angeles Times about the effectiveness of the 200-mile limit and what we may expect from it, and, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From The Los Angeles Times, Feb. 27, 1977]

U.S. ENTERS THE AGE OF 200-MILE LIMITS

(By Peter Steinhart)

On Tuesday, the nation lets out its belt. Like a pot-bellied man who looks down to discover that his shoes have disappeared beneath his advancing girth, we will be a lot bigger—2.5 million square miles bigger.

That's three times the area of the Louisiana Purchase, and ordinarily it would be big news. People would start building covered wagons, buying up choice lots and speculating on sites for future shopping centers. But you can't buy any of this space, or build on it, or even drive the family car out to look at it. It's not land, it's water. And the American claim embraces only the fish swimming around inside it.

By putting into effect a 200-mile fisheries conservation zone, America joins Canada, Britain, Mexico, Chile, Norway, Brazil the Soviet Union and dozens more in an attempt to end the ruthless competition which threatens to turn our oceans into an aquatic wasteland. Later this year the European Common Market and the Soviet Union are expected to adopt similar limits.

The Fisheries Conservation and Management Act of 1976 establishes a 200-mile-wide fisheries zone around the United States and its possessions. That is 2.5 million square miles of ocean surface immediately and another 1.5 million in 1981 if the Trust Territories of the South Pacific elect to remain within the American orbit. Inside this zone, the United States reserves an exclusive right to decide who fishes and how they will fish. Foreign fishermen will be required to purchase licenses and to abide by strict American rules.

The act was a response to 15 years of intensive, highly mechanized fishing which badly depleted American fisheries. Since the early 1960s, large trawlers from Japan, Russia, Poland, East Germany, South Korea, Spain and other nations have gathered off our coasts. The waters along the East Coast have been fished by 800 to 900 vessels a year.

Some of the vessels are larger than football fields and have 100-man crews. They locate fish electronically and then move like bulldozers through the seas, sweeping up everything the water has to hide. A single set of their nets may take more fish than an American vessel harvests in a year.

Most American fishermen continue to fish with hook, trap and line from small boats with two- and three-man crews. Looking over the fishing fleets at Fort Bragg or Gloucester, the average American would have no sense of the mechanization of the fishing industry. But at sea, the scale of the operation is clear. Fisheries that supported generations of American fishermen are suddenly vanishing. Landings of Pacific Ocean perch on the Oregon coast averaged about 15 million pounds per year: three years after Soviet and Japanese trawlers entered the fishery, American landings were down to 1 million pounds. In 1931, New Englanders took 742 million pounds of food fish from the Georges Banks off Cape Cod. Ten years later they took only 380 million pounds. Atlantic haddock and halibut stocks have declined to less than 10 percent of their former yields.

While American fishing harvests decline, foreign hauls have increased dramatically. Between 1970 and 1974, under growing mechanization, Japan's catch grew 15 percent, the Soviet Union's 27 percent and South Korea's 145 percent. Americans, who imported only one-fourth of their fish products a decade ago, now import more than three-quarters.

But it is not just an American problem. As the large fishing vessels have shrunk the seas, they have brought nations closer to hostile encounters. Last year, the British fought a six-month "cod war" with Iceland. Ecuador, which claimed a 200-mile jurisdiction in the 1950s to defend itself from American distant water fishermen, has impounded American vessels within its limit. Norwegians have fired upon Soviet ships. In Java, fistfights and boat-burnings have broken out between traditional, sail-powered fishermen and owners of motorized vessels.

There is no international law governing fishing on the high seas. Since nobody owns the fish, everybody scrambles for them. And large-scale technology is rewarded with large catches.

The trouble is that fish are in short supply. The world catch is about 70 million metric tons per year. Some experts believe the ocean can sustain a yield of no more than 61 million metric tons. Things have changed considerably since 1608 when Hugo Grotius enunciated the principle of freedom of fishing on the high seas. Then, fishermen were powered by oar, sail and backbone, and there were only 500 million human beings to feed. Today, fishermen are powered by diesel fuel and organized by computers and vast financial systems. But there are over 4 billion mouths to feed. The per capita share of the ocean's surface has declined from 160 acres per person in the early 1600s to about 20 acres today.

There have been various responses to the pressures of high technology. In the 1950s, Ecuador, Peru and Chile extended their jurisdictions from the established 12 miles to 200. America did not recognize the limits and American tuna fishermen became Ecuador's chief antagonists. Americans tried to regulate fishing by means of voluntary bilateral fishing agreements. The agreements had no enforcement powers, so if a foreign-flag captain violated their terms, Americans could do nothing but scold.

In 1974, for example, the Soviets claimed to have done no fishing for shrimp around Kodiak Island. Coast Guard aircraft patrols recorded 278 vessel days of shrimp fishing there in less than three months. The Japanese claimed to have scrupulously observed treaty quotas for crab in the Bering Sea. Yet when effective American observers were placed aboard Japanese mother ships, the Japanese immediately cut their crab fleet from 30 to 12 boats. The agreements have worked only when American observers were placed aboard foreign-flag vessels. But under the treaties, Americans have seldom been able to place observers where they seem most needed. And the fisheries continued to decline.

So, America has come around to Ecuador's point of view, and the belief that you cannot defend what is not yours. Inside the 200-mile fisheries conservation zone, the fish are ours—if not to consume at least to manage. The law invites outsiders to continue to fish these waters, but fishing will never be the same.

Under the new plan, regional fisheries management councils are formulating management plans for individual fish species. The Pacific regional council, representing California, Washington, Oregon and Idaho, has been laboring over plans for anchovy, salmon and ocean trawl fisheries. The plans will estimate the size of the fishing stock and the amount fishermen may take without damaging its ability to replenish itself. It is the same technique used by state fish and game departments for years to regulate American commercial fishing and sport hunting. But on the high seas the technique should revolutionize fishing by basing the industry upon the ocean's ability to produce rather than man's ability to harvest.

The regional councils will also decide when to open and close seasons, what fishing grounds should be closed to fishermen and what kind of gear may be used. Gear restrictions are important because, depending upon the size of a net and the depth and speed of the tow, illegal or immature species may be taken.

Americans and foreigners alike will have to abide by these rules. They are likely to be the same rules American fishermen have long observed under state regulation. But Americans now will find themselves more dependent upon the U.S. Department of Commerce which administers the act. State fish and game departments will continue to manage fish within the three-mile territorial boundary and to enforce standards upon fish landed and marketed. But when fishermen want larger quotas, longer seasons or more licenses, they will have to approach the regional management councils.

While Americans are not likely to face new standards or reduced quotas, foreign fishermen are. The regional management councils will estimate what portion of the harvestable fishing stocks Americans are not using and make that surplus available to foreign fishermen. The act limits foreign fishing to this surplus. Soviet fishermen off California will go on harvesting Pacific hake, a species Americans do not use. But where there is competition, as with herring, halibut, salmon and crab, foreigners will find their quotas much reduced. Last year, the Japanese treaty quota of Alaska pollock was 1.1 million metric tons. The entire surplus this year is 967,000 metric tons. Japanese and Soviet combined quotas for Tanner crab were nearly 13,000 metric tons. This year the available surplus is 10,200 metric tons.

To be allowed to pursue any of these fish, visiting nations must renegotiate their fishing agreements to recognize our new management authority. Then, they may apply for individual vessel permits, specifying what fish they may catch, how much they may harvest and what gear they may use. The State Department is charged with negotiating these agreements within the surplus figures produced by the management councils.

Foreign fishermen are not likely to be happy about the permits. In addition to reduced quotas, there are other bits of bad news: The foreign fishermen must pay license fees; captains must keep detailed records of each use of their fishing gear, documenting their position, speed, the species caught and its tonnage; they must display their hull numbers in large figures so that American patrols can identify them. And, perhaps most oppressive, the American secretary of commerce can require any foreign vessel to accept an American observer. The foreign vessel must not only feed and quarter the observer, it must pay his salary while he is on board, and allow him to use the vessel's radio communication equipment.

Not only that, the act empowers U.S. Coast Guard patrols to board foreign fishing vessels, to inspect them and to arrest officers and crewmen for violations of the law. Nations have gone to war to avoid submitting to such powers.

Surprisingly, there does not seem to be any great objection being raised by other nations. The age of the 200-mile limit is an accepted fact of life. All of the major fishing nations have revised their fishing agreements with the United States. The Soviet Union, South Korea, Bulgaria, Romania, Poland, East Germany, Taiwan, Spain, and the European Economic Community all have concluded new treaties.

Even Japan is going to give the new regime a grudging try. Japan is the world's foremost fishing nation, whose ships account for one-sixth of the world's ocean harvest. Japan draws 60% of its animal protein from the seas, and most of that from distant waters. In the past Japan has avoided recognition even of the 12-mile limit observed by most nations since 1945. If any nation does not want to live in the age of the 200-mile limit, it is Japan. Yet, Japan has renegotiated its American fishing treaty to recognize the 200-mile jurisdiction.

Opponents of the 200-mile limit warned that it would torpedo the United Nations Law of the Seas Conference, which has been trying for several years to frame an international convention on uses of ocean resources. Underdeveloped and landlocked nations, they cautioned, would walk out if we declared such a limit unilaterally. But landlocked nations have no traditional distant water fishing interests, and underdeveloped nations have been declaring extended limits to protect their own offshore resources from nations better able to exploit them. The 200-mile economic zone is the one item the conference has been able to agree upon.

The greatest hurdle the new era seems to face is its own red tape. The working out of fishing quotas requires painstaking biological research. Negotiation of treaties and approval by Congress requires more paper. As yet, not all the fishing nations have applied for fishing permits. Many are still waiting for regional management councils to announce the surplus fishing stocks that will be made available. As the act requires that foreign vessels have permits abroad by March 1, Congress has had to extend the deadline for permit possession to May 1. Even after the permits have been granted, no one has yet figured out how to get them to foreign vessels. It seems likely that the age of the 200-mile limit will enter with a pratfall over its own paper work.

There doubtless will be problems also in determining boundaries between nations at sea. The United States is currently negotiating with Canada to determine where their zones meet, and someday there will have to be negotiations with Cuba, which itself lies partially within 200-miles of the Florida coast.

There are some bizarre aspects to the new regime. Near Guam in the South Pacific, a coral atoll is being born. Any day now, a lump of rock will poke up through the waves and new land will exist. It is now only a few feet below the surface. Americans and Japanese fly over the spot in airplanes and monitor the growth electronically. In a modern day landrush, both want to be the first to see it and claim it. In the era of the 200-mile limit, the tiny pinpoint of rock represents an area the size of Illinois.

It all seems like a lot of trouble to go to. After all, fish provide a very small portion of our diet. But food is becoming more important. Without management, the seas could become barren in less than a decade. By concentrating upon production instead of consumption, we may have this small nutritional resource to help us out when times grow desperately hard.

Mr. MAGNUSON. It has been a long time, and it was a long fight. The Senator from Alaska, as well as all of us, were so pleased when the President finally signed the bill. Now we are coming right up to the point where we see how it is going to be enforced, and we will know by experience what it will do to help to conserve—it is a conservation bill to begin with—our American stocks within the 200-mile limit.

It was a unilateral action. Although many nations in the world followed after we passed the 200-mile limit, some had established the limit ahead of us, but most of the nations in the world contiguous to the sea, fishing nations, have now joined in protection of their own stocks which, we think, is the right thing to do.

Mr. President, it is quite significant that for the first time in many years the United States took on a fishery zone that will be three times larger than the entire Louisiana Purchase. Of course, although I say "we took on," we took on the jurisdiction, at least, as to our national resources fisheries within that 200-mile limit.

We had ignored our own fishing industry so long, we tried to make agreements with these other countries, and we waited. We were patient. We were patient with the Law of the Sea Conference, hoping that they could arrive at some agreement similar to what we put in the law. Those conferences went on and on, and it did not look as if we were going to get anyplace. They are still going on. So we passed this bill. It will bring rational management to at least 10 percent of the world's fishery resources and I hope bring back our stocks and be a better day for American fisherman.

I yield to the Senator from Alaska.

Mr. STEVENS. Mr. President, since half of that expanded area is off my State I am sure that the Senator from Washington knows how grateful we are to him as I said before, for this long continuing support for the fisheries in the United States.

It was my predecessor who stood here with the Senator from Washington and sought the extension of our zone out to the 12-mile limit. That turned out to be insufficient because of the intense pressure that arose after that action establishing the contiguous zone. Pressure that came from the foreign fishing fleets that doubled and quadrupled over the years.

Now we find that we are involved in fisheries conservation and management. I am sure we all still hold great hopes for the Law of the Sea Conference ultimately to reach an accord. Not only as regards the management of the fisheries but also the total economic aspects of the 200-mile zone.

This is a great day, as I said previously, and it is a day on which we as Alaskans again express our gratitude to the Senator from Washington for his leadership, his perseverance and for the meaningful way in which the Committee on Commerce continues to exercise its jurisdiction with regard to fisheries management problems of this country.

I thank the Senator for his help.

Mr. MAGNUSON. Mr. President, I yield to the Senator from Rhode Island, who had a great deal to do and was very helpful to all of us in this matter insofar as the Committee on Foreign Relations was concerned. He kept a close watch on the Law of the Sea Conference. I am sure he was just as disappointed as I and the rest of us that they did not come to some conclusion and we had to move unilaterally on this.

Mr. PELL. I thank very much my friend and colleague, the senior Senator from Washington, and join with him in asking that this bill approving these agreements, not be referred to the respective committees. The Senator from Washington has asked that it not be referred to the Committee on Commerce.

In behalf of the Committee on Foreign Relations I ask likewise that it not be sent to us because there is a real question of urgency in connection with passing this bill today.

If we do not, we will find ourselves in the peculiar position that the Eastern European nations, not necessarily our greatest friends in the world, will be the ones who will have licenses to fish in our 200-mile zone while our friends in Western Europe and Asia will not have those licenses. So it is very important that this bill be passed today.

In addition to that, I think compliments and a commendation should go to Ambassador Roz Ridgway who really took the responsibility in the course of 1 year with a very undermanned office for handling these negotiations with 10 different nations scattered all over the world. I think the job she has done deserves support and recognition from Congress.

I would like to point out for the record, however, that the fishing industry is not entirely enthusiastic about many of the provisions of the 10 Governing International Fishery Agreements. Despite the reservations they have, the industry representatives with whom I have been in touch are hopeful that their concerns can be alleviated in the course of con-

tinuing discussions with officials of the Departments of State and Commerce. I urge those Departments to work cooperatively with the industry in meeting its concerns.

Probably the most important of these concerns is the lack of meaningful provisions regarding procedures to be followed by American fishermen to seek relief for gear damage done by foreign fishing vessels. The Atlantic Offshore Fish and Lobster Association, for example, has asked the Department of Commerce to establish claims procedures which include the option for American fishermen to request compulsory arbitration. I have raised this matter with the Department of Commerce, and I hope that the Department will be able to accommodate the association in this matter. Other industry representatives have raised both with the administration and Congress the more general question of alternatives to claims boards.

In the case of the agreement with Japan, we have had to make do with a two-page exchange of diplomatic notes and assurances from the State Department that this exchange of notes is equivalent to the substantially more detailed agreements signed with the nine other governments. This "short form" agreement, which covers 1977 only, was considered necessary because of Japanese constitutional problems which precluded them from concluding the standard longer agreement at this time. A more detailed agreement will be submitted to the Congress at a later date. The fishing industry is necessarily concerned that this interim agreement will prove indeed to insure the same degree of protection to the American fishermen as the other nine agreements, and I urge the administration to be particularly sensitive to insuring that it is.

Mr. MAGNUSON. Mr. President, I move the adoption of H.R. 3753, which is before the Senate.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The bill (H.R. 3753) was passed.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield?

Mr. ALLEN. I yield.

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, inasmuch as there is nothing before the Senate at the moment, I ask unanimous consent that there be an extension of the period for routine morning business for the same purposes as heretofore stated today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Alabama for yielding.

Mr. ALLEN. It was my privilege to yield.

SENATOR JACKSON—DISTINGUISHED PUBLIC SERVANT

Mr. ALLEN. Mr. President, last Tuesday evening, February 2, 1977, National Commander William J. Rogers, of the American Legion, at the national commander's dinner, presented on behalf of the American Legion the well-deserved distinguished Public Service Award to the distinguished Senator from Washington, Mr. HENRY M. JACKSON.

Senator JACKSON on this occasion in response to the tribute paid him by Commander Rogers delivered one of the most forceful, eloquent, and persuasive speeches on the subject of our national defense posture that it has been my pleasure to hear.

I ask unanimous consent that a copy of Senator JACKSON's address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR HENRY M. JACKSON

Thank you Commander Rogers. I am deeply honored by your award. And I am especially happy to join tonight in the tribute to Marvella Bayh—a very brave lady and a lovely friend of our family.

It is delightful to be here among so many co-workers and colleagues. All of us are proud of the American Legion for what it has done and for what it is doing for America.

I want to say a few words about the affairs of our troubled world. I won't have to say much—my views on national defense and other subjects are well known. Some well-meaning people even tell me they are too well known!

Over the years I have stressed that as the Soviet Union approached military equality with the United States—and then a superiority in some areas—Soviet leaders would become more resolute and adventurous adversaries.

As a leading British scholar points out: "The Soviet Union derives increasing confidence by the sheer quantity and size of the weapons it possesses."

Angola is one recent case in point. Moscow's move to establish a major naval presence in the Mediterranean Sea and the Indian Ocean is another. And the threat to Europe stretches on into the future—not only in the Central European region but now urgently for NATO's vital flanks.

Some people may think that we are safe from expanding Soviet power because there is little prospect that Secretary Brezhnev will actually push the nuclear button. Yet this is not the principal issue. A stubborn Soviet tyranny with mounting strategic power and conventional superiority in local areas can more easily exert political pressure, can more openly blackmail free governments, can harden its bargaining position in negotiations, and can combine with other authoritarian regimes to make American positions beyond our shores increasingly untenable.

It is time all Americans took to heart the wise words of the great theologian, Reinhold Niebuhr:

. . . "there has never been a scheme of justice in history which did not have a balance of power at its foundation. If the democratic nations fail, their failure must be partly attributed to the faulty strategy of idealists who have too many illusions when they face realists who have too little conscience."

American strength will not encourage war. It never has. But American weakness is a sure temptation to adversaries to try to take advantage of us. Unless we show clearly that we have the strength and the will to stand by our friends and allies, we will eventually be forced either to fight, or to appease.

There is no reason for America to play its cards as if our adversaries had all the aces—when they don't.

We are still by far the wealthiest nation in the world. Our allies include virtually all the rest of the truly advanced nations in the world. Our technology is still the most advanced and the most sought-after in the world. Our workers are more productive than any other work force in the world, our managerial techniques are envied even by the enemies of our economic system.

One can only be gratified by the common sense of most Americans which, on the issue of national defense, expresses itself in sound political instincts. The American people want their leaders to bring to bear the great moral and practical assets that we command—in the interests of human liberty and genuine peace.

There is no reason to submit to a misguided pessimism about America. There is no reason to believe that we are powerless to protect our security. There is no cause to abandon our historic leadership of the free nations and I, for one, am proud to help carry on that great tradition.

REMARKS OF SENATOR ALLEN IN OPPOSITION TO PROPOSED DIRECT ELECTION OF PRESIDENT

Mr. ALLEN. Mr. President, on February 7, 1977, I appeared before the Constitutional Amendments Subcommittee of the Committee on the Judiciary in opposition to the direct election of the President amendment, Senate Joint Resolution 1, and I gave some extemporaneous remarks at that time. The transcript of my remarks has been delivered to me. For the benefit of Senators and other readers of the RECORD, I ask unanimous consent that my extemporaneous remarks at that subcommittee hearing be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR JAMES B. ALLEN

Mr. Chairman, I appreciate the opportunity to be here. I do not have a prepared statement, but I do have some ideas and frankly some serious reservations regarding Senate Joint Resolution 1 which I would like to express to the Committee.

First, Mr. Chairman, I want to commend you for your outstanding work as chairman of the Subcommittee on Constitutional Amendments of the Committee on the Judiciary. You have displayed great leadership and dedication in the cause of seeking what you have considered to be worthwhile amendments to the Constitution.

I want particularly to pay tribute to you for your leadership in the submission and the approval of the 25th Amendment.

I shudder to think what the state of the nation would have been had we not had the 25th Amendment at the time of the crisis we had in the Presidency some years ago.

Also, you displayed great leadership in the 18 year old vote Amendment and the ERA Amendment for which you led the fight on

the Senate Floor. I do commend you as well for your efforts with respect to the proposed Amendment calling for the Direct Election of the President, although I disagree with you entirely on the matter of Direct Election of the President.

We have a fine system now that has stood the test of time. It is the system for which changes have been proposed on a number of occasions going back as far, I believe, as Andrew Jackson, who proposed that the electors be elected by Congressional districts plus two from the state at large. That proposal even today would be a better proposal, I believe, than direct election. I believe that the very fact that for 150 years or more proposals have been advanced for changing the Electoral College System and no plan has yet ben devised that has been thought to be an improvement over the present system is itself a strong argument for retention of the present system. All the proposed plans for change have been brought out and have had their day before the Congress. But the Congress has never seen fit to substitute any of those proposals, and they have been numerous. I will touch on some of them a little later.

But Congress has never seen fit to substitute any of those plans for the present Electoral College System.

To make any change, and especially to go the route of Senate Joint Resolution 1 would, as we say in the South, be buying a pig in a poke. It would be an uncertain plan that has many apparent defects, and I dare say many latent defects.

Considering the degree of change in this proposal for revision of a basic and fundamental element of our government, I fear that S.J. Resolution 1 is more than a mere revamping of our method of selecting a President. It goes straight to the heart of the federal organization of our country, and would do great harm to it.

The Constitution, in essence, is a contract between separate States for the establishment of a national government under prescribed terms and conditions. Back during the Constitutional Convention, in consideration for the perceived benefits of national union, the States surrendered certain powers and certain attributes of their sovereignty.

The Constitution of the United States, as any other contract or agreement, was negotiated at arms' length by the parties to it and therefore contains compromises, concessions and safeguards. The major provision which is provided both as a compromise and as a safeguard is the Electoral College.

The competing interests of the several States demanded a federal system for the election of the federal leader. The separate interests and ideas of the several States and of their citizens exist today identically as those separate interests and ideas existed at the formation of the federal system. So, Mr. Chairman, abolishing the Electoral College would be a further disruption of our federal system. Under the Constitution the relationship between States and federal government has been fine-tuned. The Electoral College is one of the great compromises between the large States and the small States that make the Constitution a great fundamental and basic law that has endured through changing times and through tremendous stresses and strains.

The track record of the Electoral College is good.

We hear the argument advanced, and certainly it is a valid argument, that the direct election of the President and the abolition of the Electoral College would be a disservice to the small States. I think that that is true because of the fact that we do have one Elector for not only the number of Members of the House that a State has, but for the two Senators. Since each State has two Senators no matter what the size of the State, to change to a direct election system would take away some of the power of the smaller States.

I believe a more important reason why we should not change from the Electoral College System is the fact that the Electoral College System contains and limits and isolates within each State the undesirable features of the vote in each State and prevents such undesirable features from spilling over into the entire nationwide vote. It keeps a distorted result concentrated in the State where it occurred.

Thus, if a State or big city is controlled by a corrupt political machine—and I am not alleging that any are, but this is a system that we are going to expect to have for our country for generations if not hundreds of years, we have got to prepare for all contingencies—if a big city is controlled by a corrupt political machine, or if vote fraud enters the picture, or if pressure groups dominate the electorate of a State, or if regional or local demands are of paramount importance and a State votes accordingly overwhelmingly, in these cases such votes would be confined to one State, the State where they are cast. The Electoral College System would then limit their effect to the electoral vote of that State so there would be no spilling over of votes fraudulently obtained, of votes that are the result of action by big city machines, or of actions by pressure groups in the various States. The distorted vote would be concentrated in that one State.

Otherwise, it would be like a spoiled apple spoiling the entire barrel to allow that type of vote to spill over into the entire nationwide vote.

Proponents of the direct election hold up the spectre of a candidate getting the most popular votes but losing in the Electoral College. Now, that is not nearly as frightening to me as the prospect of a candidate carrying one or two of the big states by, let's say, a two million margin—and that's highly conceivable—and then losing the remaining 48 States by a narrow margin, an average of 40,000 per State, and you have a winning candidate for President who was elected by receiving the majority in only 2 States. I think that's bad. I think under this proposal you could easily have successful candidates with purely regional interests and backgrounds.

To assume a case, you might have in a big state one candidate proposing to take over the internal debt of a city or a State and proposing to pay out billions of federal dollars. The candidate might possibly carry that State as a result of those promises by a million and a half or two million votes. The tremendous margin that was gained in that fashion would spill over into the entire nationwide vote. You could have a distorted picture. I think you would be more inclined to have these distorted pictures in the future under a direct election system.

Now, looking at the proposed Amendment itself, Senate Joint Resolution 1, in the first place it has more words in it than it needs, and I believe it is unnecessarily prolix. It has more words in it than the first 11 Amendments to the Constitution. I am wondering if possibly some of these matters might not have been left to the Congress rather than to spell them out in massive detail as has been done in the Amendment, in the Resolution.

Now, in addition to being too long and generally unwieldy, Senate Joint Resolution 1 takes us away from a system that guarantees that the winning candidate for the Presidency will receive at least a majority of something. We are now guaranteed that the winning candidate for President will receive a majority. He will receive a majority either in the Electoral College or, if he doesn't get a majority there, he must get a majority of the States, acting through their representatives in the House of Representatives.

We are changing from that system providing for that type of majority rule over to a system that would allow a President to be elected by a minority of 40 percent. And I think the runoff feature of the proposed Amendment introduces a dangerous and unworkable feature to our federal system of government.

I believe that this 40 percent idea would, in time, guarantee us of having a minority President. I believe it would provide for a building up of splinter parties. I think that we would run the risk of having the runoff election controlled by the splinter parties and that the major parties would be bidding for the votes of the splinter parties. We would have a splinter party of the right and a splinter party of the left which could easily receive 21 percent of the vote and force it into a runoff.

If a runoff was not required, who wants a President chosen by 40 percent of the vote? As I say, under the present system, even though the President might not get a majority of the popular vote, he is going to get a majority of something. You are setting up a system here that would provide for election of a minority President or in the event of a runoff a President unduly influenced by the splinter parties.

In my judgment, this proposal moves us away from the two party system. It very definitely will increase the role of splinter parties and will increase the danger of the creation of or the mushrooming of splinter parties They would all get in the act so that they would be able to have their influence in the runoff.

Then, too, I think that the idea of the direct election poses a major problem in the event there is a contested election. As it is now, if there is a contest then, as I have pointed out, under the present system these fraudulent votes, these improper or illegal votes that might be cast are all confined and contested in one particular State. It would take a contest only in that one particular State by the procedures of that State to determine the result.

But once you have a direct national election by popular vote, if there is a contest it would throw the entire results all over the country into account. There is no telling how many months or years a thing like that would take.

Also, you might have a contest involving whether or not a candidate had received 40 percent of the vote. Candidates would be struggling for that magic percentage in order to avoid a runoff. Whether or not a candidate had achieved 40 percent would of course be subject to contest as well. If the first count gave a man 39.9 percent of the vote, indicating there might be a runoff, there might be a contest there to show that he got 40 percent or, in reverse, if he was shown to have gotten 40 percent and been elected, the next candidate could file a contest to show that he did not get 40 percent. So we are bringing on a whole lot of uncertainties. With the short time between the November election and the January 20th inauguration of the President, we are going to run into the situation where these election contests—and I think we could count on this occurring quite often—would run far beyond the time when a President should take over.

So, I think we are just buying trouble with this proposed system. If we do feel that some revision of our method of choosing a President and Vice President is needed, I would suggest—while I do not feel that any revision is necessary—a less radical solution. If you are worried about the faithless Elector—the Elector who is elected on one ticket and votes for another ticket—there are other solutions. As you recall back in 1969, the House and Senate both voted in the contest, more or

less, of Senator Muskie to prevent a Nixon elector from voting for George Wallace. There were identical contests in the House and the Senate. Both the House and the Senate, by their votes, ruled that an Elector was a free agent and could make that change if he so desired.

So there might be some ground for getting rid of the faithless Elector.

The Electoral College System was created in the Constitution as a compromise, and it has been a system that has served us well through the years and will continue to serve us well if we don't meddle with it. I'm hoping that we won't do that.

I do feel that this runoff feature can and will encourage splinter parties, it can and probably will cause contests in almost every election that comes along, and I think it is fraught with great danger for the welfare of the country.

I thank you, Mr. Chairman.

PROPOSED RULES FOR SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

Mr. HARRY F. BYRD, JR. Mr. President, having been named chairman of the Subcommittee on Taxation and Debt Management of the Senate Finance Committee, I shall ask the members of the subcommittee to consider, and hopefully approve, the following procedures governing the operations of the subcommittee:

First. Any piece of tax legislation referred to the subcommittee shall be carefully analyzed by the staff, and prior to subcommittee consideration the staff shall submit a full report in writing, disclosing which taxpayer or taxpayers are the intended beneficiary of the legislation, the projected revenue loss or gain, and the chief sponsor(s). Such staff disclosure shall be printed in the CONGRESSIONAL RECORD prior to subcommittee consideration of the related legislation. Treasury Department comments will be requested.

Second. The subcommittee will not consider any piece of legislation until at least 7 days after the date such legislation was referred to the subcommittee. Notice of hearings will be published in advance in the CONGRESSIONAL RECORD.

Third. Only written proxies may be utilized by subcommittee members on matters before the subcommittee.

RECOMMENDATIONS OF THE TEMPORARY SELECT COMMITTEE TO STUDY THE SENATE COMMITTEE SYSTEM

Mr. STEVENSON. Mr. President, I report the final recommendations of the temporary Select Committee to Study the Senate Committee System. They were adopted by the committee on February 24 and are reported without objection, except that Senator HELMS has questioned the expenditures required for the provisions on severance pay to displaced staff and on simultaneous audio transmissions of floor and committee proceedings to Senate offices.

When the select committee adopted its first recommendations on structural reorganization of the committee system on September 29, 1976, I noted that the work of the committee was not completed. When those recommendations were printed in the RECORD on September 30, I commented:

The Select Committee and staff in the five months remaining before our final report will be conducting studies and reporting on the following additional and related matters on which we solicit comment: facilities, staffing, confirmations, oversight, foresight, alternatives to hearings, external and internal communications, internal rules and procedures, conference committees, leadership and committee planning of committee work, and scheduling.

Many of these areas are covered in the final recommendations I am submitting to the Senate today. Study of these subjects continues, and in the next 60 days, the select committee will issue additional staff analyses, commissioned reports and detail for these recommendations to complete its mandate from the Senate.

Mr. President, I ask unanimous consent that the recommendations approved by the select committee on February 24 be printed in the RECORD and that the temporary select committee, pursuant to Senate Resolution 109, be authorized to file a supplemental report, including these supplementary analyses, staff reports and detail not later than April 29, 1977.

Mr. TOWER. Reserving the right to object, has this been cleared with the minority?

Mr. STEVENSON. Yes, it has.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RECOMMENDATIONS OF THE TEMPORARY SELECT COMMITTEE TO STUDY THE SENATE COMMITTEE SYSTEM, FEBRUARY 24, 1977

STAFFING

The Select Committee recommends that:

1. In light of the changes occurring in the Senate committee system as a result of S. Res. 4, the Committee on Rules and Administration study and report to the Senate on the feasibility, utility and implications of consolidating present allowances to Senators for personal committee staff aides (Sec. 705 of S. Res. 4, formerly S. Res. 60) into the clerk-hire allowances of each Senator.

2. Each Senate committee submit to the Committee on Rules and Administration a single "inquiries and investigations" resolution to authorize for each session of Congress the total funding for the committee and its subcommittees in excess of statutory allowances.

3. Legislation be adopted to increase the number of permanent committee employees authorized by statute to more appropriately meet the needs of each committee under the Committee System Reorganization Amendments, with appropriate reductions made in committees' investigative budgets to reflect the increases in permanent staffs.

SEVERANCE PAY

The Select Committee recommends that:

1. Following the transition period provided for in Title VII of S. Res. 4, eligible displaced committee staff be granted severance pay under the following conditions:

"After June 30, 1977, full-time employees (part-time staff, interns and consultants to committees are excluded) who were involuntarily displaced as a direct result of committee reorganization under S. Res. 4 be entitled to severance pay equal to four weeks' salary. For each year of Senate service beyond the first, each such employee shall be entitled to one additional week of severance pay. Severance pay for any individual shall not exceed 12 weeks' salary. No person shall simultaneously receive severance pay and unemployment compensation, nor shall any staff aide be permitted to receive severance pay simultaneously with payment for services as an employee of the Federal Government. Method of payment for eligible committee staff shall be determined by the Committee on Rules and Administration."

INFORMATION DISTRIBUTION AND COMMUNICATIONS

The Select Committee recommends that:

1. Each committee maintain the responsibility for monitoring and summarizing the activities of the committee and its subcommittees in open meetings and hearings. Written summaries shall be submitted daily to an office to be designated by the Committee on Rules and Administration. Summaries will be distributed to all Senators' and committee offices, and to the press galleries. Existing and future information distribution technologies, including Cathode Ray Tube screens in Senate offices, should be utilized for this purpose.

2. The Senate move as expeditiously as possible toward a complete computerized bill status system, with information on the status of all bills instantaneously available in all Senate offices through computerized records and Cathode Ray Tube equipment, with the Committee on Rules and Administration to review existing efforts in the House, Senate, and Congressional Research Service, and recommend a single, consolidated and timely means for distributing such information.

3. Each committee publish a tentative calendar of anticipated activities semiannually, with all such calendars to be printed together in the Congressional Record.

4. The Senate immediately establish a system of simultaneous audio transmissions of floor and committee proceedings to Senators' and committee offices, with the Committee on Rules and Administration to study the feasibility and costs of installing closed circuit television broadcasts of floor proceedings.

SCHEDULING

The Select Committee recommends that:

1. Since scheduling conflicts, within committees and between committees and the Senate floor, remain a serious problem even after the implementation of S. Res. 4, the Committee on Rules and Administration submit to the Senate before the close of the 95th Congress its recommendations for change to alleviate scheduling conflicts in the Senate. The Temporary Select Committee will prepare for the Rules Committee a list of options for its consideration in this effort.

2. As part of its computerized scheduling service, the Senate establish a central listing of available committee meeting and hearing rooms, including those under the supervision of Senate committees and subcommittees. If rooms under the supervision of committees are not scheduled for meetings or hearings by their committees within one week of a given date, such rooms will be listed as "available" by the scheduling service.

MEDIA

In line with recommendations made by the Commission on the Operation of the Senate, the Select Committee recommends that:

1. A central information office be created, under the supervision of the joint leadership, to provide factual information on all Senate activities to the press and public.

OVERSIGHT

The Select Committee recommends that:

1. Each Senate committee be directed to submit to the Senate, at the beginning of each congressional session, an annual report identifying its oversight priorities for the coming year. In addition, each committee

should prepare an annual end-of-session report on its oversight activities.

LEGISLATIVE REVIEW—VETO

In view of the rapidly increasing number of statutory provisions authorizing Senate committees, the Senate, or the Congress to review and approve or disapprove Executive agency actions, the Select Committee recommends that:

1. The Committee on Rules and Administration direct an appropriate office of the Senate to publish periodically a compilation of legislative review provisions and actions in the Senate and House, categorized by type of authority, agency and committee, with the Rules Committee also exploring the possibility of joint publication of a single document.

2. The Committee on Rules and Administration publish an appendix to the Standing Rules of the Senate listing the exceptions to normal procedures made by laws providing for resolutions of approval or disapproval of Executive actions.

Conference Committee Procedures

The Select Committee recommends that:

"The Committee on Rules and Administration work together with the appropriate unit of the House of Representatives to develop joint rules regarding conference committee procedures, including such matters as quorum requirements, proxy voting, and regulation of participation at conference sessions. The Select Committee intends to prepare a supplementary report on conference committee procedure which it will submit to the Committee on Rules and Administration."

Information Gathering

The Select Committee recommends that:

"The Congressional Research Service study alternative modes of gathering information, including alternatives to hearings and an examination of the information techniques used by other large organizations, such as multinational corporations, universities, state and foreign legislatures, the Vatican, and U.S. Executive branch bodies, and report its findings and recommendations to the Committee on Rules and Administration."

Internal Procedures

The Select Committee recommends that:

1. The Senate establish a uniform automated document control and microfilm records system, applicable to all committees.

2. Senate committees record and make public information about all of their activities, including roll call votes. Committee calendars, published annually, should contain uniform sets of information about the activities of the committees in the preceding year. The Select Committee will suggest elements to be included in committee calendars.

3. The Senate recodify its rules regarding committee procedures. In the process of recodification, the Senate should clarify ambiguous language, such as use of the word "session" in the Legislative Reorganization Act of 1946 to mean both an annual session and a daily meeting of the Senate.

4. The Senate amend its rules to require that all subcommittees be governed by their committees' rules, including its "sunshine" rules.

5. The Senate clarify the provision in the rules that permits committees to continue and act until their successors have been appointed, to specify that committees may receive and report measures at the beginning of each Congress before new assignments have been made. The rule should also make clear whether a quorum for transaction of business during that period should consist of a majority of the number of Senators who serve on the committee when all vacancies are filled, or a majority of those who are members at any given time.

6. The Senate rules specify procedures for Senate committee investigations, including adoption of a code of procedures to protect the rights of witnesses at investigations.

COMMITTEE RECORDS

In view of the lack of uniform policy governing the jurisdiction over committee records affected by the committee reorganization, the transfer of noncurrent committee records to the National Archives, and public access to such records, the Select Committee recommends that:

1. The Senate adopt a resolution authorizing successor committees to assume jurisdiction over the records of committees that are terminated or consolidated. The resolution should provide for the transfer of records pertaining to jurisdictions that have been transferred from one committee to another or, alternatively, should ensure their availability to the committee receiving the jurisdiction.

2. Legislation terminating any joint committee provide for the disposition of its records so as to ensure their availability to Members and committees of both Houses.

3. Each committee, in consultation with the Secretary of the Senate, the Senate Historical Office, and the Archivist of the United States, establish a schedule for transferring noncurrent records to the Archives and guidelines to ensure proper labeling and indexing, minimize duplication, and permit disposal of purely routine material.

4. The Senate adopt a resolution directing that all noncurrent committee records be opened within a certain reasonable time after their creation except where a committee declares that personal privacy, national security, or other national interest requires continued confidentiality. Each committee should state clearly which records may be made available earlier than the time period specified in the resolution and under what procedures. All statements of committee policy governing access to noncurrent records should be published in the *Congressional Record* and filed with the Secretary of the Senate, the Senate Historical Office, and the Archivist.

UNAUTHORIZED DISCLOSURES OF CLASSIFIED INFORMATION

The Select Committee recommends that:

"The Senate rules fix responsibility in a single Senate committee to investigate and make recommendations concerning allegations of unauthorized disclosures of classified information."

MESSAGES FROM THE PRESIDENT DURING RECESS

Under authority of February 25, 1977, for the Secretary of the Senate, the Secretary of the Senate on March 1, 1977, received a message from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

DEPARTMENT OF ENERGY ORGANIZATION ACT—MESSAGE FROM THE PRESIDENT—PM 42

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

I hereby transmit to the Congress proposed legislation which will create a new Cabinet Department of Energy.

This legislation is a major step in my Administration's program for a comprehensive reorganization of the Executive Branch.

Nowhere is the need for reorganization and consolidation greater than in energy policy. All but two of the Executive Branch's Cabinet departments now have some responsibility for energy policy, but no agency, anywhere in the Federal government, has the broad authority needed to deal with our energy problems in a comprehensive way.

The legislation I am submitting today will bring immediate order to this fragmented system:

—It will abolish the Federal Energy Administration, the Energy Research and Development Administration, and the Federal Power Commission, thereby eliminating three agencies whose missions overlap and sometimes conflict, and whose specialized perspectives have impeded progress toward a unified energy policy.

—It will allow us, for the first time, to match our research and development program to our overall energy policies and needs. This is particularly important if we are to make use of renewable energy sources such as solar power.

—It will enable us to move more quickly toward effective energy conservation by combining conservation programs which are now split between FEA and ERDA. And, to make certain that we will see results, the legislation creates an Assistant Secretary for Conservation, who will be personally responsible for seeing that the conservation program is carried out.

—It will place under one roof the powers to regulate fuels and fuel distribution systems, powers which are now shared by the FEA and the FPC along with the Securities and Exchange Commission and the Interstate Commerce Commission. An institutional structure built on the premise that fossil fuels are abundant and cheap no longer serves well in an era of fuel scarcity

As this winter has shown us, uncoordinated regulatory policies can have serious impacts on our economic and social well-being. This reorganization can help us bring currently fragmented policies into a structure capable of both developing and implementing an overall national energy plan. At the same time, we must guard the quasi-judicial aspects of the regulatory process against improper influence. The legislation meets this concern by establishing a Board of Hearings and Appeals within the Department which is free from the control of the Secretary of Energy.

In addition to abolishing the FEA, ERDA, and the FPC, the legislation submitted today will transfer into the new Department several significant energy-related authorities and programs which now belong to other departments. These include the building thermal efficiency standards from Housing and Urban Development, the voluntary industrial compliance program from Commerce,

and the Navy petroleum and oil shale reserves from Defense. The legislation provides for consultation between the Energy Department and the Department of Transportation on auto fuel efficiency standards, and establishes a role for the Energy Secretary in the REA loan program at Agriculture. Where it is appropriate, these departments will still carry out the program, but the new Energy Department will give them the policy guidance needed to bring unity and rational order to our energy program.

Finally, this legislation transfers certain parts of the Interior Department—those concerning fuels data collection and analysis, and coal mine research and development—into the new Department. Coal mine health and safety research will not be transferred. This will leave the Department of Interior still in charge of leasing energy resources under Federal control. We are leaving those functions in Interior because we believe that the responsibility for multiple-use of public lands, and for their environmental protection, belongs in one department—Interior—that can reflect a broad spectrum of concern. The Energy Department, however, will set long-term production goals and will have policy control over economic aspects of the leases. This will help us foster competition within the energy industries and encourage production of leased resources as expeditiously as possible.

This reorganization will also bring together our energy data gathering and analysis capabilities. More than twenty executive departments and agencies now operate more than 250 energy data programs. The FEA, ERDA, FPC and the Interior Department's Bureau of Mines together have more than 100 such programs. This fragmentation is not only uneconomic and frustrating: it can also have serious consequences. We have seen in recent weeks that, under our present system, we have no single source of information about where natural gas shortages were greatest and where supplies were still available to help make up those shortages. Consolidating these major data programs in an Energy Information Administration within the new department will now give us the ability to compile information which is complete, accurate and *believable*.

There are many things this legislation does not try to do.

I believe that health, safety and environmental regulation relating to energy—unlike economic regulation—should not be brought into the new Energy Department. Because public concerns about the safety of nuclear power are so serious, we must have a strong, independent voice to ensure that safety does not yield to energy supply pressures. Therefore, the Nuclear Regulatory Commission will remain as an independent body. For similar reasons, the Environmental Protection Agency should remain independent to voice environmental concern.

Even with a new Department of Energy, problems of interdepartmental coordination will remain, since virtually all government activity affects energy to some extent. Establishing this department, however, will give us one government body with sufficient scope and authority to do the massive job that remains to be done. Thus this legislation will abolish the Energy Resources Council. I intend to establish by Executive Order a non-statutory interdepartmental coordinating body, with the Secretary of Energy as its chairman to manage government-wide concerns involving energy.

This legislation contains no new substantive authorities. Instead, by eliminating three agencies and uniting a variety of existing energy authorities, the legislation I am submitting today will help reorganize the Executive Branch in a rational, orderly way. It is long overdue. I hope to work with the Congress to achieve our initial goal of a realistic and effective energy policy.

JIMMY CARTER.

THE WHITE HOUSE, *March 1, 1977.*

UPLAND COTTON PROGRAM REPORT—MESSAGE FROM THE PRESIDENT—PM 43

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was referred to the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the provisions of Section 609, Public Law 91–524, 91st Congress, as extended by the Agriculture and Consumer Protection Act of 1973, I transmit herewith for the information of the Congress the report of the 1975 upland cotton program, prepared prior to the beginning of my term in office.

JIMMY CARTER.

THE WHITE HOUSE, *March 1, 1977.*

FISHERIES AGREEMENT BETWEEN UNITED STATES and CANADA—MESSAGE FROM THE PRESIDENT—PM 44

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States:

To the Congress of the United States:

I transmit herewith a Reciprocal Fisheries Agreement Between the Government of the United States and the Government of Canada, signed in Washington, February 24, 1977.

The Agreement, which is for 1977 only, satisfies important United States interests both in United States fisheries off Canada and in overall cooperative relations between the United States and Canada. The Reciprocal Fisheries Agreement is not a Governing International Fisheries Agreement within the terms of the Fishery Conservation and Management Act. The reciprocal accommodations of United States and Canadian interests required inclusion in the Agreement of provisions which are not consistent with certain sections of that Act.

Positive Congressional action therefore is required to bring the Reciprocal Agreement into force. I believe it important to take this action in order that there be no disruption of the important United States-Canadian fisheries off Canada following the establishment of the United States 200-mile fishery conservation zone on March 1, 1977.

I recommend that the Congress give favorable consideration of this Agreement by March 1. I further recommend that the Congress consider bringing the Agreement into force by Joint Resolution, such Resolution having the effect of establishing the legal basis in which the reciprocal fisheries of the two countries would go forward in 1977.

JIMMY CARTER.

THE WHITE HOUSE, *February 28, 1977.*

Mr. CRANSTON. Mr. President, I ask unanimous consent that a message from the President received during the recess of the Senate, transmitting a Reciprocal Fisheries Agreement Between the United States and Canada, be jointly referred to the Committee on Commerce, Science, and Transportation and the Committee on Foreign Relations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE RECEIVED DURING RECESS

Under authority of February 25, 1977, a message from the House of Representatives was received on February 28, 1977, stating that the House has passed the bill (H.R. 11) to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976, in which it requests the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also stated that the Speaker has signed the following enrolled bill and joint resolution:

H.R. 3347. An act to rescind certain budget authority recommended in the message of the President of September 27, 1976 (H. Doc. 94–620), transmitted pursuant to the Impoundment Control Act of 1974.

H.J. Res. 132. A joint resolution to authorize a special gold medal to be awarded to Miss Marian Anderson.

The enrolled bill and joint resolution were subsequently signed by the Deputy President pro tempore (Mr. HUMPHREY).

HOUSE BILL REFERRED DURING RECESS

Under authority of February 25, 1977, on February 28, 1977, the bill (H.R. 11) to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976 was referred to the Committee on Environment and Public Works.

MESSAGES FROM THE HOUSE

At 3:05 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its clerks, announced that the Speaker has appointed Mr. MINETA as a manager on the part of the House in the conference on the disagreeing votes of the two Houses to the resolution (S. Con. Res. 10) revising the congressional budget for the U.S. Government for the fiscal year 1977.

At 3:40 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the House has passed the bill (H.R. 3753) to bring certain governing international fishery agreements within the purview of the Fishery Conservation Zone Transition Act, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the bill (H.R. 3365) to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions, and for other purposes, in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC–745. A letter from the Chairman of the Federal Election Commission transmitting, pursuant to law, the Federal Election Commission's fiscal year 1978 appropriation request (with an accompanying report); to the Committee on Appropriations.

EC–746. A letter from the Director of the Congressional Budget Office transmitting, pursuant to law, a report on the advisability and feasibility of advance budgeting (with an accompanying report); to the Committee on the Budget.

EC–747. A letter from the Vice President for Governmental Affairs for the National Railroad Passenger Corporation (Amtrak) transmitting, pursuant to law, a report on revenues and expenses for the month of November 1976 (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC–748. A letter from the Chairman of the U.S. Consumer Product Safety Commission transmitting, pursuant to law, a copy of a letter to the Office of Management and Budget regarding a draft bill amending title 5 of the United States Code to improve agency rulemaking by establishing paperwork control mechanisms, and by expanding the opportunities for public participation (with accompanying papers); to the Committee on Commerce, Science, and Transportation.

EC–749. A letter from the Chairman of the U.S. Consumer Product Safety Commission transmitting, pursuant to law, a report that appeared in the Federal Register on the Commission's determination of a safe level of lead in paint (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC–750. A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a report concerning the impact of regulation amendments made pursuant to the Emergency Petroleum Allocation Act that established a crude oil pricing policy (with an accompanying report); to the Committee on Energy and Natural Resources.

EC–751. A letter from the Acting Administrator of the General Services Administration transmitting, pursuant to law, a prospectus proposing a succeeding lease for space presently occupied by the Imperial Building, 1441 L Street NW., Washington, D.C. (with an accompanying report); to the Committee on Environment and Public Works.

EC–752. A letter from the Secretary of the Treasury transmitting a draft of proposed legislation to provide for increased participation by the United States in the International Bank for Reconstruction and Development and in the International Finance Corporation, and for other purposes (with accompanying papers); to the Committee on Foreign Relations.

EC–753. A letter from the Secretary of the Treasury transmitting a draft of proposed legislation to provide for increased participation by the United States in the Asian Development Bank and the Asian Development Fund (with accompanying papers); to the Committee on Foreign Relations.

EC–754. A letter from the Acting Director of the United States Information Agency transmitting a draft of proposed legislation to amend title II of the "Foreign Relations Authorization Act, Fiscal Year 1977" (Public Law 94–350; 90 Stat. 829), to authorize appropriations for the fiscal years 1978 and 1979, and for other purpcses (with accompanying papers); to the Committee on Foreign Relations.

EC–755. A letter from the Executive Director for the Board for International Broadcasting transmitting a draft of proposed legislation to amend the Board for International Broadcasting Act of 1973 and to authorize appropriations for fiscal year 1978 and 1979 for carrying out that act (with accompanying papers); to the Committee on Foreign Relations.

EC–756. A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, a report on the international agreements other than treaties entered into by the United States within the past 60 days (with an accompanying report); to the Committee on Foreign Relations.

EC–757. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Status of Advance Attack Helicopter Program" (with an acompanying report); to the Committee on Governmental Affairs.

EC–758. A letter from the Secretary of Commerce and the Secretary of Health, Education, and Welfare transmitting, pursuant to law, preliminary estimates for 1975 of the total number of school-age children 5 to 17 years of age living in families below the poverty level in each State (with an accompanying report); to the Committee on Human Resources.

EC–759. A letter from the Acting Director of the National Science Foundation transmitting, pursuant to law, the statistical portion of the report "Federal Support to Universities, Colleges, and Selected Nonprofit Institutions, Fiscal Year 1975" (with an accompanying report); to the Committee on Human Resources.

EC–760. A letter from the Chairman of the Federal Communications Commission transmitting, pursuant to law, the annual report on the administration of the Freedom of Information Act for calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–761. A letter from the Executive Director of the Privacy Protection Study Commission transmitting, pursuant to law, the annual report on the administration of the Freedom of Information Act for calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–762. A letter from the Secretary of the Railroad Retirement Board transmitting, pursuant to law, the annual report on the administration of the Freedom of Information Act for calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–763. A letter from the Executive Director of the Pennsylvania Avenue Development Corporation transmitting, pursuant to law, the annual report on the administration of the Freedom of Information Act for calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–764. A letter from the Farm Credit Administration transmitting, pursuant to law, the annual report on the administration of the Freedom of Information Act for calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–765. A letter from the Secretary of the American Battle Monuments Commission transmitting, pursuant to law, the annual report on the administration of the Freedom of Information Act for calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–766. A letter from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the annual report on the administration of the Freedom of Information Act for calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–767. A letter from the District of Columbia Representative of the Ladies of the Grand Army of the Republic transmitting, pursuant to law, the annual audit of the organization for the year ended August 31, 1976 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions which were referred as indicated:

POM 74. Senate Joint Resolution No. 7–12 adopted by the Seventh Congress of Micronesia to support and endorse the Angaur phosphate claims; to the Committee on Foreign Relations:

"RESOLUTION No. 6

"Relative to respectfully requesting the United States Congress to approve legislation to waive the visa requirements for aliens visiting Guam for a limited number of days

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, tourism is the primary industry in the territory of Guam, providing employment for a large number of residents, generating an important source of revenue for the Government of Guam and generally improving the island economy; and

"Whereas, the number of tourists visiting Guam over the past two years has steadily declined, causing detrimental effects on the general economy, and specifically upon the number of employees hired within the tourist industry sector; and

"Whereas, this decline can be attributed in part to increased competition from the Philippines, Republic of China, Hong Kong, and other Southeast Asia destinations; and

"Whereas, while the Philippines, Republic of China, Hong Kong, and other destinations in Southeast Asia either have no visa requirements or readily provide visas to encourage tourism, the process of obtaining a U.S. visa in Japan, the primary source of tourists travelling to Guam, is a difficult, time-consuming and discouraging task; and

"Whereas, legislation introduced in the 94th Congress by Guam's Delegate, the Honorable A. B. Won Pat, to waive the visa requirements for aliens visting Guam was defeated in the Senate after being approved by the House of Representatives; and

"Whereas, this legislation contained safeguards prohibiting alien visitors from remaining on Guam more than fifteen days from their date of admission, or having their status adjusted under Section 244, 245 or 248 of the Immigration and Nationality Act; and

"Whereas, the territory of Guam cannot expect to reduce its high rate of unemployment until the tourist industry sector improves measurably; now, therefore, be it

"Resolved, That the Fourteenth Guam Legislature on behalf of the people of Guam, respectfully requests that the Honorable

A. B. Won Pat reintroduce, and the United States Congress approve, similar legislation to waive the visa requirement for aliens visiting Guam for a limited number of days; and be it further

"Resolved, That the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Speaker, U.S. House of Representatives; the Vice President of the United States, who is the Presiding Officer of the Senate; the Chairman, House Committee on the Judiciary; the Chairman, Senate Committee on the Judiciary; the U.S. Attorney General; the Commissioner, U.S. Immigration and Naturalization Service; Honorable Antonio B. Won Pat; Consul of Japan serving in Guam; Consul, Republic of the Philippines; Consul, Republic of China; Consul, Republic of Korea; Consul, Republic of Nauru and to the Governor of Guam."

POM 75. Resolution No. 6 adopted by the Legislature of the Territory of Guam relative to respectfully requesting the U.S. Congress to approve legislation to waive the visa requirements for aliens visiting Guam for a limited number of days; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION No. 7–12

"A Senate joint resolution to support and endorse the Angaur phosphate claims.

"Whereas, the people of Angaur, Palau District, have suffered from exploitation at the hands of three colonial powers by the mining of phosphate without compensation by Germany (1904–1914) and Japan (1914–1944) and with inadequate compensation by the United States of America (1946–1955); and

"Whereas, the Angaur phosphate claims have been introduced and pursued in petitions to the United Nations Trusteeship Council in 1970, 1973, and 1975, and have been supported by Palau District Legislature's Resolutions No. 74(1)–15 and No. 678; and

"Whereas, it is proper for the Congress of Micronesia to support the Angaur people in an attempt to redress the wrongs perpetrated against them; now, therefore,

"Be it resolved by the Senate of the Congress of Micronesia, First Regular Session, 1977, the House of Representatives concurring, that the responsible nations are urged to make immediate and just compensation on the Angaur phosphate claims, and that the United States Government and the United Nations Trusteeship Council be and hereby are requested to endorse these claims and, on behalf of Micronesia, seek full and fair compensation; and

"Be it further resolved that certified copies of this Joint Resolution be transmitted to the President of the United States, the United States Congress, the Secretary of the Department of the Interior, the Federal Republic of Germany, the German Democratic Republic, Japan, the U.N. Secretary General, the President of the U.N. General Assembly, the U.N. Trusteeship Council, and the High Commissioner of the Trust Territory of the Pacific Islands."

CONFERENCE REPORT ON THIRD CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1977—SUBMITTED DURING RECESS (REPT. NO. 95–31)

Under authority of February 25, 1977, Mr. MUSKIE, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 10) revising the congressional budget for the U.S. Government for the fiscal year 1977, which was ordered to be printed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RIBICOFF, from the Committee on Governmental Affairs:

With an amendment:

S. 626. A bill to establish the period within which the President may transmit to the Congress plans for the reorganization of agencies of the executive branch of the Government, and for other purposes (together with additional views) (Rept. No. 95–32).

By Mr. LONG, from the Committee on Finance:

Without amendment:

S. Res. 97. An original resolution authorizing additional expenditures by the Committee on Finance for inquiries and investigations.

By Mr. MCINTYRE, from the Committee on Banking, Housing, and Urban Affairs:

With an amendment:

S. 756. A bill to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions (Rept. No. 95–33).

By Mr. SPARKMAN, from the Committee on Foreign Relations:

S. Con. Res. 7. A concurrent resolution relating to freedom of emigration (preamble amended) (Rept. No. 95–34).

By Mr. LONG, from the Committee on Finance:

Without amendment:

S. Res. 99. An original resolution authorizing additional expenditures by the Committee on Finance for routine purposes (referred to the Committee on Rules and Administration).

S. Res. 98. An original resolution authorizing the printing of a history of the Committee on Finance as a Senate document (referred to the Committee on Rules and Administration).

EXECUTIVE REPORTS SUBMITTED DURING RECESS

Under authority of February 25, 1977, the following executive reports were submitted on February 25, 1977:

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Paul C. Warnke, of the District of Columbia, for the rank of Ambassador during his tenure of service as Director of the U.S. Arms Control and Disarmament Agency.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Paul C. Warnke, Director of the Arms Control and Disarmament Agency.

Post: with rank of Ambassador. Nominated, 2/8/77.

Contributions: Amount, date, donee (If none, write none).

1. Self, Paul C. Warnke (see list attached).
2. Spouse, Jean R. Warnke.
3. Children and spouses: Names: Margaret F. Warnke, none; Georgia C. Warnke, none; Thomas M. Warnke, none; Stephen A. Warnke, none; Benjamin H. Warnke, none.
4. Parents names: Paul Martin Warnke (deceased), none; Lillian Culliton Warnke (deceased), none.
5. Grandparents names: none living in relevant period.
6. Brothers and spouses: Names: Frank J. Warnke, none; Janice D. Warnke, none.
7. Sisters and spouses: Names: Ruth Warnke Lancetti, none; Frank Lancetti, none; Margaret Warnke Macdonald, Andrew Macdonald, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

PAUL C. WARNKE,
Signature of nominee.

CONTRIBUTIONS BY PAUL C. WARNKE AND JEAN R. WARNKE

(All Contributions Made From Joint Checking Account).

1973	
Gaylord A. Nelson	$25.00
Democratic Congressional Dinner Committee	650.00
Adlai E. Stevenson III	200.00
	875.00
1974	
John C. Culver	150.00
Adlai E. Stevenson III	50.00
J. William Fulbright	100.00
Committee for Fifteen	50.00
Richard L. Ottinger	50.00
Herbert E. Harris	50.00
Thomas F. Eagleton	100.00
Gaylord A. Nelson	50.00
Les Aspin	25.00
Gerry E. Stubbs	100.00
James W. Symington	50.00
William Roy	50.00
	825.00
1975	
Morris K. Udall	100.00
Edward M. Kennedy	500.00
Democratic Congressional Dinner Committee	700.00
	1,300.00
1976	
Rick Barton	50.00
Herbert E. Harris	25.00
Gerry E. Stubbs	50.00
Lanny J. Davis	300.00
Paul S. Sarbanes	50.00
Andrew Young	50.00
Class of '74	100.00
Morris K. Udall	450.00
James W. Symington	150.00
Democratic Congressional Dinner Committee	680.00
Jimmy Carter	551.30
Les Aspin	50.00
Sargent Shriver	50.00
	2,556.30
	5,556.30

U.S. ARMS CONTROL,
AND DISARMAMENT AGENCY,
Washington, D.C., February 17, 1977

Mr. ARTHUR M. KUHL,
Chief Clerk of the Foreign Relations Committee, U.S. Senate, Washington, D.C.

DEAR MR. KUHL: On February 10, 1977 you were furnished a copy of a report of contributions executed by Paul C. Warnke on February 9, 1977 pursuant to section 901a of Title 22 of the United States Code. Mr Warnke has since learned that in 1976 his sister Margaret Warnke Macdonald paid $51.30 for a ticket to a dinner which she attended in honor of Averill Harriman. The proceeds from this dinner went to the Democratic National Committee. At the time Mr. Warnke executed

his report of contributions, the statute was not understood to cover a contribution of that type and consequently it was not included in his report. Regardless of whether such contributions are required to be reported, Mr. Warnke wishes the contribution to be disclosed in connection with his nomination to be Director of this Agency with the rank of Ambassador and has asked me to communicate this information to you.

Sincerely,

THOMAS GRAHAM, Jr.,
Acting General Counsel.

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Paul C. Warnke, of the District of Columbia, to be Director of the U.S. Arms Control and Disarmament Agency.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Evan S. Dobelle, of Massachusetts, for the rank of Ambassador during his tenure of service as Chief of Protocol for the White House.

Mary Elizabeth King, of the District of Columbia, to be Deputy Director of the ACTION Agency.

The following-named Foreign Service officers for promotion from class 1 to the class of career minister:

Harry G. Barnes, Jr., of Maryland.
Robert A. Hurwitch, of Illinois.
Richard B. Parker, of Kansas.
Thomas R. Pickering, of New Jersey.
Harry W. Shlaudeman, of California.
Ronald I. Spiers, of Vermont.
Christopher Van Hollen, of Virginia.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. SPARKMAN. As in executive session, from the Committee on Foreign Relations, I also report favorably sundry nominations in the Foreign Service which appeared in the CONGRESSIONAL RECORD on January 10 and February 21, 1977, and, to save the expense of printing them on the Executive Calendar, ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADDITIONAL COPIES OF THE AMERICAN INDIAN POLICY REVIEW COMMISSION'S FINAL REPORT

Mr. ABOUREZK. Mr. President, in order that Indian tribes and major organizations receive copies of the American Indian Policy Review Commission's final report, I ask unanimous consent that when the American Indian Policy Review Commission's final report is printed that there should be made available for the use of the American Indian Policy Review Commission 1,000 additional copies of the report.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated.

By Mr. ABOUREZK (for himself, Mr. BAYH, and Mr. HUMPHREY):

S. 825. A bill to foster competition and consumer protection polices in the development of product standards, the testing and certification of products, and for other purposes; to the Committee on he Judiciary; and, if and when repored by that committee, the Committee on Commerce, Science, and Transportation for not to exceed 150 days, by unanimous consent.

By Mr. RIBICOFF (for himself, Mr. PERCY, Mr. JACKSON, Mr. JAVITS, Mr. GLENN, Mr. NUNN, Mr. CHILES, Mr. ROTH, Mr. HEINZ, Mr. ROBERT C. BYRD, Mr. CRANSTON, Mr. STEVENSON, Mr. RANDOLPH, Mr. HUMPHREY, and Mr. INOUYE):

S. 826. A bill to establish a Department of Energy in the executive branch by the reorganization of energy functions within the Federal Government in order to secure effective management to assure a coordinated national energy policy, and for other purposes; to the Committee on Governmental Affairs.

By Mr. JAVITS (for himself and Mr. PERCY):

S. 827. A bill to amend the Intergovernmental Cooperation Act to prevent lawless and irresponsible use of handguns in selected areas with high crime rates, and for other purposes; to the Committee on the Judiciary.

S. 828. A bill to promote more effective management of certain law enforcement functions of the executive branch by transferring functions of the Secretary of the Treasury under the Gun Control Act of 1968 to the Attorney General, by consolidating certain law enforcement functions under that act in a Firearms Safety and Abuse Control Administration, in the Department of Justice, and for other purposes; to the Committee on Governmental Affairs.

By Mr. SCOTT:

S. 829. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Commerce, Science, and Transportation.

S. 830. A bill to authorize the Secretary of the Interior to establish the George Washington Boyhood Home National Historic Site in the State of Virginia; to the Committee on Environment and Natural Resources.

S. 831. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for amounts spent by an individual to conserve energy used in heating and cooling his home; to the Committee on Finance.

By Mr. HASKELL (for himself and Mr. HART):

S. 832. A bill to amend the Small Business Act and the Consolidated Farm and Rural Development Act to reduce interest rates on certain disaster and emergency loan programs, and for other purposes; to the Committee on Small Business, and, if and when reported by that committee, to the Committee on Agriculture, Nutrition, and Forestry, by unanimous consent.

By Mr. GARN:

S. 833. A bill for the relief of Ah Young Cho; to the Committee on the Judiciary.

By Mr. SCHWEIKER:

S. 834. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct, or to claim a credit for, amounts paid as tuition to provide education for himself, for his spouse, or for his dependents; to the Committee on Finance.

By Mr. CHURCH (for himself, Mr KENNEDY, Mr. CLARK, and Mr WILLIAMS):

S. 835. A bill to provide a program of income tax counseling for elderly individuals; to the Committee on Finance.

By Mr. BARTLETT:

S. 836. A bill to amend title IV of the Small Business Investment Act of 1958; to the Committee on Small Business.

By Mr. EASTLAND (for himself, Mr STENNIS, Mr. JOHNSTON, and Mr LONG):

S. 837. A bill granting the consent of Congress to the Mississippi-Louisiana Bridge Construction Compact; to the Committee on the Judiciary.

By Mr. ABOUREZK:

S. 838. A bill to amend the Indian Claims Commission Act of August 13, 1946, and for other purposes; to the Committee on Indian Affairs.

By Mr. ABOUREZK (for himself and Mr. McGOVERN):

S. 839. A bill authorizing the construction of a dam and reservoir on the Little White River, S. Dak.—Rosebud site; to the Committee on Environment and Public Works.

By Mr. ABOUREZK (for himself, Mr HATFIELD, Mr. EAGLETON, Mr. McGOVERN, Mr. HUMPHREY, Mr. BAYH, Mr. METCALF, Mr. LEAHY, Mr. CHURCH, Mr. HART, Mr. HASKELL, and Mr. ZORINSKY):

S. 840. A bill to amend the Clayton Act to provide for additional regulation of certain anticompetitive developments in the agricultural industry; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 841. A bill to amend the Internal Revenue Code of 1954 to allow a refundable tax credit equal to 50 percent of the wages paid to certain new employees; to the Committee on Finance.

By Mr. HATHAWAY (for himself and Mr. MUSKIE):

S. 842. A bill relating to certain Indian land claims in the State of Maine, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. ANDERSON (for himself and Mr. HUMPHREY):

S. 843. A bill to amend the Tariff Schedules of the United States to permit the free entry of Canadian petroleum—including reconstituted crude petroleum, and crude shale oil, provided that an equivalent amount of the same kind and quality of domestic crude petroleum and crude shale oil has been exported to Canada; to the Committee on Finance.

By Mr. SPARKMAN (by request):

S. 844. A bill to authorize supplemental military assistance to Portugal for the fiscal year 1977, and for other purposes; to the Committee on Foreign Relations.

By Mr. DOLE (for himself, Mr. McGOVERN, and Mr. JAVITS):

S. 845. A bill to amend the Food Stamp Act of 1964, as amended; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DOMENICI:

S. 846. A bill to provide for a continuing program of water resources research and development; to the Committee on Environment and Public Works.

S. 847. A bill to assure a more thorough analysis of the use of alternative sites under the Public Buildings Act; to the Committee on Environment and Public Works.

S. 848. A bill to improve the operations of the Soil Conservation Service; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. STONE.

S. 849. A bill for the relief of United Broadcasting Co. of Florida, Inc.; to the Committee on Commerce, Science, and Transportation.

By Mr. SCOTT (for himself, Mr. ALLEN, Mr. MCCLURE, and Mr. THURMOND):

S.J. Res. 31. A joint resolution proposing an amendment to the Constitution relating to the continuance in office of judges of the Supreme Court and of inferior courts; to the Committee on the Judiciary.

By Mr. PROXMIRE:

S.J. Res. 32. A joint resolution to extend the Federal riot reinsurance and crime insurance programs; to the Committee on Banking, Housing, and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ABOUREZK (for himself, Mr. BAYH, and Mr. KENNEDY):

S. 825. A bill to foster competition and consumer protection policies in the development of product standards, the testing and certification of products, and for other purposes; to the Committee on the Judiciary; and, if and when reported by that committee, to the Committee on Commerce, Science, and Transportation for not to exceed 150 days, by unanimous consent.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the Voluntary Standards and Accreditation Act of 1977, which I now introduce, first be referred to the Committee on the Judiciary, and that if and when such bill is reported by the Committee on the Judiciary, that it be referred to the Committee on Commerce, Science, and Transportation for not to exceed 150 calendar days. I understand that this arrangement is agreeable to both committees.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, today I am reintroducing a bill which will insure that private standards developers, product testers, and certifiers conduct their activities in a manner consistent with our antitrust laws and consumer protection policies. The bill will also, inter alia, protect the United States interests in international standardization activities, which may have far-reaching consequences on the balance of trade and the balance of payments.

When most Americans hear the word regulation, they think of Federal regulatory agencies—"big Government." We have been led to believe that only Government regulates and that only Government is guilty of "bureaucratic redtape and delay." The evidence will not support this judgment.

The private sector is as capable as Government of redtape and delay. And as a regulator, it often lacks the disinterested position that Government at its best does possess. A classic example of private regulation and "bureaucratic redtape and delay" is the so-called "voluntary" standards and product testing/certification system in this country. There are over 400 standards-development organizations and several testing/certification laboratories which are, in every respect, private regulatory agencies. These groups, who operate with very little Federal or State oversight, determine what products you and I will be able to purchase and which manufacturers will or will not enter the marketplace.

These are serious allegations; I do not make them lightly. Undoubtedly, your response is "What are voluntary standards and product certification?" And, "Why am I unaware of them?" This bewildered response reflects the complexity of the standardization process, its invisibility and the general public ignorance of its operation. We hear a great deal of rhetoric about the free enterprise system, yet rarely do we examine its workings to see whether the essential mechanisms are working at all. In the case of voluntary standards, the mechanisms are not working, and the vitality of business has suffered as a result.

Briefly, voluntary standards are performance, design, or construction specifications written by manufacturers, producers, and so-called "general interest representatives" under the auspices of an engineering society or a trade association. Typically, these organizations write standards for both consumer and producer goods.

Product testing and certification is the process of evaluating products against these industry-generated standards and, in some instances, issuing a certificate attesting that the product satisfies the requirements of applicable standards.

I do not quarrel with these groups getting together for this purpose, because standards and product testing/certification play an important role in a highly technical, industrial society. The standardization—standards plus testing/certification—of products should advance our technology and economic growth; it should smooth the flow of commerce in both domestic and international trade; it should reduce cost by eliminating unnecessary deviations and by lessening the communication needed between a seller and a buyer; it should give us an informed buying public. But, all too often our procedures for setting standards yield precisely the opposite results.

Product standards, listings, and certificates are unquestionably today's most convenient modes for restraining trade and deceiving consumers. Documented cases show that if we let these activities go unchecked, they will make a mockery of the term "free enterprise."

Just like other commercial vehicles, standards, listings, and certificates can be used for illegal purposes. To borrow the words of a witness who testified on this subject before the Antitrust and Monopoly Subcommittee last March:

> In the area we consider here today, some government oversight is necessary. Simply stated, like politics, football or oil production, the players involved are human beings, and there is a great incentive to cheat.

The incentive to cheat is great, because the stakes are so high. As one leading standards developer has observed:

> There is not a single facet of commerce and industry, or State or local government, that does not utilize to some extent the thousands of standards developed and promulgated by the Nation's system.

In short, product standards, listings, and certificates are integral to our system of marketing products.

One example will illustrate how standards-setting lends itself to abuse. For 8 years a small manufacturer tried to get the American National Standards Institute's Z–21 Committee to develop a standard for an energy conservation device. This device, an automatic vent damper, would have reduced the homeowner's monthly fuel consumption considerably. For 8 years the company wound around in bureaucratic redtape and artful excuses of the standards developer and the testing laboratory. The upshot was, the standards committee refused to develop a standard, the testing laboratory, which is the secretariat of the standards committee, refused to issue its seal of approval, and the American public was denied an inexpensive energy conservation device.

Never mind that similar devices have been used in Europe for over 40 years to conserve fuel; never mind that the Washington Gas Light Co. found that this device could save homeowners with average-size furnaces $7.20 per month; never mind that Mississippi State University made similar findings; never mind that the Memphis Light and Water Division made similar findings; never mind that Michigan Consolidated Gas Co. made similar findings; never mind that every organization that tested the device, including the Consumer Product Safety Commission, found it intrinsically safe; never mind that this device could save America the equivalent of one-half million barrels of oil per day; never mind, because industry said we could not have it. And just who in private industry told us this? The American Gas Association and the American National Standards Institute.

Mr. President, I ask unanimous consent that the full text of the Washington Gas Light Co.'s study be printed in the RECORD as exhibit 1.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. ABOUREZK. I urge all of my colleagues to read the Antitrust and Monopoly Subcommittee's March and August 1976, hearings on this matter. You will see just how unfree these private organizations have made the free enterprise system. Because the vent damper is an energy savings device, it has received considerable publicity; many other abuses go unnoticed, and many small manufacturers are finding that building a better mousetrap is not enough anymore.

Mr. President, I ask unanimous consent that a Nation article and a "Sixty Minutes" program on the denial of certification to the vent damper be printed in full in the RECORD as exhibits 2 and 3 respectively.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibits 2 and 3.)

Mr. ABOUREZK. Let me give you two more examples. In 1971, a small manufacturer of low water cutoff devices took away a large account of a competitor. At that point, the competitor had control of over 80 percent of the market. Shortly after the dominant company lost this large customer to its smaller competitor, the chairman and vice chairman

of the relevant American Society for Mechanical Engineers standards committee got together. The vice chairman of the ASME committee happened to be a vice president of the dominant company. The two decided that an official letter from ASME stating that the kind of device manufactured by the small company did not meet the ASME code would be extremely useful. Such a letter soon appeared and for all practical purposes, the small manufacturer found the marketplace closed.

The Antitrust and Monopoly Subcommittee held hearings in March 1975, to look into the circumstances. The hearings revealed that when a reporter from the Wall Street Journal began investigating the small company's plight, the vice chairman destroyed the communication between himself and the chairman, which resulted in the fraudulent letter. What did ASME do? Its Professional Practice Committee issued and published a resolution which stated:

Be it further resolved that the PPC concludes that John James conducted himself in a proper manner, and finds no improper or unethical conduct in his actions. . . .

Mr. President, I ask unanimous consent that the full text of two Wall Street Journal articles on this matter be printed in the RECORD as exhibits 4 and 5.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibits 4 and 5.)

Mr. ABOUREZK. The last example I will cite of these organizations' restraint of trade activities involves the ANSI B–1 Screw Thread Committee. Here again ASME pops up; this time as the secretariat of the committee.

For 26 years the Johnson Gage Co.'s representative tried to get the committee to update the standard for gaging equipment. Johnson's position was simple:

There has been an advancement in the state-of-the-art and the standard should reflect it. Moreover, the gages called for in the standard will not detect bad screw threads.

In formal meetings, the committee members, except Johnson, argued that the present standard was more than sufficient. However, in a letter dated November 4, 1969, the chairman of the committee, Thomas C. Baumgartner, wrote to Mr. Jay E. Watson:

I agree that we should not "shake up the troops" by warning them that product (sic) inspected by ring gages really does not conform.

The list of instances of restraint of trade and consumer deception on the part of these organizations is long. Certainly, once we are aware of it we would not wish to promote and support this kind of conduct. But, it is precisely what Government is doing.

First, Federal, State, and local governments adopt standards by incorporating them into ordinances, codes, and procurement specifications. The Occupational Health and Safety Act of 1970 represents one of many cases in which Federal Government action supports and furthers the restrictive standards set by industry. OSHA directed the Secretary of Labor to adopt so-called "national consensus standards"—a code word for ANSI, ASME, and a host of other such organizations—the very organizations that have made the violation of antitrust principles standard operating procedure. The standards they promulgate have also forced large numbers of small business concerns, who have no real voice in the standards process, to close their doors.

The standards system contains other serious problems. I noted at the outset that the voluntary standards system represents industry's contribution to the art of "bureaucratic redtape and delay." There are over 400 private organizations writing standards in the United States, all with ideosyncratic rules and procedures. Many of these organizations write duplicate standards with some minor deviation. Generally, the deviation is not to give the user or consumer a safer or a quality product, but to protect and to promote the organization's existence.

The duplication within these private organizations is then duplicated by some 1,300 local code authorities and an array of Federal agencies. This has resulted in confusion and waste. It is now estimated that the Federal Government spends approximately one-half billion dollars annually on standards activities and the private sector 1 billion. Most of the duplication, confusion, and waste could be reduced considerably if the United States had a national policy on standards, including a body to manage and coordinate all national standards activities. We are the only industrialized country that lacks such a policy.

The management and coordination of standards activities are now carried out by a private organization, the American National Standards Institute, incorporated in the State of New York. But ANSI's efforts have done little to make the system work smoothly and effectively. As the Stanford Research Institute pointed out in 1971, U.S. standardization activities have "the aspect of a jungle enshrouded in a light mist." Moreover, as Prof. David Hemenway points out in his book, "Industrywide Voluntary Product Standards," ANSI is dominated by and financially dependent upon the larger firms, and lacks the broad-base support necessary to accomplish the task of managing and coordinating our standards activities. More importantly, ANSI has been implicated in much of the abuse attributed to the private standards process, as I outlined in two examples.

Recently, the Hittman Associates, Inc. conducted a study of the process for ERDA to determine why energy-savings devices found it so difficult to make it into the marketplace. Among the many reasons that Hittman noted was the absence of a central information source accessible to small manufacturers. The study recommended that the Government create a Federal office to disseminate information in this area.

Federal, State, and local governments also give credibility to existing standards practices by permitting employees to serve on standards committees. During the subcommittee's investigation, we heard charges that Government employees often end up promoting the interest of a particular company or industry rather than the public interest. One witness who testified on this legislation in the 94th Congress put it this way:

Some of the people from the Federal Government are certainly dedicated and qualified to sit on these committees, but some of them received the appointments as a sort of reward, to get a trip, a couple of days during the year to go off and sit with these people from the private sector on some committee matter, without too much preparation of their own as to what is before them when they are voting.

The witness related an incident involving an employe of HUD who intended to vote with an industry group to promulgate an anticompetitive standard. The witness noted that there was evidence of potential price-fixing and described the intervention of the Administrator of HUD in canceling the employee's trip. An antitrust action was subsequently filed against the private organizations involved, and the suit was ultimately settled out of court.

I do not mean to suggest that Federal employees should not be allowed to participate in private standards activities; I support their participation, but we must also set forth a code of conduct to insure that they represent the interest of the general public. Today, the National Bureau of Standards is the only Federal agency that has any guidelines for employees participating in private standards activities.

In recent months, the Department of Commerce has taken the final step toward giving the Federal Government's blessings to the established standards developers. The Office of Management and Budget has proposed a policy, developed by the Department, to govern Federal interaction with private standards developers. I agree with many of the stated goals of the program, but I am alarmed by the possibility that it may further entrench the failings of the existing system. It lacks any safeguards to deal with the inherent restraint of trade via standards: it ignores the fact that standards organizations fail to provide for elementary due process; it fails to acknowledge that the standards committees are dominated by the large manufacturers; it fails to acknowledge that these organizations do not provide for appeals to a disinterested party; and more importantly, it closes its eyes to the documented anticompetitive conduct of ANSI and ASME, and lists them by name in the OMB Circular which announced the program.

Earlier, I noted that the United States is the only industrialized country without a national policy toward standards; such a policy is all the more important because of international standards. International standards activity has increased considerably in the last 20 years. However, U.S. participation has been less than effective, because we lack official representation.

Numerous reports have addressed this problem. For example, the Stanford Research Report, mentioned earlier, pointed out that—

It [the lack of official representation] places the U.S. at a disadvantage because many foreign national standards bodies re-

ceive government support and send large official delegations.

International standards will not go away. The cold hard facts are that international standards will increase as international trade increases and, unless the United States comes forth with a means to participate effectively, I am convinced that we will soon see our weak position reflected in the balance of payments and the balance of trade.

Another important aspect of the standardization process is product testing and certification. More and more the private sector and the Government require that products be tested and certified as meeting reference standards. While there are over 1,300 independent laboratories in this country, the bulk of the work is done by three or four. This is because over the years these laboratories have gained a quasimonopoly position. Government has played a large role in creating this monopoly by writing the names of specific labs into codes, regulations, and procurement specifications. The result is that a single laboratory becomes the only show in town. Today, a manufacturer of electrical appliances cannot market its product nationally without the UL seal; the same is true for the AGA seal in the gas appliance field.

The laboratories which have succeeded in gaining quasimonopoly status tend to be tied in one form or another to a standards developer. Indeed, some laboratories write their own standards. Thus, the process of standards writing and product testing/certification is highly intertwined. The leaders in both categories work hard to give integrity to each other's product. The energy-saving devices mentioned earlier fell victim to this marriage of conflicting interests.

Again, Government action reinforces industry abuses: When California's Occupational Safety and Health Administration revised its definition of the term "Approvals," it clarified the term by equating it with products approved by only two named—private—laboratories—Underwriters' Laboratories and Factory Mutual Engineering. Such action has made it impossible for many good laboratories to compete effectively in this line of commercial activity. During the Antitrust and Monopoly Subcommittee's investigation, it became apparent many people thought UL was a Federal agency.

The bottleneck in testing and certifying labs creates the same sort of possibility as standards writing does. It serves as a convenient way not only to restrain trade, but also to keep products off the market, because of a "lack of available testing laboratories." The Hittman study mentioned earlier listed "a limited number of nationally recognized certifying laboratories" as an obstacle to energy-savings devices seeking market entry.

The handicap arising from the inability to get your product tested and listed by one of these so-called "nationally recognized testing laboratories" can be tremendous. One witness put it this way when his company was unable to get its product listed:

We were promptly out of business.

I end by saying that while the impact of standardization can be positive, it can cause serious competition and consumer problems if controlled by powerful groups with strong motivations to enhance their own economic positions and to protect their own products. It is time that we once and for all place our standardization process on its proper course and provide the necessary safeguards to make sure it remains on course. The Voluntary Standards and Accreditation Act will—

Establish uniform procedures for standards developers, testers, and certifiers;

Insure open access and due process to all affected interests;

Eliminate the anticompetitive and deceptive conduct that now exist in the standardization process;

Eliminate the duplication, confusion and waste of the present system;

Insure that national standards activities are managed and coordinated effectively;

Insure that the U.S. interest in international standards activity is adequately represented;

Eliminate the quasimonopoly status that a few laboratories have achieved;

Insure that laboratories perform their intended purpose without unduly restricting consumer choice; and

Insure that all national standards activity is consistent with our free enterprise system.

Mr. President, I ask unanimous consent that the bill, a detailed analysis of the bill, and the exhibits noted earlier be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXHIBIT 1

[Research and Utilization Department, Laboratory Report L 9-10 (Research and Utilization Laboratory)]

INTERIM REPORT ON THE VENT-O-MATIC HEAT SAVING DEVICE

(Written by: David M. Mitchell; testing by David M. Mitchell, James P. Thomas; reviewed by John F. Kane, Jr.; approved by Eugene C. Moran)

OBJECT

The purpose of this assignment was to investigate the "Vent-O-Matic," a damping device made by the Save Fuel Corporation. The company literature claimed a savings on heating costs of $7.12 per month. An investigation was made of the validity of the company's claim.

SUMMARY

It was found that the savings figure quoted in the advertising literature was approximately correct. However, the manufacturer neglected a small leakage due to incomplete sealing of the flue when the damper was closed. The savings would be loss ($5.00, rather than $7.12) if the vent were 5" rather than 6" in diameter. Also, a slight reduction in savings would occur if the venting arrangement contained a lateral leg.

Caution must be taken to install the Vent-O-Matic below the water heater connection because the heater's controls, being mechanical rather than electrical, cannot be connected to the Vent-O-Matic. Otherwise, total spillage of the water heater will result during its operation. Consequently, with proper installation, there will still be a loss of heat from the house through the water heater vent. Installation may also require replacement of the system transformer.

Considerable savings can be realized, however, through proper use of the Vent-O-Matic. The exact savings will vary according to several factors with each specific installation.

The cost to the Laboratory of the Vent-O-Matic was $36.58. It is estimated that the installed cost would be in the vicinity of $100.00 or better. Thus, the cost would be recovered in two to three years, provided that savings estimates are approximately correct.

The unit operated satisfactorily during test.

DESCRIPTION

The Vent-O-Matic consists of a chrome-plated vent pipe section which can be inserted in the furnace vent. Inside this section is a damper which, powered by a solenoid, opens automatically just before main burner ignition. When the burner is off, the damper is spring-closed. The solenoid unit is mounted to the chrome-plated vent section and wired to the furnace controls through an interlock switch intended to prevent gas being supplied to the burner. The solenoid operates on d-c and has a rectifier connected across it.

For a complete description and the wiring diagram see the manufacturer's literature in Appendix E.

PROCEDURE

The Vent-O-Matic was set up in a duct for flow tests. Several pressures were created on the furnace side of the closed damper by a variable-flow fan. At each of these pressures velocity readings were taken on the upstream side of the damper to determine leakage through the Vent-O-Matic. Readings were taken with both anemometer and anemotherm (see Appendix D for data and graph). A flat plate orifice area was found by test which, when replacing the Vent-O-Matic, allowed the same leakage at each of the various created pressures. The savings were then calculated and compared with those of the manufacturer. Also the unit's operation was checked.

The Vent-O-Matic will now be installed for field test and a final report will be issued after sufficient data has been gathered.

OPERATION

When the thermostat calls for heat, the solenoid is activated, opening the damper and driving a cam, the follower of which activates an interlock switch only when the damper is wide open. At the time the switch makes, it completes the circuit to the main burner gas valve. If the solenoid is bad, the switch will not be activated and there will be no gas flow. Also, if the switch fails to close, the valve will not open. The cam is secured to the damper shaft with a pin and will not slip unless the pin is sheared. A spring is used to close the damper and if the spring is broken, the damper will not close.

The only apparent cause of unsafe failure appears to be the switch contacts sticking closed. However, with the type of microswitch used and the low voltage employed, this does not appear too likely. Thus, it may be assumed that there is adequate safety in operation.

The unit draws approximately 14 Volt-amperes and when it is installed, its consumption should be added to that of the existing system to determine whether the transformer should be replaced.

DISCUSSION AND RESULTS

The manufacturer claimed a natural draft of 235 cubic feet per minute for a 20' straight furnace vent pipe, 6" in diameter, with weather conditions of 33° F. outside and a 17 miles per hour wind blowing horizontally. The inside temperature was given as 75° F. All the manufacturer's assumed conditions of operation may be found in Appendix E.

The draft was found using the Bernoulli equation, modified to include any velocity losses. The answer obtained was 210 cfm (see Appendix B). However, an assumption that the temperature difference had a negligible effect on the pressure difference inside and outside the vent, was necessary. The total change of pressure due to the wind effect was calculated following the proce-

dure described in the Gas Engineer's Handbook considering the vent to be capped.

The flow result was checked in a different manner. The Kinkead formula was used to find the draft due to the temperature difference. The pressure created by the wind was found and resultant flow calculated, as done for the Bernoulli equation. The results were combined in a manner similar to one shown in the ASHRAE Guide, producing an answer of 236 cubic feet per minute (Appendix A).

In finding the leakage flow, an orifice discharge coefficient of 0.61 was used in an appropriate orifice formula revealing a loss of 13.4 cfm. Thus, the total flow saved was approximately 223 cfm (see Appendix A).

Assuming burner operation during 30 percent of each day at 70 percent efficiency, with averaged size furnace and typical costs for gas and electricity, a total savings of $7.20/month was found (see Appendix A)

This answer agreed closely with $7.12 found by the manufacturer. The discrepancy was due partially to the manufacturer's use of a different specific heat value for the gases.

It must be noted that the amount saved is dependent on a variety of factors. If the furnace operated during 50 percent of the day, rather than the 30 percent used by the manufacturer, there would only be 5/7 the savings or approximately $5.15. Also, if the furnace had a lower rating, the cost of the fan operation would be higher, and if the vent were 5" in diameter, rather than 6" as used in the calculations, there would be a proportionally lower savings of about $5.00 (see Appendix C)

An important consideration during installation is the placement of the Vent-O-Matic. If the water heater exhausts into the same vent as the furnace, the Vent-O-Matic must be placed on the furnace side of the water heater connection. The Vent-O-Matic cannot be operated by normal water heater controls. Products of combustion from the water heater would be trapped in the house by a Vent-O-Matic placed downstream of the water heater exhaust line.

If the Vent-O-Matic were properly installed, there would still be a heat loss from the house through the water heater vent. Under similar weather conditions the water heater would discharge 105 cfm from the house (see Appendix C).

The specific venting arrangement must also be considered. The typical furnace does not have 20' of straight vertical vent. Most furnace vents have a lateral leg tying into a main vent or chimney which also exhausts the water heater.

The lateral leg would offer a little resistance to the flow. Also, the resistance of a cold stack can cause spillage at the start of burner operation. Since the flue is, in effect, sealed off by the damper, it will tend to cool more rapidly than with normal operation.

The Vent-O-Matic was cycled a number of times during the test and performed satisfactorily on each occasion. It will be installed in the field for further test.

NOVEMBER 27, 1972.

RICHARD RANGER,
Connecticut Natural Gas Co.,
Hartford, Conn.

DEAR DICK: Please find enclosed a copy of all our tests in the Northeast area. Note that our average savings ran: 14.7 percent Brooklyn Union Gas Co.; 11.4 percent, 10.1 percent Connecticut Natural Gas Co.; 8.8 percent, Southern Connecticut Gas Co.

As we discussed on November 15th, the results are all approximately in the same ballpark. I believe this is a substantial savings to the consumer and as you pointed out, the safety problem can be easily resolved by attaching a heat sensitive switch on the draft diverter that will break the circuit between the pilot light and the pilot light valve.

I hope the enclosed information will give you adequate results confirming that the Vent-O-Matic does produce safe and substantial savings. I am,

Sincerely yours,

PETER C. QUINN.

THE FURNACE GADGET YOU CAN'T BUY

(By Robert Sherrill)

This is the story of how Americans, by being deprived of a device that could retail for $10, must spend millions of dollars each year for energy that otherwise would not be needed. Money in that quantity makes the story important, but even beyond that it is important on the premise that at present the United States' problem is really not energy consumption—lavish though that may be—but energy waste. If autos and furnaces and other energy maws were made to operate as efficiently as their manufacturers knew how to make them, we would have an energy surplus for years to come. Furthermore, we would not only be independent of the Mideast rip-off artists, but would be able to use some of our surplus to drive down the world price and thereby assist the nonrich nations that are swiftly going bankrupt at current prices.

The greatest waste of energy in boilers, furnaces and hot-water heaters is in the escape of the heated air. Instead of heating rooms or heating water, it goes up the flue and into the outside world. Every oil or gas furnace, boiler and hot-water heater is equipped with a vent that permits toxic fumes, which are created when the flame is burning, to escape to the atmosphere. That's good. But all these appliances operate on an alternating on-off cycle, yet when the flame is off, the vent pipe—the flue—stays open and the hot air continues to escape. That's bad.

Just how bad was testified to recently by Roger Sant, who runs the Federal Energy Administration's office of energy conservation. He admitted that a typical oil or gas-fired home-heating furnace delivers less than 50 percent of the heat content of the fuel burned. The rest is lost, most of it up the flue. Sant further concedes that the year-around efficiency of a hot-water heater is even less than 50 percent.

Obviously, if a damper were put in the flue to block the escape of heat during the off phase of the cycle, the savings would be enormous. The full 50 percent waste would not be recovered; the damper would not be that efficient, and there are other loss factors. But the gain would still be impressive.

According to figures supplied by Sant and by John Ray, an energy expert on the Senate Antitrust and Monopoly Subcommittee, the probable savings would come to between 400,000 and 1 million barrels of oil (or the equivalent) each day. If you take the upper figure, which is the more realistic, it means that simply by installing dampers in the nation's furnaces and hot-water heaters, we would have nearly enough oil and gas to achieve energy independence.

Sant estimates that dampers would bring a 10 per cent savings; that's a very conservative guess. In Germany, where dampers have been used for more than forty years on gas-fired heaters, the savings have usually amounted to at least 16 or 17 per cent, and sometimes as much as 30 per cent. Not surprisingly, vent dampers are considered standard equipment for furnaces in Germany, Switzerland, Austria and a number of other European countries where the price of energy has always been high and methods of conserving it have been adopted intelligently.

But not in this country.

It was somewhat ironic, therefore, for the government to publish a brochure entitled "300 Hints to Save Energy" which advised the consumer: "Install automatic furnace flue dampers to stop loss of hot air up the stack during periods when the furnace is in the off cycle." Good advice. But for all practical purposes, no automatic furnace dampers can be purchased in the United States for installation in existing furnaces.

The government also put out a brochure entitled "Tips for Savers." On page 14 it says: "When buying a new furnace select one that incorporates an automatic flue gas damper, a device which reduces loss of heat when the furnace is not in operation." Again, very good advice indeed. But the maddening, thing is that no furnaces now being manufactured incorporate an automatic flue gas damper.

This situation exists because the oil and gas industry has successfully opposed the installation of dampers. Its motive is obvious enough: as long as an artificial shortage of oil and gas can be maintained, prices can be kept high.

But of course motive is not enough to do the job; the industry must also have a method for blocking the conservation device Its method is simple: it controls the standardization process. Sen. James Abourezk, acting chairman of the Senate Antitrust and Monopoly Subcommittee, recently held hearings that uncovered this classic technique of cut-throat capitalism. As he explained at the outset:

Voluntary standards generally are developed and adopted by industry groups. By themselves, they have no force of law, but customarily, cities, states and the federal government adopt the standards as their own. Thus, a voluntary standard quickly turns into law as a city ordinance or a specification for federal purchasing. These standards are responsible for producing better and safer products, but all too often, they seem to give the customer less efficient and more costly products to choose from. . . .

In the business world, where such groups as the American Society of Mechanical Engineers, Underwriters Laboratory, and the American Gas Association are familiar powers, the stakes are high, but everyone knows the rules.

The rules are: if the product hasn't been certified by ASME or UL or AGA, don't buy it.

Eleven years ago Charles and Bill Diehl, brothers, of Little Rock, Ark., patented a thermal damper that was similar in many ways to one that has been used for many years in Germany. But they did not have enough money to perfect, manufacture and market their damper. So they went to Charles E. Woolfolk, advertising manager of a chemical company, for help. Woolfolk and his brother eventually bought out the Diehls' share of the original company, Save-Fuel Corporation.

Woolfolk saw immediately that the device was a good one—simple and cheap and almost foolproof. The basic principle was that of the standard bi-metal coil: when the furnace went on, heat would build up in the vent pipe and one of the metals would expand, causing the damper plate to open. When the furnace went off, the vent pipe cooled down, and the damper closed. Cost of each device: about $10.

Some 2 million thermal-operated dampers of that kind are operating in Germany today, so they must be reasonably safe and they must give reasonably efficient service. But the Save-Fuel gadget immediately ran into a deadly industrial assault. Utility companies, which wanted to sell gas, not save it, began threatening to refuse to service any furnace equipped with the damper until it was approved by the American Gas Association.

That was 1967 and Woolfolk admits that he and his partners were still pretty naive. "We had to make a decision as to whether we would go to court and fight the utility companies," he said, "or make a unit that would be satisfactory to AGA and, thus, satisfactory to the utility companies. We were not well

schooled in 1967 so we decided to go the AGA route."

AGA told Save-Fuel that it would not accept a thermally activated damper. It demanded that Save-Fuel make a unit that would be electrically operated and interlocked with the thermostat, so that the damper's plate would open prior to the ignition of the burner. AGA was making this stipulation, so it said, in the interest of safety.

O.K., said Woolfolk, he would do it, even though this was a stupid precaution and even though the resulting damper would cost about $100. Save-Fuel made the required changes and took it to the AGA for testing. Again the AGA rejected it, this time because the new damper created a small obstruction in the vent pipe.

Once again Save-Fuel adjusted its design and, to prove beyond question that its damper would work, induced Southwest Manufacturing Company, makers of Heat-Wave Furnaces, to put the prototype dampers on HeatWave furnaces then going through the AGA's laboratory.

This time the AGA seem to have run out of excuses for refusing and it did come through with a certificate for Save-Fuel's damper, to be marketed under the name Vent-O-Matic. So the company set up a sales force and began advertising through trade journals. But no sooner had the ads begun appearing than the big private utility companies began to yell, and the AGA responded immediately to their pain. It told Woolfolk that he had misunderstood the certification; it said it hadn't certified Vent-O-Matic for general sale but for use on the HeatWave Furnaces only.

Since there are about 800 other furnaces in competition with HeatWave, that amounted to no certification at all. And just to make sure that Woolfolk understood its position, the AGA informed him that it could not issue a general certification until the American National Standards Institute established standards for dampers. The ANSI, a private agency, despite its official-sounding name, seemed in no hurry to do this.

At that point, Save-Fuel was left with only two possible outlets of any significance. It could sell its product in Canada, and it could sell its dampers to individual public utility companies that, because they were taxpayer-oriented, might be eager to save fuel. Woolfolk took the Vent-O-Matic to Canada. After rigorous testing—cycling it 100,000 times—the Canadian Gas Association in 1970 certified the device as safe. But then the same thing happened. The certification was withdrawn in 1971. Why? That isn't entirely clear, but two things are: (*1*) Two-thirds of the money the CGA gets for its testing program comes from private industry and could be withdrawn by private industry if the CGA came up with certifications that offended the industry; and (*2*) the natural gas industry in Canada is tightly bound to the natural gas industry in this country, meaning the AGA. In any event, under questioning by Senator Abourezk, officials of both the Canadian Gas Association and of the Canadian Gas Research Institute acknowledged that withdrawal of the certification of the Vent-O-Matic was *not* because they had found any defects in it. Quite the contrary.

So Woolfolk began knocking on the door of publicly owned utility companies. He was welcomed by Memphis Gas, Light and Water—a city department. Research officials employed by the city subjected the Vent-O-Matic to the usual tests and were convinced of its virtues. One told a reporter for the Memphis *Press-Scimitar*, "MGL&W is all for the damper. We know it is fully tested and ready for use and it is completely safe." Another MGL&W official said that fuel savings ranged from 12 to 37 per cent, depending on the furnace. An additional bonus, he said, was that "life of the furnace is prolonged from 50 to 60 per cent with the use of the damper."

But then something happened. F. Donald Hart, president of the American Gas Association, went to Memphis in 1972. He said the purpose of his visit had nothing to do with the Vent-O-Matic. Or at least not specifically. "I had a daughter in a hospital in Memphis," he explained, "and I spent quite a bit of time there."

However, not all his time was spent at the hospital. "Whenever I am in a city where there is a member company," he added, "I try to visit that member company, if I can conveniently do it. I did this in the case of the Memphis company [MGL&W]. We did discuss the Vent-O-Matic device and the Anderson article."

What he meant by "the Anderson article" was an October 23, 1972 column by Jack Anderson in which he had charged:

A device that would cut the homeowners' gas bills by 20 to 30 per cent has been kept off the market by the American Gas Association.

The fuel saver, known as Vent-O-Matic, is an automatic damper which can be attached in the flue of a gas furnace. It has been approved by the Canadian Gas Association, which tested the device and found it safe.

But the AGA, after four years of stalling, still hasn't even started the testing. . . .

That column infuriated the AGA. Instead of softening under public exposure, its officials and member organizations hardened. Wherever the Vent-O-Matic seemed to be getting a fair audience and the possibility of use—for a while Seattle seemed likely to bring the device into its municipal system and then backed away—the AGA put the screws on. After AGA President Hart's visit to Memphis, the MGL&W began telling prospective customers that it no longer considered Vent-O-Matic to be certifiably safe and that customers could use it at their own risk. Naturally, sales fell drastically. Save-Fuel could take no more. It did not go bankrupt but it is, says Woolfolk, "inactive."

Was there any justice in the way the AGA sabotaged the Vent-O-Matic? The only logical grounds the AGA could possibly have for opposing the sale of a damper would be that it was unsafe. But Save-Fuel's device was tested by the AGA's own engineers and found to be safe; it was tested by Canadian engineers and found to be safe; it was tested by Memphis' engineers and found to be safe.

If the AGA wanted further proof of Vent-O-Matic's safety, it could have uncovered the proof in Germany. The German experience, as disclosed at the Antitrust Subcommittee hearings, is worth review here. Testimony came from Dr. Manfred John, a testing engineer for the Engler-Bunte Institut, and from Luitpold Kutzner, managing partner of Kutzner-Weber, one of Germany's largest manufacturers of dampers. This is their story:

A number of vent dampers were developed as early as 1932. The earliest one—and for several decades it was the only one in use—was the thermally activated damper. Ninety-nine per cent of the automatic dampers used in Germany, Austria and Switzerland are still the thermal kind—the kind that the AGA refused to accept, telling Woolfolk to go back and manufacture an electrically activated damper. The AGA said thermally activated dampers are horribly unsafe. Has Germany found them to be unsafe? About 900,000 units of a 1932 thermal damper were sold. Then fatal accidents happened with the appliance—but *all* of these accidents occurred years after the original installation. They were the fault of repairmen who didn't know their business. In only one case—one—did the damper itself fail to operate correctly, and that occurred only after it has been overheated to 900 degrees Farenheit, twice the maximum permitted.

Another model of the thermal damper was put on the German market in 1960. Half a million units were sold. One fatal accident has occurred where a 1960 model was installed, and the fault lay not with the damper: it was caused by a backdraft that could have been fatal whether or not the damper was in place. Another thermal model was developed in 1967; 1.5 million units have been sold. There have been no reports of accidents or malfunctions.

That's a total of nearly 3 million thermal dampers in use over the past forty-three years, with eleven fatal accidents, but none of the accidents were traceable to the units themselves when properly used. That has to be considered an impressive record.

Moreover, German engineers concede that if an electrically operated damper had been used, there would not have been even the eleven accidents per 3 million units.

On this point the following exchange took place between Senator Abourezk and Dr. John, the German engineer:

Abourezk: Now, have you had the opportunity to examine the electric solenoid device manufactured by the Save-Fuel Corporation?

John: No, we did not test it, but we had similar constructions in Germany that can be compared by technical reasons to this construction and they have passed our tests.

Abourezk: And you have seen this device?

John: Yes, I have seen it this morning and yesterday. The German constructions using a solenoid are quite similar to this construction.

Abourezk: And have you also seen a design and wiring diagram of this device, the Save-Fuel device?

John: Yes.

Abourezk: Now, in your opinion, if that device, the Save-Fuel device, is manufactured properly, is it a fail-safe damper?

John: Yes.

There you have it from one of Germany's leading experts, and he bases his judgment not merely on laboratory experience but on many billions of hours of damper use in homes.

So what's holding up the testing and certification of these extremely valuable gadgets for use in this country? The answer is a classic Catch-22 runaround. AGA President Hart says his organization would be absolutely delighted to test a damper and certify it for general use, under conditions dictated by the AGA. And what are those conditions? Hart explains: "AGA is not trying to prevent the marketing and sale and installation of any device, providing it is safe and meets *an adopted national standard.*" O.K., great. So why hasn't Vent-O-Matic passed the standards? Because there are no such standards. The standards would have to be set by the American National Standards Institute's Z–21 Committee. "We tried to get a standard prepared" by the Z–21 Committee, Hart insists. But the Z–21 Committee voted not to set a standard. And who dominates the Z–21 Committee, in influence if not numerically? The representatives of the AGA, that's who. A member of the AGA is even secretary of the Z–21 Committee. Nevertheless, Hart says with a straight face that he and the AGA are helpless: "We leave it [the setting of standards] in the hands of the Z–21 Committee, through their deliberations, and their objective studies," and the AGA, he claims, exerts no pressure whatsoever.

So there you are: the AGA won't approve dampers until there is a national standard for dampers, and the ANSI's Z–21 Committee, which AGA dominates, won't set the standards. But the AGA wants you to believe that it is not interfering in the market.

That's the circle this thing has been going on for eight years, and no end is in sight. Using American Petroleum Institute figures, it

means that because this nation has been deprived of a device common in Europe, we have over the past eight years wasted, up the flue, the equivalent of enough energy to meet all our energy needs—autos, factories, power plants, everything—for a six-month period. And we will go on wasting at that rate, or greater, until the American Gas Association gives us a break.

EXHIBIT 3

"60 MINUTES"

COLD COMFORT

MORLEY SAFER. Cold comfort is all about keeping warm. If you've just paid a fuel bill, you don't have to be reminded how much the price of heating your home has gone up in the past few years.

Well, escape from that grim thought for a moment, and imagine with us that someone produced a gadget for your furnace that would cut that bill down by a quarter—and reduce our dependence on foreign oil. In such a fantasy such a man would become rich and famous and the gadget would be on every furnace in the land. Chalk one up for good old American ingenuity! Right? You couldn't be more wrong. Herewith our story, and it is no fantasy.

A good place to begin is the American Gas Association, a private trade organization representing the gas industry. We interviewed AGA President George Lawrence; and Frank Hodgdon, manager of the AGA laboratories.

Mr. Lawrence, how efficiently would you say we burn the gas that we burn, in terms of the existing appliances, furnaces mainly?

LAWRENCE. Well, I would ask Mr. Hodgdon to comment and amplify on this, but I would say the—the average furnace efficiency is in the range of seventy-five percent of the gas that's actually input.

HODGDON. That's exactly right, Bud. It is at least seventy-five percent in home heating furnaces. And, of course, this kind of efficiency has been going on for many years.

SAFER. Seventy-five percent efficiency. Remember that figure.

Mrs. HUNT [employee on phone]. Gas company service, Mrs. Hunt.

SAFER. This is the headquarters of the Michigan Consolidated Gas Company in Detroit. Last year, the company evaluated two hundred and twenty-five homes to find out just how efficiently furnaces functioned in actual use. We spoke to the President of Michigan Consolidated, Charles Montgomery and Engineer John Turko.

TURKO. Among those that we had in our field test, the two hundred and twenty-five, the efficiency was less than fifty percent.

SAFER. And yet the AGA gives testimony and says that the American furnace is seventy-five percent efficient. How do you account for that?

TURKO. Well, that is a city/state condition in a laboratory. While it's in operation it will give you between seventy-five and eighty percent efficient. But it's when it's in the off position, the amount of heat that still remains in the furnace, that simply goes out the chimney, if you look at it on an annual basis you'll find it to be less than fifty percent here in the Detroit area.

SAFER. If you found that explanation confusing, so did we. But it's worth making the point clear. This is a representation of a gas furnace. And incidentally, we're told that the same basic principles apply to an oil burner as well. Anyway, here is the furnace. And here are the heating ducts leading into your house. Well, while the furnace is on, seventy-five percent of the heat that's produced goes through the ducts and up into the house. So far so good! But now the house is warm enough so the furnace goes off. There's still a lot of heat in the furnace and, because there's an updraft, all that heat gets pulled out of the flue and up the chimney, wasted. What's more, depending on where the furnace is located, a lot of heated air inside the house can also get sucked into this opening in the flue, and it too goes up and out the chimney. More heat wasted. So what's happening is: less than half the fuel we pay for, whether it's gas or oil, actually goes into heating our homes; the rest is wasted.

Now, all this isn't just an abstract numbers game, because what we're talking about amounts to something like two-and-a-half billion dollars a year—or, if you like, the equivalent of six hundred thousand barrels of oil a day. Well, with that much money at stake and that much Arab oil going up the flue, you'd think someone would come up with an idea to save it. Well, someone did—a small businessman and farmer from Tunica, Mississippi, named Charles Woolfolk. What he did was build a 20th-century version of a better mousetrap. But the world never even found out about it. Woolfolk claimed his mousetrap would save us between twenty and thirty percent on our fuel bills. His gadget, called the Vent-O-Matic, was a flue damper. It would open automatically when the furnace was on, letting gases escape, and close when the furnace was off, stopping all that heat from going up the flue. Ten years ago, he began marketing his device. What happened is a sad and complicated story.

WOOLFOLK. We set up a marketing organization. We soon found out that these heating contractors, who were our dealers, said: "Well, our utility company has told us it does not carry the blue seal, which is AGA's seal of approval. So, consequently, you're going to have to obtain that before we can continue to sell them." So we began getting some of our merchandise back.

SAFER. You mean you were frozen out of certain areas by utility companies who refused to service furnaces with this device on, because it didn't bear the seal of approval of the AGA?

WOOLFOLK. That's right.

SAFER. Sounds simple enough. Just get the American Gas Association to give it a seal of approval. And just how do you do that?

WOOLFOLK. They said, "Then you have to have a standard, written for this accessory." How do you get those standards? "Well, you've got to go before the Z–21 Committee."

SAFER. A few words of explanation. The Z–21 Committee is a committee that functions under the rules of an organization called The American National Standards Institute, one of several hundred organizations in the country that set so-called 'voluntary' standards for everything from gas furnaces to mousetraps.

Well, the Z–21 Committee sets the standards for gas appliances and accessories. It's made up of representatives of the gas industry, as well as other interested groups. And although it functions independently, it gets its office space from the American Gas Association, it gets its administrative help from the American Gas Association, and it gets its technical help from the American Gas Association.

WOOLFOLK. I went before the committee. They did nothing for a year. I went back again. They told—I followed up right after I came back home from that meeting. They told me that a Mr. Davis out in California had been appointed Chairman. In writing Mr. Davis, I found that he didn't even know that he had been appointed. And so, another year went by—because, incidentally, this Z–21 Committee only meets once a year.

SAFER. For how long?

WOOLFOLK. Oh, for a day or two days, depending on what the agenda might be.

SAFER. All told, Woolfolk waited almost four years for the Z–21 Committee to set up a task force to look into the matter. Then the task force spent another year. They drafted a standard; recommended it to the full committee. The committee voted overwhelmingly in favor of the standard—but because there were a few objections, a second vote was taken. And this time, a majority was unfavorable. So, after five years, Woolfolk had gotten nowhere.

According to you, the villain in this affair is the AGA, the American Gas Association. But they say, it's not them at all. They need a standard set, a standard set by the American National Standards Institute and its Z–21 Committee.

WOOLFOLK. This is simply a Catch–22. This one's not to blame. This one's not to blame. This one's not the blame. It goes all the way around the circle, and we're right back with AGA, where we started.

LAWRENCE. Clearly, the dominant theme that the American National Standards Institute looked to was safety. Would this be a safe item of equipment? And there was concern as to that from members of that Committee.

SAFER. Well, you say the dominant theme was safety. Some might say the dominant theme was indifference. It took three years just to get a task force together to look at it.

LAWRENCE. I don't think indifference so much, Mr. Safer, as perhaps a caution.

SAFER. Mr. Hodgdon, would you say that the Vent-O-Matic is intrinsically, an unsafe device?

HODGDON. No, not at all. We would be the last ones in the world to say that it's an intrinsically unsafe device, because it isn't. The fact is, however, that there's a great difference——

SAFER. What the safey objections boiled down to was not the Vent-O-Matic itself, but the chance that it might be installed improperly.

So you're saying that you didn't want it on the market because an ignorant man, a do-it-yourselfer, might get a hold of it and kill himself and his family.

HODGON. Yes—causing an asphyxation, if it was very badly done, or something like that. And so what the gas industry is now doing, of course, is to get into the field and make very careful investigations and try to find out what the real situations are in the bulk of installations around the country.

SAFER. What the AGA seems to ignore is the fact that in Memphis, Tennessee, the Vent-O-Matic was carefully investigated in the field years ago, beginning in 1969 when a number of them were installed and tested under the supervision of the then-Chief Gas Inspector of the City of Memphis, Frank Thorn.

THORN. We required that an inspection be made before the unit was put into operation. In other words, we had it controlled to a point that it would be almost impossible to install it in an unsafe manner. I don't see that it should be singled out as one piece of equipment that's being dangerous or unsafe to install, when we have others, as I mentioned, that you can purchase right over the counter, that could be just as dangerous, or more so, if not properly installed.

SAFER. Mr. Thorn said that potentially the most dangerous piece of equipment an amateur could install was a gas valve. So I went into a hardware store and asked for one. feigning even more ignorance than I already have about such things.

I see. Then you've got a leak?

HARDWARE STORE COUNTERMAN. Then you got a leak.

SAFER. The storekeeper sold me an AGA-approved gas valve that, improperly installed, could kill me.

WOOLFOLK. As I see AGA, I think that when we first came to them there was an abundance of gas. They did not want to save any. At that time they built up a position to defend. And even after the energy crisis, they are still defending that position.

SAFER. But at the time, while you're resisting the safety reasons, you're coming up with statistics that show well, the damn

thing doesn't work very well anyway. Your own testing of the device: a zero-to-six percent saving? Nothing!

LAWRENCE. I think that was a test by the Institute of Gas Technology, which—which is a part of the overall AGA research effort. But it did conclude that the saving was—was very nominal, if anything. And even then, I think the conclusion was: you'd have to put one of these on not only the furnace, but the hot water heater. And it was under laboratory test conditions.

SAFER. So what you're saying is that this three-to-six percent business, in your own handout, doesn't bear any relation to reality? It was a lab test in some kind of ideal condition which rarely exists in the real world?

LAWRENCE. Well, it was a lab test under ideal conditions, where we were trying to get a handle at that time on just what the claims of the Vent-O-Matic owner—how reliable they were.

SAFER. Except you used those statistics to knock down the effectiveness of the device.

LAWRENCE. Well, were his claims in a—in an actual home, or a test of that sort? We had no indication as to what those were.

SAFER. Yes, they were carried out by public utilities in Memphis, carried out by public utilities in the State of Michigan, and in Washington.

Mr. Woolfolk claims that in 1972, he furnished the American Gas Association complete information about all tests of the Vent-O-Matic, all showing far better results than the AGA's negative findings. The most extensive were conducted in Memphis, between 1969 and 1972, by the city's utility company: Memphis Light, Gas and Water. And they showed average savings between twenty and thirty percent.

The Federal Energy Administration says that gas flue damping device, a flue damping device, may be the most important contribution that can be made short of everyone in the country instantly driving a compact car.

LAWRENCE. Well, I guess, Mr. Safer, it's those sort of exaggerated claims that our tests just do not bear out that do prompt our people to be cautious and a little more conservative. Our tests don't show it; our tests still don't show it, even the ones that—

SAFER. You say your tests are better than the Michigan tests?

LAWRENCE. I'm talking about the Michigan tests.

SAFER. The Michigan tests bring us back to Detroit, and the Michigan Consolidated Gas Company. Last year, Michigan Consolidated installed a number of energy-saving devices in homes in the Detroit area. Included were eighty-one Vent-O-Matics which were tested for a year—the most thorough tests yet carried out.

The fact is: on the Vent-O-Matic, on that device there, your tests showed substantial savings using that. Correct?

MONTGOMERY. Yes, that's right.

SAFER. The AGA's tests showed no savings. Zero-to-what? Three or four percent?

MONTGOMERY. You understand, we installed this—this instrument in homes and it was operating under real live—real life situations. So what—what we discovered is what actually happened. Now, we believe those results to be fair.

SAFER. In fact, the Vent-O-Matic savings averaged 23.4 percent—exactly in the range Charles Woolfolk had been claiming all along. But Michigan Consolidated also tested some other devices, based on their discovery that furnaces are inefficient. They determined that the average furnace was more than twice as big as it had to be. So they came up with a simple one-dollar device that reduces the amount of gas going into the furnace—in effect, making the furnace smaller. They also determined that the average chimney flue is seventeen times bigger than it has to be. So they built another little gadget, costing ten dollars, that reduces the diameter of the flue and allows less heat to escape.

Mr. Turko, the—the idea that the American furnace and the American flue are not very efficient devices is nothing new. It's been known for a long time. Correct?

TURKO. That's true.

SAFER. How long?

TURKO. Well, we—probably since Ben Franklin?

SAFER [laughing]. Since Ben Franklin?

The two Michigan Consolidated devices save about as much as the Vent-O-Matic. But because they're cheaper and simpler, they're the ones the company is recommending.

Just within the last couple of months, Michigan Consolidated has become a mecca—its test homes visited by utilities people from around the country, all of them drawn by the revelation that furnaces are not very efficient after all, and that it's not so difficult to save billions of dollars worth of gas with a couple of simple inexpensive devices.

WOMAN [at business meeting presentation]. The Vent-O-Matic, as you recall, afforded a twenty-four percent savings

SAFER. Of course, the devices won't be on the market for at least a couple of years, what with having to set new standards and all. Meanwhile, gas prices are apt to double.

WOMAN [at business meeting]. It doesn't include labor.

SAFER. As for Charles Woolfolk, he's heavily in debt. His company is bankrupt and the last few Vent-O-Matics are lying in a barn on the family farm.

WOOLFOLK. It would be hard for me to tell you how much money has really gone into it. According to our records, the cash dollars that we have put in has been in excess of a half-a-million. That doesn't include eight years of my time with no salary.

SAFER. Do you see it as a conspiracy to keep this off the market?

WOOLFOLK. I don't know whether it's a conspiracy or I don't know—maybe it's just that I'm not a member of the club.

SAFER. And now the final irony! Back in 1973 the government published a list of "300 Hints to Save Energy". It was read into the Congressional Record. Let me quote one of those hints. "Install automatic furnace flue dampers to stop loss of hot air up the stack during periods when the furnace is in the off cycle." End of hint. We could not, of course, take the hint because flue dampers were not available for your furnace and mine because they do not meet a standard. The reason they don't meet a standard is that no standard exists. Pretty cold comfort for Charles Woolfolk, and the rest of us, this winter.

EXHIBIT 4

OFFICIAL AT ITT UNIT DESTROYED LETTERS AFTER JOURNAL QUESTIONED SOME PRACTICES

(By Priscilla S. Meyer)

Staff Reporter of The Wall Street Journal

NEW YORK—A retired official of an International Telephone & Telegraph Corp. subsidiary disclosed in testimony before a Senate subcommittee that last summer, while he was still with the company, he destroyed certain letters in his file after The Wall Street Journal began questioning the unit's competitive practices.

"I was scared," John James told the Senate Subcommittee on Antitrust and Monopoly, which is investigating the effectiveness of voluntary industry standards. "I have been associated with code and standard-making activities for many years, and this was the first time in all of that experience that I had had anybody question the propriety of the way I conducted myself in connection with this type of work," he said.

Mr. James retired in January as vice president, research, for McDonnell & Miller Inc., a boiler-control maker acquired by ITT in late 1971. Simultaneously with his job at McDonnell, he served as vice chairman and then chairman of the American Society of Mechanical Engineers' boiler code committee.

Last July this newspaper reported on certain problems Hydrolevel Corp., a small Farmingdale, N.Y., maker of boiler controls, was having as a result of a marketing ploy of McDonnell, which has more than 85% of this $10 million annual market.

At issue were the circumstances under which McDonnell obtained and circulated a letter from the society, the industry standard-setting organization, implying Hydrolevel's control didn't meet industry standards. Hydrolevel had just made its first big sale.

As a result of the letter, Hydrolevel saw potential sales dry up, even though the society eventually confirmed in a letter to Hydrolevel that its control did meet the standards. As of last July neither the Federal Trade Commission nor anyone else seemed much interested in Hydrolevel's plight.

Last month McDonnell officials testified before the Senate subcommittee that before sending the query to the society that resulted in the letter, they broached the question of an exchange of letters at a dinner in Chicago with T. R. Hardin, an insurance official who headed the society committee.

Next, according to testimony, came a carefully worded draft of a question about the type of boiler control made by Hydrolevel that was, in fact, shuttled back and forth between Mr. James and Mr. Hardin (for suggested changes) before it was officially mailed to the society (which then sent the question to Mr. Hardin for reply.)

It's the correspondence between Mr. Hardin and Mr. James over the first letter of inquiry from McDonnell that Mr. James said he destroyed.

Finally, Mr. Hardin replied to the society, and this is the letter that when read without the original carefully worded question incorrectly implied that Hydrolevel's control violates the boiler code.

Then, according to the testimony of Eugene Mitchell, McDonnell's vice president, sales, McDonnell prepared a looseleaf notebook for use at its regional sales meetings that included the misleading society letter. It also included a "personal and confidential" memo stating that time delay—the type boiler control made by Hydrolevel—"would very definitely be against the (society's) code." It told its salesmen, "This should definitely be brought to the attention of anyone considering the device which included a time delay in the low water cutoff."

Mr. Mitchell accompanied the notebook with a speech, "The Opposition—Who They Are and How to Beat Them."

Mr. James said he disqualified himself from the society committee that took up Hydrolevel's complaint. The little company complained to the society when it discovered from potential customers the existence of the society's letter to McDonnell that implied Hydrolevel's control didn't meet society standards. Mr. James also testified, however, he later got back into the act and actually drafted a key paragraph of the final letter sent from the society to Hydrolevel.

The McDonnell officials testified they never discussed with anyone at the society the dinner and exchange of correspondence with Mr. Hardin, the destruction of that correspondence or the sales notebook that used the society's letter in connection with the

"Beat Them" speech. Does the society believe it has been duped

After reviewing the testimony, an arm of the society came up with a conclusion that appears in the current issue of Mechanical Engineering. It commends Mr. James on his testimony and says the society's Professional Practice Committee "finds no improper or unethical conduct in his actions."

EXHIBIT 5

KNOCKING THE COMPETITION—HOW RIVAL'S USE "INDUSTRY CODE" REPORT CREATED PROBLEMS FOR A TINY COMPANY

(By Priscilla S. Meyer)

NEW YORK.—For the past three years, Russell Rymer has spent more time defending his product than selling it.

Mr. Rymer is president of Hydrolevel Corp., a Farmingdale, N.Y., company that makes boiler controls—hardly the sort of product likely to fire a simmering controversy. Yet lately, controversy has stalked Mr. Rymer wherever he goes, especially on sales calls.

Just a few weeks ago, for example, he was in the midst of a demonstration when the customer glanced archly at the Hydrolevel control and snapped, "I understand this doesn't meet the industry code."

In Mr. Rymer's business, that's a very serious charge. The code of standards for manufacture and design of boiler controls is set by a professional group, the American Society of Mechanical Engineers. Failure to pass muster with the ASME makes a product virtually unsalable.

Though the ASME confirms that the Hydrolevel control decidedly does meet its standards, rumors to the contrary have circulated within the industry for some time.

CLOSE TIES AND HANDICAPS

The confusion started as a result of a marketing ploy of a competitor, Chicago-based McDonnell & Miller Inc., which through an intricate series of maneuvers, obtained and circulated a letter from the ASME implying that the Hydrolevel control didn't meet its standards. John W. James, an engineer and vice president of McDonnell, concedes that company salesmen did point out to boiler-maker customers that Hydrolevel's product might not meet code requirements "depending upon application." Mr. James, who also serves as chairman of the ASME committee setting boiler-control standards, adds "We consider this to be fair and honest competition."

Though efforts to knock the competition aren't unusual in obscure and technical markets, the Hydrolevel dispute raises serious questions about the close ties between the dominant company in an industry and the professional society that serves as the watchdog. It also illustrates the mammoth handicap facing an upstart (Hydrolevel's annual sales are $150,000) that chooses to pit itself against a substantial competitor (McDonnell has more than 85% of the annual $10 million boiler market) owned by an even larger company, International Telephone & Telegraph Corp.

The boiler control responsible for the furor is called a low-water cutoff. For decades McDonnell has made the cutoff that is standard equipment on most boilers: a small device that floats in the boiler water and physically switches off the current when the water level drops too low. Insufficient water causes boiler damage and even explosions.

HYDROLEVEL'S AUTOMATIC CUTOFF

Back in the early 1960s, however, engineers who were eventually to become officers of Hydrolevel developed a more expensive electrical cutoff. It can be set to shut off the boiler automatically when the water in a glass measuring gauge reaches a given low level. The Hydrolevel control differs from other electrical cutoffs in that it employs a time-delay feature: About a minute elapses between the time the low-water level is reached and when the boiler is shut off. The reason for the time lag is that the ordinary splashing and surging of water in a steam boiler can sometimes trip the cutoff switch too soon, so that it burns on and off repeatedly as the water approaches the low level.

Early in 1971, at about the time McDonnell began acquisition talks with ITT, Hydrolevel made its first substantial sale—to Brooklyn Union Gas Co. The New York company replaced McDonnell floats on its boilers with Hydrolevel electrical controls. About the same time, the General Services Administration began considering the idea of using dual controls on boilers in government installations. Their idea was to pair McDonnell floats with Hydrolevel's electrical controls to achieve safer backstop system.

A TRAIL OF SKEPTICISM

In April of that year, Eugene Mitchell, McDonnell's sales vice president, wrote what appeared to be a routine inquiry to the ASME asking for clarification of its operating code for boiler controls. Of particular interest to Mr. Mitchell was the section of the code stating that a boiler must be immediately shut off when the water level falls to the lowest point on the gauge. He wrote: "Is it permissible to incorporate a time-delay feature in the cutoff so that it will operate after the boiler water level reaches some point below the visible range of the gauge glass?"

What happened afterward was to have a profound affect on Hydrolevel's operations. The ASME sent a reply to Mr. Mitchell, stating that if a time-delay feature were used on a fuel cutoff, "there would be no positive assurance that the boiler water level wouldn't fall to a dangerous point during a time-delay period." McDonnell salesmen proceeded to show copies of the ASME's reply to their boiler-manufacturer customers, thus sowing a trail of skepticism about time-delayed electrical controls. Indeed, many boiler makers interpreted the ASME reply to mean that the Hydrolevel control violated its code.

What the McDonnell salesmen apparently didn't point out to their customers was that Hydrolevel's time-delayed control doesn't work the way Mr. Mitchell suggested in his query letter to the ASME. If the company's instructions are followed correctly, the cutoff should be set so that even with the time delay, the water level in the gauge won't fall below the safe level before the boiler is shut off.

CONTRACTS EVAPORATE

Nor did they mention the fact that Mr. Mitchell could likely have cleared up the misconception without writing an inquiry to ASME, because one of his colleagues at McOonnell, Mr. James, was then serving as vice chairman of the society's boiler-code subcommittee. Mr. James, in fact, had just helped write the pertinent section of the boiler code, using, among other things. Hydrolevel diagrams.

Mr. James apparently knew of Mr. Mitchell's letter to the ASME. The customary procedure for handling such an inquiry, according to the ASME, would involve assistance and compliance of the subcommittee's vice chairman, then Mr. James. Indeed, records show that he received a carbon of the ASME's eventual reply to Mr. Mitchell.

That letter, signed by the ASME's secretary, didn't restate Mr. Mitchell's original question, thus compounding the misconception that a time-delay feature was dangerous. McDonnell salesmen continued to circulate the letter among their customers well into 1972, after ITT's acquisition of McDonnell late in 1971.

As the resulting rumors spread, Mr. Rymer began to see potential contracts evaporate Mail from confused prospective customers began to pile up on his desk: "If I'm not mistaken, ASME doesn't permit a delay in shutting off the burner," read one received two years ago from an executive at Slant-Finn Corp., a Greenvale, N.Y., boiler maker.

The letters kept coming, despite a letter the ASME committee sent Hyrdolevel two years ago, advising that "there is no intent (in the boiler code) to prohibit the use of low-water fuel cutoffs having time delays. . . ." But in Mr. Rymer's view, the letter came too late. For by then, he had no idea who has seen the original ASME letter, who had received secondhand information or how to contact them all if he had been able to find out.

A MATTER FOR THE COURTS?

Mr. Rymer did take the matter to the Federal Trade Commission, but no action has been taken. In a letter last year to Mr. Rymer, an FTC attorney noted, "Examination of the information in our file doesn't disclose any act which is clearly subject to question under the antitrust and trade-regulation statutes . . . with the possible exception of the (ASME) committee interpretation on acceptability of a time-delay low-water cutoff." Then he added: "Since that interpretation was corrected through a revised interpretation there is no further basis for corrective action by the commission."

The FTC apparently feels the dispute is a matter for the courts, but Mr. Rymer, noting Hydrolevel's pint-size revenues, feels his chances of taking ITT to court and emerging solvent are dim.

SECTION-BY-SECTION ANALYSIS TO ACCOMPANY THE VOLUNTARY STANDARDS AND ACCREDITATION ACT OF 1977

SECTION 1. SHORT TITLE

Section 1 provides that the bill, when enacted, may be cited as the "Voluntary Standards and Accreditations Act of 1977."

SECTION 2. TABLE OF CONTENTS

Section 2 sets forth a caption for each section of the bill in the form of a table of contents.

SECTION 3. FINDINGS OF FACT

Section 3 sets forth the congressional findings, which are based upon a two-year investigation by the Senate Antitrust and Monopoly Subcommittee and eight days of hearings, a Report of Subcommittee No. 5, to the Select Committee on Small Business, House of Representatives, 90th Congress, 2d Session, entitled "The Effect Upon Small Business of Voluntary Industrial Standards"; a Report to the Subcommittee on Science, Research and Development of the Committee on Science and Astronautics, House of Representatives, 93rd Congress, 2d Session, entitled "Voluntary Industrial Standards in the United States (An Overview of their Evolution and Significance for the Congress)", a study conducted by the Federal Trade Commission, entitled, "Performance Information, Standards and Certification Programs—Achieving Socially Desirable Objectives", 1972 (including the FTC's "Preliminary Staff Study (Precis): Self-Regulation—Product Standardization, Certification and Seals of Approval."), and related material from both the Government and the private sectors.

SECTION 4. PURPOSE

Section 4 states the purpose of the bill.

SECTION 5. DEFINITIONS

(1) "Person" is defined to recognize and include the broad range of interests and persons affected by and participating in the standardization process.

(2) "Standard" is defined to recognize the varied, but related, usages that are functional equivalents in the marketplace. In keeping with the purpose of the Act to reach only private standards-development activity, the term is not defined to include standards developed by government employees.

(3) "Performance Standard" is defined to distinguish it from a design or construction standard. The definition recognizes that generally a performance standard does not limit the manufacturer's freedom to choose any method of design or any form of construction that achieves the desired level of performance.

(4) "Design or Construction Standard" is defined to distinguish it from a performance standard. The definition recognizes that a design or construction standard will often limit the manufacturer's choice. However, this definition should be considered in conjunction with the "Equivalence" standard of paragraph (5) of section 5, the requirements of section 102(b)(2)(D) and (4), and the overall purpose of title I.

(5) "Equivalence" sets forth the standard testing laboratories and certification agencies are to use in determining whether a product which does not conform to design or construction specifications, nonetheless meets the intent and purpose of such specifications. It is defined so as to recognize equal designs and constructions, to accommodate new and different designs or constructions and to ensure that the purposes of section 102(b)(2)(A) and (C) and (4) are carried out.

(6) "Product" is defined to encompass the unlimited range of products that the standardization process may affect. The term is defined to exclude products that come under the jurisdiction of the Food and Drug Administration.

(7) "Standards-Development Activity" is defined to include all of those activities involved in the development, adoption and revision of product standards.

(8) "Standardization" is defined to include all activities in standards development, and in the related activities of product testing and certification, when used in the Act it refers to both kinds of activities.

(9) "Standards-Development Organization" is defined to include all private organizations, for profit or not for profit, which develops, sponsors or adopts standards, or provides a mechanism for developing, approving, coordinating or promulgating standards for the purposes stated in the definition of a standard. It included such organizations as the American Gas Association, American National Standards Institute, American Society for Testing and Materials, American Society of Heating, Refrigeration and Airconditioning Engineers, American Society of Mechanical Engineers, Association of Home Appliance Manufacturers, Building Officials and Code Administrators International, Gas Appliance Manufacturers Association, Illuminating Engineering Society, International Association of Plumbing and Mechanical Officials, International Conference of Building Officials, National Electrical Manufacturers Association, Society of Automotive Engineers, Southern Building Code Congress, Tile Council of America, National Fire Protection Association, Underwriters' Laboratories, Inc., USC Foundation for Cross Connection. This list is for illustrative purposes only and should not be read as a limitation on the application of the Act, which is meant to encompass all such organizations without regard to size or legal form.

(10) "Accredited Standards-Development Organization" is defined to identify those standards developers which have been accredited by the Institute as complying with the applicable provision of the Act and any applicable rules established by the Commission or Board pursuant to the Act.

(11) "Standards-Development Committee" is defined to recognize and include the broad range of committees, that are commonly used by standards-development organizations to develop standards.

(12) "Testing Laboratory" or "Tester" is defined to include those organizations, for profit or not for profit, which perform those functions listed in the definition. A testing laboratory should be distinguished from a certification agency which performs some of the same functions. The term includes such organizations as the American Gas Association Laboratories, the American Plywood Association, Architectural Aluminum Manufacturing Association, Electrical Testing Laboratories, Factory Mutual Research Corporation, Hardwood Plywood Manufacturers Association, International Association of Plumbing and Mechanical Officials, National Board of Boiler and Pressure Vessels Inspectors, Nationwide Consumers Testing Institute, Inc., National Sanitation Foundation, Pittsburgh Testing Laboratories, Plumbing and Drainage Institute, Underwriters' Laboratories, Inc., the USC Foundation for Cross Connection, and other testers. This list is for illustrative purposes only and should not be read as a limitation on the application of the Act; all organizations engaged in the described activities, without regard to size or legal form, are covered by the Act.

(13) "Product Listing" is defined to include any list which contains the name of, or otherwise identifies, products that have been tested or inspected by a testing laboratory or certification agency, and such list is used in the marketing of products. It includes such listings as the AGA's Directory of Certified Appliances and Accessories, the Foundation for Cross-Connection Control and Hydraulic Research's List of Approved Backflow Prevention Devices, the IAMPO's listing service for approved devices and similar product listings by similar organizations.

(14) "Accredited Testing Laboratory" describes a testing laboratory that has been evaluated by the Federal Government (the Institute of Standards and Accreditation) and found to meet the requirements set out in title III of the Act.

(15) "Tesing Laboratory Accreditation" is used to describe the process a testing laboratory must go through to gain accredited status under the Act.

(16) "Certification Agency" or "Certifier" is defined to include those organizations, for profit or not for profit, which make available and control the use of their certificates of approval for use in connection with the marketing of products, and includes such organizations as Underwriters' Laboratories, the American Gas Association Laboratories, Electrical Testing Laboratories, Architectural Aluminum Manufacturers and Approved Engineering Test Laboratories.

(17) "Certificate of Approval" is defined to include any seal, statement of conformance, listing, endorsement, or other affirmation made available to producers or suppliers by a certification agency. Examples of such seals, statements or other affirmations are the UL and the AGA seals.

(18) "Product Certification" is defined as a process of product evaluation administered and managed by a certification agency, whereby producers or suppliers are authorized to attest that their products or services meet the requirements of applicable standards.

(19) "Products Certifier" is defined as a producer or supplier who is authorized under procedures of a product certification process to attest that their products or services satisfy the requirements of applicable standards.

(20) "National Standard" is defined as a standard developed and adopted for use throughout the United States, and should be distinguished from regional or local standards.

(21) "Regional Standard" or "Local Standard" is defined as a standard which has applicability only in certain regions or localities of the United States. While a regional standard or local standard may or may not be required to be developed in accordance with title I and Commission rules promulgated thereunder, it can be distinguished from a national standard in that it could be listed as a National Standard by the Library of Standards, and would not be required to be developed and promulgated in accordance with the rules, procedures, policies and criteria of the Board.

(22) "International Standard" is defined as a standard developed and adopted by an international standards-development organization and recognized as having international applicability.

(23) "Multinational Standard or Agreement" is defined as a standard developed and adopted by a regional organization, e.g., the Pan American Standards Organization or the Common Market.

(24) "Bilateral Standard or Agreement" is defined as a standard developed and adopted for use within the territory of two countries.

(25) "International Standardization Activity" is defined to include all activities involving the negotiation, development and adoption of international standards and the related activities of international certification agreements.

(26) "International Certification Agreement" is defined to include all certification systems or programs established or recognized by two or more countries, whether the system or program is international, regional or bilateral in character.

(27) "Marketing" or "Marketer" is defined to include the various means that may be employed in marketing a product or service, and those who may become marketers in the standardization process. It includes the activities of standards developers, testers and certifiers intended to promote reliance on and to induce the purchase of their publications, product listings, certificates of approval or services by Federal, State or local government and the private sector.

(28) "Small Busness Concern" is defined as a private company having fifty employees or less, and which is not affiliated with another company.

(29) "Interested Person" is defined to include any person who can show that he will be adversely affected by the standardization process. Exception: As used in section 102(c)(1)(A), the term includes a much smaller class, which is defined to mean a committee member, manufacturer, producer, inventor, or other persons whose product is or will be affected by the standardization process.

(30) "Formal Investigation" is defined as an investigation conducted under part 2, subpart A of the Commission's Rules of Practice, 16 C.F.R. 2.1, *et seq.*

(31) "Commerce" is defined to mean commerce as defined in section 4 of the Federal Trade Commission Act (15 U.S.C. 44), as amended.

(32) "Antitrust Laws" are defined to include the Sherman Act, Clayton Act, the Federal Trade Commission Act, the Wilson Tariff Act and the Robinson-Patman Price Discrimination Chain Stores Act.

(33) "Commission" is defined as the Federal Trade Commission.

(34) "Bureau" is defined as the National Bureau of Standards.

(35) "Department" is defined as the Department of Commerce.

(36) "Institute" is defined as the Institute of Standards and Accreditation created in the National Bureau of Standards under section 201(b).

(37) "Board" is defined as the National Standards Management Board created under section 401.

(38) "Not-for-Profit Organization" is defined as an organization which has qualified with the Internal Revenue Service under the requirements of section 501(c) of the Internal Revenue Code of 1954.

Title I—National standardization

The general purpose of title I is to bring uniform procedures to the standardization

process and to further national competition and consumer protection policies in all phases of private standardization activities. The title identifies specific acts, practices and procedures of standards-development organizations, testing laboratories and certification agencies, and directs the Federal Trade Commission to promulgate rules relating to these areas. It also imposes duties on Federal agencies who rely on private standards, product listings and certificates of approval, and on Federal employees who participate in the private standardization process.

SECTION 101. FEDERAL TRADE COMMISSION

Section 101 vests in the Federal Trade Commission primary authority for the administration and enforcement of title I.

SECTION 102. TRADE REGULATION RULE

Section 102(a) directs the Federal Trade Commission to promulgate rules relating to specific standardization acts, practices and procedures which have important competition and consumer implications. These acts, practices and procedures are set out in section 102(b) through (d). In general the directive keys into the Commission's existing authority under the Federal Trade Commission's established administrative rulemaking authority.

Section 102(b)(1) (A) through (E) requires the establishment of uniform procedures regarding notice, participation, representation of affected interests (e.g., consumers, small business concerns, users, suppliers, manufacturers and others), and committee members' right to appeal committee actions or conditions. Section 102(b)(1)(C) is meant to ensure more than mere representation, but that representation is such in number and in quality that it is effective representation. However, a balanced committee does not mean that every committee must have representation from every interest listed or other interests. In terms of interests a balanced committee means a committee composed of persons with an interest in the work of the committee and who stand a substantial chance of being affected by its actions. For example, a consumer will undoubtedly have considerable interest in a committee writing standards for a bathtub, but will probably have very little interest in a committee writing standards for a construction crane. Nor is a consumer likely to be affected by such standards to any substantial degree, whereas, a laborer will have a direct interest and has a substantial chance of being directly affected by such standards. This provision must be read and interpreted in conjunction with section 103(b).

Section 102(b)(1)(E) is intended to give a committee member the right to appeal any action or condition, interlocutory or final, taken or arising during the development of a standard, but it should not be interpreted as requiring the committee's work to be delayed while such an appeal is taking place. This provision should be read and interpreted in conjunction with section 113(d).

Section 102(b)(2)(A) is intended to prevent the use of standards as restrictive or exclusionary devices, by prohibiting the development and adoption of standards which are written around a specific manufacturer's product, which set acceptance criteria too high and which fail to recognize that the appropriate level of the acceptance criteria may vary from market to market. (In the latter case, for example, the minimum performance, design or construction requirements for a plumbing device might reasonably be different, depending upon such variables as wind velocity, local topography, soil conditions and water characteristics.)

Section 102(b)(2)(B) is intended to ensure that standards-development organizations, through inaction—purposely or otherwise—do not allow standards to become outdated and used, purposely or otherwise, to prevent new products from entering the marketplace

Section 102(b)(2)(C) requires that, generally, performance standards be preferred over design or construction standards.

Section 102(b)(2)(D) requires that where design and construction specifications are an integral part of the standard, it contain a clear description of the intent and purpose of such specifications. It is intended to ensure that standards do not unreasonably limit the manufacturer's freedom to choose any design or construction so long as underlying performance and safety objectives are met. The provision must be read and interpreted in conjunction with section 102(b)(4).

Section 102(b)(3) is intended to ensure that testing laboratories and certification agencies do not discriminate between manufacturers in testing, inspecting and certifying products.

Section 102(b)(4) provides that where a product does not conform to applicable design or construction specifications, the tester or certifier must determine if the product should be found to meet the intent and purpose of such specifications on the basis of equivalence as defined in paragraph (5) of section 5.

Section 102(c)(1) requires that an appeals body established pursuant to section 113(a) must (A) consider complaints filed by any interested person, (B) be competent to hear and decide matters the subject of title I and Commission rules promulgated thereunder, (C) be independent and impartial with respect to the matter that is being appealed and (D) have the capabilities to operate fairly and expeditiously. While all interested persons are not given access to an appeals body, a standards developer, tester or certifier may choose to grant such a right.

Section 102(c)(2) requires that standards developers, testers and certifiers make known, through appropriate publications, the existence of the procedures, membership and authority of their appeals body.

Section 102(d)(1) is intended to ensure that standards developers, testers and certifiers do not market their publications or services to manufacturers, Federal, State or local governments or others in an unfair or deceptive manner.

Section 102(d)(2) is intended to ensure that the use of standards, product listings or certificates of approval by manufacturers in connection with the marketing of their products are not used in an unfair or deceptive manner.

Section 102(d)(3) is intended to ensure that manufacturers of products do not unreasonably tie a warranty, service adjustment, dealer reimbursement or similar policy to a specific standard, test, inspection, product list or certificate of approval.

SECTION 103. PROMULGATION OF COMMISSION RULES

Section 103(a) describes the procedures the Commission must follow when promulgating rules under title I. Because of the specific nature of the directive to the Commission—that is, section 102 (b) through (d) which outline the rules the Commission must promulgate—the procedures generally track the informal rulemaking requirements of the Administrative Practice Act. However, some additional procedural safeguards have been added. This contrasts with the generally more complex and time-consuming procedures followed by the Commission when it proceeds under its general grant of rulemaking on its own motion without a specific statutory directive covering the subject matter. If the Commission has initiated a rulemaking proceeding under its more complex procedures prior to enactment of the Act, it is not required to resort back to the less complex procedures set forth in section 103, provided such rulemaking proceedings result in rules which meet the requirements of section 102 (b) through (d) and is completed within the time limits prescribed in section 509.

Section 103(b)(1) requires the Commission rules promulgated under section 102(b)(1)(C) to recognize that notwithstanding the good faith effort of a standards developer to balance a committee, as required by the Act and Commission rules, the standards developer may be unable to find a person(s) willing to serve. In such instances the standards developer has met his responsibility under the Act and should be allowed to proceed without running afoul of the Act or Commission rules.

Section 103(b)(2) in setting forth requirements to ensure balance committees and effective representation, the Commission rules promulgated under section 102(b)(1)(C) must recognize the different kinds of committees and the various kinds of standards they develop.

Section 103(c) prohibits the Commission from establishing any rules which would prevent a standards developer, tester or certifier from establishing its own appeals body or from joining with other standards developers, testers or certifiers to establish a single appeals body. This section is intended to allow and to encourage testers and certifiers to establish a single appeals body under the auspices of the American Council of Independent Laboratories, Inc., for example, or standards developers to establish a single appeals body under the auspices of a similar organization.

SECTION 104. EXEMPTED ORGANIZATIONS

Section 104(a) gives the Commission the authority to exempt the activities of a standards developer, tester or certifier from one or more of the requirements of section 102 or Commission rules promulgated thereunder, when it deems such action to be in the public interest.

Section 104(b) sets forth the standard the Commission must use in determining whether it is in the public interest to exempt a standards developer's, tester's or certifier's activities from one or more of the requirements of section 102.

Section 104(c) exempts "self-testing laboratories" and "self-certification programs," which are established for the sole use of a manufacturer, from the requirements of section 102(b)–(c).

SECTION 105. ENFORCEMENT DUTIES

Section 105(a) provides the Commission with two methods of reviewing standardization activities for possible violation of title I or Commission rules promulgated thereunder. Under section 105(a)(1), the Commission may initiate a review on its own motion. Under section 105(a)(2), it would undertake such review upon a petition filed by any interested person pursuant to section 106.

Section 105(b)(1) recognizes that the considerations of a standard tend to be expressed in technical language; thus, the Commission is required to consult with the Institute of Standards and Accreditation, established in the National Bureau of Standards by the Act, for technical assistance in making a preliminary determination whether or not to institute a formal investigation. This section also allows the Commission to call upon other persons and organizations for technical assistance, to hold public hearings and to conduct investigations or proceedings as it deems appropriate under the circumstances.

Section 105(b)(2) requires the Commission to consider all possible aspects of injury to competition and consumers which may result from standardization activities, even when a petitioner has failed to raise these issues.

Section 105(c) provides that where the Commission finds that the standardization activity may constitute a violation of title I or Commission rules promulgated thereunder, and that further action by the Commission would be in the public interest, the Commission shall initiate a formal investigation.

Section 105(d) bars the Commission from entertaining petitions filed prior to sixty days after the effective date of its rules promulgated under title I.

SECTION 106. RELIEF

Section 106(a) sets the requirements for a petition filed with the Commission pursuant to section 105(a)(2). In the main, the procedure is informal and is intended to facilitate easy access to Commission review of possible violations.

Section 106(b). Before making a preliminary determination under section 105, the section permits the Commission to require a petitioning party to exhaust reasonable rights of appeal provided by a standards developer, tester or certifier, as required by title I and Commission rules promulgated thereunder, unless the petitioning party can establish a prima facie case to the satisfaction of the Commission that such action will deprive him of a prompt and effective appeal. This provision is meant (1) to afford standards developers, testers and certifiers, the subject of a petition, an opportunity to resolve disputes without government interference, (2) to keep frivolous petitions out of the Federal Trade Commission and (3) to keep the Federal Trade Commission's involvement to a minimum.

Whenever the Commission requires the petitioner to first exhaust such appeal rights, the one hundred twenty day period, under section 106(c), is automatically stayed.

Section 106(c) requires the Commission to either grant or deny a petition within one hundred twenty days.

Section 106(d) requires the Commission to issue a written determination to the petitioner when it denies a petition.

SECTION 107. REMEDIES

Section 107(a) states that violations of title I or Commission rules promulgated thereunder shall be prosecuted as and in the same manner as a violation of section 5 of the Federal Trade Commission Act.

Section 107(b)(1) through (7) sets forth the various remedies available to the Commission when it finds that a standardization act or practice violates title I or Commission rules promulgated thereunder.

Section 107(c) sets forth the procedures the Commission must follow in carrying out the remedies authorized under section 107(b).

Section 107(c)(1) requires the Commission to give the organization in question an opportunity to modify a proposed or an existing standard or develop a new standard where the Commission determines that to be the appropriate remedy.

Section 107(c)(2) requires the Commission, when it has reason to believe that the organization in question will not or cannot carry out the action ordered, to call upon the Institute for the evaluation or the development of an acceptable standard under its Voluntary Product Standards Program.

Section 107(c)(3). When the Commission orders substitution of an existing standard for a standard more commonly relied upon, the section requires the Commission to call upon the Institute to determine if the proposed substitute is an acceptable standard in terms of its technical characteristics.

Section 107(c)(4)(A) requires the Commission, when it proceeds under paragraph (2), to first seek an evaluation report of what would be an acceptable standard, and then require the organization in question to develop an acceptable standard using the evaluation report as a guide.

Section 107(c)(4)(B) is intended to ensure that the purpose of the Act of keeping government intervention in the standardization process to a minimum is carried out.

Section 107(d) provides that any person who violates any provision of title I or any Commission rule promulgated thereunder is liable for $10,000 for each violation and empowers the Commission, through its general counsel, to commence a civil action in the district court of the United States to recover such amount for each such violation.

SECTION 108. NOTICE TO SECRETARY, FEDERAL DEPARTMENTS AND AGENCIES

Section 108(a) requires that whenever the Commission finds that a standardization act or practice violates any provision of title I or any Commission rule promulgated thereunder, it shall notify the Secretary and all departments and agencies relying on the publications or services of the organization in question of its findings and conclusions, by publishing the same in the Federal Register.

Section 108(b)(1) requires departments and agencies to cease using or relying upon an organization's publications or services within six months, unless the Commission grants a longer period, where the Commission finds that said organization has violated title I or Commission rules promulgated thereunder.

Section 108(b)(2) sets forth the action a department or agency must take when it is making use of a standard which the Commission has ordered a standards-development organization to modify or withdraw. Departments and agencies are required to cease using the standard unless the organization complies with the Commission's order within two years.

SECTION 109. STANDARDS DEVELOPERS, TESTERS, CERTIFIERS AND MARKETERS

Section 109(a) states that any private organization, for profit or not for profit, which develops standards, which sponsors the activity of developing standards or adopting standards, which conducts the business of testing, inspecting or certifying products, which sells or makes use of standards, products listings or certificates of approval, or which participates in standardization activities, in or affecting commerce, is subject to the provisions of the act.

Section 109(b) allows a standards-development organization, testing laboratory or certification agency to submit its operating rules and procedures to the Commission for the purpose of permitting the Commission to make an initial determination whether they comply with the Act and Commission rules promulgated thereunder.

Section 109(c) allows the Commission to delegate its duty under section 109(b) to an appropriate bureau or division.

Section 109(d) requires the Commission, the bureau or the division, based upon the information available at the time, to inform the requesting organization whether its operating rules and procedures comply with the Act and Commission rules promulgated thereunder. The Commission's findings can not be used as a bar to or as evidence in any future action against such organization.

Section 109(e) requires the Commission, where it finds under section 109(d) that an organization operating rules and procedures does not comply with the Act and Commission rules promulgated thereunder, to specifically advise the organization of the steps it may undertake to come into compliance.

SECTION 110. FINANCIAL ASSISTANCE

Section 110(a) requires the Secretary to develop rules and procedures for the purpose of making financial assistance available to standards-development organizations.

Section 110(b) permits a not-for-profit standards-development organization to seek financial assistance for the purpose of complying with sections 102(b)(1)(C) and 113(a). It is not meant that the Federal Government is to provide all financial support for these two purposes, but to give standards-development organizations only such financial assistance as necessary to ensure that the purpose of the Act is carried out.

Section 110(c) states that a not-for-profit testing laboratory or certification agency is not generally eligible for financial assistance, and sets forth the limited conditions under which such an organization may apply for financial assistance.

Section 110(d) requires a testing laboratory or certification agency requesting financial assistance to show that the additional financial burden resulting from compliance with sections 102(b)(1)(C) and 113(a) is directly attributable to national standards-development activities.

SECTION 111. FEDERAL DEPARTMENTS AND AGENCIES PARTICIPATING IN STANDARDS DEVELOPMENT

Section 111(a) requires that expenditures by any department, agency or authority of the United States for the participation of any officer or employee in standards-development activities shall be limited to the development of national standards, unless special conditions or circumstances justify participation in local or regional standards activities. This requirement is meant to help carry out the purpose of the Act to provide a single set of national standards. It also recognizes, however, that local/regional conditions or circumstances may require a local or regional standard and that it may be necessary for the Federal Government, and in its interest, to participate in such activities.

Section 111(b) places a duty upon Federal officers and employees participating in private standards activities to take steps, as necessary, to ensure that such activities are conducted in accordance with the provisions of title I and Commission rules promulgated thereunder; it also sets forth the procedures they are to follow to ensure such compliance.

Section 111(c) allows and requires the agency head to file a petition with the Federal Trade Commission where the officer or employee has been unable to correct the nonconforming act or practice pursuant to the procedures set forth in section 111(b) and the agency head, after reviewing the facts, has reason to believe that title I or Commission rules promulgated thereunder have been violated.

Section 111(d) requires a department, agency or authority of the United States using a private standards developer to develop a standard, either under contract or agreement, to ensure that such standards developer complies with the applicable requirement of section 102, unless such contract or agreement was entered into one year prior to the effective date of the Act.

Section 111(e) places a duty on the head of any department, agency or authority of the United States, which sponsors or permits the participation of any officer or employee in private standards activities, to ensure that such officer or employee is familiar with title I and Commission rules promulgated thereunder.

SECTION 112. FEDERAL USE OF NATIONAL STANDARDS

Section 112(a) is intended to avoid duplication and the waste of Federal employees' time and Federal funds, by requiring Federal agencies to develop guidelines which will require the use of national standards listed by the Library of Standards. The section is written so as to give departments and agencies the flexibility to avoid using restrictive standards or standards which are below their acceptance criteria.

SECTION 113. APPEALS BODY

Section 113(a) requires all standards-development organizations, testing laboratories and certification agencies subject to section 102(c) to establish an appeals body.

Section 113(b) states that an appeals body established pursuant to section 113(a) is granted no power under the Act to enforce compliance with its orders or decisions. Such an appeals body derives its powers and authority from the organization(s) establishing it.

Section 113(c) provides that a standards

developer, tester or certifier shall act in good faith in determining whether and to what extent it will abide by an order or decision of an appeals body.

Section 113(d) provides that an appeal by an interested person under section 102(b)-(1)(E) shall not operate as a stay of the committee's work, unless otherwise ordered by an appeals body, the Commission or a court of the United States.

Section 113(e). The effect of the section is to prevent the Commission from seeking punitive relief where a standards developer, tester or certifier has, in good faith, complied with an order or decision of an appeals body.

SECTION 114. JUDICIAL REVIEW

Section 114(a) sets out the procedures for judicial review of Commission rules, orders and decisions pursuant to title I.

Section 114(b) provides for an exception to section 114(a) by allowing a party to bring an action in the United States District Court for the District of Columbia to compel the Commission to initiate a formal investigation.

Section 114(c) sets forth the scope of review and the burden of proof that the petitioning party must meet in seeking review of the Commission's decision not to initiate a formal investigation.

Section 114(d) states that in an action under section 114(b), the court shall have no authority to compel the Commission to take any action other than the initiation of a proceeding in accordance with section 105(c).

Section 114(e) states that where a party has a right to bring an action in the United States District Court, under title I, the court shall have jurisdiction without regard to the citizenship or residence of the parties or the amount in controversy.

Section 114(f) places the burden of proof on the organization or person who is subject to the provisions of the Act.

Title II—International standardization

Title II recognizes the emergence of international standards which may have far-reaching consequences on the balance of trade and the balance of payments. Thus, the general purpose of title II is to ensure representation of the United States interests in international standardization activities by promoting and supporting the participation of national standards-development organizations that are accredited by the Institute of Standards and Accreditation. The title also sets forth procedures and safeguards to ensure that such activity, in which the United States participates is consistent with our antitrust laws.

SECTION 201. DEPARTMENT OF COMMERCE

Section 201(a) vests in the Secretary of the Department of Commerce primary authority for administration of titles II, III, IV and V of the Act.

Section 201(b) establishes an Institute of Standards and Accreditation in the National Bureau of Standards to assist and advise the Secretary and the Commission in carrying out their respective duties and responsibilities under the Act.

SECTION 202. SECRETARY'S DUTIES AND AUTHORITY

Section 202 sets out the specific duties and authority of the Secretary relating to international standardization activities. These include: (1) identification of international standardization activities important to the United States trade and commerce; (2) providing for appropriate participation in such international standards activities; (3) encouraging the use of international standards and certification agreements by departments and agencies of the United States; (4) consultation and coordination, as appropriate, with the Secretary of State; (5) ensuring an optimum degree of reliance on private standards-development organizations that operate in accordance with title I; (6) conducting investigations and studies as necessary in furtherance of his duties under title II; (7) entering into grants and contracts; and (8) establishing policies and prescribing rules, regulations, procedures and fee schedules as may be necessary for effective administration of title II.

SECTION 203. DESIGNATION OF REPRESENTATIVES AND RESPONSIBILITIES

Section 203(a) empowers the Secretary to provide for arrangements with private not-for-profit standards-development organizations to represent the United States interests in international standardization activities.

Section 203(b) (1) through (4) requires the Secretary to establish guidelines for the selection and participation of private persons to represent the United States interest in international standardization activities, and for their removal. The Secretary's guidelines must contain provisions to implement the requirements of paragraph (1) through (4) of the section. The requirements of paragraph (1) through (4) are in addition to any guidelines the Secretary may establish.

Section 203(c) requires the Secretary to remove and prohibit future participation of a private person in international standardization activities, pursuant to title II, where such person fails to comply, in any material way, with section 203(b) (2) or (3).

SECTION 204. GOVERNMENTAL PARTICIPATION

Section 204(a) requires the Secretary to provide for direct governmental participation where he determines that participation by a private organization is insufficient or where he is unable to arrange for private participation.

Section 204(b) requires the Secretary to consult with the Policy Guidance Committees established under section 209(a) before providing for direct governmental participation.

Section 204(c) allows departments and agencies to provide technical assistance to the Secretary and special technical services of its employees to private not-for-profit organizations to assist in the performance of international standardization activities. The Secretary is to be kept informed of such services supplied to private not-for-profit organizations.

SECTION 205. REVIEW PROCEDURES

Section 205(a) requires that prior to listing any international standard or international certification agreement, the Secretary must determine that it is in the public interest.

Section 205(b) sets out the "public interest" criteria that the Secretary must consider. These include criteria relating to (1) the public and occupational health and safety, and environmental quality, (2) the balance of trade and the balance of payments, (3) the effect on competition and on consumers in the United States, (4) the support for such listing by persons identified in section 102(b)(1)(C), (5) the views of the public and private Policy Guidance Committee established under Section 209, and (6) the technical adequacy, need and appropriateness of the standard or agreement.

Section 205(c) requires the Secretary to publish a notice in the Federal Register of his intent to list a standard, agreement, or modification thereof. It also requires the Secretary to include a brief description of the standard, the agreement or modification thereof and an invitation for any person to submit comments with regard to the criteria under section 205(b) or any other data, views or arguments. The brief description requirement of this section must be viewed in light of the requirement respecting this matter in section 205(d).

Section 205(d) The section requires the Secretary to provide a complete text to all persons desiring to comment upon the standard, agreement or modifications to be listed. It also allows him to provide for longer periods to submit comments pursuant to section 205(c) or to extend the sixty day period provided therein.

Section 205(e) requires the Secretary to list all international standards and international certification agreements in the Library of Standards, uness it is not in the public interest.

SECTION 206. EVALUATION OF CERTIFICATION AGREEMENTS

Section 206(a) requires that where the Secretary has made the determination that it is in the public interest for the United States to participate in international certification agreements, he must establish procedures for the acceptance of foreign product certification systems.

Section 206(b) requires the Secretary to incorporate into his procedures for the evaluation of foreign product certification systems the items set out in section 307(b)(1) and (2) to ensure that foreign certifiers have the facilities, personnel, procedures, etc., to test and certify products.

SECTION 207. FEES AND CHARGES

Section 207 provides that the Secretary may establish and assess fees and charges where information and services are provided under sections 205(d) and 206.

SECTION 208. FEDERAL USE OF INTERNATIONAL STANDARDS AND AGREEMENTS

Section 208 requires departments and agencies to develop guidelines which will encourage appropriate use of applicable international standards and which will give appropriate recognition to international certification agreements, listed pursuant to section 205(e), in the procurement of supplies and services.

SECTION 209. POLICY GUIDANCE COMMITTEES

Section 209(a) provides for establishment of both a public and a private policy guidance committee to assist and advise the Secretary in carrying out his responsibilities under title II. The section sets forth the departments, agencies, and interests to be represented on the committees.

Section 209(b) requires the Secretary to consult with the committees when considering whether a particular international standardization activity would be in the public interest, and to keep the committees informed of all international standardization activities pending before him. These requirements, however, are not intended to require that the Secretary keep the committees informed of every action he or those operating at his direction take regarding international standardization activities.

Section 209(c) excludes the Federal Trade Commission from the interagency committee established under section 209(a).

SECTION 210. FEDERAL TRADE COMMISSION AND PRIVATE PARTIES

Section 210(a) permits the Federal Trade Commission or any interested person, as the term is defined in section 5(29), to petition the Secretary for delisting of an international standard or international certification agreement on the grounds that such listing is not in accord with the criteria set out in section 205(b) or that the listing may relate to a violation of the antitrust laws.

Section 210(b) allows the Commission to intervene, as a matter of right, in any action to have an international standard or international certification agreement delisted.

Section 210(c) sets forth the information that a petition to delist an international standard or international certification agreement must contain. In the main, the procedure is informal.

Section 210(d) describes the procedures the Secretary must follow when considering petitions filed pursuant to section 210(a). This provision's requirements include procedures

under section 553 of the Administrative Procedure Act. It also provides that the petitioning party may present data, views or arguments orally as a matter of right and that intervening persons must be granted this right when requested by the Commission. The Commission always has the right to present its data, views or arguments orally.

Section 210(e) permits the Secretary to decline to act on a petition filed by a party other than the Commission where it appears that such petition is not meritorious. In such cases, the Secretary is required to provide, within one hundred twenty days, a written statement to the petitioner stating his reasons for declining to act.

SECTION 211. JUDICIAL REVIEW

Section 211(a) provides that judicial review of the Secretary's determinations may be had in the United States Court of Appeals and distinguishes between the limited right given the Commission and the traditional right given private persons to seek review of an agency's decisions.

Section 211(b) provides that judicial review of the Secretary's determination is to be in accordance with chapter 7 of title 5, United States Code.

Section 211(c) provides for an exception to section 211(a) where a party other than the Federal Trade Commission petitions the Secretary to delist a standard or agreement and he refuses to initiate a proceeding in accordance with section 210(d). The exception allows the petitioner to bring a civil action in the United States District Court for the District of Columbia to compel the Secretary to initiate a proceeding as described in section 210(d).

Section 211(d) sets forth the burden of proof that a petitioner must meet in seeking review of the Secretary's determinations under section 211(c).

Section 211(e) states that in an action under section 211(c) the court shall have no authority to compel the Secretary to take any action other than the initiation of a proceeding in accordance with section 210 (d).

Section 211(f) states that where a party has a right to bring an action in the United States District Court, under title II, the court shall have jurisdiction without regard to the citizenship or residence of the parties or the amount in controversy.

SECTION 212. REPORT

Section 212 requires the President to submit to the Congress an annual report regarding international standardization activities under title II.

Title III—Accreditation

Title III recognizes that the evaluation of products against applicable standards has become an acceptable means of marketing producer and consumer goods. It also recognizes that a few testing laboratories have achieved quasi-monopoly status in this line of commercial activity. Thus, its more general purpose is to increase competition in the testing and inspection of products.

SECTION 301. VOLUNTARY NATIONAL LABORATORY ACCREDITATION PROGRAM

Section 301 requires the Secretary to develop a voluntary program for the accreditation of testing laboratories.

SECTION 302. SECRETARY'S DUTIES AND AUTHORITY

Section 302(a) requires the Secretary to identify, as soon as practical, those classes of technology or specific products for which it is in the public interest to accredit testing laboratories.

Section 302(b)(1) is meant to ensure that all persons have an opportunity to comment on the Secretary's preliminary findings that it is in the public interest to accredit laboratories.

Section 302(b)(2) is meant to require, to the extent possible, that products be placed into classes of technology for the accreditation of laboratories rather than attempting to accredit laboratories for specific products.

Section 302(b)(3) requires the Secretary to evaluate the comments received pursuant to section 302(1) before making his final decision. His final decision must be published for public review.

Section 302(b)(4) sets forth the procedures the Secretary must follow if his final decision is that it is in the public interest to accredit testing laboratories for a class of technology or a specific product.

Section 302(c) (1) through (7) set forth the items that the Secretary's preliminary findings must address where he determines that it is in the public interest to accredit testing laboratories for a class of technology or a specific product.

SECTION 303. NATIONAL LABORATORY ACCREDITATION CRITERIA COMMITTEES

Section 303(a) requires the Secretary to establish a criteria committee to develop general and specific criteria to accredit testing laboratories that serve a class of technology or a specific product when he determines it is in the public interest.

Section 303(b) requires that the membership of a criteria committee be made up of representatives of all affected interests as identified by section 102(b)(1)(C) and Commission rules promulgated thereunder.

Section 303(c) allows the Secretary to establish additional rules and procedures for criteria committees which may be necessary to carry out the purpose of the Act.

SECTION 304. DEVELOPMENT OF GENERAL AND SPECIFIC CRITERIA

Section 304(a) requires the Secretary to publish the complete text of proposed general and specific criteria developed by a criteria committee, and allow all persons desiring to do so an opportunity to comment thereon.

Section 304(b) requires the criteria committee, at the request of the Secretary, to review the comments received pursuant to section 304(a) and to provide the Secretary with its evaluation and recommendations respecting such comments.

Section 304(c) requires the Secretary to review the criteria committee's evaluation and recommendations received pursuant to section 304(b), and to announce a final decision as provided for in paragraphs (1), (2) and (3) of the section.

SECTION 305. NOTICE AND PUBLICATION

Section 305(a) requires that the Secretary's notice published pursuant to section 302(b)(1) and section 304(a), contain a statement that all persons will have at least thirty days to submit their written comments.

Section 305(b) allows views to be presented in an informal hearing, if notice is given to the Secretary within fifteen days after the notice required under sections 302(b)(1) and 304(a) is published.

Section 305(c) provides that where informal hearings are held, the period allowed for the submission of written comments shall be extended to the date on which such hearings are held, i.e. if such date is the longer period.

Section 305(d) requires the Secretary to make all publications required by him under title III in the Federal Register.

SECTION 306. LABORATORY ACCREDITATION PROCEDURE

Section 306(a)(1) requires the Secretary to develop a procedure whereby testing laboratories may gain accreditation.

Section 306(a)(2) requires the Institute to maintain and publish a current list of all accredited laboratories, including the class of technology or specific product for which they are accredited.

Section 306(b) allow any person, as the term is defined in section 5(1), to petition the Secretary to find that it is in the public interest to accredit testing laboratories for a class of technology or a specific product. The petition must be in writing and address the items in section 302(c) (1) through (7). This provision also provides that the Secretary may seek additional information from the petitioner when he deems it necessary. Section 306(c) states that where the Secretary denies a petition filed under section 306(b) he shall notify the petitioner, in writing, within ten working days after making his final decision and set forth his reasons for denying the petition.

Section 306(d) requires that where the Secretary, based upon a petition filed pursuant to section 306(b), finds that it is in the public interest to accredit testing laboratories in a class of technology or a specific product, he must proceed in the same manner as if he had acted upon his own initiative.

SECTION 307. DUTIES AND AUTHORITY OF CRITERIA COMMITTEES

Section 307(a) requires a criteria committee, at the request of the Secretary, to develop general and specific criteria to accredit testing laboratories that serve a class of technology or a specific product.

Section 307(b)(1) (A) through (E) sets forth the minimum requirements that a criteria committee must address in establishing general criteria for a class of technology or a specific product.

Section 307(b)(2) (A) through (F) sets forth the minimum requirements a criteria committee must address in establishing specific criteria for a class of technology or a specific product.

Section 307(c)(1) allows a criteria committee to establish additional general and specific criteria when necessary and appropriate.

Section 307(c)(2) allows a criteria committee to consult with outside individuals or groups, in government sector and private sector, and requires that all such communication be made a matter of public record.

Section 307(d)(1) prohibits a criteria committee from establishing any criteria which will have the effect of precluding a laboratory from using outside facilities.

Section 307(d)(2) is a general provision which prohibits a criteria committee from establishing unnecessarily stringent criteria.

Section 307(d)(3) is meant to preclude a criteria committee from taking any action in the general standardization process which title I addresses. And, in no event shall a criteria committee develop general or specific criteria which would result in the promulgation of a product standard, test methods or the modification of a product standard or a test method.

SECTION 308. ACCREDITATION OF TESTING LABORATORIES

Section 308(a) states that if a testing laboratory meets the general and specific criteria established for a class of technology or a specific product, and meets all applicable provisions of title III and rules promulgated thereunder, it shall be granted accreditation.

Section 308(b). The effect of this section is to prohibit any limitation upon the number of classes of technology or specific products for which a laboratory can be accredited.

Section 308(c) recognizes that a single class of technology may include many different products and that new products are constantly being introduced into the marketplace; thus it prohibits the Secretary from setting forth the unreasonable requirement that a laboratory demonstrate that it has the capabilities of testing and inspecting all products in a given class of technology before it can gain accreditation. This provision should be viewed, however, in conjunction with sections 309(5) and 311(f).

Section 308(d). The effect of this section is to give a testing laboratory automatic ac-

creditation for new products which fall in a class of technology for which it is already accredited. However, this section must be viewed in conjunction with sections 309(5) and 311(f).

Section 308(e)(1) requires the Secretary to set forth his reasons in writing when he denies a laboratory accreditation.

Section 308(e)(2) provides that where the Secretary denies a laboratory accreditation, it can request an informal hearing for reconsideration.

SECTION 309. AUDITS, ADVERTISING, FEES AND RECORDS

Section 309(1) through (7) sets forth obligations and duties that a laboratory undertakes by accepting accreditation under the provisions of title III. A laboratory's failure to fulfill these obligations may result in withdrawal of its accreditation under section 311(f).

SECTION 310. EVALUATION AND ACCREDITATION

Section 310(a). The effect of this section is to require that the evaluation and accreditation of testing laboratories be carried out by the Institute and the evaluation of foreign product certification systems pursuant to section 206.

Section 310(b) allows the Institute of Standards and Accreditation to enter into contracts with private persons or organizations for the purpose of carrying out its responsibilities under section 310(a).

SECTION 311. REMOVAL, WITHDRAWAL OR TERMINATION OF ACCREDITATION

Section 311(a) requires the Secretary to develop procedures to allowing a testing laboratory to withdraw from the Voluntary National Laboratory Accreditation Program at any time by giving written notice to the Secretary.

Section 311(b) recognizes that we live in a society where technology advances at a rapid pace; thus, it allows the Secretary to move products from one class of technology to another, to merge classes of technology or to divide a single class of technology into other classes of technology.

Section 311(c) allows the Secretary, by complying with the requirements of section 311(d), to cease accreditation of laboratories when he finds there is no longer a public need.

Section 311(d) requires that where the Secretary acts pursuant to section 311(b) or 311(c), he must (1) issue and publish his preliminary findings; (2) allow sixty days for written comment; and (3) give those who want to express their views in an informal hearing an opportunity to do so if notified within thirty days after the issuance and publication of his preliminary findings.

Section 311(e) requires the Secretary to evaluate the comments received pursuant to section 311(d) and publish a notice of his final findings or a notice withdrawing his preliminary findings.

Section 311(f) vests the Secretary with the authority to withdraw a laboratory's accreditation if it fails to comply with the requirements of section 309 and subsections (b) and (c)(1) of section 307.

This section should not be construed as limiting the Secretary's authority to withdraw a laboratory's accreditation for not conforming with other applicable provisions of title III.

SECTION 312. FEDERAL DEPARTMENTS AND AGENCIES

Section 312(a) requires all departments and agencies requiring the services of an accredited laboratory to use those listed by the Institute.

Section 312(b) requires departments and agencies requiring the services of an accredited testing laboratory, when there is presently no accredited laboratory listed by the Institute and no accreditation program established, to seek accreditation in the same manner that a private person would, except to the extent not required by the section.

Section 312(c) allows a department or an agency to establish its own accreditation program, provided it can show that being required to proceed in accordance with section 312(b) would be too time consuming or would seriously hamper its functions.

SECTION 313. JUDICIAL REVIEW

Section 313 provides that judicial review of the Secretary's decisions under this title shall be had in accordance with subsection (b) of section 211.

Title IV—National Standards Management Board

The purpose of title IV is to establish a mechanism to ensure the effective management and coordination of our standards system. It is also designed to ensure that the purpose of the Act to establish a single set of national standards, recognized by Government and industry, is carried out. And, it recognizes that the need for high quality standards exists in both the governmental and private sectors.

SECTION 401. ESTABLISHMENT

Section 401 establishes a National Standards Management Board to develop the necessary rules, procedures, policies and criteria to manage and coordinate the country's national standards activities.

SECTION 402. MEMBERSHIP

Section 402(a) states that the board shall consist of the Secretary of the Department of Commerce, who shall serve as Chairman, and twenty additional members who shall be appointed by the President with the advice and consent of the Senate. The twenty members are to serve as representatives of Federal, State and local governments, industry, labor and consumers.

Section 402(b) requires the President to appoint members of the Board no later than ninety days after the date of enactment of the Act.

Section 402(c) sets forth the various governmental bodies and agencies, and the private organizations and institutions from which the members of the Board, other than the Chairman, are to be selected.

The members representing State and local governments are to be selected from lists of qualified individuals recommended by organizations representative of State and local governments, such as the National Conference of Governors and the National Council of Mayors. Such individuals would be expected to represent the concerns and needs of State and local governments, particularly with respect to the use of standards and model codes in regulation and purchasing by non-federal governmental bodies.

Five industry members are to be selected from lists of qualified individuals recommended by organizations representative of industry such as the American Society for Testing and Materials (ASTM), the American Society of Mechanical Engineers (ASME), the Society of Automotive Engineers (SAE) and other industrial or business associations not directly involved in standards development. Two industry members are to be appointed to represent small business concerns, as that term is defined in the Act, from lists of qualified individuals recommended by such organizations as the National Small Business Association.

Four consumer members are to be selected from lists of qualified individuals recommended by organizations representative of consumers, such as Consumers Union, the Center for Study of Responsive Law and the Public Interest Campaign. Individuals in this group would be expected to represent the needs and concerns of ultimate consumers of products and services in retail markets.

Three labor members are to be selected from lists of qualified individuals recommended by organizations representative of labor, such as the AFL–CIO, UAW and UMW. Individuals from this group would be expected to represent the needs and concerns of labor with respect to the development and use of standards that affect industrial working conditions.

Section 402(d) sets the terms of office for the members initially appointed to the Board.

Section 402(e) sets forth the terms of office for successors to members of the Board and the terms of office for persons appointed to fill a vacancy occurring prior to the expiration of any term of office.

Section 402(f) sets forth how members of the Board, other than Federal employees, are to be compensated while engaged in the duties of the Board.

SECTION 403. DUTIES

Section 403(a) sets forth the duties and responsibilities of the Board as to develop the rules, procedures, policies and criteria to be used by the Institute for the purpose of: (1) accrediting standards-development organizations; and, (2) listing and approving national . . .

Section 403(b)(1) sets forth the Board's duties in carrying out its responsibility under section 403(a). To accomplish the objectives called for in the section, it can be expected that the Board will establish conditions of accreditation that will require accredited standards-development organizations to plan and coordinate their individual activities in accord with national standards priorities based on both governmental and private needs, and to resolve their disputes over which organization develops a particular standard. Therefore, while the provisions of title I and the Commission rules promulgated thereunder must be met by any organization that undertakes a standards-development activity, there will undoubtedly be further requirements, established by the Board, that must be met before a standards-development organization can become accredited.

Section 403(b)(2) requires the Board to develop procedures and criteria to be used by the Institute for the purpose of listing and approving national standards.

It is therefore expected that the Board will establish procedures and criteria for listing and approving national standards that go beyond their having been developed in accord with the procedural requirements established in title I and the Commission rules promulgated thereunder.

In due course, it would be expected that all national standards would be developed by accredited standards-development organizations, but such organizations may not choose to submit all of their standards for approval and listing as national standards. Further, it is expected that the Board will deal with the problems of selecting existing standards to be approved and listed as national standards, and for this purpose the selection criteria cannot be based on the accredited status of a given standard-development organization.

Section 403(b)(3) gives the Board authority to establish any additional management practices which it deems necessary for the Institute to carry out the purpose of title IV. This provision is intended to provide the Board with an oversight mechanism for ensuring that its rules, procedures, policies and criteria are implemented in such a way as to achieve their intended purposes. However, the provisions makes clear that the Board cannot establish any rules, procedures, policies or criteria which conflicts with title I or Commission rules promulgated thereunder.

Section 403(c) requires the Board to develop proposed rules, procedures, policies and criteria no later than twelve months after

the appointment of its members, and final rules, procedures, policies and criteria no later than four months after receiving public comment thereon. This procedure gives the Board twenty one months to develop its rules, procedures, policies and criteria, and should give the Board sufficient time to coordinate its work, to the extent necessary, with the Commission rules promulgated under title I.

SECTION 404. MEETINGS

Section 404(a) establishes how often the Board can meet, and requires at least one meeting every two years. The section recognizes that the Board will have an exceptionally heavy work load in complying with section 405(c), and allows it to meet as often as necessary to carry out its duties under said section.

Section 404(b) states that any action taken by the Board that will effect the management of the national standards system requires a two-thirds majority vote of the Board's membership. The Board can conduct normal business meetings with a quorum of fourteen members.

Section 404(c) requires a transcript to be kept of all Board meetings and made available for public inspection.

SECTION 405. RULES, PROCEDURES, POLICIES AND CRITERIA

Section 405(a) requires the Board to develop proposed rules, procedures, policies and criteria and allow public comment before publishing its final rules, procedures, policies and criteria.

Section 405(b) requires that the Board publish its proposed rules, procedures, policies and criteria in the Federal Register and allow sixty days for public comments.

Section 405(c) requires the Board to review all written comments before developing its final rules, procedures, policies and criteria and publishing the same in the Federal Register.

SECTION 406. IMPLEMENTATION

Section 406(a) provides for implementation of the Board's final rules, procedures, policies and criteria through the Institute. The Director of the Institute is designated as the executive secretary of the Board, and has responsibility for providing support services to the Board as necessary.

Section 406(b) (1) and (2) requires the Secretary to establish procedures for accrediting standards-development organizations and for listing National Standards which are found to meet the Board's requirements established pursuant to section 403.

Section 406(b) (3) and (4) requires the Secretary to delist a standard or withdraw the accredited status of a standards-development organization if such standard or organization violates title I or Commission rules promulgated thereunder. The section also requires that the organization in question be given notice of the Secretary's action and the same published in the Federal Register.

Section 406(b) (5) and (6) directs the Secretary to establish, within the Institute, an information service on standards activities and a program of research and analysis on the economic impacts of standardization, standardization's needs and priorities, and the standardization system's problems. These programs are to provide the Secretary, the Board and the Institute with information necessary to assess the effectiveness of the nation's standards system, and to provide for remedies as may be necessary to improve the systems performance.

Section 406(b)(7) directs the Secretary to establish a standards-development program, within the Institute, which will develop national standards when requested to do so by the Commission or when the Secretary detemines that a national standard is needed and will not be effectively developed in a timely manner by an appropriate standards development organization in the private sector. This provision is intended to provide a "stop-gap" measure, within the national standards system, to ensure that the development of needed national standards is not delayed due to lack of incentives in the private sector or to other failures of private standards-development organizations.

Section 406(c) allows the Secretary to withdraw a standards-development organization's accredited status or deny it financial assistance if such organization fails to comply with rules, procedures, policies or criteria established by the Board to title IV.

SECTION 407. LIBRARY OF STANDARDS

Section 407 provides for the establishment of a national standards library within the Institute, which will maintain a complete text of each listed national standard, international standard and international certification agreement under a classification system devised by the Secretary. Further, the library will provide information on national and international standards and standards-development activities to all persons. In carrying out this responsibility the Library is to ensure that standards-development organizations do not suffer financial losses from reduced sales of standards documents by making appropriate royalty arrangements with such organizations consistent with provisions of title 17, United States Code.

SECTION 408. JUDICIAL REVIEW

Section 408 provides that judicial review of the Secretary's (the Board's) decisions under title IV shall be had in accordance with subsection (b) of section 211. The effect of the provision is to make the Secretary the named party in any action under the title.

Title IV—Miscellaneous provisions

SECTION 501. DIRECTOR OF THE INSTITUTE

Section 501(a) requires the Secretary to appoint a Director of the Institute of Standards and Accreditation created by section 201 (b).

Section 501(b) provides that the Director shall have general supervision of the Institute. This provision requires the Director to make an annual report to the Secretary and allows him to issue bulletins, when necessary, for public distribution.

SECTION 502. RECORDKEEPING REQUIREMENTS

Section 502(a) requires the recipients of Federal funds under the Act to keep such records and make such reports as required by the provisions of the Act and rules promulgated thereunder.

Section 502(b) requires organizations receiving Federal funds under the Act to allow the Secretary and the Comptroller General of the United States, or any other duly authorized representative to have access to any books, documents, papers and records for the purpose of audit and other purposes.

SECTION 503. METRIC CONVERSION ACT

Section 503 gives recognition to the Metric Conversion Act of 1975 and its intended purposes.

SECTION 504. AMENDMENT

Section 504 amends the term "Corporation" in section 4 of the Federal Trade Commission Act (15 U.S.C. 44). This provision should not be read as implying that the Commission does not presently have jurisdiction over such organizations; its purpose is merely to clarify the Commission's jurisdiction.

SECTION 505. IMMUNITY

Section 505 states that no national or international standardization activity engaged in by any private person or organization, with or without participation or approval by governmental bodies of the United States, shall be exempt or immune from the operation of the antitrust laws.

SECTION 506. EFFECT ON OTHER LAWS

Section 506(a) provides that nothing contained in the Act shall be construed to repeal, invalidate or supersede the antitrust laws.

Subsection 506(b) provides that international standardization activities conducted pursuant to title II shall not preempt in any way any international military standardization activities conducted by the Department of Defense.

Section 506(c) provides that any rights or cause of action the Act gives to any person is in addition to any right or cause of action said person may have under any other statute or at common law to seek redress.

SECTION 507. SEPARABILITY

Section 507 provides that if any title or any provision of the Act, or the application of such title or such provision to any person or circumstance, shall be held invalid, the remainder of the Act, or the application of such titles or provisions to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SECTION 508. AUTHORIZATION OF APPROPRIATIONS

Section 508(a) sets forth the appropriations for the Commission for the fiscal years 1978, 1979 and 1980.

Section 508(b) sets forth the appropriations for the Department for the fiscal years 1978, 1979, and 1980.

SECTION 509. EFFECTIVE DATE

Section 509 (a) through (f) sets forth the effective date of the Act, the titles, the Commission rules promulgated under title I and the Board's rules, procedures, policies and criteria established pursuant to title IV.

S. 825

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Voluntary Standards and Accreditation Act of 1977."

TABLE OF CONTENTS

Sec. 2. Table of Contents.
Sec. 1. (Short title).
Sec. 2. Table of Contents.
Sec. 3. Findings of Fact.
Sec. 4. Purpose.
Sec. 5. Definitions.
TITLE I—NATIONAL STANDARDIZATION
Sec. 101. Federal Trade Commission.
Sec. 102. Trade Regulation Rule.
Sec. 103. Promulgation of Commission Rules.
Sec. 104. Exempted Organizations.
Sec. 105. Enforcement Duties.
Sec. 106. Relief.
Sec. 107. Remedies.
Sec. 108. Notice to Secretary, Federal Departments and Agencies.
Sec. 109. Standards Developers, Testers, Certifiers and Marketers.
Sec. 110. Financial Assistance.
Sec. 111. Federal Departments and Agencies Participating in Standards Development.
Sec. 112. Federal Use of National Standards.
Sec. 113. Appeals Body.
Sec. 114. Judicial Review.
TITLE II—INTERNATIONAL STANDARDIZATION
Sec. 201. Department of Commerce.
Sec. 202. Secretary's Duties and Authority.
Sec. 203. Designation of Representatives and Responsibilities.
Sec. 204. Government Participation.
Sec. 205. Review Procedures.
Sec. 206. Evaluation of Certification Agreements.
Sec. 207. Fees and Charges.
Sec. 208. Federal Use of International Standards and Agreements.
Sec. 209. Policy Guidance Committees.
Sec. 210. Federal Trade Commission and Private Parties.

Sec. 211. Judicial Review.
Sec. 212. Report.
TITLE III—TESTING LABORATORY ACCREDITATION
Sec. 301. Voluntary National Laboratory Accreditation Program.
Sec. 302. Secretary's Duties and Authority.
Sec. 303. National Laboratory Accreditation Criteria Committees.
Sec. 304. Development of General and Specific Criteria.
Sec. 305. Notice and Publication.
Sec. 306. Laboratory Accreditation Procedure.
Sec. 307. Duties and Authority of Criteria Committees.
Sec. 308. Accreditation of Testing Laboratories.
Sec. 309. Audit, Advertising, Fees and Records.
Sec. 310. Evaluation and Accreditation.
Sec. 311. Removal, Withdrawal or Termination of Accreditation.
Sec. 312. Federal Departments and Agencies.
Sec. 313. Judicial Review.
TITLE IV—NATIONAL STANDARDS MANAGEMENT BOARD
Sec. 401. Establishment.
Sec. 402. Membership.
Sec. 403. Duties.
Sec. 404. Meetings.
Sec. 405. Rules, Procedures, Policies and Criteria.
Sec. 406. Implementation.
Sec. 407. Library of Standards.
Sec. 408. Judicial Review.
TITLE V—MISCELLANEOUS PROVISIONS
Sec. 501. Director of the Institute.
Sec. 502. Recordkeeping Requirements.
Sec. 503. Metric Conversion Act.
Sec. 504. Amendments.
Sec. 505. Immunity.
Sec. 506. Effect on Other Laws.
Sec. 507. Separability.
Sec. 508. Authorization of Appropriations.
Sec. 509. Effective Date.

FINDINGS OF FACT

SEC. 3. The Congress finds that—

(1) The standardization of producer and consumer goods has become a necessary and an accepted means for the marketing and the purchasing of products.

(2) The standardization of products has an effect upon almost every line of commercial activity in the United States.

(3) As the production volume of producer and consumer goods grows and as many of these products become more sophisticated and more complex, the standard ization of products will also continue to grow.

(4) The expertise to develop sound technical standards lies more in the private sector than in Government.

(5) Federal, State and local governments play a very limited role in the standardization process.

(6) Federal, State and local governments are increasingly relying on private standards-development organizations, testing laboratories and certification agencies in deciding what products will be made available to the public.

(7) The lack of a list of standards that are recognized by Federal, State and local governments as national standards has impeded the efficient use of existing standards by government agencies in their regulatory, procurement and public information activities, which has resulted in unnecessary waste and confusion.

(8) The lack of effective management and coordinaion of standardization activities has impeded the development of needed standards; has resulted in wasteful duplication; and has slowed the dissemination of beneficial technology to the consumer and producer markets.

(9) While the standardization process can facilitate trade, disseminate technology, improve communication between buyer and seller, and promote interchangeability, it can also have an adverse effect upon competition and consumers.

(10) The procedures for promulgating standards, for accepting products for testing, inspection and certification, and for ensuring aggrieved parties due process are inadequate and vary from organization to organization.

(11) Standardization can be a means for carrying out widespread consumer deception.

(12) The present standardization process poses grave economic hardships for small business concerns.

(13) Built-in safeguards to protect consumers and to eliminate restraint of trade problems inherent in the standardization process are lacking.

(14) The lack of a uniform policy with respect to domestic standardization activities and a list of national standards that are recognized by Federal, State and local governments has impeded the effectiveness of the United States' participation in international standardization activities, which may have far-reaching consequences on the balance of trade and the balance of payments.

PURPOSE

SEC. 4. The Congress declares that the purpose of this Act is to provide for—

(1) the development of a uniform national standardization process which will create a forum for the kind of education and sharing of expertise that ultimately enhances competition and consumer welfare;

(2) a national standardization process which will eliminate unnecessary duplication in both government and the private sector and which will provide a single set of national standards;

(3) a system that will ensure the effective management and coordination of national and international standardization activities;

(4) a standardization process which ensures open access and procedural fairness to all affected persons and organizations;

(5) the elimination of anticompetitive activity and consumer deception in the standardization process;

(6) the establishment of a process which will ensure adequate representation of the United States interests in international standardization activities;

(7) the elimination of the quasi-monopoly status that a few laboratories have achieved in the testing, inspection and certification of products, and for the introduction of true competition into this line of commercial activity;

(8) a system that will ensure that testing laboratories and certification agencies perform their intended purposes without restraining trade or unduly restricting consumer choice; and

(9) procedures and safeguards which will ensure that all national and international standardization activities in which the United States is a participant are consistent with our antitrust laws.

DEFINITIONS

SEC. 5. As used in this Act, the term—

(1) "Person" includes the term "Interested Person", individuals, consumers, consumer organizations, educational institutions, partnerships, associations, corporations, government agencies at the Federal, State and and local level, and other organizations.

(2) "Standard" means a prescribed set of rules, conditions or requirements, or portions thereof, applicable to products, established as a result of a standards-development activity and approved or promulgated by a standards-development organization. The term includes, but is not limited to, definitions of terms; methods of test; classifications of components; specification of materials, performance or operations, delineation of procedures; model codes; or measurement of quantity and quality in describing materials, products, systems, services or practices. The term does not include rules, conditions, or requirements that are prepared or adopted by a manufacturer, buyer, or marketer solely for his own use.

(3) "Performance Standard" means a standard, or portions thereof, which defines objective criteria relative to the intended use of a product and which prescribes the level of performance that a product must achieve under defined conditions, but does not prescribe or limit the physical form of the product.

(4) "Design or Construction Standard" means a standard, or portions thereof, which prescribe or limit the physical form of products and the type of material of which such products are to be made, but, generally, does not prescribe levels of performance.

(5) "Equivalence" means the standard a testing laboratory or certification agency will use to determine if a product which does not conform to design or construction specifications nonetheless meets the intent and purpose of such specifications. The term means equivalent in terms of performance and safety, but not in terms of design, construction, composition, or materials in design or construction.

(6) "Product" means natural or manufactured items, materials, systems, or associated services in both consumer and producer markets. The term does not include—

(A) drugs, devices, or cosmetics as such terms are defined in section 311(g), (h), and (l) of title 21, United States Code,

(B) food as defined in sections 321(f), of title 21, United States Code, including—

(i) poultry products (as defined in sections 457 (c) and (f) of title 21, United States Code);

(ii) meat, meat food products as defined in section 601(j) of title 21, United States Code; and

(iii) eggs and egg products as defined in section 1033 of title 21, United States Code.

(7) "Standards-Development Activity" refers to the preparation and promulgation of standards and includes the selection of committees, document drafting, review, balloting, resolution of negative votes, adoption, subsequent revision, and related activities.

(8) "Standardization" refers to the development and promulgation of national and international standards, as well as related activities such as testing of products to determine compliance with standards, and the certification of products as complying with standards.

(9) "Standards-Development Organization" or "Standards Developer" means a private organization, for profit or not for profit, which develops standards or provides a mechanism for developing, approving, coordinating, or promulgating standards to be used, either—

(A) as a reference by private industry in the manufacturing or marketing of products;

(B) by Federal, State or local governments in procuring products;

(C) as a means of determining what products should be made available to the public; or

(D) for other purposes.

(10) "Accredited Standards-Development Organization" means a standards-development organization that has been accredited by the Institute, based on compliance with title I and Commission rules promulgated thereunder, and with rules, procedures, policies and criteria established by the Board pursuant to title IV.

(11) "Standards-Development Committee" refers to any committee or any subdivision thereof formed for the purpose of developing standards.

(12) "Testing Laboratory" or "Tester" means a private organization, for profit or not for profit, which functions to determine the properties, performance, or composition

of products; which evaluates the design or specifications of such requirements of standards; or which lists products that have been so tested.

(13) "Product Listing" means any list which contains the name of, or otherwise identifies, products that have been tested, inspected or evaluated by a testing laboratory or certification agency, and which is used in the marketing of products.

(14) "Accredited Testing Laboratory" means a laboratory which has been accredited by the Institute in accordance with title III; it also includes the commonly used term "nationally recognized testing laboratory."

(15) "Testing Laboratory Accreditation" means the process set forth in title III whereby the Federal Government gives formal recognition to a laboratory as an "Accredited Testing Laboratory."

(16) "Certification Agency" or "Certifier" means a private organization, for profit or not for profit, which makes available and controls the use of its certificate of approval for use in connection with the marketing of products. A certification agency may comprise or utilize one or more testing laboratories.

(17) "Certificate of Approval" means any seal, statement of conformance, listing, endorsement, or other affirmation made available to producers or suppliers by a certification agency.

(18) "Product Certification" means a process of product evaluation, including testing and analysis, administered and managed by a certification agency, whereby producers or suppliers are authorized to attest that their products or services satisfy the requirements of applicable standards.

(19) "Product Certifier" means a producer or supplier who is authorized under procedures of a product certification process to attest that their products or services satisfy the requirements of applicable standards.

(20) "National Standard" refers to a standard developed and adopted for use throughout the United States, and which is developed in accordance with title I and Commission rules promulgated thereunder, and with rules, procedures and criteria established by the Board pursuant to title IV.

(21) "Regional Standard" or "Local Standard" means a standard which has applicability only in certain regions or localities of the United States, and which may or may not have been developed in accordance with title I and Commission rules promulgated thereunder.

(22) "International Standard" means a standard developed and adopted by an international standards-development organization, government or nongovernmental, and recognized as having international applicability; it also includes the terms "Multinational Standard or Agreement" and "Bilateral Standard or Agreement."

(23) "Multinational Standard or Agreement" means a standard developed and adopted by a regional organization.

(24) "Bilateral Standard or Agreement" means a standard developed and adopted for use within the territory of two countries.

(25) "International Standardization Activity" refers to the negotiation, development and adoption of international standards, as well as related activities such as the negotiation of international certification agreements.

(26) "International Certification Agreement" means a system or program established or recognized by agreement between governmental or non-governmental bodies, in two or more countries, which provides for mutual recognition and acceptance of product certification programs and certificates of approval.

(27) "Marketing" or "Marketer" means—

(A) the sale, offering for sale, advertising, promotion or distribution of products or services;

(B) the inducement of the use of standards, product listings or certificates of approval; or

(C) the inducement of adoption or acceptance of standards under building or other codes.

(28) "Small Business Concern" means a private company having fifty employees or less, and which is not affiliated with another company.

(29) "Interested Person" includes any person who can show that he will be adversely affected by the standard, standards-development activity, testing, product listing, certificate of approval, marketing, or standardization act or practice of the standards developer, tester, certifier or marketer, except that such term as used in section 102(c)(1)(A) means a committee member, producer, manufacturer, inventor or other person whose product is or will be affected by the standardization process.

(30) "Formal Investigation" means an investigation under part 2, subpart A of the Commission's Rules of Practice, 16 Code of Federal Regulations, 2.1, et seq.

(31) "Commerce" means commerce as defined in section 4 of the Federal Trade Commission Act (15 U.S.C. 44), as amended.

(32) "Antitrust Laws" include—

(A) the Sherman Act (15 U.S.C. 1, et seq.);

(B) the Clayton Act (15 U.S.C. 12, et seq.);

(C) the Federal Trade Commission Act (15 U.S.C. 41, et seq.);

(D) the Wilson Tariff Act (15 U.S.C. 8 and 9); and

(E) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b and 21A).

(33) "Commission" means the Federal Trade Commission.

(34) "Department" means the Department of Commerce.

(35) "Bureau" means the National Bureau of Standards.

(36) "Institute" means the Institute of Standards and Accreditation created in the National Bureau of Standards under section 201(b).

(37) "Board" means the National Standards Management Board created under section 401.

(38) "Not-for-profit Organization" refers to an organization that meets the requirements of section 501(c) of the Internal Revenue Code of 1954 and has been so certified by the Internal Revenue Service.

(39) "Secretary" means the Secretary of Commerce.

TITLE I—NATIONAL STANDARDIZATION

FEDERAL TRADE COMMISSION

SEC. 101. The Commission shall have primary authority for the administration and enforcement of title I of this Act.

TRADE REGULATION RULE

SEC. 102. (a) Immediately following the enactment of this Act, the Commission shall initiate a proceeding to promulgate rules relating to the procedures and practices of standards-development organizations, testing laboratories and certification agencies, and the use of product listings and certificates of approval in marketing. If the Commission is promulgating or has already promulgated rules under its existing authority, then it shall modify or amend such rules, to the extent necessary, to carry out the purpose of this Act.

(b) The Commission rules promulgated pursuant to subsection (a) shall set requirements for—

(1) uniform standards-development procedures which will require—

(A) that interested persons receive adequate notice of standards-development activities;

(B) that interested persons have an opportunity to present views during the standards-development process;

(C) that the membership of standards-development committees be balanced so as to include and to ensure effective representation of all affected interests including, but not limited to, consumers, small business concerns, users, manufacturers, suppliers, distributors, labor, environmental and conservation organizations, and state and local procurement and code officials;

(D) maintenance of written records, accessible to all interested persons, of discussions, decisions and drafts of standards-development committees, and timely distribution of committee meeting minutes and results of balloting; and

(E) that members of standards-development committees have the right to appeal any action or condition, interlocutory or final, taken or arising during the development of a standard.

(2) the development of standards which will require—

(A) that standards are not unnecessarily stringent;

(B) that standards be reviewed and updated when necessary to ensure that they reflect existing or new technology, and, in any event, shall be reviewed no later than every five years and revised as required;

(C) that performance standards be preferred over design or construction standards; and

(D) that standards contain a clear description of the intent and purpose of design and construction specifications, in terms of performance and safety requirements, where they are an integral part of standards.

(3) testing laboratories and certification agencies to ensure fair objective, and nondiscriminatory testing, inspection and certification of products.

(4) testing laboratories and certification agencies which will require them to determine whether a product that does not conform in one or more respects to design or construction specifications should be found to meet the intent and purpose of such specifications on the basis of equivalence, as that term is defined in paragraph (5) of section 5.

(c) The Commission rules shall establish requirements for—

(1) appeals bodies established pursuant to section 113(a) which will ensure that such bodies

(A) consider complaints filed by an interested person;

(B) are competent to hear and decide matters which are the subject of this title or which are the subject of Commission rules promulgated thereunder, giving due regard to possible injury to competition and consumers;

(C) are independent and impartial with respect to the matter that is being appealed; and

(D) have procedures to ensure a fair and expeditious resolution of matters brought before it.

(2) standards-development organizations, testing laboratories and certification agencies which will require them to publicize the existence, procedures, membership and authority of their appeals body.

(d) The Commission shall establish rules—

(1) to ensure fair and non-deceptive marketing by standards-development organizations, testing laboratories and certification agencies of their publications and services;

(2) to ensure fair and non-deceptive use of standards, product listings and certificates of approval in the marketing of products; and

(3) to ensure that manufacturers do not unreasonably condition a warranty, service adjustment, dealer reimbursement or similar policy as determined and defined by the Commision on the use of a product manufactured in accordance with a specific stand-

ard or tested, inspected or certified by a specific testing laboratory or certification agency.

PROMULGATION OF COMMISSION RULES

SEC. 103. (a) Any Commission rule (or any existing or proposed rule requiring modification or amendment) prescribed under this title shall be promulgated in accordance with section 553 of title 5, United States Code; except that the Commission shall give all interested persons an opportunity for oral presentations of data, views and arguments, in addition to written submissions, and a single opportunity to present rebuttal testimony in writing. A verbatim transcript shall be kept of any oral presentation.

(b) In promulgating rules to carry out the intent of section 102(b)(1)(C), the Commission rules must recognize—

(1) that notwithstanding the good faith effort of a standards developer to balance a committee there may be instances where it will be unable to find a person(s) willing to serve; and

(2) the different kinds of committees and the various kinds of product standards they develop so as to ensure that representation is appropriate for the particular committee.

(c) Nothing contained in sections 102(c) and 113(a) or any Commission rules promulgated under section 102(c) shall preclude—

(1) a standards-development organization, testing laboratory or certification agency from establishing its own appeals body; or

(2) two or more standards-development organizations or two or more testing laboratories or two or more certification agencies from joining together to establish a single appeals body.

EXEMPTED ORGANIZATIONS

SEC. 104. (a) The Commission may, in its discretion, exempt the activities of a standards-development organization, testing laboratory or certification agency from one or more of the requirements of section 102 or any Commission rules promulgated thereunder, where it deems such action to be in the public interest.

(b) In determining whether it would be in the public interest to exempt the activities of an organization, pursuant to subsection (a) from any requirements of section 102, the Commission shall consider the effect such exemption would have upon competition, consumers and the overall purpose of this Act. If such exemption would adversely effect competition or consumers, or unduly frustrate the overall purpose of this Act, such exemption shall not be granted.

(c) Where a manufacturer establishes a "self-testing laboratory" or "self-certification program" for the purpose of testing, inspecting or certifying its own products, it is not subject to the requirements of section 102(b)–(c).

ENFORCEMENT DUTIES

SEC. 105. (a) The Commission (1) may, upon its own initiative, or (2) shall upon written petition filed, in accordance with section 106(a), by any interested person, review the standard, product listing, certificate of approval or the operations of any standards developer, tester, certifier or marketer to make a preliminary determination whether the standard, standards-development activity, product listing, certificate of approval, marketing or standardization act or practice may violate any provision of this title or any Commission rule promulgated thereunder.

(b)(1) In order to aid the Commission in making a preliminary determination under subsection (a), it—

(A) shall consult with the Institute for technical assistance or other assistance within the expertise of the Institute;

(B) may call upon other Federal agencies on a reimbursable or nonreimbursable basis, upon State or local agencies on a reimbursable basis under contract or otherwise, or contract with any private person or organization; and

(C) may hold public hearings or conduct any other investigation or proceeding it deems appropriate.

(2) In making a determination with regard to any matter the subject of a petition under subsection (a), the Commission shall consider the possible injury to competition and consumers resulting from the standard, standards-development activity, product listing, certificate of approval, marketing or standardization act or practice whether or not the petition raised these issues.

(c) If the Commission finds that the standard, standards-development activity, product listing, certificate of approval, marketing or standardization act or practice in question may constitute violations of this title or Commission rules promulgated thereunder, and that further action by the Commission would be in the public interest, then the Commission shall initiate a formal investigation.

(d) Subsection (a)(2) shall apply only to petitions filed more than sixty days after the effective date of Commission rules promulgated under this title.

RELIEF

SEC. 106. (a) A petition filed with the Commission under section 105(a)(2) shall set forth—

(1) a brief description of the facts which surround the standard, standards-development activity, product listing, certificate of approval, marketing or standardization act or practice in question;

(2) the nature and extent of injury; and

(3) the nature of the relief requested.

An informal statement will be sufficient to meet the requirements of this subsection.

(b) Where a petitioning party has not exhausted reasonable rights of appeal provided by a standards-development organization, testing laboratory or certification agency, operating in accordance with section 102(c) and Commission rules promulgated thereunder, the Commission may require the petitioning party to first exhaust such rights, unless the petitioning party can establish a prima facie case to the satisfaction of the Commission that such appeal procedures will, under the instant circumstances, deprive such party of a prompt and effective appeal. If the Commission requires a petitioning party to first exhaust such rights, the 120-day period under subsection (c) is stayed and the petitioning party may not initiate a civil action under section 114(b).

(c) Within 120 days after receipt of a petition described in sections 105(a)(2) and 106(a), the Commission shall either grant or deny the petition.

(d) If the Commission denies the petition, it must issue a written determination to the petitioner at the expiration of the 120-day period stating why a formal investigation was not commenced.

REMEDIES

SEC. 107. (a) A violation of any provision of this title or a failure to comply with any Commission rule promulgated thereunder shall be prosecuted as and in the same manner as a violation of section 5 of the Federal Trade Commission Act.

(b) The Commission in addition to any remedy which it is presently authorized to enforce under the Federal Trade Commission Act may also provide for the following remedies under this Act:

(1) an order requiring modification or withdrawal of standards-development, testing, inspection or certification procedures or practices;

(2) an order requiring withdrawal of standard, product listing or certificate of approval;

(3) an order requiring modification of a proposed or existing standard;

(4) an order requiring development of a new standard;

(5) an order requiring substitution of an existing standard for a standard more commonly relied upon, but found objectionable;

(6) an order requiring standards-development organizations, testing laboratories or certification agencies to give notice of Commission action to all interested parties including certifiers, code authorities, purchasers of products marketed with reference to the standard, product listing or certificate of approval found objectionable, and to others; or

(7) any other remedy found appropriate under the circumstances.

(c) In carrying out the remedies authorized in subsection (b)(3)–(5), the Commission shall proceed in accordance with the following procedures:

(1) Where the Commission orders modification of a proposed or an existing standard or development of a new standard, it shall require the organization in question to undertake such action unless the Commission has reason to believe that such organization will not or cannot carry out the action ordered.

(2) Where the Commission has reason to believe that the organization in question will not or cannot carry out the action ordered, it shall call upon the Institute, which shall be able to use the facilities and expertise of the Bureau, for the evaluation or development of an acceptable standard under its Voluntary Product Standards Program.

(3) Where the Commission orders substitution of an existing standard for a standard more commonly relied upon, but found objectionable, the Commission shall call upon the Institute to determine if the proposed substitute is an acceptable standard.

(4)(A) When the Commission proceeds under paragraph 2, it shall first have the Institute make an evaluation of what would be an acceptable standard and report the same to the Commission. The Commission may then require, pursuant to paragraph (1), the organization in question to proceed to develop an acceptable standard, using the evaluation report as a guide, in accordance with the standards-development procedures of this title and Commission rules promulgated thereunder.

(B) The Commission should not proceed to have a modification of a proposed or an existing standard or a new standard developed under paragraph (2) unless it has reason to believe that the procedures set out in subparagraph (A) will not result in an acceptable standard. Where the Commission requests the Institute, pursuant to paragraph (2) to modify a proposed or existing standard, or to develop a standard, the Commission and the Institute, in consultation, must first determine that there is a need for a national standard and that it would be in the public interest for Government to develop such a standard.

(d) Whenever the Commission finds a violation of any provision of this title or any Commission rule promulgated thereunder, the Commission, through its General Counsel, may, giving due regard to section 113(e), commence a civil action in the district court of the United States, in any district in which the party resides, transacts business or is found, against any person who violates any provision of this title or any Commission rule promulgated thereunder, to recover civil penalties not to exceed $10,000 for each such violation respecting unfair methods of competition or unfair or deceptive acts or practices, with actual knowledge or with knowledge fairly implied on the basis of objective circumstances that any such method, act or practice is unfair or deceptive and is prohibited by such provision or rule.

NOTICE TO SECRETARY, FEDERAL DEPARTMENTS AND AGENCIES

SEC. 108. (a) Whenever the Commission finds that a standards-development organiza-

tion's, testing laboratory's or certification agency's standard, standards-development activity, product listing, certificate of approval, marketing or standardization act or practice violates any provision of this title or any Commission rule promulgated thereunder, the Commission shall notify the Secretary and all departments and agencies making use of the organization's publications or services, of its findings and conclusions by publishing the same in the Federal Register.

(b) Whenever the Commission notifies a department or agency under subsection (a) that—

(1) an organization is in violation of this title or Commission rules promulgated thereunder, the department or agency must cease using or relying upon such organization's publications or services, unless such organization comes into compliance within six months or the Commission grants a longer period; or

(2) it has ordered an organization to modify or withdraw a standard, the department or agency must cease using the standard and commence using an alternative standard developed by it, the Institute or an organization accredited by the Institute, unless an acceptable standard is developed within two years.

STANDARDS DEVELOPERS, TESTERS, CERTIFIERS AND MARKETERS

SEC. 109. (a) Any private organization, for profit or not for profit, which develops standards, which sponsors the activity of developing or adopting standards, which conducts the business of testing, inspecting or certifying products, which sells or makes use of standards, product listings or certificates of approval, or which participates in standardization activities, in or affecting commerce, is subject to the provisions of this Act.

(b) A standards-development organization, testing laboratory or certification agency subject to section 102 may submit its operating rules and procedures to the Commission for the purpose of permitting the Commission to make an initial determination whether they comply with title I and Commission rules promulgated thereunder.

(c) The Commission may delegate its duty under subsection (b) to an appropriate bureau or division.

(d) The Commission, the bureau or the division, based upon the information available to it at the time of the request, shall, within ninety days after receipt of the request, inform the requesting organization whether its operating rules and procedures comply with this title and Commission rules.

(e) If the Commission finds that the requesting organization's rules and procedures do not comply with the applicable provisions of section 102 and Commission rules promulgated thereunder, it must specifically advise said organization of the steps such organization may undertake to come into compliance.

FINANCIAL ASSISTANCE

SEC. 110. (a) The Secretary shall develop rules and procedures for the purpose of making financial assistance available to standards-development organizations as provided for in subsections (b)-(c).

(b) A not-for-profit standards-development organization, which meets the requirements of section 102, and which has been accredited by the Institute as a national standards developer may apply to the Secretary for financial assistance for the purpose of ensuring participation and representation of consumers, small business concerns and other interests which otherwise may not be represented, and to establish an appeals body, as required under sections 102(b)(1)(C) and 113(a) and Commission rules promulgated thereunder.

(c) A not-for-profit testing laboratory or certification agency shall not be eligible for financial assistance, except that, where such testing laboratory or certification agency also qualifiies as an accredited national standards-development organization and in complying with sections 102(b)(1)(C) and 113(a) finds the additional cost an unmanageable financial burden, it can request financial assistance to the extent allowed under subsection (a). If based upon the facts presented the Secretary determines that the request for financial assistance is justified, he may provide such assistance as necessary.

(d) A testing laboratory or certification agency is eligible to receive financial assistance under subsection (c) only to the extent that it can show that the additional financial burden resulting from compliance with sections 102(b)(1)(C) and 113(a) is directly attributable to national standards-development activities.

FEDERAL DEPARTMENTS AND AGENCIES PARTICIPATING IN STANDARDS DEVELOPMENT

SEC. 111. (a) Expenditures by any department, agency or authority of the United States for the participation of any officer or employee in standards-development activities shall be limited to national standards activities, unless special conditions or circumstances justify participation in local or regional standards activities.

(b) Whenever a Federal officer or employee, participating in private standards-development activities, has reason to believe that standards are not being promulgated in accordance with the provisions of this title or Commission rules promulgated thereunder, such officer or employee shall inform, in writing, the chief executive officer of the parent organization and the relevant committee. If such action fails to bring the standards-development activity into conformance with the provisions of this title and Commission rules, such officer or employee shall seek corrective action through the appeals body established pursuant to section 113(a).

(c) If a Federal officer or employee is unable to correct the nonconforming standards-development activity under subsection (b), he shall bring the matter to the attention of his department or agency head, who, if after a review of the fact has reason to believe that this title or Commission rules have been violated, shall file a petition with the Commission in accordance with section 105(a)(2) and 106(a).

(d) Where a department, agency or authority of the United States, either by contract or agreement, uses a private standards-development organization to develop a standard, it is the responsibility of such department, agency or authority to ensure compliance with the requirements of section 102, unless such contract or agreement was entered into one year prior to the effective date of this Act.

(e) It shall be the duty of the head of any department, agency or authority of the United States which sponsors or permits the participation of any officer or employee in private standards-development activities to ensure that such officer or employee is familiar with the provisions of this title and Commissions rules promulgated thereunder.

FEDERAL USE OF NATIONAL STANDARDS

SEC. 112. Each department, agency or authority of the United States shall develop guidelines to avoid waste of time and funds developing duplicate Government standards where there is an existing acceptable private standard. Such guidelines shall require the use of national standards listed by the Library of Standards.

APPEALS BODY

SEC. 113. (a) All standards-development organizations, testing laboratories and certification agencies subject to section 102(c), must establish an appeals body in accordance with said section and Commission rules promulgated thereunder.

(b) An appeals body established pursuant to subsection (a) is granted no powers under this Act to enforce compliance with its orders or decisions. Such authority must derive from the organization or organization establishing it.

(c) A standards-development organization, testing laboratory or certification agency shall act in good faith in determining whether and to what extent it will abide by an order or decision of an appeals body.

(d) An appeal under section 102(b)(1)(E) shall not operate, unless otherwise ordered by an appeals body, the Commission or a court of the United States, as a stay of a committee's activities or a standard.

(e) Compliance with an order or a decision of an appeals body will not constitute an absolute defense to an action by the Commission arising out of the matter decided by the appeals body. However, if the standards developer, tester or certifier is carrying out the order or abiding by the decision in good faith, then the Commission may seek only such prospective or remedial relief as may be necessary.

JUDICIAL REVIEW

SEC. 114. (a) Except as provided in subsection (b), judicial review of any Commission rule, order or decision pursuant to this title will be in accordance with those procedures set forth in the Federal Trade Commission Act, as amended, except that any element of review set out in the Federal Trade Commission Act, as amended, that is not consistent with the rule-making procedure described in section 103 shall not apply.

(b) Subject to sections 105(d) and 106(b), a person filing a written petition pursuant to section 105(a)(2) and 106(a) may bring a civil action in the United States District Court for the District of Columbia seeking an order to compel the Commission to initiate a formal investigation. Such an action must be filed not later than sixty days after the Commission's denial of the petition.

(c) The court shall order the Commission to initiate a formal investigation when a petitioner can demonstrate to the satisfaction of the court, by a preponderance of evidence, that the standard, standards-development activity, product listing, certificate of approval, marketing or standardization act or practice complained of violations any provision of this title or any Commission rule promulgated thereunder; that injury will or has result(ed) to competition or consumers; that a proceeding by the Commission would be in the public interest; and that failure of the Commission to grant the petition was unreasonable.

(d) In any action under subsection (b), the court shall have no authority to compel the Commission to take any action other than the initiation of a proceeding in accordance with section 105(c).

(e) Where a party has a right to bring an action in the United States District Court under this title, the court shall have jurisdiction over such actions without regard to the citizenship or residence of the parties or the amount in controversy.

(f) In any civil action brought in any district court of the United States under thi title by or on behalf of any aggrieved person respecting any act or practice of a standards-development organization, testing laboratory, certification agency, marketer or any person subject to its provisions, the burden of proof shall be borne by such organization or person.

TITLE II—INTERNATIONAL STANDARDIZATION

DEPARTMENT OF COMMERCE

SEC. 201. (a) The Secretary shall have the primary authority for the administration of titles II, III, IV and V of this Act.

(b) There is hereby established within the National Bureau of Standards, Department of Commerce, an Institute of Standards and Ac-

creditation which shall develop the resources, facilities and expertise necessary—

(1) to assist and advise the Secretary in the exercise of his duties and responsibilities under title I, II, III, IV and V; and

(2) to assist and advise the Commission in the exercise of its responsibilities under title I at the request of the Commission.

SECRETARY'S DUTIES AND AUTHORITY

SEC. 202. The Secretary, through the Institute—

(1) shall identify international standardization activities which may substantially affect the commerce and international trade of the United States;

(2) shall provide for appropriate participation by private not-for-profit organizations or governmental bodies of the United States in such standardization activities;

(3) shall encourage the use of international standards and international certification agreements listed pursuant to section 205(e);

(4) shall inform and consult with the Secretary of State with respect to any contemplated action which involves the international relations of the United States;

(5) shall ensure that optimum use is made of the capabilities and resources of private not-for-profit standards-development organizations, which are accredited by the Institute;

(6) may conduct such investigations and studies, by contract or otherwise, as may be necessary to carry out his duties under this title;

(7) may enter into grants, contracts or other arrangements, including the supply of services of government employees, to assist any private not-for-profit organization in the performance of international standardization activities in furtherance of an arrangement established under section 203: and

(8) may establish such policies and prescribe such rules, regulations, procedures and fee schedules as may be necessary for the administration of this title.

DESIGNATION OF REPRESENTATIVES AND RESPONSIBILITIES

SEC. 203. (a) The Secretary may designate and establish arrangements to provide for appropriate representation of the United States interests in international standardization activities through private not-for-profit organizations.

(b) The Secretary shall promulgate guidelines for the selection and participation of private persons to represent the United States interests in international standardization activities, and for their removal. Such guidelines shall include:

(1) provisions which will ensure that all affected interests are represented in accordance with section 102(b)(1)(A) through (C) and Commission rules promulgated thereunder;

(2) provisions which will ensure that such private persons are made aware that they are representatives of the United States;

(3) provisions which will inform such private persons that they are to represent the interests of the general public, and not their personal interests or the interests of any private concern: and

(4) provisions which make such private persons aware that failure to comply with subsections (b)(2) or (3) will be inconsistent with the purpose of this Act.

(c) Where the Secretary finds or where any court acting pursuant to this title finds that any private person has intentionally failed to comply with subsection (b)(2) or (3), in any material way, he shall—

(1) remove such person as a United States representative, and

(2) prohibit his future participation in international standardization activities under this title.

GOVERNMENTAL PARTICIPATION

SEC. 204. (a) Where the Secretary determines that the participation of private not-for-profit organizations under arrangements established pursuant to section 203(a) has been insufficient or where the Secretary is unable to establish such arrangements pursuant to section 203(a), he shall make arrangements for direct governmental participation in international standardization activities to the extent necessary.

(b) Before the Secretary proceeds under subsection (a) to arrange direct governmental participation in international standardization activities, he shall consult with the committees established under section 209(a).

(c) Any department or agency may provide technical assistance to the Secretary on a nonreimbursable basis and may supply special technical services of its employees to assist private not-for-profit organizations in the performance of international standardization activities. The Secretary shall be currently informed of any special technical services of employees furnished by a department or agency in assisting private not-for-profit organizations in the performance of international standardization activities.

REVIEW PROCEDURES

SEC. 205. (a) Before an international standard or international certification agreement is listed by the Secretary pursuant to subsection (e), the Secretary or designee must review the proposed standard or agreement to determine whether it is in the public interest.

(b) In determining whether an international standard or international certification agreement is in the public interest, the Secretary shall consider, but not be limited to—

(1) the effect of the standard or agreement on the public and occupational health and safety or the quality of the environment, taking into account applicable public health, safety or environmental quality regulations, directives and standards;

(2) the effect of the standard or agreement on the balance of trade and the balance of payments of the United States;

(3) the effect of the standard or agreement upon competition and consumers in the United States;

(4) the extent to which the standard or agreement being considered is supported by the affected interests as identified in section 102(b)(1)(C) and Commission rules promulgated thereunder;

(5) the views of the committees established under section 209(a); and

(6) the technical adequacy of and need for any proposed standard or agreement and whether such standard or agreement is appropriate and reasonably limited to meeting the need.

(c) Prior to the listing of any international standard or international certification agreement pursuant to subsection (e), the Secretary shall publish in the Federal Register notice of his intent to list such standard, agreement or modification thereof. Such notice shall include a brief description of the standard, agreement or modification and an invitation for any person, within sixty days after the date of publication of such notice, to submit comments with regard to the items under subsection (b)(1) through (6) or any other data, views or arguments.

(d) The Secretary may allow for longer periods or extend the period provided under subsection (c) for persons to present their comments on the proposed listing of an international standard or international certification agreement. He shall also furnish a complete text of the proposed standard or agreement upon request, to any person desiring to comment thereon.

(e) Unless it is not in the public interest to do so, the Secretary shall list, under a classification system to be devised by him, a complete text of all international standards, international certification agreements, or any modification thereof, negotiated or developed pursuant to this title in the Library of Standards.

EVALUATION OF CERTIFICATION AGREEMENTS

SEC. 206. (a) Where the United States participation in international certification agreements is deemed to be in the public interest, the Secretary, subject to sections 205(c) and 209(b), shall establish procedures for the acceptance of foreign product certification systems.

(b) In addition to any requirements the Secretary's procedures may set forth, they shall require foreign certifiers to comply with the items set out in section 307(b)(1) and (2) to ensure that such certifiers have the facilities, personnel and follow-up procedures to document compliance with a standard initially and on a continuous basis.

FEES AND CHARGES

SEC. 207. Where information is furnished or services rendered under sections 205(d) and 206, the Secretary may establish reasonable fees or charges therefor. Amounts received as a result of such fees or charges may be deposited to the credit of the appropriation of funds against which the cost of performing the services was charged.

FEDERAL USE OF INTERNATIONAL STANDARDS AND AGREEMENTS

SEC. 208. Each department and agency shall develop guidelines which encourage appropriate use of applicable international standards and which give appropriate recognition to international certification agreements listed pursuant to section 205(e) in the procurement of supplies or services for its use.

POLICY GUIDANCE COMMITTEES

SEC. 209. (a) To provide policy guidance and to assist the Secretary in carrying out his responsibilities under this title, there shall be established (1) an interagency committee on international standardization policy consisting of members representing the Departments of Agriculture, Defense, Justice, Interior, State, Housing and Urban Development, Commerce, Labor, Treasury, Health Education and Welfare, Transportation, the General Services Administration, the National Aeronautics and Space Administration, the Federal Communications Commission, the Environmental Protection Agency, the Consumer Product Safety Commission and such other agencies as the Secretary deems advisable, and (2) a public committee on international standardization policy consisting of members representing all interests affected as identified in section 102(b)(1)(C) and Commission rules promulgated thereunder. The Secretary or his designee from the Institute shall be the chairman of such committees.

(b) The Secretary shall also consult with the committees in considering whether a particular international standardization activity would be in the public interest. The committees shall be kept advised of all international standardization activities pending before the Secretary.

(c) The Commission is not included as a member of the interagency committee established under subsection (a), and shall not be appointed by the Secretary to the committee.

FEDERAL TRADE COMMISSION AND PRIVATE PARTIES

SEC. 210. (a) The Commission or any interested person may at any time petition the Secretary for the delisting of an international standard or international certification agreement listed under section 205(e) on the grounds that it is contrary to the public interest, giving due regard to the provisions of sections 205(b) and 505.

(b) In any action under subsection (a), the Commission, if not a party, may intervene as a matter of right.

(c) A petition under subsection (a) shall set forth—

(1) a brief description of the facts which surround the standard or agreement;

(2) the nature and extent of injury; and

(3) the nature of the relief requested.

An informal statement will be sufficient to meet the requirements of this subsection.

(d) After receipt of the petition, the Secretary shall, except as provided in subsection (e), initiate a proceeding under section 553 of title 5, United States Code, on the issues raised in the petition. The Secretary shall designate a hearing examiner and give reasonable notice of the hearing and an opportunity for interested persons to participate in the hearing through the submission of written data, views or arguments. The petitioner may present data, views or arguments orally as a matter of right; whenever requested by the Commission, the Secretary shall give intervening persons a reasonable opportunity to present data, views or arguments orally in an appropriate manner. The testimony in any such hearing shall be reduced to writing, shall be filed with the Secretary, and together with written submissions, shall constitute the record. After consideration of all relevant material presented upon such record, the hearing examiner will make findings of fact and conclusions of law. Such findings and conclusions, together with the record, shall be reviewed by the Secretary, who shall make a decision based on the record whether or not to delist the international standard or international certification agreement as requested by the petitioner. Such decision shall include the findings and conclusions of the Secretary.

(e) Where a party other than the Commission petitions the Secretary under subsection (a), he may refuse to initiate a proceeding as provided by subsection (d) if he determines that the petition does not present a meritorious complaint. The Secretary shall reduce to writing his reasons for denying the petition, and provide the petitioning party with a copy of his written determination within one hundred twenty days after receipt of the petition.

JUDICIAL REVIEW

SEC. 211. (a) Judicial review of the Secretary's determinations made pursuant to this title may be had, within sixty days after the publication of his decision, in the United States Court of Appeals by—

(1) the Commission, through its General Counsel, when the Secretary's decision is not to delist an international standard or international certification agreement pursuant to a petition under section 210; or

(2) any interested person.

(b) Except as provided in subsection (c), the court shall have jurisdiction to review decisions of the Secretary in accordance with chapter 7 of title 5, United States Code. Including that provision that the decision of the Secretary be supported by substantial evidence on the basis of the entire record before the court, including any additional evidence adduced. Upon a showing that the decision of the Secretary is not supported by substantial evidence on the record taken as a whole, giving due regard to the provisions of sections 205(b) and 505, the court can grant relief as appropriate.

(c) Within sixty days after the Secretary's denial of a petition pursuant to section 210 (e), the petitioner may bring a civil action in the United States District Court for the District of Columbia seeking an order to compel the Secretary to initiate a proceeding as described in section 210(d).

(d) If the petitioner can demonstrate to the satisfaction of the court, by a preponderance of evidence, that the Secretary's refusal to initiate a proceeding is not in the public interest, giving due regard to the provisions of sections 205(b) and 505, the court shall order the Secretary to initiate the proceeding.

(e) In any action under subsection (c), the court shall have no authority to compel the Secretary to take any action other than the initiation of a proceeding in accordance with section 210(d)

(f) Where a party has a right to bring an action in the United States district court under this title, the court shall have jurisdiction over such actions without regard to the citizenship or residence of the parties or the amount in controversy.

REPORT

SEC. 212. On or before the 31st of January of each year, the President shall transmit to the Congress an annual report for the preceding calendar year. Such report shall include a comprehensive statement of the activities under this title and may include such recommendations as the President deems appropriate.

TITLE III—TESTING LABORATORY ACCREDITATION

VOLUNTARY NATIONAL LABORATORY ACCREDITATION PROGRAM

SEC. 301. The Secretary, through the Institute, shall devise a program and set forth procedures for the purpose of establishing a voluntary national laboratory accreditation program. If the Secretary is devising or has already devised such a program under his existing authority, then he shall modify or amend such program, to the extent necessary, to carry out the purpose of this Act.

SECRETARY'S DUTIES AND AUTHORITY

SEC. 302. (a) The Secretary, as soon as practical, shall identify those classes of technology or specific products for which it is in the public interest to accredit testing laboratories.

(b)(1) Where the Secretary finds that it is in the public interest to accredit testing laboratories for a class of technology or a specific product, he shall make preliminary findings supporting such decision, publish notice of said findings and allow all persons desiring to do so an opportunity to comment thereon.

(2) Where the Secretary finds that it is in the public interest to accredit testing laboratories for a specific product, he must, in his preliminary findings, show that he is unable to place the product into an existing class of technology.

(3) The Secretary shall evaluate the comments received pursuant to paragraph (1) and make a final decision (i) that it is in the public interest to accredit testing laboratories or (ii) withdraw his preliminary findings. The final decision must be accompanied by final findings and the same published for public review.

(4) If the Secretary's final decision is that it is in the public interest to accredit testing laboratories, then he must simultaneously publish in th Federal Register that he will form a National Laboratory Accreditation Criteria Committee pursuant to section 303 or that he will utilize an existing criteria committee previously established under section 303. Except where the Secretary utilizes an existing committee, the publication shall outline the functions and duties of the committee, its size and the basis for the selection of its members.

(c) The Secretary's statement setting forth the basis for his preliminary findings that it is in the public interest to accredit testing laboratories shall, at a minimum, address—

(1) the effect of the accreditation on the public and occupational health and safety or the quality of the environment, taking into account applicable public health, safety or the quality of the environment, taking into account applicable public health, safety or environmental quality regulations, directives and standards;

(2) the effect upon competition and consumers in the United States;

(3) the extent to which accreditation is supported by the affected interests as identified in section 102(b)(1)(C) and Commission rules promulgated thereunder;

(4) the effect accreditation will have upon the individual inventor and small business concern;

(5) whether accreditation will accelerate testing, inspecting and related services;

(6) whether there exists laboratories or the possibility of new laboratories being set up which will have the capability to perform the necessary testing, inspecting and related services; and

(7) whether it is feasible and practical to accredit testing laboratories that serve or may serve the class of technology or product.

(d) If, based upon experience, the Secretary finds that the procedural requirements of sections 302(b)(1) and (3), 304(a)-(c), and 305(a)-(c) are too cumbersome, he can amend such procedures so long as all affected interests are given an opportunity to express their views on the amendments and the new procedural requirements are equitable to all affected interests.

NATIONAL LABORATORY ACCREDITATION CRITERIA COMMITTEES

SEC. 303. (a) Subject to section 302(b)(4) and the Federal Advisory Committee Act, the Secretary shall establish criteria committees to develop general and specific criteria to accredit testing laboratories that serve a class of technology or a specific product.

(b) The membership of a criteria committee shall be composed of representatives of the affected interests as identified by section 102(b)(1)(C) and Commission rules promulgated thereunder. The Secretary shall appoint a chairman of each criteria committee established.

(c) The Secretary may establish additional rules and procedures for a criteria committee which he deems necessary to carry out the purpose of this Act.

DEVELOPMENT OF GENERAL AND SPECIFIC CRITERIA

SEC. 304. (a) Upon the development of proposed general and specific criteria by a criteria committee, in accordance with section 307, the Secretary shall publish a notice of the complete text of the proposed general and specific criteria and allow all persons desiring to do so an opportunity to comment on such criteria.

(b) Upon receipt of all written and oral comments, the Secretary shall request the criteria committee to conduct and return to him, in writing, its evaluation and recommendations with respect to such comments.

(c) The Secretary shall review the criteria committee's evaluation and recommendations, prepare his evaluation and publish the same by—

(1) announcing the final general and specific criteria that testing laboratories must meet in order to be accredited and the date such criteria shall go into effect;

(2) announcing that the proposed general and specific criteria will be further developed before final publication; or

(3) announcing that the proposed general and specific criteria will be withdrawn from further consideration.

NOTICE AND PUBLICATION

SEC. 305. (a) The notice required under sections 302(b)(1) and 304(a) shall also contain a statement that all persons have at least thirty days for the submission of written comments.

(b) All persons desiring to express their views in an informal hearing shall notify the Secretary within fifteen days after the notice is published.

(c) Where informal hearings are held, the period allowed for the submission of written comments shall be extended to the date on which such hearings are held.

(d) All publications required by the Secretary under this title shall be made in the Federal Register.

LABORATORY ACCREDITATION PROCEDURE

SEC. 306 (a) The Secretary shall—

(1) develop a procedure whereby any testing laboratory (independent or self-testing)

may petition the Department for accreditation in any class of technology or for any product, which general and specific criteria have been established pursuant to section 307(a) through (c)(1); and

(2) require the Institute to maintain and publish in the Federal Register and other appropriate publications a current list of all accredited laboratories, including the class of technology or specific product for which they are accredited. (b) Any person may petition the Secretary to find that it is in the public interest to accredit testing laboratories for a class of technology or a specific product. The petition must be in writing and shall identify the class of technology or the product and, at a minimum, address the items in section 302 (c)(1) through (7). The Secretary may ask for additional information to support any such petition.

(c) If the Secretary denies the petition, he shall notify the petitioner, in writing, within 10 working days after making his final decision and shall state the reasons for denying the petition.

(d) If, based upon the petition, the Secretary finds that it is in the public interest to accredit testing laboratories, he shall proceed as if he had acted on his own initiative under section 302(a).

DUTIES AND AUTHORITY OF CRITERIA COMMITTEES

SEC. 307. (a) At the request of the Secretary, a criteria committee shall develop general and specific criteria to accredit testing laboratories that serve a class of technology or a specific product.

(b) A criteria committee shall—

(1) develop general criteria which will insure that testing laboratories have—

(A) the ability to perform tests and examinations, and to develop and to operate the programs for which they are to be accredited;

(B) access to facilities which are equipped to perform the necessary tests and examinations in the area(s) accredited;

(C) a staff knowledgeable in testing, inspecting, standards, control procedures and quality assurance, and appropriate administrative facilities for the operation of testing and inspection programs;

(D) a well-defined quality-control program; and

(E) well-defined and acceptable, professional and ethical business practices as appropriate.

(2) develop specific criteria for testing laboratories which will set forth—

(A) qualifications for personnel and equipment to insure technical expertise and professional competence;

(B) requirements applicable to proficiency sample programs;

(C) initiation and application for requirements for testing and inspecting products;

(D) initial and periodic examination and audit procedures;

(E) professional and technical qualifications of examiners; and

(F) requirements which call for continuing followup through surveillance to insure continued compliance.

(c) In developing and establishing general and specific criteria, pursuant to subsection (b), a criteria committee may—

(1) establish additional general and specific criteria when necessary and appropriate; and

(2) consult with other persons and organizations including Federal, State and local agencies. All communication between each committee and such parties must be made a matter of public record.

(d) In developing and establishing general and specific criteria, pursuant to subsections (b) and (c)(1), a criteria committee—

(1) shall not establish any criteria which precludes a laboratory from making appropriate use of outside facilities;

(2) shall not establish unnecessarily stringent criteria which will have the effect of unduly restraining trade or limiting consumer choice; and

(3) shall take no action regarding standardization beyond its authority to develop criteria for testing laboratories under this title.

ACCREDITATION OF TESTING LABORATORIES

SEC. 308. (a) If a testing laboratory is found to meet the general and specific criteria established for a class of technology or a specific product and all applicable provisions of this title and rules promulgated thereunder, which establish antecedent conditions, it shall be granted accreditation.

(b) A testing laboratory can seek accreditation for one or more classes of technology or one or more specific products, where general and specific criteria have been established.

(c) A testing laboratory does not have to have the capabilities to test and certify all the products in a given class of technology in order to gain accreditation.

(d) Where a new product is introduced into the marketplace and it falls within an existing class of technology, a laboratory accredited in that class of technology is automatically accredited to test and inspect the product if it has the technical and professional competence to evaluate the product.

(e)(1) If the Secretary denies a laboratory accreditation, he must set forth his reasons in writing and provide the laboratory with a copy of same.

(2) Where a testing laboratory is denied accreditation, it shall have thirty days from the receipt of such notification to request an informal hearing for reconsideration.

AUDIT, ADVERTISING, FEES AND RECORDS

SEC. 309. A laboratory receiving accreditation under this title must—

(1) agree to be examined and audited, initially, and on a continuing basis;

(2) pay accreditation fees and charges;

(3) avoid reference to, and forbid others utilizing its service from making reference to its accreditation status in consumer media;

(4) provide open access to all persons, including foreign manufacturers, seeking its services;

(5) examine only those products which it has the capabilities to test and inspect;

(6) maintain a list of all products it has the capabilities of testing and inspecting, and be prepared to make such list available to the public, auditors and examiners; and

(7) maintain a list of all products it has tested and inspected, and be prepared to make such list available to auditors and examiners.

EVALUATION AND ACCREDITATION

SEC. 310. (a) The evaluation, accreditation and audit of testing laboratories initially and on a continuing basis to ensure compliance, shall be done by the Institute or by a person or an organization designated by it.

(b) In carrying out its duties under subsection (a), the Institute may enter into contracts with private persons or organizations, except those which present a potential conflict of interest, for the purpose of having testing laboratories evaluated, accredited and audited.

REMOVAL, WITHDRAWAL OR TERMINATION OF ACCREDITATION

SEC. 311. (a) The Secretary shall set forth procedures to allow a testing laboratory to terminate its participation and responsibilities under the Department's accreditation program at any time by giving written notice to the Secretary.

(b) The Secretary may move a product from one class of technology to another, merge two or more classes of technology into a single class of technology, or divide a single class of technology into two or more classes of technology for accreditation purposes.

(c) The Secretary may cease accreditation of testing laboratories for a class of technology or a specific product if he finds that there is no longer a public need to accredit such laboratories.

(d) Where the Secretary acts pursuant to subsections (b) or (c), he must—

(1) issue preliminary findings which shall be published;

(2) allow sixty days for all persons desiring to do so to submit written comments on his preliminary findings; and

(3) allow those wanting to express their views in an informal hearing the opportunity to do so, if notified within thirty days after his preliminary findings are published.

(e) After evaluating the comments received pursuant to subsection (d), the Secretary shall publish a notice of his final findings or a notice withdrawing his preliminary findings. The notice shall state the basis for the Secretary's final findings or withdrawal of his preliminary findings.

(f) Failure to comply with any of the requirements in subsections (b) and (c)(1) of section 307 and section 309 will constitute sufficient cause for the Secretary to withdraw a laboratory's accreditation.

FEDERAL DEPARTMENTS AND AGENCIES

SEC. 312. (a) Where a testing laboratory accreditation program has been established for a class of technology or a specific product in accordance with this title, all departments and agencies requiring the services of an accredited testing laboratory for the class of technology or the product, must use those laboratories listed by the Institute as being accredited.

(b) If no accreditation program has been established in accordance with this title for the class of technology or the product in question, then the department or agency shall ask the Secretary to establish an accreditation program. The Secretary, the department or the agency will not be required to comply with section 302, subsection (c)(2) and (3) of section 304, and subsections (b) through (d) of section 306, except as to the latter section, the department or agency shall identify the class of technology or the product as required by subsection (b).

(c) If the department or agency can show that being required to go through the procedures required by this title, notwithstanding the exclusions of subsection (b), would be too time consuming or would seriously hamper its functions, it may establish its own accreditation program.

JUDICIAL REVIEW

SEC. 313. Judicial review of the Secretary's decisions under this title shall be had in accordance with subsection (b) of section 211.

TITLE IV—NATIONAL STANDARDS MANAGEMENT BOARD ESTABLISHMENT

SEC. 401. There is hereby established as an independent instrumentality of the United States in the executive branch, a National Standards Management Board which shall develop the necessary rules, procedures, policies and criteria to manage and coordinate this country's national standards-development activities.

MEMBERSHIP

SEC. 402. (a) The Board shall consist of the Secretary, who shall serve as Chairman, and twenty members appointed by the President, by and with the advice and consent of the Senate, from among representatives of Federal, State and local governments, industry, labor and consumers.

(b) The President shall appoint all members of the Board not later than ninety days after the date of enactment of this Act.

(c) The members of the Board shall be selected on the following basis:

(1) one from the General Services Administration and one from the Department of Defense, without regard to the provision of title 5, United States Code, governing appointments in the competitive service;

(2) four from lists of qualified individuals recommended by organizations determined by the Secretary to be representative of State and local governments;

(3) five from lists of qualified individuals recommended by organizations determined by the Secretary to be representative of industry;

(4) two from lists of qualified individuals recommended by organizations determined by the Secretary to be representative of small business concerns;

(5) four from lists of qualified individuals recommended by organizations determined by the Secretary to be representative of consumers; and

(6) three from lists of qualified individuals recommended by organizations determined by the Secretary to be representative of labor.

(d) The members of the Board initially appointed shall be appointed for terms of office as follows—

(1) six whose terms of office shall expire at the end of two years;

(2) seven whose terms of office shall expire at the end of four years; and

(3) seven whose terms of office shall expire at the end of six years.

(e) Successors to members of the Board shall be appointed to terms of office expiring six years from the date of expiration of the term for which their predecessors were appointed. Any individual appointed to fill a vacancy occurring prior to the expiration of any term of office shall be appointed for the remainder of that term.

(f) The members of the Board, other than officers or employees of the Federal Government, while engaged in the duties of the Board shall be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the highest daily rate for Grade GS–18 under section 5332 of title 5, United States Code, for each day they are engaged in the duties of the Board, including travel time, and while serving away from their home or regular place of business they may be allowed travel expense, including per diem in lieu of subsistence as is authorized under section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

DUTIES

SEC. 403. (a) The Board shall develop rules, procedures, policies and criteria to be used by the Institute—

(1) for the purpose of accrediting standards-development organizations; and

(2) for the purpose of listing and approving National Standards.

(b) In carrying out its responsibilities under subsection (a), the Board shall—

(1) establish procedural provisions to ensure that national standards activities of accredited standards-development organizations are managed and coordinated to achieve:

(A) clearly defined objectives and priorities for standards development;

(B) maximum utilization of private sector expertise in standard development;

(C) maximum benefits of standardization in the areas of traditional Government concern, including

(1) public health, safety and protection of the environment,

(2) reduction of cost and improvement of quality in public purchasing,

(3) promotion of national economic development, and

(4) prevention of barriers to international trade;

(D) maximum economic benefits of standardization in the private sector resulting from improved efficiency in—

(1) technical communications between buyers and sellers,

(2) utilization of natural resources, and

(3) training and utilization of labor resources; and

(E) the elimination of the duplication of standards development activity within and between the Government and the private sector.

(2) establish procedural provisions to ensure that National Standards—

(A) are written so as to allow applicability throughout the United States;

(B) reflect the most appropriate use of new and advanced technology;

(C) can be readily adopted by reference or by incorporation into official documents of Federal, State and local governments for such purposes as regulatory codes, procurement specifications and certification programs; and

(D) are recognized by other countries and international standardization bodies as having national acceptance and Government endorsement within the United States.

(3) establish any additional management practices necessary to carry out the purpose of this title and which do not conflict with title I and Commission rules promulgated thereunder.

(c) The Board shall, in accordance with section 405, develop proposed rules, procedures, policies and criteria no later than twelve months after its members are appointed and final rules, procedures, policies and criteria no later than four months after receiving public comment thereon.

MEETINGS

SEC. 404. (a) In carrying out its responsibilities under section 403(c), the Board may meet as often as necessary. Thereafter, it shall meet once every two years, or sooner if so requested by the Chairman, to review the rules, procedures, policies or criteria by which the national standards system is managed.

(b) Fourteen members of the Board shall constitute a quorum for the transaction of normal business and meetings. Any action by the Board which will effect the management of the national standards system shall require a two-thirds majority vote and must go through the procedures set forth in section 405.

(c) A transcript of all meetings of the Board shall be kept and made available for public inspection.

RULES, PROCEDURES, POLICIES AND CRITERIA

SEC. 405. (a) In exercising its authority and carrying out its responsibilities under section 403, the Board shall develop proposed rules, procedures, policies and criteria, and allow public comment before publishing its final rules, procedures, policies and criteria.

(b) Upon the development of proposed rules, procedures, policies and criteria pursuant to section 403, the Board shall publish a notice thereof and the complete text of such proposed rules, procedures, policies and criteria in the Federal Register and allow all persons desiring to do so sixty days to submit written comments thereon.

(c) Upon receipt of all written comments, the Board shall review the comments and develop its final rules, procedures, policies and criteria and publish same in the Federal Register.

IMPLEMENTATION

SEC. 406. (a) The Director of the Institute shall serve as the Board's Executive Secretary and shall provide secretarial, clerical and other services necessary to the conduct of the Board's business. The Secretary, through the Institute, shall implement the Board's final rules, procedures, policies and criteria and administer them in such a manner as to ensure the effective management and coordination of national standards-development activities.

(b) The Secretary shall—

(1) establish procedures for accrediting standards-development organizations that are found to meet the applicable criteria, and have agreed to observe the applicable rules, procedures and policies established by the Board pursuant to its responsibilities under subsections (a)(1) and (b)(1) of section 403;

(2) list as National Standards those standards which are found to meet the applicable criteria established by the Board under subsections (a)(2) and (b)(2) of section 403;

(3) delist a standard when the Commission finds that such standard violates title I or Commission rules promulgated thereunder and when an acceptable standard is not developed within the time period provided under section 108(b)(2). The Secretary must set forth his reasons for such delisting in writing, provide a copy of the same to the standards-development organization, and publish notice of such delisting in the Federal Register.

(4) withdraw the accredited status of a standards-development organization which the Commission has found in violation of title I and which has failed to come into compliance within the time period set by the Commission. When the Secretary denies or withdraws a standards-development organization's accreditation, he must set forth his reasons in writing and provide said organization with a copy of same;

(5) provide a standards activities information service;

(6) conduct research and analysis to determine the economic impact of standardization, standardization's needs and priorities, and the system's problems; and

(7) continue, within the Institute, the Bureau's administratively-established Voluntary Product Standards Program, and modify as necessary to ensure compliance with this Act. Where the Secretary determines that it is in the public interest to have a National Standard, and such a standard will not be developed and promulgated by the private sector in a timely and effective manner, he shall order the Institute to develop and promulgate such standard under said program.

(c) The Secretary may withdraw a standards-development organization's accredited status or deny it financial assistance if such organization fails to comply with any rule, procedure, policy or criterion established by the Board pursuant to this title.

LIBRARY OF STANDARDS

SEC. 407. (a) To facilitate the use of National Standards, the Secretary shall establish in the Institute a Library of Standards. Under a classification system devised by the Secretary, the Library shall maintain a complete text of each listed National Standard.

(b) The Library shall provide information on national and international standards-development activities to all persons. In so doing the Library should attempt not to compete with private standards developers in the sale of standards documents and to the extent that it does, the Secretary shall ensure that appropriate royalty arrangements are made with national and international standards-development organizations consistent with the provisions of title 17, United States Code.

JUDICIAL REVIEW

SEC. 408. Judicial review of the Secretary's or the Board's decisions under this title shall be had in accordance with subsection (b) section 211. The Secretary (Department of Commerce) shall be the named party in all actions under this title.

TITLE V—MISCELLANEOUS PROVISIONS

DIRECTOR OF THE INSTITUTE

SEC. 501. (a) The Secretary shall appoint a Director of the Institute of Standards and Accreditation established under section 201 (b) of this Act. No individual, so appointed,

may receive pay in excess of the annual rate of basic pay in effect for grade GS–18 of the General Schedule.

(b) The Director shall have the general supervision of the Institute, its equipment, and the exercise of its functions. He shall make an annual report to the Secretary, including an abstract of the work done during the calendar year and a financial statement. He may issue, when necessary, bulletins for public distribution, containing such information as may be of value to the public or to facilitate the Institute in the exercise of its functions.

RECORDKEEPING REQUIREMENTS

SEC. 502. (a) Each recipient of monies under a grant or contract or otherwise awarded pursuant to this Act shall keep such records and make such reports as the Secretary may prescribe. In the case of monies received in advance of performance, such records and reports shall identify the unearned balance of advances on hand, the liabilities and obligations outstanding under such grant or contract, and the application of the funds received.

(b) The Secretary and the Comptroller General of the United States, or any other duly authorized representative shall have access to any books, documents, papers and records of the recipient that are pertinent to its national or international standardization activities under this Act, for the purpose of audit or to determine whether a proposed international standard or international certification agreement is in the public interest.

METRIC CONVERSION ACT

SEC. 503. To the extent not inconsistent with this Act, authority under this Act shall be exercised in a manner calculated to achieve the purpose of section 6(4)(A) through (E) and other appropriate sections of the Metric Conversion Act of 1975 (89 Stat. 1007).

AMENDMENTS

SEC. 504. The term "Corporation" in section 4 of the Federal Trade Commission Act (15 U.S.C. 44) is amended—

(1) by striking out "and" immediately following "interest," in the fifth line thereof; and

(2) by striking out the period at the end of such definition, and by inserting in lieu thereof the following: ", and not-for-profit organizations, incorporated or unincorporated, which conduct activities in or affecting commerce, as commerce is defined in this Act, unless specifically exempt by statute.".

IMMUNITY

SEC. 505. No national or international standardization activity engaged in by any private person or private organization, with or without participation or approval by governmental bodies of the United States, shall be exempt or immune from the operation of the antitrust laws.

EFFECT ON OTHER LAWS

SEC. 506. (a) Nothing contained in this Act shall be construed to repeal, invalidate or supersede the antitrust laws.

(b) The negotiations, development or listing of any international standard or international certification agreement pursuant to title II shall not preempt in any way international military standardization activities conducted by the Department of Defense.

(c) Nothing in this Act shall restrict any right or cause of action which any person or organization may have under any other statute or at common law to seek redress of one or more of the acts or practices which this Act is directed, or any right or cause of action which any person or organization may have under any other statute or at common law to seek enforcement of any provision of this Act or Commission rules promulgated thereunder, or any other relief.

SEPARABILITY

SEC. 507. If any title or provision of this Act, or the application of such title or provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such titles or provisions to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

AUTHORIZATION OF APPROPRIATIONS

SEC. 508. (a) There are authorized to be appropriated to the Commission for the purposes of carrying out the provisions of this Act not to exceed $2,000,000 for the fiscal year 1978, not to exceed $1,500,000 for the fiscal year 1979, and not to exceed $1,000,000 for the fiscal year 1980.

(b) There are authorized to be appropriated to the Secretary of the Department of Commerce for the purposes of carrying out the provisions of this Act not to exceed $10,000,000 for the fiscal year 1978, not to exceed $10,000,000 for the fiscal year 1979, and not to exceed $10,000,000 for the fiscal year 1980.

EFFECTIVE DATE

SEC. 509. (a) Except as provided in subsections (c) through (f), this Act shall take effect six months after date of enactment.

(b) The Commission shall promulgate rules under title I of this Act not later than one year after date of enactment.

(c) The Commission rules shall become effective six months from the date of publication of the Board's final rules, procedures, policies, and criteria.

(d) Title II shall become effective at the same time the Commission rules become effective.

(e) Title III shall become effective six months after date of enactment of this Act.

(f) Title IV shall become effective upon enactment, except that the Board's final rules, procedures, policies, and criteria shall become effective six months after publication.

By Mr. RIBICOFF (for himself, Mr. PERCY, Mr. JACKSON, Mr. JAVITS, Mr. GLENN, Mr. NUNN, Mr. CHILES, Mr. ROTH, Mr. HEINZ, Mr. ROBERT C. BYRD, Mr. CRANSTON, Mr. STEVENSON, Mr. RANDOLPH, Mr. HUMPHREY, and Mr. INOUYE):

S. 826. A bill to establish a Department of Energy in the executive branch by the reorganization of energy functions within the Federal Government in order to secure effective management to assure a coordinated national energy policy, and for other purposes; to the Committee on Governmental Affairs.

DEPARTMENT OF ENERGY

Mr. RIBICOFF. Mr. President, today I am introducing legislation to reorganize the way our Government deals with energy issues. I am pleased to introduce a bill creating a Department of Energy in the executive branch. This single broad-based department will enable us to deal coherently with questions of energy supply, energy conservation, and data collection.

Reorganization is crucial. The executive branch today is not organized to develop and deliver a coherent energy policy. Responsibilities are scattered. Authority is fragmented.

A Department of Energy is not a new idea. Every major study of Federal organization since 1937 has produced a similar recommendation. But as long as energy seemed cheap and abundant, reorganization was never a high priority. In fact, even the 1973–74 energy crisis only increased the number of agencies in the field. This winter has reminded us that our problems will not go away. Now is the time to stop responding to crises and start developing a comprehensive and long-term approach to our energy problems.

The creation of a Department of Energy will provide a focal point. Today there are nine Cabinet departments—all except HEW and Labor—with energy functions. There are five independent agencies and two regulatory commissions—the Federal Energy Administration, the Energy Research and Development Administration, the National Science Foundation, the Community Services Administration, the Environmental Protection Agency, the Nuclear Regulatory Commission, and the Federal Power Commission—in the field. And there are three groups in the Executive Office of the President—the Office of Management and Budget, the Council on Environmental Quality, and the Energy Resources Council. There is no lead agency.

The new Department of Energy would be that lead agency. It would absorb:

The Federal Energy Administration;

The Energy Research and Development Administration;

The Federal Power Commission; and

A number of the Interior Department's programs, including the four regional power marketing administrations, the power marketing functions of the Bureau of Reclamation, and certain programs of the Bureau of Mines. The Department will also take over the thermal efficiency standards program from the Department of Housing and Urban Development; the Commerce Department's industrial energy conservation programs; the six naval petroleum and oil shale reserves in the West, and some regulatory functions of the Securities and Exchange Commission and the Interstate Commerce Commission. In addition, the Energy Department will have an advisory role in the Department of Transportation's automobile efficiency standards program.

The Department of Interior and the Department of Energy will cooperate in the leasing of public lands. Policy control will reside in the Energy Department while Interior will continue to handle leasing.

The Department will be structured to reflect important national concerns. Authority will be vested in the Secretary. The bill provides for a Deputy Secretary, an Under Secretary for Policy and Program Evaluation, an Under Secretary for Management, and eight Assistant Secretaries. The bill specifies that one of these shall be an Assistant Secretary for Conservation and one an Assistant Secretary for Environment. In addition, an Energy Data Administration and an Energy Regulatory Administration are created.

The legislation attempts to provide insulation for the regulatory functions within an integrated Department. A Board of Appeals with members removable only for cause is established This Board would be independent of the Secretary's control in certain areas

Mr. President, the Senate has already streamlined its approach to energy issues. This bill offers us the chance to consolidate the executive branch's efforts in the field. I hope that the Congress can move with appropriate speed.

Mr. President, I ask unanimous consent that a section-by-section analysis of the Department of Energy Organization Act, together with a summary of its major provisions be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF THE DEPARTMENT OF ENERGY ORGANIZATION ACT

TITLE I—DECLARATION OF PURPOSES

Section 101

Section 101 states the purposes of the Act as (1) creating a permanent Department of Energy in the executive branch, (2) vesting the Secretary of Energy with his functions, (3) providing for the effective management of energy functions of the Federal government, and (4) establishing a mechanism by which to coordinate the formulation and implementation of a national energy policy.

TITLE II—ESTABLISHMENT OF DEPARTMENT

Section 201

Section 201 creates a Department of Energy (Department) in the executive branch to be administered by a Secretary of Energy (Secretary) appointed by the President by and with the advice and consent of the Senate.

Section 202

Section 202 creates within the Department the positions of Deputy Secretary, two Under Secretaries, a General Counsel, and eight Assistant Secretaries, including an Assistant Secretary for Conservation, an Assistant Secretary for Environment, and an Assistant Secretary for Energy Technology. Each of these officials shall be appointed by the President by and with the advice and consent of the Senate.

Section 203

Section 203 authorizes the Deputy Secretary to act for the Secretary in the event of his absence, or disability, or in the event that the office becomes vacant. It also requires the Secretary to establish the line of succession in the event the offices of both the Secretary and Deputy Secretary become vacant.

Section 204

Section 204 creates an Energy Information Administration within the Department to be headed by an Administrator appointed by the President by and with the advice and consent of the Senate. The Secretary will delegate (on an exclusive or non-exclusive basis) energy information gathering functions to the Administrator.

Section 205

Section 205 creates an Economic Regulatory Administration within the Department to be headed by an Administrator appointed by the President by and with the advice and consent of the Senate. The Administration will administer any function delegated to the Secretary under the Emergency Petroleum Allocation Act of 1973 and, except as provided in section 401 of the bill relating to the jurisdiction of the Board of Hearings and Appeals, will exercise the Secretary's authority to establish rates and charges under the Federal Power Act and the Natural Gas Act. The Secretary may also vest other authorities in the Administration.

TITLE III—TRANSFERS OF FUNCTIONS

Section 301

Section 301, with limited exceptions, transfers to the Secretary all functions presently vested in the Federal Energy Administration, the Energy Research and Development Administration, and the Federal Power Commission, and the functions vested by law in the officers and components of those agencies and commission.

Section 302

Section 302 transfers to the Secretary all functions of the Secretary of the Interior, the Department of the Interior, and the officers and components of that Department: (1) as relate to and are utilized by the Southeastern Power Administration, the Southwestern Power Administration, and the Bonneville Power Administration; (2) as relate to and are utilized by the Alaska Power Administration and the Bureau of Reclamation for the transmission and disposition of electric power and energy, except that the Secretary of the Interior will retain authority for the operation of dams constructed pursuant to the Eklutna Project Act and section 204 of the Flood Control Act of 1962; (3) to provide for the transmission and disposition of the electric power and energy generated at Falcon Dam and Amistad Dam; (4) to prescribe regulations after consultation with the Secretary of the Interior concerning bidding, competition, diligence and production requirements relating to Federal energy leases and royalty interests under the Outer Continental Shelf Lands Act, the Mineral Lands Leasing Act, the Mineral Leasing Act for Acquired Lands, the Geothermal Steam Act of 1970, and the Energy Policy and Conservation Act; (5) as relate to Bureau of Mines fuel supply and demand analysis and data gathering, and research and development to increase efficiency of production technology of solid fuel minerals, except as it relates to mine health and safety and the leasing consequences of solid fuel mining; and (6) to establish production rates for all Federal leases to the extent the Secretary of Interior would be permitted to establish such rates.

Section 303

Section 303 requires the Secretary of the Interior to afford the Secretary of Energy a reasonable opportunity to approve terms and conditions which he establishes for Federal leases which affect aspects of Federal leases and Federal royalty interests relating to bidding, competition, diligence and production requirements.

Section 304

Section 304 defines the term "Federal lease" for the purposes of section 302 and section 303 to be an agreement which, in consideration of bonuses, rents or royalties conferred and covenants to be observed, grants to a lessee the exclusive right and privilege of exploring for, developing, or producing, or any or all of these, oil and gas, coal, oil shale, tar sands, and geothermal resources on lands under Federal jurisdiction.

Section 305

Section 305 transfers to the Administrator of the Energy Information Administration all functions presently vested in the Director of the Office of Energy Information and Analysis of the Federal Energy Administration by Part B of the Federal Energy Administration Act of 1974.

Section 306

Section 306 transfers to the Secretary the functions vested in the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935.

Section 307

Section 307 transfers to the Secretary all functions vested in the Secretary of Housing and Urban Development by the Energy Conservation Standards for New Buildings Act of 1976.

Section 308

Section 308 transfers to the Secretary the functions relating to transportation of oil and coal by pipeline which are now vested in the Interstate Commerce Commission.

Section 309

Section 309 transfers to the Secretary the jurisdiction vested in the Secretary of the Navy under Chapter 641 of title 10, United States Code, over naval petroleum and oil shale reserves (other than NPR-4).

Section 310

Section 310 transfers to the Secretary the Industrial Energy Conservation Program from the Department of Commerce.

TITLE IV—BOARD OF HEARINGS AND APPEALS

Section 401

Section 401(a) establishes a Board of Hearings and Appeals (Board). The Board will have jurisdiction over any agency determination made on the record after opportunity for an agency hearing and any other matters assigned to the Board by the Secretary.

Subsection (b) provides that the Board is to be comprised of three members to be appointed by the President to serve for 4 years and removable by the President only for inefficiency, neglect of duty, or malfeasance. The initial terms will be shortened to ensure staggered expiration of terms. The President will designate the Chairman.

Subsection (c) invests the Chairman with executive and administrative functions over the Board, including supervising personnel assigned to or employed by the Board; however, each Board member may select and supervise his personal staff.

Subsection (d) affirms the Board's independence from the rest of the Department by making clear the Board members are not subject to the supervision of the Department.

Subsection (e) provides that a decision of the Board represents final agency action within the meaning of 5 U.S.C. 704.

Subsection (f) provides that the Chairman may designate any other member of the Board to act as Chairman in his absence; that the Chairman will preside at all sessions; that a quorum consists of at least 2 members; that each member has one vote; and that actions of the Board shall be determined by a majority vote of the members present. The Board will also have an official seal entitled to be judicially noticed.

Subsection (g) authorizes the Board to adopt administrative and procedural rules.

Subsection (h) empowers the Board to hold hearings, issue subpoenas, administer oaths, examine witnesses and receive evidence.

Section 402

Section 402 prohibits the Board members from engaging in outside business or employment, or maintaining financial interests or relationships which create or may create a conflict of interest.

TITLE V—ADMINISTRATIVE PROCEDURES AND JUDICIAL REVIEW

Section 501

Section 501(a) establishes that all rules, regulations, or orders issued by the Department or a State or local government under authority delegated by the Secretary must comply with the provisions of the Administrative Procedures Act.

Subsection (b) imposes the additional requirement that notice of any proposed rule or regulation must be made by publication of the rule or regulation in the *Federal Register* with a minimum of 10 days to comment, and, in the case of State and local government agencies, requires publication of such notice in newspapers with statewide circulation. Exceptions to the 10-day notice requirement may occur when compliance would cause serious harm or injury to the public health, safety, or welfare.

Subsection (c) provides for oral presentation of views before, if practicable, but in any case within 45 days after the issuance of a rule or regulation which will likely have a substantial impact on the Nation's econ-

omy, or a large number of businesses or individuals. A transcript shall be kept of oral presentations.

Subsection (d) requires procedures for making of adjustments to prevent special hardship, inequity or unfair distribution of burdens under the Emergency Petroleum Allocation Act of 1973, the Energy Supply and Environmental Coordination Act of 1974 and the Energy Policy and Conservation Act, and orders the establishment of procedures available to those persons for seeking relief or an interpretation.

Subsection (e) provides that when the Secretary determines a hearing is appropriate on any rule or regulation the significant effects of which are confined to a single State, geographic area, or political subdivision, or the residents thereof, the Secretary shall provide for a hearing in the affected locality.

Subsection (f) provides for judicial review of agency action. With respect to review of action taken under a law functions of which are transferred to the Department, the manner of judicial review shall be that which was specified in the law. The district courts will have jurisdiction in all other cases or controversies except to implement or enforce a rule, regulation, or order by an officer of a State or local government agency under this Act. Any court of competent jurisdiction will have the power to consider any issue raised by way of defense, except one based on the unconstitutionality of this Act or the validity of action taken by any agency under this Act. If such issues are raised the case is subject to removal to district court. Cases or controversies arising under action taken by State or local government agencies may be heard in either the appropriate State court or in the district court. The amount in controversy will not bear on the district court's ability to hear a case.

Subsection (f) further permits the Secretary to prescribe procedures in lieu of those established under Section 501 of this Act for State and local government agencies authorized to carry out functions permitted under applicable law. These procedures must be calculated to provide notice to affected persons an opportunity to present views at least 10 days prior to taking the action.

TITLE VI—ADMINISTRATIVE PROVISIONS

Section 601

Section 601 establishes a Leasing Liaison Committee consisting of a Chairman, an officer of the Department to be designated by the President, and other representatives from the Department to be designated by the Secretary. The Chairman may designate one of the Committee members as Acting Chairman in his absence. The Committee will obtain from the Department of the Interior such information as is required to keep the Secretary of Energy fully informed on Federal leasing relating to energy resources. The Committee, through the Secretary, will have authority to make recommendations to the Department of the Interior on matters related to Federal leasing. Section 601 also provides that should the Secretary conclude that any action or failure to act by the Department of the Interior is adverse to the responsibilities of the Department of Energy, the Secretary may refer the matter to the President.

Section 602

Section 602 requires that each officer or employee of the Department with a known financial interest in energy related holdings file annually a public disclosure statement beginning on February 1, 1978. The Secretary is charged with defining the term "known financial interest", with establishing methods to monitor and enforce the reporting requirement, and with reporting annually to Congress on the disclosures and actions taken with respect to such disclosures. A fine of $2,500 or imprisonment may be imposed on an officer or employee who knowingly fails to comply with the disclosure requirement.

Section 603

Section 603 grants to the Secretary the authority to prescribe necessary policies, standards, criteria, procedures, rules, and regulations.

Section 604

Section 604 permits the Secretary, unless expressly prohibited by law, to delegate any of his functions to officers and employees of the Department or, with the consent of the head of the department or agency concerned, to delegate any of his functions to the head of such other department or agency, and to authorize successive redelegations. The funds allocated to the Department to carry out functions which are delegated to another agency may be transferred to that agency.

Section 605

Section 605 gives the Secretary the power to establish and reorganize field offices.

Section 606

Section 606 gives the Secretary the authority to change the structure of the Department so long as he does not abolish organizational units established by this Act.

Section 607

Section 607 permits the Secretary to appoint and fix the salary for the Department's employees in accordance with the civil service laws. However, he may appoint up to 600 of the scientific, engineering, professional, and administrative personnel of the Department without regard to such laws, although the salaries may not exceed the rate prescribed for grade 18 of the General Schedule.

Section 608

Section 608 authorizes positions for not more than fourteen additional officers at Levels IV and V of the Executive Schedule of title 5 of the United States Code, and establishes up to 150 positions to be placed in GS–16, 17, and 18 in addition to the number of positions allowed under existing law or this Act. These 150 positions will be subject to the standards and procedures under Chapter 51 of title 5 of the United States Code.

Section 609

Section 609 permits the Secretary to employ the intermittent services of special government employees under Section 3109 of title 5, United States Code.

Section 610

Section 610 authorizes the Secretary to establish advisory committees. Members of the committees may be allowed travel and per diem expenses when away from home on advisory committee business.

Section 611

Section 611 authorizes the Secretary to utilize volunteers and to provide for their incidental expenses. Generally, a volunteer will not be considered to be a Federal employee. However, such volunteers would be treated as Federal employees for purposes of tort claims and for conflict-of-interest restrictions. Volunteers would also be required to file public disclosure statements pursuant to Section 602.

Section 612

Section 612 authorizes the Secretary to provide for the participation through cooperative agreements with the Armed Forces of military personnel in carrying out his functions.

Section 613

Section 613 permits the Secretary, with the consent of the involved party, to use the resources of persons, or public and private nonprofit agencies and organizations, with or without reimbursement, in carrying out his functions. The section also permits the Secretary to provide such resources to public and private nonprofit agencies and organizations when necessary and appropriate to the functions vested in him. Proceeds from reimbursements shall be deposited in the Treasury and may be withdrawn to pay directly the costs of resources provided or may be credited to a working capital fund if the fund is used to provide the resources involved.

Section 614

Section 614 authorizes the Secretary to enter into and perform such contracts, leases, grants, cooperative agreements and similar transactions with public agencies and private organizations and persons as he deems necessary or appropriate to carry out his functions.

Section 615

Section 615 authorizes the Secretary to acquire, construct, improve, repair, operate, and maintain laboratories, research and testing sites and facilities, quarters and related accommodations for employees and their dependents, and other real and personal property or interest therein which the Secretary deems necessary. The Secretary may also lease or sell real or personal property and provide for eating and other necessary facilities and equipment for the welfare of the Department's employees.

Section 616

Section 616 authorizes the Secretary to dispose of any interest of the Department in special purpose real property or personal property when in the public interest or to make gifts thereof to a public service institution, Federal, State, local or foreign agency.

Section 617

Section 617 permits the Secretary to provide services and resources for employees and dependents stationed at remote locations. Reimbursement for medical services and subsistence supplies will be made at a reasonable value as determined by the Secretary. Such funds will be deposited in the Treasury to be used to pay directly the cost of such work or credited to a working capital fund if the fund is available for use in performing the work or services for which payment is received.

Section 618

Section 618 authorizes the Secretary to permit the use for a period not to exceed fifty years and at a rate which he deems to be in the public interest of any real property or improvement under his custody by a public or private person or organization. The Secretary may require the permittee to recondition and maintain the property at its own expense.

Section 619

Section 619 authorizes the Secretary to acquire necessary copyrights, patents, applications for patents, licenses, and releases for past infringement before suit is brought.

Section 620

Section 620 authorizes the Secretary to accept, hold, administer and utilize gifts and bequests of real and personal property in order to facilitate the work of the Department. Money and proceeds of sales of other property must be deposited in the Treasury to be disbursed upon the order of the Secretary. For tax purposes such gifts and bequests will be deemed to have been made to the United States.

Section 621

Section 621 provides for establishment of an official seal for the Department, to be approved by the Secretary. The seal will be judicially noticed.

Section 622

Section 622 authorizes the establishment of a working capital fund without fiscal year limitation for the necessary expenses involved in the operation of common administrative services.

Section 623

Section 623 empowers the Secretary in carrying out a function transferred to him by the Act to utilize the authorities available by law to the official or agency from which the function was transferred.

Section 624

Section 624 requires an annual report by the Secretary to the President for submission to Congress on the activities of the Department, United States energy policies, and the status of and outlook for the Nation's energy situation. The report satisfies certain annual reporting requirements of the Federal Energy Administration Act, the Energy Reorganization Act of 1974 and the Federal Nonnuclear Energy Research and Development Act of 1974.

Section 625

Section 625 authorizes the Secretary to transfer funds from one appropriation to another within the Department with a maximum increase or decrease of 5% in a given fiscal year if he is so authorized in an Appropriation Act.

Section 626

Section 626 provides authorization for appropriations to carry out the purposes of the Act.

TITLE VII—TRANSITIONAL, SAVINGS, AND CONFORMING PROVISIONS

Section 701

Section 701 transfers to the Secretary all personnel, positions, assets, liabilities, contracts, property, records, unexpended balances of appropriations, authorizations, allocations, and other funds connected with the functions transferred to the Secretary under this Act, subject to section 202 of the Budget and Accounting Procedures Act of 1950.

Subsection (b) of this section provides for the abolishing of statutory offices which are transferred by the Act.

Section 702

Section 702 provides that, except where otherwise provided in the Act, the transfer of full-time personnel (except special government employees) and part-time personnel holding permanent positions shall not cause such an employee to be separated or reduced in grade for one year.

Section 703

Section 703 provides that any person holding a position compensated in accordance with the Executive Schedule and who without a break in service is appointed to a comparable position in the Department, will receive at least the same level of compensation as for his previous position.

Section 704

Section 704 allows employees who hold reemployment rights under Section 28 of the Federal Energy Administration Act of 1974 or under other laws to exercise such rights for 120 days following the effective date of this Act.

Section 705

Section 705 provides that when the functions vested in an agency, commission, or other body have been terminated or transferred under Title III of this Act, the body shall terminate. Each position or office expressly authorized by law or whose incumbent was compensated at rates prescribed for Level II, III, IV, or V of the Executive Schedule will also terminate.

Section 706

Section 706 directs the Director of the Office of Management and Budget to make the necessary determinations involved in transferring of functions under this Act and to consult with the Secretary in the process.

Section 707

Section 707 provides for the continuation of all effective orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges made prior to enactment of this Act in connection with transferred functions until modified, terminated, superseded, set aside, or revoked by the President, the Secretary, the Board of Appeals, other authorized officials, a court of competent jurisdiction or by operation of law.

Section 708

Section 708 protects the status of any proceedings pending at the time this Act takes effect before any body whose functions are transferred by the Act. Such a proceeding may be discontinued or modified to the same extent permitted had this Act not been enacted. The Secretary is authorized to promulgate regulations to assure orderly transfer of such proceedings to the Department. The Act shall not affect suits commenced prior to the date this Act takes effect, except to substitute the appropriate Department official as a party.

Section 709

Section 709 provides for severability in the event any part of the Act should be declared invalid.

Section 710

Section 710 provides that after the effective date of this Act, references in any other Federal law to a department, agency, officer or office from which functions were transferred shall be references to the Secretary or other appropriate official.

Section 711

Section 711 preserves for the President all authorities and functions which he possessed immediately before the effective date of this Act.

Section 712

Section 712 provides amendments to the Federal Energy Administration Act of 1974 (conforming and technical amendments to the Act made necessary by the transfer of functions); to the Energy Reorganization Act of 1974 (conforming and technical amendments); to the Federal Power Act (repeal of a public report no longer necessary); to the Motor Vehicle Information and Cost Savings Act (granting the Secretary a consultation right on auto fuel economy standards); to the Energy Conservation Standards for New Buildings Act of 1976 (granting the Secretary of HUD a consultation right); to the Public Utility Holding Company Act of 1935 (technical amendments reflecting amendments made necessary by the transfer of functions); and to the Rural Electrification Act of 1936 (granting the Secretary a concurrence right over certain REA financing).

Section 713

Section 713 amends title 5, United States Code making deletions and additions to the Executive Schedule in conformity with other provisions of the Act.

Section 714

Section 714 enables the Secretary, with the consent of the appropriate Department or agency head, to use the services of the personnel of the Departments and agencies from which functions have been transferred as needed to facilitate the transfer of functions under this Act.

Section 715

This section provides that the transfer of functions under this Act will not affect the validity of a draft environmental impact statement published before the effective date of this Act.

Section 716

Section 716 defines the terms "function" or "functions" to include duty, obligation, power, authority, responsibility, right, privilege, and activity, or the plural thereof, as the case may be; and the term "perform," when used in relation to functions, to include the exercise of power, authority, rights, and privileges.

TITLE VIII—EFFECTIVE DATE AND INTERIM APPOINTMENTS

Section 801

Section 801 provides that the Act shall take effect 120 days after the Secretary takes office or earlier if the President so prescribes and publishes notice in the *Federal Register*. However, officers may be nominated and appointed and the Secretary may promulgate regulations providing for the orderly transfer of proceedings to the Department at any time after the date of enactment. Funds available to any agency or department whose functions are transferred may be used to pay the compensation and expenses of an officer so appointed with the approval of the Director of the Office of Management and Budget, until funds for that purpose are otherwise available. If an officer has not entered office on the effective date of this Act, the President may designate any officer whose appointment was required to be made by and with the advice and consent of the Senate to act in such office until it is filled. His compensation will be at the rate of the office in which he acts.

SUMMARY OF MAJOR PROVISIONS

I. The proposed Department of Energy would absorb:

The Federal Energy Administration;

The Energy Research and Development Administration;

The Federal Power Commission;

Certain programs and functions from the Interior Department:

The four regional power marketing Administrations (Bonneville, Alaska, Southwest and Southeast) and the power marketing functions of the Bureau of Reclamation.

Certain programs of the Bureau of Mines—i.e. the fuels data program (which collects and analyzes data principally on fossil fuels) and research and development programs relating to improvements in coal mining extraction technology, coal preparation and analysis, and technology development for equipment for surface mining;

Certain responsibilities relating to leasing of energy minerals onshore and offshore, as outlined further below;

Policy control over the rate of the exploration program, to be conducted by Interior, in the Naval Petroleum Reserve in Alaska;

The existing statutory authorities for the thermal efficiency standards program, now vested in the Secretary of HUD (these authorities relate to development by late 1979 of standards for commercial and residential buildings; implementation of these standards, pursuant to Energy Department policy guidelines, would continue in HUD);

Existing Commerce Department programs to promote voluntary industrial energy conservation;

The jurisdiction over and administration of the three Naval petroleum reserves in California and Wyoming, and three Naval oil shale reserves in Colorado and Utah, currently in the Defense Department;

The authorities vested in the SEC through the Public Utility Holding Company Act of 1935 to regulate mergers and acquisitions in the electric utility industry.

The authorities currently vested in the ICC to regulate the valuation of oil pipelines, on which rate-making decisions are based.

In addition, this legislation provides that the Energy Department will have an advisory role in recommending goals in the automobile efficiency standards programs to the Secretary of Transportation, who will continue to have primary responsibility for the program.

II. Leasing of Public Lands—

In the area of public lands leasing, this legislation provides for a process arrangement between the Department of Energy and the Department of Interior. Under this arrangement, the actual leasing of resources will remain in the Interior Department, but

policy control over broad goals of the process, and specific controls over certain procedures within the process, will reside in the Energy Department.

(a) Each year the Energy Secretary will develop long-term production goals for Federally controlled onshore and offshore energy resources, resource by resource, with input from the Interior Secretary. The goals will be set taking into account reasonable lead times for the particular resource involved. If the Interior Secretary concludes a particular goal is unrealistic, the matter will be decided by the President.

(b) General regulations governing the leasing program would be issued by DoI. However, regulations covering economic terms and conditions of the lease, listed below, will be established by DoE, though formally issued by DoI:

Competitive relationships among energy companies

Alternative bidding systems

Mandatory rates of production, emergency acceleration of production, direct control of production for resale.

General due diligence regulations.

(c) Issuance of specific lease-by-lease terms and conditions will be done by DoI, with DoE approval required only for those areas of individual lease agreements covered by the general regulations set by DoE in (b), above.

(d) In the post-lease period, DoE will fix production rates for the energy resources (including MER's and MPR's). DoE will have authority to monitor the Geological Survey's work and perform work of its own to determine if production rates are being followed, and to recommend cancellation or forfeiture of the lease to the Interior Secretary, in accordance with applicable law and terms of the lease. If the Interior Secretary determines that the lease will not be cancelled or forfeited, his reasons for that determination must be published in the Federal Register within 90 days.

(e) DoI will make all data gathered in the leasing process available to DoE.

(f) A Leasing Liaison Committee will be established, with a Presidential appointee as its head (coming from the Energy Department) and membership from the Energy Department. The Committee will act as a vehicle for DoE to be fully informed at all stages of the leasing process, and for DoE, through the Secretary, to make recommendations to DoI on matters relating to leasing (in addition to the specific authority given DoE above), with a right of referral by the Secretary to the President if he feels that actions or failure to act by DoI on matters recommended to it are adverse to the responsibilities of DoE.

III. Internal Structure—

This legislation calls for the creation of a Department with all authorities vested in the Secretary. Other statutory officers to be created wil be a Deputy Secretary, two Under Secretaries (one for policy and program evaluation and one for management), eight Assistant Secretaries, (including statutory designation of an Assistant Secretary for Conservation and an Assistant Secretary for Environment), an Energy Data Administration and an Energy Regulatory Administration. All of these officers will be Presidentially appointed, with Senate confirmation.

The Energy Data Administration will be statutorily vested with primary, though not exclusive, jurisdiction over the data collection and analysis functions of the Department. The legislation will specify that the functions vested in the Office of Energy Information at FEA by the Energy Conservation and Production Act will be vested in the Administrator of the Energy Data Administration. The Administration will be subject to the same types of requirements, including performance audit review, as were established in ECPA.

The Energy Regulatory Administration will exercise the present regulatory powers of the FEA (on petroleum pricing and allocations) and the FPC, and will be subject to the insulation of certain of its responsibilities through the Board of Appeals described below.

A governing principle in describing the responsibilities of the major line operating entities with the Department is to attempt to allocate resources in such a manner that no one component can dominate the others. Thus, the present ERDA programs and activities will be moved to those line entities within the Department in which they can best be undertaken. For example, the major energy conservation R and D programs which ERDA now undertakes would become the responsibility of the Assistant Secretary for Conservation. This, however, would still leave the line entity responsible for technology development with significant responsibilities (primarily in the areas of fossil fuel R and D and nuclear R and D), while reducing substantially the potential for dominance by that technology entity over the entire department.

IV. Insulation of Regulatory Functions—

(a) A Board of Appeals is established, with three Presidential appointees for four year terms, removable only for cause. This Board would be the final decision-maker within the Department on all matters relating to granting of hydroelectric power licenses and certificates of public convenience and necessity for natural gas pipelines. Both of these functions are currently under the jurisdiction of the FPC. In addition, the Board would receive for its review any contested case adjudications involving determination of individual rights. These types of proceedings would be conducted initially by Administrative Law Judges, who are not under the control of the Secretary, and appeal would then be taken to the Board of Appeals, also free of Secretarial control. Further appeal would then lodge in the courts.

(b) The bill retains Secretarial flexibility in determining the manner in which large portions of the Department's regulatory workload will be performed, thereby attempting to streamline procedures while continuing to provide all due process rights in those procedures. Thus, it is anticipated that the Secretary will proceed to shift more of the workload involving economic regulation to a rule-making procedure, under which broader policy can be set forth, while preserving the independence of the case-by-case process through the Board of Appeals described above.

Mr. PERCY. Mr. President, I am very pleased to be the principal cosponsor of the administration's energy reorganization bill, joining with Senator RIBICOFF, who is the principal sponsor.

Congress needs a variety of well-thought-out proposals to help us as we deliberate on this critical matter. As my colleagues know, I have recently introduced my own energy reorganization bill called the Omnibus Energy and Natural Resources Reorganization Act of 1977 (S. 591). This bill is the culmination of a year of intensive study by the Congressional Research Service, my staff and me. My main purpose in introducing S. 591 was to broaden the range of reorganization options under consideration and focus attention on some of the fundamental issues involved.

The administration bill is a splendid addition to the dialog and I am, therefore, pleased to cosponsor it. However, I wish to emphasize, Mr. President, that while the administration shows that the executive branch has arrived independently at some of the same conclusions as the Congressional Research Service and I earlier this year, it has approached certain aspects of the problem in a different way. I, therefore, of course, reserve the right to propose changes to the administration bill during markup. In the last analysis, I am sure that all of us involved will strive for the best in a spirit of give and take.

The similarities between the two bills include:

Pulling together many of the energy supply programs in FEA, ERDA, and Interior.

Streamlining some of the data collection functions.

Leaving primary responsibility for auto efficiency standards in the Department of Transportation.

However, there are significant differences between the two bills as well. For example, the administration bill includes oil and gas regulation in the proposed new Energy Department and excludes much of the Interior Department.

But my principal reservation concerns conservation. I have been very pleased that the administration has referred to conservation as the centerpiece of its energy program. With that in mind, we must come up with an energy reorganization bill which will implement that commitment.

It is interesting to note that the Department of Transportation will continue to have primary responsibility for the auto efficiency program. This is exactly as it should be.

But why, Mr. President, is not this thinking extended to other sectors, for example, housing? Last year in the Energy Conservation and Production Act, for which Senator RIBICOFF and I were the floor managers, Congress placed the responsibility for the development of a thermal efficiency standard for buildings in HUD. This is now the law and HUD is proceeding to implement it. Now the administration proposes to take it out of HUD.

In my view, backed up by findings of the Congressional Research Service, conservation programs for end-use sectors, such as buildings, transportation, and industry, should be placed in the department most closely associated with that sector, where these programs can be consolidated with other ongoing conservation programs already in that department.

This is how large firms like Boeing and IBM are organized. They place their applied research and development within their divisions and thus close to their marketing effort. The analogy should hold for Government as well.

Mr. President, I trust that the concrete suggestions made in both the administration's bill and my own bill will serve to help focus the debate on energy policy and energy reorganization and thus make a useful contribution toward sharpening the discussion of Government reform as it relates to our vital energy needs.

For the benefit of those who have not yet had an opportunity to study the ideas contained in the Omnibus Energy and Natural Resources Reorganization Act of 1977 (S. 591), I ask unanimous consent that a summary of my bill be

printed in the RECORD at this point. The administration bill, that I enthusiastically cosponsor in many respects, has been printed in the RECORD today as well.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE MAJOR PROVISIONS OF THE OMNIBUS ENERGY AND NATURAL RESOURCES REORGANIZATION ACT OF 1977 (S. 591)

POLICY

To the extent that a comprehensive, widely agreed upon energy policy is necessary, it is important to ensure that the process of developing that policy is not dominated by supply interests. Therefore, energy policy formulation should be separated from energy supply policy formulation and implementation.

This legislation would create an Energy Policy Council (EPC) in the Executive Office of the President—similar to the Council of Economic Advisors—which would both be free of day-to-day programmatic concerns, as well as free of the biases of on-going programs. EPC would supply the President with objective energy policy recommendations and be able to relate energy goals with other high-priority national goals. It would also produce an annual energy report to the President—comparable to the Council of Economic Advisors' economic report to the President.

In essence, the EPC would perform the policy tasks now fragmented among FEA, ERDA, Interior and ERC. It would have three members—with the Chairman having Cabinet rank—and a small staff.

EPC would have a sunset clause to force a reexamination of the continuing need for its existence after 3 years.

CONSERVATION

Since conservation depends for its success on a good understanding of the end-using sectors, conservation programs should be collected in those agencies most knowledgeable about each end-using sector. Conservation programs in the transportation sector, for example, including R, D and D, planning and promoting functions, should be wholly in the Department of Transportation, rather than spread throughout a number of agencies.

Energy conservation efforts must be increased substantially. One reason such efforts have been ineffective is that conservation efforts associated with given end-use sectors have been distributed among several agencies, including those responsible for energy supply. The evidence indicates that under these circumstances, conservation tends to be neglected, and many opportunities overlooked.

Thus, this legislation would transfer the conservation programs in FEA and ERDA for each end-use sector (housing, transportation, etc.) to the department most closely associated with that sector, where they would be consolidated with other on-going conservation programs already in that department.

This should increase accountability by fixing responsibility for conservation in a particular end-using sector on one institution. This would remedy the present situation where, for example, several agencies are partly responsible for conservation in housing, but none have the full range of resources (technical, promotional, etc.) to bring to bear.

An Assistant Secretary would be responsible for conservation in each Department and would be directed to increase conservation programs so that conservation and efficiency of energy use become integral parts of that Department's mission.

To promote and coordinate Federal energy conservation programs, and to encourage conservation opportunities between sectors, a new Cabinet Committee on Conservation, chaired by the Chairman of EPC, would also be created for three years. It would consist of the heads of relevant departments and agencies.

In the President's annual energy report, quantitative conservation goals for the next fiscal year would be established.

EPC would monitor all conservation programs, just as it does for supply programs.

SUPPLY

Several agencies (primarily FEA, ERDA, and DOI) are currently involved in energy supply. These programs should be consolidated. Note that because conservation efforts are a relatively small budgetary component (e.g., 1 per cent of ERDA's budget), consolidating the energy supply parts of DOI, FEA and ERDA is almost like consolidating the three agencies in total—one of the many variants of the old DENR idea.

This legislation would thus create a Department of Energy Supply and Natural Resources (DESNR). I described earlier how this Department would be organized.

DESNR would, first, manage public lands; second, encourage increased energy supplies; third, promote R, D and D in new energy supply systems; fourth, develop programs to improve supply system efficiencies; and fifth, serve as the lead agency for collecting energy supply data.

DATA

FEA's data collection functions relating to energy supply would be transferred to DESNR, to be integrated with tasks now undertaken by the Bureau of Mines and the Geological Survey.

Each Cabinet department would continue to collect primary data on the use and flow of energy through the economy; that is, energy demand data. For example, Commerce, in a strengthened statistical bureau, would continue to collect energy data from industry and business.

The integrity of data collection efforts would be protected by the institutional separation of the key unit for policy recommendations (EPC) from those agencies responsible for assembling energy data.

REGULATION

More than 40 Federal agencies, bureaus and commissions have some role in energy regulation. Inconsistencies and conflicts cannot be resolved until there is a clearer identification of national energy policy.

One of the major conclusions of a September 1976 study by CRS was that there is as yet no agreement on how the various energy regulatory functions relate to each other, what the major regulatory issues are, and how regulatory policy might relate to energy policy. This fact indicates that significant regulatory reorganizational initiatives would probably be premature at this time.

Pending development of an integrated national energy policy by EPC, my bill would direct the General Accounting Office to review regulatory performance in the light of existing agency missions, and recommend appropriate reorganizations of regulatory activities to Congress within 2 years.

Since FEA under the legislation I am proposing today would be eliminated, its remaining oil price regulatory responsibilities—to be phased out completely by May, 1979—would be transferred to the Federal Power Commission, so that the regulation of oil and gas can be coordinated.

Mr. JAVITS. Mr. President, I have cosponsored this important measure to help to emphasize the bipartisan nature of this undertaking and to demonstrate to the President that support for a Department of Energy has a broad political base.

I am in fundamental agreement with the essentials of this legislative package. We must merge all of the disparate energy policy and regulatory agencies into a single Cabinet-level department, and we must do so as soon as possible. Without such a merger, it will be increasingly difficult to enact or implement a comprehensive and coordinated national energy program, without which this Nation cannot prosper adequately at least for the next decade.

The concepts embodied in this bill grew from a provision mandated by law in the Energy Conservation and Production Act, passed last year. At that time—when the mandate of the Federal Energy Administration was renewed—it was apparent that steps should be taken to begin the process for reorganization. Thus, the initial step of requiring the administration to propose a comprehensive and detailed energy reorganization plan became a central part of the FEA renewal legislation.

I have followed closely the progress of that provision. It has been implemented both by the former and present administrations. In early January, we received the initial report of the President on "The Organization of Federal Energy Functions." This study, prepared under President Ford, lays the groundwork for the effort undertaken by President Carter and for the work upon which the Congress must now embark.

The study compares the several possible organization alternatives, carefully analyzing the implications of each. The three principal alternatives considered are: First, formation of a Department of Energy and Natural Resources, encompassing not only all of the Federal energy functions but most land management, resource activities as well; second, establishment of a Department of Energy; and third, creation of a National Energy Agency combining FEA and ERDA.

The alternative selected by President Ford was the second—a Department of Energy. Although there are some differences between such a Department under the Ford plan and as now proposed by President Carter, the two are broadly designed to achieve the same purposes and to do so in similar ways. Each plan would place the Federal Energy Administration, the Energy Research and Development Administration, and the Federal Power Commission entirely within the new Department. Both would establish mechanisms for the insulation of the adjudicatory regulatory functions to be handled by the Department, and each would place the more general policy-making regulatory functions squarely under the authority of the Secretary of Energy. I fully agree with all of these steps.

In my view, the most significant divergence between the two plans is the method of decisionmaking on Federal leasing. The Ford plan would have left a greater part of this leasing authority within the Interior Department, where energy leasing decisions could be balanced with the other legitimate claims made for use of federal lands. The Carter plan transfers certain of the Interior Secretary's leasing functions directly to the Department of Energy, but leaves other authority dealing with Federal leasing in the Interior Department. It also creates a novel mecha-

nism—called a Leasing Liaison Committee—apparently designed to insure that no leasing decisions are made by the Interior Department without prior consultation of the Secretary of Energy.

While I do not assess the feasibility or desirability of this arrangement at this time, I do anticipate that this area will be one that must be fully explored and understood in all its ramifications. It is one of the few major organizational arrangements that emerged from the Carter study different from the Ford proposal, and for that reason alone demands intensive scrutiny, and it also raises serious questions about multiple uses for Federal lands and protection of the environment.

Finally, the role and status of energy conservation in the Department must be examined further. Although both plans would place an Assistant Secretary in charge of conservation, we must take steps in this reorganization to see that conservation becomes a permanent and important part of our national effort.

Conservation activities must not be stripped from all of the other departments of Government merely because it is included, as it should be, as a principal purpose of the Department of Energy. Moreover, energy conservation must not be isolated within the new Department; it must mesh with each of the other components of the Department and not compete for attention and resources as the stepchild of a department committed to energy production. There must be organizational assurance that energy conservation will be one of the primary missions of this Department.

With these reservations in mind, I pledge my support for a prompt and thorough consideration of this bill, and to work for Senate passage. I believe that with flexibility and accommodation as the hallmarks of this bill's journey through Congress, on both sides, we can reach enactment in this year's session.

Mr. ROTH. Mr. President, I am cosponsoring President Carter's energy reorganization proposal, but have serious reservations concerning the wisdom of some aspects.

I support the creation of a single department to manage energy matters. And I believe President Carter has made a good choice in selecting James Schlesinger to head an energy department. Mr. Schlesinger is bright and tough, a man who knows his way around Washington and how to get things done.

But after reviewing this proposal, I believe the administration is putting the cart before the horse. This proposal should be presented to the Congress at the same time as or after the administration's energy policy recommendations. We are being asked to create agencies to perform functions when we do not know what the functions are. It seems to me that these substantive questions of policy should be resolved first.

In addition, I have serious doubts about the wisdom of folding regulatory and development responsibilities together. Although the bill attempts to maintain an independent mechanism for regulation within the proposed Department of Energy, I doubt whether this is possible as a practical matter. I remain to be persuaded one way or the other.

There are several other unanswered questions raised by the proposal. During the course of the next few days and weeks, I hope that these can be answered to my satisfaction.

THE NEED FOR A BIPARTISAN ENERGY POLICY

Mr. HEINZ. Mr. President, I want to express my support for President Carter's efforts to reorganize Federal energy activities into one department. I have long felt that one of the major blocks to the development of a satisfactory energy policy in this country has been the fragmentation of those policy makers in Government responsible for energy issues. Between the Federal Energy Administration, the Federal Power Commission, the Nuclear Regulatory Commission, the Department of the Interior, and numerous other agencies in the White House and other Cabinet departments it has proved extraordinarily difficult to set up a coherent policymaking apparatus which is capable of taking all necessary factors into consideration when dealing with energy issues. The result has been duplication, fragmentation, and confusion.

Another factor in our failure to develop a responsible energy policy over the past 4 years has been the constant partisan wrangling on policy between Congress and the administration. I am pleased to join in sponsoring Mr. Carter's reorganization plan today because I believe that our energy policy, like our foreign policy, should be pursued on a bipartisan basis without regard to short-term political advantage. The issue is far too important for that. Of course, as a member of the Committee on Governmental Affairs, which will consider this legislation, I intend to examine its details carefully and, if necessary, propose modifications that will further the creation of a cohesive department, but I believe our commitment to the concept of energy reorganization should be a bipartisan one, and I urge my colleagues to join in support of the President's effort.

By Mr. JAVITS (for himself and Mr. PERCY):

S. 827. A bill to amend the Intergovernmental Cooperation Act to prevent lawless and irresponsible use of handguns in selected areas with high crime rates, and for other purposes; to the Committee on the Judiciary.

S. 828. A bill to promote more effective management of certain law enforcement functions of the executive branch by transferring functions of the Secretary of the Treasury under the Gun Control Act of 1968 to the Attorney General, by consolidating certain law enforcement functions under that act in a Firearms Safety and Abuse Control Administration, in the Department of Justice, and for other purposes; to the Committee on Governmental Affairs.

Mr. JAVITS. Mr. President. I am today reintroducing two bills which are designed to tailor Federal gun controls to limited geographical areas throughout the country where the problems of handgun related crimes are most severe, and where public support for Federal controls is broad-based. Specifically, these proposals seek to improve Federal, State and local law enforcement capabilities in this field by:

First, transferring all functions relating to the enforcement of the 1968 act and now vested in the Secretary of the Treasury to the Attorney General. They would be exercised by a new Firearms Safety and Abuse Control Administration which would have expanded handgun information gathering authority;

Second, requiring verification of personal identification information required to be submitted by a prospective purchaser prior to delivery or shipment of any firearm;

Third, covering sale and resale of firearms between private persons who are not dealers, manufacturers, and collectors as regards verification of eligibility;

Fourth, requiring the development and enforcement by the Attorney General of national theft prevention and security standards which would apply to all licensed dealers, manufacturers, importers, collectors, and common carriers;

Fifth, banning the sale or delivery to any one person of multiple handguns in excess of one in any 1 calendar year except to police and other governmental units; and developing adequate licensing standards to assure that Federal licenses to manufacture, import, or deal in firearms will be issued only to responsible persons legitimately engaged in such business.

Sixth, authorizing joint Federal-local task forces for handgun trafficking control;

Seventh, banning with proper exceptions the possession, sale, use, or importation of handguns in public or private in any standard metropolitan statistical area—SMSA—where the violent crime rate is 20 percent above the national average, or where it is 10 percent above the national rate and 5 percent above the prior year's local rate;

Eighth, banning the domestic manufacture, sale, transportation or possession of Saturday Night Specials—barrel length of up to 10 inches; and

Ninth, authorizing the Advisory Commission on Intergovernmental Relations to undertake a study of the effectiveness of the 1968 Gun Control Act, particularly with respect to strengthening the Federal licensing system.

Mr. President, last year Senator PERCY and I introduced legislation to establish a more effective and practical role for the Federal Government in the area of interstate handgun control. We sought—in cooperation with former Attorney General Levi—to propose a new approach to the extraordinarily complex policy and political obstacles which have prevented the Congress from acting in this field for so long. With the interest and active cooperation of Senator RIBICOFF, our distinguished chairman of the Governmental Affairs Committee, an extremely useful and incisive set of hearings were held on these bills involving informed and committed police officers from throughout the country.

Mr. President, in connection with the retintroduction of the instant legislation, I wish to draw the attention of the Senate to a major new report issued yester-

day by the Police Foundation, an independent nonprofit organization established by the Ford Foundation in 1970 and dedicated to supporting innovation and improvement in police work. This report was prepared by Steven Brill with the encouagement of Patrick V. Murphy, foundation president and former police commissioner of the city of New York, and Prof. Franklin L. Zimring of the University of Chicago Law School.

The study represents the first sustained effort to examine the problem of firearm abuse by using police records. Its findings and suggestions are extremely well developed and constitute an important contribution to this ongoing but nevertheless crucial debate. For example, a significant finding emerges from an examination of samples of firearms confiscated in 10 cities. The data show the frequency with which higher priced, well-known brands of handguns appear in the samples of firearms believed to be involved in murder, robbery, assault, and other felonies. This evidence clearly indicates that the belief that so-called Saturday night specials—inexpensive handguns—are used to commit the great majority of these felonies is misleading and counterproductive.

The study examines carefully the efforts and capability of the Treasury Department's Bureau of Alcohol, Tobacco, and Firearms in carrying out its regulatory functions under the 1968 Federal Gun Control Act and raises serious questions about the effectiveness and aggressiveness of that agency. With the level of handgun violence in every American city and suburban area such as it is ATF could be the most significant law enforcement agency in the country. The fact is it is not.

The four aspects of the firearm abuse problem which the report deals with, and which are dealt with in my legislation are:

First. The possibility of improving the data local police departments and Federal law enforcement agencies now collect on the role of firearms in crime and how people who commit crimes obtain firearms;

Second. The role of firearms in crime generally and of specific types of firearms—expensive handguns, inexpensive handguns, conventional shotguns, rifles, et cetera—in specific categories of crime;

Third. The commerce in firearms, including interstate traffic, the problem of firearm thefts, and the age of firearms used in crime; and

Fourth. An assessment of Federal and local police efforts to enforce current firearm laws, including the performance of the U.S. Treasury Department's Bureau of Alcohol, Tobacco and Firearms—ATF, the agency responsible for enforcing Federal firearm law and for regulating the firearm industry.

The foundation study conducted a detailed survey of firearms confiscations in a 10-city sample, including Atlanta, Baltimore, Boston, Chicago, Detroit, Houston, New York, Philadelphia, San Francisco, and Washington, D.C.—61,988 firearms were confiscated in 1974 in the 10 sample cities. The issue of which type of handguns criminals use and where they get them has been a major question in the handgun control debate in Congress for several years. The report found that small cheap handguns costing less than $50 are used less often in crime than more expensive guns made by the largest American manufacturers. I have long argued that a ban on importation and manufacture of Saturday Night Specials would not bring about a satisfactory reduction in handgun violence.

Analysis of data in nine of the above cities found that only in Atlanta could more than half of the confiscated guns be classified as Saturday Night Specials. The results in other cities were: Baltimore, 15.4 percent; Boston, none; Chicago, 29.4 percent; Detroit, 13 percent; New York, 46.4 percent; Philadelphia, 12.3 percent; San Francisco, 17.6 percent; and Washington, D.C., 23.4 percent.

Figure 1 below puts the confiscations reported in each city in comparative perspective. It measures the reported or estimated number of 1974 confiscations on a per capita basis and presents a "confiscation rate"—reported confiscations per 1,000 population—for each of the sample cities.

Figure 1 indicates a wide disparity in the rates at which police confiscated firearms in the sample cities. For example, Chicago police confiscated almost three times as many firearms per 1,000 population—5.7, in 1974 as the New York police—2.0, and twice as many as the San Francisco—2.6, and Boston police—2.8.

FIGURE 1.—*Firearm confiscations per 1,000 population, sample cities, 1974 estimates*

Chicago	5.7
Atlanta	5.5
Washington, D.C	4.2
Baltimore	3.9
Detroit	3.5
Philadelphia	3.2
Houston	3.1
Boston	2.8
San Francisco	2.6
New York	2.0

Source: Individual City Original Data Sample; Uniform Crime Reports, Federal Bureau of Investigation, 1974.

Table 6 below attempts to isolate the first possible factor. It compares each city's ranking in firearm confiscation rates to its ranking in the firearm abuse rates—the number of reported murders, robberies, and assaults committed with firearms per 1,000 persons and in the choice-availability measure—percentage of murders, robberies, and aggravated assaults committed with firearms.

The firearm problem in each city, as measured by the abuse rate, seems to have some relationship to the confiscation rate. The cities with the five highest and five lowest abuse rates were also the cities with the five highest and five lowest confiscation rates. Four cities had the same rankings, and in three the rank moved up or declined by only one or two. This finding suggests that a city may have a lower confiscation rate in part because there are fewer firearms being abused in that city. Chicago, Philadelphia, and Detroit, however, show major changes in confiscation rate ranking as compared with rankings of abuse rates, suggesting that other factors including those having to do with police effort and performance, may have more impact—positively in Chicago and Philadelphia and negatively in Detroit—than in the other cities.

TABLE 6.—FIREARM CONFISCATION, ABUSE, AND CHOICE-AVAILABILITY RANKS SAMPLE CITIES, 1974

City	Confiscation [1]	Abuse [2]	Availability [3]
Chicago	1 (5.7)	5 (558.35)	5 (45.6)
Atlanta	2 (5.5)	2 (905.70)	3 (55.6)
Washington, D.C	3 (4.2)	3 (735.96)	4 (48.2)
Baltimore	4 (3.9)	4 (609.59)	7 (32.0)
Detroit	5 (3.5)	1 (1,075.43)	2 (56.1)
Philadelphia	6 (3.2)	9 (323.52)	6 (39.0)
Houston	7 (3.1)	7 (450.94)	1 (65.1)
Boston	8 (2.8)	6 (475.56)	8 (29.7)
San Francisco	9 (2.6)	10 (272.56)	10 (25.4)
New York	10 (2.0)	8 (450.21)	9 (28.8)

[1] Rate per 1,000 population in parentheses.
[2] Rate per 100,000 population in parentheses.
[3] Percentage in parentheses.

Source: Individual City Original Data Sample; Uniform Crime Reports, Federal Bureau of Investigation, 1974.

Mr. President, it would be unfair for us to overstate the responsibility of the Federal Alcohol, Tobacco and Firearms Bureau for the lack of enforcement success under the 1968 Gun Control Act. As I have stated many times, the act itself is riddled with holes and needs significant strengthening along the lines suggested in my second bill. Also, the sheer volume of interstate handgun traffic is staggering. In 1975 testimony before a House Judiciary Subcommittee, ATF Director Rex Davis estimated that the number of handguns owned by civilians has grown from 27.9 million in 1968 to 40.1 million by the end of 1974—an increase of 43.7 percent.

Nevertheless, the Police Foundation Report found that "ATF in some ways has not taken advantage of the law enforcement and regulatory opportunities that the 1968 act did offer." It specifically recommended that ATF should give more attention to its regulatory and monitoring responsibilities, should develop research and policy planning capacity, and should improve its working relationship with local police agencies. For example, data indicates that stolen firearms are a major factor in the failure of the 1968 act to keep firearms away from persons prohibited from purchasing them.

Under section 923(g) of the 1968 act, ATF could require that manufacturers, distributors and dealers immediately report the theft of any of their firearms. ATF has declined to do so. As I have already indicated, my bill goes beyond this and would require the development and enforcement of national theft prevention and security standards to cut down the more than 500,000 handgun thefts annually.

It is the basic purpose of my first bill—a reorganization and transfer of ATF from Treasury to Justice—to upgrade and strengthen the capability of this

agency to play a major national role in reducing the dimensions of the extraordinary problem of handgun violence. It can also constitute a vehicle through which the Congress can evaluate the efficiency of its current operations, the coordination of its programs with other Federal agencies, the quality of its work with State and local law enforcement agencies, and its consequent effectiveness in improving intergovernmental relations among the various levels of government trying to deal with this problem.

Mr. President, in seeking ways to improve the performance and organizational capability of the ATF, we cannot overlook the fact that this agency is underfunded and understaffed. It is important that the Foundation report takes note of this reality. As of last year, ATF had 3,892 employees. Of these, 1,522 were special agents; 745 were inspectors charged with regulatory functions; and 1,625 were administrative and support personnel. In addition to firearms laws, these personnel are responsible for enforcing laws and collecting taxes relating to explosives, liquor, tobacco, and wagering. Many ATF agents are also called upon to assist the Secret Service in providing protection for dignitaries.

Mr. President, that portion of the Police Foundation study dealing with ATF I found particularly interesting and important, given the responsibility we in Congress share with the Executive to provide the most effective law enforcement programs possible at the Federal level. After all, the fundamental nature of the Federal role in the entire area of crime control, is to act in aid of the States and localities, and to supplement and enhance their capabilities. We have not adequately accomplished that in the area of controlling interstate handgun commerce. Therefore, I ask unanimous consent that chapter 8 of the Police Foundation study dealing with the role and performance of ATF, and entitled "Improving Federal Enforcement Efforts" be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JAVITS. On the Federal level alone there must be a greatly strengthened and more consolidated effort in handgun trafficking enforcement, and more Federal-State-city cooperative enforcement activities to reduce the dimensions of the problem. Examining and proposing solutions to large-scale intergovernmental problems has always been a main concern of the Governmental Affairs Committee.

Representatives of several cities and States have said that while their jurisdictions have independently enacted handgun control laws—with some success in curbing gun deaths—they are nearly impossible to enforce because of the lack of intergovernmental cooperation and regional uniformity.

Only eight States require licenses for buying handguns. They are Hawaii, Illinois, Massachusetts, Michigan, Missouri, New Jersey, New York, and North Carolina, and most of these do not require licenses to own handguns. In only 29 States must a permit be obtained to carry a handgun.

Other laws prohibit gun sales to those "under the heat of passion"—Texas—or outlaw the carrying of guns for those who have the intent of "assaulting" someone—Minnesota and Vermont. Some States enforce a "cooling-off" period between the buying and delivery of the gun.

New York City has the strongest gun law in the land. An applicant for a handgun must show a legitimate need for it, his background is thoroughly investigated and he must be photographed and fingerprinted. There is a waiting period of several weeks between the request for the issuance and the license.

Philadelphia enacted a stringent law in 1965 which requires a permit for the purchase and transfer of all firearms and all applicants must have their fingerprints and photographs taken. San Francisco and Miami Beach require the registration of firearms of all kinds. Toledo enacted a law in 1968 which requires everyone who wants to buy a handgun to have a special ID that is not given out to certain undesirables.

Prior statistical studies confirm that State and local laws have somewhat controlled homicide and accident rates. New York City has the second lowest murder rate of America's 10 largest cities. But, unquestionably the worst problem confronting States and municipal laws is the easy access to out-of-State or area guns. By far, the majority of out-of-State guns coming into a strict State are illegally bought or stolen, and often illegally owned.

Second, law enforcement agencies at the State and local level have stated that they now have no intergovernmental system for developing regional and national statistics on handguns which have been used in the commission of crimes, and that tracing such weapons is now extremely difficult, if not impossible.

Third, in the 42 States where no license is required to purchase a handgun, the only restriction on buying handguns is a provision in the Federal Gun Control Act of 1968 which requires that the purchaser fill out a form giving his name and declaring that he is not a minor, and has no history of alcoholism, mental disorder, or felony conviction. But this requirement is almost worthless since it mandates no verification—such as a police check—to substantiate the purchaser's identity and his assertions.

In addition, anyone under age or with a criminal record can easily buy or accept a gun from a nondealer. The Federal law does not prevent private individuals from transferring their own guns at will within their own States, and does not specify what credentials the receiver must have.

Last year, the principal criticism of the Attorney General's suggestion and the disadvantage of a regional approach is one which has plagued attempts at localized gun control; it does not limit handguns in the uncontrolled surrounding areas from which the weapons may continue to flow. The criminal use of handguns is a national problem which exists to some degree or another in every city and suburban area in the country. The programs that propose to deal with the problem on the local level or in isolated situations must if they are to have any real effect, confront and overcome the basic fact of handgun mobility.

Our second bill—which amends the Intergovernmental Cooperations Act—adopts the basic Levi idea of banning possession of handguns in urban areas where the violent crime rate is 20 percent above the national, 10 percent above the previous year's local average. We then address the second side of the problem—illegal gunrunning into urban areas like New York City in violation of the 1968 act—by proposing several new laws as I have already indicated which are designed to develop the wherewithal for intergovernmental law enforcement authorities to do their job.

The standard metropolitan statistical area is established in our bill as the geographic areas for potential handgun control. Its ready availability and its use by the FBI in compiling violent crime statistics make it a useful classification. Of more importance is the fact that these areas all include a core city of 50,000 or more and therefore fall into the urban category. Moreover, they have been precisely defined in terms of their political boundaries, and the statistical bases developed for these areas provided a way to estimate the impact of the program proposed.

Under our proposal, once triggered, the controls would remain in force for a minimum period of 5 years, and would not be removed until the Attorney General published a finding based upon positive evidence that the high rates of crime have come down to the national or local levels, or that the pattern of illegal gun violations—for example, interstate gunrunning—had ceased. For 60 days following the triggering on of controls persons delivering handguns to depository agencies would be paid the market value of their weapons; although this could involve a considerable expense it is worth it. Handguns could be surrendered voluntarily at any time thereafter without penalty.

I know that this is a complex approach to this problem, but I believe that it must be given the most careful consideration in Congress.

In an effort to further pinpoint ways in which we might improve Federal, State, and local capacity to deal with illicit handgun traffic, our proposal would authorize the Advisory Commission on Intergovernmental Relations to undertake a comprehensive study of the 1968 act, focusing on the adequacy of the Federal licensing system.

Mr. President, there are no simple solutions to the crime problem, no panaceas. The causes of crime and violence in our society are rooted in complex and stubborn forces which will not yield easily, except to comprehensive reform of our criminal justice system, but there are partial solutions—even though they might not be complete. There are actions which we can take to provide better protection for our shopkeepers, police officers, our elderly and all of our people. Enactment of this important legislation, I believe, would materially assist

us in reducing the terrible toll of handgun violence. I am heartened by the commitment President Carter made to this objective by pledging his support to stronger Federal gun control laws during his campaign for the Presidency. I strongly urge swift action by the President and this Congress to begin a process so long overdue.

I ask unanimous consent that an article published in the New York Times, entitled "Role of Cheap Guns in Crime Questioned," by Nancy Hicks on February 28 be printed in the RECORD. I also request unanimous consent that the text of the bills be printed in the RECORD.

There being no objection, the article and bills were ordered to be printed in the RECORD, as follows:

ROLE OF CHEAP GUNS IN CRIME QUESTIONED—STUDY FINDS SATURDAY NIGHT SPECIALS WERE CONFISCATED LESS OFTEN THAN EXPENSIVE WEAPONS

(By Nancy Hicks)

WASHINGTON, Feb. 27.—Small, cheap handguns may be used less often in crimes than expensive guns made by the largest American manufacturers, a new study has found.

The findings of the two-year study by the Washington-based Police Foundation, a research group, indicate that efforts to ban the importation of so-called Saturday night specials and to limit their domestic manufacture might not succeed in curbing firearms abuse.

The study also raises questions about enforcement and research methods, but the most serious question revolves around the type of guns criminals use and where they get them.

While the study, written by Steven Brill, warns that more extensive research is needed, its conclusions contradict those of earlier Federal studies. The Bureau of Alcohol, Tobacco and Firearms, for example, found in one study that 56 percent of all guns confiscated in the commission of a crime cost less than $50.

MOST GUNS EXPENSIVE

Mr. Brill's study of nine cities finds that this is not true. Only in Atlanta could more than half of confiscated guns be classified as Saturday night specials. The figures for other cities were: Baltimore, 15.4 percent; Boston, none; Chicago, 29.4 percent; Detroit, 13 percent; New York, 46.4 percent; Philadelphia, 12.3 percent; San Francisco, 17.6 percent; Washington, D.C., 23.4 percent.

A separate tracing of each gun confiscated after the commission of a crime in New York City in October 1975 showed that only 30 percent could be classified as Saturday night Specials.

Smith and Wesson and Colt products, classified as expensive, were those most prevalently used.

The current Federal gun control statute, passed in 1968, bans the importation of Saturday night specials. A Senate Judiciary subcommittee voted to limit their domestic manufacture but never took the issue to the floor. A House subcommittee could never get a bill banning such manufacture to the floor for a vote.

A spokesman for the Bureau of Alcohol, Tobacco and Firearms of the Treasury Department said: "The report said we never had the men and money to really do the job, and we've said that ourselves. This is not new to us. While we are still analyzing it and cannot comment in depth, we are going to look at it on the basis of constructive criticism."

VIRGINIA CALLED SUPPLIER

RICHMOND, Feb. 27.—Federal Treasury agents say Virginia's comparatively permissive firearms laws have turned that state into a major East Coast supplier of Saturday night specials and other small handguns that are sometimes used in urban street crimes.

Agents of the Federal Bureau of Alcohol, Tobacco and Firearms told the State Legislature that a study completed last year showed Virginia to be a major source of illegal handguns seized by the police in Boston, New York, Detroit, Philadelphia, Charlotte, N.C., and several other major cities.

A more recent study showed the state was the No. 1 supplier of handguns used in street crimes in neighboring Washington, said John Rowley, special agent in charge of the bureau's regional enforcement office for northern Virginia.

An estimated 450,000 handguns were sold last year by firearms dealers in Virginia, according to the bureau. That total is believed to be greater than the handgun sales in any of the other 10 states between Massachusetts and South Carolina. Virginia is the only state in the group with no statewide licensing or registration program applicable to handgun purchases, Mr. Rowley said.

"People come to Virginia from all over the country to buy handguns," he told a legislative subcommittee considering a proposed handgun law. "Your state has a national reputation."

The only requirement for handgun purchases in Virginia is proof of residency. However, that requirement can easily be circumvented through the use of a falsely obtained driver's license or by an intermediary who buys a handgun on behalf of an out-of-state resident, Mr. Rowley said.

A $40 Saturday night special, usually a lightweight .22-caliber or .25-caliber semiautomatic pistol with a barrel three inches or less in length, can be sold for $80 or more on the streets of New York or Philadelphia, said Frederick Murrell, special agent in charge of the firearms bureau's Richmond office.

A proposal that would have banned the sale in Virginia of small-caliber concealable firearms was rejected earlier this month by the legislature.

S. 827

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Intergovernmental Handgun Control Act".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) the effectiveness of cooperative intergovernmental efforts to control illicit handgun traffic by Federal, State, and local governmental agencies are hindered by a lack of coordination among each level of government and the failure to develop and share necessary statistical and criminal intelligence information;

(2) Federal, State, and local governmental agencies have found it difficult to mobilize existing law enforcement resources to mount more effective efforts to control the illegal traffic in and use of handguns;

(3) the increasing rate of illegal activities involving the use of handguns constitutes a threat to national public safety, health, and welfare and requires a more strengthened and consolidated effort at the Federal level;

(4) since the enactment of Public Law 90–351 there continues to be widespread traffic in handguns moving in or otherwise affecting commerce, and that existing Federal procedures and organizational structures do not adequately enable the Senate to control illicit handgun traffic within each State;

(5) annual sales of handguns in the United States have continued to rise since 1968, despite the provisions of the Gun Control Act of 1968; and

(6) handguns continue to play a major role, and a role disproportionate to their number in comparison with long guns, in the commission of homicide, aggravated assault, armed robbery, and other crimes of violence.

(b) It is the purpose of this Act to provide (1) a new organizational structure for improved performance, coordination, and evaluation of firearms control functions at the Federal level, (2) more effective coordination between Federal, State, and local governmental agencies in an effort to assist States and localities in improving interstate and local regulation of illicit handgun traffic, (3) procedures for the prohibition of handguns in certain areas with high crime rates, without placing any undue Federal burden on law abiding citizens with respect to the use of firearms for sporting and other lawful purposes, and (4) for increased public safety by banning the manufacture, sale, importation, and possession of handguns not suitable for sporting or other lawful purpose.

TITLE I—INTERGOVERNMENTAL COOPERATION ACT AMENDMENTS

SEC. 101. (a) Title 42, United States Code, chapter 52 is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER VI—TECHNICAL SERVICES FOR STATES AND LOCAL UNITS OF GOVERNMENT IN CONTROLLING ILLICIT HANDGUN TRAFFIC

"§ 4245. National handgun statistics

"(a) In order to provide for more effective intergovernmental efforts in controlling illicit, interstate handgun traffic, the Attorney General, is authorized and directed, subject to the provisions of section 552(a) of title 5, United States Code, "The Privacy Protection Act of 1974",—

"(1) establish and maintain a national handgun statistics office which shall be responsible for identifying—

"(A) the name, address, and social security or taxpayer identification number of any person in the United States possessing a handgun,

"(B) the number, if any, of the handgun license required by the State or locality of residence of the individual possessing a handgun,

"(C) the name of the manufacturer, the caliber or gauge, the model and type, and the serial numoer of each such handgun, and

"(D) the importation, production, shipment, receipt, sale, or resale or any other disposition of any handgun;

"(2) establish procedures for the verification of the information collected under clause (1) of this subsection, and to analyze such information; and

"(3) distribute, upon request, the Federal, State, and local law enforcement agencies information developed and maintained by the Office established by this subsection.

"(b) Notwithstanding any other provision of this title, no information of any kind shall be collected, maintained, or disseminated concerning any shotgun, short barreled shotgun, rifle, or short barreled rifle.

"(c) In order to carry out the provisions of this section, each importer, manufacturer, dealer, and collector and each person who possesses a handgun on the effective date of this Act shall furnish to the Attorney General the information required by subsection (a) of this section in such form, at such time, and at such place, as the Attorney General may by regulation prescribe.

"(d) In order to carry out the provisions of subsection (a) of this section each importer, manufacturer, dealer, collector, and any person who and any Federal, State, or local unit of government which owns or possesses a handgun after the effective date of this Act and—

"(1) who has lost a handgun after such effective date, or

"(2) who has had a handgun stolen after the effective date of this Act,

shall report the loss or theft of the handgun to the Attorney General not later than sixty

days after the discovery of the loss or theft, in such form, at such place, and containing such description of the circumstances of the loss or theft, as the Attorney General may by regulation prescribe.

"§ 4246. Exemptions; penalties

"(a) The provisions of section 4245 of this title shall not apply to any handgun or handgun ammunition suitable for use in a handgun sold or delivered to or possessed by the United States or any department or agency of the United States, or any State or any department or agency of a State, or any political subdivision of a State or any department or agency of a political subdivision of a State.

"(b) Whoever fails to comply with the provisions of the subchapter or knowingly makes any false statement or representation with respect to any information required by the provisions of section 4245(a) or violates any provision of section 4245(b) or section 4245(c) shall be fined not more than $5,000, or imprisoned not more than five years, or both.

"§ 4247. Verification of data concerning firearms transactions

"(a)(1) It shall be unlawful for any licensed importer, licensed manufacturer, licensed dealer, or licensed collector to sell or otherwise dispose of any firearm or ammunition to any person (other than those exempted under section 4246 above and another licensed importer, manufacturer, dealer, or collector) until—

"(A) such importer, manufacturer, dealer, or collector has, prior to the shipment or delivery of the firearm, forwarded by registered or certified mail (return receipt requested) a card in such form as the Attorney General shall prescribe setting forth the name and address of the transferee and that the transferee—

"(i) is (is not) under indictment for, or has been (has not been) convicted in any court of a crime punishable by imprisonment for a term exceeding one year;

"(ii) is (is not) a fugitive from justice;

to the Department of Justice, Washington, District of Columbia, and has received a return receipt evidencing delivery of the form by the Department; and

"(B) such importer, manufacturer, dealer, or collector has delayed shipment or delivery for a period of at least ten days after the receipt of the notification of the acceptance of the delivery of that form.

The Attorney General shall take whatever action is necessary promptly to process the forms to determine the relevant information with respect to the transferee named in the submitted form and return the form by the speediest means available to the appropriate importer, manufacturer, dealer, or collector. The contents of the form required under this paragraph shall not be divulged by any Government official to any other person other than the appropriate importer, manufacturer, dealer, or collector and the appropriate law enforcement officials as prescribed pursuant to regulations prescribed by the Attorney General.

"(2) It shall be unlawful for any licensed importer, licensed manufacturer, licensed dealer, or licensed collector to sell or otherwise dispose of any firearm or ammunition to any person without first requiring the presentation of reasonable proof of such person's identity, and the fact that he or she is a bona fide resident of the State and of the standard metropolitan statistical area in which such sale or other disposition is to take place, and is over the age of twenty-one knowing or having reasonable cause to believe that such person—

"(A) is under indictment for, or has been convicted in any court of, a crime punishable by imprisonment for a term exceeding one year;

"(B) is a fugitive from justice;

"(C) is an abuser of any depressant or stimulant drug (as defined in section 201 (v) of the Federal Food, Drug, and Cosmetic Act) or narcotic drug (as defined in section 4731(a) of the Internal Revenue Code of 1954); and

"(D) has been adjudicated as a mental defective or has been committed to any mental institution.

"(3) This subsection shall not apply with respect to the sale or disposition of a firearm or ammunition to a licensed importer, licensed manufacturer, licensed dealer, or licensed collector who is not precluded from dealing in firearms or ammunition, or, to a person who has been granted relief from disabilities pursuant to subsection (c) of such section of such chapter.

"(4) It shall be unlawful one hundred and twenty days after the effective date of this Act for any licensed importer, manufacturer, dealer, or collector, or any other person to sell or otherwise dispose of a handgun or handgun ammunition to any resident of any standard metropolitan statistical area identified by the Attorney General pursuant to section 4253 of this title if he knows or has reasonable cause to know that such handgun or handgun ammunition will be transported into a standard metropolitan statistical area.

"§ 4248. Requirement upon resale

"(a) It shall be unlawful for any licensed importer, licensed manufacturer, licensed dealer or licensed collector to sell or deliver any handgun or ammunition suitable for a handgun after the effective date of the Intergovernmental Law Enforcement Cooperation and Reorganization Act of 1975 unless such importer, manufacturer, dealer, or collector has submitted to the Attorney General the information required by section 4245(a)(1)(A), (B), and (C) of such Act.

"(b)(1) It shall be unlawful for any person to resell sixty days after the effective date of the Intergovernmental Law Enforcement Cooperation and Reorganization Act of 1975 any handgun unless such person has submitted to the Attorney General the information required by section 4245(a)(1)(A), (B), and (C) of such Act, and complied with the provisions of section 4250 of this title.

"(2) It shall be unlawful for any importer, manufacturer, dealer, or collector to sell any handgun to any person except a licensed importer, manufacturer, dealer, or collector without first giving notice of the requirement of paragraph (b) of this subsection.

"(3) For the purpose of this subsection the term 'resell' means the sale, or offer for sale of any handgun after the first purchase of it in good faith for purposes other than resale, and includes any gift, devise, or other transfer of ownership of a handgun.

"§ 4249. Ban on sale of multiple handguns

"It shall be unlawful for any person including an importer, manufacturer, dealer, or collector licensed under the provisions of Federal law, to sell or deliver more than one handgun within one calendar year to any person except a licensed importer, manufacturer, dealer, or collector or to persons and organizations exempt under section 4246 of this subchapter.

"§ 4250. Theft prevention and security standards required

"(a) No application for a license to engage in business as a firearms or ammunition importer, manufacturer, or dealer submitted pursuant to Federal law shall be approved unless the applicant is in compliance with theft prevention and security standards prescribed under paragraph (b) of this section.

"(b) The Attorney General shall within ninety days after the effective date of this Act prescribe standards for theft prevention and security requirements for importers, manufacturers, dealers, and common carriers who transfer handguns in interstate commerce who are licensed under the provisions of Federal law. Such standards shall be promulgated in accordance with the provisions of chapter 5 of title 5, United States Code.

"§ 4251. Authorization for joint Federal-local task forces for handgun trafficking control

"(a) The Attorney General is authorized to enter into agreements with States, cities, localities, and other units of local government to establish temporary task forces comprised of Federal, State, and local law enforcement personnel which shall—

"(1) identify and trace handguns that have been transported interstate, illegally, and used in the commission of crimes, develop and exchange intelligence information regarding such illegal operations and assist in apprehending and prosecuting violators of the law; and

"(2) collect, analyze, and make available specific data on the amount, nature, and flow of handguns in interstate commerce.

"(b) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

"§ 4251A. Federal firearms licenses standards required

"The Attorney General shall within ninety days after the effective date of this Act prescribe standards to assure that Federal licenses to manufacture, import, or deal in firearms will be issued only to persons determined to be responsible and legitimately engaged in the business for which the license is sought. Such standards shall be promulgated in accordance with the provisions of chapter 5, United States Code.".

SEC. 102. (a) Title 42, United States Code, chapter 52, is amended further by adding at the end thereof the following new subchapter:

"SUBCHAPTER VII—EMERGENCY ASSISTANCE FOR CERTAIN LOCAL UNITS OF GOVERNMENT AND STANDARD METROPOLITAN STATISTICAL AREAS IN CONTROLLING ILLICIT HANDGUN TRAFFIC

"Sec.
"4252. Definitions.
"4253. Application.
"4254. Prohibition on possession of handguns.
"4255. Termination of applicability.
"4256. Exceptions.
"4257. Penalty.
"4258. Disposition of handguns; amnesty.
"4259. Rules and regulations; assistance to the Attorney General.

"§ 4252. Definitions

"As used in this chapter—

"(1) The term 'ammunition' means ammunition or cartridge cases, primers, bullets, or propellant powder designed for use in any handgun.

"(2) The term 'crime of violence' means any of the following crimes, or an attempt to commit any such crime: Murder, manslaughter, rape, mayhem, maliciously disfiguring another, abduction, kidnaping, burglary, robbery, housebreaking, larcency, any assault with intent to kill, commit or assault with intent to commit any offense punishable by imprisonment for a term exceeding one year.

"(3) The term 'handgun' means any weapon designed or redesigned to be fired while held in one hand; having a barrel less than ten inches in length and designed or redesigned or made or remade to use the energy or an explosive to expel a projectile or projectiles through smooth or rifled bore.

"(4) The term 'possess' means asserting ownership or having custody and control not subject to termination by another or after a fixed period of time.

"(5) The term 'standard metropolitan statistical area' means any area as defined by the Director of the Office of Management and Budget having a city as one of its components with a population of at least fifty thousand residents.

"(6) The term 'sell' means give, bequeath, or otherwise transfer ownership.

"§ 4253. Application

"(a) The provisions of this chapter shall apply to any political subdivision which is a component of a standard metropolitan statistical area with respect to which the Attorney General determines—

"(A) the rate of crime for crimes of violence in that standard metropolitan statistical area is 120 percent of the rate of crime for crimes of violence for the United States, or

"(B) the rate of crime for crimes of violence in that standard metropolitan statistical area is 110 percent of the rate of crime for crimes of violence for the United States and is 105 percent of such rate for crimes of violence in that area for the year preceding the year for which the determination is made.

"(b) The provisions of this chapter shall also apply to any political subdivision which, within ninety days after the effective date of the Handgun Enforcement Reorganization Act of 1975 or within sixty days after the beginning of any calendar year beginning with the year after such date, notifies the Attorney General of the desire of such subdivision to be subject to the provisions of this chapter.

"(c) The Attorney General shall make the initial determination under subsection (a) of this section not later than ninety days after the effective date of this Act. Subsequent determinations for the applications of the provisions of this chapter may be made not later than sixty days after the beginning of any calendar year beginning with the year after the year in which the initial determination was made. All determinations made under this section shall be based upon the most satisfactory recent data available to the Attorney General, and shall be published in the Federal Register.

"§ 4254. Prohibition against possession of handguns in high crime areas

"It shall be unlawful for any person, except as provided in section 4256 of this Act, thirty days after a determination has been made under section 932 of this chapter, who is a resident of any standard metropolitan statistical area subject to that determination to sell, deliver, possess, import, or to cause to be sold, delivered, possessed, or imported a handgun or ammunition suitable for use in a handgun.

"§ 4255. Termination of applicability of this chapter

"(a) Not earlier than five years after the year in which the determination under section 932 is made, the Attorney General may terminate the applicability of the provisions of this chapter with respect to any standard metropolitan statistical area if the Attorney General determines that—

"(1)(A) the rate of crime for crimes of violence in that standard metropolitan statistical area is 80 percent of the crime rate for crimes of violence for the United States, or

"(B) the rate of crime for crimes of violence in that standard metropolitan statistical area is 90 percent of the crime rate for crimes of violence for the United States and is 95 percent of such rate for crimes of violence in that area for the year preceding the year for which the determination is made;

"(2) that any pattern of illegal activity which showed evidence of danger to the residents of that area and which involved offenses committed with the use of handguns in violation of the laws of the United States has ceased to exist; and

"(3) the termination of the applicability of the provisions of this chapter to that standard metropolitan statistical area is not likely to result in a significant rise in the incidence of crimes of violence.

"(b) Any determination made under subsection (a) of this section shall be based upon the most satisfactory recent data available to the Attorney General, and shall be published in the Federal Register.

"§ 4256. Exceptions

"(a) The provisions of this subchapter shall not apply to any handgun or ammunition suitable for use in a handgun sold or delivered to or possessed by the United States or any department or agency of the United States, or any State or any department or agency of a State, or any political subdivision of a State or any department or agency of a political subdivision of a State.

"(b) The provisions of this subchapter shall not apply to any handgun or ammunition suitable for use in a handgun sold or delivered to or possessed by any agency which furnishes security guard services if that agency is licensed by the State or a political subdivision of the State in which the handgun or the handgun ammunition is to be used and its employees are licensed and authorized to furnish such security service in the State or political subdivision concerned.

"§ 4257. Penalties

"Whoever violates any provisions of this chapter or knowingly makes any false statement or representation with respect to any information required by the provisions of this chapter shall be fined not more than $5,000, or imprisoned not more than five years, or both.

"§ 4258. Disposition of handguns to the Attorney General; amnesty

"(a)(1) Any person who prior to a determination made under section 4254 of this chapter lawfully possessed a handgun or handgun ammunition and who becomes ineligible to possess such handgun or ammunition by virtue of that provision, shall, if within sixty days after it becomes illegal for any such person to possess such handgun or handgun ammunition, receive reasonable compensation for the handgun or the handgun ammunition or both upon its surrender to the Attorney General.

"(2) The Attorney General is authorized to pay reasonable value for handguns and handgun ammunition voluntarily relinquished to him under this section.

"(3) The Attorney General is authorized to take the action necessary to facilitate carrying out the provisions of this section including advertisement within the standard metropolitan statistical area concerned.

"(b)(1) The Attorney General may whenever he considers it will carry out the objectives of this chapter provide for periods of amnesty during which persons who voluntarily surrender handguns or handgun ammunition or both may be paid reasonable value for their surrender as provided in subsection (a) and shall be granted immunity from prosecution for unlawful possession of such handgun or handgun ammunition.

"(2) Nothing in this section shall be construed as granting immunity from prosecution by any court for any crime other than the unlawful possession of a handgun or handgun ammunition.

"§ 4259. Rules and regulations; assistance to Attorney General

"(a) The Attorney General may prescribe such rules and regulations as he deems reasonably necessary to carry out the provisions of this chapter.

"(b) When requested by the Attorney General the head of each department and agency of the Federal Government shall assist the Attorney General in the administration of the provisions of this chapter.".

SEC. 203. (a) Title 42, United States Code, chapter 52 is amended further by adding at the end thereof the following new subchapter:

"SUBCHAPTER VIII—INTERGOVERNMENTAL REDUCTION OF HANDGUN RELATED CRIMES

"§ 4260. Prohibition of certain handguns

"((a) It shall be unlawful for any person to import, manufacture, sell, buy, transfer, receive, transport, or possess any handgun which the Attorney General determines to be unsuitable for law enforcement, military uses, hunting, sport shooting and other lawful purposes based upon standards established by the Attorney General.

"(a)(A) The Attorney General may, consistent with public safety and necessity, exempt from the operations of paragraph (1) of this subsection such importation, manufacture, sale, purchase, transfer, receipt, transportation, or possession of handguns by importers, manufacturers, or dealers licensed under this chapter.

"(B) Such exemptions may take into consideration the needs of police officers, security guards, sportsmen, target shooters, firearms collectors, and other lawful uses.

"(C) For the purposes of this subsection the term 'handgun' means any weapon designed or redesigned and intended to be fired while held in one hand; having a barrel less than ten inches in length and designed, redesigned, or made or remade to use the energy of an explosive to expel a projectile or projectiles through a smooth or rifled bore.

"(c)(1) Any person who prior to a determination made under subsection (a) of this chapter lawfully possessed a handgun or handgun ammunition and who becomes ineligible to possess such handgun or ammunition by virtue of that provision shall, if within sixty days after it becomes illegal for any such person to possess such handgun or handgun ammunition, receive reasonable compensation for the handgun or the handgun ammunition or both upon its surrender to the Attorney General.

"(2) The Attorney General is authorized to pay reasonable value for handguns and handgun ammunition voluntarily relinquished to him under this section.

"(3) The Attorney General is authorized to take the action necessary to facilitate carrying out the provisions of this section including advertisement within the standard metropolitan statistical area concerned.

"(b)(1) The Attorney General may whenever he considers it will carry out the objectives of this chapter provide for periods of amnesty during which persons who voluntarily surrender handguns or handgun ammunition or both may be paid reasonable value for their surrender as provided in subsection (a) and shall be granted immunity from prosecution for unlawful possession of such handgun or handgun ammunition.

"(2) Nothing in this section shall be construed as granting immunity from prosecution by any court for any crime other than the unlawful possession of a handgun or handgun ammunition.".

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. EFFECTIVE DATE.—(a) Except as provided in subsection (b) and (c) of this section, the amendment made by this Act shall take effect on the first day of the third month after its enactment.

(b) The provisions of title II, except the provisions of sections 4245 and 4246 take effect sixty days after the date of enactment of this Act, or on such prior date after enactment of this Act, as the President shall prescribe and publish in the Federal Register.

(c) Notwithstanding subsections (a) or (b), the officer provided for in section 102 may be appointed in the manner provided for in this Act, at any time after the date of enactment of this Act. That officer shall

be compensated from the date he first takes office, at the rate provided for in this Act. Such compensation and related expenses of his office shall be paid from funds available for the functions to be transferred to the Department pursuant to this Act.

S. 828

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Intergovernmental Law Enforcement Cooperation and Reorganization Act of 1977".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 8. (a) The Congress finds that—

(1) the effectiveness of cooperative intergovernmental efforts to control illicit handgun traffic by Federal, State, and local governmental agencies are hindered by a lack of coordination among each level of government and the failure to develop and share necessary statistical and criminal intelligence information;

(2) Federal, State, and local governmental agencies have found it difficult to mobilize existing law enforcement resources to mount more effective to control the illegal traffic in and use of handguns;

(3) the increasing rate of illegal activities involving the use of handguns constitutes a threat to national public safety, health, and welfare and requires a more strengthened and consolidated effort at the Federal level;

(4) since the enactment of Public Law 90–351 there continues to be widespread traffic in handguns moving in or otherwise affecting commerce, and that existing Federal procedures and organizational structures do not adequately enable the States to control illicit handgun traffic within each State;

(5) annual sales of handguns in the United States have continued to rise since 1968, despite the provisions of the Gun Control Act of 1968; and

(6) handguns continue to play a major role, and a role disproportionate to their number in comparison with long guns, in the commission of homicide, aggravated assault, armed robbery, and other crimes of violence.

(b) It is the purpose of this Act to provide (1) a new organizational structure for improved performance, coordination, and evaluation of firearms control functions at the Federal level, and (2) more effective coordination between Federal, State, and local governmental agencies in an effort to assist States and localities in improving interstate and local regulation of illicit handgun traffic.

DEFINITIONS

SEC. 3. As used in this Act—

(1) "Department" means the Department of Justice;

(2) "function" includes power and duty;

(3) "handgun" means any weapon designed or redesigned to be fired while held in one hand having a barrel less than ten inches in length and designed or redesigned or made or remade to use the energy of an explosive to expel a projectile or projectiles through a smooth or rifled bore;

(4) "licensed dealer" means any dealer, and "licensed importer" means any importer, and "licensed manufacturer" means any manufacturer licensed under the provisions of the United States Code;

(5) "possess" means asserting ownership or having custody and control not subject to termination by another or after a fixed period of time; and

(6) "sell" means give, bequeath, or otherwise transfer ownership or possession.

TITLE I—GUN CONTROL TRANSFERS

TRANSFER OF FUNCTIONS

SEC. 101. (a) There are transferred to the Attorney General and the Attorney General shall perform, all functions of the Secretary of the Treasury under the Gun Control Act of 1968.

(b) Within one hundred and eighty days after the effective date of this section, the President may transfer to the Department any function of any other agency or office, or part of any agency or office, in the executive branch of the United States Government if the President determines that such function relates primarily to functions transferred to the Department by this section.

(c) Any reference in such Act to the "Secretary of the Treasury" is amended to read "the Attorney General".

ESTABLISHMENT OF THE FIREARMS SAFETY AND ABUSE CONTROL ADMINISTRATION

SEC. 102. (a) There is established within the Department the Firearms Safety and Abuse Control Administration. The Administration shall be headed by an Administrator appointed by the President, by and with the advice and consent of the Senate. The Administrator shall be under the supervision and direction of the Attorney General.

(b) The functions of the Attorney General under this Act shall be administered through the Administration.

ANNUAL REPORT

SEC. 103. (a) The Attorney General shall prepare and transmit to the Congress as part of the annual report of the Department of Justice a report on the activities of the Administration.

(b) Each such report shall include a description of the effective use of the resources of the Federal, State, and local law enforcement agencies in controlling illicit handgun traffic, the extent of intergovernmental cooperation in controlling such traffic, a detailed summary of the activities of the Administration, an assessment and evaluation of specific programs of Federal, State, and local law enforcement agencies to reduce illicit handgun traffic, a description of the nature, extent, and effect of Federal, State, and local law enforcement agency intelligence operations relating to illicit handgun traffic, and such recommendations, including recommendations for additional legislation, as the Attorney General deems appropriate.

TRANSFER OF OFFICES AND PERSONNEL

SEC. 104. (a) All personnel, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function transferred under the provisions of section 101, are transferred to the Attorney General.

(b)(1) Except as provided in paragraph (2) of this subsection, personnel engaged in functions transferred under this Act shall be transferred in accordance with applicable laws and regulations relating to transfer of functions.

(2) The transfer of personnel pursuant to subsection (a) shall be without reduction in classification or compensation for one year after such transfer.

SAVINGS PROVISIONS

SEC. 105. (a) All orders, determinations, rules, regulations, contracts, certificates, and privileges—

(1) which have been issued, made, granted, or allowed to become effective in the exercise of functions which are transferred under this title, by (A) any agency or office, or part thereof, any functions of which are transferred by this title, or (B) any court of competent jurisdiction, and

(2) which are in effect at the time this title takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Attorney General, by any court of competent jurisdiction, or by operation of law.

(b) The provisions of this title shall not affect any proceedings pending at the time this section takes effect before any agency or office, or part thereof, functions of which are transferred by this title; but such proceedings, to the extent that they relate to functions so transferred, shall be continued before the Department. Such proceedings, to the extent they do not relate to functions so transferred, shall be continued before the agency or office, or part thereof, before which they were pending at the time of such transfer. In either case orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this title had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Attorney General, by a court of competent jurisdiction, or by operation of law.

(c)(1) Except as provided in paragraph (2)—

(A) provisions of this title shall not affect suits commenced prior to the date this section takes effect, and

"(B) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this title had not been enacted.

No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of any agency or office, or part thereof, functions of which are transferred by this title, shall abate by reason of the enactment of this title. No cause of action by or against any agency or office, or part thereof, functions of which are transferred by this title, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this title. Causes of actions, suits, or other proceedings may be asserted by or against the United States or such official of the Department as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(2) If before the date on which this title takes effect, any agency or office, or officer thereof in his official capacity, is a party to a suit, and under this title any function of such agency, office, or part thereof, or officer is transferred to the Attorney General, then such suit shall be continued by the Attorney General (except in the case of a suit not involving functions transferred to the Attorney General, in which case the suit shall be continued by the agency, office, or part thereof, or officer which was a party to the suit prior to the effective date of this title).

(d) With respect to any function transferred by this title and exercised after the effective date of this title, reference in any other Federal law to any agency, office, or part thereof, or officer so transferred or functions of which are so transferred shall be deemed to mean the Department or officer in which such function is vested pursuant to this title.

(e) Orders and actions of the Attorney General in the exercise of functions transferred under this title shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the agency or office, or part thereof, exercising such functions, immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this title shall apply to the exercise of such function by the Attorney General.

(f) In the exercise of the functions transferred under this title, the Attorney General shall have the same authority as that vested in the agency or office, or part thereof, exercising such functions immediately preceding their transfer, and his actions in exercising such functions shall have the same force and effect as when exercised by such agency or office, or part thereof.

COMPENSATION OF ADMINISTRATOR

SEC. 106. Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(62) Administrator, Firearms Safety and Abuse Control Administration, Department of Justice.".

TITLE II—ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

STUDY OF EFFECTIVENESS OF PUBLIC LAW 90-351

SEC. 201. (a) The Act entitled "An Act to establish an Advisory Commission on Intergovernmental Relations", approved September 24, 1959 (42 U.S.C. 4271 et seq.) is amended by adding at the end thereof the following new section:

"EVALUATION OF PUBLIC LAW 90-351

"(a) The Commission in consultation with the United States Conference of Mayors and the National League of Cities, and representatives of Federal, State, and local law enforcement agencies shall investigate, analyze, and report within six months of the enactment of the Act upon (1) intergovernmental problems involved in controlling illicit handgun traffic, and (2) the effectiveness of Public Law 90-351, and particularly the requirements for licensing of manufacturers, importers, and dealers.".

EXHIBIT 1

FIREARM ABUSE, A RESEARCH AND POLICY REPORT

(By Steven Brill; Joan L. Wolfie, program officer; Police Foundation, Washington, D.C.)

CHAPTER 8.—IMPROVING FEDERAL ENFORCEMENT EFFORTS

The law enforcement agency charged with enforcing the Gun Control Act of 1968 is the Bureau of Alcohol, Tobacco and Firearms of the United States Department of Treasury.[1]

The 1968 act has three objectives:

1. To curb the interstate traffic in firearms that undermines state and local efforts to regulate firearm possession and ownership. Thus, the law requires that a retail purchaser be a resident of the state in which the purchase is being made.

2. To deny firearms to minors, narcotics abusers, convicted felons, the mentally ill, and fugitives from justice. Accordingly, the law requires a retail purchaser to swear that he is not included in one of these categories.

3. To curb the importation of firearms which the Secretary of the Treasury determines are not suitable for sporting purposes. Accordingly, the act gives the Secretary the authority to ban importation of certain firearms based on criteria having to do with their quality.

This study has not examined the enforcement of the third objective of the act. Other research has found that the prohibition on imports of inexpensive handguns has been circumvented by the widespread importation of parts for such handguns that are assembled and sold in the United States.[2]

Neither have we directly examined enforcement of the second aspect of the act—denying firearms to certain classes of would-be purchasers. But ATF's own studies indicate that felons and others within the prohibited categories are continuing to obtain firearms.[3]

We did examine enforcement of the first goal of the act—preventing interstate commerce in firearms and thereby insulating states that attempt, with their own laws, to restrict firearm purchases. We found that interstate commerce has not been curbed and that state and local restrictions continue to be undermined accordingly. The prevalence of relatively new firearms in the confiscation samples indicates that this is not a matter of waiting for the 1968 act to take effect. The premise of this chapter is that the failure of the act to achieve these first two objectives—to keep firearms from undesirables and to help states make their own laws work—is, in part, a matter of enforcement.

The 1968 act has inherent deficiencies that would have prevented ATF or any other agency from enforcing it with total success. First among them is the requirement that any prospective purchaser of a firearm simply swear that he is not a felon, a fugitive, a narcotics abuser, or other category of person prohibited from purchasing firearms. There is no provision, such as a police check during a waiting period, for ascertaining the truthfulness of the purchaser's statement. Another weakness is that the penalties for illegally selling or transferring firearms to ineligible purchasers are no more severe under the 1968 act than those for the purchase or possession of a firearm by an ineligible person. Thus, the job of apprehending black marketeers has no greater legal priority than the job of apprehending illegal purchasers.[4] Those weaknesses notwithstanding, in working with ATF data and interviewing ATF and local police officials, it became obvious to us that ATF in some ways has not taken advantage of the law enforcement and regulatory opportunities that the 1968 act did offer. Our observations of some possibilities for improvement follow.

Overview

Our observations stem from three general considerations. First, ATF should begin to give more attention to its regulatory and monitoring responsibilities as compared with its responsibilities for prosecuting individual violations of the law. Second, ATF should develop research and policy planning capacity. Third, ATF should improve its working relationships with local police agencies.

Thefts

Our data indicate that stolen firearms are a major factor in the failure of the 1968 act to keep firearms away from persons prohibited from purchasing them. Under Section 923(g) of the 1968 act, ATF could require that manufacturers, distributors, and dealers immediately report the theft of any of their firearms.[5] So far, ATF has declined to do so. As a result, many—if not most—thefts go unreported.

In 1975, ATF decided that it needed a better understanding of the theft problem. Instead of requiring its licensees to report thefts, ATF sent a postcard to dealers in one region asking them to report voluntarily how many firearms had been stolen from them in the previous year. Only two-thirds of the dealers responded to this request for information. There was no follow-up effort to contact those who did not reply or to check the accuracy of the answers of those who did.

If ATF promulgated a regulation requiring licensees to report all thefts to local police and to the bureau, law enforcement officials would be informed of thefts promptly, and would have an opportunity to recover the stolen weapons and apprehend the thieves. Regulations might also be considered that would require licensees to take various security precautions to prevent thefts. For example, a requirement that dealers have burglar alarms or other theft-prevention systems might decrease the number of thefts from dealers. (It might also lessen the problem of casual firearm owners who obtain dealer licenses and thereby add to ATF's inspection workload, because obtaining such a license would involve greater burdens than it now does.) A requirement that manufacturers install metal detectors at their factory gates, as many now do, might have some impact on these thefts. Locks, alarms, employee screening, or other security requirements for transporters might help curb in-transit theft.

In the event that such requirements cannot be enforced by regulations,[6] ATF could seek legislation providing them with authority to promulgate such rules for its licensees.

ATF officials, including Director Davis, said in interviews that the bureau does not plan theft-reporting or antitheft security regulations because they would be too burdensome on ATF licensees.[7]

General regulation of manufacturer, distributor, and dealer recordkeeping

ATF's hesitation to promulgate theft-reporting requirements for the industry is paralleled in several other areas having to do with the bureau's regulatory mandate and overall implementation of the Gun Control Act of 1968. As with theft reporting, in these areas regarding other forms of recordkeeping, ATF has been reluctant to do more than request voluntary reporting from its licensees. In areas where federal law specifically authorizes the filing of reports with ATF, the agency has failed in eight years to exercise its authority to collect basic data.

As noted, under Section 923(g) of the 1968 act, manufacturers, distributors, and dealers of firearms are required to keep records of the disposition of all their firearms and ammunition and to "submit to the Secretary [of the Treasury] such reports and information with respect to such records and the contents thereof as he shall by regulation prescribe." This section empowers ATF to obtain from a manufacturer, distributor, or dealer the information necessary to complete a trace. Yet, except for one regulation promulgated in 1975 requiring dealers to report certain multiple sales, ATF has not promulgated any regulations for its licensed manufacturers and dealers to report firearm dispositions regularly. Instead, in all Project Identification reports and in our interviews, ATF officials have repeatedly referred to the "voluntary cooperation" of the licensees in providing information to them, including the information necessary to complete a trace, which is required to be available under the 1968 act.

This failure to use the law represents only one aspect of an excessive concern for licensees. We found that apart from not requiring regular reports, ATF also does not monitor the quality of recordkeeping by its licensees.

The problem of traces that do not succeed because of poor manufacturer recordkeeping is illustrative. More than one-third of all attempts by ATF to trace a firearm to the first retail purchaser now fail. According to ATF records, of the 13,954 traces that failed in 1975, 13 percent failed because factory records were unavailable, and 21 percent failed because dealer records were unavailable. The "factory records unavailable" category does *not* include the trace attempts that failed because the firearm was manufactured before recordkeeping requirements. The fact that more than a third of the unsuccessful traces fail because manufacturer or dealer records which the law requires to be available in good order are *not* available suggests widespread lack of compliance with the 1968 act by manufacturers and dealers. In fact, under the law, each time ATF requests a trace and the record is not available, the ATF official requesting the trace by definition becomes aware of an incident of noncompliance with the law. However, we found that ATF has no explicit policy or procedure for disciplining, admonishing, or taking notice of a licensee who fails to produce a required record of the disposition of a firearm when requested to do so by an ATF tracing officer.

The tracing program, in fact, could provide an excellent means of spot-checking recordkeeping compliance. But ATF has no procedure for coordinating information on unsuccessful traces between its tracing program and its regulatory division, which would allow reports of deficient records as revealed by trace requests to be followed up with investigations. In fact, ATF officials told us that

Footnotes at end of article.

there are no established policy guidelines that determine when regulatory investigations might be opened. In an interview, ATF officials were unable to recall an instance of any investigation stemming from deficient manufacturer recordkeeping as revealed by trace requests.[8] Instead, when a manufacturer responds to a trace request by failing to produce the required records, the bureau apparently accepts that response because, as one official explained, the manufacturer "doesn't have to go to all this trouble for us." [9]

Other ATF officials and field agents told us that a manufacturer, distributor, or dealer will sometimes report that the record of a firearm is unavailable because it is too time-consuming to retrieve the record, or because the firearm was stolen. Thus, as noted previously, Detective Salvesen in New York turned five unsuccessful traces into successful ones merely by asking the licensee a second time for the information, and he found eight more which he was able to classify as presumably stolen even though the manufacturers had only reported that the records were unavailable. ATF's regulatory division apparently exercises little supervision over licensee recordkeeping. To a great extent, this is the result of inadequate manpower, but it is also a function of ATF's misplaced priorities. Little, if any, attention has been focused on the records that manufacturers, distributors, and dealers are required to keep as a condition of their licenses. For example, although the two largest manufacturers of handguns had unsuccessful trace levels in 1975 of 34.6 percent and 45.2 percent, ATF's records show that these manufacturers received no letters of admonishment in 1974 or 1975 for faulty or careless recordkeeping, nor, in fact, did any of the other ten largest manufacturers.[10] Similarily, ATF's officials reported that they thought that no manufacturers or distributors had had their licenses revoked in the last two years. However, they could not be certain because they do not keep a record of license revocations broken down on the basis of whether the licensee was a manufacturer, a distributor, or a retailer. In all, only seven of 188,000 licensees had their licenses revoked in 1975.[11]

The major shortcoming of ATF's recordkeeping supervision involves the bureau's hesitation to apply Section 923(g) of the 1968 act to require that all licensees' records on the disposition of their firearms be sent, on a regular basis, to ATF, where they could be centralized on a computer. There is no question that this procedure could be required under that section of the act.

Although in extreme emergencies [12] a trace conducted in ATF's normal fashion can be completed in less than an hour, in most cases the process takes several days to several months. The personnel necessary for ATF's manual phone-to-phone traces is such that ATF estimates that one tracer can complete an average of no more than ten traces per day. ATF often holds requests to various manufacturers until tracers can handle several with one phone call. This time lag severely limits the value of a trace to the local police who requested it. Interviews with police officials revealed that this is the principal reason that police departments do not request traces more often.

This could be changed if ATF required, as it could by regulation, that manufacturers, distributors, and dealers send notice of each firearm transfer to ATF. To reduce the recordkeeping burden on licensees to a minimum, all that they would need to do under such a system would be to send ATF, on a monthly basis, the records (or copies) of firearms dispositions which, under current regulations, they now must keep on their premises. The records could be in a form that would permit ATF to enter the disposition information on a computer for easy storage and retrieval.

By receiving dispositions on this basis and by comparing these disposition reports to the licensee's overall reports of sales volume, ATF could identify recordkeeping deficiencies and thefts as they occur. They now are discovered years later when a trace, requested because the firearm has become involved in a crime, cannot be completed.

In our interviews, ATF officials, including Director Davis, noted that the bureau had the authority to require such reports.[13] However, no such regulations have been promulgated, we were told, because the bureau, in one official's words feared "inconveniencing" the manufacturers and because some members of Congress might look upon this as a form of "registration." [14] One ATF official said that requiring such reports of dispositions would be "theoretically possible, but politically impossible." [15]

This single ATF action could most immediately improve the effectiveness of the tracing program and of ATF's overall regulatory efforts. It is essential if ATF is to play an active enforcement role under the 1968 act. The bureau must have complete, current information to monitor compliance with the law and set enforcement priorities. It is the information that Congress authorized in Section 923(g).

In the absence of such regulations ATF's mandate under the 1968 act to monitor the firearm industry remains an effort based almost completely on the industry's sharing of the information it decides is convenient to provide.

Another episode is illustrative. In 1972, ATF decided to keep count of the number of firearms being manufactured each year. Again, it could have required this information. Instead, ATF asked each manufacturer to furnish it voluntarily. In return for providing this information "voluntarily," the manufacturers received a promise from ATF not to make the data available to the public. Thus, ATF, citing a promise which it never had to make, turned down a request from the House Judiciary Committee's Subcommittee on Crime for the data, as well as a similar request from the Police Foundation.

ATF's reluctance to become an aggressive monitor and regulator of firearms commerce by asserting its authority under the 1968 act should not be taken as a reflection on the conscientiousness of its ranking executives. They do not have the stature or independence in the Executive Branch to make critical policy decisions. That is the responsibility of senior officials in the Treasury Department and the White House, who can provide the political support and financial resources necessary for such an aggressive posture. These officials have never given ATF's top command any direction or encouragement to adopt a different regulatory attitude.

ATF and Monitoring Analysis of Firearms Commerce

The insufficient information ATF collects from its licensees, especially regarding the disposition of firearms, is symptomatic of the bureau's shortcomings in monitoring those aspects of firearm commerce that are directly related to enforcement of the 1968 act. For example, although ATF is charged with preventing the illegal interstate sale of weapons, the bureau keeps no count of how many weapons are sold at retail in the various states. Had ATF gathered such data it might have seen, for example, that South Carolina retailers were selling many more firearms per state resident than several other states and it might have suspected, therefore, that South Carolina was a source of black market firearms flowing into northeastern areas. It was only after Project Identification traced 24.4 percent of the New York firearms to South Carolina that the bureau took notice of this phenomenon. Even now, ATF collects no data on sales by state or by locality within a state—data that, again, could pinpoint possible sources of the black market operations that ATF is responsible for combatting.[16]

The following lists the kinds of information ATF should begin to collect in its efforts to enforce the 1968 act.

1. *The number and types of firearms sold in the various states and localities each year.* This kind of information is directly in keeping with the purpose of the 1968 act to aid states and localities in their own enforcement efforts.[17]

2. *The names of the major transporters of firearms, where they operate, and how many firearms are stolen from them each year.* In this way, theft in transit could be monitored and prevented.

3. *The names of the highest volume retailers in a given locality.* The logic here, as with state-by-state data, is simple: If ATF knew where and to whom the bulk of firearms were being shipped, it could concentrate its enforcement efforts accordingly, and its inspections and other regulatory functions could be apportioned according to rational priority.[18]

4. *A breakdown of the reasons that trace requests made of each manufacturer and dealer fail.* In this way, those with the worst records could be spotted systematically.

5. *The number of thefts from licensees each year and, by sampling, a breakdown of the circumstances of those thefts.* This information could suggest appropriate security precautions.

Each of these data items could be collected by ATF pursuant to its authority under the 1968 act. No new law is needed. These items represent the basic areas of information that a regulatory agency should find necessary for adequate oversight. There is no legal or policy reason that firearms commerce should be treated so differently from other regulated commerce that these basic tools of analysis are bypassed.

Should ATF begin to gather these data on a systematic basis, the information should be shared with other enforcement agencies, legislative bodies, and the general public. ATF is the one agency with authority and responsibility to license all participants in firearm commerce, to conduct traces, and to keep track of firearm production and sales throughout the United States. As such, ATF has a monopoly on access to the sources of data and information pertaining to firearm commerce in this country.

A final aspect of improved federal law enforcement efforts in the collection and analysis of firearm abuse data relates to the role of the FBI's National Crime Information Center (NCIC). Much of the information and many of the hypotheses in this report were based on our data collected from several cities relating to the firearms police confiscated in those cities during 1974 and 1975. Their presentation suggests new paths for analysis of firearm abuse. A nationwide UCR or NCIC count of firearms confiscated by police might be helpful in this regard, as would a breakdown, perhaps by sampling, of what kinds of firearms are confiscated.

The FBI collects a great deal of this information in raw form in its NCIC computer. NCIC is now geared to receive and record reports of firearms recovered by police who want to know whether the firearm they have just seized has been reported as stolen. However, we estimate that, at most, 5 percent of the firearms actually confiscated by police are reported to NCIC. Moreover, the NCIC computer does not now keep a separate count of the firearms that are reported confiscated as opposed to those reported stolen. The only count we were able to obtain was an estimate of recovered firearms and stolen firearms *combined* that were reported to NCIC by federal, state, and local police in March 1976. The mechanism and potential, however, for complete reporting is there. NCIC might

Footnotes at end of article.

consider reprogramming its computer accordingly and directing increased effort at encouraging participating police agencies to report all confiscated firearms. This would provide more data of the kind we collected and found useful.

More systematic reporting of firearm confiscations would have several corollary benefits. It would help in solving firearm theft cases—the reason it was included in NCIC—and perhaps aid in solving the other crimes in which the firearms may have been used. Moreover, as we report in Chapter 9, we found that a more vigorously enforced requirement that recovered firearms be reported to NCIC could help to ensure the efficiency and integrity of local police property storage procedures.

The ATF tracing program

ATF's tracing program can be an important tool for local law enforcement officials. Our interviews with local police chiefs confirmed that a firearm trace occasionally helps to solve a case or to strengthen a case against a defendant who has already been arrested. However, as currently carried out these instances are the exception rather than the rule. In no city did we find that the tracing program was a consistent, continual source of aid to the police.

One obstacle to more success in the tracing program is no fault of ATF's. The fact that the 1968 act did not require individual retail purchasers to record and report *their* transfers of firearms makes it unlikely that ATF will be able to trace a firearm all the way from the manufacturer to the person who had the firearm when the police seized it. Thus, in its latest study, ATF attempted to trace 300 randomly selected firearms beyond the retail purchaser by interviewing the purchaser and then the person to whom the purchaser reported transferring the firearm. ATF succeeded in only 74 of the 300 cases in following the firearm all the way to the person from whom it was seized by the police. Moreover, this "forward tracing" beyond the retail sale was part of a special study: It is never done with trace requests except in extreme cases.[19] Normally, the trace only goes as far as the first retail purchaser. Traces only succeeded that far in 1975 in 60 percent of the 34,720 trace attempts.[20] The result is that in the October 1975 New York City trace sample only two of 144 firearms were traced back to the person from whom they were seized.

Although gaps in the law are responsible for much of the problem, there are improvements that can be made in the absence of legislative changes. These include:

Keeping information on the disposition and movement of each firearm on a computer. This would not only make tracing faster, it would also identify recordkeeping problems before the records are needed in a trace and encourage their correction. Beyond requiring a change in ATF's regulatory attitude, this would also require giving ATF enormous computer capability and a research and planning capacity that it does not now have to receive and store such data.

Storing the records of dealers who go out of business in a way that makes them accessible to ATF tracing personnel. According to our interviews, such records are now stored randomly in boxes at the regional ATF office nearest the defunct dealer. In practice this system makes the records inaccessible for tracing; they are simply forgotten, and "records unavailable, dealer out of business" is recorded on the trace request. "Once the records get sent to the regional office, forget it," an ATF agent in New York told us. "They're buried."

We were told that ATF is moving to correct this problem by having all such records shipped to the Washington headquarters where they will be arranged and stored in a way that will make them available to the tracers. However, as of December 1, 1976, the records that had arrived in Washington had not yet been assembled in a way that makes them usable.

Making police aware of the potential usefulness of tracing. We found police use of the tracing program to be haphazard. Some departments that happened to know about it, used it; others did not. ATF officials reported that they had not acted to close this communication gap for fear that uniform awareness of the program would lead to more trace requests than they could handle. Pending an appropriate increase in resources, a more efficient solution to this capacity problem would be for ATF to set trace priorities and initiate a nationwide effort to inform police agencies of the program. At present, ATF does not know which police departments make extensive use of its tracing program, why they use it, or how well it works.

Setting standards for classifying the requests and making and enforcing rules governing the circumstances of requesting a trace. This step would assist in handling an increased volume of trace requests. Among those police agencies who use the program we found no consistent understanding of ATF's priorities in conducting a trace. Although ATF listse three classification labels for priorities on its trace request form ("urgent," "expedite," and "routine"), they are not explained well and there is no indication that compliance with the labeling requirement is ever monitored or enforced. Thus, the priorities are not followed with any consistency. What one police officer would call a "priority" trace might be classified as "routine" by a second officer in the same or another police department, and as "urgent" by a third.

Instructing local police about how to request a trace. At present, many traces are unsuccessful because the requesting police officer does not correctly read the serial number or model designation of the firearm.[21] In fact, in many cases, the officer does not supply the correct name of the manufacturer.

Standard serial numbering

One complaint voiced frequently in interviews with ATF tracing officials and with officials at the FBI's NCIC was that manufacturers now number their firearms in any way they wish, with any imaginable number and letter combination. This practice, we were told, often results in incomplete traces and the recording of incorrect information in the NCIC computer because a police officer misreads the number (perhaps not realizing that a letter is part of the number) or because two firearms from different manufacturers have the same or nearly the same number. To illustrate the mistakes that are now possible, a police officer in a ballistics unit during an interview called in his own handgun to NCIC and got back a report that it was stolen. "Standard numbering, with a standard number of digits would be a dream," said the NCIC section chief. "That way we could code it for manufacturers, for year made, and for a great deal of other data. We wouldn't have so many mistakes." He cited as an analogy the standard serial numbering system now used for automobiles.[22]

During our interviews, ATF officials took the position that the agency did not want to burden manufacturers with the retooling that such a requirement would necessitate. Section 923(i) of the 1968 act mandates that ATF promulgate regulations for effective serial numbering.[23] Such a regulation requiring standard numbering should be promulgated.[24]

Enforcement of the multiple purchase reporting requirement

In 1974, ATF did promulgate one regulation that has great potential for curbing illegal trafficking in handguns. In response to indications from Project Identification that handguns being confiscated in New York and other areas had been purchased in bulk by black marketeers in states such as South Carolina, ATF required that beginning on July 1, 1975, any retailer who sells more than one handgun in a period of five consecutive workdays to the same person must report those sales immediately to ATF. In this way, ATF would know, for example, if someone were purchasing several hundred handguns a month and could decide to investigate why.[25] In many respects, this is a model of the kind of enforcement measures that ATF should be undertaking in the other areas already discussed: Licensees were required to supply ATF with critical law enforcement information, and enforcement was strengthened without any change in the law. But perhaps because ATF promulgated the regulation reluctantly, the bureau has, by its own account, failed to use it effectively. According to interviews conducted with Police Foundation staff, as of September 1, 1976, ATF headquarters officials knew of no investigation that had been opened because of the reporting requirements, and no effort had been made to monitor whether dealers were abiding by it. In fact, 14 months after the regulation went into effect, ATF's top management did not know how many reports had been filed or where the reports had come from. Reports are sent only to the regional office closest to the retailer. According to ATF headquarters officials, the local ATF agent may then, on a case-by-case basis, with no explicit supervisory guidelines, investigate the purchaser—if he has the time and inclination.[26] This still may have had a significant deterrent effect on black marketeers (provided they know about it) but the maximum impact of the rule as an enforcement tool has not been achieved, and it seems that ATF is not attempting to evaluate the rule or determine whether it is being obeyed. As with centralizing the information on the disposition of all firearms and the analysis of the states and areas in which they are being purchased, it would seem that ATF should be taking advantage of these multiple purchase reports by analyzing where they are taking place and concentrating enforcement efforts accordingly.

ATF internal priorities for firearm law enforcement

We offer here a tentative observation about changes ATF could make in using its current personnel and any additional personnel it might receive. In interviews with ATF headquarters officials and with ATF and police personnel in various cities, there were indications of a general imbalance of efforts in favor of lower-level criminal arrests for illegal purchase or possession of a firearm (arrests which could easily have been passed on to local police), as opposed to regulation of commerce and arrests for high-level firearms black marketeering. In addition to ATF's attitude of reluctance toward its regulatroy responsibilities, its neglect in this area is also characterized by the fact that it has more than twice as many special agents as inspectors. Inspectors doing monitoring and analysis described above, such as finding the key areas of theft or possible black market sources, could have more law enforcement impact than could additional agents making isolated arrests.

ATF also does not now have an effective research and policy planning unit to develop inspection, regulation, and enforcement strategies consistent with the bureau's mandate under the 1968 act.

Beginning in February 1976, ATF initiated a "Concentrated Urban Enforcement" program (CUE) in Boston, Chicago, and Washington. According to ATF, the program is intended to "reduce the criminal misuse of firearms and explosives by the concentration of personnel and other investigative re-

Footnotes at end of article.

sources" in these cities.[27] As of November 1, 1976, ATF did not yet have information on how the plan is working or on what the results are. However, it appears from our interviews to lack the priority of interrupting black market traffic.[28]

Federal priorities and ATF

In one respect the criticism we have leveled at ATF is unfair; most of the improvements suggested require not only better and more energetic application of resources, but more resources as well. At present, ATF is understaffed and underfunded to a degree that ensures its inability to carry out its law enforcement mandate.

As of April 24, 1976, ATF had 3,892 employees. Of these, 1,522, classified as special agents, were charged with criminal enforcement functions. Another 745, classified as inspectors, were charged with regulatory functions. And 1,625 were administrative and support personnel.[29]

In addition to firearm laws, these ATF agents, inspectors, and support personnel are responsible for enforcing laws and collecting taxes relating to explosives, liquor, tobacco, and wagering. Many ATF special agents are also frequently called upon to assist the Secret Service in providing protection for dignitaires.[30]

In theory, no ATF special agents or inspectors specialize in tobacco revenue collection, liquor law implementation, wagering law enforcement, firearm law enforcement, candidate and dignitary protection, or other areas of ATF responsibility.[31] Accordingly, ATF is unable to provide a breakdown of what portion of the bureau's efforts are devoted to firearms law enforcement as opposed to other responsibilities, although Director Davis did note during an interview that firearm law enforcement is now his "highest priority" and has been getting "increasingly more attention" in recent years.[32] However, ATF's nonfirearm responsibilities are also burdensome. Thus, the ATF Midwest regional director testified before the House Subcommittee on Crime of the Judiciary Committee that of 192 inspectors in his region, 133 were currently assigned to on-premises inspection of liquor distilleries.[33] Some of the results of ATF's current staffing shortages are apparent. During our interviews we were told that as many as 50 percent of all ATF licensees had never been inspected since they were originally licensed in 1968, although it is an ATF goal to carry out such compliance inspections at least once every three years.[34] Even if all 2,267 ATF agents and inspectors did only compliance investigations, they could probably not inspect all 156,000 licensees every three years. This manpower shortage underscores the need for ATF to collect information that will tell the bureau which of its licensees deserve highest priority for inspections. It also provides convincing testimony that ATF cannot carry out its current functions, much less additional ones of the kind suggested, until it receives additional funds for new personnel.

The illegal sale of firearms in many cities may be the most widespread serious federal crime now being committed. It is certainly a federal crime that has the most serious impact on the level of violent street crime in the nation's cities. Yet Congress and the Executive Branch have never given ATF the resources—nor the supervision—that in any way suggests an appreciation of the nature of this law enforcement problem. Certainly ATF's work has received far less attention in Washington than that afforded the enforcement of federal drug laws by the Drug Enforcement Administration or the enforcement of other federal laws by the FBI. White House attention in monitoring ATF's work has been minimal in the last decade, and until the House Subcommittee on Crime held hearings beginning in 1974, Congressional scrutiny of ATF's firearms enforcement performance was nonexistent. Part of the problem may be the result of ATF's historic reluctance to work for higher priority funding as aggressively as it could, and this in turn may be the result of ATF's status as one of 13 bureaus—and perhaps the most obscure one at that—within the Treasury Department.

No matter what has caused the neglect, it is clear that any improvement in the federal effort to curb the problem should begin with a revitalized Bureau of Alcohol, Tobacco and Firearms that becomes an agency funded, managed, and scrutinized by Congress and the Executive Branch as a matter of highest priority.[35]

FOOTNOTES

[1] Until it was designated a bureau in 1972, ATF was a division of the Treasury Department's Bureau of Internal Revenue. The Treasury Department has always had jurisdiction over firearms laws, because these statutes have previously been concerned with tax law.

[2] Franklin E. Zimring, "Firearms and Federal Law: The Gun Control Act of 1968," *The Journal of Legal Studies* IV:1, 167–170.

[3] In fact, according to ATF's "Project 300" report, they are purchasing them freely at retail simply by lying on the form they must sign declaring that they are not felons, fugitives, addicts, etc. Of the 300 handgun purchases investigated in "Project 300," 6 percent of the first retail purchasers were, themselves, convicted felons, and 40 of the 256 that were traced ended up in the hands of felons.

[4] See Subchapter D, Section 5871 of the act.

[5] Section 923(g) of Title I of the act states, in part, that "each licensed importer, licensed manufacturer, licensed dealer, and licensed collector shall maintain such records of importation, production, shipment, receipt, sale or other disposition, of firearms and ammunition at such place, for such period, and in such form as the Secretary [of the Treasury] may by regulation prescribe. Such importer, manufacturer, dealer, and collector shall . . . submit to the Secretary such reports and information with respect to such records and the contents thereof as he shall by regulation prescribe." ATF officials, including the bureau's general counsel, readily acknowledged during interviews that, under this section, regular reports of theft could be among the records of disposition that the Secretary could, by regulation, require.

[6] The theft of a firearm from a licensed manufacturer or dealer involves the "disposition" of a firearm possessed by a licensee. As such, it is an ATF concern under Section 923 (g). However, in such cases a record of the disposition—i.e., who received the firearm—is impossible because the firearm has been stolen. Thus, a theft is one kind of disposition which, by definition, undermines the record-keeping mandated by the act. The Secretary, using Section 923(g) and the broad power to promulgate regulations for implementation granted to him by Section 926, would therefore be empowered to take reasonable steps, by regulation, to prevent such thefts.

[7] Interviews, at ATF offices in Washington, D.C., April 15, May 5, and May 26, 1975.

[8] Interview, April 15, 1976, at ATF Washington, D.C. headquarters.

[9] Interview, May 26, 1976, at ATF Washington, D.C. headquarters.

[10] Letter (T:PD:JHS, 3300), from Rex D. Davis, Director, Bureau of Alcohol, Tobacco and Firearms, dated June 2, 1976.

[11] *Ibid.*

[12] According to Director Davis, the trace on the handgun used to assault Governor George Wallace was completed in about 30 minutes (Interview, May 5, 1976).

[13] Interviews, December 3, 1975, April 15, 1976, May 5, 1976.

[14] Interview, April 15, 1976.

[15] *Ibid.*

[16] At the request of the House Judiciary Subcommittee on Crime in 1975, ATF did a count of licensees in several localities. It found that Greenville, South Carolina, the site of at least one known black market operation, had more than 75 times the number of dealers per resident as New York City and 32 times as many as Chicago.

[17] The preamble of the 1968 act states that its purpose is "to provide support to federal, state, and local law enforcement officials in their fight against crime and violence . . ."

[18] During an April 18 interview, an ATF official said that the Bureau could require dealers to report their sales volumes, "if it were politically expedient."

[19] Officials were unable to say how many others were done last year except to estimate that it was a "handful."

[20] Letter (T;PD:JHS, 3300) from Rex D. Davis, Bureau of Alcohol, Tobacco and Firearms, dated June 2, 1976.

[21] We understand ATF is considering the publication of an instruction manual.

[22] Interview with Frank B. Buell on April 15, 1976.

[23] Section 923(1) reads, in part: "Licensed importers and licensed manufacturers shall identify, by means of a serial number . . . , in such manner as the Secretary shall by regulation prescribe, each firearm imported or manufactured by such importer or manufacturer." The only regulation now promulgated—187.92—requires only that the numbering be legible, not susceptible to altering or removing, and not duplicated on any of that licensee's other products.

[24] Police Commissioner Donald Pomerleau of Baltimore also suggested in an interview that all serial numbers be stamped in an inside part of the firearm so that they could not be filed down easily.

[25] As logical as the regulation seems, ATF at first told New York City officials in 1973 that such a requirement would be too burdensome on the retailer. It was only 18 months later that they reached a different conclusion.

[26] Interview, April 15, 1976, Washington, D.C.

[27] Letter from ATF Public Affairs Office, received October 29, 1976.

[28] In addition to ATF officials, Professor Franklin Zimring, who has been a consultant to ATF on the CUE project and to the Police Foundation on this project, was interviewed on this subject.

[29] Letter (T:PD:JHS, 3300) from Rex D. Davis, Director, Bureau of Alcohol, Tobacco and Firearms, dated June 2, 1976.

[30] According to Director Davis, (letter, *ibid.*) at the height of the presidential primary season, from January through May 1976, 23,590 man-days were spent assisting the Secret Service in this way. This is the equivalent of tying up more than 200 of ATF's 1,522 special agents full-time for that period.

[31] "We would like to think of them [ATF personnel] as experts in all fields," Director Davis said in an interview on May 5, 1976.

[32] Interview with Director Davis, May 5, 1976, Washington, D.C.

[33] *Hearings on H.R. 11193*, 1028.

[34] The quality of the inspection is a separate issue associated with the bureau's practices and aggressiveness. ATF does not now receive reports of inspections carried where dealers are regulated by state or local out by local authorities in jurisdictions authorities receive ATF inspection reports. Such hearing of information could save scarce manpower resources.

[35] As an alternative, removing firearms laws from ATF's jurisdiction and placing enforcement responsibility with the FBI might be considered.

By Mr. SCOTT:

S. 829. A bill to amend the Communications Act of 1934 to establish orderly

procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Commerce, Science, and Transportation.

S. 830. A bill to authorize the Secretary of the Interior to establish the George Washington Boyhood Home National Historic Site in the State of Virginia; to the Committee on Environment and Natural Resources.

S. 831. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for amounts spent by an individual to conserve energy used in heating and cooling his home; to the Committee on Finance.

(The remarks of Mr. SCOTT when he introduced the above bills appear earlier in today's RECORD.)

By Mr. HASKELL (for himself and Mr. HART):

S. 832. A bill to amend the Small Business Act and the Consolidated Farm and Rural Development Act to reduce interest rates on certain disaster and emergency loan programs, and for other purposes; to the Committee on Small Business, if and when reported by that committee, to the Committee on Agriculture, Nutrition, and Forestry, by unanimous consent.

INTEREST RATE ON FEDERAL DISASTER LOAN PROGRAM

Mr. HASKELL. Mr. President, the bill which I am introducing today with my colleague and friend from Colorado, Senator HART, will reduce the interest rate on a number of Federal disaster loan programs. It is a bill whose foundation rests on the humanitarian spirit of the American people.

The first section reduces the interest rate to 3 percent, from its current 6⅝ percent, on a number of Small Business Administration loan programs. These programs are: First, the physical replacement disaster loans, made to individuals or businesses who have suffered physical losses in a disaster area; second, the economic injury disaster loans made to businesses in disaster areas which have incurred financial losses as a result of the disaster; third, the toxic substance loans which are made to businesses incurring financial losses as a result of toxic elements—the impact of Kepone pollution on the Chesapeake Bay is an example; and fourth, the energy shortage loans made to businesses incurring financial losses as a result of energy impacts.

The second section reduces the interest rate on Farmers Home Administration disaster and emergency loans from the present 5 percent to 3 percent.

My bill incorporates a novel approach for aiding victims who have been seriously financially impacted by a disaster yet who decide against borrowing money from the SBA. The bill contains a $2,500 forgiveness feature for those whose primary residences have been damaged or destroyed in excess of 30 percent of their market value. It also gives people the option of receiving the $2,500 in the form of a direct payment if they elect not to borrow.

There are many people for whom the subsidy contained in the interest rate cannot be used. They may be too old to borrow long-term money to rebuild their homes. They may not have the financial ability to qualify for a loan. I sincerely believe that if the Federal Government is going to offer financial assistance to victims of disasters, the assistance should be available to all who have been victims, not just those able to repay a loan.

The other novel feature of the bill is the targeting of the $2,500 forgiveness grant to those who have been really hard hit. People who merely have their basements flooded or lose their television antennas in a windstorm will not qualify for the forgiveness feature or grant. Only if their principal residence has been destroyed or damaged to such an extent that repairs or replacement costs would exceed 30 percent of the market value of the residence will people be able to qualify for the $2,500 feature. The 30 percent measure is an attempt to insure that the expenditure of public funds is justified on the basis of the most pressing needs.

SBA informs me that when a forgiveness feature has been incorporated into the program in the past it has induced people to apply for loans who otherwise would not have. Since my bill contains this 30 percent test I do not believe that there will be a similar problem.

The physical disaster loan program is generally the major assistance offered by the Federal Government to individuals who suffer directly from a disaster. Through this program at its current rate we say to people who have lost property "Sure, we want to help you. We are going to give you a loan to rebuild or replace your house. And we are only going to charge you 6⅝ percent. So while you are paying off your mortgage on your house that went down the river you can also worry about paying us back for our loan."

Mr. President, the people who live in the part of Colorado ravaged by the Big Thompson flood in early August of last year simply cannot afford this help. My office has received numerous heart-rending letters from people who have lost everything—I mean everything, Mr. President—their homes, their cars, their personal property, in many cases members of their families.

This country has a tradition for compassionate responses to those who have suffered tremendously from acts of nature. But somehow, in the last couple of years, the SBA's program has gone from one that offered some real assistance to what is now little more than commercial accommodation. As recently as July 1973, largely in response to the damage of Hurricane Agnes, the SBA's disaster rate was 1 percent.

The program also incorporated a $5,000 forgiveness feature. In July 1973, the rate went up to 5 percent and the forgiveness feature was eliminated. In August 1975, the rate went up to 6⅝ percent.

Mr. President, the 700 families who have inquired with the SBA in Colorado about the loan program are no less worthy of real Federal assistance than were the victims of Hurricane Agnes. Nor are they any less deserving than were the victims of Hurricane Camille, after which in 1969 the rate was reduced to 1 percent with a $5,000 forgiveness feature. In fact, due to the nature of this flash flood in which many of these 700 families lost absolutely everything they owned, one might argue that they are more in need of assistance than the people who had their basements flooded in other tragic but less severe disasters.

This bill has no regional bias. The severity of this winter, unparalleled in recent history for its negative impact, has cause disastrous conditions throughout the Northeast where energy shortages have caused real financial hardships. It has ravaged crops in Florida. It has brought a drought to the Midwestern and Western United States. Many informed people fear that Dust Bowl conditions are in the making in the plains.

I believe we should act quickly on this legislation. As a member of the Small Business Committee which will have legislative jurisdiction over the first section of the bill relating to the SBA programs, I promise to work with the chairman to hold the hearings necessary to get that section of the bill ready to report. I hope my colleagues on the Agricultural Committee will act swiftly as well.

This legislation would be retroactive to July 1, 1976. It would reduce the rates on the relevant loans made since that date and would permit new applications from those who, because of the high rate of the loan programs, either failed to qualify for loans or never applied.

Mr. President, unless there is a major change in the course of natural history we will have to live with the sadness and horror of natural disasters forever. Over 130 people are now known to have been killed in the Big Thompson flood. A more compassionate Federal policy will not bring back loved ones but will at least give survivors some help in starting over.

Every Member of the body represents a State in which there will be some natural disaster during his lifetime. A large number of us represent States in which there has been such a disaster in the last 7 months. We should not be forced to legislate the degree of Federal assistance on the basis of votes involved in the assistance. But that has been the history of the SBA loan program during this decade. If it was a big disaster, affecting a large number of people—and thus a large number of votes—we would reduce the loan rate and offer a forgiveness feature readily.

I hope that my colleagues will support this effort to bring some equity into this program. For the victims of the Big Thompson flood and for victims of future disasters it is important to know that their Government cares as much for them as it does for building roads and bridges.

Mr. President, I ask unanimous consent that the schedule of Small Business Administration designated disaster loan areas for the period July 1, 1977 through February 23, 1977, be printed in the RECORD, together with the bill.

There being no objection, the table and bill were ordered to be printed in the RECORD, as follows:

Small Business Adminstration designation of disaster loan areas covering period of July 1, 1976 to February 23, 1977

	Number EIDL	Number physical
Alabama	4	--
Arkansas	2	--
California	4	3
Colorado	1	1
Delaware	--	1
Florida	1	1
Georgia	7	--
Idaho	4	--
Illinois	4	--
Iowa	6	1
Kansas	1	2
Kentucky	1	--
Louisiana	5	--
Maine	1	1
Maryland	--	2
Michigan	6	1
Minnesota	4	3
Mississippi	4	--
Missouri	6	1
Montana	--	2
Nebraska	2	--
Nevada	1	--
New Jersey	1	2
New Mexico	1	2
New York	9	8
North Carolina	9	1
North Dakota	8	--
Ohio	5	1
Oklahoma	3	--
Pennsylvania	1	3
Rhode Island	--	1
South Carolina	2	--
South Dakota	2	--
Tennessee	1	--
Texas	13	--
Utah	2	--
Vermont	2	1
Virginia	8	1
West Virginia	2	--
Wisconsin	7	1
Total	139	40

Physical Disasters, 7(b)(1) and Economic Injury, 7(b)(2) require a declaration before SBA can provide assistance.

The programs listed below do not require a declaration.

Sec. 7(b)(3)—Displaced Business Loans.

Sec. 7(b)(4)—Product Disaster Loans.

Sec. 7(b)(5)—Coal Mine Health and Safety Loans.

Sec. 7(b)(5)—Consumer Protection.

Sec. 7(b)(5)—Air Pollution Control Loan.

Sec. 7(b)(5)—Occupational Safety and Health.

Sec. 7(b)(6)—Strategic Arms Economic Injury.

Sec. 7(b)(7)—Base Closing Economic Injury Loans.

Sec. 7(b)(8)—Emergency Energy Shortage Economic Injury.

S. 832

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 7(b) of the Small Business Act is amended by inserting at the end of the undesignated paragraph the following new sentence: "Notwithstanding any other provision of law, the interest rate on the Administration's share of any loan made with respect to a disaster or shortage which occurs on or after July 1, 1976, pursuant to paragraph (1), (2), (4), or (8) of this subsection shall be 3 per centum per annum.".

Provided that for loans made pursuant to paragraph (1) with respect to disasters occurring on or after such date to individuals whose primary residence has been more than 30% damaged or destroyed so that repairs or replacement costs would exceed 30% of the market value of such residence, repayment of the principal amounts which exceed $500 shall be cancelled, except that the total amount so cancelled shall not exceed $2,500.

Provided further, that those individuals whose residences have been damaged or destroyed to the extent described in the previous proviso, and who would qualify for a loan under paragraph (1), shall have the option of receiving a one-time payment of $2,500 in place of such loan. Qualifications for a loan for the purpose of determining eligibility for the $2,500 payment shall not include an individual's ability to repay the loan.

(b) Section 324 of the Consolidated Farm and Rural Development Act is amended by adding at the end thereof the following: "Notwithstanding any other provision of law, any loan made under this section with respect to an emergency or a disaster occurring on or after July 1, 1976, shall bear interest at a rate of 3 per centum per annum.".

Mr. HASKELL. Mr. President, for those colleagues interested in pursuing these issues, I shall be chairing a Small Business Committee hearing on SBA disaster rates on Thursday, March 3, at 9:30 in room 3302.

Mr. President, I ask unanimous consent that the statement of my distinguished colleagues and cosponsor of this bill, Senator HART, be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR HART

The bill I am cosponsoring today with my distinguished colleague, Mr. Haskell, will bring much-needed relief to the victims of natural disasters.

The need for changes in our disaster assistance laws was painfully clear in the aftermath of the Big Thompson Flood in Colorado on July 31, 1976. During that tragedy, 139 lives were lost, and at least $35 million in property damage was incurred.

Mr. President, rebuilding is a high priority for most canyon residents and these people have no choice but to turn to their government for financial assistance. The current interest rate of six and five eighths percent charged by the Small Business Administration on disaster assistance loans should be reduced if we are to help the many flood victims return their lives to normal.

This bill will assist individuals other than those affected by the Big Thompson Flood. It will provide much needed assistance to those who have been victimized by more recent disasters, such as the current drought situation throughout Colorado and the other Western States.

This legislation would reduce the interest rate from six and five eighths per cent to three per cent for the following disaster loans offered by the Small Business Administration: (a) Physical Replacement Disaster Loans; (b) Economic Injury Disaster Loans; (c) Toxic Substance Disaster Loans; (d) Energy Shortage Disaster Loans. Further, it would reduce the interest rate from five per cent to three per cent for disaster loans offered by the Farmers Home Administration. The bill also provides a forgiveness feature for individuals whose primary residences have been damaged or destroyed beyond thirty per cent of market value. Repayment of the loan principal above $500 would be cancelled, but the cancelled amount could not exceed $2,500.

The effect of this bill will be to assure the availability of disaster relief loans to those who need them most and to make it easier for disaster victims to obtain those funds. It strikes a reasonable balance between the desire to ease the financial burdens of disaster victims who have no choice but to borrow money from the government and a desire to prevent the kinds of abuses that have been evident in the dispersal of disaster funds in the past.

We cannot prevent these types of disasters, but we can enact legislation to minimize the hardships suffered by innocent victims.

Mr. HASKELL. Mr. President, I ask unanimous consent that the bill be first referred to the Committee on Small Business, since they are holding hearings, and if reported, that it go to the Committee on Agriculture and Forestry.

I have just talked to the distinguished Senator from Georgia, the chairman of the Committee on Agriculture and Forestry, and he approves this procedure.

I ask unanimous consent that the bill be so referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. SCHWEIKER:

S. 834. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct, or to claim a credit for, amounts paid as tuition to provide education for himself, for his spouse, or for his dependents; to the Committee on Finance.

TUITION TAX RELIEF ACT OF 1977

Mr. SCHWEIKER. Mr. President, I send to the desk for appropriate reference the Tuition Tax Relief Act, a bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct, or to claim a credit for, amounts paid as tuition for his own education or the education of a dependent at the elementary, secondary, or postsecondary levels.

Mr. President, our Nation's educational system has traditionally included two complementary branches, the public and private. The difficulties facing private education are well known. Parents who choose to educate their children in private schools bear the double burden of dramatically rising costs for both types of schooling, through tuition and taxes. As fewer families are able to provide a private education for their children, the number of private schools decreases, thereby limiting the diversity of experience and types of educational options available to all, and increasing the number of students in an already overburdened public system. Since our public school system is largely financed by local property taxes, taxpayers would find themselves with substantially increased tax bills, if private school students had to be educated in the public schools.

The concept of pluralism, so central to all aspects of American life, is important in our consideration of the roles we wish public and private schools to play in the education of our children. We have always encouraged a variety of methods for answering questions, or approaching tasks in our institutions. Continued availability of different types of schooling allows parents to direct the way their children will be educated. The dynamic produced by the relationship between public and private education affects each positively. Competition for students requires a responsiveness to the needs and interests of students and parents which might not otherwise exist. The accountability which results when a freedom of choice is present should

not be feared, but rather cultivated. It is time our public schools, along with all public service institutions, reaffirm their responsibilities to the people they were created to serve. Strong private schools can, in their interaction with the public schools, help to provide quality education for all.

Too frequently, the image of the private school is that of an institution which serves the interests of the rich, at a great cost per student. In fact, it costs less to educate a student at a private school than a public school. In 1974, the last year for which complete data is available, private elementary and secondary school students were educated at a cost of $1,191 per pupil, as opposed to $1,281 per pupil at public schools. In parochial schools, the difference was even greater.

The estimated cost per elementary parochial school pupil for 1973 was $310. Parochial high schools had a per pupil cost of about $700. Across the United States, 1 out of every 10 elementary and secondary students attends private schools. This sizeable group is made up of children from families of all income levels. Many parents sacrifice so they can send their children to the educational institution of their choice. Lower- and middle-income families suffer the most when they must pay the increased bill for both public and private education, while also facing inflated costs for other expenses.

Students at institutions of post-secondary education, whether public or private, college or vocational, also face financial pressure. The cost of a private college education rose 118.8 percent between 1964 and 1975. Fees at public universities have also risen substantially during the last 10 years—98.4 percent between 1964 and 1975. Again, those hardest hit by these increases are families with middle-level incomes. They are unable to pay college costs, and yet they do not qualify for Federal financial aid. It is important that steps be taken to lighten this burden, or higher education may soon be inaccessible to middle-income families.

The bill I am introducing today creates Federal tax relief for all those who pay tuition for educational programs at any level. It offers the taxpayer a choice between two forms of relief. He may deduct from his income up to $1,000 of tuition paid per eligible individual, or he may take a credit, to be subtracted from his Federal income tax, of 50 percent of tuition payments, up to a total credit of $250 per student. Eligible individuals include the taxpayer, his or her spouse, and any dependents claimed on the tax return.

The bill differs from similar measures introduced in the past by the addition of the tax credit provisions. Last year the Senate considered an amendment to the Tax Reform Act which would have allowed only a deduction for tuition payments. The tax credit option will extend the benefit of this law to millions of taxpayers who choose to take the standard deduction, and therefore, would not use an additional itemized deduction for tuition payments. The size of the credit was set to make it approximately equivalent to the benefit flowing from the deduction.

Mr. President, I believe this bill will provide real and necessary help to millions of Americans who have chosen to utilize the private school system, or who are sending their children—or themselves—to private or public higher education institutions. In providing this aid, we will at the same time maintain healthy diversity and competition between the various systems, and allow each to grow stronger. I hope that this bill can receive the early attention of the Congress.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 834

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Tuition Tax Relief Act of 1977."

SEC. 2. (a) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"SEC. 44B. TUITION.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50% of the sum of the amounts paid by him during the taxable year to eligible educational institutions as tuition for the attendance of the taxpayer, of the taxpayer's spouse, or of any dependents with respect to whom he is entitled to a personal exemption under section 151(e).

"(b) LIMITATIONS.—

"(1) AMOUNT PER INDIVIDUAL.—The amount of the credit allowed under subsection (a) for the taxable year with respect to amounts paid on behalf of any single individual as tuition shall not exceed $250.

"(2) SPOUSE.—No credit shall be allowed under subsection (a) for amounts paid during the taxable year for the education of the spouse of the taxpayer unless—

"(A) the taxpayer is entitled to an exemption for his spouse under section 151(b) for the taxable year, or

"(B) the taxpayer files a joint return with his spouse under section 6013 for the taxable year.

"(3) CREDIT CANNOT EXCEED LIABILITY FOR TAX.—The credit allowed under subsection (a) to any taxpayer may not exceed the excess (if any) of the tax imposed by this chapter for the taxable year over the sum of the credits allowable under section 33 (relating to foreign tax credit), section 37 (relating to credit for the elderly), section 38 (relating to investment in certain depreciable property), section 40 (relating to expenses for work incentive programs), section 41 (relating to contributions to candidates for public office), section 42 (relating to general tax credit), and section 44A (relating to expenses for household and dependent care services necessary for gainful employment).

"(c) DEFINITIONS.—For the purposes of this section—

"(1) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means—

"(A) an institution of higher education;

"(B) a vocational school;

"(C) a secondary school; or

"(D) an elementary school.

"(2) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means the institutions described in sections 1201(a) and 491(b) of the Higher Education Act of 1965 and includes such similar institutions for graduate study as are certified by the Commissioner of Education for purposes of this section to the Secretary or his delegate.

"(3) VOCATIONAL SCHOOL.—The term 'vocational school' means an area vocational school as defined in section 195(2) of the Vocational Education Act of 1963 (as in effect on and after October 1, 1977).

"(d) DISALLOWANCE OF EXPENSES AS SECTION 162 DEDUCTION.—No deduction shall be allowed under section 162 (relating to trade or business expenses) for any tuition which (after the application of subsection (b)) is taken into account in determining the amount of any credit allowed under subsection (a). The preceding sentence shall not apply to any tuition incurred by any taxpayer who, under regulations prescribed by the Secretary, elects not to apply the provisions of this section with respect to such tuition for the taxable year."

(b) The table of sections for such subpart A is amended by inserting immediately before the item relating to section 45 the following:

"Sec. 44B. Tuition.".

SEC. 3. (a) Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as section 222 and by inserting after section 220 the following new section:

"SEC. 221. TUITION.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a deduction an amount equal to the sum of the amounts paid by him during the taxable year to eligible educational institution(s) (as defined in section 44B(c)) as tuition for the attendance of the taxpayer, of the taxpayer's spouse, or of any dependents with respect to whom he is entitled to a personal exemption under section 151(e).

(b) LIMITATIONS.—

"(1) AMOUNT PER INDIVIDUAL.—The amount of the deduction allowed under subsection (a) for the taxable year with respect to amounts paid on behalf of any single individual as tuition shall not exceed $1,000.

"(2) SPOUSE.—No deduction shall be allowed under subsection (a) for amounts paid during the taxable year for the education of the spouse of the taxpayer unless—

"(A) the taxpayer is entitled to an exemption for his spouse under section 151(b) for the taxable year, or

"(B) the taxpayer files a joint return with his spouse under section 6013 for the taxable year.

"(c) DISALLOWANCE OF EXPENSES AS SECTION 162 DEDUCTION.—No deduction shall be allowed under section 162 (relating to trade or business expenses) for any tuition which (after the application of subsection (b)) is taken into account in determining the amount of any deduction allowed under subsection (a). The preceding sentence shall not apply to any tuition incurred by any taxpayer who, under regulations prescribed by the Secretary, elects not to apply the provisions of this section with respect to such tuition for the taxable year.

"(d) ELECTION TO TAKE CREDIT IN LIEU OF DEDUCTION.—This section shall only apply in the case of any taxpayer who, for the taxable year, elects to take the deduction provided by this section in lieu of any credit against tax provided by section 44B (relating to credit for tuition). Such election shall be made in such manner and at such time as the Secretary shall prescribe by regulation.".

(b)(1) Section 62 of such Code (defining adjusted gross income) is amended by inserting after paragraph (13) the following new paragraph:

"(14) TUITION.—The deduction allowed by section 221.".

(2) The first sentence of subparagraph (A) of section 3402(m)(2) of such Code (relating to withholding allowances based on itemized deductions) is amended by striking out "other than paragraph (13)" and inserting in lieu thereof "other than paragraphs (13) and (14)".

(c) The table of sections for such part VII is amended by striking out the item relating to section 221 and inserting in lieu thereof the following new items:

"Sec. 221. Tuition.
"Sec. 222. Cross reference.".

SEC. 4. The amendments made by this Act shall apply to taxable years beginning after the date of enactment of this Act.

By Mr. CHURCH (for himself, Mr. KENNEDY, Mr. CLARK, and Mr. WILLIAMS):

S. 835. A bill to provide a program of income tax counseling for elderly individuals; to the Committee on Finance.

OLDER AMERICANS TAX COUNSELING ASSISTANCE ACT

Mr. CHURCH. Mr. President, on behalf of Senators KENNEDY, CLARK, and WILLIAMS and myself, I introduce for appropriate reference the Older Americans Tax Counseling Assistance Act.

Preparation of a tax return is a complicated task for most persons. But it is especially complex for older Americans who are typically confronted with a new set of rules upon reaching age 65.

The older taxpayer, for example, may need to compute the exclusion on the gain of the sale of a personal residence, the elderly credit, or the taxable portion of an annuity.

These computations can be lengthy and complicated, even for experienced tax experts.

Perhaps the most troubled individual is the elderly widow who typically has low or moderate income and little or no experience in preparing a tax return. Yet, she may not claim legitimate deductions which can ease her tax burden because of her unfamiliarity with form 1040 and its accompanying schedules.

These problems may be intensified this year because of the enactment of the 1976 Tax Reform Act which made far-reaching changes in the Internal Revenue Code.

The Committee on Aging—of which I am chairman—has taken several actions to protect older Americans from overpaying their income taxes. For instance, the committee's checklist of itemized deductions helps to alert older and younger Americans about tax relief provisions which can save them precious dollars.

A second example is the bill I introduce today—the Older Americans Tax Counseling Assistance Act.

This measure is designed to build upon the volunteer income tax assistance program—VITA—now sponsored by the Internal Revenue Service. Last year IRS conducted 296 classes and trained 7,718 consultants to assist elderly taxpayers on many tax matters, including the medical expense deduction, the computation of the sales tax deduction, and others. Nearly 145,000 aged persons were assisted in 1976.

The Committee on Aging was instrumental in the creation of a tax component for the elderly under the VITA program. Mr. Ira Funston, a retired Department of Labor attorney and a former Committee on Aging staff member, took the lead by urging the IRS to make tax preparation assistance more readily available for older Americans.

In addition, he encouraged the Institute of Lifetime Learning of the National Retired Teachers Association-American Association of Retired Persons to establish a tax aide for the elderly project. This program has been extraordinarily effective. In fact, it is the largest tax assistance for the elderly project under VITA.

In 1977 the Institute of Lifetime Learning expects to train 7,200 tax counselors who will assist an estimated 200,000 aged taxpayers.

The Older Americans Tax Counseling Assistance Act would help to expand this assistance by authorizing the Internal Revenue Service to enter into training and technical assistance agreements with nonprofit agencies to prepare volunteers to provide tax counseling assistance for the elderly.

Our bill would also permit volunteer tax counselors to be reimbursed for their out-of-pocket expenses in assisting taxpayers. Many competent older persons would like to assist other aged taxpayers in preparing their taxes, but they cannot afford the additional expenses for travel, meals, and other necessary items. The reimbursement would be small for each consultant, but it would be helpful for those who need it.

The Older Americans Tax Counseling Assistance Act would also authorize the IRS to conduct special alerts to make elderly persons aware of helpful tax relief provisions, such as the increased exclusion for the gain on the sale of a personal residence. For taxable year 1977, a qualifying elderly taxpayer can exclude the entire gain on the sale of a personal residence, if the adjusted sales price does not exceed $35,000. A pro rata amount may be excluded if the adjusted sales price exceeds $35,000.

Most older Americans do not have enough taxable income to file a Federal income tax return. But a surprisingly large number do. In 1974 nearly 9.6 million persons 65 or older had a sufficient amount of income to file a Federal tax return.

Many of these individuals need help because they are overwhelmed by the complexity of the tax form. Hearings conducted by the Committee on Aging make it clear that large numbers of elderly persons are baffled by the intricacies of the Internal Revenue Code. Yet, they may not have money to obtain professional help.

Throughout the years the IRS has repeatedly emphasized that it wants no taxpayer to pay more taxes than legally required. Each taxpayer should be entitled to every deduction, credit, or exemption which the law allows.

However, large numbers of elderly persons needlessly overpay their taxes each year.

This problem takes on added meaning now because it is the height of the tax season. Appropriate tax counseling assistance, though, can assure that older Americans do not overpay their taxes. The tax aide for the elderly program has demonstrated this time and time again.

Last year the Senate Finance Committee adopted this measure as an amendment to the Tax Reform Act. Unfortunately, it was deleted in conference committee at the urging of the Ford administration.

However, I am hopeful that the Older Americans Tax Counseling Assistance Act can be enacted into law during this Congress.

Mr. President, I urge early approval of this bill and ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 835

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Older Americans Tax Counseling Assistance Act of 1977".

SEC. 2. DEFINITIONS.

For purposes of this Act, the term—

(1) "Secretary" means the Secretary of the Treasury or his delegate;

(2) "elderly individual" means an individual who has attained the age of sixty years as of the close of his taxable year; and

(3) "Federal income tax return" means any return required under chapter 61 of the Internal Revenue Code of 1954 with respect to the tax imposed on an individual under chapter 1 of such Code.

SEC. 3. TRAINING AND TECHNICAL ASSISTANCE.

(a) The Secretary, through the Internal Revenue Service, is authorized to enter into agreements with private or public nonprofit agencies or organizations for the purpose of providing training and technical assistance to prepare volunteers to provide tax counseling assistance for elderly individuals in the preparation of their Federal income tax returns.

(b) In addition to any other forms of technical assistance provided under this act, the Secretary may provide—

(1) preferential access to Internal Revenue Service taxpayer service representatives for the purpose of making available technical information needed during the course of the volunteers' work;

(2) material to be used in making elderly persons aware of the availability of assistance under volunteer taxpayer assistance programs under this Act; and

(3) technical materials and publications to be used by such volunteers.

SEC. 4. POWERS OF THE SECRETARY

In carrying out his responsibilities under this Act, the Secretary is authorized—

(1) to provide assistance to organizations which demonstrate, to the satisfaction of the Secretary, that their volunteers are adequately trained and competent to render effective tax counseling to the elderly;

(2) to provide for the training of such volunteers, and to assist in such training, to insure that such volunteers are qualified to provide tax counseling assistance to elderly individuals;

(3) to provide reimbursement to volunteers through such organizations for transportation, meals, and other expenses incurred by them in training or providing tax counseling assistance under this Act, and such other support and assistance as he determines to be appropriate in carrying out the provisions of this Act;

(4) to provide for the use of services, personnel, and facilities of Federal executive

agencies and of State and local public agencies with their consent, with or without reimbursement therefor; and

(5) to prescribe such rules and regulations as he deems necessary to carry out the provisions of this Act.

SEC. 5. EMPLOYMENT OF VOLUNTEERS

(a) Service as a volunteer in any program carried out under this Act shall not be considered service as an employee of the United States. Volunteers under such a program shall not be considered Federal employees and shall be subject to the provisions of law relating to Federal employment, except that the provisions of section 1905 of title 18, United States Code, shall apply to volunteers as if they were employees of the United States.

(b) Amounts received by volunteers serving in any program carried out under this Act as reimbursement for expenses are exempt from taxation under chapters 1 and 21 of the Internal Revenue Code of 1954.

SEC. 6. PUBLICITY RELATING TO INCOME TAX PROVISIONS PARTICULARLY IMPORTANT TO THE ELDERLY

The Secretary shall, from time to time, undertake to direct the attention of elderly individuals to those provisions of the Internal Revenue Code of 1954 which are particularly important to taxpayers who are elderly individuals, such as the provisions of section 37 (relating to credit for the elderly) and section 121 (relating to gain from the sale or exchange of his residence by an individual who has attained age sixty-five).

SEC. 7. AUTHORIZATION OF APPROPRIATIONS

There are authorized to be appropriated to the Secretary for the purpose of carrying out the provisions of this Act $2 million for the fiscal year ending September 30, 1977, and $3 million for the fiscal year ending September 30, 1978.

By Mr. BARTLETT:

S. 836. A bill to amend title IV of the Small Business Investment Act of 1958; to the Committee on Small Business.

SURETY BONDS

Mr. BARTLETT. Mr. President, on November 19, 1975, the Senate Committee on Small Business began a series of hearings on the surety bond program of the Small Business Investment Act of 1958. Testimony was taken from contractors, surety bond companies, and the Small Business Administration concerning the viability of this program. All witnesses concurred in the effectiveness and need for the program. One matter which was heavily stressed was the need to increase the authorization ceiling so that continuity within the program could be maintained. S. 243, authored by Senator NELSON, seeks to do this, and I congratulate him for his interest and effort in presenting that bill. S. 243 will address the problem of frequent delays and shutdowns in the surety bond program. These delays have caused havoc for the small business contractor, because delays have prevented them from developing any meaningful future business plans.

A second problem which was brought out during the hearings concerns the language of the original surety bond legislation. Primarily, the language of the original legislation does not address the question of an adequate guarantee for participating surety companies. It is felt by a number of surety companies that the guarantee is insufficient and that consequently, a number of areas in this country are not being served by either major or specialty surety companies because of the question of risk that must be undertaken by the surety when working in cooperation with the Small Business Administration.

It is accurate to say that all private sector surety risks, whether undertaken by major companies or specialty companies, are reinsured by the surety. This means that a portion of each risk undertaken by the surety is shared by a separate and distinct insurance company, normally termed a "reinsurer." By reason of the insurance regulations in each State which control the amount of risk in relation to capital and surplus that must be outstanding at any one time, a sharing of the risk by a reinsurer allows the surety to write bonds in greater volume for more contract clientele and in a higher total dollar amount.

This process places the reinsurer in the position of following the fortunes of the surety. That is to say, the surety has sole responsibility for the administration of that bond, for the claim's handling upon default, and for all resulting litigation. In the end, the surety submits a voucher to the reinsurer setting forth the net dollar loss and the reinsurer forwards its percentage of that loss in dollars to the surety.

If a reinsurer refuses to pay a surety under these circumstances, the ability of that surety to write further bonds is placed in jeopardy. From that point on, no surety would be confident that the reinsurer would honor its commitment.

This very thing has occurred with the Small Business Administration. It should be said that it is not widespread, but when you are dealing with an industry such as that of construction contracting, with its corresponding ups and downs, a denial on a surety bond by the Small Business Administration does cause a good deal of commotion within the surety industry. Therefore, there are numerous areas within this country that are not being served by either the major surety companies or the specialty surety companies because the original legislation does not require the Small Business Administration to follow the fortunes of the surety.

The bill I am introducing today amends the language of the original act to provide for a redefinition of the word "guarantee." This redefinition would still provide protection to the Federal Government where a substantial fraud is shown but would place the Small Business Administration in the position that it should serve at this time, that of a reinsurer, but with the full responsibility of a private reinsurer. The SBA would not be free, as it is now, to deny liability through a mechanism of second-guessing the under-writing judgment of the surety or the settlement judgment of its claims department.

This concern for the "Monday morning quarterbacking" by the Small Business Administration was uniformly expressed by all witnesses in the surety bond industry at our hearings. These witnesses also related that they believed more companies would begin to participate in the program when full responsibility was provided. This participation would provide broader access by the small businessman and the construction industry to the surety bond program.

The next matter in my bill concerns the use of the word "fee" in section 411 (c). My bill substitutes the word "premium" in each place that the word "fee" is used. This is simply a matter of exchanging terms so that the act corresponds to the common usage within the surety bond industry. This will simplify the lanugage of all surety bond operations both for the Federal Government and for the surety bond industry. The change of words does not affect the intention of this section but merely conforms the act to long accepted industry practice.

Finally, my bill changes the definition of "surety" found in section 410. As stated in the act, the term "surety" includes three different types of entities. One entity included is that which undertakes to pay a sum of money to the obligee in the event the principal breaches the conditions of the contract; a second entity includes one that undertakes to incur the cost of completing the terms of the contract where the principal breaches conditions of the contract; and a third type of entity undertakes the payment to all persons supplying labor and material in the execution of work provided in the contract where the principal fails to make prompt payment.

The change I propose here is exclusionary in that it provides that the term "surety" does not include a producing agent in the event that the producing agent is an independent contractor. This often occurs particularly in relation to the specialty companies which handle the burden of the surety bond business. There are independent agents scattered throughout this country who produce surety bonds in the SBA program, but who are not actually the entity which undertakes the obligation in the case of a breach or default on the contract. This again is language to encourage the further activity of insurance agents and surety bond companies in the program. The independent agent in any sort of insurance program does not undertake personally to guarantee the obligation, he is merely acting as agent for an insurance company that places its assets, and in this case those of the Federal Government, as a guarantee that the contract will be completed.

All three of these areas are minor changes in the surety bond program but are major in their impact on the effectiveness of the program and on the willingness of the surety bond industry, both specialty sureties and major sureties, to broaden the use of this program to all areas of the country. Accordingly, I encourage my fellow Senators to act favorably on this bill.

By Mr. ABOUREZK (for himself and Mr. MCGOVERN):

S. 839. A bill authorizing the construction of a dam and reservoir on the Little White River, S. Dak.—Rosebud site; to the Committee on Environment and Public Works.

LITTLE WHITE RIVER, S. DAK.

Mr. ABOUREZK. Mr. President, I am introducing today on behalf of myself and Senator McGOVERN a bill to authorize a dam and reservoir on the Little White River in South Dakota.

This is not a new proposal. Over 10 years ago my senior colleague, Senator McGOVERN, requested a thorough study of the potential for multiple purpose development of the White River and its tributaries in South Dakota and Nebraska.

Generally, the results of this study were not encouraging. However, in the case of Rosebud site, the one proposed in this bill, the Corps of Engineers reported that—

It might provide regional opportunities for increased economic activities through expansion of the tourist industry.

I am convinced that the opportunities go far beyond this limited report.

The area that would benefit from the proposed dam and reservoir is very typical of many rural areas in our Nation. It is losing population and its economic base. The 1970 population of the White River Basin was 47,000—a decrease of 13 percent since 1940. There are two Indian reservations within the basin. These reservations, again typical of reservations generally, have some of the highest unemployment, the lowest per capita income, and the poorest health and housing conditions to be found in the entire Nation. The unemployment rate in the area generally ranges from 7.8 to 9 percent.

This proposal is a modest one. At current estimates, it would cost about $8 million. It would create a scenic lake of 4.3 miles in length, with 26 miles of shoreline, and 2,400 acres of surface area. I would add that—aside from the tourist potential that this would add—this area has recently suffered from extremely severe drought. The water shortage that this reservoir would make possible would have made a great deal of difference to hundreds of small farmers and ranchers during this past year.

We, as a nation, cannot afford to continue to drive our small food producers off the land. Congress recognized that fact in the Agricultural Act of 1973 and the Rural Development Act of 1972. In those laws the Federal Government committed itself to a policy of balanced growth between rural and urban areas. Mr. President, this project would assist in the revitalization and development of one of our rural areas. It would do so at a modest cost. It would mean jobs and money in the Little White River area that would enable the young people to stay where they want to instead of being forced to move to our great cities at the exact time when employment opportunities in those cities are at the lowest level they have been in decades.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 839

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Chief of Engineers, United States Army; is authorized to plan, construct, and operate a multiple-purpose dam and reservoir on the Little White River, South Dakota (Rosebud site), approximately one and one-half miles north of the Mellette-Todd County line, South Dakota, in the interest of flood control, recreation, sediment storage, water supply, low-flow, regulation, limited irrigation, and hydroelectric power.

SEC. 2. There are authorized to be appropriated such sums as may be required to carry out the provisions of this Act.

By Mr. ABOUREZK (for himself, Mr. HATFIELD, Mr. EAGLETON, Mr. McGOVERN, Mr. HUMPHREY, Mr. BAYH, Mr. METCALF, Mr. LEAHY, Mr. CHURCH, Mr. HART, Mr. HASKELL, and Mr. ZORINSKY):

S. 840. A bill to amend the Clayton Act to provide for additional regulation of certain anticompetitive developments in the agricultural industry; to the Committee on the Judiciary.

FAMILY FARM ANTITRUST ACT

Mr. ABOUREZK. Mr. President, in recent months there has surfaced a plan by the Continental Illinois Bank and the Merrill Lynch brokerage firm to buy up farmland and lease or rent to farmers in the Midwest and South. These recent events only highlight the need for the Family Farm Antitrust Act.

The food industry is a more than $150 billion a year industry. This is even larger than automobiles, oil, or even our Defense Department. Yearly this industry is being dominated by fewer and fewer firms. Competition declines. Production lines become controlled. The consumer pays and the small farmer is forced off his land.

Today, the main corporate control has not been outright ownership but economic control. Economic control through vertical integration—such as the Tenneco operation in California—contract farming—as practiced by the Del Monte Corp.—or bank managers—such as Continental Illinois—show that corporate concentration in agricultural production has become a fact of life. This trend in the structure of agriculture is placing the control of production and of marketing in the hands of fewer and fewer corporations.

The U.S. Department of Agriculture's Economic Research Service has undertaken an analysis of the firms that are integrating farms or farmers of 262 corporations examined so far:

Twenty-one percent are basically farm input supplies, 48% are agricultural processing and distribution firms but 31% are primarily engaged in non-agricultural manufacturing or service industries.

In most cases, vertical integration is being accomplished through contracts with farmers—the corporation does not become a farmer; it rents one. Vertical and contractual integration today is on the rise, approaching a fourth of the total farm input.

But these figures are deceiving. On closer inspection the integrations control 95 percent of sweet corn, 50 percent of canteloupes and honeydews, 95 percent of the tomatoes, 90 percent of the snap beans, and 100 percent of the Nation's mint production.

It is estimated by the American Agricultural Marketing Association that by the end of this decade 50 percent of the American food supply will be under corporate contract, and by 1985 nearly 75 percent of our food will be under the control of integrators.

When four companies control over 50 percent of a market, economists state an oligopoly exists. In the food industry Kellog's, General Mills, General Foods, and Quaker Oats make 91 percent of the cereal in this country; 90 percent of the soups by Campbell's; 60 percent to 70 percent of the market in dairy products by Borden, National Dairy, and Carnation; and Gerber produces 65 percent of the Nation's baby food.

The farmers know what is going on. They see their friends and neighbors forced to abandon the vocation of a lifetime and feel powerless to stop it. They know what the long-range consequences of this will be. Here for example, are the views of Berge Bulbulian, a farmer from Sanger, Calif.:

Efficiency has to do with the relation between input and output. No, big agri-business firms are not efficient except in farming the government, and, even if they were, do you think that this efficiency will be translated into lower prices to the consumer when and if a small handful of agri-business giants control agriculture? And if they do give you food for a lower price, what about the social costs involved in the outmigration of people from the rural farms and towns? There are many costs that must be considered and most of them will not be paid by the corner supermarket.

Some have said there is no problem and that corporate control of agricultural production represents "only" a small percentage of the total. I think we have seen that the trend is toward more instead of less corporate influence. If we wait much longer, the battle will already be lost.

Mr. President, we must reverse the trend toward corporate domination of our food supply. For that reason I am introducing the Family Farm Act.

The Family Farm Antitrust Act is a proposal to prohibit corporations with $3 million in nonfarm assets from engaging in farming. It requires divestiture within 5 years for those operations presently over the $3 million limit.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 840

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Family Farm Antitrust Act of 1977".

FINDINGS; DECLARATION OF POLICY

SEC. 2. (a) The Congress finds that—

(1) in order to nurture the private enterprise system, it is desirable to protect consumers and small businesses, and to provide for the continued existence of the family farm, by protecting family farms against the monopolization of the agricultural industry;

(2) vertical integration of the agricultural industry by corporations engaged in the processing, distributing, and retail industries, and other conglomerate corporations, tends to create monopolies in the agricul-

tural industry, to foster anticompetitive trade practices in that industry, and to produce unfair competition for family farms; and

(3) the anticompetitive forces at work within the agricultural industry, by threatening the existence of the family farm, are causing population shifts from rural areas to urban areas which rob the rural areas of productive population and increase the problems of already overcrowded urban areas.

(b) The Congress declares that it is the policy of the United States, and the purpose of this Act, to restore competition to the agricultural industry and to provide for the continued existence of the family farm.

AMENDMENT OF THE CLAYTON ACT

SEC. 3. (a) The Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (38 Stat. 730; 15 U.S.C. 12–27) is amended by inserting after section 8 of the following new section:

"SEC. 8A. (a) Except as provided in subsection (b), no person engaged in commerce (or affecting commerce) in a business other than farming, whose nonfarming business assets exceed $3,000,000, shall—

"(1) engage, directly, or indirectly, in farming or the production of agricultural products,

"(2) control, or attempt to control, agricultural production through the ownership or leasing of land for agricultural purposes, or

"(3) participate in farming through corporate integration or merger, or by any other means of acquisition or control of another person who is engaged in farming.

"(b) The provisions of subsection (a) shall not apply to—

"(1) any organization described in section 501 (c) or (d) of the Internal Revenue Code of 1954 and exempt from tax under section 501(a) of such Code to the extent that the farming activities of that organization do not result in unrelated business income taxable under part III of subchapter F of chapter 1 of such Code; or

"(2) any farmer owned and controlled cooperative, corporation, or association which meets the requirements of the Act entitled "An Act to authorized association of producers of agricultural products", approved February 18, 1922 (42 Stat. 388; 7 U.S.C. 291–292 (the Capper-Volstead Act)), or as defined in section 15(a) of the Agricultural Marketing Act of 1929 (49 Stat. 317; 12 U.S.C. 1141).

"(c) Any person to whom subsection (a) applies, who was engaged in activities on the day before the date of enactment of the Family Farm Antitrust Act of 1975, which on the day after such date would (but for the provisions of this subsection) be in violation of subsection (a), shall not be considered to be acting in violation of the provisions of that subsection during the five years following the date of enactment of that Act if he—

"(1) does not undertake any new, or increase or expand any existing, activity or interest in violation of that subsection during those years, and

"(2) divests himself, within five years after the date of enactment of that Act, of any property or other interest held by him in violation of the provisions of that subsection.

"(d) It shall not be a violation of the provisions of subsection (a) for any creditor, beneficiary, or intestate successor to acquire, pursuant to forfeiture, devise, or the laws of intestate succession, and hold for not more than two years any property or other interest, which acquisition and holding would violate such provisions but for this subsection.".

(b) Section 11 of such Act (15 U.S.C. 21) is amended by—

(1) striking "sections 2, 3, 7, and 8" where it appears in subsections (a) and (b) and inserting in lieu thereof "sections 2, 3, 7, 8, and 8A"; and

(2) striking "sections 7 and 8" where it appears in subsection (b) and inserting in lieu thereof "sections 7, 8, and 8A".

(c) The first paragraph of the first section of such Act is amended by inserting immediately before "and also this Act" the following: "the Family Farm Antitrust Act of 1975;".

ASSISTANCE OF THE SECRETARY OF AGRICULTURE

SEC. 4. (a) The Secretary of Agriculture, acting through the Farmers Home Administration, is authorized and directed to acquire at fair market value any property or interest of which a person is required to divest himself under subsection (c) or (d) of section 8A of the Act of October 15, 1914 (38 Stat. 730; 15 U.S.C. 12–27), as amended by this Act if that person establishes to the satisfaction of the Secretary that he is otherwise unable to divest himself of such property or interest in accordance with requirements of that subsection.

(b) The Secretary shall sell at the then prevailing market value any property acquired under subsection (a) as soon as practicable, but in no event later than two years after the date on which such property was acquired by him under that subsection.

(c) The Secretary shall prescribe such rules and regulations as may be necessary to carry out the provisions of this section.

(d) There are authorized to be appropriated to the Secretary of Agriculture such sums as may be necessary to carry out the provisions of this section.

Mr. BAYH. Mr. President, I am happy to join again with my distinguished colleague from South Dakota, Senator ABOUREZK, in cosponsoring the Family Farm Antitrust Act. This bill would limit family farm takeover and farming operations by concentrated economic interests which are substantially nonfarm in nature.

Recent hearings have brought to light new evidence of the serious continuing threat to the American family farm. Testimony and news coverage has revealed that Continental Illinois National Bank & Trust Co. had planned to use a $50 million tax-free trust fund for farm land investment. This is one more instance of the continuing intrusion of concentrated economic power into farm life.

According to the National Farmers Union, there is enough money in private pension and profit-sharing trust funds to buy up one-fourth of the Nation's farms if schemes like the Continental Bank's are allowed to proliferate.

The unparalleled productivity of American agriculture rests on the efficiency of the mechanized family farm. Despite this efficiency which has made the American family farm the most productive agricultural unit in the world, the spiraling cost of farm land over the past several years presents a threat to the very existence of our family farms. Rapidly rising farm land costs threaten our entire farm and food economy. Indeed, it is a crisis of national proportions.

The average acre of farmland in my home State of Indiana has increased a whopping 30 percent in the last year alone and has doubled in value over the last 5 years.

Nationally, farmland increased 17 percent in 1976 and there is every indication that this trend will continue. The USDA projects that the average acre will increase an additional 9 percent this year.

Under these conditions it is extremely difficult for young farm families to get a start. According to the USDA while it took $10,000 to begin farming in 1940, today it costs about a quarter of a million dollars to start a modest commercial farm.

There is no doubt that big bank or corporate buy-up plans like the Continental Bank's would increase the pressures on rising land prices and reduce even further opportunities for individual farm ownership.

This situation raises the specter of farmland prices and startup capital requirements reaching such high levels in the very near future that new farmers will be frozen out. Even established family farmers may be squeezed out as farmland becomes concentrated in the hands of huge financial institutions. We simply must not allow that to happen.

Making it even worse, the taxes on income from funds such as the Continental Bank's would be deferred to the future, which would give these trusts an unfair advantage in making further purchases. This tax break is not available to individual farmers.

Another effect of the use of such multimillion dollar trust funds as well as limited partnerships and nonfarm corporate arrangements to buy up farmland will be an increase in absentee ownership. Farm tenancy has been reduced nationally from 42 percent in 1935 to 11 percent in 1974. These corporate and big bank buy-up plans would reverse this trend. What a tragedy it would be for us to stand by and watch young farmers becoming tenants and sharecroppers on land which their parents and grandparents owned and farmed.

As one who grew up on a family farm and a farmer myself for a number of years, I have always been concerned with the preservation of the family farm. It was this concern which led me to introduce the Family Farm Inheritance Act in past years and to join in other legislation in support of a national policy to preserve our family farms.

While I am concerned about the Continental Bank's proposed Ag-Land Fund, this incident admittedly was not very broad in its initial scope. The problem is that it may set a precedent for future financial endeavors of the same type. Intrusion by huge corporations into farm life has already gone too far. For example, Tenneco, a major conglomerate, has acquired tens of thousands of acres of farmland along with its agribusiness investments. A 1971 New York Times article pointed out that ITT, Greyhound, and John Hancock even 6 years ago were making major investments in agricultural and farm operations. The Doane Agricultural Service also has begun a potentially dangerous program of forming limited partnerships on a broad scale through which nonfarmers may pur-

chase and control farmland which Doane can then manage through tenant farmers or employees.

The time for Congress to act is now. I urge the Senate to begin prompt and full hearings in this area.

I must note that in cosponsoring this bill I do not necessarily endorse every provision. In particular the divestiture mechanism and the role of the Government as a last-resort purchaser demand careful scrutiny. The desirable level of permissible nonfarm holdings deserves study, as does the question of whether the manner of acquisition of nonfarm holdings and their relationship to farm assets and operations should be considered in mandatory divestiture standards. Finally, I am concerned that the Family Farm Antitrust Act be comprehensive. This bill should be reviewed to assure that all possible legal configurations for control of farmland—whether corporations, trusts, limited partnerships, or other imaginative schemes—are covered by its terms.

I am confident that all of these questions can be explored and satisfactory answers can be found through committee hearings and study. Although this bill has been introduced in past sessions, full consideration by the Congress is long overdue.

Nonfarm concentrations of economic power must not rule our family farms and our American agricultural economy. Sound new legislation is necessary to eliminate this threat to our family farms once and for all.

By Mr. MATSUNAGA:

S. 841. A bill to amend the Internal Revenue Code of 1954 to allow a refundable tax credit equal to 50 percent of the wages paid to certain new employees; to the Committee on Finance.

SMALL BUSINESS EMPLOYMENT TAX CREDIT ACT OF 1977

Mr. MATSUNAGA. Mr. President, I am today introducing a bill that will provide incentive for the private business sector of the economy to hire additional employees. My bill will make businesses eligible to receive an employment tax credit equal to 50 percent of the wages paid to a newly hired employee. The employment tax credit would be limited to 10 new hires or less and to a maximum of $80,000 per year. The concept behind this employment tax credit proposal is a simple one—to increase the number of employees in the private business sector, by reducing the cost of hiring new labor.

It is my belief that President Carter's economic recovery package does not go far enough to encourage increased employment in private business. The two business tax credit options proposed in the administration's plan—a 4-percent tax credit against social security payments made by a firm, and the 2 percent increase in the investment tax credit for businesses—will not have as much of an employment impact as the job tax credit bill which I am introducing today.

Mr. President, including the employment tax credit as a third option in the President's business stimulation plan is a logical and an important step toward increasing the number of jobs in the private sector. The primary benefit of the employment tax credit is directed at the small business sector of the economy. Small businesses currently employ approximately 55 percent of the national private work force. In testimony before the House Ways and Means Committee, the National Small Business Association has indicated that the average small businessman would like to hire additional employees. However, the poor economic climate prevents him from doing so. The National Federation of Independent Business reported in its Quarterly Report that most small business firms do not expect to be able to hire additional employees in the near future. The NFIB added that only 20 percent of its member firms reported higher net earnings in the third quarter of 1976. Findings of a Joint Economic Committee study last year indicate that an employment tax credit should be instituted during periods of declining business activity, and during periods when actual employment is below potential employment. This is precisely the situation in which we find the small business sector at the present time.

Mr. President, the National Small Business Association, in a survey taken last fall, found that more than 75 percent of its member firms expressed support for an employment tax credit. The President of the NSB, Mr. Milton Stewart, told the House Ways and Means Committee that most small businesses run their labor forces "tight against the cash flow," that is, one or two workers short, depending on the size of the business. The small entrepreneur usually postpones hiring any new employees until his sales reach a level where he can cover the cost of training and wages. A tax credit of 50 percent of the new worker's first year wages should make the employer decide to hire now rather than later. It has been estimated by various spokesmen for the small business sector that the implementation of the job tax credit would result in the creation of some 750,000 to 1.5 million private sector jobs within the next 2 years. This indeed would be a giant step forward in the administration's overall plan to reach full employment by 1980.

The House Ways and Means Committee which last week reported its version of the administration's economic recovery plan, recommended its own employment tax credit proposal. The House committee received a great deal of testimony focusing on the inadequacy of President Carter's proposals to provide tax credit incentives to businesses. The Joint Economic Committee, in a report issued last July, found that there is considerable evidence to support the conclusion that the employment tax credit will stimulate employment where other incentives, such as the investment tax credit and the work incentvie program, have had little impact.

Mr. President, this is especially true in the case of small businesses. In his recent statement before the House Ways and Means Committee, National Small Business Association president Milton Stewart testified that each year nearly 98 percent of America's small businesses do not utilize the investment tax credit. In addition, 85 percent of the private business sector does not participate in the work incentive program. These major business incentive programs, designed to increase employment in the private business sector, have not made any significant impact on small businesses. Small firms, which are labor intensive, are not attracted to the investment credit, while larger firms use this program to purchase machinery and make capitol improvements. In addition, the investment tax credit program, as well as other incentive programs, are complex and involve the employer with a great deal of paperwork. This redtape alone makes many small businesses reluctant to participate in these programs. The Department of Labor has indicated that only 15 percent of the private business sector participated in the WIN program in 1975. Labor Department studies have also found that the WIN program's 20 percent tax credit has not been adequate to encourage businesses to hire new employees.

The bill that I am introducing today does not solve all of the problems associated with providing incentives to businesses in order to increase employment. However, I do believe that my proposal attacks these problems, and at the same time, promises to accomplish our main objective—to create employment opportunities in the private sector.

This legislation was drafted with three important guidelines in mind. First, the job tax credit program should cause substantial reductions in the cost of hiring new employees. I believe that the 50-percent tax credit offered in this bill will be an adequate incentive to small businesses. As indicated earlier, the National Small Business Association, in a survey taken last fall, found that more than 75 percent of its member firms expressed support for the job tax credit program.

Second, the employment tax credit program should be concentrated in the sectors of the economy which are labor intensive, hence, most effective in reducing the high unemployment rate. The $80,000 ceiling on the amount of tax credit allowed per firm, coupled with a maximum of 10 new hires per firm, will target the program toward businesses in the wholesale and retail trades, the service industries, and small manufacturing companies. The Joint Economic Committee has projected that the jobs created by these types of small businesses will be filled by low-income, marginally skilled workers who make up a disproportionately large share of our Nation's 7 million unemployed. Statistics released by the Hawaii State Department of Labor and Industrial Relations indicate that the typical unemployment insurance claimant for the State in 1976 worked last in the retail trades or the construction industry. The job tax credit program would focus on creating the kinds of jobs needed to employ this type of unemployed person.

My proposal also includes a provision that is designed to encourage small businesses to hire the disadvantaged and the hard core unemployed. After an em-

ployer hires five workers under the regular provisions of the bill, an employer may elect to hire five more employees from certain categories of unemployed persons including Vietnam veterans, people unemployed for more than 15 weeks, unemployed workers 55 years of age or older, unemployed youths under 22 years of age, the mentally and physically handicapped, and minority unemployed. Employers will retain the option of hiring all 10 workers from outside of these unemployment categories. In this case, the employer will be allowed to receive a lesser tax credit of 35 percent of the wages of the last five workers hired.

The third guideline drafted into the bill states that the employment tax credit program itself must be administratively simple, that is, it must not discourage businesses from participating, because of its sheer complexity. Under my bill, an employer may simply declare his participation in the program when filing his tax return. Each participating firm will, of course, be subject to an audit by the IRS, which is standard procedure.

Another attractive feature of the job tax credit is the cost of the program to the Federal Government. The price tag for the job tax credit program that I am proposing will not be nearly as costly as the direct expenditure programs that are now in effect. The cost per job under this program is estimated to be $3,100. This compares with the cost of public service jobs at $8,500, public works jobs at $10,000 to $12,000, and Job Corps and WIN program jobs at $9,000 to $11,000. Instead of paying for the full cost of a public service job, the Federal Government will be paying for only one-half of a private sector job. The Joint Economic Committee has projected that the increases in employment, which result in increased tax receipts and a decrease in the amount of unemployment benefits paid by the Federal Government, would to some extent offset the loss in tax revenues attributed to the job tax credit program.

Moreover, the private sector jobs created by the job tax credit do not have the inflationary impact that public service jobs carry. Here again, the Joint Economic Committee, in its study of the employment tax credit, has predicted that this program will increase employment and real output without necessarily increasing the aggregate level of prices. The employment tax credit will have a dual impact on employment and output of participating businesses. As employment is increased by the use of the tax credit, an increase in the real output of the firm will follow. This dual impact will help mitigate price increases that are usually associated with expansionary fiscal programs. Basic economic theory tells us that employment in the private sector increases the supply of goods and services available in the marketplace, while public service employment does not.

My proposal does not make the employment tax credit a permanent feature of the tax code. Included in this bill is a "sunset provision" under which the credit will expire after 5 years unless reauthorized by Congress. In addition, the Secretary of the Treasury during the 2d and 4th years of implementation, will be required to report to Congress on the employment creation effects of the credit, its net revenue loss to the Treasury, and other information required for a comprehensive congressional review of the program.

Mr. President, it is clear that the job tax credit proposal is, indeed, an experiment. Never before has this job creation concept, directed at the small business sector of the economy, been used. In fact, this proposal replaces the more traditional expansionary measures which try to boost employment indirectly by increasing the Nation's demand for goods and services through income tax cuts or tax rebates. Economists have usually considered these measures inflationary. The employment tax credit concept—to reduce the cost of labor—will induce firms to hire more workers, and at the same time, produce more goods and services while reducing inflation.

Moreover, I am hopeful that the successful implementation of the employment tax credit will lead to further important changes in our Nation's overall economic strategy. Should the job tax credit experiment be successful, a second stage of the program may be desirable; targeting the credit at needy groups of people and geographical areas of highest unemployment. Later on, a third and final stage, which was studied by Senator LLOYD BENTSEN's Subcommittee on Economic Growth of the Joint Economic Committee, would vary automatically the size of the job tax incentive with the level of unemployment. If successful, this concept would be applied to the whole economy as a permanent part of the tax system.

In any event, I believe that it is premature to be concerned with possible second and third stages of the job tax credit. We are currently faced with, first and foremost, the problem of creating an abundant supply of jobs without inflation, and without further concentrating the labor force in big business and Government. To reach this end, I am today urging my colleagues to support and adopt the legislation that I am introducing, which will put the priority for job creation where it is needed most and where it will do the most good—in the small business sector.

Mr. President, I would like to invite my colleagues to join me in cosponsoring this proposal and I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 841

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44A the following new section:

"SEC. 44B. WAGES PAID TO CERTAIN NEW EMPLOYEES.

"(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the sum of the new employee expenses (if any) of the taxpayer for each credit quarter ending during such taxable year.

"(b) LIMITATION.—

"(1) IN GENERAL.—The amount allowable as a credit under subsection (a) to any taxpayer for any taxable year shall not exceed $80,000.

"(2) TRANSITIONAL RULE.—In the case of any taxable year in which less than 4 credit quarters end, paragraph (1) shall be applied by substituting for $80,000 an amount equal to $20,000 multiplied by the number of credit quarters ending in such taxable year.

"(3) PARTNERSHIPS.—In the case of a partnership, the limitation contained in paragraph (1) shall apply with respect to the partnership and with respect to each partner.

"(4) SPECIAL RULE FOR MARRIED INDIVIDUALS.—In the case of a married individual who files a separate return, paragraphs (1) and (2) shall be applied by substituting '$40,000' for '$80,000', and paragraph (2) shall be applied by substituting '$10,000' for '$20,000'. This paragraph shall not apply if the spouse of the taxpayer has no new employee expenses for any credit quarter ending in the taxable year of the taxpayer. For purposes of this paragraph, marital status shall be determined under section 143.

"(c) NEW EMPLOYEE EXPENSES.—

"(1) IN GENERAL.—For purposes of this section, the term 'new employee expenses' means, with respect to any credit quarter, the amount of the wages which are paid or incurred by the taxpayer during such credit quarter and which are attributable to services performed by any new employee of the taxpayer.

"(2) NEW EMPLOYEE.—For purposes of this section, the term 'new employee' means, with respect to any credit quarter, any individual who is employed by the taxpayer in connection with a trade or business of the taxpayer if—

"(A) the day on which such individual was hired by the taxpayer is after the close of the base period for such credit quarter;

"(B) no credit is allowable to the taxpayer under section 40 for the taxable year in which such credit quarter ends, or the preceding taxable year, with respect to wages paid to such employee; and

"(C) substantially all of the services performed by such employee for the taxpayer during such credit quarter are performed within the United States.

"(3) LIMITATION.—The number of new employees with respect to whom wages may be taken into account under paragraph (1) for any credit quarter may not exceed the lesser of—

"(A) 10; or

"(B) the number (if any) by which—

"(i) the number of individuals employed by the taxpayer at any time during such credit quarter in connection with a trade or business of the taxpaver, exceeds

"(ii) the number of individuals employed by the taxpayer at any time during the base period in connection with a trade or business of the taxpayer.

For purposes of subparagraph (B), there shall not be taken into account any employee if substantially all of the services performed by such employee for the taxpayer are performed outside the United States.

"(4) DESIGNATION.—If the number of new employees employed by the taxpayer during any credit quarter exceeds the limitation provided by paragraph (3), there shall be only taken into account under paragraph (1) wages incurred with respect to such new employees (not to exceed the limitation provided by paragraph (3)) as may be designated by the taxpayer.

"(5) CERTAIN EMPLOYEES.—For the purpose of determining the amount of the credit allowable by subsection (a) for any credit quarter, if more than 5 employees are taken

into account for that quarter the percentage '35 percent' shall be substituted for the percentage '50 percent' where it appears in subsection (a) with respect to any employee in excess of 5 employees unless that employee is an individual unemployed at the time he is hired who—

"(A) has not attained the age of 22 years,

"(B) is a veteran of the Vietnam era (as defined in paragraph (2) of section 2011 of title 38, United States Code),

"(C) has been unemployed for the 15 weeks immediately preceding the date on which he is hired,

"(D) has attained the age of 55 years,

"(E) is a woman or a member of a minority group (as defined in paragraph (9) of section 720 of the Emergency School Aid Act (20 U.S.C. 1619 (9)), or

"(F) is a handicapped individual (as defined in section 190 (b)(3)).

"(6) NEW FIRMS.—In the case of a trade or business of the taxpayer with respect to which the taxes imposed under section 1401, 3111, or 3221 were not paid for the entire 12 month period immediately preceding the taxable year for which the credit allowable under subsection (a) is claimed, this section shall be applied by substituting—

"(A) '$16,000' for '$80,000' in paragraphs (1), (2), and (4) of subsection (b),

"(B) '$4,000' for '$20,000' in paragraphs (2) and (4) of subsection (b),

"(C) '$8,000' for '$40,000' in paragraph (4) of subsection (b).

"(D) '2' for '10' in paragraphs (3) and (5) of this subsection, and

"(E) '1' for '2' in paragraph (5) of this subsection.

"(d) OTHER DEFINITIONS.—For purposes of this section—

"(1) CREDIT QUARTER.—The term 'credit quarter' means any calendar quarter which begins during the 5-year period beginning with the first day of the first calendar quarter beginning after the date of the enactment of this section.

"(2) DATE ON WHICH AN INDIVIDUAL IS HIRED.—An individual shall be treated as hired by the taxpayer—

"(A) on the day on which such individual was first employed by the taxpayer; or

"(B) if, after such individual was first employed by the taxpayer, such individual was not employed by the taxpayer during a period of not less than 180 consecutive days, the first day after the expiration of such period on which such individual was employed by the taxpayer.

"(3) BASE PERIOD.—The calendar quarter ending on June 30 of any calendar year shall be the base period for each of the 4 succeeding credit quarters.

"(4) WAGES.—The term 'wages' means only cash remuneration (including amounts deducted and withheld).

"(5) CALENDAR QUARTER.—The term 'calendar quarter' means a period of 3 calendar months ending on March 31, June 30, September 30, or December 31.

"(e) SUBCHAPTER S CORPORATION.—In the case of an electing small business corporation (as defined in section 1371)—

"(1) the amount of the credit determined under this section for any taxable year (after the application of subsection (b)) shall be apportioned pro rata among the persons who are shareholders of such corporation on the last day of such taxable year; and

"(2) any person to whom an amount is apportioned under paragraph (1) shall be allowed, subject to the limitations provided by subsection (b), a credit under this section for such amount.

"(f) ESTATES AND TRUSTS.—In the case of an estate or trust—

"(1) the amount of the credit determined under this section for any taxable year (after the application of subsection (b)) shall be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each; and

"(2) any beneficiary to whom an amount has been apportioned under paragraph (1) shall be allowed, subject to the limitation provided by subsection (b), a credit under this section for such amount.".

(b) Subsection (b) of section 6401 of such Code (relating to certain excessive credits treated as overpayments) is amended to read as follows:

"(b) EXCESSIVE CREDITS.—If the amount allowable as credits under sections 31 (relating to tax withheld on wages), 39 (relating to certain uses of gasoline, special fuels, and lubricating oil), 43 (relating to earned income credit), and 44B (relating to wages paid to certain new employees) exceeds the tax imposed by subtitle A (reduced by the credits allowable under subpart A of part IV of subchapter A of chapter 1, other than credits allowable under sections 31, 39, 43, and 44B), the amount of such excess shall be considered as an overpayment.".

(c) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting before the item relating to section 45 the following new item:

"Sec. 44B. Wages paid to certain new employees.".

(d) The amendments made by this section shall apply to amounts paid or incurred on or after the first day of the first calendar quarter beginning after the date of the enactment of this Act, in taxable years ending on or after such first day.

SEC. 2. (a) The Secretary of the Treasury or his delegate shall evaluate the impact of the tax credit provided by section 44B of the Internal Revenue Code of 1954 and shall submit 2 reports to the Congress on the results of such study. Each of such reports shall include—

(1) an assessment of the employment creation effects of such credit;

(2) the net revenue loss resulting from such credit;

(3) the geographic distribution of the utilization of such credit; and

(4) any other relevant information on the impact of such credit.

(b) The first report required under subsection (a) shall be submitted to the Congress not later than April 1, 1978, and the second report required under subsection (a) shall be submitted to the Congress not later than April 1, 1980.

By Mr. HATHAWAY (for himself and Mr. MUSKIE):

S. 842. A bill relating to certain Indian land claims in the State of Maine, and for other purposes; to the Select Committee on Indian Affairs.

STATE OF MAINE ABORIGINAL CLAIMS ACT OF 1977

Mr. HATHAWAY. Mr. President, on behalf of myself and Senator MUSKIE, I am introducing legislation today in order to begin congressional consideration of the complex issue of aboriginal land claims being pursued by the Federal Government against the State of Maine and its citizens. These land claims, brought by the Justice Department on behalf of the Passamaquoddy and Penobscot Indian Tribes in Maine, are premised upon alleged violations of the 1790 Indian Non-Intercourse Act resulting from the failure of the Federal Government to ratify treaties between the tribes and Massachusetts, prior to the separation of Maine and Massachusetts in 1820.

The legislation would limit the remedy available for any such claims to monetary damages and would extinguish aboriginal title, or the right to use and occupancy, to the land. The purpose of the legislation is primary to provide a vehicle for congressional consideration of the issues presented by this litigation, issues which are arising in similar claims throughout the Eastern States.

This approach of limiting the remedies to monetary damages is one recommended by the Attorney General and the Governor of the State of Maine. It does, I think, represent a fair approach and one which highlights the underlying problems and equities involved in this case.

These land claims are nearly two centuries old in origin. Property and business transactions have proceeded in good faith in the intervening 180 years with no question arising as to the validity of these Indian treaties. The Federal Government, in fact, has historically maintained that the Maine Indian tribes were not "recognized" Indian tribes for purposes of eligibility for services through agencies such as the Bureau of Indian Affairs.

The preliminary determination which was made in this case found the Federal Government continuing to press this position in court; and the present suit by the Justice Department results from a 1975 decision adverse to the Federal Government by the First Circuit Court of Appeals. In that decision, the court found the Passamaquoddy Tribe was a tribe within the meaning of the Non-Intercourse Act, and that there was a trust relationship between that tribe and the Federal Government. The court did not, however, attempt to define the scope of that relationship.

In an attempt to comply with that court decision, which was not appealed, the Federal Government has reversed its position, and is now suing the State of Maine and its citizens for the alleged Federal failure to act over 180 years ago.

This points out some of the underlying equities in this case. The Justice Department, in a memorandum to the U.S. District Court of Maine on January 14, 1977, recognized that:

Because of the unusual context and historical circumstances of this case, if the United States were successful in asserting claims on behalf of the tribes to possession of large tracts of property in the State of Maine, as well as trespass damages up to the time of recovery of possession, we would be in a unique situation. In solving an injustice imposed upon the Indian tribes in the State of Maine, we would be placing substantial hardship on innocent parties, including in part the State of Maine itself which was not even in existence during the period that many transactions were made in violation of the Non-Intercourse Act.

Further, the memorandum stated:

Since Congress must eventually become involved in settlement of the ultimate issues, it would be in the interest of justice that it become involved immediately. A Congressional solution should be reached before the litigative process now underway has reached its ultimate conclusion, especially in light of the fact that this is potentially the most complex litigation ever brought in the federal courts with social and economic impacts without precedent and incredible potential litigation costs to all parties.

Implicit in this memorandum is the fact that the Federal Government itself should recognize its responsibility to the citizens of Maine who now find the title to their land, and title to the land of the companies where they work, thrown in question by the Federal Government's alleged failure to assume its responsibilities to the Indian tribes nearly 180 years ago.

The legislation which Senator MUSKIE and I are proposing, and which will be introduced on the House side today as well, can initiate the congressional review recommended by the Justice Department. It is not intended to be the only approach, but the effect of limiting the available remedy to monetary damages would remove the possibility of any cloud on title to land which might arise during the course of any litigation regarding aboriginal title rights. In light of the historical context of this case, this would make available an adequate and fair remedy.

In recent developments, the Justice Department has filed a second memorandum with the district court which indicates a reduction in the scope of the claims for the return of land from approximately 60 percent of the State to up to 40 percent. In addition, Justice indicated the return of land of individual homeowners and in heavily populated coastal areas would not be sought if a satisfactory monetary remedy were devised. Finally, a special representative is to be appointed to assist in initiating a legislative solution.

I welcome this narrowing of the claims, and am pleased by the administration's recognition of the need for a speedy resolution of this case. Congressional action is still needed, however, and this legislation can be a vehicle for full congressional study and consideration of the issues involved in this case. It is not intended to be a judgment on the legal merits one way or the other; it is, however, a recognition that there are other considerations which demand to be taken into account. The most significant of these is the potential economic disruption and confusion in the State of Maine which might result from the mere pendency of the litigation, regardless of the merits of the claim. These potential collateral consequences justify congressional action on this matter and I recommend that this issue quickly receive the attention of my colleagues.

At this time, I ask unanimous consent that the bill be printed in the RECORD as well as several documents which I feel will more fully explain the nature and status of this issue.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 842

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "State of Maine Aboriginal Claims Act of 1977".

DECLARATION OF FINDINGS

SEC. 2. Congress finds and declares that—

(1) there are currently pending aboriginal land claims by the Passamaquoddy and Penobscot Indian Tribes of the State of Maine which may involve over 40 percent of the land area of the State of Maine and which may result in a cloud on the title of the potentially affected land areas;

(2) these aboriginal land claims were presumed extinguished by conquest, abandonment or by treaties entered into in the late eighteenth and early nineteenth centuries;

(3) the mere pendency of these claims for the return of aboriginal lands may result in irreparable damage and substantial adverse consequences for the State of Maine and its citizens which consequences are disproportionate to the ultimate resolution of the litigation;

(4) while the legal basis for the claims rests in large part on the alleged failure of the Federal Government to carry out its trust responsibility to the Passamaquoddy and Penobscot Indian Tribes, the burden of the claims falls upon the State of Maine and present day good-faith titleholders in the State of Maine;

(5) a monetary remedy, if any, shall be the exclusive remedy available for any claims arising out of or based upon any claims of violation of aboriginal title rights which may be brought by the Passamaquoddy or Penobscot Indian Tribes; and

(6) no provision of this Act shall be construed as replacing or diminishing any right, privilege, or obligation of members of the Passamaquoddy or Penobscot Indian Tribes as citizens of the United States or of the State of Maine, or relieving, replacing, or diminishing any obligation of the United States or of the State of Maine to protect and promote the rights or welfare of the members of these Tribes as citizens of the United States or of the State of Maine.

DECLARATION OF TITLE EXTINGUISHMENT

SEC. 3. (a) To the extent, if any, that the Passamaquoddy or Penobscot Indian Tribes held aboriginal title to or interests in lands or waters, or both, in the area now comprising the State of Maine, the Congress hereby recognizes all prior conveyances of such title and interests from such Indian Tribes to the State of Maine and its predecessor in interest, the Commonwealth of Massachusetts, and deems all such title and interests to have been extinguished as of the date of such conveyances.

(b) Any relief which may hereafter be granted as a result of any claims arising out of or based upon the alleged wrongful loss of aboriginal title rights in the State of Maine by the Passamaquoddy and Penobscot Indian Tribes shall be limited to monetary damages which shall be the exclusive remedy available for any such claim.

SEC. 4. Notwithstanding any other provision of law, any action brought in any district court other than the United States District Court for the District of Maine shall be transferred to that Court immediately upon a determination that the action involved the construction, application or constitutionality of this Act. The United States District Court for the District of Maine shall have the duty to expedite to the greatest extent possible the disposition of the issue of such construction, application, or constitutionality and a decision of the District Court of that issue shall be deemed to be a final order for purposes of review.

SEC. 5. If any section of this Act, or any portion thereof or any particular application thereof is held invalid, the remainder of the Act, and any application of this Act not held invalid, shall not be affected thereby.

STATE OF MAINE,
DEPARTMENT OF THE ATTORNEY GENERAL,
Augusta, Maine, February 18, 1977.

To the Members of the Maine Legislature:

The purpose of this letter is to advise you and the people of the State on the status of the land claims being asserted by the Penobscot and Passamaquoddy Tribes. In order to keep you abreast of developments in the case, this letter will also set forth briefly our analysis of the claims and the reasons for our continuing assertion that the State and its citizens will prevail in any lawsuit.

I. THE BACKGROUND OF THE CASE

The claims arise under the so-called Indian Non-Intercourse Act. That Act, originally passed by Congress in 1790, provides that no one may obtain title to Indian land without the approval of Congress. In 1972, the Passamaquoddy Tribe asked the United States Department of Interior to bring suit against the State of Maine under the Non-Intercourse Act. The Department of Interior refused on the grounds that it owed no trust obligation to the Tribe, and the Tribe sued the Federal Government challenging that refusal. Shortly after suing the United States Government the Tribe obtained a court order requiring the United States to sue Maine, so that the statute of limitations might not run out on the Tribes' claims. These suits, one on behalf of the Passamaquoddies and one on behalf of the Penobscots, seek only monetary damages in the total amount of $300 million. They do not seek return of land.

In 1974 the United States District Court issued a decision in the Tribe's suit against the United States holding that the Non-Intercourse Act created a trust responsibility upon the United States to protect the Tribe's interest.

In late 1975 the Court of Appeals affirmed the decision of the District Court but specifically qualified its opinion to make clear that,

(1) It was not ruling on the applicability of the Act to the Indian transactions in Maine, and

(2) It was leaving open the question of whether, even if the Act did apply, Congress or the Tribes might be deemed to have acted in a fashion to make the land transactions legal.

The Court noted: "Whether, even if there is a trust relationship with the Passamaquoddies, the United States has an affirmative duty to sue Maine on the Tribe's behalf is a separate issue not raised or decided below and which we consequently do not decide."

"In reviewing the district court's decision that the Tribe is a tribe within the meaning of the Nonintercourse Act, we are not to be deemed as settling, by implication or otherwise, whether the act affords relief from, or even extends to, the Tribe's land transactions in Maine. When and if specific transactions are litigated, new facts and legal and equitable considerations may well appear, and Maine should be free in any such future litigation to defend broadly, even to the extent of arguing positions and theories which overlap considerably those treated here."

In so ruling [on the existence of a trust relationship], we do not foreclose later consideration of whether Congress or the Tribe should be deemed in some manner to have acquiesced in, or Congress to have ratified, the Tribe's land transactions in Maine."

For the last year the United States Government has been evaluating the history of the land transactions in Maine in order to determine whether it should bring suit on behalf of the Tribe. The Department of Interior, under the former Administration, has recently made a tentative recommendation to the Department of Justice that suit be brought on behalf of both the Passamaquoddy and Penobscot Tribes. The Interior Department's recommendation included the suggestion that the suit include a claim which if maintained could cause 350,000 residents in the claim area to be ejected from their homes and properties. The Justice Department is considering this tentative request. The Justice Department is now subject to a court order that requires it to advise the Court and the State by March 1 whether it will proceed with the suit and if

so, against whom and for what. There is now a possibility that this deadline may be extended to June 1.

II. THE NATURE OF THE CLAIM

The two Tribes claim that Maine, and its predecessor state, Massachusetts, acquired about 12,500,000 acres from the Tribes after 1790 without Congressional approval. The principal transactions on which the Tribes base their claim are agreements with the Passamaquoddies in 1794, treaties with the Penobscots in 1796 and 1818, a purchase of Penobscot land in 1833 and other numerous small purchases, easements, road constructions and the like in and through tribal land. The Tribes claim the Non-Intercourse Act entitles them to return of all the land and to $25 billion in money damages for trespass for the intervening years.

The boundaries of the claim area are still imprecise. Neither the Tribe nor the Federal Government has ever clearly delineated its outline. It may even be that the claim, if ever made, will be for much less than 12 million acres. Nevertheless, the magnitude of the potential claim is enormous. As we presently understand it, it ecompasses roughly all land in and to the east of the Penobscot River watershed. The northerly boundary is very vague but may run roughly as far as an east-west line midway through Aroostook County. Until the Tribes define the claim area more precisely, these dimensions are mere approximation.

III. OUR EVALUATION OF THE CASE

We firmly believe that the Indians will not be successful in their claim. We assert that view after careful historical and legal analysis, and without equivocation. There are several reasons for our opinion.

A. History

An examination of the historical record clearly indicates that in 1790, the operative date of the Non-Intercourse Act, neither the Penobscots nor Passamaquoddy had any legal claim to land in Maine.

In 1755 the French-Indian Wars were underway. The Province of Massachusetts declared war on the Penobscot and Passamaquoddy Tribes that year. By 1759 the war in Maine had come to an end. That year Governor Thomas Pownal travelled up the Penobscot and issued a proclamation declaring that the land of the Penobscot and their allies the Passamaquoddy, had been lost through conquest by Massachusetts. This act of Conquest was subsequently acknowledged by both tribes in various documents in 1760 and later. Although the Tribes continued to occupy some lands in Maine, then eastern Massachusetts, they did so at the sufferance of Massachusetts, the Tribes having lost any right of aboriginal possession.

In 1775 as a result of the so-called Watertown Agreement, Massachusetts agreed to set aside some land for hunting and fishing for the Penobscots in return for their help in the Revolutionary War. The land set aside for the Tribe consisted of a strip 6 miles wide and 6 miles long in the area either side of the Penobscot River at the head of tide (roughly Bangor). These hunting and fishing rights were given to the Tribes probably in return for the Tribe's assistance in the Revolution. Massachusetts continued to take the position that the Tribe had no legal right to occupy lands, having lost the same through conquest by Pownal in 1759.

The position of the State of Massachusetts found support from the early federal government. In 1783 John Jay, John Adams and Benjamin Franklin relied on Pownal's declaration of conquest in negotiating the terms of the treaty to end the Revolutionary war with Britain. While discussing the terms of the treaty with Great Britain in Paris, a dispute arose as to the easterly boundary of the United States and Canada. The British argued for the Penobscot River as the boundary; the Americans for the St. Croix River. Adams produced Pownal's 1759 document as evidence of Massachusetts' victory in the French-Indian War, thereby establishing Massachusetts' possession of all the lands in Maine. The American view of the boundary prevailed. The United States negotiators thus relied on the truth of Pownal's declaration of conquest in important international dealings.

In the early 1780's the Penobscots asserted to Massachusetts a claim to their former lands. In 1784 the Massachusetts Legislature appointed commissioners to investigate the Penobscots claim. The commissioners, including General Henry Knox, reported that the Tribe had lost their lands in 1759 and that the Watertown Agreement at best gave to the Penobscots the right to hunt and fish on some lands but did not give to the Tribes any title to land. However, Massachusetts decided as a matter of equity to set aside some lands for the exclusive use of the Penobscots. Acting on this recommendation negotiations were begun in 1786 and an agreement in principle was made permanently granting to the Indians essentially the lands covered by the Watertown Agreement.

After agreeing in principle to this resolution of their claim, the Penobscots refused to sign it for 10 years despite repeated statements by representatives of Massachusetts that unless the Tribe agreed to the proposal, they would have no lands at all. In 1796 the agreement of 1786 was finally signed by both the State of Masachusetts and the Penobscots. Although the 1796 agreement contained language in which the Tribe appeared to relinquish their lands to Massachusetts, in reality the 1796 agreement constituted a landgrant by Massachusetts to the Penobscots. The language in the agreement relinquishing their claims was included to make it clear that the agreement was designed to finally resolve a long standing dispute between Massachusetts and the Penobscots.

The relationship between Massachusetts and the Passmaquoddy was similar. Like the Penobscots, the Pasamaquoddy had no lands in 1790 because of the outcome of the French-Indian War. They acknowledged their landless status in the 1760's and as late as 1792 when they wrote to the Massachusetts Legislature asking for a land preserve. Acting at the request of the Passamaquoddy and presumably out of a sense of debt to that Tribe for their aid in the Revolution, Massachusetts in 1794 made a grant to the Tribe in the form of a treaty setting aside 23,000 acres for the Pasamaquoddy and other Tribes. Like the agreement with the Penobscots, the agreement with the Passamaquoddy was a land grant by the State and not a vehicle to obtain lands from the Tribe.

Of course, the details of these transactions and the events leading up to them are considerably more complex than this summary. In brief, however, the historical facts clearly indicate that the transactions after 1790 were grants of lands to the Tribes, not acquisitions from them. While the lands granted in 1794 and 1796 were subsequently sold or otherwise transferred by the Tribe to others, the nature of the title acquired by the Tribe from Massachusetts was not covered by the Non-Intercourse Act.

B. Applicability of the Non-Intercourse Act

As we noted above, the opinion of the Court of Appeals makes it clear that the question of the application of the Act to Maine is unresolved. Research done as of this date by our historians, indicates quite clearly that Congress never intended the Act to apply to New England. We believe our interpretation is supported by, among other things, the following facts.

The Non-Intercourse Act and its predecessor, the Indian Ordinance of 1786, were largely the product of the efforts of Henry Knox of Massachusetts. Knox was Secretary of War from 1784 through 1794 with primary federal responsibility for Indian Affairs. Knox's various communications about the Acts indicate that he never intended the act to apply to Indians within any of the States. Moreover, the administrative framework under both acts indicates that Congress never intended to apply the Act to the States. Under both Acts, Congress established administrative structures to supervise Indian Affairs but never created a division within the government to supervise Eastern Indians. Indeed, the last federal Eastern Indian agency was closed in 1783 at the request of Massachusetts.

Interestingly enough Henry Knox himself purchased 3,000,000 acres of land from Massachusetts in 1791 and 1793 in the area now claimed by both Tribes. Unless one is to assert that Knox was acting illegally, an assertion wholly unsupported by Knox's distinguished record of public service, one can only conclude that Knox correctly believed that the land he purchased did not belong to any Tribe and that the Non-Intercourse Act did not apply in any event.

Reports of the War Department in the early 1800's demonstrate that the Department knew of the New England Indians, including the Passamaquoddy and Penobscot, knew of their relationship to the States, so advised Congress. Debates in Congress in the early 1830's over Indian legislation again confirms that Congress knew that the Act was never applied to New England. When a modified version of the Act was considered in 1834, the Congressional Committee Report states that its intent was "to continue" the policy of the earlier Acts to apply the Act to Indians "not within any state." Reports to the Congress of various Secretaries of War and President Andrew Jackson also make it clear that the Executive branch never interpreted the Act as applying to New England. We have found no evidence that Congress ever expressed any disapproval of such interpretation.

These facts and other items of legislative history have led us to the conclusion that the Non-Intercourse Act was never intended to apply to tribes within the original 13 colonies. We think it clear that the interpretation, when brought to the attention of the Court, will prevail.

C. The Admission of Maine to the Union

In 1820 Maine separated from Massachusetts and was admitted to the Union as a separate State. Both the Maine Act of Separation and the Maine Constitution refer to Indians and require Maine to assume all obligations of Massachusetts to the Indians from the earlier treaties. In considering the admission of Maine, the Acts of Separation enacted by Massachusetts and the proposed Maine Constitution were read in the United States Senate. The preamble of the Act admitting Maine to the Union specifically refers to the Act of Separation and the Maine Constitution. Clearly Congress was on notice that (1) there were Indians in Maine and (2) Massachusetts had treaties with these Indians.

We have examined United States Supreme Court decisions dealing with the legal significance of the admission of a State to the Union, including, for example, the admission of West Virginia and Kentucky. In those cases, the Supreme Court made it clear that in admitting a new state to the Union, Congress was deemed to consent to the terms of the compacts between the new State and the old State. We think the principle of those cases is equally true here. Even if we go so far as to assume that the Indians in Maine lost their land in Maine after 1790 without immediate federal approval and even if we assume that the Non-Intercourse Act applied to New England Indians, it seems clear that in admitting Maine to the Union

in 1820 Congress approved all the treaties up to then.

The suggestion that Congress might have overlooked the Indian issue in admitting Maine is a specious one. In 1819 Congress, when debating the admission of Alabama discussed at great length the jurisdiction of Alabama over Indians. Ultimately Congress admitted Alabama but with special conditions regarding Indians. In considering Maine's admission a year later, and despite being on notice regarding the Indians in Massachusetts and Maine, there was not even any debate on the subject of Indians.

D. Implied Federal approval by the executive branch of the United States Government

In addition to all the above, there is case law to support the proposition that the actions of Congress and the Executive branch can constitute ratification of all the transactions between the Tribes, the State, and private citizens. A brief recitation of the types of federal transactions in Maine involving land in the claim area include federal acquisition of park lands, military bases, harbor facilities, post offices and federal loans and grants for highways, urban renewal, Farmers Home Administration loans, Small Business Administration loans, pollution control facilities and the like. In all those instances land was involved. In none of those instances has the federal government ever paid any money to a Tribe in acquiring land for federal use nor has it required the recipient of a federal loan, grant or mortgage guarantee to obtain a release from the Tribe. In short, for 157 years the United States has acted consistently as if the Non-Indian occupants of the land had good and valid title and possession. We believe that as a matter of law this indicates federal agreement with our entire posture in this case.

E. Other legal issues

In addition to all the foregoing there are of course many other defenses too numerous and detailed to set forth here. Not only are there other defenses but there are what we believe to be valid claims that we can, and of course will, assert against the Tribe, the United States and Massachusetts. Indeed Massachusetts' financial stake in this claim is as big as the State of Maine's, since if there was any illegal act it related back to Massachusett prior to 1820.

Of course, the summary set forth above is only a summary of our continuing legal and historical research. The research and facts cannot be set forth in full, herein, because it would be far too lengthy. The above explanation should, however, adequately explain our assessment of the case.

IV. NEGOTIATION OR LEGISLATION

In spite of the fact that the outcome of the case seems abundantly clear, the mere pendency of a threatened claim of this size has had enormous impact on Maine. No municipal bonds have been sold in the claim area since early 1976. Whether or not forthcoming State and local bonds will be sold will soon be tested. Residential real estate transactions have continued but some large developments have been delayed principally because title insurance is not available.

Because of the economic problems created by the pending claims, some people have suggested that we should negotiate with the Tribes. Some people have suggested that since the United States owes the American Indian a moral debt Maine ought to negotiate this claim. Finally, other people who have been concerned about the strength of our legal case have suggested negotiations. I understand these views but respectfully disagree.

The only purpose that I can see in negotiations would be to discuss the possible payment of State lands or monies to the Tribe. I believe it would be wrong to compromise this claim in that way. I believe it would be wrong to settle a case about which we feel so strongly simply because the Tribes, backed by the resources of the Federal Government are in a position to bring great financial pressure to bear on the State.

Although I am not willing to negotiate away State land or money, I am willing to discuss with the Tribes or any other person any proposal that might permit the Tribes to pursue their claim in Court without causing the State financial distress. Governor Longley and I have for several months urged enactment of federal legislation to that end. The legislation we have proposed and which has now been endorsed by our Congressional delegation, would validate current titles and permit the Tribes to sue the Federal Government for money damages. Thus far the Tribes have rejected this proposal, but have offered no alternative.

I think it is important to recognize that the claim being asserted by the Tribes involves two significantly different issues. On the one hand, there is a legal claim being asserted by the Tribes against the State and its residents. On the other hand, there is the question of whether or not this nation owes a moral debt to its Native Americans regardless of any legal claim that they might have. The two questions ought not to become confused. I believe that it would be perfectly proper for the United States Congress and the nation as a whole to resolve once and for all the question of whether or not there is some longstanding unpaid national debt to the Native Americans, including the Tribes of Maine. That question, however, is a distinctly different one than the question posed by this lawsuit. While I think it would be perfectly proper for Congress to address the moral question, I do not believe that moral problem can be resolved in the context of this lawsuit.

The record of this country in its dealing with Indians is not a proud one. But I would suggest that, while not perfect, the State of Maine has made great strides in the last 10 years in trying to correct economic disparities and social injustices that may have existed in the State of Maine with respect to native Americans. Over the years, the State of Maine has given millions of dollars in benefits to the Maine Tribes. The State currently provides the Maine Indians social welfare benefits that are more than $2,000 per family of four in excess of similar benefits given to non-Indian poor. The State makes educational expenditures for Indian children that are twice the expenditures made for the average non-Indian child. The State of Maine was the first state in the country to create a Department of Indian Affairs. Tribal housing authorities are funded by and the bonds underwritten by the full faith and credit of the State of Maine. So far as we know, Maine is one of the few states in the country to provide benefits to Indians of this size and diversity. Furthermore, the State has in the last 10 years repeatedly joined with the Maine Tribes in seeking federal recognition and federal benefits for the tribes. Despite the mammoth problems created by the pending claims, I have heard no state official suggest that these programs be discontinued or that there be any form of retaliation against the tribes. All of those considerations must be weighed in any determination of whether indeed there is any unpaid moral debt to the tribes.

In any event, as I stated above, the moral question is a wholly separate one from the legal issues posed by the pending litigation. I firmly believe that it would be wrong for the State of Maine to give in to the pressures of the litigation and to give state lands or monies to the Tribes to settle these suits. I believe the legal issues should be settled in a court of law.

Sincerely,

JOSEPH E. BRENNAN,
Attorney General.

[District of Maine, Northern Division]

(United States of America, Plaintiff, v. The State of Maine, Defendant, Civil No. 1966-ND; United States of America, Plaintaiff, v. The State of Maine, Defendant, Civil No. 1969-ND)

PLAINTIFF'S MOTION FOR ENLARGEMENT OF TIME

The plaintaiff moves for an enlargement of time until March 1, 1977, within which to report to the Court whether it intends to continue prosecution of the pending protective actions filed in this Court by the United States on behalf of the Passamaquoddy Tribe and the Penobscot Nation against the State of Maine. The reasons for this motion are set forth in the accompanying memorandum.

Respectfully submited,

PETER R. TAFT,
Assistant Attorney General.
PETER MILLS,
United States Attorney.

MEMORANDUM IN SUPPORT OF PLAINTIFF'S MOTION FOR FURTHER EXTENSION OF TIME TO REPORT TO THE COURT

Pursuant to the Order Amending Report of Combined Conference of Council and Order dated October 27, 1976, plaintiff provides the following report and seeks a further extension of time until March 1, 1977, within which to provide more specific information to the Court on plaintiff's proposed course of action in the above-captioned actions.

On January 11, 1977, the Department of Justice received from the Department of the Interior final draft litigation reports and recommendations concerning claims to be asserted on behalf of the Passamaquoddy and Penobscot Tribes in the State of Maine. The litigation reports are supplemented by very substantial historical and documentary materials and summaries of expert opinions. Portions of the research necessary to particularize claims are still being conducted by the Department of the Interior and will be forwarded to the Department of Justice when complete in the near future.

The Department of Justice is obligated in its capacity as counsel for the United States to conduct an independent review of the law and facts submitted and to make an independent judgment as to the scope and content of any causes of action asserted in the above-captioned cases. In view of the very short time Justice has had to review the litigation reports and supportive materials, it is not now in a position to make a final determination on the form, scope or content of causes of action to be asserted. However, the Department does assure the Court that the judgment will be made in accord with the intent and directives of the opinion of the First Circuit Court of Appeals in *Joint Tribal Council of Passamaquoddy Tribe* v. *Morton*, 522 F.2d 370 (1st Cir. 1975).

The Department of Justice is proceeding at utmost speed to complete its review. At the same time both the Department of Justice and the Department of the Interior are proceeding without delay to establish the mechanics required to effectuate the filing of any such potential actions against relevant defendants by July 18, 1977, the date on which the statute of limitations expires for seeking damage claims pursuant to 28 U.S.C. 2415.

The purpose in seeking an extension to March 1, 1977, to make a more particularized report to the Court is twofold: First, the foregoing is an accurate summary of the current status of the activities of the Department of Justice and Department of the Interior in arriving at their ultimate litigation decisions.

Second, this issue has come to fruition at the time of a change in Administration which has several impacts on the decision-making process. The litigation reports delivered to

the Department of Justice are designated as "Final Draft Report." As indicated by cover letter from the current Solicitor of the Department of the Interior, it was his best judgment that the new Administration at the Department of the Interior taking office on January 20, 1977, should have an opportunity for a final review before its recommendations are made final since the new Administration will have to oversee both the policy and content of continuing activities in these cases.

However, equally important is the need for concurrent Congressional activity dealing with the merits of the claims presented in these cases. Resolution of the claims by Congress should not await the conduct of litigation in these cases.

The reasons are that litigation cannot lead to an equitable resolution of the claims involved with respect to all potential parties in these actions and further, even if conducted to its conclusion, succesful litigation would still require Congressional resolution of the results obtained.

As is clear from the Court of Appeals' opinion in *Passamaquoddy* v. *Morton, supra,* the parties to this action proceeded in good faith for 176 years based on a misinterpretation of the status of Eastern Indian tribes and the applicability of the Nonintercourse Act of 1790. During that period, people of the State of Maine have acted largely in good faith in handling real estate transactions, investing their funds, and improving their property with the reasonable expectation that their titles were as secure as in any other state of the Union. Because of the unusual context and historical circumstances of this case, if the United States were successful in asserting claims on behalf of the tribes to possession of large tracts of property in the State of Maine, as well as trespass damages up to the time of recovery of possession, we would be in a unique situation. In solving an injustice imposed upon the Indian tribes in the State of Maine, we would be placing substantial hardship on innocent parties, including in part the State of Maine itself which was not even in existence during the period that many transactions were made in violation of the Nonintercourse Act. Only a Congressional resolution of the Indian tribe claims can correct the injustice to the tribes in question without committing new hardships on other citizens of the State of Maine.

However, an even more compelling reason for the need for Congressional involvement is that litigation cannot ultimately resolve the claims in question. As the Court of Appeals stated in *Passamaquoddy* v. *Morton, supra,* the purpose and intent of the Nonintercourse Act of 1790 as amended was to "acknowledge and guarantee the Indian tribes' right of occupancy" to their lands. However, a second purpose of the Nonintercourse Act is to preserve for Congressional action the resolution of Indian rights which have never before been made subject to settlement. Assuming the United States were successful in regaining possession on behalf of the Maine tribes to those lands over which the tribes exercised a right of use and occupancy in 1790, further Congressional action would still be necessary. A substantial portion of the claims involve only the right of use and occupancy, or aboriginal title. Such title is a unique interest in land. The peculiar nature of this title is defined by the Supreme Court in *United States* v. *Santa Fe Pacific R. Co.,* 314 U.S. 339 (1941); see also *Tee-Hit-Ton Indians* v. *United States,* 348 U.S. 272 (1954). It is a right the sovereign protects against third parties, a policy reflected in the Nonintercourse Act, but as between itself and the tribe, the sovereign can treat such title as it sees fit. Thus, upon recovery of possession in the instant litigation, Congress would still have the power to settle the possessory interest. This is not to indicate that Congress would act arbitrarily. Nonetheless, this doctrine makes clear that litigation cannot solve finally all aspects of the dispute presented. As the Supreme Court stated in *United States* v. *Santa Fe Pacific R. Co.,* 314 U.S. at 347, the ultimate resolution of aboriginal title as between Indian tribes and the United States raises "political, not justiciable, issues."

Since Congress must eventually become involved in settlement of the ultimate issues, it would be in the interest of justice that it become involved immediately. A Congressional solution should be reached before the litigative process now underway has reached its ultimate conclusion, especially in light of the fact that this is potentially the most complex litigation ever brought in the federal courts with social and economic impacts without precedent and incredible potential litigation costs to all parties. In the past, Congress has successfully proposed and arrived at solutions to Indian claims equitable to all involved. The Indian Claims Act of 1946, the Alaska Native Claims Settlement Act of 1971, the Pueblo Lands Board Act of 1924, each indicates the ability of Congress to fashion solutions meeting the unique factors involved in each set of meritorious claims. The Carter Administration in transition has communicated with the Department of Justice and stated that it wishes to review these issues to determine if it believes it appropriate to assist Congress in any way with its task. An extension to March 1, 1977, will permit time for Congress and the new Administration to determine if they wish to seek a Congressional solution which would proceed concurrently with the litigative process with the objective of ultimately mooting these cases. Such delay, however, will in no way slow down the Department of Justice review and decision on litigation.

For the foregoing reasons, plaintiff respectfully requests this Court for an extension of time to March 1, 1977, to report specific proposals for the future progress of the above-captioned cases.

Respectfully submitted,

PETER R. TAFT,
Assistant Attorney General.
PETER MILLS,
United States Attorney.

[District of Maine Northern Division]

(United States of America, Plaintiff v. The State of Maine, Defendant, Civil No. 1966–ND; United States of America, Plaintiff v. The State of Maine, Defendant, Civil No. 1969–ND)

PLAINTIFF'S MOTION FOR ENLARGEMENT OF TIME

The plaintiff moves for an enlargement of time until June 1, 1977, within which to report to the Court on the status of its preparations with respect to the pending actions filed in this Court by the United States on behalf of the Passamaquoddy Tribe and Penobscot Nation against the State of Maine. The reasons for this motion are set forth in the accompanying memorandum.

Respectfully submitted,

PETER R. TAFT,
Assistant Attorney General.
PETER MILLS,
United States Attorney.

MEMORANDUM IN SUPPORT OF PLAINTIFF'S MOTION FOR FURTHER EXTENSION OF TIME TO REPORT TO THE COURT

I. *Introduction*

Pursuant to the court's order of January 17, 1977, plaintiff seeks a further extension of time until June 1, 1977, within which to report to the court regarding particular steps to be taken in the further prosecution of the above-entitled actions. There are two basic reasons for the extension. First, an extension is necessary to enable plaintiff to adequately prepare proposed claims discussed herein and to coordinate them with other claims against major landholders in the affected areas. While substantial work has been completed, additional work is required.

Second, the President has announced that in response to the request of the Maine Congressional delegation he is appointing a special representative to help the parties reach an amicable settlement for submission to Congress. The extension of time is necessary to allow all parties to engage in meaningful settlement talks and to permit Congress sufficient time to adopt any agreement reached. As stated in our memorandum of January 14, 1977, only Congress can correct past injustice to the tribes without causing new hardship to other citizens of Maine. We therefore fully support and endorse the settlement process. On the other hand, if it proves unsuccessful, we have no choice but to proceed with the litigative course outlined herein.

II. *Summary of new status*

In final draft litigation reports forwarded to the Department of Justice on January 11, 1977, the Department of the Interior requested the initiation of litigation on behalf of the Penobscot and Passamaquoddy Tribes for possession and trespass damages for lands in certain defined watersheds in Maine. These lands included areas used and occupied by the tribes as of 1790; they also included other areas mostly along the coast where lands were settled by, or land granted to, non-Indians as of 1790. These coastal areas remain the most heavily populated at the current time.

In the interim since January 11, 1977, certain agreements have been arrived at with the Penobscot and Passamaquoddy Tribes. In accord with these agreements, the Department of the Interior has modified its request to the Department of Justice for the initiation of litigation in its final litigation reports. Subject to conditions hereinafter set forth, the Interior Department limits its request for litigation to a possession and trespass damage claim for those lands actually used and occupied by the Penobscot and Passamaquoddy Tribes as of 1790. This omits the coastal areas settled and land granted as of 1790.

In the interim since January 11, 1977, the Department of Justice has conducted an independent review of the laws and facts submitted and made an independent judgment as to the scope and content of any causes of action. We have reviewed all materials previously submitted and have conducted independent research of documentary evidence in the Archives of the United States and elsewhere. Additionally, we met with anthropologists and ethnohistorians knowledgeable with the tribes and their traditional use and occupancy of land in the latter half of the Eighteenth Century.

Based on this review and the modified litigation request from the Department of the Interior, the Department of Justice has concluded that a valid cause of action exists for possession and trespass damages for those lands actually used and occupied by the Penobscot and Passamaquoddy Tribes as of 1790, and thereafter taken from them in violation of the Trade and Intercourse Act of 1790, as amended.

The modified request from Interior and the cause of action Justice has agreed to pursue modifies the claim areas. As to certain portions of that area, we have fully satisfied ourselves as to actual use and occupancy by the tribes in question as of 1790. As to other portions, we have concluded that additional evidence is necessary to assure ourselves of the tribes' claim and the necessary studies are commencing forthwith. The modified claim area is as follows.

Modified Claim Area

We have concluded that a valid cause of action on behalf of the Penobscot Tribe encompasses all those lands lying in the Penobscot River watershed above the ancient head of the tide, a point north of

Eddington, Maine, to the head of the river. Based on the outcome of further study this cause of action may also include those portions, if any, of the eastern shore of Moosehead Lake and the St. John River watershed west of Houlton, Presque Isle and Caribou which the tribe actually used and occupied in 1790, excluding, however, those lands in the St. John River watershed under treaty deeds confirmed pursuant to Article 4 of the Webster-Ashburton Act of 1842.

We have concluded that a valid cause of action on behalf of the Passamaquoddy Tribe encompasses all those lands lying within the upper St. Croix River watershed beginning north of Baring Plantation. Based on the outcome of further study this cause of action may also include those portions, if any, of the upper watersheds of the Machias and Dennys Rivers which the tribe actually used and occupied as of 1790.

Tribes Offer to Exclude Homeowners and Small Property Owners Within the Modified Claim Area

The Penobscot and Passamaquoddy Tribes had indicated their intention not to pursue, and to request Justice not to pursue, any remedy for land or damages against any homeowner or other small property owner in the modified claim area if they can substitute a satisfactory monetary claim against an appropriate sovereign body for the full value of such claims. The Department of the Interior intends to assist them in developing a legislative package substituting such a monetary claim and to support them in obtaining passage of appropriate legislation. We will honor that offer.

Coastal Areas Excluded

The Department of the Interior, in its litigation report, has specifically requested that the Department of Justice omit all claims for possession of land or damages for the coastal areas which had been substantially settled by non-Indians and land which had been granted prior to 1790, the date of passage of the first Trade and Intercourse Act. As a result, coastal areas which are presently the most densely populated portions of the original claim area will not be involved in any litigation to be initiated by the United States. In lieu thereof, the tribes and the Department of the Interior have agreed to seek an alternative legislative solution with respect to these coastal areas.

Appointment of a Special Representative of the President

The White House has announced that the President will shortly name a special representative to assist the parties in reaching a settlement to these claims. When that person is designated, it is contemplated that efforts will be underway immediately to open discussions which hopefully will lead to an out-of-court solution. The Department of Justice fully supports these efforts. As a consequence, and if approved by the courts, we propose to take no further steps in this or related litigation before June 1, 1977, so as not to interfere with the settlement process. We suggest to the court that it would be appropriate to continue the stay against further activities in the above-captioned actions through June 1, 1977, for this same purpose.

Basis of Claim

The claim on behalf of the Penobscot and Passamaquoddy Tribes discussed in the previous section is predicated on the tribes' aboriginal use and occupancy of the lands in the claim area as of 1790.

Aboriginal title, the basis of the claims proposed by Interior, is a factual matter to be proved at trial. *United States* v. *Santa Fe Pacific R. Co.*, 314 U.S. 339 (1941). Proof of aboriginal title is established by a showing of actual, exclusive, and continuous use and occupancy of lands for a long period of time. *Sac and Fox Tribe* v. *United States*, 315 F.2d 896, 903 (Ct. Cl. 1963), *cert. denied*, 375 U.S. 921 (1963). Use and occupancy is determined by reference to the way of life, habits, customs, and usages of the Indians. *Sac and Fox Tribe* v. *United States*, 383 F.2d 992, (Ct. Cl. 1967). And it has been held that "the 'use and occupancy' essential to the recognition of Indian title does not demand *actual* possession of the land, but may derive through intermitten contacts [citations] which define some general boundaries of the occupied land . . ." *United States* v. *Seminole Indians*, 180 Ct. Cl. 375, 385 (1967) [emphasis in original].

The Nature of Tribal Usage of Claimed Area

Penobscot Indians were riverine oriented so that the territorial boundaries used and occupied by them were generally defined by the watersheds (or parts thereof) of the rivers so used. This, also, dictated how they would live, hunt, fish, and gather berries for subsistence.

Briefly, their traditional mode of land use was that they had a series of core villages near and above the head of the tide. From these core villages they would conduct their hunting, fishing, trapping and berry picking expeditions. Dividing their time somewhat regularly, they spent the summer months in the lower coast or salt-water region, then ascended the river to hunting territories for the fall hunting and finally returned to their core villages for the dead of winter. The early spring months were spent drifting down toward the ocean and hunting and fishing through the Penobscot River and neighboring streams. As non-Indians settled in the coastal regions, Indian reliance on the coast for subsistence was diminished. On the other hand, their use of the upper watershed intensified both for subsistence and development of the fur trade with non-Indians.

The Passamaquoddy Tribe's use and occupancy of land was essentially the same as the Penobscot's. They were also riverine oriented, and they used and occupied lands in the St. Croix, Dennys and Machias watersheds. The Passamaquoddies had their core villages along the coast. Their use pattern was to spend the spring and summer along the coast berrying and fishing. In the fall and winter they went inland to hunt and trap, returning to their core villages in the spring. Settlement by non-Indians tended to interfere more with their core villages than with the Penobscots, but their use of the upper watersheds was the same.

This was essentially the state of affairs as of 1790, with Indian use and occupancy extant in the modified claim area. In 1790, the first Non-Intercourse Act was passed with respect to Indian land which provided in relevant part:

"No purchase, grant, lease or other conveyance of lands or of any title or claim thereto, from any Indian nation or tribe of Indians, shall be of any validity in law or equity, unless the same be made by treaty or convention entered into pursuant to the Constitution."

The First Circuit Court of Appeals held in *Joint Tribal Council* of the *Passamaquoddy Tribe* v. *Morton*, 528 F.2d 370 (C.A. 1, 1975) that this statute created a trust responsibility on the part of the United States to protect Indian rights under this statute and specifically described the duty as follows:

"The purpose of the Act has been held to acknowledge and guarantee the Indian tribes' right of occupancy . . . and clearly there can be no meaningful guarantee without a corresponding federal duty to investigate and take such action as may be warranted by the circumstances." 528 F.2d at 379.

The Department of Interior has interpreted this responsibility to require a suit for possession and trespass damages and we agree.

It has been asserted that the Trade and Intercourse Acts did not apply to land transactions entered in between tribes and states if those actions occurred east of a line defining the boundaries of Indian country or if the state involved was one of the original colonies. Such contentions are inconsistent with the plain language of the Non-Intercourse Acts and contrary to well-settled law.

Dealings in tribal lands must be placed in a constitutional context. As pointed out *infra*, the right to extinguish Indian occupancy rights resides only with the sovereign. The traditional mode for such transactions at that time was by treaty, recognizing the limited sovereign rights of the tribes. In accord therewith, the Commerce Clause of the Constitution relegated the right to deal with Indian tribes to the United States, and Article I, § 10 abolished the right of States to enter into treaties. In this context, the statutory provisions dealing with land transactions must necessarily be viewed in a geographically unlimited context which the actual language of the relevant statutes and judicial opinions indeed reflect.

The provisions of the Trade and Intercourse Acts dealing with the transfer of Indian land have changed little since 1790.[1] The words contained in each act with respect to land transfers were unambiguous. The provisions in each section prohibited *all* purchases or grants of land from Indian tribes without federal approval. Each act specifically set forth the geographical area in which the land transfer section was to be applied. In 1790 that area was defined as "in the United States." In the 1793, 1796, 1799 and 1802 acts that area was defined as "within the bounds of the United States." The constitutional demand for unlimited geographical applicability of these sections is reflected in the statutory requirement that valid transactions had to be entered into "by treaty or convention entered into pursuant to the Constitution" or under direct federal auspices. To this day, the provision remains unlimited. See 25 U.S.C. 177.

The fact that the land transfer provisions were intended to have broad and unlimited application is supported by reference to other sections of the statutes. For example, in contrast to the unlimited language of the land transfer provision of the 1802 act is the section of the act which relates to trading. The later section explicitly provided that it was to have application in "Indian country" only. That limitation, and similar limitations with respect to trading in the later acts, was never appended to the provisions in those acts prohibiting land transfers.

In the landmark case of *Worcester* v. *Georgia*, 6 Pet. 515 (1832), Justice Marshall was confronted with the question of whether the State of Georgia had complete governmental jurisdiction over the portion of the Cherokee Reservation within that state. Justice Marshall rejected the State's assertion of jurisdiction, finding it inconsistent with the constitution, treaties and laws of the United States. One basis for his conclusion was that the Trade and Intercourse Act of 1802 which contained language identical to that found in the 1790 Act granted exclusive jurisdiction to the federal government and prohibited state jurisdiction. This case is direct authority for the proposition that the Trade and Intercourse Act did apply to the original thirteen colonies and thus would apply to Massachusetts.

Later rulings have held that the land transfer provisions of those acts did apply in the eastern United States in the original thirteen colonies. *Oneida Indian Nation* v. *County of Oneida*, 414 U.S. 661 (1974); *Joint Tribal Council* of the *Passamaquoddy Tribes*

[1] See Act of July 22, 1790, 1 Stat. 137, 138; Act of March 1, 1793, 1 Stat. 329, 330; Act of May 19, 1796, 1 Stat. 469, 472; Act of March 3, 1799, 1 Stat. 743, 746; Act of March 30, 1802, 2 Stat. 139, 143; Act of June 30, 1834, 4 Stat. 729, now 25 U.S.C. 177.

v. *Morton*, 528 F.2d at 380 (1st Cir. 1975); *Narragansett Tribe of Indians* v. *Murphy*, C.A. No. 750005, U.S.D.C. Rhode Island (unpublished opinion of June 23, 1976). See also, *United States* v. *Boylan*, 265 F.2d 165 (C.A. 2, 1920).

It has been asserted that the tribes' rights to the use and occupancy of the lands in the modified claim area have been extinguished by various transactions which occurred either before or after the passage of the Trade and Intercourse Act in 1790. There is no question that the sovereign may extinguish aboriginal title. *Johnson* v. *McIntosh*, 21 U.S. 543 (1823). The sovereign may extinguish title by purchase, conquest followed by dispossession, or by the exercise of complete dominion over the property adverse to the continued use or occupancy of the tribe. *United States* v. *Santa Fe Pacific R. Co.*, 314 U.S. 339 (1941), *rehearing denied*, 314 U.S. 716 (1942). When the transactions discussed hereinafter are viewed in the light of this law, it is clear that the tribes' title was not extinguished.

It is asserted, first, that the tribes' title was extinguished by Pownall, the Royal Governor of Massachusetts, in 1759. At the outset of the French and Indian War in 1754 and 1755, Pownall declared war on all the tribes in eastern Maine, including the Penobscots. Pownall never engaged the Indians in battle or invaded and occupied the areas encompassed within the modified claim area. In 1759 Pownall issued a Proclamation which provided:

"May 23, 1759, Province of Massachusetts Bay—Penobscot Dominions of Great Britain. Possession Confirm'd by Thos. Pownall, Govr."

Immediately after issuing the proclamation, Pownall buried a leaden plate at the head of the tide on the Penobscot River on which the Proclamation was inscribed. That was the limit of settlement in 1759 and still was in 1790. It also is the southern limit to the modified claim on behalf of the Penobscots. It is argued that by these actions Pownall extinguished the tribes' claims. We disagree.

It is a well-settled principle of law that more is required to extinguish aboriginal title than a mere declaration of dominion over a tribe. *Johnson* v. *McIntosh*, 21 U.S. 514 (1823). Circumstances surrounding the issuance of the Proclamation show that the purpose of proclaiming dominion over the Penobscots' lands was an attempt to establish English jurisdiction over them and thereby discourage allegiance with the French. Pownall made no attempt to remove them from their lands. Thus all Pownall did was to establish the relationship necessary for the sovereign to treat the tribal occupancy rights. The action did not impair in fact the tribes' use and occupancy of the land. *Johnson* v. *McIntosh*, 21 U.S. at 572.

Pownall's actions followed the well-settled principle of adjusting rights in the New World among competing European sovereigns rather than rights of actual occupancy. Local occupancy rights would only be affected if the conquest were established by actual expulsion of the natives. As the Supreme Court stated in *Worcester* v. *Georgia*, 6 Pet. 515, 543 (1832):

"This principle, suggested by the actual state of things, was, 'that discovery gave title to the government by whose subjects, or by whose authority, it was made, against all other European governments, which title might be consummated by possession.'"

This dominion set up the right to deal with the occupants for actual possession:

"It regulated the right given by discovery among European discoverers; but could not affect the rights of those already in possession, either as aboriginal occupants, or as occupants by virtue of a discovery made before the memory of man. It gave the exclusive right of purchase, but did not found that right on a denial of the right of the possessor to sell."

Except for the fact that the French and the English were at war over their rights to Maine, the situation is no different than the original discovery of the New World, or the Louisiana Purchase or the Purchase of Alaska. In each case, the sovereign dominion obtained merely set the stage for dealing with the actual occupancy of the natives.

Here the tribes actively continued to use and occupy the lands contained in the modified claim area without interruption after the issuance of the Proclamation. That use and occupancy was only ended after the tribes had entered into treaties with the State of Massachusetts after 1790 which were invalid under the terms of the Trade and Intercourse Acts. The fact that the State of Massachusetts dealt with the tribes, is itself proof that the State considered these groups as tribes and recognized the extent of their land use rights. All these factors lead to the conclusion the tribes' use and occupancy had not been extinguished by conquest.

Finally, it has been asserted that the approval by Congress of the 1819 Articles of Separation of Maine from Massachusetts ratified the land transactions with the tribes. Nothing in the Articles of Separation mention Indian lands or the previous land transactions of Massachusetts with the tribes. The case law is specific that where Indian property rights are involved and congressional acts are passed affecting them, all such rights not expressly dealt with survive. *Menominee* v. *United States*, 391 U.S. 404 (1968).

Proposed Form of Action

As can be seen from the foregoing, the areas subject to the Department of the Interior recommendation, though reduced in size from the original litigation report, are substantial and will include numerous parties. A suit naming every potential party would be incredibly cumbersome, if not impossible to manage. Because of its size, the procedural aspects of the litigation could take over a year to resolve.

If litigation is found to be the only method for resolving these claims, it will be necessary to devise a lawsuit which can be effectively managed so that a final decision on all major issues can be obtained as rapidly as possible. In order to reach that objective, the United States at this time contemplates a lawsuit against a limited number of major landowners holding lands in the Penobscot and and St. Croix watersheds and in those portions of the St. John, Dennys and Machias watersheds which are found to be included in the claim area. As proposed, the litigation would permit the adjudication of all the major issues, factual and legal, with only a few parties with the resources to properly defend the case. The limited number of defendants would enable the case to proceed expeditiously. If the court denied a claim to a particular watershed, there might be no need to proceed against any other landholders in the same watershed.

Such a litigation program will require an extension of the current statute of limitations which expires on July 18, 1977. See 28 U.S.C. 2415. For if a claim against major landowners in a given watershed is upheld, we would thereafter proceed against the remaining landholders within the claim area in that watershed. Moreover, even if we wished to move against all landholders in the original suit, it would be virtually impossible to determine the names of all potential defendants and initiate an action prior to July 18, 1977. Therefore, the United States proposes to seek legislation to extend the statute with respect to the claims on behalf of the Passamaquoddy and Penobscot Tribes.

Conclusion

Plaintiff submits that the foregoing description of the status of the cases makes it readily apparent that an extension of time until June 1, 1977, is necessary.

Since the last report to the court, there has been a complete review of the legal basis for this litigation. Although the validity of causes of action on behalf of the Penobscot and Passamaquoddy Tribes as to some areas is certain, additional research is yet necessary to establish the outer perimeters of the claims area. In addition, there is substantial work to be undertaken to identify possible defendants in the claim area. An extension of time until June 1, 1977, is necessary to permit this work.

It is impossible to overemphasize, however, the fact that litigation is not the best method to resolve the issues presented in these claims. Litigation, while resolving past injustices imposed on the tribes, would place substantial hardships on innocent parties, who acted largely in good faith in purchasing real estate, investing their funds and improving their property. Only a congressional resolution of the Indian claims can correct the past injustices to the tribes without creating new hardships for others.

As stated previously, steps are now being taken to provide a method for getting a legislative solution underway. A presidential representative is to be appointed. The extension requested is equally necessary to permit this representative the time necessary to work with the parties to effect a settlement and to permit Congress to adopt a just and equitable legislative solution to the claims of the Passamaquoddy and Penobscot Tribes.

Respectfully submitted,

PETER R. TAFT,
Assistant Attorney General.
PETER MILLS
United States Attorney.

Mr. MUSKIE. Mr. President, I join with Senator HATHAWAY in introducing the State of Maine Aboriginal Claims Act of 1977. Our legislation, introduced at the request of the Governor and attorney general of Maine, is designed to alleviate the potentially disastrous social and economic impact of claims made by the Passamaquoddy and Penobscot Indian Tribes for return of aboriginal lands in northern Maine. While the land claim has yet to be filed, the mere pendency has raised substantial questions which threaten the economic stability of the State.

The bill we introduce today is a vehicle for review of the case by the Senate and for congressional action to settle the claims put forth by the Indians. I believe it is an appropriate response to a complex legal, social and economic problem.

The legislation is designed to protect the property and livelihood of hundreds of thousands of innocent citizens of Maine who now hold title to land in the disputed area, or whose jobs depend on the resources and factories on the land. Since there is simply no equitable way to disown these people, the claims of the Indians must not be allowed to include the return of land.

It is designed further, however, to preserve the rights of the Tribes to have the factual and legal questions of their claim resolved, and recognizes that if the claims are resolved in favor of the Indians, that some damages must be paid.

Since if there is any basis for the claims, it would stem from the failure of the Federal Government to exercise its trust responsibility toward Maine's Indians, it is entirely appropriate for Congress to begin its consideration now of the questions raised by the claims by assuring private citizens that their title will not be upset under any circumstance.

The legal basis of the Indian claim is the alleged violation of the Indian Nonintercourse Act of 1790 but the historic facts for the Indian claim remain unclear. The Justice Department and the State of Maine are working with archivists and ethnohistorians to determine the nature and extent of Indian holdings in 1790 when the Nonintercourse Act was enacted. But it is clear that the treaties which the Indian tribes now claim were in violation of the act were freely and openly negotiated and entered and were assumed valid by all concerned, including the U.S. Government, for 180 years. In fact the legal theory on which the claims are based was developed during research in support of an effort by the tribes to enforce the very treaties the tribes now claim are invalid.

We do not purport in this legislation to in any way prejudge the litigation between the tribes and the State of Maine or to assume that the Nonintercourse Act did apply to the land transaction in dispute or assume that even if the Indian Nonintercourse Act did apply Congress has not already ratified the disputed transactions. But the complexity of these issues is such and the potential impact of a protracted dispute involving vast tracts of land is so great that Congress has a clear obligation to reassure the titleholders in the disputed area.

We do not intend by this action to prejudice in any way the Indians right to seek an appropriate monetary remedy, if any, or to anticipate or address further congressional action to equitably resolve the question of monetary damages for the tribes. Congressional ratification of the treaties in this legislation will cure the alleged defects and reassure affected titleholders while allowing the tribes to pursue monetary damages if their claim is upheld.

By Mr. ANDERSON (for himself and Mr. HUMPHREY):

S. 843. A bill to amend the Tariff Schedules of the United States to permit the free entry of Canadian petroleum (including reconstituted crude petroleum) and crude shale oil, provided that an equivalent amount of the same kind and quality of domestic crude petroleum and crude shale oil has been exported to Canada; to the Committee on Finance.

U.S. TARIFF SCHEDULES

Mr. ANDERSON. Mr. President, late in 1974 the Canadian Government announced its intention to phase out exports of crude oil to the United States by 1983. This had an immediate adverse impact along the northern tier of the United States where refiners, heavily dependent on oil imports, were left with the potential of being unable to obtain sufficient crude oil from alternative sources. Therefore, the Federal Energy Administration developed a new allocation program to provide an interim solution to the supply problem, and, as a part of that solution, is actively encouraging crude oil exchanges between United States and Canadian firms.

When the geographic movement of oil is burdensome or costly, crude oil exchanges within the petroleum industry are commonplace. For example, if a Minnesota refiner imports crude oil into the east coast, it is obviously to difficult to transport that oil to his refinery; therefore he makes an exchange. He arranges with another company—with operations in Minnesota and on the east coast—to give him, in Minnesota, the same quantity of crude oil he is importing, while he in turn gives the imported crude oil to that company on the east coast. Thus, both companies receive the same quantity of oil, but significant transportation costs are saved. A similar arrangement could be made between a U.S. northern tier refiner and a Canadian refiner.

Originally, the U.S. Government required three payments on imported crude oil: First, a supplemental fee of $2 per barrel, second, a license fee of 21 cents per barrel, and third, a tariff duty of 5.25 cents or 10.5 cents per barrel. These payments made the plan impractical. However, on January 3, 1976, the President removed the $2 per barrel supplemental fee on the crude oil effective December 22, 1975, and at the same time waived the 21-cents-per-barrel license fee on crude oil imported from Canada in exchange for crude oil shipped from the United States. This action eliminated two of the required payments and left the tariff duties as the only obstacle to the exchange agreement.

The legislation which I am introducing today would remove this obstacle which has obstructed Canadian and American oil refiners from concluding oil swap arrangements that could serve to ease petroleum shortages in the northern tier. This bill removes the tariff on incoming Canadian crude oil provided that the importing American company returns to Canada an equal amount within 30 days. The Canadian Government has ruled that crude oil exported to the United States under a swap arrangement are exempt from Canada's phased elimination of its crude oil to the United States.

While there is no net gain in the absolute quantity of available crude, facilitating the supply of petroleum can make the crucial difference during a petroleum shortfall.

This idea is not new to the Senate. A similar proposal was included in the Tax Reform Act of 1976 but was deleted, by an oversight, during the conference.

As a small piece of our national energy policy, this legislation makes good sense.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

S. 843

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part 10 of Schedule 4 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by adding immediately after item 475.10 a new item number which reads as follows:

" 475.12	Crude petroleum (including reconstituted crude petroleum and crude shale oil, if a product of Canada, provide that an equivalent amount of the same kind and quality of domestic or duty paid foreign crude oil has been exported to Canada from the United States during the 30-day period preceding the date of entry	Free	Free ".

By Mr. SPARKMAN (by request):

S. 844. A bill to authorize supplemental military assistance to Portgual for the fiscal year 1977, and for other purposes; to the Committee on Foreign Relations.

SUPPLEMENTAL MILITARY ASSISTANCE TO PORTUGAL

Mr. SPARKMAN. Mr. President, by request I introduce for appropriate reference a bill to authorize supplemental military assistance to Portugal for the fiscal year 1977, and for other purposes.

This bill has been requested by the Department of State and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill and a justification be printed in the RECORD at this point, together with the letter from the Acting Assistant Secretary for Congressional Relations to the President of the Senate dated February 17, 1977.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 844

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 504 (a)(1) of the Foreign Assistance Act of 1961 is amended by inserting at the end of the table of countries and amounts—

"Portugal 30,000,000".

DEPARTMENT OF STATE,
Washington, D.C., February 17, 1977.

The Honorable WALTER F. MONDALE,
President, U.S. Senate.

DEAR MR. PRESIDENT: There is transmitted herewith proposed legislation to authorize the allocation of $30 million in grant military assistance for Portugal in FY 1977. This legislation is necessary to enable the United States to provide military equipment which will permit Portugal to carry on the NATO-related modernization of its armed forces begun last year. The U.S. assistance will be given in coordination with other NATO allies contributing to Portugal's force modernization program.

After several years of political turmoil, Portugal is now struggling to consolidate new democratic institutions. The government is freely elected and dedicated to the preservation of political and economic freedoms and to a restoration of full respect for human rights. The military leadership has turned its attention to creating for the armed forces a new post-colonial mission based on the NATO alliance. U.S. military assistance is aimed at support and encouragement for this new sense of direction. In strengthening the military forces of a NATO ally, our program also contributes directly to the defense of Western Europe and the United States.

The first phase of Portugal's increased contribution to NATO is the commitment of a

quick-reaction, partially air-transportable brigade to the integrated command structure. Portugal has already completed the initial stages of brigade formation with the guidance and active encouragement of NATO military authorities and Secretary General Luns. The present leaders of Portugal's armed forces are committed to this modernization effort. New equipment, which Portugal cannot buy without undermining its economic stabilization program, is essential to the success of the modernization program. Delay in providing assistance would raise questions by our allies engaged in this cooperative endeavor as to the strength of the U.S. commitment.

The assistance for which authority is being requested will help Portugal to implement the NATO-approved plan to modernize its armed forces, with first priority on the infantry brigade and its air support elements.

A report on the observance of human rights standards in Portugal is also enclosed.

The Department has been advised by the Office of Management and Budget that there is no objection to the presentation of this proposal to the Congress, and that its enactment would be in accord with the program of the President.

Sincerely,

KEMPTON B. JENKINS,
Acting Assistant Secretary for Congressional Relations.

ANALYSIS OF BILL TO AUTHORIZE SUPPLEMENTAL MILITARY ASSISTANCE TO PORTUGAL

The bill amends section 504(a)(1) of the Foreign Assistance Act of 1961 (hereinafter "the Act") by authorizing the allocation to Portugal of up to $30,000,000 of the total funds available for the military assistance program in FY 1977.

This bill is necessary to modify existing statutory limitations on the allocation of military assistance funds. Section 504(a)(1) of the Act identifies eight countries, not including Portugal, to which funds available for military assistance may be allocated in FY 1977 and specifies the amount which may be allocated to each of them. Section 504(a)(2) of the Act prohibits the use of more than $3,700,000 in FY 1977 for military assistance to countries not identified in section 504(a)(1). (An allocation of $830,000 has been made to Portugal under this ceiling.) Together, these two provisions of law prevent the furnishing of the proposed supplemental military assistance to Portugal in FY 1977. The present bill modifies these limitations on the allocation of military assistance funds by adding Portugal to the list of countries in section 504(a)(1) and by specifying that $30,000,000 may be allocated to that country.

Existing law contains three separate authorizations of appropriations for military assistance in FY 1977. Section 504(a)(1) of the Act authorizes $177,300,000 to carry out the program. In addition, section 504(a)(5) of the Act authorizes $70,000,000 for administrative and related expenses. Finally, section 507(a) of the International Security Assistance and Arms Export Control Act of 1976 (P.L. 94-329) authorizes the appropriation, in addition to other amounts authorized, of such sums as may be necessary to carry out certain international agreements, including the 1976 Treaty of Friendship and Cooperation with Spain (TIAS 8369).

The Foreign Assistance and Related Programs Appropriation Act for FY 1977 (P.L. 94-441) appropriated a total of $247,300,000 for military assistance. Of this total, $15,000,000 was made available only upon ratification of the treaty with Spain. This is the amount of military assistance required to carry out the treaty in FY 1977, as authorized by section 507(a) of P.L. 94-329. Thus, specific authorization remains for an additional appropriation of not more than $15,000,000.

In order to finance a $30,000,000 military assistance program for Portugal in FY 1977, the Executive Branch intends to utilize $14,170,000 in reprogrammed funds which are available for obligation without further appropriation, together with a supplemental appropriation of $15,000,000 in addition to the $830,000 already allocated from currently available funds.

I. POLITICAL SITUATION

With the promulgation on April 2, 1976, of a new constitution, Portugal began its formal transition from a provisional military government to parliamentary democracy. Under the constitution, a National Assembly was elected on April 25 and a President on June 27. The first parliamentary government was confirmed in office on August 11, 1976.

Political life in Portugal after the April 25, 1974 revolution was characterized by chronic turbulence until political moderates crushed an attempted coup by leftists on November 25, 1975. Before that event, legal guarantees for human rights were subjected to widely varying interpretations. However, even the immediate post-revolutionary period was characterized by a remarkably low level of violence and leniency with respect to treatment of political adversaries by the government in power. The "Provisional Governments" made definite progress toward correcting many of the worst abuses of the Salazar/Caetano regime.

II. LEGAL SITUATION

The Constitution of April 2, 1976 (which took effect on April 25, 1976), was in many respects consciously modeled after the Universal Declaration of Human Rights. Article 5 of its section on general principles provides that the Constitution, as well as any other law or legal matter, be interpreted in harmony with the Declaration. The Constitution contains specific guarantees for the following human rights:

Life: The death penalty is specifically banned;

Physical well being;

Liberty: A citizen may be imprisoned only following his conviction of a penal offense which was a penal offense at the time it was committed. A citizen must be charged with a specific crime within forty-eight hours after being detained. The right of habeas corpus is provided for.

Legal counsel, to be provided by the State, if necessary;

Privacy of the person, dwelling, and correspondence;

Freedom of expression and of the press, with detailed provisions for ensuring freedom from censorship by the state or by interest groups and for guaranteeing editorial pluralism in the state subsidized or controlled media;

Freedom of religion;

Free internal movement and emigration;

Peaceable assembly and association, including the express right to form political parties.

The Constitution provides for the declaration of a state of siege by the President with the concurrence of the Revolutionary Council. Such a declaration must enumerate any rights suspended; suspension of the rights to life and physical well being are specifically prohibited. A state of siege may not last more than thirty days without approval of the legislative assembly.

III. OBSERVANCE OF INTERNATIONALLY RECOGNIZED HUMAN RIGHTS

A. Integrity of the person

Of the 1,800 former PIDE/DGS secret police and others imprisoned following the 1974 revolution against the Caetano regime, all but nine officials had been released by August, 1976. Many of these face outstanding charges, and the first of more than 200 planned indictments was processed in October, 1976.

The 1974-75 period of leftist ascendancy saw frequent cases of imprisonment for political causes. On December 2, 1976, a Portuguese commission investigating past human rights abuses reported that the 1974-75 military governments had practiced both mental and physical torture and illegal arbitrary arrests. The report was released by the President's office and accompanied by a presidential statement noting that those implicated would be prosecuted under the law and that the abuses were evidence of the dangers of totalitarian conduct which the Portuguese people should not underestimate. All those detained during the 1974-75 period have since been released on conditions ranging from complete freedom to varying degrees of conditional liberty.

Those detained following the leftist coup attempt of November 25, 1975, have also been released. Charges against many of the post-November 25 detainees have been dropped, although formal disposition of the more celebrated cases is pending. All available evidence indicates that while imprisoned, these detainees were held in some of the most modern facilities available in Portugal; their living conditions were probably superior to those of common criminals or PIDE/DGS detainees. During an initial period of questioning lasting several weeks, those most actively involved in the coup attempt were denied access to their attorneys and, in some cases, could not receive visitors. Subsequently, however, these privileges were permitted.

Sixteen individuals were arrested in August, 1976 for involvement in politically motivated bombings. The first of those arrested was brought to trial and convicted in October. There have been no allegations of violations of these prisoners' rights.

B. Other important freedoms

Freedom of thought and religion, expression and assembly have existed throughout the post-revolutionary period.

IV. OTHER HUMAN RIGHTS REPORTING

Amnesty International (AI) noted in its 1974 Report on Torture that the revolution of April 25, 1974, had overthrown "the regime that had practiced torture for 40 years". A later AI report included Portugal on a list of countries where lawyers were being held without trial, but subsequent investigation indicated that the lawyers in question had long since been released. The 1975-76 AI general report expressed concern at past abuses but noted that by May, 1976 the majority of prisoners in all categories had been released. It also welcomed the establishment of the Portuguese human rights commission and the recognition given in the April, 1976 Constitution to human rights guarantees.

As far as we are aware, the only other report on human rights in Portugal released in the recent past by an international organization was issued by the London-based Russell Committee, which visited Portugal in late December and early January of 1975-76. The Committee's report attacked the GOP for its treatment of "revolutionary" prisoners detained following the November 25 coup attempt. It alleged the government had denied these prisoners legal counsel and family visits while holding them in substandard facilities. The report made no mention of pre-November 25 detainees or of conditions under which they were held.

Freedom House rates Portugal as "free".

By Mr. DOLE (for himself, Mr. McGOVERN, and Mr. JAVITS):

S. 845. A bill to amend the Food Stamp Act of 1964, as amended; to the Commitee on Agriculture, Nutrition, and Forestry.

FOOD STAMP ACT REVISION

Mr. DOLE. Mr. President, the Senator from Kansas is pleased to be joined by the Senator from South Dakota (Mr. McGOVERN) in introducing legislation to revise and extend the Food Stamp Act of 1964. Our bill, the Dole-McGovern Food Stamp Act of 1977, makes practical, necessary changes in the present food stamp program to insure that only the deserving, needy poor are allowed food stamp benefits, and that this program serves the poor in such a way as to promote good nutrition through an adequate consumption of food.

I think the biggest change is that we eliminate the purchase requirements so that those who are truly needy can participate in the program. This proposal will be debated at some length in the appropriate committee.

It seems to me that when we talk about reform of the food stamp program or any other program, the Government has a role to play in, we should look at the entire program. We ought to eliminate the greedy, but we also ought to make it possible for the needy to participate.

That is the thrust of the legislation I am introducing today.

ELIMINATION OF THE PURCHASE REQUIREMENT

The most distinguishable concept of this food stamp legislation is the elimination of the purchase requirement—EPR. Although this action would reduce the net monthly benefits to recipients, it would allow more persons living considerably below the poverty line to participate in the program. A series of studies in Mississippi, New York, North Dakota, and in other States have determined that the largest single reason eligible families do not take part in the food stamp programs is that the purchase requirement represents an unsurmountable financial burden to them.

FIGURES

For instance, a family of four, with a net monthly income of $200, would pay $50 for its estimated allotment of $166 of food stamps, based on the 25-percent purchase requirement in last year's bill passed by the Senate. Their net benefit then is $166.

With our 30-percent benefit reduction rate in lieu of the purchase requirement, this same family would pay nothing, but receive only $106 in net benefits. This figure is reached by multiplying their net monthly income—$200—by 30 percent, which equals $60, and then subtracting $60 from the family's established allotment of food stamps—$166. This gives the final figure of $106 as their final net benefit under EPR, as opposed to $166, under the 25-percent purchase requirement.

Our current program enables households to qualify for food stamp assistance, yet does nothing to provide that these persons actually receive any benefits, since many persons simply do not have the cash to buy their allotted food stamps. This is one of the main attractions to eliminating the purchase requirement.

If that is done, then many of our genuinely needy families who have no income to speak of will be able financially to participate for the first time in the food stamp program. Right now, the poorest of the poor often do not have the means to buy into our program, so are therefore completely denied all benefits. When this happens, we are withholding food assistance from that segment of our population which is most in need of help, and from persons who were intended to be the prime recipients of such a program.

DECREASE IN BLACK MARKETING

EPR will not only allow us to direct benefits directly to the poorest of the poor, but it will also streamline the food stamp program administratively. Because there will be an approximate 35 percent reduction in the circulation of food stamps, due to the reduction of net monthly benefits, it naturally follows that black marketing or discounting of food stamps will be curtailed appreciably, since the number of stamps in circulation would be much lower.

GOVERNMENT MONEY SAVED

Between $50 and $100 million should be saved annually by the State and Federal goverments since food stamps would no longer be sold. This savings is attributable to the cost of selling stamps, which is between 50 cents and $1.10 per transaction. This price is charged by credit unions, banks, and post offices for handling the stamps. A simple distribution system can be instituted, with greater use of mail delivery.

FOOD STAMP VENDORS

Integral to the selling of food stamps are the food stamp vendors. This middleman would be abolished. Studies show that stamp vendors have cheated the American public of at least $7 million through the deliberate mismanagement of food stamp money. Also, as the food stamp flow is diminished approximately 35 percent, the issuing and redemption agencies will have a lighter work load, which again should save the program money.

Since the food stamp program is intended to help those most in need, I think the elimination of the purchase requirement is the logical direction for us to take to allow the participation of the eligible poor. It will not keep needy persons who meet the eligibility requirements from receiving food stamps, because of their inability to match the purchase requirement.

STANDARD DEDUCTION

Rather than continue with itemized deductions, our bill offers households a standard deduction of $100, which will be adjusted semiannually to reflect changes in the consumer price index.

The standard deduction tightens the program and eliminates the high-income families who have violated the program in the past. They have slipped in because of the many itemized deductions presently allowed food stamp recipients. Deductions for costly child care, medical expenses, the exemption for alimony payments, and the hardship deduction for rent are all part of a long list of exclusions allowed present participants.

The standard deduction would effectively eliminate this misuse of the program.

DEDUCTION ON EARNED INCOME

Besides the standard deduction, a 20 percent deduction on earned income is allowed workers to compensate for State and Federal income taxes, mandatory deductions, and work expenses. This standardized deduction for work expenses is easier and less expensive to administer and audit than is the itemized deduction now allowed on actual taxes paid.

CHILD CARE COSTS

A new provision of this year's Dole-McGovern food stamp bill is a deduction of up to $85 monthly for the actual cost of child care payments. Designed as yet another work incentive, this provision makes it easier for mothers of young children to work without risking the loss of food stamp benefits, which serves as a strong work disincentive.

The present program allows child care costs to be claimed as a deduction, but places no limit on the amount which can be claimed, so that some high income families have taken advantage of the provision.

The $85 figure was decided upon because of 1975 figures which show the average deduction for these costs to be $82 monthly.

STUDENTS

Another group specifically addressed in our bill are students. In the past, many have found it easy to receive food stamps, but this legislation excludes from food stamp participation all students who are or can be legally claimed as dependents of an ineligible household. This provision cuts out middle-class student abusers, yet leaves participation open to the genuinely needy student.

WORK REGISTRATION

Able-bodied adults between the ages of 18 and 60 must register for work and accept suitable job offers in order to maintain their participation in the food stamp program. There are but a few exceptions to this provision, those being a person with responsibility for young children or an incapacitated individual, or a full-time, legitimate student who meets the financial prerequisites for food stamps.

REDUCTION OF ADMINISTRATIVE OVERLAP

This bill will remove much of the administrative overlap which now exists between food stamps and SSI, and between food stamps and AFDC benefits. We have eliminated the double work registration requirement for these programs, and consolidated with food stamps the AFDC application and the SSI certification processes.

Participation in the Dole-McGovern bill is limited to those persons whose maximum income is at or below the poverty line, which was the limit set in last year's Senate-passed bill. Also, we have struck the provision that categorically makes public assistance households eligible for food stamp benefits. We feel this makes the program more equitable, since public assistance households and nonpublic assistance households are treated more fairly.

CONCLUSION

In conclusion, I am pleased that the bill offered today will strike nonneedy, high-income families from participating in the food stamp program. This will be done through the standard deduction and by strict adherence to the poverty line cutoff.

At the same time, through the elimination of the purchase requirement, the deserving poor—those who truly need food assistance—will be able to take part in the program, since the purchase requirement will no longer prohibit their receipt of food stamps.

These were my two main concerns when I first became involved in the food stamp program, and I am confident that this bill eliminates the greedy and feeds the needy.

In addition, the food stamp program is tightened considerably through the standard deduction, the 20-percent deduction for earned income, the work registration requirements, and other provisions.

I am pleased with the work incentives this bill offers, and strongly believe that it will result in a superoir, more satisfactory food stamp program that resolves the weaknesses in our present program.

I ask unanimous consent that a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

DOLE-MCGOVERN FOOD STAMP BILL—SECTION-BY-SECTION ANALYSIS

Section 1(a) redefines "household" in such a way as to remove the requirement that household members under 60 be related (this clause was declared unconstitutional) and to eliminate the requirement that a household have cooking facilities. The cooking facilities requirement now prevents some of the poorest households from participating in the food stamp program, even though there are many nourishing foods sold which require no cooking.

This section also repeals the SSI cash-out provision inserted under PL 93-86 which has never been implemented because of the enormous administrative difficulty it would cause. SSI cash-out is provided for in a simpler manner under 3(c) of this bill.

This definition of "household" retains the requirement in current law that households be a single economic unit and that they purchase food in common.

Section 1(b) allows food co-ops to accept food stamps. It prohibits drug addiction or alcoholic treatment centers from cashing food stamps at banks. Section 1(b) was contained in S. 3136 which passed the Senate last year.

Section 1(c) redefines "elderly person" to remove any reference to cooking facilities, consistent with the changes made in Section 1(a).

Section 1(d) adds a new term, "adjusted semiannually" which will be used in updating net income limits and standard deductions.

Section 2 eliminates the purchase requirement in the food stamp program. Under this provision the amount of the food stamp benefit, or bonus, will be granted to eligible households without requiring them to purchase additional stamps.

This section also repeals the provisions of the Helms Emergency Food Stamp Vendor Accountability Act dealing with the handling of cash by food stamp vendors. Since there would be no cash involved in the transaction, there would be no need for these safeguards.

Section 3(a) amends section 5(b) of the Food Stamp Act which sets the standards of income and resources households must meet to be eligible for the program. Standards set are to be the same for public assistance and non-public assistance household, removing categorical eligibility for public assistance households.

The maximum net income limit (net income is income after deductions) is set at the poverty line, presently $5,500 for a family of four. These are the limits set in S. 3136 which passed the Senate last year. These income limits are to be updated semiannually, as specified in S. 3136.

Limitations on assets a household may own are to be set by the Secretary of Agriculture and updated every year. S. 3136 contained a similar provision—without the update, but forbade the Secretary to change the asset limitations now prescribed by regulation, until after a study of assets held by participating households. This study is retained in section 8 of this bill.

The deductions a household is allowed from gross monthly income are also specified in this section. These include a standard deduction of $100 for all households, and two types of deductions for working households—20% of all earned income to compensate for taxes, mandatory payroll deductions, and work expenses, and child care costs up to $85 per month. Child care is taken separately because it is a deduction which affects very few households, but which for those households amounts to a large expense over which they have little control. Child care is now deductible from income under current food stamp regulations.

The final deduction is an amount, up to $50, which the Secretary may allow at his discretion to households during times of hardship, such as severe cold spells which drive up the cost of heating a home.

The time period over which income is to be measured is defined in subsection (5).

In determining eligibility for the food stamp program, certification workers are to take into account both the income received over the past thirty days and the changes in this income which can be anticipated during the certification period. The only exceptions are for households, such as farmers or students, which receive a lump sum which is meant to cover several months, for whom this income is to be averaged over the time period it is meant to cover.

Household income is specified with certain exclusions in this section also. The exclusions are basically the same as those passed in S. 3136.

The provision of emergency standards of eligibility is similar to current law, except that in this bill the Secretary is not required to disregard a household's income and resources. This will permit a more flexible approach to emergency certification and prevent some of the current problems.

Section 3(b) sets out the work registration requirements an applicant household must meet in order to be eligible for food stamps. This section differs in several ways from S. 3136 passed last year by the Senate.

First, this section disqualifies only the noncomplying individual from the food stamp program, not the entire household. This bill also allows mothers of children under 18, rather than twelve, to be exempt from work registration.

In addition, it exempts from food stamp work registration requirements a person already subject to work registration under the AFDC program, or the unemployment compensation system. An exemption is also provided for a person who is already working and earning the equivalent of the minimum wage times thirty hours a week.

This section contains a requirement that food stamp applicants actively look for jobs through the state employment service. It also does not force applicants to take jobs which are less than thirty hours per week, which pay less than the minimum wage, or which require them to join, resign from, or refrain from joining any legitimate labor organization.

Individuals who do not comply with this section may be disqualified from the food stamp program for up to a year.

Section 3(c) adds several new subsections to the law. Illegal aliens are to be prohibited from receiving food stamps and households cannot be certified unless they cooperate with the State agency.

Students will no longer be eligible if they are dependents of a household which could not qualify for food stamps (this provision was passed in S. 3136 and is also in current regulations).

SSI households are to continue to be cashed out in the two states (California and Massachusetts) in which they are already cashed out.

Section 4 of this bill allows food stamp shoppers to receive their change in cash at the grocery store rather than in store scrip. Because this scrip is usually only good at the store which gives it out, food stamp users who must depend on friends and neighbors for transportation to stores often accumulate large amounts of unused scrip.

Section 5 deals with the Thrifty Food Plan. S. 3136 mandated use of the Thrifty Food Plan in determining coupon allotments for food stamp households. However, questions remain on the validity of this food plan as a basis for allotments. This section simply requires that the Secretary study the problem for not longer than six months before making a final decision.

Section 6 makes several changes in the administration of the food stamp program:

States would be required to provide regular staff training.

The "insure" clause is removed from the outreach section, but states are required to notify all recipients of SSI, AFDC, Social Security, and unemployment compensation of the food stamp program and its benefits.

States would be required to allow households which try to apply for the food stamp program to submit an application and to act on that application within thirty days.

Recertifications would have to be handled promptly so that there is no interruption in an eligible household's receiving its coupon allotment.

Authorized representatives would be allowed to stand in for households in which members cannot get out to be certified themselves, as is now allowed by regulation.

Where feasible, application for food stamps would be taken along with AFDC or general assistance applications.

Certification and issuance offices would have to provide locations and hours which allow eligible households to participate in the program.

Multilingual personnel and forms would be provided.

Emergency issuance procedures would be set up to provide households with no income stamps within two days.

Households which had been denied their food stamps through no fault of their own could be restored through a lump sum payment.

Section 6 also provides that elderly persons, as well as disabled persons regardless of age, may use their food stamps to purchase meals-on-wheels. This section does not extend eligibility for the program, it merely provides that those who are eligible for both food stamps and meals-on-wheels may use the stamps to purchase the meals.

This section provides, in addition, that

households who receive SSI payments may be certified for food stamps on the basis of information already on file with the SSI office.

States are further required to open their state plan of operation to public comment.

Section 7 provides civil penalties as an alternative to disqualification for food stores that violate provisions of the Food Stamp Act.

Besides tightening up the retailer end of the program, this provision allows recipients in an area where there is only one retail store to have access to the program even though the retailer has been found guilty of a violation.

Section 8 provides research and demonstration authority to the Secretary, authority which is not now in the law. In addition, it specifically provides for a study of the assets held by recipients of the program in order to provide a basis for the assets limits the Secretary must set under section 3 of this bill.

Section 9 extends the authorization for the food stamp program for five years.

Section 10 provides continued authority for USDA to purchase commodities under section 32 for the family commodity program on Indian reservations, the supplemental commodity program, schools, institutions, summer camps, elderly feeding programs, and for disaster relief.

By Mr. DOMENICI:

S. 846. A bill to provide for a continuing program of water resources research and development; to the Committee on Environment and Public Works.

WATER RESOURCES RESEARCH AND TECHNOLOGY DEVELOPMENT ACT OF 1977

Mr. DOMENICI. Mr. President, you may recall that on February 3, in a brief floor statement regarding the serious drought conditions in the West, I indicated that I would be introducing various parts of a water resource legislative package in the Senate this year. Today I wish to introduce the first of these bills, the Water Resources Research and Development Act of 1977.

Title I of this act deals with general water resources research. It repeals the Water Resources Research Act of 1964 and replaces it with similar, but stronger and more comprehensive language. Major provisions of title I are the maintenance of the State water institutes which were created under the old act and the continued support of nonacademic water resource research centers.

Title II reestablishes many of the provisions of the now expired Saline Water Conversion Act of 1971. The saline water conversion project, despite congressional support of a viable program, has suffered severe budgetary cutbacks during the past 5 years, and I believe that it is time we redirected our attention to this important program.

I would especially like to draw your attention to what I consider to be a primary thrust of this bill. It is my firm conviction that water supplies of the future for irrigation, energy development and domestic uses in the inland West are contained in vast, brackish or saline aquifers. These aquifers are known to exist beneath every western State and are, for the most part, unallocated and unutilized. In the south central portion of my own State of New Mexico, for example, a brackish aquifer underlying the Tularosa Basin contains more than 150 million acre-feet of water—enough to create a river the size of the Rio Grande for several centuries.

Historically, our efforts to develop and apply desalination technology have focused on reclamation of saline river waters and coastal brackish water. I believe that it is now time to apply the technology we have developed and to invent new technology where needed to exploit these vast brackish groundwater resources.

Accordingly, title II contains special provisions for demonstration projects aimed specifically at the development of saline aquifers in a region where they are critically needed for irrigation and energy production.

I urge my colleagues to take affirmative action on this important and overdue legislation and I also ask that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 846

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Water Resources Research and Technology Development Act of 1977".

TITLE I—GENERAL WATER RESOURCES RESEARCH

SEC. 101. It is the purpose of this title to assist the States and the Nation to provide a supply of water sufficient in quantity and quality to meet the Nation's expanding needs and to preserve and enhance water resources and the water-related environment by taking certain measures to: promote comprehensive planning and research dealing with water resources and water quality; identify and find practicable solutions to the Nation's water and water-related problems; promote the training of scientists, engineers and other skilled personnel in fields related to water; and foster and supplement present programs for the conduct of research and experimentation in improved and innovative water resources planning, management, conservation and operating practices.

SEC. 102. (a) The Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") is hereby authorized and directed to assist in establishing and carrying on the work of a competent and a qualified water research and technology institute, center or equivalent agency (hereinafter referred to as "institute") at one college or university in each State, which college or university shall be a college or university established in accordance with the Act approved July 2, 1862 (12 Stat. 503; 7 U.S.C. 301ff), entitled "An Act donating public lands to the several States and territories which may provide colleges for the benefit of agriculture and the mechanic arts" or some other institution designated by Act of the legislature of the State concerned: *Provided,* That (1) if there is more than one such college or university in a State established in accordance with said Act of July 2, 1862, funds under this section shall, in the absence of a designation to the contrary by act of the legislature of the State, be paid to the one such college or university designated by the Governor of the State to receive the same, subject to the Secretary's determination that such college or university has, or may reasonably be expected to have, the capability of doing effective work under this title; (2) two or more States may cooperate in the designation of a single institute or regional institute, in which event the sums assignable to all of the cooperating States shall be paid to such institute; (3) a designated college or university may, as authorized by appropriate State authority, arrange with other colleges and universities within the State to participate in the work of the institute.

(b) It shall be the duty of each such institute to plan and conduct and/or arrange for a component or components of the college or university with which it is affiliated to conduct competent research including investigations, and experiments of either a basic or practical nature, or both, in relation to water resources, to promote dissemination of the nature and results of these efforts, and to provide for the training of scientists and engineers through such research, investigations and experiments. Such research, investigations, experiments and training may include, without being limited to: aspects of the hydrologic cycle; supply and demand for water; conservation and best use of available supplies of water; methods of increasing such supplies; and economic, legal, social, engineering, recreational, biological, geographic, ecological and other aspects of water problems; scientific information dissemination activities, including identifying, assembling and interpreting the results of scientific and engineering research deemed potentially significant for solution of water resource problems; and providing means for improved communication regarding such research results, including prototype operations and ascertaining the existing and potential effectiveness of such for aiding in the solution of practical problems and training qualified persons, having due regard to the varying conditions and needs of the respective States, to water research and development projects being conducted by agencies of the Federal and State Governments, the agricultural experiment station and others, and to avoidance of any undue displacement of scientists and engineers elsewhere engaged in water resources research and development. The annual programs submitted by the State institutes to the Secretary for approval shall include assurances, satisfactory to the Secretary, that such programs were developed in close consultation and collaboration with leading water resources officials within the State to promote research, training and other work meeting the needs of the State.

(c) There are hereby authorized to be appropriated to the Secretary, for the purpose of implementing this section, such sums annually as are sufficient to provide an amount not to exceed $500,000 each year to each participating institute, beginning with the fiscal year ending September 30, 1978 and continuing through the fiscal year ending September 30, 1982.

SEC. 103 (a) There is further authorized to be appropriated to the Secretary, for each of the fiscal years ending September 30, 1978 and 1979, the sum of $10,000,000 to match, on a dollar-for-dollar basis, funds made available to the institutes by the States or other non-Federal sources to meet the necessary expenses of specific water resources research projects which could not otherwise be undertaken. Not more than 40 per centum of the amount appropriated for either such year may be expended for planning and participating in regional water resources research projects.

(b) Each application for a grant, pursuant to subsection (a) of this section, shall, among other things, state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it, the importance of the project to the water economy of the Nation, the region and the State concerned, its relation to other known research projects previously conducted or currently being pursued, the procedures by which the results can be disseminated, and

the extent to which it will provide opportunity for the training of water resources scientists and engineers. No grant shall be made under this subsection except for projects approved by the Secretary and all grants shall be made upon the basis of the merit of the project, the need for the knowledge which it is expected to produce when completed, and the opportunity it provides for the training of water resources scientists and engineers.

SEC. 104. Sums appropriated pursuant to sections 102 and 103 of this title shall be paid to the designated institutes at such times and in such amounts during each fiscal year as determined by the Secretary and upon vouchers approved by him. Funds received by an institute pursuant to such payment may be used for any allowable costs within the meaning of the Federal procurement regulations that establish principles for determining costs applicable to research and development under grants and contracts with educational institutions. Each institute shall have an officer appointed by its governing authority who shall receive and account for all funds paid under the provisions of this title and shall make an annual report to the Secretary on or before the 1st day of December of each year, in a manner and form prescribed by the Secretary, which report shall include work accomplished and the status of projects underway, together with a detailed statement of the amounts received under any of the provisions of this title during the preceding fiscal year, and of its disbursement. If any of the moneys received by the authorized receiving officer of any State institute under the provisions of this title shall, by any action or contingency, be found by the Secretary to have been improperly diminished, lost or misapplied, it shall be replaced and until so replaced no subsequent disbursement of Federal funds shall be made to any institute of such State.

SEC. 105. Moneys appropriated pursuant to this title, in addition to being available for expenses for research, experiments and training conducted under authority of this title, shall also be available for printing and publishing the results thereof and for administrative planning and direction. The institutes are hereby authorized and encouraged to plan and conduct programs financed under this title in cooperation with each other and with such other agencies and individuals as may contribute to the solution of the water problems involved, and moneys appropriated pursuant to this title shall be available for paying the necessary expenses of planning, coordinating and conducting such cooperative research.

SEC. 106. (a) The Secretary is hereby charged with the responsibility for the proper administration of this title and, after full consultation with other interested Federal agencies, shall prescribe such rules and regulations as may be necessary to carry out its provisions. He shall require a showing that institutes designated to receive funds have, or may reasonably be expected to have, the capability of doing effective work. He shall furnish such advice and assistance as will best promote the purposes of this title, participate in coordinating research initiated by the institutes under this title, indicate to them such lines of inquiry as to him seem most important and encourage and assist in the establishment and maintenance of cooperation by and between the institutes and between them and other research organizations, the United States Department of the Interior and other Federal establishments.

(b) On or before the 1st day of January in each year after the enactment of this Act, the Secretary shall ascertain whether the requirements of subsection (a) have been met as to each institute, whether it is entitled to receive its share of the annual appropriations for water resources research under section 102 of this title and the amount which it is entitled to receive.

SEC. 107. Nothing in this title shall be construed to impair or modify the legal relation existing between any of the colleges or universities under whose direction an institute is established and the government of the State in which it is located, and nothing in this title shall in any way be construed to authorize Federal control or direction of education at any college or university.

SEC. 108. (a) The Secretary is authorized to make grants to, and finance contracts and matching or other agreements with qualified educational institutions, private foundations or other institutions, with private firms and individuals whose training, experience and qualifications, are, in his judgment, adequate for the conduct of water research projects and with local, State and Federal Government agencies, to undertake research into any aspect of water-related problems which he may deem desirable in the national interest and which are not otherwise being studied.

(b) There is authorized to be appropriated to the Secretary, for carrying out the purposes of this section, for each of the fiscal years ending September 30, 1978 and 1979, the sum of $10,000,000 to remain available until expended: *Provided*, That, not more than fifty per centum of the amount appropriated pursuant to this section in any fiscal year may be used to finance contracts or make grants to educational institutions.

SEC. 109. The Secretary is authorized to conduct a research assessment and transfer program which transfers research results to other organizations and individuals for further development, demonstration and practical application to water and water-related problems. The Secretary may enter into agreements with the State and local governments and with other public and private organizations and individuals, including cost-sharing or cost-participation agreements, for the demonstration, transfer or application of research results for the solution of water-related problems and to further the transfer developed by programs authorized under this title. The Secretary may issue transfer publications and may conduct seminars, conferences, training sessions, or use other such techniques he deems necessary to expedite the transfer of research results and technology development.

SEC. 110. The Secretary is authorized to maintain a Center for Data, dealing with all areas of water resources research and technology development and to disseminate information acquired by the Center. Each Federal agency engaged in water resources research and technology development shall cooperate by providing the Center with documents and information. The Center shall maintain for general use a collection of water resources information provided by Federal and non-Federal government agencies, colleges, universities, private institutions and individuals.

SEC. 111. The Secretary may issue publications or utilize other media to disseminate research data for the purposes of this Act; enter into agreements with public or private organizations or individuals to stimulate research and development in neglected areas, thus contributing to a comprehensive, nationwide program of scientific and technical information dissemination in water research, which avoids duplication.

SEC. 112. The Secretary shall, in addition to such other actions as may be authorized or required, make generally available abstracts and other summary type information concerning water-related research accomplishments by all Federal agencies and by non-Federal agencies, private institutions and individuals, to the extent such information can be obtained and reported completed on research projects funded under provisions of this Act, including any direct publication of research information undertaken by the institutes.

SEC. 113. Water resources research programs carried out in accordance with this title may include, without being limited to: irrigation and other water use efficiencies; water and related planning, operations, management and legal systems; protection and enhancement of the water-based environment; institutional arrangements; salinity management; and economic, social and environmental impact assessment. Due consideration shall be given to priority problems identified by water and related land resources planning, data acquisition and like studies conducted by other agencies and organizations.

SEC. 114. (a) The Secretary shall cooperate fully with the Administrator of the Environmental Protection Agency and shall obtain the continuing advice and cooperation of all agencies of the Federal Government concerned with water problems, of State and local governments and of private institutions and individuals, to assure that the programs conducted under this title will supplement and not duplicate other water research and technology programs, will stimulate research and development in neglected areas and will provide a comprehensive, nationwide program of water resources research.

(b) The President shall, by such means as he deems appropriate, clarify agency responsibilities for Federal water resources research and provide for interagency coordination of such research, including the research authorized by this title. Such coordination shall include (1) continuing review of the adequacy of the Government-wide program in water resources research and identification of technical needs in various water resources research categories, (2) identification and elimination of duplication and overlaps between two or more agency programs, (3) recommendations with respect to allocation of technical effort among the Federal agencies, (4) review of technical manpower needs and findings concerning the technical manpower base of the program, (5) recommendations concerning management policies to improve the quality of the Government-wide research effort, and (6) actions to facilitate interagency communication at management levels.

SEC. 115. To carry out the water resources research programs authorized by this title, the Secretary may;

(a) Foster and participate in conferences relating to water resources research and other water-related topics, and provide information, advice and assistance to local, State, Federal and other agencies and organizations in the solution of water and water-related problems.

(b) Maintain an awareness through onsite inspection of promising projects and facilities and cooperate and participate when the purposes of this title will be served thereby.

(c) Accept financial and other assistance from any local, State, Federal and other agency in connection with studies or surveys relating to water problems and facilities and enter into contracts with regard to such assistance.

SEC. 116. The Secretary shall report to the President and Congress on or before April 1 of each year, showing the disposition during the preceding fiscal year of moneys appropriated to carry out each section of this title, the results expected to be accomplished through projects financed during that year and the conclusions reached in, or other results achieved by, those projects which were completed during that year. The report shall also include an account of the work of all institutes financed under section 102 of this title and indicate whether any portion of an allotment to any State was withheld and, if so, the reasons therefor.

SEC. 117. Excess personal property acquired by the Secretary under the Federal Property

and Administrative Services Act of 1949, as amended, for use in furtherance of the purposes of this title may be conveyed by the Secretary to a cooperating institute, educational institution or nonprofit organization, with or wtihout consideration, under such terms and conditions as the Secretary may prescribe.

SEC. 118. As used in this title, the term "State" includes the Commonwealth of Puerto Rico, the District of Columbia, the Virgin Islands and Guam.

SEC. 119. Contracts or other arrangements for water resources work authorized under this title with an institute, educational institution or nonprofit organization may be undertaken without regard to the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529) when, in the judgment of the Secretary, advance payments of initial expenses are necessary to facilitate such work.

SEC. 120. There are authorized to be appropriated to the Secretary, to remain available until expended, not to exceed $1,000,000 each year beginning with the fiscal year ending September 30, 1978, and continuing through the fiscal year ending September 30, 1982, to carry out the sections of this title other than those for which specific authorizations are made.

SEC. 121. With respect to patent policy and to the definition of, title to, and licensing of inventions made or conceived in the course of, or under any contract or grant pursuant to this title, and notwithstanding any other provision of law, the Secretary shall be governed by the provisions of sections 9 and 10 of the Federal Nonnuclear Energy, Research and Development Act of 1974 (P.L. 93–577, 88 Stat. 1234, 42 U.S.C. 5908): *Provided however*, That, subsections (l) and (n) of section 9 of such Act shall not apply to this title.

SEC. 122. The Water Resources Research Act of 1964 (P.L. 88–379, 78 Stat. 329, 42 U.S.C. 1961 et. seq.), is hereby repealed. Nothing else in this title is intended to repeal, supersede, or diminish existing authorities or responsibilities of any agency of the Federal Government concerning water resources.

TITLE II—RESEARCH AND ENGINEERING DEVELOPMENT ON SALINE AND CHEMICALLY CONTAMINATED WATER

SEC. 201. This title may be cited as the "Saline Water Conversion Act of 1977".

SEC. 202. The Congress in consideration of the Federal responsibility for water resource conservation by means of comprehensive planning, planning and construction of water resource development projects, and maintenance of water quality standards for the beneficial use of water from any source, finds that the technology for the conversion of saline and other naturally or unnaturally, chemically contaminated waters is vital to these areas of responsibility. It is the policy of the Congress, therefore, to provide for the development and demonstration of practicable means to convert, by means of desalination technology, water of these types from any source to a quality suitable for municipal, industrial, agricultural, and other beneficial uses.

SEC. 203. The Secretary is authorized and directed to—

(a) conduct, encourage, and promote basic scientific research and fundamental studies to develop effective and economical processes and equipment for the purpose of converting saline and other naturally or unnaturally, chemically contaminated water into water suitable for beneficial uses, and such processes shall include, but not necessarily be limited to, reverse osmosis and crystallization (freezing), vapor compression distillation, and membrane processes;

(b) pursue the findings of research and studies authorized by this title having potential practical applications to matters other than water treatment to the stage that such findings can be published in an effective form for utilization by others, and such work shall include application of desalting to other supply sources such as brackish, aquifers, staged development, interim or conjunctive use, and use with interruptible energy supplies;

(c) conduct engineering and technical work including the design, construction, and testing of pilot plants, test beds, and modules to develop desalting processes and plant design concepts to the point of demonstration on a practical scale;

(d) study methods for the recovery and marketing of byproducts resulting from the desalination of water to offset the costs of treatment and to reduce impact on the environment from the discharge of brines into lakes, streams and other waters;

(e) undertake economic studies and surveys to determine present and prospective costs of producing water for beneficial consumptive purposes in various parts of the United States by the saline water processes as compared with other standard methods, and by means of mathematical models or other methodologies prepare and maintain information concerning the relation of desalting to other aspects of State, regional and national comprehensive water resource planning: *Provided*, That in carrying out this function, the Secretary shall coordinate these studies with planning being performed under the provisions of title I of this Act; and

(f) initiate and carry out two demonstration projects whose objectives will be to evaluate the applicability of desalination technology to the development of brackish groundwater aquifers for irrigation, energy development, domestic and other uses.

SEC. 204. (a) The Secretary is authorized and directed to conduct preliminary investigations and to explore potential cooperative agreements with non-Federal utilities and governmental entities in order to develop recommendations for Federal participation in the construction, operation and maintenance of prototype plants utilizing desalting technologies for the production of water for consumptive use. Such recommendations shall be presented to the Congress before December 31, 1979, in the form of a 10-year plan for technology transfer. This plan shall set forth a schedule of cooperative undertakings with non-Federal utilities, governmental agencies and private interests to apply desalination technology to the commercial production of water. It will be devised so as to provide the Congress with an instrument for tracking and assessing the progress of desalination technology development and transfer.

(b) In carrying out the provisions of this section, the Secretary shall utilize the expertise of the water and power marketing agencies of the Department of the Interior or of other Federal agencies to insure that the recommended prototype plant and the supporting agreements are fully integrated and compatible with the water and power systems of the region.

(c) The Secretary is authorized to accept financial and other assistance from any State or public agency in connection with studies or surveys relating to saline water conversion problems and facilities and to enter into contract with respect to such assistance.

SEC. 205. In carrying out his functions under this title, the Secretary may—

(a) make grants to educational institutions and scientific organizations, and enter into contracts with such institutions and organizations and with industrial or engineering firms;

(b) acquire the services of chemists, physicists, engineers, and other personnel by contract or otherwise;

(c) utilize the facilities of Federal scientific laboratories;

(d) establish and operate necessary facilities and test sites to carry on the continuous research, testing, development, and programming necessary to effectuate the purposes of this title;

(e) acquire secret processes, technical data, inventions, patent applications, patents, licenses, land and interests in land (including water rights), plants and facilities, and other property or rights by purchase, license, lease or donation;

(f) assemble and maintain pertinent and current scientific literature, publications, patents, licenses, land and interest in land (including water rights thereto);

(g) cause onsite inspections to be made of promising projects, domestic and foreign, and in the case of projects located in the United States, cooperate and participate in their development when the purposes of this title will be served thereby;

(h) foster and participate in regional, national and international conferences relating to saline water conversion;

(i) coordinate, correlate and publish information with a view to advancing the development of low-cost saline water conversion projects; and

(j) cooperate with other Federal departments and agencies, with State and local departments, agencies and instrumentalities, and with interested persons, firms, institutions and organizations.

SEC. 206. (a) Research and development activities undertaken by the Secretary shall be coordinated or conducted jointly with the Secretary of Defense to the end that developments under this title which are primarily of a civil nature will contribute to the defense of the Nation and that developments which are primarily of a military nature will, to the greatest practicable extent compatible with military and security requirements, be available to advance the purposes of this title and to strengthen the civil economy of the Nation.

(b) The Secretary shall cooperate with the Administrator of the Environmental Protection Agency to insure that research and development work performed under this title makes the fullest possible contribution to the improvement of processes and techniques for the treatment of saline and other naturally or unnaturally, chemically contaminated waters and to avoid the duplication of the experience, expertise and data regarding desalting technologies which have been acquired.

(c) The Secretary shall cooperate fully with the Administrator of the Energy Research and Development Administration, the Secretary of Health, Education and Welfare, the Secretary of State, and other concerned officials and agencies in the interest of achieving the objectives of this title.

(d) Relative to the definition of, title to, and licensing of inventions made or conceived in the course of or under any contract or grant pursuant to this title, and notwithstanding any other provision of law, the Secretary shall be governed by the provisions of sections 9 and 10 of the Federal Nonnuclear Energy, Research and Development Act of 1974 (42 U.S.C. 5908): *Provided however*, That subsections (l) and (n) of such section 9 shall not apply to this title.

(e) The Secretary may dispose of water and byproducts resulting from his operations under this title. All moneys received from dispositions under this section shall be paid into the Treasury as miscellaneous receipts except where such operations may be undertaken as a part of a Federal reclamation project in which case the financial provisions of the Reclamation Laws (32 Stat. 388 and Acts amendatory thereof and supplementary thereto) shall govern.

(f) Nothing in this title shall be con-

strued to alter existing law with respect to the ownership and control of water.

SEC. 207. The Secretary may issue rules and regulations to effectuate the purposes of this title.

SEC. 208. As used in this title—

(a) the term "Secretary" means the Secretary of the Interior, acting through the Office of Water Research and Technology;

(b) the term "saline water" includes seawater, brackish water, mineralized ground or surface water and irrigation return flows;

(c) the term "other naturally or unnaturally, chemically contaminated waters" refers to waters which contain chemicals susceptible to removal by desalting processes;

(d) the term "United States" extends to and includes the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the Virgin Islands, and the Trust Territory of the Pacific Islands;

(e) the term "pilot plant" means an experimental unit of small size, usually less than 100,000 gallons per day capacity, used for early evaluation and development of new or improved processes and to obtain technical and engineering data;

(f) the term "test bed" means an intermediate-sized, experimental desalting plant of up to 2 million gallons per day capacity, used for further evaluation and refinement of processes in the field and designed to facilitate the incorporation of experimental features for performance testing and to permit process changes and improvements as required;

(g) the term "module" means a section or intergral portion of a desalting plant which is used initially to study large-scale technology and critical design features in preparation for subsequent prototype construction;

(h) the term "prototype" means a full-size, first-of-a-kind production plant used for the development, study and demonstration of full-sized technology, plant operation and process economics;

(i) under the terms in definitions (b) and (c) above, such terms are intended to include waters from any source—sea, ground or surface where desalting technology can be applied to convert them to a quality suitable for municipal, industrial, agricultural and other beneficial uses.

SEC. 209. (a) There is authorized to be appropriated to carry out the provisions of this title during the fiscal years ending September 30, 1978 and 1979, the sum of $35,000,000 to remain available until expended. The categories for which such funds are authorized are as follows:

(1) research expense;

(2) development expense; and

(3) administration and coordination.

The funds appropriated pursuant to such authorization shall be distributed to the foregoing categories as determined by budgetary priorities prevailing with not less than $10,000,000 for brackish ground water demonstration projects.

(b) Not more than 5 per centum of the funds to be made available in any fiscal year for research under the authority of this title may be expended, subject to the approval of the Secretary of State to assure that such activities are consistent with the foreign policy objectives of the United States, in cooperation with public or private agencies in foreign countries for research useful to the program in the United States.

SEC. 210. The Saline Water Conversion Act of 1971 (85 Stat. 159) is repealed.

By Mr. DOMENICI:

S. 847. A bill to assure a more thorough analysis of the use of alternative sites under the Public Buildings Act; to the Committee on Environment and Public Works.

Mr. DOMENICI. Mr. President, I send to the desk a bill that would assure a more careful and effective review of the possible use of excess Government-owned space when the General Services Administration is considering the location of any new Federal buildings project.

The need for this legislation came to light a couple of years ago when the Congress was asked to authorize the construction of a new consolidated law enforcement training center. The Committee on Public Works of the Senate, concerned over the very high costs of the proposed project, told GSA to reexamine the possible use of an excess military base for this activity. The GSA subsequently concluded that it could effectively convert a just-abandoned Naval facility at Brunswick, Ga., rather than building a new facility at Beltsville, Md., and this shift was found to save the taxpayers $20 million or more.

The approach of the bill I am introducing would provide greater assurance that GSA will examine such alternatives, and not automatically conclude that a new building is the best approach. Studies of alternatives, I believe, hold particular promise in any cases of special use, such as a training center. Our taxpayers will benefit.

A study of such alternatives is within the spirit and intent of Public Law 94–541, the Public Buildings Cooperative Use. That law mandates a review of possible use of older, non-Federal buildings for conversion into new Federal offices. If we should take that approach, and I believe that we should, we should also make a more careful review of alternatives that are already Federal property.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 847

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That section 4(a) of the Public Buildings Act of 1959, as amended (40 U.S.C. 601–605), is further amended to add at the end thereof:

"The Administrator shall, in conducting any survey under this Act, study the possible conversion of space that is excess to Federal needs or may soon become excess to such needs."

SEC. 2. Sec. 7(a)(4) of the Public Buildings Act of 1959, as amended (40 U.S.C. 601–615), is further amended to add, after the word "available", the following: "and why Federally owned space that is or will be available would not be suitable for such project".

By Mr. DOMENICI:

S. 848. A bill to improve the operations of the Soil Conservation Service; to the Committee on Agriculture, Nutrition, and Forestry.

SOIL CONSERVATION SERVICE

Mr. DOMENICI. Mr. President, I send to the desk a bill that would make three changes in the way that the small watershed program of the Soil Conservation Service is administered. Each of the three sections of this bill was adopted in a similar form last year by the Senate, as a part of S. 3823. But each was later dropped in conference with the House.

The Soil Conservation Service is doing an excellent job in this Nation. But I believe that a need exists to assure that the SCS does not move away from the basic intent of Public Law 566: The construction of small, rural projects that assist farmers and smaller agricultural communities. Many recent SCS projects are oriented toward urban and recreational development. While this may be helpful, I do not believe that the program should abandon its agricultural character entirely.

Mr. President, I ask unanimous consent that this bill, together with an explanation from the Senate report last year on the similar provisions be printed at this point in the RECORD.

There being no objection, the bill and excerpt were ordered to be printed in the RECORD, as follows:

S. 848

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of the definition of "works of improvement", contained in section 2 of Public Law 83–566, as amended, is further amended by adding after "$250,000" the following: "but not more than $10,000,000,".

SEC. 2. Section 2 of Public Law 83–566 is amended deleting the period and inserting a comma, at the conclusion of the proviso, and adding the following: "and provided further that each such project must contain benefits directly related to agriculture that account for at least 20 per centum of the total benefits of the project."

SEC. 3. The Secretary of Agriculture, acting through the Administrator of the Soil Conservation Service, shall study and report by September 30, 1978, to the appropriate committees of the Senate and the House of Representatives on the feasibility, the desirability, and the public interest involved in requiring full public access to all water impoundments, with recreation-related features, which were authorized or are proposed to be authorized using funds of Public Law 83–566, as amended.

EXCERPT

NEW SECTION

Under the provisions of the Watershed Protection and Flood Prevention Act (Public Law 83–566, as amended), the Secretary of Agriculture, through the Soil Conservation Service, submits watershed workplans to the Congress. Those containing structures of more than 4,000 acre-feet capacity are referred to the Public Works Committees of the House and Senate; those with structures of smaller capacity are referred to the Committees on Agriculture. All these watershed workplans are approved by Committee resolution.

Under section 201 of the 1965 Flood Control Act, Corps of Engineers projects for which the Federal share is less than $10,000,000, and which meet certain other requirements, can be approved by Committee resolution. But any project for which the Federal share is more than $10,000,000 may only be author-

ized after completion of the full legislative process.

Soil Conservation Service projects under the Public Law 566 program have traditionally been agricultural in nature and small in cost. The Committee notes that, in recent years, an increasing number of these projects have been in excess of $10,000,000. This is attributable not only to inflation and higher construction costs, but also to the fact that the program is now including urban areas which requires a higher degree of flood protection (i.e. larger structures), as well as agricultural areas.

The issue of urban versus agricultural benefits is addressed in section 65 of this legislation.

This section requires that Public Law 566 watershed workplans submitted to the Public Works Committees shall be authorized by resolution if the Federal cost of such workplans is less than $10,000,000. All plans with Federal costs of $10,000,000 will be authorized by specific legislation.

In addition, the Committee notes that the Public Law 566 program is limited to small watershed or subwatershed areas (i.e., areas not exceeding 250,000 acres). The Department of Agriculture has submitted several workplans to this Committee which have either severed a small portion from a total watershed in order to make the project area less than 250,000 acres, or divided a watershed in half so the cost of each segment would not be excessive.

The Committee on Public Works will not accept such obvious attempts to make what was intended as an agricultural program in small watershed areas a much more far-reaching effort.

Watersheds or subwatersheds thereof in which Public Law 566 projects are planned and for which workplans are submitted to this Committee, shall not be "trimmed," fractionalized, or otherwise divided into "upper" or "lower" either to meet the existing 250,000 acre limitation or the $10,000,000 Federal cost limitation instituted by this section.

NEW SECTION 2

The Small Watershed project law, known as Public Law 566, was established to assist the agricultural areas of our nation. For many years, this program, under the direction of the Soil Conservation Service in the Department of Agriculture, retained that agricultural focus.

However, in recent years the Committee has become concerned that an increasing number of the projects that it has been asked to consider have come to bear little resemblance to agricultural problems. Projects are being developed by the SCS that are heavily urban in benefits, or heavily recreational. The Committee believes that this was not the intent of Public Law 566.

In an effort to assure that the program continues as it was intended, this section prohibits the Committees of Public Works of the Congress from considering any Public Law 566 project that fails to have clearly defined agricultural benefits of at least 20 percent of the project's total benefits.

NEW SECTION 3

This section directs the Secretary of Agriculture to study and report to the Congress on the problems involving the lack of public access to lakes built with public funds under Public Law 566 and to make recommendation on how greater access might be assured.

A typical small watershed project under Public Law 566 may involve the construction of many small dams and reservoirs. Though many or all may be stocked with fish as an aspect of the project, it is quite normal that all or most of these lakes are closed to the public. In effect, public funds are used to build private lakes, even in connection with private housing developments and golf courses. In an effort to develop a consistent national policy that protects the interest of the taxpayers who helped to pay for these facilities, the Committee directs the Secretary to make a study to determine how public access can be facilitated.

The Public Law 566 program has largely been an ignored, stepchild of the Congress. It is the Committee's intention to undertake a major oversight review of the Public Law 566 program, in cooperation with other interested committees, as soon as practicable. This report would aid in that review.

By Mr. SCOTT (for himself, Mr. ALLEN, Mr. MCCLURE, and Mr. THURMOND):

S.J. Res. 31. A joint resolution proposing an amendment to the Constitution relating to the continuance in office of judges of the Supreme Court and of inferior courts; to the Committee on the Judiciary.

(The remarks of Mr. SCOTT when he introduced the joint resolution appear earlier in today's RECORD.)

By Mr. PROXMIRE:

S.J. Res. 32. A joint resolution to extend the Federal riot reinsurance and crime insurance programs; to the Committee on Banking, Housing, and Urban Affairs.

Mr. PROXMIRE. I am introducing, on behalf of the administration, a joint resolution to extend the Federal riot reinsurance and crime insurance programs.

These programs were established by the Congress to assure that property insurance is available to inner-city residents and businesses.

The Committee on Banking, Housing, and Urban Affairs recently held hearings on these programs looking toward their reauthorization.

The administration is now recommending in this resolution an extension of 1 year while a review is being conducted concerning the future of Federal insurance programs.

ADDITIONAL COSPONSORS

S. 4

At the request of Mr. DOLE, the Senator from Louisiana (Mr. JOHNSTON) and the Senator from Delaware (Mr. ROTH) were added as cosponsors of S. 4, to amend the Internal Revenue Code.

S. 76

At the request of Mr. STONE, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 76, a bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors.

S. 143

At the request of Mr. TALMADGE, the Senator from Oklahoma (Mr. BARTLETT) was added as a cosponsor of S. 143, relating to fraudulent activities under the medicare and medicaid programs.

S. 163

At the request of Mr. STEVENS, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 163, to amend the National Forest Management Act.

S. 168

At the request of Mr. STONE, the Senator from New Hampshire (Mr. DURKIN), the Senator from South Carolina (Mr. THURMOND), and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 168, a bill to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress.

S. 174

At the request of Mr. CLARK, the Senator from Hawaii (Mr. INOUYE) and the Senator from Montana (Mr. METCALF) were added as cosponsors of S. 174, to amend the U.N. Participation Act.

S. 180

At the request of Mr. BARTLETT, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 180, to amend the Occupational Safety and Health Act of 1970.

S. 185

At the request of Mr. CHURCH, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 185, to amend the Social Security Act.

S. 237

At the request of Mr. BARTLETT, the Senator from Texas (Mr. TOWER) and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of S. 237, to amend the Meat Import law.

S. 276

At the request of Mr. HATFIELD, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 276, to establish a national system to promote the reuse and recycling of beverage containers.

S. 309

At the request of Mr. MATSUNAGA, the Senator from Washington (Mr. JACKSON) was added as a cosponsor of S. 309, relating to recomputation of the retired pay of members and former members of the uniformed services.

S. 388

At the request of Mr. BARTLETT, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 388, to amend the Internal Revenue Code.

S. 408

At the request of Mr. HUDDLESTON, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 408, to amend title 5, United States Code.

S. 467

At the request of Mr. DOMENICI, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 467, a bill to amend the Railroad Retirement Act of 1974 with respect to benefits payable to certain individuals who on December 31, 1974, had at least 10 years of railroad service and also were

fully insured under the Social Security Act.

S. 562

At the request of Mr. MAGNUSON, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 562, the Union Station Improvement Act of 1977.

S. 593

At the request of Mr. HUDDLESTON, the Senator from Oklahoma (Mr. BARTLETT) was added as a cosponsor of S. 593, to amend the U.S. Grain Standards Act.

S. 604

At the request of Mr. JAVITS, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 604, the FSB extension bill.

S. 616

At the request of Mr. DOLE, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 616, to amend the Internal Revenue Code.

S. 664

At the request of Mr. BROOKE, the Senator from Indiana (Mr. LUGAR), and the Senator from Pennsylvania (Mr. SCHWEIKER) were added as cosponsors of S. 664, the Young Families' Housing Act.

S. 666

At the request of Mr. STEVENS, the Senator from Oklahoma (Mr. BELLMON) and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of S. 666, a bill to allow Federal employment preference to certain employees of the Bureau of Indian Affairs, and to certain employees of the Indian Health Service, who are not entitled to the benefits of, or who have been adversely affected by the application of, certain Federal laws allowing employment preference to Indians, and for other purposes.

S. 672

At the request of Mr. HUMPHREY, the Senator from Arizona (Mr. DECONCINI) and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 672, a bill to provide for the procurement by the General Services Administration of existing solar energy devices for use in Government buildings.

S. 687

At the request of Mr. MAGNUSON, the Senator from Washington (Mr. JACKSON), the Senators from New Hampshire (Mr. MCINTYRE and Mr. DURKIN), and the Senator from Minnesota (Mr. HUMPHREY) were added as cosponsors of S. 687, the National Oil Pollution Liability and Compensation Act of 1977.

S. 705

At the request of Mr. JAVITS, the Senator from Wisconsin (Mr. NELSON) was added as a cosponsor of S. 705, a bill to amend the Public Health Service Act to revise and strengthen the program under that act for the regulation of clinical laboratories.

S. 720

At the request of Mr. HUMPHREY, the Senator from New Jersey (Mr. CASE) and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 720, the National Child Nutrition Information and Education Act of 1977.

S. 744

At the request of Mr. BARTLETT, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 744, relating to the compensation of Members of Congress.

S. 745

At the request of Mr. TALMADGE, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 745, to provide a priority system for certain agricultural uses of natural gas.

S. 784

At the request of Mr. SCHWEIKER, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 784, to provide for unbiased consideration of applicants to medical schools.

S. 753

At the request of Mr. HUMPHREY, the Senator from Arizona, (Mr. DECONCINI) was added as cosponsor of S. 753, disability benefits for the blind.

SENATE RESOLUTION 81

At the request of Mr. BAYH, the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Pennsylvania (Mr. HEINZ), were added as cosponsors of Senate Resolution 81, relating to the expulsion of George Krimsky by the Soviet Government.

SENATE RESOLUTION 94

At the request of Mr. PERCY, the Senator from Massachusetts (Mr. Kennedy), and the Senator from Colorado (Mr. HASKELL) were added as cosponsors of Senate Resolution 94, a resolution relating to international cooperation to curb nuclear proliferation.

SENATE JOINT RESOLUTION 5

At the request of Mr. STONE, the Senator from Vermont (Mr. LEAHY) and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of Senate Joint Resolution 5, proposing an amendment to the Constitution of the United States relating to increases in congressional salaries.

ADDITIONAL COSPONSORS—SENATE JOINT RESOLUTION 11

At the request of Mr. STONE, the Senator from Nevada (Mr. CANNON) was added as a cosponsor of Senate Joint Resolution 11, providing for a National Leadership Conference on Energy Policy to be held during 1977.

SENATE RESOLUTION 97—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FINANCE

(Referred to the Committee on Rules and Administration.)

Mr. LONG, from the Committee on Finance, reported the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 97

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Finance, or any subcommittee thereof, is authorized from March 1, 1977, through February 28, 1978, in its discretion (1) to make expenditures from the contingent fund of the Senate, and (2) to employ personnel.

SEC. 2. The expenses of the committee under this resolution shall not exceed $565,000, of which amount not to exceed $45,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202 (i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1978.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 98—SUBMISSION OF A RESOLUTION AUTHORIZING PRINTING OF HISTORY OF THE COMMITTEE ON FINANCE

(Referred to the Committee on Rules and Administration.)

Mr. LONG submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 98

Resolved, That a compilation of materials relating to the history of the Committee on Finance be printed, with illustrations, as a Senate document, and that there be printed one thousand six hundred additional copies of such document for the use of that committee.

SENATE RESOLUTION 99—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FINANCE

(Referred to the Committee on Rules and Administration.)

Mr. LONG, from the Committee on Finance, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 99

Resolved, That the Committee on Finance is authorized to expend from the contingent fund of the Senate, during the Ninety-fifth Congress, $30,000 in addition to the amounts, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act of 1946, and in Senate Resolution 148, Ninety-third Congress, agreed to August 2, 1973.

SENATE RESOLUTION 100—SUBMISSION OF A RESOLUTION AUTHORIZING THE PRINTING OF "STUDY OF FEDERAL REGULATION, VOLUME II, CONGRESSIONAL OVERSIGHT OF REGULATORY AGENCIES"

(Referred to the Committee on Rules and Administration.)

Mr. RIBICOFF submitted the following resolution, which was referred to the

Committee on Rules and Administration:

S. RES. 100

Resolved, That the committee print of the Committee on Governmental Affairs entitled "Study on Federal Regulation, Volume II, Congressional Oversight of Regulatory Agencies" be printed as a Senate document, and that there be printed eight hundred additional copies of such document for the use of that committee.

SENATE RESOLUTION 101—SUBMISSION OF A RESOLUTION AUTHORIZING THE PRINTING OF "STUDY ON FEDERAL REGULATION, VOLUME I, THE REGULATORY APPOINTMENTS PROCESS"

(Referred to the Committee on Rules and Administration.)

Mr. RIBICOFF submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 101

Resolved, That the committee print of the Committee on Governmental Affairs entitled "Study on Federal Regulation, Volume I, The Regulatory Appointments Process" be printed as a Senate document, and that there be printed eight hundred additional copies of such document for the use of that committee.

NOTICES OF HEARINGS

SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Senate Committee on Energy and Natural Resources.

The hearing will be held in room 235 of the Russell Senate Office Building at 8 a.m. on Wednesday, March 2, 1977. Testimony will be received concerning the drought conditions and possible solutions in the Yakima project of Washington State.

For further information concerning the hearing, you may wish to contact Mr. Russell R. Brown of the committee staff, at 224–1076. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the committee in room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.

CHANGE OF HEARING DATE FOR OUTER CONTINENTAL SHELF LEGISLATION

Mr. JACKSON. Mr. President, I wish to announce that the hearing on S. 9, the Outer Continental Shelf Lands Act Amendments of 1977, originally scheduled for Friday, March 11, has been rescheduled for Tuesday, March 15, at 10 a.m. in 3110 Dirksen Senate Office Building.

ENERGY RESEARCH AND WATER RESOURCES SUBCOMMITTEE

Mr. CHURCH. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of public hearings before the Energy Research and Water Resources Subcommittee of the Senate Committee on Energy and Natural Resources.

The hearing on March 11, 1977, beginning at 9 a.m., will be held in the Post Office Auditorium, room 269, Main Post Office Building, 18th and Stout Streets, Denver, Colo. The March 14, 1977 hearing, beginning at 10 a.m. will be held in the Town Hall Building, Rifle, Colo.

S. 419 is a bill to test the commercial, environmental, and social viability of various oil shale technologies, and for other purposes. Testimony from industrial, environmental, and Government witnesses has been invited.

For further information regarding the hearings you may wish to contact Mr. Tom Laughlin at 224–5941 or Mr. Ben Yamagata, counsel of the Energy Research and Water Resources Subcommittee at 224–1076, room 3106, Dirksen Senate Office Building, Washington, D.C.

ESTABLISHMENT OF THE DEPARTMENT OF ENERGY

Mr. RIBICOFF. The Governmental Affairs Committee will begin careful examination of S. 826 on March 7. We expect to hold extensive hearings. On March 7, witnesses will be Dr. James Schlesinger, and John O'Leary, Administrator of the Federal Energy Administration. The second day of hearings will be March 9. Witnesses will include Cecil Andrus, Secretary of the Interior; Robert Fri, Acting Administrator of the Energy Research and Development Administration, and Richard Dunham, Chairman of the Federal Power Commission. Consumer, environmental, and industry representatives will be heard during the second week of hearings.

HEARINGS ON "SUNSET"

Mr. MUSKIE. Mr. President, next month, the Subcommittee on Intergovernmental Relations will open a new round of hearings on S. 2, the Sunset Act of 1977.

These hearings will build upon the record of 7 days of hearings held last year by the subcommittee on S. 2925, the precursor of S. 2. We plan to have testimony from representatives of the Carter administration, as well as from outside experts on the subject of congressional reform and program evaluation. We hope to have testimony from interested Members of Congress as well.

The hearings we held last year were extremely productive, in my opinion. In the first place, they helped us to build the case for the kind of far-reaching reform which "sunset" proposes. When S. 2925 was first introduced last winter, we had only a handful of cosponsors. By the end of the 94th Congress, however, we had almost 60. And we already have more than half the Senate as cosponsors of S. 2.

But more importantly, the hearings last year were most helpful in guiding us in the development of the sunset concept itself. The latest version of the bill, S. 2, reflects suggestions for improvement received by the subcommittee over almost a year's work on the legislation.

We have come a long way in trying to adapt this new idea to the structure and operations of the Federal Government. Nevertheless, reservations about the applicability of the sunset concept remain. I am hopeful that this year we can get to the heart of those reservations, because I, for one, am firmly committed to the idea and believe that its enactment is an essential part of a larger effort to bring the operations of the Federal Government under control.

We will be aided immeasurably in this effort this year by a new administration committed to Government reform in general, and to sunset in particular. Our hearings last year were notably lacking in constructive comments from representatives of the executive branch—the people who run the programs we are trying to bring under tighter rein. This year, promises to be different in that regard, and so I am looking forward to a productive year for sunset.

The subcommittee hearings are scheduled for March 22, 23, 24, 28 and 29, beginning at 10 a.m. in room 3302 of the Dirksen Office Building. Anyone wishing information about the hearings should contact Ms. Lucinda Dennis, the chief clerk of the subcommittee.

SUBCOMMITTEE OF EDUCATION, ARTS, AND HUMANITIES

Mr. PELL. Mr. President, on March 11, 1977, the Senate Subcommittee on Education, Arts, and Humanities of the Committee on Human Resources will hold a hearing on S. 701, the Emergency Educational Assistance Act.

The hearing will begin at 10 a.m. in room 4232 of the Dirksen Senate Office Building. All those who wish to submit statements or obtain further information with regard to these proceedings may contact Jean Frohlicher, counsel, Subcommittee on Education, Arts, and Humanities, 4228 Dirksen Senate Office Building, Washington, D.C. 20510, 202—224–7666.

ADDITIONAL STATEMENTS

WELFARE REFORM

Mr. TALMADGE. Mr. President, I was asked by the Secretary of Health, Education, and Welfare for suggestions as the Carter administration embarks upon major reform of the Nation's welfare system. This is certainly one of the most pressing problems in our Government and I was very glad to have an opportunity to give my views to Secretary Califano on the welfare issue. I endeavored, in a letter to the Secretary, to set forth four principal points.

First. That adequate work incentives be a major part of welfare reform. Too often we consider only the need for immediate food or cash aid and not the equally important value of work.

Second. That strong incentives for work be coupled with the assurance that work will not penalize the needy.

Third. That realistic eligibility limits be set in order not to insult the working taxpayers or make almost half the population of some states eligible for aid.

Fourth. There must be administrative simplicity.

Also, I have written Secretary Bergland of the Department of Agriculture and Bert Lance, Director of the Office of Management and Budget, to give them my views on the need for welfare reform and revision of the food stamp program, and ways to approach and resolve these problems.

I ask unanimous consent that my letters to Secretary Califano, Secretary Bergland, and Mr. Lance be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C., February 24, 1977.

Hon. JOSEPH A. CALIFANO, JR.,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. SECRETARY: This is in response to your letter of January 28, 1977 requesting my views on welfare reform.

There exists such a diversity of opinion as to what "reform" is whether in reference to welfare programs, tax law, or any other subject that I believe the term "reform" should be avoided. In my response to you I hope to clearly express what I propose and stay away from a use of the catchall term "reform."

The problem of the interpretation of terms is one that also appears in legislation authorizing the Aid to Families With Dependent Children program (AFDC). The phrases "reasonable work expenses" and "disregarding $30 and ⅓ of earned income" are good examples. I can assure you that when Congress approved the amendment to the Social Security Act authorizing "reasonable work expenses", it was never intended to be so broadly interpreted as to permit a family head to work and earn monthly wages in excess of $1,000 or to include monthly payments on an automobile. Nor was the term "disregarding" intended to apply to income that was not reported nor, for that matter, was "earned income" intended to include rents and royalties. Clearly, a general housecleaning of the AFDC program theory and implementation is in order.

A survey of State welfare administrators showed that the majority favored increased federal financial participation with a greatly decreased federal administrative role. They are, in essence, describing a block grant approach. A program of this type was recommended by the Finance Committee in 1972 and approved by the Senate for a pilot test.

Also, I believe the AFDC program must be administered by people close to the children and families who are the beneficiaries of the program. It is and must remain a children oriented program.

Today we are faced with the Supplemental Security Income program (SSI) experience which vividly portrays the problems associated with actual administration of a welfare program by the federal government. Similar types of problems, only greatly magnified and far more numerous, will arise in a federally administered AFDC program. In addition, assigning the administrative task to any federal agency, such as the Internal Revenue Service, will result in loss of effectiveness to the primary role of that agency. This has happened to the Social Security Administration.

Experiences in the Finance Committee have firmly convinced me and many of the Committee members that any major redesign of the AFDC program should be pilot tested in several areas of the country. Such pilot tests should be carefully analyzed, needed changes made, resulting in a proven success before Congress considers national implementation.

Very simply stated, I believe all employable persons should work and be productive. In this regard, the Work Incentive (WIN) program as modified in 1971, has, despite limited federal funding, proved very successful. It should remain as an essential element to the AFDC program and, perhaps, be considered as a tool in an expanded form to meet our existing unemployment crises. In fiscal year 1973, 65,000 WIN participants entered employment, resulting in 34,000 families going off welfare and the balance receiving a reduced AFDC grant. In fiscal year 1976, 182,000 WIN participants entered employment with 87,000 families going off welfare and the rest receiving a reduced AFDC grant, a substantial increase over 1973.

I am strongly in favor of the child support program which has proven successful since its first year of operation. It is important that this program be fully staffed so that it can successfully achieve its mission. It must be continued with your support so that children can attain the rights to which they are entitled and so that the appalling growth in the percentage of families receiving AFDC due to continued absence of one parent can be reversed. In 1973, there was a father of one or more of the children absent from the home in 95.6 percent of the families receiving AFDC.

If a redesigned AFDC program is considered necessary, I believe the first step that should be taken is to clean out ineligibles on the AFDC rolls and to correct errors resulting in overpayments and underpayments. The last six month quality control review showed 5.5 percent of the ADFC cases ineligible and 13.9 percent of the cases overpaid. When converted to payment errors, this amounted to $243 million in payments to ineligibles and to $206 million in overpayments. The $449 million in erroneous payments represents 10.5 percent of the total payments made during the period. The prior quality control review reflected $529 million in erroneous payments, a total of approximately $1 billion for fiscal year 1976. Total maintenance payments for AFDC amounted to $9.6 billion in 1976.

Improvements in the administration of AFDC would result in decreasing this waste of the taxpayers' money, some of which is the result of fraud.

Due to the length of time before any major new program could be enacted and the budgetary problems confronting any costly new program at the present time, you might want to consider my recommendations for such implementation as achievable under existing law.

The last point I would like to make concerns this nation's food assistance programs which, from their inception, have been based on the conviction that no citizen should go hungry in this land of plentiful food supplies. Although programs and the agricultural economy have experienced many changes, this fundamental policy is as valid today as it was over thirty years ago when the School Lunch program began.

It is my firm belief that the federal government should continue to insure that truly needy people have a reasonable opportunity to obtain a nutritionally adequate diet. This is the need that the food stamp and the child nutrition programs are aimed at and the need that should be paramount when we consider the reform of federal assistance programs.

Although I realize that you are not at the present time ready to propose any single welfare reform package, I believe that whichever approach is ultimately adopted must provide for a food stamp component separate and apart from a straight cash income supplement.

In this country of agricultural abundance, and sometimes surplus, public consciousness will not tolerate Americans going hungry. The food stamp program was made universally available because the direct distribution of commodities was found to be an inefficient and ineffective means of channeling food to hungry people. No unified cash welfare system can do as effective a job of preventing hunger in America as the food stamp program.

There are many legitimate demands on the disposable income of needy families. However, nutrition should be dealt with as the paramount demand. The only effective way to deal with this demand is through a food stamp program. And, in order to make clear the nutritional purpose of the program, the Department of Agriculture should retain its responsibility for administering the program.

There have been problems with food stamps. This program has been the object of ridicule and public dissatisfaction. Numerous attempts at food stamp reform were undertaken in both the Senate and House of Representatives during the 94th Congress. But, it is significant to note that, even when program abuses were front page news in the major newspapers of this country, there was no serious effort to eliminate the program. This simply evidences a recognition of the basic value of the food stamp program.

The failure of past efforts to achieve the goals of the food stamp program through straight cash grants have only served to highlight this point. Three years ago, the Supplemental Security Income program attempted to "cash out" food stamps, only to see them reinstated almost immediately.

It is also my firm conviction that any food stamp component of the welfare reform package should retain a purchase requirement. There is no evidence to show that if the purchase requirement is eliminated households participating in the program will indeed have the opportunity to obtain a nutritionally adequate diet. Furthermore, the purchase requirement is a means of instilling and nurturing the self-respect of participants and of allowing them to budget their expenditures as other American households must do.

Unquestionably, a number of eligible persons would not participate in a food stamp program if it were viewed solely as charity or a handout. With the purchase requirement, participants can "buy" into the program and thereby retain their self-esteem. This is particularly true in the case of the elderly.

The Senate Committee on Agriculture and Forestry and the full Senate debated the food stamp options last year. Although no legislation was enacted last year, the issues were focused. My current views on how the program should be reformed are contained in Title X of S. 275.

In the process of our debate over needed food stamp reforms, I believe four lessons were learned that should be remembered in in your formulation of a welfare reform proposal. (1) Adequate work incentives for recipients must be a major component of any set of reforms. Too often we consider only the need for immediate food or cash aid and not the equally important value of work. (2) Equity for those who do work must be the second major test of meaningful welfare reform. Strong incentives for work must be coupled with the assurance that work will not penalize the needy. (3) We must also be careful to set realistic eligibility limits that do not insult the working taxpayer or, as do some proposals, make almost half the popu-

lation of some States eligible for aid. (4) And, finally, decisions on each component of a reform package must be made with administrative simplicity constantly in mind. This simplicity is not an easily achievable goal, but, in the end, it benefits both the recipient and the taxpayer.

The basic philosophy of insuring a nutritionally adequate diet is also evidenced in the child nutrition programs. In the absence of these programs, many children would not be assured of an adequate diet. I, therefore, believe that these programs should be maintaind substantially in their present form and that the responsibility for the administration should also remain in the Department of Agriculture.

As your efforts toward welfare reform progress, the discrepancies between welfare program rules and those for the food stamp and child nutrition programs will become more evident. I will be pleased to assist you in your efforts and specifically I would, of course, be receptive to amending the food stamp and child nutrition programs to bring them into accord with your final reform package to further insure that benefits complement each other and are not simply pyramided.

With best wishes and kindest personal regards, I am

Sincerely,

HERMAN E. TALMADGE.

U.S. SENATE, COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D.C., February 24, 1977.

Hon. BOB BERGLAND,
Secretary, U.S. Department of Agriculture, Washington, D.C.

DEAR MR. SECRETARY: We have both worked long and hard toward the goal of meaningful food stamp reform. My commitment to this project has not diminished and I am confident that you feel the same way.

The Secretary of Health, Education, and Welfare has solicited my views on welfare reform. I was particularly pleased to have an opportunity to convey my thoughts on the Food Stamp and Work Incentive programs to Mr. Califano. Since many of the points I raised in that letter are equally applicable to the formulation of an Administration food stamp bill, I am enclosing a copy of my letter to Mr. Califano for your consideration.

Certainly the single most important issue in any consideration of food stamp reform measures will be whether to eliminate the purchase requirement. Because it is so crucial, I would like to describe to you my thoughts on removing the present requirement that all but the poorest food stamp recipients contribute a small portion of their income toward food purchases.

The major justification for such a drastic shift in the food stamp program is that many eligible households do not participate primarily because of the purchase requirement. There are simply no reliable empirical data to support this sweeping proposition. Furthermore, if this premise is accepted and carried to its logical conclusion, one must accept the nearly total destruction of the link between food stamps and adequate nutrition, along with an end to the food budgeting aid which food stamp allotments now provide. If some households are not now choosing to contribute a minimal portion of their income to food purchases through the mechanism of the food stamp purchase requirement, it is all too obvious that few of those brought into the food stamp program by removing the purchase requirement would elect to make food purchases—over and above their free food stamp allotment—sufficient to obtain a nutritionally adequate diet.

This being the case, the nutritional component of the program is lost and presently participating households are simply provided with increased purchasing power to spend as they se fit. The thrifty food plan as constructed requires very careful, frugal food purchasing in order to achieve a nutritionally adequate diet. With elimination of the purchase requirement, participating households would not purchase the full amount of food contained in the plan and the food stamp program as a nutrition program becomes a fiction. If the purchase requirement is eliminated, the program would become a straight income supplement.

Proponents of eliminating the purchase requirement invariably point to our elderly population as being among the primary "beneficiaries" of such a change. I simply do not accept this conclusion. Unquestionably, a number of persons would not participate in a "free" food stamp program viewed solely as charity or a handout. The elderly, particularly, have great pride and self-esteem. Elimination of the purchase requirement would be a blow to that pride and self-esteem.

I firmly believe that the reason the food stamp program is unique and has not been subject to the amount of public scorn heaped on the categorical welfare programs, is that participants must "buy in" into the program. There is a national sentiment in favor of self-help, and the purchase requirement is concrete evidence of the willingness of participants to take a step toward self-improvement.

A third problem with removing the food stamp purchase requirement would be its cost. No matter what estimate of costs is chosen, this dramatic change is bound to add hundreds of millions of dollars to the food stamp budget if it achieves its proponents' stated goals. Given the budget limitations under which the Federal government must operate, this can only mean that unacceptable benefit reductions or redistributions would ensue.

Administrative simplification of the program would be a natural outgrowth of eliminating the purchase requirement. However, this administrative simplification would be achieved at the cost of removing any assurance of participating households' nutrition and health. I believe this is too high a price to pay for administrative simplicity.

There are numerous possibilities for increasing accessibility to the food stamp program that do not involve elimination of the purchase requirement. Many of these possibilities, such as a meaningful variable purchase system, are contained in S. 275. I believe these represent a better way to increase access to the program.

I am looking forward to working with you and your staff as we progress with our consideration of food stamp reform. My staff and I will be available to provide and aid that you feel desirable.

With every good wish, I am

Sincerely,

HERMAN E. TALMADGE,
Chairman.

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C., February 24, 1977.

Hon. BERT LANCE,
Director, Office of Management and Budget, Executive Office Building, Washington, D.C.

DEAR MR. DIRECTOR: As you know, the President's Economic Recovery Package proposes an increase in public service employment under the Comprehensive Employment and Training Act (CETA).

This would create 290,000 public service jobs for fiscal year 1977 at a cost of $0.7 billion and 725,000 such jobs for fiscal year 1978 at a cost of $3.4 billion.

The President has stated that it is time to take people off of welfare and put them to work by an emphasis on jobs in the private sector. Also, he has stated that it takes time for the economy to expand and provide jobs for the unemployed.

I, of course, am in total agreement with this position as a strong advocate of the work ethic, a concept that is deeply ingrained in our national spirit. The basic issue is how can the President's goals best be attained. I believe that the answer may be found in the theory and operation of the Work Incentive Program (WIN).

Under the WIN program, AFDC (Aid to Families with Dependent Children) recipients are required to register for and be trained for employment. Recipients with dependent children under the age of six are exempt from these requirements. The program provides manpower training, employment services and opportunities, and supportive services, including child care for WIN families. Participants are not required to accept jobs if child care is not available. An essential feature of the WIN program is a tax credit for private employers who hire WIN registrants. Currently, it is twenty percent of a WIN registrant's wages.

The WIN program works very effectively in the service sector of the economy. Recent recessions have hit manufacturing, construction, and related industries the hardest, resulting in high unemployment rates in those sectors. Amazingly, at the same time, the service sector has expanded and created jobs for those in a position to take advantage of them. As I see it, the WIN program put the unemployed in the right place at the right time.

Statistics abound attesting to the success of the WIN program. In fiscal years 1973 through 1975, 297,000 WIN registrants entered employment. Of these, 139,000 were taken off the welfare rolls while 158,000 remained on welfare at a reduced grant. As a result of this new found employment, the welfare grants (federal and state) for fiscal years 1973, 1974, and 1975 fell by 385 million dollars. In addition, in fiscal year 1976 and the following transition quarter, an additional 237,000 WIN registrants entered employment. Of these, 105,000 individuals went off welfare completely. The WIN program's success is all the more significant, because the program has been seriously underfunded.

It is my firm belief that most unemployed want to work. There is, however, a need for federal assistance and encouragement. With increased funding and greater coordination between OMB and the Secretary of Labor, I believe the WIN program and philosophy can attain the President's enunciated objectives.

I look forward to working with you and the Administration in finding more efficient, less expensive, and more responsive ways for the federal government to meet the unemployment problem. Like you, I believe that the best way to do this is through the private sector. It was with this thought in mind that I originally proposed the WIN program in 1967 and its subsequent amendments. Also, I was successful in incorporating this concept in the food stamp reform bill passed by the Senate last year. The Senate bill patterned the food stamp registration requirement on the WIN program.

If you have any questions about WIN and its value versus other programs, or ways in which the WIN concept can be expanded to meet the unemployment crisis, do not hesitate to call on me

With best wishes and kindest personal regards, I am

Sincerely,

HERMAN E. TALMADGE.

SENATOR S. I. HAYAKAWA

Mr. PERCY. Mr. President, for the benefit of Senators who were out of town this past weekend I call to their attention an article from the Washington Post of Sunday, February 27, concerning one of our new colleagues, the Senator from California (Mr. HAYAKAWA). This well-written article by Lou Cannon gives us a lively and interesting picture of Senator HAYAKAWA who, despite his short tenure in this body, has already become known for his hard work, incisive and individualistic style.

Mr. President, I ask unanimous consent that the article on Senator HAYAKAWA be printed in the RECORD.

There being no objection, the article is ordered to be printed in the RECORD, as follows:

HAYAKAWA'S STYLE—HE SHUNS COURT JESTER ROLE

(By Lou Cannon)

S. I. Hayakawa was the comic relief of the 1976 election campaign, the candidate who said what came into his head and who proclaimed that we should keep the Panama Canal because "we stole it fair and square." Californians laughed all the way to the polls, where they elected Hayakawa to replace Sen. John V. Tunney.

Now, as a 70-year-old freshman senator, Hayakawa has them laughing again. In his first weeks in office he has surprised his colleagues by leaving the presidential inauguration because his feet were cold, enlivening a dull Republican gathering by playing the harmonica and dancing with a blonde secretary, and startling a nonpartisan group of partygoers by telling them how to create a Republican majority.

Behind the unconventionality, however, there have been early signs that in the Senate Hayakawa does not intend to play the role of court jester of the Republican right.

Ignoring the spate of jokes about him—many of which center on his admitted preference for an afternoon nap, even if it occurs during a hearing—Hayakawa has concentrated on sensibly and methodically learning the business of the Senate. When he has mastered an issue, he expresses himself with the grace and precision of the semanticist he is. None of this should be surprising to anyone who has examined Hayakawa's academic career.

On the Panama Canal issue, for instance, Hayakawa has without announcement retreated from his campaign position of opposing negotiations with Panama leading toward a new treaty.

"The United States entered negotiations with Panama to establish a more modern and mutually acceptable relationship between our two countries than the 1903 treaty provides," declares a form letter sent out by Hayakawa to constituents writing him on the issue. "Moreover, failure to enter such negotiations could well affect not only our friendly relations with Panama but with the rest of Latin America."

Hayakawa's letter goes on to say that a new treaty should provide for access through the canal for the United States and defense rights. But he tacitly accepts Panamanian ownership if these conditions are met, a position anathema to many conservatives.

There have been other signs that Hayakawa cannot easily be fitted into an ideological mold. He opposed the nomination of Griffin B. Bell for Attorney General, believing that Bell was "almost too much a man of his place and time and limited by that fact rather than being a national figure."

He pressed repeatedly for the pardon of Iva Toguri D'Aquino, known to World War II veterans as "Tokyo Rose," and is credited by at least one former White House aide with having played an influential role in President Ford's decision to grant that pardon.

Despite his age, Hayakawa was one of four senators to support a Senate reorganization report that would have eliminated the Select Committee on Aging on grounds its work could easily be done by another committee.

"I am reminded of some things I learned from my radical students at San Francisco State in the 1960s," Hayakawa said in support of eliminating the committee. "They kept telling me that inefficiencies and inequities in human institutions continue to exist because of influential people who stubbornly hang on to the existing system that gives them their power and influence ... As an alleged conservative Republican, I find myself peculiarly on the side of those pushing for change right now."

One change that Hayakawa is pushing for is thoroughly predictable on the basis of his 1976 campaign. He has called for allowing young persons to work for 30 per cent less than the minimum wage, and has introduced an amendment to youth employment legislation that would allow such an exemption for persons under 18. Not even Hayakawa contends that this amendment has much of a chance in the present session.

California's senior senator, Democratic whip Alan Cranston, has established a cordial relationship with Hayakawa. Cranston believes that "sensible conservatives" in California already realize that Hayakawa is not one of their own.

"He's unpredictable and will cast a lot of good votes and a lot of bad votes," predicts Cranston. "I don't know how it will add up, but it's great to have a senator who's individualistic and different."

In one sense Hayakawa's political career demonstrates the shallowness of political labels. The Canadian-born Hayakawa, prohibited by U.S. law from becoming an American citizen until 1954, cast his first presidential vote for Adlai Stevenson in 1956, and he remained a Democrat until 1973.

During most of his life Hayakawa was considered a "liberal," largely on the strength of his widely used 1941 book, "Language in Action." Hayakawa wrote the book as a response to the success of Hitler and his propaganda, and he used it to expose the fallacies of Nazi anti-Semitism and the dangers of stereotypes.

But Hayakawa became typed as a "conservative" in 1968 and 1969 when, as president of San Francisco State College, he resisted demonstrators. Overnight, after an incident in which he ripped out the wires of a student radical's loudspeaker, Hayakawa became a California media celebrity.

The image persisted long enough for Hayakawa to win the 1976 Republican senatorial primary, where he was lightly regarded by his two principal opponents, Robert H. Finch and Rep. Alphonzo Bell. But Bell and Finch split enough votes between them for Hayakawa to win.

So he came out of the primary regarded as a "lucky" candidate, as he has been considered lucky all his life He was at first a decided underdog against Tunney.

"There is no way for Hayakawa to win this election but he's going to," said Ronald Reagan aide Lyn Nofziger several weeks before the election. Some of Tunney's people couldn't believe it even after the votes were counted.

Lucky? Maybe. He was an obscure professor of English who gained public recognition by writing eight books. He became an expert tennis player, a swimmer, a fencer and a jazz authority, once writing a jazz column for the black newspaper, the Chicago Defender. He married a Caucasian woman when such marriages were not recognized by the law in California and socially endured the prejudices such a marriage then involved.

His colleagues, at the University of Chicago and San Francisco State College, formed differing opinions of him. Some found him fun to be around, others thought him remote and egotistical. All agreed that he was a remarkably disciplined man who made a point of doing well what he set out to do.

"Whatever he does totally absorbs him while he is doing it," says a colleague from his San Francisco State teaching days. "When he is fishing, fishing is the only thing that interests him. When he is listening to jazz or playing an instrument, nothing else intrudes."

Discipline would seem to be the key to Hayakawa's personality. He relentlessly celebrates the work ethic and the values of those who sacrifice to get ahead. His view that a man can make something of himself, whatever the racial or economic barriers, has framed his political views, which amount basically to a near-deification of the middle class.

"If I become a popular hero it is because I was seen as a person who stood for the middle-class values and if people flocked to the Republican banner at that time it is because they felt that the Republican Party was the party where middle-class values were really cherished more than they were in the Democratic Party," Hayakawa said at a recent meeting of the Republican State Central Committee in California.

While Hayakawa's friends and staff members describe him as warm and friendly, this is not the side usually seen in public. In conversation he is abrupt and laconic. He can be discursive on scholarly points, always in academic sentences studded with "almost" and "perhaps" and he breaks into a direct or profane response only when confronted with a question he does not care for.

When Hayakawa was asked during the election campaign about an initiative on the California ballot to permit greyhound racing, he replied: "I don't give a good goddamn about greyhounds, one way or the other. I can't think of anything that interests me less."

But he has a sure media sense. For one thing he knows the value of symbols to the media, and he has made his own favorite symbol, the tam-o'-shanter he wore during the San Francisco State disorders, the banner and reminder of his stand.

He also knows that reporters tend to rally to the side of the underdog. Recently, Hayakawa spent 45 minutes on the telephone with an Oakland tire operator whose one-employee shop was being picketed by the Teamsters union.

"I thought they should pick on somebody their own size," said Hayakawa.

The coverage of this seemingly random phone call made Hayakawa a defender of the underdog in his home state. He won added plaudits a few days later when he persuaded a Vietnam war hero who wanted to give his medals back because of President Carter's pardon for draft evaders to instead come into his Senate office and talk about his feelings. Before he left, with his medals still with him, the Vietnam veteran had been photographed in a tam-o'-shanter with Hayakawa.

Hayakawa hardly seems a media wizard as he bounces through the Capitol corridors. At 5-foot-6 he shares with Sen. John Tower of Texas the distinction of being the shortest senator. Even though Hayakawa dresses dis-

tinctively in bright plaid sports jackets, he is frequently confused with the two other senators of Japanese ancestry, both of whom are from Hawaii.

Hayakawa does not seem to care. He seems oblivious at times to events around him, living, as an aide puts it, "in a world of his own." At other times he will stare in childlike fascination at a painting or the Senate subway cars. When Hayakawa attended the winter meeting of the California State Society, an affair that is by tradition strictly social and nonpartisan, he startled his largely Democratic audience with a detailed speech on how to create a Republican majority. Hayakawa said afterward that an aide had told him the meeting was a Republican event.

But Hayakawa has always been a serious person—"far more serious than he appears," observes Cranston—and those who have known him for a time believe that his gaffes and his difficulties will be a passing phase because Hayakawa will not be content to be a Senate joke.

"I must say I'm overwhelmed by the responsibility of being a senator," Hayakawa said last week. "It really is one hell of a big job and it demands the best of one. I'm sorry that there isn't time to give matters the attention they deserve. It's the hardest work I've ever done in my life."

OLDER AMERICANS WERE HEARD

Mr. CHURCH. Mr. President, the Senate's decision on February 1 to retain the Special Committee on Aging, by a vote of 90 to 4, reaffirmed a commitment to older Americans.

Mr. Wendell Coltin has written an article for the Boston Herald American describing New England's senior citizens' opposition to the dismantling of the Committee on Aging. As Frank Manning, president of the Legislative Council for Older Americans, said:

It shows what can happen. The people reacted and got results.

I know that the elderly of Idaho and of many other States acted in harmony with their New England counterparts. That is why I said soon after our vote: "This grass roots effort and credit for the victory belong to the senior citizens themselves."

Mr. President, I know that my colleagues and I will continue to listen to the voices of older Americans and increase our efforts to find remedies for their many problems.

I ask unanimous consent that Mr. Coltin's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Boston Herald American, Feb. 10, 1977]

VOICE OF PEOPLE SWAYED VOTE IN SENATE

(By Wendell Coltin)

If you were one of those persons who wrote to your United States Senators to make known your opposition to the proposed abolishment of the Senate Special Committee on Aging, you've got good reason to be proud of yourself—and the American way.

There can be no doubt but what your letter, with the many others received by Senators from throughout the mainland—and those from Hawaii and Alaska, too—helped influence the 90 to 4 vote in the Senate that retained the committee.

The Senators heard the voices of the people and reacted.

An interested observer to the proceedings told this writer of the tremendous "impassioned" plea of Sen. Edward M. Kennedy to retain the committee. Earlier, the Senate Rules Committee had voted 5 to 4 in support of the proposal to do away with the committee and put its work under the Committee on Human Resources.

When the vote was "in," Sen. Kennedy told this writer, "This committee, on which I am proud to serve, will continue its past record of advocacy and commitment to the nation's elderly."

Letters we had received earlier from Sen. Kennedy, Sen. Edward W. Brooke (R-Mass.), Sen. Edmund L. Muskie (D-Me.) and Sen. John A. Durkin (D-N.H.), in response to a column we had written making known the fears of New England's elderly that the committee would be dissolved, gave assurance of their opposition to the proposal.

Sen. Brooke wrote, "With its many assigned concerns, the Committee on Human Resources simply cannot give as much attention to the needs of the elderly as is needed and as the Committee on the Aging now performs.

"As a member of the Special Committee on the Aging, I am extremely proud of the Committee's record of accomplishment for older Americans. Virtually every piece of legislation authorizing programs for the elderly and appropriating funds for these programs bears the imprint of the Committee on the Aging. If we are truly serious about our commitment to the elderly, we will keep in operation the Senate's primary and effective guardian of their welfare."

Our younger readers—and we do have many, we know from letters and telephone calls—have got to be pleased for the elderly for "winning this one" in the U.S. Senate. Only in America could they win a fight in the United States Senate! How about that?

Seriously, the elders spoke their piece; and we are going to remind you of something you have read in this column before. Senior Power! While the populace has been accustomed in recent years to a lot of "yakking" from young people about what's wrong with the country and the need for change it has been pointed out that many of the young people don't turn out to vote, notably 18 year olders after they got the franchise; but the older people do get out to vote and also make themselves heard.

Frank J. Manning, president of the Legislative Council for Older Americans, frankly speaking, told us he had not been optimistic about the Senate's overturning the Rules Committee. We were surprised to hear that revelation. Manning said, "It shows what can happen. The people reacted and got results.

"I feel both Senators Kennedy and Brooke should have great credit for the roles they played and Sen. Church, too. He put in long hours and went out of his way to fight to have this important committe retained.

"The senators got a barrage of mailgrams and letters from Massachusetts. I went as far as Northampton to speak to groups and urge them to let their senators know their feelings about the proposal. It was very unusual for the Rules Committee to be overturned."

Many elders couldn't understand the reasoning behind the proposed change. Still, change is always hard for some to accept, or understand. We are reminded of the story told to us some years ago by P. Joseph McCarthy, manager-treasurer of the AFL–CIO shoeworkers' union in Haverhill. A woman worker stood before him and asked, "What has happened to our shoe industry?" McCarthy told her, "Look down at your feet." He said she was wearing cheap sneakers imported from Japan.

Well, the elders of Massachusetts, New England and the rest of the country weren't caught flatfooted on this one. They rose to the occasion and, as tireless Frank Manning said, the Senate reacted.

FROM THE BLACKBOARD TO THE BEAT

Mr. DOMENICI. Mr. President, one of the pressing and important issues for the current Congress will be to enact constructive legislation that will help curb the massive and soaring crime rate in this country. Without doubt the crime problem in this country is extremely complex and undoubtedly no one single piece of legislation will solve all parts of the problem. Notwithstanding, we must press forward with reasoned, practical, and innovative yet compassionate legislation in this area. In this regard, I have already introduced or cosponsored several pieces of legislation which I urge the Congress to consider at an early date.

Mr. President, much is written today about how we can reduce crime. Many studies are undertaken which develop interesting solutions. We have all seen many of these articles and studies which are very theoretical and lack any practical value. I have just read an article by Prof. George Kirkham of Florida State University which I would like to recommend to all the Members of the Congress.

Mr. President, I commend Professor Kirkham for his perceptive article and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FROM THE BLACKBOARD TO THE BEAT; HOW ONE PROFESSOR CHANGED HIS MIND WHEN HE CHANGED HIS OCCUPATION FROM CRIMINOLOGIST TO COP

(By George Kirkham)

Imagine, if you will, plucking a criminology professor from the staid atmosphere of his campus and dropping him into the midst of one of America's teeming slums every night for a period of several months. Imagine divesting him of the familiar trappings of his favorite baggy tweed suit and substituting in its stead a blue uniform, badge and gun.

Just what sorts of things might be expected to happen to an academician turned policeman, particularly if he happened to be someone who had always been quite critical of the police role in our society? What changes might occur in his attitudes toward the law or his feelings about crime, its victims and perpetrators?

I underwent just such an occupational metamorphosis during the second half of 1973. Challenged by a number of my undergraduate students who either were or had been policemen and who disagreed with many of my classroom statements about the police, I decided to become a policeman myself for a period of several months in order to examine empirically the accuracy of some of the things I had been saying and writing about the police and crime in modern society.

Actually, it sounded at the time like an eminently sensible idea (notwithstanding the fact that it was arrived at in the heat of a beer-fueled debate one night with several of these young policemen-students). I decided that I'd had quite enough of being labeled an "armchair theorist," and I there-

fore began attending a local police academy at night.

After four months of instruction in such foreign subjects as firearms use, emergency childbirth procedures and accident investigation, I graduated from the academy and prepared to embark upon a new career as a 31-year-old rookie patrolman. I agreed with my students that the "experiment" would be most meaningful if I were to spend my several months as a policeman working a high-crime, inner-city beat in a major metropolitan area, the idea being to subject myself to as many of the stresses experienced by officers in such locales as possible.

A suitable city and assignment area were soon identified, and the cooperation of the chief of police was secured. "Sure," the chief assured me, "if you can meet all the entrance requirements and if you're nuts enough to try it, I'll put you to work down in 95," a beat which he described as having his city's highest incidence of street crime.

One warm June night, after working my way through a maze of personnel procedures, I found myself standing on the station house steps ready to begin work. I remember feeling incredibly awkward and out of place in my creaking leather and new blue uniform as I met my first riding partner and fell in with the other men for the evening roll call.

Even after my months of preparation for the role, I didn't think of myself as a policeman—certainly not in the beginning. The whole thing struck me as a masquarade, a novel and exciting research project in which I would use the time-honored scientific technique of participant-observer to study more closely. It was to be months later, after my return to the university, before I began to realize how profoundly the experience had affected me both as a person and as a social scientist.

Listening to the tapes I had made each night in my apartment after coming off duty, I could hear slow but inexorable changes occurring in my attitudes toward both the police and the handling of crime in our society. What happened? Well, while the experience of walking the proverbial mile in a policeman's shoes didn't transform me into a flaming right-wing apologist for the street cop, it did leave me with an infinitely greater appreciation of just what he is up against. Let me share with you some of the reasons I learned.

ROBBERY, RAPE, MURDER: IMPERSONAL PHENOMENA

Victims of crime had been largely abstractions to me until I became a policeman. For most criminology professors, a victim is a relatively inconsequential bit of ink on a page, a number on a chart to be coldly and methodically examined in an effort to understand the etiology of crime. Robbery, rape, murder—it makes no difference really—all are remote, impersonal phenomena. Much the same perspective characterizes the viewpoints of judges, criminal lawyers, jurors, probation officers and others connected with our criminal justice system. They all enjoy the luxury of confronting the victims of crime retrospectively, in a highly antiseptic and safe environment.

To a policeman—even the most callous of policemen—the victims of crime become something inescapably personal. My horror at witnessing their suffering firsthand, of literally picking up the pieces of shattered lives, permanently altered the meaning of the word "victim" in my lexicon.

I remember one night early in my new career kneeling on a rainy sidewalk beside an old man who was dying from a bullet wound in the chest. He had been robbed on the street by a youth gang and then shot in anger because he had only three dollars on his person. The memory of that incident—and too many others like it—is forever etched in my brain. It changed me; it changed my ideas.

I had, for instance, always been an adamant foe of capital punishment. As a criminologist, I know full well that the available studies convincingly demonstrate that capital punishment is not an effective deterrent to homicide. Yet, during those months as a policeman, in the wake of personally seeing innocent people killed by thugs, I began to favor the selective use of capital punishment for felonious murder. I began to feel, on a very personal level, that certain acts are intrinsically so heinous in a civilized society that they merit loss of the gift of life itself. The failure to exact such punishment itself devalues the worth of human life.

I should emphasize that this change in my thinking is not the product of rational, scientific deliberation; it stems from the emotional reaction I still have when I relive my memories of the lives I saw senselessly destroyed. To my university colleagues, who will surely be appalled to discover that any modern criminologist can seriously advocate capital punishment on a retributive basis, I can only say: seeing one shopkeeper who has been calmly executed with a shot in the back of the head after being robbed has infinitely more impact on one's thinking than all the books and articles that have ever been written on capital punishment.

A COP CAN'T BACK OFF OR PASS THE BUCK

Becoming a policeman began to change my mode of thinking about a great many other issues. The whole question of gun control, for instance, ceased to be an academic matter for me one night when my partner and I made a routine traffic stop of what turned out to be a stolen car.

My short career as a policeman nearly ended that night when the driver reached for a "Saturday night special" as I examined his license. Finding ways to keep guns out of the hands of criminals has held an almost visceral significance for me ever since that night.

The same is true of my long-standing interest in the social and economic consequences of alcohol abuse in our society. You only need to see one child crippled by a drunken driver to have your calm concern turn into intense anger.

I had always taken the many inadequacies and failures in our system of criminal justice more or less for granted. When I became a policeman, the workings of the very system I had for so long studied in the abstract began to impinge on me in very personal ways.

I remember one night when we asked the driver of a double-parked truck that was blocking traffic to move his vehicle out of the road. Though we made the request politely, he refused to move and loudly began to curse us for harassing him. I learned—the hard way—that in such encounters some people are impervious to reason and quickly interpret kindness and civility as weakness and as an open invitation to more intense displays of hostility.

I soon exhausted my repertoire of counseling techniques (which had always worked so well for me in prison and probation work settings) in trying to persuade the man that we were only doing our job and that it would be best for all concerned if he simply moved his truck. He refused.

Suddenly I understood what it meant to be in Harry Truman's "the buck stops here" position, in the sense that a policeman in such a situation can neither back off and ignore the problem, nor pass it on to someone else. I had often expressed the view in class that policemen are far too ready to resort to the use of force, yet now I found myself doing exactly that as we tried to get the man out of his vehicle. A scuffle ensued during which a large and angry crowd formed around us.

At one point, as we were trying to handcuff the man, two people grabbed me and tried to get my service revolver out of its holster, an attempt which instantly exposed me to a variable few social scientists ever come to truly appreciate: the flow of adrenaline. I managed to break free, get the shotgun out of its rack in the cruiser and put out an emergency call for assistance. (A note of irony: I had always said that shotguns in police cars represent "offensive weapons" and ought not to be allowed; yet had we not been carrying one that night I quite possibly would not be writing these words.)

At the jail that night I charged the truck driver and the two people who had tried to wrest my service revolver away from me with "resisting arrest with violence." I did so with what proved to be the naive expectation that justice would be done, that the suspects would be held to account for the serious crime with which they were now charged.

On a purely personal level, this wasn't just any cop who had been assaulted. This was me! That made all the difference in the world. I was accordingly astonished—enraged—when the trio reappeared on our beat the following night and were allowed to plead to "breach of peace." In time, I would learn that the badge and uniform afforded me little, if any, protection against assault, and that society and its courts seem to expect the police officer to accept his own periodic victimization as an occupational hazard.

As the months went by, I came to realize that I was involved in essentially a losing game. I had thought, in the beginning, that I would be able to apply much of my formal knowledge about crime and criminals on the streets of Beat 95. I found that it was not possible.

However much I thought I knew about the social and psychological, or the economic basis of violent crime, I found that it mattered little once some youth on my beat walked into a store with a gun in his hand. Time after time, I found myself forced against my will—forced by the realities of my new environment—to deal with other human beings on a very primitive level. As the weeks and months went by, I began to succumb to the very cynicism and sense of futility I had always condemned in policemen.

One night, toward the end of my third month as a patrolman, we stopped a well-known addict who happened to be holding a "kit" but no narcotics. I found myself urging my partner that we just destroy the paraphernalia and turn him loose. "Why book him?" I heard myself say. "It won't do any good. You know it never does any good!"

I had been watching criminals beat the justice system for barely three months, and already I was becoming deeply bitter and cynical about my role. What must it be like for a cop after 10 or 20 years? I wondered.

STREET JUSTICE: MEASURED IN SECONDS

Doubtless one of the hardest things about becoming a policeman for me was losing the luxury of time. University professors exist in a highly contemplative environment, one which affords oceans of time in which to make even the smallest of professional decisions. Take a book off the shelf. Talk it over with a colleague. Analyze it. A policeman's world is something altogether different. It is a place where even the gravest of decisions affecting the lives of others is often measured in terms of seconds. Even now, it makes me anxious to recall some of the split-second decisions I found myself forced to make during those months.

I remember one night when I came close to killing another man over what turned out to be nothing more than an aluminum whiskey flask. A stupid whiskey flask! Yet, to this day I would swear that it was a gun. He was chasing a woman down the middle of a ghetto street, shouting that he was

going to kill her. As the woman ran toward our patrol car, in the dark, she screamed that he had a gun. Then I could see the flash of the "gun" in his hand as he ran toward us. In his drunken state, he ignored—or maybe never heard—our commands to stop.

I remember a sickening sense of nausea in the pit of my stomach and the blood pounding in my ears as I ducked behind one of the cruiser's doors and tried to steady my gun with both hands, still shouting at the man to stop. My gun was within a few trigger pounds of going off when the man stopped abruptly and dropped the flask. When I discovered what it was, I just stood there trembling, trying to imagine what would have happened to me—not to mention how I would have felt for the rest of my life—if I had shot.

Incidents such as the one I have just described are always so clearcut when they are analyzed and discussed in retrospect in a court of law or at an internal affairs division hearing. Yet I discovered during those months as a professor-turned-policeman that such things as the law and police department policies, however precise and unequivocal they might appear on paper, are quite another matter when they must be applied on the streets by very fallible people operating under indescribable emotional pressure.

Perhaps the greatest single lesson to come out of my experiment was the discovery that I was very fallible, and that placing a professor of criminology—or a lawyer or a judge—in a police uniform is apt to elicit from him reactions quite similar to those of other men who wear it. The discovery is shattering. Nothing is ever quite the same afterwards.

IDAHO'S ASSISTANT STATE HEALTH OFFICER

Mr. CHURCH. Mr. President, the State of Idaho is a pioneer in the recognition of nurse practitioners as a vital part of the health care delivery system in rural areas.

Now Idaho has taken unprecedented action by naming a nurse practitioner, Mrs. Bee Biggs, as assistant State health officer. In this role, Mrs. Biggs is responsible for integrating the Idaho State health plan with the individual plans of the seven State health districts, along with improving access to primary care services for all Idaho citizens. In this latter role she has promoted more extensive use of nurse practitioners, through assistance in the development of health clinics staffed by nurse practitioners, and by counseling communities and agencies on use of nurse practitioners.

Bee Biggs has made an outstanding contribution to the health care delivery system in Idaho, and it is a tribute to the State that the importance of the nursing profession has been fully recognized and integrated into a health care system.

Mr. President, I ask unanimous consent that an article from the professional journal of the American Nurses Association, the American Nurse, describing Mrs. Biggs' achievements, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IDAHO NURSE BRINGS ENTHUSIASM TO STATE POST

(By Richard D. Hadley)

Bee Biggs, a registered nurse who is assistant state health officer of Idaho, bristles at the thought of being considered an office-bound government official.

"This is just not a desk-armchair-bureaucrat job from Boise," she declares. "And that's what makes it fun."

A family nurse practitioner, Ms. Biggs has held the position since it was created last April. "As far as I know there is at present no counterpart in the nation where a professional nurse serves as assistant state health officer with full sharing of administrative responsibilities," she commented.

Ms. Biggs has approached her duties enthusiastically. She directed development of Idaho's first cooperative public health plan, traveled throughout the state to strengthen and maintain liaison with seven health districts and other health organizations and promoted more extensive use of nurse practitioners.

In fact, a heavy workload led her to resign recently as a member of the Idaho Nurses' Association Board of Directors. However, she retains membership on the ANA Council of Family Nurse Practitioners and the certification board of the Division on Community Health Nursing Practice.

The idea of having an office of assistant state health officer with a registered nurse in charge came from John T. Ashley, M.D., Idaho state health officer. A newcomer to Idaho, Dr. Ashley began his job in early 1974. He soon perceived a need for a nurse in the division of health administration since more than 80 percent of Idaho's public health services are delivered by nurses.

Dr. Ashley sought the aid of Idaho Nurses' Association, nurse educators and administrators in the state to develop qualifications and a job description for the new position. Ms. Biggs was selected from a field of nine applicants.

IMMEDIATE TASKS

One of the new health officer's first tasks was preparation of a 200-page state public health blueprint integrating plans of Idaho's seven autonomous health district with the program plans of the state division of health. In addition Ms. Biggs is to direct evaluation of the combined product on six-month intervals after its adoption.

"This is in compliance with the 1974 federal health planning act. The Idaho public health plan will become part of a statewide health plan," she explained.

Another important aspect of her job is improving access to primary care services for all Idaho citizens.

"I encourage appropriate use of nurse practitioners in public and private health care settings. Studies have shown," she said, "that many small communities cannot economically support physicians.

"But costs to communities, health districts, the state and federal government are decreased by use of nurse practitioners in place of doctors. The cost per hour is considerably less to provide the same high quality health care," she added.

To educate the public, governmental agencies and health care providers (including nurses) about nurse practitioners, Ms. Biggs convened a meeting this past August of a dozen leading nurse practitioners in Idaho. The endeavor helped to prepare nurse practitioners as spokespersons for their discipline.

As a result six conferences were later conducted around the state publicizing the scope, advantages and future of nurse practitioners.

Her assistance to state residents often takes a more direct approach, such as counseling communities and agencies on use of nurse practitioners.

She described a small rural community (population 800) in southern Idaho that had formed a nonprofit corporation to establish a nurse practitioner clinic. "I helped to recruit nurse practitioners and develop appropriate nurse practitioner-physician linkage," she noted. "I also brought the community into contact with the National Health Service Corps which could provide financial support."

PROFESSIONAL BACKGROUND

A diploma graduate in the 1950s of College of Medical Evangelists (a hospital program at that time; now Loma Linda University, Loma Linda, Calif.), she later earned a B.S.N. from University of Nevada-Reno and a FNP certificate from University of Utah-Salt Lake.

Prior to her present position, she practiced medical-surgical nursing in a hospital, provided inservice education in an acute care setting, served as a public health nurse in a rural Nevada county and was a family nurse practitioner in association with a physician in Winnemucca, Nev. Her background as a FNP staff member for the Idaho Division of Mount State Regional Medical Program supplied valuable preparation for her new assignment with the state of Idaho.

"None of these experiences would have been possible without the supreme commitment and support I continually receive from my family," Ms. Biggs said. Her husband, Cree, is a bioanalyst with the Idaho Laboratory Improvement program. They have four children, ages 19 to 25.

Concerning her work, she admitted to one disadvantage in being assistant state health officer. She misses clinical practice and patient contact. "It is my only sense of conflict."

But there are many benefits to the position. One is an opportunity to get out of her office in Boise and travel to each multi-county health district every six weeks. This enables her to maintain contact with other health officials, citizens and the scenic Idaho out-of-doors which she loves.

"Idaho is a beautiful state. I see all of it quite frequently and in all seasons."

Summing up her feelings about her unique position as assistant state health officer, she commented: "It's an opportunity to really influence public health services from a nursing perspective."

TRIBUTE TO CONGRESSMAN JOE SKUBITZ

Mr. DOLE. Mr. President, Lincoln Day in Kansas is the annual get-together of the Republicans from the Fifth Congressional District. This year most of the attention at Lincoln Day was focused on their Congressman, JOE SKUBITZ. There is nothing extraordinary about that, but there was something special about it this year, because this year he used this traditional forum to announce his retirement. JOE SKUBITZ, Lincoln Day, and southeast Kansas all sort of go together. And while they will never go apart, it will seem strange to have the Fifth District represented in Congress by anyone else.

JOE is a rather colorful character who could keep a Lincoln Day crowd, or any other crowd, entertained with his lively stories and anecdotes. However, he is a good deal more than just colorful. He is an extremely hard-working Congressman who has represented his district in Congress with great forcefulness and with a great deal of concern for the opinions and attitudes of southeast Kansas. Southeast Kansas is something special and is, in certain respects, different from other sections of Kansas. Likewise, JOE SKUBITZ is something quite special and quite unique.

THE SON OF A COAL MINER

First of all, he is the son of a coal miner and there are not too many places in Kansas you can grow up and be the son of a coal miner. JOE did not follow in his father's footsteps, but it certainly was not because of any aversion to hard work. In fact, he worked very hard to get his bachelors and masters degrees from Kansas State College of Pittsburg and early demonstrated the determination which would carry him to the U.S. House of Representatives. Concurrent with his education, he was working as a teacher and principal in area junior high and high schools. Through this period, he coached basketball, football, and debate and taught dramatics and music. In fact, he had a major interest in sports both as a teacher and as a student. He played baseball on his college team, played basketball and football in high school, and semiprofessional baseball and basketball. At least some of the speaking skills which he possesses were acquired in high school and college debate.

EARLY POLITICAL CAREER

He began his legal education at Washburn Law School but finished at George Washington University here in Washington because he had come to Washington to work as administrative assistant to Senator Clyde Reed. He later went to work for Senator Andrew Schoeppel. In 1962, he entered the political arena on his own behalf and defeated the incumbent Republican Congressman by 141 votes. That was the only really close election which JOE was ever in, all the others were walkaways for reasons which become readily apparent when one goes to the Fifth District to talk with people who have elected him eight times to Congress.

CLOSE TO HIS CONSTITUENTS

The affection of those Kansans is readily apparent, and the reason for that affection is equally as obvious. JOE has never been far away from the people back home. People there appreciate his background and his hard work and dedication. When they speak with him, they recognize that here is someone who understands the problems of the area.

His background staved with him throughout his career. He never forgot where he came from. Others never forgot how hard he worked to get to Congress and they rewarded him by returning him again and again.

IN TUNE WITH HIS DISTRICT

However, his popularity was not based solely on personality or admiration. He represented the people of Kansas well because he was in tune with their views. His opposition to the Prairie National Park mirrored the concerns of his constituents, as did his opposition to OSHA farm regulations. As ranking member of the House Interior Committee, he has had an influence on park matters and in matters of concern to the areas of his district with a mining background. In addition, he is an influential member of the Interstate and Foreign Commerce Committee and is ranking on the Transportation and Commerce Subcommittee. One important achievement was his keeping the Kansas Army ammunition plant open. JOE has done a lot for his district.

Of course, JOE will not be leaving the Kansas congressional delegation for almost 2 years, but when he does, southeast Kansas will be losing a unique spokesman, an outstanding Congressman, and one of the region's great assets.

WATER POLLUTION

Mr. TALMADGE. Mr. President, the Georgia House of Representatives, now in session in Atlanta, has adopted a resolution which, for myself and my colleague, Senator NUNN, I bring to the attention of the Senate, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

GEORGIA HOUSE OF REPRESENTATIVES—H.R. No. 126

A resolution urging the Georgia Delegation to the United States Congress support Federal legislation and funding to clean up polychlorinated biphenyls (PCB's) in the lakes, streams and rivers of this Nation; and for other purposes

Whereas, polychlorinated biphenyls (PCB's) are chemical compounds which have an application in a wide variety of consumer products and industrial equipment; and

Whereas, although the first production of PCB's in the United States occurred in 1929, little was known of the possible harmful effects of this chemical upon the environment until quite recently; and

Whereas, studies indicate PCB's are toxic to aquatic life, are biologically accumulative, persist in the environment for a long time and may have a serious health impact on human beings; and

Whereas, the primary source of PCB contamination of the environment is from waste streams into receving waters; and

Whereas, as a result of such contamination Federal and State authorities have forced the closing of certain lakes, rivers, and streams to fishing, and in Georgia such contamination has resulted in the closing of certain portions of the Coosa, Etowah and Oostanaula rivers to commercial fishing; and

Whereas, the mere closing of lakes, rivers and streams does nothing to ameliorate the problem of such chemicals continuing to contaminate the environment; now, therefore, be it

Resolved by the House of Representatives that the members of this Body do hereby urge the members of the Georgia Delegation to the United States Congress to use their influence and persuasive powers to encourage the adoption of federal legislation, backed by federal funding, to provide a comprehensive program to clean up PCB's, as well as other harmful contaminants, from the lakes, rivers and streams of this Country; be it further

Resolved That the Clerk of the House of Representatives is hereby authorized and instructed to transmit appropriate copies of this Resolution to each member of the Georgia Delegation to the United States Congress.

PRESIDENT CARTER INITIATES ADVISORY COMMITTEE REVIEW

Mr. METCALF. Mr. President, I wish to call attention to a commendable action regarding Federal advisory committees taken by President Carter last week. He has directed a Government-wide, zero-base review of all such committees.

In his memorandum to agency heads the President pointed out that advisory committees can be of great value, but that many have outlived their usefulness. His review will require agency heads to determine whether there is a compelling need for a committee, whether the membership is balanced and whether it conducts its business openly.

President Carter has also, I am pleased to note, urged agency heads to confer with Congress regarding any statutory advisory committees whose continuance is questionable. I hope that the standing committees will complement this review by adhering strictly to section 5 of the Federal Advisory Committee Act (Public Law 92–463), which deals with their responsibilities regarding existing and proposed advisory committees.

Mr. President, I ask unanimous consent to print in the RECORD the text of President Carter's February 25 memorandum and the accompanying release issued by the White House.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Memorandum: For the head of executive departments and agencies.

Subject: Review of Advisory Committees.

Advisory committees can be of great value. They may contribute to the "openness" of governmental decisionmaking, and provide talent and opinions not otherwise available. However, many existing committees have outlived their usefulness, or are not providing truly balanced advice and recommendations.

The Congress reflected a similar concern in the Federal Advisory Committee Act (P.L. 92–463), which assigned committee management responsibilities to the President, to the Director of the Office of Management and Budget, and to the heads of agencies. In the first year after enactment, the number of committees was reduced by 250—and the number has remained about the same ever since.

Accordingly, I am ordering a government-wide, zero-base review of all advisory committees, with the presumption that committees not created expressly by statute should be abolished except those (1) for which there is a compelling need; (2) which will have truly balanced membership; and (3) which conduct their business as openly as possible consistent with the law and their mandate. The Director of OMB will provide you and your staff with instructions for carrying out the agency reviews, which are to be completed and submitted to OMB by April 15, 1977. Each agency should provide for open and public participation in its review process to the maximum extent consistent with an expeditious review.

I also urge you to confer with Congress about abolishing any advisory committees created by statute which you do not believe meet these standards.

I consider this an important part of our effort to improve the organization and effectiveness of government. To ensure that it is successful, I am requesting that you assume personal responsibility for the review insofar as your agency is concerned.

I hope for prompt results from this effort. Specifically, I hope that the number of advisory committees will be sharply reduced, and that appropriate changes in membership will be made wherever necessary. Moreover, I want you to undertake a continuing effort to assure that no new advisory committees are established unless they are essential to meet the responsibilities of the government.

JIMMY CARTER.

WHITE HOUSE RELEASE

The President today issued a memorandum to the heads of executive departments and agencies, ordering a government-wide, zero-base review of all advisory committees.

There are 465 advisory committees which are authorized, but not mandated, by law (e.g. "The Secretary is authorized in his discretion to establish a committee to . . ."). The cost of these committees in 1976 was $17.8 million.

There are 482 advisory committees established under the general statutory authority of Department Secretaries or executive or independent agency heads; these cost $15.3 million in 1976.

There are also 209 advisory committees created by statute, which cost $20.7 million in 1976.

WILLIAM SCRANTON AND THE UNITED NATIONS

Mr. HUMPHREY. Mr. President, the United Nations is approaching universality in which the world, at long last, will have a truly international organization. The growth from some 50 nations 31 years ago to its present size of 147 has enabled the institution to focus, for better or worse, on a larger view of the world.

Yet, with this growing universality there has also been a commensurate increase of disenchantment with the institution in the United States. Some of the criticisms are legitimate. Many of them are not when placed in the proper context of how the United Nations has evolved from its early beginnings in San Francisco when the United States and her Western European allies dominated the institution.

Former U.S. Ambassador to the United Nations, the Honorable William Scranton, reflected on the present state of this vital, yet maligned, international institution during a recent interview which appeared in the Christian Science Monitor on February 21.

In commenting on some of the actions taken by the U.N., particularly those resolutions which have passed the General Assembly in recent years which have antagonized both our policymakers and the American people, the Ambassador noted:

Maybe that's a good thing because it gives an opportunity for getting a lot of venting-of-spleens over with, and people who are very upset about things can yell and scream and produce resolutions.

I agree with Ambassador Scranton. One of the U.N.'s most vital functions is its ability to act as a safety valve. It has come to be an international forum for the underdeveloped nations where they can prick the consciences of the rich nations. For many of the less developed nations, the U.N. provides the only forum in which their voices can be heard effectively. It is in this forum that these countries hope to win critical trade concessions, present their cases for aid, economic assistance, emergency relief, and force the big powers to be more responsive to their concerns.

In essence, much of the political maneuvering and rhetoric within the U.N. on the part of the less developed nations is based upon legitimate economic and social grievances. It is the political tool which is wielded in order to catch the attention of the industrialized West on vital international economic matters.

I can remember when the concerns of the so-called New International Economic Order were being raised in the U.N. Economic and Social Council during the early 1960's. Much of the rhetoric was the same; the concerns were the same; and even some of the proposed programs were the same. Yet, the United States was more preoccupied with bilateral concerns; with global power politics and East-West rivalry. We appeared incapable of devoting attention to matters which, in time, became as vital to our security interests as the strategic balance between the United States and the Soviet Union. Thus, we chose largely to ignore the concerns of the less developed nations as they were being expressed in ECOSOC. After all, we then perceived, these countries had little if any political clout and really did not play much of a role in global concerns.

The OPEC oil cartel changed all that. It gave the group of 77 a political and economic weapon with which to catch the attention of the Western industrialized nations with whom their own economic development prospects were inextricably linked.

The disaster of the sixth special session of the U.N. and subsequent politization of the U.N. system finally prodded us into a growing awareness of the need to begin responding to these global economic and social concerns. This realization culminated with our preparation for the seventh special session of the United Nations, which was held a year and a half ago. A positive U.S. response to the economic concerns of the less developed nations, worked out in cooperation with then Secretary of State Henry Kissinger and a number of Members of the House and Senate, myself included, resulted in an equally positive response on the part of the group of 77. Since that time, with the exception of the passage of the infamous anti-Zionist resolution, the political rhetoric has died down and confrontation between the developed and less developed nations has subsided to a large degree.

What relevance does this bear for the people of the United States? This question was answered by Ambassador Scranton when he observed:

If you want to get into the economic end of it . . . the third world does need the developed world for its capital, its know-how, its technology. The developed world needs the third world for its resources, its emerging markets.

. . . it means the beginning of the integration of the world's economic relationship. And this means a greater potential for better living conditions, not just for the people in the third world, but for the people in the developed world too. The result is that more and more American people—for their work, for their prosperity, for their development—are going to need the rest of the world.

As we respond to these vitally important global economic issues, we still must devote considerable effort and time at protecting our political interests in the U.N. as well. The Ambassador addressed this point as well in his interview when he noted that last year the U.S. "spent a good deal of time last spring and summer working on a bilateral and multilateral basis to make sure that four very confrontational subjects as far as the United States was concerned—Korea, Puerto Rico, Panama Canal, expulsion or suspension of Israel—were handled as well as they possibly could be in this General Assembly."

All too often in the past we bore at least partial responsibility for many of the political decisions of the U.N. General Assembly. We would devote most of our time to our Western European allies, Japan, and Canada, while virtually ignoring the rest of the world—not that our allies are not important. They are, indeed, important. Yet, as I mentioned previously in my remarks, the United Nations is the only institution in which the less developed nations have an opportunity to raise their concerns. If this avenue remained closed to them, there was no place else to turn.

Fortunately, we have finally come to the realization that the less developed nations are as deserving of our attentions as any other group of nations—that if we spend time explaining our positions in an effort to protect our political interests, we can expect reciprocal understanding and cooperation on their part. This process must be continued under President Carter's administration. I am confident it will be, given the high priority the President has accorded the United Nations in our foreign policy processes. It is not an easy task. Yet, any worthwhile endeavor is never easy.

Mr. President, before concluding my remarks, I would like to quote from Inis L. Claude, a prominent American educator, political scientist, and international affairs expert who has astutely observed:

Only one thing seems to me reasonably certain: The future peace of the world depends more heavily upon the vigilance, farsightedness, wisdom, courage, persistence, and power of the United States than upon any other factor. The founders of the League of Nations and the United Nations were on the right track, I think, when they undertook to make those organizations serve as symbols of an American commitment to active leadership in the quest for a just and lasting peace.

I think Ambassador Scranton has made a significant contribution to recapturing that leadership quality so necessary to the effective functioning of an indispensable international institution—the United Nations. I believe he has rendered this Nation a great service. I commend his views to my colleagues.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SCRANTON STRESSES NEED FOR UN

(The United Nations has passed its lowest point and is on the way up, according to retiring U.S. Ambassador William W. Scranton commenting in a reflective interview shortly before the end of his term. Governments and diplomats, he says, are beginning to realize constant confrontation gets them nowhere.

(At the same time, multilateral diplomacy

is growing more important year by year, enhancing the influence of the UN ambassador within the U.S. Cabinet. Much has changed since the days of Adlai Stevenson and Arthur Goldberg, he says, and Andrew Young has made no mistake in accepting the UN post. Instead, he has a great opportunity.)

(By David Anable)

United Nations, New York

In Vermont not long back this reporter met a farmer who said the United Nations did not "add up to a hill o' beans." Is it worth a "hill o' beans"?

I think there are two things which are very important. One is the work of the specialized agencies which most Americans, including farmers in Vermont, probably know very little about. . . .

The other is that if you're going to do the three things that the UN was primarily set up to do—peacemaking and peace-keeping, economic development and human rights improvement—it is extremely important to have a body where everyone is represented (I happen to believe in universality despite my vote on Vietnam) and where they have a chance to bring to such an organization all their international problems.

That has been achieved. Practically every country in the world that has an international problem now brings it here.

However, you can't solve it here with 147 nations trying to work together. But you certainly can bring the problems here. Then it seems to me, it's got to break down into areas and organizations that can work on them independently . . . and bring them back here for approval and so they can be implemented.

Does the UN really reflect the views of the rest of the world, or is it used as a propaganda forum for putting across a political viewpoint?

Yes, it is used for that purpose, and we all know it is. But it's interesting that the Assembly can pass resolution after resolution and, under the UN's charter, they are not implemented. Maybe that's a good thing because it gives an opportunity for getting a lot of venting-of-spleens over with, and people who are very upset about things can yell and scream and produce resolutions.

But it is also used as a pressure thing to have some action take place in perhaps a different forum, where something can actually get done. But you come back to the point that, having accomplished this, someone's got to implement it. And if the agreement is not going along the way it ought to, there's always this organization to step in and help.

Is the balance in favor of the organization in terms of stepping in and helping or stepping in and hindering?

Now you're asking a different question. Americans get very upset about the UN because they are used to the period of time when it was pretty nearly run by the United States or certainly the developed Western world. That era has gone, and in my judgment it has gone permanently.

Then we went through a period of time, which we have not yet completely come out of, where colonialism was over with and all the emerging nations appeared. That has been an era of turmoil, of difficulty, or confrontation.

I think, beginning this year, that to a degree people have begun to realize that constant confrontation gets you nowhere on either side. You don't produce any programs that become effective. And some of us have realized that both sides, in some respects at least, need each other.

If you want to get into the economic end of it, for example, the third world does need the developed world for its capital, it know-how, its technology. The developed world needs the third world for its resources, its emerging markets.

I think more and more countries, more and more leaders, are beginning to realize this and recognize that some kind of formulation, of mechanics, has got to occur that brings us together so we can iron out these problems and work together for our mutual benefit. I think that's the new UN you're going to see.

But what does this mean to a farmer in Vermont, to a housewife in Illinois, or a surfer in California?

One, that the chances of keeping peace in the world are greater. And that's extremely important to them even if they are not thinking about it every day.

Second, it means the beginning of the integration of the world's economic relationship. And this means a greater potential for better living conditions, not just for the people in the third world, but for the people in the developed world too. The result is that more and more American people—for their work, for their prosperity, for their development—are going to need the rest of the world.

Does this mean that the American people are going to be held hostage to a gaggle of noisy diplomats at the UN?

No, it doesn't. It means that they're going to listen to a lot of noise, as they have been . . . but I think that if some of these major world problems begin to get solved [the Middle East, southern Africa, economics] then some of the noise will begin to quiet down—as it already has.

Take this year alone, I am told by everyone it was less confrontational. They've even made a compilation of where the U.S. was condemned in the General Debate and so on, and it's minuscule compared to last year.

Are you saying that as far as that is concerned, the UN has gone past the bottom?

Yes, I think it's gone past the bottom and it's beginning to turn toward getting some things done. It doesn't mean we can't sink back if we don't use our heads. But I think it's on the way up.

I think Andy Young and Cy Vance and Jimmy Carter have a great opportunity. America can take some real leadership here now. I think the thing has begun to turn enough so that they can . . .

One thing that no government has yet dealt with in its internal composition is the tremendous acceleration in multilateral diplomacy. One statistic: 1975 was meant to be the biggest year in the history of the Security Council. They met 69 times. In 1976 they met 113 times. . . .

It just shows, it seems to me, that more and more people are bringing more and more here. They're determined to make the UN the showcase, if you will, as far as multilateral diplomacy is concerned.

Take the U.S. We spent a good deal of time last spring and summer working on a bilateral and multilateral basis to make sure that four very confrontational subjects as far as the U.S. was concerned [Korea, Puerto Rico, Panama Canal, expulsion or suspension of Israel] were handled as well as they possibly could be in this General Assembly. Now that's never happened before in history.

Do you think Andrew Young can have a positive influence as an individual?

Yes. As you know I'm very high on this appointment. All this press baloney about the problems of Adlai Stevenson and Arthur Goldberg—and I don't mean that as a crack at either of them, they're both splendid people—has no relevance to today at all, internally, politically, in the U.S.

Let me explain why.

Those were the days when America was preeminent up here. Now we've been going through the days when America is a minority of almost one, sometimes one. If Andy Young is worried about his political future, he has made no mistake, sir. Because it is now not a question of winning on votes—everyone knows we have been losing incessantly—it is a question of how you handle yourself and what progress you can make to bring about real dialogue, real understanding, and some effective programs. . . .

And what about human rights?

I'm realistically optimistic about what the UN can do, and what America can do in it, with regard to peace-keeping and economic development. I am very depressed, at least in the immediate future, about progress in the field of human rights. And there is a reason for this.

The communist world has a completely different concept of what a human right is—if they believe in it at all. They believe the state is preeminent and that the individual should be subject to the state.

The third world generally is bogged down on the question of human rights because of their tremendous need for economic improvement. Until they begin to come round to the vision of the necessity for liberties and freedoms in order to have economic betterment for people, we're bogged down over here [in the UN] on making progress over human rights.

Do you see the world as a couple of dozen besieged democracies surrounded by a great sweeping mass of dictatorships?

No, I see it in a slightly different perspective. The part of the world we are talking about is the emerging nations. Now, a number of them are somewhat unstable economically or in other ways. (You take a look at the early history of the U.S., which I've been reading a lot about during this past bicentennial year, and you'll find it wasn't the most stable thing either. We were very lucky to have George Washington. . . .)

A lot of these countries have not got their stability yet. They are just emerging. And their first interest is to have some internal peace and economic progress so that their people can live better. When they begin as a group to get some stability and their economics begin to become clear I think you'll find a lot more interest in human rights and in freedoms.

IDAHO JAYCEES WINTERIZE HOMES OF ELDERLY RESIDENTS

Mr. CHURCH. Mr. President, for the third straight year, the Capital Jaycees in Boise, Idaho, are winterizing the homes of elderly persons in their community. The Jaycees donate time, skills, and organizational funds in insulating the residences of 15 elderly families. The project works in conjunction with El-Ada, Inc., a community action agency that provides a list of the homes that need winterizing, and with the city of Boise which provided a portion of the materials.

In performing this service, the Jaycees are hoping to reduce heating bills in the affected homes by 40 percent. As one beneficiary of the project stated:

My heating bill dropped by a third • • • a major factor to one on social security.

The Idaho Statesman carried a story recently about the accomplishments of the Jaycee project, and I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Idaho Statesman, Oct. 22, 1976]

JAYCEE PROJECT HELPS ELDERLY COMBAT WINTER

A small, green, frame house on Ross Street has come in out of the cold—or at least

bundled up for it—courtesy of the Capitol Jaycees.

That house is one of 15 in Boise the Jaycees are winterizing.

Jennie Folda, 70, of 612 Davis, watched four Jaycees come to her home Sunday afternoon, reseal the door facings and install semipermanent plastic storm windows, and leave within an hour.

"You know, they let on like it was a pleasure for them to do it," she said with a laugh. "Just like you were doing them a favor to let them work on your house. It sure was a good thing for me and I appreciate it. I just wish there was some way I could pay them or do something for them."

But the Jaycees' project, which probably will involve 30 of the organization's 60 members, is intended for senior citizens incapable of paying for the work or doing it themselves.

The Jaycees hope their project also will serve as an example to other Boiseans.

This wasn't the first time Jennie Folda had seen the Jaycees at her home. Hers was one of 12 Boise homes winterized by the Jaycees last year.

Before attic insulation was installed last year by the Jaycees, the back bedroom had to be sealed off and she slept on the living room couch at night, next to her oil heater.

The heating bill dropped by a third, she said—a major factor to one on Social Security.

Skip Wingfield, 1314 North Twenty-fourth, is project chairman of this year's winterizing project—the third year by the Capital Jaycees.

The project works in conjunction with El-Ada, Inc., a community action agency that provides a list of homes that need winterizing, and with the city of Boise, which provided the materials for window insulation this year.

Businesses also aid the project.

"The people who have been giving us the weather stripping have been selling to us at just about cost," Wingfield said, "and that helps out."

After the project's goal of insulating 15 homes has been reached, he said, the unused portion of $500 earmarked for the project will go to businesses that will insulate additional homes at cost.

Wingfield said the Capitol Jaycees have applied for a $1,000 grant from the United States Jaycees for winterizing more homes.

The plastic storm windows the Jaycees are installing this year are a big improvement over the thin plastic used the previous two years, Wingfield said.

The storm windows, although still plastic, are clear stiff sheets, as opposed to the cloudy visqueen used before.

"These older people like to see out and, anyway, with the visqueen, you have to come out every year to install it again. This year we just looked at something more permanent," Wingfield said.

One of the Jaycees working on the project, Jerry Henke, 4765 Samara, said many of the homes of the elderly that he had seen had poor insulation and loose-fitting doors.

"We had one last year, you could put your hand outside without opening the door," he said.

By installing the insulation, the Jaycees are hoping to reduce heating bills in those homes by 40 percent. Another factor, the Jaycees said, was the fellowship that community projects provided—a major goal of the Jaycees.

Before leaving, Ron Crow, 4507 Kendall, told Folda, "This has been one of my favorite projects. I've really enjoyed working on this."

When she protested that she felt the Jaycees should be paid in some way, Crow shrugged and said, "We're just a lot of guys messing around on a weekend. We might as well have a little fun."

As they left, she paused to tap one of the storm windows with satisfaction and said, "You can't tell they're there unless you know. That's nice."

The windows, which come in white plastic frames that seal to the inside of regular house windows, are easily removable when the milder weather returns. And the weight of the sheets—only a few ounces each—makes them easily removable and storable.

"It sure was kind of those men to do this," Folda said. "You don't see too many people who do that sort of thing anymore—young men who take their own time to do things like this. I don't really understand it. But it makes you feel good. It really does."

SWINDLING THE ELDERLY

Mr. CHURCH. Mr. President, all too often we tend to overlook, or not believe, what can happen in the marketplace when unscrupulous salesmen and self-proclaimed "businessmen" see an opportunity to make money. No potential victim of a swindle or a scheme to make quick money is overlooked, and our Nation's elderly are all too often the victims.

In many cases, factors which make the elderly prime targets for fraudulent schemes include loneliness, depression, fear of aging, fear of failing health, and desperately low incomes. In addition many elderly are viewed by salesmen as being less likely to complain about products and services once they have paid for them or signed a contract.

A recent Sylvia Porter column in the New York Post makes it only too clear how far some will go to separate the elderly from their money, sometimes their life savings. These "businesses" include schemes to prey on loneliness and isolation by selling companionship through dating and marriage services, by promising a return of youth and health through worthless cosmetics and medicines, and by appealing to decreased mobility through door-to-door and mail-order sales without the benefit of an established business to back up the services and merchandise sold.

I ask unanimous consent that the column be printed in its entirety in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

[From the New York Post, Dec. 21, 1976]

SWINDLING THE ELDERLY

(By Sylvia Porter)

If you are among the close to 23 million Americans now age 65 or over, this of all seasons of the year is the time to be on guard against:

Social referral, dating and marriage brokers who seek out the lonely and the elderly, the widow and the widower, and who lure them into paying big fees for introductions to new friends or possible mates. If you are a victim, you may pay as much as $250 to $300 for annual memberships in groups that offer limited, if not utterly worthless, services.

Work-at-home operators who promise you that you can earn substantial incomes without leaving your homes. If you are this sucker, you may be hooked into a deal that will compel you to purchase costly materials or make other investments without any guarantee at all of an income.

"Youth" peddlers who will pledge to restore your appearance of youth if you buy certain cosmetics and skin treatments, hair restorers, male potency pills, wrinkle removers, and so on.

It's no secret to any of us that Christmas is a time of great sadness and loneliness as well as of fun and games. And with one of every 10 Americans in the 65-or-over age bracket, the odds are higher than ever that you are in this group or that you know people who are. Thus, the Better Business Bureau of Metropolitan New York warns you to be on the alert for the swindlers who will try their utmost now to take advantage of your emotional stress to separate you from most or all of your nest egg.

In addition to the above, look out for:

Itinerant door-to-door salesmen who will try to scare you into signing a contract with a down payment for often utterly wasteful work on your home. They usually take the cash and flee.

Misleading advertising appeals to shop more by mail, particularly attractive if you no longer have ready transportation and must rely more than ever on shopping by mail. While shopping by mail is increasingly popular and most firms in the business are undeniably honest and responsible, there is a racketeering fringe. And no amount of self-policing by the industry has yet eliminated it.

Hospitalization policies which are loaded with small print "exceptions" and if-ands-and-buts that will eliminate you the minute you try to use the policy. The New York BBB urges you to study any hospitalization policy thoroughly before you sign up.

Fortune tellers and medical quacks who appeal to you who are in pain and find no relief in modern medicine. For stiff fees, you will be provided with useless advice and treatment. Closely related are the cultists who prey on you in an attempt to convince you to turn over your life savings to their groups.

The so-called vanity publishers who will fulfill your dream of publishing "that book." You will be required, under contract, to put up money for printing, binding, promotion and other costs—and of course, there will be no guarantee of circulation or income. There is nothing wrong with subsidized book publishing (many limited interest books would never be published otherwise). Where the chicanery creeps in, says the Federal Trade Commission, is in the publisher's understatement of the true nature of his work.

The developer of a lot in a still-to-be-built retirement community. Visit the site before you invest a penny; check out all details. Before you buy, write the Dept. of Housing and Urban Development Office of Interstate Land Sales Registration, Washington, D.C. 20411, and inquire about the seller.

Arthritis and rheumatism "cures," from which more than 12 million Americans suffer. The FTC's position is that no arthritis remedy now known can give more than temporary relief. Consult your physician for useful remedies available.

If you have any questions, check with any regional FTC office (there is one in New York) or headquarters in Washington, D.C.

For a free directory of state agencies on aging and regional offices of the Federal Administration on Aging, write the U.S. Dept. of Health, Education and Welfare, Office of Human Development, Administration on Aging, Washington, D.C. 20201.

ANTIDISCRIMINATION LEGISLATION IN RHODESIA

Mr. CASE. Mr. President, the Rhodesian Parliament this week will be considering legislative proposals to abolish many of that country's racial discrimination laws. The proposals were made public last Wednesday by Prime Minister

Smith and, according to news reports, already are the subject of controversy in Rhodesia.

The proposals do not go far enough for some blacks and are too sweeping for some whites, according to the press reports.

I have to say "according to press reports," because the United States does not have any representatives in Rhodesia, not even a factfinding mission, although some Members of Congress have made brief visits to Rhodesia and a two-man Senate Foreign Relations staff team made a visit there in December.

From the observations of those who have visited Rhodesia, it would appear that dropping that country's racial laws would be a useful and important step. Abolishing the discriminatory laws could help defuse the growing bitterness and also help encourage black and white moderates.

My distinguished colleague on the Senate Foreign Relations, the Senator from Alabama (Mr. SPARKMAN), made some perceptive remarks on the issue in a wide-ranging foreign policy speech February 24. I ask unanimous consent that the portions on Rhodesia be printed in the RECORD at this point.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR SPARKMAN

The more dangerous situation for the immediate future is in Rhodesia. The Geneva talks between the white Rhodesian Government and the black leaders have broken down, perhaps irretrievably—due partly to intransigence on the part of the Ian Smith government, partly to rivalries among the black factions, and partly to Britain's lack of leverage as mediator. Unless new diplomatic initiatives are taken soon, the prospect is for continuing, probably accelerating, guerrilla warfare, with the Soviet Union—and perhaps Cuba—supporting and encouraging the militant guerrillas.

However unwelcome, the diplomatic burden now shifts again to the United States, for the simple reason—as noted by Ivor Richard, the disillusioned British mediator—that the United States has more "clout". The basic plan to which Secretary Kissinger last year gained the acquiescence of the Rhodesian authorities—calling for an interim multiracial administration to be followed by majority rule within 2 years—remains a sound objective. It is now up to President Carter to take new initiatives to advance that policy, and as noted, he does not have much time. I would suggest that at the outset President Carter reiterate the American commitment to both majority rule at a fixed date and minority rights—the latter to be guaranteed by something more solid than vague or general assurances.

Perhaps a renewed conference on Rhodesia might devise—or at least suggest—a plan for black-white economic cooperation and protection of property rights, as well as for equal political rights for all individuals regardless of race. In the immediate future it might also be advisable—as recommended by a recent Foreign Relations Committee staff report—for the United States to send a special, temporary mission to Rhodesia—not as a mark of recognition of the present regime, and surely not of approval, but for the purpose of keeping in communication with the Rhodesian authorities and also with black nationalist officials, taking any opportunities that may arise to encourage moderation on both sides.

Mr. CASE. Mr. President, I believe that if the antidiscrimination legislation is passed, the administration should give serious consideration to the proposal cited by the Senator from Alabama, to send a temporary mission to Rhodesia, not as a mark of recognition or of approval but for the purpose of keeping in communication with Rhodesian authorities.

Even more important from the viewpoint of Congress is that such a mission could do the essential preliminary work needed if an international trust plan and development consortium is established, as suggested during the negotiations last year. Studying the various proposed development projects on the scene could give the "right signal" to the Africans that the development proposals are being seriously considered as well as giving the minority whites, essential to the economy, an assurance that they will not be stripped penniless if they stay for at least a year after the inception of black rule.

UNIQUE PEACESAT PROJECT

Mr. HUMPHREY. Mr. President, it is always with pleasure that I note accomplishments of my old Minnesota friends. Minnesota's contributions to our Nation have long been appreciated. The tendency, however, is to think only in terms of those who, by virtue of Presidential appointment or elective office, have received national recognition. It is with a sense of pride that I point out to this body that our State has also produced outstanding scholars, diplomats, artists, persons of accomplishments—brilliant talents that we have shared with the Nation in the field of science, politics, the arts, and the humanities.

One such outstanding citizen of distinction is Prof. John Bystrom, now at the University of Hawaii and formerly my friend and associate in Minneapolis, Minn. Professor Bystrom has developed a satellite link in the Pacific known as Operation Peacesat which has uniquely provided noncommercial educational, scientific and cultural exchanges among the nations of the Pacific basin.

An article in the newspaper, Dominion, of New Zealand, dated January 14, 1976, dramatically illustrates the importance of this project to New Zealand and to the other Pacific nations and areas. It is no wonder that Professor Bystrom's name has been mentioned for consideration as a winner of next year's Nobel Peace Prize.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SATELLITE LINK BRINGS PEOPLE OF PACIFIC CLOSER—EXPANSION OF THE UNIQUE PEACESAT PROJECT PLANNED

(By Christine Negus)

For the last four years New Zealand has been significantly involved in a unique project to transmit knowledge by satellite to people throughout the Pacific Basin.

Known as PEACESAT—the Pan Pacific Education and Communications Experiments by Satellite—the project has used a discarded NASA ATS-1 satellite stationed 22,000 miles above the Pacific, midway between Hawaii and Samoa, and ground facilities costing only a few thousand dollars, to form a network linking schools and universities.

The people using this information are in the fields of health, agriculture, science, education, law and literature. They include specialists and students, and people who need to call on resources and help that are outside their immediate environment.

To New Zealand it has meant, among other things, the emergency use of our medical skills to help halt a major outbreak of fever in Fiji.

Dr. Leon Rosen in Hawaii tracked the occurrence of dengue fever throughout the South Pacific in January 1975, consulting with doctors, in the hospital in Suva. By the end of February more than 300 cases had been notified. By the end of March 1000 cases were seen at Suva in one week.

The PEACESAT service prevented a duplication of effort and investigation in a situation where speed and research were both essential.

Dr. Frank Austin of the Virus Research Unit in Dunedin participated.

It is particularly in the health field that PEACESAT has filled a need. Family planning seminars throughout the Pacific, public health services, in-service training for dental nurses, medical leadership for partly trained personnel, have all adapted to the limitations two-way satellite communication imposes.

"I believe that this project has very important potential in terms of the continuing medical education of graduates scattered in different territories of the Pacific," says Dr. Ian Prior, director of the epidemiology unit at Wellington Hospital.

One of the important problems faced is the question of communication, particularly among men who have had training in a specialty, but who are having to function in a relatively small community largely on their own.

Mrs. Margaret Tweed, of Wellington, was involved with broadcasts to Girl Guides throughout the Pacific. Her reactions sum up the benefits and feelings of an international project that goes into the most humble hut in the South Pacific. "It was a most fascinating experience," she says. "It made us feel very close to people in other parts of the world."

The Prime Minister of Papua New Guinea says the same thing. "Our forefathers traded in canoes. Hundreds of years later I am talking to you through a satellite. But the message has not changed. We are neighbors. We have a distinctive history and background and we can best protect our interests and further our inspirations through regional co-operation."

The system is the only one which can serve isolated jungle settlements and the most sophisticated studio. Even X-rays can be sent, taking a third of a second to reach across the limits of space, culture and time.

PEACESAT grew out of one man's ideals and ideas. It has developed from an individual research programme started at the University of Hawaii in 1969 by Dr. John W. Bystrom, who acted on the conviction that information should be available to everyone who needs it, and not just those with the technological ability to produce and distribute it.

Dr. Bystrom is still the project director. But now it involves thousands of people in 12 nations; it has seen the interaction of people of many cultures and languages.

Dr. Bystrom says of the project: "PEACESAT is an international communications system that is designed to avoid domination from forces outside a country. Its purpose is to link the institutions and individuals engaged in the organised work of the society for their greatest effectiveness."

Dr. Bystrom had been interested in communications and information since he did his degree thesis on the Tennessee Valley Authority (TVA).

After his appointment as professor of communications at the University of Hawaii he set about bringing to reality his vision of making a communications network available freely to anyone who wanted and needed information.

He worked to the stage where pilot tests were needed. These were arranged and two terminals were set up in Hawaii. In April 1971 the National Aeronautics and Space Administration (Nasa) agreed to lend a satellite, the ATS-1.

Wellington Polytechnic became involved in the project in December 1971, to make the first international educational satellite network in the world.

"This was the result of entirely independent work by Anthony Hanley, then senior tutor at the Polytechnic," says Dr. Bystromt.

"With his students he had assembled a ground terminal as an instructional project with a radio class. This terminal has become a mainstay in our international experiments."

PEACESAT gave the world its first satellite library network, its first education network, and the first regional satellite network. And it is still in its experimental stages.

PEACESAT officials now propose to expand the range and scope of the scheme, using a more advanced and powerful satellite.

"We believe there is ample evidence to support an extended experiment that would lead to a permanent solution to the shortage of effective communication services," Dr. Bystrom says.

The expanded network will enable people from Teheran to Hawaii, from Alaska to Stewart Island, to have access to the satellite and the information sources they require.

Nasa has a satellite in storage which would be suitable for PEACESAT. It is the ATS-F (Prime), which has been partially finished at a cost of $22 million and is in storage.

Work on it was scaled down when President Nixon ordered a cut-back in satellite communications experiments as part of the policy not to compete with private domestic communication carriers.

A sister satellite was launched in 1973 and used for nine months over the Rocky Mountains to transmit television signals. Later it was shifted to above India and is now used to transmit educational television programmes to remote Indian schools.

ATS-F (Prime) was originally designed for the same sort of thing.

PEACESAT approached the Fairchild Space and Electronic Corporation and presented their needs to its chief designer. He has produced a unique system to meet the project's special needs.

Instead of one beam covering a relatively small area of the earth's surface, he has planned 24 beams. Each would have its own coverage zone, and they could be controlled by the countries they cover.

Together all the zones would cover 40 per cent of the earth, the full earth disc as it is called.

There would be at least 100 simultaneous voice circuits. But if a television picture were required then 50 of these could be exchanged for the television circuit.

A television circuit would require far more power and allow for only one-way transmission.

Within each coverage zone there would be stations and channels. The zones could operate separately or link as a conference network. This has been done successfully several times with the considerably weaker ATS–1.

It will cost about $8 million to make the adjustments.

The ATS–F (Prime) has a 30-ft. reflecting screen, so it will have to be launched by an U.S. Air Force Titan rocket. This will cost $36 million. The Air Force is understood to have 15 spare Titans on hand, surplus to the requirements of the current aerospace launch programme.

Ground stations are cheap and flexible, they are small, and easily set up. Each nation would have a more costly terminal centre, costing about $5,000 to $10,000 a year to operate.

These full utility terminals could have a computer, teletype, and facsimile, machines, switchboards, transmitters and studio space, depending on what the country wants, needs, or can afford.

The standard terminal is permanently housed, and sends and receives voice, teletype, and facsimile. Schools, medical centres, and smaller institutions would cope adequately with this. Everything sent could be recorded easily.

The portable terminals, costing under $100, are used by research teams, regional inspectors, doctors and people who need only a lightweight small terminal to send and receive messages. Other cheaper terminals have been used successfully for students, and people in remote areas. They are merely a four-pronged aerial wtih a modest amplifier and loudspeaker.

"A system in which low-cost satellite terminals can be quickly established almost anywhere can draw the educated manpower of the world closer together and closer to needed data and information stores," says Dr. Bystrom.

For the last five years PEACESAT has operated on less than half a million dollars. But now a lot of money is needed for expansion.

ALL IN WEEK'S WORK

At the Wellington PEACESAT terminal about 18 hours a week are spent on satellite communication.

Coverage may range from such things as a medical network of 20 remote villages in Alaska to a new programme in the United States, a meeting of Girl Guides in Rarotonga, an international maths competition from Papua New Guinea, or a programme in ferro-concrete technology from Hawaii.

But Wellington sends out a lot.

Look at one week's programme:

Monday: University of South Pacific News; exchange proposals and development, messages, project directors' meeting; special report; Guide leaders' training.

Tuesday: Pacific doctors review clinical problems; Alaska-Pacific information meeting.

Wednesday: University of the South Pacific administration messages; conference on dengue fever epidemic; discussion on fresh water shrimp collection between Niue, N.Z. and Neumea:

Thursday: U.S.P. administration; international PEACESAT Consortium Council meeting; Honolulu meeting to consider Pacific migration problems.

Friday: U.S.P. administration; South Pacific Commission news exchange experiment.

HEALTH PRIORITIES

Mr. CASE. Mr. President, Senator EDWARD BROOKE, the ranking minority member of our Labor, Health, Education, and Welfare Appropriations Subcommittee, delivered a very thoughtful speech in New York City at the Albert Lasker Medical Research Awards Luncheon in New York City during the fall recess. It outlined his view of our priorities in health legislation for this Congress and our responsibility to provide adequate funding for these programs as well as ones already in existence.

Mr. President, I ask unanimous consent that the text of Senator BROOKE's remarks be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR EDWARD W. BROOKE

(Albert Lasker Medical Research Awards Luncheon at St. Regis Hotel, New York City, Nov. 19, 1976)

Mrs. Lasker, Dr. Debakey, Distinguished Award Winners, Ladies and Gentlemen:

It is truly an honor and privilege to join with you in your tribute to Dr. Yalow, Dr. Ahlquist, Dr. Black and the World Health Organization. Each has gone far in fulfilling mankind's ancient desire to eradicate disease. They exemplify the accomplishment of medical funds well spent. And they bring a message which you in the private sector and we in the public sector cannot ignore. And in responding to their message we have no time to waste.

Thus with the election of 1976 behind us, we must draw up a list of our priorities and develop plans for the new chief executive and the new 95th Congress.

First we must be realists and face the fact that the state of the Nation's economy and the tragedy of unemployment will head the national list of priorities. Our job is to see that the health problems of our people, which result in costs of more than $100 billion a year, are given high priority on that list.

And there is no doubt but that there is a crisis in health care in our country and therefore the time for a solution has arrived. A national health insurance program has been on the back burner too long. It must be moved up to the front and now.

Unfortunately we may have helped to create that crisis by insisting immediately on the whole loaf of a universal, comprehensive national health insurance program when we possibly should have accepted a step-by-step approach.

Toward that end I have joined with Senator Jacob K. Javits of New York in introducing the Maternal and Child Health Care Act.

Our proposal would provide comprehensive ambulatory, hospital, mental and social care for all children from birth to age 18. We also include all necessary prenatal and post partum health care for women up to 12 weeks after child birth. Payments to health professionals would be made on the basis of negotiated fee schedules, with payments for institutional care agreed upon in advance. The program would be financed through payroll taxes and funds from general revenues.

The proposed bill is an obvious step toward national health insurance because, first, the costs of such a program would be low. In recent years expenditures for health care by the population under 19 have been far lower, not merely than those of the 65 and over age group but even of the population between 19 and 64 years of age.

Second, even though there may be a shortage of health resources, including institutions and trained personnel, in some parts of the country, the argument cannot be made that the country lacks the resources to supply the more limited medical services needed by children. We have the health resources to serve them.

If, however, there are insufficient resources for the nation as a whole, so that they have to be rationed, a strong case can be made for giving children priority.

Third, children are the citizens and the producers of the future. Any investment in their health will yield rich dividends to the nation in the form of higher future productivity and lower medical care expenditures as they reach adulthood.

Fourth, a program for children also offers the best prospect for implementation of preventive policies, about which we say so much and do so little.

Fifth, this is a limited program not dealing with the whole population. Therefore, any

failures or weaknesses of administration or organization or control of cost escalation would have a less serious impact on both the economy and the reputation of the universal program and could be more readily corrected.

However, while national health insurance or any components of such legislation are being considered, we must continue to work toward the fulfillment of those federal health programs that already are on the books.

Too often people forget that the authorization of a worthy health program is only the first step in the legislative process. It is essential that those who actively support Federal health programs also maintain their efforts through the appropriations process as well.

Our own Mary Lasker has learned this lesson well. Her untiring work on both authorizations and appropriations has done much to assure high levels of funding for the National Institutes of Health and for hypertension, cancer and other important programs. Her splendid record should be a model for all for us.

As Ranking Minority Member of the Senate's Labor-HEW Appropriations Subcommittee, I see my job as working to provide adequate funds for deserving health programs. But in order to do my job I will need all of the support I can get from you and as many others like you as is possible. I want to work with you and I want you to work with me in order to achieve the goals we seek.

Let me assure you that Chairman Warren Magnuson and the members of our Labor-HEW Appropriations Subcommittee are committed to the fight against illness and disease. We recognize that the costs are high and constantly escalating, but we also recognize those costs do not and cannot compare to the cost of human suffering.

To this end, our Labor-HEW Appropriations bill provides billions of dollars each year for care of the sick. Medicaid obviously is a major area of funding, but our Subcommittee also appropriates substantial sums for specific programs covering maternal and child health, hypertension control, disease control including immunization, and Public Health Service hospitals. Millions more are spent to train doctors, nurses and other professionals and paraprofessionals in the health fields.

We also are very concerned with the need to expand medical knowledge. For we know that through broader knowledge, health care can be improved, and prevention of disease can become more possible. We also know that good preventive medicine begins with a soundly based program of basic medical research.

Our focus here has been in the biomedical research carried out by the National Institutes of Health. NIH and its accomplished staff have done excellent work. It has been most gratifying to hear that the 1976 Nobel Prize in Medicine was jointly awarded to Dr Carleton Gajdusek (Gad-a-shek) of NIH and to Dr. Baruch S. Blumberg who, while at NIH in 1963, made the initial discovery in the work for which he was awarded the Nobel Prize.

NIH funding has been growing steadily over the years and in Fiscal Year 1977 it will total $2.5 billion. In cancer alone, our bill provides $815 million. Heart disease funding will approach $400 million. For arthritis, metabolism and digestive diseases, we provide $209 million. All of the NIH institutes were increased over the 1977 budget requests. And through our funding we provide for new initiatives in a number of health areas including diabetes, spinal cord regeneration and nutrition.

I think this action reflects the commitment of the Congress to a continued attack on life threatening and disabling diseases. I believe it also shows a recognition that inflation is a major factor in health research and that we simply must invest more just to keep up with the rising costs.

And the results are beginning to show. We now know that the death rates from stroke, hypertension and rheumatic heart disease are declining. We also know there is progress in the effort to prevent blindness from diabetes, and fortunately we are seeing some decline in deaths from breast cancer.

I am particularly pleased that I was able to sponsor and hold funding for the National Cancer Institute at $815 million. As we all know, cancer is the leading cause of death after heart disease and one of the leading causes of death in children—a disease that brings great physical pain and mental anguish to its victims.

We must advance the frontiers of our medical knowledge about cancer. The $815 million appropriation for NCI will enable us to expand research into environmental causes now estimated to cause between 60 and 90 percent of all cancers. Additional emphasis will be placed on early detection, diagnosis and treatment. NCI says the funds will further encourage research into the promising areas of nutrition and pain control.

We also have strengthened the attack on heart, lung and blood diseases with an appropriation of $396.6 million, or some $54 million over the budget request.

A major beneficiary of this action will be NIH's research effort in the area of hypertension. I am sure that many of you know of the increasingly successful campaign led by the Heart and Lung Institute to identify and help victims of high blood pressure. The additional funds will enable the Institute to do more hypertension screening and follow-up, particularly in coordination with several of the states. And it also will be possible to undertake a study of how hypertension affects young people as well as how it may be controlled at an early age.

Our appropriation for the Heart and Lung Institute in addition will permit an expanded research program into the link between diabetes and heart disease and into arteriosclerosis and lung diseases, including emphysema. We appear to be making progress in all these areas.

I think that through the 1977 Labor-HEW bill we have sent out a strong signal of our determination to continue and even step up the attack on heart, cancer and other diseases which bring death or chronic illness to millions.

Please be assured that I am ever mindful of the concern about excessive or wasteful expenditure of Federal funds. I am firmly committed to a reduction in federal spending where it is possible, but I think we can all agree that there can be no reduction in funding when it comes to the Nation's health.

There is so much to be done:

The Nation's infant mortality rate—still at an unacceptably high level—must be reduced.

The problem of Sudden Infant Death Syndrome must have expanded research to find out why infants die unexpectedly in their cribs.

Our programs to bring down the VD rate, assist victims of lead-based paint poisoning and improve occupational health must be strengthened.

We must continue the attack on abuse of alcohol and dangerous drugs.

We have a major and continuing responsibility to the victims of mental illness, and we must work to complete the nationwide network of Community Mental Health Centers.

And we must continue the effort to provide better health care in medically underserved areas of the nation, both rural and urban.

And I could go on and on.

In summation, I believe the 1977 Labor-HEW Appropriations bill to be a further step toward the fulfillment of these and other health goals which the Congress has set for the Nation.

I believe it establishes a strong foundation upon which to develop our funding plans for Fiscal Year 1978.

Of course the first step will be taken by President Gerald Ford in the formulation and submission of his 1978 budget to the Congress in January. The second step will be an amended budget to be formulated and submitted by then President James Earl Carter, Jr.

I hope and pray both will reflect the constructive, forward-looking agenda that our Subcommittee and the Congress have established for the field of health. But if they do not, let there be no doubt that we are prepared to fight for a national health budget that is realistic yet compassionate, as we have done in the past.

However, I believe that all concerned—and particularly the public—will be better served if confrontation yields to accommodation.

We will need all of the cooperation we can get from the new President, from his Secretary of HEW and from his Director of the Office of Management and Budget in order to get vital health care, research and training programs thus funded and implemented.

For there can be no doubt that these programs are vital to the health of the nation and that good health is basic to all else. Many have made this point but perhaps no one has made it better than did the great Benjamin Disraeli. Almost 100 years ago the then Prime Minister of England put it this way.

"The health of a people is really the foundation upon which all their happiness and all their power as a State depend."

Disraeli's words are as true today as when he uttered them in 1877. We must make it our goal to work unceasingly to improve the health of our people and we must do so with good sense and great generosity.

NEW ROADS TO MENTAL HEALTH

Mr. ABOUREZK. Mr. President, rarely are we treated to new and unique approaches to mental health; however, a recent article in the Washington Post of Sunday, February 13, 1977, by Dr. Jim Gordon, outlines an approach that not only has worked well but also is one which can be quickly and easily adapted in mental health treatment.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW ROADS TO MENTAL HEALTH

(By James S. Gordon)

(NOTE.—Dr. Gordon, a graduate of Harvard Medical School, is a research psychiatrist and coordinator of programs for runaway youth at the Child and Family Center of the National Institute of Mental Health in Rockville. The views expressed here are his and do not necessarily represent those of NIMH.)

Recent surveys reveal that 2 out of 10 Americans are in "serious need" of mental health services. Each year almost 1 per cent of our population is admitted to mental hospitals. We consume several billion doses of Valium and Librium annually. Millions of people are addicted—to barbiturates, heroin, methadone and alcohol. Psychosomatic disease is endemic.

In searching for answers to the problems of mental health, we tend to forget that

they often have roots in the particular conditions of our society. Of course, we know that poverty predisposes people to psychosis and hospitalization; that fragmenting community structures and confused family relations promote depression, alcoholism and even "schizophrenia"; that pressured and alienating working conditions precipitate psychosomatic illness and drug use; that lack of employment opportunities and a narrow social vision make young people disturbed and disturbing; that isolation and institutionalization depress older people.

Yet we ignore all this and focus our therapeutic attentions and our economic resources on individual sufferers. We call them "mentally ill" and all too often—as if their problems were simply analogous to a physical illness—treat them with drugs and electroshock treatment. When they do not get "better," we lock them up in mental hospitals.

During the last several decades the mental health establishment has adopted two major approaches to the American people's problems in living: biomedical research and the establishment of local mental health facilities. Neither has lived up to expectations. Both have been flawed by the pervasive and narrowing influence of the "medical model of mental illness."

Biomedical researchers, ignoring whole people in families and communities, workplaces and cities, have searched for the specific physiological and biochemical causes of schizophrenia, manic depressive psychosis, depression and anxiety. They have experimented with medical and surgical cures—the right drug or the right operation, the right place in the brain to stimulate or depress—just as they might with treatments for diabetes or cancer of the lung.

When the phenothiazine group of tranquilizers—Thorazine is one—were introduced in 1954, they were heralded as the "cure" for schizophrenia. An immediate exodus from state and county hospitals was followed over the years by a leveling-off process. Twenty-two years later, the percentage of the overall population in mental hospitals has decreased somewhat, as has the average length of stay, but the overall numbers of patients have remained the same.

Some of those "maintained" on phenothiazines, or more potent drugs developed later, seemed to function well outside the hospital. But many have come to feel as constricted, as robbed of their full potential, by the stupefying and numbing effects of the chemicals as they had been by the hospital walls. And many who felt satisfied with the emotional level maintained by their medication have found themselves experiencing severe physical 'side effects" — impotence, disabling tremors, extreme sensitivity to sunlight, chronic skin rashes, easy tiring, obesity.

The passage of the Community Mental Health Centers Act in 1963 was hailed as a "bold new approach" by John F. Kennedy. It signaled a modification of the medical model, a growing sensitivity to the effects of poverty and social stress on the creation of "mental illness," an increasing awareness of the possibilities of helping people by working with them, their families and their communities to change their social situation.

The facilities which the act has helped create have indeed brought mental health services to millions of people. They have not, however, resolved the contradiction between a social and a medical definition of "mental health illness." Too many community mental health centers simply perpetuate the medical model and, in so doing, provide inappropriate services.

In outpatient clinics that are little more than an aggregation of private therapists' offices, the center staffs insist that people fit into one or another diagnostic category and predetermined therapeutic experience. Instead of providing the services—economic and educational, residential, vocational and counseling—necessary to help seriously disturbed people live successfully at home and in their community, they tend to hospitalize them or to obliterate anxiety about these problems with maintenance doses of drugs. The consultation and education they provide is often directed at strengthening the skills of other professionals—teachers, guidance counselors, etc.—rather than, say, changing the classroom conditions which frustrate students, teachers and guidance counselors alike. Rarely do they provide services to people who, though needy, are unwilling to define and stigmatize themselves as mentally ill. Still more rarely do staff members spend a substantial amount of time outside their clinic doors, in the community they are supposed to serve.

THE PERSONAL TOUCH

I received my own psychiatric training in such a facility. Working as a psychotherapist with poor people, I began to realize the wrongheadedness of a system that largely ignored the day-to-day realities confronting people when, after an hour, they left my office. I discovered how much faster some of the most troubled people would lose their "psychotic symptoms" if I devoted more of my energy to understanding the concrete, depressing realities of their lives—and then helped them deal with those realities.

Driving one man to a welfare office; waiting with him; helping him prod its sluggish and indifferent bureaucracy into giving him emergency payments let him know more graphically than any words that I really did "care" about him. Afterwards he spoke much more easily of his "personal" problems.

Visiting a "paranoid' teenager in her home, I discovered that her parents were constantly invading and intruding—on her room, her mail, her bureau drawers, her phone calls, even the pockets of her blue jeans. I obviously had to take her seriously when she told me that "they're as crazy as I am." She couldn't possibly become less "paranoid" until they changed.

When I worked with a "Crisis Intervention Team" in the psychiatric emergency room of a municipal hospital, I learned that 80 per cent of those who would have otherwise been admitted could be helped to stay at home. With the intensive involvement of the crisis team (a psychologist, a nurse and three paraprofessionals), a family could pull together to help one of its members during a psychotic episode or suicidal depression. While they assisted family members in dealing with external problems (welfare, job, housing, food), the team used the crisis as a lever toward understanding the particular dynamics which had precipitated it. Often, in a few weeks, without hospitalizing anyone, the team was able to help a family resolve a situation which had seemed intolerable.

As a chief resident in charge of a mental hospital ward, I tried to reverse the process of institutional labeling and degradation to treat patients with the same kind of respect that I would wish. I found that a group of patients, when allowed to take part in making rules and in working out cooperative living arrangements, simply stopped being so disturbed.

The patients, given the possibility of trust by the staff, free to come and go, tended to stay and try to work out their problems. Allowed to regulate their own medication, they tended to use it occasionally, when necessary, and to avoid becoming dependent on drugs. "Everywhere else," one "chronic schizophrenic" young man told me, "I'm crazy; here I'm sane."

Still, I concluded that the reforms that could be made within the context of traditional mental health settings were severely limited by structure and by ideology.

ALTERNATIVE SERVICES

When, five years ago, I entered the U.S. Public Health Service, I decided to look for places in which troubled people could be helped—and could help themselves—without so many constraints.

I began to work—as consultant, researcher and colleague—with "alternative human services." I wanted to see if the ideology of professionalism really did make it more difficult to meet the needs of troubled people; if changing the setting in which help was given and the attitudes of those who were giving it made a substantial difference in the people who received it; and if the skills I had developed in my psychiatric training could be effectively shared with and enlarged by groups of dedicated non-professionals. After five years, I do not think these services have "the answer" to people's problems in living, but they are certainly dealing with those problems in ways that are respecteful open-minded and effective.

Alternative services are approximately 10 years old. Most of them were founded in direct runaway teenagers, battered wives, suicidal city dwellers—as non-professional adternatives to mental health facilities (and social service agencies) which these people had found threatening, demeaning and inadequate. To isolated and troubled people whose lives were in constant flux, they were an anchor; to those who volunteered time, they seemed an affectionate if sometimes chaotic family, a place where for once they could determine how they were going to work with people.

Ten years ago a handful of switchboards, drop-in centers, free clinics and runaway houses served young people in the "hip" neighborhoods of a few large cities. Today thousands of these services exist, aiding people of all ages and classes in small towns, suburbs and rural areas as well as in the cities.

Some are explicitly "self-help"—communities of ex-addicts, associations of parents of mentally retarded children and consciousness-raising groups for women and old people. Others—runaway houses, group foster homes, hotlines—were launched by people viewing themselves as older, more experienced brothers and sisters reaching out to younger ones. Still others were created by established community groups—churches, synagogues, Ys and social welfare departments.

Though there are many differences among alternative services, they share certain assumptions, attitudes and practices which make them particularly useful and responsive to the people they serve. Among the most significant, I have found in my five years of work with alternative services, are these:

They respond to people's problems as those problems are experienced. A woman whose husband is beating her is regarded as a victim, not scrutinized as a masochist; a child who leaves his home is seen, housed and fed as a runaway, not diagnosed as "acting out disorder" or judged as a "status offender."

They provide services that are immediately accessible, with a minimum of waiting and bureaucratic restriction. Hotlines, shelters and battered women, runaway houses and many drop-in centers are open 24 hous a day to anyone who calls or comes in off the street. If they cannot provide help, they regard it as their responsibility to find someone or some agency that can.

They emphasize the strengths of those who seek help and their capacity for self-help. A 13-year-old girl, instead of being labeled a patient and dragged to a psychiatrist, is encouraged to bring her whole family to counseling sessions.

They reach out to help the individual change the social situation—job, family, school, workplace—in which he or she is feeling distressed. This may mean helping a

young person to talk to her parents, providing legal services to a tenant who wishes to challenge a landlord, guiding a welfare mother through a bureaucratic maze.

They are willing to change, to expand their services as the community's needs dictate and their increasing skills permit. As phone aides become aware that young people would not go to traditional mental health facilities, one suburban hotline expanded its services from information and referral to phone counseling and crisis intervention. Workers at an urban runaway house opened a job cooperative to assist young people looking for employment and a free high schol for those who could not fit into their assigned schools.

They are actively involved in educating the larger community about individual needs and in helping that community to participate in meeting these needs. Staff members give frequent talks at local schools, churches and civic groups—about drugs, sexuality, venereal disease and problems between parents and children.

They actively encourage those they have helped to become helpers and reduce feelings of loneliness and uselessness by doing useful work with others.

They rely to a large degree on non-professional workers. In many alternative services more than half the paid staff are non-professionals Mental health professionals who work with them do so on a cooperative or consultative basis, and often as volunteers rather than full-time paid staff The professionals are there to share their skills with non-professionals, not to run the program.

They are committed to using volunteers from their own community. Some programs use non-professional volunteers as an important adjunct to paid staff. Others are staffed and run almost entirely by volunteers—students, housewives, old people, businessmen and women.

They generally operate under some form of participatory democracy or consensus decision-making. In this context it is possible to change policies to meet the rapidly changing needs of clients, to provide staff with a sense of pride in and control over what they do.

They function as mini-communities or extended families. This provides staff with a sense of warmth and security; they grow and change to meet personal as well as work-related needs.

They are far more economical than traditional mental health facilities. An hour of counseling at a drop-in center costs a sixth to a third as much as an hour of therapy at a community mental health center. The price per day of staying at a runaway house is about one-eighth to one-fifth the cost of that of a general hospital psychiatric ward.

BUILDING ON EXPERIENCE

In the early years, alternative service workers believed they would always remain responsive to those who needed their help. Time, enlarging programs, increased funding needs and the attendant compromises, and above all the recession have all taken a toll. At a recent conference runaway house counselors and administrators spoke sadly of their impending bureaucratization; of difficulties in meeting long-term needs for jobs, housing and specialized schooling, and of certain people—the violent, the seriously suicidal and the retarded—who they simply did not have the time or skills to deal with.

Still, alternative services are successfully reaching many hundreds of thousands of people and shaping their lives. Any attempt to make mental health services more responsive to peoples' needs logically should take account of the kinds of innovations alternative services have made and the spirit pervading them.

To begin with, the facilities should direct their services primarily to the residents of specific communities and neighborhoods, rather than to the amorphous and sometimes sprawling catchment areas and counties which now define their borders. The buildings themselves should be small—ordinary houses have served alternative services well—and as inviting as present facilities are forbidding. These places should be open 24 hours a day and provide phone and walk-in contact and crisis intervention with a minimum of formality and delay.

The people working in these centers should be encouraged to develop more skills and take on more responsibility. Staff roles would be flexible and those expert in a given area—psychiatry or administration—would be expected to teach others. To keep all workers more sensitive to the problems of their fellows and their community, clerical, administrative and supervisory personnel would be expected to do on-the-line work with clients. To make sure that all participate in governing the center, these programs would be staffed largely by non-professionals who live in the community; policies and operations would be formulated and overseen jointly by center workers and community representatives. The professionals involved would neither automatically control policy nor receive disproportionately high wages.

As a reflection of change in approach, such places might best be called "human service centers" or "community centers" or simply "centers." The names, designed to indicate a responsiveness to people's needs, would avoid creating the feelings of depreciation inevitably associated with defining oneself as "mentally ill."

A center staff, instead of defining problems in mental health terminology, would help people to define their problems in their own terms. If a woman with five children is suicidally depressed because of the inadequacy of her welfare payments, the dreariness of her home and the rats that threaten her family, the center's crisis team would work first of all on those realities, help her deal with the welfare department, assist her with child care and bring in an exterminator. Instead of involving her in long-term psychotherapy or drug treatment, they might help her become part of a group of parents in similar situations; here, she could begin to find alternatives to her situation. In the context of this supportive group she might, at some point, feel free to talk about the "personal problems" which so many mental health professionals would insist on "attacking" first.

For people who need them, places to stay would be available. Thus, a person experiencing the personality disintegration and overwhelming anxiety that often signal an acute psychotic episode would be able to go to a "crisis house," where he could be guided and protected by especially patient and skillful staff. There symptoms would not be suppressed by drugs; instead, the psychotic episode could become the kind of a natural healing process that exists in some traditional societies and in such modern experimental communities as London's Kingsley Hall and California's Soteria.

Similarly, young runaways, battered wives or those suffering the traumas of divorce, death or separation could shelter in residences and there rest, gain perspective, share problems. Though a dangerous and uncontrollable few would continue to require institutionalization, the vast majority of those who need longer-term care could be kept in their own communities—in ordinary houses, easily accessible to their friends and relatives. Many of these people could—if staff workers provided organization and leadership—learn to take care of one another. Old people who are healthy but homeless could supervise the care of young people who are chronically ill. Students at colleges could live with runaways lacking homes to return to.

PROBLEM SOLVING

The majority of people with problems do not, of course, need crisis intervention or residential services. The centers would offer them the resources—professional expertise, advocacy and education—to help them deal with their own problems. People would be helped to understand themselves as participants in and, often enough, sufferers from the concrete situations of their life; as part of a family, an office, a work group or schoolroom. Techniques of family counseling, group therapy and community organizing could be used to help make a family, a schoolroom or workplace more responsive to all of its participants, to give them the tools to continue to work things out together long after the center workers withdraw.

Groups of people with special concerns or problems—women wanting to share with each other questions about their roles as women; people trying to cope with the effects of their aging; parents of retarded or autistic children—would be helped to form groups, with or without a leader, in which they could discuss and deal with their common concerns.

Individual therapy would be available, but there would be a shift in emphasis toward helping people to develop a capacity to analyze their social situations and needs and thus be better able to use a network of helpers both within the centers and outside.

For the community as a whole, the center would be another kind of resource, a place for the kind of "primary prevention" that the mental health establishment often talks of but rarely spends time and money to bring about. Center staff could help other agencies develop recreation and community action programs and campaign for more responsive policies in institutions affecting peoples' lives, from welfare offices to factories.

The point of all this is not simply to produce another kind of treatment but to relate to troubled people on their terms, to insist that their needs—not the preconceptions of self-interest of any professional group—shape the kind of help they receive. None of the reforms I have proposed is utopian—and all of them together will not, of course, create a utopia. But they are a start, a step toward relieving at least some of the human misery that we have too complacently and too long regarded as the symptoms of mental illness.

THE NATION'S MILITARY TRADITION

Mr. HOLLINGS. Mr. President, recently, the Kansas City Times published a most thought-provoking interview with Lt. Gen. George M. Seignious II, the president of the Citadel, the Military College of South Carolina. The topic of the interview is the role of military tradition in the South, but the general covers a wide range of subjects in the course of elaborating upon this topic.

Under General Seignious' leadership, the Citadel has achieved new heights of excellence. Its faculty, its students, its physical plant have been significantly enhanced. Yet through all this change, the Citadel has not for a moment lost sight of its proud heritage or its vital mission. This unswerving dedication is the primary reason for the greatness of the institution.

From this interview, the reader will gain new insight into what pride in our Nation's military tradition is all about. It is an informed pride based on knowl-

edge of the past, understanding of the present, and hope for the future. During the course of the interview, General Seignious said;

We here at the Citadel set four relatively simple goals, easy to state but difficult to achieve, that we have for our cadets. When they graduate we want them to be men of learning, men of integrity, men of patriotism and men of self-reliance.

A surprisingly large percentage of Citadel cadets achieves these goals. One reason they do so is that the school's president embodies these virtues. He lives them and, in this interview, he gives them an eloquent expression that merits a wide audience. For that reason, I ask unanimous consent that the text of this interview be printed in the RECORD.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

GENERAL HOPES SOLDIERING NEVER FADES AWAY

(By Kathleen Patterson)

(The shots were fired by the Citadel cadets, under command of Major Stephens, who has thus had the honor, which he so much coveted, of opening the impending conflicts. Major Stephens is at the head of the State Military Academy which occupies the Charleston Citadel. He is apparently about 35 years of age, with rather thin black hair, black and heavy beard, and large black eyes. He is about the medium size, of lithe form, with quick, nervous actions. His guns were directed at the steamer with scientific accuracy and even the shot which failed to strike the ship fell very near her.—Harper's Weekly, Jan. 26, 1861.)

CHARLESTON, S.C.—Today The Citadel, the Military College of South Carolina, is presided over by Lt. Gen. George M. Seignious II, as unlike the description of Major Stephens, his predecessor, as he could be: A tall, spare man of gentle demeanor, who holds virtually every honor the U.S. Army can confer, and whose eyes occasionally mist when he speaks to the cadets about home, country and patriotism.

Citadel brochures still boast of the cadets who fired the first shot of the Civil War, forcing the Star of the West, a federal government steamship, to retreat from Charleston harbor.

General Seignious retired three years ago and returned to The Citadel, with its gleaming white buildings a crenellated fortress on display, although he might have become chairman of the Joint Chiefs of Staff had he remained on active duty.

He grew up here in the low country. His father's name was Francis and his middle name is Marion—both father and son named for the low country's own Francis Marion, the "swamp fox" of the Revolutionary War.

General Seignious took time recently from a busy schedule to talk about the "profession of arms" and the southern renaissance he began predicting several years ago. He has served in Brazil, Germany, Korea and England, and though his voice reflects his travels and perhaps his nonsouthern mother, the smooth cadence of the Carolina low country is there.

What was it in your background that led you to a military career?

"I had an uncle who was a 1910 graduate of the Naval Academy—that had some influence on my going into the military profession, but more important was my proximity to The Citadel. I was born and raised within 60 miles of here and since I was a small boy I frequently came to Charleston and to The Citadel, and from the time I can remember I never considered going to any other college."

What was the appeal of The Citadel then?

"The tremendous respect for tradition, and the respect that The Citadel has in the low country, which is in itself part of the tradition. The profession of arms was—and still is—one of the most highly respected professions. It appealed to me because of the confidence that I saw in its graduates and their tremendous loyalty to the institution.

"Every cadet and every graduate would extol the virtues of The Citadel—what a fine school it was and so on. I found this to be true. I think it gave me a foundation for life that I used throughout my entire profession."

Did you intend to make the military your career when you came here?

"No, I did not. I studied business administration and I intended to go into cotton merchandising, in my family's business. But when I was a senior here Pearl Harbor occurred. And of course when I was graduated we were at war and I accepted the only regular commission given to a graduate in the Class of '42. But I use the rudiments of teaching and the examples I saw here as a basis for what success I have in the profession of arms.

"There is a reason for all this. Going back to the Revolutionary War, a great deal of the history of the Revolution centered around Charleston and the exploits of Francis Marion, whose burial spot is just 40 miles from here.

"When a young boy grows up in an atmosphere of tradition and respect for the profession of arms, with the fact that the entire coastline of Charleston has been one of the most active spots throughout our history—first shot of the War Between the States being fired by Citadel cadets; the defense of Sullivans Island against the British in 1776. I think it was 1775 as a matter of fact. . . . It gets in your blood early."

You're saying the military tradition here is part of the area, not necessarily a father-to-son tradition.

"I think that's a correct statement. My dad was not a Citadel graduate, but he's very proud of The Citadel. Both of his sons are graduates.

"And both of my sons have come here. My oldest son was in the class of '68 and he's now a merchant. My youngest son is a cadet now, in the junior class."

Was there ever doubt in your mind that they would come here?

"Yes, I think there was doubt in their minds. We were overseas much of the time and they were not really close to The Citadel in physical terms, but yet close in their exposure to my friends and classmates, and my annuals and so on. And I think my youngest son visited several colleges before he chose The Citadel.

"I didn't say to him, 'If you don't go to The Citadel you don't get a father-paid education.' I didn't say that. And I was delighted when he did choose to come.

"About the time he was making up his mind I was trying to make up my mind about coming back here as president. We shared that. I said I didn't want him to come on the belief that I was not going to be here because I thought it would make a difference to him. So when he applied to come he realized I was going to be the president, with all that entailed, being the president's son."

What does he plan to do when he graduates?

"He's going into business. He doesn't plan to make the profession of arms his life's work."

Does that disappoint you?

"No. I think a young man has the obligation to seek satisfaction in his life, and I wouldn't want to see him going into the profession of arms just because I did."

To what extent is the profession of arms a 'southern' tradition?

"I don't think it's fair to call it a southern tradition. It wouldn't be fair to a lot of other people—or other countries. There are countries like Spain and England where there is a tradition of respect for the profession of arms. In some of those countries one son frequently went into the ministry, one son went into the armed forces and one son into the family business. This is true in some Latin American countries now.

"In the United States the profession of arms is more southern—if you're going to talk about it in regional aspects. But many sons of graduates of West Point continue the tradition of arms because they are brought up on it. It's not the fear of the unknown, and many people don't go into the military because of fear of the unknown, because it would be such a dramatic change from their lifestyle.

"This fear doesn't exist in families that have been in the military, nor does it exist in the South very much. The South has many military installations now, and in the old days it had the traditions, the stories of military activities. I come back to the fact that it is such a highly respected profession."

There are more installations here—you find more support for military expenditures among southern members of Congress; what I'm asking is why do you find the military tradition in the South more than elsewhere?

"I think there's a good reason as to why. I suppose a simple word to describe it would be patriotism. Southerners are a little less ashamed—or much less ashamed—of the flag and patriotic endeavors. In the old days it might have been called flag waving but I don't think that's what I'm driving at. There's a love of the soil, a love of identification with the past; there's a love of tradition, a love of courage and boldness that stems from the outdoor life a southerner leads.

"He's familiar with firearms. He loves to shoot and hunt and this is part of the tradition of the Old South. That's what I meant. A city boy has a great transition to make. He's never seen a weapon; he's never been in the woods at night. He doesn't know the speed of water in a river when he's got to swim to cross it. He doesn't know the sounds of night in the forest.

"A southern boy, if he's not from Atlanta or a city, is familiar with all these things as he grows up, from Boy Scout experiences to hunting and fishing and living outdoors. And he likes to bivouac and use the compass at night and go on patrols. So it's a much more natural evolution for a southern boy to choose the armed forces than it is for a boy in the city who's never even thought about it.

When you were growing up, how aware were you of the Civil War—of the Revolutionary War? Is it fair to say these are things still talked about?

"You have to be very careful to keep this in perspective. I'm 55 years old now, and when I was growing up there were many people alive who had been alive during the Civil War—my grandmother for example. Her father was in the Confederate Army so she talked about her father's service.

"I had an uncle who owned a plantation that we visited every Thanksgiving and Christmas and the slave huts were still there. The senior black man on the plantation was the son of a slave. The War Between the States days were not so far removed. We didn't have television; we didn't have rapid means of communication.

"There was no perception when I was growing up that we were still 'fighting the war.' My mother was born in Pennsylvania and there was no animosity between the side of my family that lived in Boston and Pennsylvania and the people who lived in the South.

"There was an awareness in the South of

the recent events and the evolution from the events of the War Between the States, when so many plantations were burned while Sherman was marching to the sea. This is true all the way from the coast up to the piedmont where actions in the war took place.

"As a boy it was not an unfamiliar expression to say 'Sherman marched through here and this is one of the plantations that was burned.' And you remember that; it's one of the realizations that come from the agony of war."

How was it for your children growing up?

"It's considerably different with my children. My children grew up in the Army and frequently in Europe, but there they saw the ravages and the stories of World War II. We lived in Berlin—I was commandant in Berlin for a year or so—and my children were aware of how the Russians handled Berlin, how the U.S. forces got there and the effects of the bombing. It's still evident.

"So they're of another kind of war, but my children are not particularly aware—not nearly so much as I was—of the events of the War Between the States and the Revolutionary War."

What parts of the military tradition here would be exportable to the rest of the country?

"Well, you will remember that prior to the War Between the States when our whole social and economic structure was disintegrating, that a great part of our national leadership came from the South. And I suspect what caused that leadership was the quality of self-reliance.

"The southern plantation owner often had advantages of education—education in England, strong ties with European culture. This was one of the great seaports of the world. Many Charleston homes are still furnished with the most exquisite European furniture.

"So people of the South—Virginians of course and South Carolinians—were cultured, self-reliant, articulate, wealthy and interested in national and international affairs.

"The same relative pattern is beginning to evidence itself again: There is a great deal of international investment in the South, and from our own corporations. The South is beginning to change from basically an agrarian society to a partly industrialized one. With that comes a requirement for leadership. Because if we are to retain the quality of life we have, while moving forward into the industrial society, it's going to take some extraordinarily fine leadership to plan it, to keep it in balance, to protect that which should be protected and have the foresight to improve our labor markets and our contribution to the national good."

The general has a vision for The Citadel: To "provide a forum of learning and research in government and international affairs that stands equal in the eyes of others to the post-graduate courses offered by Yale, Harvard, Princeton and others." He said in a 1975 speech that these "venerable institutions" provide "liberal philosophies" that require "a counterpoise and a learned challenge" from the more conservative South.

"This I dream will become a reality at The Citadel," he said then.

Are there any elements of the southern military tradition that you see as negative characteristics?

"I think education has diffused some of the elements that are not completely desirable. In the Old South I think bigotry was a problem between the white leaders and the black workers. I think there was in the South at one time a severe attitude of bigotry. I think that has abated in the last two or three decades.

"The black person in the South is treated with considerable respect. He's given considerable opportunity for economic advancement. I don't think the entire southern structure has reached the point where you can say that every southerner believes in absolute equal social status with black people.

"I think the other aspect of southern character that's changing—this is difficult to phrase—the degree of sophistication is improving. By that I mean understanding the other person's point of view. I'm not talking about racial things. I'm talking about interests in other than parochial matters.

"I mentioned the leadership of the South had vast interest in art, in culture, but this was not true of the masses of people in the South. The largest percentage of people in the South were fairly parochial in their interests, and now with TV and jet aircraft and automobiles and great highways, the average southerner, and not just the advantaged southerner, is becoming much more sophisticated about the world and the events of the world. He travels much more; he reads more extensively.

"Therefore I don't think the average southerner now is as narrow in his view as he was 40 to 50 years ago. And we are continuing to produce that leadership element that's above average in its intellect and motivations."

Do you see evidence today of the 'southern renaissance' you mention?

"Yes, I think I do, and I'm not talking about presidential candidates; I made the remark two or three years ago that the ingredients are here for a resurgence in southern leadership nationally. And I can think of a few other (characteristics) that are particularly important—certainly the awareness of our defense needs is very high among southern leaders.

"I think fiscal conservatism is another potent aspect of the way a southerner is brought up. That is to say, the head of the household is charged with the traditional value of earning a living for his family.

"I believe the evolution of social and welfare programs has not been an esteemed policy as far as the southerner is concerned, except in those cases where people are in definite need. And I feel the nation as a whole is beginning to question some of the extreme liberal views that have emanated from the national scene in the last 30 to 35 years. I think that the counterpoise—the voice that has a more conservative view—is a voice that's ready to be heard.

"We've experimented a great deal with our national resources, with redistribution through welfare programs and food stamp programs and so on. I think that the element of conservatism—and I don't mean by conservatism right wing versus left wing—I guess I'm talking about responsibility.

"We've not always expected enough from our public leaders. We've accepted something less than excellence and we must seek excellence in our government and the people we send to represent us.

"To have excellence we must require responsibility, fiscal responsibility, integrity, loyalty to one's institution and one's country—these are qualities of excellence people are going to demand.

"We here at The Citadel set four relatively simple goals, easy to state but difficult to achieve, that we have for our cadets. When they graduate we want them to be men of learning, men of integrity, men of patriotism and men of self-reliance. These, I would say, are four attributes that made southern leadership prominent in the days before the War Between the States and, I believe, will probably cause the resurgence of southern leadership."

W. C. Cash, writing "The Mind of the South," in 1941, said: The gentlemanly idea, driven from England by Cromwell, had taken refuge in the South and fashioned for itself a world to its heart's desire: A world singularly polished and mellow and poised, wholly dominated by ideals of honor and chivalry and noblesse—all those sentiments and values and habits of action which used to be, especially in Walter Scott, invariably assigned to the gentleman born.

RURAL HEALTH CARE DELIVERY: IDAHO AND THE NORTHWEST MEET THE CHALLENGE

Mr. CHURCH. Mr. President, it is clear to all who are concerned over the availability of health care that the problems of medically underserved areas cannot be resolved unless medical professionals are present in those locations. The WAMI program, in which the States of Washington, Alaska, Montana, and Idaho have pooled their efforts under the University of Washington School of Medicine to train and encourage physicians in such areas, has been a hallmark of achievement in meeting this challenge.

As a strong advocate of the WAMI program, I have been pleased to report on its outstanding progress, which has been closely followed across the Nation. With its great success, it has been an easy task.

Most recently, Mr. President, two press releases from the University of Idaho have come to my attention. Both relate to the insufficient number of family practice residency positions for physicians in Idaho, whether participating in the WAMI program or not. They report progress is being made, within WAMI and with the separate Boise Family Practice Medical Center.

I would also point out the agreement between Dr. O. David Johnson, the director of Boise Center, and Dr. Francis Spain, a member of the WAMI program's first Idaho graduating class, on how important location at earlier stages is to the eventual location of practice:

Dr. Johnson said, "The two most important factors determining where a doctor eventually settles are where he grew up and where he takes his final medical training."

Dr. Spain said he thinks that where a doctor does his residency is an important factor in his decision on where to establish his practice. "You develop associations and relationships during residency which are bound to make you consider staying in that area."

This factor is at the heart of the WAMI program and other excellent efforts in Idaho and the Northwest like the Boise Family Practice Medical Center. I ask unanimous consent that the University of Idaho press releases on their progress be printed in the RECORD.

There being no objection, the press releases were ordered to be printed in the RECORD, as follows:

IDAHO NOW HAS FAMILY PRACTICE RESIDENCY

BOISE.—Idaho's chronic shortage of family practitioners is an expensive problem to solve, but with two special programs, an attempt is being made to increase the number of physicians practicing in the state.

The newest of the programs is Idaho's family practice residency, directed by Dr. O. David Johnson, Boise, and affiliated with the Department of Family Medicine, University of Washington School of Medicine.

The other is the ongoing WAMI program, a joint effort by the states of Washington, Alaska, Montana and Idaho. This program seeks to offer a medical education to more students through the University of Washington School of Medicine by utilizing expertise and facilities at campuses in the par-

ticipating states. The Gem State's WAMI campus is the University of Idaho.

Dr. Johnson said the Boise residency program was begun two years ago and presently serves eight family practice residents with "probably about 100 area doctors involved with the program in one way or another." He said the program will be increased to 12 residents in July.

"Idaho needs a minimum of about 30 additional general or family practitioners a year," Dr. Johnson said. "Ten are needed to take care of the two and one-half per cent annual population growth, 10 for the attrition due to retirement and death, and another 10 toward the overall deficit."

He said Idaho is short about 40 general or family practitioners, and these figures do not take into account members of the specialty that leave practice for a less demanding specialty or move out of state. Idaho also has physician shortages in other specialties, he said.

"The two most important factors determining where a doctor eventually settles are where he grew up and where he takes his final medical training," Dr. Johnson said.

The WAMI medical education program, which allows more Idaho residents to enter medical school, and the new family practice residency offering graduate medical training in the state are both aimed at educating more Idaho-raised doctors and keeping them in the state to practice, he added.

Dr. Johnson said that all other things being equal, Idaho students should be given preference for the spaces in the residency program.

The program is funded with revenue from patient care, appropriations from the state legislature through the State Board of Education, and hospital contributions and foundation grants. About one-third of the needed money comes from each source, Dr. Johnson said.

Currently, the residency program is housed in quarters in Boise which were formerly used as a doctor's office. When the additional residents are added in July, the program will be moved to a professional center which is being remodeled to provide the needed space.

"A family practice residency differs from other specialty residencies in that a large part of family practice involves ambulatory care," Dr. Johnson said.

The residents in the Boise program spend some of their time caring for patients at the Family Practice Medical Center under the supervision of Dr. Johnson and Dr. Robert Matthies and some time working with Boise area specialists and their patients at the area's three hospitals. During the three-year residency, the residents may spend two, four-week periods working with doctors in another Idaho community of their choice.

According to Dr. Johnson, physicians from Boise and several outlying towns spend some time at the family practice center working with the residents. He said that with these doctors, the specialists who work with the residents and others involved in the program, he would guess that "about 100 doctors" give assistance in one way or another.

In 1969, family practice became a specialty with a required residency of three years, Dr. Johnson said, and is being selected for graduate medical education by more doctors in place of the one year internship. A minimum of one year in residency or internship is required for licensure in Idaho, he said.

Among the things necessary for a successful residency program are sufficient funding, a sufficiently large patient volume so that the resident can experience a variety of problems in each medical specialty he studies, a large pool of doctors to provide the needed teaching expertise in every area, and overall support for the program from doctors, patients and residents of the state.

"Ours is still a new program," he said. "It will take about five years to determine how successful the program is, but it appears to be working well now."

IDAHO WAMI GRAD COMMENTS ON RESIDENCY NEEDS

Moscow.—Dr. Francis Spain, a member of the WAMI medical program's first Idaho graduating class, says he gives the regional effort high marks, but says he is concerned about the limited number of medical residency openings in the Northwest.

"The quality of the courses here (at the University of Idaho) was very high. In fact we worked harder in Moscow than we did in Seattle," the Pollock, Idaho, native said in a recent interview.

Dr. Spain said he thinks that where a doctor does his residency is an important factor in his decision on where to establish his practice. "You develop associations and relationships during residency which are bound to make you consider staying in that area," he said.

There is a shortage of residency positions nationwide and particularly in the Northwest, he added, saying areas outside the Northwest often "don't want you if you aren't going to stay."

He is presently in a three-year family practice residency program at the University of Oklahoma, Oklahoma City, and says he can't wait to get back to the mountains. He is uncertain of where he will practice, but says it will probably be somewhere in the Northwest or the intermountain west where there are some mountains nearby.

He feels the new residency program in Boise (see related story) may help alleviate the difficulty in finding Northwest area residencies. He hopes more opportunities for medical residents in the Northwest will be opened.

Dr. Guy Anderson, director of the Idaho WAMI office located at the University of Idaho, said the problem is recognized and "we are working to develop residencies equal to the number of medical graduates."

Dr. Spain noted things have changed somewhat for subsequent classes of medical students, so that "the coursework is generally on a par between the WAMI campuses" and that offered at the University of Washington School of Medicine. The UW medical school administers the regional program supported by Washington, Alaska, Montana and Idaho.

He praised the WAMI preceptor program highly, saying it gives the first-year medical students a chance to get a perspective of what the practice of medicine is like in a small town such as they are likely to live and work in.

He also said he feels having the various clinical care units for student clerkships in towns other than Seattle is good since the third-year students are exposed to "medical practice in other than the university type setting." Idaho has three clinical care units in Boise and Pocatello.

ONE CITY'S IMPACT ON ECOLOGY

Mr. HUMPHREY. Mr. President, I wish to share with my colleagues an article in the February 28 issue of the New York Times, entitled "Study of a City's Ecological Impact on Area Shows St. Louis Increases Rain and Crops, But Harms Lungs."

This article by Walter Sullivan reports on a major study of the St. Louis area, known as the Metropolitan Meteorological Experiment, or Metromex, the weather and ecological impact of the city.

The weather studies carried out in a 25-mile radius of the city indicated particular changes in the vicinity of Edwardsville, 21 miles northeast of St. Louis. In five summers it was found that that area received nearly 90 percent more rain than the mean amount for the entire study area.

There were additional signs of change in the area, including increased wind and field damage, as well as 80 percent more days with hail in certain areas.

It was also discovered in a 4,000-square-mile area that hail was destroying 180,000 more bushels of corn per year and 50,000 more bushels of soybeans than in other areas. But as a result of extra rain, the crop yields increased from 2 to 5 percent.

In addition, the study includes an examination of the chemical changes in the air and the impact of pollutants. The study will compare lung damage in three areas outside of St. Louis to areas of St. Louis itself.

Mr. President, this study is of great importance to us in terms of learning more about the impact of an urban area on weather and ecology. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STUDY OF A CITY'S ECOLOGICAL IMPACT ON AREA SHOWS ST. LOUIS INCREASES RAIN AND CROPS, BUT HARMS LUNGS

(By Walter Sullivan)

DENVER.—An ambitious effort to document the effects of a major city on its environment has shown that one city—St. Louis—significantly increases downwind rainfall and farm productivity, intensifies hail damage and apparently reduces lung efficiency in its residents.

While additional hail damage estimated at $800,000 annually was attributed to the effects of St. Louis, greater crop yields due to the increased rainfall were said to be sufficient to produce a net gain in nearby farm profits of $1.6 million annually.

These environmental effects were reported here this week at the annual meeting of the American Association for the Advancement of Science in a session on the project, known as METROMEX, for Metropolitan Meteorological Experiment.

The study was initiated after weather records from communities downwind from industrial centers suggested that cities might have more farflung environmental influences than was previously realized. Analysis of the study's results are still incomplete.

The meteorological observations were made from 1971 to 1975 using aircraft, chemical traces, balloons, cloud cameras, weather radars and a wide range of ground-based observations. The health effects are being assesssed in a parallel study by specialists from the Harvard School of Public Health.

LUNG FUNCTIONS MONITORED

Trends in adult and childhood lung function are being monitored in population samples from a heavily polluted part of St. Louis and from five other communities, some with minimal pollution.

The prime study area is a circle of 26 miles radius centered on the city. Within its area 225 or more recording rain gauges were operated as well as a "hail pad" at each site to record hailstorm activity. Thunder was monitored at a dozen sites.

The weather studies were done in summer months because earlier observations near big cities indicated that that was when urban effects were most pronounced.

Floyd A. Huff of the Illinois Water Survey, which undertook much of the ground measurement, said the most marked effect was in the vicinity of Edwardsville, 21 miles northeast of St. Louis. In the five summers of observation it was found that in June that area received almost 90 percent more rain than the mean amount for the entire study area.

During that period it was also found that about 95 percent of the storms moved in from the west-southwest, passed over the city and then over Edwardsville. On Aug. 11, 1972, Mr. Huff said, a succession of 11 "convective cells" or miniature thunderheads formed over the city then moved toward Edwardsville to be "eaten up" by a stationary storm over that town. In two hours two and one-half inches of rain fell on the area.

MORE HAILSTORMS IN AREA

Stanley A. Chagnon Jr. of the Illinois Water Survey reported on the agricultural effects, including the increased wind and field damage in the sector of most intensified storm activity. There were 80 percent more days with hail than in other areas, he said. The intensity of hailstorms, in terms of number and size of hailstorms, was 300 percent greater.

There is, Mr. Chagnon added, "clear evidence man can produce significant climate changes in the urban areas where 70 percent of us live." One role of urban pollution, he noted, is that it adds particles to the air that can serve as nuclei for the condensation of raindrops or hailstones. He found that in the 4,000-square-mile affected area hail was destroying 180,000 more bushels of corn a year and 50,000 more bushels of soybeans than in other areas. But, he added, an increase of 2 to 5 percent in crop yields due to extra rain more than made up for this.

Scientists from Battelle-Northwest Laboratories in Richland, Wash., sought to trace what happened to pollutants from the city as a storm passed. Jeremy M. Hales told how tracer elements such as gold, tantalum and iridium were injected into rising air at the sides of storm systems approaching the city. Rainfall was then collected to chart the rate at which these traces were washed out of the atmosphere. Similar tests were made to see how soon pollutants such as sulfate, nitrate and ammonia picked up over the city were washed out.

It was found that the washing out occurred with remarkable rapidity and efficiency. The atmosphere seemed to have been cleaned within 15 miles downwind of the city

NO EFFECT ON TORNADOS

There is no evidence of any decrease in normal rainfall beyond the area of abnormally heavy rain nor of any influence by the city on tornados. The lack of any effect beyond the immediate area, Mr. Chagnon pointed out, bears on the debate as to whether seeding clouds in one area robs rain from those downwind.

To see what chemical changes occurred to pollutants as air blew away from the city, a parcel of air was tagged with a constant-level balloon. For several hours a plane periodically penetrated the air parcel to collect samples. Test layers aloft were measured by sampling and by recording the attenuation of sunlight from a transparent bubble atop the aircraft.

A prime focus of the project is to find out what specifically causes the local climate changes. Is it the "heat island" associated with cities, especially in summer? Is it the addition of particles or gasses to the atmosphere? Does air turbulence caused by the buildings play a role?

August H. Auer Jr. of the University of Wyoming in Laramie attributed the effect to the special properties of central city terrain, which absorbed or reradiated heat that elsewhere was taken up by vegetation or used up in water evaporation.

Air and clouds flowing over the city are domed upward 1,000 feet or more by the heating. These and other urban effects, he said, seemed to account for the region of large thunderstorm development that extended 60 miles northeast of the city.

LUNG STUDY DESCRIBED

The lung study was described by John D. Spengler, assistant professor of environmental health at Harvard, and Stephen K. Hall of Southern Illinois University in Edwardsville. The cities involved are Portage, Wis., and Topeka, Kan. (both considered "clean"), Watertown, Mass. (moderately clean), Kingston-Harriman, Tenn. (polluted by a large power plant) and Steubenville, Ohio (a heavy industry center with air habitually below Federal standards).

In each city, 2,000 adults are being examined every three years to monitor the rate at which lung function is lost with increasing age. Examinations are also being done annually on 2,000 children, since their lung efficiency normally increases rapidly. The study area in St. Louis is alongside heavy industry and in one of the two lung tests St. Louis ranked lowest in all categories.

THE TEMPORARY SELECT COMMITTEE ON COMMITTEES

Mr. METCALF. Mr. President, I want to call attention today to what can only be called an unlikely occurrence—a "red letter day," as it were—in the history of the Senate.

A temporary committee, established to do a specific job and then go out of business, is actually planning to do just that.

I refer, of course, to the temporary Select Committee on Committees, which has been so capably led by the distinguished Senator from Illinois (Mr. STEVENSON).

It has been my privilege to participate with Senator STEVENSON and other members of this temporary committee since its inception, and I want to commend the chairman for a magnificent demonstration of leadership.

All of us, in my judgment, owe Senator STEVENSON a debt of gratitude. With his fine staff, he took on what I have reason to know is one of the world's most thankless tasks—reorganization and reform of the Senate's committee system.

The results of his dedicated efforts and tremendously hard work speak for themselves in the provisions of Senate Resolution 4, approved by the Senate early last month. Because of his leadership, the jurisdictions of the Senate committees have been modernized. The Senate is now in a better position to meet the present day needs of all Americans. A number of committees that were no longer in a position to respond fully have been consolidated, their functions incorporated into fewer, major standing committees.

In just one such instance—in consolidating jurisdiction on energy matters in a new Committee on Energy and Natural Resources—the work of the Stevenson committee has prepared the foundation for a far more coordinated, rational approach to the critical problems we face due to fuel and energy shortages.

Moreover, if the Senate will but observe them, the limitations on committee assignments and provisions for systematic scheduling of committee meetings will give all Senators an opportunity to do a better job.

Mr. President, the select committee will be issuing a final report later this month. Again, that report is the result of Chairman STEVENSON'S and Cochairman PACKWOOD'S—dedication to the task of bringing the Senate's committee system up to date.

Backed up by extensive staff research, the report will contain recommendations over the full range of matters specified for the select committee in its authorizing resolution.

It will include recommendations for improvements in the distribution of information, for media and Member's use, by committees. It will contain provisions for strengthening oversight and legislative review. It will recommend sensible changes in the internal procedures of committees.

In short, the committee's final report will offer proof, once again, that in his tireless commitment to excellence, Senator STEVENSON is "leaving his mark" on the Senate.

And I believe all Senators should agree that, not only because it will close up shop on schedule, but because of Senator STEVENSON'S outstanding leadership, this committee has been an exemplary temporary committee of the Senate.

WATER AND LAND

Mr. McGOVERN. Mr. President, a story by Mr. Robert Cowen in the February 24 issue of the Christian Science Monitor, points up the need for sound land management in association with weather modification efforts.

As the Western States move ahead with positive efforts to minimize the short- and long-range effects of the drought, more attention is being given to the potential of weather modification.

Land management is important, not only for "water from the sky" that may be triggered by weather modification or result from natural weather cycles—but it is also good farming practice. We need to give serious consideration to increasing the field budget for the Soil Conservation Service, USDA, so that their technicians can assist individual farm and ranch operators in the wise use of their land in association with the application of water during the growing season and for storage and ground absorption of the water during other periods of the year. In addition to artificially induced "rainwater" and that falling by normal means—Western States need to more fully develop irrigation potential for supplemental water supplies during the critical growing season. These same public works can be useful, as well, in moving water for consumptive municipal and domestic use from impoundment areas to the points where the need is most critical.

I continue to believe that this administration is in error in their funding suspension for fiscal year 1978 of some 19 water development projects, chiefly

in the drought-stricken western part of our country. In the Upper Great Plains, the Oahe irrigation project in South Dakota and the Garrison Diversion Unit in North Dakota are central to our continuing efforts to ease the effect of the drought for agriculture and municipal water users.

Regardless of the source of the water, however, sound land management must always be a part of good agricultural practice.

I ask unanimous consent that the article by Mr. Cowen be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MANAGEMENT OF RAINFALL STARTS ON SOIL—AGRICULTURAL SCIENTIST INSISTS CLOUD SEEDING IS NOT ENOUGH

(By Robert C. Cowen)

DENVER.—Those who seek to fight droughts should cast their eyes downward to the ground—as well as to the sky.

Sound land management to make the most of whatever water reaches the ground is an essential part of any agricultural rain or snowfall enhancement program, says Dr. Talcott W. Edminster, administrator of the U.S. Department of Agriculture Research Service.

Many land management techniques are already familiar and may seem humble compared to the drama of cloud seeding and manipulating the weather. But the payoff, Dr. Edminster says, can be big.

For example, plowing proper contour furrows can reduce snow or rain water runoff by 84 to 95 percent, says Dr. Edminster. The additional water from such correct plowing has accounted for major increases in forage production, he says.

Another effective land management technique he cites is level terracing on hillsides. Water retained by these terraces has been directly responsible for doubling alfalfa production in comparison to yields on land not so treated, according to Dr. Edminster.

A number of other effective water-conserving techniques support his main point: that an effective weather modification program should be closely integrated with sound land management.

In saying this Dr. Edminster reflects the tenor of others at a symposium here, at the annual meeting of the American Association for the Advancement of Science. The emphasis of the speakers was on practicality and on not promising too much from weather modification—an infant technology with complex ramifications.

As experts discussed the prospect of cloud seeding, the most they called it was a potential solution, still only partly explored, to augment natural rain and snowfall. So far, this has been shown to happen only for snowfalls where suitable clouds are lifted over mountains, increasing snowpacks by 5 to 30 percent, according to different estimates.

While this achievement seems modest, Dr. Edminster finds it "encouraging." There is enough promise for weather modification research to play a role in planning how to protect the productivity of regions such as the Great Plains wheat lands, he says.

Perhaps the most complex aspect of weather modification is the law, according to meteorologists and lawyers. Their assessment is summed up by Jerome W. Kirby, an attorney from Littlefield, Texas, who explains that the courts simply are unable to deal intelligently with this field.

Cloud seeding programs that benefit one farmer may flood out another. When programs are carried out over large areas for the general public good—and without a clear national policy or national law—courts can't come to grips with disputes in this field, speakers here said.

These legal uncertainties are likely to be at least as big a drag on weather modification development as the scientific uncertainties, in the judgment of experts here. Indeed, they all are looking to a year-long federal study of national policy in this field to begin to define a clearer legal framework in which weather modification can proceed.

A second area of complexity is that of true benefit.

Wayne Decker of the University of Missouri pointed out it won't help much simply to make it rain a little harder. Farmers, he explained, run a complex production system. Rain at the wrong time can be as destructive as drought. They need to know if the benefits from cloud seeding—if it works—will likely exceed any damage. Weather modification scientists need to help farmers make that kind of judgment, Dr. Decker said.

Yet another source of complexity is the uncertainty of cloud seeding itself. Right now, the only application generally accepted as having proved useful is snowfall enhancement in the mountains.

It was snowing in the mountains west of here at this writing. No one can say to what extent, if any, emergency cloud seeding stimulated this badly needed precipitation. But the fact that it did snow enhanced the hope that weather modification may one day make a significant contribution to needs of dry and thirsty land.

Larry Davis of International Corporation noted that—even if the accepted scope of snow enhancement broadens—scientific disputes about its effectiveness likely will continue. Nevertheless, he added practical experience will accumulate so that officials can decide when it's worth investing in an uncertain cloud-seeding program, as was the case with seeding here this week.

The important thing, Dr. Davis said, is to thoroughly assess all weather modification projects so that the uncertainties can be defined. Then officials can make practical judgments with minimum risk even though statisticians still argue over whether or not a technique has been proven scientifically to work.

This, Dr. Edminster said, is where sound water management on the ground comes in. While cloud seeding may remain uncertain, water management techniques are reliable and predictable. Used in connection with weather modification, they minimize risk and enhance benefits, he said.

Water contained and managed won't cause flooding, he explained. Also, he noted, cloud seeders must work with suitable clouds, when and where they get them—and this may not coincide with farming needs. Good water management allows a region to take its rainfall when it gets it and then husband that resource in a way that benefits farming, essentially smoothing out the water supply over the season.

This, Dr. Edminister said, is why it's time to stop thinking of weather modification for agriculture as a separate technology and to recognize that land management is the indispensable other half of cloud seeding programs.

ANOTHER PARK SERVICE FIRST—THE FASCINATING HYBRID DRIVE VEHICLE

Mr. HUMPHREY. Mr. President, I wish to bring to the Senate's attention an article which appeared in the Department of Interior's monthly publication, "Inside Interior," about the Park Service's testing of a long-range electric vehicle. The energy utilization principles described for this vehicle are at once fascinating and obvious. The vehicle uses a gas engine which drives a generator which constantly charges the batteries which provide the electric power to propel the vehicle. This rather small example of the hybrid drive vehicle nevertheless has a range of four times greater than that of any purely electric vehicle.

Mr. President, I long have been an admirer and supporter of the National Park Service. Its efforts to develop and test the hybrid drive vehicle, as well as its other activities in energy conservation, solar energy and energy reutilization should be commended. But I also believe that these efforts ought to be fostered, encouraged, and supported by other Federal agencies.

The Park Service administers over 300 installations—parks, farms, museums, historical sites and wilderness installations throughout our Nation. Its vehicles must operate under every environmental condition found in the North American continent. The testing and development of energy-efficient vehicles in these real world conditions would give us a true test of the feasibility and practicality of alternative sources of energy.

I am told by the Park Service that it is interested in further development of the hybrid drive vehicle. In fact, it believes that with the cooperation of ERDA, it could develop larger, more efficient, less polluting and quieter vehicles. This is important not just to the Park Service but to the country as a whole. I understand that ERDA participation is especially necessary since the Park Service has no authority to conduct research and development work on its own. ERDA, for its part, would have one of the finest and most varied field laboratories available anywhere in the world. I hope that the Park Service and ERDA can develop the close working relationship to make these vehicles a reality.

Mr. President, I ask unanimous consent that the article entitled "Getting a Charge From Electric Cars," which appeared in the December 1975, issue of "Inside Interior" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TOWARD GREATER ENERGY SAVINGS—GETTING A CHARGE FROM ELECTRIC CARS

(By Gerald Waindel)

When inside Interior learned of a 180-mile test drive of a National Park Service electric vehicle, we hastened to the nearest wall socket and sought out John Hoke.

Hoke is that electric car buff at National Capital Parks in Washington, D.C. who already has aroused the troglodytes by demonstrating the efficiency of an electric passenger bus and assorted electric work vehicle used in maintenance work on the Mall.

Usually such vehicles have a range of about 30 miles before they need recharging. So how did he get 180 miles, or six times range, without a new voltage transfusion?

We recalled that last summer Tony Nunn and Phil Collier of Bonneville Power Administration began tests of American and Italian manufactured electrics on the 10 miles of roads winding through BPA's Vancouver, Wash., complex of substation, laboratories, offices and repair shops. BPA electrics get up to 35 miles before being recharged with juice from Reclamation's hydropower dams.

(The cost of buying lunch for the deep-

charge batteries is usually estimated from ½ to 1 cent per mile. This translates to 25% or less of the cost of gasoline for our family Cutlass which, to its credit, has greater acceleration and can cruise slightly faster than the 40 miles per hour of the electric cars)

Hoke, it turns out, has rigged a gasoline generator to provide a continuous charge to his electric vehicle—so hence the longer range. He calls it "hybrid-drive" and explains it this way:

"Hybrid-drive compares with a village water system. A small pump running constantly keeps filling an overhead tank or hillside reservoir, Momentary mass water needs, such as to fight fires or fill a few hundred bath tubs on Saturday night, are provided by the volume and head pressure of the storage tank rather than by the pump. The small pump is thus more economical than a larger one which would be able to handle such peak demands, but would be energy wasteful at all other times. In effect, the smaller pump handles all needs by supplying the mean water requirements over a given time. Substitute a generator for the water pump and a storage battery for the water tank, and you have a good picture of the hybrid-electric vehicle. The gasoline-driven generator in the electric vehicle can thus be much smaller and use less fuel in doing the same work."

Everybody got that?

Hoke is now searching industrial byways for someone interested in researching his concept using a small package, closed system steam engine or a Stirling-cycle gasoline engine to supply a noiseless, low-fuel continuous charge for his electric vehicle batteries.

A ranking environmentalist, Hoke states: "The conventional gasoline engine has got to go Although the hybrid concept is proved, another environmental objective is an emission and noise level near zero."

The 180-mile test run was performed by a small electric golf cart-type vehicle equipped with soft rubber tires to enable it to traverse exceptionally rugged terrain along the storm-battered towpath of the Chesapeake & Ohio Canal (C&O National Historical Park) between Washington and Cumberland, Md. Accompanying Hoke were Douglas Lindsay and Nino Vaghi of National Capital Parks.

WAGE SETTLEMENTS FOR THE HANDICAPPED NOW MERIT ON-SITE EVALUATION

Mr. HUMPHREY. Mr. President, on Monday, February 28, it was my privilege to testify at oversight hearings conducted by the Subcommittee on the Handicapped of the Senate Committee on Human Resources, chaired by my distinguished colleague, Senator JENNINGS RANDOLPH.

My purpose was to focus attention on my proposal for a demonstration program of wage supplements for handicapped individuals employed on a long-term basis in sheltered workshops. As I warned my good associate, I expect to renew my arguments when hearings are scheduled for extension and revision of the Rehabilitation Act. But I wish to go strongly on record right now in order to stimulate constructive debate and generate support for this effort to resolve the problem of low earnings by the working handicapped.

How wise is the society that encourages the handicapped in activities in which they can take pride and satisfaction while making a productive contribution to the community.

As I know from his comments during this hearing, and most especially from his achievements and unfailing advocacy, Senator RANDOLPH concurs in the need to help persons, dependent through no fault of their own, to learn and exercise skills that will make them contributors to the best of their ability through partial or complete self-support.

More and more Americans recognize the need for enlightened public policy to assimilate the handicapped into society and encourage the full development of their potential.

This integration depends on our willingness to help the handicapped help themselves. Wage supplements for handicapped individuals employed on a long-term basis in sheltered workshops is one approach. It is a partial answer to the poverty and dependence which too often are the lot of this neglected group of Americans. Our whole income maintenance policy must be reviewed to decrease built-in disincentives and to include persons overlooked by the present benefit structure.

We cannot improve society without improving the situation of the disadvantaged. That growing realization has brought us to the threshold of a new age for America's handicapped, a breakthrough in their economic and social conditions. I anticipate that proposals to be developed during the White House Conference on Handicapped Individuals in May will help us cross that threshold. And I will be proud of any part I can play in realizing this goal.

Mr. President, I ask unanimous consent that my testimony in behalf of S. 506, the wage supplement for the handicapped bill, be printed in the RECORD, together with my replies to questions that may be raised regarding this legislation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR HUBERT HUMPHREY

Thank you, Mr. Chairman, for permitting me to include in your current oversight hearings my proposal for a demonstration program of wage supplement payments to handicapped individuals in sheltered workshops.

As my distinguished colleagues on this Subcommittee know, this proposal would amend the Rehabilitation Act of 1973 to authorize the Secretary of the Department of Health, Education and Welfare to conduct demonstration projects in public or nonprofit sheltered workshop and work activity centers in every region of the United States to determine the feasibility of paying wage supplements to severely handicapped individuals employed on a long-term basis.

Through the years, a number of knowledgeable individuals and organizations have endorsed this concept. In 1967, the Secretary of Labor recommended consideration of wage supplements for clients in sheltered workshops. The concept has been endorsed by the President's Committee on Employment of the Handicapped and the Council of State Administrators of Vocational Rehabilitation, the Goodwill Industries, the Association of Rehabilitation Facilities, and other organizations serving the needs of the handicapped. However, action on this proposal was deferred to await results of a comprehensive study of sheltered workshops undertaken for the Department of Health, Education, and Welfare under the Rehabilitation Act of 1973.

It was felt that more data was needed on the characteristics of workshop clientele, the source and amount of their income, the services they receive, and the results of work and rehabilitation programs. The Greenleigh study provides a solid base of data and recommendations. I have drawn on that study for figures used in my testimony today. It draws a profile of the problems and achievements of workshop programs, and makes specific recommendations to improve the welfare of the handicapped in sheltered workshops.

The study supports the need to demonstrate through pilot projects the impact of wage supplements or subsidies. My bill provides for the funding and guidelines to launch such a demonstration program.

Another study of sheltered workshops by the Department of Labor will be submitted before this Committee undertakes extension of the Rehabilitation Act of 1973. I do not know the results of this study. But I do know that despite devoted and effective rehabilitation workers, despite many innovative and promising individual programs, the wage earnings of the majority of severely handicapped do not sustain even a modest livelihood. The most conscientious worker cannot escape poverty and dependence solely through his own productive labor.

PROBLEMS

The figures also show that the typical workshop client is severely disabled. Whereas the mentally retarded were substantially outside the workshop system ten years ago, mental retardation was the primary disability of 53 percent of the clients studied by the Greenleigh report.

Only 10 percent of clients trained and/or employed in sheltered workshops enter competitive employment in any one year. Clearly, sheltered workshops remain a principal mode of work training and transitional and permanent employment for the severely handicapped. Yet, workshops for the mentally ill and mentally retarded offered an average of only 99 cents per hour to their long-term clients; the likely annual earnings were $1,030.

Slightly over one-half of clients sampled relied on their families as their primary source of support, and 45 percent depended on other forms of local, state or federal public assistance. Very, very few could sustain an independent living on their earnings alone.

When aged parents or relatives die or are unable to continue support, the sheltered workshop client faces the prospect of being consigned to tax-paid institutions at a far greater public cost than if he could continue to contribute to his own support. Yet, benefits in workshops exceed costs by $1.31 for each dollar invested.

Mr. Chairman, the ability to work and contribute to self-support not only makes economic sense, it is therapeutic. Through meaningful activity, workers gain a sense of belonging and contributing to their community.

The handicapped individual in sheltered workshops is making an effort to earn his own living and to make a productive contribution to society. My bill would provide an incentive to workers to improve their performance to the best of their ability.

In a number of other industrialized nations, the Greenleigh report documents a greater commitment, both philosophical and financial, to the self-realization of the handicapped.

If the United States is truly oriented toward work rather than welfare, then we owe our handicapped a comparable commitment.

OPERATION OF WAGE SUPPLEMENTS

The demonstration projects which I propose in this bill are long overdue. They are not costly. Yet, they will provide the experimental data lacking to evaluate wage supplements as a means to raise the income of

workshop clients without lessening their work incentives.

We are about to launch a major effort to address the glaring inequities and inadequacies in our present patchwork welfare structure. In providing a thorough test of the relationship between subsidies and incentives, and the costs and problems involved, the demonstration program I am proposing would shed light on the whole question of income maintenance.

Specifically, S. 506 would create the following mechanism for wage supplements.

Every handicapped worker in a sheltered workshop would be provided with a wage supplement equal to one-half of the minimum hourly wage, up to and including the point where his wage reached 50 percent of the minimum wage. For wages above that point, the wage supplement will be reduced 7 cents for each additional 10-cent increment in wages.

It may be that statistics gathered in the Department of Labor study will suggest a better formula in terms of the workers covered and the amount of subsidy. While the bill presently calls for a discontinuation of the supplement when the worker's earned wage reaches the minimum wage level, it may be preferable to continue the gradual phaseout of the supplement to its completion. Under this alternative, wages of up to 120 percent of the federal minimum wage could be earned. But such earnings would still be considerably below the prevailing wage.

The critical principle is that there is no sudden cut-off point, so that there is continuous incentive for the handicapped worker to increase his productivity. This incentive may well encourage him to achieve a level of productivity where he no longer requires the support of sheltered employment.

Most doubts that have been expressed concerning this program are based on misconceptions or could be resolved in designing and administering the pilot projects. The objective of this program is to gather reliable and representative experimental data in workshops that meet the established criteria. It would provide for careful supervision and compensation of costs incurred by participating workshops and control workshops. It would not foster unfair competitive practices. It would not affect or supplant other income support programs. It would be limited to persons in full-time employee status who would be reviewed and evaluated periodically for job placement outside the workshop. In short, it is a workable program which deserves to be tested.

Mr. Chairman, the Rehabilitation Act Amendments which authorized the study of sheltered workshops also called for a White House Conference on Handicapped Individuals. This conference has been scheduled for May of this year. The conference will focus on efforts to enable handicapped individuals to live independently, with dignity, and with full participation in community life to the greatest degree possible. Implicit in these goals is the need for economic well-being.

The handicapped who make a sincere effort toward self-support must not be condemned to a hopeless and helpless dependency. The wage supplement program can be a first step to realize the goals of the White House Conference, and demonstrate our commitment to this nation's handicapped.

QUESTIONS AND ANSWERS ON WAGE SUPPLEMENTS

1. Why not just increase welfare payments to the handicapped?

A. Because every handicapped individual deserves the opportunity to earn a living wage.

Because work is a way of integrating the handicapped into the community: it provides a sense of dignity and worth.

2. Won't earnings make many handicapped persons ineligible for retirement, disability or public assistance benefits?

A. The bill specifically guards against that possibility:

". . . the payment of a wage supplement to a handicapped individual . . . shall not result in a loss of eligibility for benefits . . . in any other program such as the Social Security Act or any other similar retirement or public assistance payments."

3. Won't wage supplements discourage the handicapped from seeking competitive employment?

A. The supplement is reduced in inverse proportion as wages rise so that there is a continuing incentive to increased productivity. Moreover, workshops would receive an increased payment based on their success in increasing the reliance of handicapped individuals on earned income.

4. What about transient workshop clients, or those who can readily increase their productivity?

A. Workshop populations are extremely diverse. This bill is focused on the long-term employed who can not readily find other sources of employment. Persons engaged in a training or evaluation program are excluded.

5. Isn't this approach costly?

A. The cost of a demonstration program is modest. With the help of Department of Labor personnel, I have estimated a cost of $2.2 million for the first fiscal year.

It is far less expensive to provide a stipend that permits a worker to be partially independent and productive than to care for the severely handicapped in institutions. The Greenleigh study confirms that sheltered workshops result in tax savings compared to alternative support programs.

6. Should persons earning more than the minimum wage continue to be excluded?

A. This demonstration program would focus on workers whose earnings are most inadequate. If this approach proves successful, it can be expanded: Careful hearings may develop a better, more comprehensive formula. The administering agency should also retain the flexibility required to design a sound and effective program to meet different workshop conditions.

7. Would this bill encourage unfair competition?

A. There are safeguards in present law to avoid unfair competition with private enterprise. Appropriate review procedures on pending workshop contracts can and should be maintained to provide reasonable assurance that these safeguards are effective.

Workshops do not generally perform the same kind of work as industry. And, wages of the severely handicapped are unlikely to meet prevailing wages since high earners are absorbed into competitive employment.

8. Won't workshops use the supplement as an excuse to hold earned wages down?

A. These are certified workshops, meeting applicable criteria. Periodic reviews are built into the language of the bill, as well as the incentive payment for workshops which increase the reliance of their clients on earned income.

9. Is this bill consistent with government policy?

A. Congress is on record as supporting alternatives to institutionalization for the mentally retarded. This bill will encourage integration of the handicapped into the community.

10. Isn't this approach too drastic and untried?

A. Fourteen European nations use some form of subsidy for sheltered employment. Those countries that have successful workshop programs provide a significant level of government subsidy both to the individuals involved and through institutions.

11. Won't an emphasis on wages lead to neglect of other programs for the handicapped?

A. Wage supplements are not offered as a panacea. There are many good suggestions for improving workshop performance, through specialization, through better procurement and management, and through expanded personnel and services. In no way do wage supplements preclude other experiments and programs.

12. Many workshops already subsidize client earnings to bring them to the hourly earning levels required for Wage and Hour certificates. Shouldn't the subsidy go directly to the workshop?

A. Workshops would be paid a fixed amount to participate plus the incentive payment mentioned above. It is important that the wage supplement go directly to the handicapped employee as an habilitation incentive.

ACCOUNTANTS AND LAWYERS REAP WINDFALL FROM 1976 LAW

Mr. HUDDLESTON. Mr. President, as the deadline for filing Federal tax returns rolls around, the issue of tax reform is again being raised. As we all know, the Congress attempted to deal with this problem last year with the Tax Reform Act of 1976. There were many worthy and long overdue changes made by that act but, unfortunately, it failed to do the one thing that would bring about greater tax equity for everyone, and that is substantially simplify the Tax Code. Many tax inequities exist because the complexities of our tax laws hide them and the average taxpayer is being forced to seek out in increasing numbers professional tax assistance in order to take advantage of valid tax benefits. If we are to have a sane and sensible tax policy, there must be substantial simplification of the Tax Code. The inadequacies of the Tax Reform Act in this area are highlighted in an article written by Israel Shenker which appeared in the New York Times on February 20, 1977, entitled "Accountants and Lawyers Reap Windfall from 1976 Law." It is Mr. Shenker's conclusion that—

The biggest thing it provided early on was burgeoning business for lawyers, accountants, brokers and publishers.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Feb. 20, 1977]

ACCOUNTANTS AND LAWYERS REAP WINDFALL FROM 1976 LAW

(By Israel Shenker)

The Tax Reform Act of 1976 was full of major provisions, but the biggest thing it provided early on was burgeoning business for lawyers, accountants, brokers and publishers.

Not since the enactment of the Internal Revenue Code of 1954 was this world of financial legerdemain, so exquisitely calculating, so painfully contrived, burdened with such blessings, as lawyers searched for loopholes lost and loopholes gained, accountants began unlearning the old and mastering the new and publishers scrambled to disseminate and analyze the new law.

"Hundreds of millions of dollars have been spent—some would say wasted—as a result of this Act," said Prof. Bernard Wolfman, an

enthusiastic tax reformer who teaches tax law at Harvard. "This gigantic side effect had nothing to do with whether the act makes for good or bad tax laws."

In the winter's worst snowstorm more than 300 lawyers found Bedford, N.H., and paid $50 each to attend a session on the new law sponsored by bar association.

"The night before, when I saw the snow, I thought my wife and I would be the whole audience," said Stephen C. Miller, director of continuing legal education for the association. "I was flabbergasted by the turnout."

When the Federal Tax Institute of New England announced a two-day session on the Act, Boston's John Hancock Hall was filled with 1,000 lawyers paying $75 each. And the experience of the American Bar Association makes New England's activity sound typical for the nation, for the reform presents any number of taxing problems and the first is complexity.

Don V. Harris, Jr., of Washington Covington & Burling, chairman of the A.B.A. taxation section, ticked off some of the incidental expenditures in bringing the news to the lawyers: "An awful lot of printing and mailing, trains, planes, automobiles, gasoline, rubber tires—people have to go to the meetings, hotels, restaurants, and I guess lawyers have an occasional drink."

Prof. John Kenneth Galbraith of Harvard University, suggested that the act was a device whereby legislators provided impetus for the G.N.P. "There's no question that it's quite an industry," he said, then summarized the industry as "economic sadism, which takes pleasure and profit from the fresh sorrows of the taxpayer.

"There's no way of avoiding it," he added, "Not to worry about the extra amount of taxes. It's so small that most people won't miss the money."

Professor Galbraith said the industry generated by the act depended on "the principled conviction that you shouldn't pay more taxes than you have to," and added that it was all "related to the deep sense of injustice that the affluent have—far greater than that of the poor."

The American Law Institute-American Bar Association Committee on Continuing Professional Education sponsored three national institutes on the act, conjured up 23 courses of study explaining the act, everything from Legal Aspects of Museum Operations (New York, Mar. 23–25) to Modern Real Estate Transactions (Madison, Wis., June 19–24) published a two-volume course of studies on the Reform—828 pages, and prepared a set of 14 video casettes on the subject.

" 'Enormous' is an apt description," said Paul A. Wolkin, A.L.I.-A.B.A.'s executive director, of the activity and money involved in spreading the tax gospel.

One immediate consequence of the act was that lawyers had to review clients' wills—a vast undertaking.

"The lawyer in the street is going to make a bundle on this act," noted Thomas T. Heney, executive director of the Practising Law Institute, another continuing legal education organization, which has held seminars on the subject in New York and New Orleans and will elsewhere around the country.

In his fireside chat earlier this month President Carter promised "a very simple tax return," so that 75 percent of Americans could simply take the standard deduction—but that is intended for 1978. At present taxpayers are either going to spend more time sorting out their own returns or pay more for a lawyer, accountant or tax consultant to do it for them with the complex new law. Even the Commissioner of Internal Revenue has warned that taxpayers may need help this year.

Henry W. Bloch, president of H. & R. Block, which prepared returns for 8.5 million taxpayers, almost 10 percent of the total last year at an average cost of $18.45 each, noted that many new clients had turned up this year, evidently confused by the new act, and because of additional training for preparers necessitated by the act, charges are going up 5 to 7 percent.

Ironically the company's stock has dropped recently, from 22½ before Mr. Carter's fireside chat to 19¾ Friday, in anticipation of the day Mr. Carter's simplified form will obviate the need of many for professional help.

Robert C. Brown, executive director of the Tax Foundation, cited the old phrase about a tax act being a "lawyers' and accountants' relief act."

But not all lawyers were pleased with the new business. Harry K. Mansfield, a tax lawyer with Boston's Ropes & Gray, said that "a number of people here felt inundated" by the new business generated and, "This is not something that's terribly welcome—we find this more aggravating than satisfying."

Nor was the Practising Law Institute entirely happy. It had to destroy $50,000 worth of books outdated by the reform and is revising 40.

"It'll result in increased fees for the practitioners,' said Wallace E. Olson, president of the Institute of Certified Public Accountants, which, like others, has seen attendance at its continuing education courses burgeon—one course drew 14,000. Robert Hanson, head of tax practice at Arthur Young, one of the nation's Big Eight accounting firms, confirmed that "charges have gone up."

Accounting firms have been inundating clients—and themselves—with explanations. Haskins & Sells put out a summary of the act, as well as guides to year-end planning, planning for bequests and gifts, and planning for executive compensation. Price, Waterhouse & Co. published guides for business, individuals, and income earned abroad. Cooper & Lybrand sent out a newsletter with urgent considerations, as did S. D. Leidesdorf & Co., while Main Lafrentz & Co. coined—glistering gold on greenback green—"Tax Reform Act of 1976 analysis & commentary."

Publishing companies that provide financial information services were all but overwhelmed by the need to pour out words by the unreadable millions—in time to be useful.

B.N.A., Commerce Clearing House, and Prentice-Hall, all of which sell loose-leaf and paperback tax services, rushed to fulfill their obligations, seizing the chance to capture subscribers' loyalty and money.

"The staff was putting in 14-hour, 19-hour days, and even working around the clock," said Prentice-Hall's Robert Shaw. "Our proofreading staffs don't know the names of their families any more."

But the timing of the act could hardly have been worse for Bernard Greisman, editor of "J.K. Lasser's Your Income Tax" ($2.95). He usually completes an edition by mid-September, and the tax changes in October caused him to go through what he describes as a night-mare—"the most difficult period I've had in 20-odd years."

But even here was a silver lining. Simon & Schuster, publisher of Lasser's guide, printed 1.05 millions instead of the customary 900,000.

Stock brokers also rushed pell mell to clarify the almost unfathomable mysteries of October. Merrill Lynch signed up Dick Cavett to introduce a video account of tax reform, which was rushed to about 200 offices nationwide. Clients—confirmed or prospective—were invited to be charmed by Mr. Cavett and instructed by experts.

But Joseph A. Pechman, an economist and tax expert at the Brookings Institution, said:

"The laws have been becoming more and more complicated, creating administrative compliance problems that are expensive and use up scarce resources. I think we don't need complicated tax laws to keep our accounting and legal professions busy on complicated things. But it does increase their income."

And not incidentally, much of the expenditure involved in this industry is tax-deductible and both the A.L.I.-A.B.A. and the P.L.I. are nonprofit and tax-exempt. Lawyers and accountants who attend institutes and seminars on the tax law may deduct expenses for travel, hotel, meals, books, tuition and perhaps even midnight oil.

Clients who pay lawyers and accountants for their tax expertise may, by and large, take tax deductions for the payments.

FINANCE COMMITTEE RULES

Mr. LONG. Mr. President, the Legislative Reorganization Act requires each standing committee of the Senate to publish its rules in the CONGRESSIONAL RECORD at the beginning of each session of Congress. I ask unanimous consent that the rules of the Committee on Finance be printed in the RECORD.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

COMMITTEE ON FINANCE RULES OF PROCEDURE

(Adopted Feb. 23, 1977)

Rule 1. *Regular Meeting Days.*—The regular meeting day of the committee shall be the second and fourth Tuesday of each month, except that if there be no business before the committee the regular meeting shall be omitted.

Rule 2. *Committee Meetings.*—(a) Except as provided by section 133(a) of the Legislative Reorganization Act of 1946 as amended by section 102(a) of the Legislative Reorganization Act of 1970 (relating to special meetings called by a majority of the committee) and subsection (b) of this rule, committee meetings, for the conduct of business, for the purpose of holding hearings, or for any other purpose, shall be called by the chairman. Members will be notified of committee meetings at least 48 hours in advance, unless the Chairman determines that an emergency situation requires a meeting on shorter notice. The notification will include a written agenda together with materials prepared by the staff relating to that agenda. After the agenda for a committee meeting is published and distributed, no non-germane items may be brought up during that meeting unless at least two-thirds of the members present agree to consider those items.

(b) In the absence of the chairman, meetings of the committee may be called by the ranking majority member of the committee who is present, provided authority to call meetings has been delegated to such member by the chairman.

Rule 3. *Presiding Officer.*—(a) The chairman shall preside at all meetings and hearings of the committee except that in his absence the ranking majority member who is present at the meeting shall preside.

(b) Notwithstanding the rule prescribed by subsection (a) any member of the committee may preside over the conduct of a hearing.

Rule 4. *Quorums.*—(a) Except as provided in subsections (b) and (c) six members, including not less than one member of the majority party and one member of the minority party, shall constitute a quorum for the conduct of business.

(b) Notwithstanding the rule prescribed by subsection (a), one member shall constitute a quorum for the purpose of conducting a hearing.

(c) Once a quorum as prescribed by subsection (a) has been established for the conduct of business in executive session, the committee may continue to conduct business so long as five or more members are present.

Rule 5. *Reporting of Measures or Recommendations.*—No measure or recommendation shall be reported from the committee unless a majority of the committee is actually present and a majority of those present concur.

Rule 6. *Proxy Voting; Polling.*—(a) Except as provided by section 133(d) of the Legislative Reorganization Act of 1946 as amended by section 106(a) of the Legislative Reorganization Act of 1970 (relating to limitation on use of proxy voting to report a measure or matter), members who are unable to be present may have their vote recorded by proxy.

(b) At the discretion of the committee, members who are unable to be present and whose vote has not been cast by proxy may be polled for the purpose of recording their vote on any rollcall taken by the committee.

Rule 7. *Order of Motions.*—When several motions are before the committee dealing with related or overlapping matters, the chairman may specify the order in which the motions shall be voted upon.

Rule 8. *Bringing a Matter to a Vote.*—If the chairman determines that a motion or amendment has been adequately debated, he may call for a vote on such motion or amendment, and the vote shall then be taken, unless the committee votes to continue debate on such motion or amendment, as the case may be. The vote on a motion to continue debate on any motion or amendment shall be taken without debate.

Rule 9. *Public Announcement of Committee Votes.*—Pursuant to section 133(b) of the Legislative Reorganization Act of 1946 as amended by section 104(a) of the Legislative Reorganization Act of 1970 (relating to public announcement of votes), the results of rollcall votes taken by the committee on any measure (or amendment thereto) or matters shall be announced publicly not later than the day on which such measure or matter is ordered reported from the committee.

Rule 10. *Subpoenas.*—Subpoenas for attendance of witnesses and the production of memoranda, documens, and records shall be issued by the chairman, or by any other member of the committee designated by him.

Rule 11. *Open Committee Hearings.*—To the extent required by section 133A of the Legislative Reorganization Act of 1946 as amended by section 112(a) of the Legislative Reorganization Act of 1970 (relating to limitations on open hearings), each hearing conducted by the committee shall be open to the public.

Rule 12. *Announcement of Hearings.*—The committee shall undertake consistent with the provisions of section 133A of the Legislative Reorganization Act of 1946 as added by section 111(a) of the Legislative Reorganization Act of 1970 (relating to public notice of committee hearings) to issue public announcements of hearings it intends to hold at least one week prior to the commencement of such hearings.

Rule 13. *Witnesses at Hearings.*—(a) Each witness who is scheduled to testify at any hearing must submit his written testimony to the staff director not later than noon of the last business day preceding the day on which he is scheduled to appear. Such written testimony shall be accompanied by a brief summary of the principal points covered in the written testimony. Having submitted his written testimony, the witness shall be allowed not more than ten minutes for oral presentation of his statement.

(b) Witnesses may not read their entire written testimony, but must confine their oral presentation to a summarization of their arguments.

(c) Witnesses shall observe proper standards of dignity, decorum and propriety while presenting their views to the committee. Any witness who violates this rule shall be dismissed, and his testimony (both oral and written) shall not appear in the record of the hearing.

(d) In scheduling witnesses for hearings, the staff shall attempt to schedule witnesses so as to attain a balance of views early in the hearings. Every member of the committee may designate witnesses who will appear before the committee to testify. To the extent that a witness designated by a member cannot be scheduled to testify during the time set aside for the hearing, a special time will be set aside for that witness to testify if the member designating that witness is available at that time to chair the hearing.

Rule 14. *Audiences.*—Persons admitted into the audience for open hearings of the committee shall conduct themselves with the dignity, decorum, courtesy and propriety traditionally observed by the Senate. Demonstrations of approval or disapproval of any statement or act by any member or witness are not allowed. Persons creating confusion or distractions or otherwise disrupting the orderly proceeding of the hearing shall be expelled from the hearing.

Rule 15. *Broadcasting of Hearings.*—(a) Broadcasting of open hearings by television or radio coverage shall be allowed upon approval by the chairman of a request filed with the staff director not later than noon of the day before the day on which such coverage is desired.

(b) If such approval is granted, broadcasting coverage of the hearing shall be conducted unobtrusively and in accordance with the standards of dignity, propriety, courtesy and decorum traditionally observed by the Senate.

(c) Equipment necessary for coverage by television and radio media shall not be installed in, or removed from, the hearing room while the committee is in session.

(d) Additional lighting may be installed in the hearing room by the media in order to raise the ambient lighting level to the lowest level necessary to provide adequate television coverage of the hearing at the then current state of the art of television coverage.

(e) The additional lighting authorized by subsection (d) of this rule shall not be directed into the eyes of any members of the committee or of any witness, and at the request of any such member or witness, offending lighting shall be extinguished.

(f) No witness shall be required to be photographed at any hearing or to give testimony while the broadcasting (or coverage) of that hearing is being conducted. At the request of any such witness who does not wish to be subjected to radio or television coverage, all equipment used for coverage shall be turned off.

Rule 16. *Subcommittees.*—(a) The Chairman, subject to the approval of the committee, shall appoint legislative subcomittees. All legislation shall be kept on the full committee calendar unless a majority of the members present and voting agree to refer specific legislation to an appropriate subcommittee.

(b) The Chairman may limit the period during which House-passed legislation referred to a subcommittee under paragraph (a) will remain in that subcommittee. At the end of that period, the legislation will be restored to the full committee calendar. The period referred to in the preceding sentences should be six weeks, but may be extended in the event that adjournment or a long recess is imminent.

(c) All decisions of the Chairman are subject to approval or modification by a majority vote of the committee.

(d) The full committee may at any time by majority vote of those members present discharge a subcommittee from further consideration of a specific piece of legislation.

(e) Because the Senate is constitutionally prohibited from passing revenue legislation originating in the Senate, subcommittees may mark up legislation originating in the Senate and referred to them under Rule 16(a) to develop specific proposals for full committee consideration but may not report such legislation to the full committee. The preceding sentence does not apply to non-revenue legislation originating in the Senate.

(f) The Chairman and ranking minority member shall serve as non-voting *ex officio* members of the subcommittees on which they do not serve as voting members.

(g) Any member of the committee may attend hearings held by any subcommittee and question witnesses testifying before that subcommittee.

(h) Subcommittee meeting times shall be coordinated by the staff director to insure that—

(1) no subcommittee meeting will be held when the committee is in executive session, except by unanimous consent;

(2) no more than one subcommittee will meet when the full committee is holding hearings; and

(3) not more than two subcommittees will meet at the same time.

Notwithstanding paragraphs (2) and (3), a subcommittee may meet when the full committee is holding hearings and two subcommittees may meet at the same time only upon the approval of the Chairman and the ranking minority member of the committee and subcommittees involved.

(i) All nominations shall be considered by the full committee.

(j) The Chairman will attempt to schedule reasonably frequent meetings of the full committee to permit consideration of legislation reported favorably to the committee by the subcommittees.

Rule 17. *Amendment of Rules.*—The foregoing rules may be added to, modified, amended or suspended at any time.

THE EFFECTS OF TELEVISION ON CHILDREN

Mr. HASKELL. Mr. President, the influence of television on American children has long been a major concern of conscientious parents. The excessive and grimly realistic portrayal, if not outright glorification of violence and brutality on our television screens is a source of special concern. The most recent issue of Newsweek magazine contains an article, "What TV Does to Kids," which I highly recommend to my colleagues as an excellent overview of this very serious situation.

The article quotes a young constituent of mine, an 11-year-old child in Denver as saying:

> You see so much violence that it's meaningless. If I saw someone really get killed, it wouldn't be a big deal. I guess I'm turning into a hard rock.

That statement from an 11-year-old child and others like it from children around the country are poignant testimony to the disturbing impact television violence is having on our youngsters. Child psychiatrists and other experts have conducted exhaustive studies on the subject, and as Harry F. Waters' Newsweek article points out:

> The overwhelming body of evidence on the effect of TV violence is decidedly negative.

I am encouraged by the attention being given to this issue of the Parent-Teacher Association, the American Medical Association, and various business

leaders around the country. It is an issue to which the Congress must also devote very careful attention.

I ask unanimous consent that the article cited above be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT TV DOES TO KIDS

(His first polysyllabic utterance was "Bradybunch." He learned to spell Sugar Smacks before his own name. He has seen Monte Carlo, witnessed a cocaine bust in Harlem and already has full-color fantasies involving Farrah Fawcett-Majors. Recently, he tried to karate-chop his younger sister after she broke his Six Million Dollar Man bionic transport station. (She retaliated by bashing him with her Cher doll.) His nursery-school teacher reports that he is passive, non-creative, unresponsive to instruction, bored during play periods and possessed of an almost nonexistent attention span—in short, very much like his classmates. Next fall, he will officially reach the age of reason and begin his formal education: His parents are beginning to discuss their apprehensions—when they are not too busy watching television.)

The wonder of it all is that the worry about television has so belatedly moved anyone to action. After all, the suspicion that TV is turning children's minds to mush and their psyches toward mayhem is almost as old as the medium itself. But it is only in recent years—with the first TV generation already well into its 20s—that social scientists, child psychologists, pediatricians and educators have begun serious study of the impact of television on the young. "The American public has been preoccupied with governing our children's schooling," says Stanford University psychologist Alberta Siegel. "We have been astonishingly unconcerned about the medium that reaches into our homes. Yet we may expect television to alter our social arrangements just as profoundly as printing has done over the past five centuries."

The statistics are at least alarming. Educators like Dr. Benjamin Bloom, of the University of Chicago, maintain that by the time a child reaches the age of 5, he has undergone as much intellectual growth as will occur over the next thirteen years. According to A. C. Nielsen, children under 5 watch an average of 23.5 hours of TV a week. That may be less than the weekly video diet of adults (about 44 hours), but its effects are potentially enormous. Multiplied out over seventeen years, that rate of viewing means that by his high-school graduation today's typical teen-ager will have logged at least 15,000 hours before the small screen—more time than he will have spent on any other activity except sleep. And at present levels of advertising and mayhem, he will have been exposed to 350,000 commercials and vicariously participated in 18,000 murders.

The conclusion is inescapable: after parents, television has become perhaps the most potent influence on the beliefs, attitudes, values and behavior of those who are being raised in its all-pervasive glow. George Gerbner, dean of the University of Pennsylvania's Annenberg School of Communications, is almost understating it when he says: "Television has profoundly affected the way in which members of the human race learn to become human beings."

A QUESTION OF AIR POLLUTION

Unquestionably, the plug-in picture window has transmitted some beneficial images. Last month's showing of "Roots," for example, may have done more to increase the understanding of American race relations than any event since the civil rights activities of the '60s. And the fact that 130 million Americans could share that experience through the small screen points up the powerful—and potentially positive—influence the industry can have on its audience. In general, the children of TV enjoy a more sophisticated knowledge of a far larger world at a much younger age. They are likely to possess richer vocabularies, albeit with only a superficial comprehension of what the words mean. Research on the impact of "Sesame Street" has established measurable gains in the cognitive skills of pre-schoolers. And many benefits cannot be statistically calibrated. A New York pre-schooler tries to match deductive wits with Columbo; a Los Angeles black girl, who has never seen a ballet, decides she wants to be a ballerina after watching Margot Fonteyn perform on TV.

Nonetheless, the overwhelming body of evidence—drawn from more than 2,300 studies and reports—is decidedly negative. Most of the studies have dealt with the anti-social legacy of video violence. Michael Rothenberg, a child psychiatrist at the University of Washington, has reviewed 25 years of hard data on the subject—the 50 most comprehensive studies involving 10,000 children from every possible background. Most showed that viewing violence tends to produce aggressive behavior among the young. "The time is long past due for a major, organized cry of protest from the medical profession in relation to what, in political terms, is a national scandal," concludes Rothenberg.

An unexpected salvo was sounded last week when the normally cautious American Medical Association announced that it had asked ten major corporations to review their policies about sponsoring excessively gory shows. "TV violence is both a mental-health problem and an environmental issue," explained Dr. Richard E. Palmer, president of the AMA. "TV has been quick to raise questions of social responsibility with industries which pollute the air. In my opinion, television . . . may be creating a more serious problem of air pollution." Reaction was immediate: General Motors, Sears Roebuck and the Joseph Schlitz Brewing Co. quickly announced they would look more closely into the content of the shows they sponsor.

The AMA action comes in the wake of a grass-roots campaign mobilized by the national Parent-Teacher Association. The 6.6 million-member PTA recently began a series of regional forums to arouse public indignation over TV carnage. If that crusade fails, the PTA is considering organizing station-license challenges and national boycotts of products advertised on offending programs.

"THE FLICKERING BLUE PARENT"

In their defense, broadcasting officials maintain that the jury is still out on whether video violence is guilty of producing aggressive behavior. And they marshal their own studies to support that position. At the same time, the network schedulers say they are actively reducing the violence dosage. "People have said they want another direction and that's what we're going to give them," promises NBC–TV president Robert T. Howard. Finally, the broadcast industry insists that the responsibility for the impact of TV on children lies with parents rather than programmers. "Parents should pick and choose the shows their kids watch," says CBS vice president Gene Mater. "Should TV be programed for the young through midnight? It's a real problem. TV is a mass medium and it must serve more than just children."

But the blight of televised mayhem is only part of TV's impact. Beyond lies a vast subliminal terrain that is only now being charted. The investigators are discovering that TV has affected its youthful addicts in a host of subtle ways, varying according to age and class. For deprived children, TV may, in some cases, provide more sustenance than their home—or street—life; for the more privileged, who enjoy other alternatives, it may not play such a dominating role.

Nonetheless, for the average kid TV has at the very least preempted the traditional development of childhood itself. The time kids spend sitting catatonic before the set has been exacted from such salutary pursuits as reading, outdoor play, even simple, contemplative solitude. TV prematurely jades, rendering passé the normal experiences of growing up. And few parents can cope with its tyrannical allure. Recently, Dr. Benjamin Spock brought his stepdaughter and granddaughter to New York for a tour of the Bronx Zoo and the Museum of Modern Art. But the man who has the prescription for everything from diaper rash to bed-wetting could not dislodge the kids from their hotel room. "I couldn't get them away from the goddamned TV set," recalls Spock. "It made me sick."

Small wonder that television has been called "the flickering blue parent." The after-school and early-evening hours used to be a time for "what-did-you-do-today" dialogue. Dr. David Pearl of the National Institute of Mental Health suspects that the tube "has displaced many of the normal interactional processes between parents and children . . . Those kinds of interactions are essential for maximum development." One veteran elementary-school teacher in suburban Washington, D.C., has noticed that her students have grown inordinately talkative when they arrive for class. "At home, they can't talk when the TV is on," she says. "It's as if they are starved for conversation."

THE PASSIVE GENERATION

Even more worrisome is what television has done to, rather than denied, the tube-weaned population. A series of studies has shown that addiction to TV stifles creative imagination. For example, a University of Southern California research team exposed 250 elementary students—who had been judged mentally gifted—to three weeks of intensive viewing. Tests conducted before and after the experiment found a marked drop in all forms of creative abilities except verbal skill. Some teachers are encountering children who cannot understand a simple story without visual illustrations. "TV has taken away the child's ability to form pictures in his mind," says child-development expert Dorothy Cohen at New York City's Bank Street College of Education.

Parenthetically, nursery-school teachers who have observed the pre-TV generation contend that juvenile play is far less imaginative and spontaneous than in the past. The vidkids' toys come with built-in fantasies while their playground games have been programed by last night's shows. "You don't see kids making their own toys out of crummy things like we used to," says University of Virginia psychology professor Stephen Worchel, who is the father of a 6-year-old. "You don't see them playing hopscotch, or making up their own games. Everything is suggested to them by television."

Too much TV too early also instills an attitude of spectatorship, a withdrawal from direct involvement in real-life experiences. "What television basically teaches children is passivity," says Stanford University researcher Paul Kaufman. "It creates the illusion of having been somewhere and done something and seen something, when in fact you've been sitting at home." New York Times writer Joyce Maynard, 23, a perceptive member of the first TV generation, concludes: "We grew up to be observers, not participants, to respond to action, not initiate it."

Conditioned to see all problems resolved in 30 or 60 minutes, the offspring of TV exhibit a low tolerance for the frustration of learning. Elementary-school educators complain that their charges are quickly turned off by any activity that promises less than instant gratification. "You introduce a new

skill, and right away, if it looks hard, they dissolve into tears," laments Maryland first-grade teacher Eleanor Berman. "They want everything to be easy—like watching the tube." Even such acclaimed educational series as "Sesame Street," "The Electric Company" and "Zoom" have had some dubious effects. Because such shows sugar-coat their lessons with flashy showbiz techniques, they are forcing real-life instructors into the role of entertainers in order to hold their pupils' attention. "I can't turn my body into shapes or flashlights," sighs a Connecticut teacher. "Kids today are accustomed to learning through gimmicks."

For the majority of American children, television has become the principal socializing agent. It shapes their view of what the world is like and what roles they should play in it. As the University of Pennsylvania's Gerbner puts it: "The socialization of children has largely been transferred from the home and school to TV programmers who are unelected, unnamed and unknown, and who are not subject to collective—not to mention democratic—review."

What does TV's most impressionable constituency learn from prime-time entertainment? No one can really be sure, but psychologists like Robert Liebert of the State University of New York, one of the most respected observers of child behavior, don't hesitate to express sweeping indictments. "It teaches them that might makes right," Liebert says flatly. "The lesson of most TV series is that the rich, the powerful and the conniving are the most successful."

THE VIEW FROM THE VICTIMS

Whatever the truth of that, the tube clearly tends to reinforce sex-role stereotypes. In a Princeton, N.J., survey of sixteen programs and 216 commercials, it was found that men outnumbered women by three to one and that females were twice as likely to display incompetence. By and large, men were portrayed as dominant, authoritative and the sole source of their family's economic support. "These roles are biased and distorted, and don't reflect the way a woman thinks or feels," complains Liebert. "And it's just as bad for blacks."

It may, in fact, be even worse for blacks. Not only do black children watch more TV than whites, but they confront a far greater disparity between the illusions of videoland and the reality of their own lives. Two yet-to-be-published studies conducted by University of South Carolina psychology professor Robert Heckel found that young black viewers regard whites as more competent than blacks, and model their conduct accordingly. In one study, black children were shown a TV film of an interracial group of peers choosing toys to play with—and then given the same toys to pick from themselves. All the blacks selected the toys chosen by whites in the film, even though many of those toys were smaller or inferior in quality. "On TV, the competent roles tend to go to whites, particularly young white males," explains Heckel. "Thus black children regard whites as someone to copy."

A classic example of such racial imprinting is Rowena Smith, a 14-year-old Los Angeles black who remains glued to the tube from school recess to 11 each night. Rowena's favorite TV characters are CBS's Phyllis and her teen-age daughter. "They get along so good," she sighs. "I wish me and Mom could talk that way." When Rowena was scolded for getting her clothes dirty, she indignantly told her mother that "the kid in the Tonka truck ad gets dirty all the time." Rowena's first awareness of the facts of non-TV life came after she ran away for two days—and her mother gave her a licking. "When TV shows runaways," she complains, "they don't show the part about being beaten." Nowadays, Rowena is more skeptical about television, but she has become increasingly concerned about her 8-year-old brother. He wistfully talks about getting seriously injured and then being reassembled like the Six Million Dollar Man. "This kid really believes TV," sighs his sister. "I gotta keep an eye on him 24 hours a day."

Indeed, call on the children themselves to testify and the message comes through clear—and sometimes poignantly. A vidkid sampler:

Fourteen-year-old, Los Angeles: "Television is perfect to tune out the rest of the world. But I don't relate with my family much because we're all too busy watching TV."

Eleven-year-old, Denver: "You see so much violence that it's meaningless. If I saw someone really get killed, it wouldn't be a big deal. I guess I'm turning into a hard rock."

Nine-year-old, San Francisco: "I'd rather watch TV than play outside because it's boring outside. They always have the same rides, like swings and things."

Fifteen-year-old, Lake Forest, Ill.: "Sometimes when I watch an exciting show, I don't blink my eyes once. When I close them after the show, they hurt hard."

Thirteen-year-old Glastonbury, Conn.: "When I see a beautiful girl using a shampoo or a cosmetic on TV, I buy them because I'll look like her. I have a ton of cosmetics. I play around with them and save them for when I'm older."

Ten-year-old, New York: "It bugs me when someone is watching with me. If your friend is bored, you have to go out or make conversation. That's hard."

It would be preposterous, of course, to suggest that television alone is responsible for everything that is wrong with America's young. Permissiveness at home and in school, the dispersion of the extended family, confusion over moral standards and the erosion of traditional institutions—all help explain why Dick and Jane behave as they do. Moreover, any aspect of child psychology is enormously complex, especially when it comes to measuring cause and effect. There is always the temptation among social scientists to set up their experiments in a way guaranteed to reinforce their preconceptions. Nevertheless, there is one thust of reliable study—into video violence—that has produced an unmistakable pattern of clear and present danger.

PARANOIA AND PROPAGANDA

The debate over the link between TV violence and aggressive behavior in society has had a longer run than "Gunsmoke." Today, however, even the most chauvinist network apologists concede that some children, under certain conditions, will imitate antisocial acts that they witness on the tube. Indeed, a study of 100 juvenile offenders commissioned by ABC found that no fewer than 22 confessed to having copied criminal techniques from TV. Last year, a Los Angeles judge sentenced two teen-age boys to long jail terms after they held up a bank and kept 25 persons hostage for seven hours. In pronouncing the sentence, the judge noted disgustedly that the entire scheme had been patterned on an "Adam 12" episode the boys had seen two weeks earlier.

Convinced that they have proved their basic case, the behavioral sleuths on the violence beat have switched their focus to less obvious signs of psychic dysfunction. They are now uncovering evidence that the tide of TV carnage increases childrens' tolerance of violent behavior in others. In one experiment, several hundred fifth-graders were asked to act as baby-sitters for a group of younger kids—shown on a TV screen—who were supposedly playing in the next room. The baby-sitters were instructed to go to a nearby adult for assistance if their charges began fighting. Those who had been shown a violent TV film just before taking up their duties were far slower to call for help than those who had watched a pro-baseball telecast. "Television desensitizes children to violence in real life," observes University of Mississippi psychology professor Ronald Drabman, who helped conduct the study. "They tolerate violence in others because they have been conditioned to think of it as an everyday thing."

Beyond that, some researchers are finding that TV may be instilling paranoia in the young. Three years of tests directed by Gerbner, who is perhaps the nation's foremost authority on the subject, established that heavy TV watchers tend to exaggerate the danger of violence in their own lives—creating what Gerbner calls a "mean-world syndrome." As for children, he reports that "the pattern is exactly the same, only more so. The prevailing message of TV is to generate fear."

And now a word about the sponsors. The late Jack Benny once quipped that television is called a medium because nothing it serves up is ever well-done. But as the child watchers see it, the not-so-funny problem with TV commercials is precisely that they are so well put together. "Everybody has had the experience of seeing a 2-year-old playing on the floor, and when the commercial comes on, he stops and watches it," notes F. Earle Barcus, professor of communications at Boston University. "TV ads probably have more effect on children than any other form of programing."

JUNK FOOD FOR THOUGHT

The hottest battle involves the impact of child-directed commercials on their audience's eating habits. More than 70 per cent of the ads on Saturday and Sunday-morning "kidvid" peddle sugar-coated cereals, candy and chewing gum. Laced with action-packed attention grabbers and pitched by an ingratiating adult authority figure, such messages hook children on poor eating habits long before they develop the mental defenses to resist. "This is the most massive educational program to eat junk food in history," charges Sid Wolinsky, an attorney for a San Francisco public-interest group. "We are creating a nation of sugar junkies."

Research has also established that as the kids grow older their attitudes toward commercials move from innocent acceptance to outrage about those ads that mislead and finally to a cynical recognition of what they perceive as adult hypocrisy. According to a study by Columbia University psychology professor Thomas Bever, TV ads may be "permanently distorting children's views of morality, society and business." From in-depth interviews with 48 youngsters between the ages of 5 and 12, Bever concluded that by the time they reach 12, many find it easier to decide that all commercials lie than to try to determine which are telling the truth. Concludes Bever: "They become ready to believe that, like advertising, business and other institutions are riddled with hypocrisy."

Who is to blame and what, if anything, can be done? The networks argue that the number of violent incidents portrayed on TV has declined by 24 per cent since 1975. That figure has been challenged, but there is little question that the networks have instituted some reforms. The number of "action-adventure" series has decreased of late, and the weekend-morning kidvid scene is gradually being pacified. Such superhero cartoon characters as CBS's "Superman" and NBC's "Granite Man" have been replaced with gentler fare; ABC even canceled "Bugs Bunny" and "Road Runner" because of their zap-and-whap antics.

There is also considerable merit to the broadcasters' argument that parents are to blame if they don't regulate their children's viewing habits. By the time the Family Hour experiment was struck down by the courts last year, it had already proved unworkable because so many parents refused to cooperate. Nielsen found that 10.5 million young-

sters under the age of 12 were still hooked to the tube after 9 p.m., when the Family Hour ended. And a recent Roper study reported that only two-fifths of the parents polled enforced rules about what programs their children could watch. "Parents who take active charge of most of the elements of their children's upbringing allow a kind of anarchy to prevail where television viewing is concerned," says Elton Rule, president of ABC, Inc.

THE PUBLIC STRIKES BACK

In rebuttal, public-interest groups point out that TV stations have been granted Federal licenses to ride the public airwaves—a highly lucrative privilege that carries a unique responsibility. In addition to the nationwide pressure being exerted by the AMA and the PTA, local organization like the Lansing (Mich.) Committee for Children's Television have persuaded local stations to drop gory shows from their late-afternoon schedules. But no one has achieved more reform than the activist mothers of Action for Children's Television, based in Newtonville, Mass. ACT is largely credited with persuading the networks to reduce time for commercials on children's weekend shows from sixteen to nine and a half minutes an hour, to halt the huckstering of vitamins on kidvid and to end the practice of having the hosts deliver the pitches. ACT's ultimate—perhaps chimeric—goal is to rid kidvid of all advertising. "We feel it is wise to separate children from the marketplace until they are ready to deal with it," explains Peggy Charren, ACT's indefatigable president.

The shrewdest reform movement is aimed at persuading network programmers and advertisers that violence really doesn't sell. J. Walter Thompson, the nation's largest advertising agency, has begun advising its clients to stop purchasing spots on violent series—pointing out that a sampling of adult viewers revealed that 8 percent of the consumers surveyed had already boycotted products advertised on such shows, while 10 percent more were considering doing so. To help viewers identify the worst offenders among the shows, the National Citizens Committee for Broadcasting now disseminates rankings of the most violent series. At last body count, the bloodiest were ABC's "Starsky & Hutch" and "Baretta," NBC's "Baa Baa Black Sheep" and CBS's "Hawaii Five-O."

On the brighter side, some educators have begun harnessing commercial TV's power in positive ways. The movement first took hold a few years ago in Philadelphia's school system, which started tying reading assignments to TV offerings. For example, scripts for such docu-dramas as "The Missiles of October" and "Eleanor and Franklin" were distributed to more than 100,000 Philadelphia students in advance of the TV dates.

FROM VIOLENCE TO SOCIAL VALUES

The children watched the shows while following along in the scripts, and discussed them in class the next day. The program has worked so well—some pupils' reading skills advanced by three years—that 3,500 other U.S. school systems are imitating it. This week WBNS-TV, the CBS affiliate in Columbus, Ohio, is transmitting four hours of classroom programing each day aimed at 96,000 local students whose schools are closed due to the natural-gas shortage (page 39).

Prime Time School TV, a nonprofit Chicago organization, has come up with the most innovative approach: PSTS uses some of TV's most violent fare to implant positive social values. In one seven-week course, pupils were given questionnaires and told to fill them out while watching "Kojak," "Baretta" and the like. The questions, which were subsequently kicked around in class, dealt with everything from illegal search and seizure to forced confessions. "One boy told us that we had ruined television for him," reports PTST official Linda Kahn. "He couldn't watch a police show any more without counting the number of killings." Says PTST president William Singer: "We are saying that there are alternatives to merely railing against television, and this is just one of them."

LIFE WITHOUT THE TUBE

Unfortunately, the options available to the individual parent are considerably more limited. A few daring souls have simply pulled the plug. Charles Frye, a San Francisco nursery-school teacher and the father of five boys, decided he would not replace his set after it conked out in 1972. Frye's brood rebelled at first, but today none of them voices regret that theirs is a TV-less household. Fourteen-year-old Marks fills his afternoon with tap-dancing lessons, Sea Scout meetings and work in a gas station. Kirk, his 13-year-old brother, plays a lot of basketball and football and recently finished "Watership Down" and all four of the Tolkien Hobbit books. "I know of no other children that age who have that range of interests," says their father.

Short of such a draconian measure, some parents are exercising a greater degree of home rule. Two years ago, the administrators of New York's Horace Mann nursery school became distressed over an upsurge of violence in their students' play. Deciding that television was to blame, they dispatched a letter to all parents urging them to curb their children's viewing. "After we sent the letter, we could see a change," recalls Horace Mann principal Eleanor Brussel. "The kids showed better concentration, better comprehension, an ability to think things through." Sheila Altschuler, one of the mothers who heeded the school's request, noticed that her 4-year-old son began making up his own playtime characters instead of imitating those on the tube. "If I didn't feel it was kind of freaky, I wouldn't own a set," allows Altschuler. "But these days it's a matter of conformity. Kids would be outcasts without TV."

Clearly, there is no single antidote for the vidkid virus. For the children of the global village, and their progeny to come, TV watching will continue to be their most shared—and shaping—experience. Virtually all the experts, however, agree on one palliative for parents of all socioeconomic levels. Instead of using TV as an electronic baby-sitter, parents must try to involve themselves directly in their youngsters' viewing. By watching along with the kids at least occasionally, they can help them evaluate what they see—pointing out the inflated claims of a commercial, perhaps, or criticizing a gratuitously violent scene. "Parents don't have to regard TV as a person who can't be interrupted," says behavioral scientist Charles Corder-Bolz. "If they view one show a night with their kids, and make just one or two comments about it, they can have more impact than the whole program."

Reduced to the essentials, the question for parents no longer is: "Do you know where your children are tonight?" The question has become: What are they watching—and with whom?

SENATORS SEND LETTER TO PRESIDENT CARTER CALLING FOR AN OECD CONFERENCE ON YOUTH UNEMPLOYMENT

Mr. HUMPHREY. Mr. President, yesterday I and several of my colleagues in the Senate sent President Carter a letter urging him to call a Conference on Youth Unemployment among the member nations of the Organization for Economic Cooperation and Development.

Such a conference would examine why young people have a difficult time entering the work force and finding a decent job in industrial economies such as ours. It would compare the employment and job problems of American youth with those experienced by youths in the economies of Western Europe, Japan, Canada, and the other OECD member nations. It would be a forum for exchanging ideas for alleviating youth unemployment, and in particular, it would give policymakers here a chance to look very closely at some of the innovative programs for unemployed youths in the Western European countries.

Most important, however, an OECD Conference on Youth Unemployment would spur the President and Congress toward developing an effective program for solving our Nation's youth unemployment problem.

Youth unemployment is one of the most distressing problems our economy faces today. Half the unemployed are young people under the age of 25 years old—almost 3.3 million young people jobless in January of this year. The teenage unemployment rate of 17.4 percent in January was almost four times the unemployment rate for adults 25 years old and over. This is a national disgrace. It not only costs billions of dollars in lost output, it causes countless young people years of their lives when they need work to meet school or living expenses, it denies them work experience that will help them get jobs when they are older, and it contributes to alienation, drug abuse and crime among youths.

Although high unemployment among youths has been with us for more than two decades, many other industrialized countries have recently had their own youth unemployment problems. During the second quarter of 1975, when teenage unemployment in this country averaged 19 percent, the teenage unemployment rate in Canada was 14.6 percent and 15.6 percent in Australia. In France, it was an astounding 22.3 percent, and in Italy it was well over 20 percent.

Even in countries with low teenage unemployment, the teenage unemployment rate has risen steadily since the 1960's. In Japan, where teenage unemployment averaged 2.3 percent in 1968 and 2 percent in 1970, the mid-1975 teenage unemployment rate was 3.1 percent. In Sweden, 4.5 percent of teenagers were unemployed in 1970, rising to 5.7 percent in 1975. In West Germany the comparable figures for 1970 and 1975 are 2.0 percent and 7.2 percent.

The same kind of high unemployment holds in country after country for young adults 20 to 24 years old. For mid-1975, the unemployment rate for this group was 12.3 percent in the U.S., 10 percent in Canada, 6.3 percent in Australia, 9.5 percent in France, 4.8 percent in Germany, 6.4 percent in Great Britain, and over 10 percent in Italy.

While the Western European countries have begun experiencing a youth unemployment problem similar to ours, their reaction has been different from ours. We have been temporizing and stalling, and they have been acting.

Canada has begun a young Canada works program that will provide productive jobs for youths on projects provid-

ing needed services to their local communities, a summer job corps which will provide outdoor work experience, and a cooperative education program which will provide jobs to youths while they are still in school.

The British have started a major program of work experience for youths that is particularly oriented toward dropouts who have an exceptionally difficult time finding jobs. Belgium has hired many young people to train for the civil service. Most European governments are giving subsidies to employers who hire and train teenagers. And many are creating jobs on land reclamation, conservation, canal cleaning, and other public works projects reminiscent of our own Civilian Conservation Corp of the Great Depression.

We cannot and should not simply copy what other countries are doing for youths.

But we can and should arrange to discuss our mutual experiences with youth unemployment and to exchange ideas for alleviating it. As the letter says, "We have much to learn from other countries and they have much to learn from us."

I hope President Carter will call an OECD Conference on Youth Unemployment to express our Nation's great concern for its young people.

Mr. President, I ask unanimous consent that a copy of the letter we sent to President Carter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JOINT ECONOMIC COMMITTEE,
Washington, D.C., February 28, 1977.

The PRESIDENT OF THE UNITED STATES
The White House
Washington, D.C.

DEAR MR. PRESIDENT: One of the most distressing problems confronting the American economy today, as well as the economies of many of the industrialized nations of western Europe, Japan, Canada and Australia, is the current excessively high rate of unemployment among our young people.

This problem, which has been with the United States for more than a decade, has only recently begun to beset other industrialized economies. However, for many nations the problem has become just as complex and intractable as it is here. Although none of the industrialized economies elsewhere has yet matched the twenty percent unemployment rate experienced last year by American youths sixteen to nineteen years old, many have seen youth unemployment double and triple during the past few years. In such countries as Italy and Canada, for example, the problem is approaching American proportions, with Sweden and Australia not far behind.

In our own country, youth unemployment has been the result of complex changes that have occurred in the economy since World War II. The number of small businesses, which have traditionally offered youths their first jobs, has declined. Sophisticated new technologies and the increased capital-intensity of many idustries have reduced the number of low-skilled entry-level jobs available to youths. The decline of our central cities and the movement of jobs to the suburbs has left behind a large number of youths with only the bleakest employment outlook, both as youths and as adults. And for many youths, our educational system has failed to provide the basic skills needed for even the most rudimentary job.

As a result, Mr. President, we are tragically misusing the enthusiasm, time and energy of millions of our nation's young people. Joblessness denies them the opportunity to learn the rewards and responsibilities of productive and useful work. It denies them the opportunity to gain work experience and develop job skills. It denies them the opportunity to begin moving up the employment ladder to more productive, interesting and rewarding jobs, and to take part in the material rewards of our economy. Joblessness tells these young people that they have no productive role to play in our economy, that they are not valued by our society. It contributes to emotional damage and alienation, to crime and drug abuse. It makes future workers less skilled and less productive. It strains Federal, State and local resources, and increases taxes.

Until recently, these problems have been largely ours. But many western economies have been catching up with us, and now consider youth unemployment as one of their most critical economic and social problems.

Despite our own country's long experience with the problem of youth unemployment, many European countries are ahead of us in developing effective methods for alleviating it. Great Britain, France, Sweden, and the Netherlands all offer private employers an incentive to hire and train young workers. Several countries have provided mobility allowances to help young workers migrate to where the jobs are. And several countries, including Great Britain, Denmark and Italy have enacted youth jobs programs modeled after our own Civilian Conservation Corps experience.

Because the problem of youth unemployment is so complex, because it represents a tragic waste of the enthusiasm and the productive capacity of young people, and because it has become a common problem shared by the industrialized nations, it may well best be solved by pooling the knowledge, ideas, and resources of all the industrailized nations, rather than through the uncoordinated and individual actions of each one. We have much to learn from other countries and they have much to learn from us.

Mr. President, one of the most important initiatives you could undertake at this time to alleviate the problem of youth unemployment would be to call a Conference on Youth Unemployment for the member nations of the Organization for Economic Cooperation and Development (OECD) to be held under its auspices.

With the participation of members of the executive and legislative branches of government from each member country, and of local government officials, business and labor leaders, youth service workers, members of the educational community from each member country and spokesmen from among our young people, an OECD Conference on Yuth Unemployment during the spring of this year could provide an excellent forum for the exchange of information and the coordination of policy among nations suffering the tragedy of high unemployment among youths.

We would hope, Mr. President, that you would chair such a Conference on Youth Unemployment yourself, or that you would designate the Vice-President as your representative, to emphasize your concern over this issue and your dedication to its solution.

With best wishes.

Sincerely,

Hubert H. Humphrey, Wendell R. Anderson, Jacob K. Javits, James A. McClure, Howard W. Cannon, Edward M. Kennedy, George S. McGovern, James S. Abourezk, Henry Bellmon, Pete V. Domenici, Orrin G. Hatch, Spark Matsunaga, Robert T. Stafford, Birch Bayh, Dick Clark, Mike Gravel, Charles McC. Mathias, Jr., Donald W. Riegel, Jr., Howard M. Metzenbaum.

"TWILIGHT'S LAST GLEAMING"

Mr. McGOVERN. Mr. President, motion pictures have long been a popular form of influential communication for people throughout the world. In addition to their value as entertainment, motion pictures can often reflect a statement, an issue, a point of view.

Many of us recently were fortunate enough to see such a motion picture, the Lorimar-Bavaria "Twilight's Last Gleaming," directed by veteran motion picturemaker Robert Aldrich. This film, in my opinion one of the most important motion pictures ever made, is a piece of work that could only be done in America. It dares to challenge the decision-making process that led us so deeply into Vietnam. It dares to ask our Government to be honest with the people and it points with great power to the drastic consequences that can result from dishonest government.

I believe every American should see "Twilight's Last Gleaming," which points out their rights as citizens. I applaud director Robert Aldrich, producer Merv Adelson and their associates who laid themselves on the line to make this bold motion picture. These are Americans interested in a better America and they are willing to invest their talent in dramatizing dangers that demand our concern. It is no wonder that the producing company is the same one that brings us "The Waltons." They are interested in people and in the betterment of the human condition.

"Twilight's Last Gleaming" is a responsible motion picture. It is an action adventure story in which the message is more important than the details. The fact that it was made by responsible artists gives us an opportunity to look more closely at ourselves, analyze our responsibilities and project the truth of America to our own people and to the world. My congratulations to the makers of this picture. They should be proud of themselves as Americans.

MAINE GOVERNOR JAMES B. LONGLEY'S "STATE OF THE STATE" ADDRESS

Mr. MUSKIE. Mr. President, consideration of the fiscal year 1978 budget has already begun in the Senate Budget Committee. As the Congress considers the Nation's many fiscal problems, and makes the difficult decisions on spending and taxes, I thought my colleagues would be interested in the views of Gov. Jim Longley of Maine, as he sets forth the problems and needs of Maine from the State's perspective.

Maine, like so many of our States, had its budget squeezed by the recession, and as Governor Longley put it, "we kept the store open in very difficult times." Those budgetary difficulties have left a long list of unmet needs, and Governor Longley describes his priorities in his annual address to the legislature.

Mr. President, I ask unanimous consent that Gov. Jim Longley's State of the State address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

STATE OF THE STATE ADDRESS OF JAMES B. LONGLEY, GOVERNOR OF MAINE

(The 108th Legislature, State of Maine, Jan. 6, 1977)

Mr. President, Mr. Speaker and Honorable Members of the 108th Maine Legislature:

I appreciate the significance of this occasion and I am grateful for the opportunity to address you as the elected senators and representatives of the people of Maine. I congratulate each member of the 108th Legislature for his or her election to this position of public trust and service and, as Governor, I join with those who have returned to the Legislature in welcoming the new members.

Two years ago in my inaugural address to the 107th Legislature I said that time was running in a straight line for Maine. In retrospect, the past two years have been difficult times. However, just as the times in which we live determine to a large degree what each of us becomes and what we do with our lives, the times, to even a greater extent determine what government must be, should be, and hopefully what it will be for the people government must serve. Parenthetically, this is the difference between democratic countries like America and socialist countries like England or communistic countries like Russia. The people end up serving the government in socialistic and communistic countries, whereas here in America the government is designed to serve the people.

While I feel the future for Maine is bright, as we all know, the immediate past has been challenging and difficult.

The unstable economy, the end of an era of almost unlimited federal subsidies and the education deficit inherited by the 107th Legislature and this Governor played large roles in dictating what government had to be these past two years. We had to control spending and we had to avoid new taxation to the maximum degree possible.

Time continues to move in that straight line for Maine as we commence the first year of our third century here in America.

While government may have been what it had to be the past two years, the future looks much brighter, and by working together I believe during the next two years we can start to demonstrate what government can and should be.

However, the future can only be bright for Maine if we make it so . . . If we place what is best for the people of Maine of what is best for ourselves as individuals; ahead of political considerations; and ahead of the demands of special interests. We must consistently remind ourselves as we continue to face the straight line of time that it is our mission to make the time count for the people of Maine.

While each of you have been elected by your own constituencies, as Governor, I want to thank and congratulate each of you on behalf of all the people of Maine for stepping forward to serve, for being willing to stick your head above the crowd, and by serving, not by standing on the sidelines and finding fault. Your philosophy and commitment gives living proof and action to the rhetoric and message contained in the philosophy of a great organization as well as a person in that "It is better to light one candle than to curse the darkness."

Your term in this Legislature will most certainly be a time of great challenge, a time of reassessment of the role government should play in each of our lives. Perhaps never before in the history of our nation has there been a greater need for caution in the proposing and enacting of legislation. From all reports this Legislature should be commended for the caution and restraint it has displayed in the filing of legislation. While this could even shorten the session or reduce costs, regardless of what happens, it is evident this Legislature is committed to good government. We must be careful to have government do what government should and must do, but we should be equally careful before imposing further restrictions and regulations on the lives of our neighbors and citizens of Maine. We must keep in mind that the chief purpose of government should be not only helping those in need and helping people help themselves, but to guard freedoms and to only allow our freedoms to be limited or restricted to the minimum degree possible.

Each of us here has our own strengths and weaknesses, our own political philosophies, and, as Thoreau suggested, we all perhaps march to a different drummer. However, working together we shall indeed succeed, but the people of Maine will be the real beneficiaries. Parenthetically, the words of Dag Hammarskjold certainly apply here for he said, shortly before his death, "The responsibility for our mistakes is ours, but not the credit for our achievements."

On that note, I would like today:

(1) To discuss with you the State of the State of Maine.

(2) To highlight the emergency legislative program I will present.

THE STATE OF THE STATE OF MAINE

In my inaugural address to the opening of the 107th Legislature, I said I felt we must take a dualistic approach to government. I said that first we must keep the store of government open to run the day-to-day operations of state government to the best of our ability. Secondly, I said we must pause and consider the direction we were going and our ultimate destiny.

Despite the inheritance of a multi-million dollar deficit from education overspending and despite the troubled economic times we faced, I believe the previous legislators and the executive branch of government not only kept the store of state government open but recapped and repaired the foundation on which governmental services to the people rests.

We have eliminated the deficits and balanced the budget with realistic and amazingly accurate revenue estimates despite predictions of substantial shortfalls. Credit for these accurate projections should go to the Budget Officer, Bill Siebert, and Finance and Administration Commissioner Jack O'Sullivan who stood by their estimates in the face of much criticism.

Very significantly, we have not only kept the store open—the previous legislature and the executive branch of government did much more—yes, despite reports to the contrary, the previous legislature and the executive branch of government, in addition to addressing the largest deficits and the most serious educational overspending problem in the history of this state also:

(1) Managed to continue every major spending program for people in need and actually, as in A.F.D.C., did more for those most in need. This is not to say that there are not spending and waste of dolars in governmental programs and departments of government. But hopefully—here again working together and with the continued support of the Legislature and the pursuit of programs of review, and correction and evaluation of unnecessary and wasteful programs—we would be in a better position to also do more for those who justifiably need more. By that I do not mean those who would rather take welfare than do their part and help provide welfare or those who are on the unemployment rolls but who could work if they would take jobs that are available and they are physically able to perform. I feel Augusta as well as Washington must do more to get people off welfare and unemployment rolls and back to work.

(2) We also instituted a long overdue program to attempt to compensate state employees on the basis of equal work for equal pay. Very candidly, the legislative and the executive branches of government initiated this study but it should be noted that the state employee organizations had suggested this type study. The fact that the study did not please everyone, in every way, including the Legislature and the Governor, and the fact that the final legislation did not represent exactly what every single legislator or every single state employee or the Governor wanted as their ideal, is a tribute to our democratic form of government. No single legislator, no single labor leader and no single Governor has the right to dictate and thus, the final result is a tribute to the system we have and shall hopefully preserve.

In any event, I feel state employees have been treated very fairly despite the fact they found themselves the innocent victims of a coalition with those who would spend more rather than less in education and who succeeded in imposing a further tax increase over my veto on the backs of the people of Maine. Unfortunately, we added to the per capita tax burden of the people of Maine and discriminated against those who have helped make the American dream work as well as those single men and women who are or prefer to remain unmarried.

The previous Legislature and the Governor did provide Maine state employees one of the fairest if not one of the most generous salary adjustments of all Maine working groups and perhaps one of the few states that did this without layoffs despite overstaffing and too many state employees.

(3) As a state, we have paid our bills and met our obligations and by avoiding major tax increases on the people of this state, I firmly believe we have placed Maine in an excellent position to take advantage of the improved economy.

In effect, I believe this administration and the 108th Legislature are now in an excellent position to pursue the second objective we advocated in our dualistic approach to government. That objective is to move forward from a solid foundation of fiscal responsibility and chart the direction we are going to take.

(4) Also, with the help of the 107th Legislature and under the leadership of a dedicated Commissioner of Educational and Cultural Services, we have erased the education deficit. One of the sad commentaries on government is that far too often persons who do the work don't receive or take the credit they deserve unless they happen to be running for office or for re-election. In that regard, I hope I can speak for this Legislature in publicly thanking Sawin Millet, a former legislator who is now Commissioner of Education, for the outstanding manner with which he has taken on one of the most difficult assignments in government anywhere.

While the 107th Legislature was faced with a government that was what it had to be, I believe the state of the State at this time provides the 108th Legislature the challenge as well as the opportunity to take steps to show what government can, should and must be.

I am happy to report to this Legislature and to the people of Maine that I believe the state is on a sound financial course and I do believe the future is bright and to the extent this becomes a reality it will be as great a credit to the 107th Legislature and to dedicated State employees as it will be to the current legislative and executive branches of government.

By the same token, it would be unfair and a misstatement to say that all is right at this time with the state's economy and its employment picture. However, I think we can be grateful that there has been a stabilization in both areas.

We have been and continue to be concerned with the State of Maine economy and the outlook for the future.

However, the prescription is clear for at-

tracting more industry, adding more quality jobs and broadening and deepening Maine's tax base.

I feel the prescription is that:

(1) We must hold the line on our per capita debt. We rank among the highest of the 50 states in per capita debt and this rank would be even higher if we were to consider our lower level of income and ability to pay back such debt.

(2) We must hold the line on our per capita tax burden. From 1974 to 1975, Maine was the only state in the nation which did not experience an increase in combined per capita state and local taxation. However, I feel our total tax burden is still too high. In 1974, we were 4th in the nation in tax burden. In 1975, we improved but were still 10th in the nation in tax burden, according to Commerce Clearing House statistics.

(3) We need to hold the line on education spending. In 1974, the National Education Association indicated that Maine ranked 12th in the nation in the percentage of personal income spent for public elementary and secondary schools. It is my understanding that the figures to be published this spring will rank Maine 7th in the nation in the percentage of personal income spent for public schools.

(4) We must develop limits on spending which are based on a proper tax mix and which reflect individual equity as well as ability to pay.

While there are a number of factors to consider in taking an economic "temperature" and estimating the health of the patient, the most important are people, jobs, income and profits. One of the great messages which has been enthusiastically received in our industrial development efforts is that we want companies to come to Maine to make a profit as well as to pay quality wages, because the two go together. It is more than coincidental that it appears that in America those companies that make the highest profits pay the highest wages.

After more than three decades of virtually no growth in population, it appears that the livability of Maine—our space, clean air and water, the magnificient coastline and mountains—are attracting increasing numbers of people to Maine. From 1970 to 1975 the census bureau estimated Maine's population growth at 6.6 percent or an increase from 994,000 to 1,059,000 persons. This rate of population growth for five years is substantially above the national average and it is more than three times the rate of population growth in southern New England.

The population growth represents both an opportunity and a problem. We can welcome new people to Maine and we can hope that the increase in population also represents some measure of success in our efforts to provide our youth the chance to stay or return to Maine by offering them quality job opportunities in Maine. At the same time, however, we must plan to avoid the problems of development and expansion that other states and areas have struggled with in the past. We must have action and not simply more plans without action or acceptable alternatives—and approaches for the use of our land and other natural resources.

Secondly, there is the measurement of jobs. While we recently noticed seasonal increase in unemployment, it is worth noting that our average rate of unemployment for the last six months was 7.8 percent compared with a rate of 8.5 percent in the same six months of 1975. While this is an improvement, the rate is still too high and we need to continue our efforts to reduce it by bringing more quality jobs to Maine. However, I think the Legislature and the Congress have got to make it possible for us to do as much to require a person to take a job they can perform as the laws now require as it relates to paying unemployment.

We should, however, also look at the positive as well as the negative side of the employment picture.

During 1975 there was a *net* increase of 10,700 jobs in Maine—4,800 in manufacturing and 5,900 in nonmanufacturing employment. The average employment in the first 11 months of 1976 was 365,400 persons. The number of persons working in non-agricultural wage and salary jobs is the highest on record.

We have a high quality work force. Our people are productive and they are adaptable. We are one of the top states in the nation in terms of having very little time loss due to work stoppages. Over the years our record of labor management relations has been generally outstanding. This is a credit to both labor and management.

As business struggles with production problems elsewhere, this record is beginning to work to our advantage. During 1975 and 1976, 33 new companies moved to Maine, providing approximately 3,500 new jobs for Maine workers. In the same two-year period, 20 firms have expanded in Maine, adding more than 1,500 new jobs. Some of these have been top national companies.

I think we can anticipate that our record will continue to work for us because the companies that have moved here have a story to tell. It can be summed up in five words, "We like it in Maine." The basic reasons, I feel, are our record of fiscal responsibility and the fact that Maine labor is productive and is willing to give an honest day's work for an honest day's pay.

The third point in assessing the Maine economy is income. This is the "bottom line" for the people of Maine. While we are still far from the top in income, there have been definite signs of improvement.

As reported in Business Week magazine, personal income in the first 9 months of 1976 in Maine increased by 12.2 percent as compared with the first 9 months of 1975. This is higher than the 9.1 percent gain averaged in New England and is higher than the 10.8 percent national average increase.

In people, jobs, and income we have done moderately well but it is obvious that we need to do more. Much of what will happen in Maine will necessarily be dependent on the economic recovery of the nation. Nationally, economists almost universally look toward a year of continued business recovery. On December 30, the U.S. Commerce Department issued its composite index of economic indicators for November. They indicated a renewed expansion in the economy after a pause in the summer and early fall. The United States has experienced a jump in industrial production, a strong advance in employment, a rise in retail sales, good growth in personal income, and increases in the average work week, new manufacturing orders and building permits. The weakest point remains a need for a substantial increase in capital investment funds.

I agree with those who say that the rise in the national index indicates that the economy is improving and that we can expect further evidence in this regard in the months ahead. However, a substantial portion of what happens in this area in the future will depend on the policies and actions of the incoming administration in Washington.

A major area of economic concern the past several months in Maine has been the development and increased activity relative to the Indian Land Claims Suit. I would like to make two points in regard to that issue:

(1) Thanks to the hard work and dedication of the attorney general, the state treasurer and many other persons from within state government and from the private sector, I believe we have been successful in stabilizing what could have been a very serious financial problem. The problem is still with us and will require our continued attention, but I believe we have at least succeeded in placing the problem in proper perspective and in establishing a fair and organized method of dealing with the problem.

(2) I also want to say that the people of the State of Maine have every right to be proud of the relationship which has existed over the years between the Indian Community and other citizens of the state, and they can be even prouder that the relationship has continued in the wake of the land claims suit. Maine people have been caught in the web of a legal battle for which their generation or even the generations of their parents and grandparents were not responsible. Despite the picture that some might try to paint, Maine has historically met the needs of its Indian citizens perhaps to a greater degree than any other group, particularly for the past decade, even without the benefit of the federal assistance that has been extended in other states. At a time when much national publicity is being given to Indian land claims cases, it is a tribute to Maine people that they do not have to be ashamed or apologize for their current efforts toward serving and assisting the Indian community. I think the record of this Legislature and the state government in such areas as educational aid and human service assistance speaks for itself.

Maine did not wait for federal recognition of its Indians or a court order to provide services and programs which have been provided to Indians in other states by the federal government. In addition:

(1) Maine was originally the only state to have a Department of Indian Affairs, and the only state to provide such an extensive range of services to non-federally recognized Indians. Other states have set up commissions or departments, but for the most part they have been advisory in nature or small operations designed to coordinate federal-state regulations.

(2) Maine Indians have been afforded every service available to the general population of the state. In addition, in the most recent fiscal period the Department of Indian Affairs administered a budget of $727,000 to some 1,400 Indians living on reservations in Maine. This equates to approximately $2,100 for a family of four and this is in addition to the other governmental services and assistance available to all citizens of Maine.

(3) Maine has been equally responsible in the area of education. The most recent figures show the state spending an average of $821 per elementary student for the general population and $1,624 per elementary Indian student.

The only point I want to make is that the facts speak for themselves and I genuinely believe this matter should be resolved in the courts, based on the facts.

The state has done nothing to interfere with the rights of Indians to pursue their legal claims and that will continue to be our posture. However, we will continue our efforts to keep this effort from damaging the economy of this state and to prevent it from hurting innocent people. In short, it has been and will continue to be our policy to protect the rights of all the citizens of Maine. Human rights tells us every person is equal and therefore, I submit it is as inequitable to discriminate against a person in the majority as a person in the minority. We must make sure that we do not extend preferential treatment to any one group, except those in need and unable to provide for themselves.

I simply want the Legislature and the people of Maine to know that this administration intends to continue to do what is right for all the people of Maine, including the Indian community. Unfortunately, all the facts of a given issue are not always reported and far too often persons in public

life are not always willing to tell it like it is. The people of Maine have a right to be proud of the commitment their state has had in serving the needs of the Indian community and they have a right to know what we are doing and what we are trying to do.

So there will be no misunderstanding, you should know that this administration supports a continued effort to do what is right and fair by the Indian community as well as all other communities of Maine.

In the final analysis, I can report to you:

(1) That we have held the line on spending.

(2) That we have held the line on taxation with the one exception of which I think you are aware.

(3) That the state is in sound financial condition.

(4) And, that the state's unemployment and economic pictures look much brighter than they did 12 months ago.

We have strengthened a foundation. It's time to build again on our strengths, to clean our shelves of wasteful and bureaucratic programs and unnecessary boards and commissions and to further reorganize in order to improve our inventory and equally important our delivery systems.

Within the next few days, we will present to this Legislature full details of our legislative program and our budget. While I will not attempt to detail either for you at this time, I will tell you that it is our intention to present to the 108th Legislature a budget which will improve services in needed areas but a budget which will be balanced and a budget which will not call for new taxes.

EMERGENCY LEGISLATION

While I will present the complete details of our budget and legislative program within the next few days, I would like to discuss briefly and ask your support for two pieces of emergency legislation which we will be presenting for your immediate consideration:

(1) We must address at an early date in this session the new court ruling on the question of sovereign immunity and determine what steps the state must take to protect its interests and the interests of its citizens. The Supreme Judicial Court decided last year that government immunity, as a judicial doctrine, would no longer be recognized by the courts. However, the court, in effect, granted the state an extension of the doctrine through February 1st so that this Legislature could address the issue. The Office of the Attorney General has provided advice and counsel in this area and is drafting legislation which will address a fair and efficient mechanism for considering claims against the state and which will also provide for the defense of government employees who are parties to claims based upon the conduct of those employees while acting within the scope of their employment.

(2) I believe we have a golden opportunity early in this session to take positive steps to address several problem areas, in a special appropriations bill which we will introduce as an emergency measure.

When it became known that the state was going to receive some funds under Title II Public Employment Act, we made the determination to utilize these funds, not only to create temporary public works jobs, but to address real needs and real problems.

We feel we have done that in the special emergency appropriations bill we will be presenting you early in this session. I ask you to give immediate attention to this measure so these programs can get underway.

We have tried to address critical areas and issues, issues we will be confronted with in this session. In drafting this bill and allocating its resources we gave special attention to the needs in such areas as childrens protective services and related programs in the Department of Human Services, needs in the Department of Mental Health and Corrections, needs in the Department of Personnel and the Public Utilities Commission.

There was some question as to whether a legislative appropriation for the allocation of these funds was necessary. However, in a spirit of cooperation and because of our conviction in the executive branch that we must build and move forward together, we decided to ask your cooperation and support in what we feel is a very important program. We also felt the Legislature should be fully aware of the steps the executive branch is taking in these areas so it will be in a better position to make related decisions later in the session.

As Governor, I seek the support of the 108th Legislature:

(1) In our continued efforts to harness the growth of state government and to emphasize quality instead of quantity.

(2) To help us avoid in Maine, before it is too late, the creation of a fourth branch of government—the bureaucracy. Frankly, I do not feel Maine is anywhere near the victim of government by the bureaucracy as is Washington or some other states, but we should only continue to avoid this providing we provide more support than restrictions or harassment for outstanding commissioners and leaders of government and provide them the tools with proper accountability to both the Governor and the Legislature.

(3) To join with us in serious attempts to examine the desirability of continuing a dedicated revenue approach in state government.

CONCLUSION

Mr. President, Mr. Speaker, I think it is clear that in this session we are going to share many of the same goals and objectives.

In addition to asking this Legislature to help us build on the foundation we have, I would also ask this body to help us:

I want and need your help wherever and whenever possible.

I seek and will welcome your constructive criticism.

I pledge this and more from the Office of the Governor and the executive branch of government.

We have kept the store open in very difficult times. Let us now move forward together to better serve the people of Maine.

CENTRAL CITIES NEED BUSINESS

Mr. HUMPHREY. Mr. President, throughout my career I have been concerned about the vitality and economic health of our central cities and urban centers. I began my public career as mayor of Minneapolis, an important metropolitan city. The programs I fought for in the Congress after leaving the mayor's office had as their central focus the health and continued growth of the central city. As President Johnson's liaison to local government officials, I spent many hours each week working to make our Federal assistance programs for the cities successful and productive.

One of the most difficult problems I encountered and which mayors and city officials continue to encounter, was encouragement of business activities and location within the central city. I want to share with my colleagues the recent events in my home city of Minneapolis, which point up the problem of getting even socially aware businessmen to locate their facilities in downtown locations.

For many years the Prudential Insurance Co. has been an important part of the Minneapolis-St. Paul business community. And Prudential has invested vast sums in inner city properties, not only in Minneapolis, but in urban areas throughout the country. However, when it came time to expand its computer facilities for the north central region, it chose to purchase land outside the furthest limit of urban development, rather than within the central business district.

I have had several conversations with the president of the Minneapolis City Council, Louis DeMars, about Prudential's decision and I know that he and many others have made strong efforts to bring about a reconsideration of that decision. But this has been not just a Minneapolis concern. John Boland, the chairman of our Metropolitan Council, which is extremely competent and successful in dealing with metropolitan planning and problems, also urged Prudential to reconsider.

I call upon Prudential, which well recognizes its social roles and responsibilities as adjunct to its economic role in our society, to give us in Government some advice about what we can do to stem this tide of businesses running from the central city. Tell us what factors require such decisions and tell us what action to take to alter these factors. Perhaps out of a decision which brings such disappointment to our city fathers, we can find answers that will make our cities better places to work and conduct business affairs.

We in Congress have a responsibility to consider these problems because of the investment of this country in its cities and because the energy crisis is likely to be long term. We need to develop a Federal urban policy which encourages the location of business and commerce in our existing commercial centers.

Mr. President, I ask unanimous consent that the editorials and article which appeared in the Minneapolis Tribune and the Minneapolis Star, and the letter from John Boland to Prudential's chief executive officer be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PRUDENTIAL'S NEW BUILDING—BUT WHERE?

Prudential Insurance Co. made some complimentary observations about Minnesota last month when it announced plans for a major addition to its north-central home-office facilities in the Twin Cities area. Prudential spoke admiringly of Minnesota's quality of life, well-educated work force and fiscal responsibility. But is corporate responsibility for rational urban growth indicated by the decision of the nation's largest life-insurance company to locate a major office building 10 miles from the Hennepin County Government Center? We think not.

This potential contribution to urban sprawl is all the more disturbing because of Prudential's awareness of central cities' problems and its demonstrated willingness to help resolve them. The company's regional headquarters on Wayzata Blvd. in Minneapolis are only the most visible local evidence of its urban commitment. Prudential has been a leading investor in core cities. At the height of urban crises in 1968, Prudential's national investment manager said, "We couldn't sit back and say, 'We have the money; come and get it.'" That's why the company invested money and management talent in its home-office city of Newark and in many other cities, including Minneapolis and St. Paul.

Now, with business growing in the nine states served by the Minnesota regional of-

fice, Prudential decided to expand. It acquired 71 acres on Interstate Hwy. 494 in Plymouth and Maple Grove for a new building to relieve pressure on its crowded Minneapolis building (which will continue to be headquarters), to consolidate offices rented elsewhere and to provide expansion space. With probably more real-estate expertise than any other company in the country, Prudential evidently felt it unnecessary to consult with officials of Minneapolis, St. Paul or the Metropolitan Council. The Company evidently considered access to highways more important than, say, the site's location outside the 1990 transit-system plan and at the fringe of planned metropolitan growth. An office building housing 1,300 people would attract other development nearby, including housing for employees. Its accessibility to inter-city job-seekers would be comparatively low.

Perhaps Prudential was right to conclude that no better alternatives exist. But the way to find that out is to ask. Before the company proceeds further with plans for the new building, we hope it will seek other suggestions from the central cities. There are precedents for doing so. During negotiations initiated by Prudential in 1952 for purchase of the Wayzata Blvd. site from the Minneapolis Park Board, the company expressed willingness to withdraw the offer and look elsewhere. That principle could be applied now in a reconsideration to decide what location would best serve the needs of both Prudential and the Twin Cities area.

Another idea expressed in 1952 is applicable now. At a press conference that fall, Prudential's president said that the contemplated new building on Wayzata Blvd. "must fit into the environment so it adds to that environment rather than detracts." The statement is as valid today as it was 24 years ago. But Prudential's plan for a new building so far from the downtown districts seems inconsistent with the company's concern, demonstrated in other ways, for today's urban environment.

Corporate Decisions and Social Responsibility

A 44-page booklet by Prudential Insurance Co. describes that company's efforts to be a socially responsive and responsible business. Generally speaking, the booklet makes the case that Prudential is that kind of business.

For example, Prudential increased its minority representation in the category of "professionals" from 3.3 percent at the end of 1973 to 9 percent at the end of 1975. The company invested $330 million nationally between 1937 and 1972 in central-city housing and jobs under the insurance industry's Urban Investment Program. "Since 1971," the report noted, "those responsible for Prudential's investment portfolios have been instructed not to make any investments in companies that were not socially responsive in such areas as pollution control, job safety, equal employment and fair housing."

In a foreword to the report, Prudential Chairman Donald S. MacNaughton described his views about Prudential's role. Here are some excerpts:

"Our public affairs program really breaks down into two broad categories: first, making the basic role of Prudential—the providing of services for our customers and jobs for our employees—as socially responsive as possible; and second, moving Prudential into a working role to help with solutions of our nation's most pressing social problems to the extent that our resources and capabilities will permit. . . . We are focusing our attention currently in the following areas: consumer issues affecting our business; investment policy and how to make it more socially responsive; urban problems; equal employment opportunity and minority assistance . . . Some people feel that preoccupation with other problems may cause business's attention to social issues to be postponed or tempered down or even abandoned. I do not believe this will happen, but if it does, it will be one of the worst mistakes American business has ever made."

The report's concluding passage says: "We will be searching for new ways to be useful, new ways to contribute to the quality of our individual and collective lives, for ourselves, yes, but also for the generations to follow. We hope this report prompts others to do the same."

The report is timely, for Prudential is being asked by local business and governmental leaders to reconsider its decision to locate a major new facility on a 71-acre site on Interstate Hwy. 494 in Plymouth and Maple Grove. The suburban facility, housing 1,300 employees, would be beyond transit service planned before 1990. It would encourage more urban sprawl, more use of private cars. It would not aid in the solution of central-city problems and inner-city job opportunities. In short, the decision seems inconsistent with the goals and attitudes stated so well by Chairman MacNaughton and his company. We agree with those goals and attitudes; we hope Prudential reconsiders.

Prudential's Site Decision

The decision of Prudential's North Central home office to build a major satellite office facility on the western fringe of Hennepin County is a disappointment to those concerned with maintaining the strength of the Minneapolis downtown area.

Prudential has acquired 70 acres in Plymouth with about another acre in Maple Grove for the new facility. Plans now call for up to 1,300 people in the new building, which will house the North Central office's computer facilities and other operations. The insurance company considered other alternatives, according to Floyd H. Bragg, Prudential's senior vice-president here. These included expansion of the present headquarters building on Wayzata Blvd., construction of a building in downtown Minneapolis, moving to an out-state or out-of-state site, or going to the suburbs.

The far suburban site was chosen, Bragg said, because the North Central office wanted a low, campus-type building that would best suit its computer operations. Other factors involved, he said, include the "life style" of present and potential employees; the desired land configuration, including rolling hills and recreational areas; and the "positive attitudes" of officials in Plymouth.

We wish, nevertheless, that Prudential had given stronger consideration to downtown Minneapolis for its satellite facility. The company might not have found the rolling hills in such a location, but it would have found a readily available, highly praised work force; an efficient, in-place public transit system; and utilities, sewers and other facilities already installed.

We can be pleased that Prudential did not select an out-of-state site for its new facility. But we feel there are drawbacks to the Plymouth site. Except for service provided by one busline subsidized by the Metropolitan Transit Commission, it is outside the area served by public transit, and no new MTC service is planned for that region in the near future. This would force almost total reliance on the automobile for employees going to and from their jobs on the eve of what is certain to be higher gasoline prices and possibly a strong effort to conserve petroleum. There is, further, the matter of encouraging urban sprawl in what is presently a sparsely populated area.

Prudential rightly takes pride in its strong sense of corporate responsibility, and it has shown that sense in its sizable investments in developments in downtown Minneapolis and St. Paul. But there is another way, other than investing dollars, to show that responsibility. That is to provide jobs for inner city people, most of whom would have no way of traveling to the far reaches of Plymouth, and to serve as a catalyst for other downtown development. We hope Prudential can reconsider its decision and take another hard look at a downtown site for its satellite building.

City Bid for Prudential Office Made, but Out-City Plan Still on

City Council President Louis DeMars, 5th Ward, said today he's "not optimistic" that Prudential Insurance Co. will change its mind and locate an expanded office and computer complex in downtown Minneapolis rather than Plymouth.

About a dozen Minneapolis civic leaders met with Prudential's top executives earlier this week in Newark, N.J., to try to get them to reconsider the Plymouth location.

DeMars said it will take something really major for them to change their mind. "They were more than happy to listen to us, but they pointed out they already own the land in Plymouth."

City Coordinator Thomas A. Thompson said Prudential executives were willing to consider Minneapolis plea but "nobody was making any commitments.

"It takes a number of meetings to convince people of the merits of an idea," he said. No more meetings are scheduled, but Thompson said he hopes more will be held.

In November, Prudential announced plans to expand its regional office by building a new complex on 71 acres near Bass Lake Rd. and Hwy. I–494. Prudential would keep its present headquarters building at 3701 Wayzata Blvd.

The dozen city and business leaders met with Donald S. MacNaughton, chairman of the board and chief executive officer for Prudential; Robert A. Beck, president, and a number of other top officials.

Representing the city, besides Thompson and DeMars, were the City Council's DFL majority leader, Keith Ford; bankers DeWalt Ankeny, Jr., Philip Harris and John Morrison; Robert Hoffman, a member of the Metropolitan Council; businessman Kenneth Dayton; John Cowles, Jr., chairman of the board of the Minneapolis Star and Tribune Company, and Bower Hawthorne, vice-president for public affairs of the Star and Tribune Company and president of the Greater Minneapolis Chamber of Commerce.

Thompson said the Minneapolis delegation made a presentation to Prudential officials stressing downtown's proximity to public services as well as other businesses, the desire to prevent urban sprawl and social concerns about the center city.

Thompson said the Plymouth site is "way outside" the urbanized part of the metropolitan area and very close to the outer ring for development defined by the Metropolitan Council.

Metropolitan Council,
St. Paul, Minn., January 11, 1976.

Mr. Donald D. MacNaughton,
Chairman of the Board, Chief Executive Officer, Prudential Insurance Co. of America, Newark, N.J.

Dear Mr. MacNaughton: This is in response to Prudential Insurance Company's recent decision to locate a proposed major new employment facility on the edge of the Twin Cities metropolitan urban area in Plymouth and Maple Grove.

I am extremely pleased that Prudential has chosen to build a major new employment facility in the Twin Cities metropolitan area. I am sure a major factor in the corporate decision was the high quality of life which we have within the metropolitan area, and which we intend to help promote through a system of planned, orderly growth and development. Further, your proposal is very supportive of the economic viability of the metropolitan area. At the same time, how-

ever, your company's decision does present serious questions in terms of the metropolitan area's goals for future development.

The Metropolitan Council is required by state statute to prepare, adopt and implement growth and development plans for the metropolitan area. Metropolitan systems such as sewers, transit, airports, etc. are based on these plans. The proposed location is at the very edge of an area to be urbanized by 1990 and later according to adopted plans and policies of the Council. The location of such a large employment center at the fringe of the metropolitan area would require premature and costly expansion of regional and municipal facilities into the rural area. A more central location, on the other hand, would take advantage of the existing public investments in sewers, transit, water, schools and other public services, and avoid the costly extension of new facilities. In addition, Prudential employees would be better served in a location closer to the downtown, since a more centrally located site would have greater access to all public services.

The Council's Development Plans are based on a number of premises, the most significant of which is that to continue the uncontrolled extension of urban development into the countryside will result in the unnecessary public expenditure of approximately $2 billion over the next 20 years. This cost must be borne primarily by the corporate and residential taxpayers of this region. The Council, at every opportunity, is encouraging the construction and development of new employment facilities in the region's fully developed areas in order to provide a wider array of services and higher quality services to the employees.

A recent report on Prudential's corporate social responsibilities states that the corporation "will be searching for ways to be useful; new ways to contribute to our individual and collective lives". I believe a relocation of the proposed Prudential facility to a more central location would not conflict with this metropolitan community's plans and policies, and would be more consistent with your company's stated social goals and aspirations. For these reasons, I strongly encourage the reconsideration of your previous decision.

If there is any way that I or the staff of the Council may provide you with additional information or assist you, please contact me.

Very sincerely,

JOHN BOLAND, *Chairman,*
Metropolitan Council.

THE GOVERNORS AND DISASTER POLICY

Mr. McGOVERN. Mr. President, an article in the February 28, 1977, edition of the Washington Post, entitled "Governors Criticize U.S. Disaster Policy," underscores difficulties my constituents have experienced for the last year. As many Senators know, South Dakota and parts of Minnesota and Wisconsin last year experienced the worst drought conditions of this century. South Dakota's Gov. Richard Kneip, has probably had a more detailed and sustained association with U.S. disaster policy than any Governor in the land. The fact that other States will face most serious drought threats later this year underscores the need for a better Federal response to disaster conditions that are more prolonged than the sudden catastrophies that the Government is oftentimes called upon to deal with. In sudden emergencies, the Government does a commendable job. In sustained emergencies the result may be just as catastrophic for the people, but the Government so far is not well equipped to respond.

Mr. President, I ask unanimous consent that the text of the article I have referred to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 28, 1977]

GOVERNORS CRITICIZE U.S. DISASTER POLICY

(By Lou Cannon)

The nation's governors opened their annual winter conference in Washington yesterday with complaints that federal disaster relief is poorly designed to cope with drought and with the impact of the severe winter.

Gov. James A. Rhodes of Ohio said that federal policies were adequate only when the disaster was a single cataclysmic act, such as a flood. He said the human hardships and the impact on state and local governments of the 1976–77 winter had been "as damaging as a hurricane."

Rhodes said Ohio had been able to qualify only for emergency snow removal assistance. The state has endeavored, so far without success, to obtain federal aid for other needs, including $90 million to help 300,000 poor people pay huge increases in their utility bills.

A similar point about a different disaster was made by California Gov. Edmund G. (Jerry) Brown Jr., who said he had flown to Washington to seek drought relief for his hard-pressed state.

Brown said that water rationing was a possibility this year in California and that there is a need for disaster relief loans and for pumping and drilling assistance from the Army Corps of Engineers to develop new wells. Agriculture production and livestock are threatened by the continuing drought, Brown warned, but he said it is difficult to qualify for disaster relief assistance under existing federal regulations.

"A cow doesn't get fattened up, because of lack of grass on the ground," Brown said. "That doesn't qualify as a disaster, but it may put the cattleman into bankruptcy."

Since his election in 1974, Brown has been scornful of the effectiveness of the National Governors' Conference and has avoided previous meetings. He said he had changed his mind because of the severity of the drought and because of Carter's expressed interest in the governors.

"Given the fact we have a former governor as President, this may make the Governors' Conference a more effective vehicle for public policy," Brown said.

Earlier, a subcommittee chaired by Gov. Richard D. Lamm of Colorado agreed to ask President Carter for a series of changes in administration of drought relief policies. Among other things, the governors want a single federal official designated as a liaison. They also want regional administration of federal anti-drought policies.

Jack Watson, the White House Cabinet secretary, has been designated to administer drought policies. Watson said that so much of his time has been taken up with weather-related calamities that he has been called the "secretary for pestilence, drought and other natural disasters."

President Carter will discuss the drought when he meets with the governors this afternoon at the White House. Watson seemed to be warning the governors in advance that the federal government has more sympathy than money to deal with weather-related problems.

"I'll be frank to say resources are not limitless," Watson said.

Watson urged the governor to make the President's commitment to "Cabinet government" work by taking problems directly to Cabinet officers and their deputies rather than to the President. Watson observed that he was not equipped to be "a case worker" and he said that the attempt at Cabinet government would fail if public officials brought relatively minor problems to the White House.

THE LATEST ATROCITY IN UGANDA

Mr. HASKELL. Mr. President, the New York Times of February 18 contained a brief, eloquent editorial prompted by the most recent in the long series of atrocities perpetrated by Uganda's vicious dictator, Idi Amin. It appears that the cruelty of which this madman is capable simply knows no bounds. For those who may not have seen the Times editorial, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Feb. 18, 1977]

THE UGANDA DISEASE

Evil politics know no boundaries. Far from the scene of Idi Amin's barbarities against his people, his tyranny has a way of corrupting human sensibility, becoming predictable, habitual, the usual, and blunting the capacity for outrage. Then we are all his victims.

The Field Marshal of Uganda has almost done it to us now. On Wednesday, he arrested the Anglican Archbishop of Uganda, Burundi and Rwanda, together with his minister of internal affairs and the minister of land and water resources. He charged them with plotting his overthrow and paraded them before a mob of troops to cries of "Kill them!" Yesterday he packed them into a car, to be driven a few hundred yards to an interrogation. En route, they were said to have tried to escape, causing the vehicle to collide with another. All three prisoners were killed.

Idi Amin was described as shocked and stunned by such a terrible, albeit now familiar, accident in his precincts.

What he has done to his own people in six years of terrorized rule is bad enough. The lowest estimate of the number of Ugandans killed is 50,000; the high is 300,000. He expelled an Israeli aid mission when he decided that Hitler had been "right" to burn six million Jews. He expelled 40,000 Asians of British citizenship because he wanted their property and resented their social status. His gunmen arranged for the disappearance five years ago of the country's Chief Justice, a former Prime Minister. His gunmen arranged for the disappearance last year of a tourist left behind in hospital after the Israeli raid to liberate hostages from Entebbe Airport.

Always the horrors are denied, until those less accustomed to mad brutality simply shake their heads and confess that they expect nothing less from Idi Amin. That is the moment of common peril, of universal corruption. If we do not rage against him, his poison will have touched us all.

PRESIDENT'S RIGHT TO HALT 19 WATER RESOURCE PROJECTS

Mr. PROXMIRE. Mr. President, I support President Carter's decision to follow through on his campaign promise to eliminate unnecessary water resource projects by asking Congress to delete funding for 19 environmentally destructive and economically undesirable projects.

Before his election, President Carter made the following statement in a campaign position paper:

I have stated many times that as President I will halt the construction of unnecessary dams by the Corps of Engineers. The Corps' civil works program must be redirected for the well-being of both the American public and the agency itself. As an engineer, I recognize the Corps' competence in engineering design and construction management. In the past, however, the Corps' planning and evaluation procedures for particular civil works projects have too often been shown to be incomplete, misleading and politically inspired. Similarly, the Corps has often justified uneconomical and environmentally damaging projects under the guise of false flood control, navigation, hydropower generation and recreational benefits. . . .

Projects now under construction which are clearly sound from economic, environmental and other viewpoints should be completed. Each new project must be subjected to careful study on environmental as well as economic factors. Only those projects which are clearly justified should be allowed to proceed. However, we must realize that the federal government's dam-building era is coming to an end. Most beneficial projects have been built.

The President's decision to eliminate funding for 19 particularly bad projects from his fiscal year 1978 budget is the right way to begin fulfilling his promises to redirect the Nation's water resource policies. This Presidential opposition to the dear old pork barrel is the hardest kind of promise to keep.

Mr. President, the Council on Environmental Quality has released a summary of the adverse impacts of the specific 19 projects which have been proposed for termination. I ask unanimous consent that the President's February 21 announcement and the CEQ summary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

To the Congress of the United States:

During the campaign I committed myself to a prudent and responsible use of the taxpayers' money and to protection of the environment. Today I am announcing a major review of water resource projects which will further both commitments.

Water development projects have played a critical role in developing the economy of this nation. But many of the 320 current projects approved in the past under different economic circumstances and at time of lower interest rates are of doubtful necessity now, in light of new economic conditions and environmental policies. At this point, based upon information thus far developed by the Council on Environmental Quality, the Office of Management and Budget and the Interior Department, I have identified 19 projects which now appear unsupportable on economic, environmental, and/or safety grounds. I have attached a list of these projects. I am recommending at this time that no funds be provided for these projects in FY 1978.

I am instructing Secretary of the Interior Andrus and Secretary of the Army Alexander, working together with the Office of Management and Budget and the Council on Environmental Quality, to carry out a complete evaluation of these 19 projects and of all other water resource projects and to develop comprehensive policy reforms in this critical area. They will report back to me and to the Congress by April 15.

This review will give us the necessary facts upon which to make certain that only projects which are economically and environmentally sound will receive final approval. The FY 1978 budget reductions for the deleted projects amount to $289 million. Total potential savings from these deleted projects would amount to $5.1 billion.

I look forward to working closely with Congress to develop a coherent water resource policy.

We must work together to achieve our national goals of adequate water supplies, a sound transportation system and needed flood protection. In doing so, we must make certain that our investments are cost-effective, that the cost burdens are equitably borne, and that the environment is protected.

JIMMY CARTER.

THE WHITE HOUSE, *February 21, 1977.*

WATER PROJECTS DELETED FROM FY 1978 BUDGET

(Alphabetical by State)

CORPS OF ENGINEERS

Cache Basin (Arkansas).
Richard B. Russell Project (Georgia).
Freeport (Illinois).
Grove Lake (Kansas).
Dayton (Kentucky).
Paintsville Lake (Kentucky).
Yatesville Lake (Kentucky).
Atchafalaya River & Bayous Chene, Boeuf & Black (Louisiana).
Dickey-Lincoln School Lakes (Maine).
Meramec Park Lake (Missouri).
Lukfata Lake (Oklahoma).

BUREAU OF RECLAMATION

Central Arizona Project (Arizona).
Auburn-Folsom South, Central Valley Project (California).
Dolores (Colorado).
Fruitland Mesa (Colorado).
Savery-Pot Hook (Colorado, Wyoming).
Garrison Diversion Unit (North Dakota, South Dakota).
Oahe Unit (South Dakota).
Central Utah Project, Bonneville Unit (Utah).

CEQ RELEASES SUMMARY OF WATER RESOURCE PROJECT DELETIONS

The Council on Environmental Quality today released details on the 19 water resource projects which President Carter has deleted from the Administration's FY 1978 budget.

The additional information summarizes adverse environmental impacts which would result from construction and operation of these projects; these impacts include the destruction of several hundred thousand acres of productive forest, agricultural land, and prime wildlife habitat, as well as several hundred miles of free-flowing rivers and streams. Moreover, completion of the projects would result in losses of important public recreational, scientific, and cultural benefits as well as natural flood control and water purification functions which these land and water resources currently provide at mninimal cost to the taxpayers.

The President's decision was primarily based on information provided in environmental impact statements and economic data prepared by government agencies.

The water resources project paper also summarizes estimated costs and other economic information for each project.

Budget reductions from eliminating these projects in FY 1978 total $289 million; potential long-term savings in construction costs could be more than $5 billion.

The President's decision to cut the 19 projects was based on combination of one or more of the following characteristics:

1. Major adverse environmental impacts;
2. Questionable economic justification (a low benefit/cost ratio);
3. Low proportion of federal expenditures to total project costs;
4. Conflict with other federal water resource management policies.

CEQ, OMB, the Department of the Interior and the Department of the Army are developing criteria for the evaluation, which the President announced in his letter to the Congress, of these and other controversial federal water resource projects.

The attached information deals only with adverse impacts of the projects.

SUMMARY INFORMATION ON 19 WATER RESOURCES PROJECTS DELETED FROM THE FISCAL YEAR 1978 BUDGET

BUREAU OF RECLAMATION, DEPARTMENT OF INTERIOR

Central Arizona Project: Arizona

The project would divert Colorado River water via a 400-mile system of drains, aqueducts and pumping stations to metropolitan areas of Phoenix and Tucson. Over 50,000 acres of public and private land would be required for the project; over 18,000 acres of land and 50 miles of streams would be inundated; reservoirs and other water impoundments would flood National Forest and Indian lands. Additional impacts include loss of stream fishing, increased river salinity (with possible repercussions from Mexico) disruption of present wildlife and recreation areas, and extensive unquantified secondary effects. The project also threatens nesting areas of the endangered Southern bald eagle. A study by the Arizona Bureau of Mines questions the safety of the Orme dam. The dam site is located over geologic faults.

Total estimated federal cost: $1,675.0 million.

Federal cost to complete after 1977: $1.284.0 million.

Benefit/cost ratio: at authorized discount rate of 3.375 percent: 2.2

B/C ratio: marginal at current discount rate of 6.375 percent: 1.4

The project is 20 percent complete.

Auburn-Folsom South Unit: California

Located in the east-central part of the Sacramento-San Joaquin Valley, this unit of the Central Valley Project would inundate 10,000 acres of wildlife habitat and convert a total of 43,400 acres to project purposes. The project would eliminate 43 miles of free-flowing river, 17 archaeological sites and 22 historic sites. The reservoir would be subject to drawdowns of as much as 91 feet. Downstream interim flows will be reduced, which will adversely affect fish, wildlife, and aesthetic values in the Bay-Delta area. A recent study by the Association of Engineering Geologists questioned the safety of the Auburn Dam due to the existence of three geological faults near the dam site.

Total estimated federal cost: $1,130.0 million.

Total cost to complete after 1977: $900.0 million.

Benefit/cost ratio: at authorized discount rate of 3.125 percent: 2.04.

B/C ratio: marginal at current discount rate of 6.375 percent: 1.3.

The project is 18 percent complete.

Fruitland Mesa: Colorado

The project includes construction of a reservoir and water-delivery system in the Gunnison River basin in west central Colorado. 58 acres of mountain valley and 4.5 miles of stream would be inundated by the reservoir Flows in 20 miles of Soap and Curecanti Creeks would be reduced. The project would increase salinity and decrease flows in the Colorado River. Fish and wildlife habitat losses would result from inundation; reduced stream flows and conversion of terrestrial wildlife habitat to irrigated agricultural lands and ensuing losses of mule deer and elk would result.

Total estimated federal cost: 087.3 million.

Federal cost to complete after 1977: $81.9 million.

Benefit/cost ratio: at authorized discount rate of 3.125 percent: 0.77.

B/C ratio: marginal at current discount rate of 6.375 percent: 06.

The project is 3 percent complete.

Savery-Pot Hook, Colorado, Wyoming

The Project consists of the construction of two earth-fill dams and two conveyance systems in the Little Snake River Basin of the upper Colorado River Basin. Flows of the lower Little Snake, Yampa, Green and Colorado Rivers would be reduced by an estimated 22,500 acre-feet annually. Increased salinity concentrations would decrease the quality of water for irrigation and municipal use in the lower Colorado River Basin. Wildlife habitat would be destroyed by the conversion of 13,170 acres of rangeland to irrigated crop land and the inundation of 1,400 acres in reservoir basins; deer, elk, antelope and sage grass populations would be adversely affected. 10 miles of good fishing streams would be lost. The U.S. Fish and Wildlife Service has recommended that the project not be built, in part because the project may jeopardize the continued existence of two endangered fish species in downstream reaches of the Little Snake and Yampa Rivers.

Total estimated federal cost: $73.9 million.

Total cost to complete after 1977: $70.1 million.

Benefit/cost ratio: at authorized discount rate of 3.15 percent: 09.

B/C ratio: marginal at current discount rate of 6.375 percent: 0.7.

The project is 2 percent complete.

Garrison Diversion Unit: North Dakota, South Dakota

This irrigation project would require a total of 220,000 acres of land—73,000 acres for project features and an additional 147,000 acres for rights of way, etc. All of this land is presently productive, either as farmland or as grazing land. Adverse impacts include degradation of water quality in the Souris, Red, and James Rivers through increased concentration of mineral salts, fertilizer and pesticides; loss or alteration of eight major National Wildlife Refuges and other fish and wildlife habitat (including annual losses of over 350,000 waterfowl); consumption of over 150 million kwh of electricity annually; displacement of family farmers; and increased soil erosion and salinization. Canada has requested a construction moratorium until the question of possible adverse impacts of irrigation return flows into Canada is resolved.

Total estimated federal cost: $565.5 million.

Total cost to complete after 1977: $436.6 million.

Benefit/Cost ratio: at authorized discount rate of 2.675 percent: 1.7.

B/C ratio: marginal at current discount rate of 6.375 percent: 1.37.

Project is 19 percent complete.

Oahe Unit; Pick-Sloan Missouri Basin: South Dakota

Located in central and northeastern South Dakota, this irrigation project will divert water from the Missouri River at Lake Oahe. The project will require about 110,000 acres and will involve construction of about 200 miles of main supply canals and 4,800 miles of smaller canals, laterals, and drains. Three major reservoirs will be constructed and channel modification of the James River would reduce about 120 rivermiles to 54 miles. The project would consume over 90,000 acres of presently productive land, will displace small farmers, consume electricity for pumping and irrigation, destroy nearly 10,000 acres of wetlands, seriously disrupt 120 miles of natural river and wetland wildlife habitat, and increase downstream salinity and flooding potential. Rare and endangered species inhabit the project area, including golden and bald eagles and the Peregrine falcon. EPA has indicated that the project will cause the James River water quality to violate drinking water standards. Recent soil studies indicate that some project land may be unsuitable for irrigation.

Total estimated federal cost: $457.2 million.

Total cost to complete after 1977: $414.3 million.

Benefit/Cost ratio: at authorized discount rate of 3.125 percent: 1.6.

B/C ratio: marginal at current discount rate of 6.375 percent: 1.37.

Project is 5 percent complete; construction is 1 percent complete.

Central Utah Project, Bonneville Unit: Utah

This project is designed to transfer water from the Colorado River Basin to Salt Lake City and vicinity. Total land acreage required for the project includes 22,000 acres (10 percent cropland, 90 percent rangeland) to be inundated by the reservoirs; in addition, 25,000 acres of existing marsh area would be drained for agricultural uses. The unit would destroy trout fisheries in nearly 200 miles of high quality streams, eliminate thousands of acres of wildlife habitat, and degrade aesthetic and recreational values in Rock Creek Canyon and Utah Lake. Beaver ponds, waterfowl nesting areas, and moose and deer habitat in the Upper Stillwater Valley would be destroyed. Forest Service Wilderness lands would be inundated. The project would aggravate salinity problems in the already highly saline Colorado River.

Total estimated federal cost: $771.8 million.

Total cost to complete after 1977: $630.6 million.

Benefit/cost ratio: at authorized discount rate of 2.5 percent: 1.3.

B/C ratio: marginal at current discount rate of 6.375 percent: 0.9.

Project is 16 percent complete.

Dolores Project: Colorado

The project would divert water from the Dolores River to the San Juan River Basin. The dam and reservoir would destroy 15 miles of stream and inundate 4,850 acres of land. Big game habitat would be destroyed. The project would result in potential eutrophication in the reservoir, reduced flows and increased salinity in the Colorado River. An estimated 460 archaeological sites would be disturbed.

Total estimated federal cost: $186.3 million.

Federal cost to complete project after 1977: $172.3 million.

Benefit/cost ratio: at authorized discount rate of 3.375 percent: 1.2.

B/C ratio: marginal at current discount rate of 6.375 percent: 0.7.

The project is 1 percent complete.

U.S. ARMY CORPS OF ENGINEERS

Cache River Basin: Arkansas

This project, consisting of 232 miles of channel enlargement and realignment in the Cache River and tributaries including Bayou DeView will affect 790,000 acres of bottomlands. It will accelerate clearing and drainage of up to 170,000 acres of one of the last remaining southern floodplain forests in Arkansas. It will destroy excellent fish and waterfowl stream and wetland habitat including much of the most important wintering area for mallard ducks in North America (approximately one million mallards and other ducks over-winter in this area). Proposed mitigation measures involve purchase of up to 70,000 acres of forest, but this is limited by an authorization ceiling of $7 million. EPA has questioned the size and suitability of the mitigation measures and has predicted further degradation in water qualities as a result of this project.

Total estimated federal cost: $93.2 million.

Total cost to complete after 1977: $85.8 million.

Benefit/Cost ratio: at authorized discount rate of 3.25 percent: 3.9.

B/C ratio: marginal at current discount rate of 6.375 percent: 2.2.

Project is 2 percent complete overall; construction has not yet begun.

Richard B. Russell Dam: Georgia, South Carolina

The project would require 59,260 acres, inundating 26,650 acres and flooding 29 miles of the Savannah River; thereby eliminating existing fish and wildlife habitat and timber resources. It would result in the inundation of the last undeveloped reach of the Savannah River in the Georgia and South Carolina Piedmont Plateau region. Numerous Georgia and South Carolina state agencies, U.S. Fish and Wildlife Service, and EPA have expressed concern over potential water quality problems created by the project. Section 182 of the 1976 Water Resources Development Act would allow the project to be built for pumped storage, increasing adverse environmental impacts.

Total estimated federal cost: $248 million.

Total cost to complete after 1977: $277 million.

Benefit/Cost ratio: at authorized discount rate of 3.25 percent: 2.2.

B/C ratio: marginal at current discount rate of 6.375 percent: 1.3.

Project is 6 percent complete overall; construction is 4 percent complete.

Paintsville Lake: Kentucky

This is one of three dam and reservoir projects authorized for water resources development in the Big Sandy River Basin. The project would require an area of 12,840 acres and would clear 1,139 acres, destroy 450 acres of timber and forest land, inundate extensive coal reserves, eliminate fishing and hunting opportunities; flood 30 archeological sites of which 19 have been nominated for inclusion in the National Register); and could potentially induce oil seepage in the reservoir causing serious water quality problems. FEA requested an independent assessment of coal reserves in the project area. Original Corps estimates of 586,000 tons of coal subsequently were revised to show that the area contains 12 million tons of coal of which 4.4 million tons are considered recoverable.

Total estimated federal cost: $41.1 million.

Total cost to complete after 1977: $30.6 million.

Benefit/Cost ratio: at authorized discount rate of 3.25 percent:1.2.

B/C ratio: marginal at current discount rate of 6.375 percent:1.1.

Project is 19 percent complete overall; construction is 4 percent complete.

Yatesville Lake: Kentucky

The project would require 20,800 acres (75 percent forest land) and will inundate 6,000 acres, resulting in the loss of stream and wildlife habitat, and fish resources. The EPA anticipates water quality problems from operating oil wells, oil spills and overflows, industrial development and domestic waste sources. Nonstructural flood control alternatives were not adequately considered. The project is designed to protect against floods only up to the 25-year frequency, rather than the usual 100 plus year flood.

Total estimated federal cost: $56.9 million.

Total cost to complete after 1977: $45.9 million.

Benefit/Cost ratio: at authorized discount rate of 3.25 percent: 1.2.

B/C ratio: marginal at current discount rate of 6.375 percent: 0.68.

Project is 13 percent complete overall; construction is 5 percent complete.

Atchafalaya River and Bayous Chene, Boeuf and Black: Louisiana

The project would expand existing navigation channels in the lower Atchafalaya and in Bayous Boeuf and Black. This project if

continued would cut through the heart of Louisiana's most productive coastal wetland nursery for shrimp, oysters, menhaden, and other commercial fish and shellfish. Large volumes of dredge spoil would convert much of Louisiana marsh into filled land and would degrade water quality. Most channel work so far has been in the lower Atchafalaya, where environmental damage is not major. The Corps is presently restudying levee and dredge spoil sites.

Total estimated federal cost: $20.3 million.

Total cost to complete after 1977: $10.1 million.

Benefit/Cost ratio: at authorized discount rate of 3.25 percent: 2.3.

B/C ratio: marginal at current discount rate of 6.375 percent: 2.7.

Project is 50 percent complete; construction is 50 percent complete.

Dickey-Lincoln School Lakes: Maine

The project's two dams and lakes would back up the St. John River and tributaries for more than 50 miles, inundating nearly 90,000 acres of timber-producing forests and big-game wildlife habitat. Prime white-water canoeing and trout fishing streams would be destroyed. The project may damage the character of the adjacent Allagash River which has been designated a Wild River by the Secretary of Interior. The project would have two significant impacts of Canada: regulation of downstream flows into Canada; and inundation of 4,050 acres of Canadian land.

Total estimated federal cost: $533.0 million.

Total cost to complete after 1977: $533.0 million.

Benefit/Cost ratio: at authorized discount rate of 3.25 percent: 2.6.

B/C ratio: marginal at current discount rate of 6.375 percent: 2.1.

Project is 0 percent complete overall; construction has not yet begun.

Meramec Park Lake: Missouri

Located on the Meramec River, 65 miles southwest of St. Louis, this project is the first in a series of dams being planned for the Meramec Basin. The project would require over 23,000 acres of land, of which 12,600 acres would be permanently inundated, destroying 47 miles of presently free-flowing streams. Greatest adverse impact would be the loss of diverse natural recreation values derived from the river, bottomland hardwood forests, abundant fish and wildlife, scenic bluffs, and approximately 100 caves, all of which would be destroyed by the project and replaced by flat-water powerboat centered recreation which is already abundant across the State. The highly porous underlying rock could lead to large cost overruns from attempts to seal the reservoir, as happened with the Gathright Dam in Virginia. Environmental groups have also raised this concern in relation to dam safety.

Total estimated federal cost: $124.0 million.

Total cost to complete after 1977: $88.7 million.

Benefit/Cost ratio: at authorized discount rate of 3.25 percent: 1.9.

B/C ratio: marginal at current discount rate of 6.375 percent: 1.3.

Project is 22 percent complete overall; construction is 10 percent complete.

Lukfata Lake: Oklahoma

Located on Glover Creek, the proposed dam and reservoir is a unit of the Seven-Lake System in the Little River Basin. The project would require 15,350 acres of land, inundating 18 miles of Glover Creek and 6,000 acres of land. Impoundment of Glover Creek would destroy a unique biological system, including 1,600 acres of wildlife habitat and bottomland hardwood forest, and the last significant free-flowing mountain stream in the Oklahoma and Arkansas mountains. The leopard darter fish has been proposed as a threatened species, with Glover Creek as its most critical habitat. EPA has indicated that there would be severe water quality problems in the reservoir.

Total estimated federal cost: $30.0 million.

Total cost to complete after 1977: $29.6 million.

Benefit/Cost ratio: at authorized discount rate of 3.25 percent: 1.3.

B/C ratio: marginal at current discount rate of 6.375 percent: 1.01.

Project is 6 percent complete overall; construction has not yet begun.

Grove Lakes: Kansas

This dam and flood control reservoir would destroy 71 miles of free-flowing stream and inundate 7,000 acres of productive agricultural land and wildlife habitat. The project would adversely effect wildlife, fisheries and the habitat of the Prairie Chicken, which is an endangered species.

Total estimated federal cost: $86.0 million.

Total cost to complete after 1977: $83.9 million.

Benefit/cost ratio: at authorized discount rate of 3.25 percent: 0.8.

B/C ratio: marginal at current discount rate of 6.375 percent: 0.59.

The project has not yet begun.

Dayton: Kentucky

This local flood protection levee, 1.6 miles in length, would protect about 140 acres of existing light industrial, commercial and residential development in Dayton and would stimulate further growth and development in the 8,000 acres of flood plains protected by this project.

Total estimated federal cost: $7.6 million.

Total cost to complete after 1977: $2.9 million.

Benefit/cost ratio: at authorized discount rate of 3.25 percent: 1.6.

B/C ratio: marginal at current discount rate of 6.375 percent: 0.75.

The project has not yet begun.

Freeport, Illinois

This local flood protection project would require a 3 mile diversion channel and construction of a 2 mile levee. The project would increase downstream flooding potential while provide protection for the City of Freeport and stimulate further development in the flood plain of the Pecatonica River.

Total estimated federal cost: $9.4 million.

Total cost to complete after 1977: $8.6 million.

Benefit/cost ratio: at authorized rate of 3.125 percent: 1.2.

B/C ratio: marginal at current discount rate of 6.375 percent: 0.6.

The project has not yet begun.

PROMISE OF DISARMAMENT

Mr. McGOVERN. Mr. President, for many years I have been impressed with the perception and careful scholarship of Mr. Richard J. Barnet, codirector of the Institute for Policy Studies in Washington and one of the Nation's most competent experts on issues relating to war and peace.

Mr. Barnet has written a thoughtful piece on the theme, "Promise of Disarmament," which appears in the New York Times Magazine of February 27, 1977. I think it is one of the clearest statements I have seen of the case for reducing the arms buildup and beginning to seek out the true sources of American strength at home and abroad.

After clearly demonstrating that the United States has a vast excess of military weaponry, Mr. Barnet concludes:

For great industrial nations like the United States and the U.S.S.R., power is developed by creating the conditions of social strength—sensible use of resources to keep industrial civilization going, ecological balance, a food policy to sustain the population, a set of incentives for people to produce and to contribute to society, a legitimate government that can elicit allegiance without repression, an economic policy to control inflation, unemployment and the maldistribution of wealth. The society which can demonstrate the greater success in achieving such social, political, economic and psychological goals will have the greater influence in shaping the contours of the coming civilization.

The United States started the postwar era with colossal advantages in its economy, its tradition of political liberty, and in its worldwide reputation. Much of that lead has been squandered. To fight the cold war, the United States completely restructured the Federal Government, concentrating power in the executive, promoting secrecy and clandestine operations, cutting away Congress's constitutional role in making foreign policy, instituting loyalty procedures and authorizing the widespread violation of civil liberties once held to be the essence of American citizenship. Each of these reforms mirrored a Soviet institution, and each was designed to put the United States in a better position to oppose Soviet power. The military competition in which we are still ahead is the arena in which the United States has the least chance to succeed over the long run, and runs the greatest risk of undermining the purposes for which this society exists. It is the one arena in which the Soviets have achieved spectacular gains in recent years. If we wish to create the conditions of social strength and to place the competition with the Soviets on a plane where we have the advantage, we should seek to demilitarize the competition as quickly as possible.

Mr. President, I ask unanimous consent that the entire text of Mr. Barnet's superb article be printed in the RECORD, with the hope that Senators will read and ponder this article carefully before they vote on the nomination of Mr. Paul Warnke and before they pass judgment on the pending military budget.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PROMISE OF DISARMAMENT

(By Richard Barnet)

In the tradition of the "bomber gap" of the 1950's and the "missile gap" of the 1960's, the professional alarmists of the Pentagon are once again demanding bigger military budgets to keep the United States from "falling behind" the Soviet Union. Yet even most pessimistic strategists agree with the Chairman of the Joint Chiefs of Staff that the United States is now "ahead." The United States still has three times as many nuclear weapons as the Soviet Union, and more varied, more accurate and more sophisticated means to deliver them on Soviet territory. The United States Navy is far larger, is more flexible, has far greater fire power, and dominates distant oceans through a network of bases the Soviets cannot even approximate. In Europe, the numbers of NATO and Warsaw Pact combat troops are roughly equal. Soviet advantages in numbers of tanks are countered by U.S. advantages in quality and antitank weapons.

The alarmists warn, however, that the Russians are striving for future "superiority" and that if they attain it, the consequences will be dire. Unlike the fictitious "gaps" of the Eisenhower and Kennedy

years, there has been a real Soviet buildup. But the meaning is ambiguous. The language of military power is hard to interpret in a world of thousands of nuclear weapons, each of which is many times the destructive force of the bomb that incinerated Hiroshima. A nation can add to its arsenal because it is planning an attack, because it seeks to enhance political influence, or for purely domestic reasons. (Anyone who does not understand that Russia has always maintained a huge army and uses soldiers extensively in the civilian economy will perceive a distorted meaning in the size of the Soviet Army.)

The Soviet buildup raises two issues: What does the Soviet program to modernize and expand its military forces mean? What should the United States do about it? Kissinger argues that to talk about "superiority" is a false issue. "What in God's name do you do with military superiority?" he once asked. Very little, it seems, judging by the history of the cold war. The United States started the post-war era with a monopoly of nuclear weapons (in addition to having the only economy unravaged by war). But American "superiority" could not be harnessed to political ends. "The period of American monopoly of the bomb," Prof. Adam Ulam of Harvard writes in his book "Expansion and Coexistence," "was the period of greatest Soviet pushfulness in foreign policy, of the rapid satellitization of Eastern Europe and of the Communist conquest of China." Nuclear superiority of the United States did not deter the Korean War or the Berlin blockade. In short, "nuclear superiority" was irrelevant to the political and military struggles of the immediate postwar world. Its primary effect was to spur the Soviets to catch up.

The alarmists point out that, of course, the United States and the Soviet Union are different. We could be trusted with a monopoly, but the Russians would strike if they could get away with it. In the spring of 1950, Paul Nitze wrote a top-secret planning document for the National Security Council, NSC–68, predicting that 1954 would be "the critical date for the United States" because the Soviets would then have 200 atomic bombs. The critical date passed and the Soviets now have 3,500 nuclear weapons and the United States has about 9,000. (Mr. Nitze is at least consistent: He was recently part of a C.I.A. study group which warned of the Soviet quest for "superiority" and "war-winning capability.") Whether the Soviets would have exploited their monopoly of nuclear weapons more ruthlessly than did the United States, we will never know. Today there are enough nuclear weapons on both sides to make the notion of "war-winning" absurd.

According to calculations of the Department of Defense published 10 years ago, 100 nuclear weapons landing on the Soviet Union would kill 37 million people—15 percent of the population—and destroy 59 percent of the industrial capacity. The United States now has 9,000 such weapons that can be delivered by missiles or bombers and many thousands more that could strike Soviet territory from forward bases. A high proportion of these might be destroyed in a surprise attack, it is true, but many times one hundred nuclear weapons would survive to land on their targets. Representative Les Aspin, a former Pentagon analyst, calculated that *after* a far more devastating Soviet first strike than would ever be likely to happen, in which 50 percent of the submarine-based missiles, 80 percent of the B–52's, and 90 percent of the ICBM's were destroyed, the United States would have 3,100 warheads left for retaliation—a little less than the entire present Soviet stockpile. One submarine alone can destroy as many as 224 separate targets, each as large as a Soviet city, and the United States, which is about to build more of them, has 41 such submarines. No planner of a surprise attack could hope to neutralize this force completely because submerged submarines are difficult to detect and to destroy.

I once had the grisly assignment in the Department of Defense of working on one of the periodic estimates the military likes to make about how many will die in the event that various "nuclear options" are employed. These analyses are intended to inform major decisions—e.g., whether to strike first, whether to target civilian as well as military targets. So many uncertainties about the effects of a retaliatory attack, such as fallout, disease and panic, are implicit in such estimates that no one, except perhaps the statisticians of death who prepare them, can have much confidence in them. Political leaders with the destiny of entire societies in their hands are not going to start World War III on the basis of a computer printout.

Ultimately, the barrage of facts and figures nuclear strategists hurl at our political leaders can be reduced to two questions: Is there reason to believe that a rational Soviet leader, however depraved, could fail to realize that in a nuclear war millions of his countrymen would surely die and his industrial capacity would be wrecked? Would he start a war even if he did realize it? McGeorge Bundy, a former national security adviser to Presidents Kennedy and Johnson, is right when he says that no sane leader of any country, whatever his ideology, would deliberately risk the loss of 10 of his major cities—and that risk can never be eliminated. Inflicting 40 million casualties on an enemy and suffering 20 million yourself is not a political definition of "winning." But if Bundy is wrong, building more missiles is not going to help. If Soviet leaders are too depraved or too crazy to be aware of the effects of the 3,000 bombs that would survive a first strike, or to be deterred by that prospect, then it is unlikely that adding 9,000 or 90,000 more will bring them to their senses.

"Superiority" is not only meaningless, it is unattainable. The Soviets have served notice on the United States that they do not intend to accept anything less than a position of "parity." Détente is built on the idea that the two giants accept each other as symbolic equals in military power. The Soviets are prepared to devote whatever resources are needed to keep up with the United States. The next 9,000 United States nuclear weapons will be matched one way or another by new Soviet buildups. This is what Robert McNamara long ago called the "mad momentum" of the arms race.

We cannot expect the Russians to be any more intelligent about the arms race than we have been. We are still the fat boy in the canoe, as Dean Rusk used to say, and we have great influence to set the terms of coexistence. If we continue to believe that rings of foreign bases, aircraft carriers prowling exotic waters, and a steady stream of advanced weapons will help us sleep better at night—three major new U.S. strategic weapons systems are in an advanced planning stage—then we must assume that the Russians will seek to project their power in similar ways and, as they develop more bureaucratic momentum, at an ever faster rate.

At every crucial stage of the arms race, the United States has acted first and the Soviets have imitated our actions. The atomic bomb, the long-range bomber, the nuclear submarine, the intercontinental missile, MIRV, and now the cruise missile, were all developed first by the United States and then introduced in to the Soviet forces. Khrushchev tried to substitute bluster for military buildup, the expense of which he hoped to avoid. He unilaterally cut his army and hoped to pressure the United States into accepting parity in nuclear weapons. His policy of confrontation by bluff failed spectacularly in the Cuban missile crisis of 1962. And indeed it contributed to his own collapse. He was forced from office, and the big buildup began. Soviet leaders discovered that when they had matched the United States in missiles, Nixon and Kissinger were ready to make some agreements on matters that had been at an impasse for years—the German borders, arms control, the recognition of East Germany. Soviet politicians may well conclude that a few more missiles may elicit more respect from the United States and perhaps lead to a few new agreements. In any event, they believe that efforts by the United States to "catch up" with Soviet weapons developments, when the United States is so far ahead, must be countered.

Explaining the behavior of governments, even our own, is not easy. Long-term intentions of leaders are hard to fathom, since most politicians don't have any. But the bureaucratic momentum of a growing Soviet military-industrial complex, the fear of falling further behind the United States, the fear of China, the temptation to sport the trappings of great-power status, or the accumulation of bargaining chips for future SALT talks are all plausible explanations of thte Soviet buildup—far more plausible than the notion that the Kremlin has a demented plan to convince the world that it can win (or that it thinks it can win) a nuclear war.

Not even the Pentagon Cassandras say that the Soviet Union intends to start a nuclear war. In recent briefings before the House Armed Services Committee, Department of Defense spokesmen stated the opposite. The Soviet Union does not intend to attack West Europe.

The advocates of bigger budgets say, however, that intentions do not matter. It is "capabilities" that count because the arms race is fundamentally a struggle of nerve, not hardware. If the Soviets can project even a theoretical "war-winning capability" they will be able to use it to extract political concessions from the weak and the timid. "Finlandization" will break out all over Europe. (The term, which is understandably offensive to the Finns, is code for accommodation to the Soviet Union.) It is the political costs of "losing" the arms race to which our attention is increasingly called.

This debate raises the most basic questions about the sources of power in the contemporary world. For nations the size of the United Sttaes, there are diminishing returns to military might. The first 100 nuclear weapons, perhaps the first 1,000, are a source of immense power. But not the next 9,000, nor redundant systems for delivering them.

Military forces add strength only if they can be used to achieve specific national objectives. To be sure, threat is a form of use. If the purpose of our nuclear force is to frighten other countries into adopting policies compatible with American interests, as the White House or the Pentagon may conceive those interests at a given moment—"projecting influence" it is called in the polite parlance of military diplomacy—then we can never have a big enough stockpile. One man's guess is as good as another's as to how much is enough to scare Fidel Castro or Idi Amin; 9,000 don't seem to be enough.

But if the United States were to accept the reality that nuclear weapons are not instruments of diplomacy, that reserving the option to threaten the first use of nuclear weapons—we call such diplomacy "nuclear blackmail" when someone else adopts it—makes an escalating arms race inevitable, we could achieve greater security. Nuclear blackmail is a credible strategy for a weak, desperate nation with little to lose, not for a great industrial nation. The more the United States by its example legitimates the use of nuclear weapons in international bargaining, the more vulnerable we become to the "monkey wrench politics" of nuclear terrorism. If we were to say that nuclear weapons were good for one thing only, to pose a threat of retaliation against a nuclear attack, we would establish

the only firm base possible for serious arms limitation. For that purpose, it is possible to calculate how much is enough, and it is a lot less than we have. Without a strong move by the superpowers to delegitimize the atomic bomb as an instrument of politics, a stable arms control agreement is an illusion, and President Carter's commendable goal of eliminating all nuclear weapons from the earth a piety.

We should be debating what we need nuclear weapons for, and what we think we can do with them, instead of playing the numbers game. The same is true with respect to the conventional forces which take most of the military budget. The issue is not how big an army the Soviets have, but how big an army the United States needs. That need depends upon what we think we can do with the forces. We don't need capabilities for intervening into future Vietnams if, as appears to be the case, such adventures turn out to undermine American power rather than to enhance it. The political conditions for using U.S. ground forces around the world the way we have for 30 years no longer exist.

To maintain them anyway at enormous cost does not add to national power. For great industrial nations like the United States and the U.S.S.R., power is developed by creating the conditions of social strength—sensible use of resources to keep industrial civilization going, ecological balance, a food policy to sustain the population, a set of incentives for people to produce and to contribute to society, a legitimate government that can elicit allegiance without repression, an economic policy to control inflation, unemployment and the maldistribution of wealth. The society which can demonstrate the greater success in achieving such social, political, economic and psychological goals will have the greater influence in shaping the contours of the coming civilization.

The United States started the postwar era with colossal advantages in its economy, its tradition of political liberty, and in its worldwide reputation. Much of that lead has been squandered. To fight the cold war, the United States completely restructured the Federal Government, concentrating power in the executive, promoting secrecy and clandestine operations, cutting away Congress's constitutional role in making foreign policy, instituting loyalty procedures and authorizing the widespread violation of civil liberties once held to be the essence of American citizenship. Each of these reforms mirrored a Soviet institution, and each was designed to put the United States in a better position to oppose Soviet power. The military competition in which we are still ahead is the arena in which the United States has the least chance to succeed over the long run, and runs the greatest risk of undermining the purposes for which this society exists. It is the one arena in which the Soviets have achieved spectacular gains in recent years. If we wish to create the conditions of social strength and to place the competition with the Soviets on a plane where we have the advantage, we should seek to demilitarize the competition as quickly as possible.

The best way to test Soviet intentions about whether they are planning war or atomic blackmail is to take them up on their numerous arms-control and disarmament proposals. They are on record as favoring the cessation of future weapons production, a complete test ban, limiting the use of nuclear weapons to retaliation only and banning bases in the Indian Ocean, among other measures. Chairman Brezhnev has sent word to President Carter that there is nothing in the military area that cannot be discussed.

If history is any guide, the negotiations will be difficult. American and Soviet generals differ as to what the adversary needs for legitimate defense. But history also offers hope that restraint on the U.S. side will be reciprocated. There is a little-known record of U.S. unilateral initiatives on such matters as nuclear testing, rate of missile deployment, military spending and manpower levels which elicited similar initiatives on the Soviet side. Given the huge stockpiles, symbolic acts of restraint to create a favorable climate for negotiations involve negligible risks.

Arms control negotiations can be sabotaged by the sort of alarmist talk the Pentagon and its friends have orchestrated over the last 30 years whenever the defense budget has been cut or has been about to be cut. Such talk has always turned out to be exaggerated or misleading. It obviously serves the interests of military bureaucracies, military contractors, and labor unions who fear, not without reason, that there are no alternatives to military makework programs. It does not serve the American people.

Whether this nation can be intimidated by the Soviet Union depends upon our inner strength. A United States dedicated to strengthening its economy, extending its democracy, and facing its real security problems—world starvation, nuclear proliferation, exhaustion of energy sources, and the contamination of basic life-support systems—has no reason to fear the Soviet stockpile, even if it were as large as our own. The hawks are right that the arms race is really a psychological exercise having more to do with perceptions than with hardware. But we have it within our power to build the psychological defenses that come from creating a successful society or to capitulate to the fears that will kill us.

MISSING PERSONS IN CYPRUS

Mr. PELL. Mr. President, on February 22 I had the great pleasure and honor to receive five representatives from the Panhellenic Committee of Parents and Relatives of Greek Nationals Missing in Cyprus. All five have husbands, children or other relatives who are believed to be held by the Turkish authorities either in Cyprus or Turkey.

Since the Turkish invasion of Cyprus in 1974, some 2,197 persons have been listed as missing. Among the missing are 85 Greek nationals, 8 Americans of Greek-Cypriot origin, and 2,104 Greek-Cypriots. Although the Turkish authorities claim that they are not holding any of the people listed as missing, evidence from a number of sources indicates that a great number of the missing are indeed in Turkish hands.

The representatives of the Panhellenic Committee who visited me are appealing for help in receiving answers to the following questions: Are the missing persons alive? What has happened to them, and under what conditions are they living? Will they be released and when? If they are not alive, how did they die?

The problem of missing persons is a humanitarian one and ought to be divorced from the political issues which divide Greek and Turkish Cypriots and serve as focal points of tension between Greece and Turkey. What the parents, wives, brothers, and sisters of the missing are asking—just as we asked regarding our own MIA's in Southeast Asia—is simply to be relieved of the grief and anguish from not knowing the fate of their loved ones. They deserve that basic human consideration, and I urge the administration to do what it can to enlist the cooperation of the Turkish Government in this matter.

Mr. President, I ask unanimous consent that the text of the appeal to me by the Panhellenic Committee of Parents and Relatives of Greek Nationals Missing in Cyprus be printed in the RECORD.

There being no objection, the appeal was ordered to be printed in the RECORD, as follows:

FEBRUARY 15, 1977.

[Appeal from Panhellenic Committee of Parents and Relatives of Greek Nationals Missing in Cyprus, 9 Dighenis St., Zafiriou of Attiki, Athens, Greece]

We would like first of all to thank you for your kindness in receiving us and giving us a hearing. We are the Panhellenic Committee on the Missing and Unreported Prisoners of the Cyprus tragedy. The purpose of our meeting today is to ask for your help and warm support. It is a very humanitarian request that we are making: to know the facts.

What we are asking is to know the fate of the 85 Greek soldiers—the men who served their country so well and honored their uniforms, about whom, unhappily, we know neither where they live or even whether they are alive at all. If they are alive, when they must be freed. If they are not alive, then we should be given information about when they died and where they are buried.

Confident in the humanity of your feelings, we are asking you to help us in solving this great humanitarian question of the missing men. We are asking for your help to ensure that Turkey, as a member of the international community and of NATO, will change her negative position and make possible a climate of cooperation.

Turkey insists on denying that there are any missing persons. But we are in a position to give you proof of the contrary. This is evidence which we have gathered with enormous efforts and difficulty over the two and a half years of waiting and despair.

We have evidence which indicates that many of these who are missing are still alive in the hands of the Turks. This evidence derives from the published photographs of prisoners which have appeared in the Turkish press, in foreign magazines; and we have heard the names of prisoners over foreign radio broadcasts—prisoners who, to this day, have not yet returned.

1. We have information that two high-ranking officers were patients at the St. Hilarion military hospital in Kyrenia in November 1974.

2. After the ceasefire of 23 July 1974, an officer of the peacekeeping force discovered that a Lieutenant Colonel and three other officers were arrested in Cyprus. None of them came back. What happened to them?

3. In September of 1974, a Greek officer was posted as wounded and prisoner "in the capital"—without any indication whether Nicosia or Ankara was meant.

4. A French journalist discovered in July 1976 that wounded Greek officers, who had been captured after the ceasefire, were transferred by helicopter from Kyrenia to Turkey.

5. From prisoners returned in the course of the agreed exchange we have information that there had been Greeks in confinement with them whose whereabouts are still unknown.

6. Also, Greek prisoners who have not yet returned have been seen alive in various Turkish prison camps.

What has become of these people? This is the soul-torturing question that agonizes us. And that is why we have come to your hospitable country, hoping for your full-hearted assistance. We, the 5,000 relatives of the missing men, wish you health and success in your endeavours, so that we may find a quick and painless solution to our problem. Our thoughts go with you.

Sincerely,

Panhellenic Committee of Parents and Relatives of Greek Nationals Missing in Cyprus.

OAHE AND NEEDED WATER DEVELOPMENT

Mr. McGOVERN. Mr. President, when President Carter's budget revisions for fiscal year 1978 were sent to the Congress last week they omitted some 19 water development projects for which funding had been requested by Mr. Carter's predecessor.

Concomitant with this funding suspension the President announced the formation of an ad hoc committee, the Public Works Water Project Review Panel, to evaluate the projects in question.

The Panel is apparently to be chaired by the Secretary of the Interior and include among its members the Secretary of the Army, representatives of the Office of Management and Budget, and the Council on Environmental Quality.

The standards that this Panel is going to apply to their review procedures appear somewhat indefinite, but seem to center on an evaluation of an updated benefit/cost ratio and environmental impact of each of the projects involved.

It would be my hope that this Panel will bring a realistic and objective attitude to their assignment. Their review should not be some hastily conceived "quick study" with a predetermined outcome, but rather a comprehensive look at these projects with an understanding of the background and the present need for these kinds of water development.

As is true with many of these projects, the Oahe Irrigation Unit was developed through more than a quarter of a century of debate and discussion. It has been approved by several national administrations and successive Congresses. The Panel members, some of whom have been in these positions of responsibility for less than 2 months, should be sensitive to the historic concerns that prompted the initiation of these projects.

By the same token, I would hope that the Congress will recognize that the opinions that will ultimately be advanced by this Panel must, under our system, be advisory. The final responsibility for the evaluation and funding of these projects rests with the Congress.

Because the Oahe irrigation project in South Dakota was one of those "selected out" by this administration, I believe that my statement to the panel in support of Oahe will be of interest to the Congress.

I ask unanimous consent that my statement to the Public Works Water Project Review Panel be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR GEORGE McGOVERN ON OAHE IRRIGATION PROJECT

Shortly after the elections of last November, the Carter-Mondale Transition Planning Group announced that some 61 current public works water projects would be reviewed. These projects were submitted to the Chairman of this Panel, Secretary of Interior Andrus.

During the Secretary's confirmation hearings by the Senate he responded to an inquiry on this review that it was his intention to apply "environmental and safety" criteria in evaluating the projects that were being questioned. Subsequently, this standard was apparently more closely defined to three basic areas involving the possibility of inflated benefit/cost ratios, addition of duplicative recreational facilities and failure of project planners and developers to consider the potential damage to plant and animal life.

The Ford Budget for fiscal year 1978 requested some $16.9 million for the Oahe Irrigation Project in South Dakota, but the Carter Budget Revisions omitted this funding pending the results of this Panel's individual project review. I cannot assign a national economic basis to this decision inasmuch as President Carter's budget request for $459.4 billion increases his predecessor's budget by some $19.4 billion.

Given this situation, it would appear that the thrust of this Panel's inquiry will be directed, essentially, in two areas—the benefit/cost ratio of the projects involved and the environmental impact.

This statement is intended to review those matters as well as other in-state factors which have a bearing on the present situation.

Within the framework of your consideration of the Oahe Irrigation Project, I hope you will be aware that South Dakota experienced the worst drought in its history in 1976. We must either have adequate transferral and distribution systems that will move water out of the Missouri River impoundments or our State will be in ever more serious economic trouble. Conservative estimates of crop loss from the drought last year exceed $1 billion. Significantly, some of the areas hardest hit by the lack of moisture are in the very area to be served by the Oahe Irrigation Project.

South Dakota, in common with other semi-arid upper great plains states, is ever on the edge of drought.

The average annual precipitation in South Dakota is about 18 inches. It ranges from less than 13 inches in the northwestern corner of the State to about 25 inches in the southeastern corner. In most years, about 3/4 of the precipitation falls during the April to September growing season. There are, however, great variations in the State from year to year. In the 45 years preceding 1974, the annual precipitation over the State ranged from as much as 50 inches to as little as 7.5 inches.

While surface water is the most visible evidence of this critical resource—and most especially since the great impoundments on the Missouri were created—the bulk of our existing water supplies are in bedrock aquifers which underlie most of the State.

How this water is used has much to do with the current discussions on Oahe. In 1970, the U.S. Geological Survey study revealed a marked difference in water use practices on either side of the Missouri River.

West of the Missouri River, 73 percent of the water used is from surface sources and irrigation accounts for 89 percent of this use. In contrast, municipalities and industry in the west depend heavily upon ground water for nearly 80 percent of their supplies. Farm-domestic supplies are estimated to be 71 percent from ground water and 29 percent from surface sources.

Water utilization east of the Missouri River is quite different. Ground water is by far the largest source being used and accounts for nearly 76 percent of all water usage. Of the total ground water withdrawn, irrigation uses 19 percent and municipalities and industry 33 percent. Ground water also furnishes over 81 percent of the farm-domestic water withdrawn.

On a statewide base, of the total water withdrawn, irrigation requires 51 percent; farm-domestic purposes 27 percent and municipalities and industry the remaining 22 percent. Of the 453 million gallons per day withdrawn, surface waters supply 55 percent and ground water sources furnish the remaining 45 percent.

Recognizing the need to obtain a more reliable source of water, early Dakota settlers began to drill wells as soon as their agricultural operations moved away from established rivers and streams where surface water was no longer available. By 1900, more than 1,000 wells had been drilled and more than 10,000 by 1915. Although accurate statistics are not now generally available—it is clear that the number of operating wells has steadily increased.

Of the 362 communities in South Dakota that have public water supply systems, 342 depend primarily or completely on ground water—which furnishes the supply for about 94 percent of the public water systems in the State, averaging out to approximately 145 gallons per day per person.

Irrigation is an additional major groundwater use. This source supplied 14%—or 45,000 acre feet—of the irrigation water applied to crops in South Dakota in 1973.

There was, however, a growing awareness that the piecemeal approach of water development through the utilization of existing ground water resources would never bring water to the land where it was required—in the quantities that were needed. South Dakota, among other upper Missouri Basin States, recognized that "something had to be done" to resolve this problem if progress was to be made in agricultural production and farming was to be divorced, at least in part, from its almost total dependence on adequate rainfall, supplemental in certain areas by ground water supplied irrigation.

This concern came into focus in 1944 when the Missouri River Basin Project was authorized by the Flood Control Act of that year. The original plan is now known as the Pick-Sloan Missouri Basin Program, the name being changed by Congress to honor the originators of the proposal.

The plan formalized through the comprehensive planning approach, the concept of "multiobjective" consideration of the use of water within the upper Missouri Basin and authorized the construction of large dams on the Missouri. In South Dakota these are the Oahe, Big Bend, Fort Randall, and Gavins Point Dams.

These giant structures were designed as multi-purpose units to assist in implementing the "multiobjective" water utilization concept of the Pick-Sloan Plan.

The most immediate benefits came in stabilizing the Missouri River flow downstream and eliminating the heavy seasonal flows that caused disastrous flooding and countless millions of dollars in property loss and in the generation of hydro-electric power. The Bureau of Reclamation has constructed a network of transmission lines and substations to distribute the power generated by the turbines at the dam sites. Secondary distribution of this power to the consumer is accomplished by REA cooperatives, public utilities and municipalities. Today, the Missouri River Dams in South Dakota generate about 1.5 million kilowatts of power—more than 37 times as much as early planners thought possible at the turn of the century.

Secondary benefits from the Missouri River impoundments have been recreational with large lakes created behind the dams which have benefited fish and wildlife as well.

But the "multiobjective" concept of the original plan also envisioned utilization of the water within the Missouri Basin States for irrigation and municipal and domestic water supplies.

To provide the legal framework for subsequent water use of this kind, the State of South Dakota in 1959 created the South Dakota Conservancy District which encompassed the entire state to provide for the future economic welfare and prosperity of the

State by conserving its water resources. To achieve this, the act provided for statewide financing of those phases of water-resources development which result in statewide benefits.

The District had no taxing authority, however, the legislation did provide for the establishment of conservancy sub-districts which have authority to levy taxes within certain limitations. Today there are six conservancy sub-districts and nine irrigation districts organized.

In November of 1960—The Oahe Conservancy Sub-District was organized with 85.5 percent of those voting supporting the creation of the District. Although the Sub-District had all of the responsibilities as outlined under state law, its basic purpose soon focused on the promotion of the Oahe Irrigation Project.

The beginning of interest in irrigating the 15½ county area which now makes up the Oahe Conservancy Sub-District area probably started in the late 1940's and early 1950's with reconnaissance engineering and soil surveys and the establishment of two development farms to acquire information about crop yields and irrigation field practices that were suitable to the area.

Relatively shallow aquifers were discovered to contain suitable ground water for irrigation. In 1953–54 the Bureau drilled eight irrigation wells on farms in the Oahe Unit area to obtain data relative to water applied to the land, crop yields, costs and other factual information. Interest in irrigation grew and by 1960 approximately 60 farmers in the Oahe Unit area had developed irrigation on about 7,000 acres using mostly ground water.

Based on this and other data, the Bureau of Reclamation issued in 1965 a Report on the Oahe Unit, which envisions an overall multi-purpose plan of development which included 495,000 acres of irrigation—with an initial stage concept of 190,000 acres.

On the basis of this information—along with the information of the West Brown and Spink County Irrigation Districts—the Congress authorized the construction of the initial stage of the Oahe Unit by Public Law 90–453, dated August 3, 1968. The initial stage consisting of 190,000 acres is part of the 750,000 acres of the Oahe Unit that was identified in the Flood Control Act of 1944, and is part of the Pick-Sloan Missouri Basin Program (P–S MBP).

The authorized initial stage diverts water from Lake Oahe behind the Oahe Dam (existing Corps of Engineers facilities on the Missouri River) to central and north-central South Dakota to irrigate 190,000 acres of land and provide municipal and industrial water, fish and wildlife benefits, recreation, and flood control. The irrigable land to be served is adjacent to the James River in Spink and Brown Counties. Project facilities will be located in Hughes, Sully, Hyde, Hand, Faulk, Edmunds, Beadle, Spink and Brown Counties.

An average of 444,400 acre-feet of water would be diverted annually from Lake Oahe. The diverted water plus return flows and natural flows of the James River amounts to a total water supply of 599,900 acre-feet. Municipal and industrial water of 26,600 acre-feet, would be delivered to 17 municipalities in the area. Fish and wildlife areas would receive 19,800 acre-feet.

Water for the project would be pumped from Lake Oahe into the Pierre Canal by the Oahe Pumping Plant which is now under construction.

Water will flow by gravity to the Blunt Dam and Reservoir and then to the Lake Plain area. From there, water will flow through the other project facilities to the land, the fish and wildlife areas, and municipalities. The other project facilities are Cresbard and Byron Reservoirs, James Diversion Dam and Reservoir, James and Byron Pumping Plants, and Highmore, Faulkton, James, Cresbard, Redfield, West Main, and East Main Canals. There will be canals and laterals to deliver water to the land and drains to remove excess water from the land.

Fish and wildlife resources will be mitigated and enhanced. Plans include 11 mitigation and 7 enhancement areas to be developed on new reservoirs, enlarged marsh areas, and wildlife management areas.

The Bureau of Reclamation issued a "Definite Plan Report" in 1971 to up-date the proposed irrigation unit. After thirty years of continuous study of the Oahe Unit, ground was broken for its actual construction at the Oahe Pumping Plant site in 1974.

Despite what initially appeared to be nearly unanimous support for the Oahe Irrigation Unit, after the filing of the Final Environmental Statement organized opposition began to surface for the first time in 1973.

A consortium of farmers—known as the United Family Farmers, Inc.—joined with wildlife and environmental interests in objecting to various aspects of the project. Their initial concern seemed to focus on the degree of channelization that might be required in the James River Basin because of Oahe development.

The James River drains an area of about 22,000 square miles, 70 percent of which is in South Dakota. It meanders 710 miles to cover a straight line distance of 250 miles from its head-waters to the Missouri River below Gavins Point Dam. As a natural stream, it has extremely flat slopes and very slow velocities. During periods of high run-off during the Spring the James River Valley has, on occasion, resembled a large elongated lake with the flat flood plains on either side sustaining relatively long periods of inundation. The last major flood on the James was in 1969 when damages were estimated at about $16 million.

The James River has been the subject of numerous past studies in 1922, 1930 and 1947, but it is only within the framework of the Oahe project that serious attention has been given to correcting flood problems and improving water volume and quality.

The James River is not the free flowing naturally scenic stream that some have been led to believe. Measuring stream flow at Huron during the 1944–1970 period it was shown that:

1. There was no flow about 40 percent of the time.

2. Flow less than 30 C.F.S. (cubic feet per second) about 75 percent of the time. The historic flows of the James River range from very high (usually occurring during the flood period from March through June) to extended periods of no flow which occur in many years.

The record measurable flow at Huron occurred in April of 1969 when a discharge rate of 9,000 C.F.S. was registered.

At the present time, it is anticipated that there will be return flows of only about 3,600 acre feet from the Garrison Unit in North Dakota which is insignificant when compared with the present measured flow of the James at Columbia, South Dakota (about 75,000 acre feet). To this will be added the Oahe return flows of 237,000 acre-feet at the site of the James Diversion Dam north of Huron.

It must be noted that the bulk of the Oahe and Garrison return flows will come at a time when the river channel is in a no-flow position after the spring run-off.

If there is no change in the present configuration of the James River—those in the flood plain will be exposed to a flooding condition that is about the same as during the spring run-off period. With the cleaning of the river from debris—such as fallen trees, etc., the stream flow capability can be substantially increased. Elimination of a few "oxbows" in the river can be accomplished to further expedite stream flow—but without disturbing the basic character of the river itself. That decision is still under study.

Water quality is measured by p.p.m. (parts per million) of totally dissolved solids (TDS).

State environmental law now requires not more than 1,000 p.p.m. on water for domestic-consumption. Water withdrawn from the Missouri will average 450 p.p.m. and will be delivered to the irrigation area at 488 p.p.m. The return flows at Huron will approximate 1,300 p.p.m., after having gone through the entire project. This can reasonably be filtered down to meet the state standards. It is important to note, that the present flow of the James—without irrigation—Huron water has gone as high as 2,200 p.p.m. in the past. Almost 60 percent of the water now used for domestic consumption in South Dakota does not meet the state standards of 1,000 p.p.m.

The City of Mitchell, South Dakota, which presently derives its water from Lake Mitchell, is so desperately short of water that consideration is being given to hauling water by rail from the Missouri River. The Oahe Project—through return flows in the James River—will end the water supply problems for Mitchell and other municipalities in the James River Basin.

Subsequently, those opposed to the project have centered their opposition on the ideas that the land involved is not suitable for irrigation, that the project is not economical and that the "quality" of family farm life will be destroyed if the project is completed.

The Bureau has made a detailed land classification study of the areas that can successfully maintain long-term irrigated agricultural production. The land classification was performed by professional soil scientists—many of them receiving their training at South Dakota State University at Brookings. Most of these men grew up on the farm—several in Brown and Spink counties and some still landowners there. They have drilled over 12,500 holes to a depth of five to ten feet and made over a quarter million physical and chemical tests of these soils. Their work is under the direction of professional soil scientists with many years experience on over 9 million acres of irrigated land.

The Bureau land classification for the Oahe Unit provides that subsurface pipe drains will be installed at the spacing required to control the water table and prevent salinization. The survey is being done by the quarter section with the drain spacing varying in each parcel depending on soil needs. The drains will be installed before irrigation is started and are included as a project cost. Soil Scientists in the Bureau and at South Dakota State University are in agreement on the need for these subsurface drains and that the drains will function as planned.

SDSU issued a bulletin in 1954 which indicated a fairly sizable portion of the Oahe Unit in Spink County is poorly suited for irrigation. This document is heavily quoted by anti-Oahe people. The SDSU conclusion would be accurate if subsurface drainage is not provided as was assumed in the bulletin. However, with subsurface drains installed at the proper spacing prior to irrigation development, the soil scientists at the Bureau, in the USDA Soil Conservation Service and at SDSU are in general agreement on the long-term suitability of the lands selected for irrigation development.

The first stage of the Oahe Unit (190,000 acres) will increase South Dakota agricultural production by 11.6 million more bushels of corn, 180,000 more tons of corn silage, 80,000 more tons of alfalfa, produce enough feed to fatten an additional 135,000 cattle, and 200,000 hogs per year with another 40,000 acres made available for irrigated cash crops such as sugar beets, beans, and potatoes.

Each additional dollar created by South Dakota agricultural production can—using a conservative economic multiplier formula—

create four dollars as the money circulates in the State's economy. With this in mind, the increase in money with the full operation of the initial Oahe Unit approaches $120 million per year—more than enough to offset the basic cost of irrigation.

Irrigation will actually stabilize family farm life within the project area.

There were 1,500 fewer farms (37 percent in Brown and Spink counties in 1969 than there were in 1940 and 17 percent less in 1969 than in 1959. This means that without irrigation some 1,500 families were forced off their farms in these two counties so that the remaining 2,500 farmers would have enough land to remain on the farm. From 1971 to 1973 another 100 farmers left the land in these two counties. Irrigation will provide additional income for family farming operations. The quality of life—with an assured supply of water, independent of the average rainfall—will improve.

The Oahe Irrigation Project is only one of many on-going efforts that will be made in South Dakota to bring water to the land in in the coming years.

For our increased agricultural production is desperately needed not only to improve our State's economic situation, but also to contribute to the nation's food surplus for export and sale overseas.

World population pressures on the existing global food supplies underscore again the increasing importance of our nation's farmers. Pressure on the world food supply comes from three main sources—population growth in the poor countries, demand for higher living standards in the more advanced countries and a combination of bad luck and incompetence in the Soviet Unition and Eastern Europe. There is good reason to believe that the world food shortage is fundamental and that it will persist for many years to come.

Because of this situation, Americas farmers, in addition to meeting the food supply needs of hungry nations, create a favorable and international balance of payments through agricultural exports.

Increasingly, we rely on our agricultural exports to earn the money to pay for the imported oil and raw materials we need to keep our industries running. Without the efforts of the American farmer, our international balance of payments would be in great trouble.

South Dakota has played a very important role in producing for overseas markets. In recent years, new wealth has flowed into our State because the production of our farms and ranches is in such great demand abroad.

For the three most recent fiscal years—1973—'74—'75—South Dakota earned a total of over one billion dollars in the agricultural export market. The largest money earner was wheat at $400 million, followed by feed grains at $276 million, soybeans at $73 million, and flaxseed at $60 million. Meats and meat products, hides and skins included, produced $90 million. Lard and tallow accounted for another $56 million, dairy products for $7.4 million and miscellaneous agricultural exports for the balance.

In 1975, we stood sixth in the nation in lard and tallow exports, sixth in hides and skins, and seventh in dairy products, second in flaxseed and ninth in meat and meat products. South Dakota makes a real contribution to our national wealth and to our financial position in the world.

Oahe and other irrigation projects in South Dakota will increase our ability to respond to global food needs—and expand our economic base in our own State—through enhanced capacity to produce products on our farms that are needed elsewhere.

In addition, the Oahe Unit has an excellent potential for developing fish and wildlife habitat. The U.S. Bureau of Sport Fisheries in cooperation with the South Dakota Game, Fish and Parks Department has provided a definitive program for the enhancement of fish and wildlife which will create new and permanent water and marsh lands as well as the rehabilitation of existing wetlands.

A plan for conservation of wildlife resources has been formulated by the U.S. Fish and Wildlife Service (FWS). Original plans for development associated with the Initial Stage, Oahe Unit, included establishment of 11 wildlife habitat areas to mitigate, or replace, habitat losses due to construction of the project. Additionally, Federal policy also dictates that an opportunity like Oahe Unit will be used to enhance wildlife values where possible. The original wildlife plan called for establishment of seven areas for enhancement of wildlife habitat. The mitigation and enhancement areas total 40,000 acres.

The Bureau of Reclamation is committed in the authorizing legislation to acquire about 14,000 acres of land for mitigation of adverse wildlife impacts of the project. About 5,200 of those acres will be water and marshlands. The enhancement areas, as authorized by the U.S. Congress, will total about 26,000 acres of which 7,100 will be water and marsh areas.

The FWS is responsible for the design of the wildlife conservation plan. Reclamation is responsible for the necessary land acquisition and the construction of necessary facilities. The wildlife areas will be operated and maintained either by the FWS or the South Dakota Department of Game, Fish and Parks.

Though the commitment to wildlife conservation and the total acres involved remain the same, it is recognized that change is part of the planning process, especially when extended periods of time are involved. The original plan has remained basically unchanged since project authorization in 1968. FWS is currently updating the wildlife plan during predevelopment work.

The updating was initiated by FWS as part of the process of developing the most biologically-sound wildlife plan possible. Reclamation is supporting this updating with funds appropriated for development of the Oahe Unit. It is anticipated this updating will accrue more overall wildlife benefits for the dollars spent.

The restoration of wetlands and upland wildlife habitat, as suggested by the FWS studies now underway, is based on "adding to" existing habitat through a balanced and biologically-sound program. Large block acreages under the original plan may be replaced with widely dispersed, smaller units.

Smaller units would have wetlands restored by modification of drainage patterns in small areas. These tracts could average approximately 300 acres in size. Under the original plan, wildlife areas averaged approximately 2,000 acres in size.

In selecting smaller tracts, the possible need to purchase farm buildings and whole farm units would be minimized. However, more individual ownerships would be affected to develop the same total acreages for wildlife conservation.

FWS is keeping the Bureau of Reclamation and Oahe Conservancy Sub-District Board of Directors apprised of their progress on updating the wildlife plan. Once the updated plan has been formulated, it will receive thorough review by the Sub-District and Reclamation.

Last May, the FWS identified 14 sites in eight counties of the Oahe Conservancy Sub-District for possible replacement of "Oahe area" wildlife lands. The "Oahe area" was one of the original wildlife mitigation sites. The areas range in size from about 60 to 660 acres and total 3,606 acres. All areas include former wetlands which have been drained, can be restored with a minimum of construction effort; and do not include farm homes or buildings now being used.

FWS says that although only 2,665 acres were proposed for replacement of the "Oahe area," 3,606 acres were identified to allow flexibility in the land acquisition program.

People who owned land identified by FWS as having potential for wildlife development were contacted and given information on the updated plan. They were told their land was under consideration; however, no offer to purchase the land was made. Land acquisition will not take place until FWS studies have been completed and the new plan has the approval of Reclamation and the Sub-District Board.

FWS says the total updated plan will not be completed until sometime this year.

Major considerations in finding smaller development areas include: areas that were once wetlands and have been drained, areas easy to restore and manage, and areas containing cover to enhance nesting habitat.

FWS is attempting to find areas where boundaries can be easily established and not require purchase of farm homes or outbuildings and where establishment of a wildlife area will not divide a farm operation, natural or legal drainage, or public access.

Major emphasis will be placed on identifying enough potential areas so that a maximum number of willing sellers can be encouraged to participate in the program.

Even the strongest supporters of the Oahe project do not claim that its design is "perfect" at this point. The utilization of more underground pipe rather than open canals, the exchange of land within the Subdistrict among those who want to irrigate and those who do not, and other procedural and substantive changes must be made. The important thing is that the project remain as flexible as possible during the later design and construction phases to accommodate legitimate requests for alteration—and to make it as totally responsive as possible to the best interests of South Dakota and our farmers who work the land.

In any consideration of the possible termination of a major public works project, it is important to fully evaluate the ramifications of such action. With that in mind, I wish to call to the attention of the panel the following adverse results which are only part of those which could be expected to occur if the Oahe Irrigation Project is ended:

1. Lack of activities to develop and put to beneficial use 444,000 acre-feet of Missouri River water for multi-purpose uses such as irrigation, fish and wildlife enhancement, recreation, flood control, and municipal and industrial water.

2. Loss of $30 million investment to the fall of 1976 in partially constructed facilities, plus $6.7 million additional costs of phasing out contracts. The $36.7 million investment loss will have a continued annual interest cost of more than $1 million at 3¼ percent interest. The amount compounded at 3¼ percent interest over only 75 years would exceed the $300 million of Federal expenditures needed to complete the unit facilities. In addition, the annual benefit loss of $35,362,800 compounded over the 75-year period would amount to $10.9 billion.

3. The State of South Dakota and Oahe Conservancy Sub-District would be seriously affected. The Conservancy Sub-District was formed to aid in the development and will collect taxes to aid in payments. The State and Conservancy Sub-District, as well as two irrigation districts and the potential water users, who in good faith have made long-range commitments and expenditures based on promises of a completed Federal project, would be left "holding the bag."

4. Possible suit by State and other entities for not meeting Federal commitment to replace land flooded by main stem reservoirs of Pick-Sloan Missouri Basin Program with a multi-purpose water resource development project similar to the Oahe Unit. Over 500,000

acres of land is used for mainstem reservoirs in South Dakota.

5. Pick-Sloan Missouri Basin Program investment costs have been assigned to multipurpose projects. For the Oahe Unit (ultimate development) $143,808,000, plus annual OM&R costs of $693,000, is allocated to irrigation from the P–S MBP pumping power and main stem storage investments. If the unit is not constructed, that allocation would be reassigned to P–S MBP interest-bearing commercial power for repayment and will result in an estimated increase of 0.6 mills per kwh or about 12.5 percent, in the firm power rates.

6. The economy of South Dakota is built upon agriculture. Irrigation would expand and stabilize the State's economy. Terminating Oahe Unit would result in the loss of annual social and economic impacts of $170 million to the State and the Nation because of non-development of resources, or a loss of more than $8.5 billion in 50 years.

7. Difficulty in restoring completed works to natural conditions or converting to some beneficial use.

8. Lack of opportunity to enhance recreation and fish and wildlife. Oahe Unit would provide 148,000 visitor days annually from Blunt, Cresbard, and Byron Reservoirs. Water and land for project facilities would enhance wildlife and public hunting.

9. Loss of Federal construction activity in South Dakota of over $300 million through the early 1990's would result in a loss of 200 to 1,000 jobs during a 15-to-20-year period. Over the period of construction, $140 million would be spent on salaries and wages. $80 million would be spent for materials in South Dakota, and $90 million would be spent throughout the region and the Nation. Also, there would be a loss of over 120 jobs to operate and maintain the Oahe Unit after construction with an annual payroll of $1.6 million.

10. There will be a loss of an adequate supply of good quality water for 17 communities to serve 160,000 or more people and industries in the area. In most situations, the only source of additional water is from marginal quality ground water that could require desalting at significant expense.

The Oahe Irrigation Project did not simply "spring up" overnight. It is the result of over a quarter of a century of planning and promotion by South Dakota farmers and others who are concerned with the wise use of our land and water resources.

Elections last fall seemed to indicate that those who opposed the project secured a majority of the Oahe Conservancy Sub-District Board—the legal entity charged with the project development. If that is, in fact, now the case then some of those elected received their mandate under false colors. During several of the Board campaigns last Fall, it was noted that they were not opposed to the project, but wanted to make some constructive changes. I endorse that view, but I cannot subscribe to the position that the project should be terminated.

There is ample flexibility under the umbrella of the project authorization and within the framework of the funding cycle to make the changes that are necessary. Those who oppose the project in my State—and some of their national allies who have made a "symbol" of Oahe for their own purposes—have not faced the realities of the situation in South Dakota. I do not question their decision in this matter, but I do question their judgment.

South Dakota needs and wants the Oahe Irrigation Project. Its public acceptance across the State consistently runs above 70 percent, according to every public opinion sampling that has been conducted.

If it is the purpose of this Administration to be dedicated to the interests of the "people", then I want to state as forcefully as I can that it is the "people" of my State that want this project completed and the funding patterns accelerated.

If this panel recommends that the project be halted, then it will end forever the dream of South Dakotans to bring water to our land to reduce our reliance on natural rainfall which comes infrequently and in too short supply.

I know that you will thoughtfully and seriously consider the various statements and other documentation available. I am confident that with an objective and realistic analysis of the facts involved—that you will, as I have, endorse the Oahe Irrigation Project and recommend that it be continued.

THE FIVE "C's"

Mr. METZENBAUM. Mr. President, recently I met with representatives from the Cleveland Concerned Citizens Civic Club, Inc. These citizens presented to me a petition outlining their concerns—concerns which I share. This grassroots organization points out that we need more jobs in our urban centers, that Federal agencies are not tapping those community organizations which could be most helpful in the design of criminal prevention programs, and that savings and loan institutions are not making a large enough investment in their own backyards. Mr. President, I would like to share this petition with my colleagues. I ask unanimous consent that it be printed in the RECORD in the hope that we can all learn from their frustrations.

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

We, the members of the Cleveland Concerned Citizens Civic Club, Inc., do hereby declare our position with regard to the priority concerns of the hour:

First, we are concerned that many of our citizens are unemployed while there is much work to be done. High unemployment within our city produces low morale among our citizens, thus giving rise to a multiplicity of social ills.

In order to thwart this inevitability, the Cleveland Concerned Citizens Civic Club, Inc. urges you, Senator, to fight for the passage of that legislation which discourages unemployment.

Second, we are concerned that our beautiful criminal justice center has done little to deter crime in the city. The Criminal Justice Coordinating Council fulfills a funding requirement by seeking community input on crime prevention under the guise of asking community organizations to submit proposals for funding crime-prevention programs within their communities.

Small, fund-deflated community organizations expend their energies and monies, year after year, doing research. They provide the necessary data and submit proposals with the hope that they will be funded on a grassroots level. Instead, the same select few receive the sought-after funds to carry out programs which appear to have little or no impact on community care.

We suggest, Senator, that more Federal funds be made available for this concern, and that these funds be distributed to community organizations who have some plan of action for the prevention and determent of crime, but who do not necessarily have a history of dealing with this field. Every small effort is helpful; but while a large organization may be too mammoth to filter down to the neighborhood, smaller community groups who are concerned about this matter can be more effective.

Finally, we are concerned about the seeming inaccessibility of funds for the purchase and rehabilitation of housing in our city by many citizens. We feel that the Federal savings and loan associations have not been sensitive to the city dwellers, but in fact directly discriminate against them by refusing to finance potential housing on a variety of flimsy grounds. However, they find it convenient to finance outer city dwellings.

We, the members of the Cleveland Concerned Citizens Civic Club, Inc., demand that an end be brought to this outrage. Unless the Federal savings and loan associations cease their discriminatory practices in this regard, we are prepared, Senator, to ask the Federal Home Loan Board in Washington to investigate these associations, including our district office in Cincinnati. We will request that the charters of those associations found guilty be revoked.

Senator, we, the members of the Cleveland Concerned Citizens Civic Club, Inc., do not desire to utilize extreme measures in order to get results. However, unless these are positive changes, we are concerned enough to do so.

THE CONSTITUTIONALITY OF THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, today I wish to address this body concerning the Genocide Convention and the issue of that treaty's constitutionality. This topic is a vitally important subject because of its influence on the probability of ratification of the Genocide Convention.

For many years now, opponents of the Genocide Treaty have questioned its constitutionality, despite repeated legal articles and the official position of the American Bar Association arguing otherwise.

The most common argument of the dissenters is that human rights is not a constitutionally appropriate subject for an international agreement. American history, however, indicates quite the opposite.

As attorney Bruno Bitker pointed out, human rights treaties have been a consistent part of our country's 200 years of history. The very first treaty that our Nation entered was the Definitive Treaty of Peace with Great Britain, which dealt with the protection of individuals' rights.

Mr. Bitker also pointed out that the constitutional language regarding the treatymaking power of the Senate appears "almost unlimited," and the Supreme Court in Geofroy against Riggs acknowledged such fact.

Mr. President, after considering the findings of legal authorities such as Mr. Bitker and after considering the American Bar Association's official position supporting the legality of the Genocide Convention, I fail to see any reason why we can further doubt the constitutionality of this body's ratification of the Treaty.

I urge my colleagues to take action immediately.

COPING WITH CONSERVATION

Mr. MUSKIE. Mr. President, in 1972 the Congress established the National Commission on Water Quality. Well funded and well staffed, the Commission made a worthwhile study of the implications of the 1972 Clean Water Act.

But that study was ignored when the Commission's recommendations were written and forwarded to the Congress, reflecting neither the factual information generated by the study nor the thoughts of many of the Commission members and staff.

The 30 pages of recommendations were appended by 51 pages of individual views, with 13 of the 15 Commission members finding reasons to make comments.

It was a sobering experience and should serve as a lesson to those in the Congress who have tried to have outside groups to solve our difficult political problems.

Because the Commission wanted to substitute its judgment for that of Congress, because the Commission recommendations do not identify any other options to examine, because they were so controversial within the Commission, they are not very helpful.

The Senate Committee on Public Works has publicly stated its commitment to a thorough review of the 1972 Clean Water Act in this Congress. We intend to examine every important issue that has been raised, and we intend to use the staff report of the Commission as a factual baseline.

Mr. President, I ask unanimous consent that an article that appeared in the Journal of Soil and Water Conservation titled "The National Commission on Water Quality Report: How Will the Congress Cope?" be printed in full in the RECORD. Its author, Marvin Zeldin, has shown unusual perception and insight. He writes clearly about the Commission: its members, its staff, its activities, and its relationship to the Congress. He gives a detailed analysis of both the process and substance of the Commission's recommendations; I commend it to the attention of my colleagues.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE NATIONAL COMMISSION ON WATER QUALITY REPORT: HOW WILL CONGRESS COPE?

A major environmental battle awaits the 95th Congress when it convenes in January. The issue: What to do with the recommendations of the National Commission on Water Quality to amend the Federal Water Pollution Control Act Amendments of 1972. For a preview of what's ahead, consider some of the major recommendations of the late and unlamented commission.

Created by the 1972 law, the commission was directed to study "all of the technological aspects of achieving, and all aspects of the total economic, social, and environmental effects of achieving or not achieving, the effluent limitations and goals set forth for 1983." The commission was supposed to recommend "mid-course corrections," a phrase that conjures up visions of a scientist altering the course of a space rocket to put it on a straight and true path to the moon or to Mars.

But if words still mean what they are supposed to mean, the commission's major recommendations would, if endorsed by Congress, abort the clean water mission launched by Congress in the 1972 act.

In that act, Congress decided that the most effective approach was to require all polluters to meet uniform national discharge standards based on technology in two phases. In the first phase, industries were required to meet discharge limits based on the use of "best practical control technology" and local governments were required to provide a minimum of secondary treatment for municipal sewage by July 1, 1977. In the second phase, industries were required to reduce discharges of pollutants still more by using "best available technology economically achievable" and local governments were required to use more advanced or "best practicable" sewage treatment by July 1, 1983. The 1972 law also set a national goal, not a requirement, of zero discharge of pollutants by 1985 and, wherever attainable, an interim goal of water safe enough for recreation and fish and wildlife propagation by July 1, 1983.

Long before the commission submitted its report, it was no secret that many local governments and some industrial polluters would not meet the 1977 deadline. It was also no secret that most dischargers would not meet the more stringent 1983 requirements. And no one in touch with reality imagined that the 1985 zero-discharge goal would be achieved, except in the rarest of instances.

To adjust the 1972 law to the real world, some believe the wisest approach would be to amend the law to give the U.S. Environmental Protection Agency authority to extend the 1977 and 1985 deadlines on a case-by-case basis. Others prefer a return to the pre-1972 system of water pollution control, when discharges were generally determined plant-by-plant, based on water quality standards set for individual waterways by each state. Supporters of this approach contend that uniform national discharge standards and zero discharge of pollutants are unnecessary environmentally, too inflexible, and too costly.

This fundamental disagreement was reflected in the commission's work and its report. Behind this split lay the continuing battle between the five House members of the commission, led by Representative Jim Wright (D-Texas), and the five Senate members, led by Senator Edmund Muskie (D-Maine). The 1972 law had represented a victory for the Senate Public Works Committee. It was a tougher law than the House Public Works Committee leadership had wanted. The commission then became the instrument to build support for substantial change in the 1972 law. The House members' position, supported by Vice-president Nelson Rockefeller, chairman of the commission, and other so-called "public" members, generally prevailed.

The result was a report that recommends these major changes in the law:

The 1977 Deadline. The commission recommended that Congress authorize EPA to postpone the 1977 deadline on a case-by-case basis—to September 30, 1980, at the latest—if a discharger proves reasonable progress toward compliance, or if a lack of federal construction grant funds has caused delay. But the commission also recommended case-by-case extensions if a polluter "can demonstrate other good and sufficient cause," an ambiguous phrase likely to guarantee a slowdown in pollution control and full employment for lawyers.

The commission also recommended that the 1977 requirements be waived, deferred, or modified if a polluter demonstrates that "adverse environmental impacts" will be "minimal or non-existent," or that the cost will be "disproportionate" to projected environmental gains. Similarly, the commission recommended that the 1977 requirements be waived, deferred, or modified for entire categories of dischargers if the adverse environmental impacts will be minimal or nonexistent, or if the costs are disproportionate.

Both recommendations are open invitations to endless administrative debates and lawsuits to define "minimal or non-existent" impacts and "disproportionate" costs. They would turn the clock back to the day when benefit-cost ratios and water quality standards were the prime considerations, public and ecological health be damned. And in recommending changes in the 1977 requirements, the commission went far beyond its mandate, for it was directed to study the impacts of the 1983 goal and requirements, not the 1977 requirements.

The 1983 Goal and Deadlines. The commission recommended that Congress keep the fishable-swimmable goal in the law. But it also recommended that Congress postpone the 1983 deadline up to 10 years. In the interim, it recommended that treatment technology more advanced than the 1977 requirements be used only where necessary to achieve water quality standards. And it recommended that uniform application of the second round of national standards be put off until another commission studies the problem and reports to Congress.

To support the recommendation, the commission said: "Significant progress toward achieving the interim water goal [fishable-swimmable by 1983] will result from the uniform application of the 1977 requirements for point sources. Applying the 1983 point source requirements, and eliminating the discharge of pollutants, will have marginal impacts on water quality." Also, said the commission, "considerable evidence accumulated by the commission suggests that meeting the 1977 requirements may, in many cases, produce the desired water quality."

The problem: There is little or no evidence in the commission report, in the commission staff's report, or in the backup technical volume produced by the staff to support these sweeping contentions. On the contrary, the staff report and technical volume contain considerable evidence to refute the commission's claims. One example: The commission contracted for a series of studies to develop its assessment of water quality after the 1977 requirements are met. Said the technical volume in describing the studies: "A limited number of the modeling analyses fulfill the commission's requirements and can be employed as input to develop a national assessment; the majority of the studies, however, are marginal or inadequate for commission needs."

Toxic Pollutants. The 1972 law says that "it is the national policy that the discharge of toxic pollutants in toxic amounts be prohibited." While EPA's implementation of the toxic control provisions of the act has been abysmal, the commission was not asked by Congress to study the toxic issue or to suggest changes. Nevertheless the commission offered this recommendation: "Where possible, toxic pollutants in toxic concentrations shall be controlled in applicable effluent limitations and permits" no later than October 1, 1980.

With the words "where possible," the commission apparently would throw out the 1972 law's flat prohibition on the discharge of toxic pollutants in toxic amounts. Instead, the commission implies that a cost-benefit test should be used—that discharges of toxic amounts should be allowed if it is not technologically or economically possible to prevent them.

The 1985 Zero-Discharge Goal. The commission recommended that Congress "redefine the goal of the elimination of discharge of pollutants by 1985 to stress conservation and reuse of resources." To justify that recommendation, the commission said: "The real intent" and "the real objective" of the 1975 goal "is to move the nation rapidly toward conservation and reuse of all resources."

Most rational people support conservation and reuse of resources. This is not at issue. What is at issue is this: There is not a scintilla of evidence in the 1972 law, in the commission report, or in the commission staff report to support the commission's interpretation of the real objective and intent of the 1975 zero-discharge goal. Moreover, the gratuitous recommendations to redefine the

1985 goal out of existence exceeds the mandate Congress gave the commission.

In sum, the commission said its recommendations were intended to "maintain the impetus and direction of Public Law 92-500 to improve the quality of the nation's waters" and to "minimize adverse economic and social effects." On the contrary, the commission's major recommendations would emasculate the 1972 law.

As noted earlier, the commission recommended that uniform application of the second round of national discharge standards be put off until a second commission studies the problem and reports to Congress by 1985. The record of the first commission argues against that recommendation.

The first commission produced a lengthy staff report that, despite some weaknesses and omissions, at least contributes to public understanding of some of the problems of water pollution control. But after two and one-half years' work and the expenditure of $17 million of taxpayers' funds, Congress and the public deserved better than a report that could have been written in one week by someone out to scuttle the 1972 law.

Moreover, the workability of a 15-member commission, 10 of them members of Congress, is highly questionable. Aside from coming to the commission with preconceived ideas based on positions they may have taken on the very legislation they must then study, members of Congress simply do not have the time to devote to careful deliberation of a two-inch-thick staff draft report and another two-inch-thick technical volume compiled by the staff.

And Senator Howard M. Baker, Jr. (R-Tenn.), one of the commission members, raised another argument in his separate views on the report. He said, "Future commissions ought not to (sic) have congressional members." He explained that "the concept of the statutory commission would be better served by preserving to it the role of policy recommendation and to Congress the role of legislative design, separately."

Indeed, the history of the commission created by the 1972 act is itself noteworthy. The bill originally passed by the Senate did not call for the creation of a study commission. The bill originally passed by the House contained a provision requiring the National Academies of Sciences and Engineering to study the economic, social, environmental, and technological impacts of achieving or not achieving effluent limits based on "best available" technology. The House version would have delayed application of "best available" technology until the study report was in and until Congress passed a law so specifying after the report was in.

The conference committee compromised on a 15-member commission containing five public, five Senate, and five House members—instead of a study by the prestigious and reputable national academies. A poor compromise, in retrospect—MARVIN ZELDIN.

(NOTE.—Mr. Zeldin is a freelance writer living in the Washington, D.C., area. His work on a variety of natural resource topics appears regularly in a number of national magazines.)

WITHHOLDING OF NATURAL GAS

Mr. BENTSEN. Mr. President, I regret that it has taken a severe shortage of natural gas to convince some people of the seriousness of the natural gas shortage. In the wake of this realization, we have seen many constructive steps taken including voluntary conservation and the establishment of the principle of deregulation through the passage of the Emergency Natural Gas Act of 1977.

In the final analysis, it will only be through these two methods—conservation and deregulation—that we will see an end to the disruptive natural gas curtailments and shortfalls which caused so much hardship this winter. Accordingly, Senator PEARSON and I have introduced a bill that accomplishes these twin goals by phasing out the regulation of new gas and converting many wasteful boiler fuel users of natural gas.

But, I am sorry to report that these efforts and other efforts to forge a national energy policy may be harmed by the tired old accusation that gulf coast offshore producers of natural gas have conspired to withhold gas from the market.

Mr. President, I have no doubt that these investigations will slowly reach the same conclusions other studies have reached; namely, that economic and technical considerations when added to the bare statistics show that there has been no illegal withholding of natural gas.

In fact, President Carter has personally stated his own sympathy with the actions of energy-producing company executives who decide not to sell to the interstate market.

However, while we wait for another report, the loss in terms of delay in our efforts to deregulate and conserve gas will be great.

Mr. President, to my mind there is a deplorable, hypocritical, parochial brand of withholding that is growing all the more prevalent in the national energy policy debate. The type of withholding I am talking about occurs when eastern and midwestern politicians refuse to allow production of fossil fuels found within their jurisdiction, while at the same time accusing gulf coast producers, who have supplied the United States with 35 trillion cubic feet of natural gas, of withholding their product.

We know of many areas in the East and Midwest where there are natural gas and coal reserves that are not being produced and supplied to the American people during this, the coldest winter in the history of our Republic.

For example, until the crisis this year, the State of Pennsylvania had blocked efforts to drill for gas on the U.S. side of Lake Erie even though Canada had been drilling on her side for years. There is an estimated 600 billion cubic feet of natural gas under Lake Erie, but until the shortages this year, the Governor of Pennsylvania had refused to allow drilling in the lake.

Politicians and other east coast residents reflected a similar shortsightedness when they went to court and were able to block development of an estimated 1 trillion cubic feet of natural gas and 1.4 billion barrels of oil in the Atlantic Ocean's Baltimore Canyon. Delay in the development of this area and the resulting increase in oil imports will put added pressures on the domestic problems of inflation and unemployment.

It is interesting to note that a similar order by this district judge on the same issue prior to the lease sale in August 1976 was overturned by the court of appeals. In addition, Supreme Court Justice Thurgood Marshall affirmed that decision of the court of appeals. Because of the track record of this particular judge, I have asked that the Interior Department immediately appeal this decision.

Mr. President, it is neither fair nor rational for people to come in and drill off the Texas and Louisiana coasts and then block efforts to drill off their own coast.

It is neither fair nor rational for them to get their gas at a low, subsidized price while the people of Texas and other producing States pay for virtually all of the natural gas exploration that is being done in this country.

Mr. President, this inequity is further aggravated when Federal Government regulation prevents full utilization of coal and natural gas located precisely where the need is. For example, there are 1.3 trillion cubic feet of natural gas in proven reserves in Ohio that it is not economically feasible to develop because of Federal regulation of natural gas. The reserves are held by utility companies which are subject to regulation by the Federal Power Commission.

This unfortunate irony is vividly summed up by the actual case of a mother and her retarded son living atop a huge coal deposit in Pennsylvania but freezing because they lacked oil for the furnace.

Mr. President, this winter politicians and judges have sat on huge deposits of fossil fuels, while their constituents have frozen. These politicians from the East and the Midwest and the West who are now charging that natural gas is being deliberately held off the market remind me of the youth who killed his parents and then demanded mercy because he was an orphan.

The fact is that the same politicians are withholding natural gas and coal either through court suits or executive actions or through their continued support of a misguided Government system of regulation. It amounts to the same situation, the Northeast is withholding energy from this country.

A RESPONSE FROM ICF, INC.

Mr. METCALF. Mr. President, at the hearing held on the surface mining bill (S. 7) on February 7, certain questions were raised about a report entitled "Energy and Economic Impacts of H.R. 13950." These questions focused on the differences in the coal production loss estimates calculated from the alluvial valley floor provisions of H.R. 13950, between the initial ICF draft report dated January 24 and the final draft report dated February 1, 1977.

On February 9, I asked for the ICF Corp. to explain these differences. They responded to my request on February 18. I believe their response completely clarifies the situation. In view of the wide interest in and discussion of the questions, I ask unanimous consent that my letter to ICF and their response be printed in the RECORD for the information of Senators and other interested persons.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
February 9, 1977.

Mr. DON KLEIN,
ICF, Inc.,
Washington, D.C.

DEAR MR. KLEIN: On 7 February, 1977, during a hearing held by the Subcommittee on Minerals, Materials and Fuels on S. 7, the Surface Mining Control and Reclamation Act of 1977, Senator Hatch raised certain questions about a report entitled "Energy and Economic Impacts of H.R. 13950", which was submitted by ICF, Inc., to the Council on Environmental Quality and the Environmental Protection Agency under Contract No. EQ6ACO16.

Senator Hatch referred to differences in the coal production loss estimates calculated from the alluvial valley floor provisions of H.R. 13950, between the initial ICF draft report dated 24 January and the final draft report dated 1 February, 1977.

We would appreciate it if you would explain what the differences are and why ICF changed the estimates in the initial draft. Did any employee of the Federal Government direct ICF to change the estimates? Your response will be inserted into the hearing record.

Very truly yours,

LEE METCALF,
Chairman, Subcommittee on Minerals, Materials and Fuels.

ICF, INC.,
Washington, D.C., February 18, 1977.

Senator LEE METCALF,
Chairman, Subcommittee on Minerals, Materials, and Fuels, Committee on Energy and Natural Resources, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR METCALF: Mr. Daniel E. Klein, Project Manager of our surface mining reclamation study, has given me your letter concerning our draft report (of January 24, 1977 and February 1, 1977) entitled "Energy and Economic Impacts of H.R. 13950," submitted to the Council on Environmental Quality and the Environmental Protection Agency under Contract No. EQ6ACO16. He did so because I am the ICF Director in charge of this study.

GENERAL COMMENTS

As I am sure you understand, it is common practice for government agencies to solicit comments on draft reports prepared by contractors. This review procedure is common in academia and most professional research efforts as well. We think this is a good procedure because it gives those who prepare the reports (like ourselves) the benefit of experience and expertise that is not available in any one organization. We welcome such reviews because they generally help to improve the quality of our products.

This practice was followed for our analysis of the impacts of H.R. 13950. The purpose of the January 24 draft was to solicit comments from our clients and other knowledgeable professionals. Of the numerous comments received, most were obviously based on thoughtful and careful review. We considered each comment carefully. When we judged the comment was not sound, we attempted to refine our report appropriately. When we judged the comment was not sound, we made no changes. In no instance was any compromise made to the analytical integrity of our report in order to effect findings which would appear politically desirable. No changes were made which would distort or conceal substantive points. No omissions of previously-analyzed issues were made. No changes were made which would impart a partisan tone (either for or against) to the discussion. It was we (and not our clients) who determined whether and how we would respond to each specific comment.

Given that this was the procedure that was followed and that this procedure is common practice, we were surprised and distressed that questions concerning differences between our January 24 and February 1 drafts were raised during the Subcommittee hearing on February 7th. This we consider an extremely important matter because we understand the tone of these questions reflected adversely on our professional integrity. Accordingly, we appreciate this opportunity to respond to the points raised in your letter.

It is our view that the February 1 draft is superior to the January 24 draft because we were able to refine the earlier draft in response to numerous thoughtful comments. Hence, we would characterize our report as having been "refined" or "changed for the better" but not as having been "tampered with" or "laundered."

Further, please note that *none* of the summary findings and/or conclusions changed between the two drafts. The changes were limited to refining a portion of two sets of numerical estimates (in each report we suggested that specific numbers should not be given undue emphasis) and to making numerous editorial changes.

On February 10, 1977, we prepared a memorandum for our clients (CEQ and EPA) which details the modifications we made between the interagency review version of January 24, 1977 and the Draft Final Report released February 1, 1977. A copy of this memorandum is attached. Further, please note that the February document is also a draft, and the analysis is still proceeding.

Below, we respond to specific points raised in your letter.

ALLUVIAL VALLEY FLOOR PROVISIONS

You asked us to explain the difference between the two draft reports in the coal production loss estimates associated with the alluvial valley floor provisions of H.R. 13950.

The alluvial valley floor production impacts estimated under the low and moderate production impact scenarios were not changed. Further, the reserve base impacts were not changed. The changes were confined to the "worst case" or "high impact" production estimate.

The "worst case" estimates for the alluvial valley floor provisions of the January 24 draft were retitled as "high impact" estimates in the February 1 draft. This change was made for two reasons. First, it was argued by some that "worst case" implied that we opposed such an outcome; whereas others might see such an outcome as desirable. In keeping with an apolitical approach, this term was changed to a more neutral "high production impact."

Second, it was argued by some that our worst case estimate was the most extreme case imaginable—that every mine having alluvial valley floors within the lease area would be impacted. These reviewers were concerned that we were biasing our findings by using such an extreme case. We responded to this argument because it is clear that the joint probability of every such mine being impacted is extremely low. A "high impact" estimate need not include the most extreme case imaginable, but can reflect reasonable probability judgments.

In the interagency review draft of January 24, the "worst case" production impact was estimated by assuming that all new production capacity from mines having any alluvial valley floor area within the lease tract would be impacted (delayed, revised, or curtailed). This assumption had the effect of impacting about 70 percent of new western production and existing Montana production. Based upon comments generated during the interagency review and a re-examination of our interviews with western coal producers (fully documented in Appendix F), we decided to modify this assumption for the high production impact estimates in the February 1 Draft Final Report.

Some of the comments from interagency reviewers and the producers noted that many of the new mine sites would not likely encounter permitting problems because the mine a) would be far removed from the valley floor (e.g., where a ridge might separate the mine from the area where the lease tract overlapped an alluvial valley), b) would have negligible impact, and/or c) would affect an alluvial valley floor which was of poor water quality or otherwise unproductive. For reasons such as these, our moderate impact estimates are about 15 percent of planned production from mines having alluvial valley floors in the least tract. Importantly, it is the *moderate* impact scenario that reflects (1) what we believe would happen if the bill were interpreted in a manner we believe is consistent with the apparent intent (as reflected in the statutory language or Committee Report), and (2) our best judgments based upon existing data.

Accordingly, it was reasonably clear that a high impact estimate should be greater than the moderate impact estimates but less than one hundred percent of production from all mines having alluvial valley floors within the lease tract. However, we had essentially no data to indicate where within these bounds the high estimate should fall. For the February 1 report, we assumed that one-half of such production would be impacted. The effect of this revised assumption was to reduce the high production impact scenario by one-half. In all cases, the data (and lack thereof) and assumptions are fully documented in the report.

Due to the substantial uncertainties associated with estimating these impacts, we believe that no undue emphasis should be attached to any specific number or set of numbers. This was noted in the second paragraph on page one of our report:

"In several parts of this analysis, complete and accurate data did not exist. Further, the methodologies developed were often only approximate in the accuracy of the results rendered. Accordingly, the findings of this analysis should be *interpreted;* no undue weight should be given to any particular number."

In the case of the alluvial valley floor provisions, the point being made was that there is a wide range of potential impacts (associated with both data uncertainty and varying interpretations of the language of the bill) ranging from zero to some very large numbers. *This point did not change at all* between the interagency review of January 24 and the Draft Final Report of February 1, 1977.

REPORT PREPARATION RESPONSIBILITIES

You asked: "Did any employee of the federal government direct ICF to change the estimates?"

No. All changes were made by ICF, and all were authorized by myself as Director of the study. Indeed, even if we had received such direction, our professional ethics would have precluded us from following such direction, if it would have meant our reporting an analytic finding that did not represent our best judgment.

In some cases, reviewers took the trouble to suggest specific language changes. When we agreed with the thrust of the comment, we considered including the specific language. In most cases, we edited the suggestions prior to inclusion in the report. In those instances where we judged that the review comments did not contribute to the substance and/or appeared to be political at the expense of the analytical integrity, such comments were rejected. The final version of the draft report was edited exclusively by ICF and represents our best effort and judgments as of the date of the report.

Numerous changes were made between the January 24 interagency review version and the February 1 Draft Final Report, in response to what we considered to be valid

reviewer comments as well as continuing analysis by ICF. As detailed in the attached memorandum, there were essentially three types of changes made:

(1) text changes, in order to improve readability and clarity, and to impart a more neutral tone to the analysis,

(2) the alluvial valley floor high production impact scenario, where all data and assumptions are fully documented, and

(3) the reserve base impacts of the surface owner protection provisions, where all data and assumptions are fully documented.

It is important to note that throughout our study we have fully documented the data and assumptions underlying the impact estimates. Thus, any changes in impact estimates can be related directly to changes in underlying assumptions, where such changes are based upon what we consider to be analytically sound judgments.

The Draft Final Report which we submitted on February 1, 1977 represents our best analytical judgments at this time. Still we must note that it is a *draft report*, and is subject to further modification as additional reviewer comments are received. Should new evidence be presented which convinces us that further modifications are warranted, further modifications will be made and the assumptions clearly documented. As stated in the Preface to the report.

"This draft is being distributed for purposes of review and comment. Further work is being conducted. Refinements are underway. Constructive comments are welcomed."

* * * * *

Again, I appreciate the opportunity to respond to your questions. I would be pleased to answer any further questions you might have.

Sincerely yours,

C. HOFF STAUFFER, Jr.,
Chairman of the Board of Directors.

ICF, INC.,
Washington, D.C. February 10, 1977.

MEMORANDUM

To: Barry R. Flamm (CEQ); James Speyer (EPA).

From: C. Hoff Stauffer, Jr.; Daniel E. Klein.

Subject: "Energy and Economic Impact of H.R. 13950."

It has come to our attention that questions have been raised regarding modifications to our report between the Draft Final Report released on February 1, 1977, and the interagency review version of January 24, 1977. Some of the differences have been noted during both the Senate hearings on S. 7 (February 7, 1977) and the House hearings on H.R. 2 (February 8, 1977). On these occasions an inference was made that such changes could have been due to political considerations rather than analytical judgments. In this memorandum we would like to fully resolve any confusion which may have arisen.

We wish to strongly emphasize that in no instance in our Draft Final Report (or in any preliminary drafts and/or memoranda) was any compromise made to the analytical integrity in order to effect findings which would appear politically desirable. The Draft Final Report of February 1 represents our very best analytical judgments at that point in time, just as any earlier drafts and/or memoranda represented our best judgments at earlier points in time. Hence, changes over time represent what we consider to be improvements in methodology, data, and/or assumptions, and in no way represent analytical compromises made for political convenience.

Throughout our study we have fully documented the data and assumptions underlying the impact estimates. Thus, any changes in impact estimates can be related directly to changes in underlying assumptions, where such changes are based upon what we consider to be analytically sound judgments and are fully documented. Any textual changes relate directly to efforts to (a) improve clarity, (b) improve readability, or (c) impart a more neutral tone to the document, since our study does not represent an advocacy document but rather an analysis.

The following sections will expand upon these points and detail the changes in particular impact estimates which have been noted in previous discussions. The first section will be a general discussion of ICF's approach in developing a Draft Final Report. This is followed by a detailed explanation of changes found between the interagency review version of January 24, 1977 and the Draft Final Report released on February 1, 1977.

GENERAL COMMENTS

Since ICF began its analysis of H.R. 13950, our approach has been one which has stressed cooperation with numerous and diverse interest groups, both in and out of government. This analysis has proven to be quite complex; since our own resources are limited, we have welcomed valid inputs from all who were willing to contribute. The primary vehicle for the solicitation of advice has been the use of draft reports and memoranda. These reflected our best judgments and knowledge at the time. By virtue of the extensive cooperation and thoughtful comments we received from others, we were often able to make what we considered analytical improvements in subsequent drafts. In those instances where we felt that the reveiw comments did not contribute to the substance and/or appeared to be political at the expense of the analytical integrity, such comments were rejected.

In keeping with this approach, we prepared preliminary copies dated January 24, 1977 for the purpose of interagency reveiw. This was done for the purpose of allowing several agencies (CEQ, EPA, FEA, BOM, DOI, OMB, TVA) to review and comment prior to the release of our Draft Final Report of February 1, 1977. It was never intended that the interagency review version of January 24 be the version submitted as our Draft Final Report under the terms of our contract. In fact, we at ICF were making several minor changes concurrent with the interagency review. Due to the high level of cooperation from these agencies, we were able to make what we consider to be analytically sound modifications and editorial improvements. Any suggestions which would have compromised the analytical integrity to achieve politically desirable findings were rejected, as were any other suggestions we judged to be unsound.

Accordingly, the Draft Final Report which we submitted on February 1, 1977 represents our best analytical judgments at this time. Still, we must note that it is a *draft report*, and is subject to further modification as additional reveiwer comments are received. As stated in the Preface to the report,

"This draft is being distribuetd for purposes of review and comment. Further work is being conducted. Refinements are underway. Constructive comments are welcomed."

CHANGES IN TEXT

Some questions have arisen regarding textual changes which have occurred between versions leading up to the Draft Final Report of February 1, 1977. The concern was that these changes were made in an effort to distort or conceal substantive points developed in earlier versions. These concerns are unfounded.

Before describing the changes, it is useful to note types of changes which were *not* made. No changes were made which would distort or conceal substantive points. No omissions of previously-analyzed issues were made. No changes were made which would impart a partisan tone (either for or against) to the discussion.

The text changes which have been made in the Draft Final Report can be cateogrized in three basic types:

(1) *Readability.* Several minor changes were made throughout the report to rephrase sentences and paragraphs in an effort to improve readability and facilitate understanding of some of the more difficult points.

(2) *Clarity.* Several additions were made in the Draft Final Report to expand upon the assumptions, methodologies, and findings. Most of these additions were made in response to questions raised during the review process, and include footnotes, supplementary descriptors, and additional caveats where necessary.

(3) *Tone.* Throughout this study we have attempted to present an impartial and factual analysis. This is in keeping with our instructions to develop impact estimates and not an advocacy document. We have refrained from expressing judgments as to the merits of the legislation or to what preferred legislation might read, and have limited our analysis to the impacts of H.R. 13950 as reported August 31, 1976. Although we have tried to present our analysis in neutral terms, we have been made aware of several instances in which the phrasing could possibly suggest a bias either for or against the bill. To avoid the appearance of having taken any advocacy position, alternative wordings were sought which would not suggest a bias while still retaining the substantive value. We did not make such tonal changes when the result would have been a diminuation of the analytical finding.

Examples of such text changes which are particularly noteworthy are the first two major conclusions in the Executive Summary of the Draft Final Report. These paragraphs do not add any new material to the section, but seek to highlight the major conclusions which follow. In the interagency review version of January 24, these two paragraphs were combined. While the first part (relating to impacts which were not great) remained the same, the second part (relating to non-cost impacts and varying interpretations) was made less specific in the Draft Final Report. During the interagency review, it was suggested that this paragraph was combining general findings with specific points, and that insufficient detail had yet been presented which would make these specific points meaningful. Further, it was suggested that the original wording implied that these were the *only* impacts, where in fact there were several more. In response to what we considered to be valid criticism, we reworded this to read as two general conclusions. We note that all of the specific issues raised are still raised in detail in the Summary, and all are analyzed in full in the body of the report.

ALLUVIAL VALLEY FLOORS—HIGH PRODUCTION IMPACT SCENARIO

Between the interagency review version of January 24 and the February 1 Draft Final Report, the assumptions used to develop the high production impact scenario for alluvial valley floors were modified. Whereas in the interagency review version the assumption was made that *any* lease area containing alluvial valley floors would be impacted, the Draft Final Report took account of the fact that not all of these sites would be impacted under a reasonable high impact scenario. The effect of this change in assumptions was to reduce the high production impact estimates to approximately one-half of those estimated in the interagency review version.

The assumptions used in developing these estimates are fully documented in the analysis, and are summarized in the Executive Summary. The scenario specification used in the interagency review version of January 24 is as follows (*underlining added*):

"A worst-case production impact is based upon very stringent interpretations of im-

precise terms. Lands are not assumed to be undeveloped range land if there is any potential for hay production. Very small changes in water quantity or quality are assumed to be adverse effects. Finally, it is assumed that the grandfather clause is applicable only to presently permitted acreage; unpermitted parts of the long-range mining plan are not included. In states such as Montana, all mines become potentially impacted, since only one year's acreage is permitted at a time.

Under these interpretations, the impact upon production can be quite high. *To estimate the magnitude of this impact, the percent of lease tracts containing alluvial valley floors (Table 2) is used as an estimate of the percentage of new mines which could be impacted.* In Arizona, New Mexico, and Washington, it is assumed that new mines will not affect alluvial valley floors, since they are not characteristic of these areas. Thus, the percent of new surface mine production which could be impacted is assumed to be as follows:

	Percent impacted
Colorado	71
Montana	65
North Dakota	91
Wyoming	81

Further, it is assumed that existing Montana production could be impacted in the same proportion, since only one year's acreage is permitted at a time. Using these assumptions in conjunction with the surface production forecast developed in Chapter III, the worst-case impacts are developed as follows:

WORST-CASE IMPACT

[Million tons]

Year	Colorado	Montana	North Dakota	Wyoming	Total
1977	0.7	21.4	3.3	9.8	35.2
1978	1.3	22.3	4.5	22.8	50.9
1979	2.4	24.0	5.0	39.3	70.7
1980	3.7	27.1	6.3	57.9	95.0
1981	4.7	29.6	6.8	65.5	106.6
1982	6.1	32.6	7.3	91.7	137.7
1983	7.4	35.9	7.7	101.0	152.0
1984	9.0	39.5	8.2	128.3	185.0
1985	10.6	43.4	8.6	148.4	211.0

Note: Although it is unlikely that this production will all be shut down, the potential for extensive litigation is quite high, which could in turn lead to substantial short-term production delays.

Source: Interagency Review version of Jan. 24, 1977, pp. F-34, 35.

In the Draft Final Report of February 1, 1977, we chose (properly, we think) to modify these assumptions to account for the fact that lease areas are often much larger than the mine site itself, and in many cases the mining plan would be far removed from and/or would have negligible impact upon the alluvial valley floor located elsewhere within the lease tract. The scenario specifications are likewise fully documented in the analysis, and are summarized in the Executive Summary. These specifications are as follows (italic added):

"A high production impact is based upon very stringent interpretations of the provisions. Lands are not assumed to be undeveloped range land if there is any potential for hay production. Very small changes in water quantity or quality are assumed to be adverse effects. Finally, it is assumed that the grandfather clause is applicable only to presently permitted acreage; unpermitted parts of the long-range mining plan are not included. In states such as Montana, all mines become potentially impacted, since only one year's acreage is permitted at a time.

Under these interpretations, the impact upon production can be quite high. To estimate the magnitude of this impact, *the percent of lease tracts containing alluvial valley floors (Table 2) is used as an initial basis of the percentage of new mines which could be impacted.* At this starting point, this percentage is used as a surrogate measure to indicate those mines which need to be concerned with potential alluvial valley floor impacts. *However, even under a reasonable high impact scenario, many of these sites will not likely have permitting problems with respect to alluvial valley floor provisions.* Some will be near alluvial valley floors which contain poor quality water or are clearly not productive. Others will be located at a considerable distance from the alluvial valley floor or have the mining area separated from the valley floors by ridges. Under the high impact scenario, *it is assumed that one-half of the mine sites having alluvial valley floors within the lease boundaries will have no permitting problems, and that the remaining one-half could be subjected to impacts (delays, mining plan revisions, production cutbacks, etc.).* In Arizona, New Mexico, and Washington, it is assumed that new mines will not affect alluvial valley floors, since they are not characteristics of these areas. Thus, the percent of new surface mine production which could be impacted is assumed to be as follows:

[In percent]

	Near alluvial valley floors	*Assumed affected by H.R. 13950*
Colorado	71	35
Montana	65	32
North Dakota	91	45
Wyoming	81	40

Further, it is assumed that existing Montana production could be impacted in the same proportion, since only one year's acreage is permitted at a time. Using these assumptions in conjunction with the surface production forecast developed in Chapter III, the worst-case impacts are developed as follows:

HIGH-PRODUCTION IMPACT

[Million tons]

Year	Colorado	Montana	North Dakota	Wyoming	Total
1977	0.4	10.6	1.6	4.8	17.4
1978	.6	11.0	2.2	11.3	25.1
1979	1.2	11.8	2.5	19.4	34.9
1980	1.8	13.4	3.1	28.6	46.9
1981	2.3	14.6	3.4	32.4	52.7
1982	3.0	16.1	3.6	45.3	68.0
1983	3.7	17.7	3.8	49.9	75.1
1984	4.4	19.4	4.0	63.4	91.2
1985	5.2	21.3	4.3	73.0	103.8

Note: Although it is unlikely that this production will all be shut down, the potential for delays are quite high, which could in turn lead to significant short-term production losses.

Source: Draft Final Report, Feb. 1, 1977, p. 36-37.

Several points are worthy of note:

The production impacts estimated for the low and moderate production impact scenarios remained the same in the interagency review version and the Draft Final Report of February 1. Further, the reserve base impacts remained the same under all scenarios. Importantly, it is the *moderate* impact scenario that reflects (1) what we believe would happen if the bill was interpreted consistent with the apparent intent (as reflected in the statutory language or Committee Report), and (2) our best judgments based upon existing data.

In estimating production impacts due to the alluvial valley floor provisions, the term "production impact" should not be equated with the term "production losses". As clearly noted in the summary tables:

"Production impacts, as used here, do not necessarily mean production losses; delays and/or mining plan revisions are alternative impacts."

The term "worst-case production impact" was changed to "high production impact" in the Draft Final Report of February 1, 1977. This change was made for two reasons. First, it was claimed by some that "worst-case" implied that we opposed such an outcome, whereas others might see such an outcome as desirable. In keeping with an apolitical approach, this term was changed to a more neutral "high production impact." Second, a worst-case estimate calls for the most extreme case imaginable; in this case, the joint probability *every* mine having alluvial valley floors within the lease area being impacted. The joint probability of such an event is extremely small. A high impact estimate, on the other hand, need not include the most extreme case imaginable, but can be tempered with judgment concerning the low probability that every mine having alluvial valley floors within the lease area might be impacted. This judgment is clearly stated in our report.

The change in assumptions made in the Draft Final Report was based upon our professional judgment that our original assumptions were overly strict. Through discussions generated during the interagency review process, coupled with a re-examination of the interviews with the western mine operators (fully documented in Appendix F), we concluded that alternative assumptions were necessary in order to ensure that the analysis presented our best analytical judgments at that point in time.

The February 1, 1977 report is still a draft report. All assumptions have been documented. Reviewer comments are still welcome. Should new evidence be presented which convinces us that further modifications are warranted, further modifications will be made and the assumptions clearly documented.

Due to the substantial uncertainties associated with estimating these impacts, we believe (as clearly stated in our report) that no undue emphasis should be attached to any specific number or set of numbers. In the case of the alluvial valley floor provisions, the point being made was that there is a wide range of potential impacts (associated with both data uncertainty and varying interpretations of the language of the bill) ranging from zero to some very large numbers. We note that this point did not change at all between the interagency review version of January 24 and the Draft Final Report of February 1, 1977.

SURFACE OWNER PROVISIONS—RESERVE BASE IMPACTS

Between the interagency review version of January 24 and the February 1 Draft Final Report, the assumptions used to develop the reserve base impacts of the surface owner protection provisions were changed. The methodology used to develop these estimates is the same in both versions—beginning with estimates of the quantity of federal strippable coal beneath non-federal surface, adjustments are made to account for (1) the percent of this land owned by a qualified surface owner, (2) the percent of qualified surface owners who might be unwilling to consent to having the coal reserves leased, and (3) the nearby reserves which would be excluded. The changes in impacts relate directly to changes in these adjustment factors, and in total reduce the impacts by about one-half.

The description of the methodology is identical in both the interagency review version of January 24 and the Draft Final Report of February 1, and reads (italic added):

"We know of no data, on either a raw or aggregate basis, which would indicate the proportion of non-federal lands which are owner-occupied. Even county courthouse records which would indicate surface ownership would not indicate the residency or income information needed to resolve Section 714's criteria. Further, it is also a matter of conjecture as to how those private surface

owners who do fall under the provisions of Section 714 would respond.

Accordingly, the amount of reserves which may actually be excluded under Section 714 is likely to be significantly less than the federal coal beneath non-federal surface. *Since there is no data which would indicate the portion owned by qualified surface owners or their willingness to allow leasing, only a subjective estimate of excluded reserves can be made. In this analysis, three estimates are made, covering a range of qualified ownership percentages and willingness to allow leasing.*"

In the interagency review version of January 24, the reserve base impacts were developed as follows (page V–10):

	Scenario		
	Low impact	Moderate impact	High impact
Federal coal beneath non-Federal surface (million tons)	9,126	12,120	13,071
Times qualified surface owner (percent)	33	50	67
Times percent unwilling to allow leasing	25	50	75
Plus nearby reserves effectively excluded (percent)	10	20	30
Equals reserves impacted (million tons, rounded)	800	3,600	8,500

In the Draft Final Report of February 1, 1977, the reserve base impacts were developed as follows (page V–11):

	Scenario		
	Low impact	Moderate impact	High impact
Federal coal beneath non-Federal surface (million tons)	9,126	12,120	13,071
Times qualified surface owner (percent)	25	35	50
Times percent unwilling to allow leasing	15	30	50
Plus nearby reserves effectively excluded (percent)	10	20	30
Equal reserves impacted (million tons, rounded)	400	1,500	4,200

The following points are worthy of note:

In both versions the estimates of federal strippable coal beneath non-federal surface are the same. Reserve base impact estimates differ only because of changes in the subjective estimates of (1) the percent of this land owned by qualified surface owners, and (2) the percent of qualified surface owners who might be unwilling to consent to having the coal reserves leased.

The factors which changed were and still are subjective estimates, based upon a paucity of meaningful data. Our subjective estimates were revised based upon reviewer comments relating to the success that energy companies have been having in acquiring surface rights in the West. These comments led us to believe that our earlier estimates had been too high.

The February 1, 1977 report is still a draft report. All assumptions have been documented. Reviewer comments are still welcome. Should new evidence be presented which convinces us that further modifications are warranted, further modifications will be made and the assumptions clearly documented.

We are uneasy about these estimates because there are very few data upon which assumptions can be based. We considered making no estimates at all, but judged this would not be a positive contribution toward helping others understand the potential impacts of the bill. Hence, we decided to estimate a range of potential impacts, making clear our methodology and assumptions. This gives the reader the opportunity to test the effects of alternative assumptions on the estimates.

WASHINGTON POST SERIES ON THE U.S.-U.S.S.R. ARMS RACE

Mr. HATFIELD. Mr. President, the Washington Post ran a series of six articles on the U.S.-U.S.S.R. arms race during the week of February 20. The articles address questions of American and Soviet fears and intentions, the strategic arms buildup, civil defense programs, the politics of arms control, and NATO capabilities. They are all quite good, and the Post is to be commended.

Since the debate on the nomination of Mr. Paul Warnke to be Director of the Arms Control and Disarmament Agency and chief U.S. SALT negotiator is imminent, I think the publication of these articles is most timely. I therefore ask unanimous consent, Mr. President, that all six articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 20, 1977]

IS ANYBODY WINNING?—UNITED STATES-RUSSIAN ARMS DEBATE AT CROSSROADS

(By William Greider)

If Washington could be set to music, what we would hear right now is a lot of heavy drums. Ominous rumblings from academic tympanies. Martial tatoos by the Pentagon snare-drummers. Scary messages from a network of media tom-toms.

What are the drums saying? The Russians are coming. The Russians are getting stronger. The Russians are thinking the unthinkable. Nuclear war? Yes.

What shall we do? We must prepare, the drums tell us. We must become stronger still. We must build new, and more powerful weapons to scare away the Russians.

Now the din of these drums has been building steadily in this town for two years, but recently their thunder has been interrupted by a different theme—a winsome flute playing sweet music. Don't panic, says the flute, the world can be beautiful, a world without nuclear weapons, a place without all those damn drums.

The flute part, of course, belongs to President Carter, who entered office last month directly challenging all those grim predictions about Soviet strategic military superiority. The drums belong to a broad array of hard-line global thinkers, from generals and ex-generals to academic theorists to skeptical politicians, all asserting that once again America must tool up to counter the buildup of Soviet weapons.

A flute against drums. The music metaphor roughly describes the political gamble with which President Carter has launched his new administration. Carter is challenging the political dynamics that have guided the arms race for a generation and forced the hand of every modern President since General Eisenhower, the last one who successfully resisted these periodic alarms of the nuclear age.

President Carter first offered the vision of disarmament in his inaugural address: "We pledge perseverance and wisdom in our efforts to limit the world's armaments to those necessary for each nation's own domestic safety. And we will move this year a step toward our ultimate goal—the elimination of all nuclear weapons from this earth."

Since then, Carter has sketched out bold ambitions for additional arms treaties with the Soviets. He speaks optimistically of a quick accord to confirm the broad agreement that President Ford reached at Vladivostok in 1974. Beyond that, he foresees a comprehensive ban to halt all nuclear testing, a move that would foreclose the development of new and more exotic weapons.

"If we and the Soviet Union can demonstrate an ability to stop the present growth," Carter said, "and then to have substantial reductions, I believe then we can go to the French, British, the Chinese and others and say: 'Would you join us in stopping testing and in moving in clearly monitorable ways to reduce dependence on atomic weapons?'"

Carter's image of American-Soviet cooperation, the two nuclear rivals leading the world to disarmament, is a provocative theme which puts the new President in direct confrontation with the message from the drummers, not only his predecessor Gerald R. Ford and the Republicans, but a substantial portion of the opinion leaders in the Democratic Party. They cannot both be right.

The alarms over ominous Soviet military growth have been sounded by defense politicians (Sen. Henry M. Jackson and James R. Schlesinger Jr, the former Defense Secretary who is now Carter's energy adviser) and foreign-policy sages (Dean Rusk and Eu- * * * son years and retired Gens. Daniel * * * Graham and George J. Keegan Jr.) and neo-conservative intellectuals (Norman Podhoretz, editor of Commentary, and Seymour Martin Lipset of Stanford).

The other side—the political leaders and strategic theorists who believe with Carter that the Soviets are prepared to cooperate in arms reduction—have been slower to mobilize, but they are now rolling out their big guns to make the counterarguments—elder statesmen like Averill Harriman and George Kennan, former Central Intelligence Agency deputy director Herbert Scoville Jr., even the new Defense Secretary, Harold Brown.

The Committee on the Present Danger, 141 leading citizens from Achilles to Zumwalt, organized in November to sound the alarm (most of its members were unaware that the same name had been used in 1950 to arouse citizens about the "present danger" of that day). The Committee on U.S.-Soviet Relations, 101 leading citizens from Apter to Ziffren, countered with its own bulletin, warning against "the stale slogans and reflexes of the Cold War."

The American Security Council issues educational bulletins on the need for greater defense budgets to head off the Soviets. The Coalition for a New Foreign and Military Policy holds high-level "teach-ins" for Capitol Hill staff aides, selling the opposite proposition.

Some of the heavy skirmishing is done by newspaper columnists. Evans and Novak drop "smart" bombs on the arms control prophets. Joseph Kraft delivers a devastating second-strike against the hard-liners. James Reston pours elderly wisdom on the troubled battlefield of Washington politics.

The first flash point in this contest is Carter's nomination of Washington lawyer Paul Warnke to run the arms limitation negotiations, but this debate is much broader and it will influence the outcome of many issues in the next year or so—the ratification of any new accords that the Carter administration makes with the Soviets, the deployment of the B–1 bomber and Trident missile submarine and beefed-up armor for the NATO troops in Europe, the possibility of a new generation of arms technology that would leave the Soviets trailing again—mobile land missiles hidden in long tunnels in the western desert, subsonic but deadly accurate cruise missiles, laser beams which can disable enemy missiles, warheads with their own mechanical brains to maneuver them to targets.

More tanks, more ships, more missiles, more warheads. If the Russians and Americans do not agree on a new strategic arms limitation treaty, if President Carter retreats before the political pressure and accepts the pessimistic prognosis of Soviet intentions, the U.S. defense budget could creep up another $40 billion or so in the next few years.

But, as both sides agree, this new debate over the strategic balance of power is much more fundamental than mere dollars: the

outcome could get us all killed. The arms control lobby insists that another generation of nuclear weaponry takes both nations another step closer to disaster. The nuclear hard-liners insist that, without new weaponry, America faces a bleak future in which the Soviet Union can box us around at will in global politics or devastate us piecemeal in limited nuclear wars.

". . . We could find ourselves isolated in a hostile world, facing the unremitting pressures of Soviet policy backed by an overwhelming preponderance of power," the Committee on the Present Danger warns. "Our national survival itself would be in peril and we should face, one after another, bitter choices between war and acquiescence under pressure."

The other side, with varying degrees of emphasis, says this is nonsense. The Soviet military has always been behind; now that it is catching up and achieving rough equality, the time has arrived for genuine progress on mutual reductions.

"We live in a world of mutual deterrence," says Thomas A. Halstead, executive director of the Arms Control Association. Both sides have so many nuclear weapons that if one side were to use them, that would insure its own destruction. This deterrence works at many levels and it would work at much lower levels of nuclear arms than both sides have today.

There are no cases in history of absolutely insane arms races ending peacefully by simply laying down arms warns Havard scientist George B. Kistiakowsky. Arms races usually end up in wars.

If that is so, and modern history certainly supports Kistiakowsky's grim observation, the United States is at a fundamental crossroads with its Soviet rival: will they continue on matching and besting one another in various forms of armaments, increasing the probabilites, or can they break the established paterns of history and find ways to compete peacefully, with less devastating consequences for mankind?

Meanwhile, for those citizens whose sleep is troubled by the drums, there is some reassuring news that the alarm messages do not mention—the United States still outnumbers the Soviets in intercontinental nuclear warheads by more than 2-to-1. Indeed, during the last five years when political leaders signed arms control agreements with the Russians and preached restraint, the United States has more than doubled its ready-to-fire arsenal of nuclear warheads.

America now has about 8,500 warheads ready to dump on Russian cities, military bases, whatever seems worthy of destruction. The Soviets have 4,000 warheads ready to fire at us—but they are building more and the general assumption is that they will catch up, perhaps even exceed the United States someday.

To put the matter more crudely, the atomic bomb dropped on Hiroshima represented, by various estimates, 13,000 to 20,000 tons of explosives. Right now, according to a Brookings Institution estimate, the United States has warheads aimed at the Soviet Union equivalent to 4,200,000,000 tons. A substantial portion of these are on submarines and are invulnerable to Russian attack. Thus, if Russia fired first tonight and wiped out all of America's land-based missiles, President Carter could still retaliate by wiping out all but the smallest towns—killing 20 million, 40 million, or 100 million Russians, depending on how he chose the targets.

Yet, for the same reasons, the Soviet Union has essentially the same insurance policy. Its nuclear warheads, fewer in number, but heavier in size, could strike back at America with comparable destructive force. It is this now-familiar state of affairs which the global thinkers call "mutually assured destruction," the doctrine which has kept both sides from shooting first, MAD, for short.

The current debate begins with the assertion from some hard-line military experts and strategic scholars that the Soviets don't really believe in MAD and are now moving beyond it—building bigger rockets, adding more multiple warheads, stocking so much more megatonnage, that some day the Soviet planners can actually think about making nuclear war, or at least threatening us with war during diplomatic struggles.

How could they possibly dare? Here the hard-line theories get fuzzier; the explanations are more suggestive than definitive. Some have argued that the Soviets are seeking a "war-winning capability" by evacuation schemes to disperse citizens and industries, by digging civil defense shelters to reduce casualties, by building a monstrous advantage in destructive power, which would intimidate any American President.

Donald H. Rumsfeld, the outgoing Defense Secretary and one of the leading exponents of that view, argued in his final report:

"The Soviets, by their activities, indicate that they are not interested in mutually assured destruction. Accordingly, they must be accepted for what they are, not for what we want them to be. Their actions indicate that they take nuclear war seriously; the United States must do no less."

Scoville, former CIA deputy director for science and technology of a leading advocate for arms reduction, said he would regard this newy discovered "civil defense gap" as "laughable if so many people weren't willing to take it seriously."

"The very concept that Soviet leaders would consciously launch a nuclear attack, knowing that it would mean the destruction of their cities, their industries, I find incredible," Scoville said. "What would they gain by destroying the United States if they virtually wipe out their own civilization in order to do it?"

The hard-liners do not all agre on the same answer to Scoville's question. Some claim the Soviets are prepared to make a blitzkrieg across Western Europe. Some have worked out elaborate "war-fighting" scenarios in which the Russians might lose only 10 million or so citizens, a victory of sorts compared to much greater American losses. But others argue more cautiously that the psychological weight of superior Soviet megatonnage is what counts, not the possibility of actual nuclear war.

Paul Nitze, a SALT negotiator under President Nixon and now one of the foremost proponents of a nuclear buildup, protested this point in an interview:

"Nowhere am I saying that the Soviet Union wants a war or will make a war. All I'm saying is that we can have a situation where their superiority is clear. We know it and they know it. That kind of situation carries its own message before it."

These "superiority" and "war-winning" scenarios usually imply two assumptions which are rarely expressed on the record by the hardliners. One is the premise that the Marxist-Leninist ideology of Soviet leaders renders them insanely insensitive to the mass annihilation of human life. The other is an unspoken doubt about the courage of American presidents—a fear that, while the enemy might willingly destroy millions of their own people, any moral American leader would shrink from doing the same thing.

(Carter, it should be noted, has said that he would not shrink, that he could and would push the nuclear button if he deemed it necessary.)

But the arms control advocates argue that "superiority" no longer has any meaningful application in an age when both adversaries can destroy one another. The hawks insist otherwise, citing the 1962 Cuban missile crisis when President Kennedy stared down the Soviets with U.S. superiority. The rebuttal to that: in 1962 the United States possessed an advantage—perhaps 7,000 warheads to a mere 300 held by the Russians—that can never be duplicated again. (Moreover, the Soviet navy was physically incapable of challenging the U.S. "quarantine" of Cuba.)

From there, this debate proceeds into an esoteric thicket that ordinary citizens can barely comprehend—the theology of nuclear strategy, the euphemistic definitions of mass killing, well-oiled arguments over trendlines, trick statistics, Kremlin rhetoric, satellite photos.

"Overkill" becomes "redundancy" and "redundancy" becomes "high-quality deterrence."

The arguments also get nasty, even within the brotherhood of men who served in government together. Nitze went before the Senate confirmation hearings and announced that his former Pentagon deputy, Warnke, was incompetent on the subject of arms negotiations. Warnke's supporters whispered that Nitze was a disappointed suitor for the same job.

Harvard historian Richard Pipes, who chaired a controversial "Team B" intelligence committee, analyzing Soviet intentions from a more skeptical perspective, pleaded for decency in the debate. "'Hard-liners' and 'appearsers' should freely question each other's judgment, but not motives," Pipes urged.

But Averell Harriman, a man with a sharp tongue, thinks that hard-liner motives are very much part of the debate. "There are certain people," Harriman told an interviewer, "who I think are pyschopaths."

The tantalizing question about the debate is: why now? For the last decade, politicians of both parties have been ushering in an era of supposed cooperation with the Soviets. Now they are arguing over whether to reopen the Cold War or whether it really ever ended.

For one thing, the Soviets are indeed building up their forces, gaining numerical advantages or rough equality in weapons categories where they have traditionally been far behind. According to the CIA, the Soviet growth has been steady over the last 10 years, about 3 per cent a year. This can be traumatic if you are a military planner reading satellite photos.

"For the last five or 10 years," said Halstead of the Arms Control Association, "the Soviets have been working hard to catch up and they have pretty much caught up and it's a difficult psychological thing for the public to live with parity."

Other events have also aroused the old fears, especially the Mideast War in 1973 when the Soviets gave us no direct warning that their client states, the Arab nations, were about to attack ours, Israel. Soviet-backed forces in Angola seemed to confirm that, despite detente, the Russians are willing to pursue their political objectives through military support of "friendly" factions.

The political climate, according to participants on both sides, has shifted quite dramatically in favor of increased defense spending, especially compared to the congressional fights of five or six years ago. The new Secretary of Defense talks about budget cuts for the Pentagon, but "Harold Brown is shouting into a hurricane," said Rep. Les Aspin (D-Wis.). "The other side has got the high ground."

According to Aspin and others, the fate of Israel figures in the changed climate. Many liberal Democrats who used to line up to vote for defense cuts are now mindful that Israel's armaments depend solely upon the Pentagon's ability to re-supply. Some Jewish intellectuals who were highly critical of the military in South Vietnam have shifted ground in the face of the threat to Israel and anti-Semitic repression in the Soviet Union.

Last year's presidential campaign further weakened the arms control advocates—some of whom still hold a wistful suspicion that

if Ford had not backed away from the second-round SALT agreement that Henry A. Kissinger almost negotiated in Moscow, Ford might still be President. As a candidate, however, he got flailed from both sides, by his Republican opponent and by Jimmy Carter, blamed for being too soft with the Russians and for failing to advance arms control.

Some factors have nothing to do with strategic defense—the high unemployment rate, for example, means congressional votes for the B–1 bomber and other weapons projects. The old rationale—cutting defense budgets to free money for domestic programs—seems less compelling today, given the general disillusionment with the federal government.

Over the last generation, the hardliners have usually won the arguments over new weapons. Once the question of Soviet intentions is reduced to a simple numbers game, it is impossible to refute projections of future fears with present proof.

In the late 1950s, it was the bomber gap, followed closely by the missile gap, then the megatonnage gap, then the anti-missile missile gap. Each time, a Soviet advantage was forecast from current hardware trends; each time, it developed that America was the actual leader, both in new technology and in deployment. Despite that record of crying "bear," the Pentagon has rarely been turned down on a major new weapons system by Congress.

Some arms control strategists, viewing the tricky political terrain, think President Carter may be wise to yield on some conventional items in the hope of advancing his larger goals on nuclear weapons.

"If you go with the B–1 bomber," said one despairing arms control official, "you're buying some years of relative peace with the Air Force. Maybe they'll come off some other things which are much worse like the mobile M missile."

But a President can change public opinion, rather dramatically sometimes, and even Paul Nitze concedes that the Carter administration could dissipate much of the political pressure for new arms.

"The American public has changed its mind and opted for a stronger defense," Nitze said "It's concerned . . . Obviously, if the President says there's no problem, and the Secretary of State says there's no problem, and the Joint Chiefs of Staff say there's no problem, then the people may not feel there is one," he said.

For the nonparticipating citizen, this debate over strategic arms has a troubling point of confluence—from their different premises, both sides talk about the probability of nuclear war in the future, if we don't do this or that. Perhaps, one day, the prophecies will be fulfilled. And the arms debate will be over.

THE NUCLEAR ARMS RACE: A SOVIET VIEW

(By Robert G. Kaiser)

For the country's military planners and political leaders, the signals are ominous:

In the past five years, the enemy has added more than 3,000 nuclear warheads to its intercontinental missile force. It has added alarming new technology to its major weapons systems, so they are now vastly more accurate, more lethal and easier to defend than they were just a few years ago.

The enemy is building a new missile-bearing submarine force that may be impossible to detect at the bottoms of the world's oceans. They are considering construction—at a cost of billions—of a new system of mobile, concealed, land-based missiles. They have developed technology enabling them to deploy an entirely new kind of intercontinental weapon—one virtually immune to existing defenses or detection.

The enemy is giving its conventional forces impressive new weaponry, some of it still beyond this country's ability to duplicate. Moreover, the enemy's allies are modernizing their forces in potentially crucial areas. The other side now has deployed 2,000 new tanks in Central Europe that are demonstrably better than any others in the world.

Another Pentagon alarum? No. This exercise is a hypothetical press release from the Defense Ministry in Moscow—a description of U.S. and allied military forces as they might be seen through Soviet eyes. The Americans are coming!

The Soviet view of the balance of terror seldom enters into the American debate on defense preparedness. Americans make an easy presumption of innocence. Donald H. Rumsfeld, the last Secretary of Defense in the Ford administration, stated that presumption in his farewell "posture statement."

"There are only two major powers—the United States, which is the primary champion of freedom, self-determination and international pluralism, and the Soviet Union, which has an imperial domain already sprawled over two continents and is the primary advocate of a command economy, centralized control and the subjugation of the individual to the state."

The Soviet Union sees it otherwise. In the Soviet view, the United States and its allies are not proponents of "international pluralism," but are imperialists—advanced capitalist states determined to protect their markets and sources of natural resources, and demonstrably hostile to the Soviet Union and its interests. The American imperialists are also demonstrably willing to undertake military adventures in remote areas, from the Dominican Republic to Lebanon, Korea and Vietnam.

The purpose here is not to paint the Russians as the innocent victims of the Cold War. But one need not accept Soviet innocence to realize that the arms race we see does have an alarming mirror image in Moscow.

Not only does the United States have an enormous, varied and technologically superior armed force, with bases that ring the Soviet Union and a history of foreign military adventures. Perhaps more significant, the Soviet Union must worry about other—and nearer—potential enemies:

Eight hundred and fifty million Chinese, for example, whose government claims a large part of Soviet territory; the well-equipped Iranians, who now have some of America's best new weapons; the unpredictable and well-equipped Turks; the nuclear-armed French and British; and the West German Bundeswehr, arguably the best single army in the world.

A Senate aide who studies the East-West confrontation observed recently that Americans might well contemplate the prospect that, say, Canada and Mexico were both powerful and well-armed enemies of the United States—a situation roughly comparable to the Soviets'. "How would Americans react to that situation?" he asked rhetorically.

The Americans who express loudest alarm about the current East-West balance openly acknowledge that their fears at the moment are based on "worst case" assumptions, and on their projections of the balance 5, 10 or 15 years from now. They say it is only prudent to think in such terms.

If we presume that Soviet defense planners have been exercising a comparable prudence over the past 30 years, it may be easier to understand the steady buildup of the Soviet Union's military forces.

It seems fair to start from the proposition that the Soviet Union has had superpower ambitions for many years. Since World War II, the standards against which the Soviets could judge those ambitions have been set by the world's leading superpower, the United States.

At his first press conference, President Carter reiterated the longstanding American position: "At the present time, my judgment is that we have superior nuclear capability."

The Soviets have only lately had any cause at all for confidence in what the experts call the "essential equivalence" of the nuclear balance. From the dawn of the atomic age in 1945 until the last year or two, American superiority has been beyond question.

The present generation of Soviet political and military leaders, in other words, grew up looking into the uncomfortable end of the nuclear barrel. For many years, the American advantage was virtually absolute. When the Soviets began to deploy intercontinental, land-based missiles and, later, intercontinental submarine-based missiles, the absolute advantage disappeared, but the Americans' relative edge remained imposing.

The buildup of Soviet strategic arms that now alarms some American specialists began in the mid-1960s. Many western specialists on Soviet affairs believe that the humiliation of the 1962 Cuban missile crisis—when the Soviets had to back down in the face of a threatened American naval "quarantine" of Cuba—was a principal cause of the buildup. The buildup has proceeded steadily since.

The most recent deployments of new Soviet rocket systems are what have alarmed many observers in this country, but they are the product of development and production decisions that the Soviets made at least five years ago. (Our Pentagon reckons that it takes about 10 years to take a new weapons system from conception to development.) If the decisions which led to these new deployments were indeed taken in the late 1960s in the Kremlin, then they were taken at a time when American superiority was still beyond doubt.

Despite years of Herculean effort and indisputable Soviet success in many fields of strategic development, the new American President still claims "superiority." It is not difficult to imagine how the Pentagon would react if it had presided over a similar history, and now faced a comparable claim from Leonid I. Brezhnev, the Soviet leader. The Soviet Defense Ministry, presumably, remains less than satisfied with the current balance of terror—whether their goal is superiority or parity in their own eyes.

Soviet statements and writings demonstrate that the Russians' assessment of the East-West balance goes far beyond simple counting of weapons and warheads, however. The Soviets have a Marxist view of power—one which calculates economic technological and social factors along with military hardware. They also have a Russian view of the World—suspicious, insecure and cautious.

A Marxist analysis of the East-West balance is not comforting in Moscow. The Russians boast often that the "correlation of forces" in the world has shifted in their favor, but this is largely a military argument. The Soviet economy is lagging, and is far behind America's. Weighted together, the economies of the western nations and Japan produce several times the amount of goods and services that the Soviet Union and its East European allies produce.

The habit of referring to the Soviet Union and the United States as "the two superpowers" skim over the profound differences in the economic, scientific and technological capabilities of the two countries. The Soviets may now agree that there are two superpowers, but they also see that only one of the two goes to the other to buy computers, steel foundries, oil drilling equipment, wheat, corn and thousands of other products.

The Soviets know that they are 15 to 25 years behind America in computers. They know that their workers are vastly less productive than those of the West. They know that their industrial machinery is less efficient and less reliable than the West's. They know they are No. 2, by a good distance.

The Soviets must make judgments about their potential enemies' intentions, and it is in this realm that traditional Russian suspicion and fears must come into play. Americans are often tempted to believe that the Soviets must realize that our intentions are peaceful, benign. The Soviets don't see it that way.

History is important in this regard—more important than it ever seems to be for Americans. How many Americans remember that the U.S. Army joined with forces from Britain, France and Japan in invasions of Russian territory in 1918 to support rebellious "Whites" against the Bolshevik "Reds"? That long-forgotten military misadventure helped convince generations of Soviet leaders that the western powers did actively and aggressively wish them ill.

For years afterward the United States refused to recognize the Soviet Union. (Ambassadors were finally exchanged in 1934.) During the 1930s from the Soviet point of view, the Western powers did not seem alarmed at the prospect of Nazi aggression eastward, and eventually Hitler invaded the Soviet Union, causing staggering losses and damage. After the uneasy wartime alliance collapsed in the late 1940s, the Soviets watched as America embarked on what must have appeared to Moscow as an orgy of anti-communism. John Foster Dulles ringed the Soviet Union with a network of military treaties, then threatened to "roll back" communism from Eastern Europe.

Then in the '60s came the Cuban missile crisis—a threat to bring down the holocaust that America obviously took seriously—and the American adventure in Vietnam, coupled with a dramatic improvement and buildup of American strategic forces.

For a nation that has suffered invasion, which fancies itself "the vanguard of the international working class" in a struggle against caiptalism, which has always regarded foreigners as dangerous almost by definition, all were ominous signals.

This analysis is obviously argumentative. The Soviets were not innocent bystanders throughout these years. They too sent out alarming signals; many of the moves that alarmed them were prompted by their moves that alarmed the West. The point here is that the Russians were genuinely alarmed; they saw cause to fear that the West harbored aggressive intentions against them.

Today the new "correlation of forces" appears to have persuaded the Russians that are no longer vulnerable to Western attack. But that does not make it comforting. The United States continues to press forward in areas of military technology, and in many fields continues to hold apparent advantage over the Soviets—in anti-submarine warfare capability, in cruise missiles, in "smart" weapons that can find their targets electronically, and others.

Moreover, recent history teaches the Soviets that they must continually fear the unknowable—the next unexpected breakthrough in American technology. Authoritative Pentagon sources say that the United States is today testing new weapons about which nothing is publicly known, and some of them have the potential for radically changing the "correlation of forces" in the future.

Reading recent Soviets comments on the latest round of the strategic debate in Washington, one senses the concern with which the Russians view the mirror in this unprecedented relationship. Sounds of alarm in Washington cause alarm in Moscow.

Georgi Arbatov, the Kremlin's principal expert on the United States, observed on Moscow television recently, "It is understandable that the American generals do not like the situation when parity exists, and when they cannot attack our country, cannot blackmail us, because nuclear war would be suicide for the United States. But it is a fact the Americans will have to live with. Many serious changes have taken place for America in this respect. The country has lived for 200 years under different conditions from other countries, beyond two oceans and with feelings of complete national security, and now it has begun to live like all other countries, it is just as vulnerable in case of war as the others."

THE NEW NUCLEAR MATH: HOW MUCH IS ENOUGH FOR SECURITY?

(By George C. Wilson)

Whether the United States or the Soviet Union is ahead in strategic nuclear weapons is an argument anyone can engage in but no one can definitively win.

This is because there is something for everybody in the new nuclear math, the numbers the Pentagon issues each January on how much holocaust the two superpowers have aimed at each other.

Hawks, in demanding more weapons, can cite the Soviet lead in sheer tonnage of H-bombs. Doves, in calling for a halt to the arms race, can cite the American lead in the numbers of bombs and warheads. There the argument is joined.

The numbers used in those arguments show that, at a minimum, both sides have far more than they need for inflicting "unacceptable" damage on the other after absorbing a first strike. This is the level that has long been accepted as the basis for mutual deterrence—the doctrine that has kept the two nuclear superpowers from blowing each other up.

During the 1960s former Defense Secretary Robert S. McNamara repeatedly tried to quantify how much nuclear might was enough to make the policy of mutual deterrence work. Soviet leaders, McNamara judged, would be deferred from pushing their button if the United States had enough bombs to destroy "one-fifth to one-fourth" of the Soviet population and "one-half of her industrial capacity" after the United States had absorbed a first strike.

The destructive capability of the American nuclear arsenal, and that of the Russians' arsenal, has gone far beyond that scale of retaliatory strength.

The United States has 8,500 H-bombs available to dump on the Soviet Union's 60 major military targets and 200 cities. The Soviet Union has 4,000 bombs to drop on corresponding targets in the United States.

Each superpower has built three delivery systems for those bombs: long-range bombers, land-based intercontinental missiles and missile-firing submarines. This three-pronged force is called a "triad" in the argot of war planners.

Pentagon officials defend the size of the American warhead and bomb stockpile on grounds that no one knows how many would be destroyed in a surprise attack, miss their targets or be knocked down by Soviet defenses. They have no ready answer to the question of how much is enough in providing security in numbers. Less than one-fourth of the U.S. force of 41 nuclear missile-armed submarines could deliver 1,600 H-bombs of 50 kilotons each in a second strike.

The warhead advantage on the American side is due, primarily, to the technology of piggy-backing several H-bombs on one missile—the so-called MIRV (Multiple Independently Targetable Re-Entry Vehicle). MIRV, for example, has multiplied fourteen-fold the number of H-bombs one missile tube on a Poseidon sub could fire at the Soviet Union.

The Soviet Union, which in the early days of the missile race opted for giant missiles with big H-bombs up front, is now following the U.S. lead and MIRVing its missiles.

The Joint Chiefs of Staff warn that the United States dare not let the Soviet Union push ahead in both quantity and quality of strategic nuclear weaponry.

Nonetheless, Soviet defense planners feel obliged to keep up with what they conceive to be a rough equivalency with the United States. This is the underlying dynamic of the nuclear arms race.

The Brookings Institution estimates that when the U.S. and Soviet megatonnage is put on a comparable basis—equivalent megatonnage—the Soviets control 5.3 billion tons of explosive power as compared with 4.2 billion tons for the United States.

Accuracy is the crucial multiplier in the new nuclear math. The megatons that count are those that arrive on target. In nuclear math the chances of destroying a target are cubed by the factor of accuracy. A Minuteman missile with a 1.5-megaton warhead hitting a half mile from its target has the same chance of destroying a missile silo as a 12-megaton weapon exploding a mile from its target.

The United States has opted for higher accuracy and less megatonnage in its warheads. Of the 1,054 ICBMs listed in the U.S. inventory, 54 are Titan II liquid-fueled missiles with nine-megaton warheads and the rest are ICBMs from the Minuteman family, each carrying smaller but more accurately propelled warheads.

The margin of accuracy for the Titan II is one mile; for the Minuteman III, one-quarter mile.

On the nuclear evolution scale, the United States moved from the nine-megaton Titan II to the submarine-launched Poseidon, which can fire clusters of 10 warheads of 50 kilotons each within a margin of accuracy of fewer than four city blocks.

The latest technological wrinkle in upgrading the accuracy of missile systems is MARV (Maneuverable Re-Entry Vehicle)—son of MIRV—each of whose warheads is guided by an electronic "brain" that locks the bomb onto a target even though it may be thousands of miles away, MIRV warheads ride like passengers on a bus and are dropped off along the trip at a point from which they will fly, directed by gravity and the momentum of the "bus."

MARV's birth was greeted with critical comments from some arms controllers who see the "smart" H-bomb warhead as a major leap into the irreversible momentum of first-strike technology.

In overall numbers, the U.S.-Soviet missile balance for the three major systems of the weapons triad is as follows:

For land-based intercontinental ballistic (ICBMs): U.S. 1,054—U.S.S.R. 1,450; submarine missiles: U.S. 656—U.S.S.R. 880; long-range bombers: U.S. 418—U.S.S.R. 210.

Although these totals seem to reflect a Soviet superiority in missiles—2,540 to 2,128—there is an offsetting factor in the 2-to-1 U.S. lead in warheads. Missiles merely propel. Warheads explode.

Here is how the weapons experts assess the two powers from the standpoint of each major weapon system:

Long-range bombers: The U.S. edge here is wider than the numbers make it appear. A key to how much a bomber can carry and how far it can fly is the number of tankers available to refuel it in flight. The U.S. tanker fleet is far superior to the Russian fleet.

Also, the United States already has a new strategic bomber flying, the Air Force B-1, while the Backfire is the only Soviet bomber in production. Backfire is a medium bomber that U.S. military leaders consider capable of strategic bombing. The U.S. Joint Chiefs of Staff reported this year that the Soviets may build a new long-range bomber but acknowledge that it could not become operational until the early 1980s.

Land-based ICBMs: The Russians hold the decisive lead in numbers of missiles and de-

liverable megatonnage but this is, as pointed out, offset at the current stage of development by the accuracy of the U.S. Minuteman missile. As the Russians develop their own MIRV technology, however, their heavier-muscled missiles coupled with bigger warheads could give them more destructive power with which to strike at hardened U.S. targets.

Because of the growing vulnerability of the land-based weapons to attack, there is the question of whether they may not become obsolescent sitting ducks in a nuclear strike.

President Carter underlined the issues on the land-based weapons by offering to forego deploying mobile land-based ICBMs, such as the Air Force's MX missile, which would be carted from silo to silo through underground tunnels, if the Soviet Union would do likewise.

Submarine-based missiles: Increasingly accurate submarine missiles already deployed by both sides, along with the advent of MARV, pose additional threats to the land-based weapons.

The Soviet Union last year started deploying its 500-foot-long Delta II nuclear-powered sub that carries 16 SSX–8 missiles, which have a range of 4,200 nautical miles.

The United States in 1979 expects to send its 560-foot-long Trident to sea. Each of these subs will carry 24 Trident missiles with a range of 4,000 nautical miles at first and 5,000 miles later.

Because of their long-range missiles, each of the sub systems—the Delta II and the Trident—can stick close to the safety of port while covering potential enemy targets.

A footnote in the comparison of the rival nuclear submarines is that the United States keeps about 50 per cent of its fleet at sea at all times, according to the Joint Chiefs, while the Soviet Union deploys only 11 per cent of its ships.

With so much nuclear firepower going to sea in submarines, is it safe to assume that the two superpowers are backing away from the risk of mutual incineration because each has an invulnerable retaliatory force at the ready in the ocean depths?

If the submarines armed with missiles were truly invulnerable, then one could reason that the "we-won't-if-you-won't" underpinning of deterrence is securely in place. But the constant upward spiral of technology has not let this happen.

The United States can, and does, track Soviet missile submarines with American hunter-killer subs and with an array of detection systems, including microphones on the ocean bottom. An antisubmarine-warfare plan, called "the barrier strategy," calls for ambushing and destroying Soviet subs in a war as they sail through the straits and gaps to put their missiles in range of the United States.

U.S. killer submarines have the Mark 48 torpedo, which can swim 20 miles after launch to find and destroy a sub detected by sonar listening systems. The Soviets can be presumed to be working on the same kind of weapons.

As implausible as it may sound to laymen, Soviet planners do have to worry about U.S. capability to make a coordinated first strike where hunter subs would kill their missile subs, where highly accurate MIRVs and MARVs from subs and land launchers would disable their ICBMs and bombers, and where B–52 and B–1 bombers would finish off anything left standing.

If the U.S. Navy builds its Seafarer system for communicating with its subs in the depths, Soviet worst-case strategists would have to worry more seriously about an American coordinated first strike. Today's communications methods with submarines are complicated, requiring subs to rise toward the surface during prearranged transmission periods.

Conversely, American war planners have to worry about the Soviets catching up with U.S. antisubmarine technology now that they have closed the gap on quantity.

So far, there is no evidence that the Soviets track U.S. missile submarines the way the United States does theirs. But this secure undersea force could end up being vulnerable if the Soviets adopt U.S. Navy tactics.

And so the imponderables of time, numbers and national motivation make it difficult today and perhaps impossible tomorrow to answer the question: Is anybody winning?

NUCLEAR TALKS MUST SUCCEED ON TWO FRONTS

(By Murrey Marder)

Every President who reaches for an agreement with the Soviet Union on nuclear arms control takes on two sets of negotiations—one with the Kremlin, and another with his own government.

Among arms control specialists, it is often said that the "internal negotiations" can be more difficult than the "external negotiations," for both the United States and the Soviet Union.

To purists, the comparison is overdrawn. But it evidently stands high in the mind of President Carter as a danger to avert. He has pointed to the dissent inside the Ford administration, and the presidential election, as the principal reasons for Ford's inability to conclude a strategic arms limitation talks (SALT) treaty with the Soviet Union.

In private, many Ford administration insiders go much further than that. The former President, sources on both sides of his SALT impasse say, was outmaneuvered inside the government.

Ford was caught between two conflicting priorities: his campaign for nomination against Ronald Reagan vs. a SALT II accord to complete the nuclear agreement he made with Soviet leader Leonid I. Brezhnev at Vladivostok in November, 1974.

In effect, Ford was compelled to sacrifice one objective for the other. He defeated Reagan for the Republican nomination. But in moving to the right of the political spectrum, to compete with Reagan for right-wing votes, Ford became a hostage to the opponents of a SALT compromise that Secretary of State Henry A. Kissinger implored him to make.

The opposition—the Defense Department and its allies in government and in the Congress—was not passive about the President dilemma. Nor was Kissinger.

Kissinger told the President he needed only "to spill a little [bureaucratic] blood" to reach the SALT compromise, sign it at the long-projected Washington summit conference with Brezhnev, and carry it into the November election as a foreign policy triumph.

The internal clash reached a peak in January-February, 1976, the most sensitive political period for Ford, after Kissinger returned from Moscow in January urging a compromise. Reagan was beginning his attack on the Ford-Kissinger foreign policy, heading into the nation's first primary election, in New Hampshire Feb. 24.

Kissinger's opponents on SALT made sure the President recognized the political consequences of following Kissinger's advice: If the Pentagon was overruled on SALT, that was bound to "leak out," exploding against Ford in the primary campaign.

There was nothing so bald as a direct threat to the President. Said one Kissinger opponent, drily, "It was all done within the system."

Ford, as a consequence, sided with Kissinger's opponents in February. He sent Moscow a "hang tough" reply to the proposal that Kissinger brought from Moscow.

The negotiations virtually froze.

After Ford won the Republican nomination in August, he pushed for a SALT compromise to recoup his earlier hopes. It was too late; by then even some of the strongest SALT supporters opposed a last-minute rush for agreement just before the November election.

In retrospect, the former President is reported by some sources to wish he had forced through a SALT compromise, over the internal opposition. Whether Ford would still occupy the White House if he had done so is anyone's guess. Beyond question, the 1976 election campaign would have been considerably different.

Each President who negotiates with the Soviet Union must decide how he will deal with his own bureaucracy. Bargain with it? Overrule it? Circumvent it?

No consensus automatically springs up over nuclear strategy. Experts can disagree strongly about what is prudent and what is perilous. The ultimate choices, therefore are political decisions.

There were long roots to the dispute that frustrated President Ford's SALT ambitions. Some of them have entangled Paul C. Warnke, Carter's nominee for director of the Arms Control and Disarmament Agency and chief SALT negotiator.

Former President Nixon and Kissinger, then at the White House, conducted the SALT I negotiations in extraordinary secrecy. "Back channels" were used to communicate to the Kremlin, behind the back of U.S. negotiators, and sometimes without knowledge of the Secretaries of State and Defense.

The suspicions that developed afterward, coupled with charges that Kissinger had made lopsided concessions to the Russians in 1972, converged in the decisive opposition to Kissinger's negotiations on SALT II.

In one tradeoff after SALT I, to try to help ease the path for SALT II, Nixon sought to make peace with Sen. Henry M. Jackson (D-Wash.), Kissinger's prime challenger. Nixon agreed to divide the posts of arms control director and chief SALT negotiator, and put harder-line negotiators on SALT.

In adition, the arms control agency itself was stiffened, with officials holding a sterner view of the Russians moved in to replace more ardent arms control champions. That "purge" had unintended consequences. It helped to convert the arms control agency into a Pentagon ally against Kissinger in 1976.

Another tradeoff of 1972 had greater repercussions four years later.

To enlist support of the Joint Chiefs of Staff for ratification of the 1972 nuclear agreements, Nixon obtained a major increase in weapons research and development funds.

One project was long-range cruise missiles, which the Pentagon was prepared to drop in 1973. (The cruise missile, is, in effect, an unmanned, low-flying jet with a range of up to 2,000 miles.) Kissinger urged the military to continue primarily to save cruise missiles as a future "bargaining chip" with the Russians. Instead, cruise missiles turned into the most confounding obstacle for Kissinger's attempt to resolve the SALT II treaty.

Cruise missiles, and the Soviet bomber system known in the West as Backfire, became the principal obstacles to a new agreement.

Two major nuclear agreements had been signed at Moscow in 1972. For the first time, adversary nations agreed to ban national defense systems, exposing themselves to attack from each other with intercontinental missiles. This was the Anti-Ballistic Missile Treaty, a major breakthrough, little-disputed.

Virtually all subsequent argument centers on the complementary side of the process—controls on offensive strategic weapons. A five-year accord was signed in 1972; it runs out Oct. 3 of this year. Its replacement is the Ford-Brezhnev Vladivostok accord, to run until 1985.

In 1972 the Russians were racing to catch up with previous American superiority, and had taken the lead in numbers of intercontinental missile launchers. The SALT I "freeze" on missile launchers left the Russians with superior numbers of strategic missiles launched from land or sea, a maximum of 2,358 to 1,710 for the United States. The United States had, and retains, the advantage in nuclear warheads, with its multiple-warhead missiles and a larger fleet of intercontinental bombers.

Kissinger and other administration officials maintained that the agreement was balanced, with the United States behind in missile launchers but ahead in warheads, bombers and technology. Critics contended that the Russians, with more and larger missiles, eventually could duplicate the mutliple warheads and other technology, and gain military superiority.

The ratification of the SALT I accords moved the argument to SALT II. At Vladivostok, Kissinger said, any imbalance was wiped out by agreement on similar numbers of strategic delivery systems on both sides, with "important concessions" by the Soviet Union.

An equal ceiling of 2,400 American and Soviet intercontinental missiles and bombers was set, of which 1,320 could have multiple warheads. Ford hailed this as "a cap" on the arms race.

The debate only shifted direction. Critics on right and left assailed the ceiling as far too high. Then "the cap" began oozing from the two sides, in the new dispute over Soviet Backfire bombers and American long-range cruise missiles, both omitted from the Vladivostok discussions.

The Joint Chiefs of Staff insisted that the Backfire can operate as a long-range bomber against targets in the United States, and should be counted as strategic. The Soviet Union maintained that Backfire is a medium bomber, outside the Vladivostok limits.

Positions are reversed on long-range cruise missiles. As non-ballistic missiles, the United States claimed, they were exempt from the Vladivostok ceilings. The Soviet Union originally sought to ban all cruise missiles beyond 600 kilometers, or 373 miles, the range of existing Russian types.

Long-range cruise missiles, with accuracy precise enough to hit a selected building ("You can shoot it down a pickle barrel at 2,000 miles," Reagan exclaimed during the election campaign), are claimed to cost only about a tenth as much as ballistic missiles. Because they can carry nuclear or non-nuclear warheads, and serve as strategic or tactical weapons, they also raise great problems of distinguishing which is which.

Kissinger and his supporters regarded the Backfire and cruise missiles, as one source expressed it last week, as "far out on the margin of strategic significance."

Privately, even some Kissinger critics agree. The military services themselves are divided about roles and missions for cruise missiles. But the controversy solidified Kissinger's critics in the different camps, especially advocates of cruise missiles, who see intermediate-range cruise missiles as a major offset to Soviet power in Europe, and "a great equalizer" against the Russians at sea.

Kissinger was ready to trade about 250 Backfire bombers with Soviet pledges of limitation on their use for an equal number of long-range cruise missiles on ships, both outside the Vladivostok ceilings; to count bombers with 1,500-mile cruise missiles as multiple-warhead weapons, and to ban long-range cruise missiles on submarines.

Critics assailed that mix as unbalanced in Soviet favor and Soviet assurances on Backfire as unacceptable.

The opposition to Kissinger was led by the Joint Chiefs of Staff. They were supported by Defense Secretary Donald H. Rumsfeld, President Ford's longtime confidant, recently arrived at the Pentagon to replace ousted James R. Schlesinger. Ford's summary firing of Schlesinger, widely misconstrued as a victory for Kissinger, had infuriated the Republican right-wing, and that was already troubling Ford's election advisers.

Kissinger was without allies beyond the State Department and the National Security Council staff. The arms control agency, semi-autonomous in the State Department and largely ignored by Kissinger, joined the opposition, with mild-mannered director Fred C. Ikle encouraged by his deputy, John F. Lehman Jr., to speak out.

Lehman, although a onetime member of Kissinger's NSC staff, was championing cruise missiles. So was Lehman's close friend, Richard Perle, a nuclear specialist for Sen. Jackson and one of the most effective Kissinger critics in Washington.

Perle recently said that, compared to "the resources Henry had at his disposal," the opposition's resources "were trivial." "I could talk to people one at a time," Perle said: "Henry had a whole planeload [of reporters] and the stories went all over the world." The problem, however, Perle insists, was not internal disagreements, but Soviet intransigence.

Nevertheless "the key factor was the election," said a central participant, and numerous others agree. If President Ford had supported Kissinger, this source said, "It very soon would have come out that Defense had been overruled."

In place of the compromise Kissinger sought, the counter that went back to the Russians, in several variations, was an offer to proceed with the original portions of the Vladivostok accords and to bypass the Backfire and cruise missile controversy for subsequent negotiations.

Kissinger argued that the Soviet Union would reject that out of hand (which it did) because it left the more dynamic weapons system, cruise missiles, unconstrained. His critics charged that Kissinger undermined the counterproposal, and failed to press it forcefully.

Basically this is the same offer that President Carter now has made to the Soviet Union publicly and privately. Is there any reason to expect the Soviet Union to accept this approach which they previously rejected? Carter administration sources maintain there is.

There are numerous ways to set aside the Backfire-cruise missile dispute, in a form more equitable to the Soviet Union. A slowdown or limit, or both, on cruise missile development is an obvious approach, suggested by many outside specialists.

Carter administration strategists say they believe the Soviet Union is eager to reach a SALT II accord before the Oct. 3 deadline, and then move into SALT III negotiations on arms reductions as Carter has urged.

By his unusual public, and private, emphasis on arms control, these sources say, the President has aroused Soviet interest for "locking in" his administration to continuing negotiations.

The Carter administration believes it has a good prospect for avoiding the internal splits that plagued the Ford administration's nuclear strategy, with Harold Brown at Defense, Cyrus R. Vance at State, Zbigniew Brzezinski as national security adviser, and Warnke as chief SALT negotiator.

Carter already has spent an unprecedented amount of time for a new President in private discussions with the Joint Chiefs of Staff. He also has struck sparks of parallel interest with Sen. Jackson and other Kissinger critics.

The President "is determined that people get a fair hearing," said one insider; "they don't have to go to the Hill to get an argument raised."

But, the insider added, President Carter "has made it clear that he is going to make the decisions."

Crack West German Forces a Key to NATO Strength

(By Michael Getler)

Koblenz.—In the hills above this ancient fortress-city on the Rhine, Leopard tanks and Marder armored combat vehicles of the 14th Panzer brigade clank noisily through village streets and then move quietly into the fields and woods of central West Germany.

These two modern weapons of war are probably the best of their kind in any arsenal in the world.

The West Germans have thousands of both in an army that, in the last decade, has grown to become what many Allied leaders think is the best, most disciplined and well-equipped fighting force in Western Europe.

The nearly 500,000-member highly modernized West German armed force is an important factor often overlooked in the debate over whether the strength of the Warsaw Pact forces has reached a point at which NATO is vulnerable to a land attack from the East. It is a debate that has reverberated in Washington, at NATO headquarters in Brussels and in the media of both continents.

Europeans, however, and many American and Allied specialists abroad, tend not to overlook the West Germans.

While there is concern throughout Western Europe about growing Soviet military strength, there is less alarm here than that reflected by a barrage of recently released statements in the United States by Sens. Sam Nunn (D-Ga.) and Dewey F. Bartlett (R-Okla.) and retired Army Lt. Gen. James F. Hollingsworth that NATO is in disarray while the Soviets have grown so powerful they can launch a devastating attack on Western Europe virtually from "a standing start."

British Adm. Sir Peter Hill-Norton, chairman of NATO's military committee in Brussels, calls such a surprise attack scenario "nonsense."

"My considered opinion is that the Soviets can't do that. NATO is neither asleep, stupid, slow to move nor uninformed," he says. "While the warning time before an attack has shortened, I am absolutely convinced it has not been reduced to zero.

"I have a better feel for these things than someone who came here on a three-week visit," he said, referring to the Nunn-Bartlett team that studied NATO readiness in Europe.

The admiral describes all three men as "goodies."

"They are on our side, trying to make NATO better, and they think the way to do it is to scare the hell out of everybody. I don't. It is counterproductive. They are goodies but their judgment is faulty," he claims.

"I disagree with Nunn, Hollingsworth, retired U.S. Air Force Maj. Gen. George Keegan and Belgian Gen. Robert Close," says Hill-Norton, "because they have all taken the worst-case scenario.

"You don't have to match a potential enemy gun for gun. It is a historical fact that an aggressor requires a degree of superiority to be sure of success. That degree is debatable, but 3-to-1 is about right and they don't have that in any element. They have an inferior Navy. They have quantitative but probably not qualitative superiority in the air. They have superiority on the ground approaching 3-to-1 but it depends on how you count it.

"I believe, and so does [NATO commander in chief] Gen. [Alexander] Haig and Adm. [Isaac C.] Kidd [supreme Allied commander of Atlantic forces], that NATO forces today are sufficiently well-equipped and close to the battle front to carry out deterrence.

"Sen. Nunn came here and pressed for answers about how much warning time we

have and how much additional strength is needed to make an attack with short warning times less likely.

"Nobody in his senses can answer either question because the scenario the Russians choose will determine warning time. What are their objectives? Will there be political indicators? There will absolutely be military indicators," he says.

"The real question is have we got enough. Yes, we have," Hill-Norton says.

"But if the Soviets continue to spend 11 to 13 per cent of their GNP on defense, and European NATO averages 3.8 per cent, then at some point we shall not have enough.

"The Soviets are not 10 feet tall. We are both 6 feet tall. But they are growing faster."

In a dozen interviews with Allied defense and political specialists from several countries, and at NATO headquarters, virtually no one in authority believes that the West could indefinitely hold and then throw back an all-out Warsaw Pact conventional attack on Western Europe without eventually using nuclear weapons.

On the other hand, virtually no one believes that the Soviets could or would launch such an attack, or that the Kremlin would have confidence that it would succeed and gamble that it would not result in a nuclear holocaust.

The biggest worry is not the all out assault. Most worrisome, as one British diplomat explains it, is if a crisis should develop somewhere along the flanks, at the tip of Norway or near Turkey, for example.

NATO must then decide to rush whatever reserves it has to that area or to hold back and keep an eye on the crucial Central European front. If the Soviets, in the midst of a crisis elsewhere, used the occasion to pour troops and equipment into the central region and NATO did not mobilize to match it, some fear that the Soviets then might be tempted by a fast blitzkrieg that could get to the Rhine and split Germany in a matter of days.

If an American President did not react fast enough, the intriguing question is raised as to whether the White House would order a nuclear attack on the Soviets after a Soviet attack had stopped, albeit on the Rhine.

On the other hand, some Allied officers think that if the Soviets precipitated a crisis on the flanks, then the Allies could do the same elsewhere, maybe seizing all East-bloc shipping or other such ideas rarely discussed openly.

Some experienced NATO officials believe the current round of alarming talk in some Washington circles is aimed more at ensuring that the Carter administration and other NATO governments gain approval in their respective parliaments for the next round of weapon procurements so that the balance does not tip in the 1980s. That seems to be what Hill-Norton is saying.

Viewed from Europe, which would be the battlefield for a future war, the East-West balance is a vastly complicated panorama that looks something like this:

According to Western intelligence, the Soviets have added 130,000 men to the central region in the past five years. That pushes the total, including Warsaw Pact allied forces, to 920,000 men.

NATO has about 700,000.

The key, however, is that of the Warsaw Pact total, about 600,000 to 700,000 are Soviet troops, and NATO commanders do not think that is enough for a high-confidence initial attack.

With the possible exception of the six highly regarded East German divisions, few analysts believe the Soviets would trust the inclusion of divisions from other countries in a first wave, the crucial one. Others question whether the Soviets could leave countries such as Czechoslovakia and Poland without occupying Soviet forces during an offensive operation.

The Soviet divisions are smaller than Allied ones and are rated in the West as probably one-third ready to move on eight hours' notice, one-third on 72-hours' notice, and one-third within about 10 days.

In equivalent terms, Allied specialists estimate that the Soviets could field about 50 divisions relatively fast and NATO about 30.

The Soviets, for a much more massive attack, could field 100 divisions, but that would take several weeks and would allow that much more NATO mobilization.

Against a 50-division attack, top Allied commanders are convinced they would have a minimum of 72 hours' warning and probably more since it would be impossible to conceal preparations for such a massive undertaking. No one believes the West—specifically the West Germans, on whose turf the battle would be fought, and the Americans, with 500,000 troops and dependents in Europe—would not take some action during this time.

It is here that the West Germans are the key. They can mobilize faster than the Americans and leave no doubt that they would.

Says one of West Germany's brightest young generals, 48-year-old Deputy Chief of Staff Wolfgang Von Altenburg: "We feel we can hold long enough to get the political decision" in the West, to get the Moscow-Washington hot line working.

"We can hold them for some days"—he doesn't say how many—"without giving up vital territory or having nuclear weapons overrun or suffering troop losses that would make us inoperable. But we are on the edge."

NATO officers are less worried about the number of troops in their armies than about their location—in reserve units at home, or far from the potential front line. Large and competent forces can be added to the in-place front-line troops with reasonable warning time, but many NATO commanders fear that the political leadership, particularly in the United States, might not respond to provocative Soviet moves quickly enough.

One top U.S. official noted that "elected governments don't like to take unpopular acts, and mobilization, unless there is absolutely convincing evidence at hand, would be politically very tough, even in Germany and the U.S.

"Governments don't make points by reacting to things that don't actually happen, and the Soviets could do lots of things piecemeal which might not provoke mobilization. They could have a big military exercise one day, dribble all their submarines out of port over a few other days. It could be hard to convince people that we have the warning time."

The Soviets also have problems. Aside from questions of satellite loyalty in a crunch, Allied specialists point out that the Soviets would be fighting on foreign soil against NATO forces defending their homelands.

Soviet military operations give no indication that their commanders have anywhere near the degree of flexibility and resourcefulness to respond to unexpected situations as do Western commanders. Soviet airmen are not well trained, by U.S. standards, nor are Soviet naval forces as experienced at sea.

But the Soviets have large numbers of men and weapons. They have long had about 2½ times as many tanks and artillery pieces as NATO, though Western tanks in many armies are better. The Soviets are said to be producing some 2,000 new tanks a year, more than double the recently accelerated U.S. rate.

Steady growth of the Soviet navy into a global fleet has long alarmed Western navies. And in the last five years or so, the Soviet air force has been modernized: longer-range planes capable of offensive bombing missions behind NATO lines have replaced mostly short-range, defensive fighters.

The Soviets have added long-range self-propelled artillery for the first time, chemical warfare equipment and river-crossing equipment. They also have deployed 3,000 helicopter gunships with a roughly 35-mile arc directly east from the central Fulda Gap attack area into Germany, an action that has Western Intelligence officers puzzled.

The general improvement in Soviet forces is in quality rather than in numbers, which is worrisome to the West. The West traditionally has led qualitatively—and still does, but by a narrower margin.

British, American and West Germans believe the Soviet buildup is intentional, directed from the top, and meant to give the Soviets a political edge in any future confrontation.

"The Russians may not be intending to stage an attack tomorrow," says Von Altenburg, "but they want to be able to put on pressure. They are very careful people, as world history shows, always trying to reduce their risk potential. If they play poker, they want a good hand."

Looking at the Soviet buildup, Von Altenburg says, "You must consider they still remember the shock of 1941" and the Nazi invasion. "And they undoubtedly need troops to pacify their satellite countries, plus they do have global commitments now."

Even allowing for that, he thinks, the Soviets still have 60 to 70 per cent more troops than needed for defense in Central Europe, despite economic problems in the Soviet Union.

The Soviet buildup, however, has not gone unmatched and Western specialists believe the West has already offset a substantial portion of the Soviet efforts.

For example, while the British Royal Air Force has been reduced to a shadow of its old self, its squadrons in Germany in the past two years have been totally replaced by newer French-British Jaguar jets and U.S. Phantoms, with a slight increase in numbers. A new British-German-Italian 155 mm howitzer is coming into service now.

The U.S. Air Force in May will begin bringing additional F-111 fighter-bombers to England and new FF-1515 fighters to Germany. U.S. officers also suggest that a major additional boost to NATO airpower can be expected soon.

The United States also is producing the new AWACS aircraft to provide early warning of air attack over a European battlefield. Despite some Soviet efforts in the same field, knowledgeable sources say the Soviet version is in no way comparable.

The 190,000-man U.S. Seventh army in Germany, though short of some supplies given to Israel in the 1973 war, is infinitely better-manned and equipped than it was at the peak of Vietnam. Two new brigades have been added and enlisted men and officers stay here longer.

In addition, thousands of so-called "smart" weapons, guided bombs and antitank missiles, have been added to U.S. stockpiles overseas.

On the way, according to U.S. officers, is a new laser-guided artillery shell that fits 155 mm howitzers, the principal artillery piece in the U.S. arsenal. If it works, the shell will give the howitzer a chance to knock out tanks on the move.

Though most Americans do not realize it, the West Germans provide 50 per cent of the ground forces and 40 per cent of the air forces initially available to meet a Warsaw Pact attack.

The West Germans have 3,700 tanks, half of them the superb Leopards, and the older M-48s are due to be replaced by even better Leopard IIs now coming off the production line.

Close to 4,000 of the Marder armored combat vehicles are in service and thousands of the highly regarded French-German-built "Milan" antitank missiles are being added to

British, French and West German forces here, including mounting them on the Marder.

NATO commanders do not really know if this is adequate to cope with the Soviet tank advantage. Von Altenburg, however, does not want more tanks on the West German side of the line. He would prefer armored vehicles carrying antitank missiles and armed infantry to stop Soviet tanks.

Ultimately, it is American strength—specifically the Americans' ability to threaten to use, or actually use, nuclear weapons to stop a Soviet onslaught—that the Europeans depend on.

Talk by President Carter about eventually ridding both sides of all nuclear weapons does not comfort the Europeans because they think they could not cope with Warsaw Pact nations on a strictly conventional level.

There is another factor, too.

"I don't mean this in a nasty way," says Von Altenburg, "but a war in Europe would produce many flags in American windows for losses, and that would be a tragedy. But a long war would be the end of Germany."

In short, the Europeans—not just the West Germans—want the United States to quickly invoke the threat of using nuclear weapons.

PRIMITIVE RIVALRIES IN A NUCLEAR AGE

(By William Greider and Robert G. Kaiser)

In this age of computer-guided rockets and Buck Rogers wonders of destruction, something terribly primitive remains fixed in the rivalry of the world's two nuclear superpowers.

Us and Them, America and Russia, The Soviet butchers. The imperialist warmongers. Primitive fears, crude reflexes, ancient rituals of faith are invoked to ward off unseen demons.

These two great nations do at times behave like two primitive tribes living in adjoining valleys, worshiping different gods, each fearful of whatever it is that lurks just over the mountains. When one tribe hears rumblings of warlike noises, flashes of lightning from the mountain, warrior chiefs arouse the people and scientist priests summon new magic weapons, like ancient totems, to protect the faith.

Crudely speaking, the modern arms race reflects those ancient patterns of behavior. The rivalry is real; so is the hostility. But, in the history of humankind, these struggles usually end in warfare and so now we face a new dilemma—and twin threats of the "enemy" tribe and the nuclear threat of our own destruction. History asks: will this story end in the same old way or will these two nations find a way to break out of that primitive pattern?

In our society, as in theirs, it is taboo to think of the "enemy" as any thing but the enemy (though the penalties are quite different: an American politician is defeated for being "soft on communism;" a Russian dissident is sent to prison). But the current strategic arms debate poses an implicit question: to what extent can Americans and Russians set aside the "enemy" ideology, their alien faith, and consider our mutual self-interests, our shared human values, reflexes, limitations?

The strategic debate rarely addresses that theme directly—it is politically damaging to do so—and yet it is implicit in almost every calculation, every alarm over new scenarios, weapons.

This season, as so often before, the conflicting approaches are at war just beneath the surface of the dialogue. President Carter urges cooperation with the Soviets toward mutual arms reduction. Yet a broad array of deeply-troubled skeptics warns with facts and figures that the Soviets are bent on destroying us—that new and dangerous rumbles have been heard from Moscow.

This season, the new rumble is a civil defense gap. The Russians, it is said, are preparing at great expense fallout shelters and evacuation plans for their population. Why would they bother if they were not serious about the possibilities of nuclear war? A good question. Serious people argue over it, from both sides. Americans will be hearing much more on the subject, as the strategic arms debate plays out on various weaponry issues in the months ahead.

A few forceful proponents have made dire predictions about the answer to that question. Maj. Gen. George J. Keegan, former Air Force intelligence chief, for one, fears that the Soviet civil defense program was "the decisive turning point in my judgment that we [have] already lost the strategic balance."

Paul Nitze, in his influential essay last winter in Foreign Affairs, said the Soviet Union is spending $1 billion a year on civil defense (compared with $80 million here) and Nitze cited Soviet manuals from 1969 and 1970 which assert that no more than 3 to 4 per cent of the population—a mere 10 million Russians—would be killed in a U.S. attack.

The Soviets may well overestimate the effectiveness of their civil defense program," Nitze conceded, "but what is plain is that they have made, for 20 years or more, an approach to the problem of nuclear war that does assume, to a degree incomprehensible to Americans (or other Westerners), that nuclear war could happen, and that the Soviet Union could survive."

An associate of Nitze, T. K. Jones of Boeing, has since calculated the question more closely and made ominous projections about what the Soviets might be doing. The Soviets, he asserts, "can protect their industry and facilitate its rapid recovery should a nuclear war occur . . . can protect their work force . . . [and] protect their industrial machinery. . . ."

"It makes my blood run cold," said Nitze, who mentions Jones' study without quite embracing its conclusions.

Among other things, Jones has determined that the Soviet Union could recover from a nuclear war "within no more than two to four years, whereas the U.S. could not recover in less than 12 years."

Even if Russia were to lose half of its population and all of its industry, Jones claims, it could recover its prewar gross national product within 15 years. As one arms-control advocate pointed out, this would amount to doubling the per-capita GNP for the Soviets in a very short period—a feat which they have had trouble doing without nuclear war.

When Science magazine asked Jones how much bunker-building and factor protection the Russians are actually doing, Jones' answer was, not much.

"But," he told Science, "I just have this cold, sinking feeling when I think about how much there might be that we don't know about."

As Nitze's article suggested, the adherents of the civil defense gap believe the Russians do not accept our view that nuclear war is virtually unthinkable. Instead, these people warn, the Russians are seriously prepared to fight and win an all-out nuclear war.

One indication of this, they say, is the Soviet Union's civil defense preparations: protection of some industrial installations against the hazards of blast and fallout, underground installations to save the country's leadership, underground food reserves and published plans to disperse the population if an attack is threatened.

The civil defense gap theory provokes extraordinarily strong reactions within the community of people who make it their business to follow and participate in the ongoing debate about strategic issues. While Nitze or Jones talk freely of possible Soviet preparations for nuclear war, experts with equally good credentials ridicule the entire idea as "a joke" or "ridiculous."

So when the alarm-sounders cite Soviet rhetoric about the plausibility of a nuclear war and Soviet capacity to "win" it, their critics cite other pieces of Soviet rhetoric which refer to a superpower nuclear war as "suicidal." The critics also note that American military literature abounds with references to fighting and prevailing in a nuclear war. Does that mean we are preparing to fight one?

Moreover, the figures produced by Jones to support the proposition of a speedy Soviet recovery from nuclear war are by no means the only figures available. A decade ago, for example, the Pentagon made these calculations on the potential destructive force of U.S. hydrogen bombs dropped on the U.S.S.R.:

Four hundred equivalent megatons could kill 74 million Soviet citizens and wipe out 76 per cent of the Soviet industrial capacity. Eight hundred megatons could kill 96 million people; 1,600 megatons could kill 116 million.

The United States, according to one congressional estimate, now has about 4,200 equivalent megatons ready to deliver against Soviet targets.

But the "civil defense gap" raises broader questions about the nature of the enemy. Given the invulnerability of America's capacity to strike back, to level Russia's great cities, is it plausible to think that the Soviet leaders might risk the destruction of all they have built since World War II?

W. Averell Harriman, the elder statesman, one of the first to warn of Soviet hostility following the war, describes the present alarms as "this orgy of Russian terror," which obscures obvious realities about Russian society.

"Go to Leningrad," Harriman suggested. "Never in the history of the world has there been such a dedication, a determination to reconstruct the past, the imperial palaces. They're just determined to see that the German invasion will not take away any of their heritage. To think that the same people are planning a war that would bring atomic bombs down on them there and destroy everything they have built—it doesn't make sense."

The alarmists do not reject that view so much as they reject the certainty with which it is expressed. What if Harriman is wrong? they would ask. Can we risk a mistake that could destroy the United States?

This is the frame of mind that has always dominated the American strategic debate. Prudence above all; take no risks. Defense Secretary Robert S. McNamara took this even further when he invented the notion of the "greater than expected threat"—a danger from the enemy greater than any evidence suggests is possible.

This sort of prudence seems to lead in only one direction—toward more and better weapons.

Critics of the "worst case" view of Soviet civil defense programs argue that this time, at least, we can be realistic without being imprudent. They raise many challenges to the alarmist view. For example:

Aren't there some targets in the Soviet Union which, if destroyed, would cripple the economy and invalidate optimistic projections of a speedy postwar recovery?

One of these might be the headquarters of the State Planning Commission in Moscow, whose files and computers guide virtually every aspect of the centrally planned economy. Another might be the country's oil refineries, which—according to congressional staff analysts—cannot be protected against nuclear blast. Yet another, proposed in a recent article in Orbis magazine, might be the dams and drainage systems in Soviet

farm regions. Without them millions of acres of fertile land could be turned into marshes and desert.

Is mass evacuation of city dwellers into the countryside a realistic possibility?

The "worst case" scenarios predict that city dwellers could go into fields and forests, where they would dig makeshift shelters and stay for the duration of the nuclear exchange. But what about the weather? The Russians winter can last six months; in spring and fall the countryside is awash with mud. Is the Soviet Union counting on a civil defense system usable only for a couple of months in summer?

Would victory in a nuclear exchange have any value?

The alarmists discuss the possibility in terms of the two superpowers and the relative speed with which they might recover from a nuclear war. But a "victorious" Soviet Union could easily emerge weaker than China, weaker than Japan, weaker in relation to the restive East European satellites. Would those countries voluntarily remain subservient to a crippled Russia that was unable to provide the oil and raw materials it now sells them? For that matter, would Estonia, Latvia and Lithuania?

(Asked about the effects of nuclear war on the Soviets' superpower status, Jones replies that in his scenarios the Russians would emerge from nuclear war with substantial military superiority over all other world powers, so the Soviets could still intimidate their neighbors, and even coerce the United States and others to provide food, machinery and other things needed for recovery.)

The most plausible explanation for the Soviet civil defense program would appear to be the Chinese threat, in the view of many scholars. China has a primitive and limited nuclear arsenal. The Chinese and Soviets have already fought along their long border, and animosity is deep.

The Soviet shelter system "would be useful under certain circumstances against the Chinese," according to the Federation of American Scientists—even if it would not assure much protection against an all-out American attack.

There are other possible explanations. Senior CIA officials have suggested that the Soviets use civil defense as one means of mobilizing the population, a tool which unelected leaders employ to instill a useful degree of fear. It helps remind the often undisciplined population that the country faces a constant foreign threat—that vigilance is a duty.

Examined closely, the Soviet Union's mailed fist is wrapped around some embarrassing weaknesses. For example, this is a superpower that cannot be traversed on a paved road—none exists that crosses the U.S.S.R. Its technology is often primitive. With a few exceptions, the Soviet civilian economy is 25 years behind ours in computerization. Soviet productivity is poor, and the Rusisans must turn to foreigners for basic economic inputs—the capacity to build passenger cars and trucks, and cups and saucers.

American farming makes up less than 3 per cent of our gross national product, yet U.S. productivity is so abundant that it can bail out failures in the Soviet Union, where agriculture is 17 per cent of the GNP.

In short, Soviet leaders have lots of good reasons for feeling inferior. Yet their ideology promises that someday Marxism-Leninism will overrun the "decadent capitalists" and reign supreme. How does one keep the Soviet faith when reality promises a long future as No. 2 in most spheres of modern life?

Military hardware is one area where the Soviets can catch up, crudely, at great expense, but still it is a psychic comfort, important to their ideology and their self-esteem. The Kremlin leaders wish to tell themselves, their people and the world that they, too—like the rich Americans—are second to none.

If fear and insecurity are major motivations for Soviet arms-building (as opposed to some active design to achieve a "war-fighting" capability), this perspective opens new questions for Americans to answer about their own self-interest, is it in America's long-term interest, not to mention the world's, to lead the Soviets off on another chase, another round of unlimited arms building? Once the Russians have satisfied themselves on nuclear parity wtih America, do they have mutual motives for arms reductions, domestic pressures which might be more compelling and exploitable if the arms race abates?

The strategic debate deserves to be widened. By counting only weapons, and ignoring the other aspects of Soviet society, the West credits the Russians in the only category in which they can compete, ignoring the many others where they cannot.

"The intelligence community will not look at the hard analytical questions which can't be answered precisely," an arms control official complained with despair. "Why do the Russians say what they say rhetorically? Why do they deploy so many different [weapons] systems? Why do they buy what they buy? What's the relationship between the political leadership and the military bureaucracy? What are their true strategic intentions?"

In short, Americans have to ask, less passionately, more objectively: what is that tribe on the other side of the mountain really like?

THE FIRST DAY OF OREGON'S AEROSOL BAN

Mr. PACKWOOD. Mr. President, my home State of Oregon has led the charge on numerous issues facing this country in the past. Today marks another step forward—aerosols emitting halocarbons will no longer be sold or used in Oregon.

Most of us in Congress are well aware of the dangers posed by ozone depletion. Numerous Federal reports, scientific studies, and actual measurements have shown with reasonable certainty that the ozone layer is being depleted by halocarbons.

Oregon recognized this over 2 years ago when it proposed a ban on aerosols. The general feeling of Oregonians was that the risk or potential danger of ozone depletion was not worth the time scientists would spend absolutely corroborating the ozone depletion theory. Since the evidence has grown, a judgment tempered with caution has become one of the hallmarks of public policy for the environment and human health and welfare.

The Federal Government is moving to phase out the nonessential aerosols which emit halocarbons within 1 to 2 years. That is obviously a sufficient time to cease the manufacture of these projects. There are currently available substitutes. The aerosol manufacturers are producing them in an increasing degree recognizing that America is concerned about the ozone layer. I only hope that there will be no opposition to the gears that have now been set in motion to control the emission of these chemicals.

The National Academy of Sciences, the National Aeronautic and Space Administration, the Environmental Protection Agency, the Consumer Product Safety Commission, and the Federal Food and Drug Administration have added to the growing evidence of ozone depletion. Let us hope they can follow the lead which has been set by Oregon and starts today.

THE 200-MILE FISHING ZONE'S FIRST DAY

Mr. PACKWOOD. Mr. President, today is a monumental step forward for the Nation's fishermen. The 200-Mile Fishery Conservation and Management Act goes into effect today. From now on, the Nation can rest assured that first, its fishermen will have the first opportunity to bring in the catches of our commercial fisheries, and second, that our marine fishery resources will not become depleted in the coming years due to overfishing by foreign nations.

During my 8 years in the Senate I have worked hard with my colleagues for the protection of our fisheries and the priority for America's fishermen that begins today. No one who is familiar with the fishing industry will say this solves our problems. Admittedly there are other issues to be addressed, other legislative refinements and facts that should be considered, but today marks the greatest stride we have made for America's fishermen in a long time.

The thanks for enactment of the Nation's 200-mile fishing zone rests with many individuals. The chairman of the Senate Commerce Committee, Senator MAGNUSON, began the fight for a 200-mile fishing bill many years ago. Through his leadership and that of the distinguished ranking member of the Senate Commerce Committee, Mr. PEARSON, there has been a continual effort to set a firm date at which the 200-mile zone would be an effective priority area for U.S. fishermen. Thanks should also be given to many of my colleagues in both the Senate and House who worked on this legislation over the past few years. Senator STEVENS of Alaska, Senator HOLLINGS of South Carolina, Senator WEICKER of Connecticut, and Senator MUSKIE of Maine, are but a few of my colleagues who have worked on this issue through the Senate Commerce Committee.

As a new member of the Senate Commerce Committee, I am eager to fulfill the necessary oversight of the 200-mile fishing bill and dig into the litany of remaining projects which are of concern to the U.S. fishermen. Certainly the leadership shown in passing a 200-mile fishing bill is a shining light for the attention that will be focused on the other work Congress must do to create a secure and well-established fishing industry in this country.

CURRENT U.S. POPULATION

Mr. PACKWOOD. Mr. President, I wish to report that, according to current U.S. Census Bureau approximations, the total population of the United States as

of March 1, 1977 is 216,694,292. In spite of widely publicized reductions in out fertility levels, this represents an increase of 1,524,612 since March 1 of last year. It also represents an increase of 115,883 since February 1, 1977; that is, in just the last month.

Over the year, therefore, we have added enough additional people to fill the combined cities of Baltimore, Md., and Columbus, Ohio. And in just one short month, our population has grown enough to more than fill the city of Columbia, S.C.

AMERICAN RAILROADS AND THE BALTIMORE & OHIO RAILROAD CELEBRATE 150 YEARS OF SERVICE

Mr. RANDOLPH. Mr. President, 150 years ago yesterday, an event occurred which proved to be of enormous significance to the American people. On February 28, 1827, the State of Maryland granted a charter to the Baltimore & Ohio Railroad, thus beginning the railroad industry in this country that permitted it to grow and prosper.

It may be truly said that the America we know today is largely the creation of its railroads. Steel wheels on steel rails enabled us to push beyond the mountains and eventually to span the continent. Railroads opened the vast areas of this Nation to development and they permitted us to tap the abundant natural resources with which we were blessed.

Contrary to the belief of many, railroads are not a dying industry. It is true in the past quarter century that the emphasis in railroading has shifted. The trains no longer carry the large number of passengers that formerly depended on them for their mobility. Through transportation of freight—particularly bulk commodities—our railroads remain strong and vigorous.

The vitality of American railroads after a century and a half was demonstrated vividly last night by the enthusiasm and dedication of the participants at a dinner observing this notable occasion. Through the cooperation of the Chessie System, Amtrak, the Association of American Railroads, and others, a large group of industry and Government representatives met in the Round House of the Mount Clare Station in Baltimore which is now the B. & O. Museum. Many of the participants traveled from Washington on a special Amtrak train.

Railroads have been and continue to be vital to the economy of West Virginia. It was therefore, a special privilege to participate in the Baltimore ceremonies. The event brought back memories of an earlier trip to Baltimore. It was in 1912 that I traveled to that city with my father who was a delegate to the Democratic National Convention, the last one held in that city. I sat on his knee while the convention nominated Woodrow Wilson for President. To see such men as Wilson, then Governor of New Jersey, and Champ Clark of Missouri, then Speaker of the House, made a great impression on a young boy who had just taken a lengthy railroad ride from Salem, W. Va., on the B. & O.

Many prominent West Virginians have been active in railroading. Such men as John J. Cornwell of Romney was general counsel of the Baltimore & Ohio Railroad prior to becoming Governor of our State. I also remember well C. W. Van Horn of Lost Creek who retired in 1949 as operating vice president of the B. & O. after 48 years service. It was my pleasure to attend last night's dinner with an old friend; Charlie Van Horn, Washington representative of the Chessie System, himself a veteran of many years on the railroad. The Hockenberrys, Lillian and Don, were present. Lillian is Charlie's gracious assistant. The invocation at the dinner was given by a West Virginian, the Reverend Glenn Keller, a Chessie employee.

The importance of the event is attested to by the people at the head table. That included two other Members of the Senate, my able colleague and our majority leader, ROBERT C. BYRD and PAUL SARBANES, the diligent new Senator of Maryland. Members of the House present were FRED ROONEY of Pennsylvania, BARBARA MIKULSKI of Maryland, and GOODLOE BYRON of Maryland, Also present were:

Steve Ailes, president, Association of American Railroads; Charles Chamberlain, president of RLEA; William Schaefer, mayor of Baltimore; John Reed, chairman and president, Santa Fe; Graham Claytor, Secretary of the Navy; J. Robert Morton, president, NIT League; George Stafford, Chairman, ICC; Kay Bailey, vice chairman, National Transportation Safety Board.

Harold Crotty, president, B. of M.W.E., Paul Reistrup, president, Amtrak; Arthur Lewis, chairman of USRA; Charles Carroll III, seventh in direct line of descent from Charles Carroll of Carrollton; Bruce Flohr, Deputy Administrator, FRA; Hayes Watkins, chairman and president, Chessie Systems, Inc.

Elliott Estes, president, chief operating officer, GM; W. Thomas Rice, chairman, Seaboard Coast Line; Frank Barnett, chairman, Union Pacific; Carl Bagge, president, National Coal Association; Alan Butchman, Deputy Secretary, DOT; James Yost, president, Railway Employees Department, AFL-CIO; Frederic West, Jr., president, Bethlehem Steel Corp.; Paul Tierney, president, Transportation Association of America; Benjamin Griswold III, general partner, Alex. Brown and Sons; and Blair Lee, Lieutenant Governor of Maryland.

Mayor Schaefer spoke on behalf of the city of Baltimore and Mr. Chamberlain represented the railroad labor organizations.

Elliott M. Estes, president of the General Motors Corp., while not a railroad man himself, spoke as both a supplier and customer of the railroad industry. He recognized the relationship of his industry to railroading in these words:

> The steel rails that tie America's West Coast to the East—that bind the North together with the South—the steel rails that criss-cross this county, serving as a lifeblood artery for commerce and industry . . . those rails are literally an extension of General Motors' production lines—an extension of both ends.
>
> They are an extension of just about every production line of every other industry in this country, too.
>
> None of us could get along without them.
>
> Now, anytime you start talking numbers in General Motors, they tend to get pretty big.
>
> But I want to tell you about just a couple—just to illustrate how much we depend on America's railroads.
>
> In 1976, GM's North American freight bill ran about $2 billion.
>
> We shipped around 85 billion pounds of material, components and finished products.
>
> Railroads carried a large percentage of that.
>
> And air transport, used mostly in emergencies, carried 125 million pounds.
>
> Of that $2 billion freight bill, roughly $165 million went to the Chessie System, making it one of our major suppliers.
>
> The Chessie traditionally ranks high among U.S. railroads in terms of the volume of freight that we move on it.
>
> It serves some of our most important operations including the assembly plant here in Baltimore and the one up the road in Wilmington.
>
> This observance seems like a fitting time to publicly thank Hays Watkins and all the people of the Chessie System for the service that they provide General Motors.
>
> I want you to know that we appreciate their efforts just as we appreciate the efforts of every rail line that serves any of our operations.
>
> Of course when you look at the history of the B. & O. you shouldn't be surprised that the Chessie is one of the most progressive railroads in the U.S. today.
>
> In addition to being the first line chartered in America, the B. & O. also has an impressive string of other firsts to its credit:
>
> The first timetable, the first baggage car, the first dining car—although they called it the "refectory" back then the first iron box cars, the first self contained diesel-electric locomotive and the first use of air conditioning—not to mention the first U.S.-built locomotive, the Tom Thumb.
>
> In case you've forgotten, the first B. & O. passenger coaches were pulled by teams of horses.
>
> It's interesting—and fun—to look at the past.
>
> We should learn from it.
>
> But we shouldn't dwell on it.
>
> GM's legendary Boss Kettering, the developer of the two-cycle diesel that put GM in the locomotive business, used to say, it's the future that's important—because that's where we're going to spend the rest of our lives.
>
> Transportation, like America itself, has a lot of problems today, but it also has a future—a future that those of us who work in transportation can make just about as bright as we decide we want it to be.
>
> In railroads, in automobiles, in trucking, in public transportation—wherever you look, the challenges are great.
>
> But I believe we're up to those challenges.
>
> This ceremony seems like the perfect time for those of us in transportation to mentally roll up our sleeves, to look realistically at both the problems and the strengths we have, and to resolve to work together to make the world's greatest transportation system that much better tomorrow.
>
> The future?
>
> It's up to us.
>
> Let's get at it!

Mr. RANDOLPH. Mr. President, the tone of the evening was established by Steve Ailes, a native of Romney, W. Va., and a former Secretary of the Army, who was master of ceremonies. He brought his audience from the early days of railroading to the anniversary with these words:

Tonight we celebrate a brilliant, yet simple, idea—the ease of a steel wheel rolling on a steel rail. It was remarkable in 1827; it is still remarkable in 1977.

The ability of the railroads to quickly and easily move people and goods created a nation out of the wilderness. The importance of railroad service to the nation continues to this minute. And the results of 150 years of railroading convince us that the idea will be around a long time in the service of mankind.

When the first rails were in place on these grounds, people accustomed to the jolts and jars of riding in carriages and wagons on rough roads found the smooth passage of the first railroad cars a miracle of speed and ease. A reporter for the Baltimore American of January 2, 1830, described it like this—

"Three carriages were attached to each other and being filled with more than eighty persons were drawn by one horse at the rate of upward of eight miles an hour."

Even more amazing than speed was the efficiency of the wheel on the rail in moving heavy burdens. The same newspaper told of 200 barrels of flour being hauled on the rails by a single horse with "triumphant success." If a horse could do all that, crowed the newspaper, what could be expected soon when locomotive engines constituted the moving power?

About this time, a delegation of the members of Congress came here to Mt. Clare Depot and observed for themselves the railroad's remarkable power to move heavy loads and the personal thrill of speedy, smooth travel. I cannot help but wonder if tonight's visit by a "delegation" of members of Congress is not the first since that of 1830. If so, we of the B&O hope that you gentlemen and your ladies will not wait another 147 years to make a return visit to us here.

Even as the Congressional delegation visited Mt. Clare, Peter Cooper was at work on this property assembling the first American steam locomotive. Behind the Tom Thumb not long after, Charles Carroll and other rail buffs of the day found themselves hurled along the iron path at a heady eighteen miles an hour. And in just two years the B&O had locomotives that did the work in one day that it would have taken 113 horses to accomplish, and with greater speed and at vastly less cost.

In time, the steam locomotive yielded to the electric and the diesel-electric, typified by the two giants on display as you entered the museum buildings. Locomotive B&O 1977 is, of course, the Sesquicentennial locomotive. The gold-colored GM 50 attests to the half-century that General Motors has been building diesels for America's railroads.

But although one form of railroad power has been supplanted by another, the steel wheel on the steel rail has not yielded in efficiency to other forms of transportation.

Today our highways are vastly superior to those of earlier years, but it still takes three times as much energy to move a ton of freight by motor carrier as by railroad. With fuel in short supply, this railroad attribute is a signicant national asset. It is also important to the American people, in these days of concern about pollution; that railroad emissions per net ton-mile are only one-fourth those of highway carriers.

As for the inland waterways, successors to the canals that were the early railroads' rivals, independent studies have shown that because of the circuitous path of rivers, swift currents, seasonal floods and other factors, towboats consume on the average more fuel per ton of cargo moved than do the railroads.

Since that day when the horse pulled the 200 barrels of flour outside the door, the railroads have now grown to 209,000 route miles in every part of the continent. Their 1,800,000 freight cars put more than half a ton capacity at the service of every man, woman and child in the country. And their 29,000 locomotive units are equal in pulling power to 50 million horses. Think what scientific innovation 150 years ago has saved us from.

America's 600,000 railroad men and women put in their pockets and their bank accounts annually some six and a half billion dollars. The 750 billion ton-miles of intercity freight they move yeary constitute the largest portion of the nation's total freight moved by any carrier.

One hundred and fifty years ago Charles Carroll predicted with remarkable foresight the coming greatness of this nation and its railroads. If he were here tonight I believe he would praise America for what has been accomplished. And I believe he would praise the railroads for their worthy part in that achievement. This year the nation starts its second 200 years. I ask all of you to join in saying "Happy Birthday" to America's railroads as they start their second century and a half.

(This concludes additional statements submitted by Senators today.)

COMMITTEE MEETINGS DURING SESSION MARCH 2 AND 3

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Small Business Committee be authorized to meet on Thursday of this week, March 3, at 1 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Minerals, Materials and Fuels of the Energy and Natural Resources Committee be authorized to meet on March 2 and 3, in the afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR SCHMITT ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Thursday, after the two leaders or their designees have been recognized under the standing order, Mr. SCHMITT be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—SENATE CONCURRENT RESOLUTION 7

Mr. ROBERT C. BYRD. Mr. President, this request has been cleared with the Republican leader and with Mr. CHURCH. I ask unanimous consent that with respect to Senate Concurrent Resolution 7, relating to freedom of immigration, at such time as that resolution is made the pending business before the Senate, there be a time limitation thereon of 2 hours, to be divided between Mr. CASE and Mr. CHURCH; that there be a time limitation on any amendment of 30 minutes; a time limitation on any debatable motion or appeal of 20 minutes; of any point of order, if submitted to the Senate, of 10 minutes; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. STEVENS. Mr. President, the Senator did ask the germaneness part of it?

Mr. ROBERT C. BYRD. Yes.

The text of the unanimous consent agreement is as follows:

Ordered, That during the consideration of S. Con. Res. 7, relating to freedom of emigration, debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the resolution, debate on any debatable motion or appeal shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the resolution, and debate on any point of order which is submitted or on which the Chair entertains debate shall be limited to 10 minutes, to be equally divided and controlled by the mover of such and the manager of the resolution: *Provided*, That in the event the manager of the resolution is in favor of any such amendment, motion, appeal, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said resolution shall be received.

Ordered further, That on the question of agreeing to the said resolution, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from New Jersey (Mr. CASE) and the Senator from Idaho (Mr. CHURCH): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

March 1, 1977.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF SENATE CONCURRENT RESOLUTION 7 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on tomorrow, the Senate proceed to the consideration of Senate Concurrent Resolution 7.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT ON CONFERENCE REPORT ON THIRD BUDGET RESOLUTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as the conference report on the third budget resolution is taken up and made the pending question, there be a 2-hour limit on the conference report, 1 hour under the control of Mr. MUSKIE, the other hour under the control of Mr. BELLMON.

The PRESIDING OFFICER (Mr. DECONCINI). Without objection, it is so ordered.

The text of the unanimous-consent agreement is as follows:

Ordered, That during the consideration of the conference report on Senate Concurrent Resolution 10, revising the congressional budget for the U.S. Government for the fiscal year 1977, time for debate on the conference report shall be limited to 2 hours, to be divided and controlled, respectively, by the Senator from Maine (Mr. MUSKIE) and the Senator from Oklahoma (Mr. BELLMON).

March 1, 1977.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, it is anticipated that there will be a rollcall vote on the passage of Senate Concurrent Resolution 7 tomorrow. Senators will be aware of the fact that such rollcall vote could come as early as 12 o'clock noon, or 12:30 p.m., depending upon how much time is taken on the resolution.

Other than that measure, I am not in a position at the moment to say what business may be cleared and ready for action tomorrow, but I would hope there would be other matters that could be taken up and disposed of tomorrow.

RECESS to 11 A.M. TOMORROW

Mr. CRANSTON. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 11 a.m. tomorrow.

The motion was agreed to; and at 4:59 p.m., the Senate recessed until tomorrow, Wednesday, March 2, 1977, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate on March 1, 1977, before the convening of the Senate, pursuant to the order of February 25, 1977:

DEPARTMENT OF COMMERCE

Robert Thallon Hall, of Virginia, to be an Assistant Secretary of Commerce, vice John W. Eden, resigning.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. William Bennison Fulton, xxx-... xxx-xx-xxxx Army of the United States (major general, U.S. Army).

IN THE NAVY

The following-named lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade of lieutenant in the various staff corps as indicated, pursuant to title 10, United States Code, section 5773, subject to qualification therefor as provided by law:

SUPPLY CORPS

Acton, David H.
Adams, Mark M.*
Amiel, Paul H.
Anderson, John N.*
Anderson, Peter K.
Anderson, Stephen F., III*
Anderson, Wayne E.
Armstrong, Dennis J.
Arnest, John W.
Banford, Thomas C.
Barkerding, Theodore F.
Barnes, Thomas W., Jr.
Barnett, Michael S.
Bauman, Daniel J., Jr.
Baumgartner, Max F.
Bayly, Maitland D.
Bell, William R.*
Bennett, Gregory J.
Bernacki, William J., Jr.
Bernet, William C.*
Blicher, Alfred E.
Blindheim, Steven L.
Bolkcom, Neil G.*
Bond, Albert S., II
Bondurant, James P.
Brackett, Anderson E.
Brandl, John R.
Braniff, Gregory J.
Bricken, Reese H., Jr.
Bridges, Russell T.
Bristow, James S.
Broussard, Thomas G., Jr.
Brown, Miles L.
Brown, Robert A.
Brudevold, David D.*
Bunker, Thomas A.*
Burton, John F.
Butt, Arthur L.*
Canter, James A.
Canterna, Don L.
Captor, Richard A.
Carlson, Raymond L.
Carman, Kevin R.*
Carr, Washington S., Jr.
Carter, Julian E.
Chalker, Brad A.
Chamberlain, William J.
Chudzinski, John M., Jr.*
Colsh, William J.*
Combs, Charles M.
Combs, Michael H.
Comly, William F.
Cook, James E.
Coon, Wynn L.*
Cornely, Edward P.
Cosby, Robert W.
Courter, David E.*
Daggett, John W.
Dawson, Craig B.
Dean, Michael J.*
Debenedetto, Thomas J.
Demelas, Mario F., Jr.
Desgalier, William M.
Domis, Henry A.
Easton, Mark E.
Eberling, Glenn D.
Eberly, David A.
Ebert, Christopher J.
Edwards, Daniel R.
Edwards, Emmerson W.
Mehmcke, Lance D.*
Elliott, John E. C.
Erno, Michael L.*
Faerber, Leonard R., Jr.*
Figliola, Arthur L.
Filippelli, Frank P., III
Finley, Michael E.
Finneran, John G., Jr.
Fleck, Donald E.
Fong, Thomas K. M.*
Frailey, Elden L.*
Frank, Dennis M.
Frietze, Michael J.
Gabel, Glenn P.
Gall, John D.
Garot, Otto L.*
Garvey, Hugh M., Jr.
Gaudet, Lawrence H.
Gibbes, William R.
Gilbert, Douglas C.
Gilligan, James K.
Goff, Michael M.
Goins, William E., Jr.
Gordon, Walter J.
Gotfredson, John L.*
Greiner, Robert A.
Gunsel, Austin B.
Hall, Kennard R.
Halliford, James F.
Hanson, Thomas K.*
Harnish, Robert A., Jr.
Hart, Stephen R.
Hartman, Douglas M.*
Harvey, Philip M.
Hesch, Gerald F.*
Heule, Frank M.
Hickson, Edward E.*
Hiza, George W.
Hoffer, Jayme W.*
Hoopes, Billy R.
Horsell, Dennis D.*
Huber, Christopher D.*
Hudock, Michael D.
Hund, John J.*
Hunt, Carl L.
Hunt, Stephen R.*
Husty, Peter L.*
Jacobs, George R., III *
Jaggard, Michael F.
Jeffreys, Eugene W.
Johnson, Lawrence L., Jr.
Johnsrud, Rex T.
Jordan, Leonard R., III *
Kalas, Michael R.
Kellam, Steven L.*
Kent, Robert F.
Kertz, Lorenz J.
Kinlaw, James T.
Knight, David J.*
Koch, Dennis W.
Kolasa, Dennis R.
Kosnik, Thaddeus S.*
Kroon, George D.
Lancaster, Merle L.*
Lancaster, Donald D., Jr.
Lancaster, Robert L.
Law, Robert V.*
Levine, Henry P.
Levy, Richard M.
Lilleberg, Carl J.
Lipscomb, Jack S.
Luzynski, Anthony J., III
Maas, Steven W.
MacArthur, John J.
Maiman, Dennis P.
Mallon, Patrick J.*
Maples, Richard A.
Marcucci, Mark O.
Marshall, Douglas B.
Martin, Robert J.
Masukawa, Glenn K.
Matherne, Louis K., Jr.
Mayeaux, Kenneth P.
Maynard, John D., III
McDivitt, John D.*
McFarland, William C.
McGoun, Elton G., Jr.*
Merrill, Kenneth J., III
Metz, James D.*
Miller, Francis R.*
Millsap, Byron B.
Mitchelson, Andrew M., Jr.
Monks, Robert W.
Morrison, Richard E. P., Jr.*
Mukri, Jon K.
Munson, Timothy O.*
Murphy, James C.
Murray, Alexander H.
Murray, Thomas W., Jr.
Neilsson, Gary L.
Nelson, Stewart A.
Noble, Geoffrey T.
Nowitsch, John W.
Nyce, John W.
Oakes, John M.
Odio, Fernando
Odneal, Larry D.
Ortega, Pete R.
Patterson, John R.
Payne, Jack B., Jr.
Perry, Henry V., II
Pinion, Edward W.*
Popp, Ronnald G.
Poston, Cary D.*
Potter, Michael C.
Powell, Darrell B.
Pratt, Christopher T.
Pratt, Walter J.
Price, Edward L.
Rannenberg, John E.
Relan, Craig S.
Reschke, Armin W.
Righi, Michael L.
Robertson, Roderick R.
Roddahl, Jeffrey L.*
Rountree, James S.*
Rush, John D.
Rushing, Melvern R.
Russell, George L., Jr.*
Rutledge, Larry E.
Saiku, Jimmy M.
Schaefer, James H.
Schaible, Thomas E.
Schauer, Richard F.
Shary, Robert B., II
Shea, Michael B.
Shick, Jack E.
Sill, Erich C.*
Simmons, Eddie L.
Smith, Boyd L.
Sneed, Allen E., Jr.*
Sona, David A.
Sorensen, Charles E.
Sorrow, Walter T.*
Spease, Frederick W.
Speicher, Scott L.*
Steele, Kip R.
Stemplewicz, John T.*
Stephens, Darvin R.
Stephens, John H.
Sternfels, William J.
Stevens, Jeffery A.
Storch, Thomas M.
Sullivan, Nicholas M.
Taylor, Bruce E.*
Thamer, Steven D.
Thomas, Weldon E.
Thompson, Brian L.
Thompson, Charles B., III
Thorpe, John R.
Tompkins, Jeffrey W.*
Townsend, Paul J., III
Vandernoot, Craig M.*
Vaughan, Theodore R., Jr.
Verostek, Ronald F.*
Wade, Paul B.
Wagner, Jeffrey Q.
Waits, Clifford H., Jr.
Walton, David W.
Watson, Gary J.
Watt, Walter M.
Weigand, John R.*
Weiss, Kenneth C.
Wenzel, Kenneth E.
Westin, Mark D.
White, William L.
Wieger, Patrick S.
Wilkes, Stephen G.
Williams, Charles A.
Williams, Mark P.
Wong, Wayne D. S.
Woodard, Howard J.
Woods, Willie E.*
Woodson, Bobby D.
Worley, Randy A.
Wright, William A.*
Young, Joseph B.
Young, Mark A.
Zajicek, Roger A.
Zeird, William R.*
Zimermann, Alfred E.

CIVIL ENGINEER CORPS

Bernhard, Franklin V. J.
Blanton, Guy I., Jr.*
Breitzke, Thomas C.*
Bridges, Rex S.
Chetelat, Gary L.
Cleveland, Scott
Coogler, Howard D. Jr.*
Curtin, Timothy P.
Dallide, Eduard A.*
Dallas, Terry G.
Davis, David M.
Elliott, Richard A.
Elznic, Douglas F.
Evans, Robert L.
Evans, William A.
Hambrock, Daniel L.*
Hess, Robert J.
Holmes, William B.
Horn, Larry S.*
Johnson, Ralph F.
Kraai, Bernard W., Jr.*
Lewis, William H., III
Lotz, Lloyd, R. Jr.
Mc Garrah, James M.
Morton, Timothy R.
Pulst, Marvin L.*
Reynolds, Glenn E.*
Rice, Chester A.
Rodriguez, James T.
Rula, Paul D.
Saunders, Peter D.

* Ad interim.

Shanks, William L.*
Simms, Kendrick A., III
Sly, James R.
Smith, Glenn R.
Smith, Larry S.*
Spruit, Donald R.*
Stasiewicz, Paul H.
Stryker, Harry F.*
Swenson, Lawrence J.
Taylor, Chris A.
Thomas, Harold E.
Wagner, Richard E.
Williams, David G.
Williams, Michael J.*
Wisehart, Thomas C.*

JUDGE ADVOCATE GENERAL'S CORPS

Blackwood, Robin M.*
Borro, Ronald J.
Genzler, Patrick A.*
Wiegley, Roger D.

MEDICAL SERVICE CORPS

Adams, Dennis L.
Ammons, Paul F.*
Anderson, Jerry T.*
Arrison, Ronald B.
Auth, Bernard J.*
Ayers, James L.
Banta, Guy R.
Bennett, Alan H.*
Boggs, Bill L.*
Bolster, Hugh T.*
Bovasso, Peter
Brocker, Fred L.*
Brodsky, Stephen M.*
Brooks, David D.*
Brown, William E.
Brown, William G.*
Browne, Thomas P.
Brozowski, Dennis R.
Brunelle, David M.*
Bubb, Ronald E.
Caldwell, Craig R.*
Calvin, James B.*
Cesar, Niles C.
Clark, Donnie R.*
Clark, Lewis E.
Connors, Charles V.*
Crowell, John F.
Cruit, Carlton D.
Davis, Joe E.*
Diamond David*
Dickerson, Martha J.*
Dillingham, Joe G.*
Doe, Wilfred I.
Dulude, Edward P.
Duncan, Carl F.*
Ebert, Thomas A.
Edgmon, Bobby R.*
Edmons, Robert L.
Eimers, Orin K.*
Epling, Stephen R.*
Epps, Kenneth L.*
Erichsen, Michael E.
Eyre, Jay M.*
Fox, Francis R.*
Franklin, Kenneth W., Jr.
Fudge, Gerald D.*
Garms, Peter P.*
Garn, Stanley N.
Garnto, Sterling E.
Garrett, James M.*
Gesh, Albert S., Jr.
Gibbons, Gregory M.
Glans, Dale C., Jr.*
Glowacki, David A.*
Goodloe, Murriel E.*
Griswold, Lynn C.
Hall, James R.*
Haslam, Garth S.*
Hoffman, Stanley W.
Holm, Dale L,
Howard, Roger H., Jr.
Hynes, Samuel M.
Jean, Kenneth L.
Johnson, Ronald A.*
Jose, Lynn T.*
Kahler, Ronald D.
Kearsley, Eric E.
Knight, Michael G.*
Knox, Frederick M.
Knox, William W.
Kremser, Gary L.*
Kulcsar, Theron A.
Lee, Eddie A.
Levenduski, Gregory P
Libby, Earle S.
Littlejohn, Harold P.*
Lorenzen, William F.
McClerklin, Aaron*
McCoy, Wendel T.*
McGarvey, David H.
McGinn, Charles F.*
McIndoe, Bruce H.
Miller, Stanley C.*
Mitchell, James T., Jr.
Mitts, Estill D., Jr.*
Moran, William J.*
Newton, Gary*
Nice, Paul W.
Nisonger, Eric A.
Otis, Edward J.
Otlowski, Richard
Pariseau, Royle J.
Parrish, Gerald E.*
Patton, Elaine L.
Poppell, Gordon H., Jr.
Powell, Cecil D.
Randle, Kenneth R.*
Rasnick, Lannes B.
Rodell, Robert W., Jr.
Rodman, Merrill D.
Roecker, Gary L.*
Rosciam, Charles J.*
Rose, Donald C.*
Scheurer, Jeanne C.*
Schnable, Robert M., Jr.
Schutz, Richard A.
Shafer, Thomas A.
Shannon, Patrick A.
Shaver, Christine
Skaggs, Ronald G., Sr.
Smith, Edward L.
Smith, Ronald D.
Snyder, George I.
Soliday, James E.*
Sparkman, Thaddeus E.
Spencer, Charles A.*
Stonebraker, Alan F.
Thayer, Jon E.
Thayer, Thea J.
Thomas, Donald L.
Tittmann, Frederick R., Jr.
Todd, Hamilton S., Jr.*
Tolan, Steven C.
Tompkins, Lee W.
Tooke, Jan F.*
Turner, Leighton K.*
Ulcickas, John*
Vaughn, Charles D.*
Waterman, Cheryl M.*
White, Richard W.*
Wilder, Thomas W.*
Williams, Margaret E.*
Williams, Paul E.*
Williams, Robert J.
Willis, George R., Jr.
Wilson, Victor M.
Wolfe, Theodore E., III*
Wright, Betty L.*
Wright, James A. Jr.
Wright, Laban Joseph*
Zarkowsky, John D.

*Ad interim.

NURSE CORPS

Allen, John W.
Anderson, David A.
Aparicio, Mauricio, III
Atkinson, Linda F.
Bailey, Kathleen J.
Barnes, William M.*
Bartkus, Marilyn J.*
Bayush, Sandra A.
Becker, David J.
Blanco, Jose
Bodnar, Joseph A.*
Broussard, Vicki L.
Bruzek, Christine M.
Burrell, Thomas S.*
Butcher, Ronald E.*
Butts, Deborah
Byrnes, George T.
Chambers, Mindy L.
Clanton, Jo. A.
Condon, Edward G. III
Cormier, Don A.
Criscitiello, Peggy B.
Cron, Rebecca A.
Davis, William M.*
Ebersold, Barbara E.
Elliott, Gary P.*
Ewen, Elizabeth A.
Floyd, Donald A.
Fridley, Gary R.
Gibbs, Georgene B.
Harris, Betty L.
Hatfield, Mary L.
Hernandez, Jesse
Hollick, Joyce A.
Hutchins, John W., Jr.*
Jevsevar, Mary A.
Johnson, Judith M.
Joshlin, Charles E.
Kaires, Cynthia V.
Kegyes, Tania S.*
Kernozek, Paul A.
Kiefer, Catharine W.
Kossler, Sandra L.
Kupchinsky, Stanley J.*
Flahman, Ellen R.
Lambert, Clinton E., Jr.*
Lewis, Virgil H. II.
Flitchfield, Marjorie E.
Lopez, John D.*
Malone, Margaret M.
Manzitto, Arthur S.*
Markowitz, Lynn A.
Mattis, Arnold E.
McConnaughey, Randall A.
McDormott, Ann C.
Miller, Joseph W.*
Mount, Charles B.
Fostrelich, Doris A. L.*
O'Sullivan, Sharon A.
Palmer, William H., Jr.
Phillips, Danny R.*
Poole, Laurance K., Jr.
Prendergast, Mary L.
Pronesti, Lorraine A.
Rhodey, Donna K.*
Rocha, Elizabeth D.*
Rock Marion L.*
Rogers, Danny C.
Ryan, Kathleen M.
Schroeder, George H.*
Scott, Lynda Y.
Spencer, Donna D.
Spitzer, Loren E.
Starr, Barbara L.
Strawn, Linda K.
Suarez, Lucille A.*
Vandenbosch, James W.
Vascik, Celeste
Weakland, Barbara L.
White, Patricia P.*
Wilkinson, George D., III
Wilson, Barbara A.
Young, Deborah J.*
Zech, Harriet E.*

The following-named lieutenant (junior grade) of the U.S. Navy, for permanent promotion to the grade of lieutenant in the various staff corps as indicated, pursuant to title 10, United States Code, section 5773, subject to qualification therefor as provided by law:

SUPPLY CORPS

Bull, Barbara T.
Davidson, Mary E.
Frank, Cheryl N.
Meyers, Margaret E.
Sandy, Kathleen A.
Wiskoski, Scott W.

CIVIL ENGINEER CORPS

Rigoulot, Jeri M.

The following-named lieutenants of the U.S. Navy for temporary promotion to the grade of lieutenant commander in the line, pursuant to title 10, United States Code, section 5769, subject to qualification therefor as provided by law:

Abler, Ronald J.
Adams, Anthony S.
Adams, Dennis J.
Adams, Richard J.
Adams, Steve
Adcock, Douglas A.
Adler, Vance E.*
Affeld, Richard L.*
Airlie, Jack G., Jr.*
Alasin, Ronald A.
Aldredge, Morris H., Jr.
Aldrich, James H., Jr.*
Aldridge, Lonn R.
Allee, Raymond M.
Allen, Gary W.
Allen, Robert R.*
Allen, Terry J.
Almy, John H., II
Andersen, Milford E.
Anderson, Jon E.
Aranyos, John R.*
Arenskov, Peter T.
Arey, Sheldon C.*
Armentrout, Charles E.*
Armintrout, Michael L.*
Armitage, Charles E.*
Armstrong, Richard C.
Arnold, James L.
Arnold, Joe G.
Arntz, Ranald J.
Atwood, Roger E.
Aunchman, Leman J., Jr.
Bachta, Richard L.
Bahr, Stephen M.*
Baker, William D.
Baldy, Mark B.
Baller, Elmer W.
Balling, Chris M.*
Bankert, Harlan R., Jr.*
Bannister, Clarence Q.
Barabash, Jay
Barnum, Richard W., Jr.
Bartholomew, Glenn S
Bartleson, George R.
Bassett, William F.
Batcheller, Peter L.*
Baughman, John D.
Baum, Scott R.*
Baumann, Bruce A. J.
Beaty, William E., III
Beaudrot, Marion L., Jr.
Beard, Irvin E., Jr.*
Beaver, Edward A.*
Bechtel, Richard C.
Beck, Brent W.*
Beckhart, Richard S.
Bedinger, Henry J.
Been, Karl F.
Belden, William E. Jr.*
Benson, Milo E.*
Bentson, David A.
Bentz, John A., Jr.
Berg, Robert D.
Berg, Sigval M., Jr.
Bernard, Paul L.
Berns, Thomas H.
Berry, Carl T., Jr.
Bettinger, Robert G.
Bien, Lyle G.
Blackwood, Donald W.
Blake, Richard E.
Blenkle, William G.
Blodgett, George R.
Blumberg, Richard E.
Bodenweber, William K., Jr.
Bone, Theron C.*
Booher, Stephen R.
Bostian, Richard M.
Bowman, Charles E.
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Bray, Marlvin L.*
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Breglio, Robert A., Jr.
Breidert, William E.
Brennan, Lawrence M., Jr.*
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Brooks, Morris E.*
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French, Timothy A.
Fritz, Gerald W.
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Gaffney William A.*
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Gilbert, Proctor J. Jr.*
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Hills, Norman A.*
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Hodson, Paul R.*
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Honeycutt, Anthony O.
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Joyce, William J., Jr.*
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Jurcheck, John C.
Kadlick, Richard M.
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Keller, David W.
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Kent, Melton T.
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Kerr, Thomas W.
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Kincheloe, James W.
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Kirkendall, James E., Jr.
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Koblitz, Ronald D.
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Long, Peter A. C.*
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Lundahl, David C.*
Lutes, Thomas E.
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Lyon, Edward T.
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MacNeill, Kent V. L.
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Madden, Jerome P.*
Mahew, William E., Jr.*
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Markley, Daniel C.
Marshall, Philip R.
Marshall, William M., Jr.
Martin, Frederick K.
Martin, Jack E.
Martin, James L.
Martin, Norman C.
Martin, Patrick G.
Martinson, Raymond F.
Martus, Michael F.
Marvel, Dennis C.
Marzetta, Dante R., II.*
Masterson, Frederick J.*
Maxwell, David G.
Mayer, Charles W., Jr.
Mayo, Richard W.
McBride, Lawrence C.
McCale, Virgil F.
McCallister, Michael A.
McCamy, William C., Jr.
McCann, Eugene D.
McCarthy, Vincent J.
McCarthy, William J., IV.*
McConnell, Michael C.
McCorkell, Thomas E.
McCormack, Jerry W.
McCray, Samuel E.
McCulloch, Edward A.
McCulloch, Van L.*
McDaniel, Garold S.*
McDermott, Donald G.
McDowell, Robert L.
McFearin, Allen L., Jr.*
McGouch, Charles R.
McGowan, James W.
McGrath, James M.
McHatton, James T.
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McIntyre, Samuel P.
McKinster, Raymond P.
McLain, Larry J.
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McLaughlin, John W.*
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McMahon, Austin C., Jr.
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McNab, John D.
McNaull, Michael J.
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Meek, Calvin L.*
Meier, Lyle D.
Merickel, Michael R.*
Merkel, Sherman J., Jr.*
Meslang, Curtis A.
Meyer, Francis D.
Meyers, William T.
Migrala, Walter M., Jr.
Milam, James A.
Millard, Warren J.*
Miller, Francis L.*
Miller, Richard A.
Miner, William A., III
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Mitchell, Theodore A.
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Mitschang, George W.
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Monagle, Daniel E.
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Monson, Randall C.*
Montgomery, Richard L.
Montgomery, Samuel A., III
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Moore, James W., III
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Morehead Robert G.*
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Moyers, Darryl R.
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Murphy, Arthur V.
Murphy, James L., III*
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Nabers, Wallace J.
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Scott, Richard T., Jr.*
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Scott, William N., Jr.
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Sheldon, John T.*
Sheldrick, Ralph C.*
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Swan, David A.
Sweeney, Orval L.
Swenson, Carl F.
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Tank, Arthur N.
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Taylor, James E.
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Texeira, Antone, Jr.
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Thompson, Jerry A.
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Walker, Charles H.*
Wallace, Ray A.
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Warner, Carl D.*
Warner, Michael D.*
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Watts, James A.
Webb, Richard A.
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White, Craig C. L.*
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Williams, Robert F.
Williams, Terrill D.
Williamson, Walter E., Jr.*
Wilson, James A.
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Wise, Cletus F.
Witt, Theodore C. W.*
Woda, Lawrence E.
Wolfe, Robert J.
Wolven, Bruce A.
Wolverton, Gilbert L.
Wood, Grover E.
Woodfill, William D.
Woods, Larry J.
Wooldridge, Francis R.
Work, Robert D.
Wright, David L.*
Wright, George G.*
Wrynn, John P.*
Wickoff, George T.
Wytsma, Johannes *
Yats, Alan W.
Yates, David E.
Ylitalo, Joe A.
Yockey, James W.
York, Gerald L.
York, Russell C.
Young, Gerald A.
Youngblood, Frederick L.
Zacharias, Merle J.
Ziller, Gay M., Jr.
Zuch, Ronald C.
Zukowsky, Walter C.

The following-named lieutenants of the U.S. Navy for temporary promotion to the grade of lieutenant commander in the various staff corps as indicated, pursuant to title 10, United States Code, section 5773, subject to qualification therefor as provided by law:

MEDICAL CORPS

Bumgarner, Robert L.
Herren, Adrian L.
Jacobs, Mark *
Riley, Terrence L.
Yeast, John D.

SUPPLY CORPS

Allison, Robert C.
Ames, Hugh D., III
Angelopoulos, Gary J.
Atkins, John W., III *
Averett, Gary L.
Baum, Christopher C.*
Becker, Christopher S.
Bidwell, Robert R.
Boardman, Henry P., Jr.
Brasher, Keaton C.
Brawley, Patrick W.
Bredemann, David L.
Bristol, Roger W.
Buteau, Paul J.
Chase, Kenneth R.
Cohen, Barry L.
Coker, James E.
Cooper, Raiford W., Jr.
Crow, Douglas R.
Curry, Merrill D.
Deck, Robert L.*
Demeritt, Christopher D.
Elgin, Richard
Evanoff, Richard A.*
Fackenthall, William C.
Farkas, James A.
Fitzgerald, Kenneth W.
Fronabarger, Jerry L.*
Fulton, Terry A.
Gallitz, Ronald J.
Garrett, George W.*
Greenberg, Joel M.
Griffiths, William D.
Griggs, Thomas G., III *
Grigson, Delbert Q.
Gunderson, Richard H.
Hallenbeck, Gerald T.*
Harr, David J.
Holtman, Bruce D.
Inouye, Clinton W.
Ippel, Terry A.
Jennings, Jay J.*
Johnson, Russell C.
Jordan, Larry J.*
Key, James M.*
Kirtley, Richard W.*
Knight, Walter C.
Krogh, Leslie A.
Larmee, Donald H., Jr.
Lowe, Richard C.
Luring, Gregory B.*
Malsack, Thomas J.
Mason, Charles R.
Mason, Richard H.
Mathews, Mayes D.
McCarthy, Frederick P., Jr.
McClain, John F., III
McKenna, James L.
Menendez, Ernest M., Jr.
Moore, Richard S., Jr.*
Nelson, Thomas R.*
Nemeth, John W.
Odachowski, Edward J., Jr.
Perkins, Robert M *
Phoenix, Edward A.
Ptacek, William J.
Quigley, Robert M., Jr.*
Rinne, Raymond C.
Ritter, Ronald K.
Robertson, James C.
Sager, Christopher P.
Schmitt, Nicholas J.
Schrum, Richard W.
Scudder, Stephen L.
Sever, Donald E., Jr.*
Smith, Douglas W.
Smith, Jay S.*
Snider, Stephen E.
Squires, Robert R.
Stallman, Donald J.
Sullivan Reed A.
Tabb, Donald C., Jr.*
Thomson, James E.*
Vance, Michael G.
Villers, James J.
Vroman, Richard D., Jr.
Walters, Melville J., III

CHAPLAIN CORPS

Bertrand, Victor E.
Friel, John F.
Gilbertson, Calvin L.
Hornsby, Benny J.
Marvin, Charles W.
Mennis, James F.
Naylor, Ronald J.
Pierce, Roger W.
Schutte, Thomas D.

CIVIL ENGINEER CORPS

Barrett, Gerard J.
Bell, Kenneth H.
Benroth, Barron R.
Binning, Cogal D., Jr.*
Corrigan, Phillip G.
Cullison, Geoffrey D.
Degon, Robert J.
Fennema, Robert J.
Frey, Michael L.*
Fulgham, James G.*
Gamble, Bobby G.
Giancola, Anthony R.
Goepfert, Eric R.
Holland, George W.*
Johannesmeyer, Charles A.
Johnston, Keith A.*

Jones, Frederick J.*
King, Jerry W.
Lewis, Howard M.
Loyacano, Joseph N.
Marshall, David W.
Marshall, Peter W.
Mohsberg, Sidney A., III*
Monroe, Gary E.*
Niece, William S.
Norris, Lowell R., III
Parker, Gregory A.
Pierson, William P.
Spillinger, Ralph S.
Stevenson, Herbert S.
Tyler, Raymond S.
Vernon, Jerry L.
Webb, Richard D.
Yeatts, Charles H.*

DENTAL CORPS

Brown, Orborn, III
Herscher, Carl D.
Hill, Augustyne V.
Vance, Kim H.

JUDGE ADVOCATE GENERAL'S CORPS

Banks, Stephen A.
Currivan, John D.
Epstein, Howard S.
Fessler, Edward A.
Glenn, Lawrence M.
Holz, George W.
Hoover, William D.
Kontras, Nicholas W.
Nelson, Edward D.
Smith, Glee S., III*
Turner, Thomas G.
Vinson, John C.*
Warner, Robert S., Jr.
West, David I.

MEDICAL SERVICE CORPS

Adler, Gary J.
Aitken, John R.
Andersen, Melvin E.
Armstrong, Carl A., Jr.
Aulls, John G.
Avriett, Lucinda L.
Bartlett, Jack W.
Bentley, William S.
Berry, Wayne H.
Bielawski, Jerome J.*
Blackford, James M.
Blaylock, James D.
Bolshazy, Robert S.
Braitsch, Ted A.
Bransford, Charles D.
Brown, David W.
Bruder, Paul T.
Campbell, Paul E.
Cannon, James R.
Casper, Allen V.
Chandler, Donald R.
Chappell, Wendell L.
Chegash, Thomas J.
Coleman, Loren M.
Cornejo, Hector
Cozart, William D., III
Davis, Gary T.
Donohue, Avon R., Jr.*
Dould, Philip E.
Duny, Marshall S.
Durfee, Paul J.
Ebersole, Richard W.
Edgerton, Owen L.
Edman, David C.
Eversmann, Donald F.
Finely, Clemeth W.
Flondarina, Melchor N.*
Ford, James D.
Foskey, Leslie T.
Fromm, Susan A.*
Fulton, Michael J.
Groves, Kenneth L.
Hanson, Eugene C.
Harrell, James H.
Haws, Virtus Paul Jr.
Hayes, Elbert C.
Hess, Stuart A.
Hicks, William M.
Iczkowski, Marcel D.
Irgens, Terry R.
Ishmael, Rex H.
Katzenmeyer, John J.
Kelley, Charles A.
Kellogg, William F.
Kern, Monte J.
Knodle, Edward M.
Lanerie, George R.
Legg, Robbert P.
Lekvold, William D.
Lewis, James S.
Marks, Richard C.
McCarty, James E., Jr.
McClannahan, William M. Jr.
McKinney, Arthur P.
McKinzie, Louis E.
McLaughlin, Judith S.*
Meaney, Maurice T.
Merkel, Frederick J.
Miller, Fenton C., Jr.
Mock, Leonard R.
Montgomery, Charles E
Mooers, Robert L.
Moyer, Kenneth E., Jr.
Nelson, Dennis P.
New, James C.
Newquist, Robert L.*
Norvell, Robert D.
Ohnemus, Francis W.
Olen, Eldor R.
Panas, Bruce R.
Parker, Cloyd J.
Pelphrey, James H.
Pittman, Sallee H.*
Prigmore, Marvin E.
Pulvermacher, Harold E.
Rayno, Robert H.
Reed, Paul J.
Roberson, Walter E.
Rush, Elvin D.
Sessions, Nathan M.
Shaffer, Kenneth W.
Shannon, Albert F.
Shannon, Richard H.*
Shea, Terence K.
Shepherd, Douglas
Shepherd, James E.
Sixsmith, Howard T. Jr.
Smith, Jerauld H.
Snyder, James E.
Solmen, James D.
Stemple, Tood R.
Stovall, Gary H.
Stratton, William F.
Straughn, William R.
Taylor, Robert B.
Thomas, Dennis M.
Thomas, Jerry A.
Truran, Paul F., Jr.
Vogl, Walter F.
Waldroupe, Derrel L.
Watkins, Osborne T., III*
Wenrick, David L.
White, Daniel E.
Wigle, Earl C.
Windham, George S.
Yates, Harold, Jr.

*Ad interim.

NURSE CORPS

Andrews, Susan A.
Bauer, Patricia A.
Borders, Vicky M.
Born, Karen R.
Bridges, Uriah
Burns, Rebecca K.
Caruso, Teresa
Cayere, Barbara M.
Christensen, Clark K.
Courtad, James G.
Cowie, Judith A.
Daniels, Luther O.
Dibiase, Renee R.
Eastland, Susan L.
Emerson, David K.*
Fitzsimmons, James W., III
Fondren, Dorthy E.
Greene, Doris M.
Hancock, Susan H.
Hinckley, Patricia R.
Holden, Beadie L.
Horvath, Mary M.
Lindsay, Sheila A.
Lochotzki, Kenneth J.*
Lovett, John R.
Mailander, Patricia M.
Martin, Karen J.*
Mattern, Diane S.
McKinney, Dawn L.
Miller, Daniel E.
Moran, Michael T.
Murphy, Pamela A.
Nelson, Roberta D.
Norman, Jane E.
Obrien, Barbara A.*
Pippin, Mary R.
Reese, Charles A.
Reiter, Rebecca
Riddle, Richard B.
Schlote, Karen K.
Shelatz, Gary T.
Smith, Kathleen A.
Sinnott, Mary K.
Sobkow, Roseanne
Southerland, Mary A.
Varner, Jeanette A.
Wright, Marcia R.

The following-named lieutenants of the U.S. Navy for permanent promotion to the grade of lieutenant commander in the line, pursuant to title 10, United States Code, section 5771, subject to qualification therefor as provided by law:

Beckhart, Sherry D. S.
Belling, Patricia J.
Bogard, Barbara J.
Brocik, Kathleen R.
Christensen, Willine E.
Coker, Barbara K.
Delaere, Lavonne K.
Dwyer, Pauline E.
Franzia, Mary L.
Greiner, Ann C.*
Hayes, Maryanne
Hill, Karen D.
Hintz, Beth M.
Johnson, Marsha A.
McMurchie, Pauline M.
Mullen, Virginia C.
Obrien, Kathleen M.*
Sheridan, Anna L.*
Vanfossen, Jane M.
Wilson, Lona B.
Wuest, Mary E.

The following-named lieutenants of the U.S. Navy for permanent promotion to the grade of lieutenant commander in the various staff corps as indicated, pursuant to title 10, United States Code, section 5773, subject to qualification therefor as provided by law:

SUPPLY CORPS

Firkins, Arlene L.
Hamman, Margaret F.

IN THE COAST GUARD

The following graduates of the Coast Guard Academy to be permanent commissioned officers in the Coast Guard in the grade of ensign:

William Marion Addington
John J. Allen
James Stephen Angert
Kenneth Walker Armstrong
Albert Lee Barco IV
Tony John Barrett
Frederick Edward Bartlett
Charles John Bernardini, Jr.
Robert Ian Bernstein
Richard Fredrick Beseler
Mark Richard Beskeen
Marc Alan Blanchard
Edward Arthur Blackadar, Jr.
William Michael Bocchino
Craig Arnest Bone
Arthur Michael Bonneau
Remer Gregory Boothe
John Spotswood Bowers
Kenneth Michael Bradford
Robert Stephen Branham
James Burd Brewster
H. Randall Brock
Alan Lewis Brown
Daniel Ray Brown
Anthony Buancore
Earl Alford Burns, Jr.
Richard Sean Burns
Michael Lee Butler
Roger Keith Butturini
Mark White Byrum, Jr.
William Raymond Cairns
Keith Duncan Cameron
Mark John Campbell
Steven Paul Carpenter
Michael William Carr
Edward Stannard Carroll
Philip E. Coletti
Harald Beardall Creech
Alvin Mike Crickard, Jr.
David Alan Davidson
William Thomas Davis II
Henry Charles Deens III
Vincent James Dicecco III
Randoph Owen Dodge
David Amos Dupont
Robert Mark Elsener
Steven Edward Fabian
Ronald Ryan Falkey
Michael David Farrell
William Kirby Farrell
Stephen Allen Fiedler
Wayne Alan Fisher
Richard Phillip Fornaseri
Ernest Wayne Fox
Michael Vincent Franchini
Zachary Anarqiros Frangos
William Lloyd Fry
Jeffrey Quentin Gamble
Peter J. Ganser
Guy Rondell Gerard
Roger David Gibson
David Thomas Glenn
Stephen Howard Goetchius
Robert Arthur Goetz
Thomas Gerald Gomes
Ramiro Gonzales
Gary Francis Greene
John David Griffith
Mark Angelo Grossetti
Richard Wayne Habib
James Bennett Hall
Arthur Leroy Halvorson
John Edmund Harrington
Scott E. Hartley
Richard James Hartnett
James Harton Hass IV
Daniel Frederick Haynes
Michael Dee Hazel
Glenn R. Herrmann
Phillip John Heyl
David L. Hiltibrand, Jr.
Ronald Bernard Hoffmann
Blaine Dale Horrocks
Dennis James Houghton
George Edward Howe
Barron Mark Hudiburgh
Dennis Jay Huehey
Perome Alan Iltis
Kevin Patrick Jarvis
Keith Gerald Johnson
Gregory Thomas Jones
Mark Edward Jones
Robert Christopher Jones
Wayne Edward Justice
Gary Ira Kahn
Ronald William Kaye
Joseph Barth Kolb
Michael Anthony Kraman
Pierre Smith Krouse
Kim Li Krzywicki
Michael Steven Kushla
Robin Karl Kutz
Gregory Alan La Chance
Robert Louis Lachowsky
Omar Theodore LaMoe III
John Patrick Lanigan, Jr.
James Glenn Law
Mark Layne
John Nicholas Leonard
Thomas Paul Leveille
David Thomas Levesque
Daniel Brandt Lloyd
Wayne Martin Lundy
John Richard Lynch
Jay Douglas Mahaffey
Edmundo Marmol
Joseph Bernard Martin IV
William Albert Mathus

Frank Nelson McCarthey
Timothy Moe McDonald
Terrence John McHugh
Robert Lee McLaughlin
Randal Kirk Meints
Edwin Russell Midgett, Jr.
Victor Joseph Mihal
John Charles Miko
Wade Alexander Mitchell
Theodore Paul Montgomery
Michael Ray Moore
Bruce Eugene Moreland
Robert James Morrison, Jr.
Elias James Moukawsher
Andrew T. Moynahan
Louis Nash
E. Darrell Nelson
John Charles Nelson
Joseph Lawrence Nimmich
Guy Raymond Nolan
Curtis Bernard Odom
Kevin Craig Olds
Robert Brian Olson
Robert James Onorato, Jr.
Robert James Palko
Alan Leslie Peek
David Peter Pekoske
Jeffrey Valenta Poston
Paul Conrad Potvin, Jr.
Michael Nelson Powers
Kenneth Steven Prime
Paul John Prince
Timothy Russell Quinton
Robert Joseph Quirk
Martin Joseph Rajk
Justin Hall Randall III
Thomas R. Rice
Paul Ames Richardson
Michael David Riley
David John Rimer
Richard Anthony Rita, Jr.
Eldon James Robison
Garry Bernard Rolsma
Donald Angus Ross
Burton Scott Russell
John Andrew Schott
Joseph Henry Schuck
Kevin Edward Schumacher
Raymond Edward Seebald
Peter Leslie Seidler II
Michael Phillip Selavka
Edward Donald Selle
Scott Raymond Settimo
Kenneth Shalik
Randall John Sharshan
William George Shultz
William Lorne Siegel
Albert Elliott Simmons, Jr.
Jeffrey Scott Smith
Thomas Walter Sparks
Joseph Wilfred St. Martin
John Kennedy Stout
Steven Robert Swanson
George Henry Teuton
Mark Paul Thomas
Jerry Kenneth Thorusen
Donald Burnell Trone, Jr.
Mark Randall Trump
Michael Lee VanHouten
Malcolm Craig Veley
Bruce Robert Voorheis
Lawrence Clark Vose
Dale Edward Walker
Richard Albert Walleshauser, Jr.
Gregory Gerald Warth
Jeffrey Peter Watry
Robert John Watson
William Russell Webster
Thomas Allen Wenzel
Gerald Ross Wheatley
Brian Scott White
Douglas D. Whitmer
Joseph Edward Wiggins
Stephen Lawrence Wilhelm
Michael Lawrence Williams
Donald Eugene Wilt II
George William Wood III
Max Muir Woodcock
Richard Paul Yatto
John Burton Young II
Paul Frederick Zukunft

The following regular officer of the U.S. Navy to be a permanent commissioned officer in the regular Coast Guard in the grade of lieutenant:

Steven W. Vagts

The following Reserve officers of the U.S. Coast Guard to be permanent commissioned officers in the Regular Coast Guard in the grades indicated:

Lieutenant

David J. Kantor	Nicholas E. Garcia
Kent W. Mathews	Donald S. Gilbert
Larry S. Craig	Douglas A. Lentsch
Charles H. Davis	Scott P. Cooper
William M. Riley	Gary L. Sonnenberg
Robert B. Hurwitt	Randall P. Parmentier
William F. Walker	

Lieutenant (junior grade)

Terrence L. Stagg	Kenneth D. Ekelund
Harry B. Webster	William M. Hayes
Gerald L. Lund	Edmund M. Tyler, Jr.
Gerald O. Robichaud	Harold D. Pittenger, Jr.
Ronald V. Larson	Robert F. Sandh, Jr.
Joseph B. Egan	Frederick V. Newman
Bruce A. Terrell	Larry L. Mizell
Woody L. Loveland	Harry E. Schultz, III
Leon D. Howell, Jr.	Wayne R. Hamilton
Thomas E. Behringer	Lewis J. Beach
Clifford I. Pearson	Jack D. Campbell
Marc W. Wolfson	Richard K. Softye
David B. Peterman	Jonathan S. Giantz
Scott W. Tiernan	William E. Bruce
Robert A. Jones	William M. Duncan
William R. Ashforth	Leonard R. Heller, Jr.
Thomas G. Landvogt	James M. Dennis
Joseph J. Kucinski	Bonnijill McGhee
David W. Kunkel	Paul T. Delaire
Michael P. Drzal	Robert G. Ausness
Ronald L. Nelson	Margaret R. Riley
David A. Riikonen	Daniel J. Zedan
Francis G. Barnett	William J. Emerson
Thomas G. Butler	
Gary A. Reiter	

EXTENSIONS OF REMARKS

FOREIGN POLICY ASPECTS OF A CHROME EMBARGO

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 1, 1977

Mr. HARRY F. BYRD, JR. Mr. President, there have been a number of recent editorials which have questioned the wisdom of reimposing an embargo on Rhodesian chrome. These editorials point to the weaknesses of the United States pursuing a negative foreign policy which would have the net effect of hardening the positions of the two sides to this dispute. In the Tampa Tribune of February 15, 1977, the point is made that such a punitive action as reimposing the embargo on chrome will "encourage the more radical African leaders to insist on the unconditional surrender of the white government of Prime Minister Ian Smith."

In a Miami Herald editorial of February 13 the point is made that cutting off our purchases of Rhodesian chrome will serve to harden the position of the Rhodesian Government. The Smith government will be more likely to come to the negotiating table with the United States "if its economy is still partly dependent on U.S. trade."

I ask unanimous consent that the text of these two editorials be printed in Extension of Remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Miami Herald, Feb. 13, 1977]

UNITED STATES IS IN A UNIQUE POSITION TO SOOTHE A TROUBLED AFRICA

Time is on the side of majority rule in Africa, and events of late have been on the side of improved U.S. relations with the black governments on that fractious continent.

U.N. Ambassador Andrew Young is making great strides in opening the doors to previously hostile regimes—at least apparently, which may be as important as reality at this stage. Impressions can be crucial when a fresh administration takes office, with new ideas.

African leaders are probably primed for cooperation. They have seen how callously most of their neighbors to the East ignored them when the OPEC cartel raised oil prices and undermined the fledgling economic growth of the Third World. Those Marxist regimes that once had faith in the Soviet bloc now know its cynicism.

Free of misconceptions that arose from the old Cold War competition, Africa's black nations are probably ready to make new alliances with those who can give them real help and not ideology.

Thus, Nigeria's quick shift from hostility to warmth toward the United States when Ambassador Young arrived to declare that his government wanted stronger economic and diplomatic ties. In the past, Nigerian leaders had distrusted U.S. offers to help negotiate a peaceful transition to black rule in Rhodesia, South Africa and Namibia—the native name for Southwest Africa. Now, the black governments can see a common benefit in ending the strife and averting war, a motive they can trust.

Diplomacy, however, is still the art of compromise and enlightened self-interest. For this reason, it would not be wise to push for a cutoff in chrome purchases from Rhodesia to force that nation's white government to negotiate, as has been proposed by Secretary of State Cyrus Vance.

Rhodesia will be more inclined to come to a conference table with the United States if its economy is still partly dependent on U.S. trade. If no income is at stake, the militants will have an even stronger hand; they can play on the bitterness of their supporters.

Ambassador Young is lining up support from the black leaders who had previously mistrusted all white governments. This could make the United States the only real bridge between the warring factions, but during the interim no doors should be slammed by hasty action for dramatic effect.

[From the Tampa Tribune, Feb. 15, 1977]

SQUEEZING RHODESIA FOR WHOSE BENEFIT?

The Carter Administration is enlarging the hypocrisy which has marked Washington's policy toward Rhodesia.

That hypocrisy dates back 10 years, to U.S. support for the action of the United Nations in declaring an economic boycott of Rhodesia. The boycott was based on a charge

that Rhodesia was "a threat to world peace." In fact, it posed no threat at all, except to the black nationalist movement which has spread chaos and Communism in much of Africa.

In 1971, Congress briefly faced reality. Finding that the boycott was forcing American industry to buy chrome from Russia at three times the Rhodesian price, Congress adopted the Byrd Amendment (sponsored by Senator Harry F. Byrd Jr. of Virginia) exempting strategic minerals such as chrome from the embargo.

Now the Carter Administration, through Secretary of State Cyrus Vance, is urging Congress to repeal the Byrd amendment.

Vance, testifying before a Senate committee, expressed great anguish at America's imports of the tainted Rhodesian chrome.

"We have acted," he said, "in violation of our own often proclaimed devotion to international law. . . . We have put ourselves at odds with the will of the international community . . ."

On the same day Mr. Vance exhibited such distress at the U.S. lack of fidelity to the United Nations' command, a committee of that very United Nations reported that Russia, East Germany, Rumania, Bulgaria and Czechoslovakia all were secretly trading with Rhodesia. These countries, of course, have been among the loudest in condemning the American imports of Rhodesian chrome.

The real purpose of the Administration's pressure upon Congress to repeal the Byrd Amendment is to help force Rhodesia into accepting "majority rule"—meaning a quick transfer of power from the present white government to one dominated by black nationalists.

So heavily are the odds stacked against Rhodesia—surrounded by black dictatorships, under attack by Communist-trained guerrillas and threatened by Fidel Castro's Cuban expeditionary force—that its government probably cannot survive for long.

The pity is that if it had received some understanding and aid from Britain and the United States a few years ago, instead of being treated as a pariah, Rhodesia today might be an example for multi-racial government in Africa. It was proceeding in that direction—and even today Rhodesian blacks are helping defend the country against the guerrilla assaults.

A negotiated settlement which would allow a gradual transition from minority to majority rule, while preserving the rights of the whites, might still be possible. But such punitive actions by the United States as a cutoff of chrome imports will simply encourage the more radical African leaders to insist on unconditional surrender of the white government of Prime Minister Ian Smith.

If the end result is the conversion of the formerly peaceful, productive and anti-Communist country into another Angola, Mozambique or Uganda, the Carter Administration will have cause to regret its contribution to the international strands of hypocrisy which strangled Rhodesia.

HOW ONE VETERAN VIEWS THE AMNESTY

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. FISHER. Mr. Speaker, I want to share with my colleagues the views on amnesty of a good friend of mine, Dr. Walter Donald Kring, minister of the Unitarian Church of All Souls in New York City. Whether one agrees entirely with Dr. Kring or not, his statement is worth pondering:

HOW ONE VETERAN VIEWS THE AMNESTY

I have been interested since President Carter pardoned the draft evaders of the Vietnam War to note that some of the leaders of the veterans' organizations and the military have stated that such a pardon will destroy military morale. As one leader put it, such an amnesty "shows a lack of concern for the 30 million living veterans who served our nation in time of war."

I am one of those veterans. I think the pardon was long overdue. I believe that the whole Vietnam mess teaches us the lesson that there had better be sufficiently clear causes for entering a war—something more than expediency or the tide of inevitable intervention. Before our leaders commit us they had better be certain that the people of the country will follow their leadership. Most of the people who led us into Vietnam are saying that in retrospect the whole intervention was a costly mistake. Why didn't they listen to those who were saying exactly these things at the time of the intervention? Many of these were the draft resisters.

I served in the last war in which our national security appeared to be threatened, the second World War. I served as a chaplain aboard an aircraft carried at Iwo Jima and Okinawa. I can tell you that loss of morale among the military occurs when there is no apparent meaning for what is being done. The meaninglessness of war was dramatically shown to our men when we were subject to kamikaze attacks by Japanese suicide pilots. Our men on the carrier could not understand the apparent insanity of becoming a human kamikaze bomb. As I wandered about the ship talking with the men, I realized that they understood nothing of the backgrounds of Japanese culture. So I announced one evening off Okinawa that I would give a talk on "The Mind of the Kamikaze" and would relate the suicide pilot's thinking to their religious backgrounds in Shintoism, Buddhism, and Confucianism. An aircraft carrier in wartime is not especially an intellectual place. So I was astounded when practically everyone aboard ship who was not on duty (1,200 men) showed up for the lecture. They wanted to understand, and when they understood there was no question of loyalty or loss of morale.

Loss of morale in the military service or in the nation will come about not because in an act of graciousness we pardon those who feel the strongest about the wrongness of war. In history necessarily after every war—especially the Civil War—there must be a pardon. Because the leaders involved us in a meaningless war and some of our young men were more far-sighted than they, are they to be banished as men without a country forever? As one of those thirty million veterans supposedly made irate by the presidential pardon, I am highly gratified. We need to bind up the wounds of our nation.

WALTER DONALD KRING.

SELECT COMMITTEE ON WELFARE REORGANIZATION

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. FRASER. Mr. Speaker, today I am introducing, along with 47 of my colleagues, a resolution to establish a Select Committee on Welfare Reorganization. The existing House committee structure disperses welfare policy over six different panels, frustrating comprehensive policy development. Such fragmentation is largely responsible for the crazy quilt of inconsistency found in current welfare policy. We should make certain that the mechanism which moves welfare reform through Congress prevents fragmentation from continuing to occur at the legislative level.

We believe a select committee is the most rational mechanism for Congress to use in an examination of welfare. Such a committee would not have legislative authority but exist for the purpose of coordinating the development of comprehensive welfare policy over the coming months.

The committee would have 19 members drawn from standing committees with jurisdictions over the various cash and in-kind welfare programs: Agriculture; Banking, Finance and Urban Affairs; Education and Labor; Interstate and Foreign Commerce; Veterans' Affairs; and Ways and Means. Each member would provide the Select Committee with their 'home' committee perspective, paving the way for an integrated welfare policy.

The functions of the Select Committee would be two-fold: first, to investigate and study any problems which exist in the interaction of present programs dealing with welfare benefits, including any problems which arise when an individual receives an increase in one benefit, and, as a result of such increase, suffers a loss or reduction of other benefits; and secondly, to review and coordinate review of President Carter's comprehensive welfare package and any other comprehensive welfare reform proposed to Congress.

The select committee would have first referral over welfare reform legislation, including hearings. A reorganization package would then be broken into segments for distribution to the appropriate standing committees. When the legislation is reported back to the select committee it would be put together into a coordinated package. The committee could then recommend amendments. A similar referral arrangement in the House has been proposed with regard to the administration's energy reorganization plan.

Our existing committee system makes it extremely difficult for Congress to deal with current welfare issues in a systematic way. We have no effective way of dealing with those issues that cut across existing committee lines. As a result, recipients who receive benefits from more than one Federal program often find themselves caught up in a confusing and contradictory set of regulations and standards.

When we look at the broader question of welfare reform, it is clear that the current committee system does not adequately serve our needs. How can we overhaul the AFDC program for example, without taking into consideration the health, job training and food stamp benefits that AFDC recipients may also receive? Each of these Federal benefit programs is under the jurisdiction of a separate congressional committee, and unless we can find some way for the various committees to come together, we could very well end up with a welfare reform plan that does little to overcome the fragmentation and administrative complexity of the current system.

We feel the select committee approach makes eminently good sense and urge our colleagues to examine it carefully in the interests of sound policymaking for our Nation's poor.

FLOODS AND OTHER NATURAL DISASTERS

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. BYRON. Mr. Speaker, today I am introducing two bills which will help citizens and small business cope with floods and other natural disasters.

The first of these bills would increase the limits on the amount of flood insurance which families and businesses are allowed to purchase. The residential limits would be increased from $35,000 to $100,000 and the coverage ceiling for small businesses would be raised from $100,000 to $500,000.

In many communities whose central business district may be subject to flooding, such as Frederick, Md., in my district, the restrictions on the amount of flood insurance protection a business is allowed to purchase may discourage businesses from locating, expanding, or remaining in these areas. My bill would alleviate that problem by raising the limits sufficiently to enable businesses to protect themselves adequately.

The second bill I am introducing would amend the Disaster Relief Act of 1974 to make the terms of disaster relief loans more favorable to the victims of the disasters. Prior to 1974, SBA disaster loans were extended at a 1-percent interest rate and a $5,000 forgiveness on the loan. The 1974 law eliminated the forgiveness provisions and raised the interest rate to what it is today—6⅝ percent. The bill I am introducing today would provide two options, either a 3-percent interest rate on the loan with a $2,500 forgiveness or a 1-percent interest rate with no forgiveness.

This bill is identical to S. 570, which was introduced by Senators MATHIAS and SARBANES. Since the changes in the disaster relief program in 1974, each of the 50 States has suffered at least one natural disaster. The 1974 changes have reduced the benefits of SBA disaster loans greatly, since the interest rate is now so high, and participation in the program by those who are eligible has been reduced.

Mr. Speaker, the victims of disasters suffer in many ways and I hope that Congress will act favorably on this legislation in order to extend Federal assistance to them in a much more helpful way.

I am also hopeful of positive action on the bill to increase flood insurance limits in order to enable families and businesses to adequately prepare themselves for floods by purchasing sufficient amounts of flood insurance.

The bills follow:

H.R. —

A bill to amend the National Flood Insurance Act of 1968 for the purpose for raising the limitations on the amounts of insurance which may be obtained under such Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1306(b) of the National Flood Insurance Act of 1968 is amended—

(1) by striking out "$35,000" and "$100,000" in paragraph (1)(A)(i) and inserting in lieu thereof "$100,000" and "$300,000", respectively;

(2) by striking out "$10,000" in paragraph (1)(A)(ii) and inserting in lieu thereof "$25,000";

(3) by striking out "$50,000" and "$150,000" in paragraph (1)(A)(iii) and inserting in lieu thereof "$115,000" and "$350,000", respectively;

(4) by striking out "$100,000" each time it appears in paragraph (1)(B) and inserting in lieu thereof "$500,000"; and

(5) by striking out "$100,000" each time it appears in paragraph (1)(C) and inserting in lieu thereof "$500,000".

H.R. —

A bill to amend the Disaster Relief Act of 1974

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title IV of the Disaster Relief Act of 1974 is amended by adding at the end thereof the following:

"DISASTER LOANS

"SEC. 420. Notwithstanding any other provision of law, the Administrator of the Small Business Administration or the Secretary of Agriculture, as the case may be, in the case of any loan which has been or is made with respect to a disaster occurring on or after April 20, 1973, under section 7(b)(1), (2), or (4) of the Small Business Act or under section 321 of the Consolidated Farm and Rural Development Act, at the decision of the borrower made within a reasonable time, determined by the Administrator and the Secretary, after being informed of the option available under this section, shall either—

"(1) cancel the outstanding principal not exceeding $2,500, of the loan, and set the interest rate to be paid on any unpaid and uncancelled balance of the loan at 3 percent per annum; or

"(2) set the interest rate to be paid on any unpaid balance of the loan at 1 percent per annum.".

"REGULATORS" BLAMED FOR NATURAL GAS WOES

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. GRASSLEY. Mr. Speaker, even though temperatures in certain parts of the United States have moderated in recent weeks we should not conclude that the natural gas shortage is or soon will be a thing of the past. The administration's Emergency Natural Gas Act of 1977 is not the solution for a problem caused by Federal interference in the operation of the marketplace. I would like to bring to the attention of my colleagues a column which appeared in the February 25, Des Moines Register:

"REGULATORS" BLAMED FOR NATURAL GAS WOES

(By William Safire)

Who's to blame for the natural gas shortage?

Behind the scenes of what President Carter called at his press conference Wednesday "a conglomeration of confusion in the energy field," the scapegoat has already been chosen: the big oil and gas companies, which have supposedly been "holding back" gas for nefarious reasons.

In the Congress, hearings are under way this week, with investigations launched and mimeo machines readied for the grand, coordinated fixing-of-the-blame.

In the Interior Department, Secretary Cecil Andrus has taken as his key investigator one David Schwartz, a former Federal Power Commission bureaucrat and Ted Kennedy aide, who has testified for oil and gas production on federal lands by a government corporation. His presence guarantees that the "investigation" will arrive at its pre-ordained conclusion: blaming private enterprise.

It's all a cover-up. The people who are to blame for the present shortage of the cleanest and most efficient fuel of all are the regulators themselves. They thought they could protect the consumer by breaking the law of supply and demand, and as a result, have made a classic case against government intervention.

BARGAIN

In 1954, the Warren Court, with Justice William Douglas dissenting, made it possible for Congress to set the price of natural gas sold interstate. Vote-conscious congressmen promptly made it the cheapest fuel available.

Bargain-hunters converted to gas heat. Consumer advocates glowed with pride, and federal regulators appeared to be the consumer's friend.

The only trouble was that the profit motive was removed from the gas business. Investors became unwilling to put capital into the search for new sources of natural gas.

As night follows day, the demand rose and the supply did not keep pace. By not letting the market set the price, the regulators encouraged the consumer to waste the cheap fuel and discouraged the investor from finding new sources.

That voter-pleasing low price not only removed the user's incentive to conserve natural gas, but it effectively knocked out the coal industry, to the delight of the environmentalists. When the oil price quadrupled, we found ourselves all regulated up with no place to go for other forms of energy. Coal was "dirty" and discredited, while clean gas was enmeshed in price controls that discouraged exploration.

In this severe winter, the frozen chickens came home to roost. Never before have we had as dramatic an example of the folly of intrusion into the marketplace by well-meaning regulators.

The congressmen most to blame for the natural gas shortage are Representatives John Moss (Dem., Calif.), John Dingell (Dem., Mich.), Harley Staggers (Dem., W. Va.), and Senator Fritz Hollings (Dem., S.C.).

Have these regulation-loving gentlemen felt the heat from people who feel no heat? Evidently not; Dingell staggers while Staggers dingells. Not one has the honesty to say: "The deregulators were right and I was wrong. We should deregulate 'new' gas right away, to stimulate exploration. Since 'new' and 'old' gas is mixed, prices will thus gradually rise to their natural levels."

This object lesson has not caused any born-again free-marketers to testify on the Senate floor: "I was blind but now I see. The most democratic way to get people to conserve energy is to make waste personally costly. The most democratic way to protect

the consumer is to encourage free competition, letting capital see a profit by fulfilling demand."

No; not one lonely do-gooder has the grace to point with rue to the wisdom of Justice Douglas in his dissent; he warned at the start that natural gas regulation "involved considerations of which we know very little, and with which we are not competent to deal."

REGULATION GASBAGS

On the contrary, the gasbags of regulation have learned nothing and are looking for scapegoats. At taxpayer's expense, they will probe for lobbies and lobby for probes, diverting attention from their dismal record by hinting at conspiracies to hold back production by anti-consumer fatcats.

There's no mystery about why production is not booming: The regulators have made it stupid to produce gas. With little profit in gas, there will be little gas. By letting the marketplace work, we would get different types of fuel at competitive prices.

If you have been one of the more than one million workers thrown out of a job this winter by the gas shortage; if anyone in your family has suffered illness from lack of gas heat; or if your child has lost irreplaceable education time from school closings, then you have a right to be angry.

But be angry at the real villains: the Washington-knows-best congressmen, the self-anointed consumer "protectors," and the regulatory bureaucracy. They all thought they could do better than the free market system, but their wrongheaded philosophy brought about the unnatural shortage of natural gas.

SIGHT OBSERVATION WEEK

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. PICKLE. Mr. Speaker, as a member of Lions International, as a former district governor of Lions International, and as a member of the Founders Club of Austin, Tex., I hope many people will take note of Sight Observation Week and White Cane Days.

This means that it is the time of year when we re-think, re-dedicate, and double our efforts to preserve sight and to be assistants, not helpers, to those who have lost sight.

In 1925, Miss Helen Keller challenged the Lions Clubs of the world to become "Knights of the Blind." The Lions Clubs accepted the challenge and ever since have pursued sight conservation. All across the world, individual Lions make this their main activity beyond their family and work.

I place in the RECORD some reports on the work for sight conservation in observance of this week:

LIONS HAVE CHOSEN SIGHT SERVICE!

In 1925 a challenge was laid down to the Lions Clubs of the world which has led to the development of one of Lionism's greatest areas of service. It was on the occasion of the 7th annual convention of the burgeoning Association of Lions Clubs at Cedar Point, Ohio. Principal speaker was Miss Helen Keller, famous blind, deaf and speechless personage of the time. She called her sightlessness her greatest handicap, and Lions left that meeting determined to serve the sight needs of their communities, henceforth.

Shortly thereafter, Lion George Bonham, President of the Peoria, Illinois, Club proposed that blind persons carry a white cane tipped with red, as evidence of their inability to see. This is now universally acknowledged as a signal that the bearer is blind. Statutes of many states have added legal authority to this general acceptance. And, by custom, throughout the United States and in many foreign countries, people in big cities and tiny hamlets pause to befriend the one who uses a White Cane.

Lions Clubs have found many means of service to express their concern for those with impaired sight. Sometimes it is deeds and sometimes it is dollars. But always Lions are serving the unsighted. This is because each club finds the serving that best suits its abilities and its community. It takes interest and ingenuity to find jobs, however. And to carry them out requires enthusiasm and dedication. . . . and money. Of the last, millions of dollars are being raised each year the White Cane way to make the Sight Serving of hundreds of clubs more effective.

Austin boasts of having the oldest Lions Club in the world, The Founder Lions Club as it is now called. It is father, grandfather, or great-grandfather of many of the clubs of Central Texas and it is 61 years old, having been organized in 1916, which was one year before the organization of Lions International. 29 Clubs formed the International organization in 1917 and of the 29 there were 12 Texas Clubs. Today there are over 30,000 Lions Clubs in 149 countries and geographic territories of the world and these clubs boast over 1,200,000 members. That is a vast organization for "Sight Conservation Week" and "White Cane Day"!

These two designated periods, "Sight Conservation Week" and "White Cane Days", form the great central core of Lions Clubs activity. How do they work? Lions go to the public with White-Cane replica lapel emblems proclaiming "Lions-White-Cane-Day" and requesting contributions of money for continued Sight Conservation work. The response is always good, because the results of "Sight Activity" have become well known.

For example central Texas now has a Lions Eye Bank—The Lions District 2-S3 Eye Bank. It is headquartered in the SETON MEDICAL CENTER at 1201 West 38th St. in Austin, and covers activity in the 21 counties of Lions District 2-S3 which is made up of 96 clubs and is the largest district in number of clubs on the North American Continent.

The Eye-Banks of Texas are mainly Lions Clubs Eye-Banks and they belong to the Texas Eye Bank Association and in turn the American Association of Eye Banks. Emergency need for eye Cornea transplants can occur any where in the country and any Eye-Bank with the availability can meet the need.

Transplants are of course performed by ophthalmologists, Lions Eye Banks form the gathering system.

The Eye-Banks were very active in forming the legislative effort for the enactment of the law creating a registration system of Organ Donors through the Texas Driver License Division of the Department of Public Safety of the state of Texas. The same law exists in many states now. All Drivers Licenses renewed since 1976 in Texas have a provision on the back side for a witnessed declaration of donation intention of the Holder of the License. This way the desire of the donor is most certain to become known upon death.

The eleven Lions Clubs of Austin will be active throughout the city of Austin during "White-Cane-Days". Your gifts will find use in Eyeglasses for children who could not otherwise purchase them, in additional equipment for the Eye Bank and Eye Bank activity, in sight conservation work and rehabilition effort with adult blind throughout the year through the Lions camp for crippled children at Kerrville, Texas, which camp has become world renowned among the 150 Lion nations of the world. The camp also rehabilitates diabetic children (Diabetes is a great cause of sight impairment) and trains them, as it does partially-sighted and blind children, to orient to society and become more capable of self-determination.

Space will not permit full account of all the kinds of Lions Clubs activity in sight conservation, and that is only one of the Lions' areas of service to mankind. The Lions international motto is "We serve," so won't you be sure to contribute when you see the "White-Cane-Day" activity where ever you may go during "Sight Conservation Week." The President of the United States by law decreed annually proclaims the 1st week in March as "Sight Conservation Week" and the Governor of Texas proclaims Texas Lions Eye-Bank Week. This year the Lions of Texas are requesting Governor Dolph Briscoe to proclaim the 1st week of March "Sight Conservation Week" and "White-Cane-Days." The same proclamation is being requested of the Mayors of all Lion Club cities in District 2-S3 of Texas and especially of Mayor Jeffrey Friedman of Austin, the Capital City.

As all citizens participate in Lion Sight Conservation they may be sure that they are helping to give "The Gift of Sight!" Won't you personally be sure to help, whoever you are or where ever you are. If you miss a "White-Cane-Days" opportunity you may mail your contribution to: Lions Eye Bank, P.O. Box 495, Austin, Tex. 78767; and your contribution to this non-profit humanitarian effort is tax deductible. The proceeds go to Lion activity 100 percent, the effort and promotion is donated by Lions Clubs and friends of Lions Clubs.

LOCAL EFFORT BRINGS RESULTS

Some very heart-warming revelations occur in work with sight saving activity. For example the young accountant who can now see and can continue in his profession because of a cornea transplant. When he was asked about the importance to him of the transplant he said, "You don't see many blind accountants".

The Dental Technician who can pursue her work because she is a recipient of a cornea transplant. Some one some where gave so others could see, and many in many places gave time, effort, expert knowledge, and money to make it all possible. Lions helped to put it together.

One person who before the transplant could only discern light, after a cornea transplant on Friday could read the cafeteria menu on Saturday. This experience is astonishing to us, but what do you suppose it is like for the recipient who can only discern light from dark before a transplant but can read a menu the following day!

Young children or parents may not know of a vision defect, only that a child is not as capable as it should be, but upon testing the child is found to be lacking in vision and hence the difficulty exists. Many times correction is readily furnished by able parents, but some times help is necessary in buying glasses or in further testing and outfitting. Lions come in to do that job when they are called upon and when they have been able to supply the money through service activity like "Sight Conservation Week" and "White Cane Days". Please help with your contribution, and make a commitment on your Drivers License with your witnessed declaration. "You Can Give The Gift of Sight!"

Incidentally, these references are to actual Austin cases of which there are many more.

PONTIAC'S COMPREHENSIVE CRIME PREVENTION PROGRAM—1977 UPDATE

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. BROOMFIELD. Mr. Speaker, at a time when crime and the dramatically

escalating crime rate have become major concerns to the citizens of our country, the city of Pontiac, in my district in Michigan, has been winning its war on crime.

Pontiac has experienced its third successful year of reducing its crime rate through its comprehensive crime prevention program. In the 3 years of this program, Pontiac drove down the rate of crimes against persons by 32 percent. In its downtown section, the decrease for the 3 year period was an even more impressive 38 percent.

Pontiac's comprehensive crime prevention program is the product of the hard work of professional consultants, city staff, and interested citizens. They all deserve to be highly congratulated.

This program is also an excellent example of positive cooperation between the Federal and local governments for this crime prevention program is supported, in part, by the Law Enforcement Assistance Administration. As Pontiac's mayor, Wallace E. Holland, has said:

At a time when legislators and citizens, alike, are concerned over the effectiveness of federal spending programs, it is especially important to point to areas where programs funded in part by the federal government have had a highly positive impact.

Mr. Speaker, I am including, with these comments, the report of the Citizen Communications Division of the city of Pontiac and two articles from the Oakland Press on the Pontiac program. The report of the Citizen Communications Division presents a fine synopsis of the crime prevention program as well as new directions that the program will take. I commend this reading to my colleagues and to all who are concerned about winning the war on crime!

PONTIAC'S COMPREHENSIVE CRIME PREVENTION PROGRAM—1977 UPDATE

[Prepared by the City of Pontiac Citizen Communication Division, February 1977]

For the third consecutive year, Mayor Wallace E. Holland has been able to announce a downturn in crime under Pontiac, Michigan's, Comprehensive Crime Prevention Program.

On top of an 11 per cent drop in overall crime in 1976 came an even more impressive decrease in crimes against persons—murder, rape, robbery and aggravated assault—of 32 per cent over the three years of the crime-fighting effort.

In Pontiac's downtown section, too, crime took a beating, with a 1976 decrease of 15 per cent coming on the heels of a 1975 decrease of 38 per cent.

Accounting for these phenomenal successes is an "umbrella" approach to crime prevention that recognizes that crime is not the result of a single factor . . . and that effective crime prevention cannot be realized with isolated tactics. The central theme running through Pontiac's approach has been to present as broad a front against crime as possible and to probe as many crime-producing factors as money and manpower will permit.

A large measure of credit must go to the Federal Law Enforcement Assistance Administration, which has funded many of Pontiac's crime prevention programs to the tune of $2 million since the city's coordinated effort began in late 1973.

The big crime prevention push arose out of an effort by a special city manager's task force, which developed 10 project areas, including the establishment of a permanent citizens crime prevention advisory committee to continue the work of the task force.

A major product of the task force's work was the reorganization and reallocation of resources within the Pontiac Police Department under the leadership of Police Chief William K. Hanger. Platoon strength was realigned to correspond to call-load volumes, with response time to priority calls being slashed from about 15 minutes to under five minutes. Special "directed patrols" were established and, using fresh crime data developed by the planning and analysis unit, these effectively moved into high-crime areas to bring about a turnaround in both violent and property crimes.

Other project areas moved on by the city were:

School outreach program, established to foster positive interaction between the police and elementary and secondary school students; police officers have assumed counselor roles in schools to further improve these relations;

Building security program, designed to provide advice and recommendations to individual citizens and to businesses on how to make their structures secure from robberies and burglaries;

Neighborhood Citizens Watch program to supplement regular police patrols in residential areas by providing for volunteer "citizen watches" to report crimes or suspicious circumstances to police;

Street lighting improvement program to reduce potential criminal acts in locations where conventional street lighting is inadequate for crime detection;

Court administration reorganization program designed to improve and facilitate the activities of the 50th District Court;

Improved court probation program to provide meaningful probationary services to persons convicted of crimes in Pontiac; and

A silent observor program to elicit information from citizens with knowledge of the identities of crime perpetrators, through a system of monetary rewards.

With crime against persons now under control, police department efforts have turned to the area of property crimes reduction, 1976 crime figures reflected some initial success in this area, with a 26 per cent reduction in burglaries. In 1977, police expect to make headway on larcenies, the hardest of the property crimes to control.

The citizens advisory committee, meanwhile, will be focusing their attention on juveniles who come to the attention of criminal justice system.

[From the Oakland (Mich.) Press, Feb. 10, 1977]

PONTIAC SHOWS HOW TO WIN CRIME BATTLE

(By Neil Munro)

Time after time, Americans call crime the Number One national problem.

It is easy to understand why. More than three times as many crimes are committed now in a year as were committed in a year less than a generation ago.

Crime is making our larger older cities close to unliveable. Sample just this statistic. A boy born in Detroit today, and who stays in Detroit for the rest of his life, has a greater chance of being murdered than an infantryman had of dying in combat in World War II.

Now is that unliveable, or isn't it?

And in recent years so-called experts have tended to throw up their hands in despair at ever making significant progress in combating crime; short of tearing up the Bill of Rights.

But there is light at the end of the tunnel and you can see it shining very brightly in Pontiac, Michigan, the county seat of Oakland County.

In the last four years the rate of violent crime in Pontiac has been slashed by one third!

And Pontiac is not some quiet suburb. It is a big, old industrial city whose unemployment rate still hovers in the neighborhood of 20 per cent. About half its citizens are not high school graduates. Overall, Pontiac residents are among the poorest financially in the county.

Yet the crime rate keeps falling. In 1973 there were 37 murders. There were only nine in 1976.

There were 84 reported forcible rapes in 1973, compared with 57 in 1976.

The number of robberies dropped from 677 to 480 in that same period and aggravated assault cases declined from 1,196 to 807 last year.

Only larcenies have increased—by 29 per cent—in that time. And larcenies are our least threatening crimes. A larceny, for example, is stealing a tape deck from an unlocked car.

But robberies, rapes, murders are terribly threatening. They involve people and fear and pain and death.

Why has crime declined in Pontiac? It has declined because Pontiac especially its police department, has used federal crime-fighting money and used it very wisely.

More policemen are on the force, but, and more important, their time is being used more effectively. They can respond to crime reports more rapidly, they can put their patrols where they count.

It all proves that money can help solve problems; when it is in the right hands.

It proves that American cities do not have to be the helpless victims of crime.

It proves that Americans do have the know-how to solve their Number One problem.

And all that has been proven in Pontiac, Michigan.

Jimmy Carter, take note.

[From the Oakland (Mich.) Press, Feb. 9, 1977]

'76 PONTIAC CRIME DOWN 11 PERCENT FROM '75 LEVELS

(By Larry Good)

PONTIAC.—For the second straight year, the city's major crime rate dropped during 1976, going down 11 per cent from 1975 levels.

Proud city officials revealed the statistics at a press conference this morning. The numbers indicate a dramatic turnaround for a city that had the fourth highest crime rate in the country for cities under 100,000 in 1973.

Compared with 1973, violent crimes had dropped 32 per cent by 1976. Violent crimes include murder, rape, robbery and aggravated assault.

Murder has taken the biggest plunge since 1973's record 37, falling steadily to 1976's 9, a 75 per cent drop.

Police Chief William K. Hanger credits an intensive federally funded crime prevention program for the improvements since 1973. The federal Law Enforcement Assistance Administration (LEAA) has pumped more than $2 million into Pontiac since 1973, with a new $433,000 grant announced just last week.

The crime rate is computed from seven categories, the four types of violent crimes and such property crimes as burglary, larceny and auto theft.

The crime prevention program has included sweeping changes in police operations along with a drug abuse program court improvements, youth programs and citizens patrolling.

The biggest changes have been in the police department, where the city has used LEAA-funded positions and studies to vastly improve patrolling and investigative techniques.

Specific improvements have included establishment of a planning and analysis unit

to watch trends, directed and preventive patrols, and procedures to halve police response time to calls.

The new LEAA aid is aimed at improving communications between patrol officers and detectives, while also beefing up the directed patrols which concentrate on high-crime areas.

It will also set up a task force centering on reducing burglaries and larcenies. Hanger said the department's goal is to reduce these property crimes by 15 per cent, while increasing the arrest rate by 10 per cent.

Property crimes have not dropped as dramatically as violent ones have since 1973, although they fell off 11 per cent from 1975 to 1976. Over the four years, they have increased 4.8 per cent.

The one category that has steadily risen since the 1973 overall "peak" is larcency, not counting motor vehicles. Larcenies are up 29 per cent from 1973–1976 and up 2 per cent in 1976 from 1975.

A special point of pride for city officials is the drop in downtown crime. Crime inside Wide Track Drive has been nearly halved in two years.

The 1976 rate downtown is 15 per cent below the 1975 figures. The two-year drop totals 47 per cent.

PONTIAC CRIME SUMMARY—1973–76

	1973	1974	1975	1976	Percent change 1975–76	Percent change 1973–76
Murder and nonnegligent manslaughter	37	28	18	9	−50.0	−75.6
Forcible rape	84	85	48	57	+18.0	−32.0
Robbery	677	523	533	480	−10.0	−29.0
Aggravated assault	1,196	1,125	914	807	−12.0	−32.5
Total crimes against persons	1,994	1,761	1,513	1,353	−10.5	−32.0
Burglary	2,887	3,388	3,255	2,423	−26.0	−16.0
Larceny—theft	3,279	4,028	4,173	4,255	+2.0	+29.0
Motor vehicle theft	714	614	693	522	−25.0	−26.8
Total crimes against property	6,870	8,030	8,121	7,200	−11.0	+4.8
Total crime index crimes	8,864	9,792	9,634	8,553	−11.0	−3.5
Total calls for service	63,604	68,911	70,468	74,837	+6.0	+17.6

WHY ARE HOSPITAL COSTS SO HIGH?

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. WALSH. Mr. Speaker, few of us can afford, literally, to be ill these days, especially when it involves a stay in a health care institution. Rising hospital costs constitute an increasingly alarming problem; yet, many of us do not know its cause.

Mr. William J. Watt, assistant administrator/comptroller of St. Joseph's Hospital Health Center located in Syracuse, N.Y., has put together what I consider an excellent analysis of the problem. Mr. Watt's familiarity with hospital costs began in 1967 when he assumed the position of comptroller of the University Hospital, Upstate Medical Center, in Syracuse, N.Y., and he has been in this business ever since.

I am confident all of us will find this gentleman's comments to be both informative and helpful, and I am pleased to insert it in the RECORD:

WHY ARE HOSPITAL COSTS SO HIGH?

Why are hospital costs so high? In plain layman language, why are costs so high? You, the public, ask that question every day. Let me try to answer.

You probably have a favorite grocery store at which you do your weekly family grocery shopping. Let us impose some changes to the way that store operates.

First, we will create several different "authorities" each of whom has control over our store.

Next, these authorities will establish some mandatory rules under which the grocery store must operate:

1. The store must record and report each year the number of cans of peas sold, by brand, by customer age, and by employer of the customer. For example: report sales of "Green Giant" peas to General Electric employed customers by age groups 1 to 5, 6 to 16, 17 to 21, etc. The same for "Green Giant" pea sales to customers employed by Chrysler Motors and so on. Next, the store will report "Libby" peas. We will require this report on not only peas, but for each and every product sold.

2. The store must certify in writing that each customer "needs" groceries before permitting him/her to enter the store.

3. The store must have a "committee" to establish a shopping "time limit" for each customer as he/she walks in the door. Any customer permitted to shop longer than the pre-established time limit, my not be required to pay for groceries. The store must keep records of this by customer.

4. The store must keep a record by name of time customer entered store, items purchased, amount paid by item, name of stock boy who placed each item on the shelf, time of customer departure from store and name of store employee who carried the groceries out.

5. The store must obtain approval of the "authorities" before adding or deleting any product or specific brand of product.

6. The store manager must have Master's Degree in Marketing.

7. Periodically, the store will be required to determine and report "race" of each customer in store during a particular day.

8. The store must keep records and report the following to our authorities:

a. Total number of customers served; broken down by employer.

b. Total minutes of customer shopping.

c. Number of customers who used shopping carts.

d. Number of customers who did not.

e. Number of customers who bought meat and nothing else.

f. Number of customers who bought bread and nothing else.

g. Number of customers who bought milk and nothing else.

h. Number of customers who bought bread and meat.

i. Number who bought bread and meat.

j. Number who bought meat and milk.

k. Number of customers who came in for one item only but who bought two or more.

l. Number who went directly to left side of store upon entering.

m. Number who went directly to right side of store upon entering.

n. Number who sauntered down the middle aisle.

9. Let us now mandate that the store "give away" fifty thousand dollars worth of groceries each year. In fact, let us force the Store Manager to post signs in three languages, telling customers that he is required to do this; and again, records must be maintained by customer on free groceries given away under this plan, as well as records on those denied.

10. Next, let's require that for one half of its customers, the store cannot set prices. Instead, our authority will determine how much the customer may be charged. Better yet, we will tell the manager that these customers may be charged no more this year than last year prices—regardless of how much more the store must pay for the items, and regardless of how much our new regulations have added to operating costs. After all, the store can double its price increases to the other one half to make up any loss.

11. For that half of the customer, let us also require that the store cannot collect from the customer for groceries sold. Rather, the store must bill the customer's employer. Better yet, we will mandate that the store must first write to the employer for "permission" to bill, then it may bill upon receipt of permission. In the meantime, the store may not attempt to collect from the customer for groceries received.

12. Naturally, we will establish that the store is to be "fined" if it refuses to report the data we have outlined or if its records are not totally accurate.

13. For topping, the store must hire an independent accountant to certify the accuracy of data reported under our regulations.

14. To wrap things up, let's make the store manager responsible for planning each customer's meals. If he errs in judging what is best for a family—sue, sue, sue.

15. But, let's not stop here just because you and I have exhausted our ideas. Why not add more people to each of the authorities. They will probably invent new controls and regulations to show they are earning their pay.

16. Finally—why are grocery costs now so high? In plain layman language, why are they so high?

It sounds ridiculous to apply such criteria to a grocery store, doesn't it? But, believe it or not, hospitals are mandated by several "authorities" to report countless statistical data and are bound to many, many rules—not unlike those we have dreamed up for our grocery stores. Some examples of this are:

1. Report monthly and annual days of inpatient care, by age group, by services (medical, surgical, etc.) by type of financial coverage.

2. Report outpatient visits in a similar fashion.

3. Likewise for Emergency Room visits.

4. Report total annual minutes of anaesthesia administered.

5. Count and report number of x-ray exams.

6. Count and report number of films used in these x-ray exams.

7. Report number of births for year.

8. Report number of children served.

9. Report number of physical therapy treatments.

10. Report number of blood transfusions.

11. Number of outpatients admitted as inpatients.

12. We must give a certain amount of "charity care" each year and have multilingual signs posted telling our patients this charity is available.

13. Report operations by number and type of operation.

14. Reimbursement rates are established by outside "authorities" for more than half of total patients. Such rates are usually less than cost of care, so we charge higher fees to the remaining half to make up the deficit.

15. We must obtain a signed certificate as to need for hospitalization.

16. We must establish a "time limit" for hospital stay at time of hospitalization. An insurance clerk may declare an "overstay" and refuse to pay.

17. We must seek "permission" to bill an outside third party for more than half of our patients.

18. We must maintain detailed records of services provided, by date and by individual providing the service.

19. We must periodically determine and report the "race" of each patient treated during a given day.

These are but a few of the many requirements we are told that you, the public, demand of hospitals today. They sound ridiculous when applied to a grocery store. And you can easily imagine the increased cost of groceries if the criteria were so mandated. Now do you know why hospital costs are so high?

WILLIAM J. WATT.

WHAT AMERICA MEANS TO ME

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mrs. LLOYD of Tennessee. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its Ladies Auxiliary conduct a Voice of Democracy contest with five national scholarships being awarded as top prizes. I insert in the RECORD the winning speech from the State of Tennessee as delivered by Jeffery B. Lockman, a 12th grade student at Hixson High School, Hixson, Tenn.:

WHAT AMERICA MEANS TO ME

The question is asked: What does America mean to me? This is a question that I cannot avoid. Today it seems that a man must have a reason to do the things he does. So why America? Why not live in another country? To say that I like it here would be flippant, for I have never traveled outside this country's boundaries. To say that just because I was born here, I therefore ought to stay would be blind duty. To say that I do not know what America means to me would show me to have a passive attitude about my country and therefore, render me prey to seemingly logical ideas which actually seek to obliterate the basic principles on which this country was founded.

To me, America does not mean simply a well formed government; it is not public buildings where laws are made and judged; it is not advanced communications systems which link one ocean with another. Although these things have helped make America great, they are not America. To me, America means people. . . . People who are bound together by the same ideas and principles which have existed in the mind of man for centuries. . . . Principles for which men have fought and died, and if necessary, will continue to fight and die.

What are these principles? What causes bind human beings together and enable them to throw off oppressive systems of government and carve out of an unexplored wilderness, a nation that is so great that it ranks among the greatest of all time? One of these causes is justice . . . not justice that is distorted by prejudice, hate, and greed; but justice that seeks to know the truth and make sound decisions based upon that truth.

Another American principle is peace. . . . Peace that stands erect in a world where injustice and bloodshed seem to have become the norms. When was the last time you and your family lived in absolute fear of your home being destroyed in a time of war? Not since the Civil War has military conflict occurred within the continental boundaries of the United States. We in America can stand proud that our leaders have not waited for trouble to strike here before taking action. When we were threatened elsewhere, we stopped the trouble there.

But still, the question remains: What does America mean to me? I can quote history and cite facts as easily as the next man; but that still does not express what my country means to me personally. Let me express my feelings about America, my homeland:

America is waking up in the morning, knowing that no man can take away the freedoms which I enjoyed yesterday; knowing that I have chosen the work which I will do that day; and having the security of knowing that even though I may work for a private company, I am contributing to a financial system that will benefit not only myself, but others as well.

America is a promise . . . A promise that I will be given an equal chance at life; because even though my talents may not be as numerous as another man's I may equal or excel his abilities by ambition and hard work.

America is an environment in which freedom lives and breathes . . . An environment that is suitable for the growth of young men and women who will be tomorrow's leaders . . . Leaders who will stir up men's imaginations and inspire them to do the impossible, and do it with eagerness.

America is the foundation of my liberty. I depend upon her for freedom, justice, and peace. God forbid that the day should come when "Old Glory" no longer waves proudly in the breeze. For on that day my spirit will have been vandalized and my heart assaulted.

America: A dream built by men, a reality of today, a hope for tomorrow. For 200 years she has stood firm, and with God's help, always will.

WHAT AMERICA MEANS TO ME

HON. JERRY HUCKABY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. HUCKABY. Mr. Speaker, I commend to my colleagues an inspirational essay on "What America Means to Me," by Philip Michael Kinkaid of Oak Grove, La.

This essay, which displays an excellent appreciation of the accomplishments and potential of the United States, was judged the best Louisiana entry in the Voice of Democracy scholarship program sponsored by the Veterans of Foreign Wars.

The essay follows:

WHAT AMERICA MEANS TO ME

(By Philip Michael Kinkaid)

America—at the threshold of her third century!

Those words convey promise, hope, dreams to be fulfilled, a better future, a better way of life. They signal the start of something new—the beginning of an era, a time to look forward to with anticipation and hope and celebration . . . but they also speak of something old—a traditioned, cherished way of life; a sacred belief in the individual; and inalienable right to "life, liberty, and the pursuit of happiness"; a time-honored, much-sought-after goal called the American Dream, that men and women have struggled for, and fought for, and sometimes even died for, that their sons and daughters might live to see its promises realized, its covenant fulfilled.

What does America mean to me? It means the ideas and beliefs of 1776 that live today, still relevant, still essential for today's world. It means a nation of good land and good people who have forged a privileged and progressive existence into being. It means a coast-to-coast, Great Lakes-to-Rio Grande melting pot, an amalgam of peoples and customs and folkways and tongues from all over the world, drawn to a nation which says, "Give me your tired, your poor, your huddled masses yearning to breathe free." It means: freedom, that intangible quality so seldom recognized, so often taken for granted—the freedom to think and believe as one wishes to; the freedom to worship or not to worship, to agree or to dissent, to accept or to challenge.

To me, America is the freedom to pledge allegiance, not out of obligation or duty or coercion, but because the words have a meaning, a special meaning that only an American can understand. America is: fireworks and excitement and a celebration of living. America is: a very special, very sacred concept called equality, conceived of by men and women who dared to propose that all people are created equal by their creator and should remain equal in the eyes of their government. America is: a flag—an old, cherished, honored symbol of America wherever it flies—a living reminder of the great history of a great nation; of valiant soldiers who gave their lives that that nation might be free, and grow, and prosper—a flag that speaks of valor, and dedication, and unselfish devotion—a flag that has been hallowed and consecrated a thousand times over by the blood of martyrs and patriots—a flag that has seen kingdoms fall and empires topple, but which still waves over a nation that, for 200 years, has been a bastion of freedom and democracy, a shining example for the people of the world.

But, perhaps most of all, America is a heritage; a heritage of ideas and thoughts and concepts, of great men and great deeds, of remembrances of things past and promises of things to be—challenges and goals and aspirations fulfilled, and others yet to be.

America to me is—all of these things, but much more. It is an intangible thing that defies description, a spirit shared by Americans everywhere, a part of their birthright, their heritage—a part of them.

Perhaps it is best termed a covenant—a covenant with the generations, with the ages . . . a sacred trust of the peoples who inhabit this land . . . a promise to their children that this nation shall continue to grow and prosper and remain "the land of the free and the home of the brave."

CUBAN POLITICAL PRISONER HUBER MATOS SHOULD BE FREED

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. McDONALD. Mr. Speaker, last month I circulated a "Dear Colleague" letter on behalf of Huber Matos, a true political prisoner in Cuba. Today, I am sending this letter, on behalf of Matos,

together with 100 signatures of Members of the House to Fidel Castro.

As some Members may recall, the Government of Chile, in November 1976, made an offer to exchange the Russian dissident Vladimir Bukovsky for Luis Corvalan, secretary general of the Communist Party of Chile, who was then in prison. This offer was accepted by the Soviet Union and Corvalan, looking none the worse for his experience, arrived to be wined and dined in Moscow ever since. Bukovsky arrived pale and worn from his incarcerations. And, after a short recuperation period he is now in the United States where he recently testified before a House committee.

In the same offer, the Government of Chile offered to exchange the Chilean Communist Party leader, Jorge Montes, for the Cuban prisoner, Huber Matos. Fidel Castro has never responded to this offer. By means of the letter being sent today, it is hoped he will be prodded into reacting. In my view, this should be the litmus test of his intentions. Many persons are suggesting that we now "normalize" our relations with Communist Cuba. Huber Matos was Castro's military commander in Camaguey Province and perhaps one of his ablest officers. His only sin was to speak out against the communization of Cuba. Matos has been in jail since 1959 and is, reportedly, in very poor health. Therefore, if Castro will release Matos, then there may be hope of his releasing the Americans he holds in prison. These number 25, 8 of whom are considered political prisoners. Time will tell.

The letter and a list of the signers follow:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 28, 1977.

President FIDEL CASTRO,
Havana, Cuba

Dear Mr. President: Since November of last year, you have had a standing offer from the Government of Chile to exchange Chilean Communist Party leader, Mr. Jorge Montes, for Mr. Huber Matos, one of the men who used to be a trusted Lieutenant of yours.

It appears that his only sin and the only reason he is still in prison is that he objected to communizing Cuba. It would seem to the undersigned that he has paid for that sin, if indeed that is a crime, and in the name of humanitarianism, he should now be released.

Your serious attention to this letter and the Chilean offer are earnestly solicited.

Sincerely,

Larry P. McDonald, James M. Collins, Robert J. Lagomarsino, Parren J. Mitchell, Stephen L. Neal, Edward J. Derwinski, Herman Badillo, Patricia Schroeder, Thomas J. Downey, Richard L. Ottinger, Ken Holland, Robin L. Beard, Bill Lee Evans, Richard H. Ichord.

Dan Daniel, Stephen J. Solarz, Jack Brinkley, W. Henson Moore, Marjorie S. Holt, Robert E. Bauman, Mickey Edwards, Robert K. Dornan, Millicent Fenwick, Floyd J. Fithian, W. G. Hefner, Marilyn Lloyd, John M. Ashbrook, Bob Carr, Joe D. Waggonner, Jr., Bill Nichols, Harold E. Ford, Charles E. Grassley, Steven D. Symms, Gene Taylor, William Dickinson, Floyd Spence, G. William Whitehurst, and Carlos Moorhead.

Robert W. Daniel, Jr., G. V. Montgomery, Jim Lloyd, Gene Snyder, Keith G. Sebelius, John H. Rousselot, Tennyson Guyer, Jack F. Kemp, William M. Ketchum, James G. Martin, Richard Kelly, George Hansen, Harold Runnels, Thomas N. Kindness, Margaret M. Heckler, Gladys Noon Spellman, Clifford Allen, Joe Skubitz, Philip M. Crane, Tim Lee Carter, W. R. Poage, Samuel S. Stratton, Tom Hagedorn, and David C. Treen.

Carroll Hubbard, Jr., Gillis W. Long, Richard Nolan, Jerome A. Ambro, James R. Jones, Bob Stump. Charles Whitley, Charles J. Carney, David E. Satterfield, Omar Burleson, J. Kenneth Robinson, George M. O'Brien, William A. Steiger, Virginia Smith, Larry Pressler, Clair W. Burgener, Del Clawson, Larry Winn, Jr., and Charles Thone.

John D. Dingell, Robert E. Badham, Eldon Rudd, Berkley Bedell, Norman Y. Mineta, Bo Ginn, Dale E. Kildee, Philip R. Sharp, David R. Bowen, Barbara Jordan, Henry J. Hyde, Paul Findley, Walter Flowers, Thad Cochran, Samuel L. Devine, Paul S. Trible, Jr., James H. Quillen, Bud Shuster, and Elliott H. Levitas.

THE DIRECT POPULAR ELECTION OF THE PRESIDENT

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. FITHIAN. Mr. Speaker, in the last 20 years it has become increasingly evident that reform of the electoral college is needed. The direct popular election of the President is long overdue. In 1948, 1968, and 1976, third party candidates threatened to throw the election into the House of Representatives.

In supporting Senate Joint Resolution 1, Prof. Kenneth Kofmehl, a distinguished scholar of political science at Purdue University, recently testified before the Senate Judiciary Subcommittee on Constitutional Amendments. For the benefit of my colleagues, I request that Professor Kofmehl's thought-provoking testimony be reprinted in the RECORD. It is as follows:

STATEMENT OF KENNETH KOFMEHL, PROFESSOR OF POLITICAL SCIENCE, PURDUE UNIVERSITY

It is indeed a privilege to participate in your hearings on presidential election reform. This undertaking, in my opinion, is even more important now than previously because the consequences of a misfire in the electoral college could be more damaging now than in times past and because there appears to be less widespread public concern about this danger than in 1969–70 when Congress last dealt with the problem.

In recent years, the resignations of a Vice President and President in disgrace, other revelations of corruption in high office, and growing public frustration with apparent unresponsiveness of government have seriously shaken faith in our public institutions. As many have observed, a shift of less than 3,687 popular votes in Hawaii and 5,559 in Ohio would have given a majority of the electoral votes to Gerald Ford, who had 1.7 million fewer popular votes than Jimmy Carter. Had this occurred—especially as a result of a "deliberate shopping for electoral votes" which was at least contemplated according to testimony by Senator Dole before this Subcommittee ten days ago—the legitimacy of our political system could very well have been irreparably damaged.

Despite this close call, the third such since 1960 caused in part by the efforts of minor party candidates to exploit the potentialities for mischief in the electoral college system, the general public does not seem nearly as aroused about the danger as eight years ago. To some extent this may have resulted from differential perceptions of the threat in 1968 and in 1976. The possibility that George Wallace might throw the election into the House of Representatives or even determine which major party candidate won in 1968 stimulated a much greater outpouring of books, articles, and commentary in the mass media than the likelihood that Gene McCarthy might help deny election to the winner of the popular vote in 1976. More importantly, part of this indifference may derive from vigorous efforts made since 1969 to impugn direct popular election of the President, the only alternative to the present system that would ensure victory to the popular vote winner.

There are numerous fallacies in the principal arguments advanced by participants in this endeavor. Frequently they have indulged in transparent projection, attributing defects of the electoral college system to the direct popular election process. An excellent example of this is their contention that direct election would encourage voting fraud and necessitate time-consuming and costly recounts. Quite the contrary, the temptation and likelihood of success for such fraud is much greater under the present system where stealing but a few thousand votes in a state or two could suffice to throw a large enough bloc of electoral votes to determine the outcome. For instance, in 1976, it would have been much easier to record fraudulently less than ten thousand votes in Hawaii and Ohio than to steal the 1.7 million votes necessary to reverse the nationwide popular verdict. Under direct popular election, votes would still be tabulated and reported on a state-by-state basis. Hence, any accusations of fraudulent behavior in particular counties could just as readily be checked by localized recounts as now.

An even more flagrant example of such projection is their argument that the electoral college is a bulwark of our two-party system and that instituting a direct popular vote for President would encourage its disintegration. Examination of presidential elections since World War II indicates that is not true. Starting with the splinter parties of Strom Thurmond and Henry Wallace in the 1948 compaign and continuing with slates of unpledged electors in 1960, George Wallace's party in 1968, and Gene McCarthy's independent presidential candidacy in 1976, there has been a succession of serious efforts to throw the election into the House or to cause the outcome of the major party contests to be different than they otherwise would have been. The electoral college system invites such fragmentation because a rather small minor party that is geographically concentrated can harvest a significant number of electoral votes.

In 1948 with but 2.4 per cent of the popular vote, Strom Thurmond won 39 electoral votes. A shift of less than 9,000 votes in California and 17,000 in Illinois would have denied either major party candidate a majority of the electoral votes. In 1968 with 13.5 per cent of the popular vote, George Wallace garnered 46 electoral votes. If there

had been a total change of less than 42,000 votes in Alaska, New Jersey, and Missouri, Nixon would not have had a majority in the electoral college. In neither of these elections was the minor party popular vote large enough to deny both major party candidates a 40 per cent plurality no matter how close the race between them.

In 1976 Gene McCarthy would have had to receive over three times the 751,728 votes he got (which was less than 1 percent of the total) all at Carter's expense to be able to reverse the popular vote decision. Yet by taking a total of only 23,182 more votes in Ohio and Wisconsin from Carter, McCarthy would have ensured Ford a majority of the electoral votes.

Under direct popular election of the President, the factor many political scientists believe is primarily responsible for maintaining our two-party system would remain in full force: election of the chief executive and members of Congress by plurality votes from single member districts. Moreover, this is reinforced by the federal campaign reform act, which favors the two major parties in its provisions for public financing of elections; state laws that prohibit dual nominations; the organization of Congress by the two major parties; and numerous other considerations.

A plausible argument advanced by opponents of direct popular election is that the electoral college system affords vital protection for disadvantaged minorities. In fact, there was substantial validity in it as applied to one such minority—blacks—until a few years ago. When blacks wer extensively disenfranchised in Southern states, there was justification for the extra voting power enjoyed by blacks located in large pivotal non-Southern states as a necessary compensation. In the 1950's less than a quarter of the blacks in Southern states were exercising their franchise. Even by 1960, the proportion of voting age nonwhites registered to vote in Mississippi was a mere 6.1 per cent; in Alabama, 13.7 per cent; in Virginia, 23 per cent; and the average for eleven Southern states was only 26.5 per cent. Now, however, successful implementation of the civil rights laws of 1960 and 1964 and the Voting Rights Act of 1965 has dramatically altered the situation. In the eleven states of the old Confederacy, the number of registered black voters jumped by 750,000 between 1962 and 1964. And 938,000 more blacks were added to the registration rolls in the next four years. Expressed in percentages, by 1964, the proportion of voting age blacks reported to be registered in these eleven Southern states averaged 43.3 per cent and by 1968 had risen to 62 per cent. The gains in the states which had been most successful in keeping blacks from the polls were even more spectacular. Between 1964 and 1968, the proportion of voting age blacks registered to vote in Alabama increased from 23 per cent to 56.7 per cent and in Mississippi from only 6.7 per cent to 59.4 per cent. And of those who were registered to vote in the South, a slightly higher proportion of blacks than of whites reported that they had voted in 1968. Southern blacks maintained this level of turnout in the November 1972 election.[1] And the potency of black votes in Southern states was resoundingly demonstrated in the 1976 presidential election. Hence, this argument no longer applies with much force to blacks.

[1] Congressional Quarterly, *Revolution in Civil Rights*, 4th ed. (June, 1968), pp. 114–115; *ibid., Weekly Report*, XXVI, No. 44 (Nov. 1, 1968), p. 3058; U.S. Bureau of the Census, Current Population Reports, Series P–20, No. 192, "Voting and Registration in the Election of November 1968," (1969); *ibid.*, No. 253, "Voting and Registration in the Election of November 1972," (1973).

Solicitude for minority interests should be adequately achieved by the dynamics of building majorities. In most cases, there is no preexisting majority, but one has to be aggregated. On any issue, opposing sides try to attract a sufficient number of minority groupings to constitute a majority. In this endeavor, special attention is devoted to cohesive minorities whatever their composition—ethnic, religious, or other.

Time and space do not permit complete exposition of all the false premises in arguments advanced by opponents of direct popular election for the President. Also, in closing, I would like to accentuate the positive and shift from rebutting criticisms to stressing virtues of this reform. Its adoption should impart new vitality to our entire political system. For many years, there has been concern about the large percentage of chronic nonvoters in the U.S. electorate. It is much higher than in other Western democracies. A contributing factor has been a sense of futility among members of the opposition in states dominated by one party. At present, their votes for a presidential candidate are discarded at an intermediate stage in calculating the electoral votes. With the advent of direct popular election, votes wherever cast would count in the totals. Besides helping overcome individual voter apathy, this should stimulate each major party to extend its efforts into the strongholds of the other. The resultant spread of competitiveness between the major parties into all parts of the country should significantly strengthen our two-party system.

Direct election of the President would undergird the vital separation of powers feature of our political system. According to James Madison in The Federalist Papers, separation of powers involves not only setting up separate branches of government but also having them responsive to different constituencies; that is, the people voting in different combinations. Direct popular election accords closely with this principle. The President would be elected, as many now believe him to be, from a nationwide constituency; Senators, on a statewide basis; the Representatives from districts. In this connection, at the Constitutional Convention of 1787, James Madison, James Wilson, Gouverneur Morris, and several other prominent Founding Fathers expressed the view that direct election of the President by the people would be the best method. It did not prevail then primarily because of conditions that have long since ceased to exist.

For these reasons, which are only a few of the more salient that could be cited, I strongly urge this Subcommittee to report out favorably S.J. Res. 1 "proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States." In my opinion, it is best of the proposals currently under consideration and deserves approval in its present form.

CHAIRMAN SAM M. GIBBONS ANNOUNCES OVERSIGHT SUBCOMMITTEE HEARING ON IRS AUDIT PROCEDURES

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. GIBBONS. Mr. Speaker, as chairman of the Ways and Means Oversight Subcommittee, I announce a hearing scheduled for March 4, 1977, to obtain the Internal Revenue Service's response to recommendations made by the GAO and the Administrative Conference concerning IRS audit procedures.

The morning hearing will begin at 8:30 a.m. on Friday, March 4, 1977, in the Ways and Means Committee hearing room on the first floor of the Longworth House Office Building. Witnesses will include the Assistant Commissioner for Compliance (IRC) and the Chief of the Audit Division (IRS).

THE SENATE SHOULD NOT CONFIRM PAUL WARNKE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. McDONALD. Mr. Speaker, the Senate vote on the nomination of Paul Warnke to be head of the Disarmament Agency and U.S. Representative to the SALT talks is expected to take place some time next week. There is strong opposition in the Senate to his confirmation. If Warnke does not get at least two-thirds of the Senate vote this would be an indication that the Senate might not ratify the kind of SALT agreement that Warnke would negotiate.

On February 28, 1977, I presented a statement to the Senate Armed Services Committee in opposition to the Warnke nomination. The main points that I made were:

First. There is a serious possibility of conflict of interest in Warnke's service as a registered agent of the Government of Algeria in 1975 when he testified before the Senate Foreign Relations Committee in opposition to American commitments regarding the Sinai disengagement of Israeli and Egyptian forces. Algeria opposed the position of Egypt and other moderate Arab States. Warnke did not indicate to the committee that he was registered as an agent of Algeria and was not simply an American citizen expressing his views.

Second. Warnke has been given considerable propaganda support by the Soviet Union, other Communist governments, and the Communist Party, U.S.A. in an attempt to aid him in his desire to be confirmed. It does not seem sensible to me to have as our representative in negotiations with the Communists, a person who is so conciliatory toward them. In contract negotiations neither labor nor management would send in a negotiator so susceptible to the other sides arguments. The last thing we need are "sweetheart contracts" with the Soviet Union to the detriment of the American people.

Third. Warnke showed a lack of concern for the protection of highly classified documents. It was "his" copy of the Pentagon Papers that were stolen by Daniel Ellsburg. Warnke had placed them in the possession of the Rand Corp. for no apparent reason other than that since he was leaving the Government he

took with him classified documents that he might find a use for in the future. Theodore Sorensen's problem with the Senate stemmed from the same concept.

Fourth. Warnke remains a member of the advisory board of the Center for Defense Information, a group which has consistently opposed development of American defense systems and support for countries facing Communist aggression and subversion.

Fifth. As has been pointed out many times, Warnke himself has been a consistent opponent of the development of defensive weapons systems for the United States.

The following is the text of my statement to the Senate Armed Services Committee:

TESTIMONY OF REPRESENTATIVE LARRY P. MCDONALD BEFORE THE SENATE ARMED SERVICES COMMITTEE, FEBRUARY 28, 1977, CONFIRMATION HEARING OF PAUL C. WARNKE

Mr. Chairman, Members of the Senate Armed Services Committee, thank you for this opportunity to testify on the Paul Warnke controversy.

Other witnesses have already amply documented Mr Warnke's long advocacy of unilateral disarmament. It is clear from the evidence that Paul Warnke is opposed to our development of defensive weapons systems, now as in the past, he is prepared to leave us in a weakened condition in the face of an increasing Soviet conventional and nuclear threat. This remains true in spite of the hedging and equivocation which he has indulged in, while trying to obtain Senate confirmation.

Mr. Warnke remains on the advisory board of the Center for Defense Information (CDI). While Mr. Warnke has been on the board, CDI has pressed for drastic reductions in our commitment to NATO, closing down our bases in Spain, the Philippines, and the Caribbean; ceasing development of new defense systems, particularly the cruise missile, the B-1 bomber, and the Trident submarine. CDI has also advocated an end to American aid and defense commitments to any friendly, non-Communist country whose civil-liberties standards are not as high as might be desired. However, at the same time, CDI has supported recognition of the new Communist regimes in Southeast Asia and Africa which do not offer a shred of civil liberties. To such regimes, we are supposed to extend trade credits and other benefits.

As more and more evidence has been presented, exposing the threat Mr. Warnke's views and attitudes pose to our national security, attacks from the Soviet bloc and their supporters in our country on those who are responsibly debating this nomination increased.

On February 8th an official Hungarian radio station, broadcasting in English (Budapest, MTI, 1000, GMT, 8 Feb. 77) said of the proceedings of our United States Senate, "The hunt is going on for Warnke now but they want to 'kill' a much bigger game than him: They want to frustrate the very central idea of the U.S. President's foreign policy, the idea which says that an agreement should be reached with the Soviet Union and an agreement on the quantity at least of strategic armaments."

The following day the same radio station quoted the Washington correspondent of the official Hungarian Communist Party daily newspaper, NEPSZABADSAG, as supporting Warnke.

On February 11th Moscow's daily newspaper, *Izvestiya*, in a dispatch from Washington, characterized hearings of the Senate Foreign Relations Committee as a "Captious (sic) interrogation in which the Senators have seemed to want to catch out the future U.S. representative . . . in some kind of sin."

Izvestiya continues:

"Using the methods of tattletales and slanderers which were recently employed in the struggle against the candidacy of T. Sorensen, who had been nominated by Carter for the CIA directorship . . .

"The 'hawks' also recall that during the Vietnam War Warnke called for a curtailment of hostilities and a halt to the bombing of North Vietnam. He is also blamed for criticizing the excessive growth of military expenditure.

"On the eve of the Foreign Relations Committee hearings the Senate Democratic leader B. Byrd admitted that there were 'problems' with the Warnke nomination. In violation of established practice members of the Senate Armed Services Committee demanded that Warnke be interrogated . . .

"All this led to the supercharging of the tense atmosphere on Capitol Hill. However, President Carter announced that he had complete faith in Warnke and considered his appointment of extreme importance for the administration."

By February 16th Tim Wheeler, Washington correspondent for the Daily World, a national official of the CPUSA and a leading member of that party in Maryland, reported in hysterically inaccurate terms on the activities of those opposing Mr. Warnke. Mr. Wheeler referred to "thick packets of hate literature smearing Paul C. Warnke on the eve of the Senate vote . . ." which were distributed "to news media bureaus in the National Press Building."

I have seen that packet which consisted primarily of quotes from Mr. Warnke's writings. I do not believe that Warnke's statements can be characterized as hate literature except in the sense that he appears to hate any weapons system necessary to our national defense.

On February 17th the ultra-left attracted some respectable support around the Warnke issue. On that date, the aged former governor of New York, Averill Harriman, was persuaded to join with Richard Barnet of the Institute for Policy Studies, a Washington-based Marxist think-tank, in attacking those who dared to oppose the Warnke nomination.

Mr. Barnet has a long record in seeking to destroy our defense capability. He is a founder and co-director of the Instiute for Policy Studies in the early 1960s. Barnet was the deputy director for political research of the U.S. Arms Control and Disarmament Agency; an activist with the Lawyers Committee on American Policy toward Vietnam formed by several "Old Left" members of the National Emergency Civil Liberties Committee, a Communist Party, U.S.A. from, Barnet traveled to Hanoi for the Lawyers Committee in 1969 where Hanoi Radio quoted him as saying, "the message we would bring back with us is the message that the Vietnamese will continue to fight against the aggressors, *the same aggressors that we will continue to fight in our own country . . .*" Barnet has been working closely with Admiral LaRocque of the Center for Defense Information in studies of U.S. atomic capability.

Considerable coverage of this event was carried by the Daily World and by Tass. It was interesting to note that despite the Daily World having Mr. Wheeler present at the meeting they were scooped by Tass which carried the story on the 18th with the Daily World trailing a day later.

According to Tass, Richard Barnet denied the so-called "Russian menace" and called absurd "allegations that the USSR is making 'plans of aggression' against Western Europe and the USA."

One matter that has not previously been raised is the possible conflict of interest involved in Warnke's registration as an agent of the government of Algeria. As you know Algeria has played a major role in support of international terrorist activities, particularly those on behalf of the Palestinian cause.

On October 6, 1975, Warnke appeared before the Senate Foreign Relations Committee to testify in opposition to American commitments to establish an early warning system in the Sinai. As a result of those commitments both Egypt and Israel disengaged their forces and substantially reduced tensions. Warnke said in his prepared statement,

"I think it is essential that the Congress not create any misunderstanding as to the price the United States will pay for future progress toward peace in the Middle East. The current Sinai disengagement agreement, though important, is nonetheless only a small step toward a final solution. There remain virtually untouched the even more vexing questions as to the Golan Heights, Palestinian rights and the status of the holy places in Jerusalem. We should not under these circumstances, obligate ourselves to pay vastly and indefinitely for this relatively minor concession on the part of Israel and of Egypt." (Hearing, Early Warning System Sinai, p. 55)

He further urged limitation of American armaments to the Middle East without discussing the Soviet role in accelerating the Middle East arms race. Many Americans including myself may agree with most or all of Mr. Warnke's position on the Middle East. However, on March 26, 1975, Paul Warnke signed a foreign agents registration statement submitted to the United States Department of Justice in which he registered as a paid agent of the government of Algeria in his capacity as a general partner in the law firm of Clifford, Warnke, Glass, McIlwain & Finney. In October of 1975, while he was testifying before the Senate Foreign Relations Committee, he made no mention of the fact that he was the registered agent of and a recipient of funds from a government that has played an extremely disruptive role in the area under discussion by the committee, a government using Soviet arms to support terrorism and increase tension in the Middle East.

I believe, Mr. Chairman, that Mr. Warnke should be thoroughly questioned about the possible conflict of interest in this matter.

Another matter of great importance has been Mr. Warnke's lack of concern for the protection of highly classified documents. Mr. Warnke has admitted that it was "his" copy of the Pentagon Papers which was stolen by Daniel Ellsberg and which was in Soviet hands prior to the New York Times publication.

Although Mr. Warnke maintains that the security precautions were adequate, he did not explain why it was necessary to place a set of the documents in the custody of the Rand Corporation in the first place. A copy was available at the Pentagon to anyone with the proper authorization to examine it. According to Mr. Warnke's answer to Senator Church at the February 8, 1977, hearing of the Senate Foreign Relations Committee, he placed the documents in the custody of the Rand Corporation, "because of the fact that I did not have classified storage facilities of my own, and I was putting some of my own private papers in that same facility at that point."

Warnke was treating these highly classified papers, some of which contained communications intelligence information and other very sensitive material as if they were his property. It was not long ago that the Senate made clear its lack of confidence in Theodore Sorensen who had much the same attitude.

If Paul Warnke is confirmed by the United States Senate it will be a signal to the World that the United States does not intend to remain militarily strong so that we can de-

fend both ourselves and our allies. I urge the members of the Senate to vote against his confirmation and give the opposite message to our allies and to the World.

A PRESIDENTIAL MESSAGE ON ENERGY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. BROWN of California. Mr. Speaker, I take this time to bring to my colleagues attention a major Presidential energy message which has received far too little consideration.

In this message to Congress the President recommended sweeping policy and legislative changes "necessary to carry forward a broad national program for the prudent utilization and conservation of the Nation's energy resources."

The Presidential message described the problem as follows:

Our energy resources are not inexhaustible, yet we are permitting waste in their use and production. In some instances, to achieve apparent economies today future generations will be forced to carry the burden of unnecessarily high costs and to substitute inferior fuels for particular purposes. National policies concerning these vital resources must recognize the availability of all of them; the location of each with respect to its markets; the costs of transporting them; the technological developments which will increase the efficiency of their production and use; the use of the lower grade coals; and the relationships between the increased use of energy and the general economic development of the country.

In the past the Federal Government and the States have undertaken various measures to conserve our heritage in these resources. In general, however, each of these efforts has been directed toward the problems in a single field: Toward the protection of the public interest in the power of flowing water in the Nation's rivers; toward the relief of economic and human distress in the mining of coal; or toward the correction of demoralizing and wasteful practices and conditions in the industries producing oil and natural gas. It is time now to take a larger view: To recognize—more fully than has been possible or perhaps needful in the past—that each of our great natural resources of energy affects the others.

Mr. Speaker, few of us would disagree with these words. They are reasonable and reasoned. Unfortunately, it is easier to propose than it is to implement a national energy policy and program. The reality of this statement is forced upon us when one considers that the Presidential energy message cited above was made by Franklin Delano Roosevelt on February 15, 1939.

Our newest President has made the establishment of a national energy policy and program a major part of his administration. For this, I enthusiastically commend him. It will not be an easy job, nor will it proceed without mistakes. The fact that similar goals were expressed by another President nearly 40 years ago should humble us all.

Mr. Speaker, because of the continued relevance of the report by the Energy Resources Committee of the National Resources Committee, which was transmitted to the Congress by President Roosevelt in 1939, I ask to insert the findings and recommendations in the RECORD at this time.

The material follows:

ENERGY RESOURCES AND NATIONAL POLICY
FINDINGS AND RECOMMENDATIONS

(By the National Resources Committee, 1939)

Coal, oil, natural gas, and water power are the principal sources from which we have obtained the fuel and the electric energy for the heat, light, and power essential to our industrial civilization. In recent years the conservation of these great natural resources, their orderly development, their readiness in case of need for the national defense, and the preservation in economic health of the industries that make them available have become matters of national concern. We have realized that the abundance provided for our use by nature will not last forever; we are beginning to realize that the welfare of millions of our people is bound up in these great industries.

In the past the Federal Government and the States have undertaken various measures in order to conserve and to assure the wise use of these resources. In general, however, each of these efforts has been directed toward the problems in a single field: toward the protection of the public interest in the power of flowing water in the Nation's rivers; toward the relief of economic and human distress in the mining of coal; or toward the correction of the demoralizing and wasteful practices and conditions in the industries producing oil and natural gas. It is time now to take a larger view, to recognize more fully than has been possible in the past that each of these energy resources affects the others, and that the diversity of problems affecting them and their interlocking relationships require the careful weighing of conflicting interests and points of view.

COAL

Our coal reserves have been estimated at approximately 3,000 billion net tons, more than half this total representing low-grade bituminous coal and lignite. Total production to date has been about 23 billion net tons, the 1937 output amounting to a little under one-half billion tons. Almost 70 percent of our total reserve lies in the semiarid plains or in the Rocky Mountains, far from centers of population and industry. About 85 percent of present production is from the 30 percent of our reserves east of the Mississippi River.

The coal industry of the United States has suffered depression since 1923. This depression has been more acute in the anthracite than in the bituminous coal industry in recent years. As the deposits of anthracite are virtually confined to Pennsylvania, the difficulties of that industry have commonly been thought of as a State rather than as a national problem. This view may prove short-sighted, but thus far experience in Federal regulation—except for the period of the World War—has concerned only the bituminous industry. The following discussion, therefore, will be limited to bituminous coal.

The problems of the bituminous industry are not new. They go back to the sheer abundance of the underground reserves, and to the scattering of titles to those reserves among scores of thousands of owners, each of whom naturally has desired to realize upon his property by sale or development. This condition early led to the opening of great numbers of mines with a capacity far in excess of the national requirements. The surplus of capacity led to a chronic tendency to overproduction and the resulting chaotic price conditions. During the World War and a few years immediately following, coal shortages at home and abroad served to increase the capacity and the industry prospered, but after 1923 the shortages came to an end. Conditions in the industry since then have been characterized by surplus capacity, declining prices, cut-throat competition, and pressure on labor standards.

Following 1929, the position of the industry grew still worse, and Federal regulatory measures have been attempted. The current measure, the Bituminous Coal Act of 1937, is a crystallization of 25 years of investigation by the Congress and the Executive of the problems of coal mining. The act of 1937 represents a growing conviction that something had to be done. In bringing the coal industry under public regulation, the United States was repeating the experience of virtually every other coal-producing country, although our action was not conscious imitation; rather it is clearly traceable to national origins. The causes underlying this world-wide tendency are in large part the pressure of surplus coal-mining capacity.

What we are witnessing in the United States is probably the beginning of a continuing public control, which in some form or other will be a permanent national responsibility. It is therefore of the utmost importance that we build firmly now so that any subsequent modifications of approach can be intelligently made. The possible evolution of American policy toward the coal industry becomes clearer in the light of European experience. Continental and British control of coal mining began, like American, with the regulation of prices. But there has been a clearly defined tendency to supplement price control with cooperative marketing associations, or with the allotment of tonnage quotas.

OIL AND GAS

Our proven oil reserves have been estimated at 15 billion barrels, in comparison with 1937 consumption of about 1¼ billion barrels. Our natural gas reserves have been estimated recently at from 60 to 100 trillion cubic feet, in comparison with 1937 production of somewhat more than 2 trillion cubic feet. Although discovery has more than kept pace with production of these resources, proven reserves are so small in comparison with annual consumption that these energy producers must be considered as strictly limited. With the Nation so dependent on liquid fuels particularly, it would certainly seem to be the part of wisdom to proceed cautiously in the use of this resource. Yet, today we are depleting our reserves of oil faster than the rest of the world. We must consider the possibility of being first among the oil-producing nations to feel the pinch. We must consider whether to use more wisely our available supply, to manufacture high-cost substitutes, or to depend on foreign oil for our motor cars and airplanes, our tractors, and our battleships. After our natural reservoir oil is exhausted or after the shortage becomes serious, we can turn to oil produced from coal, to oil-bearing rock or shale, or to alcohol from vegetable matter. But these processes make a liquid fuel available only at much higher costs. Consequently, although we need not be alarmed over the possible breakdown of our motorized civilization, we may well concern ourselves over the higher costs that we should have to pay after exhaustion of natural reservoir oil.

Although the various State systems of restricting production in flush pools were developed for another purpose, in many instances they have made a considerable contribution toward conservation. Still the problem of conservation has not been solved under the present State system of regulating production in the oil industry. State legislation compelling proration of oil pools has probably resulted in many instances in social savings, but under the present system of proration, the initiative lies with the

States. The Federal Government is unable, except by suggestion, to initiate any general improvement in production procedure or in standardized regulation of the industry throughout the country; but if broad conservation measures are to be adopted for the oil and gas industry, only the Federal Government can be expected to initiate them. The competitive interests among producers and States are so strong that only the Federal authority can be relied on to bring forth strong conservation measures. The general goal of all Federal-State legislation affecting oil and natural gas should be to eliminate waste of these resources and to stretch the life of underground reserves over as long a period as possible without unduly restricting the more important uses of the products.

In many States the courts have already modified the rule of capture so that a landowner can recover only a certain amount of oil within a given period. Although the right of capture has been modified somewhat, it needs to be completely displaced by a thoroughgoing law of ownership in place, which would allot to each producer that proportion of the oil and gas in the common reservoir which underlies the land he owns or controls. The economic advantages of unit operation and scientific management of oil and gas pools are so overwhelming and so generally approved by technicians that some legal device of providing for their adoption and enforcement will surely be forthcoming as the threat of exhaustion becomes imminent.

WATER POWER

The use of water power in the United States is about as old as the industrial history of the country. It was not until invention of electric energy transmission, however, that the energy of falling water became available anywhere except at the power site. Today with modern transmission equipment, a large hydroelectric plant conceivably might supply electric energy anywhere within a circular area of 200,000 square miles centered at the fall, i.e., an area twice as large as the combined land area of the States of New York, Pennsylvania, and New Jersey, or considerably more than three times the area of all the New England States combined.

As a source of energy, water power affects and is affected by the available mineral fuels, but it differs from them in that it is not reduced by use. Water power, in sharp contrast with the mineral fuels, is an energy resource that renews itself. Our country would indeed be fortunate in some respects if all the demands for energy could be met by water power, but at best our water power resources can supply only a fraction of the Nation's energy requirements. It has been estimated, for example, that all our water power, including both that developed and that feasible of development, could produce energy annually equivalent to only about one-fourth of the energy contained in all mineral fuels consumed in the country in 1937 for all purposes.

Even the power requirements of the relatively near future will make necessary new supplies of energy exceeding the potential output of all the available and feasible undeveloped water-power sites in most industrial regions. A relatively small growth in the power load, surely to be expected under anything like normal conditions, will bring this to pass in a very few years. For example, the total amount of potential and feasible undeveloped water power within present economic transmission distance of the larger industrial and urban areas in the eastern half of the country would not supply even their present needs for electric energy without the aid of fuel.

In spite of this potential demand for water power, it is well to point out that the quantity of water power that will be available is greatly dependent on governmental policy. The storage and controlled release of water, which most of the potential water-power sites involve, requires an integrated policy of multiple use for the water resources affected. For the larger basins, an integrated policy of storage and use seems not within the scope of private enteprise, nor within State or municipal scope without Federal cooperation. Thus, the amount of practically available water power is very much dependent on the extent of Federal development.

There are rich possibilities for the development of water power as a joint purpose, in combination with other useful purposes to which a stream may be adapted or in combination wtih measures to control the stream for other reasons. Historically it is true that there have been water-power developments which impaired the usefulness of certain streams for other purposes, and certain streams may have been exploited in such manner as to foreclose or reduce their future usefulness for power. This Committee has in recent times pointed out that this apparent conflict can largely be resolved on many streams, and especially on great river systems, if our water resources are properly utilized and wisely controlled.

RECOMMENDATIONS

The obvious fields of remedy with respect to conservation of energy resources seem to lie (1) in promoting greater efficiency in the production of the fuel resources from the standpoint of recovery; (2) in promoting greater economy in the use of fuels; and (3) in placing a larger share of the energy burden on lower grade fuels and water power. To serve these objectives, the following recommendations are advanced:

1. *Coal.*—We believe that the problems of the bituminous-coal industry are too large for any one State to solve. The intensity of interstate competition makes the ills of the industry a matter of national concern and Federal responsibility. Some form of Federal regulation of bituminous coal is clearly necessary. The particular form of regulation that has been written into the Bituminous Coal Act of 1937 undoubtedly represented the majority opinion within the industry as the best approach to the problem, but a judgment on the effectiveness of the measure must be withheld until the act has become fully operative. Every opportunity should be provided for conclusive experiment with the system of controls which the law requires. It is well to bear in mind that although the act is limited to 4 years, the problem with which it deals is not short-lived emergency. Whatever modifications the experience gained under the 4 years of life of the present act may suggest, the need for public supervision of the coal industry will remain permanently. Some means are required for effectively balancing production against requirements, whether by control of prices, by control of distribution, or by both. A less immediate but more fundamental need is to control the opening of new mines and retard expansion of capacity beyond reasonable requirements. Adequate safeguards must be provided for maintaining labor standards and protecting the rights of consumers by Government supervision of the system of regulation.

2. *Oil and gas.*—We propose that a Federal oil conservation board or commission should be created within the appropriate Government department to administer the Federal interest in the oil-and-gas industry and to make necessary rules and regulations concerning the production of and commerce in oil and gas. It should have the authority to require that oil and gas be extracted by such methods as are adequate to avoid waste and to protect the interest of all producers drawing from a common reservoir.

It is recognized that the development of minimum standards for the production and transportation of oil and gas designed to further the national interest in conservation of these resources is a complex problem, and that such standards should be developed in cooperation with the State regulatory agencies and the representatives of the industry. It is recommended, therefore, that the Connally Act be extended for such time as may be necessary for the framing and enactment of an adequate Federal oil-and-gas measure.

3. *Water power.*—The committee wishes to emphasize—as it has in its previous reports—that an active public policy of multiple-purpose development of water resources is desirable, particularly in view of the pressing character of problems related to flood control, public water supply, stream pollution, irrigation, and navigation. An active policy of public development of water power is likewise desirable under certain appropriate conditions. Both the development directly for power purposes, where there is no conflict with more urgent water control, and the best feasible use of the head made available by water storage for other purposes would contribute toward the attainment of three major national objectives, namely: (*a*) conservation of scarce fuel materials—petroleum, natural gas, and the higher grade coals; (*b*) strengthening the national economy, through making cheaper electric energy more widely available; (*c*) strengthening the national defense, through assuring an ample supply of electric energy in time of war.

Multiple-purpose plans for stream development which are aimed at the several important purposes, including direct or incidental power production, should be designed and executed in terms of plans for whole drainage basins or major sub-basins. Design of the power system in any of the basin developments should include the best practicable interconnection (*a*) of the several plants within a basin system, (*b*) of neighboring basin systems (within the reach of economic transmission), and (*c*) of the steam capacity built or acquired to balance capacity. Federal policy should, in general, embrace eventual merging of private water-power plants into the system covered by any basin plan.

Transmission of electric energy is in many social and economic essentials closely akin to transportation of commodities. Particularly as the economic limits of transmission are extended, we believe that the national interest will be served best by coordinated systems of interconnections which will make available in wider markets energy derived from the most economical sources, regardless of whether they are large-scale hydro plants or efficient steam plants. Such coordinated systems would make the Nation less vulnerable to attack in time of war and less vulnerable to the emergencies of peace as well as better prepared for the continuing problems of peacetime development.

4. *Research*—Both the production and the use of the mineral fuels are accompanied by a large waste of some of the most valuable resources of the Nation. Naturally, the fuels that are easiest to obtain and most convenient to use are being depleted most rapidly, leaving for future generations fules more difficult of access, less suited to the uses for which they are required on the basis of present-day values, or lacking in the convenience that gives them form value. We believe that the supplies of these high-grade fuels can be protected from unnecessary depletion by research (*a*) to promote greater efficiency in production from the standpoint of the percentage of recovery, (*b*) to promote a greater economy in use, and (*c*) to fill a larger part of the demand for energy by the use of lower grade fuels.

Both fundamental and applied research should be stimulated and supported by the

Federal Government in the agencies concerned with the energy resources, and this research work should be vigorously pointed in the direction of conservation of these resources, i.e., toward the efficient use of our energy resources in the interest of the national welfare, the avoidance of unnecessary waste in their production and utilization, and the safeguarding in economic health of the industries and populations on which we rely for the development of these vital resources. Much of this research function can be discharged only by the Federal Government, although important parts of it have been and should be discharged by the State governments, by educational and other quasi-public agencies, and by the affected industries. Wherever conducted, however, this basic function of extending the frontiers of knowledge and application in this field requires and merits continuing and vigorous stimulation by the Federal Government.

5. *Continuous planning.*—A widening interest and responsibility on the part of the Federal Government for the wise conservation and utilization of the Nation's energy resources raises many perplexing questions of policy determination. In essence, there must be continuous adequate planning and provision for studies which will reflect the best technical experience available as well as full consideration for both regional and group interests.

Better to provide for continuous planning and studies of policies, we recommend the organization of an advisory planning group for the energy resources. This group, however, should comprise only one unit in an over-all planning agency specifically established within the Federal Government to serve the President and the Congress in an advisory capacity on planning and policy matters for all our national resources. Members of such an energy resources planning group should include representatives from the Federal and State agencies concerned, from the industries, and outside experts. The organization of such an advisory planning group would not mean the abolishing of the planning functions now carried on by existing agencies. To the contrary, planning existing agencies would have to be encouraged and strengthened; for without it the over-all planning group would be left without background, experience, and technical assistance.

CONCLUSION

We have pointed out earlier in this statement that it is now time to take a larger view; to recognize that each of our great natural resources of energy affects the others. Bituminous coal, petroleum, natural gas, anthracite coal, and water power—in descending order of relative contribution to the Nation's energy supply—these are the energy foundations of our industrial civilization. A policy for any one of these resources is bound to affect its relative position with respect to the others.

It is difficult in the long run, therefore, to envisage a national coal policy or a national petroleum policy or a national water-power policy without also in time a national policy directed toward all these energy producers—that is, a national energy resources policy. Such a broader and integrated policy toward the problems of coal, petroleum, natural gas, and water power cannot be evolved overnight, for each of those problems is amazingly complex and in combination they represent more than a simple sum of problems.

Despite the complexity of those problems, in the national interest we shall have to move in the direction of solutions. It is well to remember that the present and proposed regulatory measures which we have discussed are designed to promote the development of the energy resources industries along lines that will be consistent with the broad national interest. The problems of conservation which dictate these measures are not the result of passing emergencies. Rather, they are continuing problems, and if they cannot be solved by the regulatory approach then we may anticipate with some confidence that there will emerge an insistent and eventually irresistible demand for public ownership and control.

The paramount responsibility of Government is to protect the general welfare. That way lies safety and a progressive evolution of our economy and of our political institutions. No amount of confusing legalistic discussion of limitation of powers can obscure the reality of the choices before us. To protect the general welfare in our time—in an industralized and urban economy—means, above all else, to build and maintain in good order a sound economic structure. In an industrial civilization the energy resources constitute the foundation of that structure.

The broadening of the Federal interest with respect to these energy resources has been justified primarily on the basis of the need for their conservation, broadly defined to mean their wise use. But it must be observed that the need for conservation is but a special case. The general case is that Government intervenes with control measures when the economic organization of a segment of the economy is such as not to yield socially desirable results. If the economic organization is one of monopoly, "natural" or contrived, Government intervenes to restrain the exercise of the privileges of monopoly; e.g., rate regulation or yardstick regulation of electric utilities. If the economic organization is such that competitive conditions and practices produce chronic depression in the industry and demoralizing distress among those dependent on the industry, then Government intervenes to seek correction of those conditions and practices; e.g., regulation of the bituminous coal industry. If the economic organization is such as to result in grave waste of irreplaceable and distinctly limited resources, then Government may and should intervene to protect the public interest in conserving the supplies of those resources; e.g., the case for the determination and enforcement of minimum Federal standards in the production and transportation of petroleum and natural gas.

It is not likely that backward steps will be taken; it is not likely that we shall retreat from the social and economic advances made in the domain of the energy resources. Rather, it is likely that we shall press on toward the objective of the general welfare.

MARIAN ANDERSON HONORED AT 75 BY CARNEGIE HALL CONCERT

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. BRADEMAS. Mr. Speaker, one of America's greatest living artists is Marian Anderson, the distinguished contralto, who has moved millions of persons over the years with her music and who has been an inspiration to many young singers.

On Sunday, March 27, at Carnegie Hall, a concert was held in celebration of the 75th anniversary of Marian Anderson as well as to mark the 25th anniversary of an organization known as Young Audiences, which sponsors programs in schools of music, dance, and theater.

Mrs. Rosalynn Carter, the First Lady, was present for this occasion.

Mr. Speaker, as one who was privileged to have served on the honorary committee for this birthday tribute to Marian Anderson, I am sure I voice the feelings of my colleagues in the House of Representatives in paying tribute to this extraordinary citizen of our country and wishing her well.

Mr. Speaker, I insert at this point in the RECORD an article from the New York Times of February 28, 1977, entitled "Marian Anderson Honored at 75 by Carnegie Hall Concert":

MARIAN ANDERSON HONORED AT 75 BY CARNEGIE HALL CONCERT—ROSALYNN CARTER LEADS A HOST OF CELEBRITIES IN TRIBUTE TO THE FIRST BLACK SOLOIST AT METROPOLITAN OPERA

(By Anna Quindlen)

Rosalynn Carter, the first lady of America, made her first official visit away from Washington, to honor Marian Anderson, the first lady of American music, at a gala 75th birthday concert for the singer at Carnegie Hall last night.

Mrs. Carter carried with her a Congressional resolution lauding the contralto, who two decades ago became the first black soloist at the Metropolitan Opera for her "untiring and unselfish devotion to the promotion of the arts in this country" during a "distinguished and impressive career" spanning "more than half a century."

Mrs. Carter and Miss Anderson sat side-by-side in a first-tier box during the commemorative concert tributes to the singer.

The evening recalled another occasion on which Miss Anderson was supported by a President's wife. That was, of course, in 1939, when the already renowned black singer was banned from Constitution Hall in Washington by the Daughters of the American Revolution and when Eleanor Roosevelt resigned her membership in the organization in protest.

Miss Anderson went on that year to mesmerize 75,000 people at an outdoor concert at the Lincoln Memorial with some of the same songs that were performed in her honor last night.

RECEIVES SEVERAL AWARDS

Although Miss Anderson, who now lives quietly in Danbury, Conn., never sang a note at last night's concert, her career, her interests and her accomplishments took center stage during the evening.

She was given the United Nations Peace Prize, recalling her tenure as a delegate to the United Nations, by Henry Labouisse, the executive director of the United Nations Children's Fund, who was introduced by J. McClain Stewart, the president of Young Audiences, one of Miss Anderson's favorite interests. The organization, which sponsors programs in classical music, dance and theater in public schools, was designated by the singer as the recipient of all the birthday concert proceeds.

Miss Anderson was also presented with the Handel Medallion by Mayor Beame for her cultural contributions to the city, the country and the world.

The songs that highlighted last night's program represented selections from a long and distinguished career that began in Philadelphia and has, over the years, inspired countless young singers.

One of those singers, Leontyne Price, ended the program, which in its blend of classical and spiritual selections, emulated Miss Anderson's work, by singing "He's Got the Whole World in His Hands."

Mignon Dunn, a Metropolitan Opera performer and a mezzo-soprano, was accompanied by James Levine, the Met's music

director, in singing an aria from Verdi's "Un Ballo in Maschera." That was the opera in which Miss Anderson made her Metropolitan Opera debut in 1955, only 10 years before her formal retirement.

Dorothy Maynor, the 67-year-old black soprano whose professional career was marked by many of the same roadblocks as Anderson's led the Harlem School of the Arts Heritage Society Chorus in a program of spirituals.

The program also included "Summertime," from George Gershwin's "Porgy and Bess," which was sung by Clamma Dale, who recently played Bess in the revival of the musical. The soprano Shirley Verrett sang Dvorak's "Songs My Mother Taught Me," another selection that often appeared in Miss Anderson's repertory. Both were accompanied by Mr. Levin.

CELEBRITIES IN ATTENDANCE

Other performers included Pinchas Zukerman and Walter Trampler, who performed a violin and viola duet, Mozart's "Duet in G Major," and the Dance Theater of Harlem, whose members presented the New York premier of "Adagietto No. Five" to music by Mahler.

Mrs. Carter, who was expected to fly home after the concert, gave President Carter's birthday wishes to Miss Anderson and informed her of the Congressional resolution. The resolution was passed Friday and authorizes the Treasury Department to strike a gold medal in Miss Anderson's honor.

Guests scheduled to appear at the concert included Mayor and Mrs. Beame; Borough President Percy E. Sutton of Manhattan and Mrs. Sutton; Robert Sarnoff, the former chairman of RCA, and his wife, the opera singer Anna Moffo; Irving Anker, the Chancellor of New York City's schools; Schuyler Chapin, the general manager of the Metropolitan Opera, and Sir Rudolph Bing, Mr. Chapin's predecessor and the man who brought Miss Anderson to the Met.

Miss Anderson's husband, Orpheus Fisher, was to join the First Lady and the singer in the first-tier box, where they were to remain most of the evening. Because of Miss Anderson's poor health, her family doubted that she would be able to take the stage and acknowledge the honors. But family members said she insisted on going backstage after the performance to thank all those who had appeared.

THE WISDOM OF THE CONGRESSIONAL VETO

HON. JOHN E. MOSS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. MOSS. Mr. Speaker, I am pleased to again include in the RECORD additional correspondence between my colleague, the gentleman from Georgia, and Prof. Kenneth Culp Davis regarding this most important public issue of the appropriate role of the Congress and of the Executive.

WASHINGTON, D.C.,
February 28, 1977.

Hon. ELLIOTT H. LEVITAS,
U.S. House of Representatives,
Cannon House Office Building,
Washington, D.C.

DEAR ELLIOTT: Professor Kenneth Culp Davis has been a friend and advisor for over 20 years. His assistance to the Committees on Interstate and Foreign Commerce and Government Operations has been invaluable.

Professor Davis' knowledge and achievements in the field of administrative law are well known. For that reason and because the issues discussed in his letter of November 24, 1976, to you are of great public importance, I placed Professor Davis' letter in the Congressional Record. Before doing so, I called and asked if you had any objection to the publication of the letter. You advised me that you did not have any objection and asked if I would place a response from you to Professor Davis in the Record as well.

Accordingly, I am very pleased to again insert Professor Davis' letter in the Record together with your response.

Sincerely,

JOHN E. MOSS,
Chairman, Subcommittee on Oversight and Investigations.

NOVEMBER 24, 1976.

Hon. ELLIOTT H. LEVITAS,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN LEVITAS: Thank you for your cordial letter. I share your wish that we could have had opportunity for pursuing our discussion. If we had time, we could probably think together instead of asserting opposing conclusions.

You strongly assert in your letter that Congress "is the law-making body of our government." Of course it is. But our government could not operate if Congress were the only lawmaker. Most of the law that lawyers apply in their law offices is made by courts; main policies are made by legislative bodies; state and federal administrative agencies make a sizable share of our law.

In our brief oral exchange you denied my proposition that courts make most of our law. Several weeks ago, I spoke before the Federal Appellate Judges Conference on the subject of judicial lawmaking. The heart of my presentation was my formulation of five limits on judicial lawmaking. The 48 judges of federal courts of appeals assumed that judges make law.

At the meeting where you and I had our few minutes together, I delivered the keynote address, in which I built on the foundation that nearly all administrative law is common law, that is, law made by courts in absence of controlling constitutional or statutory provision. The 300 lawyers, about two-thirds government lawyers, already knew that nearly all administrative law is judge-made law.

A few months ago a book of mine was published entitled Administrative Law of the Seventies. Its 750 pages are devoted entirely to law changes since 1970. About ninety-five percent of the law changes have come from the courts. You might look at the book and see.

As to the substantive law that is created by agencies, you might compare its quantity to the quantity law created by Congress. The United States Code contains all statutes enacted since 1789 that are still in effect; the Code of Federal Regulations covers only three or four decades. Which is larger—the United States Code, or the Code of Federal Regulations? Do you think that the Code of Federal Regulations does not contain law?

Why does not Congress make the law embodied in the Code of Federal Regulations? I think the answer is mighty clear. Don't you?

I asked you, in our brief encounter, whether you see any more reason for congressional veto of administration legislation than for congressional veto of judicial legislation. I hope you will answer that question. Your denial that we have judicial legislation is not a satisfactory answer, because that answer is contrary to the clear facts that are known to all judges and to all lawyers.

I have the greatest respect for politicians, who perform the indispensable function of translating democratic desires into statutory law. Politicians have a special kind of skill, which a democratic government has to rely upon. But I also have respect for professional and scientific people, who have an altogether different kind of skill, which is also indispensable. Successful government requires both kinds of skills. Those who have the one kind must be careful not to encroach improperly on the province of those who have the other kind. Keeping a balance between the two is both difficult and essential.

A democratic government is not one in which all law is made by a legislative body. Our democratic government is one in which most of the main outlines are made by the legislative body, but some of the main outlines and nearly all of the details are made by judges and by administrators.

As a Congressman, you surely know that the reason that Congress does not make all our federal law is that it can't. It lacks the capacity to do so, as I assume you are aware. You probably also know that the lack of capacity does not go merely to the great volume of detail that Congress cannot handle, but it also goes to the necessary division of functions between politicians and professional or scientific personnel.

No one who believes in democratic government and who knows American government doubts that politicians in Congress should ordinarily determine the main legislative policies. Yet the reality tends to be, unfortunately, that even that much is too much for Congress. Even such a large question as the question during the Nixon administration of whether and when we should have price and wage controls was too much for Congress to handle; Congress was simply helpless in the face of the problem. That is why it delegated the whole question of whether and when to the President, empowering the President in turn to create an agency to answer even the major questions, as well as the detail.

Some questions are better handled by professional people than by politicians. That is a main reason why Congress does not make all our federal law. And that reason is a very good reason. It is such a good reason that our government has always operated on the basis of it. It is such a good reason that every democratic government in world history has always operated on the basis of it.

Congressmen are specialists in sensing democratic desires and transforming them into legislation. I have a high appreciation for the accomplishments of Congressmen. But I would not choose a Congressman as such if I needed a surgical operation. Neither would I choose a Congressman—or all of Congress—to decide disputed questions of fact about whether X should be ordered to pay damages to Y. For the operation, I want a surgeon; for the damages case, I want a judge. For other problems I want qualified professional people, not elected representatives. And the plain fact is that our governmental system, largely created by Congress, does commit professional problems to professional people.

When the government has a question of nuclear physics, it does not turn the question over to architects or lawyers—or to elected representatives.

A growing proportion of problems that government must handle are even less appropriate for politicians than questions of nuclear physics. Many such problems about administrative rulemaking are so complex that one of the nation's most talented judges has recently complained in an especially astute article in the University of Pennsylvania Law Review that judges are deeply troubled by having to determine whether the administrative action is arbitrary or capricious, without having scientific advisers attached to the courts. But judges are struggling with such problems, doing the best they can, and in general I think what the judges are doing

about such problems is pretty good. An inspiring example, in my opinion, is Ethyl Corp. v. Environmental Protection Agency, 541 F.2d 1 (CADC 1976), just published; the opinions fill 118 pages.

I think it would be legitimate for Congress through legislation to enact in general terms that the result of the Ethyl decision should be the opposite in the future, but I think it would be exceeding bad government, as well as unconstitutional, for Congress to change either the findings of fact by the EPA or the decision of the court. The Constitution explicitly forbids Congress to enact a bill of attainder, and the principle behind that prohibition has a rather broad application.

When the factual component of complex rulemaking has been worked over by appropriate professional people within an agency, and when findings have been made on the basis of a record that includes the results of the procedure of notice and written comments, I think it would be atrocious government if Congress, on the basis of political pressures, were to change the findings. And it would be even worse government, in my opinion, for a part of Congress to do so.

As we move toward the end of the twentieth century and as the tasks undertaken by government become more and more difficult to handle, because of both their quantity their complexity, democratic government will require a continued delicate balance between the democratic or political element and the professional or scientific element. We are fortunate that these two main elements are in pretty good balance. Whether we can keep them in balance is an open question. If we fail, our government may move in the direction the government of India is now moving.

I think we may fail. One rather sure way to fail is by allowing a portion of Congress to decide questions that should be answered on the basis of an orderly record by professional and scientific personnel, with limited review by courts.

Your measure, in my opinion, is especially dangerous because it so clearly upsets the vital balance between the democratic or political element and the professional or scientific element.

Now, I do not say that Congress should have no control over administrative rulemaking. Congress can always legislate overall policies, whether or not it has to override a specialist agency. Congress also holds the purse strings. Appropriations committees know how to influence administrators with respect to their general policy directions, and agencies usually know how to protect their professional or scientific judgments from the wrong kind of interference by appropriations committees or other committees of Congress. The balance is tilted one way or the other at times on limited subjects, but on the whole a rather good balance has usually prevailed.

Administrative rules often have a factual ingredient, to which a policy judgment is added. To maintain a workable balance, Congress should seldom interfere with the factual ingredient, but it may properly substitute its views as to what the policy judgment should be. If your bill were limited to the policy judgment, and if it did not allow a part of Congress to do what the Constitution provides the whole Congress should do, I would not oppose.

I object to establishing a system under which (1) findings made by professional or scientific people may be set aside on the basis of political pressures, and (2) a part of Congress may make policy without following the constitutional process for enactment of a statute.

I understand the reasons in favor of the bill you are sponsoring, and I think those reasons are sound as they might be applied to some administrative rules. But my opinion is that those reasons are clearly unsound with respect to rules that are based on complex findings of fact that are made on an administrative record, where the findings have been worked over by appropriate professional or scientific people and where the findings are subject to judicial review.

Administrative rulemaking has become a mainstay of the American government. Maybe we have five times as much today as we had five years ago. Maybe we will have five times as much five years from now as we have today. No one knows any governmental device that might work better than administrative rulemaking for putting together the complexities of today's governmental tasks with the democratic principle. Congress must and does delegate its legislative power, because Congress knows of no other way to get the governmental tasks performed. The system based on delegation of the power of administrative rulemaking is working reasonably well, and we are gradually developing new ideas for making it work better.

The idea that a part of Congress, on the basis of political pressures, should set aside professional findings of fact based on a rulemaking record seems to me to be a threat to the American System of government, one of the most serious threats that have come to my attention during my lifetime. It seems to me especially dangerous because many in Congress may vote for it in order to gain advantage for themselves. Repealing it will be difficult for the same reason, even if the damage it does is devastating.

Although I realize that you probably have the votes, I have not given up hope. Those who agree with me still have a good many lines of defense—enough Congressmen may perceive the need to maintain the proper balance between politicians and professionals, the new President may veto and induce the country to understand the dangers to the American system of government, the courts may quickly and firmly hold the measure unconstitutional (as I fully expect), and even if the measure becomes law a later Congress may realize the damaging effects and quickly repeal it.

Because you are acting in good faith, I hope you will give careful consideration to the need for maintaining the delicate balance between the political element and the professional element in American government.

Sincerely yours,

KENNETH CULP DAVIS.

WASHINGTON, D.C.,
February 17, 1977.

Prof. KENNETH CULP DAVIS,
School of Law, University of San Diego, San Diego, Calif.

DEAR PROFESSOR DAVIS: This responds to your letter to me dated November 24, 1976, which made its way into the Congressional Record on February 8, page 3902, by my colleague, Rep. John Moss, through the efforts, I am told, of Congress Watch, a lobby group, that came into possession of it.

First of all, I think there is nothing more useless than bogging down in a mire of academic semantics about the meaning of a word. In this case you take the word "law" and use it in a dual sense, meaning both legislation and judicial decisions. It is something of a sophistry to use a word two ways (like the Communists use "democratic") to mean two different things. In my discussion with you I referred to lawmaking as the legislative function. Judges make law, as any law student knows only in an analogous sense of rendering decisions in cases and writing opinions about them. That is not legislating.

1. The assertions you make on the first page of your letter—that is, in the first seven paragraphs—pose interesting jurisprudential questions which students and professors enjoy working over. You and I, of course, agree that Congress is the ultimate federal lawmaker under the express terms of the Constitution. My experience, after many years as a practicing attorney, is that the "law" lawyers use in their law offices consists in the main of statutes and administrative regulations; of course, as you suggest, often these have been interpreted in turn by the courts, and it is in this sense that lawyers do use the decisions of the courts in arguing cases. But those court decisions are law only if one follows the jurisprudential view that law should be defined as a prophecy of what a court will do with a specific dispute. Court decisions are of a totally different genre than legislation, but if you want to call them "laws", go ahead. Please don't use that merger of word and meaning to obfuscate the important debate as to whether the elected legislators should exercise a veto over the delegated rulemaking to unelected administrators.

Given a court decision in a factual situation, that decision is "law", in the sense you use the word, if a lawyer can predict with some certainty that it will be followed in a later, similar factual situation. One problem with that view, it seems to me, is how is a judge, operating within the adversary system with conflicting views of the law presented by counsel, to predict his own decision?

One other problem presents itself when you call administrative law "common law." You and I are fully aware that a judicial decision about, say, the CAB has little or no direct relevance to, say, the FCC. Thus administrative law is not true common law as it was historically known in the Anglo-American legal system. I think you'll agree with these views, simply because you have often written about the inconsistent judicial decisions in administrative law. Your well-known Treaties is ample testimony to that. Law, in short, as you define it, has a high degree of uncertainty.

As to the question about whether courts make most of our law, I know of no one—and I do not think that you do either—who has quantified the amounts of law made by the various organs of government. In fact, it is likely that most "law" as you define it, is made by petty officials and administrative decisions, usually construing or applying administrative regulations . . . not by judges and certainly not by appellate judges.

Your disagreement with me is in essence merely a problem of elementary semantics; but it has also overtones of considerable jurisprudential interest. I shall try to explain the difference.

Of course, courts make law in the sense that they settle disputes between litigants; in so doing, no doubt in many cases—how many, I know not, except that I recall that Cardozo once said that most of the cases that came to his attention were cut-and-dried admitting of only one result—that job is a creative one. But, and this is important, this is lawmaking only for the litigants before the bar of the court. It is, as you know, the way in which the common law was developed historically. The jurisprudential question runs to whether a court has the authority under our constitutional system to issue, rather than specific norms for the litigants before the court, general norms which purport to bind people throughout the country. I think that you, as a legal scholar, will agree with me that this jurisprudential question is unsettled in the sense that you or no one else can say that anyone not party to the lawsuit is bound by a given decision. (A possible qualification must be entered here for class actions.) Certainly, no one not a party to litigation can be held in contempt for not obeying a judicial decree. As said before, the most that a lawyer can do

is to predict that if a similar case comes up, it may, in accordance with principles of stare decisis, be decided the same way. As you know, the law is much too fluid for more than tentative prophecies of what courts will do.

You will recall that it was A. V. Dicey who said in his book, Introduction to the Study of the Law of the Constitution (10th ed., E. Wade ed., 1959), "That a federal system . . . can flourish only among communities imbued with a legal spirit and trained to reverence the law is as certain as can be any conclusion of political speculation. Federalism substitutes litigation for legislation, and none but a law-fearing people will be inclined to regard the decision of a suit as equivalent to enactment of a law." As your former colleague, Professor Philip Kurland, has indicated in his book on the Supreme Court, the constitutional legitimacy of the Supreme Court issuing norms of general application is an unsettled question in our jurisprudence. Professor Kurland's book delineates some of the jurisprudential problems in your bald assertion that most law is judge-made law and that, presumably, all people are bound by the judges.

You choose in your textbook to define administrative law as being "especially the law governing judicial review of administrative action," but surely you must realize that the bulk of law as it is applied by administrative agencies does not consist of what courts have said about the agencies; rather, it deals with the substantive issues set out in administrative rules and regulations, as well as other exercises of power by officials in the executive branch of government. I believe that your definition of administrative law is far too narrow and shows an astonishing lack of comprehension of how government in fact operates. The citizen who has to obey the law and is imposed upon by it, clearly knows that it is that plethora of rules and regulations that are the "laws" which run his life and not merely "law governing judicial review of administrative action" . . . most people never get that far or can afford to. You mention the Code of Federal Regulation, so I am confident that you must realize the point that I am making. If that Code is law, as surely it is, what does that do to your assertion that most administrative law is judge-made?

2. You ask whether there might be a congressional veto of "judicial legislation." Of course that falls into the trap of begging the question. Since I don't believe that administrative rules adopted under delegated authority by Congress is the same as "judge-made law," except as you semantically merge those meanings under one term, your question becomes irrelevant. Nevertheless, surely you are aware of the many statutes which have been passed which "overrule" specific judicial decisions in matters of statutory interpretation. Let me cite two of them: the Wunderlich Act of the early 1950's, and the Bank Merger Act of the early 1960's. There are many others. Should, for example, the Congress wish to "overrule" the Ethyl Corporation case you mention in your letter, it is entirely free to do so under our Constitution. In fact, Congress, which delegated the administrative agency the power to pass that regulation, could simply withdraw that delegated authority. That, you must agree, would be a form of congressional veto of judicial decision-making or, as you put it, of judicial legislation. I trust that that answers your question.

No one, to my knowledge, is suggesting that specific adjudications of courts or administrative tribunals in constitutional matters be subject to a congressional veto. But surely you will agree with such respected law professors as Walter Gellhorn and Clark Byse that administrative law is ultimately statutory law; and further that the ultimate power is that of Congress with respect to the way that statutes are administered. In this connection, you might refer once again to the review written of your Treatise by the practicing Washington lawyer, Howard Westwood, in the Minnesota Law Review in 1959. Your views have not sufficiently taken into consideration what Mr. Westwood has had to say about the nature of administrative law as lawyers see it; nor, indeed, have you taken into consideration what the highly respected federal Judge Charles Wyzanski said in the Harvard Law Review in 1944: "Today lawyers devote little of their time to considering how far the courts will allow executives or legislators to regulate their clients. They are concerned not with what the executive or legislative branch theoretically can do without being reversed by a court, but with what it actually should do if it is to be affirmed by public opinion. Thus, like those who themselves wield administrative authority, the lawyers who appear before administrative agencies are most concerned not with judicial cases but with the technical norms of the subject and the general norms of the society, that is, both with the history and grammar of the particular topic and with the underlying creed of our society. . . ." You are, of course, entitled to your opinion; under the First Amendment, everyone is entitled to state his views, but while the Amendment protects speech it does not require that the speech be accurate. From the standpoint, therefore, of a practitioner and also of a federal judge, your views run contrary to what practicing lawyers and others consider to be the nature of administrative law. In short, I believe you are wrong.

3. I appreciate your kind words about having respect for politicians. After having spent many years in a law practice, as well as being a member of the Georgia legislature and now a Member of the U.S. House of Representatives, I am cognizant of the problems to which you allude from both ends of the pipeline. I have seen them as a practicing lawyer and I now deal with them as a Member of Congress.

You make a classic erroneous dichotomy when you juxtapose the skills of politicians with those of "professional and scientific people." Surely you are not suggesting that civil servants in any agency of the public administration are not subject to pressures and influences rather similar to those with which Members of Congress must deal routinely. Do you really think administrative agencies are not lobbied? Of course they are. Administrative rules promulgated after notice and comment differ little, if at all, from statutes; both are products of often intense bargaining. The article by Dr. Bernard L. Diamond, entitled "The Fallacy of the Impartial Expert," that appeared in the Spring 1959 issue of the Archives of Psychodynamics, is merely one example in the literature which deals with the question of whether there can be "professional and scientific" decisions, absent an element of politics.

When I use the word "politics" I do not employ it in an invidious sense; rather, I use it as did Professor Marver Bernstein in 1961 in an article in Law and Contemporary Problems. You may recall what he said in that article, but permit me to quote a brief portion of it. "The fraternity of political scientists and public administration experts has increasingly accepted the finding that regulation is a political process. 'Politics' is now rightly viewed not only as unavoidable, but as essential to the formulation of policies that bear some rational relations to economic and technological conditions. As one scholarly study concludes: The mentality which disdains 'politics' and strives for a neutral and technical perfection rejects the very solvents that would reduce the obstructions."

By agreeing with Dr. Diamond and Professor Bernstein, I do not mean to suggest anything improper on the part of those who are employed in the executive branch. What I am suggesting is something on which I am sure you will agree—that "politics" permeates all activity and it is idle, perhaps even mischievous, to attempt to make your dichotomy between decisions of politicians and decisions of experts. In my judgment, it would astonish the great bulk of thoughtful students of our public administration and of administrative law to believe that you honestly think such a differentiation can be made. Surely we have learned enough since Landis wrote his book, The Administrative Process, in the 1930's, to realize that the fervor with which the administrative agency was created and greeted during that time has greatly diminished and even disappeared. Surely we realize, as Judge Wright said in *Moss* v. *C.A.B.* in 1970, that at times the independent regulatory commission is subservient to the very industry which it was established to regulate. I am confident that you agree with me on this, which seems to me to be the only tenable intellectual position one can take on the question you raise.

Our system of government is not yet a technocracy, as you seem to suggest that it should be. We do not yet have complete government by expert. Nor do I think we should have, as apparently you do. You call the Ethyl Corporation case "an inspiring example" of administrative law; but to me the most that that case suggests is that the Court of Appeals doesn't know much about petroleum nor about the lead content in gasoline, and accordingly deferred to the purported position of the administrative agency. I would not call that inspiring. If you believe, as you repeatedly assert that you do, in the efficacy and necessity of judge-made law, then I would suggest that you bend your talents to trying to improve the system of judge-made law rather than extolling a confession of judicial incompetence.

4. As I have indicated previously, I cannot agree with you that Congress cannot change the result in the Ethyl Corporation case should it decide to do so. It clearly can. There are too many examples now in the statute books of where Congress has changed the results of statutory interpretations by administrative agencies and by courts for your position on the constitutionality of possible congressional action to be valid. I find, furthermore, your statement about a bill of attainder completely incomprehensible. Surely you, as a professor of law of some renown, know the history of bills of attainder as well as the judicial application of the constitutional principle against such legislation. In my opinion, you are, in short, completely wrong on your assertion about bills of attainder. Furthermore, I think that while you are entitled to your belief that it would be bad government for Congress to "overrule" the Ethyl decision, again that is merely your opinion; and surely you must realize that there are numerous lawyers in and out of Congress as well as students of government generally who think the contrary. But the basic question is, if Congress believes that the result in the Ethyl case is wrong, then Congress, as the ultimate legislative power under our Constitution, certainly ought to be able to change the result.

5. Your views upon the validity of the so-called congressional veto are, of course, of interest. If you read Justice White's concurring opinion in the case of Buckley v. Valeo, decided last year by the Supreme Court, you will learn that Justice White entertains no such doubts as you do about the validity of the "one-House veto." There are other lawyers on the bench as well as in private practice and in the law schools who agree with Justice White. Your position on the constitutionality of the congressional veto is of particular interest because I am sure you realize that you cannot cite one case in any court that buttresses your position. Moreover, I am sure you know the Sibbach case of the 1940's

in which the Supreme Court upheld a type of congressional veto with respect to federal rules of procedure.

I believe the Courts will ultimately uphold the validity of a "one-House" veto by Congress of administrative rules adopted pursuant to delegated authority. Congress has repeatedly provided for this power over the last 50 years (on over 120 different occasions) and has frequently exercised a one-House veto. But I may be wrong. The Supreme Court will finally resolve this issue. It won't be decided by Congress or even by law professors.

There are additional doctrinal considerations which you should consider. Article I, section 8, clause 18 of the Constitution provides that Congress does have power to make all laws necessary and proper to carry into execution the powers entrusted by the Constitution to any department or officer of the government. In this connection, the article by Professor William Van Alstyne, appearing in a recent issue of the Ohio State Law Journal, concerning what he calls the "horizontal effect" of that clause is of interest. Dr. Louis Fisher's book, Presidential Spending Power, particularly chapter 4 thereof, is also instructive concerning the widespread practice of what is in fact a congressional committee veto (and, of course, approval) of reprogramming of appropriated funds, decisions made by executive officers. You are probably aware of the recent Pressler case decided by a three-judge court in Washington which indicates that the clause does have the operative effect that Professor Van Alstyne suggests it has. And you cannot be unaware of the decision by the Court of Appeals in the District of Columbia in Clark v. Valeo last month, in which the Court of Appeals sitting en banc sent Clark's challenge of the one-House veto back to the District Court with orders to dismiss it. Finally, you should know that Congress can and does condition its delegations of power, subject only to the doctrine of "unconstitutional conditions"—which is not applicable with respect to the legislative veto.

Your views are of course entitled to some attention and respect; but that does not make them the "laws" or even correct. In my opinion, as well as in the views of some respected scholars of the governmental process, you are wrong on the question of whether the congressional veto is unconstitutional.

I do agree with your implication that of course the Congress must have some means to deal expeditiously with systematic review of administrative rulemaking. However, surely you realize that a number of states do have a system whereby all administrative rules are subject to legislative veto; to my knowledge, it has not posed an insuperable or even undue burden on the operations of these state governments. Nor do I think that my bill would pose any such burden upon the federal government. We have learned enough about the administrative process to realize that an additional few days' delay in promulgating the usual administrative rule is not going to be any burden; the rulemaking process, as doubtless you are already aware, is itself already greatly delayed. Some rules take literally years to become final in the agencies. For anyone to suggest that a few days' or weeks' scrutiny by Congress will unduly impede the operations of government is to speak in fantasy.

In conclusion, as I indicated above, I think you are incorrect in the expectation that the courts will "quickly and firmly" hold my bill unconstitutional; and I think you are completely wrong in believing that there will be damaging effects flowing from enactment of the bill. I think there will be much benefit to the long-suffering public.

In this connection I draw your attention to the fact that President Carter is now asking for reorganization powers—which surely in substance must be as important as any administrative rule—subject to a one-House veto; the Attorney General has said it is his opinion that this type of action is fully constitutional. I am sure you remember that Presidents, beginning with Franklin Roosevelt and ending with Richard Nixon, had such reorganization powers, and the system worked very well.

Let me repeat, finally, that your final statement about "the delicate balance between the political element and the professional element" misconceives the entire nature of American government and the way in which decisions are made in all of the branches.

As I have previously said, you, of course, have a full First Amendment right to your opinion; the fact that you are—or I believe you are—inaccurate does not mean that you are violating the Constitution.

I have found our interchange of correspondence to be interesting and stimulating. I don't know whether further correspondence on the issue would merely generate more heat than light. In any event, I am more interested in getting on with doing something about the problem than talking it to death.

I trust that this answers your letter.

Very truly yours,

ELLIOTT T. LEVITAS,
Member of Congress.

CAN SIX PRESIDENTS BE WRONG?

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. BROOMFIELD. Mr. Speaker, I want to pay tribute to President Carter for moving toward eliminating the porkbarreling in the school impact aid program. Since each of his five predecessors, representing both the Democrat and Republican Parties, have tried to achieve the same objective without success, I am not optimistic for his success, but I hope he will be stubbornly determined and persistent in his effort. After all, he may succeed and the accomplishment of this objective would compare in importance with most reorganization efforts he may offer.

The Federal impact aid program was initiated during the early 1950's to help local school districts that were flooded with students from military and government families who lived on Government property but did not contribute to the local tax effort. It did not originate as an educational program, but rather as a form of Federal payment in lieu of taxes to school districts for public school students whose parents lived on Federal property.

However, the program was expanded to include children of parents who work, but do not live, on Federal property. Thus, certain school districts, such as those in suburban District of Columbia, with a high concentration of Federal workers living on private property are compensated through this program, despite the fact the families are paying local taxes.

Other expansions have been made in the program. The secret of success for any porkbarrel project is to make sure that enough people get to share in its wealth. The Federal impact aid to education program is a perfect example of this timetorn strategy. School districts in more than 300 congressional districts in every State receive funds from this source.

The large number of congressional districts receiving school funding from this program can be misleading. The funds are by no means uniformly distributed and most congressional districts get very small amounts. Consequently, the taxpayers of some congressional districts on the receiving end of this program are contributing more than they get and are subsidizing districts more affluent with Federal employees.

It seems to me inappropriate and irresponsible for the Congress to continue to make payments to school districts based upon the number of local taxpaying Federal employees working on Federal property.

Since The Washington Star serves an area that benefits substantially from the school impact aid program, I commend it for its editorial on the subject. I hope my colleagues will be as objective as this editorial and cooperate with President Carter in achieving his aim on school impact aid and that he will use the saving to help balance the Nation's budget.

The editorial from the Washington Star follows:

[From The Washington Star, Feb. 28, 1977]

PORKBARRELERS' DREAM

President Carter's decision not to fund the school impact aid program has brought predictable cries of anguish from Congress, especially from representatives of the Washington suburban areas that have been riding that federal gravy train for two decades.

Impact aid has been a politically untouchable program since it was enacted in the 1950s. Presidents Nixon and Ford tried to end it but got slapped down by Congress. There's little reason to believe that President Carter will have more success, but it's worth a try.

The program benefits schools in more than 300 congressional districts, in every state. It's about as universal a porkbarrel as could be imagined for 435 House members and 100 senators who usually regard it as their first responsibility to see that their districts and states get theirs from the federal government.

One part of the impact aid program—the smallest part—makes sense. That provides federal subsidies to school districts for public school students whose parents live on federal property. These parents, who live mainly on military posts, don't pay property taxes to the school districts and it would be unfair to expect local governments to pick up the tab for their children's education. President Carter would continue that federal aid, as President Ford would have.

But there is no justification for the major portion of the program—the subsidization of school districts for children whose parents live off federal reservations, who pay property and other local taxes just as other homeowners or renters do.

The only possible reason to provide a federal subsidy such as this is to make up a financial loss that local governments incur by the presence of federal employes. Can anyone argue that Fairfax, Arlington, Montgomery and Arlington Counties suffer a financial loss because of the presence of the federal workers?

On the contrary, federal civilian workers and military people who own and rent property contribute heavily to the affluence of the Washington area. The school impact aid constitutes a double reward.

Under President Carter's plan, the total subsidy for area jurisdictions would drop from $32.9 million a year to $4.8 million. That's a pretty big loss; but it's something they shouldn't have been getting in the first place.

If Fairfax County, for example, doesn't want to put up the extra $68 per taxpayer it would cost to make up the lost subsidy, perhaps it could learn to live with less. The more the federal government is willing to hand out, the more it encourages local governments to spend excessively.

President Carter ought to stick to his guns. It would mean a federal saving of $400 million a year. He'll never get the budget balanced by 1980 if he can't convince the pork barrelers to give up some of their pork.

FINANCIAL DISCLOSURE

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. FISHER. Mr. Speaker, today, I am introducing, as I did in the last Congress, legislation to require financial disclosure by candidates for Federal office, Members of Congress and certain Federal officials.

I believe that the public is entitled to strict uniform and comprehensive public financial disclosure by elected officials and high level employees of the Federal Government. For the last several years, while serving as a county official and a Member of Congress, I have made public information about my own financial records. Government officials, both elected and career employees, daily make decisions on issues affecting the financial interests of many organizations. In a democracy, it is absolutely essential that the public have complete confidence that these decisions are made impartially. Not only should these decisions be made in a manner that does not give unfair advantage to one group or organization over another, but these decisions must not improperly benefit the decisionmaker. The intention of financial disclosure requirements is to provide interested citizens with the information to determine whether public officials who make policy decisions on crucial issues could have a conflict of interest.

The financial disclosure requirement may seem to some people to be a violation of privacy. No person wants to have the details of his finances become a matter of public discussion. I have felt this myself. Nevertheless, I have made my financial arrangements a matter of public record, even going beyond the requirements of present law, because I believe that my obligation to the people I serve overrides considerations of personal comfort. This is a cost, and a relatively small one, of being a public servant.

Current financial disclosure regulations are insufficient and vary widely among the three branches of Government. The time has come for the Congress to enact this long-delayed reform legislation. The Watergate scandal, recent revelations about some Members of Congress, and the resulting sharp decline in confidence in Government have emphasized the need for measures to restore public confidence in Government.

A key consideration in formulating financial disclosure legislation is determining what level of public officials should be required to make disclosures. Because of the large number of Federal employees in my district, I have been especially aware of the need to strike a balance between the public's right to information, the employees' right to privacy, and administrative manageability of the regulations. My bill differs from other financial disclosure proposals by focusing on appointees and career civil servants who are clearly involved in policy formation.

The financial disclosure requirements in my bill apply to Federal employees paid a salary at and above the rate of basic pay for grade GS–16 in the executive branch, employees at grade 07 and above in the military, Members of the Senate and the House of Representatives and candidates for these offices, congressional staff paid above $30,000, and all Federal judges. According to the latest figures I have been able to obtain, these provisions would cover approximately 13,000 people. I believe that besides being administratively feasible, the coverage in my bill requires disclosure from people most likely to be in sensitive policy-making positions and not from those in nonpolicy positions.

I hope this bill can be used for discussion purposes by congressional committees reviewing the financial disclosure bills and by individuals interested, as I am, in seeing strong legislation to require financial disclosure approved by Congress.

ENDANGERED AMERICAN WILDERNESS ACT OF 1977

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. UDALL. Mr. Speaker, for myself and 24 of my colleagues, I am pleased today to reintroduce the Endangered American Wilderness Act of 1977.

This bill is a somewhat revised version of legislation I first introduced last June. Its fundamental objective is to extend and strengthen the national program for the preservation of wilderness within our national forests.

"DE FACTO WILDERNESS"

The Endangered American Wilderness Act concerns America's most threatened category of lands which remain natural and which might still be preserved as wilderness. These are the roadless lands on our national forests, often called "de facto wilderness." These are the lands which have remained wild and undeveloped, but which have no formal protection or guarantee that their wilderness qualities will not be overrun and destroyed by incompatible uses.

Senator Frank Church, who has sponsored a companion bill in the Senate, has aptly characterized "de facto wilderness" as—

Public land which has remained roadless and undeveloped through no special protection or program, but merely because it has been too remote or too low in commercial value to be developed. And because it has no special protection, it is this category of land which is most in danger of losing its wilderness character before thorough review and consideration can be given.

The Endangered American Wilderness Act of 1977 is a major conservation initiative. It directly focuses on a select number of areas highly qualified for wilderness designation. It also raises basic issues concerning the future of national forest "de facto wilderness" in general. Because of the seriousness of the threats facing this category of relatively unprotected wildland, there is an urgent need for thorough congressional review. For this reason, I assign high priority to the legislation we are introducing today.

SUMMARY OF THE BILL

It is the purpose of the Endangered American Wilderness Act to spotlight problems facing national forest de facto wilderness. To do so, the bill proposes a number of representative areas from national forests across the West for designation as wilderness areas, or for mandatory wilderness study. These areas, though few in number, exemplify the kind of wild, nationally-significant, and popular roadless areas which are at stake. These selected areas illustrate the problems which threaten to destroy specific wilderness values.

Wilderness areas: 14 areas of national forest land are proposed for immediate designation as new units of the National Wilderness Preservation System. Each of these is a significant area, carefully defined by a well-located boundary. Each enjoys a high degree of public support, and has been long known and studied by local citizen conservationists. Each is used and treasured for its inherent wilderness values. In designating these areas as wilderness, the Congress will simply be affirming and guaranteeing their protection in their present wild condition. Upon enactment of this legislation, each area will be subject to the same pattern of protective management and public use as our existing wilderness areas. This statutory designation is the strongest protection we can provide for the natural values of such areas so that present wilderness values will be preserved for the benefit of future generations.

The boundaries of each of these areas has been well drawn. With any last refinements we may make during committee consideration, these areas are ready for designation as units of the National Wilderness Preservation System—

West Chichagof-Yakobi, Alaska—405,000 acres.

Pusch Ridge, Arizona—56,510 acres.

Golden Trout, California—240,000 acres.

Santa Lucia, California—21,250 acres.

Ventana Additions, California—60,080 acres.

Goose Creek, Colorado—69,400 acres.

Manzano Mountain, New Mexico—37,000 acres.

Sandia Mountain, New Mexico—30,700 acres.

French Pete Creek, Oregon—42,000 acres.

Kalmiopsis Additions, Oregon—134,000 acres.

Middle Santiam, Oregon—24,500 acres.

Wild Rogue, Oregon—29,000 acres.

Lone Peak, Utah—33,500 acres.

Wenaha-Tucannon, Washington and Oregon—200,000 acres.

Wilderness study areas: Eight areas are proposed for designation as wilderness study areas. These are areas of evident wilderness value, but final boundaries have not been worked out, and further study of boundary locations is in order. The study mandated by the bill will follow the same format as those required under the original 1964 Wilderness Act, with ample public participation. Local opinion will be carefully gathered at required public hearings. In some cases, the boundaries of these study areas have been more broadly located, to assure that the study will take into consideration all possible alternative boundary configurations. Final decisions on the wilderness boundaries for each area will be settled by the Congress, following completion of Forest Service studies and recommendations by the President.

The wilderness study areas are—

Galiuro Additions, Arizona—80,430.

La Garita Additions, Colorado—182,700.

Mount Henry, Montana—22,000.

McGregor-Thompson, Montana—89,000.

Welcome Creek, Montana—28,900.

Chama River Canyon, New Mexico—50,900.

Kalmiopsis, Oregon—136,000.

Savage Run, Wyoming—15,000.

CONGRESS MAKES WILDERNESS DECISIONS

Mr. Speaker, the 1964 Wilderness Act is properly viewed as a great landmark in American conservation policy. That act established wilderness preservation policy in the national interest as a matter of law. It also carefully defined the role of the Congress as the sole authority in the designation of wilderness areas. Senator Wayne Morse, a cosponsor of that bill, stressed the importance of this when the original Wilderness Act passed the Senate:

> What S. 174 (the Wilderness Act) proposes is only that Congress make a public policy for these areas, and that Congress decide future changes that would add or subtract from these systems.
>
> I favor this bill because I think Congress should assert legislative control over wilderness areas, and not leave their future up to administrative—one is tempted to say "bureaucratic"—control.

The de facto wilderness on our national forests has been neglected for too long. In the face of growing public concern for these areas, the Forest Service has taken some steps. That is to their credit. But the policy has not been firmly made, nor is there proper overview. A relative few of the very highest value de facto wilderness areas have been given interim protection by the Forest Service, but many others are being opened for development, without thorough consideration or adequate review. The decentralized decisionmaking processes the Forest Service is using in these decisions has revealed flaws, with virtually no higher-level review to assure consistency in the quality of planning or evaluation.

Of course, not all roadless areas in the national forests are going to remain undeveloped nor should they be. But the basic issue has to do with how decisions are to be made. Senator CHURCH highlighted this problem when he introduced a companion measure in the Senate last year—

> Our last fragments of a once-huge wilderness heritage are fast disappearing. We must insist that the decisions about the fate of these last wild lands be made with full consideration given to their wilderness values. In fact, however, these last "de facto" wilderness areas are rapidly being committed for development, through decisionmaking processes that many feel do not properly evaluate the values of the wilderness as such. A crescendo of concern for these areas among citizens throughout the West is rapidly rising. Problems in the quality of Forest Service land use planning and decision-making are resulting in increasing controversy over the fate of these last roadless areas.

FOREST SERVICE EFFORTS

In 1972 and 1973, the Forest Service did conduct a basic inventory of the remaining roadless and undeveloped areas on the western national forests. This "Roadless Area Review and Evaluation" program—known as RARE—identified some 1,400 roadless areas. Of these, the Forest Service selected 274 for special wilderness study. The remaining some 1,100 roadless areas were to be available for other development, with a minimum of further review.

At this point, concerned citizens stepped in, quite rightly insisting that more thorough consideration ought to be given before final decisions were made to develop those areas with wilderness potential. After all, there are some 1,100 areas at stake, involving 44 million acres. The citizens groups contended that a more specific planning program should be required for these areas, including more thorough evaluation of their wilderness values. As a result of a lawsuit, the Forest Service agreed to adopt such procedures.

But the controversy over the fate of these "nonselected roadless areas" continues, and increases with the passage of time. A number of basic problems have been identified:

In the first place, many important areas of roadless land were overlooked in the original inventory of roadless areas. In some regions, such unreasonable standards were used in the inventory process that large and important areas were left out just because of faint old jeep tracks or other minor evidence of passing human impact. In many cases, the standards applied at the local level were more stringent than those the Wilderness Act set for actual designation of areas as wilderness. There was great inconsistency in these standards between Forest Service regions.

Another problem resulted from the way the Forest Service selected the 274 areas for wilderness study. In many instances, the area selected was just a portion of a larger roadless area. The boundaries were redefined, in the midst of the whole selection process, so that a considerable margin of roadless land was excluded. The effect of this practice was to seriously prejudge the ultimate wilderness study, for those marginal lands would be available for roadbuilding, timber sales, and other developments, long before Congress will consider how large the contiguous wilderness area should be.

ROADLESS AREAS GERRYMANDERED

As a result of the citizen lawsuit, the Forest Service did commit itself to make some further evaluation of the wilderness potential of each of the nonselected roadless areas. But in practice there have been many complaints about the shallowness and procedural incompleteness of this promised evaluation. In many cases, there has merely been a bare-bones recapitulation of the same hastily compiled statistical ratings gathered for each of these areas during the original roadless area inventory program. Those statistical ratings have been severely criticized. They do not reflect detailed field work, but merely desk-made estimates. The computerized formulas by which they were evaluated have also been strongly criticized. It can hardly be said that the wilderness values of an area have been given further serious, professional consideration and study, when such figures are simply regurgitated, without the development of more up-to-date and systematic data.

Even if the data were accurate and complete, the evaluation of important roadless tracts has been further prejudiced by an extensive pattern of gerrymandering in the original roadless area inventory process. In these cases, one large tract of undeveloped, unroaded land was subdivided into half a dozen or more individual units, along wholly artificial lines. The computer analyses were then made only for the individual subunits, one by one. As a result, each smaller subunit suffers in the statistical comparisons, which made size a primary determinant of wilderness value. Land use plans consider only the subunits, so decisions to develop a part of the total tract of roadless land are firmly made before even rudimentary resource data gathering has begun on other parts of the same area. Thus, the total area never gets reviewed as such. Indeed, one might say that the gerrymandering process results in the Forest Service not being able to see the wilderness for the trees.

In these and other ways, the promise of fair consideration for the wilderness values of the non-selected roadless areas on our national forests is not being met in all instances. The Forest Service maintains no quality control procedures to assure that consistent levels of planning work are being maintained at an acceptable level, or that individual decisions are being properly made.

As a result, citizen complaints about this whole planning process are growing.

The Congress has become increasingly concerned, too. Members have proposed special remedial legislation to secure protection or fair review for individual roadless areas, as a means of protecting them from Forest Service decisions that are unacceptable. In this way, Congress

acted last year to designate a number of new wilderness areas, such as the Kaiser Wilderness in California. Additionally, a number of new wilderness study areas were established by Congress, such as the Great Bear and Elkhorn Wilderness Study Areas in Montana and Snow Mountain and Sheep Mountain in California.

WILDERNESS DESTRUCTION TOO EASY

There is a basic problem here. Congress is not exercising its proper decisionmaking role in the fate of these wilderness lands. In all too many cases, the procedures adopted by the Forest Service directly inhibit the exercise of congressional control. Decisions to develop a roadless area, destroying its wilderness values, are relatively easy to make. But decisions to protect an area, even if only for more thorough study, are much more difficult. There is a fundamental bias in the whole process, and it is a bias against wilderness.

When a local Forest Service official decides to develop a non-selected roadless area, he merely files an environmental impact statement on his development plans. He then can proceed with development of that area with no higher-level approval, either from the Regional Forester or the Chief. He just goes ahead. The burden is entirely on citizens to contest such decisions, and unless appeals are filed very quickly, the decision is final and cannot be contested.

On the other hand, should that same local Forest Service official want to identify a nonselected roadless area for special wilderness study, he may not even propose that idea publicly without securing prior, confidential permission from both the Regional Forester and the Chief. That proposal must be cleared all the way to the top in Washington, D.C., in off-the-record internal clearance procedures, before the local official can even make his proposal in a preliminary way in a draft environmental impact statement. The higher officials of the Forest Service can overrule the proposal for wilderness study before the public even knows it is being considered.

Could there be a more obvious anomaly? The bias built into this procedure certainly discourages local forest service officials from proposing additional wilderness study areas, so it comes as no surprise that relatively few have been established through this process. While decisions to destroy a potential wilderness area can be made at the lowest rung of the ladder, even a modest proposal to study the wilderness values in greater detail must rise clear to the Washington, D.C., headquarters for clearance.

The Forest Service has sought to mollify public criticism by an altogether unrealistic "agreement" with Congress. Current Forest Service policy is that each final decision on the fate of a non-selected roadless area will be reported to the Congress, and the Forest Service will then wait 90 days before implementing the development it has decided upon. This short period is intended to allow time for Congress to intervene if it wishes, but by this late stage in the decisionmaking process, turning the decision around is a major effort. All the details have been locked in by the Forest Service, and public expectations have been firmed up. The decision is already made, and Congress is expected to be satisfied with an unworkable kind of informal "legislative veto" of exactly the kind which was rejected when we enacted the Wilderness Act.

There are more than 1,100 nonselected roadless areas going through this procedure right now. Decisions are being made every day by the farflung Forest Service hierarchy. In a relatively short period of time, all these finalized plans will be dumped on the Congress. There is no systematic review within the Forest Service, nor any policy review by Secretarial-level policymakers in the Department of Agriculture. The upshot is that many decisions to develop these areas are going unchallenged, simply because the whole procedure makes such challenges extremely difficult.

PROTESTS INCREASING

It is not surprising that people who have long worked to protect a particular wilderness area do not idly accept this kind of warped decisionmaking. The shallow evaluation being given to wilderness alternatives during the land use planning procedures of the Forest Service is under rapidly increasing criticism. The very fact that decisions on these areas are final ones forces citizen groups to mount protest efforts, to file appeals, and to go into court to gain more thorough reviews and consideration.

Thus far, protests have occurred primarily through the Forest Service administrative appeal process and a few lawsuits. Additionally, citizens have petitioned their Congressmen to intervene. They point out, and quite rightly, that Congress is supposed to have the final authority and decisionmaking powers on wilderness matters. Yet, the Forest Service procedures have effectively eliminated any realistic opportunity for Congress to exercise that power.

It is our purpose with the Endangered American Wilderness Act to examine these problems in depth. As we review the circumstances surrounding the individual areas in the bill, we will also determine what improvements are necessary to avoid these problems of inadequate review.

ARGUMENTS AGAINST WILDERNESS WEAK

During my years of service in this House, I have had a particularly close association with wilderness issues. I have participated in every piece of wilderness legislation, from the original Wilderness Act onward. I have heard all the arguments, and this experience has been most instructive. There are three kinds of particular arguments often used against wilderness which I want to discuss today.

One of the classic antiwilderness arguments is the so-called purity argument, based on a very strict interpretaiton of the criteria set out in the Wilderness Act. If interpreted rigidly enough—and without regard to the clear meaning of the language and its carefully-laid legislative history—one can conclude that virtually nothing can qualify as wilderness. So, when we hear opposition to particular proposed wilderness areas, we often hear that they are just a little less "pure" and untouched than they should be, showing signs of just a little too much human impact. It is argued that to designate such "substandard" areas would weaken the overall system of wilderness areas. Those who make this argument are able to appear as wilderness supporters, but are, in fact, trying to torpedo any new areas on the basis of their purity arguments.

This whole purity theory was originated by some in the Forest Service. It has been repeatedly rejected by the Congress. In every test, Forest Service claims that areas are not suitable for these reasons have been rejected. Most notable was our complete repudiation of the Forest Service view that no areas in the national forests in our Eastern States could be designated as wilderness.

The impact of the discredited purity argument lingers on, however. In many instances, Forest Scrvice officials at the local level, adopting what they still believe is the official policy on wilderness criteria, have used various purity arguments to disqualify areas of de facto wilderness from further consideration. In one region, even the faintest signs of old jeep tracks have been taken to constitute a "road," and large areas have been excluded from the roadless area category as a result. In another region, even the presence of old fire lookout towers—which are entirely permissable within wilderness areas—has resulted in roadless areas receiving lower ratings and having less chance of receiving further wilderness study.

PURITY ARGUMENT REJECTED

As one who participated in the final drafting of the Wilderness Act, I am not going to permit its intent to be so perverted that the act itself is used by opponents of wilderness to argue against protecting additional lands. The Committee on Interior and Insular Affairs has rejected these kinds of arguments. Our record of precedents on this point is clear. One example should suffice.

In 1969, I led a successful effort here on the House floor, with my good friend the chairman of the Committee on Public Works, Mr. JOHNSON of California, to include additional lands in the Desolation Wilderness in California. The lands in question included two small man-made reservoirs. We prevailed in including those areas in the new wilderness, and what I said then about the purity argument in general still stands—

It would be nice to have our national wilderness system absolutely pure and completely free of any sign of the hand of man. But the fact is that we are getting a late start in this business of preserving America's wilderness. Logging has occurred; woods roads have been opened and later abandoned; cabins have been built which in time have decayed and fallen down; in the interest of public health and safety and to protect the natural resources there may sometimes be lookout towers and patrol cabins. All of these are imperfections within the wilderness. Yet how often is man able to create or establish anything which is truly perfect? Very, very rarely—if ever. Congress has declared it is our national policy to preserve America's wilderness resource. Whether

some prior existing imperfection—something less than absolute purity—is to be accepted into the national wilderness system should be determined by whether its inclusion will significantly contribute to the implementation of this national policy of wilderness preservation, or whether its omission will significantly obstruct this policy.

This is the policy we will continue to pursue in the Committee on Interior and Insular Affairs and in the Congress. I am going to be particularly vigilant to see that areas of de facto wilderness are not being denied consideration on grounds of a too pure and unrealistic interpretation applied without adequate national overview. In too many cases, local reliance on this discredited Forest Service purity standard is misleading the public and resulting in denial of fair consideration to many important areas. The Congress remains the sole arbiter of these questions of wilderness suitability, applying the criteria established in subsection 2(c) of the Wilderness Act.

I am pleased to say that my views and those repeatedly maintained by the Interior Committee are fully shared by those most experienced and knowledgable on these wilderness issues. I know of the continuing difficulties which my colleague, the gentleman from Wyoming, Mr. RONCALIO, has had with the Forest Service on these issues in Wyoming. His resistance to the purity arguments which the Forest Service used in opposing wilderness status for the fine DuNoir Basin area has been fully supported by the committee. Similarly, during our debate on the reservoirs and the Desolation Wilderness, the distinguished chairman of the Committee on Agriculture, Mr. FOLEY, aided tremendously with his clear statement on the purity issue—

I would agree it is difficult to establish absolutely pure wilderness areas. There are few areas in the country which do not have some existing structures, some existing roads or trails. If we took an absolutely purist approach to this I believe there would be few of the great areas now in our wilderness system that could meet the qualifications.

Among the areas proposed as wilderness in the Endangered American Wilderness Act, the Lone Peak area in Utah illustrates the difficulties we face in preserving some of our de facto wilderness.

In this instance, the problem arises because of continuing persistence by the Forest Service on applying faulty standards in judging the wilderness qualities of an area.

The Lone Peak Wilderness proposal is a small but significant wilderness area situated near Salt Lake City. Proposals for the designation of this area as a wilderness have a long history and have been before the Congress in legislation previously.

The Forest Service itself selected this area for special wilderness study in 1973. That study has now been concluded, and the Forest Service has decided not to recommend wilderness designation for any part of the area. Though the basic authority rests with the Congress, the Forest Service has already decided that the area is not suitable for wilderness. Instead, they propose a lesser administrative designation, and for just a part of the area. The full statutory protection available under the Wilderness Act are being denied for this area, if the Forest Service has its way. Were it not for the inclusion of this area in the Endangered American Wilderness Act, it might never receive consideration by the Congress.

What concerns me is the set of reasons the Forest Service has given for its decision against wilderness, and in favor of the less permanent administrative designation. The Forest Service wilderness review report finds that within much of the Lone Peak area the "suitability for wilderness . . . has been altered . . . because man's impacts are obvious and lasting." Here are the "obvious and lasting" impacts they recite—

One. Dams in a few locations, "although they are small," with minor access roads."

Two. "An old road and mine dumps."

Three. "The sights and sounds of the city and canyon road traffic. . . . the smog layer, aircraft traffic (overhead), and other noises and sights of the city. . . . The primeval character and opportunities for solitude have been greatly affected."

In addition, the Forest Service has also argued that wilderness designation would not allow certain kinds of actions necessary to protect the water supply in this area, which is an integral part of the Salt Lake City watershed.

Every one of these points is being misused here in an attempt to justify the Forest Service position that the area should have a less permanent designation than wilderness. Each of these arguments is wrong since each directly conflicts with the Wilderness Act and its legislative history.

PURITY INTERPRETATIONS INCORRECT

The small dams referred to are acceptable within a wilderness area, for they are prior, well-established uses. Together with necessary rights for access and maintenance, they may continue within the wilderness. This is clearly set forth in the Wilderness Act, and has been specifically set forth by the Congress in other cases.

An old, fading road, and a few old mine dumps certainly do not constitute an infringement on the criteria for wilderness suitability under the law. There are many such relics of the earlier visits of man throughout the mountains of the West, and within existing wilderness areas.

It is a matter of particular concern to me to find that the Forest Service persists in using the discredited "sights and sounds" argument against wilderness proposals. The use of this argument, which runs directly counter to the intent of the Congress causes confusion and greatly misleads the public and local public officials.

The "sights and sounds" of activities outside an area have no bearing upon the suitability of the area itself, as an entity, for designation as wilderness. Early in the consideration of the original Wilderness Act, the then chairman of the Senate Interior Committee, Senator James Murray, took great care to establish a clear record of legislative intent on this precise point. In the key sentence establishing the criteria for suitability of lands as wilderness, the earlier draft of the act had referred to areas "retaining their primeval environment and influence." However, on July 2, 1960, Senator Murray introduced a carefully revised wilderness bill, incorporating "many constructive changes" which remain in the law as enacted. One of those changes was an amendment to this part of the criteria for suitability, replacing the word "environment" with the word "character." Senator Murray carefully built a record of the legislative intent behind this change, explaining here on the floor of the Senate: "The word 'character' is substituted because 'environment' might be taken to mean the surroundings of the wilderness rather than the wilderness entity."

So, as a matter of clearly established legislative intent, it is the specific qualities of the land itself, within the boundaries of an area, which determine its suitability for designation as wilderness. The surrounding lands and whatever sights and sounds may occur there, have no bearing. The Lone Peak report of the Forest Service is directly contrary to the law on this point.

WILDERNESS PROTECTS WATER QUALITY

In opposing wilderness designation for the Lone Peak area, the Forest Service has also argued that such designation would preclude various measures to protect the quality of the water supply. That, too, is incorrect. The Wilderness Act clearly provides for such measures, both in terms of certain facilities to protect the water quality within the area and for measures to control use of the area to avoid excessive water quality impacts.

A part of this argument is that increasing levels of human use could be accommodated within the area if certain facilities, including sanitation facilities, were provided. The implication is that such facilities would not be permissable under Wilderness Act standards. Beyond a point, elaborate facilities are certainly precluded by wilderness designation, but adequate and compatible sanitary facilities are entirely appropriate. If additional, more elaborate facilities were provided, the human use of the area would be able to increase dramatically. But under those circumstances, the recreational experience would be quite different. For beyond some level of human use, the wilderness experience is certainly imperiled.

This whole matter of the purity argument is of considerable importance for, in a variety of ways, some in the Forest Service have persisted in using these arguments to preclude fair consideration of de facto wilderness lands. In other cases, these arguments have been used to greatly restrict the size of areas which are being considered as possible wilderness areas. As we review the areas proposed in the Endangered American Wilderness Act, I expect testimony to go into these details, so we can resolve it once and for all.

THE PEOPLE SUPPORT WILDERNESS

A second line of argument used against wilderness is that such areas are just for

the benefit of some privileged few. This argument, too, seems to come primarily from the special interests who have their own axes to grind in opposing wilderness.

This whole argument is so much nonsense, as Senator CHURCH said so well 15 years ago, when the original wilderness bill was being attacked on the same grounds—

In the course of the debate on the (Wilderness Act) there has been much reference to the fact that wilderness areas constitute some form of class legislation. It has been asserted and reasserted that it is the rich people who will get the major benefit to be derived from wilderness areas, apparently upon the theory that only the rich will be able to afford the horses, tents, and camping equipment that would be required for organized safaries into the primitive areas of the country.

I submit that such argument is nonsense. In Idaho there are three million acres of primitive areas. Every year thousands of people go back into the high country of the Idaho Primitive Area, the Bitterroot Primitive Area and the Sawtooth Primitive Area. They are ordinary farmers, ordinary working people, ordinary hunters and fishermen from the farms and cities of Idaho. They constitute the great majority of people who are enjoying these primitive areas. It is not an exclusive group of rich people, capable of affording all the paraphenalia of horses, equipment, and professional guides that we have heard so much about.

Of course, there are organized expeditions. As a Senator who represents a state to which people are attracted from afar, by the unique values to be found in the primitive areas of Idaho, I believe that tourists, wherever they come from, are welcome in my state. Their presence constitutes good business for Idaho. Nevertheless, the fact remains that the great majority of people who go into the Idaho primitive areas are Idahoans, and not wealthy ones either. One need not go to the center of a primitive area to enjoy it. Where does such an area begin? It begins where the road ends; and if the roads never end, there never will be any wilderness.

That bears repeating: the wilderness we have left begins where the roads end. But if there is no end to the new roads into every last primitive expanse, we will have failed in our obligation to protect a fair sampling of our de facto wilderness.

Wilderness is, after all, a uniquely American concept. On this continent, we have had an opportunity to preserve our heritage of wilderness. We have made a beginning in that program. The American people have continually supported the preservation of wilderness areas.

Because wilderness preservation is a popular concept, and because this program has such strong public involvement and support, those who oppose wilderness for their own private reasons seek arguments which obscure their special interests. We hear the "wilderness for the rich" argument primarily from timber lobbyists and other developers. But it will not wash. For a great cross-section of Americans are enjoying our wilderness resources. Whole series of highly popular books, such as those produced in the Time-Life American Wilderness series and by the National Geographic Society, testify to the popularity of these areas. Motion pictures and television special portraying wilderness are incredibly popular, too.

Nor are these areas popular solely for the recreational use individuals may make of them. They have many other important values as multiple-use lands, protecting quality water flows, maintaining vital scientific research areas, providing outdoor laboratories for educational use by our schools and churches, providing critical wildlife habitat and maintaining unique plant communities.

"BACKCOUNTRY" IDEA A DIVERSION

A third theme of anti-wilderness arguments suggests that we ought to turn our attention to devising alternative land classifications, with less stringent management requirements. It is suggested that such a new category would allow for heavier development of facilities, and so accommodate greater densities of human use. In part, this argument rests on the fallacious purity theory, for it presupposes that certain recreational support facilities are not permitted with wilderness areas. A frequent favorite argument one hears is that the Wilderness Act precludes sanitary facilities. But this is simply not true. Nor does the act prohibit other basic wilderness camping developments, if necessary, such as developed trails, protected water supplies or handpumps, campfire rings, rustic directional signs, and the like.

Of course, in wilderness areas we do not pave trails, nor provide tiled showers, nor have excessive numbers of shelters (which are increasingly unnecessary due to the advances in very lightweight tents). We could, I suppose, put a lot of that sort of thing out in the woods and the mountains, and I guess it is true that such an area could accommodate significantly more people. Such heavy development is often called "hardening the site," and it could certainly permit much greater numbers of people to tramp through. But with all that development, and with all those additional people at any one time, would the recreational experience be the same? Would its value to the people continue?

Those who have made these arguments also suggest that some new sort of land classification would permit various manipulation of the natural environment. Trees might not be logged in huge clearcuts, of course, but perhaps the stringent prohibition on timber cutting in wilderness areas would be relaxed. Then logging could occur by helicopter, and only to "improve" the forest. But then, of course, it would hardly be a wilderness anymore . . . and I know very few people who would choose to have their outdoor vacation amidst crowds of people, beneath all the noise and confusion of helicopter logging.

We should not be distracted from our wilderness establishment and management program by such diversionary tactics. A "less-than-wilderness" kind of classification has been proposed before—that was what the Forest Service had in mind in its "Wild areas east" proposal, which the Congress rejected in favor of the successful Eastern Wilderness Areas Act of 1974. Such proposals run diametrically counter to the strong expressed public preference for a statutory wilderness program. Those who are working to secure protection for areas such as those proposed in the Endangered American Wilderness Act want full wilderness protection for these places, with all the assurance of permanence inherent in the statutory protections of the Wilderness Act, and without "hardening the site" to bring excessive density of human use. If we have demands for accommodating more wilderness users, then we must take care to preserve an adequate system of wilderness areas, not try to cram more and more people into the few areas we have protected thus far.

We hardly need to be distracted by such proposals, when we have our work in rounding out our National Wilderness Preservation System yet to complete. Our task is to assure that important areas of de facto wilderness on our national forests are preserved, as an enduring resource of wilderness for the benefit of this and future generations, under the well-proven mechanisms of our landmark 1964 Wilderness Act.

As we proceed with consideration of the Endangered American Wilderness Act, and other de facto wilderness areas, we need not be slowed by these kinds of distracting arguments.

THE VALUES OF WILDERNESS

Mr. Speaker, one of the pioneers of the American wilderness preservation policy was our late distinguished colleague, Representative Saylor of Pennsylvania. In my many years of close association with John Saylor, I came to know his strong personal commitment to this program. In 1973, when we joined in sponsoring the Eastern Wilderness Act, John Saylor recalled remarks he had made about the importance of wilderness to the American people. He had spoken these words more than 20 years ago, when he first introduced the Wilderness Act in 1956. I would like to recall his words again—

Mr. Speaker, when I first introduced the original wilderness bill in 1956, I spoke of the importance of wilderness and the real needs we have as a people to save such areas.

We need wilderness, I said then, for the wholesome primitive recreational opportunities it affords so many of our people; that is, places where you can camp beyond the roar of traffic, hike without dodging automobiles, fish without hooking a buddy, or hunt without being afraid of being shot. (Such places) are getting harder and harder to find. And as these privileges become less plentiful, we suddenly realize that we want them very much.

We need wilderness, I said then, for another reason: The stress and strain of our crowded, fast-moving, highly mechanized and raucously noisy civilization create another great need for wilderness—a deep need for areas of solitude and quiet, for areas of wilderness where life has not yet given way to machinery.

And I said then, we need wilderness for a yet more fundamental, more profound purpose, for in the wilderness we can get our bearings. We can keep from getting blinded in our great human success to the fact that we are part of the life of this planet, and we would do well to keep our perspectives and keep in touch with some of the basic facts of life.

The Wilderness Act emerged from the deep feeling of millions of Americans who rallied to save America's wilderness. Today, in this bill, we take another step in fulfilling the need, and in securing an enduring resource of wilderness for those who will follow in our pathways, needing it all the more.

The Wilderness Act of 1964 was a great landmark. It represented a turning point in our American "rendezvous with the land." Ours is a great and boundless land, fruitful with unlimited resources for our use—or so we thought for generations. In recent years we have begun to heed the warnings of farsighted leaders who recognized that even so broad and bountiful a land could be abused and degraded. Of all the wilderness that existed when our history on this continent began, only a very small fraction remains. The de facto wilderness is our last margin. The choices we make here will set the pattern of our land into permanence.

In a very true sense, we have been formed as a people and as a culture by the influence of our encounters with the wilderness. Our grandparents conquered much of the wilderness of this continent, but in the very act of conquering, they were shaped in vital ways by the wilderness, too.

It is our obligation, in the face of all the short-term pressures to exploit every last acre, and to cut down even the most marginal pockets of timber, to fulfill our responsibilities for the preservation of the wilderness that is so fundamental in our character and consciousness.

We must not take the fate of our last de facto wilderness lightly. There is work to be done, and time has worked against this effort.

NEW LEGISLATION TOP PRIORITY

The Endangered American Wilderness Act represents a vital further step in fulfilling our American wilderness preservation policy. The opportunity is a fleeting one. Before decisions are made, opening all the rest of our public land for development, we must assure that the wilderness values of the remaining roadless lands are thoroughly, fairly, and exhaustively studied and considered—not only in a local context, but with a clear view to the needs of all our people, and in the interests of future generations.

TRIBUTE TO HERBERT J. YOUNG

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. WAXMAN. Mr. Speaker, I ask the Members to join me in honoring a most exceptional gentleman, Herbert J. Young of Los Angeles. Mr. Young is one of those rare persons—a native Angeleno, who was also educated in California. After serving in the U.S. Air Force in 1951–52, he started his business career at Gibraltar Savings as its fourth full-time employee and has risen to become the bank's chairman of the board and chief executive officer. We salute Herbert Young, however, not for his brilliant banking career, but for what he has given of himself to the many activities of his community. He has served as president of the Beverly Hills Board of Education and of Beverly Hills Maple Center.

He has been a director of the Federal Home Loan Bank of San Francisco, 11th District; California Savings and Loan League; Los Angeles County Museum, Science and Industry Alliance; Southern California Chapter of the Kidney Disease Foundation; the Beverely Hills Symphony Orchestra Association; and the Tool Research & Engineering Co. He is a board member and treasurer of the Beverely Hills Chamber of Commerce and the Beverely Hills YMCA. Herbert Young is the founder and a board member of the International Student Center, UCLA. The diversity of his interests can be seen by the variety of organizations in which he has participated as an active member. Through every undertaking shines Herbert Young's desire to serve.

We salute also his wife Arline and their four children: Jeff, Kenneth, Gregory, and Kathy. They can be proud, as we all are, of the dedication of Herbert Young to his community's service.

MEDICAID AMENDMENTS TO BROADEN MENTAL HEALTH COVERAGE UNDER TITLE XIX

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. SCHEUER. Mr. Speaker, today I am pleased to introduce the Medicaid Mental Health Amendments of 1977. These amendments to title XIX of the Social Security Act will broaden mental health benefits to permit coverage for inpatient psychiatric treatment for patients between the ages of 21 and 64 when provided in free standing psychiatric hospitals. Present law excludes such coverage.

In addition, my bill would require coverage of mental health services in free standing psychiatric hospitals for patients under the age of 21 to assure uniformity among State programs. Present Federal law permits States to include such coverage but only 29 States have done so.

There is illogic and unfairness in the present exclusion under medicaid of such mental health benefits. Acute psychiatric treatment is reimbursed if it is provided to medicaid patients in the psychiatric units of general hospitals or State facilities. By limiting reimbursement only to such psychiatric units, medicaid patients, unlike medicare beneficiaries are denied the freedom to choose the appropriate facility. Furthermore, and even more important the irrationality of the present situation is highlighted by the fact that general hospital units can be from 40 to 60 percent more costly than the treatment rendered in free standing psychiatric facilities.

Our present medicaid programs is now under attack for lack of cost and quality controls, abuses and fraud. The name of the game is cost effectiveness and cost containment. In that light it is only fair, reasonable and just that medicaid patients have the option to receive inpatient psychiatric care in facilities offering the intense and specialized services primarily designed to treat psychiatric disorders. The same dollar may well go twice as far in a private psychiatric hospital which does not maintain medical/surgical suites, or X-ray and diagnostic facilities on the premises, since they are not used in the daily routine operation of the facility.

Essentially not more than 10 percent of the patient population needs some form of psychiatric inpatient treatment; of that, less than three percent need long-term care. But to deny this population a rightful option in receiving such care and treatment is neither cost effective nor equitable. Therefore, in order to correct the inequities which presently exist in regard to mental health benefits under the medicaid program, I urge that the law be amended to provide benefits for individuals between the ages of 21 and 64 in specialized psychiatric facilities.

DEMOGRAPHY AND JOBS — THE FULL EMPLOYMENT DEBATE

HON. GARY A. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. GARY A. MYERS. Mr. Speaker, last week the National Commission for Manpower Policy released its special report No. 12, entitled "Demographic Trends and Full Employment." In the words of Commission Chairman Eli Ginzberg, this report reflects the efforts of the Commission to "deepen its understanding of the impact of changing labor force trends on employment goals." I highly recommend this report as must reading for Members, and other concerned citizens, who desire to participate intelligently in the full employment debate.

Among the important points brought out in the report are the impact on the "natural" unemployment rate of the large influx of young people and women into the labor force, the importance that liberalized transfer payments have had on the "cost" of remaining unemployed, and the concentration of "structural" unemployment in certain social and ethnic groups which disproportionately contributes to the overall national joblessness rate. I recommend an appreciation of these factors to my colleagues—especially those who indulge in oversimplified rhetoric on the unemployment situation—so that our efforts at combating joblessness can be more rationally structured, while no less sympathetic or vigorous.

Mr. Speaker, Chairman Ginzberg's foreword admirably summarizes the main points of the report findings. While I strongly suggest study of the entire report, I have included his introductory remarks for the convenience of my colleagues. These remarks follow:

FOREWORD

The Commission, from its first Interim Report to the Congress. *The Challenge of Rising Unemployment*, February 1975, expressed its opposition to the position taken by the nation's leaders that because of a change in the

composition of the labor force or the dangers of renewed inflation, it would be necessary to have a much higher level of unemployment than was previously acceptable. The Commission did not challenge the fact that more women and young people were entering the labor force and that historically these groups were characterized by a higher than average rate of unemployment. Nor was the Commission oblivious to the dangers of inflation, which could diminish rather than expand the number of job opportunities.

Clearly the nation could not expect to reach full employment quickly, but the Commission felt strongly that this was the appropriate goal and that a broad strategy should be directed toward accomplishing it. In its Second Annual Report to the President and the Congress, *An Employment Strategy for the United States—Next Steps*, December 1976, the Commission outlined such an employment strategy.

Early in 1976, the Commission acted to deepen its understanding of the impact of changing labor force trends on employment goals by eliciting the help of three specialists from the fields of macroeconomic policy, manpower, and demography. This publication contains the contributions of these specialists: Professors Robert Aaron Gordon, Michael Wachter, and Karl Taeuber. Professor Gordon's contribution is a revision and updating of testimony presented in a statement before the Joint Economic Committee of the U.S. Congress on July 25, 1975. He is currently carrying on additional work in this arena but it appeared preferable to publish what was now available rather than to delay the release of these three complementary efforts.

Professor Gordon makes a strong case for establishing more than a singular target for full employment. Specifically, he advocates separate targets for groups in the labor force—such as minorities and teenagers—that have been experiencing persistently higher than average rates of unemployment. The Commission in its Second Annual Report recommended that the nation in addition to seeking a 5 percent aggregate unemployment rate by 1980 also monitor whether the rates for these special groups were demonstrating steady and substantial reductions, and that it make appropriate adjustments in its manpower policies if such progress were not taking place.

Professor Wachter, tracing the interactions between demographic changes and unemployment, is impressed with the upward tilt in the aggregate unemployment rate as a result of the large relative inflows of young people and women whose labor force attachment is less continuous, the effect of which is to push the "natural" unemployment rate (defined as the rate below which unemployment cannot be reduced without generating inflationary pressures) to a level of 1 to 1.5 percent above its previous level, that is, into the 5 to 6 percent range from the earlier 4 percent level. He is optimistic, however, that future demographic changes, above all the likely decrease in fertility, will operate in the opposite direction and at a minimum will not put the natural rate any higher.

Professor Wachter is also optimistic about the potentiality of manpower policies to contribute to a containment and lessening of the natural rate of unemployment. In this regard he advocates a three-tier program, among other things a better linkage beween schools and employers, a recommendation that is strongly supported by the Commission in its Second Annual Report. He further advocates subsidized training in the private sector for hard-to-place workers and extended remedial efforts for the most seriously disadvantaged. Once again, it is worth emphasizing that the Commission's recommendations in its Second Annual Report are similarly directed.

Finally, Professor Wachter calls attention to the fact that the ease of qualifying for income transfer payments and the level of such payments cannot fail to affect the unemployment rate by making it "less costly" for people to remain unemployed. The Commission, in advocating that employable persons be placed in manpower training or jobs, rather than being left on the welfare rolls or in receipt of federal supplemental benefits up to 65 weeks, is responsive to this aspect of Professor Wachter's analysis.

Professor Taeuber's paper speaks to the urgent need for improving labor force projections. He points out the many weaknesses in the government's present efforts in this arena, particularly the infrequency with which new estimates are prepared, the need for more detail, and the failure of the estimates to provide a range of alternative projections rather than a single best guess.

The Commission shares Professor Taeuber's concern about the desirability, in fact the essentiality, of strengthening the manpower base with respect to data collection, analysis, and research. Further, it has on its forward agenda the problem of immigration (including illegal immigration), another issue that Professor Taeuber points out as having potentially important impact on labor force trends.

What these three specialists have done, not only for the Commission but for all with an interest and concern in the future of manpower policy, is to sharpen our perception of where the data are weak, where analysis should concentrate, and the directions on which policy should focus. They make no extreme claims, but they offer much useful help and guidance. For this the Commission is deeply in their debt.

ELI GINZBERG,
Chairman.

MIGRATION TREND HAS TRANSPORTATION IMPLICATIONS FOR AMERICA

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. SHUSTER. Mr. Speaker, I would like to share with you and our colleagues a short article that went largely unnoticed but which has enormous implications for our Nation's transportation system. It appeared in the Friday, February 25 edition of the Washington Post:

AMERICANS LEAVING CITIES

DENVER.—More Americans are moving away from large metropolitan areas, causing one of the most significant migration turnabouts in the nation's history, a Rand Corp. demographer said.

Dr. Peter A. Morrison said between 1970 and 1975, for every 100 people who moved to a metropolitan area, 131 moved out. In the 1960's, people migrated to metropolitan areas.

In a report to the annual meeting of the American Association for the Advancement of Science, he said the new population movement is having fiscal, social and political repercussions.

This trend, Mr. Speaker, represents a sharp departure from traditional beliefs, and there is every reason to believe that it will continue. The message that it holds for transportation is this: If people are moving out of cities, the demands on our urban mass transit systems will be reduced, and already overcrowded highways will carry more and more mobile Americans to work, shopping, and recreation.

It is something we should think about very seriously before committing billions and billions of dollars to transportation systems that may be outmoded before they are in place.

As ranking minority member of the House Subcommittee on Surface Transportation, and chairman of the National Transportation Policy Study Commission, I commend this article, and its implications, to my colleagues.

BEYOND THE CALL OF DUTY

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. NOWAK. Mr. Speaker, as the Nation is well aware, this has been a most severe winter in western New York State, which includes the city of Buffalo and the congressional district I am privileged to represent.

I certainly am very proud of the resiliency of the residents of this area, who weathered extreme hardship in commendable fashion. In crises of this sort, there are many unsung heroes.

Specifically, the courageous efforts of the Buffalo area police and firefighters were perhaps the most visible. These public safety officers performed often herculean tasks under unbelievably difficult, physically taxing circumstances. Emergency deliveries and rescue efforts were legion.

One such case, which illustrates the heroic efforts that were made, involves Buffalo police officer Carl O. Reese, who died during the recent blizzard in Buffalo.

The following Buffalo Police Department report describes more graphically than I could the service beyond the call of duty that Officer Reese provided:

BEYOND THE CALL OF DUTY

On January 28, 1977 Police Officer Carl O. Reese reported to Room 240, Buffalo Police Headquarters at 10:45 AM to work the hours of 11:00AM to 7:00PM. Severe blizzard contions struck the city shortly thereafter. Streets became impassable and the entire area was snowed in. Chef's Restaurant, 291 Seneca Street at Chicago St. was a refuge for numerous storm stranded persons. At 2:30AM on 1/29/77 Police Officer Frederick Clark assigned to the Motorcycle Division of the Buffalo Police Department was aiding a person from Chef's Restaurant with a destination of the Puerto Rican Center on Swan Street. The wind gusts of over 40MPH knocked Police Officer Clark to the ground at 291 Seneca Street and caused him to fracture his left leg. Police Officer Clark was brought into the restaurant to await transportation to a hospital.

A 5:00AM on the same date, Police Officer Carl O. Reese spoke with a woman stranded in the restaurant. She was about 23 years of age, pregnant and a diabetic. She stated that she must have insulin by 6:30AM at the latest. The Emergency Hospital was contacted to enquire if an insulin dosage of 80 NPHV could be picked up. They replied that they had insulin in 100 NPHV, the diabetic was assured that she could take 100 NPHV.

Police Officer Reese and Police Officer Wolkowiak of the MCD walked in the blizzard conditions, temperature was 7 degrees below zero with a wind chill factor of 60 degrees below zero and wind velocity of 40MPH with higher gusts, from Seneca and Chicago Streets in this city to the Emergency Hospital located at Eagle and Pine Street, a distance of 4½ blocks or ½ mile.

The Police Officers arrived at the hospital and were given the insulin by one of the nurses in the hospital. As they left the hospital, Police Officer Reese complained to Police Officer Wolkowiak of pains in his chest.

With the severe blizzard and the wind blowing in their face, it was most difficult to breathe and the officers had to turn and walk backwards to cut down the wind and enable them to return to meet the diabetic.

Upon returning, the insulin was given to the woman, and Police Officer Reese again complained of chest pains. Witnesses to this was Mrs. Rosemary Zobel, a probation officer for Erie County at 25 Delaware Ave. who is also a Registered Nurse, and Mrs. Jean Land of 889 South Park Ave., an employee at Buffalo Police Headquarters. Also present were P.O. Stephen Lelinski, P.O. Jack Williamson, P.O. Robert Baish and others.

at 9:45AM, 1–29–77, Police Officer Carl O. Reese and P.O. H. Osczcypala of Radar assisted Police Officer Fred Clark from Chef's Restaurant to a Radar Police Car No. 146 and drove him to Emergency Hospital. Upon arriving, Officers Reese and Osczcypala took Officer Clark from the car. He put his arms around their shoulders and they placed their arms under his thighs and in a chair-like carry brought him from the driveway up the stairs to the first floor and to the emergency room. Fully clothed, Police Officer Clark weighs about 200 pounds.

Police Officer Carl O. Reese continued on duty to 2:00PM. Upon arriving home he again complained of chest pains to his wife. He next reported for work at 11:00AM on Sunday 1–30–77 to 7:00PM and was off on Monday 1–31–77. He expired at 6:00AM on 2–1–77.

JOHN BROWN, *Lieutenant.*

Mr. Speaker, this report testifies to the dedicated service the Buffalo metropolitan area received from its public safety officers during our recent blizzard. I know I echo the community sentiment when I express deep appreciation for that service and offer condolences to the family of Officer Reese. His devotion to duty and community service stands as an example for imitation by all of us.

TWO MISSISSIPPI YOUNG PEOPLE VISIT WASHINGTON

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. LOTT. Mr. Speaker, I would like to take this opportunity to recognize two outstanding young people, Valerie Ann Hertzog and Delisa Lee Watts, both of Long Beach, Miss., who are here in Washington this week to participate in the 1977 Presidential Classroom for Young Americans.

I always enjoy discussing the operations of our Federal Government with the Presidential classroom students and commend these young Americans on their interest and attitude toward our Nation's destiny.

ON THE SUGAR SITUATION

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. VANIK. Mr. Speaker, in recent days, there has been a flurry of discussion about some possible form of Government action, such as quotas, to increase the price of sugar so as to "protect" the American producers. Like the producers of coffee and various commodities, the sugar growers want a floor below which the price they receive will not fall—the poor consumer is never provided with a ceiling above which the price will never rise. The sugar producers are calling for relief. Only 26 months ago, in December 1974, the American people had to pay 54 cents per pound for sugar while the producers basked in the warm glow of new-found profits. In 1973, the American people spent some $3.3 billion on sugar. In 1974, that figure jumped to $6.8 billion and stayed high in 1975 when the consumers were taken for $6.9 billion. These higher prices have contributed more than any other factors in the declining markets for sugar and shifts to alternatives.

With higher fruit and vegetable prices, manipulated and extortionist coffee prices, and now the prospect of higher sugar prices, the American family faces a pretty bleak breakfast. The producer is always protected—the consumer is never considered—he is the victim

In the past, sugar quota legislation was under the jurisdiction of the House Agriculture Committee—although in the other body, the Senate Finance Committee retained jurisdiction. As chairman of the Ways and Means Trade Subcommittee, I do not believe that the United States can conduct an effective trade policy if different congressional committees and various agencies can arbitrarily impose quotas or other restraints to trade. I have today written to the Speaker of the House pointing out the problems that divided quota jurisdiction could create for the United States in the current worldwide trade negotiations. I have strongly urged that all legislation relating to the imposition of quotas be referred to the Ways and Means Committee.

I am always amazed at how strongly the agricultural interests of this Nation demand open and free trade so that they can export to the maximum, thus obtaining large volumes of sales and high prices both at home and abroad. But the moment a commodity runs into temporary difficulty, because of surplus production, those agricultural interests are the very first to demand protection. Over the years, I have noticed that the agricultural sector has generally supported exporting more American farm exports and allowing foreigners to export more manufactured goods to the United States. I, for one, am tired of their one-sided game.

If protection has any validity—it should be utilized for the consumer. If quotas are ever authorized or considered, it is the consumer who should have an escape clause from escalating prices. The Executive order or the statute should suspend quotas when consumer prices rise by more than the annual average increase in the cost of all food.

NEW WINDSOR GOVERNMENT LOSING TWO FAITHFUL SERVANTS

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. BYRON. Mr. Speaker, recently the Frederick News contained an article which I would like to share with my colleagues and all readers of the RECORD. This article pays a well-deserved tribute to Mayor Randall Spoerlein and Councilman Russell Lambert, of New Windsor, Md. Mayor Spoerlein is retiring after 22 years in office and Councilman Lambert is retiring after 31 years of service.

This article describes a few of the many ways these two dedicated individuals have helped to make New Windsor an outstanding example of the competency and efficiency which characterizes the governments of many of America's smaller communities. It is the commonsense, foresight, hard work, and devotion of citizens such as Mayor Spoerlein and Councilman Lambert which preserve the quality of life in New Windsor and similar towns across the country.

I think the exemplary record of Mayor Spoerlein, Councilman Lambert, and all of the residents of New Windsor compares very favorably with most larger communities and I would like to join the Frederick News in congratulating them by including the article in the RECORD at this point:

[The News (Frederick Md.) Feb. 17, 1977]

NEW WINDSOR GOVERNMENT LOSING TWO FAITHFUL SERVANTS

(By Kate Roberts)

Nestled in the hills of Carroll County, untouched by the population boom or building craze, the tiny town of New Windsor is as neat and efficient as a cliche.

Electric street lights have illuminated the town since 1897, water has been piped into homes since the early 1900s, and a unique sewage disposal system has provided trouble-free service to the 800-plus residents since 1964.

There is a ball park, courtesy of the Lions Club; new tennis courts, a modern school, and a little surplus in the town's till.

Nature has been kind to New Windsor, but it also is clear the town has been well managed over the years, a duty that has rested with the town's mayors and councils since it was incorporated on Jan. 25, 1844.

New Windsor has seen several elected officials come and go, but, this spring, it will lose two who have served longer and more faithfully than any others.

Mayor Randall Spoerlein has held the town's highest office for the past 22 years, setting a record in New Windsor and probably the county.

Councilman Russell Lambert's time in office is just as impressive. He has sat on the council for the last 31 years.

Both men have served consecutive terms, Lambert always defeating his opponent and Spoerlein unopposed in every election.

Spoerlein was appointed to the office of mayor when former Mayor Ralph B. Geer resigned, leaving an unexpired term. That was in 1952 and things in town have changed a bit since then.

"People used to complain about chickens in town . . . crowing roosters and such. Today, they complain about dogs," the 77-year-old mayor said with a chuckle.

There isn't a whole lot else to complain about in New Windsor. Just one of the town's assets is its water supply, possibly one of the most plentiful in the county. Three springs, located on a 170-acre farm owned by the town, have been producing since the early 1900s and still have a long life ahead of them.

In 1947, the town bought more land on Dennings Road and tapped four springs there, adding that water to the main source.

When the town originally bought the 62-acre parcel of land on Dennings Road, only 18 acres—where the springs are located—were kept and the rest was sold back to the owner.

"When I came on the council in 1950," the mayor said, "I told them we should buy that land back. The town didn't have the money, so I bought the land in 1957 and held it until the town floated a loan and could pay me."

The land was sold to the town, Mayor Spoerlein said, for the same amount he paid for it.

Since the mayor was involved in conservation, he put the acreage into a conservation program while he owned it. The program paid dividends because he had planted trees on the land.

Today, many of those trees are being thinned out and sold to a paper company which also has bought several wild trees from the same acreage.

The thinning, besides bringing in revenue to the town, will allow select remaining trees to reach full growth and they, in turn, can be sold off as lumber, which brings a higher price.

And, just in case any of the springs on the land give out, there are several more that still have not been tapped.

Until recently, water was fed to the homes in town and the outlying areas by gravity. However, people complained that water pressure on the second floor of their homes was not great enough, so a 250,000-gallon water storage tank was built in 1975.

The most controversial issue the mayor has had to deal with during his years of service was when he suggested a lagoon sewage disposal system for the town.

After investigating the various systems available, and taking a trip out west to see a lagoon system in operation, the mayor invited an engineer to a town hearing to explain how the system worked.

"At first," he recalled, "there was a lot of opposition to that type system but, when the engineer finished explaining it, people were as sold on it as I was."

Not only is the lagoon sewage disposal system much cheaper to install, the mayor says, it is also cheaper and easier to maintain.

It was constructed in 1964 and has been operating efficiently ever since, while some other towns with "conventional" systems have been experiencing problems.

With the lagoon method, Spoerlein explained, sewage goes into a large pond. From there, it runs from one lagoon into another. He claims there has never been a problem with odor and regular checks by the health department always have been good.

Lately, the Environmental Protection Agency has "been getting particular" with all sewerage systems in the state, so some updating will have to be done to the town's system.

"But," the mayor added, "it works fine as it is and is large enough to take care of twice our population."

Councilman Lambert, 70, is a native of New Windsor and some of his earliest recollections are of the days when the town had its own electric plant.

"Back 65 years ago, my father used to run the plant," he recalled, "We had 220 voltage then and street lights as far back as I can remember."

On Wednesdays, he recalled, his father used to run the generators steady from 8 a.m. until 12 noon because "that was the day the women ironed clothes."

According to Mrs. Robert Cairns, who along with her husband owns Boxwood Antiques and is the author of a brief town history printed during the Bicentennial, the electric company was organized in 1897 and operated at a loss until 1910 when Miss Marget Erhard willed funds to the town for continued operation of the plant.

For the next 12 years, the plant "paid its own way" and in 1922, was turned over to the public service commission for the sum of $1.

According to Councilman Lambert, Potomac Edison bought the electric plant in 1943.

Councilman Lambert, along with John Hessen, a local resident, was instrumental in reorganizing the town's fire company and getting the first fire engine.

"Until 1948, the town didn't have any motorized equipment," Lambert said. "We used to push the hose, which was on a reel, right up to the fire plugs. We've still got the old reel down at the fire station."

Lambert, owner of the local laundramat and a garage that he rents to an auto repair business, believes in keeping the independence of the town. "I sure wouldn't want the county running us," he said.

He will be watching with interest town elections this May when, for the first time in 31 years, his name will not be on the ballot.

"I'm expecting a real big turn-out this year," he said. "But I remember one year when only 19 people voted. I guess the people were satisfied with everyone who was running."

DEFERMENT OF REPAYMENT OF STUDENT LOANS BY MEDICAL RESIDENTS

HON. JOHN E. MOSS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. MOSS. Mr. Speaker, I am today introducing a bill which addresses a particularly frustrating problem for medical residents. As the Members may be aware, we have passed a number of financial aid programs under the Public Health Service Act, as amended, which support the young men and women who are pursuing a medical education. These programs explicitly recognize that a young physician's residency is an integral part of his or her education. As a consequence, repayment of educational loans under these programs is deferred for a reasonable period during which a young physician is a resident.

Unfortunately, this is not the case with all of our educational loan programs. Some programs, those under the Higher Education Act of 1965 and the Defense Education Act of 1958 as they are administered in certain parts of the country, require residents to begin repayment of such loans during residency.

This is not good policy. Residents, such as residents at the Sacramento Medical Center in my own district, are students for all practical purposes. A requirement that they must begin repayment of such loans during residency imposes a substantial burden upon all residents. It imposes a particular hardship on young physicians who do not come from wealthy families. This is not the intent of Congress as expressed in the Public Health Service Act, as amended; it should not, must not, be the policy of the Congress with respect to loans secured under the Higher Education Act and the Defense Education Act.

This bill achieves that goal by harmonizing the treatment accorded residents under these acts with that accorded them under the Public Health Service Act, as amended. This insures that residents will enjoy a reasonable period of deferment during this important stage in their educations. However, this bill does not prejudice those residents who have achieved deferment through one of the existing deferment categories such as educational deferment as administered by certain institutions.

In closing, I hope that my colleagues will support this needed clarification of congressional policy with respect to medical residents.

HEARING BEFORE THE SUBCOMMITTEE ON CRIME OF THE HOUSE COMMITTEE ON THE JUDICIARY ON RAILROAD VANDALISM

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. CONYERS. Mr. Speaker, I am pleased to announce that the Subcommittee on Crime of the House Committee on the Judiciary will hold a hearing on Wednesday, March 9, 1977, at 10 a.m. in room 2237, Rayburn House Office Building on the issue of railroad vandalism.

There are thousands of incidents of throwing stones and rocks and shooting firearms against railroad trains which occur each year. A number of States have some type of statute outlawing these acts, but do not always enforce them. There is some question as to the utility of Federal legislation in this area, although such bills have been proposed since 1967. The subcommittee will hold 1 day of hearings to explore the matter.

Honorable WILLIAM HUGHES of New Jersey and a representative from the Department of Justice are expected to testify. Other witnesses expected to appear before the subcommittee are representatives of the United Transportation Union and the Brotherhood of Locomotive Engineers and the Secretary of the Department of Transportation.

Those wishing to testify or submit a statement for the RECORD should address their requests to the Committee on the Judiciary, 2137 Rayburn House Office Building, Washington, D.C. 20515.

HUMAN RIGHTS

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. KOSTMAYER. Mr. Speaker, at long last we have a President who is clearly committed not only to the symbolism, but to the substance of human rights.

President Carter's reductions in financial aid to Uruguay, Argentina, and Ethiopia should demonstrate to the politicians, the press, and the people of those lands that America's dedication to the most basic and fundamental human rights is absolutely unchangeable and that it will be backed up not by self righteous polemics or saber rattling but rather by swift reductions in financial aid.

Those who do not honor America's old and historic love of simple human liberty will not be the beneficiaries of our treasure.

This is why, Mr. Speaker, I was so disturbed to hear the Secretary of State, Mr. Vance, defend payments by the CIA to a foreign government on television this past weekend.

Secretary Vance's defense of these payments which were not initiated by President Carter and which began long before his Presidency violate the spirit, if not the letter of the law.

His defense is entirely inconsistent with the spirit of openness at home and decency abroad which Jimmy Carter brings to the Presidency.

Secretary Vance should be willing to depart from the so-called pragmatic policies of the past and embrace the creed of candor and conscience of which our new President is the architect.

With all due respect to the Secretary of State, Mr. Speaker, I suggest at least in this instance that his long and distinguished Washington experience has done us all a disservice.

Out in the hinterlands of America, far away from foreign capitals and Washington diplomats, the people question not only the size of these payments, but the fact of them as well.

I recognize, of course, Mr. Speaker, that our international business cannot always be subjected to international scrutiny.

But these payments are unjustifiable and I suspect largely unnecessary in the face of foreign aid which flows so openly and generously to other nations.

It is the secrecy and source of these payments which Americans find so disturbing.

What is it about these funds dispatched by the Central Intelligence Agency that is so different than those appropriated openly by Congress and spent for legitimate aims both military and nonmilitay.

Mr. Speaker, we need fewer secrets, not more.

I hope that Secretary Vance will not confuse principle and pragmatism.

I believe both are possible in America's foreign policy. I believe Secretary Vance and the President share that view. I know the House does—and that the American people do, too.

CLARK COUNTY: BLAZING THE TRAIL FOR BETTER LUNCHES

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. SANTINI. Mr. Speaker, too many times in my brief career as Nevada's only Member of the House, I have encountered some mighty skeptical people who think there is nothing in Nevada except casinos and showrooms. On the other side of the coin, many see our State as the last cowboy frontier in which John Wayne chases some funny looking animals across a vast wasteland. Neither could be further from the truth.

To the surprise of many, even Las Vegas—the entertainment capital of the world—does not have casino chips rolling into the streets. There are actually real people living in Las Vegas with the same kind of needs and problems we face each day.

I thought I would point out just one example of a program which puts Las Vegas on the map for reasons other than gaming and entertainment. The Clark County School District, under the direction of Mr. Len Frederick, the school food services director, has revolutionized the school food service and nutritional programs. The district has set a standard for our Nation to emulate.

The program has evoked interest from school officials throughout the country. In a time in which the consumer is becoming more and more aware of the necessity of a balanced and nutritious diet, Mr. Frederick has initiated a most innovative and effective approach to school lunches.

The participation in the Clark County district lunch program has increased by 400 percent, the nutritional values have soared, the profits are solid and the parents are happy. There is little more that any school district could ask of its lunch program.

I include the remarks of Dr. Kotschevar of the University of Nevada, Las Vegas in the RECORD. He explains the background and success of the program and the determination and dedication on the part of Mr. Frederick.

The remarks follow:

FAST FOOD GETS AN "A" IN SCHOOL LUNCH

Here is a story as romantic and fascinating as any novel. Take a conventional foodservice operation for a large school system. Like many such operations, it was deeply mired in deficits, poor food, low participation, frustrating operating problems, and many disgruntled and dismayed employees. Yet, in just a short time it turned around to become an operation with excellent operating margins, high food standards, growing participation, smooth operating efficiency, loyal employees who are proud of belonging, and a 400% growth in participation while school enrollment increased only 10%.

Obviously, achieving all this took much doing. The story is filled with obstacles overcome by perseverance, dedication, and dogged determination plus an astute ability to go to the heart of a problem while cutting away unimportant and interfering factors. It can teach others how to attack and overcome these same problems. Further, it makes a unique contribution to one of the biggest problems of school foodservice—how to win over those young people who would rather eat at an off-campus drive-in. Every resource was used to persuade the school foodservice dropout that the new school lunch was better than the outside fare, and it worked. It was a terrific job in public relations that turned an army of doubters into an army of supporters.

"If you can't lick 'em, join 'em." The trick is, after joining them, to work within the restraints to achieve the goals of good nutrition, good food, high participation, adequate operating margins and public approval. Here, step-by-step, is how one can take an eight-ounce portion of milk fortified with added milk solids, vitamin A and vitamin D_3 and freeze it into a 14-ounce milk shake; add a hamburger, a ham and cheese sandwich, barbecued beef sandwich or any other of a number of bread and two-ounce portions of a high protein food along with a ⅛ cup portion of greens, tomatoes or pickles, plus a ⅝ cup portion of fortified french fried potatoes or salad, and thereby produce a meal that more than meets the Type A meal standards.

Many obstacles were put in the way of the program. But it was done, and with no loss of the standard that says a child shall receive a third of the nutrients required each day in the school foodservice meal.

Remarkably, all this was accomplished not by an experienced foodservice operator but by a former business executive who looked at the market and then designed a product that would sell within the restraints. We need more of this kind of thinking. Perhaps if we had it, Congress and government agencies would be less critical and stop formulating laws that hamper rather than help the program.

While this story is a tribute to Len Fredrick, he is the first to remind us that one never achieves a goal alone. So this is a story of how a loyal, hardworking, intelligent group of supervisors, managers, cooks, workers—375 in number—joined together as a team to make the system go. Properly, they must get their share of credit for putting over the "idea."

Within the school foodservice fraternity this story is not universally accepted as one of notable achievement. It is, truth to tell, controversial. There are those who contend the goals have not been met, and that the program is not successful. The facts belie them and these "doubting Thomases" are in the minority and fast disappearing.

It is, in fact, a successful program in many ways. It is highly innovative and imaginative. It blazes a new trial. Perhaps this is why some of the old guard and bureaucrats don't like it. It doesn't follow tradition, but takes a fresh approach that succeeds where the old one often failed. It has attracted many strong supporters such as: Governor Mike O'Callaghan, thankful to see a program that "sells" in Nevada's largest foodservice system; the parents, students, the School Board and Superintendent of Schools in Las Vegas, thankful to see an almost impossible foodservice system turned into a successful one; and the Nevada Heart Association, for lowering the cholesterol content after a study showed that 25% of the students in junior high school had higher than normal cholesterol blood levels. Progressive nutritionists, physicians, dietitians, and others who recognize achievement have also joined in the approbation.

Progress results when one dares to overturn "apple carts" of set and preconceived ideas. And here is a proud story on just how Len Fredrick did it and what has been achieved by doing it.

LENDAL H. KOTSCHEVAR, Ph. D.,
Prof., College of Hotel Administration, University of Nevada at Las Vegas.

THE NEGRO ENSEMBLE CO.

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. RANGEL. Mr. Speaker, I would like to call my colleagues' attention to the important cultural contribution made by the Negro Ensemble Co. of New York City, now celebrating its 10th year.

This unique institution is credited with a long list of accomplished theater artists and outstanding performances. Beginning with a $434,000 grant from the Ford Foundation, the company has admirably succeeded in establishing talented black actors and actresses in the theater and affording black playwrights an opportunity to stage their productions. The company notes as its distinguished alumni such accomplished performers as Esther Rolle, Moses Gunn, Denise Nicholas, Rosalind Cash, and Clarice Taylor, screenwriter Lonnie Elder of "Sounder," and director Michael Schultz of "Cooley High" and "Car Wash."

Mr. Speaker, the month of February has been designated Black History Month, and it is fitting that we should now honor a black group that has contributed significantly to the American stage. I would like to congratulate the Negro Ensemble Co. on the occasion of its 10th anniversary, and encourage them in their endeavors to expand and enlarge the focus of their work for the benefit of those who derive great enjoyment from the theater.

I would like to share with my colleagues an article on this group which appeared in the New York Times on December 3, 1976. This article delineates the contribution made by the Negro ensemble which I believe my colleagues should share. The article follows:

[From the New York Times, Dec. 3, 1976]

BLACK ENSEMBLE—INTEGRITY, NOT JIVE

(By C. Gerald Fraser)

It is curtain time Sunday at the Theater de Lys in Greenwich Village, Act I. Total darkness. The sound of rifle fire erupts throughout the theater. "The Brownsville Raid" begins, and the Negro Ensemble Company has started its 10th anniversary season.

"The Brownsville Raid," based on an actual event, tells the story of the black soldiers of Companies B, C and D of the First Battalion of the 25th Infantry, United States Army—combat veterans of the Americans West, the Philippines and Cuba. These soldiers were accused of shooting up Brownsville, Tex., on Aug. 13, 1906, in retaliation for the racial discrimination they had experienced after their arrival 16 days earlier.

With no hearing or trial, the entire battalion was dishonorably discharged from the Army, although no black soldier said he had taken part in the shooting spree or admitted knowing who did.

The play was written by Charles Fuller, a young playwright who also wrote a previous Negro Ensemble Company production, "In the Deepest Part of Sleep." "The Brownsville Raid' was directed by Israel Hicks and has a cast of 17, including Douglas Turner Ward and Ethel Ayler.

Mr. Ward, one of the company's founders and its artistic director, said that he had chosen "The Brownsville Raid" for the 10th anniversary presentation of the company, "to remind people that the theater is about entertainment, yes, but it is also about something vital, it must have meaning for our lives."

"In the beginning," Mr. Ward went on, "we started with 'Song of the Lusitanian Bogey,' a play about a serious real-life issue at that time—colonialism. Now we sort of complete the circle with another play that has a meaning beyond theatricality."

The play is being staged at the Theater de Lys to accommodate a larger audience. But traditionally, the company's plays have opened at the St. Marks Playhouse on Second Avenue. There, for a decade, audiences have trudged up the long flight of stairs to the theater auditorium to witness a company with a singular reputation in America.

The Negro Ensemble Company set out to bring black people into the theater—on stage, back stage and in the audience. And it has succeeded. Its productions have been well attended; some have moved to Broadway and been seen on television. Many company performers have also gone on to star in television, the movies and the Broadway stage and ensemble playwrights have earned enviable reputations.

The company began with a $434,000 grant from the Ford Foundation and a permanent core company of 16 actors who usually worked in four major productions a year. Now, as "The Brownsville Raid" prepares to open, actors are no longer retained on a 52-week basis, three productions are attempted each year, and the company is undergoing a series of financial crises.

The company's current budget for workshops, administration, training programs and four major productions a year is $697,000, according to Gerald Krone, another company founder and its administrative head and chief fundraiser.

STRUGGLE TO SURVIVE

"We've literally spent about two years without getting any monies from the Ford Foundation and we've had to struggle to survive during that period," Mr. Ward said. "If we don't get anything from them, it will really cut off a major source of what we've existed on for close to 10 years."

"We have managed to survive despite continual financial crises, basically because we refuse to accept that any of these crises mean that we have to stop," Mr. Ward said. "It's a strain, and there's never any assurance that at some point the worst won't happen. But so far it hasn't affected us in the spirit of the work and the daring, the involvement and excitement which comes from always doing something new."

Mr. Ward stressed that from almost the outset the company has performed new plays in contrast with many other theater groups that draw liberally on revivals and classics. "If they do one new work a season, it's like triumphant programming," he said. "Here we are basically dealing with new works that are waiting to be realized. That's a difficult undertaking. Yet at the same time it assures for a certain type of involvement. Finding out whether it's going to work or not, that sort of always gives you a stimulus."

DISTINGUISHED ALUMNI

In the last 10 years, the company has staged 56 major productions. Michael A. Schultz directed the first, "The Song of the Lusitanian Bogey," and several others there. Since then, he has directed such films as "Cooley High" and "Car Wash."

Lonnie Elder 3d wrote "Ceremonies in Dark Old Men" for the ensemble, and later he wrote the screenplay for the film "Sounder." Performers who owe their early successes to the company include Esther Rolle, who was seen on the television series "Good Times." Clarice Taylor of "The Wiz," Moses Gunn, who is seen frequently on television, in films and on Broadway, Rosalind Cash, Denise Nicholas, Judyann Elder, Norman Bush, Frances Foster, Arthur French and Hattie Winston.

"N.E.C. has never asked for financial and artistic returns from the good that we have done, even from individual actors who worked and became stars," Mr. Ward said. But he acknowledged: "I would like to be in a position now to say to an artist who's now successful, 'O.K., why don't you put aside two months in which you would be available to come back and do a play that I find useful for us and useful for your growth?' "

Mr. Ward also is seeking to expand the company's audience and, through a better mailing list, to establish a core of about 2,000 supporters. But enlarging the audience does not mean bringing more people into the 145-seat theater on Second Avenue. It means taking a play such as "The Brownsville Raid" to a larger theater and moving plays to Broadway, television and films. Mr. Ward said that he also foresaw a strengthening in the development of black directors.

WIDE RANGE OF MATERIAL

Although the company's most prominent plays have often been family portraits—"First Breeze of Summer," "The River Niger" and "Eden"—Mr. Ward said that black playwrights are producing a wide range of material, of which "The Brownsville Raid" is one example.

Sometimes white people "squeeze us all in the same bag," Mr. Ward said, "but as writers, we are probably more different than alike. The one thing that seems to be common is that the black writer is always interested in the concrete, even if he is dealing with fantasy. And I think that's very logical."

"It's hard for us to escape concrete reality," he continued. "It's hard for us to really think in abstractions when our total life has been concrete with threats and dangers."

Mr. Ward said that he hoped to reinstitute the original idea of the company. "I know that I can't pay the actors 52 weeks a year, but I want some form of a permanent company, more stable than we've had." He said the creation of "harmonious ensemble work is impossible unless you have the ability to have a permanent group of people working together consistently."

"What we have going for us," Mr. Ward said, "is our track record and our integrity, and people in the industry who want to support us in doing anything know we ain't jivin'."

AN ESSAY WRITTEN BY MISS SUZANNE MOORE OF CUMBERLAND, R.I.

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. ST GERMAIN. Mr. Speaker, at one time or another, every person in this country has stopped and asked himself what this land of ours means to them. On occasion, special individuals are able to fashion these ideas, which are deeply felt by all of us, into words.

A resident of the First District of Rhode Island, Miss Suzanne Moore of

3360 Diamond Hill Road in Cumberland, has been able to articulate this feeling in just such a manner and I would like to bring it to your attention at this time.

In response to the Voice of Democracy scholarship program, sponsored by the Veterans of Foreign Wars of the United States and its Ladies Auxiliary, Miss Moore prepared an essay which won her top honors in the State of Rhode Island, and has advanced her to competition at the national level.

I take special pride in bringing the following essay to your attention:

1976–77 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM, RHODE ISLAND WINNER, SUZANNE MOORE

Over 300 years ago, a spark of discontent fired certain groups to leave their homes, to seek out a better way. Just as Prometheus, friend and benefactor of mankind, brought fire to the ancients, against the will of Zeus, so did these people, our forefathers, opposing their ruler, bring their blazing ideas across the sea. They found a new land and impregnated the soil with their revolutionary seeds. The rich womb nurtured them well and soon a fine, young sprout—America—was born.

It had its growing pains, true, an umbilical cord needed to be severed, and there was dissention over who the true mother was. For a time the future seemed logically to point to death, for the sprout was too young to be so oppressed. And yet, though there was no Oracle to back it up, in the air was the knowledge that one day this would be a splendid Tree. In time, the trunk, the foundation of all its appendages, was completed. There was no longer any question of lineage.

This most assuredly was not the last of its tribulations, for being born in, and being exposed to the cruelties and prejudice of an adult world is not an easy thing to do. For less than a century later it was captured in a black storm, and white lightening lashed and split its greatest branch nearly into two. Fortunately, gratefully, the wound healed, but still a scar is worn.

Other incidents have had detrimental outcomes when the Tree fostered some unfortunates and tried to block out the sun from others.

Although there have been these bad times and depressions, like winter, in which leaves fall and branches break, let not this facade of death disenchant us, for even after the harshest winters, spring and life return.

Its stature and fortitude have been augmented by time, but its arms still reach to the heavens. With sanguine expectation, it stretches to the day when the sprouts harboured under its great boughs, will abide by its side, self reliant and unafraid. It also extends to the time when the equality of all the leaves will be unargued, unquestioned, simply understood.

The rings of this Tree now count 200, and it is not only a time to look back at the past, but on to the future, too. We see many broken branches, broken dreams, at both ends; but let that not blind us to the virtue and valiance that was, and will be! No longer the innocent, verdant, sprout of old, it has been wrinkled and gnarled with trials over the years. As it gently surrendered the things of youth, wisdom and stamina took their place.

I sit alone on a pebble and watch its great limbs make web-like patterns against the night, and the stars glitter amid them like so many Christmas lights. I am mesmerized by its strength and grandeur and the pride with which it stands. So high it is that its fingers grasp the air at heaven's very door, and yet these ends are reachable; climbable. How like our country is this Tree.

I see this Tree as my country. Of course, I do know that this is merely a symbol, like the colors of a flag, used to convey an idea or feeling. However, it isn't the symbols—Russia, America, red, white and blue, or a Tree that are important, for these are imperfect, restrictive, subject to physical boundaries. It is the feeling behind the symbol, the soul if you will. The thrill of a marching band or waving flag. To me the Tree, its steadfastness, wrinkled beauty, and capacity for continuous growth, stands for what America means to me. And it is this spirit, after the symbols are long forgotten, that will continue to thrive until the sun and love cease to shine, and rain and tears cease to fall.

"WHAT AMERICA MEANS TO ME," BY MARIJEAN LAUZIER, 1976–77 VFW VOICE OF DEMOCRACY PROGRAM MASSACHUSETTS WINNER

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. BOLAND. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its ladies auxiliary conduct a "Voice of Democracy" contest. The State winners have recently been selected, and I am proud to announce that Marijean Lauzier of Chicopet is the Massachusetts State winner.

Ms. Lauzier, a high school student, evokes the image of Jonathan Livingston Seagull to describe the spirit of America. She says:

The spirit that motivated our forefathers to challenge slavery; the spirit that thrives on diversity, uniqueness and enthusiasm; the spirit that allows me to be whatever good, positive, creative person that I am capable of being; that liberating spirit is what America means to me.

Mr. Speaker, America means many things to many people, but rarely have I seen a student express their feelings more eloquently than Marijean Lauzier does in her fine essay. I would like to take this opportunity to insert the full text of her essay and extend my congratulations to Marijean Lauzier.

WHAT AMERICA MEANS TO ME

(By Marijean Lauzier)

Jonathan Livingston Seagull's heart swelled with joy as he reflected: "How much more there is now to living! There's reason to life. We can lift ourselves out of ignorance, and we can fine ourselves as creatures of excellence and intelligence, and skill. We can be free."

Two hundred years ago a handful of spirited, courageous people had a vision—a dream of a place where there would be more to life than servitude, persecution, and tyranny. They fought and died to crush the enslavements that blight the free spirit and minds of men, and secured for themselves and posterity, freedom, justice, equality. America! That spirit, the spirit that motivated our forefathers to challenge slavery; the spirit that thrives on diversity, uniqueness and enthusiasm; the spirit that allows me to be whatever good, positive, creative person that I am capable of being; that liberating spirit is what America means to me.

Living and acting with reverence for the past, enthusiasm for today, and great expectations for the future is the responsibility and challenge of realizing that it is the spirit, that makes the United States so special. The practical, workable mechanisms that perpetuate the strength and growth of this country constantly call me to demonstrate and utilize my intelligence, potential, and responsibility.

Our political system, a democracy, empowers each and every individual with the tools for self-governing. Perhaps nowhere else on earth are people given credit for having enough intelligence, self discipline, and common sense to truly be masters of their own destinies. Preservation and protection of the rights to free speech, press, assembly, petition, and religion insure that I will always have a say in determining the course America takes. Our economic system challenges me to invent, improve, achieve, work as hard as I possibly can to make my dreams and my country's needs realities.

America has no caste system that determines the job and class I will be a part of. Whatever ingenuity I can muster will decide my social and economic success. The inherent value system of our society calls me to stamp out injustice, prejudice, and apathy with every ounce of my personhood. For two centuries now, the ideas and priorities of America have been centered on the precept that as long as powerlessness and suffering exist for anyone, we must all share the task of lifting these burdens. I must come outside of my own plentiful world and care about the lives of others.

And so you ask: What does America mean to me? It means growing up and maturing in a caring environment that believes in and trusts my humanness; striving to preserve the freedoms of our country for myself and others, and for tomorrow's young people; recognizing that it is a sacred privilege to be living on this side of the fence, and accepting the responsibilities that accompany this privilege; looking around to see a wide, fertile land, soaring mountains, and glimmering seas.

All of these things and so many more are a part of what America means to me. But the special thing—the thing that touches the depths of my soul is this: America means I can look at myself, strengths, weaknesses, successes, and failures, and know that I have the freedom to become a good person. I am special—America believes in me. I can learn to fly, and I'm learning to be free.

SALUTE TO OUTSTANDING JOURNALIST

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. MONTGOMERY. Mr. Speaker, my hometown of Meridian recently saw the end of an outstanding journalist's career with the retirement of Mr. Jerry McKiernan, although he was better known and really know only as Jerry Kerns. He came to Meridian almost 30 years ago as program director of radio station WMOX, with which he retained a close affiliation over the years. It was in May 1948, that he began a noteworthy career with the Meridian Star as promotion manager.

He later joined the editorial department in 1950, was named city editor in 1958, and executive editor in 1967. He also served as editor of the Farm Reporter during 8 years of this time. I am very pleased to have known Jerry Kerns per-

sonally and to have been able to count him among my friends. Meridian will never be able to replace Jerry Kerns, and especially his column "It's Entertainment," but we are all better people for having known him and for having benefitted from his truly outstanding abilities. I would like to share with my colleagues a story that appeared in the Meridian Star at the time of his retirement, as well as an editorial. I am sure everyone in Meridian joins me in wishing him well in retirement.

The material follows:

[From the Meridian (Miss.) Star, Jan. 22, 1977]

EDITORIAL DEPARTMENT CHANGES SET SATURDAY

Direction of The Meridian Star's Editorial Department changes hands Saturday with the retirement of Executive Editor Jerry Kerns. Managing Editor Burl H. Denson will assume the executive editor's duties.

Kerns leaves The Star after over 27 years as a reporter and editor with the 25,000-circulation daily newspaper.

He came to Meridian in May, 1946, as program director of WMOX radio station, of which he became manager in January, 1947.

He began working for The Star in May, 1948, as promotion manager, then joined The Star's Editorial Department as City Hall reporter, feature writer and editorial writer in 1950.

Kerns became city editor in 1958 and executive editor in 1967. He has written a weekly column, "It's Entertainment," since 1950. He has been the music and drama critic for the newspaper.

Kerns was editor of the Farm Reporter—published by The Star from 1959 until 1966.

He has been on the boards of directors of the Greater Meridian Chamber of Commerce, the Navy League, the United Fund, Red Cross, the Council on Alcoholism and several other organizations. He served as Lauderdale County chairman of the U.S. Savings Bond program from 1947 until this year.

Denson has been associated with The Star since 1967. He joined the newspaper's Editorial Department as a sportswriter and became wire editor in 1969. Since that time he has been city editor and news editor, and became managing editor in 1974.

He was educated at Mississippi College and the University of Mississippi and has been sportswriter for the Florida Times-Union newspaper in Jacksonville, Fla., and sports editor of the Playground Daily News of Ft. Walton Beach, Fla.

Of the retirement of Kerns and the promotion of Denson, James B. Skewes, editor-publisher of The Star, said, "We will miss Jerry Kerns, as we state in our editorial on page 4–A.

"However," he said, "we are completely confident that Burl Denson will carry out his new duties in the best tradition of The Meridian Star and with complete dedication to the true interests of Meridian and the Meridian area."

Kerns, one of the original employees of WMOX, will be featured Friday at 10:30 a.m. on the radio station's "Time Out For Jane" program and is to be the guest of honor at an open house reception held at the station beginning at 11 a.m. Station manager Eddie Smith said the public is invited to the reception.

[Editorial from the Meridian (Miss.) Star, Jan. 27, 1977]

WE'LL MISS HIM

Tomorrow is Jerry Kerns' last day at the Meridian Star.

Jerry, our Executive Editor, is retiring after being in our employ since 1948.

Since so many of our editorials were written by "old man Kerns," as he was affectionately known, it is only fitting and proper that tribute be paid him in this column.

Everyone liked Jerry. He was always humorous, cheerful, composed and efficient.

He could make the most glum of us laugh; he could cheer up the sad; he could give confidence to the most unsure of us.

Jerry was one of the best-read and knowledgeable of men, as asset beyond price to people in the newspaper "game."

He always gave the impression, and a true impression it was, that he knew exactly what he was doing and that he had the situation well in hand. One cannot overestimate the confidence this attitude inspired in both his co-workers and the public.

This is not to say that Jerry was boastful or arrogant, for we never knew a more modest man.

Indeed, The Meridian Star in general, and this writer in particular, will miss him.

The same goes for the entire Meridian community whose interest was always dear to his heart, both in his newspaper and civic work.

Jerry's loyalty was the kind that cannot be purchased by money; he was a friend as well as an employe.

Good luck, Jerry, and many happy years in your well earned retirement.

OLDEST AMERICAN STORE IN CONTINUANCE OPERATION

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. EMERY. Mr. Speaker, at a time when we are experiencing a decline in the number of independent small businesses throughout this country, it gives me great pleasure and a genuine sense of pride to represent a district which supports a prosperous neighborhood grocery which has been continually owned and operated by the same family for over 148 years. Frisbee's Market, Kittery Point, Maine, has earned the distinction of being recognized by the National Association of Retail Grocers as the oldest American store in continuous operation. The business has also been honored by the Maine Grocers' Association as the "Grocery Store of the Year."

The independent neighborhood grocery has become especially vulnerable to the dominance of our ubiquitous chain supermarkets. In my opinion, the fortitude of Frisbee's is a genuine tribute to the family businesses which actually perpetuated the successful business organizations of today. It is especially gratifying to me to be able to trade in a store that has been owned and operated by the same family for a century and a half!

Founded in 1828 on the ocean shore in Kittery Point by Daniel Frisbee, the original store was opened in a 17th century building which had been confiscated from a British sympathizer in the Revolutionary War. As the business began to thrive, merchandise changed from supplies for area sailors to the food market housed in the building today. Through the years a member of the Frisbee family has been on hand to oversee operations. The appearance of Frisbee's has changed, the location has been moved, a restaurant has been added, and the facilities have modernized to accommodate today's customers. Employees have come and gone. Nevertheless, the Frisbee interest has never wavered.

I am sure that each of my colleagues could relate similar stories regarding businesses in their districts, and possibly that is exactly my reason for bringing this story to your attention. I believe that it is important to take a minute to recognize those small businesses and businessmen who actually made our country the success that it is today.

It is my unique pleasure to acquaint you with the Frisbee's and their market.

U.S. ECONOMY HURT BY JAPANESE DUMPING OF TELEVISION SETS

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. MURPHY of Illinois. Mr. Speaker, today over 65,000 Americans are employed in the color television industry. Their jobs are being threatened by ever-increasing numbers of foreign goods which are flooding the American market. Imports of color television sets from Japan are four times greater than they were in 1968. The Japanese captured almost 40 percent of the American market in 1976, an incredible jump from 17.8 percent the year before.

American firms accuse the Japanese of dumping in order to capture the market. Dumping means selling a product below the price the same product is sold for in its home country. In 1971, the Tariff Commission ruled unanimously that the American industry was being injured by Japanese dumping. Industry does not believe the practice has stopped.

These imports threaten American jobs—over 12,000 people are presently employed in Zenith's Chicago plant alone. It is estimated that altogether 65,000 jobs in the industry are endangered. This figures does not include the thousands of jobs already lost in the industry.

Mr. Speaker, I inserted two previous articles by Bob Wiedrich in the CONGRESSIONAL RECORD of February 28 regarding this serious problem. I am now inserting the third article of the three-part series for the information of my colleagues:

JAPANESE TV SETS PLUGGED INTO DISTRICT OF COLUMBIA

(By Bob Wiedrich)

The same bureaucrats who shut their eyes to bribe payments to Japanese politicians by Lockheed Aircraft have also condoned the illegal dismantling of the American TV making industry by the Nipponese.

Tht angry indictment of Washington officials comes from John Nevin, Zenith Radio Corp. chairman, whose firm is suing seven major Japanese manufacturers for $900 million in treble damages because Uncle Sam has refused to protect domestic firms from unlawful foreign competition.

"I don't think there is any question that there were people in government who knew bribes were being paid foreign firms and governments to sell aircraft," Nevin said.

"I don't think there is any question that there were people in government who knew bribes were being paid foreign firms and governments to sell aircraft," Nevin said.

"And I have no doubt that our government also knew that TV sets were being dumped on the American market by the Japanese in violation of American law.

"But they winked at both practices because they didn't want to ruffle any feathers. The TV industry wasn't that important to them. Neither were the 60,000 American workers who lost their jobs as a result of their inaction.

"So they didn't enforce the law.

"I'm satisfied that at the operating levels of government there were honest people who wanted to carry out their duties.

"But their ability to do their jobs depended on the support and resources furnished by their superiors. Secondly, there should have been legal interpretations to make their tasks easier.

"But instead, their superiors threw barriers in their paths. I suspect there were high level decisions made not to rock the boat with Japan.

"And I happen to think that that is not only wrong but stupid.

"The kind of trade relations you want to foster to benefit both countries are not going to be improved by the unlawful dumping of TV sets any more than by bribery.

"Bribery and dumping, when they are discovered, are likely to generate hostilities and suspicions that will lead to disruption of the very trade relations you are seeking to establish.

"The people who decided to wink at these law violations not only did damage to those who lost their jobs, but also did a great disservice to the development of the trade relations Congress wants and the people of both countries would support."

Dumping is the selling of TV sets in the United States at prices considerably less than they are sold on the domestic Japanese market.

The sets are sold under the brand names of major American retail chains under circumstances that Nevin charges involve fraud and misrepresentation committed against the U.S. government by the Japanese manufacturers.

These have included the alleged payment of secret rebates to American importers and the falsification of official U.S. Customs documents, Nevin declared.

"The laws were there to be enforced," he said, "but the departments of Justice and Treasury failed to enforce them at the behest of the State Department.

"It's my view that the State Department has in all trade matters exercised authority far beyond that contemplated by Congress.

"And, to avoid squabbles with Japan and other nations, it has played a role in discouraging the Justice and Treasury departments from enforcing the law.

"It has politicized law enforcement agencies not to do their jobs. That's what Watergate was all about—people saying that they didn't like certain laws passed by Congress so they didn't enforce them."

Galled by governmental inaction and spurred by a virtual takeover of the American TV and radio market by the Japanese through unlawful practices, Zenith Radio Corp., filed its massive antitrust action in 1974 in a Philadelphia Federal District Court.

The law suit charges that through price fixing and other schemes designed to maintain high prices in Japan and unrealistically low prices in the U.S., the Japanese conspired to eliminate the profit margins of American manufacturers until they were driven into the ground.

The suit, which is scheduled for hearing this summer, charges a "predatory invasion" by the Japanese in violation of American antitrust laws.

"The American television industry is not asking its government for anything to which it is not entitled," asserts Rep. Morgan Murphy Jr. (D., Ill.), whose South Side constituency includes many of Zenith's 13,000 Chicago area workers.

The $1 billion a year corporation employs 20,489 workers in 11 plants across the country and conducts two-thirds of its manufacturing operations here.

Murphy and a Chicago Democratic colleague, Rep. Daniel Rostenkowski, have petitioned Rep. Richard Bolling [D., Mo.], chairman of the joint House-Senate Economic Committee, to open hearings into the failure of the departments of State, Justice, and Treasury to carry out congressional mandates against illegal dumping.

We urge the committee to do just that and with dispatch before an entire American industry goes down the drain because of diplomatic gutlessness and bureaucratic stupidity.

THE "TORREY CANYON" AND THE "SANSINENA"

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. STUDDS. Mr. Speaker, one of the most tragic of the oil tanker incidents which have occurred during the past few months was the explosion of the tanker *Sansinena* in Los Angeles harbor in December. I believe that the following article, written by New York Times reporter John Kifner, will be of interest to all of those concerned with discovering something about the inner workings of the world's tanker industry:

TANKER THAT BLEW UP PROVIDES INSIGHT INTO OIL SHIPPING

(By John Kifner)

A rare glimpse into the high-powered financial world of oil shipping—a normally secretive world made controversial recently by a series of mishaps by oil tankers flying the Liberian "flag of convenience"—is provided by the history of the tanker Sansinena, which blew up in Los Angeles harbor in mid-December, killing 11 persons.

The Sansinena and its sister ship, the Torrey Canyon, whose wreck in the English Channel in March 1967 caused the world's largest oil spill, were both owned by a company, incorporated in Liberia, once headed by President Nixon's key economic aide, Peter M. Flanigan.

The company, the Barracuda Tankers Corporation, was set up with a Hamilton, Bermuda address to build three tankers for exclusive charter to the Union Oil Company of California by executives of Dillon, Read & Co., the prestigious Wall Street investment banking house to which Mr. Flanigan returned after his White House years.

Among those involved in the company, which avoided American taxes because of its Liberian incorporation, was C. Douglas Dillon, Secretary of the Treasury under President Kennedy, the long-time head of Dillon, Read and now the chairman of its executive committee.

HOME OF LARGEST FLEET

Under a system organized by oil and shipping interests, the small West Africa nation of Liberia, with no natural harbor, has become the home of the world's largest merchant marine fleet.

Mr. Flanigan, 53 years old, Princeton-educated and wealthy, had been President Nixon's adviser on international economic affairs and a key Nixon Administration link to the financial community. His admirers called him a "problem solver," and his critics said he was a "Mr. Fixit" who could make deals on behalf of big business.

President Ford attempted to name him Ambassador to Spain, but the nomination was withdrawn after controversy over Mr. Flanigan's role in the International Telephone and Telegraph scandal. Mr. Flanigan was cited as having arranged for a private consultant's report by a former Dillon, Read associate that led to the dropping of antitrust charges against the conglomerate.

VALUABLE EXEMPTION CANCELED

The Sansinena became controversial during Mr. Flanigan's White House years when the Treasury Department almost granted what would have been the only exemption to the Jones Act, the statute requiring that ships engaged in trade between United States ports be of United States registry. The exemption, requested by Union Oil, would have allowed the Liberian ship to work in the highly lucrative Alaskan oil trade.

The Treasury Department suspended the ruling on March 10, 1970, moments before a committee of the House of Representatives was scheduled to open hearings on the matter.

Critics in Congress had called the proposed exemption a "multimillion-dollar windfall," and pointed to Mr. Flanigan's former presidency of Barracuda and contributions to the Republican Party by Fred L. Hartley, the president of Union Oil. Mr. Flanigan issued statements denying any wrongful use of his influence.

Five months after he joined the White House staff, Mr. Flanigan resigned as president of Barracuda and directed his lawyers to put his stock in the company into a blind trust. As the controversy over the Sansinena mounted, the stock was sold for $20,000 in order, Mr. Flanigan said, to avoid any appearance of conflict of interest.

The blind trust was run by his father, Horace Flanigan, who had been the chairman of Manufacturer's Hanover Trust and a director of Union Oil. The stock was bought by John Magrane, a fellow vice-president of Dillon, Read & Co. who had taken over as President of Barracuda Tanker.

REGISTRY A TAX HAVEN

American tax officials have long regarded Liberian incorporation as a tax haven. American corporations, for instance, are supposed to pay a 48 percent profits tax, although they frequently manage to reduce the figure.

Under Liberian law, there are no taxes for corporations operating outside of the country. Furthermore, the shareholders in Liberian companies are kept anonymous, allowing them to avoid taxes in their home countries.

On March 18, 1967, the Torey Canyon, owned by Barracuda and subleased at the time to British Petroleum Trading Limited, ran into a submerged reef in the English channel and lost its cargo of 119,000 tons of crude oil. Much of the oil eventually despoiled British and French beaches and harbors. When the ship ran aground the Captain of the Italian crew manning her had worked 366 days without a break.

ELEVEN DIE IN EXPLOSION

Unable to unravel who owned the ship (one investigator at the time called Barracuda "a file drawer in Bermuda") the British and French authorities seized another Barracuda ship Lake Poularde, and held it until the insurers paid off $7.5 million in damages.

On Dec. 17 of the last year, the 38,000-ton Sansinena blew up in Los Angeles harbor while her tanks were being cleaned. Harbor boats recovered the bodies of the sailors, Italian nationals who were blown off the decks. The explosion, dangerously close to large oil

storage tanks, could have been prevented, experts said, by a relatively inexpensive gas inerting system, which is not required by law.

Recent attempts to reach Mr. Flanigan were unsuccessful, but Mr. Magrane, a colleague at Dillon, Read, who had bought the Barracuda shares, said that Mr. Flanigan had not bought back his stock after returning to private life and that he, Mr. Magrane, was still the president of Barracuda Tankers.

Asked about the impact of the Sansinena explosion on the company, Mr. Magrane said in a telephone interview that "one way or another, it's all covered by insurance."

Asked how much money had been made by the leasing agreement, Mr. Magrane replied, "I'd rather not say." In 1961, it was estimated that the initial investment of $20,000 was returning $50,000 profit each year.

THE MERIT SYSTEM VERSUS PATRONAGE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. DERWINSKI. Mr. Speaker, since I serve as ranking Republican member of the House Post Office and Civil Service Committee, I had high hopes that President Carter would avoid all temptations to overemphasize partisan politics in his appointment procedures. Obviously then the following article which appeared in the Wall Street Journal of February 28, troubled me a bit. Norman Miller, who is the Journal's Washington bureau chief, discusses the Carter administration's apparent policies toward Federal judicial appointments:

THE MERIT SYSTEM VS PATRONAGE

(By Norman C. Miller)

WASHINGTON.—In a presidential campaign marked by ambiguous statements, at least one of Jimmy Carter's promises was unequivocal.

"All federal judges and prosecutors should be appointed strictly on the basis of merit without any consideration of political aspects or influence," he said. "Independent blue ribbon judicial selection committees should be established to give recommendations to the President of the most qualified persons available for positions when vacancies occur."

Yet Mr. Carter already appears to have largely abandoned this campaign promise. In his administration, the prospect is that most judges will be appointed under the same shrouded and patronage-ridden process that has long prevailed.

Under this process, senior Senators of the President's party have the power to virtually nominate the U.S. district judges in their states. Senators hold this power as a result of a long-standing Senate custom under which the Judiciary Committee refuses to even consider a judicial nominee unless the Senators of the state in question give their approval. In practice, this means the President often has no realistic choice except to go along with a Senator's choice for a judgeship—whereupon the Judiciary Committee and then the full Senate almost always perfunctorily approve the nomination.

The only checks on this patronage system are examinations of proposed judges' qualifications by a committee of the American Bar Association and by the Justice Department. A finding of "not qualified" by the ABA committee, which occurs about 10% of the time, is often enough to kill a nomination or at least to insure a Senate fight.

But this screening system doesn't always work. For example, former Gov. Thomas Meskill of Connecticut won confirmation to a federal appeals court, at the insistence of GOP Sen. Lowell Weicker, despite a "not qualified" finding by the ABA committee.

RAW POLITICS

And senatorial vetoes of presidential nominees they don't like can be based on raw politics. Last year, Virginia GOP Senator William Scott blocked a nomination by President Ford of a well-regarded Virginia lawyer just because the man was associated with a party faction at odds with the Senator.

Similarly, Senators and other powerful politicians often have a decisive voice in the appointments of the 94 U.S. attorneys, which also require Senate confirmation. As a result, says a Senate aide, a large number of U.S. attorneys are "clearly political hacks."

With respect to judges, the need to reform the patronage system is especially urgent. For this year Congress is expected to create as many as 130 additional district- and appeals-court judgeships—expanding the federal judiciary by 25%. With an additional 30 posts on the bench now vacant, Jimmy Carter thus will have an unparalleled opportunity to shape the federal judiciary for decades to come.

To his credit, President Carter has taken one reform step, patterned after "merit selection" plans in about half the states. He has established 13 citizen advisory commissions to nominate persons for appeals courts in the 13 judicial circuits The panels will include nonlawyers as well as lawyers, and they will recommend to the President five persons whom they consider best qualified to fill vacancies. While the President hasn't bound himself to follow the recommendations, his action clearly indicates that he intends to select nominees from among the five-person lists.

But moving to a merit selection system for appeals court judges is relatively easy; Senators have had less influence over these nominations because the courts' jurisdictions cover several states. In dealing with the far larger number of district courts, Attorney General Griffin Bell has made it clear that the administration has no stomach for challenging the entrenched patronage system.

"This has always been part of the patronage system (and) we can't change it without some great upheaval," Mr. Bell says. ". . . We can't just come and apply an order saying this is the way it is going to be. . . . How long do you think it would take judgeship vacancies to be filled if we disrupted the system? You know, we could get a lot of publicity, but then we wouldn't get any judges."

As a former federal judge himself, Mr. Bell seems to have a tolerant view of the patronage system. Indeed, he once described the connections that got him onto the bench. "For me, becoming a federal judge wasn't very difficult," he told Judicature Magazine. "I managed John F. Kennedy's presidential campaign in Georgia. Two of my oldest and closest friends were the two Senators from Georgia. And I was campaign manager and special unpaid counsel for the governor. It doesn't hurt to ge a good lawyer either."

Now Mr. Bell says he is committed to a merit selection system, and he says he will negotiate with Senators one by one, encouring them to establish commissions in their states to recommend candidates to become district judges. In the past few years, Senators in at least seven states have established such nonpartisan commissions, and by all accounts they work well.

In Florida, for example, the two Democratic Senators have established a nine-member commission to recommend candidates for the bench. Each Senator appoints three members and the Florida Bar Association appoints three. After screening candidates, the commission sends a list of five to Senators Lawton Chiles and Richard Stone. The Senators hold public hearings and attempt to decide on one candidate, although sometimes they recommend more than one potential nominee to the President and let him make the choice.

THE FLORIDA SYSTEM

The Florida system appears to have removed judicial nominations from the realm of purely party politics. In its first two years, two of three judgeships have been awarded to Republicans, even though both Senators are Democrats.

But there is hardly a rush in the Senate to emulate the few Senators who have renounced, or at least diminished, their patronage power. Most Senators argue—and their arguments now are echoed at the Carter Justice Department—that the established system has produced many high-quality judges, and that they are as committed to meritorious judicial nominations as any citizens' group.

It is true that most judges on the federal bench are highly regarded for their competence and integrity. But even if the patronage system hasn't produced many incompetent judges, that is no argument for keeping it.

The present system is too open to potential abuse, and its backroom nature does nothing to build public respect for the judiciary. Moreover, its dominance by white male politicians (and white male lawyers on the ABA advisory committee) doubtless has something to do with the shocking under-representation of women and minority groups on the federal bench. Just five women and only 22 blacks are federal judges. Representative citizens' panels, operating under public scrutiny, could reasonably be expected to be more sensitive to selection of women and minorities as well as to questions of merit.

In any case, President Carter flatly promised to remove judgeships and U.S. attorneys from political patronage. It was an important promise, given repeatedly, and a partial fulfillment of it is not nearly good enough.

FARM FAMILY OF THE YEAR

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. CARTER. Mr. Speaker, today, as they have been since the beginning of this Republic, farmers are the mainstay upon which the rest of society depends. Sometimes it appears though that we forget the vital contribution of those who labor to produce the food and fiber we too often take for granted, as long as it's available.

Earlier this month the Farmers Home Administration's, District 3 in the area I represent selected the Taylor-Green County Farm Family of the Year. I am pleased that the Gerald Bland family of Elkhorn, Ky., was chosen for that honor.

The Blands are examples of the hard-working, dedicated and knowledgeable individuals who comprise today's farming sector. Farming today is truly an endeavor requiring active participation by all family members. For Gerald Bland, his wife Linda, and their three children, Daneen, Michael, and Jason, to be singled out as the 1976 farm family is an honor of which they can be justly proud.

The story of their efforts which have

earned them this recognition demonstrates the complexities and plain hard work of modern farming. I enclose for the perusal of my colleagues an article about the Blands which appeared in the February 3 edition of the Central Kentucky News-Journal of Campbellsville, Ky.:

PROGRESS: BLAND FAMILY KNOWS THE MEANING OF THE WORD

People were saying a lot of nice things about Gerald Bland and his family Tuesday morning. They talked about what a success Bland is as a farmer and a farm businessman.

They said he took a piece of overgrown land on top of Raikes Hill—in Taylor County—five years ago and worked it into a successful dairy farm. They said the farm would most likely keep growing and prospering, if Bland kept hard at it.

Bland, 35, smiled a lot while they were talking. He looked proud and he had a good reason to be. He and his family were being honored as the Taylor-Green County Farm Family of 1976.

The Taylor-Green Farmers Home Administration (FHA) office had picked the Bland family for the honor out of about 100-120 farming families in the two-county area, according to Leroy Bratcher, an FHA agent.

They deserved it, he said, because they were a shining example of a prospering farm family.

At a breakfast held in honor of the Blands, sponsored by the Taylor County Bank, Bratcher said progress was the primary criteria the FHA used to select the annual farm family of the year.

"We're not necessarily looking for the biggest or the best farm," said Bratcher, "or the most modern farm. We're looking for someone who is using his resources to move forward and onward."

Gerald and his wife, Linda, certainly have progressed since they took over their plot of land on top of Raikes Hill. For instance, since 1971 they've:

Built a new house.

Built a dairy parlor and other farm buildings.

Cleaned up their original 81 acres, making it fine pasture land and prime land for growing corn, tobacco and wheat.

Added an additional 93 acres on to their farm, bringing the farm's size to 174 acres.

Built the size of their dairy herd up from 29 to 84 cows.

Installed a manure pit.

Increased the income of the farm 11 times.

Increased the net worth of the operation by four times.

Managed to raise three children—Michael, 7, Daneen, 11, and Jason, 2.

Although Bland hasn't met all of his goals, life is getting a little easier for him. He hopes that he can enjoy his farm a little more in the future and work a bit less.

Tucked away in a corner of Taylor County, the Bland farm sits high in the county. It's a windy place that has been cold and snowy lately.

Linda has been out of the house six times in the past month, she said Tuesday. Out on Raikes Hill it's a job to drive into town. In fact, the roads are so icy that once one gets a car moving it's not a good idea to stop.

The snow hasn't stopped Bland though. Hardly anything has since he decided to give dairy farming a go five years ago.

A factory worker in Indiana for several years, Bland was ready to come home to Taylor County in 1971. He had waited for the day when he could return home and operate his own farm.

Raised less than a mile and a half from his farm, Bland said the land was a mess when he and Linda came back home.

"You couldn't have raised 25 bushels (of corn) an acre back then," he said. Last year the land was yielding more than 175 bushels an acre.

With the aid of the FHA, Bland built up his operation. He says now that he would like to see it get a little bigger, but he doesn't know if or when that will happen.

He's happy with the way life has been treating his family, farm and future. But he still has a beef (no pun intended) with the way farmers and their produce as well as dairy products are treated in the marketplace.

"When we produce something, we're at the mercy of the buyer," Bland explained. He thinks the farming community needs to be better organized so it can get a larger profit for its products.

Linda, 32, said she wonders at times if they're really getting a fair profit for the long hours they put into dairy farming.

Bland said that farming has changed a great deal since he was a youngster.

"Back then you could take a 50-acre farm, live on it and pay it off. It would be rough just to live off of it anymore."

He said that farmers have to think big if they're to make a profit. They also have to find ways to cut corners. That's why Bland is a homemade carpenter, veterinarian, plumber, contractor and all round handyman. "If I could get help to come when I needed it, I'd be lucky," he said. "And it would be expensive."

Linda said she enjoys being the wife of a dairy farmer. But at times she misses the city, she said.

Like most farmers' wives, she says there's always something to do. Even in the dead of winter "there's something to tend to."

The children? They love the country. Michael said he doesn't know for sure, but he thinks that he wants to be like his dad when he grows up.

Daneen said she would rather be living in the country than the city.

The family is close knit. They eat, work and play together. Because they are a dairy farming family, they don't get away often. So they've learned to socialize with each other.

But they're obviously happy and at peace with the world. What more could any family ask for?

"KEEP AMERICA IN YOUR CARE"

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. CARTER. Mr. Speaker, two wonderful citizens of Crab Orchard, Ky., Mr. and Mrs. C. L. Chadwell, took the time recently to write and share their thoughts with me. In their letter they enclosed a copy of a poem by Helen Steiner Rice entitled "Keep America in Your Care." I was taken by the sentiment of that verse, and I believe that others in this august body would benefit also from its inspiration. I offer a copy of this poem for inclusion in the RECORD.

"KEEP AMERICA IN YOUR CARE"

We are faced with many problems
That grow bigger day by day
And, as we seek to solve them
In our own self-sufficient way,
We keep drifting into chaos and our avarice and greed
Blinds us to the answer that would help us in our need . . .
Oh, God, renew our spirit and make us more aware
That our future is dependent on sacrifice and prayer,
Forgive us our transgressions and revive our faith anew
So we may all draw closer to each other and to You . . .
For when a nation is too proud to daily kneel and pray
It will crumble into chaos and descend into decay,
So stir us with compassion
And raise our standards higher
And take away our lust for power
And make our one desire
To be a Shining Symbol
Of All That's Great And Good
As You lead us in our struggle
Toward New-Found Brotherhood!

—HELEN STEINER RICE.

CONGRESSIONAL SALUTE TO THE LENNI-LENAPE GIRL SCOUT COUNCIL OF NEW JERSEY AND THE GIRL SCOUTS OF AMERICA IN COMMEMORATION OF THE 65TH ANNIVERSARY OF GIRL SCOUTING IN OUR NATION

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. ROE. Mr. Speaker, on Sunday, March 6, residents of my congressional district and the State of New Jersey will join with the officers and members of the Lenni-Lenape Girl Scout Council of New Jersey for interfaith services at the Preakness Reformed Church, Wayne, N.J., in commemoration of the 65th anniversary of the Girl Scouts of America. I rise in tribute to the significant investment in the enrichment of the quality of our way of life that girl scouting has made here in America and to seek national recognition of the standards of excellence that the Lenni-Lenape Girl Scout Council has added to this most noble endeavor.

Mr. Speaker, the historic beginnings of the Lenni-Lenape Girl Scout Council commenced in Paterson, N.J., in 1923 under the exemplary leadership of Miss Dora Goodbody whose distinguished record of performance is lastingly etched in the annals of girl scouting in New Jersey and our Nation.

In 1968 the Councils of Clifton, Passaic-Garfield, and Greater Paterson merged and in 1971 was joined by the Sussex-North Warren Council to establish the most esteemed organization of the Lenni-Lenape Girl Scout Council as it is comprised today.

The people of my congressional district and State of New Jersey are deeply appreciative and gratefully acknowledge the outstanding good works of the Lenni-Lenape Girl Scout Council, Inc., which, with the assistance of more than 2,500 adult volunteers, serves over 14,000 girls in the New Jersey counties of Passaic, Sussex, and portions of Warren, Bergen, and Morris. The Council Service Center is located at 555 Preakness Avenue, Paterson, N.J., and they maintain out-of-door program centers at Camp Clipawaga, Sparta, N.J.; Camp Meyer

Hewitt, N.J.; Camp Sunowa, Sussex, N.J.; Camp Te-Ata, Central Valley, N.Y.

Mr. Speaker, the objectives, scope and focus of the Girl Scout program are defined in four emphases adopted by the Girl Scouts of America, as follows:

THE EMPHASES

Deepening awareness of self as a unique person of worth.

Relating to others with increasing skill maturity and satisfaction.

Developing values to give meaning and direction to life.

Contributing to society through her own talents and in cooperative effort with others.

The Girl Scout program activities support the Emphases by providing opportunities to build knowledge, skills and competencies. In a group setting a girl develops sensitivity to the feelings, needs and attitudes of others; a sense of belonging and a sense of human interdependence.

To help achieve their objectives, the Girl Scouts are directed and assisted by many outstanding community leaders who generously and unselfishly extend their time and personal efforts to the youth who participate in scouting throughout our community, State, and Nation.

I especially commend to you the following officers and members of the board of directors of the Lenni-Lenape Girl Scout Council, Inc., for their dedication, direction, and personal commitment in achieving the goals and purposes of the Girls Scouts of America:

BOARD OF DIRECTORS, LENNE-LENAPE GIRL SCOUT COUNCIL

Mrs. Margaret Wend, President; Mrs. Susan Ronk, First Vice President; Mrs. Sharon Sullivan, Second Vice President; Dr. Henry Bartol, Third Vice President; Mrs. Eleanor Brychta, Secretary; Mr. William Carew, Treasurer; Mrs. Louise Bartley.

Miss Diane Bennett, Mr. David Caliri, Mrs. Carolyn Cox, Miss Jan Engle, Rev. Mary Frances Evans, Mrs. Doris Gale, Mrs. Ruth Gannon.

Mrs. Elaine Giardino, Mrs. Ginney Gravatt, Mr. George Kick, Miss Iris Lynn, Mrs. Geneva Maletsky, Mrs. Carol Matheis.

Miss Theresa Rooney, Mrs. Jane Roseman, Mrs. Dorothy Volpe, Mr. Ervin E. White, Mr. Robert Wilcox, Mr. Sy Baumstein, Mrs. Adeline Shipp, Miss Adele Collier, Mrs. Mary Metzger.

Mr. Speaker, may I also take this opportunity to call your attention to a resolution I have introduced in the House to commemorate the 65th anniversay of the Girl Scouts of America which will be celebrated during their official birthday week March 6–12. The text of the resolution is, as follows:

H.J. RES. 277

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, that—

Whereas Girl Scouts of the United States of America, chartered by the Congress of the United States is this year celebrating the 65th anniversary of its founding; and

Whereas Girl Scouts of the United States of America, begun as a movement to liberate girls from narrow, confining life-roles, has since taken the lead in advancing what are today universal concerns as protection of the environment, youth participation in self-government, strengthened roles for the volunteer worker, and international understanding through friendship; and

Whereas, Girl Scouts of the United States of America is quietly and effectively helping to unite young Americans of all races, creeds, ethnic and economic backgrounds and is providing to millions of girls and adults unlimited opportunities for self-development and responsible service to their communities and to the nation; and

Whereas, Girl Scouts of the United States of America, true to its pioneering tradition, continues to anticipate the changing needs of girls and of the society and to encourage its nearly four million members to be doers, rather than talkers, leaders, not followers, and givers, not takers: Now, Therefore, be it

RESOLVED by the Senate and House of Representatives of the United States of America in Congress assembled that the week of March 6–12, 1977 is designated as "Girl Scouts of America Week" and the President is authorized and requested to issue a proclamation calling on the people of the United States to commemorate the Girl Scouts of the U.S.A. on the 65th anniversary of the founding of this most prestigious youth organization for its progressive spirit and for its firm commitment to the values that have made this a great Nation.

Mr. Speaker, Girl Scouting in America began in Savannah, Ga. on March 12, 1912 under the direction of Mrs. Juliette Low, who, while living in England, became interested in the work of her friend, Lord Baden-Powell, founder of the Scouting movement. Mrs. Low was determined to have American girls share in the excitement of Scouting and, upon her return to the United States, established the first American Girl Scout troop. In June 1913, the first national headquarters of the Girl Scouts was opened. In June 1915, the Girl Scout organization was incorporated, and on March 16, 1950 the congressional charter was granted.

Today, Girl Scouting presents a single, continuing program of activities for girls as they progress through the four age levels of scouting; the Brownie Girl Scouts, the Junior Girl Scouts, the Cadette Girl Scouts, and the Senior Girl Scouts. These activities are based on six elements that form the foundation of the Girl Scout program—the meaning of the promise and laws, service to others, troop management by the girls themselves, citizenship, international friendship, health, and safety.

Since the date of the founding of the Girl Scouts of America, this prestigious youth organization has grown from an eight-member group to a 2.8 million current membership of young ladies. Through their leadership qualities of self-reliance, self-control, international friendships and exchange, kindness, courtesies, and eagerness to serve others, their contribution as citizens of their community has helped eliminate prejudices; provided leisure to young and adults alike, and particularly our disadvantaged and senior citizens; achieved a greater communion and understanding among the peoples of the world; and encouraged public concern as well as action programs for the preservation, protection and enhancement of our environment—all a significant investment in the enrichment and excellence of the quality of our way of life here in America.

Mr. Speaker, I appreciate the opportunity to present this statement today and know you and our colleagues will want to join with me in saluting the Lenni-Lenape Girl Scout Council and extend our heartiest congratulations and best wishes to the Girl Scouts of America upon the observance and celebration of their 65th anniversary in service to the youth of America and the leadership capabilities and future well being of our Nation.

BUSING PLANS CAN GO FAR—FROM POONA TO ALTOONA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. DERWINSKI. Mr. Speaker, it has been clear over the years that the majority of Members in Congress feel that the cause of education has not been well served by the various court-ordered busing plans.

In fact the courts have managed to complicate the education process in many city school districts rather than to solve the segregation problem.

An article by Michael Kilian, the Chicago Tribune's resident philosopher, addresses this subject in a most interesting fashion in his column of February 22.

The article follows:

BUSING PLANS CAN GO FAR—FROM POONA TO ALTOONA

IVORY TOWER, MD.—The United States Civil Plights Commission today urged the adoption of nationwide interstate busing as the only practical means of reversing school segregation in industrialized urban states.

"When you compare all-black schools in St. Louis with all-white schools in Cheyenne, Wyo., busing across state lines obviously is the only answer," said Selwyn Dimly, commission chairman.

Dimly spoke at a news conference called to announce the release of the commission's 3,000-page report, "Desegregation: Come What May." The news conference was held at the commission's offices here, deep in the thickly forested heights of Maryland's Catoctin Mountains.

"From where we sit, it's perfectly clear," Dimly said. "If you're going to integrate schools, you have to mix up black kids and white kids. Factors like time, distance, and family structure become irrelevant."

Dimly said the commission studied several alternatives to interstate busing, but rejected them as impractical.

"Interstate jetting by commercial airliner is too expensive," he said. "Interstate railroading is out because Amtrak doesn't have enough passenger trains to move people on the scale we envision."

The chairman said the commission had decided to abandon its earlier position calling for the busing of white and black children between major cities and suburbs.

"In too many cases, the whites simply moved to more outlying suburbs," he said.

"I don't understand why all blacks and whites can't live together in perfect harmony," he said. "After all, it's called for in our commission guidelines."

Dimly said that the commission is studying other measures for possible use if interstate busing does not prove satisfactory. These include:

Destruction of all expressways, interstate highways, and commuter lines as a means of stemming the suburban exodus.

Creation of a new government agency to regulate all travel and changes of residence.

Classification of racial animosity as a federal offense.

Establishment of racial quotas for all neighborhoods.

New government rules requiring peace on earth and goodwill to men.

Asked his response to the commission's proposal, President Carter said his 36 references to "ethnic purity" and his subsequent apologies for that "slip of the tongue" made his position clear.

He then posed for pictures in the Rose Garden holding two babies, one black and one white.

In areas where the program is already underway on an experimental basis, many families reported that their children had not returned from school for several weeks—although one Salem, Ore., woman reported receiving a post card from her 10-year-old daughter postmarked Altoona, Pa.

Appearing on the television show, Press the Nation, Atty. Gen. Griffin Bell said he was entirely confused by the situation—and everything else.

The Supreme Court issued a ruling limiting interstate busing to within one mile of any state boundary except in Idaho's Bitterroot Mountains and at the bottom of the Great Lakes.

Gov. George Wallace said that if he failed to win election as a United States senator from Alabama, he would try again in North Dakota, or possibly Iowa.

A spokesperson for the South Boston White Citizens Council and Alliance of Street Rangers said it heartily endorsed the commission's plans and was canceling its scheduled torchlight parade.

Dimly said the commission would now be taking on a more international role. A comparison of schools in Africa and India and Canada and the United States indicated an urgent need for action, he said.

"After all," he said, "They can put buses on ships."

DEPOSITORY INSTITUTIONS AMENDMENTS OF 1977

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. COHEN. Mr. Speaker, I voted for final passage of the Depository Institutions Amendments of 1977 because I strongly support the provisions of the bill relating to Federal credit unions. Title IV of the bill contains many of the provisions of the Credit Union Modernization Act, which I introduced last month. The expanded powers which this bill gives to credit unions will permit them to operate more efficiently and to better serve the financial needs of their members. Since most of the powers of credit unions have not been changed in 42 years, since passage of the Federal Credit Union Act, I believe that these reforms are long overdue.

I am, however, concerned about the provisions of the bill providing for a 1-year extension of regulation Q. This authority has been extended several times since its enactment in 1966, and I believe that in some States—including Maine—the interest rate differential is creating a serious competitive imbalance among financial institutions.

Since October 1975, Maine banks have been operating under a new banking code. Maine has gone farther than any State in the Nation in implementing the structural reforms recommended by the Hunt Commission on Financial Reform. The new Maine code has removed many of the artificial barriers to competition among financial institutions while at the same time preserving an institution's ability to specialize in credit markets vital to the State. To increase competition, the new law allows both commercial and thrift institutions to establish branches on a statewide basis with the permission of the superintendent of banking, authorizes thrift institutions to offer personal checking accounts, credit cards and full consumer credit services, and permits financial institutions to convert from one type of institutional charter to another; for example, from a savings bank to a commercial bank.

In view of the far-reaching changes in Maine's banking code, the State legislature adopted on June 26, 1975, a resolution requesting the expeditious consideration and implementation by Congress and Federal regulatory bodies of the Hunt Commission recommendations, including elimination of the regulation Q interest rate differential. Unfortunately, Congress has not completed action on financial reform legislation which would address this problem.

Maine banks have operated under the State's progressive new banking law for 16 months—long enough to determine the effect of this law on the competitive balance between commercial and thrift institutions. The evidence indicates that the Regulation Q interest rate differential has produced a competitive imbalance, since commercial banks' share of the deposit market has declined considerably.

In 1967, commercial banks in Maine had 52.86 percent of total deposits; by June 1976, their share had declined to 49.58 percent, a loss of 3.28 percent in market share and the equivalent of a loss of $136 million of the total deposit market.

A recent survey in Maine has discovered a high awareness of the interest rate differential among depositors. Naturally, a consumer will choose to bank at the institution which offers him both checking and savings services and an extra one-quarter of a percent interest rate.

In the absence of comprehensive, national financial reform, two possible solutions to the problem of competitive inequities in Maine's banking structure suggest themselves.

One approach would be for the Banking Committee to consider a regional financial reform bill for New England. The NOW account experiment in New England is a precedent for this approach.

The other possible solution would be to permit the regulatory agencies to eliminate or change the differential, without congressional consent, in States where a competitive imbalance is evident. In my opinion, a congressionally mandated interest rate differential imposes excessive restraints on the flexibility of the regulatory agencies attempting to promote equitable competition among financial institutions. The amount of the differential, if any, should be decided by the agencies, which have the expertise to adjust interest rates in response to variations in State banking codes.

I hope that the Banking Committee will give serious consideration to the problems in Maine's banking system. The State legislature reformed Maine's banking laws in anticipation of similar reform on the national level, and now Federal legislation is needed to complement Maine's modern banking code.

LITHUANIAN-AMERICAN COMMUNITY OF MELROSE PARK, ILL., RESOLUTION

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. DERWINSKI. Mr. Speaker, I wish to bring the attention of the President, Secretary of State, and Foreign Service advisers to the contents of a resolution adopted by the Lithuanian-American Community of Melrose Park, Ill., in conjunction with the commemoration of the 59th anniversary of the reestablishment of the independent state of Lithuania on February 16, 1918.

The resolution, in my judgment, accurately represents the views shared by Lithuanians throughout the free world.

I insert the resolution at this time:

RESOLUTION

We, Lithuanian-Americans of Melrose Park, Illinois, at a meeting held on February 19, 1977 commemorating the 59th anniversary of the reestablishment of the independent state of Lithuania on February 16, 1918, and the 726th anniversary of the formation of the Lithuanian Kingdom in 1251, send our warmest greetings to the people of the Soviet-occupied Lithuania and pledge our unwavering support for the restoration of Lithuania's sovereignty and unanimously adopt the following resolution:

Whereas in 1918 the independent state of Lithuania was reestablished by the free exercise of the right of self-determination by the Lithuanian people; and

Whereas until 1940 Lithuania was a sovereign nation, a member of the League of Nations and signatory of numerous international treaties with the Soviet Union; and

Whereas the Soviet Union during June 15–17, 1940 invaded and occupied Lithuania, and subsequently, forcibly annexed the Lithuanian Nation into the Soviet Union; and

Whereas the Soviet Union continue to conduct a policy of colonization, Russification, ethnic dilution and religious and political persecution; and

Whereas the people of Lithuania to this day are risking and sacrificing their lives in defiance of the Soviet regime as most recently untold number of Lithuanian and Russian dissidents have been arrested and imprisoned for the publication or dissemination of "The Chronicle of the Lithuanian Catholic Church"; and

Whereas the United States Government maintains diplomatic relations with government of the Free Republic of Lithuania and consistently has refused to recognize the unlawful occupation and forced incorporation of this freedom-loving country into the Soviet Union; and

Whereas the 89th U.S. Congress unani-

mously passed House Concurring Resolution 416 urging the President to raise the question of the Baltic Nations status at the United Nations and other international forums; now therefore be it

Resolved, that we, Lithuanian-Americans will urge the President to vigorously implement the House Concurrent Resolution 416 to the fullest extent; and further

Resolved, That we urge the Secretary of State, during the Belgrade Conference, in compliance with the humanitarian provisions of the Final Act of the European Conference on Security and Cooperation, to protest the persecution and imprisonment of Lithuanians by the Soviets; and further

Resolved, that copies of this resolution be forwarded to the President of the United States, the United States Secretary of State, the United States Ambassador to United Nations, the United States Senators, members of the House of Representatives, the Lithuanian Minister in Washington, D.C., the Lithuanian Consuls in New York City and Chicago and the press.

MEDICAL EXPENSE DEDUCTION

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mrs. KEYS. Mr. Speaker, I am today introducing a bill to simplify the medical expense deduction for American taxpayers.

Under present law, the medical expense deduction must be computed by the taxpayer in three separate steps—one for insurance, one for drugs, and one for medical care expenses. A deduction is permitted for the expenses of medical care to the extent they exceed 3 percent of adjusted gross income. Drugs and medicine may be included but only to the extent they exceed 1 percent of adjusted gross income. Medical insurance is subject to two additional calculations: First, one-half of medical insurance premiums, but not to exceed $150, may be deducted in full; then the balance may be included with other medical expenses subject to the 3-percent limitation.

All these limitations and adjustments require ten lines on the tax form—seven of them requiring computations. Moreover, the explanation of the medical expenses provisions in the Instructions entitled "Your Federal Income Tax" fills five full pages. No doubt many taxpayers have had the experience of pouring through the instructions and completing all the calculations only to discover they are ineligible for the deduction.

My bill would simplify this deduction by placing all medical expenses in the same category. The 1-percent floor for drugs and medicine would be eliminated as would the special treatment for a portion of medical insurance premiums. Instead, both these expenses would be combined with other medical care costs. The total would then be deductible to the extent it exceeded 2 percent of adjusted gross income. These simplified calculations would require only three lines on the tax form, and the taxpayer would be able to determine easily whether he was likely to qualify for the deduction before completing the calculations.

Taxpayers take advantage of this deduction on over 20 million taxable returns. This is approximately 30 percent of the taxable returns filed. The average deduction is about $477 in the $15,000 to $20,000 range. For those with adjusted gross incomes below $5,000, the average deduction is even larger, $522, represently over 10 percent of their income. The largest beneficiaries in this group are probably the elderly with meager incomes and large medical costs.

Because of the complexity of the present calculation, many people now resort to the less valuable standard deduction or make errors in the calculation which cost them money in excess tax payments. My bill would eliminate most of these complications.

Additionally, most families will receive some tax savings from this bill. A family with income of between $15,000 and $20,000, for example, will save about $54.

The Federal Government will lose some revenue as a result of these changes. However, this loss will help those whose earnings have not kept pace with the skyrocketing costs of medical care over the past several years. These costs have risen much faster than the general rate of inflation.

The tax package presently being proposed by President Carter will ease the burden of families who qualify for the standard deduction, but no comparable relief is being proposed for those who itemize. My bill would assist those families with significant medical expenses by permitting them to deduct a greater portion of their drug and other medical expenses. More importantly, it will substantially simplify this complex deduction for a larger number of taxpayers.

In my judgment, this measure is an important and necessary step toward tax simplification, and I urge my colleagues to give it their support.

ALASKA STATE CHAMBER OF COMMERCE PRESENTATION

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. YOUNG of Alaska. Mr. Speaker, the Alaska congressional delegation and the Governor recently conducted 2 days of meetings with representatives of many State organizations concerning the disposition of the D–2 lands or national interest lands in Alaska. Classification of the 80 million acres authorized in the Alaska Native Claims Settlement Act is of obvious import to the citizens of Alaska but more importantly, this land classification will have national repercussions. Americans know full well what energy shortages mean: The Arab States, via an oil embargo, literally paralyzed large portions of our country and Mother Nature with a severe winter caused the closing of countless schools, businesses, and factories. Without the development of additional domestic supplies of oil and gas, our vulnerability to embargoes and cold winters will continue to increase. In addition, the warning signals have begun to appear regarding severe mineral and materials shortages. Already, the United States imports large volumes of vital strategic materials and the role of foreign supplied minerals is predicted to increase. Within the United States only one greater frontier remains, a frontier which is known to have a storehouse of oil, natural gas, and minerals not to mention timber, fish, and agricultural potential. Prudent management of Alaskan lands is essential to insure that these critical resources be available to Americans while preserving the more scenic areas of my great State.

I wish to share with my colleagues the remarks offered at our meeting by Mr. Frank Murkowski which clearly illustrate the need for reasoned, considered judgment on this matter:

ALASKA STATE CHAMBER OF COMMERCE PRESENTATION

Good morning, my name is Frank Murkowski and I am Chairman of the Alaska State Chamber of Commerce, a director of the Alaska Visitors Association, and President of Alaska National Bank of the North.

As we present our recommendations on the permanent utilization of Alaska lands, I think it is important that at the same time we consider the fact that our nation is in the throes of the most severe energy crisis in our history brought about by severe weather conditions in the Eastern United States. The fact that the United States is presently burning twice as much natural gas as we're finding with reserves having dwindled from 293 trillion cubic feet in 1967 to 228 trillion feet in 1975 must bring us all to the realization that our nation, in order to maintain our economic strength and viability, will have to look more to Alaska as a major resource supplier.

The well intentioned parties that feel a major part of Alaska should be locked up in a vast pristine wilderness are being as unrealistic as mother nature was realistic in the devastating winter storms that have recently occurred on our East Coast.

We must today—right now—look beyond the contribution which resource development can make for Alaska's sake and understand that the welfare of all peoples must be recognized. Not only with regard to the needs of our sister States, but the population of the world as a whole.

Alaska is rich in energy—oil, gas, and coal. Commercial quantities of most hard rock minerals are found in our State. We have vast forests of virgin timber, much of it over mature. We have the capability to raise quantities of grains and other agriculture products. We are blessed with superb scenery, grand recreational facilities, and numerous varieties of magnificent wildlife. This entire treasure house comes from our land.

Yet to contemplate permanent designation of significant portions of our State's land mass without systematic identification of those areas that have the highest resource potential and insuring that these areas can be developed as they are needed is not only short sighted but foolhardy.

Further it is outrageous to consider the permanent designation of lands in Alaska by our Federal Government when land selections have not been completed by our native people nor has the State itself fulfilled its selections. The right of the State to select its land was assured under our statehood act.

As we contemplate the designation of Alaska's lands let us take into account the magnitude of our responsibility and apply it in a personal sense to the needs of mankind.

Let us set aside a portion of the land to harvest a food supply. We have over 15 million acres of tillable land in Alaska and one day it will be called upon to feed the peoples of the world.

Let us set aside land for harvesting timber so that we can ensure a lumber supply to build our homes and supply our fiber needs.

Let us set aside land for our energy needs for oil, coal, and gas for our heating, our cooking, our synthetics, and to power our industry.

Let us set aside land for the development of our hard rock minerals so that we can continue to make the tools we need to become more efficient in utilizing our nonrenewable resources.

Let us set aside land for our wildlife to multiply and prosper.

And, last, let us set aside land for our recreation needs. This is very much a necessity of man's well being and provides fulfillment of his spirit.

We can and we must apply our land utilization formulas on a highest and best use basis along with the multiple use concept when appropriate. The concept of single use has its place in the management of certain lands. Usually specific parcels, but certainly not millions of acres.

It is in the best interest of our country and Alaska to have the U.S. Borax mine near Ketchikan become a reality; we need the molybdenum to maintain our country's strength and make our tools. Our timber in the Tongass National Forest can be harvested like any other crop—yet the Udall bill would make this area of the State a non-productive uninhabited wilderness. To place our tillable agriculture lands in the Yukon and Tannana valleys in a classification that would preclude development would be tragic.

These deliberations on the classification and utilization of Alaska lands must stand the test of time for the whole world will eventually examine our handy work.

It is the consensus of the State Chamber that our resources are to be used for the continuance of mankind and his life styles.

We would ask the question, "Who does the land belong? To the government—to the people—or both?"

RIGHT TO FINANCIAL PRIVACY ACT

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. GIAIMO. Mr. Speaker, we have heard quite a lot lately about the need for governmental reform and accountability. In no respect is this more apparent than in discussions about the need for oversight of Federal financial institutions and their ability to comb at will the confidential records of private citizens. We must insure that the functions of these institutions are carried out without infringing upon the right of individual citizens to reasonable assurance of privacy in their personal financial transactions.

In the spirit of such reform, Congress should approve legislation governing the disclosure of certain financial information to Federal agencies. Therefore, I am joining with several of my colleagues in cosponsoring the Financial Privacy Act of 1977 to help insure the inviolability of tax and bank records from unwarranted inspection, as well as to keep citizens informed of all such oversight of their records.

This bill provides for protection and preservation of the confidential relationship between financial institutions, their customers, and the constitutional rights of those customers by prescribing policies and procedures to insure that customers have the same rights of protection against unwarranted disclosure of their records as if the records were in their personal possession. The bill particularizes the degree to which governmental agencies may obtain access to confidential financial records of citizens, and it requires governmental agencies to inform citizens whose financial records are under scrutiny of the character of the search warranting their inspection.

Specific statutory guidelines are included with respect to confidentiality on the part of the Government and the financial institution involved, customer authorization, subpena power, summonses, search warrants, and record-keeping and reporting. However, no limits are placed on examination and disclosure by any Federal supervisory agency of financial records in the exercise of its supervisory function or in the making of reports and returns required under the Internal Revenue Code of 1954.

We all expect our bank records to be confidential, and it is a shocking revelation to find how easy it is for somebody in an official capacity to secure information on transactions which we rightfully regard as private. In this regard, the decision of the Supreme Court in United States against Miller which ruled that financial records are the property of the financial institution and that the individual has no control over who has access to his records is noteworthy. This bill in some measure enables what is now a public misconception to become reality.

The Financial Privacy Act of 1977 simply seeks to require Federal agencies to show probable cause before undertaking the examination of an individual's financial records. It aids Congress in clarifying its intent with regard to the privacy of financial records, modifying certain sections of the Bank Secrecy Act and freeing others from unnecessary confusion.

I urge serious consideration of the merits of this proposal to keep citizen confidence in the functions of governmental agencies and to guard against abuses by such agencies which threaten the constitutional privileges of Americans. By enacting legislation in this manner, not only does the Congress safeguard the rights of citizens, but it also assures a healthy climate for financial transactions beneficial to the economy of our Nation.

WHAT AMERICA MEANS TO ME

HON. JOHN KREBS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. KREBS. Mr. Speaker, California students have twice, in recent years, won top honors and awards as first-place national winners in the annual voice of democracy scholarship program, sponsored by the Veterans of Foreign Wars of the United States.

This year, California is proud to have as its representative in the final judging of the voice of democracy contest State winner Susan E. Link.

Miss Link is a resident of the city of Visalia, in California's 17th Congressional District, which I am privileged to represent. She is a senior at Mount Whitney High School and looks forward to pursuing a prelaw university curriculum. I am particularly pleased to have the opportunity to insert in the RECORD Miss Link's contest entry, based on this year's theme, "What America Means to Me":

WHAT AMERICA MEANS TO ME

America! To me, there is no other word with so much meaning. In just seven letters it spells out peace, freedom, justice, happiness—in fact, everything that is good. It means a chance to be who I want to be, regardless of who I am now. But, most of all, America means pride!

That definition may seem surprising to some people, because we have become adjusted to seeing only what is embarrassing about the United States. And, heaven knows, we have our share of things of which to be ashamed. Our problems, at times, do seem to be overwhelming. But pessimism, like apathy, is contagious, and can very easily reach epidemic proportions. Fortunately, optimism works almost the same way. But, there's a catch. It has to be backed up by reason. Anyone, including me, can stand up and say "Yes, America is the greatest country", and "The American Way is the best way". But, even though these statements may be true, and I believe they are, not any one of us is going to swallow them without being told *why* the American Way is the best way, and *why* America is the greatest country. It is too bad that so many Americans, and I am not guiltless of this, have become used to seeing only the bad.

So, let's talk about what's good in America. After all, good things and good people are really what America's all about. And let's start with that always controversial subject, Government.

Oh, boy, can I see the eyebrows shoot up! Government good? Why, everyone knows that government is bad and that all politicians are crooked, right? Wrong. The government set up by our Constitution works well, and has for over two hundred years. Not a whole lot of governments can say that. For example, with every change of leader, the French Constitution is almost entirely rewritten. And how about Russia? Their much-vaunted Communist regime has only been in existence for less than half the time the United States has. In fact, if you want to get right down to the nitty-gritty, the vast majority of nations in this world have pretty unstable governments. And yet, the U.S. has come through assassinations, wars (including a Civil War), financial crisis, even an unprecedented resignation with flying colors. Our system didn't collapse. There were no blood-baths. Our government was prepared for anything, and because of her readiness, was able to keep right on working and building. Our system does work. Even in my short lifetime, I've seen proof positive that it does.

But, no governmental system can work without people. Politicians and ditch-diggers, doctors and farm-laborers, lawyers and garbage men—all play an integral role in the way America works. I think the recent election is a prime example of how true this is. With so much of the nation's focus turned to her problems (inflation, for example), voter turnout was predicted to hit an all-time low. The explanation? "People are just

too wrapped up in their own troubles to worry about their country." But then, as the two candidates began to campaign, it became more and more clear that the nation's problems affected our own individual problems. The result of this realization was a voter turnout nearly double what was predicted, and, even better, an end to the apathy that had been running rampant.

There is so much more I could say to illustrate why America means pride to me. I could, for example, tell about our court system which, although slow, really does work for the good of all people. Or, I could tell about the millions of people who volunteer their time and money to combat cancer, multiple sclerosis, cerebral palsy, and just about any other disease or defect you can name. Then, too, there are all those who take the time to bring sunshine to the lives of lonely senior citizens. I could go on for hours, maybe even days, telling of all the good things that are going on all over this nation.

So, peace, freedom, liberty, justice, happiness—all of these are what America means to me. They are the basics upon which America was formed. But, even above them, America means pride to me—pride, of course, in these principles which are the benefits of democracy, but, moreover, pride in the good for which America stands. Her government and people are strong enough to keep the good thriving, and to choke out the evil.

Pride in America is essential to our existence, because if you're proud of something, you usually take care of it. I'm proud of America, and, now that you've heard why, I hope you are too. Let's take care of her together!

NEW YORK TIMES SLURS SMALL-TOWN AMERICA

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. SHUSTER. Mr. Speaker, I would like to share with my colleagues an editorial that appeared in the February 24, 1977, Bedford Daily Gazette. The editorial was written in response to an article published on the editorial page of the Sunday, February 20, 1977, New York Times by Roland Dewolk, who spent his junior year in high school in Huntingdon, Pa., 6 years ago.

After reading Mr. Dewolk's article, I too felt a need to reply on behalf of my congressional district. However, before I had an opportunity to do so, I read the Bedford Gazette editorial. It accurately expresses many of my feelings about Mr. Dewolk's attack on smalltown America. I commend this fine editorial to my colleagues.

SMALL TOWNS SLURRED

Those of us who love the country—and this country, this part of Pennsylvania, in particular—have been hit by an indictment of sorts, in the New York Times.

The Times' Sunday issue carried an item atop the op-ed page which lambasted Huntingdon rather severely. It was written by a Roland Dewolk, who says he spent his junior year in Huntingdon six years ago. He escaped to San Francisco, and is now safe in Berkeley.

Mr. Dewolk (if that is his name) is listed as "a journalist". His theme is that the idyllic view of small-town America is a sham. His method is not journalism.

He concedes the beauty of the rural setting. "The old Victorian and gingerbread houses on the narrow streets are shaded by tall trees, whose roots push up the sidewalk, creating the only danger to a late-night stroll around town. You know your neighbors and they know you."

But paradise it was not, he complains. They "tracked" him into a program of study and made him cut his hair. "My history teacher taught the class that Hitler lost World War II because God had put into his mind to open a two-front war." God takes care of things, he says he was told.

"I was soon being harassed by the student body and some teachers for objecting to such surprise," Dewolk writes. "I was taunted and threatened because I once said marijuana should be legalized and the war in Vietnam was wrong. The favorite epithet slung at me was 'faggot'. Ostracized, I sat by myself daily when eating lunch."

To anyone who has lived in a town like Huntingdon—and all of us do—the picture is pretty clear already. This Dewolk, or whoever he is, was a misfit. He was probably an obnoxious character who got on people's nerves. Some city people are like that, and they're so inured to rudeness they aren't even aware of it.

Six years ago (say, 1970), long hair was grudgingly accepted. The newspaper was saying for the tenth time we should get out of Vietnam. Marijuana was in fairly common use among high school students. We can assume it would be about the same in Huntingdon.

Mr. Dewolk's problem was not his ideas, but his personality, in all probability.

"Things got worse. No one would speak to me. I faced the constant threat of being slugged. I couldn't walk down a street without being threatened or having something thrown at me. I learned to avoid certain parts of town, like near the pool hall.

(If Huntingdon has a pool hall, I've missed it. And the next time I'm there I plan to ask, because I like to shoot pool.)

Dewolk complains about school letting out for buck season, and the brutality of young boys shooting deer. He describes being called "Faggot!" by an entire opposition track team, then beaten by his own school-mates.

That's the good part. He says black people are (called) "niggers." Dissidents were subversives and the war a glorious crusade against Communism. "If you were a real man you drank so hard you threw up and passed out each weekend. Women were for sex and housework, plain and simple."

"Ignorance, intolerance and persecution were the hallmarks of that idyllic setting, and I have learned from talking to others living in similar environments that it is the norm for almost all small communities."

It is so far from reality that it's a wonder the fiction wasn't apparent to the people at the New York Times. This guy will wind up writing one of those weird books that the New York crowd applauds. But the fiction should be kept off the op-ed page of the Times.

Small-towners are not blind to their faults. We know we are provincial in some ways. But people in small towns do get to the big city, do read the magazines and newspapers, and gain a pretty respectable appreciation of what's what in the world.

To publish Roland Dewolk's hysterical nonsense beside James Reston's column (Reston gets a one-column head, Dewolk three) is a slur on Huntingdon and small towns—but more of a slur on the New York Times' bad judgment.

DR. HOWARD A. RUSK

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. TEAGUE. Mr. Speaker, many of us in the Congress fought in World War II, Korea and even in Vietnam. We saw our friends disabled in combat handicapping them for life and reducing them to an uncertain future. I would like to take time out to call attention to a man who deserves our recognition and our heartfelt thanks. Dr. Howard A. Rusk is recognized by many today as the "father of modern rehabilitative medicine."

Dr. Rusk gave up his internal medicine practice in St. Louis and joined the Air Force in 1942. It was here that he came face to face with the challenge that would shape the future of his work in medicine and alter the lives of hundreds of thousands of handicapped individuals. Faced with the dilemma of how this Nation, with its sophisticated medical resources, could meet the needs of handicapped persons and enhance their ability to be independent, Dr. Rusk set out to meet these challenges through rehabilitative medicine.

Dr. Rusk not only deserves credit for establishing an exemplary rehabilitative research program in the Department of Rehabilitative and Physical Medicine, New York University College of Medicine, but his international contributions are equally commendable. His work has earned him the Distinguished Service Medal from the United States; the National Medal of the Republic of Korea; and three Lasker Awards in international rehabilitation, medical journalism and public health. He served as a consultant in rehabilitation to the United Nations and has been president and chairman of the board of the American-Korean Foundation, since 1953, president of the World Rehabilitation Fund since 1955, and president of the International Society for Rehabilitation of the Disabled for one term. In addition he has received sixteen honorary degrees both in the United States and abroad.

Not limiting himself to clinical work or medical research, Dr. Rusk is also an accomplished author. Since 1946 he has been a contributing medical columnist for the New York Times. Utilizing this media, Dr. Rusk has educated the public towards understanding new developments in rehabilitation medicine. In 1972 Dr. Rusk also published his autobiography, "A World To Care For." The book enfolds as a warm and human account of a remarkable career. In it Rusk reveals himself through the struggles and successes of his patients.

Dr. Rusk's concept of what rehabilitation means has never been narrow or limited. He combines new technology with compassion and discipline to come up with a rehabilitation program to bring the severely injured back to mental as well as physical health. Despite their disability every handicapped individual is an able person to Dr. Rusk. It is his belief that rehabilitative medicine has no limitations and he has spent much of his career convincing the public and a reluctant medical community.

Through his efforts and guidance we have come a long way in the area of rehabilitation. In 1945 we were still making some prosthetic legs out of papier mache. Today, under the guidance of Dr. Rusk, the Institute of Rehabilitative Medicine not only fits prosthetic devices but also assists the patient in finding a

job. By developing the talents of the handicapped, rehabilitative medical programs have helped this Nation benefit from their skills which were not previously available to us.

Through his work in rehabilitation Dr. Rusk has exemplified the "pioneering spirit." I wish to salute his courage and endeavors. He has transformed despair into hope through his creativity and belief in the dignity of all human beings.

Therefore, I recommend the following article from the June 21, 1976 issue of People magazine to my colleagues:

THE WORLD'S LAME FLOCK TO DR. RUSK FOR REHABILITATION: "WE ONLY TAKE THE HARD CASES"

(By Joseph Roddy)

I'm a cross between the old family doctor, Billy Graham and Lydia Pinkham," the big ruddy man from Missouri says. "I'm selling the wine of rehabilitation on an international market." It is not a bad shot at self-description for Dr. Howard A. Rusk. Whatever else, he is also the 75-year-old boss sitting in the corner office with the river view at New York University Medical Center's Institute of Rehabilitation Medicine.

On the five floors below him, he tells visitors, there are more severely disabled people than in any comparable building in the world. Rusk's 150 inpatients and the 250 who regularly visit its clinics are counting on Dr. Rusk to give them a better life. They are amputees and victims of strokes, spinal-cord injury, congenital disorders, and neuromuscular diseases. In the institute therapy rooms, they learn to overcome their disabilities by combining what muscle power remains with artificial limbs, braces and electronic aids—and not least by having the courage to follow the often harsh, painful regimes that Rusk's staff of 80 prescribes.

Rusk was introduced to medicine at the age of 11 in Brookfield, Mo. He was an errand boy who also scrubbed up the operating room, a remodeled kitchen in the frame house that was his town's first hospital.

He began medical training at the University of Missouri and completed it at the University of Pennsylvania. On campus he sold his blood by the pint to pay for weekend trips to date a welfare caseworker in New York, Gladys Houx. They were married a few weeks after he hung up his shingle as an internist in St. Louis 50 years ago.

In his 1972 autobiography, *A World to Care for*, Rusk tells about a lawyer friend who "went bad under anesthesia" during an appendectomy. "I was terribly frightened, and I stood there at the operating table thinking about his wife and three children as I watched him sink. Fortunately, he recovered, but the experience made me very sensitive about recommending surgery."

Over the years Rusk has often scolded the medical community. He once wrote that he could not understand doctors who refused to make house calls. One critic replied: "I could have made house calls on Joe Kennedy too—if I thought it meant $25,000 for the institute I ran." For Rusk, however, those visits may have seemed more social than medical. "If your friends need you," he says, "then you simply have to go." Such lofty manner, plus Rusk's envied genius at raising money and promoting his own projects, has made it fairly easy to find doctors who are not 100 percent fans.

Undaunted, Rusk has always gone his own way. Though he was 40 and had three children and was well beyond the draft age, he enlisted in the Army Air Corps a few months after Pearl Harbor and was made chief of medical services at Jefferson Barracks outside St. Louis. One of Rusk's first decisions there was to release patients who had normal temperatures and who felt good enough to play blackjack in the hospital sunroom. In less than two days almost all of them were back in the hospital. They had recovered from their injuries or sicknesses, but psychologically they were not ready to face active duty.

Watching them return led to the discovery of what Rusk calls medical responsibility's third phase. The first is prevention. The second is care. The third takes a patient from the bed back to the job. "It's what happens after the fever is down and the stitches are out," Rusk says. "If you only care for the disability and don't make some kind of life for them, they turn to you and say, 'You saved my life. For What?'" Rusk tells them: for a life as close as the doctor can manage to what it was before the illness or injury.

Rusk was commanding officer of the Army Air Corps convalescent training division during World War II, and when he describes what he has been up to since then he sounds like an old bomber pilot reviewing his campaign ribbons. "I went on a mission to Vietnam for President Johnson in 1967, and I went on my first Korean mission for Eisenhower in 1953," he says. Rusk was at the Potsdam conference in 1945 with fellow Missourian Harry Truman, the President whom the doctor has felt closest to and with whom he shared an aversion for the pushups, knee bends and jogging of body cultists. "I get my exercise being pallbearer at my exercising friends' funerals," says Rusk.

His toughest White House assignment from John Kennedy was to treat the President's father after the elderly Kennedy had been partially paralyzed and left speechless (and irascible) by a stroke. "They asked why I didn't teach him to write. Well, I told them Mr. Kennedy hadn't written anything but his name on a check for years and anyone who thought a man with a fuse as short as his could be taught to write was mistaken. He didn't even like the brace we made for him."

Rusk's success at rehabilitating war-time casualties earned him a Distinguished Service Medal and gave him the idea of carrying on with rehabilitation when he was mustered back into civilian life. The publisher of the New York Times, Arthur Hays Sulzberger, enlisted him to write a weekly column to tell readers how the wartime advances in medicine and especially rehabilitation could be put to peacetime use. Simultaneously, New York University took Rusk on as its chief of rehabilitation, but in the postwar building shortage it could not provide him with a place of his own to work his wonders. That is when Rusk began shifting has energies from the practice of medicine to the art of fund-raising. His articles in the Times made him well known, and through the years many prominent social figures have supported the institute and other Rusk projects with a generosity that was the envy of the medical world.

In those early years, when Rusk was not appealing for money or diagnosing patients, he would drop by the corner of 34th Street and First Avenue to watch his institute go up. It opened for patients early in 1951, and since then Rusk has grown so busy with administrative duties that he has had less and less time to serve as a doctor.

Sixty percent of the institutes patients nowadays are from the New York area, and the rest from all over the world. "We don't see any ordinary cases here anymore," Rusk says. "We get only the tough ones—and that is as it should be."

Many of the other cases are treated by doctors Rusk has trained. At least 50 Rusk students head up rehabilitation departments at the best medical schools and hospitals throughout the world.

"Here I'm quite like a college president," he says. "I'm responsible for the standards of service, the teaching, the research—everything. If I didn't sweat my heart out to raise money, we would be in deep financial trouble."

Not all that sweat yields results. After the institute helped a son of the late John Paul Getty recover from car crash injuries, Rusk anticipated a formidable expression of gratitude when the billionaire came to lunch. It was a dry hole, however. The institute's list of donors that year included the Getty name only because he had made a gift to the hospital of the wheelchair used by his son.

Rusk is fiercely honest with the disabled who flock to the institute for help. "Take the man who called me this morning," he begins. "Both legs were off above the knees when he had a stroke that paralyzed him on one side. I told him that he'll never be an ambulator. We can make him comfortable in a wheelchair, and we can teach him to meet the needs of daily living, but this is not the age of miracles."

Rusk then goes on, sounding as if it might be. "I spent a lot of time with IBM on an electric arm operating with brainwaves that worked pretty good, but it was so complicated you had to have an engineer to go with it. We are now providing amputees with prosthetic arms that operate with impulses from the brain through the nerves to the stump. The signal current is stepped up 50,000 times and operates the artificial hand through a miniature, solid-state electronic device. At night, the batteries that power the hand can be charged by plugging them into a wall outlet.

"And we've got things from the space program, of course. One of them is a pressure suit, a kind of coverall. When inflated it takes the place of braces, holding the patient erect and enabling him to walk with crutches."

There is help available, too, for those with no muscle power at all. They can travel in a wheelchair by blowing or sucking on a straw-like control. Indeed, the institute has developed a whole range of electronic devices that can be activated by a patient's breath.

Rusk likes to stress another positive advance in rehabilitation since his private hospital opened. "Now the acceptance of disabled people is totally different than it was 25 years ago," he says. "Employers know that the disabled, if properly trained, are good workers with a better production rate, lower accident and absentee rates, and the turnover among them is 10 times less. We are not asking that the disabled start at the head of the employment line. But we do feel they have a right to start at the same place as the normal. And anytime in this country the so-called normal can't compete with the disabled, then we had better give it back to the Indians."

He was gazing out at the river and sounding a bit out of sorts. "There are times when I wish I were back in St. Louis again," he says, "but there were times then when I wished I didn't have to face 40 patients."

He thought for a moment and then said, almost wistfully, "You know, I haven't practiced medicine for so long that unless it were a lifesaving situation I wouldn't attempt it."

A few weeks ago the World Rehabilitation Fund honored Rusk at a Waldorf-Astoria dinner. At $150 a plate, the event raised $300,000. More than half of it is going to Rusk's projects. He sent the celebrants home with some plain eloquence about his feelings for his patients. "The awful thing is," he said, "when you are poor and crippled and can't get off your knees and look the world in the face, it does something to your spirit deep inside. And if you can walk and look your fellow man in the eye, it is a different world."

As everybody stood to cheer, one listener summed up Howard Rusk. "He's the greatest con man in medicine. Thank God, he's benevolent."

OVERHAULING THE ENERGY INDUSTRY; A VIEW FROM MINNESOTA LABOR

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. Fraser. Mr. Speaker, the unusually cold weather of the past several months has once again underscored the vulnerability of our present energy situation. Severe supply disruptions of natural gas and heating oil have been widespread. And as our basic resources diminish, our dependence on energy imports increases. In response to these and related problems, the administration is now developnig a comprehensive energy policy which will include a reorganization of major energy-related Federal agencies. In addition, proposals for restructuring the oil industry are under consideration in Congress.

Recently, the president of the Minnesota AFL–CIO, David Roe, called for a fundamental and far-reaching overhaul of the U.S. energy industry. In a letter to AFL–CIO President George Meany, Roe said that "The time has come to look seriously at the question of nationalizing the oil and gas giants." The Minnesota labor leader maintained that the present energy situation "perhaps calls for equally drastic action" with regard to the organization of the energy industry.

The February issue of the Minnesota AFL–CIO News describes State President Roe's proposal. I would like to take this opportunity to include an excerpt from the February issue in the CONGRESSIONAL RECORD:

ROE MULLS ENERGY NATIONALZATION

The question of nationalizing the U.S. energy industry was raised by David Roe, President of the Minnesota AFL–CIO, Feb. 9, in a letter to AFL–CIO President George Meany.

Roe wrote that when he read that natural gas distributors will reap up to 100 percent increases in 1977 first-quarter profits, but that utility officials say that any consumer rebellion would be premature because the profit bulge is likely to disappear amid shortages later in the year, he had the feeling that the American public had been through the same wringer before in 1974.

Immediate special assistance to cover higher home heating bills for low-income groups and unemployed workers in affected areas is supported by Roe.

"Since the price of gasoline had to nearly triple in 1974 before ample supplies materialized, can we expect that quadrupling the price of natural gas is what it will take to find the gas the nation needs today?" he asks the public.

Because 13 of the 14 largest natural gas producers in the United States reportedly are major oil companies which have seen their profits fueled by repeated energy crises, Roe thinks it is time to look seriously at nationalization of the oil and gas giants.

He wrote President Meany that the extreme natural gas and fuel oil shortage the nation finds itself in "perhaps calls for equally drastic action even though several complications are involved. The nationalization of the energy industry might be a quick blanket step that could speed up the search for energy supplies while affording all possible price protection for consumers."

This was the stand taken by the Minnesota AFL–CIO Executive Council late in 1973 when a resolution passed backing temporary nationalization of the petroleum industry. That resolution cited the same concerns mentioned by Roe today: the lack of reliable information on the energy crisis and the serious shortcomings inherent in rationing supplies either by unwarranted price increases or heavy user taxes.

"Shuffling natural gas supplies into interstate pipelines normally under price controls from unregulated intrastate pipelines at a much higher price is nothing but a shell game." Roe accused the energy industry of using the shortage of natural gas—real or contrived—to charge whatever the traffic will bear to generate windfall profits.

He quoted a company president in Texas who reportedly said, "Why should I sell my gas out of state for $1.42 when Texas buyers are waiting in line to pay $2 for it?" Roe recalls that in May of 1973, the Federal Power Commission approved a huge increase for interstate rates, 44 cents per thousand cubic feet in place of the then established ceiling of 26 cents

Workers are skeptical, said Roe, of the proposition that the actual costs of producing natural gas today have jumped 446 per cent, let alone 669 per cent.

Short of nationalization, organized labor here strongly supports the comprehensive legislative program developed by the national AFL–CIO.

In particular, the Minnesota AFL–CIO favors those sections seeking to:

Enact legislation to prohibit a single company from owning competing sources of energy. This horizontal integration has hampered the development of alternative sources of energy

Enact legislation to require the dissolution of vertically integrated oil companies. The separation of the marketing of petroleum from the production and refining would benefit the independent marketer as well as the consumer.

Treat giant oil companies as public utilities subject to stringent regulation by the federal government.

UNIFORM ACCOUNTING SYSTEM FOR MEDICARE AND MEDICAID

HON. JOHN E. MOSS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. MOSS. Mr. Speaker, my colleague, PAUL ROGERS, and I are today proposing an amendment to require the use of a uniform system of cost accounting for institutional providers of service under medicare and medicaid.

Such a uniform accounting system will provide the cornerstone for analysis and decisionmaking in many of the critical areas of health policy facing us today.

It will allow for a more detailed examination of health care cost and analsis of the dramatic increase in those costs;

It will facilitate activities designed to identify and control fraud and abuse;

It will foster more equitable reimbursement under current law reimbursement procedures; and

It will allow for a more accurate analysis of alternative reimbursement mechanisms.

The uniform accounting system is a concept which has been in development for a number of years. The National Health Planning and Resources Development Act of 1974 required the Secretary of Health, Education, and Welfare to establish such a uniform system. The Talmadge bill, introduced by Senator TALMADGE in the 74th Congress, would have mandated the use of a uniform accounting system. The amendment which we are proposing builds on the work being done in developing such a system. Specifically, the uniform accounting system proposed in this amendment would include four major components.

First. A specified set of uniform accounting practices;

Second. A uniform functional chart of accounts, including uniform definitions of specific accounts and, as appropriate, subaccounts, a uniform numerical coding system of such accounts and subaccounts, and a uniform classification of expenses within such accounts;

Third. Uniform statistical measures of productivity;

Fourth. Uniform methods and statistical measures for cost accounting and cost allocation among accounts;

Fifth. A uniform cost and statistical reporting system; and

Sixth. A uniform discharge abstract and uniform billing system.

The bill further provides that both in the establishment and in the implementation of the system, the opportunity for public participation in accordance with the Administrative Procedure Act. Specifically called for in the bill is the cooperation between the Secretary and organizations representing providers of health services, the Financial Accounting Standards Board, the General Accounting Office, the National Center for Health Statistics, the National Council of Health Planning and Development in the establishment of the uniform system of cost accounting.

A uniform system will provide comparable data for reviewers and rate setters. Without a uniform accounting system, data reported cannot be compared. It will allow improved communications as a common language will exist. Improved management data will be available for hospital administrators, and the comparability of data will lead to simplified audit procedures with lower costs and improved results.

In short, a uniform accounting system will provide us with more accurate, comparable data, an absolute necessity in the critical health policy decisions facing us today. The benefits of this proposed legislation will be of particular assistance in the Carter administration's efforts to contain hospital cost.

HON. MEL PRICE

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. BENNETT. Mr. Speaker, on Wednesday, February 16, in the committee room of the Committee on Armed Services, the members of the Armed Services Committee had the honor of

having unveiled to them a portrait of our distinguished chairman, the Honorable MELVIN PRICE.

The ceremony was a tribute not only to the quiet effectiveness of our chairman, but was a tribute to his overall character as well. Present in addition to your distinguished self was the Secretary of Defense, the Secretaries of the Armed Services, the Joint Chiefs of Staff, the distinguished majority and minority leaders, his fellow committee members, and other friends of MEL PRICE—friends from Washington, and friends from his home in Illinois, who made the trip to see their Congressman and their friend so honored.

Under the able cochairmanship of the Honorable F. Edward Hébert, former chairman of the Armed Services Committee, and the Honorable BOB WILSON, ranking minority member, the MEL PRICE portrait committee worked hard to make this day possible. The committee's thanks must also go out to Mr. Fred Saigh, the long-time friend of MEL PRICE who so graciously commissioned the portrait, and to Robert Templeton, the talented artist whose work now will hang in the Carl Vinson Room along with portraits of the other five chairmen this committee has had.

There were many testimonials to MEL PRICE's outstanding career that day. His service to the people of his district, and to the people of this Nation, spans more than 45 years in public life—as secretary to a Congressman before being elected himself 32 years ago, as chairman of three standing committees, as constant watchdog and developer of our atomic energy resources, and as possessor of an unmatched record for dependability and hard work in the House of Representatives.

The President of the United States, former Speaker Carl Albert, former Chairmen Hébert, Carl Vinson, and Dewey Short all sent their praise for our chairman.

MEL's own reply to the day's remarks—the story of how he was elected to the Congress while on duty as a private in the Quartermaster Corps—was in itself evidence of the unassuming but effective nature of our chairman, who rose from enlisted man to chairman of the committee overseeing all of the Armed Forces.

Perhaps no remarks that day were more appropriate than your own, Mr. Speaker, when you said that MEL PRICE is "a doer; when you give MEL PRICE a job to do, you know it's going to be done on time. He's a Congressman's Congressman."

At this time, I would like to insert into the RECORD a resolution passed unanimously by the committee, which officially accepts the outstanding portrait of our chairman, which will hang forever in the meeting room of the committee he so ably chairs:

RESOLUTION OF THE HOUSE COMMITTEE ON ARMED SERVICES

Whereas, the Honorable Melvin Price's distinguished career in the House of Representatives has exemplified dedicated service to the people and security of this nation; and

Whereas, his devoted concern and continuing efforts on the behalf of the individual men and women of the armed forces, the bulwark of our national defense, has contributed greatly to the national defense posture of the United States; and

Whereas, his able leadership in guiding research and development programs important to our national defense over many years has inspired many improvements in our nation's technology base and promoted a sound strategic posture; and

Whereas, Melvin Price's tireless efforts directed toward harnessing and utilizing nuclear energy has generated tremendous advancement for peaceful and national security purposes; and

Whereas, his pursuit of these goals has been matched by a gentle but firm resolve, a deep commitment to the integrity of the committee, and an abiding respect for the rights of all Members of the Committee, earning him the deep affection and high esteem of his colleagues on the Committee on Armed Services, and throughout the Congress;

Now, therefore, be it resolved, in recognition of his outstanding public service and leadership, that a portrait of The Honorable Melvin Price be accepted and displayed permanently in the Carl Vinson Room of the Committee on Armed Services.

CONGRESSIONAL REFORM

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. BRODHEAD. Mr. Speaker, the abuses of Watergate and scandals in Congress have fostered a strong movement for institutional reform of Congress, a movement that has had considerable success. Needed changes have been instituted which have opened the processes of government to the public to some extent.

It is clear, however, that only part of the job has been done. While institutional changes have helped make Congress more democratic and responsive, we have seen case after case where our own colleagues have been accused of bribery, conflict of interest, and misuse of public funds. These disclosures have cast a cloud over Congress. We have an opportunity, however, to cast off this cloud by adopting a new, tough code of financial ethics.

FINANCIAL DISCLOSURE

The cornerstone of these reforms is a clearly defined, comprehensive financial disclosure requirement for Members and officers of the House, their principal assistants, and professional committee staffs—in short, those responsible for making decisions on public policy. Last year the House reprimanded one of its members for introducing and working to pass legislation benefiting companies in which he had a direct financial interest. This incident came to light, however, only because of the diligence of the media; otherwise it would have remained hidden. Public financial disclosure will inform the public about the financial interests of Government officials and will be a strong deterrent to potential conflicts of interest.

LIMITATIONS ON OUTSIDE INCOME

In the past, some Members of Congress have supplemented their incomes with earnings from speeches, business activities, and so forth. This practice is open to considerable abuse, not only in potential conflicts of interest but in detracting from a Member's full-time duties of office. Under the proposals, outside income would be limited to not more than 15 percent of a Member's salary.

LIMITATIONS ON GIFTS

Obvious conflicts of interest can arise from the acceptance of gifts. The proposals would prohibit House Members from accepting gifts totaling more than $100 in the course of a year from any person, organization, or corporation having a direct interest in legislation before Congress.

ABOLISHMENT OF UNOFFICIAL OFFICE ACCOUNTS

Some Members presently maintain unofficial office accounts to supplement existing funds appropriated by Congress for newsletters and constituent services. These accounts are funded from private sources, and are completely unreported and unregulated. They can and have become "slush funds," used as much for personal and political purposes as for constituent services.

The new regulations would abolish unofficial office accounts. In addition, conversion of campaign funds for personal uses by a House Member would be prohibited.

THE FRANKING PRIVILEGE

The franking privilege enables public officials to contact their constituents and keep them informed without becoming dependent on private sources of funds. To insure that this privilege is used properly, changes in the franking regulations would include limiting franked mass mailings to six district-wide mailings each year. Mass mailings 60 days prior to an election in which a Member is a candidate would also be prohibited. Currently, there is no limit on the amount of mail which can be sent, and a mailing can go out as late as 28 days prior to an election.

CONGRESSIONAL TRAVEL

In the past, some Members of Congress who have not been reelected and are no longer active in the legislative process have traveled at the public's expense. Under the proposed regulations, travel by these "lame duck" Congressmen would be prohibited. Also, it is presently possible for a Member of Congress to be reimbursed twice for travel expenses. This practice would be prohibited.

It is clear that the ethics of the marketplace do not suffice for public life. Rather, the public trust granted to a Member of Congress requires adherence to the highest standards of official conduct. The proposals that we have before us will help insure that these standards are maintained. They will not completely eliminate conflicts of interest or guarantee that the power of public office will never be abused, but they will give the public and the press the information that is needed to minimize abuses.

The ethics package recommended by the Commission on Administrative Review makes great improvements in the rules of the House of Representatives. It is an important step in restoring public confidence in Congress, and it merits swift approval by the House.

SOLIDARITY WITH PUERTO RICAN CASTROITE TERRORISTS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. McDONALD. Mr. Speaker, after several test explosions during the summer of 1974, a revolutionary terrorist group, the Fuerbas Armadas de Liberacion National—FALN—Armed Forces of National Liberation—broke into the headlines on October 26, 1974, when it detonated five bombs outside New York City banks in support of a rally the following day organized by the Puerto Rican Solidarity Committee—PRSC, a support group for the Castroite communist Puerto Rican Socialist party—PSP.

The leaders of the PSP—formerly named the Movimiento Pro Independencia, AMPI, which has maintained an office in Havana since the early 1960s, praised the FALN bombings in support of their cause and repeated their statements of previous years that "armed action * * * and armed struggle as a sort of urban guerrilla are definitely present in Puerto Rico in an irreversible way."

Since that time the FALN terrorists have taken responsibility or been credited by law enforcement analysts with over 49 bombings including:

December 11, 1974, the maiming of a New York City police officer by a booby trap device.

January 24, 1975, a lunch time explosion in New York City's Fraunces Tavern which killed 4 people and injured over 50.

April 2, 1975, four bombs exploded almost simultaneously outside banks and businesses in New York City.

June 14, 1975, two bombs exploded and a third was never found in Chicago hours before the start of a Puerto Rico Day parade.

October 27, 1975, simultaneous bombings in Washington, D.C. at the State Department, and in Chicago and New York City.

June 7, 1976, four bombs detonated at Chicago office buildings; one target was the headquarters of the Chicago Police Department.

June 25, 1976, four bombs were exploded at banks, an office building and a police station in New York City.

September 21, 1976, a bomb exploded at the New York Hilton where the Governor of Puerto Rico was appearing.

The FALN's many communiques generally demand immediate independence for Puerto Rico, and the immediate release of five convicted Puerto Rican Nationalist Party terrorists who attempted to assassinate President Truman and killed a guard in 1950, and who tried to murder several Members of Congress in a wild shooting spree in the House gallery in 1954.

The FALN's bombing program has consistently been in close support of the demands of the Puerto Rican Socialist Party. The FALN is believed to have been derived from PSP-related terrorist groups of the 1960's and early 1970's such as MIRA and the Armed Commandos of Liberation—CAL. In 1973, PSP member Eduardo "Pancho" Cruz, believed to be a member of MIRA and with known Cuban connections, was convicted of possession of explosives and received a 7-year sentence. PSP never attempted to conceal its relationship with CAL. Said PSP founder and secretary-general Juan Mari Bras:

> There is no liberation without a liberating army. We don't occupy ourselves with the development of this army. That task belongs to others *** (but) we have given full moral support to CAL because we consider it an important ingredient in raising the mass struggle.

CAL's armed actions included the 1972 bombing of the Miss U.S.A. contest in Puerto Rico. CAL's communiques were publicized by the Cuban Government and its Tricontinental Magazine which in 1972 published a CAL statement in which they described themselves as the "fighting arm of the Puerto Rican independence movement" whose purpose was to "undermine the stability and colonial peace of the imperialist invaders" and to precipitate "the power of the working class, independence, and socialism."

In 1975, the World Peace Council—WPC—a Soviet-controlled international propaganda and terrorist support apparatus, held a conference in Havana supporting the PSP-led "independence" movement. The sort of "independence" envisaged for Puerto Rico was stated most plainly by PSP Political Bureau member Florencio Merced at the 1975 celebration of the Cuban Communist 26th of July attack by Castro on the Moncada barracks:

> How many of those who today praise and celebrate the Cuban Revolution once thought that the process unleashed by the attack on the Moncada Garrison was merely an adventure carried out by a small group of youths who represented no one and had no massive base of support? How many of those who will tomorrow celebrate and applaud the Puerto Rican Revolution have those same thoughts about the revolutionary process underway in Puerto Rico today?
>
> Cuba and Puerto Rico are sister nations. In our joint struggle we think of San Juan as the former tyrannical Saigon of the Caribbean and of Havana as our Hanoi. That portion of our homeland that begins in Havana is free and socialist. That portion which begins in San Juan will also be free and socialist.

In this context, the FALN Communique No. 6 of October 27, 1975, is significant. The message read in part:

> Today, armed units of the FALN commemorate the 25th Anniversary of the October 30, 1950 revolution in Puerto Rico against yanki domination * * * by launching a simultaneously coordinated attack against Yanki government and monopoly capitalist institutions in New York, Washington, D.C., Chicago, and Puerto Rico.
>
> We demand the immediate independence of Puerto Rico and the unconditional release of the five Puerto Rico Nationalist prisoners; Oscar Collazo, Lolita Lebron, Rafael Cancel Miranda, Andres Figueroa Cordero, and Irving Flores, * * *.
>
> We also wish to draw attention to the just cause of the Panamanian people who wish to recover their canal zone. We express unconditional support for them in the realization that the removal of the Yanki colonialists from the area is just as important as our national independence. Should the Panamanian people be forced to resort to arms, the FALN will give them whatever support is necessary.
>
> The FALN welcomes the support given the Puerto Rican national liberation struggle at the solidarity conference in Cuba and the meeting of Non-aligned nations in Peru in September.
>
> We especially acknowledge the moral support given to our organization by the Cuban people and government in a speech made by Prime Minister Fidel Castro in August in which he said that the Cuban government would do all it could to support the FALN.

Grand juries investigating the terrorist activities of the FALN are being resisted by subpenaed Puerto Rican activists who may have detailed knowledge of the terrorist group and its members. The resistance to answering grand jury questions is being coordinated by attorneys of the National Lawyers Guild—NLG, cited as the "foremost legal bulwark of the Communist Party" which now includes many Castroites and New Left activists among its Old Left membership. The NLG first developed grand jury resistance tactics against grand jury investigations of the Weather Underground terrorists and their network of supporters.

In early November 1976, a Chicago Federal grand jury which had been convened in February 1975, began to subpena activists following discovery of an FALN bomb factory in the apartment of Carlos Alberto Torres, 24, a former student at the University of Illinois Circle Campus. Torres, his wife, Heidi, and a friend, Oscar Lopez Rivera, have disappeared and are being sought for questioning.

Among those subpenaed in Chicago are Myrna Salgado Lopez and her husband, Jose Lopez. They are founders and instructors at the "alternative" Rafael Cancel Miranda High School, named for one of the Puerto Rican Nationalist Party terrorists who attempted to murder Members of Congress in a House gallery shooting spree in 1954. Lopez, who also teaches history at Northeastern Illinois University, was a speaker at the National Lawyers Guild's National Conference on Government Spying in January 1977.

Others subpenaed include three Chicago members of the Committee to Free the Five Puerto Rican Nationalists, a group which includes PSP cadre and members of the small Nationalist Party; and two Mexican-American activists from New Mexico, Pedro Archuellte Moises Morales and Juan Lopez. Salgado, Lopez and the others argued that the subpenas should be quashed because its real purpose was not in finding terrorists but "illegal political harassment." When

the motions and appeal were denied, the witnesses were totally noncooperative, refusing even to be sworn. The NLG defense team is headed by Michael Deutsch of the People's Law Office. Deutsch and other NLG attorneys have been active with the Weather Underground's Prairie Fire Organizing Committee—PFOC, and both Deutsch and Jose Lopez attended the PFOC—organized National Hard Times Conference in January 1976 in Chicago.

A coalition of some 20 organizations, the December 4 Coalition, with offices at Room 1362, 53 West Jackson St., Chicago, Ill. 60604, is organizing in support of the resisters, as a group at the Centro Betances, 2156 W. North Ave., Chicago, Ill. 60647.

The FALN's Carlos Torres left considerable evidence in his bomb factory which was discovered accidentally after a burglary in which thieves stole dynamite sticks and offered them for sale to a street gang. FALN letterhead, documents and pamphlets were found with the explosives. Also found was letterhead from the Protestant Episcopal Church's National Hispanic Commission of which Carlos Torres was a board member. Torres was at the Hispanic Commission's New York City office on October 26, 1976, 8 days before his bomb factory was discovered.

On January 7, 1977, Maria Cueto, 33, director of the Hispanic Commission, and her secretary, Venezuelan Raisa Nemikin, 27, were subpoenaed by the second Federal grand jury investigating FALN terrorism. The two attempted to have the subpoenas quashed on grounds that the subpoenas invaded religious "confidentiality." Their motion was rejected. On Friday, February 25th, Nemikin was held in contempt and was ordered to surrender herself to authorities at 2 p.m. Court of Appeals granted 1-day stay in order to consider her contempt appeal.

Cueto already spent 1 day jailed for contempt before she agreed to be sworn by the grand jury. She is scheduled to appear again on March 4.

It is interesting that when authorities sought to inspect Hispanic Commission typewriters, office equipment and records, Rt. Rev. Paul Moore and Puerto Rican Bishop Francisco Reuss-Proylan attempted to quash the subpenas. And it should also be noted that the attempt to prevent FBI inspection of the Hispanic Commission material was made moot when the Episcopal Church's ranking prelate, Bishop John Allin, made all the materials available to the FBI.

According to press reports, among the questions Nemikin has refused to answer are whether she can identify Hispanic Commission funds that went to the FALN from its "autonomous" $291,000 budget; whether she knows anyone who has taken responsibility for the Fraunces Tavern bombing; and when she last had contact with Carlos Torres.

The Hispanic Commission women are represented by an NLG team including Margaret L. Ratner, who with Ramsey Clark, William Kunstler and Peter Weiss attempted to join the defense team for the Baader-Mainhof terrorists in West Germany; Elizabeth Fink; and Susan Tipograph, who has been active with the armed struggle-supporting Brooklyn chapter of the Weather Underground's Prairie Fire Organizing Committee.

On the night of Friday, February 18, 1977, two bombs using "high order explosives" were detonated in New York City at the Gulf and Western Building and at the Chrysler Building. One person was injured in each explosion. A man representing the FALN called WCBS and gave directions to an FALN communique hidden in a subway phone booth.

The FALN demanded that the FBI investigation of the FALN and its supporters end. that the grand jury investigation be stopped.

Street-level solidarity and defense work for the subpenaed witnesses is being coordinated by the Puerto Rican Solidarity Committee (PRSC), a support group for the Puerto Rican Socialist Party formed in 1974 from a reorganization of the committee for Puerto Rican decolonization and the defense committee for Carlos Feliciano, a Nationalist Party activist accused of being a member of the MIRA terrorist group in New York and who pleaded guilty to reduced charges of possession of explosives.

The PRSC has played a major role in the defense of PSP members charged with a variety of offenses. Its first major activity in 1974 was organization of the Puerto Rican Solidarity rally which served as the platform for the FALN's debut.

The PRSC's principal role is to support the Puerto Rican Socialist Party. Its executive secretary until a year ago was Alfredo Lopez, a member of the PSP Central Committee who formerly was a member of a pro-terrorism faction of the Trotskyite Communist Socialist Workers Party. Current executive secretary of the PRSC is Rosa Borenstein, whose sister, Susan, is a leader of the Communist Party, U.S.A.-dominated National Coordinating Center in Solidarity with Chile.

The members of the PRSC national board reflect the organization's membership which is drawn in large part from the PSP, the Weather Underground's Prairie Fire Organizing Committee PFOC, the Venceremos Brigade—VB, the New American Movement—NAM, Mass Party Organizing Committee—MPOC and the National Lawyers Guild—NLG. With the exception of the Workers World Party which strongly supports Castro, Trotskyites are excluded from the PRSC. Since the Communist Chinese have denounced the Soviet use of Cuban mercenaries in Angola, most U.S. Maoists have withdrawn from—or been expelled—Castroite organizations in the United States.

The PRSC claims 400 members in chapters in Amherst, Springfield and Boston, Mass.; Hartford and New Haven, Conn.; Philadelphia; Washington, D.C.; Atlanta, Ga.; Chicago; Madison, Wis.; St. Louis, Mo.; San Diego, Los Angeles, San Jose, and San Francisco, Calif.; Buffalo, N.Y., and three areas of New York City, Brooklyn, Chelsea and the Upper West Side.

The previous PRSC National Board included: Ella J. Baker; Frances Beal, Third World Women's Alliance; Clyde Bellecourt, American Indian Movement; Ben Chavis, National Alliance Against Racist and Political Repression; Walter Collins; Dave Dellinger, Seven Days Magazine; Rudolfo "Corky" Gonzales, head of the Denver Crusade for Justice; James Haughton; Phil Hutchings; Arthur Kinoy, NLG and MPOC; Yuri Kochiyama, National Committee for the Defense of Political Prisoners, a Black Liberation Army support group; Beverly Leman; Bob Lewis, NLG, MPOC and counsel to the United Electrical Union; Alfredo Lopez; Antonio Rodriguez, CASA/General Brotherhood of Workers, a Mexican-American Marxist-Leninist organization; Owusu Sadaukai (Howard Fuller); Irwin Silber, editor of The Guardian; Annie Stein, a leader of PFOC and its front, People Against Racism in Education—PARE, widow of CPUSA activist Arthur Stein and mother of Weather Underground fugitive Eleanor Stein Raskin; and Jose "Che" Velasquez, PSP.

Support for revolutionary terrorism became an issue at the Chicago national PRSC conference when members of the San Francisco PFOC and others offered a resolution that:

> The cutting edge of Puerto Rican solidarity within the U.S. is the development of support for armed and other forms of "illegal struggle" * * *. Armed struggle must be defended, not just as an abstract concept, but in the forms in which it is actually occurring, small and episodic actions rather than mass assaults.

Federico Lora of El Comite/MINIP, a Puerto Rican revolutionary group of Maoist extraction but which is willing to work with the Castroites, tried to stop discussion of "armed struggle" on the grounds that the subject was too dangerous to be discussed in a public meeting. Lora conceeded, however, that "armed struggle is the fundamental question of the Puerto Rican national liberation movement."

A "compromise" resolution was offered by the Frente Revolutionaria Anti-Imperialista—FRAI—upholding "the inalienable right of the people of Puerto Rico to make use of revolutionary violence as the means to achieve its definitive liberation."

Many of the 90 PRSC delegates and observers indicated they would have supported the PFOC resolution if it had been offered in private in the context of an internal debate within a revolutionary Marxist-Leninist party; but that they voted against the armed struggle resolution because of the possibility of the presence of "imperialist agents" and because of dislike for the "revolutionary pretensions" of PFOC and its supporters.

The PRSC endorsed a 2-year program which included:

1. the focusing of propaganda and organizing efforts toward the U.S. working class;
2. linking the struggle for Puerto Rican independence with the struggles of nationally oppressed peoples and women in the U.S.;
3. recognition that the oppression and exploitation of Puerto Rican people living in

the U.S. is an important aspect of the struggle against imperialism.

It is noted that as in many other Castroite operations such as the Venceremos Brigade, the role of the Communist Party, U.S.A.—CPUSA—in the Puerto Rican Solidarity Committee has been greatly enhanced. Among those on the new PRSC national board is Jack Spiegel, long active in Chicago as a CPUSA trouble shooter in New Left groups. Spiegel is also district director of the Lake States United Shoe Workers of America, and choses to use that office, not his rank in the CPUSA heirarchy, on the PRSC board.

The new PRSC board includes Akil Al-Jundi, Attica Now; Frances Beal, Third World Women's Alliance; Robert Chrisman, Marxist editor of The Black Scholar; Jose Colon, El Comite; Linda Coronado, CASA/General Brotherhood of Workers; Rene Cruz, Union of Democratic Filipinos; James Early, Washington, D.C.; Arthur Kinoy; Milada Marsalka, Women's International League for Peace and Freedom—WILPF; Bonnie Mass, Boston Committee to End Sterilization Abuse; Rosemary Mealy, American Friends Service Committee Third World Coalition; Pierre Meisner, Workers World Party; Clay Newlin, Philadelphia Workers Organizing Committee; Mirta Rodriguez, Puerto Rican Nationalist Party; Michelle Russell, Detroit; Irwin Silber; Archie Singham, a Howard University professor of political science active in Caribbean student movements; Jack Spiegel; Annie Stein; and Jose Velasquez of the PSP.

INTELLIGENCE COMMUNITY CONTROL

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. DELLUMS. Mr. Speaker, after several years, during which the press and several congressional committees have investigated the intelligence community documented many of its significant failures and abuses and suggested reforms, the Congress has yet to meet its responsibilities and enact legislation to correct the abuses, protect our democratic system, and insure the best possible intelligence system. Congressional action is necessary and long overdue.

Today I am introducing the Omnibus Intelligence Community Reorganization and Reform Act of 1977. The bill is a result of my personal participation in the House investigation and subsequent wide-ranging discussions with many experts and former intelligence community officials. I have benefited greatly from the suggestions of the American Civil Liberties Union. The bill is necessarily extensive. Many of the proposals in the bill are far reaching—the elimination, except in time of war, of espionage and covert action; the elimination of the Defense Intelligence Agency; new extensive management controls; mandatory warrants for intrusive techniques; and the end of political investigations.

It is my hope that the bill will stimulate extremely important and timely discussion, debate and consensus about such vital and basic questions such as:

First. Is secrecy compatible with those principles of democracy ostensibly embodied in our constitutional form of government?

Second. If and where is secrecy necessary?

Third. How much secrecy is necessary?

Fourth. What safeguards against abuse are necessary?

Fifth. What, if any, are our legitimate and necessary intelligence needs?

Sixth. How much change, restructuring, and/or elimination of organizations are needed to meet on one hand the "legitimate" intelligence needs of our Nation and on the other hand safeguard against abuse of people, power, and the Constitution?

Seven. As our world continues its rapid changes and shifts, what level of our already limited resources do we perceive as necessary to meet our intelligent needs?

The Omnibus Intelligence Community Reorganization and Reform Act of 1977 is my answer to these questions.

The highlights of the Omnibus Intelligence Community Reorganization and Reform Act of 1977 include:

THE NATIONAL SECURITY COUNCIL

A committee structure under the NSC is set out and defined. A formal procedure is formulated for initiation and approval of sensitive intelligence collection activities abroad.

OFFICE OF THE DIRECTOR OF CENTRAL INTELLIGENCE

To insure strong management there is established an independent Office of the Director of Central Intelligence. This office will coordinate the entire foreign intelligence community of the United States, including reviewing intelligence activities and resource allocation; directing preparation of the national intelligence budget; investigating intelligence failures, and providing management guidance.

There will be in the Office of the Director, Central Intelligence an Inspector General who will have complete authority to review activities of any intelligence agency and to investigate possible or potential misconduct. The IG must report apparent misconduct to the Attorney General, the Director of Central Intelligence, and the Congress.

THE CENTRAL INTELLIGENCE AGENCY

The CIA is limited, except in wartime, solely to the functions of the conduct of foreign counterintelligence activities. The agency is barred from domestic functions except for very limited security functions for CIA installations.

The General Counsel of the CIA is empowered to review all CIA activities in order to discover illegal activities.

The Director of the CIA is barred from using reserve or contingency funds without prior approval of the Director of Central Intelligence and the appropriate Committees of Congress.

THE INTELLIGENCE RESEARCH AND ANALYSIS AGENCY

In order to preclude analysis from being weighed to support intelligence activities and to insure the best production and analysis possible, a central independent production, analysis, and dissemination agency is created. This Agency can direct the agencies responsible for intelligence collection to carry out specific tasks.

NATIONAL SECURITY AGENCY

The NSA, an important collection agency, is removed from DOD and is made an independent agency. It is precluded from engaging in domestic collection activities and from monitoring Americans.

THE DEPARTMENT OF DEFENSE

To prevent unnecessary duplication and to prevent bias the Defense Intelligence Agency is abolished. All DOD intelligence components are barred from clandestine or covert activities in the United States. Actions against civilian Americans overseas are precluded.

GENERAL RESTRICTIONS

Leadership of the intelligence community is limited to civilian control. Because they are generally not cost efficient, because their disclosure greatly harms our national interest and because covert structure and official misinformation weakens our democratic institutions, covert action and agent espionage are precluded, except during wartime.

Intelligence relationships with the clergy are prohibited and those relationships with journalists and academics are severely limited.

Relationships with proprietary companies are structured and unmonitored use of profits stopped. Further, covert unmonitored transfers of funds are also precluded.

The total amounts and the line item amounts of the Intelligence agencies are to be set forth in the annual budget submitted to the Congress.

The GAO is authorized full access to the agencies and their activities. Disclosure of information upon request to appropriate congressional committees by the intelligence agencies is mandated.

DOMESTIC INTELLIGENCE

To maintain the rights of individual citizens the bill seeks to accomplish several things:

It prohibits all intelligence agencies from engaging in political surveillance, preventive action and selective investigations and prosecution, because of a persons's first amendment activities.

It precludes electronic surveillance.

It repeals various "speech" crimes now on the books.

It limits the jurisdiction of the FBI to investigation of Federal criminal offenses.

It establishes procedures for the FBI to follow in making investigations, sets forth the supervisory functions of the Attorney General, and creates the office of Inspector General of the FBI.

It severely limits the Internal Revenue Service in giving out tax information or participating in political investigations.

CRIMES AND PUNISHMENTS

Searches and intrusive techniques without warrant are prohibited and are established as crimes punishable by fines not more than $10,000 or imprisonment not more than 1 year or both.

Willful assassination is prohibited and punishable by life imprisonment.

Drug experimentation without prior consent is prohibited and punishable.

Violations of statute prohibitions are made punishable.

SPECIAL PROSECUTOR

A Special Prosecutor for Intelligence crimes is established.

CIVIL REMEDIES

A cause of action in court against Federal officials and the United States is established when an official acting under color of law deprives any person of any right, privilege, or immunity guaranteed by the Constitution or statute.

JOE ROTH'S LEGACY

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 1, 1977

Mr. DELLUMS. Mr. Speaker, last week was a sad one at the University of California at Berkeley. Joe Roth, the man who had thrilled thousands of football fans across the country had lost his bout to cancer. Joe was a legacy to all the students at Berkeley who admired his courage and willingness to struggle, even to the very end. As one student put it, "we were lucky to have Joe as long as we did."

As this time I would like to share with my colleagues an article by Skip Bayless that appeared in the Los Angeles Times paying tribute to this outstanding human being:

JOE ROTH'S LEGACY

(By Skip Bayless)

BERKELEY.—They came in blue jeans and three-piece suits, sandals and high heels. There were small children, senior citizens, parents and teammates. There were many who had seen him only from a distance.

They began filling the Roman Catholic Newman Hall, just across the street from his University of California apartment, an hour and a half before his funeral Mass of the Resurrection was celebrated Tuesday evening. Blacks, whites, yellows. Catholics, Protestants, Jews. Some who believed, some who didn't.

Some cried, some prayed. Not until it was over—not until his coffin had been carried out—did it seem to sink in for many. Joe Roth, who excelled as few have at living and playing football, had been struck down by cancer at age 21.

"This has been tough to deal with," Cal coach Mike White said, "tough to figure out. There just aren't words in our language to describe what an impact he's had on all of us . . ."

Seemingly, the only way to describe Joe Roth's life is with cliches. The phrases most often repeated over the last two years are: quiet confidence . . . quiet courage . . . deep faith . . . never complained . . . unbelievably modest . . . did unto others . . . something special.

At a small gathering following the service, friends and relatives said things like: "We were lucky we had him as long as we did . . . no matter how much he suffered, he was more concerned with not upsetting *us* . . he fought till the very end."

The fact that Joe Roth may have been the first player—ahead of Tony Dorsett and Ricky Bell—selected in this year's National Football League draft brought his struggle national attention. But Tuesday night, no one seemed concerned about losing a gifted quarterback.

Most seemed more distressed about losing Joe Roth.

Those close to him fear that outsiders may dismiss their eulogies as just emotional gushing. They say they were saying the same things two years ago.

"You hear about this guy," said Paul Hackett, who coached Roth at Cal two seasons ago before moving to USC, "and you want to say, 'Is he for real?' He was so special that it's just very difficult for others to comprehend.

"This whole thing has hit a lot of people in the face, made them sit down and examine their own lives, what direction they're going . . ."

Joe Roth touched many people in many ways. Those he played with knew him as the quarterback who let his passing do his talking. Those he lived with knew him as "just one of the guys"—the kid with the billows of blond, curly hair and the laughter in his eyes. Those he worshipped with remember his deep conviction and strength.

Students—football fans or not—still talk about the "special vibrations" they got when they passed him on campus.

"It's amazing to me," said the Rev. Michael Hunt, a close friend of Roth's, "that he has broken the hearts of students on one of the most cynical, 'far-out' campuses in the country. Whether they were church-goers or not, they knew inside that this guy really had it—that he represented the best of what the human spirit could be. He stood for goodness and decency—not in a stupied or sentimental way but in a profound way."

But, most important, no matter how he succeeded or how he suffered, Joe Roth always seemed to think of himself as "Joe Blow."

It began while he was a freshman at Grossmont College near San Diego, a skinny 150-pound quarterback "too small" to play major college football. He nicked the mole on the left side of his face while shaving, then irritated it yanking his helmet on and off.

That mole soon proved to be malignant melanoma, or black-mole cancer. Surgeons cut five ounces of lymph nodes and salivary glands out of his neck. Then Joe Roth spent three of the longest days of his life waiting to see whether half his face—or more—would have to be cut away to save him.

Roth said later, "It made me realize just how important it is to be alive. After you beat something as terrible as cancer, the pressures of football are meaningless by comparison."

Roth talked at length about the experience with Father Hunt.

"He was tested then," the priest said, "and he reordered his priorities. That was the strength of Joe Roth. He knew that from then on, all other setbacks were minor—that he would be more concerned about the bigger issue of facing God."

The next season, Roth returned and became a junior college All-American at Grossmont. His first year at Cal, he led the league in passing and total offense and the Golden Bears tied for the Pac-8 championship. His name was mentioned right up there with Dorsett's and Bell's as a Heisman Trophy candidate.

Whether the threat of a recurrence affected Roth psychologically no one is sure. Doctors say a melanoma patient must go five years before he knows he's licked the disease. After he completed a school record 27 passes against Oklahoma in September, X rays revealed a spot on his lungs.

Tests proved negative. But after the Oklahoma game, Roth never again performed with his usual flair. Maybe it was the increasingly elaborate defenses the opposition threw up against pass-oriented Cal. Maybe not.

"Can you imagine," one Cal student said as he waited for Tuesday night's service to begin, "living three years with the reality that every day might be his last? That would have a profound effect on anybody's psyche. It was amazing he maintained the generosity and competitive edge he did."

When Roth went home for Thanksgiving, he noticed a number of tiny lumps under the skin of his chest and shoulders. Those close to him say that Joe Roth knew his fate. But he refused to accept it lying down.

"I like the cliche about looking at the glass as either half full or half empty," Roth said during his preparation for the Hula Bowl the first week in January. "I see it as half full."

He underwent a series of nauseating chemotherapy treatments—sometimes taking quadruple doses. He lost his zest, his strength, some weight.

Still, Roth completed five of six passes for nearly 100 yards in his last game—the Japan Bowl. He returned to Berkeley and, like his buddies, enrolled for the winter quarter. He played on the Rejects, an intramural basketball team. He helped with recruiting.

He never asked for sympathy.

"Right now, I'm thinking positively," he said in Hawaii. "But if everyone starts coming up and feeling sorry for me, I'm afraid it will make me start feeling the same way. I mean, I fear I won't be the same Joe Roth anymore. Instead, I'll be Joe Roth the underdog, the guy everybody feels sorry for. I don't want that."

Feb. 8, he was out on the Cal practice field, throwing, hoping and saying, "Someday we'll laugh about all this." Feb. 10, he was hospitalized.

The disease spread quickly, eating away his vital organs. When blood clots developed in his legs, Dr. Michael Friedman said they would have to be amputated to prolong his life. Joe Roth just asked his parents, Mr. and Mrs. Lawrence Roth of Twin Falls, Ida., to take him back to his apartment.

"Joe didn't fear dying," his father said. "He didn't complain about the suffering—most people would have given up 10 days earlier. But he didn't like the thought of being disabled. He just wanted to go home—back to his apartment—and be in peace."

Roth had been getting pain-killing morphine shots every hour and half. He was so excited about being home that he didn't ask for one for five hours.

Members of the football team took three-hour shifts to watch over Roth and keep him company. He didn't sleep much over those last two days. But, those who cared for him said, he remained alert and congenial.

"At first, they (the football players) weren't sure how to act around him, said his sister-in-law, Kim Roth, who with Cal football secretary Bonnie Miller administered the shots. "But after a while it was mazing to see how gentle they got, propping him up and wiping his forehead.

Saturday afternoon, Roth's breathing slowed. He talked for about 20 minutes by phone to Dr. Friedman, saying he was "feeling fine." He apologized to everyone for "imposing on them." He draped his arms around Kim Roth and Bonnie Miller, and hung his aching legs off the bed.

He tried to smile and asked Bonnie if she wanted to dance.

"Then," she said, "he coughed up some of the stuff in his lungs, took one more breath, and that was it. We laid him down, and somehow he looked so peaceful."

It was toughest, the players said, to watch

his gifted body steadily wasting away. Excess fluid puffed his stomach out to where, as his mother said, "he looked pregnant."

"You just didn't know what to say, what to talk about," said quarterback Fred Besana, one of his closest friends on the team. "You could only say, 'How are you feeling so many times. You didn't want to talk about 'later.' And you didn't want to act like Mr. Jolly. He understood what was going on. It it wasn't Joe, it could really have been tough on us."

Each of the 10 people who were with him when he died has his own Joe Roth anecdote. To the end, he was cracking one-liners.

To Al Saunders, his quarterback coach, Roth said, "Who are you recruiting in the hospital?" When they returned to the apartment, Paul Hackett said Roth had him "rolling on the floor" with jokes about throwing interceptions.

"He still cracked jokes," his mother said. "But he couldn't smile like he used to. That's what I missed most. They warned us that many people in his condition get bitter and say things they don't mean. Not Joe."

There was no history of cancer in the Roth family. Why the disease singled out Joe Roth in the prime of his life no one is sure.

"I certainly wish I knew the answer," said Dr. Friedman, who does cancer research at the UC Medical Center.

So do many who jammed Newman Hall.

"This has made a lot of people on this campus face their mortality," said one student. "You ask yourself, why Joe, with all the rapists and murderers running around? But obviously he mastered the ability of living each day to the fullest—a lesson many of us never learn."

Paul Hackett, who helped bring out Roth's talent during his first year at Cal, remembers the quarterback's blend of calm and competitiveness. But the last couple of weeks, he's done some thinking about Roth's faith in God.

"I guess not many people really realized the magnitude of his faith," Hackett said. "We've had to deal with whatever happens after life. There just has to be some message here, and it isn't on the surface. There's something deeper . . .

"But it hurts me to think about what an example Joe could have been for years to come. We need Joe Roths—athletes who understand that they were *blessed* with all this ability and what an effect they can have on other people. Too many today are in athletics for the dollars and cents.

"Joe taught all of us gratitude and how to have strength from within. Eric Anderson (who may take Roth's place at quarterback next year) said it best. He said he was so fortunate to have been the friend of the person who was his idol."

Joe Roth was a mixture of ordinary and extraordinary . . . When he spoke—which wasn't often in public—his voice was a nasal drone. He exasperated his coaches with his almost lackadaisical approach to football. He "bitched and moaned." about everyday hassales just like the rest of the players, Bonnie Miller said. Roth the perfectionist once refused to run a play in practice until a different football was substituted.

Asked whether Roth ever broke down in private, roommate John Matlock said, "Well, I'd rather not talk about that."

Father Hunt doesn't want anyone to remember Roth as anything but human.

"Joe certainly wouldn't want himself elevated to some kind of a god," he said. Sure, I want to ask myself why Joe didn't get a fair shake, but Jesus didn't get a fair shake either.

"When pople ask me why Joe died so young, I tell them that if he had lived 47 years, played pro ball and coached, his death wouldn't have had the impact it did."

The morning after Roth's funeral Mass, a freshman student stopped Father Hunt on the street and said, "I sure wish I could have met Joe Roth."

"And I answered, 'You will.' Whatever is Joe Roth will live forever."

For John Matlock, Roth's best friend, it has been a time of grief and enlightenment. Matlock, just an "ordinary" guy who didn't play on the football team, never really thought of Roth as anything other than "normal."

"It's just beginning to sink in how privileged I was to know him as well as I did," Matlock said. "From the first time we met (two years ago) when he was just another football player struggling to make the squad, he never changed. I guess that's why it's tough for me to think of him as anything but plain old Joe."

In the eulogy he read before the Mass, Matlock referred to Roth's singing off-key in the shower, overcooked meatloaf and love for lying in the sun and looking at photo albums or drinking a couple of beers with the boys.

"I had to use some humor," Matlock said. "Joe wouldn't have liked it if I didn't."

A few weeks before he died, Roth agreed with Matlock that maybe he should leave something behind in the form of notes or even some of the lyrics he loved to write, and he put some things on paper. Matlock plans to use some of the more intimate details of Roths struggle in a book he may collaborate on. He said there's been talk of a TV movie—as long as it wouldn't get as mushy as Brian's Song" did.

Besides his parents, the only two who really saw Roths personal side were Matlock and Bonnie Miller, who is married. Roth cherished his privacy. He didn't date much, explaining to Matlock that "I don't know which city I'll be playing pro ball in next year. It wouldn't be right to establish a relationship."

Paul Hacket believes Roth had another motive.

"He didn't have many close friends," Hacket said. "Only a few people he thought could handle all this. Hey, I think he knew all along something was going to happen to him. He didn't want to get too close and hurt too many people.

"And that says it all about Joe Roth—and about life."

SENATE COMMITTEE MEETINGS SCHEDULED

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure beginning February 21, and until the computerization of this information becomes operational, the office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Wednesday, March 2, may be found in the Daily Digest section of today's RECORD.

The schedule follows:

SCHEDULED MEETINGS
MARCH 3

9:00 a.m.
Agriculture, Nutrition and Forestry
To resume hearings and proposed legislation to amend and extend the Agriculture and Consumer Protection Act,
Until: Noon 322 Russell Building

Armed Services
Tactical Air Power Subcommittee
To hold closed hearings on Air Force combat training programs.
224 Russell Building

Human Resources
To hold hearings on the nomination of Mary Elizabeth King, of the District of Columbia, to be Deputy Director of the ACTION Agency.
4232 Dirksen Building

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for Indian Education and the Indian Health Service.
1114 Dirksen Building

Environmental and Public Works
To hold hearings to review Presidential budget requests for fiscal year 1978 for the Fish and Wildlife Services.
4200 Dirksen Building

Small Business
To hold hearings on bills to provide disaster assistance to small businesses (S. 570 and 704).
3302 Dirksen Building

10:00 a.m.
Appropriations
*Defense Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1978 for the Defense establishment.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To hold hearings on the certain 1977 supplemental appropriations and fiscal year 1976 budget estimates for the National Transportation Safety Board, Federal Highway Administration, Federal Aviation Administration, and Pan Am Airways.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittees
To hold hearings on proposed budget estimates for fiscal year 1978 for the Secret Service, and Bureaus of the Mint and Engraving and Printing, Department of the Treasury.
S–126, Capitol

Banking, Housing, and Urban Affairs
To hold hearings on proposed authorizations for major housing and community development programs.
5302 Dirksen Building

Commerce, Science and Transportation
Subcommittee on Science and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building

Energy and Natural Resources
Subcommittee on Minerals, Materials and Fuels
To continue hearing on S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.
3110 Dirksen Building

Finance
To consider its recommendations to be made to the Budget Committee on the fiscal year 1978 budget in accordance with the Congressional Budget Act.
2221 Dirksen Building
Human Resources
Subcommittee on Health and Scientific Research
To resume hearings on proposed legislation authorizing funds for the National Science Foundation for fiscal year 1978.
Until: 1 p.m. 4232 Dirksen Building
Rules and Administration
Subcommittee on Privileges and Elections
To hold hearings on the proposed fiscal year 1978 authorization for the Federal Election Commission.
301 Russell Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

11:00 a.m.
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget.
357 Russell Building
Foreign Relations
Subcommittee on Foreign Assistance
To consider its recommendations to be made to the full committee for inclusion in its recommendations to the Budget Committee on fiscal year 1978 items in accordance with the Congressional Budget Act.
S-116, Capitol

1:00 p.m.
Select Small Business
Business meeting on committee organization.
424 Russell Building

1:30 p.m.
Appropriations
Agriculture Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Agriculture.
1318 Dirksen Building

2:00 p.m.
Appropriations
Legislative Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Architect of the Capitol, Botanic Gardens, and Government Printing Office.
S-128, Capitol
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for Metro, National Highway Traffic Safety Administration, and the Air Transport Association; and to hold hearings on supplemental appropriations for fiscal year 1977 for the National Highway Traffic Safety Administration.
1224 Dirksen Building
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for ternal Revenue Service.
S-126, Capitol

MARCH 4

9:00 a.m.
Armed Services
Tactical Air Power Subcommittee
To hold closed hearings on Air Force combat training programs and support programs.
224 Russell Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1978 for the Defense establishment.
1223 Dirksen Building
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to hear Defense Secretary Brown.
357 Russell Building

11:00 a.m.
Foreign Relations
Subcommittee on Foreign Assistance
To receive testimony on human rights issues and their relationship to foreign assistance programs.
4221 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Coast Guard.
1224 Dirksen Building

MARCH 7

10:00 a.m.
Appropriations
*Defense Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to receive testimony from Army officials on research, development, training, and evaluation.
1223 Dirksen Building
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Environmental Protection Agency.
1318 Dirksen Building
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for military construction programs.
S-146, Capitol
Commerce, Science, and Transportation
Subcommittee on Science and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

2:00 p.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on supplemental appropriations for fiscal year 1977 for the District of Columbia.
1114 Dirksen Building
Appropriations
Legislative Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Office of Technology Assessment.
S-128, Capitol
Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the St. Lawrence Seaway, Materials Transportation Bureau, Civil Aeronautics Board, and Interstate Commerce Commission.
1224 Dirksen Building

MARCH 8

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Mines.
1114 Dirksen Building.

10:00 am.
Appropriations
*Defense Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to receive testimony from Army officials on procurement programs.
1223 Dirksen Building
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to receive testimony in behalf of funds for migration and refugee assistance, and the U.S. Emergency Refugee and Migration Assistance fund, Department of State.
S-126, Capitol
Appropriations
HUD—Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Environmental Protection Agency and the Council on Environmental Quality.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW, to hear Secretary Califano.
S-128, Capitol
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Bureaus of Government Financial Operations. Public Debt, and Alcohol, Tobacco and Firearms.
S-146, Capitol
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to hear testimony on Defense programs.
357 Russell Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-401, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 568, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for

foreign aid programs, to hear testimony in behalf of funds for International Narcotics Control, Department of State, and International Disaster Assistance, and the American Schools and Hospitals Abroad, AID.
S–126, Capitol

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Health, Education, and Welfare, to receive testimony on health programs.
S–128, Capitol

Appropriations
Legislative Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1976 for the Congressional Budget Office.
S–146, Capitol

2:30 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

MARCH 9

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until Noon 322 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear officials of the Mining Enforcement and Safety Administration and for the Institute for Museum Services.
1114 Dirksen Building

Small Business
To hold hearings to consider the impact of product liability insurance on small businesses, and on S. 527, authorizing the Small Business Administration to furnish reinsurance for property liability insurers for small business concerns which would not otherwise be able to obtain product liability insurance on reasonable terms.
6202 Dirksen Building

Commerce, Science, and Transportation
To hold oversight hearings on the implementation of the Marine Mammal Protection Act.
5110 Dirksen Building

10:00 a.m.
Appropriations
*Defense Subcommittee
To continue closed hearings on proposed estimates for fiscal year 1978 for the defense establishment.
1223 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the U.S. Tax Court, and units in the Executive Office of the President.
1318 Dirksen Building

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs.
S–146, Capitol

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW, to hear officials of the Health Services Administration.
S–128, Capitol

Banking, Housing and Urban Affairs
To mark up (1) proposed legislation authorizing funds for fiscal year 1978 housing program; (2) S. 417, the proposed National Neighborhood Policy Act; and (3) to review those items in the Presidential budget for fiscal year 1978 which fall within the committee's legislative jurisdiction.
5302 Dirksen Building

*Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to hear testimony on Agriculture programs.
357 Russell Building

Commerce, Science and Transportation
Subcommittee on Science and Space
To hold closed hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Environmental and Public Works
To hold hearings to review Presidential budget requests for fiscal year 1978 for the Federal Highway Administration.
4200 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S–407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW, to hear officials of the Center for Disease Control.
S–128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

MARCH 10

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear officials of the Geological Survey.
1114 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs to hear testimony on funds for the Peace Corps, the Inter-American Foundation, and the International Organizations and Programs, and U.N. Environmental Fund.
1318 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittees
To continue hearings on proposed budget estimates for fiscal year 1978 for certain units in the Executive Office of the President, and for the Office of Federal Procurement Policy.
1224 Dirksen Building

Appropriations
*Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear Navy witnesses on procurement programs.
1223 Dirksen Building

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs.
S–146, Capitol

Banking, Housing, and Urban Affairs
To hold oversight hearings on the state of the U.S. banking system.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on welfare programs.
357 Russell Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S–407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards. (S. 682, 568, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1979 for U.S. Postal Service, the Office on Federal Paperwork.
1224 Dirksen Building

MARCH 11

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

9:30 a.m.
Commerce, Science and Transportation
To hold oversight hearings on the implementation of the Marine Mammal Protection Act.
5110 Dirksen Building

10:00 a.m.
Appropriations
*Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear Air Force witnesses on procurement programs.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
To continue oversight hearings on the state of the U.S. banking system.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on health programs.
357 Russell Building

MARCH 14

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies
To resume hearings on proposed budget estimates for fiscal year 1978 for the Veterans' Administration.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration; and to consider supplemental appropriations for fiscal year 1977 for activities falling within the subcommittee's jurisdiction.
1224 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration.
1224 Dirksen Building

MARCH 15

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 and on proposed supplemental appropriations for fiscal year 1977 for the Trust Territory of the Pacific Islands.
1114 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Council of Economic Advisers, the Council on Wage and Price Stability, the National Security Council, and the National Center for Productivity and Quality of Working Life.
1224 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Veterans' Administration, American Battle Monuments Commission, and the U.S. Army Cemeterial Expenses.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

• Energy and Natural Resources
To hold hearings on S. 9, proposed Outer Continental Shelf Lands Act Amendments.
3110 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
E-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 568, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Election Commission, the Civil Service Commission, the Defense Civil Preparedness Agency and the Federal Labor Relations Council.
1224 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of the Department of Defense and AID.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Insttiutes of Health.
S-128, Capitol

MARCH 16

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed supplemental appropriations for fiscal year 1977, and on proposed budget estimates for fiscal year 1978 for the administration of the Trust Territory of the Pacific.
1114 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear Secretary of Defense Brown.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

Banking, Housing, and Urban Affairs
To hold hearings on corporate bribery and investment disclosure legislation.
5302 Dirksen Building

Budget
To hold hearings in preparation of reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on the overall economic outlook.
357 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration, with testimony on nuclear aspects.
3110 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

MARCH 17

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Indian Affairs.
1114 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for Purchase of Products and Services for the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Alcohol, Drug Abuse and Mental Health Administration, and Saint Elizabeths Hospital.
S-128, Capitol

Banking, Housing, and Urban Affairs
To mark up the proposed legislation to extend the Export Administration Act and related matters.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget.
357 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To hold closed hearings on proposed fiscal year 1976 authorizations for Government intelligence activities.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Health Resources Administration.
S-128, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for Purchase of

Products and Services of the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building

MARCH 21

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier (i.e., telephones, computers, etc.) policies.
235 Russell Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 929 and S. 689.
5110 Dirksen Building
Small Business
To hold hearings to consider the impact of product safety regulations on small businesses.
318 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building
Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on the activities of the Electronic Fund Transfer System Commission.
5302 Dirksen Building
Energy and Natural Resources
To hold hearings on proposed legislation on utilization of coal resources.
3110 Dirksen Building

MARCH 22

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Office of the Secretary; the Office of the Solicitor; and the Navajo-Hopi Relocation Commission.
1114 Dirksen Building
Commerce, Science, and Transportation
*Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier (i.e., telephones, computers, etc.) policies.
235 Russell Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear officials of the Defense Communications Agency, Mapping Agency, Nuclear Agency, and Supply Agency.
1223 Dirksen Building
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
S-126, Capitol
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of the Assistant Secretary for Education and the Commissioner of Education.
S-128, Capitol
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on the activities of the Electronic Fund Transfer System Commission.
5302 Dirksen Building
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on U.S. monetary policy.
357 Russell Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Government Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, proposed Sunset to require reauthorization of Government programs at least every 5 years.
3302 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activites.
S-407, Capitol

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government.
1224 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Institute of Education.
S-128, Capitol

MARCH 23

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Land Management.
1114 Dirksen Building
Commerce, Science, and Transportation
*Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier (i.e. telephones, computer, etc.) policies.
235 Russell Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for elementary and secondary education programs.
S-128, Capitol
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 proposed Sunset to require reauthorization of Government programs at least every five years.
3302 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for school assistance in Federally affected areas and emergency school aid.
S-128, Capitol

MARCH 24

9:00 a.m.
Select Nutrition and Human Needs
To resume hearings to examine the relationship between diet and health, to receive testimony on beef consumption.
Until: 1 p.m. 457 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Smithsonian Institution.
1114 Dirksen Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for programs for education of the handicapped, and for occupational, vocational, and adult education programs.
S-128, Capitol
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1318 Dirksen Building
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building
Energy and Natural Resources
To hold oversight hearings on the proposal for an international petroleum transshipment port and storage center located in the Palau District, Western

Caroline Islands, Trust Territory of the Pacific Islands.
3110 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (proposed Sunset Act).
3302 Dirksen Building

2:00 a.m.
Appropiations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for higher education and welfare programs, and for library resources.
S-128, Capitol

MARCH 25

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear Congressional witnesses.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced

MARCH 28

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development.
1318 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings to inquire into domestic communications common carrier (i.e. telephones, computer, etc.) policies.
235 Russell Building

Energy and Natural Resources
To hold hearings on proposed legislation on utilization of coal resources.
3110 Dirksen Building

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (Proposed Sunset Act).
3302 Dirksen Building

MARCH 29

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Fish and Wildlife Service.
1114 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear Congressional witnesses.
1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of Human Development.
S-128, Capitol

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor).
1224 Dirksen Building

Energy and Natural Resources
To hold hearings on proposed legislation on utilization of coal resources.
3110 Dirksen Building

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years. (proposed Sunset Act)
3302 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Technical Institute for the Deaf; the American Printing House for the Blind; Gallaudet College, and Howard University.
S-128, Capitol

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Administration.
1224 Dirksen Building

MARCH 30

9:30
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Park Service.
1114 Dirksen Building

Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00
Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment to hear congressional witnesses.
1223 Dirksen Building

Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of the Export-Import Bank, and Overseas Private Investment Corporation.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Social and Rehabilitation Service.
S-128, Capitol

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To mark up proposed legislation on corporate bribery and investment disclosure.
5302 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources.
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil shale technologies.
3110 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

MARCH 31

9:00 a.m.
Select Nutrition and Human Needs
To continue hearings to examine the relationship between diet and health, to receive testimony on the need for fiber in diet.
Until: 1 p.m. 3302 Dirksen Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Outdoor Recreation and the Land and Water Conservation Fund.
1114 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear public witnesses.
1223 Dirksen Building

Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear public witnesses.
1223 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Social Security Administration.
S-128, Capitol

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil shale technologies.
3110 Dirksen Building

Foreign Relations
Subcommittee on Oceans and International Environment
To hold hearings on S. Res. 49, expressing the sense of the Senate that the U.S. Government should seek the agreement of other governments to a proposed treaty requiring the propagation of an international environmental impact statement for any major project expected to have significant adverse effect on the physical environment.
4221 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office for Civil Rights, Inspector General, Policy Research and General Management.
S-128, Capitol

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

APRIL 1

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration
1224 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, on funds for New York City financing.
1318 Dirksen Building

APRIL 5

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Forest Service.
1114 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission.
Room to be announced

APRIL 6

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear Congressional witnesses.
1114 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear public witnesses.
1318 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission; Office of Consumer Affairs; and Consumer Information Center.
Room to be announced

APRIL 7

10:00 a.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs, on funds for NATO and classified programs.
S-146, Capitol

APRIL 18

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development and Independent Agencies, to hear public witnesses.
1318 Dirksen Building

APRIL 19

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related Agencies, to hear public witnesses.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Administration.
1224 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation on housing and community development, with a view to reporting its final recommendations on housing programs to the Budget Committee by May 15.
5302 Dirksen Building

Government Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine Government accounting and auditing practices and procedures.
3302 Dirksen Building

3:00 p.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development, to hear public witnesses.
1318 Dirksen Building

APRIL 20

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation on housing and community development, with a view to reporting its final recommendations on housing programs to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 21

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation on housing and community development, with a view to reporting its final recommendations on housing programs to the Budget Committee by May 15.
5302 Dirksen Building

Government Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine Government accounting and auditing practices and procedures.
3302 Dirksen Building

APRIL 22

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation on housing and community development, with a view to reporting its final recommendations on housing programs to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 26

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for National Highway Traffic Safety Administration.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for National Highway Traffic Safety Administration.
1224 Dirksen Building

APRIL 27

Appropriations
Transportation Subcommittee
To continue hearings on proposed estimates for fiscal year 1978 for Urban Mass Transportation Administration.
1224 Dirksen Building

APRIL 28

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

MAY 3

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building

MAY 4

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 6

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 10

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building

Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine Government accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 12

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine Government accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 18

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978, to hear Secretary of Transportation Adams.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978, to hear Secretary of Transportation Adams.
1224 Dirksen Building

MAY 24

10:00 a.m.
Government Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine Government accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 26

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine Government accounting and auditing practices and procedures.
3302 Dirksen Building

SENATE—*Wednesday, March 2, 1977*

(Legislative day of Monday, February 21, 1977)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the Deputy President pro tempore (Mr. HUMPHREY).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal God, our Creator, Redeemer and Judge, who has called men to serve Thee in the councils of government as truly as before the altars of the sanctuary, invest all Members of this body with a sense of divine vocation. If at any time we have walked on the lower levels of life, distant from Thy love and remote from Thy precepts, forgive us. If we have grown careless in thought, callous in conscience, or neglectful in discipline so as to crowd Thee from our lives, forgive us. Open the door of our hearts and enter anew with Thy refining grace. Enable us to welcome Thee here as the source of our being, the benefactor of our liberties, and the light of our lives.

Grant to all who serve here that clearer vision and higher wisdom which Thou dost bestow upon all who open their hearts to Thee in sincerity and in truth. And to Thy name shall be the praise and the thanksgiving. Amen.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, Tuesday, March 1, 1977, be approved.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the Senate session today.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, there is one nomination on the calendar under "New Reports" that has been cleared on both sides of the aisle, and there are other nominations under "Department of State" that have been cleared, and "Nominations Placed on the Secretary's Desk in the Foreign Service." I ask unanimous consent that the Senate go into executive session for the purpose only of considering nominations beginning with "New Reports."

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered, and the Senate will now proceed to executive session.

AMBASSADOR

The second assistant legislative clerk read the nomination of Evan S. Dobelle, of Massachusetts, for the rank of ambassador during his tenure of service as Chief of Protocol for the White House.

The DEPUTY PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I wish only to note that, as I indicated to the distinguished majority leader, the Executive Calendar has been cleared on our side, beginning with the nomination of Ambassador Dobelle, and continuing through page 2, the various nominations for the Department of State, and there is no objection.

DEPARTMENT OF STATE

The second assistant legislative clerk proceeded to read sundry nominations in the Department of State.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered, and the nominations are considered and confirmed en bloc.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE FOREIGN SERVICE

The second assistant legislative clerk proceeded to read sundry nominations placed on the Secretary's desk in the Foreign Service.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The DEPUTY PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be notified of the confirmation of the nominations.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

(All nominations confirmed today are printed at the conclusion of Senate proceedings in today's RECORD.)

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

The DEPUTY PRESIDENT pro tempore. Without objection, the Senate will resume the consideration of legislative business.

CARTER PROPOSAL FOR ENERGY DEPARTMENT

Mr. ROBERT C. BYRD. Mr. President, the President has now taken the initial necessary step toward giving a clear sense of direction to our national energy policy. He has proposed the creation of a Cabinet level Energy Department, combining three separate energy agencies and assuming energy-related responsibilities from six other Federal departments and agencies.

I believe that the President's proposal is responsive to the needs of the Nation. Our present diffused Federal energy responsibility is just not capable

of doing the job which must be done. By creating a department which will be able to coordinate both information and action on energy-related Federal programs, the administration will be able to focus on a problem which has become more and more a core area of concern for today and for the years ahead.

I think that members on both sides of the aisle will welcome the opportunity to consider this proposal. The details of the legislation will receive our careful consideration. I do not wish to comment on those details at this time, other than to say that I share the President's belief that we need a greater emphasis on energy conservation efforts and on a balanced energy research and development program.

I wish to express to Senators and to the President my appreciation for the care and thought which have gone into this proposed legislation, which is the result of much consultation between the executive and legislative branches. We have this proposal submitted fully 6 weeks ahead of the proposal which the President has promised us on a comprehensive national energy policy. We have ample time to examine the proposal and to act upon it. I can assure the President that the Senate will move as quickly as it is possible to act in this important area.

Energy sufficiency is a matter of serious concern to all of us. We have all expressed a need for a more efficient and effective Federal role in providing that sufficiency. The establishment of a single department rather than many overlapping agencies to handle that role will be welcomed by the public generally and by the business community, in particular, I believe. This is a sensible step which has been too long delayed.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is it not correct that after the two leaders have been recognized under the standing order, the Senate will then proceed immediately to the consideration of Senate Concurrent Resolution 7?

The DEPUTY PRESIDENT pro tempore. That is the order, yes.

Mr. ROBERT C. BYRD. I thank the Chair.

I yield back the remainder of my time.

Mr. BAKER. Mr. President, I have no requirement for my time under the standing order, and I yield it back.

FREEDOM OF EMIGRATION

The DEPUTY PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of Senate Concurrent Resolution 7, which the clerk will now state by title.

The assistant legislative clerk read as follows:

Calendar No. 29, Senate Concurrent Resolution 7, relating to freedom of emigration.

The Senate proceeded to consider the concurrent resolution.

The DEPUTY PRESIDENT pro tempore. Time for the debate on this resolution shall be limited to 2 hours.

Time shall be equally divided and controlled by the Senator from New Jersey (Mr. CASE) and the Senator from Idaho (Mr. CHURCH), with 30 minutes on any amendment, 20 minutes on any debatable motion or appeal, and 10 minutes on any point of order.

The Senator from Idaho is recognized.

Mr. CHURCH. Mr. President, at the request of the minority, I suggest the absence of a quorum.

The DEPUTY PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, on Tuesday, March 1, 1977, the Senate Foreign Relations Committee reported, without dissent, Senate Concurrent Resolution 7, relating to the freedom of emigration of Soviet Jews. The text of the resolution reads:

Whereas the obstruction and harassment of Soviet Jews and other minorities trying to obtain emigration visas to reunite with their families profoundly offends the conscience of a free people; and

Whereas these incidents of Soviet Government-scanctioned ethnic and religious discrimination violate internationally agreed-upon principles of human rights: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the sustained interest of the American people be conveyed to the Soviet Government regarding adherence to the Helsinki Declaration, including their pledge to facilitate freer movement of people, expedite the reunification of families, and uphold the general freedom to leave one's country.

It was with a strong sense of commitment to the spirit of the Helsinki Declaration that I submitted this concurrent resolution in January. Representative TOBY MOFFETT, of Connecticut, introduced at the same time a similar measure in the House of Representatives. Forty-four Senators join me in cosponsorship:

Anderson, Bayh, Biden, Brooke, Harry F. Byrd, Cannon, Case, Chiles, Clark, Cranston, Danforth, DeConcini, Domenici, Durkin, Ford, Heinz, Humphrey, Jackson, Javits, Johnston, Laxalt, Lugar, Mathias, Melcher, Metcalf, Metzenbaum, Morgan, Moynihan, Nelson, Packwood, Pell, Percy, Proxmire, Riegle, Ribicoff, Roth, Schweiker, Sarbanes, Schmitt, Stevenson, Stone, Thurmond, Williams, and Zorinsky.

The continued harassment of Soviet Jews and other minorities seeking to reunite with their families in foreign lands makes it imperative that the 95th Congress express the concern of the American people to the Soviet Government regarding the treatment of these individuals.

As cosigner of the Helsinki Declaration, the United States must continue to press the Soviet Government for compliance with the accords. We must impress upon the Soviet Government that the new Congress, as well as the new administration, has not forgotten the Soviet Union is pledged to permit emigration and that its continued refusal to permit thousands of persons from leaving is a violation of its solemn international agreements, including the final act of the Conference on Security and Cooperation in Europe.

This resolution represents a congressional initiative toward fulfillment of the so-called Basket Three provisions of the Helsinki agreement having to do with cooperation in humanitarian fields. It relates, also, to broader principles of human rights, including the right to freedom of emigration, specified in the United Nations Universal Declaration of Human Rights. In the Basket One declaration of principles, the signers of the Helsinki pledge said they "will act in conformity with the purposes and principles of the Charter of the United Nations and with the Universal Declaration of Human Rights."

The Helsinki agreement itself expresses the desire of the participating states to "facilitate freer movement and contacts, individually and collectively, whether privately or officially, among persons, institutions and organizations of the participating states, and to contribute to the solution of the humanitarian problems that arise in that connection. * * *" It also specifies that the participating states will "deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family." The declaration also states that the participating states will facilitate travel by their citizens for both personal and professional reasons and that for this purpose they will simplify exit and entry procedures. The declaration states that "religious faiths, institutions and organizations, practicing within the constitutional framework of the participating states, and their representatives can, in the field of their activities, have contacts and meetings among themselves and exchange information."

The language of Senate Concurrent Resolution 7 has the full endorsement of the administration. A letter from Kempton B. Jenkins, Acting Assistant Secretary for Congressional Relations, to the chairman of the Senate Foreign Relations Committee, Senator JOHN SPARKMAN, reads:

The Administration fully supports the aims of the Resolution and is committed to advancing the cause of human rights in all countries, including the Soviet Union. The United States Government has consistently urged the Soviet Government toward greater progress in the area of family reunification and emigration and toward concrete implementation of the provisions of the Final Act of the Conference on Security and Cooperation in Europe.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the submission of this report.

This resolution is also consistent with a series of statements by the Carter administration calling upon the Soviet Union and other countries to comply with internationally recognized principles of human rights. The administration has already made several statements condemning violations of fundamental rights by the Soviet Union and Czechoslovakia. In a personal letter to Andrei

Sokorov, the Soviet scientist and dissident, President Carter stated that the United States would use its good offices to seek the release of individuals imprisoned because of views based on conscience.

In his press conference of February 23, President Carter reiterated his concern for human rights in all countries, noting that there are political prisoners in South Korea, certain Latin American countries, and elsewhere. The President on this occasion laid special stress on what he described as the "horrible murders" which have apparently taken place in Uganda. He emphasized that he had "never had an inclination to single out the Soviet Union as the only place where human rights are being abridged." The United States, he added, has "a responsibility and a legal right to express our disapproval of violations of human rights. The Helsinki Agreement, so-called Basket Three Provision, insures that some of these human rights shall be preserved."

President Carter has made clear his commitment to "global standards of human rights." I believe this Nation must steadfastly uphold the principles embraced by the Helsinki declaration. We must never shirk from being ourselves and, as Anthony Lewis has written, "that means making clear what our beliefs are * * *."

This resolution affirms the devotion of this country to traditional principles of liberty. It is a resolution of honor, and I hope it will be overwhelmingly approved by the Senate.

Mr. JACKSON. Mr. President, I am pleased to be a cosponsor of Senate Concurrent Resolution 7.

I want especially to emphasize that in the struggle for the right of free emigration the world's peoples have international law on their side. Article 13 of the Declaration of Human Rights—unanimously adopted in 1948—affirms the right to leave any country, including one's own. That declaration was reaffirmed in the International Convention on the Elimination of All Forms of Racial Discrimination of 1965 and the International Covenant on Civil and Political Rights of 1966, each of which was ratified by the Soviet Union. Most recently, in the Helsinki Final Act, the 35 signatories, including the Soviet Union, agreed to act in conformity with the Universal Declaration of Human Rights.

In short, Mr. President, the governments of the world have made the right to emigrate a matter of justified international concern and of recognized international responsibility.

The Congress has particularly emphasized this right to free emigration because the freedom to leave a country is the traditional final lifeline for victims of racial, religious, and political persecution. I remind you that the Senate made the Jackson-Vanik amendment the law of the land in the Trade Act of 1974 by a vote of 88 to 0. That amendment states, in essence, that if the Soviets and other Eastern bloc countries want U.S. trade concessions and special subsidies, they will have to moderate their restrictive policies on the emigration of their citizens. The amendment applies to Jews and gentiles, without discrimination on the basis of race, religion, or national origin.

The amendment does not affect normal trade on a pay-as-you-go basis. It withholds special U.S. trade concessions and unlimited U.S. credit until the trading partner moves substantially to respect the obligations on freer emigration which it has previously subscribed to in solemn international agreements.

The Jackson-Vanik amendment does not interfere in any country's internal affairs. We simply ask in that amendment that a nation respect the right to free emigration which is established in international accords and agreements to which that nation itself is a party.

Last Wednesday afternoon, I had the honor to spend an hour with the heroic Russian human rights leader, Vladimir Bukovsky. As we all know, Bukovsky has only recently reached the West after suffering repeated imprisonment in Russian jails and insane asylums because of his courageous defense of humanitarian values. I was very moved when Bukovsky told me that just that morning he had told a hearing of the U.S. Helsinki Commission that "the Jackson amendment was a tremendous moral victory for the United States."

The fact is that tens of thousands of people—Jews and non-Jews alike—have escaped from persecution and repression, because of the Jackson-Vanik amendment on freer emigration. It was only after Henry Kissinger turned his back on the amendment and pledged that the Ford administration would try to destroy it that the Kremlin tightened up the screws again.

If the Soviets want to have some of the trade benefits from this country that other nations enjoy—let them at least honor the basic right to emigrate.

In this connection, I want to commend President Carter for his support of the Jackson-Vanik amendment. He wrote me on September 29, 1976:

> I share your deep concern over the protection of human rights and freedom of emigration in the Soviet Union and throughout the world. The legislation which you coauthored, which is now the law of the land and which is aimed at securing those rights, will be effectively implemented by a Carter-Mondale Administration. As the platform of our Party makes clear, "America must take a firm stand to support and implement existing U.S. law to bring about liberalization of emigration policy in countries which limit or prohibit free emigration."

I am glad to join today in support of Senate Concurrent Resolution 7 which underlines our steady, continuing concern that the Soviet Union, and other nations, honor the obligation they have undertaken in international agreements to respect the internationally recognized elementary right of free emigration.

The DEPUTY PRESIDENT pro tempore. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, would the Senator from New Jersey (Mr. CASE) like to precede me?

Mr. CASE. Mr. President, no matter who went first, the person with precedence would be the Senator from New York.

Mr. JAVITS. My colleague is too kind.

Mr. CASE. Since the Senator from Minnesota wanted to engage me in further discussion about another matter relating to our committee, I request that the Senator from New York open the matter for our side.

Mr. JAVITS. I thank the Senator. May I have 10 minutes, with the understanding that I may request additional time if I may need it?

Mr. CHURCH. Yes; the Senator from New York may have such time as he may desire.

Mr. JAVITS. Mr. President, this resolution is being debated at greater length than these resolutions generally are, because the committee felt, specifically on Senator CHURCH's initiative, that it wanted more than just a resolution to go through the Senate—not that that is not meaningful; it is very meaningful and very important to our country and for the world. We felt that a discussion was critically required, so that the matter may be put in focus to the world, and especially to the Soviet Union and to the other nations of Eastern Europe which are considered to be within the Soviet orbit.

Let us remember that we are engaged here in a process of public education. Indeed, the resolution (S. Con. Res. 7), which will also go to the other body, carries that out, because what it says is that "the sustained interest of the American people be conveyed to the Soviet Government regarding adherence to the Helsinki Declaration."

Mr. President, the Helsinki agreement was widely hailed as an enormous victory for the Soviet Union. It allegedly confirmed the borders of Europe which the Soviet Union had imposed, partially by force, partially by political and economic pressure, partially by the outgrowth of agreements made at the end of World War II, but effectively cut to suit itself, and maintained using repressive force, in Hungary, Czechoslovakia, Poland, and wherever it needed to be used in order to maintain these borders.

Europe agreed, in essence, and so did we, that no effort would be made to change the borders by force. This was considered to be a great victory for the Soviet Union, and indeed General Secretary Brezhnev hailed it as "a monumental achievement" of his incumbency.

Mr. President, it is monumental, but it is now beginning to be seen as monumental in a very different way from what General Secretary Brezhnev believed, because the Soviets, being fantastically able propagandists, know it is much more dangerous to them to have a great amount of dissidence in the Soviet Union and the satellite states than it is to have disagreement on borders which no country will try to settle by force anyway.

That is exactly what has happened, and Basket 3, on which there was an enormous measure of unanimity between the United States and the Soviet countries, is going to turn out to be one of the greatest and most monumental achievements in world diplomacy we have ever seen.

This is very deeply gratifying, because it is a characteristically decent approach by the United States, and carries out, indeed, the fundamental beliefs upon which we all stand.

Mr. CHURCH. Mr. President, will the Senator yield on that point?

Mr. JAVITS. Yes, indeed.

Mr. CHURCH. I simply wish to associate myself with the observation the Senator from New York has made. No one can disagree that what has been achieved by the Helsinki agreement establishes a standard that had never been set before among the signatories, including the Soviet Union, with the result that for the first time we have a standard of conduct established, and when the Soviet Union fails to meet that standard, we are now in a position to hold their feet to the fire and to reach out and call the attention of the whole world to that failure. Thus we are in a stronger position, it seems to me, than ever.

Mr. JAVITS. And we have given up nothing.

Mr. CHURCH. And we have given up nothing for it, which simply goes to show how wrong the critics of the Helsinki agreement were who charged at the time it was signed that it had been a kind of Western sop to the Soviet Government.

Mr. JAVITS. I thank the Senator.

So that the Record may be clear, the Helsinki Declaration referred to in the resolution currently before us is the Helsinki agreement signed by the 30-odd nations, who participated in that conference, on August 1, 1975.

The record should show what this Helsinki Declaration says, because it is extremely revealing and extremely important, when we read it now, in the light of what is occurring, which we shall go into in a moment.

The Russians have signed this time on the dotted line. We have had an International Declaration of Human Rights in the United Nations, but that could always be argued about as being a kind of general, fuzzy statement above the battle of what we aspired to in the U.N. But here we have hard coin, which the Soviet Government, as a considered governmental action, has signed. One of the great things it is always contending is that it respects signed agreements. We are going to see about that right now, because so far they are tearing it up and not respecting it.

One thing the Soviet Union promises is to make it their aim to facilitate freer movement and contacts, individually and collectively, whether privately or officially, among persons, institutions, and organizations of the participating states, and to contribute to the solution of the humanitarian problems that arise in that connection.

About family reunion they say:

In order to promote further development of contacts on the basis of family ties the participating States will favourably consider applications for travel with the purpose of allowing persons to enter or leave their territory temporarily, and on a regular basis if desired, in order to visit members of their families.

Then they promise to deal without discrimination or distinction as to the country of origin or the country of destination, and not to use documentation and visas as a way to block this kind of movement. They say:

Applications for temporary visits to meet members of their families will be dealt with without distinction as to the country of origin or destination: Existing requirements for travel documents and visas will be applied in this spirit. The preparation and issue of such documents and visas will be effected within reasonable time limits; cases of urgent necessity—such as serious illness or death—will be given priority treatment. They will take such steps as may be necessary to ensure that the fees for official travel documents and visas are acceptable.

They confirm that the presentation of an application concerning contacts on the basis of family ties will not modify the rights and obligations of the applicant or of members of his family.

(b) *Reunification of Families.*

The participating States will deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family, with special attention being given to requests of an urgent character—such as requests submitted by persons who are ill or old.

They will deal with applications in this field as expeditiously as possible.

They will lower where necessary the fees charged in connexion with these applications to ensure that they are at a moderate level.

Applications for the purpose of family reunification which are not granted may be renewed at the appropriate level and will be reconsidered at reasonably short intervals by the authorities of the country of residence or destination, whichever is concerned; under such circumstances fees will be charged only when applications are granted.

Persons whose applications for family reunification are granted may bring with them or ship their household and personal effects; to this end the participating States will use all possibilities provided by existing regulations.

Until members of the same family are reunited meetings and contacts between them may take place in accordance with the modalities for contacts on the basis of family ties.

The participating States will support the efforts of Red Cross and Red Crescent Societies concerned with the problems of family reunification.

They confirm that the presentation of an application concerning family reunification will not modify the rights and obligations of the applicant or of members of his family.

The receiving participating State will take appropriate care with regard to employment for persons from other participating States who take up permanent residence in that State in connexion with family reunification with its citizens and see that they are afforded opportunities equal to those enjoyed by its own citizens for education, medical assistance and social security.

They promise to deal expeditiously with emigration to reunite families. Then, Mr. President, they promise not to exact sanctions on the families of individuals who emigrate.

How different that is from the fact that in the Soviet Union you are immediately called a traitor the minute you come down and even inquire about how to get out of the country if you wish to emigrate, no matter how legitimate the reason.

Then, of course, we all know that they throw obstacles in the paths of people who try to marry in the Soviet Union with citizens of other states. The Helsinki Declaration is very clear on that. It says:

The participating States will examine favourably and on the basis of humanitarian considerations requests for exit or entry permits from persons who have decided to marry a citizen from another participating State.

Mr. President, I predict that these declarations and these agreements by the Soviet Union will be found far more potent than ICBM's and conventional armies in the field to determine what will be the future of peace in this world and, indeed, what will be the future of the Soviet Union itself. It is precisely because they know so well how powerful are these human instincts, Mr. President, that they are so very deeply chagrined and so very deeply concerned about them.

In East Germany, for example, 100,000 have already quite openly—and that is pretty brave in a Communist country—applied for permission to migrate to West Germany. They base their requests on the Helsinki Declaration.

Then we have the charter of 1977 in Czechoslovakia, and the literally earthquake-sized tremors running through the Soviet Union because of that.

I will ask unanimous consent, Mr. President, to have printed in the RECORD appropriate excerpts from a document entitled "News and Views of the U.S.S.R.," issued by the Soviet Embassy here in Washington, which literally shudders with the dangers which are going to occur to the Soviet Union and the whole Communist system because of the charter of 1977, because of their freedom to enjoy the rights of the Helsinki Declaration signed by the Soviet Union in Czechoslovakia.

All through the Communist states, Mr. President, this shudder is occurring, and the crackdown is occurring on those who would now ask the Soviet Union to honor its own commitments.

If that is not enough, the Soviet Union is so sensitive to this situation, we wonder what effect our protests have. Well, Mr. President, they sent their Ambassador around to see the Secretary of State of the United States just because President Carter sent a warm letter affirming what is hornbook law in the United States, respecting our devotion to the individual rights of people, to this brilliant, exciting, brave, heroic man, Dr. Sakharov, who has been standing up against these activities in the Soviet Union for all this time.

So, Mr. President, this resolution as an import, as a threshold, as a beginning to our national and international activity in this field, in my judgment, is far more potent than armed forces, economic boycotts, or almost anything else, the power of human conviction about an ideal and about a basic morality.

I hope, Mr. President, that President Carter will be encouraged by this broad bipartisan support and the dictates of his own heart, and will continue the line along which he is now determined to proceed, according to his letter to Mr. Sakharov and others, declared positions respecting this matter.

Mr. President, there are two additional points I would like to cover. One is the Jackson-Vanik amendment. The second is the so much discussed question of linkage. The Jackson-Vanik amendment being an implementation of the idea of linkage.

What does linkage mean? Linkage means that we will make a part, an element, of any negotiation we have with the Soviet Union on nuclear arms control, on trade, or on any other matter, our interest in human rights in the Soviet Union, which are not internal affairs—and the Soviet Union loves to speak about that idea of their being an internal affair. Human rights are now an international commitment solemnly signed by the Soviet Union itself as recently as August 1, 1975.

The Jackson-Vanik amendment, Mr. President, was enacted on January 3, 1975. Subsequently, on January 14, 1975, the Soviet Union denounced the trade agreement which it had signed with the United States in 1972 and prevented it from taking effect. It resulted in a very serious diminution of the emigration of Jews from the Soviet Union.

Mr. President, this is the kind of eyeball to eyeball confrontation which is the only thing that ever works with the Soviet Union. They pride themselves on the fact that they will not panic, that they have a lot of patience. Well, let us see who has patience in this matter.

Has anybody heard any outcry from the Jewish community of the United States, which is very deeply involved in this matter, in the matter of heart, in the matter of mind and conscience, as Americans, about the fact that the Soviet Union has simply turned down the numbers, as they can arbitrarily? When Senator HUMPHREY and Senator SCOTT led a delegation of us, of which I was a member, to the Soviet Union in 1975, they told us they had no applications for emigration. Nonsense. We knew. They looked us coldly and straight in the eye and said they were processing all applications very normally. But suddenly the numbers fell overnight from 35,000 to 12,000. That is normal processing.

So, Mr. President, we understand that this is nothing but a facade under which they operate. We understand, too, that they have a lot of patience—so have we—and we understand, too, that these numbers can be turned down or up at their will whenever they wish, overnight.

Mr. President, the policy we are pursuing in the Jackson-Vanik amendment is a difficult policy but the right policy. If we are going to have honorable relations with the Soviet Union, obviously we cannot link everything we do with these violations of the Helsinki Declaration by the Soviet Union. I certainly would not for a moment stop negotiating on SALT. It is the life and death of the world which is involved. But trade, Mr. President? Trade is another matter.

We may have, according to the most optimistic estimates, $2.2 billion in trade with the Soviet Union in export-import in 1977. Let us say it tripled, to $6 billion. But, Mr. President, remember that the export and import trade of the United States today is running at $150 billion, and this is not going to make us or break us. So we decided that this is one case where we put our foot down. The Soviet Union told us, and told me 15 years ago when I was there, that they can buy anything from anybody.

Well, OK, gentlemen, if you can buy anything from anybody, buy it. Nobody is stopping you. Why are you so agitated about the United States' trade, and why are you so insulted about the fact that we will not trade with you on the basis that you want unless you obey your own international commitments and the dictates of human rights?

So, Mr. President, until there is a rounded adjustment of this matter—and I am not a stickler as to whether it is done by repealing a law or not repealing a law but it is the substance, the performance, that counts—until the Soviet Union shows some responsiveness to its own now solemnly undertaken international commitments, I hope very much we will not think we are going to win by giving them an example of our action, that we repeal the Jackson-Vanik amendment and we hope that the masters of the Soviet Union will be very nice to us and crank up the numbers another 2,000 or 3,000.

Mr. President, that is not the way in which the United States ought to function. I believe President Carter is right. I think President Carter has at long last taken the view the Foreign Relations Committee itself took in the aid bill, largely offered by Senator HUMPHREY and Senator CASE last year, and decided that this was one place in which, without general linkage in everything but on trade, we can stand our ground just as we can on aid, which was what was obtained in the foreign aid bill. I thoroughly agree with that policy and I hope we do not get shaken up about it. I hope the adoption of this resolution will be unanimous, which I believe is likely.

Finally, just one other point. We are going to meet in September in Belgrade to assess the Helsinki Declaration. Congress will have people there, too, to assess the results of the Helsinki Declaration. This resolution should fortify and back up our executive department and our congressional delegates so that they have the feeling that the people of the United States and the Congress of the United States are behind them in this moral position. I believe, Mr. President, that Belgrade can very well mark the watershed. That is, the Soviet Union and the satellites, having cracked down on dissidents, and having complained against and to the United States in respect of the action which President Carter has taken in the human rights issue, et cetera, I think will have shot their bolt by September and they may be ready to talk business there. Therefore, our people should have the feeling that when they go, they go with the backing of the country.

The United States is not so mean or small minded that, because of a few billion dollars in trade, it is going to abandon the moral principles upon which our whole institution of democracy is based and in which our people so deeply believe—so much so that they elected a professedly very religious man to be President of the United States.

So I compliment Senator CHURCH on this resolution. I hope that we shall realize the purpose of the debate, which is to make it truly understandable and meaningful in terms of our advice and consent to the U.S. foreign policy, and that our President and the Secretary of State and our congressional representatives and many international bodies will be guided accordingly.

I thank my colleague for yielding the time.

Mr. President, I ask unanimous consent that excerpts of a press release from the information department of the Soviet Embassy, entitled "What Is Behind the Fuss Over 'Human Rights'," be printed in the RECORD.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

WHAT IS BEHIND THE FUSS OVER "HUMAN RIGHTS"

On the other hand, the opponents of peace and progress are infuriated. The heralds of "cold" and "hot" war are trying even more vigorously to halt the process of detente and to reverse it.

At the same time, they are more often using political means to thwart socialism. Under the smokescreen of the "defense of human rights," they launch propaganda campaigns which are hostile to the cause of peace, social progress and socialism. They try to interfere in the internal affairs of the USSR and other socialist countries. Simultaneously, under the pretext of safeguarding detente, they seek to hold back social transformations and to suppress the forces of democracy and national liberation.

A sharp fight is going on over the implementation of the agreements achieved at the 35-nation conference in Helsinki. This implementation, as L. I. Brezhnev, General Secretary of the CPSU Central Committee, pointed out in his speech in Tula, "much depends here on the overall state of political relations between states or, as they say, on the level of detente. By poisoning the international atmosphere, the opponents of detente only impede this work."

The papers, journals, radio and TV of many Western countries have raised an unprecedented hullabaloo in connection with the so-called Charter-77, an antisocialist lampoon, fabricated by a group of right-wing counter-revolutionaries who exposed their true anti-socialist views in Czechoslovakia in 1968. The Western mass media has started a campaign in defense of "workers' rights" allegedly violated in Poland. A fuss is still being raised on account of the measures the German Democratic Republic is taking to defend its lawful rights. There has also been a lot of commotion about a wretched handful of anti-Soviet elements who are casting aspersions on their native country and their own people. It is claimed that in the USSR they are being persecuted as "dissenters."

Indeed, is it really fortuitous that in the last week of January alone the numerous radio services of the West, broadcasting programs for the socialist countries, transmitted 120 items on "the defense of human rights" 320 times? The picture is the same in February. There can be no doubt that the timing of the statements in the Western press is obviously due to careful coordination from a single center.

They like to pose as "victims" who are being persecuted for their views while Western inspirers and sponsors give them active support. It is worth noting that in the Soviet Union people are not persecuted for their views. However, persons engaging in anti-Soviet propaganda designed to subvert or

weaken the socio-political system established in the USSR are held legally responsible under Soviet law. This also applies to persons who spread deliberately false information and inventions to the detriment of the Soviet State and social system. It follows from this that punishment is imposed for deliberate actions named in Articles 70 and 190 of the Criminal Code of the Russian Federation and the corresponding articles of the criminal codes of the other Union Republics.

Of course, a handful of outcasts constitute no danger to the Soviet system. But the fact that such outcasts exist shows that we have not yet completely rid ourselves of the ways and prejudicies of the old society, that isolated Soviet citizens still fall for bourgeois propaganda and that they still allow themselves to be blinded by the bourgeois way of life. This fact shows that some Soviet citizens allow themselves to be deceived by stories about the "rights" and "freedoms" man allegedly enjoys in the capitalist world. It follows herefrom that it is more than ever necessary to display lofty political vigilance, to administer a timely and effective rebuff against bourgeois propaganda, to constantly fight against indifference to politics and ideology and to educate the Soviet people in the spirit of love for their homeland, of devotion to the cause of the Party and lofty communist ideals.

It is also clear that the hullabaloo started by the Western ideological saboteurs around socialist democracy aims to poison the atmosphere before a meeting of the representatives of the countries which participated in the Helsinki All-European Conference, which is to take place in a few months' time in Belgrade and will promote the exchange of opinions on the consolidation of security, the further expansion of cooperation in Europe and the further development of detente.

Finally, all this fuss around the "human rights" issue is designed to disorient and split the progressive social-political forces in the capitalist countries, to discredit, by means of attacks on real socialism, the ideas of scientific communism and the political platforms of the communist and workers' parties and all revolutionary movements, in order to set the Western communist parties and the parties in power in the socialist countries at loggerheads.

Mr. MOYNIHAN. Mr. President, I wish to add my own word of commendation for Senator CHURCH's initiative this morning. I think it underscores the growing sentiment in this country for a more assertive and self-confident position in support of internationally recognized rights. It is a crucial fact that the Soviet Union is a party to international agreements which have, as their purpose, the defense of such rights. Greater respect for those agreements can only decrease the skepticism about Soviet intentions—intentions which remain more than ambiguous, if recent developments are a guide—intentions which the distinguished Senator from New Jersey notes have led those of us committed to coexistence nonetheless to question just "what we are coexisting with."

Our effort this morning is an important parallel to the initiatives undertaken by President Carter. It is important for the world to know that in speaking on behalf of fundamental human rights, the President of the United States has the clear and unambiguous support of the Senate and the House and the people of the United States.

It is interesting, Mr. President, that the Helsinki undertakings, profoundly controversial at the time of their signature in 1975, are showing themselves to be of some considerable potential. As unsatisfactory as they surely are, today's debate on the floor of the Senate, on Senate Concurrent Resolution 7, and the recent statements and actions by President Carter, show that they can be an important and useful reference point—if we wish to use them.

I must say that we have had no shortage in the past of international agreements to which we might have referred if we wished to call attention to the Soviet Union's persistent violations of international law. Those agreements are no less—and in some cases far more—binding on the Soviet Union than the Helsinki declarations. But if the Helsinki accords have in fact contributed to a new assertiveness, a new self-confidence, a new willingness to incur political risks in behalf of human dignity—then the Helsinki agreements may prove to have been worth something.

A particularly thoughtful analysis of the role of Helsinki—and the importance of human rights seem now to be assuming in the conduct of American foreign policy—was provided about a week ago by Leonard Garment, formerly our distinguished representative to the Human Rights Commission of the United Nations. Mr. Garment testified before a hearing of the Commission on Security and Cooperation in Europe. I am struck by the cogency of his testimony and, as always, by the strength of his commitment to the cause of human rights.

It is correct to say that his service on the Human Rights Commission was a fair test of that commitment, for the climate, the tone, the mood—the administration backing for human rights concerns—was not, during his term of service, what it has become in recent weeks. If the struggle for human rights is, at the moment, newsworthy and exemplary, let us remember that in the not so recent past, the rewards for the advocacy of human rights had to be found in the cause itself. This is what gives Mr. Garment's testimony such significant credibility.

Mr. President, I therefore ask unanimous consent that Mr. Garment's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

STATEMENT OF LEONARD GARMENT

The hearings that are opening before this Commission today are a sign that something important has happened to the place of human rights in American foreign policy. Just a year and a half ago, the fate of political and civil liberty around the world was not an issue for very many people. And those of us who did think and talk about it feared that there wasn't much we could do except lament the decline of freedom that we saw in most of the world's nations. This in sum is what I found when I served as the U.S. Representative to the Human Rights Commission. The language of human rights was regularly corrupted and the suffering of millions concealed from public knowledge by official hostility or indifference to the issue.

That has changed. Right now the fate of human rights in the world, and in Eastern Europe in particular, is a matter of practical concern to those who conduct our foreign policy. Political repression is something we now think it not only desirable but even possible to do something about. We sense, in other words, that an opportunity has presented itself to us. Some would call that opportunity small; but it is certainly larger and more widely apparent than what most of us expected when this country signed the Helsinki accords in August of 1975. And because the present opportunity was so largely unexpected, it comes as no surprise to discover that we are not fully prepared for it.

There is, however, time enough; and there is at hand an extraordinary opportunity. For in June, East and West have a historic appointment in Belgrade. Preparations will begin then for a meeting later this year of the 35 signatories to the Helsinki accords to review past performance and plan future steps. One cannot predict the outcome of Belgrade but it marks the beginning of a process that can have momentous human rights consequences.

It is, therefore, a privilege to open the hearings of this Commission by offering a general perspective on the history of the Helsinki accords and their value to the United States.

At the time of the Helsinki signing a year and a half ago, what was most apparent was that the Soviets has succeeded in obtaining recognition of their domination of Eastern Europe. For twenty years, the Soviet Union had been calling for a European security conference that would legitimate the position it had acquired in Eastern Europe at the end of World War II. From the mid-1960's onward, our allies began to take a more favorable view of the benefits that such a gathering might produce. In December of 1969, NATO publicly called for greater co-operation between East and West in areas from the arts to the environment; such cooperation was something that an agreement might make easier. In 1971, we finally reached a Quadripartite Agreement on Berlin; and our own government judged that this agreement removed a major obstacle to a broader security pact. In 1972 we told the Soviets that we would link the beginning of a European security conference to U.S.-Soviet arms reduction talks, and later that year the Helsinki negotiations began. Three years later our television screens showed General Secretary Brezhnev fulfilling the Soviet regime's twenty-year-old wish. The United States and the Western Europeans were signing a statement of respect for existing European borders and for the principle of non-intervention.

Now we could also see that the Soviets did have to pay at least a rhetorical price for the agreement; and that price was an affirmation of some elementary human rights. As our negotiators knew at the time and as more of us became aware later, the substantive issues of security that the European conference addressed had over the years become matters of less and less practical importance. Other pacts, other actions, and the passage of time had taken care of many of them. Yet the Russians had evidently developed a strong commitment to the general idea of an agreement; and by 1975, there were special reasons for Soviet leaders to need that agreement quickly.

The price they paid was spelled out in the famous "Basket Three" of the Helsinki accords. In Basket Three the Soviets agreed, sometimes in fairly specific terms, to increase their recognition of human rights in fields such as family contacts, the flow of information, and various cultural and educational relationships. They pledged themselves to honor these rights on the explicit ground that they derived, in the words of the treaty, from "the inherent dignity of the human person." This admission, that human beings have rights which are morally prior to the state and ultimately owe their well-being to something other than the state, was no small matter for a Soviet regime that has spent so much effort to proselytize against such liberal notions of political morality.

When these Russian concessions on human rights took their final form, many were disposed—and with some reason—to believe that they were worth almost nothing. At the time of the signing, a journalist asked Mr. Brezhnev what he hoped the conference would accomplish; Brezhnev replied that he hoped all the nations of Europe would live at peace and "not interfere in each other's domestic affairs." With prophecies like this, it seemed childish to think that a piece of paper was going to have any effect on the Soviets' regard for civil liberties or on our ability to force them into a semblance of such regard. Many thought that all Helsinki had done was to concede yet another principle for the sake of our illusions of detente.

Now the time since Helsinki has been too short to permit any very assured judgment on the worth of the bargain we struck. Yet increasingly I believe that on balance we have gained rather than lost. First of all, the Eastern European regimes themselves, and the Soviet regime in particular, have behaved more circumspectly than we had expected towards Helsinki's human rights provisions. They have not adopted a stance of consistent public contempt for the Helsinki principles; instead they have shown a curious kind of ambivalence, both in speech and in practice.

Their public statements have, on the one hand, insisted on the principle of non-interference and on the idea that the state may take an active part in the "battle of ideas." On the other hand, we have by now a substantial number of statements by Soviet spokesmen affirming their obligation to abide by the whole of the Helsinki treaty.

And one can see at least some signs of this same ambivalence in the Soviets' actual treatment of individuals who try to exercise their rights of free movement and free speech. On this matter of treatment, the first and most necessary thing to be said about the Soviet regime is that it remains totalitarian; and as such it has little use for even the most basic human rights. To take just one example, when it comes to keeping families together—one of the most undisputed and elementary humanitarian goals affirmed by the Helsinki accords—we note that the Soviets have drastically restricted the rate of Jewish emigration from the peak it reached in 1972–1973. We note that there is a huge disparity between the number of reunification affidavites that Soviet Jews request from their relatives in Israel and the number who are in the end permitted to join those relatives. We further note that requests to emigrate are handled in a manner that is cruelly arbitrary to a degree beyond the easy imagination of most Western citizens. Soviet behavior on other issues of human rights—travel for professional purposes, for instance, or the treatment of journalists—remains just as much a travesty of justice.

But one must also say that we can perceive marginal improvements in these areas. Somewhat lighter sentences have been handed out in a few political trials; there have been some changes in the regulations governing emigration and setting out travel rules for foreign journalists. Given the enormity of the practices that continue in the Soviet bloc, it is painful to describe these changes as improvements. With the recent expulsion of an American correspondent, we have had dramatic evidence of just how seriously the Soviets take the idea of freedom of the press; and it is bizarre to discuss the changing length of criminal sentences in a country where trial for political crimes is so common as not even to be news. Yet it is a fact that there has been movement, even if it is equally a fact that the systematic repression persists.

In the long run, though, perhaps even more important than the specific actions that have been taken so far by the Eastern regimes is that the Helsinki accords have prompted new initiatives by Eastern bloc subjects themselves. One cannot have a precise sense of these things, but we hear reports of junior-level officials reminding their superiors that the Helsinki accords do exist and should be taken account of. We hear of increases in applications to emigrate, and we hear that some applications explicitly base their case on Helsinki. We hear of new private groups within the Eastern bloc countries organized to spread knowledge of the Helsinki human rights principles. In short, the existence of a formal, written document, to which the Eastern regimes gave their public consent and their formal stamp of legitimacy, has made a difference. The words matter, and are beginning to move human minds. Perhaps we in the West, who pay such frequent tribute to the worth of ideas, should be a little embarrassed that at the time of Helsinki we entertained such a low opinion of their power.

And finally, the human rights opportunity before us has grown not just because of ambivalence in the Eastern regimes, and not only because of the response to Helsinki by Eastern bloc subjects, but because even apart from Helsinki the general climate of opinion on issues of human rights has changed. Human rights are commanding more attention now in Western countries, especially in the United States; and that attention is beginning to make itself felt in the actual conduct of our foreign policy. It is no accident that a period that began with the White House's refusal to see Alexandr Solzhenitsyn should have ended a short time ago with a forthright statement by ex-President Ford that the White House decision had been a mistake. The U.S. Congress has begun to take a serious interest in these matters, and the existence of this Commission is one very important sign of that. Moreover, the recent statements by the Carter Administration, supporting the signatories of the Charter of '77 in Czechoslovakia, calling attention to the plight of dissidents in the Soviet Union, and culminating in the President's extraordinary letter to Andrei Sakharov, are cogent and encouraging evidence of a new willingness to use the climate of dissidence within the Eastern bloc to further a human rights policy which goes beyond sporadic rhetorical gestures.

We seem then to be launched on a new course. But even so we will have to confront the shadow of old arguments that have prevented the pursuit of a forward and energetic human rights policy in the past.

It may be helpful to look briefly at three such arguments:

The first is that the United States does not have clean hands, that it is not morally qualified to lecture others on human rights, having not only violated human rights at home, but having also supported repressive regimes abroad. Yet the truth surely is that whatever our own failings may be, our record in the field of human rights at home—our laws and our practices—fully justify our role as a champion of these values. And so far as our relations with other countries is concerned, we have begun and should certainly continue to protest violations of human rights by our allies, by South Korea and the Philippines for example, as forcefully and consistently as we protest violations by members of the Soviet bloc.

The second argument is that we cannot press our human rights concerns universally without causing embarrassment and difficulty for Third and Fourth World nations which need and deserve help rather than harassment. This is a condescending, even a racist, argument. It assumes that the people living in the developing nations neither want nor need nor are qualified for freedom. This is not what Americans should be saying. Rather we should be saying that human rights are an essential condition of development, and as universal a human need as food and shelter.

The third and perhaps most imposing argument is that our pursuit of human rights may jeopardize the possibility of arms control agreements. Here again the opposite proposition is closer to the truth. For there is no treaty that can ever bind nations without some mutual trust among the signatories, and no such trust is possible unless the parties show themselves willing to abide by common values and standards of decent behavior. The extension of contacts and communications with individuals in the Soviet bloc is the essence of co-operation and security in Europe; such contacts are integrally related to the reduction of hostility and suspicion which are the threshold barriers to arms agreements. It is in this sense that the Sakharovs of the Soviet bloc are the West's best early warning system.

In addition to the old arguments which I have just reviewed, new ones are now being advanced. Thus, it is said that we may harm our own interests not so much by antagonizing our enemies as by deluding ourselves—by allowing an aggressive stance on human rights to become a substitute for military and political strength. It is also said that our particular human rights interventions may make life harder for the people we are trying to protect, by causing the Eastern regimes to crack down still further. And finally, we are warned, if we seem to be acting arbitrarily or opportunistically, if we seem to focus on one kind of offense while ignoring others that are just as egregious, we could discredit the cause of human rights altogether.

I do not think all of these problems are equally liable to occur. But all of them are possible. And I think that if we make some effort to understand why these problems may arise, we will find ourselves paying attention to some underlying factors of our situation that should inform our general policy in this area.

The basic reason that we may have problems—that we may see crackdowns, or indifference, or attempts by our opponents to make us pay in other areas for what we say about human rights—is that our major adversary in these matters is a regime whose oppressions and injustices are not accidents, but a part of its very nature. Even for us to demand that the Soviets fulfill the limited provisions of the Helsinki accords is to demand that the regime participate in activities dangerous to its survival in its present form.

Now there will be occasions on which such demands will be met: The regime is an opportunistic one, and beyond that it retains if not a sense of guilt or shame then at least a residual capacity to feel embarrassment. But such demands will always be met only as a matter of convenience, and they will always provoke that special rage that comes from having been caught at doing what is clearly wrong. So we must not delude ourselves into thinking that any gain we see will be permanent, or that the Soviets will refrain from trying to exact a price from us for the acts of compliance that they do undertake.

All this suggests certain criteria we should use in deciding when and how to press the cause of human rights.

For one thing we must take every opportunity to bring broader international opinion to bear regularly and comprehensively on the matter of Soviet compliance with Helsinki. In the coming review conference at Belgrade, we should work to insure that future review sessions are provided for, as they are not provided for now, to monitor adherence to the Helsinki document. We must, in other words, see to it that Helsinki standards are publicly brought to hear on the signatories again and again, and that knowledge of deviations should be as detailed and as widespread as possible.

Secondly, in our own human rights initiatives, we should be clear that while we care for the fate of particular individuals, we cannot meet our goals simply by temporarily protecting those people who be-

come enmeshed in particular instances of government repression. We cannot assume that the struggle to achieve justice for individuals in the Soviet bloc will perpetuate and expand itself there. Instead we are going to have to use the individual cases we select to call attention to the nature of the system that produced them. We are not dealing with human rights in the context of liberal Western systems of justice, where miscarriages of justice are accidents or aberrations and the force of internal public opinion in any one instance can provoke changes in general practices. We are dealing with a regime that is by nature corrupt, and we do not have the luxury of treating it as if it were not so, as if we could speak in a reformist manner, as if we had a common language to which to appeal in discussing human rights. We cannot treat particular abuses without examining principles and underlying conditions. We cannot refrain from saying each time that it is not only the particular case that is at issue, but the inherent nature of a regime that routinely produces such cases. Our audience in this, we must remember, is not only the Soviet regime but the world and ourselves; we must at each point make the broader political argument that can move the long-range opinion of this wide audience.

So that is one criterion for our choice of cases and the manner in which we pursue them. And the other criterion I would suggest stems from the fact that liberal democracies are so increasingly in the minority in this world. As we consider how much our human rights posture might antagonize the Soviets on arms control or how much our human rights goals dictate one or another defense posture on our part, we should remember that we do not have the luxury of pursuing our human rights goals in a purely disinterested manner, wholly apart from the matter of our own defense. Though our strength may be no guarantee of individual liberty throughout the world, there is not much doubt that our weakness will harm the cause of liberty. We cannot defend liberty well without defending ourselves, not only with ideology but with arms. It will not do to say that defending human rights has no particular implications for the rest of our foreign policy. On the contrary, we are going to be in no position to defend anyone else's rights in the near future, not to speak of our own, if our seriousness on issues of defense cannot be believed. Certainly the rest of the world knows this and acts accordingly; there is no reason why we should not know and act on it as well. We hear talk of an abandonment of "linkage" in our dealings with the Soviet Union. Yet there is an inescapable relationship between our ability to champion the cause of human rights effectively and the extent to which the United States is perceived as willing to pay a real price for the protection of human rights.

Finally, and because of the truly embattled position we hold in the world, it is most important that we do not permit the setbacks we will almost certainly suffer to erode our confidence in ourselves. It is absurd to think that because the Soviets decide to toughen in a particular set of negotiations, or because they begin resisting our human rights importunings, our policy must have been ill-conceived. We have a very basic interest in the pursuit of human rights, and is is an interest that far outweighs the temporary costs and unpleasantness that we are going to meet in pursuit of that interest. There cannot be much doubt that in addition to its worthiness for its own sake, the idea of human rights is one of the chief and most persuasive points of superiority that we present to the world; it is precisely to protect our long-term interests that we should put this point of superiority before the world, and have human rights on the world's mind, as much as possible. Of course one is going to have to bear costs for this; but it would be suicide to begin thinking that each cost is a sign of the futility of our whole enterprise.

With Helsinki, we achieved more than we had expected. We must not allow those gains to be abandoned because of some lack of understanding on our part of the fact that we will have to pay a certain price for them, we will have to choose our targets carefully, we will have to organize ourselves and our allies for a systematic effort, and we will have to remember to make our case as strongly and as clearly as possible wherever we choose to act. I am sure that this Commission does not contemplate any such abandonment of gains or slackening of effort. I am sure this Commission knows that as it prepares for Belgrade it is moving toward what could well be the most important opportunity to advance the universal observance of human rights since the end of World War II. And I am sure that in your hearings you are going to seek ways to make the most of this historic opportunity.

Mr. CASE. Will the Senator yield about 3 or 4 minutes?

Mr. CHURCH. I am happy to yield whatever time the Senator might desire.

The PRESIDING OFFICER (Mr. BUMPERS). The Senator from New Jersey has an hour, which he controls.

Mr. CASE. Is this my time?

The PRESIDING OFFICER. Yes.

Mr. CASE. I am in favor of the resolution.

Mr. President, I shall not take that time. One could take days in discussing these matters. Actually, it is almost a mockery to take any time at all, because some things are so self-evident that they do not need to be developed, certainly in long, rhetorical speeches. It will be noted, Mr. President, that that has not been done today. We have been talking about very specific things. I should like to add a couple, myself, along that line.

Really, what I have in mind are examples of something that has gotten to be very pervasive. We know, the Soviet Union knows, and I think the world knows, that there is a difference between their system and ours, between the East and West, if you will, between democracy and those who do not believe in it. The appeal of democracy is so strong, so universal in some mysterious way, that those who do not believe in it—and the Soviet Union, frankly, does not—have tried to conceal the fact that they do not believe in it so that their lack of belief in it will not prevent their making an appeal to the masses of the world. They have had to resort to complete distortion of the language to mean: Democracy is not the freedom of the individual; democracy is acceptance of a Russian-style government and enslavement of the individual to the state.

Well, there comes a time when you just cannot engage in any kind of discussion with people who have done their best to obscure the meaning of words. It is a good thing, every once in a while, to stop and note that this is so. The consideration of this resolution presents such an occasion, which we ought to take adequate advantage of, for the purpose of keeping the record a little bit straighter than it has been in the past.

Now, we have—of course we have—imperfections and faults in the West. Of course we have examples where individuals are treated badly. Of course we have examples of persecution of individuals, and even of groups. We happen to be a nation of human beings, and that is inevitable. Human beings occasionally do not act in accordance with the highest inner motives or their own highest standards. But the vital difference between us and the Soviet Union, between the Communists and the democracies, is the fact that when we do these things, we do them contrary to our deep beliefs and contrary to our Constitution and contrary to the laws of the land. Anyone who thinks he can draw an analogy between the occasional mistreatment of individuals in this country—contrary to law, contrary to the spirit of the country, and capable always of being brought out in these Halls and in the public media—and the kind of systematic perversion of the rights of individuals and their conscious suppression in the name of the needs of a state, does not have that capacity to deal with and communicate with people who understand, as we do, what these things are like.

Anyone in the West who is taken in by the effort to make it appear that the only difference between the East and the West is a matter of geography or a matter of personal preference, and not deep matters of human values, has not been educated by the lessons of history or by sound logic or right reason.

For example, Mr. President, it has already been pointed out that the Helsinki Accord pledges each of its signatories, including the Soviet Union, to assist reunification of families.

Now, what has been the response of the Russians to that particular obligation? The adoption of new techniques denying emigrant visas to would-be emigrants unless the whole family—unless the whole family, including parents of grown persons seeking to emigrate—declare their desire to leave the country. Mr. President, how can one deal with a country which so distorts and evades its obligation, which so misuses words, which so refuses the very basic obligation of agreements between man and man and nation and nation as to handle a sacred obligation, expressed in the terms of the Helsinki Accord, in this fashion?

We are not engaged in a game, Mr. President. We are not trying to outwit the Soviet Union, or, certainly, not to be outwitted ourselves, in some contest, either in semantics or in any other area. We are trying to help raise the standard of life and the culture in the whole world, for everyone, and to increase the possibilities of peaceful existence between members of the human race.

It is rather disgusting, it is deeply dismaying, to have to deal with the Soviet Union when it pledges, in broad, general terms and with high rhetorical flourishes, to encourage the unification of families and then turns, in its definition of what that means, to the kind of practice that has been engaged in and that I have just referred to.

Soviet officials have repeatedly violated not only the Helsinki Accord but also internationally agreed upon principles, such as the United Nations universal declaration of human rights. If words have any meaning and if they are

to continue to have any meaning and to be the vehicle for communication between countries and peoples, we cannot refrain from protesting against such distortions as the Soviets engage in. We cannot refrain from protesting when any possible shades of legal interpretation and loopholes are used by Soviet officials to avoid doing the decent thing, that humankind expected was being agreed upon in the Helsinki Accords.

Soviet officials apparently have been adding a new twist to their efforts to thwart emigration.

The new techniques include denying emigrant visa applications to would-be emigrants unless the whole family, including parents of grown persons seeking to emigrate, declare their desire to leave the country.

Also, according to Helsinki Commission staff members who recently conducted a series of interviews with Russians who managed to leave the Soviet Union during the past few months, Soviet officials are using a very narrow interpretation of what constitutes reunification of a family. The emigrants say the Soviet officials are refusing to let persons emigrate unless they have actually seen the relatives who sent the prerequisite invitation. Thus even brothers and sisters separated by World War II or other circumstances are not allowed to join their siblings in the West unless they have actually seen each other.

These Soviet techniques are a distortion and subversion of the spirit of the Helsinki accord. In that 1975 accord, the Soviet Union and the other signatories pledged to assist reunification of families.

These new devices are not only disturbing, but an illustration of why Congress and the executive branch must continue to speak out on human rights. For the sordid history of Soviet actions shows that the officials have repeatedly violated not only the Helsinki Accord but internationally agreed-upon principles such as the 1948 United Nations Universal Declaration of Human Rights.

The latest maneuvers show the willingness of Soviet officials to use whatever shadings of legal interpretation and loopholes they can to avoid doing the decent thing when it comes to basic human rights.

Therefore, it is important for the Congress and the executive branch to continue to monitor the situation, and that is one of the reasons why Congresswoman FENWICK and I introduced the legislation which established the 15-member congressional and executive branch Helsinki Commission last year.

It is also important that Congress continue to speak out on the situation through such measures as Senate Concurrent Resolution 7, which I am most pleased to cosponsor.

The resolution serves notice to Moscow—and we should do it again and again—that we will not forget, that we will not close our eyes, and that we will not permit possible advantages from closing our eyes on these matters in order to help accomplish other matters.

Everything we do in relation to the Soviet Union has got to be based upon its own merits. If it is in the interests of the Soviet Union, they will agree in SALT. If it is not, they will not, and that will not have anything in the world to do with whether they like or dislike what we say about them in respect to their failure to observe the Helsinki accord.

We should not be a bunch of screaming shrews. We should not be waspish in this matter. God knows we have not been. Equally, we should not close our eyes to a make-believe that we have agreement with the Soviet Union on matters of this kind when the division between us is as deep as the deepest ditch, as the deepest river, as deep as the ocean. It must be so, Mr. President. I do not say we cannot coexist, but we ought to know what we are coexisting with.

There is this division between the view of the East and the West, between democracy and non-democracy, and there have been people in the West who have believed that democracy was no good.

I am not the greatest scholar in the world, as is evident to my colleagues and has been for as long as they have known me, but there has been a very strong, responsible—if we want to call it that—tradition of nondemocracy in Western thought. It goes back to Thomas Hobbs. It goes back even, I suppose, to the discussion of the Peloponnesian War, of that conflict, to make it clear there always has been a group which believes people cannot govern themselves. But we do.

This country is based upon that belief and, broadly speaking, Western culture is based upon it; otherwise it has no meaning, Mr. President.

We have to keep it alive by pointing out the distinction between the East and the West in these matters. We have to continue to protest as this resolution would have us protest. When the kinds of things that we believe in are perverted and are attacked. We get nowhere unless we do this, and we will only confuse generations that are coming after us if we do not keep clear the distinction between freedom and its opposite.

The resolution declares that:

> The sustained interest of the American people be conveyed to the Soviet Union regarding adherence to the Helsinki Declaration, including their pledge to facilitate freer movement of people, expedite the reunification of families, and uphold the general freedom to leave one's country.

This particular resolution had its origin in the recent beatings and harassment of Soviet citizens seeking to emigrate. But our concern with human rights is deeper, broader and older than the current flurry of activity or the most welcome statements by the Carter administration.

There are two points the Soviet Union would do well to bear in mind. Even if the concept of linkage is dropped as suggested recently by President Carter, the Soviets cannot expect the American people and Congress to be forthcoming on trade credits and other matters unless Moscow is more forthcoming in dealing with human lives. This is not interference in Russian internal affairs, it is a statement of how Americans feel.

When it comes to trade credits and concessions and the sharing of our technology, we are entitled to set our priorities and to make our value judgments as to which countries should share in our resources.

This is not to single out the Soviet Union. As the Soviets should be well aware, human rights amendments were attached to the foreign aid bill last year. Our concern abroad, it is deep and it will be lasting.

Mr. HUMPHREY. Will the Senator from Idaho yield to me?

Mr. CHURCH. Mr. President, I am very pleased to yield to the distinguished Senator from Minnesota.

First, I compliment the Senator from New Jersey for his very eloquent, moving statement.

Mr. President, I am happy to yield to the distinguished Deputy President pro tempore of the Senate.

Mr. HUMPHREY. Mr. President, today is a very happy day for democracy in the Congress of the United States.

I compliment the distinguished Senator from Idaho for his leadership and his initiative in sponsoring the resolution that is before us, Senate Concurrent Resolution No. 7.

I commend my able and distinguished colleagues, the Senator from New York (Mr. JAVITS) on his splendid presentation in support of this resolution, and the Senator from New Jersey (Mr. CASE), who has truly delivered in the Senate a remarkable presentation of the cause of freedom in the world and the importance and the necessity of the United States of America to continually express its concern for; and its support of, human rights.

So I join my colleagues in vigorously supporting the action of the Senate, which I am confident will be the unanimous action in agreeing to this resolution.

It is utterly important, as I have said, that we express our concern on the part of Congress over the continued harassment of Soviet Jews, of Soviet intellectuals, scientists, technicians, and the average citizens, who wish to speak up, who wish to be heard, and who wish to emigrate.

I do so because if any document to which the United States is a party is to have any meaning, it is incumbent upon our Government to press for strict adherence to every provision agreed upon in international agreements.

These international agreements do become a scrap of paper, as has been said in other times, unless they are made operative. The only way they can be made operative is at our insistence that there be strict adherence to the provisions of those agreements.

I, of course, am referring at the moment to the Helsinki Declaration, which has been described here today in this debate and discussion—the Helsinki Declaration included a provision agreed upon by all the signatories, and that included, of course, the Soviet Union—allowing free and unrestricted emigration and protection of fundamental human rights.

The Helsinki accord is a binding international document, and the U.S. Government has a responsibility, as a sig-

natory to that agreement, to see that its provisions are enforced. Yet the Soviet Union has continued its practice, as we know, of obstruction, of harassment of those citizens who desire to emigrate and particularly of those who desire to be reunited with families in other countries.

I might add, Mr. President, this issue goes back to the Presidency of Lyndon Johnson, when Mr. Kosygin visited the United States to address the United Nations. The President and Mr. Kosygin, the Chairman of the Council of Ministers of the Soviet Union, came to an agreement and understanding on the reunification of families at the Glassboro Conference.

Now, that was a head-of-state agreement, not an official treaty, but it was much heralded at the time.

On one of my visits to the Soviet Union in 1969, when I was a private citizen, I brought this up to Mr. Kosygin because I had been a part of the Johnson administration. I followed it up with a letter to the Chairman of the Council of Ministers, Mr. Kosygin, and asked that there be adherence to the understanding that had been agreed to at the Glassboro Conference in reference to the uniting of families and the right of citizens of the Soviet Union who wanted to emigrate to join their families.

So this is not something new, and it is not something that has been entered into lightly. The whole subject, particularly emigration, the right of people to emigrate, has been a topic of continuous discussion and diplomacy between the United States and the Soviet Union for better than a decade. Therefore, it is only right and proper that the Senate of the United States today should express its concern and its feelings as outlined in Senate Concurrent Resolution 7. That resolution is in the finest traditions of this democracy.

I believe it is important for Congress also to demonstrate, as the people's elected body, solidarity with and support for President Carter in his efforts in the promotion of and support for human rights the world over, not just in the Soviet Union.

This concern is not aimed at the Soviet Union alone. It cannot be, because if we are to demonstrate a consistent concern for the basic rights of citizens in all countries, there cannot be any equivocation in our policy. We cannot go around and continue to make exceptions. We are going to have to speak out and, of course, this is going to be a subject of considerable debate. People with honest differences of view are going to express those differences. But that is at the heart of our democracy itself, the right of freedom of expression.

Nevertheless, Mr. President, if this country means anything to the world now, as it did in its inception, it means freedom. When we signed that Declaration of Independence in 1776, we did not talk just about, our forefathers did not only speak of, those who lived in the colonies. They spoke of the inalienable natural rights of all peoples, and amongst those rights were the right of liberty, the right to the pursuit of happiness, the right of freedom—life, liberty, and the pursuit of happiness, the right to live and the right to live in freedom and liberty, and the right for people to pursue their lives, to achieve their sense of happiness.

Mr. President, that declaration, while it was important in the momentum of our struggle for our independence, had repercussions the world over. I suppose there was never a document written on these shores or ever prepared and signed by citizens and leaders of the United States that had a greater impact on the world than the Declaration of Independence. Not a single crowned head in Europe was immune from its impact. People in country after country took heart because there were fellow human beings on these shores in 1776 who had the courage to break with the past, to break with the concept of the divine right of kings, and to express their right to govern themselves and to state unequivocally that governments were established amongst men for the purpose of securing those rights, and stating also that people had the right to do away with a government that did not protect those rights.

So, Mr. President, we have been concerned about human rights in America since our birth as a nation. We celebrated our 200th anniversary this year. If there ever was a time for us once again to restate our commitment on the issue of human freedom and human rights, it is in this year of 1977, the first year of our 300th anniversary.

Mr. President, I feel what we are doing here in Senate Concurrent Resolution 7 is a part of the continuing drama of American freedom.

As the Senator from New Jersey so well pointed out, we have not always lived by our principles, but the principles have been here and our courts have been here to protect those principles. Our laws have been written to protect those principles. Sometimes laws were written that violated those principles, but there was always the right to stand up and fight back.

There have been times in this country when human rights have been viciously attacked and denied. We have experienced all kinds of difficulties in America.

Mr. CHURCH. Mr. President, will the Senator yield at that point?

Mr. HUMPHREY. Yes, I yield.

Mr. CHURCH. When I submitted this resolution, in the good company of the Senator from Minnesota and others, the Soviet news agency Tass responded in this manner. Quoting the Tass release:

> Sen. Frank Church (D-Idaho) and others of his "ilk"—

Which would include the Senator from Minnesota.

Mr. HUMPHREY. What an honor.

Mr. CHURCH. And indeed the distinguished Senator from New York (Mr. MOYNIHAN) who now presides—

> should concern themselves with violations of human and ethnic rights in the United States rather than lecture other countries, the Soviet news agency Tass said.
>
> A Tass commentary published in the Communist Party newspaper Pravda attacked Church for his Senate draft resolution accusing the Soviet Union of suppressing national minorities and civil rights.
>
> Tass claimed that "millions of Americans live in constant fear. Many civil freedoms declared in the Constitution of the United States exist only on paper, only as a subject of theoretical speculation, while permanent spying and wiretapping have become every day practices."

As the Senator from Minnesota well knows, it fell to me last year to investigate the practices of our own FBI and CIA that were charged as being improper and illegal. We conducted a thorough investigation. We found a good deal of impropriety and illegality. We exposed it to the country and, as a result, Congress is in the process of taking action that will prevent a repetition of these abuses in the future.

Can anyone in his wildest imagination conceive of anybody, legislative or executive, connected with the Soviet Government inquiring into the improper and unlawful activities of the KGB, and revealing them to the people of Russia and, indeed, to the people of the world? It is unthinkable.

I think, in a way, that sums up the whole difference between their system and ours.

I commend the Senator for laying stress upon that fact. We do not claim to be perfect but, at least, thank God, we have a system that permits us to examine our faults and to correct them and to do so by revealing whatever mistakes we may have made to the whole public, that the American people may be informed, and that the Government may thus be induced to take the necessary corrective action.

Mr. HUMPHREY. I thank the Senator from Idaho, who has made the point I wanted to establish, and has made it with such preciseness and clarity.

I would only add this: The Senator from Idaho was the chairman of the investigating committee that was responsible for checking up on and checking into the FBI and the CIA. But he was not harassed; he was not put in jail; he was not under house arrest. Indeed, no, he was heralded as a champion of freedom. He gained national fame and respect from his fellow citizens because he did his job as an elected representative of the people of the United States, of the people of the sovereign State of Idaho, and as a Member of the U.S. Senate who had taken an oath to uphold the Constitution of the United States.

Look at the impeachment process that took place in the House of Representatives—bipartisan; a President compelled to resign office, a Vice President compelled to resign office. Why? Because of improprieties, because of abuse of power, because of violation of the laws of this land.

The important thing about democracy is not that it is perfect but, as it is stated in our Constitution, it gives us the privilege of working for a more perfect Union, to correct our abuses, to try to raise our standards, and recognizing the fallibility of human beings, not their infallibility; recognizing our propensity for mistakes, errors, sins, misjudgment and bad judgment, but also recognizing our right to try to correct the abuses and the inadequacies and the limitations.

I say to the Senator from Idaho what a happy day it would be if those who are in charge of the political processes in the Soviet Union and other countries where there is a gross violation of human rights would say:

We have erred, we have violated basic tenets of human conduct, and we want to clean up the mess and set our house in order.

What a great day that would be for humanity.

Mr. President, Senate Concurrent Resolution 7, which is before us, is consistent with prior congressional expressions of concern over the enforcement of every provision in the Helsinki agreement, including what is commonly known as the Basket Three provisions relating to cooperation in the area of humanitarian concerns.

As a sponsor of legislation establishing the commission to monitor the Helsinki Declaration, I joined the distinguished Senator from New Jersey (Mr. CASE) and other colleagues in this matter. I feel it is incumbent upon Congress to voice its support for the commission and to express its concern, continually as we are doing in this resolution.

As our distinguished colleagues, the senior Senator from Idaho (Mr. CHURCH), the senior Senator from New York (Mr. JAVITS), the senior Senator from New Jersey (Mr. CASE), and others have appropriately noted in their remarks, this resolution relates to the broader principles of human rights.

They rightly pointed out that in the Basket One Declaration of Principles, the signatories to the Helsinki Declaration pledged themselves to "act in conformity with the purposes and principles of the Charter of the United Nations and with the Universal Declaration of Human Rights."

The Helsinki Declaration is very clear as to the responsibility of the signatories for humanitarian concerns. All parties expressed the desire to "facilitate freer movement and contacts, individually and collectively, whether privately or officially, among persons, institutions and organizations of the participating states and to contribute to the solution of the humanitarian problems that arise in that connection * * *." The Declaration further specifies that the signatories will "deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family."

Mr. President, of all of the humanitarian expressions that one could make, what is more meaningful than the reunification of a family? When a government stands in the way of that, it has to apologize to all of humanity.

Finally, that declaration spelled out that the signatories will facilitate travel by their citizens for both personal and professional reasons.

Mr. President, as the Senator from New Jersey has said, and as the Senator from Idaho has noted, we are not without stain in America. We are not without our mistakes and our transgressions. But the system under which we operate permits us to correct those things that are wrong. We can point out what is wrong in America and we do. Indeed, the press is filled with what is wrong in America.

But it inspires us to set things right in America: The right of freedom of expression, freedom of association, freedom to assemble, freedom to speak, freedom to write, freedom to worship, all of these great basic freedoms give us the opportunity to correct those inadequacies and those injustices which have plagued all societies, including our own.

We lay no claim to perfection; not even our Founding Fathers laid claim to any perfection. We lay claim only to a system that permits us to create a more perfect union and permits us under the Constitution to do those great things that that Constitution proclaims.

Mr. President, I believe that it would be an immense tragedy in international terms for the United States to refrain from expressing our concern over this issue of human rights. If we stand for anything—and we do, indeed, stand for much that is good—we, above all, stand for human dignity and human rights.

I spent a lot of my time as a public man and a private citizen in the struggle for human rights, and it has not always been easy; nor has it been easy for other Senators here. But I noticed that those who are expressing themselves here today in this debate have been in the forefront of our struggle in this Nation to tear down the barriers of segregation and to remove from our midst the stench of discrimination and bigotry.

All of this is what America means: The fight to cleanse, to make better, and to make life more rewarding for our people.

Many times our distinguished leaders in the past have entered into international agreements for the protection of individual human rights. But all too often we have been less than aggressive in pressing those nations which have participated in those agreements to uphold the principles of those declarations.

I commend President Carter for speaking out. He knows, as we know, that merely to speak out does not necessarily change a social structure. But I will say what it does do: It, at least, permits those of us who call ourselves Americans, who are privileged to be citizens of this Republic, to say that we stand by our ideals and our principles. This is a coat of armor that gives us more protection than any weapon, and it is a source of power for this country in a troubled world.

All over the world people are seeking the right of self-expression. All over the world people are seeking their national or their individual identity, and it is to the everlasting credit of the United States that we participate in this search and this great effort.

Therefore, we cannot afford to turn away from the latest of these international declarations—the Helsinki agreement. We entered into the negotiations in good faith; we signed the agreement in good faith. There were many people in this country who thought we ought not sign that agreement. But we did sign it. There were some people who saw in that agreement only benefits for the Soviet Union; namely, on borders, stating that the Helsinki agreement would merely legitimatize the frontiers which the Soviet Union had established by the force of arms.

Mr. President, Basket Three in that agreement internationalizes our commitment to human rights and, as the Soviet Union wants its borders and frontiers to be respected and the borders and frontiers of other states within its sphere of influence to be respected—and we do respect them—we are saying to the Soviet Union, "Then you respect the commitments of Basket Three."

I compliment our colleagues who have spoken up here today on matters of trade.

I can remember back in the 1930's when people were saying, as we were shipping scrap iron to Japan, that it is good business and if we had a boycott on it or an embargo on it, it would irritate the then-militaristic Government of Japan. So we did not have any boycott or any embargoes. We did business as usual, and we suffered Pearl Harbor.

I think it is important for us to know that what has been said in this Chamber is a fact, that any agreements we can enter into with the Soviet Union on the matter of arms control particularly—and we need those agreements—will be operative and effective only if they are mutually beneficial.

The Soviet Union is not going to sign any agreement on arms control if it does not think it is to its benefit, and we ought not sign any unless we think it is to our benefit. That is the enforcement instrumentality.

We are not engaged in lovemaking with the Soviet Union; we are engaged in diplomatic relations. We have differences. They know that, and they say so. They have made it very clear that détente does not mean that they cease their efforts on the political front.

Let me say, Mr. President, that democracy does not mean that we cease our efforts. That is one thing that has been wrong. We have assumed that, if we stated our position, it would irritate someone. They do not hesitate to state their position; they repeat it ad nauseam. I suggest that, when our position is one that can be embraced by all of mankind, at least the vast majority, it is a position that is worthy of being stated.

The position on what? On the dignity of mankind. The position that life and liberty and the pursuit of happiness are the greatest goals that mankind can pursue.

I say we cannot turn away from the commitments that we have made. We cannot turn away from our history. And we cannot and should not turn away from our belief in a government of law, in faithful adherence to international agreements; nor should we ever turn away from our commitment to civil liberties or civil rights. We will never deny that those great commitments at times have been blemished, tarnished, and violated. But I can say, as one American, that the history of this country is one of progress on behalf of a better life for more and more people.

Millions of people want to come to America. Very few want to flee our shores, and I think there is a reason. It is not only because our stand-

ard of living is supposedly high. There are other countries that have very high standards of living. It is not only because we are powerful and so-called rich. It is because in America you have the right to be different. In America you have the right to be yourself. In America you have the opportunity to make something out of your life, and you have the protection of a government of the people, a government that represents the people, and a government of laws.

I think we have done more in these past 2 years to establish that principle than at any other time in my lifetime, when we have seen people in high places who have violated the law, only to see the institutions of our democracy and our republic stand firm. We have gone through terrible days—literally a social revolution in America, which could have torn the fabric of this Nation, in the struggle for the end of segregation and the fulfillment of the promise of civil rights. We went through the unbelievable agony of a war in a far away place, in Southeast Asia. We went through the incredible experience of the abuse of power by the highest officials of this land. We have seen corruption and we have seen arrogance. But we have prevailed, and when I say "we" I mean the institutions of this Republic have prevailed. The Constitution lives, and the rights of the people are being protected even as some would violate them.

I commend our colleague, the Senator from Idaho, for his leadership. I say to him, "Senator, you are so honored to be criticized in Tass, you should get yourself a special citation; or maybe that is a citation unto itself. I say that both in seriousness and in some jest. But, Senator, I think your response today to that editorial is one that ought to be reprinted in the columns of the Soviet press, if we believe in free exchange of views. Obviously the article in Tass is being reprinted here for the American people to see. We only ask for reciprocity."

I join my colleague, then, in this worthy endeavor. I say it is imperative that we demonstrate continued congressional concern, not just executive concern, for the global violations of human rights. I do not mean just to the Soviet Union; I mean wherever such violations occur.

Mr. CHURCH. Mr. President, I commend the Senator from Minnesota for not only a great statement in behalf of this concurrent resolution, but also for a testament to freedom here and the desire for freedom elsewhere throughout the world.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CHURCH. I had promised to yield first to the Senator from Arizona. If the Senator from New York wishes to comment on the eloquent remarks of the Senator from Minnesota, I will be happy to yield to him for that purpose.

Mr. JAVITS. Just very briefly. I wish to say that I listened with gratitude to Senator HUMPHREY, and similarly to Senator CASE. What impresses me greatly is the unbelievable continuity of their thinking, their dedication, their experience, and their prestige, and the fact that what the say sounds as fresh today as it did when I heard it 20 years ago, as applied to different subjects, but the same pure stream of American freedom playing in a similar fashion. I thank my colleagues very much.

Mr. CASE. Mr. President, will the Senator yield?

Mr. CHURCH. Yes, I am happy to yield to the Senator from New Jersey for the same purpose.

Mr. CASE. What the Senator from New York has just said about the Senator from Minnesota (Mr. HUMPHREY) is absolutely correct. It is a joy to be a Member of this body with him. It is one of the dividends from service in the Senate of the United States that we are privileged, on occasion, to hear Senator HUMPHREY.

What Senator JAVITS has just said is true of him. To the extent that he said anything about me, I accept it as perhaps an extravagant effusion of a dear friend, but as to what he said about Senator HUMPHREY, this whole thing is a seamless web as far as he is concerned, and that is what makes it so nice. His life, his philosophy, and his belief are all of a piece. This was an extraordinarily exciting and stimulating expression of that philosophy and that life. How the guy can be on his feet so much, and every time have something to say that makes sense, and say it in a way that is so inspiring, is one of the great wonders of the world.

Mr. CHURCH. Mr. President, I believe there are sufficient Senators on the floor at this time to enable me to ask for the yeas and nays on the concurrent resolution. I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. MOYNIHAN). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CHURCH. Mr. President, I yield such time as he may require to the distinguished junior Senator from Arizona.

Mr. DECONCINI. Mr. President, I thank our colleague from Idaho for yielding me a few moments.

Mr. President, although I am a cosponsor of the Senate concurrent resolution relating to freedom of emigration offered by my distinguished colleague from Idaho (Mr. CHURCH), I have not yet taken the opportunity to speak on its merits and on its value.

I have heard criticism of this body, Mr. President, for making and debating the resolution we have before us today. I have heard it said that we have no right to interfere with the internal policies of another nation. I have heard it said that we do harm to those we seek to help by further angering Soviet authorities.

I reject these criticisms; I reject them categorically. The Congress of the United States is generally regarded as the most democratic deliberative body not only in this Nation but in any nation. It is precisely, therefore, in this forum that the fundamental question of human rights should be debated. We are privileged to be Members of this body; our service here epitomizes democracy and freedom. We do not merely have a right to raise this issue; we have an obligation to do so. For if human rights is not a proper subject of concern in this Chamber, then freedom has no proper refuge in the modern world.

Although this resolution addresses itself specifically to the plight of Soviet Jewry, its principles are universal. We are all members of the human family. And so long as any member of that family does not enjoy full human dignity and rights, none of us is truly free. That is why we debate this resolution; that is why we must pass this resolution. Each of us knows that neither liberty nor tyranny can be contained. While men and women like ourselves are oppressed in other lands, our freedom is only partial. But so long as we defend the freedom of all men, the tyranny under which they live is mitigated.

In agreeing to the Helsinki accords, the Government of the Soviet Union has acknowledged its adherence to the principles of freedom. Not, perhaps, to the sophisticated modes of parliamentary democracy, but to the basic rights of citizens to emigrate, to be reunited with their families, and to enjoy at least the minimal respect by their government of their individuality and personal worth. In the contemporary world where the Government of the Soviet Union seeks the respect and recognition of other nations, this is the least we can demand.

We cannot, it is true, enforce the Helsinki agreement; it does not have the force of international law. But it is a moral document, and we are here today to exert moral suasion. By reaffirming our commitment to the principles upon which our own great democracy was founded, we are inviting the leaders of the Soviet Union to draw back their Iron Curtain of repression and enter into a new era of cooperation and mutual respect.

Mr. President, I urge each Member of this body to let his commitment be known. In the words of Martin Luther as he stood before the cathedral doors at Worms, "Here I stand; I can do no other."

Mr. BAYH. Mr. President, on January 24, I announced my cosponsorship of Senate Concurrent Resolution 7, which condemns the harassment and obstruction by Soviet authorities of Jews and other minority groups seeking to emigrate from the Soviet Union. At that time, I also expressed my profound concern about the brutalities which were inflicted upon those who attempted to organize a symposium on Jewish culture. These actions by Soviet authorities make such an expression of concern by the Congress necessary and appropriate. Passage of the resolution we are considering here today would truly convey the sustained interest of the American people to the Soviet Government "regarding adherence to the Helsinki Declaration, including their pledge to facilitate freer movement of people, expedite the reunification of families and uphold the general freedom to leave one's country."

Mr. President, the past month has shown me in no uncertain terms that the people of Indiana do care very much about the implementation of the human rights provisions of the Helsinki accords.

In Lafayette, Ind., over 6,000 of my constituents signed their names to petitions asking the Soviet Union to permit Prof. Naum Salansky living in Lithuania to join his mother now residing in Israel. They also asked that the wife of an American professor be allowed to join her husband living in this country. The case of Mrs. Irena Ivanova McClellan is one which our Government has represented to the Soviets. That she and her daughter not be allowed to join Prof. Woodford McClellan living in this country borders on the incomprehensible.

A short time ago, it was brought to my attention that citizen Leopold Ekhilevsky and his family who are living in Leningrad desire very much to emigrate to Israel. Unfortunately, officials at the Department of Visas and Registration—OVIR—have informed the Ekhilevsky's that it will not be until sometime between 1980 and 1985—if then—when permission might be granted to leave. I have read the correspondence from Leopold Ekhilevsky. It was directed to my attention by a friend here in the United States. It tells much of how dispirited citizen Ekhilevsky has become because of his two refusals. We must keep in mind that both Leopold Ekhilevsky and his wife are highly educated people and trained engineers. Precisely for this reason it appears that OVIR is reluctant to grant exit visas. But according to Leopold in a letter of August 3, 1976:

I graduated from the shipbuilding institute in Leningrad in 1961. I am an engineer-mechanic by profession. My wife Rozalia is an engineer-economist. We have two children. Our daughter Simona is 14. She finished the 7th class. She is a very good pupil. Our son Vladimir is six. He does not visit a nursery school and is at home. My wife does not work now and looks after our children. I work but my work is not interesting now because of our two refusals.

Here we have two highly trained individuals suffering from the stigma of simply wanting to realize a basic human right. What is even more confounding is that, according to Soviet officialdom, cases such as Ekhilevsky almost do not exist at all. In his interview published in the January 23 edition of Izvestiya of this year, OVIR chief, militia Col. V. S. Obidin noted that as regards refusals to grant exit visas to Israel:

The number of such instances is negligible. Over the last 5 years, out of the total number of persons who have submitted applications to emigrate, 98.4 percent have been allowed to do so.

We can only wonder why the Ekhilevskys have been part of 1.6 percent who have been consistently denied permission to emigrate during this period even though it has been 6 years since his wife, Rozalia, finished her work where she was an engineer-economist.

So here are three examples of the people we are trying to help in Senate passage of Senate Concurrent Resolution 7. Neither we nor they should harbor any illusions about the difficulties involved in making permanent our commitment to human rights in a productive way. However, we must understand that for our efforts to succeed in any one area of the world, our approach must be truly global. Wherever there is a systematic violation of human rights there should be an appropriate expression of our strong concern. I think President Carter is sensitive to the problems involved in this effort. He has earned the praise of human rights groups by his candor and demonstrated commitment to these high principles.

Those who have been the victims of political repression provide for us shining examples of the indestructability of the human spirit. Perhaps it would be proper to ask that in such bleak circumstances what fuels these efforts for freedom, whether they involve the right to leave one's country or the right to speak out to make it a better place. This question was answered yesterday by Vladimir Bukovsky in his meeting with Vice President MONDALE and, later, President Carter. Through adversity, Bukovsky noted, dissidents are sustained by the following:

First and foremost trust, faith in the people, faith in the future and faith in the human values for which we stand.

Our commitment to these principles should be as sure as theirs. Our vote here today will be proof of that commitment.

Mr. THURMOND. Mr. President, as the United States is a signatory of the Helsinki Declaration, it is the particular responsibility of the Members of Congress to express their dissatisfaction with the recent actions in the Soviet Union which have restricted the free emigration of Soviet Jews. The Soviet Union is pledged, as a cosigner of that agreement, to permit emigration, but it continues to refuse to permit thousands of persons from leaving its country and obtaining emigration visas to reunite with their families.

This action is in direct violation of the Soviet Union's solemn obligations incurred with the signing of the Helsinki Declaration. Of course, this type of obstruction and harassment has been applied to other minorities as well as Soviet Jews. Not only as obligees of international accords guaranteeing, as far as possible, the humane and democratic treatment of oppressed people, but as the paramount proponents of the tenets of democracy, the people of this country must make themselves heard in denunciation of these recent actions by the Soviet Union. In this world of constant assaults on the basic and fundamental elements of human dignity and freedom, it is a moral obligation of the Members of the U.S. Senate to call for the recognition of these principles and past promises.

I am proud to be a cosponsor of this resolution, and I urge my colleagues to respond favorably to it.

AN END TO REPRESSION

Mr. METZENBAUM. Mr. President, in 1975, the Soviet Union signed the final act of the Conference on Security and Cooperation in Europe at Helsinki. Though it appears ironic now, at the time the Soviet press trumpeted the Helsinki Accords as a great triumph of Soviet diplomacy. Soviet leaders declared that the final act was a legally binding international agreement, to which all the signatories must strictly adhere. But the Soviets apparently hoped that the human rights provisions—Basket III—of the Helsinki agreement would fade from public view. The Soviet press did not choose to mention that Basket III allowed freer movement of peoples and ideas between East and West, and specifically protected the rights of families to reunite.

Certainly, no one expected that the Soviets' adherence to the Helsinki Accords would change the Soviet Union into a democracy overnight. But we did have the right to expect that the Soviets would at least adhere in a minimal way to Basket III. However, this has not occurred. In fact, the Soviets have responded to demands from their own citizens that they live up to the Helsinki Accords by launching a well-orchestrated offensive against Soviet Jews and other minorities.

This offensive is proceeding on many fronts. To deal with Jews who wish to emigrate or reunite with their families, the Soviets have stepped up their anti-Zionist and anti-Semitic propaganda. Jewish cultural meetings have been broken up, and religious materials sent from abroad have been confiscated.

The Soviet bureaucracy has also created new "Catch-22's" to prevent emigration. New official procedures have been enacted to make the process of getting official documents necessary for emigration more difficult. Year-long delays and "lost" documents are common. New regulations have also been created to deny the requests of those who do manage to apply. Moreover, those who apply to leave lose their jobs, and young men are immediately drafted.

The most sinister aspect of this campaign is the official violence against those who want to exercise the rights which are supposed to be guaranteed them under the Helsinki accords. We are all familiar with the imprisonment, the confinement to so-called mental hospitals, and the torture which Soviet Jews and others have suffered. This brutal and vicious campaign has had its effect. In 1973, 35,000 people were allowed to leave the Soviet Union. By last year, this number had been cut to 12,000.

Senate Concurent Resolution 7 conveys the American people's continuing commitment to human rights directly to the Soviet Government. It will put pressure on the Soviets to halt their campaign against those who wish to emigrate. It will support the administration's commitment to human rights as a key aspect of foreign policy.

I respectfully urge my colleagues to join me in voting for this resolution.

Mr. PACKWOOD. Mr. President, the Soviet Union has repeatedly pledged to adhere to all the provisions of the Helsinki Declaration of 1975. Nevertheless, Soviet Jews and other minorities seeking to emigrate to Israel and various other countries have been continuously harassed by Soviet officials in violation of the declaration.

The examples of this harassment are many. As you may know, I recently joined 35 other Senators in protesting the treatment by Russian authorities of Amner Zavurov, a young Soviet Jew attempting to emigrate to Israel with his family. Mr. Zavurov was issued an emigration visa, but because of the

delays in the custom's inspection of his personal belongings, his visa expired. Since passports are taken by Soviet authorities at the time an exit visa is issued, Zavurov was left with neither a valid exit visa nor his passport. Caught in a "Catch-22," Zavurov was charged with not having a passport, tried without a lawyer, and sentenced to 3 years in prison.

The action in this and other similar cases by the Soviet Government casts grave doubt on whether a true spirit of cooperation can be developed between the United States and the Soviet Union on the crucial issue of human rights.

Today, we consider a resolution expressing the concern of the American people to the Soviet Government for the Soviet Union's harsh and obstructionist treatment of hopeful emigrees. I strongly believe that the American people must continue to urge the Soviet Union to comply with the basic principles of the Helsinki Declaration. For this reason, I urge the Senate's support of this resolution.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH. I yield time, Mr. President, to the Senator from Rhode Island.

Mr. PELL. Mr. President, as Cochairman of the Commission on Security and Cooperation in Europe, I wish to add my enthusiastic and heartfelt support for Senate Concurrent Resolution 7 of which I am proud to be a cosponsor. This resolution is an important initiative, because it reflects the general revulsion which Americans feel toward the continuing maltreatment of Jews in the Soviet Union who wish only to leave that country for new homes and lives with their families abroad. This resolution also targets America's concern exactly where it should be—to the commitments which the Soviet Union made in the principles and specific provisions of the 1975 Helsinki accord.

In my work with the Commission on Security and Cooperation in Europe, I have been struck by how much the Helsinki accord means to Jews and others struggling for their freedom in the Soviet Union and Eastern Europe. The full 135-page text of the Helsinki accord was published in the Soviet press and has served as a source of great encouragement to stand up for human rights and, particularly in the case of Soviet Jews, to demand fulfillment of the Soviet pledge to facilitate the issuance of exit visas for family reunification purposes.

The question of obstruction and harassment which is cited in Senate Concurrent Resolution 7 is particularly pertinent to provisions in the Helsinki accord, as that agreement specifically provides that an application to emigrate to join family members in another country "will not modify the rights and obligations of the applicant". Recent Soviet acts of harassment run directly counter to that language.

In fact, harassment sometimes starts even before Jews apply for their exit visas. In order to qualify for a Soviet exit visa, an applicant must first have an invitation from a relative abroad, preferably in Israel. When I was in Vienna last November as part of a Helsinki Commission study mission, I learned from recently arrived emigrants that postal officials in Odessa frequently tore up those invitations right in front of the people who came to claim them.

It should be borne in mind that although the human rights section of the Helsinki accord—the so-called Basket III section—talks specifically only about facilitating emigration for the purpose of family reunification, there is a more general and unqualified freedom to emigrate which is embodied in other international agreements and which are referred to in the Helsinki accord. In the Declaration of Principles contained in Basket I of the Helsinki accord, all of the 35 signers said that they would act in conformity with the purposes and principles of the universal declaration of human rights. That declaration very precisely defines the right "to leave one's country and to return to it." It is my belief that the universal declaration was given new force by its being cited in the Helsinki accord and that, therefore, whether or not a person desiring to emigrate from the Soviet Union is doing so in order to join family members, that person should be allowed to leave.

In signing the Helsinki accord, each of the 35 signatory governments, in effect, pledged themselves to be responsible to every other signatory government for the manner in which it honors its commitments to human rights at home and abroad. That is why the resolution before us is appropriate, for it conveys an American interest in this one particularly tragic area of human rights abuse—the maltreatment and denial of the right to emigrate of Soviet Jews. This resolution is a sound way to underscore our own dedication to the Helsinki commitments and to keep alive the process that was begun at Helsinki.

Mr. CHURCH. Mr. President, I thank the distinguished Senator from Arizona as well as the able Senator from Rhode Island for their statements in support of the resolution. I also express my appreciation to the Presiding Officer for his support.

Also, I express my appreciation to the distinguished Senator from Washington (Mr. JACKSON) for the steadfast support he has always given to the cause of human rights throughout the world.

Finally, Mr. President, I think it would be appropriate to have printed in the RECORD certain remarks by Valery Chalidze, who is a writer, 38 years of age. He was a cofounder with Andrei D. Sakharov of the Moscow Committee on Human Rights in 1970. He is now editor of the Khronika Press in New York, which publishes dissident literature and information in Russian and English.

On February 23, 1977, in the main edition of the Washington Post, an article appeared by Valery Chalidze, under the caption, "Dealing with Human Rights on a Global Scale." Because it is so pertinent to the resolution now pending, I would like to read a few of the paragraphs contained in that article into the RECORD. Mr. Chalidze wrote:

> Americans seem unsure about how to react to their government's recent statements in defense of human rights in the Soviet Union. I would like to offer several comments from the point of view of a Soviet dissident who was involuntarily exiled from the USSR in 1972.
>
> Of course there are practical limits on the potential effectiveness of these American statements. Nevertheless, they represent a policy of honor which Soviet dissidents have long hoped for from the United States and other countries in the West. Public statements disapproving violations of freedom in other countries and affirming American devotion to the country's traditional principles of liberty are vitally important.
>
> Perhaps on occasion Soviet dissidents will expect more from America than the United States can do. Perhaps sometimes increased American pressure on the USSR will not have the desired practical results.
>
> In any case, President Carter's principled position encourages the hope that the United States will try to secure the fulfillment by the participating states of the human rights provisions of the Helsinki agreement on European Security. The follow-up conference scheduled for Belgrade in June will provide an opportunity to do just this, if it is held as planned.
>
> It is now clear to me that the USSR is disregarding the commitments it made at Helsinki, and is increasing rather than diminishing repressions—not bothering even to make temporary concessions to world public opinion prior to the Belgrade conference. Recent pressure on Andrei Sakharov and the arrests of Alexander Ginzburg, Mikola Rudenko and Yuri Orlov are only a few recent example of Soviet scorn for Helsinki.
>
> But I believe that at this moment the United States should not confine its interest in human rights exclusively to Eastern Europe. It is important to avoid the impression that America's new policy of speaking out for human rights is motivated by anti-Soviet political aims.
>
> So it is important to remind countries outside the Communist bloc that they too, have human rights obligations.

Mr. President, it is on that particular theme that I would conclude my remarks. There was a time in this country when the political dialog suggested that our concern for human freedom related only to those people who lived under Communist regimes. It was a tendency in those years to refer to the Communist world as one of repression while referring to the non-Communist world as the free world, even though most of the governments in the so-called free world also engaged in the systematic suppression of human rights.

I am delighted that the new administration, speaking through the Secretary of State, Cyrus Vance, and through the President himself, has made it clear that we are not only concerned about the suppression of human rights in totalitarian countries outside the Communist bloc, that we are not only prepared to speak out in favor of human rights wherever it is appropriate, but that, indeed, we also are ready to cut back on American aid programs, particularly military aid programs, that heretofore have gone to non-Communist governments of a totalitarian character, where the jails are filled with political prisoners. Only last week, the new administration gave proof of that intention by announcing the curtailment of American aid programs to three countries, each of them non-Communist—Uruguay, Argen-

tina, and Ethiopia—because of the widespread violation of fundamental human rights in those nations.

So, Mr. President, we are launched upon a new course, one of speaking up for human freedom. We should never have refrained, in years past, from doing so. It is a course that conforms with the best traditions of our country. Therefore, I am confident that this resolution, which is an expression of that new policy on the part of Congress, will receive the overwhelming approval of the Senate.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CHURCH. I am happy to yield.

Mr. JAVITS. I think it should sum up the views of all of us to congratulate Senator CHURCH. I feel very deeply, as do some of the others who have spoken—Mr. HUMPHREY, Mr. CASE, and others—but everything needs a focal point. I have often had that great privilege in our Committee on Foreign Relations, and this time it was the turn of Senator CHURCH. The Senator did it superbly well and at the right moment and in the right terms. Really, not a word was changed in the resolution. I think it should be noted very specifically that this is the initiative of the Senator from Idaho and it has been carried off brilliantly well.

Mr. CHURCH. I thank the Senator very much. He is always more than generous to his colleagues, and I appreciate his words more than I can say.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

Mr. CHURCH. Mr. President, the yeas and nays having been called for, I suggest the Senate proceed to a vote.

Mr. JAVITS. I withdraw my request, Mr. President.

The PRESIDING OFFICER. The Senator has to yield back his time.

Mr. CHURCH. I yield back all remaining time, Mr. President.

Mr. CASE. The time is yielded back on this side.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the resolution. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Colorado (Mr. HASKELL), the Senator from South Dakota (Mr. ABOUREZK), the Senator from Louisiana (Mr. JOHNSTON), the Senator from North Carolina (Mr. MORGAN), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Wyoming (Mr. HANSEN), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Maryland (Mr. MATHIAS), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. PERCY), would vote "yea."

The result was announced—yeas 91, nays 0, as follows:

[Rollcall Vote No. 39 Leg.]

YEAS—91

Allen	Bellmon	Burdick
Anderson	Bentsen	Byrd, Harry F., Jr.
Baker	Biden	Byrd, Robert C.
Bartlett	Brooke	Cannon
Bayh	Bumpers	Case
Chafee	Hollings	Proxmire
Chiles	Huddleston	Randolph
Church	Humphrey	Ribicoff
Clark	Inouye	Riegle
Cranston	Jackson	Roth
Culver	Javits	Sarbanes
Curtis	Kennedy	Sasser
Danforth	Laxalt	Schmitt
DeConcini	Leahy	Schweiker
Dole	Long	Scott
Domenici	Lugar	Sparkman
Durkin	Magnuson	Stafford
Eagleton	Matsunaga	Stennis
Eastland	McClellan	Stevens
Ford	McClure	Stevenson
Garn	McGovern	Stone
Glenn	McIntyre	Talmadge
Goldwater	Melcher	Thurmond
Gravel	Metcalf	Tower
Griffin	Metzenbaum	Wallop
Hart	Moynihan	Weicker
Hatch	Nelson	Williams
Hatfield	Nunn	Young
Hathaway	Packwood	Zorinsky
Hayakawa	Pearson	

NAYS—0

NOT VOTING—9

Abourezk	Heinz	Morgan
Hansen	Johnston	Muskie
Haskell	Mathias	Percy

So the resolution (S. Con. Res. 7) was agreed to.

The PRESIDING OFFICER. Without objection, the amendment to the preamble is agreed to; and, without objection, the preamble is agreed to.

The concurrent resolution (S. Con. Res. 7), with its preamble, as amended, is as follows:

Whereas the obstruction and harassment of Soviet Jews and other minorities trying to obtain emigration visas to reunite with their families profoundly offends the conscience of a free people; and

Whereas these incidents of Soviet Government-sanctioned ethnic and religious discrimination violate internationally agreed upon principles of human rights: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the sustained interest of the American people be conveyed to the Soviet Government regarding adherence to the Helsinki Declaration, including their pledge to facilitate freer movement of people, expedite the reunification of families, and uphold the general freedom to leave one's country.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements limited therein to 10 minutes each, for the purpose only of the introduction of bills, resolutions, petitions, memorials, and statements, with no resolutions coming over under the rule.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC–768. A letter from the Secretary of the Department of Agriculture transmitting, pursuant to law, the annual report on the Forest Service of the Department of Agriculture (with an accompanying report); to the Committee on Agriculture, Nutrition, and Forestry.

EC–769. A letter from the President of the Export-Import Bank of the United States transmitting a draft of proposed legislation to extend the Export-Import Bank Act of 1945, as amended (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

EC–770. A letter from the Secretary of Housing and Urban Development transmitting, pursuant to law, the Third Annual Report on the HUD Coinsurance Program (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

EC–771. A letter from the Secretary of Transportation transmitting, pursuant to law, the 1976 report on the Administration of Ocean Dumping Activities (with an accompanying report); to the Committee on Environment and Public Works.

EC–772. A letter from the Secretary of the Treasury and the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the third annual report on the performance of functions and duties imposed on the Office of Management and Budget and the Department of the Treasury (with an accompanying report); to the Committee on Governmental Affairs.

EC–773. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Status of the Utility Tactical Transport Aircraft System Program" (with an accompanying report); to the Committee on Governmental Affairs.

EC–774. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Action Needed To Make the Executive Branch Financial Disclosures System Effective" (with an accompanying report); to the Committee on Governmental Affairs.

EC–775. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Many Cardiac Catheterization Laboratories Underused in Veterans Administration Hospitals: Better Planning and Control Needed" (with an accompanying report); to the Committee on Governmental Affairs.

EC–776. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Need To Prevent Department of Defense From Paying Some Costs for Aircraft Engines That Contractors Should Pay" (with an accompanying report); to the Committee on Governmental Affairs.

EC–777. A letter from the Acting Assistant Secretary for Education for the Department of Health, Education, and Welfare transmitting, pursuant to law, the 1977 Annual Report of the activities of the National Center for Education Statistics and of the Condition of Education in the United States (with an accompanying report); to the Committee on Human Resources.

EC–778. A letter from the Director of the National Center for Health Services Research transmitting a discussion papers entitled "Controlling the Cost of Health Care" (with an accompanying report); to the Committee on Human Resources.

EC–779. A letter from the Executive Director of the Committee for Purchase from the Blind and Other Severely Handicapped transmitting, pursuant to law, the annual report of the activities of the Committee for Purchase from the Blind and Other Severely Handicapped during the fiscal year ending June 30, 1976 (with an accompanying report); to the Committee on Human Resources.

EC–780. A letter from the Chairman of the

Federal Power Commission transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC-781. A letter from the Chairman of the Marine Mammal Commission transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC-782. A letter from the Acting Executive Director of the Pension Benefit Guaranty Corporation transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC-783. A letter from the Acting Director, Office of Government and Public Programs, of the National Science Foundation transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC-784. A letter from the Executive Director of the Committee for Purchase from the Blind and Other Severely Handicapped transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC-785. A letter from the Chairman of the Negotiation Board transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC-786. A letter from the Secretary of the Treasury transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

INTRODUCTION OF BILLS AND JOINT RESOLUTION

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated.

By Mr. GRIFFIN:

S. 850. A bill to protect the public from traffickers in heroin and other opiates and other purposes; to the Committee on the Judiciary.

By Mr. BENTSEN:

S. 851. A bill to provide for the establishment and enforceemnt of security and accountability procedures necessary to protect weapons and munitions of the Department of Defense against theft and loss, and other purposes; to the Committee on Armed Services.

By Mr. McINTYRE:

S. 852. A bill to amend the National Housing Act to extend the authority for mortgage insurance, to increase the maximum mortgage amounts, and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

By Mr. PROXMIRE:

S. 853. A bill to extend the Defense Production Act of 1950, as amended; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. INOUYE:

S. 854. A bill to authorize the Secretary of Commerce to sell two obsolete vessels to Mid-Pacific Sea Harvesters, Inc., and for other purposes; to the Committee on Commerce, Science and Transportation.

By Mr. KENNEDY:

S. 855. A bill to authorize appropriations for the activities of the National Science Foundation, and for other purposes; to the Committee on Human Resources.

By Mr. STONE:

S. 856. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlords; to the Committee on Finance.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 857. A bill to amend the Indian Education Act and certain other related education assistance programs to provide Federal financial assistance to Hawaiian natives, and for other purposes; to the Select Committee on Indian Affairs.

S. 858. A bill to amend the Comprehensive Employment and Training Act of 1973 to provide manpower programs for native Hawaiians; to the Committee on Human Resources.

S. 859. A bill to extend the provisions of the Indian Self-Determination and Education Assistance Act to Native Hawaiians; to the Select Committee on Indian Affairs.

S. 860. A bill to extend the provisions of the Indian Financing Act of 1974 to Native Hawaiians; to the Select Committee on Indian Affairs.

By Mr. CURTIS:

S. 861. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Finance.

By Mr. BAKER:

S. 862. A bill to amend title 5, United States Code, to remove the restriction that survivor compensation to any widow or widower will be terminated if such widow or widower remarries; to the Committee on Governmental Affairs.

By Mr. CURTIS:

S. 863. A bill to authorize the Secretary of the Interior to engage in a feasibility investigation of a potential water resource development; to the Committee on Environment and Public Works.

By Mr. GOLDWATER:

S. 864. A bill to amend section 302 of the Communications Act of 1934 to authorize the Federal Communications Commission to prescribe regulations with respect to certain electronic equipment that is susceptible to radio frequency energy interference; to the Committee on Commerce, Science, and Transportation.

By Mr. BROOKE:

S. 865. A bill to repeal the requirement of section 3306 of title 5, United States Code, relating to apportionments in the civil service in the District of Columbia among the States; to the Committee on Governmental Affairs.

By Mr. INOUYE (by request):

S. 866. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BARTLETT (for himself and Mr. TOWER):

S. 867. A bill to amend the Federal Water Pollution Control Act, as amended, to define the term "navigable waters" as it applies to Corps of Engineers authority; to the Committee on Environment and Public Works.

By Mr. BROOKE (for himself and Mr. BAYH):

S.J. Res. 33. A joint resolution requiring that the Congressional Medal of Honor previously awarded to Dr. Mary Edwards Walker in 1865 be restored to her; to the Committee on Armed Services.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GRIFFIN:

S. 850. A bill to protect the public from traffickers in heroin and other opiates and for other purposes; to the Committee on the Judiciary.

NARCOTIC SENTENCING AND SEIZURE ACT OF 1977

Mr. GRIFFIN. Mr. President, today, I am introducing the "Narcotic Sentencing and Seizure Act of 1977," a comprehensive bill designed to strengthen our national effort against the pervasive and growing traffic of illegal drugs.

Key provisions of my bill would:

Set mandatory minimum sentences for those convicted of narcotics trafficking with no possibility of parole.

Provide for pretrial detention of those who have been previously convicted of drug crimes.

Require automatic forfeiture of all proceeds of illegal drug traffic.

Require prior reporting by anyone intending to take more than $5,000 out of the country.

Require small privately owned boats traveling from foreign ports to report immediately to customs upon arrival at U.S. ports, eliminating the current 24-hour grace period.

Allow the Government more authority to seize and sell vehicles, boats and aircraft used in drug smuggling.

Mr. President, the first five titles of this legislative package are similar to S. 3411, a Ford administration bill introduced in the last Congress. That bill was much needed then, and is needed even more today. I have strengthened it further by adding a sixth title aimed at improving drug enforcement efforts.

Drug abuse is an insidious problem that strikes at the heart of the national welfare. Yet, most Americans are not fully aware of its broad impact upon each and every one of us. We pay dearly for drug abuse in both human and economic terms.

It is estimated that drug abuse costs up to $19 billion a year. Law enforcement officials estimate that as much as one-half of all "street crimes"—robberies, muggings, burglaries—are committed by drug addicts who are supporting their habits.

Beyond such cold statistics is the stark fact that more than 5,000 deaths each year are attributable to drug abuse. The problem exacts its toll in other ways which tear at our country's fabric. Each day, thousands of young people hooked on drugs go through the motions of living. They contribute little to society. They bring misery to their families and friends, and to the victims of their crimes. For the citizens who must contribute their tax dollars to pay for ex-

pensive law enforcement and drug treatment facilities, they bring increased economic burdens.

We are sadly mistaken, however, if we think that drug abuse is the special curse of the young, or of those living in the blighted cores of our great cities. The character of drug abuse is changing.

Today it can be found in small towns as well as in big cities. It can be found, too, in rural and suburban areas. Not only the young and poor are affected. From suburban housewives to factory workers, all manner of people are turning to a variety of drugs—from uppers to downers—to relieve boredom or help sort out the intracacies of modern life.

Despite these facts, drug abuse is largely an urban problem. Unhappily, the State of Michigan's largest city—Detroit—has very severe drug problems.

It was recently revealed by Dr. Robert L. DuPont, director of the National Institute on Drug Abuse, that Detroit has the highest rate of heroin use of any major American city. And, Dr. DuPont fears, the problem there could get worse.

In 1975, Detroit's heroin prevalance rate exceeded 1,000 users per 100,000 persons. This compares with fewer than 800 users per 100,000 persons in cities like San Francisco, Boston, Philadelphia, and Washington. It is estimated that the Detroit area has 30,000 heroin addicts—or one in every 41 residents. Some estimates put the number of addicts at 50,000, with habits ranging from $5 to $1,500 a week. The average habit in Detroit costs $45 a day.

So far as I am concerned, it's obvious that the high crime rate in Detroit, and the accompanying property loss of approximately $70 million per year, is largely attributable to the drug problem. It is also true, sadly, that the incidence of homicides in Detroit is related directly to drug trafficking.

The cumulative effect of drug abuse diminishes the quality and vitality of life in our Nation. And drug abuse continues to grow and spread like a cancer through the land. It is imperative that our Nation's leaders deal more effectively with this problem and attack it with all our resources. Congress can do much in this regard, but thus far has done less than it should.

We need to give the front line troops in the war against crime more powerful weapons with which to do battle. Law enforcement officials and courts are hampered by weak or inadequate laws that frustrate their efforts to curb drug abuse. In particular, we have not provided strong tools to stop the most insidious and despicable individuals in the drug world—the criminal drug traffickers.

As President Ford stated last year,

> These merchants of death, who profit from the misery and suffering of others, deserve the full measure of national revulsion. They should be the principal focus of our law enforcement activities. . . .

Unfortunately, Justice Department statistics show that one out of every four persons convicted of heroin trafficking receives no prison sentence. One out of every three who was sentenced received a sentence of less than 3 years. And even those who receive longer sentences rarely serve out their full terms; too often, they are back out on the street selling drugs within a short period.

This situation cannot be tolerated. Laws which fail to penalize drug traffickers must be changed. These criminals must know with certainty that if they are caught and convicted they will go to jail and stay there for a substantial period of time.

For these reasons the first title of the drug abuse legislation I am introducing today sets mandatory minimum sentences for drug traffickers. The first time offender would receive a minimum term of 3 years. Those previously convicted would receive a minimum term of 6 years. During these terms, the offender would be ineligible for parole. Sales by adults to youths would result in even stiffer minimum sentences: 6 years for the initial offense, and 9 years for a second offense.

Another area of great concern to law-abiding citizens is the release of accused drug traffickers prior to trial. Too often, these persons are back on the street within minutes of arrest plying their deathly trade. Therefore, title II of the bill gives Federal judges authority, when setting pretrial release, conditions, to consider the danger the accused poses to the safety of others, and the likelihood that he will revert to illegal activities. It also encourages a judge to deny pretrial release of the accused who has been previously convicted of serious drug offenses.

An additional deterrent to drug traffickers is found in title III of my bill, which provides for the forfeiture of all proceeds, moneys, negotiable instruments, and securities used to deal in illegal drugs.

Mr. President, while drug traffickers are the backbone of the Nation's drug abuse problem, smugglers are the very heart of this tragic beast. Eliminating the illegal importation of drugs, such as heroin and cocaine, would go a long way toward eliminating the presence of such drugs in the country.

Title IV of my legislation would amend the Currency and Foreign Transactions Reporting Act to provide that a violation of the act occurs when a person who intends to take more than $5,000 out of the country fails to report it prior to leaving. A recent Federal court decision dismissed a criminal proceeding against a drug smuggler discovered leaving the country with $250,000 of unreported currency. The district court reasoned that no violation occurs under present law until a person has actually left the country without filing the required report. The bill would make the changes necessary in the law to restore the effectiveness of Federal programs to monitor the flow of currency out of the country—an invaluable aid in reducing drug importation.

Title V of the bill tightens provisions of the law relating to the requirement that small privately owned boats report to Customs upon arrival in the United States. At present, the masters of these vessels have 24 hours to report their arrival to Customs. Obviously, this allows plenty of time to unload contraband drugs. It is true that the 24-hour rule does not now apply to vessels arriving from Canada or Mexico, but the way has been open for smugglers operating in and out of Florida with smaller boats that make runs to nearby foreign islands in the Caribbean. This bill would require the master of a vessel to report immediately and at a designated spot without exception. Such a change in existing law would greatly increase Custom's ability to crack down on small vessel smuggling operations.

The sixth and last title of my legislative package changes provisions of the law which allow the seizure and sale of vehicles, boats and aircraft used to smuggle drugs. At present, these may be disposed of by administrative "summary" action only if the value of the property is less than $2,500; otherwise condemnation proceedings by a Federal judge are necessary. Title VI would raise to $10,000 the ceiling for administrative disposition. This would not only make law enforcement against drug traffickers more swift and more effective, but it will also help to relieve court congestion.

I believe strongly in the importance of these legislative proposals. But if the war against drug traffickers is to be won, more is needed beyond the enactment of this legislation.

President Carter must make drug abuse a top priority item on the agenda of his administration. Even if Congress closes the loopholes in the existing law, it will take a redoubled and determined effort on the part of the Justice Department, Customs, and other Federal agencies involved; they will require full executive support and adequate funding from Congress.

Finally, all the answers to solving the problem of drug abuse cannot come from the Government. To a large extent, the use of drugs today reflects a breakdown in our community and family institutions, and a general malaise or discontent with life, particularly among young people. Accordingly, every citizen helps to deal with this problem when he resolves and works to improve institutions, by providing meaningful employment opportunities for those who want to work, by improving education and vocational training opportunities, parks and recreational facilities, and all those things that enable each individual to realize his full potential.

Mr. President, I ask unanimous consent that the text of the bill entitled the "Narcotics Sentencing and Seizure Act of 1977" as well as a section-by-section analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 850

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Narcotic Sentencing and Seizure Act of 1977".

TITLE I—MANDATORY MINIMUM SENTENCES

SEC. 101. Part D of title II of the Comprehensive Drug Abuse Prevention and Con-

trol Act of 1970 (21 U.S.C. 841 et seq.) is amended as follows:

(a) Section 401 (21 U.S.C. 841) is amended by:

(1) adding the following new subparagraph at the end of subsection (b)(1):

"(C)(i) Except as provided in clause (ii), the judge, in setting the sentence under paragraph (A) for an offense involving an opiate, may not sentence the person to probation, or suspend imposition or execution of the sentence, or sentence the person pursuant to chapter 402 of title 18, but shall sentence the person to a term of imprisonment of not less than 3 years and shall designate a term of parole ineligibility pursuant to section 4208(a)(1) of title 18, United States Code, of not less than 3 years. If the person committed such violation after he had been convicted of a felony under Federal, State, or foreign law relating to an opiate, the mandatory minimum term of imprisonment under this paragraph shall be not less than 6 years and the mandatory minimum term of parole ineligibility pursuant to section 4208(a)(1) of title 18, United States Code, shall be not less than 6 years. A term of imprisonment under this paragraph shall run consecutively to any other term of imprisonment imposed on the defendant, and a term of parole ineligibility under this paragraph shall run consecutively to any other term of parole ineligibility imposed on the defendant pursuant to section 4208(a)(1) of title 18.

"(ii) Notwithstanding the provisions of clause (i), the court may sentence the defendant to a shorter term of parole ineligibility or imprisonment than required under clause (i), to a term of imprisonment with no term of parole ineligibility, or to probation, or may suspend imposition or execution of the sentence, if the court finds that, at the time of the offense:

"(a) the defendant was less than eighteen years old;

"(b) the defendant's mental capacity was significantly impaired, although not so impaired as to constitute a defense to prosecution;

"(c) the defendant was under unusual and substantial duress, although not such duress as would constitute a defense to prosecution; or

"(d) the defendant was an accomplice, the conduct constituting the offense was principally the conduct of another person, and the defendant's participation was relatively minor."; and

(2) adding at the end thereof the following new subsection:

"(d) As used in subsection (b)(1)(C):

"(1) 'opiate' means a mixture or substance containing a detectable amount of any narcotic drug that is a controlled substance in schedule I or II, other than a narcotic drug consisting of (A) coca leaves; (B) a compound, manufacture, salt, derivative, or preparation of coca leaves; or (C) a substance chemically identical thereto; and

"(2) 'felony' means an offense for which a term of imprisonment of more than one year is authorized.".

(b) Section 405 (21 U.S.C. 845) is amended by adding at the end thereof the following:

"(c)(1) Except as provided in subparagraph (2), the judge, in setting the sentence under section 401(b)(1)(A) of a person at least eighteen years of age who violated section 401(a)(1) by distributing an opiate to a person under twenty-one years of age, shall not sentence the person to probation or suspend imposition or execution of the sentence, or sentence the person pursuant to chapter 402 of title 18, but shall sentence the person to:

"(A) except as provided in paragraph (B), a term of imprisonment of not less than 6 years and shall designate a term of parole ineligibility pursuant to section 4208(a)(1) of title 18, United States Code, of not less than 6 years; or

"(B) a term of imprisonment of not less than 9 years and shall designate a term of parole ineligibility pursuant to section 4208(a)(1) of title 18, United States Code, of not less than 9 years, if the person committed such violation after he had been convicted of a felony under Federal, State, or foreign law relating to an opiate.

A term of imprisonment under this subsection shall run consecutively to any other term of imprisonment imposed on the defendant, and a term of parole ineligibility under this subsection shall run consecutively to any other term of parole ineligibility imposed on the defendant pursuant to section 4208(a)(1) of title 18.

"(2) Notwithstanding the provisions of paragraph (1), the court may sentence the defendant to a shorter term of parole ineligibility or imprisonment than required under paragraph (1), to a term of imprisonment with no term of parole ineligibility, or to probation, or may suspend imposition or execution of the sentence, if the court finds that, at the time of the offense:

"(A) the defendant's mental capacity was significantly impaired, although not so impaired as to constitute a defense to prosecution;

"(B) the defendant was under unusual and substantial duress, although not such duress as would constitute a defense to prosecution; or

"(C) the defendant was an accomplice, the conduct constituting the offense was principally the conduct of another person, and the defendant's participation was relatively minor.

"(3) As used in this subsection:

"(A) 'opiate' means a mixture or substance containing a detectable amount of any narcotic drug that is a controlled substance in schedule I or II, other than a narcotic drug consisting of (i) coca leaves; (ii) a compound, manufacture, salt, derivative, or preparation of coca leaves; or (iii) a substance chemically identical thereto; and

"(B) 'felony' means an offense for which a term of imprisonment of more than one year is authorized.".

(c) Section 406 (21 U.S.C. 846) is amended by designating the existing language as subsection (a) and adding the following new subsection (b):

"(b)(1) Except as provided in paragraph (2), the judge, in setting the sentence under subsection (a) for an attempt or conspiracy to commit an offense described in section 401 involving an opiate, may not sentence the person to probation or suspend imposition or execution of the sentence or sentence the person pursuant to chapter 402 of title 18, but shall sentence the person to a term of imprisonment of not less than 3 years and shall designate a term of parole ineligibility pursuant to section 4208(a)(1) of title 18, United States Code, of not less than 3 years. If the person committed such violation after he had been convicted of a felony under Federal, State, or foreign law relating to an opiate, the mandatory minimum term of imprisonment under this subsection shall be not less than 6 years and the mandatory minimum term of parole ineligibility pursuant to section 4208(a)(1) of title 18, United States Code, shall be not less than 6 years. A term of imprisonment under this paragraph shall run consecutively to any other term of imprisonment imposed on the defendant, and a term of parole ineligibility under this paragraph shall run consecutively to any other term of parole ineligibility imposed on the defendant pursuant to section 4208(a)(1) of title 18.

"(2) Notwithstanding the provisions of paragraph (1), the court may sentence the defendant to a shorter term of parole ineligibility or imprisonment than required under paragraph (1), to a term of imprisonment with no term of parole ineligibility, or to probation, or may suspend imposition or execution of the sentence, if the court finds that, at the time of the offense:

"(A) the defendant was less than eighteen years old;

"(B) the defendant's mental capacity was significantly impaired although not so impaired as to constitute a defense to prosecution;

"(C) the defendant was under unusual and substantial duress, although not such duress as would constitute a defense to prosecution; or

"(D) the defendant was an accomplice, the conduct constituting the offense was principally the conduct of another person, and the defendant's participation was relatively minor.

"(3) As used in this subsection:

"(A) 'opiate' means a mixture or substance containing a detectable amount of any narcotic drug that is a controlled substance in schedule I or II, other than a narcotic drug consisting of (i) coca leaves; (ii) a compound, manufacture, salt, derivative, or preparation of coca leaves; or (iii) a substance chemically identical thereto; and

"(B) 'felony' means an offense for which a term of imprisonment of more than one year is authorized.".

SEC. 102. Part A of title III of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 951 et seq.) is amended as follows:

(a) Section 1010 (21 U.S.C. 960) is amended by adding the following new paragraph at the end of subsection (b):

"(3)(A) Except as provided in subparagraph (B), the judge, in setting the sentence under paragraph (A) for an offense involving an opiate, may not sentence the person to probation, or suspend imposition or execution of the sentence, or sentence the person pursuant to chapter 402 of title 18, but shall sentence the defendant to a term of imprisonment of not less than 3 years and shall designate a term of parole ineligibility pursuant to section 4208(a)(1) of title 18, United States Code, of not less than 3 years. A term of imprisonment under this subparagraph shall run consecutively to any other term of imprisonment imposed on the defendant, and a term of parole ineligibility under this subparagraph shall run consecutively to any other term of parole ineligibility imposed on the defendant pursuant to section 4208(a)(1) of title 18.

"(B) Notwithstanding the provisions of paragraph (3)(A), the court may sentence the defendant to a shorter term of parole ineligibility than required under paragraph (3)(A), to a term of imprisonment with no term of parole ineligibility, or to probation, or may suspend imposition or execution of the sentence, if the court finds that, at the time of the offense:

"(i) the defendant was less than eighteen years old;

"(ii) the defendant's mental capacity was significantly impaired, although not so impaired as to constitute a defense to prosecution;

"(iii) the defendant was under unusual and substantial duress, although not such duress as would constitute a defense to prosecution; or

"(iv) the defendant was an accomplice, the conduct constituting the offense was principally the conduct of another person, and the defendant's participation was relatively minor.

"(C) As used in this paragraph:

"(i) 'opiate' means a mixture or substance containing a detectable amount of any narcotic drug that is a controlled substance in schedule I or II, other than a narcotic drug consisting of (a) coca leaves; (b) a compound, manufacture, salt, derivative, or preparation of coca leaves; or (c) a substance chemically identical thereto, and

"(ii) 'felony' means an offense for which

a term of imprisonment of more than one year is authorized.".

(b) Section 1012 (21 U.S.C. 962) is amended by adding the following at the end thereof:

"(d)(1) Except as provided in paragraph (2), the judge, in setting the sentence for an offense under section 1010(b) involving an opiate, if the person committed such violation after he had been convicted of a felony under federal, state, or foreign law relating to an opiate, shall not sentence the person to probation or suspend imposition or execution of the sentence, or sentence the person pursuant to chapter 402 of title 18, but shall sentence the person to a term of imprisonment of not less than 6 years and shall designate a term of parole ineligibility pursuant to section 4208(a)(1) of title 18, United States Code, of not less than 6 years. A term of imprisonment under this paragraph shall run consecutively to any other term of imprisonment imposed on the defendant, and a term of parole ineligibility under this paragraph shall run consecutively to any other term of parole ineligibility imposed on the defendant pursuant to section 4208(a)(1) of title 18.

"(2) Notwithstanding the provisions of paragraph (1), the court may sentence the defendant to a shorter term of parole ineligibility or imprisonment than required under paragraph (1), to a term of imprisonment with no term of parole ineligibility, or to probation, or may suspend imposition or execution of the sentence, if the court finds that, at the time of the offense:

"(A) the defendant was less than eighteen years old;

"(B) the defendant's mental capacity was significantly impaired, although not so impaired as to constitute a defense to prosecution;

"(C) the defendant was under unusual and substantial duress, although not such duress as would constitute a defense to prosecution; or

"(D) the defendant was an accomplice, the conduct constituting the offense was principally the conduct of another person, and the defendant's participation was relatively minor.

"(3) As used in this subsection:

"(A) 'opiate' means a mixture or substance containing a detectable amount of any narcotic drug that is a controlled substance in schedule I or II, other than a narcotic drug consisting of (i) coca leaves; (ii) a compound, manufacture, salt, derivative, or preparation of coca leaves; or (iii) a substance chemically identical thereto; and

"(B) 'felony' means an offense for which a term of imprisonment of more than one year is authorized.".

(c) Section 1013 (21 U.S.C. 963) is amended by designating the existing language as subsection (a) and adding the following new subsection (b):

"(b)(1) Except as provided in paragraph (2), the judge, in setting the sentence under subsection (a) for an attempt or conspiracy to commit an offense described in section 1010(a) involving an opiate, may not sentence the person to probation, or suspend imposition or execution of the sentence, or sentence the person pursuant to chapter 402 of title 18, but shall sentence the person to a term of imprisonment of not less than 3 years and shall designate a term of parole ineligibility pursuant to section 4208(a)(1) of title 18, United States Code, of not less than 3 years. If the person committed such violation after he had been convicted of a felony under federal, state, or foreign law relating to an opiate, the mandatory minimum term of imprisonment under this subsection shall be not less than 6 years and the mandatory minimum term of parole ineligibility pursuant to section 4208(a)(1) of title 18, United States Code, shall be not less than 6 years. A term of imprisonment under this paragraph shall run consecutively to any other term of imprisonment imposed on the defendant, and a term of parole ineligibility under this paragraph shall run consecutively to any other term of parole ineligibility imposed on the defendant pursuant to section 4208(a)(1) of title 18.

"(2) Notwithstanding the provisions of paragraph (1), the court may sentence the defendant to a shorter term of parole ineligibility or imprisonment than required under paragraph (1), to a term of imprisonment with no term of parole ineligibility, or to probation, or may suspend imposition or execution of the sentence, if the court finds that, at the time of the offense:

"(A) the defendant was less than eighteen years old;

"(B) the defendant's mental capacity was significantly impaired, although not so impaired as to constitute a defense to prosecution;

"(C) the defendant was under unusual and substantial duress, although not such duress as would constitute a defense to prosecution; or

"(D) the defendant was an accomplice, the conduct constituting the offense was principally the conduct of another person, and the defendant's participation was relatively minor.

"(3) As used in this subsection:

"(A) 'opiate' means a mixture or substance containing a detectable amount of any narcotic drug that is a controlled substance in schedule I or II, other than a narcotic drug consisting of (i) coca leaves; (ii) a compound, manufacture, salt, derivative, or preparation of coca leaves; or (iii) a substance chemically identical thereto; and

"(B) 'felony' means an offense for which a term of imprisonment of more than one year is authorized.".

SEC. 103. The Federal Rules of Criminal Procedure are amended by adding the following new Rule after Rule 32:

"Rule 32.1—Sentence to a Mandatory Sentence of Imprisonment

"If a defendant is convicted of an offense for which he may be sentenced to a mandatory term of imprisonment or a mandatory term of parole ineligibility under section 401(b)(1)(C), 405(c), 406(b), 1010(b)(3), 1012(d), or 1013(b) of the Comprehensive Drug Abuse Prevention and Control Act, as amended (21 U.S.C. 841(b)(1)(C), 845(c), 846(b), 960(b)(3), 962(d), or 963(b)), the court, prior to imposition of sentence shall hold a hearing to determine whether a term of imprisonment and parole ineligibility is mandatory. The hearing shall be held before the court sitting without a jury, and the defendant and the government shall be entitled to assistance of counsel, compulsory process, and cross-examination of such witnesses as appear at the hearing. If it appears by a preponderance of the information, including information submitted during the trial, during the sentencing hearing, and in so much of the presentence report as the court relies on, that the defendant is subject to a mandatory term of imprisonment and parole ineligibility, the court shall sentence the defendant in acordance with the appropriate provisions of the Comprehensive Drug Abuse Prevention and Control Act of 1970, as amended. The court shall place in the record its findings, including an identification of the information relied upon in making its findings.".

TITLE II—CONDITIONS OF RELEASE

SEC. 201. Part D of title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 801 et seq.) is amended by adding at the end thereof the following new sections:

"RELEASE CONDITIONS

"SEC. 412. In setting conditions of release under section 3146(a) of title 18, United States Code, for any person charged with an offense under section 401(a) of this title or section 1010(a) of title III with respect to an opiate, or charged under section 406 of this title with attempting or conspiring to commit an offense under section 401(a) of this title relating to an opiate, or charged under section 1013 of title III with attempting or conspiring to commit an offense under section 1010(a) of title III relating to an opiate, the judicial officer shall, in addition to determining which conditions will reasonably assure the appearance of the person for trial, consider which conditions will reasonably assure the safety of the community, the personal safety of persons in the community including witnesses to the offense, and the avoidance of future similar offenses by the person charged.

"DENIAL OF RELEASE PRIOR TO TRIAL

"SEC. 413. (a) Subject to the provisions of this section and notwithstanding the provisions of section 3146 of title 18, United States Code, a judicial officer may deny release of a person charged with a violation of section 401(a) of this title or section 1010(a) of title III with respect to an opiate, or charged under section 406 of this title with attempting or conspiring to commit an offense under section 401(a) relating to an opiate, or charged under section 1013 of title III with attempting or conspiring to commit an offense under section 1010(a) of title III relating to an opiate, who—

"(1) has previously been convicted of an offense under any provision of Federal, State, or foreign law, relating to an opiate, which is punishable by more than one year's imprisonment;

"(2) at the time of the offense, was on parole, probation, or other conditional release in connection with a conviction for or a pending charge of an offense under Federal or State law that is punishable by more than one year's imprisonment;

"(3) is a nonresident alien;

"(4) was arrested while in possession of a passport or other documentation necessary for international travel incorrectly identifying him or belonging to some other person; or

"(5) has been convicted of having been a fugitive from justice, an escapee, or for willfully failing to appear before any court or judicial officer under Federal or State law.

"(b) No person described in subsection (a) of this section shall be denied release unless the judicial officer—

"(1) holds a hearing in accordance with the provisions of subsection (c) of this section;

"(2) finds—

"(A) that there is clear and convincing evidence that the person is a person described in paragraph (1), (2), (3), (4), or (5) of subsection (a) of this section;

"(B) that there are no conditions of release which will reasonably assure the appearance of the person charged, the safety of the community, the personal safety of persons in the community including witnesses to the offense, or the avoidance of future similar offenses by the person charged; and

"(C) that on the basis of information presented by proffer or otherwise to the judicial officer there is a substantial probability that the person committed the offense for which he is present before the officer, and

"(3) issues an order denying release accompanied by written findings of fact and the reasons for its entry.

"(c) The following procedures shall apply to hearings held pursuant to this section:

"(1) Whenever the person is before a judicial officer, the hearing may be initiated on oral motion of the United States Attorney.

"(2) Whenever the person has been released pursuant to section 3146 of title 18, United States Code, and it subsequently appears that such person may be subject to an order denying release under this section, the

United States Attorney may initiate a hearing by ex parte written motion. Upon such motion the judicial officer may issue a warrant for the arrest of the person.

"(3) The hearing shall be held immediately upon the person's being brought before the judicial officer for such hearing unless the person or the United States attorney moves for a continuance. A continuance granted on motion of the person shall not exceed five calendar days, unless there are extenuating circumstances. A continuance or motion of the United States Attorney shall be granted upon good cause shown and not exceed three calendar days. The person may be held pending the hearing.

"(4) The person shall be entitled to representation by counsel and shall be entitled to present information by proffer or otherwise, to testify, and to present witnesses in his own behalf.

"(5) Information stated in, or offered in connection with, any order entered pursuant to this section need not conform to the rules pertaining to the admissibility of evidence in a court of law.

"(6) Testimony of the person given during the hearing shall not be admissible on the issue of guilt in any other judicial proceeding, but such testimony shall be admissible in proceedings under section 3150 and 3151 of title 18, United States Code in perjury proceedings, and for the purposes of impeachment in any subsequent proceedings.

"(7) Appeals from orders denying release may be taken pursuant to section 3147 of title 18, United States Code. The United States may appeal from orders granting release under this section.

"(d) The case of a person denied release pursuant to this section shall be placed on an expedited calendar and, consistent with the sound administration of justice, his trial shall be given priority.

"DEFINITIONS

"SEC. 414. As used in sections 412 and 413 of this title, the term:

"(a) 'judicial officer' means any person or court authorized pursuant to section 3041 of title 18, United States Code, or the Federal Rules of Criminal Procedure, to admit to bail or otherwise to release a person before trial or sentencing or pending appeal, in a court of the United States and any judge of the Superior Court of the District of Columbia; and

"(b) 'opiate' has the meaning set forth in section 401(d) of this title.".

SEC. 202. The table of contents at the beginning of the Drug Abuse Prevention and Control Act of 1970 is amended by adding the following new items after the item relating to section 411:

"Sec. 412. Release conditions.
"Sec. 413. Denial of Release prior to trial.
"Sec. 414. Definitions.".

TITLE III—FORFEITURE OF PROCEEDS OF ILLEGAL DRUG TRANSACTIONS

SEC. 301. Section 511 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 881) is amended by:

(a) adding at the end of subsection (a) the following new paragraph:

"(6) All proceeds of an offense described in this title or title III and all moneys, negotiable instruments, and securities used or intended to be used by any person, directly or indirectly, in connection with a violation of this title or title III."; and

(b) adding after the words "Whenever property" in subsection (e) the words "described in subsections (a)(1) through (a)(5)"; and

(c) adding a new subsection (h) at the end thereof as follows:

"(h) Whenever property described in subsection (a)(6) is forfeited for violation of this title or title III, the Attorney General, making due provision for the rights of any innocent person;

"(1) may dispose of property other than moneys, negotiable instruments and securities in the manner set forth in subsection (e);

"(2) may dispose of negotiable instruments and securities in the manner prescribed in subsection (e)(2); and

"(3) shall forward currency obtained from sales pursuant to paragraph (2) and moneys forfeited under subsection (a)(6) to the Treasurer of the United States for deposit in the general fund of the United States Treasury.".

TITLE IV—ILLEGAL EXPORT OF CASH

SEC. 401. Section 231(a) of the Currency and Foreign Transactions Reporting Act is amended to read as follows:

"(a) Except as provided in subsection (c) of this section, whoever, whether as principal, agent, or bailee, or by an agent or bailee:

(1) intends to transport, or have transported, monetary instruments from any place within the United States to or through any place outside the United States in an amount exceeding $5,000 on any one occasion shall file a report or reports in accordance with subsection (b) prior to departing from the United States;

(2) knowingly transports, or causes to be transported, monetary instruments from any place within the United States in an amount exceeding $5,000 on any one occasion shall file a report or reports prior to or at the time of arrival in accordance with subsection (b); or

(3) receives monetary instruments at the termination of their transportation by common carrier to the United States from or through any place outside the United States in an amount exceeding $5,000 on any one occasion shall file a report or reports in accordance with subsection (b)."

SEC. 402. Section 235 of the Currency and Foreign Transactions Reporting Act (31 U.S.C. 1105) is amended by redesignating subsection (b) as subsection (c) and by adding a new subsection (b) as follows:

"(b) When because of exigent circumstances a warrant cannot be obtained, any officer of Customs may search without a warrant any of the individuals or objects included in subsection (a) of this section if he has probable cause to believe that monetary instruments are in the process of transportation and with respect to which a report required under section 231 of this Act (31 U.S.C. 1101) has not been filed or contains material omissions or misstatements.".

TITLE V—PROMPT REPORTING OF VESSELS

SEC. 501. Section 433, Tariff Act of 1930, as amended (19 U.S.C. 1433), is amended to read as follows:

"The master of any vessel from a foreign port or place, or of a foreign vessel from a domestic port, or of a vessel of the United States carrying bonded merchandise, or foreign merchandise for which entry has not been made, arriving at any port or place within the United States, shall immediately report the arrival of the vessel at the nearest customhouse or such other place as the Secretary of the Treasury may prescribe in regulations. The Secretary may by regulation extend the time, not to exceed twenty-four hours after the arrival of the vessel at the nearest customhouse or such other place as the Secretary of the Treasury may prescribe in regulations. The Secretary may by regulation extend the time, not to exceed twenty-four hours after the arrival of the vessel, in which to report arrival."

SEC. 502. Section 459, Tariff Act of 1930, as amended (19 U.S.C. 1459), is amended by substituting a comma for the word "or" wherever it appears between the words "entry" and "customhouse", and inserting after the word "customhouse" the phrase "or other places as the Secretary of the Treasury may prescribe in regulations."

TITLE VI—MONETARY LIMIT FOR ADMINISTRATIVE FORFEITURES

SEC. 601. Sections 607, 610, and 612 of the Tariff Act of 1930, as amended (19 U.S.C. 1607, 1610, and 1612), are amended by striking "$2,500" whenever it appears in the Section and inserting in lieu thereof "$10,000."

SECTION-BY-SECTION ANALYSIS

Section 1 of the draft bill provides that the Act may be cited as the Narcotic Sentencing and Seizure Act of 1976.

TITLE I—MANDATORY MINIMUM SENTENCES

Title I of the draft bill provides mandatory minimum prison sentences for most persons convicted of an offense involving manufacturing, importing, or trafficking in opiates. The defendant could not be paroled until he had served the minimum sentence. The judge could not sentence the defendant to probation, suspend his sentence, or sentence him under the Youth Correction Act. If, however, the judge found that, at the time of the offense, the defendant was under 18 years of age, that his mental capacity was substantially impaired, that he was under unusual and substantial duress, or that he was a minor participant in the offense, the judge could sentence the defendant to a lower term of imprisonment with a lower term of parole ineligibility, to probation, or to a suspended sentence; a mandatory minimum term of imprisonment under these provisions would be consecutive to any other term of imprisonment and a mandatory minimum term of parole ineligibility would be consecutive to any other term of parole ineligibility.

The provisions would apply only to offenses involving an opiate, which is defined as "a mixture or substance containing a detectable amount of any narcotic drug that is a controlled substance under schedule I or II, other than a narcotic drug consisting of (A) coca leaves; (B) a compound, manufacture, salt, derivative, or preparation of coca leaves; or (C) a substance chemically identical thereto." The provisions are primarily aimed at heroin and morphine traffickers, importers, and manufacturers.

Section 101 of the draft bill contains the mandatory minimum sentence provisions for manufacturers and traffickers of opiates.

Section 101(a) would amend section 401 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 841), pertaining to illegal manufacture, distribution, and dispensing of controlled substances, to provide a mandatory minimum term of imprisonment of three years and a mandatory minimum term of parole ineligibility of three years for a first offense relating to an opiate. If the offense followed a previous conviction for a federal, state, or foreign offense relating to an opiate which was punishable by over one year in prison, the minimum mandatory term of imprisonment and the minimum mandatory term of parole ineligibility would each be six years.

Section 101(b) would amend section 405 of the Act (21 U.S.C. 845) pertaining to distribution of controlled substances by a person at least 18 years of age to a person under 21, to provide a six-year mandatory minimum term of imprisonment and a six-year mandatory minimum term of parole ineligibility for a first offense of selling an opiate to a person under 21 years of age. If the offense is committed after a previous conviction for a federal, state, or foreign felony involving an opiate, the mandatory minimum term of imprisonment and mandatory term of parole ineligibility would be nine years.

Section 101(c) would amend section 406 of the Act (21 U.S.C. 846), relating to at-

tempts and conspiracies to violate the drug laws, to provide that, if the offense was an offense under section 401 involving an opiate, the mandatory minimum term of imprisonment and mandatory minimum term of parole ineligibility would be three years for a first offense. If the offense followed a previous conviction for a federal, state, or foreign felony involving an opiate, the mandatory minimum term of imprisonment and mandatory minimum term of parole ineligibility would be six years.

Section 102 contains the mandatory minimum sentence provisions for persons who illegally import or export, or who manufacture or distribute for illegal importation, opiates.

Section 102(a) would amend section 1010 of the Act (21 U.S.C. 960), pertaining to illegal importation and exportation and to manufacture and distribution for illegal importation, of a controlled substance, to provide a mandatory minimum term of imprisonment of three years and a mandatory minimum term of parole ineligibility of three years, for a first offense relating to an opiate.

Section 102(b) would amend section 1012 of the Act (21 U.S.C. 962) to provide that, if an offense involving an opiate is committed after a previous conviction for a federal, state, or foreign felony relating to an opiate, the mandatory minimum term of imprisonment and mandatory minimum term of parole ineligibility is six years.

Section 102(c) would amend section 1013 of the Act (21 U.S.C. 963), pertaining to attempts and conspiracies to violate the laws concerning importation and exportation of controlled substances, to provide a mandatory minimum term of imprisonment and a mandatory minimum term of parole ineligibility of three years for a first offense of attempting or conspiring to violate section 1010(a) if the offense involves an opiate. If the offense is committed after a previous conviction of a federal, state, or foreign felony involving an opiate, the mandatory minimum term of imprisonment and the mandatory minimum term of parole ineligibility would be six years.

Section 103 would add a new Rule 32.1 to the Federal Rules of Criminal Procedure to provide for a sentencing hearing to those cases where the provisions of the Comprehensive Drug Abuse Prevention and Control Act of 1970 require a minimum term of imprisonment and parole ineligibility. The hearing would be held without a jury. Parties would have a right to counsel, to compulsory process, and to cross-examination of witnesses who appear at the hearing. If the defendant is found by a preponderance of the information, including information submitted during the sentencing hearing, to be subject to a mandatory minimum term of imprisonment and parole ineligibility, the judge would sentence him in accordance with the appropriate provisions of the Comprehensive Drug Abuse Prevention and Control Act of 1970, as amended.

TITLE II—CONDITIONS OF RELEASE

Release of defendants charged with or convicted of criminal offense is presently governed by the Bail Reform Act of 1966 (18 U.S.C. 3141–56). Title II would amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to provide standards of release and denial of release for defendants charged with trafficking in opiates or with illegally importing or exporting opiates, or with attempting or conspiring to commit one of these offenses.

Proposed section 412 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 would permit the judge, in setting pretrial release conditions under the Bail Reform Act for persons charged with opiate trafficking, exporting, and importing, and with attempts or conspiracies to commit those offenses, to consider the danger the person poses to the safety of any other person or to the community, or would revert to criminal activity of a nature similar to that constituting the basis on the pending charge.

Proposed section 413 of the Act permits the denial of release of certain persons charged with serious opiate offenses. Subsections (a)(1) through (a)(5) list the categories of opiate offenders who may be subject to denial of release. These include persons previously convicted of a federal, state or foreign opiate felony, persons on parole, probation, or other conditional release at the time of the offense, persons who are nonresident aliens or in possession of illegal passports at the time of arrest, and persons convicted of having been fugitives or escaping from prison or willfully failing to appear before a court of judicial officer under federal or state law.

Subsection (b) requires that a hearing be held before a person may be denied release under the section, and that a person may be denied release only if the judge finds that there is clear and convincing evidence that the person charged with a serious opiate offense belongs in one of the categories of persons subject to denial of release, that no condition or conditions of release—including the setting of a high bail—will reasonably assure the safety of any other person or the community, and that there is a substantial probability that the person committed the offense with which he is charged. The judge must also issue an order denying release accompanied by written findings of fact and a statement of reasons for the order's entry.

Subsection (c) outlines the procedures and rights in the hearing. The defendant is entitled to representation of counsel, has the right to testify and to produce information by proffer or otherwise, and to present witnesses in his own behalf.

Under subsection (d), if a person is denied release prior to trial under the provisions of the section, his case must be placed on an expedited calendar.

TITLE III—FORFEITURE OF PROCEEDS OF ILLEGAL DRUG TRANSACTIONS

Section 301(a) would amend Section 511 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 881) to permit the forfeiture of all proceeds, monies, negotiable instruments and securities used or intended to be used in violation of this Act.

Since the purpose of this section is to reach only that which is used or intended to be used as consideration for receipt of controlled substances in violation of this Act, the descriptive terms of consideration are defined as follows: (1) "Monies" means officially issued coin and currency of the United States or any foreign country; (2) "Negotiable instruments" means that which can be legally transferred to another party by endorsement or delivery; and (3) "Securities" refers to any stocks, bonds, notes or other evidences of debt or property; and (4) "Proceeds" refers to any other property furnished in exchange for a controlled substance in violation of this Act.

Section 301(b) is simply a clarifying amendment.

Section 301(c) provides that property forfeited pursuant to Section 301(a) would be disposed of by the Attorney General in accordance with existing law and with due regard for the rights of any innocent persons involved. Subsection (h)(3) of Section 301 also provides that the Attorney General shall cause to be deposited in the general fund of the United States Treasury all monies forfeited pursuant to Section 301(a) and all currency derived from the sale of forfeited negotiable instruments and securities.

TITLE IV—ILLEGAL EXPORT OF CASH

Title IV of the proposed bill would amend the Currency and Foreign Transactions Reporting Act. Section 401 would amend section 231(a) of the Currency and Foreign Transactions Reporting Act to provide that a violation of the currency reporting requirement occurs when a person who intends to transport monetary instruments out of the United States in an amount exceeding $5,000 on any one occasion does not file a report prior to departing from the United States.

Section 231(a) of the Currency and Foreign Transactions Reporting Act (31 U.S.C. 1101(a)) currently requires reports to be filed by persons transporting or causing to be transported monetary instruments in excess of $4,000 into or out of the United States. However, on March 25, 1976, the United States District Court (S.D. Fla.) dismissed a criminal proceeding against Juan Manuel Centeno who was discovered departing the United States with $250,000 of unreported currency. The district court reasoned that no violation had occurred because the law is violated only after a person has actually left the United States without filing the required report. As a consequence of this decision, effective enforcement of the reporting requirement was significantly impaired. To remedy this defect in the law, the proposed amendment would require a report to be filed prior to departure by any person who wishes to transport or have transported out of the United States any amount exceeding $5,000. A person departing by aircraft or vessel would have to file the report prior to boarding the outbound carrier. Failure to file the report would then be a detectable violation. The law pertaining to reports by persons entering the country would be unchanged.

The sale of narcotics and dangerous drugs in the United States produces vast sums of money much of which leaves the United States. By monitoring the flow of currency and monetary instruments, significant information is developed with respect to narcotics trafficking and the illegal exportation of arms and munitions. However, the gap in the enforcement authority of the Customs Service noted by the district court has reduced the effectiveness of this program. By closing a loophole in the reporting requirements and strengthening Customs search authority of departing persons, the programs to halt the flow out of the country of illicitly obtained currency and currency which will be used for the purchase of narcotics destined for the United States would be aided substantially.

Currently, section 235 of the Currency and Foreign Transactions Reporting Act requires a search warrant in order to seize monetary instruments being taken from the United States in violation of the reporting requirements of section 231 of the Act. Section 402 of the proposed bill would allow warrantless searches under exigent circumstances where there is probable cause to believe that monetary instruments are in the process of transportation and with respect to which a report required under section 231 of this Act (31 U.S.C. 1101) has not been filed or contains material omissions or misstatements.

This proposal would have no effect on the current Customs authority which allows warrantless searches of persons entering the United States.

TITLE V—PROMPT REPORTING OF VESSELS

Title V of the draft bill would require the master of any vessel arriving from a foreign port or place, or of a foreign vessel arriving from a domestic port, or a vessel of the United States carrying bonded merchandise or foreign merchandise for which entry has not been made, to immediately report arrival of the vessel at the nearest customhouse or such other place as the Commissioner of Customs may prescribe in regulations.

In recent years, the use of private yachts and pleasure vessels to smuggle narcotics and dangerous drugs has created a significant detection and interdiction problem for the Customs Service. The existing law contributes to this problem because, with the exception of vessels arriving from Canada or Mexico, the law permits twenty-four hours in which to report arrival of the vessel. Thus a narcotics smuggler using a small boat can land in the United States without facing the prospect of an immediate Customs inspection and discovery of contraband. This problem has become particularly acute in Florida where private yachts and pleasure yachts with easy access to nearby foreign islands and the U.S. inland waterways complicate detection. The proposed amendment, section 501, would authorize the Commissioner of Customs to require the master of a vessel to report immediately and would also afford greater flexibility in designating the places where arrival may be reported. Customs would, thus, be in a position to concentrate enforcement activities on those vessels failing to report immediately, on the assumption that they are liable to be involved in smuggling. Section 502 contains a conforming amendment to section 459 of the Tariff Act (19 U.S.C. 1459) relating to the arrival of vessels from Canada and Mexico.

TITLE VI—MONETARY LIMIT FOR ADMINISTRATIVE FORFEITURES

Title VI of the proposed bill would amend the Tariff Act of 1930, to increase from $2,500 to $10,000 the maximum value of seized items which may be disposed of by administrative action.

Under present law, customs officials shall seize, *inter alia*, vessels, vehicles, and aircraft used to import or conceal any article which is being, or has been, illegally introduced into the country. When the value of such property does not exceed $2,500, the appropriate customs officer shall give notice of the seizure and the intent to forfeit and sell the property. Notice standards to potential claimants must satisfy due process requirements. If no claim is made by any person within 20 days, the property is sold.

Where a claim is made, or where the property's value exceeds $2,500, condemnation proceedings must be instituted by the United States Attorney in order to dispose of the property. Condemnation proceedings are time consuming and costly compared to administrative disposal. Furthermore, they place an unnecessary burden on the courts, particularly where no claimant has appeared.

The $2,500 value limitation for determining whether property must be proceeded against by condemnation is today an anachronism. Vessels, airplanes, and even most automobiles are worth considerably more. Thus, the more burdensome court proceedings are too often necessitated.

The proposed amendment, section 601, would strike from sections 607, 610, and 612 of the Tariff Act of 1930, as amended (19 U.S.C. 1607, 1610, and 1612), the amount "$2,500" and insert in its place the greater amount of $10,000. This value brings the Act in step with modern day property values and should facilitate disposition of drug related customs violations.

By Mr. BENTSEN:

S. 851. A bill to provide for the establishment and enforcement of security and accountability procedures necessary to protect weapons and munitions of the Department of Defense against theft and loss, and for other purposes; to the Committee on Armed Services.

Mr. BENTSEN. Mr. President, I am today introducing legislation which I believe is a much-needed and long overdue step toward meeting a problem of potentially wide-ranging and enormously serious dimensions, both internationally and domestically, but one of which all too few Americans are aware. I refer to the continuing incidence of losses, frequently through theft, of military weapons from U.S. facilities and the direct connection between those losses and clandestine operations abroad.

Mr. President, subcommittee hearings on this subject in the House of Representatives in the past have developed evidence which must be of concern to all of us. They illustrate that the Defense Department has lost 18,578 military weapons during the last decade; subsequent recoveries reduced the net loss to 10,604 weapons for that decade, although actual losses were probably much higher since losses were not always reported. In addition, substantial quantities of weapons were frequently written off as inventory errors without benefit of investigation to determine whether there had in fact been theft or loss.

Such losses may not seem substantial spread out over the course of a decade but it is striking to note that they are more than enough to equip 10 combat battalions. Of equal concern to me are the numbers of automatic rifles and machineguns that have been lost or stolen, weapons which clearly are of little interest to the ordinary citizen but are in great demand by foreign clandestine crime and guerrilla organizations.

I find it shocking, Mr. President, that during the 1960's the Defense Department played only a minor role in developing weapons security policy. During that period it was the individual military departments themselves who largely developed their own security programs, if they developed them at all. It was not until 1970 that the Department of Defense even began to be aware of these substantial losses of weapons from its inventories, losses that not only adversely affect our own preparedness but also strengthen the hands of those clandestine groups which obtain them. The Defense Department's establishment of the Physical Security Review Board was the first real effort to coordinate and improve weapons security policy. It is important to note that as a result there have been reductions in numbers of weapons stolen. Nevertheless, the problem remains with us—more than 9,000 weapons have disappeared since the Board was established, a figure which is still far too high.

One of the explanations seems to lie in the failure of the individual services to implement the Board's policies, a failure which the Defense Department itself has recognized and admitted.

In addition, the structure of responsibility within the Department of Defense for monitoring and obtaining compliance is fragmented and ambiguous.

Consequently, Mr. President, the legislation I am introducing today would establish in the Department of Defense a Weapons and Munitions Security Office to be headed by an Assistant Secretary of Defense, to be responsible for formulating, coordinating, and supervising a continuing program of security and accountability for Department of Defense weapons and munitions. Immediately upon enactment of the act, a review of weapons security shall be undertaken to determine the effectiveness of existing policy and to develop new procedures for meeting weaknesses in that policy. In addition, the Assistant Secretary is given the critical mandate of conducting periodic inspections to determine the extent of compliance by the individual services with Department of Defense weapons security policies.

A second problem which has been divulged has been the failure to report all weapons losses. Indeed the services have tended all too frequently to follow the practice of chalking up weapons losses to inventory error with little or no investigation. In spite of repeated Department of Defense urging of the services to investigate all weapons losses, however, the practice has continued and its existence was confirmed by a General Accounting Office report as recently as July 1975.

Consequently my bill requires that a thorough investigation be conducted upon each loss of weapons and no loss may be ascribed to inventory error unless the Department demonstrates that its investigation has conclusively excluded the possibility of theft or loss. In addition, each military department is required to submit to the Assistant Secretary quarterly reports on implementation of weapons security regulations and a description of all losses and recoveries of weapons by that department during the preceding quarter. The Secretary of Defense shall submit a report to the Congress each year summarizing the weapons and munitions losses and the recoveries made by each military department during the preceding year.

Finally, my bill requires that the Defense Department cooperate with Federal law enforcement officials in efforts to identify and protect weapons and munitions against threats of destruction or theft and in recovering any loss through theft. This provision is to secure a measure of cooperation between military officers and law enforcement agencies which has not always existed in the past.

In addition to inadequate security, Mr. President, there is another aspect of this issue of great concern to me and that is the destination of these stolen weapons. Available evidence indicates that there are two major groups of recipients: One, illegal narcotics traffickers; two, revolutionary organizations in Latin America, especially Mexico.

It is incomprehensible to me that the Defense Department either denies or minimizes the whole problem of weapons losses but also seems only remotely concerned over their delivery into the hands of those illegal groups. Various Federal agencies, including the Drug Enforcement Administration and Customs Bureau, among others, have documented evidence of U.S. military weapons and aircraft being used by those engaged in the illegal drug trade in Latin America. Mexico is the primary target country. Since these are largely automatic weapons not available on the U.S. commercial market, the source of origin is clear—U.S. military installations.

Investigations in Texas reveal a substantial flow of arms into Mexico, both illegal and legal. One of the most significant examples is a case made against a firearms dealer in Brownsville who operated his illegal business out of a food store. In one calendar year he sold over 12 million rounds of ammunition to residents of Mexico. Another case involved a conspiracy in California where suspects were kept under surveillance for more than 2 months. When stopped by Federal law enforcement officers, 66 M–1 carbines, 240 M–1 carbine magazines, and over 8,000 rounds of ammunition were found hidden in secret compartments of the smugglers' truck. It was subsequently determined that these very weapons were being smuggled through Mexico south of the border for use in revolutionary antigovernment activities. In addition, far too many, in my opinion, military-type weapons such as M–16's, AR–15's and various light machineguns also have been reported in Mexico. I am particularly concerned by reports that Mexican nationals have been attempting to set up in Mexico a factory to produce a fully automatic assault weapon for use in revolutionary activities in Central and South America.

At a time when 90 percent of the heroin available in the United States originates in Mexico, Mr. President, when heroin addiction among our Nation's youth continues to be one of our most urgent social problems, I do not believe we can afford to ignore the assistance provided drug smugglers by U.S. weapons. When I see evidence of smugglers flying monthly into the United States with planeloads of heroin and returning with planeloads of M–16 automatic rifles, Mr. President, I am convinced that our faulty weapons security policy is not only a threat to our security, it is—indirectly—a threat to our moral fiber as well.

Also of concern to me, but more difficult to document, is the ease with which stolen U.S. weapons can enter the hands of antigovernment guerrilla organizations in neighboring nations to the south. The recent increase in terrorist incidents in Mexico, in particular, underlines the existence of radical elements in that country which are clearly well armed and may have access to the same sources of arms supplies as those involved in the illegal drug trade. Indeed many terrorist guerrilla groups barter heroin, cocaine, and marihuana for weapons and munitions. For example, a large cache of stolen M–14's from the Midwestern United States was traded in Mexico for marihuana to a Mexico drug trafficker connected with a now deceased Mexican guerrilla leader. Other cases document efforts to use a subversive organization in Mexico to obtain marihuana in exchange for automatic weapons.

It goes without saying that it is imperative to our national security to share our 2,000-mile-long southern border with a strong, stable, democratic neighbor. If stolen arms are being provided illegal, extremist, clandestine groups in Mexico, then it is a threat not only to the people of that country, but also to the United States—and it is a threat which we must work together to solve.

Therefore, Mr. President, I am convinced that the legislation I am introducing today is one urgently needed step that will not only strengthen our own national security but that of our neighbors as well.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 851

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Chapter 159 of Title 10, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 2686. Weapons and munitions security and accountability procedures.

"(a) There shall be established in the Department of Defense an office known as the Weapons and Munitions Security Office (in this section referred to as the 'Office'). The Office shall be responsible for formulating, coordinating and supervising a continuing program of security and accountability for weapons and munitions of the Department of Defense. The Secretary of Defense shall designate an Assistant Secretary of Defense to serve as the head of the Office.

"(b) In carrying out the provisions of this section, the Assistant Secretary of Defense who is designated as head of the Office shall—

"(1) review all security and accountability procedures in effect on the date of enactment of this section with respect to weapons and munitions of the Department of Defense to determine whether such procedures provide effective accountability and physical security for such weapons and munitions wherever located, including, but not limited to, weapons and munitions in storage depots and weapons and munitions in transit;

"(2) modify such existing procedures or promulgate such new procedures as he deems necessary or appropriate to protect weapons and munitions of the Department of Defense against loss or theft and to provide accurate and timely accountability for such weapons and munitions; and

"(3) conduct periodic inspections to determine the extent of compliance by the military departments with the security and accountability procedures applicable to weapons and munitions of the Department of Defense.

"(c) Whenever any military department suffers a lose of weapons or munitions, such department shall conduct a thorough investigation of such loss. In no case may a military department attribute a weapon or munition loss to inventory error unless such department demonstrates that its investigation has conclusively excluded the possibility of theft or loss.

"(d) Each military department shall submit to the Assistant Secretary of Defense designated as the head of the Office quarterly reports containing such information, as such Assistant Secretary shall prescribe, regarding security and accountability of all weapons and munitions under the jurisdiction of such military department. Such reports shall include, but shall not be limited to, a description of all losses and recoveries of weapons and munitions by such military department during the quarter for which the report is made.

"(e) The Secretary of Defense shall submit a report to the Congress each year summarizing the weapons and munitions losses suffered and the recoveries made by each military department during the preceding year as well as an evaluation of compliance by the military departments with weapons security programs promulgated.

"(f) The Secretary of Defense shall cooperate with local law enforcement officials in attempting to identify and protect weapons and munitions of the Department of Defense against threats of destruction or theft and in recovering any such weapons or munitions which have been lost or stolen."

(b) The table of sections at the beginning of Chapter 159 of such title is amended by adding at the end thereof:

"2686. Weapons and munitions security and accounting procedures.".

By Mr. McINTYRE:

S. 852. A bill to amend the National Housing Act to extend the authority for mortgage insurance, to increase the maximum mortgage amounts, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

INCREASES NEEDED IN FHA INSURANCE PROGRAMS

Mr. McINTYRE. Mr. President, the legislation which I am introducing today will provide needed increases in present limits on several regular FHA and VA insurance programs, liberalize downpayment requirements, and establish a new prototype housing costs program.

During the last few years questions have been raised both within and outside the Federal Housing Administration as to the future role of housing insurance directed to single-family home ownership for moderate income citizens. In fact, some critics of FHA have implied that the agency has outlived its usefulness, and should be allowed to expire. Those people who have questioned FHA's continuing need do indeed raise a number of interesting points in support of their position. Unrealistic insurance levels, noncompetitive interest rates, redtape, bureaucratic mismanagement, loss of purpose and, in some cases, out and out illegal conduct have all combined to undermine the agency's usefulness. This loss of effectiveness is clearly shown in recent FHA insurance commitment figures. In the entire State of New Hampshire only 76 conditional insurance commitments were issued in calendar year 1976. What has happened to the agency that at one time could boast that it helped finance one out of every four newly constructed houses?

I believe that there still exists a need for FHA but I also recognize that the agency's survival is dependent on its ability to compete in today's housing market. Congress must assure that FHA has meaningful insurance limits and downpayment terms. Moreover, FHA insurance must be made available in a manner useful to all sections of the country. Housing costs have risen dramatically over the last several years and unrealistic national mortgage insurance limits deny citizens in some parts of the country an opportunity to have an alternative to a conventional mortgage.

Mr. President, for the benefit of my colleagues, I have prepared a table based on figures supplied by the Department of Housing and Urban Development and the Bureau of the Census comparing FHA single-family insurance limits on year of increase with average sales prices and I ask unanimous consent to have the table printed in the RECORD. The figures show that an increase to $60,000 as provided for in the legislation for single-family homes would result in an average proposed price as a percent of maximum limits of approximately 60 percent which is in line with rates for other years.

	1959	1961	1964	1969	1974	1976 (3d quarter)
FHA single-family mortgage insurance limits	$22,500	$25,000	$30,000	$33,000	$45,000	$45,000
Percent change		10	20	10	36	
Average sales price of proposed new FHA-insured property	$14,448	$14,894	$16,216	$20,563	$26,864	$34,880
Percent change		3	8	27	31	30
Average proposed price as percent of maximum mortgage limit at time	64	60	54	62	60	78
Median selling price for new home			$18,900	$25,600	$35,900	$44,400

Mr. President, while the figures may appear complex, they show that median selling prices on new homes have reached FHA mortgage insurance limits and that continuation of present limits will only hinder FHA's efforts to meet its legislative responsibilities.

The bill I am introducing will not only increase insurance limits but will also lower downpayment requirements in several ways. Section 1 increases single-family mortgage insurance limits from the present $45,000 to $60,000 and modifies downpayment requirements by providing for lower downpayments than those presently required. This section also provides for 35-year mortgage insurance. Section 2 increases mortgage limits for families displaced by Government action and for low- and moderate-income families in general. Section 3 establishes a prototype housing costs program in which HUD would prepare annual prototype housing costs for each housing market area in the country. Finally, section 4 extends the principal FHA insurance programs from June 30, 1977, to September 30, 1979.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 852

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 203(b)(2) of the National Housing Act is amended by striking out "$45,000", "$48,750", "$48,750", and "$56,000" and by inserting in lieu thereof "$60,000", "$70,000", "$75,000", and "$80,000", respectively.

(b) Section 203(b)(2) of such Act is amended by striking out all that follows "(i) 97 per centum" through the next to the last sentence and inserting in lieu thereof the following: "of $30,000 of the appraised value of the property, as of the date the mortgage is accepted for insurance, (ii) 95 per centum of such value in excess of $30,000 but not in excess of $40,000, (iii) 90 per centum of such value in excess of $40,000 but not in excess of $50,000, and (iv) 80 per centum of such value in excess of $50,000, or in any case where the dwelling is not approved for mortgage insurance prior to the beginning of construction unless the construction of the dwelling is completed more than one year prior to the application for mortgage insurance or the dwelling was approved for guarantee, insurance, or direct loan under chapter 37 of title 38, United States Code, prior to the beginning of construction, not to exceed the sum of (i) 95 per centum of $30,000 of the appraised value of the property, as of the date the mortgage is accepted for insurance, (ii) 90 per centum of such value in excess of $30,000 but not in excess of $40,000, (iii) 85 per centum of such value in excess of $40,000 but not in excess of $50,000, and (iv) 80 per centum of such value in excess of $50,000. If the mortgagor is a veteran and the mortgage to be insured under this section covers property upon which there is located a dwelling designed principally for a one-family residence, the principal obligation may be in an amount equal to the sum of (i) 100 per centum of $30,000 of the appraised value of the property, as of the date the mortgage is accepted for insurance, (ii) 95 per centum of such value in excess of $30,000 but not in excess of $40,000, (iii) 90 per centum of such value in excess of $40,000 but not in excess of $50,000, and (iv) 80 per centum of such value in excess of $50,000."

(c) Section 203(b)(3) of such Act is amended by striking out "(or thirty years if such mortgage is not approved for insurance prior to construction)".

SEC. 2. (a) Section 221(d)(2) of the National Housing Act is amended—

(1) by striking out "$25,000", "$29,000", "$28,000", "$38,880", and "47,520" and inserting in lieu thereof "$30,000", "$35,000", "$45,000", "$55,000", and "$65,000", respectively; and

(2) by striking out "$29,000", "$33,000", "$36,000", "$46,080", and "$54,720" and inserting in lieu thereof "$35,000", "$40,000", "$50,000", "$60,000", and "$70,000", respectively.

(b) Section 221(d)(6) of such Act is amended—

(1) by inserting "and" before "(ii)"; and

(2) by striking out all that follows "shorter amortization period" up to the colon preceding the proviso.

SEC. 3. (a) The Secretary of Housing and Urban Development shall prepare and publish annually prototype housing costs for each housing market area in the United States. Prototype housing costs for an area shall be determined on the basis of (1) the Secretary's estimate of construction costs for that area of new dwelling units (including dwelling units designed for elderly and handicapped families) of various types and sizes; and (2) the Secretary's estimate of reasonable allowances for the cost of land and site improvements.

(b) In determining prototype costs, the Secretary shall take into account—

(1) the extra durability required for the economic maintenance of housing;

(2) the need to provide amenities suitable to assure a safe and healthy family life and neighborhood environment;

(3) the application of good design as a component of housing and the maintenance of quality in architecture to reflect the standards of the neighborhood and community;

(4) the need for maximum conservation of energy for heating, lighting, and other purposes;

(5) the effect of existing mortgage insurance limits in the area; and

(6) the advice and recommendations of local housing producers.

(c) As used in this section, the term "construction costs" means those cost items which are normally reflected in a mortgage which is insured under section 235 or 236 of the National Housing Act (other than the costs of land and site improvements).

SEC. 4. (a) Section 2(a) of the National Housing Act is amended by striking out "June 30, 1977" in the first sentence and inserting in lieu thereof "September 30, 1979".

(b) Section 217 of such Act is amended by striking out "June 30, 1977" and inserting in lieu thereof "September 30, 1979".

(c) Section 221(f) of such Act is amended by striking out "June 30, 1977" in the fifth sentence and inserting in lieu thereof "September 30, 1979".

(d) Section 809(f) of such Act is amended by striking out "June 30, 1977" in the second sentence and inserting in lieu thereof "September 30, 1979".

(e) Section 810(k) of such Act is amended by striking out "June 30, 1977" in the second sentence and inserting in lieu thereof "September 30, 1979".

(f) Section 1002(a) of such Act is amended by striking out "June 30, 1977" in the second sentence and inserting in lieu thereof "September 30, 1979".

(g) Section 1101(a) of such Act is amended by striking out "June 30, 1977" in the second sentence and inserting in lieu thereof "September 30, 1979".

(h) Section 3(a) of the Act entitled "An Act to amend chapter 37 of title 38 of the United States Code with respect to the veterans' home loan program, to amend the National Housing Act with respect to interest rates on insured mortgages, and for other purposes", approved May 7, 1968, as amended (12 U.S.C. 1709–1), is amended by striking out "June 30, 1977" and inserting in lieu thereof "September 30, 1979".

By Mr. PROXMIRE:

S. 853. A bill to extend the Defense Production Act of 1950, as amended; to the Committee on Banking, Housing, and Urban Affairs.

DEFENSE PRODUCTION ACT EXTENSION AMENDMENTS OF 1977

Mr. PROXMIRE. Mr. President, today I am introducing a very brief bill to extend for 2 more years the Defense Production Act of 1950. The extension of the act is, I believe, a noncontroversial matter. The Defense Production Act has been since World War II the Nation's only economic mobilization legislation. The need for this kind of legislation has been consistently reaffirmed by the Congress and the executive branch every 2 years since it was first created at the onset of the Korean war.

I would like to take this opportunity to say a few words about the Joint Committee on Defense Production, which the act established. As my colleagues know, the Senate recently passed a resolution calling for the termination of this joint committee along with several others. In its report on the resolution, the Rules Committee recommended that the oversight functions of the Joint Committee on Defense Production be transferred to the Joint Economic Committee. The Banking Committee intends to give this recommendation full consideration when it takes up the matter of terminating the joint committee later this spring.

In this connection, it will be helpful to review some of the recent activities of the joint committee. These activities relate primarily to the intersection of the national interest in a sound defense with the national interest in a healthy economy. In framing the Defense Production Act in 1950, the Congress thought the proper balancing of these two funda-

mental interests required special oversight attention and established the committee for this purpose. At the same time, the committee was required to assist the standing committees of both Houses in connection with legislation that affects this critical harmonizing of a sound defense with a strong economy. In practice, this has usually meant aiding the Banking Commitees in both Houses on legislative matters in this area. The Senate in particular has availed itself of this provision to develop legislation in connection with its legislative purview of the Defense Production Act.

When you look at our economy or at industry in terms of their defense implications, the picture is very large and complex. The Government has a broad array of programs relating to the defense industrial base and to other emergency preparedness requirements. The joint committee conducts oversight over the policies, programs, and organizations in this broad field.

This variety is reflected in the work of the joint committee during the 94th Congress, which covered these major issues: First, inquiries relating to the integrity of defense contracts and the procurement process; second, developing legislative recommendations on antitrust immunity for voluntary agreements in support of national energy or defense programs; third, reviewing Federal programs and organizations; and, fourth, examining Federal materials policy and its implications for the availability of materials for defense purposes. Separate reports and hearing records have or will soon be issued on each of these subjects.

In addition to or in connection with these larger projects, the joint committee devoted substantial time and effort to a number of studies and reviews; among them were the following:

First. Review of the development and application of cost accounting standards;

Second. Inquiry into industry and agency compliance with cost accounting standards;

Third. Study of allowability of defense contractor cost claims and adequacy of Defense Contract Audit Agency review techniques;

Fourth. Inquiry into conflict of interest and improper influence on Government contracts;

Fifth. Study of agency standards of conduct regulations and adequacy thereof, as well as enforcement by selected agencies;

Sixth. Review of the condition of the defense industrial base;

Seventh. Review of the adequacy of Federal, State, and local emergency preparedness agencies, programs, and relationships;

Eighth. Review of proposals for economic stockpiles and their role in national materials policy;

Ninth. Study of the new stockpile policy of the Ford administration;

Tenth. Study of the administration of the defense priorities system;

Eleventh. Investigation of conflicts of interest in decisionmaking on the development and acquisition of the Navy's Condor missile;

Twelfth. Review of the applicability and use of the title I—priorities and allocations systems—authorities of the Defense Production Act;

Thirteenth. Investigation of GAO enforcement of retired officer selling prohibitions;

Fourteenth. Review the problems of erosion and excess capacity in the defense industrial base;

Fifteenth. Following the activities of the National Commission on Supplies and Shortages;

Sixteenth. Review of the Department of Defense administration and Department of Justice enforcement of the "revolving door" reporting amendment (Public Law 91-121);

Seventeenth. Review of the DOD program to improve industry relations, including Contractor Weighted Average Share in cost risk—CWAS—Profit 76 policy, progress payment rates;

Eighteenth. Review of special Defense Contract Audit Agency Washington office audits for defense contractors, of lobbying, consultants, and entertainment expenses; and

Nineteenth. Study of security precautions at sites of Government opium stockpiles and security measures used during transfer of opium to a new site.

As far as possible, the joint committee endeavored to conduct close-in or on-the-scene oversight during the 94th Congress. In 1976 this meant visits to defense plants, observation of a post-nuclear attack command post exercise titled Rex 76, attendance at the meeting of the Defense Science Board's task force on industrial preparedness plans and programs, attending the deliberations of the National Commission on Supplies and Shortages and of its advisory committee, participation in the meetings of the Department of Defense Profit 76 Advisory Committee, attendance at the annual Department of Defense materials shortage workshop and the meetings of the DOD Materials Shortage Steering Committee, participating in a meeting of national defense executive reservists, conducting investigations of Government contractor recreation and entertainment facilities in Colorado, Vermont, and Maryland, and attending the fourth annual Conference on National Materials Policy.

The committee or staff also received extensive briefings from officials in the Office of the Secretary of Defense on Standards of Conduct and the Defense Industrial Base; from representatives of the Central Intelligence Agency, the U.S. Air Force, and the Boeing Aerospace Co. on Soviet passive defense programs; from the Commerce Department on industrial mobilization programs and the national defense executive reserve; the Defense Civil Preparedness Agency and the General Accounting Office on U.S. civil defense programs; staff members of the Cost Accounting Standards Board, the Western Electronic Manufacturers Association and the Defense Contract Audit Agency on Uniform Accounting Standards; the staff of the Federal Preparedness Agency and the General Accounting Office and several public and private materials policy groups on the strategic stockpile policy and goals; analysts from the Office of Technology Assessment, the Congressional Research Service, the General Accounting Office and the National Commission on Supplies and Shortages on Federal Materials Policy; auditors from the Defense Contract Audit Agency on Contract Audit Procedures; and members of the U.S. Navy on the Condor missile program. In addition, the committee consulted with a variety of private experts and with several other committees of Congress with related jurisdiction in order to coordinate oversight efforts and exchange information.

Additionally, to supplement the studies, analyses, and evaluations prepared by the committee staff, other agencies were called on for studies or assistance with studies. The Congressional Research Service responded to a committee request for an analysis of past Federal materials policy recommendations with a two-part study of 25 years of advisory recommendations and of the impact of these proposals on Federal policy. CRS also provided, from the Foreign Affairs and National Defense Division, a consultant to assist the committee in analyzing civil emergency preparedness programs. Similar assistance was also requested of the Federal Preparedness Agency, which developed a lengthy review of preparedness functions of the Government.

The committee also called upon the General Accounting Office on a number of occasions for formal studies or expert testimony on such matters as strategic stockpile policy, defense contract progress payments, and defense contract audits.

Another oversight technique employed by the committee during 1976 was the use of surveys as a means of developing comparative information on the nature or effectiveness of programs and practices. The first of these, actually initiated late in 1975 and evaluated during 1976, was a survey of the entertainment and gratuity programs of some 40 Federal contractors. Subsequently, the committee sent a brief questionnaire to the Governors of the States and U.S. territories, seeking information on their own preparedness programs and their evaluation of aspects of the Federal preparedness effort. This information was of considerable value to the committee in assessing Federal programs from the point of view of State-level consumers.

The committee adapted this technique to the development of its annual report by requesting agency views in the form of responses to a series of questions designed to permit standardized answers. In this way, the committee plans to build an inventory of comparative data on the entire range of Federal preparedness activities, including tasks, resources, functions, budgets, personnel, coordination mechanisms and the like. This data base will facilitate comprehensive evaluation of the relevance and administration of preparedness activities, as well as priorities among programs and agencies. For this purpose, the committee sought information in five categories: Budget, personnel and organization; program activities; coordination; publications;

and narrative descriptions of items of special interest—public education, management and evaluation techniques, significant program changes, and areas of particular difficulty.

Under the leadership of the late Wright Patman and former Representative Leonor Sullivan, the joint committee set an enviable oversight record in the 94th Congress. It set ambitious oversight goals and it met those goals. Moreover, it did so in a cost-effective manner; the committee budget was about $165,000 a year and no increases were required to carry out the far larger oversight program of the last Congress. I hope that in the future, oversight of this important area where national defense and the national economy converge will receive the same kind of attention that the joint committee gave it in the 94th Congress.

By Mr. INOUYE:

S. 854. A bill to authorize the Secretary of Commerce to sell two obsolete vessels to Mid-Pacific Sea Harvesters, Inc., and for other purposes; to the Committee on Commerce, Science and Transportation.

Mr. INOUYE. Mr. President, I rise today to reintroduce a bill which would permit the Secretary of Commerce to sell to Mid-Pacific Sea Harvesters, Inc., a Hawaii corporation, two obsolete Navy vessels, the Patapsco—AOG–1—and Kishwaukee — AOG–2 — for conversion and operation in the fisheries of the United States.

The Patapsco and Kishwaukee are obsolete surplus Navy tankers presently located at the Naval Inactive Ship Maritime Facility at Pearl Harbor, Hawaii. Mid-Pacific Sea Harvesters, Inc., desires to convert and operate these vessels in the U.S. fisheries in the mid-Pacific as collection and processing ships, known as "mother ships." Enactment of the bill would permit such acquisition and use of these obsolete vessels by this Hawaii corporation. This will provide employment in the United States in the conversion work and aboard the ships through the utilization of surplus Government property, for which the United States will receive payment.

Essentially this same bill was introduced in the 94th Congress as S. 784. It was reported favorably by the Senate Commerce Committee and was passed by the full Senate. Unfortunately, action on the bill came too late in the second session of the last Congress to permit the House of Representatives to consider it.

Believing that this bill will be of significant benefit both to the fishing industry in Hawaii and to the Federal Treasury, I urge my colleagues to give it early and favorable consideration.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 854

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provisions of law, the Secretary of Commerce is authorized, within two years after enactment of this Act, to sell, subject to such conditions he deems are appropriate in the national interest, the two obsolete vessels AOG–1 Patapsco and AOG–9 Kishwaukee for the purpose of conversion and operation in the fisheries of the United States to Mid-Pacific Sea Harvesters, Incorporated, a corporation organized under the laws of the State of Hawaii, for their appraised value for operation or their scrap value in the domestic market, whichever is greater, as of the date of the sale: *Provided,* That (1) any conversion work shall be performed in the United States; (2) the vessels shall be documented and operated under the laws of the United States; (3) the vessels shall be operated in conformity with all international fishery conventions to which the United States is a signatory; and (4) if the vessels are scrapped within five years after the date of sale, they shall be scrapped in the domestic market.

By Mr. KENNEDY:

S. 855. A bill to authorize appropriations for the activities of the National Science Foundation, and for other purposes; to the Committee on Human Resources.

Mr. KENNEDY. Mr. President, I am pleased to introduce today the administration's bill authorizing the fiscal year 1978 programs of the National Science Foundation.

The NSF request totals $885 million. Taking into account carryovers from previous years, the request provides an increase of $87.1 million over the Foundation's funded program for fiscal year 1977.

The request reflects the decision of the new administration to encourage during fiscal year 1978 a real growth of about 3 percent in total Federal support of basic research, an area in which there has been a 19-percent decline in overall Federal support, measured in constant dollars, over the last 10 years.

Let me emphasize that the National Science Foundation is the major source of Federal support for basic research. The agency accounts for 46 percent of the Federal support going to colleges and universities for nondefense, nonspace basic research.

Whether we are concerned about changing climate patterns, the impact of fluorocarbons on the ozone layer, recombinant DNA, or protecting man from environmental hazards, the public and the Congress properly expect the U.S. science community to be doing the research that will help the Nation with these issues. And we expect a great deal more. We want an expanded knowledge base that will insure a steady stream of new, appropriate, and improved technology. We want to stimulate innovation that will improve the quality of life and provide new employment opportunities.

While it is difficult to tie specific economic and social changes directly to research investments, there is much evidence that U.S. science has had an overwhelmingly positive impact on society. A recent survey found that 75 percent of our population believes science and technology has changed life for the better.

Good arguments can be made for increased research funding because support in constant dolars declined for several years prior to 1977. At the same time, costs rose because of inflation. There is also a need of increased funding for science education programs and for programs which assist the public in dealing with the scientific and technical aspects of policy issues. I believe the decision on whether the National Science Foundation's budget request merits congressional support must be based upon what society expects of U.S. science to strengthen America. In short, the decision must depend on whether the budget presented will accomplish that goal.

I am pleased to note that the NSF budget provides for a substantial increase for earthquake research. The objective is to make real progress in improving the capability to accurately predict earthquakes and to engineer earthquake resistant structures. The budget also provides for substantial growth in research support in the neural sciences, with potential for improving our ability to deal with brain damage, and there are increases for research aimed at finding ways to make more effective use of resources and to deal with the range of environmental issues. The NSF request also contains much needed increases for the purchase of scientific equipment and instrumentation.

During hearings this week, my subcommittee will carefully examine the full range of NSF budget proposals. We will also carefully consider the need for a multiyear authorization for the National Science Foundation. It is my own firm conviction that such an authorization would provide a framework for program planning that would bring increased stability to the Foundation's planning processes. It would permit the National Science Foundation and the Congress to focus more attention on areas where new programs or projects are being proposed and are deemed to be of sufficient urgency to warrant special authorization. We will report to the Senate on our findings and recommendations.

Mr. President, scientific research is important to all parts of our society and I look forward to the public hearings and to the opportunity to bring the NSF authorization request to the floor for the Senate's consideration.

By Mr. STONE:

S. 856. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlords; to the Committee on Finance.

FAIR TAX TREATMENT FOR RENTERS

Mr. STONE. Mr. President, I am today introducing a bill to provide for a Federal tax deduction for tenants for that part of their rental payment which is in fact a payment of local property taxes.

Under present law, landlords pay State and local property taxes. They are in turn entitled to deduct such payments in the computation of their Federal income tax liability.

Landlords generally pass their property tax liability on to tenants in the form of rent. However, inasmuch as tenants are not legally liable for payment of property taxes under State and local law.

they are not eligible to deduct this portion of their rent for Federal income tax purposes. In our words, while tenants indirectly pay State and local property taxes, they are not entitled to a commensurate deduction in computing their Federal income taxes.

This present situation is unfair to the increasing number of American taxpayers who rent rather than own their homes. It has the effect of imposing double taxation on that part of a tenant's income which is spent for rent. Landlords, on the other hand, are permitted to avoid such a result by deducting local property taxes in determining their Federal tax liability.

The present situation has a regressive tax impact in that most of those who are caught in this double-taxation trap are in lower income brackets. Over one-half of all taxpayers earning less than $5,000 per year now rent their dwellings while only 13 percent of those earning more than $25,000 do so.

The bill I am introducing, which is the same as the one I sponsored with Senator BUCKLEY in the last Congress, would provide equity for this sizable group of renters. The tax liability of the landlord would remain unchanged under the bill. The bill would simply insure that the tenant, like the landlord, will not be taxed on income which has already been used to pay taxes.

Mr. President, in some State legislatures there are efforts to transfer the State or local property tax from the landlord to the tenant. If this happens, the States will by their own initiative have shifted the property tax and the property tax deduction to the tenant. However, because it is impossible to predict what State legislatures may do and because many renters are suffering unfairly from the present tax structure, I think it is important for Congress to take action.

Congressman HERB HARRIS of Virginia has introduced a similar bill (H.R. 84) in the House of Representatives, which has already gained considerable support.

Mr. President, I ask unanimous consent that the text of the bill I am introducing be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 856

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 220 as section 221 and by inserting after section 219 the following new section:

"Sec. 220. Deduction of real property taxes in case of individuals who rent their principal residence.

"(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction the amount of the rent (not otherwise deductible) paid or incurred by the individual during the calendar year in which the taxable year begins for any dwelling unit used by the individual as his principal residence, but only to the extent that such amount does not exceed the individual's proportionate share of the State and local real property taxes (within the meaning of section 164(a)(1))—

"(1) which are imposed on such dwelling unit, or on the building in which such dwelling unit is located, and on the land on which such dwelling unit (or building) is situated, and

"(2) which are paid or accrued during such calendar year.

"(b) PROPORTIONATE SHARE.—

"(1) IN GENERAL.—For purposes of subsection (a), an individual's proportionate share of the real property taxes described in such subsection which are paid or accrued during any calendar year with respect to any dwelling unit shall be an amount equal to—

"(A) the amount of such real property taxes—

"(i) in the case of a dwelling unit located in a building which contains one or more other units, which are attributable to such dwelling unit, or

"(ii) in the case of any other dwelling unit, which are imposed with respect to such unit; multiplied by

"(B) a fraction the numerator of which is the number of days in the calendar year on which such dwelling unit was used by the individual as his principal residence and the denominator of which is the number of days in such calendar year.

"(2) TAXES ATTRIBUTABLE TO CERTAIN DWELLING UNITS.—For purposes of paragraph (1), the amount of the real property taxes described in subsection (a) which are attributable to any dwelling unit located in a building containing one or more units is an amount which bears the same ratio of the aggregate amount of such taxes imposed on the building and the land on which it is situated as the number of square feet of floor space in such unit bears to the total number of square feet of floor space in all the units in such building. For purposes of the preceding sentence, there shall not be taken into account the amount of any floor space in the building which is a common area or is used by the lessor of such building for purposes of maintenance.".

(b) The table of sections for such part VII is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 220. Deduction of real property taxes in case of individuals who rent their principal residence.

"Sec. 221. Cross references.".

(c) The amendments made by this Act shall apply to rent paid or incurred after December 31, 1977. in taxable years ending after such date.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 857. A bill to amend the Indian Education Act and certain other related education assistance programs to provide Federal financial assistance to Hawaiian natives, and for other purposes; to the Select Committee on Indian Affairs.

S. 858. A bill to amend the Comprehensive Employment and Training Act of 1973 to provide manpower programs for native Hawaiians; to the Committee on Human Resources.

S. 859. A bill to extend the provisions of the Indian Self-Determination and Education Assistance Act to Native Hawaiians; to the Select Committee on Indian Affairs.

S. 860. A bill to extend the provisions of the Indian Financing Act of 1974 to Native Hawaiians; to the Select Committee on Indian Affairs.

Mr. INOUYE. Mr. President, I am introducing today, with Senator MATSUNAGA, four bills which seek to amend existing social welfare laws to include the native Hawaiian people under the general heading of "Native Americans." By correcting the definition of "Native Americans" in key Federal regulations, I hope to extend vital Federal assistance now available to American Indians and other native groups to persons of native Hawaiian descent.

I believe my distinguished colleagues would agree it is indisputable that the native Hawaiians are native Americans; the Hawaiian people, the American Indians, and Eskimos years ago thrived on the land which today comprises the United States of America.

I must say, with great sadness, that the native Hawaiians today confront problems of survival and identity common among other native Americans. Attempts to reconcile native culture and traditions with what we might call modern American society—a system viewed by native Americans as largely "Western" or "European influenced"—have not been fully successful. A pattern of extremes may be detected among native American groups, including the native Hawaiians: extremes in unemployment rates, poverty rates, school drop-out rates, and crime rates, to name a few.

Congress in recent years passed key legislation aimed at assisting native Americans in resolving the tough problems confronting them in their daily lives. But regrettable oversight in the original drafting of legislation now deprives native Hawaiians of necessary assistance accorded other native Americans.

For example, native Hawaiians are ineligible for aid under the manpower programs of section 302 of the 1973 Comprehensive Employment and Training Act—CETA. This section was designed to assist the creation of job training, educational and employment programs for unemployed and economically disadvantaged native Americans. One measure I introduce today would include native Hawaiians in these programs. This measure, specifically addressed to section 302 of the CETA, may be cited as the Native Hawaiian Manpower Act of 1977.

A second measure I propose is entitled the Hawaiian Native Educational Assistance Act of 1977. This bill would amend section 810 of the Elementary and Secondary Education Act of 1965 to include native Hawaiians with American Indians now covered by the act.

The third measure I introduce today would extend provisions of the Indian Self-Determination and Education Assistance Act to native Hawaiians. And the fourth measure would extend to native Hawaiians provisions of the Indian Financing Act of 1974.

I am hopeful all four bills will meet the fast approval of the appropriate Senate committees, the full Houses of the Congress and the President. The native Hawaiians face bleak economic realities and are deserving of Federal assistance. I feel the bills I present today will help rectify this situation.

Mr. President, I seek unanimous consent to have printed in the RECORD the

text of each of the four bills I introduce today.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 857

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Hawaiian Native Educational Assistance Act of 1977".

SEC. 2. (a) Section 810 of the Elementary and Secondary Education Act of 1965 is amended by striking out "Indian children" each time the words appear therein and inserting in lieu thereof "Indian and native Hawaiian children."

(b) Section 810 of such Act is further amended by redesignating subsection (g) of such section, and all references thereto, as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) As used in this Act 'native Hawaiian' means any individual any of whose ancestors were natives of the area which consisted of the Hawaiian Islands prior to 1778.".

(c) The heading of such section 810 is amended by striking out "INDIAN" and inserting in lieu thereof: "INDIAN AND NATIVE HAWAIIAN".

SEC. 3. (a) (1) Section 302(a) of the Indian Elementary and Secondary School Assistance Act is amended by striking out "Indian students" and inserting in lieu thereof "Indian and native Hawaiian students".

(2) The Indian Elementary and Secondary School Assistance Act is amended by striking out "Indian children" wherever it appears in such Act, except in the second sentence of section 303(a)(2)(B), and inserting in lieu thereof "Indian and native Hawaiian children".

(b) The Indian Elementary and Secondary School Assistance Act is amended by adding at the end thereof the following new section:

"NATIVE HAWAIIAN DEFINED

"SEC. 308. As used in this Act, the term 'native Hawaiian' means any individual any of whose ancestors were natives of the area which consisted of the Hawaiian Islands prior to 1778.".

(c) Section 301 of the "Indian Elementary and Secondary School Assistance Act" is amended to read as follows:

"SHORT TITLE

"SEC. 301. This ttile may be cited as the 'Indian and Native Hawaiian Elementary and Secondary School Assistance Act'.".

SEC. 4. (a) (1) Section 422(a) of the Indian Education Act is amended by striking out "Indian organizations" each time the words appear in such section and inserting in lieu thereof "Indian and native Hawaiian organizations".

(2) Such section 422(a) is further amended by striking out "Indian children" and inserting in lieu thereof "Indian and native Hawaiian children".

(3) Such section 422(a) is further amended by striking out "Indians" and inserting in lieu thereof "Indians and native Hawaiians".

(b) Section 243 (a) of such Act is amended by striking out "Indian students" and inserting in lieu thereof "Indian and native Hawaiian students".

(c) (1) The first sentence of section 442 (a) of such Act is amended by striking out "Indian Education" and inserting in lieu thereof "Indian and native Hawaiian Education", and by inserting after "Indians" a comma and the following: "native Hawaiians".

(2) The second sentence of section 442(a) is amended by inserting after "organizations," the following: "and by native Hawaiian organizations".

(3) Section 442(b)(1) of such Act is amended by striking out "Indian children" and inserting in lieu thereof "Indian and native Hawaiian children".

(4) Section 442(b)(3) of such Act is amended by striking out "Indian children" and inserting in lieu thereof "Indian and native Hawaiian children".

(5) Section 42(b)(4) is amended by inserting after "organizations" a comma and the following: "and native Hawaiian organizations", and by striking out "Indian children" and inserting in lieu thereof "Indian and native Hawaiian children".

(6) Section 442(b)(6) of such Act is amended by striking out "Indian" and inserting in lieu thereof "Indian and native Hawaiian".

(7) The heading of such section 442 is amended by striking out "INDIAN" and inserting in lieu thereof "INDIAN AND NATIVE HAWAIIAN".

(d) (1) Section 453 of such Act is amended by inserting "(a)" after the section designation and by inserting at the end thereof the following new subsection:

"(b) For the purpose of this title, the term 'native Hawaiian' means any individual any of whose ancestors were natives of the area which consisted of the Hawaiian Islands prior to 1778.".

(2) The heading of such section 453 is amended to read as follows: "DEFINITIONS".

SEC. 5. (a) (1) Section 314(a) of the Adult Education Act is amended in the matter preceding clause (1) by inserting after the word "organization" the following: "and to native Hawaiian organizations".

(2) Such section 314(a) of such Act is further amended by striking out the word "Indians" in the matter preceding clause (1) and in clause (1) and inserting in lieu thereof "Indians and native Hawaiians".

(3) Section 314(a)(2) of such Act is amended by striking out "Indian" each time it appears and inserting in lieu thereof "Indian and native Hawaiian".

(4) Section 314(a)(5) of such Act is amended by striking out "Indian" and inserting in lieu thereof "Indian and native Hawaiian".

(5) Secton 314(b) of such Act is amended by inserting in the matter preceding clause (1) after the word "organizations" the following "and native Hawaiian organization".

(6) Section 314(b) of such Act is further mended by striking out "Indian" each time it appears in clause (1) and clause (2) thereof and inserting in lieu thereof "Indian and native Hawaiian".

(7) The last sentence of section 314(c) of such Act is amended by inserting before the period a comma and the following: "and native Hawaiian organizations".

(b) Section 314 of the Adult Eduction Act is amended by redesignating subsection (d) and all references thereto, as subsection (e) and by inserting immediately after subsection (c) the following new subsection:

"(d) For the purpose of this section, the term 'native Hawaiian' means any individual any of whose ancestors were natives of the area which consisted of the Hawaiian Islands prior to 1778.".

(c) The heading of section 314 of such Act is amended by striking out "Indians" and inserting in lieu thereof "Indians and native Hawaiians".

S. 858

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Native Hawaiian Manpower Act of 1977".

SEC. 2. (a) Section 302(a) of the Comprehensive Employment and Training Act of 1973 is amended—

(1) by striking out the word "and" in clause (1) of such section and inserting in lieu thereof a comma, and

(2) by inserting after "native" in such clause (1) the following: "and Hawaiian native".

(b) Section 302(b) of such Act is amended—

(1) by striking out "and" the third time it appears in clause (2) of such section, and

(2) by adding at the end of such clause a comma and the following: "and native Hawaiians in Hawaii".

(c) The first sentence in section 302(c) of such Act is amended by inserting before the period a comma and the following: "and such public and nonprofit private agencies as he determines will best serve native Hawaiians".

(d) Section 302(g) of such Act is amended by striking out "4 percent" and inserting in lieu thereof "5 percent".

(e) The heading of such section 302 is amended to read as follows:

"INDIAN AND NATIVE HAWAIIAN MANPOWER PROGRAMS"

SEC. 3. Section 601(a) of the Comprehensive Employment and Training Act of 1973 is amended by adding at the end thereof the following:

"(14) 'native Hawaiian' means any individual any of whose ancestors were natives of the area which consisted of the Hawaiian Islands prior to 1778.".

S. 859

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4(a) of the Indian Self-Determination and Education Assistance Act is amended by inserting immediately before the semicolon at the end thereof a comma and the following: "or any Native Hawaiian as defined in clause (e) of this section".

(b) Section 4(b) of such Act is amended by inserting immediately before the semicolon at the end thereof a comma and the following: "and further includes any corporation or other legal entity organized by Native Hawaiians as defined in clause (e) of this section".

(c) Section 4 of such Act is amended by inserting immediately after clause (d) thereof the following new clause:

"(e) 'Native Hawaiian' means any individual any of whose ancestors were natives of the area which consisted of the Hawaiian Islands prior to 1778.".

S. 860

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(b) of the Indian Financing Act of 1974 is amended by inserting immediately before the period at the end thereof the following: "and any Native Hawaiian as defined in clause (h) of this section".

(b) Section 3(c) of such Act is amended by inserting immediately before the period at the end thereof a comma and the following: "and further includes any corporation or other legal entity organized by Native Hawaiians as defined in clause (h) of this section".

(c) Section 3(d) of such Act is amended by inserting immediately before the period at the end thereof a comma and the following: "and further includes lands held by incorporated Native Hawaiian groups".

(d) Section 3 of such Act is amended by adding at the end thereof the following new clause:

"(h) 'Native Hawaiian' means any individual any of whose ancestors were natives of the area which consisted of the Hawaiian Islands prior to 1778.".

By Mr. GOLDWATER:

S. 864. A bill to amend section 302 of the Communications Act of 1934 to authorize the Federal Communications Commission to prescribe regulations with respect to certain electronic equipment

that is susceptible to radio frequency energy interference; to the Committee on Commerce, Science, and Transportation.

REDUCING RADIO FREQUENCY INTERFERENCE WITH HOME ENTERTAINMENT PRODUCTS

Mr. GOLDWATER. Mr. President, it is obvious that citizens band radio has arrived. There are 8 million CB stations in operation right now and 20 million CB users. Almost another million persons seek licenses every month.

These CB stations must operate within 40 channels of the AM radio band. Unlike amateur radio, with which it is sometimes confused, citizens band is limited to short-range transmissions. In practice, CB sets have a range of 20 miles or so, although their technical limit may be up to 100 miles.

Many businesses keep in touch with mobile units but the real backbone of CB is its use by truckers or motorists who wish to communicate with each other or by persons who equip both their home and family cars with citizens band. While it is true that some CB operators may use their sets to alert others about "Smokey Bears"; that is, State highway patrol officers, many other CBers assist troopers by reporting accidents and broken down cars to police who are listening in.

One serious problem raised by the growing number of CB sets is possible interference with radio, TV, and stereo sets, and other home electronic equipment. In fact, the problem might be called a giant one. The Federal Communications Commission informs me it is now receiving complaints about radio frequency interference to home entertainment equipment at a rate of about 200,000 a year.

FCC field offices actually received over 100,000 complaints last year and, based upon the ever-expanding number of complaints it is currently receiving, projects that over 200,000 will come in during fiscal year 1978.

Now, understand that this is only the tip of an iceberg. The FCC has made studies which prove that there are at least 14 other people in the same neighborhood as each person who files a complaint who are annoyed by the same problem. This factor alone would bring the total number of persons adversely affected by radio frequency interference up to about 2.5 million.

Then, we must consider that numerous persons who try to make a complaint cannot do so because of overwhelmed telephone answering systems. The FCC is so flooded with radio frequency interference complaints, it simply cannot man enough offices to answer the complaints immediately in person. Tape machines are used so that the public can at least leave a recorded message to be processed later. But the calls are being placed in such great numbers that the chances are high of getting a busy signal. This discourages many people from following through with the complaint they had started to make.

Next, we must take account of the fact that in many States there are no FCC field offices. Remember, the Commission has only 24 of these offices. This means that in many areas of the country people do not know who to complain to and do not have any facility close at hand to file a complaint with.

Thus, the true dimension of the problem is gigantic. There are many, many millions of citizens who are troubled in their daily lives by annoying and disruptive interference to the proper operation of electronic equipment in their homes as a result of the susceptibility of such equipment to radio frequency emissions.

Mr. President, some 80 percent of the problems I am talking about are related to the operation of CB stations. Another 7 percent of the problems stem from the operation of stations licensed in the amateur service.

What is not commonly understood is that the great majority of these complaints result from defects in home electronic equipment that pick up signals they should not receive. In fact, the FCC has found in past years that 90 percent of all television interference problems can be cured only at the television receiver. Interference has not been caused by the CB or amateur radio transmitter; it has resulted from basic design defects in the TV set itself.

Further, nearly all problems with audio devices, such as hi-fi equipment, phonographs, electronic organs, and intercoms, must be corrected at the set. After all, if a neighbor's phonograph starts acting like a shortwave receiver, there is usually nothing the CB or ham radio operator can do about it. The phonograph simply should not act as a radio receiver.

In short, a major source of the problem is that otherwise well-designed home entertainment equipment is not adapted to today's urban and suburban environment. The few small components or filters which would block out radio frequency interference are too often left out by the manufacturers. Later there is a high service call to install them, even though the cost of the protective item itself is minimal.

Some responsible manufacturers already supply filters for reducing television interference when cases are brought to their attention. There is at least one major manufacturer and distributor of television receivers in the United States who now includes the proper filter in his tuner design; and, in my opinion, he has proven that such products can be marketed at competitive prices. Some manufacturers of other home entertainment equipment recognize a responsibility to the consumer by incorporating the necessary susceptibility-reducing components in their equipment, as well.

A good number, however, still do not. This is where the bill I am introducing today comes in. One means of insuring that the non-technical public will be offered home-entertainment equipment which is capable of operating properly in the vicinity of nearby CB and amateur radio transmitters is to give the FCC specific authority to require the inclusion of interference-protection components in various types of consumer electronic devices. Thus, I am submitting today legislation which will do just that.

Although the bill itself does not catalogue the electronic equipment it reaches, but rather uses the broad term "consumer electronic equipment," this language is certainly clear enough and adequately descriptive to include a great many home entertainment type products.

For example, it is my intention that the bill cover television receivers, AM and FM radio receivers, tape recorders, high-fidelity audio systems, phonographs, intercom systems and electronic organs. Public address systems would also be reached by the bill.

The legislation is not, however, limited to the above products. In a change from the bill which I introduced last year, the new bill drops the restrictive term "audio and visual electronic equipment" and substitutes for it the term "consumer electronic equipment." My purpose in making this drafting change is to reach electronic control devices and warning devices, as well as the above kind of equipment. Home burglar alarm devices are one type of warning system I have in mind.

Mr. President, I should make it clear that the bill I am proposing reaches the sale in the United States of foreign-made products and does not merely affect U.S.-manufactured equipment. The bill gives the FCC authority to regulate the sale, shipment, import, and use, as well as manufacture, of consumer electronic equipment.

Also, I might explain that now if anyone in my neighborhood complains about my transmissions on my amateur radio set, I just pick up a $1 or $1.50 resistor and go over and install it for them. It would be far simpler and more efficient for the manufacturer of the stereo or TV to do this. In fact, I have discussed it with them many times. Incidentally, while it is not addressed by the bill, I have also discussed with most TV manufacturers the advisability of containing a jack and a very inexpensive extra amplifier so that hard-of-hearing people can use an ear plug with separate control.

Mr. President, I should emphasize that the legislation will save agency time, not add to it. If the bill is successful in eliminating most of the 200,000 yearly complaints about home equipment radio interference which FCC field offices must presently handle on a case-by-case basis, the end result in time saved will more than offset the time required for administering the proposed law.

Finally, I might add that I am aware of the additional problem relating to the misuse of linear amplifiers. That, in my opinion, is a separate matter and is not included in the bill. The FCC just issued a proposed rule on linears 2 weeks ago and they will be fully considered in that context. Even if there were no problems from linears, the problem of the susceptibility of certain electronic equipment to radio frequency interference will remain with us until it is corrected at the receiving equipment itself.

Mr. President, I ask unanimous con-

sent to have the text of the bill placed in the RECORD together with the present provision of law which it amends. Also, I ask unanimous consent that an article in this week's U.S. News and World Report of March 7, 1977, entitled "Citizen's-Band Radio: Danger of Air Pollution?" be inserted in the RECORD following the above material.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 864

A bill to amend section 302 of the Communications Act of 1934 to authorize the Federal Communications Commission to prescribe regulations with respect to certain electronic equipment that is susceptible to radio frequency energy interference

Be it enacted by the Senate and House of Representatives of the United States of America in Congress asembled, That (a) section 302 of the Communications Act of 1934 (82 Stat. 290; 47 U.S.C. 302a) is amended as follows:

(1) Subsection (a) of such section is amended—

(A) by inserting "(1)" immediately after "governing" in the first sentence;

(B) by striking out the period at the end of the first sentence and inserting in lieu thereof ", and (2) the use of protective components in consumer electronic equipment which are capable of reducing interference to such equipment from radio frequency energy."; and

(C) by striking out "shipment, or use of such devices" in the second sentence and inserting in lieu thereof "or shipment of such devices and consumer electronic equipment or the use of such devices.".

(2) Subsection (b) of such section is amended by striking out "ship, or use devices" and inserting in lieu thereof "or ship devices and consumer electronic equipment or use devices".

(3) Subsection (c) of such section is amended—

(A) by inserting "or consumer electronic equipment" immediately after "devices" wherever such term appears in the first sentence;

(B) by inserting "and consumer electronic equipment" immediately after "Devices" in the second sentence; and

(C) by striking out "the common objective of reducing interference to radio reception," in the second sentence and inserting in lieu thereof "the objectives of reducing interference to radio reception and to consumer electronic equipment,".

(b) The heading for section 302 of such Act is amended to read as follows:

"INTERFERENCE WITH RADIO COMMUNICATIONS AND CONSUMER ELECTRONIC EQUIPMENT".

UNITED STATES CODE: TITLE 47 SECTION 302A TELEGRAPHS, TELEPHONES, ETC.

§ 302a. Devices which interfere with radio reception; regulations; restrictions; exceptions

(a) The Commission may, consistent with the public interest, convenience, and necessity, make reasonable regulations governing the interference potential of devices which in their operation are capable of emitting radio frequency energy by radiation, conduction, or other means in sufficient degree to cause harmful interference to radio communications. Such regulations shall be applicable to the manufacture, import, sale, offer for sale, shipment, or use of such devices.

(b) No person shall manufacture, import, sell, offer for sale, ship, or use devices which fail to comply with regulations promulgated pursuant to this section.

(c) The provisions of this section shall not be applicable to carriers transporting such devices without trading in them, to devices manufactured solely for export, to the manufacture, assembly, or installation of devices for its own use by a public utility engaged in providing electric service, or to devices for use by the Government of the United States or any agency thereof. Devices for use by the Government of the United States or any agency thereof shall be developed, procured, or otherwise acquired, including offshore procurement, under United States Government criteria, standards, or specifications designed to achieve the common objective of reducing interference to radio reception, taking into account the unique needs of national defense and security.

[From the U.S. News & World Report, Mar. 7, 1977]

CITIZEN'S-BAND RADIO: DANGER OF AIR POLLUTION?

In a few short years, more than 20 million Americans using citizen's-band radios have created a traffic jam on the nation's air waves.

The number of these amateur broadcasters continues to grow at such a phenomenal rate that all sorts of basic questions about the future of broadcasting are being posed.

CB enthusiasts themselves have reason to wonder if there won't soon be so many people trying to talk at the same time on the mobile sets that they will become virtually unusable.

Other people already have cause to wonder whether CB users in their efforts to boost power and find open channels won't make it impossible to enjoy a quiet hour watching the television screen or listening to a phonograph at home.

The Federal Communications Commission has been deluged with thousands of complaints from people who say that CB broadcasts from nearby cars and neighboring houses are:

Coming over their television sets, interrupting shows.

Blasting out of their hi-fi speakers when they try to listen to recorded music.

Charging in on electronic organ concerts.

Intruding into church services, even funerals, when the public address system is turned on.

This congestion is unlikely to disappear any time soon. In fact, it is almost certain to grow as licenses to operate CB radios soar.

By the end of 1976, there were 7.7 million licenses, seven times the 1974 total. Since the licenses are issued to entire families, the FCC estimates that there are some 20 million people using CB sets.

This year, licenses are expected to jump to more than 15 million. In January alone, the FCC received a record high number of applications—990,000—for the five-year license. Some authorities estimate that half the homes in the country will have at least some form of radio transmitter in the next 10 years.

The CB-manufacturing industry has grown along with its customers. Its sales now total about 2 billion dollars a year, and it has a guarantee of further growth: an FCC decision that increased the number of channels for CB broadcasts from 23 to 40. The 40-channel sets went on the market in January at higher prices than the old models.

About 2 million sets were sold in 1974, 5 million in 1975 and 10 million last year.

Sales are expected to level off in 1977, despite introduction of the 40-channel set. The cause: buyer indecision over whether to pay the higher prices for the new models.

SURPRISE FOR FCC

To the FCC, the proliferation of CB sets is an unexpected headache, particularly as they spread into residential areas and bring a heavy crop of complaints of interference.

In the past two years, complaints to the FCC have more than tripled—from 30,000 to 100,000 a year. The number is expected to double in 1977.

"There's not going to be a neighborhood in the U.S. where this isn't a problem," says the FCC's deputy chief of field operations, James C. McKinney, whose staff investigates interference complaints.

Some nonusers of CB sets are threatening a class-action lawsuit "to affirm the rights of individuals to be free from unwanted invasion of privacy." The suit would challenge the FCC's method of granting licenses without requiring a test, as well as its decision to open up 17 more channels for CB broadcasts.

Other protesters have retaliated by climbing on their neighbors' roofs and pulling down antennas, or by rigging the antenna wires so that the transmitters blow up when turned on.

A small number of people have even changed neighborhoods to escape the unwanted CB broadcasts on their television sets or phonographs.

CB users contend that interference is not as bad as their opponents claim. Says Andrew Andros, chairman of the board of one of the largest CB manufacturing companies, Hy-Gain Electronics, based in Lincoln, Nebr.: "There are 20 million CB users in the U.S. There are 100,000 complaints of interference. Comparatively speaking, that's an infinitesimally small figure. It's absolutely nothing."

CB enthusiasts argue, too, that their sets bring more good than harm. They point to the CB trade group. REACT (Radio Emergency Association Citizens Teams), whose main purpose is to monitor Channel 9, the official emergency channel. Its 120,000 members have handled an estimated 65 million emergency calls, including 15 million highway accidents, since 1962. Over half of these calls came in the last three years, estimates Gerald Reese, REACT's managing director.

Some State police are installing CB sets in their patrol cars, hoping to respond more quickly to emergencies. They are getting funds for this equipment from the National Highway Traffic Safety Administration.

There is still another side to the CB story, however. Equipment is being used by shady characters to solicit prostitutes, to call in the "numbers" for gambling, and even as a tool in schemes for extortion and kidnaping.

CB radio also is an invaluable tool to truckers and others who want to avoid police speed traps.

KEY WORRY

To the FCC, the largest CB problem is interference. Government and private engineers say that there are ways to eliminate it without affecting the quality of equipment. A filter can be installed on the CB transmitter to keep it from putting out any emission higher than the citizen's-band frequency. Filters can also be put in other equipment to keep it from picking up the lower CB frequencies.

On TV sets, for instance, a filter can be installed at the set's antenna terminal. If that's not effective, a filter inside the set next to the tuner should end any interference.

But these filters cost money—about $30 for a CB set and $4 to $10 for a television set. That raises the question of who should pay the costs.

Right now, manufacturers of CB sets and home-entertainment equipment are unable to agree on the answer, and they are getting much of the blame from the FCC.

But the agency also attributes some of the problem to CB users who, eager to extend the range of their sets, are boosting their transmitter power from the 4-watt

limit allowed by FCC to levels as high as 1,000 watts. All that a CB user needs to do to achieve that is to attach a simple amplifier to his transmitter.

The FCC is cracking down on CB users who overamplify their sets. But a small enforcement team—100 for the whole country—makes this task tedious, if not impossible. McKinney says: "It would take a veritable army to respond to every CB complaint."

The Commission is now hoping to get at the source with a ban on the sale of amplifiers that can be made compatible with CB sets. It proposed such a rule on February 18.

The FCC also requires any CB user found to be causing interference to install a filter on his transmitter. And the agency has toughened its construction and design standards for CB sets, now tests each new model and makes spot checks at the factories to see that those standards are being met.

The FCC does not have authority to compel manufacturers of TV sets and other equipment to install filters.

Legislation giving the Commission such power was introduced in Congress last year, but went nowhere.

Without such a law, it appears unlikely that television or stereo manufacturers will voluntarily install shielding devices in all new sets, although the costs of doing so on a mass-production basis is placed at only $1 per set. That leaves it up to the customer.

MANUFACTURERS' VIEW

Some manufacturers say that the problem is affecting too few customers to warrant adding filters to all sets. They add that if a customer complains of interference, they will send him a filter free. But the owner of the TV or record player then has to pay a serviceman to install the filter, a job that usually costs at least $20.

In short, there seems to be no easy cure for the interference problem raised by CB's, and it's not likely to go away any time soon.

By Mr. BROOKE:

S. 865. A bill to repeal the requirement of section 3306 of title 5, United States Code, relating to apportionments in the civil service in the District of Columbia among the States; to the Committee on Governmental Affairs.

Mr. BROOKE. Mr. President, the Civil Service apportionment quota regulation is a problem which has long been overlooked and which desperately needs to be addressed. It is a problem which concerns people from all States and in particular young people, who will be the future of this country. Civil Service apportionment is a legal system instituted in 1883 which establishes numerical quotas by State of residence on those seeking to enter the civil service system in Washington, D.C., on a beginning professional level. The effect of apportionment is to bar many applicants from consideration based solely on their State of residence. I believe that this regulation can and should be changed.

The purpose of the Apportionment Act was twofold: first, to improve the Civil Service of the United States by eliminating the spoils system, which showed little regard for merit or qualification and second, to provide for a wide representation of people from different States, thus providing for a broad spectrum of ideas in the Government service at the national level.

There are six major reasons why I believe this apportionment regulation should be eliminated.

First, extending preference to individuals on the basis of residence instead of qualification is anachronistic. Previously it was thought to be viable because a diverse representation of people from different States was desired in the Nation's Capital. But 20th century technology, sophisticated communication and increased mobility have rendered actual geographic representation meaningless. More importantly, the Federal Government already receives regional input through its increasing reliance on regional offices.

Second, apportionment has not resulted in the kind of geographic distribution intended. There are 14 States in excess of their quotas, and the rest of the States are in arrears. Such disproportion occurs when an applicant from a below-quota State decides, for various reasons, that he or she does not want to relocate in Washington, D.C. The appointing officer can then hire applicants from an above-quota State. This imbalance has been maintained for the past 25 years.

Third, it is a wasteful expenditure of the public's time and money for each agency to maintain apportionment quota records.

Fourth, better qualified applicants are being denied employment because they happen to come from the wrong State.

Fifth, apportionment discriminates against women because an exemption is extended to veterans and most women are nonveterans.

Sixth, the number of exemptions make the law even more meaningless and unfair. Basically, those who are exempt are:

Veterans, who constitute about 50 percent of all Federal employees; excepted service positions, such as those in the FBI, the CIA, specially qualified scientific and professional personnel; GS-13 and above positions and positions in agency field offices in the Washington area; apprentice positions in the recognized trades and skilled occupations; temporary, part-time, and intermittent jobs; and positions in the Government Printing Office.

Mr. President, the discriminatory impact of these regulations falls primarily on bright, young college graduates. Too many are being shut out of any possible future with the Federal Government because of the present regulation. Instead of being encouraged to lend their talents and their resources, they are blocked from the outset. Not only is this frustrating for them, but we are denying the Nation the use of the enormous reservoir of talent and intelligence these people possess.

In sum, I believe that the civil service apportionment regulations are discriminatory and counterproductive. And, therefore, I urge that they be repealed.

I ask unanimous consent that the text of my legislation be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 865

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3306 of title 5, United States Code, is repealed.

(b) The analysis of chapter 33 of title 5, United States Code, is amended by striking out the text of the item relating to section 3306 and inserting in lieu thereof "[Repealed.]".

SEC. 2. Paragraph (2) of section 3302 of title 5, United States Code, is amended by striking out "3306(a)(1),".

By Mr. INOUYE (by request):

S. 866. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. INOUYE. Mr. President, I introduce the following bill by request. It would amend the Communications Act of 1934, as amended, and would affect existing FCC policies and decisions concerning terminal equipment and private line service in the common carrier field.

In a series of decisions over the past few years the FCC has authorized limited competition in the telecommunications industry.

Specifically, these decisions have allowed customers to provide their own terminal equipment including telephone instruments, answering machines, switchboards, and data processing devices. They have also allowed consumers to contract with specialized carriers for private line services.

The FCC's decisions have engendered substantial controversy because they significantly affect existing and prospective national telecommunications policy, and therefore bear on the FCC's statutory mandate to regulate interstate communication by wire and radio "so as to make available—to all the people of the United States a rapid, efficient, nationwide, and worldwide wire and radio communication service with adequate facilities at reasonable charges * * *."

Supporters of the legislation which I am introducing by request are opponents of these FCC decisions and the policies underlying them. They allege that the FCC's regulatory actions depart from the basic standards of the Communications Act, and threaten the technical and economic viability of the present telecommunications network as an efficient, integrated vehicle for providing universal service at reasonable cost.

Their reason for seeking to amend existing law with respect to the FCC's jurisdiction over terminal equipment is to assure service availability and quality by vesting total, end-to-end responsibility for the technical integrity and efficiency of the nationwide network with the telephone companies themselves, that is, the companies within the Bell System as well as the independent telephone companies.

The reason underlying the bill's provisions restricting competition in the pri-

vate line voice and data services is economic.

Proponents of those provisions take the position that continued competition for highly profitable telephone services will inevitably affect the telephone rates of the remaining monopoly services, that is, home and business telephone basic service.

They maintain that there is about 96 percent penetration of American homes and businesses and increases in basic telephone costs will reduce the level of penetration.

Furthermore, they say, the price of telephone service has declined in real dollar terms since 1960 for both residential telephone service and interstate long-distance rates. These prices are only possible, they maintain, because of cross subsidies from terminal and private line long-distance profits.

The opponents of the instant bill, which include the FCC, do not agree with the foregoing technical and economic arguments.

Commenting on a similar bill which was introduced in the 94th Congress the FCC said as follows:

The Commission believes that the Consumer Communications Reform Act of 1976 would seriously disserve the public interest by limiting important consumer rights; by limiting effective regulatory action to protect consumers against discriminatory rates and practices; by limiting the ability of the FCC to maintain or formulate policies designed to assure the widest availability of high quality telecommunications service to the entire Nation; and, by delegating to the unreviewed discretion of the telephone industry fundamental social and political decisions.

The Chairman of the FCC, Richard Wiley, has observed that "after nearly a decade of experience with interconnection, the telephone industry has yet to document any deterioration of the nationwide switched network."

The major benefits the FCC associates with its present interconnection policies include the provision of innovative and useful terminal mechanisms which were not formerly available to telephone subscribers, such as automatic dialers, automatic telephone answering and recording machines, and computerized telephone terminals.

On the cross-subsidy question opponents of the legislation cite a New York State Public Service Commission study that found in 1975 that a lot of the equipment that New York telephone company leased to businesses was priced below cost. The New York Commission concluded that in this area at least, residential customers were covering the telephone company's business losses.

Advocates of increased competition argue that competition will continue to stimulate innovation and new services, contribute to general economic growth, and contribute to reducing inflationary pressures in the business sector. Reduced business telephone costs will be passed along to the consumer as reduced product costs. They maintain that home telephone rates may well be reduced by additional competition because the general economic stimulus from reduced business costs and the demand for innovative telephone services will require a larger telephone network. This means the rate base and volume of services offered by the telephone companies will be larger with than without competition. These advocates are not willing to grant that competition will, in any event, adversely affect residential telephone rates. Total gross revenues of the industries competing with the telephone companies represent less than 0.3 percent of the total Bell System revenues in a year in which the Bell System was granted a 9.5 percent rate of return on capital by the FCC, they point out.

Mr. President, manifestly there is substantial disagreement between those who support the FCC's decisions and policies fostering competition and therefore oppose the measure I am introducing by request; and those who oppose the FCC's position and therefore support this legislation.

Unfortunatelv, these legal, technical, and economic differences obscure what I know all parties wish for the American people—the best telecommunications service possible, at the most reasonable rates possible.

I am particularly sensitive to these twin objectives, because my own State of Hawaii has yet to receive equal treatment vis-a-vis the contiguous 48 States insofar as telecommunications rates and services are concerned.

This discrimination has persisted since the advent of our statehood in 1959, and in spite of the FCC's statutory mandate to make these services and rates available to all the people of the United States.

In the past year the FCC with the cooperation of the voice and record common carriers has made substantial progress in integrating Hawaii into our nationwide telecommunications network.

Much remains to be done, however. Meanwhile, those who wish to communicate to and from Hawaii and the Mainland are disadvantaged.

Mr. President, communications common carrier regulation is at best highly technical and very complex.

When, as with the instant bill, it involves fundamental policy questions with far reaching social and economic consequences, the Congress must thoroughly examine and understand the issues involved before we act.

As a member of the Communications Subcommittee I have and will continue to study these issues, and approach their resolution with only one criterion—What is in the best interest of all the people of the United States.

I note that the act provides that it may be cited as the "Consumer Communications Reform Act of 1977." I assume therefore that as the Senate considers this bill, its proponents would entertain any amendments which might be necessary in order to assure that consumers using telecommunications facilities to and from Hawaii, Alaska, or Puerto Rico and the mainland receive the same kind of rate and service treatment accorded consumers using inter-mainland facilities.

By Mr. BARTLETT (for himself and Mr. TOWER):

S. 867. A bill to amend the Federal Water Pollution Control Act, as amended, to define the term "navigable waters" as it applies to Corps of Engineers authority; to the Committee on Environment and Public Works.

Mr. BARTLETT. Mr. President, today I am introducing legislation to amend section 404 of the Water Pollution Control Act to insure that the expanded authority provided to the Federal Government by this particular statute will be realistically applied. This matter was acted on by the House of Representatives during the 94th Congress, and they provided the Senate with a reasonable solution. However, the Senate would not take the lead provided by the House, and only a partial and incomplete answer to the problems of navigable water jurisdiction was provided. My bill provides specific exemptions from Federal jurisdiction for bodies of water owned or controlled by either State and local governments or private citizens.

It is imperative that Congress clearly expresses its intent so that the Corps of Engineers and other Federal agencies will have clear and specific guidelines within which to operate. Also, it is necessary that Congress define the parameters of the Water Pollution Control Act for Federal courts, thereby precluding any opportunity for the court to misinterpret the intention of Congress.

The Corps has published its "interim final" regulations requiring a "general permit." This seems to lead to the acceptance of the premise that all agricultural activities are "point sources" of pollution. Under Public Law 92–500, the Water Pollution Control Act, Congress clearly stated that only certain activities would be considered "point sources" requiring treatment. The cost of this permit is $100, but this expense is misleading, because it does not reflect the cost to the farmer in time, effort, and delay to secure the permit.

An analysis by several farm organizations shows that the following steps would be necessary to meet the requirements being established under section 404:

First. Permit application—the application will include a complete description of proposed activities; location; purpose; use; schedules; names and addresses of adjoining property owners; all other Federal. State. and local agency approvals required; the type, source, composition, quality and transportation method of materials involved; and other information requested by the district engineer.

Second. Public notice, comments, and hearing—Notice must be given by the district engineer of the application allowing opportunities for and consideration of public comments to include public hearings.

Third. Section 401 certification—The applicant must obtain certification from the State, when an activity would discharge into a navigable water, that the discharge will comply with the acceptable effluent limitations and standards for that particular watershed.

Fourth. Coastal zone management certification—An applicant in a coastal zone area must obtain a certification from his respective State where the activity would affect land or water in the coastal zone.

Fifth. Environmental impact statement—The district engineer must determine whether an EIS is necessary for the particular permit application, and if necessary, must complete prior to the hearing on the application.

Sixth. Corps decisionmaking—The corps must apply a complex and lengthy series of general and specific policies including factors and criteria mentioned in their own regulations, those of the Environmental Protection Agency and policies under numerous other statutes. The corps must also engage in substantial interagency consultation.

Seventh. EPA review—The EPA must consult with the Corps of Engineers and has final veto power if it determines the discharge will have an unacceptable adverse effect.

These requirements are in addition to applicable State and local requirements, which include compliance with State environmental policy acts, State forest acts, and State and local land use laws. Also, there are other Federal requirements from specific agencies such as the Department of Agriculture which already must be complied with. It has been estimated by certain agricultural organizations that section 404 permit requirements would take between 6 and 24 months for completion, depending on the specific project undertaken by the farmer.

This type of delay can be ill afforded by the agricultural community or any other type of business. A decision is made on the basis of a number of tangible and intangible considerations but particularly depends on immediate need, anticipated need, availability of capital, and present costs. Lengthy delays can do nothing but detrimentally affect the business planning that has become increasingly imperative in complex agribusiness.

The U.S. Department of Agriculture has estimated that 60,000 additional permits per year would be required if the normal conservation practices now being carried on by USDA and farmers are continued. Each of these conservation practices would be delayed, thus perpetuating the environmental problem that the "practice" is seeking to solve:

First. If the court decision to expand the jurisdiction of the Corps to all bodies of water, both public and private, in excess of 5 acres is an accurate reflection of legislative intent, then it should stand.

However, if the Congress should decide that it was not their intention to extend such jurisdiction, then it should immediately act to correct this error, by adopting legislation such as I have introduced.

Second. If Congress is serious about eliminating unnecessary paperwork, redtape, and bureaucratic interference, this is the specific place to begin.

The problem is apparent, and I urge that the Members of the Senate consider the present situation and move to expedite the passage of this bill.

By Mr. BROOKE (for himself and Mr. BAYH):

S.J. Res. 33. A joint resolution requiring that the Congressional Medal of Honor previously awarded to Dr. Mary Edwards Walker in 1865 be restored to her; to the Committee on Armed Services.

Mr. BROOKE. Mr. President, Saturday, February 19, marked the 60th anniversary of the death of a great American—Dr. Mary Edwards Walker. And so it is with a deep sense of admiration and pride that I again introduce this resolution to return to Dr. Walker the Congressional Medal of Honor which she so rightfully deserves, and which was so wrongfully taken away from her by the Adverse Action Medal of Honor Board in 1917. I also introduced this measure in the second session of the 94th Congress, but unfortunately, no action was taken by the Congress. I do hope that we do better this time, and act expeditiously to right the wrong that was done to Dr. Walker.

Dr. Walker was an outstanding woman, a renowned lecturer, a dedicated teacher, and physician, an active campaigner for women's suffrage, and an outspoken advocate for other progressive reforms. She was truly a woman ahead of her times. She was the first woman ever commissioned as an Army doctor, and the only woman to serve as a Union Army physician during the Civil War. I might add that Dr. Walker volunteered her services to our Nation and received not a single penny for her untiring efforts on the battlefield. Her bravery and valor must not go unrewarded.

Dr. Walker graduated from Syracuse Medical School in 1855 at the age of 22—the only woman in her class. Seven years later, she became an unsalaried physician in the Union Army, during which time she treated soldiers at the battles of Bull Run and Gettysburg and, at the risk of capture, crossed enemy lines to care for destitute Southern civilians near Chattanooga who were suffering and in serious need of medical attention. And as a result of her ministry, these people were won over to the Union cause. She later endured 4 months in a Confederate prison, where she continued her medical mission of mercy by attending to ailing inmates, to the detriment of her own health.

For her patriotism, courage, and dedicated service in healing the sick and wounded, President Lincoln, shortly before his death, recommended that Dr. Walker be given the Congressional Medal of Honor. President Johnson endorsed the recommendation and presented the medal to her on November 11, 1865. She is the only woman in our history ever to receive the Nation's highest award for valor. She earned it, and she deserves to keep it.

It is indeed a tragedy that this remarkable woman was stripped of her medal by the Adverse Action Medal of Honor Board in 1917. The Board stated at the time that there "was insufficient reason indicated in the available record" to warrant the presentation of the award to Dr. Walker. I cannot agree. And I hope my colleagues will concur with me that there is more than enough evidence to prove that Dr. Walker is truly worthy of the great honor that was bestowed on her 112 years ago. I hope the Congress will act favorably and expeditiously on this resolution so that the President may file a request with the Pentagon's Board for the Correction of Military Records. I think it is most fitting that in this year of 1977, which marks the 60th anniversary of the Adverse Action Medal of Honor Board's decision to revoke Dr. Walker's medal, we pay tribute again to one of America's finest women, and that we return to Dr. Mary Edwards Walker the Congressional Medal of Honor which has, in a sense, always been hers.

ADDITIONAL COSPONSORS

S. 3

At the request of Mr. KENNEDY, the Senator from Minnesota (Mr. HUMPHREY), the Senator from Florida (Mr. STONE), the Senator from Rhode Island (Mr. PELL), the Senator from New Jersey (Mr. CASE), the Senator from Hawaii (Mr. INOUYE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Maryland (Mr. SARBANES), the Senator from California (Mr. CRANSTON), the Senator from Michigan (Mr. RIEGLE), and the Senator from South Dakota (Mr. ABOUREZK) were added as cosponsors of S. 3, the Health Security Act.

S. 19

At the request of Mr. MCINTYRE, the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Wisconsin (Mr. NELSON) were added as cosponsors of S. 19, the Fair Marketing of Petroleum Products Act.

S. 104

At the request of Mr. INOUYE, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 104, a bill to amend the Social Security Act.

S. 123

At the request of Mr. INOUYE, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 123, a bill to amend the Social Security Act.

S. 197

At the request of Mr. GRIFFIN, the Senator from Oklahoma (Mr. BELLMON) was added as a cosponsor of S. 197, the Conservation Gas Act, S. 198, the Residential Insulation Credit Act, and S. 199, the Conservation Gas and Residential Insulation Credit Act.

S. 217

At the request of Mr. MCINTYRE, the Senator from Massachusetts (Mr. BROOKE) was added as a cosponsor of S. 217, a bill to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions.

S. 265

At the request of Mr. MCINTYRE, the Senator from Michigan (Mr. GRIFFIN), the Senator from Hawaii (Mr. INOUYE), and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S. 265, the Elderly and Handicapped Persons Transportation Act of 1977.

S. 297

At the request of Mr. PACKWOOD, the Senator from Nevada (Mr. CANNON) and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 297, a bill to label and insure the wholesomeness of imported meat and dairy products.

S. 311

At the request of Mr. ROTH, the Senator from Nevada (Mr. CANNON) was added as cosponsor of S. 311, a bill entitled the College Tuition Tax Relief Act of 1977.

S. 489

At the request of Mr. BROOKE, the Senator from California (Mr. CRANSTON), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 489, a bill to amend the Foreign Assistance Act of 1961.

S. 514

At the request of Mr. RIBICOFF, the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Vermont (Mr. LEAHY), the Senator from Florida (Mr. STONE), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 514, to amend title XVIII of the Social Security Act.

S. 592

At the request of Mr. DOLE, the Senator from Oklahoma (Mr. BARTLETT), the Senator from Nebraska (Mr. ZORINSKY), and the Senator from North Carolina (Mr. BURDICK) were added as cosponsors of S. 592, to amend the U.S. Grain Standards Act of 1976.

S. 672

At the request of Mr. HUMPHREY, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 672, to provide for the procurement by the General Services Administration of existing solar energy devices for use in Government buildings.

S. 714

At the request of Mr. RIEGLE, the Senator from Utah (Mr. GARN) and the Senator from Oklahoma (Mr. BELLMON) were added as cosponsors of S. 714, a bill to amend the Clean Air Act to establish certain motor vehicle emissions standards, and for other purposes.

S. 748

At the request of Mr. PELL, the Senator from New Hampshire (Mr. MCINTYRE) was added as a cosponsor of S. 748, a bill to encourage the conservation of energy by requiring that certain buildings financed with Federal funds are so designed and constructed that the windows in each building can be opened and closed manually.

S. 749

At the request of Mr. ANDERSON, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 749, a bill to amend the Internal Revenue Code of 1954.

S. 754

At the request of Mr. KENNEDY, the Senator from New York (Mr. JAVITS) and the Senator from Wisconsin (Mr. NELSON) were added as cosponsors of S. 754, to extend expiring health programs for biomedical research.

S. 805

At the request of Mr. MCINTYRE, the Senator from Minnesota (Mr. ANDERSON) and the Senator from Nevada (Mr. CANNON) were added as cosponsors of S. 805, the Solar and Energy Conservation Commercialization Act.

S. 806

At the request of Mr. MCINTYRE, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 806, the Renewable Energy and Energy Conservation Tax Act of 1977.

S. 807

At the request of Mr. MCINTYRE, the Senator from Minnesota (Mr. ANDERSON) and the Senator from Nevada (Mr. CANNON) were added as cosponsors of S. 807, the Small Business Energy Research Incentives Act.

S. 808

At the request of Mr. CASE, the Senator from Minnesota (Mr. ANDERSON) and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 808, to encourage greater emphasis on the production and conservation of energy in developing countries through development and utilization of unconventional energy technologies.

S. 820

At the request of Mr. HUMPHREY, the Senator from New Hampshire (Mr. MCINTYRE) and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 820, a bill to establish a demonstration program for the application of existing energy conserving and renewable energy technology to farms and agricultural communities.

SENATE RESOLUTION 49

At the request of Mr. PELL, the Senator from Massachusetts (Mr. BROOKE) was added as a copsonsor of Senate Resolution 49, a resolution expressing the sense of the Senate that the U.S. Government should seek the agreement of other governments to a proposed treaty requiring the preparation of an international environmental impact statement for any major project, action, or continuing activity which may be reasonably expected to have a significant adverse effect on the physical environment or environmental interests of another nation or a global commons area.

SENATE RESOLUTION 70

At the request of Senator PACKWOOD of Oregon, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of Senate Resolution 70, to make the CONGRESSIONAL RECORD a verbatim transcript of Senate proceedings.

SENATE RESOLUTION 102—SUBMISSION OF A RESOLUTION AUTHORIZING EXPENDITURES BY THE SELECT COMMITTEE ON INDIAN AFFAIRS

(Referred to the Select Committee on Indian Affairs.)

Mr. ABOUREZK submitted the following resolution:

S. RES. 102

Resolved, That in carrying out the duties and functions imposed on it by section 105 of Senate Resolution 4, Ninety-fifth Congress, agreed to February 4 (legislative day, February 1), 1977, and in exercising the authority conferred on by it such section, the Select Committee on Indian Affairs is authorized from March 1, 1977, through February 28, 1978, to expend not to exceed $617,400 from the contingent fund of the Senate, of which amount not to exceed $25,000 may be expended for the procurement of the services of individual consultants or organizations thereof (as authorized by section 202(1) of the Legislative Reorganization Act of 1946, as amended).

SEC. 2. Expenses of the select committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the select committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

AMENDMENTS SUBMITTED FOR PRINTING

VICTIMS OF CRIME ACT OF 1977—S. 551

AMENDMENT NO. 53

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. DOMENICI. Mr. President, today I am introducing an amendment to S. 551 a bill to provide for grants to States for payment of compensation to persons injured by certain criminal acts and omissions. This bill is to be known as the "Victims of Crime Act of 1977."

For years our criminal justice system has focused almost exclusively on the criminal. Upon introduction of S. 551 it was noted that the Federal Government spends almost $8,000 annually for the care of each prisoner. We house, clothe, feed, and provide medical services, psychiatric care, vocational training as well as other benefits to prisoners. Yet, to date, we have directed little constructive attention to the plight of the victims of the crimes perpetrated by these prisoners. Fortunately, however, in recent years there has been a growing awareness of the plight of these victims and recently substantial national attention has been focused on the situation. On several past occasions, the Senate has passed bills which provide mechanisms to compensate these victims. Last session, for example, the majority leader introduced such a measure as an amendment to another bill, H.R. 366. That amendment was passed, but dropped during conference. Almost identical provisions were subsequently introduced by Mr. Mansfield as S. 3800, which apparently, because of the lateness of its introduction, did not receive consideration last session.

Clearly, legislation to provide compensation to victims of crime has enormous humanitarian appeal. I strongly believe their situation deserves immediate and thorough consideration. It seems outrageous to me that we can provide so much for the perpetrators of the crime, yet almost completely ignore the victim.

I do not favor, however, merely establishing another Federal compensation program. We have all seen and experi-

enced far too many Federal programs which merely provide compensation without making any contribution toward solving the basic underlying cause of the problem.

Without question, Mr. President, the mounting victim of crime problem is caused by our soaring crime rate. If we can attack the crime problem which is at the root of this situation we can help alleviate the victim problem. There are several measures that have already been introduced in this session of the 95th Congress which I believe, if they became law, can help turn our rising crime rate around. These include minimum mandatory sentencing for firearms felonies (S. 31), sentencing guidelines (S. 181), mandatory sentencing for terrorist crimes (S. 205), and minimum mandatory sentencing (S. 260). Clearly, the reduction of crime is a very complex problem and no one solution will solve the problem completely. Multiple complementary approaches should, however, make a significant contribution toward reducing the current untenable level of crime in this country.

With these factors in mind, Mr. President, I am introducing my amendments to S. 551. These amendments, in their basic form require that a State victims-of-crime program contain provisions that the perpetrators of the crime participate in the compensation of the victim before that program will be eligible for the Federal grants that S. 551 provides to those programs. The theory or concept of the amendment is the same as that found in the majority leader's bill last session. I believe that there is a possibility that if a criminal learns that he must help pay for the damage he has done there is at least hope that he may be deterred, particularly from committing these types of offenses again. It has been said that when innocent victims of crime are injured during the commission of a violent crime, it is because our law enforcement agencies have been unable to provide adequate protection and that this is the bottom line. I have trouble agreeing with this, because I am not convinced that our laws which our law enforcement agencies must enforce have enough deterrence effect to arrive at this conclusion. I agree with the position of the American Bar Association taken during House hearings last Congress that "as a Nation we do not have the funds or the manpower to give every citizen personal protection," but such personal protection should not be the ideal or goal in the first place. We must work toward eliminating the incentives for crime. Laws that deter can contribute toward that end.

Mr. President, I do not advocate making our criminal justice system so harsh that it imposes cruel and unusual punishment, for in the first place such would be unconstitutional. Further, though I believe that our criminal justice system must evidence compassion for criminals, it must also show compassion for the victims of crime. There is a very delicate balance as to how our laws should go about deterring crime. I believe that the amendment I propose today meets this balancing test and deserves full and thorough consideration during the hearings on S. 551.

I ask unanimous consent that the text of my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 53

On page 6, between lines 12 and 13, insert the following:

"(7) There is in effect in the State a law or rule that—

"(A) upon conviction of a person of a qualifying crime, the court shall, taking into consideration the financial condition of such person, order such person to pay, in addition to any other penalty, a fine in an amount of not less than 10 per centum of the net worth of such person, except that such amount shall not exceed $10,000; and

"(B) upon imprisonment of a person convicted of a qualifying crime, the court shall order the withholding from the prison wages of such person an amount not less than 10 per centum of such wages; and

"(C) upon probation or parole of a person convicted of a qualifying crime, the court shall order the withholding from the wages of such person an amount not less than 5 per centum of such wages; or

"(D) as an alternative to the provisions of subparagraphs (A), (B), and (C), upon conviction of a person of a qualifying crime, the court imposes a sentence on such person which includes substantial restitution, in addition to any other penalty, by such person to the victim of such crime.".

On page 6, line 14, insert "(a)" after "Sec. 5.".

On page 7, line 16, insert the following:

"(b) In computing the amount of the grant to be paid to any qualifying State program under section 3 for such fiscal year, any amount collected by the State under section 4 in the year preceding such year shall be deducted from the amount of such grant.".

NOTICES OF HEARINGS

HOME HEALTH CARE

Mr. CHURCH. Mr. President, the Senate Committee on Aging will conduct hearings on March 8 and 9 to examine issues related to home health care programs authorized under titles 18, 19, and 20 of the Social Security Act. We have invited the Health Subcommittee and the Oversight Subcommittee of the House Ways and Means Committee to participate.

The hearings will be held in 1202 of the Dirksen Senate Building on March 8 and in the House Ways and Means Committee hearing room on the first floor of the Longworth House Office Building on March 9. Both hearings will begin at 10 a.m.

Several subpenas have been issued in conjunction with these hearings. A witness list will be announced in the near future.

I think there is general agreement that home health care is of vital importance and we would like to see these services expanded. At the same time we must do everything possible to insure that Government funds are helping the sick and infirm who are in desperate need of in-home services.

NSF AUTHORIZATION

Mr. KENNEDY. On Tuesday, March 1 and Thursday, March 3, the Subcommittee on Health and Scientific Research will hold hearings on fiscal year 1978 NSF authorization with testimony from NSF and public witnesses.

ADDITIONAL STATEMENTS

DIRECT ELECTION? NO

Mr. GOLDWATER. Mr. President, after every Presidential election we hear another spate of conversation and demands for the abolition of the electoral college. This year it has been no different. Those who would tamper with our time-honored system are again raising the specter of what would happen to our Nation if a candidate who won the highest popular vote for President failed to receive the necessary majority for election in the electoral college. It seems to them that such a condition would lead to a national nervous breakdown on the part of the electorate. They seem to think the American people could not possibly stand the strain of having a man elevated to the White House who had not won the popularity contest at the polls.

Mr. President, I would remind those who want to abolish the electoral college system that the kind of nightmare they fear occurred in 1888 when Benjamin Harrison ran 95,000 votes behind Grover Cleveland, but carried the electoral college 233 to 168. At that time history tells us the Nation accepted the election of Harrison with scarcely a murmur.

Because of the interest in this question, I ask unanimous consent to have an editorial on this subject which appeared in the Arizona Republic, printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Arizona Republic, Mar. 2, 1977]

DIRECT ELECTION? NO

Once again a clamor has arisen on Capitol Hill to change our system of electing the President.

It happens after every close election. It happened in 1960, when John F. Kennedy barely nosed out Richard M. Nixon in the popular vote; and it happened again in 1968, when Nixon did the same to Hubert H. Humphrey.

Someone takes out his pocket calculator and demonstrates that a shift of just a few thousand votes could have given the loser a majority in the Electoral College even though he trailed at the polls.

Sen. Birch Bayh is doing this right now. He says (and calculators don't lie) that a shift of a mere 7,000 votes could have given the 1976 election to Gerald Ford.

The possibility that a man could lose at the polls and still win the presidency chills the Indiana Democrat. He wants to amend the Constitution to abolish the Electoral College and provide for the election of the president by popular vote.

Of course, the operative word is "could." Actually, no such thing has occurred since 1888, when Benjamin Harrison ran about 95,000 votes behind Grover Cleveland, yet carried the Electoral College, 233 to 168.

The reason it hasn't should be obvious even to Bayh. As Election Day approaches, people who have been thinking of voting for a third-party candidate, who clearly has no chance of winning, decide there's no point in doing so.

That's what happened in 1948. Henry A. Wallace's huge following simply melted away

It also happened in 1976. Despite the hoopla that surrounded him, Eugene McCarthy's vote was minuscule.

For all its lack of logic, therefore, the Electoral College system serves a very important purpose in our democracy—it helps to preserve the two-party system and keep American politics from being fractionalized, as French and Italian politics are.

In a nation composed of minority groups and people of strikingly diverse interests, a two-party system is essential. As things stand now, neither the Republican nor the Democratic Party can afford to ignore any of them.

Sen. Barry Goldwater, R-Ariz., pointed this out in a letter to Bayh:

"It will diminish the attention given to minority groups by the major parties, but will encourage the proliferation of ineffective and vindictive splinter parties."

Strangely, Bayh himself appears to recognize this. His amendment provides for a runoff in the event no candidate receives as much as 40 percent of the vote. This could happen only if there were "a proliferation . . . of splinter parties."

The Electoral College and the two-party system that resulted from it have served the nation well. They are the reason we don't have the kind of divisiveness in this country we find elsewhere.

As for the nightmare that gives Bayh cold sweats: In 1888, the nation accepted the election of Harrison with hardly a murmur.

MR. SMITH BLAIR, JR., RETIRES

Mr. HOLLINGS. Mr. President, Mr. Smith Blair, Jr., an experienced and dedicated public servant, is retiring. Smitty has had a varied and distinguished Federal career. He has been an FBI agent, Director of the General Accounting Office's European branch office, regional manager of GAO's Dallas office, and assistant to the Agriculture Inspector General. He also worked for a congressional committee. And now, for the last 9 years, he has been in GAO's Office of Congressional Relations; he became the first Director of that office in 1973.

As former chairman of the Legislative Subcommittee of the Senate Appropriations Committee, I have had special interest in GAO's activities. GAO's success as an impartial and objective audit and analysis agency in the legislative branch is in large measure the result of the work of GAO's Office of Congressional Relations under Smitty's guidance and direction. I know from firsthand experience how much Elmer Staats, the Comptroller General, and Bob Keller, the Deputy Comptroller General, rely on the small congressional liaison staff.

Therefore, thanks and congratulations go to Smitty Blair for a job well done at the conclusion of an impressive 34-year career of public service. Good luck and best wishes for a rewarding retirement.

RETIREMENT OF SMITH BLAIR, JR.

Mr. SCHWEIKER. Mr. President, the Director of the Office of Congressional Relations at the General Accounting Office, Smith Blair Jr., is soon to retire after 34 years in the public service.

Mr. Blair has a broad range of experience in the public sector. After graduation from law school, he served as an agent with the Federal Bureau of Investigation. In addition to his work at GAO, he served on the staff of the House of Representatives and as assistant to the Inspector General of the Department of Agriculture.

Mr. President, I join with my Senate colleagues in congratulating Smith Blair on his more than three decades of service and in wishing him an enjoyable and productive retirement.

SMITH BLAIR, JR.

Mr. HUDDLESTON. Mr. President, I rise to congratulate Mr. Smith Blair on the occasion of his retirement as the Director of the Office of Congressional Relations of the General Accounting Office. The Comptroller General, Elmer Staats, and the Deputy Comptroller General, Robert Keller, will miss Smitty's sound advice and untiring assistance.

Since Smitty entered GAO's Congressional Liaison Office in 1968, the Congress has come to rely increasingly heavily on GAO. At the same time, GAO's role has gone through a significant evolution, both by virtue of the Comptroller General's leadership and also of legislative changes such as the Legislative Reorganization Act of 1970, the Federal Election Campaign Act of 1972, the Congressional Budget and Impoundment Control Act of 1974, the General Accounting Office Act of 1974, and the Energy Policy and Conservation Act of 1975.

Through it all, Smitty has been able to make an important contribution to making Congress more effective and independent. Smitty has fostered a healthy relationship between GAO and the Congress by striking a proper balance between the duty of GAO to serve the Congress and the duty of GAO to remain objective and impartial. He has helped to assure that GAO's audit and analytical review activities conform as closely as possible to the special needs of the Congress.

Smitty came to his position well prepared. After several years in the trust department of a local bank, during which time he attended law school at night and earned his degree with honors, he was an FBI agent for several years. After leaving the FBI, Smitty worked on the staff of a House committee before joining the GAO in 1952. Within 4 years he became director of the European office. In 1959, Smitty returned to the United States as regional manager in GAO's Dallas regional office. From 1964 to 1968 he was assistant to the Inspector General in the Department of Agriculture.

In early 1968, Smitty returned to GAO to the position of legislative attorney with his reservoir of experience and sensitivity accumulated from his varied and distinguished early career. In the 9 years since then he has been able to draw upon his broad experience to deal successfully with a daily multitude of matters, some of which I know to have been of a particularly delicate nature.

Congratulations to Mr. Blair for his noteworthy achievements and best wishes for a retirement which brings rewards fully commensurate with a 34-year career of able and noteworthy public service.

IMPLEMENTATION OF THE 200-MILE FISHING ZONE

Mr. HATFIELD. Mr. President, the 200-mile fishing zone that went into effect yesterday is a watershed in the history of international law of the sea and fisheries management. For the United States to declare exclusive jurisdiction over a 200-mile zone off our coasts and regulate all foreign and domestic fishing within that zone is truly a dramatic step. I hope it will prove to be a useful and fruitful one.

I am aware, Mr. President, that many fishermen are quite concerned that the management plans promulgated by the National Marine Fisheries Service for the first year of operation under Public Law 94–265 do not curtail foreign fishing as severely as some would hope. I certainly appreciate that concern and I hope that the American share of fish within the zone can be increased.

I would like to point out, however, that the act was never intended to exclude foreign fishing entirely, but rather to give American fishermen first crack at the available supply up to their capacity to harvest and allocate the remainder to foreign fishing interests on the basis of their experience in the fishery, so long as the total did not exceed the maximum sustainable yield. Furthermore, the management plans published this year by the NMFS apply only to foreign fishing. While allocations for U.S. operations are listed, these are estimates used only for the purpose of making foreign allocations, and are not binding on U.S. fishermen. Finally, reductions in foreign catches have been made. The foreign hake catch off the Pacific northwest coast, for example, has been reduced significantly.

The proviso that total allocations not exceed the maximum sustainable yield is the specific manifestation of the overriding concern that our fisheries be managed so that they will continue to provide food and jobs both now and in the future. In fisheries where basic stocks have already been overfished, threatening future yields, it may be that both U.S. and foreign fishermen will receive next year allocations reducing their catch. Here again we must balance competing demands for access to the fishery and the need to conserve the resource.

One way in which we can assure American fishermen a brighter future and a larger share of the available harvest is to provide assistance in expanding the industry. American fishermen have suffered for a long time at the hands of foreign fishermen in their modern trawlers and fish factories. With assistance to procure new vessels, improve gear, create new markets and processing facilities, and utilize presently neglected species, American fishermen will be in a position to harvest more of the available fish and as the act provides will, therefore, be granted larger allocations by the regional councils managing the fisheries. I will continue my efforts to provide Federal assistance for the improvements and expansion of the industry.

There are many other aspects of the

200-mile fishing zone that will have to be addressed in the months and years to come. I hope that all these issues can be resolved so that our fisheries resources are enhanced and the American fishing industry invigorated.

OIL TANKER SAFETY

Mr. KENNEDY. Mr. President, representatives of the oil industry have recently urged that actions be taken to improve oil tanker safety that are virtually identical to the provisions of the Federal Tanker Safety and Marine Antipollution Act of 1977 presented by myself and other Senators.

Exxon suggested that FAA style traffic control techniques be applied to ocean shipping. This is one of the central provisions of S. 182. The Exxon spokesman said that increasing standards of training for ship personnel and improving navigation equipment and procedures were the most effective way of preventing oil spills.

S. 182 also requires both improved equipment and establishes a stringent training requirement. Both the American Petroluem Institute and our bill S. 182 call for stricter enforcement and inspection standards.

I ask unanimous consent to have printed in the RECORD an article from the Boston Herald American reporting the oil industry's views.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Boston Herald American, Mar. 1, 1977]

AIRLINE-TYPE CONTROLS MAY CURB OIL SPILLS

(By Ed Francis)

Much of the oil spill problem threatening the American environment could be solved by applying airline traffic control techniques to ocean shipping and increasing the authority and funding of the U.S. Coast Guard, two oil industry executives told the Boston Herald American yesterday.

Christopher J. Carver, manager, Transportation Department, Exxon Corporation, said the heavy volume of air traffic moving in and out of major American cities is under an air flight control system which puts each arriving and departing aircraft under close surveillance and sees that each aircraft lands and takes off safely.

"We need to apply some of the airline traffic control techniques to ocean shipping," Carver declared.

He was one of four speakers at a seminar on oil tanker safety and liabilities sponsored by the American Petroleum Institute at the Howard Johnson 57 in Boston. Some 50 persons attended, including representatives of state and local environmental agencies, industry executives and the Coast Guard.

In his talk to the seminar, Carver warned that no easy solutions to the oil spill problem will be found because there is no alternative to massive ocean shipping of oil.

He stated, "The Middle East provides a third of the world's crude oil production and has over half of the world's known crude oil reserves while the U.S. consumes 30 percent of the world's oil while producing only 15 percent and possessing only six percent of the total reserves."

Carver said the most effective and quickest way to prevent oil spills is to 'increase the standards of training and watchkeeping for ship personnel; improve navigation equipment and procedures; step-up policing and control.

Later, in an exclusive interview with the Herald American, Carver said that in addition to upgrading training, equipment and controls he personally believes that oil spills and costs could be substantially reduced by developing "deepwater ports" which could accept large tankers.

He cited several reasons for this preference:

Deepwater ports would greatly reduce ship traffic. U.S. harbors are too shallow to accommodate large tankers so hundreds of small tankers are required to deliver more than eight million barrels a day.

The large tankers would not have to come close to shore and could be positioned outside under rigidly controlled conditions.

The need for highly trained ship personnel would be reduced by 90 percent through the use of large tankers.

One large tanker can deliver 28 barrels of oil for every barrel consumed as fuel, while a smaller ship will deliver about 13 barrels for every barrel it burns.

Most of the industry officials at the seminar indicated in a variety of ways that the Coast Guard's authority and funding should be substantially increased to meet the increased responsibilities facing it.

Captain James C. Musser, assistant to the vice president, Marine Department, Texaco, said the Coast Guard has done an excellent job "but it is greatly underfunded for the task it has to perform. The Coast Guard has the unenviable position of being caught between Congress and the industry but somehow manages to operate efficiently. It is my opinion that a highly sophisticated, technical organization such as the Coast Guard should be as free as possible from political complications.

The American Petroleum Institute list of recommendations for preventing tanker-ship accidents calls for seven additional functions for the Coast Guard, including expanded and extended in-port inspections, examining records, enforcement by the Coast Guard of its standards for navigation equipment on all ships and all flags; advisory traffic systems; prepare recommendations for training and certification of ship personnel and periodic examinations of officers aboard tankers for both physical and mental health.

In its recommendations to Congress and the Executive Office, API urges that steps be taken to assure that the Coast Guard has the authority and funding to develop and make available the results of vessel inspections in a way designed to identify sub-standard ships.

Eugene Yourch, executive Secretary, Federation of American Controlled Shipping, told the meeting, "There are 100 ships out there right now that are unsafe but no data is available on them. We need a way to correlate this information and make it economically unfeasible for them to operate."

Most of the foreign flag tankers and bulk carriers are in good condition and manned by well-trained officers and crews, he said.

Environmentalists at the seminar expressed the greatest concern over coastal tanker and barge shipments. They pointed to steadily increasing traffic of oil barges carrying 230,000 barrels each.

Carver said the API had not looked into that aspect of oil spill prevention but would in the near future.

The Exxon executive also urged support of "Super Fund" legislation which was introduced into Congress last year and proposed again this year. This legislation, he said, would establish one fund at the federal level to provide money for oil spill damages, establish one set of oil spill liability laws for the nation, cover all types of spills, provide for quick settlements and preempt state oil spill liability laws.

The fund would be set at $200 million financed by a one-time 3 cents a barrel tax on all domestic crude oil received at refineries and all oil received at terminals for import or export.

DEATH OF COLEMAN KARESH

Mr. THURMOND. Mr. President, education and law are demanding professions, requiring uncommon skills and virtues. To gain distinction in either is hard enough; to gain distinction in both is exceptional. One individual who achieved this rare double eminence was Coleman Karesh, professor of law at the University of South Carolina from 1935 to 1972. Professor Karesh died 2 weeks ago in Columbia, S.C., at the age of 74, and I wish to give my colleagues an account of the meritorious life and career which have thus, to my great sorrow, come to an end.

Professor Karesh was himself an alumnus of the university to which he devoted the bulk of his working life. He received a bachelor's degree from the University of South Carolina in 1923, and a law degree in 1925. His intellectual prowess as a student gained him the coveted distinction of election to Phi Beta Kappa.

Launching his life in the law, Professor Karesh quickly became an expert in such abstruse subjects as wills, partnerships, trusts, mortgages, and contracts. It was these subjects that he taught when he returned to the university as a member of the law faculty in 1937. Difficult as they are, Professor Karesh's logical mind, precise diction, and imaginative approach made them intelligible to all but the most inattentive students. It was as if they had understanding forced upon them. They could not escape it. Moreover, Professor Karesh communicated to his students not just legal principles, but his excitement, and even his reverence, for the law.

Professor Karesh's excellence as a teacher and a lawyer evoked warm testimonials at a dinner given in his honor in 1969. Among those joining in the praise on this occasion were Judge Donald S. Russell, Gov. Robert E. McNair, and Law School Dean Robert McC. Figg. At this time, it was announced that a professorship was being endowed in his name at the law school. The library at the new University of South Carolina Law Center was subsequently named after him as well. Among other notable achievements, Professor Karesh became a member of the American Law Institute in 1954, and won the first Russell Award for distinguished teaching in 1957.

It would be impossible to estimate the influence Professor Karesh has had in the progress aind development of his home State. He amassed many tangible achievements in his work as chairman of the commission on procedures and law reform of the South Carolina Law Association, and also as chairman of the committee on annual survey of South Carolina laws. An even greater legacy, however, is to be found in the two generations of lawyers and public servants who enjoyed his tutelage. In this connection, it is worth noting that six of the eight Members of the South Carolina congres-

sional delegation obtained law degrees at the University of South Carolina during Professor Karesh's tenure. The roster of the South Carolina Bar reads like a list of pupils and friends of Professor Karesh.

In addition to his work at the university, Professor Karesh also found time to become a skilled amateur actor and to serve as president of the Josiah Morse Chapter of B'nai B'rith.

The departure of so vital and productive a man is always a shock. I extend my sincere condolences to all who knew him, and especially to those who knew him best: his wife, Mrs. Alice Freed Karesh of Columbia; his daughters, Mrs. Robert Leinkram, of Fremont, Calif.; Mrs. James Kriger, of South Portland, Maine; Mrs. Harvey Grossman, of Miami, Fla.; and Mrs. Herbert Gerber, of Fort Lauderdale, Fla.; his sister, Mrs. Minnie K. Bloom, of Columbia; and his two brothers, Judge Joseph Karesh, of San Francisco, Calif., and Abraham Karesh, also of San Francisco.

The grief they feel now, and the sense of loss they will continue to feel, are a final measure of the greatness of Prof. Coleman Karesh.

Mr. President, at the time of the death of Mr. Karesh, the State newspaper of Columbia carried two articles on his character and achievement. As a fitting tribute to his memory, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Columbia (S.C.) State, Feb. 10, 1977]

USC LAW PROFESSOR, COLEMAN KARESH, DIES

Coleman Karesh, of 3000 Amherst, professor at the University of South Carolina Law School from 1937 to 1972, died Wednesday at Manor Care in Columbia. He was 74.

The law library at the new USC Law Center was named in honor of Mr. Karesh and in 1957 he was named the first recipient of the Russell Award for Distinguished Teaching.

At a testimonial dinner given for Karesh in June of 1969, U.S. District Judge Donald S. Russell, a long-time friend of Karesh, called the professor "as dedicated and brilliant a teacher as I've ever known. No one has taken more delight in his role of a teacher than this man, and the S.C. Law School is a reflection of his talent and devotion."

Also at the dinner, then Gov. Robert E. McNair, reminiscing on his days as a student under Karesh, said, "There is not a lawyer among us who has not benefited from his instruction."

Former Law School Dean Robert McC. Figg said, "No man in this generation has had as much influence on our bench and bar as Coleman Karesh."

Among the gifts given Mr. Karesh at the testimonial were a $10,000 endowment fund and an endowment chair in his name in the School of Law.

While a professor in the Law School, Mr. Karesh specialized in wills, partnership, legal ethics, trusts and estate administration, suretyship, mortgages and contracts.

Mr. Karesh was a graduate of Columbia High School and graduated from the University of South Carolina with an A.B. degree in 1923 and from the USC Law School in 1925. While a student, he participated in oratory and debating and was a member of Phi Beta Kappa. He was president of the local Phi Beta Kappa Chapter in 1961.

Also, Mr. Karesh had served as one of the state's commissioners on uniform state laws and as an advisor to various legislative committees.

He was a member of the Richland County, South Carolina and American Bar Associations and had been a member of the American Law Institute since 1954. Also, he was a representative from South Carolina at the National Conference of Commissioners for Uniform State Laws and was chairman of the Commission on Procedures and Law Reform of the S.C. Law Association and chairman of the Committee on Annual Survey of South Carolina Law.

Additionally, Mr. Karesh was an accomplished actor and was recognized as the "Great Hamlet of South Carolina." He was a member of Columbia Town Theater.

Mr. Karesh was a member of Beth Shalom Synagogue and was a founding member and past president of the Josiah Morse Chapter of B'nai B'rith.

Also, Mr. Karesh was a former member of the board of directors of United Community Services.

Born in Columbia, he was a son of the late Rabbi David Karesh and Lena Mishkoff Karesh.

Surviving are his widow, Mrs. Alice Freed Karesh of Columbia; four daughters, Mrs. Robert (Sara) Leinkram of Fremont, Calif., Mrs. James (Barbara) Kriger of South Portland, Maine, Mrs. Harvey (Libby) Grossman of Miami, Fla. and Mrs. Herbert (Miriam) Gerber of Fort Lauderdale, Fla.; a sister, Mrs. Minnie K. Bloom of Columbia; and two brothers, Judge Joseph Karesh and Abraham Karesh of San Francisco, Calif.

Plans will be announced by the Dunbar Funeral Home.

[From the Columbia (S.C.) State, Feb. 19, 1977]

TEACHING GIANT

Lawyers all over South Carolina, we'll wager, have been swapping stories about the old days in Professor Karesh's class.

For 35 years, Coleman Karesh taught some of the toughest courses at the University of South Carolina's law school, but he taught them in such brilliance that even something as dull as mortgages could be interesting. As a result, he won the everlasting respect of the thousands of men and women who sat by his feet.

Mr. Karesh, steeped with well-deserved honors, died recently at the age of 74. Former law school Dean Robert McC. Figg summed up his positive contributions best when he said, "No man in this generation has had as much influence on our bench and bar as Coleman Karesh."

PROFILES OF THE UN- AND UNDEREMPLOYED

Mr. HUMPHREY. Mr. President, data without understanding is worthless. As lawmakers, everyone in the Chamber has the sober responsibility to look at facts and decide what should be done.

In economics, we look at facts in the form of the Unemployment Index, the Consumer Price Index, the Industrial Production Index, the Index of Leading Indicators, and so many other indices that it may seem a full-time job. But Mr. President, while statistics are useful in discerning trends and getting the broad picture, they are virtually useless in answering the question, "Why should we be concerned at all?"

To answer that, we must take pains to stay in touch with the deprivation and sacrifice of individual human beings who typify those trends, and are counted among the statistics.

I rise today to urge that we not ignore our emotions and our native human compassion in developing our Nation's laws and policies. I would like to share with my colleagues a few profiles of unemployed and underemployed Americans, as published in three fine newspapers—the Minneapolis Tribune, the Washington Post's Potomac magazine, and the Wall Street Journal.

There is a common bond among all of the individuals profiled. They are frustrated and unhappy in an affluent society. Their talents and potential talents, their ambitions and hopes have been stifled by the "stagcovery." They are the symbols of misery amidst plenty, and as such their stories should offend our pride as well as stimulate our sympathetic action.

Many of these people are adapting over the long stretch, finding ways to survive. Some have resorted to permanent reliance on relatives, welfare, unemployment compensation, gambling, or street crime. But they are victims and not exploiters. Mr. President, these are balanced portraits, citing those who believe the unemployed are there because of their own lack of initiative, or misguided government income support efforts. I must respectfully disagree with those sentiments as the easy way to duck the blame for more basic, structural omissions in the system. That is why I reintroduced, and am promoting with renewed vigor, the Full Employment and Balanced Growth Act of 1977 (S. 50). These people deserve better. America deserves better.

I hope my colleagues walk the streets of their large cities and small towns and take the time to question the chronically unemployed and underemployed, developing their own firsthand profiles.

Mr. President, I ask unanimous consent that the profiles referred to here be printed in the RECORD.

There being no objection, the profiles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Jan. 31, 1977]

BO GRIER, ARISTOCRAT OF THE STREETS

(By Douglas R. Sease)

ATLANTA.—Raymond "Bo" Grier, 24, spends most of his afternoons and evenings shooting baskets at the Peoplestown gym in a declined inner-city neighborhood here. These are the good times, with his buddies, working off the tensions that build during the long, idle days.

The bad times are the mornings, smoking the endless chain of cigarets and watching, empty-eyed, indistinguishable television game shows at the apartment where he lives with his sister. Since it is winter, the weather is usually too bad to get out and attack the powerless power steering on his faded gold 1968 Buick Wildcat parked outside. The Buick functioning would mean a vast uplift in status—wheels instead of riding the bus.

It has been two years since Bo had any kind of steady work, and by now his ways of existing on the streets without a job may be so deeply ingrained that he may never change. Whether he does or doesn't is important to the social and economic well-being of this country, because Bo Grier is a long way from alone out there. The unemployment rate for young blacks like Bo runs stubbornly at a rate twice that of whites. And the young blacks on the streets are important contributors to crime and related problems of the ghettos.

Bo has been out of a job so long he is not

even counted among the unemployed any more. Instead, he and at last count 817,000 other Americans, 27% of them black like him, were dumped into a separate category consisting of the jobless who said they would look for a job if they thought anybody would give them one. They are, of course, the hardest core of the hard core jobless and most share with Bo Grier a poor education, no skills and a deepening conviction that the American dream wasn't meant for them. Around government labor offices they are referred to as "the discouraged."

ASTUTE BETTOR

Categorizing Bo Grier is simple, but analyzing why he doesn't work is not. One thing that has to be considered is a slight physical handicap resulting from a land-mine injury in Vietnam. It doesn't interfere with his ability to swivel and drive down the court past his opponents at the gym. But it is a definite factor in his not having a job, because the government considers him 30% disabled and sends him a $149 check every month, making his quest for a job that much less pressing.

Living with his sister is another factor. She has a job on a production line making plastic drinking cups and pays the $140 rent and $30 or so monthly utility bill.

He also does a little gambling on the side, things like making side bets at crap games and the pool hall. He considers himself an astute bettor: "I don't bet on myself, I find somebody who's hot and bet on him. That way I can make my money and leave any time I'm ready."

Like many others without jobs, and particularly those with dim prospects of getting one, Mr. Grier also supplements his income with occasional ventures to the far side of the law. It is a career at which, like all others, he is unskilled, and he loses more than he wins. He is currently on probation for a conviction on three counts of check forging and has since been arrested and charged with receiving stolen property. He says that is all a mix-up, that he is innocent.

His probation officer is supposed to be interested in helping him get a job, but he's been of little help, probably because he and Bo have never met. "If you see him, tell him to get in to see me," the probation officer, Oliver Puckett, says. Bo has been supposed to report monthly for the past six months but hasn't bothered, and nobody has bothered to find out why.

Bo's money goes out like it comes in, with little thought being given to it, to support the Buick, tickets for an occasional rock concert, clothes, food, drink, whatever.

The thing is that Bo, and many others in his situation, have enough going for them that economic survival is not the question, only the style in which one survives. And the truth is that Bo, by freeloading on his sister, stretching his government checks and hustling on the side, has made such an admirable adjustment to not having a job that it is not hard to see why he is not out pounding the pavements.

He says he used to spend most of his time looking for jobs, reading the classifieds, making the rounds, filling out applications and then never hearing anything. He feels he has every right to be discouraged, and his conviction that he can't get work has turned him into an aristocrat of the streets, who now wouldn't take some jobs if they were offered to him.

He's not interested in anything paying the $2.30 minimum wage, and even $2.50 he considers borderline. "Even that's not worth it," he says. "But it's something." There are also some lines of endeavor he's just not interested in: "I'll never wash dishes," he says disgustedly. "I tried that once for Howard Johnson's. I never got tireder of anything than seeing those dishes. I quit the second night."

He also has no interest in using his GI bill to go to school to acquire a marketable skill, because it doesn't seem feasible to him. "They only give you $258 a month, and after tuition and books and clothes and getting there and back, it's just not worth it."

One expert feels that talking to Bo about his problems with work is no way to a solution, because he may not be leveling: "He is b.s.'ing you, telling you what he believes a white man wants to hear," says George Harris, a teacher at Atlanta University's School of Social Work and a veteran of street culture himself.

To "street people" a job is money and nothing more, Mr. Harris says. And if the money isn't good enough, there is no point in working. "For Bo, there's nothing about personal satisfaction in doing a job," Mr. Harris says.

Another expert, Harvard economist Martin Feldstein, feels that having a minimum wage might be a deterrent to men like Bo even looking for a job: "When you're being paid the minimum wage, you know you're the worst there is," he says. "If we didn't have a minimum wage, then an unskilled worker could take a job while thinking there's someone somewhere being paid less, who's worth less than he is."

But others take a more pragmatic approach and conclude that any problems that Bo has are of his own making. "It's a matter of initiative," says a Georgia Employment Service official. For proof, he cites the Vietnamese refugees who have settled here. "They couldn't speak English so they couldn't get jobs here like they had in Vietnam. But that didn't stop them from begging us to get them any kind of work, just so they could make some money while they went to school to learn English. Some of them got menial jobs; they're trying to better themselves. That's initiative."

He agrees it can take time for an unskilled worker to find a job but insists that anyone who hasn't landed one in three or four months isn't trying very hard. "If he's sitting out more than a year, then he's really not looking for work."

JOBS AVAILABLE

Done Winnie, owner of a temporary help agency called Action Labor Services Inc., buys that. "It's not true that blacks can't get jobs in Atlanta," he says. "About 60% of the men we hire are black. We pay mostly minimum wage, but we supply transportation to the job site. The work's a little on the menial side, but if a guy's got anything at all on the ball, he'll be looking for something better. In fact, we lost a lot of our best workers to client companies."

But the view that Bo simply lacks initiative seems simplistic to Benjamin Hooks, who will be taking over as director of the National Association for the Advancement of Colored People in March. There's much more to it, he says, including racism which is compounded by the media image whites have of unemployed young blacks. "It has to do with marketing, with selling one's self," says Mr. Hooks. Part of it is that a product of a black ghetto hasn't learned the social niceties that are an asset to whites when they apply for a job.

Bo Grier insists that he has looked long and hard during most of the two years that he's only had a couple of short-term jobs. But for whatever reasons, it is inescapably true that he's barely looking, if at all, any more.

Even when the odds look good and his self-composed criteria are met, it is difficult to stir him into the action it would take to land the job. Recently, for example, he turned down an offer for a free ride to the downtown offices of Allright Parking of Georgia, Inc., to apply for work driving shuttle buses between Atlanta Airport and a soon-to-be-opened parking facility.

The job pays $3 an hour, and Will Wood, general manager of Allright, said Mr. Grier sounded qualified. A week later, after being further encouraged to ask for the job, Mr. Grier hadn't. "That tells me he doesn't want to work," Mr. Wood says. "He's got that benefit check and that's all he wants."

EMPLOYERS SUSPICIOUS

All of which leaves Bo Grier sitting in a haze of cigaret smoke in front of the TV until it is late enough to go down to the gym and shoot baskets. He's also caught in a sort of Catch 22 of the job market—the longer he's out of work, the more suspicious employers are of his earnestness in pursuing a job. One of the questions that has become standard in job interviews is why has he been out of work so long?

The longer he is out of work, the more he molds himself into the image whites have of young blacks they don't want to risk hiring.

It's rather ironic that Mr. Grier, who is a somewhat articulate young man, understands perfectly what he must do, but seems powerless to do it: "You've got to convince the people who're doing the hiring that you're willing to work. If you can do that, chances are you'll get hired."

But the chances of Bo Grier doing that are slim, and getting slimmer. Finding employment for Bo and others like him is going to be the toughest challenge the Carter administration faces in its attempts to bring the U.S. unemployment rate down. But as long as they are left on the streets, the Bo Griers are going to continue to be a drag on their families and on society at large, regular contributors to the crime statistics and, perhaps most meaningful, dismal failures at climbing to the levels of decency and self-respect that most Americans take for granted.

[From the Minneapolis Tribune, Jan. 16, 1977]

ROCKY ROGERS: 19 YEARS OLD, MOTIVATION DROPPING

(By Peg Meier)

Rocky Rogers, 19, says he would like a job in modeling, playing basketball or selling clothes, but when he checked the newspaper want ads he looked under "janitorial."

"I clean around the house," he said. "Ain't much difference."

A 1975 graduate of Minneapolis's Central High School, Rogers recognizes that he is not qualified for many jobs. Working through an employment agency and on his own, he has been turned down for sales jobs, training programs, even a job as a gas station attendant.

'If you can't pump gas," he said, "I don't know where you can work."

Rogers went to vocational school to study auto mechanics but dropped out last July, two months shy of a certificate.

"It was getting boring," he said. "Be here, be there. Weren't enough work to do sometimes, too much other times." Besides, he really wanted the mechanics training to work on his own car, a '69 Dodge Polara—not to find work.

Now he's bored. He spends most days caring for his nephew, 4, and sister, 5, at his parents' home, 3740 3rd Av. S., while his parents work. Evenings he plays basketball with friends. He's 6-foot-3 and a good player, he said, but no one is offering to support him while he plays ball.

He's tired of taking money from his folks for car expenses and clothes. His motivation to find work, however, is dropping.

"It's cold out there," he said. "Anytime something interesting's in the paper, I call. I check every day, but they don't have much in there I can do."

A social worker at Central High had done some modeling and taught Rogers how to walk and stand. He thinks he has the talent

for modeling but admits that without formal training he doesn't have much of a chance.

He doesn't need much money, he said. He sleeps on the couch in his parents' house. "Nineteen and living off my parents don't make me feel too good, but what can I do?" he said with a shrug.

Aren't employers looking for good black employees? "Maybe, but there ain't no jobs coming my way." He said he quit one part-time job because someone called him "nigger."

What about a janitorial job? "They're all out in the suburbs, far away. Cost money to get there."

Rogers wishes now that he'd "buckled down in school a little bit. Taken harder classes, that sort of thing. After all my requirements were over all I did was take gym. I should have taken speech or something hard . . . I try to tell the younger kids to work harder, but they don't listen."

DONALD HALL: 60-YEAR-OLD CAN'T FIND WORK

For 38 years, Donald (Bud) Hall worked at the Grain Belt brewery in northeast Minneapolis, mostly running a machine to fill bottles and cans with beer.

Then he was laid off. Certain of the company's assets were sold and the plant was shut down. Hall's final day of work was last Feb. 22.

Hall is 60. He gets no pension; his pension fund disintegrated. His 39 weeks of unemployment benefits ($105 a week) ended several weeks ago. He gets nothing from his union. He has no income whatsoever.

And he can't find work.

"I'm a good worker," he said, "but who wants to hire a man my age?"

He sets aside 8 to 11 a.m. each weekday for checking the want ads and making calls. He figures he applies for jobs three times a week. When he was first jobless, he concentrated on getting a job with a Twin Cities brewery as a machine mechanic. Now he would take anything. "I know a little of this, a little of that," he said. "Carpentry, wiring, small engines."

The only real job offer he has had was to work in the warehouse of the company where his wife, Sophie, is employed. After careful consideration, they decided it wouldn't be good to work at the same place. "We've been married 32 years and we want to make it 50," Mrs. Hall said.

For several years, the Halls had been "saving like crazy," he said, but now the savings seem insignificant: "Just small change, enough for taxes on the house for a couple years." She brings home about $100 a week and gets health insurance for herself through the job. To insure him through her policy would cost $81 a month. They can't afford that. He has a small health policy that he describes as "enough to cover the Band-Aids. If I get sick, I'd go right to the Vets hospital."

When Hall was laid off, he was making $289 a week. He sent his three daughters to college and bought a nice, three-bedroom house at 79 Logan Pkwy., Fridley, in 1953. He worked a lot on the house over the years. Now it's worth $50,000 and is their joy.

"We'll be OK," Hall said, "unless our health doesn't hold up. Then I'm afraid we'd have to sell the house."

Is he bitter?

"Well, yes. Grain Belt shouldn't have been sold. Management blamed it on wages and everything, but I say something was wrong with management. The government doesn't help any. The U.S. sends money to Israel and Tito and there's nothing for people here."

He spends his spare time—"there's lot of it"—listening to the police radio. He used to like to hunt and fish "but that doesn't go far now. Other guys say the same. We call back and forth, and I don't know more than 20 guys out of the 351 laid off who have jobs now. They say 70 percent are over 48. We older guys, we're a lost cause. We're just like dead people."

JOANNE: UNEMPLOYED, NOT LOOKING VERY HARD

Joanne lost her job three months ago, collects $62 a week in unemployment benefits, isn't looking very hard for a job and doesn't feel guilty about it.

"I'm really enjoying my time off," said Joanne, 26. "I worked really hard for two years—to the point of exhaustion a lot of the time—for $3 an hour. If the right job came along, I wouldn't hesitate to take it. But I just can't settle for any job anymore. I've done that."

Joanne doesn't want her last name used here; she's not eager to have unemployment counselors know that she is not seriously hunting for work. She's separated from her husband, has no children, finished three years of college and worked as a recreation leader in the Twin Cities under a federally financed program for two years. The funds ran out and her job was eliminated in October

She said she has no problem making use of her time. "I'm really enjoying myself," she said. "It's nice to have some kind of life at home, to be able to have friends over for supper and to study seriously something that fascinates me—dance. I'm just as busy now as when I was working, but now I'm doing things I want to do."

If she hadn't needed $500 worth of work done on her 1971 car, she could have been living comfortably on her unemployment checks and a part-time job that pays $24 a week, she said. (She borrowed the $500 from friends.) She shares an apartment with a woman, and her share of the rent is $77.50 a month. Groceries, she estimates, are about $40 a month. She needs little other money.

Occasionally, Joanne said, she feels twinges of guilt for collecting government money instead of working full time. "But I didn't try to get fired, this is my first time on unemployment, I'm eligible for it and I don't plan to stay on it as long as I can. It takes months of looking to find a decent job."

She would love to find work in the arts, somehow working with people who like dance. Her other goal is to find a job that pays a lot of money. How much? "I've never made more than $3 an hour and I've never gotten benefits like sick leave and vacation and insurance. So I guess I'd be very happy with a job that paid $4 an hour and had benefits."

DENNIS CURRIER: 26-YEAR-OLD HOPES SWITCHING FIELD WILL HELP

People at the employment agencies kept telling Dennis Currier: "I want you to be real positive. Sell yourself."

After a while, that's hard to do, Currier said. Maybe impossible.

"I got turned down enough to start to wonder, 'Is there something wrong with me? Are people turned off when they talk to me? Do they even see me?' Sometimes I got no response at all, like I wasn't there. But then I discounted all that and decided it wasn't me; it was the market. Just no jobs."

Looking for work was probably the worst experience of his 26 years, he said.

When he graduated from the University of Minnesota in English literature in March 1974, he was optimistic: "I had the college degree and I thought companies would be willing to train me. I was naive. What I didn't realize was that there were so many people with college degrees."

He applied at a pizza place for a job as night manager. He applied to be a salesman for a wholesale liquor company. He applied to Dayton's to be a salesman. He applied at Perkins Cake & Steak. He frequented employment agencies. He took a 3½-hour test to see if he could sell insurance. He took aptitude tests. He checked ads. He telephoned. He practiced his answer to "Why do you want to be a salesman?" He worried. He got "real depressed."

"It got so bad that if I heard, 'We'll let you know; good luck' once more, I'd scream," said Currier, 7819 Edebrook Dr., St. Louis Park.

His solution was to go back to school. He is half-way through a two-year program in court reporting. Studying six hours a day at school plus some at home, he has worked his dictation speed up to 140 words a minute. When it is up to 225, he'll be able to get a job, he's sure.

Meanwhile, he's working 15 hours a week at $2.70 an hour at a liquor store to pay his living expenses.

Fees at the business school he attends will total about $3,500 by the time he finishes. He didn't take out a loan to get through college, but he has one now.

Currier said, "I'm surprised, but I like court reporting. And I like the idea of getting a job someday I don't regret my college education—I learned things and I met people. As far as getting a job, though, a liberal arts education isn't worth anything . . . I can't blame companies for not hiring me. I really had nothing to offer, just a college degree."

If he could have his "druthers," he would never go through a job interview again.

"I'm sure I will," he said, "but it's nerve-racking. It's rotten to have to put yourself before someone and sell yourself. That's worse than the runaround you get later when you try to find out if they'll consider you."

[From Potomac magazine, Feb. 6, 1977]

NOT WORKING

(By Beryl Lieff Benderly)

Each of those seven million unemployment statistics is a life. In each lies the central reality of a job that has given way to other realities: lines at the unemployment office; uncertainty about the future; awkwardness when people ask "What do you do?"

Awkwardness for some, grand embarrassment for others. For still more, there is the fear that no prospective employer will hire them simply because they are unemployed. Said one man, out of work now for two years, "If they know you're unemployed, they won't even give you an interview." So he fibs. He tells them he's a consultant.

It is significant that all six of the people interviewed for this article refused vehemently to permit the use of their names. They worried about everything from humiliating their relatives to having their neighbors gossip about them and jeopardizing any slim job possibility they may have.

It's not easy, this job of being jobless, and the fears are common. Yet, the experience is like the Rorschach inkblot test. Each person brings to it his own history and character and shapes it to himself.

HALF A MAN

Tom De Priest is divorced. He has custody of his school-aged children. And he is out of work. He was laid off several months ago from a consultant firm because there wasn't enough work for him to do. So far, financially, he has been able to sustain almost the same level of living he did before he lost his job. He had no debts, except the mortgage on the expensive house he and the children are still living in out in a Maryland suburb where most of his neighbors' incomes are well over $30,000. Accumulated annual leave carried him through the first month and, since then, unemployment benefits have covered most of his family's rock-bottom needs. Some expenses—after-school baby-sitting, commuting, downtown lunches, constant dry cleaning of suits and shirts—vanished with the job. The only major new expense is for the health insurance he must pay for now that his employer isn't.

He has substantial savings, but still he's being very frugal and conserving them. He has postponed all purchases that are not absolutely essential. His children are too young for expensive tastes like motorcycles or electric guitars, and they accept dad's unemployment as reason enough to forgo toys they see advertised on TV. Tom promises they will get the things later. He hopes to find a new job in the new administration and, so far, he does not fear immediate inroads into his savings. But he does fear other things.

"Economically, I am not pinched at this point, but at the same time, it's uncomfortable to have a negative cash flow. I have backed off on spending. I found myself postponing expenditures like certain car maintenance I obviously can afford. But why spend? Tomorrow might be even rainier.

"I can see this kind of self-doubt coming. I've kind of been up and down. You wonder why in the hell was it me. Jesus Christ, I had been there for years, one of the anchors, an officer of the firm, if you will. Like in a bank, that doesn't mean any more money, just a nice title. Sure, I think I might have made some mistakes, but I've had enough feedback from clients that I don't really doubt myself relative to the capabilities that the firm sells. Now the question is, since the firm isn't doing too well, how valuable are those capabilities? There have been doubts, and I have them. I don't know if I've been as pushy as people say I should be. People say that (in trying to get a job) with the Feds you should try to talk to the guy who's actually letting the job out. But hell, I feel awkward. I mean, what in the hell am I going to ask him?

"I do feel embarrassed. That kind of eats at me. I've cut back on my budding social life. I feel that, as a male, I feel that . . . the word isn't unclothed . . . it's just that in a way I'm only half a man. What can I offer a woman? I am *supposed* to be employed, whereas a woman has the option, if you will, in this society. I don't think anybody else thinks that much of it; it's sort of a feeling I have myself. I've cut back on dating women. I don't have any ongoing relationship with any woman. I don't go out, say to dances. And this is something you've really forgotten after being married for so many years—that you really have to go out looking for singles of the opposite sex.

"I feel that a woman might find me less desirable. I know that all reason is on the other side. By golly, you come from a crack graduate school, you've got a first-rate undergraduate degree, you know of work you can do and you know you earned your money before. You know you're in a setting where there are lots of professional jobs. But it still has affected my self-esteem. You read the alumni notes every month. You write in about your promotion or your new job or that that you've crossed the million dollar barrier.

'I'm a newspaper reader. I mean, I can fritter time away with the best of them. Like I should be pounding the streets more, but I don't. I just feel like I should. I really feel guilty that I'm not looking all over. It probably comes down to not wanting to get rejected. The rejection really bothers me.

"I feel that in some ways I could almost adjust to this kind of life. Work is almost a dim memory in terms of the pace, the eight hours. Generally around here not to get things too rattled in the morning it takes an hour and a half to get up, get the kids up, breakfast, then you've got to come home, start dinner, handle that. Then when you've got that over, you're bushed by the time they go down. You don't really feel like doing anything.

"But on the other hand, I feel that my mind might get kind of blotto. It would be like when I look at television. I may enjoy it, and it's obviously a great escape, but I always feel crappy after I look at it. What the hell kind of accomplishment is that?

"I haven't gone to the limits. Obviously I haven't gone to the limits, but Jesus, I can't keep fooling myself forever. I've sort of been confident that something would come through. I don't think I could stand it for a year."

GETTING EVEN

Stuart Waters was 21 when he came home from Vietnam. He brought some things back with him: wounds that still pain him from time to time and the combat boots he still wears nearly every day. He lost several things there, too: three years, his only brother, and his feeling in connection with this society. He has since held several jobs, mainly as a truck driver. But his favorite occupation is no job at all.

"Everybody is looking forward to retirement at 65. I figure I might as well retire now. I mean, if I'm going to work, why shouldn't I work later instead of now?

"I was more motivated to work before I went into the army. When I was a kid I worked from the time I was 12 or 13. I always worked, like after school, like not going to school. Then I went into the army. It just didn't seem to make any difference whether you worked or not. After I got back, I collected unemployment for a year. I got out on the fourth, it was a Thursday, and Friday I was down at the unemployment office. I figured they owed it to me.

"When I went in I was making eighty-three bucks a month, and my first unemployment check was $88 a week. I was 18 when I went in, and there were some guys I knew who could have gone in and didn't. It kind of breaks your spirit. I mean you come back . . . you do a job—it's not necessarily a nice job or a good job—and you come back. I went and applied for a couple of jobs when I first came back, and I was turned down because I had been in the army, because I was a vet. They just said, 'Oh, you're a veteran. Well, ummm . . .'

"We were not the World War II veteran or the Korean veteran or the World War I veteran. We were the Vietnam veteran and nobody wants to know. Of course they felt bad about the war, but why should they take it out on me? I know I was handy, I know I was there, so now it's my turn to get back at them. At the whole society.

"The American dream didn't pass me by, I passed the American dream by. I think there's a difference. You can buy what they tell you about the whole American dream, or you can say, 'Well, the thing's just bull because it doesn't really make any difference.' And it *doesn't* really make any difference.

"Washington isn't a good place to be unemployed. New York is a great place to be unemployed. There's just a lot more to do that you can do at very reasonable cost. There are areas where you can live for a very reasonable rent that are all right to live in. Down here you can't do that. I mean, how many times can you look at the Washington Monument before you go out of your mind? And down here things are so focused toward the government that nobody really contemplates being unemployed. There's a real work ethic that you don't find anyplace else. You say GS-12 in New York or in Boston or in Cleveland and they'll say, 'What the hell are you talking about?' But down here, everybody knows what GS is. GS, BS, it's all the same.

"And there's no such thing as not being able to work, either. I could walk out of here tomorrow morning and get a job doing something. So it's not a question of not being able to get a job. You can always get a job.

"People [who are concerned about income] are basing their self-worth on what they own as opposed to what they are. I'd rather be able to say that my self-image is based on what I'm worth as a person, not worth in dollars. Because anybody could have dollars. If I wanted to have dollars I could just go deal dope and I'd have more money than the president of GM. I could buy a house in Potomac and everybody would say, Wow, look at that house. But what does that say about me? Just because I'm living in Potomac and driving a Mercedes, that doesn't say anything. How did the guy get there?

"There's no such thing as having nothing to do [while you're out of work]. It's just that you don't want to apply yourself to do anything. There are a million and one things in this world to do that don't cost money, either, or cost very little money. But people don't want to do them. They tend to sit at home and they're bored. The boredom starts at work. They're bored with their jobs, they're bored with their life. So when you're bored you don't do anything. So by not working, I'm not bored."

BEING OUTSIDERS

Scott and Renee Van Horn have both been out of work for most of two years. Scott, who worked for a social program that was cut, has had intermittent jobs since. Renee recently found part-time work after months of looking. In their modest rambler, surrounded by acres of identical modest ramblers, they keep life going for themselves and their two children by using up their savings but not their dreams.

Scott and Renee had a fair amount of money in the bank, both from savings and inheritance, when unemployment hit. They got through the first sixty-five weeks mainly on unemployment benefits, but have also spent out of their savings for living expenses. They have kept their house cooler in winter and warmer in summer, eaten out less, eaten in on less expensive cuts of meat than before. They also substitute time for money. Scott does most of the car maintenance. Renee makes clothing (including winter coats) for the children and many things for herself. They do draw the line at some economies, though. "The kids' Christmas is as splendiferous as ever," Tom says, although the gifts are shopped for much more carefully.

Their lives have changed in other, nonfinancial ways. Tom has had time for a physical fitness program he could never manage while holding a job. He jogs, rides a bike, plays tennis, and believes he is in better condition than he has been in years. He has also tried his hand at writing a novel. Scott thinks that by holding out for the right opportunity (he also believes things will improve under the new administration) he is investing his savings in his future rather than just spending them. Renee is not sure she agrees.

Scott: "What did not working do to my life? Made it very nerve-racking. Money's only part of it. Not working triggers all kinds of guilt. You can't even enjoy the free time that you have. You feel you should be working. Even when you're not responsible for not working, you feel like you should because everybody makes you think that way. It's probably two-fold. You get all kinds of negative reinforcement from the outside. Being unemployed is like being unclean in a middle-class neighborhood. They assume that if you were doing a really outstanding job, you'd still be working. It's not spoken. It's unspoken."

Renee volunteers: "Like a cold shoulder at a kid's soccer game."

Scott goes on: "It's more than indifference, it's a slight. They think you're unclean in a ritual sense.

"You come to correlate being productive with making money, because that's what the system demands. Even if you're productive and you're doing something creative, if you're not bringing in any money, the guilt

begins to detract enjoyment from it. I became much more involved in civic work. If I were a consultant that was paid to do that, I would have made a handsome fee over a couple of months. The people in my civic group were grateful, but not my neighbors. My neighbors would not have been impressed. If you're not part of the rush hour, you're not entitled to the full benefits of citizenship.

"I'm a very confident person. It's had much more impact on what Renee thinks of me than it does in terms of what I think of myself. I think I'm only functioning on six or seven cylinders in her estimation if I'm not bringing home a steady paycheck. It doesn't matter whether it's my fault or not.

"Are you any less a good provider when you provided thousands of dollars in the bank to draw on in time of need? What are they for? If this isn't the rainy day, when is the rainy day? It's much more important than having possessions to have the resources that enable you to be proud. To be proud and independent and not jump at the first insultingly low-paying job offer that comes around.

"When you're unemployed, if people will agree to interview you, because there's some kind of uncleanliness, irresponsibility, and social disaster that's attributed to unemployed people, you're treated like you're unclean. There's always an assumption made that if somebody is unemployed that they did something wrong, that they're lazy, that they take a lot of time off. They figure that an employer will fake references to get rid of you and palm you off on another employer. No employer wants the guilt of putting you out of work indefinitely. They just want to put you out of work in their shop. There are different kinds of social diseases. It's one better than gonorrhea; you're worthless but not contagious.

"Whether a wife goes out to work is almost immaterial. The fact that a husband is not at work creates all kinds of differences in his life and pressures to do things around the house, to make himself useful. 'Well, if you can't make any money, at least make yourself useful.'

"I think that Renee's concern with living on savings is not a matter of degree. I think she thinks that on principle you don't spend savings to live. I think that if she had four million dollars in the bank, she would be equally concerned about spending savings. But I know that as soon as things get better—and things will get better—we'll begin adding to savings."

RENEE. "You are optimistic, and I am too, basically. But I also have a little streak that says, 'What if things don't ever get better?' And this happens to people. It's not that there are no opportunities in life, but there are lots of cases of people who just go down the tubes, in good times and bad. Something happens. This is very scary. Your life could be ruined."

SCOTT. "I do a net worth statement on the last day of each month. We're up for last month. This is the first time we've been up since before last January. What does it mean? I think your whole pursuit since the time you begin working is to build an estate. The more promising the estate, the better you feel and the longer you can go on your own resources."

RENEE. "Therein lies our disagreement. It's a disagreement about what he ought to do. And if you're both home all day to discuss it, you get on each other's nerves. There aren't many married people who can spend that much time together."

SCOTT. "That's hard, but one of the things I find the hardest to deal with is that both times I've been professionally unemployed, both times I've been fired from professional jobs. I've been fired following really positive, praiseworthy performance evaluations. One time I was fired because they ran out of money. Another time because they ran out of philosophy and decided against the whole program. It had nothing to do with me. Imagine, here you get this raving recognition in one hand and in the other hand they give you a pink slip. What does it do to my psyche? It bruises it, because in your heart you believe that you can't fit them both in the same psyche. The pink slip says, 'You blew it, kid,' and the recognition says, 'You're really good.' How can you reconcile them?"

RENEE. "You know what comes home to you? That despite being comfortably middle class, you're really on the edge of society, almost as if you're out and out poor. If things really get bad for you, you're really nobody."

SCOTT. "That's something else. You work with people, you form close bonds with people, and then you see them sell you down the river for a few shekels. It hurts so much worse and it's so frustrating because they're not people that want to destroy you. They're just people that don't bother, that don't put in the extra effort to save you because that would be require the forty-first hour. And they say, 'This is nothing personal.' And you feel, 'It's nothing personal to you, but it's plenty personal to me. You're talking about my family's livelihood.'

"My boss said, after he fired me, with all the concern, 'How will you be able to make it, Scott? Will you be able to make it?' I said, 'Yes, no thanks to you. We'll be able to make it because we're thrifty and we've saved for a rainy day.' Then he terminated the interview because it was making him uncomfortable.

"During a month when the bills really come, when you go to the mailbox and all there are are bills, that's a bad moment every time it happens. The mailbox brings nothing but bad news, but you always go to it with all kinds of hope every day."

LIBERATION

Pat O'Connor is single, stylish, forty and the very model of the Washington career girl. In twenty years she made her way from a congressman's typing pool to over $20,000. She had never been out of work for as much as a day until an upheaval in her agency cost her her Schedule C job over a year ago. She did not have large savings, but neither did she have any debts.

"I didn't believe it. That's what I suffered from most, the shock. Everything had been going according to Hoyle. I felt secure. Then this whole shock. You're really in a position where your confidence is shattered, you go through a terrific shock to your whole value system, what you thought were values that you had established. It's a tremendous upheaval to go through.

"We all become victims of a good income. We are totally dependent. Every two weeks you get this exorbitant salary. I spent a lot of money foolishly. I thought nothing of paying $185 for a pair of boots. And it didn't even occur to me that I should think along the line of a rainy day. Anyway, I became terribly victimized by this high salary. And I really, in many ways, did feel almost like a prostitute. I was taking money and many times I felt as though I really didn't deserve it.

"Of course, I never could have afforded this year if I had quit. This thing did me the best favor in the world; I'm so grateful for it. It has taught me first of all the value of money, that there are things in life that you don't need: compulsive buying, stylish clothes, the best quality, what have you.

"So all of a sudden I started living on $139 a week. And I found that it's amazing what you can do without. I don't buy any clothes because I don't need any clothes. I have more clothes than I could possibly wear. I've found that before I jump into the car I think, 'Can I do this by walking?' So I walk a great deal. The first time in practically ten years that I've taken the bus, I bus it, I bike it, and all of a sudden I'm seeing things that I've never seen before.

"It gives you and your mind a time to be much more creative than you ever were. You're so stifled and so much in a rut in a job that it stifles your creativity. To think that I've done Russian novels, that I've tackled Dostoevski on my own, without even taking a course. I've used the time so fruitfully, whereas before I'd be caught up in all this trivia. It's been extremely positive and it's taught me a lot of other things.

"In the ten years I've lived in this building I've always been something of a snob. I've never had time to have people in for coffee, and there are lots of single people—interesting people—but I really didn't give a damn. I thought I don't have time to cultivate people, I have enough friends of my own. But now I have more leisure. Instead of being caught up in trying to read something I haven't had time to read all week, I have time to listen to somebody else.

"I've really slowed down. I've paused and realized what a terrible whirlwind I was in. It's beautiful how it happens. In so many things you reassess your values. You think, 'Where in the hell am I going, where do I want to be in ten years?' The thing that has probably brought me to the point where I am now is that I've lived through this year. I've been through some very dark moments, some very lonely hours. But they were moments I've forced on myself to see if I was strong enough to survive them. Time needs to heal a lot of things and there were lots of things I wanted to think through.

"I've been concerned with things I never had time to do before. Money has become secondary. It really has. I do have the unemployment to pay my rent and give me a few little dimes. I think it's just marvelous. I have no needs. It's given me a chance really to come down to the basics, and become more of a whole person, a real person. Going back to work is going to stifle me. But I tell you, if I go back to work it's going to be something that I choose rather than something that somebody chooses for me.

"If people ask me how I'm living, I say I'm living on welfare. I like to jar people. Everybody has to fit into a mold. Everybody in this damn town is so impressed with who they are. They're running around trying to butter up more people. They're so phony. And I'm sure there was a time when I was like that. But I just believe in a sense of humor and a sense of values. And I really mean it, money is not important.

"So I was making twenty thousand. If I found a job that I really like that paid me twelve, I'd take it. What do you need? I have a Louis Vuitton bag for $175. Who in hell needs a Louis Vuitton bag? Isn't it tragic that we allow ourselves to become so tied up in things? It's terrible, but that's what we spend our money on. And we never think about it. What did I care? I never looked at pricetags because I always had the money. I was getting $1200–$1300 month to spend on myself. It's a sad commentary.

"I really cannot think of any drawbacks of not working. I'm happier, much more in tune with myself, with where I am and what I'm not. It was terribly painful at the beginning, but pain does nothing but strengthen you. Any pain that we suffer has a very enduring, lasting impact. It makes you terribly sensitive to a lot of things, sensitive to people. It

makes you sensitive to someone else who's gone through a pain similar to yours. It makes you aware that you're vulnerable. It makes you aware that life does dish out some rather hard knocks on people. My life had been up to that point extremely gentle. But as I look back on this, I see nothing but positive. I'm so happy because I never could have done what I've done unless it had happened. I would never have quit. I would have been an unhappy person. I knew it, but who leaves a $20,000 a year job?

"I was afraid to quit because I thought it was terribly essential that I get another $20,000 a year job, because I couldn't live. I thought to myself, I cannot live unless . . . Can you believe it? Incredible! And this is the horror of so many job situations."

GROWTH IN THE MOUNTAIN STATES REGION

Mr. GOLDWATER. Mr. President, the differences between the East and the West in the United States evolve around cultural and social attitudes as well as climate. They are considerable in their dimensions and are beginning to shape a different kind of country. I believe all of us recognize how rapidly our western States have expanded, particularly in population, over the past generation. And one of the most rapidly growing areas of the West is the Mountain States Region where the population grew by 18.6 percent in the period between 1970 and 1976 while the national growth rate was pegged at 5.6 percent. In this region, Arizona and Colorado attracted the greatest number of new residents, realizing gains of 356,000 and 237,000 respectively.

Mr. President, an interesting picture of growth in the Mountain States Region can be seen in a recent publication on Arizona progress, published by the Valley National Bank of Phoenix. I ask unanimous consent that the contents of this publication be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GROWTH OF THE MOUNTAIN STATES REGION

The West—America's promised land—has expanded rapidly in the past generation. It has benefited from people searching for better economic opportunities and challenges, desiring to find fortune and fame, or wanting simply to get a fresh start in life in a new environment. The differences in the U.S. between the East and the West evolve amound cultural and social attitudes, interests and habits—as well as climate—and are factors that have influenced migration trends. The actual movement of population coming westward from the Northeast and North-central states, is a phenomena which has persisted in good times and bad, and through the recent national recession.

A key geographic sector of the West is the diverse eight-state Rocky Mountain Region, which in size is equal to about one-quarter of the entire nation's land area. The Mountain Region once was viewed by New England's Daniel Webster as being essentially "worthless"—but it since has proven to be a precious inheritance of matchless natural beauty, possessing a vast store of untapped resources, including vitally needed energy resources.

POPULATION TRENDS

State	1970 census	1976 estimate	Percent change
Arizona	1,775,400	2,270,000	+27.9
Colorado	2,209,600	2,583,000	+16.9
Idaho	713,000	831,000	+16.5
Montana	694,400	753,000	+8.4
Nevada	488,700	610,000	+24.8
New Mexico	1,017,100	1,168,000	+14.8
Utah	1,059,300	1,228,000	+15.9
Wyoming	332,400	390,000	+17.3
Total region	8,289,900	9,833,000	+18.6
United States	203,305,000	214,659,000	+5.6

Source: U.S. Department of Commerce, Bur eau of the Census

In recent years, the Mountain States Region has accounted for a significant portion of the growth occurring in the entire West. The Region's population grew by 18.6 percent in the period 1970 to 1976, while the U.S. was growing at a 5.6 percent rate. The Region's population increase totaled $1,543,000, of which over 69 percent came from net migration. Arizona and Colorado attracted the greatest number of these new residents, realizing gains of 356,000 and 237,000, respectively.

The economy of the Mountain Region embraces both raw materials and finished goods production, as well as a thriving services industry. Tourism, travel and recreation activities, and the consumer market, are expanding steadily. Non-farm wage and salaried employment in the Region increased by over 700,000 from 1970 to 1975, a 25.9 percent gain. The national increase over this period was 8.6 percent. This expansion in jobs in the Region was broad based, occurring in manufacturing, mining, trade and service-oriented industries. On a state level, Arizona and Wyoming recorded the best gains, 32 percent and 31 percent, respectively.

NONFARM WAGE AND SALARY EMPLOYMENT

[Annual average]

	1970	1975	Percent change
United States	70,900,000	77,000,000	+8.6
8 Mountain States	2,700,0009	3,400,000	+25.9

Commensurate with the growth in employment, personal income in the Region also experienced rapid expansion. It rose 76 percent between 1970 and 1975, to $54 billion, compared with a 56 percent gain nationally. Per capita income in the Mountain States also grew at a faster rate than it did nationally, although it still is lower than the U.S. per capita figure.

Manufacturing has been the major growth industry in the Region the past decade. Electronic components, food processing, apparel, and wood products have paced this growth. Manufacturing employment now tops 440,000, and while the national economic recession resulted in some decline in production jobs, the number of jobs in the Region currently is about 20 percent above the 1970 level. In contrast, manufacturing employment for the nation is still below its 1970 level.

With many scenic and recreational attractions such as the Grand Canyon and Yellowstone National Park, as well as countless rivers and lakes and forests for hunting and fishing and camping, and mountain slopes for skiing, and year-round golfing opportunities, the Mountain States Region attracts millions of visitors every year—about 35 million in 1975, according to data on visits to National Park Service Areas in the Region. This represents an increase of 18 percent over the number of visitors in 1970. These tourists spend hundreds of millions of dollars, and support tens of thousands of jobs throughout the Mountain States.

Visits to the 66 National Park Service areas in the Mountain States region

		Percent change
1970	29,389,000	--
1975	34,599,000	17.7

Agriculture is significant to the economy of most of the states in the Region. In 1975, cash receipts from agriculture totaled nearly $7 billion, up 57 percent from 1970. Livestock income at $3.87 billion, made up the largest portion of these receipts. About 58 percent of the grazing land in the nation, and 20 percent of the cropland, is in the Mountain Region.

Mining also plays a major supporting role in the Mountain Region's economy. Along with producing large quantities of coal, uranium, natural gas and petroleum, over 90 percent of the nation's copper output comes from mines in the Region, as well as most of the nation's gold, silver, lead, and molybdenum. The value of mineral production rose to $8.0 billion in 1975.

VALUE OF MINERAL PRODUCTION

State	1970	1975	Percent change
Arizona	$1,167,000,000	$1,261,000,000	+8.1
Colorado	390,000,000	961,000,000	+146.4
Idaho	120,000,000	234,000,000	+95.0
Montana	313,000,000	593,000,000	+89.5
Nevada	186,000,000	258,000,000	+87.8
New Mexico	1,060,000,000	2,092,000,000	+97.4
Utah	603,000,000	966,000,000	+60.2
Wyoming	706,000,000	1,644,000,000	+132.9
Region	4,545,000,000	8,009,000,000	+76.2

Source: U.S. Bureau of Mines.

Mineral production is important to the Region's economy, but of equal significance today is the magnitude of the mineral reserves that are available for future utilization, particularly energy resources. The Region has approximately

Fourty-three percent of the recoverable reserves of coal in the nation;

Ninety-five percent of the uranium;

Seven percent of the crude oil;

Eleven percent of the natural gas liquids; and

Eight percent of the natural gas.

The Region also contains billions of barrels of oil estimated to be recoverable from oil shale deposits, the richest in the nation and greatly exceeding Mideast petroleum reserves.

With 43 percent of recoverable coal reserves, the Mountain Region accounts for only about 8 percent of coal production in the U.S. The energy resources of the Mountain Region obviously will play a major role in the future of this country. Energy availability holds the key to maintaining the good life, to continued economic development and growth, on both the local and national level.

OLD FRIENDS IN THE NEW YEAR

Wage and salary employment in Arizona in December of 1976 exceeded 766,000, up 25,000 from the preceding December. New firms entering the area contributed to the improvement. With less fanfare, older cor-

porate citizens also continued to increase their sales and production, and added to their work forces to do so.

In 1977, Arizona should continue to benefit not only from the new entrants into the state, but also by continuing impressive gains from corporations well established in the state. A recent survey of selected employers in our largest metropolitan area, Maricopa County, is indicative of the underlying trends. The survey was presented to the annual ASU Forecast Luncheon on December 8, 1976. A comparison of yearend employment, together with each firm's expectations for employment in 1977 follows:

Company	1976 yearend employment	1977 estimated increase (percent)
Aerospace:		
AiResearch	5,000	+3
Goodyear	1,500	+17
Sperry Flight Systems	3,500	(1)
Various smaller firms	[2] 150–250	+6
Computer:		
Honeywell Information Systems	4,200	+8
Honeywell Process Control Division	NA	+8–10
Digital Equipment Corp	700	+43
Courier Terminal Systems	650	+20
Semiconductor:		
Motorola Semiconductor	13,000	+8–10
General Instruments	300	+10
General Semiconductor	300	+10
Related manufacturing:		
Western Electric	1,400	+20

[1] Selective increases.
[2] Each.

Considering the careful and cautious approach which businessmen are taking toward expansion, improvement in our high technology areas are significant. These and related developments give a firm base to the expectation that population growth nearing 4 percent in 1977 will be supported by underlying employment opportunities.

2-YR COMPARISON OF FINANCIAL AND REAL ESTATE ACTIVITY IN PHOENIX AND TUCSON

Month	1975	1976	Percent change
Phoenix bank debits:			
January	$5,595,087,000	$6,289,712,000	+12.4
February	4,810,587,000	5,501,246,000	+14.4
March	5,272,064,000	6,533,022,000	+23.9
April	5,516,644,000	6,738,233,000	+22.1
May	5,661,198,000	6,259,632,000	+10.6
June	5,831,859,000	6,735,873,000	+15.5
July	5,665,396,000	6,619,516,000	+16.8
August	5,194,592,000	6,405,182,000	+23.3
September	5,402,834,000	6,122,087,000	+13.3
October	5,754,088,000	6,440,916,000	+11.9
November	5,822,718,000	7,152,329,000	+22.8
December	6,512,299,000	7,904,576,000	+21.4
Total	67,039,366,000	78,702,324,000	+17.4
Tucson bank debits:			
January	1,487,540,000	2,622,914,000	+76.3
February	1,271,731,000	2,267,770,000	+78.3
March	1,336,815,000	2,795,912,000	+104.6
April	1,597,310,000	3,075,764,000	+92.6
May	1,644,238,000	2,625,989,000	+59.7
June	1,761,217,000	2,989,288,000	+69.7
July	2,128,977,000	2,612,531,000	+22.7
August	2,069,166,000	2,831,080,000	+36.8
September	2,173,346,000	2,681,356,000	+23.4
October	2,289,628,000	2,796,595,000	+22.1
November	2,351,348,000	2,963,140,000	+26.0
December	2,672,010,000	2,965,667,000	+11.0
Total	22,813,326,000	33,228,006,000	+45.7
Deeds recorded—Maricopa County:			
January	6,199	6,762	+9.1
February	5,801	6,750	+16.4
March	6,789	8,532	+25.7
April	7,868	7,908	+.5
May	7,552	7,388	−2.2
June	7,792	8,304	+6.6
July	7,664	8,116	+5.9
August	7,329	8,179	+11.6
September	7,181	7,603	+5.9
October	7,947	7,412	−6.7
November	6,096	7,300	+19.8
December	7,077	8,892	+25.6
Total	85,295	93,146	+9.2
Deeds recorded—Pima County:			
January	1,972	2,023	+2.6
February	1,980	2,456	+24.0
March	2,183	2,565	+17.5
April	2,523	2,452	−2.8
May	2,410	2,599	+7.8
June	2,470	2,791	+13.0
July	2,555	2,760	+8.0
August	2,558	2,214	−13.4
September	2,209	1,896	−14.2
October	2,395	2,335	−2.5
November	2,342	2,251	−3.9
December	2,899	3,118	+7.6
Total	28,496	29,460	+3.4

PHOENIX AND TUCSON BASK IN THE SUN AS REST OF THE NATION SHIVERS

Most of the U.S. shivered through sleet, snow and sub-normal temperatures in December, but Arizona generally and southern Arizona in particular enjoyed characteristically mild weather conditions: warm, sunny days and cool, clear nights. In Phoenix, the temperature climbed into the 70's on 15 days, and into the 60's on 13 days. The lowest December high was a relatively pleasant 52 degrees, on the last day of the year. Tucson similarly experienced seasonably mild December temperatures, but being situated at an elevation of 2,410 feet (about 1,290 feet higher than Phoenix), the mercury averaged a few degrees lower than it did in Phoenix.

During nights, the low temperatures in Phoenix ranged mostly between 40 and 50 degrees. On three days it did not drop below 50. Tucson, as was the case during daylight hours, posted slightly lower readings, but recorded only four days when temperatures dropped to freezing, to 32 degrees or lower.

All of southern Arizona enjoyed above average sunshine in December. There was virtually no precipitation whatever until near the end of the month. Phoenix measured .57 inches of rain on December 31, and .62 inches for the entire month, while Tucson, which normally has a little more rain than Phoenix, showed a total of only .01 inches for December.

DECEMBER 1976 TEMPERATURE RANGE DAILY

Day	Phoenix High	Phoenix Low	Tucson High	Tucson Low
1	73	36	66	32
2	70	43	67	45
3	73	40	70	35
4	70	42	72	39
5	68	42	66	39
6	67	39	61	36
7	67	35	63	29
8	72	36	73	37
9	71	40	73	44
10	67	38	62	36
11	71	45	61	35
12	73	41	68	37
13	74	47	68	46
14	72	47	69	43
15	73	40	69	38
16	75	60	68	52
17	74	46	68	54
18	72	53	67	46
19	66	54	57	43
20	68	48	62	39
21	67	48	62	44
22	68	40	64	32
23	67	39	67	36
24	63	35	63	33
25	65	34	58	27
26	68	41	65	30
27	65	38	65	39
28	71	46	70	39
29	59	47	59	47
30	58	41	61	46
31	52	49	60	41

ARIZONA STATISTICS	1972	1973	1974	1975	197
Monthly comparisons (November):					
Retail sales—State total	$438,960,000	$463,941,000	$567,247,000	$621,151,000	$686,616,000
Maricopa County	268,689,000	282,029,000	341,715,000	375,105,000	411,778,000
Pima County	82,264,000	84,255,000	105,732,000	120,490,000	127,110,000
Restaurant sales	35,620,000	38,730,000	47,749,000	57,670,000	62,589,000
Total employment	758,100	831,800	827,100	805,800	825,500
Manufacturing	102,100	113,000	108,000	96,200	101,900
PHOENIX STATISTICS					
Bank debits	$4,359,495,000	$4,601,209,000	$5,407,995,000	$6,512,299,000	$7,904,576,000
Building permits	46,307,000	25,130,000	15,213,000	13,820,000	34,471,000
Postal receipts	3,546,000	3,060,000	3,758,000	3,758,000	4,833,000
Telephones in service	695,100	767,100	826,500	867,900	912,500
TUCSON STATISTICS					
Monthly comparisons (December):					
Bank debits	$899,608,000	$1,232,602,000	$1,542,266,000	$2,672,010,000	$2,965,667,000
Building permits	8,127,000	4,032,000	18,716,000	6,814,000	7,470,000
Postal receipts	1,319,000	1,311,000	1,614,000	1,572,000	1,631,000
Telephones in service	240,300	259,400	277,400	292,700	303,700

Note: Published monthly by Economic Research Department, Valley National Bank of Arizona, P.O. Box 71, Phoenix, Ariz. 85001

HUMAN RIGHTS IN U.S. FOREIGN POLICY

Mr. KENNEDY. Mr. President, the new administration in recent weeks has taken strong, positive steps toward placing human rights in a central position in U.S. foreign policy. It is a developing policy that can only increase the political strength of this country. It is a strength that will derive from adherence to fundamental democratic principles. The administration's actions deserve our support.

I have two recent articles that provide a perspective on this new development. I ask unanimous consent that these be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 27, 1977]

HUMAN RIGHTS: RHETORIC OR ACTION?

(By Patrick Breslin)

Jimmy Carter's outspoken advocacy of human rights abroad moved from rhetoric to concrete action for the first time Thursday with the announcement of cuts in U.S. military aid to three nations. After a long controversy, human rights has clearly made the list of our foreign policy concerns, but the cuts announced indicate it's not very high up on that list yet.

During Carter's first month in office, the State Department broke abruptly with the recent past by criticizing political repression in Czechoslovakia, the Soviet Union and Cuba. But during that first month, the department was quiet about human rights violations in non-Communist countries around the world, many of them the recipients of U.S. economic and military aid.

At last Wednesday's press conference, Carter broadened his concern to include political prisoners in South Korea and in several countries in South America. Secretary of State Cyrus Vance followed that up on Thursday, telling the Senate of proposed cuts in military assistance to Argentina, Ethiopia, and Uruguay of human rights violations. Arms sales credits to Argentina will be cut to $15 million, slightly less than one-third of last year's proposed levels. But the cuts to Uruguay and Ethiopia seem less significant. Congress last year banned military aid to Uruguay and, according to one State Department source, would have again this year had it been proposed. "Uruguay was a throwaway country in this case," the official said. And the military grant assistance for Ethiopia that Vance said would be cut only amounted to $1.1 million, since Congress has ordered that program phased out by Sept. 30.

Vance also told the Senate that no cuts are recommended for South Korea, despite "great concern about the human rights situation in that country." Vance explained that South Korea's strategic importance to the United States outweighed concern over human rights. No mention was made of other tough cases, such as Iran and the Philippines, where U.S. interests and concern for human rights conflict.

That conflict will come into sharp focus early next month when the administration sends Congress its recommendations for security assistance to some 80 nations. This year, for the first time, those recommendations must be accompanied by reports on human rights in each country receiving assistance. The reports, and the levels of assistance recommended, will show, country by country, how Carter calibrates human rights concerns in his foreign policy.

The human rights reports have been in preparation at the State Department for over a year. A previously undisclosed memo, written last December by James Wilson, director of State's Office of Humanitarian Affairs, described them as "tactfully drafted."

Similar reports on six countries—Argentina, Haiti, Indonesia, Iran, Peru and the Philippines—were made public in January. They described varying degrees of human rights problems, but concluded in each case that security assistance should continue at the levels planned. Several citizens' and church groups interested in human rights promptly criticized five of the six reports (excepting Peru) for understating the problems.

A SHARP DEPARTURE

A concern for human rights abroad has long been a theme in American foreign policy, but only in the last few years, and especially during Henry Kissinger's tenure at the State Department, has it become a major issue. Two aspects of U.S. policy on human rights caused controversy in recent years.

One was U.S. silence on repression of dissent in Communist countries, particularly in the Soviet Union. That was perhaps symbolized most dramatically when President Ford declined, on Kissinger's advice, to meet with the exiled Russian novelist Alexander Solzhenitsyn. The second source of controversy was U.S. economic and military assistance to several dictatorial regimes notorious for attacks on the human rights of their citizens.

Carter's outspokenness on the treatment of dissidents in the Soviet Union was a sharp departure from the previous administration's approach. Such statements were previously shunned because Kissinger believed U.S. silence on human rights was linked to progress in talks on arms limitation and other issues with the Soviets. Carter, in his first press conference, rejected Kissinger's linkage argument.

Vance's announcement of aid cuts on Thursday was the first sign of a similarly sharp break on policy toward those human rights violators who receive U.S. support. But as the limited nature of the cuts suggests, a change in policy here is more complex because the Kissinger legacy here is more complex.

THE KISSINGER LEGACY

To see what would be involved in a new human rights policy toward nations we support, it is instructive briefly to review the State Department's handling of the issue under Kissinger. That includes the attitudes of those within the department who dealt with the issue, how they sought to ward off criticism, especially from Congress, and what they told foreign governments about U.S. human rights concerns. A new human rights policy would require changes in all three areas.

A previously unreported State Department document reveals that Kissinger was warned about the developing human rights issue more than two years ago. In late 1974, Kissinger received a memorandum from his deputy secretary of state, Robert Ingersoll. The memo said that "violations of human rights abroad are becoming an increasingly urgent problem for the United States" primarily because "Congress is beginning to insist that military and economic aid be reduced when authoritarian regimes with which we are identified commit [such] violations." A meeting on human rights had been held at State on Sept. 12, 1974. "The general consensus," Kissinger learned from Ingersoll's memo, "was that, if the Department did not place itself ahead of the curve on this issue, Congress would take the matter out of the Department's hands."

Over the next two years, that prediction was borne out. Spurred by growing public and congressional concern, human rights curved steadily upward on the graph of foreign policy issues. Yet the State Department failed to place itself ahead of that curve, to take the initiative on human rights. Ingersoll's memo, other State Department documents reported here for the first time, plus interviews and a survey of its reports to Congress provide some insight into why State stayed "behind the curve" as human rights developed into a major foreign policy issue.

State's first response to the issue back in 1974 was a study by the Policy Planning staff which concluded: "The historic image of the United States as the supporter of freedom is being eroded by a counter-image of the United States as an ally of tyrannical regimes." State's next response was to assign more officers to deal with human rights.

Until mid-1974, human rights specialists were found only in the Bureau of International Organization Affairs and in the legal adviser's office. That summer, State named human rights officers in each of its five geographic bureaus. The following year, under pressure from some members of Congress, a new Office of Humanitarian Affairs was created. James Wilson, a career foreign service officer, was named director and given responsibility for human rights problems, as well as for refugees and missing-in-action cases. Last year, Congress made the post subject to Senate confirmation.

ISOLATING THE ISSUE

Interviews with State and congressional officials involved in the issue revealed general agreement that the creation of a human rights bureaucracy was a step forward, tempered with skepticism that progress was thereby assured. John Salzberg of Rep. Donald Fraser's International Organizations subcommittee staff, asked if he saw a growing concern for human rights at State, said, "I see a growing bureaucracy on human rights." Donald Ranard, a retired foreign service officer who now heads the Washington-based Center for International Policy, which reports on U.S. relations with the Third World said, "I had the impression that office [humanitarian affairs] was established primarily as a sop to public opinion."

An official in the Near Eastern bureau favored a humanitarian affairs office but questioned the need for human rights officers in embassies, an idea proposed last year by Wilson in an internal memo. "You don't need moral attaches," the official said. "You need to weave human rights into the fabric of diplomacy, a part of U.S. interests. If you have human rights attaches, you isolate human rights as an issue; you don't view it as running through the whole fabric."

Other officials at State said the humanitarian affairs office under Kissinger preferred to sidestep difficult decisions rather than face them. An example came in a previously undisclosed State Department memo of last July discussing the Harkin Amendment, which forbids aid to countries consistently violating human rights unless the needy people in such countries directly benefit from the aid. According to the memo, State's legal office and the Treasury Department were "seeking to develop guidelines that would enable the Executive Branch to take greatest advantage possible of the needy people loophole."

The memo went on to say that Wilson agreed with this approach. The advantage of the "needy people loophole" was that, if it could be argued that aid goes to the needy in a country, the humanitarian affairs office would not have to determine whether that country consistently violates human rights.

Avoidance of the human rights issue was commonplace in the Kissinger State Department. As one official explained last year, "it doesn't help in the State Department to be for human rights. If you're concerned about it, you sort of get labeled a bleeding heart."

That attitude, which permeated the department under Kissinger, is one of the first obstacles facing Patricia Derian, a civil rights activist from Mississippi who is Carter's

choice to head the humanitairan affairs office.

FENDING OFF CONGRESS

Another obstacle is found in State's attitudes towards congressional interest in human rights. In recent years, State frequently sought to keep Congress in the dark about human rights violations by regimes receiving U.S. aid.

An exception came on July 30, 1974, when Arthur Hummel, acting assistant secretary of state for East Asia and Pacific Affairs, gave remarkably candid testimony on human rights violations in South Korea to Rep. Fraser's subcommittee. As the Ingersoll memo to Kissinger pointed out, such testimony improved the atmosphere on Capitol Hill. "Full reports on human rights conditions," the memo said, "coupled with expressions of concern, such as Congress recently received and welcomed from Mr. Hummel on Korea, might reduce pressures for drastic aid cuts." But the standard set by Hummel's testimony was only sporadically approached again. Instead, State often appeared before Congress as an apologist for the abuses of dictators.

A survey of recent testimony on a dozen countries turned up a rough pattern in State's reporting on human rights. The countries surveyed were from every region of the world and ran the gamut of relations with the United States from hostile to friendly. State seemed generally more defensive about a nation's human rights record the more the United States was associated with its regime.

State was forceful in condemnation of human rights abuses in nations hostile to the United States such as Cuba and North Korea. But its tone, still quite straightforward on cases like non-aligned India, began to sound defensive while discussing Iran, a nation of economic and strategic importance to the United States, and evasions and misinformation dotted State's comments on such nations as Nicaragua, Paraguay and Uruguay, relatively unimportant in economic or strategic terms but closely identified with the United States.

Exceptions to this pattern seemed to depend on which geographic bureau in State was involved. For example, the East Asia and Pacific bureau generally seemed most candid; the Inter-American bureau most defensive. Despite the coordinating role of the humanitarian affairs office, the regional bureaus apparently determined the tone of human rights testimony.

The Inter-American bureau in particular seemed a dubious source of information on human rights, an impression shared by some members of Congress and their staffs. Even within State, cynicism about the Inter-American bureau emerged. "One of the standing jokes around this building," an Asian desk officer said after last November's election, "is how the Latin American guys have suddenly discovered human rights. They can see the writing on the walls."

"QUIET DIPLOMACY"

The core of a new human rights policy would be the messages, both private and public, delivered to the leaders of governments which violate human rights. Under Kissinger, public statements about specific situation were ruled out, but there were frequent assurances that private efforts were underway with foreign leaders. Such efforts—labeled "quiet diplomacy"—were the only effective way, State officials argued, to pursue human rights.

But the question during the Kissinger years was not the effectiveness of diplomacy. It was whether the administration could be trusted to employ it. Doubts about administration commitment seemed confirmed in 1974 by a report that Kissinger had rebuked the U.S. ambassador for raising human rights with Chilean officials during a private meeting on U.S. military assistance. Ambassador David Popper's initiative was a classic example of quiet diplomacy, and Kissinger's response, "Tell Popper to cut out the political science lectures," suggested what Kissinger thought of it.

There are indications that Kissinger continued to undercut attempts to pressure foreign governments on human rights. According to two State Department officials who saw the secret notes of a conversation between Kissinger and the Chilean foreign minister in mid-1975, Kissinger stressed his belief that human rights had no place in foreign policy. He expressed to the Chilean, the sources said, his disagreement with congressional concern over human rights, describing it as unwelcome pressure on him.

A critique of quiet diplomacy in the past, and some lessons for the future, are contained in a previously undisclosed memo from State's legal office. Discussing private approaches to foreign leaders, it observed that "written statements by the President or the Secretary of State seem more likely to be effective than statements by our ambassadors—particularly in cases where the President or the Secretary communicate frequently with that government; an ambassador who urges human rights reforms is soon undermined if his superiors never mention the subject in their messages."

The memo repudiated the tactic of describing the concern for human rights to foreign leaders not as a U.S. interest but as an annoying phase through which Congress is passing. "Our diplomats," it urged, "should be firmly instructed never to place the 'blame' on the Congress and imply that, although the Executive Branch understands why repression is necessary, the emotional Congress doesn't and may do something irresponsible."

According to former foreign service officer Ranard, placing the "blame" on Congress was common. "The message given to country after country," Ranard said, "was not that what you're doing is wrong; what was said was that Congress is creating problems, interfering with our attempts to help you."

THE PRACTICALITIES

Quiet diplomacy could clearly be made forceful in the future, but it would have to be backed by a willingness to take public measures as well. Vance's announcement of aid cuts for three countries is the first signal that the Carter administration is willing to take such public measures. But Vance has pointed out that, in weighing human rights considerations, "one has to deal also with the practicalities of the situation."

The "practicalities of the situation" range from protection of the United States against physical attack to economic investments to the way nations vote in the United Nations. If the cuts Vance announced Thursday are the extent of the new administration's action, those practicalities still vastly outweigh considerations of human rights.

[From the Washington Post, Feb. 27, 1977]

RIGHTS IMPROVISATION STRAINS DETENTE

(By Robert G. Kaiser)

An unexpected and unsolicited State Department statement on Jan. 26 was the beginning—an announcement that the new United States government was concerned about the fate of intellectuals in Czechoslovakia who had petitioned their government for more freedom.

The Nixon and Ford administrations never volunteered such statements, so this was a surprise, at least in some diplomatic circles. It was also the first trickle in what soon grew into a verbal flood.

The new American government quickly made a succession of unprecedented statements supporting dissidents in the Soviet bloc, culminating in the startling revelation that the President had written a warm personal letter to the leading dissident intellectual in the Soviet Union, Andrei Sakharov.

The "human rights" issue became one of the major stories of Carter's first month although—from the very first statement on the Czechoslovakia petitioners—the new administration was improvising. President Carter was acting on strong personal beliefs and political commitments, but the precise measures he and his associates took were carefully planned only once—when they decided to send the letter to Sakharov in Moscow (a move the State Department said might not be appropriate).

"The whole thing has grown like Topsy and seems to be feeding on itself," one State Department official observed. In a series of interviews last week, numerous officials involved in these events acknowledged that the Carter administration still does not have a comprehensive and consistent policy on human rights. Some doubted one could be developed, given the uncertainty of future events.

Nevertheless, the young administration has managed in a month to radically alter the tone of the Soviet-American relationship—so radically, in the view of some diplomats, that future negotiations on political and arms issues may be adversely affected.

This is the message that the Soviet ambassador, Anatoly F. Dobrynin, has tried—forcefully if indirectly—to deliver in recent weeks. According to reliable sources, Dobrynin has told the new administration repeatedly that Chairman Leonid I. Brezhnev personally insists that non-intervention in Soviet affairs be a basic element of the still-evolving Soviet-American relationship.

Administration officials say the new U.S. posture—though it involves basic principles—should not influence negotiations in other fields. During the same period that the human rights issue has been blossoming, President Carter has repeatedly invited the Russians to begin serious new arms negotiations.

Carter began to take advantage of the Ford-Kissinger approach to détente early last year.

Ford's refusal to invite Alexandr Solzhenitsyn to the White House, and his efforts to hobble the congressionally mandated commission that was supposed to monitor the human rights provisions of the Helsinki agreement on European security, made useful campaign issues for the Georgian, particularly in ethnic communities of East Europeans.

This all came to a head in the second campaign debate, when Ford made his famous slip: "There is no Soviet domination of Eastern Europe and there never will be under a Ford administration." Carter picked this up with gusto; it soon became the biggest "issue" of the campaign. Carter emerged from the episode as the outspoken champion of those dominated by Soviet power.

The Carter administration has been surprised—some of its officials alarmed—by the amount of publicity the new human rights posture has generated already, and to some extent their surprise seems justified. The new President and his associates did signal their intentions on this issue more than once prior to Jan. 20.

During the campaign, for example, Carter wrote an encouraging letter to Vladimir Slepak, a leading Jewish dissident in Moscow. In December, Cyrus Vance, then Secretary of State designate, met in New York with Andrei Amalrik, a leading Soviet dissident who was pressured to leave the Soviet Union last year.

Both these gestures departed from the posture that Secretary of State Henry A. Kissinger had urged on Nixon and Ford, and—coupled with Carter's outspoken campaign rhetoric on human rights—they were probably signals of what was to come.

The new administration position was first enunciated almost by chance. Just a few days after the inauguration, Vance had dinner with several reporters who regularly cover the State Department. One of them suggested that Vance might change a frustrating department habit.

The habit was to prepare statements on world events to use in case a reporter asked for a comment at the department's daily news briefing. If no one asked the right question, the statement was never made.

The reporter asked if the press office could simply release these statements when the department had gone to the trouble of preparing them. The new Secretary thought it was a reasonable idea.

The very next day, without being asked, Frederick Z. Brown, the department spokesman, announced at the noon briefing that the U.S. government was concerned about mistreatment of Czechoslovak intellectuals who had signed a petition asking their government to grant more individual liberty. The reporters were surprised. One of them asked if the department also had something to say about Sakharov, who had been summoned to the prosecutor's office in Moscow a day earlier and given a stern warning. No, Brown said, but he'd inquire.

The next day the department issued a statement in defense of Sakharov, observing: "Any attempts by the Soviet authorities to intimidate Mr. Sakharov will not silence legitimate criticism in the Soviet Union . . ."

This was front-page news. It was also a surprise to the President and his Secretary of State. Vance had personally cleared the statement on Czechoslovakia, but this one was released after clearance by a deputy assistant secretary of state. "A glitch in our system," a senior official later explained. But Vance and Carter stood by the statement.

On Feb. 2 Carter has his first meeting with Dobrynin. According to well-placed sources, the President went beyond the advice of his aides to tell Dobrynin explicitly of U.S. interest in human rights. He also offered several new ideas for the strategic arms limitation talks (SALT), attempting to demonstrate the new administration's determination to negotiate a new SALT treaty quickly.

At that very moment the bureaucracy was analyzing a personal letter that Carter had received from Sakharov. It had been brought to the White House by a New York lawyer, Martin Garbus, who had met Sakharov on a tourist trip to Moscow. (Garbus originally planned to release the letter to the press; an acquaintance suggested he ought to give it to the addressee, Carter.)

The State Department drafted a possible reply for Carter, which it forwarded to the White House with an accompanying analysis. That analysis noted that Sakharov did not seem to solicit or expect a personal reply from the President. However, he did ask—in a paragraph of the letter previously unpublicized—for a channel through which he might convey important information on human rights matters to the United States. The State Department suggested that an appropriate reply might be for a low-level American official in Moscow to meet Sakharov there.

Carter rejected this advice. In the end he wrote his letter to Sakharov himself. It was sent—through the diplomatic pouch to the embassy in Moscow—on Feb. 5.

This letter was, in effect, in the mail while the American news media, various Western governments and specialists on Soviet affairs conducted an unstructured debate on the merits of the new American posture. Replies by Vance and Carter to public questions were interpreted by some as steps back from the earlier statements on human rights. But that analysis went up in smoke when Sakharov—on Feb. 17—revealed to the world that he had received his letter from the President.

That same night Dobrynin went to the State Department for a heated meeting with the acting secretary of state (Vance was in the Middle East). Dobrynin angrily cited the original Soviet-American correspondence of 1933, in which both governments pledged not to interfere in each other's internal affairs in any way.

A few days earlier, the Soviets' official organ, Pravda, had warned the world against interference in internal affairs. Since Dobrynin's firm *demarche* of Feb. 17 there has been a steady stream of similar complaints and warnings. The latest appeared in Pravda yesterday.

What does this all add up to? Thus far, a confused picture. The Carter administration has certainly established a new posture and a new way of handling this issue. Last week the United States extended its new position to countries outside the Soviet bloc with an announcement that military aid would be cut to Argentina, Ethiopia and Uruguay because their governments were abusing human rights.

Administration officials argue that Carter had to speak out firmly on Soviet repression to help revive domestic support for detente generally. Progress on arms control, Carter was said to feel, depends on a reliable consensus at home—which Ford and Kissinger squandered during 1976.

Prof. Jerry Hough of Duke University, a Soviet specialist, argued in an interview that Carter risked raising false hopes with his new posture. "In the case of particular individuals," Hough said, "the new policy may have an impact . . . but in terms of promoting liberalization in the Soviet Union it will do no good . . . What happens when it doesn't produce anything productive?"

A senior State Department official noted that after the Carter administration made a public statement deploring the arrest of Alexander Ginzburg, a Soviet dissident, another dissident who had been hiding from the secret police emerged to say this statement helped protect him. Soon afterward the second dissident, Yuri Orlov, was arrested by the KGB.

Proponents of the new posture respond that the United States has put the Soviets on the defensive, confused them, and also made them realize that Carter is serious about human rights. All those are positive, in terms of both domestic politics and relations with the Soviets, some officials argue.

The Soviet regime did make "strong welcoming noises" to the Carter administration, as one government official put it. Brezhnev himself, in a speech just before the inauguration, seemed to promise a cooperative attitude. Now Carter has surprised the Russians on a new front.

"The Soviets seems genuinely puzzled about how to deal with this thing," an American diplomat observed last week, "and we may be puzzled ourselves."

DEATH OF J. E. CHAFFIN

Mr. THURMOND. Mr. President, death has come unexpectedly to one of the leading newspapermen in South Carolina. On Sunday, February 20, J. E. Chaffin, editor and co-publisher of the Greenwood Index-Journal of Greenwood, S.C., passed away while returning home from a vacation.

It is highly ironical that J. E. Chaffin should have been stricken at such a time, for work—hard, thorough, painstaking work—was the unvarying rule of his productive life. By virtue of such work, he raised himself successively from reporter to managing editor, from managing editor to editor, and from editor to co-publisher of the Index-Journal. By virtue of such work, he helped make the Index-Journal one of the most distinctive and highly respected newspapers in the State.

His professional competence won for J. E. Chaffin not only advancement and success, but also the admiration and regard of his colleagues. They attested to these feelings by their frequent solicitation of his advice, and their selection of him in years past as president of the South Carolina Press Association and the South Carolina Associated Press News Council.

In depicting the professional side of J. E. Chaffin, I cannot forget to mention his skill as a writer. Articles and editorials flowed from his pen in a concise, direct, logical prose style that could serve as a model for aspiring journalists. A tireless reader and a hard thinker, J. E. Chaffin was incapable of wasting words. All his paragraphs, all his sentences, were calculated either to convey information or to influence opinion; and they did.

J. E. Chaffin was not only a leader of his profession but a civic leader as well. He was the first chairman of the South Carolina Economics Opportunity Board, and he served for a number of years as chairman of the editorial advisory board of the South Carolina United Methodists. In recognition of his diverse accomplishments, Lander College awarded him an honorary degree in 1970.

J. E. Chaffin's death has saddened friends, colleagues, and associates throughout the State. Although he and I had our differences on matters of public policy, there was a fundamental fairness about the man that soothed partisan feelings, and a straightforwardness that compelled admiration. I shall miss him.

To the members of his grieving family, I send my sincere condolences. These include his wife, Mrs. Lucille Getsinger Chaffin, and his two sons, Jimmy and Robert.

Mr. President, in the days following the death of J. E. Chaffin, a number of articles and editorials appeared in his honor in various South Carolina newspapers. As a newspaperman himself, he would be particularly proud of these tributes. In order that they may have the wider circulation that they deserve, especially among my colleagues, I ask unanimous consent that representative accounts be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Columbia, S.C., State, Feb. 21, 1977]

EDITOR J.E. CHAFFIN DIES

GREENWOOD.—J.E. Chaffin, editor and co-publisher of the Greenwood Index-Journal, died unexpectedly Sunday while returning to Greenwood from a round of golf at the Fripp Island resort. He was 62.

Chaffin, a native of Chapin, was a 1934 graduate of the University of South Carolina with a degree in journalism. He did post-graduate work at the University of California at Berkeley.

He began his journalism career on newspapers at Lexington and Denmark, S.C., and in New Orleans.

Chaffin went to the Index-Journal as a reporter in 1937. In 1940 he left to work for

the Railway Mail Service in Atlanta, and two years later he entered the Army.

Upon his return in 1946 he became managing editor at Greenwood. He became its second editor in 1956, succeeding the late H.L. Watson.

In 1961 he was elected to the American Society of Newspaper Editors.

He was also a member of Sigma Delta Chi, Society of Professional Journalists. He was a past president of the South Carolina Press Association and the South Carolina Associated Press News Council.

Chaffin was first chairman of the South Carolina Economics Opportunity Board, which operated Project T-Square; he was chairman of the editorial advisory board of the South Carolina United Methodist Advocate publication.

Chaffin, a member of the official board of Main Street United Methodist Church in Greenwood, received an honorary degree from Lander College in 1970.

He is survived by his widow, Mrs. Lucille Getsinger Chaffin; and two sons, Jimmy Chaffin of the University of South Carolina and Robert Chaffin of Greenwood.

Plans will be announced by Harley Funeral Home.

[From the Columbia, S.C., State, Feb. 22, 1977]

FUNERAL SERVICES TODAY FOR ED CHAFFIN, EDITOR

GREENWOOD.—Funeral services will be held today for J. Ed Chaffin, editor and copublisher of the Greenwood Index-Journal and a pr -ninent figure in South Carolina journalism.

Chaffin, 62, died Sunday. He was returning from a golfing weekend at Fripp Island when he was fatally stricken.

Services will be held at 3 p.m. at Main Street Methodist Church, conducted by the Rev. Harry Mays and Dr. Larry Jackson. Chaffin was a member of the church board. Burial will follow in Greenwood Memorial Gardens.

Pallbearers are John L. Watson, John A. Sheriff, Ronald J. Brown, Manual A. Timms, Richard E. Rowland and H. Emory Bowen Jr. The family asked that memorials be sent to the South Carolina Press Association Foundation for a J.E. Chaffin scholarship.

Chaffin was a former president of the press association and graduated from the university in 1934 with a degree in journalism.

Surviving are his widow, Lucille Getsinger Chaffin of Greenwood; two sons, James E. Chaffin Jr. of Columbia, a student at the University of South Carolina, and Robert Chaffin of Greenwood; and four sisters, Mrs. Francis Rutledge, Miss Tommie Chaffin and Miss Helen Chaffin, all of Columbia, and Mrs. Harry Eleazer of Chapin.

[From the Greenwood (S.C.) Index-Journal, Feb. 22, 1977]

J. E. CHAFFIN—A "BUILDER"

The Index-Journal lost J. E. Chaffin Sunday, but the loss will be felt by more than those of us within the walls of this newspaper.

Greenwood has lost a "builder."

J. E. Chaffin's meaning to Greenwood is etched into the face of a plaque presented to him in December of 1965 by the Greenwood Kiwanis Club as it honored him as a "community builder." These are the words:

"To J. E. Chaffin, a community builder on the foundation stone of truth, informed and informing clearly, eloquently and vigorously through news and editorials."

"In using the term 'builder' we did not necessarily mean bricks, mortar, rafters and floor joists," explained the Kiwanis Club president Jack Lawrence, "but we meant a builder in the educational, in the cultural, the social, the political, civic and religious and business areas of the community."

Mr. Chaffin's editorials were built on the solid rock of long hours of detailed thought, research and study.

He was born with a need to know about the world around him and he read and asked questions. His home is filled with evidence of his dedication to getting the information; books can be seen in almost every room.

The reporters who have worked under him have learned the lessons of good, honest journalism.

"Get the facts! Then, be fair with them!"

He was impatient with reporters who did otherwise or who had not learned the proper command of the English language.

He was equally firm in his support of his reporters when they needed backing against outside pressures.

Though he was one of the owners of The Index-Journal, he felt that its readers, in a greater sense, were also its owners with the right to express their opinions in its pages, whether they agreed or disagreed with his positions.

Mr. Chaffin's personal desire to learn led him to support those community institutions which could help others in their search for knowledge. Piedmont Technical College, Lander College, the Greenwood Area Vocational Facility and the Greenwood City and County Library received whole-hearted support.

He was interested in seeing that minorities get a fair shake—whether the minority was a political party or a people. J. E. Chaffin recognized one race—the human race.

He will be missed.

[From the Charleston, S.C., News and Courier, Feb. 24, 1977]

J. E. CHAFFIN

Throughout a career in which he rose from reporter to editor and co-publisher of the Greenwood Index-Journal, J. E. Chaffin demonstrated a steady competency in the varied aspects of journalism to which he set his hand. Friendly and unassuming, he knew South Carolina and its people, and he knew the newspaper business from the ground up. He had a firm grasp of what it takes to help people understand what's going on around them, and in the next county, state and nation. Ed Chaffin thought straight, talked straight, and wrote straight.

Managing editor for 10 years, he became editor of the Index-Journal in 1956, succeeding the late H. L. Watson. His service as president of the South Carolina Press Association and of the South Carolina Associated Press News Council was a measure of colleagues' regard for his professional ability. Friends around the state, as well as those in the community in which he lived and helped better, are saddened by his untimely death at 62.

[From the Columbia, S.C., State, Feb. 25, 1977]

THE NO. 1 EDITOR

Ed Chaffin was eulogized Tuesday as the conscience of Greenwood, a man who had entertained, chastized, and informed his town during almost four decades with the Greenwood Index-Journal, the last 21 as editor.

This town and his state were his passion, and even though he was, as are all editors, an imperfect man, he sought to improve his areas of influence by pointing to the truth as he knew it.

Finding the true facts is not an easy thing. Ed Chaffin subscribed to the view of an editor who said, "Either the issues are getting more complicated, or I'm getting more stupid."

More than most of us, he tried to keep abreast of things, getting out of his office and his town to attend as many briefings seminars, and gatherings of editors as possible. Members of the S.C. Press Association, meeting here now, deeply feel the loss of their old friend from Greenwood.

A former colleague of Ed's came up to us after his death Sunday and said, "Well, the rest of you guys can fight it out now to see who'll be the No. 1 editor in the state—because the No. 1 editor is gone."

RATIFICATION OF THE GENOCIDE TREATY: A STEP FORWARD

Mr. PROXMIRE. Mr. President, for the past several Senate sessions I have been summarizing and refuting the basic arguments against this Nation's ratification of the Genocide Treaty.

During successive sessions I have pointed out that the ratification of the Genocide Convention will pose no danger to our right of free speech, will raise no questions of constitutionality, and will create no new problems for our citizens, either home or abroad.

In short, Mr. President, there exists no good reason to explain why this treaty has not been ratified by the U.S. Senate. However, there is a very important reason why we should ratify this international document as soon as possible.

President Truman submitted the original ratification proposal in 1949, explained succinctly and effectively that ratification of the Genocide Convention—

. . . will demonstrate that the United States is prepared to take effective action on its part to contribute to the establishment of principles of law and justice.

President Truman saw clearly then the need for such an international agreement and his reasoning is just as sound today.

Genocide is a most hateful crime, an act that our national conscience cannot possibly accept. How long can we stand apart from the international body of nations that have condemned this crime?

Mr. President, I have worked and will continue to work for the ratification of the Genocide Convention. It is that important to me because it is that important to our country.

A NEW DIMENSION IN EDUCATION

Mr. WEICKER. Mr. President, I would like to share with my colleagues a news story which appeared in the Stamford Advocate on January 4th.

The article describes the rapid transmission and store—RTS—system developed by Dr. Peter Goldmark, which applies advanced technology to the field of education.

Because the RTS system will provide a broad range of educational opportunities for the people at locations more convenient to their homes or their places of employment, I believe it represents a new dimension in the future of education in our Nation.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

(By Dan Hall)

STAMFORD, CONN.—A group of U.S. community colleges is courting adult minds with a new teaching device that may help shape the way the nation thinks and lives.

The device is a portable video-tape machine that can do the job of eight teachers.

An attendant drives the $20,000 device to any building equipped with a special television set for each class. Hooked up, it can deliver up to eight hour or half-hour lessons chosen from as many as 60 lessons recorded on the single tape.

The unusually large number of lessons can be grouped on the conventional one-inch magnetic tape because still pictures, not moving ones, accompany the voice recording.

Initial lessons for the teaching system include health sciences, child care, consumer problems, introduction to business, world cultures and mathematics. Teaching centers could be set up in schools, libraries, firehouses or other public places.

Dr. Peter C. Goldmark, who also invented the long-playing record, said his Rapid Transmission and Store (RTS) system has two revolutionary implications.

First, because it should pay for itself through small tuition charges, it could have great impact on mass education.

Properly tailored by experts in the various fields of knowledge, it eventually could stir today's poorly informed public to demand government action on crucial, unsolved problems such as crime and energy shortages, he said.

Secondly, over a longer range, the teaching system could help to revitalize rural areas and play a role in reversing urban congestion that has caused many of today's social ills, he said.

"There exists a communications paradox where in densely populated metropolitan areas people live so tightly packed that they cannot communicate. They are gripped by fear, suspicion and desperation," he said.

North Carolina's community college system is the first to put RTS to work. Lesson material is being prepared for use at 10 study centers in the Charlotte area, according to project director William A. McIntosh of Central Piedmont Community College.

The lessons later will be made available on specially adapted home TV sets. RTS may eventually be extended to 57 institutions in North Carolina's community college system, he said.

Goldmark, 70, was a top CBS scientist until 1971, when he founded his own communications company in Stamford. It will produce the RTS and the related $300 device to adapt home TV sets if the system catches on.

A newly created subsidiary of Goldmark Communications is working with educators from six community college systems and the Dartmouth medical school to create and tape the lessons.

The medical school is helping to prepare a layman's course on medical care.

Goldmark said a public with better medical training probably could care for about half of its ailments without outside help.

More complicated medical problems could be diagnosed over the phone by trained medical technicians. Thus physicians would have more time to handle the most complicated cases, he said.

Other community colleges joining in the initial RTS program are in Chicago and Glen Ellyn, Ill.; Costa Mesa, Calif.; Eugene, Ore., and Kansas City.

Goldmark also has directed a study, federally funded through Fairfield University, that examined ways of improving the quality of life in rural areas.

The theory is that, by making rural life more interesting and by reducing the gap between the city and country through innovative communications, many individuals and businesses would relocate in less populated areas.

As a result of experiments, a system of stereophonic, two-way voice communications was developed for conferences between two distant points.

The Union Trust Co., a large Connecticut bank, found the conference hookup cost half as much as the travel and lost time required to get executives from separate offices together in one place.

The study, called the New Rural Society Project, also developed a way for businesses or government agencies to analyze their travel and communications needs and determine whether it would be practical to relocate in cheaper quarters outside the city.

REPORT OF PROFESSOR RAGAEI EL MALLAKH TO ENERGY SUBCOMMITTEE

Mr. KENNEDY. Mr. President, Prof. Ragaei El Mallakh, director of the International Research Center for Energy and Economic Development at the University of Colorado, was invited by the Energy Subcommittee of the Joint Economic Committee to testify at its hearings in January on "The Agenda with OPEC." However, Dr. El Mallakh was unable to appear due to his prior commitment to meet with OPEC oil ministers during a mid-January trip to the Middle East.

At my request, Dr. El Mallakh has prepared a report of his trip for use by members of the Energy Subcommittee and other Senators. In his report he examines the December two-tiered pricing decision, the likely outcome of this decision in terms of longer-run OPEC interests, and U.S. policy options in light of these realties.

Dr. El Mallakh's perspective is an important one for Senators to consider. I ask unanimous consent that his report to the Energy Subcommittee be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT TO THE SUBCOMMITTEE ON ENERGY, JOINT ECONOMIC COMMITTEE OF THE CONGRESS OF THE UNITED STATES

(Submitted by Dr. Ragaei El Mallakh [1])

Pursuant to the request of Senator Edward Kennedy as Chairman of the Subcommittee on Energy to report on my recent trip to various OPEC states with particular attention to policy recommendations to the United States Government, I submit the following observations and assessments relevant to economic options and trends.

In January of this year, I was in Iran, Kuwait, and Saudi Arabia, at which time I had a lengthy private meeting with the Prime Minister of Iran, a substantive interview with the Kuwaiti Minister of Oil and the Undersecretary for Economic Affairs of that Ministry (both of whom happen to be my former students), and two sessions with the Saudi Arabian Petroleum Minister among other oil, economic, and planning officials and cabinet ministers in the three countries. Most of the discussions surrounded the future of OPEC and its pricing system arising from the December 15–17, 1976 Doha (Qatar) price fixing conference where the majority of OPEC (originally 11 members) supported a 10 percent increase as of January 1, 1977, to be followed by a further rise of 5 percent in July. Saudi Arabia and the United Arab Emirates did not follow this decision.

THE 1976 DECEMBER OPEC PRICING DECISIONS: WHO AND WHAT

First, this movement to the two-tier system should not have been unexpected by the United States and other consumers. Since 1974 there have existed two rather distinct schools of thought on pricing within OPEC, subliminal at times and, prior to the Doha meeting, having been dealt with through compromise and negotiations when the difference surfaced openly for formal price decisions. Moreover, regardless of pronouncements, there has always been variation through de facto prices based upon differences in oil quality. The unanimity on price increases in the past was due overwhelmingly to the Saudi position enforcebale by that country's massive petroleum reserves (144 billion barrels) and its cushion of surplus funds (reaching some $47 billion in 1976) which allow for a relatively wide range of output fluctuations. Thus, while Saudi Arabia has not produced 50 percent or more of total OPEC output in the past, it is capable of doing so allowing for a slight time lag for technical adjustments.

Those in OPEC favoring the 10 percent increase base their judgments on (1) the rate of inflation as calculated by OPEC's Economic Commission Board (ECB) over the past 15 months (to December 1976) at a 26 percent rise in the cost of OPEC imports, (2) that the 10 percent hike (to be raised an additional 5 percent in mid-1977) can be managed and absorbed without major difficulties by the world economy, and (3) the postponement of the North-South meeting which was scheduled for December 1976. The latter point was interpreted as an indication that the industrialized nations were not yet willing to give an adequate response to Third World needs.

In the Saudi case, it appears their view was conditioned more by an evaluation of the international economy which believed the 26 percent imported inflation rate figure too high. Equally significant in Saudi decision making seems to have been the worry that the world economy's recovery was insufficient to absorb or deal with a 10 percent oil price rise. Additionally, Saudi Arabia takes the North-South dialogue more seriously than its fellow OPEC members because it has been an initiator and prime mover in this relationship since 1974 and heavily involved in the selection of the country representatives to the sessions. The Saudis saw their moderation in the price increase as an incentive to the industrialized consumer nations to deal with Third World problems in a constructive and affirmative manner when (not, in the Saudi view, if) the Conference on International Economic Cooperation convenes. Finally, the Saudis visualize the use of moderation in oil pricing as a method to secure an ongoing initiative and concern by the United States in resolving the Middle Eastern political conflict and bringing peace to the region through such measures as a determined effort in a reconvened Geneva Conference. Obviously, Saudi Arabia sees its oil price moderation as a clear and positive signal to the new Carter Administration and expects some response to its attitude.

WHERE IS OPEC HEADED?

The impact of the OPEC December 1976 price increase has been muted in large part to date because of the extensive stockpiling in the fourth quarter of that year. The first quarter of 1977 has been marked by destocking, giving a distorted demand picture which will be short lived. For example, Iran's oil production plummeted from about 6 million barrels per day (b/d) in the last three months of 1976 to around 4

Footnotes at end of article.

million b/d in the first half of January 1977; stockpiling pushed up the first statistic while destocking depressed the latter. Similarly, Kuwaiti output averaged 1.2 million b/d in January 1977 as compared with an average of 2.2 million b/d in 1976. It is expected, however, that more lifting will occur in Kuwait and Iran as a result of the return of a more normal demand situation arising from the decline in stocks of the consumer countries and the severe winter in the United States. Further, as the economic recovery in the West gathers momentum, petroleum demand is expected to continue to rise overall. With growing demand, the price "conflict" within OPEC should lessen and OPEC as a body is likely to be strengthened under conditions obtaining in a "seller's market."

Another factor pressuring against the two-tier system and pushing toward evolution of a single OPEC price is the difficulty with which production programming can be designed and implemented among the group of 11 countries announcing the 10 percent price increase to share the cutbacks in output and thereby balancing the rise in production from Saudi Arabia and the United Arab Emirates. It will be recalled that member countries such as Algeria and Libya have suffered a little from the temporary effects of destocking in early 1977 due to the high demand for their type of crude (light gravity, low sulfur). Demand for this type of oil is increasing, particularly in the Eastern region of the United States. The brunt of output slashes has fallen on Kuwait, Iran, and Iraq. Moreover, the absorptive capacities or the need for oil-generated funds vary among the OPEC economies. Iran and Iraq are large absorbers while Kuwait, with its limited population and high capital reserves, is a low absorber.

The split which occurred at the Doha meeting has fueled the hopes of those who are awaiting the demise of OPEC, predicted as imminent by a number of individuals for some time. In my view, these hopes might be at least two decades premature. OPEC as an organization with significant clout in international petroleum trade will be here to stay for a number of reasons. (1) The seller's market will continue and even be strengthened through the 1970s and 80s. (2) Both Saudi Arabia and its major so-called price adversaries realize that their past solidarity within OPEC is responsible for their present position of power in the oil market and in the increased government-take per barrel. Moreover, OPEC was created to protect its members against abrupt price declines and, hence, levels of revenues as experienced in 1959–60. (3) Although Saudi Arabia may be able technologically to up production dramatically after 1977 to meet increases in world demand, it is questionable that this is seen as a long-term or viable option by that country. With sufficient capital reserves and confronted by difficulties in absorbing the funds generated at the 8.5 million b/d ceiling at pre-Doha prices, Saudi Arabia has a hard time justifying a sustained substantially higher level of exports. (4) Aside from economic opportunity costs involved in lifting oil now as compared to later (under conditions of greater scarcity), there are political considerations other than bailing out the consuming nations. Many of Saudi Arabia and United Arab Emirates's fellow OPEC members are also neighbors and regional stability is politically desirable. Thus, the pivotal OPEC state of Saudi Arabia must balance its own political position between the two (the West and OPEC members) and unless there are rewards for increased Saudi output along the lines noted earlier, the regional benefits of lowering production could be more alluring and defensible in Saudi policy-making circles. (5) Within OPEC, one should always bear in mind the argument is not over whether prices should go up or down, but rather over how much they should go up. OPEC's decisions have never been binding on its member governments; this has been a structural strength in that the body only can and does move on issues of strong mutual interest.[2]

U.S. POLICY OPTIONS AND REALITIES

The most powerful components of OPEC in terms of oil reserves, output, trade, and capital funds are Middle Eastern nations. Accordingly, not only our specific economic and political policy vis-a-vis a given country is important but that towards the region as a whole. Clearly of benefit to the United States and the other consuming nations are peace and stability in the area for (a) security of oil supply and (b) a healthy trade relationship to offset importers' balance-of-payments outflows. Specifically, there are a number of policy options open to the United States within the framework of the new global realities.

The first and most constructive attitude or approach for the United States is in facilitating the transfer of technology to OPEC and Middle Eastern countries, particularly in energy-intensive industries. The oil producer commitment to the development of alternative energy sources is not a "smoke screen" but one of necessity as exports of a depleting asset increase. Moreover, such countries as Saudi Arabia, United Arab Emirates, and Kuwait are basically one-product economies. Most recently France has concluded two cooperative agreements with Saudi Arabia following President Valery Giscard d'Estaing's visit in January 1977 for the development of solar energy and nuclear research for peaceful purposes.

Second, to create incentives for such low absorbers as Kuwait, Saudi Arabia, and United Arab Emirates to continue a high level of oil exports, a positive attitude toward OPEC and more specifically Arab producers' investment in the United States should be fostered. This would entail eliminating obstacles and discrimination, opening up money and equity markets to oil investors, and providing safeguards against political actions such as freezing assets of nationals and other governments as has happened in the past.

Third, because of the balance-of-payments problem of the United States as petroleum imports rise (and could continue to do so for the next 15 to 20 years), trade also must be encouraged and expanded. The Middle East is the fastest growing single market in the world today, more important in dollar value than trade with the entire Soviet bloc. A vital export sector in the United States is directly reflected in a higher U.S. employment level. While American products and services have a good name and are admired in the Middle East, the United States is not in a competition-free vacuum there in the trade arena. French contracts with Saudi Arabia alone have risen from $8.6 million worth in 1973 to $1.6 billion worth in 1976.

Fourth, the United States national interests lies in orderly development and stability in the Middle East region. In the past two decades, the American reliance on Middle Eastern petroleum was primarily indirect; the scales now have tipped since the opening of the 1970s toward greater United States interdependence with that region as the Middle East has become the major source of needed direct oil imports. An interruption, upheaval, or war would mean a measurable negative impact on the U.S. economy and level of employment. The drawing together economically and politically of the key moderate countries of Iran, Egypt, and Saudi Arabia should be viewed and reacted to as a positive development because these three states account for about one-half of the population of the region, more than a quarter of the world's oil reserves, and the most critical in oil logistics (Egypt with the Suez Canal and the Sumed pipeline stands as the most important transit country). All three are definitely pro-West generally and pro-United States in particular and are pushing for their national development in cooperation with the industrialized West. An aspect of regionalism in the area is the mobility of capital funds; investment in the region by the oil states enhances political stability in the recipient countries and can also finance additional imports—expanded potential markets for American products. Some serious consideration should be given to triangular arrangements with OPEC states where U.S. technology, skills, and equipment could be combined with an oil producer's funds for a project in a third country.

Fifth, as 1977 opens it should be abundantly clear that direct United States interests in the Middle East are so great that they can no longer be sidestepped or overlooked. Were there to erupt another military conflict along the lines of 1973 and the subsequent dislocations, the economic consequences, quite aside from the tragedy of human suffering, are unthinkable for all parties concerned. It is highly questionable that there could be a winner and almost certainly the United States would be the major loser. If our economy and energy system are so precariously balanced that a prolonged cold spell can so disrupt our national economic life, an interruption which would affect almost 30 percent of our oil needs would be a disaster. Moreover, the Middle Eastern and North African members of OPEC are emerging as the major sources from which the United States will be importing LNG (liquefied natural gas).

Sixth, our policies toward OPEC and its individual members could benefit from an attitude of greater cooperation rather than confrontation. Within the Middle East one discovers almost bewilderment over what is apparently American resentment and antagonism against the growing United States-Middle Eastern interdependence. Such an aura of hostility is largely absent in the relationship between the OPEC members (the Middle Eastern states in particular) and other major importers as Japan and the European consuming industrial countries, e.g., France, Germany, and the United Kingdom.

Seventh, the solution to the United States energy problem and, in fact, the global energy crisis, involves three interrelated elements or policies: (a) conservation, (b) development of new energy sources, and (c) cooperation with the suppliers of the traditional energy sources. For example, scarcity has added immediacy to the conservation impetus; nonetheless, implementing significant conservation will require time. Cost and the availability of capital play important roles in the development of new energy sources; again, time is needed to evolve rational and commercially feasible alternatives. Thus, conservation and the development of new energy sources cannot be viewed as alternatives to cooperation with the major producers but rather as part of an overall medium and long-term strategy to meet the world's energy demands.

FOOTNOTES

[1] Professor El Mallakh is Editor of the *Journal of Energy and Development* and has specialized in energy, developmental, and Middle Eastern and African economics for over 20 years. A citizen of the United States, the author has held grants from the National Science Foundation, Social Science Research Council, and the Ford and Rockefeller Foundations. He has written over 80 articles, reviews, contributions to books, and such volumes as *Economic Development and Regional Cooperation: Kuwait* (Chicago

University Press, 1968, 1971) and *Capital Investment in the Middle East: The Use of Surplus Funds for Regional Development* (Praeger Publishers, forthcoming 1977). The latter study was drawn in part from findings of a project on "Implications of Regional Development in the Middle East for United States Trade, Capital Flows, and Balance of Payments."

[2] The sinister and powerful image of OPEC per se has been greatly exaggerated. For example, when visiting the Vienna headquarters, one is struck by the fact that the entire Economic Department's staff, including secretaries and file clerks, numbers less than a dozen persons. The body is, in fact, a representative of its individual members' power.

RETIREMENT OF FRANK BRIZZI, STAFF DIRECTOR, SENATE COMMITTEE ON VETERANS' AFFAIRS

Mr. THURMOND. Mr. President, I wish to commend to my colleagues and to the Nation the distinguished career of public service rendered by Frank J. Brizzi who has recently retired as the staff director of the Senate Committee on Veterans' Affairs.

Mr. Brizzi began his Government career in 1942 as a fingerprint technician with the Federal Bureau of Investigation. He entered the military service in 1943 and served with the Army Air Corps as an aerial gunner. Upon completion of military service, Frank returned to the FBI and also attended American University in Washington, D.C. In 1944, at the age of 23, he became a service officer with the Disabled American Veterans.

In 1945, Mr. Brizzi was appointed special assistant to the late Honorable Estes Kefauver, U.S. Senator from Tennessee. For the next 18 years, while a member of Senator Kefauver's staff, he worked in the administrative areas of press liaison work, legislative research and assistance, senatorial staff operations, and Federal agency liaison for Senator Kefauver's Tennessee constituency.

After Senator Kefauver's death in 1963, Mr. Brizzi served as administrative assistant to the late Senator Herbert (Hub) Walters who was appointed to fill the vacancy.

In 1965, he was appointed Assistant Regional Director of the Washington Region of the Post Office Department where he had major responsibilities in the handling of postal administrative and public relations work for the Washington region which includes the States of Maryland, Virginia, West Virginia, and the District of Columbia.

Frank became staff director of the Senate Committee on Veterans' Affairs after it was formed in early 1971. In this capacity with the committee, he was involved with the preparation of major veterans' legislation designed to expand existing benefit programs.

Mr. Brizzi is married to the former Rita L. Downey of Huntington, W. Va. They have three children—Dona, Laura and John, and two grandchildren, Thomas Dolan, Jr., and Sarah Ann Henderson.

The Senate Veterans' Affairs Committee will certainly miss the services and resourcefulness of Frank Brizzi. As staff director. He contributed much to the betterment of the veterans population of this country and earned the respect of everyone who had the privilege of being associated with him.

All of us who had the pleasure of working with him wish him happiness in his retirement and every success in his future endeavors.

CAN CARTER STOP THE ARMS RACE?

Mr. CLARK. Mr. President, in the space of just a few weeks, Mr. Carter has sent unmistakable signals to the Soviet Union of his concern for the peril of nuclear escalation. This, of course, was thoroughly predictable, given the public positions he repeatedly took took throughout the campaign. But Mr. Carter has wasted no time in making clear that he accords the issue of nuclear weapons the highest possible priority. As you will recall, the President has:

Suggested to the Soviet Union that we inform each other before launching any intercontinental ballistics missile in its test phase;

Proposed a comprehensive test ban to stop all nuclear testing for an extended period—perhaps 2 years;

Suggested that if the Soviets hold off in deploying the new SS–20 mobile missiles, the United States would show reciprocal restraint in its own mobile program;

Announced a trip by Secretary of State Cyrus Vance to Moscow to resume talks on SALT, and made clear his determination not to let the cruise missile and backfire issues impede this agreement if at all possible;

Most of all, Mr. President, the President has made credible his conviction on the necessity for pushing ahead in the wide range of arms control measures before us. He has expressed his long-term hope that nuclear weapons can be eliminated; he has clearly articulated his awareness of the terrors of a nuclear exchange, in which tens of millions of people would be killed.

Against this backdrop, the question posed by the New York Times magazine Sunday in its special report was particularly timely: "Can Carter Stop the Arms Race?"

As is its custom, the Times presented a series of balanced essays.

First, there is the cautious, perhaps pessimistic, analysis by Walter Laqueur, the distinguished chairman of the Research Council of the Center for Strategic and International Studies at Georgetown University. Laqueur quite correctly points out that although the United States has a substantial lead in deliverable nuclear warheads, and has distinct advantages in MIRV and accuracy, the Soviet Union is developing systems which will most likely narrow this advantage. He also quite correctly asserts that Soviet conventional strength is superior to American in every respect except helicopters and strategic airlift, but he is balanced enough to concede that geographical and strategic differences are such that this disparity is not as substantial as it might seem.

Prof. Richard Barnet, codirector of the Institute for Policy Studies in Washington, explores basically the idea of nuclear superiority, which he finds to be largely a fallacy. The United States had an unprecedented—and short-lived—nuclear monopoly throughout the period of greatest Soviet aggrandizement in foreign policy, the takeover of Eastern Europe, the Korean war, the Berlin blockade. Barnet cites the revealing study that calculated that even after the worst conceivable Soviet first strike—destroying 50 percent of our submarine-based missiles, 80 percent of our B–52's, and 90 percent of our land-based ICBM's, we could still retaliate with 3,000 weapons. A Defense Department analysis a few years back showed that 100 nuclear weapons would kill 37 million Soviets, and destroy 59 percent of its productive capacity.

To the contributions of these two experts is added the wisdom and experience of Gerard C. Smith, who was the chief American delegate to the first SALT negotiations, who offers a sort of "10 commandments" on negotiating with the Soviets. Although Ambassador Smith is much too diplomatic to put it quite this way, he is drawing on his own unhappy experiences while trying to negotiate in Helsinki and Vienna, when he was constantly undercut by end runs by the President and his National Security Adviser, Henry Kissinger. One thought I particularly appreciated was Ambassador Smith's suggestion that it would be helpful if the "Carter administration discouraged the practice of underrating our military posture vis-a-vis the Soviets as a means of getting congressional appropriations for the Defense Department."

I also particularly noted his observations that the SALT talks were in effect an education for the leaders of both countries who had to come to grips with complex strategic materials. The hours and weeks of discussions between our delegations may well have been the most important product of the initial SALT talks. I would hope that the administration will broaden this education procedure during the upcoming SALT round to make possible a more enlightened and informed American public opinion. For that, I am convinced, is the best way to garner support for a wise arms control program.

Mr. President, I ask unanimous consent that the special report from the February 27, 1977, issue be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CAN CARTER STOP THE ARMS RACE

"We will move this year," President Carter vowed in his Inaugural Address, "a step toward our ultimate goal—the elimination of all nuclear weapons from this earth." It seemed a grandiose promise, yet arms control is a striking example of one field in which the Carter Administration has stressed substance over style.

In his first few weeks in office, Mr. Carter has signaled his intentions to move "quickly and aggressively" to halt all nuclear tests and conclude new strategic arms limitation talks (SALT) with the Soviet Union before the present agreement expires in October.

What's more, his choice as chief arms-control negotiator, Paul C. Warnke, is noted for a desire to reduce the spiraling U.S. defense budget. Next month, the President will dispatch Secretary of State Cyrus Vance to Moscow to begin critical discussions on a SALT accord.

The President's intentions are clear enough. What is not equally clear is whether he will be successful in stopping the nuclear arms race. Voices have been raised in the Pentagon and elsewhere warning that the United States cannot afford to let down its strategic guard at a time when the Russians may be scrapping the notion of nuclear equivalence in favor of a policy of nuclear superiority. And the Warnke nomination ran into severe criticism from a coalition of conservatives and intellectuals whose profound suspicion of the Kremlin's military intentions has been hardened by Moscow's record on human rights.

What, then, are the perils and prospects as the Carter Administration embarks on its first major foreign-policy venture? To address that question, The New York Times Magazine asked three experienced observers—Walter Laqueur, Richard Barnet and Gerald C. Smith—to assess current American policy and sketch a blueprint for national security in an age of nuclear overkill. On the following pages, their views.

PERILS OF DÉTENTE

(By Walter Laqueur)

Some 18 months ago, the C.I.A. announced that it had revised its estimates on Russian military spending. The Soviet Union was not spending 6 to 8 percent of its gross national product on defense, but double that amount. Which meant, the agency pointed out, that Russia was outspending the United States by 50 percent, if one stripped away pensions and similar items from the U.S. defense budget.

For many experts, this announcement did not come as a great surprise. They had long thought that the C.I.A. estimates were too low. However, Representative Les Aspin, one of the Pentagon's best-informed critics, was quick to point out that the new estimates were no more than an exercise in bookkeeping. They did not mean that the Russians had one more tank or plane than before. Indeed, in some ways, he observed, the news was good. Greater spending meant the Russian defense industries were less efficient than we believed, and it would be difficult to expand them.

Perhaps Aspin's points are well-taken, but he tends to ignore other conditions. First, there might well be even more tanks and guns and planes than previously believed, since the "means of national verification" (to use the official term) are so far from foolproof. And it certainly is not immaterial whether a nation allocates 6 to 8 percent of its G.N.P. to military spending, or twice as much.

More recently, Maj. General George J. Keegan, Jr., former Air Force chief of intelligence, has argued that the U.S.S.R. was not only aiming at superiority but had already won it and there was hard evidence to suggest that the Soviet Union was actually preparing for war. He referred specifically to the Soviet concentration of offensive weapons, and the construction of giant military and civilian underground silos. Similar warnings, perhaps slightly less emphatic, have emanated from other quarters. Against this it has been argued that the Rusisans were pursuing a chimera if indeed they aimed as superiority. For given the ability of the two superpowers to destroy each other several times over, superiority in any meaningful sense no longer exists. This argument is not however as strong as it appears at first sight, for if there is rough strategic equality between the two superpowers, nuclear weapons are not likely to be used in the armed conflict, and victory is likely to go to the side with the greater conventional strength. Whether the Soviet leaders will risk a major conflict with the danger of escalation, is a different question; in the foreseeable future, they are unlikely to do so, unless, of course the disparity between the military strength of the two sides grows to such an extent that the risk will be negligible.

The pessimistic appraisal of Soviet capacities and intentions is relatively simple and straightforward, whereas the reasoning of those opposing military spending is more complicated and proceeds on various levels. They do not on the whole dispute the facts and figures about Soviet armaments. But some of them claim that the facts are wrongly interpreted, either intentionally by vested interests, such as the military-industrial complex, or unintentionally, by cold warriors who suffer from paranoiac suspicions and always attribute to the Russians the worst possible motives. This is the Russians-are-not-10-feet-tall argument. Another school of thought concedes that the Russians have indeed made considerable progress, but claims that their technology is inferior to that of the West, that some of their weapons are quite outdated, that they have no combat experience. The Russians, in short, may be 10 feet tall, but they have a soft underbelly.

Yet others admit both Soviet numerical superiority and growing technological sophistication, but maintain that military superiority cannot be translated into political power in our day and age. A further argument is based on geographical considerations. In contrast to the United States, which does not have to defend its borders, the Russians have to defend themselves on their western and eastern frontiers. Others refer to historical-cultural-psychological factors. The Russians act out of fear, having suffered invasions more than once in their history; allowance has to be made for their apprehensions. Furthermore, Russians have always been great believers in numbers. It is also maintained that in a realistic comparison of the military strength of allies, Russia's allies are thought to be both weaker and less reliable than America's partners in NATO.

Until fairly recently these arguments had a great deal of public support. In democratic societies there is always great reluctance to increase defense spending. As President Eisenhower once said, "Every gun that is made, every warship launched, every rocket signifies a theft from those who hunger and are not fed, those who are cold and are not clothed." Of late, however, the critics of the defense establishment have been very much on the defensive, facing the growing evidence about Soviet rearmament on one hand and Soviet secrecy on the other. The Soviet Union, unlike Western countries, is not in the habit of making details of its military efforts known. The only figure annually released is the budget total of the Ministry of Defense, which happens to be about 17 billion rubles. It has remained static with the slightest variations for many years and become something of a ritual. No one believes it, nor can anyone dispute it, for what it supposedly entails is unknown. It is one of the ironies of world politics that Soviet secrecy, deeply rooted in Russian history as well as the present political system, is politically counterproductive. For it defeats, of course, another aim of Soviet policy, to persuade the rest of the world of its peaceful intentions and above all not to arouse America.

PROMISE OF DISARMAMENT

(By Richard Barnet)

In the tradition of the "bomber gap" of the 1950's and the "missile gap" of the 1960's, the professional alarmists of the Pentagon are once again demanding bigger military budgets to keep the United States from "falling behind" the Soviet Union. Yet even most pessimistic strategists agree with the Chairman of the Joint Chiefs of Staff that the United States is now "ahead." The United States still has three times as many nuclear weapons as the Soviet Union, and more varied, more accurate and more sophisticated means to deliver them on Soviet territory. The United States Navy is far larger, more flexible, has far greater fire power, and dominates distant oceans through a network of bases the Soviets cannot even approximate. In Europe, the numbers of NATO and Warsaw Pact combat troops are roughly equal. Soviet advantages in numbers of tanks are countered by U.S. advantages in quality and antitank weapons.

The alarmists warn, however, that the Russians are striving for future "superiority" and that if they attain it, the consequences will be dire. Unlike the fictitious "gaps" of the Eisenhower and Kennedy years, there has been a real Soviet buildup. But the meaning is ambiguous. The language of military power is hard to interpret in a world of thousands of nuclear weapons, each of which is many times the destructive force of the bomb that incinerated Hiroshima. A nation can add to its arsenal because it is planing to attack, because it hopes thereby to deter an attack, because it seeks to enhance political influence, or for purely domestic reasons. (Anyone who does not understand that Russia has always maintained a huge army and uses soldiers extensively in the civilian economy will perceive a distorted meaning in the size of the Soviet Army.)

The Soviet buildup raises two issues: What does the Soviet program to modernize and expand its military forces mean? What should the United States do about it? Kissinger argues that to talk about "superiority" is a false issue. "What in God's name do you do with military superiority?" he once asked. Very little, it seems, judging by the history of the cold war. The United States started the post-war era with a monopoly of nuclear weapons (in addition to having the only economy unravaged by war). But American "superiority" could not be harnessed to political ends. "The period of American monopoly of the bomb," Prof. Adam Ulam of Harvard writes in his book "Expansion and Coexistence," "was the period of greatest Soviet pushfulness in foreign policy, of the rapid satellization of Eastern Europe and of the Communist conquest of China." Nuclear superiority of the United States did not deter the Korean War or the Berlin blockade. In short, "nuclear superiority" was irrelevant to the political and military struggle of the immediate postwar world. Its primary effect was to spur the Soviets to catch up.

The alarmists point out that, of course, the United States and the Soviet Union are different. We could be trusted with a monopoly, but the Russians would strike if they could get away with it. In the spring of 1950, Paul Nitze wrote a top-secret planning document for the National Security Council, NSC–68, predicting that 1954 would be "the critical date for the United States" because the Soviets would then have 200 atomic bombs. The critical date passed and the Soviets now have 3,500 nuclear weapons and the United States has about 9,000. (Mr. Nitze is at least consistent: He was recently part of a C.I.A. study group which warned of the Soviet quest for "superiority" and "war-winning capability.") Whether the Soviets would have exploited their monopoly of nuclear weapons more ruthlessly than did the United States, we will never know. Today there are enough nuclear weapons on both sides to make the notion of "war-winning" absurd.

According to calculations of the Department of Defense published 10 years ago, 100 nuclear weapons landing on the Soviet Union

would kill 37 million people—15 percent of the population—and destroy 59 percent of the industrial capacity. The United States now has 9,000 such weapons that can be delivered by missiles or bombers and many thousands more that could strike Soviet territory from forward bases. A high proportion of these might be destroyed in a surprise attack, it is true, but many times one hundred nuclear weapons would survive to land on their targets. Representative Les Aspin, a former Pentagon analyst, calculated that after a far more devastating Soviet first strike than would ever be likely to happen, in which 50 percent of the submarine-based missiles, 80 percent of the B–52's, and 90 percent of the ICBM's were destroyed, the United States would have 3,100 warheads left for retaliation—a little less than the entire present Soviet stockpile. One submarine alone can destroy as many as 224 separate targets, each as large as a Soviet city, and the United States, which is about to build more of them, has 41 such submarines. No planner of a surprise attack could hope to neutralize this force completely because submerged submarines are difficult to detect and to destroy.

I once had the grisly assignment in the Department of Defense of working on one of the periodic estimates the military likes to make about how many will die in the event that various "nuclear options" are employed. These analyses are intended to inform major decisions—e.g., whether to strike first, whether to target civilian as well as military targets. So many uncertainties about the effects of a retaliatory attack, such as fallout, disease and panic, are implicit in such estimates that no one, except perhaps the statisticians of death who prepare them, can have much confidence in them. Political leaders with the destiny of entire societies in their hands are not going to start World War III on the basis of a computer printout.

NEGOTIATING WITH THE SOVIETS

(By Gerald C. Smith)

WASHINGTON.—President Carter begins his Administration at a time when the process for placing limits on nuclear competition is approaching an important turning point. The 1972 interim freeze on intercontinental and submarine missile launchers runs out in less than nine months. Replacing the freeze with a more comprehensive and longer-lasting agreement is apparently one of Carter's top-priority goals. Setting his sights even higher than President Nixon and President Ford, he even speaks of an end to all nuclear tests, of early reduction in strategic forces, and of the long-range goal of banning nuclear weapons altogether.

His prospects of success will, I believe, depend to a large degree on his negotiating procedures. Yet, although much has been written about the SALT agreements to date, little is known about the process. It may be timely, therefore, to expose some of its difficulties. The seven years we have spent on arms talks with the Soviets should have taught us some lessons. If an American negotiator who participated in those talks, as I did, were to try to come up with a set of do's and don'ts to guide the new President in the next round, he might come up with something like the following general principles:

1. Don't lust for the summit. A desire to link arms-control negotiations with a meeting with the Soviet leaders in Moscow affected the timing and perhaps the substance of SALT I, the first phrase of the Strategic Arms Limitations Talks. From the start of his Administration, President Nixon aimed at such a summit, with a SALT accord as its centerpeice. When plans for a 1971 summit did not pan out, the Soviets had little incentive to reach early agreement. Time was working in their favor. They were adding launchers to their strategic forces—launchers that were the objects to be limited. The agreement finally reached in 1972 could have been reached the previous year.

Moreover, negotiating complex technical matters in Moscow can be a hairy business. During the 1972 summit, Henry Kissinger telegraphed me from Moscow that he never knew from hour to hour with whom he was to meet or what the topic would be. The Soviets have a way of bending local arrangements to their advantage. Some wry observations on that score were jotted down by an American delegate returning from the SALT signing ceremony in Moscow. Under the heading, "The Last 20 Minutes of the Negotiations Are the Most Important," he spelled out some ironic guidelines:

"First, arrange for the negotiations to be conducted at several levels. Try to pocket the optimum for your side arising at any one of the levels. Subtechniques include (a) general statements at top subsequently withdrawn at a lower level, (b) introduction without prior notice of added starters at an intermediate level to swing the situation in your favor. At political meeting, introduce 'expert' prepared to use his special knowledge to your advantage under circumstances where those on the other side are not in a position to contradict him. . . . Use your interpreters for both. Have no typewriters or Xerox machines available when needed. Give other side as minimum secure communications facilities as possible."

I don't mean to suggest that President Carter should follow this advice when I say that if any part of the next round of negotiations does take place in the capital of either country, it should be in Washington.

2. Don't conduct the talks on two channels, one involving the Soviet and American delegates at the negotiating table, the other involving White House and Kremlin officials in the two capitals. In 1972, the agreement to limit antiballistic missile systems (ABM's) to a very low level was the product of the first channel; the moratorium on new construction of launchers for offensive missiles—the interim freeze—was in large part a product of the second. The first was a careful process, much of which involved making a comprehensive record of exchanges through formal communications. The second channel involved President Nixon, Kissinger, Soviet Ambassador Anatoly Dobrynin and the Kremlin leadership. It was informal, usually with no records made available to the SALT delegates (at least not to the Americans). As a result, our delegates were sometimes left in the dark as to what was going on.

As a general matter, best results will be obtained if, under the President's direction, only one negotiating channel is used. As Lloyd George said, it is not that one general is better than another but that one general is better than two (especially if one is trying to outmaneuver the other). And there is a kind of Gresham's law in a plural approach to negotiations. It becomes increasingly difficult to resolve issues at a lower level.

3. Don't expect quick results. SALT is a slow and painstaking process. One reason for that during the SALT I negotiations was that the Soviet delegates (at least the civilians) did not seem to have full information about their own weapons systems. It was reported that, short of the Politburo, there was no machinery for coordination of policy among their agencies. Not surprisingly, the Soviets seemed better at reacting to American initiatives than to taking their own.

The American delegation was kept on a very short rein—properly so, since we were dealing with issues central to the security of the nation—and I had the impression that the chief Soviet delegate, Vladimir Semyonov, was under restrictions at least as severe as ours. Even the physical arrangements tended to slow things up. The delegations met at the two countries' embassies (Vienna was the only American Embassy I know of with a men's-room sign in Russian). It required hundreds of man-hours to prepare statements for plenary meetings. More than 20 high-level officials worked on each statement, which was usually the product of five or six drafts. After Semyonov and I orally delivered these statements in plenary meetings, they were exchanged in order to insure accurate translation of the English and Russian texts. It took American interpreters four to eight hours to produce a final translation that, we were confident, reflected all important shades of meaning. In addition to these formal statements, full reports of all informal exchanges, usually involving about 12 people on each side, were forwarded to Washington.

But this is the process best designed to produce solid arms controls. The ABM treaty has worked well. Instead of building up to permitted levels, the two nations agreed in 1974 to hold their ABM's to one system apiece. We have gone further and put our one system in mothballs. The Soviet Union has not deployed all of the 100 launchers permitted for the defense of Moscow. As for the interim freeze, the number of missile launchers deployed by both sides at the end of its five-years term will be at or below the permitted levels, and an arrangement to broaden this agreement was foreshadowed by the 1974 Vladivostok accord.

4. Don't waste time on obviously inequitable propositions. For many months, the United States pressed for an ABM agreement based on inequality—in our favor—only in the end to agree on two sites for each side. The time expended on this was better used by the other side.

Nor does it seem wise to table positions we are not sure of. At the preliminary SALT round at Helsinki in 1969, we tabled a set of "illustrative elements" to stimulate a dialogue. They were examples, not offers; this was a useful technique. But after the negotiation starter, we tabled a number of what appeared to be proposals but were actually "approaches" intended to keep the President free to repudiate them if that appeared prudent. A number of alternate ABM limitations were tabled, thus giving the Soviets a plausible claim that a choice had been offered. When their pick did not suit our policy, confusion and delay resulted. We should avoid giving the other side a chance to pick and choose. Negotiations are not seminars; we should table only those positions we have decided to support.

Much of the time-consuming routine I have described above is necessary, but little is gained by oral presentation of statements in plenary sessions. The negotiating process could be speeded up if this step were eliminated.

5. Remember that what may seem like a polemical attitude on the part of the Soviets may reflect the difference in the negotiating styles of the two sides. During SALT I, we tended to make specific proposals, while the Soviets for the most part made general proposals, assuring us that once they were accepted, the "fine print" would offer no problem. The Soviets seem to consider arms control as primarily a matter of international policies having technical aspects. For them, a major arms-control agreement would be so significant politically that it would not require detailed provisions. American officials, while appreciating its high political significance, tend to see arms control more as a search for solutions to the complex technical problems of establishing force levels and weapons characteristics by international agreement.

I certainly do not favor loosely drafted agreements. There is no denying that while Soviet estimates of verification needs start with an assumption that American commitments will be honored, the United States cannot be so sure. Soviet weapons programs may be observed by national means of verifi-

cation, including satellite photography, only when well along in development. This fact of life, together with some poor experience with Soviet implementation of postwar agreements, has in the past made for an American negotiating approach that emphasizes loophole closing.

But even the most skillful negotiator cannot persuade another nation to make commitments against its will. Even the most tightly drawn agreement cannot make a sovereign power act in ways that it judges prejudicial. The most ingenious lawyer cannot anticipate all developments under such unprecedented arrangements as SALT. Continually emphasizing the risk that the nation you are bargaining with may well violate the agreement does not provide the best background for improved political relations, which, in the last analysis, is the aim of SALT or any other international agreement. The first SALT agreements were carefully tailored so as to be simple to verify. In future negotiations, we may face choices between leaving some conceivable loopholes open or abandoning the whole negotiation. Future agreements may be harder to verify infallibly. That does not necessarily mean that they would be prejudicial to our interests.

6. Realize that the Soviets enjoy a tactical negotiating advantage because of the closed nature of their society. The Soviets know from American publications the number of strategic weapons we have or plan to deploy, and they know a good deal about their designs. We have to rely on far from infallible intelligence findings that do not reveal full information about their future deployment plans. They know precisely how many American missiles are to have multiple warheads; we can only estimate the scope of their MIRV programs.

But the SALT agreements that have been reached so far have compensated in part for this asymmetry. Because of the interim freeze, our knowledge of what their aggregate missile force numbers would be in 1977 approached their knowledge of ours. This was no small accomplishment. In appraising possible agreements in the future, it should be kept in mind that Moscow's superior command of information tends to be neutralized by arms-control agreements as they are carried out. And commitments made by the Soviets not to interfere with—or conceal weapons systems from—national means of verification increase the reliability of the information obtained by these means.

Don't overreact to the inevitable leaks. During the SALT I talks, rather accurate projections of American negotiating moves were at times available to the Soviets through press stories; Pravda never helped us in that way. The inability of Washington agency officials to keep their mouths shut was one reason for White House exclusion of SALT officials from information they should have had, and the cost of that exclusion is still hard to assess. In retrospect, I think the importance of the leaks was exaggerated, and the leakers had nothing more sinister in mind than to manipulate the press to advance negotiating positions they favored or to retard those they opposed.

A more serious negotiating advantage was given to the Soviets, I felt whenever the White House put out optimistic predictions about SALT prospects. Generating expectations of agreements does not add to bargaining power for your side.

On the other hand, it would help if the Carter Administration discouraged the practice of underrating our military posture vis-a-vis the Soviets' as a means of getting Congressional appropriations for the Defense Department. The strength, variety and flexibility of our forces gave us ample bargaining power at the SALT I talks, and in the next round the United States still holds the high card—technological superiority. The Soviets cannot match American scientific, engineering and industrial power. Yet consider what readers and listeners around the world have been told.

From the Soviet side, when the silence is broken, come self-assured statements that the Soviet strategic forces have what they need. From our side come expressions of concern about the growth of Soviet forces; worries about the vulnerability of American ICBM's; charges that SALT has endowed us with inferiority; new targeting doctrine and strategic initiatives that resemble efforts to imitate Soviet force structures and their presumed capabilities. It would be ironic if the pattern of poor-mouthing our position at home should read to a second-best image abroad. The Soviets have done better than we in manipulating the psychological aspect of the strategic balance.

8. Don't interfere with the negotiating process once it has begun. Intervention by top officials should be resorted to only in extremes, when the clear alternative is collapse of the whole negotiation. Even then, the negotiating process should be much more carefully handled than was the case during the high-level phases of SALT I. Deadlines are useful in some international negotiations but seem to be out of place in SALT. The overt role of heads of government should be limited to public ratification of what, under their direction, has already been done by their agents.

9. Don't worry if, at first, results seem to elude you. Prolonged SALT negotiations are not necessarily a bad thing. The process of preparing for and conducting negotiations has a constructive effect on United States policies and the attitudes of American decision makers, and the same doubtless holds true of its effect within the Soviet Union.

During the SALT I negotiation, leaders of both countries were required to educate themselves about strategic matters. Because of SALT, certain Soviet civilians for the first time entered deeply into the complexities of nuclear-arms doctrine and planning. American and Soviet officials spent years exchanging views about strategic arms and their control. The U.S. National Security Council and the Soviet Politburo have been deeply engaged in trying to understand arcane aspects of ballistic missilry. The United States Congress and the North Atlantic Council, the press and the people of the United States and its allies have for years had an opportunity to go as deeply as they chose into the complexities of the unique strategic relationship of the two superpowers.

Behind the specific value of SALT agreements is the great worth of the process itself. The strategic relationship has already been altered for the better as a result of the negotiations thus far, and more negotiations can only be of further benefit.

10. Above all, do everything possible to turn the beginning made in SALT I into an irreversible process. Already, in a period of only seven years, arms control has become a rspectable part of national-security policy. The Secretary of Defense and the Joint Chiefs of Staff recognize it as a fact of military life. Pentagon planning and programming are done on the assumption that they are here to stay. Machinery has been set up at a high level in the executive branch to monitor fulfillment of SALT commitments. Although grumbling was heard from not unexpected quarters that the spirit of the SALT agreements was not being respected, President Ford publicly stated that the terms of the agreements were being fulfilled. The prospect seems good that, gradually, strategic arms can be brought under control. Both the cost of deterring war and the risk of its occurring can be substantially reduced. These are great prizes worth the investment of immense energy and ingenuity.

As the Arab saying goes, "It takes two hands to clap." Both the United States and the Soviet Union must see it in their security interest to keep the first agreements and build on them. Having proved that they can agree to some constraints, they must push on lest they slide back into hostility. They will be still at it after we are all dead, if world civilization is to survive.

GORDIE HOWE—MR. HOCKEY

Mr. GRIFFIN. Mr. President, last evening during a hockey game in Houston, Tex., a 48-year-old man glided across the ice, took a pass from his 23-year-old son, and slammed it past the opposing goalie for a score.

That event marks a special milestone in sports history. The father was "Mr. Hockey"—Gordie Howe—and the score was the 900th goal of his long and unparalleled career.

I hesitate to begin citing statistics about this remarkable human being, because there is virtually no end to his achievements. However, allow me to mention just a few of the records he has set.

A member of the National Hockey League Hall of Fame, Gordie led that league in scoring 6 times, while ranking among the top 5 scorers for 20 consecutive seasons. Twenty-one times he was chosen as a member of the NHL all-star team, and he received the Hart Memorial Trophy as the league's most valuable player—MVP—on 6 occasions.

After moving to the World Hockey League in 1973, the legendary "Number 9" promptly was named most valuable player of that league, and he has played each season on its all-star team. Certainly not unrelated to his individual accomplishments is the fact that Howe-led teams have won no less than six league championships.

As hockey fans are well aware, Gordie's career in the NHL was spent as a Detroit Red Wing. The story is told that a letter once arrived at the main post office in Detroit addressed simply to "Mr. Hockey, U.S.A." Without hesitation, the letter was routinely delivered to the Howe home, and that is exactly where it belonged.

During those years, a close friendship developed between the Howe and Griffin families, and as an occasional golf partner of Gordie's, this Senator can attest to the oft-stated fact that his athletic prowess is not limited to the ice rink. What is more important, in addition to being a great peerless athlete, Mr. Hockey continues to be an outstanding community leader and great family man.

Gordie has been cited for his work with youth hockey, the March of Dimes and countless other civic projects. Meanwhile, his lovely wife Colleen—currently an executive in the front office of the Houston Aeros—has combined civic and business responsibilities with being the mother of Catherine and Murray Howe, as well as Mark and Marty, who, along with Gordie, form hockey's only father-son combination.

Undoubtedly, we will be hearing a great deal more from Gordie and the rest of his remarkable family. The former Prime Minister of Canada, Lester Pearson, put it most succinctly when he said:

Both on the ice and off, Gordie Howe's conduct . . . has demonstrated a high quality of sportsmanship and competence which is an example to all of us.

Mr. President, I take this opportunity to salute this outstanding man, and to ask unanimous consent that an article from this morning's Washington Post, celebrating Gordie Howe's 900th goal, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOWE SCORES 900TH GOAL

HOUSTON.—Gordie Howe, playing with a sore bruised foot, didn't keep the fans in suspense long tonight, scoring the 900th goal of his career at 1:31 of the opening period and the Houston Aeros to an 8–3 World Hockey Association victory over the Phoenix Roadrunners.

"I was glad to get it tonight," said Howe, the highest scoring player in major league hockey history. "Marty (Howe) hit me perfectly and the shot just went in. The foot gets sore early, but it feels better after that one."

Bobby Hull, now of the Winnipeg Jets, has recorded 840 goals.

The Summit crowd of 8,707 turned out to see Gordie score the historic goal. Gordie got the puck at the blue line on a pass from his son, Marty Howe, and was one-on-one with Phoenix goalie Clay Hebenton. Gordie zig-zagged towards the net and flipped the puck into the net.

The elder Howe, playing with a bruised foot, did not return for the second period. Howe's foot was placed in a cast for at least seven days.

Howe, who scored his first major league goal as an 18-year-old with the Detroit Red Wings, was asked if he can score 1,000. "I can't even count that high," Howe said.

Howe also assisted on two other goals as the Aeros posted their 15th consecutive home victory.

RETIREMENT OF FRANK BRIZZI, STAFF DIRECTOR, COMMITTEE ON VETERANS' AFFAIRS

Mr. HARRY F. BYRD, JR. Mr. President, for the past 6 years, members of the Senate, their staffs, and veterans throughout the country, have appreciated the fine work of Frank J. Brizzi as staff director of the Senate Veterans' Affairs Committee.

Mr. Brizzi is proud of his record of public service, which began as a disabled American veterans service officer in 1944, when he was 23 years old. He started Government service in 1942 as a fingerprint technician with the Federal Bureau of Investigation before entering military service in 1943. Shortly after completing his military service with the Army Air Corps as an aerial gunner, he returned to the FBI and attended American University in Washington, D.C.

In 1945, he was appointed Special Assistant to the late Honorable Estes Kefauver, U.S. Senator from Tennessee. For the next 18 years, while a member of Senator Kefauver's staff, he worked in the administrative area of press liaison work, legislative research and assistance, senatorial staff operations, and Federal agency liaison for Senator Kefauver's Tennessee constituency.

After Senator Kefauver's death in 1963, Mr. Brizzi served as administrative assistant to the late Senator Herbert "Hub" Walters, who was appointed to fill the vacancy.

In 1965, he was appointed assistant regional director of the Washington region of the Post Office Department where he had major responsibilities in the handling of postal administrative and public relations work for the Washington region which includes the States of Maryland, Virginia, West Virginia, and the District of Columbia.

Mr. Brizzi became staff director of the Senate Committee on Veterans' Affairs after it was formed in early 1971. In this capacity with the committee, he has been involved with the preparation of major veterans' legislation designed to expand existing benefit programs.

Mr. Brizzi is married to the former Rita L. Downey, of Huntington, W. Va. They have three children—Dona, Laura, and John, and two grandchildren, Thomas Dolan, Jr., and Sarah Ann Henderson.

As Mr. Brizzi completes his service as staff director of the Senate Veterans' Affairs Committee, we extend to him our appreciation for his dedicated service and wish him well in his future endeavors.

"B–1: WHAT WILL CARTER DECIDE?"

Mr. GOLDWATER. Mr. President, the American Security Council is one of the most prestigious organizations in this country concerned with the defense of America and America's ability to take care of its promises to its allies and its interest in world peace. In their Washington report of January 1977, they have a very thoughtful and perceptive article on the B–1. The title is, "B–1: What will Carter Decide?" As one who, himself, has had a lifelong interest in the military ability of our country to perform and, as a member of the Armed Services Committee, I look at this question with more than just a casual interest. Just last week when Secretary of Defense Brown appeared before the Armed Services Committee, he did not rule out cuts in all classes of weapons and even indicated that the B–1 might wind up with zero. He blamed the indecision and his inability to answer questions on the force structure 5 years from now and on the newness of this administration. Now, the truth is that President Carter, when running for office, made several statements about being able to cut $7 to $9 billion out of the defense budget, which he has not been able to do, and he also indicated without any definite promise, or words to the effect, that the B–1 should not be funded. We are all, in this country, interested in what the force structure is or, in other words: what will be the numbers of men, the numbers of weapons, the quality of weapons, et cetera, and what will they be in 5 or 10 years or even in a few months? The President has the decision to make on the B–1. It is hoped, for the best interests of America and for peace in this world, that he will decide on at most a possible cutback in the total buy of the B–1. If he does come to the cutback position, I hope it will be accompanied by a statement as to what the structure of the force will be in the years ahead. However, I am hopeful that the B–1 program will remain undisturbed. Because it is a matter of such great interest before this body, I ask unanimous consent that the Washington Report, "What will Carter decide?" et cetera, be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

B–1: WHAT WILL CARTER DECIDE?

One of the first and most critical decisions that will have to be made by the incoming Carter administration is the final production decision on the new B–1 strategic bomber.

The B–1 is designed to replace and supplement the B–52 as a major part of the U.S. strategic nuclear forces. The B–1 will actually carry more payload internally than the B–52 and will fly faster and lower. Its "swing-wing" is extended on take-offs for added lift so that the B–1 can get airborne quickly from shorter runways than can the B–52.

In high-speed, low-level flight, the wings fold back to enable the aircraft to fly at almost the speed of sound at less than 200 feet above the surface. By staying close to the ground and taking advantage of the terrain, the B–1 will be almost invisible to Soviet radar stations because radar cannot see through hills and mountains.

Because of air turbulence close to the ground, the B–1 uses small control surfaces near the nose of the aircraft to smooth out the flight. These allow the B–1 to fly at speeds that would shake the B–52 to pieces. At higher altitudes, the B–1 is supersonic.

When it approaches heavily defended areas, short range (30 to 100 miles) attack missiles (SRAM's) carried by the B–1 can either fly through the defenses to hit the target or can punch holes in the defenses allowing the B–1 itself to deliver a heavier weapon.

The B–1 is critically needed because of this capability to penetrate even heavily defended areas and deliver its weapons with great accuracy.

Deterrence is dependent on enemy countries knowing that they cannot stop a devastating retaliatory blow. Outmoded weapons or inadequate numbers invite aggressive actions by our opponents that can lead to war.

PRESIDENT KENNEDY'S WARNING

As President John F. Kennedy warned, "Only through strength can we be certain of deterring a nuclear attack. And that deterrent strength, if it is to be effective and credible . . . must embody the most modern, the most reliable and the most versatile nuclear weapons our research and development can produce."

Last year, defense critics in Congress attempted to delay—in the hope of ultimately killing—the B–1 by adding an amendment to the 1977 Defense Appropriations bill that prohibited the Department of Defense from obligating more than $87 million per month through February 1977. On December 2, the Air Force signed a contract with Rockwell International for production of the first batch of three B–1 bombers and for some long-lead time parts for the next batch of eight planes. The contract was written to conform with the Congressional mandate.

At a news conference in the Pentagon announcing the awarding of the contract, Secretary of the Air Force Thomas C. Reed reported that the Defense Systems Acquisition Review Committee (DSARC) had recommended that the B–1 program be moved into the production phase.

Before the final decision was made to procure the new bomber, two additional reviews of the entire program were completed, one by an ad hoc Technical Assessment Committee of the Air Force Scientific Advisory Board, and another by an outside Alterna-

tives Review Panel. The Technical Assessment Committee concluded that there were no apparent technical problems that would jeopardize the successful completion of the B–1 program and that from a technical point of view, the production decision could be made with confidence.

OUTSIDE PANEL RECOMMENDS B–1

The Alternatives Review Panel concluded, "Given the size of the Soviet offensive and defensive forces, and, in particular, given the ability of the Soviets to respond to any U.S. deployment decisions, we have come to the conclusion that the B–1 should be procured for inclusion in the force. We believe that the speed at low altitude, ECM potential, low radar cross-section and hardness of the B–1 provide better assurance of flexibly meeting the range of possible threats than do any of the forces which do not include the B–1. Furthermore, we believe the B–1 can give us these superior capabilities at comparable cost and at an earlier date than any of the other systems suggested."

The panel consisted of Dr. Edward W. David, Jr., Chairman of the National Security Council Ad Hoc Strategic Panel and former Science Advisor to the President, Dr. Michael May of the Lawrence Livermore Laboratory and formerly a SALT negotiator, and Dr. Paul H. Nitze, former Deputy Secretary of Defense and formerly a SALT negotiator.

The Secretary of the Air Force reported that the design and testing program included more than 23,000 hours of wind tunnel tests and that major sections of the airframe have been subjected to the equivalent of at least two full lifetimes of operation during fatigue testing—and the testing still is going on.

In regard to costs, the Secretary stated that the full program in "then-year dollars" should be $22.8 billion including the more than $3 billion that has already been spent over the past decade for research and development.

Some opponents of the BM–1 have compared the "then-year" dollar figure to the cost of earlier weapon systems to claim that the B–1 is the "most costly" weapon program ever. This is far from the truth, however.

The term "then-year dollars" represents the expected cost including inflation. Since part of the money will be spent in the 1980's, the effect of inflation can be significant and can make "then-year dollars" a very misleading term.

For example, if the entire program could be paid for in dollars that were worth what they were in 1970, the entire cost would be just slightly more than $11 billion. If the program could be paid for in dollars that are exactly the value they are now, the cost would be less than $17 billion. All but 12 percent of the cost increase in the program is caused by the increased rate of inflation expected.

COSTS COMPARED

One way to judge the actual cost of the B–1 bomber program is to compare it with the actual cost of the earlier B–52 program. When costs are adjusted to compensate for inflation, we find that the total B–1 program cost in 1976 dollars is $16.974 billion while the B–52 force cost is $22.6 billion. In other words, the B–52 bomber cost 33 percent more than will the B–1 bomber force. While a larger number of B–52's were purchased, the B–1 is much more capable and each B–1 can carry almost twice the payload of a B–52.

In comparison with other elements of America's strategic nuclear "triad," we find that the B–1 program is only half as expensive as the Minuteman missile system and only 40 percent of the cost of the Polaris/Poseidon program.

Many members of the anti-defense lobby have used the supposed high cost of the B–1 as an excuse to oppose its development and procurement. They often claim that the B–1 will be the "most expensive" airplane ever built.

Chances are that the oranges, cars, televisions, and postage stamps you buy in 1985 will be the "most expensive" too because of the continued decrease in the value of the dollar. In fact, because of inflation, a car that cost $3,500 in 1970 would cost $5,000 today. The identical car in 1985 would cost more than $8,300.

PRICE NOT EXCESSIVE

Interestingly, the cost of the B–1 does not seem as excessive when compared to civilian aircraft flying now. For example, the Boeing 747 jetliner costs about $40 million compared to a "fly-away" cost of $47 million ($54 million if spares and ground support are included) for the B–1 in 1976 dollars. The 747, however, is not designed to fly low and fast penetrating missions into enemy airspace and is not crammed full of the electronic "black boxes" needed to confuse and defeat Soviet radars and anti-aircraft missile sites. Nor does the 747 have a supersonic capability or a "swing-wing" to allow fast get-aways from bases before the arrival of Soviet missiles.

The critics who claim that the B–1 should be halted in favor of 747's or other modern "wide-bodied" jets carrying cruise missiles do not seem to be aware of these cost comparisons or of the additional costs estimated at approximately $25 million just to make these civilian jets able to escape safely from airfields under nuclear attack and perform their mission. This would bring the cost of a "militarized" 747 to about $65 million, substantially higher than the B–1.

The only operational civilian aircraft that is supersonic is the Concorde, which is currently priced between $50 and $60 million and can carry less than half the payload only two-thirds as far as the B–1. Like other civilian aircraft, it does not have offensive and defensive avionics, is not designed to fly at low altitudes, is not "hardened" against nuclear effects, and could not escape from airbases under attack.

When compared with civilian aircraft like these, the $47 million current price tag on a B–1 seems more reasonable.

The entire B–1 program will not be a large part of the defense budget. In fact, the program will average just about 2% of the defense budget during the next decade.

The question of cost, however, is secondary to the question of national defense needs.

MODERNIZATION NEEDED

On this point, almost all defense analysts agree: Soviet strategic offensive and strategic defensive forces have been increasing in both quality and quantity at a very rapid rate. While some will argue that our strategic forces are "sufficient" at the present time, nearly all have warned that the Soviet military surge makes it imperative that the United States modernize its strategic nuclear forces.

More and more defense experts are concluding as did the American Security Council in 1969, that the U.S.S.R. is already superior to the United States in military power and that superiority is increasing.

The Soviets are spending three and a half times as much as the United States for strategic forces according to the latest figures from the Central Intelligence Agency. The Soviets have a lead in numbers and size of ICBM's, number and size of SLBM's, megatonnage, throw-weight and numbers of strategic bombers.

For defense, the Soviets have an operational ABM system while the United States does not, they have an operational anti-aircraft missile defense with more than 12,000 missiles on lanuchers while the U.S. has none, and they have more than eight times as many interceptors. Further, the quality of the Soviet defensive and offensive forces has been improving steadily. In addition, the massive Soviet civil defense effort, when combined with the defensive forces listed above, reduces significantly the ability of the U.S. to retaliate effectively after a Soviet first strike and is eroding our deterrent posture.

TRIAD CONCEPT

Manned bombers are an indispensable part of the U.S. "triad" of strategic offensive forces. The Triad concept itself is an important one because any attack on one element of the American retaliatory capability will alert the other elements which will remain intact to strike back at the enemy. As the Secretary of the Air Force stated recently, "There is no known way to attack all three simultaneously."

Nevertheless, the U.S. Minuteman ICBM's are potentially vulnearble to the new generation of accurate Soviet missiles with large warheads, and the Polaris and Poseidon SLBM's do not have the accuracy to attack hardened targets in the U.S.S.R. In addition, communications with our strategic submarines is difficult and uncertain.

Bombers, on the other hand, can be "scrambled" from their bases at the first sign of an attack to escape Soviet missiles and will then be virtually immune until over enemy territory.

Unlike missiles, manned bombers can be recalled at any time. Also unlike missiles, they can be put on a higher alert status to show American determination and preparedness. During the Cuban Missile Crisis, Soviet radar screens reportedly showed swarms of B–52 and B–47 bombers circling outside of Soviet airspace. Many believe that this show of force was an important element in Khrushchev's decision to back down in 1962.

B–52'S GETTING OLD

Bombers also have the advantage of being able to carry large payloads and deliver them with great accuracy. At the present time, more than half of the U.S. strategic megatonnage is carried by manned bombers.

The problem with the B–52 bombers is that they are getting very old and were not designed to penetrate sophisticated new Soviet defenses by flying at low altitude. The last B–52 bomber was delivered to the Air Force in October 1962.

Development of the B–52 was started back in 1945, more than 30 years ago, and although the versions retained in the Strategic Air Command have been upgraded, improved and modified a number of times, often at great expense, the basic airframe technology will be about 40 years old by the time the B–1 is fully operational in 1986 and by that time, even the newest B–52 will be almost 25 years old.

Nevertheless, the Air Force plans on keeping some of the B–52's in service through the rest of this century for use as launching platforms for cruise missiles targeted against lightly-defended areas. Some of the B–52's have already been weakened so much by metal fatigue that they have been fitted with "girdles" around their mid-sections to strengthen them enough to continue in service.

One way to visualize the age of these noble old bombers is to consider that by the time the B–1's are fully operational, many of the B–52's will have been flying as many years as lapsed between the first air battles fought in rickety bi-planes in World War I and the advent of operational jet aircraft in 1944. They will be older than many of the crew members who will be asked to fly them.

If the United States is to continue to have the flexibility and survivability represented by the bomber component of the strategic "triad," these ancient B–52's will have to be replaced.

Only the B–1 can fill this role in time.

If America is to remain strong and able to deter aggression in the 1980's and beyond, the B–1 must be built.

THE BATTLE TO STOP THE B–1

The campaign to stop the B–1 bomber has become one of the most intense ever waged by the anti-defense lobby in the United States.

Foremost among the groups opposing the production of the B–1 bomber is the Communist Party of the Soviet Union (CPSU) and other Communist parties including that of the United States.

BREZHNEV ATTACKS B–1

In his speech to the 25th Party Congress of the CPSU in March 1976, Brezhnev made a special effort to denounce the B–1 as well as the Trident submarine and other U.S. responses to the Soviet military buildup.

Brezhnev made it clear that Communists should do everything in their power to stop the B–1. Speaking of the one-sided Soviet "suggestions" to ban the B–1 and Trident (which were rejected since the Soviets would not discuss banning their equivalent Backfire bombers and Delta-class submarines), Brezhnev said, "We have not withdrawn them (the 'suggestions'). And need we say how beneficial their implementation would be? A great role and responsibility devolve on the public mass movement in consolidating peace . . . such as the World Congress of Peace Forces in Moscow. . . . We shall not spare strength in drawing the broad popular masses into the efforts."

The Soviet propaganda campaign against the B–1 has been intense. Articles have appeared in innumerable Soviet and Communist publications. Even the latest issue of the Soviet journal, *International Affairs* has a ten-page article giving its American readers new "facts" and reasoning to use in opposing the B–1 and other needed weapons.

U.S. COMMUNIST PARTY ACTIVE

Ever faithful to its Soviet masters, the Communist Party of the United States has played an important role in anti-B–1 propaganda in the United States. For example, the Party's *Daily World* newspaper devoted most of its front page on December 29 to an announcement of an anti-B–1 rally scheduled for January 22 in Washington.

The article quoted Pauline Rosen, a Communist Party functionary and coordinator of the World Peace Council front, the National Center to Slash Military Spending.

Mrs. Rosen is also listed as National Coordinator of the U.S. Committee of the World Congress of Peace Forces. The World Congress of Peace Forces, also known as the World Peace Council, is a certifiable international Communist front organization. According to the article, the rally is being sponsored by the American Friends Service Committee and the Clergy and Laity Concerned who had previously teamed up to oppose the Vietnam war.

OTHER ANTI-DEFENSE GROUPS

The other elements in the campaign to halt the B–1 bomber are, for the most part, the same organizations that worked so hard to cut off American support of Vietnam and thereby assured a Communist victory in Indochina. They range from Common Cause to the Women Strike for Peace, Environmental Action, National Taxpayers Union, War Resisters League, SANE, and the Catholic Peace Fellowship, among others.

Congress' own internal anti-defense lobby, the Members of Congress for Peace Through Law, is also actively opposing the B–1 bomber.

MANY B–1 SUPPORTERS

On the other side—supporting the B–1 bomber—are most of the knowledgeable pro-Western groups and individuals both in this country and abroad—and the vast majority of the American people.

For example, the new *Jane's All the World's Aircraft* features an editorial by J. W. R. Taylor which states that construction of the B–1 bomber is now "urgent and the United States ought to get on with the program.

Sir Robert Thompson stressed the importance of the B–1 and other U.S. strategic military programs in the *New Lugano Review* published in Switzerland.

In the United States, the liberal Coalition for a Democratic Majority (which called the B–1 "indispensable"), the Leadership Foundation, the American Conservative Union, the American Coalition, Young Americans for Freedom, the American Legion, the Veterans of Foreign Wars, and, of course, the American Security Council, are among the many groups that have announced their support for the B–1 along with innumerable columnists and editorial writers.

We have heard of no groups that are known to favor a strong defense that oppose the B–1!

In 1976, the Senate Armed Services Committee reported, "The Committee, having reviewed in detail all aspects of the B–1 bomber program, recommends approval of production of the B–1 bomber. The B–1 is one of the essential measures the country must take to avoid strategic inferiority."

MAJORITY OF AMERICANS FAVOR B–1

Most importantly, the majority of Americans is in favor of producing the B–1 bomber according to reliable polls. For example:

1. An Opinion Research Corporation study released in December showed that 64% of the voting age public approved of the decision by the Air Force to proceed with production, only 18% disagreed, and another 18% were undecided.

2. A poll conducted in August by Roger Seasonwein Associates for Rockwell International agrees very closely with the Opinion Research Corporation results. In the Seasonwein poll, 57% favor the B–1 bomber program, only 16% oppose it and 27% 'don't know."

Both polls showed overwhelming popular support for the United States to be militarily stronger than the Soviet Union.

While no questions were asked specifically about the B–1 bomber program, another poll, this one conducted by Gallup for Potomac Associates, showed that 52% of the American people were in favor of maintaining our "dominant position as the world's most powerful nation at all costs, *even going to the brink of war, if necessary.*" In the same poll, 71% wanted the defense budget increased or kept where it is while only 20% wanted the defense budget cut.

Thus the battle over the B–1 bomber shapes up as one setting the majority of the American people and most defense analysts against the propaganda campaign of the Communist Party and its fronts and against the parallel efforts of non-Communist elements of the anti-defense lobby.

(This concludes additional statements submitted by Senators today.)

ORDER OF PROCEDURE TOMORROW—S. 626

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the conference report on the third budget resolution tomorrow, the Senate proceed to the consideration of S. 626.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—S. 626

Mr. ROBERT C. BYRD. Mr. President, with respect to S. 626—and may I say I have cleared this request with Mr. RIBICOFF and with the Republican leader and with other Senators who are closely involved—I ask unanimous consent that there be a time limitation thereon of 4 hours, to be equally divided between Mr. RIBICOFF and Mr. PERCY; that there be a time limitation on any amendment of 1 hour, a time limitation on any amendment to an amendment of 30 minutes; a time limitation on any debatable motion, appeal or point of order, if such is submitted to the Senate for discussion, of 20 minutes; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The text of the unanimous consent agreement reads as follows:

Ordered, That following the disposition of the conference report on S. Con. Res. 10, the Senate proceed to the consideration of S. 626 (Order No. 28), a bill to re-establish the period within which the President may transmit to the Congress plans for the reorganization of agencies of the executive branch of the Government, and for other purposes, and debate on any amendment in the first degree shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, debate on any amendment in the second degree shall be limited to 30 minutes, to be equally divided and controlled by the move of such and the manager of the bill, and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment, motion, appeal, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 4 hours, to be equally divided and controlled, respectively, by the Senator from Connecticut (Mr. Ribicoff) and the Senator from Illinois (Mr. Percy): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until 12 noon tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, are there any special orders for tomorrow?

The PRESIDING OFFICER. There is an order for Senator SCHMITT of New Mexico for 15 minutes tomorrow.

Mr. ROBERT C. BYRD. I thank the Chair.

ORDER FOR THE RECOGNITION OF SENATOR BARTLETT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the order that has been entered heretofore for Mr. SCHMITT on tomorrow, Mr.

BARTLETT be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE TOMORROW—CONFERENCE REPORT ON THIRD BUDGET RESOLUTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, immediately following the two orders that previously have been entered, the Senate proceed to the consideration of the conference report on the third budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO CONVENE SENATE AT 10 A.M. ON FRIDAY, MARCH 4, 1977, AND MONDAY, MARCH 7, THROUGH FRIDAY, MARCH 11, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Friday and daily next week through Friday, the Senate convene at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR SECRETARY OF THE SENATE TO RECEIVE MESSAGES FROM THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF THE UNITED STATES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until 12 o'clock noon tomorrow, the Secretary of the Senate be authorized to receive messages from the House of Representatives and from the President of the United States and that they may be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until 12 noon tomorrow, the Vice President of the United States, the President pro tempore, the Acting President pro tempore, and the Deputy President pro tempore be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR CERTAIN ACTION UNTIL 5 P.M. TODAY

Mr. CRANSTON. Mr. President, I ask unanimous consent that Senators may have until 5 o'clock this afternoon to insert statements in the RECORD and introduce bills and resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEES TO FILE REPORTS UNTIL MIDNIGHT TONIGHT THROUGH FRIDAY NIGHT

Mr. CRANSTON. Mr. President, I ask unanimous consent that committees may have until midnight tonight, tomorrow night and Friday night to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today. The Senate will convene tomorrow at 12 noon. Immediately after the orders for recognition of the two leaders, under the standing order, and the recognition of Senators SCHMITT and BARTLETT, the Senate will proceed to the consideration of the conference report on the third budget resolution, and there is a time agreement on that resolution.

Upon the disposition of that resolution, the Senate will proceed to the consideration of S. 626, a bill to reestablish the period within which the President may transmit to the Congress plans for the reorganization of agencies of the executive branch of the Government, and for other purposes, under a time agreement.

There certainly will be rollcall votes on the passage of S. 626 and on any amendments or motions in relation thereto. There may be a rollcall vote on the adoption of the conference report on the third budget resolution. So Senators are aware that there will be rollcall votes on tomorrow.

RECESS

Mr. CRANSTON. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to, and at 1:17 p.m., the Senate recessed until tomorrow, Thursday, March 3, 1977, at 12 noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 2, 1977:

AMBASSADOR

Evan S. Dobelle, of Massachusetts, for the rank of Ambassador during his tenure of service as Chief of Protocol for the White House.

DEPARTMENT OF STATE

The following-named Foreign Service officers for promotion from class 1 to the class of career minister:

Harry G. Barnes, Jr., of Maryland.
Robert A. Hurwitch, of Illinois.
Richard B. Parker, of Kansas.
Thomas R. Pickering, of New Jersey.
Harry W. Shlaudeman, of California.
Ronald I. Spiers, of Vermont.
Christopher Van Hollen, of Virginia.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE FOREIGN SERVICE

Foreign Service nominations beginning David Anderson, to be a Foreign Service officer of class 1, and ending Theodore R. Tench, to be a Foreign Service officer of class 7, which nominations were received by the Senate and appeared in the Congressional Record on January 10, 1977.

Foreign Service nominations beginning Jane Abell Coon, to be a Foreign Service officer of class 3, a Consular Officer, and a Secretary in the Diplomatic Service of the United States of America, and ending Robert M. Feathers, to be a Consular Officer of the United States of America, which nominations were received by the Senate on February 14, 1977, and appeared in the Congressional Record on February 21, 1977.

HOUSE OF REPRESENTATIVES—*Wednesday, March 2, 1977*

The House met a 1 o'clock p.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

He that abideth in Me and I in Him, the same bringeth forth much fruit.—John 15: 5.

Almighty and Eternal God, whose glory is in all the world, whose love is everlasting, and whose truth endureth forever, come anew into our hearts as we bow in prayer before You. May the consciousness of Your presence renew our strength, restore our faith, reinforce our energies, and lead us in the paths of righteousness.

Bless this good land you have given to us. Grant unto our leaders wisdom, courage, and faith that their decisions may be sound and for the good of all. Give to our people and to the people of the world the spirit of good will and an obedience to Your laws that brotherhood may become a reality and the nations learn to live together in peace; to the glory of Thy holy name and the welfare of the human family. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Is there objection to the approval of the Journal?

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, reserving the right to object, the gentleman from Maryland would like to propound a parliamentary inquiry to the Chair.

The SPEAKER. The gentleman will state it.

Mr. BAUMAN. Mr. Speaker, in view of the proceedings and the importance of the business before the House today, would it be the intention of the Chair to

entertain a call of the House early in the proceedings?

The SPEAKER. The answer is in the affirmative.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the approval of the Journal?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 3753. An act to bring certain governing international fishery agreements within the purview of the Fishery Conservation Zone Transition Act.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3365. An act to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 3365) entitled "An act to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions, and for other purposes," disagreed to by the House; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PROXMIRE, Mr. MCINTYRE, Mr. SPARKMAN, Mr. BROOKE, and Mr. TOWER to be the conferees on the part of the Senate.

DEDICATING CANAL AND TOWPATH OF CHESAPEAKE & OHIO CANAL NATIONAL HISTORICAL PARK TO JUSTICE WILLIAM O. DOUGLAS

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that the Senate bill (S. 776) to dedicate the canal and towpath of the Chesapeake & Ohio Canal National Historical Park to Justice William O. Douglas, and for other purposes, be discharged from the Union Calendar, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, has this been discussed with the minority?

Mr. PHILLIP BURTON. Mr. Speaker, if the gentleman will yield, yes, this matter has been cleared by the ranking subcommittee chair and the ranking full committee chair and I notified the full committee today that I was going to take this step.

Mr. Speaker, I might volunteer, if I may, that our record in our committee is clear, that any observation with reference to Justice Douglas will confine itself to his role in the conservation area.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague's explanation and withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 776

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the canal and towpath of the Chesapeake and Ohio Canal National Historical Park are hereby dedicated to Justice William O. Douglas in grateful recognition of his long outstanding service as a prominent American conservationist and for his efforts to preserve and protect the canal and towpath from development.

SEC. 2. In order to carry out the provisions of this Act, the Secretary of the Interior is authorized and directed to provide such identification by signs, including, but not limited to changes in existing signs, materials, maps, markers, interpretive programs or other means as will appropriately inform the public of the contributions of Justice William O. Douglas.

SEC. 3. The Secretary of the Interior is further authorized and directed to cause to be erected and maintained, within the exterior boundaries of the Chesapeake and Ohio Canal National Historical Park, an appropriate memorial to Justice William O. Douglas. Such memorial shall be of such design and be located at such place within the park as the Secretary shall determine.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

Mr. PHILLIP BURTON. Mr. Speaker, as reported by the committee, S. 776 would dedicate the canal and towpath of the Chesapeake & Ohio Canal National Historical Park to Justice William O. Douglas. For the information of our newer Members, Justice Douglas was one of the earliest proponents of saving this remarkable historical and recreational resource from destruction. His early efforts were instrumental in securing the preservation of the canal as a unit of our National Park System.

The bill also directs the Secretary to provide suitable signs and interpretive materials which will explain the contributions of the Justice in this area. An appropriate memorial is also to be erected, and I understand that the intention is to place a small bronze bust of Justice Douglas at a suitable location along the towpath.

Mr. Speaker, S. 776 is a bill with only a modest cost, but it is important in the recognition it gives to the personal interest of a man that protected an area of great value to so many people. The Senate enacted identical legislation last Thursday. The dedication is a fitting tribute to the many years of conservation work performed by Justice Douglas. I have admired Justice Douglas all of my adult life, and I am grateful for the opportunity to participate in this endeavor. I want to commend the senior Senator from Missouri, TOM EAGLETON, as well as Representatives DICK OTTINGER of New York and DON EDWARDS of California for their leadership in this respect.

I urge my colleagues to join me in approving this measure.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider the bill was laid on the table.

RETIREMENT OF SMITH BLAIR

(Mr. MAHON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAHON. Mr. Speaker, Mr. Smith Blair is retiring as the Director of the Office of Congressional Relations in the General Accounting Office. As chairman of the Appropriations Committee, I have long been aware of GAO's activities and to the contributions made by GAO toward a more efficient and effective Government. I know how much Elmer Staats, the Comptroller General, and Bob Keller, the Deputy Comptroller General, have relied on Smitty.

In the course of a varied and distinguished 34-year Federal career, Smitty has been an FBI agent, Director of GAO's European branch office, Regional Manager of GAO's Dallas office, Assistant to the Department of Agriculture's Inspector General, and a congressional committee professional staff member. For the last 9 years he has been in GAO's Office of Congressional Relations; he became the first Director of that office in 1973.

Smitty deserves congratulations for a job well done. He also deserves the appreciation of the Congress for helping to make GAO an effective and responsive agency. The Members and staff who have worked closely with Smitty over the years on a wide range of subjects will indeed miss him.

We know his retirement will be filled with the many rewards which he so clearly merits.

Mr. TEAGUE. Mr. Speaker, I wish to advise the House of the retirement of Mr. Smith Blair from his position as Director of the Office of Congressional Relations in the General Accounting Office. I have had occasion to work with Smitty often during the last 9 years and I know how much Elmer Staats, the Comptroller General, and Bob Keller, the Deputy Comptroller General, have relied on Smitty's unselfish devotion and well-informed advice.

Smitty's Federal career covers 34 years during which he has been an FBI agent, Director of GAO's European branch office, Regional Manager of GAO's Dallas office, Assistant to the Department of Agriculture's Inspector General, staff member of a congressional committee, and Director of GAO's Congressional Relations Office.

Smitty leaves a vigorous and widely respected GAO which has shown the ability to adapt to new responsibilities and to respond to a rapidly growing demand for special forms of assistance to the Congress. The reputation of GAO is in part a testimonial to Smitty's career, but I believe that his distinguished achievements merit a more public form of recognition.

He has my best wishes for a happy and active retirement.

Mr. BROOKS. Mr. Speaker, an experienced and dedicated public servant, Mr. Smith Blair, Jr., is retiring. The House should take special note of Smitty Blair's retirement because he is the Director of the Office of Congressional Relations in the General Accounting Office. In my capacity as chairman of the Government Operations Committee, with

special oversight responsibility for GAO's activities, I am well aware of the contributions made by the GAO toward a more efficient and effective Government. GAO's reputation as an impartial and objective audit and analysis agency in the legislative branch is heavily dependent on the work of GAO's Office of Congressional Relations under the guidance and direction of Smitty Blair. I know from firsthand experience how much Elmer Staats, the Comptroller General, and Bob Keller, the Deputy Comptroller General, rely on the small congressional liaison staff.

Smitty has had a varied and distinguished Federal career spanning 34 years. He has been an FBI agent, Director of GAO's European branch office, Regional Manager of GAO's Dallas office, and Assistant to the Agriculture Inspector General. He also worked for the predecessor to the House Government Operations Committee, the Committee on Expenditures in the Executive Branch. And now, for the last 9 years, he has been in GAO's Office of Congressional Relations; he became the first Director of that office in 1973.

We all hope Smitty Blair's retirement will be filled with the rewards which he so clearly has merited.

TODAY MARKS TEXAS INDEPENDENCE DAY

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, it was on this date, March 2, in 1836, that a courageous band of new Texans, many freshly arrived from Kentucky, Tennessee, Georgia Alabama, and eslewhere, declared themselves an independent republic. This historic deed occurred at Washington on the Brazos which is a vital and historic part of my 10th Congressional District.

Some 141 years later this is still an occasion which Texans, and especially ex-students of the University of Texas, celebrate in all corners of the globe.

Today, not only to celebrate the still independent spirit of Texans but to also demonstrate the influence and our friendly relations with our neighbor Mexico, I am serving venison-chili in the House restaurant for Members and their guests. The venison comes from the hill country of central Texas and the chili mix was concocted by the late jefe of chili, Wick Fowler. This is just a sample of the chili to be served by the congressional wives during their pending chili-cookout on March 22.

I hope you enjoy your bowl of red and think kindly of us mild Texans.

PERMISSION FOR SUBCOMMITTEE ON ADVANCED ENERGY TECHNOLOGIES AND ENERGY CONSERVATION, RESEARCH, AND DEVELOPMENT AND DEMONSTRATIONS OF THE COMMITTEE ON SCIENCE AND TECHNOLOGY TO MEET TODAY WHILE THE HOUSE IS IN SESSION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Subcommittee on Advanced Energy Technologies and Energy Conservation, Research, and Development and Demonstrations of the Committee on Science and Technology be permitted to meet today during the time the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I wonder if the gentleman could explain to us the necessity for meeting at a time when we will be debating some rather important issues in the House.

Mr. McCORMACK. We are under very heavy pressure to get the authorization bill out for the purpose of action. By the time the budget has been delivered to us, and our target dates for marking up the bill, because of the large amount of money and the number of witnesses, it is necessary to hold hearings both morning, noon, and afternoon. This is for the purposes of receiving testimony only.

Mr. BAUMAN. I thank the gentleman for his explanation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

HAPPY BIRTHDAY, TOM STEED

(Mr. RONCALIO asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, today is the birthday of one of the most beloved Members of the House. I rise to pay my respects to him; to his sense of humor which makes many of our days tolerable; his understanding; his compassion; his greatness, which is unsurpassed in this great body.

Happy birthday, TOM STEED.

COMMUNICATION FROM THE COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Chair laid before the House the following communication from the Chairman of the Committee on Merchant Marine and Fisheries:

WASHINGTON, D.C.,
February 11, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to section 194 of title 14 of the United States Code, I have appointed the following Members of the Committee on Merchant Marine and Fisheries to serve as members of the Board of Visitors to the United States Coast Guard Academy for the year 1977:

The Honorable Mario Biaggi of New York.
The Honorable E de la Garza of Texas.
The Honorable David C. Treen of Louisiana.

As Chairman of the Committee on Merchant Marine and Fisheries, I am authorized to serve as an ex officio member of the Board.

Sincerely,

JOHN M. MURPHY,
Chairman.

APPOINTMENT AS MEMBERS OF DELEGATION TO ATTEND CONFERENCE OF INTERPARLIAMENTARY UNION IN CANBERRA, AUSTRALIA

The SPEAKER. Pursuant to the provisions of section 204(b), Public Law 94–141, the Chair appoints as members of the delegation to attend the Conference of the Interparliamentary Union in Canberra, Australia, from April 10 to April 16, 1977, the following Members on the part of the House: The gentleman from Indiana, Mr. HAMILTON; the gentleman from Connecticut, Mr. GIAIMO; the gentleman from Florida, Mr. PEPPER; the gentleman from North Carolina, Mr. PREYER; the gentleman from Louisiana, Mr. LONG; the gentleman from Illinois, Mr. DERWINSKI; the gentleman from Illinois, Mr. MCCLORY; the gentleman from Michigan, Mr. VANDER JAGT; and the gentleman from Florida, Mr. BURKE.

APPOINTMENT AS MEMBERS OF BOARD OF DIRECTORS OF GALLAUDET COLLEGE

The SPEAKER. Pursuant to the provisions of section 5, Public Law 420, 83d Congress, as amended, the Chair appoints as members of the Board of Directors of Gallaudet College the following Members on the part of the House: The gentleman from California, Mr. RYAN, and the gentleman from Alabama, Mr. BUCHANAN.

APPOINTMENT AS MEMBERS OF JAPAN-UNITED STATES FRIENDSHIP COMMISSION

The SPEAKER. Pursuant to the provisions of section 4(a), Public Law 94–118, the Chair appoints as members of the Japan-United States Friendship Commission the following Members on the part of the House: The gentleman from Wisconsin, Mr. ZABLOCKI, and the gentleman from Illinois, Mr. ANDERSON.

CALL OF THE HOUSE

Mr. ROUSSELOT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 35]

Andrews, N.C.	Eckhardt	Rangel
Archer	Erlenborn	Rhodes
Aspin	Gonzalez	Rosenthal
Breaux	Hawkins	Scheuer
Brown, Calif.	Heckler	Solarz
Burton, John	Ireland	Staggers
Butler	Johnson, Colo.	Stratton
Cederberg	Marriott	Teague
Conyers	Mathis	Thompson
Derrick	Murphy, N.Y.	Udall
Diggs	Pettis	Wiggins
Dornan	Pursell	Wilson, Tex.
Early	Railsback	

The SPEAKER. On this rollcall 394 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR COMMITTEE ON GOVERNMENT OPERATIONS TO HAVE UNTIL MIDNIGHT, FRIDAY, MARCH 4, 1977, TO FILE A REPORT

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations may have until midnight, Friday, March 4, 1977, to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DEPARTMENT OF ENERGY

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, I have today introduced the administration's bill to create a Department of Energy. This is a comprehensive bill designed to pull together into one place in the executive branch the energy functions now scattered throughout the Government.

The need for coordinating the management of our energy programs is obvious. We have recently seen the devastating effect on our economy and the lives of our citizens that a disruption in energy supplies can produce. We must be able to formulate and carry out a national policy to deal with the energy problems of the Nation.

At the same time, we must be sure that the actions we take in the energy field do not have an adverse effect on the environment on or interests of the consumers.

This is a large undertaking and I am pleased President Carter has submitted his plan early so Congress can begin considering it. It is my intention to begin hearings in the Government Operations Committee as soon as possible. I would anticipate, however, that extensive hearings will be required to permit all those interested in the subject matter to be heard.

UNFAIR RULING BY FEDERAL DISASTER ASSISTANCE ADMINISTRATION

(Mr. ERTEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ERTEL. Mr. Speaker, local libraries are vital to every community which they serve. That is the case with the libraries in the 17th District, but it is also the case that two of these libraries, the Milton Public Library of Milton and the Himmelreich Library of Lewisburg, face an unfair ruling by the Federal Disaster Assistance Administration. For this reason, I am introducing a private bill on behalf of these two important public places of learning.

Both of these libraries were heavily damaged by Hurricane Agnes in 1972. They applied for and received Federal disaster assistance funds—$21,869.89 for Milton and $4,136.68 for Lewisburg—from the FDAA.

Following payment of the money and its use in rebuilding these libraries, the FDAA determined that these facilities, while of a nonprofit public nature, were not owned by a State or local government and, therefore, not entitled to Federal disaster assistance.

These two libraries have since been ordered to repay these funds. Such a payment, after the funds have already been spent, would severely strain their meager budgets, especially in these days of increased costs. Furthermore, this repayment could very possibly result in a cutback in essential library services available to the residents of these two communities.

I urge my colleagues to act quickly to clarify this unfortunate situation so that these libraries can be relieved of this unintended burden.

APPOINTMENT OF CONFEREES ON H.R. 3365, REGULATING INTEREST RATES ON DEPOSITS AND ACCOUNTS IN DEPOSITORY INSTITUTIONS

Mr. MINISH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3365) to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey? The Chair hears none, and appoints the following conferees: Messrs. REUSS, ST GERMAIN, ANNUNZIO, PATTERSON of California, LAFALCE, STANTON, and ROUSSELOT.

SICK PAY EXCLUSION

(Mr. SKUBITZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKUBITZ. Mr. Speaker, I have recently received a number of letters from constituents affected by the sick pay and disability pension exclusion provisions of the Tax Reform Act of 1976.

While I realize many of the retroactive provisions of this act were included to insure revenue gains to balance some of the bill's spending provisions, I do not feel Congress ever intended that the sick and disabled should be financially penalized in this manner. This retroactive tax will force many families to pay as much as $1,000 in unexpected taxes when they can least afford it. Late in 1975, when the House voted on the tax reform bill, the provisions of sick pay exclusion were not retroactive, but had the yearend 1975 effective date. Unfortunately, during the House-Senate conference last year, this effective date was not changed, thus making the exclusion retroactive.

It is commendable that several of my colleagues have introduced legislation to correct this inequity. Because of the great number of cosponsors and the widespread support for this legislation, I do not feel it is necessary to further add to the taxpayers' expense by introducing and causing to be printed yet another bill. I do, however, want to go on record in strong support of this legislation and urge early consideration by the Ways and Means Committee.

PROVIDING FOR CONSIDERATION OF H.R. 2846, TO AMEND THE JOHN F. KENNEDY CENTER ACT

Mr. BOLLING, from the Committee on Rules, filed a priviledged report (Rept. No. 95–39) on the resolution (H. Res. 359) providing for consideration of H.R. 2846, which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR CONSIDERATION OF H.R. 3477

Mr. BOLLING, from the Committee on Rules, filed a privileged report (Rept. No. 95–40) on the resolution (H. Res. 360) providing for consideration of H.R. 3477 which was referred to the House Calendar and ordered to be prined.

PROVIDING FOR CONSIDERATION OF HOUSE RESOLUTION 287, TO AMEND THE RULES OF THE HOUSE OF REPRESENTATIVES

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 338 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 338

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 287) to amend the Rules of the House of Representatives, and for other purposes. After general debate, which shall be confined to the resolution and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Rules, the resolution shall be read for amendments under the five-minute rule by titles instead of by sections. No amendments to said resolution in the House or in the Committee of the Whole shall be in order except: amendments recommended by the Committee on Standards of Official Conduct and the Committee on House Administration printed in the resolution; amendments recommended by the Committee on Rules consistent with the terms of the reference of the resolution; amendments striking out titles of the resolution; an amendment striking out, on page 17 of the resolution as introduced, the language "15 per centum of the aggregate salary as a Member paid to the Member during such calendar year" wherever it appears, and inserting in lieu thereof "$15,000"; an amendment inserting on page 9, line 4 of the resolution as introduced, the words "grandson, granddaughter," after the word "mother,"; an amendment striking out "January 1" on page 11, line 6 of the resoluton as introduced and inserting in lieu thereof "January 3"; and said amendments shall not be subject to amendment except for pro forma amendments. At the conclusion of the consideration of the resolution for amendment, the Committee shall rise and report the resolution to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN) and I yield myself such time as I may consume.

Mr. Speaker, this is a complicated rule on a very complicated subject. The resolution which is reported by the rule and will be brought up under the rule was referred to three different committees. The amendment process—and there will be some amendments—will be rather complicated and the Members may have some interest in knowing how it works. The fact that the matter was referred to three committees leaves a rather complicated amendment situation, because there will be one portion or another of the resolution that will be subject to amendment, because of the action of the committees.

The Committee on House Administration sections are just technical, as I understand it.

There is a controversial amendment that was adopted in the section under the jurisdiction of the Committee on Standards of Official Conduct and it is controversial enough so that when it comes up I will oppose its adoption and will speak to it at the time.

There is another amendment made in order by the Committee on Rules that would deal with the amount allowed on outside income, and if that is offered—and it may not be, because there seems to be some very serious opposition to it—it will be dealt with in a different fashion than some of the others.

The amendments that are printed in the resolution will be the first ones that will be brought up as the matter is read by title.

Aside from those amendments, some significant and some not significant, the only amendments in order, the only motions in order are amendments to strike each title, and at the end of the consideration of the matter there will be a motion to recommit.

Mr. GIBBONS. Mr. Speaker, will the gentleman yield at that point?

Mr. BOLLING. I yield to the gentleman from Florida.

Mr. GIBBONS. Mr. Speaker, will this rule allow pro forma amendments to strike the last word?

Mr. BOLLING. Yes.

Mr. GIBBONS. Is that provided for in the rule?

Mr. BOLLING. It is provided for in the rule.

I am well aware that there is a great deal of controversy on this matter.

The other amendment I have not mentioned that is also important is that the Rules Committee struck by amendment the whole of title VII. Title VII is the title that deals with the problem of a successor committee to take the work done by the House on this matter and turn it into law through adopting modifications as necessary and dealing with the Senate in conference on the presumably-by-then-passed bill.

So we do not have title VII of the original resolution proposed by the Rules Committee. We have 4 hours of general debate. That will be controlled by a member of the Rules Committee on this side of the aisle and a member of the Rules Committee on that side of the aisle.

We will propose to yield adequate time for the various committees, one on the Committee on Rules, one on the Committee on Standards, and one on the Committee on House Administration, to explain the provisions that come in their sections.

I see no purpose in going into great detail at this point. I will reserve some time at the end so that I may deal with any questions that may have been unanswered.

Mr. Speaker, for the moment, I reserve the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge defeat of the previous question on this rule, so that we can substitute a completely open rule permitting a full debate and the ordinary amending process during the consideration of this resolution.

Mr. Speaker, I find it incredible that this so-called financial ethics code should be brought to the floor under the restrictive rule which has been described by the very able gentleman from Missouri (Mr. BOLLING).

House Resolution 287 contains many worthwhile provisions, which I support, but it also contains other provisions, such as the limit on outside income, which are highly controversial. The resolution must be debated and open to all germane amendments under an open rule if we are to have the opportunity to pass judgment on a new code of financial ethics for the House of Representatives. This is the only fair approach, and certainly it is essential that this package be dealt with under procedures which are fair, which are ethical, and which offer the fullest possible input from all of the Members of the House.

Mr. Speaker, I support much of this resolution. I support a strong code of ethics for the House, stronger than we have now. We must have tough standards to help correct the abuses which have caused great harm to the integrity and reputation of the House; but let us be certain what we are doing.

Mr. Speaker, what we must do with this new and stronger ethics code is get at the stain of corruption and conflict of interest in the House. That is what we must address and correct. That is what the American people demand. That is what I fully support; but the much-needed elimination of official corruption and conflicts of interests must not be deflected into a misguided assault on the right of Members to earn money by hard work and honest effort in enterprises which have no conflict of interest with their official responsibilities. This is an entirely separate issue from corruption and conflict of interest, and any attempt to prohibit Members from engaging in legitimate and honest work strikes directly at the American free enterprise system. We must not do this, for it is a grievous mistake with profound implications.

Mr. Speaker, what is really needed in this new code of ethics is full and complete financial disclosure of the amount and sources of income of all Members of the House. This is right and this is proper. It allows the people to know exactly what are the sources of income of their Representatives; but we tread on shaky and, I believe, unconstitutional grounds if we go beyond this necessary full financial disclosure, because a limitation on outside income or an income test for membership in the House stands directly across the right of the people to freely choose who will represent them. This House has no authority to do that.

Mr. Speaker, I particularly wish to speak out forcefully against title VI, the outside income limitation. I have read and reread Madison and Hamilton in the Federalist Papers regarding the qualifications of Members of the House and I am convinced that this limitation on outside income is unconstitutional. The qualifications for membership in the House are fixed in this Constitution, and as Hamilton wrote in Federalist Paper No. 60, these qualifications "are unalterable by the Legislature."

Madison in Federalist Paper No. 52 wrote:

> The qualifications of the elected ... have been very properly considered and regulated by the convention.
>
> A Representative of the United States must be of the age of 25; must have been 7 years a citizen of the United States; must, at the time of his election, be an inhabitant of the State he is to represent; and during the time of his service, must be in no office under the United States.

And listen:

> Under these reasonable limitations, the door of this part of the Federal Government is open to merit of every description, whether native or adoptive, whether young or old, and without regard to poverty or wealth, or to any particular profession of religious faith.

What this income limitation really amounts to is an amendment to the Constitution. This new amendment says that no person may serve as a U.S. Representative unless he or she meets an earned income test and earns less than 15 percent of the congressional salary, or $15,000, if the amendment is adopted.

The implications of this income limitation are so odious as to remind me of the ancient suggestion that a person must own property to vote. Both notions are dangerous and do violence to the Constitution and to the democratic process, because they stand in the way of the people and their choice to serve as their elected Representatives.

In Federalist Paper No. 57, Madison addressed this very point when he wrote:

> The electors are to be the great body of the people of the United States. Who are to be the objects of popular choice? Every citizen whose merit may recommend him to the esteem and confidence of his country. No qualification of wealth, of birth, of religious faith, or of civil profession is permitted to fetter the judgment or disappoint the inclination of the people.

I am convinced that beyond what qualifications for membership of the House are fixed in this Constitution, this House dare not go, for that path is closed to us by the Founding Fathers.

I further suggest that this income lim-

itation is riddled with loopholes. Unearned income from investments of, say, $100,000 a year, is ethical and proper, but making 15 percent of the congressional salary annually or $15,000 a year at honest work involving no conflict of interest is deemed unethical and improper. I, for one, deeply resent the suggestion that income that is earned by hard work, and which is fully disclosed, is unethical.

Mr. Speaker, the House of Representatives is intended to represent the broad body of the people of the United States. That means its Members should be drawn from all stations of life from as wide and varied a background as possible. With this income limit you are going to restrict the membership of the House by excluding certain people. This is wrong. The country will suffer because of this. Listen to what Madison wrote in Federalist Paper No. 53, and listen well:

> No man can be a competent legislator who does not add to an upright intention and a sound judgment a certain degree of knowledge of the subjects on which he is to legislate. A part of this knowledge may be acquired by means of information which lie within the compass of men in private as well as public stations. Another part can only be attained, or at least thoroughly attained, by actual experience in the station which requires the use of it.

Mr. Speaker, this House must take no step which could in any way restrict the membership of this body.

We need as much diversity and variety in Members' background as we can have so that we can best perform our duties as national legislators. This is what Hamilton must have had in mind when he wrote in Federalist paper No. 60 that:

> There is sufficient diversity in the state of property, in the genius, manners, and habits of the people of the different parts of the Union to occasion a material diversity of disposition in their representatives towards the different ranks and conditions in society.

Let us think again about the broad implications of what we are doing here in our well-intentioned efforts to write a tough code of ethics which is so needed. Let us fully discuss and debate the constitutional issue I have raised, and other important issues contained in this resolution.

Mr. Speaker, I ask my colleagues, with all the sincerity of my heart, to vote down the previous question, to let this body vote up or down on the serious questions of ethics that will guide us in the years to come. But more importantly, I ask for a favorable decision, because looking ahead, as Hamilton and Madison did, our vote affects the composition of this body 100 years from now.

We must think seriously about what we are doing here today, and a good start is to vote down the previous question.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I yield to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. I thank the gentleman for yielding.

Mr. Speaker, I would like to ask the gentleman this question: I am opposed to this $5,000 they have in this bill for additional office expenses. Under the procedures that have been outlined under the rule, if we approve this rule, can I vote against that provision and still vote for this bill?

Mr. QUILLEN. Absolutely not. It is a modified closed rule, and there is no way to vote on that provision unless we have an open rule.

Mr. LATTA. I thank the gentleman for answering that.

So, in furtherance of my question, I either have to vote against the ethics bill, as it is called, in toto, or to hold my nose and vote for the ethics bill and vote for something which I oppose, meaning the $5,000 additional. Would that be a fair interpretation?

Mr. QUILLEN. The gentleman is correct. And that is one of the reasons I think we are bringing this to the floor in the wrong way. An ethics bill should be open. The sunshine should shine in. I would urge the Members to vote down the previous question.

Mr. LATTA. If the gentleman will yield further, that is the only way I could get an opportunity to vote against the $5,000 and still vote for the bill?

Mr. QUILLEN. The gentleman is correct.

Mr. Speaker, I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. PIKE).

Mr. PIKE. Mr. Speaker, I would like nothing better than to be rich enough to be deemed ethical by this distinguished body, but if we pass this legislation without amendment, I will be judged too unethical to stay here.

I appreciate the 5 minutes which the gentleman from Missouri has given me to try to defend a way of life which has been mine for one lifetime. It is a strange feeling to have to stand down here in the well and ask you not to judge this way of life so unethical that I must leave this place I have loved so much.

Twenty-nine years ago I became a lawyer. Twenty-nine years ago I became an officer of a closely held corporation. Twenty-eight years ago I ran for office the first time, and I got clobbered. I practiced law, and I worked for the corporation. Twenty-four years ago I ran for the same office, and I won; I became a mighty justice of the peace of the town of Riverhead, Suffolk County, N.Y.

I made two promises when I got elected, one to the public and one to myself. To the public I promised to work hard. To myself I promised that I would never ever get in a position where I needed a political job to feed my family, because I knew that very important people would come to me with unethical propositions, and I wanted to be able to say, "Stuff it." They did, and I did.

Nineteen years ago I ran for Congress, and I lost by 40,000 votes. In that district at that time that was a moral victory.

Seventeen years ago I ran again; I won, and I made two promises, the same two: I would work hard, and I would never paint myself into a corner where I needed a political job to feed my family.

There is such a thing as wanting to be reelected too badly. There is such a thing as needing a job too much. In my judgment, then and now, this is the largest single cause of political corruption of which I am aware.

Last Saturday, as I had for 29 years, I went to work for the corporation. Monday morning, before flying down here, I went to my law office and saw a widow whose husband's will I had drawn 24 years ago. I have maintained a 98-percent voting record for 17 years.

That is my way of life, and I am sorry that after a lifetime of it I am about to be considered too unethical to serve here.

I went to the Committee on Rules and told the members my problem and asked them just for an open rule on title VI. If I could change either one of two words in title VI, I could be ethical without being rich. The Obey committee recognized the problem, and they took care of it for rich people, but they did not take care of it for not very rich people.

Let us look at the language on page 19, lines 7 through 9. The key word is "controlling." If you are rich enough to control a business, you are ethical. If you own 49 percent, you are unethical. I am not rich enough to even own 49 percent, so I am very unethical.

Why is it more ethical to control a corporation than to have a minority interest in it? We really do not need to protect the people who control corporations. They can sell their corporations. Without anything but a bookkeeping change from earned income to unearned income, those people can do exactly what they have been doing and be "ethical," but you have to control the corporation first. I would like to be ethical, and if we could amend it I would change the word "controlling" to "substantial," but our leadership says it is unethical to amend this resolution.

The word "family" is a lovely word unless you do not happen to have one. I would like to be ethical, and I might be if I had gotten into the corporation through my family. But my parents were gone by the time I was 6 years old, and I was raised by friends. Friends got me into the corporation. I could be ethical if I could change the word "family" to "friends," but it is unethical for us to amend this resolution.

We have taken care of the rich people and the bookwriters. Royalties from books are exempt. Richard Nixon would be deemed ethical no matter how much money he got from the royalties on his book. Winston Churchill would be unethical if he sold a painting.

What makes the royalties from a book ethical, while the same words sold for the same price in 10 articles are unethical? Why is the written word ethical, but the same words spoken in lectures not ethical?

Mr. Speaker, this is a constructive resolution in many areas. Title VI is fine if you are a millionaire, or if you have never engaged in any business or profession except politics. It will create, in my judgment, a Congress of two kinds of people.

The SPEAKER. The time of the gentleman from New York (Mr. PIKE) has expired.

Mr. QUILLEN. Mr. Speaker, I yield 1 additional minute to the gentleman from New York.

Mr. PIKE. To continue, Mr. Speaker, if this legislation is passed, it will create a Congress of two kinds of people. Some will have large unearned incomes, and the rest will need their political jobs in order to feed and clothe and educate their families. Whether this will be a more ethical Congress only time will tell, but I think not.

I may have to leave here, sorry to go, sorry I was not rich enough to be ethical, but I will be laughing, too. I will have kept, for 25 years, the only two promises I ever made, to work hard, and never to get into a position where I could not say what I thought or vote as my conscience dictated for fear of losing my job. I will be laughing for another reason, too. Is it not kind of funny to visualize some unethical wretch like me down in the well of the House, being censured by the Speaker for having gone home and worked during the district work period instead of going off on a junket the way he was supposed to?

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I rise in opposition to the closed rule. The House is being forced to consider what many have touted as one of the most important pieces of legislation that we will have before us this Congress under a gag rule.

We are being told that no one trusts us anymore. The Democratic leadership apparently does not trust the people or their elected Representatives enough to be responsible with an open rule. No wonder the polls indicate the public has little confidence in the institution of Congress. We do not even trust ourselves.

The Chairman of the Commission on Administrative Review is afraid we are going to Christmas tree the resolution to death. And some are even concerned the full House may impose more stringent restrictions than House Resolution 827. Whether this House waters the resolution down, or waters it up, it is the appropriate body to make these decisions. Every one of us was sent here to make these decisions. Those who vote for the closed rule by voting for the previous question are passing their responsibilities by proxy to the elite leadership group to make their decisions for them. The leadership and the Rules Committee is telling us not to establish a tougher code of ethics through the process of debate and amendment. It says, let's not give every Member the opportunity to participate fully in a change in the Rules that will affect each and every one of us, but rather let's put the membership on the spot by either accepting or rejecting the entire package in total. Never mind whether we can improve the package or not. If you are not for my ethics package, you are not for ethics.

Mr. Speaker, I believe that most of the Commission's recommendations are positive. Particularly I am pleased with the new limits on franking, the reduced cost of franking, disclosure of personal financial data and gifts, new limits on honoraria, elimination of unofficial office accounts, prohibitions against lame-duck foreign travel and against "double dips" for expense; and prohibition of conversion from unofficial office accounts or political accounts to personal use.

However, some of the recommendations are flawed. Specifically, I object to the unjustified $5,000 increase in office accounts. I object to the basic premise advanced by the Commission's report that official allowances are inadequate to meet all of the necessary expenses. We have functioned under the new flexible account system for a total of approximately 2 months. My staff has prepared a liberal budget for my office and we still end up with an excess of around $8,000. Yet we have been told that in order to eliminate the unofficial office accounts, it necessarily follows that a raise is in order for our official accounts. The logic is truly amazing.

A comment is in order on the parliamentary history of the procedure followed in the House Administration Committee. Because of the extraordinarily short length of time imposed upon the committee, the Accounts Subcommittee was once again bypassed and no hearings were held. Section 302 was amended and the $5,000 increase was stricken in committee at its scheduled meeting the morning of February 17 by a vote of 12 to 11. Fourteen Members were present.

The vote did not apparently set well with someone, because a second emergency committee meeting was called on the same day, on 1-hour notice, to "reconsider" the vote. The purpose of the hastily called session was to allow Members who had been necessarily absent at the morning session to attend and participate in the afternoon session.

However, only 13 were present in the afternoon session. With one less person present, we improved the democracy of the process by casting three additional proxy votes. The result of the reconsideration was a vote of 14 ayes and 11 nays for the $5,000 increase.

Mr. Speaker, we have an obligation to the public to vote on this increase. If we allow the proposed rule to prevail, we will be circumventing the intent and the spirit of the requirement that the House vote on increases we so nobly passed in July. At that time this House was promised a separate vote on any increase in allowances. This closed rule is an absolute renunciation of that promise.

The gag rule forces a motion to strike the whole title as the only way to prevent another rape of the taxpayers. To save the taxpayers, we have to vote against the elimination of "slush funds." That is as dramatic an example possible of the results of the gag rule given us by our leadership.

Another important concern I have is with the limitation on outside earned income. I have great difficulty making the sharp distinction between farm or family business income with no limits and other earned income which is subjected to the 15-percent limit. A limit is imposed only for some of us. As usual, some of us are more equal than others. To vote against this unworthy proposal, the gag rule forces us to vote against the limits on honoraria. Another sick situation thoughtfully provided for us by our leaders.

In other words, Mr. Speaker, the necessary implications of this rule is that the Democratic leadership has reached the conclusion that we the Members of this body are irresponsible children who cannot be trusted to consider and to write the rules of conduct and ethics that will govern our own officials activities.

It seems to me that if we have truly reached that point, we have also reached the nadir of our existence as a representational body. If we cannot be trusted to govern ourselves then how can we be trusted to do anything else. To put it another way, Mr. Speaker, if we have reached that point then we deserve and are asking for the low confidence rating from the public.

I once visited a foreign parliament where one of the members told me that his legislative body was allowed to pass bills, but was not allowed to change them at all. I mourned for the demise of democracy in that country at the time and reflected with pride on my own House of Representatives where free debate was the rule and germane amendments were always considered. In light of today's rule, it is very hard to reflect with pride on the operations of this House. If this gag rule is passed, I can only mourn for the freedoms we have lost.

Mr. BOLLING. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I think a solution for both the dilemma of the gentleman from Minnesota and the gentleman from New York, my eloquent friend (Mr. PIKE) is available. I think that a motion to strike in either case will solve their problem.

The revealing thing about our situation right now is that I think anybody who thinks about it knows that on those two titles, if they are open, it will be very easy for our friends, who, by their applause, have indicated what they are really concerned about, our friends on that side of the aisle, and that is to unravel the bill.

The reason the bill is designed as it is—and, Mr. Speaker, I do not mind their booing because they reveal themselves—the only way to pass this piece of legislation, this resolution, is not to allow it to be unraveled. Everybody here knows this.

There are people who have severe convictions on one or another title. They have every right to deal with the principle by seeking to strike.

Mr. Speaker, I now yield 3 minutes to the gentleman from Illinois (Mr. MURPHY).

Mr. MURPHY of Illinois. Mr. Speaker, I, may like OTIS PIKE, become unethical when this bill becomes law because I have maintained a law practice since 1962, like OTIS PIKE, to support my family. I do not come from wealth.

In the 2 days before the Committee on Rules nine-tenths of the objections to this package on ethics was directed toward title VI, which I will, at the proper time, offer a motion to strike.

I agree with the gentleman from Missouri (Mr. BOLLING) that the way we

frame this rule, is the fairest way, that being that those Members who object to title VI because it removes their outside income, does not apply uniformity, will have the opportunity to vote that title down. Those who object to an increase in their office funds will have an opportunity to strike that title down.

I think this is a good ethical package except for title VI. I know I could be accused of having some self-interests in this, my self-interests being my three children, my wife, and myself. We have grown accustomed to eating.

I will go into greater details about a so-called poll that this House commissioned and paid $55,000 for. I will also go into a lot of the details presented before the Committee on Rules on why title VI should be stricken.

I implore the Members of this body to support this modified open rule. We need an ethical package and I think this package is a good package minus title VII which we struck down in the Committee on Rules, and hopefully we will strike down title VI here on the floor later today.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, I simply cannot agree with the contention that has been made on the floor of the House this afternoon that the only way you can adopt a code of ethics is to do it under the procedures prescribed in this rule.

I support to the death the right of the gentleman from New York (Mr. PIKE) to offer the kind of discriminating amendments that he suggested to title VI, without having to put himself in the position of striking that entire title from this code of ethics. I think the gentleman makes a very sound argument indeed.

There was a Speaker in the very beginning of this century, Champ Clark who, on one occasion on the floor of this body said that the people of the United States want to know what Congress does. They are much more interested in results than in the methods by which those results are worked out.

I thought we had come a long way indeed from that archaic philosophy and that the methods which we employ in the legislative process were important indeed. I thought it was the whole reason behind the passage of the sunshine laws and behind the passage of changes in rules to provide for recorded teller votes and that provide that even on some occasions we could open up the sacred Internal Revenue Code and consider it under other than a closed rule.

Yet we are being told today by those who support this rule that the only way that this body can get this legislation enacted is under this procedure as though, as I said the other day in the Committee on Rules, we in the House are somehow like a bunch of mischievous schoolboys who are going to be inscribing graffiti on the Decalogue if we are given the chance to amend the work of the Obey Commission. I happen to support the commission, with the single exception of the $5,000 increase in official expense allowance. I am going to vote for the package that they have prescribed.

Yet I support at the same time the right of the gentleman from New York (Mr. PIKE) and the right of others who disagree to offer reasonable sensible amendments to this particular document. It is strange, indeed, that when we are dealing with the subject of ethics that we can go so far afield in telling the Members of this body that they have no right to try to improve on the work of the commission or the committee that reported out the bill.

It was William James who said this, or who echoed the same sentiments when he said, "An act has no ethical quality whatever unless it be chosen out of several, all equally possible." That is at the very crux of the procedural question that confronts this House this afternoon.

Are we going to settle the matter rightly by debating it and amending it freely, or will it lack the genuine ethical quality that it ought to have because we have put the Members of this body in a straitjacket by refusing to allow them to consider amendments to the thing that so very fundamentally affects their futures and, indeed, the very future of this institution itself? When we talk about amendments that are going to be helpful, I have a list of eight amendments—I, perhaps, do not have time to tell the Members about all of those amendments—that were proposed in the Committee on Rules to be made in order under the rule. Listen and tell me, if the Members will, if they consider these irresponsible:

First, an amendment to strike the $5,000 increase in expense allowances;

Second, an amendment removing the distinction between certain types of earned income;

Third, an amendment assigning audit authority to Select Committee on Ethics;

Fourth, an amendment requiring detailed, semiannual public reports on mass mailings sent under the frank;

Fifth, an amendment requiring full public disclosure of expense records of House Members and committees;

Sixth, an amendment requiring public disclosure of relatives of Members working for the House;

Seventh, amendments providing for earlier effective dates on financial disclosure and abolition of private office funds;

Eighth, an amendment that financial disclosure statements include identity of any position held as an owner, employee, officer, director, trustee, partner, advisor, or consultant of any corporation, company, union, firm, partnership, or other business enterprise.

Are those the kinds of amendments that will gut—amendments that are intended to weaken this code of ethics that this House badly needs to adopt? I suggest that, quite to the contrary, it is entirely possible—it is more than likely—that by defeating the previous question and by permitting Members of this body to offer amendments this afternoon, we can end up with an even fairer, more ethical, stronger code than we had when we began.

Does anyone seriously believe that the American people do not really care about how we conduct our business around here? Does anyone seriously believe that the American people condone a procedure under which their elected Representatives are not permitted to offer amendments from the House floor?

Every poll and letter I have read from the people strongly indicate that the people are not only interested in what we do, but in how we do it. A Harris poll conducted for a Senate committee in 1973 on the "crisis of confidence in Government" revealed that the main causes of that crisis, next to official corruption and Watergate, were Government's unresponsiveness and distance from the people, followed by lack of Government openness and candor.

One must ask how the people can be expected to feel closer and in greater control of their Government when their own elected Representatives cannot even fully participate in the legislative process. One must ask how the people can expect greater openness and candor from their Government when important legislation is considered under a closed procedure.

Mr. Speaker, the same Harris poll I just cited revealed that the most important thing the American people thought could be done to restore public confidence in Government was the adoption of new laws, a code of ethics, and rules for conduct of officials. The ethics resolution which this rule would make in order is in direct response to that need and I support as I have indicated all but one of the recommendations of the Obey Commission which are incorporated in this resolution, that one being a $5,000 increase in allowances. But what are we doing considering an ethics package under a closed rule? Is it not a bit ironic that we are trying to push through ethics reform under a procedure which has long been the target and bane of congressional reformers—the closed rule?

The subject we are dealing with is ethics, which has to do with choosing between right and wrong; and yet we are not being given the free choice here today to determine which ethicals standards we consider right or wrong. This must give some people cause to wonder whether we will abide by standards imposed upon us, standards which we have little freedom to shape. Lord Macaulay once wrote:

> Men are never so likely to settle a question rightly as when they discuss it freely.

That is the real question before us today: Will we be able to settle the matter rightly by debating and amending it freely, or will it lack ethical quality because it was not chosen from among several equally possible alternatives?

Mr. Speaker, I urge an open rule not because I have a particular ax to grind or amendment to offer, but because I think the House can and should be trusted to choose from among several equally possible alternatives and to do what is right and responsible.

In the first place, this is not an inviolate Holy Writ carved in stone; and in the second place, we are mature Members of Congress, and we have the greatest interest and stake in insuring that we devise a responsible and workable package that we can live with and of which the American people can be proud.

The amendments which were suggested in testimony before our Rules Committee

over a 2-day period were responsible and tough, not frivolous or subversive in either their content or intent. Let us give the House a chance to freely work its will on this package through an open rule.

Let me close by citing two additional reasons for an open rule:

The $5,000 increase in official allowances. The rule reported by the Rules Committee only permits amendments to strike by title. This in turn does not permit a separate vote on the controversial $5,000 increase in Members' expense allowances which is contained in section 302(b) of title III. An amendment to strike that entire title would throw the baby out with the bath water since the rest of the title contains three salutary reforms: First, abolishing unofficial office accounts or "slush funds"; second, permitting the use of the expense allowance within the District of Columbia; and, third, strictly prohibiting the conversion of campaign funds for personal use. An attempt in the Rules Committee to make in order a separate amendment to strike only section 302(b) lost on a 14 to 2 vote. Thus, the House will not be permitted an opportunity to deny itself this allowance increase without throwing these three important reforms out the window. Moreover, a vote to strike the entire title might be misinterpreted as a vote for maintaining office slush funds or permitting conversion of campaign funds for personal use.

The $5,000 increase in expense allowances has been justified as a tradeoff for abolishing private office funds, even though the Commission's survey of 150 Members reveals that only 40 percent maintain private office accounts, with a median size of $5,000. We should reject the linkage concept that House Members somehow have to be bought off to be good. We should no more have to sock the taxpayers another $2.2 million for office allowances to do away with private slush funds than we should have a salary increase before we get a tough new code of ethics. By using this linkage justification, we are only perpetuating the notion that congressional ethics has a public price tag.

The constitutionality of outside income limitations.—One of the recurring criticisms leveled at the limitation on outside earned income was that it was unconstitutional because it discriminated against a certain class of persons while not touching others having outside income.

While I do not accept this argument and have read a Congressional Research Service legal memorandum upholding the constitutionality of this provision, the fact remains that the type of rule reported by the Rules Committee will not permit any amendments to treat all outside earned income in the same manner.

I find it difficult to understand how the same people who argued that the present limitation constitutes unconstitutional discrimination against a certain class of Congressmen, turned around and supported the present rule which will not permit an amendment to provide for equitable treatment of all outside earned income. If they are simply against any limitation on outside income, then the present rule, which permits a motion to strike that entire title, should satisfy them. But they should not then hide behind the constitutional argument if they are not prepared to support an open rule that would allow the House to deal with that constitutional issue through an amendment to require equitable treatment of all forms of outside earned income.

I urge the defeat of the previous question, so that we can consider and adopt this important legislation under an open rule.

Mr. BOLLING. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana (Mr. WAGGONNER).

Mr. WAGGONNER. Mr. Speaker, my mind goes back now to a few years ago when emotions prevailed, and this House proceeded to pass an unworkable Federal Elections Act. I stood here in this well—the record speaks for itself—and I said that we were, without realizing it, amending the Constitution of the United States because we were in effect guaranteeing ourselves 4-year terms rather than 2-year terms—2 years in the House and 2 years in prison. It was unworkable, but emotions prevailed. The attitude that you cannot be against it if it is labeled reform prevailed. These same emotions prevail today, why I do not really understand. I am tired hearing the excuse you have to vote for anything considered to be reform. This so-called ethics proposal is another can of worms. It will only enhance the last 2 years of a 4-year term. You cannot legislate honesty. You cannot legislate integrity.

But we are accepting the fact, by panicking as we are, that we are as a body unethical and that we are as individuals unethical. We are pointing the finger at ourselves when we do not need to do so in my personal opinion.

Now I know we are all trying to get to the same place. We are trying to get public approval of our conduct of public affairs. But Mr. Speaker, nothing is going to satisfy the appetites of those who criticize us. Whatever is done will be called too little. The press gallery today is full, but when we get a $50 or $60 or $70 billion bill that affects every life and the very security of this country, we will have to get a messenger to get more than two people in that press gallery at any one time. They are not going to be concerned about that. Read Walter Pincus in this morning's Post and quit kidding yourselves.

We are letting the media of this country panic us into something that again is unworkable. The voters of your district did not elect the media to be their representatives in Congress. They elected you, but too many of you are being told what to do.

The gentleman from New York (Mr. PIKE), my dear friend who sits next to me on the Ways and Means Committee, and I are both trying to get to the same place. We just have an honest difference of opinion as to how we do it. That is the case also with another friend, the gentleman from Illinois (Mr. ANDERSON), who just preceded me here.

I have made a basic political decision that with the emotions prevailing as they do today this Congress, in spite of what the gentleman from Illinois (Mr. ANDERSON) has just said we cannot coolly, calmly, and deliberately debate this legislation without reacting to the pressures of whom? Of those people in that press gallery up there.

If we do as the gentleman from Tennessee (Mr. QUILLEN) whom I know is sincere has suggested and we vote down the previous question and we provide for a completely open rule, those eight amendments that were considered or discussed before the Committee on Rules will be just the beginning. The press gallery will be sending down suggested amendments for this or that. And this House will, solely out of fear, vote for every restriction proposed.

I am saying to you that because of a political decision in order to provide for as much common sense as we possibly can, I will be voting for the previous question, and I suggest that Members vote if they want to, as I am going to do, to strike title VI because I think it is wrong, completely wrong, and I have many other criticisms of the proposed resolution.

But just take me as being sincere in saying that the emotional climate is such—even though I wish it were not so—that we cannot here today vote coolly, calmly, and deliberately and amend this package in a way that is workable, without letting emotions further complicate the potential of an already unworkable piece of legislation.

Mr. STEIGER. Mr. Speaker, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from Wisconsin.

Mr. STEIGER. In 1976 the distinguished gentleman from Louisiana proposed a modified closed rule under which we argued the Federal Election Campaign Act.

Mr. WAGGONNER. Let me answer that because I do not have much time.

I just said to the gentleman that I had made a political judgment. That is what everybody else is going to do. They will have to make a political judgment with regard to this proposal.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Speaker, I was interested in the remarks of the gentleman from Missouri, my dear friend (Mr. BOLLING) when he said in response to the remarks of the very able gentleman from New York (Mr. PIKE) that there were those of us on the floor that were attempting to unravel this finely honed piece of legislation. I would remind this body of something I said yesterday about this very rule. Unravel? For sure, we are unraveling something. We are unraveling an action we took last year in the last Congress that said all rules would come to the floor with one motion to recommit with or without instructions. That has been again denied us. So I would submit: It is not we who want to unravel. It may well be the gentleman from Missouri.

This legislation, which is brought up without an open rule, affects every single one of us in this House. It is prob-

ably the most important legislation we are going to be talking about which does affect every one of us, and yet all 435 of us are denied the right to help write the legislation.

Mr. Speaker, we did not get an opportunity to vote on the pay raise and now we do not have the opportunity to offer substantive amendments to the bill without unraveling it.

Mr. Speaker, I have had the privilege of serving with the gentleman from New York (Mr. PIKE) on the Committee on Ways and Means. The gentleman from New York (Mr. PIKE) is a Democrat and I am a Republican. I have nothing but respect for the gentleman and for the way the gentleman operates. I can add nothing more to what the gentleman from New York has said, except to congratulate the gentleman and to associate myself with his remarks. I hope the rest of the body will do likewise.

Mr. Speaker, I would suggest that the previous question be voted down.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I have had a great many honors in my life, but probably none so unusual as serving on the Commission on Administrative Review. It has been an enlightening experience for all of us, in spite of difficult times together.

As has been said, there is much good in the resolution pending before us. But I recall a doctrine in the law known as in loco parentis. That doctrine tells us that an institution to which one may be committed for whatever reason, a college or school, knows better than the inmates or students. Therefore, the institution should make the decisions for the inmates, because they are really only children unable to act for themselves.

Mr. Speaker, over the years this doctrine has been broken down considerably in the courts, so that high school and college students, now have rights that the Members of the House are not permitted to have today under this rule. We are told that not only is our ethical conduct going to be regulated, as it may well need, but that we do not even have the ability or, indeed, the good motives to, in a free and fair manner, vote up or down amendments dealing with these very issues. We are being subjected to the same doctrine. The House leadership treats us as so many little children.

Mr. Speaker, let me point out just one reason why we need an open rule. In this morning's Washington Post there appeared an article in which one of their writers alleged that the proposal before us allows a wide-open loophole for those who own family businesses or farms. He writes:

> They wrote a loophole in their rules to allow these members, whoever they are, to continue taking fees or salaries from such sources without any limitation.

This morning each of us received a letter which denies this statement and says there is no such loophole for earned income from a family business or farm. We were told by that letter if Members receive income or compensation in any form, that is, wages, salaries, fees, dividends, in return for personal services, even if it is a family farm or business, that such income is limited to 15 percent of our annual salary.

Many of you may not have understood that until this letter came in the mail. Many of you never knew it; but suddenly today we are told that the test will be whether a Member devotes his time and produces a significant amount of income; if it is a a personal or family business and the Member's conduct generates a significant amount of income, it can be limited by this bill; yet this point was never brought out clearly until this morning.

I suggest that as we reveal, instead of unravel, what it is this bill means, we ought to be able to do it under an open rule allowing any amendments, not loopholes; but it should be done in an open and fair manner. I urge that you vote against the previous question in order to permit true and complete reform.

Mr. KEMP. Mr. Speaker, I am very much on record in support of real congressional reform but I'm opposed to this gag rule. I have drawn up and introduced bills to accomplish reform.

I have voted for it. I have spoken widely in support of it.

That is why I am opposed to the closed rule procedure being recommended here by the majority leadership for House consideration of these newest sets of reforms. These procedures will prohibit the House from working its will, from offering amendments which could strengthen and tighten the proposals, and from having rollcall votes on them.

There is no justification for a rule which prohibits the duly elected representatives of the people of this country from voting to carry out matters demanded by themselves and the people. Every Member of this House was elected by his or her constituents to vote on matters of national importance. Yet the procedures in front of us say, in essence, that only those very few Members who sat on the Commission which drafted the proposed reforms will really have any say in what new ethics will govern this House. We will be only able to vote "yes" or "no" on the final conclusions of the Commission, one amendment approved by it on the extent of earned outside income, and a very narrow substitute.

We will not be allowed to amend it to require recorded, rollcall votes on salary increases for Members.

We will not be allowed to amend it to require that no salary increases for Members go into effect until the Congress after the one in which the proposal was considered—to assure an election between the vote on a raise and receiving that raise.

We will not be allowed to amend it to require a rollcall vote of all Members of the House prior to new office allowances taking effect—allowances for staff, stationery, printing, postage, travel, et cetera.

We will not be allowed to amend it to prohibit the diversion of excess campaign contributions to personal uses—establishing clear criminal penalties for doing so.

Or to prohibit payment of congressional travel and related expenses by a foreign government or an organization funded or controlled by a foreign government—the South Korean, People's Republic of China, and Cuban situations.

Or to mandate a study of the personnel policies and practices of the Members and the committees by an independent management consulting firm.

Or prohibit reimbursement for first-class air fare for Members and employees of the committees.

Or to require mandatory audits of all income tax returns made by Members of Congress on all office accounts.

Or to carry out 33 additional reforms embodied in the two bills I introduced on January 13, H.R. 1831, the Congressional Reform Act, and House Resolution 107, the congressional reform resolution. The latter covers all matters which would affect the rules of the House; the first covers all other items.

It seems to me the consideration of a bill or resolution under a gag rule, like the one now before us, admits the committee or commission making the proposals is so unsure of what it has done that it is afraid the House may want to do something stronger. I know the members of this Commission have worked long and hard in drawing up these proposals. But that still does not overcome the impression left by insisting a matter as important as this, ought to be considered only under a closed or modified closed rule. The work of this Commission is no more infallible than the work of any other commission or committee. It must also reflect their opinion that the House would weaken it through amendments; I cannot agree with that.

I cannot agree with it because of our most recent experience in this regard. As President Ford was leaving office, his Federal Salary Commission recommended big increases in salary for Congressmen, Federal judges, department and agency heads, and certain others. Tax-dollar conscious Members introduced resolutions to disapprove those recommendations, but those resolutions were bottled up in committee. Yet, the full House would have voted them down, according to the Speaker's comments on CBS's "Face the Nation" on Sunday, February 20. The situation here is similar. The House can be relied upon to act in the people's interests.

I will vote to approve the specific proposals before us today—proposals dealing with financial disclosure, unofficial office accounts, the use of the frank, foreign travel, outside earned income, and general ethics. I will vote for them because many are good and something is better than nothing. On the whole it seems to be a step in the right direction. But I think its a sad reflection on the way Congress operates to insist other reforms not be allowed.

Mr. GRASSLEY. Mr. Speaker, I am pleased that the House today is finally considering a new and more stringent Code of Ethics for its Members, and congratulate the leadership for moving this matter to the floor so early in the session.

I strongly support not only a more stringent Code of Ethics, but also a more stringent method of enforcing the code. The current Code of Ethics is certainly

not as comprehensive as it might be, but it is fairly clear. Nonetheless, its enforcement has been very lax. That is why I have reintroduced in this Congress my bill, H.R. 1674, to create a panel of private citizens to oversee enforcement of the Code of Ethics, and to allay the public's well-founded belief that no strict enforcement of any code will ever occur so long as Members are their own policemen.

Hopefully, the Rules Committee will consider this bill in the near future and move it out to the floor, in the same spirit of reform. It would indeed signal the public that the House is willing to have this new Code of Ethics strictly enforced, rather than set aside to collect dust.

With regard to the legislation before us today, I strongly support most of its provisions. I am saddened, however, to note that, in the spirit of the infamous Quadrennial Commission's recommendation for whopping congressional pay increases, the Obey Commission is attempting to buy better ethics. The Obey Commission has determined that it is ethically wrong for Members to maintain so-called private office accounts, and that those unethical accounts should be formally banned. I have no quarrel with that conclusion, but do take strong exception to the Commission's conclusion that before such a house-cleaning step can be taken, each Member must first be "bought off" with an increase in their personal office accounts of $5,000. The Commission urges that we spend over $2 million per year to pad the account of every Member so that the 170 or so Members who do have these unofficial accounts, which the Commission finds unethical, will not feel so bad about having to give them up. I cannot agree with the Obey Commission nor, in fact, with those well-meaning self-styled citizens lobbies who support this purchase of congressional ethics.

Mr. Speaker, I hope we are given the opportunity to open up the closed rule on this resolution so that an amendment can be considered to delete the provision granting each Member $5,000. Every Member ought to go on record as to how he or she feels about buying ethics.

Mr. BLOUIN. Mr. Speaker, I rise in support of the modified open rule on House Resolution 287, establishing a new code of financial ethics for the House of Representatives.

I am well aware that many of my colleagues share an almost passionate desire to pass an open rule, permitting unrestricted amendments to the resolution, and I share their desire to debate the resolution as fully and as thoroughly as we can. Unfortunately, however, an open rule will almost certainly sound the death knell for financial ethics reform in the House and I would urge my colleagues who seek an open rule to weigh very carefully the disastrous consequences which such a rule might have.

An open rule is a practical guarantee that financial ethics reform in the House will be slowly, but surely, amended into oblivion by an unnatural coalition of Members who sincerely seek to improve the resolution and Members who are determined, for political or personal reasons, to destroy it.

Obviously, the Obey Commission's recommendations do not cut an even line. Some of us would feel the cutting edge of financial reform more painfully than others, depending upon our personal and private financial situations. But taken as a whole, in terms of their final impact on this body and on the House as an institution of representative government in this country, the Obey Commission's recommendations provide a fair and equitable code of financial ethics.

Quite naturally, the Commission's recommendations—embodied in this resolution—require a willingness to sacrifice—for some, a willingness to sacrifice our dedication and commitment to an even stricter code; for others, a willingness to sacrifice the personal advantage and convenience we have been able to preserve so carefully under the present rules. Whatever the case, the American people demand the sacrifice—and they are entitled to it.

I sincerely hope, Mr. Speaker, that we will not be so shortsighted—or so self-serving—that we auction off the opportunity for meaningful ethics reform for the sake of an open rule. If we acquiesce to this temptation, we will trade away the integrity and credibility of the Congress.

GENERAL LEAVE

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, we have been denied the right to vote on various occasions in this session of Congress so far, and I think it is getting to be a habit that we ought to fight. I do not like this habit. I did not mind on, I recall, January 4 and the opening day of the 95th Congress when we had 23 amendments to the rules of the House brought before us for adoption without any opportunity to amend. Most of the work had been done in the Democratic caucus without any input whatsoever from the minority. We were given 1 hour of debate, and then had to vote.

Now, we have some rather significant changes in the lives of every Member of this Congress. We have a new code of ethics but we are not even allowed to try to amend this rather important piece of work. This is a matter of import not only in the lives of the Members of the Congress who are now sitting, but also in the lives of people who may become candidates some day. I can see that people who are thinking of running for Congress may have second thoughts if what we propose here today is adopted.

I do not see anything wrong with allowing a deliberative body such as the House of Representatives to work its will. Now, I understand that there may be some amendments offered which are going to be very popular and which may well be agreed to, and I understand that they may possibly embarrass some who desire something less than perhaps full disclosure of this and that. Nevertheless if that is the will of the majority, then is that not what this deliberative body is all about? Why can we not work our will on amendments just as well as we do on the issue itself?

It just seems to me, Mr. Speaker, that we should not be partisan about this. I do not intend to be. The Obey Commission had Republicans on it who did a good job, and mainly I think the Commission itself has done a good job as far as it went. I would have liked to have seen the Obey Commission go into auditing accounts of Members and committees. They have not done it. While I do not have reason to quarrel with the gist of their work, I do not believe it is perfect.

I certainly am not in favor of the $5,000 which is supposed to take the place of office accounts. I cannot believe that the people of this country are in favor of substituting public money for private money for no good reason at all. I think it is bad; I think it ought to be struck from the bill. Unfortunately I do not believe it will be struck because of the fact that we have a closed rule and cannot even offer the amendment.

So, Mr. Speaker, it just seems to me that this is the time when the House of Representatives should look at the vote of the body, not just the vote of individuals. The vote of this body has to be bound up with the prestige, with the loyalty, with the respect which the people of the country have for it. I submit to the Members that we did not gain any respect when we did not vote on the pay raise. In fact, I think the poeple of the country were disgusted with us when we did not have the courage to stand up and be counted on that issue.

Here we are once again, without the courage to bring this bill to the floor under an open rule which would allow amendments to be offered and to be voted upon.

I believe it is incumbent on the part of those of us who believe that this is the greatest deliberative body known to man to vote down the previous question and bring in an open rule, and let us talk about this bill, consider amendments and work the will of the House.

Mr. QUILLEN. Mr. Speaker, I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr Speaker, I rise in support of this rule. St. Augustine once observed that in his youth he had prayed, "Lord, make me holy—but not just yet."

Many of us, being human, I think are prone to approach the subject of institutional reform with much the same attitude. Some have been content with the public perception which gives high individual marks to individual Members—almost all of us in our respective districts—but which regards our collective records as being inept, incompetent and even downright corrupt.

Manifestly, we cannot be 68 percent good individually and 78 percent bad collectively, and yet that is a matter of

plain fact, is it not, as to how the public has been led to perceive us?

In our moments of sober introspection, we have probably felt guilty about the inequity of that great misconception, but too often we have been unwilling to do the things necessary to change it.

Why must that public perception be changed? Simply, because unless faith is restored in the free elective institutions of our society, the public will not long retain confidence in the democratic process that creates them. So, today as we face this moment of truth, let us do so with a minimum of hypocrisy. Let us be, above all, honest with ourselves.

The set of recommendations that we face today is quite probably the most binding set of standards required anywhere by any parliamentary body on Earth. For some, it will mean adjustments and inconvenience—no question about it. Yet, if it brought no change, it could not be called reform.

For some, it will mean the abandonment of certain practices, which they do not regard as inherently wrong, and the sacrifice of income which they do not consider inherently evil or corrupting.

And if our opportunities for substantial outside earnings are to some degree inhibited, then let us reflect that serving in the Congress is not a part-time job, but an all-consuming task which is worthy of our total talents and our total efforts and our total interest.

The linchpin of these recommendations is the sweeping requirement of disclosure. If anyone is tempted to chafe under what he may regard as a voyeuristic invasion of his privacy, just let him recall that this was a goldfish bowl when we got into it, and each of us got into it of our own accord.

May we be under no illusion that this will end criticism of Congress. It will not. Nor should it, necessarily. I think if the Members of this body were to take the vows of poverty, abolish our offices, abandon our homes and pitch pup tents on the Capitol lawn, we would still be criticized for something—maybe for walking on the grass.

But if we did all of those things and failed to produce a legislative program worthy of the name, we would deserve criticism.

We may receive scant raves for what we do today. If so, we shall have at least the satisfaction of knowing that we have done it.

So let us set about this task with dignity and without illusions, for this allows no opportunity for self-righteousness.

It is not enough merely to improve the image, unless in so doing we improve the substance. It is not enough to enjoy the public respect. More importantly, we should earn it.

Let us vote, therefore, to adopt the previous question and conduct ourselves throughout this debate in such a way as to demonstrate that, with all our acknowledged flaws and moral imperfections, we are striving at least to be worthy of the high confidence and honor which the public has reposed in us by permitting us to serve in this greatest legislative assembly on earth.

Mr. QUILLEN. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, I rise in support of an open rule. I am going to support legislation creating a financial code of ethics for this body. But, because I do believe the resolution pending before us today falls short of being tough enough, I also am going to support this effort to open the legislation to amendments which I believe would broaden its scope and make it far more effective than the resolution reported to us from the Ethics Committee and the Obey Commission. I would, for example, support an amendment which would bar members from receiving any outside earned income at all. It is my opinion that being a congressman is a full-time job and that a member should not have a substantial amount of outside earnings especially in view of the pay raise now in effect. And I do not think that the resolution's requirements for more detailed disclosure of members' financial interests goes far enough. I believe there should be hard-nosed guarantees that disclosure reports will be publicly available.

Moreover, I think there should be a regular, effective audit procedure for congressional expenses. I agree with the proposal to outlaw so-called office accounts. But I firmly disagree with the proposal for a $5,000 addition to the official office expense accounts as a sort of soothing lotion for those forced to give up unofficial office accounts.

Lamentably, the reputation of the Congress in the eyes of the public has not been very good in recent years. But I believe if we adopt a hard-nosed, all-encompassing code of financial ethics and accountability—and carry out its provisions to the letter—we will in time regain in the public mind our reputation for integrity and reliability.

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. COUGHLIN), after which I shall close the debate on this side.

Mr. COUGHLIN. Mr. Speaker, here we go again, precipitating another travesty. Here we go again, considering reform under a gag rule. Here we go again, not being permitted to work the will of this House. Here we go again, being dictated to by the majority leadership.

What are we afraid of? The only excuse for a gag rule is fear of what the people's elected Representatives might do.

The Commission on Administrative Review has made some good proposals, but what it does not do is as important as what it does do.

It does nothing to provide for accountability for the hundreds of thousands of dollars in public funds that are available to members through allowances and the additional hundreds of thousands of dollars that are available to committees.

It does nothing to provide public access to the way Members and committees use those taxpayer dollars.

It does nothing to provide for the auditing of those public funds used by Members and committees.

It does nothing to provide for the disclosure of nepotism.

It does nothing to provide for accounting for the use of the frank by Members.

It does nothing to abolish slush funds or to provide for financial disclosure now instead of next year.

In addition to covering up the increase of Members' allowances by yet another $5,000, the proposal appears designed to divert attention from abuses in the use of the people's money.

The members of the Republican Task Force on Reform, of which I am chairman, have made solid and practical proposals to curb these abuses. The Democratic leadership is apparently afraid to consider these proposals. They cannot be considered under this gag rule.

Mr. Speaker, it is a travesty to consider this reform under a gag rule, and I urge the Members to vote down the previous question.

Mr. QUILLEN. Mr. Speaker, I urge my colleagues to have the courage of their convictions, the courage to vote down the previous question, the courage to consider what is in the best interests of the people of this country.

Now is the time to make the right decision for the future of this body in the years to come.

Mr. Speaker, I urge the defeat of the previous question.

Mr. BOLLING. Mr. Speaker, am I correct in my understanding that the time of minority has expired?

The SPEAKER. The gentleman is correct.

Mr. BOLLING. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is recognized for 8 minutes.

Mr. BOLLING. Mr. Speaker, I have no intention of taking the full 8 minutes.

I desire first to yield to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I thank the gentleman for yielding. I just want to add two sentences.

No. 1, while the gentleman from New York (Mr. PIKE) gave a fine speech, he is wrong in fact, because we did not in fact make any distinction between a family corporation or a nonfamily corporation, controlling interest or not, when it comes to earned income for personal services rendered. What our rule says is: For anyone for earned income for personal services rendered, no Member of this House will be able to make more than $66,125.

In response to the gentleman from Maryland (Mr. BAUMAN), I cannot help it if he did not know that. He would have known it if he had read page 11 of the report. It is right there in black on white.

Mr. BOLLING. Mr. Speaker, for the benefit of the Members who are new in this Congress and who were not here in the last Congress, I think it is important to say that this is the third chapter in a long book. There are still a couple more chapters to come, because the Obey Commission is going to deal with two more subjects.

The Commission dealt first with reform of accounts. That then had to be ratified in the legislative appropriation bill. We are now dealing with financial ethics.

We have heard precisely the same complaint from the Republican side on each of those matters, and it is important that we understand why. I think I have tried to be as bipartisan as is reasonable over time, but there are times when for some reason the partisan infection completely grips our colleagues on my left. They find it unbearable to allow a Democratic Congress to enact real and important reform. They fought us tooth and toenail on both those other efforts. They are doing exactly the same thing in precisely the same way today.

The product that we have before us is reachable in all six titles. If a title is bad, it can be stricken by a majority. We allow several amendments that perfect, some that were offered by the Republican side in their proposal.

The only way that this House will pass an effective package of reform is under a rule like this. Some of the Members know that I have had the privilege of presiding often on difficult and important bills. I have never seen a resolution that would be easier to unravel than this, and while I do not question the motives of any Member, I am convinced by these three experiences with our friends that they have some kind of a group panic that makes them fear a successful result in this field, as in the other fields, by a Democratic Congress.

Mr. Speaker, I urge the Members to vote for the previous question; otherwise we will get nothing or we will get something much worse. It is imperative that we vote to order the previous question, and I move the previous question on the resolution.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

Mr. RHODES. The gentleman does not yield.

The SPEAKER. The question is on ordering the previous question.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. QUILLEN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 267, nays 153, answered "present" 1, not voting 11, as follows:

[Roll No. 36]

YEAS—267

Addabbo	Bolling	Convers
Akaka	Bonior	Corman
Alexander	Bonker	Cornell
Allen	Bowen	Cornwell
Ammerman	Brademas	Cotter
Andrews, N.C.	Breckinridge	D'Amours
Annunzio	Brinkley	Daniel, Dan
Applegate	Brodhead	Danielson
Ashley	Brooks	de la Garza
Aspin	Broomfield	Delaney
AuCoin	Burke, Calif.	Dellums
Badillo	Burke, Fla.	Dent
Baldus	Burke, Mass.	Derrick
Barnard	Burleson, Tex.	Dicks
Baucus	Burlison, Mo.	Diggs
Beard, R.I.	Burton, John	Dingell
Bedell	Burton, Phillip	Dodd
Bellenson	Byron	Downey
Benjamin	Carney	Drinan
Bevill	Carr	Duncan, Oreg.
Bingham	Cavanaugh	Early
Blanchard	Chappell	Eckhardt
Blouin	Chisholm	Edgar
Boggs	Clay	Edwards, Calif.
Boland	Collins, Ill.	Eilberg
English	Levitas	Rodino
Ertel	Lloyd, Calif.	Roe
Evans, Ga.	Lloyd, Tenn.	Rogers
Evans, Ind.	Long, La.	Roncalio
Fary	Long, Md.	Rooney
Fascell	Luken	Rose
Fisher	Lundine	Rosenthal
Fithian	McCormack	Rostenkowski
Flippo	McFall	Roybal
Flood	McHugh	Russo
Florio	McKay	Ryan
Flowers	Maguire	St Germain
Flynt	Mahon	Santini
Foley	Mann	Satterfield
Ford, Mich.	Markey	Scheuer
Ford, Tenn.	Mathis	Schroeder
Fountain	Mazzoli	Seiberling
Fraser	Meeds	Sharp
Fuqua	Metcalfe	Shipley
Gaydos	Meyner	Simon
Gephardt	Mikulski	Sisk
Giaimo	Mikva	Skelton
Ginn	Milford	Slack
Glickman	Miller, Calif.	Smith, Iowa
Gore	Mineta	Solarz
Gudger	Minish	Spellman
Hall	Mitchell, Md.	Staggers
Hamilton	Moakley	Stark
Hanley	Moffett	Steed
Hannaford	Mollohan	Stokes
Harkin	Montgomery	Stratton
Harrington	Moorhead, Pa.	Studds
Harris	Moss	Stump
Hefner	Mottl	Thompson
Heftel	Murphy, Ill.	Thornton
Hightower	Murphy, N.Y.	Tonry
Holland	Murphy, Pa.	Traxler
Holtzman	Murtha	Tsongas
Howard	Myers, Michael	Tucker
Hubbard	Natcher	Udall
Huckaby	Neal	Ullman
Hughes	Nedzi	Van Deerlin
Ichord	Nichols	Vanik
Ireland	Nix	Vento
Jenkins	Nolan	Volkmer
Jenrette	Oakar	Waggonner
Johnson, Calif.	Oberstar	Walgren
Johnson, Colo.	Obey	Watkins
Jones, N.C.	Ottinger	Waxman
Jones, Okla.	Panetta	Weaver
Jones, Tenn.	Patten	Weiss
Jordan	Patterson	White
Kastenmeier	Pattison	Whitley
Kazen	Pease	Whitten
Keys	Pepper	Wilson, C. H.
Kildee	Perkins	Wilson, Tex.
Koch	Pickle	Wirth
Kostmayer	Preyer	Wright
Krebs	Price	Yates
Krueger	Rahall	Yatron
Lederer	Rangel	Young, Mo.
Le Fante	Reuss	Young, Tex.
Leggett	Richmond	Zablocki
Lehman	Risenhoover	Zeferetti

NAYS—153

Abdnor	Derwinski	Ketchum
Ambro	Devine	Kindness
Anderson, Calif.	Dickinson	LaFalce
	Dornan	Lagomarsino
Anderson, Ill.	Duncan, Tenn.	Latta
Andrews, N. Dak.	Edwards, Ala.	Leach
	Edwards, Okla.	Lent
Archer	Emery	Lott
Armstrong	Erlenborn	Lujan
Ashbrook	Evans, Del.	McClory
Badham	Fenwick	McCloskey
Bafalis	Findley	McDade
Bauman	Fish	McDonald
Beard, Tenn.	Forsythe	McEwen
Bennett	Frenzel	McKinney
Brown, Mich.	Frey	Madigan
Brown, Ohio	Gibbons	Marks
Broyhill	Gilman	Marlenee
Buchanan	Goldwater	Marriott
Burgener	Goodling	Martin
Butler	Gradison	Mattox
Caputo	Grassley	Michel
Carter	Guyer	Miller, Ohio
Cederberg	Hagedorn	Mitchell, N.Y.
Clausen, Don H.	Hammer-schmidt	Moore
		Moorhead, Calif.
Clawson, Del	Hansen	Myers, Gary
Cleveland	Harsha	Myers, Ind.
Cochran	Heckler	Nowak
Cohen	Hillis	O'Brien
Coleman	Hollenbeck	Pike
Collins, Tex.	Holt	Poage
Conable	Horton	Pressler
Conte	Hyde	Pritchard
Corcoran	Jacobs	Quayle
Coughlin	Jeffords	Quie
Crane	Kasten	Quillen
Daniel, R. W.	Kelly	Regula
Davis	Kemp	Rhodes
Rinaldo	Skubitz	Vander Jagt
Roberts	Smith, Nebr.	Walker
Robinson	Snyder	Walsh
Rousselot	Spence	Wampler
Rudd	Stangeland	Whalen
Runnels	Stanton	Whitehurst
Ruppe	Steers	Wiggins
Sarasin	Steiger	Wilson, Bob
Sawyer	Stockman	Winn
Schulze	Symms	Wydler
Sebelius	Taylor	Wylie
Shuster	Thone	Young, Alaska
Sikes	Treen	Young, Fla.
	Trible	

ANSWERED "PRESENT"—1

Biaggi

NOT VOTING—11

Breaux	Gonzalez	Railsback
Brown, Calif.	Hawkins	Teague
Evans, Colo.	Pettis	Wolff
Gammage	Pursell	

The Clerk announced the following pairs:

On this vote:

Mr. Teague for, with Mr. Railsback against.

Mr. Breaux for, with Mr. Pursell against.

Until further notice:

Mr. Wolff with Mr. Gonzalez.

Mr. Hawkins with Mr. Evans of Colorado.

Mr. Brown of California with Mr. Gammage.

So the previous question was ordered.

The result of the vote was announced as above recorded.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. BOLLING. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Resolution 287 to amend the rules of the House of Representatives, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for consideration of House Resolution 287, with Mr. BOLAND in the chair.

The Clerk read the title of the resolution.

By unanimous consent, the first reading of the resolution was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Missouri (Mr. BOLLING) will be recognized for 2 hours and the gentleman from Tennessee (Mr. QUILLEN) will be recognized for 2 hours.

The Chair recognizes the gentleman from Missouri (Mr. BOLLING).

Mr. BOLLING. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, I will try not to take the 15 minutes.

I would also ask the indulgence of the Members because, before either I or the gentleman from Indiana (Mr. HAMILTON) or any other member of the Commission starts responding to questions, I would like simply to take some time to try to put this whole proposal into perspective, to explain what we are doing and why we are doing what we are doing.

As the gentleman from Missouri indicated, our Commission was created last July and was composed of six Members of Congress and seven members of the general public. At this time I would

like to pay a special tribute to the seven public members who have spent so willingly their time and effort on behalf of this House.

We have had, for instance, Mrs. Lucy Wilson Benson, former national chairperson of the League of Women Voters.

Mr. Roscoe Egger, senior member of the firm of Price-Waterhouse.

Bill Hamilton, the nationally known pollster.

Dr. Ralph Huitt, who is probably the premier political scientist in the country in terms of Congress and especially the House as an institution.

Mr. Bill DuChessi from the textile workers, who has been of immense help.

Charles Daly, former vice president of Harvard University and the University of Chicago, and Robert W. Galvin, chairman of the board of Motorola.

Together with the efforts of the members of the Commission for this House, we have tried to attack four jobs. The first job we were given was to report on scheduling reform, which we did in December. This House adopted all but one of those recommendations in January. The Commission was pleased with that.

The second slice of our effort is on ethics reform and following the disposal of this question, we still must deal with two other questions. One is the establishment of more effective resource management around here. The second is the establishment of a better organization of the administrative services around the House. Those recommendations we hope to have ready by July, so that Members will be able to review them by the August recess and to give their comments to us before we put them in final form in September.

The ethics package which is here today is a result very largely of the task force chaired by the gentleman from Indiana (Mr. HAMILTON). I want to express my profound admiration for the work the gentleman has done. I think it has been truly remarkable. I think it is a tough and realistic approach to the whole question of congressional ethics.

Mr. Chairman, I want the House to understand how we reached the conclusions we reached in this package. The Commission did not want to simply rely upon its own bias in terms of what ought to be done, so basically we went to two sources for information and for opinions. We went, first of all, to the people who were most affected, the Members of the House. Our staff put together a research team which interviewed more than 150 Members of this House who were kind enough to sit down for over an hour and give us their judgment on a great variety of questions.

Second, because we did not want to rely upon the views of any self-annointed organizations, be they labor, business, Common Cause, anybody, we did not want to rely on the judgment of any one or two groups to know what public opinion was. We thought it would be kind of nice if we asked the public directly what public opinion was. We had a variety of ethics questions, so we conducted, or rather, Lou Harris conducted for us a public opinion poll to measure the public's ideas in two areas. No. 1, we asked the public what they thought the job of a Member of Congress was, how he ought to go about it, what kind of tools they thought we needed to do a decent job.

Third, what they felt about the wide variety of ethical choices facing the Congress.

We found some interesting things. We found, first of all, that the public wants financial disclosure from Members of Congress. By a margin of 63 to 23 the public indicated that they thought both Members of Congress and their opponents at election time ought to have to disclose their financial affairs.

Interestingly enough, Members felt much more strongly. The membership by 87 percent was in favor of disclosure and 13 percent against.

The Commission felt we ought to be guided by two principles on disclosure: first, that the items to be disclosed would be items which would be relevant, which would help measure the potential conflict of interest, and second, that we should also establish a system to avoid purposeless recordkeeping and to protect, whenever possible, a Member's privacy rights.

We specifically rejected, for instance, the requirement that a Member file an income tax return. We were told by people who administer the toughest State ethics codes in the country that, No. 1, they very often do not pick up relevant information on an income tax return; that is, if someone owns municipal bonds which are tax exempt.

We were also told that, in fact, there was no public interest to be served by spelling out what a Member's medical payments were or his alimony payments, or things of that nature.

So, we rejected the income tax requirement. Second, we rejected the requirement that Members file a net worth statement, because we thought that it is not necessary for the public to know whether a Member is worth $126,000 or $124,000 so long as they can measure within a reasonable range what our potential conflicts might be. So, we rely, in the main, on categories of value when we require disclosure of holdings and other items.

The second thing that the survey showed us was that the public wants Members of Congress to be full time. We laid out 20 potential conflict-of-interest situations. We asked the public to respond to all of them and tell us which ones bothered them the most. Interestingly enough, the item which bothered them the most, more than any other, was the example of the Member of Congress who gave a large number of speeches to organizations for pay, and received large speaking fees for those speeches. That bothered the public the most, and that was the situation about which the public was least satisfied by the mechanism of disclosure alone.

That is what we tried to do. We tried to reflect the public's concerns in that area as best we could, given our own judgments in the matter, by limiting outside income to 15 percent and putting an honorarium limitation of $750 per speech on a Member's outside income. The Rules Committee changed that to $1,000, and we think that is a reasonable change and we can live with it.

The third clear message that showed up in that public opinion poll is especially relevant, I think, to titles III and IV. That poll showed that above all else, the public wants more contact with their Members of Congress. In fact, the biggest gap—the biggest gap in all the activities we measured—the biggest gap between what the public saw Members of Congress doing versus what they wanted them to do was to get back home to communicate with them, whether it was by newsletter or by personal consultation, and we tried to reflect that.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I would really like to finish my statement, because I know that when we start asking questions, there are going to be dozens of them.

Mr. SEIBERLING. I think my question is relevant and would help the gentleman's statement.

Mr. OBEY. I am sure it is, but I would really prefer to continue. There will be No. 2 and 3 and 4, and I want to lay this out as coherently as I can, given my own limited ability to do so.

Fourth, the public showed very clearly that they want public duties paid for out of public funds, and not private funds and not personal funds. I think that is essential. So, the Commission responded to that desire by trying to build a well between official expenses on the one hand and personal and political expenses on the other. So, we recommended the elimination of artificial office accounts, or slush funds, depending upon one's literary style. We recommended the elimination of the ability to convert political funds to personal use in titles III and IV, and recommended a limitation on the use of the frank.

On the frank, very frankly, we had two considerations which were expressed by the different political parties in the House. Republicans expressed to me their concern about the fact that we had a Democratic-controlled Congress, a 2-to-1, Democratic-controlled Congress, which could pour newsletters into districts very shortly before the election, thereby resulting in a very heavy partisan advantage for the Democratic Party. So, we corrected that. We also heard from a good many Democrats who were unhappy with published reports that the Republican Congressional Campaign Committee contributed over $220,000 for the printing of newsletters in the last election year, which were then franked at a public cost of $2.5 million.

And so we tried to deal with both of those concerns. What we said was that we could not send out a postal paper mailing or, for that matter, a mass mailing of any kind, if it were paid for by anything other than public funds, so that we could not lever the expenditure of $1,500 of our own money into the expenditure of $15,000 to $25,000 of taxpayers' money.

In addition, we backed up the time during which we may not send a newsletter at all. We backed that up to 60 days before primary and general. That means, in my own State, that I would not be able to send a newsletter after, roughly, July 4.

We made some other recommendations

with which I am sure the Members are all familiar, including the requirement that newsletters be sent at third-class mailing rate. That will save the Congress approximately $9½ million dollars.

We estimate that other changes in the franking section will probably save another $1 million, $1,500,000. So I think those savings are substantial.

We will save, on these recommendations, just on this section, approximately twice the cost of the pay raise.

We also recommended that if we wipe out those unofficial office accounts, that we then ought to increase the official allowance by $5,000. Some people will ask why. Again I return to the public opinion poll conducted by Lou Harris. The public believes we are not getting home enough and the public believes we are not communicating enough with them. They are desperate for communication of almost any kind from us. They also indicated that they want that communication paid for not by United States Steel, not by Joe Blow down at the corner grocery store who may contribute to a voluntary fund for any of us, but they, rather, want that official business conducted in an official way.

That is the straightest way to do it, and the public is smart enough to understand that. In fact, when we asked them whether they wanted weekly trips for Members of Congress to be paid for out of private funds or out of public funds, by a margin of 54 to 30 they said they wanted that done above board, in a public way, out of public funds, not private funds. When we asked them whether they would rather see all travel within a Member's district paid for out of private funds or out of public funds, by a 76 to 19 margin they said they wanted those funds paid for in a public way, not in a private way.

We asked them whether they wanted newsletters sent out by using private funds or using public funds, and by a 57 to 33 margin they said they wanted them paid out of public funds.

What it amounts to is that, up to now, Members of Congress have accurately perceived that the public wants communication from us but they have paid for those items out of unofficial accounts and campaign funds.

We have approximately 40 percent of the Members of this House right now who have unofficial office allowances. In addition to that, I would venture to say that we have close to another 100 Members of the House who pay for official expenses directly out of their campaign funds.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. BOLLING. Mr. Chairman, I yield 10 additional minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, as I said, we have an additional 100 Members, approximately, who pay for that kind of official expense right out of campaign funds. And what we are suggesting is that the public believes it ought to be handled in a public way, and the Commission believes that we ought to respond to that desire and handle it in the straightest, most aboveboard fashion possible, and that is what we tried to do in title III and in title IV.

On travel, we asked the public a number of questions, and to make it short, the public response was very clear. They responded by something like 86 to 11 percent, I believe, to this question: The question was asked whether they minded Members of Congress traveling abroad, so long as they were real trips and not disguised vacations and so long as the expenses were adequately vouched for, and they said by a margin of 86 to 11 percent that they did not mind those trips provided those requirements were met. They did indicate that they do not believe that lame ducks have any business traveling.

So we have simply spelled out two requirements under travel: No. 1, that there shall be no double-dipping. In other words, if a Member is reimbursed from some other source for travel abroad, he cannot also collect a per diem so that he is in effect collecting twice. We have also said that a Member of Congress who is defeated in a general election or who is no longer a candidate may not travel abroad after either sine die adjournment or the election, whichever comes first.

In addition, we were presented in the Democratic Caucus with an additional item. The gentleman from Colorado (Mr. WIRTH) and the gentleman from Wisconsin (Mr. KASTENMEIER) introduced a resolution in caucus which asked for a limitation on gifts; that specified no gifts over $100, period.

There were a great many questions raised about the workability of that section. I do not think there was too much objection to the goal, but there was a great deal of objection raised about the workability of that section. So the Commission looked at it, and we wrote in the exemptions which the Members can see in title II, and those will be the subject of debate on the amendment which will be coming from the Committee on Standards of Official Conduct chaired by the gentleman from Georgia (Mr. FLYNT). We can air those arguments at that time. However, I really believe it is essential on that amendment to stick with the recommendations as they came out of our Commission.

I do not think any Member of this House really feels that every time he goes to a reception in the Rayburn Building he ought to have to look around and figure out how many Members of Congress have gone to that reception and try to find out what the cost of that reception is and then divide the cost of that reception by the number of Members who happen to have attended the reception that day in order to get the amount that can be legitimately attributed to one's participation in that reception. That would, in fact, be required if we do not have the kind of exemptions written in which our Commission wrote in. Both the gentleman from Minnesota (Mr. FRENZEL) and I have inserted a letter on that.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. OBEY. Mr. Chairman, as soon as I finish my statement, I will yield. I wish to add about two more sentences, and then I will be finished.

Let me just say this in closing: I think it should be understood that what we are not doing here today is drafting a set or a code of ethics which will raise the Members of Congress up to the pure ethics of everybody else in society. That is not what we are doing. What we are trying to do here is to recognize that the ethics of the marketplace are not sufficient for public life in the conduct of our official duties and our public responsibilities, and we are simply trying to draft a code which will reflect that.

I have served in the Wisconsin Legislature for over 6 years, I have served in this House for almost 8 years, and I can truthfully say that I believe the ethical behavior exhibited by members both in the legislature in which I served before and here is quite a bit higher than in almost any other group with which I have ever dealt in any other walk of life.

I think I can also say that the members I served with in the Wisconsin Legislature and in this House worry more about the country and care more about what happens to the country and worry more about public problems than does any other group in society.

I think it is important that we understand that what we are trying to do here is to draft a code of ethics today which simply reflects what our public responsibilities are so that we can have public confidence in at least the integrity of the processes around here.

Mr. Chairman, I just want to close by making one further statement. In that public opinion poll we asked the question: How many of you believe that the leadership of the House is right in making ethics reform a top order of business? Seventy-eight percent of them said, yes, they agreed with that. When we asked them how many people agreed or how many people thought that we would in fact get significant ethics reform in this session of Congress, only 35 percent indicated their belief that we would get it.

What I think is essential for this House to do today is to show that 65 percent that they are wrong.

Mr. GIBBONS. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Florida.

Mr. GIBBONS. Mr. Chairman, I want to commend the gentleman from Wisconsin (Mr. OBEY) for the work he has done, the very conscientious work he has done on this resolution.

I want to say that while I think the figure on line 24 of page 11 is excessive and I regret that we will not be able to vote on that figure, I do have some questions about the language on pages 19 and 20.

Mr. Chairman, I would like the gentleman from Wisconsin to direct his attention to that language. I am referring to page 19, line 22. I would like to know what the intention of the author of this resolution was in inserting the word "controlling." I ask about the word "controlling" which I want to know whether that means a 51 percent ownership, or does that mean some ownership that would be less than that?

Many of the agencies of Government have defined "controlling interests" to be as little as 2 or 3 percent in publicly held businesses.

Therefore, I wonder what is meant by the word "controlling," the second word on line 22, page 19.

Mr. HAMILTON. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Indiana.

Mr. HAMILTON. Mr. Chairman, if I may answer the gentleman's question, the word "controlling" used there could mean less than 50 percent. We inserted the word "controlling" in that language as an adjective to describe a family business, and we wanted to let the Members know that they did not have to divest themselves of a family business.

The crucial element in determining whether the limitation applies, the 15 percent limitation, is this: If the personal services produce the income, then it does not matter whether it is a family business or whether it is not a family business or whether it is a law firm, or anything else. If those personal services actually produce the income, then it comes under the limitation.

On the other hand, if the Member is merely acting to protect his investment, to protect his equity, to protect his capital, then it is not services rendered to produce income; and that income is not subject to the limitation.

Mr. GIBBONS. Therefore, Mr. Chairman, the gentleman's answer is that it is a subjective decision that must be made on a case-by-case basis and not anything that can be measured objectively by any fact or figure; is that correct?

Mr. HAMILTON. It certainly does have to be made on a case-by-case basis; and it is a factual determination, as any question under law is.

Mr. GIBBONS. Mr. Chairman, may I next direct the gentleman's attention to page 20, line 2, the word "significant."

What does "significant" mean? Does "significant" mean at least half or anything at all?

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

Mr. BOLLING. Mr. Chairman, I yield 10 additional minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. To respond to the gentleman, Mr. Chairman, what is says is that if it is not significant, which means that it is the opposite of significant, which is insignificant, which is a de minimis test, what the gentleman is talking about is a very small amount.

Mr. GIBBONS. So here, again, it is a subjective judgment that each person must make on a case-by-case basis rather than on objective criteria by which it can be measured; is that correct?

Mr. OBEY. The fact is that this is a test which will have to be judged in the end not by the individual Member, but by the Committee on Standards of Official Conduct, which will be the body to which any of us will go for judgment on that question and a number of others.

Mr. GIBBONS. Mr. Chairman, I thank the gentleman for yielding. I appreciate the gentleman's answers. I realize these are difficult questions to answer. I want to say again to both of the gentlemen who have responded that I think they have done a good constructive piece of work.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, I thank the gentleman from Wisconsin for yielding to me. I would like to address myself to the portion of the bill that was referred to which has to do with the amendment I have offered in the House Committee on Standards of Official Conduct, and the exception for personal hospitality of an individual of any gift that has a fair market value of $35 or less. As I understand from the report personal hospitality would mean anything of substance such as inviting a Member to dinner in which the person or the lobbyists would not be reimbursed by his corporation or his organization, would that be correct?

Mr. OBEY. The gentleman is talking about a corporation, or someone from a corporation, is that correct?

Mr. QUIE. Like a lobbyist or something like that.

Mr. OBEY. If he were to invite a Member to dinner in his own home, that would be all right, but not if he took the Member to the Sans Souci restaurant.

Mr. QUIE. But if it were in the lobbyist's own home and for which he was reimbursed by his organization, would that be covered?

Mr. OBEY. That would be not acceptable under our interpretation.

Mr. QUIE. That would not be acceptable?

Mr. OBEY. No.

Mr. QUIE. When the Member goes to the home of a lobbyist and the person is reimbursed by his corporation, would the Member have to secure that information from that individual?

Mr. OBEY. I am not sure I understand the question. Would the gentleman repeat the question?

Mr. QUIE. How is the Member to know? Say that he stays overnight with a person "with direct interest in legislation" and he eats meals in that person's home, how does the Member know whether that person's corporation is going to reimburse that person or not?

Mr. OBEY. What has to be understood here is that we are not trying to find ways to make it impossible for Members of Congress to function. These will be good faith tests which will be applied, obviously. If the Member believes he might be involving himself in a situation, it could be tough, but if there is no reason for him to assume that there is a problem then I think that any good faith test would suggest that he would not be in violation.

Mr. QUIE. Let me ask this: Under the $35 or less gift, it would not count toward the $100 aggregate. If a Member received from one individual a $35 gift each day, would each of them then be a separate gift from an individual?

Mr. OBEY. You can do that now, and I know of no one who is suggesting that that is going on. Let me be the first to admit that this is a very imprecise area we are dealing with and a very tough one. No one is going to suggest there is not this gray area or this problem area in trying to draft a new code of ethics, there is always bound to be, all we are saying is that no one knows of any practice like that going on now. This can happen under our rules now. What we are trying to do is to tighten up the present rule but not be so restrictive you cannot breathe around it.

Mr. QUIE. The code of conduct we are operating under presently, prior to this amendment being adopted, merely prohibits receiving gifts of substantial value but now it will become more specific, and it would prohibit an aggregate of $100 or more. You do not count anything under $35 toward the $100 aggregate. This gives a greater opportunity to exploit the rules than the old code.

If there is wrongdoing, or when one is specific in this way, then it seems to me greater chances of abuse could occur. It will make the task of the Committee on Standards of Official Conduct more difficult.

Mr. OBEY. Does the gentleman really believe that it is reasonable to say that every time we do go to a reception around here that we have to try to compute the kind of costs I just described? Does the gentleman believe that is reasonable? Does he really believe that is a conflict-of-interest situation?

Mr. QUIE. If the gentleman will yield further, I do not believe it would be onerous, because every time a Member does something for another person, such as a constituent, he then keeps an account of that in order that he can deduct that expenditure for his income tax. So if he is recording every little personal thing he is expending, it seems to me it is not onerous for him then to do the same thing for gifts.

Mr. OBEY. Let me ask the gentleman a question. I went to a reception yesterday which was held by the United Auto Workers over here in the Rayburn Building for the States of Minnesota and Wisconsin—I think it was Minnesota and Wisconsin. Am I supposed to really talk to them to find out what the total cost of that reception was and find out how many Members went to that reception, and keep book on that? Does the gentleman really think that is reasonable?

Mr. QUIE. I would say, if the gentleman would yield further, that the gentleman is in the same dilemma now in recording a specific amount, because any time one could show that the value was more than $35 the person was benefiting from, he would have to make an accounting. It seems to me if we are going to go to accounting a $100 aggregate, then we cannot have that big a loophole in it. However, as I read the bill now, with my amendment deleting the language exempting certain gifts and hospitality, one does not have to automatically make an accounting if the gift is less than $35. The only way one would

have to make an accounting of gifts is if somebody made a charge, the Member would have to prove that the aggregate from any one individual did not exceed $100.

Mr. OBEY. I really believe the only merit in the gentleman's position is that, if indeed his amended is adopted, it would probably end every reception around here. I might like that, but I do not think our constituents would, because they like to be able to have some access to us.

Mr. QUIE. That is probably something for the gentleman to consider under his code of ethics.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

I should like to pursue that a little further and ask if the local UAW representative invited the gentleman and his family to dinner and to spend the night, how is the gentleman to know—or any of the rest of us—whether or not the union, or if it is a corporate officer or salesman for some firm who might be also a personal friend, whether the host takes it off his income tax as a business expense, or gets compensation from his union or corporation?

Mr. OBEY. Let me say in that specific case I happen to know who the gentleman is, and I use my noggin. I know that he has a direct interest in the Congress, and I do not think, frankly, that I have any business in taking a meal and week's lodging someplace with him. I think that would be highly inappropriate for me to do so.

Mr. BROWN of Ohio. If the gentleman would yield further, I am asking how is one to know, if one spends the night and has an evening meal and breakfast, if it exceeds $35, whether or not that is being paid for by a corporation or interest group and whether or not in some way that person who has extended that hospitality is getting compensation from a corporate entity, the League of Women Voters, the UAW, or is taking it off his tax as a business expense. How do we know that? Do we ask that question every time?

Mr. HAMILTON. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Indiana.

Mr. HAMILTON. I thank the gentleman for yielding.

I think the whole purpose of the rule is to alert Members that they have to exercise due care when they are receiving gifts and when they are receiving hospitality. So in the specific situation that the gentleman suggests, he is going to have to ask the questions to get the answers that he desires so he knows whether or not he is in violation of the rule.

Mr. BROWN of Ohio. That is one answer. I wonder now how smart an answer it is because it certainly ought to terminate many conventional friendships. But I would like to ask another question, if I might. I would like to ask for an explanation of the language on page 19, lines 15 and 16, which reads:

> Outside earned income shall be determined without regard to any community property law.

What does that mean?

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

Mr. QUILLEN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Chairman, the question has been asked. Does the gentleman from Wisconsin understand the question?

Mr. OBEY. If the gentleman will yield, what that means is—Is the gentleman talking about page 20?

Mr. BROWN of Ohio. I am talking about the language on page 19, lines 15 and 16, the sentence which says:

> Outside earned income shall be determined without regard to any community property law.

Mr. OBEY. That simply means the spouse's income is not included in the 15-percent limitation.

Mr. BROWN of Ohio. May I pursue that one step further? Let us assume the husband owns the controlling interest in the business and the wife is the officer of the corporation who is compensated for her services, for her business personal services to that corporation, how does that apply in this title VI?

Mr. OBEY. What is the gentleman suggesting? What is the gentleman asking about the wife?

Mr. BROWN of Ohio. The Member of Congress owns, whether the Member is a husband or a wife, the controlling interest in a business. And the Member's spouse is the officer of the business and is compensated in excess of 15 percent of the Member's salary for being an officer of that corporation. Does the phrase "Outside earned income shall be determined without regard to any community property law" mean the spouse can be serving in that business capacity and earning income without reflecting on the Member's limitation?

Mr. OBEY. The limitation applies only to the Member.

Mr. BROWN of Ohio. So the spouse of the Member can be compensated in excess of 15 percent of the Member's salary and it does not reflect on the Member's 15 percent as addressed in title VI of the legislation. Is that correct?

Mr. OBEY. That is correct. But if in fact she is not actually rendering the service she may be subject to tax fraud.

Mr. BROWN of Ohio. Who makes that judgment?

Mr. OBEY. The IRS does.

Mr. BROWN of Ohio. And if she is an officer or presiding over the board and she functions under the law, then she would qualify as earning the money; would she not?

Mr. OBEY. If the salary is reasonable for the service she is providing, yes, but again that is a judgment which will not be made by me or anybody else in this House. It will be made by the IRS, just as it is now.

Mr. THONE. Mr. Chairman, will the gentleman from Ohio yield?

Mr. BROWN of Ohio. I yield to the gentleman from Nebraska.

Mr. THONE. Mr. Chairman, the leadership of this body acted unwisely in the extreme, in my opinion, in blocking a recorded vote on pay raises for Members. I do not think the public will soon forget this, nor be confused about where to place the blame.

Nevertheless, I do think the vote that the House is going to take on a code of ethics is tremendously important.

May I remind the Members of the events that caused the Commission on Ethical Review to come into being. There were scandals about abuse of office allowances by Members and by committee chairmen. We in the minority asked for an audit of every fund. The leadership, however, said we should forgive and forget past sins. We should only promise to be good in the future.

I favor ethical conduct. I also favor exposure of past unethical conduct.

In general, I strongly support the proposed resolution on ethics for Members of this body.

I strongly object to the way the resolution is being brought to the floor. It is offered to us under a closed rule. We have the right to vote on only two amendments. Outside of that, we can vote to strike titles of the resolution, but we are denied the right to amend them.

Title III of the resolution is concerned with "Unofficial Office Accounts and Official Expense Allowances." The so-called office accounts are an evil, in my view. Under present law, there is no requirement for the reporting of them. There is no regulation of them. Some Members accept both corporate and labor union money for these accounts, despite the fact that such contributions are illegal to Federal campaign funds.

Title III proposes to end these accounts. The price that is enacted in this resolution is unnecessary and unwise. The majority is offering a bribe to those who have had these office accounts. The leadership is saying, "Give up these office accounts and we will give you another $5,000 a year in Federal funds for operation of your office." The price is too high. We can abolish office accounts. Or, we could tightly regulate them. We do not have to dip once more into the taxpayers' pocket. Therefore, I strongly favor striking title III of this resolution.

I strongly support the sections on financial disclosure and limitations on outside income. I feel so strongly on this that I am today releasing considerable personal financial information. I am making public a statement of the net financial worth of my wife and me. I am also releasing a report of the Federal and State incomes she and I have paid in each of the years that I have been in Congress. Regardless of what this body does today, I shall continue to issue such reports on my financial affairs each year that I hold public office.

Mr Chairman, I urge adoption of the pending resolution.

Mr. QUILLEN. Mr. Speaker, I yield 10 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, the House Resolution 287 contains many worthwhile and long overdue recommendations. I congratulate all the members of the Commission on Administra-

tive Review, especially the distinguished gentleman from Wisconsin (Mr. OBEY) and the distinguished gentleman from Indiana, (Mr. HAMILTON) who chaired the CAR's subcommitee on this subject.

The provisions which I think represent the greatest improvements include new franking restrictions, financial disclosure of personal data and gifts, limitations on honoraria, elimination of unofficial office accounts, bans against lame-duck travel and "double dips" for expenses, and prohibitions against conversion of funds from unofficial office accounts and political accounts to personal use.

The new ethics code, alone, however, merely defines some new standards of conduct for Members. It is still imcomplete, and surely imperfect. Obfuscations and ommissions in the reform package have clearly underscored its imperfections. Absence of a creditable mechanism for enforcement of the code emphasizes its weaknesses, but there are even more egregious omissions.

The first major omission is the lack of any audits. An ethics package without audit is like a sprinter with one leg. A systematic audit procedure for all House expenses and liberal public access to disclosure records should be fundamental components of any stringent congressional reform package. Yet the necessity and merit of such procedures were neither addressed by the Commission on Administrative Review nor included in the Obey reform package.

If the recent past has taught us anything, it is that the public demands the right to know how public money is managed and spent by its elected officials. As I understand it, the people are far more interested in how we spend their money than in our willingness to disclose our own personal finances. It is true that Chairman OBEY has promised to bring up some audit questions later in the year but all such talk is prospective. There is no promise, or even hopes of getting into audits of past years despite the fact that congressional improprieties of last summer caused the creation of CAR and heated up this House's lukewarm enthusiasm for ethics reform.

Although House Resolution 287 did propose creation of a Select Committee on Ethics to report legislation incorporating its ethics recommendations into permanent law, it ignored the opportunity to authorize the committee to undertake a thorough audit of all House accounts.

The Rules Committee's decision to delete from House Resolution 287 the title establishing an Ethics Committee under further notice has mooted temporarily the subject of a full audit of House expenses. Nonetheless, a committee to draft ethics legislation and to monitor the rule we will pass today must be established by the House. Its worth will depend in large measure on the scope of its authority. Without broad investigative powers and complete audit authority—the sine qua non of any objective examination of real or potential abuses—such an ethics unit would be less than effective. Given its present standing with the American public, the House could ill-afford the luxury of a whitewash, although it seems determined, by avoiding audits, to maintain its low ratings.

The second most obvious omission is that our highly publized "disclosures" are not all complete. Members of the press have often complained to me that records are not available to them. Under our departed colleague, the ex-chairman of the House Administration Committee, information on our spending of the people's money was available on occasion. Now it is available—in summary only—not original vouchers—only on a quarterly basis. We have not made much progress toward real disclosures since last summer's disaster. Availability of the expenditure records of the House is basic to any congressional disclosure regulation. Public availability and accessibility to official expenditure records of Members and all committees of the House will insure the accountability of the House in its use of public moneys. The public's right to know about the uses, or possible abuses, of its tax dollars by Members and employees of the House far outweighs majority party criticisms of such procedures.

Any resolution without enforcement, without audits, and without adequate disclosure is vulnerable to allegations that it is a diversionary tactic as much as it is an ethical improvement. I will agree that this resolution makes important improvements, but I also submit that it has diverted our attention from the important reforms I have noted.

These omissions are more significant than the defects in House Resolution 287, but two defects are worth noting.

The most blatantly defective provisions are the $5,000 increase in House allowances and the 15-percent limitation on outside earned income.

To link the abolition of unofficial office accounts to a capricious quid pro quo—an unjustified increase of $5,000 in official allowances—moots the ingenuousness of title III provisions, and reenforces the public perception of a "billion dollar Congress" willing to reform itself only for the right price. This link illustrates the previous aspects of the gay mile. Because of fears that the $5,000 buyout would not pass, it is tied by the gag rule to the abolition of slush funds. The rule forces Members who cannot support the $5,000 to vote at the same time for repeal of the abolition of slush funds.

Statistical validation of the need for the increased $2.2 million in taxpayers' money totally lacks creditability. Those Members—estimated at 40 percent or less by a CAR survey—who admitted to maintaining unofficial office accounts provided the standard against which the majority of Members were measured and found to be financially deficient. All of us who do not use slush funds are going to be included in the $5,000 buyout, whether we need it or not.

Accordingly the proposed $5,000 allowance increase represents the average amount spent annually by the minority now drawing funds from their private office accounts. The corresponding $5,000 increase in legitimate official allowances thus appears a sop to the slush-funders to induce them to discontinue such accounts. Ironically, no attempt was made to determine legitimate expense needs and requirements of the majority of House Members with no slush fund accounts.

The proposed $5,000 increase in official allowances remains untenable, unconscionable, and highly suspect.

The proposed 15-percent limitation on outside earned income, a second serious defect, is inequitable, discriminatory, and ill-conceived.

It excludes from the limitation some kinds income earned from a family trade or business, if personal services do not generate a significant—whatever that means—amount of income, while subjecting all other forms of income to the 15-percent limitation. This distinction creates a loophole of major proportions, and makes farm or business income more blessed than law income, or board fees. It also will create a fertile field for litigation as whether income is earned or unearned. In other words, if you own the company, you may be all right, but if you just work for it, you probably become unethical.

Our colleague from Ohio (Mr. BROWN) has already pointed out another loophole—that of while making arbitrary distinctions between types of earned income subject to the limitation, the provision places no restrictions whatever on unearned income—income from stocks, bonds, and other investment resources. Members with inherited wealth and substantial investment income are thus favored over the majority of Members who earn relatively small sums from speeches, active participation in small businesses, law firms, and certain trades while serving in Congress.

The limitation on outside earned income further ignores the fact that Members are often elected to the Congress precisely because they have interests and practical expertise in particular fields—farmers representing farmers, businessmen representing businessmen, and the like. It can be agued, therefore, that to deny Members the right to participate in such activities is to place an additional limitation on eligibility for election to Congress beyond that contained in the Constitution.

Some limitation on outside earned income may be justified, but as presently drawn, the real impact of the 15-percent income limitation on Members remains obscure. As constituted, the provision is a jumble of semantic evasions and legal incongruities; raising more questions than it purports to settle. Before the House acts on this proposal, there is a real need for further definition and clarification of its intent and its ramifications.

Mr. Chairman, this resolution makes some real improvements. It ought to be passed, but only after more important improvements are added, and after vital flaws are corrected. Unfortunately, because our leadership has no confidence in the people or their representatives, we are not allowed to make improvements.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I would like to address a question to the gentleman and perhaps even to the leadership on this issue on the other side of the aisle. May I ask what in the legislation which we are considering today would have either prevented or exposed earlier the case of our late departed chairman of the Committee on House Administration.

Mr. FRENZEL. Mr. Chairman, as near as I can figure, I will say to the gentleman from Ohio, there is nothing in here that relates at all to the late unpleasantness of last summer.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield further, I wonder if I could ask that question with reference to the Adam Clayton Powell case or the case of one of our colleagues who was reprimanded by the House recently.

Mr. FRENZEL. Mr. Chairman, I think that the recent reprimand would have been, perhaps, covered by title I of the disclosure section.

I have no opinion on the Powell matter, since I am not conversant with that.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield further, or in any other case the gentleman knows where there have been exposures of impropriety or wrongdoing that might be addressed by this legislation. Are there any others?

Mr. FRENZEL. I think the answer is that all we have done in this package is establish some questions, some standards for ourselves, of how we spend our own money.

The scandals that relate to how we spend the people's money have not been dealt with at all.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield further, I think that given those cases, have any of those particular problems been addressed by what is in this package?

Mr. FRENZEL. I think the gentleman makes a good point. I thank the gentleman for it.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield briefly, my time is limited.

Mr. LENT. Mr. Chairman, I am concerned about title III, the elimination of office accounts sections, which on page 12 of the bill provides in section 303 that the words having to do with the expenditure of campaign funds, "unless specifically provided by law," be eliminated.

As I read this section, it has the effect of saying to the Member that henceforth campaign funds can only be used for something called "bona fide campaign purposes." Before this section was put into the ethics code, a Member was permitted to use his campaign funds for charitable contributions, for donations to the Treasury, and for transfers to other political organizations.

I was just wondering whether, in view of this change that has been made, we are not unduly restricting the purposes for which campaign funds can be used.

Mr. FRENZEL. I thank the gentleman for his question, and I would like to ask the gentleman from Indiana to participate to see if I give a correct description. What we were trying to do was to build a wall between official allowances that could be used for official expenditures, and for political funds which we hope through the passage of this resolution will only be used for political expenditures. But we do believe that there ought to be some limitation for political expenses. We have sought to make no strict definition of political expenses. What is political is a matter of fact rather than of definition. We believe that if a Member travels home for a political purpose, and it is covered by his volunteer committee out of political accounts, that this is a political expense, and still is a legitimate political expense.

However, what we have tried to do is to confine expenses from political accounts or volunteer committee accounts to expenses that are political. By and large, that definition will be left up to the Member and to his volunteer committee, and as it is broadly defined under the election law.

I would like to ask the gentleman from Indiana if that conforms to his understanding of the matter.

Mr. HAMILTON. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Indiana.

Mr. HAMILTON. It does conform to my understanding. I think the gentleman has stated it quite accurately. We really do not make any change in the definition of what is a political expense, or for that matter, what is an official expense. There are essentially no rules and regulations today, as I understand it, which define that. It is left up to the Members, and it stays that way under the recommendations of the Commission.

The CHAIRMAN pro tempore (Mr. SHARP). The time of the gentleman from Minnesota has expired.

Mr. QUILLEN. Mr. Chairman, I yield 10 additional minutes to the gentleman from Minnesota.

Mr. LENT. Mr. Chairman, will the gentleman yield further?

Mr. FRENZEL. I yield to the gentleman from New York.

Mr. LENT. The way the rules are presently written, political campaign funds can be used for a Member's charitable contributions. I know that in my case I spend a lot of money from this political campaign fund buying tickets and making contributions to the various charities and fire department journals and service clubs, and so forth, in my district.

Now, it would appear—unless the gentleman straightens me out—the Commission has changed the permissive range of expenses and eliminated contributions to charities and has said that I may only use these moneys for strictly bona fide political purposes. So, I would like to get some sort of an opinion—and I think some of the other Members in the House would be interested—that if a Member expends money from his political campaign fund to purchase a ticket to attend a testimonial dinner for a distinguished citizen of the Member's district or for some other nonpolitical gathering, will that expenditure put that Member in violation of this code of ethics?

Mr. FRENZEL. Again I will respond by giving a personal opinion only. In my best judgment, travel back to the district, purchase of the tickets, such as the gentleman has described, are legitimate political expenses.

Again my offhand opinion would be that so far as the contributions to charity are concerned, one would have difficulty describing them as legitimate political expenses.

Mr. HAMILTON. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Indiana for his comments.

Mr. HAMILTON. Mr. Chairman, I agree with the gentleman.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Wisconsin (Mr. OBEY) for his comments.

Mr. OBEY. Mr. Chairman, I would basically agree with that. I think, in terms of whether the latter type of contribution is a political expenditure or not, my suggestion is, simply, on that point, if the Member thinks it is political, he should try it out with the IRS. It is clearly not official.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from New York (Mr. LENT)

Mr. LENT. Mr. Chairman, the way the law is written, it is perfectly legal, so far as the IRS is concerned, to make the expenditure for a charitable purpose or to make the transfer to another political organization. It is only the ethic which we are adopting today which appears to be far more restrictive than the statute, because the ethic says we may only use these funds for strictly bona fide political purposes. This may have been inadvertent. And were this an open rule, we could make some simple amendments and straighten this out.

Mr. FRENZEL. Mr. Chairman, I do not think, in the first place, that it is inadvertent.

There are two problems. One is the ethic the gentleman talks about. And we did try to restrict political expenses to political purposes. But there is a second problem, and that is with the IRS. That relates both to the deductibility of the contributions that are made to a Member's campaign and it relates to the tax-exempt status of the Member's campaign committee.

I think a Member will have to take these problems up with the IRS if the Member makes what appears to him to be nonpolitical expenditures from this fund.

Mr. LENT. If the gentleman will yield further, I do deal with the IRS, and I am not worried about the IRS.

Mr. FRENZEL. Then the gentleman is in better shape than most of us.

Mr. LENT. What I am concerned about is, would we be in violation of this Code of Ethics if we were to dip into our political campaign fund to purchase tickets for an affair which I would otherwise not attend?

Mr. FRENZEL. I have already answered the gentleman. I think he would not be in violation.

Mr. LENT. I thank the gentleman.

Mr. HAMILTON. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Indiana (Mr. HAMILTON) for a wiser opinion.

Mr. HAMILTON. Mr. Chairman, I agree that the answer is no.

Mr. FRENZEL. Mr. Chairman, I thank all of the Members for their contribution.

Mr. ALLEN. Mr. Chairman, will the gentleman yield for a question?

Mr. FRENZEL. I yield to the gentleman from Tennessee (Mr. ALLEN).

Mr. ALLEN. I thank the gentleman for yielding.

Mr. Chairman, under title III it is proposed to increase office expense allowances by $5,000. As in the case of the gentleman from Illinois (Mr. ANDERSON), and others, I oppose this, particularly in view of the fact that we have just received, without being permitted to vote on it, a rather substantial increase in pay.

How can we eliminate this $5,000 increase in office expenses allowance under this rule?

Mr. FRENZEL. I will explain to the gentleman that I do not want to yield further, because I would like to proceed with my discussion. Under the rule, we cannot vote to eliminate the $5,000 without voting to strike the whole title. I shall make such a motion to strike the title. But the gentleman should be warned that if he votes to support my motion to strike, he will not only get rid of the $5,000 office account, he will also repeal the abolition of slush funds, which may indeed make his constituents worry a little bit. And that is the pernicious result of the closed rule.

Mr. ALLEN. So we put them in the position of making a choice between the devil and the witch?

Mr. FRENZEL. Mr. Chairman, if the gentleman will yield back to me my time, which I now claim, I think the gentleman helped put us in that position.

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to my distinguished colleagues, the gentleman from Ohio.

Mr. DEVINE. Mr. Chairman, I thank the gentleman for yielding.

I would ask the gentleman if he would refer back for a moment to that portion of the legislation having to do with increasing the district allowance from $2,000 to $7,000.

I wish for purposes of the RECORD that the gentleman would cite the event we went through in the Committee on House Administration in which we struck this out and then an emergency meeting was called and it was restored.

Mr. FRENZEL. Mr. Chairman, I think the gentleman has well described it. We met in the morning and we voted, with 14 members present, by a vote of 12 to 1, for the judicious use of proxies to eliminate the $5,000 increase in office allowances.

In the afternoon an emergency meeting was called on an hour's notice. We met at 2:30. One of our members moved to reconsider, saying that there had not been enough members present in the morning. Well, there was one less member present in the afternoon, but we had three members present in absentia, because we found three extra proxies, and the vote was reversed by a margin of 14 to 12, I believe. Obviously there was a frantic motion to put the $5,000 back in, because there are Members of this House who believe that unless we buy out the slush fund with $5,000 per Member, we cannot stand the ethical reform of getting rid of the slush funds.

In my judgment, this does not make any sense at all. If the slush funds are unethical or we do not want them any more, we should get rid of them. But to think we have to give every Member of the House, without any demonstration of need, or with no show of need, made by the Committee on House Administration, an extra $5,000 is, in my judgment, simply a very bad decision.

The CHAIRMAN pro tempore (Mr. SHARP). The time of the gentleman from Minnesota (Mr. FRENZEL) has expired.

Mr. QUILLEN. Mr. Chairman, I yield 5 additional minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for yielding me this additional time.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, I thank the distinguished gentleman for yielding.

I would like to ask this question: If a Member was in a partnership prior even to his coming to Congress, would this membership in a partnership bar him from earning or from receiving more than $15,000 a year from that partnership?

Mr. FRENZEL. The way the resolution is written now, he would be barred from receiving more than $8,600, give or take a few dollars, of income from that partnership, provided those earnings were earned and resulted from personal services to the partnership.

If, however, the money that he received from the partnership was a return of capital or some other form of income that would not be earned income, he could receive it and not be in violation. I submit, though, that there would always be a question as to what kind of income partnership income was.

Mr. CARTER. Mr. Chairman, if the gentleman will yield further, I would like to ask him whether it is true that in the case of a person owning 51 percent or more of a corporation, that man's income from the corporation would not be limited; is that correct?

Mr. FRENZEL. No, that is not quite true. He would be subject to the same limitations as the person from the partnership. The word "control" would only mean that if a man got some kind of income that was from other than personal service, he could do so; but if he got personal income, personal-service income, earned income from the corporation, or salary income, that would be just as illegal as it would be from the partnership if it exceeded $8,600.

Mr. Chairman, I would refer the gentleman from Kentucky (Mr. CARTER) to the letter of the gentleman from Wisconsin (Mr. OBEY), which was circulated today. I think that description is accurate as to what is in the House rule, even though it is very restricted.

The CHAIRMAN pro tempore. The time of the gentleman from Minnesota (Mr. FRENZEL) has expired.

Mr. QUILLEN. Mr. Chairman, I yield 5 additional minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. CARTER. Mr. Chairman, will the gentleman yield further?

Mr. FRENZEL. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, I thank the gentleman for yielding.

Is it also true that if a man owns 49 percent or less of a corporation, he cannot receive more than $15,000 from that corporation?

Mr. FRENZEL. The distinction between 49 and 51 percent is one which the resolution and the Commission did not draw.

The gentleman from Indiana (Mr. HAMILTON) made the statement earlier in the day that "control" means control. It does not mean percentage of ownership. Therefore, the distinction would have to be whether the 49 percent was indeed controlling or not.

Mr. CARTER. Mr. Chairman, I want to thank the distinguished gentleman from Minnesota, but I have been led to believe this from the words of the distinguished gentleman from New York who so eloquently addressed the House previously.

I thank the gentleman.

Mr. FRENZEL. The gentleman from New York was indeed eloquent.

Mr. SHUSTER. Mr. Chairman, would the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Chairman, would it be fair to say that under this resolution that there could be an individual who, for example, is a lawyer, or perhaps even a businessman who owns a company and who has 15 years of knowledge, and, based on those 15 years of knowledge—take a lawyer, for example, who has handled a client for 15 years and because of that 15 years of knowledge he still acts as the senior partner in the handling of that client yet he only needs to spend an hour or 2 a week, while the junior Members spend 20, 30, or 50 hours. Nevertheless, the value of his contribution is so substantial, because of his 15 years of knowledge that he could really claim 50 percent of the total income of that client relationship and that could well exceed $8,000 or $15,000 a year. Yet, in terms of time spent he would have spent a very modest amount of time for that money. Is that a fair characterization?

Mr. FRENZEL. That is a fair characterization. Anything he received over $8,600 would put him in violation of the code.

Mr. SHUSTER. I thank the gentleman.

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Illinois.

Mr. O'BRIEN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I am a member of a law firm back in Illinois. There are six of us. I started that firm in 1966. We are a conventional partnership. Most of the clients we represent came to that firm through me. I cite that without any vanity, but that is the fact.

There are other firms in our community that have formed themselves into a corporate like organization. If our firm—and I am not saying that we would do that—but I am pointing at the law—if our firm decided to incorporate and the board of directors then decides upon a stipend to pay me, or someone like me, at the end of the year, and although I might really practice a negligible amount of law for that sum, is that something that would pass the test of this legislation?

Mr. FRENZEL. As the gentleman from New York (Mr. PIKE) pointed out, this law discriminates in favor of those who have an ownership. Those who receive a dividend from a company or corporation would not be covered by the 15 percent limitation; you could receive as much as $200,000 or $1 million a year.

Mr. O'BRIEN. I thank the gentleman.

Mr. OBEY. Mr. Chairman, would the gentleman yield at that point?

Mr. FRENZEL. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, the point is still that if that is for personal services, it would come under the limitations. If it is not for personal services, it would not.

Mr. FRENZEL. The gentleman is correct.

Mr. O'BRIEN. Then it would be a matter of description used by the Board of Directors.

Mr. FRENZEL. The determination would be whether one earned it by the sweat of his brow, in which case it would be earned income, or because of ownership in the firm.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, let me suggest the man who is fortunate enough to own, say, several million dollars in Standard Oil of Indiana or Standard Oil of California, the dividends received from those corporations would not be covered and he could get as much as $100,000 a year?

Mr. FRENZEL. He would not be covered and not be subject to these limitations.

Mr. CARTER. He would not be covered?

Mr. FRENZEL. That is right. He could receive $500,000 or more.

Mr. CARTER. Or from any other type of large corporation?

Mr. FRENZEL. Or from municipal bonds.

Mr. CARTER. Or if he were born to immense wealth, this would not be a bar?

Mr. FRENZEL. No.

Mr. CARTER. But the minute he starts earning income on his own on the weekends as some of us sometimes do then the $15,000 limitation sets in, is that correct?

Mr. FRENZEL. The gentleman is correct. I would further tell the gentleman from Kentucky that he had better not deliver any babies over the total receipts of $8,600.

Mr. OBEY. Let me add in response to the inquiry by the gentleman from Illinois (Mr. O'BRIEN) that it would not be determined by the description given by the Board of Directors, it would be determined on the basis of fact, and that fact, again, would be adjudged by the committee which will review everyone's position when asked.

Mr. PEPPER. Mr. Chairman, acting on behalf of the able gentleman from Missouri (Mr. BOLLING), I yield 30 minutes to the distinguished gentleman from Indiana (Mr. HAMILTON).

Mr. HAMILTON. Mr. Chairman, in a few hours, if this ethics package has been passed—and I sincerely hope it will be—I am confident that every Member of this body will begin citing it as one of the principal achievements of the 95th Congress. As we do so, we will be paying tribute to the leadership that the gentleman from Wisconsin has provided the Commission on Administrative Review. It has been my pleasure to serve under the chairman, the gentleman from Wisconsin, Mr. DAVID OBEY, and I want to express my personal appreciation to him for the marvelous job that he has done in bringing this ethics package to the floor.

I also want to express a word of appreciation to the Speaker, the gentleman from Massachusetts (Mr. O'NEILL) and the majority leader, the gentleman from Texas (Mr. WRIGHT) and the majority whip, the gentleman from Indiana (Mr. BRADEMAS) for the support they have given to the Commission in helping us to achieve what I think is a tough code of ethics.

At this time it seems appropriate for me to say several things about the ethics package, other than a mere explanation of some of the contents of the provisions in it. It is the Commission's belief that the vast majority of the Members of Congress maintain the highest standards of official conduct and do not in any way abuse the public's trust. With all of our discussion about conflict of interest and misdeeds, it is sometimes easy to lose sight of that fact. But this member of the Commission, and I believe all members of the Commission, believes that the vast majority of the Members of this Congress maintain the highest standards of conduct. It is true that some instances of unethical behavior by a few Members of Congress have been called to our attention and that that conduct has seriously hurt the image of the institution. It is because of both the abuses and the potential for abuses, as well as the public's deep concern for higher ethical standards in the Federal legislature, that the recommendations before us are necessary.

I want to say that personally, I feel a sense of discomfort in developing ethical standards for a body that I believe already operates under high ethical standards, and I would not for a moment want to appear so presumptuous as to try to pronounce the ethical standards of this body. The Commission has no illusions that it can recommend rules which will completely eliminate all of the abuses and all of the conflicts of interest, or that we can devise rules and regulations that insure that power will never be abused. Nor do we believe that the public's impression of, or affection for, the Congress will immediately rise to great heights because of this or any other ethics package. We do believe, however, that by taking steps to minimize avoidable conflicts of interest and by providing the public with the information that it needs to monitor potential conflicts of interest, we are taking steps to improve the ethical standards of the Congress and the image of the Congress in the eyes of the public.

A word about the approach of the Commission to the package may be also appropriate. In brief, we wanted to devise a tough set of ethics. We were not satisfied with the lowest-common-denominator approach. We believe that the public trust granted to Members of Congress requires that each Member adhere to the highest standards of official conduct. We accepted the admonition of the Speaker to develop the highest ethical standards of any legislative body in America. We have tried to do that, and we make no apology for the approach that we have taken.

We also recognize that the rules that we have proposed cut, and in some instances they cut very deeply. They affect all the Members of this body, and they affect some of the Members of this body deeply. Our objective throughout our work, however, has not been to maximize the ability of a Member of Congress to earn money but to develop a set of rules that would maximize his effectiveness in the performance of his duties and would minimize any potential conflict of interest.

I happen to believe that Members will cast this afternoon several of the most important votes that they will cast in the 95th Congress. In the eyes of the general public my guess is that few if any votes will exceed the importance of the votes we cast today.

I consider the votes this afternoon as a crucial test of the 95th Congress. The underlying problem is: How do we restore the confidence of the American people in the institution of the Congress? The underlying question is: Does this body really want a tough code of ethics?

The recommendations before the Members today are certainly not a perfect code of ethics or the only code of ethics that could be drafted, but they do represent an integrated, balanced, comprehensive, effective ethics package and I think a giant step towards genuine ethics reform.

I would like to address a number of questions raised by Members regarding the provisions of this resolution. One of the first questions put to members of the Commission is: Why is not disclosure enough to handle the question of potential conflicts of interest?

The underlying theme of these questions is that the voters should decide

whether or not their Representatives are in a position of conflict of interest. That assertion however ignores the reality of most elections because more than 75 percent of the elections are either uncontested or not close. A large percentage of the public does not even know the name of its Representative and a very small percentage of the public can identify the position that his congressman took on any single issue. If we disclose or require the congressman to disclose his finances, there is no reason to think that a member of the public will know very much about that disclosure.

Besides that, disclosure is not sufficient, because outside earned income creates a variety of serious potential conflicts of interest, both conflicts of money and conflicts of time. To continue to allow the Members of Congress to receive a large amount of outside income invites suspicion of undue influence and improper influence.

When we are dealing with the question of confidence in the institution, which is the underlying question, that suspicion it seems to me must be removed. Our job is to try to reestablish confidence in the Congress. We cannot do that by accepting a salary of $57,500 and then claiming that we should be allowed to earn anything we want above that outside of our job, often because of our job.

Another question that has frequently been put to members of the Commission is that it is inequitable to single out earned income for a limitation.

Mr. CARTER. Mr. Chairman, will my good friend, the gentleman in the well, yield on that?

Mr. HAMILTON. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, I thank the gentleman for yielding. I realize the gentleman is one of the very fine Members of this House of Representatives.

I would like to ask the gentleman this question. I believe the legislation proposes that we will draw and of course it is the law that we are supposed to draw $57,500 a year. Is that correct?

Mr. HAMILTON. Yes.

Mr. CARTER. Yes. But by the same token we can own, if we are children of inherited wealth, any amount and draw any amount of interest and not be penalized. Yet we would have the same conflict of interest that we would have if we were just working on the weekends and earning that money. Is that correct?

Mr. HAMILTON. We do draw that distinction and I would like to address myself to why we make that distinction.

We make that distinction for several reasons. First of all we do it because there is in our judgment less of a risk of conflict of interest with income from investment than from earned income.

The CHAIRMAN. The time of the gentleman from Indiana (Mr. HAMILTON) has expired.

Mr. PEPPER. Mr. Chairman, I yield the gentleman an additional 5 minutes.

Mr. HAMILTON. Mr. Chairman, in our judgment, we just do not create the potential for conflict of interest with investment as we do for earned income. Beyond that, investment income creates no conflict with regard to use of a Member's time. They are not cashing in on their position, generally speaking.

I know there are some services that have to be rendered to protect investment income, but generally speaking there is no or very little conflict of interest with regard to the use of time when they are dealing with investment income. There certainly is no cashing in of his position by a Member with investment income. In our judgment, any potential abuse arising from investment income can be handled by disclosure.

Mr. Chairman, let me also say this in answer to the gentleman's question, because it is obviously very important. The recommendations of the Commission go to the central abuse, as we understood those abuses. We did not have coming before us Members complaining about conflict of interest or any of the public complaining about conflict of interest arising out of investment income. We did with regard to earned income and we tried to limit our recommendations to actual abuses that existed.

One other thing I would say, and I know my answer is lengthy to the gentleman's excellent question. We must be frank that investment income is very hard to regulate or control. We cannot deny a Member the right to income from investment.

Mr. CARTER. Mr. Chairman, if the distinguished gentleman will yield further, I would say that the man who is the recipient of inherited wealth and comes here has the same conflict of interest that one who is working does. Admittedly, the one who works may spend more of his time on the weekends, perhaps, on a job; but this is a distinction, I think, that is really not significant. I think that the man who has huge amounts of inherited wealth, as many Members in this House do, we have people here who own huge amounts of stocks in large companies and corporations. We have other men who own large amounts in other corporations, and yet because a man of necessity works on the weekend, we are discriminating against him. What do we want him to do on that weekend, sit on his fanny, or do we want him to work?

Mr. HAMILTON. Mr. Chairman, may I respond to say that the logic of the gentleman's position is that the gentleman would support a limitation on invested income; is that correct?

Mr. CARTER. Yes; I would support it. What is sauce for the goose is sauce for the gander. I certainly would support a limitation on unearned income, because we are favoring those who are born to wealth by this very legislation.

Mr. MURPHY of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HAMILTON. I yield to the gentleman from Illinois.

Mr. MURPHY of Illinois. Mr. Chairman, the gentleman from Kentucky (Mr. CARTER) makes an excellent point. There are gentlemen, we all know who they are in this body or the other body, who are beneficiaries of a trust. They make half a million to a million dollars a year. Under this ethics package all we require those people to do is report that income and identify the source of the trust. What we do not do is examine the corpus of the trust, the body of the trust. In that trust there could be stocks of the Exxon Corp., pharmaceuical stocks, municipal bonds and innumerable instances where a legitimate conflict of interest could exist.

This is the thing that bothers me. This ethics bill does not apply uniformly, and that is the reason I am the author of an amendment to strike title VI. If we truly want to have ethics; if we truly want a package that applies to every Member of this House and to every Member of the other body, we should truly limit the income in such a way that it would be a uniform application.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. PEPPER. Mr. Chairman, I yield 5 additional minutes to the gentleman from Indiana.

Mr. HAMILTON. Let me simply observe, in response to the gentleman, that from the viewpoint of the Commission we did not really view this matter as one of equity, but rather of what appears to be the need to minimize those abuses that we felt were most obvious and most prevalent.

Mr. MURPHY of Illinois. Concerning the example I just mentioned, would the gentleman comment on that? Say that I was the beneficiary of a trust my father gave me, and I had an income of $500,000 a year. Does the gentleman not think that it is important for me to disclose the corpus of that trust?

Mr. HAMILTON. We do have the most extensive disclosure rules——

Mr. MURPHY of Illinois. But the gentleman does not require it under this package. All he requires of me, if I were the beneficiary of that large a trust, is the amount, the $500,000, and the source—meaning the trust. There is nothing in there that compels me to list the nature of the stock and where that stock resides. I would be sitting on the Banking and Currency Committee and have the stock administered by a large bank in New York or Chicago.

Mr. HAMILTON. I understand the gentleman's point, and I agree that there is some possibility for abuse, and it may be that Members at a later time will want to act on that, as the gentleman from Kentucky has indicated, but right at the moment we do not consider the abuses from that kind of income as seriously as we do the earned income. Therefore, our recommendations just go to the earned income.

Mr. MURPHY of Illinois. I think this is plainly the fault in this legislation. I support the ethics package, but it does not apply uniformly. The gentleman says that a case for equity can be made, but he is not concerned with equity. He says that justice will come later, but we all know the axiom, "Justice delayed is justice denied."

We are going to get one crack at this ethics package, and it is today.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. HAMILTON. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I just want to make one practical point for those

Members who are suggesting that we ought to include invested, as well as earned income. I want to give the Members two examples of what happens if we do that.

If we include invested income, what we are saying is that a Member of this House could not own a home for 20 years, sell it, and make more than $8,000. That would clearly be ludicrous, but that would be the result if we did, in fact, try to include both invested and earned income.

We would also say, in effect, that if one were a millionaire, the only way one could function in this House, if we included invested income under the limitation, is that one would have to sell his holdings, put them in a bank in an interest-free account. Now, that might make some bankers very happy, but I do not think it would serve the public interest. That is why we made this distinction.

Mr. MILFORD. Mr. Chairman, will the gentleman yield?

Mr. HAMILTON. I yield to the gentleman from Texas.

Mr. MILFORD. I would like to pose a question to the gentleman in the well concerning spouses' income. It is my understanding that under the provisions of this bill the sources of a spouse's income must be revealed. In this instance, I have a wife who is an attorney, a general practitioner. Her source of income is from her clients. Would it be necessary under this bill for her to reveal her client list?

Mr. HAMILTON. No, it would not.

Mr. MILFORD. I thank the gentleman.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. HAMILTON. I yield to the gentleman from New York.

Mr. BIAGGI. In pursuit of the exceptions the chairman, the gentleman from Wisconsin (Mr. OBEY) offered, it is obvious that the sale of a household would impose a hardship. Why not except for the sale of a household? In addition to that, imposing a hardship on a millionaire, let me suggest, may seem to be a greater hardship because he has more money, but perhaps proportionately speaking those with all earned income will be subjected to an equivalent hardship. If we are concerned about equity, concerned about uniformity of application of ethics. I would suggest that we have a limitation on income, period, irrespective of the source.

Let me pursue this further. The gentleman from Illinois made reference to a trust. Let me tell the gentleman about trusts, especially blind trusts. There is not such a thing as a blind trust—not in fact.

There are Members in this House who are involved with blind trusts. I have discussed it with them. They appoint a trustee. In fact, they direct the trustee. If one is thinking in those terms, he is not dealing realistically.

The gentleman in the well suggested there would be less likelihood for conflict in case of investments. Let me suggest that I disagree strongly with the gentleman on that score. The conflict exists every day in legislation that comes to this floor.

The CHAIRMAN. The time of the gentleman from Indiana (Mr. HAMILTON) has expired.

Mr. PEPPER. Mr. Chairman, I yield 5 additional minutes to the gentleman from Indiana.

Mr. MURPHY of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HAMILTON. I yield to the gentleman from Illinois (Mr. MURPHY).

Mr. MURPHY of Illinois. I thank the gentleman for yielding.

Mr. Chairman, I just want to bring up one other thing. We just had a demonstration of how blind a trust is by the President of the United States. He appointed as trustee his trusted friend and lawyer from Atlanta, Charles Kirbo. But then he was heard to mention, and it was reported in the papers, that he admonished him to take care and look out for Billy and take care of his son Jimmy in disposing of the assets.

Anybody with any commonsense knows that he is going to listen to the President of the United States, or whoever directs him.

My problem with this whole package, this whole title VI, is that it does not apply uniformly, and we should take it back and work on it and determine just what the public wants to know, whether we should make absolute full disclosure of everything we own and everything we earn.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. HAMILTON. I yield to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. I thank the gentleman for yielding.

Mr. Chairman, I want to clear up the impression that Members would not have to reveal holdings in a trust. If the Member, in fact, can determine what those holdings are, those holdings will be disclosed.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. HAMILTON. I yield to the gentleman from Kentucky (Mr. MAZZOLI).

Mr. MAZZOLI. I thank the gentleman for yielding.

Mr. Chairman, I would like to go to another topic. I respect what the Commission has done with outside earnings, and I suggest that it is a solution to a very nettlesome problem.

What was the genesis of the $35-threshold amount beyond which we have to start allocating or taking account of gifts, as well as the allowance? How was that figure determined?

Mr. HAMILTON. It is a very arbitrary figure. The principle that motivated us was to try to avoid putting Members into the position where they would have to be bookkeepers and keep elaborate records.

Mr. MAZZOLI. That leaves me with this: Is it fair to say that the Commission and the expert witnesses determined that $35 did exempt most of the receptions to which we are invited, most of the meals we may be invited to, breakfasts with the farm bureaus, this type of thing? Is that the general thrust of the $35?

Mr. HAMILTON. Yes, it is.

Mr. MAZZOLI. Let me ask the gentleman one further question if I may.

We get in our office—and I am sure the gentleman does, as well—subscriptions and newspapers and books and all kinds of pamphlets, Time Magazine, U.S. News and World Report, and so forth. If we take the dollar value of each issue, so that that exceeds the $35, are those to be accounted for hereafter?

Mr. HAMILTON. Yes.

Mr. PEPPER. Mr. Chairman, for the purpose of the record, would the able gentleman from Indiana please state what his own position was on the Commission's task force that made the recommendation? I understand the gentleman was chairman of the section dealing with financial matters. Is that correct?

Mr. HAMILTON. Yes, I was. My own position with regard to what aspect of the task force recommendation?

Mr. PEPPER. Did title VI come within the area that the gentleman was directly responsible for?

Mr. HAMILTON. Yes, it did.

Mr. PEPPER. If the gentleman will yield further, I would like to revert to the question asked by my colleague, the gentleman from Florida (Mr. GIBBONS).

I want to be sure that I understood the answer the able gentleman gave. As I understood the gentleman, he said in his reply to the question asked by the gentleman from Florida (Mr. GIBBONS) that the only income which is limited by title VI is income that comes from any source, whether it is a farm or business or professional association or whatever it is, produced or generated by the personal services of the Member.

I can see the good sense and the proper relationship and relevance of that definition, because that gives some measure of the time that the Member would devote to producing the income, if we specify the income that we are considering here as limited to income that he or she personally produced.

Mr. HAMILTON. Mr. Chairman, the gentleman has stated the situation correctly as I understand it.

Mr. QUILLEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Chairman, in the preface to his Principia Ethica, George Edward Moore wrote the following:

> It appears to me that in Ethics, as in all other philosophical studies, the difficulties and disagreements, of which history is full, are mainly due to a very simple cause: namely to the attempt to answer questions, without first discovering precisely *what* question it is which you desire to answer.

In formulating the House ethics package which is before us today, it seems to me that the House Commission on Administrative Review went to great pains to first determine just what questions they were attempting to answer before they started providing those answers. The Commission was comprised of both public and House Members and took testimony from all sectors of our society. In addition, it conducted interviews with both House Members and the public to ascertain their concerns and suggestions for improving our ethical standards. I

think a careful reading of the results of those surveys and interviews will reveal the thoroughness with which the Commission went about determining just what questions it wanted to address in its recommendations. And I likewise think that a careful reading of the Commission's report and of this resolution, which embodies those recommendations, will lead to the conclusion that the Commission has not engaged in overkill, and that it has identified and responded to the right questions about our ethical conduct, and that it has done so in a straight-forward and commonsense fashion.

Before discussing the specific recommendations of the Commission, I think we should lay to rest some of the misstatements and misinterpretations about this effort to forge a new code of conduct for the House. It is said by some, for instance, that by even undertaking this effort we are somehow indicting the entire House for misconduct—that we are conceding the argument of those who charge that the whole system is corrupt. Nothing, it seems to me, could be further from the truth. The very fact that we are willing to undertake this thorough self-examination in public view is a clear indication that we have confidence in the basic soundness of the system and the integrity of a majority of our Members.

Furthermore, this view is shared by the public. The Harris poll conducted for the Commission reveals that we enjoy a 53 to 38 percent high ethics rating with the public, though that still puts us in eighth place among other institutions in our society. Another Harris poll conducted at the height of the Watergate scandal in 1974 asked the public what traits best characterize most elected Federal officials. Only 17 percent of the people polled felt that most elected Federal officials are corrupt. At the same time, though, the people listed corruption and Watergate as the main reasons for their loss of confidence in Government, and at the top of their list of things which should be done to restore confidence were the adoption of new laws, codes of ethics, and standards of conduct for public officials. In other words, while the people realize that corruption is not a pervasive problem in Government, they feel very strongly that something should be done to remedy the situation.

This public sentiment for action on ethics has not dissipated with the fading of Watergate, and perhaps has been bolstered by some recent revelations involving the Congress. Last fall, during the election campaign, 88 percent of the voters listed the ethics question as a priority to stiffening the rules governing gress should take action on. And in the Harris poll conducted more recently for the Commission, the public gave 78 to 14 percent approval to the decision of the new leadership of the House to give top priority to stiffening the rules governing the ethical behavior of Members of Congress. At the same time, it should be mentioned that the public has become so skeptical about our ability to act, that a 48 to 35 percent plurality expressed doubt that we would enact tougher ethical standards.

Another argument which is used against this ethics effort is that these new standards relegate Members of Congress to second-class citizenship; that somehow we are being discriminated against as a class because we are being asked to reveal more and act better than the average citizen. I, for one, do not consider this second-class citizenship; to me it means that we are expected to be first-class public servants. The public wants us to abide by high ethical standards because they have placed a special trust in us—the public trust. They have elected us to positions of leadership in our Government and we are, therefore, expected to represent or embody the highest standards of conduct and integrity. The Harris poll conducted for the Commission shows that by an 87 to 10 percent margin, the American people subscribe to the view that "because they hold high offices of public trust, Congressmen should be expected to maintain higher ethical standards than other people."

The argument is also made that you cannot legislate morality, and again the poll findings reveal that the people realize this. A 62 to 32 percent majority of the American people feel that "in the end, Congressmen are like other people and you cannot make them behave ethically if they do not want to, because you cannot legislate morality and ethical behavior." Moreover, a 55 to 41 percent majority agree that "the ethics of Congressmen cannot be expected to be much better or worse over the long run than the ethics of the people themselves."

In summarizing these poll findings, Lou Harris said, and I quote:

> It may be heartening news to hear that the public views Congressmen as human beings, but on the ethics questions, the Congress can ignore the admonition that it must hew to standards higher than most other people only at its peril.

Finally, it is argued that this whole ethics effort is an exercise in futility because it would not help one bit to elevate our lowly standing with the public, which now hovers around the 22 percent level. On this count I would tend to agree, and I would hope that no one is misrepresenting this package as a panacea for our public image problems. Certainly the Commission has not so misrepresented what its recommendations will accomplish. To quote from page 2 of its report:

> The Commission has no illusions that it can recommend rules which will completely eliminate conflicts of interest, or that regulations can be devised which will assure that power will never be abused. Nor does it believe that public affection for Congress will rise to great heights simply as a result of ethics reform.

But the report goes on to state, and again I quote:

> The Commission does believe that to end the crisis of confidence Congress must take action to minimize avoidable conflicts of interest and provide the public with the information it needs to monitor any potential conflicts.

Certainly the mere adoption of a new code of ethics is no guarantee of higher ethical conduct; that will depend on our own commitment to abide by and enforce it, and ultimately the people's vigilance in holding us to it. But even then, it is no answer to our sagging performance and approval ratings. We will ultimately be judged by our performance as legislators—our effectiveness in solving problems and our responsiveness to the needs of the people.

Having placed this whole ethics question in what I consider to be the proper and realistic context. I would like to discuss the specific recommendations of the Commission.

First, the Commission recommended that full financial disclosure statements be filed by Members of Congress, their principal assistants and professional committee staff, and that these reports be made available to the public. The Commission has also recommended that such financial disclosure statements be filed by congressional candidates, though this latter recommendation will have to be implemented by statute. As a cosponsor of the Kastenmeier-Railsback bill, on which this proposal is based, I strongly endorse the concept of financial disclosure. It seems to me that this is the best deterrent to conflict of interest situations arising in the first place, and is also the best way for the public to judge whether the financial situation of their Representative or any congressional candidate, in any way compromises his ability to properly represent their interests without advancing his own personal pecuniary interests. Financial disclosure by Congressmen and their opponents was supported by 63 percent of the people in the Harris poll, and only 23 percent felt it constituted an invasion of privacy.

Second, the Commission has recommended a limitation on outside earned income of 15 percent of the Member's salary, though an amendment has been made in order to raise that limit to $15,000 a year. I had earlier testified before the Commission in opposition to any outside income limit, based on our previous salary level. But when the new salary took effect, I made a commitment to my constituency to support and abide by whatever limit was finally adopted by the House.

I made this commitment because I think we now have a compact to fulfill with the President's Commission on Executive, Legislative, and Judicial Salaries which recommended that their proposed salary increases be accompanied by a tough new code of ethics for all three branches of Government, including public financial disclosure, rigorous restrictions on outside income, and strict conflict of interest provisions on investments. To quote from the Peterson Commission's report:

> Breaches of trust—even by relatively few—have reduced the willingness to increase compensation. Only a commitment to serious reform will convince Americans that trust and confidence can be restored, and the increases in salary are justified.
>
> * * * * *
>
> Such a reform must be sufficiently tangible to persuade a substantial majority of Americans that the post-Watergate era has truly begun. Such a majority is by no means persuaded now.

Under the heading, "Rigorous Restrictions on Outside Earned Income," the Commission report went on to state:

> The government should provide fair and reasonable compensation to its public servants sufficient to permit them to meet all normal personal and family obligations without the need for outside income. All executives, judges, Senators and Representatives may then be reasonably expected to devote their full time and energies to their public employment, and the earning of outside income should be restricted.

In the same fashion, the Obey Commission argued for limitations on outside earned income to assure the public that: First, Members are not cashing in on their positions of influence or being affected by the prospects of outside income, and second, outside activities are not detracting from a Member's attention to his or her job. According to the Obey Commission, unlimited outside earnings not only present potential financial conflicts of interest, but also present a "time conflict" between the Member's private interest and the public interest. Supplementing salary with outside earned income can detract from a Member's full-time attention to his official duties and creates distortions in the judgment of Members on particular issues.

This finding is buttressed by the Harris poll finding that a 54 to 37 percent majority of the public feels that "with the job so demanding, regardless of what their occupations were in private life, Congressmen should give up their private careers and devote full time to Congress." A 68 to 30 percent majority of that majority say they feel "very strongly about it." In my own case, I severed my affiliation with my law firm when I came to the Congress both because of potential conflicts of interest and the full-time aspects of this job.

The third major recommendation of the Obey Commission, which is contained in this resolution, is the prohibition on gifts aggregating more than $100 in a calendar year from any person, organization, or corporation having a direct interest in legislation, or from a foreign nation or national. I intend to oppose the amendment of the Committee on Standards of Official Conduct to eliminate the exemption for gifts of under $35 or personal hospitality, because I agree with Chairman OBEY and the ranking minority member on the Commission (Mr. FRENZEL), who stated in their letter of March 1, 1977, that—

> This amendment is ill-advised and, if adopted, will make the gifts prohibition meaningless.

To quote further from their letter:

> Without the exemptions, Members would literally be forced to allocate the per guest cost of almost every reception they attend; would have to log the identity, source, and value of most unsolicited gifts coming in the mail; and would even have to assess the cost of dinners they eat in neighbors' homes. In short, without the proposed exemptions the gifts provision would become unworkable and therefore unenforceable.

Fourth, the Commission has recommended the abolition of so-called unofficial office accounts or slush funds. I do not maintain such a fund but it is my understanding that the Commission found that 40 percent of the Members surveyed do. I agree with the Commission that this source of private funds which now falls outside disclosure or campaign limitation requirements should be prohibited to avoid even the appearance of impropriety and financial influence by contributors to such funds. I also support the strict new prohibition on the conversion of campaign funds for personal use under any circumstances. This is a long overdue reform and one which keeps faith with campaign contributors that their contributions will indeed be used solely for campaign purposes.

The fifth major recommendation of the Obey Commission relates to the use of franked mailings. From now on, no materials which are not printed at Government expense may be sent under the frank, postal patron mailings will be sent third class, saving an estimated $9.5 million annually. Members will be confined to sending the equivalent of six district wide mailings per year, mass mailings would be prohibited 60-days prior to an election—as opposed to the present 28-day moratorium—Members running for statewide office would be prohibited from sending mass mailings outside their districts, and postal patron mailings would be submitted to the Franking Commission for advisory opinions prior to their being mailed.

And finally, lame duck travel abroad would be prohibited at the time of the election or adjournment of Congress, whichever comes first, and Members would be prohibited from using both per diem allowances and being reimbursed from other sources for the same expenses.

Mr. Chairman, I support House Resolution 287 and the tough new House code of ethics it represents. I have no illusions that this will usher in the millennium in ethical conduct for the Congress, but it is an important first step in restoring public confidence in us by demonstrating our commitment to setting and enforcing high ethical standards. While the first important step is ours to take, the second step is for the people to take in holding us to our public trust. John C. Calhoun once said:

> The very essence of a free government consists in considering offices as public trusts, bestowed for the good of the country and not for the benefit of an individual or party.

That is really the essence of these standards of conduct for Members of Congress—that they use that public trust for the benefit of the country rather than for their own personal benefit. By creating these standards, we are giving the people a yardstick to measure our devotion to that public trust. We can paper this Chamber over with all manner of codes of ethics, but they would not be worth the paper they are printed on if the people are apathetic about their Government and the type of individual they elect to represent them. As Supreme Court Justice Robert Jackson wrote in a 1950 opinion:

> It is not the function of our government to keep the citizen from falling into error; it is the function of the citizen to keep the Government from falling into error.

While we can and should carry out our constitutional obligation to enforce these standards and punish Members for official misconduct, the ultimate enforcement rests with a vigilant citizenry.

Mr. QUILLEN. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. WIGGINS).

Mr. WIGGINS. Mr. Chairman, I thank the gentleman for yielding this time to me.

I started to take a much closer interest in this resolution several days ago because I felt that it might be infected with a serious legal problem, perhaps a problem of constitutional magnitude, especially with respect to the earnings limitation on Members. I will not trouble the Members with the process by which I reach my conclusion, but the conclusion I have reached is that title VI does not present a problem of unconstitutionality. However, there surely is a matter of policy and judgment before us. I would like to speak to that issue for just a moment or two.

Preliminarily, I want to establish my objectivity. I do not have any unearned income or earned income in excess of the amounts tolerated by this resolution. Moreover, the resolution would not apply to me in any event because I am going to leave this vale of tears at the end of this term of Congress, in part because of the type of foolishness which occupies our attention today. In the future, I expect to practice law openly and proudly; and I hope to be as prosperous at it as some I have read about in the paper recently.

Mr. Chairman, I want to say at the outset that the distinction between unearned and earned income is a distinction which must be made if we are going to have an income limitation at all. I say that because wealth produces income, and if we are going to have a limitation on the income which wealth produces, then we are going to have a limitation on wealth itself. The Constitution does not tolerate a property test for membership in this body. The resolution must therefore distinguish between unearned and earned income if we are going to limit income at all.

Let us address the issue of whether or not there should be such a limitation. Frankly, I am groping for the problem. I understand the tendered solution, but I truly do not understand what the problem is. I cannot be convinced that the problem is conflict or apparent conflict of interest. I say that because what is not regulated here is the ownership of vast wealth in regulated industries and in defense industries for example. All of that is tolerated, even though the potential for conflict is obvious. If such obvious potential conflicts do not concern us, I cannot be convinced that Saturday income from the practice of veterinary medicine, for example, does raise an unacceptable risk of conflict.

No, we are not talking about conflict of interest in this limitation. Rather, we are talking about our image as full-time Congressmen. I think it is perceived by some that if a Member is able to earn a few dollars on the outside, he is not paying attention to the public business, and that is wrong.

Mr. Chairman, let us examine that

perception. I think the Members of this body know far more about that issue than the respondents to the questionnaire which was circulated. Do we really have a problem here of Members who are devoting insufficient time to the work of Congress? Is that a great national problem? We should know.

I think the answer is clearly that it is not.

However, Mr. Chairman, to some extent our time is diluted by outside activity. What is the greatest demand on our precious time?

Let me suggest that it is not the time that one may devote to the practice of law on a Saturday, for example. I think that the greatest nonpublic demand on a Member's time is partisan politics. That activity takes most of our time; and, of course, we do not consider such demands to stain our public image as full-time Congressmen.

Mr. Chairman, it seems that if we are serious about responding to the perception that we may not be full-time Congressmen, then perhaps we ought not regulate outside income, but punish those who do not respond to votes or attend committee meetings. Let us have a 30-percent test or a 15-percent test with respect to that conduct which goes directly to the issue of a full-time Congressman, rather than having a standard of outside income which is only remotely related to it.

No, Mr. Chairman, I think that the efforts of the Obey Commission are well intentioned. I commend them for their efforts, but they have created a solution to a nonproblem. I hope that we will rise above the obvious political pressures upon us and simply do what is right, even though there may be a misconception abroad as to what is the right course to follow.

The CHAIRMAN. The time of the gentleman from California (Mr. WIGGINS) has expired.

Mr. QUILLEN. Mr. Chairman, I yield 3 additional minutes to the gentleman from California (Mr. WIGGINS).

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, the gentleman from California (Mr. WIGGINS) has very eloquently addressed a portion of this legislation and the real and imagined problems it claims to address and whether the legislative proposal restricting income of Members has merit.

I would like to ask him to address himself, if he will, to two other aspects of this question of limiting income.

There was a day in this Congress when the Congressmen served from January to July, even from March to July, and then went home and practiced some kind of normal business activity such as farming, newspapering, law, medicine, or the like. They then had some contact with the real world in which their constituents are obliged to operate all the time within the rules and the regulations which this body imposes upon them. At that time the Members understood how it was to operate in the real world.

Mr. Chairman, we are creating by this legislation, it seems to me, a separate ruling class that will be removed from the real world, that will be well compensated for the responsibility of ruling, but but will not be directly involved in the day-to-day activities by which our constituents earn their livings to pay taxes.

I wonder whether the gentleman in the well could address that issue, and I wonder whether he could address one other issue, and that is the question of independence of judgment. Outside income makes it possible for a Member to be here and not be dependent upon this vocation for his living so that he is able to say, "I do not have to vote in some way I feel is undesirable in order to hold the congressional job. I can make a determination that I think is more legitimate than the pressures of politics even though that decision might make it difficult for me to hold the congressional job. I have something to fall back on."

There are two different angles here that bear on the ethical considerations of legislation.

Mr. WIGGINS. Mr. Chairman, to respond quickly, the first question is whether this body is enriched when people go out and participate in the business and economic affairs of society as well as in discharging their governmental function. Of course it is, so long as we punish actual conflicts of interest.

Mr. BROWN of Ohio. I agree with the gentleman.

Mr. WIGGINS. However, I say the bottom line has to be whether we have the faith in the people. We should tell them the truth, disclose our outside activity and the income it produces, and let the people decide whether that activity is acceptable or unacceptable.

Mr. Chairman, such a rule of disclosure is consistent with the great traditions of democracy. It does not depend upon artificial standards. It is one that will work if we have the will to make it work.

Mr. BROWN of Ohio. Mr. Chairman, I thank the gentleman.

Mr. QUILLEN. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, I regard it as a mixed blessing serving on the Commission on Administrative Review. I agree everyone worked as hard as they could under the circumstances. We owe a great deal to the assistance of our staff, both that of the majority and the minority, and to the members of the Commission and its chairman. My appreciation, however, does not indicate total agreement.

One thing has been very largely overlooked in the discussion this afternoon. If we did nothing but approve title I in this resolution requiring financial disclosure, it is far and away one of the most significant ethical improvements ever adopted by this legislative body. That provision alone requires annual reporting of the sources of your income over $100, gifts over a certain amount, reimbursements, holdings of over $100; debts in excess of $2,500; securities transactions over $1,000; real estate transactions over $1,000.

All of those facts must be spread on the record annually and anybody from your district can raise the issues and get the facts. In the next election anyone may make criticisms if they find something there to be attacked.

There are many other good sections in this recommendation.

The limitation on unofficial office accounts may be a good idea.

I support the limitations on the use of the frank.

No one certainly is going to guarrel with the limitations imposed on lame-duck Members travel. But there is much in this resolution which could be improved.

I hasten to add that I do not think there is anything partisan about the desire for ethical reform, although there was an attempt to portray one party as being for or against ethics. I regret that that suggestion was raised, and it is spurious at best.

Mr. Chairman, one of the issues that is definitely more contentious is whether or not we are going to give ourselves a $5,000 pay raise on top of the recent $13,000 pay raise, which I opposed. It is provided in the unofficial office accounts section of the bill it permits an increase of $5,000 to $7,000 in the district office allowance. As I understand it, this account will be converted into a personal expense account for Members. I do not think that that is necessary.

I do not know how many Members are willing to vote to permit themselves another $5,000 increase, but I for one will not.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, the gentleman from Maryland raises the point that he is concerned about having $5,000 added to the raise of $13,000. I think that is a presumption on our part. The presumption is that we will have received a raise of $13,000 because of the way the leadership has so very adroitly manipulated the procedure to prevent a vote on the part of the membership. I do not think that was very ethical. But now we are dealing with ethics in another committee's discretion. Let me suggest for the benefit of the House currently in committee, there are enough votes in the committee considering supplementary appropriations which will provide a solution for that prospective $13,000 raise.

I would predict that come August or July when that supplementary motion is brought before the floor that the Members will have an opportunity to vote on the proposed raise, and also predict that the raise will fail.

Mr. BAUMAN. Mr. Chairman, I will vote for the gentleman from New York's amendment if he will offer it.

Mr. MILFORD. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Texas.

Mr. MILFORD. I thank the gentleman for yielding.

I should like to take issue with my friend on the term "$5,000 pay raise." It

is my understanding that the $5,000 is an increase in reimbursable expenses and would in no way go into anyone's pocket. In other words, if there are legitimate expenses, one could have these expenses reimbursed but could not personally profit from them.

Mr. BAUMAN. I agree with the gentleman that technically it is not a pay raise, but I can speak only for this Member of the House. If a member wishes to do so, he could reimburse himself for expenses that are not now reimbursable. To that degree it would be an increase in income not now available. This fund is going to constitute an expense account that Members can use on top of the pay raise, and I think that is unjustified. I will tell the Members why.

Under the reign of the former chairman of the Committee on House Administration, Mr. Hays, from 1971 until he left, the House had repeated increases in staff, in allowances, in travel, in telephones, in postage. The House also had additional increases depending upon the distance away from Washington of each district under the so-called Obey proposals that were adopted last July. I honestly believe that to add another $2.2 million a year to the legislative appropriation through this is a mistake. I would say further that no justification was offered in our hearings. What was revealed is that 60 percent of the Members of the House had no such unofficial office account and apparently did not need the money. So there really was no justification.

Mr. MILFORD. I really did not want to enter into the merits or demerits of the $5,000; I simply wanted to have the understanding that we are not talking about another $5,000 raise which would go directly to the Member. Whether it should increase the allowance or not increase it I am not debating.

Mr. BAUMAN. I leave that to the gentleman's definition.

Mr. Chairman, I should like to refer at this point to the issue of earned income. I should at this point issue the usual disclaimer that the gentleman from Maryland has no income that fits within the limitations that these rules would impose and has not had during the nearly 4 years that he has been here.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Kentucky.

Mr. CARTER. I thank the gentleman for yielding.

I would ask the gentleman if it is not true that in addition to the $5,000 added to the $2,000 which we have already had for so-called office expense—even when it came $500 over 3 months as most all of us received—it is seen as just a gift. To that now is added $5,000. I would ask the gentleman if it is not true that if one wanted to, he could go back to Louisville, Ky., as I happen to do, and go from there to his district, and he could in the course of duty rent an expensive car, go to his district, pay for food and lodging paid from anywhere from Kingdom Come to Fountain Run; is that correct?

Mr. BAUMAN. If the gentleman has enough fortitude to sign a voucher and return it, he could do a great many things, I assume—at least for one term of office.

Mr. CARTER. In fact, it would permit him to live in high style; is that not correct?

Mr. BAUMAN. Knowing the gentleman, I doubt that he would ever wish to live in high style.

Mr. CARTER. Does the gentleman really think that this extra $5,000 is necessary?

Mr. BAUMAN. No, I really do not. I appreciate the humble country origins of the distinguished gentleman from Kentucky.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

I know the gentleman has gone on to another subject of outside earnings, but I would like to return to the $5,000 increase in official office account issue. I find myself on the horns of a dilemma in this respect. I think the gentleman from Tennessee, (Mr. ALLEN) pointed out previously that if one votes to strike title III, which would strike the $5,000 additional for the official office account or for additional official expense, then one seems to be opting for continuation of the unofficial account procedure. I have never had an unofficial office account and I did not know that the practice existed until recently and I would think the gentleman from Maryland does not have one either.

Mr. BAUMAN. I have one which I do report fully.

Mr. WYLIE. The gentleman does have one which he does report. And that is, of course, made up from private sources and not from taxpayers' money. My question is this. If I decide to vote for the provision under title III, I can use the $5,000, or I do not have to use it just as I do not have to use all my office hire account or telephone account. True?

Mr. BAUMAN. The gentleman does not have to use it but under the impact of these new rules most Members will be forced to use this money. They will have to us this for newsletters and certain additional expenses which are now paid out of such unofficial accounts or campaign accounts. The whole trend of these regulations is to force onto the back of the taxpayers all attendant expenses for the Member's service in the Congress, whether or not the taxpayers feel that such expenses should be charged to them. That is the thrust of these regulations.

Mr. WYLIE. But if we vote for the $7,000 official account we eliminate the unofficial expense accounts. It can all be used or it can be returned. How does the gentleman from Maryland intend to vote?

Mr. BAUMAN. I intend to vote for the amendment to be offered by the gentleman from Minnesota to strike the $5,000 increase. The gentleman from Minnesota and I will introduce legislation to eliminate the unofficial office accounts because that is felt to be a source of problems.

Mr. WYLIE. I am glad to learn the gentleman from Minnesota intends to introduce legislation to see that such unofficial accounts are eliminated.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, under a regulation now before Congress and soon to be adpoted the unofficial accounts will be disclosed and that is a regulation under the Federal election regulations.

Mr. EVANS of Delaware. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Delaware.

Mr. EVANS of Delaware. Mr. Chairman, as the gentleman knows I am a new Member of the House. I feel at times as if I am in about a half dozen graduate schools at the same time, schools of varying degrees of excellence. But this is not the only graduate school or the only place where one can receive information which is helpful in developing public policy. Here in Washington we are not really in the real world.

Back home we can talk to many who have a great deal of expertise on particular subjects. My question relates to title III as it amends rule 43. If I take a group of University of Delaware professors out to dinner and I pay for it, can I pay for that with political campaign funds? Is that a bona fide political expenditure? Or do I have to pay for that personally or pay for it with taxpayers' dollars?

Mr. BAUMAN. I think that was subjected to extensive discussion previously by the gentleman from Minnesota and the gentleman from Indiana. I think the bottom line was, a few moments ago, that it was up to each Member to judge the purpose. If it was a political meeting, he can still reimburse himself from campaign funds. But, as I understand it, reimbursement from this $7,000 fund is permissible if it is a meeting to discuss legislation, at least the Member can submit the voucher if he felt it was a purpose that qualified as his official duties.

Mr. EVANS of Delaware. I thank the gentleman from Marvland.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding.

Going back for a moment to the $5,000 office account increase, I have such an unofficial office account and I use it exclusively for paving for newsletters. But is it not true under a title of this legislation, title IV, that in any event whether the $5,000 addition is allowed or not, the office accounts, even if they are not abolished, cannot be used for that purpose any more?

Mr. BAUMAN. Yes, as I understand it.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. LENT. The gentleman was referring earlier to title I, financial disclosure, and I have a question having to do with section 3 in part B, having to do with listing one's liabilities owed, di-

rectly or indirectly, which exceed $2,500, excluding any mortgage-secured real estate.

There does not appear to be any exclusion in here for obligations due and owing to members of one's immediate family. Is it the gentleman's opinion that obligations of an unsecured nature due and owing to members of one's family must be disclosed in the official report?

Mr. BAUMAN. So far as I know, the language on page 5, lines 13 through 21, which directs the disclosure of liabilities over $2,500, does not permit any exemptions except the ones stated in that paragraph.

The answer then would be that obligations to family members would have to be disclosed.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. DEL CLAWSON. Mr. Chairman, I yield 5 additional minutes to the gentleman.

Mr. LENT. Mr. Chairman, will the gentleman yield further?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, if a Member of the House of Representatives was divorced and had an obligation to pay alimony or child support to a former wife, is it the gentleman's understanding that under the terms of this provision that obligation or liability would have to be fully revealed in the report filed with the Clerk?

Mr. BAUMAN. I assume if it were an outstanding lump sum owed, dictated by a court order it is a liability against the person's assets and it would have to be revealed.

Mr. LENT. Mr. Chairman, I wonder if the gentleman from Maryland would yield to the gentleman from Indiana?

Mr. BAUMAN. Mr. Chairman, I think the answer we will get and which we have gotten every time a question like this is asked is that they do not really know. There are going to be regulations written by an as yet unnamed committee that is going to rule in each individual case; so we are walking into a really foggy area.

My own opinion is that if it is a personal obligation, we have to report it.

Mr. HAMILTON. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Indiana.

Mr. HAMILTON. Mr. Chairman, is the obligation the gentleman refers to as a result of a judgment of a court?

Mr. LENT. Mr. Chairman, if the gentleman will yield, it could be an obligation imposed by the court or the result of a contractual obligation, a separation agreement incorporated into a decree.

Mr. HAMILTON. Mr. Chairman, if the gentleman will yield further, in my judgment the answer to the question is yes, it would have to be disclosed.

Mr. LENT. Mr. Chairman, if the gentleman will yield further, I would like to ask the gentleman from Maryland, if I may, had the rule adopted been an open one, might we have made an effort to amend this provision?

Mr. BAUMAN. Mr. Chairman, that is correct. Unfortunately, we are barred from doing it.

Mr. Chairman, now, let me turn to outside income and its limitations. The gentleman from Indiana talked about the need to reestablish confidence and to do away with the national suspicion directed at the House of Representatives. In the majority report, the two goals announced are to remove conflict of interest and to maximize the effectiveness of individual Members. Let me apply those two standards, the standard of confidence and trying to do away with suspicion and read what is not limited in this legislation.

The family business section that is in this bill, specifically allows one incumbent Member from the West to draw $35,000 from an insurance company which his family controls.

It allows another Member from the South to draw $40,000 a year dividends from a coal business in which that gentleman owns a part interest.

It allows another gentleman from the West to draw $39,000 from a title company that the gentleman founded, but does not directly manage.

It allows another gentleman from the South to draw $26,000 from a radio station that the gentleman and the gentleman's wife own.

It allows one gentleman who owns a controlling interest in a rather large corporation to draw $422,000 a year in dividends. That gentleman has freely admitted to a reporter that $100,000 of his salary can be switched to dividends.

It allows a Member of the other body to draw half a million dollars from his trust. None of these people I mentioned will be subjected to the limits in this bill. They will be exempt as will those who hold other forms of investment income, stocks, bonds, trusts. If a Member owns municipal bonds in one of the municipal corporations such as New York City and decides to vote on the New York City bailout, obviously, I think that is a conflict of interest. But his income will not be limited by this bill.

The CHAIRMAN. The time of the gentleman from Maryland has again expired.

Mr. DEL CLAWSON. Mr. Chairman, I yield 5 additional minutes to the gentleman from Maryland.

Mr. BAUMAN. I want to tell the Members why we are in this position. The majority of this Commission just did not know what to do with investment income. They came to a blank wall. They knew they had been told to do something about earned income. In their minds this may have caused a problem, so they said, "We have got to do something about earned income, but how can we deal with investment income?" They could not come up with any answers.

We had a great deal of testimony that investment income caused conflicts. The statement was made that there was no testimony. There was a lot about Members owning stock in banks, but that is not dealt with in the bill. What is limited are things such as income from speeches, articles, professional services, teaching, painting of artworks, the practice of law, service on a board of directors if one does not control the company, consulting fees.

I ask the Members, what is the problem that we are trying to solve? I tried in my own mind to define it. They say there is a problem with those who earn outside income.

If we go down the list, we find that in 8 years 15 Members of Congress were convicted of criminal conduct and 2 acquitted. In every instance we find convictions on income tax and election laws. There is not one crime committed that involved or in any way relates to earned income or part-time or outside jobs. Reading down the list, we find accepting a gratuity, income tax violations, perjury, tax evasion, bribery, conspiracy to take bribes, mail fraud and obstruction of justice, bribery, mail fraud and filing false statements dealing with clerk hire. None of this wrongdoing involved outside income and that was not involved in the Wayne Hays matter.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Wisconsin.

Mr. OBEY. Why do we need a new law to prosecute someone who has already been prosecuted under an existing law?

Mr. BAUMAN. As usual the gentleman's question is not opposite to the point the gentleman from Maryland is making, which is that there are laws on the books to deal with the kinds of crimes that have been committed by Members of Congress but there is no need to penalize those who have outside income which is perfectly honest and legitimate.

I repeat, these restrictions do not deal with the Hays case and do not deal with the recent reprimand of the gentleman from Florida. All they do would be to penalize those such as the gentleman from New York (Mr. PIKE) who spoke earlier today.

I would suggest that there is no real need for this kind of limitation to make sure that we are all full-time Congressmen. The second session of the 93d Congress met only 173 days. That is not even one-half of the year.

We were out of session 192 days; 27 weeks; more than 6 months. Why should it be the right of the House to tell us that in the month of August—and already this year it has been announced that a quarter to a third of our time we will not be in session. If the gentleman from New York (Mr. WYDLER) wants to go home and practice law, why should he not do that?

So, if it is a full-time job, why are we not in Washington the full time? What really is the problem? Is it abuse of honoraria? That could have been dealt with appropriate restrictions.

There are many Members—some of them on the floor at this moment—who have written books and have copyrights, who are completely exempted under this bill. If writing a book about the House and becoming a well-known expert and having a best seller is not cashing in on the job, what is?

So, the Members should see the double and triple standards that are being imposed. I suggest to the Members that the fundamental problem we are fac-

ing is not earned income. The fundamental problems can be addressed by full disclosure.

But the real threat in this bill is the loss of our political independence. Are Congressmen to become dependent on power blocs, as the gentleman from New York (Mr. PIKE) described so eloquently. Will we create two classes of Members; one, clipping coupons and living off the inherited income; the other group of Members, afraid to make a misstep lest their congressional livelihood be taken away with nothing to go back to. This entire plan is part and parcel of reducing Members of Congress to glorified Government employees afraid to speak their minds. We are soon going to see the suggestion for taxes financing election campaigns for the House and the Senate; all a part of one grand plan financed out of the taxpayers' pockets.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. BAUMAN) has expired.

Mr. DEL CLAWSON. Mr. Chairman, I yield 1 additional minute to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Of course, we owe to the people in our district our complete devotion, as best we can provide, but we are setting up a situation here where the peoples' Congress as the Founding Father's intended it is going to be destroyed.

I recall the words of John Quincy Adams, who served for 4 years unhappily as the President and 18 years as a Representative in Congress. He said:

> My election as President was not half so gratifying to my inmost soul. No election or appointment conferred upon me ever gave me so much pleasure as my service in the House.

I feel the same way about service here. I think we all feel the same way. By our action here today, we may not be bringing about reform. We may be destroying a very significant type of representation Americans have known in the past, and that is to be found in the diversity that brings about national strength.

If the two provisions I have discussed remain in the bill I will be constrained to vote against it.

Mr. BOLLING. Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky (Mr. MAZZOLI).

Mr. MAZZOLI. Mr. Chairman, earlier today I supported the rule providing for the consideration of House Resolution 287 which establishes the new code of financial ethics for the House of Representatives.

While I prefer open rules—providing for free and unlimited amendment of measures—there are times like today when the adoption of profound and crucial measures like House Resolution 287 would be hindered and perhaps scuttled by insistence on an open rule.

The Rules Committee reached a workable, satisfactory compromise. The rule made certain amendments in order while preventing the "Christmas-treeing" to death of this vital legislation. I am delighted the rule was adopted.

The Obey Commission has done a masterful job in discharging the monumental burden of drafting a workable code of congressional financial ethics.

I applaud, also, my friend and neighbor, Congressman LEE HAMILTON, and his task force for their tremendous contributions to the final recommendations of the Commission on Administrative Review.

As a cosponsor of House Resolution 287, I urge that it be adopted just as reported by the Obey Commission without amendments.

Some will argue here today that requiring comprehensive financial disclosure and limiting outside earnings for Members of the House will drive good people who lack independent financial means away from the Congress.

In fact, those States which have already enacted strict financial ethics laws of this kind have not experienced a decline in the numbers of talented candidates and in the numbers of qualified incumbents offering themselves for public service.

Our current salary level is $57,500. The limit on outside income in the Obey recommendations is a quite reasonable 15 percent of that salary.

Such a limit permits those among us who have special needs or special situations to supplement their now-generous salaries in helpful amounts without entangling themselves in possible conflicts of interest and without devoting so many hours to outside pursuits as to impinge upon the time needed to discharge elected duties.

Furthermore, in light of the recent salary increases, it is going to be harder than ever to convince John Q. Taxpayer that his Representative cannot get by on a possible income of $66,125. That will not "play well in Peoria."

Our purpose today, Mr. Chairman, is to adopt strong, workable and effective rules governing a Member's financial ethics. We do so both because to do so is correct and right, and because to do so is for the House to regain, at least partly, the confidence and esteem of the public.

Though the Obey commission package is a major step forward, I feel other changes in congressional procedures are indicated in order to conclude the serious business of restoring the public's trust in the legislative branch of Government.

For example, the Congress must move with speed to pass legislation providing for partial public financing of Congressional campaigns. I have voted twice in the recent past for public financing of congressional campaigns, but such a measure needs the strong support of the leadership on both sides of the aisle to be enacted.

We must replace the antiquated Federal Lobbying Act of 1947 with a bill with teeth and no loopholes. Such a measure was reported from my Judiciary Subcommittee and the full committee and passed the House last year but died in the waning hours of the 94th Congress.

We must get to the bottom of the "Korean Connection" once and for all and take action unflinchingly against the wrongdoers.

And, we must act to prevent any future backdoor pay increases for Members of Congress.

Some of us may have approved of the recent pay raise. Some of us may have opposed it. Whatever. The fact remains that the raise went into effect without a hitch—and without a public vote.

I find these backdoor tactics unacceptable and unbecoming of the greatest deliberative body in the world.

If we are sincere in our efforts to be an accountable, open and responsive assembly of lawmakers—if we are sincere in wanting to work to regain the confidence of the public—we must alter the current method of granting Members of Congress pay increases. We must require a public vote on any future pay or cost-of-living adjustments.

I am today reintroducing my Congressional Pay Reform Act of 1977 with 17 additional cosponsors. This brings the number of cosponsors to 28.

My bill would: eliminate all automatic cost-of-living congressional pay increases; separate all future congressional pay increases from those recommended for other categories of Federal employees; and require a public vote on pay raises and all cost-of-living adjustments recommended for Members of Congress.

I have dispatched a letter to the chairman of the Post Office and Civil Service Committee urging that his committee report my bill to the floor expeditiously. Unless the law is changed before October, we will all receive—by the backdoor which is still wide open—a sizable pay adjustment.

In remarks I placed in the RECORD last week, Mr. Chairman, I called this congressional cost-of-living adjustment "Christmas in October."

I concluded by saying: "Let's be traditionalists. Let us celebrate Christmas in December—not October."

So, Mr. Chairman, as I see it Congress needs to adopt the Obey Commission recommendations today. Then it needs to go to work on a new lobbying disclosure bill, a public financing bill, and a measure requiring that all pay raises for Members of Congress be voted upon.

Then—and only then—will Congress have really grasped the nettle and have taken the necessary steps which will enable public service at the Federal level to become again—in the eyes of the public—the honorable and noble profession we know it to be.

At this point, I would like to insert extraneous material into the RECORD which bears upon the measure we are considering today:

[From the Washington Post, Feb. 28, 1977]

CONGRESSIONAL EARNINGS AND ETHICS

The congressional controversies over regulation of members' outside earnings show how times have changed. Serving in Congress used to be a part-time job. Members convened here for a few months and then went back to their professions and businesses. Private income was essential and viewed as generally legitimate. Illegal arrangements were dealt with case by case, if at all.

Now, serving in Congress has become a year-round job. Official pay and allowances are so ample after the latest pay raise to $57,500 that members don't get very far pleading financial hardship as justification for making money on the side. At the same time, the potential for conflicts of interest and public concern about ethical problems have increased dramatically. And the pre-

sumption has been reversed: outside earned income has come to be widely viewed as suspect and exploitative.

We would not push that presumption too far by requiring members of Congress to sever all financial ties with the private enterprises from which they come. Top executive-branch officials and judges are expected to give up outside earnings while in public service, but a legislator's relationship with the private world is more complex. It could be healthy for a congressman to work in a hardware store back home on Saturdays or carry out an old commitment to administer a small estate for a family friend. That is different from trading on one's incumbency or getting fat fees for little work from someone seeking access and friendliness on Capitol Hill.

In theory, the best remedy is detailed, public financial disclosure, strictly enforced. That should deter the most flagrant and embarrassing abuses. It would also inform voters and help them exercise the ultimate discipline at the polls. Indeed, Congress has grown more willing to undergo that scrutiny; full public disclosure, fiercely resisted not so long ago, is now regarded as necessary or at least inevitable.

In practice, though, this remedy tends to work only in competitive districts and states. Some legislators are so entrenched that they could disclose a $100,000 "consulting fee" from a defense contractor and get re-elected anyway. One might reply: So what? Don't voters have the liberty to elect scoundrels to Congress if they wish? Of course they do—but improper conduct by any member also clouds the Congress as a whole. Thus Congress also has the power as well as the obligation to impose institutional self-discipline.

Both houses have already put limits on honoraria. The pending ethics codes would tighten those curbs and restrict total outside earned income to 15 percent of a member's official salary. This is not a perfect approach. We are not troubled so much by the fact that earned income and investment income would be treated differently; that complaint is effectively answered, it seems to us, in an article by Rep. Lee H. Hamilton (D-Ind.) on the opposite page today. What does give us some pause is the assumption that impropriety can be determined by the dollar amounts involved. In fact, $2,000 in "legal fees" might be more corrupting than, let's say, $10,000 for teaching at a university.

Yet limits do help by proscribing huge fees from any single source, and keeping members' outside earnings in some reasonable proportion to official salaries. This is not just good for appearances' sake—although appearances do matter, especially when you consider the current image of Congress. It is also good for removing the temptation to engage in richly remunerative activities that would present conflicts of interest. Even with limits, members would still be free, if they choose, to accept modest payment for outside work that does not conflict with congressional business. This, in our view, is more equitable and workable than barring certain categories of work (such as legal practice) entirely, or trying to define by law every one of the blatant or subtle conflicts that cause concern. No code of conduct will eliminate corruption or the need for careful judgments by legislators and voters. The rules now being advanced in both houses will, however, help Congress discipline itself and assure the public that members intend to treat their high office as a full-time job, free of conflict with whatever they may find time to do on the side.

[From the Washington Post, Feb. 28, 1977]

CONFRONTING CONGRESSIONAAL CONFLICTS OF INTEREST

(By Congressman LEE H. HAMILTON)

This week the House will consider the Obey Commission's recommendations on financial ethics. An integral but highly controversial part of the reform package is the recommendation that a limit of 15 per cent of a congressman's salary be placed on outside earned income—income that is generated by a member's practicing law, selling real estate, sitting on boards of directors, making speeches, or reducing other personal services.

Not unexpectedly, this proposal has stirred up considerable opposition. The question most often raised is why a limitation was placed on earned income, but only disclosure was required of investment income. "What's wrong," some of our critics ask, "with working for a few dollars on your own time when others collect handsome dividends without lifting a finger? Where is the equity in that?"

The issue, as the commission viewed it, is not one of equity, but rather how to eliminate avoidable conflicts of interest in a reasonable and effective way.

Perhaps the single most difficult problem for a member of Congress is the effective use of his time—how to decide which among the thousands of competing concerns and demands merit his time and attention. Unlike earned income, investment income raises no problem as the best use of time. It does not create the same type of subtle influence on a member's judgment about the use of his time as does, for example, an offer to speak for $1,000.

Furthermore, investment income creates less of a risk of a financial conflict of interest than does earned income. A member does not need to "cash in" on his position as an elected official to receive investment income. He often does to receive earned income. Also, as we said in our report, there is far less of a potential conflict if a member receives stock dividends from a company than if the company pays the member for services rendered. A member can always change his investment if there is even the appearance of a conflict. On the other hand, if the company arbitrarily cuts him off, he is out of luck.

The goal of the commission was not to figure out how to maximize the income of a member of Congress, but how best to increase his effectiveness as a member and to remove potential conflicts of interest.

Our recommendations attempt to deal with clear and major abuses. No one seriously suggested before the commission that there is either a financial or time conflict in income from investments. Furthermore, it must be acknowledged that the remedies often suggested for dealing with investment income—divestment, disqualification from voting and blind trusts—are either too extreme or ineffective. About the best we can require is strict financial disclosure—which the commission has proposed—and the discipline of the electoral process.

Disclosure alone, however, will not work for outside earned income. I do not think we can have an effective ethics code without a limit on outside earned income. Earned income creates a variety of serious potential conflicts of interest for a member of Congress, ranging from the payment of large fees to gain his support for legislation to subtle distortions in the use of his time by offering him payment for a speech. The acceptance of a large honorarium from a group interested in legislation is troublesome to most members of Congress and to the public.

Ultimately it comes down to this: Is this a full-time job or isn't it? Surveys which the commission conducted indicated that 54 per cent of the public and 64 per cent of the members take the rather plain view that "members of Congress should give up their private careers and devote full-time to Congress."

Besides the limitation on outside earned income, the Obey Commission recommended full disclosure of financial interests, a bar on the acceptance of gifts over $100, abolishing the unofficial office account (or "slush" fund), and restrictions on foreign travel and the use of the frank.

While the commission believes that the vast majority of members of Congress maintain high standards of conduct, they nevertheless feel that the ethical standards of members of Congress are of deep concern to the people. The commission has attempted to deal with that concern through actions to reduce the most serious potential conflicts of interest. The commission, however, has no illusions that it can recommend rules which will completely eliminate conflicts of interest, or that regulations can be devised which will assure that power will never be abused. Our recommendations should be seen as an early effort in drafting a tough but fair code of conduct for members of Congress.

The time has come for the U.S. Congress to get serious about its ethics. The standards of conduct for congressmen must be made clear so that trust can be re-established in an institution that touches the lives of every American.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. MAZZOLI. I yield to the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON. I thank the gentleman for yielding.

With respect to the Korean matter, the Subcommittee on Accounts, of the Committee on House Administration, chaired by our distinguished colleague, the gentleman from Pennsylvania (Mr. DENT), this morning granted virtual full funding to the Fraser committee investigation of Korea.

Earlier it had granted full funding to the Committee on Standards of Official Conduct. In a meeting beginning at 3 o'clock this afternoon both of those matters were reported to the House unanimously to be brought up next week. So the gentleman can forget his fears about the Korean investigation by the House.

With respect to public financing of elections, it is the intention of the Committee on House Administration to exercise its oversight over the Federal Elections Commission as soon as possible. I as chairman of the committee and many of my colleagues are going to advocate public financing.

The CHAIRMAN. The time of the gentleman from Kentucky (Mr. MAZZOLI) has expired.

Mr. BOLLING. Mr. Chairman, I yield 2 additional minutes to the gentleman from Kentucky (Mr. MAZZOLI).

Mr. MAZZOLI. Mr. Chairman, I thank the gentleman for yielding me more time.

I would like to commend the gentleman from New Jersey (Mr. THOMPSON) for his leadership in taking over a tough job and having done well with it. I would also like to thank him for the information he has given me today with respect to the Korean investigation and with respect to his support for public financing for congressional campaigns.

I think that public financing is an idea whose time has come, and I think, in connection with trying to make service in this House the kind of noble activity which we know it to be and to demonstrate that fact to the people, these steps I have discussed will accomplish our goal, to wit: adoption of this package of ethical legislation; adoption of public financing for congressional elections; adoption of a stiff, loophole-free Lobby-

ing Reform Act; and, adoption of legislation guaranteeing a public vote on any future congressional pay increases.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. MAZZOLI. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I wish to join with the gentleman from Kentucky (Mr. MAZZOLI) in his remarks.

Mr. MAZZOLI. Mr. Chairman, I appreciate the gentlewoman's support.

I would say one thing to the gentleman from Maryland (Mr. BAUMAN), who adds a good deal to this House with his pungent and cogent observations—I eschewed all outside income when I came here in 1970. I have no unearned income; I have no investment income except from banks and savings and loan accounts.

I would say to the gentleman that I know of no Member who has left this House, who has left with his banner high, who is starving. I know of no one in this House who does not have a marketable talent; if they did not, Members would not have gotten to this Chamber in the first place.

So, I share the gentleman's concern about the change of attitude in the House regarding congressional service. However, I think the gentleman's fears about those who leave the House without having maintained an outside business activity are not going to be realized. But, I thank the gentleman for bringing these matters to our attention.

Mr. BOLLING. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. KREBS).

Mr. KREBS. Mr. Chairman, I would first of all like to extend my deep appreciation to the gentleman from Wisconsin (Mr. OBEY), the gentleman from Indiana (Mr. HAMILTON), and the members of the Commission, particularly those members of the Commission who are not Members of the House. I think they have come up with a good package under very difficult and trying circumstances that we can accept.

I seriously doubt that any one of them had any illusions that in preparing this package they were going to make every Member in this House happy. I also seriously doubt that any Member of this body could have devised a plan that would satisfy everybody.

Although I have some specific reservations which I will mention in a minute, I think that if we look at this package as a whole, we can agree that we have reached a compromise, and, after all, politics is the art of the possible.

I firmly believe these Members have given us a package that we can adopt, and then face the American people with restored pride in this institution. Equally important, this will make it possible for the American people to have their confidence restored in this body.

I indeed share the concern of those Members who fear that the $5,000 increase in office allowance is not necessary and is unjustified. I personally will not use the $5,000.

I certainly can understand the concerns of those Members who take issue with the limitation on income, but I would like to remind the Members of this body, specifically those who have expressed concern about the alleged injustice in limiting their outside earned income, that they came here for a full-time job, and not for a job that they are going to perform part time and then go out to earn some additional money in order to supplement their income.

I happen to feel that membership in this body should make it possible for a Member to serve and do so without ripping off the taxpayer, without getting rich, but at the same time not having to do so at a personal financial sacrifice.

I must say in all candor that having sat here for the last several hours and listened to some of the presentations by the Members, the thought struck me that many of the same Members who within the last 30 days filled the CONGRESSIONAL RECORD with criticism of the pay increase for Members of this House are the same Members who now would like to protect their outside income.

Mr. Chairman, let me tell the Members that I—if they will pardon my personal reference—was associated with a law firm for 17 years. I have not received a single dime of outside income because I felt it was improper for me to do so. I have returned honorariums. I have returned payments of other kinds in connection with what somebody felt were services performed, and I happen to feel that there should not be any outside earned income.

However, what the committee tried to do, in the light of the understandable concern about the inequity of permitting unearned outside income and yet putting a limit on earned income, is to reach some sort of a modus operandi, if you will, to at least meet some of the objections raised.

I think, as I stated at the outset, that they have done their very best under very difficult circumstances; and I hope that this body will make it possible for us to go back to our home districts in the knowledge that we have done a job that should have been done long ago.

Mr. Chairman, let me remind the gentleman from Maryland that many of us have not been on a single junket since we have come here, and that when this House is not in session, we go back to our districts and maintain a pretty busy schedule, as the gentleman from Illinois (Mr. FINDLEY) so aptly put it in his recent letter to the Washington Post.

Therefore, Mr. Chairman, I do not think that any one of us has to stand here and apologize for having been working at a part-time job. I certainly hope that I have not, and I urge the membership to adopt the resolution.

Mr. DEL CLAWSON. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, a few years ago there was a popular song entitled "Love and Marriage." A line in the song stated "you can't have one without the other." I am reminded of these words since the question of a congressional pay raise has been tied to the question of a code of ethics for Congressmen. While we are not saying we cannot have one without the other, we are certainly making it clear that the controversial question of how much a Congressman can earn is discussed in a context of ethical conduct in general.

Let me say at the outset that perhaps the only general statement that can accurately be made about this so-called ethics legislation (H. Res. 287) is that it is yet another piece of evidence that even the most highly idealistic proposal raises questions that must be answered before any legislation is passed.

If you will pardon a bit of personal pride, I am happy to see that this House has at long last gotten around to agreeing to a proposal that I have introduced for the past three consecutive Congresses with respect to prohibiting "lame duck" foreign travel. I do not think any practice rankles the public more and brings us more unfavorable press than our colleagues junketeering at taxpayers' expense, once they have been defeated or announce their retirement.

I want to congratulate the committee on finally incorporating our legislative proposal into this resolution. It is long overdue.

Let me turn now to the rest of the proposed legislation, some parts of which are admirable and desirable, while others are less so.

In the debate on prescribing of ethical standards for the Congress, I have got to be frank to admit that I have never believed it possible to legislate morality. You either have that quality of character or you do not, but after all the criticism that has been leveled against the Congress in the past several years, something obviously has got to be done.

With regard to title I, I am glad to see the provision on financial disclosure and if it is really complete and full disclosure, there is very little else we would have to do except to couple that with a regular and complete audit of our office accounts, for in the latter, it is the taxpayers' funds we are talking about and unfortunately there is no provision in this legislation that addresses itself to that problem area—the one which obviously raised all the furor in the first place—the celebrated Wayne Hays case.

Full and complete disclosure is important, and I have no problem with it, regardless of how extensive it may be. My personal financial statement, such as it is, and my income tax returns, are currently available for public inspection, both in our Washington and district offices, so I am already doing more than is proposed here.

As for gifts, I have never been the recipient of any gift of value beyond the limits proposed in this bill, so that presents no problem whatsoever. And furthermore, I pay for my haircuts and meals as you all do.

Title III relative to unofficial office accounts, causes me no problem since I have never had such an account. It is my understanding that 60 percent of our Members do not have such accounts and even though they are not illegal, I have always felt to have one would surely open one up to a series of questions as to just what it was being used for and, more importantly, where it came from in the first place.

It galls my hide that in order to prohibit these slush fund accounts we have to accept another $5,000 increase in our

office accounts, to supposedly compensate those Members losing their unofficial office accounts. This is simply unconscionable. That is one of the reasons why we have argued for an open rule, so we could eliminate this obnoxious provision.

Concerning the limitation on the use of the frank, let me say the franking privilege has been abused and I applaud the provision prohibiting mass mailings 60 days prior to any election, and the limiting of those blanket mailings to six a session.

I must confess that I have a real reservation about title VI the provision having to do with outside earned income. As I said earlier, full disclosure is the real answer to this problem, if there is any conflict of interest.

I must say, however, that with the kind of salary we are making today, our first obligation is to be here on the job attending committee sessions, regularly participating in debate and voting on rollcalls.

I do feel there is great merit in the limitations on honorariums, for some are indeed open to question as to whether or not the remuneration is for the quality of the eloquence or for influencing the Member one way or another in his deliberations here in the Congress.

I do not want to relinquish my time before making some pertinent comments with respect to the recent pay raise for the Congress, the judiciary, and the top level positions in the executive branch. I have in the past supported the concept of looking to a Quadrennial Commission for advice on what the appropriate levels of pay ought to be even though the Constitution expressly provides under title I, section 6: "Senators and Representatives shall receive compensation to be ascertained by law and paid out of the Treasury of the United States." The Quadrennial Commission came about as a result of an act of Congress.

I do believe, however, that we have to amend that statute or our rules to make it a matter of privilege to guarantee Members an opportunity to vote on whatever is ultimately recommended by either the Commission or the President.

The older Members will recall that 4 years ago when there was a recommended increase, the Congress voted down the proposed increase because we were in the throes of 12 percent inflation.

We got very little credit for voting down our increase then. But it also compounded our dilemma today, for without an increase over an 8-year period the raise when it did come was far more than had it been with only a lapse of 4 years.

Some have argued that we should tie our salaries to the Cost of Living Index, but the general public is also opposed to that approach, for it tends to simply insulate Members from the ravages of inflation by tying our salary directly to the increase in the rate of inflation.

That is why I have taken the position that the automatic cost of living increase provision in the present statute ought to be repealed. We should stick with the Quadrennial Commission approach with the proviso or rules change that a vote up or down be guaranteed.

And finally, Mr. Chairman, there is a provision in the IRS code granting Members of Congress a $3,000 statutory limit for "living expenses away from home while in Washington." But here again rather than take all the criticism for special consideration under the Internal Revenue Code, it causes me to again argue for repeal of that provision in the law. Frankly, we ought to be treated as any other ordinary businessman is treated with respect to "overnight travel away from home." That is legitimate for anyone who is forced by the nature of his or her job to work in two places and/or maintain two places of residence.

In conclusion, Mr. Chairman, full disclosure, no more abuse of foreign travel, no special provisions, no special office funds, selective limitations on outside income, and a Congressman's willingness to face the voters and tell them he or she voted for—or against—a pay raise—these seem to me to be the components of an ethical code that is both desirable and workable.

If we had a chance to amend this legislation, I am certain we could improve it. And the one significant area left out of the legislation is that which I mentioned earlier—a regular and thorough audit of Members and committee office accounts, for this was at the heart of our problem in the first instance.

It is ironic that in our consideration of a Code of Ethical Conduct, the Democratic majority will not permit us to dissent from any part of the package as it has been presented to us. Perhaps what we need, Mr. Chairman, is not only an ethical code but a reminder to the majority that fair play and open discussion also come under the heading of "Ethical Conduct."

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. Of course, I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, with respect to the very last point made by the gentleman in the well, there will be published quarterly by the Clerk under the new rules of the Committee on House Administration, what is, in effect, an audit of every single Member's accounts, all of them.

Mr. MICHEL. I am glad to hear that, but, as I said, we have no real vehicle to assure that.

Mr. THOMPSON. I thought the gentleman from Illinois was aware of that. It is a fact and it will be done quarterly.

Further in response to the distinguished minority leader's suggestion that each and every Member's office and all of his books be audited even one time, I asked three of the major accounting firms in the United States what the estimate of that cost would be. They varied from $3,500 to $5,500 per office. I do not think, I would say to my friend respectfully, that with the new system of quarterly reporting, the vouchering system, and the other reforms imposed in this book of regulations which every Member got and every office has been briefed on, that it would be at all necessary. I think it would be an absolutely unnecessary expenditure to audit every office. For test purposes, rather than to audit every committee, the Committee on House Administration and the GAO have completely audited the records of four committees of the House. Every single one of them came out remarkably well. There were some criticisms, which have been straightened out. I do think that the gentleman would go too far in suggesting that there be an individual audit of each of the 435 House Members' offices, when the reporting requirements under these regulations are so tight that we can all be reassured and examine each other's expenditures.

Mr. MICHEL. I am sure, I will say to the gentleman from New Jersey in response, and from what has been published in the book that the gentleman has here, that there has been an improvement over the past, and prospectively I would hope that we could keep the clamps tightened if it is impossible to go back.

Mr. THOMPSON. I assure the gentleman that will be done, but without the unnecessary expenditure of an average of $5,000 per office.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Minnesota.

Mr. FRENZEL. I thank the gentleman for yielding.

I should like to point out to the gentleman and to the members of this committee that the audits which the GAO conducted on the three committees were audits but only in the purest sense of the word. All they did was simply look for vouchers to compare them against the expenses that were made. They could tell us that Elizabeth Ray was on the payroll, but they could not tell us where she was, what she was doing, if there was a job for her, if there was any job specification and whether she met the specs. They could not tell us that a name on the payroll was a Democratic county chairman from Ohio. They could not tell us that a consultant was an ex-Member of Congress who never came around.

I submit that those are not the kinds of audits in which our constituents are interested. It is not a glossover. It is the kind of work that we ask for and we get from the GAO on a regular basis, but I still believe that calling in a first-rate independent auditor and going over the accounts of these committees is still the most important thing that we have to do to satisfy our taxpayers.

Further, the audits that we are talking about are prospective, not retrospective, since whatever was dug up last summer caused enough worry among the people of this country that we ought to give a complete audit of not every Member, but of selective Members, and of every committee if we really want to know that the people's money is being spent in a responsible manner. There were just too many things that came up last summer that were not covered in these audits and are not going to be covered if we audit the way we have in the past.

I thank the gentleman.

Mr. MICHEL. I thank the gentleman for his comments.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOLLING. I yield such time as he may consume to the gentleman from Texas (Mr. MILFORD).

Mr. MILFORD. Mr. Chairman, I rise in wholehearted support of the House Resolution 287, the Obey Commission report, and I commend Mr. OBEY and his colleagues for the fine work they did in bringing this report to the House.

My only regret in this matter is that this resolution comes before the House more than a week after we began pocketing our "infamous" pay raise. I had truly hoped that we would have been able to show this Congress' dedication to ethical standards by placing a sound code of ethics before the public, before we started placing more money in our wallets.

In an effort to insure that the public knows where Congress stands in any future pay increases, I am drafting legislation, which places strict guidelines on the manner in which congressional, judicial, and executive salaries are adjusted in the future. Passage of such guidelines, I feel, is a must for a Congress dedicated to reform.

The first of these measures—all of which I will introduce Monday—eliminates any automatic pay increase for congressional, judicial, and high-level executive department salaries without a vote in both Houses of Congress.

Second, my bill would keep the Commission on Executive, Legislative and Judicial Salaries, for this Commission is the only responsible way to fairly appraise these salaries. A thoughtful and thorough review of the Commission's findings every 4 years allows for careful public deliberation on the merits of any adjustment in salaries.

Third, after reviewing the Commission's findings, the Congress would be required to face the issue openly and vote the recommendations up or down.

Fourth, and finally, any action taken affecting pay would not become effective until the next Congress convened. Frankly, I do not know why we have not always done it that way. I believe it is unfair to us and to the public for Congress to take action which raises our pay immediately.

I believe if we take these actions, along with adopting this Code of Ethics today, we will have gone a long way toward gaining the confidence of the people we represent.

This action today fulfills a promise to our constituents that we are late in keeping. Our conduct in the recent salary increase was a promise broken.

Many people in my district are disturbed by this broken promise. Several have sent me newspaper clippings of news items and editorials on this subject.

I followed the news accounts of the pay raise as it was being considered by the Commission, President Ford, President Carter, and the committees of Congress. I also have listened to many of the floor speeches delivered by my colleagues on this subject.

Glaring headlines tell of how Members of Congress are enriching themselves at the expense of the taxpayer. Columnists and editorial writers point out that the $13,000 raise is more than many people make. Many Members of Congress have made speeches on the floor of the House pointing out our national unemployment problem, budget deficit, and that the first place to save taxpayer money was to block the pay raise for Members of Congress.

All of these news items, editorials, and speeches have been very emotional. Most have also been very political. No small number have been pure "demagoguery." None have really told the complete story nor outlined the real problems involved.

In the first place, this was not just a "congressional pay raise," as most press accounts would have people believe. Congress was the smallest group to receive pay raises. There are only 535 Members of Congress. Yet, 2,496 Government officials received direct benefits from this pay adjustment that includes Congress, the judiciary, and the executive branch. This entire group was only 1.5 percent of the total number of Federal Government employees who have received pay adjustments this year.

The term "congressional pay raise" is very misleading, but—since Congress had the responsibility of setting the amount of the raise—it became popularly known as the "congressional pay raise."

Government pay raises are never a popular issue with anyone. Yet, most thinking persons would agree that to live in the "real world" requires pay adjustments.

When our country was founded, Members of Congress were paid $6 per diem while in session. Since that time, congressional pay has changed—up and down—22 times. Members of Congress have received an annual salary since 1856; however, it has always been subject to the whims of the political climate. We now have a sound system for setting salaries that will function independently of politics if it is allowed to work properly.

Obviously, there must be pay adjustments for all of America's workers, as well as Government employees. The responsible way is to keep Government pay levels reasonable and at a comparable level with private business and industry.

Congress is responsible for establishing pay levels for Government workers, after receiving recommendations from the President.

Congress must also establish salaries for themselves. The latter is not an easy task. Everyone can understand the necessity of giving the postman a raise, or others such as the air traffic controller, the Government office worker, and the FBI. These are "working people," one or more of whom most citizens know personally.

When it comes to Cabinet officers, Congressmen, judges, and high-level officials, the story is quite different. Very few people know these officials "personally," as they know their postman or other Government employees.

Congressmen and Federal judges cannot make personal contact with the 400,000 or so constituents that they serve. Cabinet officers and top-level Government officials have even less chance of personally contacting the millions of constituents that they serve. Furthermore, all of this group is conveniently classified as "politicians" by the press and regularly buffooned as "some kind of idiot up in Washington, D.C. * * *."

Federal judges, Cabinet officers, top-level Government officials, and Congressmen do not normally receive the annual cost-of-living adjustment that is given to all other Government employees. These annual cost-of-living adjustments have amounted to pay increases of 65 percent for Government workers since 1968—the last year that top-level official salaries were adjusted.

The following chart gives some comparative data on pay increases since 1968. In considering the data in the chart, keep in mind that the cost of living has increased by 60 percent since 1968, and that Congress, Federal judges, and top-level executive officials have received only one 5 percent cost-of-living increase:

Office or job and percent pay increases since 1968

All other Government workers	65
Steelworkers	110
Autoworkers	101
Postalworkers	89

When one sorts out the emotionalism, demagoguery, and politics, the so-called congressional pay raise looks a little different. For example, since the pay scale was established at $42,000 in 1968, the cost of living has risen 60 percent. Also, since 1968, pay increases for top-level salaries have been increased only 34 percent.

No one would plead poverty for Members of Congress or top-level Government officials. Neither would anyone disagree with the fact that the $13,000 per year raise is more than many Americans make per year. On the other hand, practically everyone overlooks the fact that American workers generally receive cost-of-living pay adjustments each year. Congressmen and top-level officials receive such adjustments every 10 years, or longer. Therefore, the amount of the adjustment or so-called raise appears to be very large.

Putting it another way, the average income for professional persons and business executives has increased 52 percent since 1968. If Congressmen and top-level officials are to be treated accordingly, the raise should have been much more than $13,000.

The most unfair and demagogic criticism of the pay adjustment is the accusation that infers:

Congressmen are lining their pockets at taxpayers expense in order to enrich themselves.

This is an absolute fallacy. If Members wanted to make money, they would resign from Congress. As any knowledgeable person will tell you, 99 percent of the Members of Congress could resign and immediately begin making more than their present salary—including the raise—in the outside world. If they have the capability of becoming Members of Congress, thousands of businesses would hire them at far greater pay scales than they receive in Congress. The same is true for top-level Government officials. As a matter of fact, this is exactly what has been happening.

Many of the real good top-level officials

and Members of Congress, were leaving Government service by retiring early or simply choosing not to run again.

One of the chief problems faced by our new administration has been difficulty in recruiting good men and women to fill top-level Government positions. The type of people this country really needed were called upon to give up a good civilian job with high pay to accept a Government job which paid half or less. Furthermore, they had to give up career advancement opportunities, pension benefits, and other perquisites—in their civilian jobs—for a Government job that could end in 2 to 4 years.

The press and political pundits have generally failed to point out that low congressional and top-level Government officials' salaries can have a very diverse effect on the will of this Nation. Few Members of this Congress are millionaires. Those who are do not require a raise—nor, indeed, even a salary of any kind. Most Americans really do not have a rapport with millionaires, nor do rich folks really understand the poor person's problems. If we are truly to have a representative government of "all the people," we must have representatives from all walks of life—not just the rich.

As mentioned earlier, this Nation needs capable people in Congress and in the top-level Government positions. Money is not the primary motivation for taking a high-level Government job, but, of necessity, it is one of the factors that must be considered. Otherwise, top-level Government jobs will attract persons possessing motivation that is not in the best interests of this Nation.

For example, let us explore the popular charge that Congressmen and top-level officials are trying to "enrich themselves." Further, let us assume that the salary adjustments are turned down and pay scales for Congressmen and top-level officials are not raised. This action would not affect the "millionaires" in Government service. They do not need the adjustment. This action would not affect those persons with "radical views"; their personal cause transcends all other considerations.

However, this action would affect many good, capable men and women who would otherwise serve in Government—even at considerably less income than in the civil sector—if they could provide their families with a modest standard of living. They do not need Government jobs; Government needs them.

Mr. BOLLING. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON. Mr. Chairman, I agree rather thoroughly with a large portion of that which my distinguished friend, the gentleman from Illinois, said.

With respect to the colloquy of the gentleman from Minnesota and the gentleman from Illinois on the subject of audits, I am not certain exactly what the gentleman from Minnesota considers to be an audit in the pure sense of the word and I would like him, if he would do so, to tell me what his version of the definition is of the word "audit."

Mr. FRENZEL. Mr. Chairman, if the gentleman will yield, what I intended to convey was that the GAO did in fact perform an audit and they matched vouchers against expenses and they proved, for example, that for buying this chair there was a voucher.

Mr. THOMPSON. What is an audit but a matching of vouchers versus expenses? And further, what is an audit except for a compilation of expenses versus income and the authority?

Mr. FRENZEL. If the gentleman will yield further, an audit is a good deal more than that. An audit is finding out if the chair was bought and why it was bought and was it in accordance with the law? It is finding out whether the employee is on the job? Is the employee qualified? What is the reason for the employee to be there?

Mr. THOMPSON. The gentleman has answered my question. What the gentleman wants is in effect a 435-Member, plus every committee and subcommittee, criminal investigation.

The fact of the matter is, if the gentleman will confer with the GAO auditors who were sent—and who incidentally were given no instructions by the chairman of the committee except to look at every single piece of paper available, including the number of employees, the locale of their work, a description of their work and hours and pay, and so on, all of which was done—if the gentleman would take the time to make further inquiry of the GAO he would, I am sure, being the bright and reasonable person that he is, agree that the audits of those four committees were complete audits.

I yield to the gentleman from Minnesota briefly.

Mr. FRENZEL. I would say it is very interesting to know how many beans are in the jar and have the bean counters tell us that. But, what we really want to know is how many beans are rotten, and the GAO did not tell us that.

Mr. THOMPSON. I do not know that an audit of the gentleman's bank account or of the committee or of the gentleman's own account or accounts would display the number of beans in his jar which are rotten or unsatisfactory, or in my jar or in any other jar.

The only thing we did was to make sure, especially with respect to the Committee on House Administration, that there were no faulty beans in the jar. But I am certain that an honest and forthright job was done and that those audits of the committees have been and are available and have been available to the press.

Mr. DEL CLAWSON. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado (Mr. ARMSTRONG).

Mr. ARMSTRONG. Mr. Chairman, whenever we deal with a matter of great complexity and which affects individual Members in such a personal way, it is inevitable that many of us will not be satisfied with this outcome. So it is only fitting for us to maintain a proper degree of tolerance for a difference of opinion.

But even by a very tolerant standard, what we have before us is not worthy of the effort that has gone into it, nor is it in any important degree responsive to the abuses and scandals which have plagued the Congress.

Let us reflect a moment on the events which prompted formation of the Administrative Review Commission and which, in turn, led to the proposal now before us. Over quite a long period of time there has been suspicion and periodic public disclosure of scandalous behavior by Members of this body. A year ago, a particularly offensive disclosure came to light involving the chairman of a House committee and a member of the committee staff. Since that time more than a dozen Members have been accused by grand juries or the news media of improprieties involving the expenditure of public funds.

Now, Mr. Chairman, the great defect of this proposal, which has some good in it, is that it really is not responsive to these problems. There is not anything in this so-called tough ethics proposal that will have the slightest restraining effect on the kind of scandals which have come to light almost on a weekly basis during the last year. After all the effort and labor that has gone into this package, to come up not with a tough package, not with a bitter pill to swallow, but with a cream puff, I think we are adding just one more increment to the already vast public cynicism toward the Congress. With the kind of conduct that has been disclosed and with such a weak response, it is no wonder the Nation thinks ethics are low in this body, that this body is filled with people who cut corners and with people unwilling to come to grips with tough problems.

Mr. Chairman, ultimately this is the most important issue—the willingness of the House of Representatives, where it is said the people rule, to come to grips with tough questions. To bring an ethics bill to the floor under an ethical rule, under a gag rule, is truly a travesty.

Mr. Chairman, were I permitted to do so, I would offer amendments to really put some teeth in the franking reform. If Members have not read it, and I suppose most have not, the so-called toughening of the franking rules is a joke. Anybody who really thinks we are going to materially restrict the abuse of the franking privilege with this resolution does not understand the situation.

Mr. OBEY. Mr. Chairman, will the gentleman yield for a question?

Mr. ARMSTRONG. In a moment I will be pleased to yield to the distinguished chairman of the Commission, but I would like to conclude my statement.

Mr. OBEY. Mr. Chairman, I just have one question on that point.

Mr. ARMSTRONG. In a moment I will be pleased to yield for questions or any purpose.

Second, Mr. Chairman, if I were permitted to do so, I would offer an amendment to reduce the slush fund. I think it is unconscionable. We can describe it as a district allowance. We can say it is for official expenses; but the fact of the matter is that there is not any testimony on what this is going to be used for; the groundwork has to be laid. It

may or may not be justified. But my instinct is that it is a slush fund and should not be granted at this time.

Mr. Chairman, were I permitted, I would offer an amendment to provide for audits. There are Members who want to go back and audit everything that has happened for years past. I personally think it would be a good idea to go back, but I do not advocate that today. My concern is not with the past, but with the future. We need a strict auditing program, not just for raking up past indiscretions of Members or committees, but so that in the future we will have an assurance of audits and, therefore, assurance public money is properly spent.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. QUILLEN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Colorado.

Mr. ARMSTRONG. Mr. Chairman, were I permitted, I would offer another amendment to crack down on the abuse of travel. It is all very well to say that lame-duck Members should not junket around the world. I agree with that. It is a scandalous abuse and should have been corrected years ago.

But there are many other trips presented to the taxpayers under the heading of "official travel," but which as we all know are often nothing more than thinly disguised vacation travel.

What disappoints me the most is the fact that neither I nor other Members of this body are permitted to offer substantive, serious amendments. It is all very well to say that this is a delicately balanced package. That argument is made by proponents of many bills. They will go to the Rules Committee or come to the well of the House and say, "This is such a delicately balanced package that we cannot afford to amend it." I understand the argument, and I believe it has some merit. But if this is really the legislative body in which the people rule, the people must have the right for their Representatives to propose amendments. To refuse this basic prerogative is disgraceful. It is truly, as my colleague from Pennsylvania said, a travesty to bring an ethics bill to the floor under a gag rule.

Under the circumstances I shall vote against the resolution; first, because it contains some things of which I disapprove, but mostly as a protest that this does not respond to the need nor live up to the mandate for a strong reform proposal.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I yield to the gentleman from Wisconsin.

Mr. OBEY. I just want to ask one question. The gentleman indicated that the recommendations on franking were a joke. Does he think it is a joke to save taxpayers $10.5 million?

Mr. ARMSTRONG. The abuse which the Commission on Administrative Review properly considered is that franking gives an incumbent Member, confers an unfair advantage over a challenger.

The CHAIRMAN. The time of the gentleman from Colorado has again expired.

Mr. QUILLEN. Mr. Chairman, I yield 1 additional minute to the gentleman from Colorado.

Mr. ARMSTRONG. I approve of the modest restrictions on the franking privilege that are contained in this resolution, but if we are really serious about the problem we should go, in my opinion, much further. We should, for example, provide that no Member of this body should make postal patron mailings outside his district.

By the same token, I think to say that we are going to restrict the postal patron mailing privilege to only the 60-day period before an election—really, friends, I think that is a joke. If we are serious about reform, we could write tighter restriction on that.

Mr. Chairman, I appreciate the indulgence of the Chair and of my colleague for yielding to me. I just want to take the floor and express my disappointment that this resolution has turned out so poorly, and hope that that reform will have a better day on some other occasion.

Mr. BOLLING. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Chairman, I rise in strong support of this resolution.

I congratulate and commend the Commission on Administrative Review and its chairman, the distinguished gentleman from Wisconsin, for their many months of hard work and dedication. What is before us today is a comprehensive set of reforms for the House that meets the concerns of the public in 1977.

The House has not enacted a comprehensive set of ethics reforms since April of 1968. Since that time, the American public has been barraged by a series of revelations and criticisms and investigations that have undermined the integrity not only of the House but of every branch of government.

Whether founded or unfounded, there is no question but that the public today feels a deep distrust of government, and this attitude weighs heavily against the House.

The simple fact is that the ethics standards of 1968 do not meet the expectations of 1977. Americans are demanding a higher standard of conduct for their representatives, and they are entitled to it.

Yesterday, 26 of my freshman colleagues joined me in expressing wholehearted endorsement of House Resolution 287. Why? Because as new Members, most of us view our electoral success as an expression of the hope that trust in government can be restored. We promised our support for a new and comprehensive ethics code for the House, and we believe we have to deliver.

Today, for the first time in almost 10 years, we have the opportunity to adopt a comprehensive set of reforms. This package, as you know, includes sections on financial disclosure, limitations on the acceptance of gifts, abolition of slush funds, curbs on abuse of the frank, foreign travel restrictions, and limits on outside earned income.

I am particularly pleased that the package includes a ban on unregulated office accounts. In testimony before the Obey Commission, in remarks before the House, and in two letters to my colleagues assembled here, I have stressed my belief in the importance of such a ban.

I believe that the very fact that Members have accumulated these funds, totaling thousands of dollars in some cases, represents the most serious threat to the integrity of this House in the eyes of the public. No matter how sincere the intentions of a Member, the very fact that he or she raises and spends funds over which the public has no control is bound to raise doubt and suspicion. Whether we like it or not, we must understand the public's dim view of such activities and respond constructively.

The recent passage of a 29-percent pay increase without so much as a vote on the issue has focused public attention more sharply than ever on the question of House reform. The deep sense of outrage and distrust of the Congress resulting from this move must be a source of serious concern to us all. To reject any part of the reform package would be to deepen those feelings.

While Members may have fair and legitimate differences on certain details of the reforms, the rule under which the resolution is being considered makes it essential that we put aside minor differences and look at the package as a whole. It is essential that we keep in mind that what we are doing here today is establishing a certain direction and intent. The fine-tuning of these reforms can be handled by the select committee which the Speaker has announced he will appoint to codify the rules into law.

Finally and most importantly, I believe, our very ability to deal with the serious legislative challenges facing us this year in an effective and responsible manner will be determined to a large extent by the way we vote today. If we cannot convince the public of our willingness to set our own House in order, our efforts to meet the many challenges that are bound to involve cooperation and sacrifice by the public will be very seriously undermined.

Mr. QUILLEN. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN. Mr. Chairman, after listening to some 4 hours of debate here this afternoon, I want to say, first, that I intend to vote for passage of this legislation, even though it does miss many problems, as the gentleman from Colorado has already pointed out.

It seems to me that as it stands, it does far more good than harm, and, besides, the amendments that are to be considered generally will make it better.

Let me also say that I will move to strike what I regard as a self-flagellating section dealing with limitation of outside income.

The gentleman from New York (Mr. BIAGGI) has described the opportunity we may have later to vote to halt the pay raise which has just been visited upon the Congress; and it seems to me it will be far easier to do that if we do not take this opportunity now to limit outside income. Other than that the limitation does not affect me at all.

Let me take this time to discuss one other matter, if I could have the attention of the gentleman from Wisconsin

(Mr. OBEY) or the gentleman from Indiana (Mr. HAMILTON), the chairmen of the Commission and Task Force of that Commission. My purpose is to clarify and, hopefully, avoid an apparent but surely unintended small loophole in the bill.

So I would direct their attention to title I, part B, which defines the requirement that we report certain gifts. In general, gifts aggregating in excess of $100 from one source must be reported.

However, there are certain categories of gifts which are reportable only if they exceed $250, namely, transportation, or lodging, or food or entertainment.

The problem that I see is with the interpretation of that language particularly with the use of the conjunction "or" which might be interpreted by the unwary regulator or Member of Congress as separating these four categories.

Clearly, if several transportation gifts from one source exceed $250, the total must be reported. But what if a Member takes one hunting trip and not one of those four components exceeds $250? For example, transportation might be $200, lodging cost might be $200, food might be worth $150, and entertainment might be $200. The total would come to $750 or more. Would it be reportable? I am asking, is it the intention of this legislation that all of these elements of the same trip be reportable if the aggregate total of all four elements exceeds $250?

Mr. OBEY. If the gentleman will yield, the answer is "Yes."

Mr. MARTIN. I thank the gentleman.

I do have one further question. This regards these same elements of several different trips, no one of which exceeds $250, but all of which are paid for by the same source. If the total of all entertainment-excursions paid for by the same source exceeds $250, is it intended that it be reported?

Mr. OBEY. If the gentleman will yield, again if it is from the same source, the answer is "Yes."

Mr. MARTIN. I appreciate the gentleman's clarification.

Mr. BOLLING. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Chairman, as a cosponsor of House Resolution 287, to amend the Rules of the House to provide for a strong new code of official conduct and financial disclosure for Members and employees of the House, I am particularly pleased that the House, at long last, has this opportunity to debate and adopt this much needed new standard of ethics for the House.

The increasing citizen awareness, over the past several years, of the conduct of Members and the growing public expectations of those entrusted with power have combined to produce new demands for higher standards of ethics in the Congress and throughout the Federal Government. Speaker O'NEILL responded to this public sentiment by promising a good, tough set of ethics for the House, and the Commission on Administrative Review, under the chairmanship of my good friend from Wisconsin, DAVE OBEY, was charged with this responsibility. This was not the easiest of assignments, particularly since it involved the sensitive issue of financial ethics for the House. But the Commission, led by DAVE OBEY, took its task seriously and went about its work in a diligent manner. We all owe a debt of gratitude to DAVE OBEY, our distinguished colleague from Indiana, LEE HAMILTON who chaired the Commission's Task Force on Financial Ethics, and the Commission members for their recommendations, as proposed in House Resolution 287, for new, strong, workable rules of conduct and financial ethics for the House.

One of the key elements of the new ethics code is public financial disclosure by Members and employees of the House. Many of us in the House have been concerned, for a number of years, about the problem of potential conflicts of interest and the extent to which a financial interest might form the basis of such a conflict if that financial interest went undisclosed.

The House presently has rules governing financial disclosure, whereby Members, officers of the House, principal assistants and professional committee staff members are required to file with the Committee on Standards of Official Conduct, by April 30 of each year, a report listing the sources of certain financial interests. However, the most important information, such as the fair market value of outside financial holdings and the amount of income from each source, are kept hidden from public view in sealed envelopes. While the purpose of financial disclosure is to insure that officeholders avoid any action which might result in or create the appearance of using public office for private gain, under the present House rules this has not been achieved for a variety of reasons.

The financial disclosure requirements are not generally based on any statute, they lack enforcement power and most importantly, the financial disclosure statements are not made totally public. The fact that the sealed reports become available only when a congressional committee has been pressured into taking a look at the disclosure statements hardly contributes to public confidence.

Instead, it has led to the deepening suspicions held by the public regarding the integrity of House Members. It, however, would not be fair to single out solely the deficiencies of the financial disclosure reporting requirements of the House since the Senate and the other two branches of our Government are equally in urgent need of public financial disclosure. The Senate, I am glad to note, is scheduled to consider a change in its rules governing financial disclosure next week.

A major effort was made in the 94th Congress to enact financial disclosure standards that would be applicable to all three branches of our Government but it failed. This year, Congressman TOM RAILSBACK and I were joined by more than 130 Members in cosponsoring H.R. 1, the Financial Disclosure Act. This legislation would establish uniform disclosure provisions throughout the Federal Government, thus replacing the present loose and haphazard regulations which are more open in their loopholes than in their disclosure requirements. The Obey Commission, in its consideration of financial disclosure reporting requirements, recommended provisions which generally follow the disclosure categories proposed in H.R. 1.

The new rule on public financial disclosure will require annual reports by Members, officers of the House, principal assistants and professional committee staff. The statements will be filed with the House Clerk who will transmit them to the Committee on Standards of Official Conduct where they will become available for public inspection. In addition, the disclosure statements of the Members will be sent to the Secretary of State or an equivalent office in the State represented by the Member. The disclosure reports also will be published as a House document each year.

Specifically, the disclosure reports will contain the following information:

Income.—The source and amount of all income, including honoraria from a single source aggregating $100 or more during the preceding calendar year;

Gifts.—The source and value of gifts aggregating $100 or more during the preceding calendar year from a single source, excluding relatives, or $250 for gifts of transportation, lodging, food or entertainment;

Reimbursements.—The source and amount aggregating $250 or more from a single source during the preceding calendar year;

Financial holdings.—The identity and category of value of any property held, directly or indirectly, in a trade or business or for investment or the production of income which has a fair market value of at least $1,000 as of the close of the preceding calendar year;

Liabilities.—The identity and category of value of each liability owed, directly or indirectly, which exceeds $2,500 as of the close of the preceding calendar year, excluding mortgages on personal residences;

Securities Transactions.—The identity, category of value and date of any transaction, directly or indirectly, in securities or commodities futures during the preceding calendar year which exceeds $1,000, except for transactions donating such securities to charitable or tax-exempt organizations; and

Real Estate.—The identity and category of value of any purchase or sale, directly or indirectly, of real property during the preceding calendar year and which exceeds $1,000 in value as of the date of such purchase or sale, excluding personal residences.

House Resolution 287 also maintains the present rule requiring the disclosure of a spouse's financial interests if such interests of the spouse are regarded as constructively controlled by the person who is reporting. According to the interpretation offered by the Committee on Standards of Official Conduct, the financial interests of a spouse are regarded as constructively controlled by the person reporting "if enhancement of those interests would substantially benefit the person reporting." In most instances,

disclosure of a spouse's financial interests would be required.

Although we will act today and the Senate is scheduled to pass similar reporting requirements next week, I would like to remind Members that our work on public disclosure will not be complete until we enact by statute these disclosure provisions and extend them, as required in H.R. 1, to high ranking officers of the executive branch, the Federal judiciary, candidates for nomination for and election to Federal office, and individuals nominated by the President to an office which requires congressional confirmation. In addition, this statute must contain enforcement powers.

Mr. Chairman, our Nation has suffered a severe loss of confidence in Government and in Government officials over the past several years. The acceptance by the House, today, of a new code requiring public financial disclosure and the many other important reforms contained in House Resolution 287 will go a long way toward restoring the faith of the public in the integrity of their public servants and will put new life in the precept that a public office is a public trust.

Mr. BOLLING. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. KRUEGER).

Mr. KRUEGER. Mr. Chairman, I, like almost every Member in this body, intend to support this legislation, and am pleased that the House has undertaken consideration of ethics legislation.

Nonetheless, I should like to point out that there is at least one provision which ought to be altered: the limitations on outside earned income. The provision does not affect me, except that, like some other Members here, I occasionally receive honoraria. That is the only source of such earned income that I have.

I do have some unearned income, and it seems to me unfair and unjudiciously discriminatory that those Members who have some inherited wealth and thereby receive supplements to their House income should have that income protected, whereas other Members who may not have inherited any wealth and may lack earned income should not have the opportunity to supplement their income. Such discrimination benefits the rich or near rich and discriminates against those who have less. It discriminates, in addition, against those who may have large families or exceptionally high expenses from any cause.

Something else about today's debate, however, concerns me considerably; that is, that so much that has been said, and much of what is being proposed, is done simply to make the public love us more. One member after another, has indicated that we must legislate so that the public will think better of us, hold us in higher esteem. The phrases "in the eyes of the general public" and "what people will think" are heard, as if we were legislating not to improve the ethics of the Members, but rather to improve public opinion of us. The reason, I propose that the public does not think better of us relates less to any income earned by a Member than it does to our collective unwillingness to act more forthrightly.

No one has suggested that the proposed limitations on earned income are directed toward specific, identified lapses in conduct by Members of this body. This proposal may provide a temporary appearance of virtue but will do little actually to improve conduct.

If we are anxious to restore confidence in this body, we must recognize that we could have, for example, approached the pay raise in a rather different fashion than that which we used. The kind of legislative slipperiness that brought us a pay raise without this body having to vote directly on the question erodes confidence much more readily than does earned income. The best defense that the public has against their representatives using public office for private gain is public disclosure. There are many Members who make available their income tax returns and statements of net worth to their constituents. Such disclosure protects the public better than limitations on earned income. Furthermore, disclosure leaves constituents free to make their judgments on conflict of interest while it equally grants freedom to Members to earn some outside income. It is ironic that the bill considers it legitimate to write a book and gain that income without limitations, but, on the other hand, limitations are imposed on the acceptance of income from the giving of speeches. Having at one point in my life written a book, and having spent 2 years doing so, and also having given speeches since I have been in Congress on which I have spent almost no time at all, I am led to wonder why it is thought to be an acceptable use of one's time in Congress to write a book and to receive that income without limitation, but it is thought to be unacceptable to be paid for giving a speech, which by and large requires less time away from one's job. That is clearly inconsistent.

Finally, I am struck by the fact that many of our comments today have been directed toward the conduct of other Members. I have not heard any Member say that this legislation will somehow "make me a more honest and capable Member." They do not say, "It will make me able to spend more time on my job because I will not be tempted." The language of debate has all been directed to the supposed dangers and temptations that others might face. But no one has said that this bill would improve his own performance.

I think in fact there is nothing that will so quickly restore confidence in this body as the actual addressing of issues in a straightforward, honest, intelligent fashion, rather than simply going through the ritual of providing legislation that will tell the public that we have become more virtuous.

Mr. Chairman, I intend, of course, to vote for this resolution, because I approve its general thrust, especially its elimination of office accounts. However, I think we ought to be realistic about what it is we are doing. We are not so much changing the morality of the House as we are hoping that we will change the public perception of morality in the House.

Mr. QUILLEN. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois (Mr. O'BRIEN).

Mr. O'BRIEN. Mr. Chairman, I thank the gentleman for yielding.

In echoing something the gentleman from Texas (Mr. KRUEGER) said a few moments ago, I think we can be sure of one thing, in the eyes of the outside world we will not become luminous examples of rectitude through this particular measure.

Mr. Chairman, I think we can forget any such possibility. The pay raise, I believe, has damaged us far more than these well-intended reforms can ever repair.

My only criticism of this particular effort—and I commend the gentleman from Wisconsin (Mr. OBEY), the gentleman from Indiana (Mr. HAMILTON), and their colleagues for the efforts which they have exerted with respect to this resolution—is directed to the income provision. I know it has been belabored here, but it is important because it affects many Members here; and if my words can possibly persuade one vote against that provision, it is worth the effort.

Mr. Chairman, I find myself not alone in my view and I am honored by being in the company of the gentlemen from New York (Mr. PIKE and Mr. BIAGGI), the gentleman from California (Mr. WIGGINS), the gentleman from Maryland (Mr. BAUMAN), and the gentleman from Illinois (Mr. MURPHY).

However, when we get down to the debate over private income and investment income, let us keep in mind that the flaws we are seeking to eliminate are the matters of conflict of interest and neglect of duty.

Mr. Chairman, it seems to me that neglect of duty should be handled directly, simply by having a penalty or fine placed on the Congressman who misses votes or who fails to attend the sessions. That is what he is neglecting, his congressional duties and he should pay for such neglect.

With regard to conflict of interest, I have yet to hear a single word that suggests that simply because one takes some income from a profession or business in the district he represents in a legitimate and proper way, that such action tends to be unethical. I find no mention in arguments so far advanced, against the earning of private income. Candidly, Mr. Chairman, with regard to the people who have private investment income, I have no quarrel: as to their investments and their good fortune, I have no objection. May they do well and may they prosper. I just do not want them legislating me and others similarly situated out of this House simply because we earn our private income.

Mr. Chairman, in our law firm at home, which engages in general practice of law, there is no real or apparent conflict of interest with service in Congress.

Mr. Chairman, all of us are different. Maybe that is where our strength lies. We ought to be allowed to be different. We ought to be allowed not only to represent our constituents but to let them

determine whether or not there is a conflict of interest. Let the people of the 17th District tell we whether I can come back and represent them or not. Heaven knows, my competition will raise the question, and the competition of other Members will too.

Mr. Chairman, I think we, the Members of this House are the only people in Government office who have two formidable organizations every 2 years prepared to strike us out of office for any misdeeds: the National Democratic Committee and the National Republican Committee. We have plenty of exposure to public view.

I would just like to suggest that I am honored to be a Member of this House. I am in my third term, but if I suspected when I came here that I would be driven out of the law firm I began in 1966, of which I am now a partner, simply because I was trying to do my best in Washington for the 17th District of Illinois and still remain in practice, I would be very upset and possible might not be here. Perhaps, no great loss in one instance, but than, again, how about those many others like me?

I would like to suggest in conclusion, Mr. Chairman, that the income provision is a bad provision. It should not be there. It will seriously and permanently damage the quality of the Congress. I hope, Mr. Chairman, that we can strike it from the bill.

Mr. BOLLING. Mr. Chairman, I yield such time as he may consume to the gentleman from Nevada (Mr. SANTINI).

Mr. SANTINI. Mr. Chairman, I rise in support of the resolution.

Mr. BOLLING. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. MIKVA).

Mr. MIKVA. Mr. Chairman, I rise in support of House Resolution 287, the financial ethics resolution. New standards for financial ethics are necessary not only to restore public confidence in the House of Representatives, but also to restore confidence in the democratic process.

During the last few years the confidence of the American people has been badly shaken by accounts of duplicity and deception by Federal officials—both elected and appointed. Public opinion polls, mail, and media stories, as well as election results, vividly demonstrate the depth of the dissatisfaction felt by many Americans with the integrity and industriousness of elected officials.

The consequences of this are extremely disturbing. Too many Americans have come to believe that Members of Congress are influenced by secret gifts and stock holdings rather than by their constituents and their consciences. And these beliefs are strengthened every time a new incident is exposed. Inevitably, each new exposure casts a cloud which extends over the Member involved and, more importantly, over all Members.

I am not certain that the personal ethical standards of the Members of this Congress are any less rigid than those of previous Members, but I am certain that the American people have a right to demand and receive the most scrupulous attention to the standards expressed in House Resolution 287. As the Nation has evolved from a simple into a complex society, the interests of various citizens and businesses have become more deeply enmeshed with Government policy. The rewards of favorable legislation are becoming greater and greater, and the need for tough new standards to stem the erosion of public confidence in the integrity of elected representatives is also becoming greater.

Mr. Chairman, public confidence in Government is not an abstract concept, but an essential element in a democratic form of government. If we fail to pass this resolution, we will certainly make it more difficult to engage public support for the many important bills before us this session but we will also make it more difficult for future Congresses. If we fail to pass this legislation, we will send out a clear message to the American people that we are not interested in their confidence or in their respect. And, Mr. Chairman, no message could be more fatal in a democracy, for if the people lose confidence in those whom they elect, soon they will lose confidence in the democratic process itself.

Today, we have the opportunity to send out a different message to the country—a message that states without equivocation that we will not tolerate the covering up of conflicts of interest, that we will not tolerate the acceptance of improper gifts, and that we will not tolerate any conduct which compromises the integrity of this body. A vote in favor of this resolution is such a message and I urge my colleagues to support House Resolution 287.

Mr. BOLLING. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Chairman and Members of the House, I rise in support of the resolution.

I do not believe, as my colleague, the gentleman from Colorado, said earlier, that it is a toothless tiger. I think it is a substantial step forward.

Mr. Chairman, I think the gentleman from Wisconsin (Mr. OBEY) and the gentleman from Indiana (Mr. HAMILTON) are to be commended, as are the other members of the committee.

The heart of what we are going to be voting on later this evening seems to be title VI. Here I have to say in theory I believe the right answer is detailed disclosure of income and let the public make that determination.

I am not talking theory here, because I was first elected to the State legislature in Illinois in 1954 and each year since then and I have made a detailed disclosure of income, assets, and liabilities. But we are faced with the situation where in effect the measure before us does not require detailed income disclosure.

There is, for example, a pretty good sized loophole of minor children which allows an individual to name his 12-year-old son to hold his oil stock. He can do that if he wishes to do that.

I think that type of thing has to be there if we are going to have real detailed income disclosure.

For my colleagues who practice law and who say this would be a violation of the canon of ethics to have detailed income disclosure, I think it clearly would not be a violation of the canon of ethics if we say it in advance and we put a date of January 1, 1978, at which time you tell every client, "I will be happy to serve you but I have to disclose that you are my client and disclose the amount of money I receive from you."

That type of detail is essential if we are to really provide this kind of wide open access to the public that the public is entitled to.

Since that detailed disclosure is not here, I will vote against taking out title VI. If the time comes when we bring out a bill that has that detailed disclosure, then I will vote to recognize the real inequities that I see here with title VI.

Right now it seems to me we ought to move ahead. We ought to pass the bill and because of our failure to have real detailed income tax disclosure and disclosure of assets and liabilities, title VI ought to be retained.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOLLING. I yield 1 additional minute to the gentleman from Illinois.

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Illinois.

Mr. O'BRIEN. Mr. Chairman, I thank the gentleman for yielding. I only take this time to commend the gentleman on his comments on disclosure. Disclosure is the heart of the matter and I wholeheartedly subscribe to his suggestion.

Mr. QUILLEN. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Tennessee.

Mr. QUILLEN. Mr. Chairman, if the gentleman in the well will remember my colloquy on the rule where I asked for an open rule, I mentioned that full disclosure was the answer to the problem.

Did the gentleman in the well vote against the previous question which would have permitted an open rule so that his idea could be offered as an amendment?

Mr. SIMON. I did not. I agreed with the gentleman's statement that full disclosure was the answer. I also agree with my colleague, the gentleman from Louisiana (Mr. WAGGONNER) when he said that an open rule in fact would open Pandora's box. I think that is correct.

Mr. QUILLEN. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. GARY A. MYERS).

Mr. GARY A. MYERS. Mr. Chairman, I take this time to ask a couple of questions of the gentleman from Wisconsin (Mr. OBEY).

First, with respect to the provision in the bill in which the original filing date occurs, it seems to me that the bill states, on page 7, that the filing date would be a period starting October 1, 1977.

Is there anything to prohibit some of us Members who are now making finan-

cial disclosures from using figures for the full year when these rules and regulations are promulgated? Can we do that so that we are not caught in a bind of perhaps performing extra work for more limited disclosure?

Mr. OBEY. Mr. Chairman, I am not quite certain I understand the gentleman's question. Is the gentleman asking whether he can go beyond the disclosure requirements in the bill and file for the entire year rather than just for 3 months? If so, I would say the answer would be yes.

Mr. GARY A. MYERS. Mr. Chairman, I raised that question because it seems to me that there ought to be provided an option for several Members of the House who already have their figures prepared on an annual basis.

Mr. OBEY. You do not file in October, you file in April.

Mr. GARY A. MYERS. Normally I have disclosed on an annual basis. I accumulate my figures throughout the whole of the year. I am doing it now for last year. I would like to be able to file next year under this provision beginning January 1, 1977. So that I would hope that when the rules and regulations do come out they would provide for that opportunity for those of us who want to do that.

Mr. OBEY. I would think that would be fine.

Mr. GARY A. MYERS. The second question I have is with respect to the provision of personal hospitality, that exclusion. With respect to a number of Members who have given up their homes back in the district, who have either rented them out or sold them, a number of us are caught in a bind on this. Some of us stay with friends; some of us stay with staff or with a family member and bed down in a spare bedroom or on a couch. Are we going to have to associate a cost with that type of provision when we are back home, and are we going to have to file it under that disclosure provision, or can that be accommodated under the personal hospitality?

Mr. OBEY. It would be accommodated under the personal hospitality. Many Members are in the same position.

Mr. GARY A. MYERS. On an honorarium, in fact when one receives an honorarium plus a plane ticket to get to the place and back, is that included in the total for the honorarium?

Mr. OBEY. The travel expense is not. That would not count against the limit.

Mr. GARY A. MYERS. With respect to the provision where a Member is elected during the year, after beginning December 31, 1978, on page 18, that does not mean to imply that Members who are elected in November would have to file a report for time before they actually would become Members of the House at the end of that year, or January of the following year?

Mr. OBEY. No.

Mr. LE FANTE. Mr. Chairman, I rise in support of House Resolution 287, a resolution which establishes a new code of financial ethics for the House of Representatives. I am pleased to be a cosponsor of this resolution.

I would like to commend the members of the Commission on Administrative Review, chaired by the distinguished gentleman from Wisconsin (Mr. OBEY), for their diligence and achievement in drafting a balanced and workable proposal. I also wish to recognize the outstanding job of the Commission's Task Force on Ethics, so ably chaired by the gentleman from Indiana (Mr. HAMILTON), whose work has resulted in the recommendations before us today.

Throughout my years of service in government, I have been a strong proponent of adopting a meaningful code of ethical conduct for public officials. I hold a deeply rooted belief that public officials should be free from even the suggestion of or potential for conflict of interest. As a new Member of Congress, I have made a commitment to support a comprehensive ethics code for the House.

The Commission has been able to produce a tough but fair code of conduct for Members of Congress which will reduce the potential for conflict of interest. The recommendations before us today embodied in House Resolution 287 deal effectively with issues of major concern by strengthening financial disclosure requirements, prohibiting unofficial office accounts and lame-duck travel, placing limitations on outside earned income and on the acceptance of gifts, and restricting the use of the frank.

It is my belief and my personal experience that the overwhelming majority of Members of Congress maintain high standards of conduct. Yet we live in a time when public confidence in the integrity of government has reached an all-time low. There is definitely a need to reassure the public that Congress is able to discipline itself and that Members of Congress are sincere in their pledges to adopt and follow reforms that will establish the highest standards of personal and official conduct.

We can demonstrate our sincerety and help restore the public's trust in Congress by adopting the reforms contained in House Resolution 287.

Mr. AMBRO. Mr. Chairman, it is with some reluctance, that I rise, this afternoon, in strong oposition to the rule under which House Resolution 287, the House ethics reform package, is to be considered by the House of Representatives. Frankly, I resent the imposition of this modified closed rule, as another rather heavy-handed attempt by the leadership to stifle the will of this body to perfect this package of reforms. Coming hard on the heels of the leadership's actions which prevented the people's elected Representatives from voting yea or nay on the congressional pay raise, it is doubly unfortunate.

Certainly, the Members of this House, Mr. Chairman, are capable of considering so complicated and delicate a piece of legislation as this without destroying its essential character. Indeed, if we are not, should we be here at all, considering and amending hundreds of other public bills and resolutions every year?

Frankly, it is my intention to vote in favor of this resolution. It is something that I have been calling for since I arrived here, just over 2 years ago. Therefore, I do not view this vote on the rule as a backdoor attempt to kill the legislation. I would really like to strengthen it, and that is why I am unhappy about the take-it-or-leave-it proposition with which we are confronted. Of course, I am aware that we will be able to vote on each title separately, but this only means that we must disapprove of an entire title without the ability to improve upon it.

I am particularly unhappy about title I dealing with full financial disclosure. To my mind true full disclosure is the sine qua non of any ethics bill and the central ingredient in the restoration of public trust in the Congress. What we are presented with in this bill, is a less than satisfactory response to this need. Anything less than a full disclosure of bottom line net worth, is, in my opinion, worthless.

Unfortunately, that is what title I gives us as it limits the disclosure of assets and real estate to so-called categories of value: less than $5,000, between $5,000 and $15,000, between $15,000 and $50,000, between $50,000 and $100,000, and over $100,000. Certainly, even a child can understand just what kind of loophole this is. There is a very large "between" from $15,000 to $50,000. Had there been an open rule proposed to allow full, open, and complete discussion of this and other issues in this bill, I would have taken the opportunity to offer an amendment that really provided for full disclosure including a bottom line net worth statement. Under the leadership's rule all I will have an opportunity to do is to vote against the title altogether, thereby leaving myself open to charge that I am against this poor excuse for full disclosure.

Another difficulty with this rule is seen in the vote on the amendment to delete or strike title III. That title contains a prohibition on converting campaign funds and the abolition of "unofficial office accounts" to pay for additional newsletters. This is all to the good but this title also contains an increase of $5,000 in the account for official expenses—hardly a reform. Since amendments within a title are prohibited by the rule, the only way to reconstruct the title without the $5,000 increase is to strike the entire section and redraft it. I will vote to strike the section for this reason but the rule requires this explanation.

Mr. Chairman, in conclusion, I wish to associate myself with those of my colleagues protesting the manner in which the legislation is being brought before us as somehow tarnishing the very ethical standard we are putting forward. It is my intention to vote against the rule.

Mr. HARRIS. Mr. Chairman, the ethics legislation before the House today, House Resolution 287, is a great leap forward in Government. It represents a major effort by the House of Representatives to reform and to bring a wholesome ray of sunshine into government. It can restore confidence in the way public officials conduct the public's business.

The American people have had enough Watergates, laundered money, Korean influence peddling, and behind-the-scenes wheeling and dealing. Respect for and trust in government have dropped to a record low level. I am pleased to take this giant step toward restoration of that trust—and I call on my colleagues to continue this reform momentum and join me in closing all loopholes in our

ethics rules and opening all doors to government.

FULL-TIME CONGRESSMEN WITH NO SPECIAL INTEREST TIES

The most important feature of the ethics package is the restriction on outside income of elected officials. I believe the complexity of the problems facing this country require a full-time congressman; he should be paid by the people he represents and from no one else. His income should not be dependent on special interests. He should be free from all potential conflicts of interest. It is time to get the special interest out of the peoples' business. I believe that we should have a flat prohibition on outside earned income. The 15 percent limit is a good step forward and I will continue to work toward total elimination.

I am also pleased to support the provisions of the Obey ethics reform package:

The limitation of gifts from persons with a direct interest in legislation before the Congress;

The requirement of annual disclosure of all income over $100 and gifts over $250, plus holdings, debts and real property and securities transactions;

The abolition of unofficial office accounts or "slush funds";

The new tight limitations on the use of the franking privilege;

The prohibition on lame duck travel;

The limitation on outside earned income and the lid on honoraria.

FULL FINANCIAL DISCLOSURE DETERS WRONGDOING

The people have a right to know what private influences are coming to bear on the decisions made by their public officials. Public officials have the responsibility to perform in the public light. Since public officials are subject to the will of the people, the people deserve the facts. I believe that when a public official accepts the public trust, that official commits himself or herself to a public accounting.

Sunlight is the best disinfectant. I believe that most public officials are honest and dedicated to the public interest. However, if a Member of Congress knows that he or she may have to justify his voting record alongside a particular investment, he or she may think twice about that investment. Knowing that one's financial affairs will be public—like one's votes—is as important deterrent to questionable acts. Disclosure is 95 percent of the battle.

Another compelling justification for disclosure is that it would provide public servants the strong ground of truth on which to stand against unfair charges and innuendo. If the facts are reported, the public is not left guessing as to whom to believe. Public officials will have laid open their actions before the fact and will have an open record to back them up if they are unreasonably charged with wrongdoing.

CURRENT ETHICS REQUIREMENTS INADEQUATE

Current ethics requirements are a mishmash of inconsistent, inadequate, confusing rules and laws. We have regulations governing Federal executives. We have laws governing elected and appointed officials. We have separate codes of conduct in the House and Senate. All are ridden with loopholes and ambiguities. For example, in the House of Representatives, the source but not the amounts of income over $5,000 from a "single source" are reported. Thus, amounts of income over $5,000 remain hidden from the public eye. And in the House, gifts do not have to be disclosed.

As a public official, I have always personally disclosed my income, assets and liabilities beyond the requirements of the law. My constituents have had access to my tax returns. My financial affairs are not hidden from their view.

PUBLIC FUNDS FOR PUBLIC PURPOSES

The other important "half" of the ethics package before us today are the restrictions on the use of taxpayer dollars. This legislation prohibits the use of the franking privilege less than 60 days prior to an election. It prohibits "double dipping," the practice of receiving more money in reimbursement for travel than the actual travel costs. Furthermore, the resolution prohibits traveling at public expense after a Member of Congress is defeated.

The legislation also gets private money out of the public purse. I am especially pleased to support the provision which abolishes "slush funds"—special accounts in Congressmen's offices which consist of funds contributed by private individuals and organizations. And I back the requirement that mailings to citizens must be paid for with public funds. Citizens expect their elected officials to represent them effectively and competently. And I believe they are willing to see public funds provided for quality service and representation. It is wrong to use campaign funds or lobbyists funds to conduct the public's business. Such a system opens the door to "influence peddling." Private funds have no place in the public's business.

STRONG ETHICS CODE CANNOT WAIT

Congress must act today because this legislation is needed. We must face up to the fact that our current laws and rules are inadequate. Probably more importantly, we must act today because we need to inject a new breeze of fresh air into government. We must put behind us charges of frivolous junkets, suspicious money, and "bought votes." We must show the public we are serious about integrity and honest government. This Congressman is very serious.

Mr. BONKER. Mr. Chairman, every 2 years we in the House of Representatives take an oath to uphold and defend the U.S. Constitution, but nowhere in that oath does it say how we are to behave in office. It is assumed that, as public officials and holders of the public trust, we will act properly and do what is right.

Unfortunately, that has not always been the case. Just in the past decade there have been terrifying examples of misuse of power as people's trust and confidence in public leaders has steadily declined. Watergate was one example of how White House officials misused Government agencies and engaged in questionable political and legal conduct at the highest levels. In recent years, certain Congressmen have been guilty of another form of political corruption—some outright criminal and others just plain indiscretion. U.S. News and World Report's feature story recently, "Public Officials for Sale," exaggerates the problem, but it does highlight understandable public concern over political corruption in this country.

To make things worse, Congress has allowed a sizable salary increase for itself and other top Government officials to go through without a vote. Both the amount and procedure have accelerated public disenchantment with its elected representatives. It seems to bear out what Jesus Christ warned about 2,000 years ago, when he said:

As you know, the kings and great men of the earth will lord it over the people.

For many, a salary increase is both deserved and necessary. A U.S. Senator, representing a State of 8 million, who has 20 years experience, with great responsibilities and influence over national policy, receives an identical salary to a newly elected Representative with one-tenth of the constituency and considerably less responsibility. The former may likely have four children in college and social and public demands while the latter may be single or married with a spouse who earns a second paycheck. There are built-in inequities and it is not fair or right that each of us considers only our own personal and/or political needs when voting on a salary bill.

It seems pointless at this time to say I would have voted against the measure because there is no record to back up such a statement. But I would like to share my personal views on the salary question and make suggestions on how we should have approached the issue.

Because the salary increase is always controversial, in 1969 a special Presidential Commission was created to study and recommend adjustments which, if approved by the President, go into effect without a vote of the Congress. That was supposed to take the issue out of politics, but I cannot help but think that it is fundamentally wrong and irresponsible not to vote on the increases.

The second point concerns when a salary increase, if approved, shall become effective. Washington State has an excellent law which specifies that elected officials cannot receive salary increases during their current term of office. While increases from time to time are necessary, they should not take effect until or after the next election and the new term commences.

Most importantly, the House should have acted on a tough code of conduct, especially efforts to limit outside income, before the salary issue ever came up. The Commission on Administrative Review was created last July in the aftermath of scandals involving the unethical use of public funds by several Members of Congress. As a result, the task force on financial ethics has recommended House Resolution 287, which incorporates the following proposals:

First. Requiring comprehensive financial disclosure statements;

Second. Prohibiting the acceptance of gifts aggregating over $100 per year;

Third. Abolishing unofficial office accounts;

Fourth. Placing further limitation on the use of the franking privilege;

Fifth. Tightening regulations for reimbursement of travel expenses and banning lameduck travel;

Sixth. Placing limits on outside earned income;

Seventh. Establishing a Select Committee on Ethics to implement and codify the provisions of the resolution.

I believe it imperative that we act expeditiously on these reforms as an absolute minimum to demonstrate our commitment to honest and open government. It is my intention to vote affirmatively on the reform package and strengthening proposals that may be offered on the House floor.

There will undoubtedly be another "reform" that cannot be voted by Congress but is more significant because it involves something more personal—the conscience of everyone who holds public office. No ethics code or voluminous set of rules and regulations can replace the human conscience for knowing and doing what is right.

Mr. Chairman, the Washington Post this week carried an excellent statement entitled "Congressional Earnings and Ethics," which I insert in the RECORD at this time:

CONGRESSIONAL EARNINGS AND ETHICS

The Congressional controversies over regulation of members' outside earnings show how times have changed. Serving in Congress used to be a part-time job. Members convened here for a few months and then went back to their professions and businesses. Private income was essential and viewed as generally legitimate. Illegal arrangements were dealt with case by case, if at all.

Now, serving in Congress has become a year-round job. Official pay and allowances are so ample after the latest pay raise to $57,500 that members don't get very far pleading financial hardship as justification for making money on the side. At the same time, the potential for conflicts of interest and public concern about ethical problems have increased dramatically. And the presumption has been reversed: outside earned income has come to be widely viewed as suspect and exploitative.

We would not push that presumption too far by requiring members of Congress to sever all financial ties with the private enterprises from which they come. Top executive-branch officials and judges are expected to give up outside earnings while in public service, but a legislator's relationship with the private world is more complex. It could be healthy for a congressman to work in a hardware store back home on Saturdays or carry out an old commitment to administer a small estate for a family friend. That is different from trading on one's incumbency or getting fat fees for little work from someone seeking access and friendliness on Capitol Hill.

In theory, the best remedy is detailed, public financial disclosure, strictly enforced. That should deter the most flagrant and embarrassing abuses. It would also inform voters and help them exercise the ultimate discipline at the polls. Indeed, Congress has grown more willing to undergo that scrutiny; full public disclosure, fiercely resisted not so long ago, is now regarded as necessary or at least inevitable.

In practice, though, this remedy tends to work only in competitive districts and states. Some legislators are so entrenched that they could disclose a $100,000 "consulting fee" from a defense contractor and get re-elected anyway. One might reply: So what? Don't voters have the liberty to elect scoundrels to Congress if they wish? Of course they do—but improper conduct by any member also clouds the Congress as a whole. Thus Congress also has the power as well as the obligation to impose some institutional self-discipline.

Both houses have already put limits on honoraria. The pending ethics codes would tighten those curbs and restrict total outside earned income to 15 per cent of a member's official salary. This is not a perfect approach. We are not troubled so much by the fact that earned income and investment income would be treated differently; that complaint is effectively answered, it seems to us, in an article by Rep. Lee H. Hamilton (D-Ind.) on the opposite page today. What does give us some pause is the assumption that impropriety can be determined by the dollar amounts involved. In fact, $2,000 in "legal fees" might be more corrupting than, let's say, $10,000 for teaching at a university.

Yet limits do help by prescribing huge fees from any single source, and keeping members' outside earnings in some reasonable proportion to official salaries. This is not just good for appearances' sake—although appearances do matter, especially when you consider the current image of Congress. It is also good for removing the temptation to engage in richly remunerative activities that would present conflicts of interest. Even with limits, members would still be free, if they choose, to accept modest payment for outside work that does not conflict with congressional business. This, in our view, is more equitable and workable than barring certain categories of work (such as legal practice) entirely, or trying to define by law every one of the blatant or subtle conflicts that cause concern. No code of conduct will eliminate corruption or the need for careful judgments by legislators and voters. The rules now being advanced in both houses will, however, help Congress discipline itself and assure the public that members intend to treat their high office as a full-time job, free of conflict with whatever they may find time to do on the side.

Mr. McCLORY. Mr. Chairman, I would like to commend the Obey Commission for its diligent work on its important task. I am particularly appreciative of the efforts of my long-time friend and constituent, Robert W. Galvin, chairman of the board of the Motorola Corp., who contributed so much to the Commission product we have before us today.

I appeared before the Commission on February 7, and asked that it modify its recommendation on disclosure of the assets of spouses. As I suggested, the resolution would now require disclosure of only those assets which the Member "constructively controls." This change avoided a potentially serious conflict with existing tax law regarding confidentiality.

Further, I would like to associate myself with the remarks of my Republican colleagues in the Commission report regarding unofficial office accounts. That these accounts—which have become the object of widespread public concern—should be abolished seems evident. What my colleagues and I have trouble understanding is why this action necessitates a $5,000 increase in our "official" expense allowances.

This increase will cost the American taxpayers $2.2 million annually. For my taste, the trade-off here is too blatant, and I would suggest that the American people also will find it so.

Most expenses covered by this allowance could be funded easily by campaign contributions, which, of course, are reportable. While I deplore the practice of converting political funds to personal use—and urged the Commission to include its prohibition of this practice—I believe that a clearly defined reimbursement program for legitimate expenses would be preferable to this untimely increase in our allowance.

Finally, I would like to comment on the limitation on outside earned income. This provision will have no effect on me. But I think that before adopting it, the House should consider whether it will discourage in the process many talented future Members. The question has been raised—legitimately, I think—as to whether the infringements on personal privacy that the new code of ethics entails will discourage people of substance from careers in the House.

Certainly, the earnings limitation will have that effect. What this provision will bring us is a membership of two kinds of people: the very rich, whose so-called unearned income is not limited, and those who depend on the recently adjusted congressional salaries for their livelihood.

As my colleague, the gentleman from Maryland (Mr. BAUMAN) points out in the Commission report, Members dependent on their congressional salary for their livelihood will be dangerously susceptible to political pressures, and may not provide the quality of representation the American people deserve.

And who are we discouraging from running? Successful men and women from business and the professions, whose performance in private life indicates their understanding of the American system of government, and their belief in its values.

To limit our access to such a reservoir of talent seems to me a grievous error.

Mr. BOLAND. Mr. Chairman, I rise in support of House Resolution 287. Mr. Chairman, you promised us a stringent set of rules as governs any known legislative body today and I commend you for quickly following through on the promise. If we pass this resolution today, it will be as important an accomplishment as any in your time as Speaker.

The financial ethics provisions contained in House Resolution 287 are tough provisions and I support them. This financial ethics code is being considered at a time when the reputation of Congress is again far too low. The American people are unhappy with the Congress and I do not blame them. The pay raise fiasco undermined the faith of the people in the legislative branch of Government. I, like many others, regretted that we were not given an opportunity to vote on the raise. In my opinion, the first step in the important job of restoring faith in Congress is to pass a strict ethics code. The approval of H.R. 287 is such a necessary first step.

Mr. Chairman, I support completely the title I financial disclosure provisions and the limitations on gifts and lame duck travel. In addition, I oppose any attempt to increase office accounts or to set a higher limit on outside earned income. The Obey commission recommendations contained in this bill are strin-

gent ones, but I believe they are the best for the House.

I recognize that the resolution as introduced may give some advantage to the very wealthy—those for whom earned income is of no concern. And I recognize that these limitations may dissuade some Americans with middle income from running for public office. The important thing, however, is that this code puts all Members on the same strict accounting procedures. It makes them preserve the appearance as well as the actual fact of pursuing the public interest and none other. If the provisions seem harsh, it is only because harsh provisions are needed if we are to restore confidence in the Congress.

Mr. Chairman, it is fitting that we should consider this resolution early in the 95th Congress. If we fail today to pass a strict code of ethics, all that we do after today will be viewed with suspicion. We can be effective as a unit of government only with the confidence and trust of the American people. We can restore that confidence and trust by passing this resolution.

Mr. KOCH. Mr. Chairman, this resolution, House Resolution 287, prepared by the Commission on Administrative Review, and shepherded through this House by my colleague and friend, DAVID OBEY, is a milestone, and DAVID OBEY deserves not only credit for his leadership but thanks from the Members of this House for having preserved and for overcoming the obstacles placed in his way.

House Resolution 287 is long overdue and I have no hesitation in voting for it. Regrettably, however, it does not equal my own current practices in this area which I shall continue. When I was elected to Congress in November 1968, I withdrew from the practice of law because I believed then and now that Congress is a full time job. Since taking office in 1969, I have filed each year with the Committee on Standards of Official Conduct, a certified statement of my net worth available for public inspection because I believe that a legislator's constituency is entitled to know whether the wealth of its Representative has increased while in office and if so, why and how.

For the past 3 years I have filed with the Committee on Standards of Official Conduct, a full and complete copy of my Federal income tax return which is also available for public inspection. My congressional salary is my sole earned income. In addition, I take no honorariums for speaking engagements of any kind because, again, I believe that only my employer, the U.S. Government, should pay my salary, and it is doing that. If I am invited to address a group of people, I know they are inviting me not as ED KOCH, but as "Congressman" ED KOCH, and when I appear in such capacity, no one except the U.S. Government should pay my salary.

While outside earnings are permitted under this bill, I believe that the legislation would be vastly improved if the provision for such earings were eliminated entirely.

The Commission on Administrative Review, according to its report of February 14, 1977, is currently studying the administrative operation of the House, including audit and personnel procedures, and is scheduled to report back to the House this year. I welcome the Commission's proposals in this area, because I believe we are all desirous of putting our "House" in order. We have a responsibility to ourselves and to the public we serve to maintain the highest standards of conduct. The legislation we are considering today and the proposals which are forthcoming provide us with this opportunity and should receive our enthusiastic support.

Mr. FISHER. Mr. Chairman, I want to lend my strong endorsement to House Resolution 287, the Obey Commission recommendations on financial ethics. The Commission's report is a necessary step forward in the process of formulating improved guidelines for financial responsibility in the House of Representatives.

I realized from my first days in office that the existing office accounts system discouraged efficient office management, lacked clear standards of accountability and encouraged the maintenance of certain unofficial office accounts funded by private contributions. The continued absence of a uniform code of official conduct applicable to a Member of Congress' public and personal finances was clearly unacceptable and, like many other Members of the House, I welcomed the establishment of the Obey Commission on Administrative Review.

On several occasions I submitted my views to the Commission and its Task Force on Financial Accountability. In my testimony before the Commission, I developed three general principles which in my judgment are necessary for constructive reform: First, a total ban on the commingling of private and public moneys through the elimination of unofficial office accounts with only public funds being used for the official functions of a Congressional office; second, the consolidation of office accounts into three general functions—personnel, travel, and office—to facilitate efficient management of a congressional office and third, full accounting of every source of income and every expenditure made in connection with a congressional office with complete independent audits. In addition, I urged strongly that both personal and campaign finances be fully and promptly disclosed as I have been doing as a matter of course.

In some cases I urged the Commission to recommend stronger reforms than those before us today, but on the whole the Obey Commission work has moved the House decisively in the direction of much-needed reform and this resolution should be approved.

I want to comment particularly on the three sections of this resolution which deal with the elimination of unofficial office accounts—special accounts for office use funded by private contributions—the restriction on outside earned income, and the subject of gifts of personal hospitality to Members of Congress.

I am faced with the same problem encountered by most other Members of the House; that is, under the existing office accounts system, I find a need for outside funds to carry out certain of the operations of my Washington office and district constituent services. In my case the need has been for additional funds for informing my constituents about the problems I am working on through newsletters and reports on town meetings. This situation is created in large part by the number and inflexibility of the present office accounts which frustrates the allocation of funds to priority uses determined by each Member's unique needs.

However, I also recognize the need to abolish all unofficial office accounts in order to make a clear distinction between the use of public and private funds by a Member of Congress. A high wall must be maintained between public and private funds. I strongly endorse the Commission's proposed ban on unofficial office accounts as this will guarantee that all official functions of a congressional office will be financed solely by the public treasury. Especially objectionable is the triggering of large expenditures of government money, say for franking, by relatively small outlays of privately contributed funds. In eliminating these unofficial office accounts, we must take care that sufficient public funds are made available for the legitimate functions of a congressional office such as newsletters and other necessary constituent information activities.

To address this need for adequate funds, the Obey Commission recommends a removal of the distinction between expenses for a Member's Washington office and his district offices. Under current House rules, certain funds are earmarked for expenses outside the District of Columbia and cannot be used for Washington office needs, such as newspaper subscriptions and the like. This resolution would create a general official expenses fund. In addition, the allowance for official expenses would be increased. This will help each Member to maintain the quality of constituent service and information he or she has achieved without having to rely on the use of unofficial office accounts.

On the subject of outside income earned by a Member in addition to his salary, I support the resolution's limit of 15 percent per year with a limit of $750 or $1,000 from any one source. I have urged the Commission in the past to recommend a total ban on outside earned income and I still would prefer this. A total ban would be appropriate in my judgment in view of the fact that congressional salaries were recently increased. But reluctantly I have concluded the 15 percent limit is the best we can do at this time. I oppose the amendment to increase the ceiling on outside earned income to $15,000, nearly twice the 15 percent amount. In my own case, in the absence of acceptable limits, I have declined all honorariums and the like.

The Obey Commission noted the difference between investment income and outside earned income but decided to place no strictures on the former. I would go a step further than the Commission in the treatment of unearned income from financial investments and property holdings. I recognize the impracticality of eliminating investment income for Members of Congress; for example, a

Member should not be required to forego profits on the sale of property which he or she may have held for years before entering Congress.

However, I do think we should take care though to separate the Member from decisions which control those investments. With respect to certain investments which may fall in areas of congressional responsibility, divestiture might be called for. Another solution would be the establishment of a blind trust, which is the course I have followed. There may be other, better ways of separating a Member from investment decisions which could involve conflicts of interest. I hope the House will take up this aspect of financial accountability at some time soon.

My final comments are in opposition to the amendment offered by the Ethics Committee which aims at including all gifts, however small, of personal hospitality and gifts valued under $35 in the reporting requirements contained in the resolution. The burden of recording every gesture of personal hospitality to a Member of Congress is unmanageable and unrealistic. A Member should be allowed to accept an invitation to an occasional lunch, for example, at which proper congressional business is discussed without having to keep a record of it. The Obey Commission's original exemption of personal hospitality and gifts under $35 should be maintained. Of course, there must be ceilings, rather low ceilings, above which such hospitality items should not be allowed. The $35 limit for any one occasion and $100 per year from any one source seem to me to be on the high side, especially the first, but if this is the lowest that my colleagues will agree to, I will accede.

To conclude, I urge my colleagues to vote for this measure (H. Res. 287). It embodies needed, long overdue reforms that can go a long way toward restoring confidence in the House of Representatives and in our whole Government.

Mr. AMMERMAN. Mr. Chairman, I need not tell any Member of this body what the public reaction has been to the recent increase in the salaries of House Members.

There is a big stack of angry letters in my office from constituents opposed to the increases. There have been harsh editorial comments in the newspapers in my district. And I have been told that the reaction in my district is comparatively mild.

The Quadrennial Pay Commission, also known as the "Peterson Commission," was absolutely firm in its position that any increase in pay for Members of Congress and other high officials should be accompanied by rigorous new ethics codes and conflict-of-interest standards.

The House has accepted the salary increases recommended by the Commission. Therefore, I believe we have a moral obligation to move ahead with an ethics code as well.

The reputation of this institution is not so great in the public's mind that we can afford a weak stance on this issue.

The Commission on Administrative Review, chaired by the distinguished gentleman from Wisconsin (Mr. OBEY), has the findings of a poll by Louis Harris as evidence of the declining public confidence in the integrity of Government in general and the House of Representatives in particular.

But all any of us really need do is read our own mail or pick up a newspaper. I frankly have been shocked by the tone of much of what I have read.

There seems to be an impression in the minds of too many people that all we do in Congress is increase our pay checks, horde our "perks" and render no service to the public in return.

I find it appalling that the behavior of a small number of Members of this institution have brought this degree of hostility upon us all.

We cannot and must not pretend that we can wish the public's attitude away. I am not trying to suggest to you that the proposed new ethics code before us today will, in and of itself, restore public confidence in the House of Representatives. But I do say to you that this measure allows us to make a clean break with past practices. It is a necessary first step toward restoring confidence.

Under the plan drawn up by the Commission on Administrative Review and its task force on ethics, House members would:

Have to make comprehensive public financial disclosures;

Face limits on outside earnings;

Be required to report gifts and be barred from accepting large gifts from special interest groups;

No longer be able to have unofficial office accounts;

Have new limitations on the use of the franking—free mailing—privilege, including a ban on mass mailings within 60 days of an election;

Be barred from "lame duck" travel—trips after an election defeat or retirement—and

Create a select committee to implement these proposals.

There is nothing very radical about these proposals. Nor is there anything very sudden about them.

Office accounts, for example, have been a source of controversy in Congress for as long as I have been in politics. I began my political career as a national convention delegate in 1952—the same year that Mr. Nixon made his infamous "Checkers speech" on television to deny that his Senate office account was a slush fund for his own personal profit.

Mr. Nixon has departed from the political scene but unless we enact this package, slush funds still will be with us.

The one provision of the ethics package that I have heard described as "extreme" is the restriction on outside earnings.

I disagree. In fact, I believe that the outside earnings restriction is, if anything, not tough enough.

Being a Congressman is supposed to be a full-time job. We should not be diverting our energies into other jobs. Nor should we be dependent on outside sources for our incomes.

Most Americans are aware of the potential for conflict which arises when a lawmaker must vote on an issue in which he has a financial stake in the outcome. But we often forget that a greater source of conflicts in Washington is the competition for a Member's time and attention.

We owe our constituents our undivided attention and that is what this proposal insists we give them.

It is true that limiting these restrictions to "earned income" benefits wealthy Members with substantial investment incomes. I regret, Mr. Chairman, that we did not require Members to put their investments into some sort of "blind trust," as the top officials in the executive branch must do.

But there is nothing we can do about the fact that some are wealthy and others are not. That is not the issue.

The question is whether Members of Congress should use their positions as a way to attain wealth. And the answer to that must be "no."

The distinguished gentleman from Indiana who chaired the ethics task force (Mr. HAMILTON) and the distinguished chairman of the Commission on Administrative Review (Mr. OBEY) have worked long and hard to produce a package that recognizes the political realities in this House as well as the need for reform. I commend them for their efforts.

I hope that their work will not have been in vain. I urge you to support the ethics code as recommended by the Commission.

Mr. COTTER. Mr. Chairman, I rise, with some serious reservations, to support House Resolution 287, the revised House rules on financial ethics of Members of Congress.

I am reluctant to support the resolution, not because I have any argument with the need for strict ethical standards, but because I object to the method under which the resolution will be considered by the House.

Under the parliamentary procedure we may adopt for House Resolution 287, we would not have a separate vote on the proposed $5,000 increase for Members' official accounts.

This increase is unjustified, just as the so-called personal office accounts abolished under these reforms, were unjustified.

The increases in congressional allowances adopted with the 94th Congress' misnamed "reform package" were more than adequate to cover all reasonable expenses. I, therefore, may support an amendment to strike the entire section so the House can vote separately on this proposal.

With this reservation, I support House Reservation 287. Most of the Obey Commission's work deserves our support, especially three significant reforms:

First, comprehensive disclosure of Members' financial assets. This change will give constituents the right to evaluate their Representative's source of income.

Second, new limitations on the franking privilege, which will require mass mailings to be handled as third class matter instead of first class. This change will save $9.5 million annually, but preserves the Member's right to keep constituents informed about his activities and to seek constituent opinions with questionnaires.

Third, prohibition of travel by "lame duck" Members. Congressmen who are not returning after a session's final adjournment should not be permitted to travel overseas at the taxpayer's expense.

I have ambivalent feelings about the proposed limitation on earned income from sources other than the Member's congressional salary. I have never had an outside salary since I became a Congressman, but I sympathize with the financial burdens of Members who must support large families and need two separate residences, one in Washington and one in their home district.

My preference would be to permit Members to retain outside income, with full and complete disclosure of all such income to the public.

With your permission, Mr. Chairman, I would like to insert a recent Washington Post article on this subject after my statement is concluded.

In summary, I support this resolution, with the exception of the reservations I have stated above, because the American people need concrete evidence that they can trust the financial ethics of their elected representatives.

Mr. ASHLEY. Mr. Chairman, I want to express my strong support of the entire resolution on financial ethics being considered today. I have examined the recommendations of the Commission on Administrative Review in detail. I am persuaded that House Resolution 287 is a positive and reasoned effort to strengthen the existing House rules on financial ethics. Chairman OBEY and the Commission members are to be congratulated for a job well and promptly done.

The various changes and additions recommended by the Commission will stand on their own merit. Without context, these modifications are long overdue. Nonetheless, I feel it is critical that this House act swiftly and responsibly on the resolution, in the wake of eroding public confidence occasioned by the recent pay raise fiasco. The public is outraged with the "back door" method employed to secure the raise, and many are upset with the raise itself. I opposed the method of granting the raise and will press to insure that it cannot happen again. We must be mindful of our reduced credibility in considering this resolution. The handling of the pay raise was a dangerous error of omission. The public will not now tolerate a reckless error of commission in the consideration and handling of the Commission's ethics proposals.

Several titles dealt with by the Obey Commission bear separate discussion and, in some cases, different levels of emphasis and support. Notwithstanding that fact, there is an essential thrust to the entire package which will offer clear guidelines to Members of Congress and adequate assurances to the public.

In my judgment, the most important title of the resolution relates to the stiffened and detailed requirements for financial disclosure. The crux of the bill is contained in those provisions, for without meaningful financial disclosure, any set of guidelines for financial ethics would be largely unenforceable. Title I has provided for the disclosure of financial data relating to income, gifts, reimbursements, holdings—of property in a trade or business or for investment purposes or the production of income, debts, securities transactions, and real estate. The disclosures must now be made by not only the individual Member, but also their spouses—in most instances—the officers of the House, their principal assistants, the professional committee staffs and, importantly, congressional candidates.

The disclosures required have base amounts in most categories which are exempt from reporting. These bottom-line figures are reasonable, as they preclude the reporting of de minimis interests. If anything the base amounts err, as they should, on the side of caution.

I might also say that I believe the Commission has adopted a set of exemptions within the disclosure provisions that are realistic—specifically with regard to gifts. It is my current understanding an amendment may be offered to eliminate the exemptions under the gift section, both here and in title III. I will oppose the amendment. The three classes of gifts exempted from reporting by the Obey Commission are:

First, gifts from relatives.

Second, gifts having a value under $35.

Third, gifts of personal hospitality.

Certainly it is difficult to quibble with the exemption of gifts from relatives; the reporting problem would be staggering, and no one should be expected to spend the better part of Christmas morning with a notebook making estimates. That same rationale supports the exemption of gifts having a value of under $35 from nonrelatives. There is really little possibility of abuse here, and the reporting problems in terms of both paper work and valuation are enormous. With respect to gifts of personal hospitality, I am persuaded that the Commission has adopted a rule which is realistic, because of the tightly drawn definition of "personal hospitality." The hospitality must be extended by a person, not an organization or corporation, and it must be extended for a nonbusiness purpose to qualify for the exemption. Further, it must be extended at the home of the individual or on property or facilities owned by that individual or members of his immediate family. Clearly, these are ample protections against abuse, and the exemption would preclude the reporting of routine acts of friendship by personal friends.

What emerges from title I generally, is a stringent set of requirements for financial disclosure that will operate both as a deterrent to a Member tempted to stray from ethical paths, and will serve as a valuable information source for the public in the examination of the nature and categories of value of an individual Member's financial background.

The second major area of the Obey Commission recommendations is rapidly becoming the most controversial title in the resolution. Namely, title II: Outside Income. The provision of title II is simple: The banning of earned income in excess of 15 percent of a Member's annual salary, $8,625, and a limitation on honoraria for speeches, articles, and the like to $750 per occasion. At the same time, title II does not prohibit or limit the accumulation of income from family farms, family businesses, and closely held corporations where the Member or his family holds a controlling interest, so long as the involvement of the Member is not a significant income-producing factor. These amounts are regarded as "returns on equity" and permissible.

I favor the limitation and the distinction, notwithstanding the fact that it will limit my income and not some others. In fact, I welcome the restrictions and believes them to be reflective of recent experience and mindful of the potential for abuse. The Commission's recommendation is based on the reality that earned income involves, inevitably, a significant expenditure of time, while "return on equity" income does not—in most instances. The distinction recognizes that being a Congressman is a full time job, and that is a long overdue congressional statement.

Much controversy has been generated by the amount of the ceiling imposed by the Obey Commission recommendation. I am advised that there may be an amendment offered to increase the ceiling on earned income to $15,000 annually from the 15-percent limitation, $8,625. I support the 15-percent ceiling and will oppose any amendment to increase should it be offered. I might say that in my 23 years in Congress I have generally been within range of the Obey Commission earned income limitation. While I have never considered it proper to practice law or permit my name to be associated with a law firm while in Congress, I have earned additional income in the form of honoraria for speeches, and so forth. In the past several years these amounts have exceeded the Obey Commission limitation, though not by much. The reduction will hardly be a hardship, however, to me or any other Member of Congress, given the generous—and deserved in my judgment—raise of last week. And, quite frankly, I will welcome the additional weekends with my family that the 15-percent ceiling will give me

Some have proclaimed that the distinction of the Commission permitting the accumulation of "return on equity" income will turn this House into a haven for inherited wealth. Such an argument is nonsense. Initially it ignores the 29 percent salary increase of last week; with the 15 percent earned income provision it is not only possible but likely that the average Congressman will earn in the vicinity of $66,000. But such an argument also mistakenly assumes that it is the business of Congress to exercise some sort of leavening process on the financial levels of its Members. This clearly was not intended by the framers of the Constitution.

Title II permits, as it should, only the most incidental encroachments on the time of a Member of Congress. It greatly circumscribes the potential for abuse, by eliminating the opportunity to earn significant amounts of outside income. I support its provisions without qualification.

Titles III through VI are likewise worthy of support. In title III, for ex-

ample, the Commission has improved upon House rule 43 adopted in 1968, by eliminating the definitional guesswork contained in those guidelines. There is now a specific dollar maximum—$100—permited in any 1 year; and, it is clear that a "* * * person, organization, or corporation having a direct interest in legislation before Congress * * *" includes, though is not necessarily limited to any person or organization required to register under the Lobbying Act of 1946.

I might also say that title III continues the gift exemptions that I discussed in relation to title I, and I believe them to be sound exemptions for the same reasons expressed supra. Finally, with respect to title III, I commend the Commission for requiring that Members now treat all proceeds from testimonial dinners or other fund-raising events as political contributions. The language is simple and easily understood. It will preclude the regrettable practice of transferring these funds to personal or office use.

Title IV bans unofficial office accounts, regardless of the source of funds therefor. To this I can only say "Amen." It has never been an acceptable or efficient way to conduct official business, and it is clearly a potential breeding ground for abuse. As to the proposed increase in office expense allowances to $5,000, I feel that in many instances this is justified. Accordingly, I will support the provision. I might say, however, that some subsequent consideration might be given to reviewing office expenses on a periodic basis, and the filing of more detailed expense forms. But as it stands, the additional funds are suitably earmarked for constituent-related services.

Briefly, I might add that title V places some sound restrictions on the use of the franking privilege, and title VI limits foreign travel under certain circumstances. In both cases, these restrictions are overdue and I support them.

The various recommendations of the Obey Commission must be adopted with dispatch. They will have significant and early impact on all of us, they are firmly grounded in reason and practical experience, and their passage will help to restore public confidence in the operations of Congress, and Congressmen. Certainly all of us might offer slight modifications of the individual recommendations contained in titles I–VI. What must concern us now, however, is that there is a consensus among the American people and, I think, among Members of the Congress, for the responsible strengthening of the rules on financial ethics. The recommendations offered by the Obey Commission will have this net effect and I urge the early passage of the entire resolution without amendment.

Mr. PATTERSON of California. Mr. Chairman, I rise today in strong support for House Resolution 287, to establish a new code of financial ethics for the House of Representatives.

Many of us have been advocating institutional reform for some time and although some progress has been made, it is clear that abuses such as bribery, conflict of interest, and the misuse of public funds, continue to cast a shadow over Congress. We have the opportunity to enact a code of ethics which will help to restore the public trust by requiring adherence to the highest standards of official conduct.

I urge my colleagues to support House Resolution 287 which comprises the recommendations made by the House Commission on Administrative Review.

FINANCIAL DISCLOSURE

The most necessary of all the reforms outlined in House Resolution 287 is a comprehensive financial disclosure requirement for Members of Congress and their principal aides. Although I have voluntarily made public my financial condition, the mandatory requirement is vital. House Resolution 287 requires a yearly statement to be filed with the Clerk of the House of Representatives and made available for public inspection. To insure public access, the comprehensive statement will be sent to the secretary of state in the State of each Member and will be published as an official House document.

LIMITATIONS ON OUTSIDE EARNED INCOME

The common practice by many Members of Congress of supplementing their income with outside earnings such as earnings from speeches and business activities has been open to much abuse. House Resolution 287 will limit the amount to be earned to not more than 15 percent of a Member's salary. I will oppose any efforts to amend this provision to increase the outside earnings limit.

LIMITATIONS ON GIFTS

House Resolution 287 prohibits House Members from accepting gifts totaling to more than $100 in the course of a year from any person, organization, or corporation having a direct interest in legislation before Congress. This provision will insure against any conflict of interest which could arise from the acceptance of gifts.

ABOLISHMENT OF UNOFFICIAL OFFICE ACCOUNTS

The need to do away with unofficial office account which are used to supplement existing funds appropriated by Congress for newsletters and constituent services will insure against misuse of these funds for political and private purposes.

CONGRESSIONAL TRAVEL

House Resolution 287 prohibits travel by "lame duck" Members of Congress and prohibits any Member from being reimbursed for official travel expenses from more than once source.

THE FRANKING PRIVILEGE

The franking privilege regulations are strengthened in House Resolution 287 to insure against abuses. The changes include limiting franked mass mailings to six district-wide mailings each year and prohibits mass mailings 60 days prior to an election in which a Member is a candidate.

Although this ethics code will not completely eliminate conflicts of interests or guarantee that the power of public office will never be abused, it will reduce financial ethics abuse and provide the necessary information with which to allow the electorate to make an informed choice at the polls. House Resolution 287 is an important step in restoring public confidence in Congress.

We cannot hope to deal effectively with the problems facing the Nation until we have regained that confidence. I urge swift approval of House Resolution 287.

Mr. ALEXANDER. Mr. Chairman, a recent national poll showed that standards of behavior in political life ranks sixth among issues that most concern the American voting public. While this sixth place standing—after inflation, unemployment, welfare reform, tax reform, and Federal spending—is a sharp decline compared to where standards of behavior were ranked during the height of the Nixon impeachment era, that same survey, in rating Congress on their ethics, ranked Congress eighth. The poll rankings on ethics are as follows:

First, consumer action groups;
Second, television news people;
Third, newspaper people;
Fourth, White House;
Fifth, State Governors and their administrations;
Sixth, State legislators;
Seventh, farm organizations;
Eighth, Congress;
Ninth, those who run major corporations; and
Tenth, leaders of organized labor.

The erosion of public confidence in the integrity of public officials and government institutions is an understandable reaction to the abuses of authority of recent years. It is widely believed that a strong code of ethics is essential to help our citizens recover confidence in their Government and regain the faith and trust they have a right to be able to feel in the workings of the Congress.

House Speaker TIP O'NEILL recently said that "what America needs most is to restore confidence in the Government."

We cannot work together as a nation if the people do not have a basic trust in their Government. A first step toward recovery of that trust is passage of a strict ethics code for Members of Congress.

Today we have before us such an ethics code. Included in this code are the following provisions:

First. Require full financial disclosure of income gifts, reimbursements, liabilities, and general financial holdings.

Second. No gifts aggregating $100 in value may be accepted from any person having a direct interest in legislation.

Third. All unofficial office accounts, including newsletter funds, are to be discontinued and official accounts adjusted accordingly.

Fourth. No political funds may be converted to personal use.

Fifth. The frank may be used only for that material produced at public expense.

Sixth. All lame-duck travel is to be abolished.

Seventh. Outside earned income be limited to no more than 15 percent of the aggregate salary and an individual honorarium is limited to $1,000 for each occasion.

All of these reforms are essential, I believe, to reach the goal of a more open and accessible Congress whereby the voter can more easily learn what kind of

job his elected representative is doing and how it is being done and paid for.

Basically, I think most Americans subscribe to the view that because Congressmen hold high offices of public trust, Congressmen should be expected to maintain higher ethical standards than other citizens.

The Congress must, I believe, provide the leadership and pave the way if all institutions of government that have lost faith with the people are to do likewise in adopting strict codes of ethics.

I urge my colleagues to support these reforms.

Mr. MITCHELL of New York. Mr. Chairman, we can talk all day and into the night about and around the issue before us, but the simple, unescapable fact is Congress needs a more effective code of conduct. A code of conduct that is specific and not couched in vague generalities. A code of conduct that provides the American public with a measure of assurance of our accountability. A code of conduct that is clear and precise in what is required of us who are privileged to serve in elective office in our Federal Government.

The recommendations of the Commission on Administrative Review are deserving of the most careful consideration. They were developed after long, hard study which included lengthy discussions with Members of Congress and detailed surveys of the public sentiment. I was among the many who cooperated fully with the Commission by sharing observations and experiences and offering suggestions for reform. Others willingly came forth with their advice.

In the final analysis, what we have before us is the product of a determined effort on the part of many people, within and without, to help us put our House in order. Now it is for us to follow through with positive action.

Several areas of major reform dealing with such sensitive and important matters as financial disclosure, administration of accounts, use of special privileges, the acceptance of gifts and foreign travel are each of sufficient importance to warrant individual attention.

I am a strong advocate of full financial disclosure on the part of Federal officials in senior levels of responsibility in all branches of our Government. The public has the right to know our sources of income, major indebtedness, financial involvement and holdings. More than ever, this information must be available for the close scrutiny required to give our employers—the people—the assurance they seek that conflicts of interest, real and potential, are nonexistent.

I am very much in favor of the Commission's recommendation that we file a financial statement identifying the source and amount of income, including honoraria, totaling over $100 from a single source.

Likewise, I think the public accountability intent is well served by requiring that we include in this financial statement a lisitng of holdings or real estate—except personal residences—valued at $1,000 or more; debts of over $2,500, except mortgages on private residences; and securities transactions over $1,000. This information should be made available to the public.

Mr. Chairman, there has been much discussion in recent weeks about the outside earnings of Members of Congress. The attention has been focused on what level of such earnings should be permitted with particular attention being paid to earned versus unearned income.

The job of a Member of Congress is and should be full time. For my part, except for proceeds from writing, I do not think a Congressman should earn income through other employment while serving in the House of Representatives. Some may view this as an unrealistic approach. I do not think it is.

Of course there must be a differentiation between earned and unearned income. My objective is to prevent a diversion of time and talent from the job of a Congressman to extensive outside activities designed to add to one's income by the continued performance of services. In short, Congressmen should not be "moonlighting." Of course what is referred to as unearned income—dividends from investments, payment for the sale of property, businesses and the like should be allowed. I do not know of any group that is arguing to the contrary.

Let me summarize by saying the mood of the people is one in which reason prevails and that reason leads them to conclude, and I think rightly so, that Members of Congress should be Congressmen and public servants full time. Period.

Much attention has been paid to the gifts portion of the Commission's recommendations. It is an attention grabber because I think in the public's mind there is a conception of Government officials being laden with gifts of great value from a wide variety of sources. It is not that the people think Santa Claus is in residence year around in our Nation's Capital, it is just that an understandable cynicism has developed over the years as a result of accounts of influence peddling.

It really does not make much difference that very little influence is peddled—we can all testify to the fact that such cases are isolated—it is that under the present system it can happen. This should not be. We must remove the cloud of suspicion.

The Commission approach gets right to the point by prohibiting any Member, officer, or employee of the House from accepting gifts totaling over $100 in any calendar year from any one foreign national or any person having a direct interest in legislation before Congress. This includes registered lobbyists.

In another area, dealing with the administration of Members' accounts, I think it proper to require the submission of vouchers for every item of expense involving official funds. These records should be available to the public.

It also makes sense to me to place a limit on the number of districtwide mailings we are permitted each year. One of our major responsibilities is to keep those we are privileged to serve informed on events in Congress and our activities as their elected representatives. However, we should not be permitted an unlimited opportunity to flood our constituents with mail. The Commission-recommended limitation of six districtwide mailings per year allows us to fulfill our responsibility without abusing the privilege which makes it possible.

A thorn in the side of many for a long time has been the reports of so-called "lame duck" travel. People find it hard to accept claims of value received for the expense of flying defeated or retiring Members of Congress to distant foreign points on official business after the last Congress in which they have served has adjourned. I agree with the people.

I am not opposed to congressional travel abroad on official business. Although I have not had occassion to do so since coming to Congress more than 4 years ago, I fully recognize the value of some of these missions. But I think the travel should be confined to those with continuing responsibilities in the Congress.

Finally, I think we should come to grips with a situation that is out of hand and a source of great irritation to so many. I am speaking about the manner in which pay questions are handled by Congress. To get right to the point, by our action on this reform package we should make it mandatory that there be a vote on all future pay increase recommendations. Let us have no more of this avoiding the issue and turing our backs on our responsibilities.

The actions on the most recent pay increase, although now part of history, are still vivid in our minds. Even the casual observer of Congress knew full well that a vote on the floor of the House of Representatives was not in the cards. Decisions made outside this chamber guaranteed a nonvote.

In the future, let us make certain that a proposed pay raise comes before the House for a recorded vote.

In summary, Mr. Chairman, let us move ahead with reform. Let us put our House in order. Let us do our very best to restore public confidence in this great institution and those of us who have the honor and privilege of being a part of it. The recommendations of the Commission contain the essential parts of the vehicle to carry us forward on this important journey.

Mr. WIRTH. Mr. Chairman, I rise today to urge the full support of my colleagues for House Resolution 287, the new code of financial ethics proposed by the Commission on Administrative Review. As you are all aware, the Congress and its integrity are looked upon with considerable skepticism by the public. The poll conducted for the Commission by Louis Harris and Associates, Inc., showed the public rated the ethical behavior of Members of Congress ninth out out 11 key institutions. Only corporate and union leaders did worse than Members of Congress. Whether or not these perceptions are real, it is a sad moment, indeed, when the leaders of this country are perceived so poorly by the electorate. We must act now, and continue to act, in a meaningful way, if we are to prove ourselves worthy of public confidence.

House Resolution 287 can help to do that. Full financial disclosure must be

the cornerstone of any serious reform movement. The financial disclosure section of House Resolution 287 generally follows a resolution that Representative KASTENMEIER, myself, and other Members introduced last year. It would require full financial disclosure by Members and officers of the House, their principal assistants, and the professional committee staffs. These disclosures must also be readily available to all legitimate inquiries, not hopelessly buried in a maze of redtape. With these disclosures available, the public will have a sounder basis for judging a Representative's conduct. I have always voluntarily disclosed all of my personal finances, as have a number of other Members, to assure constituents the public interest—not personal interest—was being served.

The $100 aggregate limit per year on gifts to Members of Congress from "any person, organization, or corporation having a direct interest in legislation before Congress" is another provision of the Commission that should be singled out for special praise. Last December, Representative KASTENMEIER and myself proposed to the Democratic Caucus that it accept such a limit.

With your help, Mr. Chairman, the $100 limit was then proposed to the Commission for their consideration. They also felt it a good idea and have included it in House Resolution 287. Excluded from this limit are gifts from a Member's family, gifts under $35, and gifts of personal hospitality. Quite correctly, the Commission has included a very strict definition for gifts of personal hospitality. One hundred dollars is a very reasonable limit; a few small bookkeeping inconveniences are far outweighed by the importance of increasing the accountability of the Members, and thus increasing public confidence in Congress.

Mr. Chairman, the proposal of the Commission to limit outside earned income to 15 percent of the Member's salary is adequate if not generous. The recommendation to extend to 60 days before a general election the ban on franked mass mailings by a Member is excellent, and one that I voluntarily followed in last year's election. This limit helps remove the political advantage the franking privilege has afforded incumbents in their bid for reelection.

The one other section of House Resolution 287 necessary to single out and recommend to the other Members deals with private office accounts. I have had to maintain such an account since elected in 1974. Under existing laws, there simply was not enough money available to run my office adequately. The account has never exceeded $3,000 and was funded primarily out of my own pocket. It has been used for such things as subscriptions to newspapers and magazines relevant to my committee assignments, dues to official House organizations that study legislation, and other assorted office-related expenditures, all of which I publicly disclosed. House Resolution 287 will provide additional office funds and will remove any need for maintaining such a private account.

As is always the case, the questionable and secret use of such funds by a few Members of Congress has resulted in much understandable public concern about all such accounts. The proposed funding increase for official expenses is the correct solution to this problem. An important thing to note here is that the added cost of the increase in office accounts will be more than offset by the savings realized by making all postal patron mailings third-class mail instead of first class, as is the current practice. The Commission has also recommended this change.

Mr. Chairman. the issue here is one of trying to end any special influence with a Member that money could buy for an individual, corporation, or special-interest group.

We have come to grips with two of the three major reform issues now facing the 95th Congress: the removal of Chairman SIKES and House Resolution 287. Mixed private-public financing of congressional races is the third. The cancer of money in politics is clearly seen in the current way in which groups—through the ability to purchase elections and influence political outcomes—can have influence far beyond their legitimate stake in the society. We have seen public financing work successfully in the Presidential race, and it is time to apply this concept to congressional races. This is the only way that the undue influence of "big money" can be removed from Congress, and I have been working with Congressmen MORRIS UDALL and JOHN ANDERSON in the drafting of this legislation.

Mr. Chairman, the ethics code passed in 1968 was a sham. Its financial disclosure code was riddled with loopholes and was an attempt to sidestep the issue. The public realized this, and, accordingly, respect for this institution has dwindled.

The merit of House Resolution 287 stands on its own. That the Federal Commission felt it necessary to tie the adoption of a strict ethical code of behavior to the pay raise is the last straw—we must act now.

I strongly recommend a positive vote for this resolution. The problem of congressional reform does not end with the passage of House Resolution 287; a different method for financing congressional races must be made available to all legitimate contenders. We have been given the privilege and honor of representing our constituents' interests, and we must live up to that trust. We must help restore public confidence in the institutions of government, and to do so we must begin with our own house.

Mr. BLOUIN. Mr. Chairman, 8 months ago, this body established a Commission on Administrative Review, the so-called Obey Commission, and charged it with the heavy responsibility of drafting recommendations which would reform the House accounting system and personnel procedures.

Many of my colleagues, I am sure, recall very well the circumstances under which the Commission was created. It was, to say the least, a rather difficult time—a sad time, quite frankly, for the Congress and those of us who serve in Congress. The apparent misuse of official funds by some Members of this body weighed very heavily on the public's mind, adding even further to the sorry state of public mistrust about Government in general and the Congress in particular.

Recalling the crisis of confidence we faced then, and the lingering impact of that crisis over the past 8 months, it seems to me that very little the Obey Commission has done or will do can overshadow the financial ethics code we have before us today. Perhaps nothing the Commission might propose will be more important in preventing financial scandals, in establishing fair and honest financial accountability, and in beginning the long, difficult and challenging task of rebuilding public confidence and trust in Congress.

It is no surprise that we do not all agree unanimously on the Commission's recommendations. That stands to reason. Obviously, some of my colleagues object more strenuously than others; some for good reasons, others, it seems to me, for petty political purposes or personal gain.

What matters is that the overwhelming majority of Members must realize the need for such a code of ethics. Few Members, I think, can doubt that the integrity and credibility of the House is on the line. Few can deny that the public, that our constituents, demand and deserve this kind of reassurance—and if we have any doubt about that, we would do well to recall the results of the Louis Harris survey conducted for the Obey Commission: By an overwhelming margin of 87 to 10 percent, people surveyed by the Harris organization agreed that, in the survey's words, "because they hold high offices of public trust, Congressmen should be expected to maintain higher ethical standards than other people." By a margin of 78 to 14 percent, the people surveyed concurred with the House leadership's decision to place ethics reform at the top of the priority agenda for the 95th session. But what is perhaps even more revealing is the fact that a plurality of people surveyed—48 percent—did not believe Congress could bring itself to pass meaningful ethics reform.

What matters, too, is the very practical fact of life that we face today a do-or-die situation. This is our only real chance. Either we approve the ethics code, as recommended by the Obey Commission and presented in House Resolution 287, or we forfeit the chance to enact any kind of meaningful ethics code. However much we may wish to amend the proposed code—to strengthen it—we must settle for what we have, which is not to say that we must settle for second best, because I am convinced that the code, as proposed by the Commission, is very good.

Personally, I believe the proposed code could be strengthened somewhat. The Iowa Senate, in which I served for 2 years, was a pioneer in passing a financial ethics code. Today, for instance, that code includes a very careful and very clear procedure for determining when a member of the Senate has a conflict of interest between a matter of public policy and his personal business or financial affairs. It requires that a member with

such a conflict must clearly explain the nature of the conflict before the full Senate or a committee on which he is working. I find that kind of provision missing from the Obey Commission's report, although I think it could have been a very positive addition.

Nevertheless, I declined to offer an amendment which would add it and I declined to support the motion for an open rule which would have permitted such amendments. I am convinced that our individual and personal complaints about the proposed code must give way now to a consensus which is enlightened enough to recognize how significant it is, despite its shortcomings, and which is broad enough to pass the resolution as it stands, despite the efforts of some Members to defeat it for personal or political expedience.

The financial ethics code proposed by the Obey Commission is tough. It demands a measure of sacrifice—more for same Members than for others. It speaks directly and effectively to the problems which undermine the public's confidence in Congress: the absence of comprehensive financial disclosure, the extravagance of outside incomes and gifts, the existence of unofficial office accounts, the abuse of official travel and the franking privilege.

Moreover, the proposed code recognizes that time—not money—is the critical factor. It recognizes that being a Member of Congress is a full-time job which requires full-time attention. In short, it recognizes what the American people have felt for some time. A clear majority—54 percent—according to the Harris study, feel that "Congressmen should give up their private careers and devote full time to Congress." By a margin of 68 to 30 percent, people surveyed said they felt very strongly about that.

I urge my colleagues to consider the repercussion if we fail to pass this code—to consider the message we would be sending to the American people if we reject this code of ethics. It would be an exercise in arrogance perhaps unparalleled in the recent history of the House.

We have a moral responsibility to enact such legislation and I am hopeful that when we have finished debating the pros and cons of this specific code, we will pass it with some enthusiasm and certainly with a commitment to the principles which it embodies.

Thank you. Mr. Chairman.

Mr. LUNDINE. Mr. Chairman, thank you for the opportunity to address this body on the question of the ethics code which we are considering today.

I have always believed that public officials should be open to absolute scrutiny. That is why I voluntarily made a financial disclosure statement last year and cosponsored H.R. 1, the Financial Disclosure Act, this year. In order to avoid conflicts of interest or even the suspicion of impropriety, public confidence in legislative institutions dictates the necessity for full financial disclosure. I believe the disclosure requirements in the ethics resolution today are fair and just and I urge my fellow Members to support this provision.

The limit of 15 percent of a Members' salary on outside earned income is another measure which I support. Being a Member of Congress is a full-time job and while I had urged in testimony before the Obey Commission that all outside earned income be eliminated, the 15-percent limit is a reasonable and fair compromise. Even if there is no misconduct, such sources of income can give the appearance of impropriety and thus further undermine public trust and confidence in the Government.

The elimination of lame duck travel for defeated and retiring Members is long overdue and I support it wholeheartedly. In addition, I would urge that Members should be required to submit detailed reports on all official travel.

The limitation of gifts, aggregating $100 or more in any calendar year, is another provision which receives my unqualified support. Conflicts of interest can arise from the acceptance of gifts and this $100 limitation would reduce the potential for such conflicts. In my own case, I have made it an office policy not to accept anything over $5 in value.

Mr. Chairman, we still have a long way to go in restoring public trust in this institution. By adopting this ethics legislation though, we are taking an important step in the right direction, and I earnestly hope that the House approves this measure.

Mr. DON H. CLAUSEN. Mr. Chairman, I will be voting for the so-called code of ethics legislation here today. I do so with misgivings but in the hope that it will bring about a higher level of ethics on the part of all Members of Congress. Only time will tell whether or not this objective can be realized.

Frankly, I'm not completely satisfied, even though I will vote for the measure, that, in the long run it will really serve to strengthen representative government and the Congress in the future must monitor this closely.

I am deeply concerned about the potential loss of personal independence for future Congressmen. The most persuasive argument I have heard has been made by our friend from New York, Mr. OTIS PIKE. We must guard against making this representative body and its membership totally dependent on pressure groups for their future political successes or that only rich people can run for office.

Mr. CLEVELAND. Mr. Chairman, House Resolution 287 is the result of a great deal of talk recently about reform of Congress generally and congressional ethics in particular. As with other reforming legislation to come out of Congress since the so-called Hays scandal, this resolution, in great part, was formulated on insufficient and inconclusive information, and at substantial expense to the taxpayer.

The Commission on Administrative Review, established last year, has conducted a series of inquiries into the administrative operation of the House of Representatives. In its review of the financial ethics of the House, the Commission recommended proposals dealings with financial disclosure, outside income, gifts, unofficial office accounts, franking privileges, and travel. These proposals are enbodied in House Resolution 287.

While I support the objectives of House Resolution 287, dealing with financial disclosure, gifts, and travel, I question the fairness of limiting outside earned income when no limits are proposed on investment income. I am unalterably opposed to increasing the official expense allowance in apparent return for encouraging certain Members to vote to abolish so-called unofficial office accounts.

OUTSIDE INCOME

The Commission's recommendations divide the issue of outside income into investment income and earned income. For reasons not yet clear to me, the Commission takes the view that conflicts of interest generated by a Member's outside investment income can best be deterred through detailed disclosure and the ultimate discipline of the electoral process, while, on the other hand, these safeguards are not adequate to deter conflicts of interest generated by outside earned income.

House Resolution 287 goes further. It places a limitation on the amount of outside earned income a Member may receive, but outside earned income which a Member may receive from family farms, family businesses, and closely held corporations where a Member or his family holds a controlling interest, is termed "return on equity" and is not subject to the earned income limitation. The logic behind this distinction escapes me. The influence, if any, of outside income on a Member's performance is undesirable regardless of the source of that income. We should not treat certain Members differently on this subject by arbitrarily calling the same thing by two different names and expect the public to think we have enhanced the credibility of the Congress. We may be doing just the opposite.

UNOFFICIAL OFFICE ACCOUNTS

House Resolution 287 abolishes unofficial office accounts, those accounts established by certain Members with funds other than official allowances or personal funds and used to defray necessary expenses relating to their responsibilities as Members of Congress. The Commission found that approximately 40 percent of 150 Members surveyed maintained such unofficial office accounts. The size of these accounts ranged from $300 to $60,000.

During my 14 years in Congress I have never maintained such an account.

Unfortunately, due to the procedural straitjacket placed on us by the closed rule method of consideration imposed by the Democratic leadership, I will be prohibited from voting to abolish unofficial office accounts. Included in the resolution is a provision to increase the official allowances by $5,000, but no amendment is permitted to this provision. Therefore, a vote to abolish unofficial office accounts would necessarily entail a vote for the $5,000 increase. This I am not willing to do. I do not consider it necessary to entice me to vote to abolish unofficial office accounts by swelling my

official allowance with $5,000 more of the taxpayers' money.

This is a good example of so-called reform with a price tag. Most of the reforms following the Hays scandal have added to congressional costs. In fact, the entire code of ethics we are considering now has been coupled by many well-meaning people with our recent outrageous pay raise. It would appear to suggest that Members of Congress have to get extra pay and allowances to conduct themselves and their offices in a proper and responsible manner.

Mr. BADILLO. Mr. Chairman, I have always supported the concept of congressional reform, and have been one of the strongest advocates for every bill that would create a fair and open Congress. And so it is disturbing to me to find myself in the position of having to vote against title VI of House Resolution 287, part of a bill designed to establish a new code of financial ethics in the House of Representatives.

The Obey Commission has worked long and hard, and they have indeed attempted to deal equitably with many questions and issues relating to the conduct of this body. On the whole, they have fulfilled their mandate, and done so with credit to itself—and to us. However, in one area they have not created a change, but, in fact, have perpetuated one of the gravest inequities in House ethics rules—the failure to treat all earned and unearned income equally. Under this resolution, earned income is limited to 15 percent of a Member's salary, while unearned income—interest, dividends, stocks and bonds, et cetera—has no limits placed on it. This makes no sense.

The President of the United States has mandated that his Cabinet members, as well as himself, place their outside incomes in trust for the length of their tenures. As you know, the President has extensive farm holdings, which he leased at a fixed rate of interest until he leaves office. His financial interests are now being administered through an independent trustee to assure that his political actions will not be used to advance his financial gain. In the same way, his Cabinet Secretaries have established trusts, just to avoid any implication of conflict of interest. Mr. Chairman, if such trusts are good enough for the President and his Cabinet, then they certainly should be good enough for the Members of this body. I object strenuously to the arbitrary fashion in which, under the cloak of reform, an artificial difference has been established between earned and unearned income.

Prior to the adoption of the rule under which we are debating this bill, I had planned to introduce an amendment to this resolution that would have extended the 15-percent limitation to unearned income as well as earned. My amendment would have required that no Member of Congress, while in office could receive outside income—of whatever nature—in excess of the congressionally established limitation. Unearned income in excess of this amount would be placed in a trust established for the administration of such funds. The trustee administering the trust could not be related to, or under direct control of, the Member for whose benefit the trust was established. Of course, while in office, the Member would not have access to these funds. But they would become available when they left office.

Mr. Chairman, I believe that all of us who serve in Congress—whether we have inherited or accumulated wealth, or are dependent only on our salaries and earnings—should receive equal treatment and enjoy equal opportunity under the congressional code of ethics. The rule proposed for the debate would not permit me, or my colleagues, to express this point of view by offering an amendment to title VI. Therefore, I must vote against title VI. I urge that all of my colleagues who are genuinely concerned about meaningful congressional reform join me.

Mr. MAHON. Mr. Chairman, I believe that ethics legislation is in the public interest. I strongly support full financial disclosure for public officials, limitations on outside income a public official may earn, stricter accounting for campaign funds, and strict separation of funds for personal, political, and official expenses.

However, Mr. Chairman, there is an item in the legislation before us today that I believe moves in the wrong direction. This is the $5,000 addition to the allowance for official expenses. In my opinion there is no justifiable need for this addition. Presently, $2,000 is provided for this account. This should be ample to meet the legitimate needs for which the account was intended.

The unique parliamentary situation prevents voting against the $5,000 increase without also voting against provisions which would abolish so-called office slush funds and which would prevent the conversion of campaign funds to personal use.

Although I am totally opposed to the office slush funds and the conversion of campaign funds to personal use, I will vote to strike title III because I strongly oppose the $5,000 increase. This is not to say that I am unappreciative of the dedicated efforts which have been made by the Commission to improve congressional ethics. An important step is being taken in the right direction.

Ms. OAKAR. Mr. Chairman, I want to say at the outset that I have been listening to the debate on the Obey Commission report for most of this afternoon, and frankly, I have been somewhat amazed by some of the comments I have heard. To hear some of the Members speak, you would think the Commission has called for Members of Congress to take vows of poverty.

I would point out to my colleagues that with the pay increase granted last month—granted, incidentally, over the objection of myself and numerous other Members—Members of Congress now are in the top half of the top 1 percent of all income earners in this country. Imagine that: The pay of Representatives is higher than that made by over 99 percent of the people of this country!

And when I speak of the pay of Members of Congress placing them in this income bracket, I am referring only to the pay given to us from the U.S. Treasury—not any of the other income Members earn from other businesses.

Thus I cannot view the Obey Commission proposal of limiting outside income to 15 percent of our salary as being a drastic or uncalled-for measure. In fact, I regret that the Commission did not go further and impose a limit on income from investments also.

I do, however, intend to vote for the Commission recommendations, because I view them as an important first step in establishing an ethical code for the House that will help begin to restore public trust in this body. Particularly with the pay increase granted last month, and the tactics used to put it into effect without a vote of this body, action to establish an ethical code now is essential. Thus I support the Obey Commission reforms, I look forward to action in the future to broaden and strengthen them, and I urge my colleagues to join me in voting for them.

Mr. ROBINSON. Mr. Chairman, I have no quarrel with a number of the Obey Commission's recommendations to help assure decent Congressional standards and behavior. The real wonder is, in fact, why it should have taken the liberal leadership here so long to permit us to ban foreign travel by lame ducks, to ban so-called double dips into expense account funds, to ban the use of campaign contributions or office account money for personal benefit. These are unjustified practices that should never have been allowed in the first place.

Moreover, I think the new limits on franking—six districtwide mass mailings per year: none within 60 days of election—should provide some relief to overburdened taxpayers—even though I have never once authorized nearly so many mass mailings annually to constituents throughout my district from my congressional office. I have no objections to the new limits on honoraria—$1,000 per honorarium, speech, articles, and so forth—or to strict limits on gifts by those with a direct interest in pending legislation.

As debate begins on the so-called ethics package, my real complaints center on those important matters of ethics that are left out and ignored altogether, as well as with certain serious flaws within the package of recommendations itself—such as the wholly unjustified $5,000 increase in each Members' office expense allowances.

For example, most if not all conservatives believe a recorded vote should be required for any salary increase that applies to Members of Congress and that any such increases should be deferred until the next Congress is seated as the best means to avoid conflict-of-interest questions. Permitting the voters to know how a Congressman actually votes on a salary increase that benefits himself is an elementary matter of ethical practice, in my judgment. I also share the view of many conservatives that all congressional expenses should be regularly audited as a safeguard against the misappropriation of public funds or their misuse. We believe the personnel system should be broadly reformed in the House of Representatives so that there

can be no chance that political cronies or personal, but unskilled, friends of Members can be put on the public payroll improperly, as has happened in the recent past.

Yet unbelievably, not one single one of these matters is included in the ethics package to be voted upon today. That is why, in important respects, this ethics package can be termed a sham.

As to the serious flaws I mentioned, one of the most serious certainly is the Obey Commission's recommendation, as provided in House Resolution 287, to increase the allowance for official expenses from $2,000 to $7,000. As a member of the House Republican Policy Committee, I take the liberty of quoting from our committee's policy statement about this matter:

> It requires the American taxpayer to pay the extra $5,000 for each Member as the trade-off for the abolishing of unofficial office accounts known as "slush funds." This is legislative bribery at its worst. Since 1971, the level of emoluments and perquisites bestowed on Members of the House by the Committee on House Administration in a non-public manner has increased by 150 percent. These handsome increases over the last six years hardly justify an additional $5,000 as the rationale for prohibiting the use of slush funds.

The truth is less than one-half or some 40 percent of the House Members have been maintaining these slush funds in the first place. But increasing the expense allowance by $5,000 per Member would mean another $2.2 bill to be picked up by taxpayers.

House Resolution 287 also places a limitation on "outside earned income" of not to exceed 15 percent of a Member's salary as U.S. Representative. This provision excludes "outside earned income from a family trade or business" and "unearned outside income." This provision appears discriminatory in favor of the rich Members of Congress with lots of dividends and interest money that could be excluded, and I regard it as unnecessary.

As our Policy Committee notes:

> The issue of "outside income" for Members of Congress is an issue for the voters in each congressional district to decide.

Finally, there are some financial disclosure requirements in the measure under consideration that seem unfair, unrealistic and possibly unconstitutional in violating rights to privacy, whether applied to Members of Congress or any other citizen in this free country.

It is certainly regretted that we were not successful in defeating the gag rule that accompanies this measure to the House floor. Those of us desiring broader, more genuine reform of the nature described should have the opportunity to vote on various amendments that have been prepared, but which will apparently not be permitted to be considered during this debate.

Mr. DODD. Mr. Chairman, I rise in support of House Resolution 287 to greatly strengthen the code of ethics of the House of Representatives, and I urge all my colleagues to join me in passing this most important reform measure.

With adoption of the reforms contained in this resolution, I believe we will be taking a major step forward in a highly desirable, but much-neglected, direction.

The proposals contained in House Resolution 287 are long overdue, and they must be approved if Congress is to demonstrate to the American people that it is truly serious about ethics reform and making the House even more accountable to the citizens of this country.

Only this demonstration will begin the process of restoring Congress credibility in the eyes of the people, Mr. Chairman. This faith in the institutions of American democracy must be reestablished for our Nation and its system of government to remain strong and viable.

The public trust granted to every Member of Congress requires adherence to the highest standards of official conduct, and the proposals contained in this measure before us will help set those necessary standards.

I strongly support the major proposals in House Resolution 287 which would severely limit outside income which could be earned by any Member of Congress and which would require extensive public disclosure of any Member's financial holdings and interests.

These provisions would minimize the potential for any conflicts of interest on the part of any Member between his public responsibilities and his private concerns. They also would serve to underscore the basic principle that, in this day and age, representing the people is a full-time job.

Congresspersons should devote their full efforts to this and not divert their attention to private financial interests. They also should deliberate the issues and decide how to vote on the measures before Congress free from any conscious or unconscious thoughts of personal gain.

I also might add, that in light of the recent pay raise to Members of Congress, there is even less reason than before for any of our colleagues to seek an outside source of income.

Mr. Chairman, the resolution before us resulted from more than 7 months of hard work by a panel of seven of our colleagues and seven distinguished private citizens. They were ably led by our colleague from Wisconsin (Mr. OBEY) and our colleague from Indiana (Mr. HAMILTON).

The ethics reform package developed by this Commission is a comprehensive and workable package. It also includes such worthy provisions as limitations on the acceptance of gifts by Members of Congress, abolition of the slush funds known as unofficial office accounts, limitations on the use of the franking privilege which, if abused, can cost our taxpayers great sums in unnecessary mail charges, and restrictions on the foreign travel of lameduck Members of Congress.

All these reforms should be supported, Mr. Chairman, and they should be supported as a whole package. Any amendments aimed at weakening them should be defeated.

I know that some of our colleagues will try to water down the resolution before us because they find fault with some of its provisions. I myself have some questions about some of the provisions in this measure, because I do not think they go far enough to limit outside income, and I shall address these questions in a few moments.

But I would say to my colleagues that this package should not be watered down, and that any amendments aimed at that must not pass. Some may not be totally satisfied with House Resolution 287, for a variety of reasons, but I think the important point to note is that it is a beginning toward ethics reform. It is a necessary first step which must be taken now.

We all know that if ethics reform must wait for a package that will satisfy everyone, we will never get that reform. And that reform is something which must not wait.

I believe that House Resolution 287 represents on the whole a constructive and meaningful fulfillment of the promise many of us made to our constituents last November, and when we first were elected, that we were going to reform the code of ethics of the House.

Let me state, however, that I do not believe that this should be our final word on ethics reform for this Congress. I believe we should go forward to improve on what we do here today, also. Ethics reform, and diligent defense against conflicts of interest, should be continuing concerns of the House.

In that regard, I would like to raise those issues which I think should be studied in terms of further strengthening our ethics code, and which, because of its many other responsibilities, the Obey Commission might not have had the opportunity to fully address.

First, I must agree with many of my colleagues who fail to see the actual distinctions between earned and unearned outside income—between salaries and investment income. I believe that both forms of income can lead to potential conflicts of interest and should be included under some sort of outside income limitation.

I fail to see how it is any less of a possible conflict when a Member knows a vote might indirectly help a firm in which he holds stock, as opposed to those Members who work a certain amount of time earning money through outside personal services.

Granted the latter is an active, possible conflict; the former might be a passive, possible conflict. However, I think the fact remains that the potential conflict of interest in either case could be equally corrupting.

Now I know how difficult finding a solution to the outside income problem will be, but I think more study must be done. I also know that there are legitimate questions about the efficacy of possible solutions to these problems, especially the one known as "blind trusts."

But the subject must be further deliberated because I do not believe the present distinctions remove as much of the potential conflicts of interest as possible.

In that area, I also think that further study should be made of whether, by simple legal means, any Member can

convert his outside salary into dividends on stock, thereby circumventing the spirit of the outside income limitations. This procedure has received quite a bit of press coverage, and I think the public should be convinced that we in Congress are aware of it and will not allow it to become a loophole in our carefully drawn ethics package.

I would hope that whatever committee is charged with interpreting and following up on these ethics reforms we vote today will devote some of its attention to these difficult questions.

The second issue I would hope this same committee, be it standing, select, or ad hoc, would further evaluate is that of tightening some of the definitions used in this ethics reform package. I am afraid that some of these definitions pose potential loopholes, and others represent incredibly burdensome requirements for those Members of Congress who truly are committed to living within the guidelines of ethics reform.

For example, I would like to know whether a "gift of personal hospitality," which would be allowed under the new code of ethics, would include a free dinner at a lobbyist's home. I do not think it should, but the definition is vague enough to permit this.

Also, if a personal friend of longstanding takes me to dinner, and he does not happen to own the restaurant where we eat, does that mean I must report that dinner if it is more than $35?

Regarding the exemptions from the ouside earned income limit, what constitutes "a controlling interest" by a Member or his family in a business? What is the "significant amount of income" which a Member in such a business still could earn but avoid having to claim as outside income under the limits?

These are but examples of such definitions which I think must be tightened.

In conclusion, Mr. Chairman, I would state that these issues I have raised regarding our new ethics reform package deserve further review, but that they in no way diminish the importance or necessity of our passing House Resolution 287 today.

The American people are rightfully demanding a higher code of ethics from their elected representatives in Government, and it is our responsibility to set and live by such standards. I strongly urge adoption of House Resolution 287, a proper, beginning approach to ethics reform in Congress.

Mr. ANDERSON of California. Mr. Chairman, I rise in strong support of House Resolution 287, the Commission on Administrative Review proposals for a new code of ethics for Congress. Enactment of this legislation will demonstrate to the electorate of this great Nation that we truly are their representatives, and not the pawns of special interests.

Considering our recent 29 percent increase in pay, this measure fulfills our promise to the American people for a strict code of ethics for Members of Congress.

Mr. Chairman, I regretted that we did not have an opportunity to vote on this pay raise. It has not been easy to reconcile my concern over these large salary increases, in spite of my understanding that many Members of Congress, especially younger Members, find it difficult to support their families and maintain two homes on their present salaries. Nevertheless, I am pleased to cast an "aye" vote on this legislation for I have long been a supporter of full financial disclosure, strict limitations on outside income, and full accounting of expense funds.

Mr. WEISS. Mr. Chairman, I am proud to support the passage of the House Resolution 287—the financial ethics amendments.

My support for this legislation is twofold: I support it as a comprehensive and practicable reform of the internal ethics of this legislative body and as a companion reform of congressional salaries.

This resolution is comprehensive, because it covers all aspects of congressional activities that raise concerns over ethical standards. This resolution includes requirements for full financial disclosure of Members of the House, officers of the House, their principal assistants, professional committee staff, and in some cases Members' spouses. In addition the resolution requires limitations on the acceptance of gifts from foreign nations and lobbyists, on outside earned income, and on the use of the frank for mailings to postal patrons. Finally, this resolution abolishes the use of unofficial office accounts, and carefully regulates Members' foreign travel expenditures—especially in prohibiting the travel of lameduck Members.

The limit on outside earned income contained in this resolution is of greatest importance. This limitation would be an important step in assuring that Members separate their personal affairs from those which are public. Recent events give indications that Members often have difficulty in separating their private concerns from their public obligations.

A limit on outside earned income and the institution of the recent cost-of-living pay raise should largely remove any difficulty that Members might have in separating these two concerns. As you know the cost-of-living pay raise was approved for this legislative body upon the recommendations of both President Ford and President Carter who were given such advice by the Commission on Executive, Legislative, and Judicial Salaries. At the time the Commission advised a pay raise it also suggested a code of ethics to require disclosure of financial affairs, restriction of outside income, and other limitations. This resolution embodies the Commission recommendations and thus represents an important step toward assuring high ethical standards for the House.

The provisions of this resolution are practicable and create standards to which Members can and should be expected to adhere. It is an honor and privilege to be an elected Member of Congress. The new ethical standards will strengthen our capacity to conduct ourselves in a manner consistent with that honor and privilege.

Mrs. HECKLER. Mr. Chairman, today we clearly have an opportunity to redefine our roles in American society, and to tell those who sent us here that we understand why.

In every sense of the word, we were hired by our constituents. This carries with it certain expectations, just as all employers have expectations of those on their payroll.

I am very pleased that the House is taking steps to restore itself to a higher level of public esteem. In the process, however, we must demonstrate an understanding of who we are and of the purpose of this institution.

In this regard, there are two issues I wish to address.

We are proceeding in a manner which denies full participation by all by restricting the amendment process. That is inconsistent with the very nature of the institution.

At this juncture, however, it may be more important that we address the question of our own roles as individual Members of Congress.

We were hired for a job that precludes significant opportunities for outside employment. While we do not have to operate within the parameters of traditional full-time employment, we surely should acknowledge a commitment to our official responsibilities by setting limits on outside earned income.

A 15-percent limit would allow Members a generous income supplement. And at the same time it would tell the public that we are dedicating the time they pay for to their business.

If we are drawing two salaries, we are serving two masters. One of them may not be getting his money's worth, and the public must be guaranteed full value.

Mr. McKINNEY. Mr. Chairman, first, I must clearly state that I rise in support of House Resolution 287 in recognition of the need for increased accountability to match our newly increased salaries. However, I must also voice my personal rebellion against what I call the politics of ethics which has today relied upon that most unethical of devices—the closed rule—to stifle discussion of this resolution. Ethics politics thus lumps the good with the bad in this bill and, in my view, encroaches dangerously on the rightful power of the electorate to define and demand the quality of their representation.

In particular, I believe the limit on outside income and new franking restrictions in this bill manifest certain negative assumptions which inhibit the constitutional authority of the people to choose their representatives from among their ranks and judge their performance independently. For example, if I wish to communicate with my constituents more than six times in 1 year—and I do—I would be considered prima facie unethical. So too, $9,000 in earned income over the course of an entire year also makes me automatically in violation of the ethics code. But what of the need to inform constituents, to test their opinion? What of the Congressman who spends as much if not more time supervising his speculative interests as the weekend speechmaker? By assuming the worst and legislating against it, do we prevent the best in representation? Like most at-

tempts at overproscribed morality, these sections of the bill fear the worst, prevent the best, and thus guarantee the mediocre. By so packaging the "ethical Congressman" in petty restrictions I believe we threaten to further remove the representative from those he/she seeks to represent.

Therefore, Mr. Chairman, I will vote to strike title IV on franking from the bill as I believe it unnecessarily inhibits communication and potentially denies the electorate the information they need to judge the quality of those they elect.

If given the chance, I would also vote against any outside income limit as I find it illogical to equate the lack of earned income with "a job well done" in Congress. When qualified scientists and scholars in Congress can earn 15 percent of their salary by making less than 10 weekend speeches, when a thriving law practice or business could produce that income with a minimal demand on the Members' time, and when so-called speculative earnings are exempt from the limitation, then I see no rational connection between outside income and the time spent on congressional duties. Rather, I strongly support provisions of this bill which provide for full financial disclosure.

I consider this to be the heart and soul of any effective ethics reform in the House because it is disclosure—not arbitrary income limits and prior censorship of franked mail—which provides the voter with the information he needs to make an informed decision as to the quality of his congressional representation. In the past, I objected to detailed disclosure on the dual basis that it is the nature—not the amount—of outside holdings which indicates a potential conflict of interest. Also, my wife is a wealthy woman in her own right and justifiably objects to the publication of her financial affairs. After all, she is not the Congressman in the family. However, recognizing the need for increased openness in the face of public mistrust, my wife and I will gladly compromise that previous position and place the information in the hands of those who can best judge its meaning—the voters.

Other new rules regarding foreign travel, gifts, honorariums, testimonials, and unofficial office accounts are not problems because I have never taken an expense-paid junket, I return all gifts over $10 in value, I rarerly accept paid speaking engagements, I raise money only to retire campaign debts and I maintain no office slush fund. However, in enforcing these new provisions, I fear the type of overzealous lawmaking which made our election laws the onerous watchdogs of accounting detail and "paper crimes" while preventing few of the real abuses. I hope that will not be the case here but would urge the leadership to issue binding advisory opinions on the meaning of many of this law's legal terms of art and vague prohibitions. At least at the outset, we should assume every Member wants to comply and give him or her the opportunity to do so without having to hire a battery of lawyers and accountants to do so.

There can be no doubt that Congress suffers a badly tarnished public image in the wake of recent scandals. But we cannot display such a low opinion of public intelligence as to assume that any code of ethics will significantly improve that reputation. Until we produce a credible energy policy, until we tackle rampant unemployment and until we learn to anticipate and avoid crisis rather than merely react, Congress will receive and deserve the public's scorn no matter how ethical our conduct. In the end, any ethics code will only be as good as the men and women who serve under it and the bills they pass. Despite the actions of a well-publicized few, I believe this body contains a great many dedicated public servants who can make the ethics code work and I urge its swift approval.

Mr. QUILLEN. Mr. Chairman, I have no further requests for time, and I yield back the remainder of my time.

Mr. BOLLING. I have no further requests for time, Mr. Chairman, and yield back the remainder of my time.

The CHAIRMAN. There being no further requests for time, the Chair will state the rule.

Pursuant to the rule, no amendments are in order except: amendments recommended by the Committee on Standards of Official Conduct and the Committee on House Administration printed in the resolution: amendments recommended by the Committee on Rules consistent with the terms of the reference of the resolution; amendments striking out titles of the resolution; an amendment striking out, on page 17, lines 22 through 24, and on page 18 lines 5 through 7 of the resolution, as reported, the language "15 per centum of the aggregate salary as a Member paid to the Member during such calendar year" wherever it appears, and inserting in lieu thereof "$15,000"; an amendment inserting on page 9, line 6 of the resolution, as reported, the words "grandson, granddaughter," after the word "mother,"; an amendment striking out "January 1" on page 11, line 13 of the resolution, as reported, and inserting in leiu thereof "January 3,"; and said amendments shall not be subject to amendment except for pro forma amendments.

Pursuant to the rule, the Clerk will now read the resolution by titles.

The Clerk read as follows:

Resolved,

TITLE I—FINANCIAL DISCLOSURE

SEC. 101. (a) Effective July 1, 1977, rule XLIV of the Rules of the House of Representatives is amended to read as follows:

"RULE XLIV

"FINANCIAL DISCLOSURE

"PART A—PROCEDURAL RULES AND DEFINITIONS

"1. A copy of each report filed with the Clerk under this rule shall be sent by the Clerk on the same day that the report is filed with him to the Committee on Standards of Official Conduct. Before June 1, 1978, and by June 1 of each year thereafter, the Clerk shall compile all such reports sent to him by Members within the period beginning on January 1 and ending on April 30 of such year and have them printed as a House document, which document shall be made available to the public.

"2. Reports filed under this rule shall be maintained by the Committee on Standards of Official Conduct and made available for public inspection at reasonable hours.

"3. A copy of each report filed by a Member with the Clerk under this rule shall be sent by the Clerk to the secretary of state (or, if there is no office of secretary of state, the equivalent State officer) of the State represented by the Member on the same day that the report is filed with him.

"4. As used in this rule:

"(a) The term 'Member' means any Member of the House of Representatives, a Delegate to the House of Representatives, or the Resident Commissioner in the House of Representatives.

"(b) The term 'relative' means, with respect to a person required to file a report under this rule, an individual who is related to the person as father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, grandfather, grandmother, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, or who is the grandfather or grandmother of the spouse of the person reporting.

"(c) The term 'committee' means any committee (including any subcommittee thereof) of the House of Representatives, or any joint committee of Congress the expenses of which are paid from the contingent fund of the House of Representatives.

"(d) The term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, or the Virgin Islands.

"(e) The term 'honorarium' means, with respect to a person required to file a report under this rule, a payment of money or any thing of value to such person for an appearance, speech, or article, by the person; but there shall not be taken into account for purposes of part B and actual and necessary travel expenses incurred by such person to the extent that such expenses are paid or reimbursed by any other person, and the amount otherwise determined shall be reduced by the amount of any such expenses to the extent that they are not paid or reimbursed.

"PART B—CONTENTS OF REPORTS

"Members, officers, principal assistants to Members and officers, and professional staff members of committees shall not later than April 30, 1978, and by April 30 of each year thereafter, file with the Clerk a report disclosing certain financial information as provided in this part B. Each report shall contain the following:

"1. List the source and amount of each of the following items received during the preceding calendar year: (a) Items of income (including honorarums) from a single source aggregating $100 or more. (b) Gifts (other than personal hospitality of an individual, any gift described in subparagraph (c) of this pararaph, or any gift with a fair market value of $35 or less) from a single source (other than from a relative of the person reporting) aggregating $100 or more in value. (c) Any gift (other than personal hospitality of an individual or with a fair market value of $35 or less) of transportation, lodging, food, or entertainment from a single source (other than from a relative of the person reporting) aggregating $250 or more in value. (d) Reimbursement, directly or indirectly, from a single source for expenditures (other than from the United States Government) aggregating $250 or more.

"2. The identity and category of value of any property held, directly or indirectly, in a trade or business or for investment or the production of income and which has a fair market value of at least $1,000 as of the close of the preceding calendar year.

"3. The identity and category of value of each liability owed, directly or indirectly,

which exceeds $2,500 as of the close of the preceding calendar year, excluding any mortgage which secures real property (a) in which the Member reporting or his spouse resides and which is situated in the district represented by the Member or in the Greater Washington, District of Columbia, metropolitan area, or (b) in the case of any other person reporting, is the principal residence or such person or his spouse.

"4. The identity, date, and category of value of any transaction, directly or indirectly, in securities or commodities futures during the preceding calendar year and which transaction exceeds $1,000, excluding any gift to any tax-exempt organization described in section 501(c)(3) of the Internal Revenue Code of 1954.

"5. The identity, date, and category of value of any purchase or sale, directly or indirectly, of any interest in real property during the preceding calendar year and which exceeds $1,000 in value as of the date of such purchase or sale, excluding any real property (a) in which the Member reporting or his spouse resides and which is situated in the district represented by the Member or in the Greater Washington, District of Columbia, metropolitan area, or (b) in the case of any other person reporting, which is the principal place of residence of such person or his spouse.

"For the purposes of paragraphs 2 through 5 of this part B, the person reporting need not specify the actual amount or value of each item required to be reported under such clauses, but such person shall indicate which of the following categories such amount or value is within:

"(a) not more than $5,000,

"(b) greater than $5,000, but not more than $15,000,

"(c) greater than $15,000, but not more than $50,000,

"(d) greater than $50,000, but not more than $100,000, or

"(e) greater than $100,000.

"Campaign receipts shall not be included in this report.

"Each report shall also contain information listed in paragraphs 1 through 5 of this part B respecting the spouse of the person reporting which information relates to items under the constructive control of such person.

"Any report to be filed under this part B not later than April 30, 1978, respecting the calendar year ending December 31, 1977, need not include items enumerated under paragraph 1 which are received prior to October 1, 1977, transactions under paragraph 4 or any capital gains reportable under subparagraph (a) of paragraph 1, or purchases or sales under paragraph 5 which occur prior to October 1, 1977.".

(b) Any Member who announces before April 30, 1978, that he will not seek election to the Ninety-sixth Congress may elect to file the report required to be filed under rule XLIV of the Rules of the House of Representatives not later than April 30, 1978, as required under such rule as amended by subsection (a) of this section, this section in lieu of the report required to be filed under such rule as amended by subsection (a) of this section.

(c) All sealed reports filed by a person under part B of rule XLIV of the Rules of the House of Representatives prior to July 1, 1977, shall be returned to such person, or his legal representative, by the Committee on Standards of Official Conduct when such person is no longer required to file any report under such rule XLIV.

Mr. BOLLING (during the reading). Mr. Chairman, I know of no controversy on this section. I therefore ask unanimous consent that the title be considered as read and printed in the RECORD and that the committee amendment be reported.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendment.

COMMITTEE AMENDMENT

The Clerk read as follows:

Committee amendment: On page 3, line 7, after the word "grandmother," insert the words "grandson, granddaughter.":

The CHAIRMAN. The committee amendment was agreed to.

Are there further amendments to this article?

Mr. FRENZEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time to call attention to the fact that on page 4 in part B, which discusses the disclosure of gifts, line 16 through the page and thereafter do follow the concepts of the original Commission on Administrative Review proposal and later on Members will find in a subsequent title, title II, that the gift section has been changed by an amendment from the Committee on Standards of Official Conduct. Because of the gag rule we could not amend this title if we wanted to, but it is simply another reason why the amendment of the Committee on Standards of Official Conduct in title II should be defeated.

Mr. BENNETT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of this legislation. I believe it could have been improved by amendments not now available under the rule. That is the reason why I voted against the previous question; that is, I voted thereby to allow further amendments than allowed under the rule. But as the legislation now stands it is still good legislation, particularly if we can eliminate the $5,000 added office expense account.

The way things now stand we will have to vote out the entire title containing that $5,000 item; and that would allow continuing the private slush funds that should be prohibited. Faced with no perfect alternatives, I will vote to strike the whole title containing the $5,000 item and also have today introduced legislation to end the slush funds by separate legislation.

There will be a fight to allow additional outside income; and on that issue I think it clear that the bill before us should not be relaxed in any respect. In fact, I would prefer that all additional income be prohibited, and if such an amendment were in order I would support it.

The CHAIRMAN. The Clerk will read title II.

The Clerk read as follows:

TITLE II—AMENDMENT OF THE CODE OF OFFICIAL CONDUCT

SEC. 201. (a) Clause 4 of rule XLIII of the House of Representatives is amended to read as follows:

"4. A Member, officer, or employee of the House of Representatives shall not accept gifts (other than personal hospitality of an individual or with a fair market value of $35 or less) in any calendar year aggregating $100 or more in value, directly or indirectly, from any person (other than from a relative of his) having a direct interest in legislation before the Congress or who is a foreign national (or agent of a foreign national). Any person registered under the Federal Regulation of Lobbying Act of 1946 (or any successor statute), any officer or director of such registered person, and any person retained by such person for the purpose of influencing legislation before the Congress shall be deemed to have a direct interest in legislation before the Congress.".

(b) Rule XLIII of the Rules of the House of Representatives is amended by inserting at the end thereof the following:

"For the purposes of clause 4 of this Code of Official Conduct—

"(1) The term 'relative' means, with respect to any Member, officer, or employee of the House of Representatives, an individual who is related as father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, grandfather, grandmother, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, or who is the grandfather or grandmother of the spouse of the person reporting.

"(2) The term 'foreign national' means an individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence.".

(c) Clause 7 of rule XLIII of the Rules of the House of Representatives is amended by striking out "if the sponsors of such affairs do not give clear notice in advance to the donors or participants that the proceeds are intended for other purposes".

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Beginning on page 8, line 9, delete "(other than personal hospitality of an individual or with a fair market value of $35 or less)".

Mr. BOLLING. Mr. Chairman, I rise in opposition to the committee amendment, but I do not want to preempt the opportunity of the gentleman from Minnesota to speak in favor of it.

Mr. QUIE. Mr. Chairman, I rise in favor of the committee amendment.

Mr. Chairman, when this piece of legislation came before the Committee on Standards of Official Conduct, it bothered me that we were moving from the old rule which prohibited receiving anything of substantial value, to a specific dollar value not counting any gifts of $35 or less no matter what they totaled and hospitality, and then went ahead and defined the term, "direct interest in legislation," a person having direct interest in legislation as an individual who is registered under the Lobbying Act.

Now, I recognize that the definition is not limited, but it seems to me it implies, that a person having direct interest in legislation is one like the person defined even though he may not be registered as a lobbyist. So it appeared to apply specifically to lobbyists who could keep a Member and a lobbyist could make any number of gifts of $35 or less to a Member that they wanted to.

When we talk about small amounts of money there was a situation in New York where some people made off with $2 million of public money and the largest check was $38. If we are going to write this kind of legislation where we put a dollar value on gifts permitted of $100

and then we exempt everything of $35 or less, then we could be exempting a tremendous amount, and it not be perceived as unethical.

Most of the opposition feels it is an onerous duty to keep track of gifts of $35 or less but I might point out that the lobbyist is being paid by the person or the organization to make those benefits to the individual, so he is accounting for it.

Also, if a Member in any way provides any assistance to a constituent or a person talking about our business, whether it is taking him to lunch down at the restaurant or inviting him to his home, a Member keeps account of all those expenditures in order that he might deduct them from his income tax; so when a Member is giving a gift, he is already making all kinds of minute reporting for himself, anyway. Therefore, I do not look on this as putting an onerous task on the Members. It is true the Members would be less likely to go to all the receptions, as the gentleman from Wisconsin talked about earlier.

So the majority of our committee, at least, felt that it would be wise to remove the exemption from the bill that is before us.

I should also point out that there is a question of how much the person would have to report. It seems to me in an earlier portion of the bill one only has to report on those gifts that exceed $35 and would not have to report personal hospitality; so this amendment should remain. It would not require that the Member would have to report every bit of that, but it seems a person would have to report only if they were challenged that their gifts did involve a greater amount than $100 from one person.

Mr. Chairman, I urge support of the amendment.

Mr. OBEY. Mr. Chairman, I rise to oppose the amendment.

Mr. Chairman, the gentleman from Minnesota is an exceptionally fine legislator. We all have great respect for the gentleman around here. I am certain that the gentleman's intentions in this respect are absolutely constructive; but the fact is that the important thing that we have to do in this title is to make it workable, because if we do not make it workable, we do not make it enforceable; and if it is not enforceable, we might as well not have it. Without the amendment, we simply will have a title which is unworkable.

As I indicated earlier, without this narrow exemption, literally every time we go to a reception around here we would have to try to determine what the cost of the reception is, how many Members have gone, and what is our appropriate share of that cost. We would have to keep book on them. If we go to an embassy dinner, we would have to decide in the middle of the dinner, if they started serving wine, whether we had to leave because the dinner was getting too expensive.

We are not trying to put Members of Congress into the position of having to be ludicrous about their reporting requirements. None of us want to be CPA's if we can help it. Let me suggest that if the gentleman from Minnesota wants to correct his concern, the proper vehicle to use to do that is in the new lobby reform bill which will be coming down the road this year. That is the legitimate way to attack that problem, and I would think that he would meet with strong support on the part of the House if he did do it at that time.

I just want to reiterate again that the reason we have to defeat this section is so that we can keep this section workable, so that in fact we can keep it enforceable, because that is the purpose, really, of adopting any provision here, to have something which can be enforced and can work.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I have never voted against a Quie amendment, nor spoken against one, and very seldom have had any nasty thoughts about one, but this is just wrong and the amendment should be defeated.

I concur in the reasoning of the gentleman from Wisconsin (Mr. OBEY). Since our gift description does not exclusively apply to lobbyists we would have to list everything we receive. If we go home and stay with a neighbor, we would have to determine what the price of that bed was worth. We would not know what the occupancy cost was, or whether it was comparable to the cost of a motel room.

Every time a Member got a book in his office he would be faced with the problem of accepting it or costing the Government money to send it back. I keep a record of gifts in my office. It is so long that I cannot afford to put it in the RECORD, so I hold it in case anyone wants to inspect it.

I think if we want a simple, easily enforceable restriction on gifts, we ought to vote down this amendment and restore the original language.

Mr. DANIELSON. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from California.

Mr. DANIELSON. While we are on this section 4, page 8, I note that the banning of gifts is from those persons who have a direct interest in legislation or who are foreign nationals; and then of course lobbyists are brought within that by specific reference. It would seem to me that there is an area of personal friends and people who do not have a direct interest in legislation; friends, for example, who are not members of one's family, who have no direct interest in legislation and are neither foreign nationals nor lobbyists. There would be no ban on gifts from such persons, would there?

Mr. OBEY. That is correct.

Mr. DANIELSON. I thank the gentleman.

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. BAUMAN) there were—ayes 14; noes 43.

So the committee amendment was rejected.

Mr. BAUMAN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Seventy-eight Members are present, not a quorum.

The Chair announces that pursuant to rule XXIII, clause 2, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

AMENDMENT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL: Page 9, line 4, insert "grandson, granddaughter," after "grandmother,".

Mr. FRENZEL. Mr. Chairman, this is a very simple, technical amendment which adds to the definition of "relative" the words, "grandson," and "granddaughter," conforming this particular title to title I, which has already been similarly amended by a committee amendment.

Mr. Chairman, I think the amendment needs no further description, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. FRENZEL).

The amendment was agreed to.

Ms. MIKULSKI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to bring to the attention of my colleagues that the Ethics Code being considered by the other body provides that there shall be no discrimination in employment or promotion practices because of race, religion, sex, or physical handicap.

I would like to recommend a provision that eliminates discrimination be included in our Code of Ethics. In fact, the statement in the other body's code has no provision to insure enforcement. When we adopt this provision, it must have teeth to insure compliance.

The fact that we have passed legislation that requires all Americans to comply with equal employment laws and have exempted ourselves, is an additional cause for the cynism that the American people feel toward Congress.

The CHAIRMAN. Are there further amendments to title II?

If not, the Clerk will read.

The Clerk read as follows:

TITLE III—UNOFFICIAL OFFICE ACCOUNTS; OFFICIAL EXPENSE ALLOWANCES

SEC. 301. The Rules of the House of Representatives are amended by adding at the end thereof the following:

"RULE XLV.

"PROHIBITION OF UNOFFICIAL OFFICE ACCOUNTS

"1. On or after the effective date of section 302(b), no Member may maintain or have maintained for his use an unofficial office account.

"2. After the date of adoption of this rule, no funds may be paid into any unofficial office account.

"3. For purposes of this rule—

"(a) the term 'unofficial office account' means an account or repository into which funds are received for the purpose of defraying otherwise unreimbursed expenses allowable under section 162(a) of the Internal Revenue Code of 1954 as ordinary and necessary in the operation of a congressional office, and includes any newsletter fund referred to in section 527(g) of the Internal Revenue Code of 1954; and

"(b) the term 'Member' means any Member of, Delegate to, or Resident Commissioner in, the House of Representatives.".

SEC. 302. (a) Notwithstanding any other provision of law and until otherwise provided by law—

(1) each Member of the House of Representatives shall be entitled to reimbursement under the nineteenth paragraph under the subheading "Contingent Expenses of the House" under the heading "HOUSE OF REPRESENTATIVES" in the Legislative Appropriation Act, 1977 (2 U.S.C. 122a), or under chapter 4, section 401, of the Supplemental Appropriations Act, 1972 (2 U.S.C. 56), for any official expense incurred in the United States; and

(2) the Clerk of the House may make disbursements under the paragraph referred to in paragraph (1) by (A) direct payment to the person from whom goods or services are obtained by the Member involved under such paragraph; or (B) reimbursement to the Member involved or person designated by the Member.

(b) Effective January 1, 1978, notwithstanding any other provision of law and until otherwise provided by law, the entitlement of each Member of the House of Representatives under the nineteenth paragraph under the subheading "Contingent Expenses of the House" under the heading "HOUSE OF REPRESENTATIVES" in the Legislative Appropriation Act, 1955 (2 U.S.C. 122a), shall not exceed $7,000 annually.

(c) For purposes of this section, the terms "Member of the House of Representatives" and "Member" mean each Representative in, or Delegate or Resident Commissioner to, the House of Representatives.

SEC. 303. Clause 6 of rule XLIII of the Rules of the House of Representatives is amended by striking out "Unless specifically provided by law, he" and inserting in lieu thereof "He".

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: On page 10, line 3, after the word "after" strike out the words "the effective date of section 302(b)," and insert in lieu thereof the words "January 3, 1978,";

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the second committee amendment.

The Clerk read as follows:

Committee amendment: On page 10, line 22, immediately before the words "each Member", insert "effective January 3, 1977,".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the third committee amendment.

The Clerk read as follows:

Committee amendment: On page 11, line 15, immediately after the words "until otherwise provided by law," insert "and conditional upon the adoption of a House rule prohibiting Members of the House of Representatives from maintaining unofficial office accounts,".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the fourth committee amendment.

The Clerk read as follows:

Committee amendment: On page 11, line 22, after "(2 U.S.C. 122a)", insert ", or under chapter 4, section 401, of the Supplemental Appropriation Act, 1972 (2 U.S.C. 56)".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the fifth committee amendment.

The Clerk read as follows:

Committee amendment: On page 11, after line 24, insert after subsection (b) the following new subsection (c); and reletter subsection (c) as (d):

(c) Chapter 8, section 1 of the Act of February 12, 1868 (2 U.S.C. 41) shall have no effect during the 95th Congress.

Mr. FRENZEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to ask the distinguished gentleman from Missouri (Mr. BOLLING) whether the language on line 25, page 11, and lines 1 and 2 on page 12 really means that a House resolution can repeal an act of Congress.

Mr. BOLLING. Mr. Chairman, if the gentleman will yield, I advise the gentleman that I am patiently trying to find some of the members of the Committee on House Administration, who put this amendment in. I hope we will find them soon.

Mr. FRENZEL. I hope so, too.

I may explain a little bit. It reads that chapter 8, section 1 of the act of February 12, 1868, "shall have no effect during the 95th Congress."

That is a good thing because that law should be repealed. Nevertheless, I do not believe that we are able to do it in a House resolution. It seems to me that it takes an act of Congress to repeal that law.

I wonder whether the gentleman would agree with me on that.

Mr. BOLLING. The only thing I would say in response to the gentleman, not knowing the detail on this, is that we do have the safety valve of this proceeding then going into the hands of another committee, a committee which will then codify the law in coordination with the Senate at the appropriate time.

Mr. FRENZEL. I hope the gentleman is correct.

Mr. BOLLING. I do not happen to know what this refers to. If it refers to something that is in effect under a House rule, the House always reserves to itself the right to change its own rules.

Mr. FRENZEL. I would inform the gentleman from Missouri that it has something to do with being able to buy newspapers within the District of Columbia. Members who are relying on this repealer may be faced with a difficulty of violating the law of 1868. So I think before the day is over we ought to have some discussion from people on the Committee on House Administration on this.

Mr. BOLLING. Before any serious damage is done the matter will be decided by law through the operation of the already existing Senate committee and the House committee-to-be.

Mr. FRENZEL. I agree with the gentleman. That is why I intend to vote against the committee amendment to strike title VII.

The CHAIRMAN. The question is on the fifth committee amendment.

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. BOLLING

Mr. BOLLING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOLLING: Page 11, line 13, strike out "January 1," and insert in lieu thereof "January 3,".

Mr. BOLLING. Mr. Chairman, this is merely a conforming amendment and I urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. BOLLING).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL: On Page 9, beginning line 21, strike title III in its entirety.

Mr. FRENZEL. Mr. Chairman, we have had plenty of discussion on this title. I think most of the Members are aware that the title gives an extra $5,000 as some kind of payoff to make illegal or unethical, the use of unofficial office accounts which have been elsewhere described as slush funds.

The $5,000 buy-out was not supported by evidence or testimony before the Commission on Administrative Review, but it did conduct a survey of some Members purporting to show 40 percent of the Members used slush funds, and that the average slush fund was $5,000. For that reason, those of us of the 60 percent who never needed them are also being given $5,000.

In fact, we are raising all the Members to the most expensive common denominator. It can be said that we are buying purity for ourselves at a cost of $2.2 million to the American taxpayers. I submit that that cost is unnecessary and wasteful.

Since 1971 when I came to Congress our office accounts and allowances have been raised 150 percent. We have plenty of allowance money to take care of us for the necessary legislative expenses of our offices.

Now, because of an extremely difficult situation and a lousy rule, when we attempt to strike the $5,000 we also strike the abolition of the slush funds. Members should be warned that they have been set up for this by the rule. If you vote to eliminate the $5,000 to save the taxpayers some money that need not be spent then you are going to be accused of also being for slush funds. That is

not nice, nor is it accurate. But you had best be prepared for it.

I have a nice House resolution which I shall introduce with as many of my colleagues who want to join with me, making slush funds illegal, exactly as this legislation would have done, which the House can pass as early as next week if it is really serious about eliminating the slush funds. So really you do not have to worry about whether you are voting for the slush funds or not in voting to get rid of the extra $5,000. The resolutions have been introduced and we will have plenty of room for the Members.

When we get down to it, the whole point of the $5,000 was to buy out those people with slush funds. Somehow we seem to be told that the people who have engaged in what we now term to be unethical or no longer tolerable behavior, have to have this $5,000 or they will not vote for the whole ethics package.

We have to give ourselves a goody to make us behave. Remember, we are going to do this right on top of the $13,000 raise we gave ourselves without a vote, and soon the gentleman from New Jersey assures us we are going to give ourselves another goody, and that is to pay for all of our reelection expenses.

So if one wants to be recorded for all of those good things. Vote against my amendment. If one wants to be recorded for sense and reason in allocating necessary office allowances and expenses to the Members of the House of Representatives, and one wants to prevent an unreasonable increase of $5,000 in these particular accounts, I think one ought to support the amendment.

I do not think we have to buy purity with the taxpayers' money. I think that we can simply abolish these slush funds, these unofficial office accounts, without giving away money, without having to literally bribe ourselves out of an institution that we find unacceptable.

Again, remember that the $5,000 was not supported except that it was the average of those who felt it was necessary to use a device which we no longer think is respectable conduct in the House of Representatives.

I hope that the members of this committee will support this motion to strike and to save their taxpayers $5,000. I hope it will bring us back some measure of respect which we lost when we allowed our $13,000 raise to become effective without giving it the consideration of debate and a vote.

Mr. ALLEN. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Tennessee.

Mr. ALLEN. I thank the gentleman for yielding.

Do I understand the distinguished gentleman in the well has already prepared a resolution that will outlaw these types of slush fund accounts?

Mr. FRENZEL. Yes, and it is effective on passage, the same as the bill is before us.

Mr. ALLEN. Will the distinguished gentleman permit me to join him in cosponsoring that bill?

Mr. FRENZEL. The gentleman is welcome, and he may be the second author of this fine resolution.

Mr. ALLEN. I thank the gentleman. In that event I can in good conscience vote to strike title III.

Mr. FRENZEL. I thank the gentleman from Tennessee for his support.

Mr. Chairman, I yield back the remainder of my time.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words, and I oppose the amendment.

Mr. Chairman, speeches like the one we just heard from the gentleman from Minnesota are the reason that we have wound up with so many Members of the House having the very kind of slush funds that we are trying to abolish today. What we are trying to do is to meet official expenses in an official, honest, aboveboard, open fashion. That is all we are trying to do. The gentleman can toss around all of the words he wants and all of the inflammatory words he wants.

Mr. BAUMAN. Mr. Chairman, I demand the gentleman's words be taken down.

The CHAIRMAN. Does the gentleman from Wisconsin ask to withdraw the words that were objected to?

Mr. OBEY. I have no idea which words he objected to, but to satisfy the gentleman from Maryland, I will withdraw them.

Mr. BAUMAN. To clarify, Mr. Chairman, the gentleman from Wisconsin (Mr. OBEY) has referred to the language used by the gentleman from Minnesota as "phony words." He has also referred to his remarks as "baloney."

I hardly think that the words do anything, I would say to the Chairman, except impugn the motives of the gentleman from Minnesota.

The CHAIRMAN. Does the gentleman from Wisconsin ask to withdraw those words?

Mr. OBEY. Mr. Chairman, since it is necessary for someone around here to be responsible in the interest of getting things done, surely I withdraw those words.

The CHAIRMAN. Without objection it is so ordered. The gentleman may continue.

Mr. OBEY. Mr. Chairman, the point I was trying to make a very simple one. As I said earlier, we did not go about our job by trying to lay out what we thought was the right thing before we consulted the people affected. So what we did was to ask over 150 Members of the House about it.

The gentleman from Minnesota, if I can start over, indicated that what we are trying to do is to buy out Members of Congress and that the only way we can make them end unethical behavior is to provide this $5,000 addition.

It is not unethical for Members who have exceeded their official allowance to try to meet official expenses. It is not unethical for Members of Congress who feel it is necessary for them to go home to their districts every weekend in order to service their constituents, to try to find a way to do it. It is not unethical for Members of Congress to try to provide additional newsletters which tell people back home what we are trying to do in Washington.

The fact is that we interviewed over 150 Members of this House and we found out that approximately 40 percent of the Members of this House already have unofficial office accounts. They expend out of those unofficial office accounts anywhere from $360 to $60,000 a year. We found the average expenditure out of those accounts is $6,800. We found out the median is approximately $5,000.

In addition to that we also found out that we have approaching 100 other Members of this House who pay for these official kinds of expenses right out of their own campaign funds, right out of their political funds.

As I said earlier, we asked the public these questions and I want to repeat the figures. We asked these questions in the Lou Harris Poll which was conducted for our Commission. We asked the public the following questions:

Do you want all travel to a Member's district paid for out of private funds or out of public funds?

The public by a vote of 78 to 15 said they wanted those expenses paid for out of public funds.

We asked them whether they wanted all newsletters paid for out of public or private funds. The answer was by a vote of 57 to 33 that they wanted those expenses paid out of public funds, not private funds.

We asked them whether or not all expenses during travel in a Member's district should be paid for out of public or private funds. And it is easy for the gentleman from Minnesota, who represents Minneapolis, to get around in his district in a cab. I have to go 260 miles from one end of my district to the other. Those expenses are not reimbursed under present arrangements.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

By unanimous consent Mr. OBEY was allowed to proceed for 2 additional minutes.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I take this opportunity to commend the gentleman and his committee for taking this survey, which it seems to me is one of the most significant features of this whole reform package.

It seems to me also that on this point the real question is not whether a Member puts out a newsletter or a questionnaire but whether he does it in such a manner that it is truly informing his constituents of matters which he thinks they would like to be concerned about and would like to know about and giving them an opportunity to do the same thing.

Mr. Chairman, that is really the question, is it not, the character of the communication and not whether it is paid for by public funds or private funds. If the public thinks it ought to be paid for from public funds, and I think they are absolutely right, then that is just one

more reason why it should be considered part of a Member's job and why it is a legitimate expense of Congress.

Mr. DAVIS. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I would be happy to yield after I complete my statement, but I would like to complete my thought that I was on before the gentleman from Ohio (Mr. SEIBERLING) spoke.

Mr. Chairman, as I said earlier, I think the issue is really whether or not we want to deal with public expenses in a public way, an official way, or whether we do not.

As I said earlier also in that Lou Harris poll the No. 1 thing that stood out, and these are Lou Harris' words, not mine, the No. 1 thing that stood out above all is that the public is very unhappy with our lack of communication with them, whether it is personal communication or whether it is communication by news letter. The No. 1 thing they want us to do more of is to communicate. So I do not think it is fair to the Members of this House to describe the efforts of some of those Members who have tried to do that above and beyond the ability of the present allowance system as being unethical. I think they are trying to respond to legitimate and very strongly held views on the part of the public.

Mr. Chairman, the last campaign for President should have taught us one thing and that is that the public resents greately the remoteness which they say exists between Members of Congress and the Government in Washington and themselves.

I think that this $5,000 recommendation, while it can be attacked all night in very flamboyant terms, I do not think it is very constructive.

Let us keep in mind what the goal is here. We are trying to eliminate the kind of funds which have been attacked since 1952 in a very famous speech. It seems to me that the best way to do that is to address ourselves to what our appropriate needs are around here which must be met. We have tried to do it in a systematic fashion. We have not satisfied some Members of the House, but I think we have satisfied any Member who is willing to look at what the reasonable problems are around here.

Mr. Chairman, I urge the House to be responsible on this question and vote against the amendment. I do not think we really want to be on record, even though another bill could come in tomorrow, I do not think we want to be on record as voting to knock out this entire title, which means that we are also voting to knock out the ending of outside office accounts and also voting to end the convertibility of these amounts to personal use.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield further?

Mr. OBEY. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I think the gentleman has made an outstanding statement of the issue. I happen to have sent out newsletters since the very second month I came to Congress. I paid for them out of funds that were contributed. I reported the names of all the contributors and I never got any flack for it, even though it was labeled a slush fund; but I think this poll or survey that the gentleman has conducted is absolutely the core of the whole basis of this argument and the way we can show why this is a justifiable action.

I wonder if the gentleman would consider printing the entire report and the survey in the RECORD?

Mr. OBEY. Mr. Chairman, the report will be made available.

Mr. Chairman, let me also say, any Member that thinks he does not need this has the ability or option to turn it back. These are made every 90 days. The question is whether these are spent in a proper and responsible way.

Mr. SEIBERLING. I agree completely.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(At the request of Mr. DAVIS, and by unanimous consent, Mr. OBEY was allowed to proceed for an additional 2 minutes.)

Mr. DAVIS. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from South Carolina.

Mr. DAVIS. Mr. Chairman, I would like to ask the gentleman from Wisconsin (Mr. OBEY) on this question, there was a minority of the House that had unofficial office accounts; is that correct?

Mr. OBEY. It was a majority of the House which either paid for these funds out of the unofficial office accounts or paid for them out of their campaign funds.

Mr. DAVIS. Mr. Chairman, if the gentleman will yield further how many unofficial office accounts are we talking about?

Mr. OBEY. That question is irrelevant. The question is, how many Members in this House are engaged in types of activities that we are trying to stop, and the answer is a large majority.

Mr. DAVIS. That was considered unethical, so we go to the taxpayers for $5,000 more to pay for it. Is it not true that the proportion is such that one could combine those other accounts to make up the difference with the consolidation factor?

Mr. OBEY. The gentleman is on the House Administration Committee. He knows as well as I do what he can do.

Mr. DAVIS. Is it not true that in 1978 we will be able to take these funds and convert them to the newsletter fund so that they will not necessarily be used for official office expenses? Are we not increasing all the allowances that a Member of the House has through the convertibility phase?

Mr. OBEY. Not a dollar can be expended for anything other than official accounts, not one. The gentleman can disagree with the public's contention that these expenses should be——

Mr. DAVIS. I am not disagreeing. I am agreeing with the public's contention that they do not want to pay for it.

Mr. OBEY. The public indicated that they would rather pay for it than have U.S. Steel pay for it.

Mr. DAVIS. United States Steel does not pay for a newsletter.

Mr. OBEY. Any corporation can contribute to private office accounts, as the gentleman well knows. They cannot give a campaign contribution. But, they can contribute to those unofficial office accounts. We want to stop that.

Mr. GARY A. MYERS. Mr. Chairman, I move to strike the last word, and I rise in support of the Frenzel amendment with mixed emotions. I think that is the way the Rules Committee wanted us to be, with the closed rule of this bill. Certainly, I support doing away with slush funds or unofficial office accounts, as well as convertibility of campaign funds to personal uses.

I want to draw the attention of the majority side to the fact that really, this is the first test we are going to have on a very important resolution which we passed last year after a very difficult time, a situation that was associated with the House Administration Committee. The majority side agreed to pass a resolution at that time which would require the House to vote for increases of benefits accruing to ourselves.

I think the intent of that resolution was that we would have a direct vote on the increase of our office accounts. I would like to ask the gentleman from Wisconsin (Mr. OBEY) a question, if he would respond.

Are we not essentially violating the intent of the resolution passed last year, in which we agreed that we would vote directly on any increases of office accounts, by folding this office account income in with a nongermane subject such as abolishing unofficial office accounts and the campaign fund convertibility?

Mr. OBEY. No, I do not believe we are.

Mr. GARY A. MYERS. I am glad to hear the gentleman's response, but I think perhaps it is an indication of things to come. I say that the public—if the gentleman really did his survey correctly—if he asked the public the question as to whether or not they would want this increase folded in with other legislation, that he would have found that there was as highly objectionable a response as he had to some of his other questions.

I have had more concern expressed by constituents in my district concerning the underhanded way in which legislation gets passed, particularly when it benefits ourselves. When it is passed in such a way that we never have a direct vote, and cannot vote against an increase in funds without being against something that is desirable as well is highly frustrating for constituents. I think the majority party has failed to bring to us the opportunity to deal with the subject of office accounts in and of themselves.

The majority party is violating here, in real terms, the intent of the resolution that was passed after the Havs affair last year. I would hope that this first instance of violating the intent of that resolution will cause us to make efforts to have it be the last.

Mr. THOMPSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, my friend and colleague from Minnesota (Mr. FRENZEL) asked how, as I understand it, by House resolu-

tion we can amend the law. He is referring to page 11, subsection (c), line 25 of the legislation.

The answer to the gentleman is that a later inconsistent enactment can make ineffective for this Congress only, the provision of law. It is analogous to the action in amending rule XLIII, which effectively amends the Federal elections law with regard to use of excess campaign contributions, which the gentleman, I am certain, is familiar with. We can change House rules which in effect change the law; but in order permanently to change the law, the provision in question, which the gentleman questioned, would have to be picked up in a subsequent law and enacted.

Mr. FRENZEL. I thank the gentleman for that explanation. I agree wholeheartedly that we must promptly repeal the 1868 law with a bill that passes both Houses and is signed by the President. I do not agree with the gentleman that we can by House resolution nullify a law.

As with the election law, I think we can set different standards for our Members by House rule. But I do not think we can undo something that was provided in a previous law.

I simply make this comment for the record, because others may judge what we are doing. But I thank the gentleman for his explanation. It is indeed an ingenius way to repeal the law, and I hope the gentleman is successful with it because the law should be repealed.

Mr. THOMPSON. The gentleman has a very high degree of confidence in the words, shall we say, "legislative art involved," having checked them with the Parliamentarian and counsel, and having been advised that on adoption, they will have the effect which is intended by the language. The gentleman is exactly correct when he agrees that this must be picked up, in order to be made permanent, in a subsequent legislative action.

The law we are talking about is chapter 8, section 1, of the act of February 12, 1868, 2 U.S.C. 41, which will have no effect during the 95th Congress. We are simply suspending the effect of the law for this Congress.

Mr. FRENZEL. If the gentleman will yield further, I wish the gentleman luck in what he is trying to do. But I know we all would feel more comfortable if he acted to speedily repeal the law.

I thank the gentleman.

Mr. KETCHUM. Mr. Chairman, I move to strike the requisite number of words, and I rise in favor of the Frenzel amendment.

Mr. Chairman, it seems to me if we are going to talk about slush funds or unofficial office accounts that we would have been served far better in this House had the Obey Commission simply stricken the use of slush funds and just said that we cannot have them.

There is nothing in the law that prevents any Member of this body from collecting and spending funds such as those and reporting them in a quarterly campaign report. There is nothing in the law which says we cannot do that. And many of us are.

But to cover over the abolition of unofficial office accounts and then come in with this absolutely astounding amount of money—$5,000 more in remuneration to cover this loss due to the fact that we can no longer have these accounts—is simply ridiculous. If we do not believe in the unofficial office accounts—and I seriously doubt that very many Members of the House have them—we should wipe them out. But for goodness sake, let us not add another $5,000 to the taxpayers and have more reports written such as that in a recent issue of the U.S. News and World Report detailing all the perquisites of Members. They are saying, "You get this much for staff allowance, and heavens to Betsy, you get free office space, and you get these wonderful meals"—these very expensive gourmet delights otherwise known as meals prepared in the House restaurant.

But to add another $5,000 would be too much. We did that a few years ago so that we could send out newsletters at Government expense. That was supposed to cure all this.

Mr. Chairman, this is the most ridiculous thing I have ever heard of, and I totally support the Frenzel amendment.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I would say to the gentleman that this is a classic case of having your slush and eating it, too. The way this bill has been presented to us, it is not a case of either/or. You must swallow it whole.

As far as all this talk about Harris polls today is concerned, do those polls show that the American public, whoever Mr. Harris' public is, out beyond these marble walls, approves all these increases? I dare say that if the public were asked, "Do you approve of an increase of $5,000 on top of the half-million dollars in expenses now available to Members of Congress? Do you approve of an additional increase over the 152 percent of increases in allowances in the last 6 years at the taxpayers' expense?" The answer from 99 percent of the public would be a resounding "No."

Mr. KETCHUM. Mr. Chairman, I totally agree with the gentleman.

Additionally, the gentleman from Wisconsin (Mr. OBEY) remarked that what we are trying to do is to keep the corporate funds of United States Steel or other corporations from entering into this. If they are reported in campaign accounts, they cannot be accepted. We cannot accept corporate contributions; it is illegal.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I would just like to point out that the gentleman from Wisconsin (Mr. OBEY) said that 40 percent of the Members of the House used these slush funds. I suppose that means that 60 percent of us did not because we thought they were not proper and felt they did not belong in the picture.

I agree that some Members want to replace them because 40 percent of the Members are going to give them up because they have decided they were improper, but to replace them with additional money from the taxpayers is gross; it is just simply beyond conscience.

Some Member mentioned earlier that we are not going to finance the new election of Members. We have the situation now where 97.4 percent of those Members who choose to run for office get reelected. What more protection for the incumbents are we trying to build in here?

Mr. Chairman, it seems to me that 5,000 bucks more is just 5,000 bucks too much.

Mr. KETCHUM. Mr. Chairman, I totally agree.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield to me?

Mr. KETCHUM. In one moment I will yield to the gentleman.

Mr. Chairman, I totally agree with the gentleman from Ohio (Mr. BROWN).

To say that if we vote for the Frenzel amendment, we are voting for slush funds is about as ridiculous as many other things I have heard on the floor here over the years. We have heard it said that if we vote for this, it means that we stand for something else.

I do not have an office account. Everything I spend is taken in in campaign funds. I do not take corporate funds.

Mr. Chairman, I am going to vote for the Frenzel amendment to strike that 5,000 bucks of additional slush funds.

The CHAIRMAN. The time of the gentleman from California (Mr. KETCHUM) has expired.

Mr. MILFORD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would only like to make one brief observation. I am disturbed by the way our debate is running.

Everyone is talking about this $5,000 expense allowance as if it were coming out of the taxpayers' pockets right directly into ours as personal income.

It has been established that some 40 percent of the Members of this body have found a need for additional office funds beyond the amount legally authorized in house allowances. We have established that 60 percent of the Members do not need additional funds in order to properly service their district.

Mr. Chairman, I would submit that there are differences between individuals and there are differences between districts. I do not have an office account fund. I do use surplus campaign funds for certain expenses that either I do not want to charge to the Government, or for which present allowances do not cover.

Mr. Chairman, I agree with the gentleman from Wisconsin (Mr. OBEY) that we should recognize the legitimate expenses in every district and that we be reimbursed for these expenses.

I say to those conscientious Members, who want to save taxpayer dollars, that they are not forced to spend this expense money. They are not forced to spend any of the expense allowances that are authorized by the House. If a Member can get by in his district without spending these allowances, fine. Let him turn the money back to the Treasury. On the other hand, let us allow those Members who do need those funds, for legitimate expenses, to use the money. Due to dif-

ferences in the various districts, some Members have much higher legitimate expenses than others. Some Members can drive across their district in 1 hour. Others cannot traverse their district in a day.

Let us remember that every dime each Member spends for expenses will be made public. The public will have an opportunity to judge whether or not he is responsibly spending taxpayer money.

Mr. Chairman, I personally resent the inference that has been made in the debate here today. Several have inferred that by authorizing the additional $5,000, this will mean that it will be automatically spent. Some debators have quoted a $2,500,000 cost for this expense authorization. That figure assumes that all 535 Members of Congress would use the entire allowance. In effect, the general tenor of our debate seems to classify Members of this body as irresponsible incompetents who will grab every available dollar and rush out to spend it unnecessarily.

I submit that the real issues before us is whether or not public funds should be used to reimburse Members for legitimate expenses or whether these expenses will be paid through unofficial office funds.

I say that all legitimate expenses should be paid with public funds. Furthermore, I submit that Members who do not need the additional allowance should simply turn it back to the Treasury. Those who do need the allowance must fully account for his expenditures to the public.

Mr. EVANS of Delaware. Mr. Chairman, because of the action of the House today in refusing to allow reasonable amendments to the Obey Commission report, I find myself on the horns of a serious dilemma with respect to the amendment by my friend and colleague from Minnesota (Mr. FRENZEL) to strike title III relating to unofficial office accounts. If I vote to support the Frenzel amendment, I could be accused of supporting the maintenance of unofficial office accounts or "slush funds," which I certainly do not. On the other hand, if I vote against the Frenzel amendment, I will be voting to give each Congressman, myself included, an extra $5,000, at a cost to the already overburdened taxpayer of $2,195,000.

I find it ironic and somewhat distressing that the House must debate a long-needed ethics bill, which is supposed to let more sunshine in on the activities of Congress, under conditions which prohibit reasonable amendments. As it stands now, I must vote yes or no on an entire title of this bill even if I find parts of the title good and parts bad. Mr. Speaker, this is a terrible way to legislate.

I oppose the use of unofficial office accounts, and am cosponsoring legislation to prohibit them.

However, I am also concerned that the costs of Congress have skyrocketed out of sight and that we must begin to show some restraint. Congress is no different from any other Federal agency. All of us must start realizing where our money comes from. It comes from the pockets of the American taxpaver, who is right now taking it on the chin. It would be the height of irresponsibility for us to vote ourselves a $5,000 allowance increase, particularly as this vote comes on the heels of our exorbitant pay raise of $13,000.

The taxpayers of this Nation have had enough. It is time for the Congress to start thinking about them. Therefore, I will support the Frenzel amendment to eliminate this additional expenditure of their money.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. FRENZEL).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FRENZEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 187, noes 235, answered "present" 2, not voting 8, as follows:

[Roll No. 37]

AYES—187

Abdnor	Forsythe	Myers, Gary
Allen	Fountain	Myers, Ind.
Ambro	Frenzel	Nichols
Anderson, Calif.	Frey	O'Brien
Anderson, Ill.	Gammage	Patten
Andrews, N. Dak.	Gilman	Pepper
Applegate	Goldwater	Pike
Archer	Goodling	Poage
Armstrong	Gradison	Pressler
Ashbrook	Grassley	Pritchard
Badham	Guyer	Pursell
Bafalis	Hagedorn	Quayle
Bauman	Hall	Quie
Beard, Tenn.	Hammer-schmidt	Quillen
Bennett	Hanley	Rahall
Bevill	Hansen	Regula
Biaggi	Harsha	Rhodes
Boland	Heckler	Risenhoover
Bonker	Hightower	Robinson
Bowen	Hillis	Rogers
Brinkley	Hollenbeck	Rousselot
Broomfield	Holt	Rudd
Brown, Mich.	Horton	Runnels
Brown, Ohio	Hughes	Ruppe
Buchanan	Hyde	Russo
Burgener	Jeffords	St Germain
Burke, Fla.	Jenkins	Sarasin
Burleson, Tex.	Jones, Okla.	Sawyer
Butler	Kasten	Sebelius
Caputo	Kazen	Shipley
Carter	Kemp	Shuster
Cederberg	Ketchum	Skubitz
Clausen, Don H.	Kindness	Smith, Nebr.
Clawson, Del	LaFalce	Snyder
Cleveland	Lagomarsino	Spence
Cochran	Latta	Stangeland
Cohen	Leach	Stanton
Collins, Tex.	Lent	Stockman
Conable	Levitas	Stump
Conte	Lloyd, Tenn.	Symms
Corcoran	Lott	Taylor
Crane	Lujan	Thone
Daniel, Dan	McClory	Traxler
Daniel, R. W.	McDade	Trible
Davis	McDonald	Van Deerlin
Dent	McEwen	Vander Jagt
Derwinski	McKinney	Walgren
Devine	Madigan	Walker
Dickinson	Mahon	Walsh
Dornan	Mann	Wampler
Duncan, Tenn.	Marks	Watkins
Early	Marriott	Whalen
Edwards, Ala.	Martin	Whitehurst
Edwards, Okla.	Michel	Whitley
English	Miller, Ohio	Whitten
Erlenborn	Minish	Wiggins
Evans, Colo.	Mitchell, N.Y.	Wilson, Bob
Evans, Del.	Mollohan	Winn
Findley	Montgomery	Wydler
Fish	Moorhead, Calif.	Wylie
Florio	Mottl	Yates
	Murphy, Ill.	Yatron
		Young, Fla.
		Young, Tex.

NOES—235

Addabbo	Ammerman	Ashley
Akaka	Andrews, N.C.	Aspin
Alexander	Annunzio	AuCoin
Badillo	Gibbons	Nowak
Baldus	Ginn	Oakar
Barnard	Glickman	Oberstar
Baucus	Gore	Obey
Beard, R.I.	Gudger	Ottinger
Bedell	Hamilton	Panetta
Beilenson	Hannaford	Patterson
Benjamin	Harkin	Pattison
Bingham	Harrington	Pease
Blanchard	Harris	Perkins
Blouin	Hawkins	Pickle
Boggs	Hefner	Preyer
Bolling	Heftel	Price
Bonior	Holland	Rangel
Brademas	Holtzman	Reuss
Breckinridge	Howard	Richmond
Brodhead	Hubbard	Rinaldo
Brown, Calif.	Huckaby	Roberts
Broyhill	Ichord	Rodino
Burke, Calif.	Ireland	Roe
Burke, Mass.	Jenrette	Roncalio
Burlison, Mo.	Johnson, Calif.	Rooney
Burton, John	Johnson, Colo.	Rose
Burton, Phillip	Jones, N.C.	Rosenthal
Byron	Jones, Tenn.	Rostenkowski
Carney	Jordan	Roybal
Carr	Kastenmeier	Ryan
Cavanaugh	Kelly	Santini
Chappell	Keys	Satterfield
Chisholm	Kildee	Scheuer
Clay	Koch	Schroeder
Coleman	Kostmayer	Schulze
Collins, Ill.	Krebs	Seiberling
Conyers	Krueger	Sharp
Corman	Le Fante	Sikes
Cornell	Lederer	Simon
Cornwell	Leggett	Sisk
Cotter	Lehman	Skelton
Coughlin	Lloyd, Calif.	Slack
D'Amours	Long, La.	Smith, Iowa
Danielson	Long, Md.	Solarz
de la Garza	Luken	Spellman
Delaney	Lundine	Stark
Dellums	McCloskey	Steed
Derrick	McCormack	Steers
Dicks	McFall	Steiger
Diggs	McHugh	Stokes
Dingell	McKay	Stratton
Dodd	Maguire	Studds
Downey	Markey	Thompson
Drinan	Marlenee	Thornton
Duncan, Oreg.	Mathis	Tonry
Eckhardt	Mattox	Treen
Edgar	Mazzoli	Tsongas
Edwards, Calif.	Meeds	Tucker
Ellberg	Metcalfe	Udall
Ertel	Meyner	Ullman
Evans, Ga.	Mikulski	Vanik
Evans, Ind.	Mikva	Vento
Fary	Milford	Volkmer
Fascell	Miller, Calif.	Waggonner
Fenwick	Mineta	Waxman
Fisher	Mitchell, Md.	Weaver
Fithian	Moakley	Weiss
Flippo	Moffett	White
Flood	Moore	Wilson, C. H.
Flowers	Moorhead, Pa.	Wilson, Tex.
Flynt	Murphy, N.Y.	Wirth
Foley	Murphy, Pa.	Wolff
Ford, Mich.	Murtha	Wright
Ford, Tenn.	Myers, Michael	Young, Alaska
Fraser	Natcher	Young, Mo.
Fuqua	Neal	Zablocki
Gaydos	Nedzi	Zeferetti
Gephardt	Nix	
Giaimo	Nolan	

ANSWERED "PRESENT"—2

Emery	Jacobs

NOT VOTING—8

Breaux	Moss	Staggers
Brooks	Pettis	Teague
Gonzalez	Railsback	

The Clerk announced the following pairs:

On this vote:

Mr. Teague for, with Mr. Breaux against.

Messrs. YATES, BUCHANAN, and HANLEY changed their vote from "nay" to "yea."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title III? If not, the Clerk will read.

Mr. PANETTA. Mr. Chairman, I move to strike the requisite number of words.

I wish to engage in a colloquy with the gentleman from Wisconsin (Mr. OBEY) with regard to the definition of unofficial office accounts, my concern being whether unofficial office accounts include "a process whereby funds are received or expended" for the purpose of defraying otherwise unreimbursed expenses; the question being, is it the intention of the Commission in the "prohibition of unofficial office accounts" in section 301 to prohibit the use by a Member of unofficial office accounts maintained "for a Member's benefit" as well as those maintained for a Member's direct use?

Mr. OBEY. Mr. Chairman, if the gentleman will yield yes, it is.

Mr. PANETTA. Mr. Chairman, is it the intention of the Commission that the definition of unofficial office accounts contained in section 301 includes "a process whereby funds are received or expended" for the purpose of defraying otherwise unreimbursed expenses, as well as the maintenance of an actual account or repository?

Mr. OBEY. Mr. Chairman, if the gentleman will yield further, yes.

Mr. PANETTA. Mr. Chairman, I thank the gentleman and I thank the gentleman for making this legislative record.

The CHAIRMAN. The Clerk will read title IV.

The Clerk read as follows:

TITLE IV—LIMITATIONS ON THE USE OF THE FRANK

SEC. 401. The Rules of the House of Representatives are amended by inserting at the end thereof the following:

"RULE XLVI.

"LIMITATIONS ON THE USE OF THE FRANK

"1. Any franked mail which is mailed by a Member under section 3210(d) of title 39, United States Code, shall be mailed at the equivalent rate of postage which assures that such mail will be sent by the most economical means practicable.

"2. After December 31, 1977, the total number of pieces of mail which may be mailed as franked mail under section 3210(d) of title 39, United States Code, during any calendar year by a Member entitled to mail franked mail under this subsection may not exceed an amount equal to six multiplied by the number of addresses to which such mail may be delivered, in accordance with paragraph (4) of section 3210(d) of title 39, United States Code, in the area from which such Member was elected. Any mail matter which relates solely to a notice of appearance or a scheduled itinerary of a Member in the area from which such Member was elected shall not count against the limitation set forth in the preceding sentence.

"3. Any Member entitled to mail franked mail under section 3210(d) of title 39, United States Code, shall, before making any such mailing, submit a sample or description of the mail matter involved to the House Commission on Congressional Mailing Standards for an advisory opinion as to whether such proposed mailing is in compliance with the provisions of such section.

"4. Any mass mailing which otherwise is frankable by a Member under the provisions of section 3210(e) of title 39, United States Code, shall not be frankable unless the cost of preparing and printing such mass mailing is defrayed exclusively from funds made available in any appropriations Act.

"5. In the case of any Representative in the House of Representatives, other than a Representative at Large, who is a candidate for any statewide public office, any mass mailing shall not be frankable under section 3210 of title 39, United States Code, when the same is delivered to any address which is not located in the area constituting the congressional district from which any such individual was elected.

"6. In the case of any Member, any mass mailing shall not be frankable under section 3210 of title 39, United States Code, when the same is mailed leses than sixty days immediately before the date of any primary or general election (whether regular, special, or runoff) in which such Member is a candidate for public office.

"7. For purposes of this rule, the term 'Member' means any Member of the House of Representatives, a Delegate to the House of Representatives, or the Resident Commissioner in the House of Representatives.".

Mr. BOLLING (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to direct a query to the distinguished gentleman from Wisconsin. On page 13, lines 17 through 22, we have made a restriction on the use of the franking privilege for material which is purchased by other than authorized public funds. We did not, however, and I think this was an inadvertent error, make an effective date on this particular clause. It is my impression that we intend the effective date to be January 1, 1978.

I would like the distinguished gentleman from Wisconsin to comment on that observation, and I yield for that purpose.

Mr. OBEY. Mr. Chairman, yes, the gentleman is absolutely correct. It was the clear intention of the Commission to apply January 1, 1978, as the effective date for that section.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman and yield back the balance of my time.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. There being no amendments to title IV, the Clerk will read title V.

The Clerk read as follows:

TITLE V—FOREIGN TRAVEL

SEC. 501. Clause 2(n) of rule XI of the Rules of the House of Representatives is amended by—

(1) striking out "(1)" and inserting "(A)" and by striking out "(2)" and inserting "(B)";

(2) inserting "(1)" immediately after "(n)";

(3) repealing subparagraph (1)(A), as redesignated, and inserting in lieu thereof the following:

"(A) No member or employee of the committee shall receive or expend local currencies for subsistence in any country for any day at a rate in excess of the maximum per diem set forth in applicable Federal law, or if the member or employee is reimbursed for any expenses for such day, then the lesser of the per diem or the actual, unreimbursed expenses (other than for transportation) incurred by the member of employee during that day.";

(4) inserting at the end thereof the following:

"(2) In carrying out the committee's activities outside of the United States in any country where local currencies are unavailable, a member or employee of the committee may not receive reimbursement for expenses (other than for transportation) in excess of the maximum per diem set forth in applicable Federal law, or if the member or employee is reimbursed for any expenses for such day, then the lesser of the per diem or the actual, unreimbursed expenses (other than for transportation) incurred, by the member or employee during any day.

"(3) A member or employee of a committee may not receive reimbursement for the cost of any transportation in connection with travel outside of the United States unless the member or employee has actually paid for the transportation.

"(4) The restrictions respecting travel outside of the United States set forth in subparagraphs (2) and (3) shall also apply to travel outside of the United States by Members, officers, and employees of the House authorized under clause 8 of rule I, clause 1 (b) of this rule, or any other provision of these Rules of the House of Representatives.

"(5) No local currencies owned by the United States may be made available under this paragraph for the use outside of the United States for defraying the expenses of a member of any committee after—

"(A) the date of the general election of Members in which the Member has not been elected to the succeeding Congress; or

"(B) in the case of a Member who is not a candidate in such general election, the earlier of the date of such general election or the adjournment sine die of the last regular session of the Congress.".

SEC. 502. Clause 5 of rule XI of the Rules of the House of Representatives is amended by adding at the end thereof the following:

"(e) No primary expense resolution or additional expense resolution of a committee may provide for the payment or reimbursement of expenses incurred by any member of the committee for travel by the member after the date of the general election of Members in which the Member is not elected to the succeeding Congress, or in the case of a Member who is not a candidate in such general election, the earlier of the date of such general election or the adjournment sine die of the last regular session of the Congress.".

SEC. 503. Clause 8 of rule I of the Rules of the House of Representatives is amended by adding at the end thereof the following: "However, expenses may not be paid from the contingent fund for travel of a Member after the date of the general election of Members in which the Member has not been elected to the succeeding Congress, or in the case of a Member who is not a candidate in such general election, the earlier of the date of such general election or the adjournment sine die of the last regular session of the Congress.".

Mr. BOLLING (during the reading). Mr. Chairman, I ask unanimous consent that title V be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. FRENZEL. Mr. Chairman, I move to strike the last word. I would again like to engage in a discussion with the gentleman from Wisconsin.

In this title, Mr. Chairman, on line 24 we restrict this travel to Members or employees.

Elsewhere in this resolution, we have defined Members to include Delegates and Resident Commissioners. We have not done so in this title. My query to the

chairman of the Commission on Administrative Review is, Was it the intention of the Commission to include Delegates and Resident Commissioners as a part of this definition?

Mr. OBEY. Yes; absolutely.

Mr. FRENZEL. I thank the chairman for his contribution.

The CHAIRMAN. There being no amendments to title V, the Clerk will read title VI.

The Clerk read as follows:

TITLE VI—OUTSIDE EARNED INCOME

SEC. 601. The Rules of the House of Representatives are amended by inserting at the end thereof the following:

"RULE XLVII.

"LIMITATIONS ON OUTSIDE EARNED INCOME.

"1. (a) Except as provided by paragraph (b), no Member may, in any calendar year beginning after December 31, 1978, have outside earned income attributable to such calendar year which is in excess of 15 per centum of the aggregate salary as a Member paid to the Member during such calendar year.

"(b) In the case of any individual who becomes a Member during any calendar year beginning after December 31, 1978, such Member may not have outside earned income attributable to the portion of that calendar year which occurs after such individual becomes a Member which is in excess of 15 per centum of the aggregate salary as a Member paid to the Member during such calendar year.

"2. No member may, in any calendar year beginning after December 31, 1978, accept any honorarium of more than $750 in value.

"3. For the purposes of this rule—

"(a) The term 'Member' means any Member of the House of Representatives, a Delegate to the House of Representatives, or the Resident Commissioner in the House of Representatives.

"(b) The term 'honorarium' means a payment of money or any thing of value to a Member for an appearance, speech, or article, by the Member; but there shall not be taken into account for purposes of this paragraph any actual and necessary travel expenses incurred by the Member to the extent that such expenses are paid or reimbursed by any other person, and the amount otherwise determined shall be reduced by the amount of any such expenses to the extent that they are not paid or reimbursed.

"(c) The term 'travel expenses' means, with respect to a Member, the cost of transportation, and the cost of lodging and meals while away from his residence or the greater Washington, District of Columbia, metropolitan area.

"(d) The term 'outside earned income' means, with respect to a Member, wages, salaries, professional fees, honorariums, and other amounts (other than copyright royalties) received or to be received as compensation for personal services actually rendered but does not include—

"(1) the salary of such Member as a Member;

"(2) any compensation derived by such Member for personal services actually rendered prior to the effective date of this rule or becoming such a Member, whichever occurs later;

"(3) any amount paid by, or on behalf of, a Member to a tax-qualified pension, profit-sharing, or stock bonus plan and received by such Member from such a plan; and

"(4) in the case of a Member engaged in a trade or busines in which the Member or his family holds a controlling interest and in which both personal services and capital are income-producing factors, any amount received by such Member so long as the personal services actually rendered by the Member in the trade or business do not generate a significant amount of income.

Outside earned income shall be determined without regard to any community property law.".

Mr. BOLLING (during the reading). Mr. Chairman, I ask unanimous consent that title VI be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk reads as follows:

Committee amendment: On page 18, line 10, strike out "$750" and insert in lieu thereof "$1,000";

Mr. BOLLING. Mr. Chairman, I favor the committee amendment. I proposed it in the Rules Committee, and it was adopted. It was adopted after a Member of the other body in his committee—the comparable committee to the Commission—indicated that it was a matter of dignity that the amount go from $750 to $1,000. I thought that what was dignity to the Senate ought to be dignity for the House, so I made the motion in the Rules Committee and it was adopted substantially.

Mr. Chairman, I urge its adoption here.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, let me say that I would also support the action of the Rules Committee. It seems to me that this is a reasonable compromise. Again, we are just trying to be practical. We know that the Senate will adopt this limit. We also know that there is every intention on the part of both Members of the House and the Senate, when this process is all finished, to be living under the same rules as much as possible.

We are just recognizing realities in this instance, and I would support the gentleman from Missouri and the amendment.

Mr. FRENZEL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I too believe in comity and trying to accommodate the other body when necessary. But I do not think that we should, in this House, in this committee, do something unwise, simply for the sake of making this particular accommodation to the other body.

That is not a very good excuse for writing the law, in my best judgment. In the Commission on Administrative Review, we first voted to limit honoraria to $500 per presentation. I supported that, and the majority of the Members supported it. Later, we reconsidered that vote and decided to raise it to $750—for what purpose I know not, because I still think it makes more sense to have a $500 limit. But then we have earlier today decided that $5,000 was the cost of purity.

I am not sure that the $1,000 in this instance is going to make us more or less pure than $750, but I think that what bothers me is that we have heard all these protestations of how pure and how ethical we must be, particularly with the taxpayers' money. Now we find that the committee of jurisdiction in this matter raised the original recommendation of the Commission on Administrative Review not so we could be more ethical, but so that we could get more money.

Mr. Chairman, everything we have done in this bill is to give us more. It is about time that we thought of being a little bit ethical at our own expense. Therefore, I suggest that we vote down the amendment which will restore the honorarium limit to $750.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was rejected.

AMENDMENT OFFERED BY MR. MURPHY OF ILLINOIS

Mr. MURPHY of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of Illinois: On page 17, strike all after line 13, through page 20, line 4.

Mr. MURPHY of Illinois. Mr. Chairman, earlier today I complimented the gentleman from Indiana (Mr. HAMILTON) and the gentleman from Wisconsin (Mr. OBEY) and the Commission for their work on the majority of this bill. It was no easy task.

My amendment here today to strike title VI is to be taken not as a personal affront to the Commission, but what I think is an inequitable application of the law.

Mr. Chairman, I would like to point out that during the 2 days of hearings held by the Committee on Rules on this matter, over two-thirds of the criticism directed against the proposal was aimed at title VI. And again here today, in the 4 hours of general debate—for those Members who were not here—the majority of the criticism again was directed at title VI.

Most of the witnesses pointed out that the distinction between unearned income and investment income was purely arbitrary and unequally applied to all Members of Congress. Even the principal sponsors of the resolution admit that there is a legitimate argument of equity that can be and has been raised against this title.

I simply refer my colleagues to page 10 of the Commission report. If the Members have a copy of that report, I wish they would open it to page 10, the first paragraph. It reads:

Although disclosure is the appropriate way to deter conflict of interest with regard to investment income, it does not necessarily follow that disclosure is also the appropriate method to deter conflicts of interest with regard to earned income. As a matter of equity, this claim can and has been advanced.

But the sponsors further comment that equity is not at issue here; the real issue is how to deal in a reasonable manner with the potential conflict of interest, both in terms of time and money.

In my cross-examination during the Rules Committee hearing of one of the sponsors of this particular section, the gentleman from Indiana (Mr. HAMILTON) talked about the element of time. The in-House poll that was paid for by the

Congress reported that the majority of the people asked about this said that Congress was a full-time job.

Let us examine the time spent in session from October 1, 1976, for 1 year, up until October 1, 1977. We did not meet in all of October, November, and December. In January we had 13 working days. In February we had 9.

In April we are taking what is known as an Easter recess from April 7 to the 17; for Memorial Day we are taking a recess from May 27 to the 31; the Fourth of July weekend will go from July 1 to July 9; and then we are taking from August 6 to September 6 for our August recess. So for 1 whole year we will not be here for more than 6 months. Is that our definition of a "full-time job"?

We did bring out the fact that the majority of the American people want us back in our districts. I agree with that. However, I do not think the majority of the American people were asked one important question in that poll, a very simple question, a question that could be asked for a fee of $55,000, and that is this:

Do the American people agree that we are entitled to the pay raise bringing us to $57,500?

That question was not asked. This leads me to believe, as in all polls, that it depends on who is asking the questions and how the questions are framed.

Mr. Chairman, the sponsors of this resolution also admit that disclosure is the proper mode to deal with conflicts of interest with regard to unearned income but it is not the proper mode for earned income. I ask the Members this: Why not?

The only plausible explanation I can determine from what I have heard today and in the Committee on Rules is that the exemptions to the farmers, the exemptions to the Members who own 51 percent of a closely held corporation, and the exemptions to holders of copyrights were put in for a purpose. I suggest those exemptions were put in for one simple reason, and that is this: To have excluded them would have meant the defeat of this bill.

So they picked on those of us who are engaged in some personal service type of activity.

The Congress has a legitimate right under the Constitution to agree to any restrictions it wants with regard to our character and our behavior, but I think what we are talking about here in limiting income raises a very grave constitutional question. We are talking about a persons's property right, and I think there are some grave questions here. I feel sure that the Supreme Court will probably hear this issue in the not too distant future.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. MURPHY) has expired.

(By unanimous consent, Mr. MURPHY of Illinois was allowed to proceed for 5 additional minutes.)

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of Illinois. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, the gentleman raised the question of the salary, that apparently the motivation for this resolution is to justify the salary of some $57,000.

If the Members believe they will have a salary of $57,000 next year, they are operating under a delusion, because the fact of the matter is that a supplementary appropriation will be required. The subcommittee chairman to this date has not been able to get sufficient votes to report that bill out, and I predict that when it comes out to a vote on this floor, it will go down to defeat. We will then have this legislation and no salary to justify it.

That is one of the arguments the leadership is advocating for the passage of this resolution. This resolution can justify that salary. I suggest that we will have no basis in fact for this resolution if that is the premise.

Mr. Chairman, I thank the gentleman for yielding.

Mr. MURPHY of Illinois. Mr. Chairman, I thank the gentleman for his remarks.

During the general debate today, I brought up the fact that there are certain Members of this body and of the other body who are the beneficiaries of trusts, trusts that might bring them as much as $500,000 a year. Under this ethics package the beneficiary will only have to report the income and the source, that being the trust. It makes no requirements about what is in the corpus of the trust, what is in the body of the trust, or what stocks or what possible conflicts of interest make up the body of that trust.

It makes no mention of Members who serve on committees such as the Committee on Banking, Finance, and Urban Affairs. It does not ask which Members own bank stocks or have an interest in savings and loan institutions. It may be that one Member will have 51 percent of the ownership, and he will be exempt under this package.

Mr. Chairman, the important question is this: It is not so much that we limit outside income. This law does not apply equally to every Member of this body and the other body. Some are treated more equally than others. I suggest that there is one common denominator the Commission could have adopted if it were really serious, and that would be to limit all income to salary, plus the 15 percent or $15,000, whatever the House Members would agree upon, but they did not do that.

They had to include those exceptions of the farmers, the copyright holders, and also those who own 51 percent of their business. How can a person who owns 49 percent of a business be considered unethical, and another who owns 51 percent be considered ethical?

Mr. Chairman, there really is no justification for this section. It is poorly written. I think it is subject to attack in the Supreme Court and that we are adding another qualification to membership, that being a property right which the court has spoken about.

Therefore, Mr. Chairman, I urge the Members to vote to strike down title VI.

Mr. HAMILTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the effect of the gentleman's amendment, if it is adopted, would be to strike title VI; and that would mean that the only provision we have in here to cover this problem of conflict of interest is the disclosure provision.

Those who argue that that is sufficient base their case on the argument, "Let the voter decide." The fact of the matter, however, is that that kind of argument simply is not sufficient when three-quarters of the congressional races in the House of Representatives are not closely contested races.

Mr. Chairman, many constituents are at times not able to identify the position of a Congressman on an issue. They certainly would not be able to get information from a financial disclosure paper, and I do not think that disclosure alone is enough to meet the kinds of ethical standards that we want in this body.

Mr. Chairman, to continue to allow the Members of the House of Representatives to receive the large amount of outside income that would be permitted if this amendment is adopted is bound to invite suspicions of improper influence.

Mr. Chairman, when we are dealing with a question of confidence in this body, we have to remove that suspicion.

We just accepted a very large pay raise; and if we come along now and say that we can accept as much money as we can earn on the outside, I do not think our constituents are going to buy that. I think this is the acid test as to whether or not we want to write a tough code of ethics right now.

Mr. Chairman, there are a couple of kinds of conflicts of interest because of outside earned income. The most obvious is the payment of a large fee. The poll very clearly shows that the Members of Congress and the public have grave reservations about payments of large fees to Members of Congress who are using their position to cash in on their official position.

Besides the conflict of interest that can arise from the payment of honoraria or from the payment of large fees, there is also the more subtle conflict of interest that can arise because of time. If I have an invitation to speak to two groups, and one of those groups is going to pay me $1,000 and another group is not going to pay me anything, it is a perfectly natural thing that I direct my time and my energies and the energies and time of my staff toward working on that speech that is going to pay me $1,000. However, by doing that, there has been a subtle distortion, I think, in my use of time.

Mr. Chairman, we are not trying, through the recommendations of this Commission, to maximize the income of Members. What we are trying to do is to remove doubt in the minds of the American people and suspicion of improper influence because Members are getting large sums of money from a variety of sources.

We are trying to remove that suspicion with this limitation. We are trying to maximize the effectiveness of the Members in the use of their time. I hope, very strongly, that the Members will see fit to reject the amendment offered by the gentleman from Illinois (Mr. MURPHY).

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HAMILTON. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, first let me say that I have a great deal of respect and a lot of personal affection for the gentleman and know that he is a hard working, dedicated Member of this Congress. I do have some difficulty, however, following his argument because the argument seems to hinge on two points. One is that we have a lot of races in the Congress that are not close. Also we have a lot of people who vote who do not understand how the Members have voted on various issues. I do not see how title VI bears on that at all.

With respect to the conflict of interest question, however, it seems to me that we ought to do everything we can to remove conflict of interest from any Member's consideration of legislation, but $100 to get one to vote one way or another on an issue seems to me that there could be a very grave conflict of interest.

I do not see how the determination of 15 percent of his outside earned income is not a conflict of interest where 16 percent of his salary as outside earned income would be. I am lost in the logic of this argument.

The CHAIRMAN. The time of the gentleman has again expired.

(By unanimous consent, Mr. HAMILTON was allowed to proceed for 3 additional minutes.)

Mr. HAMILTON. First of all, Mr. Chairman, with respect to the concern of the gentleman from Ohio (Mr. BROWN) about the effect of title VI, the effect of this amendment, if it is adopted, is to strike title V. That leaves only disclosure. The argument of those who think that disclosure is enough is: Let the voters decide. I am arguing that the voters in three out of every four races in the House of Representatives will go ahead and approve the candidate for reelection who is the incumbent regardless of his disclosure. Therefore it seems to me disclosure is not going to be a very effective check.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman would yield further, that may be an argument against disclosure, but it is not going to dissuade me in voting against disclosure. It seems to me the question is whether or not 15 percent of the congressional salary as outside earned income is not a conflict of interests but that 16 percent or 20 percent is. That is the argument that I do not follow.

It seems to me that the Member of Congress could have a conflict of interest for a great deal less than 15 percent of his congressional income.

Mr. HAMILTON. Obviously when we draw a code of ethics we have to make some arbitrary lines and we have made some arbitrary lines. We picked the 15 percent that we permit the Members to earn from outside income as a reasonable amount in our judgment, but an amount which does not permit them to operate on a full-time basis outside. The one thing that the public is very sure about is that this is a full-time job and that the Members ought to be spending all of their time at the job of being Congressmen.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. HAMILTON. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, I thank the gentleman for yielding to me.

First of all, Mr. Chairman, let me say that this limitation, however it is imposed, will not in any way affect me. My honorariums and all other outside endeavors on the whole would be well within the limitations. But I am genuinely concerned about this aspect of the matter.

The gentleman has made an extremely persuasive argument on the question of conflict of interest, I am troubled by the fact that there is equally a conflict of interest with respect to unearned income. If a Member of this House earns thousands and thousands of dollars from shares that he owns in North American Rockwell, how can he vote to cut off funds on the B–1 bomber? He does have a conflict of interest, just as do those Members, for instance, who might have an interest in savings and loan associations who voted on the continuation of regulation Q might have a conflict of interest if they have shares in savings and loan associations or funds there which would be benefited by regulation Q.

I am not concerned about the proposition of equality which the gentleman said, in the memo to the Members, that we are not trying to achieve quality but equality. I am concerned about the proposition of people who are receiving hundreds of thousands of dollars not creating a genuine conflict of interest, and yet because someone receives outside income which he works for he is deemed to be in conflict.

(At the request of Mr. LEVITAS, and by unanimous consent, Mr. HAMILTON was allowed to proceed for 3 additional minutes.)

Mr. HAMILTON. Let me respond to the question of the gentleman from Georgia. We do not put a limit on investment income for several very good reasons. First of all, in our judgment, there is less of a conflict of interest in the case of income from investment as compared to the income from services rendered. I am not arguing that there is no conflict of interest at all. There obviously can be. We try to deal with the major abuses that are known to us. We could not cover every possible abuse. We think the abuse of earned income is the principal abuse and, therefore, our recommendations would go to that.

We also have to acknowledge that we are not sure of what we can do with regard to investment income, and it may very well be unconstitutional for us to make any kind of limitation on investment income at all. We simply are trying to deal with the central abuses as we understand them.

With regard to a conflict of time, there is almost no conflict of time when we are talking about investment income. There may be some conflict, but we think it is minor with regard to a financial conflict.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HAMILTON. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

It seems to me that the conflict-of-interest question hinges on the nature of where the money comes from rather than on how much that money is. A farmer who sits on the committee and can shape legislation giving a government subsidy to his kind of farm may very well have a direct conflict of interest on even a modest amount of money, which ought to be improper under the law. But it seems to me also that if somebody is dealing in a business that takes little from his constituents in the way of time and has no government relationship, the amount of money is not the issue at stake here. That is what I do not understand. If the gentleman can explain to me why the 15-percent figure was arrived at as proof of a conflict of interest—never mind the source of the money—perhaps I will be satisfied by it. Until then I do not see how I can support this on that basis.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. HAMILTON. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

If I could just respond to that, we are simply recognizing that, as the gentleman from California (Mr. WIGGINS) indicated, there has to be a differentiation between earned and unearned income if there is to be any limitation at all.

Mr. BROWN of Ohio. I have a little difficulty with that, too. I think the gentleman from Georgia gave a great example.

Mr. OBEY. What we are saying is that we cannot and do not intend to try to do something about a condition which existed before a Member came here, but we can do something about conditions which exist once he is here, and that not only goes to the constitutionality argument, it goes to the crux of it as well.

Mr. QUILLEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the motion to strike.

When I spoke on the rule, I quoted Madison and the Federalist Paper No. 53. I repeat:

> No man can be a competent legislator who does not add to an upright intention and a sound judgment a certain degree of knowledge of the subjects on which he is to legislate. A part of this knowledge may be acquired by means of information which lie within the compass of men in private as well as public stations. Another part can only be attained,—

And listen—

> or at least thoroughly attained, by actual experience in the station which requires the use of it.

Mr. Chairman, the Members of this body are trying to create a different qualification for membership in this House then was given us by the farmers of our Constitution. I do not think we Members of this body should tell the people of this land that we want somebody here in the House who can accept only the $57,500 salary with an addi-

tional limitation of 15 percent of earned income.

I think the people of this Nation, in the different congressional districts, should know the person and the qualifications of the person who represents them here in this House. I do not think we have the expertise, as the gentleman from Indiana (Mr. HAMILTON) mentioned a moment ago, when he said we do not have enough close races and that an incumbent can win overwhelmingly, to say to the people of this Nation, in the different congressional districts, that we are going to have or we want to have restrictions which would lead to certain classes of membership.

I do not think that was the intention of the framers of our Constitution. I think we need attorneys in this body. I think we need small businessmen in this body. I think we need physicians. I think we need people from every walk of life who have had experience and the knowledge of business and the various professions, because what we are doing here is of significant importance to the people of this Nation and to the preservation of our freedom.

If we decide tonight that we are going to have certain classes of Representatives as Members in this body, then I shudder to think what is going to happen 25, 50, or even 100 years from now.

We have gotten along very well in our 200 years of existence. Our freedom is something that we all cherish. But let us not bring into this body a membership which is not representative. If this resolution is adopted, only the rich or the poor will be able to run.

Let us leave the opportunity open for those who aspire to do great things for their country, for those who would work honestly in their careers in which they were trained to give them the stepping stone to come here. There are many here who have had the opportunity to receive the best education in the land. They were the ones who received their degrees in their respective professions. There are others like myself who did not have an opportunity to go to college. I went to work when I was 19 years old, right out of high school, making 25 cents an hour, and I worked and I pulled myself up by my own bootstraps. I do not think anyone who has had the same experience should be denied the right of achievement, the right to get ahead in America.

I ask the ladies and gentlemen of this body to think long and hard before voting against this motion to strike, because it is wrong, it is morally wrong. It does not protect against conflict of interest or eliminate it.

Our job should be to do away with corruption and ferret it out.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

(By unanimous consent, Mr. QUILLEN was allowed to proceed for 2 additional minutes.)

Mr. QUILLEN. Mr Chairman, what we should do is to eliminate conflict of interest. What we should do is to ferret out corruption. What we should do is to reestablish this body as the most respected in the land instead of passing measures which make us fourth- or fifth-class citizens.

I plead with the Members to vote to strike title VI and let us get down to the business of restoring confidence in this body by the work that we do, by our performance. We can do it if we love our country, if we appreciate what our Founding Fathers gave us and what the framers of our Constitution intended.

Mr. D'AMOURS. Mr. Chairman, will the gentleman yield?

Mr. MEEDS. I yield to the gentleman from New Hampshire.

Mr. D'AMOURS. Mr. Chairman. I thank the gentleman from Washington for yielding to me. Like the gentleman from Washington, I was a practicing attorney when I entered this body. I terminated my practice immediately or as soon as I could after becoming a Member here.

I think the gentleman makes an excellent point in distinguishing the opportunity for using one's office here to enrich one's self, because and only because of the fact that one is here, and the fact that the public overwhelmingly wants us to spend our full time on this job, as the poll very clearly shows, and the poll also shows the public is very intense in this feeling.

Mr. Chairman, before coming here I was in private practice, solo practice, for about 5 or 6 years. I was chugging along fairly well, no barn-burner by any means, but I was making a fairly comfortable living. Not too many people approached me for the purpose of offering or forming a partnership or for the purpose of asking me to join them. Until I became a Member of Congress. All of a sudden some people in my home town decided that I would be a worthwhile addition to their law firm and wanted to form a partnership. I was very flattered by that.

Finally, after my election to Congress they realized all the ability and talent I possessed; but I think the mere fact I was getting those offers tends to indicate that there is a marketable, salable something, that goes with being a Member of this body. I think I could accept one of those offers were I inclined to and supplement my income quite considerably; but frankly, I believe that with this current 15-percent limit on outside income and the $57,000 that Members of Congress now make, for a total of about $66,000, that this is a pretty comfortable way to get by. Nobody has said that Congress ought to be a plush place for people to enrich themselves.

The CHAIRMAN. The time of the gentleman from Washington has expired.

(By unanimous consent Mr. MEEDS was allowed to proceed for 1 additional minute.)

Mr. MEEDS. Mr. Chairman, I yield to the gentleman from New Hampshire (Mr. D'AMOURS).

Mr. D'AMOURS. I would just like to make this one final point: Everybody here seems to be concerned about the fact that we are treating the bond holder, the coupon clipper, those with great inherited wealth, one way, and treating the hard-working people another way. They think that we ought to make the working people a little wealthier.

Remember this: The wealthier we make Members of Congress, the less representative of the people back home they are. If we want this body to be a conglomeration of rich people only, people who need somehow $66,000 per year to make ends meet, then that is what we will have, but who is going to represent the people back home who get by on $10,000 and $11,000 per year?

Mr. PEPPER. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, I hope I do not commit an impropriety by relating a personal experience which may be helpful to some of the younger Members, at least, of this body in deciding how they are going to vote on this amendment that is now pending.

I came to the Senate when I had just become 36 years old, a little over 40 years ago. I thought that it was the right and honorable thing to give up my rather satisfactory law practice in our State's capital, and the day I was sworn in as a Senator I gave up my law practice. I had a little to be derived from that law practice thereafter, very little, just the uncollected fees and so forth.

Fourteen years later, after a bitter, discrediting campaign where they not only sought to defeat, but to destroy me, I was defeated for the Senate.

I owed thousands of dollars. I had no partner, no associate, not a book, a typewriter, an office or a client. I started out on borrowed money to try to reestablish myself and pay my debts. There were many times in the ensuing months when a faithful secretary defended the door against creditors demanding payment I was unable to make. Fortunately, I was only 50 years of age and in good health, and the Lord and friends were good to me. In the 12 years I was out of the Congress, I was able to reestablish satisfactorily a law practice.

Then, at 62 years of age, in 1962, I ran for this House. They asked me, "Are you going to give up your law practice?" I said, "No, I did that once. It will always be open to public scrutiny. An opponent can always call attention to it if he will. I will never let it distract from my duty to my district, to my State and country and my colleagues and my responsibilities, but that is a matter for me and my constituents primarily to decide as to whether I can be entrusted with that opportunty to have an adequate insurance program to pay my debts, to care for my loved ones, to make some provision for them and myself for the future."

There are those who are advocating the passage of this measure because they say we cannot trust the people to know enough, even if there is a full disclosure, to make a wise and discriminating decision.

Right here on this floor we have the contrary. The gentleman from New York (Mr. PIKE) appeared before the Committee on Rules and made a movingly eloquent statement. No doubt he did the same on the floor here today. He told his people when he ran for the House of Representatives the first time, "I will never be dependent on my political salary altogether." Evidently his people, knowing he has a law connection, have not found a justification to remove him from the performance of a splendid job.

On the other hand, the gentleman from Massachusetts (Mr. HARRINGTON) is quoted in the press as saying that his opponent raised the issue of his being in a law practice, and I guess there was some embarrassment about it. I think he was quoted as saying in the paper, and he announced that he was not any longer going to maintain his connection with his law office.

The people in those two districts exercised their judgment and made their own decision. And anyone who thinks they are not capable of doing it in any district represented by this Congress misjudges the intelligence and the dedication of the people. This House is not only representative, in the sense that we have the right to vote for our constituents, we are supposed to be reflective, symbolic, somewhat typical of our constituents.

The CHAIRMAN. The time of the gentleman from Florida (Mr. PEPPER) has expired.

(On request of Mr. WIGGINS and by unanimous consent, Mr. PEPPER was allowed to proceed for 3 additional minutes.)

Mr. PEPPER. On the contrary, I think that the people of this country want to have people here, as was said in the Federalists, who exhibit a measure of competence among their people at home.

Then there are those who say, "Well, because we cannot put a proper curb on unearned income, we will just go ahead and put one on earned income. It is just too bad for the poor that we cannot put a proper bridle on the rich."

If a man has a farm he, under this bill, can spend half of his time working on it. He is not precluded. There is no violation of this so-called ethics bill.

One of our colleagues has exhibited the error, it seems to me, and the wrong that this title in this bill presents. A gentleman from New York is quoted in the press as saying he received over $100,000 a year in salary from a company he controls. He said under this bill he would just quit taking the salary and draw the same amount, in substance, from dividends because he controls the company anyway.

Are we protecting the public interest that way?

I say to the Members that this is a good bill. I honor these gentlemen who have striven diligently. But the Members know and I know that the sentiment of the people of this country bringing into question the integrity of this Congress is not because some of the Members have outside earned income. That is not the reason. There are other reasons that are embarrassing to us, and regrettably. But they are not the kinds of things that are dealt with in this bill. If we have full disclosure, let the people know the facts. If they do not want to vote for a man or a woman when they know the facts, it is up to them to make that decision. The Members know that we do not have to protect the people against themselves as much as some think we do. They are perfectly competent people. If we pass this bill without title VI, require full disclosure, at least give the people the chance, and if they cannot protect themselves, there will be time enough for us to try to protect them against themselves.

Mr. STEIGER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, the distinguished gentleman from Florida (Mr. PEPPER) is a very difficult speaker to follow. I agree with him, and I congratulate him.

At the outset, Mr. Chairman, may I say that I am sick and tired of hearing about Lou Harris' poll as a basis upon which we ought to vote. I am further, I must say, bemused by the fact that one can get a little bit pregnant at 15 percent and be totally wrong at 16 percent. That does not make any sense to me.

The American people were engrossed by the television dramatization of Alex Haley's "Roots," and his book has sold untold thousands of copies. Roots. That is what this issue is all about. If we do not adopt the amendment offered by the gentleman from Illinois (MORGAN MURPHY) we in effect, it seems to me, are severing the roots of some of those who now serve and of some of those who will serve. We do not sever all the roots; we do not outlay all outside income.

And, yes, Mr. Chairman, I must say I am regretful of the fact that Mr. Peterson and his Commission, and those who have carried the argument, have decided to tie the pay increase to ethics. The two are unrelated. Whether the salary was $12,500 or $57,500, the issue of ethics remains the same. It does not change because the salary was increased or decreased.

The argument is apparently based, with all due respect to my friend, the gentleman from Wisconsin, DAVE OBEY, and the gentleman from Indiana, LEE HAMILTON, and to those others who have worked so hard, on two premises, as I understand it: No. 1, if there is not a limitation, there will be the perception of a conflict because Members may take speaking engagements and accept other kinds of engagements and earn money from them. That is the first of the premises upon which this is all based.

It seems to me the best argument against that is our own Senator from Wisconsin, the senior Senator from that State, who has earned as high an amount as any other single Member of the other body. He has a 100-percent voting record, he holds hearings on Saturdays, Sundays, and Mondays when everybody else is out of town, and he gets a better press than anybody else. Is there something wrong with what he has done? I think not.

The other premise is that there is a conflict in the law practice. The most of what I have heard so far—and I have listened to the debate faithfully—is that there is this problem of a perception of a conflict in the law practice. I am not a lawyer; none of these limits will affect me. But I must say I am persuaded by the overwhelming eloquence of the gentleman from Florida, CLAUDE PEPPER, and of the gentleman from New York, OTIS PIKE, and I agree that if we were to adopt this kind of a provision on the strength of these two bases, we would make a serious public policy mistake.

As a matter of fact, we already limit honoraria income and were this provision to attempt to deal with the alleged conflicts in a law practice, I might not be here discussing this matter. The problem is, however, this title goes way beyond these two matters. That is its very problem.

The gentleman from New York, OTIS PIKE, is right. What we are going to end up with in this body are those Members who are wealthy enough because of their dividend income or because of unearned income to serve in this body without any hesitancy at all, or we will end up with those who will be so dependent upon this salary that they will not exercise their judgment about what they think is right or wrong. That is a far more subtle concept, but it is a far more disastrous and dangerous kind of ethical conflict than any I have yet seen personally or read about or heard about in any of the presentations thus far tonight. With that kind of perception and that kind of danger, it seems to me this body would be making a terrible mistake were it to adopt what is proposed before us.

Mr. Chairman, I urge the adoption of the Murphy amendment.

Mr. ECKHARDT. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, in the first place, I think we should get this point clear: In spite of what the gentleman from Illinois (Mr. MURPHY) has said, it is perfectly constitutional to limit outside income; and that was decided long ago in the case of *Burton* v. *United States*, 202 U.S. 344.

That was a case in which a law prohibited a Member of Congress from receiving compensation for services rendered before Federal agencies concerning a matter in which the Government is interested.

Mr. Chairman, the court said:

> If that which is enacted in the form of a statute is within the general sphere of legitimate legislative, as distinguished from executive or judicial action, and not forbidden by the Constitution, it is the supreme law of the land, supreme over all in public station as well as over all people.

Then, continuing, Mr. Chairman, the court quoted:

> is above the law.
>
> No man in this country is so high that he

Clearly, we may limit such income; but also quite clearly, we could not take away from a person, who is earning interest on an investment, his interest during the period of time he served in Congress without taking away from him property without due process of law.

Therefore, Mr. Chairman, in the first place, there is no question but that we can constitutionally do what this resolution purports to do; and in the second place, there is no question but that we could not constitutionally go as far as the gentleman from Georgia said we probably ought to go.

However, I will go further than that and say that it is well that the Constitution so holds because there is a difference between a situation in which a person elects to take or not to take money

in the form either of a law fee or in the form of an honorarium, during the period of time when he is serving in office.

Mr. Chairman, let me make it perfectly plain that not all honoraria and not all law fees are offensive to morality. Almost any Member here can get as much as $8,500 in $750 lumps from educational institutions and from other organizations completely unconnected with the service in which he is engaged; but if one goes to a high level of receipt of honoraria, he is nearly always speaking before groups over which his committee has some control.

Only recently I became chairman of a subcommittee and that subcommittee deals with such things as the Security Act. Does anyone think that there is any question but that I could get honoraria in that quarter? There is no question about that at all, and that is not necessarily illegitimate. However, the fact that it can be illegitimate, and the fact that there is a legal way for an interest group to pay a person who can help that interest group is reason enough to deny that opportunity.

Of course, we all say that we have never taken fees nor honoraria that ultimately affected our vote. But who really can say that with finality and assurance? Who can say truthfully that there is not at least some predilection in favor of those who have favored him?

Mr. Chairman, I heard one Member of this House say that one of the finest and highest attributes of a Member of Congress is a lack of gratitude; but very few of us totally lack gratitude in such situations and perhaps it is only human that we do not.

Mr. Chairman, let us pass a good resolution, a balanced one, a fair one, one that allows permissible and reasonable acceptance of honoraria and fees but does not permit the excessive use of such means in order to place in jeopardy his independence in voting.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words, and I rise to oppose the amendment.

Mr. Chairman, I love the gentleman from Florida, Mr. CLAUDE PEPPER. I think CLAUDE PEPPER is just about the nicest person in this House. I have tremendous respect for him and tremendous respect for all that he has stood for through all the years.

He was the victim of a Senator from my own State, and I think my State owes an apology to the country and to Florida for the actions that my former junior Senator took in interrupting the career of a great man.

There is no Member on the Republican side of the aisle for whom I have more respect than BILL STEIGER. He has tremendous ability, even though he is not a lawyer—and I am not either—but he has a tremendous ability to make a great defense of a bad case at almost every opportunity. I respect that ability.

Mr. Chairman, I just want to direct a few remarks to a few specific decisions concerning this title.

It is suggested by some Members that it is unfair and inequitable because we did not include investment money. I do not know of any Member who has really looked at the problem thoughtfully who really believes, if you talk to them when the microphones are shut off and maybe there are 10 or 15 people on the floor, or if you talk to them privately, who really believes that it is equitable or possible to deal with invested income.

I say this because, as I indicated earlier, I do not think any Member of this House really thinks it makes sense to say that a Member of this House can buy a home, live in it for 20 years, sell it, and not be able to make more than $8,000 on it. And that would be the fact if you included investments as well as earned income.

I do not think that anybody here believes that if you are a millionaire you ought to have to take all of your holdings and get rid of them, or invest the money in an interest free bank account. That is what you would have to do if you did not want to exceed this limit.

We are practical people on the Commission, or at least we try to be. That is one of the reasons that we differentiated between those two kinds of income.

The gentleman from Wisconsin (Mr. STEIGER) said that we were cutting off people's roots. Let us talk about roots. I worked for 4 years in a paper mill. I do not have to stay working in that paper mill for the next 30 years, even after I am a Member of Congress, in order to have some understanding of the conditions under which those people work and in order to have some understanding of the kind of polluting pressures there are on the Wisconsin River or throughout the Wisconsin River Valley. I have that experience. My roots are within me. I do not have to keep those roots attached to my past experiences in order to remember and in order to apply what I remember from an earlier stage in my life. No one else here does either.

I also want to say that I used to work in a supper club. What little progress I ever made in learning to control my temper—and as those of you who know me can testify, there has been precious little progress—but what little progress I have made I made by tending bar in that supper club that my dad owned. I also learned a great deal about people while tending bar in that supper club. I still remember an awful lot of it. I hope I never forget some of it.

But, Mr. Chairman, one does not have to continue to experience those same kind of experiences in order to bring diversity and richness to this body.

I believe that the gentleman from Indiana (Mr. HAMILTON) who has been a tremendous force in this area, is absolutely correct in the position he takes.

I started out with the opposite position. When I took on the job of the chairmanship of this Commission, I was convinced that the only way that you could deal with this issue equitably was to disclose, but I have been sold on the idea not only by the gentleman from Indiana (Mr. HAMILTON) but by a great many other people who came and testified before us, including the chairman of the Alabama Ethics Committee, and the chairman of the California Ethics Committee, the two toughest ethics committees in any State in the Union. Both of them made the statement that in terms of potential conflicts and in terms of potential perception of conflicts on the part of the public that there was a much greater and insidious danger found in carned income than there was in invested income.

Let me say that this House has already determined through past action that we ought to differentiate. We operate now under a limit on honoraria. Honoraria is earned income. If Members who are objecting to the fact that we are differentiating now tonight in this bill really believe that, then what they ought to do is take out the limit on honoraria which we have lived under for some time.

Let me also point out that the Republican Task Force on Reform—I do not know if it is still taking this position, but at one time it did—at one time issued a public statement saying that they favored a limit on earned income, although they favored the $15,000 limit, not the 15 percent limit.

Let me say something else. I know people are unhappy with our referrals to the Lou Harris Poll, but I am talking about a different part of that poll. That poll showed that the public thinks twice as much on an average of its own individual Congressman as they do of us as a collective body. That is great for me at election time. I can run against the House every 2 years and win if I want to, but I do not think that is healthy for the House, and in the end I do not think it is healthy for our own self-respect.

If we love this House, we will want the people of this country to think as much of it collectively as they think of us individually, and I deeply believe that the only way we can do that is to address this perceived conflict and to address what is a very real conflict in many cases and place a reasonable limit on earned income.

I would just ask the Members to remember back. I was elected April 1 of 1969. I did not think I had the chance of a snowball in Hades of ever winning. No Democrat in history in my district had ever won. I would have given anything except my family to be a Member of this place, and I think almost every Member of this House when he first ran felt the same way. But something happens to us, and when we get here, we all start looking around because we are human. We look for other ways to maximize our abilities to take care of our families and to make a decent life for them. There is nothing wrong with that, it is human, but because we are in public life, we do owe the public a higher standard than if we were in private life.

I urge the Members on behalf of the House, which we all say we love, to do something which will help that House collectively in the eyes of the American people, and I think we can do that by defeating this amendment.

Mr. SHUSTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there is one idea which I have not heard expressed in this debate which I think is very relevant. It is this: This section seems to be based on the mistaken notion that there is a straight line relationship between the amount of outside income one earns and

the time it takes to earn that income. Granted, this is more true for unskilled or semiskilled labor, but when we start talking about professionals, about men who own small businesses and farmers, it simply is not true.

Take a lawyer, for example—and I am not a lawyer—who has a client for 10 or 15 years and then comes to Congress. He has years of knowledge which are extremely important, and even though a junior member of the firm takes over the day in and day out management of that client, certainly that senior member of the firm, based on years of knowledge, can spend a few hours a week and provide tremendous senior counsel which is worth much more than the many hours the junior member may spend or the businessman who owns a small business for many years, because he has those years of knowledge and can pick up the phone each evening and spend 15 or 20 minutes on the phone or spend a few hours on the weekend and in so doing manage his business.

So to suggest—and I think there is an implicit suggestion here tonight—that there is a straight-line relationship between the time a Member expends and the amount of money he can earn, simply is not true, and that is one more reason for striking this particular section of this legislation.

Mr. BIAGGI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from Wisconsin (Mr. OBEY) was fearful that the Congress would continually be a scapegoat or a subject of criticism. Let me tell the Members that if we were all suddenly ordained as an institution we would be still the subject of criticism. We have Members who probably are critical of the Congress. The President of the United States ran against Washington, which makes us an integral part of that situation.

The gentleman from Indiana (Mr. HAMILTON) said something about the polls revealing that three-quarters of the membership who run win by large margins. I would like to translate that to mean the constituents are overwhelmingly satisfied with the performance of their Representatives.

Today we are talking about a resolution that has a great deal of merit. I am for striking title VI, however. While this resolution has many good features, the limitation on outside earnings is wrong, immoral, and just possibly unconstitutional. I will not take the firm position that it is or is not. I am not the Supreme Court nor is any Member of this House, but I say it just possibly is unconstitutional.

If the genuine concern here is for integrity, then all outside income, regardless of source, should be eliminated. The example is given of a man who sells his house and he automatically violates this. They say we should provide an exclusion. We provide many other exclusions from other things in this proposal.

As far as the wealthy are concerned we expect them to divest themselves? No, that is not the answer, but let me tell the Members why we are expected to endure suffering. Will we permit the wealthy to be subjected to the same suffering? It will be disproportionate as far as dollars are concerned, but at least equal if not more painful and more injurious as far as the working people are concerned.

By the way, we are in an atmosphere of ethics. Ethics is the word here in this House. The leadership is very definitely concerned with ethics. But where was ethics when they very adroitly manipulated and maneuvered the procedure so Members of this House could not be afforded an opportunity to vote up or down the salary increase? Tell me that the people were not talking about that. Ask the people of this Nation how they felt about that.

Mr. Chairman, the resolution we are considering has as its admirable goal the establishing of strict ethical standards for Members of Congress. The public is concerned over the recent scandals of a few Congressmen and want to eliminate even the hint of suspicion. While this resolution has many good features, the limitation on outside earned income is wrong, immoral, and just possibly unconstitutional.

If the genuine concern here is for integrity, then all outside income regardless of source should be eliminated. But no, this resolution sacrifices integrity on the altar of hypocrisy. The millionaires or gentleman farmers, those with inherited wealth or vast holdings of stocks and bonds can continue to enjoy their incomes and get wealthier still. Those who work for a living are the only ones affected by this bill. It is a rich man's code of ethics designed to help the rich get richer and to keep the poor in their place.

A few years ago we passed a tough election reform law which contained a limitation on the amount a millionaire can spend to get elected. Our objective was to end the buying of congressional seats by individuals with vast sums of money to spend. That provision was declared unconstitutional. The millionaires won again.

Let us face it, while some of our membership have been around here for a long time, this job is not permanent. It is not civil service. There are no guarantees that we will be back in 2 years. In fact, over 60 percent of our membership has been elected since 1970. Yet for the workingman elected to Congress he must give up all his outside connections with employment that might be necessary 2, or 4, or 6 years down the road.

It is the same old story we see every day—a form of selective morality. We have it in the judicial system. There are two standards of justice—one for the rich fellow who usually gets off scot-free or with a fine, another for the poor and middle-income individual, who ends up in the pentientiary.

We have it in the tax laws. The richer you get, the easier it is to find the loopholes to avoid paying taxes. Yet, if you just work for a living and make your money from "earned income," you pay and pay till there is nothing left to take home.

Look what is going to happen if this resolution with its earned income limitation is approved.

One of our colleagues who draws $21,000 in salary and $18,000 in dividends from a family-owned business told the press he will simply change the salary to dividends.

Another colleague who supports the resolution said he had no problem with the proposal despite the fact that he gets $122,000 from a business he holds the majority stock in. He will have no problem converting that salary to dividends and adding it to the $300,000 in dividends he already receives.

Another colleague says he will put his wife in the two positions on bank boards that he now holds and she can draw the salary.

Large financial holdings create as much a conflict of interest as outside earned income. How can a Member vote to cut capital gains taxes, which only the millionaires really benefit from, if he is going to cut his own income. What Member is going to vote for tougher regulations of banks and corporations if he derives a great portion of his income from these sources? Unfortunately, no one is concerned about that.

The tough financial disclosure provisions are the only things necessary to prevent abuse of power. If a Member is taking income from sources that present a conflict of interest, the members of the press, I am sure, will quickly bring that to the attention of the public. Then let his constituency decide whether they want such a man to continue to represent them in Congress. If, as some suggest, the people cannot be relied upon to vote out a scoundrel, then we here in Congress can censure and suspend from various privileges any Member violating general standards of morality and ethics.

You cannot set arbitrary limits on outside earned income. Who is to say what an individual's time is worth. Two senators got $25,000 apiece for a few hours work on television during the national political conventions. I doubt if anyone can argue that such a fee compromised their positions as Senators, created a conflict of interest or deprived their constituency of representation. Yet, that type of income will be closed to Members of Congress if this resolution is passed.

Let us get everything on the record. The financial disclosure sections do that. If a Member received a $25,000 fee from some industry that he is responsible for in the legislative field, that fee and its consequences will be well publicized. No one in his right mind—even a criminal mind—is going to risk that.

If the disclosure route does not work, I will be among the first to suggest limitations on income—but on all income regardless of source. If the argument is true that an individual can live quite well on his congressional salary and should not need anything else, then let us apply that policy across the board. It might have the salutary effect of making this body more representative of all people instead of limiting it more and more to only the wealthy.

Mr. PIKE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, so ethical am I that I am going to concede to this House that I have some tiny little personal interest

in this particular provision. Everybody has been standing up here saying, "I am not in this. It does not affect me."

I want everyone to know that it does affect me.

Now, Mr. Chairman, I am also so ethical that when we were voting on regulation Q yesterday, I voted "present," but I did not vote "present" because I had a deposit in a Federal savings and loan institution. I voted "present" because I own some stock in a commercial bank and I thought it might be the right thing to do.

Mr. Chairman, I do not think it is wrong for a farmer to vote on legislation pertaining to agriculture. I do not think that any of us should have to prove that we know absolutely nothing about a subject before we vote on it. This is a personal judgment of mine.

Now, Mr. Chairman, I heard the gentleman from New Hampshire (Mr. D'AMOURS) earlier say that once he was a lawyer and once he became a Congressman, he found that people wanted him to be a partner in their law firms. My problem was exactly the opposite. Once I became a Congressman, my partners threw me out of the law firm, because I kept telling them:

You can't take that case and you can't take this case and you can't do that thing.

Now, that was my personal experience. I cannot tell what other people go through.

Mr. Chairman, I have demonstrated a little bit of courage here today, but I think perhaps the most dangerous thing I have ever done is tell the gentleman from Texas (Mr. ECKHARDT) that I think it is conceivable that the gentleman is wrong on a question of constitutional law.

Now, I was impressed when reading Mr. OBEY's statement that they had an opinion from the Congressional Reference Service on this issue, and the gentleman from Texas (Mr. ECKHARDT) just read from that opinion—but he did not read it all. I testified before the Rules Committee on February 23 on the issue, and I said that there might be a constitutional problem here; I believed that there was. Oddly enough, this opinion is dated February 23, and it begins like this:

The enclosed memorandum is submitted in response to your rush request of this date concerning the above-captioned matter. Due to the time frame in which this information has been requested, only a cursory examination of the issue is offered.

I am not overwhelmed, really, with this opinion from the Congressional Reference Service. The particular issue which I raised was that I thought that what we were doing was establishing a new qualification for being a Member of Congress. If we tried to say that in order to be a Member of Congress, one had to earn $30,000 a year, I think the screams would go up to the heavens that this was unconstitutional, and I believe it would be.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield on that?

Mr. PIKE. Of course, I yield. I know the gentleman is going to destroy me, but I yield.

Mr. ECKHARDT. If this were stated as a qualification, if it said because a person received an honorarium before he ran for Congress in a previous term, it certainly would be unconstitutional, but it does not say that at all. It is not a qualification for running in any term.

Mr. PIKE. No, I think it is a qualification for being. Would the gentleman say that if he were told that in order to be a Member of Congress he had to demonstrate the capability to earn $30,000 outside, would that be constitutional?

Mr. ECKHARDT. If the gentleman said that, it might be unconstitutional.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent Mr. PIKE was allowed to proceed for 5 additional minutes.)

Mr. ECKHARDT. But, it does not say that. It merely states a rule of conduct which may be punishable by Congress.

Mr. PIKE. I think it is more than a rule of conduct. The way it is worded, I think it is more than a rule of conduct. Now, the particular case to which the gentleman referred, I not only read what this thing said, I read the case.

What did he do? He practiced before a Federal agency. That is what he did, and that is a clear conflict of interest. What are we after here? We are after conflicts of interest, so in order to get conflicts of interest, we are going to stop Vinegar Bend Mizell from pitching a baseball. We are dealing with all forms of earned income here. We are not just dealing with lawyers here; we are dealing with every form of earned income there is.

The committee has made the judgment that it is bad to earn income over a certain amount. Well, that is their judgment, and they are entitled to it. It is not my judgment, but it is their judgment, and they use the time again.

All I can say to my dear friends is that if the time factor is so much of a problem, how come my voting attendance is better than their voting attendance is against the fact that I can and I do earn some outside income? Then, the gentleman from Indiana (Mr. HAMILTON) used the question about the safe district.

Then the gentleman from Wisconsin (Mr. OBEY) stood up and said he wanted a safe district. So there must have been some kind of a chance. My district, frankly, was safe before I ran in it. I told the Members earlier that the first time I ran, I lost by 40,000 votes. Well, the time before that, the man who ran on my ticket lost by 90,000 votes. So that is a safe district. There was a safe district.

There is no such thing as a safe district if we tell the people what the heck is going on. I mean exactly that. That is exactly what I mean. If we disclose and if we tell the people what is going on, and if the people know what we are doing, then if we say that we have to go beyond that, in my judgment, we are not only showing a lack of faith in the Members of Congress, we are showing a lack of faith in the people too.

Mr. O'NEILL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, when I became Speaker of the House on January 4, 1977, I remember the warm response as I said I would work to support the strongest code of ethics that this country has ever seen. And I believe that the Members then were genuine in the warmth with which they received me.

We have debated this matter for a long time today. The proposals we will adopt include complete disclosure of personal finances, abolition of unofficial office accounts, and corrective measures relating to abuses resulting from travel and gifts. And believe me, the heart and soul of this entire package is the proposal to limit outside income. This is the heart of the recommendations and the key to giving to the American people a credible ethics code.

In my opinion, only by eliminating the potential for a conflict of interest in a new code of ethics can we promote a climate of trust and renewed integrity in this great Congress. To allow us the privilege of continuing to earn outside income, no matter how stringent a provision of financial disclosure, creates in the public mind a suspicion of conflict, suspicion of impropriety. This is what we must avoid. This duty, I say again, is the heart of this entire ethics package. The issue before us is not unofficial office accounts, honorariums, outside income, earned or unearned. The issue is credibility, restoring public confidence in this Congress as an institution, restoring confidence in its membership.

A Member of the House of Representatives is the most unique public office holder in American politics. We are the only ones in American politics who truly must be elected. The President can be appointed, the Vice President can be appointed, a Senator can be appointed. Only those who serve in this body must be elected.

Therefore, a Member of the House must be accountable to the people he represents. I say to the Members that they should consider their votes very carefully today.

Mr. Chairman, I appreciate the fact that there was a great hullabaloo about the pay raise and the fact that some of the Members here were saying they were denied the opportunity to vote on the issue. Some of them accused me of denying them the opportunity tc vote on it. But I responded to the people of my district; I responded to the press of America. I told them that I believed the Members of Congress were entitled to a pay raise.

I recall the past. We all like to recall our past. I recall the year I came to Congress. That was in 1952, the year I was elected. I had an insurance and a real estate business. In that year I earned $42,000 in that business. I insured the butcher, the baker, the fellow who ran the barroom, all of the local people. But after I came down here, through the years in politics, I lost that business. It was out of sight, out of mind. With the type of a business that I had, I could not continue to give personal service to them.

I had a family that grew. I can remember when I had three children in college at the same time. My insurance business had faltered along the line. I

am using this example, and it is one that is true of so many of us. It probably does not happen to many of the Members who are successful in the practice of law, but if a Member had a small business as I did, he felt the loss.

So, I was one who fought for a pay raise for my fellow colleagues, because I knew and appreciated the problems that the Members have. Many of them are young. About 60 percent of the membership today is aged 42 or younger, and many of them have young families coming along. They want to plan for their children's education and for the future.

On every radio and television show where I appeared I told the public of America that we needed a pay raise. I hope with God's will we keep it, and if there is anything I can do personally, the Members know that I will do everything humanly possible as the Speaker of this House, to see that we maintain this pay raise.

I appreciate deeply the fact that there are those Members who will be greatly affected by this provision. I appreciate that many of the Members are going to have to make sacrifices. That will be true for some, much more than for others. For the collective integrity of this House it requires discipline and discretion on the part of the Members. It is a sacrifice we all must make. America demands from its elected Representatives a Code of Ethics.

Mr. Chairman, as much as I love the gentleman from Chicago, Ill. (Mr. MURPHY), I hope that his amendment does not prevail.

Mr. DENT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have listened to most of the debate today, and the arguments were convincing on both sides of the question.

There is only one question that bothers me, and that question is this: We talk about outside income. Outside of what? Outside of what we earn as a Member of Congress? I can live on that. I have lived on a lot less.

How can we distinguish between outside income from one source and outside income from another source? We have outside income from earned income and outside income from unearned income. How do we distinguish the importance of some vote that one might have to cast in this House when he has income that he gets, because he was born into a family that has a great deal of stocks and bonds and inheritances? Sometimes those particular outside incomes are of a graver nature in influencing a Member if he is weak in his position.

Certainly to earn an income has some merit to it. I say to the Members that what we are doing today is closing the door to membership in Congress to any young person in America who is growing up in a poor family and who does not have inherited outside income. His income has to come from the sweat of his brow, like some of us who started at the age of 11 in a full-time job.

I do not know of any other income except earned income.

I earn some income, yes, way below the standard set here, making a few talks around the country. I am not good at writing. I did not have that much education. However, by the grace of God and a gift of some nature, I am able to talk, so I earn mine through talking.

My outside income is limited. If I could write and was clever enough to write a book, that is income, is it not?

Mr. Chairman, I would have loved to have been a lawyer. I would have loved to have been an educator. When one starts work at 11 years of age in a family of 12, with a mother and father dead at the age of 42, he does not have that opportunity.

Mr. Chairman, we are closing the door on the Abraham Lincolns. We are opening the door to the Rockefellers and to those who have it; yes, Kennedy, too. I bar no one.

All I am saying is that I have no interest in this amendment at all except for distinguishing between earned and unearned income. Where do we get that distinction? What makes it so better and so greatly ethical that if one was born rich or his parents were born rich, he would continue to be rich; but if one is poor, he stays poor and can never become a Member of this Congress?

Mr. RUSSO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I realize that the hour is getting late; but I have been trying to get recognition to ask a few questions. I think a lot of questions about title 6 have not been answered as yet. Mr. Chairman, I can say to the Speaker that I have tremendous respect for him. I have had very modest outside income and the people in my district do not consider me as someone who engages in improper and unethical conduct. The reason I say that is because I have made it a practice to completely disclose my finances since I entered public life and I make myself available, accessible, and accountable to my constituents.

Let me just say that there have been a lot of inferences as to why family farms have been excluded, why family businesses have been excluded, and there have been innuendoes as to why.

Therefore, Mr. Chairman, I would like to ask the Chairman of the Commission the specific reasons, the specific rationale for the exclusion of a person from the limitations of title 6 who owns a farm, knowing that such an individual could till his soil on Saturday, Sunday, Monday, and Friday and during his congressional district work period taking time away from his job as a Congressman to work on his farm.

Also in the case of somebody who owns 51 percent of a business, who will undoubtedly make certain telephone calls, review certain financial statements, look at certain books, and take time to make sure that business that he has built up continues to prosper, that person is also excluded from the earnings limitation of title 6.

Will the chairman of the Commission give the Members of this House the rationale for those specific exclusions? We know the rationale for the unearned income exclusion, but why for these three specific items?

Mr. OBEY. Mr. Chairman, if the gentleman will yield, I will not answer the question in detail because, as the gentleman has indicated, we have answered those questions four and five times today. The fact is, however, that we have not, as we have indicated many times, exempted family farmers or anybody else from the 15-percent limitation for personal services rendered.

We have not exempted that. We are saying that you have a right to protect the investment you had before you came here but we are also saying that if your activity in and of itself generates income it is then subject to the same limitation as anyone else.

Mr. RUSSO. Mr. Chairman, I do not know if the gentleman from Wisconsin has answered this question on five previous occasions as he stated, but he certainly has not answered it for the sixth time. May I conclude by saying that I strongly support complete and total financial disclosure for all Members of Congress.

Mr. ROSTENKOWSKI. Mr. Chairman, I want to outline certain problems I have with regard to House Resolution 287. Specifically, as I have stated before, the provisions of title VI are not, I believe, in the best interests of the House either now or in future years.

Title VI has gone one step beyond financial disclosure by limiting certain types of income received by Members to 15 percent of salary. This is an unnecessary and potentially harmful restriction for a number of reasons. First, it unfairly discriminates against income earned for personal services and therefore against those Members who do not maintain large stock portfolios or who do not have significant family fortunes. Income is income, no matter what the source. It is through disclosure that improperly obtained income will be discovered, and that is the basic need. There is no automatic or logical link between income earned for personal services and an improper or illegal relationship. If such a relationship exists, it can obtain in stock investment income situations as well. The key provision is that disclosure is required of any income over $100 from any source. This essential information on the relationship of sources of income to matters which may cause a conflict of interest for a Member is what the public demands—not an illogical limit on outside income.

Second, the arbitrary limit of 15 percent implies that any personal service netting more than the limit requires too much time from a Member's primary duties. A minimum amount of thought will reveal instances where the time spent on a project or in performance of some service might involve a very modest investment of time but carry financial rewards in excess of the limitation. For example, a Member who happens to be an artist in his free evening hours, might create something which could easily net greater than the 15 percent limit. Or, he could monitor the accounts of his home business in his "leisure" hours, accounts which could exceed the

15 percent limit. In neither case did the time spent detract or take from his time as a Member. Again, the financial disclosure requirements of title I will give the voting public the information it needs to decide whether too much time is being used by a Member in the pursuit of noncongressional income-producing activities.

Third, this limitation on income may be unconstitutional since it sets up a new qualification for membership in Congress, and does so in an unevenly applied way. Nowhere in the Constitution is recited any such limitation. The reason none is to be found is that the Founding Fathers—our predecessors—deemed it beneficial to have as representatives of the people, people who themselves reflected the diversity and character of our population. Shopkeepers, laboring men and women, doctors, lawyers—all were intended to be represented and to represent. To restrict the income of Members is to subtly create a "professionalized" Congress made up of persons whose primary source of income and frame of reference comes not from the flow of commerce, industry, and labor in their districts, but from the Government. This is not what was intended by those qualifications which do appear in the Constitution.

Fourth, and finally, title VI should be struck because of the effect it will have on the future of this great institution. The 15-percent limitation will adversely affect the incentive of highly qualified people to seek office. Given our predelection against voting for necessary congressional pay raises, this limitation on one's personal freedom to supplement his income will reduce the attractiveness of congressional service—exactly what the pay raise was intended to combat. For a person must virtually sever his working relationships within his community in order to serve. For a family man or woman, this may adversely affect the decision to serve and reduce one's security to the point that a decision not to serve is mandatory.

The "restoration of the public trust" is the stated goal of the Obey Commission. I firmly believe that the public trust can and will be regained through complete and timely financial disclosure. Unnecessary restrictions such as the 15-percent limitation on outside income only serve to undermine the bases upon which truly representative legislators choose to run for elective office. Let us restore our faith, and that of our Founding Fathers, in the public to decide when and if its elected representatives are not spending the time required or have relationships which may influence them in adverse ways. So long as there is full disclosure, let the voters do the job, not the Government through arbitrary and inequitable rules and laws.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. MURPHY).

The question was taken; and the Chairman being in doubt, the Committee divided, and there were ayes 85, noes 163.

RECORDED VOTE

Mr. MURPHY of Illinois. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were ayes 79, noes 344, "present" 1, not voting 8, as follows:

[Roll No. 38]

AYES—79

Armstrong	Fish	Murphy, Ill.
Ashbrook	Frenzel	Myers, Ind.
Badham	Goldwater	O'Brien
Badillo	Gradison	Pepper
Bauman	Hall	Pike
Biaggi	Hammer-schmidt	Quayle
Boggs	Hansen	Quillen
Brooks	Jeffords	Roberts
Brown, Ohio	Kemp	Robinson
Burleson, Tex.	Ketchum	Rostenkowski
Carter	Kindness	Rousselot
Chappell	Krueger	Rudd
Chisholm	LaFalce	Runnels
Clawson, Del	Levitas	Russo
Clay	Lloyd, Calif.	Shuster
Cleveland	Lujan	Sisk
Collins, Ill.	McClory	Snyder
Collins, Tex.	McDonald	Steiger
Conable	McEwen	Stump
Crane	Mann	Symms
Devine	Marks	Vander Jagt
Dickinson	Marlenee	Waggonner
Dornan	Martin	Wampler
Duncan, Oreg.	Milford	Wiggins
Erlenborn	Moorhead, Calif.	Wydler
Evans, Colo.		Young, Alaska
Fary		Young, Tex.

NOES—344

Abdnor	Corman	Hamilton
Addabbo	Cornell	Hanley
Akaka	Cornwell	Hanaford
Alexander	Cotter	Harkin
Allen	Coughlin	Harrington
Ambro	D'Amours	Harris
Ammerman	Daniel, Dan	Harsha
Anderson, Calif.	Daniel, R. W.	Hawkins
Anderson, Ill.	Danielson	Heckler
Andrews, N. Dak.	Davis	Hefner
Annunzio	de la Garza	Heftel
Applegate	Delaney	Hightower
Archer	Dellums	Hillis
Ashley	Dent	Holland
Aspin	Derrick	Hollenbeck
AuCoin	Derwinski	Holt
Bafalis	Dicks	Holtzman
Baldus	Diggs	Horton
Barnard	Dingell	Howard
Baucus	Dodd	Hubbard
Beard, R.I.	Downey	Huckaby
Beard, Tenn.	Drinan	Hyde
Bedell	Duncan, Tenn.	Ichord
Beilenson	Early	Ireland
Benjamin	Eckhardt	Jacobs
Bennett	Edgar	Jenkins
Bevill	Edwards, Ala.	Jenrette
Bingham	Edwards, Calif.	Johnson, Calif.
Blanchard	Edwards, Okla.	Johnson, Colo.
Blouin	Eilberg	Jones, N.C.
Boland	Emery	Jones, Okla.
Bolling	English	Jones, Tenn.
Bonior	Ertel	Jordan
Bonker	Evans, Del.	Kasten
Bowen	Evans, Ga.	Kastenmeier
Brademas	Evans, Ind.	Kazen
Breckinridge	Fascell	Kelly
Brinkley	Fenwick	Keys
Brodhead	Findley	Kildee
Broomfield	Fisher	Koch
Brown, Calif.	Fithian	Kostmayer
Brown, Mich.	Flippo	Krebs
Broyhill	Flood	Lagomarsino
Buchanan	Florio	Latta
Burgener	Flowers	Leach
Burke, Calif.	Flynt	Lederer
Burke, Fla.	Foley	Le Fante
Burke, Mass.	Ford, Mich.	Leggett
Burlison, Mo.	Ford, Tenn.	Lehman
Burton, John	Forsythe	Lent
Burton, Phillip	Fountain	Lloyd, Tenn.
Butler	Fraser	Long, La.
Byron	Frey	Long, Md.
Caputo	Fuqua	Lott
Carney	Gammage	Luken
Carr	Gaydos	Lundine
Cavanaugh	Genhardt	McCloskey
Cederberg	Giaimo	McCormack
Clausen, Don H.	Gibbons	McDade
Cochran	Gilman	McFall
Cohen	Ginn	McHugh
Coleman	Glickman	McKay
Conte	Goodling	McKinney
Conyers	Gore	Madigan
Corcoran	Grassley	Maguire
	Gudger	Mahon
	Guyer	Markey
	Hagedorn	Marriott
	Mathis	Price
	Mattox	Pritchard
	Mazzoli	Pursell
	Meeds	Quie
	Metcalfe	Rahall
	Meyner	Rangel
	Michel	Regula
	Mikulski	Reuss
	Mikva	Rhodes
	Miller, Calif.	Richmond
	Miller, Ohio	Rinaldo
	Mineta	Risenhoover
	Minish	Rodino
	Mitchell, Md.	Roe
	Mitchell, N.Y.	Rogers
	Moakley	Roncalio
	Moffett	Rooney
	Mollohan	Rose
	Montgomery	Rosenthal
	Moore	Roybal
	Moorhead, Pa.	Ruppe
	Motti	Ryan
	Murphy, N.Y.	St Germain
	Murphy, Pa.	Santini
	Murtha	Sarasin
	Myers, Gary	Satterfield
	Myers, Michael	Sawyer
	Natcher	Scheuer
	Neal	Schroeder
	Nedzi	Schulze
	Nichols	Sebelius
	Nix	Seiberling
	Nolan	Sharp
	Nowak	Shipley
	Oakar	Sikes
	Oberstar	Simon
	Obey	Skelton
	Ottinger	Skubitz
	Panetta	Slack
	Patten	Smith, Iowa
	Patterson	Smith, Nebr.
	Pattison	Solarz
	Pease	Spellman
	Perkins	Spence
	Pickle	Stangeland
	Poage	Stanton
	Pressler	Stark
	Preyer	Steed
		Steers
		Stockman
		Stokes
		Stratton
		Studds
		Taylor
		Thompson
		Thone
		Thornton
		Tonry
		Traxler
		Treen
		Trible
		Tsongas
		Tucker
		Udall
		Ullman
		Van Deerlin
		Vanik
		Vento
		Volkmer
		Walgren
		Walker
		Walsh
		Watkins
		Waxman
		Weaver
		Weiss
		Whalen
		White
		Whitehurst
		Whitley
		Whitten
		Wilson, Bob
		Wilson, C. H.
		Wilson, Tex.
		Winn
		Wirth
		Wolff
		Wright
		Wylie
		Yates
		Yatron
		Young, Fla.
		Young, Mo.
		Zablocki
		Zeferetti

ANSWERING "PRESENT"—1

Hughes

NOT VOTING—8

Andrews, N.C.	Moss	Staggers
Breaux	Pettis	Teague
Gonzalez	Railsback	

Mr. KEMP changed his vote from "no" to "aye."

Mr. YATRON changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title VI?

If not, the Clerk will read title VII.

The Clerk read as follows:

TITLE VII—SELECT COMMITTEE ON ETHICS

SEC. 701. There is hereby established in the House a select committee to be known as the Select Committee on Ethics (hereinafter in this title referred to as the "select committee").

SEC. 702. (a) The select committee shall consider and report to the House on any bill which may hereafter be referred to it by the Speaker and which includes provisions which incorporate into permanent law the matter contained in title I (relating to financial disclosure), title II (relating to the Code of Official Conduct), that portion of title III which relates to unofficial office accounts and to the Code of Official Conduct, title IV (relating to the use of the frank), and title VII (relating to outside earned income). Such bill shall be introduced by the chairman of the select committee; and the select committee shall have exclusive jurisdiction over it.

(b) The select committee shall adopt interpretive regulations respecting the application of rule XLIII, rule XLIV, rule XLVI, and rule XLVII of the Rules of the House.

SEC. 703. (a) The select committee shall be composed of thirteen Members of the

House, who shall be appointed by the Speaker, one of whom he shall designate as chairman.

(b) Any vacancy occurring in the membership of the select committee shall be filled in the same manner as the original appointment.

(c) For purposes of this action, the term "Members" includes Delegates to the House and the Resident Commissioner from Puerto Rico.

SEC. 704. (a) For purposes of this title, the select committee may sit and act, and hold hearings in the same manner and to the same extent as is provided in the case of standing committees of the House under clause 2(m)(1)(A) of rule XI of the Rules of the House.

(b) Any bill and accompanying report of the select committee shall be subject to the Rules of the House in the same manner as though it had been reported from a standing committee of the House.

(c) The select committee may utilize the services of the staffs of committees and commissions of the House.

SEC. 705. Subject to the adoption of expense resolutions as required by clause 5 of rule XI of the Rules of the House, the select committee may incur expenses in connection with its duties under section 702.

SEC. 706. Not later than September 30, 1977, the select committee shall report the bill to the House which is described in section 702(a), and not later than December 1, 1977, the select committee shall adopt interpretive regulations described in section 702(b).

SEC. 707. The select committee shall expire thirty days after reporting to the House the bill described in section 702(a) and adopting the interpretive regulations described in section 702(b), and its records, files, and material shall be transferred to the Committee on Standards of Official Conduct of the House.

Mr. BOLLING (during the reading). Mr. Chairman, I ask unanimous consent that title VII be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all of Title VII beginning on page 20, line 5, through page 22, line 9.

Mr. BOLLING. Mr. Chairman, I will be very brief. The Rules Committee adopted a committee amendment to strike this title for three reasons. The principal reason was that it is uniquely the prerogative of the Speaker to deal with the composition of the committee that will implement it. The second reason was that it seemed unreasonable, as we were dealing with the matter, to adopt the resolution. The third reason was that we thought there was some sloppy language in the resolution.

I hope that the motion to strike which was adopted by the Rules Committee will be adopted by the Committee of the Whole.

Mr. FRENZEL. Mr. Chairman, I rise to speak against the amendment.

I could not hear the arguments of the gentleman from Missouri, but I take it from the tone that there is some expectation that we might expect another resolution creating this committee. I wonder if the gentleman would verify that.

Mr. BOLLING. That is correct.

Mr. FRENZEL. I thank the gentleman. It is quite obvious that a committee is needed to interpret some of the things that we have done tonight, and to turn them into legislation again. I hope that we will do it as soon as possible. I think it is a mistake to strike this from this title, and I do oppose the amendment.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the resolution (H. Res. 287) to amend the Rules of the House of Representatives, and for other purposes, pursuant to House Resolution 338, he reported the resolution back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. QUILLEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 402, nays 22, not voting 8, as follows:

[Roll No. 39]

YEAS—402

Abdnor	Breckinridge	Cornwell
Addabbo	Brinkley	Cotter
Akaka	Brodhead	Coughlin
Alexander	Brooks	D'Amours
Allen	Broomfield	Daniel, Dan
Ambro	Brown, Calif.	Daniel, R. W.
Ammerman	Brown, Mich.	Danielson
Anderson, Calif.	Brown, Ohio	Davis
	Broyhill	de la Garza
Anderson, Ill.	Buchanan	Delaney
Andrews, N. Dak.	Burgener	Dellums
	Burke, Calif.	Dent
Annunzio	Burke, Fla.	Derrick
Applegate	Burke, Mass.	Derwinski
Archer	Burleson, Tex.	Dicks
Ashley	Burlison, Mo.	Diggs
Aspin	Burton, John	Dingell
AuCoin	Burton, Phillip	Dodd
Badillo	Butler	Downey
Bafalis	Byron	Drinan
Baldus	Caputo	Duncan, Oreg.
Barnard	Carney	Duncan, Tenn.
Baucus	Carr	Early
Beard, R.I.	Carter	Eckhardt
Beard, Tenn.	Cavanaugh	Edgar
Bedell	Cederberg	Edwards, Ala.
Beilenson	Chisholm	Edwards, Calif.
Benjamin	Clausen, Don H.	Edwards, Okla.
Bennett		Eilberg
Bevill	Clay	Emery
Biaggi	Cleveland	English
Bingham	Cochran	Erlenborn
Blanchard	Cohen	Ertel
Blouin	Coleman	Evans, Colo.
Boggs	Collins, Ill.	Evans, Del.
Boland	Conable	Evans, Ga.
Bolling	Conte	Evans, Ind.
Bonior	Conyers	Fary
Bonker	Corcoran	Fascell
Bowen	Corman	Fenwick
Brademas	Cornell	Findley
Fish	Long, Md.	Roe
Fisher	Lott	Rogers
Fithian	Lujan	Roncalio
Flippo	Luken	Rooney
Flood	Lundine	Rose
Florio	McClory	Rosenthal
Flowers	McCloskey	Rostenkowski
Flynt	McCormack	Roybal
Foley	McDade	Runnels
Ford, Mich.	McEwen	Ruppe
Ford, Tenn.	McFall	Russo
Forsythe	McHugh	Ryan
Fountain	McKay	St Germain
Fraser	McKinney	Santini
Frenzel	Madigan	Sarasin
Frey	Maguire	Satterfield
Fuqua	Mahon	Sawyer
Gammage	Mann	Scheuer
Gaydos	Markey	Schroeder
Gephardt	Marks	Schulze
Giaimo	Marienee	Sebelius
Gibbons	Marriott	Seiberling
Gilman	Martin	Sharp
Ginn	Mathis	Shipley
Glickman	Mattox	Shuster
Goodling	Mazzoli	Simon
Gore	Meeds	Sisk
Gradison	Metcalfe	Skelton
Grassley	Meyner	Skubitz
Gudger	Michel	Slack
Guyer	Mikulski	Smith, Iowa
Hagedorn	Mikva	Smith, Nebr.
Hall	Milford	Snyder
Hamilton	Miller, Calif.	Solarz
Hammer-schmidt	Miller, Ohio	Spellman
	Mineta	Spence
Hanley	Minish	Stangeland
Hannaford	Mitchell, Md.	Stanton
Harkin	Mitchell, N.Y.	Stark
Harrington	Moakley	Steed
Harris	Moffett	Steers
Harsha	Mollohan	Steiger
Hawkins	Montgomery	Stockman
Heckler	Moore	Stokes
Hefner	Moorhead, Calif.	Stratton
Heftel		Studds
Hightower	Moorhead, Pa.	Stump
Hillis	Mottl	Taylor
Holland	Murphy, Ill.	Thompson
Hollenbeck	Murphy, N.Y.	Thone
Holt	Murphy, Pa.	Thornton
Holtzman	Murtha	Tonry
Horton	Myers, Gary	Traxler
Howard	Myers, Michael	Treen
Hubbard	Myers, Ind.	Trible
Huckaby	Natcher	Tsongas
Hughes	Neal	Tucker
Hyde	Nedzi	Udall
Ichord	Nichols	Ullman
Ireland	Nix	Van Deerlin
Jacobs	Nolan	Vander Jagt
Jeffords	Nowak	Vanik
Jenkins	Oakar	Vento
Jenrette	Oberstar	Volkmer
Johnson, Calif.	Obey	Walgren
Johnson, Colo.	Ottinger	Walker
Jones, N.C.	Panetta	Walsh
Jones, Okla.	Patten	Wampler
Jones, Tenn.	Patterson	Watkins
Jordan	Pattison	Waxman
Kasten	Pease	Weaver
Kastenmeier	Pepper	Weiss
Kazen	Perkins	Whalen
Kelly	Pickle	White
Kemp	Pike	Whitehurst
Keys	Poage	Whitley
Kildee	Pressler	Whitten
Kindness	Preyer	Wilson, Bob
Koch	Price	Wilson, C. H.
Kostmayer	Pritchard	Wilson, Tex.
Krebs	Pursell	Winn
Krueger	Quayle	Wirth
LaFalce	Quie	Wolff
Lagomarsino	Quillen	Wright
Latta	Rahall	Wydler
Leach	Rangel	Wylie
Lederer	Regula	Yates
Le Fante	Reuss	Yatron
Leggett	Rhodes	Young, Alaska
Lehman	Richmond	Young, Fla.
Lent	Rinaldo	Young, Mo.
Levitas	Risenhoover	Young, Tex.
Lloyd, Calif.	Roberts	Zablocki
Lloyd, Tenn.	Robinson	Zeferetti
Long, La.	Rodino	

NAYS—22

Armstrong	Devine	Rousselot
Ashbrook	Dickinson	Rudd
Badham	Dornan	Sikes
Bauman	Goldwater	Symms
Chappell	Hansen	Waggonner
Clawson, Del	Ketchum	Wiggins
Collins, Tex.	McDonald	
Crane	O'Brien	

NOT VOTING—8

Andrews, N.C.	Moss	Staggers
Breaux	Pettis	Teague
Gonzalez	Railsback	

The Clerk announced the following pairs:

Mr. Teague with Mr. Gonzalez.
Mr. Breaux with Mr. Moss.
Mr. Staggers with Mr. Andrews of North Carolina.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTION IN ENGROSSMENT OF HOUSE RESOLUTION 287

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that in the engrossment of the resolution just agreed to, House Resolution 287, the Clerk be authorized to correct a printing error by changing "1977" to "1955" in line 2 of page 11.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

GENERAL LEAVE

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks during the debate on House Resolution 287 and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

RHODESIAN CHROME

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MITCHELL of Maryland. Mr. Speaker, on Thursday, February 24, I submitted testimony on behalf of the Congressional Black Caucus before the House Subcommittees on Africa and International Organizations of the International Relations Committee on the Rhodesian chrome issue.

I feel that H.R. 1746, a bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome is of such importance that I would like to share those thoughts with Members who may not have had the opportunity to attend those hearings.

The caucus strongly supports passage of legislation to repeal the Byrd amendment. The legal, economic, political, and moral justifications are compelling as to the need for repeal of the Byrd amendment.

Legally, at the request of Great Britain following the illegal establishment of the Ian Smith government in 1965, the United Nations Security Council voted in 1966 to impose mandatory economic sanctions against the Smith government. The United States voted for the imposition of the sanctions as a means for the international community to bring about peaceful change toward majority rule in Rhodesia. However, with the passage of the Byrd amendment in 1971, this country broke a binding international agreement and became the only country to officially violate the United Nations imposed economic sanctions against Rhodesia.

Economically, former supporters of the amendment, such as the specialty steel companies, now acknowledge that for economic and technological reasons, there is no need for this amendment to remain in force. Imports of Rhodesian high-carbon ferrochrome into the United States were 56 percent lower in 1976 than in 1975. Moreover, no Rhodesian chrome ore has entered the United States since March of last year. Contrary to arguments that importing Rhodesian chrome would reduce U.S. dependency on the Soviet Union, our major chrome supplier, 44 percent of all chrome imports in the United States in 1976 came from the Soviet Union, while Rhodesia accounted for only 5 percent.

Politically, U.S. noncompliance with mandatory economic sanctions against Rhodesia has had tragic effects. It has been a serious blow to the credibility of our relations with the overwhelming majority of African nations. Such lack of credibility has the potential of seriously harming us economically. In an age of growing international economic interdependence, our relations with the developing nations, who provide many of our vital raw materials, are crucial. Failure to repeal the Byrd amendment could eventually jeopardize our growing economic relations with Africa as a whole. Moreover, nations such as oil-rich Nigeria are far more important to our political and economic interests than is Rhodesia.

Morally, we can no longer continue to support a government whose legal, social, and economic systems are designed to facilitate the subjugation of a 6-million-person majority by a 270,000-person minority. For a nation founded on the principles of justice, equality, and the dignity of man to not only condone but also support such oppression is unconscionable.

There is widespread support for repeal of the Byrd amendment, support which has steadily grown since the passage of the Byrd amendment in 1971. Repeal of the Byrd amendment has been a priority item for the Congressional Black Caucus since 1971 and has been on every caucus legislative agenda. We have vigorously pushed for passage of repeal legislation for the last 6 years.

At the grassroots level, many private individuals have given of their time and efforts in nationwide movements to repeal the Byrd amendment, as evidenced by the large amounts of mail and personal contacts you and your colleagues in the full House have received since the passage of the Byrd amendment. Organized labor has been a strong and active supporter of repeal legislation. Not only have the steelworkers and other parts of organized labor voiced their opposition to the Byrd amendment, but also longshoremen throughout the Nation have refused to unload cargoes of Rhodesian chrome. In my home city of Baltimore, for example, longshoremen from local 333 refused to unload cargoes of Rhodesian chrome on two occasions: on August 1, 1972, and on December 12, 1973. Furthermore, the specialty steel companies, which have heretofore opposed repeal of the Byrd amendment, have stated that they would no longer oppose such an action. Finally, at the highest levels of our Government, President Carter, Secretary of State Vance, and U.S. Ambassador to the United Nations Andrew Young have all stated their full and active support for repeal of the Byrd amendment.

It is now widely recognized that black majority rule in Rhodesia is inevitable. Such change will come either by armed struggle or peaceful negotiation. Our goal is to avoid the horrors of further armed conflict in Rhodesia and to facilitate a peaceful transfer of power. In his recent factfinding mission to Africa, Ambassador Young found that although black African nations are committed to majority rule in Rhodesia, they are also committed to achieving that goal through peaceful means and are eager to work with the United States toward that end. Repeal of the Byrd amendment would signal to them and to the world community that we are also seriously committed to achieving majority rule in Rhodesia through peaceful means. For this reason, and the reasons I put forth earlier, the Congressional Black Caucus strongly urges you to report to the House legislation to repeal the Byrd amendment.

THE MILITARY MEDICAL SCHOOL

(Mr. PRICE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PRICE. Mr. Speaker, recently, when the administration announced its budget amendments for fiscal year 1978, I was particularly distressed to hear that the President decided to discontinue funding for the Uniformed Services University of the Health Sciences.

As my colleagues will recall, the military medical school is a part of the Uniformed Services Health Professionals Revitalization Act of 1972, which not only established the medical school but also created a complimentary program for health professions scholarships in the Armed Forces. It was hoped by establishing a military medical school that we would encourage physicians and other health care delivery personnel to choose a career in military medicine and not leave the service after a period of obligated duty as is so often the case with those who enter the service from a purely civilian environment.

We on the committee noticed immediately after the establishment of the medical school a surge of professional pride among military medical practitioners in having an institution to which they could relate and to which they could hope to join as teaching and clinical staff members. In short, the school was not only to

be a source of career medical personnel but also a source of pride in military medicine.

Specialized training in family medical practice and in tropical medicine has been a principal part of the school's mission to better satisfy the peculiar needs of military personnel and their dependents.

There has been much said about the high cost of training a student in the military medical school as compared to training in civilian institutions. A study which I requested of the General Accounting Office in 1976 encompassing the various factors which reflect Federal support of all medical schools resulted in a finding that the costs of training a student in the military medical school and in the civilian sector were so close as not to present any arguable differences.

Another comment we have heard is that statistics indicate that in the near term there will be sufficient physicians available from private medical training to preclude the need for a military medical school. Those figures are clearly subject to debate, but one fact is evident. We do not foresee sufficient professional manning of career posts in the military medical services unless the military medical school is continued.

Thus, Mr. Speaker, as chairman of the House Armed Services Committee which originally reported the legislation establishing the Uniformed Services University of the Health Sciences and which vigorously supported its construction and funding throughout the intervening years, I trust that the House and the entire Congress will see fit to retain in the budget funding in the amount of approximately $10.6 million for fiscal year 1978 and appropriate funding for the years ahead.

OIL IMPORTS IN U.S.-FLAG SHIPS

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ANDERSON of California. Mr. Speaker, today, I am submitting a bill which mandates that a percentage of U.S. oil imports be transported in ships that are built in American shipyards and operated under U.S. flag.

Mr. Speaker, the United States imports 51 percent of its oil from foreign sources. Only 4 percent of this crude oil, however, is carried on American owned and operated vessels. This policy allows flags-of-convenience vessels—principally Liberian and Panamanian registry ships—to operate outside U.S. control. While calling for domestic energy independence, the Congress is perpetuating a program of dependence upon foreign oil transported in foreign ships for U.S. needs. Thus, we expose ourself to the very real possibility of a shipping boycott of our ports.

Moreover, without a law requiring that a percentage of our oil imports be carried by U.S.-flag vessels, the United States is losing tax revenue for the Treasury, we are creating no new jobs for American seamen and shipyard workers, and our marine environment remains vulnerable to massive oil spills from foreign ships with inadequate crews, construction, and, navigational standards. Enactment of this legislation would mean jobs for Americans, tax revenues, a degree of energy transportation independence, and additional safeguards for our oceans and shoreline.

CONGRESSMAN WHALEN COMMENDS SISTER CITIES INTERNATIONAL

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 15 minutes.

Mr. WHALEN. Mr. Speaker, I rise on this occasion to cite Sister Cities International for its many accomplishments in the area of person-to-person international relations.

This week the board of directors and State representatives of the U.S. Sister City program are meeting in Washington. Comprised of dedicated and unselfish volunteers from both the public and private sector, the group directs the activities of the Town Affiliation Association whose principal program is Sister Cities International. It is a private, nonprofit national membership organization for U.S. cities and their local volunteer sister cities. The program is supported by the Bureau of Educational and Cultural Affairs of the State Department and by a number of private foundations and contributors. Following the business sessions of the board of directors the dean of the diplomatic corps and Ambassador of Nicaragua to the United States, Dr. Guillermo Sevilla-Sacasa, will host a reception to honor the significant efforts of the Sister City program. Ambassador Sevilla-Sacasa's views of the program illustrate how well regarded the Sister Cities operation is. He recently said:

> The Sister City Program is unique and is to be congratulated for the sincerity and depth of its important work in international understanding and cooperative interchange.

Although Sister Cities now has higher visibility than heretofore, its goals are not quite as well known. Perhaps the best statement as to what this excellent organization is all about is that of Louis Wozar, president of Sister Cities International and a business and civic leader from Dayton, Ohio.

> Sister Cities International's objective is to make a significant contribution to global peace.
>
> To achieve and maintain this peace, it is necessary to bring about understanding and a sense of mutual interest and purpose among all of the world's people through exchange of people, ideas and things.
>
> Sister Cities International serves as a creative force for international cooperation through community action. Its goal is to enhance world peace by promoting and serving Sister City relationships between U.S. communities and their citizens and communities throughout the world.
>
> In so doing, it seeks to encourage the people of other nations to learn about American history, culture and aspirations for the future and to encourage U.S. citizens, in like manner, to learn about other nations, utilizing exchanges of information and activities between Sister Cities in all aspects of contemporary life and common interests among people. The Sister City Program is two-way. The give and take is shared by both communities.
>
> The Program provides a vehicle by which cities in the United States can create a forum for this interchange of information, ideas, and people in the fields of education, government, culture, and economic and social relations. The Sister City Program engages community interest in building a better climate for world understanding. The program opens the opportunity for every American city to become an integral part of U.S. relationships with the world, moving the city from a domestic dimension into the broad spectrum of international progress, understanding and cooperation. Thus every American community may gain an infinite variety of rewarding experiences in international relationships in which its citizens at all levels and in all callings may participate and communicate.
>
> The Sister City Program brings together both municipal and voluntary community resources for the common purpose of international communication and interaction.
>
> The Sister City Program is committed to the process of providing private citizens, through their community affiliations, with an active role in international relationships at the local level. It is through this process of involvement that the opportunity for world peace, reinforced by an increased international awareness and understanding at the citizen level, will be enhanced.
>
> Urbanization is worldwide in its impact and presents serious socio-economic implications for all nations. In that context, Sister City Programs should show concern for the human being in the urban environment—settlement, opportunity, blight, growth, education, aspirations, health and a better life for the disadvantaged—a concern that is worldwide.

The involvement of cities and their citizens in this vital international effort has grown dramatically during the past few years under the able leadership of the board of directors and State representatives. There are now some 612 U.S. communities of all sizes affiliated with over 800 "sister cities" in 77 other nations. Through these relationships, cities and their citizens carry out a wide variety of educational, cultural, professional, youth, technical, municipal, and business exchanges.

On this occasion, it is significant to note that Sister Cities International is launching two new national programs of tremendous impact which U.S. cities can carry out in cooperation with their sister cities abroad.

The technical assistance program of Sister Cities International is designed to "provide an opportunity to engage the talent and resources of U.S. Sister Cities in finding solutions to urban problems of many developing countries around the world."

This program has been established in the belief that an exchange of technical know-how, through the provision of the services of technicians from U.S. Sister Cities to affiliated cities in developing countries, can assist their urban institutions in the design, implementation, and completion of mutually agreed upon and

meaningful projects which will have some impact on the economic and social problems of the disadvantaged urban population in those countries.

Sister City affiliations provide a uniquely appropriate framework within which the technical needs of urban institutions in developing countries can be directly addressed.

Sister City affiliations have always been characterized by a personal, direct, and reciprocal exchange based on common interests and mutual respect. These exchanges have been accomplished through the voluntary efforts of people in the communities on both sides of the affiliation.

Given the availability of technical knowledge in almost all urban areas of the United States, technical assistance to cities in the developing countries through the services of volunteer technicians from the United States is really only another facet of the existing relationship.

Through Sister City affiliations and other exchanges, many people have become aware of the fact that most human problems are basically similar regardless of the cultural framework in which they occur. This is especially true of the problems of the disadvantaged urban population. Many of the problems facing cities in the developing world differ only in degree from those facing some cities in the United States today, and may be quite similar to those problems with which most U.S. cities were forced to deal only a few decades ago. There may indeed be some unsolved U.S. urban problems for which solutions have been found in cities in the developing world.

Where the problems of cross-cultural communication are understood, and the level of technology is made appropriate to the foreign situation, the technical knowledge gained from the U.S. urban experience can often be adapted to the conditions in the developing countries, resulting in a valid response to their expressed needs. By the same token, those cities may have a contribution to make to the solution of those human problems often faced by U.S. cities.

Sister Cities, with its belief in the communality of human problems and its ability to exchange ideas across cultural and geographic boundaries, has an important role to play in the field of technical assistance for development. These aspects of the Sister Cities concept provide a solid foundation for new and rewarding exchange among people.

Sister Cities International's school affiliation program is a new program of international educational awareness and global education which will help to facilitate the affiliation of elementary and secondary schools in the United States with elementary and secondary schools in other countries, through their Sister City relationship, on a direct one-to-one basis at the local level.

The school affiliation program will focus on international educational awareness in the classroom and on the development of programs of international awareness between the schools in the United States and in other countries that are affiliated.

This program, through the school affiliation process, is intended to provide for a mechanism at the local level in elementary and secondary schools that will accomplish the following:

First. Increase the international awareness and cross-cultural understanding of students, teachers, and administrators;

Second. Provide a practical, easy, and continuous mechanism through which students in the United States can understand other cultures and through which students in those countries can understand our culture;

Third. Provide a new and lasting dimension for international, educational, cultural, and professional programing within the schools;

Fourth. Provide for educational interchange between United States and foreign schools and for transference of knowledge and curriculum; and

Fifth. Provide opportunities for practical application in the international area of programs corresponding with and supportive of school curriculum.

On September 11, 1976, the sister city program celebrated the 20th anniversary of its founding as a national concept; and the accomplishments and achievements of this outstanding program have been many. The goals and objectives of this fine organization have all been carried out by citizen volunteers—in cooperation with their local governments—all across the country. It is a shining tribute to the spirit of America which still can call on its people to get involved and to know they will.

Paraphrasing the words of Robert G. Chollar, president and chairman of the board of the Charles F. Kettering Foundation of Dayton, Ohio, in a speech titled "Citizen Involvement on a Global Scale"—

> The improvement of international relations is too important to be left solely to national governments. There are many productive roles which private citizens have a responsibility to fill in this important field and time no longer gives us the luxury of not fully exercising the potential of organized private groups such as Sister Cities International to address critical issues in the international arena.
>
> Throughout history, cities have been the conduits for world trade, the main communicators of culture, the homes of those with the strongest ethnic contacts with other countries and the proven training ground for future national and world leadership. The Sister Cities Program helps provide a means by which all these important assets can be made more meaningful.

Mr. Speaker, I am happy to be able to commend Sister Cities International for its outstanding efforts in behalf of peace throughout the world on the occasion of its Washington meeting this week.

DIRTY DOZEN VERSUS CAMPAIGN FAIRNESS

The SPEAKER. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 40 minutes.

Mr. CLEVELAND. Mr. Speaker, the Fair Campaign Practices Committee has made an important contribution to cleaning up our political environment by providing a forum for interest groups which rate Members of Congress to consider suggestions that they clean up their own act.

This effort has involved initiating discussions by representatives of rating groups themselves which could lead to their devising a voluntary code of fair political rating practice to which they would adhere.

As background, FCPC requested political scientists at the American University and George Washington University to prepare two research papers on the role of political ratings in the entire context of campaigns, and probing analysis of the issues or votes selected to rank Members of Congress.

These were presented in January at a private, by-invitation-only symposium at the American University, chaired by a professor from Catholic University, to which representatives of all rating groups were invited.

I received a questionnaire circulated to provide raw data for the paper on the role of political ratings in campaigns, and concluded that I might offer insights which no questionnaire, however well designed, could elicit.

I, therefore, responded with a paper on my own experience as a member of the 1976 Dirty Dozen, selected by a group known as Environmental Action, Inc. With the concurrence of FCPC Executive Director Robert Sidman and the three political scientists responsible, my paper was accepted for distribution to the participants.

It is too early to tell whether a code of fair political rating practice will result. But even if it does not, the failure of rating organizations seriously to consider such a move in light of recent allegations of abuses will brand them as hit-run ambush artists.

The proceeding already has produced a revealing insight into the Dirty Dozen Campaign Commitee, which was invited to send a representative. Doubtless preferring to stay under its damp rock between elections, the Dirty Dozen Campaign Commitee failed to acknowledge the FCPC invitation, much less send a representative.

For the further enlightment of Members, I should like to recount my experience with this shabby operation in the same terms I used in my paper for the Fair Campaign Practices Committee.

DIRTY DOZEN DESIGNATION—A COMMENTARY

On March 25, 1976, a group known as Environmental Action's Dirty Dozen Campaign Committee issued its list of 12 House Members targeted for defeat as the most consistent opponents of strong environmental legislation on the basis of purportedly "stringent criteria."

These criteria included members' votes on 13 or 14 "key environmental" measures used by Environmental Action to rate the entire House membership. But unlike other practitioners of the great rating game, the Dirty Dozen operation claims also to assess other factors as a basis for designating the chosen 12.

According to the organization's published material and public statements of its spokesmen, these subjective criteria include: (1) the "quality of each incumbent's opposition,"

(2) interest of local environmental groups in his defeat, (3) other elements of his environmental "record", such as legislative initiatives.

As a member of Dirty Dozen's Class of 1976, I have had occasion to analyze these criteria as well as the over-all tactics of the Dirty Dozen campaign committee. This experience provides a documentary of distortion which ranks the Dirty Dozen operation as the most spurious of the species.

Of 435 House Members, I made the list of 12 although 107 other Members voted equally "wrong" or worse on Environmental Action's vote list. I got 16 percent "right", as did 38 others; another 44 got 8 percent, while another 25 scored zero.

Clearly, my designation suggests that the more subjective of the so-called criteria—and hence those least susceptible to succinct rebuttal—predominated. I, therefore, will deal with them first in what I hope will prove a revealing case history.

In my case, the Dirty Dozen saw a "strong ecologically aware" opponent in the person of J. Joseph Grandmaison, former Nashua (N.H.) alderman, a national political coordinator for George McGovern in 1972, successful manager of the Dukakis gubernatorial campaign in Massachusetts and the Durkin senatorial campaign in New Hampshire, a resident at the Kennedy school at Harvard, a political commentator for Boston media, and an ambitious young man totally devoid of a record on matters environmental or otherwise.

A clue to his latent environmental credentials lies with Martha Foley, political organizer for the Dirty Dozen Campaign Committee, who had learned the ropes of organizing while working for Mr. Grandmaison in the 1972 McGovern campaign. They hashed over possibilities at least a month before the list was issued, with the general understanding that I would make the list only if he were likely to run. This was exposed by a devastating piece of reporting in the Lowell (Mass.) Sun by Washington correspondent Chris Black and at least partly supported by a Keene (N.H.) Sentinel account.

LOCAL ENVIRONMENTAL OPPOSITION?

As to local environmental opposition at the time of my designation, I had been unaware of any time bombs ticking away on my home ground. Developments in the campaign months afterward dispose of this as a criterion in my case.

Miss Foley came to New Hampshire and immediately captured page one newspaper play with the assertion that a number of environmental groups had enlisted in the cause, including the prestigious Society for the Protection of New Hampshire Forests. Then came the denials from at least three of the groups so named, leaving a couple of splinter groups whose final position on the matter has eluded my notice.

With further respect to the "environmentalist" position, neither I nor my campaign staff discerned any evidence of unusual activity against my candidacy in terms of public endorsements of my opponent by environmental groups or individuals prominent among them, campaign contributions similarly generated or volunteer campaign activity.

MY NON-VOTING ENVIRONMENTAL "RECORD"

The Dirty Dozen operation, in personalized attacks on targeted incumbents circulated to home-district media, singles out other elements of the member's record of legislative initiatives not necessarily recorded among floor votes.

Typical of such Dirty Dozen tactics was an attack on my bill to accelerate water pollution clean-up by cutting through massive red tape retarding construction of sewage treatment plants. Said the Dirty Dozen press release circulated in my district:

"Although Cleveland has claimed credit for a good water clean-up program in New Hampshire, he has introduced a bill to weaken the existing clean-up procedures, according to Bass," the reference being to campaign coordinator Dennis Bass.

"He stated that Cleveland's bill would remove much of EPA's authority to regulate the implementation of environmental considerations before federal sewage treatment grants are approved.

"Environmentalists oppose the bill, as they feel uniform federal environmental standards should be applied to all sewage treatment programs."

Subject to extensive safeguards, my "state certification" bill would give state water pollution control agencies deemed qualified by the Environmental Protection Agency increased authority, responsibility and funding to take over much of the routine operation of the construction grants program. It thus would build into law a policy already launched by EPA whereby it delegates to qualified states certain aspects of the Clean Water Program. California is an outstanding example.

The facts of the matter—demonstrating the lack of merit of the Dirty Dozen charge—are documented in the legislative history of the bill in the form of the Committee report and assurances provided by EPA Administrator Russell E. Train via correspondence in the Committee files.

Administrator Train, to whom I would ascribe some environmental credentials, wrote me as follows on learning that my bill was one of the reasons for my designation as an environmental thug:

"The curious thing is that we at EPA have been urging a State Certification program for some time and under existing authority, we have delegated substantial elements of our program to the State of California.

"There are, of course, legitimate differences of opinion about the wisdom of the State Certification program, and there is certainly room for differences as to the details of such a program, but I fail to understand why advocating a State Certification program can be viewed as evidence of antienvironmental bias particularly since, on at least three occasions, I have personally testified in support of your bill for State Certification."

Train's views are widely shared by those with elected or appointed responsibility for seeing that treatment plants are built and the pollution of our rivers and streams cleaned up. Thus, supporters also include at least 48 of 50 state water pollution control administrators, the Water Pollution Control Federation, the National Governors Conference, the National Conference of State Legislatures and the National Commission on Water Quality, chaired by Vice President Rockefeller.

If my provision represents "anti-environmental bias," it is shared by the House Water Resources Subcommittee, which rejected a crippling amendment 12-2, and the parent Committee on Public Works and Transportation. It is also shared by nearly 140 House co-sponsors, including eight who scored 100 percent on Environmental Action's purity poll, another ten who scored 92 percent and another ten who scored 85.

It is shared by the entire House of Representatives, which adopted the bill of which my provision is a part by a 339-5 vote, after debate during which at least nine amendments were offered—not one of which dealt with state certification.

Finally, before the bill died in conference with the Senate due to a dispute over other provisions, my measure was agreed to—subject to limited funding and limited duration—by Sen. Edmund Muskie of Maine.

Theoretically, Dirty Dozen might argue that the "environmentalists" are right and the rest of the world wrong on this issue. But the record will show that the "environmentalist" position as well as the substance of my bill was distorted.

It is significant that at a hearing held by EPA in California, which has some experience with state certification, my legislation was supported by two "environmental" witnesses including the California representative of Friends of the Earth.

On April 2, 1976, a coalition of environmental groups wrote my Committee in support of the "concept" of my provision as "desirable," while advocating some amendments. These would scale down its application from 100 percent of projects to 70–80 percent, and establish a list of criteria for selecting states to receive delegated authority. (Ironically, the day before the Dirty Dozen list was issued, I met with a representative of the Clean Water Action Project to discuss ways to tighten up the state selection process to meet one of the objections raised. I subsequently sponsored a successful amendment to that end, a move warmly commended by at least two of the concerned groups, the Clean Water Action Project and the Sierra Club.)

Most significant in disposing of the Dirty Dozen distortion, however, was the fact that the letter supporting the concept of my state certification program was signed by Environmental Action, Dirty Dozen's parent group.

VOTE MISREPRESENTATION

Equally misleading can be the misrepresentation of the substance of votes selected by the Dirty Dozen to rate all Members of Congress, which may be totally unrelated to the environment or at best virtually so. Following is an analysis of one such vote, which Dirty Dozen also chose to focus on in personal attacks on me.

Seeking to picture me as a captive of the highway lobby, the publication *Environmental Action* stated: "In 1975 he went so far as to support a measure to impose severe penalties on cities which use federal highway money for public transportation."

In explaining the use of this vote to rate all Members, *Environmental Action* elaborated as follows:

"From its inception in 1956 until 1973, the federal Highway Trust Fund collected highway user taxes and disbursed them solely to state highway and interstate projects. In 1973, Congress opened up the Trust Fund to mass transit funding by allowing local government the option of not building an interstate highway and transferring the funds to mass transit projects. The 'interstate transfer' provision has become a very important mass transit funding mechanism for U.S. cities. During debate on the Federal Aid Highway Act of 1975, Rep. William Harsha (R-Ohio) offered an amendment which would have abrogated the interstate transfer provision by attaching severe financial penalties to those localities attempting to use the interstate transfer mechanism to fund local mass transit."

This is dead wrong, a distortion of both (1) the 'interstate transfer' provision and (2) the meaning of the amendment which I supported and fought for—unsuccessfully—on the House floor.

No interstate highway funds are transferred to mass transit. It is true that a small amount of Highway Trust Fund revenue from another category of Federal-aid highway, known as the "urban system," is available for direct transfer to transit. But no interstate funds.

Contrary to slap-dash press treatment of the subject, the interstate transfer mechanism transfers eligibility for funding. If a community, with the approval of the state and the Secretary of Transportation, deter-

mines that a proposed segment of interstate highway is no longer needed, it may have the segment wiped off the map. It then becomes eligible, not for Trust Fund revenues, but for general revenues of the Treasury to finance a transit alternative. This is absolutely fundamental to an understanding of Dirty Dozen's charge.

The amendment which I supported was not to the basic interstate transfer mechanism. It was an amendment to a pending highway bill which itself amended the interstate transfer provision. The purpose of my amendment to the bill was to knock out the proposed change in the existing law and thus to preserve it unchanged. So much for abrogating, penalizing, or any other change in the law.

In reality, the amendment I supported was aimed at defeating a measure which Rep. Bella Abzug (D-N.Y.) had succeeded in inserting in the pending highway bill. It had two particularly objectionable provisions:

(1) It would permit a city with the fiscal integrity of a New York to subvert the interstate transfer mechanism by redesigning a planned segment of interstate highway which it intended to eliminate for the sole purpose of increasing its cost on paper, and hence the amount of Federal assistance available for a transit alternative.

(2) It would permit a city which had spent millions of dollars in Highway Trust Fund revenues to acquire right-of-way for an interstate highway to escape any pay-back requirement upon cancellation of the project. The land could be diverted to other purposes, including uses totally unrelated to transportation, or sold outright with the proceeds retained. It would do this by prohibiting the Federal Government from requiring any pay-back whatever of funds spent for a cancelled Interstate project.

This was fully discussed in floor debate, as was the fact that the purpose of Mrs. Abzug's provision was limited to one objective: Escalation of the cost of a planned project to reconstruct the dilapidated West Side Highway as an Interstate facility, followed by its abandonment and the substitution of transit at a higher level of funding.

Concerning which a few concluding observations are in order. This was a fiscal responsibility vote, neither pro-transit or anti-transit. Our position was supported by Transportation Secretary William T. Coleman, Jr., who has responsibility for both highway and transit modes. Both New York State Governor Hugh Carey and Mayor Abraham Beame have described the Interstate project to reconstruct the West Side Highway—which Mrs. Abzug would scrap—as environmentally positive.

What of the "environmental" position? Environmental groups were concerned over the over-all highway bill on a number of grounds, including billboard controls, state vs. big-city control over highway construction decisions, and bridge and road improvements in connection with the Tennessee-Tombigbee Waterway, whose construction some groups oppose in its own right.

But the main environmental issue at stake, according to none other than an Environmental Action affiliate, the Highway Action Coalition, was the fact that the bill would continue the existing highway program for two years, defy a "reordering of transportation priorities," and preserve the Highway Trust Fund.

The bi-partisan House Environmental Study Conference, relying on Environmental Action-Highway Action Coalition as the principal source of environmental comment on the highway bill, reports scant mention of the Abzug amendment. The environmental position supported the Abzug amendment on grounds of "flexibility," presumably because it permitted the substitution of non-Interstate highways as well as transit upon withdrawal of an Interstate project. But there was no explicit identification of environmental merit in the Abzug measure's provision making possible the artificial cost inflation of a highway project to be abandoned. With respect to pay-back, ESC reports that environmentalists supported a prohibition against repayment of funds "transferred to a mass transit project." But as the foregoing discussion of the transfer mechanism demonstrated, there is no direct transfer of Interstate funds to transit; thus a community's meeting its pay-back requirement with respect to Highway Trust Fund revenues would in no way diminish its eligibility for general Treasury revenues for transit. The only prohibition under payback would be against an unconscionable windfall.

Thus we have Environmental Action, for partisan political purposes, decrying as an environmental Gulf of Tonkin—after the fact—a vote which it scarcely mentioned at the time of House action.

LEGISLATIVE IMPACT

I can detect no particular impact on legislation with which I was concerned following my designation, though the potential was there. A great deal of staff time was spent on behalf of analyzing the Dirty Dozen operation for a counterattack in case my Clean Water amendments were jeopardized. As the foregoing suggests, this proved unnecessary.

My designation could have proved a deterrent to my offering an amendment to resolve the principal clean water controversy of the second session (1976) in the following sense. A Committee amendment threatened to cut back severely the authority of the Federal government to regulate a broad range of activities affecting wetlands. I voted against it in Committee but it carried nonetheless. Subsequently, legitimate environmental groups were looking for a sponsor of a compromise at precisely the time I was considering a similar measure as a floor amendment. I instructed my staff to proceed, but with the understanding that the amendment would be offered only if the environmentalists concerned would come out in wholehearted public support of it, as a defense against an anticipated Dirty Dozen attack. Fortunately, it developed that my thinking and that of responsible groups like the Natural Resources Defense Council was practically identical and the amendment went in with the co-sponsorship of Rep. Harsha who shared our views. Doubtless some colleagues unfamiliar with my over-all environmental record might have regarded it as an attempt to clean up my act in view of the Dirty Dozen designation. Such was not the case with President Ford, who supported my version (which was killed by a substitute) in the House, and later in the Senate. Ultimately the whole effort was mooted when the House-passed bill with an alternative to my wetlands protection amendment died in conference with the Senate.

CAMPAIGN IMPACT

To put the bottom line at the top, I won re-election with 61 percent of the vote, down roughly three percentage points from my margin of two years earlier.

The impact of the Dirty Dozen campaign began with my designation, which gave my opponent some initial impetus in press reports. This was promptly diminished by at least three editorials in daily newspapers across the political spectrum denouncing my designation as a dirty deed. I interpret this as a reflection of my balanced environmental record and perceptions generated by my 12 years in the New Hampshire Senate and 14 in the House.

My "strong ecologically aware" opponent was possibly gun-shy because of these editorials and the Lowell *Sun* piece on his role in my designation and that of his former campaign subordinate now associated with the Dirty Dozen operation. He made no use that I could determine of my designation, nor did he challenge my environmental record. He walked away from it. He did, however, seek to portray me as unduly solicitous of the financial interests of oil companies because of a price-deregulation vote. This I was able to blunt by the counter-argument that since the time of the vote, the benefits of deregulation to New England were becoming increasingly apparent to the point that Teddy Kennedy ultimately took the same position. Against this background, a technically well-done advertisement placed in several newspapers by Dirty Dozen had less impact than otherwise might have been the case. (Plus which we immediately countered it with an extra $1,000 to $2,000 in radio spots.)

The Dirty Dozen claim to have enlisted several environmental organizations against me clearly backfired on the organization, but the effect on my candidacy vs. my opponent's is conjectural. One liberal paper editorialized on the false claim, suggesting that the Dirty Dozen campaign committee change its name by dropping the word dozen. The editor of another liberal daily commented repeatedly to my staff that with friends like the Dirty Dozen, my opponent automatically acquired a fair share of enemies. It is hard to judge how that affected his paper's coverage.

The basic brochure distributed by the Dirty Dozen, moreover, in wanted-poster style, was strident in tone and thus inappropriate to the political climate of New Hampshire in 1976. On the other hand, my designation—in combination with my opponent's demonstrated skills as a political organizer—may have contributed to the assessment of *Congressional Quarterly* that I was in a race too close to call.

One initiative on my part by the way of response was helpful. I intensified my efforts to achieve a compromise between the state highway department and conservation groups to resolve a controversy over highway improvements through Franconia Notch, a controversy of 20 years' standing. It now appears finally resolved.

On balance, perhaps due to sensitivity to attacks on a record of which I am proud, I feel the designation hurt. The question is how much. My 26 years in elective office convince me that the rebuttals and disclaimers seldom offset the initial attack. The fast-growing area of my district is subject to an influx of new residents unfamiliar with my record.

However, there is a respectable dissenting view in my organization to the effect that the Dirty Dozen campaign could have hurt but fortunately didn't because of its ineptness, and might even have helped.

ENVIRONMENTAL VIEWS—THE REAL RECORD

I am convinced that the reason our country is in a mess is because for too long, environmental considerations were subordinated to other interests or totally ignored. I am equally convinced that we will be in just as much a mess if not more if environmental considerations inevitably prevail at any point of conflict with legitimate economic objectives such as those involved in energy. There must be a balance, a restraint and a civility in the decision-making process.

My recent environmental record includes: (1) authorship of a House-passed bill to conserve energy in public buildings, (2) my as yet only partial success in preserving the scenic and historic values of Sandwich Notch in New Hampshire (through negotiations with the corporate owner), (3) authorship of a wetlands preservation law now requiring non-structural alternatives to dams—such as marshland acquisition, flood plain zoning and the like—to be considered in connection

with federally assisted water resource projects, (4) action as a private citizen of New Hampshire to acquire as a state forest a choice tract threatened with sale for development, (5) successful efforts to prevent EPA from shutting off water pollution control funds in New England for six months.

Yet I see nothing esthetically ennobling in the visible manifestations of economic distress, and accordingly have supported programs to alleviate that distress through long-range economic revitalization—highways and other public works. There need be no inconsistency.

My ratings by ten groups—excluding Dirty Dozen—as published in the 1976 *Almanac of American Politics* were accompanied by a profile describing me as a practitioner of "mild mannered, moderate Republicanism (which) seems to suit his constituents well." That reflects that balance, and the fact that it merits respect with the voters.

RECOMMENDATIONS

Though I write as one whose ox has been grazed but not gored, my view is that this pervasive pattern of distortion cannot be permitted to continue. The press, the public, the office-holder, and the contributors to Environmental Action are all victimized by this shabby operation. I have no doubt that in a close campaign a relatively junior incumbent with less of a record to draw upon than mine and less public exposure could be harmed. Regardless, the political and legislative processes are ill served.

Basically, the only counter to misinformation in a free society is good information. The only question is how to provide it, through what mechanism. This presents a challenge to the office-holder, rating groups, other interest groups (particularly in the environmental field) and the media.

The office-holder must be on notice that regardless of his record, it can be distorted. He should therefore assure that the information his office maintains with respect to his record be organized for quick retrieval and analysis to provide the basis for rebuttal of false charges. The Fair Campaign Practices Committee is available only to air disputes between candidates, and to refer them to arbitration. It has no direct role here, except that candidate A may demand that his opponent, candidate B, repudiate and disavow attacks against candidate A which, if made by candidate B, would constitute an unfair campaign practice. Failure to so disavow attacks by an organization such as the Dirty Dozen would subject B to a charge of unfair campaign tactics within FCPC's charter. An office-holder should be prepared, as I was not, to go that route, albeit not a totally satisfactory one.

The office-holder further should utilize to the fullest the avenues available to him to communicate the substance of his legislative performance, directly or through the media.

Rating groups sooner or later must recognize that organizations like the Dirty Dozen are giving a questionable practice at best a bad name. They should consider voluntary formation of a self-policing mechanism with a code of fair political rating practice, with those complying certified as doing so. Those choosing not to join, or failing to comply having joined, should be appropriately identified. Publicly.

At minimum, certain basic elements of a code should be considered. First, the group might be required to identify itself in terms of officers and membership, if any. If associated with a parent group, it should make public simultaneous with its ratings those basic facts now a matter of public record, e.g., the public portions of informational tax returns filed by tax exempt organizations with IRS.

Second, its process of rating should be explained in terms of selection of votes, whether they are picked by a staff or through a more representative mechanism reflecting views of the membership. If a lobbying group or a rating organization associated with lobbying, it should demonstrate the extent to which the issues selected have been its own priority legislative objectives—or not. It also would be meaningful to state the number of similar votes from which those chosen were selected. At bare minimum, vote description should permit instant identification in terms of bill number, amendment number, substance of the measure, date and source such as the *Congressional Record* or *Congressional Quarterly*.

In fairness, Members should be informed of the ratings and the votes selected sufficiently in advance of their public release to make an informed and timely response. If the charges or negative ratings are valid, they should be able to stand this scrutiny. Otherwise, the whole process will continue to smack of a hit-run ambush. (The rating group actually would gain. Prior to the 1974 campaign, a Nader group circulated a draft vote listing which represented me as having voted against a minority staff reform I had fought for for nearly ten years. The description of the substance of the vote was valid, but the parliamentary situation was such that a no vote meant yes. Publication of such an error would only have embarrassed the rating group, in that Ralph Nader and John Gardner of Common Cause had both publicly joined Rep. John Anderson of Illinois, then-Minority Leader Jerry Ford and me in advocating this reform.)

Environmental groups have a particular responsibility for recognizing who their friends are. During the 1976 champaign, a page one article appeared in a Washington paper praising the Army Corps of Engineers for considering non-structural alternatives to dams, cited above as one of my accomplishments. Inquiry revealed that neither the writer of the article, nor the environmental authority he was quoting, was aware of my authorship of the law requiring the Corps to do just that.

The biggest single failure, however, is the national media, which uncritically accept allegations by groups like Dirty Dozen without looking behind them. If the media did, they would find that there is wrong-doing among others than the office-holder who is always a sitting duck on a quiet day. At least they should recognize that by spreading the Dirty Dozen propaganda, they brand themselves having failed to detect independently the "key" environmental implications of a lot of legislation, as well as the voting habits of Members of Congress.

I have little optimism that much will result. But, absent that, a certain self-corrective process appears to be at work. Dirty Dozen came into the 1976 campaign claiming a mortality rate of 77 percent among previous designees, through retirement or defeat. Of its 1976 list of 12, a total of eight had won reelection in 1974 by 53 percent or less. Yet this year, at a time when public opinion polls show heightened environmental concern among the electorate, only three of the 12 were defeated.

EFFECTIVENESS OF 200-MILE FISHING ZONE DEPENDS ON THE STRENGTH OF ENFORCEMENT

The SPEAKER. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER), is recognized for 5 minutes.

Mrs. HECKLER. Mr. Speaker, at midnight on March 1, 1977, the U.S. fishing zone was extended from 12 miles to 200 miles off the shores of the United States coastline.

As one of the original supporters of this legislation, I view this law as a significant step toward protection of our domestic fishing industry from competing foreign fishing vessels.

With the law now in force, we must concentrate our efforts on the enforcement mechanisms which have been established. We must assure that the regulations promulgated by the Department of Commerce are developed and carried out in a manner which will always give preference and protection to the American fishing industry. We must lend our wholehearted support to the U.S. Coast Guard as the agency responsible for the actual monitoring of the foreign fishing vessels.

The importance of carefully written regulations and plans can be pointed up in the situation now faced by the fishermen in Massachusetts. In testimony before the Senate Commerce Committee on January 24, 1977, Paul Brayton, executive secretary of the Atlantic Offshore Fish and Lobster Association, outlined some of the specific problems his fishermen were experiencing with the preliminary management plans developed by the New England Council to be submitted to the Department of Commerce. A portion of Mr. Brayton's statement follows:

When Public Law 94–265 was enacted, establishing the 200 mile Fishery Conservation Zone, the American fishermen and the general public felt that we had achieved the protection of our resources and our industry, the need for which was made so painfully clear in hearings around the country. We now find ourselves having to re-argue the same points which we felt had been established by the Fishery Conservation and Management Act of 1976.

Major areas of concern that were presented to the National Marine Fisheries Service by other fishermen and ourselves have not been adequately considered in the PMP's. The zones established for foreign fishing are in direct conflict with traditional American fishing areas and operations. The PMP's propose that foreign fishing be concentrated in areas that have in the past been the scene of severe fixed gear damage by foreign trawlers. The possibility of future gear conflicts is therefore increased, contrary to what we should expect under the new law. Furthermore current conservation regulations which were designed to protect many of our most valuable offshore resources will be removed under the present plans. For example, critical areas for over-wintering stocks of fluke, butterfish, scup, and sea bass which have traditionally been closed to foreign bottom trawling will now be opened up.

We are especially concerned that the status of the Northern Lobster as a creature of the Continental Shelf, and the consequent protection of the lobster resource, is now in serious doubt.

We are also concerned that the quotas established for foreign fishing are too large for a number of reasons; first, our fishermen do not see the abundance of many species that is indicated by the large quotas; secondly, in many cases the quotas were established for stocks which cover a wide geographical area, yet the allowed foreign fishing zone covers a reduced area. This will lead

to over-exploitation of a portion of the stock and an increased likelihood of gear conflicts because of pressure to catch scarce fish whether or not lobster pots happen to be in the way.

Our fishing resources, not unlike our energy resources, must be conserved and managed carefully. The 200-mile fishing zone law is a tool which must be used forcefully to protect our domestic interests. Its effectiveness will depend on the strength of enforcement and the development of regulations which will not diminish the significance of this vital legislation.

AWARD TO JOE ALLBRITTON

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. MICHEL) is recognized for 5 minutes.

Mr. MICHEL. Mr. Speaker, on February 24, 1977, Joe L. Allbritton, publisher of the Washington Star, received a unique and well-deserved honor. He was awarded the Institute for Human Relations Award of the American Jewish Committee, an honor that has been awarded only twice in Washington, D.C.

This coveted award is presented annually to leaders in business and industry who make contributions to the welfare of society and who make contributions to human rights.

Mr. Speaker, we tend to forget that this great city is not only a place where the Congress meets and the Presidents live—it is a city of people. Joe L. Allbritton has both personally and in his newspaper reflected that truth and has looked upon Washington not only as a place in which to do business but as a hometown. Many come to Washington to see what they can get out of it; Joe Allbritton has come to Washington to see what he can do for it. That is what makes him deserve this very prestigious award. He has my congratulations and I wanted to share with you the news of his award.

A WARNING FROM ARTHUR BURNS REGARDING STIMULATING DEMAND

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

Mr. KEMP. Mr. Speaker, Dr. Burns this morning, before the Budget Committee, gave a clear warning to the Congress about what our economy does not need at this time. I include his testimony relevant to this subject. Dr. Burns said:

I believe that we can all agree that, in wrestling with the policy challenges that face our Nation, no objective deserves higher priority than that of creating job opportunities for the millions of Americans who want to work but who nevertheless now find themselves idle. But while the goal we seek is clear, appropriate actions for dealing with unemployment are not easy to devise or to carry out.

By my diagnosis, as I have already noted, our economy faces a serious deficiency of business investment in fixed capital, rather than any generalized problem of demand deficiency. The underlying difficulty is that we have done many things over a span of years which have been damaging to the state of confidence—especially the confidence of the business community. Efforts at fiscal stimulation do not seem promising to me in these circumstances. Indeed, they could prove inimical to real progress, if only because they are likely to be perceived by many people as an extension of the loose budgetary practices from which so many of our troubles derive.

By and large, the American public is familiar with the sorry record of Federal Government finances in our generation. More and more of our citizens have come to appreciate the linkage between the record of persistent deficit financing and the debilitating inflation of recent years. The degree to which we have been unwilling to tax ourselves—even in good years—to finance the programs enacted by the Congress never ceases to astonish me, no matter how often I scan the figures. Only once since 1960 has the Federal budget shown a surplus. The cumulative deficit in the unified budget over the past fifteen years, including the newly revised official estimate for the current fiscal year, comes to $308 billion. If the spending of off-budget agencies is also taken into account, as it should be, the aggregate deficit for the period amounts to $337 billion.

We have built momentum into the rise of Federal expenditures by the enactment of "entitlement" programs relating to income security and health and by extending inflation escalator clauses to a significant range of Federal programs. The merit of many of these responses to the needs of our citizens is indisputable, but the impetus thus imparted to budgetary expansion is nevertheless very serious.

It underscores the imperative need for us to be extremely cautious in adding new programs to the budget. In stressing this principle, President Carter deserves your and the Nation's full support. But it is equally important that the Congress ponder carefully any abrupt surrender of sizable amounts of tax revenue.

The inflation that has plagued the American economy since the mid-1960's is a complex phenomenon, and it is by no means solely the product of budgetary practices. But there can be little doubt that the chronic reaching of the Federal Government for both financial and real resources has been a major contributory element in inflation—indeed, the dominant one in my judgment. The Federal Government was a party—rather than the counterweight it should have been—to the demand pressures that began building up in the mid-sixties and that culminated in the speculative distortions of the 1973–74 period. Inflation, by my assessment, not only sowed the seeds of the recession that ensued; it also is the basic explanation—precisely because it became so virulent—of why the recession that followed was so severe. Blinded by the explosive advance of prices—which for a while swelled nominal profits—businessmen were unusually slow in adapting their activities to the weakening pattern in consumer markets that had actually become quite well-defined during 1973. When businessmen finally recognized in the autumn of 1974 that their perception of market conditions had been mistaken, the response in scaling back operations was often drastic—in large part because distortions had been allowed to cumulate for such a long period.

A strong residue of caution has been evident in business circles since then. That caution—which explains, I believe the relatively weak recovery in capital spending so far in this expansion—is an amalgam of several things. These include the rude discovery that the business cycle is by no means dead, a heightened worry about the troubles inflation can breed, apprehension about the cost and availability of energy supplies, a lingering fear that expansionist governmental policies could again lead to price controls, and growing concern about the costs of complying with existing environmental and safety regulations.

In short, a confident business mood has been slow to emerge in the aftermath of recession, in considerable part for reasons that relate to our recent history of inflation and government's role in that history. The consumer mood is stronger; but consumers, too, have anxieties about inflation and inflation-inducing actions by government.

What this analysis suggests to me is that governmental consideration of economic policy should focus sharply on ways and means of strengthening the confidence of our people in their own and the Nation's economic future. By focusing as we have on the size of a "stimulative" fiscal package, we inadvertently have been diverting attention from what I believe to be the main problem. At this juncture of history, government actions should aim above all else at reassuring our citizens that the policy mistakes of the past will not be repeated. Indeed, from the viewpoint of the responsibilities of this Committee, a consideration of what not to do again ought, I believe, to serve as the critical point of departure for policy formulation.

Starting there, I obviously cannot feel comfortable about the official budget for fiscal 1977, or for that matter about any budget, which moves toward enlarging the Federal deficit. This prospective enlargement comes at a time—unlike that of 1975—when private credit demands are rising. Thus, a troubling departure is occurring from the normal pattern of gradually diminishing demands for credit by the Federal Government as recovery proceeds.

On the basis of the revised budget proposals submitted by the Administration, it would appear that Federal borrowing in public markets in the current calendar year could be $10 billion or so higher than in 1976. The prospect that Federal demand for credit will run considerably higher than earlier seemed likely has stirred uneasiness among credit market participants, as is evidenced by the decline in prices of fixed-income obligations that followed disclosure of the Administration's intentions. While a "crowding out" of private borrowers from credit markets does not seem a serious threat, at least not for 1977, the enlarged prospective competition of the Federal Government with private borrowers—with the housing sector, for instance—is most unwelcome. It may impart some upward tendency to interest rates, and it will also make it more difficult for the Treasury to achieve further progress in lengthening the maturity of outstanding debt.

I have felt obligated in the course of this statement to explain to you why, on the basis of my interpretation of the events that have occurred during recent years, I have reservations about budget moves that do not yet have the appearance of breaking with the past.

Whatever early action is taken in the Congress with regard to the budget, I hope that the point I have made about the vital need for confidence-building actions will carry some weight in your continuing deliberations as the year goes on. To give Americans confidence that the future will be something other than a repetition of the past, government must demonstrate in a persuasive way that it is regaining control of our fiscal affairs.

The President's commendable goal of a balanced Federal budget within four years might still be within reach even if the budget is now enlarged by the full amounts that have been recommended. The task of holding to that timetable will, however, be made more difficult by each and every enlargement of spending. This emphasizes the need for an especially cautious approach to requests for program increases—both now and in the future. In that regard, I particularly want to applaud the President's decision to go forward with a zero-base budget system for fiscal 1979, and also to review very critically the current practice of allowing off-budget outlays. These steps should serve to reduce, if not eliminate, programs that have outlived their usefulness.

Such a budgetary approach, it seems to me, has great potential for helping arrest the powerful upward push of Federal spending. For the record, I would note that the Federal Reserve has for some time been conducting two pilot studies of the feasibility of adopting zero-base budgeting ourselves. One of those studies is going forward at the Chicago Federal Reserve Bank and the other in a division of the Board. While evaluation will take some time, I am inclined to think that we may be able to move to the recommended approach fairly rapidly, even though as an independent agency we have no formal obligation to do so.

In closing, I would like to come back for a moment to the workings of the new Congressional budget system. I am aware, of course, that the proposal for a Third Concurrent Resolution for fiscal 1977 has been subjected to some fairly sharp criticism. To the extent that such criticism has been directed at the specific content of the resolution, it seems entirely proper. Indeed, as I have made clear here today, I take some exception myself to its basic thrust. The legitimacy of having a third resolution, however, does not seem to me to be open to question. If a judgment emerges after acceptance of a particular concurrent resolution that some significant change has occurred in national conditions, a reopening of that resolution for revision is a clearly proper and responsible action.

I would voice, however, one cautionary word. As a practical matter, if the Congress were to move in the direction of very frequent revision of concurrent resolutions, the essential discipline of the new budgetary process would be lost. It may be useful to recall that the only previous effort by the Congress to operate with a formal legislative budget—under the Legislative Reorganization Act of 1946—foundered in part because liberal supplemental appropriations made the whole exercise of spending ceilings by concurrent resolution somewhat pointless. While I do not think there is great risk that we shall travel such a route again, I mention that bit of history because it is so vital that the new legislative budget process continue to evolve along the lines of its promising beginnings. The last two years have clearly demonstrated the value of the legislative budget as an instrument for bettering fiscal discipline. This Committee has earned the Nation's gratitude by its commitment to that objective.

OVERSIGHT HEARINGS ON THE IMMIGRATION AND NATURALIZATION SERVICE

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. EILBERG) is recognized for 5 minutes.

Mr. EILBERG. Mr. Speaker, this is to announce that my Subcommittee on Immigration, Citizenship, and International Law has scheduled 1 day of public oversight hearings on Wednesday, March 9, 1977, to review the administration of the Immigration and Nationality Act by INS.

The hearing will be held in room 2226, Rayburn House Office Building and will commence at 10 a.m.

This will be the first in a series of such oversight hearings which will be held by the subcommittee from time to time in order to fulfill our oversight responsibilities under the rules of the House and to obtain background information in preparation for the new authorization role of our subcommittee and the full Judiciary Committee which will begin during the next fiscal year.

In the course of these oversight hearings, we will inquire into each of the functional activities of the various subdivisions of INS in an effort to determine whether they are fully discharging their statutory responsibilities. In addition, we have received numerous complaints from the public that the service function of INS has not been given proper priority and as a result extensive adjudicative backlogs have developed in the various district offices around the country.

On Wednesday testimony will be received from Leonard F. Chapman, Commissioner of the Immigration and Naturalization Service, and additional witnesses will be invited to testify at a later date.

THE FAMILY FARM ANTITRUST ACT OF 1977

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

Mr. KASTENMEIER. Mr. Speaker, within the last few weeks, many of us have become aware of a possible dangerous escalation of the trend toward absentee corporate ownership of America's family farms. Continental Illinois Bank & Trust, the Nation's seventh largest bank, is about to establish a $50 million fund to purchase prime farm land.

The bank's stated goal is to capitalize on rapidly increasing farm land values when property is sold or subdivided 5 or 10 years in the future. While the fund would own farmland, farming would be a secondary interest.

But this is still only one aspect of absentee farm ownership. Vertical integration of food production is a growing problem. This is a process where two or more stages in the food production process that were formerly controlled by separate firms, become merged into one firm. The Family Farm Antitrust Act of 1977 specifically seeks to stop vertical integration between farm and nonfarm stages of production.

Consumers will be adversely affected by allowing the trend toward vertical integration to continue. A study by the University of Missouri concluded that retail food prices would rise if nothing is done to alter the trend toward vertical integration. Merchandising and market costs would increase as integrated firms advertise and stress product differences on basic agricultural commodities. Aggressive unionization of agricultural and agribusiness workers would increase labor costs that the family farm operator presently absorbs. Finally, lack of effective price competition would push up food prices. Considering the USDA study that found the one-man farm to achieve optimal economies of scale, one can only wonder why any rational person would want to continue policies that allow the one-man farm, known as family farms, to continue to be forced out of operation by anticompetitive market forces.

Mr. Speaker, the Family Farm Antitrust Act would prohibit corporations with more than $3 million in nonfarm assets from engaging in farming. Those operations presently over the limit would be required to divest themselves within 5 years. We must enact this bill to stop the trend toward corporate domination of our food supply.

NATIONAL NUTRITION WEEK IN NORTHERN CALIFORNIA

The SPEAKER. under a previous order of the House, the gentleman from California (Mr. MCFALL) is recognized for 5 minutes.

Mr. MCFALL. Mr. Speaker, I wish to bring to the attention of the House the efforts of dietitians in northern California to educate young people of the importance of good dietary habits. These efforts will be climaxed during National Nutrition Week, March 7–12, 1977.

I was recently contacted by Ms. Charlotte Schwyn, R.D., M.S., who is the president of the Golden Empire District Dietetic Association, which has 254 members in northern California. Ms. Schwyn advised me of the commendable efforts these dedicated individuals have made to prevent young people from becoming "junk food junkies."

Their efforts include presentations to elementary school children, Campfire Girls, and other groups of young people. They talk about the junk foods available and the ingredients in them, and explain what these ingredients do to our bodies.

Mr. Speaker, in light of today's modern packaging techniques and advertising promotions, many young people do not consider the nutritional value of the food they eat. To some, soda pop and potato chips are a "good" lunch. Hopefully, the efforts of Ms. Schwyn and her associates will at least encourage them to add a fresh fruit to their lunch menu.

The health of all Americans needs to be a concern for all of us, and I congratulate the Golden Empire District Dietetic Association on its program to develop sound eating habits in the Nation's young people.

MOSQUITO CONTROL

The SPEAKER. Under a previous order of the House, the gentlewoman from Louisiana (Mrs. BOGGS) is recognized for 5 minutes.

Mrs. BOGGS. Mr. Speaker, today I am introducing a bill which would provide for the control of mosquitoes and mosquito vectors of human disease through technical assistance and grants-in-aid for State control projects.

Mosquitoes have probably had a greater influence on human health and well-being throughout the world than any other insect. In addition to the severe annoyance and irritation caused by their bite, mosquitoes are principal transmitters of several diseases affecting humans and domestic animals. Among the diseases carried by mosquitoes are malaria, yellow fever, dengue, and filariasis, four of the most important diseases of the tropical and subtropical parts of the world today. Fortunately, control programs and climate have now reduced such diseases to a minor or historical importance in the United States. Yet it is still possible that outbreaks of these diseases might occur in the future. In 1974, for example, California suffered an outbreak of indigenous malaria, a mosquito-prone disease previously thought to have been eradicated.

But the most devastating and widely occurring disease spread by mosquitoes is encephalitis. Encephalitis is a viral disease which affects the central nervous system causing an inflammation of the brain. Human cases vary from mild infections to severe sickness resulting in permanent damage to the nervous system or even death. Similarly, horses and birds may contact mild or severe infections.

There are three major types of encephalitis in the United States: Eastern, Western, and St. Louis. One study indicates that a map of the areas affected by these types of the disease together would encompass essentially the entire country. Thus, encephalitis is a national problem.

In 1975, approximately half of the States throughout our country experienced epidemics of mosquito-transmitted encephalitis. Over 2,000 people were stricken and at least 30 died. It was only last fall when an outbreak of encephalitis occurred in Washington's metropolitan area. And, experts predict that similar outbreaks are likely to occur throughout the country this year.

The question therefore is how do we control such outbreaks in the future? I believe that effective mosquito control requires a combination of land and water management, biological methods, and selective use of insecticides. All of these measures can, and must, be used safely and compatibly within agricultural, conservational. industrial, community, and recreational areas.

Because of the need for restrictive use of chemicals and because mosquitoes are developing resistance to most insecticides, emphasis must now be on environmental management.

Thus. the Mosquito Control Act would first call upon the Secretary of Health, Education, and Welfare to establish a program to promote and encourage cooperative activities by State and local governments in the control and elimination of mosquitoes. In establishing such a program, the Secretary of HEW shall concur with the Administrator of the EPA, the Secretary of the Interior, and the Secretary of Agriculture.

The Secretary of HEW would be authorized to conduct investigations, studies, demonstrations, and surveys with a view to determining the most effective methods of mosquito control. To carry out these functions, funds are to be appropriated to the Department of Health, Education, and Welfare in the amount of $1,000,000 for the 1978 fiscal year and each of the 3 succeeding years.

The Mosquito Control Act would secondly provide matching grants to the States not to exceed $2,000,000 for an amount equal to 50 percent of the total cost of the State's entire mosquito control plan for the fiscal year, whichever is the lesser.

Presently, only about one-third of the States have varying levels of organized mosquito control programs. Only a few of these States have adequate coverage of the areas requiring mosquito control. The thrust of this bill, therefore, is to provide grant-in-aid funds for participating States thereby allowing them a degree of latitude in the preparation of a plan that reflects the needs of the particular State. Additionally, it is hoped that the provision of matching funds will stimulate those States that have not developed their own programs to deal with the problem.

During the 1970's, Federal legislation aimed at environmental protection has complicated the efforts of State and local governmental agencies engaged in mosquito control. Land and water management methods have become more complex, and the availability and application of insecticides have become more restricted. Both conditions have greatly increased the cost of achieving effective mosquito control by tax-supported State and local agencies. It is therefore incumbent upon the Federal Government to assist the several States in this worthwhile undertaking.

Thus, any State which desires to take advantage of the benefits of the act must annually submit to the Secretary of Health, Education, and Welfare, a plan setting forth the mosquito control program to be carried out in that State for that fiscal year. The Secretary of Health, Education, and Welfare shall approve any State plan, and any modification thereof, which he determines to be feasible and designed to carry out the purpose of this act. In no way should this act be construed to interfere with the requirements of the Federal Insecticide, Fungicide and Rodenticide Act, as amended.

In addition to financing the study and controlling of pestiferous mosquitoes, the Mosquito Control Act will provide opportunities for public employment such as drainage and filling of breeding lands and spraying of affected areas.

The Mosquito Control Act will make it possible for every State and territory to undertake and properly conduct needed mosquito control and mosquito-transmitted disease suppression programs. Mosquitoes and the diseases they transmit to man and domestic animals are a national problem of growing significance which requires urgent Federal action and leadership.

Mr. Speaker, I include the provisions of the Mosquito Control Act to be printed immediately following my remarks:

H.R. 4261

A bill to provide for the control of mosquitoes and mosquito vectors of human disease through technical assistance and grants-in-aid for control projects

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Mosquito Control Act of 1977".

PURPOSE

SEC. 2. In order to promote public health and the general welfare, and to alleviate the persecution of livestock and other injurious effects on all types of agricultural activities by pestiferous mosquitoes, and to develop recreational areas and strive to build model communities with environs free of obnoxious mosquitoes and the human diseases they spread; and to provide, at the same time, useful employment, and for these humanitarian endeavors, the Congress hereby establishes a policy and program of—

(1) aiding and supporting surveys and demonstrations, with funds made available under this Act, for the purpose of assisting States and local areas in developing effective and economical mosquito control methods; and

(2) providing grant-in-aid funds to the States through the State department designated by law or by the Governor on a fifty-fifty matching basis of the total local and State funds expended for mosquito control.

TITLE I—SURVEYS AND DEMONSTRATIONS

IN GENERAL

SEC. 101. The Secretary of Health, Education, and Welfare shall—

(1) establish a program to promote and encourage cooperative activities by State and local governments in the control and elimination of mosquitoes by control methods prescribed by the Secretary after concurring with the Administrator of the Environmental Protection Agency, the Secretary of the Interior, and the Secretary of Agriculture;

(2) collect and disseminate information relating to mosquitoes and the control thereof; and

(3) make available to State and local governments, and other public and private agencies and institutions, the results of any surveys, studies, investigations, or demonstrations which may be carried out by the Department of Health, Education, and Welfare, and which relate to mosquitoes and their control.

SURVEYS OF SPECIFIC PROBLEMS

SEC. 102. The Secretary of Health, Education, and Welfare may, on the request of the proper department of the State or the Governor, have conducted investigations, studies, demonstrations, and may make surveys with a view to determining the most effective methods of mosquito control with the expenditure of Federal funds.

REPORTS

SEC. 103. The Secretary of Health, Education, and Welfare shall, from time to time and to the extent he considers desirable, have prepared and published reports of such surveys, studies, investigations, and demonstrations carried out under this title, together with appropriate recommendations with regard to the control of mosquitoes.

AUTHORIZATION OF APPROPRIATION

SEC. 104. To carry out this title there are authorized to be appropriated to the Depart-

ment of Health, Education, and Welfare $1,000,000 for the fiscal year beginning October 1, 1977, and for each of the three succeeding fiscal years.

TITLE II—MATCHING GRANTS TO THE STATES

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. In order to enable the Secretary of Health, Education, and Welfare to assist the several States in carrying out the purpose of this Act, there are authorized to be appropriated to the Department of Health, Education, and Welfare for the fiscal year beginning October 1, 1977, and for each of the three succeeding fiscal years, such sums as may be necessary to carry out the provisions of this title. Sums appropriated pursuant to this section shall be used in making payments to States which have submitted, and had approved by the Secretary of Health, Education, and Welfare, State plans for the control of mosquitoes.

STATE PLANS

SEC. 202. (a) Any State which desires to take advantage of the benefits of this title during a fiscal year may submit to the Secretary of Health, Education, and Welfare a State plan setting forth the mosquito program to be carried out in such State during such year for the control of mosquitoes.

(b) The Secretary of Health, Education, and Welfare shall approve any State plan, and any modification thereof, which he determines to be feasible and designed to carry out the purpose of this Act.

ALLOTMENTS TO STATES

SEC. 203. Each State for which a State plan has been approved under this title before or during a fiscal year shall be entitled to an allotment from the appropriations made for such year under section 201. Sums so appropriated shall be allotted among the States by the Secretary of Health, Education, and Welfare on the basis of the extent of the mosquito control problem in each of the States; except that the allotment paid to any State under this section for any fiscal year shall not exceed whichever of the following is the lesser:

(1) an amount equal to 50 per centum of the total cost of the State's entire mosquito control plan for the fiscal year; or

(2) $2,000,000.

PAYMENT ALLOTMENTS

SEC. 204. Payments of sums allotted to States under section 203 may be made in advance, or by way of readjustment, with necessary adjustments on account of overpayments to a State from funds appropriated for a fiscal year may not exceed 50 per centum of the expenses incurred by the State during that fiscal year in carrying out its State plan.

JUDICIAL REVIEW

SEC. 205. (a) The United States district court for any district in which the capital of a State is located shall have jurisdiction, as provided in this section, to grant appropriate relief in any case where any funds paid to the State under this title have been or are about to be expended in violation of this title.

(b) The court may grant such temporary relief or restraining order as it deems appropriate pending final dispositon of any action under this section. If in any such action it is determined that any funds paid to the State under this title have been or are about to be expended in violation of this Act, the court shall grant a permanent injunction or other appropriate relief, including restitution of any funds so expended, or such part thereof as may be just and equitable under the circumstances of the case.

TITLE III—GENERAL PROVISIONS

DEFINITIONS

SEC. 301. For purposes of this Act—

(1) The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and the Canal Zone, and other possessions of the United States, and the Trust Territory of the Pacific Islands.

(2) The term "mosquitoes" means mosquitoes and mosquito vectors of human disease.

LIMITATIONS

SEC. 302. (a) Nothing in this Act shall be construed to authorize the Secretary of Health, Education, and Welfare to deal directly with a local government of any State without first securing the explicit consent of the State concerned, or the Governor of such State.

(b) Nothing in this Act shall be construed to limit the authority of any department, agency, or instrumentality of the United States to conduct surveys and demonstrations relating to the control and examination of mosquitoes under any other provision of law.

(c) Nothing in this Act shall be construed to exempt any program, plan, or activity under title I or title II from the requirements of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (86 Stat. 973; 7 U.S.C. 135 et. seq.).

PERSONAL EXPLANATION

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, I wish to inform the Chair and my colleagues that I was necessarily absent today when the House voted on the previous question with respect to House Resolution 338, providing the rule for House Resolution 287, the Obey Commission Report. At the time of this vote I was returning to the House after meeting with the Attorney General in my capacity as chairman of the House Select Committee on Narcotics Abuse and Control. Had I been present, I would have voted "yea" on the previous question. My meeting with the Attorney General had been scheduled several weeks ago and was of such a nature that it could not be postponed. Were it not for the congested traffic in our Capital City, I would have been able to record my vote on this important question.

BICENTENNIAL AMNESTY FOR UNREGISTERED ALIENS

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. BADILLO) is recognized for 5 minutes.

Mr. BADILLO. Mr. Speaker, last year, I introduced a bill to grant amnesty to illegal aliens living in this country. I am today reintroducing this legislation, with one major change—a change I was moved to make by what I have seen as a new spirit in our administration, a new- and realistic-awareness of the need for "forgiveness," a need expressed by the President in his granting of amnesty to draft evaders. Because my bill is being introduced in the first year of our Nation's third century, I have decided to place the effective date on the day of our Bicentennial: my bill will grant amnesty to all those unregistered aliens who have resided in this country prior to July 4, 1976.

Mr. Speaker, since the new President's election, perhaps sparked by the recent visit by the President of Mexico, there has been an increasing concern about our Nation's immigration policies, and subsequently a growing pressure on the Congress for legislative action. This activity has been exacerbated by our economic problems, as the lack of available blue-collar jobs has been equated, wrongly, with the number of illegal aliens now in America.

As a member of the Spanish-speaking community, I am acutely aware of what the problems are—and I am equally aware as to what the problems are not. There are now between 8 and 10 million illegal residents in this country. Many of them have been in this country for several years, and have established productive lives and are making real contributions to our country. Many of them pay taxes, and share in the responsibilities of citizenship. The only thing that differentiates them from those of us in this room is that they do not have the proper papers. These are people who have committed themselves to the United States, and we can no longer treat them inhumanely.

It is time that Congress address the question of illegal aliens, and I concur with those of my colleagues who have called for immediate action. But we cannot let illegal aliens become the scapegoats for our country's economic ills, and we cannot threaten legitimate citizens with the loss of their livelihoods, by imposing fines on employers or taking other sanctions against them. That approach would only lead to one thing: employers would cease hiring all those who even appear foreign to avoid the possibility of hiring an illegal worker. Another possibility that I oppose strenuously is that which would eventually mean a national identity card. I find this a gross abridgement of civil rights. We cannot, in 1977, tolerate the passage of legislation that would perpetuate the kind of discrimination we have spent so many years trying to overcome.

Many of us are aware of the raids that have taken place in large urban areas to round up large numbers of illegal residents at the same time. These raids have pointed up the preposterous notion that we can deport all 8 or 10 million people who have come here without papers. In order to deport that great number of people I believe we would need more troops than we sent to Indochina—a patently absurd concept.

The only viable solution is to grant an amnesty to those people who are now here—an amnesty that would give these people not, as is commonly suggested, citizenship, but only "green card"—resident alien—status, and permit these people to work toward becoming full citizens of the United States.

It is the beginning of a solution to an international problem, and once such legislation is passed, we must then move forward toward a permanent way in which we can deal with a problem that can only be exacerbated as time goes by. We must realize that illegal immigration is a diplomatic problem as well as an employment problem. We must develop approaches to our foreign aid programs that will enable developing countries in our

hemisphere to provide enough jobs for their citizens to keep pace with their growing populations.

Immigration is a complex problem, and it will take many years of debate and hard work until we find a light at the end of this very long tunnel. But there is an increasing awareness that some kind of amnesty must be granted. And it is fitting that the date marking the anniversary of a country that has always welcomed refugees from economic, social, and religious repression should mark another great step forward in our history of freedom.

The bill's provisions provide:

That the Attorney General make a record of lawful admission for permanent residence in the case of any alien, and that each alien will provide that he or she is not inadmissable;

He or she must establish that he or she entered the country prior to July 4, 1976;

Has been continuously in this country since entry;

Is the spouse parent, son, or daughter of a U.S. citizen or a resident alien;

Is a person of good moral character;

Is not ineligible for citizenship;

Application for residence must be made 1 year from the date of enactment.

The complete bill appears below.

In closing, I would like to submit the following editorial from the Wall Street Journal of June 18, 1976. It defines the true status of illegal residents in this country, and makes an excellent case for the legalization of their status. It also points up why the time for congressional action is now:

THE ILLEGAL ALIEN NON-PROBLEM

Illegal aliens have emerged as a favorite whipping boy in several of our largest cities. Taxpayers complain that they burden public services; unions complain that they take away jobs from citizens; and mayors like New York's Abraham Beame complain that the federal government should pay the cities more to compensate for these social costs. We offer a simple solution—make the aliens legal.

Almost everyone else of course wants to do just the opposite—track them down, deport them, and maybe prosecute the employers who hire them. The New York State legislature is about to vote on a bill imposing criminal penalties for knowingly giving jobs to "illegals." This measure would add yet another burden to New York City's economy. In spite of the sinister sound of "illegal alien," we are dealing with a familiar and healthy phenomenon, a wave of immigration like those which brought us the Germans, Irish, Italians and so forth. This particular wave has brought South and Central Americans in large numbers to Northern cities since the late '60s. (Mexican laborers in the Southwest form a separate question of longer standing.)

By a strange irony, this inter-American immigration began to soar shortly after Congress decided to impose Western Hemisphere entry quotas for the first time in history. This measure came in the immigration "reforms" of 1965, which in spite of their good work in removing the obnoxious Eastern Hemisphere "national origin" quotas, must bear a good part of the blame for the illegal problem. After hearing expert testimony from Attorney General Nicholas Katzenbach that there was "not much pressure" from Western Hemisphere immigration, the Senate set an arbitrary annual quota of 120,000. The formal demand for visas is now at least three times as great.

Nobody really knows just how many illegals are in the country, beating a three-year backlog and job certification requirements for resident visas by entering as tourists. Estimates go up to eight million overall and 1.5 million in the New York metropolitan area, but those are undoubtedly exaggerated. There is evidence, however, that refutes the widespread belief that the aliens are free-loading on urban social services. A recent report for the U.S. Department of Labor, in fact, shows precisely the opposite.

Researchers for Linton & Company interviewed a fairly large sample of apprehended aliens and found that 77% had paid Social Security and 73% paid federal income tax through automatic withholding. But less than 4% had children in school or collected unemployment, and only one half of one percent had been on welfare. The government is obviously getting more than it gives.

The same is probably true for the local economies in which these immigrants work. The people who benefit most from this situation are certainly the employers, who have access to an "underground market" of cheap, productive labor, unencumbered by minimum wage laws, union restrictions or pension plan requirements. Because of his vulnerable position, the illegal is occasionally the victim of outright swindling, and always must live in fear of the Immigration Service. But judging by the continued migration, this still looks better than life back home. The U.S. looks like the land of opportunity, even at one-third the prevailing union wage.

Unions naturally complain that this market competes unfairly with their own members. On the other hand, employers argue that illegals provide manpower for jobs that citizens simply won't take, such as busboys and kitchen help. In a city like New York, which has been driving away businesses through high costs, the illegals may well be providing the margin of survival for entire sectors of the economy, like the restaurants.

This situation may explain why so few effective measures have been taken against the illegals. Although the aliens are forbidden to work, there is no legal sanction against hiring them. Considering some of the proposed "reforms," this inaction is all to the good. Penalties for hiring "illegals" could lead employers to refuse jobs to any Hispanic-looking person, regardless of his status. And to solve that problem, the Linton report suggests that everyone, citizen or not, should be made to carry a government-issued work permit.

The easiest, cheapest and fairest way to protect the labor market will be to legalize the immigrants, putting the law to work protecting them rather than persecuting them. Legal or not, the present wave of Western Hemisphere immigrants is already enriching and contributing to North American society. As we ought to know from our historical experience, that is what can be expected of those whose desire to immigrate is demonstrably so strong.

The White House has already submitted a bill to correct some other quirks in the Immigration Act, but it leaves the 120,000 Western Hemisphere quota intact. Why not simply live up to the American tradition and change the number that is causing the problem?

H.R. 4330

A bill to provide for a record of admission for permanent residence in the case of certain aliens who entered the United States prior to July 4, 1976, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Immigration Status Adjustment Act of 1977".

SEC. 2. (a) The Attorney General shall, without regard to the numerical limitation specified in the Immigration and Nationality Act and under such regulations as he may prescribe, make a record of lawful admission for permanent residence in the case of any alien: Provided, That such alien shall satisfy the Attorney General that he is not inadmissible under section 212(a) of the Immigration and Nationality Act insofar as it relates to criminals, procurers and other immoral persons, subversives, violators of the narcotic laws or smugglers of aliens, and he establishes that he—

(1) entered the United States prior to July 4, 1976;

(2) has had his residence in the United States continuously since such entry;

(3) is the spouse, parent, son, or daughter of a United States citizen or an alien lawfully admitted for permanent residence;

(4) is a person of good and moral character; and

(5) is not ineligible for citizenship.

(b) Application under this section shall be made to the Attorney General within one year after the date of enactment of this Act. However, a record of lawful admission for permanent residence may be made in the case of any alien in accordance with the provisions of this section beyond such date in the discretion of the Attorney General and under such regulations as he may prescribe.

SEC. 3. (a) In addition to an alien admitted for permanent residence pursuant to the provisions of section 2, the Attorney General may, under such regulations as he may prescribe, make a record of lawful admission for permanent residence in the case of any alien: *Provided,* That such alien shall satisfy the Attorney General that he is not inadmissible under section 212(a) of the Immigration and Nationality Act insofar as it relates to criminals, procurers, and other immoral persons, subversives, violators of the narcotic laws, or smugglers of aliens, and he establishes that he—

(1) entered the United States prior to July 4, 1976;

(2) has had his residence in the United States continuously since such entry;

(3) is a person of good moral character; and

(4) is not ineligible for citizenship.

(b) Applications under this section shall be made to the Attorney General within one year after the date of enactment of this Act. However, a record of lawful admission for permanent residence may be made in the case of any alien in accordance with the provisions of this section beyond such date in the discretion of the Attorney General and under such regulations as he may prescribe.

SEC. 4. Upon the approval of an application made under this Act, the Attorney General shall record the alien's lawful admission for permanent residence as of the date the order of the Attorney General approving such application is made: *Provided,* That in the case of any alien described in section 2 or 3 of this Act who has been lawfully admitted into the United States as a nonimmigrant, the Attorney General shall, upon the approval of an application made under this Act, record his admission for permanent residence as of the date the alien originally arrived in the United States as nonimmigrant or as a parolee, or a date thirty months prior to the date of enactment of this Act, whichever date is later.

SEC. 5. An alien who makes an application under this Act for adjustment of his status to that of an alien lawfully admitted for permanent residence shall be granted written authorization by the Attorney General to accept or continue employment pending the final disposition of such application.

SEC. 6. Except as otherwise specifically provided in this Act, the definitions contained in section 101 (a) and (b) of the Immigration and Nationality Act shall apply in the administration of this Act. Nothing contained in this Act shall be held to repeal, amend, alter, modify, affect, or restrict the powers, duties, functions, or authority of the Attorney General in the administration and enforcement of the Immigration and Nationality Act or any other law relating to immigration, nationality, or naturalization.

SEC. 7. (a) Section 274(a) of the Immigration and Nationality Act is amended by inserting immediately after "transportation" the first time it appears "or employer".

(b) Section 274(a)(4) is amended by striking out ": *Provided, however,* That for the purposes of this section, employment (including the usual and normal practices incident to employment) shall not be deemed to constitute harboring." and inserting in lieu thereof ". For the purposes of this section, employment (including the usual and normal practices incident to employment) shall be deemed to constitute harboring.".

ENDING AUTOMATIC PAY INCREASES

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. AMMERMAN) is recognized for 15 minutes.

Mr. AMMERMAN. Mr. Speaker, I am today introducing a bill which would halt automatic cost-of-living salary increases for Members of Congress, judges, and certain other high-level Federal officials.

This measure applies to those officials whose salaries came under the review of the Quadrennial Pay Commission and who have just been given pay raises ranging from 10 to 30 percent.

Unless existing law is changed, these same officials—including Members of Congress—would receive another pay increase on October 1 of this year despite the public outcry against the vast pay hike.

Some of my colleagues have introduced bills which would block cost-of-living increases for Congress this year. I do not think such measures go far enough.

Instead, I am proposing that all of the approximately 2,500 legislative, executive, and judicial branch officials who fall under the scope of the Federal Salary Act of 1967—which created the Quadrennial Commission—be permanently removed from the cost-of-living mechanism.

I urge this course of action for three reasons.

First, the legislation which made Members of Congress and other top-ranking Federal officials eligible for the cost-of-living increases was adopted in haste in 1975.

That ill-considered action was widely criticized then. I strongly doubt that there is any greater public support for the idea this year.

Second, we are talking about the 2,500 most powerful and most highly-paid individuals in the U.S. Government—from the Vice President on down. We are not talking about low-level bureaucrats and clerks. We are talking about Senators, Representatives, Cabinet members, justices of the Supreme Court and many other positions of almost comparable stature.

I think it is ridiculous to contend that qualified individuals cannot be found to fill these high posts unless their salary is increased every year.

Thirdly and this point seems so obvious to me that I find it difficult to believe it needs saying, these officials have been singled out for a special review of their compensation every 4 years.

The commission is authorized to consider increases in the cost of living, comparable salaries in private industry, and any other factors it deems appropriate in making its recommendations.

For the most powerful people in this Government to benefit from this quadrennial review and also from the cost-of-living mechanism intended for career Federal employees is "double-dipping" of the most outrageous sort.

Mr. Speaker, we cannot have it both ways. Either officials should receive the quadrennial review or a cost-of-living review. But certainly not both.

I need not remind the Members of this House that a great many of our constituents believe strongly that no increases of any kind are appropriate. Had the recent increase in our salaries been brought to a vote on the House floor, I would have voted against it. I believe that a majority of this House would have done likewise. But we did not have a vote.

I look at the mail from my constituents and the comments in the press in my district and what I see and hear is outrage at the pay increases.

The feelings of the people we are sworn to represent are clear on this matter.

It would be the height of irresponsibility for us to ignore this outrage and to permit yet another round of salary increases this year.

But let us not look only to 1977. Let us not say, "well, this year things are a little too hot but next year we will consider this matter again."

Nor should we look only to the House and Senate pay rates. We are not the only part of the Federal Government with a credibility gap. We are not the only high officials of this Nation in whom the public has lost confidence.

Any legislation we adopt should be permanent and comprehensive. I believe my bill meets that test and I urge my colleagues to give it their support.

PERSONAL EXPLANATION

The SPEAKER. Under a previous order of the House, the gentleman from Washington (Mr. DICKS) is recognized for 5 minutes.

Mr. DICKS. Mr. Speaker, I want to announce to the House of Representatives and the public that my wife Suzanne owns 65-acres of farmland in eastern Washington State, in the Sunnyside area.

As a Member of the House Public Works Appropriations Subcommittee, I will be required to approve and to actively support appropriations to assist drought-stricken areas in the West.

I want Members and the public to know that the farmland my wife owns is leased to a farmer who lives in Grandview, Wash.

Obviously, drought relief by Congress might assist the lessee in this case, as it hopefully will aid all victims of this crisis.

However, such assistance to farmers as a general class will not provide relief to my wife directly.

I believe it is important to make the appearance of a possible conflict a matter of record in advance of committee or House action.

IT IS TIME FOR THE UNITED STATES TO END ITS SUPPORT FOR THE REPRESSIVE SOMOZA DICTATORSHIP OF NICARAGUA

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, for quite some time I have been concerned about the uncritical support which the United States has provided to the Somoza family in Nicaragua. Ever since the 1930's, when the U.S. Marines ended several years of occupation there, the Somoza family has ruled the country, enriching itself at the expense of the American taxpayer and the average Nicaraguan. According to the State Department, the Nicaraguan National Guard, which was originally created and now is trained and equipped by the United States, is "the personal instrument" and "principle power base for the ruling Somoza family." The State Department has also stated that one of the major purposes of U.S. military assistance is to help the Nicaraguan Government maintain internal security.

Until recently, the prevailing American opinion about Somoza was that he was, although a bit arbitrary and greedy, a relatively benevolent despot. The opinion was expressed to me by the current Ambassador to Nicaragua, James Theberge, that there were not systematic violations of human rights in Nicaragua.

Last year, however, Congressman DON FRASER and I joined in sponsoring hearings on human rights violations in Central America. Previous to these hearings, President Anastasio Somoza came to New York, presumably to attempt to persuade me that any repressive measures that were taken by his government were temporary and necessitated by the Communist insurgency, which he said was aided by Cuba. We discussed these issues in an hour meeting in his penthouse suite in the Waldorf Astoria.

I was not dissuaded by President Somoza's arguments, and the hearings went ahead as scheduled on June 8 and 9 of last year. At that time I attempted to ascertain the depth of the repression in Nicaragua. I determined that while the repression may not have reached the intensity it has in Chile or Uruguay, the oppression of and suffering by the peasants of Nicaragua was extensive. From the testimony, there appeared to be a pattern of National Guard terror against campesinos in the countryside, which was never picked up by the international news agency, who remained in the capital city of Managua.

Today, however, an article in the New York Times has confirmed my worst fears. Nicaragua's Roman Catholic bishops have accused the Nicaraguan Government of torture, rape, and mass killings of civilians by the National Guard. Anastasio Somoza is not the benevolent ruler that many, even in Congress, believe he is. I hope that Somoza's friends, both within Congress and out, will reevaluate their support for the Nicaraguan dictator. I, for one, will do all I can to see that the United States disassociates itself from the butchery which has gone on in Nicaragua. Military aid to Somoza's National Guard is tantamount to putting a gun to head of the peasants of Nicaragua. If we do not withdraw our aid, the blood of Somoza's victims is on our hands.

The article of the New York Times of March 2, 1977 follows:

BISHOPS IN NICARAGUA SAY TROOPS KILL CIVILIANS IN FIGHTING LEFTISTS

(By Alan Riding)

MANAGUA, NICARAGUA, March 1.—Nicaragua's Roman Catholic biships have accused government forces of resorting to widespread torture, rape and summary executions of civilians in their battle against leftist guerrillas in this impoverished Central American republic.

Documents prepared by the church list the names of hundreds of peasants who have been killed or have simply disappeared—and are presumed dead—in the last two years in the provinces of Matagalpa and Zelaya.

Church sources also said that government troops had carried out two mass executions involving a total of 86 civilians, among them at least 29 children, in the mountains of Zelaya since December.

PRIESTS TELL OF KILLINGS

According to American Capuchin priests, who are among the few outsiders still able to visit the area of conflict, victims are usually shot in the head for suspected collaboration with the guerrillas. But they and other sources confirmed that, on occasion, remote hamlets have also been bombed by light aircraft of the Nicaraguan National Guard, the country's only armed force.

A spokesman for President Anastasio Somoza Debayle, the 51-year-old West Point graduate whose family has ruled this country since 1936, said that many of the church's charges were false and others were exaggerated. He said that most of those listed as missing had simply left the region to avoid involvement in the fighting.

The guerrilla group, known as the Sandinist National Liberation Front, has been active sporadically in Nicaragua since 1961, but the Government launched its vast offensive against it only after it kidnapped several prominent politicians and businessmen during a Christmas party in 1974.

The hostages were released unharmed in exchange for a dozen imprisoned rebels and a ransom of $1 million, but the Government responded by imposing martial law, suspending all constitutional rights and dispatching an infantry battalion to the northern mountains where the guerrillas were most active.

GUERRILLA RANKS DECIMATED

Since then, the regime has decimated the ranks of Sandinists, who took their name from Gen. Augusto Cesar Sandino, a prominent fighter against American occupation forces here between 1927 and 1933, and who are now seeking the overthrow of the Somoza dictatorship and its replacement by a Marxist government.

Last November, the main Sandinist leader Carlos Fonseca Amador, and his top aides, Eduardo Contreras Escobar, both of whom had secretly entered Nicaragua after a period in Cuba, were killed on successive days. Last week, 36 guerrillas were given prison sentences ranging from 18 months to 129 years, while 74 others were tried in absentia and some 20 more have sought exile in Mexico in recent months.

Since the offensive began two years ago, the priests of Matagalpa and Zelaya, most of whom are foreign, have been complaining that the National Guard has instituted a reign of terror in the region, routinely killing and torturing peasant men, raping women, burning homes and stealing crops and property.

Since representations to General Somoza brought no easing of the repression, Nicaragua's Catholic bishops, many of whom are reputed to be conservatives, reportedly felt obliged to issue a pastoral letter on human rights.

LETTER READ FROM PULPITS

The message could not be published in the censored local press, but it was read from many pulpits throughout the country last month. Its main complaints were the following:

Suspects are subjected to "humiliating and inhuman treatment ranging from torture and rape to summary execution."

Many villages have been abandoned, with homes burned and inhabitants forced to flee;

Another document prepared by American Capuchin priests listed the names of 181 persons who had disappeared or been executed in the province of Zelaya between February 1976 and January this year.

"This is only a partial list," one of the priests said, "because we can't reach all the communities and it is sometimes months before we hear of a mass killing. On other occasions, helicopters bring in bodies and bury them in mass graves, but we don't know who the victims are or where they came from."

The list, for example, does not include the 44 members of the Pérez, González and Maldonado families who were reported executed late in January at a hamlet known as Varillal, 53 miles northeast of the town of Matagalpa.

LAND IS REPORTED SEIZED

According to church sources, a National Guard patrol with the code name Hilario, composed of one officer, seven "police judges," or sheriffs and about a dozen soldiers executed four men, 11 women and 29 children, including some 1 and 2 years old. After the victims were buried in a mass grave, their land was divided up among the "police judges," the sources said.

At Kaskita, 77 miles northeast of Matagpalpa, 42 persons were either executed on the spot or taken away by the National Guard late in December for supposed collaboration with the Sandinists, even though peasants of the area say the guerrillas have not been sighted there in many months.

Seven days after the killings an old woman brought 14 children, presumed orphans, out of the mountains to a nearby town.

The headquarters of the National Guard's northern zone is at Rio Blanco, on the border of Matagpalpa and Zelaya provinces, but some of the prisoners are taken to a small barracks at Waslala, 45 miles northeast of Matagpalpa for questioning. There they are kept in a dark cave-like hole in the hillside between interrogation sessions at which torture is considered "normal."

MANY HAMLETS ARE EMPTY

Prisoners are frequently suspended by their fingers or thumbs and beaten in the stomach or forced to swallow a button attached to a string that is then tugged violently. Those that are subsequently executed are buried in an improvised cemetery just east of Waslala.

Captured Sandinist guerrillas, many of whom are middle-class students, often fare better than the peasants of the area. Since the guerrillas are invariably brought to Managua for interrogation by military intelligence, relatives frequently hear privately that they are being held.

Subsequent execution is therefore very rare, according to reliable political sources, but most of those involved in the recent trial complained that they had been tortured in captivity.

THE NEED FOR NEW DIRECTIONS FOR THE PEACE CORPS AND VISTA

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I am pleased by the new administration's emphasis on protecting human rights and the dignity of man, and I am very hopeful that this concern will also evidence itself in a new direction for some of our volunteer service programs, the Peace Corps and VISTA. Last week the Senate Committee on Human Resources unanimously approved the nomination of Sam Brown, formerly an anti-Vietnam war activist and most recently the State Treasurer of Colorado, to be the new head of ACTION, which administers these programs. I wish Mr. Brown the best of success in his new position.

Last fall, I mailed a questionnaire to a number of returned volunteers from the New York City area asking for their evaluation of the present Peace Corps and VISTA programs and for their suggestions for improvements. I also asked them their opinions on some current issues of U.S. foreign policy, including foreign assistance and human rights. A total of 59 Peace Corps volunteers and 17 VISTA workers replied, and I am appending a copy of the questionnaire and the results. I have also reviewed reports on the Peace Corps done by several independent study groups to learn what criticisms have been made of the Peace Corps and how the Peace Corps program might be made more responsive to both the needs of volunteers and host communities and countries.

As a member of the Foreign Operations Subcommittee of the House Appropriations Committee, which votes on the Peace Corps budget, I have been particularly concerned to read reports that there has been confusion and poor mangament within the Peace Corps in recent years. There has also been a sharp decline in number of volunteers placed abroad. Last year the Congress sought to arrest this decline with new legislation and appropriations increasing both the number of Peace Corps volunteers placed overseas and the amount of "readjustment allowance" paid volunteers upon their return to the United States. But these steps cannot by themselves alter any administrative problems the Peace Corps may have.

Some critics feel that the Peace Corps has lost some of its uniqueness as a volunteer effort. Instead, as the recruitment of technical people has been emphasized, the Corps has been evolving into another technical arm of our foreign aid programs for poor countries.

However, these critics believe that the Peace Corps is really ill-suited to deliver highly technical aid, because it relies on volunteer staffing and does not have a well-developed technical aid program. In the survey of volunteers that I made last fall, I was impressed by the large percentage of former volunteers who said they would recommend the Peace Corps and VISTA to others. Roughly three-quarters of the Peace Corps respondents and all of the VISTA volunteers said they retained an interest in volunteer service in their present communities. All respondents said they were still interested in the area where they serve. However, about one-quarter of the volunteers complained of inadequate staff support. As for foreign policy issues, both VISTA and Peace Corps volunteers strongly favor a nonpolitical approach to aiding developing nations. A majority did not want American economic and humanitarian aid tied to U.S. foreign policy and objectives, and over three-quarters were opposed to locating Peace Corps volunteers in order to further American foreign policy goals.

Representatives PAUL E. TSONGAS, Democrat of Massachusetts, and CHRISTOPHER J. DODD, Democrat of Connecticut, both former Peace Corps volunteers, recently formed an ad hoc study Committee on the Peace Corps with seven other ex-volunteers now working as legislative aides on Capitol Hill. Their report to Vice President MONDALE blamed ACTION's administrators for "misguided policy directives that have shifted the Peace Corps from a people-to-people format toward the exclusive furnishing of technical assistance to requesting governments." This panel concluded that rather than presuming to advance a country's overall economic development, the Peace Corps should once again emphasize the human scale contribution that volunteers can make.

In another report, Frederick C. Thomas of the United Nations Development Program has praised the Corps' potential for meeting "basic human needs" of the poor in developing countries. In describing the Peace Corps, he said:

> Their frame of reference is that within which basic needs are mainly addressed: a cluster of villages, an urban slum or a particular agricultural area . . . By associating itself in this context the Peace Corps avoids the presumptuousness that is characteristic of most foreign aid efforts.

The Aspen Institute, in a report especially commissioned by ACTION, recommended placing emphasis once again on "finding human-scale projects in which American volunteers can effectively participate—not building themselves into positions but working themselves out of jobs." The Aspen report also contends that such a human scale program could have "room for both the 'BA generalist' and the vocationally trained specialist."

From what I have been able to assimilate from these reports, it would appear that programs which rely on nontechnical, generalist volunteers require careful planning and staff coordination to be successful. Unfortunately, during the past few years there have been charges that the Peace Corps suffers from excessive staff turnover, a failure to fill vacancies, and a general lack of interest by the administrators. A 1975 staff report of the House International Relations Committee released after an on-site inspection of Peace Corps projects in West Africa found:

> A major factor in the leadership problem has been the apparent inability of ACTION/Washington to maintain continuity in the Country Director position.

As a result, the House report continued,

> Peace Corps overseas operations in West Africa have suffered and are still suffering from lack of clear direction and firm leadership at the top, and inadequate staff support.

One respondent to my questionnaire said there were four different Peace Corps Country Directors during her 3 years of service in the Dominican Republic.

Staff support was the complaint most frequently made in response to my questionnaire. According to one ex-volunteer:

> The Peace Corps staff, particularly the Country Directors, were out of touch with the volunteer experience. They were rarely seen outside of the capital city and often were not aware of who the volunteers were or what they were doing.

However, I have also been told that some individual country directors and regional directors do take the initiative to visit their volunteers at their work sites—with positive results in finding out the problems of the volunteers and getting them the proper support.

One charge brought to my attention by a respondent to my questionnaire was particularly disturbing. This ex-volunteer alleged that only 6 percent of the overseas staff of the Peace Corps were female. I was recently informed by ACTION that only 3 out of the current 35 Peace Corps country directors, or 8.5 percent of the total, are female. Last year I criticized the United Nations Children's Emergency Fund for its apparently sexist hiring practices. I would hope the Peace Corps will improve their record, too.

In the long run, however, a change in administrators alone may not be enough to insure the professional integrity of our volunteer programs. I believe Congress should consider legislation to protect the Peace Corps from politicization, as has allegedly taken place in the past. The Aspen Institute study of the Peace Corps recommended separating the Peace Corps from domestic volunteer programs and "establishing a public corporation to be governed by a small Board of Trustees appointed by the President with Senate confirmation."

I believe this would make the Peace Corps an independent entity, less subject to political whim. Although I believe that Peace Corps assistance—like all American assistance—must be coordinated by the State Department as part of our foreign assistance program, I believe the establishment of an independent Peace Corps Corporation is worthy of serious consideration by both the new ACTION Director and by the Congress.

I am appending a copy of the results of my questionnaire:

QUESTIONNAIRE RESULTS

	Peace Corps	VISTA
I. PEACE CORPS/VISTA EXPERIENCE		
1. Did you serve in	59	17
2. Do you feel that your selection and training for your assignment was:		
(a) Adequate	51	10
(b) Inadequate	6	5
(c) No opinion	2	2
3. Which of the following best describes the type of work you did as a volunteer?		
(a) Agricultural	4	
(b) Education	30	5
(c) Health	5	
(d) Community development	17	8
(e) Economic/business development	6	
(f) Housing		4
(g) Other	4	
4. Do you feel that you received effective staff support during your assignment?		
(a) Yes	44	7
(b) No	13	5
(c) No opinion	2	5
5. Did you receive effective support from the host country's national government?		
(a) Yes	41	
(b) No	14	
(c) No opinion	4	
6. Were you well received and integrated into the local organization/village with which you worked?		
(a) Yes	54	
(b) No	4	
(c) No opinion	1	
7. Was the purpose of the work in your area of the world/country and your part in that work clear to you?		
(a) Yes	54	13
(b) No	4	4
(c) No opinion	1	
8. Do you feel that the work of the Peace Corps/VISTA in your area was:		
(a) Excellent	16	2
(b) Good	29	10
(c) Fair	12	2
(d) Counterproductive	3	1
(e) No opinion		2
9. Do you believe the Peace Corps/VISTA should be:		
(a) Expanded in size and number of countries	27	11
(b) Diminished	3	1
(c) Remain at the same general size and number of countries	19	1
(d) No opinion	10	2
10. As a result of your volunteer experience would you recommend the Peace Corps/VISTA to others?		
(a) Yes	49	13
(b) No	1	2
(c) No opinion	2	1
11. Do you retain an interest in the country/area to which you were assigned?		
(a) Yes	59	17
(b) No	0	0
12. Do you tell others about the life and culture you experienced while in the Peace Corps/VISTA?		
(a) Yes	59	17
(b) No	0	0
13. Have you retained your interest in volunteer service in your present community?		
(a) Yes	44	17
(b) No	15	
II. GENERAL FOREIGN POLICY		
1. Do you believe American economic and humanitarian aid should be used to promote U.S. foreign policy objectives?		
(a) Yes	21	6
(b) No	36	6
(c) No opinion	2	5
2. Should Peace Corps volunteers be assigned to countries to further American foreign policy objectives in that country?		
(a) Yes	13	4
(b) No	44	10
(c) No opinion	2	3
3. Except for natural disasters and other emergencies do you believe we should provide continuing economic aid including food aid and Peace Corps volunteers:		
(a) Only to countries whose governments are friendly to the United States	10	3
(b) To nonaligned countries as well	34	7
(c) Also to countries whose governments are unfriendly or antagonistic to the U.S. Government and its policies?	15	8

QUESTIONNAIRE RESULTS—Continued

	Peace Corps	VISTA
II. GENERAL FOREIGN POLICY—Cont.		
4. Except in cases of emergency relief should the United States consider a country's votes in the United Nations before providing economic assistance to the country?		
(a) Yes	14	7
(b) No	40	5
(c) No opinion	5	3
5. The United States is spending $8.8 billion this year for foreign assistance of all types, exclusive of the Export-Import Bank programs. This is 0.5 percent of our GNP. Some have argued that the United States should provide 1 percent of its GNP on food aid alone, which would be over $17 billion in addition to any other economic aid programs. Do you favor spending 1 percent of our GNP on food aid alone?		
(a) Yes	26	9
(b) No	26	4
(c) No opinion	7	4
III. HUMAN RIGHTS		
1. Do you feel that American economic and military aid support for a country should be contingent on that country's human rights record?		
(a) Yes	40	13
(b) No	16	0
(c) No opinion	2	4
2. If a country is strategically valuable to the United States, should the United States continue to provide military and economic support, even if that country "engages in a consistent pattern of gross violations of internationally recognized human rights" of its citizens?		
(a) Yes	30	0
(b) No	20	12
(c) No opinion	5	4
(d) (Differentiate between economic and military aid)	4	
3. Communist countries also engage in "consistent patterns" of human rights violations, including the arrest and imprisonment of dissidents and the refusal to allow free exit from their countries. Should the United States consider these factors when deciding whether to trade with these countries or to extend tariff or other trade advantages to them?		
(a) Yes	40	12
(b) No	15	1
(c) No opinion	2	4
4. Do you favor providing military assistance including weapons and training to underdeveloped nations friendly to the United States?		
(a) Only where the nation is faced with external threats to its security?	37	9
(b) Where no external threats exist but an internal rebellion exists	0	0
(c) Where no internal or external threat exists in order to maintain good U.S. relations with the country	1	0
(d) In no case	13	4
(e) No opinion	6	3

FOREIGN ARMS SALES

(Mr. HAMILTON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HAMILTON. Mr. Speaker, I am inserting in the RECORD for my colleagues' information correspondence I have had with the Department of Defense on the levels of U.S. arms sales for fiscal year 1976 and fiscal year 1977 and on the way in which adjustments in value of prior year orders are recorded.

I would like to bring to the attention of my colleagues the fact that after November 4, 1976, all adjustments—increases and decreases—in value of prior year arms orders or agreements will be recorded in the year in which they occur—current year—rather than in the year in which the order was originally made and accepted—prior year—as had been the case in the past.

The correspondence follows:

NOVEMBER 23, 1976.

Lt. Gen. HOWARD M. FISH,
Director, Defense Security Assistance Agency, OASD–ISA, Washington, D.C.

DEAR GENERAL FISH: I note with interest an October 24, 1976 article in the Washington Post which stated that current preliminary final estimates show that Foreign Military Sales orders for Fiscal Year 1976 will total about $12.7 billion.

On February 27, 1976 in the Wall Street Journal, you were predicting a leveling off of sales and the Pentagon was estimating that sales for FY 1976 would reach no more than about $8.2 billion and that during FY 1977 they would drop off further to some $7.4 billion. These comments were in line with statements before Congress by several witnesses during 1975 and 1976.

The questions I would like to have answered include: why were your estimates so wrong? Why did you state in February that such a leveling off would occur when it would appear that the facts suggested no such leveling off? What is the purpose of even trying to predict sales if you have no good idea of what levels of sales will be reached? And, what estimates are you now projecting for FY 1977?

I am sure you appreciate my concern over these disparties and the impression they can make. I would appreciate your consideration of these questions.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Special Subcommittee on Investigation.

[From the Washington Post, Oct. 24, 1976]

U.S. ARMS SALES PUT AT $12.7 BILLION

Documents being prepared for Congress by the Pentagon and other government agencies estimate that U.S. foreign arms sales in the 12-month period ending last June were $12.7 billion, government sources report.

The sources said the $4.3 billion jump over the latest Defense Department estimates for the 1976 financial year period is the result of recent large sales to Iran and other countries.

The largest previous year for foreign arms sales was 1974, when the United States sold $11.4 billion in military equipment to foreign nations.

Democratic presidential nominee Jimmy Carter has criticized the growing U.S. foreign arms sales and suggested that, if elected president, he would reduce them.

When asked about the new larger sales figure, the Pentagon stuck to its previous estimate for fiscal 1976. It said in a statement that "as of 6 October 1976 foreign military sales [FMS] agrements totaled $8.4 billion.

Asked which fiscal years the $5.9 billion in new arms sales to Iran, Saudi Arabia and other nations would be credited to, the Pentagon replied:

"None of the FMS offers which were submitted for congressional review on 1 September 1976 have been accepted by the offeree countries. If such offers are accepted, they will be reported in the fiscal year of acceptance."

The sources said $12.7 billion is the fiscal 1976 figure in documents now being prepared for presentation to Congress when it returns in January.

They said the United States, in the documents, is estimating foreign military sales for the three-month period following June at $2.4 billion.

This would give the United States a foreign arms sales rate of more than $1 billion a month for the 15-month period ending Sept. 30.

[From the Wall Street Journal, Feb. 27, 1976]

U.S. MILITARY SALES ABROAD START DECLINE AS MIDEAST NATIONS BECOME BETTER ARMED

(By Kenneth H. Bacon)

WASHINGTON.—The boom in U.S. military sales abroad is beginning to taper off as increasingly well-armed Mideast nations shorten their shopping lists.

Pentagon officials estimate that U.S. sales of arms and military support to foreign countries will reach $8.2 billion, at most, in the fiscal year ending June 30, about 13% less than the $9.8 billion initially forecast. And sales may well be less than $8.2 billion this year, according to Air Force Lt. Gen. Howard Fish, who manages the program.

Gen. Fish estimates that sales next year will fall to $7.4 billion. "I think that what we're going to see is a leveling off to around $6 billion to $7 billion" a year, he predicts.

This is a sharp change from what Pentagon planners projected several months ago, when they believed sales would continue to run about $10 billion a year. Sales peaked at $10.8 billion in the fiscal year ended June 30, 1974, up from $4.4 billion the previous year, and were $9.5 billion last fiscal year.

The boom, which has fattened defense-industry profits and aided the U.S. balance of payments, began in 1974 as Mideast nations scrambled to rebuild their forces after the 1973 Arab-Israeli war. The sharp boost in oil prices enabled such nations as Saudi Arabia and Iran to plan massive spending programs to modernize their forces, both by ordering the latest U.S. planes and ships and contracting for large training programs. (Only about 40% of the money countries spend under the foreign military sales program goes for actual weapons; the rest is for such things as training and construction.)

After several years of intense buying "there's a generally reduced demand" for new weapons as countries await delivery of hardware they have already ordered, Gen. Fish notes. In addition to some of the appetite for new arms having been satisfied, some nations, particularly Iran, have less to spend than they had anticipated because of lower-than-expected oil demand.

According to Gen. Fish, the recent disclosures that some U.S. weapons makers have bribed officials of foreign governments to win sales hasn't hurt the foreign military sales program. In fact, he believes that the program will benefit from efforts the U.S. is making to expose and limit foreign payoffs. "The cleansing operation the world sees us going through will make countries more comfortable about dealing with us than with other countries" that aren't acting to prevent improper payments. Gen. Fish asserts.

Under the foreign military sales program, the Defense Department acts as a sales agent. A foreign country contracts directly with the Pentagon, which then handles all transactions with the U.S. company providing the equipment or services. The foreign country pays the Pentagon for the purchase plus a pro-rata share of the research and development costs for weapons and a 2% management fee.

Sales must be cleared by the departments of State and Defense, which reject about $4 billion of potential sales each year for national-security or foreign-policy reasons. For instance, the U.S. government won't sell fighter planes to African nations

south of the Sahara because officials believe such sales would be "destabilizing." In addition, Congress has 20 days to block any sale of more than $25 million.

Although the Defense Department allows sales arrangements under the program to include commissions if they are allowed by the purchasing country, it tries to screen each transaction to assure that all commissions are reasonable and proper. In addition, since the recent publicity about payoffs, the Pentagon has audited several companies, including Grumman Corp., to learn if any commission payments to win foreign sales may have been charged improperly to domestic defense contracts.

The investigations haven't turned up any improprieties, Gen. Fish says. He also notes that the recent fine Northrop Corp. paid to the government of Iran and the current dispute over an agent's fee between Iran and Grumman involved commissions that weren't part of the terms of transactions processed under the foreign military sales program.

Looking ahead, Gen. Fish sees only one new major sales possibility, barring the outbreak of another war. The North Atlantic Treay Organization countries are currently considering whether to purchase the E3A advanced warning and control system, a Boeing Co. plane packed with fancy communications and radar gear. The sale could amount to about $2 billion.

WASHINGTON, D.C.,

Hon. LEE HAMILTON,
Chairman, Special Subcommittee on Investments, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your letter of November 23, 1976 regarding our FY 1976/1977 estimates of Foreign Military Sales (FMS) orders.

The $12.7 billion figure for FY 1976 FMS agreements cited in the October 24 Washington Post article was apparently referring to budget authority, which includes adjustments (e.g., increases) in the value of prior year cases as well as the value of all cases recorded for the year. In addition, $2.1 billion for F-16 aircraft (European consortium) recorded as an agreement in FY 1975 is carried in FY 1976 for budget authority.

Contrary to the information in the newspaper article, the value of all FMS agreements recorded during FY 1976 totaled $8.4 billion, $0.2 billion higher than the $8.2 billion we projected last February. In this regard, you may recall that in our Congressional Presentation Document (CPD) for FY 1977, we indicated that such projections were made under conditions of extreme uncertainty due to the lead time involved and the fact that the nature, extent and timing of Foreign Military Sales are dependent upon the initiative of the foreign government and U.S. Government review. A variance of one day in a country's acceptance of a significant order could shift the recording of the transaction from one fiscal year to the next.

Consequently, even though the forecasts for FY 1976 were completed in February, eight months into the fiscal year, we stated that actual FY 1976 agreements could be as much as 29% lower or as much as 22% higher than the "most probable" estimate of $8.2 billion shown in the CPD. Further, we indicated that the range of FY 1977 estimates was even greater; the "most probable" forecast of $6.9 billion could decrease by 16% or increase by as much as 83%. This estimate was further complicated by the unique 90 day span of time within the transition quarter, which intensified forecasting difficulties. Consequently, we have revised our FY 1977 forecast and now estimate that FMS agreements for this year will total $9.5 billion (attachment), an increase of 38%. Despite the uncertainties attendant to these annual estimates, these estimates were provided pursuant to Section 634(d) of the Foreign Military Sales Act and are required under Section 25 of the new Arms Export Control Act.

Finally, with regard to our prediction in February that a leveling off of sales would occur, the attached Grant/FMS Program Chart for FY 1950–FY 1976 (constant FY 1976 dollars) shows Foreign Military Sales to have peaked in FY 1974. However, since this peak in FY 1974, which was caused by increased Middle East requirements, sales have steadily declined to their present level. Barring any major unanticipated security assistance requirements in the future, Foreign Military Sales are expected to remain steady at the FY 1976 level of sales. (See attached FMS agreements chart).

We hope this information serves to clarify this matter.

Sincerely,

H. M. FISH,
Lieutenant General, USAF.

ESTIMATED NEW FOREIGN MILITARY SALES AGREEMENTS

[In millions]

	Estimated total sales agreements fiscal year 1977
Argentina	$18.0
Australia	75.0
Austria	4.0
Belgium	10.0
Bolivia	2.0
Brazil	20.0
Burma	1.0
Canada	70.0
China (Twaiwan)	235.0
Colombia	8.0
Costa Rica	.1
Denmark	27.0
Dominican Republic	.4
Ecuador	5.0
El Salvador	1.5
Ethiopia	25.0
Fiji	0.1
France	7.0
Gabon	2.0
Germany	250.0
Greece	200.0
Guatemala	3.5
Haiti	.4
Honduras	2.0
India	3.0
Indonesia	25.0
Iran	5,000.0
Israel	700.0
Italy	30.0
Japan	50.0
Jordan	85.0
Kenya	2.0
Korea	305.0
Kuwait	40.0
Lebanon	5.0
Liberia	.5
Malaysia	25.0
Mexico	.2
Morocco	30.0
Netherlands	30.0
New Zealand	4.0
Nicaragua	.7
Nigeria	1.5
Norway	127.0
Pakistan	150.0
Panama	1.3
Paraguay	.7
Peru	15.0
Philippines	100.0
Portugal	3.0
Saudi Arabia	979.6
Singapore	120.0
Spain	170.0
Sweden	10.0
Switzerland	150.0
Thailand	20.0
Tunisia	58.0
Turkey	125.0
UK	100.0
Uruguay	5.0
Venezuela	9.0
Yemen	2.0
Yegoslavia	1.0
Zaire	25.0
International Organizations	30.0
Total	9,505.5

FOREIGN MILITARY SALES AGREEMENTS

[Value in thousands of dollars]

	Fiscal year—						
	1970	1971	1972	1973	1974	1975	1976
Worldwide	945,547	1,568,802	3,297,421	5,772,189	10,562,412	9,862,811	8,368,527
Argentina	10,827	12,496	15,056	16,445	8,421	15,689	12,093
Australia	53,784	57,884	117,210	25,948	31,759	166,697	411,854
Austria	1,324	3,739	2,398	2,453	4,456	7,587	8,781
Bahrain						18	
Belgium	4,345	2,998	4,514	6,167	11,082	738,077	6,522
Bolivia		44	5	37	122	795	1,134
Brazil	2,458	17,845	32,575	14,962	71,288	27,090	10,610
Burma	7	86	268	223	118	21	82
Canada	52,167	28,617	37,248	90,353	106,985	96,839	65,752
Chile	7,523	2,898	6,252	14,977	76,001	49,324	12
China (Taiwan)	35,118	65,043	75,419	202,439	87,846	144,385	193,012
Colombia	158	2,168	5,397	1,247	1,083	992	1,370
Costa Rica			34			237	(1)
Denmark	6,596	15,928	13,381	10,964	21,325	367,783	23,602
Dominican Republic		31	16	82	31	2	39
Ecuador	20	315	4			14,960	2,099
Egypt							67,271
El Salvador		11	(1)	52	388	418	726
Ethiopia	6		10		7,426	22,100	118,840
Fiji							160
Finland		1	63		12	1	1

Footnotes at end of table.

FOREIGN MILITARY SALES AGREEMENTS—Continued

[Value in thousands of dollars]

	Fiscal year—						
	1970	1971	1972	1973	1974	1975	1976
France	3,402	5,979	7,455	8,543	22,504	6,131	4,429
Gabon						211	
Germany	245,022	176,908	875,751	220,285	231,436	299,682	194,221
Ghana	51	(1)			187	16	1
Greece	29,171	24,535	180,176	56,825	458,121	214,595	82,981
Guatemala	464	7,586	2,057	3,359	854	909	3,621
Haiti					291	84	441
Honduras			27	5,269	681	291	732
Iceland		(1)	436	46			
India	2,094	856	46	(1)	2,617	8,142	3,266
Indonesia	(1)	18	(1)	148	148	48,955	3,101
Iran	113,081	397,563	522,128	2,138,143	4,280,652	2,570,296	1,301,287
Ireland	(1)	12	228	197	16	21	32
Israel	44,416	413,518	409,871	196,102	2,468,340	863,061	919,478
Italy	36,142	23,441	76,569	64,421	47,847	44,885	24,680
Jamaica	8	9	3	7	42	74	6
Japan	21,222	10,607	42,223	51,459	58,749	29,353	34,642
Jordan	28,826	16,282	18,863	6,096	61,538	80,923	436,145
Korea		393	8,764	1,592	98,840	228,932	625,877
Kuwait			(1)	53	29,001	377,812	130,617
Lebanon	1,177	187	194	5,210	9,747	295	315
Liberia				1,315	370	449	145
Libya	5,282	632	2,672	130	12		
Luxembourg	101	85	11	638	21	25	
Malaysia	1,837	98	40,473	1,457	1,414	4,363	2,940
Mali	5		48			176	
Mexico	12	437	175	693	411	153	2,053
Morocco	2,439	2,272	7,527	2,441	8,355	299,888	120,820
Nepal		11		60	2		
Netherlands	7,465	7,038	29,214	35,522	18,986	688,904	19,639
New Zealand	5,294	7,293	3,290	3,279	5,401	4,409	6,004
Nicaragua	82	674	63	134	388	607	518
Niger					8		
Nigeria			2,409	696	4,403	2,771	1,803
Norway	9,652	25,522	21,173	13,297	51,285	458,953	34,868
Oman						1,613	229
Pakistan	4,423	22,490	5	18,652	11,203	37,368	38,620
Panama	14	9	6	1,615	1,867	258	1,266
Paraguay	(1)			26	12	37	
Peru	2,153	1,479	882	24,816	43,332	27,279	24,024
Philippines	843	1,107	468	1,159	4,889	31,809	28,371
Portugal	1,065	1,011	2,565	382	1,677	2,263	1,705
Saudi Arabia	44,854	14,980	459,347	1,993,537	1,906,499	1,549,944	2,502,454
Senegal			4				
Singapore	2,472	1,958	5,504	7,638	12,748	1,422	5,093
South Africa	1	1	2	1			
Spain	25,872	108,452	22,742	60,774	151,735	57,652	79,357
Sri Lanka			(1)				
Sweden	265	885	1,496	2,012	6,972	782	24,356
Switzerland	4,435	450	11,252	2,412	8,634	49,512	454,735
Thailand	21,146	48	16,978	1,907	20,603	14,768	89,608
Trinidad/Tobago	85						
Tunisia				2,137	737	382	1,673
Turkey	2,590	1,141	5,099	212,740	19,056	78,461	
United Kingdom	63,749	45,560	124,511	109,496	53,150	31,999	46,532
Uruguay	241	1,631	1,588	1,493	1,207	8,258	1,997
Venezuela	738	1,636	43,047	25,341	4,838	45,557	6,920
Vietnam			2	1,155	4		
Yemen					2,634	372	138,479
Yugoslavia	41	2	104	1,218	6	262	631
Zaire	54	16,101	206	700	1,383	1,723	8,781
International organizations	38,928	17,717	39,839	99,218	18,215	32,711	35,071

[1] Less than $500.

Note: Totals may not add due to rounding. The list of figures are the value of FMS agreements by fiscal year. Annual totals are adjusted for amendments, price increases, cancellation of orders or other changes as of the year the case was originally recorded. All channels in scope are reported to the Congress for review under sec. 36(b) of the International Security Assistance and Arms Export Control Act.

DECEMBER 20, 1976.

Lt. Gen. HOWARD M. FISH,
Director, Defense Security Assistance Agency, OASD–ISA, Washington, D.C.

DEAR GENERAL FISH: I wish to thank you for your response (I–12811/76) to my letter of November 23, 1976 on the levels of our arms sales for FY 1976 and the estimates made on arms sales by the Department of Defense.

Your explanation on the arms sales level for FY 1976, however, raises a question as to how what you call adjustments in value of prior year orders are recorded.

Specifically, I would appreciate your providing me with the breakdown, on an annual basis, of prior year increases and decreases caused by the substantial adjustments which occurred during FY 1976. Furthermore, I would like to know what countries and what defense articles and services these adjustments involve and why they are so high.

Your letter also suggests that you are now calculating, on an annual basis, foreign military agreements. Is there any distinction between these agreements and the foreign military sales orders previously calculated? If there is no distinction, why was the designation changed?

I appreciate your consideration of these matters.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Special Subcommittee on Investigations.

WASHINGTON, D.C., *January 4, 1977.*

Hon. LEE H. HAMILTON,
Chairman, Special Subcommittee on Investigations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is an interim response to your letter of December 20, 1976, regarding adjustments in FY 1976 to prior year Foreign Military Sales (FMS) agreements. In view of the high priority assigned to preparation of the FY 1978 security assistance Congressional Presentation Document, we estimate that it will take approximately 45–60 days to develop the data which you requested. We will send you these data as soon as they are available.

In your letter you also asked whether there is any distinction between the terms "FMS orders" and "FMS agreements", and if there is no distinction, why are we now using the latter term in lieu of the former? Both terms are synonymous in that they represent foreign military sales contracts between the U.S. Government and purchasing foreign governments or international organizations. However, the term "FMS order" may connote that the U.S. Government automatically satisfies any foreign government requirement or "order" for defense articles or services subject only to U.S. stock or procurement availability constraints. This would imply that the decision as to whether U.S. defense articles or services will be sold is essentially a unilateral one, to be made by the purchasing government. Such an implication would be false. An FMS transaction is a mutual intergovernmental arrangement, and the U.S. Government commits itself to supply defense articles and services under such an arrangement only when it is in the U.S. national security interest to do so. The term "FMS agreement" reflects this bilateral aspect of the transaction, and avoids

the inaccurate impression which may result from use of the term "FMS order".

We hope that this is of assistance to you.

Sincerely,

H. M. FISH.

WASHINGTON, D.C., *January 26, 1977.*

Hon. LEE H. HAMILTON,
Chairman, Special Subcommittee on Investigations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In our letter of January 4, 1977 we advised you that we would develop data in response to your inquiry regarding adjustments in FY 1976 to prior year Foreign Military Sales (FMS) agreements. We were able to complete our data analysis sooner than anticipated and are herewith forwarding the results.

Up to November 4, 1976 cost or scope adjustments (increases or decreases) to FMS agreements were recorded in our system as of the date that the agreement was originally accepted, thereby causing changes in prior year totals. Procedures have been revised and a copy of the implementing memorandum is attached at Tab A. The new procedures will minimize these variations.

During FY 1976 we recorded adjustments which resulted in a net increase to FY 1950–75 agreements of $3,427 million; increases totaled $3,687 million and decreases were $260 million. A tabulation showing these changes by fiscal year by country is attached at Tab B. Seventy-two percent of the increases was accounted for by changes to the Saudi Arabia Corps of Engineer construction cases. These changes resulted from proceeding from the relatively inexpensive architechural and design phase to the actual construction phase.

In accordance with provisions of Section 36(b) of the Arms Export Control Act, Congress was informed of applicable amendments to prior year cases amounting to $868.6 million. Inflationary price changes and amendments of less than $25 million were handled in a routine manner. Decreases referred to above are most often the result of cancellation of a case but are also due to elimination of some items or reduction in quantity. In a few instances there were price decreases.

We hope the foregoing information serves to clarify this matter for you.

Sincerely,

H. M. FISH.

MEMORANDUM FOR DISTRIBUTION

Subject: Revision of the Military Assistance and Sales Manual (MASM)

The MASM, Part III, Chapter F, Paragraph 12 is amended, as follows, to reflect the policy transmitted by the attached Memoranda to the Military Departments.

12. Amendment or Modification of Offer and Acceptance

Changing circumstances frequently require that changes be made to a completed Letter of Offer and Acceptance (DD Form 1513). To assure that FMS records reflect adjustments to program content in the fiscal year in which such changes occur, it is essential that we make all practical efforts to process new DD Form 1413's to provide for significant increases in scope to previously approved programs.

We recognize that there are times when our interests are best served by processing Amendments to cover small changes in scope, since administrative reasons sometimes preclude, or make difficult and costly, the preparation of new Letters of Offer. The Amendment to Offer and Acceptance (DD Form 1513–1) may be used for minor changes in scope, when such use of the form is essential for administrative reasons. Minor changes in scope occur most frequently for:

(1) Changes of requirements within FMS training cases.

(2) Minor changes in configuration of equipment previously ordered in an original Letter of Offer, and

(3) Minor changes in scope due to omission in the original LOA of supporting equipment or services for major weapon systems previously sold.

The DD Form 1513–1 may also be used for changes to Letters of Offer resulting from a decrease in value due to a change in the scope (e.g., deletion of an item) of an existing Letter of Offer.

All DD Form 1513–1's which reflect an increase in excess of $50 000 should be coordinated with the Director, Operations Directorate, DSAA.

The DD Form 1513–1 should be used to meet only minimum essential administrative needs. All other changes in scope resulting from an increase in value of an FMS case due to a major change in the scope of an existing Letter of Offer will be treated as a new FMS case and will be prepared on the basic DD Form 1513. For clarity, a cross-reference to the previous FMS case may be made on LOAs issued due to an increase in scope.

For changes not affecting scope, the DD Form 1513–2 (Notice of Modification of Offer and Acceptance) should be used. Examples of changes not affecting the scope of an Offer and Acceptance are: all notifications of price increases and related changes in payment schedules. When the DD Form 1513–2 is used, acceptance by the customer is not required, but merely acknowledgement of receipt, to ensure that the Notice of Modification has been received by an authorized official. If the Military Department has any doubt as to whether to use the DD Form 1513, DD Form 1513–1 or the DD Form 1513–2 in a particular case, that case should be promptly referred to DSAA for determination. (Note: When a completed DD Form 1513–2 is signed for dispatch, appropriate change card(s) should be submitted to DSAA for inclusion in the 1100 system).

H. M. FISH.

FOREIGN MILITARY SALES AGREEMENTS COMPARISON OF PRIOR FISCAL YEAR CHANGES MADE DURING FISCAL YEAR 1976

[In thousands of dollars]

	Fiscal years—									
	1950–66	1967	1968	1969	1970	1971	1972	1973	1974	1975
Worldwide	+1,555,933	+79,056	+14,022	+5,897	+14,989	−93,592	+6,452	+1,397,788	−166,303	+612,724
Argentina			−202	−9	−106	−312	−1,069	−36	−535	+1,609
Australia	−3,354	+5,093		−168	−639	−2,834	−703	−514	−1,542	+8,760
Austria		+945				−329		−86	−324	+577
Belgium				+145	+410	−25	−157	−96	+349	+14
Bolivia								−15	−15	−155
Brazil		−91		−65		−6	−1,249	−1,804	+2,391	+222
Burma		+3					−5	−21	+1	−9
Canada	+4,446		−246	−43	−968	−544	−543	−291	−1,998	−5,304
Chile					−46	+9	−8	−1	+865	+11,863
China (Taiwan)	−5		+9,455	+1,036	+151	+3,279	−1,487	+572	−7,728	+21,230
Colombia								+50	−31	+27
Costa Rica										−22
Denmark			+45	+24		−676	−918	−162	−889	+41
Dominican Republic										−1
Ecuador										+414
El Salvador								−18	−19	+92
Ethiopia									−7	−5,891
Finland							+4			
France	+44		+8	−33	−3	−441	−161	−337	−90	+1,606
Gabon										−7
Germany	+32		+15	−5,130	−3,688	−586	−90,854	+5,232	+2,826	+13,340
Ghana										−9
Greece				+2		−97	−198	−956	+10,109	+16,176
Guatemala						−367	−205	−296	−263	+441
Honduras								−148	−27	+9
India					−1,183				−5	+203
Indonesia										+441
Iran	+14,543	−500	−1,331	+12,181	−43	−1,115	−4,847	+42,852	+456,104	+453,076
Ireland						+1	−24			
Israel			−22	−1,232	−395	−1,252	+3,152	−10,463	+17,895	−4,598
Italy	−69	−1,381	−348	−230	−739	−960	−3,935	−61	+182	+532
Jamaica										+3
Japan	+319	+31	−6	−102	−40	−476	−6,723	−397	+787	−212
Jordan							−574	−20	−99	+47,845
Korea				−308		−87	+52	−2	−14,299	−5,524
Kuwait									+1,558	+7,318

Footnotes at end of table.

FOREIGN MILITARY SALES AGREEMENTS COMPARISON OF PRIOR FISCAL YEAR CHANGES MADE DURING FISCAL YEAR 1976—Continued

[In thousands of dollars]

	Fiscal years—									
	1950–66	1967	1968	1969	1970	1971	1972	1973	1974	1975
Lebanon							+1		−30	
Liberia									−27	
Libya							−15	−3		
Luxembourg							−1			
Malaysia		−34					+375	+28	−14	+139
Mali										−131
Mexico								−200		
Morocco					−2	−6	−32	−21	−262	+4, 897
Netherlands	−525		−29	−55	−95	−653	−12	−25	+779	+1, 444
New Zealand	−415	−201	−28	−58	−93	−388	−297	−67	+355	+289
Nicaragua							−29		+3	+36
Nigeria								−33	+53	−1, 641
Norway	+2, 264	+1		−2	+29	−454	−1, 381	−228	−497	+1, 114
Pakistan			−45		−11	−738	−135	−3, 933	−1, 483	−35
Panama								−7	−8	−25
Paraguay								−15	−12	−1
Peru					−47	−32	−18	−5	−3, 661	+2, 668
Philippines								+456	−697	+453
Portugal						+15	−484	−290	−506	−119
Saudi Arabia	+1, 439, 375	+75, 148	+8, 202		+19, 976	−80, 973	+122, 093	+1, 367, 727	−632, 707	+14, 411
Senegal							−2			
Singapore							−405	−3	−8	+281
Spain	+2, 694	+2	−330		−51	−2, 057	−2, 630	−280	+1, 547	+6, 761
Sweden			+193					−9	−3	+91
Switzerland						−29	−46	−504	+731	+298
Thailand									+104	+3, 376
Tunisia								−35		−68
Turkey		+24			+66	−16	+23	+289	+2, 082	+7, 845
United Kingdom	+96, 611	+16	−1, 307	+77	+3, 602	−1, 675	−279	−778	+4, 284	+977
Uruguay							+45	−62	+1	−486
Venezuela				+2	−39	+5	−448	+1, 240		+3, 653
Yugoslavia							−1			+5
Zaire						+238		−55	−122	+335
International organizations	−27	−1	−2	−135	−1, 055	−10	+580	+1, 537	+60	+2, 001

Note: Totals may not add due to rounding

"TRUTH IN SAVINGS"

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, over the years there has been a precipitous growth in the variety of savings institutions available to the average depositor. This increased complexity has created a need for greater information to inform the consumer of the precise terms and conditions of available savings accounts.

The Savings Association League of New York State, an organization representing 126 State- and federally-chartered savings and loan institutions, recently endorsed a "Truth in Savings" proposal that would fill the existing information gap. The League is backing legislation of the sort first introduced in the New York State Legislature last year; it would require depository institutions to inform depositors of the exact conditions and restrictions of the accounts they offer.

I would like to call to the attention of my colleagues the following information, which provides greater detail on this excellent consumer-oriented proposal. Legislation along these same lines will soon be introduced in the 95th Congress:

TRUTH IN SAVINGS LEGISLATION BACKED BY S. & L. LEAGUE

Support for legislation that would require financial institutions to inform depositors on the terms and conditions of their time and savings accounts was voiced today by the Savings Association League of New York State.

In a policy statement, the League encouraged the adoption of state and federal "truth in savings" legislation which, according to the statement, "not only better educates the consumer, but nurtures and encourages his savings habits, as well."

The League is a 126-member trade group representing state-and federally-chartered savings and loan associations throughout New York. The assets of S&L members that comprise the Scarsdale-based organization total approximately $19 billion.

Legislation similar to that endorsed by the League was proposed to the New York State Assembly last March, but was never acted upon. The bill required disclosures on such standard banking practices as computation of earnings paid, annual percentage rate and charges made against the account during the year. Similar legislation was introduced in the 94th Congress.

The policy statement pointed out that even though no truth in savings legislation currently exists in New York, the savings and loan industry has already made voluntary disclosures on the "great bulk of this information as part of its long-standing tradition of encouraging thrift." "In fact," the League said, "the scope of our industry's informational policies and programs far exceeds that of any other segment of the banking community."

NOTHING BUT THE "TRUTH IN SAVINGS"

The Savings Association League of New York State supports the passage of "truth in savings" legislation in 1977 that would fully inform depositors on the terms and conditions of their time and savings accounts.

Such legislation was proposed in the New York State Assembly in 1976 under the name of the "Truth in Savings Act." The League believes that this legislation, (see attached summary) with substantial revisions, would greatly benefit savings depositors.

To be more effective, the legislation should clarify the obtuse language contained in the previous bill that defines the written vehicle and time at which savings information should be disseminated.

The Savings Association League suggests that complete Truth In Savings disclosures be made available (possibly in pamphlet form) to any individual or corporation that already has or first opens an account. At the end of each year, a depository institution should disclose, on or with the 1099 form, information concerning the amount of earnings paid, the annual percentage rate, any charges made against the account.

The savings and loan industry has already made voluntary disclosures on the great bulk of this information as part of its longstanding tradition of encouraging thrift. In fact, the scope of our industry's informational policies and programs far exceeds that of any other segment of the banking community. Our experience has shown that disclosure of savings information not only better educates the consumer, but nurtures and encourages his saving habits, as well.

RESOLVING THE UNFINISHED BUSINESS OF THE VIETNAM WAR

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I am pleased that President Carter has decided to send a negotiation team, headed by Leonard Woodcock, to Vietnam to seek an accounting of our POW/MIA's and the resolution of the other problems on both sides that exist in the aftermath of the Vietnam war.

The President's action builds on the recommendation of the House Select Committee on Missing Persons in Southeast Asia:

That the Department of State promptly engage the governments of Indochina in direct discussions aimed at gaining the fullest possible accounting for missing Americans.

The propitiousness of the President's decision is emphasized by the comments last month of two of Vietnam's leading spokesmen, Ambassador Vo Van Sung and Vice Minister for Foreign Affairs Phan Hien, which indicate that grounds exist for accommodation on a broad

range of issues. The Vietnamese also realize our interest in obtaining a full accounting for the some 2,600 Americans missing in Southeast Asia, and they told the select committee when we were in Hanoi that they have established a special office to gather pertinent information.

The Vietnamese appear to be interested in the resumption of trade and the availability of U.S. capital and technology for joint ventures in the development of their country. This Vietnamese interest appears to be reciprocated by corporations in this country, as suggested by the occasional reports that U.S. oil companies have sought, or begun, preliminary discussions with the Vietnamese regarding the abandoned oil fields in the South China Sea. This presents a unique opportunity for a settlement in which we could get much needed oil and the accounting we seek, while the Vietnamese could get hard currency they need for rebuilding their country from the sale of oil.

In the interest of supporting the administration's initiative and of encouraging continued improvement of our relations with Vietnam, I am introducing a resolution "To Resolve the Unfinished Business of the Vietnam War." The President has already acted on the first recommendation of the resolution, and I hope that he will act as positively on the proposals that he support legislation to drop the present legal barriers to trade with Vietnam and to refrain from opposing Vietnam's application for membership in the United Nations. The text of the resolution follows:

RESOLUTION

Whereas the American people, following the tradition of our nation, have shown willingness to heal the wounds of war and achieve reconciliation with the Vietnamese people as soon as possible; and

Whereas President Carter and the Vietnamese government have expressed desires to begin negotiations on the unfinished business of the war, including an accounting of American POW/MIA's; and

Whereas the House Select Committee on Missing Persons in Southeast Asia recommended in its "Final Report" the early resumption of negotiations with Vietnam on the POW/MIA's and other bilateral problems; now be it therefore

Resolved that it is the sense of the House of Representatives that the President and the Secretary of State should take the following actions as a matter of high priority:

(a) Initiate high-level negotiations with the Government of Vietnam on all outstanding problems of bilateral relations, including an accounting of the POW/MIA's and establishment of normal relations with Vietnam;

(b) Support legislation to lift the trade embargo against Vietnam; and

(c) Refrain from exercising the veto in the Security Council against Vietnamese membership in the United Nations.

WHERE CARTER IS GOING WRONG

(Mr. ROUSSELOT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROUSSELOT. Mr. Speaker, tomorrow this body will consider two important pieces of legislation which will have profound effects on the economy for the next few years. One is the Tax Reduction and Simplification Act of 1977 or "Tax Rebate Bill" (H.R. 3477) and the other is the third concurrent resolution on the budget for fiscal year 1977 (H. Con. Res. 110). Both of these bills, of course, address the "need" for additional "economic stimulus"—which many feel the economy currently needs. The tax rebate bill is largely the product of the President's economic stimulus package and calls for $50 tax rebates for nearly every U.S. taxpayer in order to boost aggregate demand. The third budget resolution, proposed primarily by the Democratic caucus makes adjustments in the budget aggregates to reflect the revenue and expenditures and add-on deficit of approximately $20 billion changes resulting from the tax rebate as well as other new big spending programs. This represents the Democratic caucus idea of "economic stimulus."

In a recent article which appeared in the March 7 edition of U.S. News & World Report, Nobel Prize Winner Milton Friedman offers his views of true "economic stimulus" proposals. Dr. Friedman's observations are candid, perceptive, and bear the consideration of the Members of this body.

When asked if the President's program of tax rebates and spending will stimulate the economy, Friedman responds:

There is nothing in the package which will stimulate anything.

Instead of a one-shot tax rebate, the Nobel Prize winner recommends:

We ought to make it a permanent reduction in taxes.

The long-range solution to unemployment, he goes on:

Is to increase the incentive for ordinary people to save, invest, work and employ others.

In other words, by reducing the cost of saving, investing, and working—through permanently reducing tax rates—we reduce unemployment and truly stimulate the economy.

Before casting their votes on the conference report of the third budget resolution and the tax rebate bill, I would urge my colleagues to carefully consider the remarks of Professor Friedman which follow here:

WHERE CARTER IS GOING WRONG—INTERVIEW WITH NOBEL PRIZE WINNER MILTON FRIEDMAN

The President's plan to spur the economy with tax cuts and more federal spending will simply bring on more inflation, warns economist Friedman, who gives his prescription for lower unemployment with stable prices.

Q. Professor Friedman, will President Carter's program of tax cuts and spending stimulate the economy?

A. There is nothing in the package which will stimulate any thing. How can the Government stimulate the economy by taking money out of one pocket of the public and putting it into another pocket? The rebate plan, for example, would distribute $50 apiece to most consumers. As a result, those consumers will tend to spend more. But where will the Government get the money to send out the rebates?

Q. But almost everyone looks on the rebate as a good way to stimulate the economy—

A. It appears to be a stimulant because people are looking at the visible effects and paying no attention to the invisible effects. The $50 rebate checks and the extra expenditures by consumers that will result are very visible. The people who will not have employment because the Government will borrow the money or cause more inflation are not very visible. Nobody notices them.

Q. How about the proposals for increasing federal outlays on public works and public-service jobs, which are also part of the Carter program?

A. The same thing applies. If the Government spends money on a public-works program or hires people, where does it get the money to spend?

Q. So you believe the Carter program will do more harm than good—

A. On the whole, I think that's the case. I'm in favor of tax reduction under any and all circumstances as the only effective way to put a lid on total Government spending. But the particular form of tax reduction that is proposed in this program is undesirable. It proposes to give rebates on a basis that has no relation to current activity.

If we're going to reduce taxes, we should at least reduce them in a way that will give people an incentive to save more or work harder, not simply drop checks out of airplanes. We ought to make it a permanent reduction in taxes.

Q. There is some permanent reduction included in the Carter plan, apart from the rebates—

A. Yes, but even that is somewhat misleading. President Carter really is not proposing to reduce taxes; he is proposing to increase them.

Q. How so?

A. The real tax burden on the American people is the amount the Government spends, not the amount that is labeled "taxes." If the Federal Government spends 460 billion dollars in fiscal year 1978, which is roughly what the President proposes, and takes in something like 400 billion in taxes, who do you suppose pays the other 60 billion? The tooth fairy? Or the Arab sheiks?

The American people pay it. It's paid in the form of the hidden tax of inflation or, if it's financed by borrowing from the public, then in the form of higher taxes that will be needed in the future to pay the interest and the principal. That means that it lowers the value of all property today to the extent that property will be subject to higher future tax burdens.

Q. How much inflation do you think the Carter economic package will cause?

A. That depends on how the Federal Reserve behaves. It has been expanding the money supply too rapidly, and that implies that inflation was going to speed up anyhow, regardless of this program.

I should also point out that Carter's program is very small in magnitude. It is obviously an attempt to offer the smallest program possible while throwing bones to as many groups of supporters as possible. From that point of view, it makes a lot of sense. The economy is growing at a healthy pace, and it would be unwise politically for the President to speed things up even if he could.

Q. In the final analysis, will the Federal Reserve simply create the money to pay for the Carter tax cuts and spending increases and lend it to the U.S. Treasury?

A. If the funds are supplied by the Federal Reserve, that will produce more inflation and thus destroy private jobs to the same extent that it creates Government-financed jobs.

Q. But isn't it true that the additional borrowing and spending will add to inflation only if the Federal Reserve increases the supply of money faster than the supply of goods and services increases? Federal Reserve Chairman Arthur Burns has indicated he thinks he can avoid doing that—

A. The plain fact is that the quantity of money has already been increasing faster than output. Chairman Burns indicated in his recent testimony that the narrow money supply—M_1—would have to increase at only about zero to 2 per cent per year to avoid inflation, and the broad money supply—M_2—at about 3 to 5 per cent. Yet his announced targets are far higher than that—4½ to 6½ per cent for M_1, 7 to 10 per cent for M_2—and actual monetary growth has recently been even faster.

Q. What if the Treasury sells bonds to the public to cover the Carter deficit?

A. If the Treasury borrows from the public, there will be less money left in the hands of private investors to be loaned out and spent for building houses and creating new factories and machines. The result is to reduce private employment and increase publicly financed employment.

Q. What would you do about high unemployment?

A. The long-range solution is to increase the incentive for ordinary people to save, invest, work and employ others. We make it costly for employers to employ people, and we subsidize people not to go to work. We have a system that increasingly taxes work and subsidizes nonwork.

Q. How could that be changed?

A. First, I propose that the Federal Reserve reduce the rate of monetary growth gradually over the next three years by about 2 percentage points a year until they get to a rate that is in keeping with the long-run increase in economic output. That would eliminate the inflationary bias in the economy.

I would simultaneously index personal and corporate income taxes—that is, automatically adjust personal exemption, tax brackets and so on for inflation. That would keep inflation from automatically driving taxes up and be far more effective than the measures Mr. Carter and others have proposed. Congress has been very prompt in protecting its own salaries against inflation. It has done nothing to protect the public.

Finally, I would cut the real taxes borne by the American people by cutting all Government spending 10 per cent across the board.

Q. Do you also favor increasing the tax credit for investments in new plant and equipment?

A. No. Those credits do not stimulate capital investment; it only looks as if they do.

Suppose a company invests more money to take advantage of the credit. Where does it get the money: From profits or from loans. So the real question is whether the credit increases the total pool of funds available for investment.

If it reduces taxes, it may seem to increase the pool, but then we have to ask: Who pays the taxes instead of the companies that take the credit? All it does is to divert investment into directions which qualify for the credit and away from investments that don't. It has a negligible effect on increasing the total pool.

The most effective way to stimulate capital is to put investment on equal terms with everything else, and that means moving toward a tax that you pay on what you spend instead of on your income. But if we are going to retain the income tax, then we ought to abolish the tax on corporate profits and require the companies to attribute their income to their stockholders, whether they pay it out in dividends or not. The stockholders would bear the tax burden directly and openly instead of, as now, indirectly.

Q. Are there steps that could be taken to reform the tax system short of switching over entirely to a tax on spending?

A. If we simply replaced all tax rates above 25 per cent with a flat 25 per cent rate, taxpayers would lose interest in tax shelters, and the amount of revenue the Government takes in would almost surely increase at the same time as the taxpayers benefited. But there is not one chance in a million of Congress enacting such a simple measure.

Q. What would your plan for tax-and-spending cuts do for employment?

A. It would mean a healthy increase. It would reduce Government jobs and increase private jobs. People would have more incentive to work.

You see, the problem today isn't lack of purchasing power, which the rebates are supposed to remedy. We've had too much purchasing power. That's why we've had so much inflation. How can the problem be purchasing power when prices are rising 5 per cent a year now and, in my opinion, will be going up at a rate of 7 to 9 per cent over the next two years?

Q. Can that inflation be reduced through Government guidelines—or jawboning, as it's called?

A. Such measures have temporary effects, but over any long period they are harmful.

There's only one place where inflation is made: That's in Washington. I don't mean that people in Washington impose inflation on the rest of the community for no good reason. Inflation is made in Washington in response to pressures from the people at large.

The people who are really making inflation are the voting public—because they ask their Congressmen to enact goodies in the form of spending, but they are unhappy about having taxes raised to pay for those goodies. The only way Congress can spend more without appearing to raise taxes is through inflation.

Q. The President's economic advisers say that a great deal of our inflation has been caused by special circumstances that raised the cost of oil, other fuels, foods and so on—

A. That's wrong, and the proof of it is very simple:

Those special circumstances affected all countries. So why is it that they were followed by inflation at a rate of 2 per cent in Switzerland, 6 per cent in Germany, 12 per cent in the United States, 25 per cent in Britain and 30 per cent in Japan?

It cannot be that the same factors had such widely different results. This is simply a case of trying to find excuses.

Q. Some economists say the U.S. is in for a period of relatively slow economic growth. Do you agree?

A. We're not doomed to any such period, but we may have one if the heavy hand of Government regulation continues to interfere with the effective use of our resources.

There is nothing of a technical or necessary character that will slow economic growth. On the contrary, if we could cut the Government back to size, reduce some of its regulatory activity—for example, eliminate the price controls on oil and natural gas—we could have a period of very rapid economic growth.

Q. Wouldn't we still face shortages of oil and gas?

A. There is no physical shortage of fuel and energy—only an artificial shortage created by bad Government policies.

The Organization of Petroleum Exporting Countries has produced a serious artificial shortage of oil, and the United States has greatly exacerbated the economic effects of the OPEC strategy by its own policy. Our Government is providing a subsidy of roughly $3 a barrel on oil imported from the OPEC countries through its scheme to equalize the cost of refining imported oil and artificially cheaper domestic oil.

Q. Isn't it true that the United States is running out of large deposits of oil and gas that can be exploited at relatively low cost?

A. There is a physical limit to our reserves.

But remember that there was also a big scare in the 1920s, when it was said that reserves of oil would only last 20 years. Since that time, consumption has increased dramatically, and so have reserves.

If we allowed the price system to operate, we would reverse the trend toward reduced domestic production of oil and gas for the immediate future and enable the adjustment to dwindling reserves to be met over a considerable period of time.

Q. Turning back to the problem of creating more jobs, what do you think of proposal to give employers tax credits or bonuses if they hire the unemployed?

A. The Carter plan for giving a credit equal to 4 per cent of the employer's Social Security payroll tax is ludicrous. It is simply a proposal to reduce the payroll tax from 11.7 per cent of wages to 11.66 per cent.

That's all it is when you take away the Madison Avenue packaging. Who would give it a second thought if it were explained in that straightforward manner?

Q. But there are proposals in Congress for more-generous bonuses for hiring, aren't there?

A. The bonus schemes will encourage employers to fire some people in order to employ others who will qualify for the subsidy. The Government will then try to close that loophole, and the complexity of the program will grow and grow. It will create employment all right—for more federal bureaucrats to administer the program.

Q. Should government do anything to help black teenagers, who have the highest rate of unemployment?

A. These young people are disadvantaged in part because of government policies—for example, the kind of schooling they get, which is provided by government.

The effective way to reduce black teen-age unemployment over the long run would be to introduce a voucher system for education. That would introduce competition into the schools, particularly in the slum areas of our big cities, an dthat would tend to upgrade the kind of schooling the young blacks can get.

As it is the government first provides very poor schooling, and then the harm is multiplied by the minimum-wage law, which makes it difficult for them to get on-the-job training. Without the minimum-wage law, the least skilled could offer to work for low wages, which would provide an incentive for employers to hire and train them. It has always been a mystery to me why a teen-ager is better off unemployed at $2.30 an hour rather than employed at, say, $2.

Q. Should the United States do more to help the underdeveloped countries?

A. Who says we've been helping them? We have been granting subsidies to underdeveloped countries, and the evidence is overwhelming that this has been hurting them, not helping them. What we have done is to strengthen the small clique which is in charge of the governments in these countries at the expense of the populace at large.

Q. What should be done?

A. The most effective thing we could do to help would be to drop our tariffs and thus encourage the underdeveloped countries to compete on fair and open terms and sell us whenever they can. That would do far more good than shoveling out bushels of money to maintain governments that do not effectively represent the public at large.

Q. Should the U.S. cut tariffs unilaterally?

A. We have little control over what Britain or Germany or Japan does. I would like to see the United States act like the great nation it is and unilaterally reduce trade barriers across the board.

Q. What if other countries dump goods into our market at less than cost and ruin industries employing our workers?

A. People who say free trade does that are not looking at what happens to exchange rates.

Suppose Japan is so foolish as to subsidize

every export to the United States, so that there is nothing we can sell them and everything they have to sell is cheaper than what we produce here. How would we pay for their exports? We would send them dollars. What would they do with the dollars? The Japanese who got them would say: "There's nothing we can buy with these dollars. Everything in the U.S. is too expensive at the present exchange rate."

So instead of valuing a dollar at 300 yen, the Japanese would say: "The dollar isn't worth anything to me. I'll give it to you for 200 yen." If that doesn't work, the rate will go to 100. And the result will be that the price of Japanese goods will go up in terms of dollars while U.S. goods will become cheaper in Japan.

That swing will continue until the amount the U.S. is selling to Japan is roughly equal to what Japan is selling to the United States. In the process, we will have less employment in those industries in which we are inefficient compared with the Japanese, and more employment in those in which we are most efficient.

This is difficult for most people to see because we overemphasize the visible effects and neglect the invisible. If Japan exports more steel to us, the people in the steel industry who lose their jobs are very visible. The fact that Japan earns more dollars and buys many other goods, so that we have more people employed in export industries, is not nearly as visible.

Q. Do you suggest that tariffs be wiped out overnight?

A. I would favor doing it over a five-year period in order to make the adjustment easier.

Q. Looking ahead, what do you see as the greatest economic problem facing this country?

A. The growth of government. We are going down the same road as Great Britain. We are 10 or 20 years behind Great Britain, but if we keep on the way we are going, we will be in the same state that Britain is in now.

Forty per cent of our national income is being spent by the federal, State and local governments. Fifty years ago the proportion was 10 percent. Are we getting our money's worth?

I would like to see a constitutional amendment that would say that spending for all purposes by the Federal Government could not exceed 25 percent of the income of the people. That is roughly what it is now. So the amendment would not reverse the trend, but at least it would stop it and give time for a change in attitudes and growth in understanding to develop that would make a reversal politically feasible.

PERSONAL EXPLANATION

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MIKVA. Mr. Speaker, for the past week I have been attending a conference on campaign financing. As a result, I was unable to be present for the votes taken during the latter part of last week and the first part of this week.

Had I been present, I would have voted "aye" on rollcall 27 providing for consideration of H.R. 11, the public works jobs bill. I would have voted "no" on rollcall 28, an amendment to adjust a previously offered amendment changing the allocation formula for the funds dispensed under the public works jobs bill. I would have voted "aye" on rollcall 29, the initial amendment adjusting the allocation formula, and I would have voted "aye" on rollcall 30, the Local Public Works Capital Development and Investment Act of 1976.

On Monday, February 28, and Tuesday, March 1, I would have voted "no" on rollcall 31, a bill to revise the administration of fish and wildlife programs, and "aye" on both rollcalls 33 and 34, bills relating to international fishery agreements and the regulation of interest rates on deposits in financial institutions, respectively.

GENERAL LEAVE

Mr. BEILENSON. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks and to include extraneous material on the 1-minute speech today by the gentleman from Texas (Mr. MAHON) relative to Smitty Blair.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BADHAM of California (at the request of Mr. RHODES), for Thursday and the balance of the week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. EVANS of Delaware) to revise and extend their remarks and include extraneous material:)

Mr. JEFFORDS, for 15 minutes, today.
Mr. WHALEN, for 15 minutes, today.
Mr. CLEVELAND, for 40 minutes, today.
Mrs. HECKLER, for 5 minutes, today.
Mr. MICHEL, for 5 minutes, today.
Mr. KEMP, for 10 minutes, today.

(The following Members (at the request of Mr. BEILENSON) and to revise and extend their remarks and include extraneous matter:)

Mr. EILBERG, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. KASTENMEIER, for 5 minutes, today.
Mr. MCFALL, for 5 minutes, today.
Mrs. BOGGS, for 5 minutes, today.
Mr. WOLFF, for 5 minutes, today.
Mr. BADILLO, for 5 minutes, today.
Mr. AMMERMAN, for 15 minutes, today.
Mr. DODD, for 10 minutes, today.
Mr. DICKS, for 5 minutes, today.
Mr. BLOUIN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. HAMILTON and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,001.

Mr. ROSTENKOWSKI to revise and extend his remarks just prior to the vote on title VI of House Resolution 287 in the Committee of the Whole today.

Mr. EVANS of Delaware to revise and extend his remarks just prior to the vote on the Frenzel amendment to strike title III on House Resolution 287 in the Committee of the Whole today.

(The following Members (at the request of Mr. EVANS of Delaware) and to include extraneous matter:)

Mr. FINDLEY in two instances.
Mr. MADIGAN.
Mr. SHUSTER.
Mr. CRANE in two instances.
Mr. YOUNG of Florida in five instances.
Mr. HAGEDORN.
Mr. ABDNOR in two instances.
Mr. WHITEHURST.
Mrs. SMITH of Nebraska.
Mr. LUJAN.
Mr. ANDERSON of Illinois in two instances.
Mr. WALSH.
Mr. DERWINSKI in two instances.
Mr. LOTT.
Mr. RUDD.
Mr. LAGOMARSINO.
Mr. TAYLOR.
Mr. STEERS.
Mr. EDWARDS of Alabama.
Mr. KEMP in two instances.
Mr. COLLINS of Texas in two instances.

(The following Members (at the request of Mr. BEILENSON) and to include extraneous matter:)

Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mrs. BURKE of California in two instances.
Mr. PEASE.
Mr. DENT.
Mr. RUSSO.
Ms. KEYS.
Mr. MOLLOHAN.
Mr. CORRADA.
Mr. NATCHER.
Mr. HAMILTON.
Mr. CARNEY in two instances.
Mr. SANTINI.
Mr. PATTISON of New York.
Ms. OAKAR.
Mr. FORD of Tennessee in two instances.
Mr. RANGEL in two instances.
Mr. MOAKLEY in two instances.
Mr. LUKEN.
Mr. MCDONALD in three instances.
Mr. WON PAT.
Mr. RAHALL.
Mr. TEAGUE.
Mr. FARY.
Mrs. BOGGS.
Mr. UDALL.
Mr. HARRIS.
Mr MOORHEAD of Pennsylvania in 10 instances.
Mr. MINISH.
Mr. STARK.
Mr. SIMON in three instances.
Mr. WIRTH.
Mr. LEDERER.
Mr. ROSENTHAL in two instances.
Mr. LONG of Louisiana.
Mr. ULLMAN.
Mr. EVANS of Georgia in five instances.
Mr. KASTENMEIER.
Mr. ASHLEY.
Mr. EDGAR.
Ms. MIKULSKI in two instances.
Mr. WRIGHT.
Mr. OBEY.

Ms. CHISHOLM.
Mr. ROGERS in five instances.
Mr. CAVANAUGH.
Mrs. LLOYD of Tennessee.
Mr. GAMMAGE.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3753. An act to bring certain governing international fishery agreements within the purview of the Fishery Conservation Zone Transition Act.

ADJOURNMENT

Mr. BEILENSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 11 minutes p.m.), the House adjourned until tomorrow, Thursday, March 3, 1977, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

871. A letter from the Deputy Secretary of Defense, transmitting a report on the financial condition and operating results of Working Capital Funds of the Department of Defense for fiscal year 1976, pursuant to 10 U.S.C. 2208; to the Committee on Armed Services.

872. A letter from the President and Chairman, Export-Import Bank of the United States transmitting, a report on loan, guarantee and insurance transactions supported by Eximbank during January 1977 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

873. A letter from the Chairman, National Commission on Electronic Fund Transfers, transmitting the Commission's second report, entitled "EFT and the Public Interest"; to the Committee on Banking, Finance and Urban Affairs.

874. A letter from the Secretary of the Treasury and the Director, Office of Management and Budget, Executive Office of the President, transmitting their annual report on fiscal and budgetary information and controls, pursuant to section 202(f) of the Legislative Reorganization Act of 1970, as amended (88 Stat. 328); to the Committee on Government Operations.

875. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report on actions taken on recommendations contained in the report of the National Advisory Council on Vocational Education dated December 1973, entitled "Indian Education—A Special Report," pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

876. A letter from the Secretary of the Treasury, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

877. A letter from the General Counsel, Civil Aeronautics Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

878. A letter from the Acting Chairman, U.S. Civil Service Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552 (d); to the Committee on Government Operations.

879. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

880. A letter from the Acting Administrator, Energy Research and Development Administration, transmitting a report on ERDA's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

881. A letter from the Senior Vice President, Export-Import Bank of the United States, transmitting a report on the Bank's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

882. A letter from the Chairman, Federal Communications Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1976. pursuant to 5 U.S.C. 552 (d); to the Committee on Government Operations.

883. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552 (d); to the Committee on Government Operations.

884. A letter from the Vice Chairman, Federal Maritime Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552 (d); to the Committee on Government Operations.

885. A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

886. A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting a report on the activities of the Federal Open Market Committee under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

887. A letter from the Acting Administrator of General Services, transmitting a report on the activities of the General Services Administration under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

888. A letter from the Chairman, U.S. International Trade Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

889. A letter from the Secretary, Interstate Commerce Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

890. A letter from the Administrator, National Credit Union Administration, transmitting a report on the Administration's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

891. A letter from the Executive Secretary, National Mediation Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

892. A letter from the Director, Office of Administration, U.S. Nuclear Regulatory Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

893. A letter from the Information Officer, Postal Rate Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

894. A letter from the Administrator of Veterans' Affairs, transmitting a report on the activities of the Veterans' Administration under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

895. A letter from the General Counsel, Legal Services Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

896. A letter from the Secretary of the Interior, transmitting the annual report of the Bonneville Power Administration for fiscal year 1976, containing the consolidated financial statement for all of the electric power generating projects and the transmission system comprising the Federal Columbia River Power System, required by section 2(a) of Public Law 89–448; to the Committee on Interior and Insular Affairs.

897. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a quarterly report on the programing and obligation of international narcotics control funds as of December 31, 1976, pursuant to section 481(b)(1) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

898. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a report on international narcotics control program activities for the period January 1 through September 30, 1976, pursuant to section 481(b)(2) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

899. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

900. A letter from the Acting Director, U.S. Arms Control and Disarmament Agency, transmitting the Agency's final report on the impact on military expenditures of arms control measures mutually agreed to by the United States and the Soviet Union, pursuant to section 142 of Public Law 94–141; to the Committee on International Relations.

901. A letter from the Director for Congressional Affairs, Federal Energy Administration, transmitting revisions to the Administrator's report (Executive Communication No. 850) submitted February 28 pursuant to section 8(f)(1) of the Emergency Petroleum Allocation Act, as amended; to the Committee on Interstate and Foreign Commerce.

902. A letter from the Director, Office of Legislative Services, Food and Drug Administration, Department of Health, Education, and Welfare, transmitting a report on Laetrile, an alleged cancer drug; to the Committee on Interstate and Foreign Commerce.

903. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act (66 Stat. 214, 76 Stat. 1247); to the Committee on the Judiciary.

904. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing construction of a Federal Parking and Vehicle Maintenance Facility of reduced scope for the Federal Bureau of Investigation in West Los Angeles, Calif., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

905. A letter from the Secretary of the Treasury, transmitting a report on the state of the finances of the U.S. Government for fiscal year 1976 and the transition quarter, pursuant to section 257 (First) of the Revised Statutes [31 U.S.C. 1027]; to the Committee on Ways and Means.

906. A letter from the Acting Comptroller General of the United States, transmitting a report on the status of the Defense Department's NAVSTAR (Global Positioning System (PSAD-77-23, March 2, 1977); jointly, to the Committees on Government Operations, and Armed Services.

907. A letter from the Acting Comptroller General of the United States, transmitting a report on the need for the Department of Defense to tighten its controls over the allowability on Government contracts of certain technical costs incurred by aircraft engine manufacturers (PSAD-77-57, February 28, 1977); jointly, to the Committees on Government Operations, and Armed Services.

908. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting the Commission's views on two 94th Congress bills, H.R. 7575 and S. 200, creating an independent agency to protect and serve the interests of consumers, pursuant to section 27(k)(2) of the Consumer Product Safety Act; jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

909. A letter from the Acting Comptroller General of the United States, transmitting a report on the need to change the policy of providing reemployment travel benefits to certain Federal employees serving in Alaska, Hawaii, and other nonforeign areas outside the continental United States (FPCD-76-65, March 2, 1977); jointly, to the Committees on Government Operations, and Post Office and Civil Service.

910. A letter from the Acting Comptroller General of the United States, transmitting the General Accounting Office's comments on the Air Transport Association of America's study entitled "Consequences of Deregulation of the Scheduled Air Transport Industry" (CED-77-38, February 25, 1977); jointly, to the Committees on Government Operations, and Public Works and Transportation.

911. A letter from the Acting Comptroller General of the United States, transmitting a report on the operation of cardiac catheterization laboratories in Veterans' Administration hospitals (HRD-76-168, February 28, 1977); jointly, to the Committees on Government Operations, and Veterans' Affairs.

912. A letter from the Acting Comptroller General of the United States, transmitting a report on the Nuclear Regulatory Commission's program for licensing the construction and operation of nuclear powerplants, and the factors affecting licensing and construction times (EMD-77-15, March 2, 1977); jointly, to the Committees on Government Operations, Interior and Insular Affairs, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. S. 776. An act to dedicate the canal and towpath of the Chesapeake and Ohio Canal National Historical Park to Justice William O. Douglas, and for other purposes (Rept. No. 95-38). Ordered to be printed.

Mr. MOAKLEY: Committee on Rules. House Resolution 359. Resolution providing for the consideration of H.R. 2846. A bill to amend the John F. Kennedy Center Act to authorize funds for certain repairs and other purposes (Rept. No. 95-39). Referred to the House Calendar.

Mr. PEPPER: Committee on Rules. House Resolution 360. Resolution providing for the consideration of H.R. 3477, a bill to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform (Rept. No. 95-40). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABDNOR:

H.R. 4249. A bill to provide for an Emergency Food Program; to the Committee on Agriculture.

By Mr. THOMPSON:

H.R. 4250. A bill to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers and to establish collective bargaining procedures in the construction industry; to the Committee on Education and Labor.

By Mr. AMMERMAN:

H.R. 4251. A bill to eliminate automatic cost-of-living adjustments of salaries of Members of the Congress and certain executive and judicial employes, and for other purposes; jointly to the Committees on Post Office and Civil Service, and the Judiciary.

By Mr. ANDERSON of California (for himself, Mr. BARNARD, and Mr. RYAN):

H.R. 4252. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

By Mr. ANDERSON of Illinois (for himself, Ms. JORDAN, Mr. ANDREWS of North Dakota, Mr. BADILLO, Mr. BEDELL, Mr. BENJAMIN, Mr. BLANCHARD, Mr. BLOUIN, Mr. BOLLING, Mr. BRODHEAD, Mr. BROWN of Ohio, Mr. BROYHILL, Mr. CARR, Mr. CEDERBERG, Mr. CHAPPELL, Ms. CHISHOLM, Mr. CLEVELAND, Mr. COHEN, Mr. CORRADA, Mr. EDWARDS of Oklahoma, Mr. EMERY, Mr. ERLENBORN, Mr. ERTEL, Mr. EVANS of Delaware, and Ms. FENWICK):

H.R. 4253. A bill to reorganize Federal regulatory agencies to prevent excessive, duplicative, inflationary, and anticompetitive regulation, and to make regulation more effective and responsive to the public interest; jointly, to the Committees on Government Operations, and Rules.

By Mr. ANDERSON of Illinois (for himself, Ms. JORDAN, Mr. GEPHARDT, Mr. GRADISON, Mr. HALL, Mr. HIGHTOWER, Mr. HOLLENBECK, Mr. HYDE, Mr. ICHORD, Mr. JEFFORDS, Mr. JENRETTE, Mr. KOCH, Mr. LEACH, Mr. LENT, Mr. LOTT, Mr. MCCORMACK, Mr. MCHUGH, Mr. MADIGAN, Mr. MAGUIRE, Mr. MARLENEE, Mr. MAZZOLI, Mr. MOORHEAD of California, Mr. NIX, Mr. NOLAN, and Mr. PATTERSON of California):

H.R. 4254. A bill to reorganize Federal regulatory agencies to prevent excessive, duplicative, inflationary, and anticompetitive regulation, and to make regulation more effective and responsive to the public interest; jointly, to the Committees on Government Operations, and Rules.

By Mr. ANDERSON of Illinois (for himself, Ms. JORDAN, Ms. PETTIS, Mr. PRITCHARD, Mr. RINALDO, Mr. RUNNELS, Mr. RUSSO, Mr. SARASIN, Mr. SCHEUER, Mr. SHARP, Mr. SISK, Mr. STANTON, Mr. STEIGER, Mr. STOCKMAN, Mr. STOKES, Mr. TONRY, Mr. WALSH, Mr. BOB WILSON of California, Mr. CHARLES WILSON of Texas, Mr. MANN, and Mr. WINN):

H.R. 4255. A bill to reorganize Federal regulatory agencies to prevent excessive, duplicative, inflationary, and anticompetitive regulation, and to make regulation more effective and responsive to the public interest; jointly, to the Committees on Government Operations, and Rules.

By Mr. ARMSTRONG (for himself, Mr. BADILLO, Mr. BEARD of Rhode Island, Mr. BUCHANAN, Mr. BURGENER, Mr. COLLINS of Texas, Mr. CORRADA, Mr. CEDERBERG, Mr. CORNELL, Mr. DERWINSKI, Mr. DUNCAN of Tennessee, Mr. EDWARDS of Oklahoma, Mr. HAGEDORN, Mr. HOWARD, Mr. HYDE, and Mr. JENRETTE):

H.R. 4256. A bill to amend title II of the Social Security Act to repeal the earnings limitation to provide benefits for husbands, widowers, and fathers on the same basis as wives, widows, and mothers, to eliminate the 5-month waiting period for disability benefits, to provide for the payment of benefits to an individual through the month of his or her death, to provide an optional exemption from coverage for individuals 65 years of age and over, and to provide that a beneficiary's marriage or remarriage will not affect his or her benefits; and to amend title XVIII of such act to authorize direct payments to physicians and other providers at their option under the supplementary medical insurance program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ARMSTRONG (for himself, Mr. KEMP, Mr. KETCHUM, Mr. LENT, Mr. LONG of Maryland, Mr. LUJAN, Mr. MCCLOSKEY, Mr. NEAL, Mr. SARASIN, Mr. SCHEUER, Mr. SYMMS, Mr. WALKER, Mr. WHITEHURST, Mr. CHARLES H. WILSON of California, and Mr. CHARLES WILSON of Texas):

H.R. 4257. A bill to amend title II of the Social Security Act to repeal the earnings limitation, to provide benefits for husbands, widowers, and fathers on the same basis as wives, widows, and mothers, to eliminate the 5-month waiting period for disability benefits, to provide for the payment of benefits to an individual through the month of his or her death, to provide an optional exemption from coverage for individuals 65 years of age and over, and to provide that a beneficiary's marriage or remarriage will not affect his or her benefits; and to amend title XVIII of such act to authorize direct payments to physicians and other providers at their option under the supplementary medical insurance program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. BENNETT (for himself, Mr. SPENCE, Mr. CHARLES H. WILSON of California, Mr. BOB WILSON, Mr. MOLLOHAN, Mr. BADHAM, Mr. BEARD of Tennessee, Mr. BRINKLEY, Mr. BYRON, Mr. DAN DANIEL, Mr. ROBERT W. DANIEL JR., Mr. DAVIS, Mr. DICKINSON, Mr. EMERY, Mrs. HOLT, Mr. KAZEN, Mr. MCDONALD, Mr. MITCHELL of New York, Mr. MONTGOMERY, Mr. NICHOLS, Mr. TRIBLE, Mr. WHITE, Mr. WHITEHURST, Mr. WHITLEY, and Mr. WON PAT):

H.R. 4258. A bill to authorize appropriations during the fiscal year 1978 for procurement of naval vessels, and for other purposes; to the Committee on Armed Services.

By Mr. BIAGGI:

H.R. 4259. A bill to provide for relief and rehabilitation assistance to the victims of the recent earthquakes in Italy, and for other purposes; to the Committee on International Relations.

By Mr. BLOUIN (for himself Mr. HARKIN, Mr. HOLLAND, Mr. PATTERSON of California, Mr. PATTISON, of New York, Mr. ROE, Mr. STOKES, and Mr. VENTO):

H.R. 4260. A bill to provide for the regular review of certain Federal agencies and for the abolition of such agencies after such review unless Congress specifically provides for their continued existence; to the Committee on Government Operations.

By Mrs. BOGGS:

H.R. 4261. A bill to provide for the control of mosquitoes and mosquito vectors of human disease through technical assistance and grants-in-aid for control projects; to the Committee on Interstate and Foreign Commerce.

By Mr. BRINKLEY:

H.R. 4262. A bill to include civilian security police of the Department of Defense within the civil service retirement provisions applicable to law enforcement officers and firefighters; to the Committee on Post Office and Civil Service.

By Mr. BROOKS:

H.R. 4263. A bill to establish a Department of Energy in the executive branch by the reorganization of energy functions within the Federal Government in order to secure effective management to assure a coordinated National energy policy and for other purposes; to the Committee on Government Operations.

By Mr. BROOMFIELD:

H.R. 4264. A bill to provide for additional sentences for commission of a felony with use of a firearm; to the Committee on the Judiciary.

H.R. 4265. A bill to repeal the provisions of law allowing automatic cost-of-living adjustments in the salaries of Members of Congress; to the Committee on Post Office and Civil Service.

By Mrs. BURKE of California (for herself, Mr. AKAKA, Mr. ALLEN, Mr. BALDUS, Mr. BRODHEAD, Mr. CARR, Mr. CORMAN, Mr. DAVIS, Mr. FORD of Tennessee, Mr. HARKIN, Ms. HOLTZMAN, Mr. LE FANTE, Mr. MOFFETT, Mr. MOTTL, Ms. OAKAR, Mr. PANETTA, Mr. PEPPER, Mr. ROSENTHAL, Mr. STARK, Mr. STOKES, Mr. WEAVER, Mr. WEISS, Mr. CHARLES H. WILSON of California, and Mr. WOLFF):

H.R. 4266. A bill to provide for the establishment of Multipurpose Service Centers for displaced homemakers, and for other purposes; to the Committee on Education and Labor.

By Mrs. BURKE of California (for herself, Mr. BADILLO, Mr. BEARD of Rhode Island, Mr. BLOUIN, Mr. BONIOR, Mr. BUTLER, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. COTTER, Mr. DELLUMS, Mr. DIGGS, Mr. FASCELL, Mr. HORTON, Mr. JENRETTE, Mr. KASTENMEIER, Mrs. LLOYD of Tennessee, Mr. METCALFE, Ms. MIKULSKI, Mr. MIKVA, Mr. NEAL, Mr. OBERSTAR, Mr. OTTINGER, Mr. PATTEN, Mr. RYAN, and Mr. SOLARZ):

H.R. 4267. A bill to provide for the establishment of Multipurpose Service Centers for displaced homemakers, and for other purposes; to the Committee on Education and Labor.

By Mrs. BURKE of California (for herself, Mrs. BOGGS, Mr. BROWN of California, Mr. JOHN L. BURTON, Mrs. CHISHOLM, Mr. CLAY, Mr. DRINAN, Mr. EDWARDS of California, Mr. EILBERG, Mr. FRASER, Mr. HANNAFORD, Mr. HAWKINS, Mr. LAFALCE, Mr. MAZZOLI, Mrs. MEYNER, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOSS, Mr. NIX, Mr. PATTERSON of California, Mr. PICKLE, Mr. RICHMOND, Mr. RODINO, Mr. ROYBAL, and Mrs. SPELLMAN):

H.R. 4268. A bill to provide for the establishment of Multipurpose Service Centers for displaced homemakers, and for other purposes; to the Committee on Education and Labor.

By Mr. BYRON:

H.R. 4269. A bill to amend the National Flood Insurance Act of 1968 for the purpose for raising the limitations on the amounts of insurance which may be obtained under such act; to the Committee on Banking, Finance and Urban Affairs.

By Mr. CORRADA:

H.R. 4270. A bill to designate the Federal building and U.S. courthouse in Hato Rey, Puerto Rico, the "Federico Degetau Federal Building"; to the Committee on Public Works and Transportation.

By Mr. CRANE:

H.R. 4271. A bill to amend the Controlled Substances Act to increase the penalties for persons convicted of illegally distributing narcotic and other dangerous drugs; to the Committee on Interstate and Foreign Commerce.

H.R. 4272. A bill to amend title 18 of the United States Code to increase the penalties for persons convicted of committing a felony with or while unlawfully carrying a firearm; to the Committee on the Judiciary.

H.R. 4273. A bill to limit the jurisdiction of the Supreme Court and of the district courts in certain cases; to the Committee on the Judiciary.

H.R. 4274. A bill to limit the jurisdiction of the Supreme Court and of the district courts in certain cases; to the Committee on the Judiciary.

By Mr. DENT:

H.R. 4275. A bill to provide for the development and implementation of programs for youth camp safety; to the Committee on Education and Labor.

By Mr. FISH:

H.R. 4276. A bill to amend the Service Contract Act of 1965 to extend its coverage to professional employees; to the Committee on Education and Labor.

H.R. 4277. A bill to amend title 18, United States Code, to permit the transportation, mailing, and broadcasting of advertising, information, and materials concerning lotteries authorized by law and conducted by a nonprofit organization, and for other purposes; to the Committee on the Judiciary.

H.R. 4278. A bill to amend titles IV, XI, and XIX of the Social Security Act to increase the Federal matching rate for purposes of reimbursement to States under the programs of aid to needy families with children and medical assistance; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. FORD of Tennessee (for himself, Mr. AMBRO, Mr. ANNUNZIO, Mr. BLANCHARD, Mr. BONIOR, Mr. BREAUX, Mr. BRODHEAD, Mr. BROWN of California, Ms. BURKE of California, Mr. CARNEY, Mrs. CHISHOLM, Mr. CLAY, Ms. COLLINS of Illinois, Mr. CONYERS, Mr. CORMAN, Mr. COTTER, Mr. DAVIS, Mr. DELLUMS, Mr. DIGGS, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. EDWARDS of California, Mr. FISH, Mr. HAWKINS, and Mr. HORTON):

H.R. 4279. A bill to amend the Fair Packaging and Labeling Act to require that packaged consumer commodities be labeled to show their selling price; to the Committee on Interstate and Foreign Commerce.

By Mr. FORD of Tennessee (for himself, Mr. JENRETTE, Mr. JONES of Tennessee, Mr. KILDEE, Mr. KREBS, Mr. MAGUIRE, Ms. MIKULSKI, Mr. MILLER of California, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. NEAL, Mr. NIX, Mr. OTTINGER, Mr. PANETTA, and Mr. RANGEL):

H.R. 4280. A bill to amend the Fair Packaging and Labeling Act to require that packaged consumer commodities be labeled to show their selling price; to the Committee on Interstate and Foreign Commerce.

By Mr. FORD of Tennessee (for himself, Mr. ROSENTHAL, Mr. RYAN, Mr. SEIBERLING, Mr. SCHEUER, Mr. SOLARZ, Mrs. SPELLMAN, Mr. STARK, Mr. STOKES, Mr. WALKER, Mr. YATRON, and Mr. ZEFERETTI):

H.R. 4281. A bill to amend the Fair Packaging and Labeling Act to require that packaged consumer commodities be labeled to show their selling price; to the Committee on Interstate and Foreign Commerce.

By Mr. FORD of Tennessee (for himself, Mr. CONTE, Mr. ANDERSON of Illinois, Mr. BADHAM, Mr. BONKER, Mr. CHAPPELL, Mr. COUGHLIN, Mr. DODD, Mr. EDWARDS of California, Mr. FORD of Michigan, Mr. GILMAN, Mr. JEFFORDS, Mr. KOSTMAYER, Mr. LUKEN, Mr. MAGUIRE, Mr. MIKVA, Mr. NEAL, Mr. PEPPER, Mr. RONCALIO, Mr. SARASIN, Mr. SEIBERLING, Mr. TUCKER, Mr. VENTO, Mr. WHALEN, and Mr. WHITEHURST):

H.R. 4282. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social secuirty benefits; to the Committee on Veterans' Affairs.

By Mr. FORSYTHE:

H.R. 4283. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FRENZEL:

H.R. 4284. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses allocable to the use of any portion of a dwelling unit in providing certain day care services whether or not such portion is exclusively used for such purposes; to the Committee on Ways and Means.

By Mr. GAYDOS:

H.R. 4285. A bill to repeal the provisions of law allowing automatic costs-of-living adjustments in the salaries of Members of Congress and certain other legislative, executive, and judicial offices and positions; to the Committee on Post Office and Civil Service.

By Mr. GAYDOS (for himself, Mr. DENT, Mr. PERKINS, Mr. ZEFERETTI, Mr. CORNELL, Mr. MICHAEL O. MYERS, Mr. MILLER of California, and Mr. MURPHY of Pennsylvania):

H.R. 4286. A bill to provide for the development and implementation of programs for youth camp safety; to the Committee on Education and Labor.

By Mr. GAYDOS (for himself and Mr. DENT):

H.R. 4287. A bill to promote safety and health in the mining industry, to prevent recurring disasters in the mining industry, and for other purposes; to the Committee on Education and Labor.

By Mr. GOLDWATER:

H.R. 4288. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. HAGEDORN (for himself, Mr. STANGELAND, Mr. ABDNOR, Mr. NOLAN, Mr. PRESSLER, and Mr. THONE):

H.R. 4289. A bill to extend the period during which applications for insurance may be made under the Federal Crop Insurance Act; to the Committee on Agriculture.

By Mr. HAGEDORN (for himself, Mr. SNYDER, Mr. ABDNOR, Mr. PRESSLER, and Mr. STANGELAND):

H.R. 4290. A bill to authorize the construction of replacement locks and dam for Locks and Dam 26, Mississippi River, Alton, Ill., to revoke authority for 12-foot channel studies on the upper Mississippi River and its tributaries, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. HIGHTOWER:

H.R. 4291. A bill to amend the Railroad Retirement Act of 1974 to make available to certain widows and widowers who have remarried but whose remarriage has terminated certain widows' and widowers' benefits; to the Committee on Interstate and Foreign Commerce.

By Mr. HYDE (for himself, Mr. BAUCUS, Mr. BRECKINRIDGE, Mr. COLLINS of Texas, Mr. DERWINSKI, Mr. HAGEDORN, Mr. LEACH, Mr. NEAL, Mr. WHITLEY, and Mr. SCHULZE):

H.R. 4292. A bill to amend title 28 of the United States Code to provide for the appointment of a special prosecutor in appropriate cases, and for other purposes; to the Committee on the Judiciary.

By Mr. JENRETTE:

H.R. 4293. A bill to amend section 316(c) of the Agricultural Adjustment Act of 1938 to provide that leasing of flue-cured tobacco acreage-poundage marketing quotas after June 15 of any year be permitted only between farms on which at least 80 percent of the farm acreage allotment was planted for such year; to the Committee on Agriculture.

H.R. 4294. A bill to prohibit discrimination on the basis of marital status, and for other purposes; jointly, to the Committees on the Judiciary, and Education and Labor.

By Mr. JONES of Tennessee:

H.R. 4295. A bill to provide for an emergency feed program; to the Committee on Agriculture.

By Mr. KREBS (for himself, Mr. SISK, Mr. BROWN of California, Mr. PANETTA, Mr. ABDNOR, Mrs. FENWICK, Mr. BAUCUS, and Mr. PATTERSON of California):

H.R. 4296. A bill to amend the Consolidated Farm and Rural Development Act to authorize the Secretary of Agriculture to make emergency loans in an area if he determines that a labor dispute in which farmers are not participants results in farmers in such area incurring losses in production or sales of agricultural products; to the Committee on Agriculture.

By Mr. LEGGETT (for himself, Mr. BREAUX, Mr. FORSYTHE, and Mr. PRITCHARD):

H.R. 4297. A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such act for fiscal year 1978; to the Committee on Merchant Marine and Fisheries.

By Mr. LOTT (for himself, Mr. STEERS, Mr. WINN, Mr. DEVINE, Mr. STANTON, Mr. MATHIS, Ms. HOLTZMAN, Mr. CORRADA, Mr. MOTTL, Mr. COLLINS of Texas, Mr. BADILLO, Mr. COUGHLIN, Mr. FAUNTROY, Mr. CLEVELAND, Mr. BROYHILL, and Mr. EDWARDS of Oklahoma):

H.R. 4298. A bill to amend title II of the Social Security Act to eliminate the 5-month waiting period for disability benefits, to liberalize the earnings test, to permit adopted children to qualify for benefits without regard to time of adoption, to eliminate the reconsideration stage in benefit determinations, to provide for the issuance of duplicate benefit checks where the initial checks are lost or delayed, and to provide for expedited benefit payments to disability beneficiaries; to the Committee on Ways and Means.

By Mr. MAZZOLI (for himself, Mr. BAUCUS, Mr. THONE, Mr. WALSH, Mr. DAN DANIEL, Mr. LAGOMARSINO, Mrs. LLOYD of Tennessee, Mr. RAHALL, Mr. COLLINS of Texas, Mr. GILMAN, Mrs. KEYS, Mr. NEAL, Mr. LLOYD of California, Mr. CORRADA, Mr. CLEVELAND, Mr. PANETTA, Mr. LUKEN, and Mr. BOLAND):

H.R. 4299. A bill to reform the method by which the pay for Members of Congress is determined; jointly, to the Committees on Post Office and Civil Service, and Rules.

By Mr. MOAKLEY:

H.R. 4300. A bill to revise chapter 99 of title 18 of the United States Code to provide for the punishment of sexual assaults in the special jurisdiction of the United States; to the Committee on Judiciary.

By Mr. MURPHY of New York (for himself and Mr. BREAUX):

H.R. 4301. A bill to authorize appropriations for the National Sea Grant Program Act during fiscal year 1978; to the Committee on Merchant Marine and Fisheries.

By Mr. OBERSTAR:

H.R. 4302. A bill to amend the Railroad Retirement Act of 1974 to provide that an individual who has completed 30 years of railroad service shall be deemed to have a current connection with the railroad industry for the purposes of such act; to the Committee on Interstate and Foreign Commerce.

H.R. 4303. A bill to amend title II of the Social Security Act to provide full benefits for disabled wives, husbands, widows, and widowers without regard to age, to provide benefits for essential spouses of disability beneficiaries without regard to age or children in care, to provide child's benefits on the wage record of a supporting relative in certain cases, to provide dependent's and survivor's benefits for certain additional relatives of an insured individual, to provide for the computation of a couple's benefits on their combined earnings record, to liberalize eligibility for disability benefits and expedite certain disability-related determinations, to repeal the earnings test, and for other purposes; to the Committee on Ways and Means.

H.R. 4304. A bill to amend titles II and XVIII of the Social Security Act to provide medicare coverage for disabled individuals under age 65 from the first month of their entitlement to benefits based on disability, in cases where the individuals involved are becoming reentitled to such coverage after a previous coverage period which ended during the preceding 5 years; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PATTERSON of California:

H.R. 4305. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

H.R. 4306. A bill to amend the Budget and Accounting Act, 1921, to require that all departmental budget requests made to the Office of Management and Budget with respect to any fiscal year be submitted to the Congress along with the President's budget for such year, and that officials of the Office of Management and Budget, when requested to do so by the appropriate committees of the Congress, testify before such committees on the President's budget and on such departmental budget requests; to the Committee on Government Operations.

H.R. 4307. A bill to amend the Federal Election Campaign Act of 1971 to require candidates for Federal office in certain circumstances to return excess campaign contributions to the persons making such contributions or to deposit such contributions in the Presidential Election Campaign Fund, and for other purposes; to the Committee on House Administration.

H.R. 4308. A bill to amend the Immigration and Nationality Act to establish a different numerical limitation for immigrants born in foreign contiguous territories, and for other purposes; to the Committee on the Judiciary.

H.R. 4309. A bill to insure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 4310. A bill to relieve taxpayers from liability with respect to certain underpayments of estimated tax, underwithholding, and interest on underpayment of tax attributable to the application to 1976 of the sick pay and other provisions of the Tax Reform Act of 1976; to the Committee on Ways and Means.

H.R. 4311. A bill to amend title 18, United States Code, and title 23, District of Columbia Code, to grant to courts power to deny pretrial release to persons charged with the commission of certain crimes of violence; jointly, to the Committees on the Judiciary, and the District of Columbia.

By Mr. PEPPER (for himself, Mr. ANDERSON of California, Mr. BADILLO, Mr. BAUCUS, Mr. BINGHAM, Mr. BONIOR, Mr. BRODHEAD, Mr. CARNEY, Ms. CHISHOLM, Mr. CLAY, Ms. COLLINS of Illinois, Mr. CONYERS, Mr. DELANEY, Mr. DELLUMS, Mr. DIGGS, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. EDWARDS of California, Mr. EILBERG, Mr. FASCELL, Mr. FORD of Michigan, and Mr. GILMAN):

H.R. 4312. A bill to amend the Older Americans Act to provide expanded counseling assistance for the elderly sick and disabled; to the Committee on Education and Labor.

By Mr. PEPPER (for himself, Mr. HARKIN, Mr. HARRINGTON, Mr. HAWKINS, Ms. HOLTZMAN, Mr. HOWARD, Mr. HYDE, Ms. KEYS, Mr. KOCH, Mr. KOSTMAYER, Mr. LEHMAN, Mr. LONG of Maryland, Ms. MIKULSKI, Mr. MINETA, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, Mr. NEAL, Mr. NIX, and Mr. NOLAN):

H.R. 4313. A bill to amend the Older Americans Act to provide expanded counseling assistance for the elderly sick and disabled; to the Committee on Education and Labor.

By Mr. PEPPER (for himself, Mr. OTTINGER, Mr. PATTEN, Mr. RAHALL, Mr. RANGEL, Mr. RICHMOND, Mr. RODINO, Mr. ROSENTHAL, Mr. RYAN, Mr. ST GERMAIN, Mr. SCHEUER, Mr. STOKES, Mr. TONRY, Mr. UDALL, Mr. WEISS, Mr. CHARLES H. WILSON of California, Mr. YATRON, Mr. YOUNG of Florida, and Mr. ZEFFERETTI):

H.R. 4314. A bill to amend the Older Americans Act to provide expanded counseling assistance for the elderly sick and disabled; to the Committee on Education and Labor.

By Mr. PEPPER (for himself, Mr. ROYBAL, Mr. ROONEY, Mr. BIAGGI, Mr. BEARD of Rhode Island, Mr. BLOUIN, Mr. DOWNEY, Mr. FLORIO, Mr. FORD of Tennessee, Mr. HUGHES, Mr. DRINAN, Ms. MEYNER, Mr. RUSSO, and Mr. RINALDO):

H.R. 4315. A bill to amend the Older Americans Act to provide expanded counseling assistance for the elderly sick and disabled; to the Committee on Education and Labor.

By Mr. QUILLEN (for himself, Mr. CEDERBERG, Mr. CORRADA, Mr. EDWARDS of Oklahoma, Mr. FLOWERS, and Mr. HOLLAND):

H.R. 4316. A bill to amend title 38 of the United States Code to revise certain administrative requirements of the veterans' educational program, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ROSENTHAL (for himself and Mr. BURKE of Florida):

H.R. 4317. A bill to amend the Export Administration Act of 1969 in order to extend the authorities of that act and improve the administration of export controls under that act, to strengthen the antiboycott provisions of that act, and to provide for stricter controls over exports of nuclear material and technology, and for other purposes; to the Committee on International Relations.

By Mr. SLACK:

H.R. 4318. A bill to amend part B of title XI of the Social Security Act to assure appropriate participation by professional registered nurses in the peer review, and related activities authorized thereunder; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mrs. SPELLMAN:

H.R. 4319. A bill to amend subchapter III of chapter 83 of title 5, United States Code, to provide that employees who retire after 5 years of service, in certain instances, may be eligible to retain their life and health insurance benefits, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 4320. A bill to amend chapter 83 of title 5, United States Code, to discontinue civil service annuity payments for periods of employment as a justice or judge of the United States, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. RANGEL:

H.R. 4321. A bill to direct the Attorney General to establish Special Drug Forces for the purpose of providing temporary emergency law enforcement assistance to States and local governments; to the Committee on the Judiciary.

By Mr. STARK (for himself, Mr. BOLAND, Mr. CONYERS, Mr. PRICE, Mr. PIKE, Mr. FAUNTROY, Mr. EDWARDS of California, Mr. MURTHA, Mr. MOSS, Mr. FRASER, Mr. THOMPSON, Mr. LEGGETT, Mr. KREBS, Mr. PHILLIP BURTON, Mr. CHARLES WILSON of Texas, Mr. ROYBAL, Mr. MITCHELL of Maryland, Mrs. FENWICK, Mr. WAXMAN, Mr. WIRTH, Mr. MARTIN, Mr. BADILLO, Mr. EDWARDS of Oklahoma, Mr. RANGEL, and Mr. ROE):

H.R. 4322. A bill to govern the disclosure of certain financial information by financial institutions to governmental agencies, to protect the constitutional rights of citizens of the United States, and to prevent unwarranted invasions of privacy by prescribing procedures and standards governing disclosure of such information, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. STARK (for himself, Mr. GLICKMAN, Mr. AKAKA, Mr. OTTINGER, Mr. EDGAR, Mr. MATHIS, Mr. SCHEUER, Mr. BROWN of California, Mr. MCKAY, Mr. DIGGS, Mr. BEDELL, Mr. HOLLENBECK, Mr. SANTINI, Mr. DOWNEY, Mr. BONIOR, Mr. HARRINGTON, Mr. FRENZEL, Mr. KOSTMAYER, Mr. MINETA, Mrs. SPELLMAN, Mr. NEAL, Mr. GILMAN, Mr. LEACH, Mr. WALKER, and Mr. ROSENTHAL):

H.R. 4323. A bill to govern the disclosure of certain financial information by financial institutions to governmental agencies, to protect the constitutional rights of citizens of the United States, and to prevent unwarranted invasions of privacy by prescribing procedures and standards governing disclosure of such information, and for other purposes; to the Committee on Banking, Finance, and Urban Affairs.

By Mr. STARK (for himself, Mr. MURPHY of Pennsylvania, Mr. WEISS, Mr. MOAKLEY, Mr. GIAIMO, Mr. MITCHELL of New York, Mr. SOLARZ, Mr. DRINAN, Mr. BAUCUS, Mr. VOLKMER, Mrs. MEYNER, Mr. KASTENMEIER, Mr. WON PAT, Mr. HANNAFORD, Mr. PATTERSON of California, Mr. D'AMOURS, Mr. MAGUIRE, Mr. JENRETTE, Mr. MOFFETT, Mr. ANDERSON of Illinois, Mr. BRODHEAD, and Mr. MANN):

H.R. 4324. A bill to govern the disclosure of certain financial information by financial institutions to governmental agencies, to protect the constitutional rights of citizens of the United States, and to prevent unwarranted invasions of privacy by prescribing procedures and standards governing disclosure of such information, and for other purposes; to the Committee on Banking, Finance, and Urban Affairs.

By Mr. STUDD:

H.R. 4325. A bill to amend the Internal Revenue Code to allow an additional exemption for taxpayer who is deaf, and for other purposes; to the Committee on Ways and Means.

By Mr. TRAXLER:

H.R. 4326. A bill to establish a fuel-stamp program which will provide fuel stamps to certain low-income households to help meet fuel costs incurred by such households; to the Committee on Interstate and Foreign Commerce.

By Mr. TRAXLER (for himself, Ms. MIKULSKI, Mr. WALGREN, Mr. BALDUS, Mr. D'AMOURS, Mr. DUNCAN of Tennessee, Mr. KILDEE, Mr. LEACH, Mr. RINALDO, Mr. DE LUGO, Mr. HOWARD, Mr. CHARLES WILSON of Texas, Mr. NIX, Mr. CONYERS, Mr. AKAKA, Mr. THONE, Mr. BEVILL, Mr. VENTO, Mr. DOWNEY, Mr. HARRIS, Mr. EDWARDS of Oklahoma, Mr. PRICE, Mr. ROSENTHAL, Mr. PEPPER, and Mr. LONG of Maryland):

H.R. 4327. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

By Mr. TRAXLER (for himself, Mr. WALGREN, Mr. BALDUS, Mr. D'AMOURS, Mr. DUNCAN of Tennessee, Mr. LEACH, Mr. RINALDO, Mr. DE LUGO, Mr. HOWARD, Mr. NIX, Mr. CONYERS, Mr. AKAKA, Mr. CORNELL, Mr. THONE, Mr. BEVILL, Mr. VENTO, Mr. DOWNEY, Mr. SIMON, Mr. PRICE, Mr. HORTON, Mr. ROSENTHAL, Mr. PEPPER, and Mr. LONG of Maryland):

H.R. 4328. A bill to provide for the monthly publication of a Consumer Price Index for the Aged and other Social Security Beneficiaries, which shall be used in the provision of the cost-of-living benefit increases authorized by title II of the Social Security Act; to the Committee on Ways and Means.

By Mr. UDALL (for himself and Mr. ASHBROOK):

H.R. 4329. A bill to provide for the regulation of State Presidential primary elections; to the Committee on House Administration.

By Mr. VANIK:

H.R. 4330. A bill to amend title XVIII and XIX of the Social Security Act to provide for a greater utilization of the professional services of qualified clinical social workers in the medicare and medicaid programs, to include outpatient services, community mental health centers and neighborhood health centers among the entities which may be qualified providers, and to remove the special limitations which are presently imposed on coverage of psychiatric and mental health services under parts A and B of title XVIII and title XIX; jointly, to the Committee on Ways and Means, and Interstate and Foreign Commerce.

By Mr. VENTO:

H.R. 4331. A bill to amend title 35, United States Code, to provide that any provision in any law, regulation, or contract which requires an employee to assign all his rights in certain patentable inventions to the employer is void; to the Committee on the Judiciary.

H.R. 4332. A bill to amend the Internal Revenue Code of 1954 to simplify tax preparation by allowing individuals whose income consists solely of employee compensation and interest to elect to have the Internal Revenue Service compute their income tax liability, and for other purposes; to the Committee on Ways and Means.

By Mr. WHITEHURST (for himself, Mr. BUTLER, Mr. DAN DANIEL, Mr. ROBERT W. DANIEL, Jr., Mr. FISHER, Mr. HARRIS, Mr. ROBINSON, Mr. SATTERFIELD and Mr. TRIBLE):

H.R. 4333. A bill to provide for the transfer of Old Cape Henry Lighthouse, the DeGrasse Monument, the Overlook, and the Old Railroad Station at Fort Story, Va., to the Department of the Interior for inclusion in the Colonial National Historical Park; to the Committee on Armed Services.

By Mr. WHITEHURST (for himself, Mr. BADILLO, Mr. BAFALIS, Mr. CAPUTO, Mr. DAN DANIEL, Mr. DELLUMS, Mr. DERWINSKI, Mr. DUNCAN of Tennessee, Mrs. FENWICK, Mr. HANNAFORD, Mr. HYDE, Mrs. LLOYD of Tennessee, Mrs. MEYNER, Mr. MURPHY of Pennsylvania, and Mr. WOLFF):

H.R. 4334. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for State and local public utility taxes; to the Committee on Ways and Means.

By Mr. WYDLER:

H.R. 4335. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. YATRON (for himself, Mr. SCHEUER, Mr. COUGHLIN, Mr. PATTEN, and Mr. NIX):

H.R. 4336. A bill to extend the emergency unemployment compensation program for an additional year; to the Committee on Ways and Means.

By Mr. ANDERSON of California:

H.R. 4337. A bill to require that a percentage of U.S. oil imports be carried on U.S.-flag vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. BADILLO:

H.R. 4338. A bill to provide for a record of admission for permanent residence in the case of certain aliens who entered the United States prior to July 4, 1976, and for other purposes; to the Committee on the Judiciary.

By Mr. BEDELL (for himself, Ms. FENWICK, Mr. STARK, Mr. BADILLO, Mr. EDGAR, Mr. SCHEUER, Mr. VENTO, Mr. KASTENMEIER, Ms. SPELLMAN, Mr. NEAL, and Mr. MOAKLEY):

H.R. 4339. A bill to require the Secretary of the Army to establish a schedule of user charges to be paid by the owner or operator of any shallow-draft cargo vessel using any

inland waterway of the United States, and for other purposes; jointly, to the Committees on Public Works and Transportation, and Ways and Means.

By Mr. DENT (for himself, Mr. ERLENBORN, and Mr. CONABLE):

H.R. 4340. A bill to amend the Employee Retirement Income Security Act of 1974 to promote more efficient and satisfatcory management of the functions of the Federal Government relating to employee pension and welfare benefit plans and more effectively carry out the purposes of such act, and for other purposes; to the Committee on Education and Labor.

By Mr. BRINKLEY:

H.R. 4341. A bill to amend title 38, United States Code, to eliminate the requirement for inspections of the mobile home manufacturing process by the Administrator of Veterans Affairs; to the Committee on Veterans' Affairs.

By Mr. BYRON:

H.R. 4342. A bill to amend the Disaster Relief Act of 1974; jointly, to the Committees on Small Business and Agriculture.

By Mr. CLAY (for himself, Mr. BADILLO, Mr. CARNEY, Mrs. COLLINS, of Illinois, Mr. CONYERS, Mr. DELLUMS, Mr. DIGGS, Mr. FAUNTROY, Mr. FRASER, Mr. HAWKINS, Mr. LEGGETT, Mr. METCALFE, Mrs. MEYNER, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, Mr. RANGEL, Mr. ROYBAL, Mr. SOLARZ, Mr. STARK, Mr. STOKES, Mr. THOMPSON, Mr. CHARLES H. WILSON of California, and Mr. OBERSTAR):

H.R. 4343. A bill to provide for improved labor-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. COHEN (for himself and Mr. EMERY):

H.R. 4344. A bill to repeal the provisions of law allowing automatic cost-of-living adjustments in the salaries of Members of Congress; to the Committee on Post Office and Civil Service.

By Mr. DELANEY (for himself and Mr. BEARD of Rhode Island):

H.R. 4345. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

By Mr. DRINAN:

H.R. 4346. A bill to establish a Federal Bank Commission to administer all Federal laws relating to the conduct of the banking business both foreign and domestic, including such laws relating to the chartering of banking institutions and their branching activities, bank holding companies and their activities, Edge Act corporations and their activities, and the examination, supervision, and regulation of banking institutions under Federal law; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ERTEL:

H.R. 4347. A bill for the relief of the Milton Public Library and the Himmelreich Library; to the Committee on the Judiciary.

By Mrs. FENWICK (for herself, Mr. FORSYTHE, Mr. SEIBERLING, Mr. GILMAN, Mr. MAGUIRE, Mr. MCHUGH, and Mr. EDGAR):

H.R. 4348. A bill to terminate the authorization for the Tocks Island Reservoir project as part of the Delaware River Basin project, and for other purposes; jointly, to the Committees on Public Works and Transportation, and Interior and Insular Affairs.

By Mr. FLOOD:

H.R. 4349. A bill for the relief of the Shippensburg Public Library, the Osterhout Library, the West Pittston Library, the West Shore Public Library, the Milton Public Library, and the Himmelreich Library; to the Committee on the Judiciary.

By Mr. HORTON:

H.R. 4350. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to defer a portion of his income tax based upon the amount of certain expenses paid or incurred by him in connection with the education or training at an institution of higher education or a vocational school of the taxpayer, his spouse, or any dependent; to the Committee on Ways and Means.

By Mr. KASTENMEIER (for himself, Mr. BALDUS, Mr. AMMERMAN, Mr. BEDELL, Mr. BROWN of California, Mr. JOHN L. BURTON, Mr. CORNELL, Mrs. LLOYD of Tennessee, Mr. MINETA, Mr. MOAKLEY, Mr. NOLAN, Mr. OBEY, Mr. PANETTA, Mr. SIMON, Mr. STUDDS, and VOLKMER):

H.R. 4351. A bill to amend the Clayton Act to provide for additional regulation of certain anticompetitive developments in the agricultural industry; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Mr. SCHEUER, Mr. DELANEY, Mr. LONG of Maryland, and Mr. TONRY):

H.R. 4352. A bill to prohibt companies from participating in hte boycott of another U.S. company or a country friendly to the United States, or providing certain information, in response to a foreign country's request; to the Committee on International Relations.

By Mr. KOCH (for himself, Mr. BONKER, Mr. BOWEN, Mr. BREAUX, Mr. CLEVELAND, Mr. EDWARDS of California, Mr. EILBERG, Mrs. HOLT, Mr. JENRETTE, Mr. KOSTMAYER, Mr. LE FANTE, Mr. LONG of Maryland, Mr. MIKVA, Mr. MOTTL, Mr. OBERSTAR, Mr. STOKES, and Mr. ZEFERETTI):

H.R. 4353. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

By Mr. KREBS (for himself, Mr. FRASER, Mr. MATHIS, Mr. CHARLES WILSON of Texas, Mr. ECKHARDT, Mr. RONCALIO, Mr. RUNNELS, Mr. BONKER, Mr. SHARP, Mr. TSONGAS, Mr. DE LUGO, Mr. WON PAT, Mr. BURKE of Florida, and Mr. MURPHY of Pennsylvania):

H.R. 4354. A bill to enlarge the Sequoia National Park in the State of California by adding to such park the Mineral King Valley area, to provide for certain planning respecting the management of such addition, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LAGOMARSINO:

H.R. 4355. A bill to prevent Members of Congress from receiving a cost-of-living pay adjustment in October 1977; to the Committee on Post Office and Civil Service.

By Mr. LEDERER:

H.R. 4356. A bill to encourage financial institutions to help meet the credit needs of the communities in which they are chartered, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 4357. A bill to amend title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy; to the Committee on Education and Labor.

By Mr. LEVITAS (for himself, Mr. FLOWERS, Mr. JENRETTE, Mr. LLOYD of California, Mr. MOORE, Mr. STUMP, Mr. PATTERSON of California, Mr. WHITE, Mr. DORNAN, Mr. HEFNER, Mr. HIGHTOWER, Mr. HEFTEL, Mr. BONIOR, Mr. GILMAN, Mr. NOLAN, Mr. FITHIAN, Mr. COUGHLIN, Mr. CHAPPELL, Mrs. KEYS, Mr. ROSE, Mr. MOORHEAD of Pennsylvania, Mr. FUQUA, Mr. BENNETT, Mr. ST GERMAIN, and Mr. EVANS of Indiana):

H.R. 4358. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and by expanding judicial review, and for other purposes; jointly to the Committees on the Judiciary, and Rules.

By Mr. LEVITAS (for himself, Mr. JENRETTE, Mr. LLOYD of California, Mr. MOORE, Mr. STUMP, Mr. PATTERSON of California, Mr. WHITE, Mr. DORNAN, Mr. HEFNER, Mr. HIGHTOWER, Mr. HEFTEL, Mr. BONIOR, Mr. GILMAN, Mr. NOLAN, Mr. FITHIAN, and Mr. MANN):

H.R. 4359. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedures for congressional review of future agency rules, and by expanding judicial review and for other purposes; jointly, to the Committees on the Judiciary, and Rules.

By Mr. LEVITAS (for himself, Mr. JENRETTE, Mr. LLOYD of California, Mr. MOORE, Mr. STUMP, Mr. PATTERSON of California, Mr. WHITE, Mr. DORNAN, Mr. HEFNER, Mr. HIGHTOWER, Mr. HEFTEL, Mr. BONIOR, Mr. GILMAN, Mr. NOLAN, Mr. FITHIAN, Mr. STEERS, Mrs. SPELLMAN, Mr. COUGHLIN, Mr. SHARP, Mr. NEAL, and Mr. CHAPPELL):

H.R. 4360. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules imposing certain sanctions, and by expanding judicial review, and for other purposes; jointly, to the Committees on the Judiciary, and Rules.

By Mr. MCCLOSKEY:

H.R. 4361. A bill to provide for certain import restrictions against enterprises engaged in prohibited whaling activities, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, and Ways and Means.

By Mr. MITCHELL of Maryland (for himself, Mr. BADILLO, Mr. BAUCUS, Mr. BRODHEAD, Mr. BROWN of California, Mrs. BURKE of California, Mr. CARNEY, Mrs. CHISHOLM, Mr. CLAY, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. CORMAN, Mr. DELLUMS, Mr. DICKS, Mr. DIGGS, Mr. DODD, Mr. DRINAN, Mr. DUNCAN of Tennessee, Mr. EDWARDS of California, Mr. FASCELL, Mr. FAUNTROY, Mr. FORD of Tennessee, Mr. GEPHARDT, Mr. HARRINGTON, and Mr. HAWKINS):

H.R. 4362. A bill to amend the Small Business Act to expand assistance under such act to minority small business concerns, to provide statutory standards for contracting and subcontracting by the United States with respect to such concerns, and to create a Commission on Federal Assistance to Minority Enterprise, and for other purposes; jointly, to the Committees on Small Business, Government Operations, and Banking, Finance and Urban Affairs.

By Mr. MITCHELL of Maryland (for himself, Mr. JENRETTE, Ms. JORDAN, Mr. LE FANTE, Mr. METCALFE, Mr. MCHUGH, Mr. MCKINNEY, Mr. MIKVA, Mr. MINETA, Mr. MOFFETT, Mr. NEAL, Mr. NIX, Mr. OTTINGER, Mr. PATTERSON of California, Mr. PEPPER, Mr. RANGEL, Mr. RICHMOND, Mr. RODINO, Mr. SCHEUER, Mr. STARK, Mr. STOKES, Mr. STUDDS, and Mr. TRAXLER):

H.R. 4363. A bill to amend the Small Business Act to expand assistance under such act to minority small business concerns, to provide statutory standards for contracting and

subcontracting by the United States with respect to such concerns, and to create a Commission on Federal Assistance to Minority Enterprise, and for other purposes; jointly, to the Committees on Small Business, Government Operations, and Banking, Finance and Urban Affairs.

By Mr. JOHN T. MYERS (for himself, Mr. BEDELL, Mr. GRASSLEY, Mr. JENRETTE, Mr. SANTINI, Mr. SKELTON, and Mrs. SPELLMAN):

H.R. 4364. A bill to amend title 18, United States Code, to prohibit the transportation of stolen livestock and the sale or receipt of such livestock; to the Committee on the Judiciary.

By Mr. NIX:

H.R. 4365. A bill to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 4366. A bill to grant a Federal charter to the National Opportunity Camps; to the Committee on the Judiciary.

By Mr. OBEY (for himself, Mr. ANDERSON of California, Mr. BADILLO, Mr. BALDUS, Mr. BEARD of Rhode Island, Mr. BEDELL, Mr. BEVILL, Mr. BINGHAM, Mr. BOLLING, Mr. BONIOR, Mr. BOWEN, Mr. BREAUX, Mr. BROWN of California, Mr. CARNEY, Mrs. CHISHOLM, Mr. CLAY, Mr. COHEN, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. CORNELL, Mr. CORNWELL, Mr. CORRADA, Mr. COUGHLIN, Mr. DE LUGO, and Mr. DRINAN):

H.R. 4367. A bill to amend titles II and XVIII of the Social Security Act to include eligible drugs, requiring a physician's prescription or certification and approved by a Formulary Committee, among the items and services covered under the hospital insurance program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. OBEY (for himself, Mr. EDGAR, Mr. EILBERG, Mr. FAUNTROY, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. FRASER, Mr. GIAIMO, Mr. HANNAFORD, Mr. HARRINGTON, Mr. HARRIS, Mr. HAWKINS, Ms. HOLTZMAN, Mr. HORTON, Mr. HOWARD, Mr. KILDEE, Mr. KOCH, Mr. LAFALCE, Mr. LE FANTE, Mr. LEGGETT, Mr. LEHMAN, Mrs. LLOYD of Tennessee, Mr. MCCORMACK, Mr. MCKINNEY, and Mr. MAGUIRE):

H.R. 4368. A bill to amend titles II and XVIII of the Social Security Act to include eligible drugs, requiring a physician's prescription or certification and approved by a formulary committee, among the items and services covered under the hospital insurance program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. OBEY (for himself, Mr. METCALFE, Mrs. MEYNER, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. MOLLOHAN, Mr. NEDZI, Mr. NIX, Mr. OBERSTAR, Mr. OTTINGER, Mr. PATTEN, Mr. PEPPER, Mr. PERKINS, Mr. PRICE, Mr. PRITCHARD, Mr. QUILLEN, Mr. REUSS, Mr RICHMOND, Mr. RINALDO, Mr. RODINO, Mr. RONCALIO, Mr. ROSENTHAL, and Mr. ROYBAL):

H.R. 4369. A bill to amend titles II and XVIII of the Social Security Act to include eligible drugs, requiring a physician's prescription or certification and approved by a formulary committee, among the items and services covered under the hospital insurance program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. OBEY (for himself, Mr. RYAN, Mr. SCHEUER, Mr. SEIBERLING, Mr. SIMON, Mrs. SPELLMAN, Mr. STARK, Mr. STOKES, Mr. STUDDS, Mr. TONRY, Mr. VENTO, Mr. WALKER, Mr. WAXMAN, Mr. WOLFF, Mr. WON PAT, Mr. YATRON, Mr. ZEFERETTI, Mr. FLOOD, Mr. PANETTA, Mr. RANGEL, Mr. MEEDS, Mr. SOLARZ, Mr. EDWARDS of California, Mr. CARR, and Mr. BLOUIN):

H.R. 4370. A bill to amend titles II and XVIII of the Social Security Act to include eligible drugs, requiring physician's prescription or certification and approved by a formulary committee, among the items and services covered under the hospital insurance program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. OBEY (for himself, Mr. BRADEMAS, Mr. BAUCUS, Mr. CONTE, Mr. DANIELSON, Mr. DAVIS, Mr. SCHULZE, Mr. JOHNSON of California, Mr. ADDABBO, Mr. GAYDOS, and Mr. PATTERSON of California):

H.R. 4371. A bill to amend titles II and XVIII of the Social Security Act to include eligible drugs, requiring a physician's prescription or certification and approved by a formulary committee, among the items and services covered under the hospital insurance program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. AKAKA, Mr. BADILLO, Mr. BEDELL, Mr. PHILLIP BURTON, Mr. CORMAN, Mr. D'AMOURS, Mr. DICKS, Mr. DOWNEY, Mr. DRINAN, Mr. FAUNTROY, Mr. FORD of Michigan, Mr. FREY, and Mr. GILMAN):

H.R. 4372. A bill to direct the Coordinating Council on Juvenile Justice and Delinquency Prevention to organize and convene a national conference on learning disabilities and juvenile delinquency, and for other purposes; to the Committee on Education and Labor.

By Mr. PEPPER (for himself, Mr. HUGHES, Ms. KEYS, Mr. KOSTMAYER, Mr. OTTINGER, Mr. PRITCHARD, Mr. PRICE, Mr. RICHMOND, Mr. ROSENTHAL, Mr. SARASIN, Mr. THOMPSON, Mr. VANDER JAGT, Mr. VENTO, Mr. WAXMAN, and Mr. WEISS):

H.R. 4373. A bill to direct the Coordinating Council on Juvenile Justice and Delinquency Prevention to organize and convene a national conference on learning disabilities and juvenile delinquency, and for other purposes; to the Committee on Education and Labor.

By Mr. PEPPER (for himself, Mr. LE FANTE, Mr. PATTISON of New York, and Mr. SOLARZ):

H.R. 4374. A bill to amend the Elementary and Secondary Education Act of 1965 to provide grants to establish demonstration programs to educate, motivate, and encourage secondary school students from disadvantaged backgrounds to pursue professional training at the graduate level in the biomedical sciences; to the Committee on Education and Labor.

By Mr. RAHALL:

H.R. 4375. A bill to amend section 1114, title 18, United States Code, so that Federal mine safety inspectors will be protected by criminal statutes; to the Committee on the Judiciary.

By Mr. REGULA (for himself, Mr. SARASIN, and Mr. SIMON):

H.R. 4376. A bill to provide that the changes made by the Tax Reform Act of 1976 to the exclusion for sick pay shall only apply to taxable years beginning after December 31, 1976; to the Committee on Ways and Means.

By Mr. RISENHOOVER:

H.R. 4377. A bill to authorize the Secretary of the Interior to enter into an agreement with the Cherokee, Choctaw, and Chickasaw Indian Nations for the purchase or lease by the United States of each nation's right and interests in the riverbed of the Arkansas River, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 4378. A bill to amend the laws relating to the Osage Tribe in Oklahoma; to the Committee on Interior and Insular Affairs.

H.R. 4379. A bill to amend the laws relating to the Osage Tribe in Oklahoma; to the Committee on Interior and Insular Affairs.

H.R. 4380. A bill to amend the laws relating to the Osage Tribe in Oklahoma; to the Committee on Interior and Insular Affairs.

H.R. 4381. A bill to amend the laws relating to the Osage Tribe in Oklahoma; to the Committee on Interior and Insular Affairs.

H.R. 4382. A bill to amend the laws relating to the Osage Tribe in Oklahoma; to the Committee on Interior and Insular Affairs.

H.R. 4383. A bill to amend the laws relating to the Osage Tribe in Oklahoma; to the Committee on Interior and Insular Affairs.

H.R. 4384. A bill to amend the laws relating to the Osage Tribe in Oklahoma; jointly, to the Committees on Ways and Means, and Interior and Insular Affairs.

H.R. 4385. A bill to amend the laws relating to the Osage Tribe in Oklahoma; to the Committee on Interior and Insular Affairs.

H.R. 4386. A bill to amend the laws relating to the Osage Tribe in Oklahoma; to the Committee on Interior and Insular Affairs.

By Mr. SHUSTER:

H.R. 4387. A bill for the relief of the Shippensburg Public Library, the Ousterhout Library, the West Pittston Library, the West Shore Public Library, the Milton Public Library, and the Himmelreich Library; to the Committee on the Judiciary.

By Mr. SIMON (for himself, Mr. RAHALL, Mr. BEVILL, Mr. EDGAR, Mr. MURPHY of Pennsylvania, Mr. MOAKLEY, Mr. BONIOR, Mr. HUBBARD, Mr. STARK, Mr. WEISS, Mr. SCHEUER, Mr. STOKES, Mr. BADILLO, and Mr. BEDELL):

H.R. 4388. A bill to amend the Federal Coal Mine Health and Safety Act of 1969 to revise the black lung benefits program established under such act in order to transfer the residual liability for the payment of benefits under such program from the Federal Government to the coal industry, and for other purposes; jointly, to the Committees on Education and Labor, and Ways and Means.

By Mr. SIMON (for himself, Mr. PERKINS, Mr. YATRON, Mr. HAWKINS, Mrs. COLLINS of Illinois, Mrs. LLOYD of Tennessee, Mrs. CHISHOLM, Ms. MIKULSKI, Mr. BAUCUS, Mr. OTTINGER, Mr. EVANS of Colorado, Mr. DUNCAN of Tennessee, and Mr. MITCHELL of Maryland):

H.R. 4389. A bill to amend the Federal Coal Mine Health and Safety Act of 1969 to revise the black lung benefits program established under such act in order to transfer the residual liability for the payment of benefits under such program from the Federal Government to the coal industry, and for other purposes; jointly, to the Committees on Education and Labor, and Ways and Means.

By Mr. SISK:

H.R. 4390. A bill to amend the act of June 3, 1960 (74 Stat. 156), authorizing the Secretary of the Interior to construct the San Luis Unit, Central Valley Project, California; to the Committee on Interior and Insular Affairs.

By Mr. SOLARZ:

H.R. 4391. A bill to amend the U.S. Housing Act of 1937 to enable local public housing agencies to enter into security arrangements designed to prevent crimes and otherwise insure the safety and well-being of public

housing tenants; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SOLARZ (for himself, Mrs. COLLINS of Illinois, Mr. LAFALCE, Mr. ROSENTHAL, Mr. STOKES, Mr. WAXMAN, and Mr. ZEFERETTI):

H.R. 4392. A bill to amend the Social Security Act to consolidate within a single comprehensive national welfare program all of the existing Federal public assistance and welfare programs, with all residents of the United States being guaranteed an adequate minimum income; to the Committee on Ways and Means.

By Mr. THOMPSON (for himself, Mr. CORMAN, Mr. BADILLO, Mr. CARNEY, Mr. CLAY, Mr. EILBERG, Mr. FLOOD, Mr. FORD of Michigan, Mr. FREY, Mr. GILMAN, Mr. HAWKINS, Mr. KILDEE, Mr. LE FANTE, Mr. PATTERSON of California, Mr. PRICE, Mr. ROYBAL, Mr. SCHEUER, Mr. TSONGAS, Mr. VENTO, and Mr. ZEFERETTI):

H.R. 4393. A bill to amend the Service Contract Act of 1965 to extend its coverage to professional employees; to the Committee on Education and Labor.

By Mr. WAMPLER for himself and Mr. FOLEY):

H.R. 4394. A bill to establish a National Agricultural Research, Extension, and Teaching Policy Advisory Board, and for other purposes; to the Committee on Agriculture.

By Mr. WIRTH:

H.R. 4395. A bill to provide for judicial review of administrative determinations by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. WRIGHT:

H.R. 4396. A bill to amend the Federal Aviation Act of 1958 with respect to the definition of "air commerce" and "air transportation"; to the Committee on Public Works and Transportation.

By Mr. FOLEY (for himself, Mr. WAMPLER, Mr. BALDUS, Mr. ENGLISH, Mr. FITHIAN, Mr. HICHTOWER, Mr. JEFFORDS, Mr. JONES of Tennessee, Mr. KREBS, Mr. MCHUGH, Mr. MOORE, Mr. ROSE, Mr. THONE, Mr. THORNTON, and Mr. VOLKMER):

H.R. 4397. A bill to extend the Agricultural Trade Development and Assistance Act of 1954, as amended; jointly, to the Committees on Agriculture, and International Relations.

By Mr. KEMP:

H.R. 4398. A bill to reform programs administered under the Comprehensive Employment and Training Act; to the Committee on Education and Labor.

H.R. 4399. A bill to amend the Internal Revenue Code of 1954 to permit the deduction as medical expenses of the full cost of permanent improvements to property made for medical care purposes; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.J. Res. 290. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mrs. BURKE of California (for herself, Mr. ADDABBO, Mr. BADILLO, Mr. BOLAND, Mr. BOWEN, Mr. BRODHEAD, Mr. CARNEY, Mr. CONYERS, Mr. CORMAN, Mr. DE LUGO, Mr. DIGGS, Mr. FAUNTROY, Mrs. FENWICK, Mr. GLICKMAN, Mr. HAWKINS, Mr. HOWARD, Ms. KEYS, Mr. KRUEGER, Mr. MAZZOLI, Mr. METCALFE, Mr. MITCHELL of Maryland, Mr. NIX, Mr. PEPPER, Mr. RANGEL, and Mr. RODINO):

H.J. Res. 291. Joint resolution to designate March 13 to 19, 1977, as National Community Health Week; to the Committee on Post Office and Civil Service.

By Mrs. BURKE of California (for herself, Mr. BEVILL, Mrs. CHISHOLM, Mr. EDWARDS of California, Mr. HAWKINS, Mr. JENRETTE, Ms. MIKULSKI, Mr. MOAKLEY, Mr. MOFFETT, Mr. MICHAEL O. MYERS, Mr. PATTERSON of California, Mr. RICHMOND, Mr. SCHEUER, Mr. SIMON, Mrs. SPELLMAN, Mr. STOKES, Mr. VENTO, Mr. WAXMAN, Mr. WEISS, Mr. WHITEHURST, and Mr. WIRTH):

H.J. Res. 292. Joint resolution to designate March 13 to 19, 1977, as National Community Health Week; to the Committee on Post Office and Civil Service.

By Mr. LAGOMARSINO (for himself, Mr. BAUCUS, Mr. BURGENER, Mr. CLEVELAND, Mr. FRASER, Mr. PANETTA, Mr. PRITCHARD, and Mr. WALKER):

H.J. Res. 293. Joint resolution proposing an amendment to the Constitution of the United States to limit the number of consecutive Congresses in which Senators and Representatives may serve; to the Committee on the Judiciary.

By Mr. LAGOMARSINO (for himself, Mr. BURGENER, Mr. CLEVELAND, Mr. EDGAR, Mr. FRASER, Mr. TREEN, Mr. MANN, and Mr. PRITCHARD):

H.J. Res. 294. Joint resolution proposing an amendment to the Constitution of the United States to provide for a single 6-year term for the President; to the Committee on the Judiciary.

By Mr. LAGOMARSINO (for himself, Mr. BURGENER, Mr. CLEVELAND, Mr. FRASER, and Mr. PRITCHARD):

H.J. Res. 295. Joint resolution proposing an amendment to the Constitution of the United States to provide for a single 6-year term for the President, and to limit the number of consecutive Congresses in which Senators and Representatives may serve; to the Committee on the Judiciary.

By Mr. JOHN T. MYERS:

H.J. Res. 296. Joint resolution to authorize the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as National Family Week; to the Committee on Post Office and Civil Service.

By Mr. NIX (for himself and Mr. LEDERER):

H.J. Res. 297. Joint resolution to authorize the President to proclaim the 22d day of April of each year as Queen Isabella Day; to the Committee on Post Office and Civil Service.

By Mr. WHITEHURST (for himself, Mr. CORRADA, Mr. EDWARDS of Oklahoma, Mr. KINDNESS, and Mr. SEBELIUS):

H.J. Res. 298. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. WYDLER:

H.J. Res. 299. Joint resolution proposing an amendment to the Constitution of the United States relative to neighborhood schools; to the Committee on the Judiciary.

By Mr. RANGEL:

H.J. Res. 300. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. OTTINGER:

H.J. Res. 301. Joint resolution to authorize the Secretary of the Interior to accept Saint Paul's Church, Eastchester, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. EILBERG:

H. Con. Res. 132. Concurrent resolution to seek the resurrection of the Ukrainian Orthodox and Catholic Churches in Ukraine; to the Committee on International Relations.

H. Con. Res. 133. Concurrent resolution expressing the sense of the Congress that the President, acting through the U.S. Ambassador to the United Nations Organization, take such steps as may be necessary to place the question of human rights violations in the Soviet-occupied Ukraine on the agenda of the United Nations Organization; to the Committee on International Relations.

H. Con. Res. 134. Concurrent resolution concerning the safety and freedom of Valentyn Moroz, historian, writer, and spokesman for the cultural integrity of the Ukrainian people; to the Committee on International Relations.

By Mr. HAGEDORN (for himself and Mr. KEMP):

H. Con. Res. 135. Concurrent resolution to establish a Commission on Legislative-Judicial Relations; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. Con. Res. 136. Concurrent resolution disapproving the President's action under section 203 of the Trade Act of 1974 (August 28, 1976); to the Committee on Ways and Means.

By Mr. THOMPSON:

H. Res. 361. Resolution providing additional funds for the expenses of the Committee on House Administration to carry out its responsibilities under 2 U.S.C. et seq., and the Rules of the House of Representatives; to the Committee on House Administration.

By Mr. BEARD of Rhode Island:

H. Res. 362. Resolution establishing an allowance for Members of the House of Representatives to defray the cost of toll-free telephone service with respect to communications to the district offices of such Members; to the Committee on House Administration.

By Mr. BROOKS:

H. Res. 363. Resolution to provide for the printing of the report relating to procurement of ADP resources by the Federal Government; to the Committee on House Administration.

By Mr. FRENZEL (for himself, Mr. ERLENBORN, Mr. FREY, Mr. LAGOMARSINO, Mr. CEDERBERG, and Mr. CONTE):

H. Res. 364. Resolution to amend the Rules of the House of Representatives, and for other purposes; divided and referred as follows: Title I, section 301, titles IV, V, and VI to the Committee on Rules; title II and section 303 to the Committee on Standards of Official Conduct; and section 302 to the Committee on House Administration.

By Mr. McDONALD:

H. Res. 365. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on International Relations.

By Mr. MICHEL:

H. Res. 366. Resolution to amend the Rules of the House of Representatives to prohibit unofficial office accounts; to the Committee on Rules.

By Mr. FRENZEL (for himself and Mr. JEFFORDS):

H. Res. 367. Resolution to amend the Rules of the House of Representatives to limit honoraria for Members, officers, and employees of the House of Representatives; to the Committee on Standards of Official Conduct.

By Mr. FRENZEL (for himself, Mr. ALLEN, Mr. WYLIE, Mr. EMERY, Mr. SARASIN, Mr. YOUNG of Florida, Mr. BAUMAN, Mr. EVANS of Delaware, Mr. CARTER, Mr. DEVINE, Mr. MINISH, Mr. BAFALIS, Mr. YATRON, Mr. LAGOMARSINO, Mr. BENNETT, Mr. BRINKLEY, Mr. QUIE, Mr. COHEN, Mr. PATTEN, and Mr. DENT):

H. Res. 368. Resolution to amend the Rules of the House of Representatives to prohibit unofficial office accounts; to the Committee on Rules.

By Mr. OTTINGER (for himself, Mr. BEILENSON, Mr. DELLUMS, Mr. EDWARDS of California, Mr. FRASER, Mr. HARKIN, Ms. HOLTZMAN, Mr. MCHUGH, Ms. MEYNER, Mr. ROSENTHAL, Mr. SOLARZ, and Mr. STUDDS):

H. Res. 369. Resolution to resolve the un-

finished business of the Vietnam war; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

23. By the SPEAKER: Memorial of the Legislature of the State of South Dakota, relative to relations with the Republic of China; to the Committee on International Relations.

24. Also, memorial of the House of Representatives of the State of Georgia, relative to the hearing of scripture and prayer in public schools; to the Committee on the Judiciary.

25. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to creation and implementation of a national coal policy; jointly, to the Committees on Interstate and Foreign Commerce, and Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BADILLO:

H.R. 4400. A bill for the relief of United Broadcasting Co., of Florida; to the Committee on the Judiciary.

By Mr. ERTEL:

H.R. 4401. A bill for the relief of Kwi Sok Buckingham (nee Kim); to the Committee on the Judiciary.

H.R. 4402. A bill for the relief of Flore Herniak; to the Committee on the Judiciary.

By Mr. JENRETTE:

H.R. 4403. A bill for the relief of Loretta Sloan; to the Committee on the Judiciary.

By Mr. PRICE:

H.R. 4404. A bill for the relief of Susan Spurrier; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII.

54. The SPEAKER presented a petition of the Pennsylvania State Conference of N.A.A.C.P. Branches, Coatesville, Pa., relative to the proposed Consumer Communications Reform Act of 1977, which was referred to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

CHROME AND SECURITY

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 2, 1977

Mr. HARRY F. BYRD, JR. Mr. President, it is widely accepted in this country that our economy and our standard of living are heavily dependent on our access to oil.

However, it is not nearly as obvious, but the United States is also heavily dependent on an assured access to minerals including chrome. U.S. foreign policy initiatives have been taken to help secure access to oil, but no such policies have been formulated with regard to minerals.

The February 9, 1977, issue of the Laurel, Miss., Leader-Call contained an editorial concerning this matter and I ask unanimous consent that the text of that editorial be printed in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CHROME AND SECURITY

Winter's icy grip on the United States appears to have convinced the American people of the seriousness of the energy crisis. At long last, they realize that the nation must increase its production of coal, oil, and gas.

There is the possibility of an equally grave crisis in the years ahead, however—a minerals crisis. As an industrial country, the United States must have assured access to minerals as well as energy. Unfortunately, the U.S. may face artificial mineral shortages.

A number of Third World nations, which are sources of metals, are determined to take a page from the book of the oil-producing countries. They are planning to form mineral cartels in order to hike the prices paid by the United States and other industrial nations. Moreover, many of these Third World producer countries are Marxist-oriented states hostile to the U.S. and they intend to use their resources as a weapon against the West.

The American government has been slow to appreciate the seriousness of the developing mineral crisis. It has failed to accept access to minerals as a goal of U.S. statecraft. Indeed, the Executive Branch has persisted in a policy on the importation of Rhodesian chrome that is immensely harmful to the national interest. Economic historian John Chamberlain has warned that "There can be no space age technology without this chrome."

In the 1960s, the United Nations ordered economic sanctions against Rhodesia because it sought independence, believing this would give its people freedom from the turmoil and tyranny characteristic of Central Africa. Liberals in the U.S. government successfully applied pressure so as to cause the American authorities to fall in line with the U.N. campaign. The result was that the United States became dependent on chrome ore from the Soviet Union.

In 1971, however, Congress enacted the Byrd Amendment which prohibits the President from placing an embargo on the importation of a strategic material from a free world country if that same material is being imported from a communist country.

There have been many attempts to repeal the Byrd Amendment, all of which have failed. Nevertheless, there is strong likelihood that the Carter administration will make another push. It is very important, therefore, that the public understand what is at stake.

U.S. Sen. Harry F. Byrd Jr. (Ind.-Va.) recently published in the Journal of Social and Political Affairs a detailed account of the Rhodesian chrome ore question entitled "Rhodesian Chrome Ore—The Myths Vs. The Facts."

The senator pointed out that critics of the Byrd Amendment have created the myth that the United States has a huge stockpile of chrome ore and hasn't any need to obtain Rhodesian chrome—that, in fact, the U.S. sold 900,000 tons in 1974.

Sen. Byrd explained that, true, 900,000 tons of chrome ore was put on sale in Montana in 1971, but he noted that this chrome didn't find a buyer until 1974 because it "was of unusable low grade quality, totally uneconomic except for refractory purposes." It was sold for an average price of $7.65 a ton, at a time when the average price per ton of Soviet metallurgical grade chromite ore sold for $68.49. So much for the myth that America has a huge stockpile of high-grade chrome.

Sen. Byrd set forth a number of significant facts in his article. Among the key facts is "67.3 per cent of the world's metallurgical grade chrome can be found in Rhodesia and 22.4 per cent in South Africa." In other words, almost 90 per cent of this strategic metal is in Rhodesia and South Africa.

As the senator from Virginia stated, "No combination of non-Rhodesian foreign sources and stockpile releases is going to give the United States a secure source of chrome." Sen. Byrd added: "We must have access to the Rhodesian source—and that means to keep the Byrd Amendment on the books."

The Carter administration's approach to the Rhodesian chrome issue will be a test of its capacity for serious statesmanship. Whatever political commitments were made in the course of the presidential campaign, Carter has an obligation to protect the interests of the American people. Access to strategic materials, including chrome, is a very important national interest—as important as developing new energy sources.

If the embargo on Rhodesian chrome is reimposed, the steel alloy industry of the United States will be directly threatened. This means America's security is threatened, for the country's security is dependent on special metals in aircraft and other defense systems.

Furthermore, if the Byrd Amendment is struck down, the United States will be at the mercy of the Soviet Union for a critical strategic material.

One can only hope, therefore, that President Carter and the Congress will heed Sen. Byrd's warning that "Chrome is a vitally important resource for the United States and this should be weighed carefully when formulating our national policy concerning Rhodesia."

200-MILE LIMIT STARTS TODAY

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. MOAKLEY. Mr. Speaker, at 12:01 yesterday morning in the United States 200-mile fishery conservation zone went into effect. This event culminates a 4-year effort by many of us, under the leadership of my colleague from southeastern Massachusetts, GERRY STUDDS. I am very pleased that the Studds-Magnuson law has now gone into effect, so that the rich protein resources of the fisheries off our coasts will continue to supply food for future generations. Two excellent articles on the 200-mile limit appeared in Boston newspapers on Sunday, and I submit these articles from the Boston Herald American and the Boston Globe for the information of my colleagues.

[From The Boston Herald American, Feb. 27, 1977]

FISHERY HOPES HANG ON 200-MILE LIMIT

(By Drew F. Steis)

WASHINGTON.—On Tuesday, March 1, 1977, the United States will extend its fisheries jurisdiction from 12 miles to 200-miles off-

shore, a move that many in government and the U.S. fishing industry believe will result in a revitalization of the domestic fishing fleets, increased employment, and ultimately, lower seafood prices in local supermarkets across the nation.

At 12:01 a.m. local time on the Atlantic, Pacific and Gulf coasts an invisible fishing barrier against foreign fishing fleets will be established 200 miles off the U.S. coastline as part of Public Law 94-265. "The Fishery Conservation and Management Act of 1976."

The act, popularly known as the Studds-Magnuson 200 mile Fish Conservation Zone bill, is the first major action by the federal government in the last ten years to save the fisheries along the U.S. coastline, one of the richest fishing areas in the world.

The 31-page act sets up an exclusive U.S. fishery management authority within the 200 mile limit and outlines a program of licensing for foreign fishermen, a coordinated fish management and conservation plan and provides for enforcement and heavy penalties for violators.

Beginning Tuesday all foreign fishing vessels operating within 200 miles of the U.S. coastline must be licensed by the U.S. State Department. By applying for the license, the foreign fisherman agrees to abide by any restrictions imposed by the U.S. on where he can fish, when he can fish and how much fish he can catch of each species. The foreign fisherman must also permit the U.S. Coast Guard or other U.S. officials to board his vessel at any time to inspect his catch and fishing equipment for violations.

The act establishes eight Regional Fishery Management Councils that will draw up individual fish management plans for their area to prevent over-fishing of any individual species.

Penalties for fishing without a license or violating conservation measures include forfeiture of the fishing vessel, its equipment and catch and fines up to $50,000 per day of violation and up to $100,000 and 10 years in prison if armed resistance or violence occurs during an official inspection of a foreign fishing vessel.

Fishing industry leaders expect two main benefits from the new law: First, under a sound policy of fish conservation and management, commercial fish stocks are expected to increase within the 200-mile limit. By taking the older, larger fish and leaving the younger fish to regenerate the species, marine biologists expect those endangered commercial species to increase and to continue to be available to both U.S. and foreign fishermen as a rich source of protein.

Secondly, economists believe the increased availability of fish within the 200 mile limit will cause a revitalization of the U.S. fishing industry. In a 1974 study Professors Nells Rorholm and Andreas Holmsen of the University of Rhode Island pointed out that increasing the U.S. fishing limit to 200 miles would permit commercial fish stocks to recover from foreign overfishing so the annual domestic fish catch could increase to 3.5 times the domestic catch of 1972.

"The fishing industry generates other jobs and other economic activity proportionately better than most other industries," the report stated. Increasing the potential number of fish available to be caught would also increase the employment and revenues in the support activities to the fishing industry such as boat building, outfitting, crews, fish handlers, processors, packagers and retailers.

Most importantly, the availability of more fish caught by U.S. fishermen should bring down the high cost of fish and fish products in the U.S. marketplace.

The penalties under the new law are stiff and enforcement is expected to be strict. In a hearing two weeks ago, Coast Guard Capt. Richard J. Knapp stressed that it is of "paramount and immediate importance to establish the credibility of the U.S. intent to enforce the law through early and effective measures in the active fishing areas."

The Coast Guard plans to enforce the new 200 mile limit by utilizing existing surface and air units and has reactivated the high endurance cutter UNIMAK which will be homeported in New Bedford, Mass. Initially the Coast Guard also has requested the addition of four long range search aircraft, four medium range search aircraft and 10 short range shipboard helicopters to patrol the fishing grounds.

The new patrol capacity is expected to give the Coast Guard better enforcement tools than it had in its sometimes-spotty enforcement of the 12-mile limit.

Violators will be initially discovered by boarding and inspection in the fishing grounds but ultimately the Coast Guard wants to place individual transponders or locators on foreign fishing vessels that can be electronically triggered to identify the vessel from a Coast Guard aircraft flying over the fishing grounds. Any foreign vessel not sending its code to the aircraft would then be stopped and inspected by surface Coast Guard ships.

The passage of the Studds-Magnuson 200 Mile Fish Conservation Zone bill by the U.S. Congress was a positive and immediate response to the massive invasion of foreign fishing fleets into U.S. coastal waters.

In the early 1960's sophisticated foreign fishing fleets, accompanied by escorting fleets of processing and refrigeration vessels, moved into the Atlantic, Pacific and Gulf waters, an area where marine biologists estimated one-fifth of the world's fish could be found. In 1960 U.S. commercial fishermen took 92.2 percent of the catch off the East Coast in the Atlantic. By 1974 the U.S. share had dropped to 50 percent of the fish caught.

In New England and the Georges Bank area off Cape Cod the figures were even more dramatic dropping from 100 percent in 1960 to 10.4 percent of the catch in 1972. Not only did the reduction in catch mean a loss of revenues and employment for U.S. fishermen but the United States found itself increasing the balance of payment deficit by 315 percent between 1960 and 1972 by buying fish from foreign nations—fish that had been caught off its own shores.

By 1966 the Congress was alarmed enough to pass legislation extending the U.S. fisheries jurisdiction from the three mile territorial sea out to 12 miles offshore. The three mile territorial limit remained the same but now foreign fleets were prohibited from fishing within 12 miles of the U.S. coastline. Violations within the new fishing limit continued and the Coast Guard found it difficult to enforce the new law along the 12,000 miles of U.S. coastline. In 1965 the United States was second only to Japan in pounds of fish caught in the world. By 1974 the U.S. had dropped to fifth in the world ranking behind Japan, the Soviet Union, the Republic of China and Peru.

The foreign violations of the 12 mile zone were further compounded by a foreign disregard for sound fish conservation policies. While the U.S. slipped in fish landings, U.S. fishermen continued to observe quota restrictions placed on certain species at certain times by the International Convention for the Northwest Atlantic Fisheries (ICNAF), an international agreement established in 1966 that outlined a conservation program to insure the continuation of certain endangered commercial fish species.

Not so the foreign fleets which continued to catch fish off the U.S. coastline at a rate that prohibited such important fish stocks as cod, haddock, herring, flounder and ocean perch from regenerating themselves.

The U.S. fisheries sought to further protect and conserve these endangered commercial species by reaching international agreements with the foreign fishing nations to restrict the mesh size of bottom trawl nets to an opening of three and one-half inches to permit younger fish to escape and regenerate their species. Foreign fishermen, although their nations were signatories to these agreements, continued to use nets with a mesh as fine as ⅝ of an inch making it impossible for any fish to escape.

As competition for fish and foreign fishing traffic in the rich U.S. coastal waters increased, U.S. fishermen began to lose valuable fishing gear to foreign fishing operations. U.S. nets were torn and lost and lobster pots were swept up by the larger foreign vessels. Although this loss amounted to hundreds of thousands of dollars a year in the Northwest Atlantic alone there was little chance for U.S. fishermen to identify, stop and receive compensation for their lost equipment from foreign fishing vessels. Residents of the Atlantic Coastline from Maine down to the Carolinas marveled at the "floating cities of light" as foreign fishing fleets worked a 24-hour day for up to six months of the year in U.S. coastal waters.

New legislation to protect both U.S. fishermen and the fish themselves was desperately needed.

On June 13, 1973 Congressman Gerry E. Studds of Massachusetts and Senator Warren Magnuson of Washington simultaneously introduced in the House and Senate the Studds-Magnuson interim 200 Mile Fish Conservation Zone bill.

Studds had been a member of Congress for only six months as the representative of a district that stretched from the South Shore of Boston to the fishing port of New Bedford and included Cape Cod and the Islands of Nantucket and Martha's Vineyard. He represented many fishermen in his own district and was a member of the House Merchant Marine and Fisheries Committee. Magnuson was a veteran in the Senate, also had a large fishing constituency in the Northern Pacific and was the chairman of the powerful Senate Commerce Committee.

The history of the Studds-Magnuson bill is a classic study in how the legislative process works in Congress. It took three and a half years to win final Congressional approval but only after the bill was scrutinized by six different Congressional committees, 24 congressional hearings were held in Washington and around the nation and tens of thousands of words of testimony were taken.

The initial reaction to the Studds-Magnuson bill was favorable along the Atlantic coast and on the Northern Pacific coast but California Tuna fishermen and Gulf coast shrimp fishermen warned that such unilateral action by the U.S. would result in retaliation from Central and South American countries off which they fished. Administration spokesmen from the Departments of Defense and State also warned that such unilateral action without international agreement might precipitate a shooting war with foreign fishing fleets and might further cause some foreign nations to ban U.S. commercial and naval vessels from navigable waters within 200-miles of their coastlines.

The Administration further pointed out that an International Conference on the Law of the Sea had been scheduled for Caracas, Venezuela in August of 1974 where 150 nations including the United States would meet to negotiate extended fisheries jurisdictions, deep ocean mining and other matters relating to the ownership of the oceans' resources.

Studds, Magnuson and other 200 mile sup-

porters countered that the 200 mile bill exempted highly migratory species such as tuna; that most shrimp fishing grounds off South America were already within established extended fisheries jurisdictions of Latin American countries; that the U.S. could and should protect its own fishermen and that since the 200 mile bill did not extend the U.S. three mile territorial sea, it did not interfere with the right of free passage of foreign vessels. They further argued that since the bill was an interim measure it would be superseded by an international agreement reached at the Law of the Sea Conference.

During the three and a half years the 200-mile limit debate continued, the Law of the Sea Conference met three times with no progress toward settling fisheries jurisdiction.

The Studds-Magnuson 200-mile bill passed the House on Oct. 9, 1975 by a vote of 208–101. It passed the Senate on January 28, 1976 by a vote of 77 to 19 and was signed into law by President Ford on April 13, 1976.

[From the Boston Sunday Globe, Feb. 27, 1977]

THE 200-MILE LIMIT—IT BEGAN WITH A QUESTION TO STUDDS

(By Stephen Wermiel)

WASHINGTON.—Early in 1973, Rep. Gerry E. Studds (D-Mass.) walked into a town meeting in Pembroke and an elderly woman asked, "What, Congressman, are you going to do about all these foreign fishermen?"

"My district," said Studds, recalling the meeting, "has one city and 45 towns and all but six are on the ocean." Pembroke is one of the landlocked six.

For Studds, the woman's question was the beginning of his involvement in an ensuing three-year battle in Congress to legislate the 200-mile fishing limit which goes into effect Tuesday.

"If people felt that strongly about this issue in a noncoastal town," the South Shore and Cape Cod district representative said last week, "it must have tremendous impact."

So, early in 1973, Studds set to work with Sen. Warren Magnuson (D-Wash.), the chairman of the Senate Commerce Committee to draft comprehensive legislation aimed at extending to 200 miles the jurisdiction of the United States over ocean fishing off its coasts.

There was little action on the legislation in the first two years. Public hearings were held in the Fisheries Subcommittee of the House Merchant Marine Committee, but the chairman, Rep. John Dingell (D-Mich.) was adamantly opposed.

Magnuson held hearings in his Senate Commerce Committee, and opposition began to surface—from the State Department and Defense Department concerned about possible confrontations and mobility restrictions on American ships and planes abroad and from the tuna and shrimp industries which conduct much of their business within 200 miles of other nations.

In December, 1974, the Senate passed the Studds-Magnuson bill by a vote of 68–27 over the objections of President Ford. The measure had become the major rallying point for the New England fishing industry.

But the 94th Congress also ended in December 1974, and with it went the 200-mile bill. The House failed to act.

All eyes turned to the new Congress and a March 1975 session of the Law of the Seas Conference in Geneva.

The new Congress convened in January 1975, and Studds made a symbolic move. He borrowed a bill number from Rep. Don Clausen (R-Calif.) who for years had introduced a short, unpolished version of the 200-mile bill but had never pushed it. The bill number was H.R. 200.

The new Congress also brought a new House chairman to the Fisheries subcommittee, Rep. Robert Leggett (D–Calif.) who was more sympathetic to the cause.

In March, the Law of the Seas Conference made progress, but recessed without a treaty. That lack of action was enough to move the bill in the House out of subcommittee in July 1975 and out of the full committee in August.

With then Majority Leader Thomas P. O'Neill Jr. (D-Mass.) pushing to have the bill scheduled it finally passed the House Oct. 9, 1975, by a vote of 208 to 101.

Opponents still made a last attempt to stop the bill with then Secretary of State Henry Kissinger calling senators personally.

When it finally came to a vote in January 1976, the legislative maneuvering of Sen. Edmund Muskie (D-Maine) and the lobbying of Sens. Edward Kennedy (D-Mass.), Thomas McIntyre (D-N.H.) and Ernest Hollings (D-S.C.) brought victory Jan. 29, 1976 by a vote of 77 to 16.

The struggle was not yet ended. The Senate version of the bill was to take effect July 1, 1977, but the House measure had a July 1, 1976 date.

An initial compromise of Jan. 1, 1977 was proposed in a House-Senate conference, but the presidential campaign took its toll on the process. Ford's press secretary, Ron Nessen, said on the eve of the Massachusetts primary Ford would sign a bill with a Jan. 1 date. But White House lobbyists continued to push for a March 1, 1977, compromise which was finally adopted.

Even then, Ford did not actually sign the bill until 6:30 p.m. on the very last day, April 13, 1976, waiting until the March 1976 session of the Law of the Seas Conference collapsed without major agreement.

EMBARGO ON U.S. IMPORTATION OF RHODESIAN CHROME

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 2, 1977

Mr. HARRY F. BYRD, JR. Mr. President, the Committee on Foreign Relations has voted to report to the Senate a bill which would reimpose an embargo on U.S. imports of chrome from Rhodesia.

This legislation would increase the dependence of the United States upon the Soviet Union and South Africa, each of which is governed by a regime at least as repressive as that of Rhodesia—yet it is this alleged tyranny of the Smith government in Rhodesia which is advanced as a major reason for cutting off chrome shipments from that country.

Moreover, it is obvious from the history of the embargo against Rhodesia by the United Nations—an embargo more honored in the breach than in the observance—that Rhodesia will have no difficulty marketing any chrome which the United States declines to purchase.

The issues involved in the Rhodesian chrome debate were ably summarized in a February 25 editorial in the Miami Herald, which concludes:

Boycotts are a form of economic war with dangerous implications. The full Senate ought to defeat the Byrd repealer in the name of common sense.

I agree, and I ask unanimous consent that the text of the editorial be printed in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BOYCOTT ON CHROME IS UNREALISTIC

The Senate Foreign Relations Committee at the behest of the State Department has voted 15 to 1 to restore the embargo on imports of Rhodesian chrome which was cancelled in 1972 by the so-called Byrd amendment.

The amendment ran counter to the United Nations embargo on 72 strategic materials produced by Rhodesia. The U.N. effort was aimed at the racial policies of Rhodesia as well as its rebellion against British rule. Sen. Harry Byrd of Virginia argued successfully that cutting off Rhodesian chrome would deprive this country of a vital ore needed to manufacture steel and make us dependent on the Soviet Union, the second largest chrome producer after South Africa.

The facts of the matter are clouded not only by emotion but also by contradictory statistics and a recent invention which provides a larger yield of chromium from lower grade of chrome ore available outside Rhodesia. Too, while Sen. Dick Clark of Iowa argued that "only 5 per cent of our chrome last year came from Rhodesia," imports of ferrochrome from all sources have increased six times in seven years.

Chrome from Rhodesia is important to U.S. security. The U.N. embargo which we appear to support is a sieve through which chrome ores pour at much higher prices. Boycotts are a form of economic war with dangerous implications. The full Senate ought to defeat the Byrd repealer in the name of common sense.

ABUSE OF CHILDREN

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. PEASE. Mr. Speaker, the abuse and exploitation of children is a subject that is of great concern to us all. Recently many Americans, myself among them, were deeply distressed to learn of the practice of using children in pornographic films and magazines. Millions of citizens are now demanding that this form of physical and psychological abuse be stopped without delay.

It is my belief that H.R. 3913, the Child Abuse Prevention Act of 1977, introduced last Wednesday by Mr. KILDEE of Michigan, will bring a halt to the publication and sale of this material. As a cosponsor of this bill, I commend it to my colleagues and urge its quick passage.

This bill would make it a felony to cause or permit a child under the age of 16 to be photographed or filmed while engaging in a sexual act, or a simulation of such an act. It would further make it a felony to ship, receive, or sell such material through interstate commerce.

Some could argue that prohibiting the

sale of these magazines and films by Federal law would be in violation of first amendment rights. However, it is my strong belief that there is a world of difference between materials depicting the sexual activities of informed, consenting adults, and those involving children as young as 8 years of age. In the latter case, the issue is not freedom of the press, but abuse of children, and such abuse cannot be countenanced or ignored. Congress should take steps as soon as possible to insure that this practice is brought to a halt.

FAIR PACKAGING AND LABELING ACT

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. FORD of Tennessee. Mr. Speaker, I rise today to reintroduce H.R. 902, a bill to amend the Fair Packaging and Labeling Act to require that packaged consumer commodities be labeled to show their selling price.

As I stated in the RECORD of January 4, 1977, the need for this simple and straightforward legislation is indeed great. Recently many of our Nation's large supermarket chains have begun testing a computerized checkout system which as it is presently designed threatens a basic consumer right. We in Congress must take steps to insure that all packaged consumer commodities including those sold under computerized checkout systems be clearly marked with their selling price.

Posting these prices on the market shelves is simply not enough. A Michigan State University study substantiates a claim made by several consumer groups that the installation of the computerized checkout system causes a significant difference in the price awareness of the average consumer with the prices-on consumers exhibiting substantially higher price awareness than shoppers in prices-off stores.

Since its introduction on January 4, 1977, H.R. 902 has gained nearly 50 cosponsors as well as the support of such groups as the Consumer Federation of America, the Retail Clerks International Association, the Food and Beverage Department of the AFL–CIO, and many storeowners themselves. I deeply appreciate the efforts of these groups on behalf of this measure and have been especially pleased with the support offered to it by Mr. Leon Sheppard, president of Memphis Local 1529, Retail Clerks International Association.

Mr. Speaker, I urge those of my colleagues who have not already done so to join us in supporting this critical measure to insure the nonnegotiable right of all consumers to clearly marked prices on all consumer packaged commodities.

WHERE IS A WASHINGTON OUTRAGE ABOUT THE DESTRUCTION OF LIFE AND RIGHTS IN SOUTHEAST ASIA?

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. KEMP. Mr. Speaker, I read an article this past weekend which I want to bring to the attention of this House.

During the debates over the war in Southeast Asia, how many times did we hear there would be no bloodbath if we stopped assistance to our allies? Hundreds of times? Thousands? We were assured the war throughout all of Southeast Asia was a civil one; that the interests of the indigenous Communists were strictly nationalistic; and since it must follow that their goals would be reconsolidation of national aspirations, there would be no bloodbaths. The most that was conceded was that there might be some isolated incidents.

Now, after the fall of Laos, the fall of South Vietnam, and the fall of Cambodia, we know what has happened in Southeast Asia. We know of the "reeducation" camps in Vietnam, the atrocities in Cambodia, the expulsion of western newsmen from what was Saigon, and the growing Communist guerrilla activity in neighboring Thailand.

But all we hear is the deafening sound of silence. We hear about the loss of life and rights in other parts of the world, but there is nothing but silence to be heard about murder, pillage, and the complete destruction of rights in Southeast Asia. If the real concern of those who opposed the war was the human condition in that area, where are their voices now that the human condition has worsened?

This stands in dramatic contrast to the book feature in the current edition of Reader's Digest, "Murder of a Gentle Land," by John Barron and Anthony Paul with research associates Katharine Clark and Ursula Naccache. The story told here is one of the most chilling ever to appear in the pages of that magazine. It is an account of the monstrous dark age that has engulfed the people of Cambodia. Since the Communists took over the country in April 1975, a pitiless terror has emptied the cities and turned the villages, fields, and jungles into charnel houses where unburied corpses lie putrefying in the sun. The numbers of dead are staggering. Yet no protest is made in these Halls or downtown or in the United Nations. Indeed the world knows almost nothing of what has happened. Here, for the first time, the full and awesome truth about the new holocaust is revealed.

The excerpts from the book, done here as an article, follow:

MURDER OF A GENTLE LAND

Peace came to Cambodia on the morning of April 17, 1975. After five years of civil war, the government under Gen. Lon Nol had collapsed, the army disintegrated, the last American diplomats fled. The besieged capital of Phnom Penh and its three million people lay prostrate and defenseless before encircling communist forces.

The first communist squads of 10 to 12 soldiers, dressed in black pajama-like uniforms, were spotted infiltrating the capital at about 7 a.m. Clusters of people along the streets clapped and cheered, and children darted among the soldiers yelling, "The war is over!" Adults shouted, "Peace! Peace!" Women threw garlands of yellow alamanda blossoms; couples danced and sang in the streets.

In their rejoicing, the people were not necessarily celebrating the victory of communism. The harsh regimen the insurgents had imposed in conquered territories in the countryside alienated the peasantry, and more and more families had fled to the cities. At the beginning of the war in 1970, only about 13 percent of the nation's seven million citizens lived in urban areas. By spring 1975, it was 50 percent.

But the Lon Nol government did not command widespread allegiance either. It was notoriously incompetent and corrupt. The fratricidal war had caused perhaps 600,000 deaths, and a majority of the dead were civilians. Prior to 1970, Cambodian farmers annually produced bountiful surpluses of rice. Timber, cattle, poultry were also plentiful. But the war had disrupted the economy, ravaged the countryside.

Of course, the communists might punish, perhaps even kill, the leaders of the Lon Nol government. But toward the general populace they would surely be reasonable and just. They were, after all, fellow Khmers and fellow adherents of Buddhism, which teaches tolerance, respect and kindness toward others.

"That morning we were shouting, 'Victory! Victory!' " recalls a 23-year-old economics student, Ung Sok Choeu. "It wasn't that we loved the Khmer Rouge so much, but seeing Lon Nol go was worth an outburst of joy. What use was it that Khmers should kill each other?"

Nonetheless, there were troublesome early portents. For, although Khmer Rouge authorities stopped looting by civilians and government soldiers, warning that transgressors would be summarily shot or hanged, they did nothing to deter wholesale looting by their own troops. Soon, communist soldiers rampaged through commercial districts, shooting open the bolted doors of shops or ripping them off with ropes attached to Jeeps. By 8:30, communist troops were halting traffic to confiscate cars, motorcycles and bicycles. During these thefts, the soldiers habitually invoked the strange term *Angka Loeu*. The phrase can be translated into English as "Organization on High." With a politeness which belied the pointed rifles or pistols, they would say, "*Angka Loeu* proposes that you lend me your motorcycle. *Angka Loeu* proposes that you drive me."

Most people in Phnom Penh had heard little of *Angka Loeu*, and its connotation of mysterious facelessness was compounded by the unquestioning obedience it commanded among the communist troops.

Soon the killing began. An 18-year-old high-school student, Sar Sam, saw it start. "At 8:45 that morning, a Khmer Rouge killed Mr. Kim, our neighbor. Mr. Kim was about 42. He joined the army in 1971 as a private second class, and he had only one leg."

About the same time, 10 to 20 civil servants and soldiers walked out of a government building. Waiting communist troops, without warning or explanation, cut them down with machine-gun fire. Later, in front

of the Ministry of Information, communist soldiers surrounded a man who, by some word or gesture, had given offense, and kicked and stabbed him. The crowd watched as he slowly died.

Still, through the centuries, other armies in other places doubtless had done the same as the communists did during their first two hours in Phnom Penh. It was possible that the initial killing and looting represented not the policies of *Angka Loeu* but the aberrations of individual soldiers.

However, there can be no argument about what began between 9 and 10 a.m. It was clearly and coldly premeditated by the Organization on High. And modern history fails to show anything quite like it.

CARAVAN OF MISERY

At about 9 a.m., in his private clinic across the street from the military hospital, Dr. Vann Hay was attending a colonel wounded in the last hours of the bombardment. "I was still in the operating room when I was told that Khmer Rouge soldiers were at the door of the clinic, asking that everybody leave immediately. I went to talk to them. There were maybe 20, all very young, and they repeated their order.

" 'These people here are sick,' I told them. 'They cannot get up and leave.'

" 'No exceptions,' said the Khmer Rouge. 'The town has to be cleared. Everybody get out.' "

Shooting in the air, broadcasting through loudspeakers, banging on doors, sometimes shouting harshly, sometimes speaking with saccharine courtesy, troops in the name of *Angka Loeu* now repeated the same stunning order all over Phnom Penh, a city of three million. Every man, woman and child, regardless of occupation, age or physical condition, must get out of the city.

To those who asked why, communist soldiers offered differing explanations: "The Americans are going to bomb." "It's an order from *Angka*." But the reply which events proved most valid was given to a group of foreign Catholic priests by an *Angka* commissar: "From now on, if people want to eat, they should go out and work in the rice paddies. Cities are evil. There are money and trade in cities, and both have a corrupting influence. That is why we shall do away with cities."

With a terrible efficiency, the communists concentrated initially upon expelling the sick and wounded from hospitals jammed with fresh casualties. Troops stormed into the Preah Ket Melea Hospital, Phnom Penh's largest and oldest, and shouted to patients, physicians and nurses alike, "Out! Everybody get out!" They made no distinction between bedridden and ambulatory patients, between the convalescing and the dying.

Hundreds of men, women and children in pajamas limped, hobbled, struggled out into the streets, where the midday sun had raised the temperature to well over 100 degrees. Relatives or friends pushed the beds of patients too enfeebled to walk, some holding aloft infusion bottles dripping plasma into the bodies of loved ones. One man carried his son, whose legs had just been amputated. The bandages on both stumps were red with blood, and the son, who appeared to be about 22, was screaming, "You can't take me like this! Kill me! Please kill me!"

Such processions were seen by countless thousands. One trained observer who watched them from the French embassy compound was Jon Swain, a young British journalist. Recording the scenes in his dairy, he wrote that the communists were "tipping out patients like garbage into the streets. Bandaged men and women hobble by the embassy. Wives push wounded soldier husbands on hospital beds on wheels. In five years of war, this is the greatest caravan of human misery I have seen. The Khmer Rouge must know that few of the city's 20,000 wounded will survive. One can only conclude that they have no humanitarian instincts."

From noon onward, the masses in the streets multiplied as communist troops uprooted more and more families. In the ever-thickening congestion, along some boulevards, families advanced no more than 200 yards an hour. Driving became impossible. People pushed cars, motorcycles and a motley assortment of carts loaded with whatever they had been able to assemble in haste—rice, canned food, pots, clothes, blankets. People without vehicles carried bundles of belongings, or human cargoes—fearful children, aged or sick relatives too weak to walk.

That same afternoon the communists began to purge the capital of all printed matter. Rare and ancient manuscripts from temples and museums; the record of government and business; the contents of libraries; dictionaries, medical textbooks; even personal-identity cards—all were targets.

Tens of thousands, perhaps hundreds of thousands of books were thrown into the Mekong River or burned on its banks. Untold others were burned at a dump, and the libraries of Phnom Penh and Buddhist universities went up in flames.

IT WAS A NIGHTMARE

The soldiers came after Ang Sok and her family in midafternoon. Ang was a pretty girl of 22 with a quick, natural smile. Though her parents were poor farmers in the provincial town of Siem Reap, they helped all their chidren acquire an education, and Ang was in her third year of pharmacy studies at Phnom Penh University. Like most young people, she had cheered the communist troops entering the city. But when they began shooting and looting, she retreated into the house of her cousin, where three families—31 people, all related—had assembled. Among them were Ang's sister, Anna, 19, and two brothers, Tam, 25, and Kim, 23.

Ang asked the group of soldiers who ordered them out of the city where they should go. "As far away as possible." How long would they have to stay away? "For a period of time."

The three families departed at 5 p.m. "We took money, but the Khmer Rouge made us throw it away," Ang recalls. "We brought some blankets, mosquito nets and cookies for the children.

"On the road, there was a huge crowd of every age and condition, young, old and sick. Some could barely walk. Some dragged others. I remember a double-decker bed being pushed by a family."

The streams of benumbed and bewildered unfortunates trudging out of the city swelled steadily through the afternoon, and that evening several hundred thousand people slept by the streets or roads. The next day, in the name of *Angka*, parties of four to six soldiers systematically went from door to door repeating the initial order, and by midmorning the streets teemed with more hundreds of thousands of people.

A new realization soon spread: each soldier-servant of *Angka Loeu* held death at his or her fingertips. Given the alternative of leaving or being shot, Dost Mohammed, an electronics salesman, departed on the 18th with his wife, six children and mother. Some traffic was still moving, and a pedicab rolled past them. "Don't go on that side of the road!" a soldier shouted. The pedicab did not alter course, so the soldier killed the driver with machine-gun fire.

Another soldier riddled the driver of a Datsun who failed to hear an order to halt. A man, racing to find his family before leaving the city, pedaled his bicycle into a street the communists had closed. "I'm going to pick up my family," he yelled to guards. Without warning, a soldier sprayed him with machine-gun bullets, and he fell to the street, dead.

Near the French embassy, a French schoolteacher observed a communist patrol march through a line of refugees and, by happenstance, part a mother and father from their children. The frantic parents protested and sought to reclaim their children, now on the other side of the communist column. The patrol leaders fired a volley of rifle shots, killing both parents.

Not everybody personally witnessed such summary executions, but virtually everybody saw the consequences of them in the form of corpses rapidly bloating and rotting in the sun. The bodies, sometimes grotesquely contorted in the positions of final agonies, emitted a pervasive stench.

Then the water supply ceased throughout the city. People were reduced to drinking from ponds in parks and gardens, even from stagnant puddles. This brought on dysentery, a killer that was to treat the people as mercilessly as *Angka* itself throughout the great exodus. Deaths during childbirth also were frequent.

Ly Bun Heng, one of Phnom Penh's leading architects, had cut short a stay in Paris and flown back to welcome the communists. He remembers: "On Boulevard Monivong I saw two women giving birth amid a crowd of camping refugees. One was on the sidewalk under a tamarind tree, maybe 15 yards from my house, lying on a piece of cloth and shouting, 'Help! Help me!' It was a pitiful sight."

Ly went to his house, where a contingent of Khmer Rouge were camped. " 'I have three bedrooms next to my garage,' I said. 'Please let us use one so this lady can have her baby in decent conditions.'

"They got furious. 'Go away. Don't bother us.'

"I went back to the woman. Hordes of curious children tried to get a look, and I chased them away. Hearing the racket, the Khmer Rouge chief came out and yelled, 'Gatherings are forbidden! Disperse! Disperse!' But in all the noise the people didn't hear, so the soldier whipped out a pistol and began shooting into the tamarind tree. A shower of leaves fell upon the woman and the newborn baby. It was a nightmare."

A LIFELESS CITY

The boulevards leading to the principal highways out of Phnom Penh were so thronged that it took Thach Bun Rath, an 18-year-old business-school student, three days to walk 2½ miles. "The heat was intense, and people were dying in the streets. I saw the bodies of a number of old people by the wayside, and others in agony. A young woman carrying a dead baby in her arms was crying silently; she did not want to leave the tiny body on the street. Some of the bodies were people who had been shot—not just military, but women and children as well."

Ea Than, a 27-year-old librarian, left his home on the 18th in a family party of about a dozen people. "All of Phnom Penh seemed to be leaving toward the south. We were packed like sardines, and progress was unbelievably slow. It took us three days and three nights to cover the two miles between our house and Monivong Bridge. All along the way the Khmer Rouge were shooting into the air and at houses. 'Go on! Move on!' they shouted."

Because of the crush, Rosa Tevi, a beauti-

ful 14-year-old niece of Ly Bun Heng, the Phnom Penh architect, did not reach the outskirts of the city until April 24. She recalls, "Just as we left Phnom Penh, we passed a dozen or more bodies lying by the roadside, already swollen. I'm sure they had been shot, for they were all crumpled up. In normal times I would have cried, but now no tears would come. Even Mummy, who cries for the smallest little things, was unable to cry. She just kept saying, 'Poor people! Poor people!' "

Phnom Penh had been transformed into a wasteland occupied only by corpses, stray dogs, pigs, ducks and chickens, and *Angka* patrols standing guard to ensure that human life did not return. By April 23, the communists had begun to empty the other principal cities of Cambodia. Because the populations were much smaller, troops were apparently able to evacuate most of the provincial cities in less than 24 hours. But the scenes and agonies of Phnom Penh were duplicated on a lesser scale.

On the highways, roads and trails, the 3.5 million people driven from the cities wandered toward an unknown future. They had become a spiritually paralyzed mass of prisoners who understood only that if they did not go on, they swiftly would be "re-educated" by their new master, *Angka Loeu*.

A young philosophy professor, Phal Oudam, was one who had greeted the soldiers of *Angka Loeu* as harbingers of peace. "Now, only seeing them walk past, we were all much afraid. We trembled like half-drowned baby mice."

THE ORGANIZATION ON HIGH

Having emptied and vandalized the cities, *Angka Loeu* proclaimed the birth of a new Democratic Cambodia and proudly declared, "More than 2000 years of Cambodian history have been virtually stamped out." It is difficult to dispute that claim. Within a few days, the Organization on High had advanced faster and further than any other revolutionaries of modern times toward the obliteration of an entire society.

Probably fewer than two dozen persons controlled *Angka Loeu* at the time, and dominant among them were eight people with remarkably similar backgrounds. All were in their mid-40s; they had studied in France during the 1950s, and all ardently embraced communism. They were educated as economists, lawyers or teachers, and in the context of their values and beliefs, all apparently were principled, honest and courageous.

One of the dominant masters and leading theorists of *Angka Loeu* was Khieu Samphan, now chief of state in Democratic Cambodia. His life and personality may help to explain some of the *Angka Loeu* policies and deeds that seem most inexplicable. Khieu was born July 27, 1931. A small, frail child, beset by some respiratory ailment that caused his nose to run perpetually, he often was seriously ill. A classmate of his in both Cambodia and France remembers: "Khieu was a mediocre, quiet student whose most remarkable characteristics were passivity and total lack of aggressiveness. He was victimized by the whole class. We'd kick him, hit him, push him around, and he'd never once fight for himself. He had no defense, not even a verbal one."

He was never interested in girls, and reportedly confided to an old friend that he was impotent. In Paris, he may have sought medical counsel regarding this problem, for he said that the condition had been diagnosed as permanent and incurable. Transient impotence can result from any of several mundane causes, but chronic impotence that is not based on organic factors is considered by many psychiatrists to be the product of profound hostility. Certainly, Khieu Samphan, the meek, tormented young man, had cause to be hostile. In any event, as if to compensate for the void in his life, Khieu flung himself furiously into his books, then into communism.

Back in Cambodia, though penniless, Khieu obtained enough money to found a small biweekly newspaper that published communist propaganda.

In 1962, Prince Norodom Sihanouk, who had been currying favor with the communists, invited 34 prominent radicals to participate in the government. Among them was Khieu Samphan, who had been elected to the National Assembly. However, in a fit of exasperation with the communists, Sihanouk in 1967 publicly singled out Khieu and two other leftist assemblymen as subversives. Anticipating execution, they fled to join communist guerrillas in the jungle.

At the time, these insurgents numbered probably no more than 2000 men: a motely assortment of intellectuals from the cities, bandits and disaffected ethnic minorities. They might have languished indefinitely in the jungles but for a series of fortuitous events.

Secretly, Sihanouk was allowing North Vietnamese and Vietcong to ship quantities of supplies across Cambodia into South Vietnam, and permitting them to establish sanctuaries. But collusion with the Vietnamese, against whom Cambodians harbor an ancient, almost venomous animosity, caused problems at home. While the Prince was visiting France on March 11, 1970, thousands of students and workers sacked the North Vietnamese and Vietcong embassies in Phnom Penh, and on March 18 the parliament voted, 92–0, to depose Sihanouk. The premier, Gen. Lon Nol, continued in power as chief of state. The Prince, who had gone on to Moscow, immediately flew to Peking and, five days after his ouster, joined the communists in a coalition to fight the Lon Nol government.

Thus, the Cambodian insurgents almost overnight achieved a textbook objective of communists everywhere—a coalition that cloaked them with respectability and put at their disposal the resources of others. In the name of the Prince, North Vietnamese troops sprang from their sanctuaries, attacked Lon Nol's forces and began occupying as much of the western and northwestern provinces of Cambodia as they could.

Meanwhile, on April 30, American and South Vietnamese divisions invaded Cambodia in a massive surprise attack on the communist sanctuaries. This 60-day "limited incursion" succeeded militarily. However, it served to push the retreating North Vietnamese and Vietcong even farther into Cambodia, where—once the invaders pulled out—the communists were left in effective control. The insurgents, led by Khieu Samphan, moved into these areas protected by Vietnamese communists, who initially did virtually all the fighting. They were reinforced by the arrival of Cambodian communists, perhaps as many as 6000, whom Hanoi over the years secretly had recruited, trained and kept in reserve in North Vietnam.

On paper, control of the coalition rested with Prince Sihanouk and his ministers in Peking. In reality, it had shifted completely to Khieu Samphan and his cohorts in the jungles.

By early 1973, this tiny coterie of French-educated Cambodian communists had multiplied to at least 35,000 troops, by invoking the magic name of Sihanouk and by mass conscription in the occupied villages. Now they were ready to begin the final military assault.

In retrospect, it is evident that by this date they had also completed the grand design of the new Cambodia they proposed to construct. Kenneth M. Quinn, then a U.S. State Department specialist, in early 1974 made a remarkably prescient analysis of communist actions in the occupied territories—their attack on religion, the destruction of vestiges of the Sihanouk regime, attacks on parental and monastical authority, prohibition of traditional songs and dances, and use of terror.

The communists, Quinn perceived, had committed themselves to "total social revolution," and had determined that anything belonging to the past "was anathema and must be destroyed." To accomplish total revolution, they were attempting "to psychologically reconstruct individual members of society." He wrote: "This process entails stripping away, through terror and other means, the traditional bases, structures and forces which have shaped and guided an individual's life, until he is left as an atomized, isolated unit; and then rebuilding him according to party doctrine by substituting a series of new values, organizations and ethical norms."

The process was an invention of *Angka Loeu*. Variants of it can be found in Aristotle's analyses of tyranny, in communist literature, in the history of the Soviet Union, Nazi Germany and other totalitarian states. But *Angka Loeu* was prepared to apply the process with a distinctive brand of brutality.

Mr. Speaker, owing to the length of this article, I shall read the remainder of it into the RECORD later this week.

MRS. PEARL COX OF AUSTINTOWN, OHIO, IS ANCIENT ORDER OF HIBERNIANS' "IRISH LADY OF THE YEAR"

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. CARNEY. Mr. Speaker, I have recently been advised that the Mahoning County Chapter, Ohio, of the Ancient Order of Hibernians has selected Mrs. John C. (Pearl) Cox as "Irish Lady of the Year," 1977.

Mrs. Cox is the widow of the late John C. Cox, former State president of the Ancient Order of Hibernians, recipient of the AOH "Man of the Year" award in 1965, and former secretary and vice chairman of the Mahoning County Democratic Central Executive Committee.

The Coxes had six children—four boys and two girls. Three of the boys are past or present division presidents of the Ancient Order of Hibernians. They are: Attorney Edward A. Cox, John C. Cox of Cincinnati, and Thomas J. Cox. The two daughters are Mrs. Mary E. Diorio of Austintown and Mrs. Russell Hewitt of Syracuse, N.Y. A fourth son, Marine Cpl. James W. Cox, died in 1952. Mrs. Cox also has 16 grandchildren and two great grandchildren.

Her AOH activities include past vice president, secretary, historian, and membership chairman of the Ladies Auxiliary AOH. In 1963, Mrs. Pearl Cox originated the first Irish display booth at the Canfield Fair. Since that time, the Irish display booth has won 10 awards at the fair.

Mrs. Cox is a leader in Mahoning County politics. In 1960, she was vice president of the Northeastern Ohio Federated Democratic Women's Clubs and a delegate to the Democratic National Convention. She is a past president of the

Jackson-Roosevelt Club. In addition, she was one of the organizers of the Mahoning County Democratic Women's Clubs, first president and trustee of the Federated Democratic Presidents' Women's Clubs of Mahoning County, representing 17 clubs, and a member of the Federated Democratic Women of Mahoning County and Democratic Women of Ohio. Most recently, she was a key member of the Jimmy Carter for President Committee.

A devout Catholic, Mrs. Cox is a member of the Immaculate Heart of Mary, Altar and Rosary Society, and formerly a member of St. Patrick's. She also belongs to the Senior Citizens Clubs, local 1307, McDonald, Ohio.

Mr. Speaker, Mrs. Pearl Cox is a distinguished American of Irish descent, a wonderful lady and a loving mother. When her many friends join in honoring her on St. Patrick's Day, I hope to be there.

REMARKS ON THE DEATH OF H. HIRAM WEISBERG

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. WALSH. Mr. Speaker, one of the greatest of American traditions is the opportunity for all persons to achieve success, limited not by circumstances of birth or background, but only by one's desire to succeed. Few men could better exemplify this tradition than the late H. Hiram Weisberg, who rose from humble origins in Syracuse, N.Y., to become a business, civic, and philanthropic leader without parallel in our community. He was, literally, a self-made man.

Mr. Weisberg died February 11, after a career all would admire but few could emulate. His death leaves a void in the centers of our community's business and charitable circles, and in the hearts of all those who were stimulated by his leadership, his energy, his generosity and his concern for his fellow man, and in the hearts of those who loved him.

The Syracuse Herald-Journal, in an editorial on February 14, eulogized H. Hiram Weisberg, and I am honored to share their thoughts—as well as my own—with you:

HE WAS "A SYRACUSAN"

The phrase, "civic leader," is becoming an over-used cliche, but in the case of H. Hiram Weisberg, who died last Friday, there is no more apt description.

A man whose unbounded energy and ambition belied his diminutive stature, Weisberg left school at the age of 13 and ultimately became one of the Central New York community's business leaders.

But he was more than that.

For nearly six decades, he was a force in the business and civic development of Syracuse. His dedication and imagination sparked a myriad of endeavors.

His accomplishments, while too numerous to catalog in this space, included a major role in luring Carrier Corp. to this community in 1939. While still in his 20s, he was one of the founders of the Syracuse Community Chest and, 20 years later, served as its president.

He also was a founder of the Syracuse Jewish Welfare Federation and remained active in it until his death.

Despite his lack of formal schooling, he was a strong supporter of Syracuse University, which rewarded him for his interest and support in 1963 with an honorary Doctor of Laws degree. Two years ago, he received an honorary Letterman of Distinction Award in recognition of his support of the SU athletic program.

H. Hiram Weisberg was truly a civic leader—a man who was proud to be a Syracusan and a man Syracuse can be proud to have called its own.

SIX LIBRARIES IN PENNSYLVANIA

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. SHUSTER. Mr. Speaker, today I am introducing a private bill for the relief of six libraries in the Commonwealth of Pennsylvania that have been notified they must repay moneys paid to them for repair of damage inflicted by Hurricane Agnes in 1972. My colleagues, Congressmen DAN FLOOD, ALLEN ERTEL, and BILL GOODLING, in whose districts five of the six libraries are located, have indicated their support for this measure.

I can best relate the problem facing these libraries by explaining the example of the Shippensburg Public Library which is located in my district. The Shippensburg Library was heavily damaged in the flood of 1972 and applied along with the local community for Federal disaster assistance from the Federal Disaster Assistance Administration. Their grant was approved and the library received $12,827 in aid. However, subsequent to the payment of the money and their utilization for repair work it was determined by the FDAA, on information furnished by the Pennsylvania attorney general, that the payment did not fall within section 251(a) of Public Law 91–606, the Federal Disaster Relief Act. In essence, it was determined that the Shippensburg Library was not owned by a State or local government and, therefore, not entitled to Federal disaster assistance.

The Shippensburg Library was ordered by FDAA to repay all funds received. Obviously, repayment would place a tremendous burden on a small community-supported library. Identical situations exist at the Osterhout Library of Wilkes-Barre, the West Pittston Library of West Pittston, the West Shore Public Library of Camp Hill, the Milton Public Library of Milton, and the Himmelreich Library of Lewisburg. The total amount of money requested is $523,422. It appears a real possibility that what nature could not do the Federal bureaucracy will do. These libraries face total disaster and in my opinion the communities that will be affected have suffered enough.

I join with my colleagues from the Commonwealth in urging the House to act expeditiously on this legislation and insure the continued operation of these libraries.

THE REGULATORY REFORM ACT OF 1977 INTRODUCTORY REMARKS

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. ANDERSON of Illinois. Mr. Speaker, today the gentlewoman from Texas (Miss JORDAN) and I are reintroducing the Regulatory Reform Act of 1977 with a bipartisan group of 64 cosponsors. We first introduced this bill as H.R. 3100 back on February 3, 1977. An identical measure, S. 600, was introduced in the Senate on the same day by Senators CHARLES PERCY, ROBERT C. BYRD, and ABRAHAM RIBICOFF. This is nearly identical to legislation introduced in the last Congress by Senators PERCY, ROBERT C. BYRD, and RIBICOFF, and Miss JORDAN and myself and 62 House cosponsors. Some revisions in the bill have been made as a result of hearings held by the Government Operations Committee of the other body in the last Congress.

Our bill is aimed at reorganizing Federal regulatory agencies to prevent excessive, duplicative, inflationary, and anticompetitive regulation and to make regulation more effective and responsive to the public interest. It would do this by establishing an 8-year timetable for Presidential submission of and congressional action on four comprehensive regulatory reform plans in each of the next four Congresses. Under the terms of the bill, the President would submit the required plan by May 1 of the first session, and Congress would have to act on that plan or a revised version by May 1 of the second session. If Congress has not enacted a plan by August 1 of the second session, the affected agencies would lose authority to promulgate new rules and regulations; if Congress has not enacted a plan by October 1, the affected agencies would lose their authority to enforce existing rules and regulations; and, if Congress has not enacted a plan by the end of December, the affected agencies would be terminated—"sunset." The following areas would be covered in each Congress:

First, energy, environment, housing and occupational health and safety, 96th Congress; second, transportation and communications, 97th Congress; third, banking and finance, international trade, and Government procurement, 98th Congress; and fourth, food, consumer health and safety, economic trade practices, and labor-management relations, 99th Congress.

Each plan submitted by the President must contain recommendations for the transfer, consolidation, modification or elimination of functions; organizational, structural and procedural reforms; the merger, modification, establishment or abolition of Federal regulations or agencies; eliminating or phasing out of outdated, overlapping or conflicting regulatory jurisdictions or requirements of general applicability; eliminating agency delays; and increasing economic competition. The plans would also report on

the cumulative impact of all Government regulatory activity covered by that plan on specified industry groupings.

Mr. Speaker, we think the time is right for adoption of this approach given the high priority President Carter has placed on Government reorganization and the elimination of excessive and costly regulations.

At this point in the RECORD, Mr. Speaker, I include a list of our cosponsors and a summary of our bill:

COSPONSORS FOR THE REGULATORY REFORM ACT OF 1977

Mr. Anderson of Illinois (for himself), Ms. Jordan, Mr. Andrews of North Dakota, Mr. Badillo, Mr. Bedell, Mr. Benjamin, Mr. Blanchard.

Mr. Blouin, Mr. Bolling, Mr. Brodhead, Mr. Brown of Ohio, Mr. Broyhill, Mr. Carr, Mr. Cederberg, Mr. Chappell, Ms. Chisholm.

Mr. Cleveland, Mr. Cohen, Mr. Corrada, Mr. Edwards of Oklahoma, Mr. Emery, Mr. Erlenborn, Mr. Ertel, Mr. Evans of Delaware, Mr. Fenwick.

Mr. Gephardt, Mr. Gradison, Mr. Hall, Mr. Hightower, Mr. Hollenbeck, Mr. Hyde, Mr. Ichord, Mr. Jeffords, Mr. Jenrette, Mr. Koch, Mr. Leach, Mr. Lent, Mr. Lott.

Mr. McCormack, Mr. McHugh, Mr. Madigan, Mr. Maguire, Mr. Marlenee, Mr. Mazzoli, Mr. Moorhead of California, Mr. Nix, Mr. Nolan, Mr. Patterson.

Ms. Pettis, Mr. Pritchard, Mr. Rinaldo, Mr. Runnels, Mr. Russo, Mr. Sarasin, Mr. Scheuer, Mr. Sharp, Mr. Sisk.

Mr. Stanton, Mr. Steiger, Mr. Stockman, Mr. Stokes, Mr. Tonry, Mr. Walsh, Mr. Wilson of California, Mr. Wilson of Texas, Mr. Winn, Mr. Mann.

BRIEF SUMMARY OF THE "REGULATORY REFORM ACT OF 1977"

(1) Not later than the last day of April in each of the years specified, the President shall submit to the Congress a comprehensive regulatory reform plan for each of the following designated areas (specific agencies affected are enumerated in the bill):

(a) 1979 (96th Congress)—energy, environment, housing and occupational health and safety;

(b) 1981 (97th Congress)—transportation and communications;

(c) 1983 (98th Congress)—banking and finance, international trade, and government procurement; and

(d) 1985 (99th Congress)—food, consumer health and safety, economic trade practices, and labor-management relations.

(2) Each plan submitted by the President shall contain recommendations for:

(a) the transfer, consolidation, modification or elimination of functions;

(b) organizational, structural and procedural reforms;

(c) the merger, modification, establishment or abolition of Federal regulations or agencies;

(d) eliminating or phasing out of outdated, overlapping conflicting regulatory jurisdictions or requirements of general applicability;

(e) eliminating agency delays; and

(f) increasing economic competition.

(3) Each plan submitted by the President shall report on the cumulative impact of all government regulatory activity reviewed on the following specific industry groupings:

(a) transportation and agriculture;

(b) mining, heavy manufacturing, and public utilities;

(c) construction and light manufacturing; and

(d) communications, financing, insurance, real estate, trade and service.

(4) If the President fails to submit the required plans, the appropriate committee of Congress having legislative jurisdiction in the areas covered, together with the House and Senate Government Operations Committees, shall prepare the appropriate plans which shall become the pending business of each House not later than the first day of April of the following year.

(5) The Comptroller General and the Director of the Congressional Budget Office shall submit reports at the same time a plan is submitted detailing the purposes of each agency covered by the plan, any changes in the areas covered by the agency and their impact on the effectiveness of the agency, the net impact of the agency and the degree to which it has accomplished its purposes, its cost-effectiveness and the efficiency of its operations, and practical and more efficient alternative approaches to achieving presently demonstrated regulatory needs.

(6) Each plan submitted by the President shall be submitted to the appropriate legislative and oversight committees of the House and Senate and the Committees on Government Operations which shall report bills approving or disapproving in whole or part the plans, together with such amendments as may be deemed appropriate. Such bills shall become the pending business in each House not later than the first day of May of the following year.

(7) If no plan is approved by August 1 of the following year, the affected departments and agencies shall have no authority to promulgate new rules and regulations except those essential for preserving public health and safety, but subject to congressional veto by concurrent resolution.

(8) If a comprehensive regulatory reform plan is not enacted by October 1st of the following year, then all affected departments and agencies shall lose all authority to enforce any rule or regulation except those essential to preserving public health and safety, again subject to congressional veto.

(9) In the event that no comprehensive regulatory reform plan has been enacted by the last day of December in the following year, all agencies affected by the plan shall be terminated unless appropriate provisions for their continuation are made by enactment of Congress.

HISTORY OF DELHI TOWNSHIP

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. LUKEN. Mr. Speaker, I wish to draw my colleagues' attention to a most impressive publication, "The History of Delhi Township."

This book gives the pages of history and trace the growth of one of America's loveliest communities. Located in southwest Ohio, on the hills overlooking the Ohio River, Delhi Township is a residential community with a history.

The authors, Larry Duba and Sue Schuler Brunsman, detail this history in the finest professional manner. The book begins with the coming of the Wisconsin Glacier more than 20,000 years ago. It carries the reader through the early settlement period, and the Civil War. Then America enters into a more complicated period, as industrialization begins to take hold. The authors describe how Delhi retained its village character. They show how, even as the 1900's progress the township maintains its identity, resisting submergence by urbanism.

This is what Delhi Township is today. An area with green spaces, lovely homes, trees, churches, and schools. But, more importantly, community with a strong sense of independence and a high degree of civic pride. The residents work hard at making Delhi Township a very liveable place.

The authors deserve recognition for this undertaking. The paucity of research material made the undertaking a painstaking labor of love. Mr. Duba and Mrs. Brunsman's book is both scholarly and readable. They were assisted by Al Rohs, Eileen Rohs, and Shirly Althoff. With their help the book is attractive, the pictures, sketches, and maps interesting.

Every community takes pride in its history. I only wish that every community were able, like Delhi Township, to have a written record of it. I should add that the residents of Delhi have presented this book to me and, at that time, I promised to share it with my colleagues in the House of Representatives.

NATIONWIDE NEGOTIABLE ORDERS OF WITHDRAWAL (NOW) ACCOUNTS

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Ms. OAKAR. Mr. Speaker, as a new member of the Committee on Banking, Finance and Urban Affairs and an advocate of financial reform, I was heartened by the overwhelming support of my colleagues for passage of H.R. 3365, Depository Institutions Amendments of 1977.

I chose to cosponsor and vote for this bill because it sustains the ongoing efforts of those committed to changes in our banking system that shall benefit the American consumer and fulfilling his/her needs for financial services. Nonetheless, I believe that this present effort must be considered as a small part of the larger and broader aims of financial reform. One such aim is the establishment of negotiable orders of withdrawal—NOW—accounts for all of our 50 States.

Title II of H.R. 3365 provided the depository institutions of New York State chartered by the Federal Home Loan Bank Board with the capability to permit "withdrawals, overdrafts, or transfers of accounts on negotiable, transferable, or nonnegotiable checks, orders, or authorizations." This new set of services for New York institutions is still a very limited initiative by the Subcommitee on Financial Institutions and the Committee on Banking. I believe that the time has come for the immediate and serious consideration of interest-bearing third party payment accounts for all federally chartered savings institutions—that is, NOW accounts now.

A recent study conducted by the staff of the Board of Governors of the Federal Reserve System has concluded that NOW

accounts would have neither an adverse effect on interest rates in the credit markets nor an adverse impact on monetary policy. Moreover, the study contends that NOW accounts would provide the depositor with a total return on his/her deposits made up of the explicit interest payments and an implicit return in the form of checking services. Dr. Arthur Burns has related his support for nationwide extension of NOW accounts before several congressional committees.

In my judgment, the payment of interest on demand deposits is an important part of financial reform. I urge my colleagues on the Banking Committee to give serious consideration to legislation that will extend NOW accounts to all federally chartered savings institutions. Where State legislatures have failed to grant these powers to their own depository institutions, our legislation shall be an impetus for the granting of these expanded financial services by the State houses. In this manner, we shall initiate, not react to, these State legislatures. This, I believe, is our charge as Members of the U.S. Congress.

MUSEUM SERVICES ACT

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. MOAKLEY. Mr. Speaker, on February 10, 1977, I received an urgent letter from the superintendent of Catholic schools in the Boston area, the Rev. Eugene P. Sullivan, discussing the serious financial plight of the museums in our country. Reverend Sullivan recounted this brief legislative history: Last session, Congress passed the Museum Services Act which recognized the educational and cultural worth of our public museums, their stringent financial needs, and the duty of the Federal Government to save these institutions, providing otherwise unavailable services to our citizenry.

Unfortunately, the act was passed after the appropriation of the general fiscal year 1977 budget. Thus, while Congress had promised funds of $15 million to our museums, no money is now available, unless we enact a supplemental appropriations bill for this project.

I join Superintendent Sullivan in reaffirming our duty to preserve our museums, which in his own words, "are so vital to our country's educational fiber." I see that their need for funds is overwhelming. I know that Boston's Museum of Science alone, for example, endures an operating deficit of over $500,000 per year. I realize that private donations simply cannot handle this financial burden, and that public funding must help out, if we are to maintain the high quality of our institutions. Therefore, I urge my colleagues that we fulfill our commitment to the museums of this country, and appropriate the substantial funding that these museums need and deserve. We have the legislation to relieve the monetary gap and we recognized its necessity last session. Let us save our museums by funding the 94th Congress Museums Services Act.

CLASSIFIED STATE DEPARTMENT DOCUMENT CONFIRMS ANTICONSUMER IMPACT OF INTERNATIONAL COFFEE AGREEMENT

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. ROSENTHAL. Mr. Speaker, a classified State Department analysis of the 1976 International Coffee Agreement recently made available to the Government Operations Subcommittee on Commerce, Consumer and Monetary Affairs, which I chair, confirms that the agreement is harmful to the interests of the American consumer.

The subcommittee held 2 days of hearings last month into skyrocketing coffee prices. At those hearings, I asked the State Department to furnish the subcommittee with any internal documents that evaluated the economic and consumer impact of the International Coffee Agreement. A subcommittee aide was permitted to read the February 4, 1976, analysis but the document cannot be released until it is declassified.

The State Department analysis of the International Coffee Agreement made the following points:

First. Past and present International Coffee Agreements have been viewed primarily as an instrument of foreign policy and not as a mechanism to aide the American consumer. The analysis stated that:

> The agreement has historically been regarded by the U.S. Government as a way of improving our relations with a number of key Latin American countries (particularly Brazil, Colombia and Central America). They were presented as instruments of our foreign policy, complementary to the Alliance for Progress.

Second. Individuals within the State Department and other relevant agencies—Treasury and Commerce—believe that the International Coffee Agreement's formula for establishing "coffee quotas" and "coffee market shares" will cause higher coffee prices to U.S. consumers than would exist without the agreement, when world coffee production is back to normal. The analysis stated that:

> Although no definite predictions can be made at this time . . . if the global quotas established tend to maintain the status quo, prices could potentially be placed above market trends since quotas would come into effect after a period of high prices rather than a low price-surplus scenario as in previous agreements.

Third. There is evidence that Brazil has violated its quota shipment obligations under previous International Coffee Agreements. The analysis stated that:

> In setting annual global quotas, the International Coffee Organization is also to take into account a pattern of undeclared shortfalls by one or more producers. This institutionalized a practice in the old agreements in which importing members forced artificially large global quotas to compensate for a pattern of Brazil not shipping its quota allotment after frosts, either because it couldn't or because it chose not to in order to boost prices. . . . There are difficulties involved in achieving an accurate account of stocks and there will be a temptation to try to circumvent the verification process.

I urge the State Department to use all diplomatic means to get Brazil and other coffee exporting nations to decrease their export taxes and release more coffee reserves, so that U.S. consumers can have some relief from ever-increasing prices.

INTRODUCING H.R. 4249 TO AUTHORIZE EMERGENCY LIVESTOCK FEED

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. ABDNOR. Mr. Speaker, I have today introduced legislation to authorize the Secretary of Agriculture to implement an emergency feed program for assistance in the preservation and maintenance of livestock in an emergency area. The bill was drafted by USDA at my request and is also being introduced by the chairman of the Agriculture Subcommittee on Conservation and Credit, my friend and honorable colleague, ED JONES of Tennessee.

In July of last year I wrote then Secretary Butz asking him to consider alternatives to the old emergency livestock feed program under which ASCS provided oats to disaster stricken stockmen. The oats had been acquired by the Commodity Credit Corporation under the price support program in years past, and it was evident that CCC's remaining stocks would not be sufficient to see my constituents through what has been the worst drought on record in many parts of South Dakota. There were numerous glaring problems with the program that I felt should be addressed as well.

The oats ran out as expected before USDA could come up with a replacement program. My South Dakota congressional colleagues, Governor Kneip, and myself were successful in persuading the Federal Disaster Assistance Administration to implement a similar program under their broad authorities provided by the Disaster Relief Act. FDAA is under the jurisdiction of the Department of Housing and Urban Development, though; and, despite the fact ASCS is administering the program locally, FDAA is not really comfortable with it nor do I believe HUD knows much about feeding livestock.

In December of last year I asked Secretary Knebel to furnish a draft bill which would amend USDA's authority for the old emergency livestock feed program to allow continued assistance to stockmen in need of feed, despite the depletion of CCC's stocks. Specifically, I asked that the legislation provide a flat

subsidy to any stockman in a declared disaster area who has a demonstrable loss of and need for feed so that he might purchase such feed through commercial channels. I suggested that the level of such assistance be set at 50 percent of the cost of feed delivered to the farmer's stock. Further, I asked that the financial means test be eliminated so that assistance can be made available to all disaster stricken stockmen on an equitable basis.

The legislation I have introduced is the result of that request and a copy of its text follows. I am not completely satisfied with it in its present form, but I did want to introduce it for the consideration of my colleagues. I plan to reintroduce it soon with a number of improvements and would welcome the cosponsorship of as many of my colleagues as possible. Chairman JONES has scheduled hearings on the drought and pending legislation on the 15th and 16th of this month so I am hopeful action on this measure will be swift.

H.R. 4249

A bill to provide for an emergency feed program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Feed Act of 1977."

SEC. 1. (a) Notwithstanding any other provision of law, the Secretary of Agriculture may implement an emergency feed program for assistance in the preservation and maintenance of livestock (including cattle, sheep, and goats) in any area of the United States including Puerto Rico and the Virgin Islands, where, because of flood, drought, fire, hurricane, earthquake, storm, disease, insect infestation, or other catastrophe, the Secretary determines that an emergency exists.

(b) The Secretary shall not provide assistance under this Act to any person unless all of the following conditions created by the emergency are present:

(1) The person must have suffered a substantial loss in the livestock feed normally produced on his farm for his livestock;

(2) The person must not have sufficient feed for his livestock for the projected period of the emergency; and

(3) The person is required to make feed purchases in quantities larger than the quantities of feed purchases that he would normally make.

(c) Persons eligible for assistance under this Act may be reimbursed under the program for not to exceed 50 percent of the cost of the feed purchased by such eligible persons or at such lower rate as may be established by the Secretary.

(d) The Secretary shall carry out the program authorized by this Act through the Commodity Credit Corporation.

(e) The Secretary is authorized to issue such rules and regulations as he determines necessary to carry out the provisions of this Act.

SEC. 2. Any person who disposes of any feed for which he has been reimbursed under this program, in any manner other than as authorized by the Secretary, shall be subject to a penalty equal to the market value of the feed involved, to be recovered by the Secretary in a civil suit brought for that purpose, and, in addition, shall be guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $1,000 or imprisonment of not more than one year.

SEC. 3. The fifth and sixth sentences of Section 407 of the Agricultural Act of 1949, as amended (7 U.S.C. 1427), Section 421 of the Agricultural Act of 1949, as amended (7 U.S.C. 1433), and the Act of September 21, 1959, as amended (73 Stat. 574, 7 U.S.C. 1427 note) are hereby repealed.

MAJORITY RULE IN RHODESIA

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. CRANE. Mr. Speaker, with the collapse of the Geneva talks on majority rule for Rhodesia, there has been much hand-wringing as to the future course of events in that country. All parties seem to agree on the desirability of majority rule, however, there seem to be wide differences of opinion as to how it might be implemented.

These differences take on added significance in light of Prime Minister Ian Smith's latest proposals for internal reform in Rhodesia. While these may not go as far as some of us might like, the question in Rhodesia is ultimately a matter of alternatives. Are we to have a peaceful evolution or is the result going to be a bloodbath? And will the new government truly represent a majority of citizens, while providing adequate guarantees for the rights of minorities, or will it simply be a military junta, a one-party state, or some other form of autocratic rule?

A few days ago, a most perceptive article on these questions appeared in the Chicago Tribune written by a native of Ghana who is now a graduate student in journalism at Northwestern University. With the thought that some of my colleagues might like to see it, I include the following column from the February 26 issue of the Chicago Tribune in the RECORD at this time:

RULE BY THE MAJORITY IS A RARITY IN BLACK AFRICA

(By Paul Kofi Fynn)

(Paul Kofi Fynn is a black native of Ghana in west Africa and is a graduate of Wheaton College who is presently a graduate student in journalism at Northwestern University. Here he gives a perceptive appraisal of the political situation throughout Africa.)

Majority rule.

They are the watch words and the war cry as black Africans struggle to control their own destiny. The two words are causing unrest in South Africa and guerrilla warfare in Rhodesia.

Which is ironic.

Because in black Africa, there is actually little of the "majority rule" being demanded in those beleaguered white-run countries. Instead, there is—for the most part—only tyranny presided over by self-proclaimed kings, army juntas, or military dictators—governments in which the bulk of the people have absolutely no voice.

These are nations which are run by the few, for the few, and not "by the people" or by the majority. And the brand of oppression to be found in such countries is by no means a "better" tyranny just because it is a black tyranny.

Is this, then, the bright future of "majority rule" for which the black population of Rhodesia is seeking political and social emancipation? That crucial but little understood question is the real sticking point in negotiations over Rhodesia's future.

Many Africans, most Westerners, and the majority of foreign leaders have not really understood the basic problem in Rhodesia and in other parts of the African continent. The problem is compounded by the fact that many Africans lack education and political maturity. When most Africans read such a statement, they tend to hit the ceiling, but that is because too many of us black Africans don't want to face the problems on our continent realistically. Most of us are proud and don't like to admit our many mistakes. But unless we do face our problems realistically, we will—10 years from now or 10 times 10 years—still be where we are today.

Africa, with an area of 12 million square miles, has been a "crying" continent ever since its "discovery" by Europeans. And there is no indication that the situation will get better. The years of independence have not been entirely happy ones for fledgling African nations. Almost every independent country is retrogressing; in some of the continent's 43 nations the government and the economy are in wreckage. Most of these countries can't even be called "developing" nations; they are doing the exact opposite of that.

Military regimes are springing up everywhere. Exceptions to one-party, one-man or junta rule are three countries, Senegal, Gambia, and Botswana, that are under genuinely multiparty regimes.

It is estimated that Africa has seen more than 20 successful military coups and hundreds of failed ones. Not all of these regimes are necessarily bad. But do they really serve the people they are governing? Hardly.

Daily, the citizenry is suppressed by this elite ruling clique. People may be arrested without warrant. Workers may not strike. They are often forbidden to write for publications, to attend meetings, or to engage in any other activities considered "undesirable" by the local minister of justice. The sad fact is: Many of the 370 million Africans live in fear and have no freedom of speech, expression, or movement—even in their own countries. Many African politicians have been arrested and detained, leaving their wives and children to shift for themselves. An example of this kind of repression is the administration of Uganda President Idi Amin, who has killed thousands of his own people.

The only solution for those who cannot bear such oppression is to run away from the lands of their birth, to become beggars or slaves in other nations.

Even in Rhodesia, where the struggle for independence should have brought blacks together, what do we see? Instead of blacks working together with one voice, there is hatred, fighting, and killing of one black faction by another. Each tribe wants its man to be the next president, so blood is spilled. I am sure many black Rhodesians who covet peace and freedom would prefer continuation of the white man's rule—a statement many other African blacks would not like to hear.

This doesn't mean that Rhodesia's Prime Minister Ian Smith should not hand over power to the country's black majority. But he and his men need assurance that Rhodesia will not become another Uganda. What Smith desires, therefore, is to reach an internal settlement with the moderate blacks in Rhodesia. What he does not want to do is talk with or hand over power to the militant Patriotic Front leaders, Joshua Nkomo and Rogert Mugabe. They control the guerrilla war being conducted against Rhodesia from neighboring African countries. And the moderates, such as the Rev. Ndabanibgi Sithole and Bishop Abel Muzorewa, don't agree with them any more than Smith does. The moderates fear that the extremists would hand Rhodesia over to the Marxists. Thus, there

is deep concern that, even if Smith does surrender control, a "minority" is still going to reign. There are only a handful of blacks who would really have the ability to rule.

This does not mean Smith is faultless. He has his shortcomings. He should try to welcome more independent blacks into his government.

And, instead of complaining about others, or dissolving in bitter, bloody tribal and political factionalism, we blacks should come together, to plan positively to save Rhodesia and the rest of Africa. It is a big task. But it has to be done . . . and quickly.

U.S. INVESTMENT IN SOUTH AFRICA—THE PROBLEM OR THE SOLUTION?

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. RANGEL. Mr. Speaker, I submit the following article, entitled "Reducing Investments in South Africa," authored by Rev. Rollins E. Lambert, for America magazine last month, to share with my colleagues as we consider U.S. policy and solutions with regard to South Africa's entrenched system of apartheid. Rev. Lambert reports an interview given by President Carter, prior to the November election, to the South African newspaper, Financial Mail, in which he revealed his belief that the use of economic leverage which could result from increased investment in that country is the method by which the United States should attempt to lobby for change in the repressive government. Such a position stands in direct conflict with President Carter's recent declaration that countries whose leaders violate human rights will be henceforth denied support, economic, and otherwise, from the U.S. Government. I welcomed that expressed change in policy and therefore hope that it supersedes the President's earlier position as stated in the Financial Mail. To engage in an arms embargo against South Africa as we have done in an effort to symbolize our intolerance of that government's systems of racial injustice and at the same time step up economic investment there removes any incentive South Africa might have in resolving the plight of the majority of blacks suffering degradation of freedom and livelihood in that state. We must not afford that country support of any nature, but rather boycott every sphere of that atrocious system until all of the South African people are restored their natural rights.

I, herewith endorse and provide Rev. Lambert's call for American disinvestment in South Africa's economy:

REDUCING INVESTMENTS IN SOUTH AFRICA

(By Rollins E. Lambert)

(President Carter is on record favoring increased investment in South Africa to get better leverage against official repression there. The opposite argument should be made: that is, curtailment is the best weapons for combatting apartheid.)

During the Presidential election campaign, Jimmy Carter was often accused by friend and foe alike of being evasive and nonspecific in responding to questions about his future policies as President. In an interview he gave to the South African newspaper, *Financial Mail*, he was quite specific on his policy toward South Africa, a policy which probably would have cost him some of the large black American vote he received. The interview, however, was kept under wraps until November 5. Consequently, no damage was done to the Carter image and popularity in the United States.

The hot question was this: "Would you freeze up American investment through Export-Import Bank loans and otherwise encourage an increase in private American lending and corporate activity in South Africa?" Mr. Carter's answer was anything but evasive: "Yes, indeed." He went on to argue that "economic development, investment commitment and the use of economic leverage against what is, after all, a government system of repression within South Africa, seems to me the only way to achieve racial justice there."

Many observers of the South African scene would draw precisely the opposite conclusion. They would agree that economic pressure is the principal instrument available to the United States in dealing with the oppressive Government of Prime Minister John Vorster, but they would argue that the pressure would be effective only if investment is withdrawn, and business activity curtailed, rather than expanded. As John de St. Jorre reported in the October, 1976 issue of *Foreign Affairs*: "The idea that industrialists and businessmen, being practical and farseeing people, represent a political force for change seems to be as illusory in South Africa as it has been in Rhodesia. . . . A confidential survey of 3,000 leading businessmen in South Africa last year showed that the group remains conservative, the greatest support for the status quo coming from those in the top echelon of management."

History also throws some doubt on the validity of Mr. Carter's expectation that increasing economic activity in South Africa will produce more justice. American investments in that nation have increased substantially in recent years. Yet the gap between black workers and white workers has also increased. In 1974, the per capita black income was about $600 per year; the per capita white income, about $10,000.

On the question of social reform, corporations speak with two voices. On one hand, they argue that they will significantly benefit the African populations by their investments. Their efforts, however, have had little overall effect on the economic well-being of blacks. Most of the increases in African wages in recent years were the result of serious labor unrest throughout the country despite the denial of legal status to black labor unions. Moreover, the trickle-down effect is severely limited by the many restrictions imposed by South African law on the education and occupations to which black people can aspire. A survey in April, 1975, showed that in the entire black community, which has a population of 18 million, there were 11 engineers, 32 chemists, 63 lawyers, 83 university teachers, 85 doctors and 528 journalists and writers. The main middle-class occupations in which there were significant numbers of blacks were those of teachers (74,980) and policemen (31,109).

On the other hand, in testimony before a Senate subcommittee in September, 1976, George J. Vojta, executive vice president of Citibank, set forth his view on the activity of American corporations in South Africa: "Our ability to influence the social and political settings in South Africa or in any other country is limited. We can affect the situation only in degree. In the strictly political context there has to be one rule for American multinational corporations wherever they operate. That rule is 'Hands Off.'"

The credibility of this statement is strained when one recalls that Citibank was unwilling to make loans to Chile under the Allende Government, but participated in an international consortium loan in 1976, after change had occurred within that nation. Isolation by the international banking community has been posited as a major factor in bringing down the Allende regime.

Withdrawal of loans by international banks and the International Monetary Fund would have a profound effect on South Africa at the present time. When loans are granted, they are construed as demonstrating confidence in South Africa's continued stability and growth. This, in turn, is interpreted by many white South Africans to be the direct result of their sound internal policy—the apartheid system, which results in the isolation of the races. "Withdrawal," says Judy Claude of the Interfaith Center on Corporate Responsibility, "would simply isolate the supreme isolationists."

It can therefore be convincingly argued that now is the time to cut back on American and other foreign investment in South Africa. As a reporter writes in the Rand Daily Mail: "Black unemployment is currently running at 20 percent, compared to 0.2 percent for whites. The country is passing thorugh difficult times, and the current recession is expected to continue until at least mid-1977; the price of gold, a commodity which accounts for roughly 40 percent of South Africa's foreign exchange, has plummeted. . . . Medium- and long-term investment on which the country depends for growth is slowing down. . . . Defense spending, up 40 percent this year, will have top priority and will probably increase." Another report in the Rand Daily Mail predicts that the military budget will jump 210 percent from January 1974 to 1980.

External pressure, admittedly, is a delicate and sometimes dangerous instrument of foreign policy. It can produce the desired changes, or it can backfire and produce increased resentment and entrenchment in the status quo. South Africa, however, must also cope with internal pressure, as evidenced by the persistent disorders created by young blacks in many places. Government buildings, schools and beer halls have been attacked and sometimes destroyed; strikes have been called with varying effectiveness, but enough to cause a lot of anxiety in the white community, and to bring about the increase in "defense" spending mentioned by Mr. St. Jorre.

Last April, Bishop James S. Rausch, general secretary of the U.S. Catholic Conference, recommended to the Ford Administration that it "use every available means" to restrict and discourage U.S. business and investment in Rhodesia, Namibia and the Republic of South Africa. "Most especially," he added, "present restrictions on the Import-Export Bank regarding transactions involving South Africa should not be relaxed in any way."

Together, the external pressure of reduced investment and the internal unrest might bring about a significant move toward racial justice and majority rule in South Africa. President Carter and the American business community might contemplate this course of action rather than increase financial support of the troubled Government that the President himself condemns.

(The Rev. Rollins E. Lambert is Adviser for African Affairs in the Department of Social Development and World Peace of the U.S. Catholic Conference.)

MANDATORY SENTENCING SUPPORT LISTED

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. ANDERSON of California. Mr. Speaker, over the past several weeks, I have enclosed with my statements before this legislative body, several letters from law enforcement officials, local elected officials, and private citizens who support H.R. 1559, a bill to provide for a minimum mandatory prison sentence of 5 years for anyone convicted of committing a Federal crime with the use of a firearm.

Today I ask consent to publish six additional letters. In addition, a complete listing of those Members of the Congress who have thus far agreed to cosponsor this bill is included. I urge any Member who has not yet gone on record on this issue to join with those listed below, and once and for all, demonstrate our concern and dedication to come to grips with rising crime.

Mr. Speaker, the listing of support follows:

COSPONSORS

Mr. Anderson of California.
Mr. Andrews of North Dakota.
Mr. AuCoin of Oregon.
Mr. Barnard of Georgia.
Mr. Baucus of Montana.
Mr. Blanchard of Michigan.
Mr. Bonior of Michigan.
Mr. Breaux of Louisiana.
Mr. Brown of Ohio.
Mr. Brown of Michigan.
Mr. Buchanan of Alabama.
Mr. Burke of Florida.
Mr. Carney of Ohio.
Mr. Cederberg of Michigan.
Mr. Corcoran of Illinois.
Mr. Corrada of Puerto Rico.
Mr. Coughlin of Pennsylvania.
Mr. Dan Daniel of Virginia.
Mr. Robert Daniel of Virginia.
Mr. de Lugo of the Virgin Islands.
Mr. Davis of South Carolina.
Mr. Devine of Ohio.
Mr. Downey of New York.
Mr. Duncan of Tennessee.
Mr. Duncan of Oregon.
Mr. Edgar of Pennsylvania.
Mr. Edwards of Oklahoma.
Mr. English of Oklahoma.
Mr. Ertel of Pennsylvania.
Mr. Fary of Illinois.
Mr. Fisher of Virginia.
Mr. Flowers of Alabama.
Mr. Fountain of North Carolina
Mr. Gephardt of Missouri.
Mr. Gibbons of Florida.
Mr. Ginn of Georgia.
Mr. Glickman of Kansas.
Mr. Goodling of Pennsylvania.
Mr. Grassley of Iowa.
Mr. Hannaford of California.
Mr Hawkins of California.
Mr. Heftel of Hawaii.
Mr. Huckaby of Louisiana.
Mr. Ichord of Missouri.
Mr. Jacobs of Indiana.
Mr. Jones of Tennessee.
Mr. Jones of Oklahoma.
Mr. Ketchum of California.
Ms. Keys of Kansas.
Mr. Kindness of Ohio.
Mr. Krebs of California.
Mr. Krueger of Texas.
Mr. LaFalce of New York.
Mr. Leach of Iowa.
Mr. Lehman of Florida.
Mr. Lent of New York.
Mr. Levitas of Georgia.
Mr. Long of Louisiana.
Mr. Lott of Mississippi.
Mr. McHugh of New York.
Mr. Madigan of Illinois.
Mr. Martin of North Carolina.
Mr. Mathis of Georgia.
Mr. Mazzoli of Kentucky.
Ms. Meyner of New Jersey.
Mr. Mineta of California.
Mr. Mitchell of New York.
Mr. Moakley of Massachusetts.
Mr. Mollohan of West Virginia.
Mr. Mottl of Ohio.
Mr. Gary Myers of Pennsylvania.
Mr. Stephen Neal of North Carolina.
Mr. Patterson of California.
Mr. Pattison of New York.
Mr. Pritchard of Washington.
Mr. Pursell of Michigan.
Mr. Quie of Minnesota.
Mr. Rahall of West Virginia.
Mr. Rangel of New York.
Mr. Robinson of Virginia.
Mr. Roe of New Jersey.
Mr. Roncalio of Wyoming.
Mr. Rose of North Carolina.
Mr. Ryan of California.
Mr. Scheuer of New York.
Mr. Simon of Illinois.
Mr. Spence of South Carolina.
Mr. Staggers of West Virginia.
Mr. Stratton of New York.
Mr. Studds of Massachusetts.
Mr. Treen of Louisiana.
Mr. Trible of Virginia.
Mr. Walsh of New York.
Mr. Charles Wilson of Texas.
Mr. Charles H. Wilson of California.
Mr. Won Pat of Guam.
Mr. C. W. (Bill) Young of Florida.
Mr. Robert A. Young of Missouri.
Mr. Zeferetti of New York.

IN SUPPORT OF H.R. 1559

Los Angeles Police Department.
California District Attorneys Association.
California Peace Officers Association.
California County Sheriffs.
National Sheriffs Association.
California Rifle and Pistol Association.
Los Angeles County Sheriff Peter Pitchess.
Citizens Committee for the Right to Keep and Bear Arms.
Peace Officers' Research Association of California.

TRINITY COUNTY
SHERIFF'S DEPARTMENT,
Weaverville, Calif., January 18, 1977.

Congressman GLENN M. ANDERSON,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN ANDERSON: Thank you much for the opportunity to express my opinion on two of my favorite subjects, Criminal Control and Gun Control.

Firstly, your approach to the use of firearms by the criminal is the only sensible avenue of combating the mis-use of hand guns. The criminal that arms themselves for the purpose of committing a crime is a vicious criminal with the intent, if necessary, to take a human life or do great bodily harm to his victim and should pay the price for this intent. Additional prison terms is a must for these people!

Secondly, although I know you have heard this before, gun control will only penalize the law abiding citizen. It will not prevent the criminal from obtaining any type of a hand gun he might want. Another major point that should be made is the fact that the citizen needs the protection that legal gun ownership can provide. Law enforcement can no longer provide the necessary protection that is required to survive the criminal element that most of our laws seem to protect. We need criminal control, not gun control!!

You have my permission to use my comments and opinions wherever and whenever you like. I would be most happy to be of further assistance to you at any time.

Sincerely,

TOM L. KELLY,
Sheriff, Trinity County, Calif.

COUNTY OF SANTA CRUZ,
Santa Cruz, Calif., January 18, 1977.

Hon. GLENN M. ANDERSON,
House of Representatives, House Office Building, Washington, D.C.

DEAR CONGRESSMAN ANDERSON: I have reviewed H.R. 1559 and concur with what is obviously your opinion that the real offender is not the firearm itself but the person who misuses it. I am in full accord and would support the punishment of those who use firearms to the detriment of society.

Once again, I am in favor of standardization of punishment for this type of thing and while I realize you are not in a position to legislate in the area of State law, it is unfortunate that one State can have very stringent laws while the adjoining State has very lax laws.

It is my feeling that penalties should be mandatory regardless of status in the community or personal wealth of the offender. Only when laws address this issue will the justice system have a firm handle on deterring crime.

Thank you for soliciting my opinion on this matter.

Very truly yours,

ALFRED F. NOREN,
Sheriff-Coroner.

COUNTY OF HUMBOLDT,
Eureka, Calif., January 18, 1977.

Hon. GLENN M. ANDERSON,
House of Representatives,
Washington, D.C.

MY DEAR MR. ANDERSON: I have read H.R. 1559 with interest, and offer my full support for this proposed legislation. The time is long past for us to have done something objective to offer protection for those exposed to violent crime.

The use of a firearm in perpetrating crime is a practice which is repeated many times daily throughout our society, and under present law there is little or no added punishment. After plea bargaining and promises made for a lesser and included offense, the most violent criminal walks from our courtroom with a sneer on his face and open defiance for all.

It is my hope and that of my staff members that your bill if enacted will provide a realistic deterrent to the criminal who would plan his crime and use a weapon to carry it out.

With best regards and support for your legislation.

Sincerely,

GENE COX,
Sheriff.

COUNTY OF SAN BERNARDINO,
San Bernardino, Calif., January 18, 1977.

Hon. GLENN M. ANDERSON,
Member of Congress, House Office Building, Washington, D.C.

DEAR GLENN: I wish to thank you very much for the opportunity to review your bill H.R. 1559, which you provided in your letter of January 12, 1977. I wholeheartedly concur with the purpose and intent of this legislation in providing mandatory additional punishment to those felons who actually use or carry a firearm during the commission of the crime.

It is obvious to me that this straightforward approach will provide a maximum

benefit to those whose behavior we are trying to change. It seems to me that the legislative course and endeavor over the past several years has been somehow to attack the ownership of firearms, even though the vast majority of Americans who own firearms are law-abiding, decent citizens. What we must aim at, is the illegal use of the firearm! Your bill does exactly that. I think thoughtful legislation that directly attacks the real problem will have the complete support of law enforcement, as well as the general public.

I believe that the public is tired of this hassle over whether there is a constitutional right to keep and bear arms and is ready for the Congress to instead, move in some real way to punish the criminals who prey upon them on the streets and in their homes.

H.R. 1559 is a good bill and seems to have sufficient protection to prevent the lenient judges from suspending its requirements. I assure you of my support for this legislation.

Sincerely,

FRANK BLAND,
Sheriff.

COUNTY OF BUTTE,
Oroville, Calif., January 17, 1977.

Hon. GLENN M. ANDERSON,
32nd District Congressman, House Office Building, Washington, D.C.

DEAR CONGRESSMAN ANDERSON: I have received your letter of January 12, 1977, regarding your H.R. Bill 1559, amending Chapter 44 of Title 18, United States Code, in particular Section 924(c) of Title 18. It appears to me that your Bill is similar to Section 12022.5, of the California Penal Code, with which I am sure you are familiar.

Unfortunately, both your H.R. Bill 1559, and California Penal Code Section 12022.5, present the same problem of requiring a second or additional prosecution. Both require prosecution for the original crime and an additional prosecution for the crime as it relates to any firearm. Unfortunately, because of the prosecutions involved, at least in California, there appears to be some hesitancy on the part of law enforcement, district attorneys, and the courts to pursue the additional prosecution.

Perhaps if your Bill were to be amended to require prosecution as a mandatory part of the crimes listed, thus removing the discretion from law enforcement and the prosecution, it would be more acceptable.

Thank you for writing me about your Bill, and you may insert my response in the Congressional Record.

Sincerely,

LARRY GILLICK,
Sheriff-Coroner.

COUNTY OF YUBA,
Marysville, Calif., January 17, 1977.

Hon. GLENN M. ANDERSON,
Congress of the United States, House of Representatives, House Office Building, Washington, D.C.

DEAR CONGRESSMAN ANDERSON: Reference is made to your letter, dated January 12, 1977, with the enclosed proposed Bill to amend chapter 44 of title 18 of the United States Code.

As Sheriff of one of the smaller Sheriff's Departments in the State of California, I feel that my professional attitude is consistent with that of the other 450 sheriffs and chiefs of police in this state. I wholeheartedly support and endorse this bill and will do everything in my power to insure its passage.

There has been a rising rate of crime for the last three decades and it has accelerated during the last ten years. Much of the reason for the rising crime rate today is the fact that crime pays. The probability of conviction and reasonable punishment is insufficient to stop the criminal from his acts.

I propose to make the people of Yuba County aware of this situation through the news media and personal contact and urge them to support this bill.

If any further assistance is needed or required, please feel free to call on me,

Sincerely,

JIM GRANT,
Sheriff-Coroner.

PURIM AND THE STRUGGLE FOR FREEDOM

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. ROSENTHAL. Mr. Speaker, sundown tonight is the beginning of the celebration of Purim, a Jewish holiday which symbolizes the quest for religious freedom. There is no more appropriate time to reflect upon the plight of Soviet Jews.

Purim is based on the story of Queen Esther who saved the Jews from Haman, the scheming adviser to the Persian King Ahasuerus. He had continually persecuted the Jews, and had finally chosen a day for their execution. The word purim means "lots," the method which Haman used to select the day on which the Jews would be destroyed. Queen Esther learned from her uncle, Mordecai, about the machinations of Haman, and appealed to the king to spare the Jews' lives.

Many Jewish people are still suffering from a similar type of persecution. I need not reiterate the horror stories of Soviet prisoners of conscience whose lives have been made miserable simply because they have desired to worship as they please or to emigrate to Israel. Or those dissidents who have had the courage to speak out, and are now confined to prisons, labor camps, or psychiatric wards. It is tragic that these conditions exist.

It is unfortunate that the modern world is not yet free of the fears of mass persecution. Were the story of Haman merely a tale of the past, today's struggle might not be so necessary. Unfortunately, recent history provides some horrifying examples of similar behavior.

We, who are fortunate enough to be free from the threat of harassment and persecution for religious beliefs should also have the courage to speak out and call for worldwide human rights. Purim, the celebration of freedom, should serve as a reminder of the long struggle behind and the hard fight ahead.

The plight of Soviet Jews has become all the more serious in recent weeks. I am pleased that President Carter and Secretary of State Vance are making human rights an issue of priority. This country must do everything in its power to encourage the basic rights of freedom and civil liberties world over.

The story of Purim has a happy ending, but for many imprisoned Jews, freedom seems beyond hope. On this day of celebration, I urge that Jews and non-Jews alike reflect upon the importance of the struggle.

SUPPORT FOR PORTUGAL

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. FINDLEY. Mr. Speaker, maintaining the global balance of power at times requires the United States to place its security interests above its proclivity for democratic regimes. To secure our own defense, we have found ourselves uncomfortably allied with regimes we can only term repugnant. For example, for many years, the strategic importance of Portugal assured its membership in NATO despite the suppressive and undemocratic nature of the Portuguese Government.

Today, however, we can enthusiastically embrace Portugal as a NATO ally and as a democratic nation. In the 2 years since Portugal shed its dictatorship, it has withstood political turbulence and economic uncertainty to move steadily toward representative government. Political manipulation, adroitly practiced by the Portuguese Communist Party, was not sufficient to derail the determined democratic forces who are now in power.

Portugal is currently redirecting its military forces from their erstwhile preoccupation with colonial wars to a greater integration into NATO. This reorientation represents not only a significant military step but also a political decision to identify Portugal more deliberately with the Atlantic community. The United States can opportunely reinforce this commitment through military grant aid designed to enable Portugal to convert military units to NATO purposes.

This is the intention of the proposed fiscal year 1977 supplemental authorization of $30 million in grant military assistance, MAP, and the fiscal year 1978 $25 million MAP request for Portugal. I urge my colleagues to support this projected U.S. military assistance program for Portugal and to consider the carefully reasoned testimony on the importance of our assistance by U.S. Ambassador to Portugal, Frank Carlucci on March 1, 1977, before the International Relations Committee's Subcommittee on Europe and the Middle East of which I am ranking minority member:

TESTIMONY BY U.S. AMBASSADOR TO PORTUGAL

In the Spring of 1974, Portugal emerged from almost 50 years of political and economic isolation from the rest of Europe with a tumultuous revolution. The goals of the revolution were three: the restoration of democracy at home, decolonization, and a more equitable economic system for Portugal's people. The old political structures have been destroyed. Decolonization was carried out. But the revolution did not provide experienced leaders or a coherent set of political and economic policies to cope with such rapid change. The resultant political instability exacerbated the economic disruptions, and further reduced output at a time when demands were greatest. This situation was further aggravated by the return of refugees from the colonies, loss of for-

eign investment, a sharp drop in foreign tourism, loss of territorial markets, and the recession in Europe and the United States.

In this situation, extreme leftist and communist groups took advantage of the political and social confusion of 1974 and 1975 to seize control of the mass media and to infiltrate the armed forces, the police, and the bureaucracy. But in the summer and fall of 1975, democratic civilian and military leaders successfully challenged the far left and defeated an extremist coup attempt that November. The armed forces ensured that the new democratic constitution was promulgated and a parliament elected in April 1976. President Eanes was elected with 61% of the popular vote in June, and Prime Minister Soares' government was finally installed in August 1976. The government is assuring the protection of basic human rights. It is defending the constitutional process from subversion by all extremists. And the armed forces have voluntarily withdrawn from politics.

At this point it is more important than ever that we continue to support Portugal's democratic forces. The support should have two concrete elements: military assistance and economic assistance, in particular balance of payments assistance.

As a natural extension of their withdrawal from politics, the armed forces have moved to create for themselves a new, non-political, NATO-oriented mission and structure supported by all the democratic parties in Portugal. Central to the success of this venture is the establishment of a NATO air-transportable brigade. Assistance from the NATO allies is indispensable to help equip this brigade. To contribute to this NATO effort and to support the military goals of Portugal's democratic leaders, civilian and military, we are requesting grant military assistance for Portugal.

The economic circumstances that cause us to recommend grant military assistance also impel us to urge U.S. participation in a multilateral consortium to provide balance of payments assistance.

Substantial assistance with repayment spread over several years would give Portugal the confidence and time necessary to carry through the economic stabilization and the restructuring of the economy required to support growth on a basis compatible with the open trading and payments system of Europe and of the industrial countries generally.

If substantial foreign loans do not materialize, the Portuguese Government will be faced with the extremely difficult task of trying to impose suddenly an even more severe austerity program [than it already has], risking public protest, growing influence and agitation by the extreme left, and possible loss of public support for democratic institutions.

To head off such a crisis, we envisage a three-part balance of payments assistance program. The first part is immediate financial accommodation on a bilateral basis from a few countries, including the $300 million dollar line of short term credit recently negotiated with the U.S. Treasury from its Exchange Stabilization Fund.

The second part, the centerpiece, is a set of medium term loans totalling up to $1.5 billion dollars from a consortium of friendly countries. The third part is full use of Portugal's credit resources at the IMF. During the entire process, Portugal will be making use of its own reserves.

At Portugal's request we have agreed to take the lead in establishing the medium-term consortium package. Interest rates would be non-concessional, that is, at the cost of money to the lending treasuries. This would not be the kind of subsidized or project assistance usually associated with AID or the international development banks. The U.S. share of the total would be no more than 40 percent up to a maximum of $550 million dollars spread over a three year period.

We are here before this Committee to request congressional support for this proposal. We need to have this early U.S. commitment both to make sure that some funds are available to meet Portugal's most critical balance of payments needs as soon as the consortium has been formed, and to encourage other countries to join the consortium. . . .

To sum up, the new government in Lisbon is seeking and receiving from the Portuguese people the sacrifices necessary to overcome the economic disorganization of the past two years. But they must have help now if they are to ward off threats from extremists, stabilize the economy, and consolidate the country's fledgling democratic institutions. Authorization and appropriation of the funds we are requesting both for grant military assistance and for U.S. participation in the consortium will provide help when it is needed. It will stimulate other members of the Western democratic community to do their share as well, demonstrating the cohesiveness in the family of Western democracies.

KEITH SEBELIUS ASSESSES FARM CRISIS; OFFERS LEGISLATIVE REMEDIES

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mrs. SMITH of Nebraska, Mr. Speaker, the dimensions of this year's farm crisis are so far reaching they should occupy the attention of our city cousins as much as they do that rugged minority of farmers and ranchers actively engaged in the production of food and fiber.

Congressman KEITH SEBELIUS of the First District of Kansas is as close to all aspects of the farm situation as any Member I know. As second ranking minority member of the House Agriculture Committee and ranking minority member of the Livestock and Grains Subcommittee, his sound counsel and advice are constantly sought in working out legislative solutions to the many problems the agricultural community faces today.

That is why his testimony before the House Agriculture Committee on February 17 at the start of the hearings on new farm legislation is so important. It brings the whole crisis into focus and recommends legislative remedies for easing it.

I commend this testimony to the attention of all of my colleagues and especially those who represent urban districts. KEITH SEBELIUS provides some answers to the thorny questions now confronting us as we seek to improve conditions for the agricultural economy which will have a direct effect upon the Nation's economy as a whole.

STATEMENT BY CONGRESSMAN KEITH SEBELIUS

Mr. Chairman, I appreciate very much this opportunity to comment for the record as we begin hearings on the Agriculture and Consumer Protection Act of 1973. I have the privilege of representing the 57-county "Big First" district in Kansas, a geographical area that is larger than 17 States and a district that we like to say typifies rural and small town America.

Mr. Chairman, today in my district and throughout the High Plains, we are in the midst of a severe price, credit, cash flow and weather crisis. By nature, I am usually an optimistic man. I do not wish to be cast in the role of being a false prophet of doom and gloom. But I must report to this committee and to all who are interested and affected by U.S. agriculture policy that the picture in wheat, feed grains and livestock country is bleak.

In the past year, the price of wheat has declined more than 30 per cent to levels below the cost of production. The price of choice beef cattle, which has been depressed for a two-year period, is approximately 15 per cent lower than last year and below the cost of production. Irrigated corn producers in my district are facing a similar cost-price squeeze. Sugar beet producers are facing a continuation of declining prices and the closing down of processing plants. In short, everything the farmer must sell in order to make a living within my district is going down in price, down to the extent that it is below the cost of production.

On the other hand, this situation is compounded by the continued escalation of non-farm goods and services. Based on Bureau of Labor statistics for last year, food purchased in grocery stores increased 2.1 per cent; the consumer price index on all items increased 5.8 per cent; wages climbed 7.2 per cent; medical care services increased 10.1 per cent; gas and electricity increased by 11.3 per cent; and transportation services, buoyed by new labor union contracts, rose by 14.1 per cent. The result has been an acute cost-price squeeze, an abrupt change in the cash flow of farmers and rural communities and an acute farm credit crisis that has as many as one-fourth of all of our farmers in a very precarious financial condition. I do not think the description of "agritragedy" is an exaggeration when it comes to describing our wheat industry in this nation.

As the High Plains thaw out from one of the coldest winters on record, wheat farmers are reporting significant winter kill. The price, credit and weather prognosis is so bleak that I believe we are in danger of experiencing the modern day equivalent of the dust bowl and depression days of the 1930's. The situation is especially critical to our younger and, more progressive farmers who find themselves highly leveraged financially and in danger of going under as a result of an increasingly burdensome debt service and negative cash flow. This is a generation of young farmers who found it economically possible to get into the business of family farming only to see their dreams shattered. We stand to lose a generation of farmers.

Lending institutions throughout my district report that as many as 25 per cent of the farmers throughout the High Plains are in "dire straits" and are such a poor risk that most banks are refusing to lend them additional credit. Many rural banks are carrying debt loads of up to 75 or 80 per cent of their limits and are experiencing liquidity problems. Many farmers have purchased land in recent years, cannot generate enough income to service their debt and are falling farther and farther behind each year. Farmers with good business management and 20–20 hindsight in terms of debt and capital outlay are just making enough money to pay the interest on their loans. At least 50 per cent have some degree of debt service and the debt load of agribusiness throughout this nation is increasing as well.

Mr. Chairman, I have no doubt you will be hearing a recounting of similar stories during the coming days of these hearings.

There have been a series of grass roots meeting led and organized by a group of concerned farm wives throughout the High Plains. Their story is one of concern and frustration. Simply put, they are asking how they can stay in business when everything they must buy goes up in price and the products they sell keep going down.

In view of these conditions, we must take a hard and immediate look at the role government and our society play in helping maintain a viable agriculture. Let me say I believe the crisis is so acute in many areas that delaying legislative proposals until these omnibus farm bill hearings are completed will be too late. I strongly urge the committee to take immediate action on several emergency fronts to stimulate the farmer's cash flow and provide credit liberalization.

Mr. Chairman, I have sponsored five legislative proposals that I believe could be of immediate help in regard to cash flow, credit, storage flexibility, conservation and export problems.

One of the easiest ways to provide an immediate stimulus to the farm sector would be to expedite the passage of HR 3367, legislation that would authorize a special graze out and hay program for wheat acreage. This bill is a companion bill to S. 650 introduced by my Senate colleague, the Honorable Henry Bellmon of Oklahoma.

Simply stated, this bill would authorize the Secretary of Agriculture to pay wheat farmers $1 per bushel on their proven yield to let livestock graze out or produce green chop forage or hay from up to 40 per cent of their allotted wheat acreage. Here are the advantages:

1. It would provide immediate relief to the shortage of hay and forage in the Midwest. Good quality alfalfa hay is costing at least $70 per ton and prairie hay at least $50 per ton. It has reached the point where thefts of sizeable quantities of hay have occurred in Kansas. USDA reports hay stocks are the lowest since 1960.

2. It would be more economically feasible to graze out wheat ground that will yield poorly than to pay a custom combine crew $10 per acre to harvest a dismal crop that would sell at prices below the cost of production. Farmers could not collect disaster payments ($0.83 per bushel on grazed out acreage.)

3. USDA projects a carryover of 1.1 billion bushels on June 1, the largest in 9 years, and an even greater carryover on June 1, 1978. The use of this program could alleviate much of the price depressing pressure on the wheat market. Even in the theoretical event of an extremely small crop in the neighborhood of 1.5 million bushels (30 per cent less than last year), the U.S. would have a total supply of more than 2.6 billion bushels for the 1977–78 marketing year. Assuming normal domestic usage, the availability for export and carryover would still exceed 1.9 million bushels or double the amount expected to be exported this year.

4. The stocker cattle market would be stimulated, a welcome relief to the beleaguered cattle industry.

5. It would be cheaper for the Federal Treasury to pay $1 per bushel now than to pay $2.25 for a loan later and a possible deficiency payment if the average market price remains below the target price.

Mr. Chairman, this bill cannot wait to be included in the omnibus farm bill. Wheat will be coming out of dormancy soon and cattle must be off wheat by April 15 in Kansas and earlier in Texas and Oklahoma for farmers to qualify for disaster payments. The earlier this bill is enacted, the more effective it will be in stimulating the wheat belt's economy.

Mr. Chairman, I believe the committee should give immediate consideration also to HR 1973, the Emergency Farm Credit Act of 1977, a companion bill to legislation introduced by my colleague and senior Senator from Kansas, the Honorable James B. Pearson. There is precedent for this legislation as represented by the Emergency Livestock Loan Program in 1974. Under Title I of HR 1973, the farmers would be able to obtain additional short term credit from commercial lending institutions at competitive interest rates with up to 90 per cent guaranteed loans. The outstanding balance would not exceed $350,000. Title II of the bill would also change the Rural Development Act by granting Farmers Home Administration new loan authority to make direct loans and guaranteed loans to partnerships and family farm corporations. In addition, the present ceiling of $50,000 on operating loans would be increased to $100,000. Maximum total real estate debt ceiling for farm ownership loans would be increased from $225,000 to $325,000. The FmHA share of the farm ownership loan would be increased from the present $100,000 to $150,000.

Quick passage of this bill would enable farmers to proceed with the planting of their spring crops. This additional credit would have to be used in a judicious manner or else this program would simply be piling credit on top of credit and delaying an inevitable fate. However, many farmers are in a position where a realistic extension of time and price improvement will spell the difference between success or failure.

Mr. Chairman, I believe grain reseal and storage legislation would also be of real help to farmers in their efforts to ride out the current market. Depressed wheat and feed grain prices are once again forcing farmers to place their grain under non-recourse Commodity Credit Corporation loans. These loans are administered according to the Agriculture Act of 1949 which in turn authorizes the Secretary of Agriculture to determine the length, price, rate of interest and storage payment connected with the loan.

As the program exists today, the USDA could release the grain at the expense of the farmer. In fact, in the 1960's, the CCC continually sold grain as soon as the price reached 115 per cent of the loan rate. The result was a wheat market continually depressed by the government.

With CCC non-recourse loans on the 1976 crop approaching their 11-month termination date, there will undoubtedly be a government takeover unless prices improve. Once again, we face the possibility that the CCC could unload this wheat at the expense of producers. HR 3366 would safeguard the farmer's wellbeing through the changes in the administration of the non-recourse loan program by amending the Agriculture Act of 1949 so that producers of wheat, corn, barley, oats, rye and grain sorghum would have the option of resealing grain under loan at the initial period for repayment of the loan, for an additional 12 months with storage payments and no interest. The farmer would also have the flexibility of resealing for a third year with the same conditions if the market price were below 75 per cent of parity. If the price were above 75 per cent of parity, the loan extension would require the Secretary of Agriculture's consent. The bill also contains an anti-dumping provision so that if the CCC were to assume ownership of grain, it would not be able to sell for less than 15 per cent of the current loan level except under conditions when the grain is in danger of deterioration or spoilage or when natural disasters create a need for emergency livestock feed.

Mr. Chairman, as I stated before, we are experiencing extremely dry conditions in the High Plains and the danger of severe wind erosion and blowing soil becomes more severe with each passing week. I urge the committee's immediate consideration of the Critical Lands Resource Conservation Act, introduced by my veteran colleague, Bob Poage of Texas and committee members Glenn English of Oklahoma, Charlie Thone of Nebraska and myself. Farmers themselves acknowledge that thousands of marginal cropland acres were broken out of sod and planted to wheat during the past few years. With winterkill evident and poor top growth, the High Plains are in danger of serious erosion this spring.

By converting this highly erodible farmland in the High Plains to soil-conserving cover crops, with incentive payments of $30 per acre, per year for an initial period of two years, it is envisioned that approximately 15 million acres of marginal wheat land could be protected from erosion. We are talking about valuable soil that could be utilized in the future when great food production is called for. In addition, during drought conditions, emergency supplies of forage would be available to livestock producers who cannot afford to buy hay for their livestock.

Mr. Chairman, the final bill I would like to discuss as part of the emergency package I am proposing deals with our Food for Peace program and the need to increase our agricultural exports. Public Law 480 must function with maximum flexibility to achieve its purposes. I am proud to say that a great Kansan, the former Chairman of this committee, Congressman Cliff Hope, Sr., whose picture hangs in this room, was one of the chief architects of the Food for Peace program. Since its enactment, more than $26 billion in farm commodities have been shipped overseas to fight the war against hunger and malnutrition.

However, Congress unfortunately crippled P.L. 480 as an effective tool for developing export markets for U.S. farm products. A year ago, Congress amended the program to require that in any fiscal year no more than 25 percent of our food assistance under P.L. 480 can go to countries with a per capita gross national production of more than $300. In other words, we must ship three tons to countries with less than $300 per capita GNP before we can ship one ton to a country above that level. Title I of P.L. 480 program permits government financing of export sales of U.S. farm products to developing countries with long term, low interest credit.

World wide inflation, sparked by the OPEC oil price increases, has put many countries well above the $300 per capita gross national product figure. The problem is compounded by the fact that some major recipients of food aid (South Asian countries) have experienced very good crop years and will not accept normal budget allocations. The USDA has estimated up to $222 million of the Title I budget (26 percent) will not be allocated or utilized. We are talking about 1.1 million tons of wheat, that may not be shipped, wheat that can do nothing in this country but add to the expensive and burdensome carryover.

However, if the 75–25 provision were repealed, the USDA estimates that there could be a potential increase of 1.75 million metric tons of wheat shipped under Title I this marketing year to needy countries. Unfortunately, my bill to repeal this unnecessary and burdensome restriction was not jointly referred to this committee and its fate lies within the House International Relations Committee.

Mr. Chairman, before closing, I would like to make several comments regarding the Agriculture and Consumer Protection Act of 1973 and the general direction I believe our farm policy should take. You know, for 40 years farmers, taxpayers and everyone on the sidelines complained about government control of agriculture and all that went with it from "taxpayer ripoffs" to the government

harness farmers had to wear in making individual production decisions.

I realize we did not achieve the millenium with the Farm Acts of 1970 and 1973, but what was achieved was unprecedented and the farmer's response in terms of productivity has been remarkable—too much so as a matter of fact! We became optimistic in providing food for our nation, alleviating hunger and malnutrition, improving our nation's balance of payments, paying for the imported oil that we use and even playing a determining role in achieving world peace. In a rare burst of optimism, I can even recall farm organization spokesmen making statements about the coming of an era in which the farmer could receive a fair price within the market place free from government interference and controls.

The current price, credit, cash flow and weather crisis makes all of this sound somewhat naive and idealistic. If I am any judge of the letters, telephone calls and many personal visits I have had from farmers, there is no consensus on specific farm policy proposals other than concern, frustration and the realization something must be done. As I have stated, I believe emergency legislation is needed, but I also believe we should be very cautious in determining program policy so that we can maintain program flexibility. I do not believe in the face of an immediate economic crisis, we want to travel down that road towards a government-controlled agriculture

Under the old farm program in the 60's, who made farm management decisions, how many acres would be cropped, how many acres to each crop, how many idled? What was was the price of wheat and farm products? What was happening to land values? What was the government doing with the grain that it cost the taxpayer one million dollars a day to store?

Mr. Chairman, as we look at what has happened since the 1960's, I do not believe it is in our best interests and the nation's best interests to go back down that road to government-controlled agriculture.

In the face of our present situation, it is tempting to ask for a quick fix. My point is that this fix could lead addiction and permanent controls. That short term carrot the government always seems to offer too often turns into a long term club.

If we can somehow work our way past this most unique and unprecedented, world-wide bumper crop year and improve demand, I think the future of the American farmer is good. This production story is one that can accurately be described as a modern economic miracle. We have just had seven successive years of record exports, 22.8 billion dollars last year compared to $5.7 billion in 1969. Every billion dollars of exports creates 50,000 jobs here in the United States. Agriculture is our nation's number one employer, providing jobs to 17 million people. Every one dollar taken in from agriculture pumps $2.20 into the U.S. economy. Mr. Chairman, I repeat these facts, well known to all members of this committee, only to point out the obvious need to aggressively maintain and expand our exports.

During the height of the grain embargo of 1975, I introduced legislation that authorizes equity payments paid to farmers should the government deem it in our national best interests to embargo farm products. While I have not yet introduced this bill during this session, I would hope the committee could give serious consideration to incorporating the purpose and concept of this proposal within the omnibus farm bill.

My main concern regarding the direction of new farm legislation is that it be market-oriented and flexible. I repeat again my view that we need immediate and perhaps even temporary emergency action to break the current vicious cycle of forced sales and depressed prices. I have already urged President Carter to take immediate action to increase the current loan rate for wheat, corn and milo.

However, I must warn that over the long term a too high loan rate would derail our export sales, distort and displace ground in the corn belt and spring wheat producing areas, destroy the target price concept and get us back into the business of government taking over grain stocks with taxpayer's money. We should be committed to a long range policy of production combined with efforts to stop the inflation that eats away at farm profits. I believe we should oppose long-term controls on farm management decisions. I would like to see us alleviate the current economic crisis and build on the foundation of a free market that the current legislation has served so well.

TRIBUTE TO ARLAN STANGELAND

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. RUDD. Mr. Speaker, it is with great pleasure that I reiterate our tribute yesterday during his swearing-in to our newest Republican Member of the House, ARLAN STANGELAND of Minnesota.

Mr. STANGELAND's election was not only a shot in the arm to conservatives in the Congress and throughout he Nation, it should also serve as a sober warning to the Carter administration that the voters of America—even those in Vice President MONDALE's own State—will not buy higher deficits, a no-growth economic policy, and unilateral disarmament.

Syndicated Columnist Frank Van der Linden has written an interesting column on the Stangeland election. As an active adviser to the Committee for the Survival of a Free Congress, I was especially pleased to note CSFC's role in that Minnesota race.

I would like to include Mr. Van der Linden's column at this point in the RECORD:

MONDALE GETS A "SLAP IN THE FACE"

(By Frank Van der Linden)

WASHINGTON.—Vice President Walter Mondale and the Carter administration have received a sharp rebuke from Minnesota's Seventh District, where the voters have elected a conservative Republican farmer, Arlan Stangeland, to the seat in Congress vacated by Agriculture Secretary Bob Bergland.

Stangeland, 47, piled up 57.6 per cent of the vote in defeating Mike Sullivan, 35, the nominee of the state's long-dominant Democrat-Farmer-Labor Party.

At first, the race was supposed to be a breeze for Sullivan, who was an assistant to Mondale when the Vice President was a Minnesota Senator.

Bergland had won re-election by a three-to-one margin last November, when the Carter-Mondale ticket swept Minnesota. Bergland, Mondale, and the new Senator, ex-Governor Wendell Anderson, campaigned for Sullivan, promoting him as a man who would work for the farmers "in the Bergland tradition." Mondale said that, with Sullivan in Bergland's old House seat, the voters of the district would have a direct pipeline to the highest levels of authority in Washington.

Stangeland waged his uphill fight with the aid of the National Conservative Political Action Committee and the Committee for the Survival of a Free Congress, as well as the Republican party organization.

CSFC sent a full-time worker, John Proctor, who concentrated on turning out the vote. Proctor praised the help he received from two young people sent in by the Committee for Responsible Youth Politics, headed by Morton Blackwell.

When the odds seemed against Strangeland in early February, Proctor sent a message back to Washington: "This congressional seat can be won with proper planning and execution." He stressed Stangeland's Scandinavian heritage, his eight and a half years of service in the legislature and, above all, the theme of his appeal to farmers: "He's one of us."

Only a few days before the February 22 election, impartial observers gave Sullivan a 60–40 chance of victory. "It began to turn around the weekend before the voting," CSFC Director Paul Weyrich said, "when the largely Lutheran voters heard that the Roman Catholic Church was asking a voter turnout for Sullivan. Also, the farmers were concerned by President Carter's cancellation of much-needed water projects. This was the Carter administration's first test at the polls. Our voters turned out and theirs didn't."

Howard Phillips, who heads the nationwide Conservative Caucus, called Sullivan's defeat "a slap in the face for Mondale." Stangeland is the first district director of Conservative Caucus to win a seat in Congress. Republican National Chairman Bill Brock interpreted Stangeland's upset victory as proof that "the Republican party is alive and well."

WEST VIRGINIA REPRESENTATIVE VOICE OF DEMOCRACY SPEECH

HON. ROBERT H. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. MOLLOHAN. Mr. Speaker, it was with great pleasure that I read Pamela E. Paugh's VFW Voice of Democracy speech on "What America Means to Me." She was chosen to represent West Virginia here in Washington on March 8 for the final judging.

Pamela has competed for the past 2 years in the Voice of Democracy program, but this year, her senior year at Parkersburg High School, she won the privilege to represent West Virginia. I would like to share Pamela's speech on "What America Means to Me" with my colleagues:

1976–77 VFW VOICE OF DEMOCRACY

"We the people" . . . Those three little words the essence of what America means to me.

This past year, millions of Americans flocked to all parts of the United States to see their country. Some discovered America through her mountains, some through her seashores, some through her capital cities with their buildings and monuments. Still others bought souveniers, marched in parades and visited historic sites. In many of these ways, I too, discovered America, but

I also had the privilege of discovering America through her people.

As I watched Americans of all races, sizes, creeds, and backgrounds celebrate our birthday, I noticed that these "United" States of America are united in more than "just a name". For example, I discovered part of America in my own neighborhood.

Although for several years I had known the families who lived around me, I had never stopped to think that these people were not only my neighbors, but also my country. My idea of America had been purely physical. I thought America consisted of sky-scrapers in New York City, the wonder of the Grand Canyon, huge redwoods of California and the booming oil wells in Texas.

But one evening, while driving through my neighborhood, I realized that these things have something, but not everything, to do with "America the Beautiful". Upon reflection, I knew America to be a plan and a dream in the minds of her people.

As I drove on I saw an example of the dream that is America. Walking along the road, an elderly couple was taking their evening stroll. As I noticed the couple more closely, I saw them watching a group of children running across the lawn to meet their father, who was returning home from work.

In that one scene, I viewed the whole of the American dream . . . I saw little children running free . . . building their dreams. Their father, in watching them, was seeing his dream being fulfilled. And the elderly couple was reliving and reviving their dream of their youth. It was then, I realized that although the privilege to dream is given to all men, only in a country such as ours has the right to pursue those dreams been given.

And as I have watched people in this Bicentennial celebration, it has occurred to me that America was not a geographically determined place. Had our forefathers landed on a continent different from the one we know today as North America, with their dreams and plans, an America would have been established there. Now, I know that the actual land I claim as my country is the place where freedom loving people live. Thus, my country's strength does not lie in her buildings, in her landscapes, or in her industries, but in the hearts and minds of her people. People—like you and me.

Perhaps the words of Brooks Scanlon best summarize what America really means to me.

"God built Him a continent of glory. He studied it with sweet-flowing of fountains; He carpeted it with soft-rolling prairies, and columned it with thundering mountains. Then He called unto a thousand peoples and summoned the bravest among them. They came—each bearing a plan and a dream, the glow of adventure was in their eyes, and in their hearts the glory of hope. God fashioned a nation in love, and blessed it with purpose sublime."

And, "we the people" call it America.

PERSONAL EXPLANATION

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, because I was in my district on Monday, I was not in the Chamber to vote on H.R. 2329. Had I been present, I would have voted "aye" on rollcall No. 31.

THE CASE FOR CIVIL DEFENSE

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. WHITEHURST. Mr. Speaker, recently I sent each of my colleagues a copy of my February newsletter, in which I pointed out to my constituents the urgent need for a strong civil defense program in the United States. I hope that many of them have had an opportunity to read, and take to heart, what I said.

One copy of the newsletter found its way into the hands of the Honorable Frank Williams, who represents the 25th District of Florida in the Florida house of representatives. He was kind enough to send me a very thoughtful letter and also a copy of an article which he had written, which appeared in the July-August 1976, issue of the Journal of Civil Defense. Representative Williams has made some cogent points, which reinforce my own position, and I am taking the liberty of sharing his letter and article with my colleagues at this point in the RECORD:

FEBRUARY 22, 1977.

Hon. G. WILLIAM WHITEHURST,
Member of Congress, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN WHITEHURST: I want to commend you on your February Newsletter. A copy fell into my hands and needless to say I was very much impressed. You are doing the country a great service by speaking out on a most important subject—Civil Defense.

Civil Defense contributes to defense balance by protecting *our* people and resources and not by threatening or destroying their counterparts in another country. In developing a proper civil defense we are not escalating an arms race—we are making nuclear targets less and less rewarding, and we tend to make weapon buildups ineffective (in spite of curiously smug arguments that it is cheaper to kill people than to protect them). Home defense is therefore a humanitarian pursuit.

Again I commend you for working towards a civil defense program that will give the American people the protective measures and the high odds for peace that they expect, need and deserve.

Please let me know if I can ever be of any assistance to you.

Kindest personal regards, I am,

Sincerely,

FRANK WILLIAMS.

PERMISSIVENESS: ROAD TO PANIC

(By Frank Williams)

Behind the glitter of our American Bicentennial there looms an ominous moral crisis—clearly the greatest in our history. We have begun, loosely, to call it "permissiveness." Not a very adequate word, but the best we have at the moment.

As a politician I am awed by its magnitude and its implications.

Bluntly, it all boils down to a serious doubt that our country, while celebrating its 200th birthday today, will last out the remaining two decades of the 20th Century. A fast-growing number of my colleagues in local, state and national politics are accepting this same disturbing vision.

Permissiveness—you might define it as a consuming desire to sympathize with, to help the forces that work against society and to whitewash their threat to our existence—now pervades our entire national life. It has both its domestic and international aspects. From a vigorous, responsible people that characterized the first 175 years of the "American Experiment" we have become a self-indulgent, guilt-ridden, sycophantic bunch of apologists.

As one example, take crime. We have coddled the criminal until today he enjoys the status of a privileged citizen. We have tied the hands of our law-enforcement people with restrictions that make justice a mockery. We blindly try to rehabilitate those who will not be and can not be rehabilitated. We are making country clubs of our prisons. We are being laughed at. We deserve to be laughed at. And, as a result in the past fifteen years the crime of murder has increased over 100 percent; rape has increased over 200 percent; and armed robbery has increased over 300 percent.

Crime pays. It's a good business. The risk of getting caught is minimized. Only 5 out of every 100 criminals are convicted where major crimes are involved. And even these look to being soon free. That element of society which is attracted by "easy money" no longer has effective restraints.

In the early 1960's I was a prison guard. Then the prisoner could be controlled because justice was fair and tough, and the penalty for revolt was severe. But not today. "Permissiveness" has taken over. We seem to feel that prisoners have a right to riot. The prisoner knows that he has a good press and that there is a great deal of "understanding" for his misfortunes. Even if he should kill a guard his penalty is apt to be of wrist-slapping dimensions. Today the life of a guard is in real jeopardy. The trained, experienced, competent career guard wants out, wants another job.

Crime is only one field where permissiveness has gained the upper hand. Education, welfare, national economy, the family unit and the professional world are other examples. Decadence is indeed pronounced.

Politics itself is infested with abuses and laxity. We have come to expect them. Local, state and national governments have in both manpower and cost exploded beyond all reason. Where do they stop?

All this is only the tip of the iceberg.

In politics this attitude of indulgence and permitted contempt for values spills over into the international scene. Here too, it is less disturbing not to make waves, to be permissive. President Ford, for instance, is busy assuring and insisting that the United States still holds position No. 1 in the lineup of military powers. But others, including Ronald Reagan, Elmo Zumwalt, Henry Jackson, James Buckley, James Schlesinger and Edward Teller, shoot holes through the claim. The Journal of Civil Defense has for several years pointed to the United States as "Number 2" in military strength.

What are we really?

We are No. 2 in offensive capability. That's for sure.

And in defensive capability? Well, we are No. 22!

I think it is appropriate here in the Journal of Civil Defense to examine the question of home defense as it relates to our permissiveness hangup.

Few people want to talk about this, and our national leaders—Republican and Democrat alike—have successfully brushed it under the rug these past twenty-odd years. The defense of Americans (except of the chosen few in government and in the military who must be protected to carry on official functions) has become a standing joke. Arguments for it are ignored and obscured.

The story—the real story—of the need for a home defense is written in vital statistics emanating from the same source that ridicules the lessons they give. One example is PONAST II, a recent government nuclear

attack study. It shows that 53.8 percent of our population would have survived an assumed attack with our present undeveloped home defense setup, but that well over 90 percent would have survived had we taken the trouble to protect our people. But we won't do it.

The idea turns us off.

* * * * *

The remedy for our soaring crime rates is obvious: make a U-turn on the road to permissiveness and come back to a policy of toughness. Executing hardened criminals may be repulsive to the cake and cookie advocates (and to others as well, including myself), but if it will result in dramatic decreases in the number of murders and rapes of innocent victims what is the real moral decision?

Over 30 states have now submitted new laws "with mandatory aspects" to the U.S. Supreme Court in order to make capital punishment acceptable. Penologists agree that permissiveness in the field of crime has been a total failure. It has been responsible for the needless deaths of thousands of crime victims. Its continuation would take an even greater toll.

Fortunately, as these facts indicate, there is a move now to become more realistic in dealing with the problem of crime. My estimate is that within the next five years or so we will again—through a policy of toughness—regain our composure in this respect.

There are indications that education, politics and other areas may also benefit by this same overall awakening. They have to. The alternatives are unacceptable.

* * * * *

The situation we face in protecting our American population from modern weapons is somewhat different. We quickly forget international crises. We want to forget them. The nightmare we woke up to when we found out that Cuba had Soviet missiles (1962) sent us frantically off on a fallout shelter binge. But when the crisis subsided we lampooned what we had done. And national leadership was so weak it failed to react.

Looking at what had happened 5 months later an article in the March 23, 1963 issue of *The Saturday Evening Post* ("The shocking truth about our civil defense") said:

"The lion's share of blame for the CD crisis must be borne by the top officials of our national Government—the President, the Secretary of Defense and their advisers. The hard fact is that the American people have not been given the kind of leadership they have a right to expect."

That leadership is still lacking. Former U.S. Ambassador to the Soviet Union, Foy D. Kohler, says this today:

"Soviet civil defense measures. indeed civil defense measures on either side, have consistently been treated in U.S. estimates as an essentially insignificant consideration. Now we are finding that they may be decisive, and that the whole foundation of the U.S. deterrence posture is crumbling."

Like the ever-mounting oil crisis (we will soon be over 50 percent dependent on oil imports) civil defense problems are not immediately visible, and we view them with yawning and boredom. Until they strike and overwhelm us. Our one big accomplishment here has been self-deception. A real emergency will precipitate panic. Panic is the price of permissiveness.

Is there really hope? Could it be that, like the apparent awakening to the need for crime control, it is possible that once we are provided facts instead of myths (the preposterous "overkill" story is one) we could seriously lay the groundwork for an effective program of homeland defense—and along with it greatly improve our capability to respond to all types of natural disaster and major accidents?

After all, home defense is the first duty of a conscientious politician. Nothing is more important than the defense of our country and its people. At least, nothing should be. Upon the successful accomplishment of an effective home defense our very survival depends.

Our Founding Fathers said it. And today at our Bicentennial I borrow this message and repeat it. If America is to be around come the 21st Century we need to fight for that concept.

I for one intend to.

FEDERAL MINE SAFETY INSPECTORS

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. RAHALL. Mr. Speaker, today I have introduced a bill which, if enacted, will extend to our Nation's Federal mine safety inspectors the same legal protections now already granted to a great variety of Federal employees in other departments carrying out similar security or safety functions. There are some 1,400 coal mine safety inspectors employed by the Mine Enforcement Safety Administration—MESA—U.S. Department of the Interior. They work to minimize the thousands of occupational hazards which were once thought to be part of a miner's job. According to the 1969 Federal Coal Mine Health and Safety Act, every operating coal mine in the United States must be inspected several times annually. Violations of Federal regulations which govern can result in fines or closure orders to the mine operator.

Some of these hazards include tons of plate and rock hanging precariously over the heads of miners as they go about extracting the precious fuel from underground seams; the constant threat of explosion, fire or "arcing" caused by ever-present deposits of methane and highly flammable coal dust; critically short air supplies in work areas; proper use and maintenance of bone crushing machinery; and the destructive effects of microscopic coal dust particles on the human lung.

Naturally, as the inspector makes his rounds in any one of the 4,500 subsurface or surface coal mines that operate in this country, he exposes himself to all these hazards—only with more frequency and to a greater degree than even the miner.

If mining is a dangerous job, it is also a profitable industry and promises to become more so as other sources of fossil fuel become critically short. One coal subsidiary projects that it will gross $900 million in 1979. With that kind of money involved, mine inspectors face another hazard which miners do not: Many mine operators and owners are never overly happy to comply with Federal safety codes and are often openly hostile and violent when an inspector orders a mine operation shut down for safety violations. In such cases, that mine is closed down until the dangerous condition is abated.

This show of hostility ranges from verbal abuse to physical violence. Until legislation is passed providing for criminal sanctions and penalties for such assaults and harassment, it would appear that inspectors must rely on the Department of the Interior requesting the assistance of the Justice Department in seeking injunctive relief against the guilty parties. To date, MESA has never invoked injunctive power available to it under the terms of the 1969 Federal Coal Mine Health and Safety Act.

Some brief examples of actual cases of harassment and violence which occurred recently are as follows:

(1) A MESA Inspector during a mine inspection cited the mine for unsafe conditions. While still in the mine, he was kicked in the mid-section and smashed across the head with a hydraulic hose by the mine's co-owner. The co-owner then started a coaling machine, looked back over his shoulder at the dazed inspector saying: "I'll kill a bunch of you damn fellows yet!" The inspector then picked up his dust bag and cap and staggered down the belt line and outside of the mine. The MESA inspector filed a criminal charge against the mine's co-owner, hiring his own attorney. The case was eventually heard on June 29, 1973 after several continuances. The co-owner was found guilty of assault and fined $200 and court costs. It cost the inspector 14 hours of annual leave, 8 hours of sick leave, five round trips to the city where the trial took place, $75.00 in lawyers fees and $5.80 for medication.

(2) One MESA inspector after discovering that an inactive mine had been reopened without proper notification to the authorities inspected the illegally-operating mine and found serious hazardous conditions. As he started to leave the mine he was pinned down by sniper fire. He hid inside the mine until evening came bringing darkness and escaped. He ordered the mine closed. He never did know who his assailant was.

(3) After completing an inspection, an inspector was returning to his office driving through treacherous mountain terrain. Suddenly, he experienced a suspicious blow-out. Upon inspection, garage personnel found a slit in the inside wall of the tire near the rim, obviously made by a knife.

The inspectors concede that most of the direct abuses take place in the smaller mines. But the subtle variety of interference, minor obstacles, and noncooperation with the law seems to be the specialty of the conglomerate mines—with hefty legal staffs and the money to be imaginative.

Regardless of who the perpetrators of these violent acts are, the Congress and the executive branch must give these Federal inspectors our strongest support by protecting them under our Federal criminal statutes. Civil action in court does not carry the weight of criminal law sanctions and penalties.

The House can take the first step toward this honorable goal by supporting my bill now. It is the least we can do for these conscientious and courageous men.

A LITTLE "TLC" MAKES SENIOR CENTER A REALITY

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. SANTINI. Mr. Speaker, in 18 months of operation, the Carson City

Senior Citizens Center has become the prime example of a functioning, effective program for the elderly. More importantly, the success of the center shows how an idea—with some help from concerned seniors and local groups—can become a reality.

The community of Carson City opened its arms to see that the center get off the ground. The local Kiwanis Club was instrumental in the initial steps toward construction and operation. The First National Bank of Nevada, the State of Nevada, and Carson City all provided needed financial and manpower assistance in the early stages. Later a Federal grant came through for the operating expenses, and the center took off. Since then, hundreds of hours and thousands of dollars have poured into the center from Carson City's business firms, service organizations, and interested individuals.

The physicial plant for the center is impressive and functional. But even more heartwarming for me, as I participated in the recent building fund benefit, is the enthusiastic response and participation by the senior citizens in the Carson City area. It is a remarkable achievement and reflection on the initiative and determination of some outstanding people living in a generous and concerned city.

The center will continue to expand, and it will continue to provide essential health, recreation, nutritional and information services to our seniors. The people who have contributed their money, commodities, and effort to making the center a roaring success have my congratulations and support.

REINTRODUCTION OF "NATIONAL COMMUNITY HEALTH WEEK" JOINT RESOLUTION

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mrs. BURKE of California. Mr. Speaker, today I wish to reintroduce a joint resolution designating March 13–19, 1977, as National Community Health Week.

A growing number of communities are already observing National Community Health Week under the sponsorship of the Community Health Association, Inc. This organization is headed by my good friend, Dr. Ruth Temple of Los Angeles, who has devoted an inordinate amount of time and energy to the establishment of community health centers.

Community health centers have been established under the auspices of Federal, State, and local governments to insure that no individual or community is denied health services because of unavailability, inadequate financial resources or other such barriers. Yet, today, many Americans still suffer needlessly because they are unaware of the resources available to them through such community health centers.

Designation of a National Community Health Week would provide an opportunity for a united effort in health education by the participation of business, labor, religious and civic groups, as well as individual citizens. This would encourage swift identification, diagnosis and treatment of persons having health problems by increasing community awareness of the services available through community health centers.

I urge my colleagues to join me in this endeavor.

WHY DO 4,300 SCHOOL DISTRICTS NEED IMPACT AID FUNDS?

HON. HERBERT F. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. HARRIS. Mr. Speaker, the 1978 Federal education budget—both the Ford proposal and the Carter revision—requests elimination of $395 million in impact aid funds, half of what our schools received in the current school year. Impact Aid funds go to 420 congressional districts and over 4,300 school districts. The 1978 budget request would eliminate funding for all "B" children, students whose parents live or work on Federal property, such as a military base or IRS office.

Impact aid funds have been part of local school budgets for 27 years. They are used as general operating funds providing the basics in a school system, from heat and water to blackboards. These proposed cuts, then, will cut into the very heart of the local school system. And they come at a time when local school budgets cannot withstand another Federal cut.

ENERGY COSTS ESCALATING

I have gathered some data on recent cost increases to schools which I would like to share with my colleagues. The following table from the Federal Energy Administration shows increases in energy costs faced by school systems in recent years:

ENERGY COST INCREASES PER PUPIL MEDIAN SCHOOL DISTRICT

Energy	1972–73	1974–75	Percent change
Fuel oil	$5.52	$10.65	+92.9
Natural gas	4.79	6.75	+40.9
Coal	1.43	2.50	+74.8
Electricity	11.95	16.65	+39.3
Propane	.36	.61	+69.4
Total energy	20.07	29.77	+48.3

Note: FEA estimates that in the 1975–76 school year the cost of fuel oil and electricity increased an additional 20 to 25 percent

The FEA figures thus show that from 1972 to 1975, the cost to median school districts for fuel per pupil increased 48 percent. During this time, the Nation's public schools spent $514 million more for fuel—a figure which represents 43,000 teaching positions.

Some areas were hit worse than others. The following table from FEA shows costs increases by region:

MEDIAN ENERGY COST BY REGION FOR SCHOOLS

Area: Region—	Dollars per pupil, all fuel 1972–73	1974–75	Percentage change
1. Maine, Vermont, New Hampshire, Massachusetts	24.46	47.14	+92.7
2. New York, New Jersey	28.06	48.04	+71.2
3. Pennsylvania, District of Columbia, West Virginia, Virginia	23.52	39.21	+66.7
4. Kentucky, Tennessee, South Carolina, North Carolina, Mississippi, Alabama, Georgia, Florida	15.80	24.99	+58.1
5. Minnesota, Wisconsin, Michigan, Illinois, Indiana, Ohio	24.09	36.30	+50.6
6. Texas, New Mexico, Oklahoma, Arkansas, Louisiana	15.06	20.89	+38.7
7. Nevada, Iowa, Kansas, Missouri	21.33	26.13	+22.5
8. Montana, Wyoming, North Dakota, South Dakota, Utah, Colorado	18.77	24.93	+32.8
9. Nevada, California, Arizona	14.96	20.67	+38.1
10. Washington, Oregon, Idaho	19.57	27.00	+37.9

In this survey of 10,000 school districts, covering 96.5 percent of all public school students, 60 percent of the school officials reported that their district lacks money to undertake changes and modifications in buildings and in their heating and ventilating systems needed to conserve fuel. Most often cited as obstacles to conservation were the age of buildings, lack of proper temperature controls and leaky windows.

LIBRARY BOOK COSTS RISING

Publishers Weekly has compiled the dollar figures listed below which show how inflation has affected the price of library books:

COST OF LIBRARY BOOKS

Type of book	1971	February 1977	Percentage change
Average hardcover children's book	$4.23	$5.87	+39
Average hardcover adult book	13.25	16.32	+23

These increases follow a doubling in prices the previous 5 years.

"ROOTS" WOULD COST $7,200

Many of us have been inspired recently by the television production of Alex Haley's book "Roots." This gripping program provided a valuable educational experience for adults and children alike. Aside from the social and historical lessons learned from this masterful work, I believe many of us also were reminded of the power and educational value of films and other audio-visual media. Yet the cost to a library or a school system to purchase this 12-series film would be $7,200. The cost of educational materials, particularly those like films with a petrochemical base, has strained school budgets. I would venture to guess that few schools or libraries could purchase "Roots." And yet I doubt that there is

little disagreement over the educational value of this important work.

LUNCH PROGRAMS HIT BY INFLATION

The cost of school lunches too have moved upward. Food prices have gone up 47.4 percent in the last 5 years. And the amount of local dollars being spent on school lunches has jumped 35 percent nationally, going from $450 million in 1972 to $690 million in 1976.

EMPLOYEE COST UP

Inflation has boosted teacher salaries and teacher organizations and other school employees negotiate higher wages. Added to these woes are increased costs of employees health insurance. In one of my school districts health insurance premium rates will climb 60 percent in 1977–78. Furthermore, the new Federal law requiring financing of unemployment compensation insurance by State and local governments will add to our schools' problems.

STATE FUNDS DWINDLING

Added to these burdens are slashes in State support for education even though these same States and various court decisions have placed on the local schools certain standards of quality. The 94th Congress too set some high standards for our schools. For example, in the amendments to the Federal "special education" program, we mandated that all handicapped children from ages 3 to 21 should be provided a free, public, quality education. When we and State governments set these goals, we also have to remember at budget time to foot the bill. It is that simple. School districts cannot respond, cannot develop programs to meet these goals without money.

IMPACT AID CAN HELP MEET EXPENSES

These and other cost figures are startling. Our schools cannot continue to meet the escalating costs without making difficult sacrifices in school programs. Impact aid—as a general, not a categorical program—can help our schools meet the bills during this most difficult time. Our local school boards are now preparing their budgets for the next school year. We need to assure them that we will maintain adequate Federal support for our schools.

I have information on how the Ford-Carter budget proposals will affect local school budgets across the country which I would be pleased to share with my colleagues if they will call me or my staff at 225–9120 or 225–4376.

WHAT AMERICA MEANS TO ME

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. LUJAN. Mr. Speaker, I rise to bring recognition to a very bright and capable young woman from my hometown of Albuquerque, N. Mex.

Eileen Ungricht has been named the winner of the New Mexico Veterans of Foreign Wars speech writing contest "The Voice of Democracy."

A junior at Del Norte High School, Eileen is active in school functions including the Drama Club, the Speech Team and the Junior Jury.

In winning her State honor she has become eligible for one of five national scholarships. I would like to take this moment to join many others including Eileen's parents, Mr. and Mrs. Samuel K. Ungricht, in congratulating this fine young woman.

Mr. Speaker, I would like to enter into the RECORD a copy of Eileen's winning speech.

WHAT AMERICA MEANS TO ME

(By Eileen Ungricht)

America, a word that has a special meaning to every person who lives in it. America, a laugh, a shout, a way of life. America, our country is so precious and so important that our forefathers fought and died for us to become the great nation that we are today.

And now in this bicentennial year, we must pause to ask ourselves, just what does America mean to us?

To me America means freedom, the precious gift which enables us to live our lives in a law-abiding, fair and decent manner, and to stand up for our ideals and beliefs to pursue our dreams, without fear of punishment. Our country offers freedom, rights and opportunity such as no land before has ever enjoyed. We have been endowed by our creator with certain uallenable rights and that among these are life, liberty, and the pursuit of happiness. We have the freedom of speech, freedom from want and freedom to worship in our own way. We have the right to hope, to dream, and to serve. We have the opportunity to work as lawyer, or farmer, as chemist or truck driver.

The past would make it seem that men love freedom more than life, for so many have died to bring it to us. Everywhere you can hear the voices of people crying out to be free. I believe that America has answered that voice.

Besides freedom, rights and opportunities, to me America's feeling and meaning goes much deeper. America is the throbbing in your heart, the lump in your throat, and the holding back of tears when you hear those chilling high notes of the trumpets when they play the "Star Spangled Banner". America is the surge of pride that you feel as Old Glory reaches the top of the flagpole.

America is a country of vast beauty. From the land of Iowa corn, potatoes and pastures, to the realm of hundreds of acres of golden wheat stretching across the flat miles of Kansas. It is the land of the granite hills of Vermont, the coal fields of the Virginias and Pennsylvania. America is the Rocky Mountains, the Grand Canyon and all of the fertile lands of the West.

America is the lives of over two hundred million men, women and children. It is the laughter of a small boy as he watches a circus clown, it is the delicious coldness of ice cream on the 4th of July, and the highschool band playing in the Memorial Day parade.

We have always had a deep sense of gratitude for our country. But in order for us to really appreciate it we must have a clear understanding about the beliefs and ideals on which our country was based.

From that notable year, 1776 until now, many events have helped in the rearing of our nation. From the green hills of Lexington, and the snow at Valley Forge, to the walls of Fort Sumter and the fields of Gettysburg, on down through recent wars, our ancestors fought to keep America's freedom, honor and grandeur intact. From the writing of the Constitution to the Bill of Rights, our forefathers pledged their lives, their fortunes and their sacred honor. They had their security, but they valued liberty more. They gave us an independent America. Now it is our debt to our forefathers, to preserve this country and remain loyal to the cause for which it stands. And because I am a free person, I can make a useful contribution in this country in one form or another. I can assist in keeping America the beacon of hope and promise, and wanting to help keep this land "The Grandest on Earth".

These things and much more is what America means to me. And I can truly be proud to say I am grateful to be a citizen of this country. One nation under God with liberty and justice for all.

BROUHAHA OVER CIA SUBSIDIES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following column by my constituent, Gen. Henry Huglin. General Huglin is a retired Air Force brigadier general and syndicated columnist. He comments on the payments by the CIA to foreign governments.

BROUHAHA OVER CIA SUBSIDIES

(By Henry Huglin)

The issue of morality and openness in foreign policy has come to the fore again.

On February 18th, a report in the Washington Post alleged that the Central Intelligence Agency for 20 years had been secretly providing subsidies to King Hussein of Jordan.

Subsequently, the Washington Post and the N.Y. Times have made claims—"some quite erroneous," according to President Carter—that a considerable number of other nations' leaders have also been recipients of CIA subsidies.

These charges have set off a new brouhaha of rehashing old charges against the CIA and hand-wringing over the "immorality" of such clandestine operations.

This issue is a hot one for President Carter, and he is taking a rather surprising strong stand in support of such operations, though he reportedly cancelled the Hussein subsidy.

This subject is fraught with dilemmas between realities in power politics and moral principles. For instance, in the Hussein case, would it have been more or less moral not to have subsidized him and thereby lost his moderating role, to the greater jeopardy of peace in the Mideast and to Israel's security?

And, now, efforts to promote an enduring Mideast settlement, in which Hussein could play a key constructive role, may be adversely affected by this charge.

Actually, if the allegations about the CIA payments to Hussein are true, the decisions of four of our Presidents to authorize such payments may well have been sound, the cost worthwhile, and the clandestine process essential and proper.

In the past 32 years, as we have risen to our responsibilities as a superpower in a rapidly changing and still-dangerous world, our country has, of necessity, got deeply into "cloak and dagger" operations.

The CIA, which was set up 30 years ago, is, of course, the primary agency of our government which collects and evaluates information on other countries. And it is also the

agency our Presidents have used in trying at times to influence political situations in other countries secretly, rather than openly, when such situations were judged by them and their advisers as important to our security or vital interests.

The now-publicized CIA subsidies to Hussein and others were doubtlessly intended to help them stay in power or get into power, for the moderation or stability they were expected to achieve.

The payments had to be made secretly in order to avoid undermining them through charges of being puppets of our country, which those named really have not been.

And, as President Carter has declared, disclosure of clandestine operations "can be extremely damaging to our relationship with other nations and to the potential security of our country." Yet, such disclosures seem to be a price we sadly have to pay sometimes for our kind of society.

What does this add up to? Well, we ought to forego moralistic hand-wringing. Our government needs to employ clandestine subsidies and other activities at times. When and for what purposes are, of course, critical matters of judgment, for which we really have no rational choice but to trust the President, his key advisers, and the Congressional intelligence oversight committee.

We are still in a grim, vital power-politics struggle with the Soviets and lesser ideological and geopolitical expansionists. So, our security—and that of hundreds of millions of other people in the world who have to depend on us—can only be sustained if we operate an intelligence organization second to none, and conduct clandestine operations when deemed necessary by our responsible leaders.

How can this be squared with moral, democratic, and openness-in-government principles? It simply has to be recognized as a compromise brought on by the exigencies of our role in a tough and all-too politically immoral world.

There is scant cause now for fear that our rights and liberties or national image abroad are going to be undermined by the CIA's clandestine operations.

We have greater reason to be concerned that our intelligence operations have been overly circumscribed through excessive moralization, do-goodism, and hair-shirting our society over past mistakes. Such crippling, along with secrecy leaks, could wreak havoc with our national security and conduct of foreign policy.

So, we need to keep CIA clandestine operations in proper perspective.

The President, his advisers, and those who run the CIA may make errors in judgment; but this should be rare and perhaps unavoidable. And the value to our country and our allies of our clandestine operations far outweighs the cost and consequences of errors or failures. We better not bobble ourselves with impractical, imprudent, ivory-tower moralism on this issue.

THE INVISIBLE VIETNAM VETERAN

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. TAYLOR of Missouri. Mr. Speaker, I submit herewith an editorial by James H. Webb, captain, USMC, retired, who discusses the continuing plight of our apparently forgotten veterans of the Vietnam conflict.

Captain Webb knows of what he speaks. He is a recipient of the Navy Cross, Silver Star, and two Bronze Stars for Heroism in Vietnam. He has twice been wounded in the service of his country.

I would encourage my colleagues to give thoughtful consideration to the captain's editorial, "The Invisible Vietnam Veteran," which follows:

THE INVISIBLE VIETNAM VETERAN

(By James H. Webb, Captain, USMC, retired)

The most important part of an award such as this is its symbolic value as notice to the community. I don't need to elaborate in front of this assemblage about how incredibly difficult it has been for the Vietnam veteran. His anonymity and lack of positive feedback about himself and his fellow veterans have intensified all the other difficulties he has faced, including those shared by non-veterans. With the exception of a few well-publicized disaster stories, he is invisible.

ROOTS OF PROBLEM

To my mind, the roots of this problem go back 10 and 11 years, when the veteran suffered the irony of having people, who directly opposed both his views and his acts, become accepted as his spokesmen, in the name of the "generation gap," since he and they were from the same age group. But it's obvious that it wasn't age that separated views on Vietnam, and especially on what to do about it: it was culture. And the cultures that fought Vietnam have traditionally lacked access to the media and power centers of this country. As a result, their views have gone unheard and it has been presumed that, on the whole, "youth" embraced the views of the anti-war faction.

The lack of positive feedback persists. A Vietnam veteran looks for success stories within his own age group and finds that, by and large, they belong to people from one of two sub groups. Either the person managed to avoid the war altogether, with no stigma for doing so, and was able to devote full time to his field without the interruption of being in the service, or he actively opposed the war and has now converted his anti-war activities into credentials—much as the veteran of World War II did with his campaign ribbons.

MOST FRUSTRATING MOMENT

The anonymity persists. I recall my most frustrating moment as a Vietnam veteran. The day after Saigon fell and it was finally over, a local newspaper ran what was tantamount to a special edition on "What Vietnam Did To America." On the front page were two human-interest stories. One detailed the frustrations of a draft resister. The other was about a person who had quit his civil service job because he had "lost faith" in the American system of government, and then, sadly, had to become a lawyer. The center of the front section had two full pages of interviews—at least 50 of them—with people from across the entire spectrum of American culture.

But there was not one interview with a Vietnam veteran. It was as if he had ceased to exist along with the government of South Vietnam—or perhaps was merely considered irrelevant in determining the effect on the rest of society of the very issue that had touched him the most directly and intensely.

And the whole notion of invisibility persists in other forms as well. We read repeated editorials and articles urging amnesty for the ones who fled. I realize that there is much room for differences of opinion on this issue, even among veterans. But no matter what a Vietnam veteran's position on the amnesty issue, he cannot help but feel the knife twist every time he reads articles that elevate the ones who fled, collectively, to the level of prophets and moral purists. The phrase that sticks in my mind, used quite often, is that they "obeyed a higher law, that of their own consciences, and fled."

THE LOWER LAW

The unwritten implication, again and again, is that the Vietnam veteran, who merely obeyed the "lower law," that of his country, did so out of immorality or lack of conscience. Or, to be blunt: We seem to have reached the anomaly where the very institution, and the same newspapers, who only a few years ago called for us to bleed, have now decided that we should be ashamed of our scars.

Well, I'm not ashamed of mine. And I will always believe that the individual who agonized over the incredibly complex moral and political issues of Vietnam, and then went there, displayed an equal level of conscience, and a hell of a lot more maturity, than his counterpart who fled. To go required an acceptance, sometimes conscious and sometimes visceral, of the premise that he was living in a nation of laws and not specially privileged people. It also required a sublimation of self to what, at least then, was perceived to be in the public good. The person who fled, no matter how great his agonizings, finally decided the issue in his own self-interest. If he had been a true "moral purist," he would have gone to jail for his beliefs.

BE PROUD

The Vietnam veteran has a lot to be proud of. If the anti-war elements in this country had opposed the war with the same maturity and patience that he displayed in fighting it, perhaps 10,000 more of his contemporaries might be alive today. People being what they are, and emotions what they are, Vietnam would have been a less volatile issue, and the war would have ended sooner.

"OVERSIGHT" AS IT SHOULD BE

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. RUSSO. Mr. Speaker, last October the Small Business Committee's Subcommittee on Activities of Regulatory Agencies released an important report expressing reservations over the Federal Trade Commission's—FTC—proposed funeral industry trade regulation rule.

By this demonstration of diligent congressional oversight of regulatory programs, the subcommittee has surely placed the potential impacts on small funeral businesses in the proper perspective. Until the final, revised regulation is made public we won't know the extent to which the report may have caused revisions, but judging from the many instances of national editorial opinion expressing support for the subcommittee's action, the FTC will have hopefully taken heed. One such editorial, by James J. Kilpatrick, reviewed the situation quite well and I submit it to my colleagues as an example of active and beneficial congressional oversight:

"OVERSIGHT" AS IT SHOULD BE

(By James J. Kilpatrick)

It is a venerable custom, dating back to the earliest days of the Republic, to belabor the Congress for its failings. This is a useful custom; it ought never to be abandoned.

But now and then the Congress performs excellently and earns a round of applause.

Let us hear it, then, for a House subcommittee headed by Tom Steed of Oklahoma, which last month provided a splendid example of what congressional oversight is all about. The subcommittee filed a devastating criticism of a proposal advanced by the Federal Trade Commission for regulation of the funeral industry. The report demolishes the FTC's position and convincingly demonstrates that the proposed trade rule regulation should be withdrawn.

A word about "oversight." In congressional terminology this does not mean, as you might suppose, a kind of inadvertent neglect. It means scrutiny or supervision; and one of the most conspicuous failures of Congress in recent years is that it has failed to exercise its powers of oversight sufficiently. The general rule is for Congress to grant sweeping regulatory powers to some executive agency, and then to forget about the matter. This is one of the reasons for the fix we are in.

A couple of years ago Congress passed the Magnuson-Moss Act, enlarging the powers of the Federal Trade Commission. Congress then forgot about the law. The FTC did not. Within the FTC, the bureaucrats spit on their hands and got happily to work. For no particular reason, except that the subject appealed to him, a staff attorney by the name of Arthur R. Angel got entranced by the funeral industry and by the abuses he perceived therein.

One thing led to another. Angel read books; he read magazine articles; the more he read, the more he concluded—quite sincerely, we may believe—that a deplorable situation could be relieved only by nationwide federal regulation. This conclusion led to hearings, to expert studies, to consultants' fees, and to 24,400 manhours of busy-work within the FTC. On Aug. 29, 1975, Angel's baby was born—a long, tough, bristling proposal to regulate the very daylights out of the nation's 22,000 funeral homes.

Because 90 percent of these homes are small business operations, with only two or three full-time employees, the proposal attracted the attention of the House Committee on Small Business. Steed's subcommittee took a long, slow look.

In its enthusiasm for regulatory rule, the FTC had attempted to justify its proposal in terms of "nationwide" complaints. On examination, it appeared that fewer than a dozen complaints had been received at the time the FTC set to work. Over a five-year period, the FTC could show but 1,000 complaints. There were 10 million funerals in that period. That is a consumer complaint level, said the subcommittee, of .0001.

Turning to the merits of the proposed regulation itself, the subcommittee found the requirements intolerable. The FTC would forbid funeral directors from "disparaging" inexpensive caskets or simple services, but "disparagement" was nowhere defined. The FTC would require the funeral homes, in effect, to demean and degrade their own services; they would have to supply customers with a form "stating what is not required by law for a funeral."

These and other proposals, said the subcommittee, are "abhorrent to free enterprise." While the industry surely is not free of abuses, the abuses are relatively few and generally are confined to large cities. In sum: "The subcommittee finds no compelling need for federal regulation of the funeral industry, and concludes that the interests of the public and small business will be better served if the funeral industry is regulated by the states."

There are dangers, it should be noted, in the concept of congressional oversight. Carried to extremes, the procedures could hamstring executive agencies altogther. The Congress cannot responsibly (or constitutionally) exercise a veto power over every agency decision. But the danger, thus far, has not resided in too much oversight, but in too little. Steed's subcommittee, in this excellent report, has shown us how the system ought to work.

RECOVERY I, A NEW GARBAGE AND RESOURCE RECOVERY CENTER IN THE CITY OF NEW ORLEANS

HON. LINDY BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mrs. BOGGS. Mr. Speaker, I would like to take a moment today to share with my colleagues an article about an innovative solid waste disposal plant now in operation in my district, by the city of New Orleans.

Recovery I is a garbage disposal and resource recovery center in the eastern part of the city. This new facility, developed in cooperation with both the private and public sector, disposes of 650 tons of waste per day through environmentally sound techniques. Not only is the landfill operation cleaner than other New Orleans landfills, but the facility has the added features of reducing air pollution, recovering materials, and substantially reducing the cost of solid waste disposal for the city.

For the information of our colleagues I request permission to include the following article from the New Orleans Times-Picayune of January 30, 1977:

GARBAGE PROBLEM

There probably aren't many mayors who are smiling over their city's garbage, but Moon Landrieu is. The past year saw New Orleans taking a giant step toward solving its garbage problems.

The key ingredient was the opening of Recovery I, the garbage disposal and resource recovery plant in eastern New Orleans. It enabled the following to occur:

Closing of the city's five polluting incinerators.

A more economical way to dispose of the city's garbage.

An environmentally sound landfill procedure for disposing of shredded garbage.

Recovery I is the nation's first full scale facility to recover marketable materials from municipal solid wastes. It was built and is being operated by Waste Management Inc. The concept was originated by the non-profit National Center for Resource Recovery, and the City of New Orleans became interested in the project in 1972.

Recovery I handles 650 tons of trash and garbage a day, about half of the city's total. It shreds the garbage and places it in a landfill adjacent to the plant.

"The landfill operation is environmentally a lot cleaner than our other landfills in Gentilly and Algiers," said Pat Koloski, secretary of the Department of Sanitation. "It requires no covering material because the garbage is shredded through Recovery I.

"This saves the city about $200,000 a year."

There is also another environmental advantage and that is the closing of the incinerators.

"We've long known that these incinerators are an unsuitable way in which to dispose of garbage, but there were no other alternatives," said Mayor Moon Landrieu. "Now, thanks to this excellent cooperation between NCRR, the private sector and the public sector, there is a more efficient manner.

"The city is happy to have done its share to clean up the air and we hope other industries will also follow along. Already, many have."

One of the biggest advantages to the tax paying public has to be the economy of the operation. First, the city would have had to put $10 million of capital funds into upgrading the incinerators to meet the Clean Air Standards Act.

But above that, it now costs the city $10.95 a ton to dispose of its trash and garbage through Recovery I. Previously, the cost averaged out close to $14 through the incineration process.

Later this year when the recovery phase of Recovery I is opened the city will receive a share of the sale of the recovered material, including aluminum, ferrous metals, glass and paper. Koloski estimates this will decrease the cost to the city around $1 per ton.

Waste Management and NCRR are both pleased with the concept and the practical applications they are seeing taking place.

"The combination of the City, NCRR and Waste Management has worked to the advantage of all three parties," according to Bill Parker, the NCRR representative assigned to Recovery I. "The city is getting its garbage taken care of in an environmentally accepted manner, Waste Management is getting a reasonable return on its investment, and NCRR is furthering the concept of resource recovery."

NATURAL GAS SHORTAGE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for March 2, 1977, into the CONGRESSIONAL RECORD:

NATURAL GAS SHORTAGE

The shortage of natural gas, our cleanest and cheapest fossil fuel, has reached crisis proportions. Furthermore, the long-term outlook for natural gas supplies is bleak.

Although experts in industry and government have sounded the alarm for years, their warnings have gone largely unheeded. America has gone on consuming natural gas at ever increasing rates. Now every American is asking himself why the natural gas crisis has occurred. The experts are saying that it has had four primary causes: cold weather, the diversion of natural gas to wasteful uses, declining production and the withholding of natural gas from interstate pipelines.

While there is not very much that we can do about cold weather, there are steps we can take to cut down consumption of natural gas during cold weather. We would not have consumed 30% more natural gas this January than we did last January had we turned down thermostats, insulated homes, refused to heat unoccupied rooms and used less hot water. James Schlesinger, President Carter's chief energy advisor, estimates that such steps could save 50% of the natural gas used to heat homes.

The diversion of natural gas to wasteful uses is something we can prevent. At the present time nearly 10% of the total yearly production of natural gas goes to utilities that burn it to generate electricity even though this could be accomplished with

other fuels. Utilities burn natural gas because it is clean and cheap, but they could be encouraged to switch to other fuels and install pollution abatement devices. Perhaps the best way to get utilities to "kick" the natural gas habit is to allow pipeline companies to charge them a fair price for the natural gas they burn.

It surprises many people to learn that the production of natural gas is declining. Numerous private and public studies reveal proven and potential reserves that would provide natural gas at current rates of production for the next 40 years. Natural gas is there to be extracted, but no one wants to do the extracting. Some reserves are not exploited in anticipation of higher prices; others are not exploited because exploration and drilling are not profitable. In any case, production of natural gas is dropping to dangerously low levels as we use more gas each year than we find.

Perhaps the single most significant cause of the current crisis is the unavailability of natural gas for transmission through interstate pipelines. Under the present system of price regulation most natural gas transmitted through interstate lines sells at a maximum price of 52¢ per thousand cubic feet, though such gas discovered less than two years ago now sells at a maximum price of $1.42 per thousand cubic feet. On the other hand, natural gas transmitted through intrastate lines is unregulated and hence sells at a free market price ranging from $2.25 to $2.50 per thousand cubic feet. Faced with this bizarre pricing system, the entrepreneur markets through intrastate lines. The effects of this pricing system have been marked. In 1966 68% of all newly discovered natural gas was committed to interstate lines, but by 1975 the total dropped to 13%. Natural gas simply cannot be bought by the people who need it most. There is more than a grain of truth in the old saying: "A high-priced market starves a low-priced market."

There are various things we can do to mitigate the effects of the natural gas crisis. The general idea is to let prices rise and taxes increase enough to discourage wasteful use of gas and encourage tough conservation standards for buildings. To begin, we can set the price of gas free to find its own level in the market, perhaps phasing out controls gradually to cushion the blow to consumers. The federal government should remove itself from gas pricing altogether. The only question is the timing. A gradual and selective pattern of price increases would free up supplies of natural gas for transmission through interstate pipelines. It would also stimulate production and force conservation. A steep rise in price, however, should be avoided because of its inflationary impact. And to preclude the taking of windfall profits by gas companies special taxes may be necessary.

To spur energy conservation by individual consumers tax credits can be offered for home insulation and energy savings. Utility rate structures can be revised, especially for large volume users, to discourage the overuse of natural gas. Increased exploration and advances in natural gas technology must also play a prominent role. Alaskan and offshore reserves hold enormous promise for the future, and although liquified natural gas costs are high, vigorous research and development efforts can and will bring these costs down. What are minor supplements today may be major sources tomorrow. So that we do not have to rely on information supplied by interested parties, Congress should move to assure that we get an accurate picture of our supplies as soon as it is possible to obtain.

These steps will not solve the natural gas shortage quickly and curtailments in supply will continue for some time. However, such steps will enable us to begin to deal effectively with the shortage.

THE WARNKE SELECTION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. CRANE. Mr. Speaker, tomorrow, the Senate will be considering the nomination of Paul C. Warnke to head the Arms Control and Disarmament Agency and to be our Chief Negotiator during any strategic arms limitation negotiations. Given the rapid escalation of Soviet spending for strategic weapons, the significance of the person to fill this position is most serious. And given Mr. Warnke's past record, it seems to me he is not the person to fill it.

For the benefit of my colleagues and for those in that distinguished body on the other side of the Hill, I ask unanimous consent that the following article by columnist Allan Brownfeld be included in the RECORD. Mr. Brownfeld has put the salient facts into their proper perspective and I hope that they might be carefully considered before it is too late.

WARNKE PICK SIGNALS WEAKNESS

(By Allan C. Brownfeld)

President Carter's selection of Paul C. Warnke to head the Arms Control and Disarmament Agency has put the new administration clearly on the side of a conciliatory posture with regard to arms control negotiations. In an era in which the Soviet Union is rapidly moving ahead of the U.S. in almost every major weapons system, such a posture poses great dangers to the national security.

Warnke, it must be remembered, was the principal national security adviser to Sen. George McGovern, D-S.D., in his 1972 presidential race. In that campaign, "The Alternative Defense Posture," a campaign paper which presented McGovern's defense budget proposals and was strongly backed by Warnke, advocated discontinuation of the deployment of MIRVs, Minuteman III and any other steps to upgrade U.S. ICBMs, as well as cessation of conversion of Polaris to Poseidon submarines, halting the development of a B–1 prototype and cessation of the deployment of the Safeguard system. The defense paper also urged cutting by more than half the Army's surface-to-air missile capability and the Air Force's interceptor force.

Discussing the meaning of the 1972 positions taken by Warnke, Dr. William R. Kintner, formerly director of the Foreign Policy Research Institute of the University of Pennsylvania, said, "When the McGovern defense package is unwrapped, it reveals a dangerously decimated defense establishment—the strategic forces are frozen at current levels or reduced; almost all new projects in development are cancelled; the total research effort is savagely reduced. Our conventional forces, greatly reduced in numbers, lack even the funds for basic operations and maintenance. . . ."

In an article in the spring, 1975, issue of Foreign Policy, Warnke expressed the view that it has been the U.S., not the Soviet Union, which has been provocative. He wrote, "As its only living superpower model, our words and our actions are admirably calculated to inspire the Soviet Union to spend its substance on military manpower and weaponry. We should, instead, try a policy of restraint. . . . The chances are good . . . that highly advertised restraint on our part will be reciprocated. The Soviet Union, it may be said again, has only one superpower model to follow. To date, the superpower aping has meant the antithesis of restraint."

At this critical moment, when the Soviet Union is spending more money than ever before upon a defense establishment aiming at total military superiority, President Carter, by his selection of Paul Warnke, has signaled weakness, not strength. Does the President really believe that if the U.S. unilaterally disarms, the Soviet Union, in an effort to show its "good faith," will do the same? If he does not share such a fanciful view or reality, Warnke is not his man. This view has been stated time and time again by Warnke. He can hardly be accused of being surreptitious in his advocacy of unilateral concessions.

Fortunately, a number of senators and congressmen concerned with a strong national defense, have been vocally critical of the Warnke selection—an indication to President Carter that a dovish defense posture will not have an easy time passing through the Congress. Sen. Henry M. Jackson, D-Wash., declared, "I'm disturbed at some of the positions and recommendations made by Mr. Warnke." On the House side, Rep. Samuel Stratton, D-N.Y., a member of the House Armed Services Committee, has opposed the Warnke nomination. He said, "Mr. Warnke on several occasions has argued that it is the U.S. not the Soviet Union which is the major threat to world peace; and it is the U.S. not the Soviet Union that has been the real initiator of the nuclear arms race. How could someone who holds those views actually emerge from SALT II negotiations with an agreement that would really protect the security of the U.S.? Such a negotiator, I fear, would be likely to give away the store in a mistaken mood of guilt and good will."

In a 1972 debate with Sen. James Buckley, R-N.Y., Warnke claimed that not even "substantial nuclear superiority" could be " a decisive factor in any political confrontation between the U.S. and the U.S.S.R."

On Feb. 1, Sen. Sam Nunn, D-Ga., at a Senate Armed Services Committee meeting, questioned Gen. David C. Jones, Air Force chief of staff, and Vice Admiral R.J.L. Long, vice chief of Naval operations. Without naming its source, Nunn quoted Warnke on the irrelevance of strategic superiority and asked both officers whether they agreed. Both emphatically did not.

When he was a candidate for the presidency, Jimmy Carter told the editorial board of a Chicago newspaper that he received foreign policy from opposite poles—from both "hawks" and "doves." He named Warnke as the "dove" and former Deputy Secretary of Defense Paul Nitze as the "hawk." Now, however, Warnke has been appointed in the key post of head of the Arms Control and Disarmament Agency and Nitze is no place to be found in the new administration.

If, by some chance, Carter does not really wish to signal the Russians in the conciliatory, dovish manner he has with the Warnke selection, he should make this clear. If he does not, he is increasing the vulnerability of the U.S. and the West and is, in addition, making the world a far more dangerous place as the Soviets will become even more adventurous.

EDITORIAL POINTS TO ISSUE TOO MUCH IGNORED

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. SIMON. Mr. Speaker, while Congress is understandably concerned about problems of unemployment and other

matters which are pressing and which are reflected in our mail, the dominate issue for the balance of this century is food and population struggle which this Earth faces.

An editorial in the Washington Post, "The World's Wealth," is not exciting, exhilarating reading but it is thoughtful and it points to a question too much ignored by all of us.

I am inserting it in the RECORD herein for those of my colleagues who may not have had a chance to see it:

THE WORLD'S WEALTH

It's the sudden swoops and crises in the world's economy that get the attention. But it's the slow and steady trends that are transforming the patterns of the world's wealth. One of these trends is the rapid rise in the production of the other industrial countries, relative to the United States. Another is the lack of improvement in the poorest countries, where the long-term increase in wealth per capita is now zero.

These two trends will be the major themes of the economic history of our times, as it is written a century from now. Consider, first, the rich countries. The conventional view used to be that they were expanding very rapidly only because they were catching up with the United States, which, as the leader, carried a disproportionate share of the cost of innovation. According to this view, the other industrial economies would slow down long before they drew even with the American levels of productivity. But it hasn't worked out that way.

There are a lot of ways to measure relative wealth, and one of them is to compare the earnings of industrial workers. Last month, just before President Ford left office, his Council on International Economic Policy published a striking set of numbers showing the enormous change in position since 1960. The following figures are hourly compensation rates for industrial production workers:

	1960	1970	1976 (est.)
Sweden	$1.20	$2.96	$8.50
Canada	2.13	3.46	7.39
United States	2.66	4.20	6.90
West Germany	.83	2.32	6.70
France	.83	1.74	4.59
Japan	.26	.99	3.26
Great Britain	.82	1.46	3.05

The drastic changes since 1970 reflect not only rising output abroad, but the drop in the dollar's exchange rate. These changes are hardly mere technical adjustments. American productivity has not, in fact, risen very rapidly in recent years. Over the past decade, productivity—which is simply output per man-hour (person-hour?)—rose 24 per cent in the United States. In Canada, it went up 43 per cent. In Germany it went up 73 per cent, and in Japan it more than doubled. Even Great Britain's productivity has risen slightly more than this country's since 1967.

Is it a bad thing that other countries should be getting richer faster than we? Not at all. But their great wealth and our rapidly rising trade with them make our economy work in ways in which we are not accustomed. The competitive pressure on us is rising.

Unfortunately, these rapid increases in productivity are not shared equally throughout the world. Some weeks ago the World Bank published its economic atlas for 1976, an annual accounting of global growth and prosperity. It showed that, from 1970 through 1975, real production per capita rose not at all in the 30 poorest countries. These countries comprise just about one billion people; they include India, Indonesia, and a broad band across central Africa. If anything, they lost a little ground in those five years. Their total output rose significantly in those five years—about 11.5 per cent as the World Bank calculates it. But their populations rose a bit faster.

By 1975, the average per capita output in the industrial countries, with a population of about 700 million, was somewhere around $5,080 a year. In those 30 poorest countries it was still about $130. That gap has existed for a long time. But there have been moments when both the rich and the poor saw hope that it could be diminished. Instead, since the beginning of this decade, it has grown steadily wider.

A SCHOLAR REBUTS NBC McCARTHY SMEAR

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. McDONALD. Mr. Speaker, it gives me great pleasure to share with my colleagues an article by the distinguished scholar Medford Evans refuting the NBC 3-hour smear of the late Senator Joseph McCarthy. My pleasure is of course not diminished by the fact that Dr. Evans proves many of the same points that I made in my first two reports on this subject in the CONGRESSIONAL RECORDS of February 9 and February 17.

Dr. Evans provides us with some interesting additional information concerning McCarthy and the media. In 1946, when Joseph McCarthy was running against Senator Robert M. LaFollette, Jr., the then unknown McCarthy was treated to a major puff piece in Time Magazine—August 26, 1946. The reason was LaFollette was then the target of the media and McCarthy was a useful weapon against him.

Dr. Evans' article, Senator McCarthy Was Right, published in Review of the News, March 2, 1977, follows:

SENATOR McCARTHY WAS RIGHT

(By Medford Evans)

Ford produced the Edsel. Seventh Avenue produced the Miniskirt. The Ford Administration produced the Swine Flu Vaccine. NBC failed to profit by their example. The aging network, with roots in the past but (unlike ABC) none in the present, last month went all out to rebury the late Senator Joseph R. McCarthy of Wisconsin with all the vindictive panoply available on a multimillion-dollar budget and three hours of prime television time.

The result was what I believe they call in the trade a turkey. Or a dud. (But if a dud, then why do we say it bombed?) Actually, the production was not a total flop, though James Arness (bless his true heart) outdrew "Tail Gunner Joe" heavily. As did 59 other shows that week (it ranked 60th out of 64.) If the American people have neglected to give Joe McCarthy the tribute he deserved, at least they have not sunk to the level of the vogue literati, who at the name of McCarthy spasm with delicious terror, and would thus compulsively tune in an anti-McCarthy film like teenagers swarming to a drive-in horror movie.

What few of them there are, I imagine, were as much disappointed as I, a veteran McCarthy loyalist, was relieved, that the NBC extravaganza of character-assassination failed to come off. The network tried, but what its labors delivered was more abortion than miscarriage.

The idea, as you know, was to "explain," through biographical flashbacks cued in by the questions of a singularly blank young television reporter (Heather Menzies), the how and why of McCarthy and "McCarthyism." The reporter was depicted as a priestess of that new morality whose devotees proceed from total ignorance to conclusive judgment on the basis of instant information. Ironically, this is precisely the recklessness with which McCarthy is generaly, and in his case falsely, charged. But then we do often see in others something to which we are blind in ourselves.

In the film the righteous newsperson asked half a dozen people from Wisconsin, Capitol Hill, and points East a question or two each about the "McCarthy Era" and at last quickly delivered sweeping dicta disposing not only of Senator McCarthy, but also of Presidents Truman, Eisenhower, Kennedy, (Johnson? I don't remember—it was a long show) and Nixon of course. Also coming in for their share of heat were the Democratic and Republican parties, the press itself, and just about all Americans born before 1949.

Now it happens that I pretty well agree with that fictional female reporter in viewing the Presidents, parties, and press in question with something less than reverence, but I decidedly do not agree that what was wrong with them was their going along with Joe McCarthy. Of course, they did not go along with him, they all contributed to his downfall. Had they heeded and supported McCarthy—had Eisenhower, in particular, so much as refrained from signaling his subordinates to destroy McCarthy—the United States would not today be threatened with liquidation as a sovereign power, through abject appeasement of the Soviet Union.

Curiously enough, the version (perversion) of history rigged on the slanted or fatuous questions asked by the film's fictional newsperson, though it finds all other Americans of the 1950s to be knaves or fools, treats anyone accused by McCarthy of Communism or treason with deference due the elect. Such people were displayed as little islands of honor and faith in the very dismal swamp of ordinary American viciousness and greed.

Why is it so important for us Americans to determine the historical truth about McCarthy?

For the same reason that it is important for those who reject or oppose America to sustain and propagate such falsehoods as permeate the whole fabric of NBC's "Tail Gunner Joe."* What is at stake today is whether or not America shall terminate the era of national independence and individual liberty to merge with the Soviet Union (and lesser powers) in One World where anti-Communism, among other things, would not be tolerated. Joe McCarthy is symbolically and in historical fact the champion American anti-Communist. A country which is set to pursue a policy of détente with the Soviet Union to the logical conclusion must categorically reject McCarthy and all his works.

McCarthy's sin, as the Left sees it, was not that he falsely accused people of being Communists, but that he made Communism a reason for accusation. It is evil to imply—so feel the enemies of McCarthy—that Communism is evil.

Nothing in the whole history of controversy over McCarthy is more important than

*For a 45-inch listing of such errors see Representative Lawrence Patton McDonald's extension of remarks on Page 4088 of the CONGRESSIONAL RECORD of February 9, 1977.

that the arguments so long centered almost exclusively around questions of McCarthy's investigative and forensic methods rather than around the question as to whether the overall thrust of his attack was justified. That was and is the issue. As McCarthy himself pointed out, the Tydings Committee was appointed to investigate Communism in the State Department but investigated McCarthy instead.

For 27 years anti-McCarthyites have not wearied in demanding to know whether McCarthy said there were 205 or 57 or 81 Communists in the State Department. The hope was evidently to exploit McCarthy's apparent inconsistency to divert attention from the question of whether there were any Communists at all in the State Department. There was, however, no necessary inconsistency; the different numbers referred to different degrees of risk, different sources of information, and different dates. Incidentally, if there were 205, then obviously there were 81 within that number, and 57 within that number. The important question was, what were any of them doing there? This was the question which the anti-McCarthyites have at all times, down to and including the production of "Tail Gunner Joe," labored to avoid. If recent trends continue, however, we shall soon hear it argued that we ought to have Communists in the State Department, so that they may negotiate better with the Soviets.

I do not wish to fall into the trap of dealing exclusively with NBC's sins of omission and commission in "Tail Gunner Joe," to the neglect of the vital central issue of whether McCarthy was right, but illustrative examples need to be given in order to suggest how much or how little NBC's testimony is likely to be worth. The network's principal source would seem to be Jack Anderson, who with Arnold W. May wrote McCarthy: The Man, The Senator, The "Ism," a 400-page book published in 1952 by Beacon Press. Tendentious as that book is, however, it is far superior to the TV movie which apparently owes so much to it. The NBC errors of omission are perhaps as disinformative as those of commission, and more difficult for most readers to detect or suspect. I will therefore deal chiefly and briefly with a few omissions.

McCarthy's early treatment by the press. NBC does not mention that until McCarthy began his campaign against Communism he got a good press. Time, dated August 26, 1946, gave McCarthy such a write-up as it seldom gives anybody. Consider:

Among Marine airmen in the Solomons in 1944 a bluff, genial Irishman came closer than most non-flying officers to achieving a legend . . . . Some almost believed the sign . . . over his tent on mucky, jungle-thick Bougainville: "McCarthy for U.S. Senator."

Last week in tidy Wisconsin, the same Joseph R. McCarthy, discharged as a captain, unexpectedly made good on his ambition; he won the Republican nomination for U.S. Senator.

The article continues as a virtual promotion piece. McCarthy had beat Robert M. LaFollette Jr. for the nomination, and that was news, since the LaFollettes, father and son, had dominated Wisconsin politics for half a century. Though "Progressives," the LaFollettes were opposed by the Communists. McCarthy, a political unknown in comparison, was possibly more acceptable to the Communists. He was, as of the summer and fall of 1946, more acceptable to Time. The magazine's tune was to change sharply three and a half years later.

The wolf pack of the press did not turn against McCarthy until he made plain at Wheeling in February 1950 that he was against Communism, and against Communists in high places in the United States Government. McCarthy had in 1946 taunted his Democratic opponent Howard McMurray for being "Communistically inclined," but this did not particularly upset anybody except McMurray. It did not endanger any important Commnuist operation. But when McCarthy at Wheeling, some three months after the fall of China to the Reds under Mao Tse-tung, said that there were Communists in the U.S. State Department, that was getting too close to the bone.

It should always be remembered that you can call anybody a Communist who is not one without stirring up the hornet's nest; you can even call a Communist a Communist if in so doing you are not endangering anything the Communists are trying to do. McCarthy became Communism's Number One enemy because he was on the right track. It is ridiculous to say he was criticized because he "smeared innocent people." He could have "smeared a dozen innocent people" (not that he would have) and been politically none the worse for it. Except that he might have been laughed at. What led to his eventual destruction was that he was identifying guilty people. He didn't know too little about Communism, he knew too much.

The case of Owen Lattimore. This was possibly the most important of McCarthy's cases. It is scarcely mentioned in "Tail Gunner Joe." It was the late Alfred Kohlberg who put McCarthy on the track of Lattimore and the Institute of Pacific Relations. Linen merchant Kohlberg knew as much about the Red plot to take China as anyone could who was not in it, and McCarthy caught on fast to what Kohlberg told him. When the Senator named Lattimore as a top Soviet agent, the heavens didn't fall but hell was raised. Lattimore had Abe Fortas as his lawyer, which gives the general idea, and the press promptly concluded that McCarthy had not only sinned but blundered.

Yet, a couple of years later, the Senate Committee on the Judiciary in its Report on the Institute of Pacific Relations described Lattimore as "a conscious, articulate instrument of the Soviet conspiracy." That Report was signed by such "Liberal" Democrats as Warren Magnuson and Estes Kefauver, and by Republican Arthur V. Watkins, who later was to chair the Committee which recommended condemnation of McCarthy. Small wonder that "Tail Gunner Joe" swept rather swiftly past the case of Owen Lattimore.

We should not leave the matter, however, until we have noted that "Liberals" are not offended because McCarthy said Lattimore was pro-Soviet—I dare say Lattimore would be proud to acknowledge (in proper circumstances) that he is pro-Soviet—but because the Wisconsin Senator *objected* to anyone's being pro-Soviet. How can you support *détente* if you are not pro-Soviet?

The case of Annie Lee Moss. I did not hear the name of Annie Lee Moss mentioned in "Tail Gunner Joe." Yet in the spring of 1954 her name was on every "Liberal" lip as final proof of the infamy of McCarthy. For McCarthy's Committee had discovered that Annie Lee Moss, a black woman employed at the Pentagon, was a Communist, and this discovery had become public knowledge. For a time there was pretense that it was a case of mistaken identity, and Senator Stuart Symington was elevated to the moral peerage by Edward R. Murrow for telling Annie Lee that if the Defense Department fired her *he* would give her a job. Later it was proved—by M. Stanton Evans and the Subversive Activities Control Board (acting separately)—that there was no mistaken identity. The S.A.C.B. in 1958 published records of the Communist Party itself showing that, just as McCarthy charged, the woman was a Communist.

The case of Fred Fisher. The climax of the Army-McCarthy Hearings, and of "Tail Gunner Joe" (in this the movie was accurate), came when a legal mountebank from Boston named Joseph Welch broke himself down with emotion because McCarthy recapped in the Hearing room the facts that a young lawyer named Fred Fisher in Welch's own law firm of Hale and Dorr had been a member of the National Lawyers Guild, described by the U.S. Attorney General as the "legal arm of the Communist Party," and that Welch had originally planned to use Fisher's services in the Army-McCarthy Hearings, but had prudently not done so. (It would have reflected on Welch.) McCarthy was goaded into these public statements by Welch's long-winded, satirical badgering of Roy Cohn for not at once getting all Communists out of government.

Welch produced a sensation in the Senate Caucus Room by bewailing McCarthy's "cruelty" and lack of "decency" in "ruining the career" of this splendid young man by giving out such information, which Welch admitted with a great show of heartbroken candor was correct.

What Welch did not admit was that all the information about Fisher's membership in the Lawyers Guild, the plan to have him assist Welch in the Army-McCarthy Hearings, and the subsequent alteration of that plan, had been published in the New York Times in three or four stories during April 1954, two months before Welch's histrionics in June.

The point with reference to "Tail Gunner Joe" is that the facts were known. And it was well known that they revealed what McCarthy said about Fred Fisher was true, and not a violation of privacy (already breached by the New York Times). Which means that Welch's performance was utter fakery with crocodile tears. What is more, all this has been published in at least two books—Roy Cohn's McCarthy (New American Library, 1968), and my own The Assassination Of Joe McCarthy (Western Islands, 1970). It is inconceivable that these facts were not in the possession of NBC. But I suppose it is equally inconceivable that the network would have used them.

The listing of omissions and distortions could go on almost indefinitely. The question is, why did NBC do it? (The show, that is—not the omissions and distortions.) Big corporations can do stupid things, but this? The man had been dead 20 years. To whom was he a continuing threat? The public, it seemed, had come to think of him as his enemies wished him to be thought of, if at all. McCarthyism had been widely accepted as a synonym for political slander. "Liberal" victory in the McCarthy affair seemed virtually complete.

Perhaps NBC wanted to celebrate that victory. If so, it was a dangerous celebration. How many Americans are now asking—for the first time—Was the guy really that bad? How many remember the gist of what Peter Boyle as Joe McCarthy said—that a conspiracy was working to bring America from the Number One spot in the world for military power and national prestige—and thinking as it were surreptitiously, Well, we have come down, conspiracy or no; at least McCarthy saw it coming?

Why did NBC do it?

They had no choice. They are too far committed to their own special détente with the Soviets. The company, according to the New York Times, has agreed to pay "at least $80 million" for the exclusive rights and technical facilities to broadcast the 1980 Olympics from Moscow. A record sum. Of course, the Soviets may have wanted more than that.

Like the head of Joe McCarthy in a charger. (Cf. Matthew 14:8.) But if Brezhnev could play Salome, NBC was not equal to the at-

tempted role of Herod. The most the company could do to McCarthy was to attempt to drive a stake into his grave. But if any portion of his spirit was still there, they have released it. And that is definitely to the good.

PLUTONIUM AS AN ENERGY SOURCE

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. MADIGAN. Mr. Speaker, I read with interest the various inserts in the CONGRESSIONAL RECORD concerning our energy problems and possible solutions for the problem. All of the solutions seem to have a common characteristic—namely that each creates other problems worse than the one that needs to be solved. The many shortcomings attributed to nuclear power are sometimes difficult for me to comprehend.

My inability to comprehend these problems stems in large part from the fact that I live in a State that has been served by electricity generated from nuclear power for the past 17 years. Today one-fourth of all the electricity serving the State of Illinois is generated by nuclear reactors.

Recently Mr. Leonard Koch, a resident of my district, wrote the following article on plutonium as an energy source. Mr. Koch is an engineer and has been involved in reactor development for 25 years. He was the associate project engineer for ERB-1 and project manager of ERB-2. His comments on the amount of nuclear fuel in domestic storage, the safety of nuclear fuel, and its convertibility to purposes other than power generation help to illuminate some of the dark corners of the nuclear debate.

The article follows:

PLUTONIUM IS AN ENERGY RESOURCE

(By Leonard J. Koch)

Plutonium has become a household word, but all too often those discussing it lose sight of its primary attribute: as an energy resource. It is, in fact, the most abundant energy resource on Earth that we have the technical and productive capability to use now. Since a pound of plutonium is equivalent to more than 5000 barrels of oil, and since we have "known reserves" of plutonium (uranium-238 convertible to plutonium) of about 250,000 tons already mined, simple arithmetic reveals that this energy resource is virtually inexhaustible. We already have the equivalent of some 2.5 trillion barrels of oil "in storage." Therefore, availability or depletion of this energy resource is not a concern. There are other concerns, however, and these will be discussed, but primarily within the perspective of plutonium as an energy resource.

PROLIFERATION OF NUCLEAR WEAPONS

It has been the general policy of the nuclear weapon states (and certain other nations—notably, Canada and Germany—who are strong in nuclear technology, but are not weapon states) to prevent non-weapon states from developing a weapons capability, while at the same time satisfying the demand for nuclear power production. This conflicting objective has produced some major policy decisions and some confused thinking.

There are three major elements of the nuclear power industry that relate to the possible production of nuclear weapons: enrichment plutonium production in the course of nuclear power plant operation, and spent fuel reprocessing.

On the question of enrichment, the weapon states have controlled weapons proliferation by providing low-enrichment power reactor fuel to non-weapon states. Obviously, this arrangement makes the non-weapon states dependent upon the weapon states for the fuel for their power reactors—a situation with which they are not overjoyed. In fact, some non-weapon states are insisting on developing their own enrichment capabilities to be independent. To offset these concerns, the weapon states are offering very strong guarantees of reliable and fairly priced enriching services.

On the second point, although the operation of a nuclear power plant produces plutonium, it is, of course, inaccessible within the fuel and mixed with the highly radioactive fission products. It should be stressed, therefore, that although a non-weapon state is producing plutonium and has it in its possession, it is not directly available for use in weapons.

As for the separation of plutonium from spent fuel, it has been well demonstrated that the extraction of these materials requires reprocessing of the fuel in a very complex facility. To avoid the risk of use of extracted plutonium for weapons use, the weapon states have provided, or offered to provide reprocessing services to non-weapon states, thereby removing the need and incentive for construction of reprocessing facilities in those states. This arrangement, of course, also makes the non-weapon states dependent upon the weapon states for a service.

Within this framework, the weapon states are attempting to meet the objectives of providing nuclear power to non-weapon states without providing them a weapons capability. Commitments to provide enriching and processing facilities to non-weapon states have been drastically reduced, and controls on other types of reactors and experimental facilities have been strengthened. (It is often overlooked that there are easier and better ways to produce plutonium for weapons, including experimental and research facilities.) Within this rather logical and realistic framework, the United States, through statements by Mr. Carter and Mr. Ford and actions by the U.S. Energy Research and Development Administration, has brought confusion and illogic. The United States has declared a moratorium on reprocessing and plutonium recycle. This is conceived to demonstrate some kind of "moral leadership" by, in effect, telling the non-weapon states, "We don't want you to process power reactor fuel because we don't want you to build bombs, and to demonstrate our sincerity, we won't process power reactor fuel either." Before anyone is overcome with emotion, it should be remembered that the United States uses other facilities for producing weapons plutonium. We are not reducing our capability to use plutonium for bombs; we are reducing our capability to use plutonium as an energy resource. It is logical to expect the non-weapon states to ask, "Why should the United States buy back our irradiated fuel if they are not going to process it to extract and use the energy value of the plutonium (and uranium-235)?" If the United States does not reprocess irradiated fuel, it has no value, and there is no economic basis for buying it. Under these circumstances, "buy-back" commitments must be considered a subsidy to non-weapon states exposing them to the vagaries of our political system. I believe that our policy is confused and counterproductive, that it will not discourage non-weapon states from desiring processing capability, and that it will persuade them to strive to become self-reliant and self-sufficient in nuclear power.

I recommend that the United States reverse its policy and encourage processing and plutonium recycle by all weapon states. The weapon states, in fact, should maximize their use of plutonium to make uranium-235 available for nuclear power in non-weapon states. I believe that the weapon states should accept the increased complexity and difficulty of using plutonium as their nuclear energy resource while allowing the non-weapon states to use uranium-235 (in low-enrichment reactors). Giving the non-weapon states the easier cycle is a reasonable price for the weapon states to pay for weapons control. Further, I believe that the weapon states should institute plutonium use as rapidly as possible even if at some financial sacrifice. If some weapon states are better prepared to make this adjustment, the others could supply (or loan) plutonium to them for this use. The French might advance their schedule for breeders if we offered them our plutonium since their schedule is predicated on the availability of plutonium from their reactors. The Russians might be in a better position than we are to use plutonium. It should be remembered that plutonium produced in a power reactor has no use to a weapon state except as an energy resource.

Although the control of nuclear weapons proliferation can be considered and evaluated in a rational manner, it has been confused and diffused by extraneous issues related to proliferation as well as other aspects of plutonium use. I will discuss these to put them in some perspective.

The legitimate concern about weapons proliferation on the international level was very much confused by the "homemade bomb syndrome" that gained considerable notoriety in the United States because it captured the fancy of the media. The TV networks created instant experts and instant heroes, and of such stuff is TV made. The general scenario involved breaking into a nuclear power plant, stealing the irradiated fuel, separating the plutonium, and building bombs in basement. It was a simple exercise for college students, and for a while it appeared to be a suitable topic for thesis papers (in the School of Journalism). Although this nonsense has been pretty well discounted now, it diverted scientific and administrative talent from real problems and added to the confusion of the general public.

THE HEALTH ISSUE

We have heard that plutonium is the most hazardous substance known to man; that one pound can kill 9 billion people; and that a speck of plutonium can cause lung cancer. It is true that plutonium is a hazardous substance, but not to the extent publicized. More than 10,000 pounds of plutonium have been released into the atmosphere via the weapons programs of the weapon states. Thousands of people have worked with plutonium, primarily in weapons programs, but in spite of all of this exposure, there is no known instance of a plutonium fatality or a plutonium-caused lung cancer among either the general public or plutonium workers. There are more commonly available hazards, such as botulism toxin and cyanide compounds. The first is readily available and more toxic than plutonium. The second do not decompose and, therefore, are with us forever (an even longer half-life than plutonium).

We have heard that the use of plutonium will cause the loss of our liberties and bring on a garrison state. The garrison state hypothesis developed about the time of the homemade bomb syndrome and was advanced as the requirement to prevent the postulated terrorist from entering the nuclear power station, stealing the irradiated fuel, separat-

ing the plutonium, and building a bomb. That scenario has lost much of its popularity, but we should recognize that there will be controls enforced at facilities that manufacture or use plutonium. In this respect, it is worth noting that plutonium and other radioactive materials are easily detectable in extremely small quantities—which makes them safer in many respects than toxic chemicals, which are more difficult to detect. Experience has shown that many hazardous chemicals can be "carried home" by workers to members of their families and associates via their work clothing and persons. The use of plutonium need not infringe on our liberties and will not require a garrison state any more than existing airport controls and toxic materials controls do now. The garrison state syndrome is just another "straw man" intended to confuse the public and divert them from an understanding of plutonium's role as an energy resource.

THE MORALITY ISSUE

One of the most curious characteristics attributed to plutonium is that it is "immoral." This claimed immorality derives from its long half-life and the requirement that any quantities that are collected with waste materials must be stored under controlled conditions for an extremely long period of time. First, it should be emphasized that in any logical energy program, the amount of plutonium stored will be as small as possible since it is an energy resource to be used, not stored. Secondly, the immoral aspect is usually defined in terms of the legacy we leave to our descendants—the perpetual storage of this material. I submit that there are other legacies that must also be evaluated in a total framework of morality. There is the morality of depleting our nonrenewable resources such as oil, gas, and coal, while we have an almost infinite resource available to us. We are depleting these resources because it is easier to use oil, gas, and possibly coal (or at least the public has been led to believe it is easier). Our descendants may have a different view of our morality when they evaluate our decision to take the easier course. It should also be noted that this moral judgment will be made in the not too distant future since children already born will live to see the essential depletion of our oil and gas reserves and probably a significant reduction of our coal reserves.

As the supplies of oil and gas diminish and the competition for those supplies becomes more intense, the actions of people and governments may become quite immoral. People have fought for less than what oil and gas means to the industrial world today. If we contribute to that kind of a world by passing up our plutonium energy resource, we will not need to wait for history to judge our morality.

Finally, we come to the matter that receives least attention: the magnitude, the availability, and the applicability of plutonium as an energy resource. Exact figures are not available, but it can be estimated that at least 250,000 tons of U–238 are now stockpiled in the United States as a by-product. Stored at our diffusion plants, this stockpile is essentially worthless, except as a raw material from which to produce plutonium. If it is used in breeders, which is the logical way to use this material, it has the energy equivalent of about a trillion tons of coal and can produce all of our electricity for hundreds of years. To place this matter in clear perspective, the United States has mined, refined, and stored in drums the energy equivalent of more than 1000 years of coal mined at 1976 rates or more than 400 years of oil at the 1976 rate of consumption. Not only does this resource represent an opportunity to conserve our fossil resources but the environmental impact of making energy resources available can be controlled: the environmental impact of mining, refining, and converting the uranium has already occurred.

Similar quantities of U–238 are stored in the other industrial countries that have enriching facilities, and additional quantities are being produced every day in the United States and in those countries. The unmined uranium reserves are many times as large—which means we have a "plutonium reserve" sufficient to meet the world's electricity requirements for thousands of years.

The only reason for not using plutonium today is that it isn't easy. I don't think that is a good enough reason for depleting our limited resources of oil, gas, and coal, while we stockpile U–238.

Many people seem to believe that the future course of United States energy strategy is uncertain. On the contrary, I fear that it is quite clear and therefore feel constrained to make the following predictions for the next 10 years:

1. The United States will continue to increase petroleum imports.

2. OPEC and other exporters of petroleum will continue to increase the price of petroleum (in spite of the condemnation of U.S. leaders and other importers).

3. The United States will continue to stockpile U–238 at a rate equivalent in energy to more than 100 billion barrels of oil per year. (The United States uses about 6 billion barrels per year.)

4. The United States will continue to apply wishful thinking rather than reality in its need to find alternate energy sources to replace oil and gas.

5. The Congress, moralists, activists, and other "leaders" will continue to pontificate and mislead the public. They will also avoid their responsibilities while they lay the groundwork for blaming others for the energy disaster that is coming.

6. The United States will "wring its hands" in anguish over the difficulty of using nuclear energy while it awaits the "Administrator's Decision."

7. The Administrator's Decision will not be needed in 1985. If the United States permits another 10 years of nuclear power indecision and inaction, the situation will be considerably worse than it is today, and beyond salvaging.

I will close with a question that has been occurring to me with increasing frequency as I observe the worsening energy leadership dilemma of the United States: "Who will the historians say was playing the fiddle?"

NATIONAL PRIMARY ELECTION ACT OF 1977

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. UDALL. Mr. Speaker, it seems as though we spend each leap year bemoaning the chaotic, irrational, overcomplicated primary system that delivers up our Presidential nominees—and then we drop the subject as soon as the votes are counted.

I believe Congress ought to act now—in 1977—to reform this system for several reasons, but the most fundamental one is this: The present system undermines the legitimacy of our democratic process by distorting and obscuring the meaning and value of the individual's vote.

This pernicious effect occurs in several ways. First, a substantial amount of the candidates' time, energy and resources is diverted from substantive treatment of the issues confronting America to deal with overlapping, inconsistent, and confusing requirements to take part in 31 separate primaries. I recently looked back through my records for 1976 and found at least 107 separate filing dates, election days, selection dates, and similar deadlines in the primary States. The expenditure of effort and legal talent required of State laws adds nothing to the campaign.

If inconvenience to the candidates—who, are after all, voluntary participants—were the only ill effects, there would be little reason for Congress to act. Of more concern to me is the disservice this system does to the people, to the voters, to those whose beliefs and desires the democratic process is intended to reflect. Under the present system, the outcome of primaries is frequently determined not by the voters, but by the press and by the candidates themselves. For example, in the New Hampshire Democratic primary, there were active campaigns by Governor Carter, Senator BAYH, Senator HARRIS, Ambassador Shriver, and myself—but not by Senator JACKSON or Governor Wallace. In Massachusetts, the "real" candidates were JACKSON, UDALL, WALLACE, Shriver, BAYH and HARRIS—but not Carter. Florida was a contest among Carter, JACKSON, and WALLACE—with no campaign by UDALL or any of the others. Perhaps the worst case was New York, where there was no direct count of votes for any candidates—only for individual delegate-candidates pledged to the various Presidential hopefuls. Indeed, until a last minute reprieve by the State legislature, the ballot would not even have listed whom those would-be delegates were pledged to. Governor Carter had supporters on the ballot in only half the State, and Governor Wallace had only a handful. Because of this chaotic system, no one could tell whom New Yorkers really supported—not even the New Yorkers themselves.

The allocation of delegates to the national conventions was similarly haphazard. "One man, one vote" becomes a mockery when 28 percent of the New Hampshire vote translates into 88 percent of the State's delegates; when 48 percent of the vote in Illinois gives just 35 percent of that State's delegates; and 49 percent of the vote in Maryland yields no delegates at all. The electoral process is turned into a shell game, in which the popular vote is concealed by sleight-of-hand and a candidate can boast—seriously and, given the rules of the game, accurately—that "I got my landslide, I just did not get a majority."

I hope that these remarks do not carry the aroma of sour grapes. As a participant in that process in 1976, I entered willingly, with full awareness of the complexity of the rules and the pitfalls they entailed; I did all in my power to take advantage of those rules and I think I got a fair chance.

But I believe in democracy, I believe that it is the voters who ought to determine the outcome of elections, and I believe that the race for our one truly national elective office ought to be a fair and open one, in which each vote carries an equal weight.

And so today with the cosponsorship of the gentleman from Ohio (Mr. ASHBROOK) I am introducing H.R. —, the National Primary Election Act of 1977. This proposal would do a few, fairly simple things to impose some order while leaving substantial areas of flexibility for States to experiment.

First, the multiplicity of separate Presidential primaries would be reduced to four, at 1-month intervals beginning on the second Tuesday in March of the Presidential election year. No State would be compelled to hold a primary, but those which choose to do so would have to pick among those dates. I believe that this approach is preferable to either the single national primary, which would eliminate the chance to build a national following, or the regional primary approach, which would inevitably introduce a regional bias into the election process.

Second, the ballot would be the same in each primary State in a given "round," so that every voter could choose from the same field of candidates and no candidate could pick and choose the States he or she wished to run in. The initial list of candidates would be proposed by the Federal Elections Commission, and would include all receiving public financing and all other "generally recognized" candidates who do not specifically disavow any intention to run. Those who feel they have been unfairly excluded from the list could qualify by petition.

Third, crossover voting would be prohibited. I think it is fundamentally unfair that registered Republicans be able to come over and influence the choice of the Democratic party, and I think those in the other party should likewise be able to make their choice without interference from us. The States would be permitted to choose whether unaffiliated voters should be allowed to take part in the primaries.

Fourth, allocation of delegates would be truly proportional, with all candidates who get more than 10 percent of the vote in any State being assured of their fair share of that State's delegates.

I urge my colleagues not to let Presidential primary reform again be overshadowed by other concerns. By the time this Congress ends, the 1980 campaign may already be underway and the chance for reform will again be lost. This bill embodies a sensible, relatively modest reform that retains the best features of our current system while repairing serious, potentially grave flaws.

I'm especially proud to have JOHN ASHBROOK cosponsor this proposal. His support proves that there is no partisan or factional bias in this kind of reform.

RIGHT TO FINANCIAL PRIVACY

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. STARK. Mr. Speaker, I have introduced legislation to provide stringent regulations for the disclosure of an individual's financial records. This bill, known as the Right to Financial Privacy Act of 1977, will be introduced in the Senate by Senator ALAN CRANSTON. This bill has received broad bipartisan support and, to date, 71 of my colleagues have joined me in cosponsoring it.

For years, banks have given Government and law enforcement agencies, such as the FBI and IRS, virtually unlimited access to private financial records. Under the Bank Secrecy Act of 1970, financial institutions were required to retain virtually every piece of paper relating to a bank customer which came into its possession—checks, loan applications, deposit and withdrawal slips, et cetera, and to automatically report to the Secretary of the Treasury certain domestic and foreign currency transactions, long with any other unusual transactions that came to the bank's attention.

The intent of Congress in passing the act was to provide to law enforcement authorities a sufficiently broad framework for criminal investigation. The practical question of access to this information, however, was never squarely addressed. The right of the individual to privacy was presumed to be implicit, and therefore not a point of contention in passing the legislation. It was generally understood that there must not be easy access to these records, but the act did not require the issuance of a subpena to obtain the information.

The bill I have introduced resolves all the ambiguities in existing law relating to an individual's financial records. It clearly safeguards the individual's right to privacy with respect to financial transactions and history. Specifically, the Right to Financial Privacy Act establishes four means of access to private records held by financial institutions: customer consent, administrative subpenas and summonses, search warrants, and judicial subpenas. Correspondingly, the act places an obligation on the financial institutions not to disclose information from customer records unless one of the above requirements has been met. In addition, it is stipulated that the information obtained by the Government must be used only for those purposes for which it was originally solicited.

The need for this act, while not resulting directly from the Bank Secrecy Act, stems from subsequent controversy over the precise interpretation of an individual's fourth amendment rights. At past Senate hearings on legislation to amend the recordkeeping laws, the Secretary of the Treasury admitted that subpenas are not required for the release of financial information. He suggested that as the 1970 act had not specifically addressed the matter of access to records, the Treasury could not take arbitrary administrative action to do so.

It was therefore up to a bank to determine whether or not a subpena was necessary before records would be provided without the consent of the customer.

In this situation, the privacy of a customer's financial records is dependent on the whim of his bank. Without his knowledge or consent, his entire financial history may be divulged. As he is unaware of official scrutiny, he cannot possibly challenge the dissemination of the information. Nowhere in the Bank Secrecy Act are there provisions for notifying an individual that his or her financial records are under surveillance.

In June 1972, I filed suit with the Northern California ACLU and the Northern California Bankers Association to test the constitutionality of this reporting system. The suit, asking for an injunction of the Bank Secrecy Act on the grounds that it authorized illegal search and seizure, was later joined by the Wells Fargo Bank. Bank of America representative Robert Fabian publicly voiced his own similar objections to the dangers inherent in the reporting provisions of the act. He declared that "the regulations could undermine people's confidence in the banking system and the Government."

A Federal judge in San Francisco issued a temporary restraining order to prevent the act from taking effect. Subsequent to an appeals court decision, the case was appealed to the U.S. Supreme Court. On April 1, 1974, by a 6 to 3 decision, the Court sidestepped the two main issues, which were: First, whether the act's recordkeeping requirements undermine the customer's constitutional right to protect his private papers against unreasonable searches and seizures; and second, whether the customer's rights against self-incrimination were violated by the requirement that the banks automatically report information to the Government without notice to the customer.

The Court said that dealing with these fourth and fifth amendment issues was premature because there was no specific case where a customer had been injured, that is, no one had standing to sue. Meanwhile, the mass of information is being accumulated and presumably used by Government agents, and the automatic reporting of domestic, foreign, and "unusual" transactions goes on.

In effect, the Supreme Court passed the buck to the Congress, and suggested that specific procedures for gaining access to customer records be written into law.

This bill that I have introduced is not inconsistent with the essence of the Bank Secrecy Act. It recognizes the critical need for a thorough system of recordkeeping and reporting and upholds the requirements for reporting of information, subject to the previously mentioned limitations. Finally, the bill explicitly limits to two situations the Secretary of the Treasury's ability to require an institution to transmit reports or to keep records on customers. Such reports must either be required by the Internal Revenue Code, or by a supervisory agency. This, then, effectively repeals contrary provisions of titles I and II of the Bank Secrecy Act. However, I do not believe that their deletion in any way weakens the Bank Secrecy Act, or undermines its intent. Instead I believe it can only strengthen it, by removing any lingering doubt over possible or potential unconstitutional applications of its provisions.

This bill has stimulated a great deal of discussion. In particular, I would like to address the criticism raised by certain

members of the law enforcement sector—that the limits placed on the Secretary's right to obtain records will inhibit important criminal investigation. I believe that the legal processes still open to any law enforcement officer under this act are sufficient. This act simply guarantees that customers be notified and have an opportunity to respond to any attempt to gain access to their records except where the standard of probable cause has been met. Within the bounds of the fourth amendment rights, that is all that is constitutionally possible.

We recognize the legitimate concerns of criminal investigators and are prepared to modify the bill to accommodate their needs. However, the primary thrust will be to protect individuals from unwarranted Government snooping into private bank accounts.

In his dissenting opinion, Justice Marshall supported this view:

The maintenance of the records is thus but the initial step in a process whereby the government seeks to acquire the private financial papers of the millions of individuals, businesses and organizations that maintain accounts in banks . . ." He added that a "customer of a bank has a reasonable expectation that his checks will be examined for bank purposes only, to credit, debit, or balance his account—and not recorded and kept on file for several years by government decree so that it can be available for government scrutiny.

I would also like to include for information of my colleagues an excerpt from a supporting statement my the California Bankers Association. On July 19 1973, the association wrote that:

We should make it clear that, although the Association places a high value on maintaining the financial confidentiality which bank customers have come to expect, it certainly does not wish to deny in any way the necessary prerequisites of effective law enforcement. The Association feels, however, that it owes its highest responsibility to the banking public who have entrusted some of their most personal records of private financial affairs to our care. The public expects these records to be held in the highest confidence and the California Bankers Association welcomes legislation which would safeguard their expectations.

This act answers the need for such legislation. It is, as "The American Banker" has said, a compromise bill reached among several versions previously introduced in both Houses. I am deeply concerned about the growth of Government intrusion into the private lives of U.S. citizens. If you share my concern, I urge you to support the Right to Financial Privacy Act.

JUDGE JOHN J. LYNCH OF YOUNGSTOWN, OHIO, IS ANCIENT ORDER OF HIBERNIANS' "IRISH MAN OF THE YEAR"

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. CARNEY. Mr. Speaker, the Mahoning County, Ohio Chapter of the Ancient Order of Hibernians has recently selected the Honorable John J. Lynch of Youngstown as "Irish Man of the Year," 1977.

Judge John J. Lynch, who has served on the Court of Appeals of the Seventh District for 12 years—since 1965—is starting his third 6-year term to which he was elected last year. He is also serving as chief justice of the Ohio Court of Appeals, 1977, by election of the courts of appeals judges and is a member of the executive committee of the Ohio Judicial Conference. In 1973 the Ohio Supreme Court awarded him with a plaque for outstanding judicial service.

He received his BA, 1938, and JD, 1940, degree from Ohio State University and has been an attorney for 37 years—since 1940. He is a graduate of Ursuline High School, 1934, and Sacred Heart Elementary School, 1930.

Judge Lynch served as State representative from Mahoning County for 10 years, 1949–58, and was selected on the "All-Star Team" for the 1957–58 session by the newspapermen covering the State legislature. He was an assistant Ohio attorney general for 4 years, 1959–62.

He also was a former special agent with the Federal Bureau of Investigation, 1940–43, and is a veteran of World War II, 1943–46, where he served in the Counter-Intelligence Corps Detachment attached to the Manhattan District, which was the atomic bomb project, for which service he was awarded the Army Commendation Ribbon.

He is a charter member of St. Christine Church, first president of its Holy Name Society, past president of the Home and School Association, former member of its church council, and presently lay commentator.

He is past president of the Mahoning County Board of Ancient Order of Hibernians, Ursuline Alumni Association, and Ohio State University Newman Club. He is a member of AOH No. 5, Mahoning Valley Gaelic Society, Serra Club, Chesterton Club, K. of C. Council No. 274, American Legion Post 15, Amvets Post No. 35, Catholic War Veterans Post No. 1292, and Mahoning County, Ohio, and American Bar Associations.

He is married to the former Emma Gentile Bartholomew and has three children, namely, John M., age 28, a graduate of Kent State University, B.A., and University of New York, Binghamton, N.Y., M.A., who is now employed as associate systems engineer at the IBM office in Columbus, Ohio; Arlene M., age 26, a senior at Capitol University Law School who is employed as a legal intern with the Ohio attorney general; and Dennis L., age 24, a graduate of Ohio State University, who is employed as public relations director with Shelly Berman Communicators, Columbus, Ohio. He also has five stepchildren, namely, Louis, Frank, Marlene, Charlotte, and Thomas Bartholomew.

Mr. Speaker, Judge John J. Lynch is a distinguished American of Irish descent. In addition, he is an outstanding jurist, respected community leader, and dedicated family man. When his many friends join in honoring him on St. Patrick's Day, I hope to be among them.

MAINE AND ITS INDIANS

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. ANDERSON of Illinois. Mr. Speaker, yesterday's Washington Star carried an editorial on the extremely controversial legal dispute which has embroiled the State of Maine. The piece makes prominent mention of the efforts of my colleague, Representative WILLIAM COHEN of that State, to bring this crisis to the attention of the Federal Government. Because of the ennervating effect this legal dispute has had on the State, and because of its implications for other areas of the country where large tribal claims may be possible, I call your attention to the following editorial:

[From the Washington Star, Mar. 1, 1977]

MAINE AND ITS INDIANS

It is an honored principle of American government that law is a better arbiter of disputed claims than force or fraud; but the pursuit of the principle sometimes carries extravagant cost.

What, for recent instance, shall the state of Maine do when some 3,000 Indians and their imaginative lawyers persuade the federal courts of an arguable claim to some two-thirds of Maine's territory, valued at $25 billion? More immediately, what does it do when the claim alone, whatever is to be the outcome, so clouds land titles throughout Maine that its ability to provide for ordinary civic needs begins to grind to a halt?

There are, we need not say, no easy answers to questions so complex. Until two years ago, Maine had no reason to seek them. Maine assumed that its legal relationship with the Penobscot and Passamaquoddy tribes was a Maine affair, free of federal complications. Indeed, the Indians had assumed so too.

That was before Judge Edward T. Gignoux, in January 1975, ruled that the Indian Non-intercourse Act of 1790 renders Maine's Indian treaty of 1794 contestible and obliges the federal government, as trustee, to support the claims of the Indians to some 12.5 million acres of land.

The court's decision, naturally contested by Maine, raised political and economic problems of a hair-raising variety. If the Indians stood to sue for so vast a claim, they might dispossess some 350,000 non-Indian landholders, large and small, throughout the forested reaches of the state, many of whose titles ran back hundreds of years. More, the victory of the Penobscot and Passamaquoddy tribes would only be the first, if possibly the most sweeping, of many similar claims throughout the Eastern U.S., where since the earliest days the states have imagined themselves protected by something called the "13 original states doctrine" in their relation to Indian tribes.

The most pressing and immediate problem, as Rep. William Cohen recently explained, is that "the central nervous system of the state" is exposed by legal uncertainty to "financial asphyxiation." No land title in the disputed areas can be conveyed unclouded. Bond issues to cover school and hospital needs, a number of municipalities are advised by their bond attorneys, cannot be floated. A tax and mortgage payment revolt is brewing. The result, from a practical point of view, is a thoroughgoing mess. It is a dire economic emergency for the state.

At this writing, the Indian claims to Maine lands are being scaled down to somewhat

more manageable size in negotiation among state officials, the Indians and the U.S. Department of Justice. The aim now—and we must hope it succeeds and that quickly—is to put together a package substituting an out-of-court settlement for land seizure. Yet even that kind of indemnification would be gigantic, and probably could be funded only by Congress. Meanwhile, something needs to be done fairly quickly about the ramifying economic side-effects of the sudden change in federal law, lest Maine stagnate economically.

Obviously, the issues of historical equity underlying the Maine Indian case are far-reaching. The trend of recent years, of which the Maine case is thus far the more startling example, has been a rather one-sided mobilization of the American legal system to rectify or reverse the white man's dubious victory of superior force and cunning over the Indians. No one, least of all Congressman Cohen and the other enlightened officials of Maine, denies that the Indians are due their day in court.

Yet the interminable and rigid processes of the law often make a poor instrument for redeeming historical injustices, if such these be, and there are claims of equity and justice on both sides. Possession has long been recognized, and not merely in the adage, as nine-tenths of the law; and some of the land titles targeted for overthrow in the Maine case are nearly as old as the nation itself. Surely these countervailing claims are due some status under the law, as well as those of the Indians.

Perhaps the most striking aspect of the case, however, is that the economy of a whole state may be plunged abruptly into potential chaos by the assertion of a legalistic claim long ignored or written off. This is especially disturbing when the claim itself is highly debatable, and possibly rebuttable on sound legal principles. Indeed, the parlous situation of the Maine economy results in part from the determination of its attorney general to resist the outcome in higher courts.

The case is not the first, and certainly won't be the last, to suggest the defects of litigation as the cutting edge of historical and social rectification. But judges are not always, or even often, in a position to avoid the use of their courts for such sweeping and disruptive proceedings. Judge Gignoux was far from indifferent to the potential shock effect of the Maine case. "This is," the Justice Department has warned, "potentially the most complex litigation ever brought in the federal courts, with social and economic impact without precedent and incredible potential litigation costs to all parties." It is so. Which is one reason why the only realistic arbiter, now, is the Congress of the U.S., to which Representative Cohen and others have raised a cry of alarm.

PROHIBIT REDLINING

HON. RAYMOND F. LEDERER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. LEDERER. Mr. Speaker, today I am introducing a bill to prohibit redlining—the practice by which financial institutions freeze entire communities out of the mortgage market. These institutions refuse to grant any housing loans in certain neighborhoods. Their refusal is not based on an individual consideration of loan applications, but rather on an often arbitrary assessment of a particular neighborhood's stability. Such assessments often become self-fulfilling prophecies of community deterioration. This bill enables the appropriate existing regulatory agencies to insure that financial institutions serve the credit needs of the neighborhod from which they operate. The financial resources of the communities will not be drained out for investment elsewhere, but rather used to maintain and revitalize the thousands of existing communities around the country.

I call upon my colleagues to support this very important legislation.

NATIONAL BROTHERHOOD WEEK

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. FORD of Tennessee. Mr. Speaker, over the years the proud people of this great Nation have made enormous strides technologically, economically, and in almost every area imaginable. The United States is the undisputed world leader in research and development and our economic outlook, notwithstanding occasional bad stretches, is as vital and rich in potential as ever.

But in one area about which I am moved to speak we have not been so successful. This is in the area of social progress. Admittedly, this country has made a determined effort to eliminate every vestige of institutional and "legal" discrimination. But the regrettable fact remains that we as a nation have failed to unify into a single harmonious entity "two separate and unequal societies." We as a nation have failed to maintain a commitment to the ideal of universal respect and friendship. Mr. Speaker, I am sad to say that in those things which are most important, we have failed.

There is, however, reason to be optimistic about the future. One such reason is the existence of an organization known as the National Conference of Christians and Jews. This group which was formed nearly 50 years ago has been struggling against the forces of racial and religious bigotry. Last week marked the 44th observance of the NCCJ's National Brotherhood Week—a period set aside each year for all of us to reexamine our dedication to the improvement of human relations. In keeping with that goal, I would like to insert at this point in the CONGRESSIONAL RECORD an editorial on this topic which appeared in the Tri-State Defender on February 26, 1977, for the benefit of my colleagues:

MAKE BROTHERHOOD A YEAR LONG EFFORT

Perhaps it took the television dramatization of Alex Haley's book "Roots," which has had a wide impact on Black and White Americans, evoking shock, disbelief, tears and anger, to illustrate to the entire nation how race prejudice has shaped our history so decisively and how it remains a constant reality.

And White Americans never fully have understood—but what the Black American and the Native American never can forget—is that White society is deeply and completely implicated in the ghetto and other poor areas.

White institutions created them, maintain them and indeed too large a segment of White society condone them.

As Dr. David Hyatt, president of the National Conference of Christians and Jews has so accurately stated:

"This society cannot withstand the negative impact of its major urban centers becoming increasingly poor, increasingly minority (Black, Chicano, Puerto Rican), increasingly angry and completely shorn of economic opportunities."

Those same urban centers also have become repositories for the aged who are the helpless victims of the negative impact of which Dr. Hyatt emphasizes.

"It is sadly incongruous that this richest of all nations can send men and machines into outer space with comparative ease, but finds it almost impossible to get a poor family out of the ghetto," Dr. Hyatt points out.

"Despite the great gains made toward the achievement of equality for all Americans during the 1960's, we still are two separate and unequal societies," he candidly stresses.

The NCCJ President insists that "this continuing inequality . . . endangers the very reasons for American's founding . . ." He reminds us that for nearly 50 years the NCCJ has been committed to a nation-wide education program to combat religious and racial bigotry. As the first systematic attempt in history to fight prejudice by mobilizing the knowledge of social scientists, the techniques of educators and the moral dynamism of religious people, the NCCJ began sponsorship of Brotherhood Week in 1934.

The NCCJ, incidentally, was founded in 1928 because of the vicious anti-Catholic prejudice that erupted when Gov. Al Smith was the Democratic candidate for President of the United States. History has shown that through the NCCJ Protestants and Jews initially carried the burden of the struggle against the Ku Klux Klan's anti-Catholicism. History also has shown the success of the NCCJ's work because in 1960, 32 years after the NCCJ began its seemingly impossible dream, John F. Kennedy made history as our first Catholic president.

The week of February 20, 1977 marks the 44th observance of National Brotherhood Week and certainly it seems an apropos time for the citizens of our nation to do something about rectifying the "two separate and unequal societies."

As Dr. Hyatt says in his Brotherhood Week message:

"We celebrate this 44th observance of Brotherhood Week so that people may reaffirm and reinforce their commitment to brotherhood. In a very special way it has served to inspire and catalyze countless numbers of men and women and children in the continuing struggle to improve human relations. We urge you to make Brotherhood Week a 52 week long campaign."

Mr. Speaker, only by working together will we as a nation ever achieve the ideal of true brotherhood. I sincerely hope and pray that the Members of this body will meet the challenge of making Brotherhood Week a 52-week-long event.

DISPLACED HOMEMAKERS ACT

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mrs. BURKE of California. Mr. Speaker, today I am reintroducing the Displaced Homemakers Act, H.R. 28. Since my original introduction of this bill in May of 1975, awareness of and

interest in the myriad of problems faced by the displaced homemaker has grown tremendously. Public and congressional response to this legislation has been very gratifying and I am pleased to note that today's reintroduction brings the number of cosponsors up to 72.

The middle-aged woman who has spent most of her adult life as a homemaker often finds it difficult to take on the role of supporting herself following a divorce or the death of her spouse. She is confronted by a host of unexpected problems. Aside from the psychological adjustments, she may not be prepared to overcome the barriers of the job market, such as her lack of marketable job skills and recent paid work experience.

The purpose of my bill is to help displaced homemakers make it through a readjustment period so that they may have the opportunity to become productive, self-sufficient members of society. Specifically, the Displaced Homemakers Act provides for the establishment of multipurpose centers to offer job training and placement services, counseling and referral in health care, education, legal problems, and financial management as well as outreach and information services relating to already existing programs.

The bill also calls for a study into the feasibility of including displaced homemakers under unemployment compensation programs. While homemakers make an invaluable contribution to the welfare and economic stability of this country, there is no unemployment insurance for the homemaker who is laid off.

The Displaced Homemakers Act is currently pending before the Employment Opportunities Subcommittee of the Committee on Education and Labor. I am hopeful that the subcommittee will hold hearings on this important legislation in the near future.

As I have received many inquiries about this legislation, I would like to take this opportunity to include in the RECORD a section-by-section analysis of H.R. 28 prepared by the Congressional Research Service. This will further explain the contents of the bill:

SECTION-BY-SECTION ANALYSIS OF H.R. 28, THE DISPLACED HOMEMAKERS ACT

H.R. 28, the Displaced Homemakers Act, recognizes the problems of homemakers who in their middle years are suddenly faced with loss of income due to divorce, the death of their spouse, or the loss of family income. To ease the adjustment for displaced homemakers and to assist them in becoming economically self-sufficient, H.R. 28 requires the Secretary of Health, Education and Welfare to establish Centers for the purpose of providing training, counseling and other services for the displaced homemaker.

Section 1 of H.R. 28 entitles the Act the "Displaced Homemakers Act."

Section 2(a) reports the findings of the Congress that homemakers make an invaluable contribution to the welfare and economic stability of the Nation but are unrecognized and unpaid receiving no health, retirement, or unemployment benefits as a result of their work in the home. Homemakers are often displaced in their middle years from their family role and left without any source of financial security due to divorce, the death of their spouse, or the loss of family income. Displaced homemakers are often subject to discrimination in employment because of age, sex, and lack of any recent paid work experience. They are often without any source of income because they may be ineligible for social security benefits due to age or divorce, for Federal welfare assistance if they are not physically disabled and their children are no longer minors, or for unemployment insurance if they have not been engaged in paid employment outside the home.

Section 2(b) states that the purpose of the Act is to require the Secretary of Health, Education and Welfare to establish Multipurpose Service Centers "to provide necessary training, counseling, and services for displaced homemakers."

Section 3 defines "displaced homemaker" as an individual who has worked in the home for a substantial number of years providing unpaid household services for family members; is not gainfully employed; has had, or would have, difficulty in securing employment; and has been dependent on the income of another family member but is no longer supported by such income, has been dependent on Federal assistance but is no longer eligible for such assistance, or is supported as the parent of minor children by Government assistance or spousal support but whose children are within two years of reaching age 18. The section also defines "Secretary" as the Secretary of the Department of Health, Education and Welfare.

Section 4(a) directs the Secretary to establish a minimum of fifty Multipurpose Service Centers for displaced homemakers not later than two years after the date of enactment of this Act.

Section 4(b) outlines the services to be provided by each Center as: job counseling; job training and job placement; health education and counseling; financial management; legal counseling and referral; and outreach and information services with respect to Federal employment, education, health, public assistance, and unemployment assistance programs.

Section 4(c) specifies that supervisory, technical, and administrative positions to run these Centers are to be filled by displaced homemakers, to the extent feasible.

Section 4(d) provides for the payment of trainees in job training and job placement programs created by this Act, who demonstrate a financial need, at a stipend not less than the Federal minimum wage.

Section 5(a) establishes the criteria for the selection of sites for the Centers. In selecting the sites the Secretary shall consider: the location of any existing facilities for displaced homemakers, location of existing services which might be incorporated into a Center, the needs of each State and the various regions of the country for a Center, and the needs of both urban and rural communities.

Section 5(b) requires that the Centers be administered by a public or nonprofit private organization selected by the Secretary after consultation with State and local government agencies.

Section 5(c) authorizes the Secretary to make grants to these public or nonprofit private organizations selected to administer the Centers for the purpose of establishing and maintaining the Centers. Each organization is eligible for grants on a 90–10 matching basis. Grants shall be made when funds equal to 10 percent of the total cost have been committed by the State. These grants can be made for each fiscal year, or part thereof, provided that the State has committed 10 percent of the total costs during that fiscal year.

Section 5(d) directs the Secretary to issue regulations prescribing the standards which must be met by each Center as soon as practicable and not later than six months after the date of enactment of this Act. Continuing grants for the maintenance of each Center are to be contingent upon the Center's compliance with these regulations.

Section 5(e) recommends that the Secretary consult with other persons in the executive branch of the Government to facilitate the coordination of Centers with existing Federal programs of a similar nature. Those to be consulted include but are not limited to the Secretary of Labor, the Commissioner of the Social Security Administration, and the Commissioner of the Administration on Aging.

Section 6 provides for evaluation, recommendations, and a report to the Congress not later than eighteen months after the date of enactment of this Act with subsequent evaluations every two years.

Section 7 directs the Secretary to study the feasibility of and appropriate procedures for allowing displaced homemakers to participate in other Federal programs including those established under the Comprehensive Employment and Training Act of 1973; the work incentive programs established under the Social Security Act; related Federal employment, education, and health assistance programs; and programs established or benefits provided under Federal and State employment compensation laws; and to report these findings and recommendations to the Congress not later than one year after the date of the enactment of this Act.

Section 8 authorizes the Secretary to accept, use, and dispose of contributions of money, services, and property in carrying out the provisions of this Act.

Section 9 prohibits discrimination on the basis of sex, age, race, color, religion, or national origin in programs or activities funded by this Act.

Section 10 authorizes an appropriation not to exceed $10,000,000 for FY 78 and $15,000,000 for FY 79 and specifies that funds appropriated but not expended during a fiscal year may be used in any subsequent fiscal year.

SOUTH DAKOTA VFW VOICE OF DEMOCRACY WINNER

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. ABDNOR. Mr. Speaker, a young lady from Belle Fourche, S. Dak., is South Dakota's winner of the Veterans of Foreign Wars annual Voice of Democracy Contest. I would like to share with my colleagues her fine speech on "What American Means to Me":

1976–77 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM: SOUTH DAKOTA WINNER SABRINA ANN GIACOMETTO

America—whenever I hear or say that word, it brings a myriad of images into my mind.

The first is home. America is my home. My roots are here and I am an integral part of this country. True, a small part, but that is what is so special about America. Every person, no matter how insignificant—adds to the whole panorama of our great country. Woodrow Wilson, 28th President, once said, "When I look back on the processes of history, when I survey the genesis of America, I see this written over every page; that the nations are renewed from the bottom, not from the top, that the genius which springs up from the ranks of unknown men is the genius which renews the youth and energy of the people." I am a fragment of that energy, and I want to do everything in my

power to continue to build on the foundation that is the legacy of the generations before me.

Next, America means democracy. The word, democracy comes from two Greek words—"Demo" meaning people and "Kratos" meaning to rule. Therefore in its literal sense, democracy means rule by the people. The preamble to our Constitution starts out, "We, the people . . .

Abraham Lincoln, in his Gettysburg address, explained it very clearly when he said, "Government of the people, by the people, and for the people." And America does have this kind of government through the ballot box. My vote will always count, because I will work for what I believe in.

Every morning, when I see our flag waving, I feel grateful. Red, White and Blue with 50 stars. We took the stars from heaven—the red from the red blood of courage—the white for liberty and purity, and the blue for loyalty. Whenever I see the stars and stripes, I see our whole nation, and I have a feeling of close kinship to anyone who lives under that flag.

Another most important aspect of my life in America is education. We were the first country to have free public education.

In a democracy, it is essential for every citizen to be as well educated as possible. I intend to fulfill my duty to my Country by using all possible educational resources that are available to me.

I believe that education is also essential in politics. I feel politics are a very powerful force in our country. Our political parties have platforms. That is—principles that each party stands for. The parties and their candidates campaign for months. They battle on television, over the radio, in the newspapers, at public meetings. In fact anywhere and everywhere. But after the American people vote—and their voice is heard—the sounds of battle fade into the background and the majority of our citizens back their elected representatives in order to get on with the business of governing our country. This is another pheonomena that is peculiar to America. It is a mystery to the rest of the world how we can expose ourselves as we do during a political campaign and then continue to have the continuity in our government that we do. But—ah—they do not know our secret. The Bill of Rights to our Constitution guarantees us Freedom of Speech, Freedom of the Press, and the right of peaceable assembly. That is our secret, and I feel this was the step that insured us of becoming a better Nation.

When I think of all that America really does mean to me, I get a lump in my throat. All this is mine, yours, ours. Why are we so fortunate? Because of the foresight and courage of our founding fathers.

I am an American, and I can proudly boast that my country gives me, as a citizen, the inalienable rights—The most beautiful part of our Constitution, Life, Liberty, and the Pursuit of Happiness.

God Bless America!

SIXTIETH ANNIVERSARY OF THE EXTENSION OF U.S. CITIZENSHIP TO PUERTO RICO

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. CORRADA. Mr. Speaker, this day marks the 60th anniversary of the extension of U.S. citizenship to the residents of Puerto Rico, a memorable event for which we are justifiably proud. For on this day, 60 years ago, the Puerto Ricans—a little more than 1 million at that time—became a part of this great Nation, linked to it with a tie that can never be broken or dissolved: a common citizenship.

Puerto Rico is still on its way to a more complete and perfect political union with the United States, but until that union is perfected, we proclaim our American citizenship—in the words of one of my predecessors in the House of Representatives, the Honorable Jorge L. Córdova—as "the first step, the minimum step, in the achievement of Puerto Rican identity with the American Nation, and of the equality in duty and in rights to which that citizenship entitles us."

The struggle for an improved civil local government in Puerto Rico, plus the recognition of Puerto Ricans as full-fledged American citizens, began almost immediately after this Congress put an end to military occupation with the Foraker Act, passed in 1900.

The Foraker Act remedied the impossible situation in which Puerto Rico found itself, through no fault of its own, but by the fortunes of the Spanish-American War of 1898. Here was an island, inhabited by 1 million peaceful citizens who had actually welcomed Gen. Nelson A. Miles and his men, yet facing for long months a military government, by necessity deprived of free initiative and civil rights.

The Foraker Act, as I say, at least provided for a civil form of government in which Puerto Rico could obtain revenues and function more properly to meet the needs of the people. But this was not enough. For one thing, the Puerto Ricans were only recognized as "citizens of Puerto Rico," which "entitled them to the protection of the United States," but otherwise left them in a political limbo of sorts, with a citizenship that clearly lacked international standing.

The struggle for full recognition as American citizens started the very minute after the Foraker Act was passed, and it encompassed a wide range of efforts in all levels of leadership, down to the rank and file of the Puerto Rican citizenry.

Seventeen years later, on March 2, 1917, President Woodrow Wilson approved House bill number H.R. 9533, later known as the Jones Act. On that day, our efforts bore fruit, and American citizenship for the Puerto Ricans became a concrete reality, made possible by this Congress and its leadership, in its preoccupation with the well-being and the advancement of the Puerto Rican people.

Many Puerto Rican leaders under the guidance of our great patriot Luis Muñoz Rivera, also my predecessor, were instrumental in the achievement of that basic first step in our political history; but today I would like to pay tribute also to another illustrious Puerto Rican, a native of Ponce, elected in 1900 to be the first Resident Commissioner from Puerto Rico. I refer to the Hon. Federico Degetau, a distinguished writer and lawyer, who had fought many a gallant battle during the Spanish regime.

Degetau, in fast response to the inadequacy of the Foraker Act, submitted for the consideration of the 58th Congress, the first bill ever introduced to make the Puerto Ricans citizens of the United States: H.R. 11592. The title of that bill read like this: "To declare the Citizens of Puerto Rico, citizens of the United States."

The Congress decided not to act upon the measure, perhaps concerned with the need for further analysis and always zealous to guard the precious privilege of citizenship. But the seed was there; the path had been started for others to follow, and that was exactly what happened when Luis Muñoz Rivera introduced for the consideration of the 63d Congress his bill number H.R. 13979, "to provide a civil government for Porto Rico, and for other purposes."

To this bill Muñoz Rivera dedicated most of his efforts as Resident Commissioner; indeed at his death in 1916, he had already made the Congress aware of the need for such legislation. But we should not forget that others worked as hard, if not as successfully, for the same goal. Among them, one of the first, Resident Commissioner Federico Degetau. As the 13th Resident Commissioner from Puerto Rico I will say today that just as we are proud to be Puerto Ricans we are proud of our American citizenship. That citizenship means security and freedom for our people and a dedication to the principles of democracy and justice to which this Nation is committed.

THE 65TH ANNIVERSARY OF THE GIRL SCOUTS

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. NATCHER. Mr. Speaker, the Girl Scouts of the U.S.A. will be celebrating their 65th anniversary March 6 through 12 and it is once again a distinct privilege for me to congratulate this vital and enthusiastic organization of young women. I always look forward to this opportunity to speak of the many wonderful achievements of the Girl Scouts as they are certainly one of our Nation's most valuable and dynamic resources.

The impact they have had on our Nation and throughout the world has been great and of tremendous benefit to all of us. Since the first Girl Scout troop was organized by Juliette Low in 1912, emphasizing a new awareness of each girl's potential development, Girl Scouts have been participating in and working toward social change and improvement. They have been involved in their communities and are constantly in touch with the concerns of today.

The programs designed by the girls are as many and diverse as their backgrounds and I believe the outstanding success of this fine organization is due

largely to their social awareness and flexibility in meeting the needs of a changing world. While the various projects of the Girl Scouts seem to be ever-changing, the beliefs and principles remain true to the original purpose of Girl Scouting: to inspire girls with the highest ideals of character, conduct, patriotism, and service so that they may become happy and resourceful citizens.

The emphasis is placed on growth; for to live is to learn, about one's self, one's community, and one's world, and thus to grow. The growth of the Girl Scouts is measured not merely in numbers, although its membership of over 2,755,000 girls certainly reflects the movement's popularity, but rather in the development of strong character, responsibility to others, and the desire of every girl to participate in helping solve current problems.

Girl Scouts have demonstrated their commitment to the environment in many ways; just one example is their planting of 20,000 seedlings supplied by the U.S. Forest Service. The 3-year project, Girl Scouting and migrant communities, is another example of the way the Girl Scouts are growing in new directions. This project in 1975 covered eight States from southern Texas to the Great Lakes with the purpose of bringing Girl Scouting to migrant children. It set up a program that will maintain the continuity of Girl Scout activities as the children move from locality to locality. After the third year the project methods and materials will be made available throughout Girl Scouting and will, no doubt, serve a great need by bringing a sense of continuity and extended friendship to migrant children.

The services they perform are many and I am always amazed and delighted by the number of ongoing and new projects in which the Girl Scouts are involved. They are eager, spirited, and fun loving and their activities reflect their enthusiasm for all facets of life.

In Kentucky, Girl Scouts had the marvelous opportunity of attending the Festival of the Arts put together for them by the Kentuckiana Girl Scout Council. This experience offered an exciting look at the arts as well as a thoroughly enjoyable weekend for all. I am particularly proud of the Girl Scouts of the Second District of Kentucky for their many contributions and I look forward with them and all of the Girl Scouts of the U.S.A. to another fine year.

Mr. Speaker, on this, the 65th anniversary of the Girl Scouts, I offer my very best wishes for continued growth in every way and my sincere congratulations.

FIRST AMENDMENT THE ISSUE

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. FINDLEY. Mr. Speaker, the Midwest is often called the Bible Belt and those who live there are often styled conservative and strait-laced. Thus, the sentencing by an Ohio court of the publisher of Hustler magazine, Larry Flynt, to a jail term of 25 years for obscenity and conspiracy may at first glance seem to fit the stereotype of Midwest morality.

That makes the reaction of some newspapers in my district to this court decision all the more noteworthy. An editorial in the State Journal-Register concludes:

There is no doubt in our minds that the danger of throwing Mr. Flynt in jail endangers freedom of speech and that the Ohio ruling must eventually be overturned.

And a columnist for the Alton Telegraph compared what Flynt was purveying to the public with the violence that television and Hollywood dish out regularly and found the latter far more obscene.

Upon reflection, most Americans will conclude that these Midwest newspapers still reflect the fundamental values of their readers. One of those values, respect for the Constitution of the United States and the basic rights it guarantees all free men and women, is what is really at issue in this case. The first amendment's guarantee of free speech and a free press cannot be set aside even to gain a conviction of a smut peddler. Following are the two excellent columns:

1ST AMENDMENT PROTECTION ESSENTIAL IN PORNO BATTLE

[From the (Illinois) State Journal-Register, Feb. 20, 1977]

Much criticism has been heaped on the Cincinnati, Ohio court that found Larry Flynt, the publisher of Hustler magazine, guilty of "organized crime" and for selling obscene material, but the court probably was right. The narrow law that the court interpreted is another matter.

Under the Ohio statute, any five persons conspiring to commit an illegal activity for profit are engaging in "organized crime." On this count Mr. Flynt was sentenced to 25 years in prison and ordered to pay a $10,000 fine. His sentence for publishing sexually oriented material was six months in the workhouse and a $1,000 fine.

A number of disquieting aspects of the case are readily evident. Not the least is that any discussion of the issue has to begin with the disclaimer that Hustler is a vulgar magazine with little redeeming literary value. It may be considered pornographic by most standards. However, the Flynt case must be discussed on principles, not the product.

The first principle to be considered is the First Amendment. There is no doubt in our minds that the danger of throwing Mr. Flynt in jail endangers freedom of speech and that the Ohio ruling must eventually be overturned.

The conviction also violates American precepts of justice. Mr. Flynt's main office is in Columbus, but he was tried in Cincinnati because the court there is known to be tough. In effect, the judge in Cincinnati was setting the morality standards for the citizens of Columbus. Indeed if the case causes Hustler to go out of business, the judge could have been setting the standards for Peoria or Walla Walla to some degree.

The Ohio law which permits a strained "organized crime" statute to restrain pornography is itself obscene. If Mr. Flynt's obscenity conviction stands, he will receive a slap on the wrists on that particular charge. He would be bludgeoned by the conspiracy conviction. And the other presumed four co-conspirators were released! That's Judge Bean justice.

When the Supreme Court said in 1973 that community standards should judge what is obscene, it also said clearly that it didn't want a single community to impose its standard on the entire country.

Yet that is exactly what could happen if the trend visible in the Flynt decision stands. Any person who participates in any way in the creation, production, editing or distribution of any publication a community considers too sexually explicit can be hauled into court and thrown into jail. And that's not overly apocalyptic.

In Memphis an actor who had performed four years earlier in Deep Throat was sentenced to four years in prison on obscenity charges. He had never been to Memphis before the trial. Al Goldstein, the publisher of another sexually explicit magazine, was prosecuted in Wichita, Kans. although the magazine is not sold on the newsstands in Wichita. But its courts are tough on pornography.

Other communities, encouraged by the Cincinnati, Memphis, and Wichita examples, are considering similar methods of controlling pornography, fanned by public indignation.

We sympathize with that indignation. Pornography is a moral blight that must be brought under control. But it would be wrong to effect a cure by creating a larger illness. To its credit, the Supreme Court has tried its best to set a standard for obscenity. In the 1930s it established the doctrine of "the lowest common denominator." Later, pornography was defined as material "utterly without redeeming social value." Now community standards prevail, and it is obvious that this is the worst doctrine of the lot—the road to censorship by a few.

The court has five major pornography cases on its docket this year. It should interpret them to bring the First Amendment back into its own hands in obscenity cases.

YOU CAN KILL PEOPLE, JUST DON'T MAKE LOVE

(By Doug Thompson)

A Cincinnati judge last week sent skin magazine publisher Larry Flynt to prison for 25 years because Flynt prints a magazine with graphic nude photos of women.

Before you unpack the shotgun and get out the tar and feathers, relax. This is not a defense of Flynt or his magazine, Hustler.

I looked at a Hustler once. Look is about all you can, because there isn't much to read. One look was enough. If I wanted to look at the kind of photos Flynt publishes, I would go to medical school and study gynecology.

However, a lot of people obviously find that kind of photos appealing, as indicated by the fact that Hustler is the fastest growing magazine in the country today. Because of Flynt's success, the more legitimate skin magazines like Playboy and Penthouse are using more graphic nude photos of women.

All of this made Flynt rich. It also made him a target of the Hamilton County Common Pleas Court in Cincinnati, where the publisher was found guilty of engaging in organized crime (his publishing empire was criminal, the court said, because it published obscenity) and of pandering obscenity.

The same week Judge William J. Morrissey sent Flynt to prison for 25 years. Universal Studios, the same studio that gave us television shows like Dragnet and Emergency, distributed around the country a film that I consider more tasteless and obscene than

anything Larry Flynt or his cohorts ever imagined.

The film is called "The Sentinel" and anyone crazy enough to sit through it will watch the most grotesque, vulgar display of so-called "cinema" I have seen in several years.

Consider the plot. A young girl moves into a gothic apartment house. She meets an assortment of strange characters, whom we soon discover are all dead.

One night, she encounters a person she thinks is her late father, whom she hated, so she hacks him up with a butcher knife.

We watch it all in vivid technicolor, the knife slashing the old man's side, gouging out an eye and hacking off his nose. The screen is filled with spurting blood and the screams of the actress are topped only by the screams, gasps and retches from the audience.

But director Michael Winner is far from finished with us. Before this film ends, the viewers get to see every conceivable form of disfigurement: people with mashed faces, burned bodies, dismembered torsos and scene after sickening scene of what is supposed to be the entrance to hell.

We are also asked to accept a story in which the Catholic church is a party to all of this, where a priest murders a young man to prevent him from discovering the truth and where the church abducts a young girl to turn her in to the gatekeeper at the entrance to hell.

All, of course, in the name of entertainment.

As bad as this film is, no one will rise up in righteous anger to toss Universal Studios in jail, nor will anyone demand this peace of trash be removed from public view.

Why? Because while The Sentinel is a bloody piece of tripe that erupts gore at every turn and insults both the Catholic church and the viewer, it does not have much nudity or sex.

That make it acceptable in today's world.

According to the American Civil Liberties Union, various state and federal courts in 1976 heard 1,690 cases involving obscenity in films and books.

Every one of those cases involved a film or book which depicted sexual acts and nudity of men or women.

Not one book or film was brought to trial because of excessive violence or religious overtones.

ACLU records show more than 10,000 films have been banned or seized by the police in the last 10 years because of nudity or sexual content.

Yet no police department or state or federal court in the last 40 years has seized a film or book because of violence.

Locally, the city of Wood River has an ordinance banning nudity and sexual scenes from films showing at the Capri-Drive In.

The theater, however, is still allowed to show films like The Texas Chainsaw Massacre, where a family of lunatics saw up victims with chainsaws and serve the remains as barbecue sandwiches at a roadside stand.

Two years ago, a St. Louis television station refused to show The Last Picture Show, a film with sexual overtones. The station substituted a rerun of *Bonnie & Clyde*, one of the most violent films ever made.

I guess it is a question of attitude.

The American Heritage Dictionary defines obscenity as anything "repulsive or loathsome to the senses."

If you examine our current attitudes, and the actions of our courts, films and books which deal with sex and nudity are repulsive to our senses, but those dealing with violence or vilification of church are acceptable.

It's immoral to show people making love, but it's all right to show them killing each other.

SOCIAL SECURITY REFORM AMENDMENTS

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. ARMSTRONG. Mr. Speaker, today I am introducing the "Social Security Reform Amendments of 1977."

These reform amendments aim to help those Americans who have worked and sacrificed and paid social security taxes for years.

The main features of this legislation are:

First, repeal of the earnings limitation for social security recipients;

Second, repeal of the so-called living-in-sin provisions of current social security law;

Third, equal treatment for widows and widowers, husbands and wives;

Fourth, an optional exemption of social security recipients 65 and over from paying further social security taxes;

Fifth, repeal of provisions which force beneficiary's heirs to return a check already "earned" and mailed;

Sixth, partial reform of the medicare billing system for doctors' services; and

Seventh, elimination of the 5 month waiting period for social security disability.

REPEAL OF THE EARNINGS LIMITATION

One of the most unfair sections of present social security law is the earnings limitation. Applying welfare-type concepts of earnings limitations to the social security program makes second class citizens out of millions of retired Americans. At present, social security benefits are reduced $1 for every $2 earned by a recipient—except for those over age 72.

In my opinion, it is completely unfair to force senior citizens to live on below-average incomes. It is contrary to self-respect and the American tradition of individual initiative.

I base this legislation on three considerations:

First. The present limitation, which reduces social security benefits when the retired person earns in excess of $3,000 per year, or $250 a month, forces many senior citizens to live on below-average incomes. In a time of rampant inflation, it is virtually impossible for social security benefits to keep pace. A lowering spiral of living standards is inevitable for these retired persons.

Second. The present limitation applies only to earned income, not to investment income. So those who are fortunate enough to have accumulated investments in stocks and bonds, savings accounts, rental properties and so on can have unlimited income from these sources. But those who have no such investments are precluded from supplementing their social security with any substantial amounts of earnings.

Third. The principle of an earnings limitation is wrong.

Social security is not and was never intended to be a form of welfare. It has been earned by American workers and their employers who have paid the cost of this program through payroll taxes. In most cases, workers pay far more in taxes during a lifetime of work than they can possibly draw in benefits. To deny them something they have paid for, at least a partial return on their payments, is completely unfair.

Many Americans have no need or wish to work beyond normal retirement age. But millions of others need the extra income and enjoy the activity which part or full-time work provides.

It is long past time for us to stop penalizing those Americans who need or want to be productive workers—and who deserve far better treatment than the present law allows.

REPEAL OF "LIVING-IN-SIN" LAWS

Much has also been written about the "living-in-sin" provisions of social security. In a nutshell, these restrictive clauses, retained in the name of economy, have little economy and create only anguish. A widow and a widower who would like to remarry, but cannot afford the financial loss, are forced either to deny themselves what happiness they might have together or often to go against their long-held beliefs and live together unmarried.

In either case the Government is creating unhappiness—as well as denying benefits earned rightfully over years of work.

The present law is an affront to the dignity of older Americans, respected citizens often struggling in relative poverty to retain their own self-respect. Repeal of the "living-in-sin" provisions of the current Social Security Act is the least we can do for them.

EQUAL BENEFITS FOR MEN AND WOMEN

Times have changed drastically over the past quarter century, especially in the increasing number of women working—and the trend of working women is going to increase. We are already seeing house-husbands as well as housewives—but once again, there's no provision in the law to fairly deal with the changing times.

If a husband covered by social security dies, his wife is presumed eligible for benefits even if she is working, and has always worked. But if a working woman covered by social security dies, under the current law, her husband must go through an ordeal of proving his dependency, even if he has been totally dependent. The recent Supreme Court decisions touched only some sections of the law, leaving the provisions covering dependent widowers, for example, unchanged.

Without a change in the law, social security could go back to the old system next week and force another series of legal battles.

It is time to end this unspoken hypocrisy—the over 30 million working women in America deserve the same protection for their dependents as working men.

EXEMPTION FROM FICA TAXES

"In this world, nothing is certain but death and taxes," said Benjamin Franklin.

For most beneficiaries who have been covered almost their entire working lives,

death comes too soon and the social security taxes are too high.

Another absurdity is the payment of social security taxes by social security beneficiaries. Consider this situation—all too common, in my opinion: A worker must supplement a monthly social security check by working full or part time to make ends meet. Yet even though he has paid into social security for over 30 years, he is further taxed by social security on his meager earnings—meaning he has to work just that much longer!

REFORM OF "LAST CHECK" PROCEDURES

Another area of pettiness generated by current laws and regulations is the final check a beneficiary receives. According to Social Security Administration's regulations, an individual's eligibility terminates the month before he dies. So an individual can run up bills, but the heirs cannot even pay off debts with the check for that month—even if the individual dies on the last day of the month.

I personally have come across cases where the Social Security Administration refused to honor checks which were properly endorsed and deposited, but did not clear the banking system by the time of the beneficiary's death. My proposal would not change the benefits or entitlements of the system in any way, but would simply allow a beneficiary and his heirs full benefits for the last month the recipient is alive.

MEDICARE PAYMENT REFORM

I have proposed a simple change in the medicare payment system to remedy a problem originally brought to me by a constituent.

A man's wife dies of a sudden illness requiring expensive hospitalization and doctors' services, but she is covered by medicare. So his bills can be paid? Hardly—medicare cannot reimburse him until he has paid the doctors' bills in full. Although he has supplementary health coverage, his health insurance company cannot make any settlement until medicare does. Because of the other expenses of his wife's illness he does not have the funds to pay the four specialists required. His only alternative is to borrow the money, if he can, pay the bills, and hope medicare can process his reimbursement before the interest on the loan mounts too high.

But in any case, this system keeps the doctor waiting, effectively increases the price of health care, and may in fact keep the doctor from ever getting paid.

I have therefore proposed that medicare be empowered to pay the doctor his share directly. While this system also has drawbacks, such drawbacks are minimal compared to the present chaos.

DISABILITY WAITING PERIOD REDUCTION

The last section of the reform package I am proposing eliminates the present 5-month waiting period required to obtain eligibility for social security disability payments.

Right now, a 5-month waiting period is required before a qualified disabled individual can draw disability benefits. During this waiting period, no disability benefits, retroactive or otherwise, can be paid. Until the replacement of local welfare by the supplemental income plan—SSI—last year, a disabled individual could draw local welfare. Now, however, SSI will not grant benefits until the disabled worker's case is resolved by social security.

That means he cannot receive any income for 5 months if he is really disabled. The very system which is supposed to protect him denies him any income for 5 months.

This is utterly absurd.

In my district alone, I know of more than 20 cases of this nature created by this particular law. And those are only the ones which have come to my attention.

This kind of catch-22 is utterly absurd. It should be changed, and the sooner the better.

Mr. Speaker, I ask you and my colleagues to join in supporting this type of meaningful reform of the social security system. These amendments are solid reforms—long overdue—to assure those Americans who have supported social security with years of taxes are treated fairly in their retirement years.

A POLISH-AMERICAN PATRIOT

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. FARY. Mr. Speaker, I wonder if my colleagues are acquainted with the fact that February 12, besides bringing to mind the debt of gratitude we owe to President Abraham Lincoln, also marks the anniversary of the birth of one of the greatest heroes of our American Revolution—Gen. Thaddeus Kosciusko.

On February 21, 1798, Thomas Jefferson wrote of him to General Gates:

> He is as pure a son of Liberty as I have ever known, and of that Liberty which is to go to all and not to the few or rich alone.

On June 1 of the same year, Jefferson wrote to Kosciusko:

> Your principles and disposition were made to be honored, revered and loved. True to a single object, the freedom and happiness of man, they have not veered about with the changelings and apostates. Accept sincere assurances of my affectionate esteem and respect.

And Nathaniel Green, U.S. Commander wrote:

> I can liken to nothing his zeal in the public service and in the solution of important problems nothing could have been more helpful than his judgement, vigilance and diligence. He was fearless of every danger. He never manifested desires or claims to himself, and never let opportunities pass of calling attention and recommending the merits of others.

On his own initiative, and at his own expense, Kosciusko had come to these shores from his native Poland in the summer of 1776 to fight in our Continental Army as a colonel, Army Engineers. He distinguished himself in the Carolinas as well as in the battles of New York and Yorktown.

One of his greatest contributions was the engineering of the fortifications at West Point, which became a lasting memorial at our Nation's military academy.

At the close of the War of Independence, this Polish patriot was hailed in this august body "the U.S. Congress" for "his long, faithful, and meritorious servious" and by special act of both Houses of Congress granted the rights and privileges of American citizenship and commissioned a brigadier general.

His struggle on behalf of the common people of Poland, after the partition of that country in 1792, was yet another indication of his dedication to the cause of liberty.

The peoples of the Fifth Congressional District are proud to have on display in the Member's private dining room, U.S. House of Representatives "the Citadel of World Freedom," a large seascape painting by John Wisniski, world renowned Polish artist.

The Honorable Carl Albert, former Speaker of the House of Representatives, in accepting this beautiful gift from my predecessor, the beloved John C. Kluczynski and the Polish people of America, stated:

> This painting which depicts strength and eternal power will serve as a reminder to present and future members of Congress of the great contribution made by General Thaddeus Kosciusko and the other Polish patriots to this young nation in its fight for freedom.

On the occasion of this day of national thanksgiving, I join with my colleagues in praying for the people of Poland still struggling against the Russian oppressors and I salute Poland's sons and daughters in America who live under the banner of liberty Kosciusko helped unfurl.

COLUMNIST CATCHES ON TO STATE DEPARTMENT DUPLICITY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. McDONALD. Mr. Speaker, aside from the needless slap at Americans serving in the Canal Zone which his column contains, I would like to commend the article on Panama and the canal question by Charles Bartlett, which appeared in the Washington Star on February 25.

It appeared soon after Senator JESSE HELMS revealed to the Senate, on February 22, the fact that our putative canal treaty negotiator, Mr. Sol Linowitz, is deeply involved in Marine Midland bank loans to the Torrijos regime—loans which cannot possibly be repayed without first giving away the Panama Canal, thus providing Torrijos with a source of revenue.

Mr. Bartlett says it out loud, too. The ripoff of the American people, which a canal giveaway represents, is intended to benefit the very banks which have extended unrealistic loans to an oppressive,

corrupt Castroite regime. Only if Torrijos is able to milk the canal for revenues can he possibly meet his financial obligations.

Of course, the national interests of the United States as a whole apparently pale to insignificance besides this financial angle. It is not merely interesting, but very important, to realize just why our "Establishment" figures and the State Department are conniving to hand over the canal, regardless of the desires of the Congress or the public, regardless of the illegality of handing over U.S. Government property without congressional authorization.

I insert the following:

[From the Washington Star, Feb. 25, 1977]

WHY SOME PANAMANIANS ARE IN NO RUSH ON CANAL

(By Charles Bartlett)

PANAMA CITY, Panama.—Rarely in American history has the nation been obliged to contemplate the award of a great prize to a government as deficient as the one now presiding over Panama.

"Ah, but you are not handing over the canal to the Torrijos government," exclaims a Panamanian negotiator. "You are giving it to the people of Panama."

He may be right in that the canal's transfer will not occur until the year 2000 when Torrijos will be 70. But he may be wrong because dictators with strong livers hang on. At any rate he will get most of the Zone property immediately.

A new treaty promises to give Omar Torrijos enough historic stature to become a semi-permanent fixture. Since his leadership is characterized by heavy corruption, economic mismanagement, intolerance of dissent and a disturbing tilt to the left, the dignity which the Panamanians gain from evicting the Zonians may be lost in the ordeal of protracted repression.

This is why some who have struggled hard to bring the Zone under Panama's flag are now alarmed at the speed at which President Carter is propelling the negotiations.

One fear is that Torrijos is so mired in loans from U.S. banks that he will make a poor deal for the country. Another is that the treaty will arm the dictator with funds to build an army and fresh opportunities for corruption.

The State Department is perceived by these Panamanians to be playing a cynical game. It has propped up Torrijos with sizable AID assistance, unusual for a nation with one of the highest per capita incomes in Latin America. Embassy spokesmen defend Torrijos's corruption as pay for Latin politics and minimize the implications of his Communist ties. He is the key to the treaty they seek, so they accord him a respectable aspect.

The credibility of the Communist threat in Panama has been damaged by Zonians who apply Red labels to all who question their colonial outlook. But it deserves more serious attention because the moves, which some experts see as efforts by Torrijos to placate the left, add up to a menacing pattern of concessions. Too many of the regime's key figures, including some principal negotiators, are committed to the hard left.

The only political party now allowed to function in Panama is the Communist "People's party," a negligible force when Torrijos took power in 1968. Two queasy figures with Marxist links, Diaz Herrera and Antonio Noriega, are moving with the President's support into dominance over the national guard. Torrijos's chief adviser, Escobar Betancourt, turns up in such curious roles as head of the Panama-North Korean Association.

Drink is Torrijos's personal vice; avarice is the preoccupation of his brothers; brutality is the distinguishing feature of his police, and extravagant ineptness is the failing of his economic planners. The regime has put the small nation so deeply in the red (an estimated $1.2 billion) that the canal treaty has no supporters more fervent than the American bankers whose hopes for repayment rest on revival of faith in the Panamanian economy.

This is not the sort of government to which the United States would normally be eager to transfer a property that is crucial to its commerce.

Most Panamanians are satisfied now that the pressures of nationalism make the transfer inevitable at some point. But some thoughtful ones say they are content to wait because time will work to their advantage if it rids them of Torrijos and softens the U.S. negotiating position.

The signs here indicate that the negotiators will manage to strike a deal. But when the Senate has a close look at the evolving nature of the Panamanian regime, ratification is not apt to come easily.

VETERANS' ADMINISTRATION JUDICIAL REVIEW

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. WIRTH. Mr. Speaker, I am introducing a bill today to amend title 38 of the United States Code to provide for the judicial review of administrative regulations by the Veterans' Administration and to allow veterans full access to legal counsel in proceedings before the Veterans' Administration.

This legislation provides the only proper remedy for veterans in cases before the Veterans' Administration. The Veterans' Administration is different from other Federal agencies, exempt from Federal court review of its regulations and most of the resulting adjudicated decisions on individual cases. Title 38, United States Code, section 211(a), the provision exempting the VA from judicial review, denies veterans and their dependents or survivors access to due process of laws on decisions of benefit eligibility.

Disability and pension eligibilities, the cause of most VA benefit adjudication cases, are determined by a three-member internal board of the VA. The only recourse for a veteran desiring to challenge this determination is an appeal to the Board of Veterans' Appeals, again an internal review board. The final decision in eligibility cases lies with this board; there are no further appeals. At no point in the review process are cases subject to review by persons outside the agency.

Although the VA now publishes rules and regulations proposed to govern its administrative and adjudicative procedures, it is not required to do so under Federal statute. Once these proposed rules and regulations are finalized, they are not subject to review by the Federal judiciary. In essence, this means that once a veteran receives a decision from the VA Appeals Board, even the regulations governing that decision are immune from public and judicial review. In all other agencies, final decisions by appeals boards are subject to some type of public or judicial review. In the Veterans' Administration, there is no recourse for any appeal outside the agency.

Although veterans may have legal counsel during final proceedings before the VA, attorneys fees are limited to $10 under title 38, United States Code, section 3403(c). Less than 2 percent of the claimants appealing to the Board of Veterans' Appeals are represented by legal counsel. Veterans may obtain valuable service from national and State veterans' service organizations and VA counselors. These organizations should be commended for the fine job they perform, providing assistance and sufficient evidence to render a fair and equitable decision before the VA Board of Appeals. However, if a veteran desires the representation of an attorney, the $10 fee restriction is prohibitive and virtually nullifies this right to representation.

I agree with the many who see the $10 attorney fee restriction as de facto prohibition of legal representation, a clear violation of the fifth amendment. Veterans who desire outside legal representation in VA proceedings should be able to exercise that right. The fee limitation was implemented more than 100 years ago in the best interest of the veteran, but has now outlived the original legislative intent.

Once, agencies such as the Social Security Administration imposed financial restraints on one's rights to representation. The Social Security Administration has since repealed this limitation, replacing it with a formula designed to determine reasonable attorney's fees case by case.

An argument often used against the admission of judicial review in the Veterans' Administration is that opening the procedure to outside review would destroy the uniformity of Veterans' Administration decisions. However, an examination of similar caseloads from two regional VA offices will show that uniformity is not presently a standard characteristic of the Veterans' Administration. In 1975, the Denver regional office's own records revealed that 10 percent of the less-than-honorable discharge cases were granted eligibility for veterans' benefits. In Minnesota, the regional office granted benefits to 25 percent of the veterans with less-than-honorable discharges.

The lack of uniformity now characteristic in many regional VA offices could be the result of no judicial review process that bases decisions on an overall national precedent. I believe that opening this procedure to judicial review will result in more uniform decisions within the agency, not less.

Another common argument against the concept of judicial review is that the rules and regulations of the VA are too complex and technical for the courts to review. But other agencies, such as the Social Security Administration, whose rules are just as complex and technical, are subject to independent review by the courts.

Furthermore, under guidance established by the Administrative Procedures Act, the Federal courts could only review the appeals of final VA action under cer-

tain prescribed conditions. These conditions are if the final action is arbitrary and capricious, an abuse of discretion, an excess of statutory jurisdiction, a procedural error, and any other flagrantly unlawful activity.

In summary, this legislation will require that rules and regulations proposed by the Veterans' Administration be subject to judicial review, the same as for other Federal agencies. It will also repeal the prohibitive fee restriction of $10 for attorney's fees in VA cases. Furthermore, this legislation will require the VA to comply with the specific rulemaking procedures set forth under the Administrative Procedures Act.

DEFUSING AN ISSUE WHICH EVOKES EMOTION

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. SIMON. Mr. Speaker, I am inserting in the RECORD an article which appeared in the Southern Illinoisan, of Carbondale, Ill., an article from the New York Times Service.

The article points out the results of some limited busing in Chicago.

I inserted it in the RECORD simply because as a member of the Education and Labor Committee of the House of Representatives I have heard some emotional outbursts on busing but not enough factual presentation.

I do not know of anyone who likes the idea of busing if there are other constructive alternatives. But it remains one of the tools that can be used by local school districts to promote and improve educational quality. In some districts it makes sense and in others it does not.

But before we reach conclusions on the basis of emotional reaction we ought to be taking a look at articles like the one I am inserting in the RECORD:

BUSING BENEFITS BLACKS IN CHICAGO, ANALYSIS SHOWS—WHITE UNAFFECTED

Limited busing of black children to predominantly white schools on Chicago's Northwest Side over the past nine years has resulted in higher reading and mathematics scores by the black children while the academic performances of the white children were not affected

In one of the first analyses of the effect of busing on the children of a large city, the Chicago Board of Education found that black children in all age groups from 8 to 13 increased their reading and math levels. The 13-year-old gained the most.

However, even those black children who attended the predominantly white schools and increased their reading and math scores were, on the average, one to two years behind the normal levels for their age group nationally.

The comparisons were made between black children from elementary schools in the predominantly black Austin district who volunteered to attend schools on the Northwest Side and those who remained in the Austin district. The scores of the white pupils in Northwest Side schools were studied for comparison.

The study's results were published as this city, which has one of the highest levels of public school segregation in the nation, came under new pressures to desegregate.

The State Board of Education recently told Chicago school officials that they would have to present detailed desegregation plans within the next six weeks or face the possibility of losing much of their state aid as well as some federal aid.

Late last month, the Chicago Board of Education adopted a resolution committing the city to full compliance with state school desegregation guidelines.

But the resolution cited only a few limited desegregation programs initiated by the board this year and stated that a comprehensive desegregation plan would not be ready until 1978.

If strictly followed, the guidelines would require that no Chicago school be more than 39.9 per cent white or 74.4 per cent black.

Chicago was placed on a year's probation by the State Board of Education last year when the Chicago board failed to submit a desegregation plan. The probationary period ends April 1, by which time the board was originally scheduled to have a satisfactory desegregation plan.

The state board's latest warning came two weeks after the city's yearly racial census was published. It showed that this year only 79 of Chicago's 600 public schools met the state board's integration guidelines.

While blacks now make up more than 33 per cent of the city's population, 59 per cent of the city's 524,000 public school students are black, according to the census.

The census reported that the white school population was 24.9 per cent, which represented a loss of more than 10,000 white pupils from the last school year. The Spanish-speaking school population rose slightly to 14 per cent, according to the census.

In mid-January, the school board refused to support its newly hired consultant on integration in his plan to seek about $8 million in federal funds for a pilot desegregation program. The board, which included black members, ridiculed the plan as calling for a "phased integration."

The census did disclose that some progress was made toward the Chicago board's goals on teacher integration. More than 60 per cent of the 660 schools now meet the Chicago board's standard of a maximum of 70 per cent of teachers of the same race in any school, this year's census found.

In publishing the study on the effects of busing, the school superintendent, Joseph Hannon, said that it should be viewed with caution on two counts: the based students were not chosen at random but came from motivated families who may themselves have contributed to the improvement in reading and scores, and the ratio of white to black students in the receiving schools was 9 to 1.

The study cited the following examples: The 1976 reading scores of 8-year-olds who were bused was 3.5 as against 3.3 for the blacks who were not bused; the 11-year-olds who were bused scored 5.1 against 4.8 for the nonbused pupils, and the 13-year-olds who were bused scored 6.7 against 5.7 for nonbused pupils.

Test scores of white children in schools where there were no black pupils were compared with the scores of white pupils in the schools receiving black children. The average scores of all white pupils were similar, the study concluded.

HEARING

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. ULLMAN. Mr. Speaker, this is to advise my colleagues in the House and other interested parties of the Committee on Ways and Means' schedule to conduct a 1-day public hearing on Monday, March 21, on the sick pay effective date, waiver of penalties and interest on underwithholding or underpayment of estimated tax attributable to application of the Tax Reform Act of 1976, and withholding tax on certain gambling winnings. For your information, there follows the press release announcing this hearing which sets forth pertinent details with regard to the hearing:

CHAIRMAN AL ULLMAN, COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES, ANNOUNCES A ONE-DAY PUBLIC HEARING ON SICK PAY, EFFECTIVE DATE WAIVER OF PENALTIES AND INTEREST ON UNDERWITHHOLDING OR UNDERPAYMENT OF ESTIMATED TAX ATTRIBUTABLE TO APPLICATION OF TAX REFORM ACT OF 1976, AND WITHHOLDING TAX ON CERTAIN GAMBLING WINNINGS, TO BE CONDUCTED ON MONDAY, MARCH 21, 1977

Chairman Al Ullman (D., Oregon), Committee on Ways and Means, U.S. House of Representatives, today announced that the Committee would conduct a one-day public hearing on Monday, March 21, 1977, on the following proposals arising from the enactment of the Tax Reform Act of 1976: (1) H.R. 318 (and identical bills) relating to a postponement of the effective date of the changes to the sick pay exclusion; (2) H.R. 1680 relating to a waiver of penalties and interest on certain underpayments of estimated tax and underwithholding attributable to the application of the Tax Reform Act; and (3) H.R. 4090 relating to the imposition of withholding taxes on certain gambling winnings.

The specific provisions of the Tax Reform Act of 1976 to be considered at this hearing are explained in detail below. The hearing will not cover any other subjects or issues. However, Chairman Ullman has indicated that public hearings will be announced later on certain technical changes to the Tax Reform Act of 1976.

Requests to be heard must be addressed to John M. Martin, Jr., Chief Counsel, Committee on Ways and Means, Room 1102 Longworth House Office Building, and must be received prior to the close of business Friday, March 11, 1977.

These hearings will be held in the Main Committee Hearing Room, across from Room 1102 Longworth House Office Building, Washington, D.C., beginning at 10:00 a.m.

The limited time available to the Committee for this hearing requires that all persons and organizations having a common position exert the maximum effort to designate one spokesman to represent them. It will be necessary for each witness to confine his oral presentation to five minutes, in summary form, with the understanding that a more detailed statement can be submitted for review and for inclusion in the printed record of the hearing. If it becomes necessary, the Committee staff will group the public witnesses into panels to expedite the hearing process further, and establish strict time limitations on such panel testimony.

DETAILS OF PROVISIONS OF THE TAX REFORM ACT OF 1976 TO BE DISCUSSED

1. Effective date of sick pay exclusion

The Tax Reform Act of 1976 generally repeals the sick pay exclusion except for individuals under age 65 who are permanently and totally disabled. As enacted, these changes apply to taxable years beginning after December 31, 1975. H.R. 318 (and identical bills) would postpone the effective date of the sick pay changes for one year to taxable years beginning after December 31, 1976.

2. Underwithholding and underestimation of tax attributable to the Tax Reform Act of 1976

The Tax Reform Act of 1976 was enacted

on October 4, 1976 and, in some instances, affected tax liabilities for 1976. H.R. 1680 would relieve taxpayers from liability with respect to certain underpayments of estimated tax, underwithholding, and interest on underpayments of tax attributable to the application to 1976 of the provisions of the Tax Reform Act of 1976.

3. Withholding tax on certain gambling winnings

In general, the Tax Reform Act of 1976 imposes a 20-percent withholding tax on winnings of more than $1,000 from sweepstakes, wagering pools and lotteries. H.R. 4090 would amend the changes provided in the Tax Reform Act of 1976 to impose the 20-percent withholding tax on one-half of the proceeds of $1,000 or more from any single wager placed in a wagering pool involving horse races, dog races or jai alai, but only if the amount of such proceeds is at least 300 times as large as the wager.

DETAILS FOR REQUESTING AN ORAL APPEARANCE OR FOR FILING A WRITTEN STATEMENT

Cutoff date for requests to be heard

Requests to be heard must be received by no later than the close of business Friday, March 11. Requests should be addressed to John M. Martin, Jr., Chief Counsel, Committee on Ways and Means, 1102 Longworth House Office Building, Washington, D.C. 20515, telephone: (202) 225-3625. Notification will be made promptly. If a change in the witness or a cancellation is necessary, please advise this office immediately.

Requests to be heard must contain the following information:

1. The name, address, and capacity in which the witness will appear.
2. A list of any clients (or the firm or association he represents) at whose behest or in whose employ the witness appears.
3. An outline of the comments and recommendations the witness will make.

Prepared statement requirements

Persons scheduled to appear must submit 75 copies of their prepared statement to the Committee office, Room 1102, Longworth House Office Building, no later than 24 hours in advance of the appearance. An additional supply may be furnished for distribution to the press and public.

Written statement in lieu of personal appearance

Any person or organization may, instead of appearing in person, file a written statement for inclusion in the printed record of the hearing. For this purpose, five copies of the statement should be submitted by the close of business Monday, March 21. Additional copies may be furnished for distribution to the members of the Committee, staff, press and public, if submitted to the Committee during the course of the hearing.

CAN AMERICA AFFORD TO BE NO. 2?

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. BAUMAN. Mr. Speaker, the Washington bureau chief of the Boston Globe, William Beecher, recently reported on a remarkable speech delivered to a meeting of other Communist leaders in Eastern Europe by Leonid Brezhnev. It is remarkable, because the Soviet leader makes no pretenses about what "détente" means to him. For Brezhnev, it means not a policy for permanent peace as signified in the West, but merely a tactic with which the Soviet Union, ". . . will be able to extend—its—will wherever it is so desired." The speech goes on to describe recent years as a period of consolidation for all Communist nations in their historic struggle against the West.

For years, liberal internationalists like Paul Warnke, now being considered to head our Nation's arm controls agency, have conditioned us to believe that Soviet sentiments like the ones so recently expressed by Mr. Brezhnev do not exist. They have written about the figurative "greening" of Soviet foreign policy, that Soviet intentions have mellowed and that we can afford not to spend as much time and money as we have in years past on the arms race. In short, they have been telling us that America can afford to be No. 2.

Most recent indications, including the Brezhnev speech, shows this to be nonsense. Despite the well wishes and graceful toasts by American and Soviet diplomats celebrating the anniversary of the Helsinki Treaty, Soviet repression of its citizens not only continues but increases. The conventional military buildup of the Soviets' European land-based forces have inspired panic in every Western capital in Europe, and increases in the Soviet military budget over the last 5 years have made America No. 2 in every area of conventional warfare except one.

Mr. Speaker, what I am saying is no secret, but too many newspapers in our country act as if it is. Fortunately, there are exceptions, an eloquent example of which is the Baltimore News American. Its February 19 editorial, "A Question of Intent," enumerates the areas in which the Soviets have disproved the Warnke theory. It commends itself to be read by every citizen who in turn should get on the phone and read it to someone in the State Department.

The article follows:

A QUESTION OF INTENT

For the past several months, official Washington and much of the nation's press media have heatedly been debating answers to the question of whether or not the Soviet Union is trying to achieve strategic arms superiority over the United States.

Some say the Russians have just been trying to catch up with us and that, furthermore, there would be no cause for alarm in a situation of rough parity. Others contend that the Communists already have caught up and surpassed us. President Carter apparently believes the problem will be solved by further negotiation.

Perhaps so, but on the record it is doubtful. Meanwhile the entire current controversy seems to be as foolish as the lack of concern which for years has permitted Soviet arms expansion to continue without vigorous challenge.

Throughout those years, in this space, alarm repeatedly has been sounded over Russian expansionist policies. Comparing the ratios of specific strengths by numbers of ships, planes, type of missiles and so on always has been inconclusive. Clearly demonstrated intent has not.

Consider the following facts:

The Soviets are devoting from 11 to 13 percent of their gross national product to military strength—about double the amount this country allots for defense—and have been doing so since before 1970 while claiming such expenditures were only one-third of what they actually have been.

According to Jane's Fighting Ships and Jane's All the World's Aircraft, the most prestigious authorities, Russia soon will have an overwhelming superiority over us both in naval and air strength if present construction continues. We already are vastly outnumbered in submarines.

In Europe, where our troops once equalled those of the Soviet bloc, today our forces are outnumbered 2-1. Russian divisions have been increased from 141 to 168 and the number of tanks by 40 per cent—to an estimated 26,000, more than three times the armor of NATO.

All over the world, from the Far East to Africa, Moscow has been pouring billions into arms for the support of causes dedicated to the overthrow of existing order and the advancement of Marxism. Our country's counter actions invariably have been defensive.

These are but a very few points which should show how absurd it is to be debating—at this late date—whether the Soviet Communists are a menace or not to our national security.

They are. They always have been. And they always will be unless we stop arguing about reality and face it for what it is.

REAR ADMIRAL CARROLL FOR JOHN PAUL JONES AWARD

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. WON PAT. Mr. Speaker, it is with extreme personal pleasure that I bring to your attention today an outstanding example of how good leadership can create harmony and cooperation in the potentially troublesome relations between military and civilian communities.

Rear Adm. Kent J. Carroll, U.S. Navy, the commander of Naval Forces Marianas, headquartered in my district of Guam, exemplifies these qualities and I am pleased to announce that he has been nominated by the Guam Chamber of Commerce and the Navy League of Guam to receive the prestigious and coveted John Paul Jones Award of the Naval League of the United States.

The Navy has constituted a large presence on Guam throughout this century. From 1898 to 1950, the island was under military government and by Navy officers except during the 3 years of Japanese occupation. Few Navy governors were outstanding, many others less so.

Today the Navy is the largest employer on Guam, has the largest operation of the military services and is second only to the government of Guam in landownership. The potential for friction between the Navy and civilian communities looms large and constant. It is in recognition of the accomplishments of Admiral Carroll as commander Naval Forces Marianas and in establishing a high level of military-civilian relations that the Guam Chamber of Commerce and the Navy League recommended him for the John Paul Jones Award and commended by the Guam Legislature.

Like many of his predecessors, the

challenges which have faced Admiral Carroll as a military commander in Guam have been great. He assumed his duties in 1975 as Guam was the center of worldwide attention as the principal transit point for Operation New Life, the relocation of more than 100,000 refugees from Southeast Asia. After tens of thousands of these unfortunate people were transferred to the Continental United States, Admiral Carroll superbly handled the delicate problems posed by more than 1,500 of their number who wished to return to Vietnam.

This latter problem required special tact, diplomacy, and personal capabilities to avoid unrest, violence and possible international embarrassment for our Nation and its positive resolution was in great part the direct result of the actions of Admiral Carroll.

As COMNAVMAR, Admiral Carroll is the personal representative of the Commander in Chief, Pacific, and represents the CINCPAC to the more than 2,200 islands that comprise the Trust Territory of the Pacific. In carrying out his military duties, Admiral Carroll has been the most widely travelled CINCPACREP in history, visiting every district center in the more than 3 million square miles of ocean and even small outlying islands lacking airstrips.

Through his efforts, relations between the residents and the elected leaders of TTPI and the military have become markedly closer. The many local assistance and construction projects he has overseen have greatly benefited island residents.

Admiral Carroll's leadership was possibly best exemplified last year when Guam was devastated by a super typhoon. More than 3 hours of 140- to 170-mile-an-hour winds destroyed most of the island's communications, public utilities, and surface transportation systems, destroyed or severely damaged thousands of houses and left hundreds of persons isolated by local flooding without shelter.

Admiral Carroll's alertness and prestorm preparations of the military community is credited with being directly responsible for preventing loss of life or serious injuries among members of the military organizations stationed on Guam.

In an island as small as Guam, accommodating more than 30,000 military personnel and dependents and approximately 100,000 civilian population, the potential for social frictions are constant and immense. However, due directly to Admiral Carroll's leadership and his sensitivity toward the legitimate needs and aspirations of local government leaders, the military and civilian, have contributed immeasurably to the excellent relationship the two communities enjoy today.

It is a tribute to his exemplary discharge of his duties and extraordinary contributions to Guam that as the senior military officer on Guam, Admiral Carroll should be nominated for this high national recognition by leaders of the civilian community.

STATEMENT BY MR. MOORHEAD OF PENNSYLVANIA ON THE NATURAL GAS SMALL PRODUCER EXEMPTION ACT OF 1977

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, on February 17 my colleague from New York (Mr. KEMP) and I introduced the Natural Gas Small Producer Exemption Act of 1977. We were joined by another 33 Members of the House.

At that time it was pointed out that this bill would increase the supply of natural gas by exempting small producers—tightly defined—from burdensome FPC regulations. It was also noted that these small producers were concentrated in the Appalachian States—principally Pennsylvania, Kentucky, Ohio, and West Virginia.

May I point out to the Members that the Appalachian region was the first area to supply natural gas to U.S. consumers—the first well being drilled in 1820 in Fredonia, N.Y., near Lake Erie. That was over 155 years ago.

Because today our principal natural gas supply in the United States comes from the Southwest, it is forgotten that this important fuel is still produced in the Appalachian States in significant quantities. In fact, for the past 50 years—since 1920—producers in the region have maintained an output of a nearly constant level of 400 to 450 billion cubic feet—as the following data illustrate:

Appalachian natural gas production (Bcf)

1975	400
1970	436
1960	439
1950	400
1940	385
1930	333
1920	436

Source: Bureau of Mines.

This local supply of Appalachian natural gas can be expanded by the legislation proposed because it will allow producers to extend and expand their search to new pools and fields and—this is important—to recomplete old wells drilled previously which were found then not to have commercial quantities of natural gas at prevailing wellhead prices.

In addition, this small producer exemption bill will encourage rapid development of Devonian gas shale, which is now being tested with new techniques of fracturing by ERDA and its contractors, as I have discussed on previous occasions.

Mr. Speaker, we now have 35 cosponsors of our bill, but not all of these Members are from the Appalachian region. The Members now supporting this legislation come from 16 States. This is important because this Nation's future natural gas supplies can come from many States if proper and equitable incentives are provided to producers, but not windfall prices. And these local supplies should be available to fuel not only both residential and commercial customers, but also industries in the locality. In the Appalachian region more and more industries are now drilling for natural gas to make less likely the possibility their supplies will be cut off and their plants closed as has occurred this year.

Our legislation will encourage industries to drill for natural gas near their own plants and not be encumbered by burdensome and futile regulations imposed by the Federal Power Commission on such small producers.

Mr. Speaker, I am inserting with this statement a table showing, for each of the 30 States now producing natural gas in the United States, the total production in 1975, the number of natural gas wells, and the average production per well. The source of the data is the U.S. Bureau of Mines, Department of the Interior.

As of year-end 1975, there were slightly more than 130,000 producing natural gas wells in the United States, and of these 58,000, or 45 percent, were located in the Appalachian States. The output per well in this region, however, is low, averaging only about 7 million cubic feet per year. Much of this production is controlled by the FPC because of the fact that pipelines in the region cross State lines.

Our legislation would exempt from FPC regulation any producer whose total output is less than 10 billion cubic feet per year, a cutoff recognized by the Congress in the tax laws and by the FPC in pricing regulations, and whose average production per well is less than 100,000 cubic feet per day or 36.5 million cubic feet per year.

These figures need emphasis. A producer of natural gas whose average well has an output of 36.5 million cubic feet per year would be exempt from FPC regulation. As previously shown, the average well output in the Appalachian region is about 7 million cubic feet per well. Such an exemption would cover most independent producers and at the same time encourage new producers and local industries to drill for local supplies.

But the Appalachian region is not unique in having small stripper gas wells, and I would hope all Members would view our legislation in this regard. As the Bureau of Mines data show, many States in the Southeast, the Midwest, the Mid-Continent, and the Rockies also have natural gasfields which would be affected by our bill. I am told that even in Texas, Louisiana, and New Mexico such fields exist and could be put on production with the incentives provided by this legislation.

Mr. Speaker, I urge all Members from all areas of the country to join us in cosponsoring the Small Producer Exemption Act of 1977. The enactment of this bill will expand the supply of natural gas at fair prices. As we should all know as a result of the abnormal cold winter just experienced, natural gas is critical to many industries and the livelihood of many workers throughout the Nation. Our legislation is designed to remedy, as soon as possible, this unfortunate situation, which could recur at any time.

The tables follow:

U.S. NATURAL GAS PRODUCTION AND PRODUCING WELLS BY STATES—1975

Area, State	Production (million cubic feet)	Producing wells (12–31)	Production per year (million cubic feet)
Appalachian			
Kentucky	60,511	7,386	8.2
Maryland	93	15	6.2
New York	7,628	900	8.5
Ohio	84,960	10,382	8.2
Pennsylvania	84,676	17,500	4.8
Tennessee	27	5	5.4
Virginia	6,723	186	36.1
West Virginia	154,484	21,700	7.1
Subtotal	399,102	58,074	6.9
Southeast			
Alabama	37,814	9	4,201.5
Florida	44,383	NA	NA
Mississippi	74,345	248	299.8
Subtotal	156,542	257	NA
Midwest			
Illinois	1,440	41	35.1
Indiana	346	478	.7
Michigan	102,113	209	488.6
Subtotal	103,899	728	142.7
Mid-Continent			
Arkansas	116,237	1,128	103.0
Kansas	843,625	8,865	95.2
Missouri	30	19	1.6
Nebraska	2,565	3	855.0
Oklahoma	1,605,410	9,769	164.3
Subtotal	2,567,867	19,784	129.8
Rockies			
Arizona	208	1	208.0
Colorado	171,629	1,662	103.3
Montana	40,734	1,235	33.0
North Dakota	24,786	18	1,377.0
Utah	55,354	271	204.2
Wyoming	316,123	950	332.8
Subtotal	608,834	4,137	147.2
Other States			
Alaska	160,270	61	2,627.4
California	318,308	1,585	4,617.2
Louisiana	7,090,645	9,182	772.2
New Mexico	1,217,430	10,352	117.6
Texas	7,485,764	26,184	285.9
Subtotal	16,881,251	47,364	356.4
U.S. total	20,108,661	130,364	154.2

Source: U.S. Bureau of Mines.

A REMEMBRANCE OF ESTONIAN NATIONALISM

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Ms. MIKULSKI. Mr. Speaker, February 24 is a day of note for the Estonian-American community. On that day in 1918, what was previously a Russian possession overturned the authority of the newly created Soviet Union and established itself as the Republic of Estonia. While at that time the act of independence was basically symbolic, it inspired the Estonian people to rise up under the leadership of Col. Johan Laidoner against the foreign rulers and drive them from the Estonian homeland. After brave victories over both the Russian and German armies, the Estonian Republic was formed under a constitution highly regarded for its "fundamental principles" on human rights.

Although Estonia participated actively and skillfully in the League of Nations, rising international tensions boded ill for the young country. By August of 1939 the ancient enemies of Estonia—Germany and the Soviet Union—had agreed to partition Eastern Europe between themselves.

After the outbreak of the Second World War, Estonia became one of the first of the tragic "Soviet satellites." In the course of the war Estonia was ravaged repeatedly by Soviet and Nazi armies. October 1944 saw the permanent occupation of Estonia by the U.S.S.R., and her total absorption into the Soviet Union. The Russians achieved this consolidation by notorious terror, marked by great cruelty; robbing the Estonian people of the human rights they so cherished.

The Estonian-American community today keeps alive the Estonian culture, something now repressed in their Soviet-occupied homeland. The community gained notoriety this past summer with their memorable Estonian "Festival of Lights" in Baltimore, which drew thousands of persons. The history of the Estonian peoples' fight for freedom serves as a model for all Americans, and Estonian culture takes its place as one of the important ethnic influences today.

FUTURE OF ECONOMY

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, continuation of rates of inflation of 6 percent or greater threatens to stamp destructive impacts on the fabric of our economy and society. A means must be found that will slow the present pace of inflation without imposing the high cost of prolonged unemployment or destroy the workings of our market economy.

President Carter is now seeking to develop a program to deal with inflation. Secretary of the Treasury Blumenthal discussed how this approach might be expected to work and some of the problems associated with it in a recent interview printed in the Washington Star.

The views of Secretary Blumenthal are worthy of the consideration of all of us. For that reason, Mr. Speaker, I submit a copy of the interview to be incorporated into the RECORD:

[From the Washington Star, Feb. 18, 1977]

BLUMENTHAL ON FUTURE OF ECONOMY

(W. Michael Blumenthal, Secretary of the Treasury, was interviewed by Washington Star Staff Writer Lee M. Cohn.)

Question. The cold wave and the fuel crisis has had an unexpected impact on the economy. How strong a rebound do you expect and how much of the damage to do you expect to be lasting?

BLUMENTHAL. I think that there is no doubt that the economic indicators will reflect the severe weather that we have had in the first calendar quarter of 1977. There's also little doubt—based on the trends that were apparent before the cold started and that we see as continuing in a fundamental sense—that there will be a strong rebound in the second quarter in these indicators. I think it will be quite strong. Perhaps the downturn in the first quarter, if it occurs, will appear greater than i really is and the rebound in the second quarter from that reverse will be larger than the underlying factor. But there will be a strong rebound.

Q. By the end of the year, do you think the economy will be any worse off than it would have been if the cold crisis had not occurred?

A. I think it's still early to tell because we don't know if the severe weather has ended for the season or not. If the weather assumes the more typical pattern, then I think that where there will be some loss it will be small for the year as a whole, small enough as to be what some people refer to as "noise level." It won't make a great deal of difference, and other factors may well overshadow it. If, of course, the inclement weather continues or comes back and lasts for several weeks, then I think the permanent impact could be quite noticeable. At this point it's very hard to tell. There were some indications that the economy generally

was behaving pretty well when this weather started, so that's to some extent offsetting.

Q. If the impact is mostly temporary, that argues against any enlargement of the administration's stimulus package. But you have also left open the possibility of some additional program directly focused on those who have been hit hardest—particular regions, or particular classes of people. What do you have in mind there?

A. We don't have any particular programs in mind but I think the general philosophy is that we do not wish to mix up on economic stimulus package that is directed at the economy as a whole with particular measures of assistance which the President may wish to undertake directed at particular parts of the country or industries—whether this be the citrus industry in Florida or a drought are in California. I think that's basically a wise thing, not to mix these two things up. Already some areas have for certain periods of time declared disaster areas in order to make them eligible for special federal assistance in funds. And as the sum total of damage can be better assessed, I would hope and recommend that the President use whatever powers he can to help correct quickly the damage that has been done there, and the particular program will have to be adjusted to whatever the circumstances in that area are.

Q. In addition to particular regions and industries are you considering direct aid to poor families to help offset their additional expenditures for fuel?

A. Not at the moment. We are, of course, focusing our economic stimulus package very heavily at the lower income groups, both in terms of permanent tax relief, which will impact heavily on the lower income groups; secondly in terms of the tax rebate which is going to have its major impact at lower levels of earnings.

Q. But nothing specifically directed to fuel costs?

A. No, I don't believe so.

Q. The President has talked about strengthening the Council on Wage and Price Stability. He has also ruled out the standby controls and mandatory prenotification of wage and price increases. In what way can this program be strengthened?

A. When we have talked about strengthening the Council on Wage and Price Stability, we have essentially had in mind the necessity to have it staffed with competent people who can insure that the senior decision makers on economic matters in the government and ultimately the President have available to them accurate and timely information with regard to wages and prices. Good policy making is directly related to good data so that you don't have to operate in the dark or shoot from the hip.

Q. What do you do with the data once you have it?

A. I think rather than a formal "jawboning" as it has been called, the plan is to establish a clear anti-inflation policy. This would be a coherent policy that involves not only making business and labor aware of the kind of targets that we would like to achieve but also in asking for their help and collaboration in decision making that has a direct inflationary or anti-inflationary potential. Decisions in certain regulations and product design and in government actions; in trade policy—decisions on exports and imports and their impact on inflation; in tax policy and particular tax measures and their impact on production and productivity. We would then build out of that a comprehensive anti-inflation policy in which the Council on Wage and Price Stability well-staffed, (would be) able to secure and have available timely advice which can be discussed with labor and management and used as a basis for consultation in an effective but relatively informal way. If we can do that I think we can make a real dent.

Q. Consultation on specific wage and price situations?

A. That's right. I think a very good example is the case of the steel industry, where one company in the recent past did come in to discuss an important decision that he faced with regard to prices. We didn't ask him to come and we didn't mandate anything but we discussed his problem, we explained our problem. We explored various ways in which he could go and the result was a decision on their part to try to be as helpful as possible with an increase which was relatively modest and which I hope will have a good and beneficial impact on the demands of labor, on other industries as they have to make price decisions. And perhaps more decisions of that kind can begin to break the back of the phenomenon of wages chasing prices and prices chasing wages simply because everyone expects the need to get ahead of the game a little bit to continue. It's that sort of informal way in which we'd like to try to do things. If we can do all these other things that I've mentioned alongside it, we may have a chance.

Q. What sort of goals do you think might be reasonable in the year ahead for wages?

A. I don't think I'm in a position to get into specific numbers at this point. The principle is that there is an opportunity to discuss major decisions with responsible officials in the government. If we can flush that out and get some general collaboration, I think we can get somewhere.

Q. Do you think there might be goals stated in some sort of numerical fashion at all?

A. I think if we say we want to keep inflation this year within such and such limits—to try to bring it down from 6 percent to 5 or from 5 to 4.5—I think that ought to be stated. And then I think we ought to then review. In cases where major decisions are made, I'd have the opportunity to discuss and review those decisions in terms of their either contributing or reducing the likelihood of our achieving this particular goal.

Q. Would the over-all inflation goal be translatable into a goal for wages in the steel industry or the auto industry?

A. I don't think you can be very specific about each individual industry but I think a general goal of how far we want to bring inflation down in a given year can be looked at. When you look at steel or you look at autos you can use our general target to evaluate particular decisions and to discuss them without in any way coercing people.

Q. The President has discussed a tax credit as a substitution for a personal exemption What other areas are you looking at in tax reform particularly?

A. I hope that our work on fundamental tax reform can lead to simplification and reduction for most Americans, individuals and businesses alike. I think the tax code has become very complex. In many instances the distinctions have become quite arbitrary from their original purpose and have been a hindrance to the development of the American economy rather than supporting it. I think that clearly we want to look at the question of whether we can get the high marginal rates for business down, whether we can change the structure in such a way as to encourage the flow of equity capital to businesses, including to small businesses. Possibly to remove the distinction between earned and unearned income, people who have earned their sawings in the first place. Possibly a look at double taxation of dividends and the way in which capital gains are treated. And certainly, for individuals, to make sure that everybody pays his fair share, that the remaining loopholes are eliminated whenever possible and that the load on the lower income earners does not become progressively heavier with inflation.

Q. Would you expect to tilt the tax system more than it is now in favor of investment as distinct from consumption?

A. I think there is a good case to be made for emphasizing the need to invest in our future and to invest in greater productivity and in the kinds of resource development that is needed to assure future energy being a very good example. I would think that willy nilly if we are going to have a responsibile set of economic policies for the years to come, investment in the right kinds of things will have to be emphasized.

Q. Might you consider a consumption tax as such whether it's a value-added tax or some other form of consumption tax.

A. I hadn't thought of that.

FEDERAL CONTROL NEEDED FOR QUALITY OF ENVIRONMENT

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. EDGAR. Mr. Speaker, the House Public Works Subcommittee on Water Resources is this week considering H.R. 3199, containing amendments to the Federal Water Pollution Control Act of 1972. My colleagues will recall that major changes in the act were passed by the House and Senate last year, in differing forms, but died as the 94th Congress adjourned.

One of the most controversial changes in the act that was proposed last year concerned section 404. This section gives the Corps of Engineers the authority to regulate dredge and fill operations in the Nation's wetlands. The so-called Wright amendment of last year would have stripped the corps of much of its authority in this area and would have left the majority of the Nation's waterways and wetlands unprotected from discharges of dredge and fill materials. An almost identical amendment has been proposed in H.R. 3199.

I would like to offer for the benefit of my colleagues the testimony of Dr. George M. Woodwell, director of the Ecosystems Center at the Marine Biological Laboratory in Woods Hole, Mass., who testified on behalf of the Environmental Defense Fund, Inc. Dr. Woodwell stresses the need for Federal control of activities in the Nation's waters in order to preserve the quality of the environment under the ever-increasing intensity of demand.

The testimony follows:

WETLANDS AND WATER QUALITY

(By Dr. George M. Woodwell)

My name is Dr. George M. Woodwell and I am appearing before the Committee on behalf of the Environmental Defense Fund, Inc., a non-profit, public interest organization incorporated in New York. EDF has some 40,000 members throughout the country and a staff of scientists, lawyers and other professionals, dedicated to the improvement of environmental quality and the wise use of natural resources.

The challenge for us at this moment has been set forth with clarity in the Federal Water Pollution Control Act Amendments of 1972, as a statement of national policy: ". . . to restore and maintain the chemical, physical and biological integrity of the Nation's waters." The specific issue raised by the so-

called Wright amendment to § 404 is the extent to which federal control of physical disturbance in drainage basins, water sources, marshes, lakes and coastal waters, including estuaries, is necessary to sustain this national policy. I believe that the answer is very clear: the cost of intensified use of resources is greater vigilance in their management to preserve overall environmental quality.

I address this issue from the perspective of a scientist who has for 20 years made a specialty of ecology, the study of the structure, function and development of environments. I hold a ph. D. from Duke University, and have taught and done research at the University of Maine, Yale University, Brookhaven National Laboratory and for lesser periods at other institutions. I was on the staff of Brookhaven National Laboratory for 14 years and left there senior ecologist in 1975 to become Director of the Ecosystems Center at the Marine Biological Laboratory in Woods Hole, Massachusetts.

I am currently President-elect of the Ecological Society of America. I am one of the founders of the Environmental Defense Fund and am currently a member of their Board of Trustees. I am also on the Board of the Natural Resources Defense Council.

No serious student of the environment can fail to be impressed by the simple fact that living systems constitute the most important resource available in support of people. Living systems supply not only all of the necessities and conveniences of life, and much of our fuel, but also determine the quality of the environment to a much greater degree than has been commonly recognized. The issue of management is especially acute when dealing with water resources because of the intimacy of the connection between the physical, biological and chemical aspects of environment. Before addressing the issue directly, I wish to set forth a basic conflict that tends to obscure fundamental issues in the management of the environment.

The conflict is one between models of the environment. The dominant one, that is used commonly in government, economics and in most aspects of public affairs, is what I think of as the economist's model. The focus of attention is the economy and the basic principles employed are those of economics, tempered slightly by the recognition that government must occasionally mediate in the interests of justice. In this model, the value of resources is measured by money and resources are assumed to be best managed by the free market system. Contemporary technology has been incorporated into this model and is assumed to offer the possibility of substituting one resource for another, and of inventing new resources when any resource is exhausted. Biotic resources are treated like any other resource.

The economic model has worked over many decades, as long as the essential resources of clean air, water and land were large in proportion to demand. As demands on these resources soar, the model begins to fail—as we have noticed. The problems are aggravated by our current uncertainty about supplies of energy in support of technology. Even the technologist's dream of an infinitely versatile technology, capable of generating new resources to displace those exhausted, has dimmed; we are thrown back to our basic renewable resources.

The alternative is the evolutionary model defined by biologists. The rules under which this model operate are the basic principles of physics, chemistry and biology. These natural laws set limitations on the effectiveness of the laws of economics and the art of political compromise. The resources of the living systems of the earth are those qualities of the general environment that sustain life.

According to this model, the most important resource in support of man is the capacity of the earth for fixing solar energy and distributing it through biota in support of life. Energy is used here because it offers a sound unit of measure of the functions of the biota. These functions include not only the direct supply of food and other resources, but also the maintenance of environmental quality, especially that of air and water.

The magnitude of energy flow through biotic resources is probably 12 to 15 times greater than the flow of energy through the technological structure of society. Because this biotic flow is essential to the support of man, and appears to be threatened further by the expansion of human activities and the difusion of toxic effects around the globe, ecologists believe that strong steps are warranted to protect biotic resources. For this reason, the Federal Water Pollution Control Act Amendments, with their commitment towards the preservation and enhancement of the chemical, physical and biological integrity of the Nation's waters, have been greeted by scientists of the environment with considerable optimism.

Most conflicts in the management of the environment can be interpreted as basic conflicts between exponents of either the economic or evolutionary model. Scientists recognize that the preservation of the quality of the environment under increasing intensity of demand, will require careful resource management and restraint. They also recognize that economic principles offer no lasting or fundamental rules under which the environment could be interpreted or managed. The basic principles that govern the environment will be attained only insofar as the laws of man are coincident with the laws of nature. Scientists of the environment recognize, finally, that the least expensive way of stabilizing environmental quality, including the quality of the Nation's waters, is through the use and preservation of natural systems, including wetlands and the plant and animal communities of shallow water. These systems are least expensive because they build and repair themselves, and operate without a subsidy of energy or money from man. This statement, of course, is not true for dams, sewage treatment plants or water purification plants.

Human activities have gone far beyond the point where the continued function of biotic systems in support of man is guaranteed. Every effort we make now must be toward the restoration of the normal function of aquatic systems in support of environmental quality. The alternative is progressive impoverishment of resources, directly in conflict with the objectives of the 1972 Amendments.

The issue of water quality management comes especially sharply into focus in considering wetlands, small streams and estuaries. Scientists have learned in recent years that there is in living systems an almost incredible degree of sensitivity to the chemistry of environment. We have learned through the study of radioactivity, chloronated hydrocarbon pesticides such as DDT, and industrial toxins such as PCBs, that substances may accumulate from the general environment into living systems to concentrations several hundred-thousand fold greater than those in the environment. Simultaneously, through the study of behavioral-controlling factors called "pheromones," that organisms are capable of detecting and responding to substances that are present in water in concentrations of less than 1 part per billion, sometimes in concentrations that approach 1 part per trillion.

Such observations mean collectively that assumptions about the threshold effect and assimilative capacities for toxins are substantially meaningless when applied in nature. Substances such as DDT that can be accumulated from extremely low concentrations in water, to concentrations many thousands of times higher in living systems, cannot be said to have a threshold below which there is no possibility for accumulative or toxic effects. There is no system of management of such toxins that is reasonable and that can protect man, except a system that does not release them into the general environment, including our water system. To the extent that dredging spoil and "fill material"—an exceedingly broad term, it seems to me—or other wastes in waterways and drainage basins can be expected to be sources of such toxins, regulation is clearly essential.

The nutrient elements that normally occur in water bodies present a challenge only slightly different. A change in the nutrient flux in any water body has the potential for producing a change in the flora and fauna of the water body and may present serious problems to users of the water. Preservation of the botanical integrity of any water body requires the stabilization of nutrient fluxes to a level that approximates the flux of an undisturbed landscape. In such a landscape, nutrients are normally retained on the land, marshes and shallow waters act as sediment traps and centers of high metabolic activity and water purification, and stream waters tend to be naturally low in nutrients and sediments and stable in quality. Any physical disturbance along the shore or in a drainage basin affects the flux of nutrients. The disturbance may range from filling for a culvert, to dredging of a channel or filling entire sections of an estuary. Obviously, the physical disturbance of a water course, marsh or drainage basin should be regulated, if water quality is to be restored and maintained.

The physical qualities of drainage basins that affect water quality are many. They include such characteristics of the water flow as the rate of runoff, fluctuations in amounts of flow throughout the year, temperature, turbulence, light penetration and sediment content, as well as the extent and continuity of vegetative cover, the quality of vegetation, and patterns of human use. Of these factors, rates of runoff loom especially important, because of the direct correlation between capacity for moving sediments around and the velocity of water. In general, there is stability in water quality to be gained by: maintaining a slow flow of water, allowing water to move through and be enhanced by areas of marsh, preserving flood plains in their normal function as flood plains, preserving all shallows and the biotic systems characteristic of them, stabilizing land surfaces that supply water to water courses, stabilizing sediments through encouraging plant growth and avoiding dredging and stabilizing all shores by avoiding filling of shallows.

There is no question in the eyes of environmental scientists as to how to manage the environment in the public interest. The basic principles are clear: the simplest objective is the preservation of biotic resources of all types, an overwhelmingly important objective at present. A further restriction in the capability of the federal government to control activities in the Nation's waters—such as that proposed in the Wright amendment—is inconsistent with the basic principles set forth by the Federal Water Pollution Control Act Amendments, the needs of the public in an ever-smaller world, and the interests of the country in preserving the quality of its waters.

I thank you for this opportunity to testify, and I'll be glad to answer any questions the Committee may have relating to wetlands and water quality.

KAISER ALUMINUM JOINS IN HISTORIC PARTNERSHIP WITH JAMAICA

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. LONG of Louisiana. Mr. Speaker, on February 2, representatives of the Government of Jamaica and Kaiser Bauxite Co., a wholly owned subsidiary of Kaiser Aluminum & Chemical Corp., signed documents implementing an agreement to form a new partnership for the mining of bauxite in Jamaica. It was an agreement based on mutual respect and mutual advantage.

I was pleased to be able to attend these ceremonies at Kaiser Bauxite's Discovery Bay facilities and to meet company officers and high-ranking officials of the Jamaican Government including the Honorable Michael Manley, Prime Minister; and the Honorable Dudley Thompson, Minister of Mining and Natural Resources.

My discussions with members of the Jamaican Government were extremely enlightening. Many of the problems facing developing nations throughout the world are being addressed in Jamaica. The Manley government's approach to dealing with the problems that confront it may be a subject of inquiry by the Joint Economic Committee's Subcommittee on International Economics, which I cochair with the Honorable HENRY S. REUSS.

Kaiser Aluminum operates two alumina refineries in the State of Louisiana and one of these is located at Gramercy, a town in the southeast corner of my district. At the Gramercy plant the Jamaican bauxite is converted into alumina, the intermediate product from which aluminum is made. Nearly 2 million short dry tons of Jamaican bauxite are processed at the Gramercy facility each year. Kaiser Aluminum has been mining bauxite in Jamaica for some 24 years and, clearly, the continued success of Kaiser's bauxite mining operation directly affects the almost 1,000 people employed at the Gramercy plant.

In their remarks at the signing ceremonies, both Edgar F. Kaiser, chairman of the board of Kaiser, and Cornell C. Maier, president and chief executive officer of Kaiser Aluminum, emphasized the spirit of cooperation and mutual respect that underlies this new and far-reaching partnership with the Jamaican Government. At this point in the RECORD, I would like to insert the texts of their statements:

REMARKS OF CORNELL C. MAIER

Mr. Prime Minister, ladies and gentlemen, there is little I can say that can add to the importance of this moment. The step we take here today—the simple act of affixing our signatures to this document—a document whose formal words cloak the toil and dreams and hopes of the good people of Jamaica and Kaiser Aluminum who worked together to try to find new solutions to problems as old as the world—and who have succeeded to a degree that I believe none of us expected when we began—that act is more eloquent that any words I can muster.

What we have sought in Jamaica in our long history here is bauxite—and the friendship and respect of the Jamaican people. We have wanted a stable source of supply for the ore so important to us. And have been, and are, willing in return to share fairly the fruits of that effort. The agreement that we formalize here today insures both those things. We believe it is beneficial to Kaiser Aluminum—and fair; we believe it is beneficial to Jamaica—and fair. When we started on this trail over two years ago, none of us knew where it might lead. But we were confident that it need not lead to the confrontation and divisiveness that has marred so many relationships between large companies and resources-rich countries. We were right in that confidence. For we have recognized that in this world we are all, truly, economically interdependent—learned that we need each other. And that recognition has led us here today.

This agreement serves as a testament to the fact that men of goodwill, working together in fairness and good faith, can find the bold new solutions so badly needed in our changing world.

The issues that faced us have been resolved. The trail we have taken to reach this point has helped us forge a new bond of understanding and trust. The agreement we sign today will allow us, together, to pursue our mutual opportunities fairly—and with vigor and enthusiasm.

It is so very fitting, Mr. Prime Minister, that the agreement we sign today is being signed here—on the lands of the new Kaiser Jamaica Bauxite Company and with the men and women of the new company around us. We are extremely proud of them. In our company we firmly believe in the importance of the individual—believe in the concept that one person can make a difference. I am confident the men and women of Kaiser Jamaica Bauxite Company will make all the difference in the success of our new venture.

And now, Mr. Prime Minister, let me close by saying—as old partners in Jamaica, we are proud to be partners in this "new partnership with Jamaica."

REMARKS BY EDGAR F. KAISER

We gather together today to celebrate a new partnership based on a heritage of mutual accomplishment, friendship and trust.

The negotiations over the past couple of years which culminate today with the signing of this agreement would never have been possible had it not been for the mutuality of interest and interdependence which has grown between you, the people of Jamaica, and us, as producers and marketers of aluminum.

Bauxite, the raw material with which Jamaica is blessed, brought about this partnership 30 years ago. At the end of the Second World War my father decided, despite warnings to the contrary, that we should enter the aluminum business. We leased war-surplus plants at Trentwood and Mead, near Spokane, Washington. We all had one thing in common—we knew next to nothing about the aluminum business. Having leased those plants, our next requirement was to locate a source of raw material—bauxite.

We sent a team to Surinam to look at a deposit there and on their way home we asked them to swing by Jamaica. They did and brought samples back with them for testing. To shorten a long story, 70 percent of our aluminum production today depends on Jamaican bauxite.

This relationship has grown ever closer over the years and it draws new life and vitality from the agreement we sign today.

The agreement, as you all know, is very detailed and it has been reached only after many months of hard work. But of far greater importance than the detail is the framework of friendship, mutual respect, trust and faith around which this agreement was built.

The interdependence to which Cornell earlier referred to is a fact of economic, political and social life. This is a small planet. The answer lies not in one protective cartel working against another, or any one nation striving toward self-sufficiency in an ill-guided quest for isolation. We are all interdependent and this basic need for each other bodes well for the future of mankind. I can think of no stronger, more natural base for lasting peace and progress than for peoples of all nations to need the fruits of each others' labors. Just as no man is an island unto himself, no nation, no government, no business institution can stand alone, isolated and self-sufficient from the world around it.

It is impossible for any of us to keep our own jobs and selves separated from the broadest and deepest problems and challenges of our world. Each of us shares a responsibility of being a "world citizen" whatever our national loyalties may be.

Our work must not be—and will not be—performed in a vacuum. It is interwoven into every area of world life. For we of Kaiser Aluminum to achieve here in Jamaica we must work with our Jamaican friends towards fulfillment of your goals.

The economic need is here, loud and clear. But need, however strong a force, by itself is not enough. In order for a partnership to work, to grow and to prosper, it is essential that there be a shared faith.

Faith—the simplicity of the word masks its many dimensions. Faith is unique in that the more you use it the stronger it becomes. Faith knows because it sees what we cannot see. It sees resources, powers, potentialities which doubts and fears can veil. Faith is assured, is never afraid because it sees not the problem but the solution. To one possessing faith the cup is not half empty, it is half full. All things are possible to him who has faith because it looks beyond all boundaries, transcends all limitations, penetrates all obstacles and sees the goal. Faith, my friends, never fails.

Mr. Prime Minister, we have faith in Jamaica. Yours is a government different in some ways from that which we have in the United States. But yours is one which you and a majority of your countrymen have chosen as that most responsive to the needs of your nation. Our role as corporate citizens in your country is not to sell our system, however fervently we believe in it. Our role is to work with you for the benefit of Jamaica and for the business enterprise in which we are partners.

For any nation of people to move forward and translate aspiration into achievement there must be a spirit and sense of purpose which can be stimulated only by leadership.

Mr. Prime Minister, you provide that leadership. You are a man of energy and dedication whose actions are guided, as always they must be, by love of your country and fellow man.

We have talked about bauxite as the raw material which brought us together and which, after processing and refinement, produces that wondrous metal, aluminum. There is another raw material here in Jamaica even more important than bauxite and that is you, the people of Jamaica. We, your partners, have a deep and abiding affection and admiration for you and you must always know that the success of this venture in which we are partners will in the future, as it has in the past, depend on our respect for each other.

Mr. Prime Minister, we have faith in the future of this great nation. We have faith in the Jamaican people and in your leadership. We look forward to generations of sharing in the progress which is inevitable as we work with resolve and sense of purpose and as we experience together the joy of achievement.

107 HOUSE MEMBERS COSPONSOR PRESCRIPTION DRUG BILL

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. OBEY. Mr. Speaker, 3 weeks ago I introduced H.R. 2848, a bill designed to add out-of-hospital prescription drug coverage under medicare. Today, I am reintroducing this legislation with the support of 107 of my colleagues in the House as cosponsors.

The time is long overdue for enactment of an outpatient prescription drug program under medicare that will relieve the financial burden that weighs heavily on the millions of chronically ill elderly and disabled people in this country. These people pay a disproportionate amount of their income for maintenance drugs and too often must choose between purchasing life-sustaining medication and paying the spiraling costs of food, housing and utilities. This winter's severe weather conditions have put additional pressure on this vulnerable population group as they struggle to cope with higher than normal fuel bills on already strained personal budgets.

While the medicare program currently goes a long way to provide access to health care at reasonable cost for our Nation's elderly and disabled, it still requires improvement. Specifically, we need to close several significant gaps in coverage as well as control unnecessary utilization and excessive costs. One solution would be a sound national health insurance plan. But while I support national health insurance and hope that Congress will eventually enact it, it is clear that the prospects for passage in the immediate future are slight. Therefore, I believe that we must take steps now to build a bridge that will alleviate the financial burdens which chronic illness imposes on those who are least able to afford essential health care. The addition of outpatient prescription drug coverage under medicare as outlined in my bill fills the need for a program that is both medically feasible and fiscally responsible.

With the support of so many other Members of this body, I have renewed hope that the legislation I am reintroducing today will be given prompt and serious consideration.

Mr. Speaker, the list of cosponsors follows:

COSPONSORS OF H.R. 2848

Glenn M. Anderson of California.
Herman Badillo of New York.
Alvin Baldus of Wisconsin.
Edward P. Beard of Rhode Island.
Berkley Bedell of Iowa.
Tom Bevill of Alabama.
Jonathan B. Bingham of New York.
Richard Bolling of Missouri.
David E. Bonior of Michigan.
David R. Bowen of Mississippi.
John B. Breaux of Louisiana.
George E. Brown, Jr., of California.
Charles J. Carney of Ohio.
Shirley Chisholm of New York.
William (Bill) Clay of Missouri.
William S. Cohen of Maine.
Cardiss Collins of Illinois.
John Conyers, Jr., of Michigan.
Robert J. Cornell of Wisconsin.
David L. Cornwell of Indiana.
Baltasar Corrada of Puerto Rico.
Lawrence Coughlin of Pennsylvania
Ron de Lugo of Virgin Islands.
Robert F. Drinan of Massachusetts.
Robert W. Edgar of Pennsylvania.
Joshua Eilberg of Pennsylvania.
Walter E. Fauntroy of the District of Columbia.
Harold E. Ford of Tennessee.
William D. Ford of Michigan.
Donald M. Fraser of Minnesota.
Robert N. Giaimo of Connecticut.
Mark W. Hannaford of California.
Michael Harrington of Massachusetts.
Herber E. Harris II of Virginia.
Augustus F. Hawkins of California.
Elizabeth Holtzman of New York.
Frank Horton of New York.
James J. Howard of New Jersey.
Dale E. Kildee of Michigan.
Edward I. Koch of New York.
John J. LaFalce of New York.
Joseph A. Le Fante of New Jersey.
Robert L. Leggett of California.
William Lehman of Florida.
Marilyn Lloyd of Tennessee.
Mike McCormack of Washington.
Stewart E. McKinney of Connecticut.
Andrew Maguire of New Jersey.
Ralph H. Metcalfe of Illinois.
Helen S. Meyner of New Jersey.
Barabara A. Mikulski of Maryland.
Parren J. Mitchell of Maryland.
Joe Moakley of Massachusetts.
Anthony Toby Moffett of Connecticut.
Robert H. Mollohan of West Virginia.
Lucien N. Nedzi of Michigan.
Robert N. C. Nix of Pennsylvania.
James L. Oberstar of Minnesota.
Richard L. Ottinger of New York.
Edward J. Patten of New Jersey.
Claude Pepper of Florida.
Carl D. Perkins of Kentucky.
Melvin Price of Illinois.
Joel Pritchard of Washington.
James H. Quillen of Tennessee.
Henry S. Reuss of Wisconsin.
Frederick W. Richmond of New York.
Matthew J. Rinaldo of New Jersey.
Peter W. Rodino, Jr. of New Jersey.
Teno Roncalio of Wyoming.
Benjamin S. Rosenthal of New York.
Edward R. Roybal of California.
Leo J. Ryan of California.
James H. Scheuer of New York.
John F. Seiberling of Ohio.
Paul Simon of Illinois.
Gladys Noon Spellman of Maryland.
Fortney H. (Pete) Stark of California.
Louis Stokes of Ohio.
Gerry E. Studds of Massachusetts.
Richard A. Tonry of Louisiana.
Bruce F. Vento of Minnesota.
Robert S. Walker of Pennsylvania.
Henry A. Waxman of California.
Lester L. Wolff of New York.
Antonio Borja Won Pat of Guam.
Gus Yatron of Pennsylvania.
Leo C. Zeferetti of New York.
Daniel J. Flood of Pennsylvania.
Leon E. Panetta of California.
Charles B. Rangel of New York.
Lloyd Meeds of Washington.
Stephen J. Solarz of New York.
Don Edwards of California.
Bob Carr of Michigan.
Michael T. Blouin of Iowa.
John Brademas of Indiana.
Max Baucus of Montana.
Silvio O. Conte of Massachusetts.
George E. Danielson of California.
Mendel J. Davis of South Carolina.
Richard T. Schulze of Pennsylvania.
Harold T. Johnson of California.
Joseph P. Addabbo of New York.
Joseph M. Gaydos of Pennsylvania.
Jerry M. Patterson of California.

SMALL IS BEAUTIFUL

HON. EDWARD W. PATTISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. PATTISON of New York. Mr. Speaker. on March 21. 1977, the Congressional Clearinghouse on the Future will present its third speaker in the "Dialogs on America's Future" series.

Dr. E. F. Schumacher will be our guest on that day, and it is my pleasure to introduce him to my colleagues. I have recently spent some time with Dr. Schumacher. and we are in for quite a treat when he comes to Washington later this month.

In his book, "Small Is Beautiful: Economics as if People Mattered," Dr. Schumacher outlines his belief that intermediate technology—a technology that will increase the productivity and efficiency of small businesses and underdeveloped nations—must fill the gap between highly industrialized technology and primitive manual technology.

A recent interview in the Mother Earth News magazine provides further insight into Dr. Schumacher's ideas and convictions. A shortened version of this interview is being inserted into the RECORD today.

Mr. Speaker, this man's message is an important one for the future of our planet. I urge all of my colleagues to read his words and hear his presentation on March 21.

The message follows:

INTERVIEW WITH DR. E. F. SCHUMACHER

PLOWBOY. Dr. Schumacher, you've been one of the "fair-haired boys" of the economics profession for as long as you've worked in it. John Maynard Keynes, father of today's prevailing school of economic thought, championed one of the first papers you wrote. And you've held responsible positions in the field throughout your career.

But the whole economics profession, from top to bottom, is positively steeped in the understanding that "bigger is always better". Whatever possessed you, then, to begin saying that "small can be beautiful"?

SCHUMACHER. I did not deliberately set out to develop this idea. No. Any economic ideas I've had have come from my larger search for meaning in life.

My father was a professor of economics and I had what was basically a rationalist-scientific upbringing. But that education didn't answer the question that I, as a human being, struggled with: "Why are we here? What is the meaning of it all? Am I just an accidental collection of atoms," as Bertrand Russell used to say, "or do I have a specific purpose?"

I wanted to know these things so I spent many years studying the whole of what is called "philosophy". But neither my rationalist-scientific upbringing nor my study of philosophy gave me the answers I wanted. Nor did my experiments with psychical research.

And then I happened onto a book about Buddhism and that was what I was looking for. I dropped everything else and read all I could find on the subject. And I kept noticing repeated references to a school that had been set up in Burma, sometime around 1900, from which a great revival of Buddhism had gone out to the world. So I thought to myself, "I must go to that school."

But I was a family man who had migrated from Germany to England and it was just not possible for me to uproot myself again and go to Burma. These things have a way of working themselves out, however, and in 1955 I was requested by the Burmese Government to come and advise the Prime Minister there. So I went and while I was in Burma I studied at that school.

There, for the first time, I realized that you do not find clarity in the mind . . . but in the heart. And the heart will not speak to you unless you quiet yourself and liberate yourself from such masters as greed and envy. But if you can do this you will find, in the stillness that follows, insights of wisdom that are obtainable in no other way. You will begin to see things as they really are.

I did come away from Burma with a different view of things. And in the beginning, as I saw my life in this new light, I was very unhappy. The things I had been doing had ceased to make sense.

But then I realized that "life must go on" . . . that I must apply my new insights to what had become my life's work. And as I struggled to do that, I gave various lectures and wrote papers. And they were compiled eventually into the book, *Small Is Beautiful*.

So I did not set out to change economic theory. I set out to find the answers to the metaphysical questions that bothered me. *Small Is Beautiful* just happened to be one of the outcomes of that very personal quest.

PLOWBOY. That's not what our prevalent economic theory tells us. It very clearly states that more is always better.

SCHUMACHER. Oh yes. The implicit doctrine of development, which has been drummed into our ears for the last half century or so and upon which all of modern society is founded, holds up material wealth as the be-all, end-all of existence.

"Do you want to be happy?" it asks. "Then become rich. And do you want to be happier still? Then become even richer. In fact you have not only the right to become rich . . . but the *duty*! The faster the better. And what is rich? Why material possessions—goods!—of course. The more and the bigger of everything you possess—and the faster you do it!—the better off you'll be. There is no such thing as 'enough'. You must always have more, more more!"

This tenet of life, if anything, is applied even more stringently to nations than to individuals. Which is why we now have this terrible fetish of measuring the gross national product of a country and dividing it by the number of people who live there to get the *average income* per head. And that figure then becomes the final indicator of the nation's status in the world . . . while the prime object of admiration is not the income level that has already been attained, but its current *rate of growth*. In other words, more is always better . . . and it's even better yet if you can get that "more" faster than the next country.

PLOWBOY. This is a rather simplistic way of looking at things, isn't it?

SCHUMACHER. Of course. My work with developing nations quickly showed me the fallacy of this line of thought. You simply cannot assume that raising a country's GNP will raise the standard of living of every individual in that country. In actual fact, the development programs that have been implemented in the emerging nations during the past few decades have almost universally produced quite a different result. They have substantially increased the incomes of a fortunate small minority and drastically lowered the incomes of the rest. And not only lowered their incomes, but destroyed their culture and plunged them from poverty into misery.

PLOWBOY. How? Why?

SCHUMACHER. Because of our preoccupation with—and greed for and envy of—steadily increasing material wealth as measured by a country's gross national product. The systematic cultivation of this greed and envy makes us anxious to increase a developing nation's GNP as rapidly as possible. Which leads us—usually erroneously—to insist that we equip the emerging country with only the latest and the highest mass-production technology available.

"This country wants goods," we say, "so let's not fool around with small-scale production. Let's build it some factories that will really pour out the merchandise . . . and the faster they turn out those products, the better."

But this is probably the *last* thing the emerging nation needs. You can't just drop a highly automated factory into a very poor country and expect it to run itself.

That sophisticated plant is not a magic self-contained wealth machine. It's more like the small visible tip of a vast submerged iceberg. If it is to function properly it needs the support of trained technicians, energy and transportation and communication systems, standardized raw materials, and an efficient distribution network for the great quantities of finished goods that eventually will spew from its production line. It needs a thousand things that are taken for granted in the United States or Germany or Japan . . . but which simply do not exist in the country you are working with except, perhaps, in rudimentary form in a few of its biggest cities.

So you build the new factories in those cities. And in the beginning, you put them into operation as best you can by importing the high-technology support they need. But this sophisticated support is costly so, as soon as possible, you develop your own refineries and pipelines and training schools and all the other things you need to make those first few factories function the way they're supposed to.

And pretty soon the mere logistics of figuring out the paychecks for all your new factory hands and refinery operators and school teachers and of scheduling shipments in and out of the plants become complicated. So you decide that you might as well handle the growing mountain of paperwork in the most efficient way possible and you import a few computers and set up yet another school for computer operators. And so on and so forth.

PLOWBOY. That all seems logical enough.

SCHUMACHER. Oh there's no flaw to this logic at all . . . once we've made the original error of concentrating only on goods and their production.

PLOWBOY. We've been concentrating on goods when we should have been thinking about people!

SCHUMACHER. Precisely. So let's think a little about some of those people and see what has happened to them while we were getting our factories set up. I'll give you an actual example:

The people of one poor country I know used to suppport 5,000 shoemakers. And many other individuals earned a living by supplying hand tools, leather, cotton laces, wooden lasts, and other materials to those craftsmen.

The government of the country then imported two plastic injection molding machines that cost close to a hundred thousand dollars. And since the country had no plastic industry to support such equipment, all the PVC used in them had to be—and still has to be—imported too. But the molded plastic shoes cost less than the leather ones they now replace and they wear longer too. In the long run the poor nation is better off, isn't it?

No, unfortunately, it is not. The new factory employs 40 well-paid people but it has put more than 5,000 out of work. The PVC for the plant must still be imported, and that adversely affects the poor country's balance of payments . . . which it can ill afford. There is now a smaller market within the nation for the native leather, cotton, and other materials which used to go into shoes . . . so the farmers who live there now earn less too. All in all, there has been a real loss of income for the country. A few—forty—people are making more money than they ever did before. But 5,000 have plunged from poverty into misery.

PLOWBOY. One variation or another of this same story has been taking place in nearly every developing country in the world.

SCHUMACHER. And not just in the poor countries, but in the rich ones too. In fact in some highly advanced nations, such as the United States, this displacement of people from the rural areas and the smaller towns to the big cities has—if anything—been worst. It has caused what can only be called a "pathological growth" of a few areas.

The word metropolis is no longer big enough to describe the 60 million population projected for the Boston-Washington area or the 60 million forecast for the region around Chicago or the 60 million expected for the area reaching from San Francisco to San Diego. We now call such a buildup of people a megalopolis.

And what do we find as industrial production is increasingly concentrated into these supercities? In the highly advanced countries, just as in the emerging ones, the outpouring of mass-produced goods from the cities systematically destroys the economic structure of the hinterland. And that hinterland increasingly takes its revenge by mass migration into the cities, making them utterly unmanageable.

And as we are learning to our sorrow, the way of life which follows is one of unemployment, unemployables, inflation, alienation, stress, social breakdown, crime, widespread drug addiction.

I call this the "process of mutual poisoning". First the cities poison the countryside and then the countryside takes its revenge.

PLOWBOY. And this is what we get when we think of goods first and people second.

SCHUMACHER. Yes. These are the real riches that our preoccupation with material goods and their production have brought us. After 30 years of the most astonishing and unprecedented economic growth imaginable, we find both the rich countries and the poor countries of the world left in a state of discontent. Our new wealth most certainly has not bought us happiness. There are more miserable people living on earth today—both absolutely and proportionately—than ever before. The pot of gold we have been promised at the end of the rainbow is there all right . . . but it is largely filled with fool's gold.

PLOWBOY. Then you're saying that economic growth is bad.

SCHUMACHER. I'm saying nothing of the sort. Economic growth is like any other kind: it can be either good or bad. Is physical growth a good thing? Yes, of course. When my children grow I am very pleased. But if I should suddenly start to grow again, it would be a disaster.

So I am not saying that economic growth is always bad. What I am saying is that we must stop pretending that such growth is always good.

PLOWBOY. But that concept—the idea that growth is always good—is the very foundation on which all modern societies are based!

SCHUMACHER. Of course. Your country's own Walter Heller, former chairman of the U.S. President's Council of Economic Advi-

sers, was only expressing the view of his profession when he said, "I cannot conceive a successful economy without growth." Dr. Mansholt, the vice president of the European Economic Community, was doing the same thing when he stated that, "More further, quicker, richer are the watchwords of present-day society." And he added that "there is no alternative" that we must "make this adaption".

PLOWBOY. Wait a minute. What kind of adaption are we talking about? Just how much growth have we actually experienced during the past 30 years . . . and how much is projected for the future?

SCHUMACHER. Economists generally consider the world's total consumption of steel to be a very good indicator of industrial activity. And the consumption of steel was insignificant up until about 100 years ago.

Everyone in the world used only a half million tons of steel in 1870. That consumption had climbed to 100 million tons a year by 1935 . . . but it leveled off there and stayed close to that figure until the end of World War II. Then it really began to grow. By 1950 it had doubled to an annual consumption of 200 million tons, and it had trebled again to 600 million tons by 1970. This growth, of course, continues right now as we are talking and the annual consumption of steel is expected to pass one billion tons by 1980.

PLOWBOY. That's a lot of steel.

SCHUMACHER. These figures affirm a fact that is sometimes difficult to grasp and even more difficult to accept: In terms of sheer quantity, the industrial way of life is only 30 years old. In comparison with what is going on now, all the industrial activities of mankind—up to and including World War II—are as nothing. Currently, every four or five years, we produce as many manufactured goods as all of mankind produced from the dawn of history right up to 1945. We now matter of factly consume the earth's resources at a rate that is whole levels of magnitude beyond the wildest imagination of former civilizations. And we routinely double and redouble that rate of consumption.

"Don't ask for a bigger slice of the cake," we say. "Just get busy and promote our economic and industrial growth and everybody's slice will be bigger." This boosterism, as typified by Dr. Heller's and Dr. Mansholt's remarks, is now pursued with a fervor and a devotion that the older religions might well envy. Indeed, growth economics has become the religion of this age.

SCHUMACHER. There are two great teachers in life. One is nature and the other is revelation or the traditional wisdom of mankind as manifested in all the world's important religions. And the very reason that the forward stampeders are leading us in a plunge into hell is because they'll no longer listen to either one.

We have become a society of townsmen. The people who now control our destiny almost universally have a city orientation. They spend most of their time on concrete. They have little chance to study nature directly . . . and when they get the chance, their lack of experience and lack of interest make them misinterpret what they see.

These townsmen also consider it fashionable to ridicule anything of the spirit. They "don't believe" in revelation, they say. They only believe in what they can see and touch and measure.

Well. It is little wonder that such people speak gibberish, spend hours on the psychiatrist's couch, fill the beds of mental hospitals, feel anguished and alienated, and develop obtuse theories that lead us all into hell.

We are only in this world for a brief period . . . far too short a time for each of us, thrashing about on our own, to answer that most important of all questions: Why? If we are to find the meaning in our lives, we need guidance. We need the guidance that we can receive only from [1] nature and [2] revelation or the traditional wisdom of mankind.

But if we have cut ourselves off from both of these great teachers, what are we to do? Where can we turn for help? Only to ourselves and to others who are as lost as we are. And so we descend into anguish. And so we develop obtuse theories. And so we join the mindless forward stampede.

PLOWBOY. What can we do specifically, right now, today to set ourselves and our whole society on this new and higher road?

SCHUMACHER. We must redirect our science and technology. Not abandon, but redirect them. As things now stand we have foolishly shaped a technology which drives us into giantism, infinite complexity, vast expensiveness, and violence. We must devise a new technology that will help us move in the opposite direction . . . towards smallness, simplicity, low cost, and non-violence.

PLOWBOY. Let's take these ideas one at a time. Why is small better than big?

SCHUMACHER. Ah, I do not say that small is always better than big. I say only that we have shaped a technology which always and forever drives us into gaintism. We tend too easily to admire the grandiose, to marvel at supertechnology, supermedicine, supersonic speeds, and superorganizations. "The bigger, the better," we say.

But small can be beautiful too . . . and each size in between. For every activity there is a certain appropriate scale, and I ask only that we recognize this fact. I ask only that we restore this balance to our lives.

PLOWBOY. But haven't we come to prefer larger and larger organizations and factories and so on because of the economies of scale? Isn't it more efficient to make things big, rather than small?

SCHUMACHER. Yes. In the narrowest material sense, large-scale organization is very efficient. But in human terms, it is inefficient to a degree that surpasses our ordinary powers of imagination.

The bigger our institutions become, the more lost and powerless and alienated most of us feel. The larger our assembly lines grow, the less satisfaction we take in our work. The more our farms are consolidated into agribiz conglomerates, the less taste and nutrition there is in our food.

The simplest things, which only 50 years ago could be done without difficulty, now—in the name of "efficiency"—cannot be done anymore. They "cost too much". They "take too much time". It seems that the richer we become the less we can afford.

When you really stop to think about it, the most striking thing about modern society—which we constantly tell ourselves is supremely organized for "efficiency"—is that it requires so much and accomplishes so little that we really want to accomplish. It is safe to say that the human race has never known an economic system in which the relationship between the input of irreplaceable resources, and output of human satisfaction has been so unfavorable as it is now.

This is what our constant parroting of "the bigger, the better" has brought us. But let me state once again that big is not always bad. It isn't. But neither is it, as our prevailing dogma would have us believe, in and of itself always good. For everything we do—for each of our activities—there is a "critical size" that is best. I merely suggest that, in most cases, this critical size is much smaller than most people in our society have been led to believe.

PLOWBOY. All right. I certainly can't argue with you on that point. But what about the question of simplicity versus complexity?

SCHUMACHER. We now have cars which are so complicated that you do not even have to subject yourself to the indignity of turning a handle to wind their windows up and down. Instead you press a button and—bzzzzzzz—a little electric motor runs the glass up and down for you. But of course these things break and cost a lot of repair and—unless someone fixes them for you—you can't even open your automobile's windows anymore.

Everything has become too complex. And, just as foreseen 150 years ago, this complexity and sophistication has made us useless. It has taken us away from ourselves. It distracts us and puts so much strain on us and makes us so narrow-minded and so bothered and so specialized that we no longer have time to become wise.

PLOWBOY. Well, I can't argue with you on that point either. What about the expensiveness of modern life as opposed to the inexpensiveness you would rather see?

SCHUMACHER. The giantism and complexity we have just discussed are closely accompanied by a sharply escalating need for capital. You could live quite well in many primitive societies with no money at all and you can still live a pleasant—even a fulfilling—life in some underdeveloped societies, such as I found in Burma, with very little money. But everything in our modern society has a price tag on it and, if you want to get along at all, you'd better be in command of some capital.

This is especially obvious if you want to go into any kind of production . . . if you want to set up a job for yourself. With rare exceptions, only people who are already rich and powerful can create a job in our society. All others are excluded. All others must try to find a job that has been created by the rich.

The effect is, as has been said, that capital employs labor instead of the other way 'round. And this, of course, makes a mockery of the lip service we pay to the ideas of "self-help" and "self-reliance".

If we are really serious about restoring human dignity to our society, we must turn this situation around. We must develop a technology that is labor- instead of capital-intensive. We must make it possible for the "have-nots"—those with only labor to sell—to create their own employment. We must make it possible for the non-rich to admit themselves to the dinner table.

PLOWBOY. And what about violence versus non-violence?

SCHUMACHER. The technology of the modern world is utterly steeped in a violence of the most appalling magnitude.

I do not pretend that we can realize perfect non-violence in this imperfect world. But I do say that it does make a difference in which direction we strive. I say that we should strive towards non-violence rather than violence. Towards an harmonious cooperation with nature rather than a warfare against nature. Towards the noiseless, low-energy, elegant, and economical solutions of nature rather than the noisy, high-energy, brutal, wasteful, and clumsy solutions of our present-day sciences.

Any intelligent fool can use large enough means to solve a problem after he has blundered into creating it in the first place. But this approach to life has turned even our medicine—with its radiation treatments and chemical therapy and other "breakthroughs"—into a thing of violence.

A clever chap has asked, "If one of our ancestors visited us today, what would he find more astonishing: the skill of our dentists . . . or the rottenness of our teeth?" Instead of solving this very personal problem in the gentle way with proper diet and other good habits, you see, we choose to live with ever-more rotten teeth and the greater skill of our dentists. We even pride ourselves on this decision.

But the world doesn't need for us to develop greater skill in the handling of problems that our heedlessness has created in the first place. The world would be much better off if we'd just develop the use of TLC—tender loving care—in everything we do.

PLOWBOY. Dr. Schumacher, you know as well as I do that the average Joe doesn't care a whit about "culture". He's living in a hell of his own. He's got a family to feed and he hates his job and he's worried about tomorrow. What would the changes you propose do for him?

SCHUMACHER. They should improve his life rather dramatically. I'm quite convinced that our prevailing attitude that work is somehow a hateful thing is directly attributable to the fact that we have, indeed, made it a hateful thing.

Human beings have both brains and hands and enjoy nothing more than being creatively and usefully productive, rendering service, and acting in accordance with their moral impulses. Unfortunately, modern technology increasingly frustrates them in fulfilling all three of these very basic needs. It is most successful in reducing and eliminating the skillful, productive work that human hands can do. It buries individuals in giant corporations and organizations where they have less and less chance to render direct, face-to-face service to their fellow brothers and sisters. And the very rules necessary for the operation of these giant organizations thwart their workers' moral impulses . . . increasingly cause them to say, "I'm sorry. I know what I'm doing isn't quite right, but these are my instructions."

I believe that a gentler technology—a technology with a human face—could once again take control of work away from the machines and put it back into the hands of the average worker. This should give Joe a great deal of satisfaction and make him very confident about his future.

PLOWBOY. I'm afraid that some people are going to be frightened of your ideas for taking control of work "away from the machines" and putting it 'back into the hands of the average worker". That sounds very much as if you're advocating the overthrow of all modern advances in favor of a return to some sort of difficult and primitive hand labor.

SCHUMACHER. Not at all! I'm talking only of returning our society to a human scale . . . of putting people in charge of their own destinies once more. I'm talking about overthrowing the machine in favor of the tool.

And I do make this distinction between machines and tools: Tools serve man while machines demand that man serve them. Tools enhance a man's skill and power while machines, which are supposed to be man's slave, sooner or later wind up enslaving the men who build and tend them.

As Ananda Coomaraswamy has said, "The craftsman himself can always, if allowed to, draw the delicate distinction between the machine and the tool. The carpet loom is a tool, a contrivance for holding warp threads at a stretch for the pile to be woven round them by the craftsmen's fingers . . . but the power loom is a machine, and its significance as a destroyer of culture lies in the fact that it does the essentially human part of the work."

So we are not talking about dropping our man-dominating and nature-ravaging modern technology for a return to the primitive, brutish hand labor of our distant ancestors. We're talking about trading both of those extremes in for something in the middle. We're talking about the development of something new . . . an intermediate technology. A technology that we can all own a part of and which will allow us to realize our highest human potentials while helping us nurture and tend and preserve the earth.

As Gandhi said, we do not need mass production . . . but production by the masses.

Mass production is sophisticated, highly capital-intensive, and gulps down ever-increasing amounts of energy. It concentrates the people who use it into crowded cities, is inherently violent, ecologically damaging, self-defeating in its demands on natural resources, and stultifying for the individuals who must make it work.

Production by the masses, on the other hand, is simple enough for everyone to understand, inexpensive, and conservative in its need for energy. It is conducive to decentralization, inherently gentle, and compatible with the laws of ecology. It preserves scarce resources and is designed to uplift, fulfill, and serve the people who use it.

The intermediate technology which makes production by the masses possible is vastly superior to the primitive technology of bygone ages but much simpler, less expensive, and less oppressive than the supertechnology which now dominates our society. One might call intermediate technology a "self-help" or a "democratic" or a "people's" technology. I call it the hope of the future.

CONSUMER BOYCOTT OF J. P. STEVENS' PRODUCTS

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Ms. MIKULSKI. Mr. Speaker, the Amalgamated Clothing and Textile Workers of America, and the whole labor movement, are boycotting the products of the J. P. Stevens Co. The company's record of antilabor, antiminority, antiwomen activities is long and heartbreaking. I, too, support the boycott and am showing the material in my office. My illustrious colleague from the city of Baltimore. Mr. MITCHELL, is supporting the boycott and has written an article about it. His article first appeared in the Baltimore Afro-American and has been reprinted in Social Justice. the newsletter of the Amalgamated Clothing and Textile Workers. I commend the article to the attention of my colleagues:

J. P. STEVENS CO., BLACKS AND UNIONS

(By Representative PARREN MITCHELL)

As a result of the presidential election, there has been a great deal of discussion about reforging the coalition between blacks and organized labor. If that coalition is indeed rebuilt, the first target of combination should be the J. P. Stevens and Co., Inc. in North Carolina.

This company, a multinational corporation, is the second largest corporate giant in the textile industry. In my opinion, it ranks first among those corporations who openly, blatantly defy the law insofar as equal opportunity for blacks and women is concerned.

Black men and women are concentrated in the lower skills blue collar jobs as are white women. The figures are depressing in all categories. Blacks make up 20 percent of the work force but have only three percent of the white collar jobs. Blacks are seven percent of the skilled craft jobs, but we are 38 percent of the unskilled laboring jobs.

The reader may ask, "But isn't that generally the picture we find in the private sector and in government itself?" The answer would be yes, but with a very important "but." What makes this outfit so unique that it absolutely defies the law in maintaining its discriminatory practices? Other companies which discriminate most often go through the motions at least pretending to bring themselves into compliance with the law, but not this one.

Two, not one, but two U.S. District Court judges have found that J. P. Stevens violated the law against discrimination in employment.

U.S. District Court Judge James McMillian ruled in November 1975 that the company management in Stanley, N.C. had harassed A. C. Sherrill, a black employee and forced him to quit when he complained to the EEOC because he had been denied a supervisory position.

The judge ruled in this class action suit that Sherrill and five other blacks, who had also been forced to quit when they joined in his antidiscrimination suit, be reinstated with back pay. He ruled further that the company be required to provide promotional opportunity to all black employees denied such opportunity because of race and to pay them back pay.

U.S. District Court Judge F. T. Dupree Jr. ruled in December 1975 that the company management in Roanoke Rapids, N.C., had engaged at various times since 1969 in a series of discriminatory employment practices, including:

Hiring on the basis of race.

Reserving clerical jobs for white employees exclusively.

Reserving almost exclusively for whites supervisory, weaver's and fixer's jobs.

Reserving for black employees the low-paying jobs of warehousemen.

Discrimination against black males in job assignments.

Average hourly pay of black males is substantially less than average pay of white males.

Discrimination in the assignment of newly-hired black males and females to lower-paying jobs.

How do you get a giant corporation like this one to obey the law it openly defies? The company's sales last year were more than a billion dollars and its assets were $756 million . . .

. . . If labor decides to really topple the J. P. Stevens' discrimination we may have to do our share in Baltimore. I think we will be ready.

"WHAT AMERICA MEANS TO ME"

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. MINISH. Mr. Speaker, it is with deep pride that I announce that the winning speech from my State of New Jersey in the 30th annual Voice of Democracy scholarship program was entered by Miss Deborah Anne Strazza, one of my constituents. Miss Strazza, a high school senior who participates in numerous activities at Bloomfield High School, is the daughter of Mr. and Mrs. Harold Strazza of 653 Ridgewood Avenue, Bloomfield, N.J. She has been honored for her inspirational remarks based on the theme "What America Means to Me," a national contest sponsored by the Veterans of Foreign Wars of the United States. It is with great pleasure that I

insert her distinctive words to be entered into the RECORD:

WHAT AMERICA MEANS TO ME

When you ask Americans what America means to them, some would reply: how many great presidents we've had, or all of the wars we have been successful in, or that we are one of the richest countries in the world, or even that we are the most important country in the world. All of that may be true, but to me America means more, much more!

America is the most beautiful country in the world and I'm proud to say it's mine. To me America is a land of plains, prairies, and mountains, beautiful beaches, farmlands, and ski resorts.

America is apple pie. America is radio and CB's. It's also everything from homemade chocolate chip cookies to the American flag.

America is red, white, and blue; and having pink, fuzzy slippers. It's a place to help a friend in need when he needs his car jumpstarted. America is dyeing Easter eggs for the Easter bunny to hide.

America is a place where there are deer and racoons in the woods, in addition to all of the beautiful pine trees. It's the home of Smokey the Bear. America is choosing between Coke and Pepsi. America is the Museum of Natural History, following a barbeque of hot dogs and hamburgers. America is the Staten Island Ferry and the Golden Gate Bridge. Peanut butter and jelly are American and so is Mom's homemade pea soup, that you give to the dog when she's not looking.

America is little children playing with jack-in-the-boxes. America is eating stuffing and turkey on Thanksgiving with all of our relatives.

America is visiting Disney World in Florida during winter recess. It's the Carlsbad Caverns or going down the Grand Canyon on the back of a donkey. It's the Jersey Shore. It's Time Magazine and watching "That Girl." America is eating out at McDonald's and Burger King. It's also a country where you are free enough to sit home and watch Rudolph, the red-nosed reindeer, and Frosty, the snowman.

America is a place that makes me cry when people litter it. America is the home of the Indians, and much more. It's a way of life!

America is my birthplace and I'm awfully glad I was born here.

Timex watches are American, and so is Bing Crosby's White Christmas. America is talking to your boyfriend on the phone all night if you feel like it. Class rings and senior pictures are American.

American!—Jackie Gleason and the Honeymooners are American! Our country's unique; there is no other like it. It's great!

Wearing Love's Baby Soft perfume is American.

The World Series is about as American as you can get, and don't forget football and soccer.

In America you can go to a drive-in movie or worry about getting accepted into college. You've heard of the American Way? Now that's American! Mary Tyler Moore is American. American Bandstand and Molly Pitcher are American. America is Dorothy and the Wizard of Oz. Levi's!!—they're American! Even Sears & Roebuck stores are American. America is a "Melting Pot."

Do you know what I really think America IS? Sitting in my living room, in front of a beautiful fire, and being thankful for living in America.

America is having a Winnie-the-Pooh sitting on your bed, next to your Curious George. America is Clark Gable and watching "Happy Days." Webster's Dictionary helps Americans when we don't know what certain words in our language mean. Attending Notre Dame is an American dream. Madison Square Garden is like a second home to many Americans. Ice skating at Rockefeller Center is AMERICAN! America is my squeaky green frog and don't forget the Good Humor Man—he's American! Remember the Alamo! The Empire State Building and the World Trade Center are buildings that we Americans visit. America is a place that Christopher Columbus found by accident in 1492! America is celebrating the 4th of July and our Bicentennial. The Jerry Lewis Telethon is American. Where else can you find "Love, American Style" and "Saturday Night Live"?

American is Fred Flintstone and the Little Rascals, but, even better yet, it's the Mickey Mouse Club.

American! You say, what's American? At the stroke of twelve on New Year's Eve, when the lighted ball drops in Times Square, those of us who aren't there, are watching Guy Lombardo on television. And! Who were the first to land on the moon? US! The U.S. of A!

To my grandmother, America is a place to watch Lawrence Welk and his bubble machine. America is varsity jackets and cheerleaders, Little League and Pop Warner football!

Americans have ring-around-the-collar and brush with Close-up for fresher breath. The presidential election is American. To my little brother America is Saturday morning cartoons.

America is Johnson's Baby Shampoo and Pampers.

But most of all, America is a country which gives you the freedom to do what you want to do.

HON. DOUG BARNARD ADDRESSES CONFERENCE

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. WRIGHT. Mr. Speaker, I had the pleasure recently of appearing on the same platform with our distinguished colleague from Georgia, the Honorable DOUG BARNARD, JR. The occasion was a manager-coordinator conference of the J. C. Penney Co. held at L'Enfant Plaza Hotel here in Washington on February 23.

In his address Mr. BARNARD spoke of the strengths of the free enterprise system and called on America's business people to involve themselves in our political system.

Mr. Speaker, I submit the text of Congressman BARNARD's remarks for inclusion in the RECORD at this point:

REMARKS BY HON. DOUG BARNARD, JR.

With the invitation to be with you this morning came the suggestion that I speak of the House from the perspective of a freshman Member of Congress. Then I learned that Jim Wright, the House majority leader, was going to precede me. I figure that's like inviting a Penney's sales clerk to assess the operations of his store and inviting his boss to witness the presentation.

Actually, I am a strong supporter of Jim Wright. He was down my way recently for a speech and I had the pleasure of telling my constituents that I was responsible for Jim attaining his leadership post.

It was a proud moment for me—conveying to my friends what a powerful figure I am in Washington. Then Jim had to go ruin it all by pointing out that he won by one vote and that I'm only one of 291 other House democrats who claim responsibility for his election.

In 1976 the American people delivered a rather startling message to the Washington political community.

Gerald Ford came within a whisker of losing his own party's nomination in large measure because his party's faithful didn't think he was doing enough to control the force and size of government.

Jimmy who? They were saying only one short year ago. And who would have imagined that a little-known governor from Georgia—seizing the issue of government reform and reorganization—would take on the household names of Washington and beat them in primaries across the Nation.

For a long time the road to success in politics seemed paved with promises—promises that government could eradicate poverty and rebuild our cities and clean up our environment. That the Federal Government each year went deeper and deeper in debt trying to make good on these promises seemed to matter little since through the "miracle" of borrowing that worry could be passed along to future generations.

Sam Ervin used to say that if an individual were to borrow money for the purpose of giving it away, his family and friends would institute an inquisition of lunacy and procure the appointment of a guardian to manage his affairs. But if an American politician advocates that the Federal Government borrow money for the purpose of giving it away, he is likely to be elected to Congress or even chosen to be President of the United States. And if he fails to attain any of these offices by the election route, he is most certain to be named Secretary of H.E.W.

Now, however, the American people seem to be saying that they desire not more government, but more efficient government. The Presidential contenders who spoke of reducing the number of Federal agencies and saving taxpayers' money were the ones who won the greatest support from the American people. In fact, last year it seemed all politicians were running against Washington—even those who had resided in the Nation's Capital for a long, long time.

Many have expressed surprise at America's growing disenchantment with big government. But in the words of Harry Truman: There is nothing new in the world except the history you do not know.

American skepticism of government is rooted in the very foundation of this country. In framing the Declaration of Independence, Thomas Jefferson said the government which governs best, governs least. Every succeeding generation of Americans has learned the truth of those words—and some have learned the hard way.

The imposition of wage and price controls in the early 70s is a prime example of learning history the hard way. In the previous decade we had been assured that our country was capable of producing both guns and butter at the same time. So we launched a myriad domestic spending programs at the same time we were fighting a war in Southeast Asia.

Then our Nation learned that age-old lesson that you can't have your cake and eat it, too. The Federal Government was spending tens of billions more than it was taking in and soon the day of reckoning arrived. Inflation crashed through the double-digit barrier and all across the country came demands that something be done.

One would think that a good Texan like John Connally would have known that when you have a pipeline fire, you'd better cut off the valve before you start throwing water on the flames. But like that apple in the Garden of Eden, the idea that the government could

solve the inflation problem by imposing a freeze on wages and prices had great appeal.

Indeed, for several months wage and price controls seemed to be a winner. John Ehrlichman even boasted to his President that the program was playing well in Peoria. Just like magic, the Government was whipping inflation.

It turned out to be magic all right. In the twinkling of an eye, goods started to disappear all across the country. Farmers couldn't find fertilizer. Newspapers shrunk because publishers couldn't find paper. Certain food products disappeared from grocery shelves. By 1973, we had a situation where it was so unprofitable to raise calves and chicks to maturity that farmers were drowning the chickens and slaughtering the calves.

Let me give you an example of what happened. Faced with price controls, the steel industry decided to weed out items which were producing only a marginal profit. Baling wire was such a product and was one of the first to be dropped. But without baling wire, farmers had difficulty harvesting grains, thus driving up the costs of feeding cattle and ultimately the costs of placing everything from beef to dairy products on the grocery shelf. All the government controls in the world would not change this economic fact of life.

In the midst of wage and price controls, a survey was taken of 500 manufacturing firms and nearly all were having trouble getting supplies essential to production. What was happening, of course, was that wage-price controls had forced fundamental changes in the market system. Because of price ceilings, many businesses had no real incentive to increase or even maintain capacity. Controls thwarted traditional concepts of market competition, monetary reward, excellence and change. To top it all off, when controls were removed, we were hit with the worst price surge in two decades.

This came as no surprise to many of us in the business community for we long have known that the trouble with government control of the economy is that it doesn't work.

For those who say that government controls have proved failures because government managers have not been sufficiently strict in carrying out prescribed policies, I invite your attention to the Soviet Union, where I believe we would agree adherence to government control measures is complete. There the average worker can purchase an automobile the size of a tiny Fiat for more than the price Americans pay for a Cadillac. Of course, there is a two or three year waiting period for delivery and when you get the car, it is usually next to impossible to find spare parts.

At the turn of the century, Britain was Europe's richest nation. Its total productivity per worker was fifty percent above that of Germany. Now that Britain has nationalized the steel industry, productivity per man has dropped to one-half that of workers in privately-owned steel plants in other European nations. The drop in productivity in government-owned coal mines is even greater.

Less than a decade ago, Burma was the leading rice exporter in the world under a free market system. But the people turned to a government which confiscated property and took over the production of rice. Today that country is having great difficulty even feeding its own—and those rice exports which used to feed a thriving economy are no more.

Now free market economists do not constitute a majority of our citizenry but I believe a surprising number of Americans recognize the inherent connection between incentives and productivity; between economic freedom and prosperity for all. I am even more confident of the ability of Americans to judge the relative quality of their government. And I believe Americans are sending the Washington political establishment a message that they are tired of business as usual and ready to shed the worn-out, discredited practice of throwing money at problems to make them go away.

Last year, by an overwhelming vote of 280 to 65, the House set up the Select Committee on Assassinations. The committee drew up a six and half million dollar budget—a figure far, far above any amount ever appropriated for a congressional investigation.

But something happened to the political attitudes of Congress following the '76 campaign. When the House convened this year, Members—both liberals and conservatives—began asking hard questions about how this six and a half million dollars would be spent. And we didn't like the answers we received. A final decision on the future of this panel has been postponed for a couple of months, but I think it is a virtual certainty that if we do approve an assassinations investigation . . . and that is by no means certain . . . it will be with only a fraction of the budget envisioned last year. And I believe it is also a virtual certainty that we will continue to fund the panel only if its investigators come up with hard evidence justifying the further expenditure of funds. That House Members are taking second, hard looks at such costly proposals is a very hopeful sign.

Now I don't want to deliver a pollyannaish assessment of Congress—despite the fact that I am pleased indeed to be a Member of the House and I am enjoying the job beyond my greatest expectations. The year is yet young and I cannot guarantee that the House will continue to examine public expenditures with the scrutiny given the assassinations panel.

But it seems to me that we have not heard such expresssions of concern for the efficient application of limited tax resources around the halls of Congress for a long, long time.

I must admit I am guarded in my optimism over what I am hearing because right now it is not too difficult to recall the conclusive polling which shows Americans are more concerned about big government than any other force in our society. As the months roll on we in the House will be hearing from other voices in America—voices representing those who have a vested interest in spending programs coming before Congress. Only when the votes are taken will we see how those who espouse protecting the public purse hold up.

I must also say that from my brief experience the positions of labor, to name only one group, are extremely well represented by the organizations which lobby for labor's point of view. Shortly after my election I gave a speech in which I made passing mention of my strong belief that states should continue to have the option of enacting right to work laws. The following day my position was noted in the final paragraphs of a brief newspaper story. Almost immediately a delegation representing organized labor was at my door attempting in a very articulate manner to talk me out of my position. And that was good. My door is always open and I want to hear the views of various interest groups on the issues.

This delegation didn't change my mind on right to work, but I was impressed nonetheless with the fact that spokesmen for labor were doing their job.

I only wish members of the business community were as involved with the political process as organized labor. Sometimes I fear that businessmen get involved in politics only when it is their own ox getting gored. And when that occurs—when a business organization is lobbying Congress on matters which directly affect their financial well being—I think you lose a portion of your credibility.

I know only too well from my long association with members of the banking community how distasteful many businessmen consider involvement in politics.

This attitude is symbolized by a friend of mine—a very successful businessman in a northern state—who boasts of his non-involvement in politics. He says, "I let the politicians make the rules and then I figure out how money can be made within these guidelines." Well, let me tell you something. That philosophy will ultimately guarantee a drift toward the very laws and government regulations which account for Great Britain's being in the mess it is in today.

What Winston Churchill said of democracy can also be said of free market economics. It is far from perfect but it is the best economic system ever devised by man. And I am not speaking just about the affluent.

If anything, the philosophy which allows individuals to keep the fruits of their labor is one designed to insure the existence of upward economic mobility in our society. High taxes and excessive regulation discourage enterprise and hard work, The rich will remain wealthy but the little guy struggling to get ahead is the one who bears the brunt of excessive taxation.

Someone has said that American business is like a powerful draft horse. Feed it well, shelter it, and it will haul us all into the promised land of rising prosperity for all Americans. Starve it, tax it, shackle it and you'll wind up hauling the load yourself.

But the price of citizen control is citizen concern. If the American business community remains at arms length from politics or gets involved in government only to preserve individual self interests, I can guarantee that Congress eventually will shackle free enterprise . . . but if you in this room—and others like you around the country—get involved in government to preserve a philosophy of economic freedom—Congress will respond accordingly. And if it does not, you should send new members to Washington to take our places.

James Madison said in the Federalist Papers that there are two things we need to do to have an effective Federal Government: First, you have to enable the Government to control the governed; and second, you have to require those who run the Government to control themselves.

That job, my friends, is up to you.

Thank you.

200-MILE LIMIT PRESENTS DANGERS

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. SIMON. Mr. Speaker, the Nation has just unilaterally extended its borders by 200 miles into the sea for fishing purposes, contrary to agreements we have had with other nations. When the legislation first passed—without my vote—I inserted into the RECORD an exchange of letters I had with Adm. Owen W. Siler, Commandant of the U.S. Coast Guard. That exchange of letters could take on some significance these days so I am inserting it into the RECORD once again:

APRIL 19, 1976.

Admiral OWEN W. SILER,
Commandant, U.S. Coast Guard,
Washington, D.C.

DEAR ADMIRAL SILER: I was one of those who voted against the 200 miles zone and

I read the story of the press conference with interest. Here is the question that concerns me, and I regret that I was not present for floor debate on this so that I could have had a chance to pose it: What happens if a Russian fishing vessel accompanied by a Russian gunboat comes 150 miles out from the U.S. border. We have signed an international treaty which gives them rights beyond 12 miles, and is a treaty in which we played an initiating role.

We order the Russian fishing vessel to stop fishing and they continue to fish. What happens then? Would the Coast Guard feel compelled to take some type of aggressive action?

I look forward to hearing from you on this.

Cordially,

PAUL SIMON,
U.S. Congressman.

U.S. COAST GUARD,
Washington, D.C., May 26, 1976.

Hon. PAUL SIMON,
House of Representatives,
Washington, D.C.

DEAR MR. SIMON: This is in response to your letter of 19 April in which you pose the question: How would the Coast Guard respond if a Soviet fishing vessel, accompanied by a Soviet gunboat, refused to comply with fishing regulations promulgated pursuant to Public Law 94–265 which extends the United States' fisheries conservation and management jurisdiction out to 200 miles from our coasts?

The presence of armed escorts in this scenario takes the matter beyond the law enforcement arena. The use of, or threat to use, warships to defy the jurisdictional claim of the United States would constitute a major international incident with serious national security implications. The Coast Guard is aware of and sensitive to the strategic importance of the United States' reaction in such a situation. Any short term policy enforcement objectives must give way to these strategic foreign policy and national security considerations. In view of this, the Coast Guard would call upon the Department of State to take appropriate action in an effort to settle the dispute without a belligerent confrontation at sea. Additionally, we would call on the Department of Defense to ensure that sufficient forces are available to meet any eventuality. This methodology would be used regardless of the flag state involved if military intervention was used as a means to resist or interfere with the fisheries conservation and management jurisdiction of the United States as set forth in Public Law 94–265.

In our view, the unlikely possibility that a foreign country will choose to contest our assertion of jurisdiction will be made even more remote by a series of discussions the State Department is commencing in June with each of the countries which fish off our coasts. These important discussions, in which the Coast Guard will participate, will be designed to forecast potential difficulties and eliminate them in advance to the greatest extent possible.

Please advise if we may be able to provide additional information concerning this matter.

Sincerely,

O. W. SILER,
Admiral, U.S. Coast Guard Commandant.

SOCIAL SECURITY ACT

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. LOTT. Mr. Speaker, on January 10, 1977, I introduced H.R. 1518, providing for certain amendments to the Social Security Act. Today I am pleased to be able to reintroduce this measure with bipartisan support. My experience in assisting constituents with their social security problems has convinced me that these reforms are sorely needed.

First, I think we should raise the earnings limitation to $7,500. To penalize older Americans for working by drastically reducing the social security benefits they have earned throughout their working lives seems contrary to our Nation's philosophy. As a result of the loss of benefits now caused by the restrictive earnings limit, many of our best workers, whose wisdom, skills, and stability could be very beneficial to our economic system, retire on a small social security annuity and take employment only certain hours during the week to avoid loss of benefits under the earnings test. I might emphasize in this regard, furthermore, that, by working increased hours for greater wages, they can be paying into the social security fund at the same time they are receiving payments.

Other changes which I feel are needed include elimination of the 5-month waiting period for disability benefits, as well as the reconsideration stage in benefit determinations. Also, we should grant permission for adoptive children to qualify for benefits without regard to certain time requirements, and we should allow the issuance of duplicate checks where the original ones have been lost or stolen.

I know that my colleagues have experienced problems in many of these areas in their efforts to be of service to their constituents. I am hopeful that the Ways and Means Committee will review this proposal for revising the Social Security Act as soon as possible.

NEW CHINA HANDS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. DERWINSKI. Mr. Speaker, the early days of the Carter Presidency have been marked by a lack of action and comment on the China issue, and with good reason.

Since the death of Mao, the mainland has gone through a series of upheavals. As usual, the rest of the world finds out about these problems second and third hand.

Typically those who are chosen to travel to Communist China return with glowing accounts of their journey. The most common myths are that everyone is clothed and fed; the government is well run; the people are happy.

In the past few months more and more visitors have found Communist China to be something less than paradise. They are objecting publicly to the restrictive "guided tours" the Communist regime has set up for them.

Maybe for once we would be wise to listen to the reports the visitors are making. Such as the failure of the economic programs, the fighting in some provinces, the starvation, and the persecution.

All of these are cataloged in a brief editorial by James Grant printed in Barron's magazine.

Before the China debate heats up again, it would be wise for the Members of this House to acquaint themselves with the issues involved.

Mr. Grant's essay helps to put the issue in its proper focus.

The article follows:

NEW CHINA HANDS—THEY SEEM AS MISGUIDED AND BIASED AS THE OLD

(By James Grant)

Recent dispatches from China seem calculated to mystify all but the most seasoned and cynical observers of the Communist Middle Kingdom. A hundred million voices, which for months reviled Teng Hsiao-peng, former Vice-Premier who was purged during the Cultural Revolution, then resurrected, now re-sing his praises. Scarcely had the last breath passed from Mao's body when it pleased the masses to topple the chairman's wife, Chiang Ching, and three other Shanghai radicals, pretenders to the Party helm and arch-foes of the unrepentent capitalist roader, Teng Hsiao-peng. "Any cat that can catch mice is a good cat," Teng was wont to preach, "whether it is white or black." But now Chiang is out and Teng is in, and all China is occupied in getting the facts straight.

Newspaper reports of violence—including "beating, smashing, looting," the Party journal, Jenmin Jih Pao, disclosed last month—have been common fare for a year. "The number of nighttime militia patrols on the streets of Peking appears to be increasing almost week by week." The Toronto Globe & Mail reported in July. "Particularly after midnight, one can see numerous small groups of militiamen, and occasionally women, carrying wooden truncheons." A general malaise seems to have fallen over Peking. "One Western diplomat," The New York Times related last week, "said Chinese were beginning to respond with 'nervous giggles' to questions about what was happening."

The best reading on China nowadays, however, isn't to be found in the newspapers. *Commentary*, the distinguished monthly magazine, ran an article in its December issue titled "Seeing China Plain" by Edward N. Luttwak, associate director of the Washington Center for Foreign Policy Research at Johns Hopkins, that is fast becoming a cause celebre. Luttwak's piece hasn't much to say on the bizarre twists of recent Chinese politics. But, based on the author's tour of China this fall in the company of former Defense Secretary (now energy-czar designate) James Schlesinger, it sheds worlds of light on the Chinese system.

Luttwak is implacable. He sees in the mobilized Chinese masses not worthy order, nor self-discipline, but unbounded totalitarianism. He observes that China's "is the only regime in the temperate zones of the world which actually makes a boast of its ability to feed and clothe its population." He writes of sweatshops, militarism, the "mock-equality" of dress and the maddening waste of a planned economy.

A guest visiting parts of China that no Westerner has viewed in generations, Luttwak is signally ungrateful. In Tibet, for example, a land forcibly annexed by the Chinese, he writes: "I asked a Chinese official resident in Tibet since 1960 how to say 'please' and 'thank you' in Tibetan. He did not know. I asked him how to translate 'move,' 'go' and 'faster.' He knew." Luttwak, with the American party, visits the Khazak "East Wind Commune" in the Urumchi area of northwest China. The group files into a tent to endure a lecture on the evils of Teng Hsiao-peng (little did they know) while pretty girls served mares' milk and whole boiled sheep. Presently, "someone lifted one edge of the carpet in the polychrome tent

(all the many tents we had passed on the road were dirty brown) and found the grass quite green. The show had been rigged for us."

Commentary might be running letters on the Luttwak piece for the rest of 1977, Audrey Topping, New York Times foreign correspondent whom Luttwak charges was gulled in Urumchi in 1975, stands by her account of "East Wind" as a real place (she has produced photographs) of 2,400 square miles. "He didn't read my articles any plainer than he saw China," she replied when reached at her home in Scarsdale, and it might be noted that Luttwak, an irascible chap, aroused the ire of some of his American traveling companions. "He was just a very distasteful guest," one recalls. "It takes years to bring China into perspective. It's quite a complicated and alien culture."

Perhaps, but the words have a distressingly familiar ring. Just four decades have passed since Walter Duranty, Pulitzer Prize-winning Moscow correspondent for The New York Times, reported on the glories of collectivized agriculture while millions perished, ekeing out sustenance from horse manure and human corpses, during the infamous Ukranian famine. "Basically," wrote Professor Harold Laski of the Show Trials of Stalin's purge, "I did not observe much difference between the general character of a trial in Russia and in (England)." Attests Robert Conquest, the British historian: "Scholars and Russian experts were duped to the same degree as journalists and lawyers."

Today, in American writing on China, grim parallels abound. Luttwak's piece deserves the closest reading. "Future historians may well say," averred Audrey Topping upon the death of Mao, "that no man in China's history has given so much to so many in so short a time." Writes Ross Terrill, of Harvard, in the January issue of *Foreign Affairs*. "Having known the pain of national dependence, the Chinese breathe with determined pleasure the air of total independence." (It is as if the state were human, that the Party, now free to slander and resurrect whom it pleases, is free as some men are free.) "The revolutionary generation," explained John King Fairbank, also of Harvard, in 1974, "deem it only appropriate that foreign contact like all developments should be under rational and purposeful control."

One does not, in the polite company of most China scholars, broach the topics of Communist bloodlust, forced labor, black markets, beggars or famine. Scholars who persist in dwelling on the reported enormities of Chinese life—Richard L. Walker, of the University of South Carolina, has done so for years, even daring to place a figure on the cost of communism in human life, namely, 34–64 million lives—risk learned ostracism. When Stanley Spector, a professor of Chinese at the Washington University in St. Louis and a former pro-China activist, wrote a critical account of his visit to the Mainland last spring, he was, in his words, "roundly denounced." "The peasants eat better, their clothes are better," Spector told *Time* magazine. "Forestry projects have taken hold in the countryside, and there is green everywhere. . . . But as people, as a population, they're like zombies, the walking dead. . . I think they're having their first doubts about whether Communism is really possible."

Self-interest, as well as totalitarian sympathy, explains why the myth of the New China should persist in the face of mounting evidence to the contrary. If one is a China expert, getting into China is professionally vital. "Certain scholars whose careers hinge on heavy accessibility do have inhibitions about what they say," says Robert Scalapino of the University of California at Berkeley. "It is, as you can imagine, a very delicate question." To be sure, not everyone must be personally approved by the Chinese—Professor Walker says he may get a visa next year—but an open mind on Communism has never kept anyone at home.

The lion's share of visas that Peking makes available to American travelers (those not of Chinese descent) are distributed through the auspices of the U.S.-China Peoples Friendship Association, a tax-exempt body that dotes on the Revolution and whose income derives largely from the two-dozen tours it sponsors annually to the Mainland. For $4 a year, one may subscribe to the Association's sycophantic quarterly, *New China*, which last month featured an excerpt from "Wind in the Tower: Mao Tsetung and the Chinese Revolution, 1949–75," a new book by the prolific apologist, Han Suyin. Whether the poor woman will ever be trusted again, however, is a question we remand to the suitable people's court. Her book defends the heinous Mrs. Mao—"It fell to Chiang Ching to denounce the ultra-left, and she did so . . ."—just as if this were August, and not January.

Six months ago appeared a major series of articles in *Worldview* magazine by a husband and wife who have spent more than a decade interviewing Chinese emigres in Hong Kong. The series, by Ivan and Miriam London (co-authors of "The Revenge of Heaven," the journal of a Red Guard which the late Kurt Bloch reviewed in these pages), was called "The Other China: Hunger." Carefully weighing their data, the Londons pieced together new evidence of a famine in the wake of the Great Leap Forward (1958) which fully rivaled the horror of the Ukraine 40 years ago. "Heaven and the Soviet Union were blamed by the authorities for the national misery following the Leap," write Mr. and Mrs. London. "The sad truth is, however, that only planned human intervention could and did manage such a thoroughgoing, nationwide disaster. In every province, misguided Party zeal and amateurism prevailed over both agricultural science and the old peasants' wisdom." How many died? Tens of millions, perhaps—the Londons cite firsthand reports of cannibalism; the number of food parcels shipped by Hong Kong residents to relatives of the Mainland rose from 870,000 in 1959 to 3.7 million in 1961. The last defense of Chinese Communism has always been that under Mao and Chou, the people at least had enough to eat. Now that argument, too, rings hollow. The "Other" China is, after all, the New China.

PLUTONIUM AND RACISM DO NOT MIX

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. CONYERS. Mr. Speaker, what on earth would South Africa possibly do with a nuclear bomb? And why on earth would it be in our interest to let them have one? Yet in an aura of semi-secrecy, the United States has quietly assisted the South African nuclear program in a number of ways.

American assistance in the South African nuclear program is yet another demonstration of the inability of our corporate and governmental institutions to conform to our standards of decency and morality in the conduct of world affairs. Ever since the 1957 bilateral agreement allowing export of nuclear fuel to South Africa, U.S. firms, eager to set up profitable facilities in that country, and the U.S. Government, which has continually provided the South Africans with sophisticated nuclear technology, have acted in concert to give the apartheid regime the capability for atomic holocaust. Thus, even after South Africa refused to sign the Nuclear Non-Proliferation Treaty, the United States authorized sales of "enriched weapons grade" uranium for South African reactors.

There can be no possible gain to the United States in permitting the South Africans to play nuclear blackmail with the rest of their continent. Rather, by doing so, we are enabling their regime to thwart our efforts to bring a swift and peaceful transition to majority government. For too long we have concerned ourselves with know-how. What we now need in our South African policy is less know-how, and more no-way. The following article is from the Washington Post of February 16, 1977:

SOUTH AFRICA, WITH U.S. AID, NEAR A-BOMB

(By Jim Hoagland)

PRETORIA.—Working with American scientists and American-supplied enriched uranium, South Africa has developed an independent nuclear industry that is within two to four years of manufacturing an atom bomb.

That estimate is labeled as "the outside range" by a well-informed American government source who is convinced that the South Africans can cut it to a matter of months if they concentrate funds and manpower in a crash version of their present program.

At least one British expert feels that the South Africans may have already produced an atomic weapon.

Connie Mulder, the information and interior minister in the white-minority government that confronts increasing black pressure on its borders and unrest at home, refused to confirm or deny that his country was close to having the bomb.

"Let me just say that if we are attacked, no rules apply at all if it comes to a question of our existence," Mulder said. "We will use all means at our disposal, whatever they may be. It is true that we have just completed our own pilot plant that uses very advanced technology, and that we have major uranium resources."

South Africa has never signed the nuclear nonproliferation treaty, a fact that Prime Minister John Vorster himself called attention to last year when he told an interviewer that while "we are only interested in the peaceful applications of nuclear power," South Africa "can enrich uranium and we have the capability" of mounting a nuclear defense.

Evidently developed without direct American Involvement, the pilot plant at Valindaba, near Pretoria, can enrich uranium to weapons-grade level, according to American sources. A "moderate" rate of production would provide South Africa with at least 20 to 40 pounds of plutonium, enough raw fissionable material to put together as a weapon by 1981, according to these sources.

Military experts discount the usefulness of a nuclear arsenal against a black urban revolt or a guerrilla war, the most likely threats to the white government.

But recent guarded comments by South African officials indicate that they see the high level of nuclear technology they have developed as giving them both strategic bargaining power with the United States and the Soviet Union, and a future corner on much of the world's enriched nuclear fuel market now dominated by the United States.

These possibilities were hinted at in an unusually frank talk delivered last October

at a Johannesburg seminar by A.J.A. Roux, president of the South African Atomic Energy Board, who also paid a rare open tribute to the usually screened American role in developing South Africa's nuclear technology.

"We can ascribe our degree of advancement today in large measure to the training and assistance so willingly provided by the United States of America during the early years of our nuclear program when several of the Western world's nuclear nations cooperated in initiating our scientists and engineers into nuclear science," Roux told the seminar.

He noted that a research reactor at Pelindaba, also in the Pretoria area, "is of American design (based on the Oak Ridge research reactor)" and that "much of the nuclear equipment installed at Pelindaba is of American origin, while even our nuclear philosophy, although unmistakably our own, owes much to the thinking of (American) nuclear scientists."

Roux did not mention a quietly arranged American commitment to supply enriched nuclear fuel between 1981 and 1984 for two French-manufactured nuclear-power generating reactors now being installed in the Cape Province at Koeberg, nor American sales of weapons-grade enriched uranium to South Africa in 1975 and 1976 for the use in the Pelindaba research reactor.

In addition to giving South Africa the chance to gain something like $500 million a year in foreign exchange once a planned commercial enrichment plant is opened in the mid-1980s, the technology will also make South Africa "completely independent of overseas sources of supply" in the future, Roux stressed.

An emerging pattern of statements by white leaders who say they will resist all external pressures, including American moves to change their apartheid policies, have led some analysts to conclude that the potential development of atomic warheads is intended more as a diplomatic weapon than a battlefield one.

The Soviet Union is supporting African guerrilla movements in this region and Cuban military units are stationed in Angola. Prime Minister Vorster and other officials warn their followers increasingly that they cannot count on the United States to protect them from a Soviet strike and that the whites will have to rely on their own resources to dissuade any superpower intervention.

The government—for which only whites, who form 17 per cent of the 26 million population, can vote—has wrapped its nuclear program in deep secrecy for years. Now, as its need for diplomatic leverage rises, it is allowing a few details to filter out.

The nuclear program is divided into four distinct stages:

Raw uranium exports. South Africa is one of the four largest suppliers of uranium in the non-Communist world, having earned $1.4 billion in foreign currency since 1952 from foreign sales, largely to the United States and Britain.

State Department officials have indicated publicly that American willingness in recent years to sell nuclear material to South Africa stems in part from U.S. access to South African uranium in building up its nuclear arsenal during the Cold War.

Research done since 1964 on the Safari-I reactor system at Pelindaba. The American government approved the shipping of 112 pounds of weapons-grade enriched uranium in 1975 and 1976 to this facility, which American scientists at Oak Ridge helped train South Africans to run.

The United States required strict safeguards that prohibited South Africa from diverting the uranium out of the research reactor, and there is no evidence that any of the fissionable material recovered from the research reactor has been used for weapons research or building by South Africa.

Expert sources feel, however, that the operation of the Pelindaba plant was an essential element in the training of South African nuclear scientists who developed the enrichment process that now opens the way to nuclear weapons production.

Nuclear power production. South Africa agreed last summer to buy two 922-megawatt nuclear electricity generators from a French consortium, despite an energetic effort by the Nixon and Ford administrations and the embassy here to sell General Electric reactors to the South Africans.

The 1981–84 American commitment to process South Africa's low-grade uranium into 3 per cent enriched fuel and ship it back carries South Africa up to the time when its own commercial enrichment plan will be in operation, according to American and South African sources.

Arms control agencies do not see the sale of electricity generators and 3 per cent enriched fuel as a direct link to a country obtaining nuclear-weapons technology, and the Koeberg deal has aroused little concern outside of black Africa, which has condemned France for the sale.

Independent enrichment of uranium. The most dangerous part of the South African effort, from a weapons-manufacturing point of view, has been underway since the early 1960s.

Vorster and Roux lifted the veil over the Valindaba project slightly by announcing in August 1970 that South Africa had perfected a "new and unique process" that would enrich fuel at a much lower cost than the two existing technologies used by the United States and its Western European allies. Then they quickly dropped the veil again, until October when Roux confirmed that Valindaba plant was in operation.

Since the 1970 South African announcement, speculation has grown that the pilot enrichment plant at Valindaba is based on a process developed by West Germany's Erwin Becker, who has said that Roux and other South African scientists had free access to his research and may have succeeded in adapting it.

The process is also used in an enrichment plant that West Germany is seeking to sell to Brazil. The Carter administration has tried to stop the sale.

The Becker process requires huge amounts of electricity to power the motors that drive it. South Africa has one of the world's largest supplies of cheap coal, which presumably it would burn to make the electricity in its uranium enrichment.

Roux noted in his seminar talk that the abundant coal deposits here made it unlikely that nuclear energy would be used much outside the cape coast area and local consumption of enriched uranium would be "modest."

CONSIDERATIONS FOR A COMPREHENSIVE TEST BAN ON NUCLEAR EXPLOSIONS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. KEMP. Mr. Speaker, President Carter has expressed his desire to negotiate a comprehensive test ban on nuclear explosions as a step toward the elimination of all nuclear weapons. The President has expressed a high ideal worthy of our best effort, but as the President's Press Secretary noted subsequently, the President does not expect this objective to be achieved in his lifetime. I would like to suggest two general considerations which should be included in a review of American policy toward a comprehensive test ban, before any specific policy decisions are made.

First, virtually all elements of the U.S. national security policy apparatus is attempting to evaluate the significance of the enormous changes which have taken place in the Soviet strategic nuclear posture in the past several years. The import of these changes are controversial, and may not be resolved for some time as we have ongoing diplomatic efforts in strategic arms limitation, the Soviet buildup may not yet be completed, and for other reasons too numerous to discuss here. By rushing toward a comprehensive test ban, we may foreclose options as to how we may respond, indeed, may have to respond to these important changes in the international strategic nuclear environment.

Second, in a policy review of issues affecting the U.S. position on a comprehensive test ban, we should consult with important potential proliferators such as Pakistan, Brazil, and other nations who may acquire a capability to build and experiment with nuclear explosives in the years ahead, as well as our allies, and Communist China. We cannot prudently limit our policy review to a two-dimensional discussion with the Soviet Union alone.

Third, the President should solicit the views of the Congress about American policy toward a comprehensive test ban as part of his consideration of what changes, if any, should be made in that policy. Only then will we be able to approach the serious public policy issues involved in this complex question.

Clarence Robinson, the very able writer for Aviation Week & Space Technology addresses these serious issues from his unique perspective.

This article deserves the attention of my colleagues and all Americans.

The article follows:

NUCLEAR TEST HALT UNDER STUDY

(By Clarence A. Robinson, Jr.)

WASHINGTON.—President Jimmy Carter's Administration is moving toward a unilateral cessation of U.S. nuclear weapons testing. Secretary of State Cyrus R. Vance is expected to advance that position in Moscow in late March to try to maneuver the Russians into a bilateral agreement to halt nuclear weapons tests.

In recent weeks government agencies have been conducting a study at the request of President Carter to examine the ramifications of ceasing nuclear testing. The letter of request signed by the President asked that a full range of options be considered, including a unilateral moratorium.

A working group headed by the National Security Council already has formulated some of the information from the various agencies in a draft of an executive summary, but it has twice been delayed in transmission to the President and is now being restructured, according to senior officials.

The National Security Council, in responding to Aviation Week & Space Technology, said that no decision has been made on a unilateral moratorium by the U.S.

The officials said the President believes he can prove evidence of good faith on the part of the U.S. by a willingness to unilaterally impose a halt to underground testing of nuclear weapons and that, in so doing, he may be able to get negotiations started again toward a more comprehensive strategic arms limitation agreement with the USSR.

Agencies conducting the study requested by President Carter do not openly oppose the unilateral moratorium even though officials at the agencies privately express some concerns over such a move without a quid pro quo from the Soviets.

Major objections appear not to be based on a halt that could affect the warhead development for the mobile MX missile program or the development of U.S. cruise missile warheads but rather on a deterioration of capability that might occur if nuclear weapons testing is halted and a number of skilled scientists and technicians leave the laboratories for other development areas. There also could be a problem with the availability of critical materials for warheads, already being experienced to a limited degree.

The Defense Dept. late last week was preparing to respond to the study request by telling the White House that a halt to nuclear wapons testing would not adversely affect the warhead development for the MX, the Lockheed Trident submarine-launched ballistic missile or the cruise missile programs.

The Pentagon position is that a nuclear device tested about a year and half ago under the code name Almendro meets the basic requirements of the MX warhead. The Almendro device is in the 400-kiloton yield range and can be reworked to meet requirements for the MX. Devices now in the nuclear weapons stockpile can be used to meet the warhead requirements for the USAF/Boeing air-launched cruise missile or the Navy/General Dynamics Tomahawk sea-launched cruise missile.

Major concern expressed by senior U.S. officials intimately familiar with the warhead development process is that size, weight and center of balance constraints may suffer if the Administration imposes a moratorium at this time.

"It's pretty early in the development cycle for sizing to have been accomplished for the MX or cruise missiles, and the devices which have been tested are only a point of departure for the final warhead design," one senior official explained.

He added that in the past the Energy Research and Development Administration (ERDA) laboratories at Los Alamos and Sandia always have worked closely with developers of the delivery vehicle in tradeoffs to optimize performance of the nuclear warhead within the design constraints and that not doing this will be a new method of doing business.

"The laboratories believe that it will require another three years of underground testing to adequately develop the warhead for the MX and the cruise missiles," another senior official said. He agreed that the Almendro warhead could be used. But he said it may not meet the throw weight optimum for use with the MX, and that it is too early to determine the center of balance problems that could later be encountered with the device, specially when placed on a mobile intercontinental ballistic missile with the range of the MX. The MX also will have a new reentry vehicle design, complicating the warhead packaging.

In the case of a new warhead for the cruise missiles now in development, the official said that the Defense Dept seeking a warhead for the SRAM–B (short-range attack missile). This would be a warhead for use on the short-range attack missile as well as for application to the cruise missiles. Such a warhead requires that the maximum yield be obtained within serious size and weight constraints and "requires a clever design to achieve this." The SRAM–B warhead is in the earliest stages of development. If it is halted now, the services can obtain a warhead from the U.S. stockpile in the 100–150-kiloton range, but it will not be optimal.

The SRAM–B missile is one of those weapons systems now marked for elimination in the first-round Defense budget cuts by the Carter Administration. The cuts initially total $2.8 billion and that includes delaying full-scale development of the MX system by a year and reducing funding from $294 million to $134 million, delaying operational capability until 1985.

The Energy Research and Development Administration was asked by the National Security Council to respond to the study of the effects of stopping nuclear testing now, but in addition the agency also was asked to assess the relative effects of the U.S. vis a vis the USSR. Agency officials are still preparing a response for President Carter, but the consensus is that the USSR already has accomplished in recent tests all of its aims in developing new warheads for the family of new ICBMs now being deployed and has adequately tested the warhead for its new 5,600-naut.-mi.-range SS–NX–18 submarine-launched ballistic missile designed for the Delta 2 submarine. "About all the Soviets still need to do is to tweak some of their naval weapons a little bit," one of the officials explained.

"With the MX device [warhead], we can get good yield if given latitude in weight, size and balance. There is still a lot of development to be done," the official said, "and from the questions being asked by the Carter people about warhead development, it is obvious that they really do not know what they are doing and have no real concept of what a moratorium will mean to the U.S. Certainly we can have a warhead for the MX and cruise missiles, and, yes, it will go off, but there is a lot more than that involved in successfully mating a device to a launch vehicle."

Air Force officials said the service would have to settle for an existing design close to the throw weight planned for the mirved MX. "It will not be exact or ideally suited for the missile and if left on our own we would develop a new warhead for the MX," an official said.

The Ford Administration's earlier imposition of the threshold test ban treaty and the treaty for peaceful nuclear explosions hampered development of the warhead for the Mk. 12A reentry vehicle to improve the Air Force/Boeing Minuteman 3 ICBM. The warhead finally was certified for the inventory, but it failed to achieve its design yield objectives.

The treaties imposed a threshold limit of 150 kilotons, but the U.S. has not allowed the ERDA laboratories to test even close to the maximum levels, even though the treaties have yet to be ratified by the Congress. During the past year, the Soviets have continued to test nuclear devices of 150-250-kilotons in locations normally reserved for warhead tests according to senior U.S. officials. Tests have been conducted at Novaya Zemlya for warheads for the new family of ICBMs now being developed in the USSR—SS–16, 17, 18 and 19.

The energy agency is not actively opposing the Administration in the study of the effect of halting nuclear testing, one official said, because it is only a study. "But the real reason is that ERDA is afraid of reorganization by the Carter people, and they are afraid that if they oppose the halting of nuclear testing ERDA's national security apparatus will be transferred to the Defense Dept., but not in one piece—weapons effects could go to the Defense Nuclear Agency and the laboratories might be parceled out to the various services. So, the Administration has ERDA completely tranquilized. This is a policy matter and, as a technical agency, ERDA has been strongly advised not to intervene," a senior U.S. official said.

A number of U.S. officials are perplexed over the possibility that President Carter may offer the Soviets a unilateral test ban. They believe that it is inconsistent with a U.S. initiative in progress over the past two years to modernize the tactical nuclear forces in the North Atlantic Treaty Organization (NATO).

A good deal of research and development already has been accomplished, but a great deal of testing is necessary to complete the development of nuclear devices for use with tactical weapons in Europe.

The effort was started to modernize the tactical nuclear weapons within the alliance. A number of weapons in the NATO inventory are antiquated and some even still use a gun type assembly with fissile material—the same design type used in early nuclear bombs.

The research and development effort is aimed at developing modern warheads that provide the President improved command and control, make the warheads less vulnerable to an accidental detonation and add safety devices to inhibit nuclear yield if the weapons fall into the hands of terrorists.

"Adequate testing of these devices is required," one official said, "so that going to a complete threshold test ban means on the one hand the President is saying improve NATO posture, and on the other taking away the means to accomplish it."

In a separate study of the minimum deterrence level of strategic delivery vehicles conducted for the White House by the Defense Dept., a level of about 250 submarine-launched ballistic missiles was used to gauge the concept of adequate deterrent. This effort reflects President Carter's initiative to seek a reduction of nuclear weapons by both sides, officials said. But it provides a whole new set of problems.

"The disturbing part of the study President Carter initiated on the minimum deterrence is that calculations of the levels of fatalities in the USSR are still very high using the limited number of SLBMs. This aids the case made by those people who have a minimum deterrence concept and to them proves the U.S. doesn't need many ICBMs. This is a dangerous process," one senior official said. "It also presents enormous verification problems, and it means that if the other side cheats on the numbers it becomes significant. If they had only 20 SLBMs more than permitted," it could mean that a nearly 10% increase in the force would become significant.

The Soviet Union is in the midst of an intense ballistic missile modernization effort. "One of the most significant improvements in military capability during this period has been missile accuracy. We now believe that previous estimates of the date of advance in Soviet technology in this area were underestimated by about four years," Lt. Gen. Alton D. Slay, Air Force deputy chief of staff, research and development, told Congress last week.

"The trends in Soviet missile production are equally disconcerting," he added. "They are mass producing highly sophisticated weapons, including high-yield multiple, independently targetable reentry vehicle, with as many as 10 warheads per missile. We estimate they have already deployed about 40 SS–17s, 50 SS–18s and 140 SS–19s. With respect to MIRV production, we foresee their arsenal growing by a factor of more than five by 1980," Gen. Slay said.

The SS–19 has a throw weight three to four times that of the SS–11 it is replacing and is capable of dispensing six reentry

vehicles, with each in the 340–400-kiloton range. The reentry vehicle system on the SS–19 is computer controlled, and the guidance can provide a capability to destroy U.S. ICBM silos with increased accuracy.

A liquid propellant ICBM, the SS–17 has up to four reentry vehicles each with a yield in excess of 200 kilotons. The single warhead is in the two-megaton range. The SS–19 has up to eight reentry vehicles and is the largest of the new ICBMs, with each warhead in the two-megaton range.

LEGISLATION FOR CONTROL OF GOVERNMENT GROWTH

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mrs. KEYS. Mr. Speaker, I am today introducing legislation which is designed to control the continuing growth of the Federal Government. My proposal, the Federal Agency Pilot Termination and Review Act of 1977 is a proposal commonly referred to as a "sunset" bill which provides for the initiation of an automatic termination and review process on a trial basis for six Federal agencies.

When a termination for a Federal agency comes up, a full-scale review of that agency would be made by the Office of Management and Budget, the Congressional Budget Office, and the General Accounting Office. Their evaluations would be reviewed by the appropriate oversight committees of the House and Senate. After public hearings, the committee could recommend that the agency be reestablished or modified by an act of Congress or simply allowed to lapse. If an agency is renewed, it would automatically be subject to the same termination and review process after 6 years.

In order to get this review process started, this legislation directs that three agencies be reviewed by October 1, 1979: The Civil Aeronautics Board, the Federal Aviation Administration, and the Occupational Safety and Health Administration. Three more agencies would be reviewed by October 1, 1980: the Federal Maritime Administration, the Federal Energy Administration, and the Interstate Commerce Commission. Following this trial procedure, all Federal agencies under the jurisdiction of Congress would be similarly reviewed.

As I am sure my colleagues are aware, bureaucracies have a seemingly endless existence. Most of them start out as a small number of people carry out a legislative directive of the Congress and become full-fledged giants with hardly a blink of the eye. Effective Government should not impose the feeling on Kansas or other Americans that they are the victims and not the beneficiaries of Government.

The growth and duplication of the Federal Government's agencies have certainly added unnecessary layers of redtape to the administration of Federal programs. A lean and well organized Federal structure is demanded if Government is to succeed at its first priority—serving its own citizens.

It is my hope that this proposal will be carefully considered by my colleagues in the House:

H.R. —

A bill to establish a pilot system for the periodic review and for the termination, continuation, or reestablishment of Federal agencies and independent regulatory agencies

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Agency Pilot Termination and Review Act of 1977".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds that a large number of Federal agencies and independent regulatory agencies have been established, but that there exists no provision for a review and rejustification of the existence of such agencies. The Congress further finds that the establishment of a legislative system for the automatic termination of each Federal agency or independent regulatory agency, with provision for thorough review of the justification for each such agency's existence, and for its continuation or reestablishment, is desirable in the public interest.

(b) The purpose of this Act is to—

(1) establish a schedule for the automatic termination of the Federal agencies and independent regulatory agencies listed in section 3;

(2) provide for the continuation or reestablishment of each such agency for a period not to exceed six years after a thorough review of the justification for the existence of each such agency; and

(3) serve as a pilot demonstration for the possible expansion of the termination and review process to all Federal agencies and independent regulatory agencies.

TERMINATION

SEC. 3. The authority for the following Federal agencies or independent regulatory agencies shall expire and each such Federal agency or independent regulatory agency shall terminate, subject to section 4, according to the following schedule:

(1) By October 1, 1979—

(A) the Civil Aeronautics Board;

(B) the Federal Aviation Administration; and

(C) the Occupational Safety and Health Administration, Department of Labor.

(2) By October 1, 1980—

(A) the Federal Energy Administration;

(B) the Interstate Commerce Commission; and

(C) the Federal Maritime Commission.

CONTINUATION OR REESTABLISHMENT

SEC. 4. (a) Each Federal agency or independent regulatory agency listed in section 3 shall continue in existence until October 1 of the next succeeding year following the year in which it was terminated. The expiration of any such authority and the termination of any such Federal agency or independent regulatory agency shall not reduce or otherwise limit the powers or authority of any such Federal agency or independent regulatory agency until October 1, 1970 in the case of Federal agencies or independent regulatory agencies set forth in section 3(1), or until October 1, 1981, in the case of Federal agencies or independent regulatory agencies set forth in section 3(2).

(b) The term of any Federal agency or independent regulatory agency scheduled for termination in section 3 may be continued or reestablished by law for periods not to exceed six years.

HEARINGS

SEC. 5. (a) Prior to the termination, continuation, or reestablishment of the Federal agencies or independent regulatory agencies listed in section 3, the appropriate committees of the Congress having legislative jurisdiction or oversight responsibilities with respect to such existing Federal agencies or independent regulatory agencies shall hold public hearings to receive testimony from the public and from the chief executive officer of any such Federal agency or independent regulatory agency. The General Accounting Office, the Congressional Budget Office, and the Office of Management and Budget shall each provide full and separate evaluation studies of each affected Federal agency or independent regulatory agency to the appropriate committees of the Congress at least three months before any such public hearings are held.

(b) It shall not be in order in either the House of Representatives or the Senate to consider any bill terminating, continuing, or reestablishing any Federal agency or independent regulatory agency, or the report on any such bill or resolution unless the committee of the House and Senate to which any such bill or resolution was referred have held full public hearings on such bill or resolution.

PROHIBITION

SEC. 6. No more than one Federal agency or independent regulatory agency shall be established, continued, or reestablished in any bill submitted in the Senate and the name of such Federal agency or office shall be mentioned in the title of any such bill.

TRANSFER PROVISIONS

SEC. 7. (a) All officers or employees of any Federal agency or independent regulatory agency terminated pursuant to section 3 and which ceases activities shall be entered on such lists for appointments in the competitive services as the Commissioners of the Civil Service Commission may deem appropriate, except that no such officer or employee compensated as provided in subchapter II of chapter 51 of title 5, United States Code, shall be so transferred except as otherwise provided by law.

(b) Subchapter I of chapter 35 of title 5, United States Code, is amended—

(1) in section 3501(b) by striking out the period at the end thereof and inserting the following: ", and except as provided in section 3505.";

(2) in section 3502(a) by inserting after "in force" the following: "or a termination pursuant to the Federal Agency Pilot Termination and Review Act of 1977"; and

(3) by adding at the end thereof the following new section:

"§ 3505. Agency termination

"(a) When an agency is terminated pursuant to the Federal Pilot Termination and Review Act of 1977 each present or former career or career-conditional employee, or excepted employee who—

"(1) has received a reduction-in-force or separation notice;

"(2) is in receipt of compensation under subchapter I of chapter 81 of title 5, United States Code; or

"(3) is under sixty years of age, has been retired under section 8337 of title 5, United States Code, and is subsequently found by the Civil Service Commission to have recovered from his disability or to have been restored to earning capacity; and

who is employed by a Federal agency or independent regulatory agency terminated pursuant to section 3 of the Federal Agency Pilot Termination and Review Act of 1977 which has ceased activity shall be entered on such lists for appointments in the competitive service as the Commissioners of the United States Civil Service Commission may deem appropriate, except that no such officer or employee compensated as provided in subchapter II of chapter 51 of this title, shall be so entered except as otherwise provided by law.

"(b) The Commissioners of the United States Civil Service Commission shall estab-

lish a program for the placement of the officers and employees of a Federal agency or independent regulatory agency terminated pursuant to section 3 of the Federal Agency Pilot Termination and Review Act of 1977 and which has ceased activity in appropriate positions in private industry."; and

(4) in the chapter of analysis of chapter 35 by inserting after:

"3504. Preference eligibles; retention; physical qualifications waiver."

the following:

"3505. Agency termination.".

(c) The Attorney General shall assume the responsibilities of any Federal agency or independent regulatory agency terminated pursuant to section 3, and which ceases activities, in all matters, including hearings or other actions, then pending before any such Federal agency or independent regulatory agency and in all actions pending on the date of such termination in any court of the United States or of the several States or of the territories or possessions of the United States, and to which such Federal agency or independent regulatory agency was a party, for the purpose of terminating all such matters consistent with the cause of justice.

(d) The Attorney General may, in his discretion, appoint such hearing examiners under section 3105 of title 5, United States Code, as may be necessary or appropriate for the purposes of taking such testimony and rendering such decisions involving administrative hearings, adjudications, or rulemakings by any Federal agency or independent regulatory agency terminated pursuant to section 3 and which ceases activities as may be necessary to the cause of justice.

(e) All contracts to which a Federal agency or independent regulatory agency which is terminated pursuant to section 3 and which ceases activities is a party shall be terminated as for the convenience of the Government.

TECHNICAL AMENDMENTS

SEC. 8. (a) Chapter 2 of title 1, United States Code, is amended—

(1) by inserting after section 105 the following new section:

"SEC. 106. The title of all bills or resolutions introduced in the Senate which establish, terminate, continue, or reestablish any Federal agency or independent regulatory agency shall contain the name of any such Federal agency or independent regulatory agency.";

(2) by redesignating section "106" as section "107";

(3) by redesignating section "106a" as section "108";

(4) by redesignating section "106b" as section "109";

(5) by redesignating section "107" as section "110";

(6) by redesignating section "108" as section "111";

(7) by redesignating section "109" as section "112";

(8) by redesignating section "110" as section "113";

(9) by redesignating section "111" as section "114";

(10) by redesignating section "112" as section "115";

(11) by redesignating section "112a" as section "116";

(12) by redesignating section "112b" as section "117";

(13) by redesignating section "113" as section "118"; and

(14) by redesignating section "114" as section "119".

(b) The table of sections in chapter 2 of title 1, United States Code, is amended to read as follows:

"Sec.
"101. Enacting clause.
"102. Resolving clause.
"103. Enacting or resolving words after first section.
"104. Numbering of sections; single proposition.
"105. Title of appropriation Acts.
"106. Title of Senate bills or resolutions; Federal regulatory agencies.
"107. Printing bills and joint resolutions.
"108. Promulgation of laws.
"109. Amendments to Constitution.
"110. Parchment or paper for printing enrolled bills or resolutions.
"111. Repeal of repealing act.
"112. Repeal of statutes as affecting existing liabilities.
"113. Saving clause of Revised Statutes.
"114. Repeals as evidence of prior effectiveness.
"115. Statutes at large; contents; admissibility in evidence.
"116. United States treaties and other international agreement; contents; admissibility in evidence.
"117. United States international agreement; transmission to Congress.
"118. 'Little and Brown's' edition of laws and treaties; slip laws; treaties and other international Act series; admissibility in evidence.
"119. Sealing of instruments.".

DEREGULATION OF NATURAL GAS

HON. BOB GAMMAGE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. GAMMAGE. Mr. Speaker, I am pleased to bring to your attention, and to the attention of my colleagues, a recent article published in Texas Monthly, in which Paul Burka and William Broyles of Texas Monthly engage Alexander Cockburn and James Ridgeway of the Village Voice, in discussing the deregulation of natural gas.

It is my candid opinion, that highlighted in the interchange is the regional perspective on the natural gas shortage and the solutions of that shortage, and it is my pleasure to share this article with my colleagues:

BEHIND THE LINES

On a cold day in early February our friends Alexander Cockburn and James Ridgeway of the *Village Voice* called from New York and asked Paul Burka and me to argue the "Texas" case for natural gas deregulation. They would then present the Eastern case, and print both in the *Voice* under the general head "The New Civil War." What follows is our argument and their reply. We have also written a final postscript to show the unfortunate but persistent errors in their thinking. Since they had the last word in New York, we thought it only fair to have the last word in Texas. Truth will out.

DEAR ALEXANDER AND JIM: Cold up there, eh? Well, it's no picnic down in the Sunbelt. Schools have been closed from Birmingham to Dallas; natural gas has been curtailed here in South Texas. Times are hard everywhere. You didn't listen last year when we told you that one hard winter would show you the error of your ways. Okay. We'll try again.

Regulation of natural gas has been one of the most disastrous, short-sighted economic policies this nation has ever pursued. Two fundamental elements of an intelligent energy program should be (1) to encourage exploration for new reserves and (2) to promote conservation. Regulation of natural gas has had the exact opposite effect. For at least ten years, the price of newly discovered natural gas sold on the interstate market has been kept at artificially low levels by the Federal Power Commission (FPC). At one point in the early seventies, the FPC allowed producers selling to interstate pipelines only one-sixth the price that was being paid to producers who sold to the unregulated market inside Texas. Put another way, would a writer rather sell an article to the *Village Voice* for a nickel a word, or (to keep it in the family) to the *National Star* for 30 cents? Social conscience goes only so far.

As a direct consequence of regulation, the intrastate market gets virtually all the newly discovered gas, while the interstate market suffers drastic shortages. The current system actually works to our advantage in Texas. Sure, we have higher gas prices—around $2 per thousand cubic feet (mfc) for new gas—but at least we have gas, and we're not forced to import liquid natural gas from Algeria at $4 per mcf. You should be storming Congress *demanding* deregulation. But no: what you want is *our* gas at *your* prices. There is a simple rule involved here: no one is going to explore for gas if it isn't economically feasible. Sadly, in the future gas is going to be harder to find, more expensive to recover.

Opponents of deregulation like to point out that regulated prices are based on an 18 per cent rate of return—which, they say, ought to be enough to stimulate exploration. But this rate is based on the *historical* costs of wells drilled years ago, and not *future* costs; it can never give producers the economic flexibility to explore for new—and costlier—gas. It's like fixing the price of meat based upon feed costs ten years ago. One of the most unfortunate consequences of FPC regulation has been to drive many independent producers—the wildcatters who have traditionally taken the biggest risks and drilled the most wells—out of the gas business. As a result, the gas industry, once far more diverse than the oil industry, is becoming more and more concentrated in the hands of the major energy companies.

That old horse about deregulation being a tax on the poor won't run anymore. It is no more a tax on the poor to deregulate natural gas than to fail to regulate all the other basic commodities of life, from bread to newspapers. The fact is that only 10 per cent of the total price New Yorkers pay for natural gas goes to the producers. (The great bulk goes to Con Ed for its distribution system, the rest to the interstate pipeline company for transportation.) Besides, only a tenth of the total natural gas supply is so-called new gas that would be sold at deregulated prices. The price of gas under existing long-term contracts or in existing fields would not change. If the price goes to the unregulated Texas price, most gas bills would rise less than 5 per cent.

Anyway, we've been paying many times your rates for years now. Not only are we the nation's largest producer, we are also the largest consumer. Half of our natural gas stays in Texas, and 95 per cent of our electric plants are gas-fired boilers. The higher prices we are now paying mean that we will have to convert those boilers to coal, but we realize that this has to be. Natural gas must be reserved instead for residential and industrial use, and higher prices mean, simply, more conservation. Exhortation is no substitute for the powerful incentive of higher prices. We have been wasteful and are ready to repent. In the process, we could all stand to reexamine the tax structure, not only to encourage more conservation, but also to provide for those too poor to afford higher prices. Tax policy is an infinitely more efficient way to handle the problems of the poor—and to prevent windfall profits—than price regulation could ever be.

Since deregulation makes so much sense,

the question we keep asking ourselves is, Why aren't you folks for it? We think we know: it all has to do with trust. You've harbored deep suspicions about Big Oil ever since the heyday of John D. Rockefeller. Even now your politicians claim that the shortage is contrived and issue calls for investigations, overlooking the fact that the FPC has repeatedly checked out such charges and found them baseless. Anything the big energy companies support, like deregulation, you're instinctively against. We understand that feeling. We've dealt with them all our lives: even though they prime our economy, they also dominate and subvert our Legislature, pollute our air and water, and complain about their taxes—and the rest of us pay more because of it. Just because they support something, however, doesn't automatically make it wrong.

One other thing. We don't mean to be thin-skinned, but we don't think you really trust us modest, lovable Texans either. That's all right, we've been through this before. First you took our cotton, then our cattle and timber, then Eastern money took over Texas oil in 1901. We've been on the short end of the colonialism stick as long as we can remember. Now you want our gas. Well, sure, you can have it. It's just that we'd like to set a fair price for it—say, at least what we have to pay for it ourselves—and we'd like to know that there'll be some around when we need it. We've all heard your impassioned pleas for fair prices and fair treatment for Chilean and Bolivian tin miners, Central American fruit growers, etc., etc. Think of us as some more colonials who'd like a little fair treatment ourselves.

Here's hoping summer comes soon.

BILL AND PAUL.

AUSTIN.

DEAR BILL AND PAUL: Let's get a couple of things straight. The gas shortage was not caused by Federal Power Commission price controls over producers. All during the sixties, indeed up until 1968, production and total reserves of natural gas were increasing rapidly. It was during this period that the FPC was regulating the price of gas. The shortage began in 1968. Interestingly enough, it was in that year that the Supreme Court upheld the government's right to regulate producer prices.

What happened, despite all your manly chest pounding about Texas rights, is that the major gas producers (which are the major oil companies) went on a strike of capital and commenced their decade of blackmail to get the controls removed.

You conveniently ignore all the detailed analyses presented to Congress which make it clear that the producers have indeed failed to develop and bring gas to market. These analyses include private economic reports for the utilities industry presented to Congress as early as 1968, extensive investigation by the Federal Trade Commission, endless economic studies by the staff of the Federal Power Commission, capped last year by a series of the most specific reports of the House Commerce Investigation Subcommittee under the chairmanship of Representative John Moss.

Texan chauvinism may prevent you from attaching any credibility to such ample evidence, but surely you can bring yourselves to read your own mouthpiece—*The Oil and Gas Journal*. In an article dated June 23-1975, this house organ of the energy business reported that only 48 of 1068 Gulf of Mexico tracts leased since 1970 are producing gas. At the same time, the U.S. Geological Survey, which is the government agency in charge of overseeing energy production in the public domain, identified more than 60 leases held for two years or more on which not a single exploratory well had been drilled.

You keep talking about *your* gas. An increasing amount of natural gas is not yours at all. It is in the public domain and consequently is held in trust for all the people in this country. You impertinently suggest that the wildcatters and energy giants with whom you appear to sympathize should be permitted to use national resources and freeze the poor to death if their balance sheets are not satisfactory.

We will say one thing for you Texans: you actually admit you are being exploited and appear proud of this fact. You say you pay higher interstate rates for gas. We might as well say that citizens get mugged a lot in Manhattan and that the practice ought to increase in Austin as well.

Then you make some virtuous noises about "conservation." We had to laugh when we read this since in your own letter you also admit that "your" precious gas is actually squandered in the making of electricity.

You have a fixation with Algeria, saying that we ought to be held up to ransom by you rather than by the Algerians. In fact, costly "Algerian" natural gas will be sold up and down the East Coast by you Texans, this time in the form of El Paso Natural Gas, which made the crafty calculation that if it could not rob us by land, it would rob us by sea.

Look, Bill and Paul—let us help you slog through the morass of your own Texan [expletive deleted]. Natural gas is the only energy resource that has any meaningful regulation stopping the absurd profiteering by energy companies and making fuel available to millions of people at a more or less tolerable rate. Ever since the *Phillips* decision in 1954, the companies have been trying to get rid of this regulation. Now, at last, the energy companies have got a cold winter to blackmail Congress with.

You talk about being colonials down there in Austin. Don't be so underdogged. We are all colonialized by the energy industry. What's needed is far stricter interstate supplies to areas of great need and to control the outrageous intrastate markets that you seem so proud of. And finally, the increasing amount of gas in the public domain territories ought to be strictly controlled and produced by public organizations. It may sound odd to you folks down in Texas, but there is no room for profit when people can freeze to death.

Yours coldly,

ALEXANDER AND JIM.

NEW YORK, N.Y.

Well, we tried to talk some sense. No matter how politically attractive price regulation might sound, in practice it has never worked. This is not simply bad luck: there is no way to graft price regulation onto a capitalistic economy. When the government fixes a price, it is either too high, causing overproduction (as with wheat in the fifties), or too low, causing shortages (as with natural gas today). It is time to end the futile search for the platonic price and start searching for gas.

The linchpin of the Eastern argument, as we suspected, is that the energy companies are holding out for higher prices, blackmailing and mugging the public into meekly accepting deregulation. Their facts, however, are largely fictitious. Natural gas production *increased* after 1968, peaking in 1973. The shortage was caused by booming demand, stimulated by the artificially low price, and not by conspiratorial plots to limit supply. It is true that most offshore tracts are undeveloped, but that supports *our* case, not theirs. This is simple economic behavior. One offshore platform costs up to $50 million, yet the regulated price is still based on the cheaper costs of recovering gas from old onshore reserves.

We don't mind paying the market price for gas (it's no more a mugging than the price of bread is) so long as we have gas to buy. It is time for Eastern liberals to accept that the days of cheap energy are over. They point out that natural gas is the only form of energy now under price control. Considering the result of that policy, we rest our case.

WILLIAM BROYLES AND PAUL BURKA.

ALL-ELECTRIC ECONOMY IS ANSWER TO FUEL CRISIS, SAYS CIVITAN ENGINEER

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mrs. LLOYD of Tennessee. Mr. Speaker, I am inserting in the CONGRESSIONAL RECORD an article from the November 1975 Civitan, by Mr. Paul A. Shoun, which explains in detail the critical energy crisis facing our Nation and discusses, with considerable expertise, the potential solution.

Mr. Shoun's remarks should provide food for thought for all my colleagues in the coming debate on energy.

The article follows:

ALL-ELECTRIC ECONOMY IS ANSWER TO FUEL CRISIS, SAYS CIVITAN ENGINEER

Our energy supply has become critical. When I considered the situation in the summer of 1974, I called it an "energy problem"—refusing to call it a "crisis". Now, more than a year later, there has been little progress toward a solution. Today, I must call it an "energy crisis".

People have begun to talk about the energy crisis but we still aren't getting any action. The engineering profession and the energy industry have talked for years about the imminence of an energy crisis but few people have paid any attention.

The reaction of most listeners has been "Yes, we certainly must do something about that problem some day." That "some day" has now arrived. The United States faces immediate curtailment of natural gas, rationing of all liquid fuels, shortages of coal, and programmed interruptions of electric power supply. Before long we must make some hard decisions. It would be tragic if those decisions are made without a clear, long-term, national, strategic goal in mind. Some seem to think that if we tighten our belts a little, get the Arabs and Israelis to be a bit more reasonable, and increase domestic production of oil and gas, the problem will go away. Unfortunately this is just not true. Complete exhaustion of world oil and natural gas resources is now within sight.

It has been more than two years since the Arab oil embargo, accompanied by quintupled price increases, blasted the western world's complacency about the assurance of an ample supply of low-cost energy. But we Americans still have no national policy for conserving energy or expanding domestic supplies.

How critical must the situation become before we can get a national energy policy? Must we totally exhaust some irreplaceable resources before we can decide to preserve and protect a few that are vital to our society? Apparently our only hope is through the Congress and I beg for your help. If you know of any way we can prevail upon this legislative body to deal with this vital subject while there is still time, I wish you would speak out.

CIVITANS CHALLENGED

This matter is so serious that I challenge you and Civitan International to use your collective influence in an effort to bring the gravity of this crisis to the attention of all

our citizens and political leadership while there is still time to recover. I can't think of a better example of "Building Good Citizenship" which is our Civitan slogan, than responding through a specially designed program to this energy crisis.

If my tone is pessimistic, it is because I think the circumstances require it. I am optimistic about the technology involved but pessimistic about the sociology and the politics involved.

We can no longer remain passive on conservation and negative on production incentives. We need a strong, positive energy policy now if there is to be a future. America must not be deceived by the hollow rhetoric of easy answers or bicentennial politics. We must face harsh energy realities and bite the bullet now. Last winter we talked about conservation a bit and did conserve electrical energy somewhat, but the nation as a whole has simply not taken this energy matter seriously yet.

We are rapidly depleting our oil and natural gas resources which are so vital for critical nonsubstitutable uses such as jet aircraft, large trucks, automobiles for long-distance travel, drugs, fertilizer, and petrochemicals, plastics, etc. Today these two products provide 78 per cent of all our present energy needs. The fact that we are about to run out of both defines the true nature of the energy crisis. We are burning oil and gas as though we wanted to get rid of them and saving coal as though it were just as scarce. This pattern just doesn't make sense.

To deal effectively with the crisis, we must sharply reduce our dependence upon oil and gas. We must shift to an energy base of fuels that are more abundant. This means relying on coal and uranium. Now these two energy sources have a similar trait—electricity is ordinarily the most practical form in which to convert their potential to use. This leads to the clear conclusion that the long-term solution to our problem is an electric economy.

Very likely, because you know I'm an electrical engineer you might be expecting me to say that. But as we look at all the evidence, the reasons for a shift to an electric economy are compelling.

COAL RESOURCES HUGE

The United States has 33,000 quadrillion BTU's of coal that can be recovered and used, compared to a tenth as much energy in the form of oil shale, tar sands, petroleum, and natural gas. (The BTU, or British Thermal Unit, is used as a standard measure that compares fuels in terms of heat or energy value.)

Now let's match resources against usage. Compared to their resource base (at the top of the chart), we see the enormous disparity in the use of oil and gas (the bottom part of the chart). Natural gas accounts for only 2 per cent of fossil resources, but 32 per cent of our total use. Petroleum is 3 per cent of resources, but 46 per cent of demand. In contrast, coal accounts for 90 per cent of fossil resources, but only 17 per cent of our usage. It is obvious what fuels are in serious trouble and why.

At the rate we were using them in 1972, our domestic petroleum resources would last about 31 years. Our natural gas would last about 34 years. On the other hand, at the low rate we were using coal in 1972, coal could last 2,700 years!

But with the imminent demise of oil and gas, what if coal had to pick up those uses? Then all fossil fuel including coal would be gone in 530 years.

However, those figures assume there won't be any growth in our use of energy, and we know that is not at all likely. What if our use of energy continues to grow at its historic rate of 4 per cent a year? We would use up all our oil and gas in just two decades. Within 78 years, all fossil fuels would be gone.

Thus, if we continue to use energy the way we have been doing, a child born this morning would see gasoline disappear completely from the market just about the time he gets his driver's license. And that same child could live to see the complete exhaustion of all fossil fuels.

PROBLEM IS IMMEDIATE

In fact, the problem is even more immediate than these figures indicate. The figures for oil and gas might cause us to expect two decades of grace in which to work out solutions. But we can't count on finding new reserves and expanding production right up to the date of depletion, then drop sharply to zero. Mineral production curves flatten off and then gradually decline with the peak occurring far in advance of total depletion.

Such is the case with U.S. oil and gas production. This chart (p. 4), which shows supply and demand to the year 2000, indicates that right about now oil and gas production are beginning to decline. And this even assumes the aggressive development of the Alaskan fields. That yawning gap between supply and demand can not be filled by reliance on imports. The Arab oil boycott dramatically demonstrated the political hazards of being dependent on imports.

If we were to attempt to close that gap with imports, by 1985 we would be importing more than half of our oil—at a cost of $25 billion a year! This figure is based on last year's oil prices; the amount would be much larger at prices currently being set by the producing nations. That would not only threaten our national security, but place an intolerable burden on our balance of payments.

While the political uncertainties and balance-of-payment deficits are major problems, there's an even more fundamental limitation on our ability to import oil—that of declining world production. M. King Hubbert, of the Geological Survey, estimates that world oil production will peak out and start to decline before the year 2000. This theoretical estimate, calculated on the basis of geologic limitations, is likely to be optimistic. We can expect that the oil-producing nations will, as a matter of national policy, strictly limit production rates.

The nature of our long-term energy problem, then, can be summarized as follows:

78 per cent of U.S. energy needs are supplied by oil and gas.

U.S. production of oil and gas has peaked out;

World oil and gas production will peak shortly;

Demand for energy will continue to grow.

Our strategic options for attacking the problem are very limited and very simple: We can sharply restrict energy usage or we can shift from our present reliance on oil and gas to an energy base of more abundant fuels.

Some people feel that energy conservation can solve our problem. Without question, the use of improved insulation, smaller cars, more-efficient appliances, recycling of materials, and similar efforts can help to some degree. Certainly, these worthwhile measures should be aggressively pursued. But it is wishful thinking to believe that conservation alone can solve the long-term problem.

Our waste of energy is serious—but not nearly as high as some might believe. Even what seems like a sizable reduction—say 20 per cent—would really do little to defer the depletion date for oil and gas. Truly deep cuts can be made only by substantial reductions in our standard of living—by mandate. I believe we see little evidence that people in this country would be willing to accept a permanent decline in living standards—especially if it's not necessary.

Even if Americans were willing to accept reduced living standards, this would not really change the world energy problem. Most of the world exists in terrible poverty, with truly compelling needs for improved living standards. The problem is to bring these nations toward the U.S. level, not drag the U.S. downward.

RISK OF FATALITY BY VARIOUS CAUSES

Motor vehicle: Deaths annually, 55,791; odds, 1 in 4,000.

Falls: Deaths annually, 17,827; odds 1 in 10,000.

Fires and hot substances: Deaths annually, 7,451; odds, 1 in 25,000.

Drowning: Deaths annually, 6,181; odds, 1 in 30,000.

Firearms: Deaths annually, 2,309; odds, 1 in 100,000.

Air travel: Deaths annually, 1,778; odds, 1 in 100,000.

Falling objects: Deaths annually, 1,271; odds, 1 in 160,000.

Electrocution: Deaths annually, 1,148; odds, 1 in 160,000.

Lightning: Deaths annually, 160; odds, 1 in 2,000,000.

Tornadoes: Deaths annually, 91; odds, 1 in 2,500,000.

Hurricanes: Deaths annually, 93; odds, 1 in 2,500,000.

All accidents: Deaths annually, 111,992; odds, 1 in 1,600.

Nuclear reactor accidents (100 plants): Death annually, 0; odds, 1 in 300,000,000.

CONSERVATION MAY NOT HELP

Actually, a reduction in U.S. living standards would produce surprisingly little help for the rest of the world. If U.S. citizens returned to living standards of our colonial days and transferred all our energy resources overseas, the world's oil and gas supplies would last less than one decade longer.

Because we can make only modest gains through conservation, our principal strategy must be to shift to more plentiful energy sources. Shifts in energy base are nothing new in this country. At the end of the Civil War, 80 per cent of U.S. energy was supplied by wood. By 1910 the energy base shifted from wood to coal, with coal supplying three-fourths of the total. The latest shift to oil and gas reached its peak last year, with those two fuels furnishing 78 per cent of the total. As oil and gas begin to decline in importance, we must fill the enormous void they will leave.

The two candidates already in the picture are coal and uranium. To give some comparison figures, world resources of coal are estimated at 170 quintillion BTU; uranium as used in present-day reactors at 70.

But we can use that uranium in so-called breeder reactors. Then we gain a seventy-fold increase in energy per pound. And because of the small quantities required in a breeder economy, we can afford to extract uranium at costs up to thousands of dollars per pound. This means we would greatly increase the magnitude of resources we could recover economically. Therefore the breeder reactor resource figure can be shown as 420,000 quintillion BTU—two thousand times the entire fossil fuel base.

NUCLEAR ENERGY BASE

From this it seems clear that the key element of our long-term energy policy must be to effect a shift to a nuclear-energy base. This would mean the use of the present reactor types for the next decade or two, and a shift to a breeder reactor for decades or even centuries thereafter. Then in the long-term nuclear picture there is one other possibility—known as fusion, which could recover energy from the world's seas. If the technical problems of fusion can ever be solved, that would mean a virtually unlimited resource.

In my discussion so far, I have largely ignored some highly-publicized energy resources such as geothermal, solar, winds, and tides. The truth is that all these seem likely to be of minor importance, and restricted to narrow applications. Geothermal steam in California won't heat houses in Chattanooga. The sun in Arizona isn't going to run a production line in Birmingham, Alabama. However, if these sources ever do become important, they—like nuclear and coal—will produce most of their output energy in the form of electricity. Thus, from the "supply" end of the energy process, there seems no alternative to an electric energy economy.

Even if we are successful in conserving some of our excess demand for energy, there still remains a gap between our actual needs and the domestic energy supplies available to us. We can't close the gap with imports—so our solution has to be through substitution.

In 1972, transportation, space-heating, process steam, and direct heat in industry accounted for nearly 80 per cent of the total use of oil and gas. If we are to achieve any significant reduction in the demand for oil and gas, we must do it in these areas.

Start with direct heat, used mainly by industry. Here, substitution is obviously feasible. Industrial furnaces and ovens that depend on various applications of electricity are already in common use. They are clean and efficient and often provide both economy and a higher-quality end product. As the prices of gas and oil rise and supplies dwindle, industry will turn increasingly to electricity.

Electric space heating is already increasing in use, but up to now it's primarily of the resistance type. But we also have the heat pump, which already is much more efficient than an oil or gas furnace. Heat pumps not only heat a home in winter, they also turn around and cool the home in summer.

The heat pump is now economically competitive in most parts of the nation. It should become the major means of heating and cooling space. Some estimates foresee that by the year 2000, some 70 million homes in this country will be electrically heated—30 million with the heat pump.

Next, let's consider what is called "process steam." It may surprise you, as much as it did me, to learn that process steam accounts for one-sixth of our total use of energy. Gas and oil-fired boilers provide 80 per cent of the process steam, and coal-fired boilers provide the rest. Of course we can expect that greater use of coal and electric boilers will significantly reduce the use of gas and oil for process steam.

Now we come to what may be the most critical test for electric substitution—transportation. Last year, transportation consumed nearly 60 per cent of our oil. If we can gain some headway here, obviously we will be making a tremendous contribution to overcoming the energy problem.

ELECTRIC POWER FOR TRANSPORT

We can't, of course, envision an automobile with a long cord. But much work is being done on battery research—about 20 million dollars a year, here and throughout the world. From that will shortly come new batteries with double the performance of the present lead-acid types. They'll recharge in less than half the time and last five times as long. By 1985, some forecasters are predicting batteries with four times the performance of lead-acid, and before the end of the century that figure might be ten.

There has been promising research with actual light delivery vehicles powered by electricity. Two experimental vehicles ran a 20-miles, 318-stop mail route in hilly terrain, accumulating some 5,000 road miles while consuming only 11 per cent of the energy used by normal mail delivery vehicles on the same run.

The fully licensed vehicles use only 12 kilowatt-hours of electricity for each run, compared with three gallons of gasoline used by regular post office vehicles over the same route.

This test program has demonstrated conclusively that battery-powered vehicles can perform missions of this nature—effectively, conveniently, and safely.

The electric vehicle most likely will find initial acceptance and application as a light van for urban service in fleet-type operations. By this I mean mail and parcel delivery, appliance servicing, telephone installation and maintenance—even taxis. Some authorities predict that there will be several thousand such vehicles in operation throughout the country within a few years.

From these beginnings, it would be possible to have 5 million electric vehicles of all types by 1985.

Also, by the year 2000, it is expected that we will have "horizontal elevators," such as those now in use at the airports in Tampa and Seattle-Tacoma. They will provide free transportation in urban centers, much as vertical elevators do in tall buildings today.

In addition, electrified trains may capture half of the intracity freight from trucks, and 10 per cent of the passenger traffic from airplanes. It is also estimated that electrified rapid transit will take about 12 per cent of the commuters out of automobiles.

Conservation and substitution can be useful in achieving a greater measure of energy self-sufficiency. For instance, it may be possible to achieve savings of as much as 20 per cent through conservation measures. Phasing out the use of gas and oil in the production of electric energy will save about 2 per cent. Coal will, of course, play an important role in this transition.

Coal must eventually replace oil and gas as the raw material for the petrochemical industry, as well as serve as the eventual source of liquified fuel for aircraft and similar applications. Coal can also substitute for the direct use of oil and gas in many end uses.

THE ELECTRIC ECONOMY

The electric economy can have a tremendously favorable impact on the imbalance between oil and gas supply and demand, as well as helping to avert the import problem. It is even possible to contemplate that we could become completely self-sufficient in our oil and gas supply, with no imports of those fuels. Here is how savings can be effected:

In transportation, the savings could amount to as much as 4 million barrels of oil a day.

In the residential and commercial sectors, the application of heat pumps to space heating—coupled with electric substitution for other energy needs in these sectors—offer major savings in oil and gas. The total effect would be to reduce demand by the equivalent of another 4 million barrels a day.

In the industrial sector, greater use of electricity for direct heat and the production of process steam offers potential savings of more than 5½ million barrels a day.

So altogether, substitution of electrical power in just the four areas of transportation, residential, commercial, and industry can mean total savings of nearly 14 million barrels of oil each day!

Obviously, the electrical industry is working hard to accelerate the development of products and systems which will make it possible for you and other consumers to switch to an electric economy.

URGENT NEED TO COMMUNICATE

But having the products is not enough. We also have an important responsibility for communicating the urgent need for shifting to an electric enonomy. I am afraid that some people—including a number of thought-leaders—believe that electricity is a villain in the story and is a major part of the problem.

If you ask the average person how to save energy, he will probably tell you to turn off the lights in the house. He might also mention driving more slowly or adding insulation, but his first impulse is to use less electricity.

I have even seen proposals that we stop electric shaving and return to lather and blades—ignoring the fact that the energy used to heat the water for just three days of conventional shaving would give you electric shaves for a full year!

A similar absurdity is the frequent suggestion that we call a halt to installing electric space heating for new homes, and use gas or oil instead. In the first place, this ignores entirely the differences of efficiency between the types of heating. Gas furnaces operate at far less efficiency than heat pumps.

It takes far more energy out of the ground to fuel a gas furnace than an electric heat pump, which is what we should be recommending. But even more important, every time a new gas or oil furnace is installed today, that means an implied 20-year commitment of fuels that are truly scare—oil and gas—in place of plentiful coal and nuclear fuels.

The public preoccupation with electric power as a villain in the energy picture is producing many such ill-founded recommendations. This is why we need to clearly understand and communicate to the nation the need for switching to an electric economy—and the need for using more, not less, electricity. Understand that this is not a call for wasting electricity, but for shifting to electricity and away from oil and gas.

NUCLEAR PLANTS—HOW SAFE?

This is also an appropriate point to ease your mind about the safety of nuclear power. The nuclear power industry has the best safety record of any industry I know. America's first commercial nuclear power plant—at Shippingport in Pennsylvania—has been operating safely, efficiently, and cleanly for 16 years. If 100 per cent isn't a good enough safety record, what is?

One myth that has been put forth is that the safety systems—the emergency core-cooling systems of nuclear plants—are untested. Thousands of tests, costing several hundred millions of dollars, have been performed on these systems since the mid-1960's to assure that the systems work. Sound engineering practice does not require the kind of full-scale test which the critics talk about, in order to be assured that the system will operate properly. You don't have to duplicate, for example, a skyscraper and set it afire in order to test whether its fire sprinkler system will do its job.

Fear of radiation is another bugaboo. Many people have been led to believe that nuclear plants emit gross amounts of radiation which contaminate anyone near a power plant. The fact is that I get larger radiation exposure from the bricks and stones in my home on Signal Mountain than you would from a nuclear power plant if you lived next door to it. If there's any risk from radiation from power plants, it pales into insignificance compared with what we get normally in traveling, eating, and just living.

Up to this point, I have considered the energy crisis in terms of physical and economic resources. We must also recognize that there is another important dimension.

ISSUE USED BY MALCONTENTS

The "Energy Crisis" has become the philosophic and spiritual battleground for countless vocal groups who are disenchanted with the role and direction of the United States. They welcome the crisis because they see within it the leverage to change the national direction to one which is more to their

liking. Their battle cry is "Change your life style!" They are against any strategy that would solve the energy problem by increasing the *supply* side of the equation, and they try to strangle these attempts.

There is nothing wrong with debate about life-styles; however, the American people must not be misled to think they have no option other than accepting lower living standards. The shift from oil and gas to an electric economy based upon nuclear and coal can provide virtually limitless energy sources, but we need to start shifting now.

There is a group of interveners in California working hard to impose a moratorium on all nuclear plants in operation or under construction in that state. This proposal, known as the "California Nuclear Initiative," has been certified to be on the June 1976 California primary election ballot.

This proposal is a cleverly drafted document oriented to public appeal and, with the underbrush cut away, seeks to shake public confidence by implying that environmental, health, and safety problems connected with nuclear power generation are inadequately dealt with by present federal law.

The principal proponent of this latest intervener effort is an organization calling itself "People for Proof," with offices in Los Angeles and San Francisco. According to the groups letterhead, supporters include: Another Mother for Peace, California Citizen Action Group, Friends of the Earth, Sierra Club, Zero Population Growth, Steve Allen, Alvin Duskin, Dr. John Gofman, Ralph Nader, and Donna Reed.

Passage of this California initiative could well signal a domino-like occurrence where the other states would rapidly adopt a similar moratorium. The denial of the energy output of all nuclear plants to the economy of the U.S. would have disastrous results and could result in the total depletion of our gas, oil, and even our coal reserves. There are 55 nuclear power plants in operation in the U.S., 62 more are under construction, and 107 are on order. At least 22 other nations of the world depend upon nuclear power to meet a portion of their energy needs. It is imperative that we be able to use nuclear energy so that we can save our precious oil and gas and bridge the energy gap until other resources can be found or processes developed to carry us on into the centuries to come. One practical fact that we should consider as we develop our energy plans is that, so far as I know, uranium isn't good for anything but to make bombs or use as a heat source for electrical energy. Certainly we are committed to the latter, and if this nation is to achieve President Ford's goal of 200 nuclear power reactors by 1985, we must have the public's understanding and support and we desperately need a national energy policy now.

COMMEMORATION OF KATYN MASSACRE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. DERWINSKI. Mr. Speaker, many people have expressed surprise over the fact that the Soviet Union is not abiding by the Helsinki accords, especially the provisions relating to human rights. However, anyone reviewing Soviet history since the Red Revolution would not find this surprising.

One of the most diabolical of Soviet crimes was the perpetration of the Katyn Forest massacre in which 15,000 Polish Army officers were murdered by their Red captors.

Recently, a commemoration of the Katyn Massacre was held by dedicating a memorial to the victims of Katyn. The ceremonies took place in Gunnersbury Cemetery in London last September. A report on the occasion carried by the quarterly publication, Polish Affairs, vividly describes the event. The report follows:

[From Polish Affairs publication]

KATYN—A BEACON FOR THE DEFENCE OF FREEDOM

Katyn has been called 'the crime without parallel'. Finally after 36 years Katyn got its memorial in Gunnersbury Cemetery in London.

A permanent, silent reminder of 14,500 Polish prisoners of war who were massacred near Smolensk in 1940.

The British Government, bowing to Soviet pressure, refused to send a representative to the unveiling, claiming that responsibility for the massacre was not certain.

The Rt. Hon. Julian Amery MP, former Junior Minister in the Foreign and Commonwealth Office under Sir Alec Douglas-Home in 1972, said after the ceremony: "I sent for all the papers that the Foreign Office has on the subject, some of them highly classified and still not publicly available, and read them all. It was perfectly clear that the Russians were responsible for the massacre."

Oven O'Malley, British Ambassador to the Polish Government-in-Exile, compiled in 1943, a report pointing to Soviet guilt, which was circulated to the King and the Cabinet.

Frank Roberts and Denis Allen, two of the officials involved, who later became British Ambassadors, wrote that there must be 'a presumption of guilt' against the NKVD.

'This is very disturbing'—wrote Alexander Cadogan, head of the Foreign Office.—'How would Britain, after the war, be able to punish Nazi war criminals if she condoned this atrocity? But everyone agreed that it had to be done. The alliance had to be preserved'.

The United States Congress however, has investigated the matter and declared the NKVD guilty of the Katyn crime.

The real truth of the Katyn massacre was exposed by Louis Fitzgibbon in his books 'Katyn—a crime without parallel' and 'Unpitied and Unknown', general W. Anders in the 'Crime of Katyn' and prof. Dr. Z. Stahl, 'The Crime of Katyn—Facts and Documents'. It is clear beyond any possible doubt or question that this massacre occurred at the hands of Stalin's troops, well before any Germans reached that area.

Mr. Winston Churchill MP, grandson of British wartime premier said: "The only people unrepresented were the guilty, the ignorant, and the ignoble. The British Government falls into the latter category. My grandfather never had any doubt that the Russians were responsible." He laid a large wreath on behalf of the Churchill family at the foot of the Memorial.

The Rt. Hon. Margaret Thatcher—the Leader of the Opposition—being at that time abroad, was represented by Mr. Airey Neave MP, who said: "This continued practice of the Government seeking to give no offence to the Russians means that their moral authority in world affairs is bound to be affected".

Lord Shinwell, former Secretary of State for War, and the only senior Labour figure present at the ceremony said afterwards: "I particularly regret that the Government has not sent representatives. What are they afraid of? The Big Bad Wolf".

Acton MP, Sir George Young, who was not at the unveiling, has criticised the Government's handling of the affair. He said: "Their refusal to be represented at the ceremony was an insult to the families of those who were slaughtered by the Russians in 1940. Other governments have now recognized that date of Katyn massacre was 1940, and that the perpetrators were the Russians. While there may have been some political advantage in sheltering from the reality 30 years ago, when we were fighting with the Russians against Germany, it is futile to uphold this myth any longer".

Mrs. Anne Armstrong, American Ambassador in London was officially represented by Mr. Louis Dale.

The National Association for Freedom was represented by their Chairman, Lord De L'Isle VC, KG, Lord St. Oswald MC, Sir Frederic Bennett MP, and Mr. Winston Churchill MP.

The Russians dissidents Natalyn Gorbonyevskaya and Victor Fainberg placed a wreath "from the Human Rights Movement in Russia to the defenders of Poland against Nazi-Soviet invasions in 1939 massacred by the Soviet security organs."

Altogether, 294 wreathes were laid at the memorial.

Unveiling ceremony was performed by Mrs. Maria Chelmecka, widow of one of the murdered men.

The obelisk of black Nubian granite, was flanked by two officers in uniform—an exiled Pole, Lieut. Dr. J. K. Karski, and reserve Major John Gouriet in uniform of the 15/19 Hussars. The latter is director of the National Association for Freedom, and he wrote in the "Daily Telegraph" (23rd September): "We should look upon this Memorial as a beacon for the spirit we have already fought two world wars this century . . . For could we possibly have survived the Battle of Britain (celebrated the very next day) without the aid of the 147 Polish pilots who destroyed 193 enemy aircraft over Britain during August and September 1940, for the loss of 30 killed? Surely without them "The Few" would have faced an impossible task."

The obelisk carries the gold inscription: "Katyn 1940." Underneath, inscribed in Polish, are the words "The conscience of the world cries for truth to be witnessed." In the foundation stone is buried a signed document stating: . . . "They were murdered in spring of 1940 by the Soviet NKVD (the secret police)."

Mr. Louis Fitzgibbon, chairman of the Katyn Memorial Committee, writing in the ceremony programme, said:

"The Katyn Memorial stands tall and proud to recall this dreadful act, thus bringing, it is hoped, some solace to the bereaved widows and other relatives of the slain and above everything, proclaiming the truth in a matter far too long hushed up by a conspiracy of silence.

It has taken all of five years to achieve this monument; years when every obstacle was placed in the path of the memorial fund by some who should have done all they could to help. Those people, like Pontius Pilate, said the monument is 'controversial'—that convenient word which provides an excuse for doing nothing or for running away. But despite all their efforts, the obelisk is here for all to see, and if it causes some to ponder upon man's inhumanity to man, it will have achieved a useful purpose."

THE TAX LAW "MONSTER"

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. KEMP. Mr. Speaker, it is no secret that the tax code has grown in size and complexity with each succeeding revi-

sion. As a result, the taxpayer merely becomes more and more frustrated and convinced that he is being treated unfairly. Since our tax system relies so heavily on voluntary compliance, this is a very serious problem.

Some cynics have suggested that the tax code is deliberately made to be confusing because the lawyers who draw it up are looking after their own interests. Obviously, the more complicated the law is the more demand there is for tax lawyers. Thus it is especially interesting when a prominent tax lawyer rises with a plea for simplification of the tax code. In the December 16, 1976, issue of the New York Law Review, Mr. Wilbur Friedman, president of the New York County Lawyer's Association, called the present tax law a "monster" which is wasting a vast amount of time needlessly in attempting to unravel its complexities. I agree entirely with these sentiments and I offer Mr. Friedman's comments for your consideration:

[From the New York Law Journal, Dec, 16, 1976]

TAX LAW A "MONSTER DEVOURING BRAINPOWER"

(By Wilbur H. Friedman)

The environmentalists tell us that we are wasting our *natural* resources. Our oil and gas reserves have been depleted, our farmlands have been damaged by the strip mining of coal. Our water supply is being reduced by excessive use. Pollution of our rivers and lakes is reducing our supply of fish.

But I have seen very little about the waste of our *human* resources because of the complexity of the tax law. The tax law has become a monster which is devouring brainpower needlessly.

Judge Learned Hand wrote this about the tax law in 1947 in the *Yale Law Journal:*

"The words of . . . the income tax . . . dance before my eyes in a meaningless procession: cross-reference to cross-reference, exception upon exception—couched in abstract terms . . . leave in my mind only a confused sense of some vitally important, but successfully concealed, purport, . . . which is within my power to extract, if at all, only after the most inordinate expenditure of time. I know that the monsters are the result of fabulous industry and ingenuity . . . but one cannot help wondering whether . . . they have any significance save that the words are strung together with syntactical correctness."

To illustrate what Judge Hand was talking about. I will read a single sentence from the Internal Revenue Code after these few words of background. Recent laws have imposed a tax on charitable foundations and in some instances a trust is taxed as a charitable foundation. But suppose a trust is partly charitable and partly non-charitable. Section 4947 deals with this subject. Now, the one sentence from this section.

"In the case of a trust which is not exempt from tax under Section 501(a), not all of the unexpired interests in which are devoted to one or more of the purposes described in Section 170(c)(2)(B), and which has amounts in trust for which a deduction was allowed under Section 170, 545(b)(2), 556(b)(2), 642(c), 2055, 2106(a)(2), or 2522, Section 507 (relating to termination of private foundation status); Section 508(e) to the extent applicable to a trust described in this paragraph. . . . Section 4944 (relating to investments which jeopardize charitable purpose) except as provided in Subsection (b)(3), and Section 4945 shall apply as if such trust were a private foundation."

MENTAL EXERCISE

Were you able to grasp the meaning of Section 4947? The section has sixteen cross-references, each of which has its own cross-references. To understand Section 4947, you must study the legislative background, parse out the cross-references, and then, after what would take even the trained tax practitioner hours of study, you might get the answer.

How does a section like 4947 get into the Code? It must be that Congress does not trust the Internal Revenue Service to interpret and enforce a more simply stated provision. But this perversity on the part of Congress is self-defeating. The following is from a statement of Representative Charles Vanik, of the House Ways and Means Committee:

"The Treasury has a backlog of more than 200 tax regulations . . . projects related to legislative changes made as long ago as the 1950's . . .

"The regulation writing process will never catch up with legislation. Millions of taxpayers and tax practitioners are left in Limbo and the course of tax litigation becomes strewn with wasted time, effort, and expense while tax regulations go unwritten."

EFFECT ON COURTS

What is the effect on the courts of the enormous amount of time required to apply these complex and obscure provisions? I quote from a recent issue of New York Times. Headline: "Judge Blackmun in Unusual Action Denounces 5 to 4 Ruling." The article deals with a case involving the relationship between the capital-gains tax and the provision permitting business losses to be carried back to earlier years.

The Treasury construed the provision against taxpayers. Numerous lower courts had decided the point in favor of taxpayers. The government pressed the question up to the Supreme Court which decided in favor of the government, 5 to 4. Including the lower courts, the question had been considered by thirty-three judges, who wrote sixteen opinions. Just think of the enormous waste of brainpower in the handling of this narrow question affecting only a small percentage of taxpayers.

We have sent men to the moon; they have left equipment on the moon which sends messages back to us. We have sent to Mars, 35 million miles away, a missile which landed there, did experiments with the terrain and atmosphere, and reported the results of those experiments. We have conquered diphtheria, tuberculosis, polio and smallpox. These are fine instances of the use of brainpower. But in terms of concentrated application of superior brainpower, there is no comparison between the amount of time devoted to the tax law as compared with the amount of time devoted to these important scientific and medical projects.

A month ago The Times reported that as a result of a high level of unemployment, there has been an increase in suicides and in physical and emotional ailments.

A recent national poll shows that the American public sets a high priority on improving the quality of life by curbing pollution, improving education, protecting privacy, and making products and working conditions safer.

QUESTION POSED

The contrast between our inability to improve the quality of our lives faster than we have, and to provide jobs for those able and willing to work, and our extraordinary advances in medicine and science, poses this question: would not the nation benefit if the legal brainpower now devoted to the tax law were released and applied to pursuits more attitude to our national goals?

We should have an Internal Revenue Code sufficiently brief and readable so that it could be understood and applied with relative ease, so that the great majority of our citizens could prepare their own tax returns, and so that the time of legislators, government personnel, practitioners, and courts could be devoted to matters of greater national importance.

The challenge to lawyers which the tax law's complexity presents is this: Can we convince Congress that simplification of the tax law will release for better use the human resources now needlessly devoted to the pursuits I have described?

I believe that the Internal Revenue Code can be stripped of dozens, perhaps hundreds, of sections, that the maximum rate can be reduced, and that many complexity producing deductions can be eliminated, all without any loss of revenue. If we lawyers will undertake this project to persuade Congress to simplify the tax law, we will be doing a great service to our nation.

AFDC RECIPIENTS TO RECEIVE REBATE CHECKS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. RANGEL. Mr. Speaker, when President Carter sent his economic stimulus package to Capitol Hill early in February, he proposed a number of measures for rejuvenating our sagging economy. Among these was a proposal to provide a $50 rebate check for those who file a tax return and for all social security, supplemental security income, and railroad retirement fund beneficiaries. However, the administration's package failed to include many of the most economically needy of our citizens: Aid for Families With Dependent Children—AFDC—recipients.

This was done according to testimony given by Secretary of the Treasury W. Michael Blumenthal because of the "administrative infeasibility" of identifying AFDC recipients. I contacted some fifteen State welfare agencies and was able to ascertain that it is indeed quite simple to identify AFDC recipients and to issue them rebate checks.

Upon my demonstration of the administrative feasibility of identifying and issuing rebate checks to AFDC recipients the House Ways and Means Committee overwhelmingly approved their inclusion in the rebate program.

I have received letters stating the administrative feasibility of identifying AFDC recipients and issuing them rebate checks from the States of New York, New Jersey, Ohio, Georgia, Pennsylvania, Arkansas, Massachusetts, Michigan, Texas, California, and Secretary of Health, Education, and Welfare Califano. The letters from New York State, Massachusetts, and from Secretary Califano follow:

DEPARTMENT OF SOCIAL SERVICES,
Albany, N.Y., February 10, 1977.

Hon. CHARLES B. RANGEL,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN RANGEL: There are over 350,000 families in New York State who re-

ceive public assistance via the aid for dependent children program. In addition, approximately 200,000 persons (singly or in families) receive home relief assistance. As currently designed the President's economic stimulus proposal denies these groups the privilege of participating in the tax rebate proposed. It is our understanding that the reason for this exclusion is concern about the mechanism by which such payment can be effected.

The concern is two-fold: first the problem of capturing the target group and delivering payment efficiently, and second, the need to guard against double payment. On this latter point we note that in New York City earned income is reported by approximately 10 percent of AFDC families but only .5 percent of HR recipients.

While there are several mechanisms which can be employed to deliver the tax rebate to these target groups, we recommend the following as administratively simple and easily implemented:

Each state would issue the rebate as a one-time supplement to its undercare caseload (AFDC/HR). The supplement would be issued as a separate check and the state would be reimbursed by the federal government.

Two groups must be removed from this population. These are (1) recipients who have earned income in the last taxable year, and (2) the unborn fetus claimed as a dependent. Information to enable one to do this is easily obtainable; such recipient groups would not receive the rebate. For example, New York City estimates that it can access this information for its entire caseload via computer, prepare lists, and punch up separate checks in four to five weeks. Given the lead time and the benefits to be realized we feel confident that each county in this state can prepare for this.

Accordingly I urge your consideration of including public assistance recipients in the rebate program.

Sincerely,

PHILIP L. TOIA,
Commissioner, State of New York Department of Social Services.

THE COMMONWEALTH OF MASSACHUSETTS, OFFICE OF FEDERAL STATE RELATIONS,
Washington, D.C., February 11, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: The Economic Stimulus program submitted by President Carter and soon to be debated by the Congress, will go a long way toward placing our economy on the road to stable economic growth. However, before the package is reported for floor action, I would urge that those persons receiving financial assistance under AFDC or state General Assistance programs be eligible to receive a rebate.

There are currently some 11 million persons receiving assistance under these programs throughout the country. In Massachusetts, there are 116,000 families receiving AFDC and 21,000 households receiving General Relief, representing a total of approximately 350,000 individuals. The Department of Public Welfare indicates that 25% of the household units receiving assistance have outside income. The income is from both earned and unearned sources.

Massachusetts and other states have the computer capability to exclude those households with outside income and issue a rebate to the remaining households. Household units with earned income can be informed by letter of their eligibility for the earned income credit. Households with unearned income can be advised to apply for the rebate through their local welfare office where the source of their outside income can be verified.

This system would preclude persons receiving financial assistance from receiving the rebate twice. If, for some reason, a few families were later discovered to have received the rebate twice, the overpayment could be deducted from their assistance grant.

In order for the Welfare Department to keep an accurate accounting of the rebate funds, the federal government should deposit the funds, as a grant rather than a reimbursement, in a separate state account, created exclusively for this purpose. The rebate funds should not be deposited in the regular AFDC account.

I am pleased that the rebate plan as submitted by the President includes Social Security beneficiaries and Supplemental Income recipients. I understand the Administration's plan would have covered welfare recipients if an appropriate system were available to distribute the funds. After several discussions with state officials, I am convinced that the system I have described will contain sufficient safeguards to insure that welfare recipients will receive the amount of the rebate to which they are entitled.

I would appreciate your support for extending the rebate to this group. It will allow all Americans to receive the additional money that will be helpful in stimulating demand throughout the economy.

Thanks for your help.

Sincerely,

THOMAS J. O'NEILL III,
Lieutenant Governor, the Commonwealth of Massachusetts.

THE SECRETARY OF HEALTH EDUCATION, AND WELFARE,
Washington, D.C., February 24, 1977.

Hon. CHARLES B. RANGEL,
House of Representatives, Washington, D.C.

DEAR MR. RANGEL: Thank you for your letter of February 15, 1977, relating to President Carter's Economic Stimulus Package and the omission of AFDC recipients from that proposal.

I, of course, was delighted with the action of the Ways and Means Committee to extend the rebate to AFDC recipients. As you suggested, I did bring this matter to the attention of the President, and he concurred with the objectives of your amendment.

Should the legislation be enacted, we will be prepared to work with state welfare offices to make sure the job gets done quickly and efficiently. Our staff is already working with the Treasury Department on this.

You may be sure of our continuing interest in this matter and that we will do what we can to support the inclusion of the AFDC population in this proposal.

Sincerely,

JOSEPH A. CALIFANO, Jr.,
The Secretary of Health, Education and Welfare.

VOTER APATHY

HON. JACK EDWARDS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 2, 1977

Mr. EDWARDS of Alabama. Mr. Speaker, the results of recent national and local elections have been shocking reminders of the increasing voter apathy in this country, and I would like to share with my colleagues one success story in approaching this problem.

A social studies instructor at St. Paul's Episcopal School in Mobile last fall decided to replace the standard semester term paper with a real-life practicum in the political campaign of each student's choice. The students fully involved themselves with learning about the political process and issues, and area candidates participated in the program. The program was so well-received that it is being repeated this year.

This is a commendable approach to the need for developing politically responsible and knowledgeable citizens. If more schools throughout the country worked as creatively at getting their students involved as this school did, our young people would develop today the good habits and awareness which will make them good voters tomorrow. As good voters, they would challenge and improve the quality of our candidates and elections, and our country would be assured of an even greater future.

I believe the following article will be of interest to my colleagues and to the schools in their districts:

APATHY DOESN'T LIVE HERE ANY MORE—OR A TRUE ACCOUNT OF THE EXPERIENCES OF ONE HIGH SCHOOL CLASS IN CAMPAIGN 1976

As national and local election returns came in this November 2nd, a group of seventy-seven seniors at St. Paul's Episcopal School in Mobile, Alabama felt more than the normal agony and exultation. The returns represented the fruits of over thirteen hundred hours of volunteer labor for various candidates in Mobile County. It was a resounding victory—for some of their candidates—but perhaps more importantly, a victory over apathy. Mobile County had a record turnout and the seniors felt they were responsible—and they may well have been right.

This all started very simply. As a teacher I despise reading warmed over term papers containing someone else's ideas on why to change the electoral college, etc. etc. Thus the inspiration (necessity being the mother of invention and all that). Several of last year's seniors had been extremely excited about their experiences in the primary campaigns; and what was good for a few . . . so I hit them with it the first day—"No term paper this semester"—"Aww"—"but we're going to put those ten hours you would have spent researching to better use." They were not exactly ecstatic, but were willing to humor me. Next I called local party offices to see if their candidates could use "say, twenty to thirty volunteers?" They were ecstatic.

The first thing I had them do was decide upon a candidate to work for. After getting advice from parents and friends and doing some research on their own, some signed on with the presidential campaigns, some the congressional candidates, and others with candidates for the three seats on the County Commission. I might more appropriately say that they chose up sides and started fighting, with me left to try and referee.

There wasn't a lot of what you would call political sophistication in those early battles; the most common epithet in the first weeks was "He's a red[neck]", followed closely by "He's a crook [i.e. incumbent, city-bred, without deep accent]. You can imagine how I fared as referee, being a (suspiciously) liberal democrat from Citronelle, Alabama (still say 'reckon'). I just ducked a lot. However with a little prodding

they grew into surprisingly able critics of our political system. And once they had mastered the intricacies of "lid laws" on county ad valorem taxes and industrial tax exemptions, and surveyed our incumbent congressman's voting record, they felt they were ready to take anyone on.

I suggested the candidates themselves—"ooooh"—the idea of having two opposing candidates there, face to face in the classroom really produced excitement. We made our invitations to the candidates hoping at least one or two could make it. Much to our surprise all the candidates accepted. I called back to explain that only five of my students were registered voters. They said they didn't care and were glad to have the chance to speak.

So there we were, fifty to sixty of us stuffed into a classroom asking a county commission candidate, "Is it true that you have smoked pot on several occasions?" or "Congressman Edwards, why does your opponent call you 'junketing Jack'?" or "Mr. Davenport, if you're elected to Congress, will you vote for the Humphrey-Hawkins Bill?" And you should have seen their faces—they were dead serious about all this. I think they were beginning to feel like politics had been invented just for them.

Don't get me wrong, not everyone was inspired; there were those who spent ten hours drinking cokes at Republican Headquarters. But there's also Daryl Ann who put fifty-seven hours into the Food campaign and didn't speak to me for a week after election day. Another girl, Ann, got so into the Carter campaign that she felt obliged to break up with a Republican boyfriend. There were also thirty or so who took a Saturday to pass out thousands of handbills to publicize Ford's visit to Mobile. In the middle, were those who plugged along doing less than glorious campaign chores, but asking intelligent questions and learning the why and how to of campaigns and elections.

The Administration at St. Paul's was so taken by the students' enthusiasm that they granted the seniors a working holiday on November 2. After a morning meeting, the students spread themselves all over the city to get out the vote by telephoning, giving rides, and babysitting or acting as poll watchers or "greeters" for their respective candidates.

You would have a hard time telling them they didn't make a difference. They'd tell you in a second that they were a real factor in Ford carrying Mobile County, while the state went to Carter. They'll also be quick to compare the county's 60% turnout to the 54% nation wide. And, you know, they can't wait until the municipal election campaign begins this spring—they say they can elect a city commissioner—Well, I'm not going to tell them they can't.

SENATE COMMITTEE MEETINGS SCHEDULED

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure beginning February 21, and until the computerization of this information becomes operational, the office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, March 3, may be found in the Daily Digest section of today's RECORD.

The schedule follows:

MEETINGS SCHEDULED

MARCH 4

9:00 a.m.
Armed Services
Tactical Air Power Subcommittee
To hold closed hearings on Air Force combat training programs and support programs.
224 Russell Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1978 for the Defense establishment.
1223 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to hear Defense Secretary Brown.
357 Russell Building

*Human Resources
To hold hearings on the nomination of Mary Elizabeth King, of the District of Columbia, to be Deputy Director of the ACTION Agency.
4232 Dirksen Building

11:00 a.m.
Foreign Relations
Subcommittee on Foreign Assistance
To receive testimony on human rights issues and their relationship to foreign assistance programs.
4221 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Coast Guard.
1224 Dirksen Building

MARCH 7

10:00 a.m.
Appropriations
Defense Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to receive testimony from Army officials on research, development, training, and evaluation.
1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Environmental Protection Agency.
1318 Dirksen Building

Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for military construction programs.
S-146, Capitol

Commerce, Science, and Transportation
Subcommittee on Science and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Human Resources
To consider recommendations which it will make to the Budget Committee on the fiscal year 1978 budget in accordance with the Congressional Budget Act.
4232 Dirksen Building

11:00 a.m.
Special Committee on Aging
Business meeting.
155 Russell Building

2:00 p.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on supplemental appropriations for fiscal year 1977 for the District of Columbia.
1114 Dirksen Building

Appropriations
Legislative Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Office of Technology Assessment.
S-128, Capitol

Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the St. Lawrence Seaway, Materials Transportation Bureau, Civil Aeronautics Board, and Interstate Commerce Commission.
1224 Dirksen Building

Human Resources
To hold hearings on the nominations of Robert J. Brown, of Colorado, to be Under Secretary; Carin Ann Clauss, of Virginia, to be Solicitor; and Donald Elisburg, of Maryland, and Ernest Gideon Green, of New York, each to be Assistant Secretary. All of the Department of Labor.
4232 Dirksen Building

MARCH 8

9:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to consider proposed legislation recommending changes in the Grain Inspection Act.
322 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Mines.
1114 Dirksen Building

Environment and Public Works
To resume consideration of bills proposing amendments to the Clean Air Act (S. 251, 252, and 253).
4200 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to receive testimony from Army officials on procurement programs.
1223 Dirksen Building

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to receive testimony on funds for migration and refugee assistance, and the U.S. Emergency Refugee and Migration Assistance fund, Department of State.
S-126, Capitol

Appropriations
HUD—Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Environmental Protection Agency and the Council on Environmental Quality.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW, to hear Secretary Califano.
S-128, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Bureaus of Government Financial Operations, Public Debt, and Alcohol, Tobacco and Firearms.
S-146, Capitol

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to hear testimony on Defense programs.
357 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Rules and Administration
To hold hearings on S. 703, to improve the administration and operation of the Overseas Citizens Voting Rights Act of 1975.
301 Russell Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

Special Committee on Aging
To continue its investigation of alleged fraudulent practices in medicaid and medicare programs.
1202 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 568, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear testimony on funds for International Narcotics Control, Department of State, and International Disaster Assistance, and the American Schools and Hospitals Abroad, AID.
S-126, Capitol

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Health, Education, and Welfare, to receive testimony on health programs.
S-128, Capitol

Appropriations
Legislative Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Congressional Budget Office.
S-146, Capitol

2:30 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

MARCH 9

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until Noon 322 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear officials of the Mining Enforcement and Safety Administration and for the Institute for Museum Services.
1114 Dirksen Building

Small Business
To hold hearings to consider the impact of product liability insurance on small businesses, and on S. 527, authorizing the Small Business Administration to furnish reinsurance for property liability insurers for small business concerns which would not otherwise be able to obtain product liability insurance on reasonable terms.
6202 Dirksen Building

Commerce, Science, and Transportation
To hold oversight hearings on the implementation of the Marine Mammal Protection Act.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue closed hearings on proposed estimates for fiscal year 1978 for the defense establishment.
1223 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the U.S. Tax Court, and units in the Executive Office of the President.
1318 Dirksen Building

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs.
S-146, Capitol

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW, to hear officials of the Health Services Administration.
S-128, Capitol

Banking, Housing and Urban Affairs
To mark up (1) proposed legislation authorizing funds for fiscal year 1978 housing program; (2) S. 417, the proposed National Neighborhood Policy Act; and (3) to review those items in the Presidential budget for fiscal year 1978 which fall within the committee's legislative jurisdiction.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to hear testimony on Agriculture programs.
357 Russell Building

Commerce, Science and Transportation
Subcommittee on Science and Space
To hold closed hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Environmental and Public Works
To hold hearings to review Presidential budget requests for fiscal year 1978 for the Federal Highway Administration.
4200 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

Special Committee on Aging
To continue its investigation of alleged fraudulent practices in medicaid and medicare programs.
Main hearing room, Longworth Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW, to hear officials of the Center for Disease Control.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public projects.
Room to be announced

Environment and Public Works
To resume consideration of bills proposing amendments to the Clean Air Act (S. 251, 252, and 253).
4200 Dirksen Building

Intelligence
Closed business meeting.
S-407, Capitol

MARCH 10

9:00 a.m.
Agriculture, Nutrition, And Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

Environment and Public Works
To hold hearings to review Presidential budget requests for fiscal year 1978 for the Nuclear Regulatory Commission.
4200 Dirksen Building

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear officials of the Geological Survey.
1114 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs to hear testimony on funds for the Peace Corps, the Inter-American Foundation, Interna-

tional Organizations and Programs, and U.N. Environmental Fund.
1318 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittees
To continue hearings on proposed budget estimates for fiscal year 1978 for certain units in the Executive Office of the President, and for the Office of Federal Procurement Policy
1224 Dirksen Building

Appropriations
Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear Navy witnesses on procurement programs.
1223 Dirksen Building

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs.
S–146, Capitol

Banking, Housing, and Urban Affairs
To hold oversight hearings on the state of the U.S. banking system.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget to receive testimony on welfare programs.
357 Russell Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S–407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards. (S. 682, 568, 182, 715).
5110 Dirksen Building

Environment and Public Works
To review those items in the Presidential budget for fiscal year 1978 which fall within its legislative jurisdiction with a view to making recommendations thereon to the Budget Committee.
4200 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for U.S. Postal Service, the Office on Federal Paperwork.
1224 Dirksen Building

MARCH 11

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

9:30 a.m.
Commerce, Science and Transportation
To hold oversight hearings on the implementation of the Marine Mammal Protection Act.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear Air Force witnesses on procurement programs.
1223 Dirksen Building

Banking, Housing and Urban Affairs
To continue oversight hearings on the state of the U.S. banking system.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on health programs.
357 Russell Building

MARCH 14

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies
To resume hearings on proposed budget estimates for fiscal year 1978 for the Veterans' Administration.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration; and to consider supplemental appropriations for fiscal year 1977 for activities falling within the subcommittee's jurisdiction.
1224 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration.
1224 Dirksen Building

MARCH 15

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 and on proposed supplemental appropriations for fiscal year 1977 for the Trust Territory of the Pacific Islands.
1114 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Council of Economic Advisers, the Council on Wage and Price Stability, the National Security Council, and the National Center for Productivity and Quality of Working Life.
1224 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Veterans' Administration, American Battle Monuments Commission, and for the U.S. Army Cemeterial Expenses.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S–128, Capitol

Energy and Natural Resources
To hold hearings on S. 9, proposed Outer Continental Shelf Lands Act Amendments.
3110 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S–407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 568, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Election Commission, the Civil Service Commission, the Defense Civil Preparedness Agency and the Federal Labor Relations Council.
1224 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S–128, Capitol

Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of the Department of Defense and AID.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S–128, Capitol

MARCH 16

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed supplemental appropriations for fiscal year 1977, and on proposed budget estimates for fiscal year 1978 for the administration of the Trust Territory of the Pacific.
1114 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear Secretary of Defense Brown.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S–128, Capitol

Banking, Housing, and Urban Affairs
To hold hearings on corporate bribery and investment disclosure legislation.
5302 Dirksen Building

Budget
To hold hearings in preparation of reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on the overall economic outlook.
357 Russell Building
Commerce, Science and Transportation
Consumer Subcommittee
To hold oversight hearings on causes of deaths and injuries involving cars and tractor trailers.
235 Russell Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration, with testimony on nuclear aspects.
3110 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol
10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

MARCH 17

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Indian Affairs.
1114 Dirksen Building
10.00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for the Purchase of Products and Services for the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Alcohol, Drug Abuse and Mental Health Administration, and Saint Elizabeths Hospital.
S-128, Capitol
Banking, Housing, and Urban Affairs
To mark up proposed legislation to extend the Export Administration Act and related matters.
5302 Dirksen Building
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget.
357 Russell Building
Commerce, Science, and Transportation
Subcommittee on Science and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To hold closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S-407, Capitol
10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building
2:00
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Health Resources Administration.
S-128, Capitol
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building

MARCH 21

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies. (i.c., telephones, computers, etc.)
235 Russell Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 929 and S. 689.
5110 Dirksen Building
Human Resources
Handicapped Subcommittee
To hold oversight hearings on developmental disabilities.
Room to be announced
Small Business
To hold hearings to consider the impact of product safety regulations on small businesses.
318 Russell Building
10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building
Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on the activities of the Electronic Fund Transfer System Commission.
5302 Dirksen Building
Energy and Natural Resources
To hold hearings on proposed legislation dealing with utilization of coal resources.
3110 Dirksen Building

MARCH 22

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Office of the Secretary; the Office of the Solicitor; and the Navajo-Hopi Relocation Commission.
1114 Dirksen Building
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies (i.e., telephones, computers, etc.).
235 Russell Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building
Human Resources
Handicapped Subcommittee
To receive testimony on the administration's legislative proposals for programs for the handicapped.
Room to be announced
10:00 a.m
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear officials of the Defense Communications Agency, Mapping Agency, Nuclear Agency, and Supply Agency.
1223 Dirksen Building
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
S-126, Capitol
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of the Assistant Secretary for Education and the Commissioner of Education.
S-128, Capitol
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on activities of the Electronic Fund Transfer System Commission.
5302 Dirksen Building
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on U.S. monetary policy.
357 Russell Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, to require reauthorization of Government programs at least every 5 years (proposed Sunset Act).
3302 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government, to hear public witnesses.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Institute of Education.
S-128, Capitol

MARCH 23

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Land Management.
1114 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies (i.e. telephones, computer, etc.).
235 Russell Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for elementary and secondary education programs.
S-128, Capitol

Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, to require reauthorization of Government programs at least every five years (proposed Sunset Act).
3302 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for school assistance in Federally affected areas and emergency school aid.
S-128, Capitol

MARCH 24

9:00 a.m.
Select Nutrition and Human Needs
To resume hearings to examine the relationship between diet and health, to receive testimony on beef consumption.
Until: 1 p.m. 457 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Smithsonian Institution.
1114 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for programs for education of the handicapped, and for occupational, vocational, and adult education programs.
S-128, Capitol

Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building

Energy and Natural Resources
To hold oversight hearings on the proposal for an international petroleum transshipment port and storage center to be located in the Palau District, Western Caroline Islands, Trust Territory of the Pacific Islands.
3110 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (proposed Sunset Act).
3302 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for higher education and welfare programs, and for library resources.
S-128, Capitol

MARCH 25

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear Congressional witnesses.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced

MARCH 28

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development.
1318 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings to inquire into domestic communications common carrier policies (i.e. telephones, computer, etc.).
235 Russell Building

Energy and Natural Resources
To hold hearings on proposed legislation dealing with utilization of coal resources.
3110 Dirksen Building

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (proposed Sunset Act).
3302 Dirksen Building

MARCH 29

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Fish and Wildlife Service.
1114 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear Congressional witnesses.
1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of Human Development.
S-128, Capitol

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor).
1224 Dirksen Building
Energy and Natural Resources
To hold hearings on proposed legislation dealing with utilization of coal resources.
3110 Dirksen Building
Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (proposed Sunset Act).
3302 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Technical Institute for the Deaf; the American Printing House for the Blind; Gallaudet College, and Howard University.
S-128, Capitol
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Administration.
1224 Dirksen Building

MARCH 30

9:30
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Park Service.
1114 Dirksen Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00
Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear congressional witnesses.
1223 Dirksen Building
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of the Export-Import Bank, and Overseas Private Investment Corporation.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Social and Rehabilitation Service.
S-128, Capitol
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To mark up proposed legislation on corporate bribery and investment disclosure.
5302 Dirksen Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resource
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil-shale technologies.
3110 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

MARCH 31

9:00 a.m.
Select Nutrition and Human Needs
To continue hearings to examine the relationship between diet and health, to receive testimony on the need for fiber in diet.
Until: 1 p.m. 3302 Dirksen Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Outdoor Recreation and the Land and Water Conservation Fund.
1114 Dirksen Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishments, to hear public witnesses.
1223 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Social Security Administration.
S-128, Capitol
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil shale technologies.
3110 Dirksen Building
Foreign Relations
Subcommittee on Oceans and International Environment
To hold hearings on S. Res. 49, expressing the sense of the Senate that the U.S. Government should seek the agreement of other governments to a proposed treaty requiring the propagation of an international environmental impact statement for any major project expected to have significant adverse effect on the physical environment.
4221 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office for Civil Rights, Inspector General, Policy Research and General Management.
S-128, Capitol
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

APRIL 1

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration
1224 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, on funds for New York City financing.
1318 Dirksen Building

APRIL 5

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Forest Service.
1114 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission.
Room to be announced

APRIL 6

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear Congressional witnesses.
1114 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear public witnesses.
1318 Dirksen Building
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission; Office of Consumer Affairs; and Consumer Information Center.
Room to be announced

APRIL 7

10:00 a.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs, on funds for NATO and classified programs.
S-146, Capitol

APRIL 18

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the

Department of Housing and Urban Development and Independent Agencies, to hear public witnesses.
1318 Dirksen Building

APRIL 19

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related Agencies, to hear public witnesses.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Administration.
1224 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Government Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine Government accounting and auditing practices and procedures.
3302 Dirksen Building

3:00 p.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development, to hear public witnesses.
1318 Dirksen Building

APRIL 20

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 21

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Government Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine Government accounting and auditing practices and procedures.
3302 Dirksen Building

APRIL 22

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 26

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

APRIL 27

Appropriations
Transportation Subcommittee
To continue hearings on proposed estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building

APRIL 28

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

MAY 3

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building

MAY 4

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 6

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 10

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building

Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine Government accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 12

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine Government accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 18

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978, to hear Secretary of Transportation Adams.
1224 Dirksen Building

MAY 24

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine Government accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 26

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine Government accounting and auditing practices and procedures.
3302 Dirksen Building

SENATE—*Thursday, March 3, 1977*

(Legislative day of Monday, February 21, 1977)

The Senate met at 12 meridian, on the expiration of the recess, and was called to order by Hon. WENDELL R. ANDERSON, a Senator from the State of Minnesota.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Lord our God, deliver us now from the tumult and turbulence of the world without, from the competing pressures of routine duties and from the confusion of many voices that we may hear Thy quiet voice bringing moral mending and renovated spirits to our troubled lives.

In this penitential season we lay bare our lives before Thee. If at times we have been cruel when we ought to have been kind, vengeful when we ought to have been magnanimous, vindictive when we ought to have been charitable, good Lord, forgive us. And as we are forgiven the overt and exposed sins, forgive also the little vices which lay waste life and linger in the deeper, hidden areas of the soul to blight the life and dim the holy vision.

Bring to this Nation pure religion, an elevated patriotism, and a sacrificial spirit, beginning in each of us. Brace us when we falter and give us wisdom and strength always to do the right. Keep us under the shelter of Thy redemption unto life eternal. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 3, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WENDELL R. ANDERSON, a Senator from the State of Minnesota, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. ANDERSON thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Wednesday, March 2, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. Does the Senator from Alaska seek recognition?

Mr. STEVENS. Mr. President, I yield back our time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New Mexico (Mr. SCHMITT) is recognized for not to exceed 15 minutes.

THE REQUIRED BALANCE OF DEFENSIVE FORCES

Mr. SCHMITT. Mr. President, today I wish to continue the discussion I began last week relative to the defensive balance which this country must maintain, in my opinion, if we are to have true national security, both in the present and in the long-time future.

In my first discussion, I tried to discuss in very general terms the actions which have been undertaken in recent years by the Soviet Union, our primary potential adversary on the world scene from a military point of view, that in their actions they have established trends which are leading toward an imbalance in the defensive postures of the major nations on this Earth, and that those trends have exposed all free peoples everywhere to great present and future danger.

The main thrust of the Soviet effort has been in major strategic and tactical weapons systems, but also we find great new emphasis on mechanisms of civil defense. They have, in the last several years, undertaken a major effort in research, development, testing, production, replacement, and operational readiness in a wide variety of strategic, tactical, and civil defense areas.

We must always examine what the intent of the Soviet Union may be in these efforts and in other activities that they undertake, such as those related to arms control. However, it is my firm belief, and I think it only prudent to believe so, that our own defensive posture should be geared to the capability of the Soviet Union rather than their intent. There are other threats to our security in this world at the present time, but obviously our focus must be directed in large measure toward the Soviet Union.

If these trends toward imbalance are real, and I believe that they are, what should be the U.S. response, in this Congress and in future Congresses, to reverse such trends? I think our primary goal should be to maintain the defensive balance until other initiatives in foreign policy can remove its necessity. In my third discussion sometime next week I shall discuss what some of those initiatives might be. At the present time, however, having a defensive balance in strategic, tactical, and civil defense systems restrains our adversaries, restrains local expansion by other nations, and I think most importantly encourages the free peoples of this Earth and the spirit of freedom in other peoples, so that idea of freedom never disappears from this planet.

Of course, another primary goal is never to use the strength that we maintain, and therein lies the national security paradox which I discussed at some length last week. We are not certain what the Soviet goals are, and therefore we must always be vigilant and prepared.

On the question of the strategic triad, those three major categories of weapons systems that provide what we call a nuclear deterrent, a balance of terror, or whatever other name you may wish to apply, let me suggest that we cannot avoid research and development on a new missile system such as the concept embodied in the MX. We must move toward greater security of our missile systems from a potential first strike, and mobility seems to be one of the best ways to insure that protection. We must look to new warheads, and if we are at some point not to partake further in weapons testing, then we must become very imaginative in our methods to insure that the warheads that we build are the best that are possible.

In strategic aircraft, of course, the primary concern at the present time is the B–1 bomber, and to what extent we should produce that particular weapons system.

I believe it is important in our discussions of the B–1 bomber, as well as discussions of cruise missiles and other types of atmospheric systems, that we remember that these types of systems can be defended against only with extreme difficulty. Even in our own case we are finding that fighting against low-flying cruise missiles is a very difficult proposition and, therefore, those weapons systems do provide a major component of the balance which we seek.

In the controversy surrounding a manned bomber such as the B–1 we must also remember that the manned bomber is the only type of weapons system in a strategic sense that can be recalled. We may become smart enough through research and development to learn to recall cruise missiles or something of that nature; however, the recall of a manned bomber is obvious and it may be necessary to do that on some occasions, to provide certain options for the foreign policy and the national security policy of this country.

The third component of the triad, of course, is the sea, and there I feel absolutely certain that we must move toward an improvement in the quality and in the numbers of our ships and submarines. I personally feel we should be moving toward a somewhat smaller and highly mobile surface and subsurface fleet, one which is better protected by being mobile and larger in numbers from antiship and sub defensive systems. Nevertheless, we can no longer afford to forget that the control of the sealanes is absolutely vital to the future of this country as we become increasingly dependent on the import of natural resources of our economic well-being.

With respect to the defensive capability against the strategic triad which the Soviet Union has developed so rapidly and improved so quickly, I believe we must have a critical new evaluation of the need for antiballistic missiles systems deployed in critical areas in this country. We must look at air defense. We do have the same problem as the Soviets do in defending against high-speed, low-flying aircraft or cruise missiles. We must develop some advance satellite surveillance systems, particularly those protected against destruction by the so-called hunter-killer satellites.

In the tactical systems area it is clear that we need to become much cleverer in how we produce these systems. We need more units that are less expensive but nevertheless incorporate the improved technology which this country is so capable of providing.

In personnel, we must look not only to the continuation of the Volunteer Army through appropriate incentives so that the Army is of very high quality and in a very high state of readiness. Maybe more importantly we should also remember the traditional concept of the citizen soldier who has served this Nation so well for over 200 years. In our National Guard and other reserve units we probably have our greatest strength in terms of the personnel aspect of tactical weapons systems.

With the proper incentives, the National Guard and other reserve units can

once again become the mainstay of our military system. I stongly recommend that, with advanced equipment, advanced training, improved pay and retirement benefits and incentives, we will find there is plenty of interest in joining the citizen soldier units around this country.

In the case of the National Guard we should not forget that it provides our States with strong capability for disaster relief, for law enforcement, and, in the final analysis, in the event of a major confrontation between us and a potential adversary, a very great capability in civil defense.

An area which may eventually constitute the fourth element of a tetrad concept in national defense, that is space, is one which we have probably ignored too long and must begin to consider very, very seriously. We not only need backup satellites, both in surveillance and communications areas, but we will probably also need in the not too distant future what one might call defensive satellites so that our surveillance and communications systems can be protected from potential attack.

We should remember that the introduction of man in space, which has occurred in the last two decades, has opened up a new area of possible defensive balance with respect to our activities in national security. The reason manned reconnaissance and communications satellites would add to the balance is that they raise the level of response that would be required if a manned space platform were attacked. In raising the level of response, we make any potential adversary much more cautious about taking on our particular space weapons systems.

With the development of the space shuttle, we now have moved a giant step forward by a more economical and more convenient transportation system into nearer space, hopefully to be largely used for peaceful purposes, for the benefit of this Nation and mankind in general. However, we cannot forget that we live in a very insecure world and there will be military purposes for that system.

In the area of civil defense it is important for us to once again consider and to begin to plan to implement civil defense systems and procedures. We must look at the planning required to disperse our population in the event of a threat of nuclear attack, to protect our industrial capability, and to educate our population about the purpose of civil defense activities and to the need to understand their implementation.

In this area of civil defense, we must, have the capability to be self-sufficient. We need what one might call a materials or a minerals deterrent. Obviously, in the field of energy right now we are almost 50 percent dependent on foreign imports of petroleum. We cannot allow this situation to continue in energy, nor can we allow it to worsen in other strategic minerals. We are extremely vulnerable in many of these areas. We must come to grips with this problem very quickly in this Congress and decide what we are going to do in the event of future embargoes on energy or other strategic minerals.

I believe the question before the Congress which is becoming more and more critical is: What should be our national energy policy? Clearly, it is one which is important to our national security as it is to the health and welfare of our people.

When we consider civil defense, in the final analysis we must remember that a good civil defense system negates the long-term value of any first strike capability that the Soviet Union might have.

The final matter which I wish to examine today is the question of basic research.

The Soviet Union's capability in basic research appears to be expanding very rapidly. We must continue to support and expand our support for basic research, both governmental and private, throughout this country, not only from the standpoint of national security, but also from the standpoint of other benefits provided by this research in physics, biophysics, and most importantly in our understanding of geology and the location of mineral deposits of strategic minerals.

In maintaining our defensive balance, of course, it is going to take money and other resources, particularly human resources, which there will be great pressure to apply to other pressing national problems.

We must work on all these problems. We must be willing to sacrifice wherever necessary for both our national security and our social welfare within this great country.

However, we must learn to use with much greater efficiency the available tax dollars so that these programs of defense and programs of compassion can proceed rapidly and effectively. I think there are many improvements that can be made in our management of the tax dollar. We shall have a chance to examine and debate some of these improvements as we discuss various reorganization plans that are being put before the Congress in this session.

Finally, because of the controversy surrounding the nomination of Mr. Paul Warnke to be our ambassador to the arms control talks in Geneva, let me suggest that, as we continue our search for areas of mutual restraint in the use of arms, with the very fervent hope that we shall never have to use this defensive strength that we are developing and must continue to develop, we remember that the Soviet Russians have a very different cultural heritage than do our own people. We must keep in mind their history, their attitudes, their motivations as we approach them at the conference table. I do not think it is safe or prudent to say, at this point in history, that the Soviet Union can be expected to act in the best interests of the United States of America.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma is recognized.

THE NONNUCLEAR LANCE

Mr. BARTLETT. Mr. President, in presenting his amended Department of Defense budget for fiscal year 1978, Secretary of Defense Harold Brown announced that he was canceling his request for $78 million for the procurement of 360 nonnuclear Lance missiles, and that the nonnuclear Lance program would be terminated. Fiscal year 1977 funds for the nonnuclear Lance are to be used to cover termination costs and to purchase spare parts for the nuclear version of the Lance missile. In taking this action, the Secretary has made an error in judgment which will be reflected in our reduced ability to conduct a conventional defense in Europe.

In January of this year, Senator SAM NUNN of Georgia and I presented a report to the Senate Armed Services Committee entitled, "NATO and the New Soviet Threat." In that report we commented on the numerous deficiencies in readiness that we had found among NATO forces. I am grateful that this report has been well received, but I am more concerned that the recommendations we made be given due consideration and that action be taken immediately to correct those problems facing our NATO forces.

It is my intention to follow up on the NATO report to insure that every step possible is taken to enhance the ability of our forces in Europe to deter war and meet an attack successfully if it should come. In looking at defense management practices, I shall be asking what they mean for our troops in Europe; in looking at the defense budget, I shall be asking what funds are designed to redress the imbalance in Europe. It is in this light that I have examined the decision by Secretary Brown to terminate the nonnuclear Lance program.

One of the major conclusions of our NATO report was that a "quantum jump is needed in NATO's conventional firepower," and that "in the long term, the quantum jump in NATO firepower necessary to counter the new Soviet threat can be obtained only by accelerated exploitation of ongoing technological advances in munitions and delivery systems." The nonnuclear Lance is just such a delivery system.

Mr. President, the growth of Soviet military capability in eastern Europe has been remarkable, and the most remarkable improvements have been in Soviet air forces, tactical air defense, and artillery and tank firepower. These developments mandate that the United States find some means to complement our own firepower and tactical air support forces.

Analyses of the prospects of a blitzkrieg attack on western Europe do not tell us that tactical air forces cannot operate in a high intensity air defense environment. But they do tell us that effective close air support for ground troops will be limited in those early days of the battle when air defense suppression and the achievement of air superiority must be given higher priority. Likewise, the poor weather which frequents the most likely European battlefields

will also, from time time, limit the ability of tactical aircraft to provide additional firepower to our hard-pressed ground units.

The Lance missile is a nuclear capable mobile missile with a range of approximately 125 kilometers. It has been deployed in Europe with our ground forces to provide tactical nuclear firepower against targets for which nuclear artillery and tactical air forces are not best suited. In addition, the Lance, along with the nuclear Pershing missile, is our response to the large number of surface-to-surface missiles which the Soviet Union has deployed against western Europe. But we have not yet given the Lance missile the nonnuclear capability which the Soviets have given their FROG and SCUD missiles, and this has left a gap in our firepower capability.

Termination of the nonnuclear Lance program would allow our ground forces to rely only on artillery with a range of approximately 20 kilometers to match Soviet firepower of far greater range over 30 kilometers with their new mobile 180 mm. gun. Beyond this disadvantage in range, is the question of firepower intensity. It would take 72 additional howitzers and 2,000 more combat troops to have the same increase in firepower, but at less range, which could be provided by the nonnuclear Lance.

Only 2 days ago, before the Senate Armed Services Committee, Gen. Alexander Haig, the Supreme Allied Commander in Europe, called the nonnuclear Lance an extremely effective system which would make a vital contribution to NATO's effort to overcome its deficiency in firepower. In particular, he pointed to the effectiveness of nonnuclear Lance against airfields, tank concentrations and SAM sites, and noted that the nonnuclear Lance would also be very effective in laying large minefields in the path of advancing enemy armored units. General Haig made it clear that he had spoken to the administration about his concern over the loss of this important system.

Just as the nuclear-armed Lance is needed to deter the use of tactical nuclear weapons by the Soviet Union, so the nonnuclear Lance raises the "nuclear threshold" because it reduces the necessity for the United States to fall back on its nuclear power to prevent the fall of Western Europe. With these incentives to continue the nonnuclear Lance program, it makes no sense to deprive our missilemen in Europe of this conventional weapon which is already in production for Israel, Italy, Belgium, the Netherlands, Great Britain, and West Germany.

Mr. President, the Army has consistently maintained that it needs the nonnuclear Lance and General Haig repeated that view this week. From my own observations in checking, the Army, from the privates right up to the generals, are unanimous in their support of the nonnuclear Lance program.

Last year, Congress voted overwhelmingly to keep the nonnuclear Lance despite an effort on the floor to kill this vital program. Mr. President, I urge every Member of the Congress to work for the reinstatement of the nonnuclear Lance program this fiscal year and to oppose the reprograming of funds already appropriated last year. Because of its importance to NATO, the nonnuclear Lance has been a program of special interest to the Congress in the past and will be of special interest again this year.

Mr. SCHMITT. Does the Senator from Oklahoma yield for a comment?

Mr. BARTLETT. Yes; I yield the remainder of my time.

Mr. SCHMITT. It is just a comment to congratulate the Senator on his remarks, to associate myself with them, and to point out that what he is saying is one detail, but a very important detail, of what I have been trying to point out. That is that we must have the strategic balance. It is not because we ever anticipate using it—sometimes that point is lost—but that without the balance, we may, in fact, either have to use something else, such as raising the nuclear threshold, or we may lose by default, because we shall have no weapons system that provides any balance whatsoever.

I do congratulate the Senator on bringing this particular point up. I am sure that there are many other matters in this area that he and I and others will address as the weeks and months go by.

Mr. BARTLETT. I thank the Senator from New Mexico, and I congratulate him on his remarks this morning, giving a larger viewpoint of the overall considerations. Certainly in all of this, our deterrence is not going to be effective unless it is believable, unless it is credible.

In order to be credible, it has to be sufficient to do the job.

This is what I am talking about and will be talking about on the floor in the next several weeks. There are several different programs that have been stricken from the budget which I think are vital to the security of Europe and vital, hence, to the security of the United States.

Mr. SCHMITT. If the Senator will yield one more moment, I think it is very important we discuss these things to make it clear to our colleagues and to the public the extent to which the Soviet Union has produced and is in the process of replacing major portions of their inventory, and that development of these kinds of advanced systems on our part is absolutely critical and absolutely necessary.

Unfortunately, there still seems to be opinion that the spirit of détente is alive and well in the Soviet Union—and I am afraid it is not.

There is no evidence whatsoever that they have reduced one iota their activity in major tactical and strategic weapons systems. I think we have to realize that as we go through the very distasteful task of creating the kinds of weapons that kill people. We are doing it, though, clearly because we do not want people either to be killed or subjugated more than they already are.

I thank the Senator.

Mr. BARTLETT. I agree with the Senator from New Mexico.

Mr. President, I yield the floor.

CONCURRENT RESOLUTION ON THE BUDGET, 1977—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of the conference report on Senate Concurrent Resolution 10.

The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 10) revising the congressional budget for the U.S. Government for the fiscal year 1977, having met, after full and free conference, have agreed to recommend and do recommended to their respective Houses this report, signed by all of the conferees.

The ACTING PRESIDENT pro tempore. The Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of February 28, 1977.)

The ACTING PRESIDENT pro tempore. Time for debate on the conference report is limited to 2 hours, to be equally divided and controlled by the Senator from Maine (Mr. MUSKIE) and the Senator from Oklahoma (Mr. BELLMON).

Who yields time?

Mr. MUSKIE. Mr. President, I yield myself 10 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Maine.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on the Budget be granted privilege of the floor during consideration of the conference report on Senate Concurrent Resolution 10: John McEvoy, Sid Brown, Van Ooms, Jim Storey, Dan Twomey, Tom Dine, Karen Williams, Mary Joe Checchi, Ira Tannenbaum, George Merrill, and Don Campbell.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the joint explanatory statement of the committee on conference be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. MUSKIE. Mr. President, 2 years ago this month the Congress moved to implement key provisions of the 1974 Congressional Budget Act.

Our decision in March 1975 to introduce the new budgetmaking procedures, a year ahead of schedule, was based upon hard economic necessity. Unemployment was rising precipitously; the Nation was entering what threatened then to be a deepening recession.

The need to shape a coherent budgetary and fiscal strategy for dealing with the economic situation was imperative. Congress traditional, fragmented approach to tax and spending questions, unfortunately, offered no means of establishing such a policy. The only hope lay in comprehensive budget control procedures set forth in the Budget Act.

From today's perspective it is clear

that Congress took the right course. Even as our present economic difficulties call for continued flexibility in the fiscal area, policies shaped in the spring of 1975 appear now to have been fully justified. Certainly our current position would be far less hopeful had we not chosen to move with determination at that time.

Incidentally, Mr. President, this Sunday's Washington Post contains an illustrative article on the role of the new budget process. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 27, 1977]

CONGRESS UTILIZING ITS NEW TOOLS IN CREATING BUDGET

(By James L. Rowe, Jr.)

The administration's budget is no longer the only federal spending and taxing plan in town.

Although attention has tended to focus on the budget proposals made by the President—be it Carter, or Ford before him—the government today is operating under a spending and revenue plan devised by Congress. In fact, while a presidential budget is an important statement of the priorities and economic policy of the executive branch and therefore a prod of incalculable dimension to Congress, the president by himself never has been able to appropriate a dollar or tax a citizen.

That power has been reserved to Congress since the start of the Republic. But until now, Congress has been at a terrible disadvantage when trying to understand the overall impact of its spending and taxing decisions. The White House alone had the machinery to propose programs, monitor spending and decide how much of society's resources it wanted to devote to federal programs.

Congress never before has been equipped to measure one program against another in terms of some sort of overall goals set out as spending ceilings and revenue floors. Now it is, and those spending and revenue levels it set in the formal budget it adopted in the fall are binding on legislators.

As a result, the House and Senate must formally revise the spending and revenue totals they adopted last September to accommodate an economic stimulus package—their own or the one proposed by President Carter last month. The need for tax and spending changes to cut unemployment and boost economic growth has been accepted by the administration and a majority of Congress. But the House and Senate cannot take floor action on most of the stimulus proposals until Congress adopts a revised fiscal 1977 budget.

The congressional budget process is in its infancy. After a trial run in fiscal 1976, Congress put together its first "real" budget—in which it forced itself to deal with overall spending and taxing rather than with each tax or spending bill separately—for the current fiscal year.

Congress adopted the process both for self-discipline and to give it the tools to deal with the president on an equal basis in spending and policy matters.

Nearly all spending programs look good in isolation. But when they are totalled up, they may far exceed the overall level of federal spending desired by Congress. The legislature not only sets overall spending ceilings for itself (now a spending bill which would cause Congress to exceed the ceiling is out of order), but the budget committees do a continuous policing job, telling legislators what passage of a particular bill will do to other established priorities.

To give it the ability to deal on an equal footing with the administration—to devise its own budget rather than react in one way or another a set of spending and taxing priorities devised by the executive branch—Congress established two policy-making committees (one in the House, the other in the Senate) with dozens of experts, as well as a joint Congressional Budget Office, headed by respected economist Alice Rivlin.

The Congressional Budget Office was conceived of as the congressional answer to the administration's Office of Management and Budget, which is directed by former Atlanta banker Bert Lance. The Congressional Budget Office is sort of a technical adviser to the policy committees—keeping track of the numbers and outlining budget alternatives without taking positions.

But a budget is more than a statement of spending and taxing. It is a major tool of economic policy. When the economy is lagging, as the administration and Congress judge it to be today, the budget can be used to substitute public demand for private demand by running a substantial deficit. When demand is heavy and inflation threatens, fiscal policy can tighten up and the budget can run a surplus.

The budget process gives Congress the mechanism to judge the overall fiscal policy effects of a program proposed by the White House and the ability to devise its own fiscal policy.

In the past, as one Hill staffer noted, a president would make his fiscal policy proposals—Carter's program to stimulate the economy calls for $13.8 billion in tax reductions as well as $2.2 billion in spending increases in the current fiscal year—and the tax writing committees would deal with the revenue portions and appropriations committees would work on the spending proposals. Until creation of the budget process, Congress was unequipped to deal with the package as a whole, however.

The Senate and House budget committees, headed by Sen. Edmund S. Muskie (D-Maine) and Rep. Robert N. Giaimo (D-Conn). judged the Carter package to be too small on the spending side. While the President asked initially for $1.7 billion in spending programs—and has revised his request up to $2.2 billion—the Senate has voted a spending package of $3.4 billion and the House wants to spend $3.7 billion. Members of the House and Senate budget committees will meet in conference Monday afternoon to iron out the differences in their budgets.

The new budget process can cause some confusion. At some times, such as now, there can be as many as four federal budgets on the table for the same fiscal year. For example, for fiscal 1977 alone, there is an amended budget proposed by Carter last month, a budget approved by Congress last fall which is still binding on the legislature, and two pending revisions to that budget, one approved Tuesday by the Senate and the other approved Wednesday by the House.

Even before Congress completes action on its amended 1977 budget, it will have to begin work on the budget for fiscal 1978. In one of his final acts as president, Gerald Ford proposed a budget for federal spending year 1978 (which begins Oct. 1, 1977), and last Tuesday President Carter sent to Congress his amendments to the Ford budget restoring many of the spending cuts Ford proposed and adding the second year of his two-year stimulus package.

By May 15, Congress must come up with a working budget (called the first concurrent resolution) and by Sept. 15, two weeks before the start of the fiscal year, must pass its second concurrent resolution which sets binding spending ceilings and revenue floors. The budget committees act in consultation with the various appropriations committees.

The budget resolutions set overall levels for spending, revenues, the public debt and the deficit, as well as the authority to commit the government to spend money either in the current fiscal year or beyond. They also contain detailed outlay and budget authority estimates for 17 different federal functions—such as defense and income security—but the only binding totals are the aggregate ones.

So a congressional budget formulated with the idea of, say, spending $100 billion on defense and $315 billion on other programs such as income maintenance, is not violated by actions which boost defense spending to $110 billion so long as other spending programs are reduced by $10 billion. But a spending bill which would raise outlays above $415 billion is out of order under the rules because it would violate the overall ceiling.

Many congressional observers have worried that the very discipline the budget process is designed to inject could spell the death of the process. Congress has tried to budget more rigorously before—most recently just after World War II—only to see the process founder when the body was forced to judge between two or more attractive spending programs.

Indeed, some observers see this year's decision to write a third budget resolution—which amends the "binding" ceilings adopted last fall—as a breakdown of discipline. House committee chairman Giaimo disagrees. In a recent interview, he said he is aware that Congress might be tempted each year to reopen previous decisions by writing a third resolution.

Giaimo argues, however, that the current economic picture is such that a third resolution is required.

But the New Haven Democrat maintains that revisions of final budgets must be rare if the budget process is to have any meaning. Muskie, his Senate counterpart, claims that if there were no provision to amend the budget this year, the budget process would have broken down because it is clear that Congress must take steps to stimulate the economy.

The congressional budget can differ sharply from the president's. A president can veto appropriations bills and, with very circumscribed authority, can choose not to spend appropriated money (although he can be forced to). For the most part, however, he must work within the budget range adopted by Congress.

Nevertheless, the presidential budget remains an important document. It provides masses of data, sets forth the spending and taxing priorities of an equal branch of the government and provides a benchmark to which congressional budget makers refer in constructing their own document.

And despite their seeming precision, budgets are very inexact documents. Differences ranging into the billions of dollars may be due to technical factors rather than policy divergence. If a congressional budget maker thinks a billion-dollar defense payout will be due in fiscal 1977, he will put it in his outlay total for that year. A presidential budget maker might realistically believe the payout will happen on Oct. 2, and not make provision until fiscal 1978. Their respective budgets will differ by $1 billion in outlays.

Or fewer people may claim food stamps or unemployment insurance than originally was thought, which would lower outlays below projections.

Budgets, presidential or congressional, are high-level, expert guesses. Even if they are off by 1 per cent, a trivial error as forecasts go, that is $4 to $5 billion at current spending levels, hardly a trivial sum.

Mr. MUSKIE. Mr. President, today Congress faces a new test of its budgetary process: The need to reshape an existing fiscal plan to meet changed economic realities. So far the process appears to be working as it was meant to. On Monday evening, Senate and House conferees agreed to a third budget resolution for fiscal 1977. The resolution accommodates a substantial program of economic stimulus for the current fiscal year, designed to invigorate an economy in which joblessness remains at an unexpected and unacceptable rate.

Mr. President, the question before the Senate is the adoption of the conference report on the third concurrent resolution on the budget for fiscal year 1977.

The purpose of this third budget resolution, Mr. President, is to revise the congressional budget adopted on September 16, 1976. This revision is necessary if we are to maintain vigorous economic recovery in view of current economic conditions.

The third budget resolution incorporates the revised spending ceilings and revenue floor within which Congress and the Federal Government must operate until next September 30. No legislation which would cause the spending ceilings contained in this budget to be exceeded or the revenue floor to be reached will be in order in either House.

The resolution will permit Congress to adopt a combined program of job-encouraging tax stimulus and payments to individuals amounting to $13.8 billion. It will allow additional spending $3.7 billion on programs for direct job-creation. At the same time it leaves it to the various Senate and House committees to define the actual specifics of the stimulus program.

Mr. President, the adoption of this budget resolution is necessary to accommodate congressional action on measures needed to stimulate the economy and to adjust the second resolution revenue and spending estimates to reflect changed economic circumstances, new program developments and supplemental requests from the administration. At the time the second budget resolution was passed, the Congress recognized that a deterioration in economic conditions might require additional Federal action to stimulate the economy. Passage of this additional resolution reflects the flexibility of the budget process. But the Budget Committee wishes to emphasize that additional resolutions are the exception and not the rule. The Budget Act specifically limits the use of additional resolutions to meet changed conditions, not simply to take account of matters which might have been considered in the first and second resolutions.

Current indicators reveal that the growth rate dropped to 3.2 percent in the last quarter of 1976. With an already high level of unemployment, harsh winter weather dealt the weakened economy a staggering blow. In response to the slowdown in the economy and a mounting jobless rate, President Carter proposed special stimulus measures late in January. Within 4 weeks, both Houses of Congress have held hearings, passed budget resolutions, and agreed to a conference report. The expedited action on this resolution is evidence of its extraordinary importance.

The spending levels and revenue floor in this budget resolution could accommodate President's Carter's stimulus proposals or such other stimulus proposals of similar magnitude that the Congress may wish to consider. The budget resolution before the Congress represents an acceleration of certain Presidential programs to maximize the job-creating effect in 1977.

The stimulus provided by this conference report will make it possible for the economy to regain its momentum this year. We anticipate real GNP will grow at a rate of 5½ to 6 percent during 1977 and bring unemployment to 7 percent or less by the end of the year. If responsible fiscal policies and practices are followed for fiscal 1978, the same rate should be sustained next year with a reduction in unemployment below projected estimates of 6 percent for 1979. This steady progress over the next 2 years would make a 5-percent rate feasible by 1980.

Mr. President, I now wish to detail the fiscal framework established by the conference.

The major decisions reached in the conference are as follows:

For revenues, the conferees agreed on a level of $347.7 billion. This is $1.1 billion below the House resolution and $900 million above the Senate resolution.

For budget authority, the conferees agreed on a level of $472.9 billion. This is $5 billion below the House and $5.9 billion above the Senate.

For outlays, the conferees agreed on a level of $417.45 billion. This is $1.7 billion below the House and $2.4 billion above the Senate.

For the deficit, the conferees agreed on a level of $69.75 billion. This is $600 million below the House and $1.6 billion above the Senate.

For the public debt, the conferees agreed on a level of $718.4 billion. This is $500 million below the House and $100 million above the Senate.

The levels agreed to in conference, Mr. President, are sufficient to accommodate a stimulus program of about $17.5 billion. Of this amount, some $13.8 billion represents tax stimulus and direct payments to individuals, and the remaining $3.7 billion represents additional spending for programs related to job creation, such as countercyclical assistance, local public works, public service employment, and programs aimed at the employment of youth. The stimulus level agreed to by the conferees is sufficient to permit consideration of stimulus programs of a magnitude proposed by President Carter, plus other initiatives proposed by the Congress such as emergency assistance to help low-income families meet high fuel costs resulting from the harsh winter this year.

Mr. President, I ask unanimous consent that a table showing the economic stimulus elements of the third budget resolution be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Third budget resolution economic stimulus—fiscal year 1977 revenue reductions or outlay increases

[In billions of dollars]

Tax stimulus and direct payments to individuals	13.8
Countercyclical revenue sharing	0.9
Local public works	0.4
Public service employment	0.7
Youth employment	0.6
Other stimulus programs including emergency assistance to meet fuel bills	1.1
Total	17.5

Mr. MUSKIE. I point out, Mr. President, that the Senate conferees prevailed in their position that the stimulus levels in the third budget resolution should be sufficient to permit the Senate to consider the stimulus proposals of the Carter administration plus the additional proposals that the Congress has under consideration. The House resolution assumed somewhat lower levels for stimulus programs which conformed to the proposed tax cuts and benefit payments for individuals that are contained in the stimulus bill recently reported by the House Ways and Means Committee. Had the Senate conferees receded to the House on this issue, the Senate would not have been able to consider the full request of the President in these areas. While not necessarily endorsing all of the specific proposals of the President, the Senate conferees deemed it essential that the Senate have the ability under the third budget resolution to consider fully the President's proposals. The conference agreement achieves that result.

Mr. President, the Senate conferees were also able to sustain the Senate position that earned income credit payments to low income families in excess of tax liability should continue to be treated as offsets to revenues. The House had proposed that these payments be treated as increases in spending—a position strongly opposed by the distinguished chairman of the Finance Committee, Senator LONG, in a letter to the Budget Committee and in a statement on the floor during Senate consideration of the third budget resolution. The conferees agreed to give this matter further study in connection with the first budget resolution for fiscal year 1978, in the hope that a common position can be developed between the Congress and the administration. The Senate conferees did agree, in response to the position of the House conferees, to treat any one-time stimulus payments to taxpayers in excess of tax liability—as has been proposed by President Carter—as a spending item in the income security function.

Mr. President, let me highlight quickly some of the more important decisions reached in the conference.

The proposed revenue level of $347.7 billion is, as I have already mentioned,

sufficient to cover tax cuts for stimulus purposes of a magnitude proposed by the President. This total consists of revenues under current law totaling $356 billion, tax cuts totaling $10.6 billion, and increased revenues as a result of the total stimulus proposals totaling $2.3 billion.

Highlights of the spending decisions are as follows:

In Function 050, National Defense, the conference agreement of $108.8 billion in budget authority and $100.1 billion in outlays assumes enactment of shipbuilding rescissions along the lines proposed by the House.

In Function 300, Natural Resources, Environment, and Energy, the conference levels of $18.7 billion in budget authority and $17.2 billion in outlays are sufficient to cover a possible program of assistance to low income families in meeting high fuel bills, now under consideration in the Senate.

In Function 350, Agriculture, the level of budget authority agreed upon—$2.3 billion—is sufficient to cover possible reimbursement to the Commodity Credit Corporation for losses incurred in fiscal year 1975, as had been proposed by the House.

In function 450, community and regional development, the conference level of $14.8 billion in budget authority and $10.55 billion in outlays is sufficient to accommodate a program of countercyclical assistance along the lines proposed by the President, with a start-up date of April 1, 1977.

In function 600, income security, the conference agreement of $170.9 billion in budget authority and $141.3 billion in outlays is sufficient to accommodate a housing assistance supplemental of $12.6 billion in budget authority, plus a possible stimulus rebate to taxpayers in excess of tax liability totaling about $1.4 billion in budget authority and outlays such as has been proposed by the President.

In function 950, undistributed offsetting receipts, the conferees assumed a level of $2.3 billion in Outer Continental Shelf leasing receipts, as proposed by President Carter in his budget revisions of February 22, 1977.

In the case of other functions and programs, Mr. President, the House and Senate resolutions were generally in agreement and therefore not at issue in the conference.

Mr. President, I further point out that, pursuant to section 302 of the Congressional Budget Act, the statement of managers accompanying the conference report on the third budget resolution contains revised allocations of the budget totals among the committees of the Senate that have direct spending jurisdiction or jurisdiction over entitlement programs that require appropriation action. In addition to conforming the existing allocations to the third budget resolution totals, this revised allocation takes account of the changes in budgetary jurisdiction among Senate committees as a result of the adoption of Senate Resolution 4.

Mr. President, I believe the proposed third budget resolution provides the proper framework within which the Congress can consider the stimulus measures necessary to put us back on the road to a healthy economic recovery for our Nation. It provides a budgetary framework that is necessary but prudent. Let no one misunderstand: the third budget resolution proposes a tight budget that will continue to require effort on the part of each and every Senator if we are to live within it. I believe we can live within it, and I urge my colleagues to support it.

EXHIBIT 1

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Houses to the concurrent resolution (S. Con. Res. 10), revising the congressional budget for the United States Government for the fiscal year 1977, submit the following joint statement to the House and Senate in explanation of the action agreed upon by the managers and recommended in the accompanying conference report:

GENERAL

The conference report revises the Second Budget Resolution for FY 1977 (S. Con. Res. 139, adopted September 11, 1976) in order to accommodate congressional action on measures needed to stimulate the economy. It also makes needed adjustments in the Second Resolution's revenue and spending estimates, adjustments resulting from changed economic circumstances and program developments and supplemental budget requests from the new Administration. The new budget aggregates and distributions by functional categories would be as follows:

BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES, FISCAL YEAR 1977

[In billions of dollars]

	House passed	Senate passed	Conference agreemen.
Revenues	348.8	346.8	347.7
Budget authority	477.921	467.0	472.9
Outlays	419.13	415.0	417.45
Deficit	70.33	68.2	69.75
Debt subject to limit	718.915	718.3	718.4
050—National defense:			
Budget authority	108.788	109.2	108.8
Outlays	100.077	100.1	100.1
150—International affairs:			
Budget authority	7.956	7.9	7.9
Outlays	6.841	6.8	6.8
250—General science, space, and technology:			
Budget authority	4.468	4.5	4.5
Outlays	4.406	4.4	4.4
300—Natural resources, environment, and energy:			
Budget authority	18.627	18.8	18.7
Outlays	17.209	17.2	17.2
350—Agriculture:			
Budget authority	2.355	1.6	2.3
Outlays	3.044	3.0	3.0
400—Commerce and transportation:			
Budget authority	17.313	17.3	17.3
Outlays	15.961	16.0	16.0
450—Community and regional development:			
Budget authority	15.023	14.3	14.8
Outlays	10.819	10.0	10.55
500—Education, training, employment, and social services:			
Budget authority	30.355	30.4	30.4
Outlays	22.620	23.2	22.7
550—Health:			
Budget authority	40.651	40.6	40.6
Outlays	39.283	39.5	39.3
600—Income security:			
Budget authority	174.993	166.3	170.9
Outlays	142.050	139.3	141.3
700—Veterans benefits and services:			
Budget authority	18.917	18.9	18.9
Outlays	18.130	18.1	18.1
750—Law enforcement and justice:			
Budget authority	3.524	3.5	3.5
Outlays	3.657	3.6	3.6
800—General government:			
Budget authority	3.560	3.5	3.5
Outlays	3.554	3.5	3.5
850—Revenue sharing and general purpose fiscal assistance:			
Budget authority	7.578	7.6	7.6
Outlays	7.696	7.7	7.7
900—Interest:			
Budget authority	38.287	37.9	38.0
Outlays	38.287	37.9	38.0
Allowances:			.8
Budget authority	.794	.8	.8
Outlays	.764	.8	
950—Undistributed offsetting receipts:			
Budget authority	−15.268	−16.1	−15.6
Outlays	−15.268	−16.1	−15.6

The economic goals and assumptions of the resolution for calendar year 1977 are as follows:

ECONOMIC GOALS OF THE RESOLUTION

Economic goals and assumptions of the resolution

[Calendar year; dollars in billions]

Item	*1977*
Gross National product:	
Current dollars	1,865.0
Constant (1972) dollars	1,325.0
Incomes:	
Personal income	1,517.0
Wages and salaries	991.0
Corporate profits	163.0
Unemployment rate (percent):	
Calendar year average	7.2
End of year	6.8
Consumer price index	5.9
Interest rate, 3-month Treasury bills	5.0

ECONOMIC STIMULUS PROGRAM

The conference substitute provides for additional stimulus of up to $17.5 billion—up to $13.8 billion in tax legislation stimulus and $3.7 billion in increased outlays during FY 1977. These amounts compare to the President's total proposals of $15.7 billion—$13.8 billion in tax legislation stimulus and $1.9 billion in increased outlays during FY 1977.

REVENUES

The Senate resolution provided for revenues of $346.8 billion. The House resolution provided for revenues of $348.8 billion.

The conference substitute provides revenues of $347.7 billion, based upon the following assumptions:

(1) revenue reductions of $10.6 billion, including possible postponement of the sick pay provisions of the Tax Reform Act of 1976, and

(2) budget authority and outlays in Function 600: Income Security of $3.2 billion.

The conference substitute includes as budget authority and outlays $3.2 billion which could accommodate the President's proposals for payments to certain low-income individuals. Of this amount, $1.4 billion represents an accounting shift in the Senate resolution from revenues to the Income Security Function. In addition, payments in excess of tax liability amounting to $856 million under the earned income credit provisions of the Tax Reform Act of 1975 are treated as losses of revenue. The managers recognize that a difference in budget treatment exists between the two Houses with respect to payments in excess of tax liability. The Committees intend to reconsider this question *de novo* during consideration of the First Budget Resolution for FY 1978 with the intent of developing a common position at that time between the two Houses and the Administration.

BUDGET AUTHORITY

The Senate resolution provided for a total new budget authority of $467.0 billion. The House resolution provided for budget authority of $477.921 billion. The conference substitute provides for budget authority of $472.9 billion.

OUTLAYS

The Senate resolution provided for outlays of $415.0 billion. The House resolution provided outlays of $419.130 billion. The conference substitute provides outlays of $417.45 billion.

DEFICIT

The Senate resolution provided for a deficit of $68.2 billion. The House resolution provided for a deficit of $70.330 billion. The conference substitute provides for a deficit of $69.75 billion.

PUBLIC DEBT

The Senate resolution provided for a public debt level of $718.3 billion. The House resolution provided a debt level of $718.915 billion. The conference substitute provides a debt level of $718.4 billion.

DISTRIBUTIONS BY FUNCTIONAL CATEGORIES

050: National defense

The Senate resolution provided budget authority of $109.2 billion and outlays of $100.1 billion. The House resolution provided budget authority of $108.788 billion and outlays of $100.077 billion.

The conference substitute provides budget authority of $108.8 billion and outlays of $100.1 billion. It assumes the House's position with respect to shipbuilding rescissions.

150: International affairs

The Senate resolution provided budget authority of $7.9 billion and outlays of $6.8 billion. The House resolution provided budget authority of $7.956 billion and outlays of $6.841 billion. The conference substitute provides budget authority of $7.9 billion and outlays of $6.8 billion.

250: General science, space and technology

The Senate resolution provided budget authority of $4.5 billion and outlays of $4.4 billion. The House resolution provided budget authority of $4.468 billion outlays of $4.406 billion.

The conference substitute provides budget budget authority of $4.468 billion and outlays of $4.406 billion.

300: Natural resources, environmental and cnergy

The Senate resolution provided budget authority of $18.8 billion and outlays of $17.2 billion. The House resolution provided budget authority of $18.627 billion and outlays of $17.209 billion. The conference substitute provides budget authority of $18.7 billion and outlays of $17.2 billion.

350: Agriculture

The Senate resolution provided budget authority of $1.6 billion and outlays of $3.0 billion. The House resolution provided budget authority of $2.355 and outlays of $3.044. The conference substitute provides budget authority of $2.3 billion and outlays of $3.0 billion. The increase over the Senate budget authority level is provided for additional reimbursement to the Commodity Credit Corporation for net realized losses.

400: Commerce and transportation

The Senate resolution provided budget authority of $17.3 billion and outlays of $16.0 billion. The House resolution provided budget authority of $17.313 billion and outlays of $15.961 billion. The conference substitute provides budget authority of $17.3 billion and outlays of $16.0 billion.

450: Community and regional development

The Senate resolution provided budget authority of $14.3 billion and outlays of $10.0 billion. The House resolution provided budget authority of $15.023 billion and outlays of $10.819 billion.

The conference substitute provides budget authority of $14.8 billion and outlays of $10.55 billion. The substitute would accommodate funding of counter-cyclical assistance implementing a revised formula effective April 1, 1977, as recommended by the President; and funding for disaster relief and Community Service Administration's home weatherization program.

500: Education, training, employment and social services

The Senate resolution provided budget authority of $30.4 billion and outlays of $23.2 billion. The House resolution provided budget authority of $30.355 billion and outlays of $22.620 billion. The conference substitute provides budget authority of $30.4 billion and outlays of $22.7 billion.

550: Health

The Senate resolution provided budget authority of $40.6 billion and outlays of $39.5 billion. The House resolution provided budget authority of $40.651 billion and outlays of $39.283 billion. The conference substitute provides budget authority of $40.6 billion and outlays of $39.3 billion.

600: Income security

The Senate resolution provided budget authority of $166.3 billion and outlays of $139.3 billion. The House resolution provided budget authority of $174.993 billion and outlays of $142.050 billion.

The conference substitute provides budget authority of $170.9 billion and outlays of $141.3 billion. It allows $12.6 billion in budget authority for a housing assistance supplemental, $3.0 billion below the amount in the House resolution. In addition, it makes adjustments in budget authority and outlays discussed under Revenues above.

700: Veterans benefits and services

The Senate resolution provided budget authority of $18.9 billion and outlays of $18.1 billion. The House resolution provided budget authority of $18.917 billion and outlays of $18.130 billion. The conference substitute provides budget authority of $18.9 billion and outlays of $18.1 billion.

750: Law enforcement and Justice

The Senate resolution provided budget authority of $3.5 billion and outlays of $3.6 billion. The House resolution provided budget authority of $3.524 billion and outlays of $3.657 billion. The conference substitute provides budget authority of $3.5 billion and outlays of $3.6 billion.

800: General government

The Senate resolution provided budget authority of $3.5 billion and outlays of $3.5 billion. The House resolution provided budget authority of $3.560 billion and outlays of $3.554 billion. The conference substitute provides budget authority of $3.5 billion and outlays of $3.5 billion.

850: Revenue sharing and general purpose fiscal assistance

The Senate resolution provided budget authority of $7.6 billion and outlays of $7.7 billion. The House resolution provided budget authority of $7.578 billion and outlays of $7.696 billion. The conference substitute provides budget authority of $7.6 billion and outlays of $7.7 billion.

900: Interest

The Senate resolution provided budget authority of $37.9 billion and outlays of $37.9 billion. The House resolution provided budget authority of $38.287 billion and outlays of $38.287 billion. The conference substitute provides budget authority of $38.0 billion and outlays of $38.0 billion.

Allowances

The Senate resolution provided budget authority of $0.8 billion and outlays of $0.8 billion. The House resolution provided budget authority of $.794 billion and outlays of $.764 billion. The conference substitute provides budget authority of $0.8 billion and outlays of $0.8 billion.

950: Undistributed offsetting receipts

The Senate resolution provided budget authority of —$16.1 billion and outlays of $16.1 billion and outlays of —$16.1 billion. The House resolution provided budget authority of —$15.268 billion and outlays of —$15.268 billion. The conference substitute provides budget authority of —$15.6 billion and outlays of —$15.6 billion. The managers assume an increase in anticipated Outer Continental Shelf receipts of $300 million from the amount in the House resolution.

ALLOCATIONS OF BUDGET AUTHORITY OUTLAYS TO HOUSE AND SENATE COMMITTEES

Pursuant to section 302 of the Congressional Budget and Impoundment and Control Act of 1974, the conferees make the following estimated allocation of the appropriated levels of total new budget authority and total budget outlays for fiscal year 1977 among the committees of the respective Houses:

SENATE COMMITTEE ALLOCATIONS PURSUANT TO SEC. 302 OF THE CONGRESSIONAL BUDGET ACT

[In billions of dollars]

Committee	Direct spending jurisdiction		Entitlements requiring appropriations action [1]	
	Budget authority	Outlays	Budget authority	Outlays
Appropriations	321.3	282.0		
Agriculture, Nutrition and Forestry	1.5	.2	7.3	7.7
Armed Services	[2]	[2]	8.4	8.3
Banking, Housing, and Urban Affairs	.5	−1.7		
Commerce, Science, and Transportation	.9	[4]	.2	.2
Energy and Natural Resources	.5	1.5	[3]	[4]
Environment and Public Works	3.7	.2		
Finance	173.7	170.8	37.8	33.1
Foreign Relations	6.7	8.5	.1	.1
Governmental Affairs	20.7	13.3		
Human Resources	4.1	4.1	2.4	2.2
Judiciary	.1	.1	.2	.2
Rules and Administration	[3]	[3]		
Veterans' Affairs	1.0	.6	13.0	11.4
Indian Affairs	.3	.1	[6]	[6]
Small Business	[7]	[7]		
Not allocated to committees	−62.2	−62.2		
Total	472.9	417.45	69.4	63.2

[1] All amounts shown in these columns are included under "direct spending jurisdiction" for the Appropriations Committee.
[2] Less than $15,000,000.
[3] Less than $40,000,000.
[4] Less than $20,000,000.
[5] Less than $35,000,000.
[6] Less than $25,000,000.
[7] Less than $500,000.

Note: Details may not add to totals due to rounding.

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT

[In thousands of dollars]

House committee function	Budget authority	Outlays
Appropriations Committee:		
National defense	$111,694,584	$101,200,503
International affairs	7,202,684	7,370,639
General science, space, and technology	4,498,726	4,396,874
Natural resources, environment, and energy	20,413,285	17,984,739
Agriculture	2,253,913	2,927,948
Commerce and transportation	13,858,340	17,680,297
Community and regional development	14,451,753	10,419,761
Education, training, employment, and social services	29,805,322	22,133,727
Health	23,476,053	23,382,229
Income security	61,199,237	39,958,134
Veterans' benefits and services	18,434,328	18,228,106
Law enforcement and justice	3,502,189	3,608,653
General government	6,903,150	6,916,894
Revenue sharing and general purpose fiscal assistance	5,402,481	5,384,753
Interest	1,000	1,000
Allowances	800,000	800,000
Committee total	323,897,045	282,394,257
House Agriculture Committee:		
Natural resources, environment, and energy	126,428	56,696
Agriculture	97,049	123,014
Community and regional development	126,301	3,207
Income security	83,747	38,945
Revenue sharing and general purpose fiscal assistance	70,039	70,039
Committee total	503,564	291,901
House Armed Services Committee:		
National defense	10,152	−15,700
Commerce and transportation	30	30
Veterans' benefits and services	12	15
General government	1	1
Committee total	10,195	−15,654
House Banking, Finance, and Urban Affairs Committee:		
National defense	0	600
International affairs	1,273,531	0
Commerce and transportation	−948,840	−1,602,529
Community and regional development	116,905	116,274
Education, training, employment, and social services	446	−813
Health	0	−86
Income security	15,378	−6,929
Veterans' benefits and services	0	−7,660
General government	3,500	2,955
Interest	7,836	7,836
Committee total	468,756	−1,490,352
House District of Columbia Committee:		
Community and regional development	832	832
Law enforcement and justice	5,911	5,894
Revenue sharing and general purpose fiscal assistance	40,000	40,000
Committee total	46,743	46,726
House Education and Labor Committee:		
Education, training, employment, and social services	59,232	31,987
Income security	3,916	3,317
General government	21	21
Committee total	63,169	35,325
House International Relations Committee:		
National defense	6,508,667	8,328,000
International affairs	70,414	75,990
Commerce and transportation	4,252	4,884
Income security	159,301	83,015
Committee total	6,742,634	8,491,889
House Government Operations Committee:		
General government	1,155	1,096
Revenue sharing and general purpose fiscal assistance	8,318,475	8,439,710
Committee total	8,319,630	8,440,806
Housing Administration Committee:		
General science, space, and technology	55	67
Education, training, employment, and social services	4,573	4,672
General government	35,000	7,970
Committee total	39,628	12,709
House Interior and Insular Affairs Committee:		
Natural resources, environment, and energy	120,765	39,581
Community and regional development	251,969	148,610
General government	32,641	37,391
Revenue sharing and general purpose fiscal assistance	162,050	161,218
Committee total	567,425	386,800
House Interstate and Foreign Commerce Committee:		
Commerce and transportation	15,593	15,973
Health	1,600	1,802
Income security	3,981,532	3,983,646
Revenue sharing and general purpose fiscal assistance	5,185	85
Committee total	4,003,910	4,001,506
House Judiciary Committee:		
Natural resources, environment, and energy	300	278
Income security	34,176	3,403
Law enforcement and justice	0	−6,447
General government	167,018	167,025
Committee total	201,494	164,259
House Merchant Marine and Fisheries Committee:		
International affairs	2,328	2,328
Natural resources, environment, and energy	105,931	91,783
Commerce and transportation	369,276	−34,502
Revenue sharing and general purpose fiscal assistance	4,300	7,000
Committee total	481,835	66,609
House Post Office and Civil Service Committee:		
Commerce and Transportation	5,171	4,771
Health	0	−10,928
Income security	16,564,900	9,118,337
General government	4,134,566	4,143,698
Committee total	20,704,637	13,255,878
House Public Works and Transportation Committee:		
Natural resources, environment, and energy	43,173	1,136,805
Commerce and transportation	4,063,239	−1,863
Community and regional development	42,078	51,154
Committee total	4,148,490	1,186,096
House Science and Technology Committee:		
General science, space, and technology	3,000	4,840
Natural resources, environment, and energy	−29,064	−29,064
General government	0	1
Committee total	−26,064	−24,223
House Small Business Committee: Community and regional development	172	172
House Veterans' Affairs Committee: Veterans' benefits and services	975,146	389,025
House Ways and Means Committee:		
Education, training, employment, and social services	546,149	546,149
Health	23,128,364	21,933,000
Income security	96,814,101	96,074,420
New entitlement authority	(3,708,000)	
General government	4,018	4,018

House committee function	Budget authority	Outlay
Revenue sharing and general purpose fiscal assistance	330,000	329,725
Interest	42,293,000	42,293,000
Committee total	163,115,632	161,180,312
Unassigned to committees:		
National defense	—9,413,403	—9,413,403
International affairs	—648,957	—648,957
General science, space, and technology	—1,781	—1,781
Natural resources, environment, and energy	—2,080,818	—2,080,818
Agriculture	—50,962	—50,962
Commerce and transportation	—67,061	—67,061
Community and regional development	—190,010	—190,010
Education, training, employment, and social services	—15,722	—15,722
Health	—6,006,017	—6,006,017
Income security	—7,956,288	—7,956,288
Veterans' benefits and services	—509,486	—509,486
Law enforcement and justice	—8,100	—8,100
General government	—7,781,070	—7,781,070
Revenue sharing and general purpose fiscal assistance	—6,732,530	—6,732,530
Interest	—4,301,836	—4,301,836
Undistributed offsetting receipts	—15,600,000	—15,600,000
Committee total	—61,364,041	—61,364,041

EDMUND S. MUSKIE,
WARREN MAGNUSON,
ERNEST HOLLINGS,
ALAN CRANSTON,
LAWTON CHILES,
JAMES ABOUREZK,
HENRY BELLMON,
Managers on the Part of the Senate.

ROBERT N. GIAIMO,
JIM WRIGHT,
THOMAS L. ASHLEY,
PARREN J. MITCHELL,
ELIZABETH HOLTZMAN,
BUTLER DERRICK,
DONALD FRASER,
PAUL SIMON,
NORMAN Y. MINETA,
Managers on the Part of the House.

The ACTING PRESIDENT pro tempore. The Senator's 10 minutes have expired.

Who yields time?

Mr. MUSKIE. I yield myself 1 additional minute.

Mr. President, in order to put the issue now before the Senate, I move that the conference report be agreed to, and I yield the floor to my distinguished colleague, the Senator from Oklahoma, the ranking Republican member of the committee.

Mr. BELLMON. I thank the distinguished chairman.

Mr. President, we are today considering the report of the House and Senate conferees on the third concurrent resolution for fiscal year 1977. In bringing this report before the Senate, the flexibility and continued viability of the budget process is clearly demonstrated, and for that reason, I voice my support for the conference report.

In reopening the second budget resolution for fiscal year 1977 in order to consider economic stimulus proposals, a very real possibility existed that a large number of other budget items, unrelated to economic policy, would be insisted upon in the third resolution. This raised the distinct possibility of substantial disagreement on these budget items and an inability to reach some agreement on a third resolution. Such an outcome would have blocked the consideration of economic stimulus proposals that now appear important to helping to continue a strong economic recovery.

The fact that these potential stumbling blocks were avoided and that agreement on a third resolution has been reached again indicated that Congress can continue to live with the discipline of a viable budget process. More issues were raised in the third resolution than many of my colleagues would have preferred. More room for spending possibilities has been included in this resolution than I would have desired. The deficit allowed for is larger than I would prefer; it may also be larger than will eventually emerge from our subsequent decisions on specific legislative details. Nevertheless, a budget resolution which allows considerable flexibility in the economic stimulus yet to be adopted by the Congress has been achieved. We are not thereby committed to a specific stimulus package, but only to the approximate size and mix of economic policies. I can only hope that the economy will benefit from the final decisions which fill out the details of this third budget resolution.

I would take this opportunity to make it clear to my colleagues that as we start the march toward the first budget resolution for fiscal year 1978, we are not faced with the same sense of urgency and inevitability with regard to accommodating the administration's proposals or other spending increases that will be urged by some in the Congress. In considering the first budget resolution for fiscal year 1978, the Budget Committee and the Congress will have ample opportunity to look at the full range of national priorities and economic policy alternatives. The committee will have to face the tough decisions to apply the fiscal restraint in many areas of the budget that is necessary if we hope to achieve a balanced Federal budget in future years. We will have the opportunity to more carefully define the fiscal policy dimensions for 1978 that will best sustain economic recovery of the private sector. We will once again focus our understanding and our full energies on making decisions on the broad range of budget issues that are essential to produce substantial and sustained progress toward a healthy economy with productive employment opportunities and to bring the Federal budget into balance.

Just as the third budget resolution agreed to here today provides considerable flexibility in the details of fiscal year 1977 economic policies yet to be resolved, it does not commit the Congress to a specific program of economic stimulus for fiscal year 1978. It is with a firm commitment to a vigorous review of the budget recommendations submitted by the Ford administration, by the Carter administration, and by the committees of the Senate for fiscal year 1978 that I support the conference report on the third concurrent resolution for fiscal year 1977.

Mr. President, I ask unanimous consent that the following members of the Budget Committee staff have the privilege of the floor during the consideration of the third budget resolution: Robert Boyd, William Stringer, and Gary Kuzina.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. BELLMON. I am happy to yield.

Mr. MUSKIE. Mr. President, I should like to express my appreciation for the remarks of the Senator from Oklahoma and, once again, for his cooperation and assistance in developing the third concurrent resolution.

I particularly join in the sentiment he has expressed with respect to the need to examine the 1978 fiscal budget issues and priorities as closely as it has become our tradition to do. I join him in that sentiment.

It is important that we reach independent judgments, and by that I mean independent of any other branch of the Government, in undertaking to move toward the kind of budgetary discipline that this whole process is designed to provide.

I thank the Senator for expressing those thoughts.

Mr. BELLMON. I thank the chairman for his comments.

Under the leadership of Senator MUSKIE, I am confident that the Budget Committee will meet this responsibility and that the resolution it brings forth for fiscal 1978 will give Congress all the guidance and opportunity we need in order to decide between the various priorities.

Mr. MUSKIE. I thank the Senator.

Mr. JAVITS. Mr. President, will the Senator yield me 10 minutes?

Mr. MUSKIE. I yield 10 minutes to the distinguished Senator from New York.

Mr. JAVITS. Mr. President, before we vote on this resolution—and I am for it, and I wish to compliment Senator MUSKIE, Senator BELLMON, and their colleagues upon the job which they have done, and again to sustain the budget process in which I thoroughly believe, which came out of the Government Operations Committee of which I have the honor to be a member—before we do that, I think there is one misunderstanding which has percolated through the public press and media which needs very much to be dealt with if we are to understand what we are doing and why.

The budget resolution, as reported from the Senate Budget Committee, which is now the subject of this conference, was 72 to 20 on final passage, and it was widely advertised that this represented Senate approval of the elements of President Carter's stimulus package.

Now, that is not so as far as many of us are concerned, who voted for the resolution, and it will show up in subsequent authorization and appropriation bills and, therefore, should be laid down now.

The reason is as follows: I speak personally because I think it is characteristic of the votes of many of the Mem-

bers. When I cast my vote in favor of the resolution and its aggregate revenue, budget authority, and deficit ceilings, it was upon my understanding that the various totals were not designed specifically to accommodate only one particular program of tax and expenditure changes.

I believed, and do so still, and this is why I am raising this matter now, that the Senate has agreed to an aggregate revenue floor and a total spending ceiling for fiscal year 1977, and these totals can accommodate alternative tax and spending programs, including that proposed by Senate Republicans, which was composed in a package and essentially differed in that it did not have this $50 per taxpayer rebate which is contained in the Democatic Party's presentation as developed by President Carter.

The revenue floor is $347.7 billion. That is an outside limit, and it precludes the legislation which would reduce Federal revenues below that figure. But this in no way requires that taxes be cut to that level, nor does it imply, specify, endorse, nor recommend what form those tax cuts should take, should they be temporary or should they be permanent. We Republicans recommend that they be permanent tax rate reductions.

Moreover—and this is a very essential point—the $347.7 billion floor, revenue floor, incorporated in the resolution clearly permits and accommodates consideration of alternative tax and revenue programs which would result in that or even higher revenues, and under our Republican program there would be some $3 billion in higher revenues.

In short, what we are agreeing to here in this conference report establishes a revenue floor below which we cannot permit revenues to fall without an amendment to this resolution. It carries no recommendation respecting the composition of the program which is necessary to achieve these aggregates. The aggregates assume wide latitude for the taxwriting and appropriation committees of the Senate, and Senate action accordingly.

I think it is important to set straight the public record on this point. Some have suggested that because we agreed to a revenue floor that accommodates the tax rebate plan proposed by the President, the Senate has already set its feet in concrete on the one-shot tax rebate approach to fiscal stimulus.

This argument goes on to say that since Congress has locked itself into a rebate approach, the work of the Finance Committee is bound to be perfunctory and pro forma in writing the implementing legislation.

This thinking, in my judgment, betrays a complete misunderstanding both of the congressional budgetary process and of the function of the authorizing and appropriating committees in the legislative process.

Congressional consideration of the budget resolution is not a forum—I emphasize that, is not a forum—for dealing specifically with the issue of tax rate cuts versus tax rebates.

Let us see that in the other body, where this issue was raised on the theory that the budget resolution was the proper vehicle to determine this question, the motion failed, as indeed it should have failed, because there was no opportunity to debate, after consideration in committee and the practical factual showing of the merits or demerits of given elements of the tax plan as contained in the President's program and as contained in the program put out by the Senate Republicans.

The proper time and forum to deal with these issues are when the individual pieces of implementing legislation come before us, and that is the way in which the Senate Republicans decided they would like to present that issue to the Senate, and that is the way, as I have the honor to be the chairman of the subcommittee that drafted this program, with the enormous help of Senator DOMENICI, Senator MCCLURE, Senator CURTIS, and other Senators, and Senator BELLMON, the ranking member of the Budget Committee, that we have decided we wish to and will place this issue before the Senate.

It is for that reason, Mr. President, in connection with my affirmative vote on this conference report that I wish to make this statement to the Senate. I hope very much this will be absorbed and considered by those who educate the country on this subject, and also by those who report the facts on the subject.

The fact is the Republican side has given up nothing in terms of presenting, working for, and pushing every element of its program respecting fiscal stimulus, with special reference to permanent tax cuts instead of pep pill, quickie rebates, which we reject.

There is one other point regarding these deliberations that warrants particular attention. The congressional budget process, established under the provisions of Public Law 93-344, is in its early stages, but is rapidly moving toward full development. The legislation under consideration today, the third budget resolution for fiscal year 1977, sets a significant precedent. It reflects the capacity of the budget process to respond to major adjustments in the assumptions and anticipated economic developments underlying resolutions formulated earlier in the year. Moreover, the third resolution, as formulated, does indeed provide a broad fiscal framework in which more specific decisions will be made by other committees with relevant jurisdictions, as well as the full Senate and House.

In this respect, the fiscal year 1977 third budget resolution, I believe, appropriately represents the purposes of the budget process, and reflects very well the efforts of the committee. I commend Senator MUSKIE, chairman of the Senate Budget Committee, Senator BELLMON, ranking minority member, along with all committee members as well as the committee's staff for their dedicated efforts in developing this fiscal year 1977 third budget resolution.

Mr. President, if I may, I now yield to Senator BELLMON.

Mr. BELLMON. Mr. President, I would like to assure the distinguished Senator from New York that I share the understanding of the third budget resolution he has detailed. I would add that, during the Budget Committees deliberations, there was considerable discussion of the probable effectiveness of various tax reduction programs and other means of stimulating the economy.

Strong and persuasive arguments were made by Members who favor the tax rate reduction approach in which the Senator from New York has indicated a strong interest. It was the committee's decision that these could not be resolved under the circumstances peculiar to this third resolution. As the distinguished chairman of the Budget Committee has indicated this afternoon, even though the Ways and Means Committee has already acted on a specific tax legislation proposal with a revenue impact different than allowed in the Senate resolution, the Senate position was sustained in conference in order to allow the flexibility on this matter originally recommended by the Senate Budget Committee and also understood by the Senate.

I congratulate the Senator from New York for laying this matter clearly before the Senate, as he has just done. I fully agree with his position. There is room in this resolution for discussion of the various possibilities for economic stimulus, and it will be up to the full Senate to decide which way we wish to go.

Mr. JAVITS. Mr. President, may I ask if Senator MUSKIE will be kind enough to yield a little time to my colleague, as I have to rush to another meeting.

Mr. MUSKIE. Of course. I yield the Senator whatever time he wishes. Five minutes?

Mr. JAVITS. I thank the Senator.

Mr. MUSKIE. I yield 5 minutes to the distinguished Senator from New Mexico.

Does the Senator from Idaho, Mr. President, want 5 minutes? I then yield 5 minutes to the Senator from Idaho.

The ACTING PRESIDENT pro tempore. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I join with our ranking Republican, the distinguished Senator from Oklahoma (Mr. BELLMON), in commending the senior Senator from New York for clearly stating the issue with reference to whether or not stimulus packages different from those proposed or that proposed by the President will fit in this third concurrent resolution. In fact, I would add my word to the good Senator from New York and put it precisely in terms of votes.

I say to my good friend from New York that if Senators are disposed to vote for the third concurrent resolution or this conference report they clearly could vote against a stimulus package that was predominantly rebates. They have not in any way indicated that they favor rebates. Second, they could support this conference and the third concurrent resolution and, in fact, could in committee or on the floor support by affirmative votes a stimulus package that contained no rebates at all and con-

tained other options, such as significant permanent tax cuts for working men and women in America, for small business, and any other kind of tax stimuli so long as they fit within the broad parameters and, I say to the good Senator from New York, they will, indeed, accommodate the so-called Republican stimulus package with ease.

So I want him to know, as a member of the Budget Committee and as one who is on the conference, that I personally always had in mind accommodating options, recognizing only one significant proposition, and that is that this conference and third concurrent resolution does in fact contemplate a stimulus package; beyond that there is no proposition that says who, how it is made up, and what thrust it takes. There is as much flexibility within the revenue function and within two or three of the targeted areas. And I want the Senator to know that because he worked hard with many of us on that package and I would not want anyone to think that we do not leave the latitude for a good honest approach by Senators in committee and in the Chamber prior to its adoption.

Mr. JAVITS. Mr. President, if the Senator will yield briefly, first, I thoroughly adopt those words as my own and, second, point out probably what will result, knowing this place as we do, is the degree of negativism. There will be some choice from our package, some choice from President Carter's package, and this leaves us perfectly free on the subject.

Mr. DOMENICI. I finish my few minutes on the floor by saying if we were to have a rollcall vote on this I would vote no for the same reason, basically that I voted no and stated in the Chamber previous to the third concurrent resolution. I start with a proposition that a stimulus package is needed. I do not indicate my negative support or my failure to support this, because of the President's package at all, because it contains options that would permit one that I think I could support but, rather, I think that when you take the revenue picture and the various targets we have an excess of somewhere between $2 and $3 billion that we really do not need under present economic conditions in this country as part of a stimulus package. I personally do not want to leave that much latitude any more than I think the economic times really dictate and the experts, who I believe are correct, have indicated is appropriate.

So with that, Mr. President, I yield the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from Idaho.

Mr. McCLURE. Mr. President, I thank the Senator from New York for having raised this issue on what is intended to be contained within the parameters of the budget resolution.

I was not present when the third concurrent resolution passed the Senate last time, because the senior Senator from Idaho and myself were conducting hearings in Idaho Falls, Idaho, on the Teton Dam disaster. It was necessary that we be there, and the schedule would not permit that we be back in time to vote on that matter at that time.

I do not mean at this time to belabor the points that have been made already in regard to what can or cannot be included within the third concurrent resolution in subsequent action by Congress except for this point. First of all, I am not at all certain that people really understand what the function of the Budget Committee is and how the Budget Committee tries to limit itself to broad economic guidelines, leaving to the various committees the opportunity to make their own decisions as to what shall be done within those guidelines.

That has been criticized in the Chamber from time to time, and there are others, not in the Senate, who seem to misunderstand what we can and cannot do in the budget resolution.

The Senator from Maine has tried on a number of occasions to assure other members of other committees that the Budget Committee does not intend to preempt their authority or their responsibility about what we do in the budget resolution.

I think we should clearly understand that the taxwriting committees in the House of Representatives and in the Senate have the primary responsibility to determine the composition of taxing measures, and that is not the responsibility of the Budget Committee. We have accommodated in this resolution either the rebate or the tax reduction of any other kind, whatever its nature may be. The figures allow that.

I do not understand, in my own mind, how we can call a transfer payment a revenue reduction but, nevertheless, we do for budgetary purposes. If we take money away from people who pay taxes and give it to people who do not pay taxes that does not seem to me to be a revenue reduction any more than any other expenditure is a revenue reduction. But, nevertheless, that is the way a transfer payment is carried within this budget resolution, so far as the rebate is concerned.

I think, too, that we ought to underscore at this time the necessity or the feeling of necessity for a stimulus package. I for one am not convinced that a massive stimulus is necessary. Had I been here when this measure was before the Senate on its last passage I would have voted against the resolution. If a rollcall is called on this matter today I will vote against passage of the conference report for the same reasons.

I think if you look at the composition of unemployment you will see very clearly that the unemployment that will be stimulated or assisted by economic stimulus is a very small part of the 8 percent of the total unemployment. Only about 1½ percentage points out of that 8 percent will be helped at all by a more vibrantly growing economy. That leaves 6½ percent of unemployment at best if this stimulus package works and without terribly damaging inflationary pressures. So I think that we must go beyond simply looking at an 8-percent unemployment figure and saying we have to stimulate the economy. We also have to find out why the unemployment rates are as high as 8 percent, what portion of that will be helped by a stimulus package, and how we focus on the remainder of unemployment in this country.

The startling fact is that the 16- to 19-year-old age group is only 10 percent of our work force, but it constitutes 25 percent of our unemployment. If you broaden that age group through age 24 those 16 to 24 in our labor force are only 25 percent of our labor force, but they are fully 50 percent of unemployment. And those people will not be helped significantly by simply stimulating the economy. It has to have a more measured, precise, and directed response to that problem. We cannot pour enough money into the top of this system, hoping it will trickle down to the young in our society and somehow help them without creating such massive inflation. In order to accomplish that we would have destroyed what we were trying to protect and enhance. So I think we have to look at the unemployment statistics. We have to look at whether or not a stimulus is necessary. We have to look at the kind of nature of that stimulus. And I would underscore what the Senator from New Jersey said earlier that this is an accommodating package, that this allows things to be done. It does not direct what things should be done except within general areas of the budget, and that is what a budget resolution is supposed to do. Congress will still have to make the decisions that have to be made later on.

The third resolution for fiscal year 1977 made many of the easy decisions. We made room for tax cuts and to increase the spending. The tough decisions are ahead, not only in specific action of this Congress, but I think perhaps even more so in the first resolution in fiscal year 1978 if we are to demonstrate fiscal responsibility. I know that the Senator from Maine, the Senator from Oklahoma, the Senator from New Mexico, and others will be working in that just as the Senator from New York did in trying to present something to the Republican conference that will illustrate what we believe are the right answers.

I thank the Chair.

The PRESIDING OFFICER (Mr. SPARKMAN). The Senator from Maine.

Mr. MUSKIE. Mr. President, I expect there will be a vote very shortly, but I gather there will be no requirement or no request for a rollcall vote. The issues that the Senate is considering in this conference report are so close to the decisions that we faced when the resolution was before us out in the committee, so there seems no need to ask for a rollcall vote on it at this point.

I say in response to my good friend from Idaho and the distinguished Senator from New Mexico as well as my good friend, the ranking Republican member of the committee, Senator BELLMON, it is terribly important that this budget process continue to have broad support

in both Houses of Congress; that it not become an instrument for the majority party or the target of the minority party; finally, that it provide flexibility with respect to the consideration and determination of specific issues and specific priorities within a broad framework so that the creative and innovative capabilities of all our colleagues may be brought into play as we write the public policies which will govern us for the budget year in question.

I think we have done that here. There will be times when there will be a more specific consensus within the committee about the terms of a budget resolution, but even then, that consensus will commend itself only as a recommendation to the body as a whole. I wish there were more of that in this resolution, but the fact is that there are differences of view, and I think healthy differences of view, with respect to the specific tax changes that we ought to consider to stimulate the economy and the specific programs that we should have to target on structural unemployment, and particularly youth unemployment.

There will be ample opportunity under this conference report for Members of the Senate and the House of Representatives to develop their own ideas in these and other less critical respects. Having said that, Mr. President, I am happy to yield back the remainder of my time.

Mr. DOLE. Mr. President, today, one important point in consideration of the budget resolution is retaining budget authority for a change in the taxation of sick pay. Thirty-one Members have joined as cosponsors to my legislation—S. 4—which delays the effective date of the sick pay provisions. These include: Senators ALLEN, BAYH, BROOKE, BURDICK, CHILES, DOMENICI, DURKIN, EAGLETON, HANSEN, HASKELL, HATFIELD, HATHAWAY, HELMS, HOLLINGS, HUDDLESTON, HUMPHREY, JOHNSTON, LAXALT, MCCLURE, MCGOVERN, MORGAN, NUNN, PELL, RANDOLPH, RIBICOFF, ROTH, SARBANES, SCHMITT, SCOTT, THURMOND, and WILLIAMS.

Before October 4, 1976, when the Tax Reform Act became law, an employee who retired on disability or was off the job for an extended period due to ill health could exclude from Federal taxation up to $100 per week or $5,200 per year in sick pay benefits. Sick pay is the designation for the money that a worker who has been the victim of illness or serious personal injury receives under a wage continuation plan. The tax reform bill repealed this exclusion retroactively to January 1, 1976, except for persons who are permanently and totally disabled.

As a result of the retroactivity, many taxpayers who received excludable sick pay during 1976 are now faced with greatly increased tax liability on April 15. Most of our Nation's retired and disabled workers—who live on fixed incomes which are constantly being eroded by inflation—simply do not have the resources to pay the Government hundreds of dollars on such short notice. And I do not think they should have to.

But unless corrective legislation is passed, tens of thousands of retirees will be forced to make a large lump-sum tax payment on April 15. For example, a retired couple with a taxable income of $8,000, including the $5,200 in sick pay, could have their tax bill increased by over $550.

S. 4 simply delays the change in the taxation of sick pay until January 1, 1977. No substantive alteration is made in the Tax Reform Act. The only change is the elimination of the unfair retroactive provision.

I agree with the hundreds of affected persons who have contacted my office since I introduced this legislation that it is unfair to completely alter a longstanding tax policy without any warning. I believe that Congress will agree that whatever the merits of the repeal of the sick pay exclusion, the injured, disabled, and retired workers of America deserve better treatment from their Government than they have received under the Tax Reform Act. I sincerely hope that every Member of this body will assist me in gaining rapid consideration and passage of this bill. If thousands of retired Americans are to be relieved of the unfair imposition of this retroactive tax, we must act soon. I am certain the 31 Members who have cosponsored S. 4 agree with me.

It is necessary that we retain sufficient flexibility in the budget resolution to cover the cost of this bill. Both the Senate Budget Committee and the full House have agreed that funds are available for this purpose.

While the House Ways and Means Committee has scheduled hearings on this matter for March 21, it is not clear—in view of the rapidly approaching date for filing of tax returns—that this bill will be the most expeditious course. It may be more desirable to include S. 4 as part of some measure further along in the legislative process. However, the vehicle for passage is not of concern at this time. The major point which I wish to emphasize today is that we affirm the position of the Senate Budget Committee and have the funds available for use in alleviating the unfair and unexpected tax burden on thousands of disabled retirees.

Mr. BELLMON. Mr. President, I yield back the remainder of my time.

Mr. MUSKIE. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the conference report.

The conference report was agreed to.

Mr. MUSKIE. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I compliment the distinguished Senator from Maine (Mr. MUSKIE) and the distinguished Senator from Oklahoma (Mr. BELLMON) on having done the usual splendid, dedicated, effective job that they have demonstrated time and time again that they are able to do with the support of their fine committee on this most complex matter.

I feel that such tribute as I have spoken falls short of the eloquence that I would like to bring to bear on this matter, but I feel that it is justified that they be recognized for the fine piece of work they have done.

Mr. MUSKIE. Mr. President, I thank my good friend the majority leader. I thank him especially for the steadfast support that he has given this process over the 2 years that we have been working on it. Especially this year, now that he has become the majority leader, I am most grateful for his support, and hope we can look forward to the continuation of that healthy relationship.

Mr. BELLMON. Mr. President, I wish to join in those comments. The budget process, if it is to survive, will certainly require the support of the full Senate, and especially the leadership, and the support of the majority leader is most welcome.

Mr. ROBERT C. BYRD. Mr. President, the budget process would not have succeeded thus far, and I seriously doubt that it would have survived, had it not been for the exemplary leadership shown by the committee chairman, the Senator from Maine (Mr. MUSKIE), and the ranking minority member. the Senator from Oklahoma (Mr. BELLMON). If it is to continue to survive, it will have to continue to have such outstanding leadership as these two gentlemen, one on each side of the aisle, have shown in such a fine bipartisan spirit. I commend them for it.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, without any resolutions coming over under the rule.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the Senator from Alaska (Mr. GRAVEL) to the United Nations Water Conference, to be held in Mar del Plata, Argentina, on March 14–25, 1977.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE RECEIVED DURING RECESS

Under authority of the order of March 2, 1977, a message from the House of Representatives on March 2, 1977, during the recess of the Senate, stating that the House had passed without amendment the bill (S. 776) to dedicate the canal and towpath of the Chesapeake & Ohio Canal National Historical Park to Justice William O. Douglas, and for other purposes.

ENROLLED BILL SIGNED

The message also stated that the Speaker had signed the enrolled bill (H.R. 3753) to bring certain governing international fishery agreements within the purview of the Fishery Conservation Zone Transition Act.

The enrolled bill was signed on March 2, 1977, by the President pro tempore.

MESSAGES FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 3365) to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. REUSS, Mr. ST GERMAIN, Mr. ANNUNZIO, Mr. PATTERSON of California, Mr. LAFALCE, Mr. STANTON, and Mr. ROUSSELOT were appointed managers of the conference on the part of the House.

The message also announced that the Speaker has made the following appointments:

Mr. ZABLOCKI and Mr. ANDERSON of Illinois, members of the Japan-United States Friendship Commission;

Mr. RYAN and Mr. BUCHANAN members of the Board of Directors of Gallaudet College; and

Mr. HAMILTON, Mr. GIAIMO, Mr. PEPPER, Mr. PREYER, Mr. LONG of Louisiana, Mr. DERWINSKI, Mr. MCCLORY, Mr. VANDER JAGT, and Mr. BURKE of Florida members of the delegation to attend the conference of the Interparliamentary Union in Canberra, Australia, April 10 to April 16.

The message further announced that the chairman of the Committee on Merchant Marine and Fisheries has appointed Mr. BIAGGI, Mr. DE LA GARZA, Mr. TREEN, and Mr. MURPHY of New York members of the Board of Visitors to the U.S. Coast Guard Academy for 1977.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following comunications which were referred as indicated:

EC–787. A letter from the Deputy Secretary of Defense transmitting, pursuant to law, a report setting forth the financial condition and operating results of Working Capital Funds of the Department of Defense for the fiscal year ending June 30, 1976 (with an accompanying report); to the Committee on Armed Services.

EC–788. A letter from the Chairman of the National Commission on Electronic Fund Transfers transmitting, pursuant to law, the second report of the National Commission on Electronic Fund Transfers (with an accompanying report); to the Committee on Banking, Housing, and Urban Affairs.

EC–789. A letter from the Director for Congressional Affairs of the Federal Energy Administration transmitting updated page changes for a previously transmitted report entitled "Report to Congress to Section 8(f)(1) of the Emergency Petroleum Allocation Act" (with accompanying papers); to the Committee on Energy and Natural Resources.

EC–790. A letter from the Acting Administrator of the General Services Administration transmitting, pursuant to law, a prospectus which proposes construction of a Federal Parking and Vehicle Maintenance Facility of reduced scope for the Federal Bureau of Investigation in West Los Angeles, California (with an accompanying report); to the Committee on Environment and Public Works.

EC–791. A letter from the Secretary of the Treasury transmitting, pursuant to law, a report on the state of the finances of the U.S. Government for the combined fiscal year ended June 30, 1976, and transition quarter ended September 30, 1976 (with an accompanying report); to the Committee on Finance.

EC–792. A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Status of the NAVSTAR Global Positioning System" (with an accompanying report); to the Committee on Governmental Affairs.

EC–793. A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Special Travel Benefits for Federal Employees in Hawaii, Alaska, and Similar Areas Outside the Continental U.S. Should be Changed" (with an accompanying report); to the Committee on Governmental Affairs.

EC–794. A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Comments on the Study: 'Consequences of Deregulation of the Scheduled Air Transportation Industry'" (with an accompanying report); to the Committee on Governmental Affairs.

EC–795. A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Reducing Nuclear Powerplant Leadtimes: Many Obstacles Remain" (with an accompanying report); to the Committee on Governmental Affairs.

EC–796. A letter from the Secretary of the Interstate Commerce Commission transmitting, pursuant to law, a report on the administration of the Freedom of Information Act for the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–797. A letter from the Chairman of the U.S. Consumer Product Safety Commission transmitting, pursuant to law, a report on the administration of the Freedom of Information Act for the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–798. A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting, pursuant to law, a report of the Federal Open Market Committee of the Federal Reserve System on the administration of the Freedom of Information Act for the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–799. A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act for the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–800. A letter from the Director of the Office of Administration of the Nuclear Regulatory Commission transmitting, pursuant to law, a report on the administration of the Freedom of Information Act for the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–801. A letter from the Senior Vice President of the Export-Import Bank of the United States transmitting, pursuant to law, a report on the administration of the Freedom of Information Act for the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–802. A letter from the Acting Chairman of the U.S. Civil Service Commission transmitting, pursuant to law, a report on the administration of the Freedom of Information Act for the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Without amendment:

S. Res. 81. A resolution expressing the sense of the Senate on the expulsion of Mr. George A. Krimsky from the Soviet Union (Rept. No. 95–35).

By Mr. CANNON, from the Committee on Rules and Administration:

Without amendment:

S. Res. 103. An original resolution relating to the purchase of calendars (Rept. No. 95–36).

S. Res. 104. An original resolution providing for members on the part of the Senate of the Joint Committee on Printing and the Joint Committee of Congress on the Library (Considered and agreed to.)

By Mr. CLARK, from the Committee on Foreign Relations:

With an amendment:

S. 174. A bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome and to restore the United States to its position as a law-abiding member of the International community (Rept. No. 95–37).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following reports of committees were submitted:

By Mr. STENNIS, from the Committee on Armed Services:

R. James Woolsey, of Maryland, to be Under Secretary of the Navy.

Thomas B. Ross, of the District of Columbia, to be an Assistant Secretary of Defense.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment

to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. RANDOLPH, from the Committee on Environment and Public Works:

Robert Thallon Hall, of Virginia, to be an Assistant Secretary of Commerce.

Douglas M. Costle, of Virginia, to be Administrator of the Environmental Protection Agency.

Barbara Blum, of Georgia, to be Deputy Administrator of the Environmental Protection Agency.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. EASTLAND, from the Committee on the Judiciary:

Daniel J. Meador, of Virginia, to be an Assistant Attorney General.

Patricia M. Wald, of Maryland, to be an Assistant Attorney General.

Benjamin R. Civiletti, of Maryland, to be an Assistant Attorney General.

Drew S. Days III, of New York, to be an Assistant Attorney General.

Wade Hampton McCree, Jr., of Michigan, to be Solicitor General of the United States.

Barbara A. Babcock, of California, to be an Assistant Attorney General.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. THURMOND. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the nominations of Rear Adm. Robert Monroe, U.S. Navy, for appointment to the grade of vice admiral as Director, Defense Nuclear Agency; and there are seven in the Navy for temporary promotion to the grade rear admiral (list begins with Roger F. Milnes); and Bruce Palmer, Jr. for reappointment to the active list for 1 day to be major general, Regular Army, and general, Army of the United States and to be placed on the retired list, in the grade of general. Also Brig. Gen. Hugh W. Hardy, U.S. Marine Corps, for appointment to the grade of major general. I ask that these nominations be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. In addition, there are 252 in the Air Force for appointment to the grade of colonel and below (list begins with Fred L. Bauer); and there are 39 in the Navy for appointment as permanent and temporary lieutenant commander and below (list begins with Merrill E. Schlegel, II); and there are 1,156 in the Navy and Naval Reserve for temporary promotion to the grade of commander (list begins with James R. Abbey). Also, there are 459 in the Navy for permanent promotion to the grade of chief warrant officer (list begins with John W. Ackerman). Since their names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again. I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of February 21, 1977, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTION

The following bills and joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated.

By Mr. CASE (for himself, Mr. JAVITS, Mr. ROTH, Mr. BIDEN, Mr. PROXMIRE, and Mr. NELSON):

S. 868. A bill to terminate the authorization for the Tocks Island Reservoir project as part of the Delaware River Basin project, and for other purposes; jointly, by unanimous consent, to the Committee on Environment and Public Works and the Committee on Energy and Natural Resources.

By Mr. BARTLETT:

S. 869. A bill to amend the Internal Revenue Code of 1954 to increase from $1,000,000 to $10,000,000 the exemption from industrial development bond treatment for certain small issues; to the Committee on Finance.

By Mr. SPARKMAN (by request):

S. 870. A bill to amend the Foreign Relations Authorization Act, fiscal year 1976, to authorize additional appropriations for the Foreign Service Buildings program for fiscal year 1977; to the Committee on Foreign Relations.

S. 871. A bill to provide for increased participation by the United States in the Asian Development Bank and the Asian Development Fund; to the Committee on Foreign Relations.

S. 872. A bill to provide for increased participation by the United States in the International Bank for Reconstruction and Development and in the International Finance Corporation, and for other purposes; to the Committee on Foreign Relations.

S. 873. A bill to amend title I of the "Foreign Relations Authorization Act, Fiscal Year 1977", (Public Law 94-350; 90 Stat. 823) to authorize appropriations for fiscal years 1978 and 1979 and for other purposes; to the Committee on Foreign Relations.

S. 874. A bill to amend title I of the "Foreign Relations Authoriation Act, Fiscal Year 1977," to authorize additional appropriations for fiscal year 1977; to the Committee on Foreign Relations.

By Mr. STEVENS (for Mr. BAKER):

S. 875. A bill for the relief of Mary Ian Connell; to the Committee on the Judiciary.

By Mr. DOMENICI:

S. 876. A bill to authorize the Secretary of the Interior to amend the contract for the construction, operation, and maintenance of the Vermejo Reclamation Project between the Vermejo Conservancy District, located in the State of New Mexico, and the United States; to the Committee on Energy and Natural Resources.

S. 877. A bill for the relief of the Vermejo Conservancy District; to the Committee on the Judiciary.

By Mr. TOWER (for himself, Mr. EASTLAND, and Mr. YOUNG):

S. 878. A bill to provide tax incentives to encourage physicians, dentists, and optometrists to practice in health manpower shortage areas; to the Committee on Finance.

By Mr. DECONCINI:

S. 879. A bill to designate certain lands in the Organ Pipe Cactus National Monument, Ariz., as wilderness; to the Committee on Energy and Natural Resources.

By Mr. HATFIELD (for himself and Mr. GRAVEL):

S. 880. A bill to amend the Internal Revenue Code of 1954 to provide that a taxpayer conscientiously opposed to participation in war may elect to have his income, estate, or gift tax payments spent for nonmilitary purposes; to create a trust fund (the World Peace Tax Fund) to receive these tax payments; to establish a World Peace Tax Fund Board of Trustees; and for other purposes; to the Committee on Finance.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 881. A bill to simplify the tonnage measurement of certain vessels; to the Committee on Commerce, Science, and Transportation.

By Mr. McGOVERN:

S. 882. A bill to authorize establishment of the Gutzon Borglum National Historic Site, South Dakota, and for other purposes; to the Committee on Energy and Natural Resources.

S. 883. A bill to improve and strengthen disaster assistance programs for agricultural producers, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ANDERSON:

S. 884. A bill to authorize reduced fares on the airlines on a space-available basis for individuals 65 years of age or older or for handicapped persons and any attendant required by such handicapped person; to the Committee on Commerce, Science, and Transportation.

By Mr. MUSKIE (for himself, Mr. HATHAWAY, Mr. HEINZ, Mr. HUMPHREY, Mr. KENNEDY, and Mr. RIEGLE):

S. 885. A bill to establish a 200-mile Marine Pollution Control Zone; to the Committee on Environment and Public Works.

S. 886. A bill to establish a 200-mile Marine Pollution Control Zone; to the Committee on Commerce, Science, and Transportation.

By Mr. RIEGLE:

S. 887. A bill to amend the Shipping Act, 1916, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. ROTH:

S. 888. A bill to amend title 18, United States Code, so as to provide for mandatory minimum sentences with respect to certain offenses against victims 60 years of age or older; to the Committee on the Judiciary.

S. 889. A bill to amend the act entitled "An Act to establish a code of law for the District of Columbia", approved March 3, 1901, relating to offenses against individuals sixty years of age or older; to the Committee on Governmental Affairs.

S. 890. A bill to amend the Internal Revenue Code to provide an additional personal exemption for each senior citizen whose principal place of abode is in the principal residence of the taxpayer; to the Committee on Finance.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 891. A bill to amend section 25 of the Deepwater Port Act of 1974 by providing a permanent authorization of appropriations; to the Committee on Commerce, Science, and Transportation; to the Committee on Environment and Natural Resources; and the Committee on Environment and Public Works, jointly, by unanimous consent.

By Mr. MAGNUSON (for himself and Mr. MATHIAS):

S. 892. A bill to establish a national policy on areawide planning and its coordination, to encourage the use of organizations composed of local elected officials to perform federally assisted or required areawide planning,

to require use of planning districts established by States in Federal planning programs, to require certain Federal land use actions to be consistent with State, areawide, and local planning, to authorize the Office of Management and Budget to prescribe rules and regulations relating thereto, and for other purposes; to the Committee on Governmental Affairs.

By Mr. MATSUNAGA:

S. 893. A bill for the relief of Paul E. Zirkle; to the Committee on Finance.

S. 894. A bill to establish an Executive Department to be known as the Department of Education, and for other purposes; to the Committee on Governmental Affairs.

By Mr. PROXMIRE (by request):

S. 895. A bill to amend the Federal Deposit Insurance Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. McGOVERN:

S. 896. A bill to amend Public Law 91-118, the act of November 18, 1976 (83 Stat. 194), providing for a Great Plains Conservation Program; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. PERCY (for himself, Mr. GLENN, Mr. RIBICOFF, Mr. JAVITS, and Mr. CRANSTON):

S. 897. A bill to strengthen United States policies on nonproliferation and to reorganize certain export functions of the Federal Government to promote more efficient administration of such functions; to the Committee on Governmental Affairs and the Committee on Foreign Relations, jointly, by unanimous consent; and, if and when one committee reports the bill, the other has 30 days to report.

By Mr. BROOKE:

S. 898. A bill entitled "Spill Prevention and Cleanup for Energy Transportation Systems Act of 1977"; to the Committee on Environment and Public Works and the Committee on Commerce, Science, and Transportation, jointly, by unanimous consent.

By Mr. GRIFFIN:

S. 899. A bill to amend the Toxic Substances Control Act to establish a program for assistance to States which establish programs of assistance for the protection and indemnification of individuals injured in their business or person by chemical substances, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. KENNEDY (for himself and Mr. PELL):

S. 900. A bill to provide emergency relief, rehabilitation and humanitarian assistance to the people of Italy; to the Committee on Foreign Relations.

By Mr. BENTSEN:

S. 901. A bill to make it easier to comply with certain Federal employee benefit plan requirements by amending the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to eliminate dual Treasury and Labor Department jurisdiction over certain requirements, to reduce the number of reports and other paperwork required thereunder, and for other purposes; to the Committee on Finance and the Committee on Human Resources, jointly, by unanimous consent.

By Mr. PEARSON:

S. 902. A bill to assure that the Federal Government protects and serves the interests of consumers, and for other purposes.

By Mr. GOLDWATER (for himself, Mr. DOLE, and Mr. LAXALT):

S.J. Res. 34. A joint resolution to designate the week commencing with the third Monday in February of each year as "National Patriotism Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CASE (for himself, Mr. JAVITS, Mr. ROTH, Mr. BIDEN, Mr. PROXMIRE, and Mr. NELSON):

S. 868. A bill to terminate the authorization for the Tocks Island Reservoir project as part of the Delaware River Basin project, and for other purposes; jointly, by unanimous consent, to the Committee on Environment and Public Works and the Committee on Energy and Natural Resources.

Mr. CASE. Mr. President, I am today introducing legislation to terminate a 15-year-old authorization of the Tocks Island dam and reservoir project on the Delaware River.

Senators ROTH, JAVITS, PROXMIRE, NELSON, and BIDEN have joined me in sponsoring this legislation, which is intended to clear the way for a new beginning on meeting the flood control, water supply, power development and recreation problems of the area surrounding the proposed project.

The Tocks Island project, which was first authorized in October 1962, contemplated a 160-foot high dam that would create a 37-mile, 12,000-acre lake in an amazingly beautiful valley of the Delaware River.

Over the years, questions arose about the environmental impact of impounding the free flowing waters of the Delaware River and about the ability of the proposed dam and reservoir to meet their stated objectives.

As a result, Congress in 1974 authorized an impartial, comprehensive analysis of the project, including a study of alternative means of meeting the objectives of the project.

The study was authorized because Congress recognized that a decision had to be made. There was an understanding that Congress would act—and act decisively—once the study had been completed and the Governors of the four States bordering the Delaware River had made their recommendations based on the study.

Based on the findings of the study, the Delaware River Basin Commission, made up of a Federal representative and the Governors of the four States bordering the Delaware River, recommended that no further funds be appropriated by Congress for construction of the dam and reservoir. The Governors, however, also recommended that Congress continue to appropriate funds for land acquisition in the project area.

A project for which no funds are appropriated does nothing to solve the problems of the area. Indeed, it impedes progress on alternative measures, such as those suggested in the congressionally authorized study.

It is this situation that led me and those joining with me in sponsoring this bill to propose deauthorization of the Tocks Island project.

Our bill will deauthorize the dam and reservoir project and transfer all lands acquired for the project to the Department of Interior for administration as part of the Delaware Water Gap National Recreation Area, a recreation project that surrounds the dam and reservoir site.

Land acquisition for the recreation area is more than 75 percent completed.

It is my hope that through this legislation we can complete the land acquisition and preserve for the Nation an opportunity for recreation in an area where the Delaware River has cut a notch through the 1,200-foot-high Kitatinny Range.

At the same time, I believe that approval of this legislation will stimulate progress toward meeting realistically the flood control, water supply, and power generation needs of the area, through the alternatives suggested in the congressionally approved study.

It is time to stop looking back over our shoulders and to get on with the job ahead of us.

Mr. ROTH. Mr. President, I am pleased to join with the Senator from New Jersey (Mr. CASE) in introducing legislation to deauthorize the Tocks Island dam and reservoir project. In so doing, I am motivated in large part by a desire to remove what has become a major—perhaps insurmountable—obstacle to effective water resources planning in the Delaware Basin.

It is ironic that the Tocks Island project—originally conceived as a means to deal with water shortages in the populous Middle Atlantic seaboard—has prevented progress in that same area. Tocks Island, rightly or wrongly, is an anathema to environmental groups. They have fought, delayed, and hindered the project for years. Many of their objections are well taken. But the issue here is not so much the merit or lack of merit of their views, but the absence of solid, regionwide plans and mechanisms for water resources.

Since the project has been only impeded, not eliminated, some jurisdictions have continued to see Tocks Island as the solution to water resource management. Growth in population and industry is already placing heavy demands on the water resources of the four-State Delaware River Basin. To me, it seems inevitable that there will be further growth in an area supporting one-eighth of the Nation's population, thus placing even greater stress on the water resources.

According to the Delaware River Basin Commission, surface flows in the region are already inadequate to meet drought period water demands in some areas. The Commission also believes that the development of water storage facilities adequate to offset prospective shortages does not appear likely in the near future. Although my State of Delaware has a more ample water supply than New York, New Jersey, or Pennsylvania, the impacts of water shortages in those States would inevitably affects us indirectly. I am gravely concerned that if the Congress remains inattentive to this problem, the region faces the prospect of severe and prolonged water shortages sometime in the future.

Mr. President, I believe it is imperative that action be taken to help predict and deal with possible water shortages in the Mid-Atlantic region. Given the fact that Tocks Island dam and reservoir project is opposed by the Governors of all four States and that deauthorization has been recommended by the Corps of Engineers, it is crystal clear that the project is doomed. But as long as it lingers, another obstacle to comprehensive water planning and management persists. So I urge my colleagues to speed deauthorization so we can get on with the job of managing our scarce supplies of water.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a bill introduced yesterday by the Senator from New Jersey (Mr. CASE), for himself and others, after the Senate went out of session, which was received under the order allowing Senators to introduce bills up until 5 p.m., be referred jointly to the Committees on Environment and Public Works and Energy and Natural Resources.

This bill is a reintroduction, and the bill introduced in the last Congress was referred in the same way.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. BARTLETT:

S. 869. A bill to amend the Internal Revenue Code of 1954 to increase from $1 million to $10 million the exemption from industrial development bond treatment for certain small issues; to the Committee on Finance.

Mr. BARTLETT. Mr. President, I am introducing today a bill to increase the tax exemption on small industrial bond offerings from the present $5 million to a proposed $10 million.

While our economy is steadily recovering from the recent recession, the unemployment level remains stubbornly high. The creation of new jobs by encouragement of industrial construction is a positive step the Congress can take. It is a step the Congress can take to help improve the recent trends in capital investment. These trends in the United States for capital investment have been very discouraging, and as a result the prospect for job creation has worsened. In fact, the United States ranks seventh of all Western industrial countries in investment for new plants and equipment. If we want jobs for Americans we must encourage capital investment now in order to modernize our productive base.

High interest rates are the reason most often given by industrial officials for cancellation of plans for industrial expansion. Tax exemption on interest paid for borrowed funds obviously provides lower interest rates on industrial borrowings. The $1 million and $5 million "small issue exemptions" provided for industrial development bonds in section 103(c)(6) of the Internal Revenue Code of 1954, as amended, were intended to provide just such lower interest rates on industrial borrowings and thereby encourage industrial expansion. However, these exemptions enacted in 1968 are no longer realistic, given the changes in our Nation's economy since then.

Building cost indexes for factory buildings have increased substantially since 1968 and are continuing to increase. Continued inflation in the construction industry has reduced the "building power" of these limited amounts of tax exempt bonds to less than half of what they were in 1968 when the exemptions were enacted.

Moreover, the 3 years forward and 3 years back "capital expenditure" rule relating to the $5 million small industrial development bond issue exemption has proven to be inequitable and self-defeating, as will be more fully explained below.

It is for these and other reasons that section 103(c)(6) of the code relating to taxation of interest paid on industrial development bonds must be amended so as to increase the dollar limit for the "small issue exemption" for such tax-free bonds from $5 million to $10 million and to remove the limitation with respect to "capital expenditures" made at facilities financed with such bonds.

Under present law, industrial development bonds do not perform efficiently in expanding existing facilities or attracting new industry. Provision is made in the code for industrial development bonds, the interest on which is exempt from Federal income tax under section 103(c) of the code, which are to be used to finance several specified categories of development, including the construction of low-cost housing, sports facilities, convention or trade show facilities, certain transportation facilities, public utilities, industrial parks, and air or water pollution control faciilties.

Additionally, there is a "small issue" exemption in the code which allows tax-exempt industrial development bonds to be issued in the principal amount of $1 million or, in some cases, $5 million for the construction, improvement, or acquisition of land or property of a character subject to the allowance for depreciation under section 167 of the Internal Revenue Code—that is, manufacturing facilities.

Under section 103(c)(6) of the code, interest on industrial development bonds is tax exempt if the bonds are part of an issue which is limited to $1 million per user in a given county or municipality, or at the election of the issuer of the bonds, to $5 million per corporate user in a given county or municipality. If the $5 million election is exercised, however, the "capital expenditures" incurred by the user of the facilities financed by such bonds in that county or municipality—including both those expenditures financed by the issuance of the bonds and those expenditures made with funds raised from other sources—may not exceed a total of $5 million during the 6-year period beginning 3 years prior to the date of the bonds' issuance and ending 3 years after their issuance. Violation of this limit makes interest on the bonds taxable, retroactively.

Construction costs today are virtually double what they were in 1968 when these dollar limitations were imposed, and the interest savings achieved by a company through using $1 million in tax-exempt bonds usually is not sufficient to provide a substantial incentive for corporations to incur the costs of capital expansion. The incentive provided by the $5 million exemption is also not adequate because of inflation since 1968, and the 6-year "capital expenditure" rule. No corporation can afford to use the entire $5 million in bonds because it must have a "cushion" for the minimal "capital expenditures" which will necessarily have to be incurred within the 3-year period after the bonds are issued.

Furthermore, many corporations are afraid to use the $5 million exemption for fear that technological or other changes will require that the $5 million "capital expenditure" limit be exceeded during the 3 years following the bonds issuance, thus, by law, triggering taxability of the interest paid on the industrial development bonds previously issued. Such taxability, in turn, usually requires the redemption of such bonds at a substantial premium pursuant to the leases and trust indentures between the user of the facilities being financed and the purchasers of the bonds.

Section 103(c) was passed in June of 1968. As passed it preserved the tax-exempt status of industrial development bonds only in cases where the amount of the bond issue was $1 million or less, or the bonds were issued to pay the cost of certain facilities such as pollution control facilities and family housing.

This measure was passed after the promulgation of proposed Treasury Department regulations in March of 1968 which would have eliminated tax-exempt status for all industrial development bonds. The Treasury's proposed regulations were intended to correct what Department officials deemed to be abuses in the use of industrial development bonds. The Congress, however, recognized that, while abuses existed, industrial development bond financing serves a valuable purpose by providing communities an opportunity to improve their economic base through industrial development. Accordingly, the Congress passed section 103(c)(6) to preserve the tax-exempt status of industrial development bonds, but with the limitations on the size of the bond issues, as I have indicated.

Upon further study during 1968, the Congress determined that the $1 million limitation would not enable communities to use this method of financing as effectively as had been intended. Consequently, in October 1968, the Congress amended section 103(c)(6) to provide the alternative $5 million limitation.

But tied to the alternative $5 million "small issue" exemption is the "capital expenditure" rule described previously. No rationale has ever been given to community developers for this limitation which has proven to be negative and self-defeating. It is important to note that "capital expenditures" are not limited to tax-exempt bond issues, but also must include the money which users borrow themselves, and expenditures from their own cash reserves. Companies which

find themselves suddenly in a fast growth situation are prevented from spending their own money to grow and to further stimulate the public benefits which the industrial development bond financing was supposed to bring about in the first place. Not the least of these benefits is the payment of increased Federal income taxes. Community economic developers have never questioned the concept of limiting the amount of tax-exempt bonds to be issued for a single tenant in a given municipality or county, but do seriously question the wisdom of freezing projects by the "capital expenditure" rule, so that they cannot expand through other sources.

Opponents of industrial development bonds have argued that this form of financing is undesirable because:

One, it constitutes a Federal subsidy to private corporations;

Two, industrial development bonds compete in the financial market with traditional general obligation bonds of municipalities, thus the very existence of such bonds increases the cost of borrowing for municipalities; and

Three, industrial development bonds are an inefficient subsidy in any event, because the cost they represent to the Federal Government, in terms of lost tax revenues, is far greater than any economic benefit received by companies utilizing such bonds as a tool for financing capital expansion and improvement.

An accurate analysis of industrial development bond financing clearly shows these arguments are specious, and that such financing does indeed afford a vehicle by which economically depressed areas can effectively entice new and expanded industry, thereby creating new jobs which are so desperately needed in our slowly recovering economy.

As a matter of economic reality, it is unquestionably true that industrial development bond financing generates an economic benefit to private corporations whose capital expansions are financed by such bonds. However, this is not, in itself, an argument against industrial development bonds. The proper question is whether the need for such a form of financing, and the benefits it yields to economically depressed areas, outweigh the "private benefit" it affords to corporations at the expense of lost tax revenues. The answer to that question, manifestly, is "yes."

Industrial development bonds provide, through lower interest rates, an incentive for business to expand their productive capacity. With today's continuing high unemployment rates along with historically high inflation rates, is generally recognized that one of our country's most pressing needs is the expansion of productive capacity. Such an expansion will serve two purposes: increased supply which will help dampen the inflationary spiral; and the provision of productive jobs which are so desperately needed.

The benefits that accrue to economically deprived areas from the introduction of new facilities are too numerous to list exhaustively. But surely, the most important is the creation of industrial jobs. Furthermore, the local tax base may be substantially increased. In most States provision is made for ad valorem taxation of the facilities financed by industrial development bonds or for alternate methods of collecting "in lieu of tax" payments.

Moreover, the increase in local salary levels provides for greater taxes from other local sources—such as sales and income taxes. This results in better schools, better roads, et cetera which, in turn, make it easier to attract more job-producing businesses. In short, a general economic stimulus to the entire region. A stimulus, I might add, which can serve as an example of how Government can creatively assist the marketplace rather than regulate it to death. This legislation provides an encouragement to all those communities with initiative and aggressiveness enough to utilize it.

By Mr. SPARKMAN (by request):

S. 870. A bill to amend the Foreign Relations Authorization Act, fiscal year 1976, to authorize additional appropriations for the Foreign Service Buildings program for fiscal year 1977; to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request, I introduce for appropriate reference a bill to amend the Foreign Relations Authorization Act, fiscal year 1976, to authorize additional appropriations for the Foreign Service Buildings Program for fiscal year 1977.

The bill has been requested by the Acting Assistant Secretary for Congressional Relations, Department of State, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD, together with the letter from the Acting Assistant Secretary for Congressional Relations to the President of the Senate dated February 24, 1977, and the section-by-section analysis of the bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 870

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 171 of the Foreign Relations Authorization Act, fiscal year 1976, is amended—

(a) in that subsection (h) of section 4, as so redesignated by Public Law 94-141 dated November 29, 1975, of the Foreign Service Buildings Act, 1926 (22 USC 295) is amended—

(1) by deleting subparagraphs (1)(A), (1)(B), and (1)(D);

(2) in subparagraph (1)(C), by striking out "$6,725,000" and inserting in lieu thereof "$225,000";

(3) in subparagraph (1)(E), by striking out "$8,005,000" and inserting in lieu thereof "$12,885,000";

(4) in subparagraph (1)(F), by striking out "$3,745,000" and inserting in lieu thereof "$3,400,000";

(5) in subparagraph (1)(G), by striking out "$420,000" and inserting in lieu thereof "$150,000"; and

(b) by adding a new subparagraph under Subsection (h)(i) to read as follows:

"(H) for facilities for the United States Agency for International Development not to exceed $17,200,000 for fiscal year 1977."

Hon. WALTER F. MONDALE,
President of the Senate.

DEAR MR. PRESIDENT: The Department of State encloses and recommends for your consideration proposed legislation to amend the Foreign Service Building Act of 1926, as amended (22 U.S.C. 292-301), to provide additional authorization for appropriations for the Buildings Program for fiscal year 1977.

The additional authorization amount sought by this Bill is $10,775,000 for the capital program, which, together with the present authorization balance of $13,925,000, will permit the Department to request supplemental appropriations for fiscal 1977 totalling $24.7 million. This supplemental, to be requested in excess currency (Egyptian Pounds), will provide for the acquisition or construction of 108 living units for Government personnel assigned to the Arab Republic of Egypt. This will also provide the staffs of AID and State with more satisfactory housing and eliminate most short-term rentals. The use of these excess currencies for acquiring valuable real estate holdings is without adverse impact on U.S. tax revenues or the balance of payments.

The Department of State has been informed by the Office of Management and Budget that there is no objection to the presentation of this proposal to the Congress and that its enactment would be in accord with the program of the President.

A letter similar in content is being sent to the Speaker of the House of Representatives.

Sincerely yours,

KEMPTON B. JENKINS,
Acting Assistant Secretary for Congressional Relations.

DEPARTMENT OF STATE

PROPOSED AMENDMENT TO THE FOREIGN SERVICE BUILDINGS ACT OF 1926, AS AMENDED

Section by section analysis

	Amount change
Section (a):	
(1) Decreases the entire amounts previously authorized for Africa ($865,000), American Republic ($2,450,000), and East Asia ($875,000)	−$4,190,000
(2) Decreases the amount previously authorized for Europe	−6,500,000
(3) Increases the amount previously authorized for the Near East and South Asia	+4,880,000
(4) Decreases the amount previously authorized for the U.S. Information Agency	−345,000
(5) Decreases the amount previously authorized for Agriculture and Defense Attaches	−270,000
Section (b): Provides new authority for the Agency for International Development	+17,200,000
Total	+10,775,000

By Mr. SPARKMAN (by request):

S. 871. A bill to provide for increased participation by the United States in the Asian Development Bank and the Asian Development Fund; to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request, I introduce for appropriate reference a bill to provide for increased participation by the United States in the Asian Development Bank and the Asian Development Fund.

The bill has been requested by the Secretary of the Treasury, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD, together with the letter from the Secretary of the Treasury to the President of the Senate dated February 25, 1977.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 871

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Asian Development Bank Act, as amended (22 U.S.C. 285—285r), is further amended by adding at the end thereof the following new sections:

"SEC. 22. (a) The United States Governor of the Bank is authorized to subscribe on behalf of the United States to sixty-seven thousand and five-hundred additional shares of the capital stock of the Bank; provided, however, that any subscription to additional shares shall be made only after the amount required to be paid for the paid-in portion of such subscription has been appropriated.

(b) In order to pay for the increase in the United States subscription to the Bank provided for in this section, there is hereby authorized to be appropriated without fiscal year limitation $814,286,250 for payment by the Secretary of the Treasury.

"SEC. 23. (a) The United States Governor of the Bank is hereby authorized to contribute on behalf of the United States $180,000,000 to the Asian Development Fund, a special fund of the Bank; provided, however, that any commitment to make such contribution shall be made subject to obtaining the necessary appropriations.

(b) In order to pay for the United States contribution to the Asian Development Fund provided for in this section, there is hereby authorized to be appropriated without fiscal year limitation $180,000,000 for payment by the Secretary of the Treasury."

THE SECRETARY OF THE TREASURY,
Washington, D.C., February 25, 1977.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill, "To provide for increased participation by the United States in the Asian Development Bank and the Asian Development Fund."

The draft bill would authorize the United States Governor of the Asian Development Bank (ADB) to subscribe on behalf of the United States to sixty-seven thousand and five-hundred additional shares of the capital stock of the ADB, and to contribute on behalf of the United States $180,000,000 to the Asian Development Fund (ADF), a Special Fund administered by the ADB. The bill by its terms permits any subscription to shares to be made only after the amount required to be paid for the paid-in portion of such shares has been appropriated. It also requires any commitment to make a contribution to the ADF to be made subject to obtaining the necessary appropriations. The bill authorizes appropriations of $814,286,250 for the ADB and $180,000,000 for the ADF.

This legislation is necessary because Section 5 of the Asian Development Bank Act (Public Law 89–369, as amended) provides that Congressional authorization must be obtained for the United States Governor to subscribe to additional shares of ADB stock or to provide financing to the ADB. Moreover, legislation is required in order to authorize the appropriation of the necessary amounts for a U.S. subscription to the ADB's capital stock and for a U.S. contribution to the ADF.

The ADB was established in 1966 for the purpose of lending funds, promoting investment and providing technical assistance to developing countries in the Asian region. Membership is open to all members of the Economic and Social Commission for Asia and the Pacific (ESCAP) and other regional countries which are members of the United Nations or of any of its specialized agencies as well as to nonregional developed nations. The ADB now has 42 members of which 28 are regional countries including the three developed countries of Japan Australia and New Zealand. Nonregional members include 12 European nations Canada and the United States.

The ADB's financial resources are comprised of its ordinary capital resources and its Special Funds resources. The ordinary capital resources consist of the ADB's subscribed capital stock the proceeds of borrowings (which are backed by the ADB's callable capital) the proceeds of sale of participations in its loans and funds derived from ordinary operations. In its ten years of operation the ADB has approved loans totalling over $2.4 billion from its ordinary capital resources. These loans bear interest at rates which approximate the interest rates which the ADB must pay on its borrowings.

A 135 percent increase (equal to $5,003.9 million) in the ADB's capital stock was approved by the ADB Board of Governors on October 29, 1976. It will raise the authorized capital from $3,706.6 million to $8,710.5 million. The increase consists of both callable (90%) and paid-in (10%) portions with the paid-in portion payable in equal installments in calendar years 1978, 1979, 1980, and 1981. The callable portion provides backing for borrowings in the capital markets of the world. The paid-in portion is needed to maintain the ADB's sound financial position and to give it flexibility in timing its approach to specific markets.

The U.S. share of the increase would be $814.3 million. Appropriations for this amount would be sought in equal installments over a four-year period in fiscal years 1978–1981. The callable capital portion, which is in the nature of a guarantee and therefore does not constitute an actual budgetary outlay, would total $732.9 million. The paid-in portion is $81.4 million. The paid-in portion of this increase in the ADB capital is smaller than in the original capitalization (50%) or the first general increase (20%). This has been made possible largely because of the ADB's success in establishing itself as a reputable borrower in capital markets. As a result, ADB lending operations can proceed with minimal U.S. budgetary and balance-of-payments cost.

The special operations of the ADB are financed from its Special Funds resources, which consist of contributions to Special Funds made by developed member countries, proceeds from investment of undisbursed Special Funds resources, and amounts set aside to Special Funds resources by the Board of Governors from ordinary capital resources. Special Funds resources are used to provide concessional loans to members such as Afghanistan, Burma, Bangladesh, Pakistan, Sri Lanka, and Western Samoa whose low per capita gross national product and limited external debt repayment capacity warrant loans with lower interest, longer grace periods, and longer maturities. Since approving its first Special Funds loan in 1969, the ADB has approved nearly $900 million of such loans.

Prior to 1973, the ADB's Special Funds were a collection of bilateral contributions each of which carried different terms and conditions as to its use. In 1973, the ADB's Board of Governors, with United States support, adopted a resolution creating a new multilateral Special Fund, the ADF, to which all contributions for the ADB's Special Funds lending operations would be made and used on the same terms and conditions. Subsequently, agreement was reached among the ADB's developed country members on a $525 million initial resource mobilization for the new ADF for the three-year period ending December 31, 1975. In FY 1972 and FY 1975 the Congress authorized U.S. Special Funds contributions totalling $150 million, of which $125 million has been appropriated to date and contributed to the ADF. The remaining $25 million has been requested for appropriation in a FY 1977 supplemental appropriations bill.

The ADB Board of Governors, on December 3, 1975, adopted a resolution providing for the replenishment of the ADF resources and authorizing the ADB to accept contributions to the replenishment from its developed country members in amounts specified in the resolution, subject to possible later adjustment by the Board of Governors. The United States abstained from voting for the resolution and reserved its position on he amount proposed ($231 million) in the resolution for a U.S. contribution, which was based on the generally accepted formula that contributions to the replenishment should be 150% of contributions to the initial mobilization. Following consultations with Congress in mid-1976, the United States requested a downward adjustment in its proposed contribution to $180 million. This adjustment was accepted by the ADB Governors on September 10, 1976.

The resolution provides for an ADF replenishment of $809 million divided into three equal annual installments over the 1976–1978 period. The Executive Branch proposes to seek appropriations in three equal annual installments of $60 million from FY 1978–1980 for the U.S. share of $180 million.

A Special Report of the National Advisory Council on International Monetary and Financial Policies on the replenishment of the resources of the ADB and ADF will be transmitted separately.

Congressional support for the ADB and ADF is essential to the American commitment to economic progress in Asia. I urge the Congress to give the proposed legislation early consideration.

It would be appreciated if you would lay the proposed bill before the Senate. A similar proposal has been sent to the House of Representatives.

The Department has been advised by the Office of Management and Budget that there is no objection to the presentation of this

proposal for consideration by the Congress, and that its enactment would be in accord with the program of the President.

Sincerely yours,

W. MICHAEL BLUMENTHAL.

By Mr. SPARKMAN (by request):

S. 872. A bill to provide for increased participation by the United States in the International Bank for Reconstruction and Development and in the International Finance Corporation, and for other purposes; to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request, I introduce for appropriate reference a bill to provide for increased participation by the United States in the International Bank for Reconstruction and Development and in the International Finance Corporation, and for other purposes.

The bill has been requested by the Secretary of the Treasury, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD, together with the letter from the Secretary of the Treasury to the President of the Senate dated February 25, 1977.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 872

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

SEC. 101. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is further amended by adding at the end thereof the following new section:

"SEC. 27. (a) The United States Governor of the Bank is authorized (1) to vote for an increase of seventy thousand shares in the authorized capital stock of the Bank and (2) if such increase becomes effective, to subscribe on behalf of the United States to thirteen thousand five additional shares of the capital stock of the Bank: *Provided, however,* That any subscription to additional shares shall be made only after the amount required to pay for the paid-in portion of such subscription has been appropriated.

(b) In order to pay for the increase in the United States subscription to the Bank provided for in this section, there is hereby authorized to be appropriated, without fiscal year limitation, $1,568,856,318 for payment by the Secretary of the Treasury."

TITLE II—INTERNATIONAL FINANCE CORPORATION

SEC. 201. The International Finance Corporation Act (22 U.S.C. 282 et seq.) is further amended by adding at the end thereof the following new section:

"SEC. 11. (a) The United States Governor of the Corporation is authorized (1) to vote for an increase of five hundred and forty thousand shares in the authorized capital stock of the Corporation, and (2) if such increase becomes effective, to subscribe on behalf of the United States to one hundred and eleven thousand four hundred and ninety-three additional shares of the capital stock of the Corporation: *Provided, however,* That any commitment to make payment for such additional subscriptions shall be made subject to obtaining the necessary appropriations.

(b) In order to pay for the increase in the United States subscription to the Corporation provided for in this section, there is hereby authorized to be appropriated, without fiscal year limitation, $111,493,000 for payment by the Secretary of the Treasury."

THE SECRETARY OF THE TREASURY,
Washington, D.C., February 25, 1977.

Hon. WALTER MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill, "To provide for increased participation by the United States in the International Bank for Reconstruction and Development and in the International Finance Corporation, and for other purposes."

Title I of the bill would authorize the United States Governor of the International Bank for Reconstruction and Development (IBRD) to vote for an increase of 70,000 shares in the authorized capital stock of the Bank and to subscribe on behalf of the United States to 13,005 of those shares. Any subscription by the United States to additional shares could be made only after the amount required to pay for the paid-in portion of such subscription has been appropriated. The bill would also authorize the appropriation of $1,568,856,318 for the increase in the United States subscription.

Title II of the bill would authorize the United States Governor of the International Finance Corporation (IFC) to vote for an increase of 540,000 shares in the authorized capital stock of the Corporation and to subscribe on behalf of the United States to 111,493 of those shares. Any commitment by the United States to make payment for its subscription would be conditioned on obtaining the necessary appropriations. The bill would also authorize the appropriation of $111,493,000 for the increase in the United States subscription.

This legislation is necessary because Section 5 of the Bretton Woods Agreements Act provides that Congressional authorization must be obtained for the United States Governor to agree to an increase in the capital stock of the IBRD and in the U.S. subscription to such stock. Section 5 of the International Finance Corporation Act contains a similar provision relating to increases in the capital stock of the Corporation and additional U.S. subscriptions.

The IBRD and the IFC are members of the World Bank Group. The composition of the membership of the two organizations is similar. Expansion of the capital of these institutions is important to promote economic and social progress in the developing countries.

The IBRD, which began operations in 1946, seeks to promote the economic development of its developing member countries, primarily by providing loans for specific projects and related technical assistance. Making loans totalling nearly six billion dollars each year, it is an indispensable source of capital for the developing countries. The IBRD obtains most of its capital resources by selling its bonds, which are backed by the callable capital subscriptions of member countries. It lends at near market terms in order to meet its obligation on funds borrowed by it and to cover its operating and other costs.

Additional capital is now required for the Bank to continue to play its key role in development finance, to maintain its lending program into the 1980s, and to retain the confidence of the private capital markets. The proposal for a capital increase of 27 percent was submitted to the Board of Governors of the IBRD last May for approval. Under the proposal, the authorized capital stock would be increased by $8.4 billion. Present members would subscribe to $8.3 billion, of which 10 percent would be paid-in and 90 percent callable; the balance would be reserved for subscriptions by new members.

The U.S. subscription under the replenishment amounts to $1.57 billion. Appropriations for this amount would be sought in three equal installments of $523 million ($52.3 million for paid-in and $470.7 million callable) in fiscal years 1978 to 1980. Annual outlays of $52.3 million beginning in FY 1978 are anticipated for the paid-in portion. The callable capital which is in the nature of a guarantee is not expected to result in budgetary expenditures.

The size and country shares of the proposed capital increase are related to the size and country shares of the recent International Monetary Fund (IMF) quota increase. The policy of having increases in IBRD subscriptions paralled increases in IMF quotas is based, fundamentally, on the view that members whose relative economic strength has increased, as reflected by their receiving larger shares of IMF quotas, can appropriately be expected to make a corresponding increase in their subscriptions to the capital of the IBRD. To achieve this result, the shares of different countries in the increase vary widely. For example, after subscriptions to the increase, Saudi Arabia's and Iran's holdings of IBRD capital will be 270 percent of their present holdings. The U.S. share of the increase is about 19 percent as compared to its present 25 percent share. As a result, U.S. voting power will drop from 22.6 percent to 21.9 percent of the total.

The International Finance Corporation was established in 1956 to further economic development by promoting private investment in its developing member countries. It is unique among multilateral development institutions to which the United States belongs in that it operates without a government guarantee on its loans and purchases equity participations.

The Corporation functions more like a private investment bank than does the IBRD with respect to such matters as lending terms, purchases and sales of stock, and relationships with private investors. It has the advantage, however, of being able to borrow from the IBRD. In Fiscal Year 1976, the Corporation made $245 million in new investment and commitments. The largest source of the funds the Corporation utilized in Fiscal Year 1976 was sales of loans and equity investments with borrowings from the IBRD constituting the second principal source. Loan repayments and net income provided the bulk of the remaining funds. Cumulative gross investment commitments of the Corporation as of June 30, 1976 amounted to $1.5 billion.

The Corporation's principal function is to stimulate the flow of private capital into productive investments by bringing together investment opportunities, domestic and foreign private capital, and experienced management. The Corporation makes an investment only in the event that sufficient private capital cannot be obtained by the private enterprise on reasonable terms and the investment would make a useful contribution to the development of the economy of the member country in which it is made. The investment must also have good prospects of being profitable.

The participation of the Corporation in an investment has been, in many cases, a determining factor in the decision of foreign investors to participate in projects in developing countries. The Corporation has had a significant multiplier effect, generating $4 of private investment for every $1 of its own in the projects in which it has participated. Since its inception, the Corporation has been associated with about $7.8 billion of investments and has assisted in financing some 271 enterprises in 61 developing countries. Most of these enterprises have been medium-size firms, which are locally controlled and locally managed.

The Corporation has a record of prudent, effective and imaginative management. Its current diversified portfolio includes investments in 187 companies. Its investment losses have been less than one percent of its total cumulative commitments for its own account. In Fiscal Year 1976, the average annual rate of return on loan and equity investments held by the Corporation was about 9 percent.

The proposed replenishment which has been submitted to the Corporation's Board of Governors represents the first significant increase in the capital resources of the Corporation since its establishment twenty years ago. Under the proposal, authorized capital stock would be increased from $110 million to $650 million; of the $540 million increase, approximately $480 million would be allocated to increased subscriptions by existing members and the balance would be reserved for subscriptions by new members.

The U.S. share of the proposed increase in subscriptions would be approximately 23 percent. After the replenishment, the overall share of the United States in the Corporation's capital stock would be reduced from 33 percent to about 25 percent, if all members take up their proposed share of the increase. While the U.S. share would decrease, the shares of such countries as Germany, Canada, Japan, Saudi Arabia, Iran, and Venezuela would substantially increase.

The U.S. subscription would amount to approximately $112 million. An appropriation for about $45 million (40 percent) is being sought in Fiscal Year 1978. Appropriations for the balance would be sought in equal installments in Fiscal Years 1979 and 1980. Outlays are projected to be spread out equally over a period of five years, beginning in Fiscal Year 1978.

I urge the Congress to give the proposed legislation its prompt approval. Adoption by the Boards of Governors of the Resolutions providing for the increases in the capital stock of the IBRD and IFC requires a favorable vote by countries having at least 75 percent of the total voting power; the United States has a voting share of almost 23 percent in the IBRD and approximately 27 percent in the IFC. Therefore, U.S. approval of the Resolution is essential in the IFC and almost certainly necessary in the IBRD to allow additional subscriptions to be made by member countries.

A Special Report of the National Advisory Council on International Monetary and Financial Policies on the replenishment of the resources of the IBRD and of the IFC will be transmitted separately to you and to the Speaker of the House.

It would be appreciated if you would lay the proposed bill before the Senate. A similar proposed bill has been submitted to the Speaker of the House.

The Department has been advised by the Office of Management and Budget that there is no objection to the presentation of this proposal for consideration by the Congress, and that its enactment would be in accord with the program of the President.

Sincerely yours,

W. MICHAEL BLUMENTHAL.

By Mr. SPARKMAN (by request):

S. 873. A bill to amend title I of the Foreign Relations Authorization Act, fiscal year 1977 (Public Law 94-350; 90 Stat. 823) to authorize appropriations for fiscal years 1978 and 1979 and for other purposes; to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request, I introduce for appropriate reference a bill to amend title I of the Foreign Relations Authorization Act, fiscal year 1977 (Public Law 94-350; 90 Stat. 823) to authorize appropriations for fiscal years 1978 and 1979, and for other purposes.

The bill has been requested by the Acting Assistant Secretary for Congressional Relations, Department of State, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD, together with the letter from the Acting Assistant Secretary for Congressional Relations to the President of the Senate dated February 22, 1977, and the section-by-section analysis of the bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 873

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "State Department Authorization Act, Fiscal Years 1978 and 1979".

SEC. 2. Section 101 of the Foreign Relations Authorization Act, fiscal year 1977 (90 Stat. 823) is amended by:

1. Striking out "1977" in subsection (a) and inserting in lieu thereof "1978".

2. Striking out categories (1) through (5) and inserting in lieu thereof the following:

(1) For the "Administration of Foreign Affairs", $741,820,000.

(2) For "International Organizations and Conferences", $400,537,000.

(3) For "International Commissions", $31,278,000.

(4) For "Education Exchange", $83,100,000.

(5) For "Migration and Refugee Assistance" $30,054,000.

3. Adding a new subsection as follows:

"(c) There are authorized to be appropriated to the Department of State for fiscal year 1979 such amounts as may be necessary to carry out the authorities, functions, duties, responsibilities, and other purposes authorized by law."

SEC. 3. Section 102 of such Act (90 Stat. 823) is amended by striking out "1977" and inserting in lieu thereof "1978".

SEC. 4. Immediately after Section 121 of such Act (90 Stat. 829) the following new section is added: "Sec. 122. Notwithstanding the proviso in the paragraph entitled 'Contributions to International Organizations' of Title I of the Act of October 25, 1972 (86 Stat. 1110), $7,281,583 of the amount authorized to be appropriated by Section 101(a)(2) of this Act may be used to pay the unpaid portion of the United States assessments to the World Health Organization for the calendar years 1974 through 1977."

SEC. 5. Section 3 of the Act of August 1, 1956 (22 U.S.C. 2670) is amended by: striking out "and" at the end of subsection (h), substituting a semi-colon for the period at the end of subsection (i), and inserting a new subsection (j) as follows: "and (j) provide emergency medical attention and dietary supplements for United States citizens incarcerated abroad who are unable to obtain such services otherwise."

FEBRUARY 22, 1977.

Hon. WALTER F. MONDALE,
President of the Senate,
U. S. Senate

DEAR MR. PRESIDENT: In accordance with Section 16 of the Act of August 1, 1956 as amended (22 U.S.C. 2680), there is transmitted herewith proposed legislation that would authorize appropriations for the Department of State to carry out its authorities and responsibilities in the conduct of foreign affairs during fiscal years 1978 and 1979.

The bill provides for authorization of appropriations for (a) "Administration of Foreign Affairs," which supports the operation of the United States diplomatic and consular posts abroad and the Department of State in the United States; (b) "International Organizations and Conferences" including contributions to meet obligations of the United States to international organizations pursuant to treaties, conventions or specific acts of Congress; (c) "International Commissions" which enables the United States to fulfill treaty and other international obligations; (d) "Educational Exchange" which is a program administering the cultural and educational exchange activities of the United States; and (e) "Migration and Refugee Assistance" which includes the United States annual contribution to the International Committee of the Red Cross and refugee assistance programs. A section-by-section analysis further explaining the proposed legislation is enclosed.

The Department has been informed by the Office of Management and Budget that there is no objection to the presentation of this proposed legislation to the Congress and that its enactment would be in accord with the program of the President.

Respectfully,

KEMPTON B. JENKINS,
Acting Assistant Secretary for Congressional Relations.

SECTION-BY-SECTION ANALYSIS

SECTION 2

Subsection (a)—This subsection provides an authorization of appropriations for the Department of State in accordance with the provisions of Section 407(b) of the Foreign Assistance Act of 1971. The proposed amendment authorizes funds to be appropriated under this legislation for the fiscal year 1978 by category.

Category (1)—Authorizes increased appropriations under the heading "Administration of Foreign Affairs". For fiscal year 1978 this category provides the necessary funds for the salaries, expenses and allowances of the officers and employees of the Department, both in the United States and abroad. It includes funds for executive direction and policy formulation, conduct of diplomatic and consular relations with foreign countries, conduct of diplomatic relations with international organizations, domestic public information activities, central program services, and administrative and staff activities. This category also provides for representational expenses in accordance with Section 901 of the Foreign Service Act of 1946, as amended. Further, it provides

funds for such activities as the acquisition, operation and maintenance of office space and living quarters for American staff abroad; funds for relief and repatriation loans to United States citizens abroad and for other emergencies of the Department; and payments to the Foreign Service Retirement and Disability Fund.

Category (2)—Authorizes increased appropriations for fiscal year 1978 under the heading "International Organizations and Conferences". This category provides the necessary funds for United States contributions of its assessed share of the expenses of the United Nations and other international organizations of which we are a member. Also included are the necessary funds for the missions which represent the United States at the headquarters of certain international organizations in which the United States has membership or participates pursuant to treaties, conventions or specific Acts of Congress. In addition, provision is made for funding of official United States Government participation in regularly scheduled or planned multilateral intergovernmental conferences, meetings and related activities, including international trade negotiations, and for contributions to international peacekeeping activities in accordance with international multilateral agreements.

Category (3)—Authorizes increased appropriations for fiscal year 1978 under the heading "International Commissions". This category provides funds necessary to enable the United States to meet its obligations as a participant in International Commissions and includes expenses of the American Sections and the International Boundary and Water Commission. Also, expenses for the United States participation in International Fisheries Commissions are under this category.

Category (4)—Authorizes increased appropriations for fiscal year 1978 under the heading "Educational Exchange" which provides funds to enable the Secretary of State to carry out his functions under the provisions of the Mutual Educational and Cultural Exchange Act of 1961, as amended, and the Act of August 9, 1939. Included also is the authorization of funds to enable the Secretary of State to provide for carrying out the provisions of the Center for Cultural and Technical Interchange Between East and West Act of 1960 by grant to the State of Hawaii.

Category (5)—Authorizes increased appropriations for fiscal year 1978 under the heading "Migration and Refugee Assistance" to enable the Secretary of State to provide assistance to migrants and refugees, both on a multilateral basis through contributions to organizations such as the Inter-governmental Committee for European Migration and the United Nations High Commissioner for Refugees, and on a unilateral basis through assistance to refugees designated by the President, as authorized by law.

Subsection (c)—This subsection provides for such amounts as may be necessary for the Department of State to meet its obligations in fiscal year 1979 in accordance with Section 607 of the Congressional Budget Act of 1974 (Public Law 93-344). The phrase "such amounts as may be necessary" is used because exact dollar amounts are presently undeterminable.

SECTION 3

This section continues in fiscal year 1978 Section 102 authority for the transfer of unappropriated authorization between categories.

SECTION 4

This section permits the Department of State to pay the unpaid portion of the United States assessments to the World Health Organization for calendar years 1974 through 1977. The Department believes the arrearages should now be paid because the United States assessed portion of the World Health Organization budget for fiscal year 1978 has been brought into conformity with the 25 percent limitation mandated by Congress (86 Stat. 1110).

SECTION 5

This section amends Section 3 of the Act of August 1, 1956 (22 U.S.C. 2670) to provide authority for the Department of State to give emergency medical attention and dietary supplements to United States citizens incarcerated abroad who are unable to obtain such services otherwise. The Department believes that the United States Government has an obligation to respond when Americans cannot obtain this support by other means.

By Mr. SPARKMAN (by request):

S. 874. A bill to amend title I of the Foreign Relations Authorization Act, fiscal year 1977, to authorize additional appropriations for fiscal year 1977; to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request, I introduce for appropriate reference a bill to amend title I of the Foreign Relations Authorization Act, fiscal year 1977, to authorize additional appropriations for fiscal year 1977.

The bill has been requested by the Acting Assistant Secretary for Congressional Relations, Department of State, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD, together with the letter from the Acting Assistant Secretary for Congressional Relations to the President of the Senate, dated February 24, 1977, and the section-by-section analysis of the bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 874

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the "Foreign Relations Authorization Act, Fiscal Year 1977", is amended as follows:

SECTION 1. Section 101(a)(2) of such Act (90 Stat. 823) providing authorization of appropriations for "International Organizations and Conferences" is amended by striking out "$342,460,453" and inserting in lieu thereof "$411,735,453".

SEC. 2. Section 101(a)(5) of such Act (90 Stat. 823) providing authorization of appropriations for "Migration and Refugee Assistance" is amended by striking out "$10,000,000" and inserting in lieu thereof "$25,725,000".

FEBRUARY 24, 1977.

Hon. WALTER F. MONDALE,
President of the Senate,
U.S. Senate.

DEAR MR. PRESIDENT: There is transmitted herewith a proposed amendment to existing legislation that authorizes appropriations for the Department of State to carry out authorities, functions, duties and responsibilities in the conduct of the foreign affairs of the United States, including trade negotiations and other purposes authorized by law, during fiscal year 1977.

The amendment provides for increases in the amounts for authorization of appropriations for two categories, "International Organizations and Conferences" and "Migration and Refugee Assistance". A section-by-section analysis further explaining the proposed legislation is enclosed.

The Department has been informed by the Office of Management and Budget that there is no objection to the presentation of this proposed legislation to the Congress and that its enactment would be in accord with the program of the President.

Respectfully,

KEMPTON B. JENKINS,
Acting Assistant Secretary for Congressional Relations.

SECTION-BY-SECTION ANALYSIS

Section 1—This section, pursuant to the President's certification to Congress that the United Nations Educational, Scientific and Cultural Organization (UNESCO) has taken concrete steps to correct its actions of a primarily political character, authorizes additional funds to pay the United States assessed share of the UNESCO budget for calendar years 1975, 1976, and 1977.

Section 2—This section authorizes additional funds to meet funding requirements for the care, maintenance and transportation assistance of refugees from the Soviet Union resettling in countries other than Israel, and Indochinese refugees in Thailand.

By Mr. DOMENICI:

S. 876. A bill to authorize the Secretary of the Interior to amend the contract for the construction, operation, and maintenance of the Vermejo Reclamation Project between the Vermejo Conservancy District, located in the State of New Mexico, and the United States; to the Committee on Energy and Natural Resources.

S. 877. A bill for the relief of the Vermejo Conservancy District; to the Committee on the Judiciary.

Mr. DOMENICI. Mr. President, I send to the desk for appropriate reference, legislation designed to provide some relief to the residents in the Vermejo Conservancy District in Maxwell, N. Mex. The legislation will provide a means for the conservancy district to cancel its remaining construction debt. This legislation is necessary because of circumstances beyond the control of the conservancy district, namely, acute water shortages in this area.

The Vermejo Project was authorized by the act of September 27, 1950 (64 Stat. 1072), as amended. In accordance with section 3 of that act, the President approved the project on June 22, 1951, and the reclamation project was initiated in 1953 and completed in 1955. The project was designed to serve 7,379 irrigable acres in the Vermejo Conservancy District. Water for the project is derived from the Vermejo River and Chico Rico Creek watersheds.

Unfortunately, because of water shortages caused by climatic conditions and upstream developments, the overall water supply has been severely reduced. In fact, in 1974, an estimated total farm delivery of only 1,770 acre-feet was made

compared to the normal full-supply requirement of 20,000 acre-feet. Of that amount nearly all was used on 1,100 acres, and essentially no water was distributed to the remaining 6,279 acres in the project area.

Mr. President, the Bureau of Reclamation has concluded that the long-term outlook for an adequate supply of water will continue to be limited, particularly from the Vermejo River watershed. This shortage of water has caused extremely poor economic conditions and restricts the Vermejo Conservancy District's ability to repay its construction obligation debt.

It appears that the only solution to this problem is for the Congress to enact legislation to cancel the remaining construction repayment obligation. I hope that other Members will recognize the extreme hardship facing the residents of Maxwell because of this outstanding debt and that the Congress will act expediently to resolve the matter.

By Mr. TOWER (for himself, Mr. EASTLAND, and Mr. YOUNG):

S. 878. A bill to provide tax incentives to encourage physicians, dentists, and optometrists to practice in health manpower shortage areas; to the Committee on Finance.

Mr. TOWER. Mr. President, with several revisions, I am reintroducing legislation to provide physicians, dentists, and optometrists with tax incentives to practice in physician shortage areas.

There is wide awareness and concern about the physician shortage in rural areas, and State and local governments as well as the Federal Government are responding to the need for greater service in isolated areas. However, there is no single organization or instrument that can solve such a complex problem. The situation can only be mitigated by a multifaceted approach to which a tax incentive would be a valuable addition.

A recent study published by the American Medical Association indicates that there are numerous reasons why physicians prefer not to practice in rural areas. They include: First, longer hours; second, limited access to continuing medical education; third, lack of professional stimulation from peers; fourth, less access to group practice arrangements; fifth, no sophisticated support; sixth, negative reaction of spouse to rural location; seventh, lack of managerial assistance; and eighth, limited social, cultural, and educational opportunities.

In other words, a rural practice entails a high degree of personal sacrifice for physicians, not all of whom find fresh air and good fishing entirely compensatory. Hospitals and State and local governments are improving access to sophisticated technological support and are encouraging the establishment of residencies in smaller communities. The Health Manpower Act of 1976 also contained language to encourage training in primary care and to induce physicians on National Health Corps scholarships to serve in manpower shortage areas. However, not even a combination of these efforts approaches a lasting solution to the rural health care shortage problem.

There are about 56 million people living in rural America. A 1969 study of rural counties of less than 10,000 inhabitants revealed ratios as high as 2,103 persons per physician. In view of this disparity, the finding of the Health Manpower Act that "there is no longer an insufficient number of physicians and surgeons in the United States" is virtually meaningless. A drought-ridden nation will starve no matter how much grain is safely locked in its storage vaults. A tax incentive would contribute greatly to the effort to distribute health care more evenly throughout the country.

This bill would provide for a proportional deduction of taxable income on a diminishing scale for each of the first 5 years that a physician, dentist, or optometrist practices in a shortage area; $20,000 could be deducted for the first year of practice, $15,000 the second year, $10,000 the third year, $7,500 the fourth year, and $5,000 the fifth year. Under the provisions of the bill, health professionals would be required to practice in health manpower shortage areas, as designated by the Secretary under section 332 of the Public Health Service Act. The tax deduction would not be available to those professionals serving in a health manpower shortage area if such service is required in satisfaction of an obligation incurred as a recipient of a National Health Service Corps scholarship.

The bill would alleviate the financial strain of establishing a practice in comparatively isolated areas where incomes are typically lower. The tax benefits taper off to the point where a physician would expect to be fairly well established in his community, adapted to the way of life there and inclined to stay for the duration. The bill does not profess to offer the ultimate solution to the problem of health care shortage throughout the United States. However, it does add another valuable support to the structure of a comprehensive solution, and I urge my colleagues to give it their most favorable consideration in this light.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 878

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by—

(1) redesignating section 124 as section 125; and

(2) inserting after section 123 the following new section:

"SEC. 124. PHYSICIANS, DENTISTS, AND OPTOMETRISTS ESTABLISHING PRACTICE IN HEALTH MANPOWER SHORTAGE AREAS.

"(a) IN GENERAL.—In the case of a physician, dentist, or optometrist who engages in the practice of medicine, dentistry, or optometry, respectively in a health manpower shortage area during the taxable year, gross income does not include, at the election of the taxpayer, adjusted gross practice income for such year from such practice in such area to the extent of—

"(A) $20,000 during the first taxable year of such practice;

"(B) $15,000 during the second taxable year of such practice;

"(C) $10,000 during the third taxable year of such practice;

"(D) $7,500 during the fourth taxable year of such practice; and

"(E) $5,000 during the fifth taxable year of such practice.

"(b) LIMITATIONS.—

"(1) TWO-YEAR PRACTICE REQUIREMENT.—The provisions of subsection (a) shall apply to a physician, dentist, or optometrist with respect to practice in a health manpower shortage area only if he continuously engages in such practice for at least 2 years, commencing with the day on which he first engages in such practice. The preceding sentence shall not apply—

"(A) to a physician, dentist, or optometrist who dies during such 2-year period, or

"(B) with respect to a physician, dentist, or optometrist who is disabled for any period during such 2-year period.

"(2) PROVISIONS TO APPLY ONLY ONCE.—The provisions of subsection (a) shall apply to a physician, dentist, or optometrist only once.

"(3) PROVISIONS NOT TO APPLY WHEN SERVICE IN AREA IS OBLIGATORY.—The provisions of this section do not apply with respect to practice in a health manpower shortage area if the taxpayer's practice in that area is required in satisfaction of an obligation incurred by the taxpayer unde subpart IV of part C of title VII of the Public Health Service Act.

"(c) ELECTION.—

"(1) In general.—An election to have the provisions of subsection (a) apply shall be made at such time and in such manner as the Secretary prescribed by regulations. Such election may not be revoked except with the consent of the Secretary and subject to such terms and conditions as the Secretary prescribes.

"(2) DESIGNATION OF FIRST TAXABLE YEAR.—At the time of making an election under paragraph (1), a physician, dentist, or optometrist shall designate his first taxable year of practice in a health manpower shortage area, for purposes of applying the provisions of subsection (a), as the taxable year in which he first engages in practice of such area.

"(d) DEFINITIONS.—For purposes of this section—

"(1) the term 'adjusted gross practice income' means gross income from the practice of medicine, dentistry, or optometry less any deductions arising out of such practice; and

"(2) the term 'health manpower shortage area' means any area certified to the Secretary by the Secretary of Health, Education, and Welfare as an area designated as a health manpower shortage area under section 332 of the Public Health Service Act.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.

(b) The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 124 and inserting in lieu thereof the following:

"Sec. 124. Physicians, dentists, and optometrists establishing practice in health manpower shortage areas.

"Sec. 125. Cross references to other Acts.".

(c) The amendments made by this Act shall apply to taxable years beginning after December 31, 1977.

By Mr. DECONCINI:

S. 879. A bill to designate certain lands in the Organ Pipe Cactus National Monument, Ariz., as wilderness; to the Committee on Energy and Natural Resources.

Mr. DECONCINI. Mr. President, today I am introducing legislation that will designate as wilderness some 315,000 acres of Arizona's Organ Pipe Cactus National Monument.

Organ Pipe Cactus National Monument, which was established in 1937 and named after a species of cactus that has become increasingly rare in our Nation, is part of the Sonoran Desert extending from northwestern Mexico to southwestern Arizona and California. The area is characterized by an exceptional variety of desert landscapes, including stark mountains, sweeping outwash plains, rugged canyons, creosote-bush flats, and dry washes, which are both a source of life in an unusual desert environment and a source of pride and pleasure for Arizonans and visitors.

With enactment of Public Law 94-429 last year, the principal obstacle to designating the magnificent Organ Pipe Cactus National Monument as wilderness was removed. Congress established the means and procedure by which mining activities in several units of the National Park System, including the monument, will be regulated.

By designating the Organ Pipe Cactus National Monument as wilderness, we will be taking an important step toward providing our children with the opportunity to enjoy natural settings which we too often take for granted, and which, without due care, could be overrun in the rush of society's growth.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 879

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 3(c) of the Wilderness Act of September 3, 1964 (78 Stat. 890, 892; 16 U.S.C. 1132(c)), certain lands in the Organ Pipe Cactus National Monument, Arizona, which comprise about 315,900 acres, and which are depicted on a map entitled "Wilderness Plan, Organ Pipe Cactus National Mounment, Arizona," numbered and dated February 1975, are hereby designated as wilderness: *Provided, however*, That the tract identified on said map as "Wilderness Reserve", which comprises about 200 acres, is designated as wilderness subject only to the removal from said tract of the existing nonconforming improvements, at which time the Secretary of the Interior is directed to publish notice thereof in the Federal Register. Pending such notice, and subject only to the existing nonconforming improvements, said tract shall be managed as wilderness in accordance with section 3 of this Act. The map and a description of the boundaries of such lands shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior.

SEC. 2. As soon as practicable after this Act takes effect, a map of the wilderness area and a description of its boundaries shall be filed with the Energy and Natural Resources Committee of the United States Senate and the Interior and Insular Affairs Committee of the House of Representatives, and such map and description shall have the same force and effect as if included in this Act: *Provided, however*, That correction of clerical and typographical errors in such description and map may be made.

SEC. 3. The wilderness area designated by this Act shall be known as the "Organ Pipe Cactus Wilderness" and shall be administered by the Secretary of the Interior in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, and where appropriate any reference in that Act to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior.

By Mr. HATFIELD (for himself and Mr. GRAVEL):

S. 880. A bill to amend the Internal Revenue Code of 1954 to provide that a taxpayer conscientiously opposed to participation in war may elect to have his income, estate, or gift tax payments spent for nonmilitary purposes; to create a trust fund—the World Peace Tax Fund—to receive these tax payments; to establish a World Peace Tax Fund Board of Trustees; and for other purposes; to the Committee on Finance.

Mr. HATFIELD. Mr. President, I am introducing today a bill to amend the Internal Revenue Code of 1954 to provide a way for a conscientious objector to elect to have his or her tax payments spent for nonmilitary purposes.

During the past months I have received, along with my colleagues, many inquiries about the World Peace Tax Fund Act. For a number of years I have wrestled with the issue of requiring taxes for current military outlay from people conscientiously opposed to war.

It is now my strong conviction that I should introduce this legislation to permit citizens opposed to war on moral or theological grounds the opportunity to have that portion of their income, estate, and gift taxes normally spent by the military directed to peace-related activities instead.

The act would not lower total tax payments or diminish tax obligations as many current exemptions now do. It recognizes deep moral convictions and removes the dilemma facing conscientious objectors to disregard moral beliefs or disobey laws of the country. Under this measure, conscientious objection would be determined by criteria used in the Selective Service Act.

Those who qualify then may choose to have a percentage of their tax dollars put into a trust fund to be established by the bill. The percentage would be figured each year according to the amount of budgeted "current military outlay."

An estimated 0.5 to 9 percent of income taxpayers would use the World Peace Tax Fund checkoff if it became law. This is based on the membership of the Church of the Brethren, Mennonites and Quakers—Friends—who are the principal supporters of WPTF, and have a combined membership of 540,000. A survey taken at the time of the Calley sentence in 1971 by Harris indicated 9 percent thought a soldier not justified in shooting an enemy in war, and is the only indication known of a poll of the public at large on conscientious objection.

The WPTF Fund would be approximately $180,058,000 if .4 percent of income taxpayers used the fund and $4,501,450,000 if 10 percent used it.

This fund, administered by a board of citizens appointed by the Preident and Congress, would disburse funds to programs of a peace-related nature.

In 1711 William Penn argued this very issue with the English monarch. Since the First Congress this matter has been of concern to legislators. It is now time to extend the principle of conscientious objection to payment of taxes for the military. No citizen should be forced to violate compelling moral opposition to violence.

The U.S. Catholic Conference, an organization of Catholic Bishops, declared in 1973,

> We encourage legislative efforts which offer citizens, who object for reasons of conscience to paying taxes to support military programs, the option of allocating a portion of their tax payment to fund peace and development oriented programs.

The 10-million member Methodist denomination, while not a traditional "peace church," such as the Quakers, Mennonites or the Breathren, supports the World Peace Tax Fund concept.

William Willoughby, of the Washington Star, reported from Portland, Oregon, on May 5, 1976:

> The General Conference of the United Methodist Church, the country's second largest Protestant denomination, gave its endorsement to individuals who, for reasons of conscience, withhold a portion of their tax dollars which would be used for war and promoting the arms race.
>
> The action, included in a comprehensive resolution on world peace and matters directly related to it, is reflected of a growing feeling in many churches in the United States that they should not be forced into supporting programs with which they have strong moral and theological conflicts.
>
> . . . it does hold as one of its official statements the assertion that "what the Christian citizen may not do is to obey persons rather than God, or overlook the degree of compromise in even our best acts, or gloss over the sinfulness of war.
>
> The resolution said, "Christian teaching supports conscientious objection to all war as an ethically valid position. It also asserts that ethical decisions on political matters must be made in the context of the competing claims of biblical revelation, church doctrine, civil law, and one's own understanding of what God calls him or her to do.

Further, the resolution, approved by the General Conference of the United Methodist Church, states:

> We therefore, support all those who conscientiously object: to preparation for or participation in any specific war or all wars; to cooperation with military conscription; or to the payment of taxes for military purposes; and we ask that they be granted legal recognition.

This bill is similar to House bill H.R. 4897, introduced in the first session of

the 94th Congress by Representative RONALD V. DELLUMS of California with 22 cosponsors. It is my understanding that the bill will be reintroduced shortly in the House.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 880

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "World Peace Tax Fund Act".

SEC. 2. WORLD PEACE TAX FUND.

(a) CREATION OF TRUST FUND.—There is hereby established within the Treasury of the United States a special trust fund to be known as the "World Peace Tax Fund" (hereinafter referred to as the "Fund"). The Fund shall consist of such amounts as may be transferred to the Fund as provided in this section.

(b) TRANSFER TO FUND OF AMOUNTS EQUIVALENT TO CERTAIN TAXES.—

(1) IN GENERAL.—There is hereby transferred to the Fund amounts equivalent to the sum of the amounts designated during the fiscal year by individuals under section 6099 of the Internal Revenue Code of 1954 for payment into the Fund, and amounts during the fiscal year as estate tax payments designated for payment into the Fund under section 2210 of such Code, and amounts received during the year as gift tax payments designated for payment into the Fund under section 2505 of such Code. Such amounts shall be deposited into the Fund, and shall be available only for the purposes provided in section 8 of this Act.

(2) METHOD OF TRANSFER.—The amounts transferred by paragraph (1) shall be transferred at least monthly from the general fund of the Treasury to the Fund on the basis of estimates by the Secretary of the Treasury of the amounts, referred to in paragraph (1), received in the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the extent that prior estimates were in excess of or less than the amounts required to be transferred.

SEC. 3. INCOME TAX PAYMENTS TO WORLD PEACE TAX FUND.

(a) Subchapter A of chapter 61 of the Internal Revenue Code of 1954 (relating to returns and records) is amended by adding at the end thereof the following new part:

"PART IX—DESIGNATION OF INCOME TAX PAYMENTS FOR TRANSFER TO WORLD PEACE TAX FUND

"SEC. 6098. QUALIFICATION FOR PARTICIPATION IN THE FUND.

"(1) Any taxpayer who has actually qualified as a conscientious objector for Selective Service or Immigration purposes shall be entitled to participate in the Fund.

"(2) Any taxpayer not covered by subsection 1 of this section, who declares that he or she is conscientiously opposed to participation in war, within the meaning of the Military Selective Service Act, as amended, shall qualify to designate payment of his or her income taxes to the Fund, as provided in section 6099.

"(a) Qualification for participation in the Fund shall be demonstrated by an affirmative response to the following question, which shall appear on all personal income, estate, and gift tax forms: 'Do you believe that you are conscientiously opposed to participation in war, within the meaning of the Military Selective Service Act, as amended?'

"(b) Instructions provided to taxpayers by the Secretary to assist them in filing tax returns shall include an explanation of the purpose of the Fund; the essential features of the Military Selective Service Act, as amended, pertaining to conscientious objection to war.

"(c) The Secretary may require any person making a declaration in the manner prescribed in paragraph 3(e)(a) above to provide such additional information as is necessary to verify his or her status as a person conscientiously opposed to war within the meaning of the Military Selective Service Act as amended.

"(d) Any person may qualify as a conscientious objector within the meaning of section 3 of the Act, for any taxable period with respect to which the time for filing a claim or refund of overpayment has not expired on the date of enactment of this Act; and any civil or criminal penalty imposed for failing or refusing to pay all or part of the tax imposed on him or her by chapter 1 of the Internal Revenue Code of 1954 shall be vacated and set aside if the taxpayer—

"(1) pays any tax due (with interest), and

"(2) establishes as a matter of fact that his or her failure or refusal to pay was based upon conscientious objection to war within the meaning of the Military Selective Service Act as amended; and all such taxes collected under the authority of this paragraph shall be transferred by the Secretary into the World Peace Tax Fund.

"(3) Persons shall acquire the status of conscientious objector for the purposes of this Act by their affirmative declaration to the question specified in paragraph 3(2)(a) above: *Provided, however,* That if the Secretary has reason to doubt the qualification of such a declarant to participate in the Fund on the basis of the information provided in compliance with paragraph 3(2)(c) above, he may initiate an action in the U.S. District Court of the district in which the declaring taxpayer has his or her residence to challenge the declarant's status as a taxpayer qualified to participate in the World Peace Tax Fund.

"SEC. 6099. DESIGNATION BY INDIVIDUALS.

"(a) IN GENERAL.—Every individual (other than a nonresident alien) whose income tax liability for any taxable year is $1 or more may designate that his income tax payment for that year shall be paid into the World Peace Tax Fund established by section 2 of the World Peace Tax Fund Act.

"(b) DEFINITIONS.—As used in this section—

"(1) INCOME TAX LIABILITY.—The term 'income tax liability' means the amount of the tax imposed by chapter 1 on an individual for any taxable year (as shown on his return) reduced by the sum of the credits (as shown on his return) allowable under section 33 (relating to foreign tax credit), section 35 (relating to retirement income), section 38 (relating to certain depreciable property), section 40 (relating to work incentive program credit), and section 41 (relating to political contributions).

"(2) INCOME TAX PAYMENT.—The term 'income tax payment' means the amount of taxes imposed by chapter 1 paid by or withheld from an individual for any taxable year not in excess of his income tax liability.

"(c) MANNER AND TIME OF DESIGNATION.—A designation under subsection (a) may be made with respect to any taxable year.

"(1) at the time of filing the return of the tax imposed by chapter 1 for such taxable year, and

"(2) at any other time (after the time of filing the return of the tax imposed by chapter 1 for such taxable year) specified in regulations prescribed by the Secretary or his delegate."

(b)(1) The table of contents of such Code is amended by inserting after the item relating to part VIII of subchapter A of chapter 61 the following:

"Part IX. Designation of income tax payments for transfer to World Peace Tax Fund.".

(2) The table of contents of subtitle F of such Code is amended by inserting after the item relating to section 6096 the following:

"Part IX. Designation of income tax payments for transfer to World Peace Tax Fund.

"Sec. 6099. Designation by individuals.".

(3) The table of parts of subchapter A of chapter 61 of such Code is amended by adding at the end thereof the following:

"Part IX. Designation of income tax payments for transfer to World Peace Tax Fund.".

(c) The amendments made by this section shall apply with respect to taxable years beginning after December 3, 1971.

SEC. 4. ESTATE TAX PAYMENTS TO WORLD PEACE TAX FUND.

(a) Subchapter C of chapter 11 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new section:

"SEC. 2210. DESIGNATION OF ESTATE TAX PAYMENTS FOR TRANSFER TO WORLD PEACE TAX FUND.

"(a) IN GENERAL.—An individual may elect that the tax imposed by section 2001 on his taxable estate shall be transferred when paid to the World Peace Tax Fund established under section 2 of the World Peace Tax Fund Act."

(b) The table of contents for subchapter C of chapter 11 of such Code is amended by adding at the end thereof the following:

"Sec. 2210. Designation of estate tax payments for transfer to World Peace Tax Fund.".

(c) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1971.

SEC. 5. GIFT TAX PAYMENTS TO WORLD PEACE TAX FUND.

(a) Subchapter B of chapter 12 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new section:

"SEC. 2505. DESIGNATION OF GIFT TAX PAYMENTS FOR TRANSFER TO WORLD PEACE TAX FUND.

"(a) IN GENERAL.—An individual may elect that the tax imposed by section 2501 shall be transferred when paid to the World Peace Tax Fund established under section 2 of the World Peace Tax Fund Act."

(b) The table of contents for subchapter B of chapter 12 of such Code is amended by adding at the end thereof the following:

"Sec. 2505. Designation of Gift Tax Payments for Transfer to World Peace Tax Fund.".

(c) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1971.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

(a) As soon after the close of each fiscal year as may be practicable, the Comptroller General shall determine and certify to the Congress and to the President the percentage of actual appropriations made by the United States from the Federal Funds Budget during the preceding fiscal year which were made for a military purpose (see "Definitions", below). The certification shall be published in the Congressional Record upon receipt by the Congress.

(b) There is hereby authorized to be appropriated each year a certain portion of the Fund to the World Peace Tax Fund

Board of Trustees (established by sec. 7) for obligation and expenditure in accordance with the provisions of this Act. This portion is determined by applying the percentage figure derived in subsection (a) above to the money transferred to the Fund in each fiscal year, and adding to that sum all moneys in the Fund previously authorized to be appropriated to the Board of Trustees but not yet appropriated. Moneys remaining in the Fund shall accrue interest according to the prevailing rate in long-term Government bonds.

(c) The remaining portion of the Fund is authorized to be appropriated to the general fund of the Treasury of the United States. No part of the money transferred to the general fund under this subsection shall be appropriated for any expenditures, or otherwise obligated, for military purposes.

SEC. 7. BOARD OF TRUSTEES.

(a) There is established a World Peace Tax Fund Board of Trustees (hereinafter referred to as the "Board") which shall be composed of 11 members appointed as follows:

(1) nine members, not more than five from the same political party, appointed by the President, by and with the advice and consent of the Senate, from among individuals who have demonstrated a consistent commitment to world peace and international friendship and who have had experience with the peaceful resolution of international conflict; and

(2) two members, who shall also meet the above criteria, one of whom shall be appointed by the President pro tempore of the Senate from among the Members of the Senate, and one of whom shall be appointed by the Speaker of the House of Representatives from among the Members of the House. Members appointed under this paragraph shall serve ex officio.

(b) The term of office of each member of the Board shall be six years, except that the terms of office for four members initially appointed under subsection (a)(1) shall be three years. Members may serve until their successors are appointed, except that if any member appointed under subsection (a) (2) ceases to serve as a Member of Congress, his term of office on the Board shall terminate at the time he ceases to serve as a Member of Congress. Each member shall be eligible for reappointment for one additional term, but no person shall serve for more than twelve years as a member of the Board. Six Trustees shall constitute a quorum.

(c) Any vacancy in the membership of the Board shall not affect its powers and shall be filled in the same manner in which the original appointment was made. The term of office of any person appointed to fulfill the unexpired term of a member shall consist of the unexpired portion of such member's term.

(d) The Board shall elect a Chairman from among its members.

SEC. 8. DUTIES OF THE BOARD

(a) The Board may make payments as authorized by appropriation Acts, by way of grant, loan, or other arrangement, under such conditions and upon such terms as it considers necessary.

(b) Funds designated for the purpose of research may be directed to governmental or nongovernmental, national, or international organizations. Funds for nondomestic programs involving the providing of goods and services shall be restricted in distribution to the United Nations and associated agencies.

(c) Activities eligible to receive money from the Board shall include but not be limited to:

(1) Research directed toward developing and evaluating nonmilitary and nonviolent solutions to international conflict;

(2) Disarmament efforts;

(3) International exchanges for peaceful purposes;

(4) Improvement of international health, education, and welfare; and

(5) Programs for providing information to and education of the public about the above activities.

(d) The Board shall publish regulations for the submission of applications for funds by persons and agencies, and shall determine the eligibility of such persons and agencies to receive payments or loans. Before approving the application of any such person or agency the Board shall determine, after a comprehensive review of all the functions and activities of the person or agency requesting approval, that such functions and activities have a nonmilitary purpose.

(e) The Board shall submit its budget to Congress as stipulated in section 9, shall report to the President and to the Congress annually on its activities, and shall provide a complete accounting of all funds received and disbursed pursuant to this Act.

(f) It is the intent of this Act that the Fund shall not operate to release money for military expenditures which, were it not for the existence of the Fund, would otherwise have been appropriated for nonmilitary expenditures.

SEC. 9. SUBMISSION OF BUDGET.

Notwithstanding any other provision of law, the Comptroller General shall carry out the activities and review of the Board which would be carried out by the Office of Management and Budget if the Board were an agency within the executive branch of the Government; and may establish such requirements as he deems necessary to carry out his authority under this section. The Office of Management and Budget shall not have jurisdiction over the Board. The Board shall submit its budget, requests for appropriations, and related reports to the Congress in accordance with such requirements and procedures as the Comptroller General may establish.

SEC. 10. POWERS AND ADMINISTRATIVE PROVISIONS.

(a) Each department, agency, and instrumentality of the Federal Government, including independent agencies, is authorized and directed to cooperate with and furnish to the Board, to the extent permitted by law, upon request made by the Chairman, such information as the Board may require to fulfill its duties under this Act.

(b) Subject to such regulations as the Board may adopt, the Chairman may—

(1) appoint and fix the compensation of an Executive Director and such additional staff personnel as he deems necessary; and

(2) procure temporary and intermittent services to the same extent as authorized by section 3109 of title 5, United States Code.

(c) Members of the Board shall be compensated at the maximum rate permitted by law for Government employees or consultants, on a per diem basis, and shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their duties as members of the Board.

SEC. 11. DEFINITIONS.

For the purposes of this Act—

(1) "military purpose" means any activity or program conducted, administered, or sponsored by an agency of the Government which effects an augmentation of military forces, defensive and offensive intelligence activities, or enhances the capability of any person or nation to wage war, and

"Actual appropriations for a military purpse" includes but is not limited to amounts appropriated by the United States in connection with—

(A) the Department of Defense;

(B) the Central Intelligence Agency;

(C) the National Security Council;

(D) the Selective Service System;

(E) activities of the Energy Research and Development Administration that have a military purpose;

(F) activities of the National Aeronautics and Space Administration that have a military purpose;

(G) foreign military aid, and foreign economic aid made available to any country for the purpose of releasing local funds for military activities; and

(H) the training, supplying, or maintaining of military personnel, or the manufacture, construction, maintenance, or development of military weapons, installations, or strategies;

(2) "agency" means each authority of the Government of the United States, whether or not it is within or subject to review by another agency, but does not include—

(A) the Congress; or

(B) the courts of the United States; and

(3) "person" includes an individual, partnership, corporation, association, or public or private organization other than an agency.

SEC. 12. SEPARABILITY.

If any section, subsection, or other provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such section, subsection, or other provision to other persons or circumstances shall not be affected thereby.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 881. A bill to simplify the tonnage measurement of certain vessels; to the Committee on Commerce, Science, and Transportation.

Mr. MAGNUSON. Mr. President, at the request of the Department of Transportation, I am introducing for myself and my colleague, Mr. PEARSON, a bill to simplify the tonnage measurement of certain pleasure vessels and commercial vessels which do not engage in international voyages.

The bill provides for a simplified measurement procedure. Vessels which are not self-propelled and are less than 24 meters—79 feet—in length would be included under this measurement system, if the owner so chose. However, the more detailed measurement procedure would still be required for those vessels which make international voyages, to assure that foreign governments would continue to accept U.S. documentation.

The bill empowers the Secretary of the Department in which the Coast Guard is operating to assign tonnage measurements representative of certain models or classes of vessels, and this tonnage determination can further reduce the incidence and cost of measuring boats which are produced in great numbers. The Department of Transportation indicates that the new measurement system will allow for the measurement of vessel tonnage in one-eighth of the time it now requires to perform such functions.

Mr. President, I ask unanimous consent that the text of the bill and the accompanying letter of transmittal from

the Department of Transportation be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 881

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Tonnage Measurement Simplification Act."

SEC. 2. Section 4148 of the Revised Statutes of the United States, as amended (46 U.S.C. 71), is further amended to read as follows:

"SEC. 4148. (a) Before a vessel is documented or recorded, or where the application of the law of the United States to a vessel is otherwise determined by its tonnage, the vessel shall be measured by the Secretary of the department in which the Coast Guard is operating. The Secretary may, by regulation, provide for the temporary documentation of a vessel prior to the measurement required by this section.

"(b) A vessel, other than a vessel used exclusively for pleasure, shall be measured as prescribed in sections 4150, 4151, and 4153 of the Revised Statutes of the United States, as amended, and to the extent applicable, as prescribed in the Act of September 29, 1965, as amended (79 Stat. 891) if—

"(1) it engages or intends to engage in an international voyage by sea; or

"(2) it is at least 24 meters (79 feet) in length and is self-propelled.

"(c) Any vessel not required to be measured under subsection (b) of this section may be so measured if requested by its owner. A vessel not measured under subsection (b), and entitled to be documented or recorded under the laws of the United States shall be assigned gross and net tonnages by the Secretary which are functions of its length, breadth, depth, and other dimensions, and appropriate coefficients. The Secretary shall prescribe the manner in which dimensions are measured and which coefficients are appropriate. However, the resulting gross tonnages, taken as a group, shall reasonably reflect the relative internal volumes of the vessels measured, and the resulting net tonnages shall be in approximately the same ratios to corresponding gross tonnages as are the net and gross tonnages of comparable vessels measured under subsection (b) of this section. In accordance with regulations issued pursuant to this subsection, the Secretary may determine the gross and net tonnage of a vessel which is representative of a designated class, model, or type and may assign those gross and net tonnages to other vessels of the same class, model, or type.

"(d) A vessel shall be remeasured if—

"(1) the vessel is altered or the use of its space is changed so that gross or net tonnage is affected;

"(2) having been measured under subsection (c) of this section, by use or alteration the vessel becomes subject to subsection (b) of this section; or

"(3) having been measured under subsection (b) of this section and not required to be so measured, the owner requests that the vessel be measured under subsection (c) of this section.

Except as provided in this subsection, a vessel which has been measured is not required to be remeasured to obtain another document."

SEC. 3. A vessel measured prior to the effective date of this Act under sections 4150, 4151, and 4153 of the Revised Statutes of the United States, as amended, is considered as having been measured under section 4148(b) of the Revised Statutes of the United States, as amended by this Act, in determining whether or not it shall be remeasured under subsection (d) of that section.

SEC. 4. Effective Date. This Act is effective on the first day of the twelfth month following the month in which it is enacted.

SECRETARY OF TRANSPORTATION,
Washington, D.C., January 17, 1977.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a proposed bill, "To simplify the tonnage measurement of certain vessels."

This proposed legislation amends existing law to authorize the use of a simplified tonnage measurement system for certain vessels. The simplified system would apply to pleasure vessels and to those commercial vessels which do not engage in international voyages and are either not self propelled or less than 24 meters (79 feet) in length. The method of tonnage measurement provided by this proposal is similar to that currently in use for measuring pleasure vessels.

This proposal will permit the measurement of the tonnage of a vessel in approximately one-eighth of the time it now takes. The owner of a vessel which is eligible for simplified measurement under the proposal has the option of having his vessel measured in the traditional manner. To ensure the continued acceptability of United States documents by foreign Governments, the more detailed system of tonnage measurement is still required for commercial vessels which make international voyages.

The proposal will authorize the Secretary of the Department in which the Coast Guard is operating to prescribe regulations for the temporary documentation of vessels prior to obtaining their tonnage measurement as required in the Act. The proposal also empowers the Secretary to issue regulations assigning tonnage measurements to specified models or classes of vessels. This provision can be used to further reduce the expense of measurement in situations where a type of vessel is mass produced.

This proposal will not result in additional expense to the Federal Government. Minor savings are anticipated in future years from the reduction in personnel resources needed to measure the tonnage of vessels using the simplified system.

It would be appreciated if you would lay this proposal before the Senate. A similar proposal has been submitted to the Speaker of the House of Representatives.

On January 17, 1977, the Office of Management and Budget advised that enactment of this proposal would be consistent with the Administration's objectives.

Sincerely,

WILLIAM T. COLEMAN, JR.

By Mr. McGOVERN:

S. 882. A bill to authorize establishment of the Gutzon Borglum National Historic Site, S. Dak., and for other purposes; to the Committee on Energy and Natural Resources.

GUTZON BORGLUM NATIONAL HISTORIC SITE ACT

Mr. McGOVERN. Mr. President, last year, along with Senator ABOUREZK, I introduced a bill very similar to the one which I submit today. The Gutzon Borglum National Historic Site Act carries the same historical significance that it did then; however, the immediate need to preserve this workplace of the creator of Mount Rushmore National Memorial is much more critical. In the next few weeks, some of the very personal artifacts will be sold, and without help, there is the possibility that the entire collection could be broken up and scattered to private collectors. Many times in the past, historians have deplored this course of action, and I firmly believe that every effort should be made to provide, through a cooperative arrangement with the State of South Dakota, a portion of the money needed to purchase and preserve the irreplaceable studio and artifacts at the site where Gutzon Borglum lived and worked.

Located just to the east of the Black Hills National Forest, the Gutzon Borglum Ranch and Studio captures the creative atmosphere in which this great American transformed the spirit of America into works of art. In 1925, the Mount Rushmore National Memorial, first called the Mount Harney Memorial, was begun in those beautiful Black Hills of South Dakota. Started as a private enterprise, it soon became apparent that Federal assistance would have to be provided if the monument as conceived by its sculptor, Gutzon Borglum, were to be completed.

Through a succession of appropriations, the heads of Presidents Washington, Jefferson, Theodore Roosevelt, and Lincoln were carved in stone for generations yet to come. They are today a source of inspiration for all Americans, marking as they do the pride in our past which provides the foundation for the future. Thousands of visitors each year make a special journey to see this tribute to Washington, who fought to create this Nation; Jefferson, who safeguarded its young independence and increased its size; Lincoln, who watched it struggle for its own preservation; and Roosevelt, who sought to conserve its natural beauty.

It is well to note again the specific quotations that are carved at the Rushmore Memorial for each of these leaders.

From George Washington's first inaugural address of April 1789:

* * * the preservation of the sacred fire of liberty and the destiny of the Republican model of government are justly considered as deeply, perhaps as finally staked, on the experiment entrusted to the hands of the American people.

From Thomas Jefferson's Declaration of Independence on July 4, 1776:

* * * We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.

From Theodore Roosevelt's address at Carnegie Hall in New York City on March 30, 1912:

* * * We, here in America, hold in our hands the hopes of the world, the fate of the coming years; and shame and disgrace will be ours if in our eyes the light of high resolve is dimmed, if we trail in the dust the golden hopes of men.

And from Abraham Lincoln's second inaugural address on March 4, 1875:

With malice toward none, with charity for all, with firmness in the right as God gives us to see the right, let us strive on to finish the work we are in * * *

Mr. President, I am pleased to introduce, with Senator ABOUREZK, "The Gutzon Borglum National Historic Site Act," a bill that would share the cost of purchasing and preserving the studio and artifacts used during the memorable time when they were part of a united, creative effort. I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 882

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Gutzon Borglum National Historic Site Act".

SEC. 2. That, in order to preserve in public ownership historically significant properties associated with the life and cultural achievements of Gutzon Borglum, the Secretary of the Interior is authorized to contract with the State of South Dakota for the purpose of purchasing those properties and structures, together with any works of art, furnishings, reproductions within the structures and on the memorial grounds, deemed by the Secretary as necessary for the purposes of this Act.

SEC. 3. Under the provisions of this Act, the Borglum ranch and studio shall be defined as that property which is described by title caption as: Tract Borglum portion of north half of the southwest quarter of section 16, township 3 south, range 7 east of the Black Hills meridian in Custer County, South Dakota, and tract A in southeast quarter of the southeast quarter of the northwest quarter of section 16, township 3 south, range 7 east of the Black Hills meridian in Custer County, South Dakota.

SEC. 4. The purchase of this property shall be accomplished through participation of the Department of the Interior and the State of South Dakota by means of a matching grant program. The Federal portion of this grant shall be 52 per centum and shall not exceed $300,000. The State of South Dakota shall be responsible for the procurement of the remainder of the funds required for purchase of this property and any future purchases.

SEC. 5. The State of South Dakota, through the Office of Cultural Preservation, shall administer, protect, develop, and maintain the Gutzon Borglum National Historic Site with the advice and consent of the Gutzon Borglum Memorial Committee, organized for the purpose of preserving this site.

SEC. 6. (a) There is hereby established a Gutzon Borglum Memorial Committee (hereafter in this section referred to as the "Committee.")

(b) The committee shall be composed of sixteen members appointed by the Governor for terms of three years each, as follows:

(1) two members to be appointed from the recommendations submitted by the Secretary to represent the interests of the Interior Department;

(2) two members to be appointed from recommendations submitted by the Chief of the Forest Service;

(3) the Secretary of the Office of Cultural Preservation or his designate;

(4) the Secretary of the Department of Economic and Tourism Development or his designate; and

(5) ten members from recommendations by the Office of Cultural Preservation who have demonstrated active interest in preserving for posterity this important site.

(c) Any vacancy in the committee shall be filled in the same manner in which the original appointment was made.

(d) The chairmanship of the committee shall be determined by affirmative vote of a majority of the members thereof.

(e) Members of the committee shall serve without compensation, as such, but the Secretary is authorized to pay, upon vouchers signed by the chairman, the expenses reasonably incurred by representatives of the Federal Government in carrying out their responsibilities under this Act.

(f) The committee shall meet as the circumstances require and consult with the State of South Dakota on general policies and specific matters related to the administration of the historic site.

(g) The committee shall act and advise by affirmative vote of a majority of the members thereof.

SEC. 7. The Secretary and the committee shall take into account comprehensive local or State development, land use, or recreational plans affecting or relating to areas in the vicinity of the site, and shall, wherever practicable, consistent with the purposes of this Act, exercise the authority granted by this Act in a manner which will not conflict with such local or State plans.

SEC. 8. When the sites, structures, and other properties authorized for acquisition under the third section of this Act have been transferred to the State of South Dakota, the Secretary of the Interior shall establish the Gutzon Borglum National Historic Site by publication of notice thereof in the Federal Register.

SEC. 9. In order that the Gutzon Borglum National Historic Site may achieve more effectively its purpose as a living memorial, the Secretary of the Interior is authorized to cooperate with the South Dakota Office of Cultural Preservation and the Gutzon Borglum Memorial Committee and other organizations in the presentation of art expositions and festivals, conducting art educational programs, and other appropriate events that are traditional to the site.

By Mr. ANDERSON:

S. 884. A bill to authorize reduced fares on the airlines on a space-available basis for individuals 65 years of age or older or for handicapped persons and any attendant required by such handicapped person; to the Committee on Commerce, Science, and Transportation.

REDUCED AIR FARE FOR THE ELDERLY AND THE HANDICAPPED

Mr. ANDERSON. Mr. President, today it is my privilege to introduce a bill authorizing reduced airline fares for the elderly and the handicapped.

This bill will enable individuals 65 years of age or older or those individuals who are handicapped to fly at a reduced rate on a space-available basis. A provision is also made for any attendant required by a handicapped person.

Senior citizens and handicapped persons often are unable to travel because their limited or fixed incomes put airplane tickets out of reach, and long trips by auto, bus, or train are physically exhausting.

Air travel is the only realistic way they can visit friends and relatives in distant places, or enjoy vacation opportunities comparable to others. But for most of these citizens, air travel has become an unaffordable luxury.

Creating this program on a space-available basis will not be a cause of lost revenues for the Nation's airlines. These people would be entitled to passage at the reduced rate only after all full-fare passengers are boarded on the flight.

By Mr. MUSKIE (for himself, Mr. HATHAWAY, Mr. HEINZ, Mr. HUMPHREY, Mr. KENNEDY, and Mr. RIEGLE):

S. 885. A bill to establish a 200-mile Marine Pollution Control Zone; to the Committee on Environment and Public Works.

S. 886. A bill to establish a 200-mile Marine Pollution Control Zone; to the Committee on Commerce, Science, and Transportation.

200-MILE POLLUTION CONTROL

Mr. MUSKIE. Mr. President, Senator HATHAWAY and I are today introducing, with Senators HEINZ, KENNEDY, and RIEGLE, two bills; one would amend the Federal Water Pollution Control Act and the other would amend the Ports and Waterways Safety Act to extend the U.S. vessel pollution control jurisdiction out to 200 miles from our coast, or to the Outer Continental Shelf, whichever is greater.

The many recent incidents of tanker spills, especially the disaster caused by the *Argo Merchant* off the coast of New England, underscore the immediate need for improved protection from and jurisdiction over marine pollution. The absence of clear legal authority to deal with oil spills or to regulate the construction, operation and maintenance of vessels which enter our ports is indefensible.

It is long past the time for comprehensive legislation which provides not only for adequate liability for oil spills but also for establishment of minimum standards for the construction, operation and maintenance of vessels which want to use the ports of the United States. We can no longer afford the luxury the shipping industry enjoys of shopping for countries in which to register vessels solely on the basis of least cost in terms of ship design, operation and maintenance and cheapest crews. If the ships are going to use the ports of the United States—if they are going to ply our waters—then they should meet the same level of performance demanded of ships which operate under American flag.

While I recognize this will increase costs, it is better insurance to pay those increased costs directly in the vessel construction, operation and maintenance, than indirectly in damages to our environmental resources—damages which cannot be corrected after the fact.

Specifically, these bills would establish a Marine Pollution Control Zone which would cover the waters out to the Outer Continental Shelf or 200 miles, whichever is greater, and would extend the jurisdiction of the Federal Water Pollution Control Act and the Ports and Waterways Safety Act to cover those waters.

This means that the Secretary of Transportation would be required to promulgate regulations to achieve the safety and navigational objectives of the

Ports and Waterways Safety Act, and the Administrator of the Environmental Protection Agency would be required to set limits of liability for discharges of oil and hazardous substances and to set standards of performance for the control of sewage discharges from vessels in the Marine Pollution Control Zone. These measures will not change the substance of these responsibilities; only the geographic area of applicability is affected.

Many of us had hoped that the Law of the Seas Conference would address this issue. However, in the absence of an international commitment, and with the precedent of an established 200-mile economic zone, I believe it is time for us to act to pass domestic legislation which will protect our coastline and surrounding waters from pollution such as we have unfortunately experienced in recent months.

Some believe, as a general proposition, that national extensions of jurisdiction are unwise. They argue that such extensions have questionable foundation in international law and may prejudice our efforts at the Law of the Seas Conference to negotiate a comprehensive treaty which will be generally accepted by the international community. I do not now agree with these arguments.

The Law of the Seas Conference thus far has pointed to the fact that a Law of the Seas Treaty will not adequately resolve the pollution problem. Thus, while it may have been sensible not to consider national legislation when there was a substantial probability that a Law of the Seas Treaty would address this issue adequately, that situation no longer exists. Furthermore, even if a Law of the Seas Treaty were to establish an international regime the United States, as I have indicated, would still want to have the authority and the jurisdiction to adopt stricter standards and additional measures for the ocean area surrounding its coastline.

Further, Mr. President, recent oil spills off the New England coast and elsewhere have demonstrated that liability for cleanup of oil spills may not always be sufficient to protect the interest of the public and the resources of the ocean. Many situations have occurred recently where private individuals have been adversely affected as the result of oil spills, and often these private individuals are the persons who are least able to seek private remedies which are otherwise preserved under the Federal Water Pollution Control Act.

Therefore, the first of these two bills would authorize the Attorney General to represent those private citizens in a class action in situations where the damages are so widespread that it would be appropriate for a class action to recover those damages. This provision is parallel to and derived from a provision in the Deepwater Ports Act of 1974. Thus, for instance, if an oil spill resulted in the loss of income to lobstermen all along the New England coastline, that class of citizens could seek to be represented by the Attorney General in an action. Such representation would more appropriately respond to the public's interest in preserving these activities and assisting those individuals who are totally without any protection in an oil spill situation.

Also included in this same bill is a provision which permits the United States—the Attorney General—to act on behalf of the public as a trustee of any natural resources which may be damaged by pollution within the marine pollution control zone. The intent of this provision is to provide for the protection of public resources, such as beaches and fisheries, which are not privately owned, and to provide for their restoration on behalf of the public interest. This provision also is parallel to and derived from the Deepwater Ports Act of 1974.

Mr. President, it is time for us to take a serious look at the issue of pollution of our marine environment, and I believe that these bills will provide a useful focal point for such a review.

Mr. President, I ask unanimous consent that a section-by-section analysis of these bills be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION DESCRIPTION OF BILLS

BILL AMENDING THE PORTS AND WATERWAYS ACT

Sections 1 and 2—Redefine "navigable waters" for the purposes of sections 311 and 312 (Oil and Hazardous Substance Liability and Marine Sanitation Devices) to extend 200 miles off the U.S. coastline or to the limits of the Outer Continental Shelf, whichever is greater.

Section 3—Permits the Attorney General to act to recover damages on behalf of a class of citizens adversely affected by a spill of oil or hazardous substance. Also, permits the Attorney General to act as a public trustee to recover damages on behalf of natural resources (such as public beaches, fisheries, etc.) adversely affected by a spill of oil or hazardous substance.

BILL AMENDING THE FEDERAL WATER POLLUTION OF BILLS

Section 1—Redefines "navigable waters" to extend 200 miles off the U.S. coastline or to the limits of the Outer Continental Shelf, whichever is greater. Also, defines "standards of performance" as meaning a standard for control of pollution discharges which reflects best available control.

Section 2—Requires the Administrator of EPA to promulgate regulations establishing standards of performance for vessels and provides that any vessel design and construction standards promulgated by the Secretary of Transportation must achieve such standards of performance. Also, provides for a review of existing rules and regulations governing U.S.-flag vessels and authorizes the stricter standards for U.S.-flag vessels and foreign flag vessels operating in U.S. navigable waters.

By Mr. RIEGLE:

S. 887. A bill to amend the Shipping Act, 1916, and for other purposes; to the Committee on Commerce, Science, and Transportation.

OCEAN TARIFF REFORM ACT

Mr. RIEGLE. Mr. President, I am introducing legislation to close a loophole in the Shipping Act, 1916, which is our basic statute by which ocean common carriers operating in the foreign commerce of the United States are regulated in the public interest. This loophole concerns the transportation by rail or truck of U.S. exports to Canada where they are carried by Canadian railroads to ports such as Vancouver, British Columbia, and Montreal, Quebec, and then by ship to foreign destinations. The same process, of course, occurs with respect to our imports. The problem exists on both the west and east coasts of the United States as well as in the Great Lakes. For example, a large volume of U.S. cargo that ought to move through the Ports of New York and Boston is carried up to Montreal and Halifax. The amount of U.S. cargo being diverted through Canadian ports may exceed 5,000 container loads per month. As much as a million tons of high-value cargo may, therefore, be moving through Canada each year.

Until last month, the Federal Maritime Commission, which has the responsibility of administering the Shipping Act, has failed to assert any authority over ocean common carriers transporting U.S. cargo through Canadian ports. The problem has been growing steadily worse since 1970 while the Commission pondered over a docket involving a small company in Michigan that has been routing cargo to Australia via the Port of Vancouver since 1972. The Commission has finally ruled that the carrier involved in this particular instance must file its tariff under the Shipping Act and abide by all the requirements of that statute. The Commission's decision in that case is too little too late and I believe it is essential that we now resolve this critical issue once and for all by amending the Shipping Act.

Ports, such as Seattle on the west coast, New York on the east coast, and indeed Great Lakes ports, have lost hundreds of thousands of tons of cargo which should have moved across their piers. Each ton of cargo represents a loss of employment for U.S. longshoremen, seamen, and other workers who bring the cargo to port. It is also possible that ocean carriers serving the U.S. trade directly through Canadian ports are doing so to permit them to engage in a number of practices which are proscribed by U.S. law.

My bill does not prohibit the movement of U.S. exports and imports into Canada and then from Canadian ports to foreign countries. It simply subjects such transportation to the full force of the Shipping Act so that those carriers who solicit cargo in the United States and arrange for its transportation to and through Canadian ports, must file their tariffs with the Federal Maritime Commission and abide by all the rules that apply to carriers serving U.S. ports. Steamship operators serving the United States directly are at a substantial disadvantage in competing with carriers serving Canada. There is no regulation of such ocean carriers in Canada comparable to our Shipping Act, although Canada does regulate steamship conferences to a degree.

Additionally, Canadian law does not prohibit common ownership of railroads and steamship companies. Canadian railroads, which own steamship companies, are, therefore, in a position to favor the carriage of cargo that is to be transported by ships of their own fleets. Inland rail charges may be absorbed to a large degree by the ocean carrier. Steamship companies serving the United States, however, when offering a through intermodal service by rail to or from an interior point in the United States, must pay full tariff rates as filed with the ICC.

I have thus included in my bill a provision assuring equitable conditions with regard to rates which may be charged for the transportation of U.S. imports and exports via Canadian ports.

Since many of the carriers offering to transport U.S. cargo through Canadian ports do not provide any service to the United States directly, my bill requires that they appoint registered agents in the United States so that the Maritime Commission will have a responsible party in this country who can provide the Commission whatever information it may require regarding the services offered by such carriers.

Finally, the bill contains provisions granting these carriers 30 days to file their tariffs and any agreements which are now subject to FMC scrutiny.

Mr. President, I believe that the enactment of this legislation will be a substantial benefit to U.S.-flag steamship companies, to our ports, longshore and shipboard labor and to our entire transportation industry.

The Maritime Commission's decision earlier this month is not a complete solution to this problem. There are indeed a number of serious issues to be resolved to bring the Shipping Act in line with current transportation practices. They will take time to resolve. This issue, however, is simple and clear cut. It does not need to be made part of other complex issues, thereby insuring a delay in its resolution. I, therefore, intend to move promptly to secure consideration of this legislation by the Commerce Committee.

By Mr. ROTH:

S. 888. A bill to amend title 18, United States Code, so as to provide for mandatory minimum sentences with respect to certain offenses against victims 60 years of age or older; to the Committee on the Judiciary.

S. 889. A bill to amend the Act entitled "An Act to establish a code of law for the District of Columbia," approved March 3, 1901, relating to offenses against individuals 60 years of age or older; to the Committee on Governmental Affairs.

S. 890. A bill to amend the Internal Revenue Code to provide an additional personal exemption for each senior citizen whose principal place of abode is in the principal residence of the taxpayer; to the Committee on Finance.

SENIOR CITIZEN PACKAGE

Mr. ROTH. Mr. President, since serving in the Congress, one of my special concerns has been the plight of the older American. No group has been more responsible for the success and prosperity of this Nation than the older generation.

I am confident that if this Nation had retained the traditions and goals of the older generation, this Nation would be far better off today. They did not ask for something for nothing. What they did seek was the opportunity to work and rise as high as their ability would take them; the opportunity to live and work in peace and security. Because of their faith and willingness to work hard and even sacrifice, this country grew and prospered to become the greatest democracy this Earth has ever witnessed.

For these reasons, I intend to make the special needs of older people one of my top priorities in my second Senate term. Today, I am presenting what I will call my preliminary senior citizen package. I do not want to suggest that this package offers the answers to all of the problems of senior citizens, or that this is all that I intend to do, but rather this is a starting point from which I plan to build.

Senior citizens in my own State of Delaware have expressed their major concerns to me, particularly in the past few years, as income, crime, health care, and trying to maintain their independence for as long as possible.

Therefore, I am today introducing three bills to address two of the most important concerns of senior citizens—a stable family life and protection from crime.

First, I am introducing a bill to provide a $1,000 tax deduction to taxpayers who provide housing and shelter for a senior citizen. The intent of this legislation is to encourage people to provide homes for their elderly parents, relatives, or friends as an alternative to the use of nursing homes.

While nursing home care is indeed necessary in many cases, this provides financial relief to families who wish to provide their relatives a comfortable home life.

The Federal Government provides a number of grant and assistance programs for the elderly, including nutrition, transportation, and housing programs. But I believe that Congress has failed to provide a simple, straightforward approach to help children care for their elderly parents who really do not want nor need to live in a nursing home.

The family unit should be the most important aspect of everyone's life, and I am hopeful that this legislation will strengthen the role of the family in this country.

Today I am also introducing two bills designed to combat the victimization of our elderly citizens. These bills would establish mandatory minimum sentences for certain crime committed against the elderly within Federal jurisdictions. The first bill would amend several sections of title 18 of the United States Code and the other would amend comparable provisions of title 22 of the District of Columbia Code. Although limited to Federal jurisdictions, these measures could serve as models for the States.

The mandatory minimum sentences would range from 3 months for assault by striking or beating to 15 years for second-degree murder. These new sentencing provisions would apply where the victim of the crime is 60 years of age or older. The bills would also prohibit the sentencing judge from suspending sentence or granting probation and the application of numerous statutory programs, which could otherwise be used to substantially reduce the actual time of incarceration, would be expressly disallowed.

I believe that imposing mandatory minimum sentences for violent crime will aid in the reduction of crime. I am convinced that quick and certain imprisonment is a deterrent to crime. For too long our law has centered its attention on the rights of the criminal defendant. It is time now for the law to concern itself more with protecting the people. We need to devote more attention to the victims of crime, most importantly the older American.

In addition to the legislation I am introducing today, I have cosponsored legislation this year that will take the necessary steps to eliminate fraud and abuses in the medicare and medicaid programs, to assure that every Federal and State dollar in these programs is used to provide the greatest possible medical services to our elderly poor. I have also cosponsored legislation to maintain the Senate Special Committee on Aging, and cosponsored a bill to provide a significant increase in the old-age, survivors, and disability insurance benefits for individuals who voluntarily delay their retirement beyond age 65.

I would like to emphasize that this is a preliminary "senior citizen package." I am unhappy with the earnings limitation under social security, and am looking forward to seeing the computations of the result of this question on my 1977 questionnaire to all Delaware households. I am looking into ways to further relieve the tax burden on senior citizens and to protect expanded pension protection for the elderly. Another concern of mine is the high amount that senior citizens pay for drugs out of their pockets each year. I am looking into these and other issues of concern to the elderly.

I ask unanimous consent that the text of the three bills I am introducing today be included in the RECORD.

There being no objection, the bills were ordered to be printed in the Record, as follows:

S. 888

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 151 of the Internal Revenue Code of 1954 (relating to allowance of deductions for personal exemptions) is amended by adding at the end thereof the following new subsection:

"(f) ADDITIONAL EXEMPTION FOR EACH SENIOR CITIZEN HOUSED BY THE TAXPAYER.—

"(1) IN GENERAL.—An additional exemption of $1,000 for each individual who is more than 64 years old and whose principal

place of abode during the taxable year is the principal residence of the taxpayer.

"(2) LIMITATION.—No exemption shall be allowed under this subsection for the housing of any individual with respect to whom the taxpayer is allowed a deduction under the provisions of section 162 (relating to trade or business expenses) for such housing for the taxable year.".

SEC. 2. Paragraph (1) of section 3402(f) of the Internal Revenue Code of 1954 (relating to withholding exemptions) is amended—

(1) by striking out "or (F)" in subparagraph (D) and inserting in lieu thereof "(F), or (H)";

(2) by striking out "and" at the end of subparagraph (F);

(3) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a semicolon and "and"; and

(4) by inserting immediately below subparagraph (G) the following new subparagraph:

"(H) an exemption for each individual with respect to whom, on the basis of facts existing at the beginning of such day, there may reasonably be expected to be allowable an exemption under section 151(f) for the taxable year under subtitle A.".

SEC. 3. The amendment made by the first section of this Act applies with respect to taxable years beginning after December 31, 1975. The amendments made by section 2 of this Act apply with respect to payments of wages made after December 31, 1975.

S. 889

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 13 of title 18, United States Code, is amended (1) by inserting "(a)" immediately before "Whoever", and (2) by adding at the end thereof the following new subsection:

"(b) Whoever is found guilty of a like offense, under the provisions of subsection (a) of this section, constituting, according to the laws in force at the time—

"(1) the crime of burglary, where at night a person, with intent to engage in conduct constituting a crime, enters without privilege, or remains surreptitiously within, a dwelling that is the property of another; or

"(2) the crime of aggravated assault, where a person, by physical force, intentionally causes serious bodily injury to another person;

shall, if the victim of such offense is sixty years of age or older at the time thereof, be sentenced to a term of imprisonment which may not be less than two years and which may be up to the maximum provided by law for such like offense.".

(b)(1) Section 113(a) of title 18, United States Code, is amended by inserting immediately before the period at the end thereof a comma and the following: "except that, if the victim of the offense is an individual sixty years of age or older at the time thereof, the defendant so convicted of such offense shall be sentenced to a term of imprisonment which may not be less than four years and which may be up to twenty years".

(2) Section 113(b) of title 18, United States Code, is amended by inserting immediately before the period at the end thereof a comma and the following: "except that, if the victim of the offense is an individual sixty years of age or older at the time thereof, the defendant so convicted of such offense shall be sentenced to a term of imprisonment which may not be less than two years and which may be up to ten years, and, in addition thereto, may be fined not more than $3,000".

(3) Section 113(c) of title 18, United States Code, is amended by inserting immediately before the period at the end thereof a comma and the following: "except that, if the victim of the offense is an individual sixty years of age or older at the time thereof, the defendant so convicted of such offense shall be sentenced to a term of imprisonment which may not be less than one year and which may be up to five years, and, in addition thereto, may be fined not more than $1,000".

(4) Section 113(d) of title 18, United States Code, is amended by inserting immediately before the period at the end thereof a comma and the following: "except that, if the victim of the offense is an individual sixty years of age or older at the time thereof, the defendant so convicted of such offense shall be sentenced to a term of imprisonment which may not be less than three months and which may be up to six months, and, in addition thereto, may be fined not more than $500".

(c) Section 114 of title 18, United States Code, is amended by inserting immediately before the period at the end thereof a comma and the following: "except that, if the victim of the offense is an individual sixty years of ago or older at the time thereof, the defendant so convicted of such offense shall be sentenced to a term of imprisonment which may not be less than one year and which may be up to seven years, and, in addition thereto, may be fined not more than $1,000".

(d) The third paragraph of section 1111 (b) of title 18, United States Code, is amended to read as follows:

"Whoever is guilty of murder in the second degree shall be imprisoned for any term of years or for life, except that, if the victim of the offense is an individual sixty years of age or older at the time thereof, the defendant so convicted of such offense shall be sentenced to a term of imprisonment which may not be less than fifteen years and which may be up to life imprisonment.".

(e) The second paragraph of section 1112 (b) of title 18, United States Code, is amended by inserting immediately before the period at the end thereof a comma and the following: "except that, if the victim of the offense is an individual sixty years of age or older at the time thereof, the defendant so convicted of such offense shall be sentenced to a term of imprisonment which may not be less than four years and which may be up to ten years".

(f) The third paragraph of section 1112(b) of title 18, United States Code, is amended by inserting immediately before the period at the end thereof a comma and the following: "except that, if the victim of the offense is an individual sixty years of age or older at the time thereof, the defendant so convicted of such offense shall be sentenced to a term of imprisonment which may not be less than one year and which may be up to three years".

(g) Section 1113 of title 18, United States Code, is amended by inserting immediately before the period at the end thereof a comma and the following: "except that, if the victim of the offense is an individual sixty years of age or older at the time thereof, the defendant so convicted of such offense shall be sentenced to a term of imprisonment which may not be less than one year and which may be up to three years".

(h) Section 2031 of title 18, United States Code, is amended by inserting immediately before the period at the end thereof a comma and the following: "except that, if the victim of such offense was sixty years of age or older at the time thereof, the defendant so convicted of such offense shall be sentenced to a term of imprisonment which may not be less than five years and which may be up to life imprisonment".

(i) Section 2111 of title 18, United States Code, is amended by inserting immediately before the period at the end thereof a comma and the following: "except that, if the victim of any such offense was sixty years of age or older at the time thereof, the defendant so convicted of such offense shall be sentenced to a term of imprisonment which may not be less than three years and which may be up to fifteen years".

(j) Section 1201(a) of title 18, United States Code, is amended by inserting immediately before the period at the end thereof a comma and the following: "except that, if the victim of any such offense (other than a victim described in clause (4) of this subsection) was sixty years of age or older at the time thereof, the defendant so convicted of such offense shall be sentenced to a term of imprisonment which may not be less than five years and which may be up to life imprisonment".

SEC. 2. (a) Chapter 227 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 3579. MANDATORY MINIMUM SENTENCES

"The imposition or execution of any mandatory minimum sentence pursuant to the provisions of section 13, subsection (a), (b), (c), or (d) of sections 113, 114, 1111 (b) (including a sentence of life imprisonment for murder in the first degree), 1112 (b), 1113, 1201(a), 2031, and 2111 of this title, involving an offense the victim with respect to which was sixty years of age or older at the time of such offense, shall not be suspended, probation shall not be granted, and chapters 309, 311, and 402 of this title shall not be applicable.".

(b) The analysis of chapter 227 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"3579. Mandatory minimum sentences.".

SEC. 3. The amendments made by this Act shall be applicable with respect to offenses committed on and after the date of the enactment of this Act.

S. 890

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 804 of the Act entitled "An Act to establish a code of law for the District of Columbia", approved March 3, 1901, as amended (D.C. Code, sec. 22–502), is amended by inserting immediately before the period at the end thereof a comma and the following: "except that, if the victim of such offense was sixty years of age or older at the time thereof, the defendant so convicted of such offense shall be sentenced to a term of imprisonment which may not be less than one year but which may be up to ten years' imprisonment".

(b) Section 805 of such Act, as amended (D.C. Code, sec. 22–503), is amended by inserting immediately before the period at the end thereof a comma and the following: "except that, if the victim of such offense was sixty years of age or older at the time thereof, the defendant convicted of such offense shall be sentenced to a term of imprisonment which may not be less than one year and which may be up to five years".

(c) Section 806 of such Act, as amended (D.C. Code, sec. 22–504), is amended by inserting immediately before the period at the end thereof a comma and the following: "except that, if the victim of such offense was sixty years of age or older at the time thereof, the defendant so convicted of such of-

fense shall be sentenced to a term of imprisonment which may not be less than six months and which may be up to twelve months".

(d) Section 807 of such Act, as amended (D.C. Code, sec. 22–506), is amended by inserting immediately before the period at the end thereof a comma and the following: "except that, if the victim of such offense was sixty years of age or older at the time thereof, the defendant so convicted of such offense shall be sentenced to a term of imprisonment which may not be less than two years and which may be up to ten years' imprisonment".

(e) Section 812 of such Act, as amended (D.C. Code, sec. 22–2101), is amended by inserting immediately before the period at the end of the first sentence thereof a comma and the following: "except that, if the victim of such offense was sixty years of age or older at the time thereof, the defendant so convicted of such offense shall be sentenced to a term of imprisonment which may not be less than five years and which may be up to life imprisonment".

(f) Section 802 of such Act, as amended (D.C. Code, sec. 22–2405), is amended by inserting immediately before the period at the end thereof a comma and the following: "except that, if the victim of such offense was sixty years of age or older at the time thereof, the defendant so convicted of such offense shall be sentenced to a term of imprisonment which may not be less than two years and which may be up to fifteen years' imprisonment".

(g) Section 810 of such Act, as amended (D.C. Code, sec. 22–2901), is amended by inserting immediately before the period at the end thereof a comma and the following: "except that, if the victim of such offense was sixty years of age or older at the time thereof, the defendant so convicted of such offense shall suffer imprisonment for not less than three years nor more than fifteen years".

(h) Section 811 of such Act, as amended (D.C. Code, sec. 22–2902), is amended by inserting immediately before the period at the end thereof a comma and the following: "except that, if the victim of any offense is sixty years of age or older at the time thereof, the defendant so convicted of such offense shall be sentenced to a term of imprisonment which may not be less than one year and which may be up to three years".

(i) Section 808 of such Act, as amended (D.C. Code, sec. 22–2801), is amended by inserting a comma immediately before the period at the end thereof and the following: "except that, if the victim of any offense is sixty years of age or older at the time thereof, the defendant so convicted of such offense shall be sentenced to a term of imprisonment which may not be less than five years and which may be up to life imprisonment".

SEC. 2. Notwithstanding any other provision of law, the imposition or execution of any mandatory minimum sentence pursuant to the provisions of sections 801, 802, 803, 804, 805, 806, 807, 808, 810, 811, 812, and 823 of the Act entitled "An Act to establish a code of law for the District of Columbia", approved March 3, 1901, as amended (D.C. Code, secs. 22–2404, 22–2405, 22–501, 22–502, 22–503, 22–504, 22–506, 22–2801, 22–2901, 22–2902, 22–2101, and 22–1801), involving an offense the victim with respect to which was sixty years of age or older at the time of such offense, shall not be suspended, probation or parole shall not be granted, and the provisions of the Act of July 15, 1932, as amended (D.C. Code, secs. 24–203 through 24–209), and section 937 of the Act of March 3, 1901, as amended (D.C. Code, sec. 24–405), shall not apply.

SEC. 3. The amendments made by this Act shall be applicable with respect to offenses committed on and after the date of the enactment of this Act.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 891. A bill to amend section 25 of the Deepwater Port Act of 1974 by providing a permanent authorization of appropriations; to the Committee on Commerce, Science, and Transportation; the Committee on Environment and Natural Resources; and the Committee on Environment and Public Works, jointly, by unanimous consent.

Mr. MAGNUSON. Mr. President, I introduce today, at the request of the Department of Transportation and on behalf of myself and my colleague, Mr. PEARSON, a bill to amend the Deepwater Port Act of 1974 to provide a permanent authorization of appropriations in an amount necessary to carry out provisions of the act.

I ask unanimous consent that the bill be referred jointly to the Committee on Commerce, Science, and Transportation; the Committee on Energy and Natural Resources; and the Committee on Environment and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Section 25 of the Deepwater Port Act authorizes appropriations for fiscal year 1976 of $2,500,000 and the same amount for fiscal year 1977. As funds for the administration of the act expire at the end of fiscal year 1977, the Department of Transportation proposes to make available the funds necessary to carry out the purposes of the act. Future expenses under the act will be primarily for administrative expenses, and funds for such purposes will be included in the overall DOT yearly appropriations request, if this bill is enacted into law.

Mr. President, I ask unanimous consent that the text of the bill and the accompanying letter of transmittal from the Department of Transportation be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 891

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 25 of Public Law 93–627 (88 Stat. 2147; 33 U.S.C. 1524) is amended to read as follows:

"SEC. 25. There are authorized to be appropriated such sums as may be necessary for the administration of this Act."

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., January 17, 1977.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed herewith is a draft of a proposed bill "To amend Section 25 of The Deepwater Port Act of 1974 by providing a permanent authorization of appropriations."

The authorization for appropriations contained in the Deepwater Port Act of 1974, P.L. 93–627, expires at the end of fiscal year 1977. On April 7, 1976, similar legislation was submitted by the Department of Transportation to meet the requirements of the Congressional Budget and Impoundment Control Act of 1974. Although this proposal was introduced as S. 3601 in the second session of the 94th Congress, no congressional action was taken. However, the administration of the Deepwater Port Act by the Department of Transportation is a permanent active program requiring an extension of its current authorization. The decision has been made to license the first two deepwater ports. Prompt consideration of this proposal is essential.

The Deepwater Port Act of 1974 created a Federal Plan for authorizing and regulating offshore ports designed to receive oil from vessels too large to enter conventional ports. The Act authorizes the Secretary of Transportation to license owners and operators and to issue regulations to control the location, construction, and operation of deepwater ports. The Secretary is required to take steps to protect the marine and coastal environment and, after consultation with other Federal agencies, to prescribe environmental protection criteria. The Coast Guard, operating within the Department of Transportation, has been delegated the primary responsibility of implementing the Act with policy making authority reserved to the Secretary.

Section 18 of the Act prohibits oil discharges from deepwater ports and creates a "Deepwater Port Liability Fund." This revolving fund, financed by a charge levied on oil transferred at deepwater ports, is primarily liable for oil spill removal expenses and damages. This fund will not come into existence until completion of the first deepwater port, still several years away. The complete process of licensing, engineering review, and safety regulation formulation for the first two deepwater ports is not expected to be completed until the latter part of 1978. Meanwhile, the President submitted a proposal for a "Comprehensive Oil Pollution Liability Compensation Act" to the 94th Congress. The need for a comprehensive law to replace the existing patchwork of liability compensation legislation has been widely recognized. If such legislation is enacted the provisions of section 18 of the Deepwater Port Act of 1974 relating to oil pollution damage and cleanup should be superseded. However, administrative functions relating to the licensing and operations of the deepwater ports will remain, and appropriations will be necessary for continuing administrative expenses and salaries.

Section 25 of the Deepwater Port Act of 1974 presently authorizes appropriations of $2,500,000 for fiscal year 1976 and the same amount for fiscal year 1977. Since future expenses under this Act will be primarily for administrative expense and salaries, we are proposing to amend section 25 to provide a permanent authorization of appropriations. If this proposal is enacted the funds necessary to implement the Act will be included in those funds requested by the Department of Transportation in its yearly request for appropriations. This approach is consistent with the usual method of funding departmental administrative activities.

It would be appreciated if you would lay this proposal before the Senate. A similar proposal has been submitted to the Speaker of the House of Representatives.

On January 17, 1977, the Office of Management and Budget advised that the Administration has no objection to the enactment of this proposed legislation.

Sincerely,

WILLIAM T. COLEMAN, Jr.

By Mr. MAGNUSON (for himself and Mr. MATHIAS):

S. 892. A bill to establish a national policy on areawide planning and its co-

ordination, to encourage the use of organizations composed of local elected officials to perform federally assisted or required areawide planning, to require use of planning districts established by States in Federal planning programs, to require certain Federal land use actions to be consistent with State, areawide, and local planning, to authorize the Office of Management and Budget to prescribe rules and regulations relating thereto, and for other purposes; to the Committee on Governmental Affairs.

INTERGOVERNMENTAL COORDINATION ACT OF 1977

Mr. MAGNUSON. Mr. President, late during the last Congress, I and my distinguished colleague, Mr. MATHIAS, introduced the Intergovernmental Coordination Act to reform and organize federally mandated local planning efforts. We are pleased to be introducing the Intergovernmental Coordination Act of 1977 today and hope that the emergent problem it seeks to address will receive priority consideration during the 95th Congress.

As we all are aware, Federal agencies today require local governments to undertake a myriad of potentially conflicting planning activities. In recent years we have witnessed the proliferation on the local level of special purpose planning agencies. The Federal Government encourages the fragmentation of regional planning into increasingly narrow fields. Transportation, community development, air and water quality, economic development, health care, social services, and others each can be handled distinctly under the present system of regional planning fostered by Federal agency requirements. Federally mandated planning efforts need not be related to each other and neither does this planning encourage the development of comprehensive, locally determined areawide growth management strategies.

The Intergovernmental Coordination Act would strengthen the hand of local elected officials in dealing with regional problems. The act envisions the designation of one areawide planning agency to coordinate any necessary federally required regional planning. Areawide planning agencies composed of locally elected officials would be favored. Such planning agencies would prepare and annually update a program for the coordinated use of Federal areawide planning assistance which, in turn, would be used for the development and implementation of a comprehensive areawide development plan. Any Federal funding with a multijurisdictional impact would then have to be consistent with the areawide development plan.

In addition to bringing order to chaotic Federal planning requirements, enactment of the Intergovernmental Coordination Act would represent Federal recognition that urban problems in fact are regional problems. We all deplore the haphazard pattern of growth which has characterized urban development in this country. Unless and until urban areas begin to forge regional growth and development strategies, our inner cities will remain artificially distinct from their dependent but seemingly unresponsive suburbs. Of course, this will lead to further decay in more core cities. And I think it is fair to say that suburban communities have begun to recognize that they, too, stand to lose if urban growth continues in this same reckless fashion. Suburban cities now understand that new development costs current residents money—money which often is not recovered by taxing the new developments. Our older suburbs also are finding themselves in the same situation they created for the central cities after the Second World War. New communities continue to spring up as older ones are discarded. This is just plain wasteful.

The development of the areawide management plans required by the Intergovernmental Coordination Act would stimulate thinking about problems in a regional context. Specific policies such as pollution abatement, facilities location and economic growth would then be developed consistently with the regional plans because the availability of Federal assistance in these and other areas would depend upon the assisted activity conforming to the plan. And I would reiterate that this legislation would not wrest growth management away from local officials. It vests decisionmaking in them and only prods them to do what they undoubtedly already recognize they should be doing—talking with each other and together making the hard decisions about regional growth.

The bill we are introducing today, while substantively similar to the bill we promoted during the previous Congress, reflects the wide range of comments and suggestions made following the introduction of the bill last year. I believe that developments in the intervening period have created a more favorable climate for substantive action.

First, we have increasingly heard the cries of frustration from local government leaders who must contend with the hydra-headed monster created by unrelated Federal programs. We have seen the halting starts and lack of results which characterize numerous programs established with little relation to each other or to some guiding conception of the course of future national growth and development.

Second, the Nation now will have as its leader a man who has espoused a deep concern for the process of government, and whose personal background involves dealing with the organization of government at the State and local level, a man who has characterized himself as a planner and whose quest for office was founded in part on the perception that the Federal establishment is in serious need of a major overhaul.

Third, both at the local and the national level, we have begun to learn the lesson that our resources will never meet our needs. The financial crises of major cities and the acceptance of the new congressional budget process are both evidence that we must now buckle down to the task of setting priorities for the most effective use of our resources, no matter how difficult the choices we are forced to make.

Finally, we have benefited from the period since the initial introduction of this legislation from the advice and encouragement of many people, which has enabled significant improvements in the bill.

The Advisory Commission on Intergovernmental Relations, which was asked for comment on the bill following its introduction last year, noted that the bill "appears to be a practical means of achieving many of the goals" found in its 1973 report, Regional Decision Making. In a letter to Senator RIBICOFF, ACIR Executive Director Wayne Anderson said:

> This is an important bill, and we hope that hearings will be held on it this year. If that happens, we would be happy to testify in support . . .

The need for a regional approach to mutual problems has been expressed by local government spokesmen as well. The National Association of Counties, in its policy statement for 1967–77, says:

> In strengthening local government it is crucial that there be recognition of issues which cross city and county boundaries. These issues must be dealt with on a cooperative basis among cities in counties and among several counties and cities. Local governments must recognize and cooperatively develop a regional multi-jurisdictional approach.

The virtues of such an approach are gradually becoming apparent in the successful efforts of many areawide communities in developing plans to jointly confront their problems in one field or another. Yet, we have at the same time encountered new difficulties beyond the scope of single purpose legislation. It is those complexities which the Intergovernmental Coordination Act seeks to deal.

If we in the Congress can for a moment adopt the perspective of the mayor or county official who is on the other end of the chain of domestic assistance programs, the complexities are obvious. I would cite a resolution adopted by the U.S. Conference of Mayors last year, seeking legislation such as this bill, to demonstrate the local government perspective on the problems of meshing a wide array of uncoordinated Federal programs:

> Whereas, Congress has created many Federal programs which depend on area-wide planning to accomplish national objectives, and
>
> Whereas, these many programs frequently have independent planning bodies which makes coordination, and control by local elected officials difficult, if not impossible; and
>
> Whereas, uncoordinated area-wide planning leads to confusion and conflict among locally adopted public policy objectives; and
>
> Whereas, such uncoordinated planning wastes Federal, state and local tax dollars, is not fully accountable to elected local officials, and prevents rather than assists local governments to effectively plan the growth, development, and redevelopment of the nation's urban and rural regions;
>
> Whereas, legislation has recently been introduced in the Congress to address the difficulties local governments have in effectively using these Federal planning resources; and
>
> Whereas, this legislation is consistent with the policies of the U.S. Conference of Mayors regarding area-wide planning, growth management, and Federal program coordination:

Now, therefore, be it resolved that the U.S. Conference of Mayors calls upon the Congress and the Administration to enact legislation providing better mechanisms to coordinate Federal assistance.

Similarly, the National League of Cities in December 1976, adopted a policy statement which says:

The Federal government has recognized the area-wide nature of many urban problems and has enacted legislation and regulations in response to those problems. However, the Federal response to urban problems has been piecemeal and fragmented rather than comprehensive and coordinated. As a result, actions taken under one Federal program may have serious side effects that thwart the intent of another. Separate policies and programs may cancel each other out when actually implemented in a particular area, or may combine to form a policy with unintended and undesirable consequences.

This viewpoint has been seconded by a recent study of Federal-planning programs by the Government's General Accounting Office. The GAO took a close look at three regions and uncovered uncoordinated, overlapping, or even conflicting Federal requirements that seriously impede local efforts to plan for health, housing, transportation, and other public needs. The draft report cited:

State and local agencies that were doing the same thing, unaware of each other.

Different programs, such as air and solid waste, which had slightly different districts but separate planning structures, when they could be more efficiently handled within a single regional organization and coordinated with each other.

Funds flowing to both local governments and private agencies in a myriad of pipelines from the national treasury.

Tax-supported studies by one group which fail to take into account the data or the activities of another group, also tax-supported.

It is my understanding that, as a result of its inquiry into the present state of regional planning, GAO will recommend enactment of the Intergovernmental Coordination Act or similar legislation in its final report.

I would be remiss were I to neglect to mention that the Intergovernmental Coordination Act has been endorsed by the National Association of Regional Councils, an organization representing thousands of city, county, and State-elected officials committed to regional planning. The bill we introduced last year was largely developed by the association, then under the leadership of the Honorable Wes Uhlman, the distinguished mayor of Seattle. We remain grateful for the association's foresight in preparing the original bill and for its active support of the Intergovernmental Coordination Act of 1977.

In closing, Mr. President, I would reiterate my hope that introduction of this legislation will stimulate long overdue congressonal consideration of federally required local planning requirements. I am absolutely certain that local officials will be pressing Congress to face up to the need for substantial reform in this area. Hopefully, serious consideration of this important legislation will help focus our attention on the fact that the Federal Government unwittingly has become an obstacle to meaningful regional planning and rational urban development.

By Mr. MATSUNAGA:

S. 894. A bill to establish an executive department to be known as the Department of Education, and for other purposes; to the Committee on Governmental Affairs.

DEPARTMENT OF EDUCATION

Mr. MATSUNAGA. Mr. President, I am introducing today a bill to establish a new Cabinet-level Department of Education. For several Congresses now, I have submitted legislation calling for the creation of an executive department charged with the supervision and administration of all Federal education policies and programs for the benefit of all Americans. The need for a U.S. Department of Education continues to intensify as Congress enlarges its investments in education programs by providing schools and colleges with greater financial and technical assistance. In order to promote the most effective and efficient administration and management of many wide-ranging Federal education programs, I believe the time is ripe to formalize our national education priorities and establish a U.S. Department of Education.

Mr. President, our Nation has witnessed an enormous expansion of Federal aid policies and programs to education. For years, the Federal Government—operating through the Office of Education, within the Department of Health, Education, and Welfare, as well as through various other Federal agencies—has shouldered the prime responsibility to assure that the vast opportunities and resources created by our system of public and private education are equally open and accessible to all citizens. That responsibility, however, is becoming increasingly more complex and more difficult to bear because of the fragmented Federal structure which impedes the orderly and strong delivery of education assistance to State and local agencies. By organizing and channeling the Federal education effort through a central Department of Education, we can move toward more clear-cut national education directions and priorities.

The Federal Government has long been a major source of professional and financial assistance to our Nation's 16,000 school districts, 3,000 universities and colleges, and 10,000 vocational schools. However, much of this Federal aid to education flows through numerous tributaries of executive departments and agencies. While the administration of Federal aid programs to education has largely been vested in the Office of Education, many other Federal departments and agencies have claimed a role in delivering special assistance to education agencies, institutions, and organizations.

Among these are the Department of Housing and Urban Development which supervises construction programs for college housing; the Department of Defense which oversees the operations of American military schools based overseas; the Department of Agriculture which provides food and nutrition programs for youngsters; and agencies such as the National Science Foundation and the National Institute of Education which promote important education research and training programs.

A Department of Education would consolidate, concentrate, and coordinate the existing Federal programs in the expansive education field. Under the provisions of my bill, all education policy would be transfered to the Department of Education. Furthermore, a new Federal Interagency Committee on Education would assure the effective coordination of Federal programs affecting education and eliminate unnecessary duplication of activities.

Mr. President, I believe the creation of a Department of Education would be highly beneficial to all those concerned with the education of our Nation's citizenry. A U.S. Department of Education would assure overall coordination and direction in the allocation of the billions of dollars being invested in education. Such a Department would provide an orderly and focused means of avoiding duplicative effort and wasted money.

Authorized to oversee all education efforts within the Department, a full-time Secretary of Education could speak with Cabinet-level authority to the President, the Congress, the Office of Management and Budget, and to the American public.

Congress, too, would benefit from the creation of an executive Department of Education since it could deal with educational problems more comprehensively and systematically. The concentration of Federal education policies and programs within the purview of the Department of Education would foster improved oversight and assessment of education progress in our Nation.

Mr. President, I maintain that a Cabinet-level Department of Education would be better able to devote its full attention and resources to achieving a national education program of the highest caliber, and would well establish the Federal commitment to education. I urge the expeditious and favorable consideration of this proposal.

Mr. President, I ask unanimous consent that the text of my bill may be inserted in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 894

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, There is hereby established an executive department which shall be known as the Department of Education (hereinafter referred to as the "Department"). There shall be at the head of the Department a Secretary of Education (hereinafter referred to as the "Secretary"), who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate prescribed for level I of the Federal Executive Salary Schedule established by the Federal Executive Salary Act of 1964. The Department shall be administered under the supervision and direction of the Secretary.

FUNCTION AND PURPOSE

SEC. 2. The function and purpose of the Department shall be to promote the cause and advancement of education throughout the Nation. To that end the Secretary shall, among his responsibilities, (1) advise the President with respect to the progress of education; (2) develop and recommend to the President appropriate policies and programs to foster the orderly growth and development of the Nation's educational facilities and resources; (3) exercise leadership at the direction of the President in coordinating Federal activities affecting education; (4) conduct continuing comprehensive surveys, collect data, and make available findings, on the progress of education; (5) provide information and such other assistance as may be authorized by the Congress to aid in the maintenance of efficient school systems; and (6) encourage comprehensive planning by the State and local governments with a view to coordinating Federal, State, and community educational activities at the local level.

UNDER SECRETARY AND OTHER OFFICERS

SEC. 3. There shall be in the Department an Under Secretary, four Assistant Secretaries, and a General Counsel, each of whom shall be appointed by the President, by and with the advice and consent of the Senate, and shall perform such functions and duties as the Secretary may prescribe. The Under Secretary shall receive compensation at the rate prescribed for level III of the Federal Executive Salary Schedule established by the Federal Executive Salary Act of 1964, and the Assistant Secretaries and General Counsel shall receive compensation at the rate prescribed for level IV of such Schedule. The Under Secretary (or during the absence or disability of the Under Secretary, or in the event of a vacancy in the office of Under Secretary, an Assistant Secretary determined according to such order as the Secretary shall prescribe) shall act as Secretary during the absence or disability of the Secretary or in the event of a vacancy in the office of Secretary.

PROVISIONS OF LAW APPLICABLE TO THE DEPARTMENT

SEC. 4. Except to the extent inconsistent with this title, all provisions of law applicable to the executive departments generally shall apply to the Department.

SEAL

SEC. 5. The Secretary shall cause a seal of office to be made for the Department, or such design as the President shall approve, and judicial notice shall be taken thereof.

DELEGATION OF AUTHORITY

SEC. 6. The Secretary may, without being relieved of his responsibility therefor, and unless prohibited by some specific provision of law, perform any function vested in him through or with the aid of such officials or organizational entities of the Department as he may designate.

TRANSFERS TO DEPARTMENT

SEC. 7. (a) The United States Office of Education, together with all of its functions, personnel, property, records, obligations, commitments and unexpended balances of appropriations, allocations and other funds (available or to be made available), is hereby transferred to the Department, and all functions of the Secretary of Health, Education, and Welfare being administered through such Office, and all functions of the Secretary of Health, Education, and Welfare with respect to such Office, are transferred to the Secretary.

(b) All laws dealing with the relationship between Gallaudet College, Howard University, Freedmen's Hospital, and American Printing House for the Blind, respectively, and the Secretary of Health, Education, and Welfare or the Department of Health, Education, and Welfare are hereby amended to substitute "Secretary of Education" for "Secretary of Health, Education, and Welfare", and to substitute "Department of Education" for "Department of Health, Education, and Welfare".

(c) Section 394(3) of the Act to amend the Communications Act of 1934 to establish a program of Federal matching grants for the construction of television broadcasting facilities to be used for educational purposes (Public Law 87-447) is hereby amended to substitute "Secretary of Education" for "Secretary of Health, Education, and Welfare".

(d) The President shall transfer to the Department from other departmental agencies, and instrumentalities of the Federal Government such additional functions relating to education as he determines necessary or appropriate to promote efficiency in Government and to carry out the purposes of this title. Such transfers shall be completed within 180 days after the date of enactment of this Act.

TRANSFER MATTERS

SEC. 8. All laws relating to any agency of function transferred under this title shall, insofar as such laws are not inapplicable, remain in full force and effect. Any transfer of personnel pursuant to this title shall be without change in classification or compensation, except that this requirement shall not operate to prevent the adjustment of classification or compensation to conform to the duties to which such transferred personnel may be assigned. All orders, rules, regulations, permits, or other privileges made, issued, or granted by any agency or in connection with any functions transferred by this title, and in effect at the time of the transfer, shall continue in effect to the same extent as if such transfer had not occurred, until modified, superseded, or repealed. No suit, action, or other proceeding lawfully commenced by or against any agency or any officer of the United States acting in his official capacity shall abate by reason of any transfer made pursuant to this title, but the court, on motion or supplemental petition filed at any time within twelve months after such transfer takes effect, showing a necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, may allow the same to be maintained by or against the appropriate agency or officer of the United States.

ANNUAL REPORT

SEC. 9. The Secretary shall, as soon as practicable after the end of each calendar year, make a report to the President for the submission to the Congress on the activities of the department during the preceding calendar year. Such report shall also contain objective data on enrollments, expenditures, numbers of teachers, numbers of professionals who lack full qualifications, needs for classroom and other construction, special needs of critical areas such as urban areas, and similar data.

CONFORMING AMENDMENTS

SEC. 10. (a) Section 19(d)(1) of the Act of June 25, 1958, is hereby amended by striking out the phrase "Secretary of Health, Education, and Welfare" at the end thereof and inserting the following: "Secretary of Health and Welfare, Secretary of Education".

(b) Section 158 of the Revised Statutes (5 U.S.C. 1) is amended by adding at the end thereof: "Eleventh. The Department of Education." and by amending the phrase "Health, Education, and Welfare" to read "Health and Welfare".

(c) Any reference to the Office of Education or the Commissioner of Education, in any other law, rule, regulation, certificate, directive, instruction, license, or other official paper in force on the effective date of this title shall be deemed to refer and apply to the Department or the Secretary, as may be appropriate.

(d) Any reference to the Department of Health, Education, and Welfare or the Secretary of Health, Education, and Welfare in any other law, rule, regulation, certificate, directive, instruction, license, or other official paper in force on the effective date of this title shall be deemed to refer and apply to the Department of Health and Welfare and the Secretary of Health and Welfare, respectively.

FEDERAL INTERAGENCY COMMITTEE ON EDUCATION

SEC. 11. (a) There is hereby established a Federal Interagency Committee on Education (hereafter referred to as the "Committee").

(b) The Committee shall study and recommend such actions as may be necessary to assure effective coordination of Federal programs affecting education, including: (1) development of Federal programs in accordance with the educational goals and policies of the Nations; (2) consistent administration of policies and practices among Federal agencies in the conduct of similar programs; (3) full and effective communication among Federal agencies to avoid unnecessary duplication of activities; (4) adequate procedures for the availability of information on educational matters requested by the Secretary; and (5) full and effective cooperation with the Secretary on such studies and analyses as are necessary to carry out the purposes of this title.

(c) The Committee shall, not later than July 1, 1972, advise the President with respect to his responsibilities under subsection (d) of section 7 of this Act.

(d) The Committee shall be composed of the Secretary, who shall be the Chairman, and one appropriate representative of each of the following: the Department of State, the Department of Defense, the Department of Agriculture, the Department of Labor, the Department of Health and Welfare, the National Science Foundation, the Atomic Energy Commission, and the National Aeronautics and Space Administration.

(e) The Chairman may invite Federal agencies in addition to those which are represented on the Committee under the provisions of subsection (d) of this section to designate representatives to participate in meetings of the Committee on matters of substantial interest to such agencies which are to be considered by the Committee.

(f) The Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, and the Director of the Office of Science and Technology may each designate a member of his staff to attend meetings of the Committee as an observer.

(g) Each Federal agency which is represented on the Committee under the provisions of subsection (d), of this section, shall furnish necessary assistance to the Committee in accordance with section 214 of the Act of May 3, 1945 (59 Stat. 134; 31 U.S.C. 691).

EXPENDITURES AUTHORIZED

SEC. 12. The Secretary is authorized to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, for lawbooks, books of reference and periodicals, and for printing and binding) as may be necessary to carry out the provisions of this Act, and as may be provided for by the Congress from time to time.

APPROPRIATIONS AUTHORIZED

SEC. 13. There are authorized to be appropriated such sums as may be necessary to enable the Department to carry out the provisions of this title and to perform any other

duties which may be imposed upon it by law.

EFFECTIVE DATE

SEC. 14. The provisions of this Act shall be effective on its date of enactment, except that section 7 shall be effective after ninety days following such date.

By Mr. PROXMIRE (by request):

S. 895. A bill to amend the Federal Deposit Insurance Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

FEDERAL DEPOSIT INSURANCE ACT

Mr. PROXMIRE. Mr. President, I am today introducing a bill at the request of the Federal Deposit Insurance Corporation for reference to the Committee on Banking, Housing, and Urban Affairs. The FDIC views the amendments encompassed in the bill as "housekeeping" matters, not designed to effect any changes of a controversial nature.

The bill would among other matters subject the establishment of foreign branches of insured nonmember banks to FDIC approval; and the bill would also authorize insured nonmember banks to purchase stock in foreign financial institutions where authorized by State law subject to the approval of the FDIC. The bill would also enlarge the authority of the FDIC to examine bank holding companies of which nonmember banks are subsidiaries.

Mr. President, I ask unanimous consent that a section-by-section analysis of the bill, the transmittal letter from Chairman Barnett, and the text of the bill be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 895

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Section 3(o) of the Federal Deposit Insurance Act (12 U.S.C. 1813(o)) is amended—

(1) by inserting "domestic" immediately before "branch" the first place it appears; and

(2) by inserting before the period at the end thereof a semicolon and the following: "and the term 'foreign branch' means any office, place of business, or similar establishment located outside the United States, its territories, Puerto Rico, Guam, American Samoa, and the Virgin Islands".

(b) Section 18(d) of the Federal Deposit Insurance Act (12 U.S.C. 1828(d)) is amended—

(1) by inserting "(1)" after "(d)";

(2) by inserting "domestic" between "new" and "branch"; and

(3) by inserting "such" between "any" and "branch"; and

(4) by adding at the end thereof the following new paragraph:

"(2) No State nonmember insured bank shall establish or operate any foreign branch, except with the prior written consent of the Corporation and upon such conditions and pursuant to such regulations as the Corporation may prescribe from time to time.".

(c) Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended by adding at the end thereof the following new subsection:

"(l) When authorized by State law, a State nonmember insured bank may, but only with the prior written consent of the Corporation and upon such conditions and under such regulations as the Corporation may prescribe from time to time, acquire and hold, directly or indirectly, stock or other evidences of ownership in one or more banks or other entities organized under the law of a foreign country or a dependency or insular possession of the United States and not engaged, directly or indirectly, in any activity in the United States except as, in the judgment of the Board of Directors, shall be incidental to the international or foreign business of such foreign bank or entity; and, notwithstanding the provisions of subsection (j) of this section, such Senate nonmember insured bank may, as to such foreign bank or entity, engage in transactions that would otherwise be covered thereby, but only in the manner and within the limits prescribed by the Corporation by general or specific regulation or ruling.".

SEC. 2. The sixth sentence of section 7(a)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(3)) is amended to read as follows: "The correctness of said report of condition shall be attested by the signatures of at least two directors or trustees of the reporting bank other than the officer making such declaration, with a declaration that the report has been examined by them and to the best of their knowledge and belief is true and correct.".

SEC. 3. (a) Section 8(n) of the Federal Deposit Insurance Act (12 U.S.C. 1818(n)) is amended—

(1) by inserting in the first sentence after "this section," the first place it appears therein the following: "or in connection with any claim for insured deposits or any examination or investigation under section 10(c),";

(2) by inserting "examination, or investigation or considering the claim for insured deposits," in the first sentence after "proceeding," the second place it appears therein;

(3) by striking out "proceedings" at the end of the first sentence thereof and inserting in lieu thereof "proceedings, claims, examinations, or investigations";

(4) by inserting "such agency or any" after "Any" at the beginning of the third sentence thereof; and

(5) by striking out "section" and inserting in lieu thereof "subsection" in the fourth sentence thereof.

(b) Section 8(q) of the Federal Deposit Insurance Act (12 U.S.C. 1818(q)) is amended to read as follows:

"(q) Whenever the liabilities of an insured bank for deposits shall have been assumed by another insured bank or banks, whether by way of merger, consolidation or other statutory assumption, or pursuant to contract (1) the insured status of the bank whose liabilities are so assumed shall terminate on the date of receipt by the Corporation of satisfactory evidence of such assumption; (2) the separate insurance of all deposits so assumed shall terminate at the end of six months from the date such assumption takes effect or, in the case of any time deposit, the earliest maturity date after the six-month period; and (3) the assuming or resulting bank shall give notice of such assumption to each of the depositors of the bank whose liabilities are so assumed within 30 days after such assumption takes effect. Where the deposits of an insured bank are assumed by a newly insured bank, the bank whose deposits are assumed shall not be required to pay any assessment upon the deposits which have been so assumed after the semiannual period in which the assumption takes effect.".

SEC. 4. The last sentence of section 9 of the Federal Deposit Insurance Act (12 U.S.C. 1819) is amended to read as follows:

"Tenth. To prescribe by its Board of Directors such rules and regulations as it may deem necessary to carry out the provisions of this Act or of any other law which it has the responsibility of administering or enforcing.".

SEC. 5. (a) Section 10(b) of the Federal Deposit Insurance Act (12 U.S.C. 1820(b)) is amended by inserting "or other institution" in the first sentence after the words "any State nonmember bank" and by striking out the last two sentences of that subsection.

(b) Section 10 (c) and (d) of the Federal Deposit Insurance Act (12 U.S.C. 1920 (c) and (d)) are amended to read as follows:

"(c) In connection with examinations of insured banks, State nonmember banks or other institution making application to become insured banks, and affiliates thereof, or with other types of investigations to determine compliance with applicable law and regulations, the appropriate Federal banking agency, or its designated representatives, are authorized to administer oaths and affirmations, and to examine and to take and preserve testimony under oath as to any matter in respect of the affairs or ownership of any such bank or institution or affiliate thereof, and to exercise such other powers as are set forth in section 8(n) of this Act.

"(d) For purposes of this section, the term 'affiliate' shall have the same meaning as in section 23A of the Federal Reserve Act, except that the term 'member bank' in such section 23A and in section 2(b) of the Banking Act of 1933 shall be deemed to refer to an insured bank.".

SEC. 6. Section 18(c)(1)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(1)(B)) is amended by inserting after the word "deposits" the following: "(including liabilities which would be 'deposits' except for the proviso in section 3(1)(5) of this Act)".

SEC. 7. Section 1114 of title 18, United States Code, is amended by inserting before "shall be punished" the following: "or any attorney, liquidator, examiner, claim agent, or other employee of the Federal Deposit Insurance Corporation engaged in or on account of the performance of his official duties,".

SEC. 8. Section 5 of the Bank Service Corporation Act (12 U.S.C. 1865) is amended to read as follows:

"SEC. 5. Whenever any bank which is regularly examined by a Federal supervisory agency, or any subsidiary or affiliate of such bank which is subject to examination by that agency, causes to be performed, by contract or otherwise, any bank services for itself, whether on or off its premises—

"(1) such performance shall be subject to regulation and examination by such agency to the same extent as if the services were being performed by the bank itself on its own premises, and

"(2) the bank shall notify such agency of the existence of a service relationship within 30 days after the making of such service contract or the performance of the service, whichever occurs first.".

FEDERAL DEPOSIT INSURANCE CORPORATION,
Washington, D.C., February 18, 1977.

HON. WALTER F. MONDALE,
President of the Senate, U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for appropriate referrel and consideration is a bill "To amend the Federal Deposit Insurance Act (12 U.S.C. 1811–31), and for other purposes" and a section-by-section analysis thereof. This bill contains a number of technical, "housekeeping" amendments to the Federal Deposit Insurance Act, but is not designed to effect any changes of a controversial nature.

Very truly yours,

ROBERT E. BARNETT,
Chairman.

Enclosures.

HOUSEKEEPING BILL PROPOSALS—SECTION-BY-SECTION ANALYSIS

Section 1.—This Section of the bill would include a definition of "foreign branch" in the Act and would give the Corporation express authority over the establishment and operation of foreign branches and the acquisition of the shares of foreign banks by State nonmember insured banks similar to that exercised by the Federal Reserve with respect to foreign branches and foreign bank acquisitions of member banks. The Corporation believes this amendment is necessary in light of the establishment by some State nonmember insured banks of foreign offices and the acquisition by some such banks of stock in foreign banks.

Section 2.—This Section would amend the Federal Deposit Insurance Act to permit the signatures of two directors or trustees to attest to the correctness of a report of condition of an insured nonmember bank. The signatures of two directors or trustees are currently permitted by the Act only if the bank does not have more than three directors or trustees. Accordingly, when the Corporation receives a report of condition attested by the signatures of two directors or trustees, it often must undertake time-consuming investigations to determine the total number of directors or trustees of the insured nonmember bank.

Section 3.—This Section would apply the procedural requirements as to subpenas to claims for insured deposits and to examinations and investigations under Section 10 of the Federal Deposit Insurance Act (12 U.S.C. 1820). See explanation under Section 5 of this bill. Also, it would amend Section 8(q) of the Federal Deposit Insurance Act (12 U.S.C. 1818(q)) to provide that where the deposit liabilities of an insured bank are assumed by another insured bank the insurance of time deposits so assumed shall continue to be separately insured to the earliest maturity more than six months after the effective date of the assumption. Demand and savings deposits so assumed shall continue to be separately insured for a period of six months after the effective date of the assumption.

Section 4.—This Section would clarify the Corporation's authority to issue such regulations as are necessary to carry out all provisions of law it has the duty to enforce, whether found in the Federal Deposit Insurance Act or elsewhere.

Section 5.—This Section would make clear that, in connection with either an examination or some other type of investigation for compliance with applicable law, the appropriate Federal banking agency is authorized to take testimony and subpena the records of institutions making application to become insured banks, as well as the records of insured banks and affiliates thereof. The procedural requirements as to subpenas are deleted from Section 10 of the Act and those of Section 8(n) of the Federal Deposit Insurance Act are incorporated by reference. Section 5 would also expand the definition of "affiliate" for this purpose to include any "affiliate" as that term is used in Section 23A of the Federal Reserve Act (12 U.S.C. 371c), which, in conjunction with Section 18 (j) of the Federal Deposit Insurance Act (12 U.S.C. 1828(j)), prohibits certain loans to affiliates of insured banks. The proposed amendment would conform the definitions of "affiliate" as used in these closely related contexts and thus enlarge to some extent the authority of the Corporation to examine a bank holding company of which a nonmember insured bank is a subsidiary, as well as any other subsidiary of such company.

Section 6.—This Section would amend Section 18(c)(1)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(1)(B)) to make clear that the Corporation's approval is necessary in connection with the assumption by an insured bank of the deposit liabilities of a foreign noninsured bank, notwithstanding the exclusion of such liabilities from the definition of the term "deposits" in Section 3(*l*)(5) of that Act (12 U.S.C. 1813 (*l*)(5)).

Section 7.—This Section would amend 18 U.S.C. 1114 to make it a felony to kill, or (under 18 U.S.C. 111) to *forcibly* assault, resist, oppose, impede, intimidate or interfere with an FDIC attorney, liquidator, examiner, claim agent or other FDIC employee as a result of the performance of his official duties. Such acts against Corporation employees arising out of their official duties are not presently Federal crimes, and the State sanctions which can be applied in these cases often differ in substance and application. The enactment of Section 7 would equally proscribe such acts in all States.

Section 8.—The Bank Service Corporation Act (12 U.S.C. 1861–65) presently requires federally regulated banks and persons performing certain clerical services for such banks to give written assurances that such services will be subject to Federal regulation and examination to the same extent as if they were performed by the bank itself. Section 9 would eliminate the requirement to furnish such assurances and would make the performance of such services automatically subject to Federal regulation and examination. The proposed amendment would also require every such bank to notify the appropriate Federal bank regulatory agency within 30 days of the existence of a service relationship and would apply the Act to subsidiaries of the bank which are themselves subject to examination by the agency which regularly examines the bank.

By Mr. McGOVERN:

S. 896. A bill to amend Public Law 91–118, the act of November 18, 1969 (83 Stat. 194), providing for a Great Plains conservation program; to the Committee on Agriculture, Nutrition, and Forestry.

GREAT PLAINS CONSERVATION PROGRAM AMENDMENTS

Mr. McGOVERN. Mr. President, in an attempt to combine current concerns with future needs, I am today introducing legislation asking that the Great Plains conservation programs scheduled 1981 completion date be removed and that the funding requirements for that program be excluded from fiscal year limitations.

The immediate need for considering the extension of this legislation is grounded in the purpose of the program itself. Designed to promote greater agricultural stability through the cost sharing of conservation practices, the original supporters hoped for 16 million acres of the Great Plains to be treated. Recent reports point out, however, that based on past performance, only 8.3 million acres will be under treatment or contract by the programs expiration date of 1981. The fault appears not to be with the law, but with the lack of an effective method of seeking participants and their developing individual conservation plans for their lands.

This difficulty was pointed out in the recent GAO report of three major programs that were enacted to establish soil conservation practices. The programs all suffer because, even with overlapping common objectives, they were unused. Now, nature has supplied us with one overriding common objective—the saving of Great Plains topsoil, which means saving crops, grasslands, rangeland, wildlife, and most important of all, the livelihood of its people. Current drought conditions have contributed greatly to the ease with which winds can lift the land and send it to settle hundreds of miles away. Dust storms have again become a reality not just a threat—as the skies recently darkened in Eastern States, because the soil of the Great Plains was passing over.

There is no mystery surrounding the importance of soil conservation—every area of the country, from the South after exhaustive cotton plantings, to the Northwest from unregulated timber cutting, have been afflicted—but the Great Plains with its unique weather hazards, underdeveloped water policies, and press for greater production of cash crops has, like an ulcer, eaten into itself, destroying the source of its sustenance.

This serious concern is stated in the GAO report:

> Soil scientists estimate that annual soil losses must be limited to no more than 5 tons an acre in deep soils and 1 ton an acre in shallow soils to maintain soil fertility and productivity over time. According to Department of Agriculture technicians, about 84 percent of the 283 farms (studied) were losing over 5 tons an acre a year on cropland for which calculations were made. In addition, soil erosion was creating water and air pollution and highway maintenance programs.

It is one thing to support emergency drought-related measures, but it is another to ignore programs already in existence that could attack the problem of too little moisture. The original Great Plains conservation program provides for Soil Conservation Service technical assistance and cost-sharing payments to landowners, for 3- to 10-year periods, in the 10 Great Plains States. The initial emphasis was, and still should be, aimed at erosion that is so serious as to need planned, individual assistance in protecting it from complete deterioration and uselessness. The Federal cost share for each conservation practice cannot exceed 80 percent, and total contracts covering a series of conservation practices are limited to $25,000.

This contract program was amended in 1969 to allow landowners or operators to include plans for enhancing fish, wildlife, and recreation resources: and reduce agricultural pollution in other plans. This addition was needed but, unfortunately, did not push the program forward with any significant results. Subsequent to this last congressional action, SCS revised its funding priorities to promote treatment in areas having major wind and water erosion and moisture conservation problems. Certainly the drought will cause a sharp upward reassessment of the number of acres to be considered high priority and needing major moisture conservation. And, if action is terminated on this program while we are still far short of the goal, the devastation suffered by the next drought will be partially self-inflicted.

Therefore, in response to current and future conservation requirements, I submit this bill to the Great Plains conservation program by removing the termination date of December 31, 1981, for

entering into contracts, and deleting the maximum program limitation of $300 million and the $25 million annual maximum limitation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 896

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of Public Law 91–118 (83 Stat. 194) is amended to read as follows:

"(1) the Secretary is authorized within the amounts of such appropriations as may be provided therefor, to enter into contracts of not to exceed ten years with owners and operators of land in the Great Plains area having such control as the Secretary determines to be needed of the farms, ranches or other lands covered thereby; but such contracts shall be entered into with respect to lands, other than farms or ranches, only where erosion is so serious as to make such contracts necessary for the protection of farm or ranch lands. Such contracts shall be designed to assist farm, ranch, or other land owners or operators to make, in orderly progression over a period of years, changes in their cropping systems or land uses which are needed to conserve, develop, protect, and utilize the soil and water resources of their farms, ranches, and other lands and to install the soil and water conservation measures and carry out the practices needed under such changed systems and uses. Such contracts may be entered into with respect to farms, ranches, and other lands in counties in the Great Plains area of the States of Colorado, Kansas, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming, designated by the Secretary as susceptible to serious wind erosion by reason of their soil types, terrain, and climatic and other factors. The land owner or operator shall furnish to the Secretray a plan of farming operations or land use which incorporates such soil and water conservation practices and principles as may be determined by him to be practicable for maximum mitigation of climatic hazards of the area in which such land is located, and which outlines a schedule or proposed changes in cropping systems or land use and of the conservation measures which are to be carried out on the farm, ranch, or other land during the contract period to protect the farm, ranch, or other land from erosion and deterioration by natural causes. Such plan may also include practices and measures for (a) enhancing fish and wildlife and recreation resources, (b) promoting the economic use of land, and (c) reducing or controlling agricultural related pollution. Inclusion in the farm plan of these practices shall be the exclusive decision of the land owner or operator. Approved conservation plans of land owners and operators developed in cooperation with the soil and water conservation district in which their lands are situated shall form a basis for contracts. Under the contract the land owner or operator shall agree—

"(i) to effectuate the plan for his farm, ranch, or other land substantially in accordance with the schedule outlined therein unless any requirement thereof is waived or modified by the Secretary pursuant to paragraph (3) of this subsection;

"(ii) to forfeit all rights to further payments or grants under the contract and refund to the United States all payments or grants received thereunder upon his violation of the contract at any stage during the time he has control of the land if the Secretary, after considering the recommendations of the soil and water conservation district board, determines that such violation is of such a nature as to warrant termination of the contract, or to make refunds or accept such payment adjustments as the Secretary may deem appropriate if he determines that the violation by the owner or operator does not warrant termination of the contract;

"(iii) upon transfer of his right and interest in the farm, ranch, or other land during the contract period to forfeit all rights to further payments or grants under the contract and refund to the United States all payments or grants received thereunder unless the transferee of any such land agrees with the Secretary to assume all obligations of the contract;

"(iv) not to adopt any practice specified by the Secretary in the contract as a practice which would tend to defeat the purposes of the contract;

"(v) to such additional provisions as the Secretary determines are desirable and includes in the contract to effectuate the purposes of the program or to facilitate the practical administration of the program.

"In return for such agreement by the landowner or operator the Secretary shall agree to share the cost of carrying out those conservation practices and measures set forth in the contract for which he determines that cost sharing is appropriate and in the public interest. The portion of such cost (including labor) to be shared shall be that part which the Secretary determines is necessary and appropriate to effectuate the physical installation of the conservation practices and measures under the contract;"

SEC. 2. Section 3 of Public Law 91–118 (83 Stat. 194) is amended to read as follows:

"(7) there is hereby authorized to be appropriated, without fiscal year limitations, such sums as may be necessary to carry out this subsection. The funds made available for the program under this subsection may be expended without regard to the maximum payment limitation and small payment increases required under section 8(e) of this Act, and may be distributed among States without regard to distribution of funds formulas of section 15 of this Act. The program authorized under this subsection shall be in addition to, and not in substitution of, other programs in such area authorized by this or any other Act."

By Mr. PERCY (for himself, Mr. GLENN, Mr. RIBICOFF, Mr. JAVITS, and Mr. CRANSTON):

S. 897. A bill to strengthen U.S. policies on nonproliferation and to reorganize certain export functions of the Federal Government to promote more efficient administration of such functions; to the Committee on Governmental Affairs and the Committee on Foreign Relations, jointly, by unanimous consent; and, if and when one committee reports the bill, the other has 30 days to report.

NUCLEAR NONPROLIFERATION ACT OF 1977

Mr. PERCY. Mr. President, the legislation which we are introducing today deals with one of the most pressing problems facing the United States and the world today—nuclear proliferation.

For years we assumed that only the technologically sophisticated industrial nations would be capable of launching a nuclear weapons program. But in 1964 the People's Republic of China joined the "club" of nuclear nations, proving that a determined nation could develop nuclear weapons without a solid industrial base. In 1974, India detonated what they called a peaceful nuclear explosion. This was an especially alarming watershed. It proved that a developing nation could produce nuclear weapons from an ostensibly peaceful nuclear power program.

Worldwide nuclear proliferation has accelerated since two of our allies, France and West Germany, have agreed to provide sensitive nuclear technology to Brazil and Pakistan. Both countries assert that these unprecedented exports will be subject to strict safeguards. But with these new facilities, Brazil and Pakistan could be only a few short steps away from producing nuclear explosives without violating any commitments.

We have also heard estimates that Israel has or could quickly construct nuclear weapons, and Taiwan developed its own facility to transform the "ashes" of used nuclear reactor fuel into plutonium—the basic component of a nuclear bomb. Although Taiwan agreed under pressure to forgo such reprocessing in the future, the fact that the Taiwanese successfully obtained such a capability demonstrates a serious weakness in existing international controls. Finally, ominous questions have also been raised about the nuclear weapons intentions of South Korea, Argentina, South Africa, and Libya.

There is an increasing awareness of this threat in the United States and abroad; it is one of our most important accomplishments in attempting to combat proliferation. This understanding goes beyond obvious concerns about the ramifications of the Indian blast and the proposed sale of sensitive technology to Brazil and Pakistan. There is an increasing recognition that existing international controls—although vital—fall far short of the unprecedented measures needed to curb this extraordinary threat.

Unfortunately, however, that concern has not yet led to the establishment of an effective international nonproliferation regime. Having invited Third World nations to acquire bomb capability by our inaction following the Indian blast, we have done little to recover from this grievous mistake and forge ahead with new initiatives.

I do not mean to suggest that the achievements of the London suppliers group and certain bilateral negotiations have not been important. They have been a vital first step, with particular value in laying the political groundwork for negotiation of the far more comprehensive controls which are needed.

However, we have continued to pursue a gradual, cautious approach to this problem. Although such an approach is certainly sound in the normal conduct of foreign policy, we must come to terms with the fact that the time for such an incremental approach is long gone in the battle against proliferation. We are literally right on the brink of a new era in which nuclear weapons capability will be commonplace. None of our alternatives are pleasant, and all bear some commercial or political risk. Yet, I firmly believe that the United States can and must assume an aggressive leadership position, and I am confident that our ef-

forts will be rewarded by cooperation from other nations whose security is equally imperiled.

The bill sets forth a tough, comprehensive approach to the proliferation problem. It establishes unprecedented criteria to govern the transfer and use of U.S. nuclear export items, and calls for greatly accelerated negotiations to achieve international cooperation in harnessing this technology. In addition, the bill calls for measures to insure a reliable supply of nuclear fuel to nations which are willing to adhere to effective controls, providing an incentive for those nations whose interest in nuclear power is purely peaceful to refrain from acquiring dangerous national facilities. Finally, the bill contains a number of organizational provisions to strengthen the formulation and management of U.S. nuclear export policies.

There will undoubtedly be those who will assert that this bill goes too far—that it calls for a unilateral moratorium on U.S. nuclear exports. Any such charges are unfounded.

The bill has been carefully drafted to minimize conflict with our existing agreements and to provide an opportunity to strengthen those agreements prior to the implementation of strict new controls. Moreover, in recognition of the fact that circumstances and political imperatives vary from country to country, the bill provides for the flexibility needed to reach practical solutions.

I do not mean to suggest that the bill is perfect. Many issues raised by this legislation require further study. For example, the bill contemplates an international arrangement for the provision of nuclear fuel services whereby no country—even the weapons states—could operate sensitive facilities on a national basis. All such services would be provided under international auspices, and such internationally controlled facilities could be located only in the weapons states or on international territory. The rationale for this approach is to avoid giving any advantage to one nation over another by imposing a universal ban on national facilities while permitting attractive investment opportunities. While this proposal seems to be very promising, it will be carefully examined along with other options to insure that these are the best provisions to meet the objectives of nonproliferation.

Similarly, I fully recognize that legislation alone cannot solve the proliferation problem. Unless the policies set forth in this bill are implemented through intensive diplomatic efforts to achieve international cooperation and to resolve the myriad problems which hinder any sweeping policy, we cannot be successful. But I do believe that this bill will be an important step toward achieving a rational international regime to curb the spread of nuclear explosive capability.

I would like to thank Senators GLENN, RIBICOFF, JAVITS, and CRANSTON for their support of this legislation, and I would like to note that a similar bill was introduced in the House today by Representative BINGHAM with the cosponsorship of Representatives ZABLOCKI, FINDLEY, FRASER, LONG of Maryland, OTTINGER, UDALL, and WHALEN. I urge all of my colleagues to participate in enacting nonproliferation legislation during this session of Congress.

Mr. President, I ask unanimous consent that a section-by-section analysis of the provisions of the bill and the text of the bill be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 897

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Nuclear Non-Proliferation Act of 1977".

TABLE OF CONTENTS

Sec. 2. Statement of policy.
Sec. 3. Statement of purpose.
Sec. 4. Supply of nuclear fuel services.
Sec. 5. Other initiatives.
Sec. 6. World Energy Institute.
Sec. 7. Renegotiation of agreements for cooperation.

SAFEGUARDS TRAINING PROGRAM

Sec. 8. International safeguards training program.
Sec. 9. Negotiation and approval of agreements for cooperation.
Sec. 10. Technical provision.
Sec. 11. Subsequent arrangements.

CLARIFICATION OF EXPORT PROCEDURES

Sec. 12. Government-to-government transfers.
Sec. 13. Technology transfers.
Sec. 14. Approval of retransfers.
Sec. 15. Export ban for sensitive technology.
Sec. 16. Export licensing procedures and criteria.
Sec. 17. Components.
Sec. 18. Executive reporting on non-proliferation initiatives.
Sec. 19. Authorization.
Sec. 20. Definitions.

SAVINGS PROVISION

Sec. 21. Savings provision.

STATEMENT OF POLICY

SEC. 2. The Congress hereby finds and declares that the proliferation of nuclear explosive capability poses a grave threat to the security of the United States and to continued international progress toward world peace and development. Accordingly, it is the policy of the United States to—

(a) actively pursue the establishment of effective international controls over the transfer and use of nuclear equipment, material, technology, and sensitive nuclear technology which will prevent the further proliferation of nuclear explosive capability, including the establishment of a system of international sanctions;

(b) guarantee adequate supplies of nuclear fuel for electrical generating purposes to nations which meet the criteria set forth in this Act;

(c) insure that the actions of the United States in international nuclear commerce are consistent with the Treaty on the Non-Proliferation of Nuclear Weapons, the Statute of the International Atomic Energy Agency, and the need to establish effective controls on the proliferation of nuclear explosive capability;

(d) strongly encourage nations which have not ratified the Treaty to do so at the earliest possible date, and encourage the establishment of nuclear free zones where appropriate; and

(e) aid foreign nations in identifying and adapting appropriate technology for energy production consistent with the economic and material resources of those nations, and to promote the development of nuclear power only to the extent necessary to meet legitimate energy needs.

STATEMENT OF PURPOSE

SEC. 3. It is the purpose of this Act to promote the policies set forth above by ensuring effective control by the United States over its exports of nuclear equipment, materials, and technology; by prohibiting the export of sensitive nuclear technology to non-nuclear-weapon states by the United States; and by establishing a framework for international cooperation to ensure that other nations will refrain from transferring or acquiring sensitive nuclear technology, that other nations will join the United States in promoting the development of those energy technolcgies most appropriate to the needs and resources of individual nations and of the least concern from the standpoint of preventing the proliferation of nuclear explosive capability and protecting the world environment, and that the worldwide development of peaceful nuclear activities as well as the export by any nation of nuclear materials, equipment, and technology intended for use in peaceful nuclear activities do not contribute to the proliferation of nuclear explosive capability. Accordingly, this Act specifies—

(a) provisions to ensure full and comprehensive assessment of the risks of proliferation of nuclear explosive capability in the negotiation, review, and renegotiation of agreements for cooperation and subsequent arrangements and in the consideration of export applications;

(b) procedures under which the Congress will receive adequate information and opportunity to examine proposed agreements for cooperation and amendments thereto and to review the policies of the United States affecting the proliferation of nuclear explosive capabilitiy;

(c) licensing criteria which will govern exports by the United States of material, equipment, and technology intended for use in peaceful nuclear activities; and

(d) United States initiatives to seek to negotiate international agreements for effective and comprehensive international controls, sanctions, and physical security measures, to establish international arrangements to provide nuclear fuel services to those countries which adhere to stringent non-proliferation policies and practices, and to strengthen the IAEA.

SUPPLY OF NUCLEAR FUEL SERVICES

SEC. 4. (a) The United States shall take such actions as may be necessary to ensure a reliable supply of enriched uranium to those nations and groups of nations which may seek to utilize the benefits of atomic energy for the generation of electricity, and which adhere to policies and practices set forth in this Act which are designed to prevent the proliferation of nuclear explosive capability. Such enriched uranium shall be provided under agreements entered into pursuant to section 161 of the 1954 Act or as otherwise authorized by law, or under international arrangements consistent with the policies and provisions of this Act;

(b) The United States shall take such actions as may be necessary to ensure that it will have available the capacity to provide uranium enrichment services directly to nations which adhere to non-proliferation policies and practices set forth in this Act and to facilitate the establishment and operation of international supply arrangements which the United States determines are desirable from the standpoint of preventing the proliferation of nuclear explosive capability;

(c) Not later than twelve months after the date of enactment of this Act, the President shall report to Congress on feasible options for the establishment of facilities located in nuclear-weapon states or on international territory for the provision of nuclear

fuel services under international auspices and inspection. Such report shall include—

(1) an evaluation of alternative management and financing arrangements for such facilities, including a specific discussion of the establishment of international storage facilities for special nuclear material and irradiated fuel elements and methods for the acquisition of existing irradiated fuel elements;

(2) an assessment of what incentives would be practicable and necessary to motivate nations to participate in such international arrangements in lieu of seeking to obtain or operate national nuclear fuel facilities;

(3) specific recommendations on steps to be taken by the United States to promote the establishment of such international arrangements, including a discussion of the desirability of placing existing and future United States fuel facilities under international auspices; and

(d) the United States shall encourage the establishment of facilities for the storage of special nuclear material and irradiated fuel elements under international auspices and inspection at the earliest possible date.

OTHER INITIATIVES

SEC. 5. The United States shall institute immediate initiatives—

(a) to seek to negotiate with other nations, including the nuclear supplier nations, one or more binding international arrangements or other mutual undertakings to—

(1) ensure that nuclear materials, equipment, and technology intended for use in peaceful nuclear activities shall be transferred internationally only to nations or groups of nations which accept international controls, consistent with the provisions of section 113 of the 1954 Act, which are specified in section 16(b) of this Act, which are sufficient to ensure that such materials, equipment, and technology will not be used in, or for the purpose of developing, any nuclear explosive device;

(2) ensure that sensitive nuclear technology will not be transferred internationally to non-nuclear-weapon states, and that enrichment and reprocessing facilities will not be constructed or operated in non-nuclear-weapon states;

(3) establish international standards of physical security, and require that all special nuclear material exported by or in the possession of the parties to any such international arrangements or other mutual undertakings, and that all special nuclear material produced in or through the use of any material, equipment, or technology transferred internationally by such parties or in the possession of such parties, be subject to adequate physical security measures to ensure their protection against acts of terrorism, sabotage, and theft;

(4) adopt explicit principles and procedures, including a system of international sanctions, to be followed in the event that any non-nuclear-weapon state detonates a nuclear explosive device or any nation violates the principles of the Treaty, whether or not such nation is a party to the Treaty, or any obligation with respect to the peaceful use of material, equipment, technology or sensitive nuclear technology; and

(5) establish international procedures for recovering stolen material, equipment and sensitive nuclear technology;

(b) to assure all nations of the world that the United States, as a matter of national policy, will impose conditions on its own nuclear exports at least as stringent as the safeguards and physical security requirements agreed to and collectively adopted by other nuclear supplier nations, and will not act in a manner which would reduce the comprehensiveness or effectiveness of international safeguards or physical security measures;

(c) to assure all nations of the world that the United States, as a matter of national policy, is committed to a strengthened and more effective IAEA and to a more comprehensive safeguards system administered by that Agency to prevent the further proliferation of nuclear explosive capability. Accordingly, the United States will seek to act with other nations to—

(1) strengthen the safeguards program of the IAEA and, in order to implement this initiative, contribute funds, technical resources, and other support to assist the IAEA in effectively implementing safeguards;

(2) improve the IAEA safeguards system to ensure timely—

(i) detection of a possible diversion of material which could be used in a nuclear explosive device;

(ii) dissemination of information regarding such diversion; and

(iii) application of procedures and sanctions in the event of such diversion;

(3) ensure that the IAEA receives the data needed for it to administer an effective and comprehensive international safeguards program, and that the IAEA provides timely notice to the world community of any evidence of a violation of any safeguards agreement to which it is a party; and

(d) strongly encourage nations which have not ratified the Treaty to do so at the earliest possible date, and encourage the establishment of nuclear free zones where appropriate.

WORLD ENERGY INSTITUTE

SEC. 6. The United States shall seek to establish, in conjunction with other nations, a World Energy Institute to promote the development of alternative energy resources, and to aid nations in the assessment of their energy needs and in identifying and adapting appropriate technology for energy production consistent with their economic and material resources.

RENEGOTIATION OF AGREEMENTS FOR COOPERATION

SEC. 7. The United States shall institute immediate initiatives to seek renegotiation of agreements for cooperation where necessary (a) to ensure that they will not be inconsistent with the provisions of section 113 b. of the 1954 Act, which are specified in section 16(b) of this Act, and (b) to otherwise promote United States nonproliferation policies.

INTERNATIONAL SAFEGUARDS TRAINING PROGRAM

SEC. 8. The United States, in conjunction with the IAEA, shall seek to establish and operate a training program on physical security and national safeguards responsibilities to be made available to persons from countries which have, or may be expected to develop or acquire, nuclear material or equipment for use for peaceful purposes. Any such program shall include training in the most advanced safeguards and physical security techniques and technology, consistent with the interests of preventing the proliferation of nuclear explosive capability.

NEGOTIATION AND APPROVAL OF AGREEMENTS FOR COOPERATION

SEC. 9. Subsection 123 of the 1954 Act is amended to read as follows:

"No cooperation with any nation or regional defense organization pursuant to sections 53, 54a, 57, 64, 82, 91, 103, 104, or 144 shall be undertaken until—

"a. the proposed agreement for cooperation has been submitted to the President, which proposed agreement shall include (1) the terms, conditions, duration, nature, and scope of the cooperation; (2) a guaranty by the cooperating party that security standards and standards as set forth in the agreement for cooperation will be maintained; (3) except in the case of those agreements for cooperation arranged pursuant to subsection 91 c. a guaranty by the cooperating party that any material to be transferred pursuant to such agreement will not be used for a nuclear explosive device of any kind, or for research on or development of a nuclear explosive device, or for any other nonpeaceful purpose; (4) a guaranty by the cooperating party that any material or any Restricted Data to be transferred pursuant to the agreement for cooperation will not be transferred to unauthorized persons or beyond the jurisdiction of the cooperating party, except as specified in the agreement for cooperation; and (5) except in the case of agreements for cooperation arranged pursuant to subsection 91 c., 144 b., or 144 c., a guaranty by the cooperating party that, upon the request of the Government of the United States, the cooperating party will consult with the Government of the United States for the purpose of determining whether the terms and conditions thereof relating to safeguards, other control mechanisms, and any peaceful use assurances contained therein should be amended. Except in the case of those agreements for cooperation arranged pursuant to subsection 91 c., 144 b., or 144 c., any proposed agreement for cooperation shall be negotiated by the Secretary of State, with the technical assistance and concurrence of the Administrator and in consultation with the Director and the Nuclear Regulatory Commission, and shall be submitted to the President by the Secretary of State. Any such agreement shall be accompanied by the views and recommendations of the Secretary of State, the Administrator, and the Director. The Director shall also provide to the President a detailed assessment of the adequacy of the safeguards and other control mechanisms and the peaceful use assurances contained in the proposed agreement for cooperation to ensure that any assistance furnished thereunder will not be used to further any nonpeaceful purpose, including research on or development of any nuclear explosive device. In the case of those agreements for cooperation arranged pursuant to subsection 91 c., 144 b., or 144 c., any proposed agreement for cooperation shall be submitted to the President by the Administrator, except that those agreements for cooperation arranged pursuant to subsection 91 c. or 144 b. which are to be implemented by the Department of Defense shall be submitted by the Secretary of Defense;

"b. the President has approved and authorized the execution of the proposed agreement for cooperation, and has made a determination in writing that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security or to the health and safety of the public;

"c. the proposed agreement for cooperation (if not an agreement subject to subsection d.), together with the approval and the determination of the President, has been submitted to the Congress and referred to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate and a period of thirty days of continuous session has elapsed except that such committee, after having such agreement for cooperation referred to them, may by resolution in writing, adopted by both committees, waive all or any portion of such thirty-day period;

"d. the proposed agreement for cooperation, together with the approval and determination of the President, if arranged pursuant to subsection 91 c., 144 b., or 144 c., or if entailing implementation of sections 53, 54a, 103, or 104 in relation to a reactor that may be capable of producing more than five thermal megawatts or special nuclear material for use in connection therewith, and together with the detailed assessment prepared by the Director, and referred to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate for their

consideration, and a period of sixty days of continuous session has elapsed, but any such proposed agreement for cooperation shall not become effective if during such sixty-day period either House passes a resolution stating in substance that it does not favor the proposed agreement for cooperation: *Provided*, That to the elapse of the first forty days continuous session of any such sixty-day period each such committee shall submit a report to its House of its views and recommendations respecting the proposed agreement for cooperation, and an accompanying proposed resolution stating in substance that such House favors, or does not favor, as the case may be, the proposed agreement for cooperation. Any such resolution so reported shall become the pending business of the House in question (in the case of the Senate the time for debate shall be equally divided between the proponents and the opponents) within fifteen days of continuous session and shall be voted on within five days of continuous session thereafter, under such House shall otherwise determine;

"e. For the purposes of this section, continuity of session is broken by an adjournment of Congress sine die, and in computing any period of days of continuous session there shall be excluded the days on which either House is not in session because of an adjournment of more than three days.".

TECHNICAL PROVISION

SEC. 10. Agreements for cooperation which entered into effect prior to the effective date of this Act shall not be deemed invalid on the grounds that they were not negotiated pursuant to the procedures established under this Act.

SUBSEQUENT ARRANGEMENTS

SEC. 11. Any proposed subsequent arrangement under an agreement for cooperation (other than an agreement for cooperation arranged pursuant to subsection 91 c., 144 b., or 144 c. of the 1954 Act), shall be negotiated by the Secretary of State, with the technical assistance and concurrence of the Administrator and in consultation with the Director and the Commission, and shall not become effective unless the Secretary of State determines in writing that such arrangement will not be inimical to the common defense and security or to the health and safety of the public. Whenever the Director determines that a proposed subsequent arrangement is significant from the proliferation standpoint, he shall prepare a detailed assessment of the adequacy of the terms and conditions of the proposed arrangement and the implications of the proposed arrangement for preventing the proliferation of nuclear explosive capability. The Secretary of State shall promulgate, within one hundred and twenty days after the effective date of this Act, regulations establishing procedures for what he deems to be appropriate opportunity for public comment on proposed subsequent arrangements. For purposes of this section, the term "subsequent arrangements" shall include: contracts for the furnishing of materials or equipment; authorization for the distribution of materials or equipment pursuant to the Atomic Energy Act; arrangements for physical security; arrangements for the storage or disposition of irradiated fuel elements; arrangements for the application of safeguards with respect to United States supplied material or equipment; or any other arrangement pursuant to an agreement for cooperation which the President finds to be important from the standpoint of preventing the proliferation of nuclear explosive capability, consistent with the policies set forth in this Act.

GOVERNMENT-TO-GOVERNMENT TRANSFERS

SEC. 12. Section 54 a. of the 1954 Act is amended by inserting the following immediately after the first sentence thereof: "The authority to distribute special nuclear material under this section (other than under an export license granted by the Nuclear Regulatory Commission) is limited to special nuclear material which is contained in or intended for use in (1) laboratory samples, medical devices, or monitoring or other instruments, or (2) the distribution of which is needed to deal with an emergency situation in which time is of the essence; but in no case shall it extend to quantities of special nuclear material in excess of five hundred grams, or five percent of the known bare sphere critical mass, whichever is smaller, per year per recipient.".

TECHNICAL TRANSFERS

SEC. 13. Subsection 57 b. of the 1954 Act is amended to read as follows:

"b. It shall be unlawful for any person to engage directly or indirectly in the production of any special nuclear material or the production of heavy water outside of the United States except upon authorization by the Nuclear Regulatory Commission after a determination that such activity will not be inimical to the common defense and security or to the health and safety of the public: *Provided*, That any such determination by the Nuclear Regulatory Commission shall be made only with the concurrence of the Secretary of State and after consultation with the Director and the Administrator under mutually-agreed-to procedures which shall be established within not more than ninety days after the date of enactment of this proviso. Any trade secrets or proprietary information submitted by any person seeking an authorization under this subsection shall be afforded the maximum degree of protection allowable by law.".

APPROVAL OF RETRANSFERS

SEC. 14. The Commission shall exercise all authority for the approval of any retransfer of United States-supplied material or equipment requiring United States approval (other than under an agreement for cooperation arranged pursuant to subsection 91 c., 144 b., or 144 c. of the 1954 Act). The Commission shall follow the procedures for export licensing specified in section 111 of 1954 Act in considering any request or application for such approval.

EXPORT BAN FOR SENSITIVE TECHNOLOGY

SEC. 15. It shall be unlawful for any person to transfer directly or indirectly any sensitive nuclear technology to any non-nuclear-weapon state.

EXPORT LICENSING PROCEDURES AND CRITERIA

SEC. 16. (a)(1) Chapter 10 of the 1954 Act is amended by adding thereto the following new section:

"SEC. 111. EXPORT LICENSING PROCEDURES.—

"a. No license may be issued by the Nuclear Regulatory Commission for the export of any material or equipment, no exemption from any requirement for such an export license may be granted by the Nuclear Regulatory Commission, and the Administrator shall not distribute any source or special nuclear material under sections 54 and 64 of the 1954 Act until the Nuclear Regulatory Commission or the Administrator, as the case may be—

"(1) has furnished a copy of the license application or proposed exemption or a description of the proposed distribution, as the case may be, to the Secretary of State and has been notified by the Secretary of State that, in his judgment, the issuance of the license, grant of the exemption, or distribution of material will not be inimical to the common defense and security or to the health and safety of the public. Prior to making this judgment, the Secretary of State shall obtain the views of the Director, the Administrator, the Secretary of Commerce and other concerned Government agencies (including the Nuclear Regulatory Commission in the case of a proposed distribution of material) in accordance with procedures established by the President. The Secretary of State shall provide appropriate data and recommendations regarding the proposed export, exemption, or distribution, subject to requests for additional data and recommendations as may be required by the Nuclear Regulatory Commission or the Administrator, as the case may be;

"(2) finds that the recipient has adhered to the criteria in section 112 since the effective date of such section, and that any other applicable statutory requirements are met; and

"(3) as of the effective date of section 113, finds that all applicable criteria set forth in such section, or their equivalent, have been agreed to and will be adhered to by the recipient.

"b. Within one hundred and twenty days of the effective date of this section, the Nuclear Regulatory Commission shall promulgate regulations relating to the procedures which will apply to the review of applications for licenses for export and proposed exemptions under its jurisdiction. The regulations shall provide for what the Nuclear Regulatory Commission deems to be appropriate issuance of public notice, access to information, scheduling of public hearings, and recording of minutes and votes of the Nuclear Regulatory Commission. The regulations shall also provide for a written announcement of Nuclear Regulatory Commission decisions, to be accompanied where appropriate by a public written opinion including any concurring or dissenting views of any of the Commissioners, and for a detailed summary of the provisions of any export license or exemption approved by the Nuclear Regulatory Commission to be published in the Federal Register as soon as practicable after such approval together with a summary of the safeguards required to be followed in connection with exports under such license or exemption.

"c. The Nuclear Regulatory Commission shall act promptly on all applications for nuclear export licenses consistent with its statutory duties.

"SEC. 112. INITIAL LICENSING CRITERIA FOR NUCLEAR EXPORTS.—

"In addition to other requirements of law, the United States adopts the following criteria which, after the effective date of this section, must be adhered to by all recipients of its exports of material, equipment and technology intended for use in peaceful nuclear activities:

"(1) IAEA safeguards must be applied with respect to exported material and exported equipment and to any derived material;

"(2) no exported material, exported equipment, exported technology, or derived material may be used for any nuclear explosive device or for research on or development of any nuclear explosive device; and, in the case of a non-nuclear-weapon state, no other material, equipment, technology, or sensitive nuclear technology in, under the jurisdiction of, or under the control of the recipient may be used for any nuclear explosive device or for research on or development of any nuclear explosive device except as would be permitted under the Treaty if the recipient were a party to the Treaty;

"(3) adequate physical security measures must be maintained with respect to exported material and exported equipment and to any derived material;

"(4) no exported material, exported equipment, exported technology, or derived material may be retransferred to the jurisdiction of any other nation or group of nations except with the prior approval of the United States;

"(5) no exported material or derived material may be enriched or reprocessed, and no irradiated fuel elements containing exported material or derived material removed from a reactor will be altered in form or content,

unless the prior approval of the United States is obtained for such enrichment, reprocessing or alteration; and any such irradiated fuel elements removed from a reactor must be stored in a facility acceptable to the United States;

"(6) the recipient must adhere to the foregoing conditions with respect to any replicated material and replicated equipment and to any special nuclear material used in or produced through the use of any such replicated material or replicated equipment.".

(2) The table of contents of the 1954 Act is amended by inserting the following new items immediately after the item relating to section 110:

"Sec. 111. Export Licensing Procedures.
"Sec. 112. Initial Licensing Criteria for Nuclear Exports.".

(b) Effective at the end of the eighteen-month period beginning on the date of enactment of this Act, the 1954 Act is amended by adding a new section 113 as follows:

"SEC. 113. ADDITIONAL LICENSING CRITERIA FOR NUCLEAR EXPORTS.

"a. In addition to the requirements of section 112 and other requirements of law, the United States adopts the following criteria which, after the effective date of this section, must be agreed to and adhered to by recipients of its exports of material, equipment, and technology intended for use in peaceful nuclear activities, except as provided in subsection b.:

"(1) In the case of a non-nuclear weapon state, IAEA safeguards shall be applied with respect to all nuclear activities in, under the jurisdiction of, or carried out under the control of the recipient;

"(2) No exported material, exported equipment, exported technology, or derived material may be used for any nuclear explosive device or for research on or development of any nuclear explosive device; and, in the case of a non-nuclear-weapon state, no other material, equipment, technology, or sensitive nuclear technology in, under the jurisdiction of, or under the control of the recipient may be used for any nuclear explosive device or for research on or development of any nuclear explosive device except as would be permitted under the Treaty if the recipient were a party to the Treaty;

"(3) Physical security measures will be established and maintained with respect to all nuclear activities in, under the jurisdiction of, or under the control of the recipient;

"(4) No material, equipment, technology, or sensitive nuclear technology in, under the jurisdiction of, or under the control of the recipient will be transferred to the jurisdiction of any other nation or group of nations unless the recipient finds that the criteria set forth in this section, or their equivalent, will be adhered to by the nation or groups of nations: *Provided*, That no exported material, exported equipment or derived material may be retransferred to the jurisdiction of any other nation or group of nations without the prior approval of the United States;

"(5) (A) No material in, under the jurisdiction of, or under the control of the recipient will be enriched or reprocessed, no irradiated fuel elements containing such material which are to be removed from a reactor will be altered in form or content, no fabrication involving special nuclear material shall be performed, and no special nuclear material will be stockpiled except in a facility in a nuclear-weapon state or on international territory and under effective international auspices and inspection, and any such irradiated fuel elements shall be transferred to such a facility as soon as practicable after removal from a reactor consistent with safety requirements;

"(B) Any facilities in, under the jurisdiction of, or under the control of the recipient for the necessary short-term storage of fuel elements containing special nuclear material prior to placement in a reactor or of irradiated fuel elements prior to transfer as required in subparagraph (A) shall be placed under effective international auspices and inspection, including measures sufficient to ensure that any such fuel elements are not altered in form or content; and

"(C) Any transfer of special nuclear material, fuel elements containing special nuclear material, or irradiated fuel elements to or from the recipient shall be conducted under international auspices.

"(b) (1) If the President determines that the application of one or more of the criteria set forth in subsection a. with respect to any particular recipient would (1) lead to a significant increase in the likelihood that such recipient would obtain the capability to produce a nuclear explosive device or (2) have a serious adverse impact on vital United States interests, he may by order propose to suspend the application of all or some portion of some or all of those criteria with respect to that recipient. A suspension of the application of some but not all of those criteria shall not affect the application of the remaining criteria with respect to such recipient;

"(2) Any such proposed suspension order shall become effective sixty days of continuous session after the President has submitted the proposed suspension order to the Congress together with a detailed statement of the reasons underlying his determination, an assessment of when each suspended criterion could, in his judgment, be applied with respect to the recipient in question, and a statement of what legislative modifications in the criteria, if any, he would recommend in order to better accomplish the non-proliferation objectives of the United States, unless either House passes a resolution during such sixty-day period stating in substance that it does not favor the proposed suspension order. The President may by order, cancel all or some part of any such suspensions at any time.

"(3) Any such proposed suspension order which is submitted to the Congress under paragraph (2) shall be referred to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate, and prior to the elapse of the first forty days of continuous session of any such sixty-day period each such committee shall report its views and recommendations on the proposed suspension order to its House accompanied by a proposed resolution stating in substance that such House favors, or does not favor, as the case may be, the proposed suspension order. Any such resolution shall become the pending business of the House in question (in the case of the Senate debate shall be limited to ten hours, to be evenly divided between the proponents and the opponents) within ten days of continuous session and shall be voted on within five days of continuous session thereafter, unless such House shall otherwise determine;

"(4) The President shall report to Congress in March of each year on all outstanding suspensions of the criteria, if any, and shall include in such report a discussion of whether the suspensions need to be continued and an assessment of the impact of the suspensions on the non-proliferation objectives of the United States.

"(5) For the purposes of this subsection, continuity of session is broken by an adjournment of Congress sine die, and in computing any period of days of continuous session there shall be excluded the days on which either House is not in session because of an adjournment of more than three days.".

(3) Effective at the end of the eighteen month period beginning on the date of enactment of this Act, the table of contents of the 1954 Act is amended by inserting the following new item immediately after the item relating to section 112:

"Sec. 113. Additional Licensing Criteria for Nuclear Exports.".

COMPONENTS

SEC. 17. (a) Section 109 of the 1954 Act is amended to read as follows:

"SEC. 109. COMPONENT AND OTHER PARTS OF FACILITIES.—

"a. With respect to those utilization and production facilities which are so determined by the Nuclear Regulatory Commission pursuant to subsection 11 v. (2) or 11 cc. (2), the Nuclear Regulatory Commission may issue general licenses for activities other than export required to be licensed under section 101 if the Commission determines in writing that such general licensing will not be inimical to the common defense and security or to the health and safety of the public.

"b. With respect to those utilization and production facilities which are so determined by the Nuclear Regulatory Commission pursuant to subsection 11 v. (2) or 11 cc. (2), and other items or substances that are intended for end-use in a production or utilization facility and which the Nuclear Regulatory Commission determines are especially relevant for export control purposes because of their significance from the standpoint of preventing the proliferation of nuclear explosive capability, the Nuclear Regulatory Commission may issue general or specific licenses for export activities required to be licensed under section 101 if the Nuclear Regulatory Commission determines in writing that the issuance of each such general or specific license will not be inimical to the common defense and security or to the health and safety of the public. The Nuclear Regulatory Commission shall not issue an export license under the authority of this subsection if it is advised by the Secretary of State, in accordance with the procedures established under subsection 111a., that the export would be inimical to the common defense and security or to the health and safety of the public.".

(b) The Commission, within not more than one hundred and twenty days after the date of the enactment of this Act, shall promulgate regulations to implement the provisions of section 109 of the 1954 Act. Among other things, these regulations shall provide for prior consultation by the Commission with the Secretary of State, the Administrator, the Director and the Secretary of Commerce with respect to the Commission's determination under section 109b. of the 1954 Act as to what other items and substances are especially relevant for export control purposes because of their significance from the standpoint of preventing the proliferation of nuclear explosive capability;

(c) The President, not more than one hundred and twenty days after the date of the enactment of this Act, shall promulgate procedures regarding the control by the Secretary of Commerce over all exports, other than those licensed by the Commission, which, if used for purposes other than those for which the export is intended, could be of significance from the standpoint of preventing the proliferation of nuclear explosive capability. Among other things, these procedures shall provide for prior consultation, as required, by the Secretary of Commerce with the Secretary of State, the Director, the Commission, and the Administrator.

(d) The table of contents of the 1954 Act is amended by amending the item related to section 109 to read as follows:

"Sec. 109. Components and Other Relevant Export Items and Substances".

EXECUTIVE REPORTING ON NONPROLIFERATION INITIATIVES

SEC. 18. (a) The President shall review all activities of Government agencies relating to preventing the proliferation of nuclear explosive capability and shall report to the

Congress not more than one year after the date of enactment of this Act and annually in December of each year thereafter on such activities. This report shall include but not be limited to—

(1) a description of the progress made toward—

(i) obtaining adherence to each of the nonproliferation criteria set forth in the provisions of section 113 of the 1954 Act, which are specified in section 16(b) of this Act, by all nations and groups of nations. In the event that the President has been unable to obtain international arrangements or other mutual undertakings with other nuclear supplier nations to implement one or more of the section 113 criteria on an international basis with respect to nuclear exports because of the unwillingness of one or more such nuclear supplier nations to assent to such commitment, the President shall so report to Congress. His report shall identify the reasons why such assent has not been obtained, and shall set forth detailed recommendations with respect to appropriate measures to encourage assent to such nonproliferation commitments;

(ii) promoting adherence to the Treaty;

(iii) promoting the establishment of nuclear free zones;

(iv) strengthening the safeguards of the International Atomic Energy Agency as contemplated by section 5 of this Act; and

(v) accomplishing the other initiatives contemplated in section 5 of this Act;

(2) a statement of what legislation, if any, the President would recommend to better accomplish the nonproliferation objectives of the United States.

(b) The annual reports to the Congress by the Commission and the Administrator which are otherwise required by law shall include an accounting of the steps taken by those agencies, respectively, to prevent the proliferation of nuclear explosive capability and recommendations regarding future actions by the United States to prevent such proliferation. Each report by the Administrator shall include a detailed analysis of developments in advanced techniques of enrichment and reprocessing and developments in breeder reactor and hybrid fission/fusion reactor technology and the implications of these developments on the proliferation of nuclear explosive capability. This part of the report shall include a comprehensive version which includes any classified information and a summary unclassified version.

(c) The Secretary of State, the Director, and the Secretary of Commerce shall keep the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives fully and currently informed with respect to their activities to effectuate the purposes of this Act and to otherwise prevent the proliferation of nuclear explosive capability.

(d) The report which the President submits one year after the date of enactment shall also include an analysis of each current civil agreement for cooperation negotiated pursuant to section 123 of the 1954 Act, including a discussion of the scope and adequacy of the requirements and obligations relating to the safeguards and other controls contained therein, with specific reference to whether each agreement explicitly prohibits the use of exported material, exported equipment or derived material in a nuclear explosive device or for research on or development of a nuclear explosive device. Each subsequent annual report shall include such an analysis with respect to any new or amended agreements for cooperation.

(e) Any classified portions of the reports required by this Act shall be submitted to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

AUTHORIZATION

SEC. 19. There is hereby authorized to be appropriated $2,000,000 for contributions to the IAEA toward its safeguards activities, which amount is authorized to remain available until expended: *Provided,* That such sums shall be in addition to any other contribution to the IAEA by the United States pursuant to any other provision of law; and *Provided further,* That no less than $1,000,000 of such funds shall be used for IAEA safeguards inspection activities.

SEC. 20. No provisions of this Act shall affect military-related activities of nuclear weapon states otherwise permitted under the Treaty.

DEFINITIONS

SEC. 21(a). As used in this Act:

(1) The term "nuclear fuel services" means uranium enrichment services, nuclear fuel fabrication services, the storage of special nuclear material and irradiated fuel elements, waste handling, transportation of special nuclear material and any other services relating to the use of source or special nuclear material as fuel in a reactor, except that it shall mean nuclear fuel reprocessing only if, and when, it becomes necessary.

(2) The term "material" means source material, special nuclear material, and substances determined to be significant from the standpoint of preventing the proliferation of nuclear explosive pursuant to subsection 109 b. of the 1954 Act or section 19(c) of this Act.

(3) The term "equipment" means production facilities, utilization facilities, and components and other items determined to be significant from the standpoint of preventing the proliferation of nuclear explosive capability pursuant to subsection 109 b. of the 1954 Act or section 19(c) of this Act.

(4) The terms "exported materials", "exported equipment" and "exported technology" mean material, equipment, or technology, as the case may be, which has been exported by the United States.

(5) The term "derived material" means material produced by or through the use of exported material or exported equipment.

(6) The term "physical security measures" means measures sufficient to prevent the theft, sabotage, or unauthorized use of equipment or material.

(7) The term "safeguards" means a system of controls designed to ensure that any material and equipment subject thereto are not used to further any non-peaceful purpose, including use in or development of any nuclear explosive device.

(8) The term "sensitive nuclear technology" means any information (including information incorporated in equipment) which is important to the design, construction, fabrication, operation, or maintenance of an enrichment or reprocessing facility, or a facility for the production of heavy water.

(9) The term "Commission" means the Nuclear Regulatory Commission.

(10) The term "Administrator" means the Administrator of the Energy Research and Development Administration.

(11) The term "Director" means the Director of the Arms Control and Disarmament Agency.

(12) The term "Treaty" means the Treaty on the Non-Proliferation of Nuclear Weapons.

(13) The term "Statute" means the Statute of the International Atomic Energy Agency.

(14) The term "IAEA" means the International Atomic Energy Agency.

(15) The term "non-nuclear-weapon state" means any country other than a nuclear-weapon state.

(16) The term "nuclear-weapon state" means such term as defined in article IX (3) of the Treaty.

(17) The term "recipient" means any nation or group of nations which receives exported material or exported equipment.

(18) The term "technology" means any information (including information incorporated in material or equipment) which is significant from the standpoint of preventing the proliferation of nuclear explosive capability, but does not mean sensitive nuclear technology.

(19) the terms "enrichment" and "uranium enrichment" mean any process capable of or designed for separating the isotopes of uranium from each other.

(20) The term "reprocessing" means any process which is capable of or designed for separating fissile material from spent nuclear reactor fuel or other irradiated material.

(21) the terms "replicated material" and "replicated equipment" mean material or equipment, as the case may be, which is produced or constructed by, in, or on behalf of the recipient by or through the use of any exported material, exported equipment, exported technology or derived material.

(22) All other terms used in this Act shall have the meaning ascribed to them by the 1954 Act, the Energy Reorganization Act of 1974, and the Treaty.

(b) The 1954 Act is amended by adding a new section 12 as follows:

"SEC. 12. ADDITIONAL DEFINITIONS—

"For the purposes of sections 57, 111, 112, 113, and 123 of this Act:

"(1) The term 'Administrator' means the Administrator of the Energy Research and Development Administration.

"(2) The term 'derived material' means material produced by or through the use of exported material or exported equipment.

"(3) The term 'Director' means the Director of the Arms Control and Disarmament Agency.

"(4) the terms 'enrichment' and 'uranium enrichment' mean any process capable of or designed for separating the isotopes of uranium from each other.

"(5) The term 'equipment' means production facilities, utilization facilities, and components and other items determined to be significant from the standpoint of preventing the proliferation of nuclear explosive capability pursuant to subsection 109 b. of the 1954 Act or section 19(c) of this Act.

"(6) The terms 'exported material', 'exported equipment' and 'exported technology' mean material, equipment, or technology, as the case may be, which has been exported by the United States.

"(7) The term 'material' means source material, special nuclear material, and substances determined to be significant from the standpoint of preventing the proliferation of nuclear explosive pursuant to subsection 109 b. of the 1954 Act or section 19(c) of this Act.

"(8) The term 'non-nuclear weapon state' means any country other than a nuclear-weapon state.

"(9) The term 'nuclear-weapon state' means such term as defined in article IX (3) of the Treaty.

"(10) The term 'physical security measures' means measures sufficient to prevent the theft, sabotage, or unauthorized use of equipment or material.

"(11) The term 'recipient' means any nation or group of nations which receives exported material or exported equipment.

"(12) the terms 'replicated material' and 'replicated equipment' mean material or equipment, as the case may be, which is produced or constructed by, in, or on behalf of the recipient by or through the use of any exported material, exported equipment, exported technology or derived material.

"(13) The term 'reprocessing' means any process which is capable of or designed for separating fissile material from spent nuclear reactor fuel or other irradiated material:

"(14) The term 'sensitive nuclear technology' means any information (including information incorporated in equipment) which is important to the design, construction, fabrication, operation, or maintenance of an enrichment or reprocessing facility, or a facility for the production of heavy water.

"(15) The term 'technology' means any information (including information incorporated in material or equipment) which is significant from the standpoint of preventing the proliferation of nuclear explosive capability, but does not mean sensitive nuclear technology.

"(16) The term 'Treaty' means the Treaty on the Non-Proliferation of Nuclear Weapons."

(c) The table of contents of the 1954 Act is amended by inserting the following new item immediately after the item relating to section 11:

"Sec. 12. Additional Definitions.".

SAVINGS PROVISION

SEC. 22. All orders, determinations, rules, regulations, permits, contracts, agreements, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective in the exercise of functions which are the subject of this Act, by (i) any agency or office, or part thereof, in exercising the functions which are affected by this Act, or (ii) any court of competent jurisdiction; and,

(2) which are in effect at the time this Act takes effect; shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed as the case may be, by the parties thereto or by any court of competent jurisdiction.

SECTION-BY-SECTION ANALYSIS

POLICY AND PURPOSE

Sections 2 and 3 introduce the principal concepts of the bill:

Strengthen U.S. nuclear export controls.

Establish effective international controls, including a stronger IAEA and barriers to the spread of national enrichment and reprocessing facilities.

Guarantee reliable enriched uranium supplies to countries which adhere to strict controls—with a strong bias towards developing international fuel supply arrangements.

Encourage a better assessment of alternative energy options.

Encourage broader adherence to NPT and creation of Nuclear Free Zones.

U.S. INITIATIVES

Section 4 addresses the question of reliable fuel supplies. It calls for the U.S. to ensure a reliable supply of enriched uranium to nations which adhere to strict controls, and to increase U.S. capacity to meet that goal. The President must submit recommendations in one year on specific steps that could be taken to establish an international fuel supply system (including enrichment, waste handling, storage, and—if and when it becomes necessary—reprocessing), including a discussion of alternative approaches and the possibility of placing U.S. facilities under international auspices. Finally, Section 4 calls for the establishment of international spent fuel storage facilities as soon as possible.

Section 5 calls for immediate efforts to negotiate international agreements:

To achieve adherence to the Phase II criteria by all nations.

To ensure that there will be no reprocessing or enrichment facilities will be transferred to non-weapons states.

To establish physical security standards.

To adopt a system of sanctions to be applied against nations which further proliferation.

To provide for the recovery of stolen materials.

Section 5 also states that the U.S. will not act to undermine international nonproliferation controls, and calls for measures to strengthen the IAEA and to promote NPT adherence.

Section 6 calls for the establishment of a World Energy Institute to promote the development of other native energy resources and to aid nations in assessing their energy needs.

Section 7 directs the President to seek renegotiation of U.S. agreements for cooperation where necessary to bring them into conformance with the Phase II criteria.

Section 8 calls for the establishment of an international safeguards training program.

REORGANIZATION PROVISIONS

Section 9 provides that State will be the lead agency in negotiating agreements for cooperation with the technical assistance and concurrence of ERDA and in consultation with NRC. ACDA must prepare a safeguards assessment with respect to each proposed agreement. Proposed agreements for cooperation will be referred to the Senate Foreign Relations Committee and the House International Relations Committee, and Congress is given the authority to veto a proposed agreement by one-House disapproval rather than a concurrent resolution.

Section 10 is technical.

Section 11 provides that State will be the lead agency on subsequent arrangements, again with the technical assistance and concurrence of ERDA. These arrangements concern such things as approval on reprocessing, safeguards procedures, etc. ACDA must prepare an assessment of the implication of proposed subsequent arrangements which are significant from the proliferation standpoint.

Section 12 provides that ERDA may only transfer small amounts of nuclear material on a government-to-government basis without an NRC license.

Section 13 places authority for approving technology transfers in NRC rather than ERDA.

Section 14 requires NRC approval of retransfers of U.S. exports to third parties under the same procedures as would apply to a direct export license. (Retransfers are currently treated as subsequent arrangements.)

EXPORT CONTROLS

Section 15 prohibits U.S. exports of enrichment, reprocessing, and heavy water technology to any non-weapon state.

Section 16 includes licensing procedures and two Phases of export criteria.

Phase I—Effective immediately, the U.S. will cease exporting nuclear items to nations which violate any of the Phase I criteria. Those deals with the use of U.S. exports and nuclear material derived from the use of U.S. exports, and applies to materials previously exported. With the exception of the nuclear explosion clause, Phase I does not affect other nuclear activities of recipient nations.

The Phase I mechanism is designed to eliminate the problem of creaitng an immediate "moratorium" on exports to nations with which we have weak agreements. Instead, the countries will be on notice that we will sever supplies if they actually take actions which would be unacceptable. The Phase I criteria are:

Safeguards must be applied to all U.S. exports and derived material in non-weapons states

No nuclear explosions by non-weapons states—peaceful or otherwise—regardless of where the material originated; weapons states may not use U.S. exports or derived material for nuclear explosions

Physical security must be maintained with respect to U.S. exports and derived material by all nations

No reprocessing of U.S. exports or derived material without the prior approval of the U.S., and storage of U.S.-related spent fuel must be in facilities acceptable to the U.S.; applicable to all nations

No transfer of U.S. exports and derived material to third countries except with the prior approval of the U.S.; applicable to all nations

The above controls will be applied to all replicated material and equipment; applicable to all nations.

Phase II—The Phase II criteria go into effect in 18 months. However, the President may succeed any part of these criteria for an indefinite period for any specific country subject to a one-House congresisonal override. Annual reports on the need to continue any such suspensions are required, and suspensions may be cancelled by the President at any time (or, of course, by legislation).

Unlike Phase I, Phase II requires NRC to find that the recipient has agreed to the criteria prior to licensing any exports, and supplies will be severed if any of the criteria are actually violated. The additional prospective aspect reflects the fact that the President will have the opportunity to negotiate necessary amendments to our agreements before the tough criteria go into effect, and can make exceptions in special cases.

Whereas Phase I applies primarily to the use of U.S. exports, Phase II applies to *all* of a country's nuclear activities. The criteria are as follows:

Safeguards on all nuclear activities in non-weapons states

No nuclear explosions (same as Phase I provision)

Physical security must be maintained on all activities by all nations

No fuel cycle activities except in international facilities located in weapons states or on international territory; applicable to all nations. This provision extends to enrichment, reprocessing, fabrication, storage of special nuclear material and spent fuel. In addition, transportation must be under international auspices.

No transfer of any nuclear materials (thus covering all supplier country transactions) unless these criteria are adhered to by the recipient's customer.

(No replication provision is necessary, since Phase II applies to all of a country's nuclear activities)

The new export procedures require NRC to obtain a consolidated administration position on each license application, and NRC may not issue any license which the administration opposes. As noted above, NRC must also find (under Phase I) that the applicable criteria have not been violated and (under Phase II) that the recipient will adhere to the applicable criteria. These provisions also apply to ERDA distribution of special nuclear material. NRC must issue regulations providing for what it deems to be appropriate public participation in licensing proceedings. NRC must issue a written opinion where appropriate including any concurring or dissenting views of Commissioners.

COMPONENTS

Section 17 requires NRC to determine what components are especially important from the proliferation standpoint, and to handle all applications for such exports. Responsibility for the remaining components which could be significant if used for nuclear purposes is divided between NRC and Commerce depending on the expected end-use of the component.

REPORTING

Section 18 requires an annual report on overall Federal non-proliferation efforts, in-

cluding a status report on the suppliers' conference and an indication of whether any particular supplier—not necessarily identified—is blocking agreement. In addition, the annual ERDA and NRC reports must discuss the nonproliferation activities of those agencies and discuss the implications of advanced technologies for non-proliferation. The President must submit in his first annual report an analysis of the adequacy of all U.S. agreements for cooperation.

AUTHORIZATIONS

Section 19 authorizes $2 million for the IAEA, (Congress already authorized $3 million last year, for a total of $5 million.) One million of this authorization must be used for IAEA inspection activities.

MISCELLANEOUS

Section 20 provides than this bill will not affect military activities of the weapons states.

Section 21 sets forth definitions.

Section 22 is a savings provision.

Mr. RIBICOFF. Mr. President, the bill we introduce today, the Nuclear Nonproliferation Act of 1977, has important implications for this Nation, and for the world. This bill, which seeks to reduce the spectre of a nuclear holocaust by placing strict controls on our own nuclear exports, and by requiring other nations to accept some basic controls on the use of materials we export to them, represents a major step in the direction of world peace. The bill's objective of streamlining this Nation's responsibilities for the approval of such exports will expedite and coordinate existing and future policies.

This legislation is needed. In the last Congress similar legislation was reported to the floor, but, because of the end of the session, was not acted upon. Our further examination of this proposal will build on the previous extensive work. The Governmental Affairs Committee will work with the Foreign Relations Committee in this effort.

The purpose of the bill is to seek progress on nonproliferation on many phases at the same time. First, the legislation seeks to strengthen U.S. nuclear export controls. Second, the bill seeks the establishment of strong international controls, including a stronger IAEA and the establishment of barriers to the spread of national reprocessing and enrichment facilities. Third, we seek to guarantee a reliable nuclear fuel supply to countries which adhere to strict controls. Fourth, this legislation not only encourages broader adherence to the NPT and the creation of nuclear free zones, but also encourages a better assessment of alternative energy options.

One of the most crucial portions of the bill is the export controls which will govern the export of our nuclear items. The bill creates two phases of criteria which are to be applied. First, effective upon enactment, the United States will be required to stop exporting nuclear items to nations which violate the criteria listed in section 16(a). Second, section 16(b) defines stricter criteria which will go into effect 18 months after enactment, subject to waiver provisions. By providing for a staggered implementation period of these criteria we can develop guidelines and agreements consistent with those now existing. Yet, at the same time we can further develop these criteria to achieve the new goals established by this legislation.

Mr. JAVITS. Mr. President, the nuclear proliferation issue is one of the most pressing facing mankind today. The destructive capabilities of these atomic weapons need not be detailed here to prove that one of our principal duties to the Nation and the world is to see that they are never used again. This bill is one step in that larger effort.

The Nuclear Nonproliferation Act will accelerate the process of implementing the principles of the Treaty on the Nonproliferation of Nuclear Weapons—NPT. The treaty attempts to create a world safer for all humanity and in which these enormous resources of the atom will be channeled from military to peaceful purposes. The NPT is our policy umbrella in this field. All efforts to apply its principles more thoroughly are taken in pursuance of this treaty obligation.

The bill we introduce today strikes at the heart of the NPT's most serious problem: Can the treaty be effective without universal acceptance? It is highly unlikely that universal acceptance will come soon. Unfortunately, many of the nations closest to becoming nuclear powers are not members of the NPT. But alternatives do exist that, while falling short of world agreement, will help a great deal to encourage nations to sign the treaty or at least follow its principles. This bill serves to provide one avenue of such incentives for nations eager to reap the benefits of peaceful nuclear power.

Essentially, the bill for the first time establishes in law U.S. policy governing our export of nuclear supplies and materials. Effective immediately, no U.S. nuclear exports may be used by a recipient nation for any purpose not sanctioned by the NPT. All such supplies must be internationally safeguarded, the recipient may not use U.S. spent fuel for reprocessing without our approval, and it may not explode a nuclear device. These are the minimum possible standards that could serve the principles of the NPT. To avoid the onerous burdens of an immediate implementation of more comprehensive and strict statutory controls, these are delayed for 18 months after enactment. Herein lies the core of the bill, for it sets forth the permanent standards that will govern all future nuclear exports after the interim period. The key is that all nuclear activities of the recipient must be safeguarded, and that no program which produces weapons grade material will be permitted. These terms are meant to prevent any U.S. assistance whatsoever in the development of any other nation's atomic bomb program. It is that simple. If a nation insists that it go forward with a nuclear weapons program, it will have to do so without the nuclear material and technology offered by the United States. And by such a choice, the nation also will be foregoing the benefits of a peaceful nuclear program in partnership with America.

It is our hope that no nation will be cut off from our nuclear trade, because of these conditions. The framework is clearly to provide incentives rather than penalties. The United States will commit itself to supply peaceful nuclear technology—including a guaranteed supply of fuel for any reactor—to a nation that agrees to these fundamental nonproliferation principles. Although we cannot demand that other nations sign the NPT, we can at least make sure that every country that receives our nuclear assistance adheres to its principles. There is no way to prevent the spread of atomic weapons.

The bill is not limited to U.S. initiatives. In fact, it does all that is possible to encourage other nuclear nations to take similar action. But that international negotiations must reside primarily in the executive. It is the President who must persuade the other nuclear nations of the world to forego possible temporary economic advantages in order to stop the spread of weapons technology and weapons grade materials. The goals of the bill will be only partially achieved unless the other nuclear powers follow suit. But one nation must take the lead, and all signs say it should be the United States.

Mr. PERCY. Mr. President, I ask unanimous consent that this bill be referred jointly to the Committees on Governmental Affairs and Foreign Relations with the proviso that when one committee reports the other committee will have 30 calendar days in which to report, or thereafter be discharged from further consideration of the legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, today I have joined my distinguished colleagues, Senators PERCY, RIBICOFF and JAVITS, in introducing the Nuclear Nonproliferation Act of 1977.

As chairman of the Governmental Affairs Subcommittee on Energy, I look forward to chairing hearings on this critical legislation, because I strongly believe that nuclear proliferation poses an immediate threat to the safety and stability of the entire world. It is a problem that touches the life of every American and cannot be shoved aside. To do so would be to court disaster.

Tougher controls of U.S. nuclear exports plus stiffer regulations worldwide are the only means to stave off the grim reality that someday, perhaps in the not too distant future, some small nation will trigger an international nuclear confrontation over something as minor as a border dispute.

Guarding against such an event has to be a major concern of the 95th Congress, and that is why I am pleased that this bill is introduced today with bipartisan authorship.

Late last year I was privileged to join a factfinding mission to the Middle East headed by the distinguished chairman of the Government Affairs Committee, Senator RIBICOFF, and the distinguished minority leader, Senator BAKER. During the course of this mission we discovered that there is a widespread desire on the part of some nations to proceed with tougher safety procedures.

For instance, in virtually every country we visited leaders expressed great

interest in the establishment of a nuclear weapons-free zone in the Middle East. In Iran, the Shah indicated that he would be willing to shelve plans for uranium fuel enrichment facilities if he could be assured of a guaranteed international supplier in the future. In Egypt, President Sadat declared his willingness to agree to the most stringent safeguards in connection with proposed U.S. sales to his country.

I cite these findings, because they reflect growing international concern that the rapid spread of nuclear power plants not be accompanied by the potential for tragedy through fuel being diverted for nonpeaceful purposes.

President Carter indicated throughout his campaign—including a speech at the United Nations—during his inaugural address, and in subsequent statements that he places very high priority on nuclear proliferation dangers. I have on several occasions discussed the matter with Mr. Carter and have been impressed with his breadth of knowledge and intense interest. Clearly, the Carter administration shares congressional concern on this issue, and I am hopeful that such a meshing of interests will translate into enactment of a meaningful bill that goes far toward reducing global proliferation dangers.

Such legislation is essential, because the days have passed when nuclear know-how and fabrication were predominantly technological monoplies of the United States. We could, in those days, set the terms of sale, the actual agreements, the safeguards. But scientific knowledge does not remain the sole custody of one or a few nations for very long, and we are now faced with the sobering responsibility for weighing the proper actions to be taken in providing the benefits of nuclear while safeguarding against the potential tragedy.

About 2.2 million pounds—the equivalent of 200,000 small atomic bombs—of plutonium 239 will be produced each year by the year 2000, as a byproduct of nuclear electrical generation. The only thing standing between the millions of pounds of plutonium to be produced by the world's reactors, and atomic weapons produced from the plutonium will be the quality of the safeguards and international agreements drafted during these years.

That should be a sobering reality to all of us as we review this critically important piece of legislation.

By Mr. BROOKE:

S. 898. A bill entitled "Spill Prevention and Cleanup for Energy Transportation Systems Act of 1977"; to the Committee on Environment and Public Works and the Committee on Commerce, Science, and Transportation, jointly, by unanimous consent.

SPILL PREVENTION AND CLEANUP FOR ENERGY TRANSPORTATION SYSTEMS ACT OF 1977

Mr. BROOKE. Mr. President, I am today introducing the Spill Prevention and Cleanup for Energy Transportation Systems Act of 1977.

I ask unanimous consent that the bill be printed in the RECORD.

There being no obection, the bill was ordered to be printed in the RECORD, as follows;

S. 898

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Spill Prevention and Cleanup for Energy Transportation Systems Act of 1977".

TITLE I. FEDERAL OIL AND TOXIC SUBSTANCE TANKER POLLUTION LIABILITY AND COMPENSATION

SEC. 101. (a) FINDING.—The Congress finds and declares that—

(1) The damages and cleanup costs resulting from oil and toxic substance spills by tankers are matters of major national concern.

(2) The transportation of oil and toxic substances in, on, or near inland and ocean waters create environmental risks, and may impair the rights of shoreline property owners and harm the general health and welfare of citizens of the United States.

(3) Existing law with respect to liability and compensation for oil and toxic substance pollution damage by tanker is inconsistent, inadequate, incomplete, inefficient, and inequitable.

(4) The legal rules applicable to oil and toxic substances pollution by tanker liability and compensation need to be rationalized and reformed to assure that adequate and timely compensation is available for such pollution.

(b) PURPOSES.—It is therefore declared to be the purpose of the Congress in this Act to—

(1) enact a comprehensive national law governing pollution liability and compensation for tankers carrying oil and toxic substances.

(2) maximize the incentive for all persons transporting oil and toxic substances to take all steps necessary or appropriate to prevent the discharge of oil and toxic substances.

(3) establish a strict liability standard for cleanup costs and damages resulting from the discharge of oil;

(4) create a single and all-inclusive compensation fund to pay for all cleanup and damages resulting from such a discharge;

(5) provide adequate funds and an expeditious procedure to compensate those injured by such a discharge; and

(6) provide for the restoration, rehabilitation, or replacement of the natural resources damaged by a discharge of oil.

DEFINITIONS

SEC. 102. As used in this Act, unless the context indicates otherwise, the term—

(1) "Administration" means the Federal Oil Pollution Liability and Compensation Administration;

(2) "Administrator" means the chief executive of the Administration;

(3) "aquatic and terrestrial environment" means the coastal zone defined in Sec. 304(1) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453(1)), the seabed, subsoil, resources, and territorial sea of the United States and fisheries zone over which the United States asserts exclusive fishery management, the waters of the continguous zone, the waters within the safety zone around a deepwater port, and waters superjacent to the Continental Shelf of the United States and any other lands or waters of the United States; the fish, wildlife, and other living resources of such lands and waters; and the recreational and scenic values of such lands, waters, and resources;

(4) "barrel" means 42 United States gallons at 60 degree Fahrenheit;

(5) "cleanup costs" means all actual costs, including, but not limited to, administrative and other costs to the Federal Government, to any State or local government, to any foreign governments, or to their contractors or subcontractors, of (A) removing or attempting to remove, or, (B) taking other measures to prevent, reduce, or mitigate damages to the public health or welfare, or to public and private property including but not limited to shorelines, beaches, and the natural resources of the aquatic and terrestrial environment;

(6) "contiguous zone" means the entire zone established or to be established by the United States under article 24 of the Convention on the Territorial Sea and the Contiguous Zone (15 UST 1606; TIAS 5369) including the fishery conservation zone established pursuant to the Fishery Conservation and Management Act of 1976;

(7) "damages" means all direct and proximate damages, except cleanup costs, suffered by any person as a result of a discharge of oil or toxic substances from tankers including——

(A) the value of any loss or injury at the time such loss or injury is incurred, with respect to any real or personal property that is damaged or destroyed as a result of a discharge of oil or toxic substances;

(B) the cost of restoring, repairing or replacing any real or personal property that is damaged or destroyed by a discharge of oil or toxic substances any income necessarily lost during the time such property is being restored, repaired, or replaced; and any reduction in the value of such property thereafter, by comparison with its value prior to such discharge;

(C) any loss of income or impairment of earning capacity due to damages to real or personal property, including natural resources, without regard to ownership of such property or resources, that is damaged or destroyed by a discharge of oil or toxic substances if the claimant derives at least 50 per centum of his or her earnings from activities which utilize the property or natural resources;

(D) any costs and expenses incurred by the Federal or any State government in the rehabilitation of natural resources that are damaged or destroyed by a discharge of oil or toxic substances;

(E) any loss to citizens of any use of real property or of natural resources as a result of a discharge of oil or toxic substance if such property or resources are owned, managed, held in trust, or otherwise controlled by the Federal or any State government; and

(F) any loss of tax revenue by a State or local government due to injury to real or personal property directly resulting from oil or toxic substance contamination.

(8) "deepwater port" has the meaning set forth in section 3(10) of the Deepwater Port Act of 1974 (33 U.S.C. 1502(10));

(9) "discharge" includes, but is not limited to, any spilling, leaking, pumping, pouring, emptying, or dumping, regardless of whether it occurred intentionally or unintentionally;

(10) "Fund" means the Federal Oil Pollution Compensation Fund;

(11) "natural resources" means land, fish, wildlife, biota, air, water, and other such resources owned, managed, held in trust, or otherwise controlled by the Federal or any State government;

(12) "offshore facility" means any facility located in, on, or under the navigable waters of the United States or waters of the contiguous zone, or any facility utilized in oil exploration or production activities on the Outer Continental Shelf of the United States;

(13) "oil" means petroleum, including crude oil or any fraction or residue therefrom;

(14) "onshore facility" means any facility located in, on, or under any land within the United States other than submerged land;

(15) "owner and operator" means (A) with respect to a vessel, any person owning, operating, or chartering by demise, such vessel; (B) with respect to an offshore or onshore facility, any person owning or operating such facility, whether by lease, contract, or other form of agreement; and (C) with respect to any abandoned facility, the person who owned or operated such facility immediately prior to such abandonment;

(16) "person" means an individual, a public or private corporation, partnership or other association, or a government entity;

(17) "person in charge" means the individual immediately responsible for the operations of a vessel, onshore or offshore facility, or deepwater port;

(18) "safety zone" means the safety zone around a deepwater port as defined pursuant to section 10(d) of the Deepwater Port Act of 1974 (33 U.S.C. 1509(d));

(19) "Secretary" means the Secretary of Transportation;

(20) "State" includes each of the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Canal Zone;

(21) "toxic substance" means any substance which is

(A) designated a toxic substance pursuant to the provisions of the Toxic Substances Control Act;

(B) inflammable or combustible

(C) designated a polluting substance under section 12(a) of the Federal Water Pollution Control Act (33 U.S.C. 1162)

(22) "transfer" or "transferred" includes, but is not limited to, both onloading and offloading between facilities; or between a vessel and a deepwater port; and

(23) "vessel" means every description of watercraft or other contrivance that is used, or capable of being used as a means of transportation on water, whether self-propelled or not.

(24) "vessel surveillance system" means any system of observation by mechanical, electronic or visual means, including, but not limited to ship patrols, air patrols, and satellite surveillance, aimed at sighting and identifying discharges from vessels and/or vessel movements.

PROHIBITION, NOTIFICATION, AND CLEANUP

SEC. 103. (a)(1) The discharge of oil or toxic substances in harmful quantities as determined by the President under section 311(b)(4) of the Federal Water Pollution Control Act is prohibited.

(2) The owner or operator of a vessel, from which oil or toxic substances are discharged in violation of this section shall be assessed a civil penalty of not more than $10,000: *Provded, however*, That such owner or operator shall not also be assessed a civil penalty, under section 311(b)(6) of the Federal Water Pollution Control Act or section 18(a)(2) of the Deepwater Port Act of 1974, for the same discharge.

(b) Any person in charge of a vessel shall, as soon as he/she has knowledge of any discharge of oil or toxic substance from such vessel, in violation of this section, immediately notify the appropriate agency of the United States Government of such discharge. Any such person who fails to notify immediately such agency of such discharge shall, upon conviction, be fined not more than $50,000 or imprisoned for not more than 1 year, or both: *Provided, however*, That no person convicted under this section shall also be convicted for the same failure to notify under section 311(b)(5) of the Federal Water Pollution Control Act or under section 18(b) of the Deepwater Port Act of 1974. Notification received pursuant to this section or information obtained by the exploitation of such notification shall not be used against any such person in any criminal case, except a prosecution for perjury or for giving false statement.

(c)(1) Whenever any oil or toxic substance is discharged, the President shall act to remove or arrange for the removal of such oil or toxic substance unless he/she determines such removal will be done properly and expeditiously by the owner or operator of the vessel, from which the discharge occurs.

(2) Removal of oil or toxic substances and actions to minimize damage from the discharge shall, to the greatest extent possible, be in accordance with the National Contingency Plan for removal of oil and hazardous substances established pursuant to section 311(c)(2) of the Federal Water Pollution Control Act.

(3) Whenever the President acts to remove a discharge of oil or toxic substance pursuant to this subsection, he/she is authorized to draw upon the money available in the Fund established pursuant to this Act. Such money shall be used to pay promptly for all cleanup costs incurred by the President in removing or in minimizing damage caused by such discharge.

LIABILITY FOR DISCHARGE OF OIL

SEC. 104. (a) CLEANUP.—All cleanup costs, incurred by the President, Secretary or any other Federal, State or local official or agency, or any other person, in connection with a discharge of oil or toxic substance shall be borne by the owner and operator of the vessel, from which the discharge occurred.

(b) VESSELS.—(1) Notwithstanding any other provision of law and except as provided in subsection (d), the owner and operator of a vessel shall be jointly and severally liable, without regard to fault, for damages which result from a discharge of oil or toxic substance from such vessel. Such liability shall not exceed $150 per gross ton, except that if it can be shown—

(A) that such discharge was the result of gross negligence or willful misconduct, within the knowledge and privity of the owner, operator, or person in charge; or

(B) that such discharge was the result of a violation of applicable safety, construction or operating standards or regulations as established in Title II of this Act; such owner and operator shall be jointly and severally liable for the full amount of cleanup costs and damages.

(2) The owner and operator of a vessel carrying oil which has been transported through the trans-Alaska pipeline and loaded on such vessel at the terminal facilities of the pipeline, shall be jointly and severally liable, without regard to fault, subject to the limits and conditions contained in this subsection, to residents or the Government of Canada for cleanup costs and damages resulting from the discharge of oil from such vessel.

(c) DEFENSES.—Liability for costs and damages resulting from a discharge of oil or toxic substance shall not be imposed on any person pursuant to subsection (a) or (b) if the owner, operator, or licensee involved establishes that such discharge was caused solely by an act of war. In addition, liability with respect to damages claimed by a damaged party shall not be imposed under subsections (b) and (c) of this section if the owner or operator involved establishes that such discharge was caused solely by the negligence or international act of such damaged party.

(d) SUBROGATION.—(1) In any case in which the owner and operator of a vessel are held liable, pursuant to subsection (a) or (b), for costs and damages resulting from a discharge of oil, such an owner or operator shall be subrogated, if such discharge was caused by negligence on the part of the owner or operator of an onshore or offshore facility or on the part of the licensee of a deepwater port, to the rights of any person who is entitled to recover any damages against such owner, operator, or licensee.

(2) The provisions of this section shall not in any way affect or limit any rights that an owner or operator of a vessel, or that the Fund may have against any third party whose acts may have caused or contributed to a discharge of oil or toxic substances.

(3) In any case in which the owner and operator of a vessel are held liable, pursuant to subsection (a) or (b) for costs and damages resulting from a discharge of oil or toxic substance that was caused solely by negligence on the part of the Federal Government in failing to maintain adequate aids to navigation, such owner or operator shall be entitled to recover cleanup and damage expenditures from the Federal Government. In such cases, the Fund shall also be entitled to seek recovery from the Federal Government for cleanup and damage expenditures by the Fund.

THE FEDERAL OIL POLLUTION LIABILITY AND COMPENSATION ADMINISTRATION

SEC. 105. (a) ESTABLISHMENT.—There is hereby established in the Department of Transportation an agency which shall be known as the Federal Oil and Toxic Substances Tanker Pollution Liability and Compensation Administration.

(b) OFFICERS.—(1) There shall be at the head of the Administration the Administrator of the Federal Oil and Toxic Substances Tanker Pollution Liability and Compensation Administration. The Administrator shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter provided for level IV of the Executive Schedule pay rates (5 U.S.C. 5315). The Administrator shall report and be responsible to the Secretary, except that decisions of the Administrator shall not be subject to review, delay, reversal or other action by the Secretary or any other officer or employee of the Department of Transportation.

(2) There shall be in the Administration a Deputy Administrator of the Federal Oil and Toxic Substances Pollution Liability and Compensation Administration. The Deputy Administrator shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter provided for level V of the Executive Schedule pay rates (5 U.S.C. 5316). The Deputy Administrator shall perform such functions as the Administrator shall from time to time assign or delegate, and shall act as Administrator during the absence or disability of the Administrator or in the event of a vacancy in the office of Administrator.

(3) There shall be in the Administration a General Counsel who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter provided for level V of the Executive Schedule pay rates (5 U.S.C. 5316).

(c) FUNCTIONS.—The Administrator shall:

(1) establish and maintain the Fund, in accordance with section 7;

(2) act as trustee of the natural resources of the marine environment, in accordance with section 8;

(3) require financial responsibility, in accordance with the provisions of section 9;

(4) establish regulations and provide for the fair and expeditious settlement of claims, in accordance with section 10;

(5) provide public access to information and conduct public education programs, in accordance with section 11;

(6) submit an annual report, in accordance with section 12; and

(7) perform such other functions as are prescribed by law or by the Secretary.

(d) POWERS.—In the performance of his/her functions, the Administrator is authorized to—

(1) appoint, fix the compensation, and assign the duties of such officers and other personnel as may be necessary or appropriate,

and to delegate authority of the Administrator to any such personnel;

(2) utilize, with the consent of the agency concerned, the services of personnel, on a reimbursable basis or otherwise, of any Federal Government agency, of any State or local government agency, or of any organization, to perform such functions on behalf of the Administrator as are necessary or appropriate;

(3) make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary to carry out the purposes of this Act;

(4) conduct such studies and investigations, obtain such data and information, and hold such meeting or public hearings as may be necessary or appropriate to facilitate the exercise of any authority granted to, or the performance of any function imposed on, the Administrator under this Act;

(5) establish, in cooperation with the Coast Guard, a vessel surveillance system which shall, by air or sea patrol seek to identify discharges of oil or toxic substances.

(6) enter into such contracts, agreements, and other arrangements as are deemed necessary or appropriate for the acquisition of material, information, or other assistance related to, or required by, the implementation of this Act; and

(7) issue and enforce orders during proceedings maintained pursuant to this Act including, but not limited to, issuing subpoenas, administering oaths, compelling the attendance and testimony of witnesses and the production of books, papers, documents, and other evidence, and the taking of depositions.

THE FEDERAL POLLUTION COMPENSATION FUND

SEC. 106. (a) ESTABLISHMENT.—There is established within the administration a Federal Oil and Toxic Substances Pollution Compensation Fund. The Fund shall be a nonprofit corporate entity which may sue or be sued in its own name.

(b) DISBURSEMENTS.—(1) Moneys in the Fund shall be disbursed for the following purposes and no others:

(A) administrative and personnel expenses of the Fund, after appropriation in an appropriation bill;

(B) cleanup costs resulting from the discharge of oil and toxic substances incurred (i) pursuant to section 102 of this Title, (ii) pursuant to section 311 of the Federal Water Pollution Control Amendments Act of 1972 (Public Law 92-500), (iii) pursuant to any State or local law, or (iv) by the owner or operator of a vessel or onshore or offshore facility or a licensee if it can be shown that such discharge was caused solely by an act of war or negligence on the part of the Federal Government in establishing and maintaining aids to navigation;

(C) all damages not actually compensated pursuant to section 120 of this Title, and for damages whenever the source of the discharge cannot be determined or is beyond the jurisdiction of the United States; and

(D) research into methods for preventing, containing, and removing discharges of oil.

(2) Payment of compensation by the Fund shall be subject to the Fund acquiring by subrogation all rights of the claimant to recovery cleanup costs or damages from the discharger. The Fund shall diligently pursue recovery for any such subrogated rights.

(3) Notwithstanding the above, the Fund shall not be liable to pay cleanup costs and damages of any claimant whose negligence or intentional act was the sole cause of the discharge.

(c) REIMBURSEMENTS.—In all claims or actions by the Fund against any owner or operator or other person providing financial responsibility, the Fund shall recover (1) the amount the Fund has paid to the claimant or to any governmental entity undertaking cleanup operations, without reduction, and (2) interest on that amount, at the existing commercial interest rate, from the date upon which the request for reimbursement was issued from the Fund to the owner or operator or other person, to the date upon which the Fund is paid by such owner, operator, licensee, or other person.

(d) FEE COLLECTION.—(1) The Fund shall be provisioned through the levy and collection by the Administrator of a 5-cent-per-barrel fee imposed on the owner of oil or toxic substances when the oil or toxic substances are transferred between (A) a vessel and an onshore or offshore facility, or (B) a vessel and a deepwater port. Any oil or toxic substance which a fee has once been levied pursuant to clause (A) or (B) of this paragraph shall not be subject to a subsequent levy under this paragraph.

(2) The collection of the fee shall continue until the fund reaches $250,000,000 whereupon collection shall be suspended. The collections shall be resumed when the Fund is reduced below $200,000,000 and shall continue until the Fund again reaches $250,000,000. All sums recovered by the Fund from the party or parties responsible for a discharge under the provisions of this Act shall be deposited in the Fund and included in calculated the balance. All sums not needed for the purposes specified in subsection (b) of this section shall be prudently invested in income-producing securities issued by the United States and approved by the Secretary of the Treasury. Income from such securities shall be applied to the principal of the Fund.

(3) Each person responsible for contributing to the Fund in accordance with this subsection shall keep such records and furnish such information as the Administrator shall prescribe in regulations. Collection will be at such time and such manner as shall be prescribed in such regulations.

(4) Whenever the money in the Fund is less than the claims for cleanup costs and damages for which it is liable under this section, the Fund shall borrow the balance required to pay such claims from the United States Treasury at an interest rate determined by the Secretary of the Treasury.

SEC. 107. ADVANCEMENT OF FUNDS FOR CLEANUP OF OIL OR TOXIC SUBSTANCES DISCHARGE CLEANUP.—Funds in the Pollution Fund established pursuant to the Federal Water Pollution Control Act Amendments of 1972 may be made available for staging and deploying cleanup equipment in the event the Administrator determines that a vessel, by virtue of malfunction, collision or other existing or potential damage, is likely to cause a major discharge of oil or other toxic substance.

SEC. 108. TRUSTEE OF NATURAL RESOURCES.—The Administrator or the authorized representative of any State, shall act on behalf of the public as trustee of the natural resources to recover for damages to such resources. Sums recovered shall be used to restore, rehabilitate, or acquire the equivalent of such natural resources by the appropriate agencies of Federal or State government.

FINANCIAL RESPONSIBILITY

SEC. 109. (a) GENERAL.—Each owner or operator of a vessel shall establish and maintain under rules and regulations prescribed by the Administrator, evidence of financial responsibility based on the tonnage of the vessel, and other relevant factors. Financial responsibility may be established by any one, or a combination of, the following methods acceptable to the Administrator: (1) evidence of insurance, (2) surety bonds, (3) qualification as a self-insurer, or (4) other evidence of financial responsibility satisfactory to the Administrator.

(b) DIRECT ACTION.—Any claim for cleanup costs and damages by any claimant or by the Fund may be brought directly against the bond, the insurer, or any other person providing financial responsibility.

(c) FAILURE TO COMPLY.—(1) Any person who fails to comply with the provisions of this section or any regulation issued hereunder shall be subject to a fine of not more than $25,000.

(2) The Secretary of the Treasury may refuse the clearance required by section 4197 of the Revised Statutes of the United States, as amended (46 U.S.C. 91), to any vessel subject to this section which has not furnished evidence of financial responsibility to the Administrator.

(3) The Secretary, in accordance with regulations promulgated by him/her shall (A) deny entry to any port or place in the United States or navigable waters to and (B) detain at any port or place in the United States from which it is about to depart for any other port or place in the United States any vessel subject to this section which, upon request, does not produce evidence furnished by the Administrator that the financial responsibility provisions of paragraph (a) of this section have been complied with.

(d) The Administrator shall increase the requirements established under this section and under subsection (b) and (c) of section 4 annually, by an amount equal to the annual percentage increase in the Consumer Price Index.

CLAIMS, SETTLEMENT, AND ADJUDICATION

SEC. 10. (a) RULES AND REGULATIONS.—The Administrator shall prescribe and may from time to time amend, regulations for the filing, processing, settlement, and adjudication of claims for cleanup costs and damages resulting from the discharge of oil.

(b) PROCEDURE.—(1) Upon receiving information regarding a discharge of oil or toxic substances, the Administrator shall publish and distribute in the area of the discharge information and material on the filing of claims.

(2) Claims shall be filed with the Administrator not later than 2 years after the date of discovery of damage not later than 6 years after the date of the incident which caused the damage. The Administrator shall prescribe appropriate forms and details for such claims, which shall include a provision requiring the claimant to make a sworn verification of the claim to the best of his/her knowledge. Each person's damage claims arising from one incident shall be stated in one form. Damages not included in the claim at the time compensation is made shall be deemed waived. Upon receipt of any claim, the Administrator shall as soon as practicable inform all affected parties of the claim.

(3) If the source of the discharge can be determined and liability is conceded, the claimant and the Administrator or the person responsible for the discharge may arrange a settlement which shall be final and binding upon the parties. If liability is not conceded or if a settlement on the amount of damages cannot be negotiated, any party may request a hearing before an Administrative Law Judge.

(4) If the source of the discharge is unknown or cannot be determined, the claimant and the Administrator shall attempt to arrange a settlement under procedures contained in regulations promulgated by the Administrator. If a settlement cannot be negotiated, the claim shall be submitted to an Administrative Law Judge.

(c) ADMINISTRATIVE HEARINGS.—(1) The Administrator shall promulgate regulations for hearings before an Administrative Law Judge. The Administrative Law Judge shall have the power to administer oaths, and subpena the attendance and testimony of witnesses, the production of books, records, and other evidence relative or pertinent to the issues presented for determination.

(2) Upon receipt of a request for a hearing, the Administrative Law Judge shall promptly schedule a hearing to determine the amount and validity of the damage claim. The hearing shall be held in the area where the damage occurred.

(3) Upon a decision by the Administrative Law Judge and without a request for judicial review, the amount shall be certified to the Administrator who shall promptly disburse the award. Such decision shall not be reviewable by the Administrator or the Secretary.

(d) JUDICIAL REVIEW.—(1) Any person suffering legal wrong, or who is adversely affected or aggrieved by the decision of an Administrative Law Judge may, no later than 60 days after such decision is made, seek judicial review of such decision in the United States court of appeals for the circuit in which damage occured or for the District of Columbia.

(2) In any case in which the person responsible for the discharge, or the Administration, seeks judicial review, attorneys' fees and court costs shall be awarded to the claimant if the decision of the Administrative Law Judge is affirmed.

(e) CLASS ACTIONS.—(1) The Attorney General may act on behalf of any group of damaged citizens the Administrator determines would be more adequately represented as a class in the recovery of claims under this section. Sums recovered shall be distributed to the members of such groups.

(2) If, within 90 days after a discharge of oil in violation of this Act has occurred, the Attorney General fails to act on behalf of a group who may be entitled to compensation in accordance with section 3 any member of such group may maintain a class action to recover such damages on behalf of such group. Failure of the Attorney General to act in accordance with this subsection shall have no bearing on any class action maintained in accordance with this subsection.

(3) In any case where the number of members of the class exceeds 1,000, publishing notice of the action in the Federal Register and in local newspapers serving the areas in which the damaged parties reside shall be deemed to fulfill the requirement for public notice established by rule 23(c)(2) of the Federal Rules of Civil Procedure.

(f) REPRESENTATION.—The Administrator shall initially request the Attorney General to promptly institute court actions and to appear and represent the Administration or the Fund for all claims under this Act. Unless the Attorney General notifies the Administration that he will institute such action or will otherwise appear within a reasonable time, attorneys appointed by the Administrator shall appear and represent the Administration.

PUBLIC ACCESS TO INFORMATION

SEC. 110. (a) GENERAL.—Copies of any communication, document, report, or information transmitted between any official of the Federal Government and any person concerning liability and compensation for damage resulting from the discharge of oil or toxic substances shall be made available to the public for inspection, and shall be available for the purpose of reproduction at a reasonable cost, to the public upon identifiable request.

(b) RELEASE.—Nothing contained in this section shall be construed to require the release of any information of the kind described in subsection (b) of section 552 of title 5, United States Code, or which is otherwise protected by law from disclosure to the public.

ANNUAL REPORT BY ADMINISTRATOR

SEC. 111. Within 6 months after the end of each fiscal year, the Administrator shall submit to the President of the Senate and the Speaker of the House of Representatives (1) a report on the administration of the fund during such fiscal year; (2) a summary of the management and enforcement activities of the Administration; and (3) recommendations to the Congress for such additional legislative authority as may be necessary to improve the management of the fund and the administration of the liability provisions under this Act.

RELATIONSHIP TO OTHER LAW

SEC. 112. (a) STATE LAW.—This Act shall not be interpreted to preempt the field of liability or to preclude any State from imposing additional requirements or liability for any discharge of oil or toxic substances resulting in damages or cleanup costs within the jurisdiction of any State.

(b) DOUBLE RECOVERY.—Any person who receives compensation for damages or cleanup costs pursuant to this Act shall be precluded from recovering compensation for the same damages or cleanup costs pursuant to any other State or Federal law. Any person who receives compensation for damages or cleanup costs pursuant to any other State or Federal law shall be precluded from receiving compensation for the same damages or cleanup costs under this Act.

(c) COURT JURISDICTION.—The United States district courts shall have original jurisdiction of cases and controversies arising under this Act, and proceedings with respect to any such case or controversy may be instituted in the judicial district in which any defendant resides or may be found, or in the judicial district in which the damages occurred.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 113. There is authorized to be appropriated for the administration of this Act $10,000,000 for the fiscal year ending September 30, 1977; $5,000,000 for the fiscal year ending September 30, 1978; and $5,000,000 for the fiscal year ending September 30, 1979.

TITLE II. PREVENTION OF TANKER COLLISION AND CARGO LOSS

SEC. 201. (a) FINDING AND PURPOSES.—(1) Transportation of certain hazardous substances including crude oil and petroleum products, creates a significant environment hazard to the natural resources of the navigable waters, coastal zone, territorial seas and fishery conservation zone of the United States.

(2) International agreements and other existing authorities have inadequately protected the marine environment of the United States from discharges from tanker operations or collisions particularly within the fishery conservation zone established pursuant to the Fishery Conservation and Management Act of 1976.

(3) There is a need for the Congress to establish more comprehensive and stringent standards for tanker construction and operation in the waters of the territorial seas and the fishery conservation zone of the United States so as to prevent the spillage of oil or other hazardous substances.

(b) PURPOSES.—It is therefore the purpose of the Congress: enforcement program to ensure the safe construction, maintenance and operation of vessels carrying oil or other hazardous substances.

(2) to extend the regulations designed to protect the marine environment to include in their coverage the Fishery Conservation Zone established pursuant to the Fishery Conservation and Management Act of 1976.

(3) to establish a vessel traffic system including a Vessel Traffic Safety and Discharge Information System.

PROTECTION OF THE FISHERY CONSERVATION ZONE OF THE UNITED STATES

SEC. 202. (a) Section 201(2) of the Ports and Waterways Safety Act of 1972 (46 U.S.C. 391a) is amended by inserting after "the navigable waters" the following: "and/or the fishery conservation zone".

SEC. 203. VESSEL TRAFFIC SAFETY.—Title I of the Ports and Waterways Safety Act of 1972 (33 U.S.C. 1221–1227) is amended as follows:

"SEC. 101. VESSEL TRAFFIC CONTROL.

(A) The Secretary of Transportation is directed to establish an offshore vessel traffic control system in the ports, navigable waters, territorial seas, and fisheries conservation zone of the United States by

"(1) establishing a surveillance and communications capability for identifying the location and course of any vessel therein and communicating with any vessel therein;

"(2) establishing regulations for control of vessel traffic which include but are not limited to:

"(A) specifying times of entry, movement or departure;

"(B) establishing vessel traffic routing schemes; including mandatory shipping lanes;

"(C) establishing vessel size and speed limitations and vessel operating conditions; and

"(D) restricting operation, in any hazardous area or under hazardous conditions, by any vessel which has particular operating characteristics or capabilities, in a manner deemed necessary for safe operation under the circumstances; and

"(3) directing the anchoring, mooring, or movement of any vessel when necessary to prevent damage to or by that vessel or her stores, cargo, supplies, or fuel.

"(4) requiring any vessel which operates within the waters covered by the vessel traffic control system to comply with such system by installing such equipment as may be necessary and complying with the regulations established by the Secretary.

"(5) establishing procedures for reporting to and utilization of the Vessel Traffic, Safety and Discharge Information System established in subsection (b) of this section.

"(b) The Secretary shall direct the National Transportation Safety Board to establish and administer a Vessel Traffic, Safety and Discharge Information System:

"(1) The Vessel Traffic, Safety and Discharge Information System shall include but not be limited to—

"(A) records of all registration, personnel licensing, ownership and financial responsibility records of each vessel cleared to enter U.S. ports.

"(B) records of all inspection conducted pursuant to section 203 of this title.

"(C) records of each violation of regulations promulgated under any section of this title by vessels subject to the title's provisions.

"(D) reports of investigations conducted pursuant to the provisions of section 103 of this title.

"(2) The National Transportation Safety Board shall assume all responsibility for the functions of the Port and Safety Reporting System established pursuant to the Federal Ports and Waterways Act of 1972.

"(3) The Director of the National Transportation Safety Board is authorized to cooperate with the Secretary of State to establish international cooperation in data gathering and reporting for the Vessel Traffic Safety and Discharge Information System.

"(5) The Secretary shall direct the National Transportation Safety Board to investigate and report on any major spill of oil or other hazardous substance in the waters protected by this Act.

"(6) The National Transportation Safety Board shall establish within each U.S. port a capability for accessing the Vessel Traffic, Safety and Discharge Information System by the Captain of the Port and such other Federal or State authorities as may need such information for the regulation of vessel traffic and safety.

"(7) The National Transportation Safety Board shall, within eighteen months of enactment of this section, report to the Congress on the adequacy of existing short range navigational aids in shipping lanes of the United States and make recommendations for improvement or modification.

"(c) Exceptions. Nothing in this title shall apply to any vessel of any foreign nation which is in transit through the waters protected by this act or is in transit through part of any international strait and is not destined for a port or a place in the United States.

SEC. 202. (A) The Secretary shall establish, for any vessel to which this section applies, such additional standards governing the design, construction, alteration, repair, manning, and maintenance of any vessel as may be necessary for increased navigation and vessel safety and enhanced protection of the marine environment, including, but not limited to, standards with respect to—

"(i) superstructures, hulls, cargo holds or tanks, fittings, equipment, appliances, propulsion machinery, auxiliary machinery, and boilers;

"'(ii) the handling or stowage of cargo, the manner of such handling or storage of cargo, and the machinery and appliances used in such handling or stowage;

"'(iii) equipment and appliances for life saving, fire protection, and prevention and mitigation of damage to the marine environment;

"'(iv) requirements for the manning of such vessels and the duties and qualifications of the officers and crew, in accordance with subsection (7);

"'(v) improvements in vessel maneuvering and stopping ability and other features which reduce the possibility of collision, grounding, or other accidents;

"'(vi) the reduction of cargo loss in the event of a collision, grounding, or other accident; and

"'(vii) the reduction or elimination of discharges during ballasting, deballasting, cargo handling, or other such activity.

"'(B) In establishing such standards, the Secretary shall give due consideration to the kinds and grades of cargo permitted to be on board any such vessel.

"'(5) MINIMUM STANDARDS.—In addition to any standards prescribed by the Secretary pursuant to paragraph (4), or any other law, any vessel to which this section applies, shall, after January 1, 1978, be equipped with—

"'(A) a radar system with short-range and long-range capabilities and with true-north features;

"'(B) a collision avoidance system;

"'(C) a loran-C long-range navigation aid;

"'(D) satellite navigation capability;

"'(E) a transponder which can automatically report position and identification;

"'(F) adequate communications equipment;

"'(G) a fathometer;

"'(H) two gyrocompasses;

"'(I) up-to-date charts;

"'(J) a segregated ballast system and a gas inerting system, if such vessel carries oil in bulk and is of a size in excess of 20,000 deadweight tons;

"'(K) a double bottom fitted throughout the cargo length of such vessel or a double hull, if the construction of such vessel is contracted for, or actually commenced, after June 30, 1977;

"'(L) a redundant propulsion source; and

"'(M) shaft horsepower in the ratio of 1 horsepower to each 2½ deadweight tons.

"'(N) adequate fire prevention equipment.

"(C) CERTIFICATE OF COMPLIANCE.—(A) No vessel, to which this section applies, shall enter the navigable waters of the United States unless such vessel has been issued a certificate of compliance by the Secretary. The Secretary shall issue such certificate if, after an inspection pursuant to section 403 of the Ports and Waterways Safety Act, as amended, he determines that such vessel is in compliance with—

"(i) the provisions of title 52 of the Revised Statutes of the United States, and

"(ii) the rules and regulations applicable to such vessel under this section, or any other law or treaty.

"(B) The Secretary shall cooperate with the Department of State to establish, to the maximum extent practicable, inspection at ports of loading by United States Coast Guard inspectors.

"(C) No vessel may carry any kind or grade of cargo unless its certificate of compliance is endorsed to allow such carriage. No such endorsement may allow any vessel to carry any material prohibited by subsection (3) of section 4472 of this title.

"(D) A certificate of compliance, or an endorsement, issued under this subsection shall be valid for a period of time not to exceed 1 year, as specified by the Secretary. Such certificate or endorsement shall be revoked if the Secretary finds that the vessel involved no longer complies with the conditions upon which such certificate or endorsement was issued.

"(7) MANNING AND TRAINING REQUIREMENTS.—The Secretary shall prescribe standards for the manning of any vessel subject to the provisions of this Act and the duties, qualifications, and training of the officers and crew thereof. Such standards shall include, but need not be limited to—

"(A) instruction in vessel and cargo handling and vessel navigation under normal operating conditions in coastal and confined waters and on the high seas;

"(B) instruction in vessel and hazardous cargo handling and vessel navigation in emergency situations under accident or potential accident conditions;

"(C) license qualifications by specific class and size of vessels;

"(D) measurement of qualification for licenses by use of simulators developed for the training of marine-oriented skills;

"(E) health and physical fitness criteria for all personnel;

"(F) periodic retraining, and special training for upgrading positions, changing vessel class or size, or assuming new responsibilities;

"(G) determination of licenses, conditions of licensing, and period of licensing by reference to experience, amount of training completed, and regular performance testing;

"(H) recordation of safety and/or pollution control violations or licenses; or

"(I) suspension of personnel with an unsatisfactory record of compliance with safety and pollution control standards."

"(8) No personnel holding licenses of a foreign nation may serve as bridge officers of a vessel entering United States waters unless the Secretary shall certify that the licensing nation's manning and training requirements are substantially similar to those established in section (7) above.

"SEC. 203. INSPECTION AND ENFORCEMENT

"(A) MARITIME SAFETY OFFICERS.

"(1) AUTHORIZATION.—The Secretary may authorize any person to serve as a maritime safety officer with the powers set forth in subsection (2).

"(2) POWERS.—Any person authorized by the Secretary under subsection (1) to serve as a maritime safety officer may, with or without a warrant or other process—

"(A) arrest any person, if he/she has reasonable cause to believe that such person has committed an act prohibited by section 402;

"(B) board and inspect any vessel which is subject to the provisions of this Act;

"(C) order any vessel to operate or anchor in a manner he/she directs if—

"(i) he/she has reasonable cause to believe such vessel does not comply with any regulation issued under this Act or any other applicable law or treaty;

"(ii) by reason of weather, visibility, sea conditions, or the condition of such vessel, its equipment or its cargo, he/she is satisfied that such directive is justified in the interests of safety;

"(D) enter and inspect any shore area, place or premises, containing any dock, bridge, or other structure which is subject to the provisions of this Act;

"(E) execute any warrant or other process issued by any court of competent jurisdiction; and

"(F) exercise any other lawful authority.

"(B) PROHIBITED ACTS.

"It is unlawful—

"(1) for any person—

"(A) to violate any provision of this Act or any regulation issued pursuant to this Act;

"(B) to refuse to permit any officer authorized to enforce the provisions of this Act (as provided for in section 401) to board any vessel, or enter any shore area, place or premises, under such person's control for purposes of inspection pursuant to this Act;

"(C) to discharge any oil or hazardous material into the waters protected by this Act from any vessel subject to the provisions of this Act;

"(D) to fail to report any discharge of oil or hazardous material into the waters protected by this Act to the United States Coast Guard;

"(E) to refuse to obey any lawful directive of a maritime safety officer pursuant to section 401; or

"(F) to resist a lawful arrest for any act prohibited by this section;

"(2) for any vessel subject to the provisions of this Act—

"(A) to operate in the navigable waters of the United States or in the fishery conservation zone while not in compliance with any provision of this Act or any regulation issued pursuant to this Act;

"(B) to discharge any oil or hazardous material into these waters or

"(C) to fail to comply with any lawful directive of a maritime safety officer pursuant to section 103.

"(B) INSPECTION.

"(1) NATIONAL PROGRAM.—(1) The Secretary shall establish a national program for inspection of any vessel subject to the provisions of this Act including a program of unannounced inspections. Each such vessel shall be inspected at least once each year. Any such vessel over 10 years in age shall undergo a special structure inspection, as determined by the Secretary.

"(a) An inspection may be conducted by—

"(1) a maritime safety officer appointed by the Secretary pursuant to section 103; or

"(2) any agent of qualified inspection organization approved by the Secretary.

"(b) The owner of any vessel inspected by a maritime safety officer shall reimburse the Secretary for the cost of such inspection.

"(c) No vessel may be issued a certificate of compliance under section 4417a(6) by the Secretary unless he determines that such vessel is in compliance with the requirements of such section. If any vessel does not so comply, the Secretary shall notify the owner of such vessel and indicate how such vessel may be brought into compliance.

"(2) VESSEL DOCUMENTS.—(1) Any vessel subject to the provisions of this Act shall have on board such documents as the Secretary deems necessary for inspection or enforcement under this Act, including, but not limited to, documents indicating—

"(A) the kind, grade, and approximate quantities of any cargo on board such vessel;

"(B) the shipper and consignees of such cargo;

"(C) the points of origin and destination of such vessel; and

"(D) the name of any person with an

ownership interest in such vessel and the name of an agent in the United States authorized to accept legal process.

"(3) RECIPROCITY.—The Secretary may accept, as evidence of compliance with the provisions of this Act, any certificate or document issued by any foreign nation pursuant to any treaty, convention, or other international agreement to which the United States is party.

"(d) All records of the inspection program established herein shall be kept in the Vessel Traffic, Safety, and Discharge Information System established in Section 101 of this Act.

"(D) PENALTIES.

"(1) CIVIL PENALTY.—(a) Any person who is found by the Secretary, after notice and an opportunity for a hearing in accordance with section 554 of title 5, United States Code, to have committed an act prohibited by section 402 shall be liable to the United States for a civil penalty. The amount of the civil penalty shall not exceed $25,000 for each violation. Each day of a continuing violation shall constitute a separate offense. The amount of such civil penalty shall be assessed by the Secretary, or his/her designee, by written notice. In determining the amount of such penalty, the Secretary shall take into account the nature, circumstances, extent, and gravity of the prohibited acts committed and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require.

"(b) Any person against whom a civil penalty is assessed under paragraph (a) may obtain review thereof in the appropriate court of the United States by filing a notice of appeal in such court within 30 days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Secretary. The Secretary shall promptly file in such court a certified copy of the record upon which such violation was found or such penalty imposed, as provided in section 2112 of title 28, United States Code. The findings and order of the Secretary shall be set aside by such court if they are not found to be supported by substantial evidence, as provided in section 706(2) of title 5, United States Code.

"(c) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General of the United States, who shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

"(d) The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty which is subject to imposition or which has been imposed under this subsection.

"(2) CRIMINAL PENALTY.—(A) A person is guilty of an offense if he willfully and knowingly commits any act prohibited by section 402.

"(B) Any offense described in paragraph (A) is punishable by a fine of not more than $50,000, or imprisonment for not more than 1 year, or both; except that if in the commission of any such offense the person uses a dangerous weapon, engages in conduct that causes bodily injury to any officer authorized to enforce the provisions of this Act (as provided for in section 103), or places any such officer in fear of imminent bodily injury, the offense is punishable by a fine of not more than $100,000, or imprisonment for not more than 10 years, or both.

"(3) There is Federal jurisdiction over any offense described in this section.

"(c) IN REM LIABILITY.—Any vessel subject to the provisions of this Act and found to be in violation of this Act shall be liable in rem and may be proceeded against in the United States district court for any district in which such vessel may be found.

"(d) INJUNCTION.—The United States district courts shall have jurisdiction to restrain violations of this Act or regulations issued hereunder, for cause shown.".

TITLE III. TANKER SAFETY AND MARINE POLLUTION RESEARCH PROGRAM

SEC. 301. FINDINGS AND PURPOSES.

(A) FINDINGS.—

(1) The lack of technology which insures tanker structural integrity and maneuverability poses a serious safety hazard to the marine environment.

(2) The lack of equipment to effectively contain or recover oil spills on the high seas remains a serious deficiency in our national effort to protect the marine environment;

(3) There is a need for effective and intensive oceanographic research to provide the government with the information it needs to assure that vessels transporting cargos, interstate and between nations, pose no hazard to the natural resources in the waterway, territorial seas and fishery conservation zone of the United States.

(B) PURPOSES.

(1) The Congress intends to establish an effective program of engineering, naval architectural and materials research to produce safer vessels and effective oil spill recovery systems;

(2) The Congress intends to consolidate basic ocean sciences research and establishes a national plan for oceanographic research which shall be pursued rigorously.

SEC. 302. VESSEL SAFETY AND OIL RECOVERY SYSTEMS.

(A) The Secretary of Transportation shall establish within the Coast Guard and Office of Operational and Environmental Safety Research which shall, in cooperation with the National Transportation Safety Board and the Environmental Protection Agency be responsible for all engineering, architectural, materials and other research related to vessel integrity and safety of structure and operations This Office shall also assist the Environmental Protection Agency in carrying out its responsibilities under section 104(1) of the Federal Water Pollution Control Act.

(1) within 18 months of the date of enactment of this Title, the Office Operational and Safety Research shall furnish reports to the Congressional Committees on Commerce and/or Appropriations at least the following reports:

(a) adequacy of vessel control and vessel stopping system

(b) possible new vessel bridge design standards

(c) evaluation of markings of U.S. waterways, harbors and navigational hazards in consideration of increased tanker traffic

(d) recommendations on standards for ongoing training for physical condition of licensed officers, including a review of standards for female officers

(e) regulations for deepwater port handling of oil and other hazardous cargo, and navigation in and around these ports

(f) development potential of high seas, foul weather recovery technology

(g) effectiveness of chemical cleanup methods including dispersants, burning agents and oil-water separations.

(B) The Secretary of Commerce shall establish within the National Oceanic and Atmospheric Administration an Office of National Marine Research and Information which shall assure all research function of the NOAA and all responsibility for coordinating and directing all federal non-military research related to the waters and natural resources of the territorial seas of the United States, the fishery conservation zone, the high seas, and the deep seabed.

(1) The Director of the Office of the National Marine Research and Information will establish an interagency Oceans Research Planning Board, including but not limited to representatives of the Coast Guard, the Environmental Protection Agency, the National Marine Fisheries Service and the Office of the Sea Grant Program which shall, within 2 years of enactment present to the Secretary for transmittal to the Congress a National Ocean Research Plan establishing a comprehensive program of designated ocean research priorities together with recommendations for such levels of authorization for spending which it considers necessary. This research program shall include but not be limited to studies of:

(a) effects of ocean movement on petroleum and petroleum products;

(b) effects of water temperature on movement and dispersal of petroleum and petroleum products.

(c) effects of oil on the marine eco-system.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill introduced by the Senator from Massachusetts (Mr. BROOKE) be referred jointly to the Committee on Environment and Public Works and the Committee on Commerce, Science, and Transportation.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. GRIFFIN:

S. 899. A bill to amend the Toxic Substances Control Act to establish a program for assistance to States which establish programs of assistance for the protection and indemnification of individuals injured in their business or person by chemical substances, and for other purposes; to the Committee on Commerce, Science, and Transportation.

TOXIC SUBSTANCES INJURY ASSISTANCE ACT

Mr. GRIFFIN. Mr. President, today I am introducing the Toxic Substances Injury Assistance Act of 1977, legislation designed to assist States which take action to avert the widespread consumption of potentially dangerous chemical substances.

In brief, my bill would establish under the Toxic Substances Control Act, a program to aid States which adopt assistance or indemnification programs to compensate citizens for injuries resulting from chemical contamination disasters, such as the 3-year-old PBB disaster in the State of Michigan.

Mr. President, since World War II our Nation has experienced a dramatic increase in the development and use of chemical substances.

Today there are over 2 million recognized chemical compounds with over 30,000 chemical substances in commerce. And it is estimated that another 1,000 new chemical substances may be introduced this year alone.

There is no question that the development of new chemical substances has significantly improved our social and economic well-being. Chemicals play an important role in such areas as medical treatment and research, transportation, communications, and in the production of industrial and consumer goods. In fact, chemical sales exceed $100 billion a year and involve the employment of millions of workers in chemical and chemically dependent industries.

However, despite the numerous social and economic benefits made possible

through the development of new chemical substances, there always remains the possibility that harmful substances may accidentally be introduced into the environment, resulting in potentially severe ecological and human health consequences.

And the sad fact is that in such a chemical accident—just as in the case of disease and crime—the innocent victim is the one that suffers the most.

Congress passed the Toxic Substances Control Act in 1976 as a first step in controlling the use and widespread application of potentially harmful chemicals. However, an issue left unresolved was the question of what should be done to assist victims of widespread chemical contamination.

For example, in Mississippi in 1973 a pesticide known as dieldrin was discovered to be present in the poultry of a number of that State's farms, resulting in the destruction of millions of chickens. Federal legislation to assist those injured by the loss of their poultry was not passed by Congress. Thus, if a similar situation occurred today we still would not have an assistance program that would promptly go into effect to remove such contaminated poultry from public consumption without causing undue economic hardship.

Or, take the case of chemical contamination in the State of Michigan in 1973, which resulted from the accidental mixing of a fire retardant, polybrominated biphenyls—PBB—into cattle feed, which was then distributed throughout the State.

Michigan's Gov. William Milliken and the State Legislature are presently attempting to remove PBB from Michigan produce through legislation lowering the level of PBB allowable in food and cattle feed, quarantining and/or condemning livestock and food with levels of PBB above this reduced level, and indemnifying individuals harmed by this condemnation action. The cost of this legislation to the State is put at a staggering $22.6 million.

Of course, the real loser in this unfortunate episode is going to be the Michigan citizen who not only has consumed PBB-contaminated food, but who also will likely face reduced State services because of the added cost to the State of such an indemnification program.

I recognize that court suits against the polluter are always available; but with over 200 suits likely in Michigan, there are going to be long court delays and no real guarantee of full reimbursement for losses. Therefore, in the case of those whose financial needs are immediate in order to stay in business, justice delayed may indeed be justice denied. In addition, there is always the possibility that the polluter may not have the financial resources or adequate insurance coverage to make full repayment for losses suffered.

Thus, it seems that a State-Federal assistance program should be established to meet present and future chemical contamination disasters. With so many chemical substances already present in our environment, it is safe to assume that the next chemical contamination disaster could occur in any one of our 50 States. We should be prepared to handle such an occurrence expeditiously.

Last week, I introduced a bill to provide low-interest Federal loans for farmers who have suffered financial losses through chemical contamination. That bill would encourage the removal from public consumption of all food contaminated by a chemical substance deemed dangerous by State or Federal officials, while enabling the farmer to maintain his farming operation pending the resolution of his court suit.

The legislation I propose today would establish an assistance program under the Toxic Substances Control Act in order to help States respond to the problem of the contamination of livestock and agricultural produce.

My legislation would require a State to take three steps before applying for Federal assistance:

First. The chief executive of the State must make a determination that he has reason to believe a harmful chemical substance is present in the State environment.

Second. There must be State action to impound or condemn livestock and/or food contaminated by such a chemical substance, and

Third. There must be State reimbursement of individuals for losses due to such condemnation action.

Upon taking these three steps, the Administrator of the Environmental Protection Agency would be authorized to make grants to States of up to 75 percent of the actual reimbursements made by a State to the victims of the contamination, pursuant to section 28 of the Toxic Substances Control Act.

Also in the bill are provisions for the recovery by the Federal Government of subrogation agreements, as well as authority for providing grants for actual medical expenses to individuals injured by the contamination and for long-term monitoring of the chemical substance.

A total of $50 million would be authorized for each of the next 3 years under this measure.

The bill in no way would relieve or excuse an individual or company of liability for the introduction of a toxic contaminate.

This legislation would, however, serve several important functions:

First, it would better insure that innocent victims receive just compensation by encouraging State assistance programs.

Second, it would provide a mechanism that would encourage early detection and containment of chemical contamination problems before such contamination becomes widespread.

And, finally, it would encourage States to take steps to remove chemical substances of unknown or uncertain toxicity from food promptly without fear of having to cut back on State services in order to pay individuals for losses incurred by such an impoundment action.

Mr. President, we must not wait another chemical accident in order to consider piecemeal remedical action. We should act immediately to ease the suffering of those who are now—or someday may be—the innocent victims of toxic chemical disaster.

My proposal provides some security for the victims of a chemical disaster and assists States in localizing and containing potential nationwide contamination. Let us not ignore the hardships of individuals and States hard-hit by chemical disasters until such an incident strikes closer to home.

The danger is clear. An assistance program is needed as an additional safeguard to the Toxic Substances Control Act.

I urge the support of all my colleagues in enacting this necessary environmental protection measure.

Mr. President, I ask that the full text of my bill, entitled the "Toxic Substances Injury Assistance Act," be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 899

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Toxic Substances Injury Assistance Act."

SEC. 2. Section 28 of the Toxic Substances Control Act (90 Stat. 2003) is amended—

(1) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively; and

(2) by inserting immediately after subsection (a) therein the following new subsection:

"(b) Toxic Substances Injury Assistance—

"(1) For the purposes of this subsection only the term 'chemical substance' has the same meaning as provided under paragraph (2) of section 3 of this Act without regard to the exception provided in subparagraph (A) or the provisions of subparagraph (B) thereof;

"(2) Whenever the chief executive of any State—

"(A) has reason to believe that there is present in the environment of such State any chemical substance which may cause injury to the health or welfare of any individual, person, or animal; and

"(B) orders, pursuant to law, the authorities of such State to impound or otherwise condemn any livestock or food which may contain any such chemical substance, such State, upon application to the Administrator may receive up to 75 per centum of the actual disbursements or payments made by such State for the assistance or indemnification of any individual or person harmed in his business or person by such action of the chief executive, as assistance under the provisions of paragraph (3) of this subsection.

"(3)(A) The Administrator is authorized to make grants to States for amounts not to exceed 75 per centum of the disbursements or payments made by such States for the assistance or indemnification of any individual or person harmed in his business or person by the action of the chief executive of any such State pursuant to the circumstances described in paragraph (2) of this subsection according to the following order of priorities:

"(i) actions principally involving polybrominated biphenyls; and

"(ii) actions involving other chemical substances.

"(B) Each applicant for assistance under the provisions of subparagraph (A) of this paragraph shall furnish such assurances to the Administrator as the Administrator may require that such applicant will—

"(I) take all steps necessary to recover from the recipients of disbursements or payments made by such applicant for the assistance or indemnification of the actual losses of such recipients arising out of the circumstances described in paragraph (2) of this subsection of all amounts recovered by such recipient (i) under any contract of insurance, or (ii) as a recovery of award allowed or made in any action brought by or on behalf of any such recipient for the purpose of obtaining damages or other monetary compensation or indemnification against any other person arising out of the circumstances described in paragraph (2) of this subsection; and

(II) return to the Administrator, in the same proportion as the funds granted under this subsection bear to the total amount of state disbursements or payments, such recoveries as may be received by such state under subparagraph (i) or (ii) of this paragraph.

"(4) The Administrator is authorized to make grants to the States for the establishment, maintenance, and operation of medical programs or facilities to detect or monitor the effect on the environment, and particularly on human beings and animals, including livestock, of the presence of any chemical substance which the chief executive officer of any such State and the Administrator have reason to believe may be injurious to the health or welfare of any individual or animal in such State or adjacent States or regions.

"(5) Upon application by the chief executive of a state under paragraph (2) of this subsection, the Administrator is authorized to make payments to any individual for actual medical expenses incurred by such individual in the detection or treatment of any injury to any such individual caused, or reasonably believed to be caused, by the presence of the chemical substance or substances which are the subject of such application.

"(6) Grants and payments made available under the authority provided in paragraphs (3), (4), or (5) of this subsection may be made for any such occurrence on or after January 1, 1973.

SEC. 3. Section 28 of the Toxic Substances Control Act is amended—

(1) in subsection (c), as redesignated by this Act, thereof by adding immediately after "(a)" the following: "and (b)"; and

(2) in subsection (d) thereof, as redesignated by this Act, by adding immediately after "(a)" the following: "and (b)"; and

(3) in subsection (e) thereof by inserting immediately before the last sentence therein the following new sentence: "For the purpose of making grants under subsection (b) of this section there are authorized to be appropriated to the Administrator $50,000,000 for the fiscal year ending September 30, 1977, $50,000,000 for the fiscal year ending September 30, 1978, and $50,000,000 for the fiscal year ending September 30, 1979.".

Mr. KENNEDY (for himself and Mr. PELL):

S. 900. A bill to provide emergency relief, rehabilitation and humanitarian assistance to the people of Italy; to the Committee on Foreign Relations.

ITALIAN EARTHQUAKE ASSISTANCE

Mr. KENNEDY. Mr. President, in behalf of myself and Senator PELL, I am introducing today a bill to authorize an additional American contribution to support the Italian Government's rehabilitation and reconstruction programs in the earthquake devastated Friuli region of northeastern Italy.

Last year brought much personal tragedy to the people of Friuli. In May one of the most destructive earthquakes to hit Central Europe left behind an awesome trail of human misery and destruction. And as the Friuli people began to rebuild their communities and rehabilitate their lives, new tremors struck the area in September, which not only retarded the people's efforts, but caused extensive new damage, especially in Pordenone Province.

Following the heavy earthquake damage last May, the United States joined many other countries in responding to human need in Italy, and some $25,000,000 was appropriated by Congress to assist the emergency relief efforts of the Italian Government and the longer term recovery programs in the towns and villages of the stricken area. And today these funds are helping to rebuild needed schools and facilities for the elderly in many communities of Friuli.

The bill we are introducing today would provide an additional $10,000,000—mainly to assist the communities devastated in September. As in the case of the other communities being helped by the American people, AID officials have informed me that the funds made available by the legislation would be used for the construction of needed schools and facilities for the elderly.

Italy's need for this additional humanitarian assistance was made clear to me during my visit to Rome last November, as it was to Senator PELL during his recent visit to Italy. And Senator PELL also visited Friuli.

Mr. President, given the urgent need for these additional resources, I am hopeful that the Foreign Relations Committee will expeditiously consider this bill.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

S. 900

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Italy Relief and Rehabilitation Act of 1977".

SEC. 2. The Congress, recognizing that prompt United States assistance to alleviate human suffering caused by natural disaster is an important expression of the humanitarian concern and tradition of the people of the United States, affirms the willingness of the United States to provide assistance for the relief and rehabilitation of the people of Italy.

SEC. 3. The President is authorized to furnish assistance on such terms and conditions as he may determine for the relief and rehabilitation of earthquake refugees and other needy people in Italy.

SEC. 4. There are authorized to be appropriated for the purposes of this Act, in addition to amounts otherwise available for such purposes, $10,000,000 for the fiscal year 1977. Any amount so appropriated shall remain available until expended.

By Mr. BENTSEN:

S. 901. A bill to make it easier to comply with certain Federal employee benefit plan requirements by amending the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to eliminate dual Treasury and Labor Department jurisdiction over certain requirements, to reduce the number of reports and other paperwork required thereunder, and for other purposes; to the Committee on Finance and the Committee on Human Resources, jointly, by unanimous consent.

PENSION SIMPLIFICATION ACT OF 1977

Mr. BENTSEN. Mr. President, I am today introducing legislation to reduce the excessive paperwork and redtape which has resulted from the 1974 Private Pension Reform Act. That act is formally entitled the Employee Retirement Income Security Act—ERISA. The legislation that I am introducing today was formulated as a result of joint hearings and studies on ERISA which were conducted last year by the Senate Small Business Committee, which is chaired by Senator NELSON, and the Senate Financial Markets Subcommittee, which I chaired.

Those hearings clearly demonstrated that a legislative solution is needed to remedy the closely related problems of overlapping jurisdiction in the administration of ERISA and the excessive paperwork and redtape which has resulted from the 1974 law. These problems have resulted despite the good faith efforts of many outstanding public servants to administer the existing statutory pension rules as fairly as possible.

Unreasonably burdensome and costly reporting requirements, particularly for smaller private pension plans, will be counterproductive and may result in the cancellation of many good plans. A reasonable balance must be maintained between the necessity of protecting all pension plan participants from abuses and the necessity of avoiding a situation where many good retirement plans terminate simply because they are being buried in an avalanche of paperwork and redtape. Duplicate reporting requirements impose an unnecessary time and cost burden on businessmen, labor organizations and other administrators of pension plans.

The legislation I am introducing today has three major parts—

First, it will help eliminate dual jurisdiction in the administration of the pension law by giving the Internal Revenue Service exclusive jurisdiction over vesting, funding and participation standards and by giving the Labor Department exclusive jurisdiction over fiduciary responsibility and prohibited transaction standards. The Pension Benefit Guarantee Corporation (PBGC), which is within the Labor Department, would continue to administer the termination insurance program.

Second, the statutory reporting requirements under ERISA will be simplified and reduced. Generally, pension plans will only have to file one Federal form annually on one filing date. Duplicate and repetitious forms will be eliminated.

Third, a procedure will be established to insure that the Internal Revenue Service and the Labor Department make a timely determination of all requests by pension plans or participants for rulings, exemptions or variances. This will help eliminate the delays and backlogs

now prevalent at the Labor Department and IRS.

Mr. President, my proposal should in no way alter the existing joint jurisdiction and oversight of pension legislation by the Committee on Finance and the Committee on Human Resources of the Senate. Since private pensions have traditionally been regulated under both Federal labor and tax laws, these two committees of the Senate have worked jointly on this issue in the past and will continue to do so in the future.

There are several compelling reasons for prompt enactment of this legislation.

Repetitive reporting requirements and duplicate regulations may actually be resulting in the termination of some good retirement plans. The purpose of ERISA was to protect private retirement benefits, not to strangle sound plans.

There have been excessive delays in the promulgation of regulations and rulings. Some of my constituents have literally been waiting years for administrative rulings under ERISA. This is not an example of a government which is responsive to the needs of its people.

Dual administration frequently results in some unacceptable, although unintentional, regulatory requirements. For example, pension plans are required by law to notify the pension plan participants and beneficiaries of certain changes in the plan. In order to comply with duplicate rules and regulations, one plan found it necessary to send three separate notification letters to participates—one letter to participants in order to comply with the rules of the Internal Revenue Service, a second letter, with virtually identical information, to comply with the rules of the Labor Department and still a third letter to comply with the rules of the Pension Benefit Guarantee Corporation—PBGC.

Mr. President, although legislation is needed to simplify ERISA, Congress must resist efforts to weaken the existing substantive standards which are essential to protect the retirement benefits of the American worker. These minimum standards—vesting, funding, participation, termination insurance, fiduciary responsibility and prohibited transactions—were selected after almost a decade of comprehensive congressional hearings and investigations, conducted primarily by the distinguished chairman of the Senate Labor Committee, Senator WILLIAMS, and the distinguished ranking minority member, Senator JAVITS. These standards represent a fair balance between the need to protect workers from abuses and the need to expand our private retirement system.

Nobody can doubt that effective pension legislation is needed to prevent the countless tragic abuses that have occurred in the past. Take, for example, the case of a Wichita Falls, Texas woman who retired several years ago at the age of 65 after 17 years of service with the same employer. She was earning a pension during those years and she confidently approached retirement age expecting to receive her hard earned pension benefits upon retirement. However, due to a technicality in this women's pension plan she lost her entire pension—every single cent of it. Because she had missed 2 years service due to family illness during her employment, this worker lost her entire pension. Economic tragedies such as this are now prevented by ERISA.

I would now like to explain the specific provisions of my simplification bill.

HELP ELIMINATE OVERLAPPING JURISDICTION IN THE ADMINISTRATION OF ERISA

My legislation would help eliminate the serious problem of overlapping jurisdiction in the administration of ERISA. Under existing law, both the Labor Department and Internal Revenue Service jointly implement most provisions of ERISA. The situation has resulted in repetitious reporting requirements and excessive delays in the issuance of rules and regulations. There is simply no justification for two Federal agencies to administer the same portions of the pension law. Dual jurisdiction has prevented efficient administration and enforcement of ERISA. This chaotic regulatory structure has been detrimental to everyone concerned—workers, beneficiaries, businessmen, union officials, and pension plan administrators as well as the Federal officials responsible for administering the law. Public confidence in our private retirement system simply cannot be maintained unless this dual and overlapping jurisdiction is reformed.

As examples, the Internal Revenue Service and the Department of Labor have received nearly 600 requests for exemptions from prohibited transaction provisions of ERISA, yet after 29 months only 12 final exemptions have been issued. It took the two agencies 26 months just to agree to a procedure whereby applicants for exemptions would be considered in a coordinated fashion. More than 2 years after the enactment of ERISA, regulations dealing with the so-called "summary plan descriptions" had not even been issued.

Duplicate reporting requirements impose an unnecessary time and cost burden on businessmen, unions and other pension plan administrators throughout the Nation.

Two identical teams of pension experts have been assembled at both the Labor and Treasury Departments at extra cost to the American taxpayer.

To remedy these problems, my legislation would carefully divide pension jurisdiction between the Labor Department and the Internal Revenue Service so as to minimize the existing overlap. Under my proposal, the Internal Revenue Service would be given exclusive jurisdiction over the areas of vesting, funding and participation while the Labor Department would be given exclusive jurisdiction over the areas of fiduciary responsibility and prohibited transactions. The Pension Benefit Guarantee Corporation which is within the Labor Department would continue to implement the termination insurance program.

Today, most of the vesting, funding and participation requirements under ERISA are already administered by IRS and thus the Internal Revenue Service is clearly the most appropriate agency to have exclusive jurisdiction over these particular standards. Similarly, because the Labor Department has been the primary enforcement agency for prohibited transactions and fiduciary responsibility under ERISA, the Labor Department should have exclusive jurisdiction over that portion of the law. The Labor Department has already filed suit or is the intervening party in eight court cases alleging violations of the fiduciary responsibility or prohibited transaction sections of ERISA.

Under my proposal, if the Internal Revenue Service, during the course of a tax audit, learns of the existence of a prohibited transaction, this information would be required to be referred to the Labor Department and the Justice Department for appropriate action.

In addition, under my proposal the Internal Revenue Service would be given flexible enforcement powers such as excise tax powers and general equitable remedies to enable IRS to enforce the vesting, funding and participation standards in such a way as to best protect the rights of pension plan participants and beneficiaries.

In addition, pension plan participants would be able to appeal all decisions of the IRS as well as the Labor Department in Federal court under this legislation.

Traditionally, under our tax laws, qualified pension plans receive three substantial tax benefits. First, employers are given a tax deduction for all contributions made to a qualified plan. Second, the investment earnings of assets in the plan are tax exempt. Third, employer contributions are not taxable to the employee at the time of contribution. Rather the income tax is deferred until the money is actually distributed to the employee after his retirement—at which time he is normally in a much lower tax bracket. The tax subsidy for private retirement plans is estimated to amount to $4 billion annually.

Congress has always recognized that these tax privileges might be abused and accordingly, imposed various requirements for favorable tax treatment in an effort to safeguard the rights of lower paid employees. For example, even prior to the enactment of ERISA, section 401 (a) of the Internal Revenue Code stated that to qualify for tax privileges a plan established by an employer would have to be for the "exclusive benefit of his employees or their beneficiaries" and must not "discriminate in favor of employees who are officers, shareholders . . . or highly compensated employees." In addition, prior to ERISA, the Internal Revenue Service imposed some limited vesting and funding standards which pension and profit-sharing plans had to comply with in order to qualify for favorable tax treatment.

Furthermore, our tax laws impose limitations on allowable contributions and deductions to private retirement plans. These limitations insure that excessive pension contributions are not used to shelter all of the taxable income of any business. These limitations are needed to protect the Federal tax base and insure that adequate tax revenues are collected. The Internal Revenue Service is the only agency which has been given

the responsibility to police our revenue raising system.

It is clear that the amount of tax-deductible pension contributions is inextricably tied to the funding requirements under ERISA and the general revenue raising functions of the Internal Revenue Service.

Under ERISA the Internal Revenue Service has had responsibility for administering almost all aspects of the law but particularly the vesting, funding and participation standards. Under ERISA, the Labor Department has been the primary enforcement agency for the provisions dealing with fiduciary responsibility and prohibited transactions. Under my proposal, these agencies would simply be given exclusive jurisdiction over the areas in which they have acquired experience and expertise.

Three additional statutory changes in reporting are essential.

First, as recommended by the staff of the Commission on Federal Paperwork, section 104(a)(1)(C) of ERISA would be amended to eliminate the requirement that a 5-year summary plan description be filed with the Department of Labor. A November 1976 staff report of the Paperwork Commission stated—

Employers must provide a summary plan description to each employee every five years. ERISA section 104(a)(1)(C) requires the administrator of a plan to file with the Secretary of Labor a copy of the summary plan description at the same time that it is furnished to participants and beneficiaries.

The purpose of this provision of the statute was to permit the DOL to review and compare the summaries with the complete plan descriptions to assure their completeness, accuracy, understandability, etc. Such reviews are costly, duplicative, and practically impossible to perform, considering time and budget constraints.

Because DOL receives a copy of the complete plan description and any amendments thereto, it is totally duplicative to forward copies of the five year summary plan descriptions to the agency. Discussions with DOL personnel indicate that they do not use such filings, and that the costs of storage could be avoided.

It is estimated that the DOL storage costs of more than $1,000,000 every five years may be saved for the government and that the savings to business would be approximately $7,200,000.

Second, as recommended by the staff of the Commission on Federal Paperwork, section 104(a)(1)(D) would be amended to permit notices of amendments to be filed in connection with the annual report rather than as a separate report which currently is required within 60 days of a plan change.

The November 1976 staff report of the Commission of Federal Paperwork stated—

In view of the fact that employees are notified of changes in their plans, that an annual report containing the same information also must be filed with DOL and IRS, and that there is no specific use for the data in the amended EBS–1, it is believed that a notice of amendment filed with the annual report should replace filing of an EBS–1 sixty days after each amendment. This would not change the requirement to notify participants of plan changes, nor would it have any effect on the employer's decision to seek a determination of tax status from the IRS. The estimated savings to business would be approximately $12,000,000.

Third, the long "laundry list" of specific information which must be included in annual reports of pension plans pursuant to section 103 of ERISA would be repealed. Section 103 of ERISA is a six-page detailed list of reporting requirements, some of which are not necessary for all plans. Instead, the Secretaries of Labor and Treasury would be given discretion to require only such information as is needed to protect the rights of pension plan participants and beneficiaries.

These reporting changes will substantially reduce the paperwork burden under ERISA.

HELP ELIMINATE ADMINISTRATIVE BACKLOGS AND DELAY

My legislation would also help eliminate the long delays that now face pension plans in obtaining administrative decisions and rulings. Under my proposal, plans would be able to seek a declaratory judgment in Federal Court if, within 180 days after a request for any tax qualification, variance or other exemption from ERISA, the appropriate agency has failed to make a determination. This provision would simply expand the existing declaratory judgment procedure in section 1041 of ERISA.

Mr. President, I believe my proposals to streamline the administration of ERISA and reduce paperwork will strengthen our private retirement system which is so important to tens of millions of American workers and senior citizens.

IMPORTANCE OF MAINTAINING THE EXISTING SUBSTANTIVE STANDARDS IN ERISA IN ORDER TO PROTECT TENS OF MILLIONS OF SENIOR CITIZENS AND AMERICAN WORKERS

Mr. President, although it is essential to reduce paperwork under ERISA and streamline administration of the law, Congress must resist efforts to weaken the minimum standards of the law which are needed to protect the rights of pension plan participants and beneficiaries. I would like to take a few moments to briefly review the major provisions of ERISA and explain the reasons for enacting them.

One of the fundamental pension problems prior to ERISA involved the loss of pensions by workers who left their jobs after long periods of employment but before their earned pensions became vested because of unreasonable vesting requirements. Vesting occurs when an employee receives a nonforfeitable right to the money contributed to a pension plan on his behalf. Vesting may occur after an employee works for a company a specified number of years or after an employee reaches a certain age and number of years of service. Different pension plans contain different vesting formulas but once an employee's pension rights are vested, the employee is entitled to receive the benefits at the normal retirement age even if he leaves the company before that time. Wherever an employee goes, he retains an absolute right to any vested benefits he may have earned.

Unfortunately, the system did not always work. There were too many examples in which employees, with many years of service with a company, had been denied absolutely all of their earned pension benefits because they separated from their jobs just prior to fulfilling unreasonably stringent vesting requirements. They were left without a retirement income which they had confidently anticipated receiving, and on which they were dependent for decent survival.

For example, consider the case of Stephen Duane who worked at a New Jersey warehouse for 32 years during which time he was accumulating a pension. The warehouse was closed down in 1970 and Stephen Duane lost his job. He was 51 years old at the time, just 4 years short of his company's minimum pension age. As a result he lost all of his pension rights. Despite 32 years of service, during which time he was earning a pension, Stephen Duane received absolutely nothing.

The experience of Thomas Litchko, a father of five, is equally tragic. Mr. Litchko had been employed by the same Pennsylvania corporation for 20 years, during which time he was earning a pension. In the spring of 1972—when Mr. Litchko was 39 years old—his company closed down and he was informed that he had no vested rights, that he was not entitled to any pension whatsoever. Under the provisions of his pension plan, an employee had to reach the age of 40 before he would receive any vested rights. Thomas Litchko was only 1 year short of vesting and consequently lost 20 years' worth of accumulated pensions.

Another example of unreasonable vesting requirements involved the participants of a union-administered pension plan in Chicago. Each local within this union administered its own pension plan. Under terms of these plans a worker had to remain within the same local for 20 years in order to acquire any vested rights. Sometimes a slight shift in jobs—perhaps from the loading docks to the weighing station—involved a shift in union locals and a complete loss of all pension rights for an employee with less than 20 years on the first job.

These are only a few examples of the way countless numbers of American workers had been tragically victimized by unreasonable vesting provisions in their pension plans.

Such tragic losses of pension benefits are now prevented by ERISA. Under ERISA, the employer or union running the plan has the option of meeting one of three minimum vesting formulas. Under one formula, a worker would become 100-percent vested after 10 years of service. Under a second graded formula, a worker would become 25-percent vested after 5 years and vesting would increase by 5 percent a year for the next 5 years and by 10 percent a year for the following 5 years to provide full vesting after 15 years. The third alternative guarantees the worker 50 percent vesting whenever his age and service total 45 years or he has worked a minimum of 10 years and in either case, he is to reach 100 percent vesting after another 5 years.

Furthermore, under ERISA the worker must be allowed to join the plan at age 25, or after a year of service, whichever is later. If he enters at age 25, he can get up to 3 years of back credit toward vesting for years worked in the firm prior to age 25.

These formulas would have guaranteed the pension benefits of Stephen Duane and Thomas Litchko and countless other American workers.

However, a minimum vesting standard by itself most certainly would not provide a complete solution to the problems we witnessed in the private retirement system. Prior to the enactment of ERISA, there had been many tragic examples in which employees had been denied pension benefits—benefits that had actually vested—simply because the pension plan's assets were insufficient to meet all of its obligations.

This posed two related but very important problems—funding and termination insurance.

There is a clear need for minimum funding standards so that pension plans are accumulating sufficient assets to meet their obligations. It is also essential for all pension plans to acquire termination insurance to guarantee payment of vested benefits in the event that a plan happens to terminate with insufficient assets to meet its obligations. ERISA sets minimum funding standards and establishes a termination insurance program.

There were countless examples of pension plan failures that demonstrated this need. A classic example involved the closing of the Studebaker plant in South Bend, Ind., in 1964 and the accompanying termination of its pension plan. Even though this was a liberal plan which called for the systematic funding of liabilities, there were not enough assets available to pay all claims when the plan terminated. After the assets were distributed, 4,000 vested employees between the ages of 40 and 60 had received only 15 percent of their anticipated benefits. In fact, some 2,900 employees under the age of 40, some of whom were vested, were left with absolutely nothing.

Unfortunately, this was far from an isolated example.

Government statistics indicate that during 1972 alone more than 15,000 pension plan participants lost retirement benefits because their pension plans terminated with insufficient assets to meet all plan obligations. These amounted to more than $40 million in anticipated retirement incomes. Several thousand of these victims of pension plan terminations actually lost their entire earned pension, every single cent of it. For these individuals, the collapse of their retirement plan resulted in the loss of 100 percent of their hard earned pension.

As a result, ERISA established minimum funding standards so that all employers will make sufficient contributions to back up all vested benefits over a reasonable period of time. In addition, ERISA established a program of pension insurance—modeled after the Federal Deposit Insurance Corporation for banks—which will insure that all employees will be protected in the event that their plan does terminate before becoming fully funded.

The assets in private pension plans exceed more than $200 billion. It is essential that those who handle these vast sums of money discharge their duties in the interests of the plan participants and their beneficiaries. Workers' pension funds deserve strong fiduciary protection to insure that their interests are not subordinated to the self-enriching intrigues of "insiders" to the plan.

ERISA established judicially enforceable standards to insure honest, faithful, and competent management of pension and welfare plans.

There had been some notable examples of abuse resulting from conflicts of interest in the handling of pension plan assets. These abuses had been brought to the attention of Congress as a result of congressional investigations, Labor Department investigations as well as court litigation.

Let us examine some of these abuses.

For example, in 1960, the pension plan of a large retail store in Washington, D.C. purchased the real estate used for the retail store for $625,000. In 1968 the plan sold the real estate back to the store for $625,000. The plan and its participants did not realize any appreciation in the value of this real estate while held by the plan. Eight months after the store repurchased this real estate from the plan, it sold the property for $2,385,000.

Another example occurred in 1968 when the president of the X company took over the Y publishing company in Philadelphia. He directed that $6 million of Y's pension plan be invested in the Y publishing company even though Y had lost $62 million since 1961. The union sued the president and two other officials of Y, charging they had "misappropriated, fraudulently converted and dissipated" $6 million from the pension funds. The president got the board of directors of Y to pass a resolution saying that the Y plant in Philadelphia would be closed unless the union dropped its suit and allowed the company to withdraw another $4 million from the pension fund. In effect, the president of Y company said: "It will be put up or shut up. What do you want, the suit or jobs?"

A much discussed example of conflicting interests involving a union official and employee benefit plan participants was exposed by the Senate Permanent Subcommittee on Investigations in 1965. This investigation precipitated much of the original congressional interest in the Federal legislation imposing fiduciary standards on pension and welfare funds.

According to the subcommittee's report—

> George Barasch's domination of the two unions and of their employee benefit plans gave him effective control of approximately $15,500,000 that rightfully belonged to the members of the unions. This sum of money was held in the assets of the several corporations he formed and capitalized with the funds of the employee benefit plans and in the assets of the existing trust funds of the unions. He managed to achieve this position of power because in every fund established and maintained by the unions since they were organized, he served irrevocably either as lifetime sole trustee or as a lifetime union cotrustee.

Additionally, with loans from the funds, the union official established a management firm to administer these funds. He also created several foreign corporations, including "research foundations" in foreign countries into which various funds were channeled with total diversions of almost $5 million.

For his efforts, the union official, was well remunerated, including an annual salary of $35,000 from the management firm, $407,000 in life insurance coverage, and total retirement benefits of $54,098 per year for life—the pension benefit alone was valued at $796,925.

Under pressure from the Senate subcommittee and Federal and State agencies, he returned $4.2 million to the employee benefit funds, resigned as trustee of the funds, and subjected these funds to the supervision of the New York State Insurance Department. However, he was never prosecuted for any violations of law since State and Federal officials apparently concluded that no existing laws were violated.

The prohibited transaction sections of ERISA are needed to protect workers from these kinds of fiduciary abuses.

Unless an exemption is granted by the Secretaries of Labor and Treasury, a pension plan administrator is generally prohibited from engaging in the following transaction under ERISA:

The sale, exchange, or leasing of property between the plan and party-in-interest;

The lending of money or extension of credit between the plan and a party-in-interest;

The furnishing of goods, services, or facilities between the plan and a party-in-interest;

The transfer of assets for the benefit of a party-in-interest; or

The deposit or investment of plan assets outside the United States.

Prior to the enactment of ERISA, such transfers or uses of pension assets were permissible if the transaction was made for "adequate consideration." However, the "adequate consideration" requirement offered little protection for pension plan participants or the integrity of plan funds because the Government would have the difficult burden of proving that the fiduciary's determination of adequate consideration was not made in good faith. The better approach is to prohibit all such suspect transactions and avoid inequitable results through a liberal exemption procedure. The administrations of both President Johnson and President Ford supported the prohibited transaction sections that were incorporated in ERISA.

Mr. President, the paperwork imposed by the 1974 pension law is just one small portion of the overall Federal paperwork burden confronting all taxpayers.

Government agencies presently churn out billions of sheets of paperwork for the American people each year, probably enough to fill several major league baseball stadiums. Just to print, shuffle, and store all this paper costs government at all levels an estimated $18 billion annually.

And, at the receiving end of the red-tape tangle, it cost the American people, businessman, and worker alike, another $18 billion to fill out the mass of forms—Internal Revenue Forms, wage and price forms, unemployment forms, health forms, accident forms, social se-

curity forms, quarterly this and monthly that.

For many small businesses, this added expense proves to be the final straw that drives them out of business. And for those giant corporations that can afford accountants and lawyers to deal with all this paperwork—well, they are forced to pass the cost along to the consumer.

In terms of dollars and cents, or frustration and irritation, the endless tangle of paperwork imposed by the Government has become unbearable.

There are well over 5,000 forms in use in the Federal Government, excluding all tax and banking forms. There are 10 forms to be filled out each year for every man, woman and child in the United States. The private citizen is very literally inundated with requests for information.

Some have referred to the endless series of forms and documents as "strangulation in triplicate". Others call it "Federal forms pollution."

It is particularly difficult for small firms to absorb the cost of this paperwork. Small businessmen must employ outside accountants and lawyers to fill out complex forms and keep the extra recordkeeping involved. Professional assistance, of course, is expensive. Having few employees, the small firm finds it more difficult to spread the cost. A rise in per unit cost to cover paperwork can result in loss of sales and loss of competitive standing for small enterprises.

Small businesses, especially the mom and pop operations, must fill out numerous reports, as many as 52 tax forms in a single year. This is not an example of a government which is concerned and responsive to the needs of its people. It is not a government which is protecting free enterprises. It is instead a government that favors only those large concerns that can satisfy repetitious requests for data, statistics, and information.

I began, in the spring of 1973, to move against this slow and steady strangulation by redtape. I introduced legislation which created a Federal Paperwork Commission to study the massive paperwork burden and make recommendations to eliminate much of it.

Based upon recommendations of that Paperwork Commission as well as the recommendation of others, I formulated the "ERISA Simplification Act" which will cut paperwork and redtape with respect to this particular law.

I urge the Senate Human Resources and Finance Committee to promptly hold hearings on this important legislation.

Mr. President, I ask unanimous consent that a fact sheet on this bill be printed in the RECORD.

There being no objection, the fact-sheet was ordered to be printed in the RECORD, as follows:

FACT SHEET—SENATOR LLOYD BENTSEN'S PROPOSED "PENSION SIMPLIFICATION ACT OF 1977"

1. Help eliminate overlapping jurisdiction in the administration of ERISA—This legislation would help eliminate the serious problem of overlapping jurisdiction in the administration of the 1974 Pension Reform Act. This Act is formally entitled the Employee Retirement Income Security Act (ERISA). Under existing law, both the Labor Department and Internal Revenue Service jointly implement most provisions of ERISA. This situation has resulted in repetitious reporting requirements and excessive delays in the issuance of rules and regulations. For example, the Internal Revenue Service and the Department of Labor have received nearly 600 requests for exemptions from prohibited transaction provisions of ERISA, yet after 29 months only 12 final exemptions have been issued. It took the two agencies 26 months just to agree to a procedure whereby applications for exemptions would be considered in a coordinated fashion.

To remedy these problems, this legislation would carefully divide pension jurisdiction between the Labor Department and Internal Revenue Service so as to minimize the existing overlap. Under this proposal, the Internal Revenue Service would be given complete and exclusive jurisdiction over the areas of vesting, funding and participation while the Labor Department would be given exclusive jurisdiction over the areas of fiduciary responsibility and prohibited transactions. The Pension Benefit Guarantee Corporation which is within the Labor Department would continue to implement the termination insurance program. Today most of the vesting, funding and participation requirements under ERISA are already administered by IRS and thus the Internal Revenue Service is clearly the most appropriate agency to have exclusive jurisdiction over these particular standards. Similarly, because the Labor Department has been the primary enforcement agency for prohibited transactions and fiduciary responsibility under ERISA, the Labor Department should have exclusive jurisdiction over that portion of the law.

Under the proposal, if the Internal Revenue Service, during the course of a tax audit, learns of the existence of a prohibited transaction or other fiduciary violation, this information would be required to be referred to the Labor Department and the Justice Department for appropriate action. Under this proposal, the Internal Revenue Service would be given flexible enforcement powers such as exclusive tax powers and general equitable remedies to enable IRS to enforce the vesting, funding and participation standards in such a way as to best protect the rights of pension plan participants and beneficiaries. In addition, pension plan participants would be able to appeal all decisions of the IRS as well as the Labor Department in Federal court under this legislation.

2. *Reduction of paperwork*—Several changes in the statutory reporting requirements of ERISA are needed to simplify and reduce the paperwork. Accordingly, under this legislation, the Secretary of the Treasury and the Secretary of Labor will be directed to formulate to the maximum extent feasible, a single annual form with a single filing date which would be filed with the Internal Revenue Service every year by pension plans. Different types of forms could be provided for different types of retirement plans. However, pension plans would generally be required to file only one form annually with the Federal Government. A copy of this form would then be made available to the Department of Labor. Separate annual pension forms by the IRS, Labor Department and the Pension Benefit Guarantee Corporation are generally unnecessary and impose an unnecessary cost burden on businesses and unions throughout the Nation.

The long "laundry list" of specific information which must be included in annual reports of pension plans pursuant to Section 103 of ERISA would be repealed by this legislation. Section 103 of ERISA is a six-page detailed list of reporting requirements, some of which are not necessary for all plans. Instead, the Secretaries of Labor and Treasury would be given discretion to require only such information as is needed to protect the rights of pension plan participants and beneficiaries.

3. *Help eliminate administrative backlogs and delays*—This legislation *would also help* eliminate the long delays that now face pension plans in obtaining administrative decisions and rulings. Under the proposal, plans would be able to seek a declaratory judgment in Federal court if, within 180 days after a request for any tax qualification, variance or other exemption from ERISA, the appropriate agency has failed to make a determination. This provision would simply expand the existing declaratory judgment procedure of Section 1041 of ERISA.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill introduced by the Senator from Texas (Mr. BENTSEN), relative to the Internal Revenue Code and the Employee Retirement Income Security Act of 1974, be jointly referred to the Committees on Finance and Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. PEARSON:

S. 902. A bill to assure that the Federal Government protects and serves the interests of consumers, and for other purposes.

CONSUMER PROTECTION ACT OF 1977

Mr. PEARSON. Mr. President, I introduce for appropriate reference a bill entitled the "Consumer Protection Act of 1977." This legislation is designed to improve materially the representation of consumer interests within the various Federal agencies and before the Federal courts. This bill would not establish an independent Federal agency charged with consumer representation duties. As an alternative to that approach, my bill would establish within each significant Federal agency an Office of Consumer Counsel—OCC—with statutory protection to assure its independence within reasonable bounds.

Mr. President, the Congress has debated for nearly a decade the most effective means to promote effective consumer representation. The major bills advanced have been so controversial that no general legislation has been enacted that applies across-the-board to all agencies with significant responsibilities that affect consumer interests.

If the only choices before the Congress were either the creation of a new consumer agency or the preservation of the status quo, I would favor the former option over the status quo. There are other options, however, which have not received adequate consideration. Among those is the plan set forth in the bill that I offer today.

Mr. President, under the bill that I am introducing, each significant Federal agency would be reorganized to assure that each such agency maintains internal processes and procedures for the effective representation and protection of consumer interests. The keystone of this reorganization plan is the establishment, within each agency, of an Office of Consumer Counsel. These offices

would be assured independence through statutory guarantees and prerogatives. But the jurisdiction of an OCC would be limited to the respective limits of its parent agency. Thus, the OCC within the Department of Transportation would become an expert on the programs and policies of DOT as they affect consumer interests.

The bill further would establish within the Department of Justice a Division of Consumer Protection and Advocacy. This new division would be directed to assist and support the various OCC's within the Federal Establishment. It would also coordinate consumer advocacy throughout the executive branch of the Government.

Mr. President, this bill has been carefully drafted to insure effective independence for each OCC established within the executive branch. It has been carefully drafted to insure that reasonable limits are placed on the OCC's in their efforts to provide consumer representation within the agencies and before the courts.

A Consumer Counsel, for example, would have the authority, as a matter of right to intervene or otherwise participate in any proceeding or activity of his parent agency that substantially affects consumer interests. But he would be subject to the ordinary rules of procedure that govern other parties to the proceeding.

The Consumer Counsel of a Federal agency would have authority to initiate a civil action for the review of agency action provided that he had exhausted his administrative remedies for intervention. A Consumer Counsel would have the authority, as a matter of right, to intervene or otherwise participate in any civil action in a Federal court for the review or enforcement of an agency action involving his parent agency.

It should be noted, however, that the initiation of a judicial proceeding—either by the relevant Consumer Counsel or Assistant Attorney General for Consumer Protection and Advocacy—would not alter or affect the scope of review otherwise applicable to the agency action involved.

The various Consumer Counsels would have access, generally, to information held by their parent agencies subject to a statutory list of conditions designed to insure the protection of trade secrets, personnel files, and classified information.

Mr. President, in these remarks I have outlined only the major elements of my bill. The objectives of the bill include the effective representation of consumer interests within each agency. A superagency with far-reaching powers of subpena and jurisdiction, as others have proposed to be established, could never develop the expertise or degree of specialization required to deal effectively with diverse consumer issues as they arise throughout the Federal executive branch. Because such a superagency would lack specific expertise, its leaders would be tempted to become headhunters or muckrakers. The thousands of consumer issues that arise each day would be ignored as the sensational issue with the most potential publicity is pursued.

Mr. President, the consumers of America do not need muckrakers; they need specialists, or ombudsmen, in each agency to pore over the more than 60,000 pages of the Federal Register that are published each year. Under the bill that I am today proposing, consumers could expect relatively independent consumer counsels to work for their interests day by day, in the patient pursuit of fairness and equity in the law.

Mr. President, unlike some other consumer proposals, my bill does not extend to consumer counsels subpena power beyond the powers of their parent agencies. It is grossly unfair to suggest that consumer advocates should have powers of subpena or information gathering greater than those officials who are directly responsible, as line officers in the executive branch, for the protection of the interests of all citizens.

If greater information gathering power is needed by Government, it should be extended directly to Cabinet officers, not simply to consumer advocates who watchdog the performance of Cabinet officers.

Mr. President, the 95th Congress will no doubt be the final Congress in which legislation to establish an independent Consumer Protection Agency is considered. Over the next 2 years, the issue will be decided one way or another.

Before the Senate makes it final judgment on this longstanding policy question, I suggest that my alternative, as introduced today, should be evaluated carefully.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 902

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Protection Act of 1977".

SEC. 2. DECLARATION OF POLICY.

(a) FINDINGS.—The Congress finds and declares the following:

(1) In the execution of its constitutional and statutory responsibilities, the Federal Government and the agencies thereof—

(A) should consistently, completely, and adequately represent the interests of consumers;

(B) should not promulgate regulations or adopt policies without first developing information as to their impact on consumers; and

(C) should act in such manner as to protect and serve the interests of consumers.

(2) The most effective and cost-efficient way to assure such representation and protection of consumers is to establish—

(A) an independent Office of Consumer Counsel within each significant operating unit of the executive branch of the Federal Government; and

(B) a Division of Consumer Protection and Advocacy in the Department of Justice to assist and support such Offices and to serve as the coordinating agency for consumer advocacy.

(b) PURPOSES.—

(1) It is the purpose of the Congress in this Act to reorganize each significant operating unit of the executive branch to the extent necessary to assure that each such unit, through an independent Office of Consumer Counsel, maintains internal processes and procedures for adequately representing, protecting, and serving the interests of consumers at all stages in, and in all phases of, the formulation, implementation, and review of policies, programs, regulations, and legislative recommendations.

(2) It shall be the specific purpose of each Office to represent the interests of consumers before and within the Federal agency of which it is a part and before the Federal courts in matters relating to such agency; to receive, transmit, evaluate, and report on consumer complaints; to develop and disseminate information of interest to consumers; and to perform other functions to protect and promote the interests of consumers. In the exercise of its functions, powers, and duties, each such Office shall be independent of all other offices and officers of the agency of which it is a part.

(3) It shall be specific purpose of the Division of Consumer Protection and Advocacy of the Department of Justice, in addition to such other functions as may be assigned to such Division by law or by the Attorney General, to—

(A) provide data, information, advocacy training, and other appropriate services to each Office and to provide a forum for coordinating the activities and assuring the independence and effectiveness of the Offices;

(B) assist any Consumer Counsel in representing the interests of consumers before the Federal courts;

(C) promote, through appropriate litigation, legislative recommendation, and recommendations to any Office the protection of consumers with respect to—

(i) the safety, quality, purity, potency, healthfulness, durability, performance, repairability, effectiveness, dependability, availability, truthful representation, and cost of any goods, services, credit or other property;

(ii) assuring consumer choice and competitive markets;

(iii) preventing unfair or deceptive trade practices and restraints on trade; and

(iv) the legal rights and access of consumers to speedy, effective, and inexpensive mechanisms for the resolution of consumer controversies.

SEC. 3. DEFINITIONS.

As used in this Act, unless the context otherwise requires—

(1) The term "agency action" includes the whole or any part of an agency "rule", "order", "license", "sanction", or "relief" (as defined in section 551 of title 5, United States Code), or the equivalent thereof, the denial thereof, or the failure to act.

(2) The term "agency activity" means any agency process, or phase thereof, conducted pursuant to any authority, or responsibility under law.

(3) The term "agency proceeding" means agency "rulemaking", "adjudication", or "licensing" (as defined in section 551 of title 5, United States Code).

(4) The term "commerce" means trade, traffic, commerce, or transportation, (A) between a place in a State and any place outside of such State, or (B) which affects trade, traffic, commerce, or transportation described in clause (A).

(5) The term "consumer" means any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any goods, services, credit, or other property for personal, family, agricultural, or household purposes.

(6) The term "Consumer Counsel" means, with respect to a Federal agency, the officer who is appointed pursuant to this Act to represent the interest of consumers in accordance with this Act.

(7) The term "Federal agency" or "agency" means the Departments of Agriculture, Defense, Commerce, Health, Education, and Welfare (other than the Food and Drug Ad-

ministration), Housing and Urban Development, Interior, Labor, Transportation, and Treasury; the Civil Aeronautics Board; the Consumer Product Safety Commission; the Energy Research and Development Administration; the Environmental Protection Agency; the Federal Communications Commission; the Federal Energy Administration; the Federal Maritime Commission; the Federal Power Commission; the Federal Trade Commission; the Interstate Commerce Commission; the Food and Drug Administration; the National Aeronautics and Space Administration; the National Transportation Safety Board; the Securities and Exchange Commission; the General Services Administration; the Small Business Administration; and any successors thereto.

(8) The term "Federal court" means any court of the United States.

(9) The term "interest of consumers" means any health, safety, or economic concern of consumers involving goods, services, credit, or other property, or the advertising or other representation thereof, which is or may become the subject of any commercial offer or any transaction affecting commerce or which may be related to any term or condition of such offer or transaction. Such offer or transaction need not involve the payment or promise of a consideration.

(10) The term "Office" means any Office of Consumer Counsel established pursuant to section 4 of this Act.

(11) The term "participation" includes any form of submission.

(12) The term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Canal Zone, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

(13) The term "submission" means participation through the presentation or communication of relevant evidence, documents, arguments, or other information.

SEC. 4. ESTABLISHMENT.

(a) OFFICES OF CONSUMER COUNSEL.—There shall be established within each Federal agency, within 60 days after the date of enactment of this Act and pursuant to a plan of reorganization prepared by the head of each such agency to provide for adequate representation of the interests of consumers, an independent Office of Consumer Counsel. Each such Office shall be directed and administered by a Consumer Counsel. Each Consumer Counsel shall be appointed by the President, by and with the advice and consent of the Senate, for a fixed term of office not to exceed 3 years. The terms of office of the Consumer Counsel appointed initially shall be staggered, in a manner compatible with the oversight responsibilities of the Congress, to assure that all such terms do not expire simultaneously. Each Consumer Counsel shall be compensated at a rate not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code. Each Consumer Counsel shall be an individual who, by reason of training or experience, and attainments, is qualified to represent effectively and independently the interests of consumers. Upon the expiration of his term of office, each Consumer Counsel shall continue in office until reappointment or until the appointment and qualification of his successor.

(b) DIVISION OF CONSUMER PROTECTION AND ADVOCACY IN THE DEPARTMENT OF JUSTICE.—

(1) There is established, within the Department of Justice, a Division of Consumer Protection and Advocacy, which shall be directed by the Assistant Attorney General for Consumer Protection and Advocacy.

(2) Chapter 31 of title 28, United States Code, is amended by adding immediately after section 507 thereof, the following new section 507a:

"§ 507a. Assistant Attorney General for Consumer Protection and Advocacy

"The President shall appoint, by and with the advice and consent of the Senate, an Assistant Attorney General for Consumer Protection and Advocacy, pursuant to the Consumer Protection Act of 1977.".

(3) The analysis of chapter 31 of title 28, United States Code, is amended by adding at the appropriate place the following new item:

"507a. Assistant Attorney General for Consumer Protection and Advocacy.".

(4) Paragraph (19) of section 5315 of title 5, United States Code, is amended by striking out "(9)" and inserting in lieu thereof "(10)".

SEC. 5. POWERS AND DUTIES OF EACH CONSUMER COUNSEL.

(a) IN GENERAL.—Each Consumer Counsel shall be responsible for exercising the powers, duties, and functions provided for in this Act.

(b) SPECIFIC POWERS AND DUTIES.—Each Consumer Counsel may, in carrying out his functions under this Act and to the extent funds are appropriated—

(1) select, appoint, employ, and fix the compensation (subject to the civil service and classification laws) of such officers and employees as are necessary to carry out the provisions of this Act, and shall prescribe the authority and duties of such officers and employees;

(2) employ and pay the expenses of experts and consultants, in accordance with section 3109 of title 5, United States Code, at daily rates (including traveltime) not in excess of the maximum rate of pay for grade GS–18, as provided in section 5332 of such title 5;

(3) promulgate, in accordance with the applicable provisions of chapter 5 of title 5, United States Code, such rules, regulations, and procedures as may be necessary to carry out the provisions of this Act and to assure fairness to all affected persons;

(4) delegate authority for the performance of any function to any officer or employee under his direction and supervision;

(5) utilize, with their consent, the services, personnel, and facilities of State, regional, local, and private agencies and instrumentalities;

(6) accept voluntary uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(7) conduct conferences and hearings and otherwise secure data and expression of opinion;

(8) accept unconditional gifts or donations of services, money, or property (real, personal, or mixed, tangible or intangible);

(9) designate representatives to maintain effective liaison with (A) the Assistant Attorney General for Consumer Protection and Advocacy, (B) other Offices, and (C) State and local agencies carrying out programs and activities related to the interests of consumers; and

(10) perform such other administrative activities as may be necessary for the effective fulfillment of his duties and functions.

(c) REPORTS.—Each Consumer Counsel shall prepare and submit a quarterly report, on the activities of his Office to the head of the Federal agency of which such Office is a part and to the Assistant Attorney General for Consumer Protection and Advocacy. The annual report of each Federal agency shall include a separate section, which shall be prepared independently by the Consumer Counsel for such agency, on the consumer protection activities of such agency and on such agency's effectiveness in representing, protecting, and serving the interests of consumers. Each such separate section of each such annual report shall include, but not be limited to, a description and analysis of—

(1) the activities of the Office, including its representation of the interests of consumers.

(2) the relevant Federal agency actions and Federal court decisions affecting the interests of consumers;

(3) the appropriation by Congress for the Office, the distribution of appropriated funds for the current fiscal year, and a general estimate of the resource requirements of the Office for each of the next 3 fiscal years; and

(4) the extent of participation by consumers in the activities of the Office, and the effectiveness of the representation of consumers before the agency of which the Office is a part.

(d) DUTIES OF EACH FEDERAL AGENCY.—Each office and officer of the agency of which an Office is a part shall provide such Office with such information and data as the Consumer Counsel requests, except as provided in section 11 of this Act. The budget requests and budget estimates of each Office shall be submitted by the agency of which it is a part directly to the Congress, and moneys appropriated for the use of such an Office shall not be used by the agency of which it is a part for any other purpose.

SEC. 6. FUNCTIONS OF EACH CONSUMER COUNSEL.

Each Consumer Counsel shall—

(1) represent the interests of consumers within and before the agency of which his Office is a part and before the courts, to the extent authorized by section 7 of this Act;

(2) conduct and support research, and studies, to the extent authorized by section 10 of this Act;

(3) submit recommendations annually, to the Assistant Attorney General for Consumer Protection and Advocacy, the appropriate committees of the Congress, and the head of the agency of which his Office is a part, on measures to improve the operation of such agency and of the Federal Government in general in the protection and promotion of the interests of consumers, including, but not limited to, any reorganization recommendations;

(4) receive, transmit to appropriate officials, and make publicly available consumer complaints, to the extent authorized in section 8 of this Act;

(5) conduct conferences, surveys, and investigations, including economic surveys, concerning the needs, interests, and problems of consumers: *Provided*, That such conferences, surveys, or investigations are not duplicative in significant degree of similar activities conducted by other Federal officials or agencies;

(6) cooperate with State and local governments and encourage private enterprise in the promotion and protection of the interests of consumers;

(7) keep the appropriate committees of Congress fully and currently informed of all the activities of his Office;

(8) encourage the adoption and expansion of effective consumer education programs;

(9) encourage the application and use of new technology, including patents and inventions, for the promotion and protection of the interests of consumers;

(10) encourage the development of informal dispute settlement procedures involving consumers;

(11) encourage meaningful participation by consumers in the activities of his Office;

(12) publish information and material obtained and developed in carrying out his responsibilities under this Act, including, but not limited to, a consumer register of matters that may be useful to consumers; and

(13) perform other activities which are recommended by the Assistant Attorney General for Consumer Protection and Advocacy or which he deems necessary for the effective fulfillment of his duties and functions.

SEC. 7. REPRESENTATION OF CONSUMERS.

(a) ADMINISTRATIVE REPRESENTATION.—(1) If a Consumer Counsel finds that the result of a relevant proceeding or activity of the Federal agency of which his Office is a part may substantially affect an interest of consumers, such Consumer Counsel may, as of right, intervene as a party or otherwise participate in such proceeding or activity, for the purpose of representing an interest of consumers. If a Consumer Counsel finds, with respect to the Federal agency of which his Office is a part, that the result of any relevant agency proceeding, which—

(A) is subject to the provisions of section 553, 554, 556, or 557 of title 5, United States Code;

(B) involves a hearing that is required by any statute, regulation, or practice;

(C) is conducted on the record after opportunity for an agency hearing; or

(D) is subject to a requirement of public notice and opportunity for comment.

may substantially affect an interest of consumers, such Consumer Counsel may, as of right, intervene as a party or otherwise participate in such proceeding, for the purpose of representing an interest of consumers. A Consumer Counsel shall refrain from intervening as a party in any proceeding unless such intervention is necessary to represent adequately an interest of consumers. Each Consumer Counsel shall comply with the relevant statutes and procedural rules of general applicability governing the timing of intervention or participation in such Federal agency proceeding or activity. Upon intervening or participating in a Federal agency proceeding or activity, a Consumer Counsel shall comply with any relevant statutes and procedural rules of general applicability. The intervention or other participation of a Consumer Counsel, pursuant to this subsection, shall not affect the obligation of the Federal agency involved to assure procedural fairness to all participants.

(2) The Assistant Attorney General for Consumer Protection and Advocacy may, upon the request of a Consumer Counsel, assist such Consumer Counsel in any such Counsel's intervention or other participation in a Federal agency proceeding or activity, pursuant to this subsection, and may, in an appropriate circumstance, recommend such intervention or other participation to any applicable Consumer Counsel.

(3) Whenever a Consumer Counsel determines to intervene or otherwise participate in a proceeding, pursuant to this subsection, such Consumer Counsel shall publish in the Federal Register a statement setting forth his findings under paragraph (1) and the specific interest of consumers sought to be protected. Upon intervening or participating, such Consumer Counsel shall file a copy of such statement in the proceeding.

(b) JUDICIAL REPRESENTATION.—A Consumer Counsel shall, in accordance with the provisions of this subsection, have the same right that any aggrieved person has under any law to initiate or participate in any Federal court proceeding with respect to any action of the Federal agency of which his Office is a part:

(1) A Consumer Counsel may, as of right, and in the manner prescribed by law for an aggrieved person, initiate a civil action in a Federal court for the review of an agency action of the Federal agency of which his Office is a part if such Consumer Counsel determines that such action may substantially affect an interest of consumers. The Assistant Attorney General for Consumer Protection and Advocacy may, as of right, and in the manner prescribed by law for an aggrieved person, initiate a civil action in a Federal court for the review of an agency action of any Federal agency if such Assistant Attorney General determines that such action may substantially affect an interest of consumers. If the applicable Consumer Counsel did not intervene or otherwise participate in the relevant Federal agency proceeding or activity out of which such agency action arose, the court shall determine whether the Consumer Counsel's initiation of a judicial proceeding pursuant to this subsection would impede the interests of justice.

(2) A Consumer Counsel may, as of right, and in the manner prescribed by law for an aggrieved person, intervene or otherwise participate in any civil action in a Federal court if such civil action involves the review or enforcement of an agency action of the Federal agency of which his Office is a part, if he determines that such civil action may substantially affect an interest of consumers. The Assistant Attorney General for Consumer Protection and Advocacy may, as of right, and in the manner prescribed by law for an aggrieved person, intervene or otherwise participate in any civil action in a Federal court if such civil action involves the review or enforcement of an agency action of any Federal agency if such Assistant Attorney General determines that such civil action may substantially affect an interest of consumers.

(3) The initiation of a judicial proceeding, or any other participation, by a Consumer Counsel or by the Assistant Attorney General for Consumer Protection and Advocacy, in a judicial proceeding pursuant to this subsection shall not alter or affect the scope of review otherwise applicable to the agency action involved.

(c) REQUEST FOR JUDICIAL REVIEW.—Whenever a Consumer Counsel, or the Assistant Attorney General for Consumer Protection and Advocacy, determines it to be in the interest of consumers, he may request the relevant Federal agency to initiate a judicial proceeding for review, or to take such other action, as may be authorized by law with respect to such agency. If such Federal agency fails to take the action requested, it shall promptly notify such Consumer Counsel or Assistant Attorney General of its reasons therefor, and such notification shall be a matter of public record.

(d) TITLE OF APPEARANCES.—Appearances by a Consumer Counsel under this Act shall be in the name of his Office and shall be made by qualified representatives designated by the Consumer Counsel involved. Appearances by the Assistant Attorney General for Consumer Protection and Advocacy shall be in the name of the United States unless the Attorney General otherwise provides, in which case such an appearance shall be in the name of such Assistant Attorney General, and shall be made by qualified representatives of the Department of Justice designated by such Assistant Attorney General and by qualified representatives designated by any Consumer Counsel involved.

(e) POWERS.—A Consumer Counsel is authorized, with respect to any Federal agency proceeding in which such Consumer Counsel is intervening or otherwise participating, to request such Federal agency to issue such orders as it is authorized to issue pursuant to its statutory powers, for the copying of documents, papers, and records; for the summoning of witnesses and the production of books and papers; and for the submission of information in writing. Such Federal agency shall issue any such orders upon a statement or showing by such Consumer Counsel as to the general relevance or reasonableness thereof.

(f) PROHIBITION.—No Consumer Counsel is authorized to intervene in any proceedings or activity before any State or local agency or court.

(g) RULES CHANGES.—Each Federal agency shall review its rules of procedure of general applicability, and, after consultation with its Consumer Counsel, shall issue any additional rules which may be necessary to provide for such Consumer Counsel's orderly intervention and other participation, in accordance with this section, in its proceedings and activities which may substantially affect the interests of consumers.

SEC. 8. CONSUMER COMPLAINTS.

(a) IN GENERAL.—Whenever a Consumer Counsel receives from any person any complaint or other information which discloses—

(1) an apparent violation of law, agency rule or order, or a judgment, decree, or order of a Federal court relating to an interest of consumers; or

(2) a commercial, trade, or other practice which is detrimental to an interest of consumers;

such Consumer Counsel shall, unless he determines that such complaint or information is frivolous or outside the jurisdiction of the agency of which his Office is a part, promptly transmit such complaint or information to the Federal official which has the authority to enforce any relevant law or to take appropriate action. Each Federal agency shall keep the appropriate Consumer Counsel informed to the greatest extent practicable of any action which it is taking on complaints transmitted by him.

(b) NOTIFICATION.—Each Consumer Counsel shall, to the greatest extent practicable, notify producers, distributors, retailers, lenders, or suppliers of goods, services, and credit of all complaints of any significance concerning them received or developed under this section, unless such Consumer Counsel determines that to do so is likely to prejudice or impede an action, investigation, or prosecution concerning an alleged violation of law.

(c) PUBLIC AVAILABILITY.—Each Consumer Counsel shall maintain a public document room for public inspection and copying (without charge or at a reasonable charge, not to exceed cost), containing an up-to-date listing of all consumer complaints of any significance which such Consumer Counsel has received, arranged in meaningful and useful categories, together with annotations of actions taken in response thereto. Unless a Consumer Counsel, for good cause, determines not to make any specific complaint available, complaints listed shall be made available for public inspection and copying: *Provided*, That—

(1) the party complained against has had a reasonable time to comment on such complaint and such comment, when received, is displayed together with the complaint;

(2) the Federal official to whom the complaint has been referred has had a reasonable time to notify the Consumer Counsel what action, if any, he intends to take with respect to the complaint; and

(3) no unsigned complaints shall be placed in the public document room.

(d) EVALUATION OF AND REPORTING ON COM-

PLAINT HANDLING PROCESSES.—Each Consumer Counsel shall evaluate the complaints received and transmitted and the effectiveness and efficiency with which such complaints are acted upon by the Federal agency of which his Office is a part. A summary of such evaluations, and recommendations for improvement, shall be included in the reports prepared by each such Consumer Counsel pursuant to section 5(c).

SEC. 9. CONSUMER INFORMATION.

(a) IN GENERAL.—In order to carry out the purposes of this Act, each Consumer Counsel shall—

(1) develop on his own initiative and shall, subject to the other provisions of this Act, gather from the other offices and officers of the Federal agency of which his Office is a part and from any other source; and

(2) disseminate to the public (in such manner, at such times, and in such form as he determines to be most effective)

information, statistics, and other data, including, but not limited to, any matter over which such Federal agency has jurisdiction concerning—

(A) the functions and duties of the Office;

(B) consumer products and services;

(C) problems encountered by consumers generally or conditions, situations, developments, or practices which may adversely affect consumers; and

(D) notices of hearings, proposed and final rules and orders, and other pertinent activities of such Federal agency that may affect consumers.

(b) DUTY OF COOPERATION.—All Federal agencies which possess information which would be useful to consumers shall cooperate with the appropriate Consumer Counsel in making information developed and gathered under subsection (a) available to the public in understandable form.

SEC. 10. STUDIES.

Each Consumer Counsel may conduct, support, or assist research, studies, plans, investigations, conferences, and surveys concerning the interests of consumers: *Provided*, That such activities are not duplicative of similar efforts by other Consumer Counsels or any Federal agency.

SEC. 11. ACCESS TO INFORMATION BY CONSUMER COUNSELS.

(a) IN GENERAL.—Upon written request by a Consumer Counsel, the Federal agency of which his Office is a part, shall furnish or allow access to all documents, papers, and records in its possession which such Consumer Counsel deems necessary for the performance of his functions and shall furnish, at cost, copies of specified documents, papers, and records. Notwithstanding this subsection, a Federal agency may deny a Consumer Counsel access to and copies of—

(1) information classified in the interest of national defense or national security by an individual authorized to classify such information under applicable Executive order or statutes, and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act (42 U.S.C. 2011 et seq.);

(2) personnel and medical files and similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy;

(3) Information which such Federal agency is expressly prohibited by law from disclosing to another Federal agency, including, but not limited to, such expressly prohibited information contained in or related to examination, operating, or condition reports concerning any individual financial institution prepared by, on behalf of, or for the use of an agency responsible for regulation or supervision of financial institutions;

(4) information which would disclose the financial condition of individuals who are customers of financial institutions; and

(5) trade secrets and commercial or financial information described in section 553(b)(4) of title 5, United States Code—

(A) obtained prior to the effective date of this Act by such Federal agency, if the agency had agreed to treat and has treated such information as privileged or confidential and states in writing to the appropriate Consumer Counsel that, taking into account the nature of the assurances given, the character of the information requested, and the purpose, as stated by the Consumer Counsel, for which access is sought, to permit such access would constitute a breach of faith by such agency; or

(B) obtained subsequent to the effective date of this Act by such Federal agency, if the agency has agreed in writing as a condition of receipt to treat such information as privileged or confidential, on the basis of its reasonable determination set forth in writing that such information was not obtainable without such an agreement and that failure to obtain such information would seriously impair performance of such agency's function.

(b) ACCESS TO TRADE SECRET INFORMATION.—Before granting a Consumer Counsel access to trade secrets or commercial or financial information described in section 552(b)(4) of title 5, United States Code, the Federal agency of which such Counsel's Office is a part shall notify the person who provided such information of its intention to provide such access, and shall afford such person a reasonable opportunity, not to exceed 10 days, to comment thereon or seek injunctive relief prohibiting such access. If a Federal agency denies access to any information to a Consumer Counsel, pursuant to this subsection, the head of such agency and the appropriate Consumer Counsel (and the Assitant Attorney General for Consumer Protection and Advocacy, if requested by such Counsel) shall seek to find a means of providing the information in such other form, or under such conditions, as will meet such agency's objections.

SEC. 12. DISCLOSURE OF INFORMATION BY CONSUMERS COUNSEL.

(a) IN GENERAL.—Except as provided in this section, section 552 of title 5, United States Code, shall govern the release of information by any Consumer Counsel, by any employee or agent of any Office, or by the Assistant Attorney General for Consumer Protection and Advocacy.

(b) PROHIBITION.—No Consumer Counsel, or officer or employee of any Office shall disclose to the public any information which was received solely from its Federal agency when such agency has notified the Consumer Counsel that—

(1) such information is within any exception set forth in section 552(b) of title 5, United States Code; and

(2) such agency has determined that such information should not be made available to the public.

If such Federal agency specifies that any such information may be disclosed to the public in a particular form or manner, such information may be disclosed by such Consumer Counsel in the form or manner specified.

SEC. 13. AUTHORIZATION OF APPROPRIATIONS.

For purposes of this Act, existing appropriated funds should be utilized to the greatest extent possible. However, there are authorized to be appropriated such sums as are necessary, not to exceed $500,000 for each Office for the fiscal year ending September 30, 1977, and $500,000 for the fiscal year ending September 30, 1978.

By Mr. GOLDWATER (for himself, Mr. DOLE, and Mr. LAXALT):

S.J. Res. 34. A joint resolution to designate the week commencing with the third Monday in February of each year as "National Patriotism Week"; to the Committee on the Judiciary.

NATIONAL PATRIOTISM WEEK

Mr. GOLDWATER. Mr. President, patriotism may be out of style in some circles in America today, but fortunately this is not the case with most, or all Americans.

Miss Lori Cox of Scottsdale, Ariz., is one citizen who is proud to say that she loves her country. She not only has carried on a one-woman battle to have our Pledge of Allegiance given in her school's classrooms once again, but she is now proposing that 1 week in each year be set aside for ceremonies when Americans can join together in expressing their pride in being patriots.

Last Congress, such a proposal was introduced in the Senate by Senator Fannin and by Congressman JOHN RHODES in the House of Representatives. On January 12 of this year, Congressman RHODES reintroduced his legislation as House Joint Resolution 135 and I am delighted today to offer the identical proposal in the Senate, for myself, the Senator from Nevada (Mr. LAXALT), and the Senator from Kansas (Mr. DOLE).

Mr. President, I would emphasize that one provision of the resolution encourages primary and secondary schools to adopt an appropriate curriculum for the week which is designated as National Patriotism Week, and I would hope that schools in all States would be willing to do this on a voluntary basis.

For it is inspiring to me that this proposal is being urged by a young person and is aimed especially at fostering a rejuvenation of patriotism among young Americans. This is the distinctive part of the proposal.

We now have a Veterans Day and a Constitution Week. We have the Fourth of July, Flag Day, and the National Flag Week. But what time do we have set aside especially for the expression and promotion of patriotism among young people?

The answer is that we have no such day or week, and that is exactly why it is so important that we establish on an annual basis a National Patriotism Week.

According to Miss Cox, the proposal has been endorsed by at least six national organizations that have committed themselves to assisting schools voluntarily and financially in conducting the special curriculum or ceremonies each year during this week. These organizations are:

Military Order of World Wars;
American Legion;
Marine Corps League;
Disabled American Veterans;
Benevolent and Protective Order of Elks; and
Retired Officers Association.

With such an open pledge of continued support on an annual basis, it is

most important that the proposal be adopted not only for 1 year, but as an annual proclamation.

Mr. President, there are many who downgrade devotion to our country and have lost their faith in the wonderful principles which the Founding Fathers and early patriots fought for as a part of our freedom; and it is a special honor for me to offer legislation which may serve as a rallying point for the great majority of Americans who still retain their confidence in our beliefs, traditions, and future.

Mr. DOLE. Mr. President, today I am proud to join Senator GOLDWATER in introducing a joint resolution to designate a "National Patriotism Week." During this past Bicentennial Year we have experienced many good feelings about ourselves and our country—feelings that were badly needed after several years of conflict and strife. What could be a better way to keep those positive feelings strong than by setting aside 1 week out of each year to rededicate ourselves to the ideals on which this country was founded.

ADDITIONAL COSPONSORS

S. 196

At the request of Mr. BURDICK, the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 196, to amend the Internal Revenue Code of 1954.

S. 201

At the request of Mr. BURDICK, the Senator from Michigan (Mr. RIEGLE) and the Senator from Indiana (Mr. BAYH) were added as cosponsors of S. 201, to amend title 39 of the United States Code.

S. 225

At his own request, the Senator from Kansas (Mr. DOLE) was added as a cosponsor to S. 225, to amend the Federal Credit Union Act.

S. 256

At his own request, the Senator from Delaware (Mr. ROTH) was added as a cosponsor of S. 265, to amend the Federal Aviation Act of 1965.

S. 292

At the request of Mr. PEARSON, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 292, the Commercial Aviation Regulatory Reform Act of 1977.

S. 317

At the request of Mr. MCGOVERN, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 317, to provide service pensions for World War I veterans and their widows.

S. 396

At the request of Mr. DOMENICI, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 396, to provide full medicare coverage to beneficiaries temporarily out of the United States.

S. 459

At the request of Mr. CHURCH, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 459, a bill to authorize reduced air fares for youth and elderly.

S. 517 AND S. 518

At the request of Mr. NELSON, the Senator from Minnesota (Mr. HUMPHREY), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from New Jersey (Mr. CASE), the Senator from Montana (Mr. MELCHER), and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 517, the Federal Employees Flexible and Compressed Work Schedules Act, and S. 518, the Part-Time Career Opportunity Act.

S. 519

At the request of Mr. MCGOVERN, the Senator from Louisiana (Mr. JOHNSTON), the Senator from Indiana (Mr. LUGAR), and the Senator from Colorado (Mr. HART) were added as cosponsors of S. 519, to amend the Older Americans Act of 1965.

S. 607

At the request of Mr. JOHNSTON, the Senator from New Jersey (Mr. CASE), the Senate from Florida (Mr. CHILES), the Senator from Alaska, Mr. GRAVEL), the Senator from Louisiana (Mr. LONG), the Senator from Rhode Island (Mr. PELL), and the Senator from Michigan (Mr. RIEGEL) were added as cosponsors of S. 607, a bill to establish a Minority Business Development Administration in the Department of Commerce.

S. 626

At his own request, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 626, relating to the reorganization of executive agencies.

S. 687

At the request of Mr. MAGNUSON, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 687, the National Oil Pollution Liability and Compensation Act of 1977.

S. 708

At the request of Mr. CLARK, the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 708, a bill to amend title XVIII of the Social Security Act to provide payment for rural health clinic services.

S. 740

At the request of Mr. PEARSON, the Senator from Washington (Mr. JACKSON) was added as a cosponsor of S. 740, to amend the Internal Revenue Code.

S. 780

At the request of Mr. CLARK, the Senator from Oregon (Mr. HATFIELD), the Senator from Massachussetts (Mr. KENNEDY), and the Senator from New Hampshire (Mr. MCINTYRE) were added as cosponsors of S. 780, a bill to amend title II of the Social Security Act to establish a new consumer price index for older Americans for calculating automatic cost-of-living increases, to provide for semiannual cost-of-living increases, and to modify the social security retirement test.

S. 802

At the request of Mr. TOWER, the Senator from Oklahoma (Mr. BARTLETT) and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of S. 802, to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1976.

S. 826

At the request of Mr. RIBICOFF, the Senator from Oklahoma (Mr. BELLMON) and the Senator from Mississippi (Mr. STENNIS) were added as cosponsors of S. 826, the Department of Energy Organization Act.

S. 835

At the request of Mr. CHURCH, the Senator from New Hampshire (Mr. MCINTYRE) and the Senator from Florida (Mr. CHILES) were added as cosponsors of S. 835, to provide a program of income tax counseling for elderly individuals.

SENATE CONCURRENT RESOLUTION 9

At the request of Mr. TOWER, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of Senate Concurrent Resolution 9, relating to the use of a wide variety of mortgage instruments.

SENATE RESOLUTION 103—ORIGINAL RESOLUTION REPORTED RELATING TO THE PURCHASE OF CALENDARS

(Placed on the Calendar.)

Mr. CANNON, from the Committee on Rules and Administration, reported the following resolution:

S. RES. 103

Resolved, That the Committee on Rules and Administration is authorized to expend from the contingent fund of the Senate, upon vouchers approved by the chairman of that committee, not to exceed $52,000 for the purchase of one hundred and four thousand calendars. The calendars shall be distributed as prescribed by the committee.

SENATE RESOLUTION 105—SUBMISSION OF A RESOLUTION CALLING FOR A WHITE HOUSE CONFERENCE ON SMALL BUSINESS

(Referred to the Select Committee on Small Business.)

Mr. NELSON (for himself, Mr. MCINTYRE, Mr. WEICKER, Mr. HASKELL, Mr. HATHAWAY, Mr. NUNN, Mr. CULVER, Mr. PACKWOOD, and Mr. BARTLETT) submitted the following resolution, which was submitted to the Select Committee on Small Business:

S. RES. 105

Resolved,

Whereas the United States of America is entering on a crucial period of economic rebuilding;

Whereas such rebuilding can only be accomplished by a revitalization of the nation's small business community;

Whereas small business provides 52 percent of all the non-government employment in the United States;

Whereas small business provides 43 percent of business output;

Whereas one-third of the Gross National Product of the United States is produced by small business;

Whereas 97 percent of all United States enterprises are defined as small business;

Whereas significant innovative and technological developments frequently originate in the small business community; and

Whereas the Senate Small Business Committee has actively recommended better development of the nation's small business community to reduce unemployment, increase production, and provide for the future; Now therefore, be it

Resolved, by the Senate of the United States, That the President of the United States be requested to convene a White House Conference on Small Business with the help of the Senate Small Business Committee to develop specific and comprehensive recommendations for revitalizing the small business infrastructure, to provide a forum for better public awareness of the important role of the small business community, and to suggest joint Legislative and Executive action appropriate for maintaining its economic viability.

SMALL BUSINESS WHITE HOUSE CONFERENCE

Mr. NELSON. Mr. President, in behalf of all the members of the Senate Small Business Committee, I am introducing today a resolution which would recommend that President Carter convene a White House Conference on Small Business early in his administration.

The Senate Small Business Committee has found that a pattern of official neglect, regulatory controls and Government roadblocks is critically weakening the entire middle sector of our economy—the small business community.

Small business today provides more than half of the nongovernment employment in this country; a majority of our new inventions; 48 percent of the business output; and 43 percent of the gross national product. The 13 million members of the small business community make up 97 percent of all U.S. businesses.

However, despite its numbers and importance, small business is a troubled community.

During the past 2 years, the Senate Small Business Committee has conducted over 100 days of public hearings to identify and attempt to solve many of its problems.

We have found that neglect is probably the most important Government-related problem.

The last time that small business was the subject of national summit attention was at the White House Conference on Small Business of 1956, 21 years ago. That conference, under the chairmanship of Arthur Burns, issued two reports which helped Congress enact two major pieces of legislation: the Small Business Investment Act and the Small Business Tax Act of 1958.

Two decades later, small business confronts a complex of problems which have gotten progressively worse and now threaten the very survival of the small business sector of the economy. They include a tax structure which, intentionally or unintentionally, gives the best breaks to big business; regulatory policies which stifle innovation; a Government paperwork load which is costing small business well over $20 billion per year; an inability to raise money due to shrinking venture capital markets; anticompetitive practices by large corporations; moribund programs at the Small Business Administration; energy shortages and inadequate support for development of new energy technologies; and inadequate representation for small business in the economic and regulatory policy development arms of the Federal Government. We can also add the lack of appropriate yardsticks to measure the performance and status of small business.

Recently the Congress has shown a reawakened interest in small business. In 1975, we passed a tax package that can save a maximum of $12,000 a year for 4 years, or a total of $48,000 for small companies earning $50,000. We also enacted the first thorough revision of the estate tax and gift laws since 1942. By 1981, it will be possible for a small business person or farmer to leave $425,000 to a surviving spouse or $175,000 to other heirs free of Federal estate taxes. This will allow many small businesses and farms to remain in families rather than having to be sold to pay death taxes.

We recommended and witnessed the establishment of Small Business Advisory Committees to the Internal Revenue Service, the Treasury Department, and in the pension area.

We drafted legislation to provide for fair representation for small business on existing economic advisory committees; helped to develop programs to strengthen the role of advocacy for small business in Federal agencies and through the Small Business Administration. We were able to enact legislation to encourage the development of new energy sources by small business, such as the solar energy tax credit.

But there is much more to be done.

The resolution proposed today would bring together some of the best minds in the country to formulate specific and comprehensive recommendations for cooperative executive-legislative action on the problems of small business.

A small business conference, drawing on the work of the Small Business Committee and other sources, could serve to follow through on the President's commitment to small business as a vital part of our economy and society. It could become a workshop for greater participation by small business in the formulation of new economic policies, and would bring the problems of small business to the attention of the American people.

The Small Business Committee stands ready to help in the development of a White House Conference on Small Business.

We feel that such a conference can assist in the formulation of a systematic small business policy that will strengthen not only new, small and independent businesses and their communities, but the overall economy of the Nation.

AMENDMENTS SUBMITTED FOR PRINTING

ESTABLISHMENT OF A FEDERAL BANKING APPEALS BOARD—S. 71

AMENDMENT NO. 54

(Ordered to be printed and referred to the Committee on Banking, Housing, and Urban Affairs.)

Mr. TOWER. Mr. President, I am submitting today an amendment to S. 71 that would establish a Federal Banking Appeals Board. This amendment is identical to a bill (S. 3880) that I introduced during the 2d session of the 94th Congress.

This Board would consist of three members appointed by the President. The Board members would serve 5-year terms, with the initial term of one position to expire 5 years after creation of the Board, another to end 4 years after its creation, and the other to end 3 years after its creation.

The Appeals Board would be comprised of one member whose primary background is that of an active banker, one member whose primary background is that of a bank regulatory official, and one member whose primary background is that of a judicial or quasi-judicial official not previously associated with the banking business or bank regulation.

The purpose of this Appeals Board would be to serve as a quasi-judicial body with respect to certain decisions, orders, instructions, and requirements of the bank regulatory agencies—agencies—and generally to perform functions commonly performed by administrative law judges in other areas of administrative law.

Any person suffering legal wrong because of any decision, order, instruction, or requirement of an agency or of the Appeals Board, or adversely affected or aggrieved by such action, would be entitled to a judicial review, subject to applicable law regarding the exhaustion of administrative remedies.

The form of proceedings for judicial review would be any special statutory review proceeding otherwise provided by law, or, in its absence or inadequacy, any applicable form of legal action—including actions for declaratory judgments or writs of prohibitory or mandatory injunction or habeas corpus—in any court of competent jurisdiction. Agency and Appeals Board action shall be subject to judicial review in civil or criminal proceedings for judicial enforcement except to the extent that prior, adequate, and exclusive opportunity for such review is provided by law.

Pending judicial review, any agency is authorized, where it finds that justice so requires, to postpone the effective date of any action taken by it. Upon such conditions as may be required and to the extent necessary to prevent irreparable injury, every reviewing court—including every court to which a case may be taken on appeal from or upon application for certiorari or other writ to a reviewing court—would be authorized to issue all necessary and appropriate process to postpone the effective date of any agency action or to preserve status or rights pending conclusion of the review proceedings.

So far as necessary to decision and where presented the reviewing court would decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of any agency action. It would compel agency action unlawfully withheld or unreason-

ably delayed; and hold unlawful and set aside agency action, findings, and conclusions found to be: First, arbitrary, capricious, and abuse of discretion, or otherwise not in accordance with law; second, contrary to constitutional right, power, privilege, or immunity; third, in excess of statutory jurisdiction, authority, or limitations, or short of statutory rights; fourth, without observance of procedure required by law; fifth, unsupported by substantial evidence in any case reviewed on the record of any agency hearing provided by statute; or sixth, unwarranted by the facts to the extent that the facts are subject to trial de novo by the reviewing court. In making the foregoing determinations the court would review the whole record or such portions thereof as may be cited by any party, and due account shall be taken of the rule of prejudicial error.

I believe this amendment would be a useful focal point in discussions of procedures for reviewing rulings and decisions by the bank regulatory agencies. I am hopeful that consideration can be given to this amendment by the Banking Committee when hearings are held on S. 71 later this year.

I ask unanimous consent that this amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 54

At the end of the bill, add the following new section:

SEC. 11. The Federal Deposit Insurance Act, as amended (12 U.S.C. 1811–31), is amended by adding at the end thereof the following:

"SEC. 26. (a)(1) There is established the Federal Banking Appeals Board (hereinafter referred to as the 'Board'), which shall be composed of three members, two of whom shall be appointed by the President, and one of whom shall be appointed by the President, by and with the advice and consent of the Senate, to be Chairman of the Board.

"(2) The Chairman shall be responsible for the administrative operations of the Board. In the event of a vacancy in the office of the Chairman, and pending the appointment of his successor, the President may designate any other member as Chairman.

"(b) The terms of members of the Board shall be five years except that (1) the members of the Board first taking office shall serve, as designated by the President at the time of appointment, one for a term of three years, one for a term of four years, and one for a term of five years, and (2) a vacancy caused by the death, resignation, or removal of a member prior to the expiration of the term for which he was appointed shall be filled only for the remainder of such unexpired term. Upon the expiration of his term of office a member of the Board shall continue to serve until his successor is appointed and shall have qualified.

"(c) Each member shall be paid at a rate equal to the rate for level III of the Executive Schedule under section 5314 of title 5, United States Code, except that the Chairman shall be paid at a rate equal to the rate for level II of the Executive Schedule under section 5313 of title 5, United States Code.

"(d)(1) One of the members of the Board shall have competence and experience in commercial banking; one of the members of the Board shall have competence and experience in bank regulation; and the third member of the Board shall not have had experience in either commercial banking or bank regulation, but shall have competence and experience as a judge in Federal or State government or as an administrative law judge in a quasi-judicial agency of the Federal Government.

"(2) No member of the Board shall engage in any other business, vocation, or employment nor hold stock in any insured bank.

"(e)(1) The Board may prescribe such regulations as may be necessary or appropriate to carry out its functions under this Act.

"(2) The Board shall record its official acts and open its records and hearings to the public.

"(3) A majority of the members present shall constitute a quorum for the transaction of business. Each member of the Board shall be entitled to cast one vote, and all matters before the Board shall be decided by a majority of the votes cast.

"(f) The Board may—

"(1) hold such hearings as may be necessary or appropriate for the conduct of its business;

"(2) employ and fix the compensation of such attorneys, experts, clerks, and other employees as may be necessary for the proper performance of its duties;

"(3) obtain the services of such experts and consultants as are necessary to carry out the provisions of this Act; and

"(4) do all other things which are necessary or appropriate to the management of its affairs and the conduct of its business.

"(g)(1) The Board shall hear appeals taken by any insured bank, or any person associated therewith, from any decision, order, instruction, or requirement, not otherwise subject to administrative review, of the appropriate Federal banking agency of such insured bank.

"(2) The Board may issue such orders as it deems appropriate where it determines that any decision, order, instruction, or requirement subject to appeal under paragraph (1) is (A) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right, or (B) motivated by bias, prejudice, or interest. Orders under this section are to be considered as final orders.

"(h)(1) The provisions of chapter 5 of title 5, United States Code, shall apply to the exercise of the powers of the Board except that, insofar as such provisions conflict with the provisions of this Act, the provisions of this Act shall apply.

"(2) Notwithstanding any other provision of law, any person adversely affected by an action of any appropriate Federal banking agency or of the Board is entitled to judicial review thereof in accordance with the provisions of chapter 7 of title 5, United States Code.".

APPOINTMENT OF MEMBERS TO THE JOINT COMMITTEE ON DEFENSE PRODUCTION

Mr. PROXMIRE. Mr. President, pursuant to section 712(a)(1) of the Defense Production Act of 1950 as amended, I hereby appoint the following members of the Senate Committee on Banking, Housing, and Urban Affairs to serve on the Joint Committee on Defense Production for the 95th Congress: WILLIAM PROXMIRE, JOHN SPARKMAN, THOMAS J. MCINTYRE, EDWARD W. BROOKE, and JOHN TOWER.

NOTICES OF HEARINGS

ENERGY AND NATURAL RESOURCES COMMITTEE

Mr. JACKSON. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of a public hearing before the Senate Energy and Natural Resources Committee on proposed legislation to provide emergency drought authority for Federal Reclamation Projects.

The hearing is scheduled for March 8, 1977, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building in Washington, D.C.

For further information, please call Russell Brown, professional staff member at 202/224–1076, 3106 Dirksen Senate Office Building.

CONFERENCE COMMITTEE MEETING ON H.R. 2647

Mr. NELSON. Mr. President, I wish to announce that the House and Senate conferees on H.R. 2647, a bill to amend the Small Business Act and Small Business Investment Act of 1958, are scheduled to meet at 11 a.m. on Tuesday, March 8, 1977, in room H–208 of the Capitol.

SENATE SMALL BUSINESS

Mr. NELSON. Mr. President, I wish to announce that the annual organization meeting of the Senate Small Business Committee for Thursday, March 3, has been rescheduled for March 8, 1977. The meeting will begin at 1 p.m. in room 424, Russell Senate Office Building.

CIRCUIT COURT JUDGESHIPS

Mr. McCLELLAN. Mr. President, I wish to announce that an open public hearing has been scheduled by the Committee on the Judiciary on printed amendment No. 42 to S. 11 providing for additional circuit court judgeships.

The hearing will be held on March 11, 1977, commencing at 9:30 a.m. in room 2228, Dirksen Senate Office Building.

All persons who wish to testify or submit a statement for inclusion in the record should communicate, as soon as possible with Bill Westphal, 6306 Dirksen Senate Office Building, telephone 4–3618.

INTERNATIONAL FINANCE SUBCOMMITTEE

Mr. STEVENSON. Mr. President, on Tuesday, March 15, the International Finance Subcommittee of the Committee on Banking, Housing, and Urban Affairs will hold hearings on antiboycott legislation pending before the committee. Juanita Kreps, the Secretary of Commerce, will testify.

The hearings will begin at 10 a.m. in room 5302 Dirksen Senate Office Building. Interested persons should contact Stanley J. Marcuss, counsel to the subcommittee at 202/224–8813.

ADDITIONAL STATEMENTS

LUNCHEON FOR NATIONAL GOVERNORS' CONFERENCE

Mr. ROBERT C. BYRD. Mr. President, on Tuesday, March 1, it was my pleasure, together with other Members of the congressional leadership of both parties and from both Houses of the Congress, to play host to the National Governors' Conference at a luncheon held in the Capitol. Our meeting was interesting and helpful, as well as being warm and cordial.

This year's Governors' Conference was exceptionally well attended, with

50 of the 54 members present, coming from almost all of the States and several territories. These meetings have taken on increased significance in recent years as the Governors of the various States encounter mutual problems, such as the energy crisis, environmental dilemmas, soaring government expenses, rising demands for State services, and questions of Federal-State relations. Consequently, I believe that both the Governors and the congressional leaders in attendance benefited from our exchange of ideas on these and other issues.

It was my privilege as the majority leader of the Senate formally to welcome the Governors to the luncheon. I ask unanimous consent to have my welcoming remarks printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

WELCOMING REMARKS AT THE CONGRESSIONAL LEADERSHIP LUNCHEON FOR THE NATIONAL GOVERNORS' CONFERENCE

(Remarks by ROBERT C. BYRD)

Governor Askew, it is a pleasure and an honor for me to welcome you and your fellow Governors to this Congressional Leadership Luncheon. The fact that fifty members of the Governors' Conference are in attendance at this year's meeting is an indication of the genuine interest that you share with the Congress and the Executive Branch in facing our mutual challenges, and I look forward with my colleagues to our discussions here today.

The relationship between Federal and State sovereignties under our Constitution has always been a dynamic and changing one. Historically, we have experienced many shifts in the emphasis on centralization or on decentralization over the two centuries that this nation has existed.

Some analysts have sought to cast our relationship into the framework of continuing conflict and tension. At times, this interpretation has been realistic.

But the relationship between Federal and State authority and responsibility is and ought to be more like a partnership. On both levels, we are mutually dedicated to the progress and strengthening of this nation, the improvement of the quality of life of our citizens, and the maintenance of our incomparable heritage for future generations of Americans.

Increasingly, members of the Legislative and Executive Branches are becoming aware that each state and region in this country has its own unique problems to confront. Though some questions can best be answered with national solutions, others require the sensitivity and experience that can only be found, for example, in Connecticut, or Oregon, or Maine, or Florida.

Certain aura of glamour attaches itself to service in Washington. But the work that you are doing in Trenton, Montgomery, Charleston, and Sacramento, as well as in all the other capitals, deserves the deep respect and appreciation of all of the people of this country as well as the citizens of your own states.

The Members of Congress recognize the ingenuity and expertise that each of you can bring to meeting the problems of energy, environmental quality, welfare, fiscal responsibility, and a myriad of other issues, and we look forward to sharing your wisdom. I hope that this luncheon and our ongoing contacts will equip each of us better to meet the responsibilities that are ours and to serve the needs of the people of the United States more effectively.

ADMINISTRATION MISTAKEN IN SLOWING WATER DEVELOPMENT

Mr. McGOVERN. Mr. President, there are few things as puzzling to many of us in the Western part of the United States as the decision by President Carter to "suspend" funding for fiscal year 1978 for some 19 major water development projects.

At a time when this area is ravaged by drought and almost overcome with water shortages, it seems only logical that those projects which envision a major transferral of water from established impoundments to areas of need should continue; perhaps even on an accelerated basis.

Two of those projects—Oahe in South Dakota and Garrison in North Dakota—propose to not only move water onto semiarid agricultural lands, but also help to meet the municipal, domestic, and other consumptive water use requirements in a major portion of the two Dakotas.

The Rapid City Journal, a respected daily paper in the western part of South Dakota, has commented editorially on this situation.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OAHE BACKERS MUST MAKE VOICES HEARD COLLECTIVELY

It's difficult to understand how President Jimmy Carter can help the needy and stimulate the economy—his stated intention—by cutting off funds for water projects.

Surely the threat of a pullback on the Oahe Irrigation Project will have none but detrimental effects for the needy and the economy of South Dakota. The President has proposed to omit funding for that and other projects from his 1978 budget.

In fact, if the importance of Oahe ever was underscored, it has been in recent months. Drought, devastating and unrelenting, has turned fields and pastures to sterile dust in a large part of the nation, including the very areas in South Dakota for which irrigation was intended.

Five of the states in which water projects are jeopardized, North and South Dakota, Illinois, Missouri and Kansas, are part of the north central breadbasket that contains two-fifths of U.S. farms and half the nation's cropland, and produces most of the staple food eaten by Americans.

Nine of them are western states, generally semi-arid and so subject to the vagaries of nature that they once were considered "the great American desert."

In many of them, dams and other water conservation and distribution projects are well along. They represent millions of dollars in tax money already spent.

And for others of them, particularly North and South Dakota, federal money for water projects is an account receivable. This state surrendered thousands of acres of Missouri River bottomland for the triple-pronged Pick-Sloan vision of electric power generation, flood control and irrigation. Only the latter has yet to be achieved. A generation after its conception, Pick-Sloan remains valid.

If the President has accomplished anything by his proposal to leave 22 projects in 17 states in the lurch, it is that he has awakened the people of those states. He now, no doubt, has their undivided attention. Thank goodness.

The time has arrived for the now-alert pro-water forces to make their voices heard collectively.

Lt. Gov. Harvey Wollman has made a start toward that end. He has invited legislative leaders of North Dakota and South Dakota to meet and "sort out just how to approach the matter." Working together, the two states might be able to accomplish more toward their mutual goals than if each acted alone.

It isn't, of course, up to just the two state legislatures. The silent majority of citizens behind Oahe now must break that silence.

Only through aggressive and united action will the message get through to Washington: Funding for Oahe must be restored, because of the self-evident need for the project in South Dakota.

THE WARNKE NOMINATION

Mr. ROTH. Mr. President, I have carefully reviewed the arguments for and against the nomination of Mr. Warnke to be our chief arms negotiator, and I have come to the conclusion that Mr. Warnke should not be confirmed. Because of his past positions on many military and arms control policy issues, Mr. Warnke is unlikely to be a credible or effective negotiator. Just as seriously, Mr. Warnke does not enjoy the confidence of a substantial portion of the American people, and that is a very severe handicap.

I do not wish to detail all the apparent discrepancies between Mr. Warnke's past positions and his testimony before the Foreign Relations and Armed Services Committees. Some, perhaps, can be properly accounted for by Mr. Warnke changing his mind, as events or new technological developments intervened. Nevertheless, the basic point is that the emphasis and thrust of Mr. Warnke's statements have changed. In the past he has been, above all, an outspoken critic of American—not Soviet policies, and he has opposed many U.S. strategic weapons programs. As a negotiator, he will be in the position of trying to obtain equivalent Soviet concessions for limiting or eliminating U.S. programs which previously, as a private citizen, he had argued the United States should not adopt, irrespective of Soviet policies. Clearly, his strong identification as an opponent of U.S. military policies will undermine his credibility and effectiveness as a negotiator with Soviet officials.

Moreover, it is obvious that Mr. Warnke does not enjoy the degree of confidence with the American people that an effective chairman of the SALT delegation should have. These arms control negotiations are an extremely complex and sensitive subject, involving risks as well as potentially very significant benefits. Whatever Mr. Warnke's real positions may be, a significant part of the American people believe that he supports unilateral disarmament or unilateral arms restraints on the part of the United States.

For this reason, Mr. Warnke's appointment as chief arms control negotiator virtually guarantees that when an agreement is reached, not just the merits of that agreement, but also the negotiator himself, will be issues. Additionally, a figure as controversial as Mr. Warnke

is likely to be an issue throughout the entire life of the negotiations, and this will produce a political environment not conducive to realistic consideration of negotiating tactics or the substantive merits or drawbacks of particular agreements.

There are great obstacles to negotiating a realistic, practical, and beneficial SALT agreement. The appointment of Mr. Warnke as the chief negotiator will add an additional and an unnecessary difficulty.

Finally, I want to respond to the argument that the Senate should confirm the nominee because the President has a right to name his own negotiating team. It should be recalled that the whole purpose of the confirmation procedure is to ensure that the Senate does have a degree of control over the people who are selected for key positions in the executive branch. Senators should not vote against presidential nominees lightly. At the same time we do have the responsibility to express ourselves when we do think that the nominee is not right for the job. For the reasons which I have stated, I find that Mr. Warnke's confirmation would be inconsistent with U.S. arms control objectives, and, therefore, as in the case of several individuals nominated by past administrations, I will vote against the nominee.

THE HEALTH SECURITY ACT

Mr. CLARK. Mr. President, I want to state my support of S. 3, the Health Security Act, and to point out how this legislation will have particular impact on health services in rural areas. As chairman of the Rural Development Subcommittee, I have made it a point to review legislation with an eye toward its impact on rural areas, and the Health Security Act has done a good job of taking into account the particular needs of rural residents who often lack access to health care services.

By far, the most serious problem in rural areas is the lack of primary care physicians. The number of doctors and other health professionals who are practicing in rural areas cannot possibly meet the needs of rural residents. Although nearly one-third of the Nation's population resides in rural America, only 12 percent of the Nation's physicians practice there.

Unfortunately, recent trends indicate that this problem is becoming worse, not better. In Iowa, one-third of the counties lost primary care physicians in the years from 1974 to 1976 alone. At the same time, only about 4 percent of the recent medical graduates have chosen to practice in rural areas—forecasting even worse physician shortages for the future.

There are no incentives available in any of the private or public health insurance plans to encourage physicians to practice in rural areas. In fact, the "prevailing fee" concept of payment for services actually serves tc discourage physicians from practicing in rural areas where fees are generally lower. And the medicare reimbursement system is disadvantageous to health care clinics in remote rural areas because it virtually prevents the use of nonphysician health professionals who could substitute for the decreasing numbers of physicians in those areas.

As the number of physicians practicing in rural areas decreases, the distance that rural residents must travel to obtain health care increases. For aged and poor residents it is a particularly difficult problem, because public transportation and emergency vehicles are not readily available in rural areas to carry patients to doctors' offices, clinics, and hospitals.

As a result of these factors, the health of rural Americans will undoubtedly deteriorate in the future, unless effective steps are taken to upgrade health care in nonmetropolitan locations.

Although the Health Security Act has a national focus, it does not fail to include provisions which would begin to alleviate the special problems of rural America.

First, the Health Security Act would not tie payment and reimbursement to the "prevailing fee," and therefore would make it just as financially attractive for doctors to practice in rural areas as in large cities.

Furthermore, the bill would provide other incentives for physicians to practice in rural areas—tax incentives and loans for instance—and for the utilization of other health professionals through training grants.

The Health Security Act also would reimburse a complete range of health services, such as outreach programs, health services, well-baby and prenatal care, pediatric services, and renal, heart, and diabetes screening and care—services not now commonly available in rural areas.

S. 3 includes in its provisions the support of primary health clinics, which have become so crucial to health care delivery in rural areas. The bill would provide money to aid in the cost of construction, maintenance, and staffing of the clinics. It also provides financial support to doctors, nurses, and other health professionals who will be engaged in preventive and primary care in those settings.

The bill provides money for special transportation and communication costs incurred in remote areas. Emergency and other transportation to health centers would improve access to care, and, in the long run, cut health costs by encouraging people to make regular doctor visits.

Communication systems, such as the proposed "broad band" networks, and sophisticated telecommunication equipment could enhance diagnosis and monitoring of patients in outlying areas, eliminating expensive and needless transportation of patients to physicians and hospitals. These services would also help provide round-the-clock health care for rural residents, taking some of the burden off the primary care physician.

The health security bill would benefit rural Americans more than any of the other national health insurance proposals currently in Congress. Other proposed insurance plans operate through private carriers with either Federal or State supervision. These proopsals, however, do not allow for the kind of comprehensive reimbursement and resource development that are necessary to bring high quality health care to citizens in all locales. S. 3 would not only help make health services more available for rural people but would also eliminate the inequity which exists today in our health insurance programs.

Mr. President, the Health Security Act is the best plan we have in Congress to finally unify urban and rural health services and guarantee equal access for everyone.

THE DEATH OF FRANCIS A. GREGORY

Mr. BROOKE. Mr. President, last Sunday Francis A. Gregory, distinguished educator and civic activist, died of a heart attack. He was 69.

I was privileged to know him since my early youth and I know of no finer public servant, no finer public man.

Born in Harrisburg, Pa., Francis grew up in Washington, D.C., where he attended Dunbar High School and supported himself as an electrician. At Case Institute of Technology he earned his bachelor's degree in electrical engineering and then went on to receive his masters from the prestigious Massachusetts Institute of Technology.

Armed with this superior education, he returned to Washington to begin his extraordinary career as a teacher, a civic leader, and a high-ranking public official in the U.S. Department of Labor.

I could list the many offices and chairmanships which he has held, but as impressive as they are, they still would not do justice to the true spirit of his life which was his devotion to the cause of helping others, particularly our youth. His tireless work with the physically handicapped, with the D.C. Youth Council, with the Boy Scouts, with the Urban League, and with the YMCA remains a symbol in this city of how each of us can give a little more of ourselves to bettering the lives of others.

Francis is survived by his devoted wife Nora, his son Air Force Maj. Frederick Gregory, his sister Lavern West and two grandchildren. And as is typical of the Gregory family, they have asked that expressions of sympathy be in the form of contributions to the American Heart Association, once again thinking of others even in this moment of grief.

Mr. President, our sympathies go out to Mrs. Nora Gregory and her family, as do our prayers that God will comfort them during this difficult time.

CRACKDOWN ON BRIBERY HAS NOT DAMAGED SALES

Mr. CHURCH. Mr. President, for approximately a year and a half the Senate Foreign Relations Subcommittee on Multinational Corporations—now the Foreign Economic Policy Subcommittee—which I chair, investigated and revealed patterns of corporate bribery in developed as well as developing countries that seriously affected the conduct of our foreign policy.

We persisted in our work despite the argument that if our corporations could not bribe foreign officials the United States could lose exports and jobs: bribery was a way of life, it was frequently alleged.

Yet the lead article in the February 28, 1977, Wall Street Journal shows that the crackdown on bribery has not damaged sales. Twenty-five large corporations who had disclosed making large questionable payments abroad were surveyed and while some decline to comment, "not one of the 25 firms reports losing a significant portion of its foreign business."

Perhaps the most apt statement in the article was by Eugene E. Jennings, a management consultant who is a professor at Michigan State University's graduate school of business:

A lot of the payments were unnecessary and reflected a lack of confidence in our ability to compete.

Relying on price, quality, and service has always been the keystone of American success. Questionable payments distort the free market, often are used by American corporations against American corporations, cause serious foreign policy consequences, and, frankly, are unnecessary.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PAYOFF AFTERMATH: CRACKDOWN ON BRIBERY HAS NOT DAMAGED SALES, BIG COMPANIES REPORT

(By Vasil Pappas)

A year ago, in the midst of foreign-payment disclosures, corporate officials feared that stopping questionable payoffs would mean lost business. Free-spending foreign competitors, it was argued, would gain at the expense of American companies in countries where corporate bribery was "a way of life."

But a Wall Street Journal survey of 25 large corporations indicates that such fears may have been unjustified. All 25 corporations had disclosed making large questionable payments abroad. All 25 have said they have forbidden their employes to make any more of them. And while some decline to comment, not one of the 25 firms reports losing a significant portion of its foreign business.

It is possible that greater losses will show up later. Aircraft sales, for example, are "a long-term operation that can take up to eight or nine years" to develop, says George Kalember, Lockheed Aircraft Corp.'s vice president for international marketing.

Another thing: International business has been rebounding from the recessionary levels of 1975, and new business may be making up for any loss of bribe-related sales.

ANOTHER POSSIBILITY

It is also possible, some skeptics speculate, that sales are holding up because under-the-table payments—which some people defend as entirely legitimate—have continued in one form or another. Some companies may still be taking the view expressed last year by Boeing Co. when it was asked about questionable commissions of more than $70 million in connection with aircraft sales.

"Boeing cannot police the morality of the foreign businessmen or officials whom it hires as consultants or representatives," said J. E. Prince, senior vice president and secretary. "They're independent contractors, and we don't stick our noses into what they do."

But these may, indeed, be a new and higher corporate morality, and the Journal survey suggests that, if there is, it hasn't hurt.

"Many businesses are surprised to learn they haven't got burned by going straight," says Kevin Gudridge, an analyst at the Investor Responsibility Research Center, a Washington outfit that researches, for institutional investors, issues of corporate social responsibility.

"Some businessmen have told us, 'Would you believe it? We didn't have to pay a cent (to get the sale)'," says Stanley Sporkin head of the Securities and Exchange Commission's enforcement division. It was Mr. Sporkin who lead a crackdown on the questionable payments. Since the crackdown began in 1974 over 300 companies have told the SEC that they made a total of more than $400 million in such payments between 1970 and 1976, the bulk of them abroad.

Wouldn't a halt in these payments automatically mean lost sales? No, says Eugene E. Jennings, a management consultant who is a professor at Michigan State University's graduate school of business. "A lot of the payments were unnecessary and reflected a lack of confidence in our ability to compete," he says. "In many cases we were far superior to foreign competitors and we didn't need to pay off."

In other cases, the payments weren't used against foreign companies. "In the weapons field and major armament systems, many payments appeared to be used to undercut other American firms," says Victor Palmieri, head of an independent corporate-management firm and an outside director of Phillips Petroleum Co. In these cases, he says, "the SEC action should help and not hurt U.S. firms." In other words, the losses and gains will even out and payoffs will no longer reduce the profits.

A number of firms cite another factor holding down any loss of sales. Some payoffs, they say, weren't aimed at spuring sales anyway: they were aimed at protecting assets.

That was the case with most payoffs by Gulf Oil Corp., says Jerry McAfee, who took over as Gulf's chairman a year ago when Bob R. Dorsey was ousted. Gulf, which conceded making some $4.5 million in questionable overseas political contributions, hasn't noticed much of an impact on sales as a result of the SEC crackdown. Mr. McAfee adds: "Bribery was not Gulf's way of life, except for some notable examples."

RESPONSES BROKEN DOWN

Of the 25 firms surveyed, four said their sales hadn't been affected. Ten said there was no significant loss or no perceived loss. Five said they were unable to tell and five declined to comment. One said it had left the area where it had found payoffs necessary.

Carrier Corp., the manufacturer of air-conditioners and refrigeration equipment, asserts flatly: "The company hasn't lost any business." Carrier had told of paying $2.2 million in "special commissions" beyond those regularly paid. Aluminum Co. of America, which reported $379,000 in questionable payments, says it hasn't lost any business that it knows of "anywhere."

Those companies hedging their observations that no business has been lost include United Brands Co., the multinational food company that paid $2 million in bribes. "Business hasn't been hurt by stopping illegal payments," a company spokesman says, but he adds: "It's well nigh impossible to assess the impact. It's subject to a dozen variables at any time."

At Ingersoll-Rand Corp., the machinery and equipment maker that reported $797,000 in questionable payments, executive vice president William A. Mackie says, "We may be losing business, but I know of no specific cases."

On the other hand Lockheed, which made $25 million in overseas payments, did report a specific case: Chairman Robert W. Haack says the company lost "an eight-figure contract"—not large by Lockheed's standards—because it refused to buy a new Mercedes for a foreign purchasing agent. Still, Lockheed's foreign orders for 1976 were its highest ever.

Among the companies that say they can't assess the impact is Exxon Corp., the nation's largest oil company, which reported making political contributions in Italy totaling more than $50 million. Exxon says that it stopped the contributions in 1972 and that its Italian affiliate's sales volume went up 7 percent in 1973. But an Exxon spokesman says, "There are so many factors that might affect business. It's difficult to tell."

Many companies remain sensitive about the foreign-payment issue. The surveyed companies declining to comment beyond their statements to the SEC were American Cyanamid Co. ($1.2 million in payments), A-T-O Inc. ($1 million), Burroughs Corp. ($2.2 million), Gillette Co. ($400,000) and GTE Corp. ($15 million).

Perhaps some companies have discerned losses they don't want to talk about. One company confided to the Conference Board, a nonprofit business research organization, that it lost $10 million in sales last year as a result of stopping payments. A Conference Board staffer adds, however, that $10 million was "something of a drop in the bucket" for that particular firm.

Automation Industries Inc. says its payments problem has been resolved inasmuch as it "terminated business in the Mideast." The California-based systems engineering, testing and technical-service concern, which made $900,000 in questionable payments, says it "simply got out" of the region.

While most corporations report no measurable short-term impact, fears about the longer-term competitive position of American multinational companies are freely expressed by others besides Lockheed's Mr. Kalember. "There's no immediate effect, although there may be some in the future," says Robert Anderson, president of Rockwell International Corp., the diversified aerospace and industrial concern that admitted making over $650,000 in questionable payments.

At Harris Corp. of Cleveland, a maker of electronic and printing equipment, Richard B. Tullis, chairman and chief executive officer, notes that an order takes a year or more to develop. "The effect will be felt slowly, gradually," he says. Harris Corp. made $1.8 million in questionable payments.

Reflecting on the impact of the SEC crackdown, Mr. Tullis says: "I think you'll find the economic impact is minuscule—some but small. I'm afraid there will be some effect, but the country will be better off with-

out that business. Just like the oil-price rise, we'll be able to live with it."

Mr. Sporkin of the SEC agrees. He expresses the hope that "in the long run the patient will be stronger when rid of the disease."

SENATOR EAGLETON'S IMPRESSIONS OF MIDDLE EAST

Mr. PEARSON. Mr. President, the distinguished Senator from Missouri, THOMAS EAGLETON, was a member of a delegation of Senators who traveled to the Middle East in November 1976. He recently conveyed his impressions to the students of Kansas State University as part of the prestigious Alfred M. Landon Lectures on Public Issues.

I accompanied Senator EAGLETON on this tour, and I share many of his conclusions. I agree with him that 1977 is the year in which major steps toward reaching an overall settlement can be made. All sides appear to be more willing to discuss the two major obstacles to peace: The desire on the part of the Israelis for recognition and security, and the claims of the Palestinians for a homeland. These issues revolve around a series of complex questions which will take time to answer. I do not believe the United States should impose a settlement, but I do believe that the United States should use its influence to bring the parties to the negotiating tables in Geneva.

Senator EAGLETON has addressed these problems in a clear and concise manner. I ask unanimous consent to have his speech printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

1977: YEAR OF OPPORTUNITY IN THE MIDDLE EAST?

(By Senator THOMAS F. EAGLETON)

Peace . . . civilized man's most elusive quest . . . is a matter of time, circumstance, strategy and events. The convergence of these elements can make brilliant strategists out of merely competent diplomats and great statesmen out of good politicians. These elements come together but rarely . . . and when they do, we must move decisively. Henry Cabot Lodge's new book indicates that we failed to do so . . . and missed a good chance for peace . . . in Vietnam in 1966. Similarly, diplomatic pundits believe Israel missed a golden opportunity for a very favorable Mideast settlement in 1969 and 1970.

To me, it appears that 1977 may be a most propitious time—perhaps the most propitious time we will ever again see—for beginning the process of an overall Mideast settlement. While I recognize that speculation in itself can distort the picture, I would venture that the constellation of forces in the Middle East is nearing alignment.

I submit the following points in support of that assessment:

1. The underlying strategic situation is highly favorable to Israel. Israel's armed forces are in excellent shape and Egypt and Syria would need as much as two years to catch up militarily. Israel, in other words, can afford to bargain.

2. Syria has more than its hands full in its de facto occupation of Lebanon, where its main function will be to keep the Palestinian Liberation Organization under wraps.

3. Syria and Israel have achieved a pragmatic accommodation with respect to Southern Lebanon. Israel would fear a concentration of Syrian troops on the border between Southern Lebanon and Israel. Syria has apparently agreed not to concentrate large numbers of its troops in this area.

Having already reached an accommodation with Egypt in the Sinai and now with Syria in Lebanon, Israel has made a significant stride towards peace.

4. The Russian influence has declined perceptibly in the Mideast—enormously in Egypt, substantially in Syria.

5. Sadat of Egypt, Kahled of Saudi Arabia, Hussein of Jordan, and Assad of Syria are publicly reconciled to the concept of an independent, sovereign state of Israel.

6. The more extremist Arab states, for example Libya and Iraq, are for the moment isolated from the Arab mainstream.

7. The PLO, although not in total shambles, has been severely constrained by the events in Lebanon. Sadat, Kahled, Hussein and Assad are determined that never again will they let events and policies in their region be dominated by the PLO. If there is to be "domination" it will be them over the PLO, not vice versa.

8. Both Egypt and Syria recognize that the economic strains in their own countries and the need for modernization of their countries are more compelling and more urgent than continuing the blood-letting with Israel. To Egypt and Syria, the United States is the key both in terms of arms and industrial technology and in terms of the special and unique role that the United States plans with respect to Israel.

9. Israel still refuses to deal directly with the PLO, but does acknowledge that at the Geneva talks Palestinians will be present in some form.

10. This past Monday, Israel for the first time introduced its own resolution in the United Nations General Assembly calling for the re-convening of the Geneva peace talks.

CONCENTRATED LOCALIZATION

A moment ago, I spoke of the various forces in the Mideast moving into alignment . . . that is, into some kind of logical order. I then proceeded to tick off a series of ten apparently unrelated circumstances . . . with each new one adding a bit to the confusion.

At this point, it may be helpful to recall a scene near the end of the movie "Lawrence of Arabia."

In the scene, Lawrence was walking on top of the conference tables of the great meeting hall in Damascus shouting to get the attention of the assembled Arab leaders. And, unlike previous encounters when he led the various Arab tribes against the Turkish enemy, Lawrence was ignored.

T. E. Lawrence, the western world's most renowned Arabist (and perhaps its first), never forgot his encounter in Damascus. His future writings, always advocating self-determination for the Arab states, were consistently skeptical about the prospects for Arab unity. He once wrote to Mrs. George Bernard Shaw: "I'd as soon unite the English-speaking races as the Arabic-speaking. The tremendous value and the delight of the Arab areas lie in their concentrated localization."

"Concentrated localization" — whatever that is, I think I saw it in Cairo!

There is in fact great diversity in an Arab world that spans two continents, from Mauritania in West Africa to Syria in the east and Sudan in the South. The Arabic language is common, though dialects make communication difficult, Islam is the predominant religion, but there are various sects and other religions including Judaism, Catholicism and the Eastern Orthodox Church. And there is a multiplicity of cultural backgrounds.

The monolithic Arab world of the story books and desert movies bears little resemblance to the real Arab world, a world of many diverse peoples and nations. International unity in the Arab world, while long a dream of many Arab leaders, has never in fact been a reality.

The most explicit manifestation of this dream was former Egyptian President Nasser's effort to extend Egypt's sovereignty over her neighboring states. Nasser's United Arab Republic was short-lived, however, as Egyptian armed forces bogged down in Yemen and the centrifugal force of Arab nationalism broke his hold.

Nonetheless, to this day, the Arab League seeks to keep alive the dream of Arab unity by providing a forum for joint political action. Yet joint action rarely occurs in Arab decision-making councils.

The last time general consensus was reached was during the Rabat Conference of 1974. At that time the Arab states agreed that the Palestine Liberation Organization would be given the right to bargain over territory held by Israel on the West Bank of the Jordan River, land which prior to 1967 was under the jurisdiction of King Hussein of Jordan.

THE CONFLICT IN LEBANON

But the spirit of Rabat dissipated on the battlefield of Lebanon in the spring of 1975 in a conflict which brought out the worst of the great Arab disparities. At the height of that conflict Syria and Egypt were deeply engaged in a cold war . . . Iraq was threatening to invade Syria . . . Libya was sowing the seeds of terrorism, engineering a coup attempt against President Nimeri of Sudan, backing a plane hijacking in Egypt and providing children with weapons in Lebanon. The civil war itself was almost impossible for an outsider to fathom.

Two months ago not even the most knowledgeable Arabist could have known that this total disarray would be transformed into a semblance of unity. But as so often happens, the opening for peace seems to follow quickly on the heels of tragic war. Henry Kissinger showed us that when he deftly picked up the pieces of the 1973 Yom Kippur War and molded them into the Sinai Agreement between Israel and Egypt. That important agreement, though it was a significant breakthrough, provided the root cause of the Syrian-Egyptian split. Syria's Assad had bitterly opposed the Sinai Agreement, accusing Egyptian President Anwar Sadat of a double-cross.

Assad knew that war between Syria and Israel was out of the question unless Egypt represented a second viable threat to Israel in the west. He also saw the Sinai accord as a sell-out of the PLO, and he used this line effectively to enhance Syria's prestige among other Arab states and to embarrass Sadat. His blistering criticism virtually isolated Sadat in the Arab world.

Assad rang down the curtain on step-by-step diplomacy, and made the likelihood of a final settlement more remote than ever before.

Then a third Arab state stepped in.

Long impatient over the feuding between Syria and Egypt, and upset over the tragic fighting in Lebanon, Saudi Arabia, the bankroll of the Arab world, used its considerable influence to bring some order out of chaos. On October 18, representatives of Egypt, Syria, Kuwait and the Palestine Liberation Organization, meeting at Riyadh, Saudi Arabia, agreed on a plan to stop the Lebanese war.

The first step in this plan was perhaps as significant as the plan itself. President Assad of Syria finally agreed that he would no longer criticize Egypt's Anwar Sadat for the Sinai Agreement.

In addition to patching up his differences with Sadat, Assad's acquiescence in the Sinai accord may have signalled the beginning of the end of an era of armed confrontation with Israel. In acquiescing in the principle embodied in the Sinai agreement, Assad seemed also to be signalling his willingness to bargain for peace with Israel.

In exchange for this major concession, Syria was given the right to occupy most of Lebanon as part of an Arab League peacekeeping mission. The conflict in Lebanon had threatened the security of adjacent Syria. The right to impose a peace in Lebanon therefore represented a major victory of Assad and Syria, even though the Egyptians also were to be a part of the peacekeeping mission.

During a recent visit with President Sadat in Cairo, I got a taste of the lingering bitterness over Assad's long campaign against Egypt. I asked Sadat whether the Riyadh agreement meant that Egypt had agreed to the Syrian occupation of Lebanon.

Sadat responded "No!" with great force and said that he had warned Assad that civil war was imminent in Lebanon in April 1975. "Syria intervened militarily," Sadat continued, "and ended by drowning itself in the quagmire." Sadat said that "reconciliation with Syria is now accomplished," but he insisted that Egypt "did not give Syria carte blanche" and does not "excuse its past errors."

The next day Egyptian Foreign Minister Ismail Fahmy told me that Assad and Sadat "have again become brothers, as if nothing happened." It is clear that Fahmy, not Sadat, was sticking to Egypt's official line.

CAUSES FOR HOPE

Nonetheless, the Riyadh agreement represents a major breakthrough. Whether Sadat and Assad can ever again become brothers is almost beside the point. The significance of Riyadh is that it stopped the fighting in Lebanon and brought much of the Arab world back together.

No sooner had peace come to Lebanon when reports were heard that Israel had augmented its forces on the Lebanon border. Would the PLO reoccupy Southern Lebanon? Or, would Syria take up a position in that strategic area, thereby extending its front line with Israel?

As it developed the answers to these questions provide another hope that a settlement may be possible. With the United States as an intermediary, Syria agreed not to move its forces south of the Litani River and stopped the PLO from moving back to its southern refugee camps where it could launch attacks on Israel. Israel immediately pulled back its forces and a de facto buffer zone was created in Southern Lebanon.

Yet another very significant development for the cause of Mideast peace is the new status of the PLO. The PLO, though not in total shambles, has been severely constrained by the events in Lebanon. Assad, Sadat, Kahlid of Saudi Arabia and Hussein of Jordan seem determined never again to allow the PLO to dictate the bottom line of Arab politics.

One outgrowth of the fall of the PLO may be a more realistic attitude on the part of that organization toward Israel. The *New York Times*, quoting knowledgeable officials, recently reported that PLO leaders are considering the possibility of approving the concept of a Palestinian state situated adjacent to the Jewish state of Israel. Such a move would leave open the possibility of creating a Palestinian state on the West Bank and the Gaza Strip.

More importantly, the acceptance of such a stand by the many factions which comprise the PLO would mean de facto recognition of Israel's right to exist. Such a major policy shift remains to be seen, but it would be, if it came to pass, another positive sign.

Israel, for its part, has been advancing a resolution at the UN General Assembly calling for a reconvening of Geneva talks, and has recommended a new type of interim approach, patterned after the Helsinki accord. In an interview with the French newspaper *France Soir*, Prime Minister Rabin suggested a number of arrangements with his neighbors which would be designed to demonstrate that cooperation is better than confrontation.

"I think it is better sometimes to begin by launching common economic projects," Rabin said, "and, thanks to the benefits derived, create an atmosphere which would help accelerate the movement toward peace . . ."

Israel clearly seems ready to go to Geneva to see what can be accomplished. It is an election year, though, and Rabin will be seeking to keep his position in a tight battle with his Defense Minister Shimon Peres. Will Rabin risk an effort to achieve a settlement?

Quite naturally, this question arose in my meeting with Rabin last month. He responded that his chances for election will be strengthened if he is seen as the competent statesman protecting Israel's vital interests in the midst of peace negotiations. It remains to be seen how far Rabin will be able to go in an election year, but there is a growing awareness in Israel too that the time to try for peace may have arrived.

Israel, as I have mentioned, is estimated to be two years ahead of its adversaries in modern weaponry. And the Sinai accord keeps Egypt at bay, so Israel's basic advantage of the one-front war remains. The two year period may well be the margin of safety within which a courageous Israeli try for peace can be launched.

Equally important may be a shift in Arab attitude toward the PLO. Despite the rhetoric over this issue at the UN, the Arab countries are now much less willing to go to the mat to assure that the PLO is represented at a peace conference. And Israel has indicated that it will not object if a few PLO representatives are absorbed into the Arab delegations.

It may well be that the easiest part will be the convening of the peace conference. Even the broad outlines of a final settlement are still political dynamite in the countries involved.

Where would a Palestinian state be established? What about Jerusalem? How does Israel define "secure borders?" Each of these questions could present the negotiators with a loaded gun to be used to bring a peace conference to an inauspicious end.

A final solution to the problems of the Middle East is by no means assured in 1977. But I remain somewhat optimistic, and maintain my view that this year offers us the best chance for peace in a long while. Indeed, the current line-up in the Middle East may well present the last chance our generation has to bring peace to that war-plagued region.

Israel and the United States must not let this opportunity slip away. If it does, Egypt and Syria may well revert to the uneasy alliance that made the 1973 war so effective. The next war could be even more devastating.

REARRANGING THE WORKWEEK

Mr. NELSON. Mr. President, on January 31, I introduced S. 517 and S. 518 with Senators BAYH, CLARK, JAVITS, and PERCY to provide for a 3-year experimental study of flexible and compressed work schedules in Federal executive agencies and to establish part-time work opportunities in every executive agency of the Government.

This legislation would enable the Federal Government—the Nation's largest employer—to creatively utilize members of the labor force whose schedules do not permit them to work a traditional 40-hour workweek or whose personal or familial responsibilities make adherence to a fixed schedule very difficult. Women with family responsibilities, older workers who no longer want a full-time job but who cannot afford to drop out of the work force altogether, students, and handicapped individuals all would benefit from the enactment of this legislation. But they would not be the sole beneficiaries.

Evidence gathered at House and Senate hearings on similar legislation in the 94th Congress shows that the operation of the Federal Government could be improved by the adoption of flexible and compressed work schedules and by the installation of part-time working opportunities.

A number of private companies currently are rearranging workweeks, and several million workers are involved in these efforts. The 4-day workweek is just one example of the various changes now underway.

It is estimated that some 1.2 million Americans presently are scheduled to work a 4-day, 40-hour workweek. That represents about 2 percent of the full-time work force. But right now the Federal Government cannot even experiment with the 4-day, 40-hour workweek because Federal law requires paying overtime compensation to an employee who works longer than an 8-hour day. This requirement has precluded experimentation with the so-called compressed workweek in the Federal Government.

Two weeks ago, the Wall Street Journal ran two front page articles on the usage of the 4-day workweek in private industry. These articles discussed the status of the 4-day workweek in America, and they explored both the benefits and disadvantages of these working schedules.

Information given in these articles demonstrates the need for the Federal Government to have the authority to to begin experimenting with the 4-day workweek so that the Nation's largest employer can determine empirically if workers' productivity and the quality of their working lives could be enhanced by the installation of such workweeks. This authority also would permit the Federal Government to test the impact of these variable work schedules on such factors as service to the public and energy consumption. S. 517, The Federal Employees Flexible and Compressed Work Schedules Act, would permit experimentation with flexible and compressed work hours in the Federal Government to begin.

Mr. President, I ask unanimous con-

sent that the Wall Street Journal articles on the 4-day week be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Feb. 16, 1977]

THE 4-DAY WEEK—EMPLOYE LIVES CHANGE AS MORE FIRMS ADOPT NEW WORK SCHEDULES

(By Joann S. Lublin)

South Padre Island, a Texas resort area, was nearly deserted when Terry and Vicki Shea and their two sons arrived for a winter weekend late last year. They had driven 300 miles to the national seashore from their San Antonio home on a Thursday night. They had the whole place to themselves the next day, but by noon Saturday hordes of sunseekers were swarming over the beach "I enjoyed Friday much more than Saturday," says Mr. Shea, who is director of research for United Services Automobile Association, an insurance company.

Ralph and Cindee Hulburt also have their Fridays off, but instead of relaxing like the Sheas, they "moonlight" in an effort to build their hobby, raising quarter horses, into a business, It's a tough grind, but they figure it will be worth it if it allows them to escape their tedious and tiring regular jobs on the assembly line of a frozen-food plant in Fairmont, Minn.

What Mr. Shea and the Hurlburts have in common is that their Fridays are free regularly, and so are their Saturdays and Sundays. They are among an estimated 1.2 million Americans for whom the four-day workweek, with all of its attendant problems and pleasures, has become a reality. This represents about 2% of the full-time work force, and the number seems sure to mount steadily in the near future.

Last fall, the United Auto Workers Union's settlements with the auto and farm-implement industries gave 852,000 workers 12 extra paid days off over the next two years; the union says it sees this provision as the opening wedge in its drive to make the four-day, 32-hour week standard in those industries. The United Steelworkers Union says it will follow the UAW's lead and give a shorter workweek high priority in talks with the steel industry that began on Monday.

President Carter recently suggested that government agencies and private industry temporarily make the switch to a four-day week to cut consumption of dwindling natural-gas supplies. But federal law requires payment of overtime for more than an eight-hour day to U.S. government workers and companies with federal contracts of more than $10,000. And Mr. Carter stopped short of requesting Congress to suspend overtime provisions of these laws.

Even before the current energy crisis, a bill was introduced in Congress that would allow several hundred thousand federal workers to try out both the four-day week and flexible daily starting and quitting times over a three-year period. If the experiment works, the scheduling options could be offered to all of the government's 2.8 million employes. The bill's chances for passage are considered good.

AN IDEA HERE TO STAY

A sizable number of firms—perhaps 10,000 in all—have adopted the four-day week hoping that it would reduce absenteeism, boost productivity and improve employe morale. Interest in the short week was high in the early 1970s, but it lagged during the 1974–75 recession. Now, it is reviving again.

"I pretty well think the idea is here to stay," stays Kenneth E. Wheeler, a Lowell, Mass., management consultant who advises companies on rearranged workweeks. Mr. Wheeler says his firm has been contacted by "a lot of companies," including several Fortune 500 concerns.

He and other experts foresee many social consequences as the four-day week or similar reshufflings in standard work time come into vogue. Everything from consumer spending habits to school hours and family relationships could be affected.

For example, people may decide to live in barracks-like dwellings in the city during the week, commuting on weekends to their distant "real" homes near, say, a favorite fishing hole. "You might get some very interesting (housing) patterns," says John D. Owen, professor of economics at Wayne State University in Detroit. "The second-home movement would be a tremendous boost from the four-day workweek," he says.

EXODUS FROM THE CITIES

Getting away for the weekend—and going farther away—will become more common. Longer weekends will "produce an even greater exodus from urban places into outdoor settings," taxing the resources of already overburdened national parks and forests, says Tony A. Mobley, dean of Indiana University's school of health, public education and recreation. He also thinks that such recreational facilities as private campgrounds and amusement parks will burgeon.

With fewer or rearranged working hours, men will be at home more. Their presence may strengthen solid marriages and weaken troubled ones, authorities say. Men with working wives may assume more parenting and household-maintenance chores.

Economists think that moonlighting will increase to perhaps double its current rate. Government figures place the incidence of moonlighting at 5% now, but some experts say the real figure probably is much higher. Many wage earners will need a second job to pay for expensive recreational pursuits, such as owning a boat or traveling abroad. "How do you afford the leisure time? I think that is a matter of concern to all jobholders," says Frank H. Cassell, professor of industrial relations at Northwestern University's graduate school of management.

The demand for extra income is likely to be especially acute among young blue-collar workers who, like the Hurlburts, are in their late twenties. Younger employes, lacking seniority and purchasing power, are "still trying to make it," observes Brian E. Moore, associate professor of management at the University of Texas's school of business.

The dual pattern of more blue-collar moonlighting and more leisure for executives and professionals comes across strongly in closer examinations of how the four-day week has changed the lives of the Sheas and the Hurlburts.

Terry Shea didn't know that USAA was on an unusual schedule when he applied. But he soon felt the effects of working a four-day, 40-hour week (with a half-hour off for lunch), an arrangement most companies on short weeks use.

The 10-hour day was two hours longer than he was used to, so he found himself worn out by the end of the day. He began drinking lots of water to stay awake until quitting time (he dislikes coffee), gave up serving on church committees that met weekday evenings and started going to bed at 10 o'clock.

Another disadvantage is that like many managers on a four-day week, Mr. Shea doesn't get to take full advantage of long weekends. One or two Fridays a month, the 35-year-old executive is at his desk for a half-day. "You don't work by the clock if you're in management," explains Mr. Shea, a large, square-jawed man who earns more than $30,000 a year. Freed of jangling phones, demanding subordinates and long meetings, he uses these Friday mornings to write reports.

On the plus side, Fridays off have given the Sheas their first opportunity to be alone since their children were born. One recent Friday, Mr. Shea left his modern, sprawling office building around 1 p.m. and met his wife for a leisurely lunch and an afternoon of shopping at a suburban mall. (Seven-year-old Tim was in school, and Mrs. Shea dropped off four-year-old Kevin at a day-care center.)

While these excursions mean spending more money, they're also helping to strengthen the Sheas' marriage. "I probably know her a little better as a person," Mr. Shea says. "It's easy to regard your wife only as a mother and housekeeper."

TIME FOR THE FAMILY

Mr. Shea's sons reap the benefits of his extra time off as well. Frequently, Mr. Shea spends Fridays mowing the lawn, running errands and fixing up his house. (He built a sidewalk recently and is considering constructing a waterfall in his backyard.) This frees him on Saturday to coach Tim's football team or to draw posters with Kevin. "I get to play with my Dad more," Tim says with a grin.

The Shea family has taken five weekend trips in the year and a half they have been in Texas, driving to Mexico, Dallas and the Gulf Coast. They never took any short trips when they lived in Bloomington, Ill., where Mr. Shea worked for State Farm Mutual Automobile Insurance Co. A weekend in the mountains near El Paso is planned for later this winter. "That's something you really couldn't do if you just had Saturday and Sunday," Mr. Shea observes. El Paso is 600 miles from San Antonio.

Terry Shea finds that the longer weekend means he's more rested and relaxed on Monday mornings. He hasn't missed a day of work since joining USAA, although this may be attributable as much to the mild Texas climate as to the four-day week.

FEWER ABSENCES

Still, Mr. Shea remembers that at State Farm, he used to stay home several days a year because he was feeling lethargic or depressed about his job. When such feelings occur now, he can hold out "because I know that Friday is coming," he says. "Before, I couldn't hold out until Saturday."

Exhaustion and lethargy are bigger problems for blue-collar employes on four-day-week routines. Compared to management or clerical types, they often hold more physically taxing jobs, and their work environment is not as pleasant. Certainly this is true for Armour & Co. workers Cindee and Ralph Hurlburt.

Nearly every work day, Ralph Hurlburt shovels five tons of ground beef from a grinding machine to a metal hopper. He earns $4.06 an hour, tossing meat from 6:30 a.m. to 5 p.m., with a 30-minute lunch break. Even though Mr. Hurlburt used to work a seven-day week as a farm manager, he says that at Armour, he's "ready to drop by the end of the day." He also has developed an arm injury from the strain.

Cindee Hurlburt's $3.73-an-hour job is less strenuous but equally boring. The easy-going, soft-spoken woman usually stands for an entire 10-hour shift, fingering pieces of cooked chicken to see if the bones have been entirely removed.

TOTING SANDWICHES

Her tasks vary on some days. On a recent afternoon in the noisy, chilly plant

(where the temperature hovers around 50 degrees), Mrs. Hurlburt carries 15-pound trays laden with wrapped ham sandwiches over to shipping cartons and then loads them. Closing time approaches; she pauses to flex her shoulder and complain, "Oooh, my whole side aches."

Some of her co-workers, mostly middle-aged women, grumble that if their union asked them, they would vote to abolish the four-day week. The 140 members of the Teamsters local originally approved the shorter week in 1971. But Mrs. Hurlburt doesn't mind the long hours. "If I have to work, I want to get it all done in four days," she says. (She took a three-month maternity leave beginning in late January; her second child is due later this month.)

More important, the compressed workweek permits the couple to raise and train quarter horses on their five-acre farm. It's an expensive hobby that they hope to turn into a full-time occupation someday. Feeding, grooming and exercising their six horses take up nearly all their spare time and cash.

On weekday evenings, Mr. Hurlburt does chores in the two barns while his wife prepares dinner and helps their seven-year-old son, Robbi, with his homework. Robbi is in bed by 7 o'clock, and his parents usually fall asleep an hour later. "We don't have enough time to argue with each other," Mr. Hurlburt says.

WEEKEND WORK

In the winter, Fridays are "barn day." They clean horse stalls, buy hay or get the animals shod. They also go grocery shopping and to the bank, which is closed Saturdays.

They arrange conferences with Robbi's teacher on Fridays, too. The first time they both showed up, Mr. Hurlburt recalls, "the teacher just about fell over" because he was the only father of a first-grader to attend a conference this year.

Between January and October, the Hurlburts spend numerous weekends displaying their animals at shows in Minnesota, Iowa and Wisconsin. They went away seven times for the entire three-day weekend last summer, but usually limit their trips to two days during the school year. Their regular attendance at such shows, where they compete against full-time trainers, is helping to build their stable's reputation.

Armour laid them off for 18 months between the fall of 1974 and the spring of 1976. (Mr. Hurlburt had previously worked there for one month and Mrs. Hurlburt for four years.) When they were called back, she was employed as a store clerk and he as a truck driver. At the time, they considered giving up the food-plant jobs—not only because of the fatigue, but also because they feared future layoffs.

Then they realized that the four-day schedule would help them move closer to their dream of a horse-training business. The rearranged hours represent something else that's just as important to them: personal independence, or "more of your own time," as Mr. Hurlbert puts it. His wife adds: "You feel freer when you don't have to go out and work at a job on Fridays."

[From the Wall Street Journal, Feb. 17, 1977]

THE 4-DAY WEEK—NORGREN CO. JUGGLES ITS SCHEDULE TO BOOST EFFICIENCY AND MORALE

(By Victor F. Zonana)

LITTLETON, COLO.—As a company that operates a small, nonunionized manufacturing plant in a tight labor market, C. A. Norgren Co. is nothing if not pragmatic. To recruit skilled workers away from its unionized competition, it has had to offer special benefits and an especially pleasant work environment.

"We try to be one big happy family," says C. Neil Norgren, president of the maker of accessory equipment for pneumatic machinery.

Norgren was among the first companies to institute an employe profit-sharing plan. Its plant, situated at the base of the Rockies in this affluent Denver suburb, bears little resemblance to the grimy factories in the industrialized East and Midwest: A flock of Canadian geese inhabits the landscaped grounds, and floor-to-ceiling windows open onto dramatic mountain vistas. The top brass maintain friendly, informal relations with the workers; once a year they even take their turn dishing out food in the employe cafeteria.

Thus, it came as no real surprise seven years ago when Norgren became one of the first companies in the U.S. to schedule most of its 700 employes on a four-day workweek. Though Norgren had special reasons for moving early to adopt the innovative work schedule, the benefits and headaches it encountered in making the changeover are now being shared by an increasing number of U.S. concerns.

Some 10,000 companies nationwide are presently operating on the four-day week or some other form of revised scheduling, according to Riva Poor, a Cambridge, Mass., management consultant who advises companies on such matters. They range in size from Pacific Southwest Airlines in California and Equitable Life Assurance Society of the U.S. in New York to a 20-employe leathercrafts company in upstate New York. While these companies are only a fraction of the employers in the U.S., the number represents a big increase over the estimated 3,000 firms that used the four-day week in 1973 and the fewer than 100 that did so in 1970.

"The four-day week is a growing phenomenon," says James A. Wilson, professor of business administration at the University of Pittsburgh. "I think we'll see many conversions to the four-day week within the next 10 years."

In the early 1970s, the impetus for switching to the four-day week came mainly from companies who saw it as a way to reduce absenteeism and turnover, attract employes in tight labor markets and improve efficiency. Typically, companies switched from five eight-hour days a week to four 10-hour days.

A PUSH BY AUTO WORKERS

Recently, however, the United Auto Workers union has been pressing to make a four-day, 32-hour week an industry standard. Its reasons are twofold: to increase leisure time for union members who have jobs and to create new jobs for members who are out of work. Indeed, if there were no operating efficiencies generated by a changeover, the auto industry would need 25% more employes working 32 hours a week to do the amount of work presently being done by the 40-hour-a-week work force.

"What the big unions are pushing for today is work sharing," Prof. Wilson says. "It's an effort to create more jobs in this time of high unemployment."

A retrospective look at Norgren's decision to switch to the four-day week reveals that it was motivated both by a concern for efficiency and the management's desire to "spread work around" in a recessionary economy.

In early 1970, Norgren was anticipating a downturn in business as a result of the impending recession. Moving from a five-day, 40-hour week to a four-day, 37-hour week "was a natural way to reduce total hours worked without laying off any employees," says Robert Felt, senior vice president for finance. After some grumbling, employes agreed to accept the new fringe benefit (they continued to get paid for 40 hours' work) rather than a pay increase. "We didn't have much of a choice, but everything worked out well," one plant supervisor says.

Besides generating loads of favorable publicity for the company, the popular new schedule became an effective weapon in Norgren's successful battles against organizing drives by national unions, including the UAW.

A RECRUITING TOOL

It also helped the company to compete for labor against such nearby unionized concerns as Gates Rubber Co. and Samsonite Corp. "We wanted the same skilled people—tool and die makers, machinists and such—but we just couldn't match the pay increases the big companies were giving," Mr. Felt recalls.

The idea of moving to a four-day week originated with Mr. Norgren, whose late father founded the company in 1926. (The firm was sold by the Norgren family for more than $13 million in 1973 to Great Britain's Imperial Metal Industries Ltd., but Mr. Norgren still serves as chief executive.) "I honestly don't remember where I got the idea," Mr. Norgren says, but after reading Riva Poor's book, "Four Days, Forty Hours," he appointed a task force to study the idea, and if possible put it to work at Norgren.

"We worried about all sorts of things," he recalls. The key goal, he says, was to maintain productivity levels and, "with luck," improve them. "We worried about employe fatigue, made models of all kinds of scheduling and wondered how customers would react. We also worried about the social impact on workers with families."

In August 1970, five months after the study began and after consultations with employes, a six-month trial of the plan began. Paid holidays were reduced to five a year from eight, the number of breaks and their length were cut, and the new schedule went into effect.

That schedule, concedes John Karpan, vice president for industrial relations, is "incredibly complex." Most office employes and about half of the factory workers were put on the standard day shift, which runs from 7 a.m. to 5 p.m. Monday through Thursday, with a half-hour off for lunch. The standard night shift, also Monday through Thursday, goes from 5 p.m. to 3 a.m., with a half-hour for lunch. On Thursday, the work day is reduced by an hour for day-shifters and by two hours for night workers.

Because part of the reason for the changeover was to reduce production during the 1970 recession, the factory remained closed Friday through Sunday except to fill emergency orders. But when orders picked up, additional day and night shifts were added on Wednesday through Saturday. And the hundred or so employes in the capital-intensive casting and plastic molding operations went on three-day-a-week, 12-hour shifts that enabled them to operate equipment around the clock six days a week.

Despite the upheaval, workers responded favorably. "It's noisy, boring work," says a factory worker over the din in Norgren's 139,000-square-foot plant. "Once you're here, you may as well keep going an extra couple of hours and get a three-day weekend." A company study found that the only employee who didn't like the new schedule were working mothers who couldn't see their children off to school because of the early starting hours.

NO EXCEPTIONS

Some companies whose workers are on a four-day week have foremen and supervisors work five-day shifts, to help insure continuity in the production process. At Norgren, however, everyone works four days.

With different shifts, managers would resent the workers' long weekends, Mr. Karpan explains.

The changeover at Norgren resulted in some initial loss of productivity. "It was pretty disorganized with people not used to the schedule," says George Loury, vice president for production. But in about two months, when the schedule became routine, productivity per hour returned to normal. Eventually, it even improved because of operating efficiencies such as shorter breaks and fewer cleanup and start-up periods.

There were some snafus, of course. Customer service suffered at first because order takers who were on duty Fridays weren't around on Mondays to follow through on orders. "We were dropping the ball too many times," says Phillip Thompson, vice president for marketing. The solution: Order takers were scheduled Tuesday through Friday one week and Monday through Thursday the next. This assured continuity, and gave the workers alternating two-day and four-day weekends.

Also, with the shipping department closed on Fridays, some customers complained about delays in their shipments. "We corrected that quickly," Mr. Thompson says, by reassigning people on Fridays. He notes that Norgren's air filters, regulators, lubricators and values are crucial equipment in many factories where air-powered tools are used. (Norgren's products also go into air-powered wrenches used at gas stations, and into dentists' high-speed drills.)

But for the most part, the new schedule had its desired effect. Costly employe turnover dropped to 16% annually—"about a third of the normal rate in our business," Mr. Karpan says. In addition, he says the company has found recruiting, especially for skilled craftsmen, a lot easier. Indeed, Norgren received over 2,100 unsolicited job applications the first week after the changeover. And absenteeism fell to 4.1% last year from about 7% before the change. "There's less malingering in general," Mr. Karpan concludes.

The fear that workers would be unduly tired from the long hours proved unfounded. "Oh, there was some complaining at first," Mr. Loury says. "But we've measured their efficiency and it holds up pretty well over the course of the shift." He adds that Norgren hasn't seen an increase in its accident rate, "and that's the first place fatigue would have shown up."

UNIONS LOSE OUT

Finally, the four-day week served the company well in its fight against unionization. The International Association of Machinists "has been trying to organize us since 1946," says Mr. Norgren, whose father was known locally as an ardent right-to-work advocate. Since 1970, the United Rubber Workers and the UAW have also tried to organize the plant. All include the popularity of the four-day week among reasons for their failure.

"I helped handbill the gates of the plant there," says Richard Beasley, a UAW organizer. "The guys were worried that if they got a union in, they'd lose the four-day week."

The four-day week may not be for everyone, but consultant Riva Poor says many companies can benefit by juggling schedules. Specifically, she cites manufacturers in tight labor markets and those that can't afford to expand downtown production facilities because real-estate values are so high. The latter, she says, can enhance production simply by rearranging scheduling. Other potential beneficiaries include employers in service fields that have peaks and valleys in demand during the workday, such as police and fire departments and hospitals.

And Mr. Norgren, pointing to the Rocky Mountain view from his office, thinks a pleasant locale is necessary, so that employes can take advantage of the added day of leisure. "People who move to Colorado want to enjoy it here," he says. "That makes the extra day off so much more important."

HUMAN RELATIONS WEEK OBSERVED IN DURHAM, N.C.

Mr. HELMS. Mr. President, the city of Durham is one of North Carolina's younger population centers, incorporated as recently as 1867. Only a few years before, it was a sleepy country crossroads almost at the foot of the red clay hills of our piedmont.

But it is not only her relative youth which makes Durham a symbol of the New South. Equally significant is this city's determination to build a future based on racial and industrial harmony.

The last major Confederate force in the field was surrendered to Sherman on April 26, 1865 at the Bennett House near Durham. Thereafter, Sherman's forces lingered a bit longer than perhaps we would have preferred. But they acquired a taste for North Carolina tobacco products. They took this wise preference for quality with them when they returned to their homes.

Their subsequent orders for Durham tobacco products were the beginning of our modern tobacco industry, of which this community remains a major focus.

The growth of industry brought with it a tremendous growth in population—some 21.9 percent between the last two censuses. But the people of Durham have refused to let size itself destroy their remarkable sense of community.

Durham has been a remarkable center for black business. Black journalists, bankers, educators, life insurance executives have long been a powerful force in this community. Indeed, Durham is the home of the largest black-owned life insurance company in the world. This success, and the success of the entire community of Durham is a product of people working together in a multitude of ways since the foundation of the community.

This year the city of Durham declared February 20 to 26 as Human Relations Week. I ask unanimous consent that the proclamation of the Honorable Wade L. Cavin, mayor of Durham, be printed in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

[City of Durham, N.C.]

PROCLAMATION—HUMAN RELATIONS WEEK

Whereas, the City Council and the Mayor of the City of Durham find that prejudice and the practice of discrimination against any individual or group because of race, creed, or national origin, is contrary to good public policy and detrimental to the peace, progress and welfare of all the people of this City; and

Whereas, the lack of full participation of any individual or group, in the privileges of full membership in the community retards the progress of the community and affects the general well-being of all its citizens; and

Whereas, for these reasons and to implement a constructive approach to the problems involved in improving inter-group and inter-racial relations leading to the elimination of all discriminatory practices; and

Whereas, the City Council has encouraged the Human Relations Commission to promote equal treatment, and understanding throughout the community; and

Whereas, the City Council of the City of Durham has enacted a resolution establishing February 20–26, 1977 as "Human Relations Week";

Now, therefore, I, Wade L. Cavin, Mayor of the City of Durham, do hereby proclaim February 20–26, 1977 as

HUMAN RELATIONS WEEK

Given under my hand and the seal of the City of Durham, this 14th day of February, in the year of Our Lord, one thousand nine hundred and seventy-seven.

WADE L. CAVIN,
Mayor.

SMITH BLAIR RETIRES

Mr. RIBICOFF. Mr. President, the Senate Governmental Affairs Committee has oversight responsibility for the U.S. General Accounting Office. All of us know of the contributions made by the GAO toward a more efficient and effective government. GAO serves as an impartial and objective audit and analysis agency in the legislative branch. Due to legislation such as the Legislative Reorganization Act, the Budget and Impoundment Control Act, and the Energy Policy and Conservation Act, Congress has come to rely more heavily on GAO for a wide variety of assistance, including analyses of Government programs and activities.

The focal point for coordination of GAO's assistance to the Congress is the Office of Congressional Relations. Its Director, Smith Blair, is retiring after a distinguished public service career of 34 years. Mr. Blair, who is called Smitty, has been an FBI agent, director of GAO's European branch office, regional manager of GAO's Dallas office, and assistant to the Agriculture Department's Inspector General. He also worked for a congressional committee. For the last 9 years he has been in GAO's Congressional Relations Office and he became the first director of that office in 1973.

Smith Blair deserves commendation for his many achievements and his distinguished service on behalf of the GAO. As chairman of the Governmental Affairs Committee. I know I speak for other committee members and other Senators when I say that we wish Smith "Smitty" Blair good luck in any new activities he pursues.

NUCLEAR FUEL AND ENERGY NEEDS

Mr. DOMENICI. Mr. President, in the continuing national debate over energy priorities and policy it is easy to lose sight of the fact that for the next several decades we must rely heavily on coal and nuclear power to fill the gap until long-term, inexhaustible energy supplies become available. The alternative is to sink

into deeper and deeper dependence upon unreliable and rapidly diminishing foreign fossil fuel resources.

In this context, it is apparent that we must carefully and objectively evaluate both the advantages and problems associated with the inevitable expansion of our coal and nuclear power industries. With this in mind I would like to call the attention of my Senate colleagues to an article on nuclear power that appeared in last Tuesday's edition of the Wall Street Journal. It is, I believe, an excellent summary of the challenges and opportunities that will occupy the widespread use of atomic energy.

Mr. President, I ask unanimous consent that the text of this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Mar. 1, 1977]

NUCLEAR FUEL AND ENERGY NEEDS

(By Bertram Wolfe)

The debate on whether to proceed with reprocessing nuclear reactor fuel has focused on the risk of the international spread of nuclear weapons capability. But there are risks associated with not reprocessing which also have serious implications.

Reprocessing used nuclear fuel and reusing (or recycling) the uranium and plutonium thus obtained can provide vitally needed energy supplies in the future. Proposals to forego this energy supply raise issues about future national well-being and world stability.

Discussion of these issues must be set within the context of our total energy situation. Today, over three-quarters of the energy consumed in the U.S. comes from oil and gas, and domestic supplies are running out. Half of the oil is now imported. But even the Mideast oil fields are finite, and some time around the end of the century, the world faces the prospect of competing for an ever-diminishing supply of petroleum products.

Even with a painful conservation program which will impinge on our lifestyles, our standard of living and our freedoms, future energy needs are apt to increase. Because of past "baby booms," 15 million new jobs must be created and a 20% increase in households must be accompanied in the next 10 years.

This is in addition to the need to reduce unemployment, clean up the cities, improve the lot of the disadvantaged and reduce pollution, all of which will require energy. The situation is even more bleak elsewhere, for there is little hope that underdeveloped countries will better their living standards without substantial increases in energy usage.

Development of solar power and fusion power is continuing. Solar heating may supply a small but significant percentage of future energy needs, but no responsible person predicts that the new energy sources will have a major impact on energy supply before the end of the century. For at least the next few decades, the only large energy supplies available to replace oil and gas will be coal and nuclear energy.

THE CARBON DIOXIDE THREAT

It is not clear how much and how rapidly coal production can be increased. The deleterious health effects of deep mining and burning coal are well-known. In the Western states, where the largest coal deposits lie, there is great concern about the environmental effects of strip mining, the social and economic costs of new population centers and the impact of the large transportation network that must be developed. More omnivorous perhaps, coal burning, like oil and gas burning, places enormous qualities of carbon dioxide in the atmosphere. Some scientists have expressed concern that fossil fuel burning may have to be drastically reduced in the future to preclude irreversible climatic effects.

So the vital role that nuclear energy can play should be apparent in a nation blessed with large uranium deposits. Uranium in today's nuclear reactors can supply energy comparable to all the oil already discovered and expected to be discovered in the U.S. Nevertheless, our energy needs are so large that the role of nuclear power may be restricted at a most crucial time.

Government estimates indicate that domestic uranium may be fully committed by the end of the century. World-wide, supplies appear to be even tighter relative to need. The energy available from these supplies can, however, be greatly expanded through reprocessing, recycling and the breeder reactor.

Reprocessing and recycling in light water reactors of today's design would increase the amount of energy available from uranium by about 25%. This added energy is greater than that in the United States' proven oil reserves. It would represent over a half-trillion dollars in foreign exchange at today's oil prices if the oil had to be imported. The impact on the nation would be even more costly if other countries refused to sell us needed energy.

As large as this added energy supply is, it is nevertheless small compared with future needs. However, reprocessing and plutonium recycling open up the possibility of deployment of the breeder reactor, which can extract over 50 times as much energy from a pound of uranium as do today's reactors.

Uranium comes from the earth in two physically identical forms—U-235 and U-238. Less than 1 percent of the uranium is U-235. the fuel that is fissioned in today's light water reactors. Light water reactors do convert some of the U-238 into fissionable plutonium, but more than 98 percent of the uranium remains as unused U-238. The breeder can use all of this uranium by converting it to plutonium. By the end of the century, there will be enough uranium-238 stored above ground to provide our total electrical energy needs from breeders for centuries.

Breeder reactors are fueled with plutonium and uranium-238. In order for the breeder cycle to function, the fuel must be periodically reprocessed to renew the fuel rods and obtain the contained plutonium. Further, in order to obtain the plutonium needed to start up the initial breeders, fuel from today's light water reactors will have to be reprocessed.

Based on government estimates of uranium supply, there should be about five large reprocessing plants operating in this country by the early 1990s, stockpiling plutonium for use in breeders that would replace today's light water reactors after the end of the century. The year 1990 may seem distant; however, it takes about 10 years to place a reprocessing plant in operation. In order to have five plants operating in the early '90s, two of them should be committed in this decade to acquire experience from their operation and to allow for possible delays.

Since the above discussion deals with the future, it thus deals with uncertainty. Future U.S. and world energy needs are not clearly defined. The true extent of world oil and uranium supplies is not well known, nor is the physics of carbon dioxide in the atmosphere. However, in the context of changing the patterns of energy usage or the deployment of such new energy sources as the breeder, a few decades is a very short time.

There is time to examine the concerns expressed above and debate alternate courses of action. But one might recall that 20 years ago the present oil dilemma was projected and we continued to replace coal plants with oil plants. If we again wait to discover the precise timing and extent of our future problems it may again be too late to lessen their impact.

The Nuclear Regulatory Commission is presently holding hearings on the environmental impact of plutonium recycling. Since plutonium is a hazardous substance, (although not the most hazardous substance), care must be taken in its handling. The staff of the Nuclear Regulatory Commission concluded in a detailed analysis that adverse effects under the proposed regulatory requirements would be essentially nil.

PLUTONIUM EMISSIONS

It should be noted that over five tons of plutonium have been emitted to the atmosphere during the past nuclear weapons tests. Measurements indicate that this plutonium dispersal has resulted in maximum human exposures several thousand times less than that considered hazardous.

The human exposures from plutonium recycling will, in turn, be many thousands of times less than that of the previous weapons tests. In fact, the health hazard from plutonium recycling will be less than that from burning coal. Thus, one would expect that on the basis of the technical record, the Nuclear Regulatory Commission will formally conclude that plutonium recycling is environmentally acceptable. The deliberations to follow will involve the question of the risk of international weapons proliferation, which is the major substantive issue.

The argument against developing commercial reprocessing is that it may have an adverse impact on future world stability. But the reverse may, in fact, be the case: None of the nations that have thus far developed nuclear weapons obtained the plutonium from commercial reprocessing or reactor facilities. Any moderately industrialized country can develop nuclear weapons without commercial reprocessing. Thus, it is not possible to reduce the risk of proliferation to zero.

Furthermore, no action by the U.S. can be effective in limiting international reprocessing and recycling without agreement among the major powers. If there were such agreement—and it would seem in the interest of all—the benefits of nuclear power could be used as inducements to international arrangements allowing for the orderly introduction of plutonium recycling and actually reducing the problem of proliferation.

No international agreements can be foolproof; the nuclear explosives tests in India suggest that future arrangements should be more carefully thought out and enforced.

Moreover, other factors may be riskier than proliferation: One is whether the U.S. can continue to depend in the future on imported energy and still be a major factor for world stability. A second is that the major powers already have thousands of nuclear weapons and sophisticated delivery systems. In an energy-short world these nations may soon be competing for ever decreasing supplies of petroleum, the major source of which is located in unstable and militarily weak areas.

Expeditious development of the huge energy supply available from reprocessing and the breeder reactor promises major

benefits to mankind and improvements to world stability. At the same time there are risks. The challenge is to minimize the risks without eliminating the promise.

ENERGY POLICY FOR THE UNITED STATES

Mr. RIBICOFF. Mr. President, on Monday I addressed an energy policy seminar conducted by the Hartford Graduate Center. This meeting was attended by corporate executives from throughout Connecticut who are concerned with energy-related matters. The very able head of the Federal Energy Administration, John F. O'Leary, joined me. We had a very productive and timely exchange with these Connecticut business leaders.

My remarks focused on the Department of Energy legislation, which I introduced yesterday, as well as on the need to conserve available energy and to utilize all possible alternative sources of energy. I discussed the need to consolidate virtually all Federal energy programs—presently administered by 19 separate agencies—into one Cabinet-level department.

In view of the attention being focused on this critical issue by the Congress and the executive branch, I ask unanimous consent that my prepared remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

ENERGY POLICY FOR THE UNITED STATES

(By Senator Abe Ribicoff)

We hear daily about the energy crisis—a crisis which touches almost every American. But no one sitting in a house with the thermostat at 60 degrees and no one paying over 47 cents a gallon for home heating oil has to be told about the energy crisis. And no one who can remember the gas lines of 1974 must be reminded that it is not a short-term problem. It is long past time for us to think in terms of a long-term response to our energy needs.

After the oil embargo of 1973, the number of agencies dealing with energy jumped. There were some dramatic, but short-lived responses to that "crisis." Some of you remember buying gas according to the last number on your license plate and the day of the week. But still there was no coherent energy policy.

When the gas lines disappeared much of the nation stopped worrying about energy—even if it did cost more. We should not have been surprised this winter. We have known about the growing natural gas shortage since 1971. However, neither previous Administrations nor Congress took any affirmative steps to deal with it. This most severe winter has reminded us that we cannot afford to ignore energy issues. When temperatures rise and we have no immediate crisis, we will still have a problem. There may be electricity shortages in the Northwest this summer.

They will spread to the Southwest in 1978 and across the nation by 1980. With much of next year's gas used this winter, what happens if next winter is cold?

Just as the nation's problem will get worse, so will Connecticut's. Our state has not been energy-independent since the early 1880's when whale oil was so plentiful that it was exported. As you all know, we have no coal, petroleum, or natural gas resources; we have no major refinery capacity. Even though 50% of Connecticut's electricity needs are met by nuclear power, the fuel is imported.

Fortunately—unlike the Midwest—only nine percent of Connecticut's energy needs are supplied by natural gas. Still the total net energy demand in our state will increase 23% between 1974 and 1995.

Not only supply problems face us. As we seek to pull ourselves out of the economic slump, the cost of energy looms large. The price of natural gas in Connecticut has risen 52% over the last five years. The cost of electricity has climbed 61% and that of home heating oil 142%. Last July home heating oil averaged 41.2 cents; last month it cost 46.8 cents—that's a 12% increase in less than 6 months.

The average Connecticut family of four will pay $1,166 for energy this year—$607 more than in 1972.

Neither the cost problem nor the supply problem will go away. We must take demands for a coherent energy policy seriously.

The call for a coherent energy policy is not new. When Franklin Roosevelt set up the National Power Policy Commission in 1934 he said,

"It is not to be merely a fact-finding body but rather one for the development and unification of national power policy."

Forty years later there is still no national power policy.

Every major study of federal organization since 1937 has produced a recommendation for a Department of Natural Resources or a Department of Energy and Natural Resources. But as long as energy was cheap and abundant, taking a systematic look at energy issues was not a high priority. Even the crisis of 1973–74 only increased the numbers of programs and agencies in the field.

The executive branch today is not organized to formulate and deliver a coherent energy policy. Responsibilities are scattered among departments and agencies.

Authority is fragmented. Nine of the eleven cabinet departments—all but HEW and Labor—have energy functions. There are 5 independent agencies in the field: Federal Energy Administration: Energy Research and Development Administration; National Science Foundation; Community Services Administration; and the Environmental Protection Agency. The Nuclear Regulatory Commission and the Federal Power Commission have regulatory responsibilities. In addition, there are three groups in the Executive Office of the President:

The Office of Management and Budget; the Energy Resources Council and the Council on Environmental Quality. Even if someone designed a comprehensive energy policy, could 19 groups implement it?

This fragmentation has resulted in duplication, overlap, and a lack of knowledge by the public on where to turn for guidance from the federal government. For example, both the Federal Energy Administration and the Energy Research and Development Administration run industrial conservation and commercial buildings conservation programs. In addition the Department of Commerce has a similar program directed to the business community.

Reorganization is crucial to the design and implementation of a coherent energy policy. Coherent policy is not frantic response to crises. It is a comprehensive and long-term approach to a problem which will not go away. Today—finally—both the Executive Branch and the Congress are moving on reorganization. The Senate has reduced the number of committees dealing with energy from 17.

Most of these responsibilities have been placed in the new Committee on Energy and Natural Resources. This means that Congress is now structured to deal with a reorganized Executive Branch. The Governmental Affairs Committee—which I chair—has responsibility for executive reorganization. We expect to receive the President's energy reorganization proposal tomorrow. We will give it top priority.

Creation of a broad-based energy department will help deal with the issues of supply, conservation, and data collection. Policy depends on information. Today we suffer from poor information, from data tainted by its source, and from overlapping collection efforts. Currently over twenty executive departments and agencies operate a total of 261 energy data programs. Twenty-three of these programs are in the Federal Energy Administration, 40 in the Federal Power Commission, 22 in the Interior Department and 19 in the Energy Research and Development Administration.

It is not surprising that no one could tell us where the shortages were greatest and where supplies were still available. Only a strong cabinet department can produce comprehensive, accurate, and believable information.

The Administration's proposed Department of Energy would absorb:

The Federal Energy Administration;

The Energy Research and Development Administration;

The Federal Power Commission;

A number of the Interior Department's programs, including the four regional power marketing Administrations and the power marketing functions of the Bureau of Reclamation, and certain programs of the Bureau of Mines.

The Department will also take over the thermal efficiency standards program from the Department of Housing and Urban Development; the Commerce Department's industrial energy conservation programs; the six Naval petroleum and oil shale reserves in the West; and some regulatory functions of the Securities and Exchange Commission and the Interstate Commerce Commission.

In addition, the Energy Department will have an advisory role in the Department of Transportation's automobile efficiency standards program.

Under the President's proposal the Energy and Interior Departments will cooperate on the leasing of public lands. Policy control will reside in the Energy Department while Interior will continue to handle leasing.

The structure of the Department will reflect important national concerns. The proposed legislation mandates an Assistant Secretary for Conservation and one for Environment. An Energy Data Administration and an Energy Regulatory Administration will also be created.

Although the Department of Energy will include both promotional and regulatory activities, an attempt has been made to insulate the regulatory functions. The President proposes to create a Board of Appeals with members removable only for cause.

Reorganization of the Congress and the Executive Branch will help us to respond more efficiently, accurately, and promptly to our nation's energy requirements.

The United States has only 5% of the world's population but we use 30% of the world's energy. Therefore we cannot separate the world's energy problem from ours. There can be no U.S. energy policy without a world energy policy—but there can be no world policy without the United States. We must take an active role in cooperative attempts to develop alternate sources, and to conserve existing energy.

Conservation is not glamorous. Nor is it dramatic. Conservation requires serious

changes in the way we think about and deal with energy, and it is of major importance. The United States is the most energy wasteful nation in the world. We waste between 30 and 50% of all energy consumed in this country. Conservation has been called "the best and most cost-effective way to 'produce' new energy." Conservation will also cut down on our fuel costs. For example, the New England Fuel Institute reports that in this area turning your thermostat from a daytime 68 degrees to a nighttime 58 degrees would save over 10%.

A nighttime setting of 60 degrees would save over 8%. And if every home in New England kept its thermostat at 60 every night, it would save about half of this region's oil imports.

We have all grown up wasting energy, and we all share the blame for our use habits. Electric utility companies promoted all-electric homes, and builders built them. Families bought without thinking much about the energy source. Gas companies sold gas lights for porches and driveways and gas indoor and outdoor grills. The automobile industry develops and energetically promotes cars which consume gasoline at an amazing rate.

Overconsumption of energy has been a way of life. Think about all those glass buildings which appeared during the last 15 years. Many were built without double-glazed windows because it seemed cheaper to pay the extra heating costs. We can all imagine their fate now. The buildings consume huge amounts of energy at huge costs—and they are cold inside.

Energy efficiency must be a major factor in the design of future buildings. The American Institute of Architects estimates that over the next 20 years improved design could save ⅓ of the energy we now use. Even older buildings—built to guzzle energy—can be made more efficient. Modifications in existing heating or cooling systems can help. And how many homes lack storm windows, caulking, and adequate insulation?

How well your home is insulated is not only important to your budget, but it is also important to the nation and the world. At a minimum the Federal Government should encourage this kind of conservation by providing income tax credits to homeowners for a part of the costs of insulation, storm windows, and solar heating and cooling systems. We may have to move beyond encouragement. Mr. O'Leary has proposed a system in which utility companies would install insulation and spread the cost out over monthly bills. Such a proposal deserves serious consideration.

Conservation is not solely a matter for buildings. Transportation accounts for one-quarter of the U.S. energy budget. The amount of gasoline we consume is about the same as our total imports of oil and oil products. We could cut gasoline consumption by almost 10% if one-half the cars on the road were smaller and thriftier.

Industry must also make some changes. Approximately 40% of our energy budget is used in industry. That energy use could be cut by 10–15% through improved energy management. It has been estimated that American industry could meet ½ of its electricity needs in the next 10 years by generating energy from the process steam produced in industrial activities.

Conservation means considering energy efficiency in our decisions. For individuals it means things like smaller cars with fewer fancy options; it means more sweaters or long-sleeved clothes in cooler rooms. For homeowners it means better insulation. For industry it means better management and recycling. It means finding better ways to generate power and it means using waste heat.

Energy conservation is a cheaper and better way to meet our nation's energy requirements than constructing new fossil fuel or nuclear generating facilities. It is cheaper to save energy than to produce more energy. Conservation is our primary alternative fuel source.

Even with conservation we must look for other alternative fuel sources. Gas and oil are not limitless. Since Persian Gulf countries account for over one-half of the world's oil reserves, users of oil are to a large degree dependent on those 5 countries. The North Sea's oil will lessen Western Europe's dependence on OPEC but our dependence will grow. This dependence holds our economy—and parts of our foreign policy—hostage to the actions of others.

For almost twenty years Americans saw nuclear power as the answer to future energy needs. Today nuclear plants provide about 8% of U.S. electricity. But we are increasingly sensitive to the dangers inherent in nuclear power: how to dispose of radioactive wastes; how to reprocess spent fuel; how to insure security and safety; how to protect the environment. In addition, greater emphasis on domestic nuclear power raises serious questions of nuclear proliferation. These problems and others have dampened our faith in nuclear power as the solution to our problem.

Solar energy is very appealing because of the unlimited availability of the sun's rays. For example, solar water heating is economically competitive in most regions of the country right now. It is possible that by the year 2000 solar energy could meet 30% of our energy needs. To help make this possibility a reality Congress increased solar energy research and development funds to $120 million last year.

We must also look to our past for ideas. For centuries man has harnessed the power of the wind to pump water and irrigate his fields, to operate mills, and even—on a few occasions—to generate electricity. There are 200,000 windmills in this country. We should capitalize on their potential.

The most obvious alternative fuel—and one of the most controversial—is coal. At the beginning of this century coal represented 95% of our energy; it is now only 20%. The United States is the Saudi Arabia of coal. At present consumption rates, we have enough coal to last 450 years. However, energy from coal poses serious environmental problems. Much coal has a very high sulphur content and pollutes the air. Surface coal is cleaner, but must be strip-mined. These obstacles can be overcome. I am confident that this nation has the technical expertise to clean the coal and I know that we will pass long-overdue strip-mining legislation this year.

There are other technologies further down the road. Geothermal energy—used so successfully elsewhere—has some potential in this country. Coal gasification and liquification remain to be exploited. Nuclear fusion, synthetic fuels, ocean currents, and tidal power also may seem exotic and far-fetched. However, nothing should be ignored.

It is very important for us to know the size of the problem. The development of alternative sources of energy is a vast undertaking—probably a trillion dollars over a 10-year period. Private capital alone cannot do the task. Serious long-term work on alternative energy sources will require public-private cooperation: both financial and technological. We must recognize the cost and be willing to meet it. Otherwise we will continue to move from one crisis to another.

We are about to embark on two steps never taken in our history: The reorganization of the energy bureaucracy, and the development of a comprehensive national energy policy. We must travel two roads at once. Conservation will stretch out our existing energy resources and provide "new energy." At the same time we must pursue alternative sources. We have the technical capacity, now we must develop the will to pursue all possibilities. We must consider the situation not only today and in the next decade, but also in the next century.

Almost two decades ago John F. Kennedy said that "progressive leadership, unlimited vision, and tireless determination" were necessary to fulfill the demand for electrical energy in New England. These same qualities are demanded today. Are we ready to go!

THE FAILURE OF FEDERAL NATURAL GAS REGULATION

Mr. TOWER. Mr. President, this latest round of charges that gas producers are "withholding" natural gas from the market comes from the people who have the most to gain and nothing to lose by diverting attention from the real problem. The real problem is the bankrupt system of Federal regulation of natural gas production. The very real shortage we are now experiencing in this country is the result, not of any gluttony for "obscene profits," but of the colossal failure of the existing consume now—pay later approach of Federal gas regulation.

The fact that we now have less natural gas than we need has been the inevitable result of two decades of nonaction by timid politicians who lacked the guts to tell their constituents the truth about where current policy was leading. It has been painfully apparent for years—for anyone willing to look and listen—that unrealistic Federal regulation was cutting off exploration and production and that the United States was using more natural gas than it was finding. The anti-industry zealots in Congress and elsewhere have a big stake in the existing system of Federal regulation, and they have, correspondingly, a lot to gain from a coverup of the failure of that system.

There have been allegations of gas "withholding" in the past, and those charges have been shown to be without substance. The real truth is that the existence of vast reserves of immediately producible natural gas is nothing more than a wishful invention in the minds of the desperate apologists of Federal regulation. To divert attention away from the failure of Federal natural gas regulation will, they think, somehow produce more gas.

Let us have a full and complete investigation of the allegations which have been made. Let that investigation be thorough and let it remain open as long as is necessary to obtain an accurate picture of the situation.

But let us be fair about it—fair to the men and women involved in the production of natural gas, and fair to the American people. The American people, I am confident, want facts, not self-serv-

ing innuendo and newspaper headlines. Fairness means investigators with an open mind, and it means investigators with the expertise and intelligence to understand and appreciate the myriad conservation, economic, logistical, legal, and regulatory factors to be considered in deciding when and where to drill a well and the manner in which to produce it most efficiently.

The subject of natural gas supply and production has been the subject of considerable commentary in recent months, and I want to bring to the attention of the Senate two very excellent recent examples. With respect to the natural gas withholding issue in particular, these two newspaper commentaries do much to provide needed perspective and to place the blame where it belongs.

I ask unanimous consent that these two articles—from the Fort Worth Star-Telegram and the New York Times—be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Fort Worth Star-Telegram, Feb. 15, 1977]

ANOTHER INVESTIGATION? WHY NOT?

Consumer advocate Ralph Nader has asked the Justice Department to launch an antitrust investigation of the natural gas industry to determine if companies have agreed to withhold supplies to boost prices.

"The alleged natural gas shortage doesn't compel the conclusion that an antitrust conspiracy has occurred," Nader said. "It does, however, permit such a conclusion."

Such an investigation won't help get gas out of the ground, but it won't hurt, either, if another investigation will reassure Americans that their predicament is for real.

The gas withholding charges aren't new.

The Natural Gas Supply Committee in a study dated Feb. 18, 1975, "The Role of Natural Gas in United States Energy Policy," pointed out that proponents of price controls began leveling charges in 1969 that volumes of natural gas were being withheld from the market awaiting higher prices. It found:

The charge was rejected by the Federal Power Commission in several separate rate proceedings.

The charge was made on appeal to the U.S. Court of Appeals for the District of Columbia, and the Fifth and Ninth Circuits. Each rejected the charge.

The charge was raised on appeal to the U.S. Supreme Court. It rejected the charge.

Under separate appropriation by Congress, the FPC surveyed natural gas reserves in the United States. The survey showed industry figures to be overstated by 11 per cent.

The Senate Committee on the Interior commissioned an independent congressional check to doublecheck the FPC study. The check concluded the FPC study was of high quality and "may be used as a benchmark of gas reserves as of December 1970."

In 1974, the FPC sent a team of investigators to New Orleans to investigate specific charges. It identified 168 leases classified as producible shut-ins. Sixty per cent of the total capacity had been committed to the interstate market. Most of the remaining leases contained such small amounts that they would have had to be almost adjacent to an existing pipeline to justify production.

Still the question persists: Is the gas shortage real or contrived?

The answer, William J. Lanouette reports in the National Observer, "will concern differing definitions of natural gas reserves."

Federal geologists count as reserves any gas discovered that is recoverable.

The American Gas Association insists, however, that the reserves must also be recoverable "under existing economic and operating conditions."

The U.S. Geological Survey estimates undiscovered natural gas resources at between 725 and 1,450 trillion cubic feet (Tcf.) The Potential Gas Committee, an industry group, puts the undiscovered estimate at 568 Tcf.

The 1977 World Almanac uses an asterisk by some of its figures to note: "recoverable with improved technology or higher prices." The range is 322 to 655 Tcf.

So, sure, there is gas down there, in some amount.

The secret is getting it out of the ground and to the user. M. J. Rathbone of Standard Oil Co. (New Jersey) said in 1963:

"I am convinced that if a petroleum shortage, and particularly a shortage of natural gas, should occur in the foreseeable future, it would be to a great extent the result of excessive taxes and regulation, and not on any real shortage of natural resources."

Is gas being withheld? In the sense that there is gas yet untapped for lack of a price which makes production feasible—exactly how much nobody knows—the answer must be yes.

It won't take another investigation to discover this. It would take only an incentive—a free market price.

"No matter how much you try to regulate the price of a commodity," the NGSC study concluded, "the market for it always remains free in the sense that in the end you only get what you pay for, and if you don't pay enough, you don't get enough."

The more pertinent question now is how we should best use the remainder of an increasingly precious commodity. In this regard, there is no substitute for market disciplines.

[From the New York Times, Feb. 24, 1977]

MAKING CONSUMERS BURN

(Essay by William Safire)

WASHINGTON, February 23.—Who's to blame for the natural gas shortage?

Behind the screen of what President Carter called at his press conference today "a conglomeration of confusion in the energy field," the scapegoat has already been chosen: the big oil and gas companies, which have supposedly been "holding back" gas for nefarious reasons.

In the Congress, hearings are under way this week, with investigations launched and mimeo machines readied for the grand, coordinated fixing-of-the-blame.

In the Interior Department, Secretary Cecil Andrus has taken as his key investigator one David Schwartz, a former Federal Power Commission bureaucrat and Ted Kennedy aide who has testified for oil and gas production on Federal lands by a Government corporation. His presence guarantees that the "investigation" will arrive at its pre-ordained conclusion blaming private enterprise.

It's all a cover-up. The people who are to blame for the present shortage of the cleanest and most efficient fuel of all are the regulators themselves. They thought they could protect the consumer by breaking the law of supply and demand, and as a result have made a classic case against government intervention.

Back in 1954, the Warren Court, Justice William Douglas dissenting, made it possible for Congress to set the price of natural gas sold interstate. Vote-conscious Congressmen promptly made it the cheapest fuel available.

Bargain-hunters converted to gas heat. Consumer advocates glowed with pride, and Federal regulators appeared to be the consumer's friends.

The only trouble was that the profit motive was removed from the gas business. Investors became unwilling to put capital into the search for new sources of natural gas.

As night follows day, the demand rose and the supply did not keep pace. By not letting the market set the price, the regulators encouraged the consumer to waste the cheap fuel and discouraged the investor from finding new sources.

That voter-pleasing low price not only removed the user's incentive to conserve natural gas but it effectively knocked out the coal industry, to the delight of the environmentalists. When the oil price quadrupled, we found ourselves all regulated up with no place to go for other forms of energy. Coal was "dirty" and discredited, while clean gas was enmeshed in price controls that discouraged exploration.

In this severe winter, the frozen chickens came home to roost. Never before have we had as dramatic an example of the folly of intrusion into the marketplace by well-meaning regulators.

The Congressmen most to blame for the natural gas shortage are John Moss (D-Calif.) and Senator Fritz Hollings (D-S.C.); John Dingell (D-Mich.) and Harley Staggers (D-W. Va.).

Have these regulation-loving gentleman felt the heat from people who feel no heat? Evidently not. Not one has the honesty to say: "The deregulators were right and I was wrong. We should deregulate 'new' gas right away, to stimulate exploration. Since 'new' and 'old' gas are mixed, prices will thus gradually rise to their natural levels."

This object lesson has not caused any born-again free marketers to testify on the Senate floor: "I was blind but now I see. The most democratic way to get people to conserve energy is to make waste personally costly. The most democratic way to protect the consumer is to encourage free competition, letting capital seek a profit by fulfilling demand."

No; not one lonely do-gooder has the grace to point with rue to the wisdom of Justice Douglas in his dissent; he warned at the start that natural gas regulation "involved considerations of which we know very little, and with which we are not competent to deal."

On the contrary, the gasbags of regulation have learned nothing and are looking for scapegoats. At taxpayer's expense, they will probe for lobbies and lobby for probes, diverting attention from their dismal record by hinting at conspiracies to hold back production by anti-consumer fatcats.

There's no mystery about why production is not booming: The regulators have made it stupid to produce gas. With little profit in gas, there will be little gas. By letting the marketplace work, we would get different types of fuel at competitive prices.

If you have been one of the more than one million workers thrown out of a job this winter by the gas shortage; if anyone in your family has suffered illness from lack of gas heat; or if your child has lost irreplaceable education time from school closings, then you have a right to be angry.

But be angry at the real villains: the Washington-knows-best Congressmen, the self-anointed consumer "protectors" and the regulatory bureaucracy. They all thought they could do better than the free market system, but their wrongheaded philosophy brought about the unnatural shortage of natural gas.

RULES OF PROCEDURE OF THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. RANDOLPH. Mr. President, the Committee on Environment and Public Works met on February 21, 1977, to organize for the 95th Congress. Pursuant thereto, I announce for the information of the Senate the rules of procedure as agreed to by the members of the committee.

Mr. President, I ask unanimous consent that the rules of procedure be printed in the RECORD.

There being no objection, the rules of procedure were ordered to be printed in the RECORD, as follows:

RULES OF PROCEDURE OF THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Rule 1. Regular Meeting Days.—The regular meeting day of the Committee shall be the first and third Thursday of each month at 10:00 A.M., except that if there be no business before the Committee, the regular meeting shall be omitted.

Rule 2. Committee Meetings.—Subject to section 133(a) of the Legislative Reorganization Act of 1946, as amended, Committee meetings for the conduct of business, for the purpose of holding hearings, or for any other purpose, shall be called by the Chairman, after consultation with the ranking Minority Member. Subcommittee meetings shall be called by the Chairman of the respective subcommittee, after consultation with the ranking Minority Member. Notice of a meeting and the agenda of business to be discussed by the Committee will be provided to all Members not less than twenty-four hours in advance of such meeting. Additions to the agenda after that time may be made with the concurrence of the ranking Minority Member. Such 24-hour notice may be waived in an emergency by the Chairman, with the concurrence of the ranking Minority Member.

Rule 3. Open Committee Meetings and Legislative Make-up Sessions.—Meetings of the Committee, including hearings and legislative mark-ups, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the Committee determines by record vote of a majority of the members of the Committee present that the matters to be discussed or the testimony to be taken at such portion or portions—

(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(2) will relate solely to matters of committee staff personnel or internal staff management or procedure; or

(3) constitute any other grounds for closure under paragraph 7(b) of rule XXV of the Standing Rules of the Senate (as amended by Senate Resolution 9, 94th Congress).

Rule 4. Presiding Officer.—(a) The Chairman shall preside at all meetings and hearings of the Committee except that in his absence the ranking Majority Member who is present at the meeting shall preside;

(b) Subcommittee Chairmen shall preside at all meetings and hearings of their respective Subcommittees, except that in the absence of the Subcommittee Chairman, the ranking Majority Member of the Subcommittee who is present at the meeting shall preside;

(c) Notwithstanding the rule prescribed by subsections (a) and (b), any Member of the Committee may preside over the conduct of a hearing.

Rule 5. Quorums.—(a) Except as provided in subsections (b) and (d), five Members, two of whom shall be Members of the Minority party, shall constitute a quorum for the conduct of business, except for the purpose of reporting any measure or matter.

(b) Quorums for the conduct of business by the Subcommittees shall be a simple majority of the Membership of the Subcommittees with at least one Minority Member present.

(c) Once a quorum as prescribed in subsections (a) and (b) has been established for the conduct of business, the Committee may continue to conduct business.

(d) Notwithstanding the rule prescribed in subsection (a), one Member shall constitute a quorum for the purpose of conducting a hearing.

Rule 6. Proxy Voting; Polling.—(a) Proxy voting shall be allowed on all measures, amendments, resolutions, or any other issue before the Committee or any Subcommittees. Any Member who is unable to attend the meeting may submit his vote on any such issue, in writing or through personal instructions; however, proxies shall not be voted for the purpose of reporting any measure or matter except when the absent Committee Member has been informed of the matter on which he is being recorded and has affirmatively requested that he is so recorded. A proxy given in writing shall be valid until revoked, while a proxy given orally or by personal instructions is valid only on the day given.

(b) At the discretion of the Chairman, after consultation with the Ranking Minority Member, Members who are unable to be present and whose vote has not been cast by proxy may have their positions recorded on any vote on the same business day so long as the vote will not change the outcome.

Rule 7. Public Announcement of Vote.—Whenever the Committee by rollcall vote reports any measure or matter, or acts upon any measure or amendments thereto, the report of the Committee on such measure or matter shall include a tabulation of the votes cast in favor of and the votes cast in opposition to such measure or matter by each Member of the Committee.

Rule 8. Announcement of Hearing.—The Committee, or any Subcommittee thereof, shall make public announcement and provide notice to Members of the date, place, time and subject matter of any hearings to be conducted on any measure or matter, at least one week in advance of such hearing, unless the Committee Chairman, or Subcommittee Chairman, with the concurrence of the ranking Minority Member, determines that there is good cause to begin such hearing at an earlier date, in which event not less than twenty-four hours notice shall be given.

Rule 9. Statements of Witnesses at Hearings.—(a) Each witness who is scheduled to testify at any hearing of the Committee, or any Subcommittee thereof, shall file a written statement of his proposed testimony not later than noon of the last business day preceeding the day on which he is scheduled to appear. At the time of his appearance, he shall supply for the use of the Committee or Subcommittee, 25 copies of his prepared testimony or such greater number as may be requested in the letter of invitation. Except for witnesses from the Federal government, this rule may be waived with regard to field hearings.

(b) The presiding officer at a hearing may have a witness not read his written testimony and to confine his oral presentation to a summary of his statement.

Rule 10. Regularly Established Subcommittees.—The Committee shall have six regularly established Subcommittees as follows:

Subcommittee on Environmental Pollution.

Subcommittee on Water Resources.

Subcommittee on Transportation.

Subcommittee on Regional and Community Development.

Subcommittee on Resource Protection.

Subcommittee on Nuclear Regulation.

Rule 11. Subcommittee Membership—Following consultation with the Majority Members and the ranking Minority Member of the Committee, the Chairman shall announce selections for membership of the Subcommittees referred to in Rules 10.

Rule 12. Budget Waiver Resolutions—Whenever a resolution waiving a section of the Congressional Budget and Impoundment Control Act is required by the reporting of legislation by the Committee, the vote to report the legislation shall also be considered a vote to report the required waiver resolution.

Rule 13. Environmental Impact Statements.—No project or legislation proposed by the Administration shall be approved or other action taken on such project or legislation unless the Committee has received an environmental impact statement relative to it, in accordance with section 102(2)(C) of the National Environmental Policy Act of 1970, and the written comments of the Administrator of the Environmental Protection Agency, in accordance with section 309 of the Clean Air Act.

Rule 14. Naming of Public Facilities.—No building, structure or facility authorized by the Committee, shall be named for any living person, except former Presidents of the United States, or former Members of Congress over 70 years of age.

Rule 15. Committee Resolutions.—(a) The Chairman, after consultation with the ranking Minority Member, is authorized to certify and pass on Committee resolutions for review of flood control and river and harbor reports and resolutions for studies building projects, and forward the resolutions to the appropriate Federal agency.

(b) Proponents of Committee resolutions shall submit appropriate evidence showing need for review or reports on river and harbor and flood control projects.

Rule 16. Broadcasting of Hearings.—Public hearings of the Committee, or any Subcommittee thereof, may be televised or broadcast, or recorded for television or broadcast, upon notification in advance to the Chairman through the Chief Clerk. During public hearings, photographers and other reporters using mechanical recording or filming devices shall position and use their equipment in such fashion as will not interfere with the seating, vision, or hearing of Committee Members or Staff on the dais, nor with the orderly process of the hearing.

Rule 17. Amendment of Rules.—The rules may be added to, modified, amended or suspended by a majority of the Committee Membership.

SENATOR SCOTT REPORTS

Mr. SCOTT. Mr. President, we are presently in the process of having our March newsletter printed and mailed to constituents, and I ask unanimous consent to have printed in the RECORD a copy of this report to the people of Virginia for the information of my colleagues.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BILL SCOTT REPORTS

THE NEW ADMINISTRATION

Our nation has not only had different individuals occupying offices in the various branches of government but has had changes

in party affiliations and philosophies of those who temporarily have occupied the principal governmental positions. President Carter is still in the process of selecting those who will assist him during the next several years in administering the affairs of the Executive Branch, making recommendations to the Congress and selecting judicial officers by and with the advice and consent of the Senate.

Members of the Senate have a continuing opportunity to review the background and philosophy of nominees to the various posts. Resolving doubts in favor of the choices made by the President, I have voted to confirm Presidential nominees in most instances. Nevertheless, there seems reason for concern with an individual such as the Secretary of Labor, who admits before a Senate committee he believes in collective bargaining for the military, in the repeal of Section 14(b) of the Taft-Hartley Act, in the enactment of situs picketing legislation, in the right of public employees to strike, and in other proposals that are unpopular among the majority of the people of Virginia and, perhaps, among the people of the nation generally.

Our office has received complaints about possible intervention in the internal affairs of the southern African nations and about the individual nominated to head the Arms Control and Disarmament Agency who would also be our chief negotiator in future strategic arms limitation talks with the Soviet Union. During recent hearings before the Armed Services Committee I asked the President's nominee how he could reconcile his opposition to this country obtaining sophisticated weaponry with his ability to defend our position in direct talks with representatives of the Soviet Union; and whether, in his opinion, equality in the number of weapons each nation had could be justified when Soviet manpower is more than twice that of the United States and the Soviet Union has developed extensive civil defense shelters for its workers while we are without similar protection.

There is also concern about the inflationary effect of reducing the amount of government revenue and increasing spending to the extent that this year's deficit will approximate $79 billion, including off-budget items. Certainly the actions of all public officials, from the town clerk to the President of the United States, should be subject to scrutiny by the general public. Well informed and active minded citizens can affect the course of government.

We can be proud to live in a nation said to have assets of $6.2 trillion or $28,600 for each citizen and can understandably want to continue our high standard of living. However, if we believe with Alexander Hamilton that in America the people rule and if we have concerns about some of the things under consideration or actually being done by the Congress or the new Administration, it would be timely to share these concerns with neighbors and friends, with representatives at all levels of government, and by contacting the White House and various departments and agencies.

ARMED SERVICES COMMITTEE

Defense budget

Prior to leaving office President Ford submitted to the Congress a defense budget of approximately $123 billion, which would cover the cost of paying servicemen, the procurement of weapons, research and development of new weapons systems and military retirement pay. President Carter has reviewed President Ford's budget and has submitted his alternative recommendations to the Congress, including a reduction of approximately $2.8 billion in defense spending. As outlined in a previous newsletter, the Soviet Union has increased its military forces considerably over the past ten years and there is some speculation as to whether they have achieved military superiority over the United States. My personal view is to resolve any doubt regarding military sufficiency in favor of supporting the recommendations of our military experts within the Department of Defense.

Subcommittee hearings

The Manpower and Personnel Subcommittee of the Armed Services Committee is holding hearings on defense manpower issues. Of considerable concern is the high proportion of personnel costs to the entire defense budget—approximately 60 percent. Among suggestions offered to reduce the cost of military manpower is the possibility of reestablishing the draft. There is considerable doubt that Congress or citizens generally would agree to reestablishing the draft at this time, but it is among the alternatives to be considered. The Subcommittee commenced its hearings with consideration of the status of the so-called "all volunteer military force" and is expected to hold hearings on various problems over a period of more than a month.

Warnke nomination

Paul Warnke, who was nominated by President Carter to head the Arms Control Agency and strategic arms negotiating team, is controversial. Having reviewed statements made by Mr. Warnke in the past and questioned him while he was before the Armed Services Committee, I found that he has opposed many important strategic programs such as the Trident submarine, B–1 bomber, cruise missiles, improved missile accuracy, and an independent targeting capability for our missiles. In a 1975 magazine article called "Apes on a Treadmill," Mr. Warnke indicated that the chances are good that the Soviet Union would respond favorably to unilateral military restraints by the United States, but recent history has not indicated this to be true.

Perhaps there are other government positions in which Mr. Warnke could serve, but in my opinion our chief negotiator with the Soviet Union on strategic arms control should be an individual in whom the general public has confidence. Prudence would demand mutual on-site inspections to assure compliance; and our chief negotiator should be a person in whom the Senate would have such confidence that he was acting in the national interest that it would overwhelmingly support an agreement negotiated by him after reasonable hearings.

A number of Senators besides myself expressed reservations regarding Mr. Warnke, as have retired Admiral Thomas Moorer, former Chairman of the Joint Chiefs of Staff, and Paul Nitze, former Deputy Secretary of Defense. Copies of my statement are available upon request.

ACADEMY APPOINTMENTS

Our office has recently selected nominees for the service academies for this year. For next year, however, it is not too early for anyone interested in attending the Military Academy at West Point, the Naval Academy at Annapolis, the Air Force Academy at Colorado Springs, or the Merchant Marine Academy at Kings Point, to let us know.

We will then be glad to furnish an application and basic information to interested persons for appointment in 1978. The young people would ordinarily be those now in their junior year in high school, but high school graduates who will not reach their 22d birthday by July 1 of the year of admission are eligible to apply. All applications, however, should be submitted prior to September 1 of this year.

Those interested in the Coast Guard Academy should make application directly to the Admissions Officer, New London, Conn.

ELECTORAL REFORM

Over the past several weeks, the Judiciary Committee has held hearings on a resolution to amend the Constitution to provide for direct election of the President and Vice President. Many citizens become concerned when a given elector fails to vote in accordance with the results of the election within his particular congressional district or state and believe that the entire electoral college system should be abolished. Others are opposed to the direct election of the President for a variety of reasons. One is a belief that voters in our larger cities tend to vote as a block and are more subject to control by political bosses than people living in suburban or rural areas. Some citizens refer to the origin of our federal system of government, the compromises agreed to at the Constitutional Convention under which a dual system of sovereignty was developed with specific powers delegated to the federal government and other powers reserved to the states.

One suggestion for change in the present system is to prorate the electoral votes of an individual state in proportion to the popular vote. Another suggestion would permit one vote to be counted for the candidate who carried a given congressional district and two votes to be counted for the individual who carried a given state. This, in effect, would retain the present federal system but abolish the electoral college.

It has been interesting to hear the wide differences of opinion expressed during the several days of hearings and I would expect that a measure will be adopted by the Committee embodying some of these suggestions but have doubt that two-thirds of each House of Congress will adopt any meaningful change to the present law. Even if this should occur, however, it would still be necessary for the measure to be ratified by three-fourths of the states of the union.

PAMPHLETS AVAILABLE

The following government publications are available for distribution. Let us know in the event you would like any of them.

Growing Vegetables in the Home Garden

Food is More than Something to Eat

The Declaration of Independence, Constitution & related documents

Our American Government—What Is It? How Does It Function? 150 Questions and Answers.

Summer Flowering Bulbs

FEDERAL JUDGES

As you may recall, last year the Senate passed an omnibus judgeship bill that included an additional federal judge for the Eastern District of Virginia and an additional federal judge for the Western District of Virginia, but the House of Representatives did not act upon this measure. A new judgeship bill has now been introduced in the Senate and amendments have been offered that would modify the former measure so that there would be two additional judges for each of Virginia's federal districts. These additional judges have been recommended to the Congress by the Federal Judicial Conference. It is expected that action will be taken on the bill in the Senate within the next few months.

The second additional judge for the Western District of Virginia might well be temporary until disposition is made of an existing backlog of cases and a sitting judge retires. This would give the Congress an opportunity to reconsider the number of judges necessary for western Virigina after 1980. Let me hasten to add that the proposal is prospective only and that the House of Representatives, of course, would have to concur in any action taken by the Senate so that even though the prospects appear bright for additional judges this year, there is no certainty that the total number of active judges in Virginia will be increased from 8 to 12 during the calendar year. Nevertheless, I felt you should know of the contemplated action.

Officials of the Department of Justice have

also indicated an interest in reducing the workload of the courts so that the number of federal judges will not tend indefinitely to increase, and I would expect our Judiciary Committee to be receptive to all reasonable efforts in this regard.

SOMETHING TO PONDER

Dwight Eisenhower, January 1958: "The real problem is not our strength today; it is the vital necessity of action today to ensure our strength tomorrow."

OPINION POLL RESULTS

Approximately 10 percent of those who received our most recent opinion poll submitted responses which have been tabulated, and their views on the questions presented are as follows:

(1) The enactment of the Humphrey-Hawkins bill was opposed by a margin of 89 to 11 percent.

(2) A cut in taxes without a corresponding reduction in government spending was rejected by a ratio of 87 to 13 percent.

(3) 38 percent of those responding favored the federal government staying out of the medical field entirely; 54 percent favored federal participation only insofar as it related to catastrophic illnesses; while only 8 percent favored full national health insurance for all illnesses.

(4) 94 percent believed that so long as we had nationwide air and water quality standards high enough to protect the health and welfare of our citizens it would not be desirable for the federal government to attempt to impose higher air or water quality standards in any given locality.

(5) Only 20 percent of the people responding favored a reduction in defense spending.

(6) 12 percent favored negotiating a new Panama Canal Treaty that would limit American rights, while 88 percent expressed opposition.

(7) 5 percent favored Congress enacting legislation to abolish state right-to-work laws, while 95 percent opposed such action.

(8) 58 percent favored a reduction in the number of U.S. troops overseas with 42 percent opposed to such reduction.

(9) Only 7 percent of the people favored a federal law for postcard registration, with 93 percent opposing.

(10) 15 percent favored the creation of a Federal Consumer Advocacy Agency, with 85 percent opposed.

(11) 35 percent favored stricter federal legislation on surface mining, with 65 percent opposed.

(12) 19 percent favored American intervention in the affairs of southern African nations, with 81 percent opposed.

(13) 26 percent favored legislation to break up the major oil companies, while 74 percent opposed.

(14) 88 percent of those responding favored legislation that would subject employers who knowingly hire illegal aliens to fines and imprisonment.

(15) 97 percent favored legislation for periodic review of various government programs.

As you recall, all of these matters were presented in greater detail with the questionnaire, but the results leave little doubt as to how Virginians feel on these important issues. The next questionnaire is not expected to be submitted for another year. I hope, however, you will continue to express your views at any time on any issue confronting the country.

RULES OF PROCEDURE OF THE SENATE COMMITTEE ON RULES AND ADMINISTRATION

Mr. CANNON. Mr. President, pursuant to the requirement in section 133B of the Legislative Reorganization Act of 1946, I submit for publication in the RECORD the rules of procedure adopted for its own governance by the Committee on Rules and Administration on March 2, 1977.

Mr. President, I ask unanimous consent that the rules of procedure be printed in the RECORD.

There being no objection, the rules of procedure were ordered to be printed in the RECORD, as follows:

RULES OF PROCEDURE OF THE SENATE COMMITTEE ON RULES AND ADMINISTRATION

(Adopted February 4, 1971, pursuant to Section 133B of the Legislative Reorganization Act of 1946, as amended. Readopted without amendment January 17, 1973, and January 22, 1975. Readopted with amendments March 2, 1977.)

TITLE I—MEETINGS OF THE COMMITTEE

1. The regular meeting dates of the committee shall be the second and fourth Wednesdays of each month, at 10 a.m., in room 301, Russell Office Building. Additional meetings may be called by the chairman as he may deem necessary or pursuant to the provisions of sec. 133(a) of the Legislative Reorganization Act of 1946, as amended.

2. Meetings of the committee, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by the committee on the same subject for a period of no more than 14 calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in subparagraphs (A) through (F) would require the meeting to be closed followed immediately by a record vote in open session by a majority of the members of the committee when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

(A) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(B) will relate solely to matters of committee staff personnel or internal staff management or procedure;

(C) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(D) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(E) will disclose information relating to the trade secrets of financial or commercial information pertaining specifically to a given person if—

(1) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(2) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(F) may divulge matters required to be kept confidential under other provisions of law or Government regulations. (Paragraph 7(b) of rule XXV of the Standing Rules of the Senate, as amended by S. Res. 9, 94th Cong., Nov. 5, 1975.)

3. Written notices of committee meetings will normally be sent by the committee's staff director to all members of the committee at least 3 days in advance. In addition, the committee staff will telephone reminders of committee meetings to all members of the committee or to the appropriate staff assistants in their offices.

4. A copy of the committee's intended agenda enumerating separate items of legislative business and committee business will normally be sent to all members of the committee by the staff director at least 1 day in advance of all meetings. This does not preclude any member of the committee from raising appropriate nonagenda topics.

TITLE II—QUORUMS

1. Pursuant to sec. 133(d) 5 members of the committee shall constitute a quorum for the reporting of legislative measures.

2. Pursuant to rule XXV, sec. 5(a) of the Standing Rules of the Senate 3 members shall constitute a quorum for the transaction of routine business.

3. Pursuant to rule XXV, sec. 5(b) 3 members of the committee shall constitute a quorum for the purpose of taking testimony under oath; provided, however, that once a quorum is established, any one member can continue to take such testimony.

4. Under no circumstances, may proxies be considered for the establishment of a quorum.

TITLE III—VOTING

1. Voting in the committee on any issue will normally be by voice vote.

2. If a third of the members present so demand, a record vote will be taken on any question by rollcall.

3. The results of rollcall votes taken in any meeting upon any measure, or any amendment thereto, shall be stated in the committee report on that measure unless previously announced by the committee, and such report or announcement shall include a tabulation of the votes cast in favor of and the votes cast in opposition to each such measure and amendment by each member of the committee. (Secs. 133 (b) and (d) of the Legislative Reorganization Act of 1946, as amended.)

4. Proxy voting shall be allowed on all measures and matters before the committee. However, the vote of the committee to report a measure or matter shall require the concurrence of a majority of the members of the committee who are physically present at the time of the vote. Proxies will be allowed in such cases solely for the purpose of recording a member's position on the question and then only in those instances when the absentee committee member has been informed of the question and has affirmatively requested that he be recorded. (Sec. 133(d) of the Legislative Reorganization Act of 1946, as amended.)

TITLE IV—DELEGATION OF AUTHORITY TO COMMITTEE CHAIRMAN

1. The chairman is authorized to sign himself or by delegation all necessary vouchers and routine papers for which the committee's approval is required and to decide in the committee's behalf all routine business.

2. The chairman is authorized to engage commercial reporters for the preparation of transcripts of committee meetings and hearings.

3. The chairman is authorized to issue, in behalf of the committee, regulations normally promulgated by the committee at the beginning of each session, including the senatorial long-distance telephone regulations and the senatorial telegram regulations.

THE CASE AGAINST THE CRUISE MISSILE

Mr. HATFIELD. Mr. President, the February 1977 issue of Reader's Digest contained an article by Mr. Ralph Kinney Bennett entitled "The Missile the Russians Fear Most." In his article,

Mr. Bennett praises the technological achievements that have led to the development of the cruise missile, and argues that U.S. deployment of this weapon will "threaten the entire Soviet warmaking capacity" and "force a profound redirection of Soviet arms spending."

Mr. President, it is my belief that the United States already has a strategic force more than sufficient to threaten the Soviet warmaking capacity, and that therefore deploying the cruise missile as a "fourth leg of the Triad" would not only be unnecessary, but would pose quite serious problems for effective arms control, a matter of considerable interest these days as we consider Mr. Warnke's nomination to be chief U.S. SALT negotiator. Furthermore, while a massive redirection of Soviet military spending might be the result of cruise missile deployment, it might very well be that the Soviets would opt to spend more on another offensive weapons system of their own, further escalating the arms race and increasing the threat of nuclear war.

I believe Mr. Bennett's arguments need to be countered and the questions of necessity and arms control implications addressed. So, I have written to Mr. C. R. Devine, the vice president of Reader's Digest who originally sent me the article, and have raised some points I believe the article should have addressed. Since I believe the material would be of interest to my colleagues as we consider arms control matters, I ask unanimous consent that my letter to Mr. Devine and the article be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 1, 1977.

Mr. C. R. DEVINE,
Vice President, Reader's Digest,
New York, N.Y.

DEAR MR. DEVINE: Thank you for your letter and the article, "The Missile the Russians Fear Most," by Mr. Ralph Kinney Bennett.

I most emphatically do not share Mr. Bennett's enthusiasm for the cruise missile. I am well aware of its potential. Technologically, it is a marvel. However, it is not needed and if deployed it would make a shambles of arms control. Mr. Bennett's failure to address these two concerns does your readers a disservice.

The United States "triad" of nuclear forces consists of 418 strategic bombers, 1054 land-based ICBM's, and 656 SLBM's. Five hundred and fifty of the ICBM's are Minuteman III's, each equipped with three MIRV warheads of some 200 kilotons each. Another 450 Minuteman II's carry multiple reentry vehicles which are not separately targetable but which separate before detonation to create a pattern. Fifty-four Titan missiles carry one 10-megaton warhead each .

When the Poseidon conversion program is completed in 1978, 31 of our 41 ballistic missile submarines will carry 16 Poseidon missiles, each with up to 14 MIRV warheads of 40 kilotons apiece. The 10 Polaris submarines will be replaced by the Trident in a few years. Each Trident submarine will carry 24 MIRV's missiles.

All of these bombers, ICBM's and SLBM's presently carry 8900 nuclear warheads, each much more powerful than the bombs that destroyed Hiroshima and Nagasaki. We have additional warheads stockpiled, and are making more every day. The Soviet Union has an estimated 3500 nuclear warheads poised to launch against the U.S. or some other adversary.

The Soviet Union has 219 cities of over 100,000 people. With the Minuteman force alone, we could launch at least 10 warheads against each city. Even in the highly improbable event that the entire ICBM force were destroyed, our invulnerable SLBM force, with more than 5000 independently targetable warheads, could launch 22 warheads against each Soviet city of more than 100,000 people. Obviously, there would be no need to direct such a massive attack against population centers. Thousands of warheads could be used against strictly military targets.

Given this overwhelming capability, why do we need a cruise missile? This is the overriding question that Mr. Bennett does not answer. He does not, perhaps, because he cannot—we simply do not need a "fourth leg of the trial" in the form of the cruise missile.

But suppose that Mr. Bennett and those who support his view prevail and the cruise missile is developed and deployed. What then of arms control?

The enforcement of arms control agreements is dependent upon verification of compliance by national means, that is, by means that do not require on-site inspection or other intrusion into an adversary's territory. Therefore, both the Soviets and the Americans primarily rely upon reconnaissance satellites to determine the number and type of bombers, ICBM's and SLBM's deployed. The key fact is that it is impossible to ascertain by these means whether a cruise missile is tactical (with conventional warhead) or strategic (with a nuclear warhead). Indeed, it would be impossible to know just how many cruise missiles are deployed, since they can be carried in B-52's or other large aircraft and in the torpedo tubes of both ballistic missile submarines and nuclear attack submarines.

Clearly the result of deploying a significant number of cruise missiles would be a startling new acceleration in the arms race and a disaster for arms control. The Soviets might well respond with a massive air defense effort, but they would also be likely to view the present SALT agreement as meaningless, and begin deploying more ICBM's and SLBM's to counter the U.S. threat. And with the deployment of more nuclear weapons on both sides, the world would move closer to nuclear war.

So, I submit that our present nuclear arsenal is more than adequate to "threaten the entire Soviet war-making capacity." And while its deployment might force the "profound redirection of Soviet arms spending" Mr. Bennett suggests, it would also force a profound and dangerous acceleration of the arms race and increase the threat of nuclear war.

Weapons are not to be praised for their technological perfection, but feared for the destruction they can bring. And for that reason, the cruise missile is a weapon that Americans should fear as well.

Sincerely,

MARK O. HATFIELD,
U.S. Senator.

THE MISSILE THE RUSSIANS FEAR MOST

(By Ralph Kinney Bennett)

It burst from beneath the sea in a white geyser, a slim 21-foot cylinder. Small wings and fins snapped into position from slots in its sleek, shiny body as a turbofan engine roared to life and propelled it a thousand feet into the air. Banking, it angled downward until it was 50 feet above the surface, rushing toward land. Soon it was passing over a green blur of trees, fields and housetops. To people on the ground it was noise and shadow, gone in the snap of a head.

A hill loomed before it. Inside the cylinder, a computer no bigger than a loaf of bread pulsed a command through the guidance system; the projectile tipped up slightly, cleared the hill and dropped down the other side. For more than an hour it gulped up the miles, hugging the contour of the earth. Finally it flew out over a rolling plain and fixed its cold electronic eye on a strip of concrete and a line of aircraft with red stars stenciled on their sides. The flying cylinder's journey ended in searing light and a roar of obliteration. Here and at thousands of other military targets across the Soviet Union, the United States was responding to a nuclear first strike.

This is how a sea-launched "cruise missile" (SLCM) would be used under wartime conditions. With its uncanny accuracy and ability to elude enemy radar, the cruise missile now holds the most promising potential for increasing American strategic capability in the face of a continuing Soviet military buildup.

The first operational cruise missile—essentially a pilotless airplane filled with explosives—appeared during World War II when Hitler's engineers came up with the "buzz bomb" that terrorized England. The United States later developed cruise missiles of its own: the Matador in 1950, the Mace in 1959. Now, after extensive research and prototype testing, two new versions of this weapon could soon go into full-scale production, if Congress approves funds. They are the air-launched cruise missile (ALCM), a 14-foot Air Force missile that can be carried under the wings or in the bomb bay of a bomber and released as far as 700 miles from target, and the SLCM, built for the Navy and designated Tomahawk, which is fired through the torpedo tubes of submarines and has a range of at least 2300 miles.

Both these missiles are relatively inexpensive to build since they reap the benefits of systems already developed in connection with other programs. They use the same turbofan engine and the same vital guidance components. Their average cost is about $600,000 each, roughly one tenth of the cost of an ICBM.

It is the Navy missile that the Soviets fear most. The reason: the Tomahawk flies so slow that radar cannot pick it out from the confusion of ground images. It thus overcomes the weakness of any cruise missile—the low speed (around 500 m.p.h.) that would ordinarily make it easy prey for radar-directed ground-defense missiles or guns.

The secret behind this extraordinary capability lies in the Tomahawk's guidance system, called TERCOM for terrain-contour matching. The Tomahawk carries in its computer an electronic library of precise maps showing various routes to targets inside the Soviet Union. As the missile moves along close to the earth, its guidance system sends out signals to "read" the terrain below and to each side. It then checks what it "sees"—hills, rivers, valleys, plains—against the correct map in its library. If the missile has wandered, impulses are sent in milli-seconds to the control surfaces to put it back on course. The entire guidance "package" inside the missile takes only a cubic foot of space and weighs less than 90 pounds.

Because of their slow speed, cruise missiles can hardly be construed as provocative "first strike" weapons. They do, however, challenge the Soviets in two ways:

1. They threaten the entire Soviet warmaking capacity. The current U.S. "envelope" of military targets in the Soviet Union numbers about 40,000—a staggering catalogue of missile silos, tank factories, troop and weapon depots, air bases, submarine pens, radar installations. Most of these are grouped near major Soviet cities. Because of their exceptional accuracy, cruise missiles sent after each of these targets would have

a high probability of striking within 30 feet of "target zero," thus minimizing the threat to population centers. Such accuracy also makes it possible to use smaller nuclear warheads or even conventional explosives to destroy, for example, an air-defense installation.

Cruise missiles therefore provide the means of attacking virtually every element of the Soviet warmaking capacity within a matter of hours. "Time urgent" targets, particularly missile silos, would be hit primarily by our ballistic missiles, which would travel from launch to detonation in around 25 minutes. The relatively "slow but sure" cruise missiles could go after thousands of ancillary, but still crucial, targets.

2. They would force a profound redirection of Soviet arms spending. It is possible for the Soviets to create a defense against cruise missiles over a period of years. They would, for instance, need to develop much more sophisticated radar systems than they have at present. "That is precisely what we would like them to do," says Malcolm Currie, director of Defense Research and Engineering in the Pentagon. "It would cost the Soviets billions of dollars, and we would be forcing them to spend for defense rather than offense."

Renewed American interest in the cruise missile grew out of the SALT I accords of 1972 in which we negotiated away our clearly superior antiballistic missile (ABM) system and gave the Russians a quantitative superiority in ICBMs. There was a strong feeling in the Pentagon, particularly among the Joint Chiefs of Staff, that we had given away too much in the name of détente. Defense Secretary Melvin R. Laird then proposed development of the cruise missile as part of a package of "strategic initiatives." Unexpectedly swift advances in guidance, micro-electronics and warhead miniaturization, and in small-turbofan-engine efficiency have made it, in effect, a new weapon.

These advances have been acutely felt by the Soviets, whose submarine-launched cruise missile, the cumbersome SS–N–3 Shaddock, has a range of about 600 miles, and is usually guided to its target with the help of signals from a ship or aircraft in the area. It is no wonder then that the Russians want to put the wraps on U.S. cruise-missile production.

The era of détente has been characterized by Soviet preparedness to negotiate when such talks may serve to wipe out an American advantage. Robert Hotz, editor in chief of the internationally respected Aviation Week & Space Technology and a close observer of the ongoing arms talks, says, "The United States was badly outmaneuvered at SALT I by the classic Russian chess gambit of trading a pawn for a knight. The United States gave up its superior missile-defense technology for a limitation of an extremely ineffective Soviet anti-missile system." The Soviets then repeatedly violated SALT I to catch up technologically, secretly testing and upgrading IOGO existing anti-aircraft launchers to an antiballistic-missile capability.

The Kremlin seems prepared to use this same gambit with the cruise missile. At Vladivostok in November 1974, President Ford and Soviet Communist Party leader Leonid Brezhnev agreed to "cap the arms race" by limiting each country to a total of 2400 strategic launchers. Though the cruise missile was not mentioned at this meeting, it became clear in the ensuing weeks that the Soviet negotiators had the weapon very much in mind: they maintained that the 2400-launcher limit included cruise missiles. The American side balked, and for a year negotiations slowed to a crawl.

Finally, in January 1976, the Soviets made a modified proposal that the Tomahawk be banned from submarines and be stationed instead on 25 surface ships. They further suggested that it be limited in range to 372 miles, thus virtually eliminating it as a weapon against the Soviet landmass. The United States could have air-launched cruise missiles but would have to count as MIRV (multiple independently targetable re-entry vehicle) launchers all bombers carrying ten or more cruise missiles. Since there is a proposed ceiling of 1320 U.S. MIRV launchers, and 1286 launchers are now deployed, the Soviet proposal would permit only 34 cruise-missile-carrying aircraft. In exchange, the Soviets have offered only their assurances that their Backfire bomber (the exact range of which is still in dispute) would not be based at points in the Soviet Union from which it could take off and attack the United States without aerial refueling.

There the matter now rests. One thing seems clear: if the United States agrees to their proposals, the Soviets will have in effect reduced the American cruise-missile threat almost to the vanishing point. The very fact that Moscow continues to push for a one-sided agreement is in itself an indication of how formidable the cruise missile is as a counter to the Soviet desire for military superiority.

FREEDOM

Mr. DURKIN. Mr. President, freedom from government harassment, freedom to emigrate, freedom to join with our families wherever they may be are freedoms which we Americans rarely take time to consider. They are part and parcel of our political system, and most of us cannot even imagine being without them.

We cannot imagine being without them, that is, until we pick up a newspaper and read the names of Vladimir Bukovsky, Amner Zavurov, Andrie Sakharov, Alexandr Solzhenitsyn, Valery and Galina Panov—people who have suffered and some of whom continue to suffer at the hands of the Soviet authorities whose only freedom is the freedom to punish. That is one freedom we must work to deny them.

That is why I am cosponsoring Senate Concurrent Resolution 7 relating to freedom of emigration for Soviet Jews and other Soviet minorities. The U.S. Congress does not and cannot make policy for the Soviet Union or any other country. Some, particularly in the past administration, claimed we should not even try to influence the leaders in the Kremlin. They would have us sit back and tolerate abuses of basic human freedoms.

But I cannot, and the people of New Hampshire will not, sit back. There is no longer any doubt, if there ever really was, of the systematic attempts by Soviet leaders to crush those who ask for the simple pleasures of being allowed to practice their religions, to emigrate, to be united with their families, and to state their views openly.

SENATE 265—AMENDMENT OF THE FEDERAL AVIATION ACT OF 1958

Mr. ROTH. Mr. President, I am today cosponsoring S. 265, which was introduced by Senator McINTYRE and would amend the Federal Aviation Act of 1958 to authorize reduced fare transportation on a space available basis for those over 60 years and the handicapped. I introduced similar legislation in the past in both the House of Representatives and the Senate, and maintain that it is entirely proper to grant these groups special consideration.

Mr. President, our senior citizens have worked many long, hard years and struggled to save for their retirement. However, it was impossible to plan for the hardship that our inflationary economy has placed on them. Many of them are enjoying an abundance of leisure time perhaps for the first time in their lives. Their children and friends are often located in distant places.

Inflation and our Nation's economic situation have placed air transportation beyond the financial reach of many Americans, however, those most seriously affected have been our senior citizens. It is my understanding that on the average 45 percent of available airline seats on major airlines are unoccupied. This legislation would provide that those seats would be occupied by the elderly and handicapped at reduced rates on those airlines which choose to offer them.

By allowing the airlines to offer reduced fares, the elderly who have not been able to afford to visit their family and friends may be able to do so. Access to air transportation is most important to these groups if they are to be included in the mainstream of American life. I was pleased when the House passed similar legislation last week, and hope that this legislation will be passed by the Senate without delay.

OIL WELLS AND BEACHES

Mr. JOHNSTON. Mr. President, I wish to bring to the attention of my colleagues an excellent editorial which appeared in the Washington Post on February 23, 1977.

The editorial is entitled "Oil Wells and Beaches" and identifies a set of attitudes referred to as the "Atlantic state of mind." This state of mind, which the editorial calls "characteristically American, and widespread," is identified as being "most explicit in the region that runs from Washington to the north and east." It opposes all drilling on the Outer Continental Shelf, the construction of new refineries in that region, the development of new petroleum storage tank facilities in that region, the development of new oil port facilities and the traffic of oil tankers to and from its shores. At the same time, however, this region with its voracious appetite for energy decries rising fuel costs and the region's increased dependence on foreign imports of crude oil.

Mr. President, I recently chaired an informational hearing of the Energy and Natural Resources Committee which probed the Federal Energy Administration's proposed heating oil entitlements program for New England. That program, which was not subject to congressional veto, has since been implemented by the FEA. Under the program, perhaps as much as $100 million will flow from every region of our Nation to the New England region during February and

March. The purpose is to encourage importation of heating oil from refineries in foreign countries. The irony is that FEA cannot assure that the New England consumer, rather than the foreign refiner, will receive the benefits. The injustice is that consumers in every other region of our Nation—many of whom are unemployed due to the natural gas crisis and most of whom live in regions with lower per capita income than the New England region—are being asked to pay higher fuel prices to pay for this subsidy. The outrage is that the east coast press reported that the money for this subsidy program would come from certain large domestic oil companies. The truth, as identified by the Post editorial, is that the money for the program will come from consumers in every region of the Nation, except New England.

Mr. President, it is time for the leaders and citizens of the "region that runs from Washington to the north and east" to take the energy problem seriously. We can no longer afford the luxury of the "Atlantic state of mind." Each region of our Nation must now shoulder its fair share of the energy production burden.

Mr. President, I ask unanimous consent that the editorial entitled "Oil Wells and Beaches" which appeared in the Washington Post on February 23, 1977, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OIL WELLS AND BEACHES

The guerrilla warfare over energy and the environment goes on and on—expensively, wastefully and, worst of all, inconclusively. It's being fought mostly through the tangled jungles of the regulatory agencies and various court systems. Now a federal judge in New York has delivered an opinion that holds up indefinitely any oil and gas drilling operations off the East Coast. The environmental planning was, in the judge's view, inadequate under the standards of the Natural Environmental Policy Act.

By itself, this delay in offshore drilling will probably turn out to be less than crucial. Mother Nature has lately been offering broad hints that the Atlantic Coast is not going to be sufficiently rich in oil and gas to change significantly the dimensions of the national shortage. For one thing, the Canadians have been doing a lot of drilling in their segment of the continental shelf, to the north, and the results have been disappointing so far. The more distressing thing about the court's decision is this further demonstration that the country still isn't coming to terms with the limits on its oil and gas resources.

A certain set of attitudes has emerged that can be called the Atlantic state of mind. It is characteristically American, and widespread, but it is most explicit in the region that runs from Washington to the north and east. It is an attitude that vehemently opposes offshore drilling, or the construction of new refineries, or the development of oil ports. But it is also an attitude that bitterly resents rising fuel costs and utility bills. This attitude concedes that the disruptive and sometimes dirty process of producing and refining oil is necessary, but wants it to take place somewhere else. At the same time, it does not see why the northeastern states should pay any more for their fuel than, say, the Southwest.

The rest of the country is now, in fact, subsidizing the imports of home heating oil into this country—most of it into the Atlantic states. It isn't a government subsidy; it's paid by one consumer to another through the refiners and distributors, to equalize fuel costs nationwide. It's permissible as a temporary measure in a very cold winter. But the sections of the country that produce and refine oil have a right to ask how much they are to pay, and for how long, while the fight over environmental standards goes on in the Atlantic states.

The offshore leasing decision was a "stinging victory for our 1,000 miles of shoreline," declared John V. N. Klein, Suffolk County (N.Y.) Executive. ". . . it is obvious that the 'inevitable' of offshore drilling may not be as 'inevitable' as some have suggested." Quite true. But there are choices to be made here. Somewhere, some time, this country is going to have to work out a reliable and rational way of reconciling the benefits of stable fuel prices with the different but even more important benefits of environmental protection. Perhaps it is reasonable for the Atlantic states to demand a higher standard of protection for their coasts and beaches than those now in effect for the Gulf Coast and California, where drilling has been going on for years. But is it fair for the Atlantic states, at the same time, to ask the rest of the country to help pay the high costs of imported heating oil?

CREDIT UNION MODERNIZATION ACT OF 1977

Mr. DOLE. Mr. President, I am joining my distinguished colleague, Mr. PROXMIRE, in sponsoring legislation designed to amend the Federal Credit Union Act.

I feel that it is time to direct our attention to the credit union. While we have—over the years—addressed the problem of financial institution reform, we have paid very little attention to this important sector of the financial community.

Currently, there are over 23,000 credit unions in operation in the United States serving the financial needs of almost 19 million members. Credit unions have played an important role in the lives of many persons who have successfully pooled their resources to the benefit of all involved.

Despite their success, credit unions have faced increasing competition from other financial institutions. It is this pressure S. 225 addresses. While I feel that individual companies should compete with each other for the optimum allocation of our limited resources, credit unions are currently at an unfair disadvantage as they are unable to provide certain services to their members, whereas other borrowers and lenders can provide these services.

S. 225 would aid greatly in this regard. It would, for example, allow credit unions to provide their members with checking account privileges. In addition, credit unions would be allowed to make home mortgage loans. This would be beneficial not only to those who wish to own their own homes, but also a suffering construction industry. The bill also allows these institutions greater flexibility in making their own investments and in providing improved and modernized customer services. This flexibility would enhance the efficiency of these institutions.

This legislative proposal also provides for a three-member board to administer credit unions. The members would be appointed by the President, with the advice and consent of the Senate. The appointee would be required to possess credit union experience and would serve a 6-year term.

I feel very strongly that this reform is overdue, and, in fact, cosponsored similar legislation (S. 1475) in the 94th Congress. It has become necessary to put credit unions at par with their competitors, so that these member-owned and controlled institutions can continue to thrive and provide their financial services.

COUSTEAU SAYS ENERGY ANSWER IS IN THE SEA

Mr. SPARKMAN. Mr. President, I have addressed this body often on the advantages of solar energy and the outstanding advances being made in the Huntsville, Ala., area in solar research, development, and demonstration. Many are unaware of the fact that solar energy encompasses a variety of energy-producing techniques. In addition to the now-familiar solar collectors, both wind and tidal energy are considered forms of solar energy.

I recently read an Associated Press article in the Huntsville Times concerning Jacques Cousteau's comments on solar energy from the sea. While I have felt that nuclear development would be a necessary solution to our short-term energy demands, I found Dr. Cousteau's remarks of great interest.

I ask unanimous consent that the article "Cousteau Says Energy Answer Is in the Sea," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COUSTEAU SAYS ENERGY ANSWER IS IN THE SEA

NEW YORK.—Jacques Cousteau speaks of the sea when he speaks of world energy problems: Nuclear power is a "Titanic" of a solution, a disaster waiting to happen; the true answer is the sun shining over the world's oceans.

"The Titanic was unsinkable and it sunk on its first voyage. So now we're building unsinkable nuclear power plants," the famed undersea explorer said.

"It could happen tomorrow," he said of a nuclear disaster.

Cousteau, 67, talked about the world's troubles in an interview during a visit here to see the Cousteau Society's new six-segment "Oasis in Space" film series, which debuts nationally Feb. 22.

"The three most important problems are overpopulation, food and energy," Cousteau said. "Then we have to figure out how to share these things."

Naturally, the man who has explored the world's oceans saw the solutions to at least the energy problem related to the seas.

"The main source of solar energy is in the ocean," he said. "Two-thirds of all the solar energy on earth falls into the ocean. The currents concentrate the heat in particular places, like the Florida strait, around Japan and the equatorial currents.

"Solar energy, well exploited, could easily represent four-fifths of the world's energy by the year 2000," Cousteau said.

Cousteau said it is inevitable the world will shift to the sun for power but one of his fears is "we are going to turn to solar energy

too late." An even bigger fear is nuclear energy.

"The biggest danger is nuclear energy," he said. "Any other catastrophe can be repaired. A nuclear one cannot. Many scientists say there's no danger, but there is."

Moreover, Cousteau said, nuclear energy is a false solution.

He said United Nations estimates show an $850 billion spent for nuclear power by the year 2000 would account for only 20 per cent of the world's energy needs. And $1 trillion spent in the same time on solar energy would provide energy for 80 per cent of the planet.

Cousteau sees a shift in interest to solar energy, but he said for spending to shift similarly, there must be citizen pressure.

"It's growing in every way and the politicians know it," he said. "That's why they brandish it to be elected."

CONGRESSIONAL SENIOR INTERN PROGRAM

Mr. ROTH. Mr. President, for the past 6 years I have joined Members of the House of Representatives in sponsoring a congressional senior intern program. Retired Congressman Ed Biester, of Pennsylvania, and Congressman Bud Hillis, of Indiana, and I were the original sponsors of this program, and last year I was the only Senator to participate. This year I am again sponsoring a senior intern program for residents of my State of Delaware who are over 60 years of age, and I would like to extend an invitation to all of my colleagues in the Senate to join us.

One or two interns may be invited from each office to come to Washington during the 2-week period of May 16 and 23. They will study pending legislation of interest to senior citizens and learn about Federal programs and policies affecting the elderly. This is an excellent opportunity for senior citizens to develop a better understanding of congressional operations and legislative activites to communicate this information to other citizens in the State. The internship program will also enable us to work closely with the elderly and gain a better insight into their concerns.

This afternoon I will be sending a letter to each of my colleagues in the Senate. By having our senior interns in Washington at the same time, we will be able to plan group meetings, discussions, and activities in order to achieve a strong program. Last year 25 Members sponsored 46 interns. This year I hope that we will have a greater participation by the Members of the Senate.

EXTENSION OF REGULATION Q

Mr. BENTSEN. Mr. President, I strongly support extension of regulation Q. This action is needed to help meet our Nation's housing needs.

In 1966, with the enactment of Public Law 89–597, Congress provided authority to various Federal financial regulatory agencies to establish flexible ceilings on rates paid by financial institutions on time and savings deposits. This authority is commonly known as regulation Q. The most recent extension was provided by Public Law 94–200, continuing present authority to March 1, 1977.

The original basis for enacting flexible rate control authority was a finding by Congress that interest rate competition was putting an enormous upward pressure on interest rates paid on savings accounts by thrift institutions. Since thrift institutions are limited by law to the relatively lower yielding long-term residential mortgage investments, they have much more restrictive limitations on the rate payable on savings than a commercial bank. Thus, to insure a steadier flow of deposits in thrift institutions whose primary reason for existence is to supply funds for home mortgage financing, Congress authorized the establishment of flexible interest rate ceilings on the rates paid by financial institutions.

Long-term mortgage credit at reasonable rates is the backbone of the housing industry. The maintenance of a continued and adequate supply of mortgage money is a prime consideration toward stable housing production. Thrift institutions performed this function very well up to 1966 when disaster set in.

Because of intense competition for saving funds and the fact that commercial banks could pay the same rate of interest as thrifts, the resultant rate wars caused an alarming decrease in funds available for mortgages. At that time a device was developed to provide a degree of equality between the ability of thrift institutions and commercial banks to attract savings. This was the authority of the U.S. financial regulatory agencies to establish different maximum interest rates which can be paid on different types of deposits, thus enabling a differential to be maintained.

The necessity of maintaining the historical differential between the rate paid on savings by thrift institutions and that paid by commercial banks was most dramatically demonstrated by the results of the action of the Federal Reserve Board and other financial regulatory agencies in July 1973. At that time they increased the limits on interest rates that commercial banks and thrift institutions could pay on their various categories of savings, establishing new categories of certificates of deposit and reducing to one-fourth percent, the one-half percent differential between interest rates for deposits in thrift institutions and those in commercial banks.

The results were disastrous. There was an immediate drain on the funds available for mortgage lending and an accompanying increase in the cost of mortgage funds for borrowers. This action also precipitated the longest drop in housing starts ever experienced.

Congress wisely put a limit on the so-called wild-card type of deposit that resulted from the precipitate July 1973 action, bringing a degree of stability into what was rapidly becoming a chaotic situation.

It is imperative that the regulation Q authority be extended.

Mr. President, earlier this year Mr. Garth Marston, Chairman of the Federal Home Loan Bank Board, stated:

> It is the strong belief of this Board that the continuation of rate control authority—with an effective rate differential favoring savings and loan associations—will clearly be required for an extended period of time if the S&L industry is to meet the housing credit needs of the nation, particularly the needs of urban areas and of low and moderate income households.

STOP DRUGS RESOLUTIONS

Mr. NUNN. Mr. President, today Gov. George Busbee presented resolutions, passed by the Georgia General Assembly, to Peter Bensinger and Hiram Haggett of the Drug Enforcement Administration and A. Reginald Eaves and Eldrin A. Bell of the Atlanta Department of Public Safety for their outstanding efforts to "stop drugs at the source."

I am particularly sensitive to the need for organized and effective narcotics enforcement efforts because the Senate Permanent Subcommittee on Investigations has been conducting oversight hearings into narcotics enforcement efforts for almost 2 years.

One of the major problem areas identified by the subcommittee investigations was the need for increased coordination and cooperation among Federal, State, and local enforcement officials. The subcommittee concluded that State and local enforcement efforts should stress concentration on street dealers and addicts with Federal enforcement concentrating on conspiracy cases against high level traffickers in an attempt to reduce the amount of narcotics brought into the United States.

Mr. Peter Bensinger, head of the Federal Drug Enforcement Administration and Hiram Haggett, have done an excellent job in coping with our drug enforcement problems but recognize that they cannot do it alone. Reginald Eaves and Eldrin Bell have responded to grassroots efforts and cooperated with Federal initiatives to "stop drugs at the source."

I think it is especially appropriate that Governor Busbee and the general assembly should honor these four men today for their leadership in using all the resources available to "stop drugs."

STRATEGIC ARMS AND UNITED STATES-SOVIET RELATIONS

Mr. NELSON. Mr. President, I call my colleagues' attention to a seminar which was conducted on Thursday, February 17 on the "Future of Détente." Participating in the informative, challenging discussion were the distinguished public servant, Averell Harriman, former Ambassador to the Soviet Union and to the Court of St. James; Richard J. Barnet, codirector of the Institute for Policy Studies; and Walter Clemens, fellow at the Kennan Institute for Advanced Russian Studies of the Woodrow Wilson International Center for Scholars. The viewpoints represented there were a valuable contribution in the dialog in this country on SALT, in particular, and United States-Soviet relations, in general.

It is noteworthy that all three Soviet experts speaking on United States-Soviet relations agree that the United States and the Soviet Union should seize the unique opportunity facing both countries to negotiate a major new SALT agreement. Barnet said:

I agree so much with . . . Governor Harriman that this is a very critical moment. I think we can go in that direction, or if we fail to grasp the opportunity, both nations are in the grip of a dynamic which is taking us very fast in the opposite direction.

Professor Clemens elaborated—

The situation objectively is very favorable. Both sides do have a kind of rough equivalence from which they can make some kind of an agreement. And also subjectively, Brezhnev has staked his career on peace, arms control and so on. Carter has also made this a very important part of his message to the American people.

I ask unanimous consent that the text of the entire seminar, sponsored in part by the Coalition for a New Foreign and Military Policy, be printed in the RECORD.

There being no objection, the text of the seminar was ordered to be printed in the RECORD, as follows:

TEXT OF SEMINAR

Representative ROSENTHAL. There is no question more important for American foreign policy than our relations with the Soviet Union. The future of peace in the world, nuclear weapons agreements, military spending, protecting human freedoms—all of these depend in large part on American-Soviet relations. In addressing "The Future of Détente," the panelists will be helping us to understand whether and how the new Administration can move our policy forward.

Today we hope to hear about a perspective on our relations with the Soviet Union which is not an implausible "worst case" but a realistic and forward-looking case. All of our panelists have extensive personal and professional experience on these issues.

We are especially fortunate to have with us today Governor Averell Harriman, former Ambassador to the Soviet Union and to the Court of St. James. He will make a presentation and then be followed by Richard J. Barnet, Co-Director of the Institute for Policy Studies, a former Fellow at Harvard University's Russian Research Center and former disarmament advisor at the State Department; and by Prof. Walter Clemens, who currently is a Fellow at the Kennan Institute for Advanced Russian Studies of the Woodrow Wilson International Center for Scholars and a Professor at Boston University.

Finally, let me thank my co-sponsors of this series of seminars, Senator McGovern and Rep. Schroeder, and the Coalition for a New Foreign and Military Policy for making this discussion possible today.

Governor HARRIMAN. In this meeting on U.S.-Soviet relations, we are here to discuss what our problems are in the world today and how to deal with them.

I'm not going to tell you about my long experience with the Soviet Union but this is the fiftieth year since I first went to the Soviet Union. I've talked to all the leaders—Lenin had died, but I've talked with Trotsky and I dealt with Stalin during the war. I knew Khruschev well. I had a ten-hour talk with him once in my home when he was in New York. I've known Kosygin since 1942. I've seen Breshnev three times now in the last 2½ years. I'm not a Kremlinologist and I don't pretend to be. But I think I can talk about the men in the Kremlin and the policies of the Soviet Union, how to negotiate with them and how to deal with them.

Let me first say that I went to Russia last September with the approval of the then-Governor Carter. It was my own initiative. I also had the approval of the State Department. I talked with Secretary Brezhnev at that time in three sessions of over 6 hours in total length. I know what's on his mind in regard to the subjects we're discussing this afternoon—the question of our relations and the nuclear question. There is also the question of why Paul Warnke is the best man the President could get to carry on with the Arms Control and Disarmament Agency and in negotiations with the Soviet Union.

If there is one man who is going to negotiate agreements on nuclear disarmament, his name is Jimmy Carter. He's the man who is going to do it and he is entitled to have the people he wants to advise him. He has a great Secretary of State in Cyrus Vance, in Secretary Harold Brown at Defense and Paul Warnke for ACDA.

I know what President Carter believes on this subject. I've had three talks with him—one before I went to Russia, once after I returned from Russia and then after he was elected President. We have an opportunity now which we may never have again to get nuclear weapons under control and to get real non-proliferation. There are some people who have given up on that question. President Carter has not given up. He has the intention of using every bit of power he has to achieve that end.

President Carter knows the first step is to come to an agreement with the Soviet Union to stop this very dangerous nuclear arms race and have a Comprehensive Test Ban treaty and to take other steps to reduce nuclear weapons. He is already doing this, taking steps to reduce the problems of proliferation by talking with the West Germans, the Pakistanis, the Brazilians, the French.

Let me first say that there are some things I know about the Soviet Union. There is one thing that I can tell you about the Soviet Union without any question. The leaders of the Soviet Union do not want to have a nuclear war. They are just as keen as we are to prevent that from happening. Why isn't it natural that they should be. They had just come through one of the most tragic wars that any nation had ever fought. There were twenty million people killed. Every family lost someone, a father, a brother, a cousin, or an uncle.

They don't want to have a war come to the Soviet Union and that I know. Secretary Brezhnev has made it very clear to me in the three talks that I've had with him and he has made it clear to the public.

It is absolutely senseless for these people to say that the Soviets are trying to work for a nuclear capability that would give them a first strike and that they have a civil defense program which will mean that they will have only twenty million casualties. They don't want to see their country destroyed. They built this country up. You have to go to Leningrad to see how they are rebuilding every one of the czarist palaces. They didn't want to let the Germans take any of their national heritage away.

We and they know that these cities would be destroyed. It is absolute nonsense to think that that is their objective. Secretary General Brezhnev assured me in 1973 and then recently that his objectives were the same as President Carter's: to have a SALT II and then promptly come to another negotiated agreement for mutual reduction in nuclear armaments. This is what they stated that they want. This is what the President has stated that he wants.

We have a chance now that we may never have again because science is developing on both sides in such a way that if we go much further, it will be almost impossible to come to an agreement because we won't be able to verify that agreement. I believe in agreements with the Soviet Union that can be verified. General agreements, beginning with Yalta they have not kept. But they have kept specific agreements that can be verified.

Paul Warnke is the man that the President has chosen to engage in these negotiations. I know him well. I worked with him when he was Assistant Secretary of Defense and I was Under Secretary of State for Political Affairs. I can assure you that he is for a strong defense as much as anyone in the country. But he's for controls on the nuclear weapons. He is not for unilateral disarmament. I was shocked to see that some people who are opposing him seem psychopathic and even dishonorable. I see there is a committee organized called the Emergency Coalition Against Unilateral Disarmament. The purpose of it is to prevent the confirmation of Warnke as a menace to the nation because he is for unilateral disarmament. That is an absolute and utter lie.

Paul Warnke has suggested, which anybody with any intelligence can suggest, that one of the things that we can do if we can't come to a full agreement is to show mutual restraint. What he has proposed is that for a period of time, we agree to do thus and so providing the Soviet Union shows a parallel restraint. At the end of six months, which was one of the terms he used, if they haven't done it, then of course we will go ahead.

At the present time, no one can say that we are second in nuclear power. The Russians want to be equal with us. It's unfortunate, but they have certain capabilities which are greater than ours in individual weapons such as more throw weight and we have greater numbers of warheads and far greater accuracy.

We are at the point where the President uses the words "rough equivalence," so that neither side can claim superiority and the world will recognize that. That is probably not very important physically, but politically it is important.

I remember having a talk with Mr. Kosygin in 1965, and he was urging that we come to a discussion of control of nuclear power and non-proliferation. He said, "what difference does it make?" This is Kosygin's own words. "What difference does it make? We can destroy each other twenty times over, what difference does it make if one could do it twenty-one times and the other only nineteen times?" But even that isn't the President's proposal. His proposal is for us to have rough equivalence, and that should be our objective.

And that is an objective which Paul Warnke as a negotiator can give the President. I have rarely worked with a man in Government who is as effective, dedicated as Paul Warnke is. He didn't want this job. It is a great sacrifice to him to do it. But the President asked him to do it and he changed his mind and accepted it.

I want to talk to you about what are the difficulties with the Soviet Union. This word "detente" I'm afraid shouldn't be used, because anybody can be against a French word. But you can't be against what is being tried to be done. It's called "relaxation of tensions." That's too complicated. I call it attempting to improve our relations. I think that's something that we ought to call it and that we ought to have in mind.

The first is in the nuclear field and that can be achieved at the present time because Brezhnev and the President both are anxious to do it. And if we're not blocked in this country by people who want to block it, who want to stay ahead of the Soviet Union, who think our defense is better effective with that. This may be the same group that may try to prevent a Senate confirmation of a deal that he makes. But it'll be Jimmy Carter's deal, it won't be Paul Warnke's or it won't be Vance's or anybody else. We've got to have confidence in our President because this is one field in which he is an expert.

When I was Ambassador in the Soviet Union during the war, I was the first to warn President Roosevelt that we were going to have difficulties with Stalin in the post war

period. That we were not going to have the cooperation which he hoped for. And I said at that time, they would want to see the world communized. I remember having a press conference, off the record, in San Francisco in 1945, and I said then that our objectives and Kremlin objectives could not be reconciled. They want to see a world under communist dictatorships. The dictatorships of the proletariat, without any of the human rights which we believe in.

But we have to live on this small planet without war, and therefore we must try to compose our differences wherever we can. Two men walked out of that conference and said that they wouldn't talk to this "war monger." I've been called soft on communism for the same views. I still hold the same views because I have heard Mr. Brezhnev say that he wants to improve relations, that he wants to come to an agreement in this nuclear field. He wants to improve our cultural relations, our trade relations. He wants a reduction in our conventional forces as well. But in his same speech, I was in Moscow in May of 1975 representing the President at the 30th anniversary celebration of VE Day, his speech was not a celebration of victory, but it was a speech for peace. Thirty years of peace and we want to have it perpetual in every way we possibly can. And he said, we've worked with our allies the American, British, and the French, for war and now we ought to be able to work together for peace. And he paid a compliment to what we did, of course. He spoke of the tragedies that have given us this thirty years of peace—twenty million people killed, the terrible human suffering that was caused by the destruction of a good part of the Soviet Union. But then he went on to talk about the communist party and what part it was going to play in the future.

He believes, as all the other communists do, that they have the truth by which man is destined to live. Fifty years ago I went to the Soviet Union to see what there was in this revolution. I made up my mind that it was a reactionary revolution. Mankind throughout history has struggled for human dignity and individual rights. This dictatorship of the few telling the many and the obligation to serve the state is against what all humanity has fought for.

When Mr. Khrushchev spoke of peaceful coexistence, I said it's going to be competitive coexistence. I think that is the word we ought to use. I mentioned that to then Governor Carter, then candidate, and I said that I am ready to accept that competition and he said, "so am I." I think that we should recognize that. They aren't as vigorous as they were and they aren't as ready to take as many risks as they were, but they still believe that communism will sweep the world and that as Khruschev said, they will bury us. He didn't mean with nuclear destruction but they are going to outlive us. That communism will take the place of what he calls capitalism.

We don't believe that. We believe that we have the moral issues which people want and crave. I think President Carter is splendid in the manner in which he is defending human rights all over the world. We have been neglectful of that in the past and it has been a mistake. Wherever our presidents have stood for our values—Roosevelt is one, Kennedy was another—when they died, people felt that they had lost a friend.

I was in Moscow when Roosevelt died. People wept in the streets when he died. Why? Because they thought they had lost a friend: They thought they had lost a man who would work for peace. It was the same token with Kennedy. In the little huts in South America and Africa, he had gotten across the idea that he cared about them. They had his picture hung up. I think that President Carter is going to be another president that the people of the world are going to respect. But I'll hurry back now to Mr. Brezhnev's speech at the celebration of VE day. He said, and he used these words, "Our high principled support for liberation movements all over the world"—you all know what liberation movements mean—that means communism subversive activity all over the world—"will add to our strength, to our prestige, and to our popularity." Now, we have got to believe him, number one, that he doesn't want war, that he doesn't want to bring nuclear war to the Soviet people, he doesn't want to see any fighting over Soviet soil. His language is a little bit pleasanter than Khruschev's. Mr. Khruschev said that he was going to support all the wars of liberation; Mr. Brezhnev has improved, at least, by saying that he's going to support liberation movements. They haven't been very successful at doing it. We haven't got time to review it in more detail.

But, if we recognize that challenge, and it is a challenge, there are certain things that we have to do. I want to say that number 1 of all the things that we have to do is to make the American society to work and to work for all the people. We have to get out of this recession. We have to get it on a sound economic basis and we have to take care of our social problems better than in the past. Then we have to do our share, as President Carter said, we want to join the other industrial nations to see what we can do to do our share for the third world. Fortunately, as a result of what we have done, there are other countries that are able to take on their share. But the leadership always should come from the United States. If it comes from others and they are right, we should follow them.

I also want to say that we have to keep our conventional forces so that the other side can in no sense endanger the situation in Europe. I think we have, to some extent, neglected the conventional forces.

But I think this idea of us going ahead with the nuclear arms races is absolute insanity. How are we going to win the competition against communism by nuclear weapons? I ask you that, I ask anybody that. How are we going to win it? All we would do is destroy ourselves in the process and contribute to the dangers of nuclear war. We are going to contribute to the competitive coexistence with communism by peaceful means, by using our resources to improve our own society and help others do the same.

I want to say that we must never let our conventional forces in any way be so weak that we cannot do their job. It is not a question of who is first or who is second. There are certain things that we need for the security of our nation and working with our allies' security in NATO. That we should provide for. I haven't got time to go into it today.

But I do want to emphasize the fact that the moral issues, the social issues, the economic issues are the important issues—not nuclear war. Again I say we'll never win the battle against communism if we don't seize this opportunity, if we follow the advice of some people and try to keep this nuclear arms race going. We have this great opportunity. We have for the first time a president who understands and is an expert in the nuclear field. We have on the other side Brezhnev who is ready to cooperate. It is going to be tough because they want to be recognized an an equivalent power. We must accept that and President Carter is wise enough to accept that.

But Brezhnev has got his people, in the first place, he's got communists who don't want to improve relations with the United States because they feel that it weakens their position in the communist world becoming so closely associated with the capitalist country and they are probably right in that. They've got military who see that we are way ahead in certain aspects. Our military see where they are way ahead. The President of the United States must be the final arbitrator and we ought to trust him to do so.

We ought to get behind President Carter and help him in his negotiations and not try to prevent him from achieving this goal that is the most essential: preventing nuclear war. There is no other thing that is more essential than that. That is what his objective is. He has every right to call upon every American to support him in that effort.

Representative ROSENTHAL. Thank you very much, Governor Harriman. Mr. Barnet.

RICHARD BARNET. I agree very much with the general tone of Governor Harriman's remarks. I think in this crucial task of preventing nuclear war, we need to look much more coldly and realistically at what the Soviets are doing and why they are doing it. George Kennan is correct when he says that some of our problems have been that we just don't understand the way the Russians think. They don't think the way that some of our military experts and our Russian experts think they think. They think actually a good deal more in military matters the way that we think. Let's look for a minute at the way this nuclear arms race has developed.

The fact is that the United States has from the start been significantly ahead in all aspects of the nuclear arms race. It was the United States that first developed the atomic bomb. It was the United States that first developed the long range missile, the MIRV, now the cruise missile.

Now if we look at Soviet behavior in the military field, it has been across the board imitated behavior of American technological development. The importance of that is two fold. First, I think it explains in a way quite different from the explanation of those who are now beating the drums for huge military increases in the budget and trying to prevent the appointment of a man like Paul Warnke who understands the security problems of this country, as to what the Soviets are up to. The fact is that the Soviets for a good part of this period tried not to join us in this race because they had trouble making the commitment to resources. Khrushchev during his period tried to bluff the United States, used bluster, used all kinds of pungent language to try to get certain concessions, certain political objectives which he ultimately failed to achieve.

The Soviet Union suffered a severe set back at the time of the Cuban missile crisis. The basic disparity between American nuclear power and Soviet military power was revealed. What clearly happened at that time was that the Soviet leadership decided that it was not possible to achieve anything like an equal status as a poltiical power, as a great power in the world, unless they made the commitment to build up their military forces.

They proceeded to build up and there was indeed a rapid and substantial military build up during the period of the 1960's and early 70's and that build up is still going on. When the build up achieved the point when the United States, under the last administration, said that we were roughly equal, the United States made some agreements on Berlin, on Germany, on arms control, that the Soviets had tried to get for a long time.

If we look for a minute at this situation from the standpoint of a Soviet politician, a Soviet leader, the lesson that they have learned is pretty much the lesson that we have believed: That you get results, you get people to listen to you, if you speak from a position of power.

So we have the situation today where the two powers are jockeying for a position of

being "number one." Neither of us has yet accepted the notion of what it means to be, in effect, in a position of rough equality or parity. I think the Soviets would like to be in that position, I think there are people in this Administration who would like to move to precisely the same point.

That is why I agree so much with you, Governor Harriman, that this is a very critical moment. I think we can go in that direction or, if we fail to grasp the opportunity, both nations are in the grip of a dynamic which is taking us very fast in the opposite direction.

By that I mean the Soviet Union is in many aspects becoming more like the United States in its foreign policy and in its military deployments. The so-called "convergence" that people have talked about, usually with respect to domestic policy, in the foreign policy area it does not improve things but greatly adds to the danger.

While I agree with Governor Harriman that the Soviets have been essentially cautious in the deploying of their forces, they have been very careful to avoid war, nonetheless I think there is some increase now in their willingness to do certain things that we have taken for granted. As things that we should always be doing: namely, sending our ships around the world, creating bases on foreign continents, beginning to ship vast amounts of arms to distant continents, encouraging client states to send troops into foreign wars, as in Angola. I think we are going to see that increase if we do not come to some agreement as to how we can live together, without courting this kind of incredible danger.

It is not that the Soviet Union has a demented plan to win a nuclear war or to convince anybody that they can win a nuclear war. There is no responsible leader in any of these countries who has had a twenty minute briefing on nuclear weapons and the effects of nuclear weapons and the unforeseeable incalculable consequences of any kind of nuclear strike, who could possibly be fooled into thinking that you could ever win a nuclear war. That is simply nonsense.

But I do think that there is an equally dangerous illusion that is present on both sides: that somehow nuclear weapons can be used for political purposes. That nuclear weapons can be used to increase one's power to deal with some political situation in a particular part of the world. Some people talk about making nuclear weapons relevant to local contests.

Besides the incredible danger of that, I think if we look at the history of the arms race we can see how foolish a hope that is. The fact is that when the United States had a monopoly of nuclear weapons that was the time when the Soviet Union made the boldest moves that they have made, whether it was Berlin blockade, whether it was Korea. The Soviet Union didn't have the capability in those days of landing even a single nuclear weapon on the United States.

Similarly in the United States, with all its power, the fact is that we cannot use these nuclear weapons for what our military doctrine and the political lore suggest that we can use them for. They are good only for one thing, and that is for retaliation, the threat of retaliation against a nuclear attack. And for that purpose, the numbers on both sides can be very drastically reduced.

It is in the interest of the United States, given our strengths and given our weaknesses, that the competition with the Soviet Union should be demilitarized. That means that while I agree with Governor Harriman that we are in a competition, it is in the interests of the United States to move that competition away from the military sphere. The military sphere is the one area where the Soviet Union is most able to compete with us and where the danger of confrontation is the greatest.

There is one point that I would differ on and that is on the area of the conventional forces. I believe that it is not possible to separate the danger of a conventional war in Europe with a presence of over 7,000 tactical nuclear weapons on our side alone from the danger of nuclear war. I am persuaded by statements of the Commandant of our Marines and others that the likelihood of keeping a nuclear war in Europe limited is very small.

The Soviets have little incentive to invade Western Europe. Again looking at it from the point of view of the Soviet leader, why would that solve any of the problems that they face—they face enormous domestic problems. Nor do I see how that would further the goal which Governor Harriman talked about of communizing the world. The fact is that they have an exceedingly tenuous hold on Eastern Europe after thirty years of occupation. The notion that they could through military means extend their dominion is remote.

For that reason, it seems to me that the military deployments in Europe ought now to better reflect the political realities of both sides. We have a situation where the political expectations on both sides, the real danger of war and fear of attack, are out of kilter with the military deployments, which really operate on the assumption that war is imminent and the danger of attack is very real.

I would suggest strongly that this administration begin now to revive the kinds of proposals that were discussed, many of them put forward by the Soviet Union themselves in the 50's and 60's, for a disengagement, for a thinning out in Europe, for a world of reducing the military confrontation in Europe that still poses a great danger of escalating into a nuclear war.

Finally I would absolutely support what Governor Harriman says about the relationship of inner strength and our national security posture. It seems to me that the nation that is going to win this competition is, first, the nation that understands best what the real security problems are, that has a right sense what the right priorities are. Second, is the one that is best able to deal with its own domestic problems.

The Soviet Union and the United States are both troubled societies. They are enormous, continental aggregates of power that have gone through some enormous upheavals—the Soviet Union more than we—and are at a point in their history where they face very serious problems in dealing with their economy and in living up to the ideals on which their own societies are based. This is also true for the Soviet Union. The Soviet Union presents itself not as a repressive society, which in many ways it is, but as one which has moved towards providing a decent life for people. They have that problem as we do.

A nation needs to be dedicated to strengthening its own economy, to extending democracy and to understanding and facing its real security problems. We are facing the problem of the impending exhaustion of the fossil fuel economy on which a whole industrial civilization is based. If one were to compare that as a security problem versus the remote possibility that the Russians were going to attack us, we would have to put that as a much greater threat. Yet the strategy which we pursue in order to deal with security threats which are highly remote keeps us from dealing with our real problems. That is one of the greatest dilemmas that we now face.

Those who say the arms race is really a psychological problem, not really hardware, that the Soviets are going to somehow scare us with their stockpile. That doesn't really depend on the Soviet stockpile, that depends upon us. That depends how much we understand of the world we are living in and how much we derive inner strength from creation of a decent society here in America.

We have it within our own power to build the psychological defenses that come from creating a successful society: one based on social strengths. Or we can capitulate to the fears that will ultimately kill us.

Representative ROSENTHAL. Thank you very much. Mr. Clemens.

WALTER CLEMENS. I would like to put forward seven or eight analytical propositions which may help in analyzing what Governor Harriman and Mr. Barnet have said.

The first deals with Soviet intentions. Soviet intentions bears on Soviet priorities. We have heard that the Soviets are interested, are intending even, to acquire superiority over the United States and perhaps to mount a first strike. It seems to me that if you look at the historical record, that Soviet values are quite different from the kind that are suggested in that kind of argument. I think the values behind Soviet policy have been, number one, the security of their regime; second, security of their state; third, the security of their hold on Eastern Europe; fourth, modernization of their economy; and fifth, way down on the list, would be their influence in the communist movement and their influence in the Third World. All of that particularly, as Governor Harriman knows, the concern with modernizing their own economy and raising their living standards makes very remote their interest even in competing with us in the way that they would have to in order to achieve any kind of superiority and absolutely remote that they would ever consider a first strike.

Secondly, if you look at the historical record, most Soviet foreign policy behavior has been defensive in character. That was their primary consideration: how to defend their own state against external threats. There have been some exceptions to that. In the very early years of the Soviet regime, they did use considerable armed force to reincorporate border areas that had once belonged to the Czarist empire and had gotten away during World War I. Secondly, on the eve of World War II, they expanded in Finland and the Baltic countries, partly justifying that as a way of getting back the Czarist patrimony, but motivated primarily by the desire to put territory between Hitler and them. After the war, they pursued whatever advantages they had and did extend Soviet power into Eastern Europe, but that was a case of, in a sense, repulsing an invader and then collecting in some way on a war that somebody else started.

But there is no pattern of general aggressiveness.

As the third proposition, most of the ways in which the Soviets have threatened world peace have come from a sense of inferiority rather than parity or superiority. For example, it was their sense of inferiority vis a vis Hitler that led them to the agreement with the Germans in 1939 where they divided up Eastern Europe. It was a sense of weakness in the late 1950's that led to the kind of pressures that they put on Berlin at that time. It was a sense of weakness vis a vis the United States and the strategic arms race that led them to explode the world's largest hydrogen bomb in 1961. It was a sense of weakness that led them to try to overcome a missile gap by putting some of their missiles in Cuba.

Now those were all dangerous things, I grant you, but all of them were attempts to overcome a balance of power that was unfavorable to the Soviet Union.

Now a fourth point is that Soviet arms control policy has usually followed what you might call "strategic rationality." When they

have been weak, for example, when the United States had a nuclear monopoly, they proposed getting rid of all nuclear weapons. When they began to draw along side of the United States, then it became possible for them to propose measures that we, too, could consider because we were roughly equivalent. That situation developed in the mid-1950's and since that time there have been a number of moments of hope and opportunities. Most of them have been missed. Some of them we've seized on.

My fifth proposition is that frequently we have missed these objective opportunities because of what you might call being out of phase with the Soviets. When they were interested in arms controls measures, we were not, or vice versa. Now both of us have done our share to contribute to mutual bad trust. The Soviets, for example, began making some rather serious arms control proposals in 1955. It's possible that those were made in the sense of a smoke screen to cover the arms shipments that they were then beginning to make to Egypt. Just before the missiles were put into Cuba in late '62 the Soviets made some concessions on a nuclear test ban. It may again have been in a sense of a smoke screen. Even the very serious negotiations on a treaty on nonproliferation in 1968 came at the same time that they were planning the invasion of Czechoslovakia.

Now the United States has also contributed to this bad political climate. There was a self-righteousness in many of our proposals. For example, even in the Baruch Plan, which many in this country thought was a great act of magnanimity, we were going to keep a veto power until we were satisfied that the world was ready for us to sign. In the mid 1950's we turned down some of the East European and Soviet proposals for disengagement (that Mr. Barnet has written about and alluded to just now) apparently thinking that the Soviets or the East Europeans shaped their proposals to meet the criticisms that we were making of them at that time.

More recently in connection with SALT we seemed to have been holding the Soviets responsible for obligations which exist only in the unilateral interpretations of that treaty made by the United States. They said at the time that they didn't accept that interpretation and we said, well this is our interpretation. Now one or two years later, we are holding them responsible for violating what was really a unilateral interpretation on our side.

The sixth proposition that I'd like to suggest is that whatever the shortcomings of SALT I, those agreements were genuinely remarkable for their achievements. First of all, they virtually killed any hope on either side of having a massive anti-ballistic missile defense. When the ABM systems were killed that also meant that neither side was under the same compulsion to have certain kinds of offensive weapons. The SALT I also pioneered very complex limits for modern kinds of weaponry. If you compare SALT I with any arms control agreement before it going back even to the Washington Naval Limitations of 1921–22, they're just incredible. One Russian reading a description of the agreement in Pravda wept, because, he said, "Seeing the complexity of the agreement, I realize how far our two countries had come in terms of mutual understanding."

SALT I, however, is a very imperfect treaty in other respects. We have to do something now to build on it, revise it and update it. The situation objectively is very favorable. Both sides do have a kind of rough equivalence from which they can make some kind of an agreement. And also subjectively, Brezhnev has staked his career on peace, arms control, and so on. Carter has also made this a very important part of his message to the American people.

The one thing that bothers me is that if we do insist on absolute equality of forces to be regulated, "shrimps may first learn to whistle." That's a Khrushchev saying. Unless we can accept the idea of rough equivalence, we're not going to get an agreement. We have things that they don't have. They have things that we don't have. In addition, they have all kinds of geographical problems that we don't have and they're surrounded by a bunch of enemies that we don't have, ranging from China to West Germany to, perhaps, East Germany. They're surrounded by enemies. About the biggest enemy that we have nearby is Cuba and even there the situation seems to be changing.

Now it is possible to get an arms control agreement even though you don't have absolute equality in the weapons to be regulated. If you're talking about central weapons systems you do need a rough parity of some kind. You need an assurance of a credible second strike after the agreement has been conceived. But it is not necessary to say that you have exactly the same things that we do.

It's important also that we work in phase. Both sides seem to agree that this is a moment of opportunity and if we let it pass it may very well be a successor regime in the Soviet Union that is less amenable to arms control, less interested in it, than Brezhnev.

Finally, I'd like to say a word in behalf of mutual restraint. This notion goes back to some negotiations that Governor Harriman, himself, took part in, in 1962–63. At that time, there was almost a textbook example of what psychologist Charles Osgood has called "graduated reciprocity in tension reduction." The Soviets agreed that they would pull their missiles out of Cuba. We agreed that we would not invade Cuba. We also agreed that we would pull our missiles out of Turkey. We'd already planned to do that but we told the Russians that we were going to go through with it

A little bit later we reached the hotline agreement to show that we were serious. We decided not to test any more nuclear weapons. We announced that we would do that. Kennedy made his speech at American University, called "A Strategy of Peace," in which he recounted, as Governor Harriman did today, the war losses of the Soviet Union. He let them know that we knew that they were not some kind of wild Huns, but instead that they were human beings like the rest of us. There was a restraint in our propaganda to the Soviets and they responded in kind. Soon, Governor Harriman was there and was able to successfully negotiate the nuclear Test Ban Treaty.

Both sides tried to keep their momentum going. We promised to try to get something going in Western Europe in the form of a security agreement between East and West. Later in 1963 we were able to achieve a gentlemen's agreement limiting the deployment of weapons in outer space.

Even after Kennedy's assassination, Lyndon Johnson tried to keep up this momentum. Britain and the United States and the Soviet Union pledged in early '64 that we would slow down our production of fissionable materials. We were already engaging then in some reduction of our defense budget on a plan that Khruschev called "disarmament by mutual example."

When both sides are as strong as the U.S.S.R. and the United States, both of us have room for taking initiatives for peace.

Representative ROSENTHAL. Thank you very very much, gentlemen. Let me just repeat we must withdraw from this room at four o'clock so that we have a half-hour for questions. The questions should be short, concise and generally useful. The statements should be extremely limited. I merely wanted to say that we should try to avoid long, lengthy statements and make use of the unique opportunity we have with these distinguished visitors to engage in a dialogue.

The floor is open.

Q. The Soviet Union has made some breakthroughs in science. Is there some way that the whole research and development race could be controlled in a future arms control agreement?

HARRIMAN. Well, I think they have and we have too. There are two ways to do it. One is a Comprehensive Test Ban which both Mr. Brezhnev and President Carter said they aspire to and I hope will be negotiated. The other is to reduce the number, to a minimum, of flight tests; that is, tests of missiles without their warheads. Both would tend to reduce or make impossible the scientific develcpment which would make nuclear weapons more dangerous and lead to new types of nuclear weapons systems.

Q. If the Soviet Union is as much of a police state as it is supposed to be, how come they're allowing the dissidents to speak out?

HARRIMAN. Well, there has been a change. President Roosevelt thought there would be a change in the Soviet Union. He was a very religious man, and he felt that this atheist philosophy of control wouldn't last. If the Soviet people were, too religious, they would throw it off. I wasn't quite so optimistic at the time, but I was quite convinced that the urge for human dignity and human rights would be such that it would be increasingly difficult for the leaders of the Soviet Union to keep that control. We've seen that happen.

There's been a substantial change since the Stalin days. It's been spotty, it's been up and down. We see today a good many things which would have been utterly impossible under the Stalin period. But they still attempt to control. It's against the law to criticise the system. They still attempt to enforce that law and that leads to the difficulties that you see.

At the same time, there are people with courage enough to stand up and make their statements. We can admire them and, as President Carter has done, express our support for them. But the changes within the Soviet Union fundamentally will have to come from within and I think that they will gradually come from within. I firmly believe that the urge of humanity is on our side for human dignity and human rights. It will be impossible for any dictatorship to hold fifty million people of different races and backgrounds under such close restraint as Stalin tried to keep them and as they're still trying to keep them.

Representative ROSENTHAL. I think that what might additionally be said in response to your question is that they are much more susceptible to the effects of world public opinion than most of us thought they would be. In the last 5 to 10 years they have indicated that they are much more cautious and much more alert to public opinion outside.

Another point worthy of mention is that the Soviet Union is not as much a monolith as many of us had thought. I don't know how many various groupings they have within the Soviet Union, fifty or a hundred or more, but they are all very strong nationalistic groupings and it's very difficult to keep them controlled. They had to use at least during the Stalin/Khrushchev period uniquely unorthodox kinds of repressive measures to keep the population under control. Some of them have been relaxed internally because they were difficult. They've been relaxed because there has been enormous pressure for more availability of consumer goods and the kind of freedoms that go with marketplace opportunities. They have become much more aware that they can accomplish things around the world, particularly in the Third World, by being

aware of changes in public opinion around the world.

BARNET. One other point that is worth making is that one of the reasons why the Soviet Union is more susceptible to world opinion is that it has now become much more involved with the rest of the world, particularly the United States, economically and with exchanges as part of what some people still call detente. I agree that it is not the best word. But, it does refer to a relationsihp with one another in many spheres outside of the military. And that's very important for its long term effects on human rights within the Soviet Union. But I think that these other relationships can be destroyed if the military competition intensifies or isn't, in fact, substantially reduced.

Sometimes we tend to be awfully self-righteous about the problem of human rights in the Soviet Union. I think we undercut both our moral and our political power by so doing. It is clear that the Soviet Union has some highly repressive policies. There are some real horror stories: Mental hospitals and many things.

But I think that if we looked around the world and particularly if we looked around the world at some governments that the United States is not only having friendly relationships with but is supporting and in some cases actually abetting some of those policies or has certainly up to this Administration—the Chiles, the Argentinas, the Indonesians, we would find people experiencing things on a level of repression, and in the number of political prisoners, which far exceeds what you have now in the Soviet Union. And I am certainly not condoning what the Soviet Union is doing at all.

But I do think that if we want to have some kind of moral force and make the kinds of initiatives that the President is commendably doing, we must do it from a stance of some kind of single standard.

CLEMENS. That standard might begin at home, too. I would say that the Soviet Union does remain a police state but that in the last 20 years or so, we have seen a secular trend toward more and more possibility of freedom of expression. It is ridiculous for someone like Solzhenitsyn to come to Washington and talk down detente. He wouldn't be outside of the Soviet Union were it not for detente. And some other Soviet dissidents are more or less in the same position. They owe their liberation to the existence of a hope in the Kremlin that relations with the West can be improved.

Now on the other hand we have to make sure that there is something in this for the Kremlin. What they particularly want is more trade. And some kind of long term credits. And some kind of a deal on arms control. And if they are completely frustrated in those areas, then there is no reason apart from sentiment about world opinion why they shouldn't crack down harder than they have. So I think the general picture is one of hope.

Q. Do you think that Congress would support a 10 percent reduction of the military budget if the Soviet Union would agree to do the same in a mutually balanced way?

Representative ROSENTHAL. I think that it's hard to say. I think it's possible. The key element would be what the posture of the President would be. Congress is not necessarily a leader in this area. They are a follower. If the President and public opinion indicated a willingness to accept that kind of approach, I think that Congress might follow.

Q. The Soviets have said they are not going to test President Carter. Governor Harriman, do you believe they're sincere about that?

HARRIMAN. Yes. I don't see this is a test. I think this is just going along with different attempts they have made to suppress this dissident expression. I think it's purely coincidental. It wasn't done to test the United States.

CLEMENS. I think there is little historical precedent for the kind of testing that you are referring to. I think that it is mostly based on the 1961 meeting between Kennedy and Khrushchev. It is even debatable whether Khrushchev really got an impression that Kennedy was some kind of a softie. Kennedy at that time was increasing the missile gap by a tremendous factor. He urged that we call up the National Guard. He was going in for civil defense shelters, etc. How Khrushchev would have ever gotten the idea that Kennedy was soft on anything, I don't know. But I think that's the one major precedent for this kind of argument. And that's a very dubious precedent.

Q. Isn't the Soviet behavior during the Cuban Missile crisis proof, Mr. Barnet, that they believe nuclear weapons can be used for political purposes?

BARNET. No. By political purposes I mean to be more specific, to use power to bring about the result in some third country. Either win a war of liberation or prevent a revolution from happening, a Viet Nam, an Egypt, some local war. That's what I'm talking about.

No, I happen to believe that Khrushchev had a bold plan to solve a whole series of problems from his point of view: Berlin, arms control. A whole series of things he was trying to do. Incidentally, this is the view that Brzezinski has expressed in print. I agree with that.

I think that what happened was that he found he couldn't do it and that the Soviet Union was going to be treated very much as a number two power unless, in fact, it could project some kind of rough equivalent military power. And I think that is what all this business is about. It doesn't really matter whether you're ahead in one thing or another. I don't even think that there are any scientific breakthroughs that could really make a substantial difference in military power in the sense that a political leader would have to fear that he was going to be pushed around by the other side. We're a long way past that point.

HARRIMAN. Let's remember the McNamara figure of 200 bombs which would be unacceptable in terms of damage.

BARNET. McNamara said in 1965 that 100 bombs would kill 37% of the population and destroy 59% of the industrial capacity.

HARRIMAN. Now we have 9,000. They have 3,000. Remember what Churchill said about making the rubble bounce. We've come to that period.

CLEMENS. There is an irony here that the Soviets don't talk very explicitly about what kind of power they do have. We do. Rather, the Pentagon does. And Ronald Reagan talked about it. Solzhenitsyn has talked about it. One would get the impression that there are people in the United States who are systemmatically going around building up the military image of the Soviet Union. To what purpose? I don't quite understand, unless it is perhaps to get a little more money for our defense budget. If we talk about the balance of power in a certain way, it's conceivable the way we talk about it could rebound to the benefit of the Soviets. In the case of the Cuban missile crisis, we should have stopped crowing and stopped rubbing it in. We could have just said, for example, that it's due to the fact that we had a local balance of power, which was also true. We had a powerful navy and the Soviets didn't. Instead of rubbing their noses into the fact that we had at least 4–5 to 1 strategic superiority. Right now that means we shouldn't be talking about some tremendous advantages the Russians get from their megatonnage because they have bigger and, in a sense, more clumsy missiles than we do.

BARNET. One interesting thing about the way we talk about the Russians is that it seems that the Pentagon has come up with almost contradictory views of the Russians depending upon the situation. For example: right after the Cuban missile crisis, the view of the Pentagon was the Russians would never build up and so those of us, I was in the government at the time, said: Now is the time to come to an arms agreement. Let us now go down, keep them from going up, for surely they're going to. The Pentagon said never. We really defeated them. They don't have the resources; they can't organize themselves together. We have always had this dual view of the Soviet Union: on the one hand they are out to conquer the world; and on the other hand, nothing works.

And somehow we play this view of the Soviet in a way that justifies high military budgets and not really tackling our own military establishment.

CLEMENS. An analyst once wrote a book saying what Mr. Barnet just said: That the Soviets had accepted inferiority around 1964.

Q. What role does the American-Soviet trade play in the question of detente?

CLEMENS. I think it is an important thing. It is more important for the Russians than it is to us. They seem to think that they need our technology, they seem to think that they need our grain. On the other hand, our trade with them thus far is, I think, 1% of our total foreign trade. There is a big series of asymmetries where we have things that they want to buy and so far we aren't aware of very much they have that we want to buy. Or if we do want to buy it, it may be gas or some kind of energy. We don't want to get so much of it that we would become dependent on them or vulnerable in the strategic sense.

But in a sense, I feel we should humor them along in this direction and promote trade as much as we can even though, economically, it may not mean all that much to the United States. I don't know whether Governor Harriman or Mr. Barnet want to comment on that.

BARNET. I agree that trade is not so important to us for what they have to sell us. I think it is very important to build—and here I am in the unusual situation of agreeing with former Secretary Kissinger—I think he was absolutely right about this notion of trying to build entanglements, bringing the Soviet Union into the world economy in a way that would both keep them from reverting again into isolation and autarky and also give them an increasing stake in maintaining the stability of the international economy.

Representative ROSENTHAL. There is an interesting paradox that I was surprised at when I visited the Soviet Union. There isn't any question that they want very badly to trade with the United States, with the Western world but acutely with the United States. They want high technology, the building of factories, the building of automobile producing plants, tire producing plants, computers, that sort of thing. The American heroes in Moscow today are Don Kendall of Pepsi Cola Company and Rockefeller and First National City Bank, and all those kinds of people. The kind of people we think who are the heroes of the capitalist regime are in fact the heroes in Moscow today. It is very hard for me to understand this coxplex situation.

HARRIMAN. I was Secretary of Commerce when we established controls. I still believe that we should not give them very advanced technologies which affect military capabilities, such as the more technical computers. We have an agreement with the European countries, the so called CoCom list. I was Secretary of Commerce when we started that and I think that it should continue.

But it is rather silly for us to think that we are holding back their development. They can get from Western Europe or Japan practically everything that they can get from us. They think it is a little better, which it is a little bit better, what they get from us. Whether they use it better than we do, I don't know. I've been over at the different negotiations that take place. There is nothing in that development which would affect them very much. They already have something like 42 or 43 billion dollars of credits—Russia and the Eastern European countries—so that they are already getting credits and they are already doing it.

It is an insult to them that we do not treat them as an equal and I think it is a psychological disadvantage to us to continue this restriction. I think we are much better off if we treat them as equal. Then I would be very careful, as has been suggested, and not over do it, but go ahead with some of the deals our business people want to make. Incidently, it will help our economy to some extent and we won't have anything to lose by it.

Q. I was struck by Professor Clemens discussion of the period of 1963, 64 and tension reduction. No one has yet mentioned that it was at that time that the Vietnam conflict became the main obsession of the United States in the world and remained such for another decade. I wonder if the panelists could address the cost to detente, in terms of the possibilities and the prospects of this tension reduction process, of the American intervention in Vietnam.

CLEMENS. It is clear that it was not the death of President Kennedy that interrupted the momentum of 1963 and 64. Lyndon Johnson and Khrushchev were able to make some agreements in 1964. It is not really clear that it was the ouster of Khrushchev that interrupted the momentum at that time, although the new regime did seem to feel itself beholden to the military.

I think what was crucial at that time in undermining détente was the intensification of the war in Vietnam—not only from our side but from the Soviet side. The really big increase in Soviet aid to North Vietnam began in early 1965. Kosygin himself was in Hanoi about the time that we began bombing the North intensively. But he was there trying to cash in on what he thought was a vacuum. The Soviets seem irresistibly drawn to vacuums. For several years the Soviets refused to negotiate seriously with us on arms control becasue they said we were bombing a sister socialist country.

However, already by 1967, while we were still bombing that sister socialist country, they did begin to negotiate seriously on an outer space treaty and the nonproliferation treaty. So their drive toward arm control was so strong that, in a sense, it even overcame other aspects of their foreign policy. As you know, we bombed North Vietnam some more just on the eve of President Nixon's visit to the Soviet Union in 1972 and that still didn't stop an agreement. In that sense you might call them principled or principle-less supporters of détente.

BARNET. Of course the other thing which interferred with it was Czechoslovakia. We had the Johnson administration by 1968 pushing hard for an arms agreement and of course that came. That was very important in stopping the progress.

Q. What should the President's position be on the approach to human rights in the Soviet Union? President Carter seems to have dropped the notion of linkage. Do you think there should be some form of linkage?

BARNET. This term "linkage" has been used in a couple of different senses and there is some confusion. Kissinger never talked about linking human rights and political settlement and détente. Just the opposite in fact. When he talked about linkage, he meant linking certain kinds of political settlements with others. That is, you link Vietnam and arms control. You link trade and Angola. You try to do that.

I think there are some real problems in elevating that to a principle. I think that you do that always to some extent but I don't think it can be that kind of a hard and fast principle. Specifically, on human rights, I think the best hope of the United States exerting its influence towards the improvement of human rights and the Soviet Union, which I think is modest at best, is to do two things. First, to encourage an atmosphere of relaxation of tensions in which a regime can be more relaxed with its own people. Stalinism flourishes when there is the need for an enemy and when there is a real foreign enemy, you get this kind of paranoia which leads to violation of human rights.

Second, I think that the United States can exert a moral influence on human rights around the world if in fact we treat that, not as a Cold War debating point which it can always be dismissed as by the Soviets, if it turns out that the only place in the world where we're interested in human rights is the Soviet Union, but when we get interested in human rights in Chile, in Argentina and particularly in those places where we have some leverage—where we are in fact supplying arms. We are not giving the Soviets arms. Or where we are providing credits. Then I think we will have much greater credibility with the Soviets and much greater credibility with world opinion to expose the violations of human rights that are going on in the Soviet Union, which I think we should do.

Representative ROSENTHAL. We also have to support international organizations, such as Amnesty International, in their efforts to improve human rights.

HARRIMAN. Just to supplement what Mr. Barnet has said. The President the other day—I think that he was absolutely right—said that he was not going to link the nuclear arms discussions with human rights. I think he is absolutely right in that. We have this opportunity to come to an agreement with the Soviet Union on a very vital thing, which is to get control of nuclear weapons and try to prevent nuclear war. The other will be a long slow process. We aren't going to get the Soviet system changed over night. But I do agree with what Mr. Barnet has said that the more tensions are relaxed the more chance there is for human rights to improve gradually within the Soviet Union.

Q. The panel has expressed the opinion that the Soviet Union does not wish to go back to another war, that they're not really working on a first strike capability in the sense of wanting to use that in a nuclear context. Yet the Soviet Union has developed the ABM, the mobile missile (sic), the killer satellite. These are weapons systems we would normally think of as being towards a first strike system. So are these perhaps things that the Soviet Union wants to use as leverage in the SALT negotiations or are they possibly simply things to be used for the political aspects of gaining first strike capability or do we have to remember that the Soviet Union has to put up with China as well as the United States.

BARNET. There are several reasons why the Soviets are adding new missiles. You named a great many of them. I think one of the most important ones that you didn't mention is just the bureaucratic momentum that you set up in a huge military system. That is why I say you have convergence. As the Soviets build up, they aren't just building up missiles, they're building up people whose job it is to think up new weapon systems, justify their use, and improve them and figure out what they're going to do with them. That is a social system that you have here and there, and that has a life of it's own and goes on.

A military in any country that aspires to be a great power, an equal power, it looks at some of the weapons developed in the United States and say that we have to have that, too. Otherwise we're not equal. It is very hard for a political leader to say, "we don't need it." That is what political leaders have got to start having the courage to say. But they haven't done it. So it is always a plausible reason, well, why not. Just a few more billion dollars for the next weapon system.

Representative ROSENTHAL. It is extremely difficult for a political leader, whether here or there, to say to the generals and the Pentagon people: "you can't have it." There is a bureaucratic momentum and political people cannot resist that kind of pressure unless there is a ground swell of public opposition to it.

We do not want to thank the coalition for a new Foreign and Military Policy for holding this second in a series of seminars. We are particularly grateful to our very distinguished panelist, Governor Harriman, Dick Barnet, and Professor Clemens for being with us. The meeting stands adjourned.

LITHUANIAN INDEPENDENCE DAY

Mr. CURTIS. Mr. President, I would like my colleagues to join me for a moment on a journey to a small country, slightly larger in territory than West Virginia. Its soil is rich and fertile, its forests full of pine, fir, and birch. The surrounding waters of the Baltic abound with fish and fringe the shore with amber.

The native people of this land have developed over the centuries a language, a culture, and an identity all their own. They are known as Lithuanians.

During the Middle Ages Lithuania was one of the strongest countries in Europe. Yet for centuries she has had to fight her powerful neighbors to defend her very existence. The last brief taste of freedom for this great nation began in 1918, when Lithuanian declared her independence from Germany in the last stages of World War I, and ended in 1920 when Polish forces invaded. A German invasion followed, and finally in June of 1940 the Russian Army marched in and set up a Communist government.

During that 2-year period of independence, Lithuania had a president, a parliament, and cherished autonomy. Today, 59 years later, Lithuanians remember their independence with pride.

The Soviets have done their best to stifle this spirit. They have made every attempt to do away with religion and have shipped hundreds of thousands of Lithuanians to Siberia. Yet in spite of years of oppression, these valiant people have retained their special national identity and fierce desire for freedom.

I am proud that my colleagues in the Senate joined with me last summer in the resolution to reaffirm our longstanding national policy of refusing to recognize the Soviet Union's illegal seizure and annexation of the Baltic nations: Estonia, Latvia, and Lithuania.

As long as Lithuanians continue to rekindle in their memories that spark of freedom, we Americans must respect and support their undaunted spirit.

DEATH OF REAR ADM. GEORGE DUFEK

Mr. HARRY F. BYRD, JR. Mr. President, I want to say a few words about Rear Adm. George Dufek, U.S. Navy, retired, who died on his 74th birthday, February 10, 1977.

Admiral Dufek was closely associated with my late uncle, Adm. Richard E. Byrd, in the pioneering of Antarctic expeditions beginning in the late 1930's.

I continued to follow his career when he went on, under the aegis of the U.S. Navy, to marshal the forces of modern technology, eventually including jet aircraft and nuclear power, to build the seven bases which supported our Antarctic scientific program during the International Geophysical Year of the 1950's. One of those bases, still in operation, was at the geographical South Pole where winter temperatures have fallen to 125 degrees below zero.

Though best known for this great IGY effort in Antarctic, Admiral Dufek was also, like Admiral Byrd, an early expedition leader in the North polar regions and was a much-decorated combat veteran of both World War II and the Korean war.

After his retirement from the Navy, he went on ably to direct Virginia's world-renowned Mariners Museum at Newport News.

I ask unanimous consent that an editorial from the Newport News, Va., Daily Press and obituary of Admiral Dufek, published in the New York Times on February 11, 1977, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DUFEK, RENAISSANCE SAILOR

"Born for success . . .
"With grace to win, with heart to hold,
"With shining gifts that took all eyes."
—RALPH WALDO EMERSON.

In this world of ordinary men and women, where power and glory often stand shallow and naked, and the whim of fortune seems to favor the mediocre, those authentically gifted people are very special people, legends in the making.

Such a man was George J. Dufek, whose death Thursday was as calm and quiet as his abundantly rich life was filled with excitement and accomplishment.

Before he came to live with us as director of the renowned Mariners Museum, Dufek had written chapters in American history that truly qualified him as an authentic American hero. In the years after graduation from the Naval Academy, he was to qualify for command in submarines, surface ships and as a naval aviator. That, of itself, is a historically unique qualification to record his exploits indelibly among the proud priorities of the U.S. Navy.

But, having done these things, he turned his resources and energy to new horizons as a polar explorer, and in the course of time, went twice to the Arctic and five times to the Antarctic continents. And once again, vibrating to a different drumbeat that separated him from second-best, Dufek traced his polar journeys from his first assignment as navigator for Admiral Richard E. Byrd to his eventual command of the first U.S. Navy's "Operation Deep Freeze" that, once and for all, opened the frigid reaches of the Antarctic continent to the scientific research projects of fourteen nations.

In an intensely personal sense, we knew Admiral Dufek as the personification of a dream long-held. In our early teens it was fortune's whim that when Richard Byrd returned from his exploration of Antarctica at Little America, he pinned an Eagle Scout award on the shirt of a bedazzled youngster whose ambitions toward the Naval Academy promptly expanded to include polar exploration. Three decades later it was George Dufek who made it possible for the boy, now grown, to visit the South Pole and its related scientific stations.

So George Dufek shall be remembered: a gregarious, great man, whose gleaming silver hair shone like the ice of his beloved Beardmore glaciers, whose eyes flashed and flickered like the midnight sun off the towering bergs of the Ross barrier. This very special man, deliciously profane, yet always touched by the essence of the spiritual that seems to envelop those who have lived with the glaring white and the deep penetrating black of the polar wastes. This very merry man who was with his lovely lady Muriel a singularly warm and gracious host. And this man who quite possibly was happiest, certainly in his life among us, when wetting a line in a pond with especially close companions who stimulated his curiosity, challenged his intellect, and in turn were rewarded with a torrent of uproarious yarns equally shared, mutually enjoyed.

It seems uncommonly appropriate that George Dufek will rest henceforth, not in Arlington National Cemetery, deservedly a national shrine of honor for our military heroes, but within the wails of the Naval Academy, where his eminently distinguished star quality was polished until it shone, like the Southern Cross, a beacon for others to follow.

[From the New York Times, Feb. 11, 1977]

GEORGE J. DUFEK, 74, AN ADMIRAL, IS DEAD—ACCLAIMED AS ANTARCTICA EXPERT, HE DIRECTED BUILDING OF 7 BASES FOR SCIENTIFIC POLAR STUDY

(By Bayard Webster)

Rear Adm. George J. Dufek, retired, who commanded the United States Naval Support Forces in Operation Deepfreeze in the Antarctic from 1955 to 1959, died yesterday of cancer in the Bethesda Naval Hospital, Bethesda, Md. He was 74 years old.

Admiral Dufek was regarded as the Navy's leading cold weather expert at the time of his retirement in 1959. He won the praise of Federal, Naval and scientific authorities for his work in directing the construction of seven bases in Antarctica for use by American scientists in the International Geophysical Year.

One of the bases was at the geographical South Pole. The admiral was the third person and the first American ever to set-foot on the pole. The first two persons were Ronald Amundsen, the Norwegian, and Robert Scott, the Englishman.

Admiral Dufek's direction of the construction projects was described by Dr. Lawrence M. Gould, the director of the I.G.Y., as the "greatest logistic achievement in the history of Antarctic exploration." He was awarded the Distinguished Service Medal by President Eisenhower.

A VETERAN OF COMBAT

Described as "a salty, brisk, blue-water sailor" when he was in charge of an operation, Admiral Dufek was a much-decorated combat veteran of World War II and the Korean War. He was also one of the few Naval officers to become qualified to command aircraft, submarine and surface craft.

His 38 years of Navy service began in 1921 when he entered the Naval Academy at Annapolis. After being commissioned as an ensign in 1925, he served aboard the battleship Maryland and was later assigned to submarine training, he began flight training and was designated a naval aviator in 1933.

His first taste of ultracold weather came in 1939 when he volunteered for Rear Adm. Richard E. Byrd's third expedition to the Antarctic and was given the job of navigator on the old sailing vessel the Bear, the flagship of the Antarctic project.

In 1955, after several more expeditions to the Arctic and Antarctic, he was put in charge of the United States forces participating in the Antarctic phase of the I.G.Y.

In 1956, he landed in a plane at the South Pole to determine whether a plane with skis could successfully land on the polar terrain and also to find out if a scientific base could be established near the pole.

Although the admiral was a leader in exploring polar regions, he never considered himself an explorer. "I'm an operation man," he said. "Admiral Byrd is an explorer. He is Mr. Antarctica."

In addition to his tours of duty on seven North and South Polar expeditions, he held commands in World War II and the Korean War. He helped to organize United States amphibious assaults on Africa, Sicily and Southern France in World War II and commanded an anti-submarine task force in the Atlantic that was credited with sinking the last German submarine in that war.

In the Korean War, he commanded the aircraft carrier Antietam.

After the Korean War, he headed a special Antarctic Planning Group for the Navy in Washington and resumed his polar travels.

Most recently he was director of the Mariners Museum in Newport News, Va., where he made his home with his wife, Muriel.

In addition to his wife, he is survived by two sons, David and George Jr., and a daughter, Mrs. Bernard Bellit of Menlo Park, Calif.

AMIN: ANOTHER REASON TO RATIFY THE GENOCIDE TREATY

Mr. PROXMIRE. Mr. President, within the last week our Nation watched with great concern the actions of President Idi Amin of Uganda as he planned to meet with American citizens, most of whom are missionaries, living in his country.

I need not remind any of my colleagues of the serious charges which have been laid against Mr. Amin involving the alleged mass murder of Christians and members of at least two native Ugandan tribes antagonistic to his regime.

While we do not at this time have sufficient information to substantiate or disprove these allegations, I am concerned about our virtual inability to bring any moral or legal sanctions against the leader of any nation who might engage in such activities.

This is yet another reason why the Senate should act expeditiously to ratify the Genocide Convention. The treaty defines genocide, simply, as the killing or causing of serious bodily harm to members of a national, ethnical, racial or religious group.

And what kind of sanctions could we bring against a national ruler if the Genocide Convention were ratified? Unfortunately, the treaty does not provide for the punishment of ruling governments. But it does stress that any successor government will be obligated under the convention to bring charges against its former public officials for alleged genocidal acts.

Mr. President, we all look forward to

the day when despotic rulers are deposed and brought before tribunals of their countrymen to account for their abuses in office.

By ratifying the Genocide Convention, we would emphasize the moral abhorrence our Nation feels toward official acts of violence. Mr. President, I urge that we ratify the Genocide Convention immediately.

FEDERAL PROGRAM INFORMATION ACT

Mr. ROTH. Mr. President, I am introducing important legislation with Senators KENNEDY, MUSKIE, PERCY, and CHILES to improve the availability of information about Federal programs to the general public. This legislation will benefit citizens and communities throughout the Nation by making it easier to match local needs with forms of financial and technical assistance available from the Federal Government.

The Federal Program Information Act would establish a center to serve as a central reference service for information about program purposes, funding availability, application procedures, and program requirements. The center would make use of recent techniques in computer data systems and telecommunications services to provide detailed, up to date, and easily understandable information about Federal programs and assistance to individuals or communities seeking sources of Federal aid. The information would be stored in a computer data bank and distributed to communities and individuals using modern telecommunications equipment. The data base could also be distributed in printed form as a comprehensive catalog or in abridged versions grouped by program function.

GRANTSMANSHIP

The art of Federal grantsmanship—the ability to identify, apply for, and receive Federal grant awards—has become a major impediment to small or disadvantaged communities, school systems, and colleges trying to obtain a fair share of Federal grant money.

There are hundreds of Federal programs which provide financial and technical aid to State and local governments and other eligible recipients, but there is no easy way at the present time to identify the programs and assure full participation by those eligible.

Rural communities, small cities, towns, hospitals, and colleges have been particularly disadvantaged, when trying to compete for Federal grants that require sophisticated applications.

There are more than 1,000 Federal domestic aid programs listed in the Federal Domestic Assistance Catalog. It requires considerable time and effort to select a program which meets the needs of a community. The application process can be long, complicated, and costly. Many States and cities spend a considerable amount of money simply to keep abreast of program opportunities and changes. The present situation imposes a heavy administrative burden on those cities and States able to afford a grantsman and it unfairly disadvantages applicants unable to afford full-time professional help in securing Federal assistance funds. Neither situation is satisfactory.

SUNSHINE FOR FEDERAL ASSISTANCE

This legislation will not remove every weakness in the existing Federal categorical aid system. It will not increase the availability of funds; it will not reduce program restrictions; it will not eliminate the application process for aid. However, it will give local budget planners more tools to find the aid which is made available to local governments for special purposes. And, it will give all communities an equal search capacity with which to locate aid.

It is a matter of basic fairness to provide equally to all potential applicants who may be eligible adequate information about Federal grant money. I believe beneficiaries of Federal grant programs have a right to the full, fair, and timely disclosure of program information and that the Federal Government has a responsibility to make such information readily available.

NEED FOR PROGRAM INFORMATION

During the past two decades the dependence of State and local governments on Federal sources of revenues has continued to grow. In 1950 Federal grants to State and local governments totaled $2.2 billion. For fiscal year 1978 the total is expected to exceed $71 billion. As a percentage of general revenues from State and local sources the Federal aid has gradually increased from 10 to 25 percent today.

A large portion of the total amount of intergovernmental aid to State and local governments is in the form of payments to individuals—about 35 percent. Despite the recent trend for general-purpose aid with "no strings attached" such as general revenue sharing and broad-based block grants with no State matching requirements, there continues to be considerable reliance on Federal categorical or special purpose sources of aid. In 1977 categorical grants comprised 73 percent of the total aid to State and local governments.

During the past two decades the number of Federal programs has grown rapidly as well. There are now some 1,040 identifiable Federal programs which make money available to communities and individuals for special projects and development needs. Aid is available in many forms, including direct cash awards, loans and loan guarantees, technical assistance, insurance, scholarships, and donation of surplus property. These forms of assistance require an individual or community to apply directly to the Federal department or agency for the assistance. The entire application process for Federal assistance places a premium on the applicant's familiarity with the Federal programs and his ability to compete with sophisticated professionals whose stock in trade is grant application techniques.

I believe the entire process of applying for aid from the Federal Government is demeaning to the States and their elected local officials. It is unconscionable that information about program funding and availability have remained shrouded in secrecy for years by the Federal Government.

I speak from personal experience of the battle to unlock information about Federal programs. When I first came to Congress 10 years ago no one knew how many programs existed. There was no place that the State and local government officials could turn for full and complete information on Federal categorical programs. I conducted a study in 1968 and 1969 with a small staff to identify and describe for the first time every Federal program by name and department. The product of my investigation was published in 1969 as the first detailed and comprehensive catalogue of domestic assistance programs. The Office of Management and Budget has continued to publish the Catalogue of Federal Domestic Assistance annually pursuant to OMB Circular No. A-89. Today, the Catalog is still the primary resource for program information available to the public.

HELP FOR LOCAL OFFICIALS

With the development of this information system a local official will be able to select a particular community project such as sewer construction, soil conservation, public housing or recreation facilities and request a listing of all Federal programs which make grants for that purpose. The center will furnish applicants with information about who to contact, where to apply, what restrictions are imposed, and whether any funds are available for the program.

The advantage to the use of a computerized catalog is that a local official is guided to the specific programs which have aid for certain purposes. The user does not have to page through the catalog trying to determine what each program offers.

A potential applicant would feed into the computer some basic information on his project needs and he would provide a simple profile of his community. The computer would then furnish a listing of all programs for which the individual meets the basic eligibility criteria. Thus, the local official would use the computer information center to specify what his needs are and he would receive a printed summary of available programs. The computer will conduct a search in minutes that has often taken hours of the local official's time.

This comprehensive, quick and easy-to-use system offers a significant improvement over the cumbersome methods now in use. The difficulty that people have identifying programs which may prove to be a source of funds is often the most frustrating aspect of applying for Federal aid programs. Many local officials simply do not bother applying for Federal aid due to the difficulty in locating funds and the administrative redtape.

The computerized information system which would be established by this legislation could be linked to States and communities throughout the Nation. Telecommunications technology is available today that permits data developed and stored in a central file to be transmitted

to almost any other geographic location where there is compatible terminal equipment. If there are no terminals in a community it would be relatively easy to gain access to one in a neighboring community or county. A local official could telephone his request into a distribution center 20, 50, or 200 miles away in order to obtain access through a terminal to the central computer. The request would be processed in seconds and the printed summary of program information can then be mailed back to the outlying community official.

These distribution centers could include many types of Federal agency offices, State government offices, or private organizations. The bill imposes no restrictions on the types of offices which could provide access for the program information. Thus the terminal equipment may be located in a county office, a U.S. Department of Agriculture office, Governor's office, a Congressman's or Senator's office, a university office, a social security office, or a private business office. The intent of the legislation is to make the distribution as broad as possible.

INFORMATION REQUIREMENTS IMPROVED

Information on Federal programs will be collected and stored in a central information bank. This legislation specifies what information should be included.

The bill also requires disclosure of financial information including the amounts of funds appropriated for the current fiscal year, the amounts obligated in past years, the average amount of awards in past years, and current information on the amount of funds not already obligated nor otherwise committed. One of the weaknesses in the present domestic assistance catalog is that applicants often do not know whether any funds are actually still available for a program. The legislation mandates the center to provide accurate information on funds which are neither obligated nor committed and are therefore still available to applicants.

The legislation also provides for publication of the Federal Domestic Assistance Catalog with periodic supplements. The catalog would be published from the information contained in the data base maintained by the center.

ACTION DURING 94TH CONGRESS

The Program Information Act (S. 3281) passed the Senate on June 11, 1976, unanimously by voice vote. The Senate-passed bill (H.R. 14740) was introduced by Representative JACK BROOKS in the House of Representatives, and referred to the House Government Operations Committee. A companion bill (H.R. 13186) was also introduced by Representative CHARLES ROSE during the last Congress. No action was taken by the House, however, and the bill died with the October adjournment of Congress.

KEY PROVISIONS OF PROGRAM INFORMATION ACT

The key provisions of the Program Information Act are as follows:

Section 2 is a definitions section. Assistance is broadly defined to include transfers made to support activities with a general public purpose.

Section 3 establishes a Federal Program Information Center within the Office of Management and Budget and provides for a director.

Section 4 identifies the duties of the director to identify Federal programs and maintain information about them for the public.

Section 5 specifies the information requirements to be maintained for each program in the data base, and requires the director to maintain the data base with accurate and timely information.

Section 6 provides for establishing a computerized information system to provide wide public access to the information about programs in the data base.

Section 7 provides for annual publication of a comprehensive catalog and specialized abridged versions for programs with similar functions.

Section 8 provides for the transfers to the center of current operation of the Federal Assistance Programs Retrieval System—FAPRS—in the Department of Agriculture and the Catalog of Federal Domestic Assistance in OMB.

Section 9 provides for a 3-year authorization with a total of $2.9 million to be authorized to be appropriated for the development of the center

REVISIONS IN THE BILL

Several changes have been made in the bill that we are reintroducing today to strengthen its purposes and administrative provisions.

LOCATION OF CENTER

The bill establishes the Office of Management and Budget as the agency with administrative authority. OMB is closely involved in the coordination of intergovernmental relations with State and local governments. The functions of the center would be an important element of the vigorous central management role that OMB is intended to play in Federal-State relations.

FINANCIAL DATA

The information requirement for public disclosure about the availability of funds has been strengthened. The amount of funds requested by the President and the amounts expended in past years have been added as requirements. In addition a section has been added to provide for financial information on current awards identified by amount and geographic location of the recipient. These sections would provide for drawdown information for programs so that local officials will know whether there are actually funds remaining to be applied for. Congressmen, State planning officials, and Federal budget planners will also be able to determine the amounts of aid awarded to a particular jurisdiction or for a particular purpose. This financial information will be a great improvement over the inadequate methods of tracking funds and grant awards that are in use today.

INFORMATION SERVICES

The center will have added authority to develop information services with telecommunications equipment to further assist State and local governments obtain Federal assistance.

CATALOG OF PROGRAMS BY FUNCTION

The bill provides for the publication of an abridged catalog based on programs with related functions. This will permit user catalogs to be developed for programs for education, community development, housing, health, technical assistance, etc.

THE DEVELOPMENT OF FEDERAL INFORMATION SYSTEMS

There have been several experiments in the Federal Government to develop information systems to improve the coordination and management of the intergovernmental aid budget. Unfortunately, these experiments were never given sufficient commitment and direction from managers with government-wide responsibilities.

The most comprehensive was the Regional Management Information System which was developed in 1971 to provide for interagency and intergovernmental tracking of the status of grant applications and the dissemination of information to State and local governments on Federal programs and outlays. Later, a Budget Information System was proposed to provide a geographic and program breakdown of the annual budget. In 1973 the OMB, Census, and the Federal Regional Councils cooperated briefly to develop a computerized system—Socio-Economic Demographic System—to collect socio-economic data which would be shared across department lines.

In 1972 a proposal was made by the Dallas Regional Council to develop a computerized method for collecting Federal grant data from preapplication to award stages and for sharing the information with State and local governments. This plan was known as the Regional Grant Information System and because operational in the Dallas and Boston regions before being discontinued by OMB in 1974.

The most recent computerized information system is the Federal Assistance Programs Retrieval System developed in the Rural Development Service at the Department of Agriculture. FAPRS is a computerized program information system which provides information on Federal programs to local communities on rural development. The data on Federal programs stored in the computer is retrieved by any person or organization, by specifying basic characteristics such as population size and geographic location. These qualifying traits are matched with program eligibility requirements stored by the computer.

The Program Information Act would transfer the FAPRS System to the Program Information Center to be established at OMB and expand the data bank to include all Federal programs.

VALUE TO CONGRESSIONAL OFFICES

The information system envisioned by this bill would provide a valuable resource to congressional offices as well as to citizens and State and local officials. Constituents who contact a Congressman seeking information about potential sources of funds for a district project could receive a complete list of programs

for which they may be eligible and the amounts of funds remaining in the program yet to be obligated. This list could be provided in a matter of minutes by the congressional office by using simple terminal-printer equipment.

I urge my colleagues to examine this important legislation and support its passage. This bill is an important step in our efforts to make Government more manageable, more effective, and more responsive to the public, and it continues our commitment to open Government.

(This concludes additional statements submitted by Senators today.)

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, may we have the conclusion of morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. ROBERT C. BYRD. I thank the Chair.

REORGANIZATION ACT OF 1977

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 626, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 626) to re-establish the period within which the President may transmit to the Congress plans for the reorganization of agencies of the executive branch of the Government, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Governmental Affairs with an amendment to strike out all after the enacting clause and insert in lieu thereof:

That this Act may be cited as the "Reorganization Act of 1977".

SEC. 2. Chapter 9 of title 5, United States Code, is amended to read as follows:

"Chapter 9.—EXECUTIVE REORGANIZATION

"Sec.
"901. Purpose.
"902. Definitions.
"903. Reorganization plans.
"904. Additional contents of reorganization plans.
"905. Limitations on powers.
"906. Effective date and publication of reorganization plans.
"907. Effect on other laws, pending legal proceedings, and unexpended appropriations.
"908. Rules of Senate and House of Representatives on reorganization plans.
"909. Terms of resolution.
"910. Reference of resolution to committee.
"911. Discharge of committee considering resolution.
"912. Procedure after report or discharge of committee; debate; vote on final disapproval.

"§ 901. Purpose

"(a) The Congress declares that it is the policy of the United States—

"(1) to promote the better execution of the laws, the more effective management of the executive branch and of its agencies and functions, and the expeditious administration of the public business;

"(2) to reduce expenditures and promote economy to the fullest extent consistent with the efficient operation of the Government;

"(3) to increase the efficiency of the operations of the Government to the fullest extent practicable;

"(4) to group, coordinate, and consolidate agencies and functions of the Government, as nearly as may be, according to major purposes;

"(5) to reduce the number of agencies by consolidating those having similar functions under a single head, and to abolish such agencies or advisory functions thereof as may not be necessary for the efficent conduct of the Government; and

"(6) to eliminate overlapping and duplication of effort.

"(b) Congress declares that the public interest demands the carrying out of the purposes of subsection (a) of this section and that the purposes may be accomplished in great measure by proceeding under this chapter, and can be accomplished more speedily thereby than by the enactment of specific legislation.

"(c) It is the intent of Congress that the President should provide appropriate means for broad citizen advice and participation in restructuring and reorganizing the executive branch.

"(d) The President shall from time to time examine the organization of all agencies and shall determine what changes in such organization are necessary to carry out any policy set forth in subsection (a) of this section.

"§ 902. Definitions

"For the purpose of this chapter—

"(1) 'agency' means—

"(A) an Executive agency or part thereof; and

"(B) an office or officer in the executive branch;

but does not include the General Accounting Office or the Comptroller General of the United States;

"(2) 'reorganization' means a transfer, consolidation, coordination, authorization, or abolition, referred to in section 903 of this title; and

"(3) 'officer' is not limited by section 2104 of this title.

"§ 903. Reorganization plans

"(a) Whenever the President, after investigation, finds that changes in the organization of agencies are necessary to carry out any policy set forth in section 901(a) of this title, he shall prepare a reorganization plan specifying the reorganizations he finds are necessary. Any plan may provide for—

"(1) the transfer of the whole or a part of an agency, or of the whole or a part of the functions thereof, to the jurisdiction and control of another agency;

"(2) the abolition of all or a part of the advisory functions of an agency;

"(3) the consolidation or coordination of the whole or a part of an agency, or of the whole or a part of the function thereof, with the whole or a part of another agency or the functions thereof;

"(4) the consolidation or coordination of a part of an agency or the functions thereof with another part of the same agency or the functions thereof;

"(5) the authorization of an officer to delegate any of his functions; or

"(6) the abolition of the whole or a part of an agency which agency or part does not have, or on the taking effect of the reorganization plan will not have, any functions. The President shall transmit the plan (bearing an identification number) to the Congress together with a declaration that, with respect to each reorganization included in the plan, he has found that the reorganization is necessary to carry out any policy set forth in section 901(a) of this title.

"(b) The President shall have a reorganization plan delivered to both Houses on the same day and to each House while it is in session. In his message transmitting a reorganization plan, the President shall specify with respect to each abolition of an advisory function included in the plan the statutory authority for the exercise of the function. The message shall also estimate any reduction or increase in expenditures (itemized so far as practicable), and describe any improvements in management, delivery of Federal services, execution of the laws, and increases in efficiency of Government operations, which it is expected will be realized as a result of the reorganizations included in the plan.

"(c) Each reorganization plan which is transmitted to the Congress shall be referred to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House for a period of forty-five calendar days of continuous session of Congress. Prior to the elapse of the forty-five day period the committees shall report their recommendations on the proposed reorganization plan to their respective Houses.

"(d) Any time during the period of thirty calendar days of continuous session of Congress after the date on which the plan is transmitted to it, but before any resolution described in section 909 has been ordered reported in either House, or the appropriate committee of either House has otherwise ordered reported its recommendations pursuant to subsection (c) of this section, the President may make amendments or modifications to the plan, consistent with sections 903–905 of this title, which modifications or revisions shall thereafter be treated as a part of the reorganization plan originally transmitted and shall not affect in any way the time limits otherwise provided for in this chapter. The President may withdraw the plan any time prior to the conclusion of sixty calendar days of continuous session of Congress following the date on which the plan is submitted to Congress.

"§ 904. Additional contents of reorganization plan

"A reorganization plan transmitted by the President under section 903 of this title—

"(1) may change, in such cases as the President considers necessary, the name of an agency affected by a reorganization and the title of its head, and shall designate the name of an agency resulting from a reorganization and the title of its head;

"(2) may provide for the appointment and pay of the head and one or more officers of any agency (including an agency resulting from a consolidation or other type of reorganization) if the President finds, and in his message transmitting the plan declares, that by reason of a reorganization made by the plan the provisions are necessary;

"(3) shall provide for the transfer or other disposition of the records, property, and personnel affected by a reorganization;

"(4) shall provide for the transfer of such unexpended balances of appropriations, and of other funds, available for use in connection with a function or agency affected by a reorganization, as the President considers necessary by reason of the reorganization for use in connection with the functions affected by the reorganization, or for the use of the agency which shall have the functions after the reorganization plan is effective; and

"(5) shall provide for terminating the affairs of an agency abolished.

A reorganization plan transmitted by the President containing provisions authorized by paragraph (2) of this section may provide that the head of an agency be an individual or a commission or board with more than one member. In the case of an appointment of the head of such an agency, the term of office may not be fixed at more than four

years, the pay may not be at a rate in excess of that found by the President to be applicable to comparable officers in the executive branch, and if the appointment is not to a position in the competitive service, it shall be by the President, by and with the advice and consent of the Senate. Any reorganization plan transmitted by the President containing provisions required by paragraph (4) of this section shall provide for the transfer of unexpended balances only if such balances are used for the purposes for which the appropriation was originally made.

§ 905. Limitations on powers

"(a) A reorganization plan may not provide for, and a reorganization under this chapter may not have the effect of—

"(1) creating a new executive department, abolishing or transferring an executive department or independent regulatory agency, or all the functions thereof, or consolidating two or more executive departments or two or more independent regulatory agencies, or all the functions thereof;

"(2) continuing an agency beyond the period authorized by law for its existence or beyond the time when it would have terminated if the reorganization had not been made;

"(3) continuing a function beyond the period authorized by law for its exercise or beyond the time when it would have terminated if the reorganization had not been made;

"(4) authorizing an agency to exercise a function which is not expressly authorized by law at the time the plan is transmitted to Congress;

"(5) increasing the term of an office beyond that provided by law for the office; or

"(6) dealing with more than one logically consistent subject matter, or any policy matters coordinated therewith.

"(b) A provision contained in a reorganization plan may take effect only if the plan is transmitted to Congress within three years of the date of enactment of the Reorganization Act of 1977.

"§ 906. Effective date and publication of reorganization plans

"(a) Except as otherwise provided under subsection (c) of this section, a reorganization plan is effective at the end of the first period of sixty calendar days of continuous session of Congress after the date on which the plan is transmitted to it unless, between the date of transmittal and the end of the sixty-day period, either House passes a resolution stating in substance that the House does not favor the reorganization plan.

"(b) For the purpose of this chapter—

"(1) continuity of session is broken only by an adjournment of Congress sine die; and

"(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.

"(c) Under provisions contained in a reorganization plan, a provision of the plan may be effective at a time later than the date on which the plan otherwise is effective.

"(d) A reorganization plan which is effective shall be printed (1) in the Statutes at Large in the same volume as the public laws and (2) in the Federal Register.

"§ 907. Effect on other laws, pending legal proceedings, and unexpended appropriations

"(a) A statute enacted, and a regulation or other action made, prescribed, issued, granted, or performed in respect of or by an agency or function affected by a reorganization under this chapter, before the effective date of the reorganization, has, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition of a function, the same effect as if the reorganization had not been made. However, if the statute, regulation, or other action has vested the functions in the agency from which it is removed under the reorganization plan, the function, insofar as it is to be exercised after the plan becomes effective, shall be deemed as vested in the agency under which the function is placed by the plan.

"(b) For the purpose of subsection (a) of this section, 'regulation or other action' means a regulation, rule, order, policy, determination, directive, authorization, permit, privilege, requirement, designation, or other action.

"(c) A suit, action, or other proceeding lawfully commenced by or against the head of an agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, does not abate by reason of the taking effect of a reorganization plan under this chapter. On motion or supplemental petition filed at any time within twelve months after the reorganization plan takes effect, showing a necessity for a survival of the suit, action, or other proceeding to obtain a settlement of the questions involved, the court may allow the suit, action, or other proceeding to be maintained by or against the successor of the head or officer under the reorganization effected by the plan or, if there is no successor, against such agency or officer as the President designates.

"(d) The appropriations or portions of appropriations unexpended by reason of the operation of this chapter may not be used for any purpose, but shall revert to the Treasury.

"§ 908. Rules of Senate and House of Representatives on reorganization plans

"Sections 909 through 912 of this title are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by section 909 of this title; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"§ 909. Terms of resolution

"For the purpose of sections 908 through 912 of this title, 'resolution' means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: 'That the does not favor the reorganization plan numbered transmitted to the Congress by the President on , 19 .', and includes such modifications and revisions as are submitted by the President under section 903(d) of this chapter. The blank spaces therein are to be filled appropriately. The term does not include a resolution which specifies more than one reorganization plan.

"§ 910. Reference of resolution to committee

"A resolution with respect to a reorganization plan shall be referred to the Committee on Governmental Affairs of the Senate or the Committee on Government Operations of the House by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

"§ 911. Discharge of committee considering resolution

"(a) If the committee to which a resolution with respect to a reorganization plan has been referred has not reported it at the end of ten calendar days of continuous session of Congress after its introduction, or as of the date on which the committee reports its recommendations on the reorganization plan to the House or the Senate, as the case may be, whichever occurs later, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the reorganization plan which has been referred to the committee.

"(b) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same reorganization plan), and debate thereon, and on all debatable motions and appeals in connection therewith, shall be limited to not more than one hour, to be divided equally between individuals favoring and individuals opposing the resolution. The motion shall not be subject to amendment, or a motion to postpone, or a motion to proceed to consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

"(c) Immediately following the conclusion of the debate on the motion to discharge, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on the motion shall occur. If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same reorganization plan.

"§ 912. Procedure after report or discharge of committee; debate; vote on final disapproval

"(a) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a reorganization plan, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. The motion shall not be subject to amendment, or to a motion to postpone, or a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the resolution shall remain the unfinished business of the respective House until disposed of.

"(b) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than ten hours, which shall be divided equally between individuals favoring and individuals opposing the resolution. A motion further to limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to shall not be in order.

"(c) Immediately following the conclusion of the debate on the resolution with respect to a reorganization plan, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final approval of the resolution shall occur.

"(d) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a

reorganization plan shall be decided without debate.".

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time be charged equally against both sides on the measure.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STONE). Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is S. 626, on which time for debate is limited to 4 hours, being equally controlled by the Senator from Connecticut (Mr. RIBICOFF) and the Senator from Illinois (Mr. PERCY), 1 hour on any amendment in the first degree, 30 minutes on any amendment in the second degree, and 20 minutes on any debatable motion, appeal, or point of order.

Mr. RIBICOFF. Thank you, Mr. President.

Mr. President, today the Senate considers S. 626, to renew the President's reorganization authority.

The bill represents the first essential step in any effort to reorganize the Federal Government to make it more workable and less wasteful.

The bill renews for 3 years the President's authority to submit proposals to Congress for transferring functions between agencies and to abolish agencies no longer serving any function. The proposed reorganization would take effect unless within 60 days one House or the other of Congress adopts a resolution disapproving the plan.

Under the reorganization authority that would be renewed by this bill, the President may propose to create or eliminate agencies, and transfer functions between agencies. The act specifically prohibits the use of the reorganization authority, however, to create or abolish Cabinet-level departments of the Government. For that, regular legislation will continue to be required.

Each plan when introduced will be referred to the Committee on Governmental Affairs in the Senate, and the Committee on Government Operations in the House. The committee must, within 45 days, report to the full House its recommendations on the plan. The recommendation may either be that the Congress permit the plan to go into effect, or that a resolution of disapproval be adopted to prevent the plan from going into effect.

Reorganization plans, submitted in accordance with the requirements of the statute, become law at the end of the first period of 60 calendar days of continuous session of the Congress after the date on which the plan is transmitted to it, unless, between the date of transmittal and the end of the 60-day period, either House, by a majority of those present and voting, adopts a resolution of disapproval.

The act provides special, expedited procedures for the consideration of any resolution of disapproval relating to a proposed plan. If the committee, when acting on a plan, decides not to report a resolution of disapproval, any Member of the full House may move to discharge the committee of such a resolution, so long as the committee has first had at least 10 days to consider it. Debate on the floor of either House on any resolution of disapproval, and on appeals and motions made in connection therewith, is limited to no more than 10 hours, after which a final vote on the resolution must occur.

The following are the major changes S. 626 would make in the prior Reorganization Act in effect between 1971 and 1973:

The authority is extended for 3 years.

The requirement that the President submit only one reorganization plan in any 30-day period has been deleted. The additional requirement that each plan submitted deal with only one logically consistent subject matter has been retained with an amendment. The amendment provides that any plan may deal with one logically consistent subject matter, including any related policy matters.

The appropriate committees in the Senate and the House are specifically required, for the first time, to file within 45 days their recommendations on each plan proposed, indicating to the full House whether it should allow the plan to go into effect, or disapprove it. The full House may not vote to discharge a committee of jurisdiction over a resolution of disapproval until the committee has first reported its recommendations to the full House.

A procedure is provided for the President to amend the plan during the first 30 days, unless committee action on the plan is completed first. As in the past, the act makes no provision for Congress itself amending the plan on its own.

A new provision is included in the section limiting the scope of reorganization plans which prohibits the use of the reorganization act to abolish an independent regulatory agency, or to abolish a function unless it is only advisory in nature. Without the provision defining the scope of the President's power to abolish a function through a plan, the act would have the effect of authorizing plans which do not reorganize, but rather abolish outright services, the Government provides the public pursuant to statute, from grants, loans, and other assistance programs to investigations and enforcement programs protecting the constitutional rights of individuals citizens, or their health and safety. Authorizing the use of reorganization plans to abolish these programs mandated by statute would be inconsistent with the intent of the act to give the President the ability to reorganize the means by which the executive branch administers the law, not the substantive content of the programs it administers. At the same time, the amendment does not restrict the ability of the President to use reorganization plans to transfer functions of any kind from one agency or office to another, in order to consolidate functions and thereby reduce overlap and duplication and eliminate unnecessary expenditures. A plan may abolish an agency or office after all its functions have been transferred elsewhere.

It adds a new provision expressing the intent of Congress that the President, to the extent practicable, should provide appropriate means for public involvement in reorganizing and restructuring the Government.

President Carter is very serious about reorganizing the Federal Government to make it more efficient, more effective, and less costly. There is a great opportunity for Congress and the President, working together, to reorganize the Government as a whole in a thoughtful and comprehensive way.

We welcome this. We intend to do everything we can to cooperate with the President in his efforts.

One of the most important challenges now facing the country is finding a way that large, present-day governments can operate in a way that is both effective and efficient, and understandable and human in their approach.

Reorganization is not the whole answer. Other proposals should also be adopted, such as the proposals in the Sunset legislation to require the periodic examination of all Federal programs by Congress. But it is one important way the public's trust and confidence in the Government can be improved.

What we are doing in renewing the President's reorganization authority is important. By authorizing the President to propose plans to reorganize the Government any way he deems best, the act permits the President to change the way the Government operates. He may transfer and consolidate any functions he wishes, or make any other changes in the Government's organization short of abolishing the programs themselves.

Organization is an important part of Government policy. The quality and nature of the Government is significantly changed by reorganizations which strike the right balance between centralization and decentralization of the agency's activities, between central policy direction and autonomy, between a few large agencies or a number of smaller, more specialized agencies.

Reorganization can determine whether the official who makes the decision hears from just one interest, or a range of different interests before he acts.

It can make the difference between one person being in effective charge of a problem, or no one being in charge or accountable.

It can make the difference between a Government employee who is motivated to do the best job he can to serve the public, and one who does not feel responsible for the effectiveness of what the Government does.

Yet the Government cannot be reorganized by a series of separate acts. The Federal agency is too large, the problems too many.

Today there are hundreds of agencies, offices, commissions, and the like whose continued existence is mandated by statute. Agencies and other organizational units continue to be created by statute at a far faster rate than they can be eliminated by statute. According to an annual compilation by the General Services Administration, from 1949 to 1976, 345 organizational entities were created by statute, with 75 percent of them being created just since 1970. Only 31 organizational entities were abolished in the same period of time.

The procedures in the reorganization authority have proved over time a practicable and sound way to make changes in the organization of the Government. It permits speedy action, while assuring Congress a full opportunity to review the proposed plans.

The procedures utilized in the Reorganization Act since 1949 have been recently questioned on constitutional grounds. I believe, however, that the procedures in the act have served the country and Congress well in the past, and they will continue to do so in the future. As a practical matter, it has fully protected the ability of Congress to review each plan proposed, and to permit only those plans which it supports to go into effect.

The past record of congressional involvement in reorganization plans does not justify the conclusion that the Reorganization Act constitutes legislation by inaction. A substantial number of the reorganization plans submitted since 1949 have consisted of relatively minor, noncontroversial proposals for organizational changes. Nevertheless, according to figures assembled for the committee by the Library of Congress, resolutions of disapproval were introduced in at least 1 House or the other in 61 of the 93 occasions in which reorganization plans were submitted to Congress. In 66 instances, committees in at least one House held hearings on the plan. In 51 instances, at least one House actually voted on a resolution of disapproval. And in 20 of these 51 instances, the plan was rejected.

To further assure careful consideration of each plan proposed, the committee adopted an amendment requiring committees in both the House and the Senate to file within 45 days a report containing its recommendations on every plan proposed. The committee which I chair will encourage the public to place in the public record comments on the plans proposed. Frequent public hearings will be held.

Renewing the Reorganization Authority is not an open-ended mandate to the President to reorganize the Government on his own. Congress should and must be an active participant in the process of formulating and implementing reorganization plans. The act has proved invaluable precisely, because it does provide a practical and sound way for the President and Congress to work together, in a way neither could alone, to improve how the Government is organized to meet its obligation to the people it serves.

I urge the Secretary to take prompt and favorable action on S. 626.

Mr. President, I ask unanimous consent that the following staff have the privilege of the floor: Mr. Richard Wegman, Paul Hoff, John Childers, Brian Conboy, and Constance Evans.

The PRESIDING OFFICER (Mr. METZENBAUM). Without objection, it is so ordered.

Who yields time?

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. RIBICOFF. Equal time to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, the legislation before us today establishes the President's authority to submit reorganization plans to Congress. This authority lapsed in 1973 and has not been renewed since that time. The bill was reported out of the Committee on Governmental Affairs by a vote of 16 to 0.

I pay great tribute to my distinguished colleague, the chairman of the Committee on Governmental Affairs, Mr. RIBICOFF, who, responding to the urgency of the need, and taking into account that this was, after all, one of the keystones of the platform of their candidate for President, Mr. Carter, moved ahead, responding to what was in a sense a mandate of the people.

Mr. RIBICOFF. Will my distinguished colleague yield?

Mr. PERCY. I am happy to.

Mr. RIBICOFF. I want to take this time to pay special recognition to my colleague, the ranking minority member of the Committee on Governmental Affairs. In all the years we have been associated, I have always found him completely constructive. I have never seen him approach a problem on a partisan note. He has been most helpful with the President, realizing how important reorganization was to the Nation. Reorganization is, indeed, a keystone. What makes the Committee on Governmental Affairs a unique committee is the continued cooperation between Senator PERCY and our respective staffs, during Democratic and Republican administrations, to move ahead constantly for the benefit of the entire Nation. I do want to tip my hat to the distinguished Senator from Illinois.

Mr. PERCY. I thank my distinguished colleague.

It means a great deal to me, personally. But also it is a source of tremendous satisfaction to have that feeling, that not only the Senators work closely together without any partisanship whatsoever, but the staffs do too.

When Dick Wegman and John Childers and others work without any partisanship whatsoever for the common good of this Nation, I think that is also the tradition that our distinguished chairman has established.

I make one other comment before continuing. Last Saturday I was in Peoria all day to see how things were going, to get a feel again on response to the new Congress, how they feel about the pay increase, for instance, and so forth.

I spent the whole day listening and talking to people that came into the shopping centers, and met with my advisory board. One question asked of me was, "Aren't you going to make it awfully difficult for yourself in a Republican primary in 1978 if you work as closely as you are cooperating with the Carter administration?"

I said, "Well, first of all, anyone who would vote against me for that reason, I would not want their vote because they do not understand what this country is all about if they are that partisan and do not realize the end objective is not partisanship. Partisanship gets us toward our ability to work together, but second, I intend to work with this President. The decision has been made by the country. I worked hard for President Ford, we carried Illinois, but once the decision was made, this is our President. He is the President for all of us and we want to help him in every way we can."

I am standing at the seat that was held by Senator Dirksen for so many years. But, as I said to this partisan Republican precinct committee man putting this question to me, "Let's just look back at Pekin, Ill., a few miles from here down the river, and talk about Senator Dirksen and his work with President Kennedy and President Johnson. Would you say then that CHUCK PERCY is following an old tradition that the Republican Senator will work with the Democratic administration in the interests of the country?"

He said, "You know, I hadn't thought of it in that way."

So, in a sense, I say first that I appreciate so much the comments that have been made, but that is the spirit expressed by a 16-to-nothing vote in our committee.

We had good support on amendments submitted by the Republican side, support by Republicans on Democratic amendments, and now we have ended up with this legislation.

Mr. President, I feel strongly that renewal of the reorganization authority is justified to provide an efficient way of dealing with many of the problems of duplication and overlap among the thousands of Federal Government departments, agencies, commissions, advisory committees, and other bodies. I feel that there is an overwhelming desire in the country at large to make the Federal Government more efficient and more responsive to the real needs of all Americans.

The President pledged reorganization of the Federal Government in his campaign and I think he should be able to have the authority to work in this area. At the same time, though, we in Congress have a vital stake in the reorganization process and we must be sure that the Congress plays its appropriate role. I feel that the bill on the floor today does

balance the roles of the President and the Congress in the area of Federal Government reorganization.

As reported by the Governmental Affairs Committee, the bill extends the President's authority to submit reorganization plans for 3 years from the date of enactment of this legislation.

It specifies that reorganization plans cannot create, abolish, or transfer an executive department or an independent regulatory agency but only realine functions within or among them. This is why the President could not submit a bill such as his energy reorganization proposal as a reorganization plan, as it involves the abolition of FEA and ERDA as separate agencies. Rather, the bill must be submitted, as it was Tuesday, as regular legislation.

Reorganization plans sent to Congress shall specify any reduction or increase in expenditures, describe anticipated management improvements and efficiency increases, must deal with one logically consistent subject matter or any policy matters coordinated therewith. Reorganization plans will be referred to the House Government Operations and Senate Governmental Affairs Committees.

There is no limit on how many plans the President can send to Congress. In previous law, there was a provision that the President could not send up more than one reorganization plan in any 30-day period. However, the committee did insist upon receiving assurances in writing from OMB Director Lance that he would consult in advance with the chairman and the ranking Republican on the committee on the timing of transmittal of reorganization plans to insure that the committee can handle them in an orderly way. I ask unanimous consent that a copy of that letter from Mr. Lance be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit No. 1.)

Mr. PERCY. Mr. President, for the first time in the reorganization authority, the President is given the right to amend reorganization plans in the first 30 days, or he may withdraw a plan within 60 days. The provision for Presidential amendment is added to allow the President, after consultation with Congress, to change a provision or two that might be giving Congress trouble. Under previous law, the Congress would have had only the choice of approving the plan with the flawed provision, or rejecting the entire plan.

To insure that the committee has sufficient time to consider any amendment, the committee is allowed to consider the plan for 45 days before having to take action, thus giving the committee a minimum of 15 days to consider any amendment.

At the end of 45 days or earlier, the committee must report its recommendations to the Senate. Under previous law, no action at all was required of the committee. Only if the committee voted out a resolution of disapproval would there be a report for the Senate to consider. The committee felt that for the guidance of all Senators that the Governmental Affairs Committee should be required to make a report to the Senate on why it felt the plan should or should not go into effect. If the committee felt that the reorganization plan was undesirable, then it still would report out simultaneously a resolution of disapproval.

Even if the committee decides to take no action and would otherwise allow the reorganization plan to go into effect, any Senator has the right to introduce a motion of disapproval on the Senate floor which will be referred to the Governmental Affairs Committee. The committee must act upon this resolution at the end of the 45-day period when it reports its recommendations to the Senate floor. Or, if the resolution of disapproval is introduced toward the end of the 45-day period, it would still be considered for 10 days even if that time extended beyond the 45-day limit. At the end of that 10 days, the committee would still have to act upon it.

Expedited floor procedures are provided for in this bill to insure that a floor vote can be reached on a resolution of disapproval. If Members desire a vote, they can be assured they can obtain one.

A reorganization plan becomes effective at the end of 60 days after it has been sent to Congress unless either House vetoes it. This maintains the same one-House veto procedure as used in the past.

One last point, Mr. President. In the estimated cost of the legislation in the committee report, the Congressional Budget Office states that—

> It appears that no additional cost to the government would be incurred as a direct result of enactment of this bill.

However, it has subsequently come to my attention that the administration has submitted a supplemental budget request for fiscal year 1977 to the House Appropriations Committee for $1.6 million to fund 32 new positions in OMB to work on reorganization matters. Although some of this work may be devoted to reorganization internally in the executive branch that does not involve the submission of reorganization plans, a large part of this personnel and expense will be working on reorganization plans to send to the Congress. The best estimate I can make, based on a request of $1.6 million for the remaining 7 months of the current fiscal year, means that OMB will be expending $2.7 million a year additionally to work on reorganization matters related to the legislation before us today. Therefore, Mr. President, in fairness to my colleagues, I think I must point out that there are expenditures that will result from passage of this legislation that may not be fully stated in the committee report.

Having pointed that out, however, Mr. President, I do support passage of this legislation as I feel that it is an important step in helping the President and the Congress work together to streamline and modernize the Federal Government.

EXHIBIT 1

WASHINGTON, D.C.,
March 3, 1977.

HON. ABRAHAM RIBICOFF,
Chairman, Senate Government Operations Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On behalf of the President and for myself, I wish to assure you that it is our intention to consult with you in advance on the timing of the transmittal of reorganization plans to the Congress.

There is no interest in our part to inundate your committee with reorganization plans. It is in our best interests and that of the American people to provide an orderly mechanism for carrying out the Reorganization program in a cooperative manner.

We are very appreciative of your efforts in gaining extension of the Reorganization Authority.

Sincerely,

BERT LANCE,
Director.

Mr. PERCY. Mr. President, the Senate of the United States has reorganized itself. I think we should provide for that same authority for the President, so that the executive branch of Government can reorganize itself, streamline its operations and eliminate duplication and overlapping, provided plans are submitted in accordance with this procedure and Congress has an opportunity to approve or disapprove such reorganization plans, after a reasonable period of time for consideration, which we have provided for in the bill.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. PERCY. I am happy to yield to the distinguished Senator from Virginia.

Mr. HARRY F. BYRD, JR. I agree with the able Senator from Illinois, and I support this reorganization proposal. I think it is overdue, as a matter of fact. I am glad the President has taken the initiative.

I should like to get the view of the Senator from Illinois with respect to one aspect. I have seen in the press, and I believe the Senator from Illinois just indicated—although I am not confident of this—that the reorganization may be more costly. I should think that when we reorganize the Government, we would do it with the idea of bringing about a more economical Government.

I hope the purpose of this measure is not to make a more expensive Government.

Mr. PERCY. Possibly the Senator from Illinois did not make himself very clear on this point.

I was only pointing out that in the report on this bill, it is indicated that no expenses are involved. If this measure is passed, and we expect that it will be, the President has asked for 32 additional people in OMB to work on reorganization plans. If we do not pass the measure, I do not imagine that they would need those 32 people, because we would not give him that authority.

Presumably, those 32 people are going to develop reorganization plans, each of which, when it comes here, will have, at our insistence—the President did not want this in the bill; the Senator from Illinois said he would never yield on that point—an estimate as to whether that adds to the budget or reduces expenses and reduces the budget.

So we will have an opportunity to see whether or not these 32 people, at this additional cost of $2.7 million, are cost effective. Certainly, I would hope that even in the first reorganization plan we would be able to save their cost in salaries by the cost impact of that particular plan.

Mr. HARRY F. BYRD, JR. I would

certainly think so. I am not referring at all to the 32 additional staff personnel. I think that is satisfactory.

Mr. PERCY. I should also like to clarify my remarks further in this way: It is possible that some of those people will be working on organizational plans that do not involve sending legislation to Congress. Some of them may be needed, anyway. But it is the understanding of the Senator from Illinois that most of them would be working on reorganization plans that will be submitted to Congress.

Mr. HARRY F. BYRD, JR. The Senator from Illinois mentioned that the proposal now before the Senate would require the President, in any plan that he submits to Congress, to send along an estimate as to the cost savings or whatever additional costs might be involved in such a reorganization. I think that is vitally important.

Mr. PERCY. I am very pleased about that kind of support, because it had bipartisan support when the Senator from Illinois offered that amendment. It has been in every reorganization plan that we have had since 1949, I believe.

Mr. HARRY F. BYRD, JR. I could not understand why the President took it out.

Mr. PERCY. I think the Senator from Illinois can explain it this way.

When Mr. Lance was before the committee, he explained why it was cut out, when I asked him. He is a banker. I asked what it is going to cost, whether it is going to add to cost or cut cost. That is a vital matter. How can we legislate on a reorganization plan if we do not know what it will cost?

Mr. HARRY F. BYRD, JR. It is a key element.

Mr. PERCY. He said,

> We did that in Georgia. We provided estimates of the savings in this sort of situation. Unfortunately, the estimates become something fixed in the minds of a lot of people, and it is something other than an estimate. They confuse it with a fact.

As I recall my comments, looking at a warmhearted but hardheaded banker sitting in front of me, I said,

> But, Mr. Lance, you ran one of the largest banks in the country and when . . . you present some sort of plan . . . the first question some guy will ask you is, what is it going to cost? All we are saying is cost is very crucial. We are saying estimates. You can give us ranges.

I felt that even if there has to be a wide range, if the range of possible cost savings is from perhaps $5 million to $25 million, say so. But at least we are going to hold you the administration to at least the $5 million. If it only brings in a million dollars of savings, or you add $10 million, we want to know that, and we insisted that that stay in the legislation.

I read from the top of page 7 of the bill before us:

> The message shall also estimate any reduction or increase in expenditures (itemized so far as practicable), and describe any improvements in management, delivery of Federal services . . .

Mr. HARRY F. BYRD, JR. I believe that without that proposal, this bill would be unsatisfactory.

Mr. PERCY. It would be unsatisfactory to the Senator from Illinois.

Mr. RIBICOFF. Mr President, in all fairness, I pointed out to Mr. Lance at that point that it very well could be that in a particular reorganization plan there would not be any savings. I said,

> You should not hesitate to tell the truth even if it is that there will be no savings, but rather improvements in management effectiveness and efficiency.

The Executive branch should tell the truth. If savings are estimated, say so. If there are none, say so. Then we can make the judgment accordingly.

Mr. HARRY F. BYRD, JR. The Senator from Connecticut is correct. That is a vital piece of information that Congress needs to know in considering any proposal that might be sent from the Chief Executive.

Incidentally, on February 21, I offered an amendment, a copy of which is on the desk of each Senator, to put this proposal in the bill. It will not be necessary, of course, to act on this amendment, because the committee already has acted on it—the essence of it—and very wisely so, I believe.

I thank the Senator from Illinois for his keen interest.

Mr. PERCY. I thank the distinguished Senator from Virginia.

Mr. President, I wish to address a comment to the floor manager of the bill, the Senator from Connecticut (Mr. RIBICOFF).

The Senator from Illinois is attempting to determine whether any amendments are to be offered on the minority side, and possibly we could put a call out through our cloakrooms to determine that. We have provided for ample time for debate on amendments and the bill.

The Senator from Illinois has just been advised that there will be no amendments, to his knowledge and the knowledge of the minority clerk, to be offered on the minority side. Therefore, I think we should put out some notice that we will be going into third reading soon.

Mr. RIBICOFF. There will be one committee amendment which has been discussed with the Senator from Illinois and the staff and Senator NUNN. We await Senator NUNN's arrival in the Chamber, because he would like a colloquy. To my knowledge, there are no other amendments on this side of the aisle.

Mr. SCHMITT. Mr. President, will the Senator yield? I have no amendment.

Mr. PERCY. I am happy to yield the floor.

Mr. SCHMITT. I do not have an amendment, but I should like to comment on the reorganization authority.

I think there is agreement in the minds of many people, when we look at the deficiency or, let us say, the lack of efficiency in certain Government agencies and departments, that a reorganization is needed in major areas. Therefore, the authority to do so is clearly warranted.

However, I should like to urge some caution, having worked within the administrative branch for some years. Bigness is not necessarily goodness. As we evaluate the plans that come before us—and I certainly hope that a great deal of effort will be made to look at those plans in detail—we must make sure that we are in fact increasing the efficiency of Government. I think that is the overriding priority right now. With efficiency will come greater effectiveness and greater adherence to the needs of the population. With efficiency must also come cost savings.

There are going to be increasing levels of demands on the taxpayer made in this Congress and, unfortunately, in future Congresses. Our defense budget is one area where, I think, we are going to be calling upon the taxpayer for greater sacrifice.

We must start to decrease the level of the Federal deficit on an annual basis so that the joint problems of inflation and unemployment can be tackled realistically.

All of these demands for increased efficiency of Government and reduced costs of Government must be considered as of the highest priority, in any reorganization effort the administration undertakes and that we approve in Congress.

I hope when we get to the specific reorganization plans—and there is now such a plan before Congress having to do with the Department of Energy—we will remember that the essential thing is that an agency or bureau or department or subdivision thereof has clearly defined responsibilities and that those responsibilities are subject——

Mr. RIBICOFF. Mr. President, will the Senator yield at that point?

Mr. SCHMITT. Yes.

Mr. RIBICOFF. I want to point out that the creation of a Department of Energy does not come in under this particular legislation. Creating the Department of Energy, since it involves the creation of an entire department, must be done by separate statute. That bill was put in yesterday, with Senator PERCY the main cosponsor. Beginning Monday there will be full hearings on the proposal for the Department of Energy.

The Senator from New Mexico is more than welcome to come and address himself to it in committee hearings. It will then have to go to committee markup. It will have to come to the floor, where it will be open to any type of amendment any Senator would like to put in. It must go to the House, it must go to conference.

I want to make it clear that S. 626 does not authorize use of the reorganization authority to create a Department of Energy.

Mr. SCHMITT. I thank the Senator.

Mr. PERCY. Mr. President, if the Senator will yield further, as a clarification on that point, one of the specific reasons why it does not qualify as a Presidential reorganization bill under this authority is that no bill qualifies if it eliminates any agency, and the energy reorganization bill does eliminate FEA and ERDA. Therefore, it must start as original legislation.

The whole process must be gone through. If it did qualify it would facilitate it by enabling the President to send it down and not have to go through the whole legislative process, but know that it will be enacted in 60 days unless one House or the other overrides it.

It puts the whole emphasis on incentive for the President to reorganize the executive branch just as we did the Con-

gress, hopefully to improve efficiency and effectiveness. It is not a guarantee but, obviously, it gives him that incentive to do so, and does expedite the procedure considerably.

Mr. SCHMITT. I thank the Senator for the clarification.

I did not mean in any way by my remarks to imply that the energy bill came under this.

In a more generic sense, I am just attempting to point out when we evaluate the energy reorganization bill, as well as other proposals that may come from the administration, that we do so with efficiency being a prime consideration and a clear definition of responsibility being a prime consideration, and that we understand what our oversight and legislative responsibilities are clearly here in Congress so that maybe, just maybe, we can start to see a decrease in our costs of government and an increase in our Government's effectiveness.

Unfortunately, the President's only other major experience with reorganization apparently did not result in a decrease in costs. I think that was with respect to the reorganization of the government of Georgia.

I do hope from that experience and from our own oversight responsibility we will, in fact, with these various plans be able to increase the efficiency of Government and improve its effectiveness in serving people.

I am a little bit concerned with the amount of time available for Congress to oversee the reorganization plans. The clock will tick away for 60 days, and if we have been unable to act then the reorganization plan will become effective. I do see there are some safeguards in the act to insure that it is possible to bring the measure to the floor, and that after 10 days, I believe, there will be a vote if time remains to do so. I hope we will not be reluctant to exercise our responsibilities if we feel it is necessary.

Mr. PERCY. Mr. President, if the Senator will yield, his point is such a valid point and one that caused great concern to all Members because of the possibility that we simply could not dispatch our obligations in the 60-day time frame. Therefore, we, on page 11 of the bill, paragraph (6), at the top of the page inserted that the President cannot send plans, as the distinguished Senator from New Mexico knows, "dealing with more than one logically consistent subject matter, or any policy matters coordinated therewith."

We insisted upon that simply from the standpoint of what do we do if a plan comes down here that is so embracing, involving, say the areas of three or four different committees, where the process would be so complex that we would not have adequate time to consider it.

We also did require some constraint on frequency. Originally some of us felt we should limit it to a certain number of plans every couple of weeks or something like that. But what we finally worked out was this letter from Director Lance indicating he would consult and would be required to consult with the chairman and the ranking Republican on the committee as to the frequency of sending plans down so that they could be done on an orderly basis, and not swamp us, in a sense. We do not mind work, but what we want to be able to do is to be able to handle them thoroughly and well and with due deliberation, and not too hastily so that we cannot give the same thoughtful consideration to it that the administration did.

Mr. RIBICOFF. Mr. President, will the Senator yield?

May I add for the benefit of the distinguished Senator from New Mexico that at the specific request of the Senator from Illinois there was inserted in the legislation a requirement that the Governmental Affairs Committee would be required to file a report in the Senate within 45 days from the submission of each plan, with its recommendations for approval or disapproval.

After the committee reports, every Member would have at least 15 days in which to examine the report to see whether they were or were not satisfied, with the committee's recommendation. This additional protection is given in the bill itself.

Mr. SCHMITT. I think that is very important, and the Senator is to be complimented for including that protection, and also for insuring that the administration is on record with assurances that the rate at which reorganization plans might arrive at the Senate will be a manageable rate.

Mr. RIBICOFF. May I say to the Senator that all I can assure the distinguished Senator from New Mexico is that the two Republican members of the committee, now on the floor, were very zealous to protect the interests of the Senate and the interests of the minority. Both the Senators, the Senator from Illinois (Mr. PERCY) and the Senator from New York (Mr. JAVITS) went over this bill word for word, and they both came up with many suggestions, so valuable, as a matter of fact, that it was not within the heart or mind of the chairman of this committee to reject any of them, and they were all adopted, and I believe made the legislation that much stronger and better.

Mr. PERCY. May that be a precedent for the future.

Mr. RIBICOFF. We have been doing very well.

Mr. PERCY. We thank our distinguished colleague very much for his thoughtful and perceptive comments.

Mr. SCHMITT. I am very interested in this general problem of reorganization and efficient management of government. I have spent some time trying to implement efficient management myself, and it is not an easy job. There is a point beyond which human beings presently alive, at least to my knowledge, find themselves saturated with management problems. The structure of government is no exception to this problem of saturation.

In the experience I had with the National Aeronautics and Space Administration I think it is clear that because of the limits upon our ability to manage—and this is no reflection upon any individuals—the human limits on the ability to assimilate numbers of management plans—we had a terrible fire and accident at Cape Kennedy where three outstanding men were killed.

Fortunately, most of the time we were not dealing with such an obvious example of ineffective management, but we did recover. We did learn, however, to do it and, as a consequence of that, this country's space program has been a remarkable success.

In other areas there are human lives at stake also. They are just not as obviously at stake. In the Department of Health, Education, and Welfare clearly they are dealing with human lives, and efficient management of that department or any other department that deals with social problems can affect and in fact, even cost human lives, and we have to realize that.

So I hope as we examine these plans, and we do take the time to examine these plans as they come forward, we keep that in mind, that it is the efficiency of government, the capability of managers to manage, that we have to be looking at every moment because the future of this country and the future of Americans are clearly at stake. They have a very great stake in our ability to learn how to manage government. We really have not learned how to do that yet. If we did, I do not believe we would have had the kind of deficits and the kinds of problems we have in this country today.

It is an extremely important matter which will be before this Congress, and I think will be before the next few Congresses. I do hope that we can be imaginative enough to look to the strengths of the American character, their compassion as well as their dedication to free enterprise and their love of competition and freedom, to find new ways to manage government more efficiently and more effectively for the good of the people of this country and maybe for the salvage of the world.

I thank the Senator for yielding, and I yield back the time.

Mr. PERCY. Mr. President, I comment that the passage of this bill does not in any way relieve any Member of this body from the responsibility to introduce legislation to improve the efficiency of the executive branch of Government any time he sees fit. We have that duty, obligation, and responsibility.

All this does is facilitate procedures for the executive branch and give it incentive to go ahead and know that they are not going to get bogged down over here. But we can certainly do the same thing and submit to the same process.

Mr. President, I know that the distinguished manager of the bill wanted to wait for Senator NUNN to come so we could have a colloquy on technical amendments. I know the distinguished Senator from New York wishes to comment. Will the distinguished floor manager prefer retaining the floor?

Mr. RIBICOFF. I defer to the distinguished Senator from New York.

Mr. JAVITS. Will the Senator yield to me?

Mr. PERCY. I yield such time as he needs for any comments.

Mr. JAVITS. I thank my colleague.

The PRESIDING OFFICER (Mr.

HARRY F. BYRD, JR). The Senator from New York.

Mr. NUNN. Mr. President, will the Senator from New York yield? I have another meeting, and I am being delayed. I anticipate that the amendment about which I shall ask the couple of questions of the Senator from Connecticut will take only a very short time. I wonder if the Senator will consent to yield for that purpose?

Mr. JAVITS. Of course. I was only going to take 5 minutes but I yield the 5 minutes. I have something else also. But the Senator may proceed.

UP AMENDMENT NO. 54

Mr. RIBICOFF. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Connecticut (Mr. RIBICOFF) proposes unprinted amendment No. 54:

On page 4, line 8 and page 6 line 25, strike the word "advisory."

On page 6, strike lines 1 and 2 and insert in lieu thereof the following:

"(2) the abolition of all or a part of the functions of an agency, except that no enforcement function, and no function conferring a substantial programmatic benefit on the public, shall be abolished by the plan;

Mr. RIBICOFF. Mr. President, I believe a colloquy between the distinguished Senator from Georgia and myself will explain the amendment.

Mr. NUNN. I thank the Senator from Connecticut for offering the amendment. I first of all will say my impression of it is a very good one.

I ask the Senator: What is the purpose of the amendment?

Mr. RIBICOFF. May I respond that there has been some confusion about the use of the word "advisory" in section 903(a)(2) of the legislation. There has been some concern expressed that, if the provision remained as reported from the committee, the only functions which could be abolished by the reorganization plan are those of advisory committees. That was never the intent of our committee.

Mr. NUNN. How does the Senator from Connecticut believe that his amendment has clarified the provision?

Mr. RIBICOFF. This amendment is designed to clarify the kinds of functions which might be eliminated by reorganization plan. For example, functions which provide for the participation of particular Federal officials in certain activities, functions which provide for coordination of Government activities, functions which provide for recordkeeping responsibilities by Federal officials, or other similar functions which relate to housekeeping responsibilities are not advisory in nature, but have been abolished by previous reorganization plans. If the clarifying language had not been adopted, these functions and others which do not involve enforcement activities, or other substantial programmatic benefits, might not have been able to be abolished by reorganization plan.

Mr. NUNN. May I ask the Senator one final question? What could not be abolished under the Senator's proposed language?

Mr. RIBICOFF. The proposed language would prohibit the abolition of any "enforcement function or any substantial programmatic benefit." This would prevent the abolition by reorganization plan of such activities as enforcement of antitrust laws, enforcement of civil rights laws, or enforcement of health, safety, or economic regulations. It would also insure that a plan could not abolish major programmatic benefits, such as veterans programs, education programs, social security programs, or programs such as air traffic control, or other important services that protect the safety or well being of the public. I think the amendment helps to further clarify the committee's original intent.

Mr. NUNN. I agree with the Senator from Connecticut. I appreciate his offering the amendment. I think it is a good one. I urge colleagues to support the amendment.

Mr. PERCY. Mr. President, I have just one question. In essence, does this amendment protect the sanctity of substantive statutory functions enacted by law and which, if they are to be repealed, would have to be repealed by the regular legislative process rather than by a reorganization plan?

Mr. RIBICOFF. The answer is an emphatic yes.

Mr. PERCY. The minority supports the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, I wish to associate myself with the views of Senators RIBICOFF and PERCY, and I commend this legislation to the Senate and hope it will be passed, but I do wish to raise two points which are important, I think.

One is the provision respecting one reorganization plan every 30 days, and the other is the corollary proposition as to what each plan shall deal with in terms of unified subject matter. These are very important questions to the country and especially to the minority which has to give itself a chance to get briefed into these matters in order to participate constructively in critique that it is suitable and intelligent.

Especially is the true as our President has promised in the campaign broadscaled reorganization, as he has given us the example of a simply fantastic contraction of the number of agencies of government which were functioning when he was Governor of Georgia, and as there is some difference of opinion as to whether that particular kind of drastic reorganization was all good, or whether there were some difficulties with it. Therefor, we took two precautions which relate to each other, and that is why I speak. One is the precaution taken by my brother, Senator PERCY, who received an excellent letter from the Budget Director which gave us assurance—and we know how to make those assurances good around here—that they would not abuse the non-30-day provision.

I have read the letter, I have heard Senator PERCY's explanation, and I have read the explanation in the committee report.

Mr. President, I ask unanimous consent that the paragraph at the foot of page 7 of the report dealing with that subject may be printed in the RECORD. I think we have a right to rely upon that assurance.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

However, the committee agreed to delete this provision only because the assurances it has received from the administration have led the committee to believe that the administration will consult with the appropriate members of Congress in advance of the submission of each plan. If congressional review of reorganization plans are to be meaningful and orderly, and the necessary hearings conducted, this consultation must occur so that Congress is not forced to review too many plans in too short a period of time. Should reorganization plans nevertheless be submitted with such frequency that Congress does not have adequate time to review each one, Congress can always adopt a resolution of disapproval and require the submission of the plan at a later date when there is adequate time to review its provisions.

The committee also decided to retain the provision in the 1971 Act requiring that each plan submitted deal with no more than one logically consistent subject matter. Section 905(a)(6). A plan dealing with a variety of matters, unrelated to each other, may not be submitted. The Congress should have an opportunity to consider and vote separately on each logically separate step in the overall reorganization of the government. In order to avoid any suggestion, however, that a plan must only deal with a single organizational entity, or a single function, such as energy, the committee amended the provision. The new wording makes it clear that a proposed plan meets the requirements of this provision even if all the portions of the plan do not involve the same agencies or programs, so long as the other portions of the plan are directly related to the rest of the plan by the common policies with which they deal. For example, the plan may implement a common policy toward the use of advisory committees, and meet the requirements of this provision, even though the plan involves a number of different advisory committees concerned with providing advice on a number of different government functions.

Mr. PERCY. Mr. President, will the Senator yield for clarification of that particular point?

Mr. JAVITS. I yield.

Mr. PERCY. The paragraph to which the Senator from New York has referred indicates that "on behalf of the President and myself"—this is OMB Director Bert Lance speaking—"I wish to assure you that it is our intention to consult with you in advance." The letter is addressed to the chairman of the Government Affairs Committee, with a carbon copy on the face of it sent to Senator PERCY as ranking minority member. But I simply want to be absolutely certain that, when the word "you" is used, the Director of OMB means the minority as well as the majority.

Mr. RIBICOFF. All I can tell the distinguished Senator from Illinois is that when Mr. Lance comes around to see me I will make sure that he leaves my office and goes to the office of the Senator from Illinois. I would personally insist that the

ranking minority member of the committee, with whom I work so carefully and closely, is informed as completely as I am informed concerning the intentions of the administration concerning any reorganization plan. If there is a slip up I would hope that the Senator would pick up the telephone and let me know forthwith.

Mr. PERCY. I thank our distinguished colleague and I thank Senator JAVITS for raising the point.

Mr. JAVITS. This is very important because I am informed that we may face a different conclusion in the other body; therefore, as this seems so logical for the minority—and I am emphasizing the minority—I want to be sure that we have a very clear understanding when we vote on this, and if I am a conferee I will do my utmost to sustain the Senate position, but we should have it crystal clear and locked in here in the Chamber as to the fact because the President's aspiration, which is very legitimate, is very broad in terms of reorganization. We must not be overwhelmed with reorganization plans in any 30-day period which would make the whole process meaningless.

Mr. RIBICOFF. May I say that nothing fills me with such trepidation as the feeling that I personally would be overwhelmed as chairman of the committee. To do this in an orderly manner, we are going to have to have time to consider each plan. As the Senator knows, the distinguished Senator from Illinois insisted on inserting a provision in the legislation requiring us to report within 45 days one way or the other on every plan. So, since we have the obligation to report, it would be physically impossible to inundate us and still give us the opportunity to file a report on each plan within 45 days. The Senator has my assurance, that, just as we have worked so closely on this committee for many years in the past, that I will always be solicitous and concerned with the rights of the minority members of the committee.

Mr. JAVITS. I am personally satisfied. In the long run, I know we will have to sustain his position, or may have to sustain it.

The second corollary is what each plan shall deal with. We had hoped, on the minority side, to confine each plan to one subject matter, which was the law when it expired. I still like that the best, but our brother RIBICOFF felt that would be too constraining. His example, and I think it was a good example, was that you could not have a reorganization plan to eliminate one advisory committee, but that it would be properly generic, if you had a reorganization plan for HEW, for example, to deal with the reorganization of advisory committees in the aggregate.

That seemed fair to us, and that is one of the examples cited in the committee report. But again, the policy which will animate the proposition as it is sent up here is just as important, it seems to me, as the terms. The words are not as clear as we would hope, but nonetheless they are the best words that we could come up with in terms of trying to carry the idea, and I think the conference report makes it rather clear that we do not intend that every reorganization plan should involve only one agency or one program, so long as what is sought to be reorganized relates to a common purpose or a common policy, not some broad purpose like contracting the size of the Federal Government, but some purpose which one can grasp and deal with, like advisory committees, for example.

But even there, as there are literally hundreds of advisory committees in the Government, again, if you threw a resolution at us which said, "Eliminate a thousand advisory committees and report in 45 days," when at the same time there were two or three other reorganizations pending, it would likely make us pass a resolution of disapproval when perhaps we should not, and would have no business to.

I am satisfied. We have had a meeting of minds in the committee, but I do not think what we have in mind should be clearly stated on the floor, so hopefully we will have a clear understanding, and it will cause fewer problems in the future.

Mr. RIBICOFF. Let me respond that this proposal was one submitted to the committee. Take the advisory committees for an example. It is a fact that we have some 1,200 advisory committees, including about 237 presently mandated by statute. Having a separate reorganization plan to eliminate each one, we all recognize, would be foolhardy. I can see combining a number of related advisory committees in a single plan. It would be advisable to do so. Here again, we have to be consistent. I worked out with the Senators the language in section 905(a)(6), "or any policy matters coordinated therewith." I am sure Senator PERCY would consult with the Senator from New York, and in consultation, should we find that there is an undermining of the intent of this provision by the administration, we will make that known to them loud and clear in the conferences that we have. Should there be any doubt, the Senator's staff and my staff work so closely together that we will keep in touch always that way as well to make sure there is no abuse of our intention.

Mr. JAVITS. May I ask the Senator the $64 question also? I do not necessarily intend for him to give us an ironbound reply, but I would like his reaction.

I have absolute faith that good faith will prevail in our committee. We cannot control the executive, though we hope they will stick by what they tell us they are going to do. May we feel, on the minority side, that if this is really abused, the majority, notwithstanding that it is its administration, will feel with us that we may have to turn down a plan simply because the ground rules that are sought to be used are unfair to us in terms of giving it really effective and honorable consideration?

Mr. RIBICOFF. Let me respond by saying that my primary obligation is to this body, and not the executive branch. While I will work closely with the executive branch, I understand the problems of this body and their concern. I also understand the necessity for comity within this body and within the committee. I believe that one of the reasons for the continued success of the bipartisan approach in the Governmental Affairs Committee is the close comity we have with each other. Whether it was the prior Republican administration, or the coming Democratic administration, any administration is the beneficiary of having this real coordination, understanding, comity, and cooperation between the majority and the minority in the committee. In my relationship with all members of the committee, I do not seek to jeopardize that. I recognize it as a prime asset to the committee.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me 2 minutes?

Mr. RIBICOFF. I yield 2 minutes to the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on this matter.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, for the past several years, our country has been experiencing a phenomenon that must be of grave concern to all the Members of this body—indeed, to all the people in the three branches of our Government. The phenomenon to which I refer is the growing feeling of alienation from their government on the part of the very people that government exists to serve.

If it was not obvious before, the extent of the dissatisfaction and mistrust of the people became clear during the recent campaign for the Presidency. Over and over, complaints were voiced about the vast, impersonal bureaucracy—weighted down by redtape—that was unable or unwilling to respond to the people's needs.

Recognizing the depth of this feeling, President Carter, early in his campaign, committed himself to the goal of reorganizing the executive branch in an effort to make its agencies more efficient, effective, and responsive. With his administration barely 2 weeks old, he took a commendable first step toward restoring the people's trust by proving that this commitment was no mere campaign promise to be forgotten as soon as the election was over. On February 4, he forwarded to the Congress proposed legislation to restore Presidential authority to reorganize the agencies of the executive branch of the Government—legislation which the Senate is now about to enact. The President is to be congratulated for the swiftness with which he has acted to fulfill his pledge to the people.

But congratulations are not due the President alone for the fact that the Congress is already confronting one of the major issues facing the country. The presence of this legislation before the Senate for action by the full body today is equally due to the diligence and dedication of its Members—and most particularly the members of the Committee on Governmental Affairs, very ably chaired by the senior Senator from Connecticut, Senator RIBICOFF. The formulation of the legislation was not an easy task but Mr. RIBICOFF and Mr. PERCY

and the committee have done their work well.

As the Members of the Senate are well aware, the whole question of the power of the President to reorganize the executive branch and the role that the Congress must—and will—play in the exercise of that power is one that is fraught with difficulty. For we have only recently ended a period of our history when that power was subject to abuse and the Congress had to fight to preserve its rightful role in our tripartite government.

Despite the complexity of the issue involved, the Committee on Governmental Affairs, under the very capable chairmanship of Mr. RIBICOFF, has quickly responded to the needs of the people. In less than a month, the committee has carefully scrutinized the legislation proposed by the President and reported to the Senate an amended bill that will not only grant to the President the authority necessary to accomplish his goals but will also preserve the rightful role of the Congress in the exercise of that authority. In an excellent example of the spirit of compromise that I am confident will characterize the relationship between the administration and the Congress in the future, the committee has taken a fundamentally sound administration proposal and refined it into an even better product.

S. 626 essentially reenacts the Executive Reorganization Act of 1949, which was allowed to lapse in 1973. That statute required the President to examine, from time to time, the organization of all agencies of the executive branch to determine what changes were necessary to accomplish such purposes as better execution of the laws, more effective management, and increased efficiency, and its authorized the President to submit reorganization plans to the Congress to accomplish those purposes. Plans submitted by the President became effective as law at the end of the first period of 60 calendar days of continuous session of the Congress after the date of submission unless disapproved by either House.

These basic features of the Executive Reorganization Act have been retained in S. 626, as reported by committee. But several modifications have been made to other provisions proposed by the administration.

First, the committee's amended bill would reestablish the President's reorganization authority for 3 years rather than the 4-year period recommended by the administration. This will permit the President to complete at least the first phase of reorganization in a careful and studied manner while, at the same time, assuring that the next Congress will be able to review his performance and determine whether a continuation of the authority is warranted.

The committee has determined not to reenact a provision originally added to the Reorganization Act in 1971 limiting the President to the submission of one plan within a 30-day period. Such a limitation had been opposed by the administration as unnecessarily restrictive. Based upon assurances it has received from the administration, the committee believes that appropriate Members of Congress will be consulted in advance of the submission of each plan. This will serve to prevent the submission of more such plans than the Congress could effectively review, and the committee has therefore agreed to the President's request. At the same time it has reestablished a restriction, also opposed by the administration, that each reorganization plan be limited to one "logically consistent" subject matter. Consultation with the Congress, coupled with the limitation of consistency, will insure that the Congress will be able to effectively exercise its rightful role in the area of reorganization and will not be overwhelmed by either the multiplicity or complexity of such plans.

Mr. President, as many Members of the Senate are aware, I have long been interested in the subject of executive reorganization. My most pressing concern has been that the Congress not abdicate its responsibility with respect to reorganization—either as a result of apathy or an inability to respond. Four years ago I even proposed, as one solution, that no reorganization plan be effective unless affirmatively approved by both Houses—in order to insure that all such plans would be carefully considered in the Congress before taking effect.

I would like to specifically commend the committee's resolution of this most difficult problem.

Under the terms of the committee's amended bill, the Governmental Affairs Committee in the Senate and the Government Operations Committee in the House are required to file their recommendations with respect to each plan within 45 days of submission. This filing requirement must be met whether the recommendation is to be that the plan be allowed to take effect or that a resolution of disapproval be adopted. In other words, the bill imposes a statutory requirement upon those bodies in each House with special expertise in these matters to review and take some affirmative action with respect to each reorganization plan before it takes effect. As a result, no such plan can become effective without being thoroughly scrutinized by the appropriate legislative bodies. This procedure allays my concern.

Mr. President, let me once again congratulate both the President and Mr. RIBICOFF and Mr. PERCY and all other members of the committee on the result of their efforts on the reorganization bill and reiterate the hope that the spirit of compromise that has marked their labors will continue. If it does, the result will be that which President Carter spoke of when he transmitted his proposed legislation to the Congress. For such a spirit will truly "help rebuild the public's confidence in Government, redeem commitments made to the electorate, and prove to the people who have given us their trust that we are ready to make a fresh start."

Mr. RIBICOFF. Mr. President, I wish to express my great appreciation to the Senator from West Virginia for his comments, and for his valuable assistance in connection with this bill. Such timely action on S. 626 would not have been possible without his distinguished leadership.

Mr. PERCY. Mr. President, on behalf of the minority, we certainly thank the majority leader. I hope the administration will not accept this as a precedent, which they will always want to hold us to, for such speedy enactment of legislation from the time it is sent down until it is enacted. I presume we will have an overwhelming vote today. The energy bill may take a little bit longer. Certainly from the minority standpoint, certainly from the standpoint of this Senator, on any bill that goes through the Governmental Affairs Committee the minority will cooperate with the majority in every way and as rapidly as possible.

Mr. ROBERT C. BYRD. As Voltaire appropriately said, one world at a time.

ADDITIONAL STATEMENTS SUBMITTED ON S. 626

Mr. MUSKIE. Mr. President, I rise in support of S. 626, the Reorganization Act of 1977.

This bill will give the President the authority to create or abolish agencies and to transfer functions between agencies unless one House of Congress disapproves within 60 days.

It will give President Carter virtually the same authority to initiate reorganization of the executive branch of our Government that his predecessors have had for nearly all of the last 35 years.

I believe that reorganization authority is one of the tools we must enact if we are ever to bring the Government back under control. Together with zero-base budgeting, which President Carter is implementing, and sunset legislation, which I have sponsored with a majority of this body, both Congress and the President can be equipped with an arsenal of weapons to improve the effectiveness and efficiency of the Government.

The need for these tools is all too obvious. We need only look at the hundreds of agencies that have grown up over the past few decades—at the mounting cost of bureaucratic overhead—at the countless instances of programs that failed to meet objectives.

Ultimately, we need only to look at the millions of Americans who have lost confidence in Government to carry out the simplest of tasks.

This bill provides a necessary first step to win back some of that confidence and I urge that we make the most of this opportunity.

Mr. TOWER. Mr. President, the bill we are considering today represents one aspect of the ongoing attempt to restructure and rationalize our sprawling Federal bureaucracy. More specifically, this bill would allow the President to submit to Congress reorganization plans affecting the executive branch agencies. These proposals would have the effect of law within 60 days unless either the House or the Senate should pass a resolution of disapproval.

Initially enacted as the Reorganization Act of 1949, this legislation has been extended seven times, with the most recent extension having expired in April of 1973. As we proceed to consider reenacting this authority, I would like to mention a few provisions which I think bear careful scrutiny in this present bill.

For one thing, there is no restriction on the number of plans which may be submitted in any given time period. Under previous acts, the President was limited to one proposal every 30 days. This bill has no such limitation. As we all know, reorganizing this vast bureaucracy of ours is not just a matter of reshuffling the deck. We are dealing here with some pretty complex operations which need a good deal of pruning as well as restructuring. If the Governmental Affairs Committee should be faced with several plans at once, I fear that we might end up sacrificing quality for quantity in our haste to reach the statutory deadlines.

I understand that the committee has received assurances from the administration that such a glut will not occur, and I hope these assurances will be met. While I am anxious to see executive cooperation and input as far as Government reorganization is concerned, I believe that Congress must continue to exercise its legislative and oversight responsibility in dealing with this problem.

As reported, S. 626 prohibits submission of any proposal which deals with "more than one logically consistent subject matter, or any policy matters coordinated therewith." I would hope that Congress will give the most strict interpretation to this language, and that any attempt to submit overly broad proposals will be disapproved.

I am pleased to see that the committee has insisted on retaining language calling for a cost impact figure on these reorganization proposals. There is no lack of awareness on the part of the American people as to the burgeoning cost of big government, and I think we should take a good look at the potential savings, or increased cost, of any proposed changes.

Mr. President, as we listen to the public demand for "executive reorganization" and "regulatory reform," I think we must recognize the fact that what the people really want is "Government reduction." People are sick and tired of paying the bills for a bloated bureaucracy fraught with wasteful duplication and structural inefficiency. The Federal Government has been growing like crab grass, and much of this growth has taken place in the last decade. It is high time we did some serious pruning for a change.

It is one thing to say we will reduce the number of Government agencies, but it is a far different matter to reduce the size of the Government. Merging four or five agencies, with their incumbent staffs and budgets, into one large agency may well fit the definition of "Government Reorganization," but I think we can all recognize the "easy way out" when we see it. Five times one is still five, and people will not be fooled by the old numbers game for very long.

Of course, the size and structure of Government, which is the principal issue addressed by this legislation, is only half the problem. We must remember that the scope of Federal programs and regulations is equally at fault for public criticism and disillusionment with the Federal Government. It is the Congress, in this case, which must take both the blame for creating much of the mess, as well as the remedial action necessary to clear it up.

Time and again, Mr. President, I have taken this floor in opposition to the creation of wasteful and unnecessary programs which eat up tax dollars and produce little in the way of public services. Congress has fallen into a dangerous rut of trying to solve everyone's problems by creating a new program, or passing a new law. If one group happens to dislike that law, then we simply enact another law to keep things balanced. If we cannot agree on a statutory remedy, then we create a commission to study the matter.

Well, the piper must be paid, and I think the American people are tired of hearing this same old music. Instead of concentrating so much on passing new legislation, I think it is time Congress took a long hard look at some of the old laws, and reconsider the wisdom of continuing these programs. We have a responsibility to exercise oversight of the programs and agencies we have created. Considering our rate of production in the last few years, this is not an easy task, but it must be done.

I believe one sensible way to approach this task is the so-called sunset legislation, which would assure a thorough and systematic overhaul of existing agencies and regulations on a strict timetable basis. I am pleased to be a cosponsor of S. 600, and I hope we can reach an early decision on this matter.

Mr. President, I shall not pursue my discussion of regulatory reform at this time, since there will be ample opportunity to explore this matter further. I simply want to remind my colleagues that we have a twofold responsibility here, and that is to reduce not only the size of the Government, but also the scope of its activities.

I shall vote for the pending bill today, as I have supported similar legislation in the past. In so doing, however, I want to predicate my support on the expectation that the administration will exercise this authority in a responsible and forthright manner. I want to reiterate my strong belief that our ultimate goal should not be to simply reword existing regulations and call that reform. Our ultimate goal must be reduction, in both size and scope, of our massive Federal structure.

When we can provide the necessary public services to our people through an efficient organization, and at a more justifiable cost to the taxpayers; when we can execute our statutory responsibilities without placing undue burdens on the private sector, then we will be able to take the deserved credit for a job well done.

Mr. DOMENICI. Mr. President, I would like to comment on my reasons for supporting S. 626, the Executive Reorganization Act of 1977. I do believe that we should restore to the President the authority granted nearly all of his predecessors since World War II. However, my conviction that this legislation is necessary and desirable goes beyond supporting adherence to this particular precedent. The Federal bureaucracy has grown so large, and the means for carrying out its functions so varied and complex, that overlap and inefficiencies are inevitable. We must have a mechanism for continuous review of the process, and for making those changes that will produce the most cost-effective Government operation possible. The President, as administrator of the executive branch of our Government is ideally suited to perform this review function. Through the legislation now before us we will be reestablishing the basis upon which meaningful reorganization can take place.

The Federal Government now employs some 2.8 million civilian workers with an annual payroll of over $40.7 billion. However, it is important to recognize that size alone is not enough to insure the best service to the citizens of this country. In fact, as we are all well aware, the very size of the Federal bureaucracy frequently complicates and impedes the carrying out of functions our citizens are paying for and have a right to expect government to perform. Clearly we also need orderliness in Government operations if the taxpayer's money is to be spent most efficiently. Meaningful reorganization, under the provisions of S. 626, will be a step in that direction.

Finally, I anticipate that an important fringe benefit of reorganization will be a better awareness of those needs of our citizens that are not being adequately met under current laws. The present welter of rules, restrictions, and regulations frequently serves to obscure areas where substantive changes in the law are needed if the Government is to provide services, as originally intended by Congress, to our citizens.

Mr. HATHAWAY. Mr. President, I am pleased to join a number of my distinguished colleagues in supporting the Reorganization Act of 1977.

This bill will provide the necessary statutory authority to allow the President to submit to Congress reorganization plans affecting the operations of the executive branch. If such plans are not disapproved by a resolution adopted in either House within 60 days of submission, the proposed reorganization may occur.

The need for such authority is clear. The U.S. Government Manual lists approximately 600 separate organizations. In addition, not even included in this listing are over 1,200 more advisory committees. The case for organizational restructuring is well supported by reference to figures developed by the General Services Administration: since 1949, 345 organizational units have been set up by statute, of which over three-fourths are new since 1970. Of this total, only 31 have been abolished. Clearly, many more could, and should, be eliminated.

At the present time, the Federal Government employs over 2.8 million civilian workers with an annual payroll of $40.7 billion. In order to make these civil servants as productive as possible, the President should be given the authority to restructure the units of Federal Government into more efficient and more productive groupings.

Government would be more responsive to the people and individual civil servants would be better able to fulfill their pub-

lic duty unfettered by archaic bureaucratic strictures.

At the same time, this legislation does preserve the constitutional role of Congress in enacting Federal policies into the law of the land. Under the reorganizational authority contained in this bill, the President would not be able to propose as part of a reorganization plan the elimination of any Cabinet-level department, or to consolidate or abolish functions specifically mandated by prior legislation. He would, of course, be free to make such a proposal in the form of new legislation.

In addition, the provisions recognizing the authority of either House to in effect veto the reorganization proposal by adopting a resolution of disapproval are consistent with the system of checks and balances so important to our Federal system.

I, therefore, support this bill and look forward to its prompt enactment into law and to its utilization in the future by President Carter in cooperation with Congress to bring increased efficiency to our Federal Government through these expedited procedures.

(This concludes additional statements submitted on S. 626.)

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PERCY. Mr. President, the minority floor manager yields back the remainder of his time.

Mr. RIBICOFF. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The amendment was agreed to.

The PRESIDING OFFICER. The question is now on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. All time having been yielded back, the question is, Shall the bill pass? The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Delaware (Mr. BIDEN), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. WILLIAMS) is absent on official business.

I further announce that, if present and voting, the Senator from Louisiana (Mr. LONG) would vote "yea."

Mr. STEVENS. I announce that the Senator from Oregon (Mr. PACKWOOD) is necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that the Senator from Tennessee (Mr. BAKER) is absent due to illness.

The result was announced—yeas 94, nays 0, as follows:

[Rollcall Vote No. 40 Leg.]

YEAS—94

Abourezk	Goldwater	Morgan
Allen	Gravel	Moynihan
Anderson	Griffin	Muskie
Bartlett	Hansen	Nelson
Bayh	Hart	Nunn
Belimon	Haskell	Pearson
Bentsen	Hatch	Pell
Brooke	Hatfield	Percy
Bumpers	Hathaway	Proxmire
Burdick	Hayakawa	Randolph
Byrd, Harry F., Jr.	Heinz	Ribicoff
	Helms	Riegle
Byrd, Robert C.	Hollings	Roth
Cannon	Huddleston	Sarbanes
Case	Humphrey	Sasser
Chafee	Inouye	Schmitt
Chiles	Jackson	Schweiker
Church	Javits	Scott
Clark	Johnston	Sparkman
Cranston	Kennedy	Stafford
Culver	Laxalt	Stennis
Curtis	Leahy	Stevens
Danforth	Lugar	Stevenson
DeConcini	Magnuson	Stone
Dole	Matsunaga	Talmadge
Domenici	McClellan	Thurmond
Durkin	McClure	Tower
Eagleton	McGovern	Wallop
Eastland	McIntyre	Weicker
Ford	Melcher	Young
Garn	Metcalf	Zorinsky
Glenn	Metzenbaum	

NAYS—0

NOT VOTING—6

Baker	Long	Packwood
Biden	Mathias	Williams

So the bill (S. 626), as amended, was passed, as follows:

S. 626

An act to reestablish the period within which the President may transmit to the Congress plans for the reorganization of agencies of the executive branch of the Government, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Reorganization Act of 1977".

SEC. 2. Chapter 9 of title 5, United States Code, is amended to read as follows:

"Chapter 9.—EXECUTIVE REORGANIZATION

"Sec.
"901. Purpose.
"902. Definitions.
"903. Reorganization plans.
"904. Additional contents of reorganization plans.
"905. Limitations on powers.
"906. Effective date and publication of reorganization plans.
"907. Effect on other laws, pending legal proceedings, and unexpended appropriations.
"908. Rules of Senate and House of Representatives on reorganization plans.
"909. Terms of resolution.
"910. Reference of resolution to committee.
"911. Discharge of committee considering resolution.
"912. Procedure after report or discharge of committee; debate; vote on final disapproval.

"§ 901. Purpose.

"(a) The Congress declares that it is the policy of the United States—

"(1) to promote the better execution of the laws, the more effective management of the executive branch and of its agencies and functions, and the expeditious administration of the public business;

"(2) to reduce expenditures and promote economy to the fullest extent consistent with the efficient operation of the Government;

"(3) to increase the efficiency of the operations of the Government to the fullest extent practicable;

"(4) to group, coordinate, and consolidate agencies and functions of the Government, as nearly as may be, according to major purposes;

"(5) to reduce the number of agencies by consolidating those having similar functions under a single head, and to abolish such agencies or functions thereof as may not be necessary for the efficient conduct of the Government; and

"(6) to eliminate overlapping and duplication of effort.

"(b) Congress declares that the public interest demands the carrying out of the purposes of subsection (a) of this section and that the purposes may be accomplished in great measure by proceeding under this chapter, and can be accomplished more speedily thereby than by the enactment of specific legislation.

"(c) It is the intent of Congress that the President should provide appropriate means for broad citizen advice and participation in restructuring and reorganizing the executive branch.

"(d) The President shall from time to time examine the organization of all agencies and shall determine what changes in such organization are necessary to carry out any policy set forth in subsection (a) of this section.

"§ 902. Definitions

"For the purpose of this chapter—

"(1) 'agency' means—

"(A) an Executive agency or part thereof; and

"(B) an office or officer in the executive branch; but does not include the General Accounting Office or the Comptroller General of the United States;

"(2) 'reorganization' means a transfer, consolidation, coordination, authorization, or abolition, referred to in section 903 of this title; and

"(3) 'officer' is not limited by section 2104 of this title.

"§ 903. Reorganization plans

"(a) Whenever the President, after investigation, finds that changes in the organization of agencies are necessary to carry out any policy set forth in section 901(a) of this title, he shall prepare a reorganization plan specifying the reorganizations he finds are necessary. Any plan may provide for—

"(1) the transfer of the whole or a part of any agency, or the whole or a part of the functions thereof, to the jurisdiction and control of another agency;

"(2) the abolition of all or a part of the functions of an agency, except that no enforcement function, and no function conferring a substantial programmatic benefit on the public, shall be abolished by the plan;

"(3) the consolidation or coordination of the whole or a part of an agency, or of the whole or a part of the functions thereof, with the whole or a part of another agency or the functions thereof;

"(4) the consolidation or coordination of a part of an agency or the functions thereof with another part of the same agency or the functions thereof;

"(5) the authorization of an officer to delegate any of his functions; or

"(6) the abolition of the whole or a part of an agency which agency or part does not have, or on the taking effect of the reorganization plan will not have, any functions. The President shall transmit the plan (bearing an identification number) to the Congress together with a declaration that, with respect to each reorganization included in the plan, he has found that the reorganiza-

tion is necessary to carry out any policy set forth in section 901(a) of this title.

"(b) The President shall have a reorganization plan delivered to both Houses on the same day and to each House while it is in session. In his message transmitting a reorganization plan, the President shall specify with respect to each abolition of a function included in the plan the statutory authority for the exercise of the function. The message shall also estimate any reduction or increase in expenditures (itemized so far as practicable), and describe any improvements in management, delivery of Federal services, execution of the laws, and increases in efficiency of Government operations, which it is expected will be realized as a result of the reorganizations included in the plan.

"(c) Each reorganization plan which is transmitted to the Congress shall be referred to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House for a period of forty-five calendar days of continuous session of Congress. Prior to the elapse of the forty-five-day period the committees shall report their recommendations on the proposed reorganization plan to their respective Houses.

"(d) Any time during the period of thirty calendar days of continuous session of Congress after the date on which the plan is transmitted to it, but before any resolution described in section 909 has been ordered reported in either House, or the appropriate committee of either House has otherwise ordered reported its recommendations pursuant to subsection (c) of this section, the President may make amendments or modifications to the plan, consistent with sections 903–905 of this title, which modifications or revisions shall thereafter be treated as a part of the reorganization plan originally transmitted and shall not affect in any way the time limits otherwise provided for in this chapter. The President may withdraw the plan any time prior to the conclusion of sixty calendar days of continuous session of Congress following the date on which the plan is submitted to Congress.

"§ 904. Additional contents of reorganization plan

"A reorganization plan transmitted by the President under section 903 of this title—

"(1) may change, in such cases as the President considers necessary, the name of an agency affected by a reorganization and the title of its head, and shall designate the name of an agency resulting from a reorganization and the title of its head;

"(2) may provide for the appointment and pay of the head and one or more officers of any agency (including an agency resulting from a consolidation or other type of reorganization) if the President finds, and in his message transmitting the plan declares, that by reason of a reorganization made by the plan the provisions are necessary;

"(3) shall provide for the transfer or other disposition of the records, property, and personnel affected by a reorganization;

"(4) shall provide for the transfer of such unexpended balances of appropriations, and of other funds, available for use in connection with a function or agency affected by a reorganization, as the President considers necessary by reason of the reorganization for use in connection with the functions affected by the reorganization, or for the use of the agency which shall have the functions after the reorganization plan is effective; and

"(5) shall provide for terminating the affairs of an agency abolished.

A reorganization plan transmitted by the President containing provisions authorized by paragraph (2) of this section may provide that the head of an agency be an individual or a commission or board with more than one member. In the case of an appointment of the head of such an agency, the term of office may not be fixed at more than four years, the pay may not be at a rate in excess of that found by the President to be applicable to comparable officers in the executive branch, and if the appointment is not to a position in the competitive service, it shall be by the President, by and with the advice and consent of the Senate. Any reorganization plan transmitted by the President containing provisions required by paragraph (4) of this section shall provide for the transfer of unexpended balances only if such balances are used for the purposes for which the appropriation was originally made.

"§ 905. Limitations on powers

"(a) A reorganization plan may not provide for, and a reorganization under this chapter may not have the effect of—

"(1) creating a new executive department, abolishing or transferring an executive department or independent regulatory agency, or all the functions thereof, or consolidating two or more executive departments or two or more independent regulatory agencies, or all the functions thereof;

"(2) continuing an agency beyond the period authorized by law for its existence or beyond the time when it would have terminated if the reorganization had not been made;

"(3) continuing a function beyond the period authorized by law for its exercise or beyond the time when it would have terminated if the reorganization had not been made;

"(4) authorizing an agency to exercise a function which is not expressly authorized by law at the time the plan is transmitted to Congress;

"(5) increasing the term of an office beyond that provided by law for the office; or

"(6) dealing with more than one logically consistent subject matter, or any policy matters coordinated therewith.

"(b) A provisions contained in a reorganization plan may take effect only if the plan is transmitted to Congress within three years of the date of enactment of the Reorganization Act of 1977.

"§ 906. Effective date and publication of reorganization plans

"(a) Except as otherwise provided under subsection (c) of this section, a reorganization plan is effective at the end of the first period of sixty calendar days of continuous session of Congress after the date on which the plan is transmitted to it unless, between the date of transmittal and the end of the sixty-day period, either House passes a resolution stating in substance that the House does not favor the reorganization plan.

"(b) For the purpose of this chapter—

"(1) continuity of session is broken only by an adjournment of Congress sine die; and

"(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.

"(c) Under provisions contained in a reorganization plan, a provision of the plan may be effective at a time later than the date on which the plan otherwise is effective.

"(d) A reorganization plan which is effective shall be printed (1) in the Statutes at Large in the same volume as the public laws and (2) in the Federal Register.

"§ 907. Effect on other laws, pending legal proceedings, and unexpended appropriations

"(a) A statute enacted, and a regulation or other action made, prescribed, issued, granted, or performed in respect of or by an agency or function affected by a reorganization under this chapter, before the effective date of the reorganization, has, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition of a function, the same effect as if the reorganization had not been made. However, if the statute, regulation, or other action has vested the functions in the agency from which it is removed under the reorganization plan, the function, insofar as it is to be exercised after the plan becomes effective, shall be deemed as vested in the agency under which the function is placed by the plan.

"(b) For the purpose of subsection (a) of this section, 'regulation or other action' means a regulation, rule, order, policy, determination, directive, authorization, permit, privilege, requirement, designation, or other action.

"(c) A suit, action, or other proceeding lawfully commenced by or against the head of an agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, does not abate by reason of the taking effect of a reorganization plan under this chapter. On motion or supplemental petition filed at any time within twelve months after the reorganization plan takes effect, showing a necessity for a survival of the suit, action, or other proceeding to obtain a settlement of the questions involved, the court may allow the suit, action, or other proceeding to be maintained by or against the successor of the head or officer under the reorganization effected by the plan or, if there is no successor, against such agency or officer as the President designates.

"(d) The appropriations or portions of appropriations unexpended by reason of the operation of this chapter may not be used for any purpose, but shall revert to the Treasury.

"§ 908. Rules of Senate and House of Representatives on reorganization plans

"Sections 909 through 912 of this title are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by section 909 of this title; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"§ 909. Terms of resolution

"For the purpose of sections 908 through 912 of this title, 'resolution' means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: 'That the does not favor the reorganization plan numbered transmitted to the Congress by the President on , 19 .', and includes such modifications and revisions as are submitted by the President under section 903(d) of this chapter. The blank spaces therein are to be filled appropriately. The term does not include a resolution which specifies more than one reorganization plan.

"§ 910. Reference of resolution to committee

"A resolution with respect to a reorganization plan shall be referred to the Committee on Governmental Affairs of the Senate or the Committee on Government Operations of the House by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

"§ 911. Discharge of committee considering resolution

"(a) If the committee to which a resolu-

tion with respect to a reorganization plan has been referred has not reported it at the end of ten calendar days of continuous session of Congress after its introduction, or as of the date on which the committee reports its recommendations on the reorganization plan to the House or the Senate, as the case may be, whichever occurs later, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the reorganization plan which has been referred to the committee.

"(b) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same reorganization plan), and debate thereon, and on all debatable motions and appeals in connection therewith, shall be limited to not more than one hour, to be divided equally between individuals favoring and individuals opposing the resolution. The motion shall not be subject to amendment, or a motion to postpone, or a motion to proceed to consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

"(c) Immediately following the conclusion of the debate on the motion to discharge, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on the motion shall occur. If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same reorganization plan.

"§ 912. Procedure after report or discharge of committee; debate; vote on final disapproval

"(a) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a reorganization plan, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. The motion shall not be subject to amendment, or to a motion to postpone, or a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the resolution shall remain the unfinished business of the respective House until disposed of.

"(b) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than ten hours, which shall be divided equally between individuals favoring and individuals opposing the resolution. A motion further to limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to shall not be in order.

"(c) Immediately following the conclusion of the debate on the resolution with respect to a reorganization plan, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final approval of the resolution shall occur.

"(d) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a reorganization plan shall be decided without debate.".

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIBICOFF. I wish to thank the members of my staff, and the staff of other majority and minority members of the commitee, who worked so well together assisting the committee in connection with S. 626. These staff members include Dick Wegman, Paul Hoff, John Childers, Connie Evans, Brian Conboy, Winslow Turner, Walker Nolan, Bob Harris, and Doug Barrett.

Mr. ROBERT C. BYRD. Mr. President, there will be no more votes today, so that all Members may be appraised of the situation.

ORDER FOR CONSIDERATION OF NOMINATIONS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the orders for the recognition of Senators have been completed, the Senate proceed to executive session to consider the nominations thereunder. This has been cleared.

Mr. DOMENICI. Mr. President, I have no objection.

The PRESIDING OFFICER (Mr. MATSUNAGA). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business for not to exceed 1 hour, with statements limited therein to 10 minutes each, for the purpose only of the introduction of bills, resolutions, petitions, and memorials into the RECORD, and no resolutions coming over under the rule.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE CONFEREES ON H.R. 2647

Mr. NELSON. Mr. President, I ask unanimous consent that Mr. JAVITS and Mr. LAXALT be relieved as conferees on H.R. 2647, an act to amend the Small Business Act and the Small Business Investment Act of 1958, to increase loan limitations and to increase surety bond authorizations, as previously appointed on February 22, 1977.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT, WARNKE NOMINATION

Mr. ROBERT C. BYRD. Mr. President, I have cleared the following request with the distinguished Republican leader (Mr. BAKER), the distinguished Republican whip (Mr. STEVENS), with the distinguished Senator from Mississippi (Mr. STENNIS), with the distinguished Senator from Washington (Mr. JACKSON), with the distinguished Senator from Georgia (Mr. NUNN), with the distinguished Senator from Idaho (Mr. CHURCH), with the distinguished chairman of the Committee on Foreign Relations (Mr. SPARKMAN), and with other Senators.

I ask unanimous consent, as in executive session, that the vote on the nomination of Mr. Warnke to be Ambassador during his tenure of service as Director of the U.S. Arms Control and Disarmament Agency occur next Wednesday at 5 p.m.; that it be an up-and-down vote; that upon the disposition of the nomination, there be 1 hour of debate under the control of the majority and minority leaders or their designees—and in my case, I will designate Mr. SPARKMAN to control the time on this side of the aisle.

Then, at the close of that 1 hour of debate—or if the time is yielded back prior thereto—the vote occur on the nomination of Mr. Paul Warnke to be Director of the U.S. Arms Control and Disarmament Agency; provided, further, that on Tuesday and Wednesday of next week there be 12 hours of controlled debate, to be equally divided between the majority and minority leaders or their designees; that, however, on tomorrow and Monday, debate proceed—but not under controlled time—on the nominations.

Controlled time is to begin on Tuesday. In talking with the distinguished Republican leader, I have agreed with him that we would say that we would not anticipate any votes on tomorrow or Monday in connection with either of these nominations but that, while we would say that we do not anticipate such, neither of us is in any position to guarantee that there will not be some procedural votes as in the normal course, such as a motion, for example, to have the Sergeant at Arms ask Senators to come to the Chamber.

Also, I am authorized to say that if other matters are cleared for action on tomorrow or Monday, they may be taken up and, of course, could result in rollcall votes. Conference reports are privileged matters and could, likewise, cause rollcall votes.

So what I am saying is that, while there may be rollcall votes tomorrow and Monday, we do not anticipate any rollcall votes in connection with the Warnke nomination tomorrow and Monday.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Mr. President, reserving the right to object—and I do not intend to object—I simply want a clarification by the distinguished Senator from West Virginia.

In his unanimous-consent request, he specified that the vote would occur at 5 o'clock on Wednesday afternoon, that it would be an up-and-down vote; but I assume that that request does not bar any procedural motion relative to the Warnke nomination prior to that time.

Mr. ROBERT C. BYRD. Yes, it would,

because I do not think we could have an up-and-down vote at 5 o'clock on Wednesday if prior thereto, a motion to table the nomination had been offered—or a motion to postpone—and were adopted.

Mr. TOWER. Let me suggest this to the distinguished majority leader: That the vote occur on the final disposition of the Warnke matter. I do not anticipate that there will be any such motions; but just to make sure that everybody is protected, I think it might be a good idea simply to state "upon the disposition of the Warnke matter."

Mr. STEVENS. I say to the distinguished majority leader that there is some conversation about a procedural vote preceding that up-and-down vote. It is our desire to have an up-and-down vote, but we cannot say that there will not be such a motion.

The Senator from Texas is saying that should the procedural vote prevail, the unanimous-consent agreement might still require a vote up and down on a nomination that, for example, had been recommitted. It is a hypothetical situation that he is raising with regard to the commitment to vote up and down on the nomination at 5 o'clock.

I wonder whether the majority leader would say, "If not otherwise previously disposed of, that will be the time for an up-and-down vote on the nomination to be Ambassador."

Mr. TOWER. I do not anticipate anything of this kind. I am trying to protect all parties.

Mr. ROBERT C. BYRD. Will the Senators be willing to stipulate that if there is any procedural motion, such as a motion to recommit, such motion will occur at, say 4 p.m. on Wednesday?

Mr. STEVENS. Yes.

Mr. TOWER. I think that would protect everybody.

Mr. ROBERT C. BYRD. Could that be limited to one such motion?

Mr. STEVENS. Yes.

Mr. TOWER. I am prepared to agree to that.

Mr. ROBERT C. BYRD. And that if that motion should fail of adoption, then the vote at 5 o'clock would occur, and it would be an up-and-down vote.

Mr. TOWER. Correct.

Mr. STEVENS. Yes.

Mr. McCLURE. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. I yield.

Mr. McCLURE. As I understand, the first vote will be on Calendar No. 32.

Mr. ROBERT C. BYRD. Yes; that is correct.

Mr. President, I ask unanimous consent that on next Wednesday, at 3:30 p.m., there be a live quorum call; that immediately upon the establishment of a quorum, if there is going to be a motion to recommit or to table or to postpone the consideration of the nomination, that motion must be made immediately after the establishment of a quorum; that the vote immediately occur on such motion, without further intervening debate or motion or amendment to the motion or further quorum call; that if such motion is made and should fail of adoption, any remaining time before 5 p.m. be controlled as aforesaid, and the vote on the nomination of Mr. Warnke to be ambassador to the SALT talks occur immediately at 5 p.m., without further intervening motion or debate, and that it be an up-and-down vote; that on the disposition of the nomination, the President be immediately notified of the confirmation of the nomination—provided it is confirmed; that immediately following, there ensue 1 hour of controlled debate, to be equally divided between the majority and minority leaders, at the expiration of which there be an up-and-down vote, without any intervening motion, on the nomination of Mr. Warnke to be Director of the U.S. Arms Control and Disarmament Agency.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Reserving the right to object, the motion that could be made at 4 o'clock could apply to both nominations or one, as the mover determines.

Mr. ROBERT C. BYRD. No.

Mr. STEVENS. But there could be no motion against the second nomination if the first motion fails.

Mr. ROBERT C. BYRD. Under the request, any motion at 4 o'clock could not apply to both nominations en bloc without unanimous consent, and such unanimous consent has not been asked for.

Mr. STEVENS. All right, just so we understand it, the motion could apply only to the Ambassador and not to ACDA. If the Ambassador nomination is confirmed there would be no further motion, right?

Mr. ROBERT C. BYRD. That is right.

Mr. STEVENS. Right.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I express appreciation to the able Republican leader (Mr. BAKER), to the able Republican whip (Mr. STEVENS), the distinguished Senator from Texas (Mr. TOWER), and equally to the able chairman of the Foreign Relations Committee (Mr. SPARKMAN), the distinguished chairman of the Armed Services Committee (Mr. STENNIS), to Mr. NUNN, Mr. JACKSON, Mr. CASE, and other Senators for the fine cooperation that has been given to the leadership in arranging this agreement.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, what orders are there for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. The Chair is without such knowledge at this time.

Mr. ROBERT C. BYRD. I thank the Chair. I believe I do have a request in my pocket. I very well remember the first time I ever saw Lyndon Johnson he had both pockets filled with papers, and I can understand why.

ORDER FOR THE RECOGNITION OF SENATOR THURMOND AND SENATOR STEVENS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, Mr. THURMOND and Mr. STEVENS be recognized, each for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Now, Mr. President, for the protection of Senators who may wish to make speeches on tomorrow or submit bills, resolutions, petitions, or memorials, I ask unanimous consent that, following the completion of the orders for the recognition of Senators on tomorrow, and before the Senate goes into executive session—which has already been ordered by unanimous consent—there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each, without any resolutions coming over under the rule; that upon the close of morning business, the Senate proceed to executive session—at which time the nomination of Mr. Paul Warnke will automatically become the pending question before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, in view of the agreement that has now been reached, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM FRIDAY, MARCH 4, TO MONDAY, MARCH 7, 1977

Mr. ROBERT C. BYRD. Mr. President, again because of the agreement we have been able to obtain, I ask unanimous consent that when the Senate completes its business on tomorrow it stand in recess until the hour of 12 noon on Monday.

The PRESIDING OFFICER. Without objection, it is to ordered.

AUTHORIZATION FOR CERTAIN ACTION UNTIL MIDNIGHT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate from tomorrow over until 12 noon on Monday, the Secretary of the Senate may be authorized to receive messages from the House of Representatives and the President; that the same may be appropriately referred; and that the Vice President of the United States, the President pro tempore, the Deputy President pro tempore, and the Acting President pro tempore be authorized to sign duly enrolled bills and resolutions; and that committees may be authorized to file reports until midnight tomorrow night.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEMBERSHIP OF JOINT COMMITTEE ON PRINTING AND JOINT COMMITTEE OF CONGRESS ON THE LIBRARY

Mr. ROBERT C. BYRD. Mr. President, I have a resolution that has been cleared with the minority. I send it to the desk and ask for its immediate consideration, with the understanding that no nongermane amendments thereto may be in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 104) was agreed to, as follows:

Resolved, That the following-named Members be, and they are hereby, elected members of the following joint committees of Congress:

Joint Committee on Printing: Mr. CANNON of Nevada, Mr. ALLEN of Alabama, and Mr. HATFIELD of Oregon.

Joint Committee of Congress on the Library: Mr. CANNON of Nevada, Mr. PELL of Rhode Island, Mr. WILLIAMS of New Jersey, Mr. GRIFFIN of Michigan, and Mr. BAKER of Tennessee.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORITY FOR SELECT COMMITTEE ON SMALL BUSINESS TO MEET AT 1 P.M. ON MARCH 8, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Small Business may be authorized to meet on Tuesday, March 8, 1977, at 1 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR SPECIAL COMMITTEE ON OFFICIAL CONDUCT TO FILE ITS REPORT BY MIDNIGHT MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Special Committee on Official Conduct, chaired by Mr. NELSON, may have until midnight on Monday next to file its report.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I believe, Mr. President, that the majority leader was authorized under an order previously entered by the Senate to call up the code of ethics resolution at any time beginning with Monday or thereafter. I, therefore, change the request to make it effective beginning with Tuesday or on any date thereafter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. It would not be my intent, Mr. President, to call it up Tuesday or Wednesday in view of the fact that we have just entered into an agreement with respect to the Warnke nominations which will hold through both of those days.

AUTHORITY FOR THE RECORD TO REMAIN OPEN UNTIL 5 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the RECORD remain open until 5 p.m. today for the introduction therein of bills, resolutions, statements, petitions, and memorials by Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF PAUL C. WARNKE

Mr. STENNIS. Mr. President, the Senate will soon consider the nomination of Mr. Paul C. Warnke to be Director of the Arms Control and Disarmament Agency, and the U.S. Representative to the SALT talks.

I emphasize, Mr. President, that the jurisdiction for the Warnke nomination rests properly with the Foreign Relations Committee. The chairman of the committee and the members of the committee never did consider, much less take, any other position. However, the Committee on Armed Services has heard Mr. Warnke and reported on his nomination to the Senate.

The distinguished chairman of the Foreign Relations Committee, (Mr. SPARKMAN) was most thoughtful in inviting members of the Armed Services Committee to participate in their hearings, and some of our members did so.

I conferred before the hearings with Chairman SPARKMAN, before the hearings before the Foreign Relations Committee, and other times in conference as well as by telephone. We thoroughly understood each other's position.

The Committee on Armed Services invited Mr. Warnke and others to testify on this because the positions for which he was nominated have great influence and impact on our national defense. Mr. Warnke readily agreed to accept the committee's invitation. In fact he told me before I extended the invitation that he would be glad to accept it and would readily accept it, and that is the way he carried it out.

Mr. President, I believe that our hearings were constructive and do provide an invaluable contribution to the current debate on these national defense matters.

The committee has expedited the printing of these hearings and a limited number of copies are now available for the use of any Senator upon request.

The Committee on Armed Services is not making a report on the Warnke nominations. We have taken no vote on his nominations, and we will not intrude on the jurisdiction of the Committee on Foreign Relations.

Frankly, we were not being solely generous on this, but my idea of the way to protect your own jurisdiction—and I am sure the Senator from Texas, the ranking minority member, thoroughly agrees with me on this—is to respect the other committee's jurisdiction.

We have endeavored to add to the record important national defense issues that will be impacted by the positions for which Mr. Warnke has been nominated.

In accordance with the resolution unanimously adopted by the Committee on Armed Services, I have filed with the Secretary of the Senate a record of the committee hearings on this matter together with the individual views, and I ask unanimous consent that my letter transmitting this record to the Secretary of the Senate be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STENNIS. I thank the Chair.

A valuable Member of this body, Senator CLIFF HANSEN, of Wyoming, had sent to our committee a statement of his views and by consent of the committee we included those views in our record, but in transmission to the printer in some way his statement of views was dropped out or was omitted.

Mr. President, I, therefore, ask unanimous consent to print in the RECORD at the conclusion of my remarks a copy of the statement by Senator HANSEN.

And further along with the printed copy of this testimony I asked the staff to try to physically insert a mimeographed copy of the Senator's statement so it would accompany, if at all possible, the regular printed copy.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. STENNIS. Mr. President, I thank the Chair very much for his courtesy. For my part I yield the floor.

EXHIBIT 1

COMMITTEE ON ARMED SERVICES,
Washington, D.C., March 3, 1977.

Hon. FRANCIS R. VALEO,
Secretary of the Senate,
Washington, D.C.

DEAR MR. VALEO: In accordance with a resolution adopted by the Committee on Armed Services on February 28, 1977, there is hereby transmitted to you the record of the hearing on the consideration of Mr. Paul C. Warnke to be Director of the U.S. Arms Control and Disarmament Agency and Ambassador together with individual views of certain Committee members.

Also, attached is a statement by Senator Clifford P. Hansen which was inadvertently omitted from the printed record after having been inserted in the Committee record by the Committee.

Sincerely,

JOHN C. STENNIS.

EXHIBIT 2

NOMINATION OF MR. PAUL WARNKE

Senator Hansen: Mr. Chairman, I come before this Committee to express my deep concern over and strong opposition to the nomination of Mr. Paul Warnke to be the Director of the Arms Control and Disarmament Agency and head of the United States SALT Delegation.

I believe it is important, at this time, that we examine the nature of arms control and the psychological orientations of the parties thereto. For there can be no question but that the United States and Soviet Russia approach this question along different paths.

Americans are a goal oriented people. We set objectives for ourselves, we set levels of performance which we expect to achieve and we dedicate ourselves to the attainment of those objectives. It is part of our political system, part of our national emotional make-up that above all else we must succeed, we must attain goals or reach bench marks.

Americans who represent this country in disarmament talks behave no differently. They are willing to compromise in order to reach a recognizable objective, in order to be able to say, "Look what we've done." I believe that even the most forceful, defense-oriented negotiator we could possibly assign to the Arms Control and Disarmament Agency would soon become a disarmament advocate. For instance, I believe we can find a very strong negotiator if we do not at the same time burden him with the management of the Disarmament Agency.

There is another closely related phenomenon, that is the objective which the United States takes into arms control discussions. The United States negotiates with the ultimate objective of enhancing peace, of increasing the possibility that we need not ever go to war, that we achieve the Biblical dream of "peace on earth, good will toward men".

Yet we negotiate with a country of a totally different orientation. The Soviets approach the bargaining table, examine disarmament proposals with a realization that they need not reach agreement. As well, the Soviet Union seeks, in its negotiations, not the enhancement of peace, but the enhancement of their capabilities in case of war. The Soviets seek to be better able, at the conclusion of negotiations, to wage a winning war.

It is with these thoughts in mind that I turn to the man President Carter has recommended to be America's chief negotiator of the SALT discussions as well as Director of the Arms Control and Disarmament Agency.

Mr. Warnke has written often and eloquently in strong advocacy of his approach to arms limitations and eventual disarmament. There is no absence of materials from which those desiring to know Mr. Warnke's position may draw their own conclusions. Over a period of seven years, Mr. Warnke has espoused his own particular viewpoints, setting forth in scholarly journals, letters to the editor, and Congressional hearings his concepts of arms control.

Mr. Warnke has compared the United States and Soviet Russia to "two apes on a treadmill", in ignorant imitation of one another's "mindless build-up" of weapons systems. He believes that the Soviet Union has only one superpower model to follow and that given the "monkey see, monkey do" phenomenon of defense policy, Russia would have no alternative but to follow the good lead of the United States in disarmament. One could well question why the Soviets have not chosen to ape the restraint already demonstrated by the United States.

Mr. Warnke has called for a moratorium on further MIRV-ing of our land and sea-based missiles, as well as a hold on development of the Trident submarine and the B–1 bomber. He has called such unilateral moves "low-risk initiatives".

Mr. Warnke has called nuclear superiority, a "meaningless and irrelevant criterion in designing strategic forces" despite the efforts of the Soviet Union in civil defense preparation as well as the designing of personnel carriers capable of operating in radioactive areas.

Mr. Warnke has suggested that "We need not procure ground forces for protracted land war or naval forces for an extensive war at sea, for it is inconceivable that such forces would ever be so employed." He has maintained this position despite the fact that the Soviets have out-produced the U.S. since 1972 in tanks (5.9 to 1), tactical aircraft (1.9 to 1) and artillery pieces (8 to 1), and despite the massive Soviet Navy build-up.

Mr. Warnke has written that the U.S.'s basic objective should be a force "which guarantees the U.S. nuclear deterrent and maximizes our conventional war fighting capability." He writes that this would involve "eschewing notions of superiority or avowed greater readiness to use nuclear weapons. It would also forgo both world-wide military readiness and continued accretion of sophisticated but unproven weaponry, while concentrating on efficiency and simplicity". This despite the tremendous expenditures by the Soviets on military research and development and the fact that the United States must be prepared for weapons of the future.

Mr. Warnke, in his discussions of nuclear war, has often used such words as "unthinkable," "too dreadful to contemplate," "nightmare issues". It would seem that his initial revulsion at the thought of a first strike by the Soviets has not enabled him to explore the issue as it must be explored. Yet the Soviet Union is not similarly restrained in its approach given the tremendous effort which Russia has devoted to the matter of civil defense.

Mr. Warnke in his writing has concluded that the experience of the United States in Viet-nam, the Mideast and the Pueblo crisis demonstrates the limitations on U.S. military power as a force in the world. This belief has lead Mr. Warnke further to conclude that one of the fallacies of American foreign policy is that "a failure by the United States to maintain a cosmetic military 'superiority' will cause us political disadvantage, the loss of bargaining position in arms limitations negotiations, and the sacrifice of the confidence of our allies." He makes such statements aware of the after effects of the United States pull-out of South Vietnam, of President Marcos' quick trip to Red China, of the loss of American bases throughout the world and of the Russian actions in Africa after this Congress voted against funds to aid Angola.

Mr. Warnke has advocated programs of defense cuts that would produce a defense budget for fiscal 1978 of approximately $25 billion less than what President Carter considers necessary. He advocates these cuts no doubt in the spirit of "unilateral initiatives" and "superpower aping" in apparent ignorance of the fact that there exists a point below which the Soviets will not go, given the continued existence of possible Sino-Soviet confrontations.

In short, Mr. Chairman, Mr. Warnke has advocated stands on matters of national defense and the American weapons systems that have never even been suggested by the Soviet Union in their negotiations with the United States. I am gravely concerned that when we consider the nature of these negotiations, when we take the orientation of Americans as negotiators, when we contemplate the approach of this nation to arms control and we combine them with Mr. Paul Warnke, and his positions and his proposals, we have the making of a national disaster.

Mr. Chairman, some of my colleagues have suggested that Mr. Warnke is but a member of a team made up of President Carter, Secretary of State Vance and Secretary of Defense Brown. Yet that assertion causes me grave concern, for it was President Carter who called for total elimination of nuclear weapons. It was President Carter who according to a recent newspaper column, suggested an immediate study examining the possibility of a reduction of the U.S. strategic nuclear arsenal down to only 200 to 250 ICBMs.

It was Secretary Brown who before the Senate Armed Services Committee failed to volunteer mention of the Soviet arms buildup.

Where is the voice of concern on this team. Who among these men will act as the brake on runaway detente. I have always believed that a chain is only as strong as its weakest link, a team only as good as its poorest batter. How well will the American team do when Paul Warnke comes to bat across the negotiating table.

There is yet another weakness to this "team concept" which those supporting Mr. Warnke have urged upon us. While it is true that in our system the Chief Negotiator receives guidance from the National Security Council and the President, it is the Chief Negotiator who is on the scene. His descriptions—by message—of the Soviet reactions and counteractions has a significant influence on the decisions of the National Security Council and the instructions which he receives. It is entirely possible that given Mr. Warnke's approach, he will be overly optimistic in his reading of the Soviets resulting in decisions by the National Security Council unwarranted by Soviet actions.

There is another matter beyond numbers of missiles or size and number of submarines; beyond the forces that actually exist. That is the manner in which these items are perceived to be.

This matter of perception is tremendously important in a world of growing shortages, in a world where the United States must depend upon third world countries for the raw materials which we must have to survive, and in a world where most transportation must be by sea.

At a time when we are importing approximately 42% of our petroleum requirements and I must point out that last month we imported 50%, we cannot survive with a third world convinced that the big man on the block with whom they should cast their fate is the Soviet Union. As the junior Senator from Wyoming pointed out during hearings on Secretary Brown, there are few coal-fired aircraft in America's armed forces.

There can be little question but that the United States has been on a military decline while the Soviet Union has been moving through a long upswing. In 1967, the U.S. had 1,054 land-based ICBM launchers; the Soviet Union had fewer. Today we still have 1,054; the Soviet Union has nearly 1600.

In 1967, the U.S. had 656 submarine launchers; the Soviet Union had less. Today the U.S. still has 656 while the Soviet Union has over 800.

At what point will the power inexorably shift to the Soviets, no one in this room can state with any certainty, although I feel we are all agreed that the trends are there and they are real. But long before it shifts in reality, it will be perceived to have shifted and like precinct and state political leaders chasing after the sure nominee, no third-world country will want to be the last to declare its allegiance and alliance with the projected winner.

Americans have begun to perceive a change in the international power balance. According to a poll of 1071 Americans conducted last September, Americans believe that the

Soviet Union is virtually the equal of the United States and that this stand off will persist into the future. Interestingly enough, 71 percent of those polled felt that spending for military and defense purposes should be increased or kept at present levels.

Given the present trends, and President Carter's nomination of Paul Warnke to represent the United States in arms negotiations with the Soviets, one can only wonder how long the perception of the balance of power will remain in our favor, if indeed it is so now.

Many of my colleagues have brought to my attention the testimony of Mr. Warnke before the Senate Foreign Relations Committee. They have pointed out that sharing concerns similar to mine, they were pleased by Mr. Warnke's responses to questions on the B–1, on unilateral disarmament on the Soviet Union's civil defense system, and on the importance of universal perceptions of military preparedness.

I should be pleased to learn of Mr. Warnke's new positions. I should greet with enthusiasm such a new-found understanding of U.S.-Soviet relations. However, I continue to have grave fears and doubts. I am concerned with a man who strongly advocates one position for six or seven years only to change so suddenly in one afternoon before a Senate committee. I wonder with columnist George Will, has he "changed his mind—or just his words".

There is another matter to this rather sudden change in the nature of Mr. Warnke's arms control orientation. That is the confidence of the American people. Mr. Warnke must return to the United States and sell to all Americans whatever program is decided upon in negotiations with the Soviet Union. How can the American people have adequate confidence and faith in a man whose positions seemed so firm for so long and then suddenly changed? What man was he in the negotiations, Americans will ask themselves. Was he Paul Warnke, the forceful advocate of arms control, the author of "Apes on a Treadmill," or was he Paul Warnke, President Carter's nominee in his appearance before the Senate Foreign Relations Committee?

In conclusion, I must state my total opposition to Mr. Paul Warnke. I must so stand because of Mr. Warnke's positions and proposals over a period of seven years, despite his recent questionable re-awakening, because of the very nature of the negotiations themselves, because of the importance of international perceptions of military preparedness, because of the attitudes of the American people and because of the position in which America's defense finds itself today.

Mr. STENNIS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is ordered.

THE WARNKE NOMINATIONS

Mr. TOWER. Mr. President, the Committee on Armed Services completed on Monday of this week, 3 comprehensive days of hearings on the pending nominations of Mr. Paul C. Warnke to serve as the chief U.S. negotiator to the strategic arms limitation talks with the rank of Ambassador and as the Director of the Arms Control and Disarmament Agency. While these nominations were not referred to the Armed Services Committee, the subject of arms control and its relation to the Armed Forces of the United States is such that the distinguished chairman and many members of our committee felt it appropriate for us to receive testimony on this matter.

At the conclusion of these hearings, which have now been printed and are available to Senators, several of the committee's members took the opportunity to file individual views as to their conclusions concerning Mr. Warnke's suitability for the two positions in question. I take the opportunity, Mr. President, to insert into the RECORD at this point the views filed by the minority members of the Committee on Armed Services. I commend them to the attention of my colleagues, for I feel that they each contain compelling arguments as to why the Senate should refuse to consent to the appointment of Mr. Warnke to these critical positions in our Government.

Mr. President, I ask unanimous consent that that material be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INDIVIDUAL VIEWS OF SENATOR JOHN TOWER

The two nominations concerning Mr. Paul C. Warnke now before the Senate are, in my view, most unfortunate.

Mr. Warnke is not a newcomer to the political-military field. He previously served in the Department of Defense and he has been extremely active as a private citizen in making known his views on our Nation's military needs. Over the past 8 years his ideas and his attitudes with respect to the priority of our defense requirements have, almost without exception, been contrary to the recommendations of our military and civilian leadership in the executive branch and the actions of the Congress as well. I emphasize that these differences in view were dramatic and substantial differences, and I am grateful that Congress saw fit to accept virtually none of his numerous proposals.

The record of the hearings conducted by the Committee on Armed Services contains repeated references to Mr. Warnke's ill-conceived notion that the elimination and curtailment of so many of our strategic and conventional weapons systems could have been accomplished without dangerously limiting the military capabilities of the United States and weakening the credibility of our deterrent. The record bears out that Mr. Warnke was advocating major cuts in defense spending at the precise time that mounting and irrefutable evidence was emerging as to the nature and momentum of the Soviet military buildup.

Undeterred, however, Mr. Warnke proceeded in 1975 to issue his now infamous call for "unilateral initiatives" on the part of the United States, which he now chooses to refer to as "parallel restraint" with a rather unconvincingly vague allusion to the "negotiating context." It is this context—he would have us believe—that is the reason for his more conservative choice of words.

It is of concern to me that Mr. Warnke's penchant for a more conservative choice of words did not emerge until he was nominated for these two important positions. Despite his recent effort to portray himself as one of considerably more "hard-line" persuasions than is evidenced by his earlier statements, I am unable to dismiss the nature and substance of his repeated calls for defense cuts. To the contrary, I am even more troubled that Mr. Warnke would manifest such a dramatic change in his attitudes during these proceedings, and nonetheless insist that his fundamental views were unchanged.

The most perplexing question relating to Mr. Warnke's nomination is "what does he really think?" Whatever attitude that he chooses to take with him to the SALT talks will be critical to the future of our country.

In reviewing the extensive public record reflecting Mr. Warnke's stated positions and recommendations, I urge my colleagues to consider these very basic questions:

First, what do Mr. Warnke's many proposals over the past 8 years suggest with respect to his judgment of the changing military balance?

Second, is there any consistent pattern or underlying logic to the body of his recommendations? In what position would the United States be had his past recommendations been accepted?

Third, how will the Soviet Union's perception of Mr. Warnke and his views affect the outcome of SALT?

And, how will the American people's perception of Mr. Warnke affect public attitudes with respect to any SALT agreement which he may negotiate with the Soviet Union?

In conclusion, it is my view that the paramount issues are Mr. Warnke's judgment and credibility, his attempts to portray a different attitude during his confirmation, and the significant lack of public confidence in his effectiveness as a negotiator to the SALT talks. I firmly believe that the American people and this body have every right to demand a SALT negotiator in whom they can have complete and unquestioned trust. I cannot believe that Paul C. Warnke is that man.

INDIVIDUAL VIEWS OF SENATOR STROM THURMOND

President Carter has intensified the ongoing debate on national security by nominating Paul C. Warnke as Director of the Arms Control and Disarmament Agency and chief American negotiator at the SALT talks. Mr. Warnke has long been an outspoken advocate of major defense cuts, with particular hostility toward new weapons systems.

Under the Charter of the Senate Armed Services Committee, as provided for in the Senate Rules, this Committee has the responsibility to "study and review, on a comprehensive basis, matters relating to the common defense policy of the United States."

Therefore, the committee membership, bearing in mind these responsibilities, requested Mr. Warnke to appear for hearings. This request was made because the weapon systems subject to negotiation at the Strategic Arms Limitation Talks are the same systems which this committee authorizes in carrying out its duties to the Nation to provide for our national security.

Under the advise and consent powers provided in the Constitution the Senate has a well-defined responsibility to approve or disapprove the nominations of the President. It has been my long-held view that a President is entitled to have as his advisers in the executive branch those individuals he chooses. This position should apply, except in those extraordinary cases where the Senate finds, in exercise of its advise and consent powers, that the individual nominated is especially unsuitable for the duties chosen.

In those instances, the Senate has an equal responsibility to oppose such nominations, and the history of the Senate is replete with just such examples where a President has been denied his choice under the advise and consent powers provided in the Constitution.

My opposition to the nominee is based on his position in three major subject areas. They are as follows:

1. Weapon systems procurement;
2. Research and development; and
3. Unilateral initiatives.

His record in these three areas make him entirely unsuitable for either post. Further,

I am troubled by obvious change in position since his nomination, coupled with his unwillingness to acknowledge that change.

Finally, I see the critical post of SALT negotiator as more than a spokesman or message carrier for the President. In that key position, he will play a greater role in the formulation of our final position than any other individual.

Now, for the benefit of my colleagues in the Senate, I wish to discuss as briefly as possible Mr. Warnke's position on weapons systems procurement, research, and development, and his often stated promotion of unilateral initiatives. Before concluding comments on these points, it will be my purpose to also provide for my colleagues, comments from witnesses who are disturbed, as I am, by the change in his position since his nomination.

In conclusion, it will be my purpose to discuss briefly the two posts to which he has been nominated and summarize my views as to why his nomination should be disapproved for both positions.

Testimony by Mr. Warnke substantiated his opposition over a long period of time to both research and development as well as procurement of various weapon systems recommended by past Presidents and Secretaries of Defense, and subsequently approved by Congress.

Mr. Warnke's position on these matters was effectively summarized in two brief periods of questioning, first as to procurement, in response to questions by Senator Henry Jackson, and second as to research and development, in response to my own questions.

WARNKE PROCUREMENT POSITION

The record shows, on page 17, a statement by Senator Jackson and a response by Mr. Warnke as follows:

"Just to set the record straight, and setting aside for the moment your current view on these prior recommendations, I want to read a list of the programs on which you have made recommendations in the past. When I have completed the list, which runs to 13 items, I would like you to tell the committee whether I have accurately summarized your prior recommendations on these U.S. programs.

"You recommended:

"(1) Against the B–1.

"(2) Against the Trident submarine and the Trident II missile.

"(3) Against the submarine-launched cruise missile.

"(4) Against the AWACS programs.

"(5) Against the development of a mobile ICBM, by the United States.

"(6) Against MIRV deployment.

"(7) Against improvements to the U.S. ICBM force, including improved guidance and warhead design.

"(8) Against the development of the XM–1 tank and for reductions in the procurement of the M–60 tank.

"(9) For the reduction of U.S. tactical nuclear weapons in Europe from 7,000 to 1,000. I believe you just said a moment ago that you did not recommend a reduction in nuclear weapons in Europe.

"(10) For the withdrawal of some 30,000 troops from NATO without waiting for the conclusion of an MBFR agreement.

"(11) For holding the army at 13 rather than 16 divisions, after improved efficiency made creation of three new divisions possible within existing manpower ceilings.

"(12) For a $14 billion cut in the defense budget in the fiscal year 1974 submission and a $11 billion cut in fiscal year 1975.

"(13) For reduction in fiscal year 1975 dollars of 3 percent per year in the defense budget, with the result that, applied to the fiscal year 1978 budget, the total reduction would amount to some $26 billion from the Carter recommendations to Congress.

"Mr. WARNKE. Yes, sir, Senator, that is absolutely correct."

WARNKE OPPOSITION TO RESEARCH

Later in the hearings I propounded questions as to Mr Warnke's position as to research and development of various weapon systems. These remarks began as follows:

"Senator THURMOND. In testimony yesterday, I believe you acknowledged opposition to over 13 major weapon systems in the past few years. You further stated that you often proposed alternatives. However, the record shows that you opposed even research and development of many systems now vital to our conventional and strategic posture."

This opening statement was followed by a series of questions pointing to previous positions taken by Mr. Warnke in opposition to even research and development of the strategic cruise missile, the Airborne Warning and Control System (AWACS), the mobile ICBM, a phased array radar for warning against submarine launched missiles, the XM–1 tank, the B–1, the Trident submarine, the SAM–D air defense missile, and multiple independently targeted reentry vehicles for our ICBM's and SLBM's.

At the conclusion of these questions, this exchange between myself and Mr. Warnke took place:

"Senator THURMOND. Mr. Warnke, you have opposed all of these weapons to which I have referred. There is no question about that, is there?

"Mr. WARNKE. That is correct."

It must be stated for the record that Mr. Warnke said that in some cases he proposed alternatives. However, the public record fails to reveal more than one or two such alternative programs. He now takes the position that he favored a smaller missile submarine in place of the Trident, and that he has in recent years supported the F–18 aircraft as a substitute for the F–14. However, the F–14 is principally a fleet air defense weapon system, while the F–18 is a combination air superiority and ground support system.

CONSISTENT DEFENSE OPPONENT

Thus, over the years, Mr. Warnke has a consistent and proliferous record of opposition to the very systems which allow us today to claim a rough equivalence in the face of the massive buildup of strategic and conventional forces by the Soviet Union.

This long-held position of opposition to so many major weapons systems by Mr. Warnke was well-documented throughout the 3 days of hearings before our committee. It reveals a naivete in what constitutes a sufficient defense, and equally disarming, a willingness to take unilateral weapons decisions which would at best leave our military power vis-a-vis the Soviets in serious question.

Admiral Thomas Moorer, former Chief of Naval Operations and Chairman of the Joint Chiefs of Staff, in answer to a question summed it up well when he stated:

"I agree that everyone has a right to be opposed to a particular weapon system. I think the key point here is that Mr. Warnke has been opposed to all of the weapon systems. There is a difference."

UNILATERAL INITIATIVES

In the past few years, Mr. Warnke has taken the position that the United States should in some cases bargain with the Soviets by proposing unilateral initiatives.

In testimony, he revealed that such actions would take the form of unilateral steps by the United States in various weapons systems seeking to encourage the Soviets to follow suit. If they did not act in about 6 months, then the United States should resume its own efforts. In testimony before our committee, he stated that he sees this approach as a means to break stalemated talks.

Thus, he is holding out the hope to the Soviets that if they refuse to deal with us in reaching a fair SALT agreement, then we should unilaterally halt development of the mobile ICBM or some similar system as a move to break the stalemate.

It would appear that at just such a time unilateral initiatives would be especially dangerous. This would be the wrong approach, because it would merely give the Soviets more time to move ahead of us in a given system or delay its eventual deployment by the U.S. should our SALT efforts fail.

Admiral Moorer, in his testimony, described two unilateral initiatives which the Soviets seized upon to press their advantage.

First, he cited President John F. Kennedy's decision to unilaterally cease atmospheric nuclear tests. While it is true, he stated, the Soviets eventually agreed to a test ban, the Soviets tested for some time after the U.S. halted its own tests. Admiral Moorer concluded by declaring that the net effect of the unilateral U.S. standdown permitted "the Soviets to acquire knowledge about their weapons which the U.S. does not possess with respect to our weapons."

As a second example, the futility of dealing with the Soviets through unilateral initiatives was described by Admiral Moorer in SALT I when the Soviets refused to negotiate with respect to mobile missiles. The U.S. nevertheless, stated during SALT I that we would not go forward with a mobile land-based missile.

Admiral Moorer declared that during this period, "the Soviets have had ample time to demonstrate a willingness to follow our unilateral actions. However, true to form, they have now moved forward with the SS–20 (mobile missile). They have stated that unilateral statements in an agreement are meaningless."

The dangers of unilateral initiatives, particularly during a period of rough equivalence, are quite evident. Since they would apply mainly to development programs, it must be recognized that a delay of 6 months during development can delay a new system's entry into the inventory by up to 2 years.

WARNKE'S VIEWS CHANGE?

While the three above-cited areas of concern—weapons system procurement, research and development, and unilateral initiatives—are sufficient reasons for opposition, a new element is added. That element is Mr. Warnke's sudden change in attitude toward his previous positions. While it appears he is now more concerned about a strong defense position, he nevertheless holds to the belief that his position is unchanged from past pronouncements.

This turnabout is noted and described in the prepared testimony of the witnesses who appeared at the committee's invitation to testify on this nomination. Mr. Paul Nitze, former Navy Secretary and for 5 years a member of the SALT negotiating team, describes this change as follows:

"What is important is that Mr. Warnke had earlier recommended the rejection of almost all the proposals advanced by the executive branch designed to offset the growing Soviet strategic nuclear potential. Today, he says that he was merely suggesting that these programs be studied on cost-effectiveness grounds. I believe any objective study of the record will demonstrate that that is not what he then said."

Admiral Moorer, another witness, describes this change as follows:

"I find it difficult to reconcile the statements he has made before the Senate Foreign Relations Committee and the totally different statements he has repeatedly made in the years gone by."

Thus, it is reassuring to hear Mr. Warnke testify in support of many of the systems he opposed in the past, but equally disturbing when he refuses to acknowledge any change in his previous position.

With this background, and in conclusion, I would like to state for my colleagues why my vote will be cast against Mr. Warnke for

both positions for which he has been nominated.

ACDA DIRECTOR

This post calls for an individual who can look into the future and make proposals which will form the basis for a negotiating position designed to control arms, but at the same time insure our national security.

Mr. Warnke's past positions on weapon systems procurement and development clearly show a lack of understanding of the needs of this Nation in the years ahead. Had we followed his advice, our position today would be greatly undermined to say the least.

His past statements that numbers are not important in negotiating agreements and that a position of inferiority is not necessarily an unacceptable posture illustrate his confused approach. They also raise serious doubt as to his understanding of Soviet goals and what consists of a proper military balance for a valid SALT agreement.

SALT NEGOTIATOR

As for the position of SALT negotiator, I find the prospect of his service in this capacity totally without merit.

The idea that the SALT negotiator is merely the advocate of the President's position fails to recognize the responsibilities of this important assignment. Certainly, the negotiator works from the President's position, but in the give-and-take he proposes to the President ways to break deadlocks and more than any one person brings the final agreement into shape.

Mr. Nitze in his testimony stated:

"It is my belief that 90 percent of the constructive work which finally ended up in the ABM Treaty had its initiation in the delegation itself rather than coming by instruction from Washington."

Admiral Moorer testified along the same line. As a participant in past talks he declared:

"The chief negotiator, on the other hand, should in effect be an adversary, insofar as the Soviets are concerned and endeavor to make absolutely certain that the goal should be maintaining the defense of the U.S., rather than simply achieving an agreement resulting in some kind of reduction in arms."

Mr. Warnke's past record, in opposing many key weapons research and development programs, and his position as an advocate of unilateral initiatives, support my belief that he lacks either the background or understanding to handle tough negotiations with the Soviets.

In conclusion, I urge the Senate to study the record of the hearings before both the Senate Foreign Relations and the Senate Armed Services Committee. Each member must also bear in mind that today we deal not from a position of clear superiority over the Soviets as in SALT I, but in an environment of rough equivalence. This is not the time to take unilateral initiative in an effort to break stalemated talks. It is not a time to send to Moscow an individual who has proposed more U.S. defense cuts, than even the Soviets have dared to suggest.

This is a time of danger. It is a time when practically all leaders in this field acknowledge Soviet momentum in defense spending, if unmet, could give them a lead in the balance of power. It is a time when numbers of strategic systems do count, when a position of strength is essential, if the blessings of this Earth are to be preserved for all free societies.

INDIVIDUAL VIEWS OF SENATOR BARRY GOLDWATER

At the beginning of these hearings, I told Mr. Warnke that I was very critical of his apparent total lack of concern with the Soviet Union's military buildup and its acquisition of government after government. I also said that I sense this same attitude with the Carter administration and its inability to understand that the Soviet Union can only be dealt with from a position of strength—not weakness, nor appeasement.

I have a bad premonition that unless we change our attitudes and our actions, we are headed for a repeat of England's disastrous appeasement of Hitler in the 1930's. There is just no question that the Soviet Union understands the merits of superior strength in dealing with others. That is basic to its ideology and it will not hesitate to use a superior strength or exploit a weakness of others whenever that is to its advantage.

We have got to stop this perception of weakness that others around the world are beginning to have of us or, as I said before, we really could find ourselves headed toward what could be World War III and our possible demise. We can only stop these perceptions by insuring that our actions, when required, do speak louder than our words. Appeasement and weakness can have no place in our future if we want to guarantee that future.

Nothing that Mr. Warnke said during the hearings has convinced me that his attitudes are any different. It is obvious that we still do not have anywhere near the same perception of the problem, nor did I see anything in his testimony that would improve his credibility. Try as he might, he could not convince the committee that he had not done a complete turnaround from his previous position of being against almost every weapon system that is now either under development or being procured.

It is not in our best interest to have a man with the attitudes and perceptions of Mr. Warnke to be the Director of the Arms Control and Disarmament Agency or to be our chief negotiator at SALT II. We need to have complete confidence that any agreement brought back is in our best national interest; and, therefore, the nominee for these positions needs to have the overwhelming support of the Congress and the American people. Mr. Warnke does not.

INDIVIDUAL VIEWS OF SENATOR WILLIAM L. SCOTT

I strongly oppose Mr. Paul Warkne for both positions for which he has been nominated by the President; that is, either to be Director of the Arms Control and Disarmament Agency or Chief Negotiator at the Strategic Arms Limitation Talks.

In the past, Mr. Warnke has opposed practically every important strategic weapons system the United States has developed. He has opposed the Trident submarine, the B–1 bomber, cruise missiles, improved accuracy for our missiles, and independent targeting of our missiles. In addition, he has proposed a 30,000 reduction in our NATO support forces while the mutual and balanced force reduction talks (MBFR) were ongoing plus a reduction unilaterally in our tactical nuclear weapons in Europe from 7,000 to about 1,000 again while the MBFR talks continued. If Mr. Warkne's recommendations in these areas had been accepted the United States today would be in a more precarious position as compared with the Soviet Union than we currently are and ironically meaningful SALT negotiations might be less likely than they are today.

I think Mr. Warnke summed up his views on defense very well in his article "Apes on a Treadmill" in the Foreign Policy magazine, spring, 1975. Mr. Warnke states in this article that "The chances are good, moreover, that highly advertised restraint on our part will be reciprocated" (by the Soviet Union). He believes that there is a "monkey see, monkey do" attitude on the part of the Soviet Union and the United States in regard to the arms race and that with unilateral restraint on our part "No advances the other side might make in 6 months or many more could alter the strategic balance to our detriment."

Let me add parenthetically that on March 1 while General Haig, the Commander of NATO forces, was testifying before our Subcommittee on Manpower and Personnel, (without reference to Mr. Warnke) he was asked whether he agreed that a 6-month restraint on our part might cause Russia to also restrain its development of weaponry and the general replied in one word "No." He made a similar response to whether such a 6-month unilateral restraint would be in the best interest of our Government.

Mr. Warnke also states that "The steps we can take in trying to start a process of reciprocal restraint are not drastic. They would create no risk to our national security." I had previously asked Adm. Thomas Moorer, former Chairman of the Joint Chiefs of Staff, during the hearings before our full Committee on Armed Services if there would be any risk to the United States from such restraints and he said there certainly would be.

I am reminded here of the views expressed by Senator Goldwater at Mr. Warnke's hearing in which he said that he feared that the United States might be like England prior to World War II when England let down its guard in face of the threat from Nazi Germany. Mr. Chamberlain's policy of appeasement did not serve England well during that period, and I don't want to give Mr. Warnke the opportunity of being the Chamberlain of our time.

I cannot support Mr. Warnke to be our chief negotiator or to be Director of the Arms Control and Disarmament Agency because in the latter position as Director he could very well exercise influence on the outcome of any SALT negotiations. The various public statements Mr. Warnke has made urging limitation of arms by our country and resisting the development of more sophisticated weaponry could well be turned against him were he to participate in any manner in negotiations for the mutual reduction of strategic weapons with the Soviet Union.

Mr. Warnke's past positions must be well known to the Soviets and one can be sure that they would take them into consideration during any negotiations at SALT. The Soviets are notoriously hard bargainers and we can be assured that they will take advantage of any weakness in our negotiating position.

During the hearings Mr. Warnke had exchanges with Senators Byrd of Virginia, Jackson, and Nunn with regard to previous statements he had made and there was some question as to whether his answers were consistent with former statements. However, it would appear to me that he was more vague and unaware of conflicts in his statements before the committee and previous statements he had made. Mr. Warnke was unwilling to admit that he had made statements of one nature prior to the time he was under consideration for a top Government position in the defense field and statements of a different nature at the times he was arguing against sophisticated weaponry for our country either before congressional committees, in articles written for publication, or in statements to private groups.

Our negotiator at the SALT talks should have the confidence of the American people and support of a large part of the Senate which will ratify any SALT agreement. I do not believe Mr. Warnke has such support.

When we are considering the defense of our country I believe doubts must be resolved in favor of national security. I have serious doubts about Mr. Warnke's dedication to a sufficiently strong national defense or his ability to successfully negotiate a reasonable Strategic Arms Limitation Treaty with the Soviet Union and, therefore, oppose his nomination for either position.

INDIVIDUAL VIEWS OF SENATOR DEWEY F. BARTLETT

President Carter's nomination of Mr. Paul C. Warnke to be Director of the Arms Control and Disarmament Agency and also to be Ambassador to the Strategic Arms Limitations Talks is disappointing. Mr. Warnke, a Washington lawyer who had previously rejected an offer of the ACDA job alone, is neither an arms control expert nor an experienced diplomat. Rather, he has been the Capitol Hill spokesman for those groups lobbying for small defense budget and a reduced American presence overseas. Forcing these two nominations on a hesitant Congress has undermined our quest for a broad-based, nonpartisan foreign policy.

Mr. Warnkes' testimony before the Senate Armed Services Committee last week generated no enthusiasm for confirming him to head the SALT negotiations and ACDA—both important full-time positions. On the contrary, numerous doubts were raised about his judgment and candor.

For example, last year Mr. Warnke appeared before the Senate Budget Committee to oppose the development of new American strategic programs designed to counter growing Soviet military capability. He explained to the Budget Committee that there would be no change in the strategic balance even after the Soviet Union completed all of its missile programs then in progress because the resulting Soviet advantage in numbers and throw weight would have no meaning. This year, however, before a Senate Armed Services Committee questioning his nomination to high office, Mr. Warnke voiced concern that the Soviet Union might exploit these new missiles systems with their increased throw weight to develop a dangerous hard target capability against the United States. When asked whether this was a change of opinion, Mr. Warnke said no, maintaining that his present concern was based on the possibility that the Soviet Union might increase the accuracy and number of its warheads. But surely Mr. Warnke was aware of that possibility last year when public discussion once again focused on the dangers inherent in the Soviet program to MRV its large ICBM's. If Mr. Warnke did not change his mind for the benefit of the Senators present, then he must have been poorly informed last year about the extent of Soviet force modernization.

Likewise, his recent concern over trends in the strategic balance sound hollow when we find that the Trident I missile is the only American strategic program that Mr. Warnke has supported from the beginning in the last 10 years. The Trident I SLBM, which was tested for the first time on January 18 of this year and which will not be deployed until 1979 at the earliest, is a multiple warhead missile. Originally, Mr. Warnke opposed the development of such multiple warhead missiles, and has opposed the follow-on Trident II missile and the Trident submarine as well as the B–1 bomber, the Minuteman III missile, the SAFEGUARD antiballistic missile system, the Poseidon SLBM, the submarine-launched cruise missile, the MX mobile ICBM and improvements in the accuracy of our land- and sea-based missiles.

Mr. Warnke's judgment on the conventional balance is also suspect, and raises questions about his ability to deal with the Mutual and Balanced Force Reduction Talks (MBFR) in Europe. After the Middle East War of 1973, American tank stocks were drained so low that until the first of this year there have not been enough tanks prepositioned for the two American divisions which must reinforce NATO. When I asked Mr. Warnke why, in 1974, he had opposed accelerated tank production since the shortages were well known at that time, Warnke could only reply. "You have supplied a fact, Senator. I did not know at the time I testified." When I asked why he opposed then new XM–1 main battle tank, Warnke replied that he preferred a less expensive alternative. When asked to name one, he could not.

In some cases, Mr. Warnke has announced his willingness to support alternatives, or to support proposed programs in the future. In every case, however, his alternative recommendations call for delay. The implications of these delays Mr. Warnke has proposed is made clear in the following exchange:

"Senator Bartlett: If these systems that are being deployed or have been deployed had not reached the state they have now, would you say that we would have rough equivalency or parity with the Soviets or would they have superiority?

"Mr. Warnke: I think that we would be in much worse shape at that point. I am trying to avoid the word superiority because it is susceptible of so many interpretations, but obviously they would have a greater advantage than we have . . ."

Mr. Warnke's opposition to any one specific American program is not at issue. The issue is Mr. Warnke's persistent failure to recognize trends in the strategic balance adverse to the United States.

If confirmed either as ACDA Director or SALT negotiator, Mr. Warnke will be a man on probation. Concern over his understanding of the strategic balance will undermine his arms control proposals, both in Congress and with the American people. Too many doubts will be raised. How can Mr. Warnke effectively negotiate on the future of the very weapons systems he has opposed? How can he avoid making undue concessions when he has already advocated unilateral reductions? How can he get a good agreement when he believes we are too preoccupied with numbers?

By its actions on the floor, the Senate must send the message to Moscow that the Congress is more concerned with the substance of new arms control agreements than the ease by which they are obtained. The Senate must show that it has not ignored the massive Soviet arms buildup of recent years. Two votes against Mr. Warnke will strengthen the future negotiating positions of the United States and will further the cause of successful arms control.

INDIVIDUAL VIEWS OF SENATOR JESSE HELMS

I cannot support confirmation of Mr. Paul Warnke to be this Nation's strategic arms limitation negotiator.

We live in a time when there is serious doubt in the minds of the American people as to the security position of the United States vis-a-vis the Soviet Union. A recent Opinion Research Corp. poll shows that 65 percent of the public feels that the United States should be militarily superior to the Soviet Union. Americans are concerned that we are not superior.

In this climate of opinion, and in light of an increasing body of information to the effect that the Soviet Union is moving rapidly and unhesitatingly toward meaningful superiority in strategic nuclear weapons, the United States cannot afford to have as its arr s limitation negotiator a man whose record clearly discloses an unfortunate inability to see these trends and respond to them in an appropriate manner.

My opposition to Mr. Warnke's confirmation is in no way personal. I simply do not feel that Mr. Warnke will be the tough bargainer that the United States needs at this point in our Nation's history.

Mr. Warnke often has been juxtaposed with his former colleague Paul Nitze. Indeed, Mr. Nitze has come forward to oppose Mr. Warnke's confirmation as strategic arms limitation negotiator. In the past, Mr. Nitze has shared many of Mr. Warnke's views, as a number of Mr. Warnke's supporters have been quick to point out.

Mr. Nitze's views have changed. Over a period of 5 years as a SALT negotiator, Mr. Nitze faced his Soviet counterparts on numerous occasions. He learned firsthand about Soviet negotiating style, methods, and techniques. He had 5 years of on-the-job training. He began that training at a time when the United States was in a position of strategic superiority.

This is not the case today. With the trends moving toward Soviet strategic superiority, the United States can ill afford to give our strategic arms negotiator a similar period of on-the-job training so that he, too, can face the reality of conducting negotiations with the Soviets, and then change his views accordingly.

Nor am I certain that Mr. Warnke can change his long-held views—not only about weapons system per se, but also about the real interests involved in arms limitation negotiations with the Soviets.

Mr. Warnke's supporters have argued that the President should have whomever he wants to staff the executive branch and that the Senate should approve the President's nominees, unless some question of an ethical nature is raised. There are those who accept this view without question. I do not. The Constitution of the United States is unmistakably clear about a Senator's duty to advise and consent. The security of the United States is the issue here. Because of this, I found myself unable to support the confirmation of a number of Presidential nominees, not only of those submitted by Mr. Carter, but also his predecessors. National security is too crucial to be entangled with partisan politics.

Many Americans, including myself, would like to see a national debate on the future of our national security posture. Unfortunately, the nomination of Mr. Warnke has not generated a proper debate because it is difficult to know exactly what Mr. Warnke really believes.

There is little doubt, Mr. Warnke's protestations to the contrary notwithstanding, that in his appearances before the Armed Services and Foreign Relations Committees he has drastically changed many of his previously stated positions. This is obvious to anyone applying minimal standards of rational consistency. This all might be taken at face value except that Mr. Warnke strangely insists that his views have not in fact changed, that only circumstances have changed, and that his present opinions only reflect the present facts.

This denial of the obvious raises one of several interesting possibilities: (1) He is quite correct in stating his views have not changed, and that we therefore ought not to take at face value his sudden concern for national security and a strong defense posture; or (2) His views have changed to fit the pragmatic considerations of the moment, which is discomforting itself; or (3) Mr. Warnke's conversion is genuine, but he feels compelled to deny that such a change has taken place because such an admission would disturb this pacifist constituency; or (4) Mr. Warnke still adheres to his old views, but, setting aside his personal views, he is stating his client's (the President's) case; or (5) Then again, by not expressly disavowing his old views, he may be stating his client's case; or (6) Mr. Warnke is not really sure what he believes but rather scurries about from issue to issue on an ad hoc basis; or (7) Only Mr. Warnke knows what he really believes, and he has deliberately obfuscated the record so that no one will know for sure what policy we are endorsing should the Senate confirm his nomination.

When all these possible interpretations of Mr. Warnke's positions are coupled with the fact that Mr. Warnke is obviously an articulate and intelligent man, we have, in my view, grave cause for concern about this nominee's general veracity, and whether we can ever expect clear and unambiguous state-

ments from him concerning the progress of the SALT negotiations.

Mr. Warnke's appointment—or more accurately, the possible policy approach reflected in Mr. Warnke's appointment—is of the gravest concern for the future of this Nation, indeed all of Western civilization. I believe the Senate and the American people are entitled to know precisely where Mr. Warnke and the Carter administration stand on arms negotiations. While I might expect Mr. Warnke's agility in skipping up, around, over and under the issues, I cannot and will not vote for a nominee who refuses to be forthright in his presentation about such important matters.

In short, the American people are entitled to ask: "Will the real Mr. Warnke please stand up?" They are entitled to know which is the real Mr. Warnke.

Does Mr. Warnke still believe there are no basic differences between the United States and the Soviet Union, that we are but "two apes on a treadmill." I don't know. Has he finally learned the lesson of Munich that appeasement only leads to disaster? I doubt it. These and countless other fundamental questions have not been answered. Yet the U.S. Senate is being asked to vote on a nominee who will be intimately concerned with issues involving the ultimate and final fate of this Nation. I believe the Senate should know what we are voting for—and about. As of the present moment, the Senate does not know.

INDIVIDUAL VIEWS OF SENATOR JAKE GARN

In addition to their obvious function of providing people to run the executive branch of government, Presidential nominations have symbolic significance. They send signals of the administration's attitude toward various problems. Thus, when Jimmy Carter nominates Ray Marshall as Secretary of Labor, he is signaling his attitude toward certain problems of labor-management relations. When he nominates Andrew Young to be the Ambassador to the United Nations, he is signaling various constituencies of a shift in the official U.S. posture toward Africa.

The signals sent either reflect correctly the attitude of the administration, or they do not. In the case of Mr. Marshall, for instance, I opposed the nomination, because I thought it was a wrong signal to send. I did not doubt, however, that it was the signal President Carter intended to send. President Carter and I have a political difference over labor-management relations, but he won the election, over my candidate, and he is entitled to choose a Labor Secretary who reflects his views.

Two of President Carter's choices, however, have struck me as completely out of phase with the attitude of the country, and of the President as expressed in his public statements during the campaign. These two nominations do not reflect the consensus which put him in the White House. Those two nominations are the nomination of Theodore Sorensen as Director of Central Intelligence, and the nomination of Paul Warnke as head of the Arms Control and Disarmament Agency and chief negotiator at Strategic Arms Limitations Talks.

There is no implied criticism of the character of either man in this statement. As far as I know, both are honest men, with the best interests of their country at heart. But because of the symbolic impact of the appointments, I felt constrained to oppose Mr. Sorensen, as I do Mr. Warnke.

The fact is that the nomination of Ted Sorensen sent certain signals to the intelligence community, to other nations, and to the people at large. By all accounts, these signals were not those the President intended to send, and when he realized it, he withdrew his active support for the nomination, and Mr. Sorensen withdrew. President Carter then nominated Stansfield Turner, an action which confirmed my impression that the Sorenson nomination was a mistake, and which did send out the proper signals.

With all due respect to the President, the Warnke nomination is also sending out inappropriate signals, signals which I do not think he wants to send out. But because of an understandable desire not to have a second nomination defeated, President Carter is sticking by his guns.

During the campaign, President Carter made strong statements to the effect that the United States should maintain its defensive capabilities against the Soviet Union. In fact, it was widely noted that he very often came across as more "hawkish" than President Ford. There is every indication that this attitude of resolve backed by strength was approved by the American people, and it contributed significantly to his election.

Since the election, President Carter has indicated a strong interest in human rights within the Soviet Union. His decision to meet with Vladimir Bukovsky is in strong contrast to the treatment accorded Alexandr Solzhenitsyn by President Ford. Direct actions of this kind cannot be taken without strength to back them up. The extent of U.S. involvement in human rights questions indicates a strong resolve to maintain a strong defense.

By contrast, the signal that the Warnke nomination is emitting is a signal that the United States is willing to reach arms control agreements at virtually any cost. It is a signal that the United States and the U.S.S.R. are essentially similar in goals and structures, though perhaps somewhat different in tactics. The signal was widely understood as exactly that. One has only to consider the reception of the nomination by various parts of the news media and intelligentsia. Broadly speaking, the doves loved it. Warnke was hailed by thoughtful arms control advocates, of course, but the unilateral disarmers were overjoyed.

The signal has not been more broadly perceived within the Senate, in my opinion, largely because of the startling shift in Mr. Warnke's mode of expression on arms control issues. We could argue for days over whether Mr. Warnke has actually changed his views, or is now just reflecting changed circumstances. Senator Jackson, who has long been a participant in and observer of arms negotiations, has presented the best case against Mr. Warnke on this issue, and I must say that he has persuaded me.

But that aside, the problem with this nomination is that it reflects a basic misunderstanding of the Soviet mentality, as clearly shown in actions of the Soviet Union since 1917. As it happens, I have spent a good deal of time studying military and diplomatic history, and the results of attempting to placate powers such as the Soviet Union are invariably the same: destabilization and war. But it is not really necessary to study military history to understand the Soviet mentality. You can study it on the playground. It is the bully's mentality, and it cannot be satisfied by concessions and respect. It understands strength.

And the signal sent out by the Warnke nomination is a signal that we will not be strong.

I am perfectly willing to be proven wrong, and hope that I will be. If I am, I will say, as Mr. Warnke so often has during our hearings on his nomination, that I do not regret having opposed him, but that changed circumstances now show him to be the obvious choice to continue. As he explains it, that will not be a change of mind.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. MATSUNAGA). The Chair, on behalf of the Vice President, appoints the following Senators to the sixth session of the third United Nations Conference on the Law of the Sea, to be held in New York, N.Y., May 23–July 8, 1977: The Senator from Washington (Mr. MAGNUSON), the Senator from Rhode Island (Mr. PELL), and the Senator from South Carolina (Mr. HOLLINGS).

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 4355(a), appoints the following Senators to the Board of Visitors to the U.S. Military Academy: The Senator from Louisiana (Mr. JOHNSTON) (Appropriations), the Senator from Vermont (Mr. LEAHY) (at large), the Senator from Oregon (Mr. HATFIELD) (Appropriations), and the Senator from Oklahoma (Mr. BARTLETT) (Armed Services).

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 9355(a), appoints the following Senators to the Board of Visitors to the U.S. Air Force Academy: The Senator from South Carolina (Mr. HOLLINGS) (Appropriations), the Senator from Colorado (Mr. HART) (Armed Services), the Senator from Alaska (Mr. STEVENS) (Appropriations), and the Senator from Wyoming (Mr. HANSEN) (at large).

COMMENDATION OF SENATOR MATSUNAGA

Mr. ROBERT C. BYRD. Mr. President, I compliment the distinguished Senator from Hawaii for presiding over this body with a degree of dedication, efficiency, and skill that is "so rare as a day in June."

The PRESIDING OFFICER (Mr. MATSUNAGA). I thank the majority leader, and the record will so show.

ORDERS FOR RECOGNITION OF SENATORS TOMORROW

Mr. ROBERT C. BYRD. Will the Chair state the two orders for recognition of Senators tomorrow, please?

The PRESIDING OFFICER. The Senator from South Carolina (Mr. THURMOND) and the Senator from Alaska (Mr. STEVENS).

Mr. ROBERT C. BYRD. I thank the Chair.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 12 o'clock noon tomorrow. After the recognition of the two Senators whose names have just been stated by the Chair, there will be a brief period for the transaction of routine morning business of not to exceed 30

minutes, with statements limited therein to 5 minutes each, and with the understanding that no resolutions will come over under the rule.

Upon the closure of routine morning business tomorrow, the Senate will automatically go into executive session, under the order previously entered, and will thereupon proceed with the debate on the nomination of Mr. Paul C. Warnke to be Ambassador to the SALT talks and, while the leadership does not anticipate any votes tomorrow, it is possible that some could occur, not with respect to the nomination of Mr. Warnke, but there is always the possibility that a procedural motion could result in a vote, for example, on a motion to direct the Sergeant at Arms to request the attendance of absent Senators, or some such motion.

Other matters may also be cleared for action by tomorrow on which votes may occur. Conference reports being privileged could be called up, with votes. So while the leadership does not anticipate any rollcall votes tomorrow, there very well could be such. I hope that committees will take advantage of the opportunity to get work done.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 12 o'clock noon tomorrow.

This motion was agreed to, and at 3:40 p.m., the Senate recessed until 12 noon, Friday, March 4, 1977.

NOMINATIONS

Executive nominations received by the Senate March 3 (legislative day of February 21), 1977:

DEPARTMENT OF THE INTERIOR

Robert L. Herbst, of Minnesota, to be Assistant Secretary for Fish and Wildlife, Department of the Interior, Vice Nathaniel Pryor Reed, resigned.

Guy Richard Martin, of Alaska, to be an Assistant Secretary of the Interior, vice Jack O. Horton, resigned.

IN THE MARINE CORPS

The following colonels of the Marine Corps Reserve for appointment to the grade of brigadier general under the provisions of title 10, United States Code, section 5902:

John B. Hirt
Kenneth W. Weir

HOUSE OF REPRESENTATIVES—*Thursday, March 3, 1977*

The House met at 11 o'clock a.m.

Rev. M. L. Wilson, Convent Avenue Baptist Church, New York, N.Y., offered the following prayer:

Eternal God, Our Father, we pause again to bow together in prayer. We give Thee thanks for Thy love and those mercies which are from everlasting to everlasting. We give Thee thanks for this Nation and for the blessings of freedom. May we always be obedient to Thy law that these blessings may be ours.

We pray for all those who serve in public office. Especially these, Thy servants gathered here today, the Members of this august body.

Grant, O God to these men and women the courage to do right, the prudence to resist temptation; may they always act as one under divine appointment. Let that peace be ours which comes when we have done justly, loved mercy, and walked humbly before Thee. When it is done, may we be able to stand before Thee without shame or fear.

In the name of Jesus we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

WHAT ENERGY PLAN?

(Mr. SIKES asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SIKES. Mr. Speaker, President Carter has sent to Congress a plan to group into one department on energy all of the activities and agencies in Government which make decisions on energy. There are at least 16 of these ranging from the Interstate Commerce Commission to the Department of Agriculture. It will make sense to group these into one agency under the able leadership which can be anticipated from James F. Schlesinger.

There will be problems in Congress because legislation affecting energy comes from several committees of the House and Senate. Presumably, the President will ask that this authority also be consolidated into one committee in each body. There will be controversy because the Government agencies and the committees of Congress will, at least in some instances, fight to retain their jurisdiction.

Possibly the biggest problem will lie in convincing the Congress that there is an energy plan that will be effective. Thus far no details of the plan are known. A rumor was floated that the President would ask for 25 cents a gallon tax on gasoline. It was promptly denied. Obviously it would not have had a chance at approval. But Congress will want to know what the President proposes and the people should have an opportunity to express an opinion. American industry which produces energy and industry and business which use energy must also have an input. The prospects are brighter for effective action than in any time since the Arab embargo on oil but we still have far to go. We must get on with the job.

BILATERAL TAX REVISION

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, one of the issues we addressed in the Tax Reform Act of 1976 was the matter of deducting expenses for attending professional conventions outside the United States. The Tax Reform Act included limitations on this practice, reflecting our reservations about unrestricted public subsidy of such expenses. I understand the Canadian Government has expressed its concern about the impact of these limitations on conventioneering in Canada by U.S. organizations, and it would like an exemption of Canada from these foreign convention provisions. Canada views this provision as unfair discrimination against its hotels and travel business.

Now, I believe we all want to be cooperative and equitable toward our friendly neighbor to the north, but before we rush to make this revision, I suggest that we examine a practice of the Canadian Government which is viewed with similar concern by a segment of our economy. Last fall the Canadian Parliament approved bill C-58 whose provisions included a change in the Canadian Income Tax Act which discriminates against U.S. television stations. That bill denied a tax deduction to Canadian firms for costs of advertising directed primarily to Canadian markets from U.S. television stations. Advertising on Canadian stations continues to qualify for this deduction, however.

The amount of Canadian advertising on U.S. stations at present may be as much as $20 million. This placement with U.S. stations is now threatened by the discriminatory tax treatment of this Canadian measure.

Mr. Speaker, we are always amenable to removing inequities, but my interest in this extends to both sides of our international border. I suggest there should be appropriate discussions of these circumstances before we consider revising our tax law. Who knows—perhaps we might be able to agree on elimination of tax provisions which are considered inequitable in each of our countries.

CALL OF THE HOUSE

Mr. BRADEMAS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 40]

Andrews, N.C.	Clay	Hall
Ashley	Conyers	Harsha
AuCoin	Cornwell	Hollenbeck
Badham	Derwinski	Howard
Barnard	Dickinson	Jones, Okla.
Bellenson	Diggs	Koch
Bingham	Dingell	Lundine
Blanchard	Drinan	McFall
Breaux	Evans, Ind.	McHugh
Brown, Calif.	Fenwick	Marriott
Brown, Mich.	Forsythe	Meyner
Burton, John	Gibbons	Mitchell, Md.
Cavanaugh	Gonzalez	Moakley

Murphy, N.Y.	Reuss	Teague
Neal	Richmond	Tonry
Nix	Rosenthal	Tsongas
Nolan	St Germain	Udall
Pattison	Satterfield	Vento
Pettis	Scheuer	Wilson, Bob
Pike	Seiberling	Wirth
Pursell	Staggers	Wright
Railsback	Steers	Young, Alaska

The SPEAKER. On this rollcall 366 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERSONAL EXPLANATION

Mr. MARLENEE. Mr. Speaker, yesterday on rollcall No. 38 I was mistakenly listed as having voted "aye" when I should have been recorded as voting "no."

Mr. Speaker, I ask unanimous consent that this statement appear in the permanent RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

DISAPPROVING DEFERRAL OF BUDGET AUTHORITY RELATING TO ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

Mr. BEVILL. Mr. Speaker, pursuant to the order of the House on Tuesday last, I call up House Resolution 305 disapproving the deferral of cetrain budget authority (D77–50) relating to the Energy Research and Development Administration, magnetic fusion energy research, which is proposed by the President in his message of January 17, 1977, transmitted under section 1013 of the Impoundment Control Act of 1974, and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 305

Resolved, That the House of Representatives expresses its disapproval of proposed deferral D77–50, relating to the Energy Research and Development Administration, magnetic fusion energy research, as set forth in the message of January 17, 1977, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

The SPEAKER. The gentleman from Alabama (Mr. BEVILL) is recognized for 1 hour.

Mr. BEVILL. Mr. Speaker, I yield myself such time as I may consume in order to explain the resolution.

Mr. Speaker today we are considering three resolutions disapproving deferrals of budget authority.

After careful deliberation, the Committee on Appropriations has recommended that all three deferrals be disapproved. The decision to recommend that the deferrals be disapproved was not arrived at hastily. When considering deferrals or recisions, the committee must take into consideration the same factors it takes heed of in a regular appropriation bill—the needs of the people for varous governmental programs and services must be balanced against the need for a prudent fiscal policy.

The deferral requests, which total $25,600,000 in budget authority, were submitted to the Congress on January 17, 1977. Of course, disapproving these deferrals does not increase the budget level already approved by Congress for fiscal year 1977—it merely affirms that funds already appropriated will be spent. All three deferrals deal with the Energy Research and Development Administration—ERDA. I would like to give a brief description of the program involved with these deferrals.

The first deferral (D77–50) would defer $12,000,000 in budget authority for the magnetic fusion energy research program. The total operating expenses—budget authority—for this particular program in fiscal year 1977 is $195,000,000. The objective of this program is to develop a fusion reactor which would use a derivative of water as its basic fuel. Thus, if successful, this technology would provide an inexhaustible source of energy.

It is true that the payoff from this research is in the future—probably around the turn of the century. However, in the committee's view that fact does not negate the need for an aggressive, high priority fusion research program. Many factors were considered in the committee's deliberations on whether or not this deferral should be overridden, but the two most important factors were:

First. The realization that if America had started years ago to find long-range solutions to the energy crisis, we probably would not be in the bind we are today of importing up to half of our oil, running out of natural gas, having soaring utility bills, and facing potential brownouts and blackouts in the future. Thus, while it is true that solving the short term energy problems is the highest priority, we must not lose perspective of the importance of proceding aggressively in an attempt to find long-range solutions.

Second. The sooner we can develop an infinite, clean source of energy—such as fusion and/or solar, the sooner we will not be dependent on the finite energy resources such as oil, coal, and natural gas.

The second deferral (D77–51) would defer $5,400,000 in the community operations program of the Energy Research and Development Administration. The total operating expenses—budget authority—for this program in fiscal year 1977 is $10,507,000.

This program makes assistance payments to the former AEC communities of Oak Ridge, Tenn., Los Alamos, N. Mex., and Richland, Wash. Because of the massive Federal facilities located at these communities, extensive amounts of land at these locations are owned by the Federal Government and thus are not on the local tax rolls. The assistance payments are used for school assistance, fire prevention and protection, and various civic activities.

The committee is informed that the communities directly affected already had these funds factored into their budgets for the current fiscal year. Thus it would be a severe hardship on them if these funds were suddenly not available.

However, it should be pointed out that if the impacted aid funds from HEW to these communities are at a certain level, a portion of these funds which are for school assistance will not have to be spent. In other words, some of these funds represent an insurance policy to the communities involved so that they will not be shortchanged in the budgetary needs for their schools. The school assistance funds which are not expended will carry over into the next fiscal year and thus lower the budgetary needs for fiscal year 1978.

The third deferral (D77–52) would defer $8,200,000 in the biomedical and environmental research program. The total operating expenses—budget authority—for this program in fiscal year 1977 is $131,606,000.

This program is involved in a wide variety of research efforts studying the health and environmental impact of generating energy. One of the subprograms which would be affected by this deferral is one which is analyzing the impact on the energy supply of proposed legislation, Government policies, and regulations. Because of the importance of developing a prudent policy which will properly balance the country's needs and the environmental impact of generating that energy, the committee felt that research efforts should be continued.

Another important program which would have been significantly affected by this deferral is the national coal utilization assessment. This study is analyzing how each region of the Nation can utilize coal with the minimum environmental and socioeconomic impact. Considering the key role to be played by coal in meeting the energy needs of America, the committee felt that it was wise for this program to proceed at a reasonable pace.

Mr. Speaker, this concludes my explanation of the resolutions to disapprove the deferrals.

Mr. JOHN T. MYERS. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from Indiana.

Mr. JOHN T. MYERS. Mr. Speaker, the minority concurs with the views expressed by the chairman.

I do think it should be brought to the attention of the Members, that with respect to House Resolution 306. The community operation programs funding provided is a result of what those communities built into their own budgets in expectation that these funds will be received.

As to those items pertaining to schools, we have provided language so that HEW can provide the money through their appropriations and there will not be a double dip in that respect. The language provides that the funds cannot exceed those authorized by law.

Mr. Speaker, I would also like to add that I think in the future we in the Congress should take a different look or, at least, take a longer look and a harder look at funding for these communities. I am wondering today if we are not putting more money into these communities than into any place else in the country.

Mr. Speaker, the minority goes along in this matter, but I do believe that we should take another look in the future

insofar as community operation programs are concerned.

Mr. ALLEN. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from Tennessee.

Mr. ALLEN. Mr. Speaker, there was so much confusion in the House at the time when the gentleman first rose to explain these three rescissions that I was not sure about certain things. The first rescission was to do what, now?

Mr. BEVILL. The first resolution would restore $12 million for the magnetic fusion energy research program. This is a long-range energy research program, which would use a derivative of water as its basic fuel.

If this is accomplished, the potential is unlimited. This is research that has been going on for some time now and we do not want it slowed down.

Mr. ALLEN. If the gentleman would yield further, do I understand that the President has made certain recommendations with respect to this appropriation?

Mr. BEVILL. There was a recommendation for the deferral of this $12 million. The committee was unanimous in its decision that the funds should not be deferred.

Mr. ALLEN. If the gentleman will yield further, the President does ask for this deferral?

Mr. BEVILL. The administration asked for the deferral.

Mr. ALLEN. Mr. Speaker, I thank the gentleman.

Mr. FLOWERS. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from Alabama.

Mr. FLOWERS. Mr. Speaker, I feel compelled to rise in support of this disapproval resolution for the deferral of $12 million in budget authority and $6 million budget outlays for the ERDA magnetic confinement fusion program. The next year of research in the magnetic fusion activities of the ERDA will be extremely important. Several crucial experiments will be performed which will test some very recent theoretical predictions. If any of these experiments confirm the corresponding theoretical models, it will help to better formulate the direction of future development in the magnetic fusion field. The experiments, if any, which fail will allow us to focus the program on those experimental options which have remaining promise. In any event, we will gain necessary information to make important judgments about the various approaches to magnetic fusion, especially in comparison to laser fusion methods. We are not serving the interest of economy by delaying the time for decision on this program by denying the requisite funding to gain the necessary information.

For instance, there has been a realization within the last year that the size of the Tokamak reactors can be greatly reduced if an important parameter β—beta—can be increased to the 5–10 percent range by injecting beams of neutral atoms into the plasma—hot gases—of a Tokamak. The deferral message would delay the installation of the necessary equipment to do this at the Oak Ridge National Laboratory by at least 6 months. A similar device is needed for a different type of fusion machine at the general atomic facility in San Diego. Each of these projects requires about $1 million to keep them on schedule.

To illustrate further the points for disapproval of this deferral message there is $2.5 million which is very important to develop superconducting magnets which are required to build any magnetic fusion reactor which would generate net power. However, this technology development will also have spinoff to other energy technologies such as magnetohydrodynamics — MHD — and energy storage.

If the other technologies necessary for fusion power do not keep pace with the understanding of plasma physics and engineering, we will not be able to maintain even the long-range objectives necessary to develop fusion power. If the Committee on Science and Technology and the Appropriations Committee should decide that we would achieve fusion power even earlier by increased funding in fiscal year 1978, we would have damaged this program that we would be trying to advance by deferring these activities which we fully authorized and funded in the 94th Congress.

I urge you to vote for the disapproval resolution so that the program provides timely answers to the important questions which must be addressed during the next year.

Mr. BEVILL. Mr. Speaker, I thank the gentleman from Alabama (Mr. FLOWERS).

Mr. BURGENER. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from California.

Mr. BURGENER. Mr. Speaker, I want to make a very strong appeal in support of my chairman on this committee for the magnetic fusion program. This could, if it worked and we think it will, really be the greatest source of energy man has known. Although it may be 20 or 30 years in the future it could solve much of our energy problems. Therefore, we dare not slow it up.

Mr. Speaker, I thank the gentleman for yielding.

Mr. ANDERSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from Illinois for a question.

Mr. ANDERSON of Illinois. Mr. Speaker, I rise in support of the motion offered by the gentleman from the committee, Mr. BEVILL, that the budget deferral D77–50 be approved.

The fusion program has long been of profound interest to the Congress and to the American people. We have all know for some time that if fusion powerplants can be commercially deployed that we will have an inexhaustible source of energy for generating electricity for many generations into the future.

In my role on the Joint Committee on Atomic Energy I was heartened by the work that has been done in recent years and I continue to watch developments in that field closely. There is no justification in my mind for assuming an attitude of wait and see if we need this source of energy nor is there any compelling need to pick away at the funds for the program to see if there might be a better way of doing it in the future.

The fact of the matter is that effective energy policymaking requires that we know what options we will have available and we need to know this information now. Cutting back on the fusion program will only prolong the day when such answers are available. The deferral was originally justified on the basis of waiting until a reassessment of the program could be made. While I recognize that there is a wide spectrum of activities in fusion at the ERDA laboratories, the people working on these programs and the ideas that they are working on are sound. That money is not being wasted, it is furthering our knowledge of the fusion process and how to make fusion powerplants a reality.

The deferrals hit hard at key programs in the fusion effort. They include programs to make the kinds of materials that will withstand the tremendously damaging effects of the fusion reaction. They also hit hard at the superconducting magnet development program. Superconducting magnets are essential for commercial fusion devices and work at this time is essential to work through the designs, make appropriate tests and build several magnets for testing at Oak Ridge National Laboratory. There are potentials for many spinoff applications for these efforts in ERDA and I see no reason why work shouldn't proceed full speed.

In conclusion, Mr. Chairman, fusion has come a long way and what we see is encouraging. I support maintenance of the fusion effort at a reasonably high priority level and it seems to me that restoring these finds is responsible and fiscally sound. I support the motion to disapprove this deferral.

Mr. BEVILL. Mr. Speaker, I thank the gentleman.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from New York for a question.

Mr. WEISS. Mr. Speaker, would the gentleman from Alabama (Mr. BEVILL) be able to advise me as to how much in total amount has been authorized or is currently pending for research in nuclear energy?

Mr. BEVILL. We appropriated to ERDA for this fiscal year 1977 the total of $5.7 billion. This is for the entire Energy Research and Development Administration.

Mr. JOHN T. MYERS. Mr. Speaker, if the gentleman will yield. I think the gentleman from New York (Mr. WEISS) asked about nuclear energy.

Mr. BEVILL. Mr. Speaker, $630,260,000 of that provision I have mentioned would be for operating expenses related to the fission research program.

Mr. JOHN T. MYERS. That is for fission research, right.

Mr. WEISS. Mr. Speaker, if the gentleman will yield further, is the program we are talking about now, this $12 million, ultimately going to be used for a nuclear reactor, the utilization of a nuclear reactor?

Mr. BEVILL. These funds are those three things I mentioned earlier with respect to ERDA.

Mr. WEISS. Right, but if, in fact, this magnetic fusion energy and research project is successful, ultimately that would mean utilization of water as fuel for a nuclear reactor; is that correct?

Mr. BEVILL. Yes. The gentleman is correct. This is a long-range research program for clean nuclear fusion energy.

Mr. WEISS. Mr. Speaker, if I may continue for just one more moment, I simply want to state in response to the gentleman from Alabama (Mr. BEVILL) that I appreciate the courtesy of his answers. I have great concern about the amount of money that we appropriate and spend on nuclear research rather than utilizing some of that money for some of the cleaner energy processes that are underdeveloped and starved for funds. For that reason I cannot support H.R. 305.

Mr. HARKIN. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Speaker, I want to say that I am in support of energy fusion research that is going on. I will not oppose this amendment. I will support it. I would wish that most of the Members would review and find out the differences between the fission program and the fusion program. The fusion program may enable us to have a clean source of energy in the long term. I am somewhat afraid that we are putting too much emphasis in terms of dollars right now in one specific aspect of the fusion program and that is the magnetic program. I think that we are moving ahead too fast in that area without bringing along at the same time the other forms of fusion energy such as laser fusion, the electron beam and the ion beam which I think have as much promise as does magnetic fusion. So I would ask the gentleman from Alabama if there are going to be some steps taken, perhaps, to equalize the funding levels with respect both to magnetic fusion and laser fusion so as to bring them both up to par rather than putting so much emphasis on the magnetic confinement program?

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to my colleague, the gentleman from Washington (Mr. McCORMACK) who is a member of Science and Technology Committee.

Mr. McCORMACK. I thank the gentleman for yielding.

First of all, I want to support the committee very strongly in its position in objecting to these rescissions, both to the support-community and to the fusion program, to reconfirm what has been said earlier that the fusion program has nothing to do with the nuclear fission program in that it does offer unlimited supplies of energy in the 21st century. I wish further to say that the authorizing subcommittee is working very closely with the physicists who are doing the research work throughout the country on the types of fusion technology to support—and they will be supporting each of them as best we possibly can according to the state of the technology to provide the optimum program for energy research and development in this country.

Mr. HARKIN. I thank the gentleman.

Mrs. LLOYD of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to the distinguished gentlewoman from Tennessee (Mrs. LLOYD).

Mrs. LLOYD of Tennessee. Mr. Speaker, I rise in support of the motion offered by the gentleman from Alabama, the distinguished chairman of the Public Works Appropriations Subcommittee.

I would like to associate myself with his remarks and make the additional comment: We are addressing ourselves to a very fundamental question with respect to the level of services that these communities are able to provide to the employees of these vital facilities. The vast majority of these people are not from the area in which the facilities are located, they come from areas of the country which provide a very high level of community services, if we fail to provide the same type of services, particularly in education, we will be in the position of discouraging individuals from working at these plants.

My own State of Tennessee is, unfortunately, 50th of the States in its expenditures for education. If we expect to draw the top scientists in the country to Oak Ridge, we must improve this level or risk losing valuable personnel.

Every year the Congress recognizes this and, in large measure due to the patience and foresight of the gentleman from Alabama and his able predecessor from Tennessee, Joe L. Evins, and the other members of the committee, restores the funds that OMB deletes.

I am confident that this will again be the case and I urge the adoption of the resolution of the gentleman from Alabama.

Mr. PICKLE. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from Texas.

Mr. PICKLE. I thank the gentleman for yielding.

Mr. Speaker, I wish to support the committee in this deferral resolution, particularly with respect to the magnetic fusion. I do not think anything offers us more possibilities than magnetic fusion. I think the committee is proper in making its recommendation.

Mr. Speaker, I am pleased to join in support of the disapproval resolution regarding fusion funding. I realize that fusion power research—after initial years of great hope—is coming under a close review. I have no qualms with that review. I think many of our programs would be a lot more healthy in the long run if we gave them a thorough testing.

I realize, too, that President Carter will be asking us to cut back on long range projects like fusion power in favor of energy sources which have a shorter delivery time. Within the constraints of the budget and within the bounds of what is the best course to provide for energy in the short and long term, I am willing to listen carefully to his suggestions.

But that does not mean that I think the Congress should support this deferral today. When the fusion budget was considered in the last Congress we did not cut it. Instead we added to it. The additions we made were not very costly, but they were very important for the long range energy picture of this country. The additions we made were not for costly and large operations. They were for smaller, more scientific operations which continue to expand our basic knowledge of fusion power. These operations will play a pivotal role, however, in determining the eventual commercial feasibility of this new power source.

In short, I agree that fusion power should be looked at carefully so that we do not go too far, too fast. But I do not agree that we should just cut the funding back, especially in the add-on areas which the Congress found to be very important to this research.

I urge my colleagues to vote for this disapproval resolution so that the funding will be continued for important fusion research.

Mr. BEVILL. Mr. Speaker, if there are no further requests for time, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

DISAPPROVING DEFERRAL OF BUDGET AUTHORITY FOR THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION, PROGRAM SUPPORT-COMMUNITY OPERATIONS

Mr. BEVILL. Mr. Speaker, pursuant to the order of the House on Tuesday last, I call up the resolution (H. Res. 306) disapproving the deferral of certain budget authority (D77–51) relating to the Energy Research and Development Administration, Program Support-Community Operations, which is proposed by the President in his message of January 17, 1977, transmitted under section 1013 of the Impoundment Control Act of 1974, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 306

Resolved, That the House of Representatives expresses its disapproval of proposed deferral D77–51, relating to the Energy Research and Development Administration, Program Support-Community Operations, as set forth in the message of January 17, 1977, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

Mr. LUJAN. Mr. Speaker, the proposed deferral in ERDA's fiscal year 1977 budget authority would result in such a budgetary shock to certain communities associated with ERDA facilities that important energy programs would be impacted.

In fiscal year 1977 the President's budget to the Congress recommended $6 million for ERDA community operation. The Congress increased this to $10.1 million. This $10 million was about the funding for the communities the ERDA Administrator thought appropriate under the criteria of the Atomic Energy Community Act of 1955, as amended—the statutory authority for these community payments. Now the OMB has in the proposed deferral reduced the congressional budget of $10.1 million by $5.4 million. This is not only a reduction of over 50 percent of what

the Congress thought necessary, but the remaining funding of $4.7 million is 20 percent less than the original 1977 budget of $6 million recommended by the President.

The President, and it is really OMB, contended that the sums appropriated by Congress are not necessary because these communities will receive Federal impact aid (P.L. 81–874) from HEW. But let us look at this situation.

Of the $5.4 million deferred, only $1.7 million can conceivably be allocated to the Impact Aid program. But ERDA requests this $1.7 million in its budget because there is no assurance that HEW will make the payments, or that the payments will be made in a timely manner, even now the involved school districts have assurance of only 70 percent of the $1.7 million requested by ERDA. In school districts with such a preponderance of ERDA pupils as these communities that missing 30 percent can result in serious problems. If, and that is a big if, the HEW funds are made available to the school districts, ERDA will reduce its payments to the schools and return the difference to the Federal Treasury. There will be no double counting of these funds.

As the Congressional Budget Office analysis concluded, the proposed deferral will result in a stretching out of the community budgets—thus reducing the level of services and the support these communities can give the ERDA energy facilities. In New Mexico this would be a difficult situation, indeed. Something over a year ago the JCAE held extensive hearings on the need for Federal assistance to the community of Los Alamos. Some of the information developed was very revealing.

At Los Alamos, over 90 percent of the school population is federally related. Of the school population that is federally related almost all are ERDA pupils. What resources does the school district have to meet the needs of its pupils? Like all New Mexico communities the residents of Los Alamos pay taxes. But the fact is that at Los Alamos the taxable private property is valued at $48 million. The ERDA property, on a depreciated book value basis, has a value of $250 million. In other words, at Los Alamos, the Federal or nontaxable property has a value of five times the private or taxable property.

Surprising as this ratio is, one has to keep in mind that the private property valuation is up-to-date, whereas the Federal property was valued at depreciated book value—no one was able to estimate the true value of the Federal property.

The same situation prevails in Los Alamos County. Almost everyone in Los Almos County is related to the Federal energy project. The residents are ERDA employees, ERDA contractor employees or someone, like a schoolteacher, who is there because of the Federal installation.

Now, Mr. Speaker, in a situation like that in Los Alamos it does not take a great deal of imagination to understand that a $800,000 deferral in a proposed Federal payment of $1,800,000 will have a very damaging impact upon the ability of the county to provide support for the Federal energy facility. In fact, a cut of $800,000 in the assistance payment will reduce the county budget of about $4,600,000 by almost 20 percent. Clearly this will result in chaos to the county operations. Likewise, the deferral would have a similar result in the school operations.

Mr. Speaker, I would like to turn now to the question of the impact of the energy operations on the areas surrounding Los Alamos. The fact is that only about two-thirds of the people associated with the Federal energy facility at Los Alamos are able to live in Los Alamos. Los Alamos is located on top of a mesa. It is surrounded by federally owned land. Most of the land constituting Los Alamos County is federally owned. Consequently, there is a severe housing shortage at Los Alamos causing people who work there to live in the valleys below. As a result, the JCAE at the hearing I mentioned before asked ERDA to conduct a study of the impact of ERDA's activities on the school districts in Rio Arriba, Santa Fe, Sandoval, Bernalillo, and Valencia Counties. ERDA found that the impact of its operations was most apparent in the case of the Espanola and Pojoaque school districts. These school districts border Los Alamos County. Significant numbers of Los Alamos employees live in, and their children attend public schools in these two districts. In Pojoaque, almost 50 percent of the school population is federally related and in Espanola over 25 percent is federally related. As in the case of Los Alamos, a large percentage of these federally related pupils are ERDA children. As a result, Mr. Speaker, these schools have used much of their limited bonding capacity to provide or up date their educational facilities. The ERDA report shows that in the school year 1975–76 the Espanola schools had an estimated unencumbered bonding capacity of only $315,000, at Pojoaque the unencumbered bonding capacity was $85,286. Mr. Speaker, these school districts, which provide educational opportunities for ERDA children, are at the end of the bonding line.

Moreover, Mr. Speaker, ERDA found that these school districts do their best to meet the needs of the ERDA children. Many of the parents of ERDA-connected children living in these school districts are technically and scientifically oriented and are also educationally oriented. Their operations from the standpoint of curricula are generally more oriented to mathematics and science than would normally be the case in these school districts. As a result, the Espanola and Pojoaque school districts have been forced to reduce maintenance and make other program sacrifices to meet the needs of these federally related children.

After reviewing this situation the Congress added to the ERDA 1977 budget $550,000 for Espanola for construction purposes—complete a high school—and $300,000 for Pojoaque for construction purpose—for completion of a junior high school.

The SPEAKER. Without objection, the previous question is ordered on the resolution.

There was no objection.

The resolution was agreed to.

DISAPPROVING DEFERRAL OF BUDGET AUTHORITY FOR THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION, BIOMEDICAL AND ENVIRONMENTAL RESEARCH

Mr. BEVILL. Mr. Speaker, pursuant to the order of the House on Tuesday last, I call up the resolution (H. Res. 307) disapproving the deferral of certain budget authority (D77–52) relating to the Energy Research and Development Administration, Biomedical and Environmental Research, which is proposed by the President in his message of January 17, 1977, transmitted under section 1013 of the Impoundment Control Act of 1974, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 307

Resolved, That the House of Representatives expresses its disapproval of proposed deferral D77–52, relating to the Energy Research and Development Administration, Biomedical and Environmental Research, as set forth in the message of January 17, 1977, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

Mr. BEVILL. Mr. Speaker, I ask unanimous consent that there be no discussion, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

GENERAL LEAVE

Mr. BEVILL. Mr. Speaker, if there is no objection, I ask unanimous consent that all Members may have legislative days in which to revise and extend their remarks on the resolutions just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

URGENT SUPPLEMENTAL APPROPRIATION FOR DISASTER RELIEF

Mr. MAHON. Mr. Speaker, pursuant to the order of the House on Tuesday, March 1, I call up the joint resolution (H.J. Res. 269) making an urgent supplemental appropriation for the fiscal year ending September 30, 1977, for disaster relief, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 269

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sum is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1977, namely:

FUNDS APPROPRIATED TO THE PRESIDENT

FEDERAL DISASTER ASSISTANCE ADMINISTRATION

DISASTER RELIEF

For an additional amount for "Disaster relief", $200,000,000, to remain available until expended: *Provided*, That not to exceed 3 per centum of the foregoing amount shall be available for administrative expenses.

Mr. MAHON. Mr. Speaker, I move to strike the last word.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this joint resolution (H.J. Res. 269).

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, this is a relatively simple and, I believe, noncontroversial measure making urgent supplemental appropriations for disaster relief. The amount involved is $200 million.

The matter was handled in the Committee on Appropriations by the very distinguished gentleman from Massachusetts (Mr. BOLAND) and his subcommittee and I now wish to yield to the gentleman.

Mr. BOLAND. Mr. Speaker, this supplemental appropriation of $200 million is urgently required to fund relief activities in a number of States impacted by severe weather related disasters. If I could recap the funding situation for just a moment.

The Congress provided $100 million for disaster assistance in fiscal year 1977. Those funds, plus $65,800,000 available from prior years, have all been committed to normal disaster problems. Typically, these would include floods, tornadoes, hurricanes, hail, high winds, and so forth. But, Mr. Speaker, this has not been a typical disaster year. As many of you are acutely aware, much of the Western and Great Plains States have been locked in a drought of up to 2 years duration, while the Eastern United States has recently suffered from the harshest winter in 40 years. So, the fact is, the Federal Disaster Assistance Administration has had not only to cope with the normal range of disasters, but it also has had to deal with these extraordinary and unusually severe weather problems.

Of the $200 million the committee is recommending, about $80 to $100 million will be committed to drought relief in the 12 States where emergencies have been declared. The balance of the supplemental request, about $100 million, is required for disaster relief activities in the 8 to 10 States that suffered from the recent incredibly harsh winter. Approximately $60 million of that money is devoted to unemployment benefits. Although the full $200 million recommended in this bill is provided to the Federal Disaster Assistance Administration, it is important to keep in mind that most of the funds are channeled through FDAA to mission agencies doing the actual work in the field—such as the Department of Agriculture, the Corps of Engineers, the Labor Department, and so forth.

Mr. Speaker, for all practical purposes the Disaster Relief Fund is out of money. These funds are required now. I urge their immediate approval.

The SPEAKER. The time of the gentleman from Texas has expired.

(By unanimous consent, Mr. MAHON was allowed to proceed for an additional 2 minutes.)

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Washington.

Mr. McCORMACK. Mr. Speaker, I would like to direct a question to the gentleman from Massachusetts, the chairman of the subcommittee.

The gentleman has indicated a portion of this money, $200 million, is for drought relief under existing programs. Now, we have a unique problem in part of the State of Washington where we have an isolated draining, virtually dry this year, which normally runs our snowbank down. The concept that has been developed, again looking at various options, is to direct a waterbank in which those farmers that have water rights and physical access to water could sell their water rights to a waterbank, which would then be administered by the Bureau of Reclamation which could then resell the water rights to the water users needing it.

The question is, if this is found to be a program that does not require additional legislation, could it be funded under this bill?

Mr. BOLAND. Mr. Speaker, if the gentleman will yield, the response that this committee has from Mr. Dunne, who is the Administrator of the Federal Disaster Assistance Administration, is that that kind of activity may require additional legislation. The funds we provide for drought relief in this bill cover certain activities—principally for the feeding of livestock and for the transportation of livestock. It is expected that about $70 million will be used for that particular activity.

It is conceivable that where there is a real water shortage it would be possible to transport water from one area to another. But this money under the current interpretation of existing law, cannot be used for the purpose of digging wells. To accomplish the activities the gentleman from Washington suggested may require additional authorization.

Mr. Speaker, let me say that there is a task force under the direction of Jack Watson from the White House that is exploring exactly the matter the gentleman from Washington raises. That study will go into the question of what can really be done under existing legislation to correct the problems that have surfaced as a result of the drought problem in the Western and Midwestern States.

Mr. McCORMACK. Mr. Speaker, if the gentleman will yield further, let me ask one more brief question. If it is necessary to enact additional authorizing legislation, it would still be necessary to fund that program this spring; but will there be an opportunity for perhaps an additional supplemental under the legislation this spring?

Mr. BOLAND. Mr. Speaker, if the gentleman will yield further, I would think under those conditions there would be an opportunity for another urgent supplemental to cope with the problem the gentleman brings up.

Mr. Speaker, let me say with respect to the activities of Mr. Watson in the White House, if Mr. Watson and the President make a determination that disaster assistance can be expanded to other drought problems, other than livestock feeding and livestock transportation, then these funds can be used for that purpose. Whether there are sufficient funds from the moneys that we provide today is another matter; but I can assure the gentleman and the chairman of the full committee will also give that assurance, that if we get into that kind of activity and an urgent supplemental is required. this committee would be obliged to do that.

Mr. MAHON. Mr. Speaker, I yield to the gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. Mr. Speaker, I thank the gentleman.

Mr. Speaker, if I could address a question to the subcommittee chairman, following up on the comments of the gentleman from Washington. In the area that I represent, the drought is affecting people's lives. It is affecting their health and the safety of the area, because in order to cut down their water consumption, which has a mandatory 57-percent reduction, they are reducing when they even flush their toilets and things of that sort.

Now, as I read the law, the Federal Disaster Act, it says, "Emergency." This is what is the definition of the county I represent and many of the counties in the area:

"Emergency" means any hurricane, tornado, storm, flood, high water—

And so forth—

drought. . . . which requires Federal emergency assistance to supplement State and local efforts to save lives—

Not just livestock and cattle, but lives, that is people—

and protect property, public health—

Which is again people—

and safety or—

And this is very important, the key, which indicates that the Disaster Administration does have this authority.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. MAHON. Mr. Speaker, I ask unanimous consent to proceed for 4 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JOHN L. BURTON. I thank the Chairman. As I was saying, or to avert or lessen the threat of a disaster. Now, that would indicate to me that moneys could be made available through disaster assistance to haul water to communities, to provide funding to drill wells.

It really is weird if they can provide under an agricultural service 80 percent grants to drill wells for livestock, and they cannot provide a local water district which is in an emergency with funds to avert or lessen the threat of a major disaster. Under that language, it would

seem to me that the authority is there, if they so desired, to provide assistance in this area. They are reticent in doing it because they have never had to deal with a drought.

Mr. BOLAND. The gentleman from California may be correct, but I think this subcommittee has to await the thinking of Mr. Watson, Mr. Dunne, and the President with reference to what particular activities can be expanded to meet the very problem of which the gentleman from California speaks. As everyone in this Chamber knows, the gentleman from California has paid particular attention to this problem. He has been in on it since the time the drought started, and I am sure he has been in touch with the people who are responsible for the disaster relief assistance program. I am sure, with his great persuasive ability, he might very well get a determination by the President that these moneys can be used for the very activities the gentleman points out.

Mr. JOHN L. BURTON. In other words, the gentleman is making these funds available to the Federal Disaster Assistance Administration—which, parenthetically, in my view is a greater disaster than the drought—and these funds they can use to provide services, assuming that they are satisfied that they are legal, for a variety of means to help avert or mitigate a disaster. At the present time, it is their opinion that they are only going to use it for livestock, but this House and the gentleman's committee, if they found that they could use it otherwise, would not feel in any way that they were being put upon?

Mr. BOLAND. I think that the director of the Federal Disaster Assistance Administration and the White House would really have to expand upon the activities of drought relief for these moneys to become available.

Mr. JOHN L. BURTON. It would not affect the gentleman, is what I am asking. It would not be in any way in contravention of the fact that we are making money available to drought relief?

Mr. BOLAND. The answer is essentially no, but I believe the administration will want to exercise some caution so that the Treasury's exposure does not get out of control.

Mr. JOHN L. BURTON. I thank the gentleman.

Mr. MAHON. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. SISK).

Mr. SISK. Mr. Speaker, I appreciate the gentleman yielding to me.

I would like to inquire of my colleague from Massachusetts, the distinguished chairman of the subcommittee (Mr. BOLAND) having to do with the disaster program. As I understand, that is a part, of course, of HUD. The gentleman, in answer to a question from my colleague from Washington (Mr. MCCORMACK) a few moments ago, mentioned Mr. Dunne.

Let me say to my friend, without meaning to criticize that office particularly, but in a discussion with our Governor 2 or 3 days ago, many of us came to the conclusion that Mr. Dunne seems to spend more time figuring out why things cannot be done than why they can be done. Again, as I say, I have great regard for my colleague from Massachusetts and his committee and what they might be able to do in a persuasive way to, hopefully, broaden Mr. Dunne's vision to listen, in many cases. We feel in attempting to examine the law, that there should be more flexibility than so far he is willing to consider. I would appreciate the gentleman's comment.

Mr. BOLAND. I am delighted to respond. Let me respond in this way: In my judgment—and I have known Mr. Dunne for a number of years—he came to the Federal Disaster Assistance Administration perhaps 2½ or 3 years ago. Prior to that time, he was a very valuable and very important employee of the Economic Development Administration.

But in any event, he is one of the best public servants that I am aware of in the Federal Establishment.

As the gentleman from California knows, perhaps better than many in this Chamber, there is some historic precedent for drought relief. Back in 1971, for the first time the Federal Government got into the question of drought relief in the State of Oklahoma. But in a sense, let me say to the gentleman from California, there is not much precedent for drought relief but perhaps is can be expanded.

Mr. SISK. I thank my colleague.

The SPEAKER. The time of the gentleman from Texas (Mr. MAHON) has expired.

(By unanimous consent, Mr. MAHON was allowed to proceed for 2 additional minutes.)

Mr. DANIELSON. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. Mr. Speaker, I am pleased not with the prospects of drought, but with the fact that this discussion is being had. Mr. Speaker, I have asked for these 2 minutes in the hope that this will be the way to get a message to the disaster relief office. Unfortunately, the disaster relief office is geared up to meet such things as tornadoes, floods, and the like. Usually the disaster relief consists of the Corps of Engineers hooking up utility lines, repairing water mains, clearing debris, and the like, under conditions which would otherwise be normal. Corps work is corrective work. We have something else on our hands today. Drought. I know a little bit about drought because I grew up in the dust bowl. Drought is something different. We are not faced with hooking up utility lines or clearing away debris. There is one primary concern we have to worry about, and that is getting water to the drought areas. That is terribly important, and it is not contemplated in our disaster relief laws. We can, conceivably, transport cattle, hogs, sheep, and other livestock to a place where there is water for them, but we cannot transport trees. We cannot transport a vineyard. We cannot transport our cotton fields. We cannot transport our pulp mills and factories. We cannot transport our cities. We have to bring water to all of these. The crisis which will develop if we lose, in California, for example, our citrus groves, our fruit trees, our nut orchards, is a crisis that is going to be with us not just today but for 5 or 6 or 10 years to come. If we lose a citrus tree today and we replant it tomorrow, there is a minimum of 5 years before there is any production whatever. The time span is longer for other types of trees. I just hope that our people in the White House who have this primary responsibility will quit worrying about declaring some place a disaster area with a 3-percent loan and a 25-percent forgiveness. We have to have water, and we have to have it now, because the impact upon our society and upon our economy is something dreadful to even contemplate. The price of food in the next 5 or 6 years is going to go sky high if we do not do something to protect the sources of that food. I would say there is not a domestic matter of higher priority today than doing something about this drought situation.

Mr. COUGHLIN. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, the minority concurs with the report of the subcommittee. I would point out two things, in particular. One is that a more substantial part of these funds than usual will be for special unemployment benefits for those people who are not otherwise entitled to unemployment benefits.

The second thing I would point out is that in the committee report, at the suggestion of the gentleman from Florida (Mr. YOUNG) we have asked the Departments of Labor and Agriculture to investigate certain abuses that have been alleged in the food stamp funds and unemployment assistance in the State of Florida.

Mr. Speaker, we think this is important because there have been substantial alleged abuses in that area.

Mr. FREY. Mr. Speaker, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Florida.

Mr. FREY. Mr. Speaker, I thought the Members of the House would be somewhat interested in hearing about the investigation that took place in Florida over the last year. We helped the Orlando Sentinel obtain $5,000 in food stamps to see what would happen.

In the course of the investigation reporters—including Malcolm Williams—found there is a pretty good shopping list from food stamps. With $40 in food stamps a .32-caliber pistol was purchased; for $900 a 1969 Chrysler was purchased—and it was not in bad shape either.

Mexican marijuana was purchased for $360 in food stamps. There is a little mark-up on that item; you only received 50 cents on the dollar for food stamps in this area.

You can even get a teddy bear. An advertisement in the paper showed you could buy a cow and a calf for $250 worth of food stamps.

Purchased also was beer, turquoise jewelry, and cigarettes.

As a result of the investigation in Florida some arrests were made, but still a great deal of tightening up has to be done, I am sure, not only in Florida but throughout the country. Much of the

responsibility rests with the individual States.

It is sad to see such wastes when we can find many people who really need the food stamps. I cannot vote for this bill because of this money in it for food stamps. I realize my vote is only symbolic—but this program must be cleaned up. I hope my vote will bring renewed attention to this problem.

Mr. CHARLES H. WILSON of California. Mr. Speaker, will the gentleman yield so I may ask a question?

Mr. COUGHLIN. I would be glad to yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Speaker, did the investigators find that people were buying food with these food stamps, too?

Mr. FREY. Yes. Fortunately, they were buying some food with them, and some of it is getting through. We are delighted with that. However, as I said, with the 30-percent ripoff rate, the benefits just are not getting through enough to where they should go. That is the point I am trying to make.

Mr. COUGHLIN. Mr. Speaker, this is the reason, of course, why the gentleman from Florida (Mr. YOUNG) insisted on this language in the report, and I think it is important language.

Mr. HILLIS. Mr. Speaker, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Indiana.

Mr. HILLIS. Mr. Speaker, I would like to state briefly that I am, of course, very sympathetic with the problem of the drought, but the Midwest, particularly New York, Pennsylvania, Ohio, Michigan, and Indiana, has suffered another natural disaster this winter—a severe winter storm, perhaps the worst in 40 or 50 years.

The question I want to propound to the gentleman is this: Will a portion of these funds be allocated to meet the disaster when declared and if declared in these areas?

Mr. COUGHLIN. Mr. Speaker, these funds are included to meet declared disasters. Disaster declarations are requested by the Governors of the States and must be approved by the President. When there is a declaration these funds are included to fund activities in the disaster areas.

I know that the gentleman from Indiana (Mr. HILLIS) has been very active in this and has been on top of the situation out in Indiana. That is the purpose of having the funds in this joint resolution.

Mr. HILLIS. Mr. Speaker, I thank the gentleman very much.

Mr. BAFALIS. Mr. Speaker, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Florida.

Mr. BAFALIS. Mr. Speaker, today we are considering a resolution to provide additional funds for the disaster relief program. The terrible cold of this winter resulted in Presidential disaster declarations for hundreds of communities across the country. As a result, the disaster relief funds available to HUD have been nearly depleted.

Before we act on this matter, though, I think it would be wise to stop and take a look at where a great deal of this money has gone—a good, hard look.

Mr. Speaker, I am only familiar with this situation as it relates to Florida. However, I would venture to say it could be the tip of the iceberg. If any of the other communities across the country were affected by fraud and abuse even partially as much as those in Florida, we have a case of blatant abuse of taxpayers' dollars.

The situation in Florida was a mess—an absolutely horrendous mess. It will be months before invesitgators and auditors reach a point where they can estimate just how many millions of dollars were obtained fraudulently. Even veteran investigators, toughened by years of looking at human weakness, were amazed at how many men and women were willing to rip-off the Government—and the ease with which they were able to do it.

The programs used in Florida were designed by the Congress to aid those people who had lost their jobs as a result of the cold weather. Theoretically, this would mean that migrants who could no longer find work and their families would be those to qualify for emergency unemployment benefits and food stamps.

But men and women who had never seen a farm—let alone worked on one—signed up for and obtained thousands upon thousands of dollars worth of food stamps. And, unlike the normal food stamp program, these stamps were handed out at no cost to the recipient.

No identification was required at all—not a social security card, not a drivers' license, nothing. And, in the case of two reporters from local newspapers who went through the procedure to see how it was working, help was offered from those persons working for the food stamp program to provide fraudulent information. After this "help" was given one reporter, he walked out of the office with papers authorizing him to receive $500 in cash and benefits.

These illegally obtained food stamps usually were sold for cash—at about 50 cents on the dollar. However, some were openly traded for goods and services. One undercover agent used food stamps to purchase a gun and made arrangements to buy a car on the same terms.

In addition to food stamps, disaster unemployment assistance checks were received fraudulently under the relief programs. People received from $65 to $85 a week, even though they had never worked on a farm or had not been adversely affected by the freeze.

And, migrant workers who were eligible for assistance opted to take the unemployment checks while jobs in the fields went begging.

All in all, it was a real mess—at the taxpayers' expense.

Fortunately, it is now receiving the exposure it deserves. Alert law enforcement officials in Florida were quick to begin their investigations. Joseph d'Allesandro, the State's attorney in Lee County, Fla., investigated the first 220 names that appeared on emergency rolls in Lee County. Out of these names, only 30 applications were not fraudulent.

But I think it is significant that the Federal agencies involved with financing and backing these programs were not the ones to bring these massive violations to the fore.

I am pleased, however, that this legislation to provide funds for the continuation of these programs does contain a section recommending that the abuses in the Florida relief programs be monitored and that the necessary corrective action be taken.

Subcommittees of the Ways and Means Committee and the House Agriculture Committee have plans to investigate this matter in depth.

Hopefully, we will be able to come up with legislation to do away with these abuses once and for all.

It is a shame. Most people will not pay enough taxes in a lifetime to cover the abuses and ripoffs that were allowed to happen in Florida. It has got to be devastating to the law abiding, taxpaying citizens of this country that things like this are allowed to happen.

We in the Congress must demand the actions necessary to see that such abuses are not allowed to happen again, and until we do I cannot in good conscience vote for additional funds.

Mr. DON H. CLAUSEN. Mr. Speaker, I rise in strong support of the Disaster Relief Appropriation which is before us today. This will supplement our Federal disaster relief programs through fiscal year 1977 and is an urgently needed measure which deserves quick enactment.

In the Midwest and Northeast we have seen a crippling winter of bitter cold and snow which has necessitated a host of disaster proclamations. And, in the Western States, most notably California, we have seen a drought of unprecedented severity which has caused rationing of water for human use and an emergency situation for our agricultural community.

In my own State, California, 90 percent of the water used is for irrigated agriculture, our No. 1 employer. Our current drought is focusing on just how important California's water resources are to sustaining the production of food and fiber, our strongest contributer to the gross national product of this country.

Both of my committees—the Public Works and Transportation Committee and the Interior and Insular Affairs Committee—are in the early stages of investigating the severity of the drought, its long range affects and feasible long range solutions. In fact, this evening I am scheduled to fly out to the west coast with my colleagues on the Water and Power Subcommittee in the Interior Committee to attend hearings on the drought situation.

These efforts are to discover what is really happening, what we can expect in the future and what is the Federal role. However, the legislation which we have before us now addresses the immediate affects of such an emergency and it is imperative for the health and safety of Californians, as well as others across the country, that we move on this bill expediciously. It is an urgently needed program that deserves our approval.

Mr. KEMP. Mr. Speaker, I rise in support of this legislation to provide $200 million in additional, urgently needed disaster relief for portions of the country, including western New York.

The Federal disaster relief program is designed to supplement the efforts and available resources of State and local governments and voluntary relief organizations. The unanticipated level of disaster and emergency declarations arising from severe weather conditions during this winter has resulted in heavy demands for relief funds. Presently available funds will be exhausted in the next few weeks, unless this resolution is approved.

Based on my personal visits as well as my contact with western New York leaders and the people there I know, western New York needs this aid. Our area was hit doubly hard by the extended blizzard and severe cold conditions of this winter. First, the strained fiscal situation of the local governments in the area made it literally impossible to replace lost equipment and damaged property due to their inabilities to enter the capital markets. Second, the extent of the storm conditions was virtually unbelievable.

The storm period that began January 17, was preceded by record snowfall and record cold in the area. Buffalo had already passed the 1909 snow record of 126.4 inches. January was the first January in 107 years that temperatures did not once get above freezing. The total snowfall by the time of the disaster declaration reached 160 inches, with 37 consecutive days of below-freezing temperatures. Winds up to 70 miles per hour were recorded at the height of the storm. Seven people died in that storm. And to make matters worse, all the major service delivery systems of the local governments had been severely strained before the storm.

A review of the headlines of the local papers point out the staggering impact of that storm:

Blizzard Paralyzes WNY, Kills 7, Strands Thousand.

Helicopters, Federal Aid Are Sought.

Blizzard Rakes All WNY Counties

Braving Inferno, Winter's Fury, Firemen Save a Neighborhood.

Storm Renews Icy Grip, Balks Bid to Open Roads.

Blizzard Claims 10 Lives in Erie, Wyoming Counties.

Military Working to Clear Access to Three Hospitals.

Snow Funds Melt Away.

Mayor Bans Driving in City.

U.S. Troops Sent to Aid in Cleanup.

WNY Commerce Crippled; Transportation Limited.

Police Lead Fight for Survival, Hail Volunteers.

Hit-Run Burglars Loot Stores, Stalled Vehicles.

Guardsmen Battle Drifts, Search for the Stranded.

Ashland Plant Knocked Out, Cutting Fuel Supply Further.

Food Stores Short.

Traffic Disaster Jams Roads.

The economy of western New York has been in a general decline over the past 25 years with an accelerated deterioration of the economic base since the mid-1960's. While employment in the industrial manufacturing sector has declined by 10 percent in the Northeast since 1951, western New York has had a 25-percent decline. This has created structural unemployment for the area of enormous magnitude. Before the storm, our unemployment rate was running about 16 percent, twice the national level, but the already depression-like economic conditions and the natural gas shortage and bad weather of January and February combined to make matters worse than ever.

The loss of permanent spending due to the loss of personal income during the disaster period amounted to some $60 million, and the estimated gross local product loss now exceeds $100 million. Those losses were occasioned by both the storm and the energy shortage. Retail sales in the Buffalo metropolitan area were down 60-percent or $6.6 million per day as a result of the storm and down $2.8 million a day as a result of the energy shortage. Wholesale sales were down $4.5 million a day because of the storm and down $0.9 million a day because of the lack of adequate energy.

Extraordinary costs to local government arose from damage to property and equipment—streets, motor vehicles, schools, public works, parks, sewers, housing, public buildings, even the zoo. Fire and police services, water, and other community services were very hard hit by damage to equipment and overtime costs.

Together with other from the New York State congressional delegation, the Governor and State officials, and local leaders, we appealed for an emergency declaration, and one was declared by President Carter. It was a real bipartisan effort. Help was forthcoming immediately. We cannot thank enough the thousands of people who helped us overcome the immediate problems posed by the disaster—from the White House, the Federal Disaster Assistance Administration, through the New York State National Guard, the U.S. Army Corps of Engineers, to the firemen, policemen, and scores of public officials and volunteers whose help will always be remembered by those they aided.

There are four problems which remain.

First, we must assure adequate Federal funds to complete the disaster relief. That assurance is carried in the bill now before us.

Second, we must prevent severe flooding as record quantities of snow melt in late winter and spring. I am working closely with the headquarters and district offices of the Corps of Engineers to institute flood prevention measures now. Those measures include the dispersal of ice jams, unsnaggings, removal of debris from streams, stream bank reinforcement, sandbagging, and other measures.

Third, we need to obtain a waiver of the 30-percent local share for the costs of snow and ice removal and food prevention. The President's declaration of a major disaster area in western New York on February 4 and his earlier designation of Federal emergency status for the area effectively lessened hardship and helped the return to normalcy in the area. But the customary formula for cost sharing—70-percent Federal, 30-percent local—has continued the fiscal crisis faced by the local communities. As I indicated a moment ago, they were already operating under severe fiscal strain when the winter storms hit. For example, the twice-national-level unemployment had caused a drain-off of over 50-percent of Erie County's budget for individual public assistance. The President has the authority to waive that 30-percent local matching share requirement, and I appealed to him on February 21 to make such a waiver. This is still up in the air and remains a major stumbling block to full recovery in the area.

Fourth, we need to institute measures to stop the scandalous food stamp abuses like we had in the Buffalo area. I was appalled at first-hand and news media accounts of the method used to distribute food stamps after the declaration, especially the Agriculture Department's decision to make available an entire month's supply of stamps—free of any charge—to persons regardless of their incomes and who are normally employed but who lost as little as a day's work during the emergency. I called upon the Secretary of Agriculture to take immediate steps to improve and reevaluate stamp distribution criteria in order both to assure assistance for the truly needy and to make sure that all applications are verified for validity. That request was on February 15. I have more recently requested a personal meeting with the Secretary to discuss the food stamp problems in Buffalo and Erie County. These requests are of crucial importance, because instances of widespread abuse and fraud are still being reported to me. To this date, now going on a month, I have yet to hear from the Secretary that the matter will be fully corrected.

Over a year ago, I introduced legislation with more than 40 provisions to reform the food stamp program to correct just this kind of administrative mismanagement. I have reintroduced it this year. One of the most important reforms is to determine eligibility strictly by adjusted income after taking into account medical, housng, school, and other expenses. The Committee on Agriculture has sat on this bill. I am particularly gratified, therefore, to know the bill now before us requires, at the direction of the Committee on Appropriations and its chairman, a full top-to-bottom review of the food stamp abuses in these situations. That is but a first step, but it is an important one.

A crisis brings out both the good and the bad, and I do not want to end on a negative note. The acts of humanitarian assistance and heroism by both public and private citizens alike proves that our Judaeo-Christian ethic is very much alive and well, I am proud that the overwhelming majority of western New York citizens exemplify to the highest degree that rich ethical heritage.

Mr. MAHON. Mr. Speaker, I move the previous question on the joint resolution.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. HILLIS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 411, nays 4, not voting 17, as follows:

[Roll No. 41]

YEAS—411

Abdnor	Clausen,	Forsythe
Addabbo	Don H.	Fountain
Akaka	Clawson, Del	Fraser
Alexander	Clay	Frenzel
Allen	Cleveland	Fuqua
Ambro	Cochran	Gammage
Ammerman	Cohen	Gaydos
Anderson,	Coleman	Gephardt
Calif.	Collins, Ill.	Giaimo
Anderson, Ill.	Collins, Tex.	Gibbons
Andrews, N.C.	Conable	Gilman
Andrews,	Conte	Ginn
N. Dak.	Conyers	Glickman
Annunzio	Corcoran	Goodling
Applegate	Corman	Gore
Archer	Cornell	Gradison
Armstrong	Cornwell	Grassley
Ashbrook	Cotter	Gudger
Ashley	Coughlin	Guyer
Aspin	Crane	Hagedorn
AuCoin	D'Amours	Hall
Badillo	Daniel, Dan	Hamilton
Baldus	Daniel, R. W.	Hammer-
Barnard	Danielson	schmidt
Baucus	Davis	Hanley
Bauman	de la Garza	Hannaford
Beard, R.I.	Delaney	Hansen
Beard, Tenn.	Dellums	Harkin
Bedell	Dent	Harrington
Benjamin	Derrick	Harris
Bennett	Derwinski	Harsha
Bevill	Devine	Hawkins
Biaggi	Dickinson	Heckler
Bingham	Dicks	Hefner
Blanchard	Diggs	Heftel
Blouin	Dodd	Hightower
Boggs	Dornan	Hillis
Boland	Downey	Holland
Bolling	Drinan	Hollenbeck
Bonior	Duncan, Oreg.	Holt
Bonker	Duncan, Tenn.	Holtzman
Bowen	Early	Horton
Brademas	Eckhardt	Hubbard
Breckinridge	Edgar	Huckaby
Brinkley	Edwards, Ala.	Hughes
Brodhead	Edwards, Calif.	Hyde
Brooks	Edwards, Okla.	Ichord
Broomfield	Eilberg	Ireland
Brown, Calif.	Emery	Jacobs
Brown, Mich.	English	Jeffords
Brown, Ohio	Erlenborn	Jenkins
Broyhill	Ertel	Jenrette
Buchanan	Evans, Colo.	Johnson, Calif.
Burgener	Evans, Del.	Johnson, Colo.
Burke, Calif.	Evans, Ga.	Jones, N.C.
Burke, Fla.	Evans, Ind.	Jones, Okla.
Burke, Mass.	Fary	Jones, Tenn.
Burleson, Tex.	Fascell	Jordan
Burlison, Mo.	Fenwick	Kasten
Burton, John	Findley	Kastenmeier
Burton, Phillip	Fish	Kazen
Butler	Fisher	Kemp
Byron	Fithian	Ketchum
Caputo	Flippo	Keys
Carney	Flood	Kildee
Carr	Florio	Kindness
Carter	Flowers	Koch
Cavanaugh	Flynt	Kostmayer
Cederberg	Foley	Krebs
Chappell	Ford, Mich.	Krueger
Chisholm	Ford, Tenn.	LaFalce
Lagomarsino	Neal	Skubitz
Latta	Nedzi	Slack
Leach	Nichols	Smith, Iowa
Lederer	Nix	Smith, Nebr.
Le Fante	Nolan	Snyder
Leggett	Nowak	Solarz
Lehman	Oakar	Spellman
Lent	Oberstar	Spence
Levitas	Obey	Stangeland
Lloyd, Calif.	O'Brien	Stanton
Lloyd, Tenn.	Ottinger	Stark
Long, La.	Panetta	Steed
Long, Md.	Patten	Steers
Lott	Patterson	Steiger
Lujan	Pattison	Stockman
Luken	Pease	Stokes
Lundine	Pepper	Stratton
McClory	Perkins	Studds
McCloskey	Pickle	Stump
McCormack	Pike	Symms
McDade	Poage	Taylor
McEwen	Pressler	Thompson
McFall	Preyer	Thone
McHugh	Price	Thornton
McKay	Pritchard	Tonry
McKinney	Pursell	Traxler
Madigan	Quayle	Treen
Maguire	Quie	Trible
Mahon	Quillen	Tsongas
Mann	Rahall	Tucker
Markey	Rangel	Udall
Marks	Regula	Ullman
Marlenee	Reuss	Van Deerlin
Marriott	Rhodes	Vander Jagt
Martin	Rinaldo	Vanik
Mathis	Risenhoover	Vento
Mattox	Roberts	Volkmer
Mazzoli	Robinson	Waggonner
Meeds	Rodino	Walgren
Metcalfe	Roe	Walker
Meyner	Rogers	Walsh
Michel	Roncalio	Wampler
Mikulski	Rooney	Watkins
Mikva	Rose	Waxman
Milford	Rosenthal	Weaver
Miller, Calif.	Rostenkowski	Weiss
Miller, Ohio	Rousselot	Whalen
Mineta	Roybal	White
Minish	Rudd	Whitehurst
Mitchell, Md.	Runnels	Whitley
Moakley	Ruppe	Whitten
Moffett	Russo	Wiggins
Mollohan	Ryan	Wilson, Bob
Montgomery	St Germain	Wilson, C. H.
Moore	Santini	Wilson, Tex.
Moorhead,	Satterfield	Winn
Calif.	Sawyer	Wolff
Moorhead, Pa.	Scheuer	Wright
Moss	Schroeder	Wydler
Mottl	Schulze	Wylie
Murphy, Ill.	Seiberling	Yates
Murphy, N.Y.	Sharp	Yatron
Murphy, Pa.	Shipley	Young, Alaska
Murtha	Shuster	Young, Mo.
Myers, Gary	Sikes	Young, Tex.
Myers, Ind.	Simon	Zablocki
Myers, Michael	Sisk	Zeferetti
Natcher	Skelton	

NAYS—4

Bafalis	Kelly	McDonald
Frey		

NOT VOTING—17

Badham	Howard	Sebelius
Bellenson	Mitchell, N.Y.	Staggers
Breaux	Pettis	Teague
Dingell	Railsback	Wirth
Goldwater	Richmond	Young, Fla.
Gonzalez	Sarasin	

The Clerk announced the following pairs:

Mr. Teague with Mr. Badham.
Mr. Staggers with Mr. Mitchell of New York.
Mr. Breaux with Mr. Railsback.
Mr. Dingell with Mr. Sarasin.
Mr. Howard with Mr. Young of Florida.
Mr. Richmond with Mr. Sebelius.
Mr. Wirth with Mr. Goldwater.
Mr. Bellenson with Mr. Gonzalez.

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SECOND BUDGET RESCISSION BILL, FISCAL YEAR 1977

Mr. MAHON. Mr. Speaker, pursuant to the order of the House on Tuesday, March 1, 1977, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3839) to rescind certain budget authority recommended in the message of the President of January 17, 1977 (H. Doc. 95-48), transmitted pursuant to the Impoundment Control Act of 1974; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 1 hour, to be equally divided and controlled by the gentleman from New York (Mr. McEWEN) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 3839, with Mr. CORMAN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Texas (Mr. MAHON) will be recognized for 30 minutes and the gentleman from New York (Mr. McEWEN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Chairman, this is the second budget rescission bill to be presented to the House this year by the Committee on Appropriations. It is associated with the message of the President dated January 17, 1977, which was transmitted in accordance with title X of the Congressional Budget and Impoundment Control Act. The consideration of the proposals in the January 17 message was undertaken in four of the Appropriations Subcommittees. The full committee reported the bill on Tuesday of this week.

The bill as reported by the committee includes five rescissions. Three rescissions are in the defense area.

The committee is recommending a rescission of $452,600,000 in fiscal 1977 shipbuilding and conversion appropriations. This includes $81,600,000 of the $350,000,000 appropriated for long lead-time material for the CVN-71 nuclear-powered carrier and the entire $371,000,000 appropriated for long leadtime material to convert the U.S.S. *Long Beach* to an AEGIS ship.

Also in the defense area, the committee is recommending a rescission of $143,600,000 for retired military pay since these funds are not required because of changes in the annuity adjustment mechanism, revised strength and rate estimates based on actual experience to date, and a lower than anticipated Consumer Price Index rate. The bill would also rescind $14,350,000 for the Advanced Logistics Systems of the Air Force.

With respect to foreign aid, the committee has determined that $41,500,000 of budget authority would not be required to carry out the full objectives

and scope of the Foreign Military Credit Sales program. Changes in program plans are placing increased reliance on guaranteed loans rather than on direct credit and the Committee is recommending this rescission. This matter was handled by the Foreign Operations Subcommittee headed by the gentleman from Maryland (Mr. LONG).

The bill includes one rescission under the jurisdiction of the State-Justice-Commerce Subcommittee headed by the distinguished gentleman from West Virginia (Mr. SLACK) having to do with international peacekeeping activities. The Committee is recommending the rescission of $12 million of the $40 million appropriated for U.S. contributions to United Nations peacekeeping activities in the Middle East. The additional funds are not needed because the United Nations in December 1976, established a lower peacekeeping budget than expected.

So, Mr. Chairman, the committee is recommending rescissions totaling some $664 million. At this point in the RECORD, I shall insert a table outlining the rescission proposals and the recommendations of the Committee contained in the bill:

COMPARISON OF RESCISSIONS PROPOSED IN H. DOC. 94-48 (AS AMENDED) AND COMMITTEE RECOMMENDATIONS[1]

Rescission number	Department and activity	Amount proposed for rescission	Amounts recommended for rescission in bill	Amounts made available for obligation
	Department of Defense—Military:			
R77-8	Retired pay, Defense	$143,600,000	$143,600,000	
R77-9	Shipbuilding and conversion, Navy	721,000,000	452,600,000	$268,400,000
R77-10	Other procurement, Air Force	14,350,000	14,350,000	
	Total, Department of Defense	878,950,000	601,550,000	268,400,000
	Funds appropriated to President:			
R77-5	Foreign military credit sales	41,500,000	41,500,000	
	Department of State:			
R77-11	Contributions for international peacekeeping activities.	12,000,000	12,000,000	
	Department of Commerce:			
R77-6	U.S. Travel Service: Salaries and expenses.	525,000		525,000
R77-7	National Oceanic and Atmospheric Administration: Operations, research, and facilities.	1,500,000		1,500,000
	Subtotal, Department of Commerce.	2,025,000		2,025,000
	Total, Subcommittee on State, Justice, Commerce, and the Judiciary.	14,025,000	12,000,000	2,025,000
	Department of Transportation:			
R77-12	Coast Guard: Retired pay	6,803,000		6,803,000
	Grand total	941,278,000	664,050,000	277,228,000

[1] Excludes $60,000,000 for the direct loan program of the Small Business Administration (R 77-13) which is being withdrawn.

Mr. Chairman, I would like to address for a moment the proposed rescissions for the *Nimitz*-class carrier and the conversion of the U.S.S. *Long Beach*.

I think all Members of the House are defense minded. Certainly I have been working on defense appropriations for a number of years and I have helped pilot through the Congress legislation involving hundreds of billions of dollars for the defense of the country. I began working on military appropriations in 1940.

Mr. Chairman, I might make reference to the late Presidential campaign and some statements which have been made since that time. It was stated by some that drastic slashes, wild cuts, would be made in the Defense budget by the present occupant of the White House if he was elected. The President of the United States has submitted a revised budget with respect to Defense. President Carter is recommending $10 billion by way of increase in the fiscal year 1978 budget over what we provided for Defense last year. There is a sharp increase in the Defense budget which has been submitted to us for fiscal year 1978.

Mr. Chairman, what I think all of us want to do is to move toward a position of greater strength and greater modernization.

So-called smart weapons have been developed and those weapons, such as the cruise missile, are such that the oceans have become less safe than they have in the past. We need a greater opportunity to cover more areas of the ocean, to disperse our forces more widely and to do that we have to have more ships. We have been building big carriers, and we are strong for the big carrier, at least I am, and we have 13 big carriers now. New smaller carriers would certainly improve our capabilities well into the next century. So we are strong for the present capabilities which we have and we want to expand them.

We feel, and the Defense Department people feel, that with respect to carriers we need more carriers, not bigger carriers. We can construct the smaller carriers and have more of them and promote by that procedure the defense of the United States.

Now, Mr. Chairman, the rescission which is proposed in this legislation has already been approved by the House. It is in the third budget resolution. It provides specifically for this rescission. The House has already acted upon that matter, and will act later today on the conference report which provides for the rescission in the budget resolution which is proposed in the bill before us today. So if we should not agree to this rescission, then it would be necessary for the Congress to appropriate slightly less than $2 billion additional and have a new budget resolution increasing the budget ceiling, or else we must restrict other programs. So it would be a very serious mistake, in my opinion, for us at this time to bring about a situation which would require approximately $2 billion in additional expenditure possibilities above the new budget resolution.

So, Mr. Chairman, I would hope that the House will support the Appropriations Committee and subscribe to these rescissions.

Mr. Chairman, I will not pursue this matter further at the moment. We only have 30 minutes in general debate, and I want to be able to yield to others. When we come to the amendment stage, we can discuss in more detail the main issues which will be in controversy in connection with this legislation.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. MCEWEN).

Mr. MCEWEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Alabama (Mr. EDWARDS).

Mr. EDWARDS of Alabama. Mr. Chairman, I rise in support of this bill. As far as the defense aspects of it is concerned, there are several parts.

In one, we would rescind $143,600,000 in retired pay accounts. Anytime we start talking about retired pay, we get a little nervous. We have explored this quite thoroughly, and the committee is convinced that this money is not needed. We have changed some of the adjustment mechanisms on annuities, and because of the consumer price index rate being lower than anticipated, we find that we can save this money on retired pay. This rescission should be approved.

On the ship building and conversion, Navy, I fully support the rescission of $452 million on the carrier and on the *Long Beach*. I shall not go into great detail—or any detail, for that matter—on this item at this time because it is my understanding that we will have amendments offered and that Members will have an opportunity to debate the merits of these two rescissions on the ships.

In the area of procurement, Air Force, we are proposing to rescind $14,350,000 to terminate the advanced logistic system. We funded this 2 years ago, and then last year concluded that it should be terminated, that it was not going where it should be going. The amount of $14,350,000 is the unexpended part of that earlier appropriation. We have discussed this at some length with the Air Force to make sure that, in fact, it has been terminated. There had been some question as to whether the total package for the ALS has been terminated. We are convinced that it has been. There may be a few loose ends, and they will be taken care of shortly.

So, Mr. Chairman, I do support the rescission package presented by the De-

fense Subcommittee, and I urge Members to join in supporting it.

Mr. MAHON. Mr. Chairman, I yield 5 minutes to the gentleman from Florida (Mr. CHAPPELL).

Mr. CHAPPELL. Mr. Chairman, I rise to say that I am in support of this bill with the exception of the procurement section on page 2, chapter 1. At the proper time, I will offer an amendment, together with my colleague from Florida (Mr. BENNETT), which would seek to restore to the funding level as prescribed by the last Congress the *Nimitz*-type carrier. This is the law of this country at this present time unless we do something today, which I hope we will not do.

At the proper time we will seek to show to this House that the United States can buy the *Nimitz*-type class carrier, which does more than twice the work of the small carrier, for the same amount of money. That is explained in this way, and I can make it perfectly clear that the total cost of the big carrier, the *Nimitz* type, is $2 billion. We have already appropriated and we have already obligated all of that $350 million except $81 million.

Those moneys are already contracted out for the component parts of the CVN–71 carrier. That leaves, then, only $1.6 billion to be yet appropriated for the full construction of the CVN–71 carrier.

Let us compare: $1.6 billion is the remaining balance for construction of that supercarrier. The small carrier, which has no case, no design, nothing other than a very remote mission, is not even on the drawing boards, and yet it is estimated to cost a minimum of $1.25 billion.

Keep in mind that this smaller carrier is a fossil-fuel carrier. This is a diesel carrier. That means during the next 13 years, which will be the life cycle of the *Nimitz*-type carrier, we are going to have to spend $330 million, according to Admiral Rickover, to buy the fuel for the smaller carrier.

When we take the $1.25 billion and add to it the $350 million for fuel, we come up with a figure of $1.58 billion against $1.6 billion, for the large carrier. This is essentially the same amount of money. And we will show the Members that this carrier can do more than twice what the other carrier can do, and it means that it is in the budget now, it is not somewhere way off down the road.

We will seek to show the Members that the leadership in the Navy, and those who have made studies of this issue, insist that we must have the additional *Nimitz*-type carrier.

Where we go from there is a different point. But they insist upon a level of 12 carriers which we will have with the production of this additional carrier.

So I would ask the membership at the proper time, Mr. Chairman, to vote for this amendment which would strike from this rescission bill the rescission of the additional carrier.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. CHAPPELL. I yield to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. I thank the gentleman for yielding.

As a matter of fact, is it not true that every naval expert who has appeared before the gentleman's committee earlier than this year has said that the *Nimitz* class is far more efficient than the smaller carrier which has been proposed?

Mr. CHAPPELL. The gentleman is absolutely correct.

Mr. WHITE. When you are carrying out a mission with a nuclear force, which we hope to have, you have to have replacement aircraft and aircraft for various missions. If you have a small carrier, it cannot carry sufficient aircraft to fulfill all of these missions; is that correct?

Mr. CHAPPELL. That is correct. And too, if we are going to be in a posture of living capable of extending sea power ashore, this is a vital necessity.

Mr. WHITE. If we have a small class carrier the so-called experts presently are advocating, we may be putting our chips on an aircraft which only has a range of 50 miles; is that not true?

Mr. CHAPPELL. The gentleman is correct.

Mr. WHITE. When the gentleman talks about the smaller aircraft carrier being a petroleum-powered ship, rather than nuclear, does not this run counter to what this Congress by legislation has attempted to provide?

The CHAIRMAN. The time of the gentleman from Florida (Mr. CHAPPELL) has expired.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield 7 minutes to the gentleman from California (Mr. BOB WILSON).

Mr. BOB WILSON. Mr. Chairman, I have heard my colleagues who have spoken this afternoon on this subject, which is, I think, the most important military issue that we are going to be discussing.

I do not like to find myself in conflict with the chairman of the Committee on Appropriations, who is my neighbor in the Rayburn Building, and with my good friend, the gentleman from Alabama (Mr. EDWARDS) for whom I have great devotion. However, I believe the decision that was made on these two rescissions concerning the two ships in this recission bill was at least in part made on the erroneous information that was knowingly supplied by the Defense Department to the Congress.

Our Subcommittee on Seapower and Strategic and Critical Materials, headed by the distinguished gentleman from Florida (Mr. BENNETT), held extensive hearings over the past few weeks. We were talking with the Navy about these two ships because the word was out that this rescission was planned. The testimony we heard was with regard to the carrier, the CVN–71, as it is known, and that is the carrier that we in this body last year authorized. We authorized it and made appropriations for it, and the Senate did likewise. President Ford supported this legislation last year as a means of increasing our strike force.

This carrier is really the classic example of the superiority of the United States over Russia in the naval field. The Russians have nothing to compare with our nuclear-powered carriers, and yet today we are faced with the prospect of striking this out of the bill and dooming this most important carrier, at least in the foreseeable future.

As far as carriers are concerned, we have nuclear-powered carriers and we have oil-powered carriers, the last one that we built being the *Kennedy*. Every naval officer with whom I talked said that was one of the biggest mistakes Congress has ever made. We had already built the nuclear-powered *Enterprise*, and then we went into the oil-powered *John F. Kennedy*. It was a real disaster and a real mistake, and we are still living with it. I hope we will not make a mistake with regard to this carrier.

This does cost money. It is expensive, but it has a great life potential. It will take years to build, but it will have an estimated 30 to 40 years of life after it is completed, and that will take it way into the next century.

Who knows what supplies of energy will be available to us at that time? There are all sorts of predictions that we will be out of oil by the year 2000 if we continue using oil at the rate we are using it now. That would be in the middle life of this Nimitz carrier that we are talking about, and it can operate on its nuclear power for 13 years without any need of refueling.

Mr. Chairman, I hope the House will support the amendment that will be offered by the gentleman from Florida (Mr. CHAPPELL) to delete this rescission.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to my friend, the distinguished minority leader.

Mr. RHODES. Mr. Chairman, I thank my good friend, the gentleman from California, for yielding.

I join with the gentleman from California (Mr. BOB WILSON) and the gentleman from Florida (Mr. CHAPPELL) in the hope that this amendment will be adopted. In opposing the striking of this carrier from the legislation, I have no particular ax to grind. However, my years on the Subcommittee on Defense of the Committee on Appropriations have led me to believe that we should go more toward nuclear power in the Navy instead of less nuclear power.

In the latter years of my service on that subcommittee I was well aware of a conflict of opinion, mainly among naval officers, as to whether the Navy should go for a quantity of ships which would be conventionally powered or toward fewer ships which would be nuclear powered. After listening to testimony for hours upon end, I came down on the side that we should have fewer ships, if necessary, but we should make them nuclear powered, for the reasons that the gentleman from California (Mr. BOB WILSON) has so well stated and as has been so well stated by other Members who have spoken.

It is well known that nuclear ships have a much longer cruising ability, and if we could have a nuclear task force containing ships that are nuclear powered, then we would have an amazingly

flexible weapon, a very powerful weapon; we would have ships which can stay at sea just as long as is necessary.

We would not have to spend the money for tenders. We would not have to have as many auxiliary ships.

Mr. Chairman, it seems to me that a nuclear fleet would give the Navy a much more reliable striking force than it could have if it relied instead on the mix of conventional ships and nuclear ships. Nuclear power is the more desirable approach.

If we have one conventional ship, as I understand it, in a nuclear task force, we very effectively slow down that task force to the pace of that one conventionally powered ship. It does not make any sense to do it that way.

Therefore, Mr. Chairman, I certainly feel that in rescinding this we are not doing the right thing. Of course, I have great respect for my good friend, the gentleman from Alabama (Mr. EDWARDS) and for the chairman of the committee, the gentleman from Texas (Mr. MAHON); but I cannot believe that it is correct to come down on the side of those in the Navy who have apparently gone for quantity rather than the flexibility and the durability of a nuclear-powered aircraft carrier.

For that reason, Mr. Chairman, I intend to support my friend, the gentleman from California (Mr. BOB WILSON), in his desire to retain the Nimitz-class carrier in the budget.

Mr. JOHN T. MYERS. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Indiana.

Mr. JOHN T. MYERS. Mr. Chairman, one other argument has been touched upon here. I think the argument can well be made that the smaller carrier might be advisable in the future; but again, we are talking about the future and the timeliness of this larger carrier. We are considering discarding this carrier, as I understand it, to delay and wait quite some time before we even start the smaller carrier.

Mr. Chairman, as long as we are talking about the same number of dollars, we had better go with what we have now and not wait 2 or 3 years to start plans for this carrier. Is that correct?

Mr. BOB WILSON. The Navy has no plans for this carrier in the future. They cannot tell us what it is going to look like. It is just somebody's dream, a long way down the pike.

Mr. JOHN T. MYERS. Therefore, actually we are talking about spending just about the same number of dollars which the gentleman from Florida (Mr. CHAPPELL) identified here; but at least we are going to have something about 3 years from now, not a relatively long time off.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield myself 1 additional minute.

Mr. Chairman, if we build the CVN–71, we are not going to have it in 2 or 3 years from now, and I do not think that anyone should misunderstand what we are talking about.

There is only one shipyard in this country that is building or that can build these big nuclear carriers, and that is in Newport News, Va. That yard is now 2 years behind on the CVN–70, and the earliest possible date that anybody has even suggested would be 1984 before the CVN–71 could be built. Everybody who has looked at it closely thinks it is going to be later than 1984, maybe 1985 or 1986.

Therefore, Mr. Chairman, we need to keep all of this in perspective as to the time about which we are talking. We are not talking about a big-deck carrier about to come off the ways or on which we are about to start construction. That is a long way down the road, during which time the smaller carriers could also be built. The truth is that one or two of those smaller carriers, which can be built in a number of yards, could be coming off the ways at the same time as the CVN–71.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. EDWARDS) has expired.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield myself 1 additional minute.

Mr. JOHN T. MYERS. Mr. Chairman, will the gentleman yield

Mr. EDWARDS of Alabama. I yield to the gentleman from Indiana.

Mr. JOHN T. MYERS. It would seem that the timeliness of our action is not really too important if this ship is not going to be built for 3 or 4 or 5 years, so that we can take a look at it a year from now. In that event, we really have not lost or gained anything by taking action. However, now we have an alternative in knowing that we are going to have a ship which we would not have under the rescission.

Mr. EDWARDS of Alabama. The point is that right now we have the tail about to wag the dog because we have spent or obligated about $268.4 million for major propulsion components and long leadtime items and that sort of thing. If we do not pay off now, then we have that $268.4 million tail wagging a $2.3 billion dog.

That is the problem we face. We can build two of these smaller carriers for just about the same amount of money that we would have to spend on that one big carrier.

Mr. JOHN T. MYERS. Mr. Chairman, if the gentleman will yield one step further, at least we would be wagging, and, under the rescission, we would not be wagging anything; we would have to start from scratch several years from now.

Mr. ADDABBO. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I fully support the rescissions included in H.R. 3839. Several rescission proposals are included in the bill, only one of which is controversial. Under "Shipbuilding and Conversion" it is proposed that $452,600,000 appropriated last year, fiscal year 1977, be rescinded. The amount includes $371 million for conversion of the cruiser *Long Beach* and $81.6 million for long-lead items for a new *Nimitz*-class aircraft carrier.

Both President Ford and President Carter have requested the rescission of these funds. The rescissions are supported by Secretaries of Defense Harold Brown and Donald Rumsfeld. The full Appropriations Committee has agreed to the rescissions requested.

The rescission of the funds for the aircraft carrier grow out of a study by the National Security Council started in January of 1976 and completed in December which led President Ford to conclude that large costly carriers, like the one in question, were too vulnerable to Soviet cruise missiles to justify their continued construction. It is further recognized that an additional *Nimitz*-class carrier is not required to maintain the desired carrier level of 12 large carriers through the 1990's. The National Security Council study concluded that any new carriers should be designed for vertical and short takeoff and landing aircraft—V/STOL. Funds for the design of such a ship, called the CVV, are included in the fiscal year 1978 budget. Authorization for its construction is in the fiscal year 1979 authorization now before the Congress.

The amount appropriated for long-lead time items for another *Nimitz*-class carrier was $350 million. The Navy almost immediately upon enactment of the Defense appropriation bill, perhaps knowing that the carrier might not be supported in the fiscal year 1978 budget, obligated $268 million of the $350 million. Those funds will not be wasted if another *Nimitz*-class carrier is not built. The funds were obligated for components of the nuclear-propulsion units and will be used as spares for the fewer nuclear-powered carriers which will be retained in the fleet. We could go further and force the Navy to deobligate those amounts not yet expended but to do so would result in cancellation and termination charges. The committee agrees with the Secretary of Defense that it would be best to buy our nuclear spares in this way so that there will be no loss.

If you listen to the opponents of the rescission, you might think that we are proposing a sudden end of the big deck nuclear-powered carrier and nuclear-powered surface ships. This is not at all the case. The plan of the President, the Secretaries of Defense and the Navy, the Chief of Naval Operations, and the Committee on Appropriations is to maintain a fleet of 12 carriers, including fewer nuclear carriers, into the 21st century. We plan a slow evolution from large, nuclear-powered carriers to smaller, but still quite large, conventionally powered carriers. We plan to maintain a balanced force mix of nuclear and conventional carriers.

There is no sudden change proposed. We still have two nuclear-powered carriers under construction. We have design money for the first CVV carrier in the fiscal year 1978 budget. Construction funds will be requested in the fiscal year 1979 budget. It is estimated that the first CVV will be completed sooner than CVN–71.

We are moving carefully. However, we need to decide now that we want a modern Navy capable of surviving in the threat projected in the latter part of this century. The cruise missile threat is not a dream of the future. It is deployed today. It is good today and will be better in the future. To continue to put our shipbuilding funds into fewer numbers of carriers which are too big, which are easily targeted, and of which we can

never have enough to cover the ocean areas we need to cover is folly. We must look to the future, not to the past, in providing for our Nation's security. You cannot win the next war with weapons of the last war.

Of course, those who are involved in nuclear propulsion, both in the Government and in industry, would like to continue building huge, costly, nuclear-powered ships. They must be that size in order to be cost-effective when compared to conventionally powered carriers. We must not yield to narrow, parochial interests in deciding which ships to provide our Navy. When we have a program which will both better meet the future threat and will reduce costs we should not hesitate to adopt that program.

The nuclear-powered cruiser *Long Beach* is presently 15 years old. It is proposed that the *Long Beach* be converted and that the new Aegis antiair warfare system be installed on the *Long Beach* at a total cost of $783 million. At the time of the completion of the conversion, the *Long Beach* would be 20 years old. For about the same cost, a new conventionally powered ship can be built with the same antiaircraft and antimissile capability, and with at least a 30-year life.

No president has ever requested funds for the Aegis conversion of the *Long Beach*. The President, the Secretary of Defense, the Secretary of the Navy, and the Chief of Naval Operations agree that installation of Aegis on the DDG–47 would be preferable. We have great hopes for the Aegis system but development testing of the system will not be completed at the land-based test site until September 1982. Under the Navy plan, the *Long Beach* would be delivered in October 1981, almost 1 year before the Aegis system completes its tests. Admiral Holloway testified last month that the Aegis would be tested at the land-based site before installing it in a ship. I would prefer to see the Aegis mature as much as possible in development and complete its development tests on land, instead of prematurely installing it in the *Long Beach* and find that it does not work or does not provide the antiair warfare capability it is required to have.

I ask my colleagues to support the rescissions recommended by the Committee on Appropriations and to oppose amendments which may be offered to delete any of the rescissions from the bill. We all support a strong national defense but we should support a meaningful defense program. We do not support the purchase of expensive weapons that we do not need, especially when better alternatives are available.

Mr. STRATTON. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Forty-seven Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears. Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Chair recognizes the gentleman from Alabama (Mr. EDWARDS). Does the gentleman yield back his time?

Mr. EDWARDS of Alabama. I do, if the other side is through.

Mr. ADDABBO. Mr. Chairman, I yield 5 minutes to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Chairman, I want to announce to the Members of the House that I have a parochial interest in one part of this rescission, and that deals with the question of the *Long Beach* cruiser and the efforts by the Navy to retrofit that cruiser into an Aegis carrying nuclear strike cruiser.

I might say I would not normally be opposing the distinguished chairman of the full committee, for whom I have a great deal of respect and who has done much to make my transition to the House an easy one, but on this particular issue, because it does affect my home area, I took a special interest in it.

There is no question today that our Navy needs air defense protection badly and the Aegis is the only answer the Navy has to meet the cruise missile threat at intermediate ranges. We simply have no alternative.

When I started investigating this issue, I found out that the fastest way to get Aegis to sea is to complete the *Long Beach* conversion. The testimony before our committee still indicates that if we convert the *Long Beach* and put Aegis aboard we can get it 6 months to 1 year ahead of the DDG–47, which is a non-nuclear-powered ship. Anybody that looks at the record knows the Navy has not done a very good job of getting any ship built according to schedule. I just happen to have a great deal of confidence that the people at the Puget Sound Naval Shipyard could do this conversion on time.

Mr. Chairman, the next argument I would like to make here today is that the Navy, and I talked to the Chief of Naval Operations, Admiral Holloway about this, tells me this is their plan for the Aegis, if funding is not approved. Their plan is to overhaul this ship at the Puget Sound Naval Shipyard, and put on the SM–2 missile and then in fiscal year 1984 they will convert this ship to an Aegis ship when it is 7 years older than it is today.

I would argue that the gentlemen who oppose this cannot have it both ways. They cannot say the reason we are against this conversion is because this ship is too old; but the Navy, on the other hand, who supports the rescission, I guess, is going to do the same thing in 1984. That does not make any sense.

Now, what are we talking about to get a nuclear strike cruiser at sea? First of all, we are going to spend $261 million on that overhaul, anyway. We are talking about an additional $500 million to take the ship, the *Long Beach*, which is basically ineffective today, and make it into a first-class fighting ship with a strike cruiser capability and with the Aegis system aboard. We can do it by 1981. When we look at strike cruisers, for example, a new strike cruiser will cost $1.3 billion, we can get the equivalent for $500 million more, or a savings of $800 million. I just think it makes a lot of sense from an economic viewpoint, if for no other reason.

Mr. Chairman, there is no question in my mind that we need to get the Aegis to sea at the earliest possible date.

Mr. Chairman, let me point out what else the Navy wants to do. The Navy is talking about taking the *Virginia*-class cruiser, the two still being built at Newport News, and putting the Aegis aboard those two ships. That will protect two out of the four nuclear carriers we have, possibly five, if the House acts properly today. We will still need to take care of the additional three nuclear carriers and provide them with the Aegis escort. We can take care of one of those three requirements by supporting funding for the *Long Beach* program at the earliest possible date.

Mr. Chairman, I just go back to one final point. The Navy intends to do this conversion in fiscal year 1984, anyway. They will go with the SM–2 missile system and put the Aegis aboard in fiscal year 1979 and that will cost a tremendous amount of money. We have the money to do it today. We can get it to sea earlier by at least 6 months; if it had not been for this rescission, it would have been completed a full year earlier.

Mr. Chairman, I think this makes all kinds of common sense. I urge the House to vote accordingly.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia (Mr. ROBERT W. DANIEL, JR.).

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, we have had a number of comparisons here today of the *Nimitz*-class follow-on ship and the carrier with the lesser capability, the CVV's. We have had it brought out that the *Nimitz*-class carrier goes almost indefinitely without refueling and has a greater air wing, 50 percent greater; but one point that seems to me to be terribly important has not been developed. This is the operational capability of a ship, that is, when each can operate. Now, last year the Navy conducted a study that determined that in North Atlantic sea conditions the *Nimitz*-class ship is incapable of operating only half as much as the CVV's would be.

So, the down time, I might call it, for the *Nimitz*-class follow-on will be only half that of the CVV's. The Navy study further brought out that the accident rate for aircraft operating in adverse conditions on the CVV's will be twice that for the *Nimitz*-class carrier. These accidents that will be occurring will involve, of course, expensive F–14's, F–18's and A–18's. The men being injured and killed will be the highly trained, valuable Navy aviators. I think this is a point to add in considering the comparisons of these two ships.

We would have an operational capabil-

ity far greater in the *Nimitz*-class ship, with far greater safety for the men flying from her decks. So, I come out strongly for the construction of the *Nimitz*-class follow-on ship, which will offer far more military value and far less risk to the men operating her embarked aircraft.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. ROBERT W. DANIEL, JR. I yield to the gentleman from New York.

Mr. STRATTON. Is it not true that the plane that is proposed for the CVV's is a V/STOL plane, which we do not actually have in our inventory at the present time except for a British-made plane? We have nothing designed for this particular kind of operation at all, do we?

Mr. ROBERT W. DANIEL, JR. That is entirely true, I would say to the gentleman from New York. The only V/STOL aircraft we have now is the AV–8, the initial A series. There is a B follow-on proposed, but that is a paper aircraft of unknown feasibility and unproven capabilities, so we do not have the aircraft to fly from the deck of the small carrier.

Mr. STRATTON. Is it not also true that we do not have any particular design for this so-called small carrier that they are proposing to build, that we have nothing except a verbal statement about what they plan? Is that not true?

Mr. ROBERT W. DANIEL, JR. That is entirely true. We could say that we are considering as an alternative to a real carrier and real aircraft a paper ship from which they are proposing to fly a paper aircraft, and I think that is a very unsatisfactory second choice.

Mr. STRATTON. If the gentleman would indulge me by yielding still further, I notice in some of the arguments that have been advanced in favor of this so-called bargain-basement carrier that the administration wants to buy, that the price is given as being $900 million. But, in President Ford's request, when he made this original rescission proposal before his administration came to its end, the amount that he put in the letter requesting this change was $1.25 billion. So $325 million have been conveniently left out in these cost comparisons. Does not the gentleman feel that this is a little bit misleading in terms of trying to compare the *Nimitz*-class carrier with a bargain-basement substitute?

Mr. ROBERT W. DANIEL, JR. I think it is entirely misleading, and I would see us, in effect, buying less capacity for about the same amount of money. I think that is a poor way to go.

Mr. STRATTON. I thank the gentleman very much.

Mr. MAHON. Mr. Chairman, I yield 3 minutes to the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Chairman, I would like to point out that three arguments have been made for striking the carrier.

The first is that the Budget Committee process has included these rescissions.

As to that, we in Congress certainly do not want to turn over to the Budget Committee all the authorization and appropriating functions of the Congress. I made a speech on the floor of the House at that Budget Committee resolution time saying that these things should come up in their regular procedure, and, of course, the procedures do contemplate legislative committees and appropriations committees having action on these matters.

The next reason raised was that the National Security Council favors this. Really, the lack of candor in these statements is rather alarming to me. It says on page 4 of the report of this committee, the Appropriaitons Committee:

> The decision not to build another *Nimitz*-class carrier at this time results from the National Security Council (NSC) study.

Anybody who knows anything about the National Security Council knows that this is a very misleading statement. In the first place, the National Security Council study does not make definitive recommendations normally, but puts things in alternatives. But, in this particular instance apparently they did recommend, and the recommendation was apparently just exactly opposite from what the Appropriations Committee has said in its report.

I do not have the National Security Council material because they will not furnish it to me. The Pentagon civilian leadership will not because they are afraid I will use it against them, but the Congressional Budget Office apparently did have it available to them. On page 38 of the Budget Commission study it says that this NSC study calls for one more *Nimitz*-size carrier. On pages 38, 53, 66, 70, and 73, that study of the Budget Commission repeatedly says that the NSC study does call for this carrier.

So the lack of candor on this subject is alarming, to me.

The last point I would like to develop is this: It has been said here that the military advisers of our country support this. Nothing could be further from the truth, if we mean by "support" that they "recommend." Oh yes, they "support." They are technically required to "support." But when they give their opinions as to what they think is best, I refer to a letter which I got out this morning:

> Vice Admiral Turner, Deputy CNO for Air: "In my personal and professional opinion we should build the follow-on *Nimitz* while examining the opportunities technology affords and, perhaps, adjusting our force levels with small carriers in the future."
>
> Vice Admiral Doyle, Deputy CNO for Surface: "That is my personal and professional opinion."
>
> Vice Admiral Petersen, Commander, Naval Air Systems Command: "My personal and professional view is the same."

So then I wrote to Mr. Brown, Secretary of Defense, on February 22 after some 15 sessions of the Subcommittee on Seapower on this question, and I said in that letter.

> The Seapower Subcommittee has been holding extensive hearings. The testimony before our subcommittee has been unanimous for the construction of CVN–71 and for the Aegis system to be placed on the *Long Beach*. If this Department of Defense wishes to contradict this unanimous position we would welcome your sending a witness to testify before the committee.

The military testimoy before our committee, even after this request to Secretary Brown, remained 100 percent in favor of building this carrier. Admiral Holloway, Chief of Naval Operations, testified after the Brown letter was received:

> I said that my personal preference was to build one more nuclear-powered carrier.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield myself 1 additional minute.

Mr. Chairman, I call attention to the Members that the gentleman from Florida has referred to the NSC study mentioned in the Congressional Budget Office paper dated December 1976. The study that is referred to in that CBO paper on page 38, refers to the preliminary results published in mid-1976. And it is that preliminary report which recommended, as the gentleman quoted, a course of action closer to that favored by the Senate, calling for only one more *Nimitz*-size carrier. That was a preliminary finding in that study. I think the gentleman will find that the final NSC study completed later in the year did in fact omit the CVN–71 *Nimitz* class.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield myself 1 additional minute.

Mr. BOB WILSON. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from California (Mr. BOB WILSON).

Mr. BOB WILSON. I thank the gentleman for yielding.

Mr. Chairman, in connection with the NSC study, I had an opportunity to see a copy of the NSC study which was published November 15, 1976, if I remember correctly, and it very flatly said it recommended the *Nimitz* carrier to be constructed by the Navy.

Now, it was eliminated from the study that the Navy presented to us, and that was from a study of the study. They very handily eliminated any reference to the *Nimitz* carrier, and they inserted the recommendation on behalf of the CVV, which was never included in the original NSC study. That was the study to which I referred. I think it was a fraud. I think the fact that they deleted the important recommendations in it before they submitted it to the Congress should be investigated by some appropriate committee.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. EDWARDS) has expired.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield myself 2 additional minutes.

Mr. BENNETT. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Florida.

Mr. BENNETT. Mr. Chairman, I have been advised that it is true that the National Security Council in its recommendation did recommend the carrier and that the only agency that did not recommend the carrier was the Department of Defense, and that position by DOD was contained in its study of the NSC study.

The study of the National Security Council itself, upon which the Committee on Appropriations relies for its report language, was apparently opposite to the

position which the committee report stated.

Mr. Chairman, if I am wrong about this, I think it is sufficiently important that we bring the report of the National Security Council here and have it read for us today.

Mr. EDWARDS of Alabama. Mr. Chairman, I doubt if the study is available on the floor of the House, but I must say that there are other Members who have read it differently than has the gentleman from Florida.

Mr. ASPIN. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. Yes, I yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Chairman, I think the interpretation of the gentleman from Alabama (Mr. EDWARDS) on this issue is perfectly correct, as far as the Ford administration led us to believe.

It was during the spring of the year when the Ford administration requested additional money for the carrier that the preliminary report came from the NSC study saying that they were going to recommend an additional big carrier.

Mr. EDWARDS of Alabama. The gentleman is correct.

Mr. ASPIN. Then when the final report was finished, which was in August, they did not recommend the big carrier.

That was the point the gentleman from Florida (Mr. BENNETT) made, in the final report they had several options and they did not recommend the additional big carrier. It was at that point that the Ford administration then decided to come in for the rescission and to rescind the money for the CVN–71.

Mr. Chairman, I think the gentleman from Alabama (Mr. EDWARDS) is correct, and I think it is perfectly consistent with what the Ford administration promulgated and with what President Ford and Secretary Rumsfeld recommended.

Mr. MAHON. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, I want to make a couple of points with respect to these carriers.

It is true that a nuclear carrier is a little more expensive than a nonnuclear carrier, but it is not nearly as expensive as is alleged. I think we ought to remember that oil is getting in short supply. We are not going to have the necessary oil possibly by the time this carrier is available.

Admiral Rickover points out that if cost is the only consideration, then why not go back to sail? But cost is of course not the only consideration. It does us no good to build ships if those ships cannot defeat the Soviet ships.

We have been having a big argument as to whether the United States is stronger than the Russians or whether the Russians are stronger than we are. As far as naval power is concerned, the only point which provides clear superiority for the U.S. Navy is our aircraft carriers.

Now why is it important that they be nuclear? We need them as nuclear ships because they will go farther and they will go faster for greater distances with no concern over fuel limitations.

I have asked the Navy to provide me with a chart which I have here, but I am not sure this chart will be visible to all Members. But let us just take a look at the Indian Ocean, which is the area in which we are going to have to protect the oil lines out of the Persian Gulf. We have only one small base out there in that big ocean, and that is the tiny island of Diego Garcia. The Soviets meanwhile have been building bases furiously in Somalia and they are building furiously in other spots as well.

The reason why we need a nuclear carrier is so we can have one ship that will be rapidly available in case of emergency to cover this great ocean. Only a nuclear carrier can travel those great distances at high speeds, and be where we need it in time.

Fortunately, when Idi Amin got into his rampage the other day, we had the nuclear carrier *Enterprise* nearby. The *Enterprise* can fulfill this mission because it is a nuclear carrier. But if we did not have a nuclear carrier there at that time we might have been in trouble. That is why we need one more nuclear carrier.

The CHAIRMAN. The gentleman from Texas (Mr. MAHON) has 2 minutes remaining, and the gentleman from Alabama (Mr. EDWARDS) has 9 minutes remaining.

Mr. MAHON. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts (Mr. BURKE) for the purpose of asking a question.

Mr. BURKE of Massachusetts. Mr. Chairman, for a point of clarification, I would like to have an understanding here. What assurances does the Puget Sound Naval Shipyard have of performing the conversion work on the *Long Beach*?

Mr. MAHON. Mr. Chairman, if the gentleman will yield, the conversion of the *Long Beach* and all work on the *Long Beach* would be done at Puget Sound.

Mr. BURKE of Massachusetts. In other words, the private shipyard in my district, the Quincy Shipyard, which is the one that built the *Long Beach*, would have no opportunity whatsoever to bid on that work?

Mr. MAHON. According to the information we have, it would not. Admiral Holloway testified that the conversion or overhaul of *Long Beach* would be done at the Puget Sound Naval Shipyard.

Mr. MAHON. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, the gentleman in the well, the distinguished gentleman from New York (Mr. STRATTON), has analyzed the National Security Council study, I presume, and he has formed his conclusions. He has talked about our needs in the Indian Ocean.

Mr. Chairman, I think everybody knows that our capability in the Indian Ocean is considerable at the present time. Our Diego Garcia base has to be at least 10 to 20 times the overall capacity of what the Soviets have at Somalia. Up to this time, I think, we do not have any information whatsoever that the Soviets have a capacity to off-load one quart of petroleum at Somalia.

I do believe, Mr. Chairman, that the report of the National Security Council shows with respect to overall naval posture that the United States and its allies have the same number of ships as the Soviet Union and four times the tonnage.

Mr. PRICE. Mr. Chairman, I rise in support of the amendment and in opposition to the proposed rescission of appropriations for the CVN–71 carrier. At the same time, I want to expres my opposition to the proposed rescission of funds for the conversion of the cruiser *Long Beach* to an Aegis air defense ship.

Funds were authorized and appropriated for CVN–71 nuclear carrier last year at the request of the President, Secretary Rumsfeld and by the Chief of Naval Operations.

I can assure the Members of this House that the military requirement for an additional carrier of the *Nimitz* type has been fully supported by the testimony before the Committee on Armed Services and by numerous studies contained in the committee's files.

For example, the recently completed study by the National Security Council supports an additional *Nimitz*-class carrier. This study shows that, even with the addition of the CVN–71, considerable risk exists in our ability to keep a force of 12 carrier task groups in existence during the 1990's. As the study points out, to maintain 12 carriers during this time it will be necessary to extend the service lives of all *Forrestal*-class carriers to 45 years and beyond.

No aircraft carrier, or other major warship, has ever been operated for 45 years by the United States or any other country. Yet the NSC analysis showed that a minimum of 12 carrier task groups are required for both the protection of our interests in the Mediterranean and in the Far East, and in support of our NATO commitments.

I stress that 12 carriers is the minimum number, not the number which the Joint Chiefs of Staff and Chief of Naval Operations say that this country needs.

The modern large-deck nuclear powered aircraft carrier is the only effective defense against the Soviet buildup in modern long range naval aircraft armed with antiship missiles. It is the only weapon system which can search out and sink enemy submarines and surface ships before they can fire their missiles. Contrary to some assertions being made, the presence of a Soviet cruise missile threat makes the fast, highly capable and highly survivable *Nimitz*-class carrier a greater military necessity rather than smaller less capable ships.

These conclusions are shared by a recent study by the Congressional Budget Office. That is, when the Navy must maintain free sealanes in the Atlantic and in the Mediterranean, in support of Israel for example, opposed by the Soviet Navy, "the *Nimitz* clearly is the most cost/effective option."

The Congress has not been given a creditable rationale for this far-reaching decision to weaken our naval forces. It appears to be based only on initial procurement costs. But procurement costs tell only a small part of the story.

Carriers fight in task forces which provide mutual protection and offensive

striking power. It is an undisputed fact that the life cycle costs of a highly effective nuclear powered carrier task force will cost about the same as an oil fired task force at today's oil prices.

In conclusion, Mr. Chairman, I sincerely hope that the Members of this body will not choose to sacrifice a quality Navy for a much less effective one. I ask a vote for the amendment and against the rescission of both the carrier and *Long Beach* appropriations.

Mrs. SCHROEDER. Mr. Chairman, I rise in support of the rescission of funds for CVN–71, the proposed *Nimitz* class carrier. I have very serious reservations about our need for any new carriers prior to the transition to those of the VSTOL class, but I am unalterably opposed to the construction of another *Nimitz*.

I have what I feel are three sound reasons for my position. The first is cost. We cannot build another *Nimitz* for less than $2 billion, but that is just the beginning. We will need another $2 billion to provide the necessary airwing plus the cost of at least 4 nuclear powered escorts—estimated at $1 billion apiece for the proposed strike cruisers—according to the Navy the 35-year life cycle cost of another *Nimitz* and its airwing will total $17.5 billion. It is startling to recognize that this $17.5 billion cost is almost exactly equal to the figure the Congressional Research Service last April calculated it would take to expand our fleet from 500 to 600 ships over and above the cost of maintaining our fleet at present levels, and that is the point. The money we spend on single high-value platforms such as the *Nimitz* cannot be spent to make the needed enlargements in our fleet.

My second argument concerns vulnerability. We have now entered an era of increasingly lethal warfare. One has only to look at the recent Arab-Israeli war and the high attrition of tanks, artillery, and armored personnel carriers to learn the lesson that the technology of the battlefield has reached considerable heights. What made the losses of this conflict so alarming was that these relatively sophisticated, high-priced weapons were destroyed by armament of much smaller value, raising serious questions about cost effectiveness.

The battlefield of the sea has also changed dramatically since World War II in a similar direction. Since the heyday of the carrier in that conflict two significant developments have taken place—the birth of the nuclear powered attack submarine and the antiship cruise missile. We have no direct experience with either weapon in a wartime situation. But it is clear that they have made any ship more vulnerable and that by the time another *Nimitz* is launched in the mid 80's that weapons technology will have progressed even further. Is it rational to be investing our money in a small number of the highest cost platforms in an age of increasingly lethal warfare? I think not.

Finally it should be pointed out that the vulnerability of the carrier makes it questionable whether it can carry out its primary task. The capability of a ship like the *Nimitz* is needed, it is argued, to allow it to operate in the areas of the highest threat. Yet according to a recent study by the Congressional Budget Office the survivability of the carriers in an area of the highest threat—defined as a power projection mission against the Soviet mainland—would be in serious doubt. Considerable doubt also exists about the survivability of the carrier in such areas as the eastern Mediterranean. The *Nimitz* is a ship that is probably incapable of meeting its assigned tasks and too capable for the tasks it is more likely to be called on to perform.

Two administrations, one Republican and one Democratic, have recognized the wisdom of not building another *Nimitz* carrier. I hope the Congress will see fit to concur in their judgment.

The CHAIRMAN. All time having expired, the Clerk will read.

The Clerk read as follows:

PROCUREMENT

SHIPBUILDING AND CONVERSION, NAVY

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, after line 8, insert:

SHIPBUILDING AND CONVERSION, NAVY

Of the funds appropriated under this head in the Department of Defense Appropriation Act, 1977, $452,600,000 are rescinded.

AMENDMENT OFFERED BY MR. CHAPPELL TO THE COMMITTEE AMENDMENT

Mr. CHAPPELL. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. CHAPPELL to the committe amendment: In the committee amendment, strike the sum "$452,600,000" and insert in lieu thereof the sum "$371,000,000."

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. CHAPPELL. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will state that the Chair cannot entertain that point of order. A quorum has been established.

Mr. SIKES. Mr. Chairman, the gentleman yielded for that purpose.

The CHAIRMAN. The Chair would like to respond that under the new rules, on Committee of the Whole, there can only be one quorum call during debate on this bill until the Chair puts the question. There has been a quorum established in Committee of the Whole and the Chair has not put the question on the pending amendment.

Mr. CHAPPELL. Mr. Chairman, this amendment seeks to strike from the rescission those moneys applicable to the additional carrier, the CVN–71.

Mr. Chairman, I approach this issue from two standpoints: First, the economics involved and second, from a philosophical standpoint.

Since we are dealing with an appropriations matter, I wish to clarify the moneys we are talking about.

We have heard the argument that unless we go along with this rescission, it is going to cost us $2 billion in 1978 for this carrier. That simply is not true.

Mr. Chairman, let me just explain fully the status of this matter, and I take this information right from the funding profile as submitted by the Navy in its fiscal year 1978 request to the Secretary of Defense.

They call in fiscal year 1977 for $350 million for the *Nimitz* type carrier.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I would like to make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will state that the point is not in order. A quorum has been established.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I do not understand the new rule. Could the Chairman explain it. please?

The CHAIRMAN (Mr. CORMAN). The Chair will state that under rule XXIII clause 2, the point of order of no quorum can now only be made when the Chair puts the question. Since a quorum has already been established, under the new rules the point of order cannot be entertained again until the Chair puts the question on a pending motion.

Mr. CHARLES WILSON of Texas. Does that mean that during debate on this amendment and succeeding amendments a point of order of no quorum cannot be made?

The CHAIRMAN. That is true. A point of order of no quorum cannot be made until the Chair puts the question on an amendment or motion. At that time it will be in order.

Mr. CHARLES WILSON of Texas. I thank the Chairman.

Mr. CHAPPELL. Mr. Chairman, let me review the figures again. For fiscal year 1977, $350 million; for 1978, $410 million; and for 1979, $1.22 billion.

That brings us to the total cost of the CVN–71 carrier—$1.983 billion. I am talking about the *Nimitz* type carrier.

Keep in mind that the $350 million has already been appropriated and all of it except $81 million has been obligated, which is to say it has been contracted out for the purchase of component parts for the large carrier. So that money is already appropriated, it is already in the mill.

When you deduct the $350 million that is already appropriated and mostly obligated, from the total cost of the carrier, that means we have remaining, to produce the larger *Nimitz* class carrier, $1.6 billion.

The rescission suggests production somewhere in the future of some kind of a small carrier. Every data sheet one looks at, that has been furnished to the House of Representatives, shows that it is yet to be determined how big it is going to be, what its capacity is going to be, what its essential mission is going to be, but yet we see that the minimum cost of it will be $1.25 billion.

This is to be a nonnuclear carrier.

Since a nuclear carrier has its own energy within its own core for 13 years then we have to attribute, to the cost of the nonnuclear carrier, 13 years of fuel. According to Admiral Rickover that would be $330 million worth of fuel.

So when we add to the "mini" or "midi" carrier, that is the nonnuclear carrier, its cost of $1.25 billion, the cost of the fuel, $330 million, then we come

up with $1.58 billion as the cost of that carrier.

Yet it only takes $1.6 billion to go ahead and complete the super carrier.

I think commonsense dictates to us that if we can get a big carrier for essentially the same price and it will be able to do three times the work of the other carrier and which can operate under conditions which the other carrier cannot, then the taxpayers of this country would be best served by the construction of this type of carrier.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. SIKES, and by unanimous consent, Mr. CHAPPELL was allowed to proceed for 5 additional minutes.)

Mr. CHAPPELL. Mr. Chairman, there has been a lot said about who is for this carrier and who is against. We have heard some discussion here today about the National Security Council report, but what the Members have really been hearing about is the Department of Defense's interpretation of what the National Security Council said.

Let me assure the Members that I happen to have had the opportunity of seeing the National Security Council's report and I have seen the report of the Department of Defense and I can tell the Members unequivocably that the Department of Defense has misled this Congress in what the National Security Council said. There is not any question about that. I can point to the page where the statistics, the facts and the figures were incomplete and different from what the National Security Council actually said. The National Security Council came up with three alternatives. Two of those alternatives included the carrier—that is the big carrier—and one did not. But I will come back to that in just a moment.

I want to point out who supports the big carrier, who thinks we ought to have it, and who is on the other side. At the moment the Department of Defense says we ought not to go forward with the big carrier, and we are going to hear somebody, I am sure, say here today that the Chief of Naval Operations actually is not behind this carrier. I want to refer the Members to page 44 of the subcommittee hearings on this very point when Mr. GIAIMO asked Admiral Holloway about his personal opinion. Here is what he said. He said,

> I have to say that I fully support, as the author of the V/STOL program, eventually getting V/STOL carriers. But I also have to say, Mr. Giaimo, my personal views are that I would prefer to see a carrier in this year's budget rather than carriers downstream.
>
> I want to make it very clear that is my own personal view.

Who else thinks we ought to have this carrier? Admiral Turner who is Deputy Chief of Naval Operations in charge of air warfare before the Committee on Armed Services made it perfectly clear that his personal and professional opinion was that this carrier absolutely should be built. The same is the testimony of Admiral Doyle, who is the Deputy Chief of Naval Operations for surface warfare, and so is it the opinion of Admiral Petersen, who is in charge of Naval Air Systems Command.

Let me also call the Members' attention to a very impressive analysis of the two alternatives as outlined by Admiral Rickover. He points out that the CVN–71, which is the big carrier, would have the following substantially superior military characteristics compared to the tentative baseline characteristics of the cost constrained CVX conceptual design:

First. All of the advantages of nuclear propulsion exist, including nuclear cores capable of providing 13 years of normal operation. In this regard it should be noted that these cores contain the equivalent of 11 million barrels of oil. At today's prices it would cost about $330 million to buy and deliver this much oil to the conventional carrier.

Second. Capacity to carry and support a 50-percent larger air wing.

Third. Capacity for almost three times the aircraft ammunition and more than four times the aircraft fuel.

Fourth. Four catapults and four elevators in lieu of two each for the CVX, which provides greater mission reliability and at least twice the aircraft launch rate. In this regard it should be noted that a fiscal year 1979 aircraft carrier will operate with aircraft which require catapulting for a number of years, even if V/STOL aircraft eventually replace catapult-launched aircraft for first-line missions. In this regard it should be noted that much of the improved technology planned for V/STOL aircraft would also improve the performance of catapult-launched aircraft, making it difficult for V/STOL aircraft to outperform catapult-launched aircraft of the same vintage.

Fifth. Better sea-keeping capabilities.

Sixth. About four knots greater speed.

Seventh. Four propulsion shafts in lieu of two for the CVX.

He concludes that the study which has been made by the National Security Council and others also concluded that a carrier of this size could not serve effectively in the multipurpose sea-control role again because too few aircraft can be accommodated.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOB WILSON. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Florida. As I said earlier, our Seapower Subcommittee headed by the distinguished gentleman from Florida (Mr. BENNETT) held extensive hearings on this very subject, and that is the advantage of having authorizing committees, because they can spend more time on specific studies and can get the more definite, specific information that is usually needed. We met for 16 half-day sessions discussing this carrier and we got a lot of information and noninformation out of witnesses that appeared before us. We could not find a single naval officer who would support the idea of not building the nuclear ship or building a nonnuclear carrier in place of the nuclear carrier.

Admittedly, the administration's official position was for a nonnuclear carrier or at least to strike this *Nimitz* carrier from any consideration this year. But we asked the Navy: Is there not somebody you can send here that can support the position which you are advocating, the official position? And they just did not have anybody they could find who would support it.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Chairman, is the gentleman saying the Chief of Naval Operations, Admiral Holloway, does not support the recommendation of the President?

Mr. BOB WILSON. Yes, he officially supports the recommendation of the President, but the point I am just getting around to, if the gentleman will permit me, is that in each instance we asked the naval officers to give us their own personal opinion as professional men whether this action was right, and in each case they said that we must have another *Nimitz* carrier.

Mr. BURLISON of Missouri. If the gentleman will yield further, the Chief of Naval Operations certainly did not have any qualms or any equivocation when he testified on this point before the Subcommittee on Defense Appropriations. He was very much in support of the position of the administration and he supported the two smaller carriers the President wants.

Mr. BOB WILSON. He was a good soldier, or sailor rather, and he was backing up the President's position. But this is what he said on February 23. Admiral Holloway said:

> I know of no rationale of cancellation of the CVN by the President.

He said on the same day:

> I think the CVN–71 is the most survivable ship by a factor of 2 or 3 of any ship that floats on the water today.

We had testimony from Vice Admiral Doyle, the Deputy Chief of Naval Operations for Surface, and Vice Admiral Peterson, Commander, Naval Air Systems Command, and Vice Admiral Turner, Deputy Chief of Naval Operations for Air, as well as Admiral Holloway, and all of them, when they were asked their personal opinion as to whether this ship should be canceled, said no, that they were in favor of this ship over a non-nuclear-powered ship.

I would hope this House would heed their advice and retain this superiority we have over the Russians in this field. They are ahead of us in many areas. They are ahead of us in submarines, they are ahead of us in cruisers but we are ahead of them in the large nuclear-powered carriers and I hope and pray we will stay ahead.

Mr. WHITE. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

I want to point out among other things that as our forces have been forced to withdraw into an inner perimeter defending this Nation we have had to rely more and more on the aircraft carrier. The aircraft carrier, as the gentleman from California (Mr. BOB WILSON) has just said, is the cutting edge, the factor that gives us superiority over the Russian Navy.

I would like to recite from the Characteristics Study Group Report out of the Office of the Chief of Naval Operations,

Department of the Navy, dated January 19, 1976, and certainly the conditions have not changed since that period of time. I will just quote two parts from that. It states:

Nuclear powered carriers using existing nuclear reactor designs and suitable for operation of modern naval aircraft across all Navy mission areas can be designed in sizes that range upward from about 56,000 tons standard displacement. However, when compared to *Nimitz* size carriers, at feasible force levels, smaller carriers would result in a significant reduction in operational capability (aircraft, aviation support, catapults, elevators, ship speed, reliability, etc.) for a relatively small reduction in investment and operating costs.

Then the report goes on to give its conclusions, and I would like to point out three of these conclusions that were made in this report out of the office of the Chief of Naval Operations:

Carriers significantly smaller than the *Nimitz* Class cannot support the practical minimum number and types of aircraft required to perform missions alone in the presence of an air threat. *Nimitz* size carriers provide more than twice the combat capability of the smallest practical nuclear powered alternative.

It further states:

Nimitz size carriers have more flexibility to incorporate changes in characteristics that may be required during the life of the ship due to changes in the threat and new technological developments.

Third, for a three-carrier procurement program, the cost of three modified *Nimitz* size carriers is about the same as the cost of three of the smallest sized carriers concepts developed.

Now, all last year every naval expert that appeared before our committee and everything I have heard from the Chief of Naval Operations prior to this time has indicated that they favor the *Nimitz*-class carrier because cost-wise it is far more effective, versatility-wise it is far more effective. It is needed to maintain the edge we have over the Soviet Navy. It is only at this moment when the administration comes up and seeks to eliminate the *Nimitz* carriers that we have some who come forward and say, "No, we need to have a smaller aircraft carrier."

This Congress has told the Navy we need a nuclear-powered fleet so that we do not have to rely on oil burners, so that we do not have to return to port, so we can maintain a continuous mission in future wars and not expose our fleet to the hazards of delay in returning to port, or have to keep pace with slower oilers.

I think we would be making a serious mistake at this time with the threat we have from the Soviet Navy if we should rescind this *Nimitz*-class carrier.

Mr. Chairman, I urge that the Chappell amendment be adopted.

Mr. ADDABBO. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, all the arguments we have heard against the rescission, all the support comes from the admirals. They would love to continue business as is; but two Commanders in Chief, President Ford and President Carter, support and requested this rescission.

The two Secretaries of Defense, Secretary Brown and Secretary Rumsfeld, have both supported this rescission, because they know where the Russian threat is. They know the vulnerability of a large *Nimitz*-type aircraft carrier. They know our security needs. They receive the reports from our intelligence departments. They know what the future threat is.

They feel we need two small aircraft carriers that can be easily dispersed, rather than one large sitting duck. This is what we are debating.

We are discussing a rescission of $81 million, but that $81 million will commit us to over $2 billion for another aircraft carrier which we cannot possibly receive until 1984. If this rescission passes, if we go to the smaller aircraft carriers, we will increase not only the capability of our Navy by giving them additional ships, but also, most important and more important, give us a greater shipbuilding capability for the smaller aircraft carriers can be built at several different shipyards. Right now we can only build this CVN carrier at Newport News. They have problems there, as was stated in earlier debate. The present CVN–70 is almost 2 years behind schedule right now, with further delays down the road. If we approve the CVN–71, we are speaking of 1984 or later and we might be talking about an additional $2 billion. We may be talking about a larger figure because of inflation and all.

Mr. Chairman, we need the ships now. This is what our two Presidents have said and that is why they have recommended this rescission; not to destroy our Navy. We will have 12 aircraft carriers. We will have the 4 nuclear-powered aircraft carriers, but we do need to change our course and this rescission will help us to build a bigger and better Navy to be able to protect our interests. We are losing our land bases throughout the world. This is the reason for aircraft carriers, to give us those bases. We have had discussions of the planes the smaller aircraft carriers would carry. The small aircraft carriers would be able to take the new F–18 fighter, the new A–18 attack aircraft, and the new S–3A antisubmarine warfare aircraft.

So, we are not just limited to just the V/STOL aircraft which will be carried by the smaller aircraft carriers. What we are saying now is, let us stop building any future large type carriers which could be big sitting ducks. They are vulnerable to the Russian weaponry, and let us look to a modern Navy if we are going to spend our dollars wisely for defense purposes.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, the gentleman has made a very able statement. Of course, he did not infer that we should get rid of the carriers which we have now. We propose to use them up into the next century, and they are very valuable to us. But, bear in mind that ships cost money. We talk about *Nimitz*-class carrier we are rescinding here today costing about $2 billion, but the gentleman will remember that there have been billions of dollars of overrun in the cost of Navy ships, and probably the cost of the *Nimitz*-class carrier which we are rescinding would cost far more than estimated today if we are to judge the future by what has happened in the past.

I just want to commend the gentleman for making a very eloquent and incisive statement in regard to the situation. What we want is a more modern Navy, a Navy that is better dispersed. What we want is better control of the oceans, and this is what two Secretaries of Defense and two Commanders in Chief, Presidents of the United States, have recommended.

Mr. ASPIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to address my comments to some comments made by the gentleman from Florida (Mr. CHAPPELL) concerning the cost of the carrier as compared to the cost of the CVV. I think the numbers that the gentleman from Florida was using are correct, that the present CVN–71, the projected cost of that is $1.98 billion. The cost of the first CVV is indeed $1.25 billion, but where the costs become very hazy and very cloudy is where the gentleman from Florida wants to add another $350 million for the oil.

There are two aspects of that. The first is that we do not really know what the cost of the oil is going to be in the future, but it is hard to imagine that we are going to end up with $350 million needed for oil. The gentleman quoted from Admiral Rickover where he said that the CVN–71 will save 11 million barrels of oil. Eleven million barrels of oil at the current market price of oil, $11 to $13.50, runs to about $126 million to $146 million.

The CVV is a lot smaller than the CVN–71. The cost of the oil for the CVV is going to be less than $126 million to $146 million.

Now, there may be an added cost of getting the oil from the shore to the carrier, and I did notice that the quote from Admiral Rickover cited not only the cost of the oil but the cost of getting it to the carrier, but we do not know about that. The design of the CVV is going to be done specifically to avoid or to minimize replenishment costs.

So the point, I think, is that we are not talking about anywhere near the cost of $350 million to supply oil to that smaller carrier, and that the cost of the nuclear carrier, CVN–71, is greater than the CVV. That is not counting the follow-on costs, because the second carrier—and they plan to build two CVV's—the second CVV will cost about $1 billion. So, what we are talking about is the cost of two carriers at a cost of $2.25 billion as opposed to one carrier at a cost of $1.98 billion.

In other words, for a little bit more money we get two of the smaller carriers rather than one of the larger carriers.

The question is not whether we are going to buy all nuclear carriers or all conventional carriers. The fact is that we have both nuclear carriers and conventional carriers now. The question is, what is the proper mix? And in that context,

what is the proper thing to buy next? Is it proper to buy a big nuclear carrier, or is it proper to buy a couple of smaller conventional carriers?

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from Texas (Mr. CHARLES WILSON).

Mr. CHARLES WILSON of Texas. I thank the gentleman for yielding.

Do I understand the gentleman's argument to be that two smaller, less expensive carriers are more desirable to the Navy's need than one large, more expensive carrier?

Mr. ASPIN. Yes.

Mr. CHARLES WILSON of Texas. If the gentleman will yield further, can I then draw from that argument that the gentleman will support the appropriations necessary for the two smaller carriers when these come on the floor?

Mr. ASPIN. Absolutely.

Mr. CHARLES WILSON of Texas. I will be very pleasantly surprised.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. I thank the gentleman for yielding.

If we are using an oil-burning ship, we also must have a supply vessel in order to resupply, and, of course, we have to add that cost in to the total cost; is that not true?

Mr. ASPIN. Yes.

Mr. WHITE. In addition, the oil supplier, is going to be a slower vessel, which then slows down the aircraft carrier which relies on that oil far slower than a nuclear carrier would be.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. ASPIN) has expired.

(By unanimous consent, Mr. ASPIN was allowed to proceed for 2 additional minutes.)

Mr. ASPIN. Mr. Chairman, there is indeed a great deal of discussion as to how many more oilers are going to be needed as we expand the fleet of carriers if we go in the direction of these smaller kinds of carriers.

All I know is that the estimates that we are going to need one more additional oiler for every small carrier is not right; that is an excessive amount. We are going to need some additional oiler capability, but we are not going to need it on a one-to-one basis. So the estimate of $350 million which we are talking about, for purchasing and supplying oil to these smaller carriers, is a figure which is too high.

Mr. WHITE. If the gentleman will yield further, if we have a slower oil delivery vessel, that becomes more vulnerable to attack, and if it goes down, what is the aircraft carrier relying upon?

Mr. ASPIN. The problem is that even the nuclear carriers rely on these slower ships for replenishment.

Mr. WHITE. But not as greatly?

Mr. ASPIN. Not as greatly. But still, when we are talking about conflict, we are talking about the need for resupply anywhere from every 10 days to 4½ days. The carriers off the shore of Vietnam, which were not even moving, had to be resupplied with airplane fuel and with ammunition every 4½ days. So it depends upon the level of conflict. It might be every 10 days. It might be every 4½ days. But still the carriers, just by the nature of the beast, are very, very dependent upon replenishment ships.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. ASPIN) has expired.

(On request of Mr. SEIBERLING and by unanimous consent, Mr. ASPIN was allowed to proceed for 5 additional minutes.)

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from Florida (Mr. CHAPPELL).

Mr. CHAPPELL. Mr. Chairman, the gentleman, I take it, is arguing that the small carriers take the place of and perform the mission of the large carrier; is that correct?

Mr. ASPIN. No. I am not saying that. I am saying the following things: I am saying, first of all, that nuclear carriers like the CVN–71 are more expensive than the smaller carriers; but I am also saying that the nuclear carriers are more capable than the smaller carriers.

I concede the point the gentleman was making in the well a few minutes ago about the greater capability of big nuclear carriers. If we are only going to buy one carrier, then I think we might want to examine the question about whether the added cost is worth the added benefits because I think clearly there is an added cost and there is an added benefit. If we are buying only one of those ships, it might well be that on examining the added costs and benefits we decide we ought to buy the nuclear carrier.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. Mr. Chairman, if I may, I would like to finish answering the question. The gentleman can get some more time if it is needed.

But the question is not what we should buy if we are buying one carrier but what is the mix of the ships we are going to have in our inventory? When we look at the mix, there are two factors to be considered. The first factor is the quality of the ships, and the second factor is the quantity of the ships. Our greatest need in the U.S. Navy right now is for quantity of ships. We have too few ships.

We have a greater quality of ships than the Soviets do, so our greatest need right now is for quantity. If we are asking, "What should our next purchase be?" I say it should not be the nuclear carrier, the CVN–71; it should be two of the smaller ships so we can go for greater quantity, even though the quality is not as great in those smaller ships.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from Florida.

Mr. CHAPPELL. Mr. Chairman, let me make one quick point, if I may. The gentleman from Wisconsin (Mr. ASPIN) is, I am sure, familiar with the budget issue paper entitled "Planning U.S. General Purpose Forces: The Navy" is he not?

Mr. ASPIN. I am, yes.

Mr. CHAPPELL. Mr. Chairman, I would like to ask the gentleman if he is familiar with this statement that appears on page 73 and is headed "Carriers In The National Security Council Option." This is part of the appendix:

> The NSC option apparently assumes that a level of twelve carriers allows for requisite projection in both Europe and the Third World. It also assumes that a saturation attack may take place even where the Navy is seeking to maintain free allied transit in the Atlantic and Mediterranean sealanes. Given these assumptions, carrier effectiveness again becomes a function of sortie generation capability. The Nimitz clearly is the more cost/effective option for a one-carrier purchase.
>
> As in the case of the "sea control" Navy, VSS ships could play an important role in the NSC option, and indeed do so. However, the observation made above about that ship apply to the NSC option: In its present conceptual form and technology state, the VSS is a good substitute for the strike cruiser, but not for a fixed-wing aircraft carrier.

Does the gentleman agree with that statement?

Mr. ASPIN. Is that the VSS or the CVV?

Mr. CHAPPELL. The CVV.

Mr. ASPIN. Mr. Chairman, let me put the argument as I see it. I think the gentleman from Florida (Mr. CHAPPELL) is correct in saying that a nuclear carrier is better than a conventional carrier and that a nuclear carrier is better in a very high-intensity conflict kind of environment, but a nuclear carrier costs more than a conventional carrier.

I think all those things are true, and if we were going to buy one ship, then I think we would be examining whether the additional cost is worth the additional benefit. In that case we might very well decide that the additional cost was worth the additional benefit and we would go ahead and buy it.

But our problem is the lack of numbers of ships. We need more presence. We need to have more visibility than we have, and in order to accomplish that we need more ships.

A CVN–71, no matter how capable it is, can only be in one place at one time, and that is the problem. We need to have more capability to get into more places.

Now, to be sure, the CVV is not going to be as capable in a high-threat area as the CVN–71, but we already have four nuclear carriers, and who knows, we may eventually buy more nuclear carriers.

Mr. Chairman, the question is: What are we going to buy next? The item we ought to buy next is two more small carriers.

Mr. BURLISON of Missouri. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the rescission of the funds for the *Nimitz*-class nuclear-powered aircraft carrier.

During the debates last year on the fiscal year 1977 defense appropriations bill on this floor I offered an amendment deleting the funds to provide long lead-time procurement for this same carrier on the grounds that President Ford has not included this ship in his original budget request. This year it is even more of the same story.

A current National Security Council study has concluded that the future So-

viet threat requires that we build more smaller carriers rather than a few large ones.

It is now obvious that the Department of Defense decided to reverse itself after a study of the National Security Council report. This led to the Ford administration's submittal of this rescission. It is fully supported by President Carter, Secretary Brown, and Admiral Holloway, the Chief of Naval Operations, as mentioned a moment earlier. My amendment to the 1977 defense appropriations bill received 179 votes. With all the evidence of the National Security Council review that has accumulated since that time, our vote should today approach unanimity.

Mr. Chairman, there are many arguments in favor of approving this rescission. But there are those who would argue that we need more nuclear carriers in order to put to sea more all-nuclear task forces. The Navy now has two nuclear carriers, the *Enterprise* and the *Nimitz*, at sea, with another two, the *Eisenhower* and the *Vinson*, on the building ways. This will give the Navy eight conventional and four nuclear big-deck carriers, which, under present plans, are capable of operating into the 21st century. Thus, the question becomes one of how to provide the Navy with enough ships to perform its mission. It is clear to me that the National Security Council study is a step in the right direction to provide more ships so that the Navy's aviation assets can be better dispersed at sea. That is really what the National Security Council review and study was all about. That is all it said. It does not make a specific recommendation with respect to *Nimitz*-class carriers.

On that point, Mr. Chairman, let me refer to the letter of the Secretary of Defense to our distinguished chairman, the gentleman from Texas (Mr. MAHON), under date of March 2, 1977. He says:

> It is clear to me that we need fleet aviation capability in more places at one time than would result if our resources were devoted to expensive large CVNs.

Mr. Chairman, that is what President Ford and Secretary Rumsfeld said. That is what President Carter and Secretary Brown said. That is what the National Security Council review and report said.

Let me also, Mr. Chairman, quote the last paragraph of Secretary Brown's letter to the chairman. He says:

> I want to assure you that I reviewed these programs in detail with the President prior to his decisions on the FY 78 budget. Again today I have discussed the matter with him, and he reiterated the view contained in those decisions. Accordingly, we strongly recommend the approval of the rescission actions with respect to the CVN-71 and the U.S.S. *Long Beach* AEGIS conversions.

The full cost of the large nuclear-powered carrier is more than $2.3 billion. This is almost twice the amount estimated as required to build the first of two smaller, conventionally powered CVV's. This means that for the same amount of money the Navy gets two carriers instead of one and at the same time makes a move into the age of V/STOL aircraft. We all know that unless the Congress takes the initiative in forcing the V/STOL development, it may be many years before we can take advantage of this important technological capability. The United States must move ahead rapidly if we are to catch the Soviets in this area. The two CVV's are a critical transitory link in the right direction.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. BURLISON) has expired.

(By unanimous consent, Mr. BURLISON of Missouri was allowed to proceed for 1 additional minute.)

Mr. BURLISON of Missouri. Mr. Chairman, just one more word about the funds involved in this rescission.

Of the $350 million appropriated last year for advance procurement of nuclear components, $269 million has been obligated. This is not a waste of money because these components can be used as nuclear spares for the other *Nimitz*-class carriers which will be operating in the fleet. This rescission is addressing about $71 million that has not been obligated for the CVN's.

Mr. Chairman, from a short-term budgetary aspect, failure to approve this rescission will create a drastic increase in fiscal year 1978 funding. Unless we abrogate the full funding concept, an additional $1.8 billion in fiscal year 1978 is required to complete the CVN–71.

This is $1.8 billion that both Presidents and their Secretaries of Defense, and the Chief of Naval Operations say we do not need in the interests of national security.

Mr. Chairman, I am ready to take their judgment on this matter and approve this rescission and I encourage my colleagues to do the same.

The CHAIRMAN. The time of the gentleman has expired.

(On the request of Mr. SEIBERLING, and by unanimous consent, Mr. BURLISON of Missouri was allowed to proceed for 2 additional minutes.)

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. BURLISON of Missouri. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, the gentleman from Texas (Mr. WHITE) made the statement which implied or in which the gentleman inferred that one of the main reasons for operating carriers is for use in the event of war with a supercarrier; namely, Russia. But as I understand it, none of our aircraft carriers are considered to be part of any strategic weapons system. Is that correct?

Mr. BURLISON of Missouri. The gentleman's question in a different form was addressed directly by the National Security Council's report. What it said was that the Seven Seas are big and that with less than 500 ships we cannot patrol those Seven Seas. We need more ships so as to disperse our seapower. The two V/STOL carriers will be in twice as many places at the same time as one *Nimitz* type carrier. That is all the National Security Council's review said. It is as simple as that. Clearly, in my mind, this House should accept the recommendations of our last two Presidents and our last two Secretaries of Defense and accept this rescission and move on to the V/STOL carriers.

Mr. ROBINSON. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from Florida (Mr. CHAPPELL).

Mr. Chairman, one would think after all the argument of the gentleman from Missouri (Mr. BURLISON) that the Defense subcommittee was practically unanimous in support of the statement of the CNO. When he came before us to state his position with regard to the *Nimitz*-class carrier or the rescission of it in favor of the CVV's.

I call the attention of the committee that as a result of his appearance there the committee did not vote to rescind the *Nimitz* type, it was a tie vote. the committee refused to rescind.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Chairman, I believe the gentleman from Virginia is referring to the subcommittee, is that correct?

Mr. ROBINSON. The subcommittee.

Mr. BURLISON of Missouri. And that the full committee did vote to rescind?

Mr. ROBINSON. I was about to say that the full committee did vote to rescind by a single vote.

That is the extent to which the argument was effective. As far as the full Committee on Appropriations and as far as the Defense subcommittee are concerned, it was not effective in that it did not vote to rescind and it did not so recommend to the full committee.

The reason for the CVV is to accommodate the V/STOL aircraft which certainly is on the horizon. When I say on the horizon, I mean way out on the horizon because even the most optimistic estimates say it will not be available until 1985 and the worst estimates say it will not be available until about 1990. So we are not going to need that carrier for that purpose until that time but we are certainly going to need other exhibitions of sea power which only the *Nimitz*-class carrier can give us in the interim period. In that time we can have a carrier that will do everything with the conventional aircraft available today that the two CVV's can and they are going to cost more than the *Nimitz*-class carrier does at the present time.

Those are the reasons it is important to go ahead now. The only thing we have now in terms of the CVV is a gleam in the Navy's eye. There is nothing on the drawing boards. Characteristic after characteristic is not even known, and cannot be developed because they do not know what they want on it. They tell us it will take $100 million plus in additional cost for the CVV to provide the necessary components and conventional restraining gear so that in the meantime, before the V/STOL becomes available, we can put conventional aircraft on it.

The *Nimitz* is something we know about, that we have the specifications for, that we can build and can have available in case of an emergency be-

tween now and those out years when we have the V/STOL.

Mr. TRIBLE. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON. I yield to the gentleman from Virginia (Mr. TRIBLE).

Mr. TRIBLE. I thank the gentleman from Virginia for yielding.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Florida. During the course of the past 2 months the Seapower Subcommittee of the House Committee on Armed Services has held hearings in regard to the requirements of the U.S. Navy. Every witness, including the Chief of Naval Operations, testified that in their personal and professional opinions it was important that a fourth *Nimitz*-class aircraft carrier be constructed. Notwithstanding this testimony, it is the administration's view that the CVN–71 should not be built. and that in future years smaller aircraft carriers should be constructed.

In testimony on March 2, 1977, before the House Committee on Armed Services, Secretary of Defense Brown made two principal arguments in support of this decision. The Secretary said that his decision was based first, on a desire to attain greater flexibility through the construction of several small carriers, and second, on cost savings represented by the construction of the small aircraft carriers.

I asked the Secretary how many aircraft carriers would he recommend be included in the fleet, considering the threat, mission of the Navy, and the fiscal constraints under which we must all operate. The Secretary indicated that he was not at this time in a position to answer the question. In my view, it is impossible to determine the merits of the question of the CVN unless a decision has been made in regard to the ship requirements of the Navy.

Every Defense study and, indeed, the official position of the U.S. Navy is that we need 13 aircraft carriers in order to meet our commitments. In order to maintain this force level, we need only one additional aircraft carrier between today and the year 2000. One additional carrier is all we need to satisfy our carrier requirements through the year 2000. We do not need several small carriers but only one additional carrier. Clearly it makes sense to build one *Nimitz* aircraft carrier to meet our long-term needs.

We have heard a great deal about costs. It has been said that the CVN–71 would cost $2.3 billion in 1979 dollars. This statement is inaccurate. Evidence submitted in hearings before the Seapower Subcommittee of the Committee on Armed Services clearly established that a fourth CVN would cost $1.98 billion in 1979 dollars. The CVN–71 would cost $2.3 billion only if this Congress chose to interrupt the construction of this ship. A new version of a smaller carrier would cost a minimum of $1.3 billion. In testimony before the Committee on Armed Services, Secretary Brown acknowledged that it was very likely that the real cost of the smaller carrier would exceed this $1.3 billion figure. Moreover, in a January 1976 study completed by the Chief of Naval Operations, it was concluded that any model of this smaller carrier would cost in excess of $2 billion. It was also concluded that three small aircraft carriers would cost roughly the same number of dollars as three *Nimitz* aircraft carriers.

In determining the cost of the aircraft carriers, the administration did not consider fuel costs. The price of a *Nimitz* aircraft carrier, of course, includes fuel for 13 years. In determining the cost of the smaller conventional-powered aircraft carrier, it would be necessary to determine substantial fuel costs that would be incurred. A conventional carrier consumes approximately 11 million barrels of fuel over a 13-year period. As of July 8, 1975, the Navy paid $16.38 for fuel per barrel. The cost to buy this fuel, and the cost to store and deliver 11 million barrels of fuel would equal approximately $340 million. In addition it should be recognized that approximately $250 million has been expended in long-lead funds for the construction of the CVN–71. A reversal of our commitment to build this carrier would result in the loss of substantial moneys although some part of these funds would be saved by retaining purchases made for replacement of present nuclear systems in future years.

In short, it is clear that a smaller carrier is not significantly cheaper than the far more effective *Nimitz* aircraft carrier. Indeed a smaller carrier is not a good buy in terms of dollars or in terms of effectiveness.

Mr. ROBINSON. Mr. Chairman, I conclude by saying we are not here voting on a choice as to whether or not we will have a *Nimitz* carrier or two CVV's. Inevitably we will have the two CVV's when the V/STOL is available. I urge acceptance of the amendment offered by the gentleman from Florida. We need the Nimitz carrier now and the two CVV's later.

Mr. SIKES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think the question was very well stated just a moment ago. We need the *Nimitz*-class carrier now. The question of how many and when we will need the smaller carriers will have to be determined later by Congress. It cannot be determined today. We know we need the *Nimitz* carrier as soon as it can be built.

A vote for rescission simply means we marched up the hill last year when we were trying to improve the Nation's defenses and now we will be turning around and marching downhill, slowing down and stretching out the effort for an adequate defense for America.

We should have both the *Nimitz* carrier and the small carriers. We cannot have both now but we can have the *Nimitz* carrier. A vote for rescission simply means a backward step.

We need more ships, not fewer. We know something about the growing number and capacity of the Russian submarines. Their ship modernization program is proceeding faster than ours. We know they have more modern ships than we have. They know we have the fewest number of ships, many of them obsolescent, that we have had since the time of the Korean war. We should know the Russian submarine threat is a very serious one. They have many, many more submarines than we, and our stretched-out supply lines simply mean greater vulnerability to the Russian submarine threat.

We need more ships. This is a bird in the hand. It is not an easy thing to get a capital ship authorized and funded in Congress any more. It is not an easy thing for the Navy to get an administration to ask for major ships. Now we have a bird in the hand. It is authorized and funded. The design and preliminary construction is already under way.

There is a very uncertain timetable for the follow-on type of minicarrier. We would have to go back to the drawing board if and when it is authorized. Congress refused to authorize it last year. If and when it is authorized and funded, we still are confronted with delay upon delay upon delay. And nobody knows how many years would actually elapse before we would have a ship actually in operation. If anyone could say authoritatively there would be a minicarrier afloat at a date certain, also would have to say we cannot be certain we would have available aircraft to use on the ship. The minicarrier will use a new type of aircraft; a V/STOL aircraft not yet designed.

We have been trying for 30 years to develop a V/STOL aircraft and we have not been able to produce one that is satisfactory for the exacting requirements we impose. The Harrier is the nearest thing to what we want and it is British designed and British built. It is not suitable for the mini carrier. We cannot depend on the availability of an aircraft that is not even designed to provide at a date certain the weaponry that this small carrier needs. We do not know how far in the future a satisfactory aircraft could be brought into actuality.

We need to use nuclear power and dispense with some of the oilers and support and supply ships that would be required for the operation of a conventional ship. If the Members are not concerned about the shortage of ships, then be concerned about the $300 million in additional cost for fuel that would accompany the use of conventional powered carriers. We have fewer bases that the conventional ships can operate from. This is a serious matter. In the Indian Ocean during the last war in the Middle East our fleet operated with great difficulty because no one would sell us oil. The same problem can prevail tomorrow.

Every military man of stature who has been able to speak without restraint has opposed this rescission. Of course if we ask a ranking official in uniform if he supports the budget and if he is sitting across the table in committee, he has to say that he supports the budget, or lose his job. Then when we take the restraints off and ask for their personal opinion based on experience, they will say we should have the big carrier as quickly as possible.

I wonder how many of those who actually support this rescission would also support the smaller carrier when it is

before us. The way to provide more defense and greater security is to build the big carrier now and to move in an orderly way toward the smaller carrier.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I will not use the whole 5 minutes, but I do think there are some rather important things that the House should recognize about itself and about general attitudes.

Mr. Chairman, I have been rather amused here this afternoon. I might say also there is absolutely not one soul that is not very interested in the issue and knows how he will vote on the issue, but I want to point out a couple things and I will again point them out 2 years from now, maybe even before 2 years from now.

The gentleman that talked about the base at Diego Garcia the most for not needing another nuclear carrier has been one of the most strident opponents of the development of the base at Diego Garcia. I think those inconsistencies should be pointed out.

I would also like to point out, with some notable exceptions on the floor, namely, the chairman of the Committee on Appropriations, that with notable exceptions, such as that gentleman, I think many of the people that today at this hour are opposing this carrier on the basis that it would be better to have two smaller carriers, that when we debate the two smaller carriers, a majority of those that oppose this carrier, a majority of those on the other side will be opposed when we are trying to pass the appropriation for the two smaller carriers.

Fortunately, the gentleman from Wisconsin (Mr. ASPIN) has committed himself, and I will safely guard the record today for use at a future time; but there will be persons who say the vertical take-off aircraft will not be developed fully. The cost will go up 2 years from now. The technology will not be present or else the Soviet threat will have diminished or we will have added another fuel tank at Diego Garcia; but we can be sure the majority of our allies today will oppose us when it comes time to build those two carriers.

Finally, at this time with the powerful resources the Soviets are putting into their navy and again this will be taken as a step backward from their challenge. We are giving them the argument to increase their buildup any amount they want to and we do not have the nerve or the will to match it.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. CHARLES WILSON of Texas. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, the gentleman mentioned Diego Garcia. I wonder if the gentleman could tell us how many task forces, nuclear or regular, does the Soviet Union have today to compare with our 12 that we can deploy anywhere on the face of the globe?

I will answer that for the gentleman. The answer is zero.

As compared to our expenditures at Diego Garcia, how much has the Soviet Union spent on their tremendous base at Berbera in Somalia and can they offload a quart of petroleum at this base at this time?

When I was there a year ago they could not really do anything there.

Mr. CHARLES WILSON of Texas. Mr. Chairman, the gentleman is asking a very long question.

Mr. LEGGETT. Mr. Chairman, let me ask this additional item. How much has the United States expended today on Diego Garcia, including the Seebee investment?

Mr. CHARLES WILSON of Texas. I do not know the amount. I certainly do not think it is much.

Mr. LEGGETT. It is right around $200 million.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. CHARLES WILSON of Texas. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I would like to say to the gentleman, as the Member who was in charge of the House delegation that visited Berbera a year and a half ago, that fuel tanks were very much in evidence at Berbera at that time. They were under construction and obviously they were there to provide fuel.

I might also say, the Defense Department has advised me through its classified sources that the activity we saw at Berbera a year and a half ago has now expanded very greatly. In the time since then the Soviets have made it the largest naval supply base outside the Soviet Union.

Mr. CHARLES WILSON of Texas. It is not the only Indian Ocean port that is available to the Soviet Union.

Mr. STRATTON. Certainly not. They have developed another new airfield to the west of Mogadishio.

Mr. STRATTON. They are also using the anchorage at Socotra; using an anchorage in the Seychelles; and they have a substantial base in Aden. They are in position all along our vital oil pipeline out of the Persian Gulf.

Mr. CHARLES WILSON of Texas. I thank the gentleman very much.

The CHAIRMAN pro tempore (Mr. PANETTA). The time of the gentleman from Texas has expired.

(By unanimous consent Mr. CHARLES WILSON of Texas was allowed to proceed for 1 additional minute.)

Mr. CHARLES WILSON of Texas. Mr. Chairman, I do not yield further to the gentleman from California.

I would only like to say to my friend from California that when the chairman of the Appropriations Committee calls on us 2 years from now or 1 year from now for the appropriation vote on two new carriers that we are going to build in place of this one, I will be watching this vote with a great deal of interest.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. CHARLES WILSON of Texas. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. I want to challenge the gentleman's assertion. I offered this amendment in the 1977 fiscal year bill. I would submit that the gentleman from Wisconsin has already committed himself as has the chairman of the subcommittee and full committee and others. I would say that there is not a vestige of evidence or credible criteria to support Mr. WILSON'S position. I know that I clearly will support the VSTOH carriers.

Mr. CHARLES WILSON of Texas. I will certainly accept the gentleman's assertion as far as he is concerned, but I will unequivocally state that it is my judgment—and we will see who has the best judgment—that when these two new carriers are voted on, the Members who voted against the Nimitz-class carrier today will vote against those two also.

Mr. GIAIMO. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I think we should keep in mind that what we are asking for, what the committee is asking for, what the chairman of the committee is asking for, is for this House to go along and rescind the construction of a *Nimitz*-class aircraft carrier. What he is asking this House to do is to agree with the judgment of the President of the United States, who is asking for the rescission; to agree with the judgment of former President Ford, who asked for the rescission; to agree with the judgment of the Secretary of Defense and the Chief of Naval Operations, who are recommending the rescission; to agree with the judgment of the former Secretary of Defense, Mr. Rumsfeld, who also recommended the rescission of this *Nimitz*-class carrier.

Now, we are getting into a great debate as to whether or not a *Nimitz*-class carrier is necessary and whether it is better than the new miniclass V/STOL-type carrier. I do not think that is the issue.

I will concede that we have to have *Nimitz*-class carriers. We have two of them in the fleet right now, and we have two more under construction right now. This would be the question of, do we need a fifth one. The plan is that, in the eighties, we will have four *Nimitz*-class carriers and eight other flattop carriers, nonnuclear, the 12 of which would be under the life extension programs for carriers that the Navy is undertaking and will provide us with massive carrier strength into the 21st century.

We are not abandoning our carrier position, but what the Presidents have said and what the Secretaries of Defense have said is, "Let's get on with an alternative, with a new-type carrier, and let's get on with it now."

We do not need the additional *Nimitz*-class carrier.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I am delighted to yield to the gentleman from Texas.

Mr. MAHON. The gentleman is making a very sound argument, in my opinion. Previously, the gentleman from Texas (Mr. CHARLES WILSON) had indicated that if we do not go forward with the big *Nimitz*-class carrier today we would not be able to get the support of the House at a later date for the smaller carriers needed to give us more versatility in the oceans of the world.

I think the gentleman would agree that we on the Appropriations Commit-

tee have not as yet, insofar as I can remember, brought in a request for an appropriation for a ship that has been voted down by the House.

I would think that we would have no difficulty whatever in carrying out the will of the Congress and the will of those who are supporting the rescission.

Mr. GIAIMO. I agree with the gentleman. And let me just say this: They are recommending that we develop an additional capability, a new type carrier, in addition to our large *Nimitz* class flattops.

Much has been mentioned about the fact that this would use only V/STOL planes. Yes, it would use V/STOL aircraft. But not alone V/STOL planes. Let us remember that these new carriers will be designed to have on them the latest types of aviation.

The F–18 will be designed to land and take off from this carrier, and that is not a V/STOL-type plane. The A–18, the S–3A, and other planes would use the minicarrier. So this carrier is going to have much new additional capability. What the Navy and what the administration is saying to us is that we need more ships in order to have greater control over the oceans of the world, to have greater flexibility, and to have greater presence, if you will. We can do that better if we have a mix, both the large deck *Nimitz* type carriers and the new minitype V/STOL carriers.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for 1 additional minute.)

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. I thank the gentleman for yielding.

Is it not true that the F–18 is still on paper, it has not even been flown?

Mr. GIAIMO. Of course.

Mr. WHITE. And we do not even know if there will be an F–18?

Mr. GIAIMO. Of course. And the F–14, which is our main combat plane for the Navy is still undergoing development. We are still going to have to build a new engine for the F–14.

Mr. WHITE. That is right.

Mr. GIAIMO. We still have to build the F–16, which is authorized and appropriated for.

Mr. WHITE. We do not know when the F–18 will be produced.

Mr. GIAIMO. There are many uncertainties in life. But the way we have developed all of our weapons systems, including the present *Nimitz*-class carrier, is to tell the military and the industrial people in the United States: This is what we need. Here are the specifications. Go out and do the job.

And they have done it. I have no doubt that we will build the F–18, that we can build a V/STOL plane or the V/STOL type carrier.

Mr. EMERY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, today I wish to speak in support of the amendment to H.R. 3839 which will retain the long-lead funding for CVN–71. Unfortunately, the Carter administration's request for a rescission of $81.6 million of the fiscal year 1977 CVN–71 appropriation of $350 million was approved by the Defense Appropriations Subcommittee. The margin of approval was only one vote, however, a factor which indicates major differences of opinion on this particular issue.

In support of the Chappell amendment, I would like to clear up a major misconception relating to the National Security Council study on the recision of funding for the CVN–71. The study does not recommend deletion of funding for this carrier. Rather, according to the Congressional Budget Office issue paper entitled: "Planning U.S. General Purpose Forces: The Navy," on page 38, the NSC recommendation called for one more *Nimitz*-size carrier. Specifically, the CBO report states, and I quote:

> The process of formulating the fiscal year 1977 Navy budget was influenced by the NSC study which had been initiated in January, 1976. Although it was not completed by the time the appropriations bill became law, its preliminary results had already been publicized by mid-1976. The study seemed to recommend a course of action closer to that favored by the Senate Armed Services Committee. It called for only one more Nimitz-sized carrier, after which no more were likely to be built, as well as a mix of nuclear-powered strike cruisers and conventional DDG–47 ships to serve as AEGIS platforms.

Finally, after a discussion of alternative carrier types, the CBO report offers the conclusion that "if a carrier is to be built, it should be of the *Nimitz*-type."

Another study, the "CVNX Characteristics Study Group Report" on page IV–2, published by the Navy in January 1976, concludes:

> Overall, it is more cost effective to procure modified design Nimitz Class carriers. The principal reasons are:
>
> 1. Projected funding levels will support a force level of not more than 13 or 14 fully capable carriers.
>
> 2. At force levels of 13 or 14 carriers, high individual carrier capability is required to meet tactical requirements.
>
> 3. Carriers significantly smaller than the Nimitz Class cannot support the practical minimum number and types of aircraft required to perform missions alone in the presence of an air threat. Nimitz size carriers provide more than twice the combat capability of the smallest practical nuclear powered alternative.
>
> 4. Nimitz size carriers have more flexibility to incorporate change in characteristics that may be required during the life of the ship due to changes in the threat and new technological developments.
>
> 5. For a three-carrier procurement program, the cost of three Modified Nimitz size carriers is about the same as the cost of three of the smallest sized carrier concepts developed.
>
> 6. Practically all design-to-cost, reliability, maintainability, and operability options for a new design carrier can be incorporated in a modified design Nimitz Class carrier.

Mr. Chairman, in view of these facts, and in consideration of the nonconflicting statements of Admirals Doyle, Rickover, Turner, Peterson, and Holloway during the past 16 days of testimony before the House Armed Services Committee and its Seapower Subcommittee, I strongly urge that Mr. CHAPPELL's amendment disapproving the rescission measure be adopted.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I cannot help but take exception to the comment of my good friend, the gentleman from Wisconsin (Mr. ASPIN), that we need more ships, and so if we can get two ships, that is better than one ship.

That reminds me of the story they tell about the fellow who had his cat stuck up on the roof of his house. He asked his neighbor if he had a 20-foot ladder he could borrow so he could get the cat off the roof.

His neighbor said, "No, but I think I can help you out. I have two 10-foot ladders you can use."

If we do not have a ship that will do the job, it does not do us any good to have two of them instead of one.

We have, I believe, achieved a substantial amount of progress in this debate this afternoon. For example, the gentleman from Wisconsin (Mr. ASPIN) said that he acknowledges that a nuclear carrier, the *Nimitz*-class carrier, is better than the CVV, which is the bargain basement carrier, the unknown carrier that he would substitute for it.

The gentleman from Wisconsin also said that if we were only going to get one carrier, he would be in favor of a nuclear carrier. Well, that is indeed the only carrier we need. I think it was the gentleman from Virginia (Mr. TRIBLE) who mentioned a moment ago that the Navy's requirement is going to be for five nuclear carriers into the year 2000 out of a total force of about 12 carriers. We now have four nuclear carriers. So we need this one additional carrier, the No. 5 carrier, to round out that total.

Why do we need five? We need five because whenever we have a number of ships, one of them is going to be in overhaul and one of them is going to be alongside so that the crew can get a little time at home or ashore. Nuclear carriers are needed to cover the big spaces of the oceans, the Pacific Ocean, the Atlantic Ocean, and, of course, the vast Indian Ocean. So if we have five carriers, we will have three carriers of the nuclear variety ready at all times to respond over great distances in each of the three major oceans, and we will have two of them that will be either under repair or temporarily alongside.

That is the Navy's plan, and that is why we need this one additional nuclear carrier. It is not going to do us any good to have two small carriers that are not going to reach the cat on top of the roof—not going to be able to patrol these three vast oceans.

The most important capability of a nuclear ship, as I tried to explain in the 2 minutes that were available to me under general debate, is that it can cover enormous distances at high speeds. Why? Because it does not have to worry about fuel consumption. It does not have to worry about the fuel running out, and therefore, a nuclear carrier can perform

the job of protecting our supply lines more effectively and also can perform much more adequately the job of protecting those areas where the supply lines end because they have the covering air power available.

Mr. Chairman, we have had two crises where this fact has been plainly driven home. One of them was at the time of the sinking of the American ship *Liberty* in the eastern Mediterranean during the 6-day war. At that time we had a carrier available in the North Atlantic to go to that spot to find out what was happening, but it was the *John F. Kennedy*. The *John F. Kennedy* was an oil-burning carrier, unfortunately, and so it could not go at sustained high speed. So the *John F. Kennedy* got there 4 days later than a nuclear carrier would have arrived if we had had one available. Those 4 days could have been extremely vital.

Mr. Chairman, we just had another crisis in Uganda the other day, and I hope it is over with now. But when that crisis erupted in the Indian Ocean at that time a nuclear carrier, the *Enterprise* quickly went to the scene off Uganda, and I dare say that the presence of the *Enterprise*, in spite of what Supreme Commander for Life Amin has said, did have an influence in his decision to back down.

Consequently, Mr. Chairman, we need a nuclear carrier to be able to cover these vast ocean expanses. We have not a single place between Subic Bay in the Philippines and Norfolk in the United States to supply any ship operating in the Indian Ocean except the tiny base at Diego Garcia. That is why we need one more nuclear carrier.

Now we have had all kinds of appeal to authority here this afternoon.

The CHAIRMAN. The time of the gentleman from New York (Mr. STRATTON) has expired.

(By unanimous consent, Mr. STRATTON was allowed to proceed for 1 additional minute.)

Mr. STRATTON. To continue, Mr. Chairman, the gentleman from Connecticut (Mr. GIAIMO), for instance, has appealed to authority. He said that we ought to go along with the recommendation of Lt. Cmdr. Gerald Ford and the recommendation of Lt. Cmdr. Jimmy Carter. But I think we ought to listen to an even higher authority in nuclear matters; Adm. Hyman G. Rickover. After all, he is the man who kept the Navy in business after the end of World War II. If it had not been for the nuclear submarine which he developed, they might not have stayed in business. Admiral Rickover has repeatedly pointed out how important it is, when we spend money for ships, that we get the best ships, the one that can beat the Soviet ships.

Mr. Chairman, we all recall the title of the autobiography of our great President: "Why not the best?"

Well, Admiral Rickover says the same thing, if we are going to build ships, "Why not the best?" That is why I firmly support the amendment of the gentleman from Florida (Mr. CHAPPEL).

The CHAIRMAN. The time of the gentleman from New York (Mr. STRATTON) has expired.

(On request of Mr. SEIBERLING and by unanimous consent, Mr. STRATTON was allowed to proceed for 1 additional minute.)

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I am a little puzzled by the gentleman's argument, because if we build one nuclear carrier instead of two conventional carriers and we keep on with that, are we not less likely to have carriers in places where problems are apt to crop up? In other words, it seems to me that the more carriers we have, the more likely we are to have one near when it is needed.

Mr. STRATTON. Largely because of the thinking of the gentleman from Ohio and people who think like him, we are being forced to reduce our carrier force eventually to 12. We had 16 at one time.

The point is that if we are going to have only 12 carriers, then Admiral Rickover has told us we need 5 nuclear carriers to cover all of the oceans of the world we need to keep our sea lanes open. That is the answer.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Chairman, I would like to ask the very thoughtful gentleman from New York (Mr. STRATTON) how many votes Admiral Rickover got last November 2.

Mr. STRATTON. Mr. Chairman, I think the President of the United States who did set the votes last November, has indicated he has a lot of confidence in Admiral Rickover.

Mr. BENNETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have had a lot of conversation here today concerning whose advice we should take. In that respect, of course, I think it is best to take the advice of the people who are in a position to make judgments on the precise matters up for consideration. And when we are making a judgment on what is needed for our national defense, then obviously we ought to listen to the people who have to carry out that judgment and who have to fight for our country. It is important to hear what they have to say and what they have repeatedly said.

For instance, Admiral Turner said:

> In my personal and professional opinion we should build the follow-on Nimitz while examining the opportunities technology affords, and, perhaps adjusting our force levels with small carriers in the future.

Then Admiral Doyle said that we should build the *Nimitz* and said:

> That is my personal and professional opinion.

Then I talked to Secretary of Defense Brown, and I said to him that our subcommittee had received unanimous testimony favoring the construction of the CVN-71. I said that every military officer who testified favored the construction of the *Nimitz*-class carrier and putting Aegis on the *Long Beach*.

I then wrote to him that if the Department of Defense wished to contradict the unanimous position of the witnesses who had testified before us, then he should send some witness to testify before our committee at 10 o'clock Thursday, February 24. So the Chief of Naval Operations then came before us and the Chief of Naval Operations said the same thing that the other military witnesses had testified to. His words were that his personal preference was that we not cut back the funds on the *Nimitz*-class carrier.

So we have the unanimous position for the carrier from everybody who testified. When I originally asked the Department of Defense to send someone down. I had thought that they would send over a cost analysis person, or somebody of that sort who could give at least budget-type justification for what they were proposing to do. But, I repeat, Mr. Chairman, all of the witnesses, without exception, all said that we needed to build this particular carrier, and they stated their reasons for it before our committee very succinctly.

I also said to Secretary Brown that if he and the Pentagon believed that we ought to have these two small carriers started, then they ought to officially request them put them in the budget. I said, "Why do you not bring them before us so that we could make a better judgment on it as to what they need?"

But the Secretary said that there was not enough information on them yet.

Let me refer to the Appropriations Committee report on page 4 where it says:

> The decision not to build another Nimitz-class carrier at this time results from the National Security Council study.

After we got into this matter we find that the National Security Council never made such a recommendation. The only recommendation like that was that of the Department of Defense not the NSC. But if one were to read both the study by the NSC and the study of the DOD on that, we would find that the National Security Council did not disapprove of this carrier being built.

If we do not want to listen to what our military leaders say then we should listen to what others say, like Janes on ships or any other credible military authority today, without exception. None of them would recommend these rescissions.

Mr. EDWARDS of Alabama. Mr. Chairman, I rise in opposition to the amendment, and I move to strike the requisite number of words.

Mr. Chairman, I think this debate has been very healthy. It has been debated at some length in our subcommittee; it has been debated at some length in our full committee; and I think the debate on the floor today is healthy because we are embarking, in my view, upon what I call the V/STOL era as we start talking about the building of the CVV's.

The gentleman mentioned Lieutenant

Commander Ford and Lieutenant Commander Carter and Admiral Rickover. Of course, the difference is that Lieutenant Commander Ford later became President Ford, and Lieutenant Commander Carter later became President Carter, and in that position they then became Commander in Chief of all the Armed Forces. I think that we have to look at them in the proper perspective.

We have been kicking around the National Security Council debate all day long as to what it said and what it did not say. The fellow who presides, who has, I suppose, as much to do with the National Security Council as anybody is the President of the United States. I would direct the Members' attention to the rescission and deferral message from the President of the United States, President Ford, which was sent over here on January 17 of this year wherein President Ford said to this Congress:

The decision—

That is, to rescind the CVN–71 as well as the *Long Beach*—

resulted from a review of the 5-year Navy shipbulding program, which was based on a National Security Council study on U.S. Strategy and Naval Force Requirements.

So says the President of the United States quoting the National Security Council study. That is just about as good authority as I know of that we can bring to this floor and discuss in this debate.

We keep hearing that we need the *Nimitz* now. I have heard it a half dozen times on the floor today. We are not going to have the *Nimitz* now. Even if we vote for this amendment, we are not going to have it now. The *Nimitz* CVN–71 is not even under construction yet, and the only place it can be built is in a yard, and the last word of the big discussion that has been going on down at Newport News says, "We do not even want to finish the CVN–70. Come and take it away, because of all the shipbuilding pains and problems that we have."

I do not think they are going to kick the CVN–70 out of the yard, but that is the atmosphere in which we are talking about building the CVN–71. The CVN–70 is about 2 years behind schedule now.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Texas.

Mr. MAHON. I thank the gentleman for yielding.

The gentleman from Florida (Mr. BENNETT) made the statement that the committee report contained an inaccuracy as to what the rescission message said. I have before me House Document No. 95–48. It is the message of the President of the United States. With respect to his decision we quote in our report what the President said. He said:

The funds proposed for rescission were appropriated for procurement of long lead-time components for the CVN–71 nuclear aircraft carrier ($350.0 million) and the U.S.S. Long Beach conversion program ($371.0 million). This rescission proposal results from a Presidential decision—

This is what the President's message says:

not to procure the CVN–71 or to convert the Long Beach in the 1978–1982 period. This decision resulted from a review of the five-year Navy shipbuilding program, which was based on a National Security Council study on U.S. strategy and naval force requirements.

That is not Appropriations Committee language; that is the rescission message language of the President.

Mr. EDWARDS of Alabama. I thank the Chairman for reading that in full.

Mr. BENNETT. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Florida.

Mr. BENNETT. I thank the gentleman for yielding.

The point I was making is that the report on page 4 makes this statement:

The decision not to build another Nimitz-class carrier at this time results from the National Security Council study.

I do not think there is any foundation for saying the NSC study opposed this carrier.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Washington.

Mr. DICKS. I thank the gentleman for yielding.

I completely agree with the gentleman's conclusion regarding the difficulties down at Newport News, but is it not true that the Chief of Naval Operations testified before the committee that there was another option regarding the carrier, and that is to build it at Puget Sound Naval Shipyard if we cannot build it at a private yard? So we do have another option. That is the only point I am trying to make.

Mr. EDWARDS of Alabama. I think that if it were to be built at Puget Sound, the effort to get the facility ready for the construction of the CVN–71 would be so expensive and time consuming that it would not make sense.

Mr. DICKS. But the Chief of Naval Operations did say it was under study as a possible option. Is that not accurate?

Mr. EDWARDS of Alabama. I guess I would have to say it may be a possible option. I suppose I could say that about any shipyard in the country. But Newport News is the only place where this ship can be built, and it is 2 years behind schedule with CVN–70. If we start the CVN–71 today, the earliest possible date it could be finished would be in 1985 or 1986.

That is what I want to get in perspective when we start talking about and saying that we need this now. If we start the CVV today, we can have it probably as soon as we can get the big carrier off the ways. So we are not talking about a gigantic gap between the time when we can get the large carrier and when we can get the CVV's in operation.

There is nothing magic about five or four nuclear carriers. What we need desperately, I think, is a larger presence in the oceans of the world, and the way we are going to get that presence is to have more ships.

We cannot have it both ways. There is only so much money to go around. We need to get some ships out there. We need to get some carriers in service that can take the new V/STOL technology that will be developed as the carriers will be developed.

The Navy is never going to develop the V/STOL for the smaller carriers as long as they have the big-deck carriers. They will put their money someplace else.

When we give them the money for the carriers to accommodate the V/STOL aircraft, the Navy is going to have to have the V/STOLS ready. The Secretary of the Navy, Mr. Claytor, testified before our committee on February 17, 1977, that if we have the CVV carriers able to take the V/STOL aircraft:

You would be surprised how much faster we will develop that needed V/STOL to go on that platform.

If we want the CVV—and I think it is something we have got to do—I do not believe we have to take the position that of course somehow, that big expensive carrier is necessary for this country. Admiral Holloway has said that our security will certainly not be hurt if we go this route.

The time has come to make the best out of the military dollar that we can. I am convinced in my own mind, after considerable thought and study, that the best use of the dollar at this time is to go along with the decision for the rescission of the funds for the CVN–71, and to go ahead with the CVV's and develop the V/STOL aircraft and better cover the oceans of the world for the security of this great Nation of ours.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the President of the United States has asked us to appropriate $10 billion more for defense this year than we appropriated last year—$10 billion more.

The now President of the United States was selected years ago by Admiral Rickover when the President was a young naval officer for training in nuclear power. Admiral Rickover trained that young officer, and President Carter was on nuclear ships and he was a nuclear engineer. He is asking us for $10 billion more for defense this year than we appropriated last year. I think under the circumstances we are very fortunate to have a President who is all out for a more modern approach to the defense problems which confront us.

The President is moving away, as we moved away from the battleship some time ago, much against the opposition of many Admirals, from huge, expensive carriers and toward smaller ships and more ships in order that we may do a better job of covering the oceans of the world. We need to do that because of the satellite reconnaissance capability of our opponent and because of the cruise missile and other so-called smart weapons. We clearly need more dispersal of our Navy at sea.

I am for this rescission because I am strong for national defense, as I have always been. I have never betrayed the House in that matter and I am not betraying the House today.

Mr. Chairman, if we support the Com-

mander in Chief, if we support the recommendations of the former President and the former Secretary of Defense and the present Secretary of Defense, we will not go wrong on the issue before us. I have discussed the issues before us with the Secretary of Defense, Harold Brown.

I knew what the President recommended in his budget and in the rescission message. On yesterday, Secretary Brown again discussed with the President the carrier issue and the issue involving the *Long Beach* and the Secretary wrote me a letter, which I received today, in which Secretary Brown said:

> I want to assure you that I reviewed these programs in detail with the President prior to his decisions on the fiscal year 1978 budget. Again today I have discussed the matter with him, and he reiterated the view contained in those decisions. Accordingly, we strongly recommend the approval of the rescission actions with respect to the CVN–71 and the U.S.S. Long Beach AEGIS conversions.

Mr. Chairman, we respect the opinion of our leaders who wear the military uniform but we must continue to support civilian control.

I think we are moving along well in improving our defense capabilities. I think we are also to be commended for staying within the budget resolution. We will not have to come out with an additional appropriation of $1.7 billion.

Mr. Chairman, I have been very patient in trying to represent the House here and in permitting Members to speak; but it seems to me that about everyone who desires to do so has spoken and has had ample time.

Mr MAHON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and any amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair will state that all Members standing at the time the request was made will be recognized for 45 seconds each.

The gentleman from Texas (Mr. BROOKS) is recognized.

(By unanimous consent, Messrs, BROOKS, SIKES, DICKS, STRATTON, FUQUA, CHARLES WILSON of Texas, LONG of Maryland, and WHITE, yielded their time to Mr. CHAPPELL.)

The CHAIRMAN. The gentleman from Florida (Mr. CHAPPELL) is recognized for 7¼ minutes.

Mr. CHAPPELL. Mr. Chairman, I thank the Members for yielding this time to me.

Mr. Chairman, the distinguished chairman of the Committee on Appropriations and the chairman of the Subcommittee on Defense has made some reference to the fact that the President of the United States has been trained by Admiral Rickover; and, therefore, we ought to listen without qualification to what he, the President says. I would like to comment that as of yesterday President Carter, according to my last information—had not asked the advice of his mentor, Admiral Rickover. Had he asked his advice, his advice would certainly be along the lines I have covered here as I read from the admiral's testimony before the Armed Forces Committee.

Mr. Chairman, someone has said that there is no such thing as having the *Nimitz* class now, and I agree with that, but let me say that if we do not do something now, we will not have it in 1984. I doubt that there is anyone in this Chamber today who would seriously contend that with a ship not even on the drawing board—and certainly the smaller craft is not—we will not have any in 1986 or 1987. We do not even have a conceptual design of this piece of equipment.

Admiral Holloway, on page 70 of his testimony before the Defense Subcommittee on Appropriations, when he was asked about whether or not anyone had even listened to the alternatives recommended by the Navy to the *Nimitz*-class carrier answered:

> Mr. Chappell, the Navy hasn't recommended any alternative to the *Nimitz*. As I recall, the process has not been one in which we have had that opportunity.

So, there has been no recommendation as to any alternatives.

Now, let me come to what we are trying to buy here. I have said, and I think I have fairly well proven beyond any contention to the contrary, that we can buy either of the two ships; that is, the small one or the *Nimitz* craft, for approximately the same price because of the investment we have already made in the *Nimitz*. If the Members want a comparison, the Secretary of Defense, Secretary Brown, in response to a question in which I asked him to compare the two, said:

> I think you can. You can say that perhaps the CVV will do one-third of the job two-thirds as well, and the rest will be done for it by other ships in both cases.

If that does not tell us that we get more for the taxpayers' money with this ship, then I do not know what it is. Now, the real question here, Mr. Chairman, is that it would cost about the same to have either a CVN or the minicarrier. Then, certainly, I think we ought to have by 1984 the minicarrier, and then we can go on to provide for the smaller craft behind that. Nobody disagrees that we want to go to the smaller craft. It is going to take both, but, if we are not about it, we are not going to have either.

Someone has alluded to the fact that we could put the F–18 on the carrier. It was clearly brought out by Secretary Brown that he did not know whether the CVV will or will not handle the F–18. That is clearly in the testimony. Certainly, it will not handle the F–14, according to the testimony.

Now, Mr. Chairman, without getting into classified matter, I think it is pretty clear that the JCS prudent risk force includes at least 16 carriers, and, without monetary restraint, 20. Yet, we are talking here today about only 12 operational craft. I submit to the Members that we are going to do this country a serious injustice in its ability and capability of defending this country and what we need to do around the world unless we go forward with this funding for this carrier now so that we can have it somewhere around 1984. Then we can provide the funding for those carriers which go beyond, and it is going to take both.

Mr. Chairman, I would urge the adoption of the amendment.

(By unanimous consent, Mr. GIAIMO and Mr. TSONGAS yielded their time to Mr. LEGGETT.)

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, the chairman of the Committee on the Budget, Mr. GIAIMO, did not mention the fact that this matter was included in our budget resolution the other day. We assumed that this resolution would be adopted and that the rescission would take effect. Now here we are, a few days later, threatening to break the budget. We have to keep in mind there is some limit to the amount we can spend for national defense.

It has not been mentioned here today, but our overall procurement budget is up for 1978 by 19 percent. Our naval budget for new construction is $6.45 billion. If we do not stand with the chairman of the full Committee on Appropriations and rescind these amounts today, we are going to have to ask for an augmentation to the 1978 budget by $2 billion, raising that to $8½ billion.

We have a $77 billion deficit for the current fiscal year. It is programed at right around $60 billion for the next fiscal year. We can all be myopic and get this tunnel vision and look at just the five nuclear carriers. As a practical matter, we just cannot afford to do what we would like to do.

An additional item I wish to mention is the fact that it has been indicated there is only one shipyard in the country that can build these ships. That is Newport News. We have $8 billion of work there today under construction. We have nine nuclear submarines under construction at Newport News with an outfitted cost of around $355 million per unit. We have two nuclear carriers under construction at that yard at a probable cost of about $2 billion apiece. As a result, the total program at that yard today is right around $8 billion. We have cost overruns at that yard that we need to resolve of about $1 billion.

I surely support getting our shipyards on some kind of a manageable basis.

Mr. Chairman, I rise in opposition to all amendments to restore the $453 million for long lead components for the fourth nuclear powered *Nimitz* aircraft carrier and the conversion of the U.S.S. *Long Beach* to an Aegis air defense platform.

In considering this recission the following points must be clearly understood:

First, this rescission, proposed by President Ford, after an extensive study by the National Security Council on U.S. Maritime Strategy and Force Requirements, is strongly endorsed by President Carter and his Secretary of Defense, Dr. Brown.

Second, the Secretary of Defense and the Chief of Naval Operations testified before the House Appropriations Committee on February 17, 1977 these rescissions would not impair the national security of the Nation.

Third, as to the conversion of the *Long Beach*, the Chief of Naval Operations has stated this would be the least desirable option in providing the Navy with Aegis air defense system. The first priority of the Navy is construction of the new DDG–47. Construction of a new class of nuclear powered strike cruisers is second priority and conversion of U.S.S. *Long Beach* is last priority.

Fourth, the total cost of the fourth nuclear-powered carrier is approximately $2 billion plus, in fiscal year 1978 dollars. The 5-year Defense program includes two smaller carriers designed to carry vertical/short take off landing aircraft—VSTOL. Both of the two smaller carriers could be funded for the same amount.

Fifth, if the Congress does not approve this rescission approximately $2 billion will have to be added to the fiscal year 1978 defense budget, just for these two ships.

Sixth, there is only one shipyard in the country that can build the carrier at this time. This yard has had serious contract production difficulties under Navy contracts. Management of the shipyard has publicly asked the Navy to remove uncompleted work; including the third nuclear powered carrier U.S.S. *Carl Vinson*. It does not seem prudent to fund the fourth carrier when there is serious doubt about construction of the third one.

The Secretary of Defense has indicated he plans to initiate a number of studies involving strategy, force, levels, and support requirements over the next several months. This proposed rescission, endorsed by President Carter and President Ford is made to improve effectiveness of the Defense Establishment. I urge my colleagues to vote against this amendment.

(By unanimous consent Messrs. TRIBLE, BOB WILSON, JOHN T. MYERS, and BENNETT yielded their time to Mr. SPENCE).

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina (Mr. SPENCE).

Mr. SPENCE. Mr. Chairman, the story is told that some years ago a young naval officer went before Admiral Rickover, and he was trying to convince him. I suppose, why Admiral Rickover should allow him to become an officer in the nuclear Navy. He was 'fessing up, as we say down home—we are getting used to the down home kind of talking—and he was telling Admiral Rickover his shortcomings.

The story goes that Admiral Rickover replied, "Why not the best?" And then later on, this same young man was running for President of the United States, and he wrote a book, the title of which is, "Why Not the Best?" because he said the statement of Admiral Rickover made a very profound impression upon him.

I sincerely hope that Admiral Rickover is again successful in making a profound impression upon our President.

Last year this body authorized and appropriated the money for this nuclear carrier which we are talking about today. I ask the question: What has happened since last year?

I think we should make one point and make it again and again: We are not here today deciding whether or not we should have one nuclear carrier or whether we should build two dreamboat-type carriers of a nonnuclear class. We are deciding today whether we shall have one carrier or no carriers.

I agree with the gentleman from Texas that it would be very interesting a year or two from now to call the roll and look around in our body and see who is standing up for those two carriers they have talked so much in favor of today.

The gentleman from Florida (Mr. CHAPPELL) has, I think, without question proven that we will not be able to build two nonnuclear carriers, in any event, for the cost of one nuclear carrier, if we add in the cost of the fuel which will propel the two nonnuclear carriers.

Title VIII of Public Law 93–365 enacted by this body provides that no major combatant ship will be constructed that is not nuclear powered. I do not see how, by any stretch of the imagination, there is any way of getting around this requirement. How can we build the nonnuclear carriers without violating this law.

We have to add the cost of fossil fuel, as has been pointed out today, to the cost of the construction of nonnuclear carriers—and not for just a few years but for the life of the ship, 30 or possibly 40 years in the future. Who in this body can tell us today what the price of fossil fuel will be 5 years from now, 10 years from now, 15 years from now, or for that matter, if we will even be able to obtain fossil fuel at any price in the future?

In addition, it will be necessary to add in the cost of the tankers and men which will be required to refuel these nonnuclear carriers, if fuel is available for that purpose. In the event the tankers are sunk, or otherwise unable to resupply the conventional ships, they will be "dead in the water."

Someone has raised the question that the nuclear carrier must also be replenished with ammunition and aviation gasoline. That is true. but since a nuclear carrier will carry three times the ammunition and four times as much aviation gasoline, it will not need resupplying nearly as often. Also, I might add that the nuclear carrier has 50 percent more capacity for airplanes than the smaller, conventional carrier.

It has been said that one carrier can only be in one place at one time. I might add that two conventional carriers can go no place at any time if fossil fuel is unavailable for any one of a number of reasons.

I ask your support for this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. BURLISON).

Mr. BURLISON of Missouri. Mr. Chairman, we have heard a good deal of discussion about the recommendations of a prominent admiral and whether those recommendations were received and followed by the President of the United States.

I would submit that issue is fairly irrelevant. We all know that the President received recommendations from his CNO, from his Secretary of the Navy, and from his Secretary of Defense, and on the basis of all these recommendations he has come to us with this rescission request.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY. Mr. Chairman, should this amendment succeed, I would hope that we would name the new aircraft carrier after Mr. Ronald Reagan, who was the true inspiration behind its being offered.

One of the things we have got to understand with respect to aircraft carriers, and they are fine ships, in that they are vulnerable to cruise missiles, defense planners have suggested that the CVV or the V/STOL-type aircraft carrier, would, respond to the new threats much more readily than the old type nuclear aircraft carrier.

Mr. Chairman, it is simply a matter in today's military environment of being able to better defend against the Cruise missile and the Styx missile and to be able to respond flexibility.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. ADDABBO).

Mr. ADDABBO. Mr. Chairman, allusion has been made to the fact that we who are opposing this amendment may have voted against defense spending in the past. I have always voted for a defense bill although supporting necessary reductions. Whether I will support the two small carriers will depend on what testimony is developed before our committee on defense appropriations.

But let us ask this: Who is supporting this amendment? Who is supporting the proposal to rescind this money? President Ford, President Carter, Secretary of Defense Brown, Secretary of Defense Rumsfeld, and the chairman of our Committee on Appropriations, the gentleman from Texas, GEORGE MAHON, as well as the ranking minority member, the gentleman from Alabama (Mr. EDWARDS).

Mr. Chairman, all the arguments are there. The President has read the intelligence reports. He knows what the threats are in the future, and I submit that he feels we should not build this large carrier.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama (Mr. EDWARDS).

Mr. EDWARDS of Alabama. Mr. Chairman, just for the purpose of clearing up the record, the gentleman from Florida (Mr. CHAPPELL) a moment ago said that the Secretary of Defense says

that the F–18 jet aircraft would not be able to fly off the deck of the new ship.

I wonder whether the gentleman misspoke himself. He meant the F–14, did he not?

Mr. CHAPPELL. Mr. Chairman, if the gentleman will yield, my recollection is, and I believe the report will verify it, that he did not know whether it would or would not. I did not say what the gentleman said. I said that the Secretary of Defense said he did not know whether it would or not.

Mr. EDWARDS of Alabama. On pages 67 and 71 of the hearing document, Admiral Holloway and the Secretary of Defense both stated that the F–18 would, in fact, be able to fly off the CVV.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from California.

Mr. DORNAN. Mr. Chairman, the F–18 is made in my district. I would like to correct some misstatements of fact about this subject.

Mr. Chairman, I support the amendment of the gentleman from Florida (Mr. CHAPPELL), although I respect the well-intentioned arguments of my colleagues who oppose it. My sole concern at this time is for certain misconceptions about the F–18 aircraft which have been forwarded as arguments against the funding of the CVN–71. I speak specifically about the statement that the F–18 will not be ready for action for many years to come. This is simply not the case.

I have been advised by both the U.S. Navy authorities and the Northrop Corp., which manufactures the F–18, that it will be ready for its first flight sometime in the middle of next year.

The F–18 is a direct outgrowth of the YF–17 of which there are two flying models at the present time. In layman's terms, the F–18 is the practical version of the test model YF–17, which stole the show at the Farnborough exhibition in England last year. The two flying models of the YF–17 have logged more than 850 engine flying hours and are passing all tests with flying colors.

The engine which will power the F–18 is manufactured by General Electric. It has been subjected to over 100 hours of ground tests and is more than 1 month ahead of schedule. It is anticipated that this engine will continue to achieve these fine results.

When the F–18 is operational, it will carry almost 14,000 pounds in weapons stores with full internal fuel. This is an invaluable asset for a fighter plane. It is from 5 to 10 times more reliable than the F–4J and the A–7E planes which it is to replace.

Northrop Corp. and General Electric are to be lauded for proving once again that they deserve their reputation in defense production. They have provided the United States with a cost-efficient fighter aircraft and engine which will be a pride to our Navy.

Mr. Chairman, I support full funding for the CVN–71 and hope that the majority of my colleagues will join me in supporting the gentleman from Florida. However, if this does not prove to be the case, I sincerely hope that it will not be because of any misconception about the availability or performance capabilities of the F–18 which the CVN–71 will carry.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. MAHON) to close debate.

Mr. MAHON. Mr. Chairman, we have not yet appropriated the funds required for the big carrier. We have appropriated only some long leadtime money.

If we do not vote for this rescission, then we will have to come back and appropriate about $1.7 billion in the new fiscal year 1978 Defense budget. This fact should be better understood.

Another thing that ought to be understood, Mr. Chairman, is that with respect to the cost of fuel, the cost of uranium is going up and the cost of petroleum is going up. For its ships, the Navy uses one-quarter of 1 percent of the annual consumption of oil in this country, so that is a very important factor to bear in mind.

Mr. Chairman, I ask for a vote in favor of the committee amendment and in opposition to the floor amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Florida (Mr. CHAPPELL) to the committee amendment.

PARLIAMENTARY INQUIRY

Mr. BOB WILSON. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BOB WILSON. Mr. Chairman, I just wanted to clarify the parliamentary situation.

A "yes" vote on this amendment means that the funds will not be rescinded for the CVN–71; is that correct?

The CHAIRMAN. The Chair will state that that is correct.

Mr. BOB WILSON. I thank the Chair.

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 49, noes 46.

RECORDED VOTE

Mr. MAHON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 161, noes 252, not voting 19, as follows:

[Roll No. 42]

AYES—161

Abdnor	Carter	Ertel
Annunzio	Cederberg	Evans, Del.
Archer	Chappell	Flood
Armstrong	Clausen,	Flynt
Ashbrook	Don H.	Fountain
Bafalis	Clawson, Del	Frey
Barnard	Cleveland	Fuqua
Bauman	Cochran	Gaydos
Beard, Tenn.	Coleman	Gilman
Bennett	Coughlin	Ginn
Bevill	Daniel, Dan	Goldwater
Boggs	Daniel, R. W.	Grassley
Bowen	Davis	Guyer
Breckinridge	de la Garza	Hagedorn
Brinkley	Dent	Hansen
Brown, Mich.	Derwinski	Hightower
Brown, Ohio	Devine	Hillis
Buchanan	Dickinson	Holland
Burgener	Dicks	Holt
Burke, Fla.	Dornan	Horton
Burke, Mass.	Duncan, Tenn.	Hubbard
Burleson, Tex.	Edwards, Okla.	Huckaby
Butler	Emery	Hyde
Byron	English	Ichord
Ireland	Mitchell, N.Y.	Spence
Jenkins	Mollohan	Stangeland
Jones, N.C.	Montgomery	Stanton
Jones, Okla.	Moore	Steed
Kasten	Moorhead,	Steers
Kazen	Calif.	Stratton
Kelly	Murphy, N.Y.	Stump
Kemp	Murphy, Pa.	Symms
Ketchum	Myers, Ind.	Taylor
Kindness	Natcher	Tonry
Lagomarsino	Nichols	Treen
Latta	Pepper	Trible
Lent	Poage	Van Deerlin
Levitas	Pressler	Vander Jagt
Lloyd, Calif.	Price	Waggonner
Lloyd, Tenn.	Quayle	Walker
Long, Md.	Quillen	Walsh
Lott	Rhodes	Wampler
Lujan	Risenhoover	Watkins
McClory	Roberts	White
McCormack	Robinson	Whitehurst
McDonald	Rousselot	Whitten
McFall	Rudd	Wiggins
Marlenee	Satterfield	Wilson, Bob
Marriott	Sawyer	Wilson, Tex.
Martin	Schulze	Yatron
Mathis	Shipley	Young, Alaska
Meyner	Shuster	Young, Tex.
Michel	Sikes	Zablocki
Milford	Slack	
Miller, Ohio	Snyder	

NOES—252

Addabbo	Edwards, Ala.	McCloskey
Akaka	Edwards, Calif.	McDade
Alexander	Eilberg	McEwen
Allen	Erlenborn	McHugh
Ambro	Evans, Colo.	McKay
Anderson,	Evans, Ind.	McKinney
Calif.	Fary	Madigan
Anderson, Ill.	Fascell	Maguire
Andrews, N.C.	Fenwick	Mahon
Andrews,	Findley	Mann
N. Dak.	Fish	Markey
Applegate	Fisher	Marks
Ashley	Fithian	Mattox
Aspin	Flippo	Mazzoli
AuCoin	Florio	Meeds
Badillo	Flowers	Metcalfe
Baldus	Foley	Mikulski
Baucus	Ford, Mich.	Mikva
Beard, R.I.	Ford, Tenn.	Miller, Calif.
Bedell	Forsythe	Mineta
Benjamin	Fraser	Minish
Biaggi	Frenzel	Mitchell, Md.
Bingham	Gephardt	Moakley
Blanchard	Giaimo	Moffett
Blouin	Gibbons	Moorhead, Pa.
Boland	Glickman	Moss
Bolling	Goodling	Mottl
Bonior	Gore	Murphy, Ill.
Bonker	Gradison	Murtha
Brademas	Gudger	Myers, Gary
Brodhead	Hall	Myers, Michael
Brooks	Hamilton	Neal
Broomfield	Hammer-	Nedzi
Brown, Calif.	schmidt	Nix
Broyhill	Hanley	Nolan
Burke, Calif.	Hannaford	Nowak
Burlison, Mo.	Harkin	Oakar
Burton, John	Harris	Oberstar
Burton, Phillip	Harsha	Obey
Caputo	Hawkins	O'Brien
Carney	Heckler	Ottinger
Carr	Hefner	Panetta
Cavanaugh	Heftel	Patten
Chisholm	Hollenbeck	Patterson
Clay	Holtzman	Pattison
Cohen	Howard	Pease
Collins, Ill.	Hughes	Perkins
Collins, Tex.	Jacobs	Pickle
Conable	Jeffords	Pike
Conte	Jenrette	Preyer
Conyers	Johnson, Calif.	Pritchard
Corcoran	Johnson, Colo.	Pursell
Corman	Jones, Tenn.	Quie
Cornell	Jordan	Rahall
Cornwell	Kastenmeier	Rangel
Cotter	Keys	Regula
D'Amours	Kildee	Reuss
Danielson	Koch	Richmond
Delaney	Kostmayer	Rinaldo
Dellums	Krebs	Rodino
Derrick	Krueger	Roe
Dingell	LaFalce	Rogers
Dodd	Leach	Roncalio
Downey	Lederer	Rooney
Drinan	Le Fante	Rose
Duncan, Oreg.	Lehman	Rosenthal
Early	Long, La.	Rostenkowski
Eckhardt	Luken	Roybal
Edgar	Lundine	Runnels

Ruppe	Smith, Nebr.	Vento
Russo	Solarz	Volkmer
Ryan	Spellman	Waigren
St Germain	Stark	Waxman
Santini	Steiger	Weaver
Sarasin	Stockman	Weiss
Scheuer	Stokes	Whalen
Schroeder	Studds	Whitley
Sebelius	Thompson	Winn
Seiberling	Thone	Wolff
Sharp	Thornton	Wright
Simon	Traxler	Wydler
Sisk	Tsongas	Wylie
Skelton	Tucker	Yates
Skubitz	Ullman	Young, Mo.
Smith, Iowa	Vanik	Zeferetti

NOT VOTING—19

Ammerman	Gammage	Teague
Badham	Gonzalez	Udall
Bellenson	Harrington	Wilson, C. H.
Breaux	Leggett	Wirth
Crane	Pettis	Young, Fla.
Diggs	Railsback	
Evans, Ga.	Staggers	

The Clerk announced the following pairs:

On this vote:

Mr. Teague for, with Mr. Staggers against.

Mr. Breaux for, with Mr. Harrington against.

Mr. Crane for, with Mr. Diggs against.

Mr. Railsback for, with Mr. Wirth against.

Mr. Young of Florida for, with Mr. Bellenson against.

Mr. STEERS changed his vote from "no" to "aye."

Messrs. ANDREWS of North Carolina, JOHNSON of California, and HALL changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to the committee amendment?

AMENDMENT OFFERED BY MR. BENNETT

Mr. BENNETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENNETT: In the committee amendment, strike the sum "$452,600,000" and insert in lieu thereof the sum "$81,600,000".

The CHAIRMAN. The Chair would remind the gentleman that all debate has been concluded.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we just voted on the rescission relating to the big carrier.

I had asked earlier in the debate to close that debate in 15 minutes.

That time has passed, and we have to vote on the issue.

Mr. Chairman, I ask unanimous consent that it may be in order to debate the Bennett amendment, which is now being offered, for 30 minutes. It had not been my intention at all to deprive the House of having some debate on the *Long Beach* issue which has been mentioned in general debate today.

So, I ask unanimous consent that my previous request be vacated in order that we may agree on a 30-minute period of debate on the committee amendment and all amendments thereto.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BENNETT. Mr. Chairman, the amendment before us now is with regard to the *Long Beach*, a nuclear vessel which is not now adequate to do anything very important, considering the investment that has been made in it.

It is going to be revised, and the question is, How is it to be revised? It will be revised one way or the other. This amendment will allow it to be revised to contain the Aegis system, which is a system designed to search out and destroy enemy attackers in a way no navy has today.

It is a major, quantum jump in the defense of our country. To put it on the *Long Beach* will be the quickest way that it can get to sea. Admiral Doyle, who appeared before our committee, who is in charge of ship matters, testified that when those ships, the strike cruiser and the DDG–47, were disallowed we should use the conversion of the *Long Beach* for Aegis inclusion. His professional opinion is that the *Long Beach* is a hull that is very capable, and that it has a capable propulsion plant, but that its weapons system needs updating and that it is an ideal candidate for the quickest way to get the Aegis to sea.

Our committee has had extensive hearings on this matter. There is no one in the Navy who has testified before our committee who does not favor constituting the *Long Beach* as an Aegis ship. Nobody has testified in opposition before our committee on that matter.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from New York.

Mr. ADDABBO. I thank the gentleman for yielding to me. Is it not a fact that the gentleman in the well as chairman of the subcommittee on Armed Services has authorized the building of the DDG–47, which is the ship the Navy has designated for using this system for?

Mr. BENNETT. Yes, but according to testimony given us it will not be available to use at sea as quickly as this ship, plus the fact that this ship is a nuclear ship and therefore can accompany our nuclear force. Nobody doubts that this ship will be the first ship of nuclear capacity that can go with our nuclear forces.

Some people think the DDG–47 can be built almost as quickly as the *Long Beach* can be reconstituted, but nobody doubts that this can be the first Aegis ship available for a nuclear task force.

Nobody doubts that it will be the first nuclear ship of its type, and most of us believe it can be the first ship of any kind on the seas with this very important, quantum jump in weaponry.

Mr. ADDABBO. Is it also a fact that the *Long Beach* will be one of a kind, not an experimental ship or a lead ship for this system.

Mr. BENNETT, No, it is not.

I just want to say that it is not true that this ship will not be a forerunner. It was chosen by the Navy as the first of its strike cruiser class. In other words, while not identical with the hull that the strike cruiser will have, the Navy testified before us that it could be constituted in such a fashion that the material on that ship could also be placed on the strike cruiser.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. I thank the gentleman for yielding.

Mr. Chairman, the gentleman is making a very important statement. Is it not true that—since many of the people who voted against the add-on to the *Nimitz* profess to be interested in nuclear carriers—unless we get the nuclear ships we now have in the fleet equipped to provide the proper antiaircraft protection to any nuclear carrier, we are not going to be able to use them? This is one nuclear ship provided to our existing nuclear carriers, and we can get it to them faster; is that not true?

Mr. BENNETT. Absolutely. It would add a quantum jump to our national defense.

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, we are deeply divided on the question of building another nuclear-powered aircraft carrier. But we should not let our divisions over the carrier and over nuclear propulsion automatically carry over to the question of converting the *Long Beach* into an Aegis air defense ship, for the issue here is not nuclear versus conventional power; it is not big carriers versus smaller carriers. The issue here is protecting what we have already got.

Those of my colleagues who voted against the carrier presumably did so thinking that even a ship this powerful would be vulnerable in the cruise missile age. But if you believe the *Nimitz* is vulnerable, what do you intend to do about protecting the 12 carriers we already have in the fleet?

Our Navy needs air defense protection badly, and Aegis is the only answer the Navy has to meet the cruise missile threat at intermediate ranges. We simply have no alternatives.

The earliest means of getting Aegis to sea is via the *Long Beach* conversion. According to testimony presented before the Appropriations Committee, the *Long Beach* can be ready 6 months ahead of the first DDG–47 conventionally-powered Aegis ship and 3 years before the first strike cruiser, if one is ever built. I think it is pure Alice in Wonderland to think that any of these target dates can be met—Aegis is a complex system and we can expect change orders and delays in all cases. But I am willing to bet that these delays will be more severe working with an entirely new ship. Look at past history: The first DD–963 was 10 months late; the first LHA was 14 months late; the first *Los Angeles*-class nuclear attack submarine was 27 months late.

We will need Aegis as soon as we can get it; I think our best insurance policy is to work with an already existing platform like the *Long Beach* at the same time that we try to build a completely

new class of ships. One last point about timing: The Navy tells me we can shorten the delivery date of the *Long Beach* by a full year if we do not make this ship a prototype of the strike cruiser, and just place Aegis on board.

The *Long Beach* is not a new ship; it was built the same year as our first nuclear-powered carrier, the *Enterprise*. In my view, the *Long Beach* would make an excellent escort to the *Enterprise:* Both would undergo service life extension programs, and both would have at least 20 more years of useful life remaining. It goes without saying that the *Long Beach* conversion would be extraordinarily expensive—it will cost $783 million if we go the full route of making it a strike cruiser. But if we amortize this figure over the useful life of the ship it turns out that it will cost $39 million per ship year of operation. I do not believe that is too much of a price to pay for a nuclear-powered Aegis escort.

The Navy's current plans for the *Long Beach* defy logic. As I understand it, the Navy plans to perform a $261 million overhaul instead of the $783 million Aegis conversion. Then, 7 years later, in fiscal year 1984, the Navy will finally convert the ship to Aegis. If we are going to place Aegis on board this ship, let us do it now and not 7 years from now when the ship will be older and our dollars even more inflated.

For the last 2 years, various factions in this and the other body have been fighting over how to get Aegis to sea. As of now, we only have one Aegis platform off the starting blocks—and that is now in jeopardy. If we agree to rescind funds for this ship, we will be back to ground zero, with no assurance that any alternative Aegis platform will be funded for the third year in a row. This makes no sense whatsoever to me, and I therefore hope my colleagues will support this amendment.

Mr. BURGENER. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from California.

Mr. BURGENER. Mr. Chairman, I thank the gentleman for yielding. I would like to associate myself with his remarks.

I believe that this is the most economical and by far the quickest way to guarantee the nuclear capacity that we already have, that is already built. This would accompany a nuclear carrier that we already have, and it will provide more defense to this country in the quickest time.

Mr. Chairman, I strongly urge that we adopt this amendment.

Mr. DICKS. Mr. Chairman, if we do not do this and if we build a strike cruiser at $1.3 billion versus $500 million to do this job, it is going to cost us $800 million more. This is an economy vote. This is a vote to save the taxpayers money, and that is why I think it is so important.

Mr. BOB WILSON. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. FORSYTHE. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from New Jersey.

Mr. FORSYTHE. Mr. Chairman, today we are being asked to vote in favor of rescinding fiscal year 1977 funds appropriated to commence the modernization of the *Long Beach* including the conversion of that vessel to the Aegis weapons systems.

Nowhere in the Appropriations Committee debate leading to this rescission proposal has there surfaced major objection to the Aegis system. In fact, in testifying before the Appropriations Committee on February 17, Admiral Holloway, Chief of Naval Operations, reemphasized his earlier position that there are few items of higher priority in the Navy's budget than getting Aegis installed on a ship.

The Navy also has indicated that very likely Aegis will eventually be installed on the *Long Beach*. So the debate is not on the system or even the ship itself, but on the timing.

And timing is one of my key reasons for supporting the amendment to restore funding to the conversion of the *Long Beach*.

This entire matter should be divorced from the larger issue of the nuclear-conventional mix. Rather than attempting to cover this complex question in a few minutes, look only at the Aegis system for a moment.

The consequences of an adverse vote here in the House will be to deny the Navy the many advantages that accrue by virtue of combatant prototyping. That is, the Navy would have the advantage of introducing at an early time the most powerful warship afloat—the new *Long Beach*. A ship not only equipped with the new weapons system but also a ship completely modernized with its life-expectancy extended for another 20 years.

Allowing the conversion to proceed would also permit full check-out of the Aegis system prior to installation in other ships. In this regard, let me emphasize that the *Long Beach* is one of a kind, but the Aegis weapons system installation is identical to the elements to be installed on both the strike curiser and the Aegis destroyer—both of which are included in the Navy's 5-year plan which we have heard about already.

Although the Navy states that the Aegis will go to sea at the same time whether or not it goes in the new destroyer or in the *Long Beach*, I think that is somewhat optimistic thinking. In installing the Aegis system on the *Long Beach*, we will be installing a new system on an already proven platform. In installing the system on a newly developed destroyer, we will be not only installing a new system but also developing a new platform. Our past experience indicates that such new shipbuilding efforts do not tend to go smoothly. Additionally, the 18-month delay anticipated in going from the research and development stage to the actual production stage while waiting for that platform to be built will probably run up the eventual cost of the Aegis system itself by 8 to 10 percent.

So in looking at the proposal here today, the key factor is timing.

Eventually we will probably be asked for money to convert the *Long Beach* to the Aegis system. At that time the cost will be much greater. Meanwhile, we probably will face additional costs in the nearer future due to attempting to develop both a new ship and a new weapons system, one of which must necessarily affect the other.

This is perhaps an oversimplification of a specific proposal which is obviously much more complicated because of other issues, but the sum total is the same. Deletion of this funding in the name of economy now will actually cause greater costs in the future.

I urge my colleagues to support the motion to delete the rescission.

Mr. BOB WILSON. Mr. Chairman, my purpose here today will be to try to clarify a few things that are technical and probably hard to understand with regard to this so-called Aegis system.

We are going to end up with 12 carriers and 12 carrier task forces in our Navy. Four of them will be nuclear, and eight of them will be nonnuclear. We are proceeding in an orderly way to build the Aegis system on a DDG–47, which is a nonnuclear destroyer-type ship. We need a nuclear platform for the Aegis system as well, and the *Long Beach* seems to be the cheapest and the best and the quickest way to get this Aegis system into effect.

The Aegis system is just roughly this: In a task force which is comprised of a carrier, a cruiser, a destroyer, and a couple of support vessels in the case of the nonnuclear type, one of the vessels will carry an Aegis control system which has radar, which has weapons systems, missiles, and so forth, and which has complete control over air attack on that particular task force.

This system has been tested on the U.S.S. *Norton Sound* and found to be a very reliable system, one that offers probably the best defense that any carrier task force can get from air attack or from missile attack.

So we are urging that this cruiser *Long Beach* be converted. It is a good cruiser. It still has a lot of life in it, but unfortunately when it was built, the weapons systems that were put on it were very ineffective. They are not effective as a defensive unit today.

Admiral Rickover, when he was before our committee, said that the quickest and the cheapest way to get the first Aegis production into the fleet is to convert the *Long Beach*. It is figured that the *Long Beach* will be coming in for overhaul. Even the opponents of the *Long Beach* are admitting that it should be brought in and overhauled within the next 2 years at a cost of some $261 million.

If we add the $371 million of various procurement funds that are provided in fiscal year 1977 and the $137 million in fiscal year 1978, we will get a total cost of $785 million. From this we would sub-

tract $61 million, and so for about $500 million we are going to have an Aegis strike cruiser-type ship with at least 20 years of service life afterward, and it will be ready to go along and accompany the nuclear task forces that are needed.

Mr. Chairman, I think we should go along with the Aegis on the nonnuclear task force and on the nuclear task force as well, and I hope the Members will support this amendment to deny the rescission for the *Long Beach*.

Mr. ASPIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think that the issue which is before us is one that we ought to keep very clear.

I do not know of anybody who thinks that we ought not have the Aegis defense system in our fleet. The question is, Which ship should it be put on to be most effective, most cost effective, and most effective in terms of time.

Mr. Chairman, there are, in fact, several alternatives. One is the alternative, as suggested by this amendment, which is to put the Aegis on the *Long Beach*. A second alternative is to put it on the DDG–47, which is a conventional ship. A third possibility is to put it on a nuclear strike cruiser. A fourth possibility is to put it on another nuclear ship, a *Virginia*-class cruiser.

Mr. Chairman, the argument in favor of putting it on the *Long Beach* has always been that this is the best way to get it into the fleet with the most speed and with the most economy.

Admiral Rickover and others have argued that the cheapest and fastest way to get the Aegis system into the fleet is to put it on the *Long Beach*.

There are several issues, however, which call that judgment into question. In the first place, Mr. Chairman, there is the question of about when the Aegis will be ready to be on any ship.

Admiral Holloway has testified that he wants to make sure that it is fully tested before it is put on any ship, and there are some indications that it may not be fully tested before September of 1982.

Mr. Chairman, there is the possibility that it can be put on one of the other ships as quickly as or more quickly than it can be put on the *Long Beach*. If we put it, for example, on the *Virginia* cruiser, one of the nuclear cruisers, the time frame we are talking about is not much different from putting it on the *Long Beach*.

Also Mr. Chairman, one of the disadvantages of putting it on the *Long Beach* is that we are putting it on a ship which is already, by the time the conversion is completed, 21 years old.

If we put it on a new ship or even on an already completed *Virginia* cruiser, it will be put on a much younger ship and therefore can be used a great many more years.

There is another issue. If we put it on the *Long Beach*, we will be putting it on a ship which is one of a kind. There is no other *Long Beach* to convert. There is no learning curve that we are able to take advantage of. There is a learning curve from putting it on the DDG–47. There is a learning curve in putting it on the *Virginia* style cruiser because there are others in the series. It does not seem to be wise to put it on a one of a kind ship.

Finally Mr. Chairman, the Navy has never been very enthusiastic about converting the *Long Beach*. At no time has the Navy, as an institution, ever recommended converting the *Long Beach*. The people who have been recommending that we convert the *Long Beach* have been mostly in the Congress, and in particular, persons from the House Committee on Armed Services. Admiral Doyle in his testimony before Congress this year said that of the three alternatives, in his view, the least desirable alternative was to put Aegis on the *Long Beach*. He wanted to put it on a nuclear strike cruiser first, and he wanted to put it on the DDG–47 second. He said that the third alternative was to put it on the *Long Beach*.

Admiral Holloway came in and testified before our committee. He was asked, "Do you want to put the Aegis on the *Long Beach?*" He said. "That is my third alternative. I would rather put it on a nuclear strike cruiser. I would rather put it on the DDG–47."

Mr. Chairman, the Navy has never been anxious to do this. It has been pushed into this position.

The final proof of that, Mr. Chairman, is that they have not spent any of the money or have not obligated any of the money appropriated.

There is a difference between this case and the case of the aircraft carrier.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. ASPIN was allowed to proceed for 1 additional minute.)

Mr. ASPIN. Mr. Chairman, I would just like to make the final point that the Navy did obligate some of the money for their carrier but they did not for the Aegis. I think that clearly shows the Navy's attitude on the Aegis and the *Long Beach*.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I thank the gentleman for yielding.

Mr Chairman, let me state that I talked with the Chief of Naval Operations and they are interested in retrofitting the *Virginia*-class, but only the two *Virginia*-class cruisers that are still in the yards at Newport News.

Mr. ASPIN. Not necessarily.

Mr. DICKS. The Chief of Naval Operations said that that was the only viable plan in the Pentagon, and they did not argue against outfitting the *Long Beach*. This would give them three ships to defend three of their cruisers, thus limiting the necessity of going forward with one new ship, which would be a tremendous savings, is that not correct?

Mr. ASPIN. Another possibility is to retrofit an already existing *Virginia* cruiser with the Aegis.

Mr. EDWARDS of Alabama. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I think what this really boils down to is a case of do we want to go with the new or the old? The Aegis system is one of the finest systems ever developed or perhaps that will ever be developed in a great many years for picking up planes, missiles, and what not, coming into the task force, directing the fire, and all of that. It just does not make sense to me to put this super sophisticated system, which still has to be finally developed, on a ship that is going to be 21 years old by the time it is ready for use.

It is true that the *Long Beach* will be overhauled, but we have many fine new ships which are coming off the ways. We have new ships being constructed.

The Chief of Naval Operations has argued that the No. 1 priority is the DDG–49, his No. 2 priority is the strike cruiser and his No. 3 priority is backfitting the *Virginia*-class cruisers. *Long Beach* is last. That is the way we ought to go with the Aegis system, not backfitting the oldest nuclear surface ship in the Navy.

I think it makes much more sense to try to make that new sophisticated system blend in more with the new ships of the fleet.

The point has been made, and I think it is a valid one, that if you put the Aegis on the *Long Beach*, then you will have a one-of-a-kind ship. There is no learning experience. There is no follow-on experience. You just simply have an Aegis system in use on an old ship that will be used for the time being.

Keep in mind that we do have or will have eight nonnuclear big deck carriers and four nuclear big deck carriers. The general principle is that you run conventional escort ships with conventional carriers, and that is what the DDG–47 will be.

As we develop this program, as the Aegis becomes fully developed, we will be putting it on nuclear cruisers to escort nuclear carriers.

I think it would be a terrible mistake to go forward with the Aegis program on the *Long Beach* which would be 21 years old by the time it is put into use.

I urge each of the Members to support the rescission and vote down the amendment.

Mr. MAHON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the issue before the House I believe is quite clear. There is not as much controversy associated with this amendment as there was with the previous amendment.

Let me say what has already more or less been said and, that is, that the *Long*

Beach conversion has never been in any budget of any President. It has never been recommended by a Chief of Naval Operations. The Chief of Naval Operations did say he would like to have it as about a second or third level priority if he could not get his higher priority ships. This ship is 15 years old at this time. By the time we convert it, it would be 20 years old. How much would it cost to convert it? It would cost $783 million to convert.

There is no need, as I believe the Members will agree, for us, over the opposition of the civilian leadership of the Government and the military leadership of the Government, to provide for this $783 million expenditure on that old ship. But what do we do about it? It is true we need a defense against the so-called smart weapons such as the cruise missile.

What does the Navy want to do about it? What does the President want to do about it? What does the Chief of Naval Operations want to do about it? They want us to provide $930 million which we have in the present budget, and we are going to provide it, in my opinion, in the appropriation for defense for 1978. They want $930 million for the purpose of constructing a new ship called the DDG–47. Will that delay the Aegis program—this antiaircraft, antimissile program? No. The Aegis will not be fully tested until 1982. There is no urgency here to dash forward with this project until it has been fully tested, and arrangements are being made to test this system at a land-based test site. So I would say, having in mind the welfare and security of the United States and the need for orderly military programs, there is no reason why, as I see it—unless we have parochial interests—that we should vote for the amendment which would result in the expenditure of $783 million on this old ship.

Mr. Chairman, I ask for a vote against the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. BENNETT) to the committee amendment.

The question was taken, and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DICKS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 137, noes 269, not voting 26, as follows:

[Roll No. 43]

AYES—137

Abdnor	Burke, Mass.	Dickinson
Anderson, Calif.	Butler	Dicks
Archer	Byron	Dornan
Armstrong	Carney	Duncan, Oreg.
Ashbrook	Carter	Duncan, Tenn.
Bafalis	Cederberg	Edwards, Okla.
Bauman	Chappell	Emery
Beard, Tenn.	Clausen, Don H.	Flood
Benjamin	Clawson, Del	Florio
Bennett	Cochran	Flynt
Bevill	Daniel, Dan	Foley
Boggs	Daniel, R. W.	Forsythe
Brinkley	Davis	Frey
Brown, Mich.	de la Garza	Fuqua
Brown, Ohio	Dent	Gilman
Burgener	Derwinski	Goldwater
Burke, Fla.	Devine	Grassley
Guyer	Mitchell, N.Y.	Slack
Hagedorn	Mollohan	Snyder
Hannaford	Montgomery	Spence
Hansen	Moore	Stangeland
Hillis	Moorhead, Calif.	Stratton
Holt	Murphy, N.Y.	Stump
Huckaby	Murphy, Pa.	Symms
Hughes	Myers, Ind.	Taylor
Ichord	Nichols	Tonry
Ireland	O'Brien	Treen
Jeffords	Patterson	Trible
Kazen	Pepper	Van Deerlin
Kemp	Poage	Vander Jagt
Kindness	Price	Waggonner
Krebs	Pritchard	Walsh
Lagomarsino	Quillen	Wampler
Latta	Rhodes	Watkins
Lloyd, Calif.	Rinaldo	White
Lloyd, Tenn.	Robinson	Whitehurst
Lott	Rogers	Whitten
Lujan	Roncalio	Wiggins
McCormack	Rousselot	Wilson, Bob
McDonald	Rudd	Wilson, C. H.
Marriott	Runnels	Wilson, Tex.
Martin	Satterfield	Yatron
Mathis	Schulze	Young, Alaska
Meeds	Shuster	Young, Tex.
Meyner	Sikes	Zablocki
Milford		
Miller, Ohio		

NOES—269

Addabbo	Ertel	Luken
Akaka	Evans, Colo.	Lundine
Alexander	Evans, Del.	McClory
Allen	Evans, Ind.	McCloskey
Ambro	Fary	McDade
Ammerman	Fascell	McHugh
Anderson, Ill.	Fenwick	McKay
Andrews, N.C.	Findley	McKinney
Andrews, N. Dak.	Fish	Madigan
Annunzio	Fisher	Maguire
Applegate	Fithian	Mahon
Ashley	Flippo	Mann
Aspin	Flowers	Markey
AuCoin	Ford, Mich.	Marks
Badillo	Ford, Tenn.	Marlenee
Baldus	Fountain	Mattox
Barnard	Fraser	Mazzoli
Baucus	Frenzel	Metcalfe
Beard, R.I.	Gaydos	Michel
Bedell	Gephardt	Mikulski
Biaggi	Giaimo	Mikva
Bingham	Gibbons	Miller, Calif.
Blanchard	Ginn	Mineta
Blouin	Glickman	Minish
Boland	Goodling	Moakley
Bolling	Gore	Moffett
Bonior	Gradison	Moorhead, Pa.
Bonker	Gudger	Moss
Bowen	Hall	Motti
Brademas	Hamilton	Murphy, Ill.
Breckinridge	Hammer-schmidt	Murtha
Brodhead	Hanley	Myers, Gary
Broomfield	Harkin	Myers, Michael
Broyhill	Harris	Natcher
Buchanan	Harsha	Neal
Burke, Calif.	Hawkins	Nedzi
Burleson, Tex.	Heckler	Nix
Burlison, Mo.	Hefner	Nolan
Burton, Phillip	Heftel	Nowak
Caputo	Hightower	Oakar
Carr	Holland	Oberstar
Cavanaugh	Hollenbeck	Obey
Chisholm	Holtzman	Ottinger
Clay	Horton	Panetta
Cleveland	Howard	Patten
Cohen	Hubbard	Pattison
Coleman	Hyde	Pease
Collins, Ill.	Jacobs	Perkins
Collins, Tex.	Jenkins	Pickle
Conable	Jenrette	Pike
Conte	Johnson, Calif.	Pressler
Conyers	Johnson, Colo.	Preyer
Corcoran	Jones, N.C.	Pursell
Corman	Jones, Okla.	Quayle
Cornell	Jones, Tenn.	Quie
Cornwell	Jordan	Rahall
Cotter	Kasten	Rangel
Coughlin	Kastenmeier	Regula
D'Amours	Kelly	Reuss
Danielson	Keys	Richmond
Delaney	Kildee	Risenhoover
Dellums	Koch	Roberts
Dingell	Kostmayer	Rodino
Dodd	Krueger	Rooney
Downey	LaFalce	Rose
Drinan	Le Fante	Rosenthal
Early	Leach	Rostenkowski
Eckhardt	Lederer	Roybal
Edgar	Leggett	Ruppe
Edwards, Ala.	Lehman	Russo
Edwards, Calif.	Lent	Ryan
Eilberg	Levitas	St Germain
English	Long, La.	Santini
Erlenborn	Long, Md.	Sarasin
Sawyer	Scheuer	Steed
Walker	Schroeder	Steiger
Waxman	Sebelius	Stockman
Weaver	Seiberling	Studds
Weiss	Sharp	Thompson
Whalen	Shipley	Thone
Whitley	Simon	Thornton
Winn	Sisk	Traxler
Wolff	Skelton	Tsongas
Wright	Skubitz	Tucker
Wydler	Smith, Iowa	Udall
Wylie	Smith, Nebr.	Ullman
Yates	Solarz	Vanik
Young, Mo.	Spellman	Vento
Zeferetti	Stanton	Volkmer
	Stark	Walgren

NOT VOTING—26

Badham	Evans, Ga.	Railsback
Beilenson	Gammage	Roe
Breaux	Gonzalez	Staggers
Brooks	Harrington	Steers
Brown, Calif.	Ketchum	Stokes
Burton, John	McEwen	Teague
Crane	McFall	Wirth
Derrick	Mitchell, Md.	Young, Fla.
Diggs	Pettis	

So the amendment to the committee amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. MAHON. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. CORMAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3839) to rescind certain budget authority recommended in the message of the President of January 17, 1977 (H. Doc. 95–48), transmitted pursuant to the Impoundment Control Act of 1974, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendmend be agreed to and that the bill, as amended, do pass.

Mr. MAHON. Mr. Speaker, I move the previous question on the bill and the amendment thereto to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Joint Resolution 269 agreed to earlier today.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 3839 just passed, and that I may include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 10) entitled "An act revising the congressional budget for the United States Government for the fiscal year 1977."

The message also announced that the Senate had agreed to a concurrent resolution of the following title. in which the concurrence of the House is requested:

Senate Concurrent Resolution 7. Concurrent resolution relating to the freedom of emigration.

The message also announced that Mr. JAVITS and Mr. LAXALT be excused from service as conferees, on the part of the Senate, to the bill (H.R. 2647) entitled "An act to amend the Small Business Act and the Small Business Investment Act of 1958 to increase loan limitations and to increase surety bond authorizations."

CREATING A SELECT COMMITTEE ON PROFESSIONAL SPORTS

Mr. SISK, from the Committee on Rules, submitted a privileged report (Rept. No. 95–41) to accompany House Resolution 111, a resolution creating a Select Committee on Professional Sports, which was referred to the House calendar and ordered printed.

PERMISSION FOR COMMITTEE ON HOUSE ADMINISTRATION TO HAVE UNTIL MIDNIGHT TOMORROW, MARCH 4, 1977, TO FILE CERTAIN FUNDING RESOLUTIONS

Mr. DENT. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may have until midnight tomorrow, March 4, 1977, to file certain funding resolutions.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I have asked for this time for the purpose of inquiring of the distinguished majority leader whether there is any adjustment in the program for the balance of this week and the program for next week.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. I thank the gentleman for yielding.

Mr. Speaker, the present and still tentative plan of the leadership is that when the House adjourns today, following the adoption, hopefully, of the conference report on the budget, it will adjourn to convene at 11 o'clock tomorrow, Friday.

Tomorrow we will consider the Kennedy Center emergency repairs bill.

Next week, on Monday, we tentatively plan for the House to meet at noon. There are no District bills nor suspensions presently contemplated. We will consider House Resolution 111, Reestablishing a Committee on Professional Sports.

On Tuesday, the plan is for the House to meet at noon. There are no bills on suspension. We would hope to complete action that day on the Tax Reduction and Simplification Act of 1977.

On Wednesday, it is the plan for the House to meet at 3 o'clock and remain in session until the business is concluded. It is presently planned that on Wednesday we will consider a series of some 12 or more committee funding resolutions.

On Thursday, we would hope to consider the Supplemental Housing Authorization Act of 1977, subject to the granting of a rule and a budget waiver; and

H.R. 1746, a bill to halt the importation of Rhodesian chrome, subject to the granting of a rule, with the possibility that the House might also be able to accommodate the bill from the Committee on Appropriations, the Economic Stimulus Appropriation Act of 1977, subject to the granting of a rule.

Mr. Speaker, that is a full and somewhat ambitious schedule, so the Members should be advised that the House will come in at 12 o'clock on Monday and Tuesday, and conclude business, we anticipate, by 5:30 p.m. and then come in at 3 p.m. on Wednesday and proceed with the business until it is concluded; and meet at 11 o'clock on Thursday; and then at 11 o'clock on Friday, assuming the schedule is not completed on Thursday.

Conference reports, of course, may be brought up at any time, and any further program will be announced later.

Mr. MICHEL. Then, Mr. Speaker, as far as the tax bill is concerned, the general debate and amendments will be put over until next Tuesday?

Mr. WRIGHT. Mr. Speaker, that is the plan. The tax bill would be considered on Tuesday. As I understand it, a modified 3-hour rule has been granted. There are only three substantive committee amendments, and under the rule debate on those amendments is limited to 5 minutes per side, so it could be assumed we would conclude that bill on that day if we have no other business to conduct.

Mr. MICHEL. And we would defer consideration of the rule on that bill until Tuesday also, I would assume?

Mr. WRIGHT. I suppose the realities of the situation would dictate that, inasmuch as we still today must conclude action on the conference report from the Committee on the Budget.

Mr. MICHEL. Mr. Speaker, I thank the gentleman.

The SPEAKER. The Chair will ask the gentleman from Texas (Mr. WRIGHT) to kindly repeat the program for the remainder of this week for the benefit of the leadership.

Mr. WRIGHT. For the remainder of this week, Mr. Speaker, it is anticipated that we shall immediately take up the conference report to accompany the third budget resolution. We hope to conclude that consideration this evening.

Tomorrow the House will meet at 11 a.m. and will consider the Kennedy Center emergency repairs bill. We hope to conclude that consideration by 3 p.m. tomorrow.

The SPEAKER. The Chair thanks the gentleman.

RESIGNATION AS MEMBER FROM COMMITTEE ON GOVERNMENT OPERATIONS

The SPEAKER laid before the House the following resignation from the Committee on Government Operations:

Washington, D.C., March 3, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Please accept this letter as my formal resignation from the Committee On Government Operations effective immedately.

Sincerely,

EDWIN B. FORSYTHE.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ELECTION AS MEMBER OF COMMITTEE ON SCIENCE AND TECHNOLOGY AND ELECTION AS MEMBER OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION AND ON COMMITTEE ON GOVERNMENT OPERATIONS

Mr. MICHEL. Mr. Speaker, I offer a privileged resolution, House Resolution 371, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 371

Resolved, That Edwin B. Forsythe, of New Jersey be, and he is hereby elected a member of the Committee on Science and Technology, and;

That Arlan Stangeland, of Minnesota be, and he is hereby elected a member of the Committee on Public Works and Transportation, and a member of the Committee on Government Operations.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON SENATE CONCURRENT RESOLUTION 10, THIRD CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1977

Mr. GIAIMO. Mr. Speaker, I call up the conference report on the Senate concurrent resolution (S. Con. Res. 10) revising the congressional budget for the U.S. Government for the fiscal year 1977,

and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of February 28, 1977.)

Mr. GIAIMO (during the reading). Mr. Speaker. I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The SPEAKER. Pursuant to section 305(a), Public Law 93-344, of the Congressional Budget Act of 1974, the gentleman from Connecticut (Mr. GIAIMO) will be recognized for 2½ hours, and the gentleman from Ohio (Mr. LATTA) will be recognized for 2½ hours.

The Chair recognizes the gentleman from Connecticut.

Mr. GIAIMO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of the conference report on the third budget resolution for fiscal year 1977. Its adoption today will clear the way for the House's consideration of the tax legislation reported recently by the Ways and Means Committee and for the spring supplemental appropriations bill. Neither of these critical measures can proceed without a new revenue floor and spending ceilings that would be set by the third budget resolution.

The conference report upholds virtually all of the major House positions contained in the third budget resolution adopted last week. I am inserting in the RECORD at this point a comparison of the House- and Senate-passed resolutions and the conference agreement:

FISCAL YEAR 1977—3D BUDGET RESOLUTION

[In millions of dollars]

	House passed	Senate passed	Conference agreement
Revenues	348,800	346,800	347,700
(Decrease)	(−10,300)	(−9,700)	(−10,600)
Budget authority	477,921	467,000	472,900
Outlays	419,130	415,000	417,450
Deficit	70,330	68,200	69,750
Public debt	718,915	718,300	718,400
050—National defense:			
Budget authority	108,788	109,200	108,800
Outlays	100,077	100,100	100,100
150—International affairs:			
Budget authority	7,956	7,900	7,900
Outlays	6,841	6,800	6,800
250—General science, space and technology:			
Budget authority	4,468	4,500	4,500
Outlays	4,406	4,400	4,400
300—Natural resources, environment and energy:			
Budget authority	18,627	18,800	18,700
Outlays	17,209	17,200	17,200
350—Agriculture:			
Budget authority	2,355	1,600	2,300
Outlays	3,044	3,000	3,000
400—Commerce and transportation:			
Budget authority	17,313	17,300	17,300
Outlays	15,961	16,000	16,000
450—Community and regional development:			
Budget authority	15,023	14,300	14,800
Outlays	10,819	10,000	10,550
500—Education, training, employment, and social services:			
Budget authority	30,355	30,400	30,400
Outlays	22,620	23,200	22,700
550—Health:			
Budget authority	40,651	40,600	40,600
Outlays	39,283	39,500	39,300
600—Income security:			
Budget authority	174,993	166,300	170,900
Outlays	142,050	139,300	141,300
700—Veterans benefits and services:			
Budget authority	18,917	18,900	18,900
Outlays	18,130	18,100	18,100
750—Law enforcement and justice:			
Budget authority	3,524	3,500	3,500
Outlays	3,657	3,600	3,600
800—General government:			
Budget authority	3,560	3,500	3,500
Outlays	3,554	3,500	3,500
850—Revenue sharing and general purpose fiscal assistance:			
Budget authority	7,578	7,600	7,600
Outlays	7,696	7,700	7,700
900—Interest:			
Budget authority	38,287	37,900	38,000
Outlays	38,287	37,900	38,000
Allowances:			
Budget authority	794	800	800
Outlays	764	800	800
950—Undistributed offsetting receipts:			
Budget authority	−15,268	−16,100	−15,600
Outlays	−15,268	−16,100	−15,600
Total:			
Budget authority	477,921	467,000	472,900
Outlays	419,130	415,000	417,450

I want to call your attention to the new budget aggregates contained in the conference report:

The revenue floor would be set at $347.7 billion, $900 million above the Senate resolution and $1.1 billion below the House resolution.

The budget authority ceiling would be set at $472.9 billion, about halfway between the Senate and House resolutions.

The outlay ceiling would be set at $417.45 billion, again about halfway between the House and Senate resolutions.

The deficit would be set at $69.75 billion, $1.55 billion over the Senate resolution and $580 million below the House resolution.

And the public debt would be set at $718.4 billion, $100 million over the Senate resolution and $515 million below the House resolution.

ECONOMIC STIMULUS PROPOSALS

The economic stimulus package agreed to by the conferees provides for a total stimulus of $17.5 billion in tax rebates and reductions and direct spending for job-creating programs during fiscal year 1977. About $13.8 billion would be for tax stimulus legislation and $3.7 billion for accelerated program spending.

The conference agreement accepts the $13.8 billion in tax stimulus proposed by the President. However, it adds $1.7 billion in spending for job-creating programs over the President's recommendations.

I want to point out to the Members of the House that the administration accepts these modest increases. Furthermore, in testimony before our committee yesterday, Dr. Arthur Burns, Chairman of the Federal Reserve Board of Governors, stated that the total stimulus package is a modest one in view of the tremendous size of our overall economy.

The major differences between the economic stimulus proposals contained in the conference agreement and the resolution passed by the House last week are as follows:

First, the conference report provides $925 million, rather than the $1.015 billion contained in the House resolution, for the counter-cyclical revenue sharing program. The $925 million amount is sufficient to begin the higher level of counter-cyclical payments recommended by the President on April 1, rather than July 1.

And second, the conference report includes $200 million in budget authority and outlays over the House resolution for emergency fuel bill assistance to low- and moderate-income people. This amount is consistent with the appropriation reported by the Labor-HEW Appropriation Subcommittee on Monday.

I want to say that many of our conferees are tremendously concerned over the precedent that an emergency fuel bill program might have. We urge the House to examine this proposal very carefully when it considers the fiscal year 1977 supplemental bill. Such a program should be very carefully designed to provide assistance efficiently and equitably, without getting the Congress on the road to providing aid for a wide variety of goods and services that may be demanded in the future.

Apart from these two differences, all of the stimulus proposals contained in the House resolution have been retained in the conference agreement. I am inserting in the RECORD at this point a comparison of the President's economic stimulus proposals for fiscal year 1977, those passed by the House, and those contained in the conference agreement:

COMPARISON OF ECONOMIC STIMULUS RECOMMENDATIONS FOR FISCAL YEAR 1977

[In millions of dollars]

(1)	President Carter proposal Feb. 22, 1977		House passed		Conference agreement	
	Budget authority (2)	Revenues/ outlays (3)	Budget authority (4)	Revenues/ outlays (5)	Budget authority (6)	Revenues/ outlays (7)
TAXES						
General economic stimulus:						
1. Tax package:						
Change in standard deduction		1,500	2,800	12,700	3,200	13,800
Business tax credit options		900				
$50 per capita rebate		8,200				
Refunds in excess of liability [1]	1,400	1,400				
$50 payments (SSI, etc.) [1]	1,800	1,800				
Subtotal, tax package	(3,200)	(13,800)	(2,800)	(12,700)	(3,200)	(13,800)
SPENDING						
2. Countercyclical assistance (function 450: Community and regional development)	700	700	1,015	1,015	925	925
3. EPA construction grants—reimbursement payment (function 300: Natural resources, environment, and energy)			320	260	320	260
Job Creation:						
4. Accelerated public works (function 450: Community and regional development)	2,000	200	4,000	500	4,000	400
5. CETA title II and VI—public service employment (function 500: education, training, employment, and social service)	1,919	715	7,000	713	4,000	715
6. CETA: Title I—employment and training, title III—special target groups; title IV—Jobs Corps (function 500: Education, training, employment, and social services)	1,508	328	1,500	600	1,500	600
7. Job opportunities program (function 500: Education, training, employment, and social services)			244	60	244	60
8. Older Americans community service employment (function 500: Education, training, employment, and social services)			59	30	59	30
9. Railroad and highway construction (function 400: Commerce and transportation)			425	200	425	200
10. Recreation proposal (function 300: Natural resources, environment, and energy)			400	300	400	300
Emergency fuel bill assistance					200	200
Subtotal, spending	(6,127)	(1,943)	(14,963)	(3,678)	(15,073)	(3,690)
Grand Total	9,327	15,743	17,763	16,378	18,273	17,490

[1] Items expected to require budget authority and outlays; deficit effect of total would be unchanged.

NONSTIMULUS MATTERS

I want also at this time to mention two other important issues, dealing with nonstimulus proposals, resolved by the House and Senate conferees.

First, as Members know, the House resolution proposed the rescission of funds for the modernization of the U.S.S. *Long Beach* and for the construction of a fourth *Nimitz*-class aircraft carrier. The Senate resolution contained funds for these activities. The conference agreement accepts the House position on these rescissions, and I am happy to say that the Appropriations Committee and the Defense Committee have approved these rescissions.

And second, with respect to subsidized housing programs, the conference report contains $12.6 billion in budget authority to accommodate an administration supplemental request for additional housing subsidies during fiscal year 1977. This amount is $3 billion below the amount provided in the House resolution. The Senate conferees insisted on such a reduction because of the short time available during this fiscal year to reach a 400,000 subsidized housing unit level. The amount provided in the conference report, $12.6 billion, should be adequate to reach a level of about 360,000 units during this fiscal year, a modest decrease from the 400,000 unit level proposed by the administration.

BUDGET TREATMENT OF PAYMENTS TO INDIVIDUALS IN EXCESS OF TAX LIABILITY

I want, at this time, to bring to the attention of the House a major issue which was resolved only temporarily in the conference agreement.

Both the Senate and House resolutions assumed $50 payments to certain low-income individuals—social security, railroad retirement, AFDC, and black lung program beneficiaries—as proposed by the President. And both treated these payments as expenditures, accounted for in function 600: income security.

However, the two Houses differed completely in their budget treatment of two similar kinds of payments.

First, refunds in excess of tax liability under the earned income provisions of the tax reduction act of 1975—about $856 million in fiscal year 1977; and second, payments to those qualifying for the earned income credit proposed by President Carter in his tax package—about $1.4 billion.

The Senate resolution treated these amounts as refunds or losses of revenues. The House resolution treated these amounts as expenditures, just as it did the $50 payments to other low-income individuals.

In conference, the Senate agreed to treat the $1.4 billion in payments as expenditures. It refused, however, to treat in the same way the $856 million in payments in excess of tax liability under the earned income credit provisions. The Senate conferees agreed, however, that the proper budget treatment of these payments should be resolved during the consideration of the first budget resolution for fiscal year 1978, and the statement of managers accompanying the conference report states that agreement.

I want Members to know that our House conferees feel very strongly about this issue. It is not really technical in nature.

Treating payments to individuals in excess of their tax liability as refunds or losses of revenue is wholly inconsistent with the budget treatment of the $50 payments to other low-income individuals, which both the Senate and House and the Ford and Carter administrations agree should be counted as expenditures. Payments in excess of tax liability are no different in kind than these $50 payments. They should be authorized and appropriated just as any other direct transfer payment.

In fact, both the Ford and Carter administrations believe that any payments in excess of tax liability should be treated as expenditures and subject to authorization and appropriations action. To do otherwise would open up a new and potentially huge backdoor spending authority. It would permit Congress tax and financing committees to treat any payment to an individual or corporation as a mere tax refund or negative receipt—even though there was no tax liability in the first place—and thus completely escape the traditional authorizing and appropriating process.

I believe—and I am certain I speak for the entire budget committee on this point—that this issue must be resolved to avoid that result. We will be bringing this issue back to the House next month, and I ask for your full support in favor of our position and that of both the Ford and Carter administrations.

I urge all Members to support the conference report.

I include in the RECORD at this point a further explanation by budget functional category of the agreement recommended by your conferees:

050: NATIONAL DEFENSE

The conference agreement provides $108.8 billion in budget authority and $100.1 billion in outlays. This is an increase of $12 million in budget authority and $23 million in outlays from the House resolution.

The conference agreement assumes that Congress will take action to rescind $82 million of the $350 million appropriated in FY 1977 for procuremnt of long lead time components for the fourth *Nimitz* class nuclear powered aircraft carrier and $371 million available for procurement of long lead time components for the modernization of U.S.S. *Long Beach*. Both of these rescissions were proposed by President Ford and endorsed by President Carter in his FY 1978 budget revisions. Failure to achieve these rescissions will add $2.0 billion to President Carter's FY 1978 Budget request.

150: INTERNATIONAL AFFAIRS

The conference agreement provides budget authority of $7.9 billion and outlays of $6.8 billion. This is a decrease of $56 million in budget authority and $41 million in outlays from the House resolution. The levels agreed to support the latest estimates for fiscal year 1977 supplementals.

250: GENERAL SCIENCE, SPACE, AND TECHNOLOGY

The conference agreement provides budget authority of $4.5 billion and outlays of $4.4 billion. This is an increase of $32 million in budget authority and a decrease of $6 million in outlays from the House resolution. The two Houses were in substantial agreement on the assumptions for this function.

300: NATURAL RESOURCES, ENVIRONMENT, AND ENERGY

The conference agreement provides budget authority of $18.7 billion and outlays of $17.2 billion. This is an increase of $73 million in budget authority and a decrease of $9 million in outlays from the House resolution. The conferees agreed to two significant changes from the House assumptions. First, the conferees agreed to provide $200 million in budget authority and outlays for emergency assistance to those low income families most affected by rising fuel bills as a result of the recent severe winter weather. Second, the conference agreement assumes a decrease of $170 million in the estimate of outlays from prior-year budget authority for the EPA construction grant program.

350: AGRICULTURE

The conference agreement provides budget authority of $2.3 billion and outlays of $3 billion. This represents a decrease of $55 million in budget authority and $44 million in outlays from the House resolution. The agreement substantially supports the assumptions included in the House resolution.

400: COMMERCE AND TRANSPORTATION

The conference agreement provides budget authority of $17.3 billion and outlays of $16 billion. These amounts provide for funding of $2 billion for additional GNMA Tandemplan mortgage authority in connection with the multi-family housing market, $500 million for refunding debt of the U.S. Postal Service, and $425 million for railroad and highway programs, all as included in the second budget resolution.

450: COMMUNITY AND REGIONAL DEVELOPMENT

The conference agreement provides budget authority of $14.8 billion and outlays of $10.55 billion. This is a decrease of $223 million in budget authority and $269 million in outlays from the House resolution. The conference agreement provides funding for Counter-Cyclical Assistance at the level requested by the President and for the full $4 billion in Accelerated Public Works recently authorized by the House. The agreement also assumes additional funding for disaster relief assistance, the Community Services Administration's home weatherization program, and for several other smaller supplemental requests now pending before Congress in this function.

FUNCTION 500: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

The conference agreement provides budget authority of $30.4 billion and outlays of $22.7 billion. The House resolution provided budget authority of $30.355 billion and outlays of $22.620 billion. The conference substitute accommodates House amounts for economic stimulus programs, which include the job opportunities program, public service employment under CETA Titles II and VI, community service employment for older Americans, and CETA and other employment and training programs. The conference substitute provides somewhat higher amounts for education than the House resolution.

550: HEALTH

The conference agreement provides budget authority of $40.6 billion and outlays of $39.3 billion. This is a decrease of $51 million in budget authority and an increase of $17 million in outlays from the House resolution.

The conference agreement provides the following:

(1) for the Medicare program, budget authority is included at $23,130 million and outlays at $21,933 million;

(2) for the Medicaid program, both the House and the Senate resolutions provided $10,239 million in budget authority and outlays. These totals reflect the need for a supplemental appropriation of $947 million in fiscal year 1977; and

(3) for all health programs other than Medicare and Medicaid, the conferees agreed to provide budget authority of $7,232 million and outlays of $7,128 million. These amounts are in recognition of the need to fund several important health programs not included in the fiscal year 1977 Labor-HEW appropriation bill because of late enactment of authorization legislation. Budget authority of $600 million and outlays of $122 million are included within the totals for supplemental appropriations for these programs.

600: INCOME SECURITY

The conference agreement provides budget authority of $170.9 billion and outlays of $141.3 billion. The House resolution provided budget authority of $174.993 billion and outlays of $142.05 billion.

It provides $12.6 billion in budget authority for a subsidized housing supplemental. This amount is $3 billion above the Senate estimate and $3 billion below the Administration and House estimates.

The treatment of the earned income credit as a revenue loss, as in previous resolutions, reduces House resolution estimates for budget authority and outlays by $856 million. The $50 payment to recipients of Social Security and other programs as well as the refunds in excess of tax liabilities are treated as expenditures, and the conference agreement accommodates the Administration's estimates of $3.2 billion in budget authority and outlays for these proposals. In connection with the First Budget Resolution for fiscal year 1978, the conferees agree to reexamine the question of whether payments in excess of tax liabilities should be treated as expenditures or as a revenue loss.

A number of estimating differences for mandatory spending programs within the Income Security function were resolved as follows:

A revenue reestimate reduced budget authority for the Social Security trust funds within this function by $153 million.

The Administration's supplemental requests for the Food Stamp and Public Assistance (AFDC) programs were included in the resolution.

An estimate for unemployment compensation was included which reflects the conference unemployment assumptions. Not at issue was the extension of the Federal Supplemental Benefits (FSB) program because both the House and Senate resolutions included identical estimates for this extension of $508 million in budget authority and outlays. This estimate is sufficient to support an extension of 13 weeks beyond the basic and extended benefits of 39 weeks when the national insured unemployment rate is 5 percent or more.

The following table lists the estimates by program included in the conference agreement for this function:

Function 600: Income security	Conference agreement, 3d Resolution fiscal year 1977	
	Budget authority	Outlays
General retirement /disability:		
Social security	80, 207	83, 493
Railroad retirement	3, 676	3, 712
Special benefits, coal miners	992	982
Other	4	3
$50 bonus SSI, SS recipients	1, 800	1, 800
Subtotal	86, 679	89, 990
Federal employee retirement	17, 010	9, 481
Unemployment compensation	15, 839	16, 243
FSB extension	508	508
Subtotal	16, 347	16, 751
Public assistance, other:		
SSI	5, 895	5, 369
AFDC and other	6, 215	6, 196
Supplemental	91	110
Housing assistance	28, 110	3, 089
Food stamps	5, 506	5, 464
Supplemental		
School lunch, child nutrition	3, 365	3, 065
Earned income credit	0	0
Other	282	385
Subtotal	49, 464	23, 678
Tax rebates	1, 400	1, 400
Total	170, 900	141, 300

FUNCTION 700: VETERANS BENEFITS AND SERVICES

The Senate resolution provided budget authority of $18.9 billion and outlays of $18.1 billion for Veterans Benefits and Services.

The House resolution provided budget authority of $18.917 billion and outlays of $18.130 billion.

The conference agreement provides budget authority of $18.9 billion and outlays of $18.1 billion, which represents no substantive change from the House resolution assumptions.

750: LAW ENFORCEMENT AND JUSTICE

The conference agreement provides budget authority of $3.5 billion and outlays of $3.6 billion. This is a decrease of $24 million in budget authority and $57 million in outlays from the House resolution. There were no substantive differences between the House and Senate resolutions.

800: GENERAL GOVERNMENT

The conference agreement provides budget authority of $3.5 billion and outlays of $3.5 billion. This will provide for anticipated additional supplemental requirements for a number of specific items within this function.

850: REVENUE SHARING AND GENERAL PURPOSE FISCAL ASSISTANCE

The conference agreement provides budget authority of $7.6 billion and outlays of $7.7 billion. This is an increase of $22 million in budget authority and $4 million in outlays from the House resolution. There were no substantive differences between the House and Senate resolutions.

900: INTEREST

The conference agreement provides budget authority of $38.0 billion and outlays of $38.0 billion. The agreed figures assume that interest rates on short-term Treasury financing will average 5.0 percent during 1977.

ALLOWANCES

The conference agreement provides budget authority of $800 million and outlays of $800 million. These amounts provide for anticipated pay raise supplementals for non-Defense agencies.

950: UNDISTRIBUTED OFFSETTING RECEIPTS

The conference agreement provides budget authority of $-15.6 billion and outlays of $-15.6 billion. These amounts reflect an estimate of $2.3 billion in receipts from rentals and royalties on mineral-development tracts on the Outer Continental Shelf, consistent with the most recent Budget revision.

Mr. LATTA. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I need not tell the Members I am opposed to the conference report on the third budget resolution for fiscal year 1977. This legislation would place a congressional stamp of approval on continued recordbreaking deficit spending. It approves a $69.7 billion Federal deficit, $3.3 billion higher than the previous record set last year. The national debt would continue its staggering climb, reaching $718.4 billion, on which just the interest payments will amount to $38 billion for fiscal year 1977.

I might say at this juncture, Mr. Speaker, since our Chairman made reference to the statement made yesterday by Arthur Burns before our committee, I would like to read just one statement that the Chairman of the Board of Governors made before our committee. He said, and I quote:

I obviously cannot feel comfortable about the official budget for fiscal 1977, or, for that matter, about any budget which moves towards enlarging the Federal deficit.

That is exactly what this conference report proposes to do.

Mr. Speaker, inflation is still a serious problem, even though the rate of inflation improved considerably during the last year and a half as a result of the determined efforts and fiscal leadership of the past administration. But as I have said, inflation is still a problem, and more Federal spending and a bigger Federal deficit could drag the economy into another recession and bring on higher unemployment.

Further alluding to the testimony before the Budget Committee yesterday by Arthur Burns, he had this to say in addition to what I read about deficit spending and its impact on inflation:

By and large, the American public is familiar with the sorry record of Federal Government finances in our generation. More and more of our citizens have come to appreciate the linkage between the record of persistent deficit financing and the debilitating inflation of recent years.

I am in complete agreement with Dr. Burns that our Federal finances, which, of course, result from legislation passed by the Congress, are a sorry record.

We have had only one surplus since 1960. Congress has added an aggregate of $337 billion to the deficit over the past 15 years. This is indeed a "sorry record."

This budget resolution makes room for a tax package but for totally the wrong kind of tax package. Instead of embracing a permanent tax reduction, which would stimulate production and create jobs in the private sector, it proposes a tax rebate which would make only weak inroads on unemployment and would aggravate inflation. It approves the spending of billions of dollars to try to create jobs instead of allowing jobs to be created the right way and that is in the private sector under our free enterprise system.

This legislation violates the spirit of the Budget Act and undercuts the fiscal discipline the new budget process is supposed to achieve. If we make a practice of simply changing the spending limits whenever they seem to get in the way of accommodating some spending request or other, the integrity of the budget process will be seriously compromised. I do not believe there is a good or sound reason to change the fiscal year 1977 spending limits as called for in this resolution. The conference report should be defeated.

Mr. GIAIMO. Mr. Speaker, I yield to the gentleman from Virginia (Mr. FISHER).

Mr. FISHER. I thank the gentleman for yielding.

I would like to put one question to the gentleman from Connecticut on behalf of the gentleman from Minnesota (Mr. FRASER) and myself, both members of the gentleman's committee.

When the resolution passed the House, it contained $100 million for the energy conservation program of the Community Services Administration. As the gentleman knows, this program provides for the weatherization of the homes of low-income families. I am particularly interested in this program because it expands employment while at the same time meets our pressing need to conserve energy. It is my understanding that the conferees agreed that the resolution provides $100 million for this important weatherization program.

Mr. GIAIMO. I can assure the gentleman that we discussed this matter in conference. As the gentleman knows, the budget resolution does not specify dollar amounts for the vast array of Federal programs within a function, but it was our understanding and agreement in the conference that the resolution does contain the flexibility to accommodate the amount of money which we had in here for the weatherization program.

Mr. FISHER. I thank the gentleman.

Mr. Speaker, I strongly urge an "aye" vote on this measure.

Mr. GIAIMO. Mr. Speaker, I yield to the gentleman from California (Mr. MINETA).

Mr. MINETA. Mr. Speaker, I rise in support of this conference report on the third concurrent resolution on the budget for fiscal year 1977.

As one of the conferees who sat through almost 5 long hours of conference, I want to assure my colleagues that virtually all of the major proposals of House Concurrent Resolution 110, as passed last February 23, are contained in this conference report. Our distinguished chairman, the gentleman from Connecticut, ROBERT GIAIMO, did a truly admirable job leading us in our meeting with our counterparts in the other body and their forceful leader, the gentleman from Maine, Senator EDMUND MUSKIE.

Further, Mr. Speaker, I want to emphasize to my colleagues how important it is that this conference report be accepted today. This is essentially the same package we agreed to last February 23, and there is simply no excuse for our holding up this badly needed stimulus. Throughout our hearings at the Budget Committee over the last month, as we evaluated the various proposals brought before us, there was a sense of urgency that we complete our work rapidly in order to expedite the action of other committees so that this plan could get into action. Any delay brought about at this point would only serve to defeat the purpose of this emergency stimulus. With economic indicators still lagging, with unemployment still well above 7 percent, and with our now famous economic "pause" still languishing in sky-high fuel bills and the western drought—it is time to move on this package. Let us show the people of this country that we care about their welfare—let us show them that we can move more rapidly and responsibly in an emergency situation.

As a member of the Budget Committee, as one of the conferees who worked on this agrement, and as a Member of Congress, I want to urge all the Members to support this resolution.

Mr. ROUSSELOT. Mr. Speaker, I rise in vigorous opposition to the bill that is now under consideration, the third concurrent resolution on the budget for fiscal year 1977, House Concurrent Resolution 110. In my opinion, it is an unnecessary and reckless spending-give-away package drawn up by the majority under the guise of "economic stimulus." Rather than stimulate the economy, however, the only thing it will accomplish will be to increase the deficit for this year by $20 billion, add to the debt burden of this and future generations, and further kindle the fires of inflation. In turn, the economy will begin to slow and sputter and end up in a much worse situation than would have existed in the first place.

There are several problems with the third concurrent resolution on the budget for fiscal year 1977. First, it is unnecessary. While the case is made by the authors of the resolution that it is crucial in order to "get the economy moving again," the facts are that the economy is already moving. Advocates point to quarterly drops in the GNP during 1976 as evidence for the need for economic stimulus. However, when the effects of volatile inventory changes are netted out of the GNP figures and we look at the

rates of increase in GNP in terms of final sales, data from the U.S. Department of Commerce show that real GNP rose during each quarter of 1976:

Rates of increase in GNP, final sales—1972 dollars

1976:	Percent
1st quarter	3.7
2d quarter	4.2
3d quarter	4.3
4th quarter	4.8

In testimony yesterday before the House Committee on the Budget, Dr. Arthur Burns, Chairman of the Federal Reserve Board made similar observations regarding the advisability of the President's stimulus package. Further, he questioned the need for any stimulus for the economy at all:

Both the background of favorable financial conditions prevailing at this time and the growth patterns that have been unfolding in key sectors of our economy justify considerable optimism about the immediate future. Indeed, it seems doubtful to me, as I have previously indicated, that any special efforts to stimulate growth—at least none of conventional character—are now needed to assure broad economic expansion this year and on into 1978.

The second problem with House Concurrent Resolution 110 deals with the nature of the economic stimulus which it is designed to accommodate. Broadly speaking, the stimulus falls into two categories: tax rebates and additional deficit spending for public works and service jobs. Both of these forms of stimulus are highly inefficient and overly costly.

Addressing the package as a whole, Prof. Milton Friedman, the new recipient of the Nobel Prize for economics, said,

There is nothing in the package which will stimulate anything. How can government stimulate the economy by taking money out of one pocket of the public and putting it into another pocket? The rebate plan for example, would distribute $50 apiece to most consumers. As a result those consumers will tend to spend more. But where will the Government get the money to send out the rebates?

The part of the stimulus proposal which addresses additional public works spending is equally ill-advised. Public works and public service programs have long been noted for their inefficiency and high cost. Public works spending also is slow to enter the "pipeline" and actually put people back to work. In an article that appeared in the February 14 edition of the Wall Street Journal, author James C. Hyatt in commenting on public works spending commented the following:

Congress appropriated $2 billion for local public works last fall, but no worker has yet earned a cent, unless one counts the 265 people hired temporarily by the Commerce Department to figure out which cities should get the money.

As an alternative to the committee stimulus proposals, I offered the minority amendment to House Concurrent Resolution 110 when the resolution was first before this body last week. Our proposal would have cut personal income taxes by $19 billion and given all U.S. taxpayers a 22-percent cut in their individual income tax rate.

By cutting taxes permanently, as our amendment would have done—instead of a one-shot rebate fashion, as House Concurrent Resolution 110 does—the incentives to work, save, and invest would have been greatly increased, instead of simply increasing the incentive to buy. The reasoning behind the third concurrent budget resolution is based on assumption that "the reason people produce is that people buy." However, there are two other reasons why people produce: for income and for profit. A permanent tax rate reduction of $19 billion not only stimulates production indirectly like a tax rebate does by stimulating spending, it also directly stimulates production by increasing the after-tax rewards to work and invest. A permanent reduction in personal income tax rates, then, constitutes a three-pronged attack on unemployment and economic lag:

First. It increases disposable income, thereby increasing buying;

Second. It increases the incentive to work because of increased profits; and

Third. It provides new jobs by stimulating investment and capital formation.

According to the studies performed by the Congressional Budget Office, a $19 billion reduction in personal income taxes would have produced dramatic results to the economy:

Impact of $19 billion tax cut during 1977, 4th quarter (billions of dollars annual rate)

GNP	+$42
Personal income	+$23
Disposable personal income	+$56
Consumption	+$34
Fixed investment	+$7
New jobs	790,000

Many have argued that such a reduction in taxes would create enormous revenue losses to the Federal Government. Historical evidence, however, proves these critics wrong. In the early sixties, many observers expressed concern over the potential revenue losses that would result from the Kennedy tax cuts.

The U.S. Treasury, for example, argued that 6 year revenue losses would total $89 billion. In fact, there were gains of $54 billion realized over a 6-year period as the following chart illustrates:

[In billions]

	1963	1964	1965	1966	1967	1968	Total
U.S. Treasury estimated revenue losses	2.4	5.2	13.3	20	23.7	24.4	$89
Actual revenue gains	7	6	4	14	19	4	54
Difference in estimates							143

Clearly, then it can be observed that reductions in the marginal tax rates do not result in higher deficits, but rather they expand the tax base, increase revenues, boost GNP and increase employment.

Summarizing the effect of the Kennedy tax cuts, Walter Heller stated before the Joint Economic Committee on February 7 that Federal revenues were completely restored to their pretax level within a year of their enactment. In his words, "The tax cut more than paid for itself."

In summary, it is my strong belief that the best way to stimulate the economy is through permanent tax rate reductions. This option was available to this body last week. I am gratified that 147 other Members of Congress supported this position. Instead of tax cuts for the American people, however, we are now considering a stop-gap $20 billion grab-bag which will accomplish the opposite ends for which it was ostensibly proposed and I therefore emphatically encourage my colleagues to oppose it.

Mr. ASHLEY. Mr. Speaker, I rise in strong support of the conference report for Senate Concurrent Resolution 10, the third budget resolution for fiscal year 1977. The conference agreement accommodates most of the positions in the House-passed resolution while incorporating some modifications recommended by the Senate.

The conference substitute provides for a total of $17.5 billion in economic stimulus, $13.8 billion of which is in the form of tax stimulus and $1.9 billion in increased spending. These amounts are sufficient to accommodate tax reductions and spending at or near the levels provided in the House-passed resolution. In my view, the economic stimulus measures assumed in the conference substitute are adequate to promote a more satisfactory economic recovery in fiscal year 1977 while holding inflation within tolerable levels.

The conference agreement provides more than enough room to accommodate the tax reduction and simplification act of 1977, which will be considered later today. And on the spending side, the conference report provides sufficient funds to cover the major stimulus initiatives—such as counter-cyclical assistance, accelerated public works, public service jobs, and other programs—which were contemplated in the third budget resolution as it passed the House.

With regard to one important matter which was not considered to be part of the economic stimulus portion of the resolution, the conferees reduced budget authority for new housing subsidies in fiscal year 1977 by about $3 billion. This reduction, while regrettable in light of the country's need for additional subsidized housing, would permit a subsidized housing level of 360,000 units in this fiscal year. This level represents a

decrease from the 400,000 unit level proposed by the administration and provided in the House-passed resolution.

Finally, Mr. Chairman, the conferees took steps toward resolving a major accounting issue with far-reaching implications for the budget process. For some time now there have been questions in both the legislative and executive branches as to whether Government payments in excess of tax liability are to be treated as expenditures or as reductions in revenues. This issue was raised in connection with the President's proposals for certain payments to individuals in excess of their tax liability.

I feel strongly that these payments should be treated as expenditures. They are not offset by any tax payment on the part of the individual receiving the benefit; consequently, it is difficult to see how these payments constitute any more of a reduction in revenue than any other direct Federal expenditure.

Treatment of these payments as revenue reductions would shortcircuit the authorization and appropriation process. Theoretically, the tax code could be rewritten to provide payments for almost any purpose without the participation of the Legislative and Appropriation Committees. Furthermore, the back door spending provisions of the budget act would be inapplicable to these payments made through the tax code.

The conferees were unable to resolve this issue conclusively. We agreed to treat about $1.4 billion in such payments as expenditures while temporarily treating $856 million as a reduction in revenues. The House and Senate Budget Committees intend to address the issue de novo during consideration of the first budget resolution for fiscal year 1978. At that time it is my hope that we can agree to treat these payments properly, as expenditures.

Mr. Speaker, I urge the adoption of this conference report.

Mr. LEGGETT. Mr. Speaker, I rise in support of the conference agreement on House Concurrent Resolution 110, the third budget resolution which amends our expenditure ceilings and revenue floor. I believe the agreements and compromises reached with the Senate are fair and equitable and consistent with the basic position of the House of Representatives.

In this resolution, we provide the flexibility for funding a million new jobs, we provide an employment tax credit to encourage our private sector to hire new employees over last year's level—approximately 420,000 jobs are estimated to be created this way—and we provide a tax refund and rebate for taxpayers, social security recipients, railroad retirees, AFDC recipients, and others, in order to promote consumer demand which has been sluggish and slow for almost 2 years now.

I urge my colleagues to support the conference report.

Mr. FRASER. Mr. Speaker, last week when we were discussing the House version of the third concurrent resolution, I stated that the resolution was an "excellent first step" toward solving our unemployment problem. Now that we have completed our conference with the Senate, I have not had cause to change my mind.

The agreement reached by the House and Senate conferees preserves intact the main features of the House resolution. This, of course, comes as no surprise. The most important job creating aspects of the stimulus proposal were shared by both the Senate and the House versions. Both versions contained $4 billion in budget authority for accelerated public works. Both versions contained $7 billion for public service employment under the CETA program. The full impact of these programs will not be felt in fiscal 1977. They will carry into fiscal 1978. They provide a solid base for the sustained effort that will have to be made if we are to bring unemployment down to acceptable levels.

The conference did resolve some important differences between the House and the Senate. I was particularly pleased that the Senate accepted our position in favor of the shipbuilding rescissions. Furthermore, they accepted our figure of $244 million for the job opportunities program and they came much of the distance in meeting our figure for counter-cyclical assistance.

Mr. LEHMAN. Mr. Speaker, I rise in strong support of the conference report on Senate Concurrent Resolution 10, the third concurrent resolution on the fiscal year 1977 budget. I would like, also, to commend the distinguished chairman of the House Budget Committee for his excellent work on this legislation. The committee had to hit the ground running in the 95th Congress to complete the concurrent resolution quickly, so that stimulus legislation can be considered and passed early in the session, and needed assistance can be provided in the economy during the current fiscal year. Without the determination of our chairman, and his extraordinary efforts to work out differences between our committee, the Senate, and the administration, I do not think we could have succeeded so expeditiously.

This concurrent resolution provides the outlines for programs to help our faltering economy get back on the track to recovery. It contains individual provisions on which some of us differ, but the mix of tax and spending measures will combine quick stimulus with longer-lasting recovery. Nearly a million new jobs should be created this year. It is, of course, up to other committees to fill in the details, and up to the House to continue to work quickly for stimulus in fiscal year 1977, but this resolution is the necessary start, and I urge all my colnecessary start, and I urge all my colleagues to vote in favor of its passage. the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. LATTA. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 226, nays 174, not voting 32, as follows:

[Roll No. 44]

YEAS—226

Addabbo	Foley	Oberstar
Akaka	Ford, Mich.	Obey
Alexander	Ford, Tenn.	Panetta
Allen	Fraser	Patten
Ambro	Gaydos	Patterson
Ammerman	Gephardt	Pattison
Anderson, Calif.	Giaimo	Pease
	Glickman	Pepper
Annunzio	Gore	Perkins
Applegate	Hamilton	Pike
Ashley	Hanley	Preyer
Aspin	Hannaford	Price
AuCoin	Harkin	Rahall
Badillo	Harris	Rangel
Baldus	Hawkins	Reuss
Barnard	Heftel	Richmond
Baucus	Hightower	Risenhoover
Beard, R.I.	Holland	Rodino
Bedell	Holtzman	Rooney
Benjamin	Howard	Rose
Biaggi	Ireland	Rosenthal
Bingham	Jenkins	Rostenkowski
Blanchard	Jenrette	Roybal
Blouin	Johnson, Calif.	Russo
Boggs	Jones, N.C.	Ryan
Boland	Jones, Tenn.	St Germain
Bonior	Jordan	Scheuer
Bonker	Kastenmeier	Schroeder
Bowen	Kazen	Seiberling
Brademas	Keys	Shipley
Breckinridge	Kildee	Simon
Brodhead	Kostmayer	Sisk
Brooks	Krebs	Skelton
Brown, Calif.	Le Fante	Slack
Burke, Calif.	Lederer	Smith, Iowa
Burke, Mass.	Leggett	Solarz
Burlison, Mo.	Lehman	Spellman
Burton, Phillip	Lloyd, Calif.	Stark
Carney	Long, Md.	Steed
Carr	Luken	Steers
Cavanaugh	Lundine	Stratton
Chisholm	McCormack	Studds
Clay	McDade	Thompson
Collins, Ill.	McFall	Thornton
Conte	McHugh	Tonry
Corman	McKay	Traxler
Cornell	McKinney	Tsongas
Cornwell	Maguire	Tucker
Cotter	Markey	Udall
D'Amours	Mattox	Ullman
Danielson	Mazzoli	Van Deerlin
Davis	Meeds	Vanik
de la Garza	Metcalfe	Vento
Delaney	Meyner	Volkmer
Dellums	Mikulski	Walgren
Dent	Mikva	Walsh
Dingell	Miller, Calif.	Watkins
Dodd	Mineta	Waxman
Downey	Minish	Weaver
Drinan	Mitchell, Md.	Weiss
Duncan, Oreg.	Moakley	Whalen
Early	Moffett	White
Eckhardt	Mollohan	Whitley
Edgar	Moorhead, Pa.	Whitten
Edwards, Calif.	Moss	Wilson, Bob
Eilberg	Murphy, Ill.	Wilson, C. H.
Ertel	Murphy, N.Y.	Wilson, Tex.
Evans, Colo.	Murphy, Pa.	Wolff
Fary	Murtha	Wright
Fascell	Myers, Michael	Yates
Fish	Natcher	Yatron
Fisher	Nedzi	Young, Mo.
Flippo	Nix	Young, Tex.
Flood	Nolan	Zablocki
Florio	Nowak	Zeferetti
Flowers	Oakar	

NAYS—174

Abdnor	Gibbons	Moorhead, Calif.
Anderson, Ill.	Gilman	Motti
Andrews, N.C.	Ginn	Myers, Gary
Andrews, N. Dak.	Goldwater	Myers, Ind.
Archer	Goodling	Neal
Armstrong	Gradison	Nichols
Ashbrook	Grassley	O'Brien
Bauman	Gudger	Ottinger
Beard, Tenn.	Guyer	Pickle
Bennett	Hagedorn	Poage
Bevill	Hammer-schmidt	Pressler
Brinkley	Hansen	Pritchard
Brown, Mich.	Harsha	Pursell
Broyhill	Heckler	Quayle
Buchanan	Hefner	Quie
Burgener	Hillis	Regula
Burke, Fla.	Hollenbeck	Rhodes
Burleson, Tex.	Holt	Rinaldo
Butler	Horton	Roberts
Byron	Hubbard	Robinson
Caputo	Hughes	Rogers
Carter	Hyde	Roncalio
Cederberg	Ichord	Rudd
Chappell	Jacobs	Runnels
Clawson, Del	Jeffords	Ruppe
Cleveland	Johnson, Colo.	Santini
Cochran	Jones, Okla.	Sarasin
Cohen	Kasten	Satterfield
Coleman	Kelly	Sawyer
Collins, Tex.	Kemp	Schulze
Conable	Kindness	Sebelius
Conyers	Krueger	Sharp
Corcoran	LaFalce	Shuster
Coughlin	Lagomarsino	Sikes
Daniel, Dan	Latta	Skubitz
Daniel, R. W.	Leach	Smith, Nebr.
Derwinski	Lent	Snyder
Devine	Levitas	Spence
Dickinson	Lloyd, Tenn.	Stangeland
Dicks	Lott	Stanton
Dornan	McClory	Steiger
Duncan, Tenn.	McCloskey	Stockman
Edwards, Ala.	McDonald	Stump
Edwards, Okla.	McEwen	Symms
Emery	Madigan	Taylor
English	Mahon	Thone
Erlenborn	Mann	Treen
Evans, Del.	Marks	Trible
Evans, Ind.	Marlenee	Vander Jagt
Fenwick	Marriott	Waggonner
Findley	Martin	Walker
Fithian	Mathis	Wampler
Flynt	Michel	Whitehurst
Forsythe	Milford	Wiggins
Fountain	Miller, Ohio	Winn
Frenzel	Mitchell, N.Y.	Wydler
Frey	Montgomery	Wylie
Fuqua	Moore	Young, Alaska

NOT VOTING—32

Badham	Derrick	Lujan
Bafalis	Diggs	Pettis
Beilenson	Evans, Ga.	Quillen
Bolling	Gammage	Railsback
Breaux	Gonzalez	Roe
Broomfield	Hall	Rousselot
Brown, Ohio	Harrington	Staggers
Burton, John	Huckaby	Stokes
Clausen, Don H.	Ketchum	Teague
Crane	Koch	Wirth
	Long, La.	Young, Fla.

The Clerk announced the following pairs:

On this vote:

Mr. Harrington for, with Mr. Teague against.

Mr. Beilenson for, with Mr. Broomfield against.

Mr. Breaux for, with Mr. Ketchum against.

Mr. Wirth for, with Mr. Brown of Ohio against.

Mr. Long of Louisiana for, with Mr. Don H. Clausen against.

Mr. Diggs for, with Mr. Lujan against.

Mr. Koch for, with Mr. Quillen against.

Mr. Staggers for, with Mr. Crane against.

Mr. Stokes for, with Mr. Railsback against.

Mr. Roe for, with Mr. Rousselot against.

Mr. Derrick for, with Mr. Young of Florida against.

Until further notice:

Mr. Gonzalez with Mr. Hall.

Mr. Huckaby with Mr. Gammage.

Mr. Evans of Georgia with Mr. John Burton.

Mr. SCHEUER changed his vote from "nay" to "yea."

Mr. ROBERTS and Mr. BYRON changed their vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on Senate Concurrent Resolution 10 just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

REPORT ON STATUS OF FISCAL YEAR 1977 CONGRESSIONAL BUDGET UNDER THE THIRD BUDGET RESOLUTION

Mr. GIAIMO. Mr. Speaker, on behalf of the Committee on the Budget, and as called for by the Congressional Budget Act, I am reporting to the House on the status of the fiscal year 1977 Congressional Budget under the newly adopted third budget resolution.

As you know, the third budget resolution raises the spending ceiling and lowers the revenue floor, to accommodate the proposal for economic stimulus currently being worked on by the Congress.

This report adjusts the spending ceilings and revenue floor according to the resolution adopted today by the Senate and the House.

The report follows:

WASHINGTON, D.C.,
March 3, 1977.

HON. THOMAS P. O'NEILL, Jr.,
Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: On January 30, 1976, the Committee on the Budget outlined the procedures which it had adopted in connection with its responsibilities under Sec. 311 of the Congressional Budget Act of 1974 to provide estimates of the current level of revenues and spending. I am herewith transmitting the status report under Sec. 1 of S. Con. Res. 10, the Third Budget Resolution for FY 1977. This report reflects completed action on spending and revenue measures as of close of legislative business, Wednesday, March 2, 1977.

Sincerely yours,

ROBERT N. GIAIMO,
Chairman.

REPORT TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1977 CONGRESSIONAL BUDGET ADOPTED IN SENATE CONCURRENT RESOLUTION 10

Reflecting completed action as of Wednesday, March 2, 1977

[In millions of dollars]

	Budget authority	Outlays	Revenues
Third budget resolution	$472,900	$417,450	$347,700
Current level	429,382	407,091	356,500
Amount remaining	43,572	10,359	8,800

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and which exceeds $43,572 million for fiscal year 1977, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in S. Con. Res. 10 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and which would result in outlays exceeding $10,359 million for fiscal year 1977, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in S. Con. Res. 10 to be exceeded.

REVENUES

Any measure that would result in a revenue loss exceeding $8,800 million for fiscal year 1977, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in S. Con. Res. 10.

WASHINGTON, D.C., *March 3, 1977.*

HON. ROBERT N. GIAIMO,
Chairman, Committee on the Budget, United States House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311(b) of the Congressional Budget Act, this letter and supporting detail provide an up-to-date tabulation of the current levels of new budget authority, estimated outlays and estimated revenues in comparison with the appropriate levels for these items contained in the most recently agreed to concurrent resolution of the 1977 budget. The current level estimates are as of close of business March 2, 1977.

The report is the same as my previous report except that it incorporates the appropriate levels agreed to in the conference on the Third Concurrent Resolution on the 1977 Budget.

Sincerely,

ALICE M. RIVLIN, *Director.*

Congressional Budget Office report

[In millions of dollars]

	Budget authority	Outlays	Revenues
1. Enacted	$420,150	$400,668	$356,500
2. Entitlement authority and other mandatory items requiring further appropriation action	4,435	4,603	
3. Continuing resolution authority	4,719	1,821	
4. Conference agreements ratified by both Houses	−48		
Current level	429,328	407,091	356,500
Third Concurrent Resolution	472,900	417,450	347,700
Amount remaining (under appropriate level)	43,572	10,359	8,800

Parliamentarian status report supporting detail, fiscal year 1977, as of close of business March 2, 1977

[In millions of dollars]

	Budget authority	Outlays
1. Enacted:		
Permanent appropriations and trust funds	$211,707	$195,611
Offsetting receipts	−57,122	−57,122
Previously enacted (94th Congress, 2d Session)	265,558	262,172
Enacted this session: Urgent Power Supplemental (P.L. 95–3)	6	6
Total, enacted	420,150	400,668
2. Entitlement authority and other mandatory items requiring further appropriation action:		
Function 050: Defense agency civilian and military pay raises	1,476	1,449
Function 500: social services	196	196
Function 550: Medicaid	947	947
Function 600:		
Special benefits disabled coal miners	48	48
Food Stamps	671	473
Special benefits, Labor Department	19	19
Advances to unemployment trust fund	240	---
Housing payments	---	208
Function 700: Veterans' benefits	---	454
Function 800:		
Claims and judgments:		
Estimated requirements	127	127
Offsetting receipts (Indian claims)	−83	−83
Undistributed by function: Civilian agency pay raises	794	765
Total, entitlement authority	4,435	4,603
3. Continuing resolution authority:		
Labor-HEW items not considered:		
Function 500:		
Education items	2,912	552
Temporary employment assistance	1,384	1,165
Health items	495	104
Total, continuing resolution	4,791	1,821
4. Conference agreements ratified by both Houses: Budget rescission bill, 1977 (H.R. 3347)	−48	
Total current level, as of March 2, 1977	429,328	407,091
Third concurrent resolution	472,900	417,450
Amount remaining:		
Over ceiling		
Under ceiling	53,572	10,359

Note: Detail may not add due to rounding.

PERSONAL EXPLANATION

Mr. LEGGETT. Mr. Speaker, I would like the RECORD to show that on rollcall vote No. 42 earlier held today, I voted "no" by inserting my card in the electronic box. Unfortunately, apparently my vote did not record.

HUMAN RIGHTS VIOLATIONS

(Mr. PEASE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. PEASE. Mr. Speaker, in the Soviet Union, Andrei Sakharov lives under the threat of arrest for criticizing the Soviet secret police.

In Czechoslovakia, 300 citizens are harrassed for signing a charter 77 petition demanding domestic reforms.

In South Korea, political opponents of President Park are put in prison.

In Chile, those who dissent are beaten and tortured.

These are the kinds of human rights violations going on around the world today.

These are the kinds of violations to which President Carter has begun to call attention. I commend the President and the Secretary of State for their firm pronouncements in support of human rights throughout the world.

Here in the Congress, we too can play a part. And we should. Today, I introduce a resolution to express the support of Congress for our National Government's welcome new concern for human rights everywhere. I commend it to your attention.

As I say, I am pleased that our national leaders have recently renewed the U.S. commitment to the cause of human rights. I commend President Carter and Secretary of State Vance for their statements and actions in support of human rights throughout the world. The concurrent resolution I am introducing today will serve to express the support of Congress for the courageous stance taken by the President and to press for a global commitment to human rights.

Debate over human rights has moved to the forefront of discussions of American foreign policy. I am deeply disturbed by violations of human rights in the Soviet Union, Czechoslovakia, South Korea, Argentina, Chile, Iran, and elsewhere.

I am offering this resolution in the belief that our national struggle for human rights is, in fact, a struggle shared by peoples all over the world. This being the case, American foreign policy must be characterized, in part, by an active commitment to advancing the cause of human rights wherever these rights are being threatened or systematically denied.

With the Congress on record in support of a more vigorous human rights policy, President Carter and Secretary of State Vance can be confident of broad-based congressional support in exercising executive discretion in advancing the cause of human rights through diplomatic channels.

In South Korea, many political opponents of President Park Chung Hee have been imprisoned for dissenting from governmental policies and for chal-

lenging the President's assumption of authoritarian powers.

President Marcos has dispensed with democratic processes in the Philippines and has assumed dictatorial powers. Imposition of martial law has given him carte blanche to harass his political opponents and to trample personal liberties.

Accounts from Argentina tell of governmental use of force, coercion, and even torture against critics and political opponents of the government. Allegations surrounding President Pinochet's regime in Chile tell of beatings, mass arrests, and torture being used to stop political dissent. In Cuba, Castro has isolated political dissidents, stripped them of their rights and confined them.

The Shah of Iran is suspected of using heavyhanded tactics to deal with political dissidents, to silence domestic criticism, and to consolidate support for his rule.

I could cite other examples of human rights being denied, because of political expediency and the thirst for power, but my point is made that we must admonish our allies as well as our adversaries and impress upon them our commitment to uphold human rights.

On August 1, 1975, former President Ford pledged the compliance of the United States with all provisions of the Helsinki Accords, as did 34 other nations. In exchange for recognizing the de facto national boundaries in Eastern Europe that evolved after World War II, the Western nations including the United States secured a concession from the Soviet Union and other Eastern European signatories to "take positive action" to protect personal liberties and human rights.

The U.S. Government has acted in accordance with the provisions of the Helsinki Agreement, and it is imperative that we make it quite clear to the Soviet Government and others in Eastern Europe that we expect them to live up to their commitments as well.

None of us needs to be reminded of the plight of dissidents throughout Eastern Europe. Their courage to speak out and to suffer hardship in asserting individual human rights is a source of inspiration to all of us, and we must do what we can to bolster their cause. All the nations which signed the Helsinki Accords promised to respect "fundamental freedoms, including the freedoms of thought, conscience, religion, or belief." Clearly, these solemn commitments are not being met in Eastern Europe and the Soviet Union.

In addition, Basket III of the Helsinki Accords contains a pledge on behalf of all the signatories to make it easier for families to unite across national borders, to visit one another, and for citizens of one nation to marry those of others. There was great promise with the finalization of the Helsinki Accords that families long separated by arbitrary political barriers could once again be united, that ideas and cultural information could be more freely exchanged between Eastern and Western Europe, and that the passage of visitors to and fro would be far easier. Constituents of East European descent in my Ohio district were hopeful of visiting and being reunited with friends and relatives after many years of separation. Much of the buoyant optimism spawned in the West by the Helsinki Accords has turned to cynicism, and many of the individual expressions of freedom in Eastern Europe have been quashed. Consequently, the Congress must lock arms with the President and the Secretary of State, presenting a solid front to the Soviet Union and the other Eastern European signatories in defending human rights.

In concluding, I want to make it clear that I am not offering this resolution as an expression of self-righteousness on the part of the U.S. Congress with regard to human rights. Our national experience over the past 200 years has largely been a struggle to secure basic human rights for all of our people and to safeguard them, once firmly established. The struggle is not over.

NEW GAO STUDIES SHOW WHY IMMEDIATE REFORM OF THE CETA PROGRAM IS ESSENTIAL TO PROTECTING THE TAXPAYER'S INVESTMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, yesterday afternoon I introduced a bill to reform the programs administered under the Comprehensive Employment and Training Act—CETA. A thorough reading of just-released studies by the General Accounting Office of CETA programs around the country underscores the importance of immediate consideration of this legislation.

Several days ago, GAO released through me its 2-year study of the CETA program in the city of Buffalo and county of Erie, N.Y. I had requested that study on January 23, 1975, as news reports in the Buffalo area disclosed numerous, apparent violations of the CETA law and regulations. I frankly cannot see why it took 2 years to complete this study, but I am encouraged by its thoroughness and its setting forth of recommendations. Coupled with what has already been made known about other problems with the program, it gives Congress a clear picture of what it has to do to protect the taxpayer's investment in public service jobs. To their credit both the city of Buffalo and the county of Erie not only cooperated fully with GAO, but have taken positive steps to reform their own programs.

In summary, this report discloses there were ineligible participants; violations of Labor Department regulations on nepotism and political activities; problems in Buffalo's reporting of administrative cost, including purchases of supplies and equipment; a lack of formal procedures to make sure specific target groups received specific consideration; and a failure of sponsors to assure program participants obtained permanent, unsubsidized jobs in the private sector. Other GAO studies on the CETA program have shown similar and different problems. The bill I introduced yesterday, H.R. 4398, the Comprehensive Employment and Training Act Reforms of 1977, is addressed to correcting them.

QUESTIONS ABOUT CETA'S EFFECTIVENESS

In recent months there has been much discussion of significantly expanding this and other public service jobs programs. These are seen as a means of counteracting some of the persistently high unemployment across the country. While the administration is increasingly expressing its preference for jobs creation through the private sector of the economy, it continues to support these public service jobs programs, presumably because it sees them as a short-term bridge to more permanent jobs creation in the private sector.

We must be cautious about lengthy extensions and massive expansions of this and other public service job programs, however. Like all Government programs, funds to sustain it must come from the taxpayers. The well-meaning attempt here to put people back to work and to put some take-home pay in their pockets now may be at the expense of the long-term jobs creation which can come only through leaving more of the people's income with them.

The most effective, long-term solution to our economic problems is a substantial infusion of investment capital into the expansion of industrial plants and the purchasing of tools and equipment required to preserve existing jobs and create new ones. This infusion is made nearly impossible when Government taxes at its present rates. It does little good to spend taxpayers' dollars, if the expenditures are counterproductive or, at best, only marginally beneficial, and the CETA program seems to me to fall into this category.

TRAINING FOR REAL JOBS MUST BE CETA'S FOCUS

My area of principal concern focuses on the kind of benefit provided to the program's enrollees.

The way the program is now being administered, the local prime sponsors' public service employment programs do not provide adequately for training. Yet training is essential to enhancing job skills and to lessening future dependence on tax-supported assistance in general and public service jobs in particular. Stated another way, these programs are contributing very little to lessening future dependency on the programs themselves.

Most of these jobs today have the character of "make work" with little genuine orientation to the long-range benefits needed by the community or to the person employed under the act. This is misleading to the community and the taxpayers, and it is outright cruel to the person employed or his or her family.

Unless these people are given sufficient training in skills related to jobs available within the private sector, there will be greater danger of them falling back into unemployment, underemployment, and other forms of public assistance at the end of the program. This, in turn, simply generates more pressures on the Congress to continue the program beyond its present termination date. Unless something is done by Congress to require program designs consisting with breaking

such cycles of dependency, this "temporary" program could become like too many others—permanent.

Creating a higher level of employability for each person who is given a job under this program is essential. Logic demands these jobs ought to be oriented toward creating a more permanent employability of the participant. As a result of the program, the workers ought to be able to find and to keep a permanent job, becoming a tax generator instead of a tax consumer. This can be most effectively accomplished through on-the-job training within the private sector. The results would be manyfold: Enhanced job skills, improved motivation, lessened dependence, less demand upon the public purse. In contrast, those types of public service jobs which have no, or little, private sector comparability are almost incapable of assuring a higher degree of employability. They give to the person little skill improvement. They do not lessen his dependence. And what it does to his motivation and morale borders on being immoral.

I am reminded of the old Chinese proverb:

> Give a man a fish and you have taken care of him for one day. But teach that man to fish, and you have taken care of him for the rest of his life.

Make-work, dead-end jobs give a man or woman that proverbial fish. They take care of today's needs, but do nothing about tomorrow's. Only when we teach him or her new skills with which to better assure their own chances of gaining private sector employment, do we do him the service we owe to our fellow man. The greatest charity of all is to help a person be able to help themselves.

After a thorough review of the act and its legislative history, I am convinced there is much latitude for providing training. The act allows it in instance after instance. Unfortunately, not enough emphasis has been put on that fact by the Federal headquarters and regional administrators in working with the local sponsors. In my opinion, the Federal administrators ought to require—to insist—that training be given top priority before they approve the project plans submitted from the sponsors. I hope the new Secretary of Labor, Dr. F. Ray Marshall, and his departmental staff work in this direction. Some of the amendments in the bill I introduced yesterday reflect this overriding concern.

PROVISIONS OF THE NEW LEGISLATION

The basic program was authorized by the Comprehensive Employment and Training Act of 1973, Public Law 93-203, 29 U.S.C. 801 et seq. That was amended by Public Law 94-444. The amendments proposed by me yesterday address themselves to the basic act, as amended. They are as follows:

Section 3 restates the purpose of the act, elevating the importance of job training and other services which will lead to maximum employment opportunities in the private sector and enhanced self-sufficiency.

Section 4 assures the opportunity for private organizations and associations to train persons by contact with the local sponsors.

Section 5 authorizes public boards of education to act as additional prime sponsors.

Section 6 protects the autonomy of local governments as prime sponsors, principally against intrusions by State governments.

Section 7 establishes additional conditions for receipt of financial assistance, including maintaining records of expenditures accurately; maintaining records and reporting accurately on pension benefit costs accruing for program enrollees; and reviewing carefully job applications for completeness and accuracy, assuring the data on application forms are verified prior to any payment of funds.

Section 8 instructs the Secretary of Labor not to approve a comprehensive manpower plan or any amendment thereto until he determines, in addition to qualifications already set forth in the act, the description of the plan or amendment thereto describes and justifies adequately the activities funded under titles II and VI of the act. The Secretary shall also require the regional offices to review thoroughly sponsors' planned expenditures shown in grant applications and actual expenditures shown in quarterly financial reports in order to assure compliance with the act. These were among the principal recommendations of the GAO study in addressing itself to inadequate administrative oversight of local programs.

Section 9 restates the purpose of the public employment programs, elevating the role of training and manpower services designed to enable unemployed, underemployed, and economically disadvantaged persons to move into training or employment not supported by the act.

Section 10 prohibits a requirement from being imposed on local sponsors by the Labor Department or any other entity to maintain a percentage of persons paid through CETA funds after the expiration of the Federal funding on local public payrolls. The dollar drain such a requirement imposes on State and local government is often so overwhelming that property and other local tax increases become inevitable.

Section 11 states a preference for unemployed veterans, urging the local sponsors to assure the percentage of veterans served under the program is no less a percentage than that of veterans among the total qualified population in the area.

Section 12 is designed to maximize the impact of public service expenditures by encouraging sponsors to concentrate most on those most likely to obtain permanent employment in the private sector within a reasonable time as a result of the assistance they receive under the act. This would be a 180° reversal from the present policy by which they are encouraged to concentrate on those least likely to obtain such permanent employment in the private sector.

Section 13 redefines CETA's $15,000 maximum salary limitation for local participants, requiring any earned income from moonlighting jobs held simultaneously by such participants to count against that $15,000 ceiling. For example, if a person were earning $4,000 in a moonlighting job, the most he could receive from CETA funds would be $11,000.

Section 14 makes it very clear that there can be no requirement imposed on sponsors to make contributions from these funds to public retirement programs. This is a crucial point. The GAO report zeroes in on this practice. Erie County officials told the GAO investigators that the State actively pushed for CETA participants to join the retirement system, because this was a means of putting funds in it borne by CETA rather than local governments and most of the participants would not be employed long enough with local government agencies to attain any vesting interest in the fund. Thus, the financial position of the retirement fund would be improved. Those officials said application blanks were mailed in bulk to the prime sponsor by the State comptroller. This amendment will stop this abuse.

Section 15 makes it clear that there shall be no assignment of public employment persons to the staffs of publicly elected officials.

Section 16 tightly defines nepotism, prohibits it within these programs, and sets forth penalties and forfeitures, first, for violations of the antinepotism provision and, second, for any failure by agreement to perform the service for which the person was hired—"no shows." These problems were dealt with in the GAO studies.

Section 17 incorporates persons employed through CETA funds at the local level within the coverage of the Hatch Act, prohibiting them from a wide range of political activities.

Section 18 sets forth the criterion for the maximization of employability within the private sector as a condition applicable to all programs under the act, not just the public service job programs.

Section 19 sets forth additional conditions applicable to all programs, including, first, the recovery of funds authorized under the act and paid to program participants found by any instrumentality of the Government or program sponsor under the act to have been ineligible for participation or assistance and, second, a limitation on the percentage of program costs which can be used for supplies and equipment—10 percent. These problems were brought out in the GAO report also.

Section 20 would prohibit the hiring of persons for the performance of functions which had been performed, at any time during the 180-day period immediately prior to the date on which such hiring would occur, by persons employed under applicable civil service laws of the State or unit of general local government involved. This is to prevent the "busting" of government employee unions.

Section 21 sets forth civil penalties—forfeiture of pay and a fine of not more than $1,000—for discrimination on the basis of political affiliation in the selection of participants.

These amendments follow the sequence of applicable sections of the existing act.

Mr. Speaker, I urge their enactment.

LEGISLATION TO CHANNEL DISASTER ASSISTANCE THROUGH FEDERAL CROP INSURANCE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. HAGEDORN) is recognized for 5 minutes.

Mr. HAGEDORN. Mr. Speaker, the drought that has plagued the western half of our Nation since last summer is the worst experienced in more than 40 years. The dry soils and high temperatures which dominated the growing season for most crops during 1976 have resulted in heavy losses being sustained by many producers, especially in the north-central region of the country. In the seven-State area of Minnesota, Iowa, Wisconsin, Illinois, Nebraska, and the Dakotas, an estimated 135 million bushels of corn were lost during the drought, more than 63 million bushels of soybeans, 33 million bushels of oats, and 31 million bushels of wheat.

While not the hardest hit State, my own State of Minnesota was badly hit suffering declines in production from 1975 of 23 percent for its corn crop, 10 percent for its oat crop, 28 percent for its soybean crop, and 27 percent for its hay production. For many farmers, this has meant financial ruin with profit margins in the industry always having been precariously narrow. For those who have been able to remain in business, frequently through shifting their production to lower paying grains, the drought has dried up sources of capital for new investment.

The rural Midwest has been struck by disaster, not the spectacular, bold headline sort of disaster that wreaks its toll in a matter of moments, but nevertheless a disaster. It has been a disaster slow to build and slow to culminate, but the effect is the same as if it had struck all at once. Suffering are the farmers, the communities within which they live, the industries dependent upon a healthy farm economy, and the consumer dependent upon the farms for their food.

If the drought has had a silver lining, it is that we have all come to better appreciate the need for comprehensive, coordinated farm disaster policies, and the measure by which current policies fall short of this goal. I give credit to USDA for doing their best to make available to eligible, drought-stricken farmers assistance from the wide variety of disaster relief programs that it administers. These include direct payments to wheat and feed grain allotment holders, FmHA emergency loans, emergency livestock feed and forage assistance, and Federal crop insurance. It is not primarily the fault of USDA, in my opinion, that so many badly hit farmers have been unable to secure appropriate assistance.

The fault, rather, is found in the incredibly complex and poorly integrated laws that are currently on the books. Few farmers are fully aware of the array of assistance programs that are potentially available to them. When they are, they often fail to meet the precise eligibility requirements of these programs or are unable to cut through the cumbersome administrative and bureaucratic process necessary to take advantage of them. The substantive and procedural regulations are often arbitrary, with similarly situated farmers often finding that their eligibility for given programs vary widely. In short, our current maze of disaster assistance programs has developed in an all too typical way.

Making some sense out of these programs is going to take considerable time. As an admittedly stop-gap measure, however, I have introduced legislation which would channel Federal disaster assistance to drought-stricken farmers through the Federal Crop Insurance Act. The bill would authorize the Secretary of Agriculture to reopen, for 30 days, the period within which applications for Federal crop insurance could be accepted, upon the declaration by the Secretary of a state of emergency.

Eligibility would continue to be limited to farmers in insured counties who are growing insured crops. The Federal Crop Insurance Corporation would be required to issue insurance to them under the same terms, conditions, and premiums as were applicable prior to the most recent closing period for the crop to be insured. In order not to impose hardships upon farmers already covered under the program, the Corporation would be prohibited from taking into account, when setting the next year's premiums, any losses suffered as a result of applicants newly covered during the second "open" period. In turn, the Corporation would be reimbursed for losses attributable to this period from the Federal Treasury.

This is a temporary program, due to expire 1 year from the date of passage. I recognize that it is probably a misnomer to consider as "insurance" the payments that may be made to farmers newly covered by the crop insurance program through the workings of this bill. Nevertheless, I see the crop insurance program as a convenient vehicle that can quickly be set in motion to assist farmers who have available no other means of disaster assistance. The realization that this is purely a temporary program should also encourage farmers to consider permanent participation in the crop insurance program, and will, hopefully, prod efforts to reform and consolidate our current hodge-podge of disaster relief programs.

Even with a return to normal amounts of rainfall during 1977, crop yields could remain below normal in areas that were badly hit by the drought in 1976 and which lack necessary amounts of subsoil reserves. It is not likely that seasonal rains alone will be sufficient to enable crops such as corn or soybeans to withstand dry midsummer conditions. For these reasons, I believe it is all the more imperative that we enact temporary measures to protect those farmers who will undoubtedly be hard hit again this year despite any efforts on their part.

AMBASSADOR YOUNG AND THE NEW DIPLOMACY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Nebraska (Mrs. SMITH) is recognized for 10 minutes.

Mrs. SMITH of Nebraska. Mr. Speaker, I would like to comment on the "new diplomacy" of the Carter administration.

Yesterday, our Ambassador to the United Nations, Andrew Young, addressed a special convocation in his honor at Howard University.

He saw fit to refer to the Ford administration as "morally retarded"—those are his words. It makes a sharp contrast with President-elect Carter's thank you at his inaugural to President Ford for reuniting the Nation.

Howard University's students come not only from all over America, but the world as well. And thus they can carry Ambassador Young's inelegant phraseology back with them to their own countries.

The Ambassador has provided United Nations representatives from the Communist bloc and the so-called Third World with another load of insults they can dump on our United States.

I hope this type of political propaganda will not be typical of Carter administration diplomacy.

ASSISTANCE TO THE PEOPLE OF THE EARTHQUAKE-STRICKEN AREAS OF ITALY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, on May 6, 1976, a severe earthquake struck the Friuli region of northern Italy and 903 people died, 1,742 were hospitalized, and 80,000 to 100,000 people, or some 23,000 families were left without shelter. In the most seriously affected areas of Udine and Pordenone provinces, 50 villages comprising 180,000 people were destroyed and major damage extends to an additonal 100 towns with a population of some 35,000 people.

According to estimates by the Agency for International Development, some 11,000 dwellings were destroyed, and an additional 13,000 were damaged, of which 8,000 were heavily damaged. There were 20 public buildings destroyed, 25 severely damaged, and 15 more were damaged to some extent. These buildings are important because they house police and fire services, and meet many other needs of those communities.

Of a total of 9,000 hospital beds available in hospital facilities in the two affected provinces, facilities containing 1,500 beds were moderately or severely damaged, and one 400-bed hospital under construction was also damaged. Classroom destruction ranged between 500 and 600 units, affecting some 12,000 students, which represents about 15 percent of the Udine provincial school population.

Agriculture, industry, and businesses were severely affected by the terrible events of 1976: about 10 percent of the dairy herds were lost, 8,000 farm buildings were destroyed and 7,000 were damaged. Estimates of job losses stand at 8,300 persons, and the total cottage industries, retail or wholesale businesses, and industries employing 10 or more

people that were damaged or destroyed are estimated at between 6,000 and 9,000.

Last year, Congress appropriated $25 million in earthquake relief for these stricken areas of Italy. About $1 million was used for emergency relief supplies, with the balance going for the construction of 12 schools—179 classrooms—and 5 facilities for the care of the elderly.

The relief funds made available by both public and private relief agencies, including the American National Red Cross, Catholic Relief Services, Seventh-day Adventist World Services, Baptist World Alliance, the Salvation Army, and the Save the Children Federation, have been used well, and I commend them for the positive results which have been achieved thus far.

However, the desperate need of the affected population in these areas of northern Italy continues, because in September another devastating earthquake hit this region, along with many strong aftershocks.

Mr. Speaker, much remains to be done to help the people and aid in the reconstruction of devastated areas, and therefore, I have introduced legislation to extend $20 million in further assistance to the people of northern Italy. Thus far, the following Members have cosponsored this bill, and we hope to add more cosponsors: Mr. RODINO, Mr. ADDABBO, Mr. CAPUTO, Mr. CONTE, Mr. DENT, Mr. LAFALCE, Mr. LEGGETT, Mr. MAZZOLI, Mr. MILLER of California, Mr. MINISH, Mr. MOAKLEY, Mr. MURPHY of New York, Mr. OBERSTAR, Mr. PANETTA, Mr. RINALDO, Mr. RUSSO, Mr. SANTINI, Mr. VENTO, and Mr. ZEFERETTI. My bill authorizes this expenditure for fiscal year 1978 and I urge the support of my colleagues for this crucial legislation.

SUPPORT FOR H.R. 3, THE MEDICARE MEDICAID ANTIFRAUD AND ABUSE AMENDMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 10 minutes.

Mr. KOCH. Mr. Speaker, I wish to speak in behalf of H.R. 3, a bill introduced by Congressman ROGERS and ROSTENKOWSKI which would reform many of the provisions of our medicare and medicaid programs. At present, H.R. 3 is being considered by the Subcommittee on Health of the House Ways and Means Committee, and the Subcommittee on Health and the Environment of the House Interstate and Foreign Commerce Committee. Today, I appeared as a witness before a joint hearing of these two committees on behalf of H.R. 3, and I would like to bring up some of the points I raised in my testimony.

The enactment of the medicare and medicaid programs in 1965 has had a profound impact on the administration and delivery of health services in this Nation. In providing nationwide health insurance to the aged and certain disabled individuals, medicare reaches almost 20 million persons in the United States. And the State-operated and administered medicaid program insures that thousands more are guaranteed adequate health care.

The benefits of these programs have not come without considerable expense of government moneys. The United States spends $116 billion, or nearly 8.3 percent of the gross national product on health care. This expenditure has been rising at an annual rate of 10.3 percent over the last 15 years. Medicare outlays for fiscal year 1977 are expected to reach 22.0 billion, which is a 23.5-percent increase over the $17.8 billion that was spent in 1976. Similarly, medicaid outlays will increase from $14.3 billion to $16.6 billion in the coming year, an increase of 13.1 percent.

These costs are adding to the financial plight of our cities and States, and as health care costs rise, the burden on these localities increases. We must closely examine the medicare and medicaid program to see which administrative changes would make the system more efficient and economical, while insuring equity and quality in health care.

With all of these concerns in mind, I became a cosponsor of H.R. 3, which would provide much needed reforms in the accountability of our health programs. By requiring disclosure of ownership and business transactions, upgrading the fraud penalties to felony status, giving the Government Accounting Office subpena power, and strengthening the organization of PSRO's, the bill goes a long way in correcting many of the problems that currently plague the medicare/medicaid program.

I am also very much in favor of the section 2 provision that clarifies the ban on the use of factoring arrangements in payments to physicians. Factoring has contributed heavily to increased medicaid costs in New York City, and the reinforcement of this ban would do much to stem the inflation of physician charges for medicaid services.

If the States are to deal effectively with fraud and abuse in their medicaid claims processing, it is imperative that a provision such as section 7 be instituted. Offenders in the provider services must be prosecuted and suspended from participation in the programs. In addition, providers suspended in one program must be prevented from practicing or participating in the same program in another State. As one possible addition to section 7, I would like to suggest the institution of a central recordkeeping system that would list the names of those who are found guilty of fraud and abuse. In addition, such a system could contain information on effective plans that are used from State to State, which would aid States in their attempts to establish new programs.

In addition, section 10 of H.R. 3 serves to bring about the possibility of increased cost control. As you know, medicare recipients receive an explanation and notice of all claims paid on their behalf by fiscal intermediaries. This medicare provision has assisted the authorities in checking on provider fraud, for many recipients will question the bill and will bring any irregularities to the attention of the proper authorities. I see no reason why this system should not be incorporated into the medicaid program. However, I would suggest that the explanation of benefits information be extended to all persons participating in the medicaid program, and not just to a sample group.

H.R. 3 is an excellent piece of legislation, and I will do all I can to help make it become law. However, I must add that I feel the bill does not go far enough in addressing some of the areas that must be dealt with if we are in fact going to improve the administration of these programs.

One area I would like to bring up that is not covered by H.R. 3 is the freedom of choice provision of the medicaid law. The freedom of choice provision permits medicaid recipients to choose their medical service provider. An admirable concept indeed. However, it has left the States with little or no mechanism to insure that medical services are delivered by providers who offer the best care at the lowest cost.

The freedom of choice provision not only applies to primary care physicians, but it has also been interpreted by the Federal Government to allow medical providers complete freedom in choosing other providers with whom they contract for such ancillary services as laboratory work. In New York City this interpretation has encouraged excessive and inappropriate utilization of ambulatory care by patients covered by medicaid. Unnecessarily high medicaid expenditures for ambulatory care result from the inappropriate provision of such care by hospitals and physicians.

Indiscriminate utilization of ambulatory care for medicaid patients in New York City has led to a disproportionate amount of visits per capita in the area. New York City's 1.4 million medicaid enrollees averaged 7.5 per capita visits in 1975, a rate 50 percent above the national average. Because of the freedom of choice provision, 55 percent of medicaid-reimbursed ambulatory care visits in New York City were made to hospital-based clinics and emergency rooms, which have a higher cost base and therefore higher reimbursement rate than do private physicians. The nationwide average for such visits is 10 percent of medicaid visits.

A recent report prepared by Richard Nathan of New York City, an expert and consultant in the health care field, stated that $37 million could be saved annually in New York City if the freedom of choice provision were waived.

Another area where there has been abuse caused by the unchecked use of the freedom of choice provision is the contracting out of ancillary services such as lab tests. New York City offered a proposal to DHEW which if implemented would have restructured the organizational patterns and financing mechanisms of New York City's clinical laboratory facilities. The proposed program would have been based on competitive bidding and would have given one lab in each of the five boroughs exclusive rights to process medicaid lab samples. This plan would have replaced the current method of service reimburse-

ment. The cost of this program would have been $5 million annually, with the city having the option of renewing the contract at the same price for 3 additional years.

At present, the city of New York pays $12 million in lab service fees to medicaid. If the proposal had gone into effect, the city, State, and Federal Government could have shared the annual $7 million savings accrued by New York alone. However, the DHEW ruled that the principle violated the freedom of choice provision, and in fact took the city to court and won. So, despite the potential cost-savings that would be accrued from consolidation of some ancilliary services such as lab tests, liberal interpretation of the freedom of choice provision serves to contribute to the rising cost of the medicaid program.

I am not suggesting, however, that the freedom of choice provision be entirely eliminated from the medicaid program. Most States, and in particular those States with extensive rural areas and small physician populations, have no difficulty operating under its provisions. I do believe that the Secretary of HEW should be given authority to waive the freedom of choice provision for those local authorities who demonstrate a reasonable need for such a waiver, and who can prove the cost-effectivneess and viability of their proposed alternative to freedom of choice services.

I have one more suggestion that I believe would strengthen the antifraud provisions of H.R. 3. I believe it should be required that any reports on costs or efficiency that are prepared for the Department of Health, Education, and Welfare should be made available for public scrutiny. Presently, the Department relies on reports prepared by the Joint Commission on the Accreditation of Hospitals which assess the operating efficiency of hospitals. Since these reports are prepared by a private organization, they are not released to the public. Similarly, the Federal Government contracts out to the local Blue Cross/Blue Shield corporations the responsibility of reviewing the financial operations of hospitals.

In the case of the Blue Cross/Blue Shield reports, I am happy to state that I recently obtained a ruling from the local HEW authorities permitting the release of these audits into the public domain. I am appending for the information of the committee the correspondence that led to this ruling. In order to insure that public scrutiny of such documents is the case throughout the country, I urge the committee to add a provision to H.R. 3 requiring such releases. These records would greatly assist consumer groups and other concerned organizations in their efforts to publicize inefficiency and the lack of quality standards in health services.

In conclusion, the poor and the elderly have benefited enormously from the medicare and medicaid programs. However, the issues of management, quality control, and cost inflation threaten to jeopardize these gains and dilute the benefits of the programs. H.R. 3 is a most important step in remedying problems that plague the medicare/medicaid programs.

STATE OF NEW YORK,
DEPARTMENT OF HEALTH,
Albany, N.Y., December 20, 1976.

Hon. EDWARD I. KOCH,
Congress of the United States,
Federal Plaza, New York, N.Y.

DEAR ED: Our discussion last Friday about access to audits of hospitals prompts me to seek your assistance in obtaining Federal approval to treat such reports as public information.

Under the state Freedom of Information Law, field audits of health facilities are available to the public. Nursing homes are audited directly by my staff, or by the Office of the Special Prosecutor. In either event, the audit reports are made available for public inspection. This same principle applies to all audits conducted by my staff.

Hospital audits have been handled for Medicaid purposes, by contract with the Blue Cross Plans in New York State. The contract approach was decided upon because Blue Cross was already auditing for Medicare and its own purposes. A joint audit program for hospitals, with cost sharing among the three major third party payers, makes sense. To test the validity of our contract audits, we conduct our own examination of a number of hospitals.

However, Medicare has prevented us from making the joint audits available to the public on a routine basis. This result occurs because of the confidentiality position taken by Medicare as to its audits, which of course can not be separated when a joint audit is involved. There has been some liberalization of the Medicare position, but not enough to permit me to make hospital audits routinely available.

We are not able to achieve full disclosure in the face of the present Federal position. Perhaps you can be instrumental in changing the Medicare policy. Without your assistance or other intervention, full public access to hospital audits is not available.

Sincerely yours,

ROBERT P. WHALEN, M.D.,
Commissioner of Health.

HOUSE OF REPRESENTATIVES,
Washington, D.C. December 28, 1976.

THOMAS T. TIERNEY,
Director, Bureau of Health Insurance. Social Security Administration, Social Security Headquarters Building, Baltimore, Md.

DEAR MR. TIERNEY: Enclosed is a copy of a letter that I have recently received from Robert Whalen, the New York State Commissioner of Health.

According to the letter, the New York State Freedom of Information Law requires that audits of health care facilities that are conducted by state employees be made available for public disclosure. In fact, I recently completed an investigation of the New York City Health and Hospitals Corporation. The audits of Medicaid expenditures proved to be extremely valuable in assisting my analysis of the Hospitals Corporation. However, when I attempted to obtain Medicare-Medicaid audits of the voluntary hospital sector I was informed by Commissioner Whalen that those reports although prepared under contract by Blue Cross with the federal and state governments, were not available for public disclosure. Dr. Whalen indicated that he would like to make the reports available but had been prevented from doing so because of a "confidentiality position taken by Medicare as to its audits."

The defenders of the Health and Hospitals Corporation reacting to any criticisms of their operation, always state how unfair it is to attack the Hospitals Corporation whose records are completely available while not subjecting the voluntary sector to the same criticisms because their financial records are not available to the public, although filed with federal agencies. To illustrate, one can comment on the salaries and other benefits paid to the administrators and medical staff at the municipals because their salaries and fringe benefits are a matter of public record. However, one can not determine what the salary levels and fringe benefits are for those same individuals in the voluntaries, whose salaries are paid for primarily from public funds, because those figures are not available to the public. In my opinion this is wrong and should be corrected immediately.

In view of the fact that Blue Cross is appointed by you under contract to audit the voluntary and all other hospitals receiving Medicare funds, I believe it is incumbent upon you to make available to the public these reports and I request that they be made available to me forthwith.

Indeed, I believe that the proper business of Blue Cross is of a technical services nature such as claims processing and the allocation of public revenues and the auditing of those allocations is a governmental function.

Please direct your response to my New York office.

Sincerely,

EDWARD I. KOCH.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
New York, N.Y., January 27, 1977.

Hon. EDWARD L. KOCH,
House of Representatives, Federal Plaza, New York, N.Y.

Attention: Mr. Victor Botnick.

DEAR MR. KOCH: Your letter to Mr. Tierney concerning the release of Medicare audits of voluntary and private hospitals has been referred to this office. I apologize for the delay in responding.

I was concerned to learn of the difficulties you have encountered in attempting to obtain these audits. Apparently both the New York State Department of Health and Blue Cross and Blue Shield of Greater New York have misconceptions concerning the release of Medicare audits. We therefore plan to discuss this matter with them in the very near future.

Generally, Medicare cost reports and audits, with certain possible exceptions, are disclosable. This information may encompass five types of documents:

(a) Statement of costs. (The cost report submitted by the hospital.)

(b) Adjustment report, resulting from the intermediary's "desk audit."

(c) Memorandum stating the auditor's opinion of the reasonableness and allocation of costs.

(d) Audit workpapers.

(e) Revised statement of costs, reflecting adjustment determined during the audit.

Obligations concerning the release of these documents are determined solely by the requirements of the Freedom of Information Act (5 U.S.C. 552(b)) as interpreted by the Department of HEW Public Information Regulation (45 C.F.R. Part 5) and the Social Security Administration Regulation No. 22 Subpart E (20 C.F.R. Part 422). Therefore, these documents must be disclosed unless one of the exemptions to the Freedom of Information Act applies.

The only exemptions pertinent to the subject materials are 5 U.S.C. 552(b) (4) and (5) which relate respectively to commercial and financial information which is confidential, and intra-agency memoranda.

However, it must be emphasized that the Freedom of Information Act does not require that material to which an exception applies be withheld, but leaves to agency discretion the question of whether to disclose exempt materials. In fact, HEW policy

is that records must be disclosed where there is no compelling reason for withholding. Thus, we must make a determination on a case-by-case basis, as to whether any information contained in these documents could be withheld. Because of this, it is Social Security Administration policy that Medicare audits be disclosed only by the regional offices of the Bureau of Health Insurance.

In addition, 20 C.F.R. § 422.435 (c) states that: "upon request in writing, cost reports submitted by providers of services pursuant to section 1815 of the [Social Security] Act to enable the Secretary to determine amounts due such providers [shall be made available to the public]."

It is the option of our general counsel that this section requires full disclosure of the statement of costs (document "a") and the revised statement of costs (document "e").

I hope that this clearly describes our policy with respect to the release of Medicare audits. If you have any further questions or wish access to audits for specific hospitals, please feel free to contact Steve Shaw of my staff on 264–4788.

Sincerely yours,

THEODORE SHULMAN,
Deputy Regional Medicare Director, Bureau of Health Insurance.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
New York, N.Y., February 17, 1977.

Hon. EDWARD I. KOCH,
House of Representatives,
Federal Plaza, New York, N.Y.

DEAR ED: This is in response to your letter of February 7th concerning the public disclosure of Medicare-Medicaid audits and whether the Medicaid portion of these audits are available for public inspection.

We are in complete agreement with the letter of January 27, 1977 sent to you by Mr. Theodore Shulman, Deputy Regional Medicare Director, Bureau of Health Insurance, on the release of BHI audits.

The release of Medicaid audits is determined solely by the requirements of the Freedom of Information Act (5 U.S.C. 552 (b)). Exemptions pertinent to Medicaid audits are contained in 5 U.S.C. 552 (b) (4) and (5). These sections relate to confidential commercial and financial information and inter-agency memoranda respectively.

If you have any further questions, please do not hesitate to contact me.

Sincerely yours,

WILLIAM TOBY,
Regional Commissioner.

PANAMA CANAL TREATIES: CONTRIVED CONFUSIONS AND DISTORTIONS CLARIFIED

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, over a period of years, I have followed closely a campaign of sustained propaganda aimed at bringing about a giveaway of the U.S.-owned Canal Zone and Panama Canal. In the campaign there have been many fallacious assertions and a pathetic degree of ignorance not limited to lay circles but attributable to various pronouncements by officials in the U.S. State Department and by organizations engaged in the manipulations of U.S. foreign policy. These groups include the privately financed so-called Commission on United States-Latin American Relations and the Council on Foreign Relations, both of New York.

The result of such efforts has been to mislead a number of U.S. Presidents and governments of Panama. Notwithstanding such consequences, this propaganda has not deceived the sovereign people of the United States who are overwhelmingly opposed to the entire surrender scheme and now demand the termination of the current treaty negotiations.

Among the errors noted have been the following:

First. That sovereignty over the Canal Zone was not ceded to the United States but only certain rights;

Second. That the Canal Zone is not U.S. territory but only leased Panamanian territory.

Third. That the U.S. Supreme Court in 1948 referred to the Canal Zone as "admittedly territory over which we do not have sovereignty."

Fourth. That the 1936 Treaty with Panama describes the Canal Zone as being "Territory (of the Republic of Panama) under the jurisdiction of the United States."

To help clear away such distortions and contrived confusions, I requested Prof. Alfred J. Schweppe, eminent attorney and authority on constitutional law of Seattle, Wash., to examine the legal basis for the possession by the United States of the Canal Zone and Panama Canal and to prepare a paper on the subject for publication in the CONGRESSIONAL RECORD. His presentation of the legal history is so factual, clear, and cogently expressed that it should assist all who seek a true understanding of the immensely complicated juridical structure of the canal enterprise, which consists of the canal itself and its indispensable protection frame of the zone territory.

His study should be of special value to editors and other publicists, professors in our colleges and universities, authors now preparing manuscripts for books, and particularly officials of the State and Defense Departments, as well as members of the Congress and their staffs working on the subject. The article justifies me in publicly asking the President to direct the State Department to desist in is propaganda campaign to bring about the surrender of the Canal Zone to a bankrupt country that since 1955 has not been able to collect its own garbage from the streets of the two principal Panamanian cities of Colon and Panama City.

Accordingly, I quote Professor Schweppe's article as part of my remarks and commend it for careful reading by all concerned with the problems of the U.S. canal, hemispheric security, and interoceanic commerce:

THE PANAMA CANAL TREATIES

(By Alfred T. Schweppe)

This is the story of the widely misunderstood treaties of the United States with the Republic of Panama—misunderstood by our State Department, and misunderstood by the present Panamanian government.

On November 18, 1903, the United States signed a treaty (called the Hay-Bunau-Varilla Treaty) with the new Republic of Panama, whose independence had been recognized by the United States on November 6, 1903.

The purpose of the treaty is described in the preamble, namely, to provide for construction of a ship canal across the Isthmus of Panama. This preamble recited that, initially, "the sovereignty of such territory being actually vested in the Republic of Panama," the parties have resolved to make a treaty with reference to such territory.

In Article I, a crucial article for Panama's future, the United States "guarantees and will maintain the independence of the Republic of Panama."

In Article II, the Republic of Panama "grants to the United States in perpetuity the use, occupation and control of a zone of land and land under water . . ." ten miles wide. This means "legal title" because in law, both domestic and international, the right to possession in perpetuity constitutes legal title.

Then comes Article III in which the Republic of Panama grants to the United States all of the "rights, power and authority" described in Article II "which the United States would possess and exercise if it were the sovereign of the territory" [the Zone], "to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights."

Simply stated, Panama, having initial sovereignty over the area constituting the Zone, by the treaty relinquishes in perpetuity to the United States title to the Canal Zone, and relinquishes in perpetuity all sovereign rights of Panama in the Zone.

Article VI of the 1903 treaty appropriately protected private property rights in "any of the lands or waters *granted* to the United States" by the treaty. (Italics supplied.)

Such a treaty is the equivalent to a deed in fee simple by one country to another of all public property, saving private property rights which then become subject to the jurisdiction of the new owner.

The acquisition of Alaska, for example, was a ceding of all public property, saving private property rights. The same is true of the Louisiana Purchase and the Gadsden Purchase covering parts of Arizona and New Mexico.

Legal title is the right to possession in perpetuity good against all the world. Sovereignty is the supreme political power and dominion over an area. Panama in 1903 granted in perpetuity "the use, occupation and control" of the Zone and "all rights, power and authority within the Zone." It thus granted title and sovereignty to the United States within the Zone and completely relinquished its own.

For this conveyance of title and relinquishment of sovereignty in perpetuity, the United States paid Panama $10,000,000 in gold and agreed to make an annual payment of $250,000 in gold for the life of the treaty, beginning nine years from date, presumably an estimate of the completion date of the Canal. This annual payment, or annuity, was not rental but was part of the legal consideration for the grant. This annuity has since been negotiated upward and is now $2,300,000.

On March 3, 1936, some changes in the 1903 treaty were negotiated in the General Treaty of Friendship and Cooperation between the United States and the Republic of Panama. The principal ones were: (1) the elimination of Article I guaranteeing independence [it being, by reason of the 1922 treaty of the United States with Colombia hereafter referred to, no longer necessary], (2) giving up the right of the United States to keep order in the Republic of Panama if Panama could not, in the judgment of the United States, maintain such order [it being no longer necessary], and (3) granting Panama a corridor over the Zone [which was legally necessary and desirable, although informally recognized from the beginning]. The corridor granted a legal easement over property of the United States, namely, the Canal Zone.

This 1936 treaty recognized the exclusive jurisdiction of the United States over the Zone, and the exclusive jurisdiction of Pan-

ama over all areas outside the Zone. "Jurisdiction" was used in the sense of complete authority and dominion over territory, or the authority of a sovereign power to govern.

The 1936 treaty re-emphasized the United States' complete legal and political control of the Zone and its exclusive right to possession in perpetuity.

Attached to the 1936 treaty is a memo by Undersecretary of State Sumner Welles declaring that the then President and the then Foreign Minister of Panama declared for the record that they had received "everything that Panama could possibly want from the United States and henceforth would request no more concessions."

While an actual instrument of cession or conveyance was not used in 1903, the language is the legal equivalent and gives the United States as good a title as it has to Louisiana, Alaska, Arizona and New Mexico. The language chosen was simply an alternative of expression having the legal effect of full title. Indeed, as noted above, Article VI speaks of "lands granted" to the United States by the treaty.

Moreover, the Davis-Arias Boundary Agreement of June 15, 1904, refers to the Zone as territory "ceded" to the United States by the 1903 treaty. The word "ceded" appears four times in this provisional boundary agreement. The National Assembly of Panama, in Public Law No. 88 (1904) described the Zone as "ceded." The 1904 provisional boundary agreement was followed by the formal Boundary Convention of September 2, 1914, establishing "permanently the boundary lines of the above-mentioned lands and waters as taken over by the United States." The 1914 Convention confirmed the 1904 provisional Boundary Agreement as to areas covered.

This point was clinched by the United States Supreme Court in 1907 in *Wilson v. Shaw*, 204 U.S. 24, a suit to restrain the Secretary of the Treasury from paying out funds for the construction of the canal, on the ground that the United States did not have title. The unanimous court said:

"A treaty with it [Panama], ceding the Canal Zone was duly ratified. 33 Stat. 2234. Congress has passed several acts based upon the title of the United States . . ."

Quoting Articles II and III of the treaty granting in perpetuity "use, occupation and control" and "all rights, powers and authority" as if it were sovereign, the court concluded:

"It is hypercritical to contend that the title of the United States is imperfect, and that the territory described does not belong to this nation, because of the omission of some of the technical terms used in ordinary conveyances of real estate . . ."

This unanimous decision was written by Mr. Justice Brewer, one of the all-time great judges on the court, and concurred in by Chief Justice Fuller and Justices Harlan, White, Peckham, McKenna, Holmes, Day and Moody.

In 1971, the United States Court of Appeals for the Fifth Circuit (*United States v. Husband R. Roach*, 453 F.2d 1054, certiorari denied 406 U.S. 935), in a case coming up for review from the Canal Zone, referring to both the 1903 and 1936 treaties, judicially declared:

"The Canal Zone is an unincorporated territory of the United States over which Congress exercises 'complete and plenary authority.' "

On January 25, 1955, another treaty was made with Panama which recognized the full force and effect of the 1903 and 1936 treaties and merely made some housekeeping adjustments, principally the status of Panamanian nationals in the Zone, some minor property transfers, and increased the annuity to 1,930,000 balboas.

Now, to turn backward briefly for historical perspective, an isthmian canal in Central America was talked about since the Sixteenth Century, to avoid the 8,000 mile trip around the Horn to the West Coast and the extremely hazardous overland portage. Several abortive attempts were made at construction. The last was by a French company which quit in 1889 after expending $260,000,000. The Hay-Pauncefote Treaty of 1901 with Great Britain gave the United States a free hand to construct and operate an isthmian canal, provided that the ships of all nations were treated equally, in accordance with the rules of the Suez Canal, then controlled by Britain and France.

Congress in 1902 in the Spooner Act empowered President Theodore Roosevelt to acquire the French rights for $40,000,000, if Colombia would grant "perpetual control" of a strip of land across the Isthmus on reasonable terms, and failing that, a comparable strip in perpetuity for an alternate Nicaraguan route.

A treaty was actually signed by the Colombian plenipotentiary in Washington granting the United States exclusive occupancy and perpetual control of a canal zone ten miles wide, for the lump sum of $10,000,000 and an annual payment of $250,000. Colombia rejected this treaty in August of 1903, partly because it objected to the cession of sovereignty, and partly, but perhaps more importantly, because of the $40,000,000 going to the French company, of which Colombia wanted a part.

At the time, Panama was a restless province of Colombia. It had earlier made several unsuccessful attempts at revolution. With the isthmian situation at an impasse, certain Panamanian leaders and certain agents of the French company, with the knowledge and tacit approval of a few United States army officers, began covertly to plan a revolt and secession of the province from Colombia. President Roosevelt and Secretary of State John Hay kept officially neutral.

A revolution was started on November 3, 1903, wholly bloodless, it turned out. President Roosevelt, to protect American citizens and to prevent imminent violence, kept Colombian troops at a distance with a show of gunboats and a landing of some marines. Indeed, some Colombian troops joined the revolution.

A provisional Panamanian government was promptly formed, and a declaration of independence was promulgated on November 4, 1903. Two days later, on November 6, 1903, Secretary Hay officially recognized the Republic of Panama. The Panamanian government promptly appointed a representative of the French company in Washington, D.C., to act as plenipotentiary on its behalf.

Some time after the recognition, according to President Roosevelt's third annual message to Congress on December 7, 1903, an "eminent Colombian" sent a message that "if the Government of the United States would land troops to preserve Colombian sovereignty," Colombia, when public order was restored, would ratify the canal treaty as signed.

But it was too late. Aside from the nature of the unusual request, the United States had committed itself to a new Republic of Panama. It is interesting, nevertheless, that Colombia, though belatedly, was willing to waive its objection to the relinquishment of sovereignty and to a share in the funds allocated to the French.

In due course, on November 18, 1903, Secretary Hay concluded with the designated Panamanian plenipotentiary at Washington, D.C., the treaty discused at the beginning of this article, with the same money provisions as earlier offered to Colombia: $10,000,000 in cash and an annuity of $250,000.

The treaty was ratified in Panama by the new Panamanian government December 2, 1903. Ratification was advised by the United States Senate February 23, 1904. It was ratified by President Roosevelt February 25, 1904. Ratifications were exchanged on February 26, 1904. On February 26, 1904, the president publicly proclaimed the treaty.

On May 25, 1904, Thomas Arias, the Secretary of Government of Panama, sent a note to the United States Government:

"The government of the Republic of Panama considers that upon the exchange of ratifications on February 26, 1904, of the Treaty for opening an inter-oceanic Canal across the Isthmus of Panama, its jurisdiction ceased over the Zone."

There followed the Davis-Arias Boundary Agreement of June 15, 1904, noted above, defining the "ceded" territory.

The United States then, under Articles VI and XV through a Joint Commission bought the land from the owners and acquired title in fee simple.

With the area having been rendered habitable in a three-year sanitation program that conquered yellow fever, work on the canal was completed in 1914 at a cost of $366,650,000, including payments to the French company and the Republic of Panama. The first ship passed through on August 3, 1914.

Congress in 1904 immediately set up a government of the Canal Zone under the President, and in 1912 enacted a complete "Canal Zone Code" covering all phases of government in the Zone. Current United States investment in the Canal Zone has been estimated at $7,000,000,000.

Understandably, the events of 1903 did not make Colombia happy. But Colombia and the United States ironed out their differences in the Thomson-Urrutia Treaty signed at Bogota in 1914, and finally ratified by both governments in 1922. The treaty granted to Colombia certain transit rights through the Canal Zone, "title to which is now vested entirely and absolutely in the United States of America." The treaty provided that the United States would pay Colombia $25,000,000 in five annual installments as indemnity for the loss of Panama, in return for Colombia's agreement to recognize the independence of Panama. In consequence, Colombia granted Panama full recognition in 1922 and settled the boundary between them. The $25,000,000 was paid and accepted, thus putting the entire issue at rest. As the result of this action, the United States, at its expense, conferred another invaluable bonus on Panama.

Some years after leaving the Presidency, President Theodore Roosevelt, in an ebullient moment in 1911, with a not untypical boastful exaggeration, said, "I took the Isthmus." But if the Isthmus was "taken," it was taken from Colombia. However, Colombia has been satisfied, legally and financially, by the 1922 settlement. Indeed, nearby Colombia has reaped great benefits from the Canal, as has the entire world.

The Canal was not "taken" from Panama. Panama was fully paid and got tremendous benefits. In 1903 it won independence from Colombia through a bloodless revolution, in the friendly presence of some United States naval units and marine personnel. But most important—a key fact often overlooked—Panama got, in 1903, a United States guarantee of continued independence which insured Panama's future as an independent state. Hence, Panama eagerly negotiated and ratified the 1903 treaty which over the years has brought incalculable advantages to Panama, with the United States taking all of the risks. Then, in 1922, through United States initiative and indemnity payments, the United States obtained recognition of Panama's independence by Colombia.

This 1903 treaty was a business transaction (money and a guarantee of independence) for title to, and exclusive control over, the Canal Zone, in perpetuity, made in the treaty of 1903 and confirmed in 1936 and 1955. These were carefully prepared bilateral agreements, for adequate legal consideration, voluntarily entered into, and repeatedly ratified.

The situation in no conceivable way partakes of colonialism.

Distinguished Secretaries of State, beginning with John Hay, Charles Evans Hughes, later Chief Justice, Attorneys General Bonaparte and McReynolds, later a Supreme Court Justice, have all vigorously maintained that title and sovereignty in the Canal Zone is in the United States. (John Hay, October 24, 1904; Attorney General Bonaparte September 7, 1907; Attorney General McReynolds July 14, 1914; Charles Evans Hughes, July 21, 1921.)

In 1923, Secretary of State Hughes declared (Foreign Relations, 1923, Vol. III, p. 64) that the United States could not, and would not, enter into any discussion affecting its full right to deal with the Canal Zone under Article III of the treaty of 1903 as if it were sovereign of the Canal Zone and to the exclusion of any sovereign rights or authority on the part of Panama. He added:

"It is an absolute futility for the Panamanian Government to expect any American administration, no matter what it was, any President or any Secretary of State, ever to surrender any part of these rights which the United States had acquired under the Treaty of 1903."

But the State Department position in recent years has changed.

Secretary of State Henry Kissinger in 1974 signed an eight-point set of principles under which the United States would give up the American presence in the Zone at some future time and turn over to Panama all United States properties in the Zone. Current negotiators are said to be working on a new treaty intended to spell out the date when Panama will take over the operation and defense of the Canal.

The current position of the State Department is that the Zone was never ceded to the United States with the same effect as the cession of Louisiana and Alaska; and that the United States did not acquire title or sovereignty, but only certain "rights" in perpetuity. It makes reference to *Luckenbach S.S. Co. v. U.S.*, 280 U.S. 170 (1930), in which Chief Justice Taft remarked, without any decision on the point, that there were diverging opinions on the question of "whether the 1903 treaty is so limited as to leave at least titular sovereignty in the Republic of Panama," a position strongly rejected by Secretary Hay in 1904.

Reference is also made to *Vermilja-Brown Co. v. Connell*, 335 U.S. 377 (1948), a five-to-four decision, in which the majority of the Court, over the opposition of the Department of Justice, the State Department and the Wage and Hour Division, and over a vigorous dissent, stretched the Fair Labor Standards Act to cover a 99-year lease in Bermuda from Great Britain on the ground that it was a "possession" of the United States under the Act. In the course of the decision the majority referred to the fact that the Wage and Hour Division had applied to the Act to the Canal Zone, the court adding gratuitously: "admittedly territory over which we do not have sovereignty." The majority did not give effect to the obvious difference between a lease under which Great Britain retained sovereignty, and the grant of the lands and waters in the Canal Zone, in which the United States had title and a grant of sovereignty rights, with Panama renouncing all sovereign rights in the Zone. Nevertheless the majority had to say:

"It seems reasonable to interpret its provisions to have force where the nation has sole power, rather than to limit the coverage to sovereignty. Such an interpretation is consonant with the Administrator's inclusion of the Canal Zone within the meaning of 'possession.'" [Emphasis supplied.]

Where, in the face of all the precedents, the majority in 1948 got its idea of "admitted" lack of sovereignty is not apparent, unless because of lack of U.S. sovereignty in Bermuda, the court felt it needed to create a parallel with the Canal Zone by predicating a lack of sovereignty there. At any rate, the majority concluded by necessary inference that the Canal Zone is a "possession" of the United States over which the United States has "sole power." The decision in that context makes "sovereignty" largely a word of hollow meaning, because "sole power" includes political as well as possessory control and is equivalent to sovereignty as the minority pointedly emphasizes, quoting the provisions of the 1903 treaty.

Ardent proponents of treaty change sometimes direct attention to Article VI of the 1936 treaty. In the course of the negotiations, the words "of the Republic of Panama" were inserted in the phrase "territory [of the Republic of Panama] under the jurisdiction of the United States," in Article III(6) of the 1936 treaty in order to make it clear that the entire territory of the United States was not included but only that acquired under the 1903 treaty. This is shown by the minutes of the 107th Meeting of the 1936 treaty sessions. This last-minute insertion was not intended to mean anything more than just that. It was not intended to change the basic character of the formal relationship established in the 1903 treaty and reaffirmed in the 1936 Convention. This intent is further evidenced by the carefully drawn later Article VIII of the 1936 Convention, in which the United States grants Panama jurisdiction over a corridor across the Canal Zone, with the United States agreeing to extinguish any private titles to land which may exist in the corridor. Obviously, this casual 1936 insertion cannot overcome the "lands granted to the United States" in Article VI of the 1903 treaty.

The claim of some Panamanian officials that the original treaty of November 18, 1903, is somehow tainted because signed by a Frenchman who, though fully commissioned as official plenipotentiary, was not a Panamanian, is untenable, not only because of his official authorization, but by the subsequent ratification in Panama on December 2, 1903, by the new Panamanian government, and further ratification in 1936 and 1955.

In the face of the language of the 1903 treaty and the clear-cut pronouncements of prior Secretaries of State against the present State Department position, including even the 1948 "sole power" opinion of the Supreme Court, further comment would appear unnecessary as to the legal status of the United States in perpetuity in the Canal Zone, unless changed by treaty.

Even if one accepts the current notion of the State Department about the 1903 treaty, namely, that, for the $10,000,000 paid, we did not acquire title but only certain rights, (ignoring the many contrary opinions) then why, at the proper time, if it ever comes, do we not sell back those "rights" to Panama at their then current value, including all of the billions of dollars invested in the Canal, appropriately depreciated. After all, these billions are those of the taxpayers of the United States of America.

Apparently, Panama's present leadership wants the Zone for nothing, as if the United States owned Panama the Zone for nothing. As a friendly, though legally mistaken, gesture, President Eisenhower agreed that the United States would fly the flag of Panama beside the American flag within the Zone. But this does not satisfy the current Panamanian government.

One would suppose that Panamanians, if actually aware of their history, would on their independence day, sing paeans of praise and gratitude to the United States, instead of falsely claiming colonial-type oppression.

On an impartial review, when the positions of the respective parties are properly analyzed, the United States owes Panama nothing. By reason of the 1903 guarantee and the 1922 treaty with Columbia, Panama owes its continued existence to the United States. The United States has put up all the money, done all the work, and taken all the risks. If the United States owes anything, it owes itself and the world a duty to keep the Canal open so long as it is useful. Until the Canal ceases to have utility in world shipping, it should not be turned over to Panamanian control. One need to look only at Egypt's discriminatory management of the Suez Canal after the United States in concert with Soviet Russia prevented England and France from redressing the illegal seizure in 1956. Indeed, a turnover may violate the 1901 Hay-Pauncefote treaty with Great Britain.

Fortunately, under Article II, Section 2, of the United States Constitution, no renegotiation of our treaty rights in the Canal Zone can be effective unless consent to ratification is given by two-thirds of the Senators present when the treaty is presented by the President for the Senate's advice and consent.

Property may be acquired or disposed of by the United States under the treaty power. It may also be disposed of by Act of Congress. Under Article V I(3) of the Constitution, Congress has power to dispose of "property belonging to the United States." This would take a majority vote of both houses.

"By the Constitution a treaty is placed on the same footing, and made of like obligation, with an act of legislation. Both are declared by that instrument to be the supreme law of the land, and no superior efficacy is given to either over the other . . . If the two are inconsistent, the last in date will control the other." *Whitney* v. *Robertson*, 124 U.S. 190, 194 (1887); *Cook* v. *U.S.*, 288 U.S. 102–118–119 (1933); *Reid* v. *Court*, 354 U.S. 1, 18 (1956).

The 1903 treaty describes the Zone as "lands granted" to the United States. Panama has admitted that the Zone was "ceded." Colombia has agreed that title "is now vested entirely and absolutely in the United States." The Supreme Court has held title of the United States to be absolute.

Hence the Canal Zone and the Canal will remain property of the United States until disposed of pursuant to the Constitution.

JANUARY 15, 1977.

NUCLEAR ANTIPROLIFERATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 30 minutes.

Mr. BINGHAM. Mr. Speaker, I am introducing today the Nuclear Antiproliferation Act, a comprehensive bill designed to combat what I consider to be the No. 1 threat to human civilization, the continued spread throughout the world of the capability to explode nuclear weapons.

I am honored that my distinguished colleagues Chairman ZABLOCKI and Representatives FINDLEY, FRASER, LONG, OTTINGER, UDALL, WHALEN and HAMILTON have joined in cosponsoring this legislation.

Similar legislation is being introduced in the Senate today by Senators PERCY, GLENN, RIBICOFF, and JAVITS.

The measure we are introducing today is the distillation of 3 years of effort by the House International Relations Committee and the Senate Committees on Government Operations and Foreign Relations to enact sound antiproliferation legislation into law. These efforts were blocked by the previous administration and by the reluctance of the Joint Committee on Atomic Energy to take effective action to combat proliferation. But this year I am confident that

a broad, bipartisan coalition of House and Senate Members, religious groups, environmental lobbies and public interest groups can join in cooperation with the new administration to gain favorable action soon on this bill.

The proliferation of nuclear weapons and the spread of the knowledge and wherewithal required to explode nuclear devices is not a new problem. Similarly the duty of this Nation and this Congress to combat such proliferation is not a new obligation. It has been our responsibility to channel the use of the atom into peaceful and productive pursuits since the day the United States first employed nuclear fission to explode an atomic weapon.

But we have not always been successful in meeting this responsibility. Today we face a world where a number of "non-nuclear-weapon states" may possess the capability to convert their ostensibly "peaceful" nuclear energy programs into the manufacture of nuclear weapons. To be included in this category are Argentina, Brazil, Egypt, India, Iran, Israel, Pakistan, South Korea, South Africa, and Taiwan.

In the majority of cases extensive U.S. financial, technical, and material assistance has been instrumental in aiding the development by these nations of sophisticated nuclear programs.

One of the great dangers of proliferation is that many nations with the capability of doing so decide to develop nuclear weapons as a national defense measure, thus making it virtually inevitable that their neighbors and potential adversaries will feel compelled to do likewise. A second and perhaps even more acute danger is that irresponsible nations or terrorist groups might manage to acquire plutonium which can readily be fabricated into nuclear weapons. In either case, the world is confronted with the appalling possibility that the use or threatened use of nuclear weapons, at first localized, would develop into a worldwide conflagration that would probably mean the end of civilization as we know it. Those who have never read Nevil Shute's chilling "On the Beach" should do so.

The challenge before the Congress today is thus to implement a consistent and effective nuclear export policy which, once joined with the good faith efforts of our fellow supplier nations, can seek to remove the threat that proliferation poses to world peace. The Congress has taken the lead on this issue in recent years and has been pressing hard on the issue since it was shocked into action in 1974 by the Indian explosion of a peaceful nuclear device constructed out of Canadian and American supplied materiel. In particular, the House International Relations Committee and the Senate Committees on Government Operations and Foreign Relations have fought vigorously to enact responsible antiproliferation legislation.

Nuclear proliferation is an extremely complex and vexing problem. There are no simple remedies. Extreme measures will heighten, not lessen the danger. Halfway measures, on the other hand, may serve only to exacerbate tensions and alienate potential allies for our antiproliferation efforts. And yet the problem is not insoluble. I am convinced that studious, methodical and concerted efforts by the Congress, the new administration and our fellow nuclear supplier nations can lessen the danger that human civilization will incinerate itself.

There are two separate stages in the production of nuclear weapons, and it is essential to an understanding of the nuclear proliferation problem that we distinguish between them. The first stage is the separation of plutonium from the spent fuel rods from nuclear power reactors. This is what is called reprocessing and is a highly complex and difficult process requiring large capital investment and presenting many technological problems. Once the plutonium has been separated out, the fabrication of nuclear weapons—the second stage—is a relatively simple matter; it can be accomplished quickly and inexpensively, as a student at Princeton pointed out the other day. It only takes some 20 pounds of plutonium—about the size of a grapefruit—to arm a device with a destructive capacity equivalent to the bomb the United States exploded over Hiroshima.

The task before us then is to keep to an absolute minimum reprocessing facilities and to seek to make sure that those facilities which do exist are operated under international auspices and with international safeguards that are as foolproof as can be devised. The long-range goal, in my view, should be the elimination of reprocessing and the production of plutonium as a source of energy. These are not impractical objectives. Commercial reprocessing has not proved an efficient means of reducing nuclear waste volumes nor has it demonstrated its cost-effectiveness in terms of potential fuel savings. It is argued that reprocessing is necessary to fuel breeder reactors which some nations are looking to as the solution to their energy problems, but these are of highly dubious value and present appalling dangers. Before the need for breeder reactors becomes acute other solutions to the energy problem must be found and surely can be found if we devote sufficient resources to the problem. So we must put at the center of our antiproliferation policy a concerted effort to limit, and eventually stop, the operation of reprocessing plants anywhere in the world.

Legislation alone cannot achieve this goal. Congress cannot arbitrarily withhold nuclear exports from our allies such as France and Great Britain—nations which have made substantial investments in reprocessing and breeder reactor technology—until such time as they dismantle their presently operating commercial reprocessing plants. The cessation of operations at such facilities certainly must be high on the list of long-term goals for the sensitive negotiations which the administration is now pursuing at the London conference of nuclear supplier nations, but it is neither an appropriate nor a realistic action for the Congress to require at this time.

We in Congress must realize that the implementation of a sound antiproliferation strategy will require an extraordinary degree of cooperation between the Congress and the administration. We must be extremely sensitive to the needs of our allies and friends, especially Japan, West Germany, Israel, France, and Britain, even as these nations vigorously reassess their commitments to nuclear energy. Our legislative remedies to the proliferation crisis must therefore be firm, but not arbitrary, consistent, but not inflexible.

There is much Congress can and should do without delay. We can enact sound and temperate legislation in this session, legislation which will lay down effective criteria to govern all future exports of nuclear materials and equipment. These criteria should include a requirement that nuclear consumer nations take a "no explosion pledge"—a pledge not to pursue the development of nuclear explosive capability regardless of what they might characterize as their motives and permit inspection of and full reporting by the International Atomic Energy Agency on all consumer nations' stockpiles of sensitive nuclear technology. The criteria should include a requirement that all nations which seek U.S. nuclear exports will guarantee to apply uniform physical security and safety measures to their domestic nuclear programs. And these criteria should seek to prohibit the spread of operational reprocessing plants beyond France and Great Britain by guaranteeing that the operation or continued construction of such facilities by any additional nations will result in the suspension of U.S. nuclear commerce with any and all such nations.

The legislation I am introducing today would put such export criteria into the law. It would spell out the antiproliferation policy of this nation in explicit detail. It would specify international negotiations which the Congress will encourage the administration to pursue. Chief among these initiatives would be provision for internationalization of uranium enrichment and spent fuel storage facilities. It is anticipated that the proposed extension of the Federal uranium enrichment facility at Portsmouth, Ohio be made the first such facility with a commitment of its 100 reactor capacity as a fuel assurance offered to those nuclear consumer nations which adhere to our export criteria and join with us in establishing a global antiproliferation regime.

The legislation we are introducing today provides for thorough scrutiny of secondary transfers of U.S.-exported material among consumer nations and tightens our controls over materials exported pursuant to our international agreements for cooperation. The legislation also specifies procedures to be followed in the negotiation of new agreements for cooperation and requires the President to report to the Congress within 1 year of the date of enactment on his assessment of which existing agreements must be renegotiated in order to make them true contracts consistent with U.S. policy and not merely agreements to agree on substantive provisions and safeguards at some later date.

This legislation does not establish any inflexible export control mechanisms. It would permit the President to temporarily suspend by Executive order the application of any final export criteria on a country-specific basis where he finds that their application would have

a serious adverse impact upon vital U.S. interests. Such Executive order would be subject to congressional veto by concurrent resolution.

This legislation offers nuclear consumer nations antiproliferation incentives; thus it is not all stick and no carrot. It extends this country's assurance of guaranteed supplies of enriched nuclear fuel to all nations which join in our antiproliferation efforts. It commits the United States to a strengthened IAEA and offers an additional $2 million above and beyond our annual contribution to insure adequate personnel will be available for IAEA inspection of all nations' nuclear facilities. It pursues the goal of establishing sorely-needed international waste repositories and nuclear fuel enrichment centers and anticipates establishment of such facilities in the United States. It instructs ERDA and the NRC to offer nuclear consumer nations a training program in physical security and national safeguard responsibilities. And the legislation offers to a beleaguered and chaotic international nuclear industry what it most needs—stability. For by clarifying once and for all exactly what the U.S. comprehensive policy is in the international nuclear marketplace, the legislation facilitates the type of responsible planning which the nuclear industry so desperately requires if it is to stabilize itself in the face of spiraling costs, plummeting sales, heightened public concern and a flurry of litigation.

Mr. Speaker, I believe the time has passed for those of us in Congress to tolerate the simplistic polarization of the nuclear issue into pro- and anticamps. Nuclear energy has a legitimate contribution to make both at home and abroad as a transitional energy source which can serve us well into the next century if only we are vigilant in protecting against its misuse. I am confident that the measure my colleagues and I are introducing today goes a long way toward assuring that such vigilance will be maintained.

Mr. Speaker, at this point I would like to submit for inclusion in the RECORD an analysis of the bill:

ANALYSIS OF THE NUCLEAR ANTIPROLIFERATION ACT

SUMMARY

The proposed legislation strengthens U.S. efforts to control the proliferation of nuclear explosive capability. It achieves this purpose by pursuing three general objectives. Outlined in greater detail below, these objectives include:

(1) Specification of international initiatives for cooperation on antiproliferation efforts, including: increased commitment and funding for the International Atomic Energy Agency (IAEA); more comprehensive application of IAEA safeguards, inspections and nuclear facility physical security standards; establishment of an ERDA/NRC safeguards training program for consumer nations; initiation of an Administration study on the feasibility of establishing international nuclear fuel centers for uranium enrichment and spent fuel storage;

(2) Establishmet of effective and consistent criteria for the issuance of licenses for all U.S. nuclear exports—criteria which must be met by consumer nations' domestic nuclear programs within eighteen months of enactment; provision for the President to suspend the application of the second phase of these criteria on a country-specific basis by Executive Order—which Order shall be subject to Congressional veto during a sixty day period;

(3) Addition of antiproliferation responsibilities within the Executive Branch to facilitate increased scrutiny of the impact of our nuclear exports upon proliferation by the State Department and the Director of the Arms Control and Disarmament Agency (ACDA); to require that the Nuclear Regulatory Commission (NRC) license all nuclear-related components and approve all secondary transfers of U.S.-exported nuclear materials and equipment; to establish more explicit procedures to be followed in the negotiation of Agreements for Cooperation;

Section-by-section analysis

(2) Statement of Policy: U.S. pledges to pursue international agreement on antiproliferation policies, guarantees to all nuclear consumer nations which adhere to our antiproliferation export policies an adequate supply of nuclear fuel, and urges ratification of NPT by all non-signatory nations.

(3) Statement of Purpose: To promote policies set forth in Section 2 designed to curb proliferation, the Act establishes a framework for international cooperation on proliferation control. It specifies licensing criteria for all U.S. nuclear exports and provides for public participation in Executive agency antiproliferation decision-making proceedings where appropriate. It proposes what might be considered an "agenda" for the London conference of Nuclear Supplier Nations which shall include promulgation of procedures or sanctions to be applied to any nation which violates its antiproliferation obligations.

TITLE I

(101) International Initiatives: The legislation amends the Atomic Energy Act to place the U.S. squarely on record as assuring an adequate supply of nuclear fuel for cooperating nations' nuclear programs. It states that the U.S. shall institute and pursue binding international agreements to prohibit export of nuclear materials to all non-nuclear-weapon states which refuse to take a no explosion pledge and forego development of enrichment and reprocessing capabilities. It calls for internationalization of nuclear fuel enrichment and waste storage facilities while pledging to support antiproliferation policies at least as stringent as those adopted collectively by fellow supplier nations.

(102) Authorization: Authorizes $2 million to help assure that safeguards monitoring and nuclear site inspections called for in Section 101 will be adequately staffed by the IAEA.

(103) Fuel Center Study: Requires the President to report within one year to the Congress on the feasibility of establishing international facilities for uranium enrichment and spent fuel storage.

(104) Executive Reports: Requires annual reports by the Administration including requirements that ERDA and NRC assess and report annually on the potential impact of advanced nuclear technologies (e.g., laser enrichment, breeder reactors, spiked plutonium reprocessing) upon nuclear proliferation.

(105) Safeguards Training Program: Directs ERDA and NRC to offer a physical security and national safeguards responsibilities training program to all consumer nations.

(106) Procedures for Referral of Agreements for Cooperation: Guarantees that the complete record of proposed (non-military) Agreements goes to the Congress. The President would be permitted to withdraw a proposed Agreement before Congress adopts a Concurrent Resolution of disapproval.

(107) Subsequent Arrangements: Requires ERDA to get State Department concurrence, ACDA and NRC review of arrangements subsequent to an Agreement (such as a reactor sale.)

TITLE II

(201) Retransfer Authority: Requires NRC licensing of all private-to-private transfers of nuclear materials imported from U.S., excluding small amounts of material such as laboratory samples.

(202) Government-to-Government Transfers: Same as above, but applies to government transfers.

(203) Foreign Production of Special Nuclear Material (SNM): Requires ERDA to consult with State Department, ACDA and NRC before allowing persons to aid foreign production of SNM such as plutonium.

(204) Clarification of Export Functions: Reasserts State Department's lead role in negotiating Agreements and facilitates thorough review of proposed Agreements by ACDA.

(205) Export Licensing Criteria: Establishes NRC procedures for licensing all exports of nuclear materials and equipment and amends the Atomic Energy Act with two phases of criteria which must be met before export licenses may be issued by the NRC. Phase I criteria become effective immediately upon enactment and will apply to the specific export and any byproducts. Phase I criteria are as follows:

(1) IAEA safeguards will be applied.

(2) No explosion pledge.

(3) Physical security will be maintained at nuclear facility.

(4) No retransfer without U.S. approval and same criteria.

(5) No reprocessing of imported materials or byproducts.

(6) Same conditions will apply to replicated facilities.

(7) Importing nations must allow IAEA to report to U.S. on status of all inventories of enriched and spent fuel presently subject to IAEA safeguards.

These criteria will be superceded eighteen months after enactment by Phase II criteria, which will apply to the importing nation's entire nuclear program:

(1) IAEA safeguards for non-nuclear weapons states (NNWS).

(2) No explosion pledge NNWS.

(3) Adequate physical security.

(4) No retransfer without U.S. approval and same criteria.

(5) NNWS will forego the development of reprocessing plants and national enrichment plants. Existing reprocessing facilities in NNWS will cease operation and be placed under international auspicies and inspection and, when such management becomes available, international control and operation. Further, NNWS will return spent fuel rods to supplier nations upon request or to an international storage facility. Further, NNWS will not allow any of their spent fuel to be reprocessed in a NNWS.

(6) Supplier nations will receive the results of IAEA inspection.

Suspension of Criteria: It is further provided that the President may suspend application of individual Phase II criteria on a country-specific basis by Executive Order—which Order may be vetoed within sixty days by a Concurrent Resolution of Congress. The President must report to the Congress annually on the status of any outstanding suspensions of Phase II criteria.

(206) Export Licensing of Components: Anything of potential significance for an importing nation's development of nuclear explosive capability must be licensed by the NRC, (i.e. computers for uranium enrichment facilities, glove-boxes for reprocessing).

TITLE III

(301) Definitions: Straightforward. Note that "nuclear fuel service" does not include reprocessing. Further, "nuclear weapons state"—as defined by the Non-Proliferation Treaty—does not include India.

AMENDING DISTILLED SPIRITS PLANT PROVISIONS OF THE INTERNAL REVENUE CODE TO ENCOURAGE EXPORTS AND FACILITATE MODERN PRODUCTION TECHNIQUES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, as a member of the Ways and Means Committee, I urge my colleagues to join me in support of a bill I have introduced today to amend the distilled spirits plant provisions of the Internal Revenue Code. This legislation would remove from the code restrictions which are not necessary for the effective enforcement of revenue and regulatory aspects of the law. This legislation is substantially the same as that which passed the House of Representatives during the 94th Congress. These amendments have no adverse effect on the revenue, and can be summarized as follows:

SECTION-BY-SECTION ANALYSIS

Section 1. *Name of distiller on label of gin and vodka bottled in bond for export:* Section 1 of the bill would eliminate the requirement of showing, on the label of gin and vodka bottled in bond for export, the name of the distiller. Such information serves no useful purpose, and since gin and vodka are produced from neutral spirits, compliance with the statute means showing the distiller of the neutral spirits which may be a person different from the producer of the gin or vodka; the showing of such distiller on the label could even be deceptive to the consumer.

Section 2. *Drawback for bulk imported goods bottled in United States:* Section 2 of the bill would authorize allowance of drawback of tax on bulk imported goods which are bottled in the United States and exported therefrom. Because of the limitation to goods "manufactured or produced in the United States" in existing law, imported distilled spirits are not subject to drawback under section 5062(b). However, by virtue of section 5523, IRC, reduction in proof and bottling or packaging are deemed to constitute manufacturing under section 311 of the Tariff Act of 1930. (19 U.S.C. 1311) This amendment would make the export standards of Sec. 5062(b) consistent with those in Section 311.

Section 3. *Distilled spirits returned to bonded premises:* Section 3 of the bill would permit the bottler or packager to return to an export storage facility on bonded premises distilled spirits which would be eligible for drawback under section 5062(b). The return of the spirits must be solely for the purpose of storage pending withdrawal for export, or other withdrawal without payment of tax authorized under section 5214 (a), or free of tax under section 7510.

This section also permits the bottler to return to appropriate storage facilities on the bonded premises distilled spirits which he had bottled in bond after tax determination. Such spirits may be withdrawn for any purpose for which distilled spirits bottled in bond before tax determination may be withdrawn from bonded premises.

Appropriate amendments are made to provide for the remission, abatement, credit, or refund of tax on spirits returned to bonded premises under this section.

The amendments made by this section are designed to simplify and encourage export transactions.

Section 4. *Withdrawals to customs bonded warehouses:* Section 4 of the bill would authorize withdrawal of distilled spirits from bonded premises without payment of tax for transfer to any customs bonded warehouse. This provision applies to spirits bottled in bond for export and to spirits returned to bonded premises under section 5215(b). The amendment is designed to simplify and encourage export transactions.

Section 5. *Removal of samples for research, development, or testing:* Section 5 of the bill would make a reasonable extension of the purposes for which samples may be removed without payment of tax to include plant research in addition to laboratory analysis. This amendment is similar to the recent amendment to section 5053 relating to beer.

Section 6. *Mingling and blending of distilled spirits:* Section 6 of the bill eliminates the requirements of existing law that the mingled spirits be placed in the same barrels and that the mingling must be for further storage in bond. Proper administration of the distilled spirits tax and regulatory provisions does not require the return of the distilled spirits to bonded storage. From a practical standpoint, the use of the same package is an unnecessary restriction.

Section 7. *Use of juniper oils in production of gin:* Section 7 of the bill would authorize the use of extracted oils of juniper berries and other aromatics in the production of gin without incurrence of the rectification tax in addition to the present system of redistillation of a pure spirit over juniper berries and other aromatics. This amendment will permit production of gin with greater uniformity and without loss in quality.

Section 8. *Effective date:* The act would become effective on the first day of the first calender month which begins more than 90 days after enactment. This will give the Treasury Department and the distilling industry sufficient time to modify procedures under the statutes amended.

Mr. Speaker, in this era of international export competition, in which the United States is often troubled with an imbalance of trade, it is important that we remove unnecessary barriers to export. I believe this bill will effectively enable and encourage firms in the distilling industry to export their products competitively.

THE NEED FOR A STRONG ETHICS CODE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, we must seek to make government, all government, as open and honest as it can be. This means not only improving congressional ethics legislation, as evidenced by the debate and passage yesterday of House Resolution 287, the Obey commission report, but also a closer examination of the conflicts of interests which exist in our executive branch.

I am well aware of and applaud the efforts being made by President Carter. The President stated in his first address to the Nation:

I asked the people appointed by me to high positions in government to abide by strict rules of financial disclosure, and to avoid all conflicts of interest. I intend to make those rules permanent, and I will select my appointees in a way which will close the revolving door between government regulatory agencies on the one hand and the businesses they regulate on the other.

Those rules which Mr. Carter refers to, deal with strengthening United States Code 18, section 207(b), on contact and association with an agency where one was formerly employed in a responsible decisionmaking position. Mr. Carter suggests the need to extend those restrictions to 2 years and require financial disclosure for the same period. I would like to support these efforts wholeheartedly and press for further congressional study with the intent of a strong ethics code for our executive branch as well.

The incident which brought this ongoing problem into focus was an excellent example of the revolving-door policy in our energy program efforts. Tomorrow, Robert L. Hirsch, Assistant Administrator for Solar, Geothermal, and Advanced Systems for the past year, leaves to take a high position with Exxon Corp., the Nation's largest oil company. Yes, another revolving-door instance, once again causing the American people to doubt the very integrity of their Government. Perhaps more importantly, this particular example of the revolving door could translate into a loss of confidence that can prevent the Government from winning public acceptance for the tough energy choices which must be made.

Mr. Hirsch is by no means alone. With the transition in Government, even more Government officials are making the move from those Government agencies of regulation and contract awarding to those businesses which are regulated or seeking Government assistance. Richard Roberts, Assistant Administrator for Nuclear Energy at ERDA, just recently accepted a position with General Electric.

Or, as another example, consider a former Nixon Counsel and Cabinet member, now in private industry, who came to plead his industry's case before the Environmental Protection Agency, only to face a board which was made up of individuals he had been very influential in appointing. I can only wonder with my constituents how impartial the board's decision can be.

Moreover, it is not just a matter of where they go—but from whence did they come?

A recent Common Cause study of ERDA revealed many individual examples of high level officials with energy related backgrounds. The study entitled "Serving Two Masters," stated,

Six of the nine executive level positions, including administrator, are filled by individuals previously employed by commercial firms who are today ERDA contractors. In addition, the past employers of the remaining three officials in executive level positions either have contracts with or are regulated by other federal agencies such as Federal Energy Administration or the Nuclear Regulatory Commission.

Let me conclude by stating the need for Robert Hirsch's replacement as head of ERDA solar division, to be not only

an individual free of conflict of interests, but also an individual with a genuine solar commitment. Mr. Hirsch came to head ERDA's solar efforts with 7 years' background in nuclear fusion, and it has often been cited that while at ERDA, he lacked the necessary enthusiasm crucial for solar development. A number of actions have been identified as evidence of Mr. Hirsch's lack of commitment for the program he had been appointed to administer. Not only did the solar budget increases not receive the vital support from ERDA officials, but recently a move initiated by Mr. Hirsch to create an advisory committee to study technologies such as photovoltaics and central receiver systems, could be construed as an attempt to slight several of the most promising solar technologies. Mr. Hirsch's leaving hopefully opens the way for an Assistant Administrator who possesses the proper vision and commitment to expand today's promising solar program into one that will meet tomorrow's energy needs.

We must assume that the Government needs to draw some expertise from private energy enterprises. However, we must then also require strong measures of disclosure, divestiture, and post-employment restrictions on contact. As Congress enacts needed ethics for itself, let it not forget that the need for a strong ethics code certainly extends to the executive branch as well. If either branch fails to consider or act on these serious problems, then it is the entire Government that will rightly suffer the consequences of lost confidence by the people.

INEQUITY IN THE LOCAL PUBLIC WORKS CAPITAL DEVELOPMENT AND INVESTMENT ACT AMENDMENTS—H.R. 11

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. CAVANAUGH), is recognized for 10 minutes.

Mr. CAVANAUGH. Mr. Speaker, last Thursday during consideration of H.R. 11, the Local Public Works Capital Development Investment Act amendments, I offered an amendment that would have provided that no State shall receive less than three-quarters of 1 percent of the total funds available. The purpose of my amendment was to rectify an inequity caused by section 2(a) in the bill. That section provides that any minimum State with no Indian tribes within its borders will receive an additional one-quarter of 1 percent of total funds available. That means that such States would receive $30 milion when my own State of Nebraska, which is also a minimum State but does have Indians within its borders, would receive less than $30 million. In fact, Nebraska would be eligible to receive no more than $20,910,000 because it is a minimum State which has only one eligible Indian application pending before the Economic Development Administration that could be funded under round II.

In the CONGRESSIONAL RECORD of Thursday, February 24, 1977, I included, beginning on page 5315, a discussion of the complexity of this issue. On page 5316 there appears two charts compiled from data supplied by the Economic Development Administration which describe the position in which each of the several States will find itself as a result of eventual congressional action. This is an extremely complicated issue and as a result of the information contained in yesterday's CONGRESSIONAL RECORD, my office has had a significant number of phone calls from other Members' offices who were unable to determine the effect of my amendment on their State. In an effort to once and for all clear the air of confusion that surrounds section 2(a) of H.R. 11, below is a breakdown of categories into which the States fall. There are eight basic categories into which affected States will fall. Each category is further broken down to show the effect of the House formula, which distributes 100 percent of the funds based on volume of unemployment, and the present Senate/Administration Formula which distributes 65 percent of the funds among all States according to their number of unemployment as compared to the unemployment of all the States and 35 percent distributed among States whose unemployment is above 6.5 percent in proportion to the extent that they exceed that rate. I believe that it is the advent of these two relatively new formulas that is the cause of much of the confusion. As each Member reviews the information below, any State which is not listed under each formula can be categorized as a nonminimum State that will receive in excess of $30 million under either one or both of the formulas.

My office has a complete breakdown of all Indian applications that were submitted to the Economic Development Administration during the first round of LPW funding. The breakdown includes a listing of all applications that were funded as well as those that are pending and gives the specific name of the applicant and dollar value of the application. Please feel free to contact my office as this information will be available for the asking.

Note: In my statement on page 5315 of the February 24 CONGRESSIONAL RECORD the great State of Arkansas is described as a State eligible to receive the extra quarter of 1 percent in additional funding because it was a minimum State with no Indian tribes within its borders. This was a clerical error as my statement was designed to use Delaware as an example. The material follows:

1. Minimum states with no Indian applications pending before EDA—will receive only ½ of 1% = $20 million.

FORMULA

House: Idaho, Rhode Island.

Senate: Idaho, Iowa, Kansas, Mississippi, Rhode Island.

Would have benefited from the Cavanaugh amendment.

2. No minimum state with no applications pending before EDA—but will receive less than the equivalent ¾ of 1% = $30 million.

FORMULA

House: Iowa, Kansas, Colorado, West Virginia.

Senate: Kentucky, West Virginia.

Would have benefited from the Cavanaugh amendment.

3. Minimum states with less than $10 million in Indian applications pending—will receive ½ of 1% and value of successful applications—but less than $30 million.

FORMULA

House: Nebraska, Montana,* North Dakota,* Utah, Wyoming.

Senate: Nebraska, Montana*, North Dakota,* Utah, Wyoming.

Would have benefited from the Cavanaugh amendment.

4. Minimum state with eligible Indian applications in excess of $10 million—will receive ½ of 1% and value of successful Indian applications.

FORMULA

House: Alaska, Nevada, South Dakota.

Senate: Alaska, Nevada, Oklahoma, South Dakota.

Would have benefited from the Cavanaugh amendment.

5. Non-minimum state with Indian applications pending but will receive less than $30 million.

FORMULA

House: Maine.**

Senate: Maine.**

Would have benefited from the Cavanaugh amendment.

6. Non-minimum states which will receive less than ¾ of 1% and will need to have most of its pending Indian applications funded to exceed $30 million.

FORMULA

House: New Mexico.

Senate: New Mexico.

Would have benefited from the Cavanaugh amendment.

7. Minimum states with no eligible Indians—will receive ¼ of 1% = $10 million plus $20 million = $30 million.

FORMULA

House: Delaware, Hawaii, New Hampshire, Vermont, District of Columbia.

Senate: Delaware, New Hampshire, Vermont, District of Columbia.

Would not be affected by the Cavanaugh amendment.

8. Non-minimum state with no eligible Indians that will receive less than $30 million. (Similar to Category #2.)

FORMULA

House. None.

Senate: Arkansas, Hawaii.

Would have benefited from the Cavanaugh amendment.

GUIDANCE AND COUNSELING FOR THE ELDERLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 15 minutes.

*Reached benchmark levels during Round I and will probably not receive further Indian funding.

**Reached benchmark levels during Round I and will probably not receive further Indian funding. (Similar to Category No. 2.)

Mr. PEPPER. Mr. Speaker, together with 70 other Members, including several Members of the House Select Committee on Aging, I have introduced the Older Persons Comprehensive Counseling Assistance Act of 1977, H.R. 1118, H.R. 4311, H.R. 4312, H.R. 4313, and H.R. 4314. This bill would amend the Older Americans Act in order to provide expanded counseling assistance to the elderly sick and disabled. This is a reintroduction of similar legislation that I introduced in the 94th Congress and I am hopeful that during the 95th Congress it can be enacted.

That this legislation is desperately needed can be seen by examining several important facts. First of all, in the United States today over 21,000,000 Americans, or approximately 10.3 percent of the entire population, is over the age of 65. These older Americans confront daily life in a society in which ageism—the attitudes and actions that relegate older persons to a secondary or inferior status—is an endemic aspect of life and in which the elderly are treated unfairly with respect to health care, employment, social, recreational, educational, and cultural needs. In fact, many of the problems faced by older persons are directly or indirectly related to the attitudes and behaviors of the rest of the Nation's population.

Frequently, as a result of these attitudes and behaviors, older persons come to perceive themselves as helpless, worthless, nonproductive, and dependent on society. These self-perceptions are reinforced by their concerns over health, fear of crime, fear of loneliness, finances, boredom, lack of independence, and being neglected and rejected by the young.

Depression is a major problem among aging Americans and the suicide rate of those over 65 is substantially higher than for other age groups.

It is important that we realize that these problems will continue to become more and more widespread in the years to come as the percentage of the population that is over 65 increases and as changing social and economic patterns result in earlier retirement, thus accelerating the point at which Americans confront these problems.

The solution to many of these problems is to provide older persons with professional counselors and support personnel who are trained in human relationships and who have the skills and abilities to help older persons to see that they still do count and that they are capable of leading rich full lives. By participating in systematic, organized community counseling programs, older persons can develop new skills, behaviors and attitudes which will enable them to be as independent as possible and to lead meaningful lives in our communities and outside of our nursing homes.

In addition, professional counseling can help senior citizens with serious mental health concerns or with physical health problems which are compounded by emotional responses. The support and caring which counselors are trained to give bolsters the spirits, ends depressions, and gives motivation to recover by instilling the will to live.

Counseling can help those who are residing in or are leaving nursing homes and other types of living facilities to adjust. Residents need help in altering their own self-concepts, in terms of redeveloping a sense of independence and worth, and then in developing behaviors which can sustain them outside the facility. As for those leaving a residential facility, counselors are needed to follow up and provide important after care.

Another area in which counseling can solve the problems facing the elderly is in the area of preretirement preparation for retirement. By providing comprehensive guidance and information concerning social, financial, emotional, and other aspects of retirement, counselors would bring the need for planning to awareness, assist individuals in structuring budgets and health plans which meet future needs, assist individuals in developing alternative vocational, avocational, and leisure interests, and thus prepare older persons for the problems that come with changing social and emotional environments.

The Older Persons Comprehensive Counseling Assistance Act of 1977 would make badly needed counseling more available to older Americans by authorizing an appropriation of $45 million for the purpose of grants for the fiscal year ending September 30, 1978, and a like amount plus 7 percent compounded for each of the succeeding 4 fiscal years. Those grants would be made by the Secretary of Health, Education, and Welfare, through the Administration on Aging, for distribution to State and area agencies on aging for support of agency counseling assistance programs for the elderly.

These programs would include initiation and development of counseling assistance for the elderly, preretirement counseling, career counseling, referral services to other health agencies, education and job placement, serving the special needs of those older persons who are disadvantaged or handicapped, and the providing of counseling to families of senior citizens. The bill also authorizes an additional $20,000,000 for the fiscal year ending September 30, 1978 and a like amount plus 7 per centum compounded for each of the 4 succeeding fiscal years for the purpose of providing preservice and inservice training of professional counseling and support personnel. These funds would be granted to postsecondary education institutions for the training programs.

Finally, the bill would authorize an appropriation of $15,000,000 for the fiscal year ending September 30, 1978 and a like amount plus 7 per centum compounded for each of the succeeding 4 fiscal years for the purpose of a demonstration and evaluation program to be carried out by the Commissioner of the Administration on Aging. These funds would be granted to examine existing counseling for older persons and to develop pilot programs to improve the delivery systems and counseling approaches specifically designed for the elderly. The money would also be used for such programs as identifying more effective methods for the training and retraining of counseling personnel and finding more effective methods and integrating counseling services into already existing services for the elderly such as legal services, health and nursing care agencies, and recreation facilities.

In addition to these authorizations of appropriations, the bill also includes administrative requirements concerning the grants, the training programs, and the demonstration and evaluation program.

I would like to express my gratitude to the American Personnel and Guidance Association for their help in preparing this important legislation.

The "Older Persons Comprehensive Counseling Assistance Act of 1977" would, if enacted, provide for the expansion of vital, systematic, organized community-based counseling assistance for our Nation's elderly sick and disabled. It goes beyond existing legislation which attempts to meet the needs of the elderly in aiming to rehabilitate them so that they may achieve dignity and self-respect rather than simply being concerned with health diagnoses and treatment at the least possible cost and effort. If we are genuinely concerned for our Nation's older citizens, we must act on that concern and we must enact this legislation. The lives of the elderly need not continue to be a daily existence of coping with massive problems of loneliness, health deficits, and social rejection at every turn.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Miss OAKAR) is recognized for 5 minutes.

Miss OAKAR. Mr. Speaker, on February 22, 23, 24, and 28, I was granted leave of absence by the House because of the death of my mother.

Had I been present, I would have cast my vote as follows:

Roll No. 23, on passage of H.R. 27, reduced air fares for the elderly and handicapped, yes.

Roll No. 24, on passage of House Joint Resolution 132, to authorize awarding a gold medal to Marian Anderson, yes.

Roll No. 27, on the rule to consider H.R. 11, the Public Works Capital Development Act, yes.

Roll No. 28, on the Edgar substitute amendment to the Shuster amendment, no.

Roll No. 29, on the Shuster amendment to H.R. 11, yes.

Roll No. 30, on passage of H.R. 11, yes.

Roll No. 31, on passage of H.R. 2329, Fish and Wildlife Administration, yes.

I was paired against the Rousselot amendment to House Concurrent Resolution 110, roll No. 25, and paired for the

passage of the budget resolution, roll No. 26.

DINGELL-BROYHILL INTRODUCE NEW AUTO EMISSION SCHEDULE IN MOBILE SOURCE EMISSION CONTROL AMENDMENTS OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DINGELL) is recognized for 5 minutes.

Mr. DINGELL. Mr. Speaker, Congressman JAMES T. BROYHILL and I are introducing a new automobile emission control schedule today that reflects the recent agreement we have reached with Mr. Leonard Woodcock of the United Auto Workers. Participating in this agreement of emission standards for model years 1978 and subsequent model years are Senators DON RIEGLE and ROBERT GRIFFIN. The bill H.R. 4444, is the Mobile Source Emission Control Amendments of 1977 and is substantially the same legislation we previously introduced in the House and Senate this year, H.R. 2380 and S. 714.

The only change is the emission schedule which reads as follows and will be the new section 2 of today's bill:

	HC (gpm)	CO (gpm)	NO_x (gpm)
1978–79	1.5	15.0	2.0
1980–81	.41	9.0	2.0
1982 and thereafter	.41	9.0	[1] 1.0–2.0

[1] Suspension or waiver for NO_x based on EPA Administrator decision.

This new emission schedule differs from the original Dingell-Broyhill/Riegle-Griffin proposal in three respects:

First. The hydrocarbon standard for the 1980–81 period is set at the original statutory level of 0.41 gpm instead of 0.9 gpm.

Second. The final carbon monoxide standard which would have been in effect in model year 1982 is instead carried over indefinitely at the interim 1980–81 standard of 0.9 gpm.

Third. A range of NOx is given for the ultimate standard instead of leaving it entirely to EPA discretion.

The new schedule of auto emission standards, and the other provisions of H.R. 444 we introduce at this time, should move forward expeditiously in the Congress. We are urging it be adopted as promptly as possible. With the new standards we have strengthened and balanced from an environmental and energy conservation standpoint, the schedule of emission standards advocated to date by Congressman BROYHILL, Senators RIEGLE and GRIFFIN, and me, and the schedule recently proposed by Mr. Woodcock of the UAW.

Mr. Woodcock, testifying before a Senate subcommittee in early February, announced auto emission standards the UAW planned to pursue. Those standards were most similar to the original Dingell-Broyhill/Riegle-Griffin schedule. The standards agreed to are a part of a complete package which adequately responds to needed changes in the Clean Air Act regarding mobile sources.

We will be urging our colleagues to cosponsor this legislation.

We insert at this point the section-by-section summary of the new bill:

SECTION-BY-SECTION SUMMARY: DINGELL-BROYHILL/RIEGLE-GRIFFIN MOBILE SOURCE EMISSION CONTROL AMENDMENTS OF 1977

Section 1—Short title.

Section 2—Light-duty motor vehicle emissions: The new schedule of emission standards in this section is similar to the Dingell-Broyhill (Train-EPA) provision which was overwhelmingly adopted by the House on September 15, 1976, by a vote of 224 to 169, and which was previously introduced in the 95th Congress, as H.R. 2380 and as S. 714, by Senators Riegle and Griffin. The new standards in this section reflect the agreement reached by Dingell-Broyhill/Riegle-Griffin and Mr. Leonard Woodcock of the United Auto Workers. This agreement provides that automobiles manufactured during model years 1978 and 1979 meet the same emissions standards applicable for model year 1977, that is: 1.5 grams per mile hydrocarbons, 15.0 gpm carbor monoxide, and 2.0 gpm oxides of nitrogen. For 1980 and subsequent model years the hydrocarbon standard requires a full 90 percent reduction from the levels emitted in model year 1970, or .41 gpm hydrocarbons. For 1980 and subsequent model years the carbon monoxide standard is 9.0 gpm. For 1980 and 1981 the oxides of nitrogen standard is 2.0 gpm. For 1982 and subsequent model years the oxides of nitrogen standard is 1.0 gpm which the EPA Administrator is permitted to revise in a suspension proceeding up to 2.0 gpm if he determines that the 1.0 NO_x standard should be revised upward due to (1) the lack of available, practicable, emission control technology to meet such standard during such period, (2) the cost of compliance with such standards, (3) the impact of such standard on motor vehicle fuel consumption. No such revision may be made if the Administrator determines that such revision of the 1.0 NO_x standard would endanger public health.

Additionally, the Administrator may waive the standard of 1.0 NO_x up to 2.0 during any period of four or more model years beginning after the model year 1981 if he determines that a waiver is necessary to permit the use of an innovative power train technology that can produce a substantial energy saving compared to conventional power trains. No waiver may be granted if the Administrator determines it would endanger public health.

Auto emissions schedule: Dingell-Broyhill/Riegle-Griffin, Woodcock (UAW)

	HC (gpm)	CO (gpm)	NO_x (gpm)
1978–79	1.5	15.0	2.0
1980–81	.41	9.0	2.0
1982 and thereafter	.41	9.0	[1] 1.0–2.0

[1] Suspension or waiver for NO_x based on EPA Administrator decision.

Section 3—Tampering: This section broadens the existing prohibition of the Clean Air Act against knowing removal or tampering with emission controls to cover any person engaged in the business of repairing, servicing, selling, leasing, or trading motor vehicles or engines or who operates a fleet of motor vehicles, and specifies the penalties for violations. This section also provides that the prohibition does not require use of manufacturer parts for maintenance or repair.

Section 4—Testing by small manufacturers: This section which originated in the House and was accepted by the House and Senate Clean Air Conference during the 94th Congress, limits certification testing for vehicle manufacturers with projected annual sales of 300 or less to 5,000 miles or 160 hours.

Section 5—High altitude performance adjustments: This section, which includes the same provision approved by the House and adopted by the Conference, exempts the adjustments of emission control systems of high altitude vehicles from the anti-tampering provision of existing law, if the adjustment does not adversely effect emission performance. The manufacturer is required to submit to the Administrator adjustment instructions.

In addition, this section adds a new provision which authorizes EPA to conduct a new rulemaking proceeding to determine the most appropriate method of implementing the Act's mobile source emission requirements for model year 1978 and thereafter with respect to light duty vehicles intended for principal use in high altitude areas. EPA is directed to consider the economic impact of any such regulation upon consumers, franchised dealers and the manufacturers, the state of the art of emission control technology, and the probable impact of such regulation on air quality in the affected areas.

Section 6—Warranties and motor vehicle parts certification: This section provides that the performance warranty under the existing Clean Air Act shall not be invalidated on the basis of the use of parts that have been certified in accordance with regulations which EPA shall promulgate within two years.

This section further provides that the performance warranty mandated by law shall be for a period of 18 months or 18,000 miles, whichever first occurs. It also requires notification in the manufacturer's maintenance instructions that maintenance or repair may be performed using certified parts.

Section 7—Parts standards: preemption of State law: When the parts certification program provided for in Section 6 is finally implemented, the States, except California, are preempted from adopting or enforcing any requirement applicable to the same aspect of the part.

Section 8—Sulfur emissions study: This section originated in Senate and was adopted by the Conference. The Administrator is required to conduct a study of emissions of sulfur compounds from motor vehicles and aircraft. Health and welfare effects of such emissions are to be reviewed and alternative control strategies are to be analyzed. This study will be reported to Congress by January 1, 1978.

Section 9—Definition of emission control device or system: This section defines, for the purposes of Section 207, the term "emission control device or system" to mean catalytic converters, thermal reactors, or other components installed on or in a vehicle for the purpose of reducing auto emissions.

Section 10—Administrative procedures and judicial review: This section establishes comprehensive procedures for informal rulemaking under the Clean Air Act, which would apply in lieu of the Administrative Procedure Act. The section (a) specifies the rules and actions to which such procedures will apply; (b) provides for establishment of a rulemaking docket for each of these rules or actions; (c) describes the material and data that are required for inclusion in the record and mandates that the Administrator must base any rule or other action solely on the information and data con-

tained in the record; (d) establishes the procedures for participation in the rulemaking process, including cross-examination on material issues of disputed fact; (e) provides the standards of judicial review, including the "substantial evidence" test; (f) modifies certain deadlines for promulgation of rules; and (g) extends to 60 days the period of petitioning for judicial review of any such rule.

Section 11—Authorizations: This bill authorizes annual appropriations of $200,000,000 for fiscal years 1978, 1979, and 1980.

PUBLIC DISCLOSURE OF LOBBYING ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. HAMILTON) is recognized for 30 minutes.

Mr. HAMILTON. Mr. Speaker, I have long been persuaded that the present crisis of confidence in Government has three basic causes. They are

The inappropriate use of money in the political process;

The concentration of too much political power in too few hands; and

Excessive secrecy in the conduct of public business.

During the present decade the American people have become much more aware of the need for an honest, responsive, and open government. They will not tolerate a government which ignores their aspirations and carries on its affairs behind locked doors. Recently Congress has considered measures that will help to restore lost confidence, enacting a campaign spending law and a budget reform proposal that returns the power of the purse to Congress. Changes in the rules of the House have done away with the seniority system and opened up almost all committee sessions. The new and sweeping Code of Ethics is firmly in place. In my estimation such action has been long overdue.

In spite of these advances, however, substantive reform in one particular area of the political process has proven elusive. I am referring, of course, to lobbying reform. Therefore, it is with great pleasure that I introduce today the Public Disclosure of Lobbying Act of 1977. This bill, a modified version of legislation I sponsored in the last Congress, is part of a package of reforms that are needed to revive the faith of the American people in the institutions of Government.

It is clear to me, as it is to most Americans, that the openness of a democratic government is perhaps its most important quality. The framers of the Constitution were quick to grasp this truth. The very real dangers of an inaccessible seat of power, so apparent in the world of their time, led them to specify in the first amendment that Congress should make no law abridging the freedom of speech or the right of the people to petition government for a redress of grievances. It is against the backdrop of an open government, a government of the kind prescribed by the first amendment, that we should view the problem of lobbying reform.

Because its purpose is to influence government through the marshaling of arguments and the analysis of issues, lobbying must be regarded as a fundamental part of a citizen's freedom of speech and right to petition. Consequently, lobbying reform cannot entail the elimination of "bad" lobbying. We must be ever mindful that the difference between good and bad lobbying is not to be found in the lobbyist's objectives, whether they be liberal, moderate, or conservative. It is rather to be found in the manner in which the lobbyist's message is conveyed. Good lobbying is an intelligible, accurate, and concise expression of a point of view; bad lobbying is a confusing, misleading or vague attempt to do the same. There has always been, and there will always be, broad support in Congress for the right to lobby. Any sentiment to the contrary would not be consonant with the precepts of the democratic way of life.

Even if lobbying were not afforded the constitutional protection it now enjoys, Congress would be foolish to do away with it. The lobbyist and his activities are greatly appreciated by Congressmen notwithstanding the popular misconceptions. It is no exaggeration to say that the lobbyist's function is inextricably bound up with the modern legislative process. The lobbyist is an expert in his field and is capable of explaining complex issues in an understandable fashion. He prepares authoritative briefs and memorandums, writes legislative analyses, and drafts legislation. As a specialist in his field, he often provides information unavailable elsewhere. He follows closely the progress of bills that interest him and offers advice on those bills to a willing audience. He keeps in touch with interest groups in the district and informs the people back home of the actions of their Congressman. If all the facts are taken into account, it is quite difficult to see how Congress could continue to carry out its tasks in a deliberate way without his constant intercession.

In recognizing his legitimate contributions, however, we should not overlook the fact that the lobbyist is a hard-nosed, tough-minded advocate of special interests. He supplies information, encourages letter-writing campaigns, testifies before committees and sponsors visits to Congressmen all with a single end in mind: To get his point across. His legislative record is impressive: Environmental quality and offshore drilling, safety standards for industry and business tax credits, protection of workers' pensions and limitation on the power of unions are all to his credit. Though one may not agree with everything he has done, one must be struck by his ability to get things done.

Wherever there are fervent efforts to influence policy, it is inevitable that there will be abuses of freedom of speech and the right to petition. A lack of strong congressional initiative to curb such abuses further aggravates the problem. Almost everyone will agree that lobbyists have acquired too much power. This has come about in part, because lobbyists operate in relative secrecy, shielded from the probing eye of the American people.

Though their scope is difficult to gage, the prevalent kinds of lobbying abuses are known to all. Large and powerful lobbying groups influence Congress to pass legislation which meets the needs of a minority, sometimes to the detriment of the majority. Lobbyists treat Congressmen and their staffs to free meals, trips, and gifts. While small gratuities are unlikely to arouse suspicion, lavish ones raise serious questions of conflict of interest. Constituents may come to believe that their Congressman has allowed his vote to be bought, and in some instances this is precisely what may have happened. So-called grassroots lobbyists often unleash avalanches of mail from constituents on various issues. In the absence of disclosure laws, Congressmen may not know whether the letters are genuine expressions of constituents' views or mere concoctions of an unseen pressure group.

All such excesses could be controlled through adequate disclosure, but congressional response in this area has been feeble. The 1946 Federal Regulation of Lobbying Act, which is still in effect, is ridden with loopholes and cannot be enforced. In the 31-year history of the law, the Justice Department has brought charges under its provisions four times. Only one of these prosecutions resulted in a conviction. Any candid Congressman will dismiss the law as an outright sham.

We need not look far to see where the problems lie. To begin, registration and reporting requirements are spotty. The law requires registration only by persons paid to lobby for someone else. Such persons are then required to report only how much money they receive and from whom it comes. The law thus allows many lobbyists to escape disclosure completely, and those who do disclose reveal precious little information. Problems of coverage also abound. Not covered by the law are—

Lobbying organizations whose self-defined "principal purpose" is something other than the influence of legislation;

Lobbyists who do not contact Congressmen directly;

Lobbying organizations whose intent is strictly "informative"; and

Lobbyists who generate "grassroots" pressure.

Were these defects not enough, there would be two others worthy of mention. First, the law leaves it up to each lobbyist to determine for himself what portion of his total budget need be reported as lobbying expenditures. Hence, two lobbyists of roughly equal means may file vastly different reports, depending on their interpretations of the law. Also, the enforcement provisions of the law are critically weak. The Clerk of the House and the Secretary of the Senate receive registrations and reports, but cannot compel anyone to register and cannot investigate reports. Likewise, the Justice

Department has no mandate to investigate reports, though it can prosecute violators.

It comes as no surprise that abuses continue in the face of such a law. If lobbying is ever to be reformed a much stronger remedy will be necessary. I believe that the Public Disclosure of Lobbying Act should be regarded as just such a remedy. The bill would—

Define as a lobbyist any—legal—person who receives or spends $1,000 or more per year for lobbying;

Require lobbyists to register, stating on whose behalf they are working, on what financial terms they are working, what aspects of policy they expect to influence and with whom contact is to be made;

Require lobbyists employed by voluntary membership organizations to specify the approximate number of members in the organization and the methods by which the members make the decision to lobby;

Require lobbyists to file yearly reports, appending to the reports copies of all written solicitations to others to lobby and stating in the reports what income they received, how much of that income was attributable to lobbying, those on whose behalf they were working, those who paid their salaries, how much money they spent on lobbying, how that money was spent, those they employed to lobby for them, those policy decisions they sought to influence, those Federal officials they contacted—including the dates and substance of the contacts—and how much money they paid directly or indirectly to or for any Federal official;

Require the Federal Election Commission to enforce the act and receive all registrations and reports;

Grant the Federal Election Commission civil proceeding and subpena powers;

Require the Federal Election Commission to develop appropriate forms for registration and reporting, make the registrations and reports available for public inspection, compile and summarize the information received, investigate compliance with the law, and make recommendations for further legislation; and

Specify that failure to comply with the law be punishable by up to 2 years in prison, or a fine of $5,000, or both.

Mr. Speaker, I commend the Public Disclosure of Lobbying Act to my colleagues. I urge its prompt consideration.

ETHICS REFORMS WILL WORK ONLY IF ENFORCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. KOSTMAYER) is recognized for 10 minutes.

Mr. KOSTMAYER. Mr. Speaker, as a newly elected Member of the House, I am sure some of my colleagues could challenge my contention that yesterday was one of the "finest hours" in the history of this House. Nevertheless, I strongly believe that few times in the past has the Congress done as much to restore the confidence of so many.

This happened for a variety of reasons. Certainly, your leadership, Mr. Speaker, is partly responsible for the quicker than expected passage of these reforms. And the gentleman from Wisconsin (Mr. OBEY) also deserves the gratitude of our colleagues and the people we represent.

I was proud to have been a cosponsor of this measure.

Despite my satisfaction at this victory designed to achieve honesty, integrity, and accountability in the House, we must not rest.

The reforms passed yesterday will only work if they are enforced.

As clear as we made it to the country by our actions yesterday that we in the Congress mean what we say about "cleaning our own house"—Mr. Speaker, I believe we should make it equally clear to the members of the Committee on Standards of Official Conduct that we expect this new code to be enforced evenhandedly, toughly, and without some of the hesitation associated with previous investigations by that committee.

Also I do not think, fortunately so, we have heard the last of the recent pay raise. Some Members plan to question later in this session the appropriation and authorization of funds for that increase. I plan to support such a move, because of the way in which the raise was enacted. We should have voted the raise up or down instead of letting it sneak through the back door of this House.

As for myself, I told my constituents I would donate the raise to charity pending passage of the ethics package. When I made that commitment the package was in trouble; few expected enactment so soon. Nevertheless, I am still very pleased we have a new ethics code sooner rather than later. And while theoretically I have been released from the qualifications I placed on accepting the raise, I still will donate a portion of it to charity to make good on my original pledge to the people of the Eighth District of Pennsylvania.

In this regard, Mr. Speaker, I want to mention one other area of concern I have regarding the standards of official conduct under which we operate.

I was quite troubled to read in last evening's edition of the Washington Star and last Monday's New York Times that there appears to be an attempt by the Justice Department to prematurely conclude the long investigative process required to get to the truth about the alleged bribery of U.S. officials by agents of the Korean Government.

Washington Star Reporter Jerry Oppenheimer in his page 1 account last evening indicates that the Justice Department prosecutors might recommend conclusion of the probe within 30 to 90 days because of a recently expressed desire for a rapid conclusion by Attorney General Griffin B. Bell.

Mr. William Safire in his Times Op-Ed page column of Monday last says his sources think the possible "indictment of 10 percent of the membership of the House of Representatives" could result from this scandal.

I will not judge the accuracy of that estimate or the veracity of Mr. Safire's sources, but I need not elaborate on how difficult it will be to retain among our people the confidence we sought to restore here yesterday by our ethics reform action, if we in the Congress and the appropriate officials in the Justice Department do not allow this investigation to take its normal course to conclusion—wherever it may lead.

Many in this House set no less a standard 3 years ago in the Watergate investigation. What is good for an investigation of the executive branch seems to me good enough for an investigation of the legislative branch.

The American people deserve to know this process has not been hurried along for whatever reason. We must not allow a return to the evasion and delaying tactics characterizing too many political corruption investigations of recent years.

On February 9, I joined with my colleagues in unanimously passing House Resolution 252 directing that the House Committee on Standards and Official Conduct investigate the South Korean matter. I stand by that commitment. I hope this House does too.

Today, I am circulating for signatures of my colleagues a letter to the Attorney General expressing disappointment at a possibly rapid and incomplete conclusion of this investigation. I hope my colleagues will join with me in impressing upon the leading law enforcement official of our Nation our strong belief that this investigation should be given the time, staff, and support needed to assure the American people that if there has been illegal activity here, we are going to root it out and punish those found guilty.

The same issue is at stake with regard to the South Korean probe as was at stake in the ethics package deliberations last night and the Speaker stated it better than I ever could when he spoke from the floor. He said:

> The issue is credibility, restoring public confidence in this Congress as an institution, restoring confidence in its membership.

I think he is right. I hope my colleagues share that feeling. And I hope we can all impress that upon the two distinguished gentlemen from Georgia, Mr. FLYNT, who chairs the Ethics Committee, and Judge Bell, both of whom have the power and responsibility to determine how far we go in the South Korean probe toward achieving the goal you so eloquently stated here yesterday.

I include the following:

MARCH 8, 1977.

Hon. GRIFFIN B. BELL,
Attorney General,
Department of Justice,
Washington, D.C.

DEAR JUDGE BELL: Recent news accounts in the Washington Star and the New York Times have raised some questions about a possibly rapid and incomplete conclusion to

the Justice Department's probe into alleged illegal payments to U.S. officials by South Korean government agents. Such an ending might be inadequate to allow this inquiry to be brought to a full and thorough conclusion. In a recent television news show interview you also expressed a desire that this case be brought to a rapid conclusion.

We ask you to look disfavorably on any arbitrary deadlines for ending an inquiry appearing so complex and intricate.

There has been much speculation about the South Korean activities in the Congress, in the press, and among the American people. The investigations conducted by the Department of Justice and the House must finally put to rest any idle speculation so as to clear the name of the Congress collectively and of individual past and present members who have been mentioned specifically. At the same time justice must be served if any wrong-doing is discovered.

Judging by what we have seen of two recent investigations by the Congress into the Watergate matter and with regard to intelligence acivities of our government, it does not seem reasonable that the probe currently being conducted by prosecutors could be satisfactorily concluded within the next few months.

Since taking office President Carter has gone out of his way, symbolically and substantively, to regain the confidence of our people in their government. In Congress this session, we have also taken strides to do the same. The recent enactment of a strong ethics code for the House is a noteworthy achievement in this regard.

We do not want the good faith and trust of the American people that these activities are bound to have fostered since the beginning of this Congress and Administration to dissipate by what could be a premature termination of the Justice Department's South Korean inquiry.

We hope you understand our position and will allow this investigation to take its natural course—wherever it may lead. We hope you will give it the time, staff and support necessary to see true justice achieved in this matter.

Sincerely,

——— ———.

[From the New York Times, Mar. 2, 1977]

PROTECT THE KOREAN PROBE FROM THE POLITICIANS

(By William Safire)

In a federal court building on Constitution Avenue and John Marshall Place, a young assistant U.S. attorney named John Catelli has been working for the past six months with a group of 21 citizens on a case which—if it is not "capped"—could conceivably lead to the indictment of 10 per cent of the membership of the House of Representatives.

Catelli—who is not even the indirect source of anything in this essay—is one of the prosecutors bringing witnesses before the grand jury impaneled to investigate illegal South Korean contributions to members of Congress. His boss, U.S. Attorney Earl Silbert of Watergate memory, is being closely supervised on this politically sensitive case by the Department of Justice's Public Integrity Section, to which Catelli is detailed.

That close supervision is both good and bad. Good, because some hard-eyed nonpolitical professionals are in that section; bad, because the closer this case gets to the top, the more vulnerable the prosecution is to political influence.

Carter's attorney general, Griffin Bell, has already let his subordinates know that he expects them to fish or cut bait by mid-April. Since the payoffs to congressmen were put through a sophisticated "money laundry," and since following the paper trail requires tedious examination of books, records and witnesses over a period of more than a year, Bell's order, in effect, was to drop the case.

An illustration of the paper trail: suppose a congressman from California, say, or Louisiana, or Massachusetts, tells a shipping company or its marine union that he can direct cargo to certain ships. That's worth plenty of money. The company or union (or its officials or their relatives or suppliers) makes a contribution to some innocuous outfit like the Korean Cultural and Freedom Foundation, which sponsors trips by congressmen and is run by Pak Bo Hi, an associate of Moon Sun Myung, who has good connections back home.

Somehow, the right shipper, or the right armaments manufacturer, may get chosen; somehow, money may be deposited in the office account of a congressman, or his law firm may be hired by a third party, or something nice along those lines might happen to his nephew.

Up to $6 million in such nice things are believed to have happened to our Washington representatives in the past six years, with South Korean lobbying the fulcrum. Nothing new—same kind of thing happened in the Gulf Oil payoffs in the 1960s—but the fact that the Korean payoffs happened so recently makes it difficult to "cap."

Why, then, has Carter's attorney general passed the word to fish or cut bait in six weeks? One charitable answer could be that Bell is not aware of the intricacies of the paper trail. Another speculation would be that the A.G. is nobody's fool, and sees the chance to ensure a lively respect for his President's programs in the House of Representatives.

Since Bell has shown his impatience; and since no Sirica-like judge has lit a fire under the U.S. attorney; and since House Speaker O'Neill was Tongsun Park's guest of honor at the Georgetown Club while running the House's "Board of Education," what part of government is left to stop the cover-up?

Answer: the Senate Judiciary Committee. Method: the confirmation hearings this week of Baltimore' Benjamin Civiletti, recent treasurer for Paul Sarbane's senatorial campaign who was chosen by Bell to be assistant attorney general in charge of the Criminal Division.

Normally, the Senate does not like to intrude on the workings of "the other body," the House, but when corruption is being covered up, it is the responsibility of the Senate to make certain that the Justice Department does its duty.

In the Judiciary Committee, Tip O'Neill can expect protection from his patron, Senator Kennedy, and his leadership associate, Senator Byrd. But there is no reason why independent-minded Senator Bayh of the majority, or Senators Thurmond and Mathias of the minority, cannot urge some demands in return for confirmation, as was done with a recent Justice appointee.

Will Civiletti pledge to inform the Senate in writing every 30 days about the status of this criminal investigation of House members? Will he include in his first report a rundown of the attempts—or lack of them—to obtain the extradition and sworn testimony of Tongsun Park?

Will he agree to issue an order to every Department of Justice Criminal Division employee to report any attempted pressure on this case to the Office of Professional Responsibility, without fear of reprisal?

Will he agree to direct every Criminal Division employee to log every call from a congressman, his staff or representative, on this case—and make that log public weekly?

Will he request that every House member with evidence or information about improprieties in this case come forward voluntarily, waiving the "congressional privilege" of Article I in Section Two of the Constitution, to help root out the corruption?

Will he agree to resign if given an arbitrary time limit or ordered to drop this case by his superiors?

Somebody in the Senate has to make sure the System still works. John Catelli and the 21 members of the House corruption grand jury need help.

[From the Washington Star, Mar. 2, 1977]

KOREA PROBERS GLUM ON GETTING INDICTMENTS

(By Jerry Oppenheimer)

The prospects of securing significant indictments in the federal probe of a Korean influence-buying scheme on Capitol Hill are considered dim and Justice Department officials are thinking about turning the whole matter over to a congressional committee, according to informed sources.

One well-placed Justice Department source told The Washington Star that, unless enough hard evidence of bribery and extortion involving present and former congressmen "can be delivered within the next 30 to 90 days," prosecutors may recommend to Atty. Gen. Griffin B. Bell that the case "be deferred to a congressional committee" for investigation.

The reason for this thinking, another source said, is because a recent review of the evidence developed thus far shows a "minimal prospect for converting what is known into what can be proven in a court of law. There's just not enough legally admissible evidence."

Sources said that prosecutors have "a lot of allegations" about illegal cash payments to a number of present and former congressmen from agents of the South Korean government, but not the required direct evidence to support significant indictments.

"Anyone who exudes optimism about major indictments growing out of this investigation doesn't know the complexities and difficulties the government is facing," said a source who was familiar with the scope of the probe but who declined to elaborate.

Unless an extensive amount of time and manpower is devoted to the investigation—some sources estimate that as much as two years may be required—there is little optimism that significant indictments can be brought against any present or former elected official who allegedly took illegal payments, it was said.

But Bell said last month, following a briefing by prosecutors involved in the probe, that he wanted the investigation wrapped up as quickly as possible.

"It seems to me you don't have to run a grand jury investigation for months or years to find out whether you've got a case or not," he said in a television interview in response to questions about the Korean probe.

Bell subsequently met at the White House with President Carter and briefed him on the status of the case. When asked about the meeting, White House press secretary Jody Powell said that Bell's "inclination was to move rapidly and aggressively" in the probe "and that was the President's inclination also."

But a source close to the investigation told The Star this week that "you can't put a definable time limit on this investigation. It could take months or years. The attorney general will have to realize this."

However, this source indicated his familiarity with the thinking of turning the matter

over to a congressional committee, and emphasized that "the question on time limitations in this case is premature. Watch developments in the next month or so."

The House Ethics Committee is already engaged in the process of setting up a probe into the bribery allegations. The committee has hired Philip Lacovara, former top assistant to the Watergate special prosecutor, as special counsel to head an investigating team of about 15 professional staff members.

But it probably will be summer before the staff will be ready to present the first cases for consideration by the Ethics Committee.

At the current stage of the Justice Department's investigation, it was said, only marginal cases have been developed and these involve no more than possibly one congressman. Others under investigation are said to include present and former Korean embassy officials and "unofficial agents" of President Park Chung Hee.

The prosecutions that now appear possible "won't be very earth-shattering," it was said. These cases would be in the areas of taxes and perjury, it was understood.

It is clear, sources said, that there "cannot be a significant number of significant indictments" in the near future. One of these sources said that "there are a number of problems that we are facing, an awful lot of areas to cover."

One of the major stumbling blocks of the probe is the absence of South Korean businessman Tongsun Park, who is a central figure in the alleged Korean influence-buying scheme on Capitol Hill. Park left Washington last year on an extended business trip after acknowledging to prosecutors that he had given cash and gifts to congressmen, but denied that they were bribes or that he was acting at the behest of his government.

On the advice of his attorneys, Park decided not to return to this country to face the continuing inquiry and set up temporary residence in London, where he is conducting his business.

Park had started divesting himself of property and other holdings here, but the Internal Revenue Service early this year filed liens for back taxes totaling more than $4.5 million against Park's properties.

The IRS action was said to be part of the pressure being placed on Park to have him return and testify, possibly with a grant of immunity, against those who took alleged illegal cash from him and others.

A subpoena, but without a date for Park's appearance before the grand jury, was issued by federal prosecutors last year to Park's attorney, but no efforts have since been made to enforce the subponea.

Thus far, it has become public that Park had given cash—ranging in amounts from $500 to $10,000—to five present and former congressmen beginning about 1970. The total amount of money known so far to have been given by Park to these congressmen is $20,650, plus gifts and entertainment.

With Park out of the country, and the chances of extraditing him slim because he is not a U.S. citizen, one source close to the case said, "How are you going to make a case without the guy who paid the money?"

Other sources said that, besides the absence of Park and evidentiary problems, Justice officials involved in the case are worried about whether they would receive cooperation from the CIA and the National Security Agency, which reportedly monitored conversations in President Park's palace in Seoul involving the influence-buying scheme.

Lawyers for at least two figures in the investigation have already filed motions claiming that the gathering of evidence through illegal electronic eavesdropping methods could not be used in court against their clients.

These were also among the reasons why Justice officials are said to be considering turning the case over to a congressional investigating committee.

Mr. EDGAR. Mr. Speaker, will the gentleman yield?

Mr. KOSTMAYER. I yield to my colleague, the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Speaker, I would like to commend the gentleman in the well for his comments on the ethics discussion that took place in the House yesterday, as well as his comments about the pay raise.

I, like he, have great concern about the fact that we did not vote on that pay raise and have plans to make a donation of that pay raise to three separate charitable sources.

I also should like to commend the gentleman in the well specifically for his comments about the South Korean probe, because I think it is immature to cut off that investigation now, given the allegations that have been made. I would hope that the Attorney General would look carefully and not quickly yield to pressure to end that probe.

But I would hope that the probe we are conducting here in the House would be as thorough as possible. I think we stand before the general public as Members of an elective body who have to earn the kind of respect that we hope that we can demand throughout the Nation by having full public disclosure of our finances, strong ethical standards, and the ability within our own house to investigate such charges. So I commend the gentleman in the well for his comments.

Mr. KOSTMAYER. I am glad to have the support of my distinguished friend from Pennsylvania, and I thank him.

WHY TEAR DOWN KING HUSSEIN?

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the unfortunate blare of publicity accompanying the Washington Post exposé of CIA payments to foreign leaders has obviously done more harm than good. Take the payments of the CIA to King Hussein. They were not for King Hussein's private account; they were to assist him in maintaining stature in other Arab countries; in helping to provide a reasonable defense for his country and peace in the area and for the economic improvement of Jordan. This side of the story was not told. The publicity came at the time to do harm to the efforts of the U.S. Secretary of State for a solution to the Arab-Israeli problems in the Mideast. Peace talks there have been delayed and possibly jeopardized by the mania for sensationalism of the American press. These considerations never seem to concern the media, nor do considerations of national security, which have been flaunted time and again by "exposés." U.S. interests are damaged time and again just for headlines.

Joseph C. Harsch commented very effectively on this situation in an editorial in the Christian Science Monitor on Thursday, February 24. I feel it should be reprinted in the RECORD for the attention of Congress and the public. I include this editorial in the RECORD:

WHY TEAR DOWN KING HUSSEIN?

(By Joseph C. Harsch)

Most fair-minded people in the West would, I think, agree that Hussein ibn Talal, King of Jordan, has been a helpful and useful friend and ally of the United States and its associates and has played a constructive role over many years in the dangerous affairs of the Middle East. He has helped to keep Soviet influence out of the area. He is an important element in Washington's plans for an eventual settlement between Arabs and Israelis.

His usefulness has now been damaged by the publication of the fact that he has for many years been receiving a private subsidy from the government of the United States in addition to official economic aid.

The fact is not in question. Nor is it really news. It is no secret to anyone who follows Middle East affairs that the Kingdom of Jordan must be helped from the outside if it is to survive. It is not big enough and does not have enough resources of its own to survive independently. It has always been subsidized by someone.

The British set it up after World War I and subsidized it down through the Suez Crisis of 1956. In the aftermath of that unfortunate affair they gave up their role in the Middle East and left the survival of Jordan to the Americans. Washington picked it up and has ever since provided the necessary subsidy.

As such things go the cost has been modest. It costs the Soviets about a million dollars a day to keep Cuba going. It costs the United States nearly $5 million a day to keep Israel going. It costs the United States a modest $50,000 a day for Jordan. In return Jordan has been available for satellite reconnaissance flights, has helped in important intelligence gatherings, was the first Arab state to bring Palestinian guerrillas on its territory under control, was the first to be willing to recognize the existence of Israel, has long been in intermittent quiet diplomatic contact with the Israelis, kept out of the last Arab-Israeli war, and is the key now to a peaceful settlement of the old Arab-Israeli trouble.

Part of the American subsidy to Jordan has been in the form of a private fund, provided through the CIA, for the use of the King. Last year it is said to have been $750,000. As such funds go that is also modest. Most kings, presidents, prime ministers, foreign ministers, etc., have bigger "contingency funds" for which no accounting is expected. Considering the dangerous life King Hussein leads and his usefulness to the United States. I find it surprising that he was given so little.

The publication of this fact provides ammunition for King Hussein's enemies. His enemies are the radicals on both the Arab and Israeli side who oppose any settlement. The radical Arabs want the extermination of Israel. The radical Israelis want the annexation of all captured Arab territory, and more to boot. If the radicals have their way there will never be peace in the Middle East.

I do not know who is responsible for breaking security on the fact of the annual subsidy to King Hussein. It could have been a disaffected CIA agent. It could have been done deliberately by the new White House staff. Syndicated columnist Joseph Kraft thinks it was "a foolish decision" by "Carter and his pals in the White House" for the sake of "a blare of self-praise for open government." It could also have been any party wishing to thwart any resolution of the Palestinian question which involved King Hussein. Whatever it was it has weakened the usefulness of King Hussein and that in turn injures the general interests of the United States and of the Western alliance.

And why should it be assumed in most news stories about this matter that a subsidy paid to King Hussein was a "bribe"? The use of that word bribe makes a pejorative assumption. It makes an action sound evil which is not necessarily evil, or wrong, or even improper. The subsidy in fact made it possible for King Hussein to be more helpful to the policies of the United States in the Middle East. Why call that a bribe?

VOICE OF AMERICA—THE STILL, SMALL VOICE

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, The United States is losing, by a very large margin, the continuing worldwide struggle to win the hearts and minds of men.

These are the words of James D. Hessman, editor-in-chief of Seapower. It is the opening statement of a very significant article in the February 1977 issue. Many of us in Congress are seriously concerned about the weaknesses of the Voice of America program; weaknesses not due to deficiencies in direction or staff but weaknesses caused by insufficient appropriations. The lack of adequate funding has forced the Voice of America to fall steadily behind the Communist effort in this field. The Russians and a number of other nations, most of them Communist or Communist-oriented, broadcast many more languages, many more hours to the world than does the United States. It is very unfortunate that we do not make a greater effort to tell America's story of freedom and opportunity, to the world. I sincerely hope this situation will be corrected when the appropriations bills are written in the current Congress.

I submit Mr. Hessman's challenging statement for inclusion in the RECORD:

VOICE OF AMERICA: THE STILL SMALL VOICE

(By James D. Hessman, Editor-in-chief)

The United States is losing, by a very large margin, the continuing worldwide struggle to win the hearts and minds of men.

The agency chosen to speak for the nation in that all-important struggle, the Voice of America, or VOA, is carrying out its mission efficiently and effectively wherever and whenever it is heard.

It is not, however, being heard everywhere it should be, nor is it being heard frequently enough, nor is it being heard for a long enough period of time.

Throughout the world, the VOA broadcasts in only 36 languages. The Soviet Union broadcasts in 84. The People's Republic of China (PRC) broadcasts in 43.

GARBLED RECEPTION

The worldwide language gap is even more pronounced in the critical "Third World" wherein live most of the world's poor, and most of the world's illiterate—whose only news of the outside world is, in many cases, via transistor radio. But their reception is obviously garbled, practically if not literally, when the only news they receive is from the Communist Bloc.

The Soviet Union, PRC, and other Communist countries, moreover, are speaking to the nations of the Third World in their own languages. The United States is not.

The VOA broadcasts to Africa in only four languages. The Soviet Union broadcasts in 14, the PRC in nine, East Germany in five. Even North Korea, half a world away and with no vital interests in that much-neglected continent, broadcasts in three.

The VOA broadcasts to the Arab World and Mid-East, possibly the most volatile area in the world at present, in only two languages. The Russians broadcast in 11, the PRC and North Korea, in four, East Germany and Cuba—rapidly becoming the USSR's military and ideological "foreign legion"—in three.

The VOA broadcasts in nine languages to East Asia and the Pacific. The Soviet Union broadcasts in 14, the PRC in 19.

The VOA broadcasts to South Asia in only four languages. The USSR broadcasts in 20, the PRC in nine, and East Germany in three.

The most shameful showing, perhaps, is in the United States' own backyard, Latin America, where the VOA broadcasts in only three languages, a total matched by, among others, East Germany, North Korea, and Albania, and exceeded by the Soviet Union (14 languages), the PRC (five), The Netherlands (five), Cuba (six), and the Voice of the Andes, a religious station (seven).

Only in Europe does the Voice of America, complemented by the broadcasts of Radio Free Europe (RFE) and Radio Liberty—six and 16 languages, respectively—make a respectable showing: 21 languages. Even in Europe, however, the VOA total is dwarfed by the USSR's 33 languages, and edged slightly by West Germany (22) and Italy (24).

"Ye shall know the truth, and the truth shall make you free" (John 8:32). But in order to know the truth, one must understand the language in which the truth is spoken.

THE DECIBEL DEFICIT

Not only does the VOA lag far behind the Soviet Union and Mainland China in the number of languages broadcast, it also trails both Communist superpowers in air time. The Voice broadcasts 788 hours per week worldwide. The polyglot Soviet Union, speaking through a multiplicity of voices (some of them clandestine), broadcasts 1,998 per week. The PRC broadcasts 1,406 hours per week.

Again, data developed from a VOA study of the 20 leading international broadcasters, supplemented by BBC monitoring reports and schedules through 1 June 1976, shows that on every continent and in every broadcast area the VOA spends less time on the air than the USSR or, on several continents, the PRC.

The VOA broadcasts 121 hours per week to Africa. The Soviet Union broadcasts 168 hours, the PRC 119 hours. The VOA output to the Arab World and Mid-East is 109 hours per week, the USSR's 203 hours (but the PRC's only 49.

The PRC is, however, not surprisingly, the most ubiquitous and most persistent voice heard in East Asia and the Pacific: 783 hours per week, compared to 719 hours from the Republic of China (Taiwan), 464 hours from the USSR, 325 from Australia, 301 from North Korea, and just over 200 from the VOA.

Listeners in South Asia are exposed to only 95 hours per week programming from the PRC, however, and 74 hours from the VOA, compared to 240 hours broadcast to that area by the Soviet Union, 156 hours by the BBC, 144 hours by Australia, 127 hours by India, and 96 hours by West Germany.

Again, the VOA's most dismal showing is in Latin America: 66 hours per week (only slightly more than Albania, compared to 216 hours broadcast by Cuba, 149 by the USSR, 104 by the BBC, 90 hours each by West Germany and The Netherlands, and 83 hours by the PRC.

Only in Europe does the United States have a solid edge in programming, with the VOA's 304 hours per week supplementing 559 hours from RFE and 462 hours from Radio Liberty to collectively far outdistance the lesser, but still substantial, broadcast hour totals of the USSR (538 hours), West Germany (436), the BBC (412), Italy (400), and the PRC (320). But loquacious little Albania's 357 hours to Europe exceeds VOA's programming to that continent, it is worth noting.

NOUS NE PARLONS PAS FRANCAIS

More distressing than the continent-by-continent numbers disparities, perhaps, are the even more lopsided imbalances in the numbers of broadcast hours per week aimed at specific, and vitally important, audiences in various parts of the world. For example: The VOA broadcasts to the Soviet Union, in Russian, only 98 hours per week (Radio Liberty broadcasts 24 hours a day). The Communist Bloc itself broadcasts 243 hours per week to the USSR in Russian. Similarly, the VOA broadcasts only 60 hours per week in Mandarin to East Asia, the Communists a collective total of 209 hours. The VOA broadcasts to the Arab World in Arabic only 49 hours per week, the Communists 243 hours.

Once more, the most embarrassing situation is in Latin America, where the VOA's almost inaudible 66 hours per week is all but drowned out by the Communists' 731 hours.

The U.S. neglect of the Third World and Communist countries is as nothing, however—literally nothing—compared to the total U.S. indifference to some of America's closest friends and allies overseas.

The Communist Bloc broadcasts 419 hours per week to Spain in Spanish, 190 hours per week to France in French, 145 hours per week to Italy in Italian, 87 hours per week to Iran in Persian, and 154 hours per week to Japan in Japanese.

The collective VOA broadcasts to those same countries in their native languages total one fat zero—nothing to Spain in Spanish, nothing to France in French, nothing to Italy in Italian, nothing to Iran in Persian, and nothing to Japan in Japanese.

CONVICTION WITHOUT EVIDENCE

The importance of speaking to people in their own language would seem so obvious it should not have to be emphasized, but a VOA research report ("The Image of America in the Eyes of the Swedish Public") of 11 June 1976 helps to flesh out that abstract thesis with illuminating and rather disturbing specifics. That report, based on "measurements taken in late 1974," concludes that there are in Sweden "widely prevailing unfavorable views about social justice in America," and a "widespread conviction" that "the United Stats is 'racially unjust.' . . .

"The data further indicate," the report continues, "that the Swedish people for the most part did not feel well informed about the United States. These findings . . . also

suggest the possibility that the Swedes, if they can be interested in subjects involving the United States, will show a degree of open-mindedness or receptivity toward new information, rather than the closed-mindedness that comes from the conviction that one already knows enough to have hard and fast opinions."

Needless to say, the VOA does not broadcast to Sweden—nor, for that matter, to any other country in Scandinavia.

CREDIBILITY AND CONSTRAINTS

The language and programming gaps are not, of course, the full story. There also are a number of other factors involved, some of which enhance, others of which detract from, the overall VOA effectiveness.

The most important of those factors is credibility, and the VOA is highly credible, towering like the beacon of truth it is over the Communist networks, which for years have been so blatantly loose with the facts in their program content that even the most unsophisticated listener knows better than to hear their words as gospel. A random (but admittedly unscientific) polling of VOA officials and Washington-area foreign embassy personnel elicits general agreement that in credibility and, to a lesser extent (because it is largely a matter of taste), in program quality, the VOA ranks only behind the BBC.

There has been, however, and through no fault of its own, an unfortunate diminution of the VOA's credibility in recent years at the same time the Soviet Union and PRC, and their respective allies, have become both more sophisticated and more believable in their own programming.

Unlike the BBC, which operates with total independence and, therefore, with virtually total credibility, the VOA has on occasion, particularly during the last administration, been forced to broadcast under some rather unrealistic policy constraints imposed by the State Department, which controls the Voice through the USIA, the VOA's "parent" agency (in an organizational sense only; the VOA is actually several years older than the USIA).

Several subjects, some of transcendent importance, were under a virtually total embargo by the Kissinger State Department. There was, for example, as reported by the Washington Post's Lee Lescaze on 26 December ,1976, a "total ban" on commentary about China.

"The ban results," Lescaze said, "from Secretary of State Henry A. Kissinger's sensitivity over the Sino-American relationship.

"As a result, when Chairman Mao Tse-tung died, VOA broadcast no commentary or analysis, and one VOA official who was traveling abroad was asked about the omission several times, he said."

Similar restraints, according to Lescaze (and confirmed by VOA officials), have been placed on other subjects. A VOA staff correspondent accredited to attend ceremonies transferring independence to Transkei, for example, was prohibited from doing so because State Department officials feared that the presence of any U.S. government "officials," even reporters, might be interpreted as formal U.S. government support of South Africa's apartheid policy. Similarly, a "background piece" on strategic arms limitation was killed because, in Lescaze's words, "it contained a statement by the director of the Arms Control and Disaramament Agency . . . that was at variance with State Department policy."

AN OPEN NETWORK?

President Jimmy Carter has promised the United States (and, presumably, the rest of the world as well) that his will be an "open administration." If that openness applies to VOA operations, the Voice's now slightly tarnished credibility will undoubtedly be restored to its previous lustre.

A less tractable problem remains, however: the increased effectiveness and credibility of the Communist networks.

Little if anything could or should be done about the improved Communist broadcasting techniques. Gone for the most part are the dialectical diatribes of the past. In their place are smoother, more sophisticated, more informative, and more entertaining programs—a change welcomed as much by American and BBC monitors as by the Third World audiences which are their principal target.

The Communists have, moreover, made a major discovery: Not only was their previous propaganda programming counterproductive, it was completely unnecessary when arousal of anti-American sentiment was the purpose. They could achieve the same results simply by reporting, without embellishment, what the U.S. media says about the United States.

It is not paranoid to note that the giants of the U.S. print media, as well as the major networks, have been on the attack in recent years, endlessly excoriating everything wrong (as well as, in the opinion of some observers, some things not wrong at all) in U.S. society.

EFRON'S OBSERVATIONS

Whether all recent media criticisms of the U.S. government and of the American body politic as a whole have been justified is debatable, and probably irrelevant. What does not seem quite so debatable is that the collective orgy of complaint and catigation of recent years has been a far cry from the theoretical ideal of balanced and objective journalism which supposedly guides the nation's news editors and program directors

Edith Efron, the noted television critic, wrote in the fall of 1975 that, after immersing herself in nothing but television for a two-week period, she emerged with the following impressions (as repeated by Reed J. Irvine in an Accuracy In Media newsletter of November 1976):

1. America is an invisible police state of some kind, where innocent people are being spied on continuously by the FBI, CIA, and other official organizations.

2. American industry is a lethal institution that is poisoning our air, water, and soil. It is infecting us all with cancer.

3. Big businessmen are cheats, liars, and bribers at home and abroad. Their profits are gigantic, their greed limitless. The oil companies are the worst.

4. The United States is a major threat to world peace.

5. The USSR is eager for détente, and we are spoiling it by insisting on a bigger defense budget.

6. Communist China and Communist Cuba are magnificent countries, where people are fully employed, dedicated, and happy.

There is a modicum of consolation in the fact that the foreign reader, or listener, bombarded with one U.S. media news story after another critical of the United States, will at the same time recognize the extraordinary freedom of the press which exists in America, and must also acknowledge, if only subconsciously, the deep inner strength of any country which would permit such freedom.

THE DEFENSE RESTS

But the VOA's job is not and should not be to rebut what the U.S. media says. It is, rather, to do what the media itself should be doing: present both sides of the story, the bad and the good, a balanced view, with all facts and figures in perspective.

If, however, the Voice of America, the official voice of the U.S. government, is unable for whatever reason—policy constraints, limitations on air time, the language gap—to present both sides of the story, the United States loses. The court of world opinion operates in some respects much like the jury system—with the United States, fairly or not, very often the defendant in the case, the Communist networks and other propaganda agencies acting as prosecutor, and the USIA and VOA collectively serving as attorney for the defense. Where there are no USIA libraries, and where the VOA is not heard (or is heard only in an unintelligible language), the defense rests, and the jury must pass its often injurious verdict after having heard only one side of the case.

With turmoil in southern Africa and elsewhere, with the United States suffering more and more frequent defeats in the United Nations, with America increasingly dependent on the lesser developed countries for its necessary raw materials, the United States can continue to neglect the Third World only at its own peril.

In that Third World the VOA provides not only news and commentary, it also provides something of perhaps even greater importance: a symbolic presence. That the United States knows and cares about its fellow travelers on spaceship earth may seem obvious to Americans themselves, the world's most generous and most caring people. But that simple truth is not so obvious to foreign audiences, whose sensitive antenna are quick to pick up the sound of silence. An architect in Bologna write to President Ford about the absence of VOA programming to Italy in Italian: "I am a friend of America, and I fear the Communist menace in Europe. I have observed that it is . . . very easy to tune in stations from the other side of the 'Iron Curtain,' which radiate their Communist propaganda in Europe in every language, but especially in Italian, English, French, and German. . . . The feeling is widespread that the United States of America has abandoned us, and listening to the radio that feeling becomes an horrendous certainty."

The United States has not abandoned Italy, nor has it abandoned any other country. But in its broadcasts it has undeniably neglected—to America's own loss—many of the peoples of the world.

THE $71 MILLION BARGAIN

Such continued neglect is not a matter of resources. It is a matter of will, and of national policy. In October 1965, former President Eisenhower said in a Reader's Digest article ("America's Place in the World") that "We must decide that if we are going to win the cold war, we must spend whatever is necessary on this job—a half billion or even a billion a year if it takes that much"—he defined "this job" as a "task of communication," and promoting "a better understanding of America throughout the world." But he sadly pointed out that "I cannot recall a single instance during my years as President when my recommendations for the support of USIA [and the VOA] were not seriously reduced in Congress. . . . Today, we are paying dearly for this kind of . . . folly."

Ike's words were not heeded then, nor have they been heeded since. Instead of the "half billion or even a billion" he apparently considered necessary (in 1965 dollars—the total today would be much higher), USIA's budget last year was a Spartan $274 million, only a fraction of what the USSR is believed to spend on its worldwide propaganda/information services. The even smaller VOA budget was only $71 million—which Lescaze says "All sides agree . . . is a bargain."

VOA's immediate effectiveness could be

enhanced on short notice by an almost infinitesimal budget increase. VOA officials say it would cost only $3.2 million per year to expand the Voice's capabilities from 36 to 47 languages, and its air time from 788 to 963 hours per week worldwide. The additional languages to be added, according to VOA's own priority list, would be: Amharic; Cantonese; Farsi (to Iran); Finnish, French, Spanish, Swedish, Italian, and German (all to Europe); Japanese; and Tamil. In addition, present programming would be expanded in 14 other languages.

Kenneth Giddens, present VOA director (with almost eight years on the job, longer than any of his predecessors), summed up the VOA situation last summer in an internal memo of 18 June 1976:

"As competing [read Communist] broadcasters have expanded their languages of broadcast, hours, facilities, and power in recent years, the official U.S. broadcaster has reduced its access to audiences in all parts of the world. Twenty years ago, we broadcast over a thousand hours per week in over 40 languages. For some 30 years, the American deficiencies in international broadcasting have been compensated to an extent by the presence of other western broadcasters. But the gap between west and east in international broadcast terms is widening in the east's favor. The BBC has cut back and faces even more significant reductions in broadcast hours and numbers of languages. All this at a time of rising world interest in information. To the dismay of those who seek to control or suppress information, the transistor revolution continues. Information is wanted and needed even when recipients are unable to act on it in any immediate way.

Whatever the United States provides the rest of the world in the form of information . . . the Voice of America must operate . . . in support of this country's diplomatic, economic, military, and cultural involvements in the world. Information cannot . . . be a substitute for the exercise of power or compensation for a diminished presence in any particular country or area of the world, but it can remind foreign publics that adjustments in our policy and practices have a reasoned basis."

A NEW APPRAISAL

On 24 February 1977 the Voice of America will be 35 years old. There are those who, in Gidden's words, think the occasion might be an appropriate time for "a new appraisal of its role and its potential in serving the national interest of the United States."

Some would go further, and give the Voice not only a higher level of funding, but also, like the BBC, virtual independence from its present political constraints (a subject about which VOA officials are, understandably, reluctant to speak "on the record").

In the long run, however, the organizational structure will matter little if at all if America's national will and sense of direction are missing. The United States is today, like it or not, engaged in a war of words on the world's airwaves—and is presently losing that war through its own lack of commitment.

Speech is silver, but silence is golden—so it is said, anyway.

In the struggle for the hearts and minds of men, however, it is speech that is golden, and silence is surrender.

REVISION OF BAIL REFORM ACT

(Mr. McCLORY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. McCLORY. Mr. Speaker, today I will introduce bipartisan legislation directed toward updating the Bail Reform Act of 1966. It will permit judges to consider factors other than the defendant's community ties when considering bail. Present statutory language enables the court to consider a capital offender's potential danger to the community and/or witnesses when considering the bail requests. Similar discretion does not exist in cases involving noncapital offenders; our bill merely provides it.

Recently, despite the absence of specific language, the U.S. Court of Appeals for the Sixth Circuit indicated that judges have the "inherent" right to consider "* * *" evidence that the defendant has threatened witnesses and is a danger to the community in determining whether the defendant should be released. * * *" *United States* v. *Wind*, 527 F.2d 672, 675 (1975). We are, therefore, merely codifying a precept based in common law and fast becoming practice through court interpretation.

We see the passage of this bill as an important exercise of our legislative responsibility. Its text follows:

H.R. 4450

A bill to amend the Bail Reform Act of 1966 to authorize consideration of danger to the community in setting conditions of release, to authorize revocation of pretrial release for persons who violate their release conditions, intimidate witnesses or jurors, or commit new offenses, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3146 of title 18, United States Code, is amended as follows:

(a) by inserting in subsection (a) the words "or the safety of any other person or the community" (1) after "as required" in the first sentence, and (2) after "for trial" in the second sentence;

(b) by amending paragraph (5) of subsection (a) to read as follows:

"(5) impose any other condition, including a condition requiring that the person return to custody after specified hours of release for employment or other limited purposes.";

(c) by adding the following sentence at the end of subsection (a): "No financial condition may be imposed to assure the safety of any other person or the community.";

(d) by amending subsection (b) to read as follows:

"(b) In determining which conditions of release will reasonably assure the appearance of a person as required and the safety of any other person or the community, the judicial officer shall, on the basis of available information, taken into account such matters as the nature and circumstances of the offense charged, the weight of the evidence against the person, his family ties, employment, financial resources, character and mental condition, past conduct, length of residence in the community, record of convictions, and any record of appearance at court proceedings or of flight to avoid prosecution or failure to appear at court proceedings."

SEC. 2. Section 3147 of title 18, United States Code, is amended:

(a) by changing the title to read:

"§ 3147. Appeal from conditions of release or order of detention.";

(b) by adding after the phrase "the offense charged," in subsection (b) the phrase "or (3) he is ordered detained or an order of detention has been permitted to stand by a judge of the court having original jurisdiction over the offense charged,"; and

(c) by adding after subsection (b) the following new subsections:

"(c) In any case in which a judicial officer other than a judge of the court having original jurisdiction over the offense with which a person is charged orders his release with or without setting terms or conditions of release, the United States attorney may move the court having original jurisdiction over the offense to amend or revoke the order. Such motion shall be considered promptly.

"(d) In any case in which—

"(1) a person is ordered released, with or without the setting of terms or conditions of release by a judge of the court having original jurisdiction over the offense with which the person is charged, or

"(2) a judge of a court having such original jurisdiction does not grant the motion of the United States attorney filed pursuant to subsection (c),

the United States attorney may appeal to the court having appellate jurisdiction over such court. Any order so appealed shall be affirmed if it is supported by the proceedings below. If the order is not so supported, the court may (A) remand the case for a further hearing, or (B) with or without additional evidence, change the terms or conditions of release, or order detention as provided for in this chapter."

SEC. 3. Section 3148 of title 18, United States Code, is amended to read as follows:

"§ 3148. Release in capital cases or after conviction

"(a) A person (1) who is charged with an offense punishable by death, or (2) who has been convicted of an offense and is awaiting sentence, shall be treated in accordance with the provisions of section 3146 unless the judicial officer has reason to believe that no one or more conditions of release will reasonably assure that the person will not flee or pose a danger to any other person or to the community. If such a risk of flight or danger is believed to exist, the person may be ordered detained.

"(b) A person who has been convicted of an offense and sentenced to death or to a term of confinement or imprisonment and has filed an appeal or a petition for a writ of certiorari shall be detained unless the judicial officer finds by clear and convincing evidence that (1) the person is not likely to flee or pose a danger to any other person or to the property of others, and (2) the appeal or petition for a writ of certiorari raises a substantial question of law or fact. Upon such findings, the judicial officer shall treat the person in accordance with the provisions of section 3146.

"(c) The provisions of section 3147 shall apply to persons described in this section, except that a finding of the judicial officer that an appeal or petition for writ of certiorari does not raise by clear and convincing evidence a substantial question of law or fact shall receive de novo consideration in the court in which review is sought."

SEC. 4. Chapter 207 of title 18, United States Code, is amended by adding after section 3150 the following new sections:

"§ 3150A. Sanctions for violation of release conditions

"(a) A person who has been conditionally released pursuant to section 3146 and who has violated a condition of release shall be subject to revocation of release and to prosecution for contempt of court.

"(b) Proceedings for revocation of release may be initiated on motion of the United States attorney. A warrant for the arrest of a person charged with violating a condition of release may be issued by a judicial officer and the person shall be brought before a judicial officer in the district where he is arrested. He shall then be transferred to the district in which his arrest was ordered for

proceedings in accordance with this section. No order of revocation shall be entered unless, after a hearing, the judicial officer finds that there is clear and convincing evidence that the person has violated a condition of his release.

"(c) Contempt sanctions may be imposed if, upon a hearing and in accordance with procedures applicable to criminal contempt, it is established that the person has intentionally violated a condition of his release. The contempt proceedings shall be expedited and heard by the court without a jury. A person found guilty of contempt for violation of a condition of release may be imprisoned for not more than six months, or fined not more than $1,000, or both.

"§ 3150B. Sanctions for threatening witnesses or jurors while on release

"(a) A person who has been conditionally released pursuant to section 3146 and who has threatened, injured, intimidated, or attempted to threaten, injure, or intimidate a prospective witness or juror, shall be subject to revocation of release.

"(b) Proceedings for revocation of release may be initiated on motion of the United States attorney. No order of revocation shall be entered unless, after a hearing, the judicial officer finds that there is clear and convincing evidence that the person has threatened, injured, intimidated or attempted to threaten, injure, or intimidate a prospective witness or juror.

"§ 3150C. Sanctions for committing serious offenses while on release

"(a) A person who has been conditionally released pursuant to section 3146 and as to whom there is probable cause to believe he has committed a felony while released shall be subject to revocation of release.

"(b) Proceedings for revocation of release may be initiated on motion of the United States attorney. No order of revocation shall be entered unless, after a hearing, the judicial officer finds by clear and convincing evidence that (1) a State or Federal magistrate, judge, judicial officer or grand jury has found probable cause to believe that the person has committed a felony and (2) such felony was committed while the person was released on the prior charge.

SEC. 5. Section 3152 of title 18, United States Code, is amended:

(a) by adding at the end thereof the following new subsections:

"(3) The term 'felony' means any criminal offense punishable by imprisonment for more than one year by an Act of Congress or the law of a State.

"(4) The term 'misdemeanor' means any criminal offense punishable by imprisonment for one year or less by an Act of Congress or the law of a State.

"(5) The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States."

EPA WITNESS SUBSIDIES NOT LEGAL

(Mr. WAMPLER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WAMPLER. Mr. Speaker, it is not too often that I find it necessary to take the time of the House to officially protest a possible action of an agency of the executive branch. But in this instance I do protest any action by or legal authority of the Environmental Protection Agency as set forth in the Advance Notice of Proposed Rule Making in the January 7, 1977, Federal Register which, if eventually adopted after the March 8 deadline for comments, could permit appropriated funds to be used to pay the expenses of public participants, their lawyers, and their consultants in certain EPA agency proceedings.

I participated in the major rewrite of the Federal Insecticide, Fungicide, and Rodenticide Act—FIFRA—in 1972. This is one statute EPA is trying to use as one of its legal bases for this action. This authorization was simply not in the act.

Such interpretation by EPA of the FIFRA law, if allowed to go unchallenged, could just as well be used by EPA as authority to send people to the moon or invade Uganda.

Mr. Speaker, the distinguished former chairman and current vice chairman of the House Agriculture Committee, the gentleman from Texas (Mr. POAGE) joined me in an official letter of protest to the General Counsel of EPA on this matter. For the benefit of the House, I ask unanimous consent that this letter be included in the RECORD at this point:

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., March 3, 1977.

Attention: Public Participation ANPRM
Mr. WILLIAM FRICK,
General Counsel, Environmental Protection Agency, Washington, D.C.

DEAR SIR: This is in reference to the Advance Notice of Proposed Rule Making purportedly issued under Section 25(a)(1) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 USC 136(w)) as set forth at Pages 1492-94 of the Federal Register, Volume 42, No. 5, dated January 7, 1977.

We the undersigned members of the Committee on Agriculture of the U.S. House of Representatives challenge both the legal authority and the public policy of the proposal as published.

As noted in Paragraph (3) of the Proposal published in the Federal Register "no EPA statute, other than the Toxic Substances Control Act, explicitly authorizes the payment of appropriated funds to assist public participation in agency proceedings".

That observation is indeed accurate with respect to FIFRA, the statute which is within the jurisdiction of the House Committee on Agriculture.

A study of the legislative history will clearly show that at no time during deliberations on the Federal Insecticide, Fungicide, and Rodenticide Act or the Federal Environmental Pesticide Control Act of 1972 has the Congress agreed or anticipated that appropriated funds would be used to reimburse public participants in EPA agency proceedings.

The Advance Notice of Proposed Rule Making cites a Comptroller General Opinion of February 19, 1976 as a possible basis for this action. We disagree with any such interpretation.

The mere absence of a prohibition against action cannot be cited as authority to take action nor can it be used as authority to spend public money. EPA, for example, is not *prohibited* from spending the taxpayers' money to build roads, but we believe you would be hard pressed to find a legal basis to do so.

The same principle applies to FIFRA which is totally silent about using the taxpayers' money to pay witnesses subsidies. We do not believe the absence of a prohibition in the statute can properly be construed to authorize such action.

If EPA desires authority for FIFRA similar to that in the Toxic Substance Control Act, the agency should request specific legislative authority from the Congress.

As a matter of public policy, the proposal in our opinion does not afford equal protection under the law to all citizens. Not all interested parties would be eligible for reimbursement of their expenses in participating in EPA activities; according to the proposal, only public interest groups without an appreciable financial stake in the Agency activities would be eligible for reimbursement of their legal and technical expenses. Such a procedure would not be fair to other interested parties. Why is it proper to assist so-called "public interest groups" and not assist agricultural organizations, chemical companies, and other interest groups? Obviously, it is not, since all citizens—whether they claim to represent the public or not—should be afforded equal rights under the Constitution and these rights should be protected for all Americans.

Lastly, we feel that the proposal would amount to little more than a public subsidy to the several Washington lobbyists and law firms who claim to represent the interest of the public, often by self-appointment. The Federal government is currently amassing a substantial deficit each fiscal year and we feel that the Environmental Protection Agency should not contribute to this deficit by making unauthorized payments to Washington lobbyists and lawyers who are already more than adequately compensated without Federal payments.

For the above reasons the undersigned are strongly opposed to the proposal of January 7, 1977, and we respectfully request that our views be made a part of the record.

Sincerely,

W. R. POAGE,
WILLIAM C. WAMPLER.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. YOUNG of Florida (at the request of Mr. RHODES), for today and the balance of the week, on account of a death in the family.

Mr. KETCHUM (at the request of Mr. RHODES), for Friday, March 4, 1977, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. EVANS of Delaware) and to include extraneous material:)

Mr. KEMP, for 15 minutes, today.

Mr. HAGEDORN, for 5 minutes, today.

Mrs. SMITH of Nebraska, for 1 minute, today.

(The following Members (at the request of Ms. MIKULSKI) to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. MINISH, for 5 minutes, today.

Mr. KOCH, for 10 minutes, today.

Mr. FLOOD, for 5 minutes, today.

Mr. BINGHAM, for 30 minutes, today.

Mr. ROSTENKOWSKI, for 5 minutes, today.

Mr. BEDELL, for 5 minutes, today.

Mr. CAVANAUGH, for 10 minutes, today.

Mr. PEPPER, for 15 minutes, today.

Mr. KOSTMAYER, for 10 minutes, today.

Ms. OAKAR, for 5 minutes, today.

Mr. DINGELL, for 5 minutes, today.

Mr. HAMILTON, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. LUJAN, to revise and extend his remarks immediately preceding vote on House Resolution 306.

(The following Members (at the request of Mr. EVANS of Delaware) and to include extraneous matter:)

Mr. ASHBROOK in two instances.
Mr. ANDERSON of Illinois.
Mr. SARASIN.
Mr. KEMP in two instances.
Mr. FINDLEY.
Mr. LEACH.
Mr. BOB WILSON in five instances.
Mr. SCHULZE.
Mr. FRENZEL in three instances.
Mr. WINN.
Mr. JEFFORDS.
Mr. ROBINSON.
Mr. WYDLER.
Mr. MITCHELL of New York.
Mr. DERWINSKI in two instances.
Mr. SYMMS.
Mr. TAYLOR.
Mr. MARRIOTT.
Mr. GILMAN.
Mr. EDWARDS of Alabama.
Mr. DORNAN.
Mr. STEIGER.
Mr. BURGENER.

(The following Members (at the request of Miss MIKULSKI) and to include extraneous material:)

Mr. NOLAN in three instances.
Mr. RICHMOND.
Mr. CORMAN in two instances.
Mr. ASHLEY in three instances.
Mr. DENT.
Mr. SOLARZ.
Mr. SKELTON.
Mr. TEAGUE in two instances.
Mr. RYAN.
Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. THOMPSON.
Mr. STEED.
Mr. MURPHY of New York.
Mr. DINGELL in three instances.
Mr. DRINAN in 10 instances.
Mr. METCALFE.
Mr. MOAKLEY in two instances.
Mrs. COLLINS of Illinois.
Mr. EDGAR.
Mr. DELANEY.
Mr. FRASER.
Mr. HAWKINS.
Mr. LEHMAN.
Mr. RANGEL.
Mr. YOUNG of Missouri.
Mr. KOCH.
Mr. MCDONALD in two instances.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follow:

S. Con. Res. 7. Concurrent resolution relating to the freedom of emigration; to the Committee on International Relations.

SENATE ENROLLED BILL SIGNED

The SPEAKER anounced his signature to an enrolled bill of the Senate of the following title:

S. 776. An act to dedicate the canal and towpath of the Chesapeake and Ohio Canal National Historical Park to Justice William O. Douglas, and for other purposes.

A BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on March 2, 1977, present to the President, for his approval a bill of the House of the following title:

H.R. 3753. An act to bring certain governing international fishery agreements within the purview of the Fishery Conservation Zone Transition Act.

ADJOURNMENT

Ms. MIKULSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 36 minutes p.m.), the House adjourned until tomorrow, Friday, March 4, 1977, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

913. A letter from the Chairman, Federal Election Commission, transmitting corrections to the Commission's appropriations request for fiscal year 1978 (Executive Communication No. 832), submitted February 28, pursuant to section 310(d)(1) of the Federal Election Campaign Act of 1971, as amended; to the Committee on Appropriations.

914. A letter from the Deputy Secretary of Defense, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

915. A letter from the Acting Assistant Secretary of Commerce for Administration, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

916. A letter from the Director of ACTION, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

917. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

918. A letter from the Vice Chairman, Equal Employment Opportunity Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

919. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

920. A letter from the Chairman and General Counsel, National Labor Relations Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

921. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 7(e) of the Fishermen's Protective Act of 1967, as amended; to the Committee on Merchant Marine and Fisheries.

922. A letter from the Acting Comptroller General of the United States, transmitting a report on the Defense Department's tactical air defense suppression programs (PSAD-77-81, March 3, 1977); jointly, to the Committee on Government Operations, and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SISK: Committee on Rules. House Resolution 111. Resolution creating a Select Committee on Professional Sports; with amendment (Rept. No. 95-41). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 4405. A bill to amend title II of the Social Security Act to provide that chronic renal disease shall constitute "disability", for purposes of determining an individual's eligibility for disability insurance benefits and the disability freeze, without regard to such individual's ability or inability to engage in substantial gainful activity; to the Committee on Ways and Means.

By Mr. ASHLEY (for himself, Mr. PRITCHARD, Mr. PATTISON of New York, Mr. COTTER, Mrs. FENWICK, Mr. MOAKLEY, Mr. FASCELL, Mr. WHITLEY, Mrs. SPELLMAN, Mr. MARTIN, and Mr. STEERS):

H.R. 4406. A bill to establish a national policy on areawide planning and its coordination, to encourage the use of organizations composed of local elected officials to perform federally assisted or required areawide planning, to require use of planning districts established by States in Federal planning programs, to require certain Federal land use actions to be consistent with State, areawide, and local planning, to authorize the Office of Management and Budget to prescribe rules and regulations relating thereto, and for other purposes; to the Committee on Government Operations.

By Mr. BARNARD:

H.R. 4407. A bill to amend title 18 of the United States Code to increase the penalties imposed for certain firearms violations and to extend the mandatory imposition of those penalties to first offenses; to the Committee on the Judiciary.

By Mr. BIAGGI:

H.R. 4408. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the tax-

payer is at least 65 years of age; to the Committee on Ways and Means.

By Mr. BINGHAM (for himself, Mr. ZABLOCKI, Mr. FINDLEY, Mr. FRASER, Mr. HAMILTON, Mr. LONG of Maryland, Mr. OTTINGER, Mr. UDALL, and Mr. WHALEN):

H.R. 4409. A bill to provide for more efficient and effective control over the proliferation of nuclear explosive capability; to the Committee on International Relations.

By Mr. BINGHAM (for himself, Mr. HARRINGTON, Mr. DOWNEY, and Mr. TONRY):

H.R. 4410. A bill to amend the Export Administration Act of 1969 in order to extend the authorities of that act and improve the administration of export controls under that act, to strengthen the antiboycott provisions of that act, and to provide for stricter controls over exports of nuclear material and technology, and for other purposes; to the Committee on International Relations.

By Mr. BURLESON of Texas:

H.R. 4411. A bill to amend the Internal Revenue Code of 1954 to exempt certain agriculutral aircraft from the aircraft use tax, to provide for the refund of the gasoline tax to the agricultural aircraft operator, and for other purposes; to the Committee on Ways and Means.

By Mr. BURLESON of Texas (for himself, Mr. BROWN of Michigan, Mr. BURKE of Florida, Mr. DERWINSKI, Mr. DUNCAN of Tennessee, Mr. FUQUA, Mr. MILFORD, and Mr. ROBERTS):

H.R. 4412. A bill to amend the Internal Revenue Code of 1954 and the Social Security Act to provide a comprehensive program of health care by strengthening the organization and delivery of health care nationwide and by making comprehensive health care insurance (including coverage for medical catastrophes) available to all Americans, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mrs. COLLINS of Illinois (for herself, Mrs. CHISHOLM, Mr. MITCHELL of Maryland, Mr. FAUNTROY, Ms. HOLTZMAN, Ms. MIKULSKI, Mr. NIX, Mr. FORD of Tennessee, Mr. BAUCUS, Mrs. SPELLMAN, Mr. EDWARDS of Oklahoma, Mr. DRINAN, Mr. BADILLO, Mr. WEISS, and Mr. RICHMOND):

H.R. 4413. A bill to amend title 5, United States Code, to require certain Federal agencies to provide to certain employees notice of procedures through which such employees may challenge actions taken against them by such agencies; to the Committee on Post Office and Civil Service.

By Mr. CORMAN (for himself, Mr. BADILLO, Mrs. COLLINS of Illinois, Mr. FRASER, Mr. HEFTEL, Ms. MIKULSKI, and Mr. NOLAN):

H.R. 4414. A bill to broaden the income tax base, provide equity among taxpayers, and to otherwise reform the income, estate, and gift tax provisions; to the Committee on Ways and Means.

By Mr. CORNWELL (for himself, Mr. EDWARDS of Oklahoma, Mr. BEVILL, Ms. HOLTZMAN, Mrs. SPELLMAN, Mr. VENTO, Mr. HOLLENBECK, Mr. CORRADA, Mrs. CHISHOLM, Mr. EILBERG, Mr. MAGUIRE, Mr. GILMAN, Mr. COHEN, Mr. GLICKMAN, Mr. BINGHAM, Mr. CLEVELAND, Mr. RICHMOND, Mr. MOAKLEY, Mr. ERTEL, Mr. BAUCUS, Mr. HAWKINS, Mr. NEAL, Mr. D'AMOURS, Mr. DICKS, and Mr. CONTE):

H.R. 4415. A bill to amend title VII of the Social Security Act to require that social security and supplemental security income benefit checks be mailed in time for delivery prior to the regularly scheduled delivery day whenever that day falls on a Saturday, Sunday, or legal holiday; to the Committee on Ways and Means.

By Mr. CRANE:

H.R. 4416. A bill to repeal the Occupational Safety and Health Act; to the Committee on Education and Labor.

H.R. 4417. A bill to repeal the earnings limitation of the Social Security Act; to the Committee on Ways and Means.

H.R. 4418. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct certain expenses paid by him in connection with his education or training, or the education or training of his spouse or any of his dependents, at an institution of higher education or a trade or vocational school; to the Committee on Ways and Means.

H.R. 4419. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. DRINAN (for himself, Mr. BADILLO, Mr. BAUCUS, Mr. BINGHAM, Mr. BOLAND, Mr. BONIOR, Mr. PHILLIP BURTON, Mr. CARNEY, Mrs. CHISHOLM, Mr. COHEN, Mrs. COLLINS of Illinois, Mr. CONTE, Mr. CONYERS, Mr. CORNELL, Mr. CORNWELL, Mr. CORRADA, Mr. DIGGS, Mr. DOWNEY, Mr. EDGAR, Mr. EDWARDS of California, Mr. EDWARDS of Oklahoma, Mr. ERTEL, Mr. FASCELL, Mrs. FENWICK, and Mr. FORD of Tennessee):

H.R. 4420. A bill to amend title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits, to provide benefits for widowed fathers with minor children, to make certain other changes so that benefits for husbands, widowers, and fathers will be payable on the same basis as benefits for wives, widows, and mothers, and to permit the payment of benefits to a married couple on their combined earnings record where that method of computation provides a higher combined benefit; to the Committee on Ways and Means.

By Mr. DRINAN (for himself, Mr. FORD of Michigan, Mr. HANNAFORD, Mr. HORTON, Mr. KOCH, Mr. LONG of Maryland, Mr. MAGUIRE, Mrs. MEYNER, Ms. MIKULSKI, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. MOORHEAD of California, Mr. MOSS, Mr. MURPHY of Pennsylvania, Mr. NEAL, Mr. OTTINGER, Mr. PATTERSON of California, Mr. RANGEL, Mr. RICHMOND, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SCHEUER, and Mr. SIMON):

H.R. 4421. A bill to amend title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits, to provide benefits for widowed fathers with minor children, to make certain other changes so that benefits for husbands, widowers, and fathers will be payable on the same basis as benefits for wives, widows, and mothers, and to permit the payment of benefits to a married couple on their combined earnings record where that method of computation provides a higher combined benefit; to the Committee on Ways and Means.

By Mr. DRINAN (for himself, Mr. STARK, Mr. THONE, Mr. WAXMAN, Mr. CHARLES WILSON of Texas, and Mr. WINN):

H.R. 4422. A bill to amend title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits, to provide benefits for widowed fathers with minor children, to make certain other changes so that benefits for husbands, widowers, and fathers will be payable on the same basis as benefits for wives, widows, and mothers, and to permit the payment of benefits to a married couple on their combined earnings record where that method of computation provides a higher combined benefit; to the Committee on Ways and Means.

By Mr. FASCELL:

H.R. 4423. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder, to the Committee on Ways and Means.

H.R. 4424. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, hearing aids, physical checkups, and foot care among the items and services for which payment may be made under the supplementary medical insurance program, and to provide safeguards against consumer abuse in the provision of these items and services; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. FASCELI (for himself, Mr. LEVITAS, Mr. CONTE, Mr. HOLLAND, and Mr. BINGHAM):

H.R. 4425. A bill to reestablish the period within which the President may transmit to the Congress plans for the reorganization of agencies of the executive branch of the Government, and for other purposes; to the Committee on Government Operations.

By Mr. FINDLEY:

H.R. 4426. A bill to amend the Federal Coal Mine Health and Safety Act of 1969 to provide certain benefits to miners disabled due to pneumoconiosis, and for other purposes; to the Committee on Educaion and Labor.

By Mr. FINDLEY (for himself, Mr. BUCHANAN, Mr. CARTER, Mr. CORNWELL, Mr. D'AMOURS, Mr. SISK, Mr. FLOOD, Mr. GILMAN, Mr. GLICKMAN, and Mrs. SPELLMAN):

H.R. 4427. A bill to terminate age discrimination in employment; to the Committee on Education and Labor.

By Mr. FREY (for himself, Mr. BADHAM, Mr. BAUCUS, Mr. BLOUIN, Mr. BRINKLEY, Mr. BURGENER, Mr. CEDERBERG, Mr. COCHRAN, Mr. DAVIS, Mr. DUNCAN of Tennessee, Mr. EMERY, Mr. GILMAN, Mr. HALL, Mr. HORTON, Mr. HOWARD, Mr. KEMP, Mr. KINDNESS, Mr. MCCLOSKEY, Mr. MITCHELL of New York, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. NEAL, Mr. PRESSLER, Mr. SKUBITZ, and Mr. WALKER):

H.R. 4428. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of certain increases in monthly benefits under the Social Security Act and other Federal retirement programs; to the Committee on Veterans' Affairs.

By Mr. FREY (for himself, Mr. CHARLES WILSON of Texas, and Mr. YOUNG of Florida):

H.R. 4429. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of certain increases in monthly benefits under the Social Security Act and other Federal retirement programs; to the Committee on Veterans' Affairs.

By Mr. FREY (for himself, Mr. BADHAM, Mr. BAUCUS, Mr. BLOUIN, Mr. BURGENER, Mr. CEDERBERG, Mr. COCHRAN, Mr. DAVIS, Mr. DUNCAN of Tennessee, Mr. EMERY, Mr. GILMAN, Mr. HORTON, Mr. HOWARD, Mr. HYDE, Mr. JEFFORDS, Mr. JONES of North Carolina, Mr. KEMP, Mr. KINDNESS, Mrs.

LLOYD of Tennessee, Mr. MCCLOSKEY, Mr. MITCHELL of New York, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. NEAL, and Mr. PEPPER):

H.R. 4430. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. FREY (for himself, Mr. ROE, Mr. CHARLES WILSON of Texas, and Mr. YOUNG of Florida):

H.R. 4431. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. FREY (for himself and Mr. SKUBITZ):

H.R. 4432. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. GINN:

H.R. 4433. A bill to amend the Federal Trade Commission Act (15 U.S.C. 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

H.R. 4434. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. HARRINGTON (for himself, Mr. ASHLEY, Mr. BADILLO, Mr. BOLAND, Mr. BRODHEAD, Mr. CARNEY, Ms. CHISHOLM, Mr. CONTE, Mr. CONYERS, Mr. CORRADA, Mr. COTTER, Mr. DOWNEY, Mr. DRINAN, and Mr. EILBERG):

H.R. 4435. A bill to provide for the expansion of the Current Population Survey published by the Bureau of Labor Statistics so as to provide each State with monthly unemployment statistics; to the Committee on Education and Labor.

By Mr. HARRINGTON (for himself, Mr. HAWKINS, Ms. HOLTZMAN, Mr. HORTON, Mr. JENRETTE, Mr. LAFALCE, Mr. MARKEY, Mr. MCKINNEY, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. RANGEL, Mr. SCHEUER, Mr. SEIBERLING, and Mr. WEISS):

H.R. 4436. A bill to provide for the expansion of the Current Population Survey published by the Bureau of Labor Statistics so as to provide each State with monthly unemployment statistics; to the Committee on Education and Labor.

By Mr. JEFFORDS (for himself and Mr. MARKS):

H.R. 4437. A bill to provide price support for milk at not less than 85 percent of the parity price therefor, and for other purposes; to the Committee on Agriculture.

By Mr. JONES of Oklahoma:

H.R. 4438. A bill to amend the Federal Food, Drug, and Cosmetic Act to require that the identity of the manufacturer of a prescription drug appear on the label of the package from which the drug is to be dispensed; to the Committee on Interstate and Foreign Commerce.

H.R. 4439. A bill to amend title II of the Social Security Act to increase to $4,000 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions is permitted an individual each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. KETCHUM (for himself, Mr. MITCHELL of New York, Mr. MOORHEAD of California, Mr. MARTIN, and Mr. RUDD):

H.R. 4440. A bill to amend the Immigration and Nationality Act to eliminate the procedures for voluntary departure with respect to certain aliens illegally in the United States and to increase the penalties for the illegal entry of aliens; to require the Attorney General to employ additional personnel to patrol and land borders of the United States, and for other purposes; to the Committee on the Judiciary.

By Ms. KEYS:

H.R. 4441. A bill to establish a pilot system for the periodic review and for the termination, continuation, or reestablishment of Federal agencies and independent regulatory agencies; jointly, to the Committees on Government Operations, and Rules.

By Mr. KINDNESS:

H.R. 4442. A bill to replace the program established under the Food Stamp Act of 1964 with a 5-year federally financed program established by the States; to the Committee on Agriculture.

By Mr. LEACH:

H.R. 4443. A bill to amend section 18 of the Federal Deposit Insurance Act; to the Committee on Banking, Finance and Urban Affairs.

By Mr. DINGELL (for himself and Mr. BROYHILL):

H.R. 4444. A bill to amend the Clean Air Act to establish certain motor vehicle emission standards, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LE FANTE:

H.R. 4445. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; to the Committee on Interstate and Foreign Commerce.

By Mr. LEGGETT:

H.R. 4446. A bill to amend section 1331(c) of title 10, United States Code, to authorize the granting of retired pay to persons otherwise qualified who were Reserves before August 16, 1945, and who served on active duty during the so-called Berlin crisis, and for other purposes; to the Committee on Armed Services.

By Mr. LEGGETT (for himself, Mr. BROWN of California, Mr. DELLUMS, Mr. EDWARDS of California, Mr. HAWKINS, Mr. MOSS, Mrs. PETTIS, Mr. ROYBAL, and Mr. STARK):

H.R. 4447. A bill to authorize and direct the Secretary of the Department of Health, Education, and Welfare to convey certain lands to D–Q University on fee simple absolute; to the Committee on Interior and Insular Affairs.

By Mr. LOTT:

H.R. 4448. A bill to amend title 5, United States Code, to extend certain benefits to former employees of county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LOTT (for himself, Mr. SIMON, Mr. THONE, Mr. BEVILL, Mr. DEVINE, Mr. DAN DANIEL, Mr. GINN, Mr. WHITEHURST, Mr. MILFORD, Mr. GILMAN, Mr. COCHRAN, Mr. ABDNOR, Mr. NEAL, Mr. CLEVELAND, Mr. JENRETTE, Mr. MOAKLEY, Mr. CONTE, and Mr. EDWARDS of Oklahoma):

H.R. 4449. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. MCCLORY (for himself, Mr. BUTLER, Mr. ROBERT W. DANIEL JR., Mr. DAN DANIEL, Mr. ERTEL, Mr. FRENZEL, Mr. GRADISON, Mr. GUDGER, Mr. HAGEDORN, Mr. HUGHES, Mr. KINDNESS, Mr. LENT, Mr. MOORHEAD of California, Mr. MURPHY of New York, Mr. MURTHA, Mrs. SPELLMAN, Mr. TREEN, and Mr. WHITEHURST):

H.R. 4450. A bill to amend the Bail Reform Act of 1966 to authorize consideration of danger to the community in setting conditions of release, to authorize revocation of pretrial release for persons who violate their release conditions, intimidate witnesses or jurors, or commit new offenses, and for other purposes; to the Committee on Judiciary.

By Mr. MCKINNEY (for himself, Mr. CONTE, Mr. HOWARD, Mr. HUGHES, Mr. LENT, Mr. PATTERSON of California, Mr. RINALDO, Mr. SARASIN, and Mrs. SPELLMAN):

H.R. 4451. A bill to amend the Mineral Leasing Act of 1920 as amended by the Trans-Alaska Pipeline Authorization Act to insure domestic distribution of Alaskan crude oil through clarification of the 1973 Trans-Alaska Pipeline Authorization Act; jointly, to the Committees on Interior and Insular Affairs, and International Relations.

By Mr. MURPHY of New York:

H.R. 4452. A bill to amend the Communications Act of 1934, in order to limit network control over television programming; to promote competition in the production, sale, and distribution of programs for television broadcasting; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RODINO:

H.R. 4453. A bill to require the President, the Vice President, Justices and Judges and officers and employees of the United States to file statements with designated officers and the Civil Service Commission with respect to their income and financial transactions; to the Committee on the Judiciary.

H.R. 4454. A bill to establish a Commission on Ethics and Financial Disclosure for Officers and Employees of the Federal Government and for other purposes; jointly to the Committees on the Judiciary, Post Office and Civil Service, Armed Services, and Standards of Official Conduct.

By Mr. ROE:

H.R. 4455. A bill to amend title I of the Housing and Community Development Act of 1974 for the purpose of providing that units of general local government receiving grants under the holdharmless provisions of such title shall be entitled, after fiscal year 1977, to continue to receive at least the amount to which they are presently entitled under such provisions; to the Committee on Banking, Finance and Urban Affairs.

H.R. 4456. A bill to authorize the Administrator of the National Fire Prevention and Control Administration to make grants to volunteer fire departments which are unable to purchase necessary firefighting equipment because of the increased cost of such equipment as the result of inflation; to the Committee on Banking, Finance and Urban Affairs.

H.R. 4457. A bill to extend and revise the authority of the President under chapter 9 of title 5, United States Code, to transmit to the Congress plans for the reorganization of the agencies of the executive branch of the Government, and for other purposes; to the Committee on Government Operations.

By Mr. ROSTENKOWSKI (for himself and Mr. WAGGONNER):

H.R. 4458. A bill to amend provisions of the Internal Revenue Code of 1954 relating to distilled spirits, and for other purposes; to the Committee on Ways and Means.

By Mr. SCHULZE:

H.R. 4459. A bill to amend the Internal Revenue Code of 1954 to allow an income tax credit for tuition expenses of the taxpayer or the taxpayer's spouse or dependent at an institution of higher education; to the Committee on Ways and Means.

By Mr. SHARP (for himself, Mr. APPLEGATE, Mr. ASHLEY, Mr. BAUCUS, Mr. BENJAMIN, Mr. BRADEMAS, Mr. BRODHEAD, Mr. BURKE of Massachusetts, Mr. DENT, Mr. HAWKINS, Mr. ICHORD, Mr. LAFALCE, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, Mr. NOWAK, Ms. OAKAR, Mr. OTTINGER, Mr. RHODES, Mr. RICHMOND, Mr. SEIBERLING, Mr. SIMON, Mr. STRATTON, and Mr. VENTO):

H.R. 4460. A bill to amend the worker adjustment assistance provisions of the Trade Act of 1974 in order to provide that workers may be covered under certification of eligibility to apply for such assistance if they are totally or partially separated from adversely affected employment within 2 years before the date of the petition for such certification; to the Committee on Ways and Means.

By Mr. SISK (for himself and Mr. KREBS):

H.R. 4461. A bill to assure that weather modification activities and the collection of hydrometeorological information necessary to the management of water resources can be conducted in conjunction with the management and administration of wilderness areas and other Federal lands; to the Committee on Interior and Insular Affairs.

By Mr. STARK (for himself, Mr. CHARLES WILSON of Texas, Mr. SOLARZ, Mr. ECKHARDT, Mr. FRASER, and Mr. CONTE):

H.R. 4462. A bill to authorize the Secretary of the Interior to study the feasibility of a national park, recreation area, or wilderness area in the Ridgelands east of the San Francisco Bay in the State of California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STARK (for himself, Mr. BROWN of California, Mr. MILLER of California, Mr. PHILLIP BURTON, Mr. BADILLO, Mrs. BOGGS, Mr. BURKE of Florida, Mrs. BURKE of California, Mr. CARR, Mr. DELLUMS, Mr. DE LUGO, Mr. DOWNEY, Mr. EDGAR, Mr. EDWARDS of California, Mr. HARRIS, Mr. MOAKLEY, Mr. MINETA, Mr. MOFFETT, Mr. MOORHEAD of Pennsylvania, Mr. RICHMOND, Mr. ROYBAL, Mr. RYAN, Mr. SCHEUER, Mr. SEIBERLING, and Mr. SIMON):

H.R. 4463. A bill to authorize the Secretary of the Interior to study the feasibility of a national park, recreation area, or wilderness area in the Ridgelands east of the San Francisco Bay in the State of California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WOLFF:

H.R. 4464. A bill to amend the Internal Revenue Code of 1954 to provide that pensions paid to retired policemen or firemen or their dependents, or to the widows or other survivors of deceased policemen or firemen, shall not be subject to the income tax; to the Committee on Ways and Means.

By Mr. CHARLES H. WILSON of California:

H.R. 4465. A bill to establish a program of comprehensive medical, hospital, and dental care as protection against the cost of ordinary and catastrophic illness by requiring employers to make insurance available to each employee and his family, by Federal financing of insurance for persons of low income, in whole or in part according to ability to pay, and by assuring the availability of insurance to all persons regardless of medical history, and on a guaranteed renewable basis; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ANDERSON of Illinois (for himself, Mr. MICHEL, and Mr. HORTON):

H.R. 4466. A bill to establish a Department of Energy in the executive branch by the reorganization of energy functions within the Federal Government in order to secure effective management, to assure a coordinated National energy policy and for other purposes; to the Committee on Government Operations.

By Mr. ANNUNZIO (for himself, Mr. RODINO, Mr. ADDABBO, Mr. CAPUTO, Mr. CONTE, Mr. DENT, Mr. LAFALCE, Mr. LEGGETT, Mr. MAZZOLI, Mr. MILLER of California, Mr. MINISH, Mr. MOAKLEY, Mr. MURPHY of New York, Mr. OBERSTAR, Mr. PANETTA, Mr. RINALDO, Mr. RUSSO, Mr. SANTINI, Mr. VENTO, and Mr. ZEFERETTI):

H.R. 4467. A bill to amend the Foreign Assistance Act of 1961 to authorize additional funds for the assistance of the victims of the earthquake occurring on May 6, 1976, in the Friuli region of Italy; to the Committee on International Relations.

By Mr. BROWN of California (for himself, Mr. WINN, Mr. ABDNOR, Mr. AMBRO, Mr. BADILLO, Mr. BEDELL, Mr. BROWN of Ohio, Mr. EDWARDS of California, Mr. HARKIN, Mr. HAWKINS, Mr. JEFFORDS, Mr. LUJAN, Mr. NOLAN, Mr. PATTEN, Mr. PATTERSON of California, Mr. SIMON, Mr. TONRY, Mr. WALKER, Mr. WAXMAN, and Mr. WIRTH):

H.R. 4468. A bill to authorize and direct the establishment of a coordinated national program related to climate, and for other purposes; to the Committee on Science and Technology.

By Mr. BROWN of Michigan (for himself and Mr. CORCORAN of Illinois):

H.R. 4469. A bill to amend the Accounting and Auditing Act of 1950 to provide for a performance audit by the Comptroller General, of the bank supervisory function of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency; to the Committee on Government Operations.

By Mr. FRENZEL:

H.R. 4470. A bill to provide third-class mailing privileges to Gold Star Wives of America, Inc., to the Committee on Post Office and Civil Service.

By Mr. GILMAN:

H.R. 4471. A bill to regulate commerce and to prohibit unfair or deceptive acts or practices in commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HAMILTON:

H.R. 4472. A bill to regulate lobbying and related activities; to the Committee on the Judiciary.

By Mr. HARSHA:

H.R. 4473. A bill to provide increases in certain civil service retirement annuities; to the Committee on Post Office and Civil Service.

By Mr. KINDNESS:

H.R. 4474. A bill to amend the Federal Water Pollution Control Act to eliminate certain restrictions on the system of user charges any owner or operator of a publicly owned treatment works may impose on the recipients of waste treatment services; to the Committee on Public Works and Transportation.

By Mr. LEHMAN:

H.R. 4475. A bill to terminate the airlines mutual aid agreement; to the Committee on Public Works and Transportation.

H.R. 4476. A bill to authorize a program for employment of teenaged youth in community improvement projects; to the Committee on Public Works and Transportation.

H.R. 4477. A bill to amend title XVI of the Social Security Act to establish a more adequate and realistic guaranteed annual income for all aged, blind, and disabled individuals by increasing benefit amounts, and to establish outreach procedures to assure that all potential recipients of benefits under such program will be fully informed concerning such benefits; to the Committee on Ways and Means.

By Mr. LOTT (for himself and Mr. FRENZEL):

H.R. 4478. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. McDONALD:

H.R. 4479. A bill to insure the equal protection of the laws and to protect the liberty of citizens as guaranteed by the 14th amendment, by eliminating Federal court jurisdiction over forced school attendance; to the Committee on the Judiciary.

By Mr. McEWEN:

H.R. 4480. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. NOLAN:

H.R. 4481. A bill to direct the Secretary of Agriculture to make payment to owners of cattle who sell their cattle in order to avoid excessive losses which would force such owners out of the business of dairy farming or producing beef cattle; to the Committee on Agriculture.

By Mr. RHODES (for himself, Mr. RUDD, and Mr. STUMP):

H.R. 4482. A bill to provide for the appointment of additional judgeships for the U.S. district courts and courts of appeals, and for other purposes; to the Committee on the Judiciary.

By Mr. ROE:

H.R. 4483. A bill to amend the Social Security Act to provide for the updating of safety provisions in skilled nursing facilities; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ROUSSELOT:

H.R. 4484. A bill relating to collective bargaining representation of postal employees; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of California:

H.J. Res. 302. Joint resolution to designate the week commencing with the third Monday in February of each year as National Patriotism Week; to the Committee on Post Office and Civil Service.

By Mr. BEVILL:

H.J. Res. 303. Joint resolution to designate the week commencing with the third Monday in February of each year as National Patriotism Week; to the Committee on Post Office and Civil Service.

By Mr. KINDNESS:

H.J. Res. 304. Joint resolution proposing an amendment to the Constitution of the United States to provide that no law varying the

compensation of Members of the Congress may take effect before an intervening election of Members of the House of Representatives; to the Committee on the Judiciary.

H.J. Res. 305. Joint resolution proposing an amendment to the Constitution of the United States to establish a court of the States; to the Committee on the Judiciary.

By Mr. LONG of Maryland (for himself and Mr. MONTGOMERY):

H.J. Res. 306. Joint resolution proposing an amendment to the Constitution of the United States to provide that the President shall not, without the approval of Congress, grant a pardon to a person for a criminal offense against the United States for which such person has not been convicted; to the Committee on the Judiciary.

By Mr. McEWEN:

H.J. Res. 307. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. MURTHA:

H.J. Res. 308. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. ROE:

H.J. Res. 309. Joint resolution to designate the week commencing with the third Monday in February of each year as National Patriotism Week; to the Committee on Post Office and Civil Service.

By Mr. PEASE (for himself, Mr. ZABLOCKI, Mr. FRASER, Mr. BRECKINRIDGE, Mr. METCALFE, Mr. HARRINGTON, Mr. EILBERG, Mr. HAWKINS, Mr. MOAKLEY, Mr. BEILENSON, Mr. LONG of Maryland, Mr. UDALL, Mr. ROSE, Mr. BEDELL, Mr. GLICKMAN, Mr. SOLARZ, Ms. MIKULSKI, Mr. VENTO, Mrs. SPELLMAN, Mr. CORMAN, Mr. ROSENTHAL, Mr. DODD, Mr. PATTISON of New York, and Mr. RICHMOND):

H. Con. Res. 137. Concurrent resolution reaffirming the commitment of the United States to obtain full compliance with the human rights provisions of the Helsinki Accords and to press for global commitment to human rights; to the Committee on International Relations.

By Mr. SMITH of Iowa:

H. Res. 370. Resolution to provide funds for the further expenses of the investigations and studies of the Committee on Small Business; to the Committee on House Administration.

By Mr. BROOKS (for himself, Mr. GIAIMO, Mr. OBERSTAR, Mr. CLEVELAND, and Mr. ASHBROOK):

H. Res. 372. Resolution to establish the House Commission on Congressional Operations; to the Committee on Rules.

By Mr. PRESSLER:

H. Res. 373. Resolution to provide that Members of the House of Representatives shall include information relating to the salaries of their employees in newsletters mailed by such Members; to the Committee on House Administration.

By Mr. SISK (for himself, Mr. ANDERSON of Illinois, Mr. BAUCUS, Mr. CARR, Ms. CHISHOLM, Mr. D'AMOURS, Mr. EDWARDS of Oklahoma, Mr. GEPHARDT, Mr. GIBBONS, Mr. GORE, Mr. HAWKINS, Mr. HORTON, Mr. KETCHUM, Mr. LEACH, Mr. MAGUIRE, Mr. MURPHY of Illinois, Mr. PEPPER, and Mr. STUDDS):

H. Res. 374. Resolution amending the Rules of the House of Representatives to provide for television and radio coverage of the proceedings of the House; to the Committee on Rules.

By Mr. SISK (for himself, Mr. ANDREWS of North Dakota, Mr. BEARD of Rhode Island, Mr. BLANCHARD, Mr. BROWN of Ohio, Mr. BURGENER, Mr. DIGGS, Mr. DRINAN, Mr. GLICKMAN, Mr. LAGOMARSINO, Mr. MAZZOLI, Mr. McHUGH, Mr. MURPHY of Pennsylvania, Mr. MURPHY of Illinois, Mr. NOLAN, Mr. OTTINGER, Mr. PATTERSON of California, Mr. PEPPER, and Mr. SOLARZ):

H. Res. 375. Resolution amending the Rules of the House of Representatives to provide for television and radio coverage of the proceedings of the House; to the Committee on Rules.

By Mr. SISK (for himself, Mr. AUCOIN, Mr. BEDELL, Mr. BEILENSON, Mr. BRODHEAD, Mr. CORNWELL, Mr. DOWNEY, Mr. HOLLENBECK, Mr. JEFFORDS, Mr. KOSTMAYER, Mr. LEHMAN, Mr. LUNDINE, Mrs. MEYNER, Mr. MOFFETT, Mr. MURPHY of Illinois, Mr. PATTISON of New York, Mr. PEPPER, Mr. ROYBAL, and Mr. STEIGER):

H. Res. 376. Resolution amending the Rules of the House of Representatives to provides for television and radio coverage of the proceedings of the House; to the Committee on Rules.

By Mr. SISK (for himself, Mr. BALDUS, Mr. BONIOR, Mr. DELLUMS, Mrs. FENWICK, Mr. HARRIS, Mr. KREBS, Mr. LEVITAS, Mr. McCLOSKEY, Mr. MURPHY of Illinois, Mr. NEAL, Ms. OAKAR, Mr. PANETTA, Mr. PEPPER, Mr. RANGEL, Mr. RICHMOND, Mr. SCHEUER, and Mr. SIMON):

H. Res. 377. Resolution amending the Rules of the House of Representatives to provide for television and radio coverage of the proceedings of the House; to the Committee on Rules.

By Mr. UDALL:

H. Res. 378. Resolution providing for the expenses for the first session activities of the Committee on Interior and Insular Affairs; to the Committee on House Administration.

By Mr. BOB WILSON:

H. Res. 379. Resolution authorizing the printing as a House document the dedication ceremony of the portrait of the Honorable Melvin Price, chairman, Committee on Armed Services; to the Committtee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FLOOD:

H.R. 4485. A bill for the relief of Kiyonao Okami; to the Committee on the Judiciary.

By Mr. FREY:

H.R. 4486. A bill for the relief of United Broadcasting Company of Florida, Inc.; to the Committee on the Judiciary.

By Mr. LUJAN:

H.R. 4487. A bill for the relief of United Broadcasting Company of Florida, Inc.; to the Committee on the Judiciary.

By Mr. MOTTL:

H.R. 4488. A bill for the relief of Milton Karchin; to the Committee on the Judiciary.

By Mr. VAN DEERLIN:

H.R. 4489. A bill for the relief of Maria Esperanza Fraijo; to the Committee on the Judiciary.

By Mr. BOB WILSON:

H.R. 4490. A bill for the relief of Syed Muhammad Ali Naqvi; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

AFRICAN RACIAL CONFLICT

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, March 3, 1977

Mr. HARRY F. BYRD, JR. Mr. President, to some observers of the recent history of American foreign policy, the new doctrine that the United States must involve itself deeply in the resolution of African racial conflict has a disturbingly familiar ring.

When sophisticated and intelligent officials begin to preach of American moral responsibility to shape events in the trouble lands below the Zambezi, some hear ghostly echoes of voices that not too long ago called on their countrymen to insure the triumph of virtue in Indochina.

I am among those who hear those old voices. Another is columnist David S. Broder, who has set forth his concerns in eloquent words.

In a column published in the Richmond Times-Dispatch on February 24, Mr. Broder recounted a "not for attribution" luncheon interview with an unidentified official who set forth the "moral and historical responsibility" for American intervention in the affairs of Southern Africa.

Broder wrote:

What made it so scary was that it was all so civilized and rational.

Indeed. One is inevitably reminded of the crystalline logic of the would-be saviors of Saigon: First assistance, then advisers, then small increments of troops, then a massive commitment, and then calamity. But so very logical, all the way.

Noting that the Carter administration appears to be moving rapidly toward deep involvement in Southern Africa, Mr. Broder comments:

One has the sense of having lived through this before and of paying in blood and treasure and political bitterness for that misdirected, moralistic urge to determine the future of the whole globe.

I hope that Mr. Broder's words will be read and heeded. I ask unanimous consent that the text of his column be printed in the Extensions of Remarks.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

A WARNING OF DEJA VU ON OUR POLICY IN AFRICA * * *

(By David S. Broder)

WASHINGTON.—What made it scary was that it was all so civilized and rational.

The guest sat and twirled his swizzle stick between his fingers. The Dubonnet in the glass before him was forgotten in his concentration on the logic of his own argument. Reporters who had invited him to discuss his thoughts, in one of those cozy not-for-attribution Washington luncheons, were equally civilized, asking their questions with a politeness befitting the guest's rank.

But at least one of those reporters—this

one—felt the edge of apprehension, a cold chill, a sense of danger in the talk.

It was an emotional reaction. All that had been said was that the United States had both "a moral and a historical responsibility" to do all in its power to avert a bloody racial struggle in southern Africa.

It was said in such a quiet, thoughtful way that it seemed a truism. And yet it raised disturbing echoes.

Sixteen years ago in this city, there were equally scholarly and civilized men who argued that America's historic and moral mission was to guide and shape the destiny of Indochina. And that conceit led to calamity.

The parallel, as always in human affairs, is inexact. The situations are different and so is the rhetoric. The argument for American intervention—or rather, as the policymakers prefer to say, participation—in the black-white conflict in Rhodesia and South Africa is this:

Great trouble threatens in that part of the world and, as a great power, we cannot ignore it. A prolonged racial war is likely to become an ideological struggle, radicalizing even the moderate African leaders and drawing in the Soviet and Soviet-bloc forces already nibbling on the edges of the crisis.

An American effort could fail to prevent the holocaust; it is never easy to preach the cause of moderation in the midst of what is clearly a revolution. But there is also the chance that greater political involvement by the United States—not sending troops, you understand—might just be the added factor that swings the situation in a favorable direction.

That's the argument—as appealing now in southern Africa as it was 16 years ago in Indochina. And once again, it rests on a fateful assumption—so easy for officials of a new administration to accept. It is that America can manage the world better than any other nation and that the administration now in power can achieve what its predecessor did not even dare attempt.

It was that same fatal hubris—the sin of pride which David Halberstam described in *The Best and the Brightest*—that chilled the atmosphere at our luncheon and made one want to cry out, "Oh, no, not that again!"

Instead, I just asked how the United States had acquired this "moral and historical responsibility for the future of southern Africa.

It was not long ago that our government barely felt the need of an African policy. We were busy "winning hearts and minds" in the Mekong Delta and the highlands of Vietnam, as Lyndon Johnson liked to say. But just as the rout of the French led us into Vietnam, so the abandonment of Angola by the Portuguese turned our attention to Africa.

After Angola, Henry Kissinger quickly improvised an American policy for Africa, pledging us to majority rule for the blacks, but letting Great Britain take the lead in the ticklish Rhodesian negotiation.

In the few weeks of the Carter administration, three things have happened: The United States has embraced even more closely the aims of the African leaders. The British initiative has been rebuffed by Ian Smith's white minority government. And the violence on both sides has increased.

To any prudent person, that would dictate a posture of great caution. But Andrew Young—the brilliant man who has been tragically miscast as the American ambassador to the United Nations—is the opposite of cautious.

He returned from his visit to Africa saying it had been beastly of Kissinger to let the poor old British stew with that Rhodesian problem. He announced, as if it were the cause for celebration, that his friends in Africa were eager as all get-out for the United States to take over their case. Meantime, the British have been warning, Smith's game is to inveigle the United States into backing his doomed cause.

When both sides are so eager to involve us as their champion, one would like to hear American officials talking coolly—even skeptically—about adding this tragic conflict to our list of world responsibilities. Instead, there is an inexplicable eagerness for involvement.

One has the sense of having lived through this before and of paying in blood and treasure and political bitterness for that misdirected, moralistic urge to determine the future of the whole globe.

It seems our fate to be led by men who know our "moral and historical responsibility" better than they know the folly of our human vanity.

ATTITUDE AND PUBLIC STATEMENTS OF MR. PAUL WARNKE

HON. DAN MARIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. MARRIOTT. Mr. Speaker, due to the attitude and public statements of Mr. Paul Warnke, I strongly feel that he should be disqualified as the nominee for Director of the Arms Control and Disarmament Agency, whose major responsibility is chief negotiator in strategic arms limitations talks with the Soviet Union. This position is too important to the national security to trust it to one who has an erroneous belief that strategic superiority is unimportant.

From all I can learn, Mr. Warnke would be better qualified to head the Peace Corps.

He leans toward unilateral disarmament despite the arms buildup carried on by the Soviet Union. He recommends against the B–1 bomber, Trident submarine, MX missile, and cruise missile, and favors reducing the national defense budget, in a belief that strategic superiority is meaningless.

It is hard for me to believe that men in high public office cannot see the intentions of the Soviet Union. Since 1967 we have frozen our ICBM force to 1,054 and our SLBM force to 656, while the Soviets have expanded to 1,603 and 725 respectively. The fact that they are hardening their silos, dispersing their industries, developing and deploying mobile missile launchers, improving ABM technology, and making an all-out effort toward a massive civil defense program should leave little doubt in anyone's mind about their real intentions.

We need a man in this important position who comprehends the long-range objectives of the Soviet Union and can deal with them from a position of strength. We need a man who will not allow the Soviet Union to lull us into complacency while they prepare to destroy us. Brezhnev himself declared on August 22, 1973:

Peaceful coexistence does not mean the end of the struggle of the two world powers. The struggle between the proletariat and the bourgeoisie, between world socialism and imperialism, will be waged right up to the complete and final victory of communism on a world scale.

In a recent interview I had with Vladimir Bukovsky, he stated:

Falling for the Russians' program of disarmament would only cause us all to meet someday in a Russian concentration camp.

I believe George Washington was correct when he said:

There is a rank due to the United States among nations which will be withheld, if not absolutely lost, by the reputation of weakness. if we desire to avoid insult, we must be able to repel it; if we desire to secure peace, one of the most powerful instruments of our rising prosperity, it must be known that we are at all times ready for war.

Based upon the facts as they are, the past history of the Soviet Union and the Salt I agreements, and good commonsense, I stand firm in response to my duties and obligations as a Member of the U.S. House of Representatives, sworn to work for the best interests of the people of this counrty, and therefore I must voice strong opposition against the nomination of Paul Warnke.

BULGARIA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. DERWINSKI. Mr. Speaker, I wish to call the attention of the Members to the fact that today marks the 99th anniversary of Bulgarian independence. This independence came to the Bulgarian people before the present Communist government was imposed upon them. This day commemorates the successful revolt by the Bulgarians against the Turks, who had dominated their land for centuries.

One of the ironies of Bulgarian history is that the independence achieved in 1878 was aided by the Russian armies who helped free the country from Turkish occupation. However, at the close of World War II, Bulgaria was invaded by Soviet military forces who imposed a Communist government over the people.

Like the other countries behind the Iron Curtain, the Bulgarian people are deprived of their basic freedoms. In fact, their country has been described as the most Stalinistic regime in Eastern Europe. But I predict that the forces which are producing dissident movements throughout Eastern Europe will also develop in Bulgaria.

If ever given the opportunity to vote by secret ballot for their choice of political leadership, I am confident that the Bulgarian people would opt for a government of their choice, and not the Communist regime that presently rules them.

Bulgaria is a beautiful country and its people have demonstrated great courage, strength, and fortitude throughout their history. Like other peoples under communism, they look forward to the day when true democracy will be restored to their land.

TESTIMONY OF DR. ALLEN H. MELTZER

HON. CLAIR W. BURGENER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. BURGENER. Mr. Speaker, the House Budget Committee was privileged to hear this testimony today from Dr. Allan H. Meltzer. I believe that Dr. Meltzer's testimony is so important that I wish to share it with all my colleagues in addition to the readers of the RECORD:

ECONOMIC POLICY IN THE CARTER ADMINISTRATION

(By Allan H. Meltzer)

A new administration, a new Congress and a new corps of economic advisers is commonly the occasion to reconsider the strategy for the future, the successes and failures of the past, and the long-term consequences of current actions. Early impressions are subject to revision, in much the same way that economic statistics are revised, and I hope that my early impression of Carter administration policies will be as incorrect as the forecasts of those who found real meaning in the so-called "pause" last fall.

The first signs are disquieting, however, to anyone who believes that the proper goals of policy for the United States are to return to full employment, eliminate inflation, improve efficiency in the use of resources, and increase freedom. These goals cannot be achieved by programs that place one objective—employment—above all others or that strive to achieve more employment now and reduce inflation "later." Freedom and efficiency are reduced, and sustained inflation is unaffected by guidelines for price and wage increases. Whether these guidelines are mandatory or whether they are called "voluntary," their principal result is to divert the attention of the public by offering a comic opera for their leisure and a waste of the time of those who enforce controls and those who respond to the enforcers.

Guidelines and controls are not the only restriction on freedom and efficiency. The emergency energy program, the first economic legislation passed this year, is heavy with the suggestion that it is more important to investigate the ownership of natural gas inventories than to encourage efficient production of additional supply. Once again, we have acted in crisis to increase the authority and power of the government over economic activity, exchanging freedom and an efficient solution for some temporary relief from the cold.

Government controls and regulations created a shortage of natural gas and prevented a rational solution to the shortage. The government uses the crisis to justify an increase in its power and authority to allocate supply and coerce suppliers. The fact that the grant of power is temporary justifies neither the grant of authority nor the failure to choose a rational solution.

The administration's fiscal program also developed in disregard of freedom and efficiency. The presumption underlying the program is the simple Keynesian view that neglects all effects on incentives, prices and anticipations. What matters for consumption is the amount consumers receive; what matters for investment is the additional amount consumers spend. Thoughtful investors and consumers who project after tax rates of return before deciding to invest could be encouraged by permanent tax reduction, or in other ways, but they are not. Indeed, they cannot for long be encouraged by the fiscal prospects that we face.

The fiscal program neglects freedom and efficiency, also, by protecting the bureaucracy and future budgets from reductions that would increase the efficiency with which society uses resources and the freedom of individuals to decide on how they wish to spend their incomes. The long-run thrust of the Carter program is to balance the government budget only, if at all, by increasing tax rates through inflation, not by reducing the growth of public outlays or the relative size of government.

In three respects, the fiscal program is a strong reminder of some past policies. First, once again, we are to know the arrogance of fine tuning. Second, we are offered another piece of legislation designed by the Association for the Protection of the Civil Service. Third, we return to the failed policy of "priorities" that promises lower unemployment now and less inflation later but produces instead a temporary gain in employment followed by more inflation and more unemployment later. I propose to discuss the short- and long-term effects of the administration's program in turn and to offer an alternative.

THE SHORT-TERM PROBLEM

The fiscal program is based on two errors. One is judgmental; the other is a conceptual error with several facts. Let me dispose of the judgmental issue quickly since it is rapidly becoming clear that the much discussed slowdown in the economy was misinterpreted by Keynesians eager to believe that, because government spending in the third quarter fell below projections, the economy paused.

If we look at the quarterly rates of change of gross national product in 1976, the expansion reaches a peak rate of change in the first quarter, then slows for the rest of the year. The growth of final sales shows exactly the opposite pattern. Rates of change of final sales in dollars of constant purchasing power are lowest in the first quarter and highest at the end of the year. The difference between the two series is entirely the result of business decisions to first build and then reduce inventories.

There is a simple, plausible explanation of the pattern of inventory change. At the beginning of 1976, the belief was widespread that the administration and the Federal Reserve would produce enough stimulus to assist in the election of Gerald Ford. Excessive fiscal or monetary stimulus in election years in part of the pattern known as the political business cycle. Election year 1964 brought a tax cut. Elections in 1968 and 1972 brought a mixture of expansive fiscal and monetary policies. Election year 1976 was widely expected to bring more of the same.

In the first months of 1976, businesses built inventories in anticipation of rapidly rising sales and the higher rates of inflation they expected to follow. By the end of the first quarter, anticipations of another political business cycle were confirmed. The time for stimulus that would benefit the incumbents passed. Vetos of spending programs made the headlines. Inventories were brought into closer relation to sales.

This interpretation of 1976 suggests that additional stimulus is neither required nor desirable. The economy does not require a fiscal program to stimulate spending and create jobs. The weakness of the economy was overstated during the election campaign; current strength is misjudged.

Errors in forecasting are not so rare that we should dwell on them. Two percentage points or more is about the average error in quarterly forecasts of the rate of change of real GNP and the price level in recent years.

The more serious problem arises from the type of action proposed. The fiscal program appears to be based on a belief that economists can achieve more output now without increasing the rate of inflation. This is to be done by timing the injections of stimulus and restraint so as to bring idle resources into use. The critical underlying assumption is that, bottlenecks aside, larger supplies of output can be produced without raising the rate of price change. Even avid proponents of additional stimulus recognize that the stimulus must be reduced when the economy approaches full employment. We have returned to fine tuning.

Instead of general policies that provide relatively clear indications of the thrust to be exerted by government programs, private decision makers face increased uncertainty. To make plans, they must guess at the type of tax structure and the length of time reductions in unemployment insurance taxes or increases in investment tax credits will remain in effect. To estimate future sales, they must guess at the size and duration of the effect of the rebate.

Behind the fiscal package lies the belief that economists can predict the effect of various mixes of stimuli with sufficient accuracy to provide a choice to policymakers. The alternative of providing a more stable fiscal environment is rejected. This, too, is a return to fine tuning. I do not know any evidence to support the belief that economists can predict the short-term aggregate effects of specific tax cuts with sufficient accuracy to justify the policies that are now proposed.

LONG-TERM EFFECTS

Choice of a one-time rebate instead of general tax reduction is a way of maintaining future tax collections. President Carter has promised a balanced budget for fiscal year 1981, and permanent tax reduction would permit that promise to be kept only if the growth of government falls or the rate of inflation rises. Speculation on whether the administration can achieve a balanced budget for fiscal 1981 generally ignores the effects of inflation. Since the tax system is not indexed, a balanced budget can be achieved by allowing inflation to rise.

In Five Year Budget Projections: Fiscal Years 1978–82, the Congressional Budget Office shows the extent to which inflation is required to balance the budget in 1981 or 1982. Much of their analysis is based on an explicit assumption that the unemployment rate can be brought to 4% by 1982 if real growth is maintained in the neighborhood of 5½% for the next four years. The policy of vigorous expansion adds to inflation so that by 1982, the inflation rate is back to the 1976 level.

Many economists in and out of government regard the projected 4% unemployment rate as achievable only temporarily and at the cost of rising inflation. Several careful studies of the labor force show that after adjustment for demographic changes, the full employment rate of unemployment is now about 5.5% to 6%. The Congressional Budget Office developed a set of projections based on a less vigorous expansion that reduces inflation. On the less vigorous expansion path, unemployment and inflation fall to 5.5% and 4.6% respectively in 1982. All of my estimates start from these budget data.

The presumed expansion produces 10.4% nominal GNP growth in 1977 and 9.8% in 1978. Subsequently, nominal growth is steady at 8.6%, with 4.0% real growth and inflation of 4.6%. No effort is made to reduce inflation after 1979, so inflation raises government revenue by pushing households into higher tax brackets. Moreover, owners of business firms are taxed because depreciation of capital is tied to historic cost. The replacement cost of capital rises with inflation, but depreciation does not, so reported profits are overstated by the difference between replacement cost and the book value of capital. Corporate taxes are increased in this way. As one of my former students Hai Hong points out, the government continues to collect tax revenues from firms even if inflation ends tomorrow. Of course, owners of capital have taken

the loss in the stock market, and new owners of capital intensive firms pay a price that reflects the estimated after tax revenues.

The effects of inflation on tax payers remain in a fully anticipated inflation. To these, we must add the effects of unanticipated inflation. Unanticipated inflation taxes owners nominal wealth. These effects are more frequently discussed by economists, but they are much smaller than the effects of anticipated inflation on tax payments.

The 4.7% inflation assumed by the Congressional Budget Office adds $24 billion to Federal tax revenues in 1978 and transfers $150 billion in 1982. For the five year period 1977–82 the cumulative increase in tax payments from inflation is $408 billion. These sums are obtained using an average marginal tax rate of 25% and the estimated change in real income, obtained from the CBO, to compute the tax revenues that would be collected if inflation ended in 1977.

The $408 billion tax revenue from inflation is 16% of total tax collections in the five year period. The tax revenues from inflation permit the government to balance the budget and to increase the share of GNP collected in taxes. On the CBO assumptions, Federal tax collections as a percentage of GNP increase by more than two percentage points as we move toward full employment in 1982.

An estimate of the contribution of inflation to reducing the budget deficit requires an adjustment of government outlays. Outlays increase with inflation by less than taxes. The response of outlays to inflation computed from CBO projections, is more variable from year to year than the response of taxes, so I used the computed response for each year instead of the average response for the five year period.

The cumulated deficit for the five years 1978 to 1982 is $162 billion at zero rate of inflation and $45 billion on the CBO assumptions. Inflation reduces the budget deficit by more than $100 billion in five years. This is a crude but, I believe, useful measure of the net transfer from private to public uses resulting from the effects of inflation on tax payments.

The calculations leave out many adjustments. Interest on the public debt would be changed by the larger deficits and by the lower interest rates resulting from an end to inflation. My calculations have used average effects instead of the more accurate calculations that recognize the different effects on social security taxes, excises, and personal and corporate taxes. Lower inflation would also change the real returns to capital by reducing the tax on existing capital, thereby changing the composition of output, the size of capital gains and capital gains taxes, and the like. Adjustments to steady inflation by investors and consumers would undo many of the adjustments that have been made, for example reducing investment in land or gold stocks relative to investment in depreciable capital. All of these, and many other, effects on taxes, spending and output are ignored.

We cannot hope to end inflation by 1978 and remain on a path toward full employment. The first effects of the sharp reduction in the rate of monetary expansion will cause revision of plans. Those who accumulated inventories or planned production or spending on the assumption of sustained inflation must adjust planning to the new environment. Unemployment will increase and the growth of output and perhaps output will at first fall. Gradually, it will return to its growth path at a lower average rate of inflation, but government payments for welfare and unemployment compensation will be larger and tax collections smaller. The actual deficit would be much larger than the $162 billion if there is an attempt to end inflation suddenly. The $162 billion is an estimate of the effect of inflation on government revenues and outlays, not a projection of the effect on the deficit of an end to inflation.

In the past several years, we have seen that the economy can recover while inflation is ended gradually. A policy of reducing the growth rate of money by stages has brought a recovery from recession, expansion, reduction in unemployment and in inflation. Continuation of gradualism, I believe, can bring inflation to an end by the early 1980's. Despite growing evidence that the policy of reducing inflation has ended, I assume the policy continues, specifically that rates of inflation fall by approximately 1% per year to reach zero in 1982. Real growth is kept at the CBO's less vigorous expansion path. The gradual reduction of inflation may change the yearly numbers, but any early reductions would be offset by later increases.

The projected budget deficit falls from $46 billion in 1978 to $5 billion in 1982. Tax collections in 1982 are $518 billion, about $100 billion lower than under CBO projections, and outlays are lower by $65 billion. The budget is near balance with full employment and no inflation. The table below compares the budget position and GNP resulting from my assumptions to the CBO estimates.

INFLATION, TAXES AND THE DEFICIT

Year	Growth of GNP (in percent)	In current dollars					
		My assumptions			CBO assumptions		
		GNP	Taxes	Deficit	GNP	Taxes	Deficit
1977	10.4	1,884	362	−50.6	1,884	362	−50.6
1978	8.8	2,050	400	−46.0	2,075	405	−46.0
1979	6.6	2,186	436	−34.0	2,259	454	−29.0
1980	5.6	2,308	466	−26.0	2,457	505	−14.0
1981	4.6	2,414	494	−14.0	2,673	562	+10.0
1982	4.0	2,511	518	−5.0	2,909	621	+34.0

My proposed budget has very different consequences from the CBO budget. The share of GNP taken in taxes by the Federal government is reduced from 21.4% to 20.6%. Much of the reduction is the result of a small deficit instead of a budget surplus, but this is misleading. I have made no provision for the reduction in interest payments on the Federal debt that would result from the removal of inflation premiums in interest rates. Average interest rates on the outstanding debt in 1982 would fall from the 7% projected by the CBO to 3 or 3½%, so after allowing for the larger deficits, there is a reduction of $15 billion or more in outlays.

It would be a mistake to attach too much reliance to any of the estimates or projections five or six years ahead. The estimates show that a balanced budget, a smaller share of GNP absorbed by government and an end to inflation are feasible and compatible goals. By 1978, the projected budget deficits can be financed with a rate of increase in the monetary base that is consistent with slower inflation and no further increase in the ratio of government debt to base money. No later than 1980, the financing of the deficit permits the Federal Reserve to slow money growth and reduce outstanding public debt to make room for additional financing of housing and private capital formation.

AN ALTERNATIVE PROGRAM

The difficulties I find in the administration's program do not lie as much with the inaccuracies of the projections as in the requirements on government. All of the projections assume that Congress holds spending to levels no higher than the projections. These allow for expansion of existing programs, but permit no additions. Every new program must be matched by a reduction in an existing program.

Does anyone believe that Congress or the administration will behave in this way? The $50 billion deficit for fiscal 1977 had been increased to $70 billion by January and will be increased further. A deficit of more than $75 billion for fiscal 1977 seems likely, and the new administration and the new Congress have only begun to search out new ways of spending. The increase in fuel costs is seen as an opportunity to grant additional relief to families that pay more for heating. At the same time, there are proposals for additional stimulus for the economy on the grounds that higher spending on utilities must be offset to cushion the shock to employment. Apparently, those who receive the additional payment for food or fuel are expected to withhold their receipts from the spending stream, so government must correct their behavior.

I will not dwell on the obvious reasons why this argument is wrong. Even if it were correct, it is fine tuning with a vengeance. Every shift in spending brings a new program or an addition to an old program. The government takes responsibility for smoothing out the ripples in economic life disregarding that their forecasts of the ripples are subject to large errors and that their actions create uncertainties about the future that are at times as disturbing and unsettling to the economy as the rippies they attempt to smooth.

We need not continue to restrict freedom and reduce efficiency in the interests of full employment. There is an alternative path to full employment that uses our resources, increases freedom and encourages efficiency.

Inflation, restrictions, prohibitions and regulations not only reduce the return to capital and labor and discourage investment, but they transfer resources to less productive uses. If we reduce the army of regulators to a brigade or platoon, we raise productivity by transferring resources from less efficient to more efficient activities. Those engaged in negotiation over the rules and their application are directed to more productive tasks. Productivity increases and saving is attracted from the many other places in the world where restrictions, disincentives, and regulations lower the rate of investment in new and more productive facilities.

Many countries have followed the path we have followed. They, too, restrict freedom and efficiency in the use of resources, limit returns to investment, and create uncertainty about the future. By increasing freedom and encouraging efficiency, we can raise our standard of living and develop opportunities for employment at higher real earnings and with more freedom to decide how we spend our incomes.

This is a long-term program, for improving the efficiency with which we use resources and improving the performance of the economy. Unemployment is generally regarded as a current problem that we must solve sooner than my proposals permit. If this is correct, we must recognize that much of our long-term unemployment is the result of past policies particularly the minimum wage law and restrictions on entry into professions and occupations written into local and national laws. Few actions would have more effect on long-term unemployment of teenagers than the removal of minimum wage laws and other barriers to entering the labor market.

Ending inflation, increasing employment, reducing the burden of a large government, increasing efficiency and encouraging freedom are compatible goals that can be achieved by this administration, if they avoid three temptations: to fine tune the economy, to preserve and nurture the growth of bureaucracy, and to believe that they can choose to increase employment now and reduce inflation later.

DISAPPROVAL OF BUDGET DEFERRAL FOR ERDA'S BIOMEDICAL AND ENVIRONMENTAL RESEARCH PROGRAM—HOUSE RESOLUTION 307

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. BROWN of California. Mr. Speaker, I would like to note my strong support for the disapproval resolution regarding the ERDA biomedical and environmental research budget. These programs, in the Environment and Safety Division of ERDA, are as important to our Nation's goal of meeting its energy needs as are the development of new oilfields, or the opening of coal mines. We cannot move confidently ahead with energy source development unless we understand the health and ecological effects of what we are doing. If we plunge forward blindly we are likely to run into expensive and delaying situations requiring major retrofit or redesign of energy systems, to meet environmental constraints we could have known in advance. The investment in understanding environmental effects will be paid back many times in avoiding these delays.

One important emphasis of these programs in the Environment and Safety Division has been epidemiological studies related to energy use. It has been increasingly clear in recent years that a great many of our public health problems are related to pollutants in the environment. Because these health problems appear slowly, and often in complex synergistic patterns, they are often impossible to detect by conventional individual diagnosis. Instead, only detailed and sophisticated epidemiological monitoring systems will provide adequate warning. I commend the ERDA Assistant Administrator for perceiving that need and I am glad my colleagues on the Appropriations Subcommittee recognize it as well.

I am aware, of course, of the need to provide strong budgetary oversight in areas of new and expanding programs. ERDA's Environment and Safety Division certainly falls in that class. The new authorizing subcommittee for that program, the Subcommittee on the Environemnt and Atmosphere which I am privileged to chair, will pay careful and detailed attention to this oversight function. We also want to work in close cooperation with our Appropriation Subcommittee colleagues on both program and related budget oversight. In addition, we want, indeed, to work closely with OMB and the executive branch in assessing problems and budgetary priorities. We recognize the budgetary expertise of OMB and their ability, sometimes greater than ours, to identify at an early stage program problems and areas where budgetary reductions may be warranted due to difficulties in schedules or organization of new efforts. We do not want to ignore these problem areas, and we will welcome OMB's "early warning" of difficulties, so that we can work together to take whatever measures are needed.

PEANUT PROGRAM

HON. JACK EDWARDS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. EDWARDS of Alabama. Mr. Speaker, my good friend and Alabama colleague BILL DICKINSON was misquoted earlier this year in a news story regarding the peanut program. I know of his strong support for the program and as a matter of public record I am placing in the CONGRESSIONAL RECORD the substance of a correction which ran in the Dothan Eagle on February 10:

DICKINSON ISSUES PEANUT STATEMENT

EDITOR'S NOTE: The following statement was sent to The Eagle by Cong. W. L. "Bill" Dickinson and is self-explanatory. The Eagle is using the statement in accordance with Mr. Dickinson's request:

Recently I gave a Washington reporter for The Eagle two interviews in one—her first interview and her last. Because from that interview came a distorted and misleading news story about peanuts which appeared in The Eagle.

For several years I have worked closely with Dick Maloy, Ken Dalecki and Peter Sleeper, Washington reporters for The Eagle. They have consistently reported fairly and quoted me correctly. Unfortunately, the newest reporter for the Washington Bureau is Judy Burke, a Washington, D.C. native, who evidently has trouble understanding "Southern" talk.

I would like to correct that report in which I was misquoted and quoted out of context—to set the record straight.

As most of the readers of The Eagle know, I have always been a strong supporter of the peanut program and have worked hard in the Congress to keep and improve the peanut program. I will always continue to do so.

However, in the interview lasting over 30 minutes the only quotes Ms. Burke used were misleading, out of context, and in several instances misquoted. Thus, the news story would lead one to believe that I was opposed to the peanut program. Nothing could be further from the truth.

For instance, I said "If the farmer can't make it growing peanuts (without price supports) he would have to grow something else," Ms. Burke quoted me as saying, "If he (the farmer) can't hack it, let him go somewhere else." There is a big difference in tone and intent of these two statements.

The fact is, we in the Congress do not know what to expect from the new Carter Administration relative to the peanut program and I explained this to the reporter. "We are all waiting to see what will happen," I told her.

I must admit that I was quoted right in one instance, however. I said if the program should be discontinued, it should not be done "precipitously." It should be phased out over several years and I would suggest a 10 year period to give the farmers time to wear out their farm equipment while deciding whether or not to continue to plant peanuts or to plant something else.

She also quoted me correctly as saying, "There's got to be some stability, some assurance" for the farmer. Unfortunately, that statement was in the last paragraph of the story.

It is not my intent to interfere with a reporter doing her job or the first amendment rights of a free press, but when a person is misquoted on a subject as important as this by a new reporter who has little knowledge of the peanut program, I believe it is in the best interests of everyone involved to clear up any misunderstanding that might have occurred.

The peanut farmers of my Second District know that I have consistently supported the peanut program and I have repeatedly fought attempts to destroy the program. Many of these fights came on the floor of the House and are a matter of public record.

I will continue to support farm policies that are in the best interest of the farmers of my district, and that includes the peanut program.

WARNKE—A DISTURBING NOMINATION

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. ROBINSON. Mr. Speaker, the President's nomination of Mr. Paul Warnke to be Director of the Arms Control and Disarmament Agency and the President's stated intention to have Mr. Warnke serve as chief negotiator in the Strategic Arms Limitation Talks—SALT—with the Soviet Union are matters presently the active concern of the other body. Such nominations obviously are not subject to official review by this House.

As a member of the House Defense Appropriations Subcommittee, and as a citizen, however, I am impelled to express strong reservations as to the President's selection for these assignments, which are of the highest sensitivity to the long-term national security of this country.

Let me emphasize that I seek to raise no question as to the patriotism of this nominee. Insofar as I am aware, Mr. Warnke is an earnest individual of substantial knowledge and talent. In view of the tenor of his numerous past statements on national defense matters, though, I do not feel at all secure as to his fitness to head an agency having as its responsibility the relaxation of the international arms race under conditions within the limits of acceptable risk. Mr. Warnke's apparent view of the parameters of acceptable risk in the face of the methodical buildup of the military power—nuclear and conventional—of the Soviet Union, and the hardening of its ability to withstand a counterstrike to any aggressive adventure it might undertake, is much too sanguine.

A rereading of Mr. Warnke's statements over a substantial period of time cannot do other than confirm an impression that he regards as negotiable our present and prospective capacities in a number of weapons systems which represent, in the judgment of defense strategists of high competence, our minimal prudent margin of advantage—or even maintenance of parity—vis-a-vis the Soviet arsenal.

Most Members of this House have access to a large body of ominous evidence, open, and classified, as to the magnitude of the great and growing threat to our national security. The particularly intense exposure to such information which we have in the Subcommittee on Defense Appropriations is even more chilling.

To have a disciple of the unilateral concession such as Mr. Warnke in charge of arms limitation negotiations with the Soviet Union at this time would be, in my deeply felt conviction, a serious handicap to the United States in bargaining of the most momentous order.

SHALL WE RETURN TO THE DRAFT?

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. STEIGER. Mr. Speaker, there was an excellent article in the February 28, Air Force Times, written by Ira C. Eaker, which points out the strength of the volunteer army concept and the flaws in the arguments of those who say we should return to the draft.

In his piece, "Shall We Return to the Draft?," Eaker notes that "The all-volunteer system must be maintained because it is the only policy compatible with the American dedication to freedom of individual choice of a career." As he says, the draft "was probably unfair to the individual and therefore not a viable solution in a democratic society."

Eaker makes several other very good points in his column. I feel they merit the closest, most careful attention of all readers of the RECORD. The article follows:

SHALL WE RETURN TO THE DRAFT?

(By Ira C. Eaker)

A considerable propaganda compaign is building up to abandon the all-volunteer system for obtaining our needed military manpower.

The all-volunteer system must be maintained because it is the only policy compatible with the American dedication to freedom of individual choice of a career.

We cannot return to the draft because it is basically involuntary servitude.

We abandoned the draft because we belatedly recognized, in the stress of the war in Vietnam, that it was palpably unfair to the individual and therefore not a viable solution in a democratic society.

Why should we tolerate the condition where one brother, by the gamble of a lottery, was condemned to fight in Vienam for $90 per month (an E-1's pay in the mid-1960s) while other brothers were permitted to go into industry at $4 per hour?

Or even worse, why should we say that a man who elected to go to college, or to enlist in the Reserve forces, should not have to fight in an unpopular war while the men who could not qualify for college or who did not know about the Reserve deferment, must join the Army and go to Vietnam?

But there are other weaknesses, beside the obvious inequity, which work against the return to the draft for our military manpower.

A one-, or even two-year, draft does not provide the skilled manpower now required by the highly technical state of modern arms. It now requires more than a year of training to produce a capable combat pilot, missile operator, radar technician or maintenance mechanic for the advanced weapons of all services. There is no point, then, in giving them this expensive training only to lose them just when they have qualified to serve effectively.

Lately, there has been considerable interest in universal service. This idea provides that every citizen, upon reaching 18 years of age, should devote a year to some form of federal service, either military, or civil, as in the Peace Corps. The fallacy in that suggestion is obvious. Universal military service, at the time Gen. George Marshall proposed it, was a viable solution, when most soldiers carried only a rifle.

The only solution to military manpower is to find two million men and women who freely elect to pursue a military career. The recent reaction to the television program "Roots" makes it quite clear that our countrymen will never again tolerate slavery, military or otherwise.

When Congress, three years ago, abandoned conscription and adopted the all-volunteer system, it wisely recognized that pay for military service must be made compatible with wages in civil life for similar skills. At the same time, it also recognized that the military career had such disadvantages as long periods of family separation, physical hazard and long duty hours. To overcome these handicaps, it provides fringe benefits, such as hospitalization for dependents, post exchanges, commissaries, retirement pay and educational benefits.

Under these conditions the all-volunteer system proved adequate. Now, surprisingly and irrationally, Congress is cutting down, or threatening, all these fringe benefits. The reaction, as could have been expected, is that the all-volunteer system is not now providing all the necessary military manpower.

The present answer is not conscription, which our people will never again tolerate, but to reinstate the pay and emoluments which made the all-volunteer system initially successful.

FEDERAL DISASTER PROGRAMS ARE INADEQUATE FOR CATTLE RANCHERS

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. NOLAN. Mr. Speaker, existing disaster programs designed to provide relief for cow-calf operators and family dairy operators have been welcome, but inadequate.

In the last few years, depressed cattle prices have forced a substantial reduction in herds, including the number of cows. Culling of the herds continues as a result of prolonged drought, a severe winter, and a drastic reduction in feed supplies, water and other resources.

In addition, some of these operators have incurred so much debt that it is impossible or impractical to borrow more funds.

If family-size ranchers and farmers are to survive under such dire circumstances, they need assistance in order to temporarily reduce their herds during the current emergency, and then rebuild their herds, bringing them back into production when weather and market conditions improve.

This bill does not provide compensation for culling steers or bulls, and does not apply to commercial feeding operators and speculators. The bill is designed for the survival of hard-pressed small dairy producers and cow-calf operators by providing them with the immediate assistance necessary to encourage them to stay in the business of ranching and farming.

Without this assistance, family-size dairy producers and cow-calf operators will be increasingly forced to sell out.

WERNHER VON BRAUN

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. BOB WILSON. Mr. Speaker, one of the most remarkable men of our century, Dr. Wernher von Braun, has been made the subject of a fascinating book by space and science writer Erik Bergaust. The painstakingly researched biography covers von Braun's entire life—from his early years in Germany, where he gave birth to modern rocketry to his arrival in the United States and his subsequent stunning space achievements.

The grandeur of Von Braun's place in history rests upon the role he played against great odds, in making only a beginning to transform a fledgling myth—the dream of flying into space—a viable and respected science.

Author Bergaust has had the advantage of knowing Von Braun as a friend, hunting and fishing companion, space business associate—and biographer. Thus, he has been able to present a dramatic portrait of an important personality and national hero and I am glad to be able to bring this work to the attention of my colleagues:

VON BRAUN'S LIFE EXAMINED

"Wernher von Braun," by Erik Bergaust; National Space Institution; illustrated; index; 589 pages; $13.95.

Erik Bergaust, the founder and first editor of Missile and Rockets magazine and the author of more than 40 books, writes of space technology and its history with the polished insight to be expected of a writer who has devoted most of his career to that single field. He also brings to this approved biography some 25 years of close friendship with "the father of modern space flight," providing many anecdotes and perceptive observations about Von Braun that probably would be missed by other biographers. Particularly absorbing is the detailed account of the development of the V-2 rocket in Germany before and during World War II.

Adolf Hitler witnessed test firings of rockets leading up to the V-2 on March 23, 1939, at the Kummersdorf artillery range, south of Berlin. On that day, Von Braun thoroughly briefed the Fuhrer on the concept of the V-2, then called the A-4, and described how it could carry a one-ton warhead 275 kilometers.

The possibilities escaped Hitler at that time and the rocket development program crept on, hampered by a low budget. Von Braun, however, kept his engineering team doggedly on the project.

In the spring of 1942, the first V-2 soared up from the Peenemunde Rocket Center on the Baltic coast, a flight which in view of what has happened since then ranks with the Wright brothers airplane flight at Kitty Hawk, N.C.

Yet, it was not until June, 1943 that Hitler finally ordered the V-2 into full-scale production, with a high national priority.

Within nine months, factories were turn-

ing out 300 V-2 rockets a month and on Sept. 8, 1944, at 6:37 p.m., the first tactical V-2 weapon was fired from German-occupied Netherlands toward England. Five and one half minutes later, the 46-foot-long missile, carrying 2,000 pounds of TNT, exploded with great devastation on Chiswick-on-Thames, outside London.

In the next six months, until the Nazi war machine fell apart, 1,115 V-2 rocket bombs fell on England. Later, President Eisenhower wrote: "It seemed likely that, if the Germans had succeeded in perfecting and using these new weapons six months earlier than they did, our invasion of Europe would have proved exceedingly difficult, perhaps impossible."

Von Braun's incredible story includes many frustrations and victories comparable to the V-2 incidents en route to his leading roles in bringing about the first American satellite, the first man on the moon and other space exploration feats. The book contains 96 photos and illustrations and benefits from a detailed index.

If there is one glaring failure, it may be that Bergaust is too close to his subject. Bergaust spoons out doting admiration of Von Braun, painting him as an almost godlike figure. One wonders whether a more critical analysis would reveal much more of the space pioneer's character.

EQUITY IN SOCIAL SECURITY: THE COURT FORCES THE ISSUE

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. FRASER. Mr. Speaker, yesterday's Supreme Court decision gives us no choice but to undertake an intensive examination of the way our social security system entitles men and women to benefits. The Court ruled that old-age survivors' benefits must be available to widowers on the same basis that they are currently available to widows. Further, the Court noted that "gender-based classifications have been uniformly held to be unconstitutional," suggesting that men should be entitled to husbands' benefits on the same basis that women are entitled to wives' benefits.

Since men have not had easy access to such derivative benefits in the past, eliminating these discriminatory features from the system will be costly, a predicted $500 million in the first year alone. The system cannot afford such an additional cost at a time when severe financial strain already threatens its future. Consequently, it is imperative for us to examine alternatives to the Supreme Court decision that would eliminate the discriminatory features in the act without such an onerous cost.

Mr. Speaker, on February 8, my colleague Congresswoman MARTHA KEYS and I introduced H.R. 3247, the Equity in Social Security for Individuals and Families Act. Essentially, our proposal "desexes" social security. Unlike the Supreme Court decision, it does not add a substantial number of beneficiaries but instead, redistributes benefits equitably.

The alternative we propose seems quite in line with yesterday's Court opinion which reasoned that the current assumption inherent in the system that women are dependent on men for over half of their support is not consistent with reality, referring to it as an "old notion." The effect of the Court's decision, however, is to begin assuming dependency for husbands in the same way dependency is now assumed for wives. Certainly this is in the interests of equity but, as Justice Brennan asserted, the notion is "archaic." Nonetheless, the Court's decision leaves us with a system filled with dependency entitlements, broadened to include widowers and husbands.

The Supreme Court decision broadens derivative or dependent benefits. Our proposal eliminates derivative benefits for spouses by providing a recordkeeping mechanism that will give the maximum number of adults their own wage records on which they would claim their own benefits.

Under our proposal, social security records would be based on wages earned by both spouses. If only one spouse worked in employment covered by social security, both spouses would be credited with an equal portion of that wage. If both spouses worked, their incomes would be considered jointly and each would be credited with an equal portion of their combined wages. This crediting would be done annually, based on work and marital patterns of 1 year. Each spouse, then, would have his or her own record which would be carried through his or her lifetime and would be built upon as that person marries, divorces, works, and retires. Individuals would become entitled to benefits only from their own records, no longer depending on the wage record of another for their social insurance.

Mr. Speaker, I suggest our proposal is timely and I urge my colleagues to recognize it as an idea that deserves thorough examination.

CONSUMER FRAUD BILL

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. GILMAN. Mr. Speaker, today I am introducing legislation designed to prohibit unfair or deceptive acts or practices in commerce and to protect the consumer from "economic crimes," which, though they might be subtle and easily disguised, are widespread, commonplace, and insidious in their effects. The importance of such legislation is evident at a time when consumer awareness has reached a peak, at a time when the consumer has become educated and expects quality merchandise, quality services and fair standards applied in business and commercial transactions. It is time for the perpetrators of consumer fraud to be checked in their activities, and for the principles of fair trade and practice to once more be offered, not as a privilege to American consumers, but as a right.

There are many factors contributing to the high incidence of consumer fraud. Many of our existing systems and laws work to the advantage of the fraudulent wheelers and dealers who victimize America's consumers. In an article appearing in the March 1976 issue of the Michigan Law Review, Donald P. Rothschild and Bruce C. Throne illustrate how the media and adverse economic conditions significantly contribute to the perpetration of consumer-oriented fraud:

> The hard-core consumer-fraud offender knows that he can feed upon technologically induced patterns of conspicuous consumption by employing advertising techniques that utilize the simplest deceptive devices, all the while operating under the media's air of legitimacy. There are strong indications that economic "hard times" and high unemployment rates also contribute to an increased rate of crime, including fraud offenses . . . recent statistics support this . . . the chief of the postal inspection service, reporting a rise in the incidents of mail fraud in the last six months of 1974, noted that "one major reason is the recession."

With economic conditions so unfavorable at this time, it is imperative that we protect Americans from further economic victimization at the hands of greedy, unscrupulous businessmen who, knowing the tight money situation, manipulate the public to further their own ends. At a time when our dollars can buy only a fraction of what they used to buy, it is important to protect consumers from further economic impotence. I believe that consumer fraud legislation is a step in the right direction.

My legislation is designed to protect the consumer from the threats of misrepresentation, chain referrals, pyramid bait-and-switch schemes, false and misleading advertising, get-rich-quick schemes and other commonplace fraudulent business practices. There are seven unfair business practices spelled out in this legislation, which, if checked, would entitle consumers to once more enjoy the knowledge that they are "getting their money's worth":

First. Offering or advertising goods or services for sale to a consumer and not selling them as so offered or advertised, or without ability to supply reasonably expected public demands unless the offer or advertisement clearly and conspicuously discloses the limitation;

Second. Making false or misleading statements regarding the nature and characteristics of goods or services sold to consumers;

Third. Making a statement that the goods or services offered have an origin, sponsorship, use, feature, ingredient, or performance characteristic which they do not have;

Fourth. Accepting consideration for goods or services and failing to deliver the goods or to perform the promised services or failing to refund deposits and advance payments for these goods and services;

Fifth. Using actual or threatened physical force, harassment, or misrepresentation of law in collecting the purchase price of consumer goods or services;

Sixth. Making a statement that goods are original or new if such goods are deteriorated, altered, reconditioned, reclaimed, used or second-hand; or

Seventh. Making any false or misleading statement with respect to the reasons for, existence of, or amount of any price reduction in connection with the sale of any goods or services.

This measure permits a consumer to cancel any contract or agreement that arises out of a transaction involving unfair consumer practice and provides that the Attorney General of the United States, the appropriate U.S. attorney, or the chief law enforcement officer of any State, as parens patriae of the people of that State, may bring action in the appropriate Federal or State court to enjoin an unfair consumer practice.

In order to deter the perpetrators of consumer fraud, any person who engages in fraudulent practices would be fined no more than $1 million or be imprisoned for no more than 1 year or both. Such a substantial fine, I believe, is necessary to check the spread and lower the incidence of rampant consumer fraud practices.

I urge my colleagues to join with me in fighting economic crime, and in this extension of protection for all consumers in the United States. Mr. Speaker, I am inserting at this point in the RECORD the full text of this legislation, the Consumer Fraud Bill of 1977:

H.R. —

A bill to regulate commerce and to prohibit unfair or deceptive acts or practices in commerce, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Fraud Act".

SEC. 2. As used in this Act, the term—

(1) "consumer" means any person who is offered or supplied goods or services for personal, family, or household purposes;

(2) "goods" means personal and real property, but the term does not include securities or interests in securities;

(3) "services" mean any benefit resulting from the labor, skill, or time of another person or from the use of property including, but not limited to, labor, professional service, transportation, telephone, mail, or other public service, electricity, gas, other public utility service, banking, accommodations in hotels, restaurants, or other places, admission to exhibitions, performances, or other places, and the use of property owned by another;

(4) "statement" means any representation in any form of advertising, any oral or visual presentation, or any other representation, presentation, or conduct which is communicated to consumers;

(5) "supplier" means any person who is in the business of making goods or services available to consumers; and

(6) "unfair consumer practice" means any of the following:

(A) offering or advertising goods or services for sale to a consumer and not selling them as so offered or advertised, or without ability to supply reasonably expectable public demands, unless the offer or advertisement clearly and conspicuously discloses the limitation;

(B) making false or misleading statements with respect to goods or services which are offered for sale or sold to a consumer with respect to the need therefor; the need for repair or replacement thereof; rights, privileges, or remedies, in connection therewith; prior ownership thereof; grade, age, quality, style, standard, or model thereof; or price or quality comparisons with similar goods or services offered for sale to consumers by the same or another supplier;

(C) making a statement that goods or services offered for sale or sold to a consumer have sponsorship, approval, origin, safety or performance characteristics, ingredients or components, uses, features, benefits, or quantities which the goods or services do not have;

(D) accepting consideration for goods or services and failing to deliver such goods or perform such services as promised or failing to return or refund deposits or advance payments for goods or services which are not rendered in absence of any default or breach of obligation on the part of the consumer making such deposits or advance payments;

(E) using physical force, threat of physical force, tortious threats or harassment, or misrepresentation of law in the course of a sale or attempted sale to a consumer of goods or services or in the course of collection of the purchase price or portion thereof of goods and services from a consumer;

(F) making a statement that goods are original or new if such goods are deteriorated, altered, reconditioned, reclaimed, used, or second-hand; or

(G) making any false or misleading statement with respect to the reasons for, existence of, or amount of, any price reduction in connection with the sale of any goods or services.

SEC. 3. (a) Chapter 63 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1344. Unfair practices

"Whoever, in connection with the sale, attempted sale, or distribution of goods or services to a consumer, or in connection with the collection or attempted collection of the purchase price or portion thereof of goods or services by the use of any means or instrumentality of transportation or communication in or affecting interstate or foreign commerce including the use of the mails, engages in an unfair consumer practice, as defined in section 2(6) of the Consumer Fraud Act, shall be fined no more than $1,000,000 or imprisoned no more than one year, or both.".

(b) The chapter analysis of chapter 63 of title 18, United States Code, is amended by adding at the end thereof the following new item:

'1344. Unfair consumer practices.'.

SEC. 4. Any contract or agreement in or affecting interstate or foreign commerce which provides for the purchase of goods or services which results from a transaction that involves an unfair consumer practice by a supplier may be voided by the affected consumer. Any person who induces a consumer to enter into a contract or agreement pursuant to or in furtherance of an unfair consumer practice shall be liable to such consumer in an amount equal to three times the damage or loss suffered, together with the costs of any legal action required including a reasonable attorney's fee. Such amount may be recovered in a civil action in an appropriate district court of the United States or in any State court of competent jurisdiction. The district courts of the United States shall have jurisdiction of any action brought under this section without regard to the citizenship of the parties or the amount in controversy An action under this section may be brought within three years from the time that the unfair consumer practice was discovered or reasonably should have been discovered.

SEC. 5. The Attorney General of the United States, the appropriate United States attorney, or the chief law enforcement officer or the attorney general of any State in which a prohibited act or practice occurred (as parens patriae of the people of such State, after notifying the Attorney General of the United States) may, upon a finding that any person is engaged or is about to engage in any act or practice which constitutes an unfair consumer practice, bring an action in the appropriate district court of the United States, or in the appropriate State court of competent jurisdiction, to enjoin such act or practice. Such courts shall have jurisdiction over such actions and shall provide appropriate relief. Such court may grant a temporary restraining order, or a preliminary or permanent injunction without bond.

THE DEPARTMENT OF ENERGY ORGANIZATION ACT

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. ANDERSON of Illinois. Mr. Speaker, I am today introducing the Department of Energy Organization Act along with two of my respected colleagues, Mr. MICHEL, the minority whip, and Mr. HORTON, the ranking minority member of the Government Operations Committee. The act is identical to the legislation submitted yesterday in support of the President's energy reorganization message.

I was pleased to be invited to the White House earlier this week to hear the President and his key advisor, Dr. James Schlesinger, talk of the need for efficient management in the executive branch as they work toward forging a national energy policy. For too long the Government has been charging off in many diverse directions and there has been little sense of where the whole program is headed. I am confident that the legislation which I am introducing today will assist substantially in developing a policy which will put the Nation's energy efforts on a steady course.

As one who has been closely tied to energy policy through by 13 years on the Joint Committee on Atomic Energy and as one who has for years recognized the real hazards of proceeding without a sense of direction, it has been particularly frustrating the last 2 years as bureaucratic confusion, political confrontation, and technological puritanism have inhibited efforts to come to grips with our growing energy shortfall. This past winter has been a shock to our system economically, politically, and technically and it serves as fair warning that things are not going to get better by themselves. The executive branch and the Congress must forge a new alliance in order to sift through the multitude of options for energy conservation, energy production, and environmental protection. We both need to understand each other and we have to be working from a common data base. We, I am sure, will differ on approach and such differences of opinion will serve to protect the broad public interest. To the degree that the new Department of Energy can sort through the tangle of conflicting information on energy and present a cohesive

set of rational judgments on production and reserves, we will have a common ground from which to begin. And to the degree that the executive branch can speak with one voice, confusion in the media and on the Hill can be moderated.

However, as a chain is only as strong as its weakest link, so is the policymaking process. It is important for the President to put together energy policies efficiently and we applaud his efforts in this legislation. But to have that cohesive policy sent to the Congress to be disassembled and treated in segments is at best inefficient and in fact could be disastrous. The 1975 energy message from President Ford was carved up and sent to nine committees of the House. It never got put back together. I would not like to see the same happen to the message from this President.

I continue to feel that a mechanism must be found to treat energy policy formulation in the House in a more systematic way. I feel that a Select Committee on Energy Policy with legislative jurisdiction is a wise and responsible way to move and I have communicated my thoughts on this subject to the Speaker and the leadership of the House and House committees more than a month ago.

Energy policy setting must focus on three important goals—energy production, energy conservation, and environmental protection, not necessarily in that order. In the past we have considered these as three separate entities, but there can be no question that they interact strongly. Conservation efforts have and will continue to have a strong role to play in reducing our profligate consumptive habits and reducing the new energy capacity needed in the future. This does not reduce the need to plan for new capacity, however, since major shifts in demand patterns will take place. Conservation is most important in our liquid and gaseous fossil fuels, those which continue to be in shortest supply, but which are our most important energy inputs. As supplies of these fuels dwindle, major shifts will take place toward the electrical sector and it is these shifts which have to be built into effective energy planning.

Coal and nuclear power represent the only two sources of energy which can be used for large amounts of new electric power. We have some hydro sites that could be developed but the interactions of environmental protection objectives will surely prohibit use of some or most of these sites. From our lessons of the past few years, we must not rely on a single energy source for electricity production and that is why I emphasize coal and nuclear as major resources for electricity. We do not want to be in a situation where any single group in this country, whether it be business, labor, or transportation, is able to block production of the electrical energy we need for jobs and warm homes. We must retain diversity for our own security.

But to provide for this new electrical capacity, in whatever quantities are deemed necessary, we must establish goals for environmental protection. These goals must protect our already devastated energy landscape and I am confident that they can. Energy production and environmental protection are not at odds with each other. We are technologically sophisticated enough to do both. But we need to know what the regulations will be so that technological steps can be taken to meet those goals.

I see goal setting as being the most important part of the select committee work. In the budget process we set revenue floors, budget ceilings, and deficits that are inviolate. We should do the same in the select committee. When each energy resource is added together, we must be able to meet those goals which are set originally. It seems to me that this is the heart of legitimate legislating and I think that to do less is to delude ourselves.

The legislation I am introducing today should serve as a model for what the Congress should be about itself. I personally do not see a way to rewrite the Rules of the House to reform ourselves along legitimate energy jurisdictional lines quickly. It is a difficult job that requires a balancing of many interests. But I do see a very important role for the select committee in managing the legislation that the President will submit on energy policy matters. If we can take that step, then we might be able to see ourselves in a different way that could permit some more substantive reform.

In conclusion, Mr. Speaker, I am pleased to introduce this measure and indicate my support for the President in this regard. It seems to me that it is a well-conceived step, one that does not answer all of the problems, but one which certainly aims in the right direction. I am confident that the House will prove itself to be as concerned about effective management in its own ranks as it is in the executive branch.

BULGARIA'S INDEPENDENCE

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. KOCH. Mr. Speaker, today marks the anniversary of Bulgaria's independence, achieved at the end of the Russo-Turkish War of 1877–78 upon its liberation from Turkish domination and the signing of the Treaty of San Stephano. The advent of World War II, however, brought that freedom to an abrupt end. First the Nazis brutally occupied Bulgaria, and then after "liberation" by the Soviet army in 1944 a Communist-dominated puppet regime was forced upon the country by the same terror and purge tactics employed by Russia throughout Eastern Europe in the postwar years.

I wish to lend my voice of support to those brave individuals who are struggling to regain Bulgaria's freedom. In recent weeks among the free, democratic people of the world there has been a resurgence of interest in violations of basic human rights. These rights are guaranteed by the 35 signatories of the Helsinki Accord, among them the Eastern European governments. However, we must also remember that Bulgaria and its fellow Eastern European neighbors are presently under foreign occupation. The fact that this occupation is hidden behind puppet governments subservient to Moscow does not lessen the violation of their sovereignty, no matter how many years pass. One day Soviet power will recede, and Bulgaria and its neighbors will again be free.

OUTSTANDING LEADERSHIP IN THE FACE OF DISASTER

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. DERWINSKI. Mr. Speaker, on Sunday, June 13, 1976, a tornado unexpectedly struck the township of Lemont, Ill. The damage was such that the county was declared a disaster area by the President.

One of the unsung heroes who was instrumental in the emergency work to effectively restore and rehabilitate the community, was township supervisor, Lou Ruppert. His effective leadership and administrative skills played a major role in the restoration of services and subsequent effective renovation of the Lemont area.

Supervisor Ruppert's outstanding leadership in the face of disaster, was most appropriately eulogized in a resolution introduced in the Illinois State House of Representatives, by State Representative Herbert Huskey, who represents the Lemont area. The resolution is typical of others by Lemont area officials who join in applauding Lou Ruppert's effective leadership:

RESOLUTION

Whereas, On Sunday, June 13, 1976, at approximately 5:30 p.m., a tornado devastated the Village and Township of Lemont, in Cook County, Illinois, leaving in its wake 24 homes demolished and damage and debris of major disaster proportions; and

Whereas, The tornado immobilized the Village and Northview Park leaving it without gas, electric power or telephones and creating emergency needs in temporary housing, food and policing to protect from looting; and

Whereas, Lemont Township Supervisor, Lewis N. Ruppert, arrived at the scene within ten minutes after the tornado struck and worked tirelessly and selflessly day and night, seven days a week for three weeks, to help, as he said, "my people and my friends who had lost everything"; and

Whereas, Township Supervisor Ruppert immediately contacted and received help from the Illinois National Guard, the Mennonite Disaster Service people, the Salvation Army, the American Red Cross, the Federal Disaster Area Agency, Civil Defense Units, many State and Cook County Departments; and

Whereas, The monumental job accomplished by Lemont Township Supervisor Ruppert in directing and coordinating the relief and disaster work necessary to protect the lives and property of the people, many of whom had lost everything in the tornado, the debris cleanup involving massive removal machinery and trucks, the drafting and

responsibility for contracts which were necessary to see that the injured were protected and rebuilding could take place according to building codes, was a public service for which the people of Lemont Township will ever be thankful; therefore, be it

Resolved, By the House of Representatives of the Eightieth General Assembly of the State of Illinois, That we highly commend the outstanding public service performed by Lemont Township Supervisor, Lewis N. Ruppert, in tirelessly directing and coordinating the disaster relief necessary in the aftermath of the tornado that demolished 24 homes in Lemont, Illinois, and Northview Park in Lemont Township in Cook County, Illinois, on June 13, 1976; and that a suitable copy of this preamble and resolution be forwarded to Lemont Township Supervisor, Lewis N. Ruppert.

NUCLEAR STRIKE CRUISERS

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. BOB WILSON. Mr. Speaker, last Thursday, the Seapower Subcommittee, of the House Armed Services Committee, ably chaired by our colleague from Florida, the able and courageous Representative CHARLES E. BENNETT, reported out a ship authorization bill which included among other capital ships, another *Nimitz* class nuclear powered carrier and start-up funds for a new class of nuclear strike cruisers.

The importance of nuclear powered task forces was dramatically demonstrated on Friday by President Carter's order to the nuclear powered carrier, the U.S.S. *Enterprise*, the nuclear powered cruiser, U.S.S. *Long Beach*, and the nuclear powered destroyer, the U.S.S. *Truxtun*, to proceed at top speed to the Kenya coast to cover any possible contingencies affecting American citizens as a result of the crazy antics of President Amin of Uganda.

This action vividly demonstrates the effectiveness of fast far-ranging nuclear strike forces in emergency conditions. The systems analysts at the Pentagon and the myopic budgeteers in the executive branch keep telling us that oil powered carriers and major combatant ships are cheaper, ignoring the appalling prospect of our Nation being low on oil reserves by the time these ships become operational and also ignoring the tactical value of nuclear power for fast strike forces which operate without an umbilical cord of oil.

A timely article about our energy problems appeared in the February 24 issue of the Washington Star. I ask unanimous consent to include this as a portion of my remarks.

HE ENDORSES USING EVERY ENERGY FORM

NOTE.—Dr. John J. McKetta, a University of Texas professor of chemical engineering, has served as chairman of the Interior Department's Advisory Committee on Energy and on a variety of other energy panels. He was interviewed by Washington Star Staff Writer Stephen M. Aug.)

QUESTION. Where would you say we are today in terms of energy independence?

MCKETTA. We are at the point of no return. There's no way in our lifetime and our children's lifetime that there's anything we could do in the United States to have energy self-sufficiency.

Q. So the old idea of energy independence by 1980 . . .

A. It's out. It's a pipe dream. It's a shuck.

Q. Why couldn't we be energy independent by say, the turn of the century?

A. First of all, in order to continue a positive gross national product would mean that you are going to have to have an increase of energy of approximately 2 or 3 percent a year. And this will continue between now and the year 2000. From the supply standpoint there is nothing you can do today that would bring you more energy by the next seven or eight years. You can't open enough coal mines or increase the transportation and so forth in the next five or seven or eight years. In the United States it takes about 10 or 11 years to build a nuclear plant. You've got to find four more Alaskas. You've got to find four more Texases. You've got to triple the amount of coal, you've got to build a new reactor each week—a new nuclear reactor—starting today. You've got to get approximately a million to 2 million barrels of oil from shale by the year 2000. All these things together you've got to do in order to have self-sufficiency by the year 2000 or 2010.

Q. Would you put more emphasis on developing coal mines or building nuclear plants or perhaps solar energy which takes no fuel to run?

A. Right now I'd put effort in every direction. First of all I would start a very strong program into tripling the amount of coal in the next 15 years. This evening I would start opening up trying to have as many nuclear plants started as we could get. I would try to encourage people to find more oil and gas opening up the outer continental shelf and free the people from the shackles. Right now as you know the new outer continental shelf bill is going to hold back the producing companies up until 1987 before you really develop the fields. This is really senseless. It sounds like Soviet Russia is making the rules for us rather than our own people. I would remove those shackles and go out in the outer continental shelf and start bringing in oil next year. It can be done. The reason I say oil and gas is because the present dependence is about 80 percent on oil and gas. If you and I increase this only 10 percent that helps us as much as doubling the amount of coal. But we've got to do all this at one time.

Q. The coal industry advertises that there's enough coal to last 500 years. If more of our energy demand was to come for coal how long would the coal last?

A. If coal were to supply all the energy that oil and gas is supplying today it would only last 100 years. But on the other hand you have vast amounts of shale as well as shale oil and coal and lignite. What we're looking for is by the year 2010 we will be receiving possibly 8 to 10 percent of our energy from solar and maybe by 2020 this may increase to 25 percent. By the year 2030 we will be in the fusion energy era where we will be making energy from duterium in the sea water. These are inexhaustible sources. You and I want to do something over the next 30 years. In the meantime we've got to be frugal. We're going to have to make many sacrifices and we ought to have voluntary sacrifices right now to try not only to conserve but to do without the luxurious use of energies.

Q. Would you just go ahead and build nuclear plants and not worry about how to dispose of the waste products?

A. Well, there are two things we want to look at. First, the nuclear reactive waste is dangerous. Radiation is dangerous. But remember gasoline is extremely dangerous. You and I keep it in our cars every night; 10, 15 or 20 gallons in our car each night of this highly dangerous gasoline. Automobile driving is dangerous. So there are dangers in every area. But reasonable people will take moderate risks if the benefits are great, or they'll take small risks if the benefits are moderate or they won't take any risks if the benefits are small. Fortunately there have been no accidents in the nuclear field. There have been no deaths in any nuclear reactor, power reactor facility, no over-radiation cases, and remember we've been in business for over 20 years. So from the standpoint of accidents I think that we've learned how to handle plants and so forth.

Q. *Is one way to encourage frugality to simply make energy so expensive that people can no longer afford to use it?*

A. I don't think that you should intentionally make energy more expensive. I think that what happens is that you have to encourage people to go out and look for energies. And one way that you are going to encourage them is by making sure that they get a good return on their investment And if they don't, then they aren't going to look. You understand that in 1954 we had as high as 38,000 independent drillers for oil and gas. In 1974 we had less than 3,800. The people left the business because the risks were too great for the return of their money. Now we're back up to about 10,000 people in the business. And the risks are still great. But the return is a little better. And a lot of it on the basis that we do have intrastate gas whose price is maybe as high as $1.75 or $2.

WORLD WAR I PENSION ACT

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. LEHMAN. Mr. Speaker, veterans of World War I deserve an increase in their pensions. This Nation has provided too little to the veterans of World War I. For this reason I have cosponsored the World War I Pension Act, which will provide a $150 monthly pension to veterans of World War I or their spouses.

Unlike a veteran of a later war, the World War I veteran received no GI educational benefits. There was too little effort to aid these veterans in finding employment, nor was there a GI home loan program. Veterans hospitals like those of today were unheard of in the days of World War I veterans. Further, the social security system, which was created in 1935, did not aid most World War I veterans as they were already too old to build up maximum benefits.

Clearly, the veterans of World War I have been neglected. The World War I Pension Act would serve to partially compensate the veterans of World War I who are not eligible for the wide range of benefits available to veterans of later wars.

Presently there are 834,000 surviving World War I veterans—94,000 less than at this time last year. The pension increase should get to the deserving World War I veterans now.

THE PROBLEM OF UNSAFE BRIDGES

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. YOUNG of Missouri. Mr. Speaker, a little-recognized problem that plagues rural and urban communities across the country, sometimes with tragic results, is that of unsafe bridges. The U.S. Department of Transportation has estimated that 1 of every 6 bridges—probably more than 50,000—are critically deficient. More often than we realize, these bridges collapse and people are injured or killed as a result. Nevertheless, the problem is certain to persist until there is greater public awareness—and greater pressure for funding to repair or replace the bridges.

This entire problem was explored recently in a superb investigative series that was broadcast by KMOX Radio in St. Louis. While the series focused on the States of Missouri and Illinois, I believe it has national implications and, therefore, will be of interest to many of my colleagues. I include excerpts from the seven-part series that was broadcast by KMOX in the RECORD at this time:

NEEDED: A BRIDGE TO SAFETY

Thousands of rural school children cross unsafe bridges on their way to and from school each day in Missouri and Illinois; and officials say the chances of these children being injured may be greater than you think. Former Jackson County Presiding Judge Ralph Smith says the situation is alarming. It is not a question of whether those bridges are going to break down; the question is when are they going to break down?

A KMOX Radio investigation has found that: (1) about 12,000 turn-of-the-century bridges in Missouri and Illinois are obsolete, according to surveys by Missouri's Department of Transportation and the Illinois Highway Commission.

(2) Throughout Missouri and Illinois, school buses are stopping and letting the children walk across bridges believed to be unsafe. The driver then takes the bus across. In some instances, bridges have been closed and school children are forced to walk up to a half a mile across fields to meet the bus on the road.

(3) At least one bridge collapsed or was closed in 45 of Missouri's 114 counties in the past two years.

(4) In Clark and Cummerland Counties, in Illinois, a total of 30 bridges have been closed and four have collapsed in the last four years.

(5) A road commissioner from Polk County, Illinois, was killed in 1975 in that southeastern county when the bridge he was inspecting collapsed as he was driving across it.

(6) A bridge in Calloway County, Missouri, collapsed several months ago while a woman was driving over it. The woman miraculously escaped injury after her car burst into flames. Just a half hour before, a school bus had crossed that same bridge.

(7) A 1975 report by the National Highway Users Federation lists Missouri as one of ten states which have two thirds of the nation's deficient bridges.

(8) Some 155 bridges on Missouri's principal arteries are listed as structurally deficient by the U.S. Department of Transportation.

(9) At least $2 billion is needed to repair or replace bridges in Missouri, and $525 million is needed to do the job in Illinois.

The Illinois General Assembly has appropriated $15 million a year to repair or construct new, safe bridges. Missouri has not appropriated a penny, and the counties' share of highway users tax in Missouri is the lowest in the United States. The responsibility for repairing bridges in Illinois is shared between the counties and their townships, with regulations and guidance supplied by the State Department of Transportation. Responsibility is fragmented in Missouri where each county has sole authority to correct its bridge problem; and without proper funds or guidelines, officials say, the counties often ignore the problem. Judge Ralph Smith explains what happens:

"I'm afraid a great many times the county courts are people that are older, and they recognize that the bridge has been there for 75 years; but they also recognize that they won't be there for more than three or four years themselves—in some cases only two years. And you just kind of close your eyes and say, "That bridge has been holding up for 75 years; surely it will hold during my administration.' "

And what little money the counties do have is often spent on other things like maintaining subdivisions, according to Smith, so money is siphoned off there rather than being spent on county bridges.

PART TWO

A KMOX Radio investigation has found that about 12,000 century-old bridges in Missouri and Illinois are obsolete and need to be repaired or rebuilt; and public officials agree that if something is not done soon, some of these bridges will collapse. Bridges built at the turn of the century were designed for horse and wagons—not school buses carrying 65 or more students. Some of these bridges are in such poor condition that school buses are required by court order to stop and allow the children to walk across the bridge. Missouri's Executive Director of Counties, Tony Eastburger, explains how this works:

"All of the children get off the bus and walk across the bridge while the river swirls below, and then the bus is driven across with the hope that if the bridge collapses, only the driver has his life in jeopardy. And this is just preposterous."

Illinois school children also walk across bridges. This is a common practice in the southeastern part of Polk County, where Otis Baker, a road commissioner for that county, was killed in 1975 when the bridge he was inspecting collapsed as he was driving across it. And in Illinois and Missouri, bridges have been closed and school children were forced to walk up to a half a mile across fields to meet the bus on the road. In times of high water, school buses often detour several or more miles to by-pass flooded bridges. While this increases the hazard of accidents and is inconvenient and costly, these children are the lucky ones. Other school buses are crossing unsafe bridges which are the length of a football field and are 30 or 40 feet above the normal water level—bridges which are considered unsafe under normal conditions are now being weakened by a swollen river filled with debris. Lester Miller, Superintendent of Highways in Madison County, Illinois, says bridges that are more than adequate to carry the weight of a bus load of children are sometimes damaged by heavy vehicles:

"We had one in Pin Oak Township, oh, three years ago. We had that rated at 15 tons. We thought it was a really good bridge. We got a call that Saturady night; the bridge was in the creek. I think it was a heavy load that put it there, but I can't prove it."

Miller says: "What if that bridge hadn't collapsed . . . what if it had waited for the next vehicle . . . and that was a school bus full of children?" . . .

PART FIVE

A KMOX Radio investigation has found thousands of rural school children cross unsafe bridges every day on their way to and from school. But some of these bridges are located in areas just outside of St. Louis County—areas that have the fastest growing populations in the state, areas where 250,000 persons live. Dave Visintainer, an engineer for the East-West Gateway Coordinating Council, made a two-year study of the bridges in Jefferson, Franklin and St. Charles counties. Listen to his findings:

"Of the 650 bridges, roughly 40 percent had problems relating to original design, in that they were designed as one-lane bridges or not adequate for two-lane traffic. And, therefore, quite often vehicles such as school buses or trucks might meet another vehicle approaching the bridge and a safety hazard results in that case from the potential of collision. Many of the other bridges, probably in the neighborhood of 30 to 40 percent, were designed originally at a much lower standard than is required for today's traffic. The trucks and vehiles today are much heavier and weigh a great deal more and are much larger in size than the vehicles of, say, 40, 50, 60 years ago. And, therefore, when you get heavy gravel or concrete trucks in newly constructed areas, in areas that are rapidly developing, quite often these bridges are not really designed to carry this type of traffic."

Visintainer says each of the counties has a routine bridge maintenance program, and they repair major bridge defects. However, there are so many bridges involved that there may be instances where county officials are unaware of deficiencies.

Says Visintainer: "There are many bridges, however, which are marginally sufficient and theoretically could have problems and be in danger of collapse if any type of an overweight vehicle went over them. These are especially true of the major bridges that were built over rivers in the past, really larger rivers. The problems with these is that the counties themselves, which are quite actively trying to replace and upgrade many of the smaller bridges, could never feasibly afford themselves the cost of reconstructing or replacing, say, a bridge over the Big River, which might be 200 to 400 feet long and might cost in the neighborhood of $200,000 to $400,000."

Visintainer estimates it would cost $6 to $10 million to replace or repair the bridges in these three counties and bring them up to the Federal Highway Administration standards. The two-year bridge study was undertaken at the urging of local officials who wanted to get an accurate picture of bridge safety in the three counties. And what these officials learned is that there is cause for alarm.

Says Visintainer: "Especially in areas that are undergoing rapid urbanization because these bridges will, first of all, tend to restrict development in any given area because they limit access. And, secondly, they endanger the safety of the public if they are inadequate because they are being subjected to heavier traffic volumes going over them as well as heavier trucks, construction equipment, things of that type; and they just, in general, constitute a public hazard."

PENSION FUNDS AND "AG-LAND FUND I"

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. NOLAN. Mr. Speaker, as you know, the House Agriculture Subcom-

mittee on Family Farms, Rural Development, and Special Studies has recently concluded hearings on a new investment vehicle developed by Continental Illinois National Bank and Trust Co. of Chicago and Merrill-Lynch-Hubbard, Inc. of New York.

Public reaction to this proposal, known as "AG-Land Funds I," was strong and unanimous. All four major farm organizations testified in opposition, as did the Consumer Federation of America, independent bankers, various religious and food organizations, environmental organizations, and other public interest groups. Reports prepared by the Department of Agriculture and the General Accounting Office were also very critical of the plan.

"AG-Land Fund I" is designed as a $50 million mutual fund whose shareholders would be tax exempt pension funds. The fund will buy up and manage working row crop farms in the Midwest, South, and West, and will hold these lands until they can be sold, capturing appreciated land value. Meanwhile, the land will be rented or sharecropped to farmers and the fund will realize income from its share of the crop or lease receipts.

Concern has been expressed that this type of investment vehicle will further escalate land values—compounding an already difficult situation for farmers and local lenders. The proposal will also make it more difficult for young farmers to purchase property, and will undermine the basic land ownership principles of America's family farm system. The impact of this action could later surface in a less productive agricultural economy and higher food prices.

I am indeed pleased that the dangers of this development have been recognized by the very institution which stands to gain from its adoption. Organized labo- whose pension funds would be the prime investor, has joined the many groups in opposition to "AG-Land Fund I."

With your permission, I would like to insert in the RECORD the statement prepared by Arnold Mayer, legislative representative with the Amalgamated Meat Cutters and Butcher Workmen of North American, AFL–CIO. I commend the labor movement for its foresight and concern on this issue. The statement follows:

STATEMENT OF ARNOLD MAYER

My name is Arnold Mayer. I am the Legislative Representative of the Amalgamated Meat Cutters and Butcher Workmen (AFL–CIO).

The Amalgamated is a labor union with 500,000 members organized in about 500 local unions throughout the United States and Canada. The Amalgamated and its local unions have contracts with thousands of employers through the food, leather and fur industries.

I appear here today to counter the fear that pension funds which benefit union members will invest in the Ag-Land Fund or similar ventures to the detriment of family farmers. We, in the labor movement, have long recognized the interdependence of the various parts of the American economy. We realize—based on the experience of the 1920s and 1930s—that it is impossible to have a healthy industrial economy without a healthy agricultural economy. That is why we have long supported agricultural legislation, including the periodic farm bills. We do not want to join in or support proposals which will hurt agriculture, particularly family farms.

We realize the importance and value of family farms. For very basic philosophic and pragmatic reasons, the labor movement has supported efforts to stem the tide towards large agricultural corporations controlling American food production.

Let me mention just one of these reasons: The nation currently suffers from severe unemployment and underemployment. U.S. business and industry are unable to provide full-time jobs for over ten million men and women who want work. Is this the time then to throw more families off farms and into the industrial job search? Would the economy be able to absorb them in useful, rewarding employment? The answer is obvious.

OPPOSE AG-LAND

With this background, we want to join the many farm organizations in opposition to the development of investment schemes such as the Ag-Land Fund. Even if this type of plan were beneficial to workers' pension funds—and that point is highly doubtful—we would not want to participate in them.

We have no desire to benefit at the expense of farm families. We do not want to aid the further progress of agribusiness at the expense of the family farm. We have no wish to make tenant farmers out of farm-owning families. We have no desire to make even more difficult the ownership of farms by young people.

We certainly do not want to increase the cost of growing food by permitting the value of farmland to be inflated on a still more accelerated basis. We assuredly do not want to increase the number of unemployed in the nation.

As far as the Ag-Land Fund is concerned, we see no benefit for anyone other than the profits of a few persons in the investment community. Neither pension funds or any other type of funds appear to lack for investment vehicles. We have not heard of any management or union negotiators or pension fund managers complain that they can not find investments. The Ag-Land Fund scheme is simply another investment gimmick for which a demand must be created.

On the other hand, these hearings have demonstrated the existence of very obvious problems which would be caused in rural America by the development of these investment plans. The cost of these schemes is simply too great for the nation.

SURPRISE AND CONTRADICTIONS

We are, in fact, somewhat surprised that some financial leaders are making this proposal to sop up investment money. We have read the dire predictions with which persons in the financial community have greeted the federal programs to create jobs for the unemployed and to meet other American needs.

They express horror at the size of the national budget deficit. They warn that the federal government will have to borrow so much that private industry will not be able to finance its activity without sharply bidding up the price of money. They urge, in fact, new tax loopholes for business to create capital for investment.

If this is the case, then why establish a new and unneeded type of fund to compete for investments? Or do parts of the financial community want to have it both ways at once to achieve the maximum benefit for themselves?

Mr. Chairman and Gentlemen of the Subcommittee, we want to congratulate you on calling to the attention of the public the dangers of the Ag-Land Fund. If this scheme were to succeed, it would undoubtedly be copied by others in the investment community as with the go-go funds and other financial fashions of bygone years. But whereas the go-go funds hurt only those who participated in them, schemes such as Ag-Land could detrimentally affect millions of persons who have never even heard of the plan.

LONG-RANGE ECONOMIC PLANNING

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. HAWKINS. Mr. Speaker, the Los Angeles Citizen printed an article discussing the utility of planning in America's economy. The article promotes the idea that planning is a beneficial concept in solving the economic problems of our Nation. The article states that a mechanism to coordinate the Nation's policies and programs like H.R. 50—the Full Employment and Balanced Growth Act of 1977—is a constructive approach in this area of concern. I wish to submit the article as follows for the consideration of the Members of the Congress:

THE QUESTION PUT TO CARTER—WHO OWNS THE UNITED STATES?

A little-noticed but important question was put to President Carter at his first press conference.

"Mr. President, in view of the massive economic dislocation that followed the recent natural gas crisis, the factory closings, the school closings and the threat of homes going without natural gas and heat, I'd like to ask you who do you think, philosophically, owns America's energy resources? Is it the private oil companies that extract these from the ground or is it the American people?"

Unfortunately, the reporter added another part to his question and the basic question never did get answered.

Who, indeed, does own not only the energy resources in the ground but the air and water and other resources? Who determines what is done not only with the great natural resources of America, but with its even more precious human resources?

The questions are worth raising and discussing, even if the answers are far down the road.

It seems that as time went on, first the early robber barons and more lately the corporate conglomerates came to believe that they own the resources they exploit, natural or human.

It was early on, with the Clayton Act of 1913, that the Congress declared "the labor of a human being is not a commodity or article of commerce." But it is primarily through unions, and not an act of Congress, that workers defend themselves and ensure they are not ground up in the wheels of business competition.

And to deal with a growing concentration of economic power, the Sherman Anti-Trust Act of 1890 established a public policy of breaking up monopolies and reintroducing competition. Yet it has been little enforced.

And so today, those who control the great concentrations of wealth still behave as though they own the resources to exploit and waste as they see fit.

The energy crisis has now focused attention on the nation's limited reserves of gas and oil and the abundant supply of coal under the ground.

Who owns these resources? It almost seems that the oil companies own everything. For a decade, the oil giants quietly moved into coal.

The oil firms own approximately 70 percent of the nation's coal reserves. Occidental Petroleum owns Island Creek, the third largest coal producer. Continental Oil is the

parent of Consolidated Coal, the second biggest producer Kennecott Copper owns Peabody Coal Co., the biggest producer.

Yes, America has a crisis and it involves more than energy. It is whether the democratically-elected leaders of the people will assert controls over the nation's resources through public policies which promote the public good rather than serve private greed.

The economic and social problems mount, waiting for political leadership to define goals and set priorities.

There is a forbidden word which is about to come out of the closet. It is called "planning." Since it makes business leaders and some politicians shudder, it will hereafter be known as "bleep."

"Bleep" does not require nationalization or a high degree of state ownership. This was stressed in a recent study issued by the congressional Joint Economic Committee. The study dealt with "Economic (bleep) in Five Western European Countries" and described their various "bleep" mechanisms.

A most important step towards "bleep" was taken last year with hearings in Congress on the Humphrey-Hawkins Full Employment and Balanced Growth Act, recently reintroduced in the 95th Congress. All it does is take the Employment Act of 1946 a step further and provide a mechanism to better coordinate the nation's policies and programs.

Now the National (bleep) Association has released a statement on National (bleep) in a Mixed Economy." So the idea is catching on.

However, labor members of NPA take issue with several key recommendations. In a strong dissent, they object to NPA's proposal to have a "bleep" branch in the Office of Management and Budget. Labor agrees with the Humphrey-Hawkins bill that a "bleep" office should be attached to the Council of Economic Advisers to ensure a long-range view.

On another point, where NPA wants "bleep" to be aimed at "maximizing the role of private enterprise," labor wants "bleep" to promote the general welfare.

Perhaps sensing that the political climate is changing, the Business Roundtable called on the Carter Administration to curb the growth of government "interference" in the economy. The Roundtable has clout, speaking as it does for 175 major corporations under the chairmanship of Irving Shapiro, who heads E. I. duPont de Nemours & Co.

The Roundtable warned against any kind of national economic "bleep." It said energy supplies should be conserved by letting prices rise rather than by rationing, which no one has suggested.

The Roundtable also warned against dismembering the giant oil companies. Oil divestiture legislation in Congress is getting increasing support and it rightly alarms business.

So things are stirring in the nation's capital. There is fresh leadership in the White House and a healthy assertive leadership in Congress.

The issues sharpen as the United States continues to decline, falling behind Sweden, Denmark and Switzerland and soon to trail Norway and West Germany in gross national product per capita. Those nations boast highly civilized social welfare programs and various forms of national "bleep."

So the time is nearing when America will find whether it can recover the confidence and will to take business off welfare and put its energetic people to work at useful jobs. That will answer the question of who really owns America.

THE 59TH ANNIVERSARY OF LITHUANIAN INDEPENDENCE

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. MOAKLEY. Mr. Speaker, the Lithuanian-American Council of Boston recently drafted a timely and thought-provoking resolution which should be of interest to all of my colleagues assembled here today.

I am pleased to be able to share the full text of this resolution and I would like to thank Mr. Alexander J. Chaplik, chairman, and Mr. A. Keturakis, secretary, for making the resolution available to me:

RESOLUTION OF LITHUANIAN-AMERICAN COUNCIL OF BOSTON

We, the Lithuanian Americans of Greater Boston, assembled this 20th day of February, 1977, at South Boston Lithuanian Club, commemorate the restoration of Lithuania's independence, do hereby state as follows:

That February 16, 1977, marks the 59th anniversary of the restoration of independence to the more than 700-year-old Lithuanian State, which was restored by the blood sacrifices of the Lithuanian people during the wars of independence of 1919–1920, and recognized by the international community of States;

That the Republic of Lithuania was forcibly occupied and illegally annexed by the Soviet Union in 1940, in violation of all the existing treaties and the principles of international law;

That so many countries under foreign colonial domination have been given the opportunity to establish their own independent states; while Lithuania is still exposed to the most brutal Russian oppression and is nothing but a colony of the Soviet Empire;

That although the Soviet Union, through programs of resettlement of peoples, intensified russification, suppression of religious freedom and political persecutions, continues in its efforts to change the ethnic character of the population of Lithuania, the Soviet invaders are unable to suppress the aspirations of the Lithuanian people for self-government and the exercise of their human rights.

Now, therefore, be it resolved, That we demand that the Soviet Union withdraw its military forces, administrative apparatus and the imported Russian colonists from Lithuania and allow the Lithuanian peope to govern themselves freely;

That we demand immediate release of all Lithuanians who are imprisoned for political and religious reasons and who for years are lingering in various Soviet jails and concentration camps or kept in psychiatric wards;

That, meanwhile, we protest against the degradation of the Lithuanian people by Soviet rulers in proclaiming that Lithuanians shall be grateful to the Soviet Union for their "liberation"; and that we further protest against subversion and corruption of the minds of the Lithuanian people by the preaching of lies about all kinds of human rights in occupied Lithuania which in fact do not exist.

That we are deeply grateful to the 94th Congress of the United States for passage of new Resolutions expressing the sense of the Congress relating to the status of the Baltic States.

That in expressing our gratitude to the United States Government for its firm position of non-recognition of the Soviet occupation and annexation of Lithuania, we request an activation of the non-recognition principle by stressing at every opportunity in the United Nations and other international forums the denial of freedom and national independence to Lithuania and the other Baltic States.

That copies of this Resolution be forwarded to the President of the United States, to the Secretary of State, to the United States Senators and Congressmen from our State, and to the news media.

U.S. ECONOMY HURT BY JAPANESE DUMPING OF TELEVISION SETS

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. MURPHY of Illinois. Mr. Speaker, I included in the February 28 CONGRESSIONAL RECORD the first two articles of a series of Japanese dumping of color television sets in U.S. markets.

As I mentioned, the Japanese are successfully cutting into the American market. Imports have skyrocketed from 1 million in 1975 to almost 3 million in 1976. It is estimated that 8,000 jobs are lost for every 1 million color TV sets that are imported.

The TV manufacturing industry in America is in danger. Americans cannot afford to have such an industry destroyed by a flood of underpriced imports. This situation can only increase the ranks of the unemployed. These imports, as I noted, are threatening American jobs. Over 12,000 people are presently employed in Zenith's Chicago plant alone. Some 65,000 jobs are at stake in the industry, not including the 60,000 jobs already lost.

Mr. Speaker, I recommend to my colleagues the following two articles by Bob Wiedrich which recently appeared in the Chicago Tribune regarding this very serious problem:

[From the Chicago Tribune, Mar. 1, 1977]

JAPANESE TV SETS PLUGGED INTO DISTRICT OF COLUMBIA

(By Bob Wiedrich)

The same bureaucrats who shut their eyes to bribe payments to Japanese politicians by Lockheed Aircraft have also condoned the illegal dismantling of the American TV making industry by the Nipponese.

That angry indictment of Washington officials comes from John Nevin, Zenith Radio Corp. chairman, whose firm is suing seven major Japanese manufacturers for $900 million in treble damages because Uncle Sam has refused to protect domestic firms from unlawful foreign competition.

"I don't think there is any question that there were people in government who knew bribes were being paid foreign firms and governments to sell aircraft," Nevin said.

"And I have no doubt that our government also knew that TV sets were being dumped on the American market by the Japanese in violation of American law.

"But they winked at both practices because they didn't want to ruffle any feathers. The TV industry wasn't that important to

them. Neither were the 60,000 American workers who lost their jobs as a result of their inaction.

"So they didn't enforce the law.

"I'm satisfied that at the operating levels of government there were honest people who wanted to carry out their duties.

"But their ability to do their jobs depended on the support and resources furnished by their superiors. Secondly, there should have been legal interpretations to make their tasks easier.

"But instead, their superiors threw barriers in their paths. I suspect there were high level decisions made not to rock the boat with Japan.

"And I happen to think that that is not only wrong but stupid.

"The kind of trade relations you want to foster to benefit both countries are not going to be improved by the unlawful dumping of TV sets any more than by bribery.

"Bribery and dumping, when they are discovered, are likely to generate hostilities and suspicions that will lead to disruption of the very trade relations you are seeking to establish.

"The people who decided to wink at these law violations not only did damage to those who lost their jobs, but also did a great disservice to the development of the trade relations Congress wants and the people of both countries would support."

Dumping is the selling of TV sets in the United States at prices considerably less than they are sold on the domestic Japanese market.

The sets are sold under the brand names of major American retail chains under circumstances that Nevin charges involve fraud and misrepresentation committed against the U.S. government by the Japanese manufacturers.

These have included the alleged payment of secret rebates to American importers and the falsification of official U.S. Customs documents, Nevin declared.

"The laws were there to be enforced," he said, "but the departments of Justice and Treasury failed to enforce them at the behest of the State Department.

"It's my view that the State Department has in all trade matters exercised authority far beyond that contemplated by Congress.

"And, to avoid squabbles with Japan and other nations, it has played a role in discouraging the Justice and Treasury departments from enforcing the law.

"It has politicized law enforcement agencies not to do their jobs. That's what Watergate was all about—people saying that they didn't like certain laws passed by Congress so they didn't enforce them.

Galled by governmental inaction and spurred by a virtual takeover of the American TV and radio market by the Japanese through unlawful practices, Zenith Radio Corp. filed its massive antitrust action in 1974 in a Philadelphia Federal District Court.

The law suit charges that through price fixing and other schemes designed to maintain high prices in Japan and unrealistically low prices in the U.S., the Japanese conspired to eliminate the profit margins of American manufacturers until they were driven into the ground.

The suit, which is scheduled for hearing this summer, charges a "predatory invasion" by the Japanese in violation of American antitrust laws.

"The American television industry is not asking its government for anything to which it is not entitled," asserts Rep. Morgan Murphy Jr. [D., Ill.], whose South Side constituency includes many of Zenith's 13,000 Chicago area workers.

The $1 billion a year corporation employs 20,489 workers in 11 plants across the country and conducts two thirds of its manufacturing operations here.

Murphy and a Chicago Democratic colleague, Rep. Daniel Rostenkowski, have petitioned Rep. Richard Bolling [D., Mo.], chairman of the joint House-Senate Economic Committee, to open hearings into the failure of the departments of State, Justice, and Treasury to carry out congressional mandates against illegal dumping.

We urge the committee to do just that and with dispatch before an entire American industry goes down the drain because of diplomatic gutlessness and bureaucratic stupidity.

[From the Chicago Tribune, Mar. 3, 1977]

KENNEDY IS GIVEN A SLICE OF BALONEY

(By Bob Wiedrich)

Sen. Edward M. Kennedy [D., Mass.] must be scratching his head in utter bafflement unless he is a Philadelphia lawyer.

Because the Justice Department response he just received to his charges that Japanese TV makers have conspired to cripple their American counterparts by unlawful tactics is a masterpiece of bureaucratic obfuscation.

That means it makes little sense and is loaded with double-talk.

But once all the baloney is sliced away, the letter from the department's antitrust division makes several things clear:

The Justice Department has no intention of enforcing laws against the illegal "dumping" of low cost Japanese TV sets on the American market, a practice that has already cost 60,000 workers their jobs in the United States.

And the department has no interest in a foreign cartel raping an entire American industry so long as an American firm has not clambered into bed with the cartel.

That is the gist of a lengthy letter to Sen. Kennedy from Donald I. Baker, chief of the Justice Department's antitrust division.

For our money, the document is nothing more than a cop-out and one that should fully justify a congressional investigation of the failure of our government to crack down on unlawful Japanese trade practices.

John Nevin, chairman of America's largest surviving TV maker, the Zenith Radio Corp., exploded with indignation upon hearing of Baker's letter.

"The idea that the Justice Department will not prosecute a foreign cartel doing business in the United States when it violates American laws is outrageous," he told us.

"As long as the Japanese are carving up our industry, it apparently is all right with the Justice Department. That's a matter of policy. They won't act unless the Japanese conspire with an American company."

Further, Nevin said, he found it completely unacceptable for Baker to plead a manpower shortage in failing to institute an investigation of the widely publicized charges of unlawful Japanese practices in this country including payments of secret rebates and price fixing.

Pointing out that two American TV manufacturers have already filed their own antitrust actions against the Japanese as private citizens in the federal district court, Baker told Kennedy:

"The antitrust division, with its limited resources, has often made the decision not to duplicate a private antitrust action in a complex and controversial area, particularly when it appears that the parties are all represented by competent counsel and are exploring the facts and the law quite thoroughly."

Hogwash! That is clearly ducking your sworn duty.

In essence, Baker is saying that the Justice Department is quite willing to let American businessmen fight their own battles at their own expense against unfair and possibly unlawful foreign competition.

Apparently in Baker's mind, that relieves Uncle Sam of his statutory responsibilities to protect American commerce from illegal assaults from abroad.

Let them sink or swim while the antitrust division more properly addresses itself to the alleged excesses rampant in such varied fields as potash, diamonds, lithium, mink, and persulfates.

These are some of the areas in which Baker told Kennedy his foreign commerce section has involved itself since 1973 while increasing its staff from 8 to 20 lawyers.

But, even with that increase, Baker apparently feels he cannot spare the carcass of even one counselor to the defense of an American industry that has nearly been pushed to the ropes by the avaricious Nipponese.

Instead, Baker claims that a 1970 written agreement between 18 Japanese TV makers involving price fixing and other unlawful practices in the American market was directed by the Japanese government.

That was a legitimate exercise of its power to control exports leaving Japan, Baker said, and therefore it is unlikely an American court would entertain an antitrust challenge to the agreement defrocking domestic TV manufacturers.

"What Baker has told Sen. Kennedy about the filing of our antitrust law suit is completely the reverse of the truth," Nevin asserted.

"We went to court because the administrative agencies of government refused to act in our behalf. We had to do it. They wouldn't do it. They wouldn't perform their duty."

Further, Nevin said, the federal courts have held that the Japanese are subject to American laws because they have engaged in commerce in this country on a large scale.

Dumping is a term used to define the Japanese practice of selling TV sets in the U.S. at prices far less than they are sold in Japan.

The tactic reaps little if any profit for the manufacturer. But it serves to maintain high Japanese employment while knocking American workers out of their jobs and American manufacturers out of business.

Last week, Atty. Gen. Griffen Bell fired Baker effective May 31. To Mr. Baker we say, good riddance. We think he got his priorities mixed up.

The fact that diamonds are a girl's best friend may have dictated the antitrust division's preoccupation with gem cartels.

But manufacturing quality TV sets was the best friend 60,000 American workers had until they got bombed out of their jobs by the Japanese. What happened to them, we believe, deserve more than a cavalier kiss-off or cop-out from their government.

ANOTHER PAY RAISE?

HON. SAMUEL L. DEVINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. DEVINE. Mr. Speaker, those of us that opposed the so-called Obey Commission ethics bill could not swallow the sneak $5,000 increase in benefits for Members of Congress. Personally, I had no trouble with the financial disclosure provisions, nor did I object to the outside earnings limitation. It seems to me, however, since the Democratic leadership engineered a $12,900 pay increase for Members of Congress, without record vote, that it is another ripoff of the tax-

payers to include an additional $5,000 in congressional perquisites, authorizing public subsidies of so-called office slush funds.

The Washington Star wrote a pertinent editorial on this on March 2, which is attached hereto:

[From the Washington Star, Mar. 2, 1977]

ANOTHER PAY RAISE?

The issue of congressional pay just won't go away. After having received a $12,900 increase in annual salary without having to vote on it, House and Senate members are in line for another no-vote, cost-of-living increase of around $3,000 next fall.

In addition, House members appear about to adopt an ethics code that will give themselves an increase of $5,000 in official expense allowances in exchange for abolishing private "slush funds."

The $12,900 increase was recommended by a presidential commission on federal salaries and was approved by Presidents Ford and Carter; it went into effect automatically February 20 after the House and the Senate declined to veto it. Declined really isn't quite the right word—the fact is, members never had a chance to vote the pay raise up or down because congressional leaders maneuvered around it.

Unless the House and Senate take affirmative action to stop it, members will get another boost under the salary "comparability" formula that provides annual cost-of-living increases for federal employes to keep them abreast of salaries paid to non-government employes. Congressmen gave themselves a $2,100 raise in 1975 by bringing their salaries under the comparability provision from which they had previously been excluded.

The furor over that "backdoor" pay hike resulted in the Congress voting itself out of the 1976 cost-of-living increase. But Members took care that the action wasn't permanent, which means that as of now they're standing in the pay line for an increase this fall that is expected to be around 5 percent.

We aren't arguing that members of Congress should not have had a pay increase this year; the last major adjustment in their salaries was in 1969. We're not even arguing about the size of it, although $12,900 (an increase of 28 per cent) at one crack does seem on the high side.

But what is inappropriate is the way Congress goes about it. Congress ought to do three things in connection with its pay. First, it should divorce congressional pay from salary adjustments for any other federal employes. The setting of congressional pay has so many political overtones that it simply is unfair to tie anyone else's salary to it.

Second, any increase in congressional pay should require a majority vote of the membership. It makes Congress look bad to be giving itself "backdoor" increases. Jack Germond, writing from Rockford, Ill., indicated in a dispatch to *The Star* the other day that voters on the hustings view the latest increase as underhanded.

Third, any pay increase voted by the members should not go into effect until the next Congress takes office. Proposed increases could be considered more dispassionately if members were not in a position to realize immediate financial benefits. Likewise, supporters of pay increases probably would be less vulnerable to punishment by the voters—a fear that dogs congressmen everytime a pay increase is proposed.

Several members, including Northern Virginia's Rep. Herbert Harrris, have offered legislation embracing some or all of these suggestions. With the current emphasis on ethics on Capitol Hill, the time seems right to write new rules on congressional pay.

THANKS TO AMERICA

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. NOLAN. Mr. Speaker, each year the Veterans of Foreign Wars and its Ladies Auxiliary conducts the Voice of Democracy Scholarship program. This national broadcast scriptwriting provides an opportunity for 10th, 11th, and 12th grade students in our public, private and parochial schools to think, write and speak up for freedom and democracy. The theme for this year's 30th annual Voice of Democracy scholarship program is "What America Means to Me."

Sandra Sue Brake, this year's Minnesota winner from Wilmont, Minn. has written a beautiful essay which I would like to share with you. The following is Ms. Brake's prize-winning essay:

Hello, America. May I have a few moments of your time? I really would appreciate it because I have so much to say about so many things.

These past 12 years I have been receiving free education from you. I've had the right to choose my school and subjects and I've been able to speak out for what I believe is right. But yet I've never really taken the time to thank you for it.

Along with this freedom of speech, which is so easily taken for granted nowadays, you have given me the right to move about whenever and wherever I wish, to worship or not to worship, or to assemble with, or to associate with anyone I choose. For these opportunities, I am forever grateful.

Over these past 200 years you have bound your people together to form a powerful Nation with Americans who have strong hearts and strong minds who are willing to sacrifice their ideas, hopes, and even lives for you. You are a Nation of strength, glorified by the proud American Eagle who spreads its broad wings over this fair Western world. For this, too, I thank you.

Oh, sure we have had bad times—wars, depressions, recessions—but we've made it through these disasters before and we will again, because of courageous men and women who have enough guts to stand up for what they believe in.

Many times you have made me proud, America. For instance, when I hear that you are going to aid small countries so that they may withstand the tyrannical aggression of larger Communist nations, I feel proud to be one of you.

And when I hear that your abundant wheat harvest is going to be used to help feed starving under-developed nations, I'm proud.

And when I see your hundreds and even thousands of people working together as a unit to wipe out a known killer disease such as muscular dystrophy or cancer, I become very, very proud.

You have given me hope, something to have faith and trust in. Patriots have sacrificed their lives and fortunes for your principles of freedom, equality, justice, and humanity. I believe it is my duty to you to love you, to respect your flag, support your constitution, obey your laws, and defend you against all enemies.

I accept your motto, "In God We Trust," I have faith that God will continue to bless this great land of ours and will watch over us and pull us through each and every peril just as He has done in the past.

My gratitude goes out to you, America, because there's a feeling within me that tells me that I have a place in this world. I pledge to you, to use to the best of my knowledge, all that you have given me.

And now, before I go, America, I would like to leave you with a quotation I read recently. It seems to sum up not only my attitude, but the attitude of most Americans. It goes like this, "American people never carry an umbrella. They prepare to walk in eternal sunshine."

GAS SHORTAGE IN OHIO

HON. SAMUEL L. DEVINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. DEVINE. Mr. Speaker, the chairman of Columbia Gas Distribution Cos. in Ohio answered many questions in a recent editorial appearing in the February 1977, Columbus Business Forum. With all of the conflicting views and misinformation floating around about whether or not there is truly a natural gas shortage, I feel the remarks of Mr. White are worthy of the attention of all Members:

WHO'S LISTENING NOW?

Because of short supply and severe weather, there is a natural gas shortage in Ohio. It is no less true in many parts of the rest of the nation, so this is not exclusively an Ohio problem. People cry "Why?"

We do not lack answers. We have only lacked listeners, up to now.

Almost five years ago Columbia Gas placed advertisements in national and local newspapers with this headline:

"The Energy Crisis Is Threatening Your Way of Life."

The typical reaction was as if we had said, "It may rain tomorrow."

In 1954, 23 years ago, following a U.S. Supreme Court decision that the Federal Power Commission should regulate the price of gas at the well-head, Columbia stockholders were told by its management:

"We fear that price-fixing by the Federal Power Commission or even the prospect of such price-fixing will discourage producers from taking the risks involved in further exploration for gas and will cause them to channel such additional supplies as may become available into non-regulated uses. At the present time the gas supply available to us is sufficient, but as requirements continue to grow additional supplies must be obtained."

We take no comfort and customers get no more gas for the retelling of this background. But the truth is that today's situation is the result of yesterday's decisions, or lack of decisions, by legislators, regulators and the courts.

Now there are calls for investigation, inferring that Columbia has done something wrong. We welcome investigation. There are some going on right now. In fact, there is probably never a time when Columbia is not under study, review, audit or investigation by some regulatory body. All other utilities are subject to the same exposure—it is a way of life with us. In that kind of fishbowl environment, Columbia's management has not lacked—nor will it lack—foresight, concern, imagination and action.

All that is past. What of the present?

Major reasons for this winter's shortage have been a ticking bomb masked by the past several mild winters. They are:

1. Decline in production from old gas fields.
2. Slump in drilling new wells for lack of

adequate wellhead price set by the Federal Power Commission.

3. Regulatory, environmental and legal roadblocks which delayed new sources.

Add this winter's weather to the list and the bomb literally exploded. Ohio seems to have been particularly hard hit with temperatures the coldest in 100 years. The elements have struck blows that we'll retell for years. No one can tell for sure if the worst is over. The supply picture for the rest of the winter is uncertain.

Let's put Columbia Gas of Ohio's gas supply into a capsule paragraph. Under federal regulation, our supplier gives us and 85 other gas companies in the Middle Atlantic states a summer and winter allocation of gas. (If we were to get more, someone else would have to get less.) More than 90% of that gas comes from the Southwest, approximately half from Columbia's efforts on its own and the other half from pipeline suppliers, principally Panhandle Eastern, Tennessee Gas, Texas Eastern, Texas Gas and Transcontinental Pipeline. The other 10% comes from Appalachian wells, our own or others'. Under the suppliers' curtailment plan, FPC-approved, we are told from time to time by what percentage our allocation is to be curtailed. That would occur whenever the supplier's sources fell short, owing to well problems, emergency line repairs, hurricane shutdowns or simply loss of deliverability from old wells.

We are dealing with a situation in which there is just so much gas allocated to us through March 31. As residential customers use more, some other customers must use less. This is not so difficult with an industry which can use another fuel. It is quite difficult, for example, for a school board faced with no alternate fuel and some poorly insulated buildings.

Columbia is exploring any avenue that opens to obtain more gas. So are other companies faced with similar supply problems. It will not be easy to find relief, but we are working on it.

And what of the future? Columbia believes that its supply slump will bottom out this year. Long-planned new sources are beginning to come on line. One of those occurred on January 11 when gas began to flow from a Gulf of Mexico lease acquired from the federal government. Early in 1978 there should be liquefied gas from Algeria going through the System's regasification plant in Cove Point, Md. Gas from Alaska will flow in the 1980's but depends a great deal on action in Washington. All of these and others result from investment of more than $835,000,000 by Columbia to develop new sources.

The past should teach us what caused the problems today. Columbia has long advocated steps which would help to solve the energy crisis. I'll be happy to send full information to anyone who wants it.

There was never a better time to impress upon Washington what voters in the precincts think of its performance to date. I heartily subscribe to an editorial in the Wall Street Journal on January 11 which said, in part:

"Suffering will most likely grow worse around the country if the current cold wave persists—not because of a lack of warning. Rather . . . because of a failure by Congress to act on the warnings it has been getting for years. Not only has Congress not acted, it has made a political punching bag out of the people who were trying to issue the warning."

MARVIN E. WHITE,
Chairman,
Columbia Gas Distribution Companies.

(The Gas Company's position has been presented by The Forum because of community interest in energy problems. Responses will be forwarded to Mr. White.)

FEDERAL HARASSMENT WORSENING

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. SYMMS. Mr. Speaker, while countless other institutions of higher learning are falling victim to the wrath of governmental control, one, little Hillsdale College in southern Michigan, is still fighting for its independence. Mr. Speaker, I spoke to this assembly almost 2 years ago, November 3, 1975, concerning the college's stance and I am proud to say, today, that they are still as free and unhampered by the bureaucratic power grab as they were on that previous day.

In order to insure that its independence continues for the 1,000 students at this liberal arts college, they have now begun a $29 million freedom fund campaign to underwrite operating costs and to increase the college's endowment. President George C. Roche III of Hillsdale has just completed a very successful 6-week tour of the westernmost United States. As a result, contributions are literally pouring in to the college. Since November, they have miraculously raised almost $6 million.

Hillsdale has never accepted government funding of any kind, for any reason. This, in fact, caused the school's board of trustees to issue a resolution: "Hillsdale College, will, to the extent of its meager resources and with the help of God, resist by all legal means this and all other encroachments on its freedom and independence." To date, they are the only institution in the country resisting HEW's title IX legislation.

May I call to the attention of my colleagues the following article written by Ronald Reagan for the Denver Post. I think this exemplifies the pride that the American public can feel, knowing that someone is standing up for what they believe in.

[From the Denver Post, Jan. 7, 1977]

FEDERAL HARASSMENT WORSENING

(By Ronald Reagan)

Ralph Nader pouted. The bra burners blustered. Jimmy Carter had not done precisely as they wished when it came to picking his cabinet. At least they weren't willing to withhold judgment till after he had finished the process and taken office.

Behind them was a Greek chorus of editorial page and airwave pundits who stroked their chins and furrowed their brows while second-guessing all of Carter's decisions.

The political reporters—themselves facing deadlines as inevitable as ever, but with very little to report—resorted to a non-stop speculative hash and rehash of who would be chosen for which job and how well he or she could be expected to perform on the job.

Altogether, the transition between administrations has been a restless time for Washington, D.C. With Congress not around to arm twist, the special interests and assorted axe grinders have had to make do by trying to lean on Carter through whatever attention they could attract from the news media.

Though I don't expect to be bashful about criticizing Carter goofs when they occur, it seems to me we owe the new President the benefit of the doubt, at least for now.

He will have his hands full, wrestling that King Kong of bureaucracies by-the-Potomac; nudging the economy forward without aggravating inflation; and preventing the Russians from permanently assigning us to No. 2 in defense capability. He should have a chance to get on with those jobs without a lot of Monday morning quarterbacks doing their stuff before the game has begun.

Speaking of that giant bureaucracy, when it comes to higher education, it seems to be exercising "the arrogance of officialdom," which Cicero once described in ancient Rome.

The bureaucrats' interpretation of "affirmative action" is a case in point. Congress didn't mandate it; the bureaucrats of HEW and EEOC stitched their "guidelines" together after interpreting a presidential order.

Bureaucratic harassment over such matters has gotten so bad that the President of Columbia University, William T. McGill, recently told a conference group that it just doesn't pay to fight city hall—or Washington, D.C.—anymore.

He warned his listeners of "coercive regulation as an exercise of power by inexperienced young advocates of narrow constituency groups" in one breath, but in another argued for colleges and universities to appease the federal bureaucrats when they come calling. Alas, he noted, the cost in time and money of fighting them in court—even if you win—is just too great.

But, while Columbia is caving in, little Hillsdale College in Michigan is determined to knock the stuffings out of the bureaucrats. For 132 years it has been fiercely independent of government. Not a nickle has been asked for or received. Of course this gives the HEW elitists fits, but they think they have finally found a way to throttle Hillsdale.

HEW alleges that because some individual Hillsdale students receive veterans benefits and national student loans, the college itself is the recipient of federal aid. If HEW wins, it could move in on Hillsdale with customary arrogance.

Discrimination isn't the issue, according to Hillsdale President George C. Roche III. Freedom is. "We will not comply with Title IX (so-called anti-sex discrimination) regulations as put forth by HEW," he says, "but this does not mean that we wish to discriminate against any group. On the contrary, since its founding. Hillsdale has voluntarily maintained a policy of non-discrimination. Blacks and women have had equal standing in Hillsdale's classrooms since before the Civil War."

Instead of giving up, Hillsdale is beating the bushes for $29 million in endowment, some of which will go to replace those federal student loans with private ones.

President McGill, meet President Roche.

OUTLINE OF THE MURPHY NETWORK BILL

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. MURPHY of New York. Mr. Speaker, the stated purpose of the Murphy network bill is to limit the control of the three networks over television programing and to promote competition in the production, sale, and distribu-

tion of programs for television broadcasting.

Television is the single most important medium of mass communication in the United States, and the power of decision over what Americans may and may not see on television today rests primarily with the three networks. Network control is particularly pervasive during the evening hours—when most Americans watch. The premise of the Murphy bill is that excessive control of the medium by a few is unhealthy for American society—that in a pluralistic society such as ours, we want to enlarge as much as possible the marketplace of information and ideas and entertainment. Competition is an important road to this kind of diversity, and we want to encourage new and varied program sources to come forward and find a place on television.

We can achieve this result by making the medium more accessible to new sources. The bill would accomplish this in the following way. It divides the broadcast day into three segments—prime time, 7–11 p.m., the period leading up to prime time, and the period following. It then provides that during each segment of the broadcast day, a national television network—defined as any person supplying the same program or programs for chain broadcasting to 50 or more television stations—may supply a station with no more than half of its programing for that segment. The bill excepts from this limitation news programs and sports coverage. It also provides that the limitation shall not apply to public television.

If half of the program time for each segment of the broadcast day is opened up in this way, new sources of national programing can come forward. A national network, after all, is simply a broker who brings together a line-up of stations across the country—about 200 of them, program producers, and national advertisers. There is nothing magical about the function, and entities other than CBS, NBC, and ABC can perform it. The entities could be Hollywood production companies—like MCA, established communications companies—like Time, large business corporations seeking entry into the television software market, or wholly new organizations. New networks might seek a national line-up of stations for part of the new access period or for all of it, for 1 day each week or for more than 1 day. They can, and probably will, take a variety of shapes. Some may be networks as we think of them today; others, mininetworks. They will obviously have their greatest chance of economic viability during the heart of the evening, but some forms of networking activity will be economically viable during other segments of the day.

In 1970, after more than 10 years of study of the problem of network control, the FCC issued the prime time access rule, which opened up an hour of prime time to nonnetwork program sources. The rule has been a failure. It has not stimulated the development of new sources of national programing of high quality. Quite the contrary, it has stimulated a proliferation of cheap programs of poor quality, primarily game shows. The Murphy bill would not have the same effect because its access rule is differently constructed.

One difficulty with the FCC's prime-time access rule was that it opened up too little time and did so at the wrong time. It made only one hour available, and that hour was during the opening fringe of prime time (not a strong period from an economic point of view). In prime time, the effect of the Murphy bill would be to make two hours available, and at least part of this period would occur when the audience is at its peak. With this kind of economic base, new entities coming into the access period would have an incentive to offer major programs. We are not likely to see simply more game shows.

A second difficulty with the FCC's prime-time access rule was that it left untouched network ownership of television stations. Each of the networks owns five stations; and through its wholly owned stations, each network can reach approximately 25 percent of the total viewing public. The result was that the networks—this time as purchasers of programs for their owned stations—had the power to subvert the development of new sources of national programing during the FCC's access period. This power to subvert may well have been one of the factors in the failure of the prime-time access rule to stimulate the production of programs of high quality. The Murphy bill deals expressly with this problem. It limits each network to the ownership of one station and requires each to divest itself of its remaining stations. The divestiture requirement does not envisage forfeiture. Each network would be permitted to sell the stations to be divested for their fair market value.

The divestiture subsection of the bill gives the networks 5 years within which to make divestiture so that they need not sell "under the gun." Within 1 year, however, they must submit a plan of divestiture to the FCC, and the transfer of a station license after divestiture is to be governed by the existing provisions of the Communications Act. The Murphy bill adds only one requirement to these provisions—that the FCC seek the advice of the Attorney General on the antitrust aspects of the transfer of a station license by a network to another entity, and that the FCC grant an application for transfer only upon a finding that the granting will not create or maintain a situation inconsistent with the antitrust laws.

The Murphy bill concludes with a reporting requirement. The FCC is to conduct a continuing study of the effects of the bill and make an annual report of its study to the pertinent committees of the Congress.

THE SWAMP THAT BREEDS HEROIN ADDICTION

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. RANGEL. Mr. Speaker, as a member of the Select Committee on Narcotics Abuse and Control, and having chaired the hearings in New York regarding this disastrous problem, I recently read an article which appeared on Saturday, February 12, 1977, in the New York Times describing the necessity for stronger sentencing in narcotics violations. The article is written by Clifford S. Fishman, Esq., an executive assistant district attorney in the office of prosecution, special narcotics courts in New York City.

Since there is continual controversy as to the correlation between stiffer sentences and a decrease in trafficking, and as an advocate of stiffer sentences, I felt my colleagues would be interested in this article.

It follows:

THE SWAMP THAT BREEDS HEROIN ADDICTION

(By Clifford S. Fishman)

A recent study labeled New York's drug laws a "failure" because the laws have not deterred the spread of heroin addiction. Such studies, however, ask the wrong questions of the wrong people, and are based on a false premise—that heroin addiction is a law-enforcement problem.

Heroin addiction is *not* a law-enforcement problem; it is a societal problem. Human misery—poverty, occupational and educational discrimination, subhuman housing—is the fundamental cause of heroin addiction; and since the profits from heroin traffic are so enormous, there will always be those willing to exploit that misery.

To expect any law to "deter heroin addiction" is naive and simplistic. At most, laws and law enforcement can impede the spread of addiction until the conditions that breed addiction are rectified.

Before the enactment of the current drug laws, narcotics traffic in New York was not only immensely profitable; it was for all practical purposes a risk-free industry. A study conducted by the State Investigations Commission disclosed that in 1970–71 only 11 percent of all those convicted of narcotics felonies received a prison sentence of more than one year. The commission concluded that "exceedingly lenient sentences in narcotics cases have encouraged violation of the narcotics laws and have severely impeded the law enforcement effort."

That conclusion was entirely accurate. A successful narcotics investigation resembles a step ladder. A street seller is apprehended and is persuaded to cooperate. As a result, his supplier is apprehended. In turn, the supplier agrees to inform against his superiors, and so on up the ladder. Without a credible threat of substantial punishment, a low- or middle-level dealer will laugh at the policeman or prosecutor who seeks his cooperation. Similarly, without a realistic threat of imprisonment, many addicts will not be motivated toward rehabilitation.

The new laws have had a substantial impact. During 1975, for example, 46 percent of the defendants convicted of committing narcotics felonies throughout the state received sentences in excess of one year, compared to the 11 percent in 1970–71. In New York City's centralized special narcotics courts, more than 56 percent of those convicted of "new law" narcotics felonies received multi-year sentences. Assertions that the mandatory-sentence provisions have made it more difficult to obtain convictions are simply untrue. Approximately 76 percent of all jury trials conducted in the central narcotics courts have resulted in convictions—a higher conviction rate than that for non-drug cases in the city.

The stiff mandatory sentences and the possibility of probation for those who cooperate with the authorities have enabled law-enforcement officers to obtain informants' cooperation to a degree previously thought im-

possible. As a result, city and Federal enforcement agencies have succeeded in arresting and convicting major traffickers who earlier were virtually untouchable.

In the courts, then, the law is working. The guilty are being isolated from society. Major traffickers are being caught and convicted.

If the law is working, why is the heroin crisis worsening?

Since 1974, the Police Department's narcotics division has been slashed more than 20 percent. The special narcotics prosecutor's budget has been reduced from $2.4 million to $1.6 million (and faces cuts of an additional $440,000 on July 1). Public funds for drug treatment in the city have been reduced from $62 million to $35 million. Therein lies the worsening heroin crisis.

That crisis will not be solved by misguided studies or inaccurate and misleading editorials. To deter heroin addiction, we must eradicate the conditions that breed addiction. Until then, we must at the very least commit adequate resources to existing enforcement and rehabilitation programs; otherwise, the law will be an empty threat to the trafficker, and rehabilitation an empty promise to the afflicted.

BULGARIAN INDEPENDENCE

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. DELANEY. Mr. Speaker, the Bulgarian national anthem refers to Bulgaria as a land of heroes. Indeed it is. One of the greatest ironies of modern history is that five centuries of darkness and national oppression under Ottoman rule were initially shattered for the Bulgarian people with the help of the Russians.

Bulgaria was one of the greatest political units of the Middle Ages before being conquered by the Turks in 1396. With Russian and Romanian assistance, on March 3, 1878, the Treaty of San Stefano resurrected a Bulgarian principality. This was treacherously undermined by the Congress of Berlin which transformed Bulgaria into a northern province under Ottoman sovereignty within a sphere of considerable Russian influence, a southern state known as Eastern Rumelia, and Macedonia under direct Turkish rule. But, in 1885, despite Russian opposition, the northern province of Bulgaria was united with Eastern Rumelia and the Bulgarian border extended to approximately that of the present day. A fully independent kingdom was finally proclaimed on September 22, 1908.

Toward the end of World War II, in September 1944, the U.S.S.R. opportunistically declared war and Red Armies poured into the devastated kingdom. It was only a matter of time before the "fatherland front"—a puppet coalition backed by Soviet bayonets rose to power through violence and rigged elections. Communist control was then formally solidified through the infamous Dimitrov Constitution of 1947.

Mr. Speaker, today marks the celebration by Americans of Bulgarian descent of their fatherland's initial independence in 1878. I join with them in praying that Bulgaria will soon regain its rightful place among the free nations of the world. At this time of increased attention to the issue of human rights, we are inspired by the historic 1947 proclamation of Kosta Lulchev—of Bulgaria's Social Democratic Party—that the Bulgarian people's fight for freedom and democracy would never be crushed by Soviet imperialism. It has never been crushed.

THE PANAMA CANAL—PAWN OF BIG BANKERS?

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. HANSEN. Mr. Speaker, I have this week requested an investigation by the House Subcommittee on Domestic Monetary Policy on the possible connections between this country's big international banking interests and the ongoing negotiations for a new Panama Canal Treaty.

As ranking minority member of the subcommittee, I know Marine Midland, one of the Nation's largest banks and other major banks, to be significantly involved in loans to financially troubled Panama. I am particularly concerned that Mr. Sol Linowitz, appointed by President Carter to negotiate a new canal treaty is a member of the board of directors of Marine Midland Bank and other corporate interests doing business in Panama which causes many questions to cry out for investigation by Congress. The American people have a right to know how great is the stake of Marine Midland and other big U.S. banks in the Panamanian dictatorship.

Also, is there any connection between the short-term appointment of Sol Linowitz rushing to conclude a new treaty and Panama's financial involvement with the big American banks.

Finally, we should know if the national economic and defense interests of the people of the United States are being subordinated to the private interests of big banks with heavy foreign investments.

Mr. Speaker, I include at this point, letters and articles concerning this serious situation:

Hon. PARREN J. MITCHELL, M.C.,
Chairman, Subcommittee on Domestic Monetary Policy, House Office Building.

DEAR MR. CHAIRMAN: On January 22, 1976, it was revealed that several large banks were on a "problem list" contained in a confidential Federal Reserve report. At the top of the list was Marine Midland Bank of New York, which was reported as having classified loans amounting to 128.1% of total capital accounts. (Ordinarily, examiners take special notice if this ratio is above 30% and consider it a matter for serious concern if it rises above 65%.) Three different reliable assessments give reasons for the presence of the bad and below-average loans responsible for this condition. These identify problems with real estate investment trust customers, serious problems and losses associated with the holding company's merchant bank in London, and managerial problems related to having offices scattered all over New York State.

Not yet mentioned is the distinct possibility that loans to LDC's, particularly to financially shaky Panama, may have been involved and may still be keeping Marine Midland on the problem list. Significantly, none of the regulatory agencies denies that Marine Midland is still on the problem list. Marine Midland is now among the nation's 15 largest banks, recently arriving at that position by merging with the country's 22nd largest bank, Union Bank of Los Angeles. Union, however, did not necessarily cause much improvement in Midland's position since it was second on the trouble list, with classified loans amounting to 99.7 percent of capital.

It is also significant that Marine Midland has a regional office and, more importantly, a branch office in Panama City and participates in loans to the financially troubled Torrijos dictatorship in Panama. That the government of Panama is financially troubled cannot be denied. A document from the Department of Planning in Panama, printed in the Congressional Record on February 22, 1977, shows that the percentage of the Panamanian government's budget devoted to debt servicing will rise to nearly 40% this year from 29% last year. Both Panamanian officials and U.S. State Department observers say that the financial situation in Panama is sagging and likely to deteriorate. The Panamanian dictatorship has characterized its own financial situation in 1977 as "delicate" and emphasized the threat to the "liquidity and solvency" of its central bank because it will take at least four months to formalize certain credit commitments, mostly from private banks. There is a tone of urgency in the Panamanian search for help in servicing its debt, which sheds some light on the rush to sign to a new treaty.

Entering into this situation in somewhat spectacular fashion is Mr. Sol Linowitz. He has been sent to Panama to negotiate a new Canal treaty but only on a short term appointment which precluded U.S. Senate scrutiny of his qualifications and possible conflicts of interest. Mr. Linowitz, it turns out, is a member of the Board of Directors of Marine Midland Bank and has other corporate interests involving Panama. This raises a great many questions which cry out for investigation by Congress:

1. How great is Marine Midland's stake in the Panamanian dictatorship?

2. Is Marine Midland in danger of insolvency if the new treaty with Panama doesn't turn out in the "right" way?

3. Is there probable cause to believe that a felony has been committed under 18 U.S.C. 208?

4. What will be the probable effects on the money supply in the United States and its impact upon American citizens if the Fed is forced to discount a large amount of Marine Midland's paper? This question is of pressing concern to every consumer in the nation.

5. Are the short-term (6-month) appointment of Sol Linowitz and the rush to sign a new treaty in any way related to Marine Midland's plight?

6. Where did the decision originate for a 6-month appointment which precluded Senate scrutiny of possible conflicts of interest and other matters concerning qualifications for appointment?

7. Are the national economic and defense interests of the citizens of the United States being subordinated to the private interests of one or more big banks with heavy foreign investments?

Mr. Chairman, for the above reasons and because negotiations towards a new treaty are already in progress, I urgently request

that we institute immediately an investigation of this pressing and dangerous situation.

Sincerely,

GEORGE HANSEN,
Member of Congress.

[Attachment to Congressman Hansen letter to Chairman Mitchell, Feb. 25, 1977]

[From the Washington Star, Feb. 25, 1977]

WHY SOME PANAMANIANS ARE IN NO RUSH ON CANAL

(By Charles Bartlett)

PANAMA CITY, PANAMA.—Rarely in American history has the nation been obliged to contemplate the award of a great prize to a government as deficient as the one now presiding over Panama.

"Ah, but you are not handing over the canal to the Torrijos government," exclaims a Panamanian negotiator. "You are giving it to the people of Panama."

He may be right in that the canal's transfer will not occur until the year 2000 when Torrijos will be 70. But he may be wrong because dictators with strong livers hang on. At any rate he will get most of the Zone property immediately.

A new treaty promises to give Omar Torrijos enough historic stature to become a semi-permanent fixture. Since his leadership is characterized by heavy corruption, economic mismanagement, intolerance of dissent and a disturbing tilt to the left, the dignity which the Panamanians gain from evicting the Zonians may be lost in the ordeal of protracted repression.

This is why some who have struggled hard to bring the Zone under Panama's flag are now alarmed at the speed at which President Carter is propelling the negotiations.

One fear is that Torrijos is so mired in loans from U.S. banks that he will make a poor deal for the country. Another is that the treaty will arm the dictator with funds to build an army and fresh opportunities for corruption.

The State Department is perceived by these Panamanians to be playing a cynical game. It has propped up Torrijos with sizable AID assistance, unusual for a nation with one of the highest per capita incomes in Latin America. Embassy spokesmen defend Torrijos's corruption as par for Latin politics and minimize the implications of his Communist ties. He is the key to the treaty they seek, so they accord him a respectable aspect.

The credibility of the Communist threat in Panama has been damaged by Zonians who apply Red labels to all who question their colonial outlook. But it deserves more serious attention because the moves, which some experts see as efforts by Torrijos to placate the left, add up to a menacing pattern of concessions. Too many of the regime's key figures, including some principal negotiators, are committed to the hard left.

The only political party now allowed to function in Panama is the Communist "People's party," a negligible force when Torrijos took power in 1968. Two queasy figures with Marxist links, Diaz Herrera and Antonio Noriega, are moving with the President's support into dominance over the national guard. Torrijo's chief adviser, Escobar Betancourt, turns up in such curious roles as head of the Panama-North Korean Association.

Drink is Torrijo's personal vice; avarice is the preoccupation of his brothers; brutality is the distinguishing feature of his police, and extravagant ineptness is the failing of his economic planners. The regime has put the small nation so deeply in the red (an estimated $1.2 billion) that the canal treaty has no supporters more fervent than the American bankers whose hopes for repayment rest on a revival of faith in the Panamanian economy.

This is not the sort of government to which the United States would normally be eager to transfer a property that is crucial to its commerce.

Most Panamanians are satisfied now that the pressures of nationalism make the transfer inevitable at some point. But some thoughtful ones say they are content to wait because time will work to their advantage if it rids them of Torrijos and softens the U.S. negotiating position.

The signs here indicate that the negotiators will manage to strike a deal. But when the Senate has a close look at the evolving nature of the Panamanian regime, ratification is not apt to come easily.

[See also Senator Helms' entry in the Congressional Record for February 22, 1977, pages 4805–4809]

Hon. HENRY S. REUSS,
Chairman, Committee on Banking, Finance and Urban Affairs, Rayburn House Office Building.

DEAR MR. CHAIRMAN: Following up on my request for an early investigation by our Committee into the international operations of U.S. banks and the resultant affect upon our domestic monetary situation and foreign policy, I want to apprise you that my further studies have revealed even more urgent need to address ourselves to this situation and at the very earliest date possible—hopefully this month.

Mr. Chairman, this is not a political matter, this is a matter of assuring the people of the United States that we will act to protect their personal and national well-being against any interests to the contrary foreign or domestic. There is no way that anyone in public trust such as we hold can close our eyes to matters which are currently receiving expressions of serious concern by virtually every national specialist in monetary affairs.

Mr. Arthur Burns recently summarized this concern very well in his statement before the Joint Economic Committee by calling for the need to prevent overexposure of commercial bank lending in the less developed countries. He said that unless the rule of law is developed in this field, we will have chaos.

The urgency is there, Mr. Chairman, and my earlier expression of concern for the situation in Panama is but one exposure of a very complex situation with great economic and political significance both at home and in our foreign relations. Such respected financial institutions as Morgan Guaranty estimate that LDC loans by commercial banks in industrial countries, principally the United States, is approximately $75 billion and this is expected to increase substantially this year. This disturbing situation added to the fact that a large portion of our big bank portfolios is in foreign accounts makes immediate investigation imperative.

Mr. Chairman, I recognize that several jurisdictional lines within our Committee are involved and feel as you do that this plus the magnitude of the situation would be more appropriately examined by the whole Committee. Again, I cannot overstate my hopes that this matter which is of such concern to so many prominent financiers and which is now surfacing in alarming ways will be handled with dispatch to assure as much as possible from our jurisdiction the security of the citizens of this nation and our domestic and foreign financial affairs.

Sincerely,

GEORGE HANSEN,
Member of Congress.

[From the Christian Science Monitor, Feb. 28, 1977]

LOANS TO THIRD WORLD: AN "UNSTABLE PYRAMID"?

(By David R. Francis)

BOSTON.—Dr. Arthur F. Burns, chairman of the Federal Reserve Board, raised to the official level last week a matter that has troubled some financial experts for months: the growing loans by commercial banks of industrial countries to the third world.

Speaking to the Joint Economic Committee, Dr. Burns called on the International Monetary Fund (IMF) to take a surveillance role to prevent overexposure of commercial bank lending in the less developed countries.

"We need to develop the rule of law in this field," he said, "and the only instrument for this is the IMF. Unless we have the rule of law, we will have chaos."

Dr. Burn's suggestion is of more than financial importance; it has political significance. He was implying that commercial bank loans be keyed to acceptance by the borrowing countries of IMF conditions.

When the IMF sets "conditions," it tells a nation to make policy changes that are often political dynamite. It could, for instance, demand a reduction in government spending, an increase in taxation, the tightening of monetary conditions, or even an improvement in the efficiency of government corporations.

Though such actions may often be necessary, they sometimes bring a temporary reduction in living standards. No third world politician finds that thought a happy one.

Opinions on the seriousness of the third world debt problem differ. For instance, Roger H. Cass, in a 150-page study for NAE Research Associates, speaks of "the enormous, rapidly growing, and daily more unstable pyramid of third world debt" that could begin "its disastrous but ultimately inevitable collapse."

On the other hand, Argus Research Corporation maintains that "there is a low probability of occurrence for the full sequence of events required to produce actual write-offs of LDC [less developed country] debt—even on an isolated basis. We believe the prophets of gloom are overdoing it."

Perhaps actual events will lie somewhere between these two views—some countries may have to refinance their debts.

In any event, the issue is dangerous enough that one major lender to third world countries, the Morgan Guaranty Trust Company, also has proposed that the IMF's role be enlarged and upgraded to help prevent a financial crisis.

"The willingness of banks to continue to provide a sizable portion of the balance-of-payments financing requirements of non-OPEC LDC's and various industrial countries clearly would be enhanced by a better balancing of the roles of official and private sources of financing," says Morgan Guaranty in last month's World Financial Markets publication.

"Morgan Guaranty calls for a major increase in the fund's ability to lend to its member countries. "The amount of IMF credit available has to be large enough to induce a country to submit itself to the conditions imposed by the fund," it notes.

• • • approval to a suggestion made at Jamaica in January, 1976, by the interim committee of the board of governors of the IMF of the possibility of providing so-called "super tranches"—loans beyond the normal lending capacity of the IMF.

It also suggests that OPEC (Organization of Petroleum Exporting Countries) with huge international payments surpluses be brought into another IMF facility, the General Arrangement to Borrow (GAB). The GAB now includes the 10 major industrial members of the fund, plus Switzerland. This change would be made to increase IMF access to oil country surplus funds. Also, GAB resources would be made useable beyond the industrial countries (as now restricted) to third world nations.

Morgan Guaranty estimates that the combined external debt of the non-OPEC LDCs reached an estimated $180 billion by the end of 1976. Of this, approximately $75 billion was owed to commercial banks in industrial

countries. They could run up another $32 billion current-account deficit this year, adding hugely to their debts.

NAE Research Associates is a bit more pessimistic, putting the current account deficit (international payments deficit) at $36 billion. Also, the non-oil LDCs have a $17 billion amortization requirement on their old debts, NAE Research estimates.

Advises Morgan Guaranty: "The Fund [IMF] should assume a more aggressive posture, reaching for new resources and also for new ideas and talent. Furthermore, efforts should be made to forge a new partnership between the fund and the private financial institutions of the world, involving a mutual sharing of information and opinion. The needs of the present situation demand no less."

Hon. PARREN J. MITCHELL, M.C.,
Chairman, Subcommittee on Domestic Monetary Policy, House Office Building.

DEAR MR. CHAIRMAN: Some interest has been expressed by Chairman Reuss in holding full Committee hearings in connection with the issues raised in my letter to you of February 26 inst. I wish to define further, however, the particular issue that I believe should nonetheless still be the subject of early hearings by the Subcommittee on Domestic Monetary Policy.

You are of course aware of the circumstances that surrounded the failure of the Franklin National Bank some time ago. It is a matter of record that the Fed discounted a large amount of paper in order to sustain the liquidity of Franklin National. The matter of liquidity becomes in such a situation entwined with the matter of solvency. The Fed was designed in some measure to be a "lender of last resort"; can this, or ought it, be separated from the FDIC function of being "insuror of last resort"? How can the Fed assure liquidity without, as is rumored to have been the case with Franklin, effectively insuring large accounts against loss, beyond the limits of the FDIC backing set up by Congress?

Chairman Burns of the Federal Reserve has expressed concern over the "chaos" we are approaching in the field of commercial lending to LDCs. Surely this is alone sufficient reason to characterize the questions I have raised above as important and pressing. We should not wait until a crisis arises before thinking out our policy options and choices. I urge you to convene immediately hearings on the subject of whether the Fed is or ought to be an "insuror of last resort", particularly with reference to the dangers that may be posed by shaky loans to LDC governments.

My previous letter to you posed questions of this nature precipitated by revelations concerning banking relationships in Panama which makes an inquiry most timely and necessary.

Sincerely,

GEORGE HANSEN,
Member of Congress.

WHAT AMERICA MEANS TO ME

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. SKELTON. Mr. Speaker, I have the opportunity today to perform one of a Congressman's more pleasant tasks. Every year the Veterans of Foreign Wars sponsors a contest known as the Voice of Democracy. High school students around the Nation are invited to submit essays on patriotic themes. This year's theme was "What America Means to Me." The top essayists from each State are brought to Washington to be honored by the VFW. From their numbers are selected the five best entrants, who then are awarded college scholarships.

It is with a combination of pride and pleasure that I report that this year's outstanding entrant from Missouri is from the Fourth District, which I have the honor to represent. She is Deana Faye Reece, of 903 Oakvale, Harrisonville, Mo.

I have read this young lady's essay carefully. It is a moving tribute to this Nation's unique legacy and limitless future. In this, the first year of our third century as a free republic, it is a fitting summation of the American spirit. The essay follows:

WHAT AMERICA MEANS TO ME

When I think of America, I see it in a series of pictures. A small Midwestern town—clean and white and lazy in the morning sun. A teeming Eastern city—loud, blustery, moving quickly. The deserts and the marshes, the rolling hills and the plains, the farmer, the doctor, the banker and the mechanic—these are America. America is land. America is people. This land of ours means so many things, that it is hard to describe. There are five words that I always associate with America. First—freedom—freedom to be whatever you want to be; held only to the limits of your own visions; freedom to choose your God, and freedom to say what you think. Second—promise—the promise of a better way of life; the promise to every person his or her chance, regardless of race, sex or beliefs. Third—trust—trust in a government that has worked for two hundred years. Trust in the American way, where people are kind and good. Fourth—individuality—the right of every man to be his own man, one among the millions, but still an individual. And fifth—pride—pride in a country that stands tall among the world's giants—pride in our heritage, and pride in ourselves in realizing that to be an American is a unique privilege. Freedom, promise, trust, individuality, and pride—five words, with five totally different meanings, but combine them, and you get America. America is not only people and those indescribable feelings, America is also a land rich in the wonders of nature. Thundering mountains, slow moving rivers, golden wheat fields, these, too, are America. Edgar Lee Masters said, "This is the country that Cabot, Hudson, Raleigh, Coronado, Smith and DeSoto stared at with blinded eyes, doing all that they could do to understand its meaning." I believe that is what every American does all his life. What is America and what does it mean to me? To me, America is home. A place safe, secure and happy. Can any of you imagine living in any other country besides America? I know I can't, because there is no country in the world that can compare to America. I could give endless examples of America, but I won't because in your own minds you all have your own pictures of what our country is. I am in awe of this great land of ours and nothing can express my feelings better than the words of Daniel Webster, "Thank God, I, also, am an American!"

A VIETNAM VETERAN SPEAKS OUT

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. TAYLOR. Mr. Speaker, recently I was contacted by a young constituent who is a veteran of the Vietnam conflict and is attempting to tell the story of the extreme difficulty that such veterans are having in being accepted back into society especially in obtaining gainful employment.

I am herewith submitting the statement of Terrance J. Mondy, a resident of Springfield, Mo., for the perusal of my colleagues:

AN INTRODUCTORY TO ONE OF AMERICA'S VIETNAM-ERA VETERANS

(By Terrance J. Mondy)

To Whom It May Concern:

WHO AM I?

One of six million Vietnam Era Veterans who dedicated eight years of my life to my country in the form of military service; and whose rewards for Honorable service include both fifty percent disability of health, and eighteen months of unemployment. My name is Terrance J. Mondy and I was the writer of the record "Battle Of An American Vietnam Vet", (by actor—Jeff Norberry, on Country Stream Music label) which tells what it is like to return home to an ungrateful nation after having lost a politicians war. The record appears to be stirring up emotion and reaction among political leaders, religious leaders, and veterans across the country; each whom share in the belief that the Vietnam Era Veterans have been gravely wronged by the government and the "We the people of the United States". Perhaps my personal sacrifices will warrant a few minutes of your time to learn what it's like; for if it doesn't, pity you for not caring.

WHAT WAS I?

My background must be recorded for what it was: Eight years meaningful personnel management experience, gained from military service. I have earned no degree, but did acquire my education the hard way, through the experience of working eighteen hour duty days as the rule rather then the exception. My assignments each carried extreme amounts of responsibility; yet I always managed to meet the challenge and get the job done. I was conscientious in my work and cared for my contemporaries' well being as much as my own.

During my first two years of service, I worked in an overseas base personnel office and developed skills in counseling, research studies, statistical analysis, supervising management procedures of processing government paperwork, and utilization of computer systems to cite a few. This helped prepare me for my next two year special duty assignment.

For the next two years, I was the NCO in Charge of Military Airlift Command Personnel Classifications. My prime responsibility was placing the right man in the right job. I was knowledgeable of each Air Force specialty, and insured each member was placed in a field he was qualified and suitable to perform in, and that all prerequisites and training had been accomplished. I revised and updated many of the job description specialties; and the Air Force Classification process was changed during my assignment and continues to remain an improved process and system. I was involved in formulating plans and procedures and aided in introducing the Superior Performance Proficiency Pay program into the Air Force. I coordinated the program with the Office of the Secretary of Defense. As an additional duty, I assisted the Director of WAF.

My third three year special duty assignment was as a Resource Manager for the Air Force Communications Service Headquarters. I managed all of the Air Forces air traffic controllers, cable splicers, switching specialists, navigational aid technicians, and the Air Force satellite communications program. Simply stated, my job was to select the most eligible personnel for reassignment; and in-

sure all requirements in each field were satisfied by equitable world wide qualified manning. The satellite communications program had significant importance, and was designed to provide instant total world wide communications. I was one of the original personnel manager's given the responsibility of building the satellite communications force. The success or failure of the program depended upon my careful planning and programming of qualified trained manpower for many years into the future. The air traffic control facilities each had to be manned above the FAA emergency manning level. Failure to insure sufficient qualified personnel were on duty during operating hours meant curtailment of services and closure of runways, thus resulting in the Air Force not accomplishing its mission. Each of the other career fields I managed had their own significant importance. Much of my work involving Vietnam is classified; but I was directly involved in the reduction and withdrawal program.

My final special duty assignment was as a Personnel Liaison of Midwest Regional Recruiters. I coordinated recruiters' plans and activities, and insured enlistment quotas were satisfied. I additionally was responsible for the testing administered to enlistees.

It can be said my eight years of service involved me in all areas of personnel management. I helped implement the personnel customer service department for each base; and personally developed the Air Force's assignment service center. My judgment was of enough value that I was selected as a representative to many committees and task forces; ranging from human-race relations, hair and uniform regulations; to such things as quieting riots and planning raids on POW camps, as examples. My military service was one of great responsibility and was distinguished by all outstanding performance reports. I have received many decorations including the meritorious service medal, letters of citation, gratitude, commendations, and recommendations. My experience including all of the military schools (more expensive than civilian) that I attended, did not earn civilian employment.

WHY AM I?

I was born during the post World War II era of the late forties; in a time when the population errupted. It seemed a war was destined to occur to reduce the size of the generation produced during the baby boom, and thus avert a probable surplus of manpower. More than a decade ago, during the mid 1960's, about the time the surplus generation was entering the job market, a conflict in the land of Vietnam was escalated into a war. Many young men who couldn't get deferments, were selected to represent their communities by carrying freedom's liberty message into battle. Yet these same young men selected to fight or serve had no voice in the government through the poll system.

Shortly after our entry into the Armed Forces, the civilian anti-military attitude increased and demoralized our team spirit. It was this attitude which was the contributing cause for loss of pride in our uniform. This misdeed violated the sacred tradition of America's patriotism. You know, it wasn't easy to stand fast and allow yourself to be spit on and humiliated; while being mocked, heckled and jeered for wearing a uniform, while others burned the flag, and bombed induction centers.

It was difficult to understand why Americans were being sent into Vietnam to preserve the freedom of a people who were protesting our presence; while people back home continued demonstrations against the war. Our frustrations increased when General Westmoreland, Commander—Vietnam Forces, received orders not to win the war; and was later fired for trying.

The climactic end came when defeat in exchange for peace on our knees was accepted. We saw North Vietnam clean sweep South Vietnam in violation of the Paris Peace Accords; while the United States failed to respond with military retaliation as promised. It is an emotional hurt to know American bases and equipment are now occupied by the enemy. We saw some of the same Vietnamese who protested our presence for their freedom, flee to our country to the outstretched hands of sympathetic employers. These Vietnamese received special funds to transition them into being an American; while unemployment among American veterans sharply increased.

We've seen our 3,000 comrade POWs and MIAs abandoned and being forgotten. Yet our government who promised their immediate safe return, now declares each dead, and has no plans to bury them on American soil. I ask why flag burning draft dodgers are brought home to live under a flag they stood against; while flag waving American patriots remain in capture under a flag they fought against? Who earned the rights to the colors of the red, white and blue?

Many of the surplus generation began coming home whole, or disabled, or to lay at rest in peace. Upon arrival there were no crowds to welcome us home; instead a different America had been born. An America which influenced employers to overlook our skills, and fail to recognize military backgrounds and experience as meaningful. Many have labeled us gun-toters; few remember our experience included defender of their freedom.

We have sought public service jobs, but find they are occupied by draft evaders and deserters whose punishment for clemency was jobs that paid wages. (I was refused public service employment on five separate occassions after being asked what I did prior to eight years of military service.)

Yes, those of us who have earned more rights and privileges this country has to offer are ending up with less rewards for the time lost serving this country. It was time lost, and for nothing as reflected by the Executive Order for pardons; making flag burning—draft dodging right; and flag waving—American patriotism wrong. I would seriously question the intentions of a government who establishes the following priorities for reward of it's citizenry: (1) Take care of Vietnamese; (2) Give jobs in exchange for clemency to draft dodgers and deserters; (3) Pardon those who refused to serve, and broke the laws of our land; and (4) Give what ever is left over to those who Honorably served. The POWs and MIAs are not included in the priorities; for they have been abandoned, and are being declared dead. It has been said "Poor is the nation who has no heroes; Shameful is the one having them who forgets".

As an individual I cannot cite each wrong doing and injustice committed against each of the six million Vietnam Era Veterans; but perhaps I can help bridge the communications gap which exists between society and veterans, and give each a new awareness into the problems we share in common. I would encourage all veterans to stand and speak of their own problems.

I was taught to always try working inside the system and use it; rather than buck it. But the system is no longer working for veterans or me either, and needs adjusting. The system should not have allowed my own personal misfortune of eighteen months of unemployment; not earning wages or paying taxes. I have tried every avenue available, but find none of the programs are workable, and suitable to my needs. It appears no one cares about my family and my well being.

I tried a number of months seeking employment on my own, finding employers who gave false hopes for employment and help. I enlisted the aid of state employment offices are well as private agencies, yet found no aid. I sought civil service employment; and found agencies didn't desire an eight year military background. I tried the Comprehensive Education and Training Act (CETA), yet was advised it was geared to place under educated, undesirables into entry level jobs. I tried the GI Bill but find many who earn degrees will never be positioned consistently with their field of study, since less than ten percent of the jobs require degrees. In my case this would mean more time lost, placing me in an even more difficult age bracket for employment. (I believe a large portion of my peer member generation attending college, may become further dissolutioned after leaving their holding facility which sustains them, as they re-enter the job market only to discover they remain surplus.)

I've sought the aid of the Veterans Administration for an on the job training, or cooperative training program; I tried the Veterans Readjustment Appointment Act, and have sought public service; none have worked. All I find is many other veterans struggling along with me and striking out. It appears veterans have been outcast by society into an undesirable group.

Upon departure from the Air Force I believed my abilities proven by experience would be equally as valuable to an employer as it was to the Air Force. To my dismay, employers didn't honor my qualifications for jobs I felt qualified to do. Yet even my efforts to seek demeaningful work produced no results, since employers believed I might continue seeking better employment. I've learned why military retirees die within five years of retirement, from inactivity. I know what it's like to go to bed at night hungry; feeling deserted and lack of hope for a better tomorrow.

I've learned disabled people must often conceal their disabilities from employers who seek only one hundred percent healthy bodies. I question the morality and humanity of a society which compels me to conceal a disability incurred from service of my country. For my disability is an illness, while society's is a sickness.

Can anyone criticize veterans for feeling disillusioned; or blame any military member who refuses to put his uniform back on? Does anyone expect future draftees to respond to a call of safeguarding the freedom of an ungrateful nation? I would remind you that today's veteran is from the Vietnam War Era, and is unlike the veterans of earlier wars and eras; who were hailed as the heroes they were, during a time when patriotism was high. History has recorded no heroes from Vietnam, which is the difference between victory and defeat, and shows lack of patriotism. Today's veteran is the one who would be asked to return and defend you; and bears the children of tomorrow. Will he and his children remember those who have forgotten him?

With the actions and injustices toward the veterans of this past decade, I'm no longer angry at my country; I'm ashamed of it's people who call themselves American. I ask not what is wrong with my country, I ask what is wrong with the "We the people of the United States", who allow America's problems to continue to persist?

POSSIBLE FIRST STEP SOLUTIONS

(A) *Suggestions To The Government.*—Today's veterans from the Vietnam War Era, and their interests are not properly represented in government. We are represented by over-educated people who try to solve problems they have never experienced, and who can not identify with us, our needs, or our problems. Even representation by earlier veterans is inadequate; since their return to society historically was different than ours. Problems of today's veteran can only be solved by people who have been on our road, and have experienced our problem.

Place unemployed—average educated Vietnam Era Veterans who have encountered

similar employment difficulties from their military background, in responsible capacities within government. They should be placed in many departments, including the Labor Department, and Veterans Administration to represent our interest. Average educated veterans can better represent the more than 558,000 unemployed veterans who aren't seeking degrees, but rather jobs; and have no similar interests, goals, or problems of the higher educated. If government would establish a precedence of selecting veterans based on service experience, not education; surely society would follow the standard. For the citizens do as it's government does, not as it says. Does ability only comes from an education in a classroom; can it not come from experience?

The 200,000 public service jobs which have been designated for Vietnam Era Veterans will be a progressive first step forward if handled properly and given top priority. The stigma of public service jobs must be erased to preclude marring the image of those who participate. We don't want our jobs for survival program associated with the public service clemency jobs for punishment. It is my hope that the program will get veterans working again; but my belief is that it's another program which looks good on paper and fails to achieve it's intended results. Apparently it will not be a fair and equitable system since the participants must be in the right place at the right time, and know the people who regulate it. What can the remaining 358,000 unemployed expect?

I believe the Department of Labor should retain complete authority over the program to insure equal opportunity. The job requirements and those selected to fill them should be accomplished by one central agency to provide fairness; in a similar procedure the military requirements are developed and filled.

Future veteran employment problems can be solved by providing a civilian transitional camp for separating servicemen. The camps would be operated and financed by private industry, in exchange for free wages, and the use of an altered base.

(*B*) *Suggestions To Society.*—The crisis which darkens America's image is the sixty percent higher unemployment among Vietnam Era Veterans than any other group. The actual number unemployed who served during the Vietnam Era, cannot be accurately calculated, since many are not being paid unemployment claims and are defeated. Estimates that the figure is between 558,000 and one million, or nearly one out of every six; which is sizeable enough to shame every American. I challenge people to visit employment offices and see who stands in line.

Lincoln once pledged our country to "Care for those who have borne the battle". Have you forgotten the meaning of that immortalized pledge? Shouldn't it be interpreted during hiring selections as meaning: "He may not be the best; but at least he's a vet"?

Those who hold down two jobs instead of one, working for wants instead of needs; please remember those of us, for lack of jobs whose needs aren't met. Those whose households supply two bread winners that compete against each others career; please remember those who cannot support a household, as they have no career. Sacrifices, not greed gives all a promise of future tomorrows.

Employers whose profits mean more than caring for your fellow man; please increase your profits by providing jobs for purchasing incomes to the unemployed. Remember that the economy, government and your America—including you, depend on consumers purchasing ability. Contact the Veterans Administration and learn of the many low cost/no cost wage programs available for your use in exchange for training veterans.

Many who display military articles of clothing, decorations, insignias and other mementos have not earned the rights to their possession. Will you return the privileged rights of these sovereign items to those who wore the uniform; thus restoring the military's pride and dignity?

Society will you cleanse the tarnished Spirit of '76, for continued freedom in '77? Will you join in a cause of rallying patriotism for God, flag, country and servants? Will you get the veterans working, and start recognizing the important job they were commissioned to do, and thank them for having done it? Can future Memorial Days, Independence Days, and Veterans Days have a new meaning of honor for those who sacrificed and served; rather than continuing to be a holiday taken at veterans expenses?

(*C*) *Suggestions To Veterans.*—The combat portion of our war has ended, yet our battle for survival rages on. I don't know each of your problems, hardships and sacrifices; nor do you know mine. I would encourage you to stand and speak and no longer remain in defeated silence. I say veterans have waited long enough, and that it is time all twenty-five million organize and unite in cause. For with our voices united as one, we can be the voice all of America hears.

I ask that you no longer hide or discard your military service background, because you've made enough personal sacrifices. Remember the who, what and why for you and be proud. Change will soon come from a society who values its own future, and is willing to start responding to our needs; or by someone working inside the system who cares. For without voluntary change coming soon, we only have two options available for our future survival: (1) A class action tort or civil rights suit against the government and it's people for damages from injustices incurred; or (2) Peaceful demonstrations of taking instead of waiting for what is earned, as did the World War I Veterans.

SUMMARY

I pray that my message has been properly communicated, and will be received favorably through your hearts and minds, and that you may now know what it is like. I ask you to rededicate to patriotism, and that you have a new understanding and compassion for America's veterans.

My background was included for your review; because I question why I am turned down for employment, and remain surplus to the needs of society. Didn't my eight years of service and hardships earn more than eighteen months of unemployment? I ask that my service background not be sacrificed as time lost; by being required to return to life's starting gate.

I can now face myself and answer these questions: Who Am I? One of six million American Vietnam Era Veterans; What Am I? Disabled and unemployed; Why Am I? Society! I ask not for your pity, but rather I offer you my pity for having forgotten those who served, and for not caring.

I'm still in need of employment, and question if tomorrow will be different from yesterday and today, as I and many other veterans continue our search for employment? Will we find what we seek, or continue to be turned away? Will our defeat be changed into America's victory, by those willing to respond to the needs of veterans? Will anyone help restore our dignity, pride, and belief in our country? I will appreciate all comments, remarks and support from those who might care. Please write me in care of H. S. Jewell Station, Box 7090, Springfield, Missouri, 65801. I will forever remain one of America's Vietnam Era Veterans.

TESTIMONY ON H.R. 3199

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. EDGAR. Mr. Speaker, as part of the continuing debate on amendments to the Federal Water Pollution Control Act, I would like to insert into the RECORD, a portion of the testimony of Thomas L. Kimball, Kenneth S. Kamlet, and Peter L. Sullivan before the House Public Works Subcommittee on Water Resources on behalf of The National Wildlife Federation.

The testimony follows:

TESTIMONY OF THOMAS L. KIMBALL, KENNETH S. KAMLET AND PETER L. SULLIVAN ON BEHALF OF THE NATIONAL WILDLIFE FEDERATION, BEFORE THE HOUSE SUBCOMMITTEE ON WATER RESOURCES OF THE COMMITTEE OF PUBLIC WORKS AND TRANSPORTATION, HEARINGS ON H.R. 3199 TO AMEND THE WATER POLLUTION CONTROL ACT, MARCH 2, 1977.

Mr. Chairman, Members of the Committee, I am Thomas L. Kimball, Executive Vice President of the National Wildlife Federation, which has its headquarters at 1412 Sixteenth Street, N.W., here in Washington, D. C. Kenneth S. Kamlet, Counsel to the Federation and Peter L. Sullivan, Resources Specialist, assisted in the preparation of this testimony, both of whom are here with me. They will be available to answer questions from the Subcommittee. The Federation is a private, nonprofit organization which seeks to attain sound conservation goals through educational means. Affiliates of the National Wildlife Federation are found in all 50 States, Guam Puerto Rico and the Virgin Islands. Affiliate members, Associate members, and supporters together number approximately 3½ million individuals making the Federation by far the largest private conservation organization in the United States.

At this hearing, I would like to restrict my comments to Section 16 of H.R. 3199 relating to Permits for Dredged or Fill Material. The issue at stake in this section has nothing whatever to do with the interests of a few Washington-based environmental groups versus the interests of many farmers, timbermen, road-builders, miners, and developers. The interests at stake are those of every living American and of their children and grandchildren in pure water, abundant fish and wildlife, and a healthy environment.

These interests are not inconsistent with the production of food and fiber and continued economic growth. What is needed—and what was provided for in P.L. 92-500—is balanced growth which respects environment values.

The Federal Water Pollution Control Act Amendments of 1972 ("FWPCA")—Public Law 92-500—established a comprehensive program for preserving and enhancing the "chemical, physical, and biological integrity of the Nation's waters" (Section 101(a)). Whereas in the past, federal protection had been accorded only to "interstate" bodies of water, or to waters which were commercially "navigable," the FWPCA recognized the ecological interrelationship and interdependence between interstate and intrastate waters, between navigable waterways and their non-navigable tributaries, and between each of these and associated wetlands

areas. Interstate and navigable waterways could not be kept free of pollution, if the tributaries and wetlands which nourish them were left unprotected and allowed to deteriorate. In the words of the Senate Report: "Water moves in hydrologic cycles . . . and therefore, reference to the control requirements must be made to the navigable waters, portions thereof, and their tributaries." S. Rept. No. 414, 92d Cong., 1st Sess. 77 (1971).

The absence of a more explicit definition of "navigable waters" in Section 502(7) than "all waters of the United States," was explained as follows by the House Report (No. 911, 92d Cong., 2d Sess. 131 (1972)):

"One term the Committee was reluctant to define was the term "navigable waters." The reluctance was based on the fear that any interpretation would be read narrowly. However, this is not the Committee's intent. *The Committee fully intends that the term "navigable waters" be given the broadest possible constitutional interpretation unencumbered by agency determinations which have been made or may be made for administrative purposes.*" (Emphasis added).

The Conference Report contains an identical statement.

No matter how often the opponents of pollution control say that Judge Robinson misconstrued the intent of Congress in holding, in *NRDC and NWF v. Callaway*, that Section 404 covers discharges into "all waters of the United States," the fact remains that the Judge was simply and accurately interpreting the plain language (see Section 502 (7)) and equally plain legislative history of P.L. 92-500. And no matter how many Members of Congress, who might like to see Section 404 changed, say that the Court went beyond what they intended, the fact remains that Section 404 (covering disposal of dredged material) and Section 402 (covering disposal of everything else) have exactly the same scope, yet none of these Members have been heard to complain that Section 402 goes further than they intended.

Statements by Senator Muskie, who more than any other Member of Congress deserves credit for the Water Act and what it says, strongly refute those who contend that Congress never meant for Section 404 to have any greater scope than Sections 10 and 13 of the Rivers and Harbors Act of 1899:

"Prior to the enactment of the 1972 amendments, Federal responsibility for water pollution control was limited to approval of State water quality standards and associated implementation plans for interstate streams. Interstate streams were defined administratively to include only a small portion of the Nation's surface waters. Few sources of pollution were actually subject to Federal abatement action. The result was an inadequate unsystematic water pollution program which was in no way responsive to the Nation's demand for clean water.

"The only significant enforcement tool available to the Environmental Protection Agency was the little-known 1899 Refuse Act which barred the discharge of material into the Nation's navigable streams without a permit. The decision to use that statute, combined with the recognition of the inadequancy of the water quality standards approach to pollution control led the Congress to revise the basic national water pollution law.

". . . Also, in 1972, the Congress broadened the traditional definition of navigable waters in recognition of the fact that pollutants migrated into the Nation's waters through water courses, swamps, creeks, and underground sources, many of which were simply not "navigable" in the traditional sense but the pollution impact was sufficient to merit regulation." Cong. Rec. S 9760-62 (June 5, 1975).

Public Law 92-500 is and was intended to be a water pollution control law—not a navigation law. If Congress had wished to stick with the 1899 definition of navigable waters, there would have been no need whatever to include the discharge of dredged and fill material among the matters given specific attention in the Water Act Amendments of 1972. The fact is, and this is reflected by the Act's definition of the term "pollutants" to include "dredge spoil," that dredged material can be every bit as damaging to the water quality, to the survival of fish and wildlife, and to human health and welfare, as any other pollutant.

Indeed, dredged material—sediment dredged up from the bottom of rivers and harbors—if it comes from a location that is polluted with sewage or industrial chemicals, will itself be polluted with these very same constitutents.

Dredged material from the Hudson River is polluted with PCBs. Dredged material from the James River is polluted with kepone. Dredged material from Antietam Creek—a tributary of the Potomac—is contaminated with DDT and PCBs. Dredged material from the waterfront near the Bogle Chemical Company in Alexandria is polluted with arsenic, pesticides, herbicides, and PCBs.

Is it the intent of this Subcommittee to tell the American people that it doesn't care if PCBs, DDT, kepone, mercury and arsenic get heaped into their lakes, rivers, and wetlands—as long as these waters are not "navigable"? Is it the intent of this Subcommittee to tell the American people that the Shenandoah River, the Okeefenokee Swamp, and the Florida Everglades, are not the concern of the Federal Water Pollution Control Act or of this Congress? Is it the intent of this Subcommittee that farmers, foresters, road builders, and developers—as important as their contributions are to the American economy and to American life—do not have the same responsibility as everyone else to preserve the environment against needless degradation? Is it the intent of the Subcommittee to tell the American people that they don't care whether or not our children and grandchildren have the benefits of wetlands and clean lakes and rivers and the fish and wildlife which depend upon them?

For all our sakes, we hope not.

The Members of this distinguished Subcommittee have before them a bill, H.R. 3199 which, in part, seeks to amend P.L. 92-500, by reducing or modifying the coverage of Section 404. This measure is not necessary even to serve the purpose for which it is ostensibly intended, and is extremely damaging in its potential impacts on this Nation's ability to safeguard its aquatic resources for future generations.

The basic thrust of Section 16 of H.R. 3199 is to:

(1) Restrict the definition of "navigable waters," for purposes of Section 404, to waters presently used or susceptible to use as a means to transport interstate or foreign commerce.

(2) Exclude discharges of dredged or fill material into waters and wetlands not covered by the new definition from prohibition or regulation under any other provision of the Water Act (including Section 402), or under Section 9, 10, or 13 of the 1899 Rivers and Harbors Act.

Section 16 of H.R. 3199 purports to do eight things:

(1) Greatly narrow the definition of "navigable waters." (Paragraph (d)(1)).

(2) Add to the jurisdiction over navigable waters (but outside of the revised definition of this term), jurisdiction over "adjacent wetlands" (Paragraph (d)(3)).

(3) Exempt, from regulation or prohibition under any other provision of the Water Act and under Sections 9, 10, and 13 of the 1899 Rivers and Harbors Act, dredge and fill discharges into navigable waters (as redefined) are adjacent wetlands (Paragraph (e)).

(4) Exempt various activities from permit requirements (Paragraph (h)).

(5) Authorize the issuance of general permits (Paragraph (g)).

(6) Provide for the regulation of waters other than navigable waters (as redefined) or adjacent wetlands, where the Governor of the State and the Chief of Engineers jointly agree that these waters should be regulated because of their ecological and environmental importance (Paragraph (f)).

(7) Exempt from the need for a permit, dredge and fill discharges which are part of the construction, alteration, or repair of a Federal or federally assisted project authorized by Congress, if an environmental impact statement or environmental assessment is submitted to Congress in connection with authorization or funding of the project (Paragraph (i)).

(8) Authorize the Corps to delegate certain permit functions to a State if the Corps determines (a) that the State has the capability to carry out such functions, and (b) that such delegation is in the public interest. It would also subject any delegation to terms and conditions deemed necessary by the Corps, including suspension and revocation for cause (Paragraph (j)).

Of these eight aspects of the H.R. 3199, only 2—items 4 and 5 (Paragraph (g) and (h))—are justified or appropriate. The remainder of the Section would create the following problems:

(1) Its restriction of the scope of "navigable waters" (item (1) and Paragraph (d)(1)), rolls the clock back not only prior to the 1972 FWPCA amendments, but prior even to the coverage of navigable waters in the 1899 Rivers and Harbors Act. Among the waters and activities covered by the 1899 Act (as construed in September 9, 1972 Corps regulations, 33 C.F.R., Section 209.260), not covered by H.R. 3199 are:

(a) Waters used in the past for interstate or foreign commerce, but no longer used for this purpose—perhaps because of the erection of dams or impoundments in the waterway. Examples would be the Potomac and Shenandoah Rivers.

(b) Intrastate waters used for commercial transportation of goods destined to go to another state, or where the intrastate body serves as a link in interstate commerce (e.g., where goods are shipped across an intrastate lake from an interstate rail terminal on one side to an interstate rail terminal on the other).

(c) Non-Navigable tributaries of navigable waters from which pollutants may flow into navigable waters.

(d) Banks of navigable waters and their tributaries from which materials may wash into navigable water.

(e) Waters used for interstate commercial purposes other than commercial transportation, such as interstate commercial recreation, fishing, or water supply. Also, there would be no justification for restricting the coverage of Section 404 to classically navigable waters—even if the redefinition was identical to that in the 1899 law—because P.L. 92-500 is a pollution control law, not a navigation law.

(2) Moreover, the restriction in H.R. 3199 on the scope of "navigable waters," coupled with the bar against regulating dredge and fill discharges into waters outside the new definition, eliminates an important protection to human health against substances such as PCBs, DDT, kepone, mercury, and arsenic—all of which are often present in dredged and fill material as contaminants. In other words, contaminated dredged or fill material could be deposited in the Okeefenokee Swamp, the Florida Everglades, the Shenandoah River, or the Potomac not only without a Section 404 permit, but without even a pollutant discharge permit under Section 402.

(3) Indeed, not only does Paragraph (e) of H.R. 3199 make it possible to discharge toxic chemicals without regulation when those chemicals are present as contaminants in dredged or fill material, but it even makes it possible to deposit a pure poison (e.g., arsenic powder) as a "fill" material totally without regulation—as long as the fill is placed outside of what H.R. 3199 would regard as "navigable waters." That this is more than just a hypothetical problem is evidenced by the fact that the common meaning of "fill material," and the one incorporated in the Corps' Section 404 regulations is: "any pollutant used to create fill in the traditional sense of replacing an aquatic area with dry land or of changing the bottom elevation of a water body for any purpose." (See Section 209.120(d)(6) of the Corps' July 25, 1976 Interim Final Regulations, 40 Fed. Reg. 31319, *et. seq.*).

(4) Another potentially serious public health and environmental problem is created by H.R. 3199's alteration of one part of an integrated statutory scheme. On the one hand, since any coverage of wetlands allowed for by H.R. 3199 is provided for outside of the definition of navigable waters, there is a real question as to whether someone who discharges dredged or fill material into a wetland—even one covered by H.R. 3199—without a permit can be prosecuted (under Section 301) for violating Section 404. This is so, because Section 301, the only prohibition against discharging pollutants (including dredge spoil) without a permit prohibits such discharges only when they are into "navigable waters." But wetlands are not "navigable waters" under H.R. 3199. On the other and, even if one argues that navigable waters are defined more broadly in Section 301 than in the amended Section 404—so that Section 301 does cover wetlands—one reaches an even more absurd result: discharges into any navigable waters other than those specifically covered by the H.R. 3199 are illegal under *any* circumstances. This is so because Section 301 prohibits such discharges without a permit, and Section 404 (H.R. 3199) provides no permits for such discharges. That this is a realistic hypothesis is evidenced by the fact that a 1971 federal court decision construed similar discrepancies in the 1899 Rivers and Harbors Act as making it illegal to discharge wastes under any circumstances into tributaries of navigable waters (i.e., the Act provided for permits only for navigable waters themselves, yet prohibited discharges without a permit into tributaries as well). *Kalur* v. *Resor*, 335 F. Supp. 1, 9–10 (D.D.C. 1971). P.L. 92–500 was passed just in time to correct this problem. H.R. 3199 would bring back the problem—and make it worse.

(5) By allowing "Federal or federally assisted" projects to be exempted from all Section 404 regulation if an Environment Impact Statement has been submitted to Congress (item (7) and Paragraph (l)), H.R. 3199 could greatly restrict the opportunity of State and local officials, as well as members of the public, to meaningfully influence where, whether, and under what conditions, major Federal activities will take place.

(6) H.R. 3199 permits delegation to the States of the Corps' remaining Section 404 authority, without explicit guidelines or criteria for assuring that the recipient States are capable of assuming such authority, without providing funding to recipient States for program costs, and without providing for Federal reassumption of program authority (in individual cases, as well as programwide) where a recipient State proves unwilling or unable to take appropriate action. The delegation provision also leaves unclear the recipient State's authority to regulate Federal projects even those for which no Environmental Impact Statement is prepared. This is so because, absent specific statutory authority to the States to regulate Federal activities, the States may lack the constitutional power to do so. The delegation provision also ignores the need for coordinating pollution controls across State boundaries.

In addition to the foregoing consideration, the most recent survey of State governments by the Interstate Conference on Water Problems indicates that as few as five States could be ready (in terms of legislative authorities, without regard to financial readiness), to receive a delegation of Section 404 authority in the foreseeable future. Since few States are ready now, why the rush to throw the program to the States? A legitimate argument may exist for eventual State delegation of some parts of the program. But surely such delegation can and should await the development of a capability on the part of a meaningful number of States to properly discharge the delegated responsibilities. Moreover, unless Congress provides the Corps with very specific delegation criteria, the Corps will be forced to develop another set of (delegation) regulations.

In short, H.R. 3199 fails to protect the waters of the United States against being used as the nation's dumping grounds for polluted and unpolluted dredged material.

After reviewing similar bills presented in the 94th Congress, the Fish and Wildlife Service stated that they posed "such potentially enormous losses of and damage to the Nation's fish, wildlife, and water resources as to warrant opposition." The Environmental Protection Agency emphasized that such amendments "would undermine many of the goals and policies declared in the Federal Water Pollution Control Act" and "limit our ability to coordinate environmentally sound decisions concerning discharges of dredged or fill material into water."

A balanced bill would:

(1) Retain intact the definition of navigable water and the relationship of Section 404 to other parts of the Act, but provide exemptions from permit requirements for three classes of dredge and fill discharges—

(a) Those resulting from normal farming, silviculture, and ranching activities for the production of food, fiber, and forest products;

(b) those placed for the purpose of maintenance of currentily serviceable structures; and

(c) those placed for the construction or maintenance of farm and stock ponds and irrigation ditches, and the maintenance of drainage ditches.

(2) Provide specific authorization to the Corps for the issuance of expedited general permits for categories of activities with minimal adverse individual or cumulative environmental impact.

(3) Require the Corps to file a detailed report to the Congress by mid-1978 on the implementation of Section 404 and the objectives of the Act.

The exemptions created under this approach would alleviate many of the concerns about overregulation of farmers, foresters, and ranchers. Although most of the exclusions provided are already embodied in the Corps' "Interim Final" regulations, they go beyond those regulations in providing exemptions for the construction (as well as maintenance) of farm ponds, stock ponds, and irrigation ditches. Incorporating the exclusions as a whole into the legislation would also have removed the concern, entertained by many, that "what the Corps gaveth, the Corps could taketh away."

A "general permit" provision would incorporate into law an approach adopted administratively by the Corps. Again, this would eliminate concern that the Corps might later change its mind, or that a Court of law might decide that the Corps lacked statutory authority to issue general permits. The availability of general permits would greatly reduce the impact of Section 404 on farmers, foresters, and many others—even where there was no total exemption from permit requirements.

Lastly, the reporting requirement would enable the Congress to monitor the program and determine how it was working in practice. If problems arise and legislative changes are called for, Congress would then be in a position to remedy things. Extensive changes would not be made merely on the basis of conjecture or speculation about what might happen in the future.

In the past, such provisions have earned the support of most conservationists, of the National Farmers Union, and of Administration officials.

VOICE OF DEMOCRACY

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mrs. SMITH of Nebraska. Mr. Speaker, Thomas Daniel Herboldsheimer, of Potter, Nebr., was the State winner of the 1976–77 Veterans of Foreign Wars "Voice of Democracy" scholarship program.

His words are an inspiration to all who read them. I am proud to have his outstanding presentation included in the CONGRESSIONAL RECORD at this point.

VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

NEBRASKA WINNER

(By Thomas Daniel Herboldsheimer)

The fact that it is difficult for me to express my feelings on what America means to me bothers me greatly. For the better portion of my life I have been sapping up the freedoms and liberties that have been given to me, and never once have I tried to understand what they really mean. They were simply given to me by my country and handed over by previous generations. And what have I done to deserve these liberties? Nothing. So far in my life I have offered nothing of any significance to America.

The simple fact that I was born an American citizen separates me from so many other people in the world. I am grateful that, at my age, I have not yet had to face hunger or starvation. I have been educated. I can read and write. The future looks good to me. I have no doubt that I will find a job and make a living. I have been granted individuality and the freedom to use my mind as I wish. I have not had to face the crises of oppressive government. I can express my feelings in this talk, or any place I wish, without the constant threat of governmental persecution. America offers a security for my family and for me. In this country I know I will not awaken some morning to find my parents gone, taken away by political police for merely being suspected of opposing the government.

This past summer I took a cross-country trip on a bus. This, to anyone, would seem like a fairly natural thing to do. Thousands of persons ride such buses every day. But now, looking back, it seems that this is still another example of unappreciated freedom. Just the simple fact that I was able to travel thousands of miles, without being troubled by governmental police, without being searched, or suspected, or even having to give my name to anyone, is evidence of the great freedom I have in America. While sitting on the bus one day I struck up a conversation with my seatmate, a man who was vacationing from Germany. He lives in an apartment which overlooks the Berlin Wall. He told

me so many times he had seen people try to cross, or break through the wall, and fail.

As I talked with him I started to learn what America means to me. In many other countries hundreds of people are giving their lives in desperate attempts to gain the same freedoms and liberties that I have. They understand the beauty and goodness of freedom. It really gives me a sense of guilt when I hear these things. There are people who put the value of their life on freedom, while I have not really been sure of what freedom is. Writing this speech has thrust me into a sense of reality. I am beginning to understand inside what freedom really means. It is an awareness, it is a gut-feeling that cannot successfully be talked about or learned about from others. It is a commitment to action to share with others in the doing of all those things that need to be done in preserving and protecting our freedom.

In one of his writings Emerson raised an intriguing question. Let us suppose that somehow the nighttime sky is totally obscured by a veil and that only once in a thousand years is the veil lifted for only one night. We can only guess at the great excitement and sense of wonder which would engulf the minds of all human beings as they experienced for the first time the spectacle of the moon and the stars. Likewise, there seems to be a veil which hides the vision of America from many of us. I wonder how many people, especially young people in our country today, really appreciate this fantastic gift of America which has been given to us. In my vision of the American future I see all Americans with a greater understanding of what America means to them. A better understanding of freedom will be the real bond in America. This will be the force that can hold our country together. It will not be guns and tanks and bombs that will keep our country strong, but rather this love of freedom and love of our country passed on to us from those who have gone before.

America is a contract with future generations to preserve the freedoms and liberties that we enjoy. It is our responsibility to understand the importance of what we have, so that in the future, Americans will be able to think and express the same thoughts on liberty as I do now.

Being an American is a responsibility. It is a caring, a concern and a hope. It is the faith that all American citizens, now and in the future, will have the right to engage in their own pursuit of happiness.

CIVIL WAR ON THE LEFT OVER REPRESSION IN VIETNAM—PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. McDONALD. Mr. Speaker, the Vietnamese Communists are reliably reported to be currently holding 300,000 persons in prisons, concentration camps, and forced labor camps which are euphemized as "reeducation centers." Indeed, most of these people are being subjected to forced political indoctrination for their "crime" is one of holding non-Communist beliefs. Many of those incarcerated and undergoing indoctrination are Buddhist pacifist intellectuals who had supported the North Vietnamese Communists as nationalists and liberators.

The reports of human rights violations in Vietnam have become a significant controversy among the American left. Letters of inquiry on human rights violations to the Vietnamese Communists from American pacifist socialists and their supporters have been attacked from hardliners who support the Marxist-Leninist repression in Vietnam as "necessary" to the socialist revolution and construction of the new society.

The issues of the new Vietnam controversy are set forth by Nat Hentoff in an article, "Vietnam 1977: Is It Any of Our Business?", which was published in the February 28, 1977, issue of the Village Voice. I commend the article to all those concerned over these issues for its illuminating insight into the politics of the "peace movement":

VIETNAM 1977: IS IT ANY OF OUR BUSINESS?

(By Nat Hentoff)

In 1972, a Buddhist nun from San Tho, South Vietnam, protested against the pitiless war by burning herself to death. Two years later, in the same province, a second nun died by immolation.

Then the Saigon dictatorship fell, the Americans fled, and Vietnam, made whole again, was free at last.

On November 2, 1975, in the province of Can Tho, 12 Buddhist nuns and monks burned themselves to death in another act of protest against the government.

But why immolation after the revolution—in liberated Vietnam?

This most recent terminal witness to the world was directed against interference with religious freedoms by local officials of the new independent state. The monks and nuns had been told what could and could not be included in their rituals; they had been required to take part in political activities, regardless of any injuries to conscience; and they had been forbidden to participate any longer in their traditional silent religious retreats. ("They must eat and talk normally so as to learn the way of the Revolution.")

In a letter written just before they lit their own pyre, the 12 Buddhists affirmed their faith in a unified Vietnam and in the revolution, but concluded: "We accept death to protect our Ideal, our Conscience, and the Truth. It is better to die in honor than to live in humiliation."

A year later, a renowned poet, Vu Hoang Chuong, was arrested by police of the revolution. There appears to be no record of his ever having been involved in anti-Communist designs. In fact, some of his best-known poems are tributes to those Buddhists who, during the reign of American-supported dictatorships, had immolated themselves to signify the murderous oppression of their country. Why then was he picked up now? Perhaps, say members of his family (not for attribution), because he had been speaking out about the latest burnt sacrifices in Can Tho province.

The silenced poet is presumably in one of the Socialist Republic of Vietnam's "reeducation camps," where 200,000 to 300,000 Vietnamese are being detained in order to get their heads straight. It is certainly true that the revolutionary government has not—contrary to the predictions of Nixon, Ford, and Westmoreland, among others—engaged in a massive "bloodbath" of reprisal against its enemies, both real and suspected. But, as Jean Lacouture wrote in a series of articles for *Nouvelle Observateur* in May 1976: "Never in Moscow in 1917, in Madrid in 1939, in Paris or Rome in 1944, nor in Peking in 1949, nor in Havana in 1959, nor . . . in Santiago in 1973, have we had such proof of so many detainees."

Lacouture—regarded for years as the most knowledgeable journalist covering Vietnam, and one clearly favoring the revolution—examined the evidence first-hand last spring during his eleventh trip to Vietnam since 1945. The right side having won, Lacouture, unable to put the hordes of political prisoners out of his mind, writes rather sadly, "It is always more difficult to be the friend of the conquerors." He still has great empathy with the revolution; but he is troubled, for example, by an apolitical doctor with whom he talked in a reeducation camp: "He is here, in his black pajamas, thin, intimidated, his eyes lifeless. Reeducated? Yes, in the precise sense of the word."

Not only Lacouture has been torn between his admiration for the just winners and his chronic concern for human rights, anyone's human rights. Soon after the liberation, events in Vietnam gradually raised unwelcome questions for some Americans who had spent much of the '60s and early '70s working unremittingly against the war. On the other hand, a good many American people activists were not disturbed by auguries of repression in the promised land. Give the new nation time, they said. As Castro proved, the first responsibility of a revolution is to preserve itself. Later for dissent. And, anyway, how could any American, whatever he or she had done to speed the end of the war, dare to tell the Vietnamese how to run their own country after all that America had done to destroy it?

Nonetheless, disquieting occurrences continued. A Buddhist publishing house that had served as a source of peace literature under Thieu and his predecessors was shut down. A growing number of people who had been jailed by the French and then by the corrupt, American-supported dictators were being hauled off to prison again. Religious schools were closed.

Perhaps, however, these were only isolated cases, mistakes of overzealous lower officials. All victorious revolutions go through a period of settling down. Look at the treatment of Tories at the beginning of this republic. Still, how long could Americans who professed intense concern about human rights remain silent about the Socialist Republic of Vietnam? At the very least, shouldn't some questions be asked? Not an indictment, but an inquiry.

In September 1976, the board of directors of SANE addressed a public letter to the leaders of Vietnam, asking for a detailed accounting of all political prisoners and an international inspection to determine the state of human rights there. Furthermore, SANE urged Vietnam to "demonstrate to the world your sincerity in fulfilling the humane policies to which you have in the past pledged yourselves in both formal agreements and numerous personal conversations with peace forces in this country and elsewhere."

The civil war within the American peace movement had begun. Throughout this article, I mean by "peace movement" those who were full-time or nearly full-time opponents of the Vietnam War—not the invaluable but intermittent peace troops from the campuses, labor, diverse radical and liberal political cadres, and the professions. Most of the people on both sides of the civil war recounted here still spend most of their time in various peace pursuits in both religious and secular organizations.

A woman who had been involved in the planning of just about every peace demonstration during the '60s was outraged by what SANE had done. And she was far from alone in her scorn at this "betrayal" of independent Vietnam. "It's a rotten, sneaky way," she told me, "of undermining our efforts to get Vietnam into the United Nations and to get Congress to recognize its huge moral responsibility to provide Vietnam with the resources to rebuild what we have devastated."

"Besides," said another prominent peace

strategist from the early '60s on, "I'm convinced more people are unjustly imprisoned in this country than in Vietnam. I want to see a report on that first."

A month after the SANE declaration, Jim Forest, who had been jailed during the war as a draft resister, wrote an article, "Vietnam: Unification Without Reconciliation," in *Fellowship*, the journal of the Fellowship of Reconciliation (a venerable international peace organization of which Forest is a staff member). His piece told of the immolation of the 12 Buddhist monks and nuns; the 300,000 prisoners in the reeducation camps; and a number of individual cases of what appeared to be grave injustice. Forest closed by saying that the peace movement must continue to press for the admission of Vietnam to the U.N. and for American reconstruction aid to that country. At the same time, he emphasized: "We needn't apologize for or keep silent about the sufferings of those imprisoned."

The civil war got hotter.

Dan Schecter, radical journalist and news director of radio station WBCN in Boston, wrote contemptuously to *Fellowship*: "I wish we could all give him [Forest] a rest in any reeducation camp of his choice."

Bill Herod (currently in Hong Kong for the People-to-People Program of the Disciples of Christ and previously a Christian Service Worker in Vietnam) allowed as how there had at first been "excessive behavior" on the part of the revolutionary authorities. But, he added, many of the "detainees" are held for only a few months. As for the remaining stories of repression, he doubted them. In any case, said Herod, "even if I believed that there was a consistent policy of the violation of human rights, I just would not have the nerve—as an American—to tell the Vietnamese now to organize their society. Rather, I would—I do—acknowledge and confess my own complicity in allowing the war to go on for such a long time."

"Amen!" chorused many people in the movement. Moreover, there were those—themselves in Vietnam fairly recently or in continuing contact with European service workers there—who insisted that SANE and Jim Forest were presenting information that was outdated or flatly false. In truth, stated John McAuliffe, director of the Indochina Program, American Friends Service Committee, all reliable sources indicate that "the Vietnamese are carrying out the awesome task of reconstruction of their society with extraordinary humaneness."

Intensifying the internecine strife among all these former knights of peace was a widespread charge that the new critics of Vietnam were covertly basing their campaign of "defamation" on chronic, Cold War anti-communism, Richard Fernandez, one of the most fiery of the antiwar leaders of the '60s and now an official of the Institute for World Order, declared that he was very wary of those peace people, frequently over 50, who are automatically hostile to any communist state.

Speaking for the other side, Homer Jack, 61, an international peace warrior nearly all his life, instructed Fernandéz sharply: "I believe we must have a single standard, and we must protest—early on—violations of human rights in all societies—communist, capitalist, mixed (which are many), and certainly, most importantly, our own. Whether we are old or middle-aged, anti-communist or pro-vegetarian, we must not give any totalitarianism any benefit of the doubt—not India, not Indonesia, not Israel, in its treatment of Arabs, and not Vietnam."

Fernandez would not be moved, asserting that the issue of human rights in Vietnam "is quite subsidiary to questions of reconstruction and reconciliation." Then this former guiding light of Clergy and Laity Concerned (one of the most uncompromising of the antiwar organizations) went on to contribute an Orwellian term to the discussion, pointing out that in all matters, including human rights, he is "a contextualist."

Meanwhile, Jim Forest, among others, had been circulating an appeal within the peace movement to be delivered to the government of Vietnam as soon as an impressive enough list of signatures had been obtained. In the letter, the signers identified themselves as having been actively opposed to the war and then asked about reports of "grievous and systematic violations of human rights by your government . . . We could not in conscience keep silent when General Thieu filled the American-funded prisons with thousands upon thousands of innocent people. We cannot be silent now. . . . We voice our protest in the hope that your government can avoid repetition of the tragic historical pattern in which liberators gain power only to impose a new oppression."

Over a carefully stressed obbligato of continuing friendship for the people of Vietnam and continuing denunciation of American crimes against that nation, the signers called on the revolutionary government to facilitate on-site inspection by the United Nations, Amnesty International, or other independent international agencies to make certain that all political prisoners "are treated in accord with international covenants respecting human rights."

In time, there were 105 signatories—among them, Joan Baez, Roger Baldwin, Dan and Phil Berrigan, Kay Boyle, Dorothy Day, Daniel Ellsberg, Robert Ellsberg (son of Daniel and managing editor of the *Catholic Worker*), Howard Fast, Congressman Donald Fraser, Allen Ginsberg, Jonathan Kozol, Staughton Lynd, Pastor Richard Neuhaus (a founder of, but no longer associated with, Clergy and Laity Concerned), Paul O'Dwyer, and Rabbi Arnold Jacob Wolf of Yale.

Initially, at the suggestion of Dan Ellsberg, attempts were made to present the appeal privately to Dinh Ba Thi, Vietnamese observer to the United Nations. The political prisoners might be better helped in that way, for then Vietnam would not have to react defensively, and probably furiously, to a public appeal. Communications were begun. "After all," says Jim Forest, "we had been well received by officials of the revolution for years. We figured Thi would at least see us."

Four letters were written to the Vietnamese observer. There was unbroken silence. Finally, last December 22, Jim Forest, Robert Ellsberg, and Dan Berrigan went to the observer's residence. Repeated knocking raised no sign of life, revolutionary or otherwise, and so Berrigan slipped a note under the door wishing Dinh Ba Thi greetings of the season and suggesting they talk by phone. That didn't work either.

On December 29, the appeal to the government of Vietnam was made public at a press conference in the offices, near the U.N., of the International League for Human Rights. Among the speakers was Pastor Neuhaus, who had much angered his former colleagues at Clergy and Laity Concerned by his fervent support of this call for an inquiry into human-rights violations in the land of Ho Chi Minh.

"It seems to me," said Pastor Neuhaus, who appears greatly to savor jousts of principle, "that the integrity of the peace movement is at stake. If the high ideals of this force born in the '60s are to be believable in the many confrontations inevitably ahead, we cannot be captive to any political line."

Neuhaus was asked about the many movement names missing from the list of signatories. "Yes, there has been extensive, sometimes acrimonious debate," he said. "But it is wrong to say that because America was responsible for the war, no Americans should speak to this situation. You must remember that during all those years, the government in Hanoi made a clear distinction between the United States government and the people of this country—especially the people in the peace movement who were, the leaders in Hanoi told us, their friends. It is time for that friendship to bear some fruit. Then and now our concern is with the people of Vietnam. All we are saying is that an examination should be made of people's rights there. And it has to be done by a truly independent organization, such as Amnesty International. We are not satisfied with the reports of people who are clearly aligned ideologically with Vietnam and who come back saying that everything is just fine."

Neuhaus paused and then said resoundingly, "Nor can we be satisfied with what the government of Vietnam says. We believe all governments tell lies, including our own. If we are truly radicals and truly for peace, we must always be skeptical of what any government says, regardless of its political ideology."

Standing against the wall, listening, was Pavel Litvinov, who had gotten into severe trouble with Soviet authorities in 1968, when he demonstrated in Red Square against the Soviet invasion of Czechoslovakia. (Now living in New York, Litvinov is on the editorial board of *A Chronicle of Human Rights in the USSR*.) The large, amiable Russian was pressed to speak. "All I have to say," Litvinov observed, "is that a country that violates the human rights of its own people will never be a peace-loving, just society."

The press conference quickly drew a response from the Vietnam observer to the United Nations. These accusations, he said, are "groundless" and constitute "calumnies against the people of Vietnam." Dinh Ba Thi also noted with satisfaction that some of the signers of the appeal had since removed their names, having realized they had been misled. The Vietnam observer expressed hope that "true friends of Vietnam in the United States" will also not be misled by those continuing to spread "false charges" against his country.

Indeed, there had been a few defections, among them Dan and Phil Berrigan. The Berrigans said they had received fresh information from Quakers and Mennonites lately in Vietnam. The new government, the Berrigans are convinced, is "deeply concerned about human rights."

Since the appeal to Vietnam was made public, other signers have been under intense pressure to follow the Berrigan' example.

One who refuses absolutely to take her name off the appeal is Joan Baez, an implacable opponent of the war, visitor to North Vietnam while it was being bombed by her own government, and in recent years, a diligent worker for, Amnesty International. After repeated barrages of arguments that she, of all people, was now doing injury to the Vietnamese revolution, Baez sent a letter to peace agitators with whom she had long worked:

"In the first place, the letter [to the government of Vietnam] is an inquiry as well as an appeal, and not in any way an indictment.

"Secondly, and this is the most important thing for me, although there is doubt concerning the political prisoners in Vietnam, I would rather err in unintentionally offending government officials anywhere in the world (to whom I would happily apologize later if I have been mistaken) than offend one political prisoner whom I might now conceivably help and whom later I may never be able to reach."

Dave Dellinger is unimpressed. In *Seven Days*, attacking those engaged in "villification" of Vietnam, the veteran radical pacifist

gave us glad tidings. Yes, there are reeducation camps in Vietnam. But, you know what, Virginia? Conditions in those camps "are the same for instructors as for detainees."

Toward the end of last year, Dan Ellsberg was besieged both by warring friends and by his own doubts, which late at night grew as swollen, ugly, and disquieting as water bugs.

Should Ellsberg, the liberator of the Pentagon Papers from the masters of war, give his name to this letter in which certain members of the Americans peace movement were, for the first time ever, critical of the Socialist Republic of Vietnam?

In retrospect, how clear the nature of the war years became once Ellsberg had been converted away from the Rand Corporation and the Pentagon. Then Washington was invariably the ultimate victimizer in all matters concerning Vietnam. But Hanoi? To speak now to Hanoi as an alleged perpetrator of injustice—how eerie, and perhaps how incredibly presumptuous.

"There were powerful reasons not to sign," Ellsberg told me recently. "The letter could give ammunition to an American government still trying to keep Vietnam out of the U.N. and it might well be misused to hurt Vietnam in other ways. Did I want to be responsible for that? I tell you, morning after morning, I'd wake up with arguments going on inside my head, and then, for the rest of the day, I'd be hammered both ways, by people I have a lot of respect for."

Finally Ellsberg signed. "The arguments against putting my name down just weren't good enough, even though I lose friends this way. I had to go on a very basic principle—there isn't a prison in the world, in whatever country, that can't benefit from some light. And the government of Vietnam itself admits to there being 50,000 people in the reeducation camps. [*New York Times*, February 12, 1977]. It's not 300,000 but it's no small figure either. And that, along with other information we have, is certainly sufficient basis for an inquiry, which is all we asked for. Hell, I've signed petitions on the basis of much less information.

"One other thing," Ellsberg said. "I am no more impressed by the Vietnamese term, 'reeducation camps,' than I am by the way we call our prisons 'correctional facilities'."

Ellsberg is just playing with words he does not understand, some Quakers told me as they described a memorandum by Claudia Krich (former co-director of the American Friends Service Committee in South Vietnam. "In Vietnamese," Claudia Krich explains helpfully, " 'reeducation camps' are really called 'study-practice' sessions." She forgets to mention that the student had better not play truant; his tutors are cradling real guns.

A more sophisticated, though hoary, rationale for Vietnam's need to incarcerate both war criminals and chronic dissenters (even if the latter had also been prisoners of Thieu) comes from Richard Falk, professor of international law and practice at Princeton. Falk was one of the more persistently outspoken academic critics of the war, but he has refused to sign the human-rights appeal. Why? Because, he says, the government of Vietnam is socialist and has to mobilize all souls, each and every one, to get on with rapidly overcoming poverty and inequality by socialist means. (Why does he avoid the word, "communist"? The Vietnamese don't). In any case, Professor Falk tells us, the state must deal with those who are dragging their feet: "[Vietnamese] individuals who may have opposed the American involvement in Vietnam may also be antisocialist for a number of reasons, including their allegiance to tradition or their economic interests or their skepticism about the human effects of state socialism."

Whatever the dissidents' reasons, Professor Falk continues, they will not be allowed to stand in the way of the greater good. "Under such circumstances," Falk concludes, "reeducation is not only plausible, it may be the best of a series of bad alternative responses to opposition and dissent."

MASSACHUSETTS COMPOSTING AUTHORITY

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. MOAKLEY. Mr. Speaker, each year pollution control assumes an ever greater priority in our legislative programs to create a clean and healthy environment for our children. As we become more sophisticated in our methods of control, new facets of the pollution problem confront us, sometimes presenting secondary problems as significant as those we first sought to solve. Today, I wish to address one such secondary pollutant problem, that of dealing with sludge.

Sludge is the byproduct of greatly improved methods of water depollution. Ironically enough, the more efficient a community's sewage treatment, the more waste—sludge—it produces requiring removal. The problem is the crushing volume of sludge produced in our country, especially in its urban centers. According to one Federal estimate, the United States produced over 300 million tons of wet sludge last year alone, with that figure threatening a quick increase. At the same time the earlier disposal methods, such as burning sludge or sinking it into the oceans, have been labeled potential health hazards and abandoned—thus leaving landfill as the final alternative for many sanitation engineers. Unfortunately, others warn us that placement of sludge underground will also poison our soil. So what are we to do with our sludge?

Mr. Speaker, a new technique which creates compost from sludge, could metamorphosize this disposal dilemma into an environmentally enriching program. James Patterson, a national parks agronomist in Washington, says of the new technique that "composed sludge is fantastic material," offering fertilization possibilities as well as basic landfill uses. At $50 per ton, composted sludge is already enriching the parks and roadways of Bangor, Maine, and Durham, N.H. The Agricultural Research Service is conducting further investigations to discover other safe uses for compost in our society. Clearly, we have a solution to a secondary pollutant disposal problem, with added attractions we should not miss.

Because of the potential problem of sludge accumulation and the promising solution of compost production, I wish to make my colleagues aware of, and I strongly urge all Members to investigate the possibility of beginning a composting authority in their own State. For myself, I advocate wholeheartedly the proposition now before the Massachusetts State Legislature creating a Massachusetts Composting Authority to begin the production and distribution of composted sludge in my State. I feel that this techniques use of dangerous pollutants to generate a new, healthier environment, embodies concepts central to any intelligent, long-term environmental policy. I feel certain that composted sludge is a vital link in our efforts to gain pollution control.

FOOD AND POPULATION: III

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. RICHMOND. Mr. Speaker, a "new invasion" threatens mankind, says Mr. Takashi Oka of the Christian Science Monitor. In December of last year, Mr. Oka outlined in vivid terms the growing peril posed to millions of acres of agricultural land posed by the enroachment of manmade deserts throughout the world.

During the last 50 years, for example, mankind has lost nearly 1 million square kilometers of land to desertification. While climate change has played a role, the chief culprit is man himself. Human populations living in arid and semiarid regions—once at levels sustainable even on such harsh lands—have now grown to the point where the land has deteriorated, starvation has occurred, and settlements have been abandoned.

Appropriate technologies do exist to deal with this problem that now has become a worldwide phenomenon. But in the final analysis, as Mr. Oka points out, the creation and establishment of appropriate technologies to help halt the spreading deserts in much of the world can only succeed if coupled with population control. The article appearing in the Christian Science Monitor on December 11, 1976, is an important and informative addition to the growing concern expressed over the environmental consequences of a growing world population, now exceeding 4.2 billion people. I recommend it to my colleagues:

[From the Christian Science Monitor, Dec. 11, 1976]

CAN THE SPREAD OF DESERTS BE HALTED?

(By Takashi Oka)

LONDON.—A new invasion threatens man. In Africa, India, and South America, deserts are creeping outward, swallowing up land that has hitherto been green. During the last 50 years, while world population has risen dramatically to more than 3 billion, mankind has lost 1 million square kilometers (400,000 square miles) to the desert.

The United Nations Environment Program (UNEP) has sounded the alarm. Climate is partly to blame, but the main culprit is man himself. UNEP proposes a world Desert Plan—action on a global scale—to be submitted to a UN conference on desertification due to be held in September next year, probably in Nairobi, Kenya.

Do the nations directly affected, many of whose people live on the edge of starvation,

have the political will to meet the challenge? Do wealthy nations far from the Sahara, the Atacama in South America, or the Thar in India and Pakistan have the enlightened self-interest to help? Experts like Addeke Boerma of the Netherlands, former director-general of the Food and Agriculture Organization (FAO), are not hopeful. But the threat, they insist, is real, and mankind ignores it at its peril.

One-eighth of mankind—384 million people—lives in areas where annual rainfall ranges from less than 100 millimeters (4 inches) to at most 400 millimeters (16 inches). In other words, one in eight human beings lives in a desert, not necessarily in a landscape of endless sand, but their existence conditioned from birth to death by a perpetual battle for life-giving water. It is a battle difficult to imagine for those who have only to turn a faucet to slake their thirst.

For every desert or arid area there is a maximum viable population, and when man or beast exceeds this level, conditions that were once adequate to sustain him gradually deteriorate until he must starve or go elsewhere.

EARTHSCAN SEMINAR

This is what has been happening on a global scale as population presses against limits nature has set. At a recent seminar on decertification sponsored here by Earthscan, a news agency funded by UNEP, Prof. Mohammed Kassas of the University of Cairo explained how a formerly viable interaction of man and nature broke down and productive land turned into desert in the Sudan.

Professor Kassas described a belt of country where the rainfall varies between 250 and 400 millimeters per year. In this area, the acacia senegal (a species of mimosa tree native to tropical Africa), provides peasants with a cash crop, gum arabic (a substance used in adhesives, inks, confections and other products), and there is enough rainfall for them to raise a subsistence crop of sorghum or millet.

First, a peasant sets fire to the brush and clears the land. When the rainy season comes, he sows and reaps his crop. He repeats this process for four, five, or six years until his peasant instinct tells him that "the land has become tired." Then he leaves this piece of land fallow, and clears and cultivates another plot. The fallow land gradually is colonized by grasses, and then by the acacia senegal, the gum arabic, but little rainfall. Wells were drilled and superb long-staple cotton was grown. Farmers grew more and more cotton, and as the water level went down, they drilled deeper and deeper wells.

"When the water table went down to 500 feet below the surface, the cost of lifting the water to the surface became greater than the sale value of the cotton they were growing, and the region was abandoned," he said. "They were using water stored there over 10,000 years ago, and that water will not be replaced until the next ice age."

So even modern technology must be used with great care. But on the fringes of the Sahara, or the Atacama, or the Thar, modern technology is scarcely available.

Expedients as simple as storage can help. One talks of an average annual rainfall of 250 to 400 millimeters, but to take an area near Alexandria, Egypt, as an example, the rainfall in a 200-acre experimental plot was 205 millimeters in 1946, 53 mm. in '47, 206 mm. in '48, 280 mm. in '49, 242 mm. in '50, 57 mm. in '51, 156 mm. in '52, 85 mm. in '53. That 200-acre plot produced 2,821 bushels of barley in 1946, 27 bushels in '47, 1,963 bushels in '48, 3,300 bushels in '49, 770 bushels in '50, zero in '51, 643 bushels in '52, and zero in '53.

But as Professor Bryson commented on these figures, people cannot wait a year to eat. Without storage, many would have starved in '47, in '50, in '51; by 1952 there would have been few hands around to gather the harvest.

TECHNOLOGY TRANSFER

Modern technology can help, but so can transfer of technology among the developing countries themselves, Michel Baumer of UNEP pointed out at the Earthscan seminar. North of the Sahara, and in Iran, a succession of wells linked by an underground drainage tunnel has been devised over the centuries. The system is known as "kafir" in Iran and "fogara" in Morocco. It is unknown south of the Sahara.

The Chinese, Dr. Baumer said, have tamed the Ten Shi desert along the Great Wall. Using masses of workers over a 20-year period, the Chinese constructed a system of 200 lakes in an area the size of Switzerland. These lakes concentrate rainfall and have made possible a population of 60 inhabitants per square kilometer.

Such an effort requires tremendous political will. In the final analysis, the will may be needed more to control population than to deal with the more obvious aspects of desertification.

This is a highly sensitive subject. Can a UN conference galvanize the required will and open the way to a truly global approach to the problem? Dr. Baumer told an illustrative story: At one of the case-study sessions that are to lead up to the conference on desertification, a Tunisian scientist presented a study of one area in his country. He concluded by saying the area had been overexploited and that there was an absolute need to reduce the numbers of both animals and inhabitants.

Up jumped a delegate from Upper Volta, a country of six-and-a-half-million people with a per capita income of $80 a year. "We cannot accept such conclusions," the delegate said. "If the conference on desertification reaches such conclusions, the developing countries cannot accept them." Upper Volta, the delegate said, needed a population of 30 million and was determined to get it.

"I am sorry," the scientist replied. "You, the politicians, the decisionmakers, must draw whatever conclusions you want. I am nothing more than a scientist, and my scientific conclusions within the limits of the study I carried out, are these, and I cannot change them."

Ultimately, the politicians will have to make the decisions. The success or failure of the desertification conference is likely to depend on how honestly scientists marshal their facts, and on how courageously the decisionmakers resolve to act on their conclusions.

BRONZE MEDAL TO JAMES W. LIVESAY

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. RYAN. Mr. Speaker, a little over a year ago Mr. James William Livesay of Belmont, Calif., heroically risked his own life by pulling a young boy from the path of an oncoming train. Mr. Livesay, a freight line operator, ran onto the crossing and grasped the tricycle which the boy was riding and had guided onto the tracks and into the path of a commuter train.

The reason I bring this to the attention of my colleagues is, of course, to share my pride in this fine and unselfish gentleman with the Members of Congress. More important, however, is the fact that James Livesay recently received a bronze medal from the Carnegie Hero Fund Commission. In the split second of this incident, Mr. Livesay demonstrated the kind of heroism we all hope, if put to the test, we possess.

BILL INTRODUCED TO EXTEND THE USE OF CPS

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. ASHLEY. Mr. Speaker, I am today introducing, with 25 of my colleagues, a bill to require the Bureau of Labor Statistics, BLS, to extend the use of the current population survey, CPS, sampling method for the gathering of unemployment statistics to all 50 States on a monthly basis.

This bill will go a long way toward correcting various abuses and inequities which are inevitable within the existing structure of unemployment data gathering by the individual States. The current methodology of statistical data gathering and reporting is conducted on a State-by-State basis, and it may be safely stated that the resultant inaccuracy is directly proportionate to the large number of methods used. Some 15 years ago, a Presidential committee found the existent methods to be inadequate and inaccurate, and called for a major overhaul. Just recently, the Commissioner of BLS, Julius Shiskin, called the current methods of determining unemployment on a State-by-State basis was simply "crummy." The sum of $20 billion in EDA, CETA, and public works grants were made in 1976, and with the pending emergency job legislation before Congress, it can be anticipated that this figure will be exceeded in 1977. Allocations for each of these programs depends largely on reported unemployment statistics collected and filed by each State. Thus, to the extent that their statistics are inaccurate or incomparable, the efficacy of the various programs is significantly diminished if not vitiated.

The methodology contemplated by this bill—CPS—is a scientifically valid system currently employed by the BLS with great success. CPS is based on monthly interviews in sample households throughout the test area. It is, in effect, a Gallup poll of unemployment data and provides not only the raw numbers vital to grant programs such as EDA, CETA, and public works, but also valuable background information as well.

Standardization of unemployment data gathering and reporting would help prevent the frequent inequities which exist now, largely because of the haphazard methods of reporting now used. It would prevent communities with chronic high unemployment from being shortchanged in EDA, CETA, or public works money simply because of the use of a different or incomparable method of statistical gathering. And, just as importantly, it would help to prevent a community or State

from receiving a windfall. In the recent disbursement of funds under title I of the Public Works Employment Act, my State of Ohio was shortchanged approximately $3.8 million, owing largely to the use of an inaccurate method of data gathering. Similarly, Massachusetts lost some $14 million and New York some $17 million. Obviously, certain States had to have received concomitant amounts that were equally out of touch with economic reality. These results, whether windfall grants or shortchanged funds are equally indefensible and equally threatening to the success of the parent programs.

I urge you to correct this longstanding defect by standardizing CPS on a nationwide basis.

RESOLUTION OF CENSURE, SCHOHARIE COUNTY, N.Y., BOARD OF SUPERVISORS

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. MITCHELL of New York. Mr. Speaker, the board of supervisors of Schoharie County, N.Y., passed by unanimous vote of those present a resolution entitled "Censure of the U.S. Congress." By direction of the board, I have been requested to bring this resolution to the attention of my colleagues:

Whereas, the electorate at large is a voiceless and fragmented constituency, the individuals of which frequently experience hopeless resignation and the apathy of frustration when confronted with the actions of their representatives and with which they violently disapprove, and

Whereas, grass-roots legislative bodies have sometimes been remiss in their failure to address themselves to national issues which are controversial in nature, and

Whereas, throughout our fifty states, there are hundreds of thousands still unemployed individuals who daily experience peripheral hunger and the frigid teeth of a nation temporarily gone berserk despite the compassion of social services, the expense of which is largely borne by the middle class working citizenry which itself is trying to cope with an economy affected by the elements and a continuing inflation, and

Whereas, there has recently been revealed waste, inefficiency, legislative bribery and corruption involving foreign powers within the United States Congress, and

Whereas, that United States Congress has increased its salary by $12,900, and

Whereas, the United States Senators from the State of New York gave aid to the passage of those pay raises, and

Whereas, it is the hope of the Schoharie County Board of Supervisors to bring to the Congress a greater awareness of the widespread public displeasure at those pay raises, now therefore be it

Resolved, That this Board of Supervisors formally issue this Resolution of Censure of the United States Congress, not only on behalf of its own constituency but of a nationwide citizenry, and be it further

Resolved, That Representative Donald J. Mitchell of the Thirty-first Congressional District (New York) be requested to read this Resolution promptly into the Congressional Record and to furnish a copy of that Record to the Clerk of this Board.

OSHA QUESTIONED FROM WITHIN

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. HANSEN. Mr. Speaker, I recently received a letter from a man who is currently an OSHA compliance officer for the Department of Labor in Idaho that raised some extremely interesting questions which should be brought to the attention of the public and proper officials.

The letter is from Mr. T. Daniel Sanger who has been an OSHA compliance officer for approximately 3½ years which should give him proper credibility since the agency itself is only 6 years old.

I commend Mr. Sanger for his courage and professionalism. His concern has been demonstrated through proper channels and was sent to me in hopes that the frustrations at those levels might be overcome with exposure to Congress where the law was born. I have this week made this information available to the proper subcommittee in hearings on OSHA and now submit it for the broader public record:

BOISE, IDAHO,
February 14, 1977.

Hon. GEORGE HANSEN:

I am writing to you because you have been a leader in the fight to stop OSHA. I am now and have been a federal OSHA compliance officer in the state of Idaho for the past 20 months. Prior to this I acted as a federal compliance officer in the state of Nevada for approximately 1½ years under section 7(C)(1) of the OSHA act. I have been in the safety profession for approximately 6 years.

I am now firmly convinced that the only way to stop the unconstitutional activities and abuses of power perpetrated by this bureaucratic monster called OSHA is through activities such as yours in the legislative branch of the government and the court cases pending review before the Supreme Court.

Most of the items in this letter have been discussed previously with my superiors within OSHA, up to and including the Region 10 Regional Administrator James Lake. No real progress seems to have been made through these channels and Mr. Lake has made remarks such as "I don't care what any other region is doing" when I attempted to point out the many inconsistencies in the way the OSHA law was being administered.

Many of these same items have also previously been discussed with the officials of the employees' union that I belong to. Basically it has been their position that most of these items fall into the legal or administrative catagories and are beyond the scope of the union's function to correct.

I would like to break my comments into four major categories: the constitutional or legal questions of OSHA's activities; the practical considerations of the federal safety enforcement program; the inconsistencies and unequal application of the law; and some of the seemingly illegal activities of certain OSHA officials.

PART 1. LEGALITY OF OSHA

The recent three-judge decision in Idaho has declared that inspections without warrants were unconstitutional under the 4th Amendment to the Constitution. I wholly agree with this decision and pray that the Supreme Court will uphold it.

In the past, these inspections have (been) made on a random basis with no probable cause for selecting a particular business other than the fact that it might appear in a telephone directory. Often these inspections are nothing more than "fishing trips" that allow the government to look for possible OSHA violations that it has no prior knowledge of. In Dr. Corn's January 12, 1977 letter to members of Congress, he alleged that unannounced inspections are crucial to "prevent subversion of the program" yet gives no documentation to substantiate this. If an inspection is deemed to be necessary it should be conducted within the limits of the Constitution.

Another point to be considered is that businessmen are not given the same rights under OSHA that a common criminal is. For example, a businessman is not told by the OSHA inspector that he may refuse to allow the inspector into his business without a warrant in conformance with the 4th Amendment.

If an inspector alleges that a violation of OSHA regulations exists, the businessman is seemingly guilty until he proves himself innocent. If the businessman does not actively fight the government's allegations, he will automatically be found to have violated a law and possibly be required to pay a fine. This seems to violate the "due process of law" provision of the Constitution.

If a businessman does choose to fight the government's allegations, he must first resort to a court that is also in the executive branch of the government as OSHA is, even though some of OSHA's charges could be criminal in nature. Also, under this executive branch court he is denied a trial by jury. This clearly violates the 7th Amendment of the Constitution and also the "separation of powers" concept of the Constitution.

A businessman may be forced to incriminate himself through statements by showing his private records, or place of business, thus revealing to an OSHA inspector that he has violated some obscure OSHA regulation. He is not advised of his protection against self incrimination under the 5th Amendment as a common criminal is.

OSHA was conceived as an agency to enforce regulations for employees. Now that OSHA is inspecting farm labor camps, it is enforcing regulations that affect nonworking members of families such as wives and children. Also, many of the farm labor camps in Idaho have been forced to comply with OSHA's orders even though they were nonprofit organizations and the residents actually worked for someone else. OSHA is clearly overstepping its authority and infringing on landlord-tenant relationships. I believe this was not intended by Congress.

Also on the question of legal jurisdiction there have been many long costly court battles fought over whether OSHA, ERA, FAA, MESA, etc. had jurisdiction over a particular business or activity. Clearly the businessman loses while the various bureaucracies fight to expand their power.

PART 2. PRACTICAL CONSIDERATIONS OF OSHA

The BLS statistics regarding on the job injuries are often touted as justifying OSHA's existence. I seriously question the validity of these statistics because when OSHA began almost all OSHA inspectors were telling employers to list all accidents on the necessary forms. These would include minor cuts and scratches, dust in the eyes, etc. Later OSHA told employers to no longer list these first aid cases. By simply not recording these minor cases anymore, many employers showed a substantial accident rate reduction on paper.

A direct comparison of the accidents reported on OSHA forms and the accidents reported to the Idaho Department of Labor

has revealed that the actual numbers of lost time accidents of many businesses is often as much as three times higher than is reported to OSHA (BLS). This further tends to discredit the OSHA/BLS claims.

Many other questions are raised regarding the validity of using the BLS statistics to justify OSHA existence. Among these are the steady decrease in accidents prior to OSHA, the effects of unemployment, etc. These are fully explained in the excellent article "Benefits and Costs of the Occupational Safety and Health Act: A review of the Available Evidence" by Mary Jane Bolle that was printed in the Congressional Record on January 31, 1977.

Another fact that tends to discredit OSHA's taking all the credit for reducing accidents is the fact that Oregon and Idaho have had almost identical reductions in accident rates reported by the BLS in recent years. Federal inspectors are issuing large fines for safety violations in Idaho while State inspectors in Oregon often issue much smaller or no fines for the same types of violations. Also, most of the items that OSHA issues citations for are not the major causes of accidents in a business. In fact, OSHA safety regulations often do not even cover the main causes of on the job injuries. Many more accidents are caused by human errors, lack of training, etc. than are caused by violations of OSHA regulations. Based on my actual experience and the best available data, human errors account in part or in full for almost 85% of all occupational injuries. Of the remaining 15%, OSHA regulations specifically cover less than half.

As Dr. Corn pointed out recently, well rounded safety programs initiated by private industry have been much more successful at reducing on the job injuries that the federal bureaucracy has. This is done in part because these private enterprise programs place much more emphasis on training and educating the individual employee in on the job safety than OSHA does.

In this context it is interesting to note that OSHA recently abolished the only position in Idaho that had been established to provide training and education for employers and employees and made it another inspector's job. One is forced to wonder if the people running OSHA really understand what safety is all about.

Last, from a purely practical standpoint, the enormous power that the federal government has given to OSHA inevitably seems to lead to the abuses of power typified by inconsistencies and unequal application of the law as specified in Part 3 of this letter.

PART 3. INCONSISTENCIES AND UNEQUAL APPLICATION OF THE LAW

As mentioned above in Part 2 regarding the Oregon and Idaho inspectors, the fines and citations under the OSHA laws are not being applied fairly among the various states. This is probably to be expected in a massive bureaucracy like OSHA that is administered from far away Washington, D.C.

A Pocatello business manager recently told an OSHA inspector of a particular type of machine (pressbrake) another branch of his company had in Salt Lake City, Utah. It had been inspected and found to be in compliance with regulations in Utah. That shop had received a safety award—the exact same press brake in Idaho would have caused the businessman to be fined up to $1000. The same is true of Oregon vs Idaho, Nevada vs Idaho, etc. If the various jurisdictions under OSHA's control cannot agree on what constitutes a safety hazard, how is the poor businessman to know? He is the one who may get fined.

Within the state of Idaho there have also been many inconsistent applications of citations and fines. One businessman will get fined up to $1000 for the same condition another will get no fine (for). This is what happens when bureaucrats arbitrarily exercise the kind of power that OSHA gives them.

In Idaho certain OSHA officials have exercised their arbitrary power over businessmen in other ways also. For example: Several businessmen were issued citations and fines from $500 up each for not guarding press brakes. The Area Director of Idaho then told them exactly how he wanted the machines guarded. The various businessmen complied. Later the Area Director changed his mind and told them the guards he had told them to install were no longer "approved" and had to be changed again. All this was done at the apparent whim of one man. These tactics can only be called harassment because of the time, money and labor that is being spent to satisfy one man's capricious actions.

Many businesses received citations and large fines ($500–$1000) for not guarding radial arm saws. They were told that "ring guards" were adequate to meet OSHA's regulations. Many were inspected again and to that they were all OK. Then OSHA's administrators changed their minds (the regulations did not change) and citations were issued to replace the "ring guards' with something else. These replacements cost $40–$50 each. Then OSHA changed its mind again and decided that "ring guards" were OK—after they had gotten rid of them.

Unguarded radial saws can cause a businessman to be fined up to $1000 in most industries. In sawmills the same condition is not even cited because OSHA adopted these regulations in a very questionable manner.

In Idaho OSHA is still issuing "repeated" citations when the records show that an employer has been issued a citation under the same regulation anytime in the previous 3 years. "Repeated" citations involve mandatory fines. In the construction business a "repeated" violation can be issued even if the first citation occurred in a different part of the state. These Idaho OSHA "repeated" citations are being issued in direct contradiction to a 5th Circuit Court of Appeals Decision that "repeated" should be issued only where some degree of willful disregard is proven.

A company in Pocatello was issued a "repeated serious" citation and fined $2000 even though OSHA could not explain to them how to comply with the first "serious" citation and allowed it to exist for almost a year until the machine was replaced at considerable expense (estimated—$50,000).

Areas other than Idaho consider lack of toilet paper holders or lack of toilet paper, etc. to be "diminimus" (insignificant) violations according to OSHA's own operating manual. An employer does not have to comply with a "de minimis" violation and cannot be fined for it. In Idaho recently a farm labor camp was fined $180 because the individuals supplied their own toilet paper rather than the nonprofit landlord.

An OSHA official recently stated on TV that OSHA would get a court order if it was refused entry without a warrant. There were 5 or 6 other businesses that refused OSHA inspections after Barlow's, Inc. did. Only in the Barlow's case did OSHA seek a court order. It seems that Barlow's was singled out for special treatment. One must question this OSHA official's sincerity because no court order was sought in the other 5 or 6 cases.

Another major inconsistency in the OSHA program is its failure to provide protection for its own employees to the same degree that it requires private enterprise to do. Some examples of this are: violations of 29 CFR Part 1910.22(a)(1) and 29 CFR Part 1910–309(a) adapting NEC article 400–4 in the Pocatello OSHA office being allowed to exist for weeks after causing an employee injury:

29 CFR 1910.151(b)—failure to provide first aid training for field personnel who may be far away from clinics or hospitals, such as in logging, etc.; 29 CFR 1910.157—failure to provide fire extinguisher for the Pocatello office even after being told to do so by the local fire department officials; 29 CFR 1910.134 (b) (10)—failure to determine if inspectors are physically able to wear respirators in hazardous atmospheres; issuing a hard hat which did not meet OSHA specifications to a new employee; allowing another employee to wear a respirator to Bunker Hill that did not meet approval; failure to give proper "hands on" training to field personnel who may be required to wear air packs, etc.

One such failure of OSHA to follow its own regulations prompted an OSHA management officer to write: It is unprecedented and embarrassing that an agency charged with the responsibility for the safety and health of the American worker is unable to effectively respond to an injury or illness of one of its own employees.

PART 4. POSSIBLE ILLEGAL ACTIVITIES OF OSHA OFFICIALS

Recently a company was required to pay a fine even though the area director told them they didn't have to comply with the regulation cited. I believe this action was not legal under OSHA's own regulations. I believe the money should be refunded to the company if they don't have to comply with the regulation. I also believe OSHA should be forced to refund fines collected for many of the questionable activities listed under Part 3 above.

OSHA officials have told employees to leave time actually worked off of timesheets, thus resulting in false records.

In at least one case an OSHA official inserted records into an inspection file and back dated the report by approximately 8 months. Another employee has alleged that an OSHA official removed pages from files where the conclusions would have helped exonerate businesses in court cases.

At least one OSHA official has consistently misused government vehicles for personal use, even after this was reported to the regional administrator.

I sincerely hope that the above information will be of help to you. Perhaps the Congress should investigate how the taxpayers' money is being spent by OSHA in Idaho and across the nation.

Sincerely,

T. DANIEL SANGER.

PORKBARRELERS' DREAM

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. TEAGUE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include an editorial which appeared in the Washington Star for February 28 concerning President Carter's decision to not fund the school impact aid program. I endorse the President's action and have told him so and I believe the following editorial states adequately the justification for the reduction in this program.

PORKBARRELERS' DREAM

President Carter's decision not to fund the school impact aid program has brought predictable cries of anguish from Congress, especially from representatives of the Washington suburban areas that have been riding that federal gravy train for two decades.

Impact aid has been a politically untouchable program since it was enacted in the 1950's. Presidents Nixon and Ford tried to end it but got slapped down by Congress.

There's little reason to believe that President Carter will have more success, but it's worth a try.

The program benefits schools in more than 300 congressional districts, in every state. It's about as universal a porkbarrel as could be imagined for 435 House members and 100 Senators who usually regard it as their first responsibility to see that their districts and states get theirs from the federal government.

One part of the impact aid program—the smallest part—makes sense. That provides federal subsidies to school districts for public school students whose parents live on federal property. These parents, who live mainly on military posts, don't pay property taxes to the school districts and it would be unfair to expect local governments to pick up the tab for their children's education. President Carter would continue that federal aid, as President Ford would have.

But there is no justification for the major portion of the program—the subsidization of school districts for children whose parents live off federal reservations, who pay property and other local taxes just as other homeowners or renters do.

The only possible reason to provide a federal subsidy such as this is to make up a financial loss that local governments incur by the presence of federal employes. Can anyone argue that Fairfax, Arlington, Montgomery and Arlington Counties suffer a financial loss because of the presence of federal workers?

On the contrary, federal civilian workers and military people who own and rent property contribute heavily to the affluence of the Washington area. The school impact aid constitutes a double reward.

Under President Carter's plan, the total subsidy for area jurisdictions would drop from $32.9 million a year to $4.8 million. That's a pretty big loss; but it's something they shouldn't have been getting in the first place.

If Fairfax County, for example, doesn't want to put up the extra $68 per taxpayer it would cost to make up the lost subsidy, perhaps it could learn to live with less. The more the federal government is willing to hand out, the more it encourages local governments to spend excessively.

President Carter ought to stick to his guns. It would mean a federal saving of $400 million a year. He'll never get the budget balanced by 1980 if he can't convince the porkbarrelers to give up some of their pork.

BRAVO AND AMEN

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. BOB WILSON. Mr. Speaker, Bravo and Amen, I say, to a wire which I recently received from Lt. Gen. John W. Carpenter III, U.S. Air Force, retired, the president of the Retired Officers Association. I include General Carpenter's wire as a portion of my remarks and commend his observations to my House colleagues:

WASHINGTON, D.C.

Senator BOB WILSON,
Washington, D.C.:

Continuing reports that the President is giving serious consideration to the mass upgrading of military discharges for those who served under other than honorable circumstances are most disturbing.

Ours is a nation governed by laws, those who flaunt the law must not go undisciplined if we are to retain our moral fiber. Mass upgradings of discharges for those who violated military rules or regulations, or civilian law, would I fear, have a devastating effect on military morale and discipline on those now serving and a negative effect on those who serve in the future. We must not undermine our defense leadership or make a mockery of our military justice system.

We are adamantly opposed to any review of discharges of our former service members excpt on a case-by-case basis. Then if an injustice has been done, by all means it must be corrected. But we cannot sit idly by and permit our Government to perpetrate an injustice on the American people and especially those veterans who served this great Nation honorably and well.

As a responsible leader and spokesman in the Congress, we urge that you do everything within your power to preclude any action to upgrade any discharges without a full review of the facts in each individual case. If compassion is in order, it can best be judged at that point in time.

JOHN W. CARPENTER III,
President, the Retired Officers Association.

THE INDEPENDENCE OF ESTONIA

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. SARASIN. Mr. Speaker, February 24 marks the 59th anniversary of the declaration of independence of the Republic of Estonia. Like her sister Baltic nations, Lithuania and Latvia, the nation of Estonia has long unwillingly endured a government not of its own choosing, the Soviet Government.

During the First World War under German domination, Estonian leaders boldly declared the independence of their sovereign nation. The Germans had taken over after a brief Communist regime, but German control could not be endured by a people who yearned for their complete freedom.

In fact, the Republic of Estonia received de facto recognition of sovereignty from Great Britain, France, and Italy. In 1918, the Soviets tried to recapture Estonia, but their efforts were repelled by a brave people.

In February 1920, 2 years after their declaration of independence, Estonia and the Soviet Union signed a peace treaty in which the Russians agreed to renounced forever any rights over the people of Estonia. Estonia also adopted a constitution which provided for a democratic form of government.

The Soviet Union, however, was to break its pledge with Estonia. Estonia was to fall under the Soviet domain in 1940 with the signing of the nonaggression pact between Germany and Russia. The 22 years of Estonian independence quickly came to an end with the arrival of Russian troops on Estonian soil.

Despite this setback, the Estonian people have continued their efforts to preserve their language, their heritage, and their culture even when thwarted by the dictates of the Soviet Government.

It is fitting on this day commemorating their independence that we call attention to the unflinching bravery and fearlessness of the Estonian people who continue to secretly resist the Russians, and who will hopefully one day regain their long sought after independence.

The hopes and aspirations of Estonian-Americans also rest with their mother country, and it is to their faith as well as that I dedicate this day.

1977: YEAR OF DEMISE FOR THE SCREWWORM FLY

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. PICKLE. Mr. Speaker, Texas Gov. Dolph Briscoe recently kicked off a campaign in Austin aimed at eradicating that costly pest, the screwworm fly.

Over the years this insect has been responsible for millions of dollars in losses to cattlemen in Texas and other States. Once thought completely devastated, the fly, like Mark Twain said, "appeared again to say that reports of its death had been widely exaggerated."

But because of certain weather conditions and a new plant in Mexico to breed sterile screwworm flies, this could be the year we can mark the screwworm fly for extinction.

I am enclosing an article from the Austin American-Statesman about the meeting Governor Briscoe organized recently to focus on this worthwhile effort:

[From the Austin American-Statesman, Feb. 24, 1977]

END OF THE SCREWWORM SEEN IN FLY AGENT 009

(By Clark Bolt)

The international spy set may have 007, but livestock producers can go them one better: 009, super sterile screwworm seducer fly.

That, coupled with the cold winter and the new sterile fly plant in Mexico will supposedly be used to eradicate the screwworm menace "once and for all" in Texas.

About 1,000 persons attended a special preview here this morning of plans to wipe out the screwworm in Texas this year.

Screwworm flies lay eggs in cattle wounds, sores and membranes. When the eggs hatch, the grub-like larvae bore into the animal, contaminating the flesh.

Gov. Dolph Briscoe told the group Texas can achieve this goal this year if all livestock producers cooperate. "We have a real opportunity to finaly get rid of the screwworm. It will take the cooperation of every livestock producer to make it a reality," he said.

The eradication program actually began in 1962 under the direction of Briscoe, then immediate past president of the Texas and Southwestern Cattle Raisers Association.

The pest was officially declared eradicated in 1964, but since then it has made sporadic outbreaks in the state due to migrations from Mexico.

Now, a new sterile fly plant is in operation in Mexico. Dr. Ruben Fernandez Villalobos, sub-director of the National Institute of Insemination in Mexico, pledged the cooperation of that nation in the fight against the screwworm.

The Mexican plant will produce 200 million sterile flies per week. That added to the 200 million produced at the Mission plant, will provide more than 400 million sterile flies per week.

The new strain of sterile fly, 009, mates at the same time as the native fly. The sterile flies mate with the native population and no offspring results. Scientists believed that 009 is the first pure strain change ever accomplished. So far, there are no signs of genetic contamination, such as reduced flying ability.

The unusually cold winter has prevented the spread of the fly to northern parts of the state, keeping most screwworm flies dormant, inhibiting mating and thereby reducing the fly population ranchers will have to face this spring, said U.S. Agriculture Department official F. H. Mulhern.

Other speakers stressed the need of cooperation of every livestock producer throughout the year.

To help control screwworms, livestock producers will be asked to:

Check livestock regularly;

Treat wounds on livestock with approved screwworm-control remedies;

Submit suspected samples of screwworms to the Mission lab.

MS DINNER OF CHAMPIONS

HON. RALPH H. METCALFE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. METCALFE. Mr. Speaker, every now and then an event takes place that reaches not only our heads but our hearts. Last year in May I attended a dinner that was one of the most entertaining, relaxing, and inspirational events I have ever been a part of. The occasion was the National Capital Chapter Multiple Sclerosis Dinner of Champions.

It was entertaining because the special guests were national and local sports personalities who were giving their time as "Athletes Versus MS," to join in the battle against MS to raise funds for much-needed research. Personalities like George Allen, Sonny Jurgensen, members of the Washington Redskins, Baltimore Colts, Pittsburgh Steelers, Washington Diplomats, Washington Capitals, Washington Bullets—seated at each table. It was a family affair, with spouses and children not only welcomed but encouraged to attend, with opportunities for photographs and autographs. It was truly an evening of sports entertainment.

Why did I attend? As a former Olympic athlete, I know firsthand how vital it is for young people to have good health. MS strikes between the ages of 20 to 40—right when athletes and all young people are at their most productive point in their lives. By taking part in the MS Dinner of Champions, I joined the team of "Athletes Versus MS."

There is another dinner this year, on May 6 at the Washington Hilton. And if at all possible, I am going to be there, showing my continued support. It is a fun evening, and one I do not want to miss. I urge each of my colleagues to mark their calendar and join me in the important battle.

CIVIL WAR ON THE LEFTOVER REPRESSION IN VIETNAM—PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. McDONALD. Mr. Speaker, this is the final portion of the interesting article by Nat Hentoff published in the Village Voice, February 28, 1977. This article shows that the issue of human rights in Communist-conquered Vietnam has divided the former opponents of the Vietnam war. It should now be clear to everyone which of the "antiwar" activists in fact wanted a Communist victory. Those same people are defenders of the concentration camps and other atrocities inflicted on the people of Vietnam by the victorious Communists.

The article follows:

A more complex approach to the battle over human rights in Vietnam is that of an internationally respected peace leader who has not signed the appeal and has avoided public debate. He will not speak for attribution; yet, since his attitude parallels that of a number of self-styled movement "realists", it is worth careful attention.

"Look," he told me, "I am not going to get excited when a Marxist-Leninist government does what it always does. Yes, I'm convinced some of the charges are true, but you have to be naive to believe that a Leninist revolution will allow any independent thought. Sure, during the antiwar days many Americans *were* wholly naive about what was coming in Vietnam if 'our' side won. I had no such illusions, although I did not oppose that criminal war any the less. So don't expect me to be shocked now.

"Furthermore, I will remind you—and you were there—of the serious division in the peace movement in 1960, when Castro, in addition to that one brief round of mass executions, also suppressed anarchist publications and generally stifled independent thought. What else could you expect from a Marxist-Leninist? Yet a good many in the movement, myself included, refused to condemn Castro at the time."

I asked him if he now regretted not having spoken out then. "No, because those trying to enlist us in the protest against Fidel intended to use us to further isolate that government and perhaps destroy it. Without illusions, I knew the Castro government would do more for the Cuban people than any possible alternative. And so it has. Similarly, I will not speak publicly about human rights in Vietnam because any such statement will be used to try to harm a government not only trying to cope with the enormous problems for which we're responsible but also a government that is surely going to greatly improve the lives of the Vietnamese. Of course, I wish it were a democratic socialist government. But it's not, and it's not going to be. I will not indulge myself in moralizing at the expense of the Vietnamese people. And I will also remind you that your hero, A. J. Muste, was one of those who did not denounce Castro in 1960. If you are going to be effective in the world, you must know the world."

Knowledge of the world depends, of course, on the angle of vision. Soon after I spoke to the unflinching realist, there circulated on all sides of this war within the American peace fellowship an aide-memoire from Dinh Ba Thi, Vietnam's Permanent Observer to the United Nations. The document again rejected all charges against his government on the matter of human rights and, for the first time, provided an official version of the immolation of the 12 monks and nuns in Can Tho province in November, 1975.

Those were not immolations at all, said the governmental voice of Vietnam. Nor were those deaths an act of witness against repression of religion. In that province, a lecher, disguised as a monk, had twice before—in 1972 and 1974—impregnated a nun, killed her, burned her corpse, and then spread false news about her "immolation for peace." This last time, in November, 1975, the same lecher, afraid of having his continual depravity exposed, killed 11 monks and nuns before ending his own disgusting life by setting fire to the temple with the 11 corpses and himself in it. Reactionary elements, the voice of Vietnam said scornfully, have described this act of a mass murderer as a collective immolation on behalf of religious freedom.

It was an extraordinary tale, in view of the documentary evidence to the contrary which Can Tho Buddhists had managed to get out of Vietnam at the time of the burning. "For a year," Dan Ellsberg notes, "the government said nothing, and all of a sudden, we get this 'official' explanation. It seems to me that by this action alone, the government of Vietnam has now underlined the need for an independent inquiry in that country by some group like Amnesty International."

Some of those who have refused to sign the human-rights appeal fully accept the official story of the murderous, lecherous pyromaniac. Others are discomfited by this particular Vietnam press release. When I asked Richard Fernandez, a voluble opponent of the appeal, what he thought of the new version of the immolations, he said it was beyond his capacity to believe. "I've never seen that kind of communication from the Vietnamese before," Fernandez added. "It reads—it reads like a propaganda piece from an Arab government."

Had he changed his mind, then, about not supporting the human-rights inquiry?

"No," Fernandez said. "I still believe that with all the other pressing problems Vietnam has, those of us who want to help must, in terms of time and energy, put the question of human rights on the rear burner. Of course, if you could prove to me that there have been gross violations of rights there, systematic or otherwise, that would put me up against the wall."

Two other peace workers heard the dramatic new interpretation of the immolations directly from a Vietnamese Buddhist nun, the Venerable Thich Mandala, who had returned to Vietnam in May, 1976, after 15 years in France. This past October, in Montreal, Mandala met with Scudder Parker, of the New England staff of Clergy and Laity Concerned, and Ed Lazar, peace education secretary, New England American Friends Service Committee.

Mandala told them "there is a kind of penetration and harmony in each Vietnamese today because we feel we belong to the community and the community belongs to us." Some, of course, are still outside the community and they are being reeducated so that they may be reunited "with the Vietnamese family" once they have purged themselves of error. In fact, the nun assured the American peacemakers, those being reeducated are "invited to go" to the camps. Surely, there are no human rights violations in so envelopingly harmonious a context.

Scudder Parker was impressed, but Ed Lazar was much disturbed, especially on hearing from Mandala what he describes as the "incredible" official account of the immolations in Can Tho. "When coverups were used by Thieu and by our own government," says Lazar, we were outraged. But what is our response now?"

Well, it depends on one's angle of vision.

A member of *The Voice*'s art department, searching for pictures of the reeducation

camps to accompany this article, contacted Cora Weiss, one of the most energetic and efficient of the antiwar activists throughout the 1960s. Yes, Cora Weiss does have such pictures but said her releasing them depended on whether this article focuses on so-called human-rights violations in Vietnam or on what is *really* going on. If the former were the case, no pictures.

How can we know what is really going on?

The Venerable Thick Mandals was asked whether she would object to Amnesty International sending a team of observers to see what is real in Vietnam. She professed astonishment at the question. There is no need for Amnesty International in Vietnam, Mandala patiently observed, because Amnesty visits prisoners, and there are no prisoners in Vietnam.

Amnesty International watches but makes no public comment about the bitter human-rights debate in the peace movement. It has been nominated by the signers of the appeal to Vietnam as an undeniably independent group with sufficient credibility to move this argument from polemics to facts. And Roger Baldwin, who, at 93, continues to be a most active, worldwide civil libertarian, has offered to head a delegation to Vietnam under Amnesty's auspices.

There has, however, been no movement in this direction. To find out why, I spoke to several officials of Amnesty International, all of whom asked not to be named, for this is necessarily a very careful organization.

"First of all," said one of them, "If we were to get permission to go in, we are not at all likely to send Americans as part of the delegation. Just as, even though we have a large Amnesty section in West Germany, we do not send West Germans to look into human rights in East Germany. If Amnesty does go to Vietnam, the team will probably be made up of Scandinavians, Dutch, and people from other countries who have not lately been at war with Vietnam. There will be no Roger Baldwin delegation, fine man though he is."

Furthermore, I learned from other sources, much of Amnesty's current emphasis in Asian affairs involves preparing for a intensive human-rights project concerning China. Accordingly, most of their researchers for Asia have been pulled off other assignments to concentrate on what is clearly going to be the most formidable challenge so far to Amnesty's resourcefulness. Vietnam, therefore, is not currently its highest priority.

Nonetheless, there have been private, informal talks in Paris and London between representatives of Amnesty international and the government of Vietnam. These sessions concern individuals in that country about whose rights Amnesty has questions. At this point, neither their identities nor the results of the talks are being made public.

"We want to be effective," an Amnesty official explained, "and sometimes an absence of publicity helps us be more effective. I must say in that regard that the furor in the United States about the public appeal to Vietnam will probably lessen the chances of anyone, including us, being given permission to go in there and conduct an independent inquiry. It's all very ironic. It's very American to speak out on human rights, and I am sure that the people who signed that letter had to do it. That sort of action is part of their very being. But I do wish the tone of the letter had been less one of shock and disillusionment. I know they tried to temper the language, coloring it with more of an expression of regret, but the enraging effect of that appeal on the government is not likely to make Vietnam more accessible. Without on-site inspection we shall all simply have to try harder to find out what is really happening.

Amnesty International continues to collect and try to substantiate information on Vietnam. "Above all," said another Amnesty official, "we have to take great care about accuracy. We are a fragile body with limited resources, and now that we have acquired so high a reputation in recent years, the demands on those resources have become incredible. Therefore, we are selective in what we do on any large scale, and we surely do not just jump into anything, including the situation in Vietnam."

So, Amnesty will not move soon. And the Socialist Republic of Vietnam denies all charges.

Meanwhile, inside the American peace movement, the fragmentation intensifies. The War Resisters League, long a moral basing point for many nonreligious workers for peace, has disassociated itself from the human-rights appeal to Vietnam, but a minority in the league is anguished.

Quakers, as is their custom, are also divided. So are the non-Quakers who work for such Quaker-founded organizations as the American Friends Service Committee. Recently, two of the latter were arguing about alleged repression of religious freedoms in Vietnam.

"In a socialist society," one of them said, "there has to be a realignment not only of government but of religious institutions too. And if the government, as in Vietnam, decides not to allow certain religious schools, but lets the religion stay alive, how can you reasonably call that an act of repression. Religious schools are not integral to the expression of religion."

"Not to you," his opponent answered, "but they damn well may be integral to those involved in the expression of that religion."

"Well," said the other American Friends Service Committee staffer, "I haven't entirely worked that one out yet. Anyway, it's their country. Finally, it really is theirs, no matter what we think."

Among the documents left behind by one of the 12 nuns and monks who burned themselves to death in Can Tho province is a statement by the Venerable Thich Hue Hien:

"My act may be described as unusual both in the Dharma and in the World. But as Wisdom shines, we should look at events in their own timing. . . . I do not act in foolishness. By my act, I hope the blind will see, the deaf will hear, and living beings in the Six Realms will benefit from The Light."

What the Light reveals also depends on one's angle of vision. And there is no telling yet whether the Venerable Thich Hue Hien's sacrifice of himself has benefited anyone at all.

WITH MALICE TOWARD NONE

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. THOMPSON. Mr. Speaker, as we know there has been considerable controversy over President Carter's decision to extend amnesty to those who left the country to avoid the Selective Service Act during the Vietnam war. Discussion continues as to whether the President should not further extend amnesty to those who deserted from active service during that conflict. I think the following article by Mr. William Dwyer, which appeared in the February 22 edition of the Trentonian, a prominent newspaper published in my home city of Trenton, will shed some light on this issue and help place it in historic prospective:

WITH MALICE TOWARD NONE

(By Bill Dwyer)

Speaking of George Washington and amnesty for deserters—a not unlikely pair of subjects these days—the Commander in Chief issued a proclamation on March 10, 1779, aimed at army deserters "now dispersed in different parts of these states, having seen their error, would be glad to return to their duty, but are restrained by the fear of punishment.

"In order to quiet such apprehensions, and to give them an opportunity to put into practice these good dispositions, I hereby proclaim full pardon to all those who shall rejoin their respective corps by the first of May next."

This was one of several proclamations of amnesty issued by General Washington during the American Revolution. In addition, he issued proclamations offering a "second chance" to civilians who had deserted the American cause and welcomed the British invaders. One proclamation, promulgated a short time after the Battles of Trenton and Princeton, was aimed at Americans "influenced by inimical motives, intimidated by the threats of the enemy, or deluded by a proclamation issued on the 30th of November last by Lord and General Howe," who had taken oaths of allegiance or made declarations of fidelity to Great Britain. He offered these people—and there were thousands of them in New Jersey alone—an opportunity to "deliver up such protection, certificate and passports and take the oath of allegiance to the United States of America."

Washington's offer affected such as John Abbott, Jr., who, on December 9, 1776, at the enemy's headquarters in Trenton, had been granted a "protection paper" that read as follows: "It is his Excellency General How's (sic) express orders that no person presume on any account to . . . injure John Abbott, Jr., in his person or property."

Washington also made an offer to Americans who wished to continue as subjects of Britain. In the proclamation cited above, dated January 25, 1777, he offered "full liberty to all such as prefer the interest and protection of Great Britain to the freedom and happiness of their country, forthwith to withdraw themselves and families within the enemy's lines.

But, Washington made clear, it was time to make a final decision: "And I do hereby declare, that all and every person who may neglect or refuse to comply with this order, within 30 days from the date hereof, will be deemed adherents to the King of Great Britain and treated as common enemies of these American States."

(All of which makes this Friday a 200th anniversary of sorts.)

The New Jersey Gazette, a Tory paper published in British-occupied New York, sneered editorially at Washington's "miserable proclamation." They described him as "so contaminated by the vice of his associates as to lose all regard to the common forms of morality . . . His desperate situation may be his apology but it cannot be his excuse . . ."

Years later, after becoming President, Washington issued a proclamation of pardon—a general, comprehensive pardon—for several hundred persons who took part in what was called the Whiskey Rebellion. They were offered amnesty on the condition that thereafter they obey the law. The proclamation was issued on July 10, 1795, about a year after the rebellion ended.

As Gloria Emerson notes in her book about the war in Vietnam, "Winners and Losers," John Adams, Jefferson, Madison, Jackson and

several other Presidents issued proclamations of amnesty.

Lincoln issued six of them during the Civil War. In his last one, dated March 11, 1865, a few weeks before his assassination, he pardoned deserters who would return to duty within 60 days.

Lincoln's successor, Andrew Johnson issued amnesty proclamations on five occasions. Johnson's final one, dated December 25, 1868, offered universal and unconditional amnesty to all rebels of the Confederate states.

The latest of pre-Carter Presidential amnesties was that offered by Harry Truman. It was dated December 24, 1952 and it offered general pardon to all persons convicted for having deserted between August 15, 1945 and June 25, 1950.

OSHA—A CURSE TO ALL

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. HANSEN. Mr. Speaker, the Education and Labor Committee, Subcommittee on Compensation, Health, and Safety, this week commenced oversight hearings on the Occupational Safety and Health Act. As one who has taken the lead in this body and in the Nation to stop OSHA which has been a curse to the businessman, the worker, the consumer, and the taxpayer, I was pleased to be the leadoff witness. My testimony is an accumulation of legal and practical in-depth analysis of OSHA which I submit for the RECORD:

TESTIMONY OF HON. GEORGE HANSEN

One of the oldest and most enduring issues in government is the constant fight against bureaucratic growth and waste, and the abuse of power and citizens' rights. It is this overkill in size and use of authority which leaves the individual with a helpless feeling and creates the impression of government being a master over, rather than a servant to the people.

The Occupational Safety and Health Administration (OSHA) is a prime example of these abuses and the need for regulatory reform.

It seems ironic that during an era when we are celebrating the 200th Anniversary of our forefathers' fight for liberty from oppression, entry without notice, fines without consultation, and many other "Tory" tactics, that the same ugly things are again happening to many small businessmen across the nation at this very moment. I refer to the practices and tactics of the government of the United States in such programs as these being administered by the Department of Labor, Occupational Safety and Health Administration. These very same acts against a citizen's basic rights helped precipitate the American Revolution over 200 years ago.

OSHA is one of the most unpopular acts ever passed and is presently being challenged on all sides. Several key cases are pending before the Supreme Court and many more are pending in Federal District courts and Circuit Courts of Appeal. The constitutional challenges are sound, i.e., freedom from warrantless searches, freedom from self-incrimination, right to due process, right to trial by jury, separation of powers doctrine and equal application of the law. In the past year's time there have been ten major court decisions against OSHA's practices in violation of constitutional rights. Courts in Idaho and Utah have even gone so far as to declare key portions of the OSHA Act unconstitutional and void.

A Federal three judge constitutional panel in the Barlow case in Idaho declared "That Section 8(a) of Public Law 91-596, December 29, 1970, 84 Stat. 1598 (29 U.S.C. 657(a)), is unconstitutional and void in that it directly offends against the prohibitions of the Fourth Amendment of the Constitution of the United States of America."

In the case of the Rupp Forge Company of Cleveland, a Federal Court found that "upon review of the Act and the relevant case authority, the Court is constrained to conclude that Congress did not intend to enact, nor did it in fact enact, proceedings encouraging or authorizing broad, arbitrary administrative searches such as that herein suggested by petitioner. Clearly such unbridled authority is not cognizable under the Fourth Amendment of the United States Constitution."

I cannot help but believe that the Secretary of Labor realizes as I do that OSHA is on constitutionally unsound ground. OSHA's current plight is pointedly apparent in light of the fact that the Congress is still waiting for a progress and oversight report from OSHA due in April of 1974 as per Section 4(b)(3) of the Occupational Safety and Health Act of 1970. The report is now over two years overdue with no indication as to when it will be prepared.

The agency's credibility is sadly lacking. Recently, in a letter dated January 12, 1974, to all Members of Congress from former OSHA Administrator Morton Corn the agency even went so far as to mislead the entire Congress. I specifically refer to the Statement contained in the second to the last paragraph of the letter: "For these reasons one court of appeals has recently overturned a similar district court ruling, concluding that 'prompt, unannounced inspections without delay' are crucial to 'prevent subversion of the program and encourage consistent compliance.'" (emphasis added). The case referred to is Usery vs. Godfrey Brake & Supply Service where the court specifically stated that fourth Amendment questions were not under consideration.

However, the statement contained in Dr. Corn's letter is misquoted and used in such a way as to imply that this case had somehow approved OSHA's warrantless searches. When contacted the Department of Labor has been considerably less than forthright on this matter and has consistently avoided or refused to clear up these serious misstatements which can be harmfully misleading to other public officials and present real problems to the individual citizen who is trying to establish what his rights and responsibilities really are. In fact, Mr. Chairman, there are very valid horror stories clearly showing OSHA efforts to actually deprive people of due process; push them into jail; impose huge fines, penalties, and compliance costs; mistreat their own employees; and then cover up.

The stated object of this agency is to improve safety conditions for American workers. There is precious little proof that it has done so—but plenty of proof that it has caused immeasurable grief for their employers and resultantly for the citizens and consumers of the nation.

Consider, first of all, OSHA's record of metastatic growth. The law that gave it birth runs to a modest 31 pages, which could, of course, be troublesome but not impossible for average citizens to master. As usually occurs, however, Congress permitted executive agents in the Department of Labor to run amok—pumping out an endless batch of OSHA regulations in the Federal Register.

At last count, there were some 800 pages of such regulations, setting forth the safety standards that strike the bureaucrats as proper. These standards number no less than 4,400—2,100 devoted to business generally, 2,300 focused on the maritime and construction trades. They are enforced by an army of a thousand-plus inspectors with more due to be added.

These standards are not only voluminous, they are often of eye-glazing complexity. One of the most notable, isolated by Professor Murray Weidenbaum of Washington University in St. Louis, consists of gobbledygook on ladders, including this delectable specimen: "The angle (a) between the loaded and unloaded rails and the horizontal is to be calculated from the trigonometric equation: Sine a=difference in defection 9/ladder width."

Small wonder that the Federation of American Scientists says: "Regulations are Voluminous and complex, the language convoluted beyond recognition except by a scientist or lawyer . . . Businessmen who have no legal or scientific training are unable to understand OSHA regulations. Unfortunately, few efforts are being made to translate the information into readable language . . . Equally unnerving to the businesses is the sheer volume of the regulations—thousands of them apply to one small operation."

That the average citizen doesn't understand the mumbo jumbo is of small concern to OSHA. The important thing is that you be in compliance. OSHA agents make unannounced pop inspections and issue citations on the spot that can lead to fines of hundreds or thousands of dollars. There is no provision for advisory opinions on whether a given ladder, an exit, or trash can is out of sync with OSHA's mysteries. In fact, it is a criminal offense for anyone without authority to do so to give you notice of an OSHA inspection.

Even assuming the standards can be understood and met, the costs can be prohibitive. Robert Stewart Smith, formerly in charge of safety and health evaluation for the Department of Labor, has examined the costs and benefits of OSHA in an excellent analysis for the American Enterprise Institute, Washington, D.C. On his showing, the costs are heavy, the benefits neglible. Smith quotes findings by the National Association of Manufacturers that OSHA compliance costs range from $35,000 (for businesses with 100 employees or fewer) to $350,000 (for businesses with up to 1,000 employees). This estimate is confirmed by the fact that the first 33 businesses obtaining small business loans for the purpose of OSHA compliance averaged loans of $200,000 apiece.

Such costs are reflected in prices charged to consumers, and they are growing rapidly. Total costs of compliance came to $2.5 billion in 1972, $3.2 billion in 1973. And this is just for openers. Full compliance with existing OSHA noise standards would cost $13.5 billion, and under one proposed noise standard it would cost $31.6 billion. (This doesn't count the additional millions in levied fines.)

Over against these heavy costs are Smith's findings that OSHA had apparently done little or nothing to improve the industrial accident record. Sifting OSHA's own inadequate data with other figures, Smith discovered (a) that injury rates were higher, not lower, in industries with good compliance ratings, and (b) that between 1970 and 1973, industrial accidents in OSHA's so-called "target industries" fell by less than 1 percent more than they would have in the absence of the program.

"At the very least," Smith concludes, "the results cast serious doubt on the effectiveness of the target program. . . . A more ominous, but still speculative, implication is that OSHA, whether because of its standards or because of its failure to discover violations, may not be affecting the conditions which cause injury.

"Given the limited potential of a perfectly enforced set of standards and the likelihood that inspectors discover only the most obvious violations, it is perhaps not surprising that the estimated effects on injuries are so small that they cannot be distinguished from zero."

The question of effectiveness is even more glaring when the National Safety Council's injury rates are checked. Since OSHA's inception the previous improvement trend leveled off and stagnated.

The net of it is that we are administering a vast bureaucracy armed with constitutionally questionable powers which imposes an unacceptable burden on the employers and cost consumers and taxpayers untold billions—to achieve a statistically insignificant impact on the safety record of American industry.

I find sad parallel between the 1977 problem of "regulation without reason" and the 1776 problem of "taxation without representation."

It is clearly time for the Congress to relieve American businesses, farms and individuals from random searches, arbitrary enforcement and fines and unnecessary and repetitive regulations and reports.

Congress should reappraise each federal agency with a view to outright abolition of those which are non-productive or which have obviously outlived their usefulness. It should withdraw from the others the vast grants of arbitrary power which it has bestowed. And Congress should define the powers left to bureaucracies in language so clear and explicit that no officials can expand their authority beyond Congressional intent. Broad national policies required to protect consumers, workers, minorities, and the environment should be implemented very sparingly with an eye toward preserving basic individual rights and only through specific legislation, rather than allowing non-elected bureaucrats to write the laws through the Federal Register. Certainly every effort should be made to solve problems through the private sector and at the state and local levels of government as envisioned by the Tenth Amendment.

I strongly believe that there are viable alternatives to OSHA. It is imperative that the Federal Government get back to an "incentive" system, toward American business rather than the "punitive" system which is presently being pursued. Stationing a federal policeman on everyone's doorstep just won't work and it certainly isn't the American way. A broadening of liability insurance, workmen's compensation and other ongoing state and local inspection and licensing programs which have proved themselves far more effective than OSHA in the past could likely accomplish the same goals of OSHA and in much more effective and acceptable fashion. It is a fact that insurance inspectors, health authorities, state and local inspection programs and employee benefit agreements already carry the major burden of assuring health and safety on the job. Insurance inspectors alone outnumber OSHA compliance officers by approximately three to one—and they've never had the foul image of OSHA. Their approach is different and effective—it's incentive, not punitive.

I am repulsed by the fact that as OSHA grows, so grows its distorted opinion that most American workers are terribly exploited by employers and need the all-encompassing protection of the federal bureaucracy. This is indeed a sad commentary on the attitudes of bureaucrats and their understanding of the American enterprise system.

OSHA's unrealistic attitude is demonstrated in its compliance techniques and utilizations of inspectors too often not familiar with the types of businesses that they inspect and no comprehension of the individual needs and circumstances of each company. The very concept of sending inspectors armed with rule books to examine work places for potential hazards is, in a way, as odd as an insurance company personally inspecting every home for which it writes a policy. A more modern approach, and one well proven by the insurance industry, is to utilize statistical science and adjust an employer's workmen's compensation and liability rates according to his actual safety record.

OSHA, however, relies on its rules and in the process has compiled a litany of offensive against good sense. A few examples:

Companies have been ordered to remove guardrails 41 or 43 inches high and replace them with rails exactly 42 inches high.

One firm provided more fire extinguishers than required and hung them carefully at the required height. It was slapped with a fine for setting an extra unit on the floor.

Regulations required a shorter turning radius for some fork lifts. Their wheel bases were shortened to comply, and the vehicles were rendered dangerously unstable.

The burden of these OSHA regulations falls most heavily on small businesses, who are least able to pay the compliance costs and fines imposed. And it might be added wryly that while OSHA was spacing coat hooks and splitting hairs over the height of guardrails, Kepone blew into a major scandal right under their noses, and I understand the faces at the Labor Department are still mighty red over this.

The Barlow case, protesting warrantless searches has, on Fourth Amendment grounds, joined the Seventh Amendment trial by jury cases against OSHA before the Supreme Court and the decisions will most assuredly determine much of the future and direction of the agency. For the Committee's information I am enclosing reprints of several Congressional Record entries on these matters. Certainly no review of OSHA would be effective or complete without considering in depth the problems prompting such legal action.

OSHA is a product of the tired old idea that government can solve everything and it has typically become just another non-productive, expensive bully that has closed thusands of small businesses and created high costs and shortages and increased unemployment without producing any significant improvement in the health and safety of workers. I ask that a new concept in occupational health and safety be designed which would basically rely on the proven methods of private enterprise with compliance induced by incentive rather than punitive measures. The taxpayers and consumers would be most grateful as would employers and workmen.

On the basis on considerations presented before you I have been the sponsor of legislation to repeal the Occupational Safety and Health Act or at least halt its efforts pending the court's decision on its constitutionality. I believe OSHA has not only been non-productive in providing improved health and safety conditions for America's work force, but it has even been counter-productive by causing other health and safety groups to stand back and not perform to their best ability. This is obvious in viewing the stagnant progress since OSHA went into business.

Safety and health is everybody's business and with some imagination and proper application it can be accomplished without violating anyone's rights and in ways which would assure lower costs, abundant supplies, increased employment and more prosperous business operations. The time to do something is now.

THOUGHTS ON REHABILITATING DRAFT DODGERS

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. TEAGUE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include an article written by a retired U.S. Marine Corps general, J. D. Hittle relating to the recent actions of the President on amnesty.

I have known General Hittle for a number of years dating back to his days in the congressional liaison office for the Marine Corps. Since that time he has been associated with the Veterans of Foreign Wars of the United States and has served as an Assistant Secretary of the Navy. I have much respect for General Hittle and commend his article to the Members of this body:

[From the Navy Times, Feb. 28, 1977]

THOUGHTS ON REHABILITATING DRAFT DODGERS

(By J. D. Hittle)

There isn't much purpose in arguing that the draft dodgers shouldn't be given a pardon. The issue for all practical purposes is closed.

When the President made his decision, that, for now, ended the argument.

But while the argument of whether there should be a pardon is meaningless, there is real meaning in taking a look at what the pardon means.

And that's a big order. This pardon goes so widely and deeply to fundamentals of military service and the obligations of citizenship that this column doesn't have the space even to briefly tick off all the pertinent issues involved.

There are a few things that are already sharply clear. In the first place, the pardon of draft dodgers might be interpreted as giving the citizen the right to decide, in the future, whether or not he believes that the war he is called to serve is a "just" war. If he doesn't think so, then what can he do? In the light of the pardon, he can well conclude that he can run for Canada, or any other country that will tolerate him. There, in safety from shot and shell, he can wait out the war.

When it is over, there will always be self-appointed moralists who will proclaim border-jumpers as being braver than those who, whether they liked it or not, answered their country's call to arms. And those who can run away will have reason to believe that they will be pardoned and welcomed home.

If that should happen, they would, of course, also be able to come home intact. That's a lot more than can be said for the good citizen who did his duty and was crippled or killed in answering his country's call to arms.

The most disheartening aspect of the entire pardon issue—and this, in fairness, was not an element of the pardon action itself—is the gushing tribute to the "conscience and courage" of the draft dodgers in being spiritually strong enough to refuse to get shot at!

This, obviously to any serviceman, is plain hogwash. It was a lot safer taking a bus to work in Toronto or Vancouver than pushing to the top of a Red-held hill in Vietnam.

Somewhere in all of the talk about justice to the poor draft dodgers something has been widely missed by a lot of people. That some-

thing is the matter of justice to the person who didn't cut-and-run, the person who accepted his obligation of citizenship and answered his country's call. The man who runs away from military service, at least from the moral standpoint, commits pretty serious crimes.

The first, and probably the most obvious one, is that he evades the draft. That's bad enough. But there is more to his list of wrongdoings. When he refuses to do his duty, it means that someone else has to take his place. Someone who obeys the law has to take the draft dodger's place in the long line, moving, in a sense, toward the "firing line."

There is no way of ever totaling up the tremendous number of good servicemen who were wounded, maimed or killed by the simple process of moving up ahead of their normal turn because of those who run away from the draft and military service.

What this, in turn, means is that by not doing their duty, by running away, the draft dodger was in a real way responsible for the wounding or death of the one who was in combat where the evader should have been.

So when we hear all this mush about the conscience of the draft dodger, let's hope that he has enough conscience to realize and remember that another American—a better one than he—may well have suffered, even died because of his refusal to do his duty as a citizen. The pardon may clear a lot of his legal problems, but if there is a bit of moral fiber in his body, the pardon should never clear his conscience.

Of course, as the years wear on, the draft dodgers will become more mature simply by the process of aging. We can hope that with this maturity will come, at least for some, a realization of the enormity of their crime against their country and against their fellow Americans.

As a means of perhaps hastening that realization—at least in the minds of a few of the border-jumpers—there is something that might be done.

I propose that each draft dodger who benefits from the pardon should receive, from the government on which he turned his back, a reprint of the once-famous story of Philip Nolan.

Philip Nolan was "The Man Without a Country."

As the story relates, Nolan was stationed at a fort on the western frontier following the Revolutionary War. He was an admirer of Aaron Burr, and was eventually accused of being involved in Burr's alleged conspiracy. Nolan was tried by a general court.

In a flash of resentment and anger he told the court, "Damn the United States. I wish I may never hear of the United States again." Well, the court sentenced him to have his wish. Moved from one Navy ship to another, he never again saw U.S. soil. No one was allowed to mention the United States in his presence.

What makes Nolan's tragic story so pertinent is that the draft dodgers, in a real sense, turned their backs, like Nolan, on their country. In skipping across the border to evade service, they, too, in a sense, renounced their country. They were luckier than Lt. Philip Nolan. They were pardoned.

But if they were each sent a reprint of "The Man Without a Country," some few just might read it. They would, then, perhaps better understand the crime they committed, and the fate of self-ostracism from which they were spared by the pardon.

The letter to each one pardoned should ask that he at least take time to read one paragraph of the story. It has the sad advice of Philip Nolan as he neared his death at sea. These were his word, born of the torment of a man who turned his back on his country, and lost her:

"And for your country, boy, and for that flag, never dream a dream but of serving her as she bids you, though the service carry you through a thousand hells. No matter what happens to you, no matter who flatters you or abuses you, never look at another flag, never let a night pass but you pray to God to bless that flag."

Such reading would be pretty strong medicine for draft dodgers. But, for a few, it might keep them from telling their sons to do as their daddies did when it is their turn to answer their country's call.

They would be doing their sons a favor. It's possible, of course, that the next time the border-jumpers won't be pardoned. Then, they, like the tragic Philip Nolan, could live out their lives as latter-day men without a country.

It would serve them right.

MAKING THE POOR DISAPPEAR

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. SOLARZ. Mr. Speaker, there is a growing controversy about the actual number of poor people in this country. The controversy has been fueled by a study done by the Congressional Budget Office entitled "Poverty Status of Families Under Alternate Definitions of Income." The study recently made headlines by concluding that the actual number of poor families in this country was 3.6 million less than the number reported by the official poverty statistics of the Department of Labor, and that the percentage of poor people in the country had been cut in half since 1965.

Given the prestige of the Congressional Budget Office, and the possibility that the statistics generated by the study may politically bias the outcome for consideration of welfare reform and other poverty related programs, it is extremely important that the study be carefully examined before it is used as a basis for policymaking. Just such a careful examination is contained in Michael Harrington's recent article in the New Republic, which I would like to place in the RECORD.

In that article, Mr. Harrington, who is the author of "The Other America," the book which helped launch the original war on poverty, raises three important objections to the study:

First, the failure of the Congressional Budget Office study to take into account the widely accepted belief that all Government statistics undercount the poor;

Second, the failure of the Congressional Budget Office to discuss the inadequacy of the current formula for determining the poverty line; and

Third, its inclusion into the income of the poor of the value of the goods and services provided by Government programs.

The inclusion of the latter creates the statistical anomoly of a poor person becoming middle class or rich by the contraction of a catastrophic illness which requires medical treatment costing tens of thousands of dollars.

Mr. Speaker, due to the social programs of the 1960's we have made some progress in the war on poverty, but, as any visit to some of our central cities will prove, we are a long way from victory in that effort. It is my hope that before anyone uses the Congressional Budget Office study as an argument for limiting our efforts to eradicate poverty, that they first read Mr. Harrington's article on the flaws in it.

The article follows:

HIDING THE OTHER AMERICA

(By Michael Harrington)

The poor are being made invisible again.

The political and economic context of this tragic development can be described simply but accurately. When the official war against poverty was declared in 1964, unemployment was declining and prices were stable. Above all, there was a euphoric belief that a judicious fiscal and monetary fine-tuning by the New Economists around the White House had ended the business cycle. As Lyndon Johnson stated that faith in one of his last messages to Congress, "No longer do we view our economic life as a relentless tide of ups and downs." Why not skim off just a bit of this perpetually expanding wealth and use it to rescue the people of the other America? Happy assumptions about the economy were the premises of the federal idealism of the 1960s.

The unofficial war against the poor of the 1970s takes place under completely different conditions. There is chronic high unemployment—the worst since the Great Depression—and the chairman of the Council of Economic Advisers promises that it will continue for the rest of the decade at levels thought intolerable in the 1960s. The nation has just emerged from a severe round of inflation and the first, modest signs of recovery are enough to make people fear that prices are going to soar again. Above all, there is no confidence that anyone really knows how to get the economy out of the relentless tide of ups and downs in which it founders.

Someone has to be the victim of this new pessimism. If there were vigorous plans for full employment—including measures financed by redistributionist tax policies—it would be possible to fight inflation, joblessness and the deterioration of the public sector simultaneously. But that would require a political consensus well to the left of where most politicians, including President Carter, locate the American people today. Instead, Carter proposes a moderate program of economic stimulus, while his chief economic adviser candidly tells the Congress that it will be 1979 before the unemployemnt rate might drop below six percent. Meanwhile, the liberal Democratic governor of New York presents a budget that catches most of the Republican opposition off balance since it is somewhat to their right. In the political economy of 1977, the poor have been volunteered to sacrifice on behalf of the rest of us.

Trouble is, no one wants it to be said that he is insensitive to the plight of our most vulnerable citizens. Therefore it would be convenient if the poor could simply disappear. A new study published in January by the Congressional Budget Office, called "Poverty Status of Families Under Alternative Definitions of Income," takes a major step in turning the poor into non-persons. By an act of statistical legerdemain CBO eliminates the poverty of 3,628,000 families and doubles the rate at which the poor have been escaping from their fate since 1965. This remarkable news comes at a time when other government figures are reporting an increase of 2.5 million in the number below the poverty line. Obviously, the discovery is politically propitious.

The Supreme Court, Mr. Dooley said in that celebrated aphorism, follows the election returns. So do the statistics. I do not suggest that scholars simply juggle their numbers in cynical obedience to political manipulators (although that happens, too). It is more complex: the economic-political mood of a period focuses certain facts and blurs others. In the 1950s, most sincere and compassionate intellectuals could see clearly what was right with America; in the '60s, they could see clearly what was wrong. (Without getting into an epistemological thicket, I should simply say that I am not an agonistic relativist in such matters. The subjective view from the bottom of the society up is more objective than from the top down; the 1960s were more truthful than the 1950s.)

I first became aware that millions of poor people were about to vanish when I read the 1976 Report of the Council of Economic Advisers, a document issued by the Ayn Rand disciple, Alan Greenspan, in January 1976. One conclusion of this report was that the official definition of poverty neglected to count in the "in-kind" income received by the poor, i.e. the value of medicaid, housing subsidies, food stamps and the like. The council, while admitting that the data were not quite clear, said that these in-kind contributions total 130 percent of the gap between the cash incomes of the poor and the poverty line. The report hedged. It did not flatly say that all of the in-kind benefits actually could be attributed to the official poor—some of them went to people above the line—but it strongly implied that a major revision of our estimate of the number of the impoverished was in order.

Writing in the summer 1976 issue of the neoconservative journal *The Public Interest*, Edgar K. Browning, an economist from the University of Virginia, was not as tentative as the council had been. "When in-kind transfers . . . are counted as income," Browning said, "the average poor family in 1973 had an income that was approximately 30 per cent *above* the poverty line. In terms of the average income of officially poor families, there is practically no poverty—statistically speaking—in the United States today, and, indeed, there has not been for several years. It only remains for our accounting procedures to be modified to record this achievement."

By last fall, this good news was being communicated to the people by the press. On the Op-Ed page of *The New York Times* Harry Schwartz told of the "more realistic definition" of poverty developed by Browning and others. He chided the government for issuing statistics that were, for most people, "misleading." Then in January of this year the Congressional Budget Office released its study, asserting much the same thing. Since the government had said in late September that the number of the poor had gone up by 11 percent during 1975, the news of our hidden achievement was especially surprising.

In fact, the statistical method used in these revisions could have been designed by Dr. Pangloss. The procedure was to take all of the factors—some real, some imagined—that might conceivably have led to an overcounting of the poor and to give them the greatest weight possible. Simultaneously, one carefully ignored all of the data that suggest that there has been an undercount of the poor. Not surprisingly, this tendentious exercise resulted in the inevitable conclusion that the number of poor people has been exaggerated. Harry Schwartz and others thought that they were champions of social scientific rigor. In fact, they were unwitting shills for some careless and prejudiced analyses. And they were helping to make some very real poor people invisible.

Some of the considerations that were excluded systematically from the new definitions are the subject of an extensive literature. It is shocking that the Congressional Budget Office, which heretofore has observed rather high standards, sould have permitted a study as politically biased as this one. The kindest thing one can say is that perhaps it is innocently incompetent.

The CBO analysis takes the official poverty definition as its point of departure, and then criticizes it for overcounting. That definition, developed by Mollie Orshansky of the Social Security Administration in 1964, defines a number of annual-income poverty lines depending on family size, sex of the family head, farm or non-farm residence, and number of children. The figure usually cited in the press as "the" poverty line is the figure for a four-person urban family. It is arrived at by taking the cost of an "economy" plan food budget designed by the U.S. Department of Agriculture for "emergency or temporary use when funds are low" and multiplying that figure by three, since three-to-one is the assumed ratio between food and total budget cost. Since 1969, the figure has been increased by reference to the consumer price index rather than the cost of food in the economy plan.

The CBO carefully notes how this method does not take into account the value of in-kind goods and services. It just as carefully ignores the voluminous literature which criticizes the definition for being much too low, that is for undercounting the poor. One of the most prominent critics has been Mollie Orshansky herself. The three-to-one ratio between food cost and total budget is based on a 1955 study which there is reason to believe is out of date; the basic food component itself never has been changed. The consumer price index does not adequately reflect the impact of inflation on the poor; using a base year of 1967 as 100, the CPI stood at 158.3 as a national average in 1975—but it was 162.3 for the poor and 157.2 for the wealthy.

Last April the Department of Health, Education, and Welfare did a much more careful job of surveying the problems of defining poverty. (This report, of course, was available to the CBO researchers.) It concluded that if one raised the multiplier from three-to-one to five-to-one, and used a "low cost" rather than an "economy" food plan—two changes that are "within the range of reasonable judgment"—then the official poverty lines would be twice as high and one-third of the American people would be defined as poor. Orshansky considered several alternative definitions that would correct for undercounting; the result at one extreme (which is, however, quite plausible) was that the 1974 poverty line for a four-person family went from $5008 to $8118. This would increase the number of the poor in 1974 from 24.3 million to 55.4 million.

The CBO did not have to agree with Orshansky's highest estimate. But when a supposedly scientific analysis of a statistical definition does not even mention the reams of serious critiques of that definition from another point of view, something is profoundly amiss. Harry Schwartz might be forgiven for not knowing about the HEW study; the CBO cannot be, and should not be. One becomes suspicious when there is such a glaring omission. It calls to mind Gunnar Myrdal's remark that ignorance is never random. In this case, it serves the neo-conservative mood of many ex-liberals.

The CBO lingers over underreporting of the income of the poor, emphasizing, for instance, that only 74.5 percent of public assistance shows up in income statistics included in the government's current population survey. But the same chart from which the CBO gets this information shows that only 44.2 percent of dividend, interest, rental and like income of the middle and upper class show up in the survey. The CBO does not emphasize this matter—one that becomes quite important when relative shares are at issue, since the missing poverty income is worth 2.8 billion dollars while the middle and upper class shortfall comes to 46.3 billion dollars.

There is no mention in the CBO report of an even more dramatic case of missing data: the census population undercount. It is generally thought that the government misses as many as 30 percent of the population in each census. Most of the missing are poor: people without regular addresses, phones or jobs, and illegal aliens who do not want to become any kind of statistic. The Carter administration estimated this month that there are four million people "whose names are not listed in federal files because most of them pay no taxes and receive no government benefits." They are sometimes called the "poorest of the poor." They are not mentioned by CBO.

In attributing the value of the in-kind goods and services as income to the poor, the CBO values these items at their dollar cost to the federal government. Thus part of the increased "income" of the other America is that cost of unnecessary, and even harmful, medical care at inflated prices in medicare mills; and the money which various real estate speculators rip off from housing subsidy programs. The CBO makes a large assumption here: that in-kind income received from the government is the functional equivalent of cash income. In the process, a remarkable negative fact about American society actually sneaks into a relentlessly positive analysis. The "natural" workings of the economy—incomes before any transfer payments are added in—leave about 25 percent of the people poor. Moreover, this shocking fact has changed only "slightly" (the CBO's word) in the past decade (28 percent of families were below the poverty level before transfers in 1965, 24 percent in 1975). So one out of four citizens is dependent upon the government, not the private economy, for a crucial portion of its standard of living.

Is it fair to equate the in-kind income poor people receive with the pay checks of the other three quarters of the population? One obvious difference leaps to mind: cash income can be spent however a person wants; in-kind income cannot. Indeed, on the CBO assumptions people can enormously increase their income—and even enter the middle class—by suffering a catastrophic illness at government expense. (This problem gets one sentence in the study.) A large part of medical in-kind benefits goes for the care of terminal illnesses. It is a gain that some of the poor can now have some decency in their final moments on earth, but I do not think that this fact should be counted as a major contribution to the elimination of poverty in America.

But let me confront the difficult case where important benefits are indeed conferred, and not just upon those about to die. Food stamps, which unquestionably represent a significant gain for the nation, are an obvious example. Can they be simply valued in terms of their money cost (or their market value)? I think not. Poverty is not simply a statistical phenomenon describing certain characteristics of an aggregate of individuals; it is social reality as well. That is, the poor do not merely lack income. They also go to jail for their wrongdoing, which the middle class, in most cases, does not; they get sick more often; they suffer from greater emotional and mental stress; and so on. Harry Caudill and, more recently, Kai Erikson have hauntingly evoked the demoralization which welfare dependency can bring. Would the CBO be happy if three-quarters of the people received statistically adequate incomes but were cut off from any meaningful work functions in the society?

If the CBO study had dealt with this problem, and the others I have cited, that would have been an earnest of good faith even if it were badly done. Most of these difficulties are not even alluded to; those that are get the most superficial mention; and nothing is allowed to interfere with the basic, and it seems to me preordained, conclusion. To be

sure, there are references to forthcoming technical documents and one hopes that they will raise, and perhaps confront, some of these issues. But Alice Rivlin, chief economist of the CBO, claims that this study provides the basis for a congressional evaluation of welfare reform. Any congressman who reads it is likely to be seriously misled.

Finally, one other instrument of social analysis which this study ignores should at least be noted: the human eye. The CBO analysts work in Washington. While traveling through that city did they ever lift their eyes from the examination of mathematical equations and look out the window? Perhaps they take only the sanitized routes. Did Harry Schwartz of *The New York Times* invest a dollar in a round-trip subway ride to the South Bronx? If he had, he would not have written his column as he did. Has anyone looked at Detroit recently? St. Louis? The Appalachian hollows or the barrios of the Southwest?

I know all of the objections to personal and random observation as a means of social scientific analysis. I share some of them. But before we become a nation of computer cretins, we might just take a walk and see if poverty still exists, massively and cruelly. It does.

REPEALING THE BYRD AMENDMENT

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mrs. COLLINS of Illinois. Mr. Speaker, the International Relations Subcommittee on Africa recently reported out H.R. 1746, a bill that would repeal the Byrd amendment which allows the importation of Rhodesian chrome into the United States in direct contravention of our obligations as a member of the United Nations. I strongly support passage of H.R. 1746.

Action to repeal the Byrd amendment is supported by the Carter administration, both by Secretary of State Cyrus Vance and by United Nations Ambassador Andrew Young.

Since original passage of the Byrd amendment 6 years ago, proponents of its repeal have argued that such an action might have an adverse effect on national security, the domestic economy, and particularly, the specialty steel industry which utilizes chrome. Neither premise holds true any longer because the chrome industry has changed dramatically since the Byrd amendment's passage. Rhodesia's role as a chrome exporter has declined in conjunction with technological changes in the industry and with transportation difficulties within its own borders that are the result of the serious political strife affecting the country.

The major argument in favor of repealing the Byrd amendment, however, is that it desecrates the right to basic human dignity. Rhodesia is a nation in which some 6 million blacks are oppressed by 270,000 whites. If America's rejection of Rhodesian chrome will in any way help bring majority rule, then it must be done.

I am including an editorial from the New York Times dated February 17, 1977 which argues eloquently and sensibly for the rescission of the Byrd amendment.

I hope that my colleagues will carefully consider this extremely important matter.

The article follows:

RHODESIA AND THE DIPLOMACY OF CHROME

At last, the economic underbrush around the issue of importing chrome from Rhodesia can be cleared away. For years it was successfully argued that American industrial and strategic interests required continuing the chrome imports, even in violation of a United Nations economic boycott of Prime Minister Ian Smith's white Government. But now it is plain that the impact of a boycott—or no boycott—is minimal, for both the United States and Rhodesia. That leaves clear and freestanding the diplomatic interest of the United States, and we applaud the Carter Administration for urging Congress promptly to vote to honor the boycott of Rhodesia.

The chrome in question is not the metal that makes bumpers shiny; it is a higher-grade metal used to manufacture stainless steel. Rhodesia is a prime world source. Two developments have combined to nullify the economic issues. One is technological: the perfection of a process called agron oxygen decarburation, which permits use of lower-quality chrome, more widely available, in stainless steel. The second development is political: the closing of the Mozambique-Rhodesia border last year, impeding the flow of exports. As a consequence, even with Congressional permission to continue them, American chrome imports have plummeted.

There thus remain no economic justifications either for continuing to permit the imports or for cutting them off as a major lever on the Smith Government. But there remain powerful diplomatic reasons for the United States rapidly to join in the United Nations boycott. The United States voted for it twice and yet in the end violated it, fostering wide mistrust among black African nations. Honoring it would at last lay an essential foundation for restoring our credibility and improving relations with them.

Moreover, for Congress to vote to honor the sanctions now would send a ringing message to the Smith Government. Washington has previously proclaimed a desire to undo the Congressional license to continue chrome imports, but the proclamations had little muscle behind them. And Mr. Smith could find solace in the belief that, no matter what Administration officials might say, he still had decisive support in Congress and the American business community. Without that illusion to cling to, it is reasonable to hope that he would become more hospitable to reopening negotiations with black nationalist groups and more flexible in his bargaining positions. That is the path to peace in Rhodesia; we welcome the Administration's movement toward it; and we urge Congress to give it thrust.

ETHICS VOTE

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. KOSTMAYER. Mr. Speaker, I would like to take this time to clarify my position on the ethics package which was passed by the House on March 2, and my previous statements both to the Obey Commission and to my constitutents in the Eighth Congressional District of Pennsylvania.

I voted in favor of the modified closed rule which limited amendments to House Resoulution 287, the ethics package. I did so, because I felt that passage of the whole package was in jeopardy if amendments were allowed.

I personally had prepared three amendments which I would have offered under an open rule. These amendments would have eliminated all outside income for personal services, eliminated the $5,000 increase in the allowance for official expenses, and made immediate the effective date of the financial disclosure requirements.

I stand by my statements regarding the need for these changes in the House rules. But for the sake of the entire package and the need for immediate measures, and but for my belief that under an open rule the reform package would have been threatened with weakening amendments, I would have introduced and fought for passage of my amendments.

RABBI EMANUEL RACKMAN: A WORLD RENOWNED RABBI, AUTHOR AND ACADEMICIAN

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. KOCH. Mr. Speaker, a distinguished constituent, rabbi, and good friend, Emanuel Rackman, was elected yesterday as president of Bar-Ilan University in Israel. Rabbi Rackman is presently, and has been for the last 10 years, the spiritual leader of the Fifth Avenue Synagogue at 5 East 62d Street. I feel a personal pleasure in the recognition given to my friend, not only by his new appointment, but in the laudatory and accurate profile of him which appeared in today's New York Times which I am appending.

As Rabbi Joseph H. Lookstein said in announcing the new appointment, Rabbi Emanuel Rackman is a "world renowned rabbi, author, and academician." I am proud to call him friend.

The New York Times profile follows:

DEAN OF ORTHODOX RABBIS—EMANUEL RACKMAN

(By George Dugan)

A 66-year-old rabbi who gave up the law for the synagogue and eventually became the dean of the modern Orthodox rabbinate in the United States has been chosen for still another honor. He is Rabbi Emanuel Rackman, who yesterday was elected president of Bar-Ilan University in Israel at a meeting of the school's board of trustees on its campus at Ramat Gan. He is the first American to hold the post.

For the last 10 years, Rabbi Rackman has been the leader of the Fifth Avenue Synagogue at 5 East 62d Street.

In announcing the outcome of yesterday's election Rabbi Joseph H. Lookstein, chancellor of the university, described him as a "world renowned rabbi, author and academician."

His reference was obviously to Rabbi Rackman's career as past president of the Rabbinical Council of America, past president of

the New York Board of Rabbis and his nine years as provost of Yeshiva University.

A UNIVERSITY FOR 7,000

Bar-Ilan University was founded in 1955. Today it is one of Israel's major educational institutions, with an enrollment of more than 7,000 students and a campus of 125 acres.

It is the only university in Israel chartered by the New York Board of Regents and the New York State Education Department. Its doors are open to all, regardless of creed.

Early in his career Rabbi Rackman was torn between two vocations, finally settling for the rabbinate after passing the bar examination and graduating from seminary.

In a recent interview, he told of having practiced law for nine years before embarking on a military career as a chaplain in the Air Force.

"During many of those years," he said, "I served as a weekend rabbi for congregations on Long Island in Glen Cove and Lynbrook."

Rabbi Rackman is the eighth in as many generations of his family to be ordained a rabbi, but none in his family had earned his living before from that calling.

"There is a cherished Jewish tradition," Rabbi Rackman said, "that one should not exploit one's Torah learning for a livelihood. It was my father's hope that I would continue the family tradition, insofar as I could be both learned in the Jewish tradition while making a living in another way."

MOST DIFFICULT TRIAL

In the early 1950's, Rabbi Rackman recalled, he went through what he described as one of the "most difficult" periods of his life. He was denied security clearance by the Air Force as a "bad risk."

"I was always a very outspoken civil libertarian and had spoken out aganist the death penalty for the Rosenbergs and the American Legion's opposition to Paul Robeson," he said.

"I was given the option of resigning from the Air Force with honor or facing a trial. I chose the latter, was tried at Mitchel Field and acquitted. My acquittal was confirmed in Washington along with a promotion from the rank of major to lieutenant colonel."

Bar-Ilan University was created by Zionists committed to religious tradition, but according to a spokesman, it is the instrument of no political party. Like other Israeli universities, it is supported by the Government, with additional support from the Jewish Agency and other friends.

Most of Bar-Ilan's students are undergraduates, and as a consequence its principal mission is not so much the training of scholars as of future citizens who will help improve life in Israel, the spokesman said.

SERVED AS WAR CHAPLAIN

Rabbi Rackman is a former colonel in the United States Air Force Reserve and a past president of the Association of Jewish Chaplains of the Armed Forces of the United States.

During World War II, he was a chaplain at Army Air Forces headquarters in Washington and was awarded the Army Commendation Ribbon wtih oak leaf cluster.

Rabbi Rackman was born June 24, 1910 in Albany, graduated from Columbia University in 1931 and earned Bachelor of Laws and Doctor of Philosophy degrees from Columbia in 1933 and 1953.

He was ordained at the Rabbi Isaac Eichanan Theological Seminary in 1934, and in 1961 received the honorary degree of Doctor of Divinity from Yeshiva University.

His hobby is walking, sometimes 50 blocks a day, just to meet people and talk with them.

The Rackmans (his wife is the former Ruth Fishman) have three sons, Michael, Bennett and Joseph, and four grandchildren.

WINTER WON THIS BATTLE

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. BRECKINRIDGE. Mr. Speaker, when the winter's cold weather is replaced by warmer temperatures it too often happens that the Nation drops its concern about energy supplies. The Congress must not drop its concern.

President Carter pointed out several weeks ago in his first White House broadcast that—

The United States is the only major industrial country without a comprehensive, long-range energy policy . . . the real problem—our failure to plan for the future or to take energy conservation seriously—started long before this winter and it will take much longer to solve.

Such a longstanding problem will take time to solve and resolving it will take more than the seasonal commitment it has been getting. We need a year round concern and commitment. We need a concern and commitment that understands that the consequences of winter energy shortages not only hurt our industrial strength and national security, but often results in personal family tragedy.

To bring home the point I submit for my colleagues' reading an article from the February Kentucky News which explains why the consequences of the winter of 1977 will, for many, last a lifetime:

WINTER WON THIS BATTLE—CARL AND LEONA BUTSCH QUIT THE FIGHT, SELL 30 DAIRY COWS

(By Rolf Wiegand)

It took the harshest weather this part of the country has ever seen to break the lifelong career of Carl and Leona Butsch—maintaining a dairy herd.

But broken it is, and the 207-acre Butsch farm located near California in Campbell County will no longer be the home of 30 head of dairy cows. Ten days ago Carl came home and discovered one of his cows dead, lying in the frozen water of the farm's pond.

"Carl just gave up," Leona Butsch said. "He came in that Sunday and said, 'This is it.' He said he just couldn't take any more of it."

The Butschs let it be known that their herd of 30 cows and heifers, refined by a "weeding out" process over the year, was for sale. Within days a purchaser was found.

"It was all on account of this frozen ice and frozen ponds," Mrs. Butsch said. "We got so aggravated we just got out of it."

The cold weather froze the water pumped from the pond and warmed before being supplied to the cattle. Carl said he tried using a tractor to pump with, and it froze up.

"The cows were just looking at you saying, 'When are you going to give me a drink?' " he said. To supply the water he drove 10 miles every other day to Alexandria to fill an 1,150 gallon cistern for his cows.

Butsch had to hire bulldozers to scrape the ice off the holding pen the cows are kept in before milking. He said this winter was "the worst one" he'd ever seen.

"If we had been younger," Leona Butsch said, "maybe we could have endured it. It's been terrible. We have been in it all our lives. We started as farmers and have been married 36 years."

"I have been in the business as far back as I can remember," Carl said. "We bought this place in 1947. My health is failing and I'm not getting any younger."

The Butsch's are 62.

"We worry if we did the right thing," Mrs. Butsch said of the herd's sale. "But we couldn't keep going the way things are. And we never had trouble all these years."

The Butsch's said they will keep their farm and stay in the fertilizer and seed corn business. They intend to buy some beef cattle to raise for the meat market.

But their lives as dairy farmers will end later this week when the last of their transported cows are gone to a new home.

SELECT COMMITTEE ON THE MISSING-IN-ACTION IN SOUTHEAST ASIA

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. WYDLER. Mr. Speaker, as one of the original sponsors of the resolution creating the Select Committee on the Missing-in-Action in Southeast Asia, as an opponent of a blanket amnesty policy by the United States, I abhor any move which will allow the country of Vietnam to escape providing us with a full accounting of our servicemen missing in action in that country. Little is that to ask, and little is that to be expected by the wives and parents of these men who fought, certainly not without questions, but fought when we said "go." We cannot allow ourselves to be bent by the draft evaders, nor by a nation which sucked up the breath of so many of our young men. We must remain constant—and that constant is a full accounting, without compromise.

The following is a resolution adopted by the Rockville Center American Legion Post No. 303, of Long Island, N.Y. I am in full accord with its intent and expression. The resolution follows:

RESOLUTION

Whereas, The people of The United States of America have been shocked by the failure of the United States Government to take positive action to secure the return and accounting of our captured and missing Americans in Southeast Asia in the four years since the Paris Accords of January 27, 1973; and

Whereas, Statements by representatives of the United States that all our men not returned are dead is tantamount to an order of execution; and

Whereas, The recent fifteen-month investigation by the House Select Committee on M.I.A.s failed to report one line of hard evidence that any of these men are dead; and

Whereas, President Carter on October 6, 1976 said: "I also would never formalize relationships with Vietnam, nor permit them to join the United Nations until they've taken this action (complete accounting);" and

Whereas, Until an accounting has been made, Vietnam cannot be considered as other than an enemy of this Nation; and

Whereas, The Government of The United States must not reward the governments of Vietnam and her allies for their illegal, immoral and unacceptable use of our captured and missing Americans and their families as political hostages; now therefore, be it

Resolved, By Rockville Centre Post No. 303, The American Legion, Department of New York, in regular meeting assembled in Rockville Centre, N.Y., February 16, 1977, That until these men are returned and accounted for, Vietnam be denied admission to the Untied Nations, that there be no normalizing of diplomatic relations, that there be no economic benefits in her behalf, and that the trading with the enemy embargo be retained; and be it

Further resolved, That there be no further change in the status of our missing in action until their accounting has been completed; and be it

Finally resolved, That this resolution be submitted to County, Department and National American Legion for similar action.

VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. JEFFORDS. Mr. Speaker, I would like to call your attention to a fine expression of continuing faith in the American system of democracy. It is truly heartening to find that each generation experiences a renewal of conviction in the American ideals of freedom, equality, and democratic participation in our National Government. Patricia Ellen Perry, of Spaulding High School in Barre, Vt., deserves special commendation for the integrity of perception revealed in her award-winning speech written for the Voice of Democracy Scholarship Program competition. As Patricia notes, history produces changes, but it is up to each generation to face new challenges without losing faith in our basic ideals.

The speech follows:

THE 1976–77 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM—VERMONT WINNER, PATRICIA ELLEN PERRY

The last two hundred years have been a trial period for America. The whole world has been watching with interest and occasional skepticism to see if the United States would survive—if the ideals of democracy could function effectively to form a workable society. The United States is proving that it can exist and flourish.

When I think of America, a flood of images comes to mind . . . images of history. The overwhelming images are of people. Two hundred years ago a nation was forged in the crucible of war. A war with overwhelming odds against a small group of people known as colonists. The fight, however, started long before 1760; it started in 1620 when the first pilgrim came from England in search of a land where he could worship and be free. Freedom, the word rings with others such as liberty, truth, and justice. When America broke away from England in the 1760's, it was the break from the security of a guiding hand as well as from an insensitive king. The nation was faced with the immense task of writing the laws that spoke of ideals and equality. There are many names that come to mind when we speak of independence. Samuel Adams, John Hancock, and Thomas Jefferson are among these names . . . rebels in their time, but men with the courage to fight for what they believed in. What an exciting place to be—this young nation called America! A nation where creative thought and a free spirit are encouraged . . . the dreamers and inventors like Alexander Bell, Eli Whitney, and Benjamin Franklin, who helped make America the richest nation in the world.

Even our folklore reflects our people. We recall the legends of Daniel Boone, Johnny Appleseed, and Davy Crockett. The people of this expanding nation were growing with the country. Think of all the words for people, and you will find yourself describing America . . . sons of liberty, minutemen, printer, woodsmen, planter, pioneer, doughboy, philanthropist, astronaut, worker, rebel, farmer, and friend. The people of a nation reflect the country.

The United States is a land of change. It is written within our laws that all the people are equal and are endowed with certain inalienable rights by their Creator. America upholds these fundamental rights, but when the people demand change, the government does change. The voice of the people is truly the voice of democracy. America is a government answerable only to the people,—for what is a country, if not its people? The uprisings of the 60's were the cry of rebels who felt that the government could be improved. Yes, the 1760's and 1860's brought about many turbulent changes in the United States. There are still causes worth fighting for. I believe that the United States and the Constitution are among these cases. I hold my rights as an American very dear. The thought that I or any American might lose these rights frightens me. We should preserve some of the traditions of our country, but we must not fear the rebels. As we look into a future of promise, let us have the knowledge and courage to institute change where change is needed; and the wisdom of our forefathers to secure for our children the blessings of a free and democratic society.

ANNIVERSARY OF LITHUANIAN INDEPENDENCE

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. HUGHES. Mr. Speaker, February 16 marked the 59th anniversary of Lithuania's Declaration of Independence and the 726th anniversary of the founding of the Lithuanian State.

The proud and persistently nationalistic people of Lithuania occupy a fertile piece of Eastern Europe which in 1940 was invaded by the Soviet Union and forcibly annexed along with Latvia and Estonia.

The testimony of the Lithuanian people is that they have patriotically endured 37 years of Soviet repression and it has not extinguished their hope for freedom.

Mr. Speaker, this year also marks the follow-up Conference on European Security and Cooperation to be held in Belgrade, Yugoslavia. The people of Lithuania anxiously await the outcome of the Belgrade Conference for it represents to them the only forseeable means to profit from the human rights provisions in the final act of the Helsinki agreement.

The Commission on Security and Cooperation in Europe, established by the 94th Congress, has documented evidence of Soviet noncompliance with these provisions.

It is my sincere hope, Mr. Speaker, that our President and the Secretary of State will direct our representatives to the Belgrade Conference to confront the Soviet Union about their delinquency, and thereby take a positive step toward freedom for Lithuania and all other captive nations.

HEARING CONDUCTED ON ELDERLY CRIME VICTIMS' COMPENSATION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. BIAGGI. Mr. Speaker, on February 16, 1977, in my capacity as a member of the House Select Committee on Aging, I conducted a hearing in New York City examining crime victims' compensation with a special emphasis on elderly crime victims.

I was joined at the hearing by my colleagues Mr. COHEN and Mr. SANTINI. Testimony was received from the LEAA as well as the chairman of the New York State Crime Victims' Compensation Board. One of the main points discussed was the critical shortage of funds which New York and the 22 other States which have compensation programs are encountering. The net effect of this shortage is seen in the program's inability to be fully responsive to crime victims.

Legislation has been introduced to set up a Federal grant program to aid State victim compensation programs. Under the proposal, the Federal Government would assume 100 percent of the costs of compensating Federal crimes while assuming 50 percent of State crime compensation costs. I fully support this concept and will work to add a series of special amendments to tailor the program to meet the special needs of elderly crime victims. One specific proposal I will offer will allow eligible elderly crime victims to receive compensation payments as soon as possible after reporting a crime to the police.

The need for our Government to assist victims of crime is obvious. They have been the ignored elements in our criminal justice system. At this point in the RECORD, I would like to insert the testimony which I presented at the hearing:

STATEMENT OF HON. MARIO BIAGGI, ACTING CHAIRMAN, HOUSE SELECT COMMITTEE ON AGING

I am pleased to convene this hearing of the House Select Committee on Aging. I extend a warm welcome to my colleague from the Committee, Congressman William S. Cohen of Maine, who participated in an earlier Committee hearing held here in New York, examining the overall problem of crime committed against the elderly.

Today we are focusing on a specific aspect of the crime problem—crime victim compensation. The concept is not a new one. The practice originated with the ancient Babylonian Code of Hammurabi (2038 B.C.), which stated that the society should assist

those of its citizens who are victimized by crime. The first modern day nation to establish a victim compensation program was New Zealand in 1963. The first state in this country to do so was California in 1965. Since that time, twenty-two states have enacted legislation providing for some form of governmental compensation for crime victims.

While the initiatives taken by these various states are commendable, the realities of economics have rendered many of the programs virtually ineffective and largely unresponsive. The drastic increase in serious crimes, (a 232 percent rise in New York since 1960), has led to a proportional increase in the number of crime victims seeking compensation. This is noticeable in the programs of our largest states; New York and California. In New York, within the last five years, the number of claims filed by crime victims has more than doubled, while the amounts of award payments have increased by 115 percent, from $1.2 million in 1971, to $2.5 million in 1975. In California, the number of approved claims soared from 471 in FY 1970–71, to 3,792 in FY 1974–75.

As state funds continue to be insufficient to meet increased costs of administering victim compensation programs, the need for federal assistance becomes more apparent. For the last five years, Congress has been grappling with legislation to provide federal assistance to aid state victim compensation programs. In 1972 and 1973, the Senate passed the Victims of Crime Act, but the House never completed action on the proposal. The general thrust of the legislation is to establish a federal grant program which would absorb all costs of the compensation costs for victims of state crimes. I favor the concept of federal assistance to aid state crime victim compensation programs and respect State autonomy in administering the programs.

Just as important as the need for federal support of crime victim compensation programs, is the need to make these programs more responsive to the plight of elderly crime victims. Specifically, I recommend that all existing state compensation programs as well as any new ones, incorporate the following special services for the elderly:

(1) Appoint at least one key official in the crime victim compensation program who has experience in dealing with the elderly;

(2) Provide elderly crime victims with emergency compensation payments for their immediate expenses. These payments should be released once the crime is reported and eligibility is established;

(3) Develop simpler and more uniform application procedures for victims seeking compensation;

(4) Improve the methods by which all crime victims, especially the elderly, are informed of compensation programs and their criteria for eligibility.

In sensitizing compensation programs to the elderly victim of crime, states must avoid imposing unreasonable and inflexible eligibility standards. Requirements for the reporting of crimes to police and the filing of necessary claims for compensation, should be realistic and considerate of the elderly crime victim. Income limitations should, in general, be waived for persons over 65 who are victims of serious crimes of violence. The objective of these programs should be to encourage eligible crime victims to apply for compensation; not inhibit them. Conversely, programs should not be administered too leniently so as to allow for frivolous payments. An effective program should compensate victims for severe medical expenses or extended periods of joblessness, which result from crime injuries. The process should be simple, not complicated.

At today's hearing we will be examining the New York State Crime Victim Compensation Program. It is one of the better programs operating in the nation and included among its finer points, is that it provides the highest maximum benefits. However, the program is suffering from some serious problems. For example, between 1971 and 1974, only one percent of the 536,413 victims of violent crimes even filed a claim with the Crime Victim Compensation Board. This was due in part, to the lack of knowledge by victims of the program's existence, a problem which I have recommended be remedied.

Crime victims for too long, have been the forgotten citizens in this nation's fight against crime. Crime victimization is a human disaster and tragedy which merits compassion and not a cold shoulder. Society's failure to assist those of its citizens who are victimized by crime, represents a dereliction of moral responsibility and the abandonment of moral principles. The time has come for the federal government to actively assist states in compensating victims of crime. Crime costs every man, woman and child in this nation over $400 a year. Yet for crime victims, the costs, the pain, the suffering, the shock and the trauma, cannot be measured in dollars and cents. In my 23 years as a New York City Police officer, I saw too many instances of the effects of crime victimization on all people of all ages. It is a profound human tragedy which is especially difficult for the elderly. We must raise our national consciousness and commit ourselves to aiding crime victims instead of abandoning and neglecting them in their times of need.

EATON CORP. ANNOUNCES OKLAHOMA FACILITY

HON. TOM STEED

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. STEED. Mr. Speaker, the Eaton Corp. formally announced recently that it will construct a new $5 million plant at Shawnee, Okla., for the manufacture of hydraulic motors and steering systems.

The plant, Eaton's first in Oklahoma, is expected to employ 250 persons. Formal groundbreaking is to be held between March 15 and April 1. I join the residents of Shawnee and the Fourth Congressional District in welcoming this project.

The Shawnee News-Star told of the announcement in this article:

EATON CORP. ANNOUNCES OKLAHOMA FACILITY

A new $5 million plant to manufacture hydraulic motors and hydrostatic steering systems will be built in Shawnee by Eaton Corporation, the firm's president, Paul A. Miller, announced Monday.

The 125,000-square-foot plant will be a satellite operation to the Minneapolis Division of Eaton's Fluid Power Operations, Miller said.

Groundbreaking for the new plant, Eaton's first in Oklahoma, will be held between March 15 and April 1. The plant is expected to employ 250 persons.

The plant will be built on a 23-acre site on State Highway 18 (North Harrison), just north of Wolverine Road and about 2½ miles north of Interstate 40.

Eaton Corporation has purchased the site, which is on the east side of SH 18.

"We selected Shawnee because of its location to our markets and the availability of skilled manpower," Miller said.

Eaton recently introduced a new series to its popular line of Char-Lynn hydraulic motors. The new 2000 Series is small, compact and very efficient, and offers a broad variety of uses, Miller said.

"The demand we forecast for our new 2000 Series motor plus the increased demand for our other motors and power steering systems require us to build this additional manufacturing facility," he explained.

Negotiations for bringing the new plant to Shawnee began during 1976.

Joe Huff, industrial development coordinator with Federal National Bank and Trust Co., and economic development division coordinator with the Chamber of Commerce, served in a lead role in securing the new industry.

Mayor Roy Sadler and City Manager Harry Hill were also involved with negotiations.

"Joe worked pretty hard on it," Bob Townsend, Shawnee Chamber of Commerce president, said Monday in crediting Huff with a large share of the success in landing the new plant.

"I was certainly impressed with the Eaton people I met Monday," Townsend said. "They seem to really want to be a part of our community."

The city commission has annexed the Eaton industrial site into the city limits, and main water and other utility extensions have been installed, which are serving other industries in this area.

"In keeping with Eaton's corporate philosophy of reducing pollution, the new plant will be as pollution-free as technically feasible," Miller said.

"Eaton's own requirements not only meet the Environmental Protection Agency's standards for air and water pollution, but most often exceed them," Miller said.

Eaton's Char-Lynn hydraulic motors are found on everything from carnival rides to massive off-highway equipment. Their compact size makes them ideal for mobile use or in applications where space and weight are a premium. The hydrostatic steering systems provide power steering for large off-highway vehicles without the mechanical linkage needed in most ordinary types of manual and power steering.

In addition to the hydraulic motors, steering systems, and valves produced at the Minneapolis Division, Eaton's Fluid Power Operations manufactures power steering pumps, limited slip and locking differentials, and viscous fan drives at its Marshall Division, Marshall, Michigan, and both light and heavy-duty hydrostatic transmissions at a plant in Spencer, Iowa.

Eaton is a manufacturer of products serving the capital goods markets, and consumer and commercial markets throughout the world. Its products include truck components, materials handling systems, industrial power transmission systems, automobile component and controls, and home and commercial security products. Sales for the first nine months in '76 were $1.329 billion. Net earnings were $67 million or $3.87 per share.

INTERGOVERNMENTAL COORDINATION ACT OF 1977

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. ASHLEY. Mr. Speaker, I am today introducing the Intergovernmental Coordination Act of 1977. The thrust of this bill seeks to reverse the direction of Federal planning programs by removing some discretion from Federal agencies and placing it in the hands of State and local officials. Those officials would determine the policies by which their areas will be confined to one of insuring that local prerogatives are protected, deter-

mining that Federal funds are well and wisely spent, that legitimate Federal objectives are met, and that plans developed with Federal funds are consistent with one another and with the adopted areawide development policy.

How often have we launched major programs from this Congress, only to see them founder; not because they were faulty in concept, but through lack of coordination and development of comprehensive policies for their use at the local and regional levels where they impact. I know that each Member has felt frustration at programs which clearly are not doing the job.

Part of our problem is that from the jurisdictional perspective of a congressional committee one is prone to see a national problem such as clean air and water, housing, health, or crime, without seeing that every individual smokestack, river or house, affliction or robbery is part of a unique network of local circumstances, incredibly complex and beyond committee jurisdiction.

The Intergovernmental Coordination Act of 1977 recognizes that many of our national aims and objectives require a shared public responsibility which involves different levels of government. And it takes note of the fact that it is the constitutional responsibility of the Congress to define the intergovernmental arrangements through which we seek to grapple with the panoply of problems with which we are all too familiar.

Congress has begun to realize that its programs in such areas as housing and community development, the environment, transportation, economic development and health care are only as good as the mechanisms available at the grass roots level for their implementation. With that recognition, Congress must also resist the creation of new special-purpose administrative mechanisms extending over, around, and through existing general government, to insure that the purposes of a particular bill are achieved.

Evidence is now conclusive that such an approach simply will not work. Particularly at the regional level, problem solving is undermined by guidelines and requirements from a myriad of Federal agencies which are often conflicting, usually duplicative, and always subject to unilateral changes in interpretation by the Federal agency involved. In short, when local elected officials, through their regional councils, sit down to deal with regional problems, they find they must fight with Washington not only for funds but for the right to decide how national programs should be applied to their areas.

This conclusion has been underscored by a recent study of Federal planning programs by the General Accounting Office. The GAO took a close look at three Federal regions and found a rat's nest of uncoordinated, overlapping and conflicting Federal requirements that seriously undermine local-regional efforts to plan for health, housing, transportation, and other public needs.

The Intergovernmental Coordination Act is a serious effort to address these bureaucratic problems. It has been joined in by Senator MAGNUSON. Both bills emphasize the need to approach major problems on a regional basis and recognizes that many of the Federal programs properly call for multijurisdictional planning.

The important new dimension recognized by this bill, and a significant departure from past practice, is that the act would give local elected officials the authority they need to take charge of how Federal programs impact on their areas. It would provide that a Federal program requiring regional planning could be undertaken, if local officials choose, by their regional council. Equally importantly, it provides for the creation of a comprehensive regional development plan as the instrument local officials need to control such programs and make them conform to the particular goals and priorities of the area involved. It provides in essence, an opportunity for locally controlled regional home rule.

The heart of the bill is section 5. It requires Federal programs to relate to one another and to conform to whatever areawide development plan local officials choose to adopt. The idea here, as is set forth in the statement of purposes, is "to permit State and local elected officials to have maximum opportunity to determine how best and by whom federally-assisted areawide planning shall be performed."

In this regard section 702 would establish a preference for areawide planning agencies composed of local elected officials as the vehicle for all federally assisted areawide planning. In other words, it would give such agencies first crack at Federal planning programs, with the right to appeal to the Office of Management and Budget if a Federal agency does not want to vest planning responsibilities for its programs in the designated agency.

Section 703 allows the local areawide body to coordinate all Federal areawide planning assistance for that area. The mechanism is the "unified and comprehensive areawide development plan" for which funds can be made available under any of the federally assisted programs which provide funds for areawide planning. This does not mean that all regional planning must be done by one body; program planning for manpower or criminal justice, for example, could be left to other bodies if the elected officials choose to do so.

This areawide plan, drafted and approved by local elected officials, would be the control on those Federal fundings that have multijurisdictional impact. The act specifically provides that no assistance may be made available under any Federal program if, based upon a formal finding by the appropriate planning and development clearinghouse, such assistance is inconsistent with the areawide development plan.

Let me make it clear at this point that the purpose of the Intergovernmental Coordination Act of 1977 is not to undercut the responsibility of Congress to identify national problems and to provide programs for their solution. Instead, recognizing that area priorities are not uniform nationwide, it permits—on a voluntary, local-option basis—the consideration of planning responsibility in an agency of general local government controlled by local elected officials.

The areawide development plan is intended to translate local government goals and objectives for a particular region into a blueprint upon which public services and facilities may be provided feasibly and economically. In turn, this development plan will be the framework that ties together all of the Federal programs which require areawide planning.

The bill also provides, again on a local-option basis, for the establishment of the appropriate geographical area for regional planning and coordination after consultation and mutul agreement among the State and local governments involved. Provision is also made for the creation of interstate regions where appropriate. Moreover, the act strengthens the A–95 process by giving local elected officials the opportunity to comment on State plans required under Federal law, if such plans affect their local governments. For the first time, funding of intergovernmental reviews, such as now carried out under A–95, would be eligible under any Federal assistance program which provides funds for areawide or statewide planning.

In many respects, this legislation is the result of the bad experiences realized under past programs. The proliferation of Federal planning requirements has created a bureaucratic jungle which has been both costly and inefficient to the point of being counterproductive. So lets try it on a more reasonable basis. Let us allow responsibility to be assumed at the regional level where there is a desire and a capacity on the part of local elected officials to do so. Let us get the Federal bureaucrats off the backs of these local officials long enough for them to establish their regional priorities through an areawide development plan which establishes the desired patterns and intensity of growth and development for their area on the basis of when public services may be provided and maintained feasibly and economically.

In sum, the Intergovernmental Coordination Act of 1977 offers an opportunity for local initiatives with Federal response, rather than vice versa, as a means of promoting more orderly policy and planning in the many interrelated areas of local-regional development. It is an opportunity the Congress must seize, because if this effort falters, local elected officials might well be bypassed and dealt out in favor of other arrangements for the delivery of Federal assistance to help solve the entire range of larger-than-local, smaller-than-State problems which are of mounting concern to both the Congress and the administration. I urge its prompt consideration and passage.

HIGH PRAISE FOR EARL BUTZ

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. FINDLEY. Mr. Speaker, a few days ago in the CONGRESSIONAL RECORD I called

Earl Butz the greatest secretary of agriculture our Nation has ever had. That statement was not the lonely accolade of a Republican Congressman. It is a sentiment that has been echoed countless times across the Nation, especially in the Midwest, but certainly wherever farmers are found. To give you an indication of the high regard in which Earl Butz is held by farmers and newsmen alike, I am inserting in the CONGRESSIONAL RECORD four newspaper editorials and columns.

A RECORD OF ACHIEVEMENT

On October 4, 1976, President Ford issued the following statement:

"I wish to announce my decision to accept the resignation of Earl Butz as Secretary of the Department of Agriculture.

"This has been one of the saddest decisions of my Presidency.

"Two years ago Earl Butz told me that he wanted to leave the Cabinet. At my request, he agreed to stay on until the end of this term, in spite of personal family obligations. I felt that I needed him in the Cabinet to implement my policies of full farm production coupled with fair prices for the consumer and good income for farmers through the sales of their products throughout the world.

"Earl Butz has been and continues to be a close personal friend, and a man who loves his country and all that it represents.

"Earl Butz has devoted more than 20 years of his life in public and academic service: As an assistant secretary in the Eisenhower Administration; as a professor and then a dean at one of the most distinguished universities in this country; and more recently as the secretary of a department that has helped to restore personal freedom and abundance to American farms.

"Yet Earl Butz is also wise enough and courageous enough to recognize that no single individual, no matter how distinguished his past public service, should cast a shadow over the integrity and good will of the American government by his comments.

"For that reason, I have accepted the resignation of this decent and good man."

Many of us heard of this decision within minutes via the media . . . first, with disbelief, then shock, and then with a heavy heart.

The Earl L. Butz regime as secretary of agriculture is now history. Our form of government is structured to perform in such manner.

However, to those of us who are farmers, our memories of those five years that Dr. Butz served as our secretary provided some of the most exiciting, proud, fast moving, economically viable years of our farming careers.

I would like to identify and highlight his record of achievement as secretary of agriculture.

First and foremost, he spoke for the farm family. His gifted talent to articulate basic economics and the way in which the marketplace should function made it possible for the media and, thence, the consumers to understand.

Many of us remember the milling and baking industries' attempts to alarm consumers with predictions that higher wheat prices would result in bread prices of $1 a loaf. Secretary Butz counterpunched by using a loaf of bread as a graphic example of how only a few slices in the loaf represented the farmer's share of the total price.

Secondly, he was *not* a theorist. He was a practical, hard-hitting realist. He made things happen. He was driven to accomplishment because of his abiding faith in our form of government. He possessed almost inexhaustible energies, bolstered with a strong and abiding determination.

His vision was deep and broad. His thoughts and actions did not stop at the barnyard gate, but pierced a worldwide spectrum as to agriculture's rightful role. He developed "Agri-Power" in a manner that was beneficial to the whole nation and to many starving millions on planet earth.

Earl Butz was the motivating power behind current agriculture policy—full production with the marketplace establishing the price. As a sculptor carefully chips away the granite particles to create his vision of the final statue, so did our secretary chip away at disposing of government-held grain surpluses, sold the bins (mostly to farmers so that they could store their own grain on their own farms) and astutely testified before the Congressional committees that set our laws.

He would be first to say, "Pshaw, I wasn't alone—I couldn't have done it alone." True, he wasn't, but he *was* the leader.

I'm very proud that it was Farm Bureau that strongly supported the President's nomination of Earl Butz. We all recall the wrangling that took place in the Senate prior to his confirmation. Farm Bureau members helped set the record straight during those hours of debate.

The long-time expression—"You have to be one to know one"—seems to fit this occasion. Earl Butz was born on a farm. (He couldn't help it if it was Indiana!) There were three boys and two girls in that family. I get the story pretty straight from brother Dale that they weren't blessed with a bountiful supply of worldly goods. They had to make do with what they had on hand.

But there was warmth and closeness in the family. Each had to carry a share of the responsibility. The one-room school house provided the atmosphere for the first eight years of his education.

Yes, you have to be one to know one. We, as farmers, are strong individualists—even bullheaded at times—innovators, totally committed to the soil and persistent in our beliefs, philosophies, and habits. These characteristics give us our strengths, and enable me to understand why Earl Butz was so strongly and profoundly endorsed by farmers and ranchers across the nation. And by a bigger majority than any secretary of agriculture in my life time.

He caused a farmer to feel proud, but more importantly, needed.

He caused his opponents to do their home work, or they knew they would go down in defeat even more quickly. You didn't have to guess his position—he told you in a way that caused no question.

Our nation is stronger because of him. Retention of this needed, added strength can be realized only *if* we farmers have gained enough confidence in learning by his examples to actively defend our current position.

The strongest, most meaningful dispay of respect and appreciation that we, as farmers, can pay to Dr. Earl Butz is to continue to support, strengthen, and fight for our current freedom—freedom to produce and be paid for our production in a world marketplace that is not abused by government or other unwholesome outside influence.

To Dr. and Mrs. Earl L. Butz—you have both earned our respect and support. We know that you first met as national 4-H Camp winners on the patio of the Administration Building of the USDA—Mary Emma from North Carolina and Earl from Indiana. In our eyes and hearts you have exited that same structure some 46 years later with records of achievement matched by few. Thanks a whole big bunch. Come see us. And plan to come to the kitchen door—that's the way our neighbors always walk in.

[From the Indianapolis Star, May 2, 1976]

AGRI-POWER NATION'S MOST EFFECTIVE ASSET

(By Michael Padev)

WASHINGTON.—Secretary of Agriculture Earl Butz arrives back in Washington today after a most successful world tour which took him to 10 nations in the Pacific area, in Southeast Asia and in Europe. The ten nations—Australia, New Zealand, Indonesia, Singapore, Malaysia, Greece, Bulgaria, Switzerland, Spain and Portugal—are as different in size, race, religion, history, constitutional structure and political outlook as you can find anywhere on earth. Yet they all welcomed Secretary Butz with open arms, and the government of each did its utmost to improve relations with America.

What is the secret of Butz's success? Why aren't there any "student demonstrations" against his visits to foreign lands? Why are foreign conservative, or Socialist, or Communist, or anti-Communist political leaders equally anxious to see him and why do they all want to reach an agreement for co-operation with America? Why is Butz popular with Christians, as he is with Mohammedans, with Buddhists as he is with atheists? Why are all governments in the world, with almost no exception, so eager and ready to listen to Butz and to deal with him?

The answer, so obvious to most foreigners, hasn't yet penetrated the high intellectual levels of American public opinion makers Butz represents agri-power—the strongest, most revolutionary, most productive and by far the most effective power of our time. Only America has that power, which is more important for the development of the world than the power of all atom bombs on earth put together. With a secretary of Agriculture like Earl Butz, only America has proved capable of using that power for the benefit of the American economy, as well as for world peace.

It could be said without exaggeration that agri-power can change the course of history—for the better, provided we know how to use it in a skillful way, the Butz way. To put it somewhat bluntly, Earl Butz is worth 20 Kissingers in terms of American foreign policy positions and United States influence and prestige the world over.

Like all great ideas in history, the Earl Butz idea of agri-power is a very simple idea—first you turn around U.S. farm policy from a program of scarcity, which existed for some 40 years (except for the wartime years) to a program of full production. But the productivity of the American farmer is so fantastically enormous that full production is not possible unless there is free export—at prices which benefit the farmer.

A former Hoosier farmer himself, Earl Butz knew what Washington bureaucrats didn't know—that the sky was the limit to the productivity of the American farmer. But as a former agriculture professor with a tremendous understanding of world agriculture and food conditions. Butz also knew that all foreign nations were ready to pay a fair price for American food exports. He thus linked U.S. farm productivity to the export food trade.

It's important to stress that no "foreign aid" handouts are involved in the Butz export program. It's a sale program—at world prices for hard currency. Neither we nor the foreign nations would have it in any other way. But, of course, the free flow of trade—so profitable for us—should not be restricted by political considerations. As Earl Butz says, we shouldn't play politics with the hard earned money of the American farmer.

BUTZ RECEIVES STANDING OVATION IN DELAVAN—AVOIDS CERTAIN JOKE

(By Dave Lane)

DELAVAN.—A relaxed, smiling Earl Butz brought his ongoing crusade for free enterprise in agriculture to this Tazewell County farming community yesterday.

What do several hundred farm couples and the student body of Delavan High School think of the man who headed U.S. agriculture policy for five years?

Yesterday—3½ months after resigning under pressure he was greeted by an enthusiastic standing ovation which went on until he began speaking. He headlined the Tazewell County National Bank's fifth annual Farm Day program.

He spent nearly an hour reviewing his five years as U.S. secretary of agriculture while recounting facts and stories heard many times before by other audiences and the ag press.

It was an enjoyable hour, interlaced with perhaps 20 jokes or quips but none along the line of the one told on an airplane last July which eventually cost him his Cabinet post.

Officials of the bank had to run out and buy a 67-cent loaf of bread for Butz to use in his now-famous demonstration of the value of wheat (less than four cents or 1½ slices of bread) in the loaf.

"Less than one-sixteenth of the cost of that loaf goes to the farmer, you might say you pay 63 cents for the wrapper."

Unlike nonfarm audiences only a few hands went up when Butz asked if people felt food prices were too high. He reminded them, "Food is about the only thing left in our society that we pay cash for. You sign a slip for nearly everything else.

"Food is the cheapest thing we buy in America today in terms of how long you have to work to get it. Sure it's higher than it was 10 years ago but what isn't?"

He mentioned a recent news conference during which a television reporter "in a smart alecky fashion asked, 'When's the price of food going to go down?'

"I said, 'About the same time the cost of advertising food on this station goes down, and that'll go down about the same time your wages go down. Where do you want to start in this cycle?' "

"He replied, 'Well, if you put it that way, I guess I don't want it to start.' "

Butz related another news conference story in which "a lady reporter, she must have been a food editor in the metropolitan press, asked, 'Aren't farmers making money?'

"I said, 'I hope so, that's what they are in the business for.' You can't convince me that these farmers get up at five o'clock seven mornings a week to go to the barn because they like to associate with Holstein cows."

The former ag secretary and dean emeritus of Purdue University's School of Agriculture said Americans spend only 17 percent of their take-home pay (after taxes) for food.

"That's less than ever before in the history of America. It's less than anywhere else on the face of the earth. And, we eat better than any other nation, too, in terms of animal protein and intake, and fresh fruits and vegetables."

Butz mentions the expected doubling of the world population in the next several decades: "Agriculture faces a tremendously big job in the days ahead. We're going to have to double food production in this world in the next 25 or 30 years.

"People ask me, 'Can we feed seven billion people by the year 2,000?' I say of course we can or they won't be here.

The real question is not whether we can feed them but can we feed them well."

He spoke with pride in recounting the reduction from the $4 billion paid to farmers by the government in 1968 when "farmers got 31 percent of their net income from government checks."

He said that government payments have been reduced to a half billion, mostly for disaster payments for floods, droughts and such emergencies.

Then with a Republican glint in his eye, Butz added, "$200 million is the cost of the peanut program. I just thought I'd toss that in extra here."

When the laughter from the audience died down, he continued "And that thing's going to have to be cracked open."

He said getting the government out of the commodity business is one of the most important things achieved during his USDA tenure.

"Four years ago we had those steel bins all through Illinois, and filled with grain. Remember that. Just to make sure my successor is going to find it difficult to get back into business, we sold all of those steel bins.

"They haven't been destroyed yet, the capacity for storage is still there, but you own them now."

The veteran ag leader continuously advocates free enterprise for agriculture through his presentations and cites "the incentive (profit) system."

He uses an American-Russian comparison to make his point:

"Hog farmers get up at 2 a.m. when it's zero in February and leave a nice warm bed with Mom in it to go out and sit with the sows that are farrowing. Why does he do it?

"Does he love the sows better than Mama?"

(He hesitates and interjects "I see some women out there nodding their heads 'Yes'.)

"You do it because you know there's nothing more incompatible than a zero night and a newborn pig—they just don't go together.

" 'That's my sow and my pigs out there you say, and if I can save a couple more pigs this February I'll have a couple more shoats to sell next time I need some more money to put in the bank'."

Butz says the Russians boast of overcoming America's agricultural power by outproducing us in the areas of livestock and grain.

"How stupid can they get? Imagine a Russian farmer getting up at 2 a.m. on a zero February Siberian morning to go out and watch the state's sow have the state's pigs.

"Let me tell you something, that boy will stay with Mama."

The audience laughs at the story but deep down they are again giving their approval of Earl Butz, the ag secretary who'll long be remembered with fond thoughts by farmers such as those at Delavan.

[From The Midland View, May 17, 1976]

THAT MAN, BUTZ

Non-farm political writers, analysts and commentators find it strange that tough, outspoken Secretary of Agriculture Earl Butz continues to be popular with farm and ranch people of the Midwest and West.

They think it a phenomenon that despite all the snide jokes by people like Johnny Carson and the furious tirades by politicians of the opposition party and the "Nervous Nellies" of his own party, there are farmers who stand up in public meetings and declare, "I think Earl Butz is the best Secretary of Agriculture we ever had."

Secretaries of Agriculture have historically been the favorite target of farmers and politicians but "Old Earl" somehow has stuck around longer than most of his predecessors. If all the politicians who have shouted, "The first thing I would do would be to fire Earl Butz," were laid end-to-end the line would extend as far as from Lincoln to Omaha and maybe even farther.

A newsman after listening to farmers complain to President Ford about last fall's unfortunate grain moratorium was puzzled as to why all the farmers didn't appear really mad at Earl Butz. There is an explanation. Most of them know that Butz opposed the grain moratorium and all the control bumbles of the past three years foisted on the Administration by the likes of George Meany and the Maritime Unions, and the secretaries of Labor, Commerce and State.

Wheat farmers cheer when Butz tells the baking industry that it is "all wet" when it claims bread prices will go to $1 per loaf unless wheat exports are halted. He demolished that argument by pointing out that only 6 cents of a 49-cent loaf was the farmer's share and that wheat prices would have to go to $60 per bushel to be responsible for that kind of increase.

Farmers instinctively agree when Butz says the food stamp program should be reformed to eliminate the middle income chiselers and increase benefits to low income groups that really need food help. And they warm to him when he says straight out that all the talk about "grain reserves" is just propaganda to put the government back in the "grain storage" and farm management business so politicians can please consumers with a cheap food policy.

Farm people like it when Earl Butz tells environmentalists, "sure we can go back to organic farming, but tell us which segment of 50 million people you want to starve." They approve when he points out the ridiculousness of some of the EPA and OSHA regulations. They applaud when he follows some politician on the speaker's platform who has just called for his resignation and proceeds to whittle him down to size with facts.

Farmers are independent people and they like a fighter. Probably no Secretary of Agriculture has infuriated so many "do gooders", and social and economic planners with his wit, facts and sarcasm . . . and made farmers feel good about his doing it. But probably the main reason so many farmers like "Old Earl" is because most of them are better off financially and don't want to turn the direction of agriculture back to the discouraging aspects of the 1950s and 1960s. They would rather produce for a world market than draw subsidies for idle acres and pile up surpluses in government grain bins at the taxpayers' expense.

No, all farmers don't like Earl Butz . . . he is something of a curmudgeon. But he has been a most effective spokesman and the status of farmers and ranchers has vastly improved. Farmers know that some day Earl Butz will go like all of his predecessors but they know that when he goes he will go with a bang and not a whimper.

THE TAX EQUITY ACT OF 1977

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. CORMAN. Mr. Speaker, on January 4, I introduced H.R. 1040, the Tax Equity Act of 1977. Thirty-five Members of the House expressed their wish to cosponsor the bill with me. They are: Mr. STARK, Mr. ANDERSON of California, Mr. BADILLO, Mr. BOLLING, Mr. CARNEY, Mr. CLAY, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. DANIELSON, Mr. DELLUMS, Mr. DIGGS, Mr. DRINAN, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. EILBERG, Mr. FRASER, Mr. HARRINGTON, Mr. HAWKINS, Mr. HEFTEL, Mr. JOHNSON of California, Mr. KOCH, Mr. MAGUIRE, Mr. MEEDS, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. MOSS, Mr. NIX, Mr. NOLAN, Mr. PRICE, Mr. RODINO, Mr. ROSENTHAL, Mr. ROYBAL, Mr. STUDDS, Mr. CHARLES H. WILSON of California, and Mr. WON PAT.

The 94th Congress made real strides in the quest for tax reform with the enactment of the Tax Reform Act of 1976. This massive piece of legislation was drafted totally by Congress without the

cooperation of the Republican administration. Its intricately worded provisions begin the job of bringing equity to the Internal Revenue Code, but much remains to be done.

We must not let the momentum die. With the cooperation of a new administration already pledged to tax reform, the 95th Congress can continue the task of stripping the Tax Code of its bewildering complexity and distributing the costs of government fairly among taxpayers.

H.R. 1040, the Tax Equity Act of 1977, in the pattern of its predecessors of the past three Congresses, provides a workable model for reform. I am pleased that 10 provisions of the 1975 Tax Equity Act were enacted by the 94th Congress. Four more provisions were enacted in a somewhat modified form and an additional 13 were considered and, in some cases, approved by congressional committees.

The bill I am offering today has been changed to reflect the actions taken in the preceding Congress and several important new provisions have been added in the race to keep up with aggressive tax lawyers in their research for previously undiscovered loopholes in the law.

H.R. 1040 encompasses all of the objectives sought by tax reformers: Equity for all taxpayers through the elimination of loopholes, simplification of the law, and a means of raising new revenue without increased rates.

One of the most compelling arguments for a more equitable Tax Code is the list of estimated Federal tax expenditures for 1977 which will amount to $106 billion, over 25 percent of the amount of direct Federal expenditures estimated for that year.

A tax expenditure results from an exclusion, a deduction or a credit, preferential tax rates or a deferral of tax liability written into the law to encourage certain kinds of economic behavior. Tax expenditures represent taxes not collected—revenues lost that must be made up by other taxpayers. They were created with good intentions, but unfortunately many have outlived their usefulness and unlike a direct government appropriation are not subject to periodic review. In addition, since they are granted across the board, they tend to be heavyhanded and almost impossible to fine-tune as the needs of the economy shifts.

H.R. 1040 would repeal some of the most costly and misused of these indirect Government expenditures. The most notorious loophole of all, percentage depletion for oil and gas, was partially curtailed by the 94th Congress, but the Tax Equity Act would completely eliminate it. By continuing to allow a 22-percent percentage depletion allowance to producers of less than 2,000 barrels of oil or gas a day, we are losing $2 million in revenue for the dubious purpose of encouraging the extraction of oil and gas by independent producers.

The enactment of H.R. 1040 would complete another job begun in the 1976 act. The much criticized domestic international sales corporation, DISC, provision that allows exporters to defer the taxes on half of their export income was limited. An incremental approach was adopted in which exporters will be able to qualify for DISC treatment only on profits that exceed 67 percent of their average for past years, rather than on all of their export income as in the past. This modest reform was all that was achieved although attempts were made to repeal DISC entirely.

Since that congressional action, DISC has been declared an export subsidy in violation of the General Agreement of Tariffs and Trade. This declaration by a panel of experts commissioned by GATT should provide the impetus for Congress to end this $1.4 billion tax preference that even the Office of Management and Budget under a Republican administration found to be of questionable value. H.R. 1040 calls for its repeal.

The 1976 act does take steps to increase the effectiveness of the minimum tax. The purpose of this tax is to insure that every taxpayer, even those with access to a wealth of loopholes, manages to pay some tax. However, the most glaring loophole in the computation of this tax on loophole income was only limited. This is the so-called executive suite loophole that allows a taxpayer to deduct regular income taxes paid from his items of tax preference before computing his minimum tax. The 1976 legislation will limit this deduction to one-half of taxes paid, but H.R. 1040 would eliminate the deduction entirely to insure that the taxpayer would at least pay a minimum tax on his preference income.

Other loopholes left untouched by the 1976 legislation that would be repealed by H.R. 1040 are the capital gains exclusion, the investment tax credit, the asset depreciation range system, ADR, and tax-exempt State and municipal bonds. These four preference items alone amount to an annual revenue loss of $23.4 billion. Their elimination would broaden the tax base and could allow for lower tax rates for all. In fact, H.R. 1040 would extend the 50 percent maximum tax to unearned income as a balancing factor to those provisions that would eliminate tax preferences.

A major goal of all tax reformers is the elusive one of simplification. While the Tax Reform Act of 1976 will increase Federal revenues by $1.6 billion annually, no one would argue that its 1,000 pages will simplify the Tax Code. One important way the enactment of H.R. 1040 would achieve simplification is through the elimination of all those pages of the code devoted to the taxation of capital gains, since preferential treatment of capital gains income would be ended.

A simplification move even more important to the average taxpayer is the provision of H.R. 1040 calling for a 24-percent tax credit for personal deductions and exemptions including the standard deduction.

The drafters of the 1976 act took a first step toward substituting credits for deductions with the new 20-percent child care credit. The Tax Equity Act would complete the process by allowing a credit to be taken on the aggregate amount of other personal deductions and exemptions. The personal deductions involved include interest and taxes on nonbusiness indebtedness, such as home mortgages, charitable contributions, and medical expenses.

The substitution of one credit for itemized deductions and personal exemptions would eliminate a number of lines from our ever-growing tax return. A recent Treasury study has revealed that 70 percent of itemized returns contain errors. There is something drastically wrong with a form that confounds 70 percent of the taxpayers.

In addition to providing simplification, the use of the credit also represents a step toward equity. The benefit of a deduction is tilted toward those in the higher tax brackets, while a credit is taken directly from tax liability in equal amounts for all taxpayers.

Under present law, the personal exemption of $750 is worth $525 to the taxpayer in the highest bracket, but only $105 to a taxpayer in the lowest bracket. If each taxpayer took a 24-percent credit on the same $750 exemption, each would deduct a uniform $180 directly from his tax liability. This would reverse the existing bias in our tax system that rewards high-income taxpayers, and return us to one of its original tenets of taxing each according to his ability to pay.

As tax reformers, our task is clear. We must work to lighten the burden of the average taxpayer by lowering the amount of taxes he pays and by simplifying the process of paying them. This can be accomplished only through the comprehensive kind of reform contained in the Tax Equity Act of 1977. I urge my colleagues to give it their serious consideration.

ACT TO RESTRICT BANK TRUST HOLDINGS OF FARM LAND

HON. JAMES A. S. LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. LEACH. Mr. Speaker, today, I have introduced the Family Farm Preservation Act. This legislation prohibits federally insured banks from investing collectively pooled trust funds in agricultural real estate. Family trusts in rural banks would not be affected.

The objective of this legislation is to preserve the family farm principle and prevent the concentration of ownership in American farmland by banks operating as trustees for diverse financial interests.

Recently the Continental Illinois National Bank and Trust Co. of Chicago and the brokerage firm of Merrill Lynch, Pierce, Fenner and Smith, Inc., announced plans to establish a $50 million trust fund to purchase "working farms" in up to 15 Midwestern and Southern States. The stated goal of the fund is long-term capital appreciation rather than current income.

The motives of Continental Bank and Merrill Lynch, Pierce, Fenner and Smith are honorable. They are respected institutions which have served the Midwest and the country well over a good many years.

However, the proposed fund raises a major philosophical question concerning the goals of the American people with respect to the structure of farming. Should large banks operating as trustees become substantial owners of agricultural land and geographically removed managers of farms? Or, should we continue to pursue the goals of individual family farm ownership and control that have hallmarked our country since its inception?

As a member of the House Committee on Banking, Finance and Urban Affairs, I have watched for several weeks the development of the Continental-Merrill Lynch investment fund known as "Ag-Land Fund I." I have come to the conclusion that the principles implied in the investment fund represent a serious threat to the values of rural America, and that the concentration of land ownership made possible through this or similar investment funds could seriously affect existing marketing structures for agricultural products.

As economic power in our food production and distribution system becomes concentrated in the hands of a few large banks and investors, rather than in the hands of individual farmers and landowners, food pricing competition will be reduced, resulting in higher grocery bills for consumers.

Currently one of the most difficult challenges to any young family interested in getting started in farming is an adequate capital base. The massive capital which can be generated by investment funds of the nature contemplated by Continental and Merrill Lynch would almost certainly inflate land prices which today are already substantially above normal return on investment standards. It would force would-be farmers who have access only to local credit markets to compete with institutions which have access to the largest and most sophisticated capital markets in the world. In this regard, I stress the word "world" because it is difficult not to believe that bank administered investment funds would inevitably chase foreign capital, which in turn could lead to a double implication for the American agricultural economy. Not only might domestic farm operations become larger in scale and more concentrated in ownership, but foreign in control.

Relative to the value of farm land transferred each year—in excess of $12 billion—the Continental-Merrill Lynch fund is small. However, if the fund is successful, tremendous pressure could build to tap the almost $320 billion currently held by U.S. pension funds. Additionally, the financial resources of Western Europe and Japan, which increasingly appear to be attracted to U.S. investment, and the growing reserves controlled by the oil exporting countries—OPEC—could be marshalled through somewhat modified plans.

Confronted with these powerful economic forces the independence of the American farmer is in clear jeopardy. Ironically, U.S. tax laws designed to protect retirement rights of older Americans leave the American farmer in an untenable competitive position. The ingenious financial tool developed by Continental Bank and Merrill Lynch provides that investment fund earnings will be taxable only when they become available to retirees or pensioners at a future date. Farmers who own, manage and operate their own land enjoy no such deferred tax benefit. They must pay annual income taxes and any accrued capital gains.

Regardless of whether the IRS gives its approval to the tax ruling requested by particular funds such as "Ag-Land Fund I," similar funds might be established and become operable with or without favorable tax rulings. The importance therefore of legislation prohibiting such bank administered investment funds is independent of an IRS ruling on the Continental-Merrill Lynch proposal.

The tax advantages available to retirement and pension plans have the effect when applied to stock market investments of contributing to capital expansion for plant and equipment needs. Unfortunately when bank investment funds plow money into cropland they simply inflate land values and serve as a kind of land reform in reverse. Land ownership is shifted, but the capital shortage inherent in the operation of modern farms remains. The investment needed in agriculture today is for equipment and production costs, not land transfers.

In fact, the trend toward concentration may actually result in the depleting of capital in rural communities as profits are naturally accumulated in money-center banks. The effect on rural community development could be unfortunate, particularly for small businesses which depend on local bank resources and family farm customers.

During recent hearings conducted by the House Agriculture Subcommittee on Family Farms and Rural Development, the proponents of the Continental-Merrill Lynch approach suggested that one of the reasons for developing the plan was to assist young familes in getting a start in farming. I believe the opposite effect would result. As the managers of the investment trust seek to maximize their return on investment, they would inevitably seek the economy of large farm operations and search out the more experienced and well equipped farmers to operate their land at the expense of young farmers.

Recent information supplied by the U.S. Department of Agriculture indicates that young families have been returning to agriculture in sizable numbers. In the period 1970–75, the number of young persons between the ages of 16 and 34 self-employed in agriculture increased by about one-third over the preceeding 5-year period. This trend would almost certainly be reversed if farmland comes to be controlled by large trusts.

But whether it be the young farmer trying to purchase his first acreage, or an established farmer who simply wants to add to "the back forty" in order to increase his efficiency, the price per acre he must pay is often staggering. Frequently, a farmer will have only one opportunity in a lifetime to buy land that is contiguous with his existing farm or home. A bank controlled trust, with its virtually unlimited capital resources, will always be able to pay top dollar for land. Pitted against such competition the small farmer will never be able to purchase quality farmland at a reasonable price.

I come from Iowa. My State represents a major portion of the most productive land on Earth. The United States occupies the position of unquestioned world leader in food production. This leadership position has been achieved in large part because of our emphasis on family ownership, operation, and management of our farms. This form of incentive agriculture has made America the breadbasket of the world. Passage of the Family Farm Preservation Act will contribute a great deal toward preserving the way of life thousands of Americans have come to value and millions of the world's citizens have come to depend on. I urge my colleagues on both sides of the aisle to join me in sponsorship and approval of this needed legislation.

THE MURDER OF A GENTLE LAND

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. KEMP. Mr. Speaker, earlier this week I read into the RECORD the first part of excerpts from an article from the current issue of Readers Digest, entitled "Murder of a Gentle Land." That first part can be found in the RECORD of March 2, at pages E1092–1094.

Written by John Barron and Anthony Paul, with research associates Katharine Clark and Ursula Naccache, this article depicts what has happened in Cambodia since its fall to the Communists in April of 1975.

The second part of these excerpts follows:

A RECEPTION FOR SIHANOUK

Having "cleansed" the cities, Angka Loeu commenced to "purify" the population by eliminating "corrupt" elements. At Battambang, Cambodia's second-largest city, the communists directed the government troops back to their barracks, allowed them to pack their belongings and marched them to the highschool building in the center of town. By next day, more than 1000 officers, 2000 noncoms and 1000 soldiers were milling about Politely, the communists told them to separate by rank. Then they distributed rice to the ordinary soldiers and authorized them to buy whatever else they wanted at a nearby market. Among the defeated soldiers a feeling of relief grew; they were being treated fairly; no longer would Cambodians have to kill Cambodians.

The following morning a dramatic announcement was made. Prince Sihanouk was returning to Phnom Penh! To welcome the Prince, officers would travel to the capital for the celebration.

Kom Kiry, a 52-year-old infantry major, was one of those who left in the convoy. In the lead were a Jeep and Land Rover holding about 20 armed communists; then came a bus carrying some 30 government army officers and 10 guards; five open trucks with

more officers; and, bringing up the rear, a truck holding about 60 communists.

In Kom's truck there was a festive air. A communist official had passed the word that after the welcoming ceremonies, all the officers would be given a certificate absolving them of blame for having served in Lon Nol's army. All would then go free.

For about three hours the convoy drove along Highway 5 toward Phnom Penh, and then abruptly turned off onto a secondary road leading toward the Battambang-Phnom Penh railroad tracks. The officers, who had been joking and laughing, suddenly were hushed. They could see, waiting on the right side of the road 200 yards from the main highway, a long line of about 60 armed communist soldiers.

The vehicles halted and the officers were ordered to disembark. Kom studied the terrain. On the right-hand side of the road were soldiers; on the other was a field and, in the distance, forest.

Perhaps ten minutes after the vehicles had driven off, a burst of machine-gun fire—about 20 rounds—came from the highway. A signal, thought Kom. A minute later, the soldiers along the road began shooting into the officers. Kom slipped away in a low crouch, then broke into a desperate run.

For three hours the Khmer Rouge fired into the piles of dead and dying officers. Hiding in the forest, Kom could hear the sounds of gunfire. Of the 315 officers in that convoy, only four—Kom and three others—appear to have escaped.

This was only one of many organized massacres perpetrated throughout Cambodia during the first days after surrender. For, despite their pledges of reconciliation, the communists immediately set out to exterminate the entire government officer corps and management echelon of the civil service. The massacres were committed on such a large scale and with such a basic sameness of methods as to remove any doubts that *Angka Loeu* had planned them well before the war ended.

By refusing to bury the slain, the communists advertised their deeds. It was as if *Angka Loeu* deliberately had chosen to turn the entire countryside into a ghastly corpse-strewn charnel house to intimidate the populace.

A TERRIBLE STILLNESS

The communists frequently bragged that they had eliminated all prostitution in Cambodia, and they may have been right. Less than a mile outside Sisophon in late April, a truck driver stumbled upon one example. He saw the crumpled bodies of about 20 young women. Each had been bludgeoned to death with blows on the back of the head. The truck driver knew some of the women as prostitutes and concluded that the rest were, too.

The communists also killed some students, teachers and other "intellectuals" for no apparent reason other than the fact that they were educated. Approximately 2000 schoolteachers were incarcerated at Wat Ek monastery northwest of Battambang, another 1000 or so at a camp northeast of the city. A driver for the communists who later escaped to Thailand claimed that in May he saw soldiers kill 17 teachers from the Wat Ek camp with axes.

In the first months, the pogrom against intellectuals was not carried out as rigorously as that against military officers and other "impure" elements. But it was sufficiently widespread so that educated people began to hide their education.

Angka Loeu, rightly or wrongly, identified many inhabitants of Phum Kauk Lon as former officers, customs officials and police agents. On or about April 20, troops marched the whole village out of their huts and into the nearby Arak Bak Kar forest. As the people walked among the trees, machine-gun squads lying in ambush cut them all down—approximately 360 men, women and children.

One evening in May, a squad of communist soldiers appeared at Khal Kabei in the Thmar Puok district. "Stay close to home tonight," they said. And a tractor drove past, towing a trailer carrying a group of women aged 18 to 25.

As dawn came, the villagers discovered why the Khmer Rouge had wanted the night to themselves. About 500 yards along a cart track east of Khal Kabei, where all could see, were the remains of the young women. "They had been buried up to the necks," said a villager. "You could see only their heads." Each had been stabbed in the throat.

For more than a week, as the heads became swollen with putrefaction and the smell of death permeated the village, the Khmer Rouge refused to let Khal Kabei arrange a proper burial. "Kael American kael Lon Nol" ("The dandruff of the Americans and Lon Nol"), the soldiers called the corpses. From the young women's appearance, especially their carefully groomed long hair, the villagers guessed they were the wives and daughters of officers and senior civil servants.

On April 27, at Mongkol Borei, Angka Loeu further "purified" the population. Led by an officer called Taan, a squad of communist soldiers rounded up ten civil servants along with their families, about 60 people in all. They bound the hands of each behind the back, forced them aboard a truck, and drove them two miles out of town to a banana plantation adjoining Banteay Neang village.

Weeping, sobbing, pleading for their lives, the prisoners were formed into a ragged line, the terrified wives and children clustering around each head of the family. One at a time, each official was thrust forward and forced to kneel between two soldiers armed with bayonet-tipped AK-47 rifles. The soldiers then stabbed the victim simultaneously, one through the chest and the other through the back. Family by family, the communists proceeded methodocally down the line. As each man lay dying, his wife and children were dragged up to his body. The women, forced to kneel, also received the simultaneous bayonet thrusts, then the children and babies.

An eyewitness, 35-year-old Ith Thaim, whom the Khmer Rouge had drafted to drive the truck, remembers that a terrible stillness settled over the plantation, the Khmer Rouge saying nothing, "the blood like water on the grass."

EXODUS

On the five national highways leading out of Phnom Penh, the midday temperature those last days of April rose above 100 degrees. The dry season now ending had parched the flatlands and evaporated the rice paddies, leaving stagnant, fetid pools and ponds increasingly fouled by excrement and bodies.

No stores of potable water, no stocks of food, no shelter had been prepared for the millions of outcasts. They slept wherever they could, frequently in the open fields and ditches. Along some stretches of the highways, trucks did haphazardly distribute small quantities of American rice brought from Phnom Penh. But most families received none at all.

The very young and the very old were first to die. Adults and children alike slaked their thirst in roadside ditches. Consequently, acute dysentery racked and sapped life from bodies already weakened by hunger and fatigue.

Dr. Vann Hay, thrown out of his Phnom Penh clinic on April 17, had started northward on Highway 5, and spent a month on various roads and trails. Of all the agonies he saw, the most difficult for him to bear was the ordeal of the children.

"We must have passed the body of a child every 200 yards. Most of them died of gastro-intestinal afflictions which cause complete dehydration. I had some medication with me, but most children brought to me required massive dosages, and lengthy rest afterward. Neither was available."

Generally, on the main highways, the march was guarded by troops stationed at checkpoints every few miles, and by soldiers posted along the way. These troops usually demanded that the people walk throughout the day at as brisk a pace as the congestion allowed.

The discipline imposed by *Angka Loeu* was Draconian. During the first days of his trek Dr. Vann Hay saw soldiers cut down five or six people who failed to keep pace. "They would give a first warning, then a second warning then they would shoot. Most of the ones I saw being killed were elderly."

A former intelligence officer, Thiounn Kamel, was swept up in the throngs pushed out of Phnom Penh on National Highway 1. "Once, when I couldn't move because of the crowd, I stopped on the side of the road. There was a truck loaded with armed Khmer Rouge. When their truck also couldn't move, they just shot at the people to clear the way. It was savage."

Among tens of thousands of families marching south on National Highway 2 was a slender, pretty Khmer Airlines stewardess named Lon. She and her husband took turns carrying their four-month-old daughter, Vathana. The infant was accustomed to canned milk because Lon, needing to return to work after childbirth, had not breast-fed her. Now the canned milk brought from Phnom Penh was gone, and the mother's body was incapable of producing milk. Though Lon herself was suffering the effects of malnutrition and dehydration, she struggled to match the pace required by the soldiers, hoping somewhere to find sustenance for the baby.

Finally, however, she knew she was going to collapse and, in tears, she begged her husband to forsake her, to try to save their daughter and himself. The husband hesitated, then reached for the baby. As he cradled her in his arms, the child smiled and laughed at him. He turned back and, through his own tears, said to his wife, "We stay together."

Friends who observed this scene and who themselves had to quickly move on understood, as probably did the husband, that he really was saying, "We die together."

Chaos increased as the communists also began emptying villages, jerking peasants from their homes of a lifetime and throwing them into the milling masses of urban exiles. Uncertainty and fear compounded the agonies of the march. People could not be sure of where they were going or what awaited them. Thousands of Pailin residents were driven northward along a narrow dirt road pocked with holes. After they had walked half a day, they were halted by soldiers who ordered them to march back in the direction whence they came. The next day soldiers ordered them north again.

However, sooner or later, at some barricade or village, the exiles encountered an *Angka Loeu* commander who, as if casting a net into a sea of fish, arbitrarily hauled people off the road and ordered them to begin building a new settlement.

By early June, the first great exodus was over. Some 3.5 million people from the cities and probably another 500,000 from villages had been uprooted and scattered throughout the land. The highways out of Phnom Penh were barren and quiet. The corpses were deteriorating into skeletons, the hospital beds and cars rusting.

Dr. Vann Hay had escaped to Vietnam, but he will never forget his trek from Phnom

Penh northwest toward Oudong, then south again along the Mekong, and southeast on Highway 1 to the South Vietnamese border. "Thinking of all the bodies I saw, plus the sick who came to see me—between 20 and 30 every day—half of whom were not going to live, I figure that between 20,000 and 30,000 people must have died the first month, just in the area described."

In all of Cambodia, a minimum of 300,000 human beings perished during the exodus. And for the survivors, the worst was yet to come.

THE NEW VILLAGES

Ngy Duch was a tall, lean, muscular youth of 22 with a narrow face, dark eyes and straight black hair. Buddhism had taught him never to inflict pain on another human being, and to abhor the war. When news of peace reached him in the town of Pailin, he had celebrated, playing his bamboo flute late into the night. But soon he and his ailing mother and several other relatives were driven from their homes.

For 23 days Ngy shepherded his relatives eastward through the forests, finally reaching the village of Ampil Pram Daum. There, an *Angka Loeu* boss, a Comrade Mon, declared that the family would stay.

Ampil Pram Daum, about 45 miles northeast of Battambang, once was a large village in the midst of fertile rice fields. The original residents had vanished, and 2000 refugees were consigned to the locale. However, consistent with its determination to wipe away the past, *Angka Loeu* prohibited anyone from living in the vacant houses. All had to build their own huts and create a "New Village."

Sooner or later, *Angka Loeu* drove virtually everybody from the cities into one of the thousands of New Villages. While conditions varied according to the availability of water and the fertility of land, the regimen of work, life and death dictated by *Angka Loeu* was largely uniform.

Each arriving family was allotted a space, about five yards square, on which to build a hut. Normally, neither materials nor tools were provided, so the family had to forage for bamboo, branches, straw, grass or whatever the land might yield.

The hut completed, everybody joined the common labor force to clear trees and underbrush, plow for the planting of rice, and erect irrigation dikes. They labored from about 6 to 11 a.m. and from 1 to 5 p.m., seven days a week—and, in some settlements, three hours at night if the moon was out. Men, women and children were segregated into separate work parties and kept apart in the fields. Except during the midday break, *Angka* guards allowed neither rest nor conversation.

Ngy Duch convinced Comrade Mon that his mother was too ill to work. But he was assigned to a group of 215 people and for a month pulled a plow as if he were an ox.

In the evenings, all New Villagers were compelled to attend ideological lectures and, frequently, to witness a *Kosang*, the Khmer word for "construction." A *Kosang* was a ritualistic warning to someone who had displeased *Angka Loeu*. He was expected to confess and repent, and thus "construct" himself into a good and pure person. The ceremony evoked silence and fear, for everyone quickly learned that no one ever received more than two *Kosangs*.

About mid-June, while working in the field, Ngy stepped on a sharp piece of bamboo which penetrated almost all the way through his foot. His whole leg swelled, he developed a high fever, and pains shot up to his waist, so he hobbled to Comrade Mon and requested a few days' respite from work. "Such a tiny wound is not enough reason for staying home," Comrade Mon said.

That night Ngy received his first *Kosang*, as village committee members took turns berating him: "You must learn to live with pain. You must not be soft. You must not be lazy, trying to get out of work." There followed a litany: Ngy was free; Ngy was equal; Ngy was happy.

Humbly, Nby admitted he had been a lazy malingerer. He pledged to work honorably for *Angka Loeu*.

SYMBOLS OF FREEDOM

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. WINN. Mr. Speaker, today I have the distinct pleasure of calling to the attention of my colleagues the thoughts of an outstanding citizen of the Third District of Kansas.

Calvin Rolark of Overland Park, Kans., is the State winner of the Voice of Democracy Contest. In his essay he tells us what it means to him to be an American citizen—a free person in a free land.

Mr. Speaker, the future of our country rests in the hands of young people like Cal Rolark, and I am pleased to see that he and so many others like him take their American citizenship so seriously.

At this time, I would like to share his thoughts with you:

THE 1976–77 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM KANSAS WINNER, CALVIN WILLIAM ROLARK, II

"They carried the news from Washington that Abraham Lincoln's time had come. John Wilkes Booth shot him dead, shot him with a pistol gun in the head. The slaves are free and the war is won, but the true fight for freedom has only just begun. There are still slaves, the hungry, the poor, men who are not free to speak. Freedom's a thing that has no ending, it needs to be cared for, it needs defending. It's going to be a great long job for many hands carrying freedom across our land. A lonesome train on a lonesome track, seven coaches painted black. A slow train, a quiet train, carrying Lincoln home again, you could hear that whistle for miles around crying, 'Freedom, Freedom'."

So says Malliard Lampell and Earl Robinson, in their poem, "The Lonesome Train." In my eyes, those seven coaches painted black represent seven of the strongest ideals of freedom that Mr. Lincoln represented. The first coach is Freedom of the press, the second—Freedom of religion, third—Freedom to assemble peaceably, fourth—Freedom of speech. And the fifth, the one of the stronger of Mr. Lincoln's strong ideals, and that is to make of ourselves what we want. Freedom to choose where we live, where we work, what life-style is best for us. Freedom to say this I will be. I have the freedom to join the Peace Corps, I have the freedom of joining the Armed Forces, freedom of being a farmer, humanitarian, lawyer, surgeon. I have the right, the *inalienable freedom* to make of myself what I will. The 6th coach is one that puts our freedom on a wider scale . . . Freedom of choice. Freedom to choose anything we want. Anything! And what other group of people in the world, have the choices that we do. We have the highest standard of living, the highest level of education, our musical, theatrical, and political cultures are unbeatable. We are indeed blessed to be living in a country with so many choices, and the freedom to choose those which please us most. The final coach is probably the most important coach of all, Freedom to respect our country. Freedom to show respect for our country. Freedom to sing our national anthem with the same boldness of which it was written. Freedom to say the pledge of allegiance with the reverence, the fortitude, the magnitude of which it was created. The freedom to speak out and say, I'm so proud to be called an American.

These seven ideals express what America means to me. These are the types of ideals—down to earth, simple, common ideals with which every American relates to. Those which Mr. Lincoln lived by.

These are the seven ideals Mr. Lincoln brought home. The seven ideals Mr. Lincoln gave to you and me. The seven ideals Mr. Lincoln offered as a basis for this great nation we call America.

Somehow I never thought the President of the United States to be such a common man. I think that God must have really loved the common man, he made so many of them. They were his people, and he was their man. You couldn't quite tell where the people left off and where Abe Lincoln began. He was a man made of hopes, a man made of fears, he was a man made to last a million years. "A lonesome train on a lonesome track. Seven coaches painted black. A slow train, a quiet train, carrying Abe Lincoln home once again. Freedom"

COMMON SITUS IS BACK

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. ASHBROOK. Mr. Speaker, I regret to report that common situs is back. On March 1 the Subcommittee on Labor-Management Relations of the Education and Labor Committee began hearings on H.R. 3500, a bill to legalize secondary boycotts in the construction industry.

As most of my colleagues are aware, common situs picketing legislation has been kicking around Congress for years. In the previous Congress the bill passed both the House and Senate before it was vetoed by President Ford.

Common situs was a bad idea then and it is still a bad idea today. We should not exempt the building trades from the legal prohibitions on secondary boycotts.

Following is an excellent editorial on the subject which appeared in the February 22 edition of the Washington Star:

SON OF "COMMON SITUS"

The "common situs picketing" bill is back, more vigorous than ever but no more attractive.

The bill, introduced the other day by House Labor-Management Subcommittee Chairman Frank Thompson Jr., would allow workers to picket an entire construction site even if their dispute were with only one subcontractor. An entire project could be shut down by a few pickets.

The legislation is one of organized labor's goals in the 95th Congress. The ban on common site picketing has been a thorn in the unions' side since the Supreme Court ruled a quarter century ago that such picketing violates the Taft-Hartley Act's prohibition against secondary boycotts.

Legislation allowing common site picketing nearly became law last year. It was passed by both houses of Congress and sponsors thought they had a deal with President Ford to sign it in return for passage of another bill the administration wanted. But President Ford thought better of it and vetoed the measure.

Now the sponsors and the unions think they have clear sailing. Secretary of Labor Ray Marshall supports the bill and President Carter indicated during his campaign that he would sign it.

We hope that opponents in the Congress won't go down without a fight. The effect of the bill will be to coerce general contractors to use only union subcontractors, force non-union workers off job sites, lessen competition, increase construction costs and restrict freedom of choice for employers and workers.

That certainly is sufficient reason to try to kill the bill. But perhaps equally important is that passage of the common situs picketing bill is a prelude to an attempt to reach an even bigger goal: repeal of section 14b of the Taft-Hartley Act which allows states to enact "right-to-work" laws. These laws, which prohibit union shops requiring union membership as a condition of employment, are in force in 20 states and several other states are considering enacting them.

To allow common site picketing legislation to go into effect without a fight would encourage sponsors of 14b repeal. Opponents had better begin organizing their troops now lest they not only lose the battle but the war.

EMPLOYEE BENEFIT ADMINISTRATION ACT OF 1977

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. DENT. Mr. Speaker, I have just yesterday introduced H.R. 4340, the Employee Benefit Administration Act of 1977.

This bill is designed to remedy the single greatest problem that has arisen under the Employee Retirement Income Security Act of 1974—the problem of multiagency administration of ERISA.

Presently, the administration of the law is shared by the Department of Labor, Internal Revenue Service, and Pension Benefit Guaranty Corporation. The division of administrative duties among these three agencies frequently is unclear and confusing. The result has been delay, excessive paperwork, confusion, and inefficiency in the administration of ERISA. As sponsors of ERISA, we hoped in 1974 that the administrative framework set up in the law would prove workable. Today's bill reflects our recognition that those hopes have been unrealized.

To remedy this important problem, I am proposing the consolidation of all ERISA agency functions into a single Employee Benefit Administration. This administration would be headed by the Secretaries of Labor and Treasury, and a third member appointed by the President. Its chairperson, and location within the executive branch, would be determined by the President.

I have informed the President of this proposal, and have discussed it with the appropriate officials in the executive branch. I today urge my colleagues in the House to join me in this effort to make ERISA work better by making its administration more responsive and more efficient.

I would point out that H.R. 4340 does not contain any amendments to ERISA outside the administration area. Although I have frequently expressed the view that amendments are needed in other parts of ERISA, those matters are more appropriately dealt with in a separate bill, wholly distinct from this agency consolidation effort.

I would also like to point out that the legislative functions of the House committees with an interest in pension matters are not changed. The Committee on Ways and Means would still have sole legislative authority to amend title II, the tax title, of ERISA. Similarly, the Committee on Education and Labor would retain sole legislative authority to amend titles I and IV, the labor titles, of ERISA.

By joining in this important ERISA administration reform, I believe the House can achieve additional meaningful pension reform as well as a more efficient and responsive bureaucracy.

A section-by-section summary of H.R. 4340 follows:

H.R. 4340

PURPOSES

The "Employee Benefit Administration Act of 1977" amends Title III of the Employee Retirement Income Security Act of 1974 (ERISA) to increase the efficiency of the operations of the Federal government relating to employee welfare and pension benefit plans in order to further promote the expansion and growth of pension and welfare benefit plans and to carry out more effectively the express purposes of ERISA.

Specifically, the Act would:

(1) facilitate the development of a rational and coordinated regulatory system without adversely affecting the interests of the existing departments or agencies;

(2) eliminate needless expense, duplication, delay, and red tape, by placing one agency in charge of qualifying plans and enforcing ERISA;

(3) eliminate needless confusion and paperwork burdens by providing for one annual report to be submitted to one Federal agency.

SUBTITLE A—EMPLOYEE BENEFIT ADMINISTRATION

Section 3001. This section establishes an Employee Benefit Administration, (the "Administration"), not later than one year after date of enactment. The Administration, in the discretion of the President, could be placed within any department or agency of the Federal government. At the head of the Administration is a Board of Directors which consists of the Secretary of Labor, the Secretary of the Treasury, and one other person appointed by the President. The Chairperson of the Board of Directors is to be designated by the President. The Board is to appoint an Executive Director who is to serve as the chief administrative officer of the Administration.

The operations of the Pension Benefit Guaranty Corporation would continue in the same manner as under present law, with minor exception. The members of the Board of the PBGC would be the same as the members of the Board of Directors of the Administration with the Secretary of Labor continuing as Chairman of the PBGC Board. The PBGC reporting requirements would be consolidated with the annual report required to be filed with the Administration. The PBGC would retain its present corporate identity and staff.

ADMINISTRATIVE PROVISIONS

Section 3002. The Board of Directors (and not the head of the Department under which the Administration is placed) would prescribe policies, standards, rules, and regulations to carry out the functions transferred to the Administration. The Administration would appoint and employ its own attorneys and actuaries. The Board could organize the Administration in any manner it deemed necessary or appropriate. Regarding plan qualification, it is contemplated that the Administration would continue a system of administrative review and appeals procedures similar to that which is presently found within the Internal Revenue Service.

TRANSFERS AND CONSOLIDATION

Section 3003. Generally, the functions of the Secretary of Labor and the Secretary of the Treasury under ERISA are transferred to the Administation. The President may, but is not required to, transfer the functions of other departments and agencies relating to employee benefit plans to the Administration.

The functions relating to the qualification and disqualification of plans under the Internal Revenue Code would be transferred to the Administration while matters relating to the taxability of distributions from qualified plans would continue to be administered by the Internal Revenue Service. Certain functions now under the Secretary of the Treasury, for example functions relating to individual retirement accounts and 403 (b) annuities, would not be transferred to the Administration, if such functions were found to be necessary to the effective administration of the Internal Revenue Code and not to be necessary to effectuate a maximum feasible consolidation within the Administration.

Such officers and employees would be transferred to the Administration as may be necessary to maintain and improve administration of the functions so transferred. In order that the present level of effort and expertise not be diminished, the President is given the flexibility to transfer such officers and employees in the national and field offices of the Department of Labor, the Department of the Treasury (including the Internal Revenue Service) as may be necessary to accomplish this purpose. The President and the Board are granted the authority needed to accomplish the reorganization without causing disruption to the present level of effort or to employees' careers.

While the Board would be established within one year after the date of enactment, the functions could be transferred to the Administration over a period which may exceed one year, if necessary to accomplish the maximum feasible consolidation and avoid untoward side effects. In order to avoid unnecessary expense and duplication, the Board may utilize the facilities and services of officers and employees of existing departments or agencies.

The Administration is to provide for the maximum consolidation of all reports respecting employee benefit plans. This provision would consolidate into one annual report the numerous filing requirements that plan administrators now find so burdensome.

COORDINATION BETWEEN AGENCIES

Section 3004. Under this provision all other Federal departments and agencies issuing regulations which may affect employee benefit plans are directed to consult with the Administration with a view to avoiding duplication and inconsistency. The Administration would make arrangements with the Secretary of the Treasury to enable the Internal Revenue Service to continue to make determinations as to whether contributions actually made to plans are within the required range. The Administration would enforce the minimum funding standards while the Internal Revenue Service would enforce the maximum deductible limitations. The Administration would be responsible for writing the regulations and enforcing the fund-

ing standards under both Title I and Title II of ERISA.

The Administration would be responsible for making the determination whether a plan qualifies initially or on a continuing basis, and the IRS may request that the Administration make such a determination for particular plans. The enforcement functions under both Title I and Title II of ERISA would be transferred to the Administration. As a result of the enforcement remedies under Title II, e.g. plan disqualification, excise taxes, and other penalties, would be exercised in a coordinated fashion with the other civil remedies under Title I of ERISA. The conflicting and duplicative enforcement activities under present law would be eliminated.

CERTAIN PROCEDURES

Section 3005. This Act does not provide for amendment to substantive provisions of ERISA outside of the administrative and coordination area. This section merely retains the provisions under present law found in ERISA section 3001.

TRANSITIONAL AND SAVINGS PROVISIONS

Section 3006. After the employee benefit plan functions have been transferred to the Administration, all orders, rules, regulations, etc., previously issued by the Department of Labor and the IRS would continue in effect. The transfer of functions to the Administration would not affect any investigation, suit, action, or other proceeding that had commenced prior to the transfer of such functions. The Administration would be substituted for the Department of Labor or Internal Revenue Service, as the case may be.

INCIDENTAL TRANSFERS

Section 3007. Under this provision existing balances of appropriations, authorizations, etc., would be made available to the Administration.

MISCELLANEOUS AND CONFORMING AMENDMENTS

The existing Advisory Council on Employee Welfare and Benefit Plans would be transferred to advise the Administration. As the terms of existing members expire, the President would appoint new members to the Council.

The Joint Board for the Enrollment of Actuaries would become the Board for the Enrollment of Actuaries.

TAX CREDIT BILL

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 3, 1977

Mr. SCHULZE. Mr. Speaker, I am today introducing legislation to authorize tax credits for educational expenses incurred at a level beyond the 12th grade for academic or vocational and technical studies.

With the increasingly complex nature of American society and the industrial base which supports that society, the jobs and the people to fill those jobs demand an equally higher level of competence and training in academic, technical, or vocational skills. No longer can we hold up the example of outstanding leaders like Abraham Lincoln and recall the incidents of his studying before the fireplace or learning the law by undertaking a form of apprenticeship. In matter of fact, unless we develop the necessary skills through higher education to deal with the complex problems and technological developments of American society—like the need for a solution to our energy problems—it may well be that future generations will have to study by the light of a fireplace.

The Federal tax structure recognizes the need to encourage capital investment by authorizing an investment tax credit for business to acquire machinery.

What we need to recognize in addition is a program that has as its goal "an investment tax credit" for people to run those machines. My bill is the first step toward filling that need.

Average costs of sending young men and women to public colleges and universities have risen from $1,782 in 1971 to $2,782 in 1976. Private college and university costs have increased from $2,973 to $4,568 a year in 1977. And the costs of vocational education at technical schools has risen 130 percent from 1970 to 1976.

Up until now the focus of Federal interest in higher education has been directed at those who, without Federal assistance, would be financially unable to attend college. That is a wise philosophy in our classless, egalitarian society. The result, however well intentioned, is to increase the burden of the middle income group, making it more difficult for that group to send their children to college. And yet those families go to work every day, pay the largest share of taxes and by and large expect very little from the Federal Government in the way of services or programs.

Not all children from the middle income range chose to go to academic institutions. Many prefer vocational or technical schools to acquire the skills that the machines and devices of 20th century America's industrial research and development make mandatory. For example, it is not enough to learn to be a keypunch operator on a computer in order to enter the job market with marketable skills, it is necessary to have been educated in the theory and manipulation of computer technology—the so-called soft ware side of computer technology.

The examples in each sphere, academic or technological will be readily apparent to all of us and are already apparent to those young men and women attempting to enter the job market now, I can assure you.

What my proposal will do is allow $100 maximum tax credit. My proposal is not the complete solution to the financial problems posed to these young people and their families, but it is a beginning. It will help alleviate that burden, and, in the long run, it will benefit everyone by creating larger numbers of higher wage earners who will contribute more tax dollars into the general treasury that will support those programs which aid others.

The text of my bill follows:

H.R. 4459

A bill to amend the Internal Revenue Code of 1954 to allow an income tax credit for tuition expenses of the taxpayer or the taxpayer's spouse or dependent at an institution of higher education

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by inserting after section 44 the following new section:

"SEC. 44A. TUITION PAID BY INDIVIDUALS TO INSTITUTIONS OF HIGHER EDUCATION.

"(a) GENERAL RULE.—There shall be allowed to an individual, as a credit against the tax imposed by this subtitle for the taxable year, an amount (subject to subsection (c)) equal to the aggregate amount paid during such taxable year by such individual to one or more institutions of higher education as tuition for the education of such individual or his spouse, or any person with respect to whom he is entitled for the taxable year to an exemption under section 151(e), at a level above the twelfth grade.

"(b) DEFINITION OF INSTITUTION OF HIGHER EDUCATION.—For purpose of this section, the term 'institution of higher education' means only a duly accredited educational institution—

"(1) which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on;

"(2) which regularly offers education at a level above the twelfth grade; and

"(3) contributions to or for the use of which are deductible under section 170.

"(c) LIMITATIONS.—

"(1) INDIVIDUAL RECEIVING EDUCATION MUST BE FULL-TIME STUDENT.—Amounts paid as tuition for the education of any individual which (but for this paragraph) would be taken into account under subsection (a) shall be taken into account only if such individual is a student (as defined in section 151(e)(4)) for the calendar year in which the taxable year of the taxpayer begins.

"(2) MAXIMUM AMOUNT OF TUITION EXPENDITURES TAKEN INTO ACCOUNT.—Tuition expenditures for the education of any one individual for any taxable year shall not be taken into account to the extent such expenditures exceed $100.

"(3) CREDIT NOT TO CAUSE REFUND OF TAX.—The credit allowed by this section shall not exceed the amount of the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under—

"(A) section 33 (relating to foreign tax credit,

"(B) section 37 (relating to retirement income),

"(C) section 38 (relating to credit for investment in certain depreciable property),

"(D) section 40 (relating to expenses of work incentive programs),

"(E) section 41 (relating to contributions to candidates for public office),

"(F) section 42 (relating to credit for personal exemptions), and

"(G) section 44 (relating to credit for purchase of new principal residence).

"(d) CARRYBACK AND CARRYOVER OF UNUSED CREDITS.—

"(1) ALLOWANCE OF CREDIT.—If the amount of the credit determined under subsection (a) for any taxable year exceeds the limitation provided by subsection (c)(3) for such taxable year (hereinafter in this subsection referred to as 'unused credit year'), such excess shall be—

"(A) a tuition credit carryback to each of the 3 taxable years preceeding the unused credit year, and

"(B) a tuition credit carryover to each of the 7 taxable years following the unused credit year,

and shall be added to the amount allowable as a credit by subsection (a) for such year, except that such excess may be a carryback only to a taxable year ending after the date of the enactment of this Act. The entire amount of the unused credit for an unused credit year shall be carried to the earliest

of the 10 taxable years to which (by reason of subparagraphs (A) and (B)) such credit may be carried, and then to each of the other 9 taxable years to the extent that, because of the limitation contained in paragraph (2), such unused credit may not be added for a prior taxable year to which such unused credit may be carried.

"(2) LIMITATION.—The amount of the unused credit which may be added under paragraph (1) for any preceding or succeeding taxable year shall not exceed the amount by which the limitation provided by subsection (a)(2) for such taxable year exceeds the sum of—

"(A) the credit allowable under subsection (a) for such taxable year, and

"(B) the amounts which, by reason of this subsection, are added to the amount allowable for such taxable year and attributable to taxable years preceding the unused credit year.".

(b)(1) The table of sections for such subpart A is amended by inserting after the item relating to section 44 the following:

"SEC. 44A. Tuition paid by individuals to institutions of higher education.".

(2) Section 56(a)(2) of such Code (relating to imposition of minimum tax) is amended by striking out "and" at the end of clause (vi), by striking out "; and" at the end of clause (vii) and inserting in lieu thereof ", and", and by inserting after clause (vii) the following new clause:

(viii) and section 44A (relating to tuition paid by individuals to institutions of higher education); and",

(3) Section 56(c)(1) of such Code (relating to tax carryovers) is amended by striking out "and" at the end of subparagraph (F), by striking out "exceed" at the end of subparagraph (G) and inserting in lieu thereof "and", and by inserting after subparagraph (G) the following new subparagraph:

"(H) section 44A (relating to tuition paid by individuals to institutions of higher education), exceed".

(4) Section 6096(b) of such Code (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44" and inserting in lieu thereof "44, and 44A".

SEC. 2. The amendments made by the first section of this Act shall apply with respect to taxable years ending after the date of the enactment of this Act.

SENATE COMMITTEE MEETINGS SCHEDULED

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure beginning February 21, and until the computerization of this information becomes operational, the office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Friday, March 4, may be found in the Daily Digest section of today's RECORD.

The schedule follows:

MARCH 7

10:00 a.m.
Appropriations
Defense Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to receive testimony from Army officials on procurement, programs.
1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Environmental Protection Agency.
1318 Dirksen Building

Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for military construction programs.
S–146, Capitol

Commerce, Science, and Transportation
Subcommittee on Science and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Human Resources
To consider recommendations which it will make to the Budget Committee on the fiscal year 1978 budget in accordance with the Congressional Budget Act.
4232 Dirksen Building

11:00 a.m.
Special Committee on Aging
Business meeting.
155 Russell Building

2:00 p.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on supplemental appropriations for fiscal year 1977 for the District of Columbia.
1114 Dirksen Building

Appropriations
Legislative Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Office of Technology Assessment.
S–128, Capitol

Appropriations
*Public Works Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for public works projects.
S–126, Capitol

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the St. Lawrence Seaway, Materials Transportation Bureau, Civil Aeronautics Board, and Interstate Commerce Commission.
1224 Dirksen Building

Human Resources
To hold hearings on the nominations of Robert J. Brown, of Colorado, to be Under Secretary; Carin Ann Clauss, of Virginia, to be Solicitor; and Donald Elisburg, of Maryland, and Ernest Gideon Green, of New York, each to be Assistant Secretary. All of the Department of Labor.
4232 Dirksen Building

MARCH 8

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Mines.
1114 Dirksen Building

Environment and Public Works
To resume consideration of bills proposing amendments to the Clean Air Act (S. 251, 252, and 253).
4200 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To hold closed hearings on proposed budget rescissions of certain Defense program funding to hear Defense Secretary Brown and Secretary of the Navy Claytor. To be followed by subcommittee consideration of such budget rescissions.
1223 Dirksen Building

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to receive testimony on funds for migration and refugee assistance, and the U.S. Emergency Refugee and Migration Assistance fund, Department of State.
S–126, Capitol

Appropriations
HUD—Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Environmental Protection Agency and the Council on Environmental Quality.
1318 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Bureaus of Government Financial Operations, Public Debt, and Alcohol, Tobacco and Firearms.
S–146, Capitol

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to hear testimony on Defense programs.
357 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Rules and Administration
To hold hearings on S. 703, to improve the administration and operation of the Overseas Citizens Voting Rights Act of 1975.
301 Russell Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S–407, Capitol

Special Committee on Aging
To continue its investigation of alleged fraudulent practices in medicaid and medicare programs.
1202 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 568, 182, 715).
5110 Dirksen Building

11:00 a.m.
Conferees
On H.R. 2647, to increase ceilings on major lending programs of the Small Business Administration.
H–208, Capitol

11:30 a.m.
Veterans Affairs
To hold hearings to receive legislative recommendations for 1977 from officials of the Veterans of Foreign Wars.
Until: 12:30
318 Russell Building

1:00 p.m.
Select Small Business
Business meeting, on committee organization.
424 Russell Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear testimony on funds for International Narcotics Control, Department of State, and International Disaster Assistance, and the American Schools and Hospitals Abroad, AID.
S–126, Capitol

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW, to hear Secretary Califano.
S–128, Capitol

Appropriations
Legislative Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Congressional Budget Office.
S–146, Capitol

2:30 p.m.
Appropriations
Public Works
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear representatives of the Army Corps of Engineers (Civil Division).
Room to be announced

MARCH 9

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until Noon 322 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear officials of the Mining Enforcement and Safety Administration and for the Institute for Museum Services.
1114 Dirksen Building

Small Business
To hold hearings to consider the impact of product liability insurance on small businesses, and on S. 527, authorizing the Small Business Administration to furnish reinsurance for property liability insurers for small business concerns which would not otherwise be able to obtain product liability insurance on reasonable terms.
6202 Dirksen Building

Commerce, Science, and Transportation
To hold oversight hearings on the implementation of the Marine Mammal Protection Act.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue closed hearings on proposed estimates for fiscal year 1978 for the defense establishment.
1223 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the U.S. Tax Court, and units in the Executive Office of the President.
1318 Dirksen Building

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs.
S–146, Capitol

Banking, Housing and Urban Affairs
To mark up (1) proposed legislation authorizing funds for fiscal year 1978 housing program; (2) S. 417, the proposed National Neighborhood Policy Act; and (3) to review those items in the Presidential budget for fiscal year 1978 which fall within the committee's legislative jurisdiction.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to hear testimony on Agriculture programs.
357 Russell Building

Commerce, Science and Transportation
Subcommittee on Science and Space
To hold closed hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Environmental and Public Works
To hold hearings to review Presidential budget requests for fiscal year 1978 for the Federal Highway Administration.
4200 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S–407, Capitol

Special Committee on Aging
To continue its investigation of alleged fraudulent practices in medicaid and medicare programs.
Main hearing room, Longworth Building

10:15 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW, to hear officials of the Health Services Administration.
S–128, Capitol

2:00 p.m.
Appropriations
Public Works
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Department of the Interior Secretary Andrus and representatives of the Water Resources Council.
Room to be announced

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW, to hear officials of the Center for Disease Control.
S–128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public projects.
Room to be announced

Environment and Public Works
To resume consideration of bills proposing amendments to the Clean Air Act (S. 251, 252, and 253).
4200 Dirksen Building

Intelligence
Closed business meeting.
S–407, Capitol

MARCH 10

9:00 a.m.
Agriculture, Nutrition, And Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

Environment and Public Works
To hold hearings to review Presidential budget requests for fiscal year 1978 for the Nuclear Regulatory Commission.
4200 Dirksen Building

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear officials of the Geological Survey.
1114 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs to hear testimony on funds for the Peace Corps, the Inter-American Foundation, International Organizations and Programs, and U.N. Environmental Fund.
1318 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittees
To continue hearings on proposed budget estimates for fiscal year 1978 for certain units in the Executive Office of the President, and for the Office of Federal Procurement Policy
1224 Dirksen Building

Appropriations
Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear Navy witnesses on procurement programs.
1223 Dirksen Building

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs.
S–146, Capitol

Banking, Housing, and Urban Affairs
To hold oversight hearings on the state of the U.S. banking system.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget to receive testimony on welfare programs.
357 Russell Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards. (S. 682, 568, 182, 715).
5110 Dirksen Building

Environment and Public Works
To review those items in the Presidential budget for fiscal year 1978 which fall within its legislative jurisdiction with a view to making recommendations thereon to the Budget Committee.
4200 Dirksen Building

2:00 p.m.
*Appropriations
*Public Works
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear representatives of the Bureau of Reclamation.
S-126 Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for U.S. Postal Service, the Office on Federal Paperwork.
1224 Dirksen Building

MARCH 11

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Biulding

9:30 a.m.
Commerce, Science and Transportation
To hold oversight hearings on the implementation of the Marine Mammal Protection Act.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear Air Force witnesses on procurement programs.
1223 Dirksen Building

Banking, Housing and Urban Affairs
To continue oversight hearings on the state of the U.S. banking system.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on health programs.
357 Russell Building

Judiciary
To resume hearings on S. 11, and printed amendment No. 40 thereto, providing for the appointment of additional district judges.
2228 Dirksen Building

MARCH 14

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies
To resume hearings on proposed budget estimates for fiscal year 1978 for the Veterans' Administration.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration; and to consider supplemental appropriations for fiscal year 1977 for activities falling within the subcommittee's jurisdiction.
1224 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration.
1224 Dirksen Biulding

MARCH 15

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until Noon 322 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 and on proposed supplemental appropriations for fiscal year 1977 for the Trust Territory of the Pacific Islands.
1114 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Council of Economic Advisers, the Council on Wage and Price Stability, the National Security Council, and the National Center for Productivity and Quality of Working Life.
1224 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Veterans' Administration, American Battle Monuments Commission, and for the U.S. Army Cemeterial Expenses.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

Energy and Natural Resources
To hold hearings on S. 9, proposed Outer Continental Shelf Lands Act Amendments.
3110 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 568, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Election Commission, the Civil Service Commission, the Defense Civil Preparedness Agency and the Federal Labor Relations Council.
1224 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of the Department of Defense and AID.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

MARCH 16

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed supplemental appropriations for fiscal year 1977, and on proposed budget estimates for fiscal year 1978 for the administration of the Trust Territory of the Pacific.
1114 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear Secretary of Defense Brown.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

Banking, Housing, and Urban Affairs
To hold hearings on corporate bribery and investment disclosure legislation.
5302 Dirksen Building

Budget
To hold hearings in preparation of reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on the overall economic outlook.
357 Russell Building

Commerce, Science and Transportation
Consumer Subcommittee
To hold oversight hearings on causes of deaths and injuries involving cars and tractor trailers.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration, with testimony on nuclear aspects.
3110 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

MARCH 17

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Indian Affairs.
1114 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for the Purchase of Products and Services of the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Alcohol, Drug Abuse and Mental Health Administration, and Saint Elizabeth Hospital.
S-128, Capitol
Banking, Housing, and Urban Affairs
To mark up proposed legislation to extend the Export Administration Act and related matters.
5302 Dirksen Building
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budegt.
357 Russell Building
Commerce, Science, and Transportation
Subcommittee on Science and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To hold closed hearings on proposed fiscal year 1978 authoriaztion for Government intelligence activities.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

2:00
Appropriations
Labor-HEW Subcommittee
To continue hearing on proposed budget estimates for fiscal year 1978 for the Health Resources Administration.
S-128, Captiol
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for the Purchase of Products and Services of the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building

MARCH 18

10:00 a.m.
Appropriations
Defense
To resume hearings on proposed budget estimates for fiscal year 1978 for research, development, testing and evaluation program of the Army.
1223 Dirksen Building

MARCH 21

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies, (i.e., telephones, computers, etc.)
235 Russell Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 929 and S. 689.
5110 Dirksen Building
Human Resources
Handicapped Subcommittee
To hold oversight hearings on developmental disabilities.
Room to be announced
Small Business
To hold hearings to consider the impact of product safety regulations on small businesses.
318 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building
Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on the activities of the Electronic Fund Transfer System Commission.
5302 Dirksen Building
Energy and Natural Resources
To hold hearings on proposed legislation dealing with utilization of coal resources.
3110 Dirksen Building

MARCH 22

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Office of the Secretary; the Office of the Solicitor; and the Navajo-Hopi Relocation Commission.
1114 Dirksen Building
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies (i.e., telephones, computers, etc.).
235 Russell Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building
Human Resources
Handicapped Subcommittee
To continue hearings on proposed budget
To receive testimony on the administration's legislative proposals for programs for the handicapped.
Room to be announced

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear officials of the Defense Communications Agency, Mapping Agency, Nuclear Agency, and Supply Agency.
1223 Dirksen Building
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
S-126, Capitol
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of the Assistant Secretary for Education and the Commissioner of Education.
S-128, Capitol
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on activities of the Electronic Fund Transfer System Commission.
5302 Dirksen Building
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on U.S. monetary policy.
357 Russell Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, to require reauthorization of Government programs at least every 5 years (proposed Sunset Act).
3302 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence actiivties.
S-407, Capitol

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government, to hear public witnesses.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
estimate for fiscal year 1978 for the National Institute of Education.
S-128, Capitol

MARCH 23

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Land Management.
1114 Dirksen Building
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies (i.e. telephones, computer, etc.).
235 Russell Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for elementary and secondary education programs.
S-128, Capitol
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, to require reauthorization of Government programs at least every five years (proposed Sunset Act).
3302 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for school assistance in Federally affected areas and emergency school aid.
S-128, Capitol

MARCH 24

9:00 a.m.
Select Nutrition and Human Needs
To resume hearings to examine the relationship between diet and health, to receive testimony on beef consumption.
Until: 1 p.m. 457 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Smithsonian Institution.
1114 Dirksen Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for programs for education of the handicapped, and for occupational, vocational, and adult education programs.
S-128, Capitol
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1318 Dirsken Building
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building
Energy and Natural Resources
To hold oversight hearings on the proposal for an international petroleum transshipment port and storage center to be located in the Palau District, Western Caroline Islands, Trust Territory of the Pacific Islands.
3110 Dirksen Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced
Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (proposed Sunset Act).
3302 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for higher education and welfare programs, and for library resources.
S-128, Capitol

MARCH 25

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear Congressional witnesses.
1223 Dirksen Building
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced

MARCH 28

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development.
1318 Dirksen Building
Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings to inquire into domestic communications common carrier policies (i.e. telephones, computer, etc.).
235 Russell Building
Energy and Natural Resources
To hold hearings on proposed legislation dealing with utilization of coal resources.
3110 Dirksen Building
Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (Proposed Sunset Act).
3302 Dirksen Building

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for 1977 from officials of American Veterans.
Until: Noon
154 Russell Building

MARCH 29

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Fish and Wildlife Service.
1114 Dirksen Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear Congressional witnesses.
1223 Dirksen Building
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of Human Development.
S-128, Capitol
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor).
1224 Dirksen Building

Energy and Natural Resources
To hold hearings on proposed legislation dealing with utilization of coal resources.
3110 Dirksen Building
Government Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years. (proposed Sunset Act)
3302 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Technical Institute for the Deaf; the American Printing House for the Blind; Gallaudet College, and Howard University.
S-128, Capitol
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Administration.
1224 Dirksen Building

MARCH 30

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Park Service.
1114 Dirksen Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear congressional witnesses.
1223 Dirksen Building
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of the Export-Import Bank, and Overseas Private Investment Corporation.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Social and Rehabilitation Service.
S-128, Capitol
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To mark up proposed legislation on corporate bribery and investment disclosure.
5302 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resource
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil-shale technologies.
3110 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1976 authorization for Government intelligence activities.
S-407, Capitol

MARCH 31

9:00 a.m.
Select Nutrition and Human Needs
To continue hearings to examine the relationship between diet and health, to receive testimony on the need for fiber in diet.
Until: 1 p.m. 3302 Dirksen Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Outdoor Recreation and the Land and Water Conservation Fund.
1114 Dirksen Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the defense establishments, to hear public witnesses.
1223 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Social Security Administration.
S-128, Capitol
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil shale technologies.
3110 Dirksen Building
Foreign Relations
Subcommittee on Oceans and International Environment
To hold hearings on S. Res. 49, expressing the sense of the Senate that the U.S. Government should seek the agreement of other governments to a proposed treaty requiring the propagation of an international environmental impact statement for any major project expected to have significant adverse effect on the physical environment.
4221 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office for Civil Rights, Inspector General, Policy Research and General Management.
S-128, Capitol
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

APRIL 1

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration.
1224 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, on funds for New York City financing.
1318 Dirksen Building

APRIL 5

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Forest Service.
1114 Dirksen Building
Select Small Business
Monopoly Subcommittee
To resume hearings on alleged restrictive and anticompetitive practices in the eye glass industry.
318 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission.
Room to be announced

APRIL 6

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear Congressional witnesses.
1114 Dirksen Building
Select Small Business
Monopoly Subcommittee
To resume hearings on alleged restrictive and anticompetitive practices in the eye glass industry.
318 Russell Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear public witnesses.
1318 Dirksen Building
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission; Office of Consumer Affairs; and Consumer Information Center.
Room to be announced

APRIL 7

10:00 a.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs, on funds for NATO and classified programs.
S-146, Capitol

APRIL 18

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development and Independent Agencies, to hear public witnesses.
1318 Dirksen Building

APRIL 19

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related Agencies, to hear public witnesses.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Administration.
1224 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Government Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

3:00 p.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development, to hear public witnesses.
1318 Dirksen Building

APRIL 20

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 21

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Government Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

APRIL 22

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 26

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

APRIL 27

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building

APRIL 28

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

MAY 3

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building

MAY 4

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 6

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 10

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building

Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 12

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 18

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978, to hear Secretary of Transportation Adams.
1224 Dirksen Building

MAY 24

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 26

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

CANCELLATION
MARCH 8

9:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to consider proposed legislation recommending changes in the Grain Inspection Act.
322 Russell Building

HOUSE OF REPRESENTATIVES—*Friday, March 4, 1977*

The House met at 11 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Wait on the Lord; be of good courage and He shall strengthen thine heart; wait, I say, on the Lord.—Psalms 27: 10.

Almighty God, our Heavenly Father, who of Thy great mercy hast promised forgiveness of sins to all those who with hearty repentance and true faith turn unto Thee; have mercy upon us; pardon and deliver us from all our sins; confirm and strengthen us in all goodness; and lead us along the way of life and love to a health of mind, a healing of body, and a harmony of spirit which will enable us to serve our country well this day.

Bless our beloved United States. Sustain our President, our Speaker, and all who are set over us that we may be wisely governed, and so do Thou live in the hearts of our people that they may be steadfast in promoting truth, steady in producing good will, and secure in proclaiming freedom to all.

In the spirit of the Master Workman we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On February 23, 1977:

H.J. Res. 239. Joint Resolution extending the filing date of the 1977 Joint Economic Report.

On March 3, 1977:

H.R. 3753. An act to bring certain governing international fishery agreements within the purview of the Fishery Conservation Zone Transition Act.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the Senate in which concurrence of the House is requested.

S. 626. An act to reestablish the period within which the President may transmit to the Congress plans for the reorganization of agencies of the executive branch of the Government, and for other purposes.

The message also announced that the Vice President, pursuant to section 9355(a), title 10 of the United States Code, appointed Mr. HOLLINGS (Appropriations), Mr. HART (Armed Services), Mr. STEVENS (Appropriations), and Mr. HANSEN (at-large) to be members, on the part of the Senate, to the Board of Visitors to the U.S. Air Force Academy.

And that the Vice President, pursuant to section 4355(a), title 10 of the United States Code, appointed Mr. JOHNSTON (Appropriations), Mr. LEAHY (at-large), Mr. HATFIELD (Appropriations), and Mr. BARTLETT (Armed Services) to be members, on the part of the Senate, to the Board of Visitors to the U.S. Military Academy.

REGULATORY REFORM OF DOMESTIC COMMERCIAL AVIATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–92)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Public Works and Transportation and ordered to be printed:

To the Congress of the United States:

As a first step toward our shared goal of a more efficient less burdensome Federal government, I urge the Congress to reduce Federal regulation of the domestic commercial airline industry.

One of my Administration's major goals is to free the American people from the burden of over-regulation. We must look, industry by industry, at what effect regulation has—whether it protects the public interest, or whether it simply blunts the healthy forces of competition, inflates prices, and discourages business innovation. Whenever it seems likely that the free market would better serve the public, we will eliminate government regulation.

This will take time, careful study, and extensive participation by all affected parties. But we can start with domestic commercial aviation, an area where Congress has already led the way toward regulation reform.

The statute which governs this industry has not been fundamentally changed since it was first enacted in 1938. At that time, the aviation industry was in its infancy. Many people believed that, unless the government intervened to set prices and control competition, the industry would never develop in a sensible way.

Since 1938, the industry has grown enormously. The regulatory scheme designed nearly 40 years ago to protect a developing industry is no longer suited to today's mature industry. Regulation, once designed to serve the interests of the public, now stifles competition. It has discouraged new, innovative air carriers from offering their services and it has denied consumers lower fares where they are possible.

The effect of such regulation has been recently documented. Since 1950 the Civil Aeronautics Board has received approximately 80 applications to enter scheduled trunk service from firms outside the industry. It has granted none.

On February 23, 1977, the General Accounting Office released a report which shows that regulation of domestic airlines has kept air travel costs up. The report concludes that:

—because of Federal regulation, air fares are between 22 and 52% higher than they otherwise would be.

—between 1969 and 1974, Federally regulated airlines in the United States could have operated at lower costs than they did, and travelers could have saved $1.4 billion and $1.8 billion annually.

—travelers' savings would probably have been even higher, since lower fares would encourage greater travel.

I am pleased that Congress has recognized that the outdated airline regulatory scheme must be reformed. During the last Congress, both the Senate and the House of Representatives held extensive hearings on various proposals to reduce government regulation and allow the airlines to compete.

I urge Congress to enact, without delay, regulatory reform of domestic commercial aviation.

The legislation should be directed toward certain specific objectives:

1. To the maximum extent possible, our domestic commercial airline industry should be governed by competitive market forces, not the decisions of a government bureaucracy.

2. We should ease the restrictions which now prevent entry into the industry and into currently protected routes, so that the new, innovative companies can offer their services to the public. A financially responsible firm which meets applicable safety standards should be denied entry only if the Civil Aeronautics Board can show that entry would be detrimental to the public interest.

3. Carriers should be allowed to expand their routes, within limits, without obtaining approval from the Board.

4. After a short, initial phase-in, carriers should be free to set competitive prices, with only such regulation as is necessary to prevent predatory, below-cost pricing.

5. Carriers should be given more flexibility to leave markets without prolonged hearings on onerous restrictions.

6. Small communities must be protected against the loss of needed air service.

It will take time to change from a system of extensive government regulation to one emphasizing the natural forces of the marketplace. As we make this change, we must take care to protect the legitimate interests of the public and of the air industry and its employees.

My Administration will cooperate fully with Congress throughout the legislative process so that legislation can be enacted by summer.

JIMMY CARTER.

THE WHITE HOUSE, *March 4, 1977.*

APPOINTMENT AS MEMBERS OF BOARD OF REGENTS TO SMITHSONIAN INSTITUTION

The SPEAKER. Pursuant to the provisions of 20 U.S.C. 42, 43, the Chair appoints as members of the Board of Regents to the Smithsonian Institution the following Members on the part of the House: Mr. MAHON, Texas; Mrs. BOGGS, Louisiana; and Mr. CEDERBERG, Michigan.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 45]

Addabbo	Burgener	Crane
Andrews, N.C.	Burton, John	Dellums
Archer	Burton, Phillip	Derwinski
Armstrong	Byron	Devine
Ashley	Caputo	Dicks
Badham	Chisholm	Diggs
Badillo	Clausen, Don H.	Dingell
Barnard	Clay	Dodd
Beard, Tenn.	Cleveland	Drinan
Bedell	Coleman	Edwards, Ala.
Beilenson	Conte	Edwards, Okla.
Bingham	Conyers	Eilberg
Boland	Corman	Evans, Colo.
Bolling	Cornwell	Evans, Ga.
Bowen	Cotter	Flippo
Breaux		Florio

Flynt	Madigan	Ruppe
Ford, Mich.	Maguire	Scheuer
Forsythe	Mathis	Schulze
Fraser	Meeds	Seiberling
Frenzel	Metcalfe	Skubitz
Fuqua	Michel	Smith, Iowa
Gammage	Miller, Calif.	Spellman
Giaimo	Mitchell, Md.	St Germain
Goldwater	Motti	Staggers
Gonzalez	Murphy, N.Y.	Steers
Goodling	Myers, Michael	Stokes
Hall	Neal	Stump
Hanley	Nix	Teague
Harkin	Nolan	Thone
Harrington	Nowak	Tonry
Harsha	Oakar	Traxler
Hillis	Panetta	Udall
Holland	Pettis	Volkmer
Horton	Pritchard	Walgren
Howard	Pursell	Waxman
Huckaby	Quayle	Weaver
Ichord	Quillen	Whalen
Jenrette	Railsback	White
Johnson, Colo.	Reuss	Wilson, Bob
Jordan	Rhodes	Winn
Kastenmeier	Richmond	Wolff
Ketchum	Risenhoover	Wydler
Koch	Rodino	Wylie
Leggett	Roe	Yates
Lujan	Rogers	Young, Alaska
McCloskey	Roncalio	Young, Fla.
McCormack	Rousselot	Zeferetti

The SPEAKER. On this rollcall 289 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispersed with.

LEGISLATION TO INCREASE OUTSIDE EARNINGS EXEMPTION FROM $3,000 TO $4,800 UNDER SOCIAL SECURITY ACT, AND ASSISTANCE TO HEALTH MAINTENANCE ORGANIZATIONS

(Mr. TUCKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TUCKER. Mr. Speaker, today I am pleased to have the opportunity to introduce two bills of the distinguished Senator from my State or Arkansas, the Honorable DALE BUMPERS.

The first of these bills will amend title II of the Social Security Act to increase from $3,000 to $4,800 the amount of outside earnings permitted without deduction from benefits payable under that title. The present retirement test under social security is inequitable and amounts to little more than a 50-percent tax on the income of retired people who work. The cost of this bill, $1.5 billion in 1978, is well worth the benefit which will help insure an adequate income for the retired people of this country.

The second bill provides for the recognition of nonprofit health maintenance organizations as charitable organizations under section 501(c)(3) of the Internal Revenue Code. Passage of this bill will enable HMO's to better carry out their purposes of delivering a comprehensive range of health care services to specific populations for a fixed prepaid fee.

ENDING THE INTERNATIONAL COFFEE AGREEMENT

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, the continued escalation of coffee prices provide the American people with an opportunity to demonstrate our national capacity to resist arbitrary and manipulated pricing policies which are providing an intolerable drain on the American consumer. While coffee cannot be labeled as harmful to health—it is certainly harmful to the diet, since high coffee prices divert consumer expenditures from nutritious items of diet. Coffee is a nonessential ingredient of no more nutritional value than hot cigarette smoke.

Current pricing policies allegedly resulting from frost damage have multiplied the cost to America of imported green coffee from $1.56 billion in 1975 to $2.63 billion in 1976. The projection for 1977 indicates a cost of $5 billion. For the 3-year period, 1976–78, the increased cost of coffee imports will total $6.5 billion. To those who produce and have coffee to sell—the frost becomes a divine blessing of windfall profits.

It is time for American consumers to demonstrate their capacity to fight back, to demonstrate that our addiction to coffee can be curbed. It is time to let the coffee supplies pile up in supermarkets while we convert the coffee break into a break of our affection and dependence on coffee.

Several years ago, there was a tremendous surge in sugar prices because of a so-called world shortage. The price soared to almost 60 cents per pound, and there was widespread rejoicing among foreign and domestic sugar producers. The word was that our sweet taste would be more expensive. The American consumer responded with boycotts, a shift to alternative sweeteners, and curtailed consumption. The shift to alternative sweeteners and the permanently reduced demands of the American people have resulted in a lasting termination of America's love affair with sugar. In fact, sugar price manipulators did us a favor. The American people were compelled to realize that they could live better with less sugar. Today the American sugar industry, with sugar at 10 cents per pound, is crying for salvation and rescue through import quotas. We must remind our sugar producers that through the recent era of high-riding prices they took the American people for $6.8 billion. The sugar industry, which asked for free market conditions and bonanza profits in 1975, is now asking for Government intervention.

Coffee is headed down the same reckless course. Today's bonanza is certain to become tomorrow's distress.

Under these circumstances, there is no viable reason for the United States to retain its membership in the International Coffee Agreement. It has entirely failed to serve any purpose that is useful to the American people. It is a one-sided arrangement designed to provide a controlled production and a floor on coffee prices.

I have today recommended that President Carter withdraw America from participation in the International Coffee Agreement.

JOHN F. KENNEDY CENTER ACT AMENDMENTS

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 359 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 359

Resolved, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2846) to amend the John F. Kennedy Center Act to authorize funds for certain repairs and other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works and Transportation, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 2846, it shall be in order in the House to take from the Speaker's table the bill S. 521 and to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 2846 as passed by the House.

The SPEAKER. The gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois (Mr. ANDERSON) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 359 provides for the consideration of a bill (H.R. 2846) to amend the John F. Kennedy Center Act to authorize funds for certain repairs and other purposes.

This is a 1-hour open rule. It waives a point of order, under section 402(a) of the Congressional Budget Act of 1974, which would otherwise lie against the consideration of the bill. It provides, after final passage, that it shall be in order to insert the text of the House bill as agreed to under the number of a similar bill (S. 521) previously agreed to in the other body and now held at the Speaker's table.

Mr. Speaker, section 402(a) is intended to protect the jurisdiction of the Committee on the Budget by requiring all authorization bills to be reported within a timetable that insures all funding is reviewed in conjunction with the concurrent resolutions on the budget. In the case of the present bill, section 402(a) would have required the bill to have been reported by May 15, 1976.

But Mr. Speaker, the violation in this case is purely technical. Similar legislation was reported within the budget timetable in the last Congress and agreed

to in both Houses. Enactment was prevented, however, by the sine die adjournment while the measure was still in conference.

Recognizing that the Committee on the Budget had the opportunity for review that section 402(a) was intended to safeguard and noting the emergency nature of this legislation, the distinguished chairman of that committee filed a letter with the Committee on Rules, stating in part:

I have no objections to a waiver of the provision to allow consideration of H.R. 2846. The bill appears to address itself to an emergency situation and, since similar legislation was passed by both Houses in the last Congress, the Committee on Public Works and Transportation appears to have complied with the spirit of the section 402(a) requirement.

The provision making in order a motion to take from the Speaker's table the bill (S. 521), strike out all after the enacting clause, and insert in lieu thereof the provisions of H.R. 2846 as passed by the House presents no points of controversy. It is a routine motion, often handled by unanimous consent, necessary to facilitate sending a measure to conference.

While the rule is not controversial, I am aware of grave concern about the issue addressed by the bill.

This bill presents to the House a necessary, but unsatisfactory, resolution of a legacy of mismanagement, neglect, and incompetence which the architect, the National Park Service, the General Services Administration, and the Kennedy Center must all share. What we have, Mr. Speaker, is a Federal building—the national center for performing arts and the living memorial to the late President—whose roof does not keep out water.

It is not the sort of thing any Member should be happy voting for but it is neither the first nor the last time that we will be forced to pass legislation with regret. The need for prompt action is clear from the legislative history. The cost, when this matter was presented last year, was $3.3 million. Today the cost is 43 percent higher. If the question is postponed, the price tag will be higher yet next year because of continuing water damage to the building itself and to a number of valuable—and, in some cases, irreplaceable—objects of art.

The Department of Justice is filing suit against the architect. Hopefully a portion, at least, of the funds authorized will eventually be recovered in court.

The chairman of the subcommittee, our distinguished colleague from California (Mr. MINETA), has inherited a situation that literally predates his election to the House. He is to be commended for his efforts, in this bill, to establish new and stronger controls over these expenditures.

But I would also wish, as part of the record on this bill, to urge the committee to act on permanent legislation that will bar contractors and/or architects, in similar future cases of this nature, from bidding on any further Federal contracts.

Mr. Speaker, while I have expressed the misgivings that many of my colleagues share, I think I have made the case for prompt enactment of this legislation and I therefore urge the adoption of the rule.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, House Resolution 359 is a 1-hour open rule making in order the consideration of H.R. 2846, the so-called John F. Kennedy Center Act amendments. The only departures in this rule from an ordinary open rule are a waiver of the budget act and a provision to take the Senate-passed counterpart (S. 521) from the Speaker's table, strike all after the enacting clause, and insert the language of the House-passed bill.

Mr. Speaker, the budget waiver in this resolution is necessary because this bill would violate section 402(a) of the Budget Act which provides that bills authorizing the enactment of new budget authority for a fiscal year must be reported from committee by May 15 preceding the beginning of such fiscal year. Since H.R. 2846 does contain an authorization for fiscal 1977, this waiver is needed. Our Rules Committee has received a letter from the chairman of the House Budget Committee (Mr. GIAIMO), in which he states, and I quote:

Due to time pressures resulting from consideration of the Third Concurrent Budget Resolution for FY 1977, the Committee on the Budget has been unable to meet for the purpose of considering whether to support a waiver of the section 402(a) requirement. However, as Chairman of the Committee, I have no objections to a waiver of the provision to allow consideration of H.R. 2846.

He goes on to write, and again I quote:

The bill appears to address itself to an emergency situation and, since similar legislation was passed by both Houses in the last Congress, the Committee on Public Works and Transportation appears to have complied with the spirit of the section 402(a) requirement.

Mr. Speaker, H.R. 2846 authorizes $4.7 million for the repair of leaks, and resulting damage at the John F. Kennedy Center for the Performing Arts. By way of background, at the end of the last Congress, $3.3 million was requested to correct these leaks. Both Houses passed legislation authorizing that amount, but time ran out before the two Houses could resolve their differences. In the meantime, additional damage has occurred, and, coupled with inflation in costs, the request has necessarily been revised upward by $1.4 million. I think Members can conclude from this that it truly is an emergency situation and the longer we wait, the more it will cost both in damage and funds.

I questioned the Public Works Subcommittee chairman (Mr. MINETA) in the Rules Committee as to whether any suits had been brought against the contractor on this. He responded that suits are still pending and assured me that enactment of this authorization would in no way prejudice those suits.

I would also point out that the Committee on Public Works reported this bill on a voice vote, there are no minority views, and the Rules Committee likewise reported this rule on a voice vote. I urge its adoption.

I should also note that there is a motion to recommit with or without instructions.

Mr. Speaker, I know of no objections on this side on the committee to the granting of this 1-hour rule, and I would urge its adoption.

Mr. Speaker, I now yield 2 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I thank my colleague for yielding.

Mr. Speaker, I think at the outset it is probably appropriate to say that the only thing that does not hold water here is the argument being made, not the roof.

First of all, Kennedy Center is referred to as a Federal building. I sat on the floor when it was solemnly promised this would not be a Federal building, that taxpayers' funds would not be used, and yet what are we doing today? Just 2 days ago the Speaker stood in the well and said that one of the issues in this body is credibility. The issue today is credibility, whether or not the American people are to believe us when we say we will not use taxpayers' funds for the construction of any memorial, stadium, or building in the Washington, D.C., area.

Secondly, today I found on my desk a newspaper. The banner headline refers to my good friend and colleague, the gentleman from Connecticut (Mr. GIAIMO). The heading on the paper says, "Mr. Giaimo Wants to Make the Budget Committee work."

Here we are the very next day after the conference report on the third concurrent resolution on the budget waiving section 402(a) of that very Budget Committee. Their promise was to bring spending under control. It was to bring a more orderly way to do things in the House.

Mr. Speaker, we often point the finger to the administration, whether it is the Democrats or the Republicans. We say they are not organized, they do not add up the total on their various spending proposals, so we needed a budget process to know precisely what we are doing and to know precisely where we are going in the spending field.

I do resent the complete abandonment of the promise that was made on this floor that this building would not be the subject of taxpayers' funds.

Mr. Speaker, I suggest the issue is credibility. I, for one, oppose the resolution.

Mr. ANDERSON of Illinois. Mr. Speaker, I have no further requests for time and yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 292, nays 22, not voting 118, as follows:

[Roll No. 46]

YEAS—292

Abdnor	Evans, Colo.	McKinney
Akaka	Evans, Del.	Mahon
Alexander	Evans, Ind.	Mann
Allen	Fary	Markey
Ambro	Fascell	Marks
Ammerman	Fenwick	Marlenee
Anderson, Calif.	Findley	Marriott
	Fish	Martin
Anderson, Ill.	Fisher	Mathis
Andrews, N. Dak.	Fithian	Mattox
	Flood	Mazzoli
Annunzio	Flowers	Meyner
Applegate	Foley	Mikulski
Armstrong	Ford, Tenn.	Mikva
Ashley	Forsythe	Milford
Aspin	Fountain	Miller, Ohio
AuCoin	Fraser	Mineta
Bafalis	Frey	Minish
Baldus	Gaydos	Mitchell, N.Y.
Baucus	Gephardt	Moakley
Beard, R.I.	Gibbons	Moffett
Beard, Tenn.	Gilman	Mollohan
Benjamin	Ginn	Montgomery
Bennett	Glickman	Moore
Bevill	Gradison	Moorhead, Pa.
Biaggi	Grassley	Moss
Blanchard	Gudger	Murphy, Ill.
Blouin	Guyer	Murphy, Pa.
Boggs	Hagedorn	Murtha
Bonior	Hamilton	Myers, Gary
Bonker	Hammer-schmidt	Myers, Ind.
Brademas		Natcher
Breckinridge	Hannaford	Neal
Brinkley	Harris	Nedzi
Brodhead	Harsha	Nichols
Brooks	Hawkins	Nolan
Broomfield	Heckler	O'Brien
Brown, Calif.	Hefner	Oberstar
Brown, Mich.	Heftel	Obey
Broyhill	Hightower	Ottinger
Buchanan	Hollenbeck	Patten
Burke, Calif.	Holtzman	Patterson
Burke, Fla.	Howard	Pattison
Burke, Mass.	Hughes	Pease
Burleson, Tex.	Hyde	Pepper
Burlison, Mo.	Ireland	Perkins
Butler	Jacobs	Pickle
Caputo	Jeffords	Pike
Carney	Jenkins	Poage
Carr	Johnson, Calif.	Pressler
Carter	Johnson, Colo.	Preyer
Cavanaugh	Jones, N.C.	Price
Cederberg	Jones, Okla.	Quie
Chappell	Kasten	Rahall
Chisholm	Kastenmeier	Rangel
Cochran	Kazen	Regula
Cohen	Kelly	Rinaldo
Collins, Ill.	Kemp	Roberts
Conable	Keys	Robinson
Conyers	Kildee	Roncalio
Corcoran	Kostmayer	Rooney
Cornell	Krebs	Rose
Coughlin	Krueger	Rosenthal
D'Amours	LaFalce	Rostenkowski
Daniel, Dan	Le Fante	Roybal
Danielson	Latta	Runnels
Davis	Leach	Ruppe
de la Garza	Lederer	Russo
Delaney	Leggett	Ryan
Dellums	Lehman	Santini
Dent	Lent	Sarasin
Derrick	Levitas	Sawyer
Dickinson	Lloyd, Calif.	Scheuer
Dodd	Lloyd, Tenn.	Schroeder
Downey	Long, La.	Sebelius
Drinan	Long, Md.	Seiberling
Duncan, Oreg.	Luken	Sharp
Duncan, Tenn.	Lundine	Shipley
Eckhardt	McClory	Shuster
Edgar	McCormack	Simon
Edwards, Calif.	McDade	Sisk
Emery	McEwen	Skelton
English	McFall	Slack
Erlenborn	McHugh	Smith, Nebr.
Ertel	McKay	Solarz
Spellman	Tucker	Whitten
Spence	Ullman	Wiggins
Stangeland	Van Deerlin	Wilson, C. H.
Stanton	Vander Jagt	Wilson, Tex.
Stark	Vanik	Wirth
Steed	Vento	Wolff
Steiger	Waggonner	Wright
Stratton	Walsh	Yatron
Studds	Wampler	Young, Alaska
Thompson	Watkins	Young, Mo.
Thornton	Waxman	Young, Tex.
Treen	Weiss	Zablocki
Trible	Whitehurst	
Tsongas	Whitley	

NAYS—22

Ashbrook	Hubbard	Satterfield
Bauman	Jones, Tenn.	Snyder
Brown, Ohio	Kindness	Symms
Clawson, Del	Lagomarsino	Taylor
Collins, Tex.	Lott	Walker
Daniel, R. W.	McDonald	
Dornan	Moorhead, Calif.	
Gore		
Holt	Rudd	

NOT VOTING—118

Addabbo	Ford, Mich.	Pursell
Andrews, N.C.	Frenzel	Quayle
Archer	Fuqua	Quillen
Badham	Gammage	Railsback
Badillo	Giaimo	Reuss
Barnard	Goldwater	Rhodes
Bedell	Gonzalez	Richmond
Beilenson	Goodling	Risenhoover
Bingham	Hall	Rodino
Boland	Hanley	Roe
Bolling	Hansen	Rogers
Bowen	Harkin	Rousselot
Breaux	Harrington	Schulze
Burgener	Hillis	Sikes
Burton, John	Holland	Skubitz
Burton, Phillip	Horton	Smith, Iowa
Byron	Huckaby	St Germain
Clausen, Don H.	Ichord	Staggers
	Jenrette	Steers
Clay	Jordan	Stockman
Cleveland	Ketchum	Stokes
Coleman	Koch	Stump
Conte	Lujan	Teague
Corman	McCloskey	Thone
Cornwell	Madigan	Tonry
Cotter	Maguire	Traxler
Crane	Meeds	Udall
Derwinski	Metcalfe	Volkmer
Devine	Michel	Walgren
Dicks	Miller, Calif.	Weaver
Diggs	Mitchell, Md.	Whalen
Dingell	Mottl	White
Early	Murphy, N.Y.	Wilson, Bob
Edwards, Ala.	Myers, Michael	Winn
Edwards, Okla.	Nix	Wydler
Eilberg	Nowak	Wylie
Evans, Ga.	Oakar	Yates
Flippo	Panetta	Young, Fla.
Florio	Pettis	Zeferetti
Flynt	Pritchard	

The Clerk announced the following pairs:

Mr. Teague with Mr. Volkmer.
Mr. Addabbo with Mr. Archer.
Mr. Panetta with Mr. Andrews of North Carolina.
Mr. Dicks with Mr. Winn.
Mr. Koch with Mr. Steers.
Mr. Boland with Mr. Don H. Clausen.
Mr. Mitchell of Maryland with Mr. Pritchard.
Mr. Badillo with Mr. Whalen.
Mr. Nix with Mr. Badham.
Ms. Oakar with Mr. Crane.
Mr. Eilberg with Mr. Skubitz.
Mr. Breaux with Mr. Cleveland.
Mr. Florio with Mr. Stockman.
Mr. Giaimo with Mr. Pursell.
Mr. Hanley with Mr. Barnard.
Mr. Murphy of New York with Mr. Horton.
Mr. Phillip Burton with Mr. Coleman.
Mr. Flynt with Mr. Wydler.
Mr. Metcalfe with Mr. Frenzel.
Mr. Nowak with Mr. Conte.
Mr. John L. Burton with Mr. Derwinski.
Mr. Zeferetti with Mr. Wylie.
Mr. Harrington with Mr. Edwards of Alabama.
Mr. Stokes with Mr. Walgren.
Mr. Early with Mr. Devine.
Mr. Diggs with Mr. Hillis.
Mr. Mottl with Mr. Edwards of Oklahoma.
Mr. Byron with Mr. Goodling.
Mr. Dingell with Mr. Madigan.
Mr. Roe with Mr. McCloskey.
Mr. Rodino with Mr. Michel.
Mr. Rogers with Mr. Young of Florida.
Mr. Sikes with Mr. White.
Mr. St Germain with Mr. Thone.
Mr. Staggers with Mr. Schulze.
Mr. Udall with Mr. Rousselot.
Mr. Bedell with Mr. Burgener.
Mr. Beilenson with Mr. Evans of Georgia.
Mr. Clay with Mr. Ford of Michigan.
Mr. Cotter with Mr. Yates.
Mr. Flippo with Mr. Bob Wilson.
Mr. Bingham with Mr. Tonry.
Mr. Corman with Mr. Traxler.
Mr. Weaver with Mr. Stump.
Mr. Bowen with Mr. Ketchum.
Mr. Ichord with Mr. Lujan.
Mr. Cornwell with Mr. Maguire.
Mr. Jenrette with Mr. Risenhoover.
Ms. Jordan with Mr. Rhodes.
Mr. Richmond with Mr. Railsback.
Mr. Reuss with Mr. Quillen.
Mr. Gammage with Mr. Goldwater.
Mr. Fuqua with Mr. Quayle.
Mr. Gonzalez with Mr. Meeds.
Mr. Miller of California with Mr. Huckaby.
Mr. Harkin with Mr. Hansen.
Mr. Hall with Mr. Michael O. Myers.
Mr. Smith of Iowa with Mr. Holland.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. MINETA. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2846) to amend the John F. Kennedy Center Act to authorize funds for certain repairs and other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. MINETA).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 2846, with Mr. SHARP in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from California (Mr. MINETA) will be recognized for 30 minutes, and the gentleman from new York (Mr. WALSH) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. MINETA).

Mr. MINETA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 2846, as reported by the Committee on Public Works and Transportation, provides an urgently needed $4.7 million for remedying severe water leak conditions which exist throughout the Kennedy Center Building. In connection with the expenditure of these funds, the bill requires the Board of Trustees to appoint a comptroller as disbursing officer and the comptroller shall submit a report to the Congress and the Board of Trustees on an annual basis. Lastly, the legislation stipulates that the funds authorized

hereunder shall be expended by contract only after advertising and competitive bidding for the property or services to be provided by such contract.

Since late 1971 when the Kennedy Center building was substantially completed and operations began, increasing difficulties have been encountered with water leaking through the roof, the terraces and the East Plaza Drive in front of the structure apparently due to deficiencies in the original design. Substantial damage has occurred to the interior of the building. There are at the present time in excess of 150 visible and serious water leaks throughout the Kennedy Center building. As these leaks continue, deterioration to the interior of the structure increases, resulting in, among other things, increased maintenance costs. Since Congress was unable to complete action on this legislation and provide for an appropriation of funds late in the 94th session, the serious leaks continue, damage is accelerating and work has been delayed. The combination of this delay and the severe and unusual weather conditions today now make a swift solution to this serious and urgent problem even more necessary.

There are two urgent reasons why the necessary repairs must not be delayed. The damage resulting from the leaks poses increasing danger to the safety of the public who use the Center. As you know, the Kennedy Center was established by an act of Congress providing for the sole national memorial to the late President Kennedy and a performing arts facility. Currently the Center is the third highest visitation point in Washington, an estimated 5½ million tourists visited the Center in 1976, and this figure is exclusive of the approximate 1½ million theatergoers who attend performing art functions in the evening. Therefore, in order to keep the memorial and cultural center available to the public, these funds must immediately be made available for reconstruction and repair of the Center. If these leaks are permitted to continue, the result will be permanent damage to the building and necessitate closing down portions of the building to the public due to danger from falling plaster and possible collapse of parts of the terrace.

Second, the continued leaks threaten irreversible damage to gifts of foreign countries, some nearly irreplaceable. As an example, mirrors in the grand foyer are tarnishing; marble in the Hall of States is discoloring; the stems of the crystal chandeliers in the grand foyer are corroding; serious cracks have appeared in the ceiling of the concert hall and a 6-by-8-foot section of the grand foyer ceiling recently had to be removed because of damage to the base as well as the acoustic plaster.

The estimated costs of repair and reconstruction are $4,527,300 plus a contingency of $172,000 bringing the total to $4.7 million. The Chairman of the Board of the John F. Kennedy Center for the Performing Arts, Mr. Roger Stevens, gave assurances to the committee that based on known facts the funds provided for in the bill would be sufficient to complete the work. The Kennedy Center Board proposes to utilize the services of the National Park Service to contract for the needed repairs and reconstruction. The National Park Service and the Center's Board have tried to limit damage and facilitate swift, permanent repairs without specific authorization and appropriation. The Park Service contracted with Olympic Engineering last year for a survey of the damage. The Park Service has reviewed the report and they have now compiled the interior and exterior repair cost estimates. In order to finance preparation of actual plans and specifications for these repairs, the Center's Board guaranteed $50,000 of its resources to the Park Service. The Park Service is now engaged in hiring an engineering firm to prepare specifications for the actual repairs.

In order to insure that the funds are properly expended, H.R. 2846 requires that the Board designate a comptroller who shall report to Congress on the expenditure of the funds and who shall serve as disbursing officer. The comptroller will provide insurance that the congressional intent in the authorization and appropriations of funds will be met.

Mr. Chairman, this legislation is urgently needed. This legislation will allow not only for the facility to be kept open to the public but also avoid further deterioration to the exterior and interior of the building.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. MINETA. I am delighted to yield to my colleague, the gentleman from Colorado.

Mr. WIRTH. Mr. Chairman, I thank the gentleman for yielding to me and I rise in support of the bill which was brought forward under the distinguished leadership of the gentleman from California (Mr. MINETA). I also commend the gentleman for bringing this matter up on the floor of the House at a time when the Committee of the Whole is chaired so ably by the distinguished gentleman from Indiana (Mr. SHARP).

Mr. GINN. Mr. Chairman, will the gentleman yield?

Mr. MINETA. I am delighted to yield to the very distinguished gentleman from Georgia (Mr. GINN), who was my predecessor as the chairman of the Subcommittee on Public Buildings and Grounds of the Committee on Public Works and Transportation, and under whose excellent leadership this legislation was originally brought forward.

Mr. GINN. Mr. Chairman, I thank the gentleman for yielding to me and for his kind words.

Mr. Chairman, I rise in strong support of H.R. 2846. I commend the distinguished chairman of the Subcommittee on Public Buildings and Grounds, the gentleman from California (Mr. MINETA), for the able leadership the gentleman has given on the subcommittee. I also commend the gentleman for the excellent statement he has made.

Mr. Chairman, I strongly urge my colleagues to adopt this badly needed legislation.

Mr. MINETA. I thank the gentleman.

Mr. WALSH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, before beginning a discussion of this legislation, I would like to pay tribute to the chairman of the Subcommittee on Public Buildings and Grounds of the Committee on Public Works and Transportation, the gentleman from California (Mr. MINETA) for the time, the patience, and the effort the gentleman has put into the preparation of this legislation.

I believe I should also mention the two previous chairmen of this subcommittee, the gentleman from Georgia (Mr. GINN) and the gentleman from Wyoming (Mr. RONCALIO) both of whom expended a great deal of time and effort on the task of trying to get this legislation enacted. They too recognized the urgency of the situation and, as I say, spent a great deal of time and effort in trying to accomplish this purpose.

Mr. Chairman, I rise in support of H.R. 2846, a bill to amend the John F. Kennedy Center Act, authorizing $4.7 million for repair and reconstruction of the John F. Kennedy Center.

Public Law 85–874, enacted September 2, 1958, authorized construction, with funds to be raised from private contributions, of a building to be designated as the National Cultural Center. This act provided for a board of trustees to oversee the administration of the building and also provided that the trustees would function as a Bureau of the Smithsonian Institution.

In 1964, a subsequent law renamed this Center the John F. Kennedy Center for the Performing Arts. The law authorized the appropriation of $23 million for the construction of the Center and provided the Board of Trustees with authority to borrow $20,400,000 from the Treasury to finance construction of parking facilities.

In addition to these funds the Board of Trustees raised in excess of $25 million from private and foreign contributors.

Ground breaking for the Center took place in September 1966 and it was substantially completed in late 1971. To date, the approximate cost of the building has been $75 million, including settlement of court claims. The prime contractor for construction of the Center was John McShain, Inc.

Section 10 of the Public Building Amendments of 1972 amended the John F. Kennedy Center Act, by delegating maintenance, custodial, and other responsibilities for nonperforming arts functions of the Center to the Secretary of Interior and authorized funds to provide these services through June 30, 1973.

Pursuant to an agreement between the two entities, operating and maintenance costs for the building are allocated between the National Park Service—76.2 percent and the Center—23.8 percent. This formula was approved by OMB in 1975.

Under this agreement the National Park Service is responsible for providing maintenance, security, information, janitorial, and all other services necessary to the nonperforming arts functions of the building. These services are comparable to the Park Services functions provided for other memorials in the metropolitan area. This would include the Lincoln Memorial, Jefferson Memorial, and Washington Monument.

Under this agreement, the Kennedy Center Board of Trustees has paid, to the Park Service, its share of these costs since 1973.

In effect then, the Kennedy Center performs two functions. It provides the Nation with a memorial to the late President and it also provides a function as the Nation's Performing Arts Center in Washington, D.C.

Mr. Chairman, I fully support H.R. 2846. These funds are to be used for urgently needed repairs to the roof and floor of the Center, which are currently leaking.

Leaks have damaged the Grand Foyer, the Plaza Drive, as well as the kitchen and other areas of the Center. In addition to the roof repair, the East Plaza Drive needs repairs and reconstruction, as well as the marble terraces on the 109- and 40-foot levels. Also ponding and vents are needed on the roof to dry out the insulation.

Early last summer, I joined my colleagues for an onsite inspection of the Center and took a tour of the roof and attics. Water leak damage was evident and it is obvious that further deterioration will continue unless repairs are made immediately. This is a beautiful structure and although it is unconscionable that the roof is leaking so soon after construction, the repairs, nevertheless must be made.

Since the opening of the Center in 1971, the roof has been leaking at approximately 150 points. Also, the interior of the Center shows signs of these leaks with many water stains on the ceiling and in the Grand Foyer, paint peeling on the walls in the Opera House, and other noticeable water marks. Also, as stated by my colleagues, gifts to the Center have been damaged.

As temporary measures, the National Park Service has erected several water pans to collect the leakage at a cost of about $35,000 and has engaged the Park Service to prepare plans and specifications for the repairs.

The delay in providing the Kennedy Center with funds for repairs, coupled with the harsh winter we have been experiencing has exacerbated the situation to a point where swift action is required.

As my colleagues will recall, the House passed a similar bill last year under suspension of the rules. However, the House and the other body were unable to resolve their differences on the legislation before adjourning last session. The bill the House passed last year provided for $3.3 million to repair the facility. Because of inflation and because of continued deterioration of the building, the cost of repairs has risen to $4.7 million.

The Subcommittee on Public Buildings and Grounds held hearings on this bill on February 7, at which time the Chairman of the Board, Mr. Roger Stevens, appeared and testified, as did representatives of the National Park Service which currently maintains this memorial to the late President Kennedy. All testified in support of this legislation and gave assurances that the authorization in the bill would be sufficient to complete the repairs.

Currently, one suit is pending in the U.S. Court of Claims. The United States is asking recovery in the form of a counterclaim against the architect for design failure. It is anticipated that settlement will take place in 1 to 3 years.

The bill requires the funds to be expended under a fixed-price contract which will prevent escalating costs. Further, advertising and competitive bidding are required before the execution of a contract for repairs.

Mr. Chairman, the delay in providing the needed funds is largely responsible for the increased cost of repairs to this building. As repairs are postponed an increase of approximately $47,000 per month will result.

I would hope that this House would not spend this day trying to assess blame for what has happened at the Kennedy Center. The mistake was first made when the building was accepted from the contractor. The second mistake was the failure to secure a guarantee on the roof and adequate performance bonds. All the blame letting however, will not change the fact that the roof leaks and the building receives new damage with each new storm.

The one and only way we can correct this condition is to authorize the money called for in this bill.

I urge your support.

Mr. MINETA. Mr. Chairman, I yield such time as he may consume to the very distinguished chairman of the full Committee on Public Works and Transportation, the very able gentleman from California (Mr. JOHNSON).

Mr. JOHNSON of California. Mr. Chairman, H.R. 2846, as reported by the House Committee on Public Works and Transportation would remedy a serious condition which currently exists at the John F. Kennedy Center for the Performing Arts.

The legislation authorizes $4.7 million for repair, renovation, and reconstruction of the Center. At the present time, the roof, plaza areas, and roadways are leaking and deteriorating rapidly. Serious damage has also occurred within the building which poses a potential health and safety hazard due to the vast numbers of tourists and theater-goers visiting the Center daily. The extensive damage caused by these water leaks can only get progressively worse. There are currently in excess of 100 pans installed in the building as a stopgap measure to prevent further damage. Repairs to the building are urgently and immediately needed. The committee has thoroughly reviewed the cost estimate of $4.7 million prepared by the National Park Service in conjunction with Olympic Engineers and feels that the amount is sufficient to cover the cost of all known repairs.

The legislation further provides for appointment by the Board of Trustees of a comptroller to insure that the funds appropriated in the bill are properly expended.

The Board of Trustees of the Kennedy Center proposes to utilize the services of the National Park Service to contract for the necessary repairs and reconstruction. The appropriated funds will be used to pay contractors hired by the National Park Service and to reimburse the Kennedy Center approximately $50,000 which they advanced to the Park Service in order that they could proceed with the hiring of an engineering firm to prepare final specifications for actual repairs.

Mr. Chairman, to briefly give some background history of the Center, the national cultural center was authorized by Congress in 1958. In 1964, shortly after the assassination of President Kennedy, Congress authorized a mixture of public and private funds for the construction of the building, which was then designated to serve as a living memorial to our late President. In September of 1971, the Center was officially opened to serve the dual function of a performing arts center and a monument.

The Kennedy Center is governed by a board of 45 members, 30 of whom are appointed by the President for 10-year terms and 15 of whom are ex officio members. Included among these are three members of the House and three members of the Senate. The Center also has a national membership through the Friends of the Kennedy Center and an Advisory Committee on the Arts whose membership represents all of the 50 States.

Mr. Chairman, the Kennedy Center is an integral part of the Washington scene. Tourists have made the Center one of the busiest sightseeing attractions in Washington, and over 17 million tourists have now visited and toured the Center. More than 8 million patrons have attended 5,400 performances in the past 5 years. The Center is indeed an ideal example for the involvement of the Federal Government in the enrichment of our quality of life. The legislation will allow the Center to remain open to the public and avoid further deterioration of the Center. The work is essential to restore the full usability of the Center. I urge enactment of H.R. 2846.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. Yes, I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, I would like to express my gratitude to the gentleman, as the original author of the legislation which created the Kennedy Center.

As a trustee since the beginning, I have observed the tremendous interest in its development, and I have observed the tragedy of this roof business, which is a very, very sad thing and a very dangerous thing. I might point out the importance of this Center to the American people. Last year, 5,342,000 people visited the Center, and 1,600,000 people

purchased or were given tickets under our programs to witness the performances there.

Under the direction of Roger Stevens and others over the years, the Center has really brought about a renaissance in the cultural life of the Capital of the greatest Nation on Earth.

I want to express my gratitude to the gentleman from California and to appeal to my colleagues to support this legislation for these absolutely necessary repairs.

Mr. JOHNSON of California. I thank the gentleman from New Jersey for his contribution.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I also want to join my colleague, the distinguished chairman of the committee, and my colleague from New Jersey (Mr. THOMPSON) in support of this very important matter. I think that those of us who have been able to observe the development and the widespread use of the Kennedy Center recognize it as one of the finest institutions we have in the country. It has been a symbol, a source of reinspiring and reinvigorating our national interest in culture and the arts. I think the whole country appreciates what is going on.

I heartily support the request of the gentleman from California, and I do thank the gentleman for his fine support of this program.

Mr. JOHNSON of California. I thank the gentleman from Ohio for his contribution.

Mr. WALSH. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, members of the committee, what I have to say on this matter is somewhat of an extension of the position that the gentleman from Ohio (Mr. ASHBROOK) took during his remarks expressed during the debate on the rule.

The American taxpayers were told at one time back in 1958 to be exact by this U.S. Congress that this building would not cost one cent. Succeeding U.S. Congresses did not keep their word with the American people. As far as I am concerned, that is the issue. It is not the issue of a leaky roof. It is the issue of, when are we, as a representative body, going to start leveling with the American people when, in fact, "There ain't no such thing as a free lunch" if the Congress of the United States or if the Federal Government in toto is in any part involved.

Nobody here today is going to try to justify a leaky roof or justify letting it continue to leak. Nobody wants to, nor will, but let us use this leaky roof as a constant reminder to us that, first, we ought constantly to try to level with the American people as to just what the situation might be if the Federal Government is getting involved with something; and second, if the Federal Government gets involved, that it is going to cost money.

It may sound facetious, but I almost think that it ought to be a rule of this House that whenever we are going to authorize a new building, that we ought to look out to the Northwest and see what this building, the Kennedy Center is costing the taxpayers, what we were told it was going to cost, and then be reminded of that—so we do not repeat the misjudgment the U.S. Congress made in 1958.

Fourteen times during debate in the original piece of legislation we were told that this was not going to cost the taxpayers anything. I would quote from the CONGRESSIONAL RECORD:

It does not cost the government any money.

Again, I quote:

. . . why there should be opposition to this bill. It does not cost the government any money.

Again, I quote:

It would be financed—not by the government . . .

I quote again:

It is not costing the taxpayers a single penny.

Again quoting:

This is one bill that will not cost the taxpayers anything.

It is not costing the taxpayers of the United States a single penny—

To quote again.

And quoting again, that this building was not going to cost anything, in a sense, by saying:

I am confident that (this) Center can be managed so that it would be continuously in the black.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. MINETA. Mr. Chairman, I yield the gentleman an additional 2 minutes.

Mr. GRASSLEY. If the gentleman is going to yield me some time, I would like to finish my statement.

Mr. MINETA. Mr. Chairman, I would like to ask the gentleman in the well a question.

Mr. GRASSLEY. Then do not bother.

Mr. WALSH. Mr. Chairman, I yield 2 additional minutes to the gentleman from Iowa (Mr. GRASSLEY) to finish his statement.

Mr. GRASSLEY. Mr. Chairman, Congress was reminded 14 times during that debate in 1958 that this building would not cost the taxpayers a single penny. The roof is leaking. We are going to obviously fix it. We are not going to have the investment of the taxpayers go down the drain. But I think we can legitimately inquire whether this is the last time any taxpayers' money will be spent, and I think it is legitimate to inquire why admission prices are not raised so that the Kennedy Center can be self-supporting and no longer a taxpayers' burden.

This ought to be a monument, a reminder that when the Federal Government is involved that there is no such thing as a free lunch. Fifty-five Members back in 1958 realized they were being sold a bill of goods and voted against it.

Mr. WALSH. Mr. Chairman, I yield 7 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, those who have spoken before have very adequately raised the point of why the Federal taxpayer should be burdened with this further and more extensive expenditure of money on a monument that originally was to have cost them nothing. I have been here only a brief time, less than 4 years. I cannot recall how many times we have voted on this issue even in that time.

Just for the historical record, I would like to quote to the Members from the musty files of the hearings held by the House Public Works Committee way back on December 12 and 16, 1963. That was in the 88th Congress, a much quieter time, when we did not have a $70 billion annual deficit and a $600 billion national debt. Now we go around telling ourselves to be proud about it, since our profligacy is all done under a new streamlined budget system. As the gentleman from Ohio said earlier, this particular legislation is brought before us under a rule containing the first waiver after the third concurrent budget resolution, which undoubtedly will be followed by a fourth and fifth and sixth concurrent resolution on the budget before this fiscal year ends. On December 12, 1963, the following exchange took place between our former colleague, the gentleman from Florida, Mr. Cramer, and Mr. Roger L. Stevens, he of the leaky roof:

Representative CRAMER. Will this legislation obligate the Government in any way for maintenance and operation in the future?

Mr. STEVENS. No, sir. We feel that in their income from rentals we will have enough money for proper maintenance and even going so far as depreciation of equipment.

I also would like to quote to the Members from the Washington Star of June 4, 1969, wherein it said:

The House Public Works Committee gave its approval today to the spending of $20 million in added funds for the John F. Kennedy Center for the Performing Arts.

But in reporting out a bill by a vote of 22 to 6 to authorize the government's portion of the additional spending, the committee put the Center on notice that "This is it" for the Federal Government's financial participation.

Mr. Chairman, it seems to me that we should remember that more than one member of the Committee on Public Works, including our former colleague from Illinois, Mr. Gray, when he was not on his houseboat on the Potomac but here on the floor, kept assuring the Members over and over that there was nothing to be worried about, that this cultural center was going to pay for itself.

All of us lament the leaky roof, but there are many leaky roofs all across America. The average American now pays anywhere from 30 to 40 percent of his annual income in taxes. It seems to me that when we are unable to afford water projects in drought-stricken areas in the West, when people's farms are parched and dry and men and women are going

out of business, when we are unable to afford an additional aircraft carrier to protect us against the admitted design of the Russians to take over this world, certainly we could ask the Kennedy Center and its directors and those who have supported it over the years to cough up $4½ million to fix its leaky roof and not ask the American taxpayers to bear that burden also.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the distinguished fiscal conservative, the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, I thank the gentleman for yielding.

We have been through this so many times that I must say that I am reminded of that old jailhouse story that the boys told the same jokes over and over so many times that they got together and just assigned numbers to the jokes. One would say, "Number 42," and everybody would laugh.

I am just wondering whether perhaps my good friend, the gentleman from New Jersey (Mr. THOMPSON) could just assign a number to the Kennedy Center, and then every time this thing came up we could just say, "Number 36." We would not have to go through the debate again, we would know this is the Kennedy Center bill, and we could think back over the various arguments we had and get a good laugh and then give them the money. Basically, that is what we are doing.

Mr. BAUMAN. Mr. Chairman, I agree with the gentleman. That might obviate the necessity of going through this charade several times a year. I think we can jointly predict with absolute confidence that this is not the end of the leak but that the gusher will continue. That they will probably be back this year or next year for more money when they discover some other cultural necessity.

I will agree with the gentleman that the spokesman for the committee could just perhaps say, "Number 36," and let the American people have a laugh, although I am afraid the laugh is on all of us.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, let me ask the gentleman this: What is the price of tickets down at this place?

Mr. BAUMAN. Mr. Chairman, I must confess that the gentleman from Maryland spends all his evenings reading reports and bills and he has never been able to enjoy the luxury of this rather damp Center for the Performing Arts.

Mr. SYMMS. Mr. Chairman, I have heard it said by our former beloved colleague, Mr. Gross, that that was where the rich people went to operas subsidized by the working poor people. Is this the place we are talking about?

Mr. BAUMAN. Mr. Chairman, based on our recent action here in the House regarding allowances and pay raises, perhaps all of the Members are qualified as rich people, so maybe we should all go down to the Potomac and enjoy culture.

I might say for the record that I have had some communication from our former beloved colleague from Iowa regarding this very legislation. In fact, I should give him credit for the research on which I based my statement here today.

Mr. WALSH. Mr. Chairman, if the gentleman will yield, I will be glad to send the gentleman from Maryland a schedule of the events down at the Kennedy Center. I am sure that might be helpful.

Mr. BAUMAN. The gentleman from Maryland is notoriously parsimonious. I would suggest that the gentleman just send me the tickets.

Mr. WALSH. Mr. Chairman, we passed a law against that the day before yesterday, I will remind the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, I thank the gentleman, but I am willing to report the tickets on the proper form.

Mr. WALSH. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, briefly, I would just like to saw that whatever the past may have been and whatever the conditions that have been described here in other years may have been, the Kennedy Center has become not only a national monument but a national treasure, and it is inconceivable that it should not be supported in our Nation's Capital.

Mr. WALSH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I have no further requests for time, but in concluding debate on this issue I would like to point out that we seem to forget that this Center serves two functions. One, it is a performing arts center, and No. 2, it is a national monument.

The Government of the United States is obligated to take care of this national monument, just as it does with any of its other national monuments. There is no way we can get away from that responsibility.

It is extremely unfortunate that some of the statements that were made in the past were made by people who really did not look into the operation of the arts in this country. I know of almost no council of the arts function that is completely self-supporting. Many, many States have councils of the arts where taxpayer funds are used. I think it is part of the culture of this Nation that we do this today and provide the facilities for those who cannot afford them.

This is a beautiful monument to a great President. I think it is the only monument that is ever going to be erected to him. I think the legislation provides for that.

Mr. Chairman, I believe it is important that we remember that most of the visitors when they come to Washington are looking for the Kennedy Center first and the other monuments secondarily. Moreover, Mr. Chairman, the Kennedy Center has a tremendous draw. It has a tremendous attraction. It is a great asset to the Nation's Capital.

Mr. Chairman, we can talk all day here; but it is raining right now, and the roof of the Kennedy Center is leaking. There is nothing we can do except to appropriate this money to correct the leaking conditions and save the building.

Mr. Chairman, I urge passage of this legislation.

Mr. MINETA. Mr. Chairman, I yield myself 1 additional minute.

Mr. Chairman, I fully concur with the statement just made by the very distinguished ranking member of this subcommittee; and I urge passage of H.R. 2846.

Mr. Chairman, I yield back the balance of my time.

Mr. WEISS. Mr. Chairman, I am voting in favor of H.R. 2846, John F. Kennedy Center.

I support this legislation, because it provides funds to repair damage to the John F. Kennedy Center for the Performing Arts which resulted from leaks in the roof of this structure. It is tragic that this wonderful Center, which provides vast and rich cultural opportunities for residents of Washington and visitors from all over the Nation and the world, has been plagued with this structural defect. According to House Report 95–18 over 150 leaks are visible in the roof of the Center and irreparable damage is being done to the interior of the structure. These leaks will continue to take their toll on the Center unless Congress takes action to counteract this trend immediately.

H.R. 2846 allows Congress to take immediate action by providing for the appropriation of $4.7 million for the Center to make repairs to the roof. I believe that this action is necessary to insure the significant investment that the Federal Government has already made in the Center.

John F. Kennedy was keenly interested in the arts. It was his belief that this country could not continue to flourish if the arts were not included in our national goals. He knew that this Nation could not call itself great if it ignored the important contributions which the arts make to the spirit and fabric of America.

It was more than appropriate that the Center was created and named for the late President by the Congress. In 1971 when the Center opened in Washington, D.C., it ushered in a new celebration of the arts as a source of national pride. Until that time Washington had been lacking a comprehensive center for the performing arts. Since 1971 John F. Kennedy Center for the Performing Arts has developed into a living memorial to the late President. According to Mr. Roger Stevens, Chairman of the Board of Trustees of the Center, in a statement before the House Public Works and Transportation Committee, over 17 million people have toured the Center and 8 million patrons have attended 5,400 major performances over the last 5 years. The Kennedy Center has become one of the busiest sightseeing attractions in the Capital.

It is apparent that President Kennedy's vision and interest in the arts are being shared by a growing number of Americans. The Center has become an

invaluable site for both Washingtonians and citizens all over the Nation for the cultural activities which it provides. It is in the vital interest of us all to maintain the integrity of this magnificent living memorial, by insuring the physical well-being of the Kennedy Center structure.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the John F. Kennedy Center Act (Public Law 85–874, as amended) is amended by adding the following new subsection:

"(c) There are authorized to be appropriated to the Board not to exceed $4,700,000 for repair, renovation, and reconstruction of the John F. Kennedy Center for the Performing Arts necessary to correct water leaks in the roof, the terraces, the kitchen, and the East Plaza Drive and to correct any damage which has resulted from those leaks.

SEC. 2. Section 5 of the John F. Kennedy Center Act is amended by adding at the end thereof the following new subsection:

"(d) The Board shall appoint a comptroller as disbursing officer for all funds appropriated pursuant to subsection (c) of section 8. The comptroller shall serve until all such appropriate funds are utilized. Until all such appropriated funds are utilized, the comptroller may not be removed except for malfeasance in office or upon conviction of any felony or of conduct involving moral turpitude, and for no other cause. Notwithstanding any other provision of this Act, all claims and demands whatsoever by the Board or against it and all accounts whatever in which the Board is concerned either as a debtor or a creditor and which relate to such appropriate funds, shall be settled and adjusted by the comptroller. The comptroller shall audit from time to time, but at least once each year and after all such appropriated funds shall have been utilized, the books, documents, papers, and records of the Board as they pertain to such appropriated funds and shall report to Congress and the Board the results of such audit. The comptroller shall prescribe such regulations as may be necessary to carry out his functions under this subsection. The Board may prescribe such other functions as it may deem appropriate for the comptroller.".

Mr. MINETA (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, line 2, insert immediately after "leaks." and before the quotation marks, the following: "No part of the funds authorized by this subsection shall be expended under any cost-plus-a-percentage-of-cost, cost-plus-a-fixed-fee, or similar incentive-type contract. Funds authorized by this subsection shall be expended under a contract only after advertising and competitive bidding for the property or services to be provided by such contract."

The committee amendment was agreed to.

The CHAIRMAN. Are there further amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. SHARP, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2846), to amend the John F. Kennedy Center Act to authorize funds for certain repairs and for other purposes, pursuant to House Resolution 359, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. GRASSLEY

Mr. GRASSLEY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GRASSLEY. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GRASSLEY moves to recommit the bill, H.R. 2846, to the Committee on Public Works and Transportation with instructions to report it back forthwith with the following amendment: One page 1, line 7, strike the figure "$4,700,000" and insert in lieu thereof "$3,300,000".

The SPEAKER. The gentleman from Iowa (Mr. GRASSLEY) is recognized for 5 minutes in support of his motion to recommit.

Mr. GRASSLEY. Mr. Speaker, this amendment to the John F. Kennedy Act sets the appropriation figure at the level by which it passed the House 5 months ago.

I am doing this because I do not think we had that much of an increase in the cost of living, 33 percent since last year. I do not even believe that in the construction industry the cost of living and the cost of construction have increased that much; and that is why I am offering this motion to recommit with instructions.

Mr. Speaker, I urge that the Members support this motion to recommit.

Mr. MINETA. Mr. Speaker, I rise in opposition to the motion to recommit with instructions and ask the Members to defeat the motion. I would merely add that $3.3 million would be totally inadequate to complete the work that is needed and, therefore, we need the $4.7 million.

At this time I believe it is appropriate to lay to rest once and for all some questions that have arisen in connection with the legislative history of the John F. Kennedy Center for the Performing Arts. The main issue that should be treated is the oft-repeated statements heard on the floor and off, to paraphrase, and I quote, "The Center will not cost the American taxpayer 1 cent." This is simply not the case, never was the case and let me explain why. We are dealing with a history of two separate pieces of legislation when we deal with the creation of a cultural center or a center for the performing arts.

In the second session of the 85th Congress back in 1958, the Congress passed and there was enacted into law, a law known as the National Cultural Center Act (Public Law 85–874). This act provided for a national cultural center which would be located on a site within the Nation's capital. The act also provided for a Board of Trustees whose purpose was to construct said Center with funds raised by voluntary contributions. This Center was to be a bureau of the Smithsonian Institution and was to present various cultural events or programs such as classical and contemporary music, opera, drama, dance, et cetera. This law remained "on the books" for approximately 6 years.

The tragic death of President John F. Kennedy in November of 1963 led to the introduction of legislation to rename the National Cultural Center as the John F. Kennedy Center for the Performing Arts. The Congress in its wisdom when it created the John F. Kennedy Center as the sole living memorial to the late President John F. Kennedy in Washington, D.C., specifically provided for Federal funding to be comingled with voluntary contributions to assist in the development of the Center and that funding appears in the basic law, Public Law 88–260, as section 8, where the law initially authorizes the sum of some $15.5 million as the Federal share for the development of the Center.

This section has since been amended and the total figure that has been authorized for the Federal share has been increased over the years to $43.3 million.

Thus the distinction clearly exists here. The original National Cultural Center Act provided for no Federal funds and voluntary contributions for its construction. The act as amended as a memorial to the late President from the onset has always provided for Federal assistance, along with private contributions to the Center.

This building belongs to the people of the United States and not to any private group or entity. Further, it is appropriate for the Government to pay for the cost of making repairs to the monument in the same manner as the United States pays for the cost of maintaining other monuments to deceased Presidents in the Washington area. Recently, the Congress appropriated expenditures of approximately $2 million for repairs of the foundation of the Jefferson Memorial, $600,000 for repair of the Lincoln Memorial and to date has spent approximately $1.4 million to repoint and repair the Washington Monument, which is leaking. I would like to point out that the Board of Trustees are responsible only for the performing arts aspect of the Kennedy Center's operation. The Board performs its functions without Federal subsidy. How-

ever, as I previously stated, the Kennedy Center is also a monument and must be maintained in the same manner as other memorials.

Mr. Speaker, I urge defeat of the motion to recommit.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken and the Speaker announced that the noes appear to have it.

Mr. GRASSLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 101, nays 213, not voting 118, as follows:

[Roll No. 47]

YEAS—101

Andrews, N. Dak.	Gore	Neal
Armstrong	Grassley	Nichols
Ashbrook	Guyer	O'Brien
AuCoin	Hagedorn	Poage
Bafalis	Hansen	Robinson
Bauman	Harris	Rudd
Beard, Tenn.	Hollenbeck	Runnels
Bennett	Holt	Ruppe
Bevill	Hubbard	Sarasin
Brinkley	Hyde	Satterfield
Broomfield	Ireland	Sawyer
Brown, Mich.	Jacobs	Sebelius
Brown, Ohio	Jeffords	Skelton
Broyhill	Jenkins	Smith, Nebr.
Burke, Fla.	Jones, Okla.	Snyder
Burleson, Tex.	Kelly	Spence
Cavanaugh	Kemp	Stangeland
Clawson, Del	Kindness	Stanton
Collins, Tex.	Kostmayer	Symms
Corcoran	Lagomarsino	Taylor
Cornell	Latta	Thornton
Coughlin	Lent	Treen
Daniel, Dan	Lott	Trible
Daniel, R. W.	Luken	Van Deerlin
Dent	McDonald	Vander Jagt
Dickinson	McHugh	Waggonner
Dornan	Marlenee	Walker
Erlenborn	Marriott	Wampler
Evans, Del.	Martin	Watkins
Fish	Miller, Ohio	Whitehurst
Frey	Montgomery	Wiggins
Gaydos	Moore	Yatron
Gilman	Moorhead, Calif.	Young, Alaska
Glickman	Myers, Ind.	

NAYS—213

Abdnor	Burke, Mass.	Eckhardt
Akaka	Burlison, Mo.	Edgar
Alexander	Butler	Edwards, Calif.
Allen	Caputo	Emery
Ammerman	Carney	English
Anderson, Calif.	Carr	Ertel
Anderson, Ill.	Carter	Evans, Colo.
Annunzio	Cederberg	Fary
Applegate	Chappell	Fascell
Ashley	Chisholm	Fenwick
Aspin	Cochran	Findley
Baldus	Cohen	Fisher
Baucus	Collins, Ill.	Flood
Beard, R.I.	Conable	Flowers
Benjamin	Conyers	Foley
Biaggi	Cornwell	Ford, Tenn.
Blanchard	D'Amours	Forsythe
Blouin	Danielson	Fountain
Boggs	Davis	Gephardt
Bonior	de la Garza	Giaimo
Bonker	Delaney	Gibbons
Brademas	Dellums	Ginn
Breckinridge	Derrick	Gradison
Brodhead	Dingell	Hall
Brooks	Dodd	Hamilton
Brown, Calif.	Downey	Hammer-schmidt
Buchanan	Drinan	Hannaford
Burke, Calif.	Duncan, Oreg.	Harsha
Hawkins	Mattox	Rostenkowski
Heckler	Mazzoli	Roybal
Hefner	Meyner	Russo
Heftel	Mikulski	Ryan
Hightower	Mikva	Santini
Holtzman	Milford	Scheuer
Howard	Mineta	Schroeder
Hughes	Minish	Seiberling
Johnson, Calif.	Mitchell, Md.	Sharp
Johnson, Colo.	Mitchell, N.Y.	Shipley
Jones, N.C.	Moakley	Shuster
Jones, Tenn.	Moffett	Simon
Jordan	Mollohan	Sisk
Kasten	Moss	Skubitz
Kastenmeier	Murphy, Pa.	Slack
Kazen	Murtha	Solarz
Keys	Myers, Gary	Spellman
Kildee	Natcher	Stark
Krebs	Nedzi	Steed
Krueger	Nolan	Steiger
LaFalce	Oberstar	Stratton
Le Fante	Obey	Studds
Leach	Ottinger	Thompson
Lederer	Patten	Tsongas
Lehman	Patterson	Tucker
Levitas	Pattison	Udall
Lloyd, Calif.	Pease	Ullman
Lloyd, Tenn.	Pepper	Vanik
Long, La.	Perkins	Walgren
Long, Md.	Pickle	Walsh
Lundine	Pike	Waxman
McClory	Pressler	Weiss
McCloskey	Preyer	Whitley
McCormack	Rahall	Whitten
McDade	Rangel	Wilson, C. H.
McEwen	Regula	Wilson, Tex.
McKay	Rinaldo	Wirth
McKinney	Risenhoover	Wolff
Mahon	Roberts	Wright
Mann	Roncalio	Young, Mo.
Markey	Rooney	Young, Tex.
Marks	Rose	Zablocki
Mathis	Rosenthal	

NOT VOTING—118

Addabbo	Flynt	Price
Ambro	Ford, Mich.	Pritchard
Andrews, N.C.	Fraser	Pursell
Archer	Frenzel	Quayle
Badham	Fuqua	Quie
Badillo	Gammage	Quillen
Barnard	Goldwater	Railsback
Bedell	Gonzalez	Reuss
Bellenson	Goodling	Rhodes
Bingham	Gudger	Richmond
Boland	Hanley	Rodino
Bolling	Harkin	Roe
Bowen	Harrington	Rogers
Breaux	Hillis	Rousselot
Burgener	Holland	Schulze
Burton, John	Horton	Sikes
Burton, Phillip	Huckaby	Smith, Iowa
Byron	Ichord	St Germain
Clausen, Don H.	Jenrette	Staggers
Clay	Ketchum	Steers
Cleveland	Koch	Stockman
Coleman	Leggett	Stokes
Conte	Lujan	Stump
Corman	McFall	Teague
Cotter	Madigan	Thone
Crane	Maguire	Tonry
Derwinski	Meeds	Traxler
Devine	Metcalfe	Vento
Dicks	Michel	Volkmer
Diggs	Miller, Calif.	Weaver
Early	Moorhead, Pa.	Whalen
Edwards, Ala.	Motti	White
Edwards, Okla.	Murphy, Ill.	Wilson, Bob
Eilberg	Murphy, N.Y.	Winn
Evans, Ga.	Myers, Michael	Wydler
Evans, Ind.	Nix	Wylie
Fithian	Nowak	Yates
Flippo	Oakar	Young, Fla.
Florio	Panetta	Zeferetti
	Pettis	

The Clerk announced the following pairs:

Mr. Teague with Mr. Ambro.
Mr. Addabbo with Mr. Fraser.
Mr. Boland with Mr. Andrews of North Carolina.
Mr. Fuqua with Mr. Barnard.
Mr. Rogers with Mr. Bedell.
Mr. McFall with Mr. Ford of Michigan.
Mr. Murphy of New York with Mr. Reuss.
Mr. Nix with Mr. Bingham.
Ms. Oakar with Mr. Richmond.
Mr. Breaux with Mr. Badham.
Mr. Bellenson with Mr. Miller of California.
Mr. Phillip Burton with Mr. Conte.
Mr. Koch with Mr. Archer.
Mr. Stokes with Mr. Badillo.
Mr. John L. Burton with Mr. Diggs.
Mr. Cotter with Mr. Burgener.
Mr. Corman with Mr. Railsback.
Mr. Dicks with Mr. Crane.
Mr. Florio with Mr. Derwinski.
Mr. Flippo with Mr. Sikes.
Mr. Moorhead of Pennsylvania with Mr. Coleman.
Mr. Meeds with Mr. Quillen.
Mr. Staggers with Mr. Cleveland.
Mr. Rodino with Mr. Metcalfe.
Mr. Roe with Mr. Lujan.
Mr. St Germain with Mr. Madigan.
Mr. Volkmer with Mr. Devine.
Mr. Yates with Mr. Don H. Clausen.
Mr. Zeferetti with Mr. Jenrette.
Mr. Panetta with Mr. Leggett.
Mr. Hanley with Mr. Michel.
Mr. Harrington with Mr. Mottl.
Mr. Byron with Mr. Edwards of Alabama.
Mr. Eilberg with Mr. Clay.
Mr. Flynt with Mr. Nowak.
Mr. Price with Mr. Bowen.
Mr. Early with Mr. Fithian.
Mr. Edwards of Oklahoma with Mr. Frenzel.
Mr. Gammage with Mr. Quie.
Mr. Gonzalez with Mr. Quayle.
Mr. Traxler with Mr. Vento.
Mr. Harkin with Mr. Rousselot.
Mr. Hillis with Mr. Schulze.
Mr. Pursell with Mr. Pritchard.
Mr. Holland with Mr. Horton.
Mr. Ichord with Mr. Steers.
Mr. Weaver with Mr. Wydler.
Mr. Huckaby with Mr. Thone.
Mr. Maguire with Mr. Whalen.
Mr. Michael O. Myers with Mr. White.
Mr. Gudger with Mr. Goodling.
Mr. Murphy of Illinois with Mr. Wylie.
Mr. Smith of Iowa with Mr. Winn.
Mr. Tenry with Mr. Bob Wilson.
Mr. Stump with Mr. Stockman.
Mr. Evans of Georgia with Mr. Young of Florida.
Mr. Evans of Indiana with Mr. Goldwater.

Messrs. RANGEL and MATHIS changed their vote from "yea" to "nay."

Mr. IRELAND changed his vote from "nay" to "yea."

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 239, nays 78, not voting 115, as follows:

[Roll No. 48]

YEAS—239

Akaka	Brown, Calif.	Dent
Alexander	Broyhill	Derrick
Allen	Buchanan	Dingell
Ammerman	Burke, Calif.	Dodd
Anderson, Calif.	Burke, Fla.	Downey
	Burke, Mass.	Drinan
Anderson, Ill.	Burlison, Mo.	Duncan, Oreg.
Annunzio	Butler	Duncan, Tenn.
Applegate	Caputo	Eckhardt
Ashley	Carney	Edgar
Aspin	Carr	Edwards, Calif.
Baldus	Carter	Emery
Baucus	Cavanaugh	English
Beard, Tenn.	Cederberg	Erlenborn
Benjamin	Chappell	Ertel
Biaggi	Cochran	Evans, Colo.
Blanchard	Cohen	Evans, Del.
Blouin	Collins, Ill.	Fary
Boggs	Conyers	Fascell
Bonior	Cornell	Fenwick
Bonker	Cornwell	Findley
Brademas	Danielson	Fish
Brinkley	Davis	Fisher
Brodhead	de la Garza	Flood
Brooks	Delaney	Flowers
Broomfield	Dellums	Foley

Ford, Tenn.	McHugh	Roncalio
Forsythe	McKay	Rooney
Fountain	McKinney	Rose
Gephardt	Mahon	Rosenthal
Giaimo	Mann	Rostenkowski
Gibbons	Markey	Roybal
Ginn	Marks	Ruppe
Glickman	Martin	Russo
Gradison	Mathis	Ryan
Gudger	Mattox	Scheuer
Hamilton	Mazzoli	Schroeder
Hannaford	Meyner	Sebelius
Harsha	Mikulski	Seiberling
Hawkins	Mikva	Sharp
Heckler	Milford	Shipley
Hefner	Mineta	Shuster
Heftel	Minish	Simon
Hightower	Mitchell, Md.	Sisk
Hollenbeck	Mitchell, N.Y.	Skubitz
Holtzman	Moakley	Slack
Howard	Moffett	Smith, Nebr.
Hughes	Mollohan	Solarz
Jacobs	Moore	Spellman
Jeffords	Moorhead, Pa.	Stanton
Jenkins	Moss	Stark
Johnson, Calif.	Murphy, Ill.	Steed
Johnson, Colo.	Murphy, Pa.	Stratton
Jones, N.C.	Murtha	Studds
Jones, Okla.	Myers, Gary	Thompson
Jordan	Natcher	Thornton
Kasten	Neal	Treen
Kastenmeier	Nedzi	Tsongas
Kazen	Nichols	Tucker
Kemp	Nolan	Udall
Keys	Oberstar	Ullman
Kildee	Obey	Van Deerlin
Kostmayer	Ottinger	Vanik
Krebs	Patten	Walgren
Krueger	Patterson	Walsh
LaFalce	Pattison	Waxman
Le Fante	Pease	Weiss
Leach	Pepper	Whitehurst
Lederer	Perkins	Whitley
Lehman	Pickle	Whitten
Levitas	Pike	Wiggins
Lloyd, Calif.	Preyer	Wilson, C. H.
Lloyd, Tenn.	Price	Wilson, Tex.
Long, La.	Quie	Wolff
Long, Md.	Rahall	Wright
Lundine	Rangel	Yatron
McClory	Rinaldo	Young, Alaska
McCloskey	Risenhoover	Young, Mo.
McCormack	Roberts	Young, Tex.
McDade	Rodino	Zablocki

NAYS—78

Abdnor	Gilman	Moorhead, Calif.
Andrews, N. Dak.	Gore	Myers, Ind.
Armstrong	Grassley	O'Brien
Ashbrook	Guyer	Poage
AuCoin	Hagedorn	Pressler
Bafalis	Hall	Regula
Bauman	Hammer-schmidt	Robinson
Beard, R.I.	Hansen	Rudd
Bennett	Harris	Runnels
Bevill	Holt	Santini
Breckinridge	Hubbard	Sarasin
Brown, Mich.	Hyde	Satterfield
Brown, Ohio	Ireland	Sawyer
Burleson, Tex.	Jones, Tenn.	Skelton
Clawson, Del	Kelly	Snyder
Collins, Tex.	Kindness	Spence
Conable	Lagomarsino	Stangeland
Corcoran	Latta	Steiger
Coughlin	Lent	Symms
D'Amours	Lott	Taylor
Daniel, Dan	Luken	Trible
Daniel, R. W.	McDonald	Vander Jagt
Dickinson	Marlenee	Waggonner
Dornan	Marriott	Walker
Frey	Miller, Ohio	Wampler
Gaydos	Montgomery	Watkins

NOT VOTING—115

Addabbo	Clausen, Don H.	Fithian
Ambro	Clay	Flippo
Andrews, N.C.	Cleveland	Florio
Archer	Coleman	Flynt
Badham	Conte	Ford, Mich.
Badillo	Corman	Fraser
Barnard	Cotter	Frenzel
Bedell	Crane	Fuqua
Beilenson	Derwinski	Gammage
Bingham	Devine	Goldwater
Boland	Dicks	Gonzalez
Bolling	Diggs	Goodling
Bowen	Early	Hanley
Breaux	Edwards, Ala.	Harkin
Burgener	Edwards, Okla.	Harrington
Burton, John	Eilberg	Hillis
Burton, Phillip	Evans, Ga.	Holland
Byron	Evans, Ind.	Horton
Chisholm	Ichord	Huckaby
	Jenrette	Panetta
	Ketchum	Pettis
	Koch	Pritchard
	Leggett	Pursell
	Lujan	Quayle
	McEwen	Quillen
	McFall	Railsback
	Madigan	Reuss
	Maguire	Rhodes
	Meeds	Richmond
	Metcalfe	Roe
	Michel	Rogers
	Miller, Calif.	Rousselot
	Mottl	Schulze
	Murphy, N.Y.	Sikes
	Myers, Michael	Smith, Iowa
	Nix	St Germain
	Nowak	Staggers
	Oakar	Steers
		Stockman
		Stokes
		Stump
		Teague
		Thone
		Tonry
		Traxler
		Vento
		Volkmer
		Weaver
		Whalen
		White
		Wilson, Bob
		Winn
		Wirth
		Wydler
		Wylie
		Yates
		Young, Fla.
		Zeferetti

The Clerk announced the following pairs:

On this vote:

Mr. Addabbo for, with Mr. Volkmer against.
Mr. Panetta for, with Mr. Teague against.
Mr. Nix for, with Mr. Florio against.
Mr. Horton for, with Mr. Ichord against.
Mr. Steers for, with Mr. Jenrette against.
Mr. Whalen for, with Mr. Sikes against.
Mr. Murphy of New York for, with Mr. Archer against.
Mr. Koch for, with Mr. Rousselot against.
Mr. Eilberg for, with Mr. Devine against.
Mr. Dicks for, with Mr. Wylie against.
Mr. Badillo for, with Mr. Michel against.
Mr. Bingham for, with Mr. Quillen against.
Mr. Boland for, with Mr. Lujan against.
Mr. Cotter for, with Mr. Ketchum against.
Mr. Frenzel for, with Mr. Breaux against.
Mr. Conte for, with Mr. Young of Florida against.
Mrs. Chisholm for, with Mr. Crane against.
Mr. Diggs for, with Mr. Goodling against.
Mr. Early for, with Mr. Schulze against.
Mr. Zeferetti, for, with Mr. Winn against.
Mr. Staggers for, with Mr. Wydler against.
Mr. St Germain for, with Mr. Thone against.
Mr. Harrington for, with Mr. Goldwater against.
Mr. Hanley for, with Mr. Burgener against.

Until further notice:

Mr. Ambro with Mr. Andrews of North Carolina.
Mr. Ford of Michigan with Mr. Bedell.
Mr. Pritchard with Mr. Beilenson.
Mr. Pursell with Mr. Hillis.
Mr. Bowen with Mr. Badham.
Mr. Barnard with Mr. Gammage.
Mr. Flynt with Mr. Traxler.
Mr. Vento with Mr. Fithian.
Mr. Phillip Burton with Mr. Edwards of Alabama.
Mr. John L. Burton with Mr. Maguire.
Mr. McFall with Mr. McEwen.
Mr. Flippo with Mr. Cleveland.
Mr. Don H. Clausen with Mr. Clay.
Mr. Rogers with Mr. Stump.
Mr. Richmond with Mr. Tonry.
Mr. Wirth with Mr. Michael O. Myers.
Mr. Byron with Mr. Coleman.
Mr. Corman with Mr. Derwinski.
Mr. Evans of Indiana with Mr. Metcalfe.
Mr. Leggett with Mr. Huckaby.
Mr. Holland with Mr. Bob Wilson.
Mr. Yates with Mr. Fraser.
Mr. Fuqua with Mr. Evans of Georgia.
Mr. Meeds with Mr. Edwards of Oklahoma.
Mr. Gonzalez with Mr. Mottl.
Mr. Miller of California with Mr. White.
Mr. Harkin with Mr. Stockman.
Mr. Nowak with Mr. Railsback.
Ms. Oakar with Mr. Quayle.
Mr. Reuss with Mr. Stokes.
Mr. Roe with Mr. Smith of Iowa.
Mr. Weaver with Mr. Madigan.

Mr. JENKINS changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. MINETA. Mr. Speaker, pursuant to the provisions of House Resolution 359, I call up from the Speaker's table the Senate bill (S. 521) to amend the John F. Kennedy Center Act to authorize funds for the repair of leaks, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. MINETA

Mr. MINETA. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MINETA moves to strike out all after the enacting clause of the Senate bill S. 521, and to insert in lieu thereof the provisions of H.R. 2846, as passed, as follows:

That section 8 of the John F. Kennedy Center Act (Public Law 85-874, as amended) is amended by adding the following new subsection:

"(c) There are authorized to be appropriated to the Board not to exceed $4,700,000 for repair, renovation, and reconstruction of the John F. Kennedy Center for the Performing Arts necessary to correct water leaks in the roof, the terraces, the kitchen, and the East Plaza Drive and to correct any damage which has resulted from those leaks. No part of the funds authorized by this subsection shall be expended under any cost-plus-a-percentage-of-cost, cost-plus-a-fixed-fee, or similar incentive-type contract. Funds authorized by this subsection shall be expended under a contract only after advertising and competitive bidding for the property or services to be provided by such contract.".

SEC. 2. Section 5 of the John F. Kennedy Center Act is amended by adding at the end thereof the following new subsection:

"(d) The Board shall appoint a comptroller as disbursing officer for all funds appropriated pursuant to subsection (c) of section 8. The comptroller shall serve until all such appropriated funds are utilized. Until all such appropriated funds are utilized, the comptroller may not be removed except for malfeasance in office or upon conviction of any felony or of conduct involving moral turpitude, and for no other cause. Notwithstanding any other provision of this Act, all claims and demands whatsoever by the Board or against it and all accounts whatever in which the Board is concerned either as a debtor or a creditor and which relate to such appropriated funds, shall be settled and adjusted by the comptroller. The comptroller shall audit from time to time, but at least once each year and after all such appropriated funds shall have been utilized, the books, documents, papers, and records of the Board as they pertain to such appropriated funds and shall report to Congress and the Board the results of such audit. The comptroller shall prescribe such regulations as may be necessary to carry out his functions under this subsection. The Board may prescribe such other functions as it may deem appropriate for the comptroller.".

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 2846) was laid on the table.

APPOINTMENT OF CONFEREES ON S. 521, JOHN F. KENNEDY CENTER ACT AMENDMENTS

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent to

take from the Speaker's table the Senate bill (S. 521) to amend the John F. Kennedy Center Act to authorize funds for the repair of leaks, with a House amendment thereto, insist on the House amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ANDERSON of Illinois. Mr. Speaker, reserving the right to object, could I ask the distinguished gentleman from California (Mr. JOHNSON) to tell us a little bit more about the bill? He has given us the number. To what does the legislation relate?

Mr. JOHNSON of California. Mr. Speaker, if the gentleman will yield, this is with respect to the Kennedy Center, the bill just substituted for the House bill, S. 521.

Mr. ANDERSON of Illinois. I understand, Mr. Speaker.

I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California? The Chair hears none, and appoints the following conferees: The gentleman from California (Mr. JOHNSON), the gentleman from California (Mr. MINETA), the gentleman from Wyoming (Mr. RONCALIO), the gentleman from Georgia (Mr. GINN), the gentleman from Ohio (Mr. APPLEGATE), the gentleman from Ohio (Mr. HARSHA), and the gentleman from New York (Mr. WALSH).

GENERAL LEAVE

Mr. MINETA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. ANDERSON of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of Illinois. Mr. Speaker, I have asked for this time to inquire of the distinguished majority leader if he has an announcement to make relative to the legislative program for the week of March 7, 1977.

Mr. WRIGHT. Mr. Speaker, if the gentleman will yield, in response to the gentleman's question, the House would meet at noon on Monday. There are no District bills or suspensions planned, but we would consider House Resolution 111, reestablishing a Committee on Professional Sports.

Mr. ANDERSON of Illinois. At that point, Mr. Speaker, the gentleman made reference to the fact that there are no District bills. I believe that under the rules, the second and fourth Mondays are District days and that Monday would normally be the day for the Consent Calendar. Is it my understanding that there are likewise no bills ready for the Consent Calendar on Monday?

Mr. WRIGHT. The gentleman is correct. There are none ready at this time for the Consent Calendar.

Mr. ANDERSON of Illinois. I thank the gentleman.

Mr. WRIGHT. Mr. Speaker, if the gentleman would yield further, on Tuesday, the House would meet at noon. There are no suspension bills presently planned, but it is planned that the House would consider on Tuesday the rule and the bill H.R. 3477, the Tax Reduction and Simplification Act of 1977, which is a major piece of legislation, with 3 hours of general debate under a modified open rule.

On Wednesday, the House would meet at 3 p.m. First, we would consider a resolution which we expect from the Committee on Rules to establish a Select Committee on Ethics, and thereafter would consider approximately 15 funding resolutions.

Mr. Speaker, the series of funding resolutions I referred to follows:

House Resolution 248, Education and Labor.

House Resolution 279, Pension Task Force.

House Resolution 221, Ways and Means.

House Resolution 275, Public Works and Transportation.

House Resolution 256, Post Office and Civil Service.

House Resolution 297, Science and Technology.

House Resolution 321, Merchant Marine and Fisheries.

House Resolution 132, Veterans Affairs.

House Resolution 313, International Relations.

House Resolution 319, Fraser Special.

House Resolution 357, Judiciary.

House Resolution 233, Standards of Official Conduct.

House Resolution 269, Narcotics.

House Resolution 329, District.

House Resolution 361, House Administration.

On Thursday the House would meet at 11 a.m. Two bills are presently planned or scheduled on Thursday, H.R. 3843, Supplemental Housing Authorization Act of 1977, subject to a rule being granted; and H.R. 1746, To Halt the Importation of Rhodesian Chrome, also subject to a rule being granted.

On Friday the House would meet at 11 a.m., and it is expected at this time that there will be a Friday session, at which time we would consider an appropriations bill, the Economic Stimulus Appropriations Act for 1977, subject to the granting of a rule.

Mr. Speaker, the House will adjourn by 3 p.m. on Friday and by 5:30 p.m. on all other days except Wednesday, on which day, of course, we would expect to continue until we have finished the business at hand.

Any other program would be announced later; and of course, conference reports may be brought up at any time.

Mr. ANDERSON of Illinois. Mr. Speaker, I thank the gentleman from Texas.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule on Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT TO MONDAY, MARCH 7, 1977

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO FILE REPORT ON H.R. 3843, SUPPLEMENTAL HOUSING AUTHORIZATION ACT OF 1977

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent that the Committee on Banking, Finance and Urban Affairs may have until midnight tonight to file a report on the bill (H.R. 3843) the Supplemental Housing Authorization Act of 1977.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

SEARS GETS INTO THE DENTAL BUSINESS

(Mr. DANIELSON asked and was give permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, I want to call the attention of the House to a new development in health care delivery. In my district, in El Monte, Calif., last Friday, February 25, Sears Roebuck & Co. opened a 3,600-square-foot dental clinic to serve the people of the community.

Mr. Speaker, I am not here either to advocate or protest about it, but this is a radical departure from our traditional concept of health care delivery and I am most interested in seeing how it works out. They have stated that if it is successful they will open dental clinics throughout the land. That might be the end of the tooth ache, or, who knows, the beginning of a headache.

I include the following:

[From the Los Angeles Times, Feb. 14, 1977]

SEARS GETS INTO THE DENTAL BUSINESS: CLINIC IN EL MONTE STORE SET FOR FORMAL OPENING

(By Robert Fairbanks)

SACRAMENTO.—Sears Roebuck and Co., which describes itself as the world's biggest retailer, is experimenting with a new product: dental care.

Officials of the firm said that a 3,600-square-foot dental clinic will open formally Friday at the Sears store on Peck Ave. in El Monte.

However, J. R. Copitzky, concession manager for Sears Pacific Coast region, said the clinic has been open informally since last Friday and "seems to be going very well."

In a telephone interview, Copitzky said that if the El Monte clinic is successful others like it will be opened at other Sears stores. (There are 72 stores in the state.)

But for the moment, he said, there is nothing like it elsewhere in California or the nation.

The Sears experiment could have a major impact upon the dental-care business and already is generating interest among state officials here.

David Hamrock, executive secretary to the state Board of Dental Examiners, said he plans to look closely at the clinic to determine if any state laws limiting lay control of a dental practice are being violated.

"If it's legal, it's legal. That's all there is to it," he said.

Sears does not operate the clinic itself. It leases the space to National Health Care Systems of Irvine, a marketing organization for prepaid dental plans.

Dan Maruna, chairman of the board of the National firm, said his company in turn subleases the space to the dentist who manages the clinic and who has agreed to observe a variety of rules, such as keeping the clinic open during all shopping hours.

According to Maruna, the cost of joining the prepaid plan at the El Monte store (it is called "Denticare") is $30 annually for an individual and $80 for a family, regardless of size.

The enrollment fee, he said, covers all visits, examinations, X-rays and teeth cleanings. He said fees for additional treatments generally run about 25% under those charged by other dentists in the area.

Copitzky said that Sears' decision to enter the dental business was the result of a "natural progression" that began with earlier decisions to sell optometric services and hearing aids.

Will Sears open medical clinics next?

Copitzky said the move has not been considered but "I don't rule out anything."

SERIOUS PROBLEMS IN OUR SOCIAL SECURITY SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 5 minutes.

Mr. CONABLE. Mr. Speaker, the Supreme Court's landmark ruling earlier this week on widowers' benefits underlines some serious problems we face with respect to social security.

The ruling struck down the requirement that a widower must prove past dependency upon his deceased wife in order to be eligible for survivor's benefits based on her earnings record. The law already provides that a widow need not prove dependency to collect benefits based on her late husband's earnings record.

The social security system includes numerous provisions in which men and women are treated differently. The latest decision demonstrates clearly that if the legislative branch of Government does not act in these areas, the judicial branch will.

The decision also dramatizes the importance of time to congressional deliberations on social security. The sex discrimination provisions need to be addressed by this body. But as high as they rank on a priority list, financial problems rank even higher.

The two major trust funds used to pay social security benefits are deteriorating rapidly. The disability insurance fund will be exhausted in 2 years, the old age and survivors fund about 5 years later. It is imperative that action be taken as soon as possible in order to pump more money into these funds, sufficiently in advance of exhaustion points to avoid a crisis and reassure the some 30 million beneficiaries who are counting on benefits being paid on schedule.

We also need to get the financial crisis out of the way so that we can address ourselves in a deliberate way to the other social security issues, such as sex discrimination, which so urgently demand our attention.

The Committee on Ways and Means and its Subcommittee on Social Security are now in a static posture on these matters, however. They are awaiting recommendations from the new administration.

But the legislative branch simply cannot stay in this holding pattern indefinitely. Just as the judicial branch will act if the Congress does not, so the Congress must act if the executive branch does not.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. SARASIN) is recognized for 5 minutes.

Mr. SARASIN. Mr. Speaker, on March 3, 1977, I was unavoidably detained from the House for part of the legislative afternoon. Had I been present, I would have voted in the following fashion: Rollcall No. 41: House Joint Resolution 269, "yea."

EXPANSION OF FACILITIES AT PORT EVERGLADES HARBOR, FLA.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BURKE) is recognized for 15 minutes.

Mr. BURKE of California. Mr. Speaker, today I am introducing a bill which, if enacted, will authorize $20,500,000 for navigation improvements on Port Evergladges Harbor, Fla.

On May 9, 1974, the project for navigation improvements on Port Everglades Harbor, Fla., was approved under section 201 by the Committee on Public Works in the House of Representatives. It was similarly approved by the Committee on Public Works of the Senate on May 31, 1974. Since that time, however, the harbor project costs have exceeded the limits of the section 201 authority. These cost increases were due primarily to price escalations and responses to environmenta' and social concerns. In order to proceed toward completion, it is now necessary to ask the Congress to authorize additional funds. It is for this reason that I now introduce this legislation.

Mr. Speaker, there are a number of reasons why it is important to expand the facilities at Port Everglades Harbor, Fla. In the first place, Port Everglades is located in Broward County in south Florida. Broward County has been the fastest growing county in the United States over the past 25 years. From a population of 83,933 in 1950, it has grown to a population of 887,500 in 1975. In 1976 the population continued to grow even more. This phenomenal growth—a growth which has resulted from the influx of new residents from other States who inmigrated to Florida and this increase continues today with an estimated average increase in population in the county of 1,000 weekly.

This tremendous growth in population means that Broward County has gained a greater significance in the south Florida region in terms of population concentration. Dade County has traditionally served as the center of population in south Florida. However, although Dade continues to grow, the more significant population increases have occurred to the north in Broward and Palm Beach Counties.

Mr. Speaker, I call attention to the fact that Port Everglades is the third largest port in Florida and one of the largest in the country. The Army Corps of Engineers calls it the prime point of entry for petroleum products in the nine-county area of southeast Florida. As the demands for fossil fuels have increased during the past few years, the demands on the facilities there have become greater. This trend is expected to continue.

In addition to petroleum products, Port Everglades is responsible for large shipments of construction materials for new homes, automobiles, foodstuffs, and consumer goods of all descriptions. These products are distributed throughout the ever-increasing population of south Florida and are shipped to various places in the country through a well-developed transportation network which includes a major international airport and a major highway and interstate highway system.

It is projected that this traffic through Port Everglades will greatly develop as a result of the recent establishment of a foreign trade zone at the port late last year. Because of its geographical location, its industrial park environment, and its public management capability, Port Everglades is a natural site for such a foreign trade zone. As the trade develops through this port and as the service to the international business community grows, Port Everglades will become of even greater commercial importance than it presently is.

Tourism is a major industry in Florida, and the Gold Coast from Palm Beach to Miami in Broward County, Fla., is one

of the chief centers of tourism. Cruise ships put in and out of Port Everglades—every day. In fact, Port Everglades is one of only five principal cruise ports in the United States. It is the only port-of-call on the eastern seaboard for in-transit ships sailing to and from Europe and around the world. It is also one of the leading ports for winter cruises to the Bahamas, the Caribbean, the West Indies, and Central and South America. Privately owned pleasure craft seeking an outlet to or an inlet from the Atlantic Ocean increasingly use the harbor. Many international travelers come to Florida each year via Port Everglades and the suggested harbor improvements might encourage even more international tourists to visit south Florida.

Mr. Speaker, I know that you and many of my colleagues in the U.S. House of Representatives have been to south Florida. I sincerely request you give favorable consideration to this legislation. The expansion of the facilities at Port Everglades Harbor is a project which is essential to all Floridians and to our country. I urge you to give your support to this legislation so that the much-needed work on this project previously authorized can proceed.

GHANAIAN INDEPENDENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, on March 6, 1977, the nation of Ghana will celebrate the 20th anniversary of its independence. Just as the United States last year celebrated the accomplishments of its first 200 years, now the people of Ghana celebrate the successes and progress they have achieved in only 20 years.

Ghanaian independence anniversaries will always hold a very special significance for me, in my memories of my own long involvement in African-American affairs. For it was in 1957, at the glorious independence celebration in Ghana, that I made my first trip to the continent. That event, and my presence there, has long been an inspiration to me in my efforts in the United States to assist in whatever way possible the cause of total African liberation.

Ghana's independence marked a watershed in the struggle for liberation in Africa, under the brilliant leadership of the late President Nkrumah, a great patriot of Africa and of the entire black world, Ghana took its place at the forefront of the world black and African liberation struggle. And Ghana has since remained a significant factor in promoting African freedom in the remaining portions of the continent that are still under the yoke of alien domination.

For African-Americans, Ghana's independence holds special meaning in our struggle to revive, maintain, and expand consciousness of our own heritage that is rooted in West Africa, and in the old Gold Coast that is now the proud Nation of Ghana. For all Americans, the recent publication and television production of Alex Haley's monumental "Roots" brought home the realization of social, cultural, and historical riches in that area that existed long before our own Nation was born.

Mr. Speaker, it is with great personal pleasure and respect that I salute the Government and the people of Ghana on the most joyous celebration of its 20th anniversary of freedom, and commend to my colleagues in the Congress the great Nation of Ghana.

CONGRESS NEW ETHICS REFRAIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PIKE) is recognized for 5 minutes.

Mr. PIKE. Mr. Speaker, while browsing through the medieval literature section of the Library of Congress last night, as is my wont, I stumbled across an ancient madrigal, written by a minstrel yclept Publius Ethicus in honor of the convening of the Third Congress of Charlemagne in the year A.D. 811.

While the surviving program notes are only fragmentary, it appears to consist of two cantos, one refrain, and one chorus. It was apparently scored to be sung by a choir of 535 voices, largely male, but with a large number of the male singers in the upper registers. Male choirs of Medieval times consisted of large numbers of young boys or castrati.

The melody has been lost during the centuries which have intervened. All we know is that it was, at the time, familiar to knights, damsels, serfs, and vassals by the name: "I've Been Toiling on the Toll Road."

1ST CANTO

I've been working in the Congress
Most of every day.
I've been working in the Congress
Finding ways to raise my pay.
Have to raise it without voting
It would never pass
Anyone who voted for it
Would be out on his own.

CHORUS

We are all so pure, we are all so pure
We are all so ethical and pure, pure, pure.
We are all so pure, we are all so pure
As long as we don't work we will be pure.

REFRAIN

Now we're all so pure and clean and honest
Now we're all as white as driven snow
We'll cast the evil ones among us from here
If they work, they go!

2ND CANTO

Let us cover pay with ethics
We can vote for that
Specially when our lofty ethics
Contain sufficient fat.

With an ethical ghost writer
We will write a book
All our wealthy friends will buy some,
It's "royalties" we took.

(Repeat Chorus and Refrain)

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. BEARD) is recognized for 5 minutes.

Mr. BEARD of Rhode Island. Mr. Speaker, in Dallas, Tex., on Monday, March 7, 1977, more than 10,000 members of the American Personnel and Guidance Association will be meeting in national convention. As a member of the House Select Committee on Aging, I shall chair a hearing at that convention of the Subcommittee on Long-Term Care, a hearing that will provide a rare opportunity for the committee to gain valuable insight into the problems of guidance and counseling for the elderly, the sick, and the disabled.

Because of my chairmanship of that hearing in Dallas, Mr. Speaker, I shall not be able to be present in Washington on Monday, March 7.

THE NUCLEAR ANTIPROLIFERATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 10 minutes.

Mr. BINGHAM. Mr. Speaker, due to a typographical error, the analysis and title of legislation I introduced yesterday was not fully presented. Thus I am submitting for the RECORD the full title and analysis of the the Nuclear Antiproliferation Act:

H.R. 4409. A bill to provide for more efficient and effective control over the proliferation of nuclear explosive capability (by Mr. BINGHAM (for himself and Mr. ZABLOCKI), Mr. FINDLEY, Mr. FRASER, Mr. LONG of Maryland, Mr. OTTINGER, Mr. UDALL, Mr. WHALEN, and Mr. HAMILTON).

ANALYSIS OF THE NUCLEAR ANTIPROLIFERATION ACT

Summary

The proposed legislation strengthens U.S. efforts to control the proliferation of nuclear explosive capability. It achieves this purpose by pursuing three general objectives. Outlined in greater detail below, these objectives include:

(1) *Specification of international initiatives for cooperation on antiproliferation efforts*, including: increased commitment and and funding for the International Atomic Energy Agency (IAEA); more comprehensive application of IAEA safeguards, inspections and nuclear facility physical security standards; establishment of an ERDA/NRC safeguards training program for consumer nations; initiation of an Administration study on the feasibility of establishing international nuclear fuel centers for uranium enrichment and spent fuel storage;

(2) *Establishment of effective and consistent criteria for the issuance of licenses for all U.S. nuclear exports*—criteria which must be met by consumer nations' domestic nuclear programs within eighteen months of enactment; provision for the President to suspend the application of the second phase of these criteria on a country-specific basis by Executive Order—which Order shall be subject to Congressional veto during a sixty day period;

(3) *Addition of antiproliferation responsibilities within the Executive Branch* to facilitate increased scrutiny of the impact of our nuclear exports upon proliferation by the

State Department and the Director of the Arms Control and Disarmament Agency (ACDA); to require that the Nuclear Regulatory Commission (NRC) license all nuclear-related components and approve all secondary transfers of U.S.-exported nuclear materials and equipment; to establish more explicit procedures to be followed in the negotiation of Agreements for Cooperation;

Section-by-section analysis

(2) *Statement of Policy:* U.S. pledges to pursue international agreement on antiproliferation policies, guarantees to all nuclear consumer nations which adhere to our antiproliferation export policies an adequate supply of nuclear fuel, and urges ratification of NPT by all nonsignatory nations.

(3) *Statement of Purpose:* To promote policies set forth in Section 2 designed to curb proliferation, the Act establishes a framework for international cooperation on proliferation control. It specifies licensing criteria for all U.S. nuclear exports and provides for public participation in Executive agency antiproliferation decision-making proceedings where appropriate. It proposes what might be considered an "agenda" for the London conference of Nuclear Supplier Nations which shall include promulgation of procedures or sanctions to be applied to any nation which violates its antiproliferation obligations.

TITLE I

(101) *International Initiatives:* The legislation amends the Atomic Energy Act to place the U.S. squarely on record as assuring an adequate supply of nuclear fuel for cooperating nations' nuclear programs. It states that the U.S. shall institute and pursue binding international agreements to prohibit export of nuclear materials to all non-nuclear-weapon states which refuse to take a no explosion pledge and forego development of enrichment and reprocessing capabilities. It calls for internationalization of nuclear fuel enrichment and waste storage facilities while pledging to support antiproliferation policies at least as stringent as those adopted collectively by fellow supplier nations.

(102) *Authorization:* Authorizes $2 million to help assure that safeguards monitoring and nuclear site inspections called for in Section 101 will be adequately staffed by the IAEA.

(103) *Fuel Center Study:* Requires the President to report within one year to the Congress on the feasibility of establishing international facilities for uranium enrichment and spent fuel storage.

(104) *Executive Reports:* Requires annual reports by the Administration including requirements that ERDA and NRC assess and report annually on the potential impact of advanced nuclear technologies (e.g., laser enrichment, breeder reactors, spiked plutonium reprocessing) upon nuclear proliferation.

(105) *Safeguard Training Program:* Directs ERDA and NRC to offer a physical security and national safeguards responsibilities training program to all consumer nations.

(106) *Procedures for Referral of Agreement for Corporation:* Guarantees that the complete record of proposed (non-military) Agreements goes to the Congress. The President would be permitted to withdraw a proposed Agreement before Congress adopts a Concurrent Resolution of disapproval.

(107) *Subsequent Arrangements:* Requires ERDA to get State Department concurrence, ACDA and NRC review of arrangements subsequent to an Agreement (such as a reactor sale.)

TITLE II

(201) *Retransfer Authority:* Requires NRC licensing of all private-to-private transfers of nuclear materials imported from U.S., excluding small amounts of material such as laboratory samples.

(202) *Government-to-Government Transfers:* Same as above, but applies to government transfers.

(203) *Foreign Production of Special Nuclear Material (SNM):* Requires ERDA to consult with State Department, ACDA and NRC before allowing persons to aid foreign production of SNM such as plutonium.

(204) *Clarification of Export Functions:* Reasserts State Department's lead role in negotiating Agreements and facilitates thorough review of proposed Agreements by ACDA.

(205) *Export Licensing Criteria:* Establishes NRC procedures for licensing all exports of nuclear materials and equipment and amends the Atomic Energy Act with two phases of criteria which must be met before export licenses may be issued by the NRC. *Phase I criteria become effective immediately upon enactment and will apply to the specific export and any byproducts.* Phase I criteria are as follows:

(1) IAEA safeguards will be applied.

(2) No explosion pledge.

(3) Physical security will be maintained at nuclear facility.

(4) No retransfer without U.S. approval and same criteria.

(5) No reprocessing of imported materials or byproducts.

(6) Same conditions will apply to replicated facilities.

(7) Importing nations must allow IAEA to report to U.S. on status of all inventories of enriched and spent fuel presently subject to IAEA safeguards.

These criteria will be superseded eighteen months after enactment by *Phase II criteria, which will apply to the importing nation's entire nuclear program:*

(1) IAEA safeguards for non-nuclear weapons states (NNWS).

(2) No explosion pledge NNWS.

(3) Adequate physical security.

(4) No retransfer without U.S. approval and same criteria.

(5) NNWS will forego the development of reprocessing plants and national enrichment plants. Existing reprocessing facilities in NNWS will cease operation and be placed under international auspices and inspection. National enrichment facilities will be transferred to international auspices and inspection and, when such management becomes available, international control and operation. Further, NNWS will return spent fuel rods to supplier nations upon request or to an international storage facility. Further, NNWS will not allow any of their spent fuel to be reprocessed in a NNWS.

(6) Supplier nations will receive the results of IAEA inspections.

Suspension of Criteria: It is further provided that the President may suspend application of individual Phase II criteria on a country-specific basis by Executive Order—which Order may be vetoed within sixty days by a Concurrent Resolution of Congress. The President must report to the Congress annually on the status of any outstanding suspensions of Phase II criteria.

(206) *Export Licensing of Components:* Anything of potential significance for an importing nation's development of nuclear explosive capability must be licensed by the NRC. (i.e. computers for uranium enrichment facilities, glove-boxes for reprocessing).

TITLE III

(301) *Definitions:* Straightforward. Note that "nuclear fuel service" does *not* include reprocessing. Further, "nuclear weapons state"—as defined by the Non-Proliferation Treaty—does *not* include India.

REGIONAL PRESIDENTIAL PRIMARY ACT OF 1977

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, the American people have recently emerged from the grueling process of electing a President and Vice President, and more than half of that time—6 months during the 1976 campaign—was spent on selecting the party's candidate for the general election. The Presidential primary process began in New Hampshire, in February, and continued until the final contest was decided in July. The public was exposed to a constant barrage of information, speculation, and evaluation on and about the Presidential nominating process, put forth by the media and the candidates alike. What resulted was a long, drawn out, and often confusing process.

For too long, the manner in which we make the second most important decision in American politics—the choice of a person who will be a party's candidate for President—escaped reform. The number of Presidential preference primaries has reached a new high, public financing of Presidential campaigns has added a new dimension to the process, and candidates have begun the campaign season earlier and earlier. In light of these developments, it is certainly time for us to take another look at the Presidential nominating process and be sure that it measures up to its goal: The selection of party nominees who reflect the views of the voters and who are likely to be the best qualified to serve in the highest office in the Nation.

Accordingly I am introducing today, the Regional Presidential Primaries Act of 1977, in the hope of stimulating thoughtful debate and achieving consensus of legislation which will reform the Presidential nominating process. It is somewhat similar to a measure introduced by Senator PACKWOOD who has taken a leading role in Presidential primary reform. The major intent of this bill is to assure that voters in every State will have the opportunity to express directly their choice for a Presidential nominee and that the nominees selected by national party conventions reflect the voters' decision.

I have discarded the idea of a national Presidential preference primary held on a single day throughout the country for several reasons. I believe such a system would give undue advantage to certain types of candidates: Either those whose names are well known, for whatever reason; or those who can easily fund their campaigns by appealing to special interest groups; or those who possess charisma, a characteristic which does not necessarily go hand in hand with ability; or, those who find their support in a narrow, but vocal segment of American society. Electoral competition should not be restricted to these types of candidates. Also, several regional primaries

will give much more opportunity for in-depth development of candidates' positions on issues and challenges to them than would one national primary. An opportunity should be provided for all contenders to present their views and be judged by the electorate in terms of their qualifications.

I also believe that the political parties, through their conventions, perform an important consensus-developing function, and that any attempt to deny them a role in choosing their own standard-bearer would be detrimental to our form of government.

My bill is designed to avoid the defects of a national primary, to maintain the strengths of the present system while eliminating its weaknesses, and to preserve the legitimate role of the political parties in the Presidential nominating process.

Under my proposal, each State in a region would participate in that region's primary, thereby allowing the voters in each State a direct voice in the Presidential nominating process. States would be reimbursed for the expenses incurred, so that any financial burden imposed would not be transferred to the State's taxpayers. The States would be grouped into five regions, with every State in a region holding its primary on the same date, at 3-week intervals from April through June of the Presidential election year.

Unlike a national primary, this series of regional contests would provide an opportunity for the evaluation of Presidential contenders over a period of time and under a variety of circumstances. Public attention and the candidates' campaigns would be more directly focused on the region's voters, and issues of importance to that region could be more fully explored. In an era when voter participation in the political process is declining to the point where often less than half of those eligible to vote do so, it behooves us to do all that we can to stimulate voter awareness and participation. I believe regional primaries would help attain that goal.

For too long, we have permitted the Presidential candidates themselves to determine which primaries they will enter, thus denying voters in the States the opportunity to express their perference from among the full range of candidates. Because the Presidency is a national office, we should require candidates to demonstrate their strength throughout the Nation, not just in those States in which they think they will do well. Therefore, under my bill, the names of all Presidential candidates who have qualified for Federal matching funds will automatically be placed on primary ballots and a demonstration of support through the collection of petition signatures would allow other candidates to enter. The arguments now used for avoiding primaries that a Presidential candidate does not have the time, stamina, or money to enter all the primaries will be invalidated when a regional system is adopted. Both the rights of the voters and the resources of the candidates will be protected.

Under my proposal, national convention delegates would be allocated to Presidential candidates in proportion to the votes received in the State. Since 1972, the Democratic National Committee had mandated proportional representation and six States have abandoned their winner-take-all primaries in favor of those with proportional representation. We should follow the lead of the States in adopting legislation which recognizes that the selection of a Presidential nominee is a national decision, not one to be made by delegates representing only a plurality of voters in their State, but by delegates representing all who cast their votes.

Just as States legitimately restrict voting in their State elections to residents of the State, so, too, should voting in a party primary be restricted to members of that party. This principle is incorporated in my bill and authority is given to the Federal Election Commission to aid the States which currently have no party registration.

I believe that the adoption of this legislation will increase voter participation in the Presidential nominating process, establish a more rational procedure for the selection of our parties' nominees, ease the burden on the candidates and the public, and will enhance the quality of Presidential candidates and their campaigns. I urge serious consideration of its provisions and the principles upon which it is based.

I would also like to bring to my colleagues' attention a New York Times editorial on the bill, as well as the complete text of the legislation:

IRRATIONAL PRIMARIES

Granted the lofty motives that originally inspired the Presidential primaries, they have degenerated into a thirty-state obstacle course, tempered only by the individual candidate's freedom to pick and choose which obstacles he will try depending on the primary rules of the respective states and his own local appeal. The voter turnouts are generally low and the interpretations misleading—often with serious psychological impact on the campaign.

Thoughtful Congressmen have for some time been pressing for a change in the way the parties nominate for the Presidency. The most recent addition to their ranks is Representative Ottinger of New York, whose bill to revise the system goes a step further than those of his colleagues. Like most of them, he calls for regional primaries—at three-week intervals, the order to be determined by lot—but his bill would require the participation of all states and include all candidates.

Extreme alternatives to the present exhausting, costly and illogical system are a national primary, held throughout the country on a single day, and the abolition of all primaries in favor of a return to the caucus and the state convention.

The first of these is filled with potential hazards worse than the existing ones. While the well-known and well-financed candidate would normally have an unfair advantage, there would be the even greater danger that a factionalist or regional extremist might win in a crowded field in which likeller candidates canceled each other out. The second alternative can too easily mean a return to the unsavory control by party bosses that brought on the primary reform in the first place.

Recognizing the constitutional and financial problems posed by Mr. Ottinger's compulsory plan, some form of the regional primary idea seems to us to have merit. Similar proposals have been made by Senators Hatfield and Packwood of Oregon, both Republicans, and by Senators Mansfield of Montana and Mondale of Minnesota and Representative Udall of Arizona, all Democrats. What usually stands in the way of the reform is the natural reluctance of Congress to act on such matters in a politically charged election year and sheer inertia with regard to them at any other time.

It is time to break into that cycle. Now, with the primary season at its height, it should be possible for Congress to take a hard look at the process—naturally with no possibility of undoing this year's follies but in order to prevent the country from having to go through them again four years from now.

H.R. 4519

A bill to require States to participate in a system of regional Presidential primaries administered by the Federal Election Commission, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Regional Presidential Primaries Act of 1977".

FINDINGS

SEC. 2. The Congres finds that

(1) the proliferation of elections held by States for the election of delegates to national nominating conventions and for the expression of a preference for the nomination of individuals for election to the office of President subjects candidates for nomination for election to such office to physical exhaustion, danger, and inordinate expense;

(2) there is no uniformity among State laws with respect to the effect of such elections on delegates to the nominating conventions held by political parties;

(3) the confusion caused by this lack of uniformity in State laws gives rise to cynicism, frustration, and distrust of the nomination process;

(4) a system which both standardizes the holding of Presidential primaries and permits States to continue to play a substantial role in such primaries would improve the Presidential nominating process;

(5) the national nominating conventions held by political partjes constitute an integral part of the process by which the President is chosen by the people of the United States; and

(6) in order to protect the integrity of the Presidential election process and provide for the general welfare of the Nation, it is necessary to regulate that part of the process which relates to the nomination of candidates for election to the office of President.

ESTABLISHMENT OF REGIONAL PRIMARIES

SEC. 3. (a) Each State shall conduct an election for delegates to national nominating conventions for the nomination of individual for election to the office of President in accordance with the provisions of this Act.

(b)(1) Five regional primaries shall be held during each Presidential election year. The first regional primary shall be held on the first Tuesday of April, and an additional regional primary shall be held on the Tuesday of each of the third, sixth, ninth, and twelfth succeeding weeks. Thirty days before the date of the first regional primary, the Commission shall determine by lot the region in which such primary is to be held. The Commission then shall determine by separate lot, conducted thirty days before the date of each subsequent regional primary except the last, the region in which each subsequent regional primary is to be held.

(2) The ballot for a regional primary conducted by each State under paragraph (1) shall include the names of (A) each candidate who is eligible to appear on the ballots of each State in the region involved under subsection (c)(1); and (B) each candidate who is eligible to appear on the ballot of the particular State under subsection (c)(2).

(c)(1) The ballot of each regional primary which is held under this section shall include the name and political party affiliation of any candidate with respect to whom the Commission has certified payments under section 9033(a) of the Internal Revenue Code of 1954 (relating to initial certifications), and who remains eligible to receive payments from the Secretary of the Treasury or his delegate under chapter 95 or chapter 96 of the International Revenue Code of 1954, on the date of the regional primary involved.

(2) An individual whose name is not placed on a regional primary ballot under paragraph (1) may have his name and the name of the political party with which he is affiliated appear on the ballot of any State participating in the regional primary involved, if he is eligible for election to the office of President, by (A) notifying the Secretary of State of the State involved (or, if there is no office of Secretary of State, the equivalent State officer) in writing that he is a candidate for nomination by a specified political party for election to the office of President; and (B) presenting such Secretary of State or equivalent State officer with a petition supporting his candidacy for such nomination signed by at least 1 percent of the individuals who are registered to vote in the State involved.

(3)(A) The Commission shall announce the names of any candidates who are entitled to be on the ballot of any regional primary under paragraph (1) no later than thirty days before the date of the regional primary involved.

(B)(i) The Secretary of State (or, if there is no office of Secretary of State, the equivalent State officer) shall transmit to the Commission the names of any candidates who are entitled to be on the ballot of the State involved under paragraph (2) in connection with a regional primary. Such transmission shall be made no later than thirty days before the date of the regional primary involved.

(ii) The Commission shall certify the ballot of each State as soon as practicable after receiving a transmission from the Secretary of State (or, if there is no office of Secretary of State, the equivalent State officer) of the State involved under clause (i).

(d)(1) Subject to such guidelines as the Commission may establish, the regional primary shall be conducted in each State by officials of such State charged with conducting elections.

(2) Voters in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature. Each voter shall be eligible to vote only for delegates for a candidate for nomination by the party of such voter's registered affiliation. If the law of any State makes no provision for the registration of voters by party affiliation, voters in such State shall register their party affiliation in accordance with procedures established by the Commission.

(e) The chief executive officer of each State shall certify the results of the regional primary held in his State to the Commission within a period of time after such date, not exceeding fifteen days, prescribed by the Commission.

DESIGNATION OF CONVENTION DELEGATES

SEC. 4. (a)(1) Any candidate whose name appears on the ballot of any regional primary under section 3(c), or an authorized representative of such candidate, shall designate the names of individuals to serve as delegates of such candidate in each State participating in the regional primary involved. The number of delegates designated in each State under the preceding sentence shall be equal to the number of delegates to which such State is entitled at the national nominating convention involved.

(2) Delegates designated under paragraph (1) shall be listed on the ballot under the name of the candidate making such designation. Such delegates shall be listed in accordance with a ranking to be determined by such candidate.

(3) Delegates to which any candidate is entitled at a national nominating convention shall be selected from the list of delegates designated by such candidate in accordance with the ranking determined by such candidate under paragraph (2), except that such selection shall be made in a manner which is consistent with any rule of the national political party involved relating to categories of persons which shall be represented as delegates at the national nominating convention of such political party.

(4) An individual may serve as an authorized representative of a candidate for purposes of paragraph (1) only if such authorization is transmitted to the Commission in writing by such candidate.

(b) The number of delegates which a candidate may receive in any State in connection with a regional primary is a number which is a percentage of the total number of delegates from such State to his party's national nominating convention equal to the percentage of the votes cast by members of his party in such State received by him in the primary.

(c)(1) If a candidate in a regional primary receives less than the greater of—

(A) 5 per centum of the votes cast by members of his political party in such regional primary; or

(B) a percentage of votes which would entitle such candidate to one delegate, if one delegate constitutes more than 5 per centum of the total number of delegates to be appointed in the region involved;

no individuals may be appointed as delegates of such candidate in any State in the region involved.

(2) The percentage of votes cast in any State in a regional primary for any candidate who is not entitled to any delegates as a result of the provisions of paragraph (1) shall be—

(A) apportioned among other candidates of the same political party who received votes in such State, on the basis of the number of votes received by each such candidate; and

(B) added to the percentage of votes received by each such candidate in such State, for purposes of determining the number of delegates which may be appointed for each such candidate.

CONVENTION BALLOTING

SEC. 5. (a)(1) A delegate to a convention held by a political party for the nomination of a candidate for election to the office of President shall vote for the nomination of the candidate for whom he was appointed until—

(A) two ballots have been taken;

(B) such candidate receives less than 20 per centum of the vote on a ballot; or

(C) such candidate releases such delegate.

(2) In any case in which a candidate for whom any delegate is appointed ceases to be a candidate before the first ballot has been taken at the nominating convention of the political party involved, any such delegate shall be considered to be uncommitted for purposes of such first ballot.

((b) If an individual receives a majority of the votes cast on a ballot at the nominating convention of a political party, he shall be the nominee of such party for election to the office of President. A subsequent ballot may be taken to reflect the support of the entire convention for such candidate, but the result of the subsequent ballot shall not, in such case, result in the nomination of a different individual for election to such office.

(c) The individual who will be the candidate for a political party for election to the office of Vice President shall be selected by the convention held by such party in accordance with such procedures as it may adopt.

REIMBURSEMENT OF STATES FOR COSTS OF PRIMARY

SEC. 6. Upon application therefor, the Commission shall reimburse each State for any reasonable costs it incurs in conducting a regional primary held in accordance with the provisions of this Act. Such reimbursement shall be made in accordance with such rules as the Commission may prescribe. Such applications shall be submitted at such times, and in such form, and shall contain such information, as the Commission shall require.

FILING FEE REQUIREMENT

SEC. 7. (a) Any candidate whose name appears on the ballot of any regional primary under section 3(c) shall pay a filing fee of $10,000 to the Commission.

(b) The filing fee required by subsection (a) shall be refunded by the Commission to the candidate paying such fee if such candidate receives 2 per centum or more of the votes cast by members of the political party of such candidate in the regional primary involved.

(c) Payment of a filing fee by a candidate under this section shall be made to the Commission no later than such date before the regional primary involved as the Commission may establish, except that such date shall not be earlier than 30 days or later than fifteen days before the date of the regional primary involved.

(d) Any filing fee which is not refunded by the Commission under this section shall be paid into the general fund of the Treasury of the United States.

DUTIES OF THE FEDERAL ELECTION COMMISSION

SEC. 8. (a) The Commission shall meet before each regional primary and at such other times at it considers necessary, and shall—

(1) prescribe the date, after the date of a regional primary, on which the chief executive officer of each State shall certify the results of the regional primary held in his State to the Commission;

(2) promulgate guidelines and procedures to be followed by the States in conducting regional primaries;

(3) review applications for reimbursement submitted under section 6, prescribe the time of submission, form, and information content of such applications, and determine and pay the amount to be reimbursed to each State under such section;

(4) consult and cooperate with State officials in order to assist them in conducting regional primaries; and

(5) take such other actions as may be necessary to carry out the provisions of this Act.

(b) The Commission shall report to the Congress and the President not later than one hundred and eighty days prior to the date of the first regional primary to be held under this Act on the steps it has taken to implement the provisions of this Act, together with recommendations for additional legislation, if any, which may be necessary in order to carry out the regional primary system estabished under this Act.

EFFECT ON STATE LAW

SEC. 9. The provisions of this Act supersede and preempt any provision of State law relating to any election or convention held in

connection with the nomination of any candidate for election to the office of President.

DEFINITIONS

SEC. 10. As used in this Act, the term—

(1) "Commission" means the Federal Elections Commission;

(2) "region" means any of the following five regions:

(A) region 1 comprises Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, Connecticut, New York, Pennsylvania, New Jersey, and Delaware;

(B) region 2 comprises Michigan, Illinois, Indiana, Ohio, West Virginia, and Kentucky;

(C) region 3 comprises the District of Columbia, Maryland, Virginia, North Carolina, South Carolina, Tennessee, Mississippi, Alabama, Georgia, Florida, the Commonwealth of Puerto Rico, the Virgin Islands, and the Canal Zone;

(D) region 4 comprises North Dakota, South Dakota, Minnesota, Wisconsin, Iowa, Nebraska, Kansas, Missouri, Oklahoma, Arkansas, Texas, and Louisiana; and

(E) region 5 comprises Washington, Oregon, Montana, Idaho, Wyoming, California, Nevada, Utah, Colorado, Arizona, New Mexico, Alaska, Hawaii, and Guam;

(3) "regional primary" means an election held in accordance with the provisions of this Act for the expression of a preference for the nomination of individuals for election to the office of President;

(4) "national political party" means a political party whose Presidential electors received in excess of 25 per centum of the total number of votes cast for all Presidential electors in the most recently held Presidential election, except that in any such election in which less than two political parties receive in excess of 25 per centum of the total number of such votes, such term shall mean a political party whose Presidential electors received in excess of 15 per centum of the total number of such votes;

(5) "candidate" means an individual who is a candidate for nomination by a political party as its candidate for election to the office of President;

(6) "national nominating convention" means a convention of a national political party held under the constitution and rules of such party for the nomination of candidates for election as President and Vice President and for such other purposes as may be specified in such constitution and rules; and

(7) "State" means the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Canal Zone, and each of the United States.

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

PUTTING THE VIETNAM WAR BEHIND US

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I commend to my colleagues the following extraordinarily sensitive article on President Carter's Vietnam pardon, written by Walter Anderson, the editor and general manager of the Reporter Dispatch of White Plains, N.Y.

Walter Anderson, expressing obviously deeply felt emotions arising out of his experiences with death as a Marine in Vietnam, tells poetically why he thinks the pardon was right—why it is important that we leave Vietnam behind us.

The article follows:

LEAVING VIETNAM BEHIND US

(By Walter Anderson)

In the darkness of an early morning in late October, 1965, I kicked over the dead body of a Viet Cong. It was a small boy no more than 10 years old.

His remains were sandwiched amidst those of twelve other broken and dismembered bodies. None looked real except this boy. His eyes were open and his face held no expression. His had to have been an instant death neither pain nor fear had been frozen into his features.

The others looked to me like waxen mannequins with limbs missing. In the darkness blood was imperceptible.

A few minutes and a few yards away, a dead Marine was carried on a litter past me. He looked very real. He was about my height and weight. He was probably young, but I could not tell, because most of his face was missing.

In that instant I desired killing every Vietnamese who walked the earth. I was tempted to unload a magazine of bullets flush into the face of the dead boy I had kicked over. I did neither. I got sick. What I felt was shared among my buddies.

After the anger, we felt hurt.

None of us felt well about that dead boy with the open eyes and no expression.

What you are reading is a highly personalized opinion, an emotional response to an emotional issue. My view is indefensible by reason or logic. If you disagree, I will fail to persuade. Nor will you ever persuade me.

Friday our new President pardoned Vietnam era draft evaders and I believe he was right.

This opinion is based not on my experiences as a journalist, nor is it the perspective of an editor. It is the individual view of one participant, a former Marine who served in Vietnam.

I do not accept that those who avoided the draft and left this country were cowards. I do not concur with those who believe they should be punished further, forever exiled and humiliated.

I do not accept that they should be martyred. I do not accept that they are heroes. As I did, they made a decision. To me who was right or wise is a moot issue.

The war's over.

Their decision, though different than mine and many of my fellow servicemen at the time, was thoughtfully made and hardly easy. As I see it, a President is at long last closing the last chapter of a war which, perhaps, should not have been waged.

He's healing, closing wounds.

I believe it to be good for our country. Some, if not many, of the people I served with would disagree with me.

They'll see the dead Marine all their lives, but I'll see the boy also.

Let's leave Vietnam.

SELECT COMMITTEE ON AGING RULES

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I am pleased to announce to my colleagues and other readers of the RECORD that the Select Committee on Aging, which I have the privilege to chair, yesterday adopted its rules of procedure for the 95th Congress.

Pursuant to rule XI, clause 2 of the House of Representatives, I am, therefore, submitting for publication in the CONGRESSIONAL RECORD a copy of the committee rules adopted by the Aging Committee:

SELECT COMMITTEE ON AGING, RULES, 95TH CONGRESS

TEXT OF RULE

Rule No. 1

Except where the terms "full committee" and "subcommittee" are specifically referred to, the following rules shall apply to the *Select Committee on Aging* and its subcommittee as well as to the respective chairmen.

The rules of the committee shall be subject to amendment at any time. (See House Rule XI, 1.)

Rule No. 2

The regular meetings of the full committee shall be held on the *first Thursday of each month at* 2 p.m. except when the Congress has adjourned or recessed. The chairman is authorized to dispense with a regular meeting or to change the date thereof, and to call and convene additional meetings, when circumstances warrant. A special meeting of the committee may be requested by members of the committee in accordance with the provisions of House Rule XI, 2c(2). Subcommittees shall meet at the call of the subcommittee chairmen.

Every member of the committee or the appropriate subcommittees, unless prevented by unusual circumstances, shall be provided with a memorandum at least 3 calendar days prior to each meeting or hearing explaining (1) the purpose of the meeting or hearing; and (2) the names, titles, background and reasons for the appearance of any witnesses. The minority staff shall be responsible for providing the same information on witnesses whom the minority staff may request. (See House Rule XI, 2(b).)

Rule No. 3

One-third of the members of the committee, except when a greater number is required by the Rules of the House, shall constitute a quorum, except that two members shall constitute a quorum for taking testimony and receiving evidence. A majority of the members of the committee must approve any report, or any staff study containing policy recommendations, and the chairman is empowered to obtain that approval in any appropriate manner, including by polling members of the committee in writing.

Proxies shall not be used to establish a quorum. If the chairman is not present at any meeting of the committee or subcommittee, the ranking member of the majority party on the committee or subcommittee who is present shall preside at that meeting. (See House Rule XI, 2(h).)

Rule No. 4

Every investigative report shall be approved by a majority vote of the committee at a meeting at which a quorum is present. Supplemental, minority, or additional views may be filed in accordance with House Rule XI, 2(1)(5). The time allowed for filing such views shall be 3 calendar days (excluding Saturdays, Sundays, and legal holidays) unless the committee agrees to a different time, but agreement on a shorter time shall require the concurrence of each member seeking to file such views. A proposed report shall not be considered in subcommittee or full committee unless the proposed report has been available to the members of such subcommittee or full committee for at least 3 calendar days (excluding Saturdays, Sundays, and legal holidays) prior to the consideration of such proposed report in subcommittee or full committee. If hearings

have been held on the matter reported upon, every reasonable effort shall be made to have such hearings available to the members of the subcommittee or full committee prior to the consideration of the proposed report in such subcommittee or full committee.

Rule No. 5

A member may vote by proxy on any measure or matter before the committee and on any amendment or motion pertaining thereto. A proxy shall be in writing and be signed by the member granting the proxy; it shall show the date and time of day it was signed and the date for which it is given and the member to whom the proxy is given. Each proxy authorization shall state that the member is absent on official business or is otherwise unable to be present, and shall be limited to the date and the specific measure or matter to which it applies; and, unless it states otherwise, it shall apply to any amendments or motions pertaining to that measure or matter.

Rule No. 6

A rollcall of the members may be had upon the request of any member.

Rule No. 7

The committee staff shall maintain in the committee offices a complete record of committee actions including a record of the rollcall votes taken at committee business meetings. The original records, or true copies thereof, as appropriate, shall be available for public inspection whenever the committee offices are open for public business. The staff shall assure that such original records are preserved with no unauthorized alteration, additions, or defacement. (*See House Rule XI, 2(e)*.

Rule No. 8

There shall be *Four* (*4*) subcommittees with appropriate party ratios which shall have assigned or fixed jurisdictions. (See House Rule XI, 1(a)(2).)

Rule No. 9

The chairman and the ranking minority member of the committee shall be ex officio members of all subcommittees. They are authorized to vote on subcommittee matters; but, unless they are regular members of the subcommittee, they shall not be counted in determining a subcommittee quorum other than a quorum for the purpose of taking testimony.

Rule No. 10

Except as otherwise provided by House Rule XI, 5 and 6, the chairman of the full committee shall have the authority to hire and discharge employees of the professional and clerical staff of the full committee and of subcommittees subject to appropriate approval.

After approval by the majority caucus, the authorization for the creation of new positions shall be approved by a majority vote of the committee, a quorum being present.

Rule No. 11

Except as otherwise provided by House Rule XI, 5 and 6, the staff of the committee shall be subject to the direction of the chairman of the full committee and shall perform such duties as he may assign.

Rule No. 12

The chairman of the full committee will announce the date, place, and subject matters of all hearings at least 1 week prior to the commencement of any hearings, unless he determines that there is good cause to begin such hearings at an earlier date. In order that the chairman of the full committee may coordinate the committee facilities and hearing plans, each subcommittee chairman shall notify him of any hearing plans at least 2 weeks in advance of the date of commencement of hearings, including the date, place, subject matter, and the names of witnesses who would be called to testify, including, to the extent he is advised thereof, witnesses whom the minority members may request. The minority members shall supply the names of witnesses they intend to call to the chairman of the full committee or subcommittee at the earliest possible date. Witnesses appearing before the committee shall, as far as practicable, submit written statements at least 24 hours in advance of their appearance.

A subcommittee holding hearings in the field may investigate matters that are within the committee's jurisdiction, whether or not the matter being investigated falls within the jurisdiction fixed for that subcommittee. (See House Rule XI, 2(g), 2(j), and XI, 3(f)(2).)

Rule No. 13

Meetings for the transaction of business and hearings of the committee shall be open to the public unless closed in accordance with Rule XI of the House of Representatives. (See House Rule XI, 2(g).)

Rule No. 14

A committee member may question a witness only when recognized by the chairman for that purpose. In accordance with House Rule XI, 2(j)(2), each committee member may request up to 5 minutes to question a witness until each member who so desires has had such opportunity. Until all such requests have been satisfied, the chairman shall, insofar as practicable, recognize alternately on the basis of seniority those majority and minority members present at the time the hearing was called to order and others on the basis of their arrival at the hearing. Thereafter, additional time may be extended at the direction of the chairman.

Rule No. 15

Investigative hearings shall be conducted according to the procedures in House Rule XI, 2(k). All questions put to witnesses before the committee shall be relevant to the subject matter before the committee for consideration, and the chairman shall rule on the relevance of any questions put to the witness.

Rule No. 16

A stenographic record of all testimony shall be kept of public hearings and shall be made available on such conditions as the chairman may prescribe.

Rule No. 17

When approved by a majority vote an open meeting or hearing of the committee or a subcommittee may be covered, in whole or in part, by television broadcast, radio broadcasts, and still photography, or by such methods of coverage, subject to the provisions of House Rule XI, 3. In order to enforce the provisions of said rule or to maintain an acceptable standard of dignity, propriety, and decorum, the chairman may order such alteration, curtailment, or discontinuance of coverage as he determines necessary.

[House Rule XI, 3.]

Rule No. 18

The chairman of the full committee shall:

(a) make available to other committees the findings and recommendations resulting from the investigations of the committee or its subcommittees as appropriate;

(b) submit to the Committee on the Budget views and estimates, as appropriate, required of standing committees by House Rule X, 4(g); and

(c) prepare, after consultation with subcommittee chairman and the minority, a budget for the committee which shall include an adequate budget for the subcommittees to discharge their responsibilities. After approval by the majority caucus, a majority of the members of the committee must approve the budget, and the chairman if the committee is empowered to obtain that approval in any appropriate manner, including polling members of the committee in writing.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. EDWARDS of Oklahoma (at the request of Mr. ANDERSON of Illinois), for today, on account of official business.

Mr. COLEMAN (at the request of Mr. RHODES), for today, on account of official business.

Mr. CORMAN (at the request of Mr. WRIGHT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. EVANS of Delaware) and to revise and extend their remarks and include extraneous matter:)

Mr. KEMP, for 10 minutes, today.

Mr. CONABLE for 5 minutes, today.

Mr. SARASIN, for 5 minutes, today.

Mr. BURKE of Florida, for 15 minutes, today.

(The following Members (at the request of Mr. GLICKMAN) and to revise and extend their remarks and include extraneous matter:)

Mr. DIGGS, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. PIKE, for 5 minutes, today.

Mr. BEARD of Rhode Island, for 5 minutes, today.

Mr. RANGEL, for 5 minutes, today.

Mr. BINGHAM, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. EVANS of Delaware) and to include extraneous matter:)

Mr. YOUNG of Alaska.

Mr. MCKINNEY.

Mr. FINDLEY.

Mr. KEMP in two instances.

Mr. GILMAN.

Mr. MARTIN.

Mrs. SMITH of Nebraska.

Mr. RUPPE.

(The following Members (at the request of Mr. GLICKMAN) and to include extraneous matter:)

Ms. MIKULSKI.

Mr. MAZZOLI.

Mr. CORMAN in five instances.

Mr. VANIK in three instances.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. SANTINI.

Mr. RANGEL in two instances.

Mr. LONG of Maryland.

Mr. DINGELL.

Mrs. BURKE of California.

Mr. DRINAN.

Mr. MOORHEAD of Pennsylvania.

Mr. FLOWERS in two instances.

Mr. EDGAR in two instances.

Mr. BENNETT.

Mr. WAXMAN.

Mr. MCDONALD.

Mr. DODD.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 626. An act to reestablish the period within which the President may transmit to the Congress plans for the reorganization of agencies of the executive branch of the Government, and for other purposes; to the Committee on Government Operations.

ADJOURNMENT

Mr. GLICKMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 17 minutes p.m.), under its previous order, the House adjourned until Monday, March 7, 1977, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

923. A letter from the Acting Assistant Secretary of Defense (Manpower and Reserve Affairs), transmitting, the military manpower training report for fiscal year 1978, pursuant to 10 U.S.C. 138(d)(2); to the Committee on Armed Services.

924. A letter from the Chief, Congressional Legislation Division, Office of Legislative Liaison, Department of the Air Force, transmitting notice of proposed reductions in the 89th Military Airlift Wing at Andrews Air Force Base, Md., to the Committee on Armed Services.

925. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to amend the Housing and Community Development Act of 1974 to provide a more equitable allocation of funds, to authorize a fuller range of community development activities, to establish an urban development action grant program for severely distressed cities; to amend section 312 of the Housing Act of 1964, as amended; to amend section 701 of the Housing Act of 1954, as amended; and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

926. A letter from the Deputy Director for Administration, Central Intelligence Agency, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

927. A letter from the Chairman, National Endowment for the Arts, transmitting a report on the Endowment's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

928. A letter from the Postmaster General, transmitting a report on the Postal Service's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

929. A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to extend certain authorities of the Secretary of the Interior with respect to Water Resources Research and Saline Water Conversion Programs, and for other purposes; to the Committee on Interior and Insular Affairs.

930. A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to authorize the appropriation of $12.4 million for rehabilitation and resettlement of Eniwetok Atoll, Trust Territory of the Pacific Islands, and for other purposes; to the Committee on Interior and Insular Affairs.

931. A letter from the Acting Assistant Secretary of the Interior, transmitting notice of the receipt of loan applications under the Small Reclamation Projects Act of 1956 from the city of Fort Collins, Colo., and the Pleasant Valley County Water District, Calif., pursuant to section 10 of the act; to the Committee on Interior and Insular Affairs.

932. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Richard N. Gardner, Ambassador-designate to Italy, and his family, pursuant to section 6 of Public Law 93-126; to the Committee on International Relations.

933. A letter from the Assistant Secretary-Designate for International Affairs, Department of the Treasury, transmitting reports of the International Bank for Reconstruction and Development and the Asian Development Bank evaluating their lending programs, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended (87 Stat. 718); to the Committee on International Relations.

934. A letter from the Secretary, Interstate Commerce Commission, transmitting a report on the Commission's determination to extend the time period for acting upon the appeal pending in No. 36175, *Ford Motor Co., v. Canadian National Railways, et al.*, pursuant to section 17(9)(f) of the Interstate Commerce Act, as amended (90 Stat. 49); to the Committee on Interstate and Foreign Commerce.

935. A letter from the Executive Director, Civil Air Patrol, transmitting the organization's annual report for calendar year 1976, including its financial statements, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

936. A letter from the Chairman, Commission on Postal Service, transmitting notice that the Commission's report, due by March 15, 1977, will be delayed to April 18; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. H.R. 3843. A bill to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, to establish a National Commission on Neighborhoods, and for other purposes; (Rept. No. 95-42). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Oversight plans of the committees of the U.S. House of Representatives (Rept. No. 95-43). Referred to the Committee of the Whole House on the State of the Union.

Mr. DENT: Committee on House Administration. House Resolution 132. Resolution to provide funds for the expenses of the investigations and studies to be conducted, pursuant to House rule XI, by the Committee on Veterans' Affairs; with amendment (Rept. No. 95-44). Referred to the House Calendar.

Mr. DENT: Committee on House Administration. House Resolution 221. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Ways and Means; with amendment (Rept. No. 95-45). Referred to the House Calendar.

Mr. DENT: Committee on House Administration. House Resolution 233. Resolution providing funds for the expenses of the Committee on Standards of Official Conduct (Rept. No. 95-46). Referred to the House Calendar.

Mr. DENT: Committee on House Administration. House Resolution 248. Resolution to provide for the expenses of investigations, and studies to be conducted by the Committee on Education and Labor; with amendment (Rept. No. 95-47). Referred to the House Calendar.

Mr. DENT: Committee on House Administration. House Resolution 256. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Post Office and Civil Service; with amendment (Rept. No. 95-48). Referred to the House Calendar.

Mr. DENT: Committee on House Administration. House Resolution 269. Resolution to provide funding for the Select Committee on Narcotics Abuse and Control (Rept No. 95-49). Referred to the House Calendar.

Mr. DENT: Committee on House Administration. House Resolution 275. Resolution to provide funds for the expenses of investigations and studies authorized by the Committee on Public Works and Transportation (Rept. No. 95-59). Referred to the House Calendar.

Mr. DENT: Committee on House Administration. House Resolution 279. Resolution to provide funds for the expenses of the investigation and study of welfare and pension plans to be conducted by the Committee on Education and Labor (Rept. No. 95-51). Referred to the House Calendar.

Mr. DENT: Committee on House Administration. House Resolution 297. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Science and Technology; with amendment (Rept. No. 95-52). Referred to the House Calendar.

Mr. DENT: Committee on House Administration. House Resolution 313. Resolution to provide for the expenses of investigations, and studies to be conducted by the Committee on International Relations (Rept. No. 95-53). Referred to the House Calendar.

Mr. DENT: Committee on House Administration. House Resolution 319. Resolution to provide funds for the expenses of the investigation and study authorized by a resolution adopted on February 3, 1977, by the Committee on International Relations; with amendment (Rept. No. 95-54). Referred to the House Calendar.

Mr. DENT: Committee on House Administration. House Resolution 321. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Merchant Marine and Fisheries; with amendment (Rept. No. 95-55). Referred to the House Calendar.

Mr. DENT: Committee on House Administration. House Resolution 329. Resolution providing funds for the Committee on the District of Columbia; with amendment (Rept. No. 95-56). Referred to the House Calendar.

Mr. DENT: Committee on House Administration. House Resolution 357. Resolution to provide funds for the Committee on the Judiciary; (Rept. No. 95-57). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURKE of Florida:

H.R. 4491. A bill to authorize modification of the project for Port Everglades Harbor, Fla.; to the Committee on Public Works and Transportation.

By Mr. CARTER:

H.R. 4492. A bill to amend the Uniform Time Act of 1966 to provide that daylight saving time shall begin on Memorial Day and end on Labor Day of each year; to the Committee on Interstate and Foreign Commerce.

By Mr. COLLINS of Texas:

H.R. 4493. A bill to amend chapter 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

By Mr. DUNCAN of Tennessee:

H.R. 4494. A bill to amend the Interstate Commerce Act to exempt motor vehicles being used in the transportation of members of certain religious organizations from the application of the provisions of part II of such act; to the Committee on Public Works and Transportation.

H.R. 4495. A bill to amend title 38, United States Code, to eliminate the 10-year delimiting period for the purpose of allowing certain eligible veterans to complete their programs of education by December 31, 1989; to the Committee on Veterans' Affairs.

H.R. 4496. A bill to amend title II of the Social Security Act to provide benefits for widowed fathers with minor children on the same basis as benefits for widowed mothers with minor children; to the Committee on Ways and Means.

H.R. 4497. A bill to amend the Internal Revenue Code of 1954 to provide for the amortization of new coal mining equipment ratably over a 12-month period; to the Committee on Ways and Means.

By Mr. DUNCAN of Tennessee (for himself and Mr. QUILLEN):

H.R. 4501. A bill to provide for the excluaid program to assist States in creating and administering programs which will provide energy stamps to certain low-income households in such States to help meet residential energy costs incurred by them; to the Committee on Interstate and Foreign Commerce.

By Mr. DUNCAN of Tennessee (for himself, Mr. PICKLE, Mr. BURLESON of Texas, and Mr. FUQUA):

H.R. 4499. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for occupational therapy services, whether furnished as a part of home health services or otherwise; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. WEISS:

H.R. 4500. A bill to provide that the third Tuesday in June of each year shall be the last day on which a State may hold a primary election for any Federal office; to the Committee on House Administration.

By Mr. CORNWELL (for himself, Mrs. SPELLMAN, Mr. DAVIS, Mr. LEGGETT, Mr. AKAKA, Mr. DICKS, Mr. MAGUIRE, Mr. CLEVELAND, Mr. HEFTEL, Mr. D'AMOURS, and Mr. COHEN):

H.R. 4498. A bill to establish a grant-in-sion of industrially funded personnel in computing the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year; to the Committee on Armed Services.

By Mr. DENT:

H.R. 4502. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DODD (for himself, Mr. BEARD of Rhode Island, Mr. BEDELL, Mr. BLANCHARD, Mr. COTTER, Mr. D'AMOURS, Mr. MCKINNEY, Mr. MIKVA, Mr. PEPPER, and Ms. SPELLMAN):

H.R. 4503. A bill to amend title 38 of the United States Code relating to the recognition of representatives of the Polish Legion of American Veterans as claims agents for claims arising under laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. ERTEL (for himself, Mr. ROE, Mr. GORE, Mr. EILBERG, and Mr. EDWARDS of Oklahoma):

H.R. 4504. A bill to provide that rates of pay for Members of Congress shall not be automatically adjusted under the Federal Salary Act of 1967; to the Committee on Post Office and Civil Service.

By Mr. FASCELL (for himself, Mr. LEHMAN, and Mr. PEPPER):

H.R. 4505. A bill to amend title XVIII of the Social Security Act so as to enable certain aliens to obtain coverage under the supplemental medical insurance program established by part B of such title; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. HANNAFORD:

H.R. 4506. A bill to amend title 38 to provide that service in the Women's Army Auxiliary Corps shall be considered active duty in the Armed Forces of the United States; to the Committee on Veterans' Affairs.

By Mr. HUGHES:

H.R. 4507. A bill to amend title 18 of the United States Code to impose criminal penalties on certain persons who fire firearms or throw objects at certain railroad trains, engines, motor units, or cars, and for other purposes; to the Committee on the Judiciary.

By Mr. LEHMAN:

H.R. 4508. A bill to amend the Social Security Act to roll back the deductible and coinsurance charges under part A of medicare to the 1976 levels, and for other purposes; to the Committee on Ways and Means.

By Mr. LUNDINE (for himself, Mr. BADILLO, Mr. BARNARD, Mr. BLANCHARD, Mr. BRADEMAS, Mr. DICKS, Mr. GLICKMAN, Mr. HUBBARD, and Mr. VENTO):

H.R. 4509. A bill to provide for a program, to be carried out through the Secretary of Labor, of projects and an advisory council to promote economic stability by increasing productivity, improving job security, encouraging retention of jobs in lieu of cyclical layoffs, and promoting the better use of human resources in employment; jointly to the Committee on Banking, Finance and Urban Affairs, and Education, and Labor.

By Mr. MARTIN:

H.R. 4510. A bill to amend part B of title XI of the Social Security Act to provide a more effective administration of Professional Standards Review of health care services, to expand Professional Standards Review Organization activity to include review of services performed by or in federally operated health care institutions, and to protect the confidentiality of medical records; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. MATHIS:

H.R. 4511. A bill to amend title 5, United States Code, to provide civilian employees of the National Guard certain rights of members of the competitive service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. METCALFE (for himself and Mr. SNYDER):

H.R. 4512. A bill to amend section 216(b)(1) of the Merchant Marine Act, 1936; to the Committee on Merchant Marine and Fisheries.

By Mr. MITCHELL of Maryland:

H.R. 4513. A bill to extend the Defense Production Act of 1950, as amended; to the Committee on Banking, Finance and Urban Affairs.

H.R. 4514. A bill to amend section 1979 of the Revised Statutes to provide that States, municipalities, and agencies or units of Government thereof, may be sued under the provisions of such section; to establish rules of liability with respect to such States, municipalities, and agencies or units of Government thereof; and for other purposes; to the Committee on the Judiciary.

By Mr. MITCHELL of Maryland (for himself, Mr. CARR, Mr. DIGGS, Mr. BUCHANAN, Mr. CONYERS, Mr. DELLUMS, Mr. RANGEL, Mr. DUNCAN of Tennessee, Mr. GIAIMO, Mr. DAN DANIEL, Mr. CLAY, Mr. BADILLO, Mr. WHITEHURST, Mr. TRIBLE, Mr. DICKS, Mr. BURGENER, Ms. CHISHOLM, Mr. TREEN, Mr. EILBERG, Mr. WHITLEY, Mr. HEFTEL, Mr. WEISS, Mr. FAUNTROY, Mr. MICHAEL O. MYERS, and Mr. METCALFE):

H.R. 4515. A bill relating to collective bargaining representation of postal employees; to the Committee on Post Office and Civil Service.

By Mr. MITCHELL of Maryland (for himself, Mr. BROWN of California, Mr. ASHLEY, Mr. LOTT, Mr. BINGHAM, Ms. COLLINS of Illinois, Mr. HAWKINS, Mr. NIX, Ms. BURKE of California, and Mr. STOKES):

H.R. 4516. A bill relating to collective bargaining representation of postal employees; to the Committee on Post Office and Civil Service.

By Mr. MONTGOMERY (for himself, Mr. BOWEN, Mr. COCHRAN, Mr. LOTT, and Mr. WHITTEN):

H.R. 4517. A bill to authorize channel clearing on the Yazoo River in Mississippi; to the Committee on Public Works and Transportation.

By Mr. OBERSTAR (for himself and Mr. DORNAN):

H.R. 4518. A bill to provide for unbiased consideration of applicants to medical schools; to the Committee on Interstate and Foreign Commerce.

By Mr. OTTINGER:

H.R. 4519. A bill to require States to participate in a system of regional Presidential primaries administered by the Federal Election Commission, and for other purposes; to the Committee on House Administration.

By Mr. WEISS:

H.R. 4520. A bill to provide employment opportunities for youth in the public and private sectors of the economy, and for other purposes; to the Committee on Education and Labor.

By Mr. REUSS (for himself, Mr. HANLEY, Mr. SEIBERLING, and Mrs. SPELLMAN):

H.R. 4521. A bill to amend title I of the Housing and Community Development Act of 1974 for the purpose of providing that units of general local government receiving grants under the hold-harmless provisions of such title shall be entitled, after fiscal year 1977, to continue to receive at least the amount to which they are presently entitled under such provisions; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ROBERTS (for himself and Mr. TEAGUE):

H.R. 4522. A bill relating to the assignment of retired military personnel to the American Battle Monuments Commission; to the Committee on Veterans' Affairs.

By Mr. RUPPE (for himself, Mr. BROOMFIELD, Mr. CEDERBERG, and Mr. STOCKMAN):

H.R. 4523. A bill to authorize the Secretary of Agriculture to make financial assistance available to agricultural producers who suffer losses as the result of having their agricultural commodities or livestock contaminated by toxic chemicals dangerous to pub-

lic health or whose agricultural commodities, livestock or poultry have been contaminated so as to adversely affect the economic viability of the farming operation; to the Committee on Agriculture.

By Mr. RUPPE (for himself, and Mr. BROOMFIELD):

H.R. 4524. A bill to amend the Toxic Substances Control Act to establish a program for assistance to States which establish programs of assistance for the protection and indemnification of individuals injured in their business or person by chemical substances, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SNYDER (for himself and Mr. ANDERSON of California):

H.R. 4525. A bill to require the Civil Aeronautics Board to rescind the authority of any air carrier to provide nonstop service between any two points if such authority is not utilized within a certain period of time; to authorize the provision of new nonstop service by certificated air carriers between such points without hearings; and for other purposes; to the Committee on Public Works and Transportation.

H.R. 4526. A bill to amend the Federal Aviation Act of 1958, to provide for expedited consideration by the Civil Aeronautics Board of applications for certificates of public convenience and necessity; to the Committee on Public Works and Transportation.

By Mr. TUCKER:

H.R. 4527. A bill to amend title II of the Social Security Act to increase to $4,800 the amount of outside earnings permitted without deductions from benefits thereunder; to the Committee on Ways and Means.

H.R. 4528. A bill to provide for the recognition of nonprofit health maintenance organizations as charitable organizations; to the Committee on Ways and Means.

By Mr. GILMAN (for himself, Mr. ADDABBO, Mr. BAUCUS, Mr. BLANCHARD, Mr. BONIOR, Mr. BUCHANAN, Mr. BURGENER, Mr. BURKE of Florida, Mr. BUTLER, Mr. COHEN, Mr. COLLINS of Texas, Mr. CORRADA, Mr. DERWINSKI, Mr. EDWARDS of California, Mrs. FENWICK, Mr. FISH, Mr. GLICKMAN, Mr. GRADISON, Mr. HOLLENBECK, Mr. HORTON, Mr. HUGHES, Mr. LAGOMARSINO, Mr. LEHMAN, Mr. LEVITAS, and Mr. LONG of Maryland):

H. Con. Res. 138. Concurrent resolution urging the President to take certain measures against countries supporting international terrorism and persons engaging in international terrorism and to seek stronger international sanctions against such countries and persons; jointly, to the Committees on International Relations, and Public Works and Transportation.

By Mr. GILMAN (for himself, Mr. MARKEY, Mr. MAZZOLI, Mr. MCHUGH, Ms. MIKULSKI, Mr. MOAKLEY, Mr. NEAL, Mr. OTTINGER, Mr. PEPPER, Mr. ROE, Mr. ROSENTHAL, Mr. SCHEUER, Mr. SOLARZ, Mrs. SPELLMAN, Mr. WAXMAN, Mr. WHITEHURST, and Mr. ZEFERETTI):

H. Con. Res. 139. Concurrent resolution urging the President to take certain measures against countries supporting international terrorism and persons engaging in international terrorism and to seek stronger international sanctions against such countries and persons; jointly, to the Committees on International Relations, and Public Works and Transportation.

By Mr. MARKS (for himself, Mr. WALGREN, Mr. MOAKLEY, Mr. MINETA, Mr. WAXMAN, and Mrs. SPELLMAN):

H. Con. Res. 140. Concurrent resolution expressing the sense of the Congress with respect to potential cancer risks associated with past radiation treatment of tonsil, adenoid, thymus, and similar problems; to the Committee on Interstate and Foreign Commerce.

By Mr. McCLORY:

H. Res. 380. Resolution requiring the inclusion of units of the metric system of measurement in all bills, resolutions, amendments, and committee reports which contain references to units of weights and measures; to the Committee on Rules.

By Mr. MICHEL (for himself, Mr. RHODES, Mr. BUTLER, Mr. MCKINNEY, Mr. WYDLER, Mr. CRANE, Mr. ARCHER, Mr. MADIGAN, Mr. KINDNESS, Mr. BROWN of Ohio, Mr. JOHNSON of Colorado, Mrs. SMITH of Nebraska, Mr. HORTON, Mr. BEARD of Tennessee, Mr. BUCHANAN, Mr. SCHULZE, Mr. MITCHELL of New York, Mr. LAGOMARSINO, Mr. ROBERT W. DANIEL, JR., Mr. COHEN, Mr. MCEWEN, Mr. ROBINSON, Mr. WINN, Mr. MOORE, and Mr. TREEN):

H. Res. 381. Resolution to provide that the 10 minutes of debate provided under clause 4 of rule XVI of the Rules of the House of Representatives shall apply to a motion to recommit with instructions of a simple resolution or conference report; to the Committee on Rules.

By Mr. PEPPER (for himself and Mr. BOB WILSON):

H. Res. 382. Resolution to provide for the expenses of investigations and studies to be conducted by the Select Committee on Aging; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAFALIS:

H.R. 4529. A bill for the relief of United Broadcasting Company of Florida, Inc.; to the Committee on the Judiciary.

By Mr. DANIELSON:

H.R. 4530. A bill for the relief of Elisabetta Basso Gallizio; to the Committee on the Judiciary.

By Mr. REUSS:

H.R. 4531. A bill for the relief of Phyllis Maxwell Washington; to the Committee on the Judiciary.

H.R. 4532. A bill for the relief of Antonio Miguel Callender; to the Committee on the Judiciary.

H.R. 4533. A bill for the relief of Gary Daves and Marc Cayer; to the Committee on the Judiciary.

H.R. 4534. A bill to authorize R. Edward Bellamy, doctor of philosophy, a retired officer of the Commissioned Corps of the U.S. Public Health Service, to accept employment by the Canadian Department of Agriculture; to the Committee on International Relations.

By Mr. VAN DEERLIN:

H.R. 4535. A bill for the relief of Kazuko Nishioka Dowd; to the Committee on the Judiciary.

H.R. 4536. A bill for the relief of Edwin Mendez Yorobe and Barbara Magat Yorobe; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII,

26. The SPEAKER presented a memorial of the Legislature of the State of Nevada, relative to the study of the feasibility of increasing the capacity of the Hoover Dam; to the Committee on Interior and Insular Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII,

55. The SPEAKER presented a petition of the University of New Orleans College Young Republicans, New Orleans, La., relative to investigation of alleged illegalities in the 1976 election in the First Congressional District of Louisiana; which was referred to the Committee on House Administration.

SENATE—*Friday, March 4, 1977*

(Legislative day of Monday, February 21, 1977)

The Senate met at 12 meridian, on the expiration of the recess, and was called to order by Hon. HERMAN E. TALMADGE, a Senator from the State of Georgia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Almighty God, in the sacred silence of this moment, incline our thoughts to Thee and to Thee alone. Bestow upon all who labor here the gift of the quiet soul, the serene spirit, and the disciplined mind. As we meditate upon Thy majesty and holiness, may our souls be purified and renewed in strength and beauty. Dispel all weariness of body or fretfulness of spirit, granting unto us the joy and the grace of the Master.

As we pray for those who work here, so we pray that the President and all those in the service of this Republic may seek first Thy kingdom and Thy righteousness, in the certain confidence that all else shall be added thereto.

We pray in His name, which is above every name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 4, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. HERMAN E. TALMADGE, a Senator from the State of Georgia, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. TALMADGE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, Thursday, March 3, 1977, be approved.

The PRESIDING OFFICER (Mr. NELSON). Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, there are some nominations on the calendar that have been cleared on both sides of the aisle. I ask unanimous consent that, before we proceed with the order for the recognition of the Senators, the Senate go into executive session for the purpose only of considering nominations beginning on page 2 of the Executive Calendar under "New Reports."

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The clerk will state the nominations.

NEW REPORTS

The second assistant legislative clerk proceeded to read nominations on the Executive Calendar under "New Reports."

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all nominations on pages 2, 3, and 4 be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President of the United States be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

(Later in the day the following occurred:)

ORDER VITIATING CONFIRMATION OF NOMINATION OF ROBERT THALLON HALL TO BE AN ASSISTANT SECRETARY OF COMMERCE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all action taken earlier today with respect to the nomination of Mr. Robert Thallon Hall to be an Assistant Secretary of Commerce be vitiated and that his name be restored to the calendar for the time being.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

Mr. STEVENS. Mr. President, I yield back the remainder of our time.

The PRESIDING OFFICER. All time is yielded back.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order Nos. 30 and 31, both of which measures have been cleared on both sides of the aisle.

The PRESIDING OFFICER. Without objection, it is so ordered.

GEORGE A. KRIMSKY

The Senate proceeded to the consideration of the resolution (S. Res. 81) expressing the sense of the Senate on the expulsion of Mr. George A. Krimsky from the Soviet Union.

Mr. BAYH. Mr. President, today the Senate is considering Senate Resolution 81, a resolution which I introduced on February 10 disapproving the Soviet Government's decision of February 4 to expel Mr. George A. Krimsky, an Associated Press correspondent working in the U.S.S.R. The purpose of this resolution in which some 18 of my colleagues have joined as cosponsors, is to demonstrate to the Soviets that the Senate takes very seriously every word of the human rights provisions of the Helsinki Declaration. It was, indeed, regrettable that Moscow found section (c) of the free flow of information provisions of the Helsinki Final Act acceptable in theory but not so in fact. George Krimsky's efforts to realize "opportunities for journalists of participating States to communicate personally with their sources" met with Moscow's official disfavor. The quite interesting charge of "misuse of foreign currencies" was produced and a talented journalist was forced to leave his assignment.

When faced with this situation our Department of State had little choice but to respond in kind even though such a course of action put us in an awkward position. Still, our Government has an obligation to protect the rights of our newspeople in countries where the press is not free. A Soviet correspondent was ordered expelled. Our resolution notes this situation and calls upon both the United States and the Soviet Union to consult in a spirit of cooperation to reduce another exercise in counterproductivity from occurring.

The fact that the Socialist Republics of Eastern Europe and the Government of the Soviet Union do not share the concepts of political freedom and liberty so important to us has long been self-evident. There is little that we can realistically do to force the leaderships of these countries to see the world as we do. Nevertheless, we must make it clear in unmistakable terms that we take Secretary General Brezhnev at his word that the Conference on Security and Cooperation in Europe should herald a new era of international cooperation and good will.

While it first appeared that the West gave up much at Helsinki we are coming to realize that this is only true if we allow it to be true. This initial impression may have stemmed from a somewhat cynical attitude concerning human rights. In the final analysis—or so the argument went—power politics and "business as usual" would prevail. This does not seem to be the attitude of the President of the United States, however. It is not the view of over 6,000 people from the State of Indiana who have petitioned the Soviet Government asking that Naum Salansky and Mrs. Irena McClellan be allowed to realize their rights under the family reunification provisions of the Helsinki Declaration and leave the U.S.S.R. It is not the view of the British Government when yesterday its new foreign secretary David Owen asserted support for U.S. human rights policy by saying that "the dignity of man transcends national frontiers." He also noted in this regard that "the Warsaw Pact countries had, and still have, much ground to make up."

Protecting the internationally recognized rights of accredited journalists is absolutely necessary to the full implementation of the free flow of information principles of Helsinki and to assurring that we do not return to business as usual with regard to this question. Senate Resolution 81 puts the Senate on record with respect to this. The access which reporters have to sources of information is linked with our ability to know where violations of basic human freedoms are occurring, whether it is in Czechoslovakia or Chile, the Soviet Union or here in the United States. Clearly, our concern cannot be selective or its moral force and capacity to produce constructive change will be diluted.

That journalists often function as a life-line to the victims of repression is well documented. This was probably George Krimsky's real "crime" against the Soviet state. Consistent with the provisions of Helsinki, it is therefore necessary that we take appropriate steps to facilitate the internationally recognized rights of reporters, keeping in mind the consideration that this is part of the broader issue of East-West relations.

On a CBS news telecast one evening in the last few weeks, Mr. Eric Severeid carried the adage about "the pen is mightier than the sword" a bit further by observing that in the context of this political-military competition the human rights issue is "their achilles heel; it is our shining sword. We should not let it rust."

This does not mean that we should place absolute preconditions on efforts to regulate military and political competition. It does require that we convey the essential concern for human rights which is a principle upon which our Nation was founded. If this is done in a permanent and consistent way it can truly be said

that we can be no more effective in the cause of human freedom.

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 81

Whereas the Helsinki Declaration pledges both the United States and the Soviet Union to the principle that: "The legitimate pursuit of their professional activity will neither render journalists liable to expulsion nor otherwise penalize them. If an accredited journalist is expelled, he will be informed of the reasons for this act and may submit an application for re-examination of his case.";

Whereas harassment of accredited correspondents does not facilitate progress in areas of vital interest to both the United States and the Soviet Union and does not contribute to an atmosphere which will encourage greater regulation of political and military competition;

Whereas such action requires appropriate steps to be taken by the United States Government in order to protect the internationally recognized rights of American correspondents: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the explusion of Mr. George A. Krimsky is contrary to the spirit of the Helsinki Declaration respecting the rights of journalists;

(2) such a decision serves only to obstruct the implementation of the free flow of information provisions contained in the Helsinki Declaration:

(3) such action only invites and justifies steps of a reciprocal nature by the United States Government;

(4) the United States Government and the Union of Soviet Socialist Republics should seek in a cooperative spirit greater communication in this area in order to prevent similar events of a counterproductive nature from occurring in the future; and

(5) the Secretary of the Senate transmit a copy of this resolution to the President of the United States in order that the Department of State may convey this view directly to General Secretary Leonid Brezhnev of the Central Committee of the Communist Party of the Soviet Union.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–35), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE RESOLUTION

The purpose of the resolution is to express the sense of the Senate that the rights of journalists, as defined in the Helsinki agreement, should be scrupulously respected.

BACKGROUND

On February 4, 1977, the Soviet Government expelled from the Soviet Union Associated Press reporter George A. Krimsky, alleging that Mr. Krimsky had been engaged in espionage and currency violations. On the same day Secretary of State Vance, having consulted with President Carter and National Security Advisor Brzezinski, summoned Soviet Ambassador Dobrynm to the State Department where, according to press reports, he requested that the expulsion order be rescinded, and made it known that the United States regarded the Soviet action as unacceptable. The Soviet Government rejected the American appeal, whereupon, on February 5, the U.S. Government ordered the retaliatory expulsion of Tass correspondent Vladimir I. Alekseyev.

The issue pertains directly to the Helsinki Pact, under which the United States, the Soviet Union and all other signatories pledged adherence to the principle that:

"The legitimate pursuit of their professional activity will neither render journalists liable to expulsion nor otherwise penalize them. If an accredited journalist is expelled, he will be informed of the reasons of this act and may submit an application for re-examination of his case."

The issue goes back at least to May of last year when the Soviet journal Literaturnaya Gazeta charged that three American correspondents, including Mr. Krimsky, were associated with the CIA. The Soviet journal gave no evidence to support its allegation, contending only that it had received letters from its readers charging the American reporters with improper activities. The U.S. Embassy in Moscow and the American news agencies involved all denied that their reporters had any CIA connection.

Subsequently, in an interview with an NBC news correspondent, the Editor of the Literaturnaya Gazeta reiterated his charges against the three American journalists, contending that a letter from an unnamed Moscow resident accused Mr. Krimsky of having recruited a Soviet citizen to work for Tass, in which position he subsequently leaked to Krimsky special unauthorized "material." Mr. Krimsky denied the charge.

The view of other American journalists is that the real reason for the allegations against Krimsky and the other American journalists was that they had succeeded in making durable and journalistically rewarding friendships with Soviet citizens, affording them insights into Soviet life which the Soviet Government did not welcome. On June 23, the Literaturnaya Gazeta renewed its attacks on the American journalists, quoting a letter attributable to an anonymous Soviet serviceman accusing Krimsky of plying him with drinks after saying he was interested in the life of ordinary Soviet soldiers.

The apparent reason for the expulsion of Mr. Krimsky, according to press reports, was his intensive coverage of Soviet dissidents. On February 7, a group of Soviet dissidents said that Mr. Krimsky had been expelled because of "his highly developed sense of professional responsibility and duty and his deep interest in humanitarian and social aspects of life."

COMMITTEE ACTION

On February 24, 1977, the Committee on Foreign Relations met in open session and voted, by voice vote, to report the resolution favorably without amendment.

U.S. CAPITOL HISTORICAL SOCIETY WALL CALENDARS

The resolution (S. Res. 103) relating to the purchase of calendars was considered and agreed to, as follows:

S. RES. 103

Resolved, That the Committee on Rules and Administration is authorized to expend from the contingent fund of the Senate, upon vouchers approved by the chairman of that committee, not to exceed $52,000 for the purchase of one hundred and four thousand calendars. The calendars shall be distributed as prescribed by the committee.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–36), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 103 would authorize the Committee on Rules and Administration to expend not to exceed $52,000 for the purchase from the U.S. Capitol Historical Society of 104,000 of its 1978 wall calendars for the use of the Senate. The calendars would be prorated among the Members of the Senate.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which Senate Resolution 81 and Senate Resolution 103 were agreed to; and I ask unanimous consent that the motion be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on the motion to reconsider.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from South Carolina (Mr. THURMOND) is recognized for not to exceed 15 minutes.

Mr. STEVENS. Mr. President, I ask unanimous consent that time under the special order which is provided to me be yielded to the Senator from South Carolina (Mr. THURMOND), so much time as he needs.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, will the Senator from South Carolina yield for a unanimous-consent request?

Mr. THURMOND. Mr. President, I am pleased to yield without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR— WARNKE NOMINATION

Mr. CRANSTON. Mr. President, I ask unanimous consent that Bill Jackson of my staff have the privilege of the floor throughout all stages of the consideration of the Warnke nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I ask unanimous consent that Mr. Ed Kenney of the Senate Committee on Armed Services have the privilege of the floor during consideration of the Warnke nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE NEED FOR EMPHASIZING RESEARCH AND DEVELOPMENT OF NUCLEAR ENERGY

Mr. THURMOND. Mr. President, over the last few weeks, our Nation has suffered the most serious energy shortage

within memory. Unfortunately, many representatives of the media and even some members of the administration have either misunderstood or misrepresented the underlying problem. By raising the specter of greedy businessmen hoarding energy reserves to boost prices, they have encouraged the gullible to believe that the shortage is artificial.

Let us stop this charade once and for all. The problem is real and serious. Despite the world's most advanced energy technology, this Nation cannot keep its factories busy or its homes warm without expensive assistance from abroad. Even with this assistance, we have seen severe weather cause widespread national suffering. Unless we act now to develop alternative energy sources, we shall soon be utterly at the mercy of foreign governments and the elements. It would be hard to say which is more unreliable.

A small group of single-minded environmentalists has succeeded in blocking such development through litigation and scare tactics. I do not mean to belittle the environmentalist cause. There is good reason to be concerned about the conservation of natural resources and the preservation of wildlife.

It is only commonsense, however, to balance environmental goals against energy needs. The Hindus of India, as Congressman POAGE has pointed out, let people starve rather than kill the rats that eat their grain. Some environmentalists seem to want us to let people freeze rather than exploit the energy resources that could provide heat.

Two of the many accomplishments of such shortsighted activists are a 3- to 5-year delay in construction of the Alaska pipeline, and a nearly total blockage of offshore oil and gas exploration. For instance, a couple of weeks ago, a Federal judge in New York nullified a contract of $1.1 billion for the lease of oil and gas rights off the coast of New Jersey. He justified his action on the ground that there had been insufficient study of the environmental background. The paperwork on the subject runs to 4,043 pages.

Another trophy claimed by such environmentalists is the obstruction of a $116 million TVA hydroelectric project on the Little Tennessee River. They protested that the project threatened a fish called the Tennessee snail darter.

Nuclear power is the energy source which has come under the most constant—and the most illogical—attack. Countless legal, emotional, and environmental arguments are made against nuclear development. Most of these, especially the frequent forecasts of doom, are the product of unthinking opposition to progress. Perhaps the most ridiculous charge is that energy-producing reactors could explode like nuclear bombs.

The true facts about nuclear energy should allay any such hysterical fears. Here they are:

1. Nuclear power is *safe*. No one has died in an accident involving nuclear generation at any plant in America. In fact, one university study indicates that an all-nuclear U.S. electrical power system, at worst, would be three times safer than a similar all-coal system.

2. Nuclear wastes can be stored safely in subsurface salt deposits which are stable and virtually impenetrable. The entire process can be accomplished with little danger to man or the environment.

3. Nuclear plants produce only small amounts of waste. A large power plant in one year produces about two cubic yards of high-level waste. The current stock of nuclear waste in America would barely fill one small room, and this quantity is not growing rapidly.

4. Nuclear fuel can be reprocessed for continuing use in nuclear energy generation. Facilities for such reprocessing have been completed in Barnwell, South Carolina, but environmental complaints have held up operation.

5. Nuclear energy is less expensive than fossil fuels. Due to the huge increases in the price of crude oil, it should continue to be so for the foreseeable future.

6. The people of the Nation want nuclear power—by a margin of two-to-one, according to a 1976 poll. Approximately that same percentage approved nuclear development in recent referenda in states from California to New Jersey.

Mr. President, these facts demonstrate that rapid development of nuclear power is both feasible and desirable. Now that shortages of fossil fuels have become chronic, such development is also necessary.

The production of nuclear energy, however, requires enormous capital investment. Before power companies will make this investment, our Government must formulate a nuclear energy policy in which they can have confidence. Inconsistent and burdensome policy in the past has greatly depressed investor interest. With 5 to 8 years of lag time between conceptualization and power production, any additional delay in encouraging investment will assure energy impoverishment in the 1980's.

There are some 58 nuclear energy electrical generating plants now in operation in the United States. Add 69 more under construction, 90 on order, and 11 soon to be ordered, and the total for the country is 228. This compares with a worldwide total of 450. Nuclear power now provides 7 to 8 percent of our electrical power across the Nation, and over 20 percent in some particular areas.

Nuclear energy has proved to be invaluable during the recent energy crisis. A recent survey by the Atomic Industrial Forum, a trade association for the nuclear industry, estimates that nuclear power accounted for approximately 20 billion kilowatt-hours of electricity in January. Had this energy not been available, the following consequences would have ensued:

1. More than 257,000 additional lost jobs;
2. Nearly $230 million in lost wages;
3. A reduction of some $3.8 billion in the various goods and services that make up the Gross National Product.

Mr. President, to make up the resultant energy shortage from other sources would have required the following:

1. 32 million barrels of oil, nearly 13 percent of current monthly domestic production; or
2. 182 billion cubic feet of natural gas, more than 10 percent of current monthly production; or
3. 9.6 million tons of coal, about 17 percent of current monthly production.

Mr. President, these figures give us some indication of the usefulness of nuclear energy. If some of the unnecessary bureaucratic redtape could be cut, several more nuclear plants could be quickly completed to add to the benefits. For example, the New Hampshire Public Service Co. is trying to build two nuclear powerplants to help meet the future energy needs of New England; $140 million has aready been spent on the Seabrook project, which the Government originally approved but which the EPA is now delaying so it can investigate a possible danger to clam larvae. This problem arose 4 months ago. The delay costs Seabrook $15 million per month.

Mr. President, increasing energy demands will necessitate increasing construction of electric plants as we approach the next century. How we run these plants will depend in large part on the outcome of the momentous research now being done on solar power, fusion, and other space-age technologies. At the present time, though, given the scarcity of oil and natural gas, the choice of fuel comes down to either nuclear material or coal.

President Carter seems to prefer coal. He has indicated that he would fall back on nuclear power only as a last resort. Without question, it is necessary to increase our use of coal. This precious resource is so abundant in the United States that the United States has been called the Saudi Arabia of coal. However, a substantial increase in coal mining and production would entail serious risks.

The National Academy of Science states that major expansion of coal production would bring with it "the expansion of one of our most hazardous occupations." The academy also notes:

> The hazards to the general public arising from the burning of coal are less obvious . . . But they become even more compelling because of the vast number of ramifications that air pollution has for rainfall, vegetation, and segments of our food chain.

Injured and diseased miners receive over a billion dollars a year in disability compensation, and the additional cost in suffering and sorrow cannot be given a monetary equivalent. Equally incalculable is the harm done to society at large by coal production and use. Considering the factors of safety and environmental effect, I believe it would be wise to place more emphasis on nuclear energy.

Mr. President, nuclear power bears an enduring stigma from the first terrible uses to which it was put. It has become associated, in the public mind, with bombs and destruction. It also has evoked the same fear and suspicion that seems to beset every technological advancement, potentially dangerous or not.

Looking back in history, we find that many people had misgivings about the airplane, the car, the telephone, the electric light, and all the inventions and dis-

coveries on which modern society is based. Indeed, in writings from the dawn of recorded history, there was vocal opposition to the use of so essential a commodity as iron, which was then replacing softer metals. Early man was afraid that it would be used for more destructive weapons.

So it was. That which is capable of harm, however, is often equally capable of good. No one would propose that we do without valuable tools, because they are liable to be abused. Technological advancement brings the high standard of living which, in the long run, is the only sure remedy for human discord.

Mr. President, in an age which is now long gone but in which war was just as abhorrent as it is today, men prayed for the day when their swords could be beaten into plowshares. As the sword was the symbol of war, so the plow was the symbol of peace and prosperity. Through the miracle of modern technology, we have beaten our nuclear sword into a nuclear plowshare. Such is the relation between the bomb and the reactor.

Mr. President, yet no benefit comes to anyone from a plow that lies idle. It still remains to us to harness the plow and use it. Let us get on with the job, for our own betterment and that of all mankind.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond 30 minutes, with statements therein limited to 5 minutes.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REDUCTION OF FEDERAL REGULATION OF THE AIRLINE INDUSTRY—MESSAGE FROM THE PRESIDENT—PM 45

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

As a first step toward our shared goal of a more efficient less burdensome Federal government, I urge the Congress to reduce Federal regulation of the domestic commercial airline industry.

One of my Administration's major goals is to free the American people from the burden of over-regulation. We must look, industry by industry, at what effect regulation has—whether it protects the public interest, or whether it simply blunts the healthy forces of competition, inflates prices, and discourages business innovation. Whenever it seems likely that the free market would better serve the public, we will eliminate government regulation.

This will take time, careful study, and extensive participation by all affected parties. But we can start with domestic commercial aviation, an area where Congress has already led the way toward regulation reform.

The statute which governs this industry has not been fundamentally changed since it was first enacted in 1938. At that time, the aviation industry was in its infancy. Many people believed that, unless the government intervened to set prices and control competition, the industry would never develop in a sensible way.

Since 1938, the industry has grown enormously. The regulatory scheme designed nearly 40 years ago to protect a developing industry is no longer suited to today's mature industry. Regulation, once designed to serve the interests of the public, now stifles competition. It has discouraged new, innovative air carriers from offering their services and it has denied consumers lower fares where they are possible.

The effect of such regulation has been recently documented. Since 1950 the Civil Aeronautics Board has received approximately 80 applications to enter scheduled trunk service from firms outside the industry. It has granted none.

On February 23, 1977, the General Accounting Office released a report which shows that regulation of domestic airlines has kept air travel costs up. The report concludes that:

—because of Federal regulation, air fares are between 22 and 52% higher than they otherwise would be.

—between 1969 and 1974, Federally regulated airlines in the United States could have operated at lower costs than they did, and travelers could have saved $1.4 billion and $1.8 billion annually.

—travelers' savings would probably have been even higher, since lower fares would encourage greater travel.

I am pleased that Congress has recognized that the outdated airline regulatory scheme must be reformed. During the last Congress, both the Senate and the House of Representatives held extensive hearings on various proposals to reduce government regulation and allow the airlines to compete.

I urge Congress to enact, without delay, regulatory reform of domestic commercial aviation.

The legislation should be directed toward certain specific objectives:

1. To the maximum extent possible, our domestic commercial airline industry should be governed by competitive market forces, not the decisions of a government bureaucracy.

2. We should ease the restrictions which now prevent entry into the industry and into currently protected routes, so that the new, innovative companies can offer their services to the public. A financially responsible firm which meets applicable safety standards should be denied entry only if the Civil Aeronautics Board can show that entry would be detrimental to the public interest.

3. Carriers should be allowed to expand their routes, within limits, without obtaining approval from the Board.

4. After a short, initial phase-in, carriers should be free to set competitive prices, with only such regulation as is necessary to prevent predatory, below-cost pricing.

5. Carriers should be given more flexibility to leave markets without prolonged hearings or onerous restrictions.

6. Small communities must be protected against the loss of needed air service.

It will take time to change from a system of extensive government regulation to one emphasizing the natural forces of the marketplace. As we make this change, we must take care to protect the legitimate interests of the public and of the air industry and its employees.

My Administration will cooperate fully with Congress throughout the legislative process so that legislation can be enacted by summer.

JIMMY CARTER.

THE WHITE HOUSE, *March 4, 1977.*

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 12:04 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the Speaker has signed the enrolled bill (S. 776) to dedicate the canal and towpath of the Chesapeake and Ohio Canal National Historical Park to Justice William O. Douglas, and for other purposes.

The enrolled bill was subsequently signed by the Deputy President pro tempore (Mr. HUMPHREY).

At 1:47 p.m., a message from the House of Representatives announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the resolution (S. Con. Res. 10) revising the congressional budget for the U.S. Government for the fiscal year 1977.

The message also announced that the House has passed the following bill and joint resolution in which it requests the concurrence of the Senate:

H.R. 3839. An act to rescind certain budget authority recommended in the message of the President of January 17, 1977 (H. Doc. 95-48), transmitted pursuant to the Impoundment Control Act of 1974; and

House Joint Resolution 269. A joint resolution making an urgent supple-

mental appropriation for the fiscal year ending September 30, 1977, for disaster relief.

The message further announced that the House agreed to the following resolutions:

House Resolution 305. A resolution expressing disapproval of proposed deferral D77–50, relating to the Energy Research and Development Administration, magnetic fusion energy research;

House Resolution 306. A resolution expressing disapproval of proposed deferral D77–51, relating to the Energy Research and Development Administration, Program Support-Community Operations; and

House Resolution 307. A resolution expressing disapproval of proposed deferral D77–52, relating to the Energy Research and Development Administration, Biomedical and Environmental Research.

The message also announced that the Speaker has appointed Mr. MAHON, Mrs. BOGGS, and Mr. CEDERBERG members of the Board of Regents to the Smithsonian Institution.

HOUSE BILL AND JOINT RESOLUTION REFERRED

The following bill and joint resolution were each read twice by their titles and referred as indicated:

H.R. 3839. An act to rescind certain budget authority recommended in the message of the President of January 17, 1977 (H. Doc. 95-48), transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations and the Committee on the Budget, jointly, pursuant to the order of January 30, 1975.

H.J. Res. 269. A joint resolution making an urgent supplemental appropriation for the fiscal year ending September 30, 1977, for disaster relief; to the Committee on Appropriations.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC–803. A letter from the Assistant Secretary of the Department of Agriculture transmitting, pursuant to law, notice of an extension of the date for the submission of completed FY 1978 State agency Plans of Management and Operation from January 1, 1977 to July 1, 1977; to the Committee on Agriculture, Nutrition, and Forestry.

EC–804. A letter from the Acting Assistant Secretary of Defense, Manpower and Reserve Affairs, transmitting, pursuant to law, the Military Manpower Training Report for Fiscal Year 1978 (with an accompanying report); to the Committee on Armed Services.

EC–805. A letter from the Secretary of the Commerce transmitting a draft of proposed legislation to amend section 7(e) of the Fishermen's Protection Act of 1967, as amended (with accompanying papers); to the Committee on Commerce, Science, and Transportation.

EC–806. A letter from the Secretary of the Interior transmitting a draft of proposed legislation to authorize the appropriation of $12.4 million for rehabilitation and resettlement of Enewetak Atoll, Trust Territory of the Pacific Islands, and for other purposes (with accompanying papers); to the Committee on Energy and Natural Resources.

EC–807. A letter from the Secretary of the Interior transmitting, pursuant to law, the 1976 Annual Report on the Bonneville Power Administration (with an accompanying report); to the Committee on Energy and Natural Resources.

EC–808. A letter from the Secretary of the Interior transmitting a draft of proposed legislation to extend certain authorities of the Secretary of the Interior with respect to Water Resources Research and Saline Water Conversion Programs, and for other purposes (with accompanying papers); to the Committee on Environment and Public Works.

EC–809. A letter from the Director of the Office of Legislative Services, Office of the Commissioner of Food and Drugs, of the Department of Health, Education, and Welfare transmitting, pursuant to law, notice of an administrative rulemaking hearing on Laetrile (with accompanying papers); to the Committee on Human Resources.

EC–810. A letter from the Chairman of the Federal Deposit Insurance Corporation transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–811. A letter from the Administrator of the National Aeronautics and Space Administration transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–812. A letter from the General Counsel of the Legal Services Corporation transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an acoompanying report); to the Committee on the Judiciary.

EC–813. A letter from the General Counsel of the Civil Aeronautics Board transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–814. A letter from the Information Officer of the Postal Rate Commission transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–815. A letter from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, copies of orders suspending deportation, as well as a list of the persons involved (with accompanying papers); to the Committee on the Judiciary.

EC–816. A letter from the Acting Assistant Secretary for Administration of the Department of Commerce transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–817. A letter from the Director of ACTION transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–818. A letter from the Vice Chairman of the Federal Maritime Commission transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–819. A letter from the Chairman of the Council on Environmental Quality, Executive Office of the President, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–820. A letter from the Chairman of the United States International Trade Commission transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–821. A letter from the Administrator of the National Aeronautics and Space Administration reporting, pursuant to law, that NASA, acting through its Contract Adjustment Board, did not grant any request for extraordinary contractual adjustment during calendar year 1976; to the Committee on the Judiciary.

EC–822. A letter from the Executive Secretary of the National Mediation Board, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–823. A letter from the Chairman of the Federal Election Commission transmitting a correction of certain typographical errors made in the Commission's Authorization Request submitted on February 17, 1977 (with accompanying papers); to the Committee on Rules and Administration.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions which were referred as indicated:

POM–76. Resolution No. 1 adopted by the Fourteenth Guam Legislature relative to requesting the United States Congress to adopt an Open-Sky Policy with respect to Guam; to the Committee on Commerce, Science, and Transportation:

"RESOLUTION NO. 1

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, Guam as an American territory is within the jurisdiction of the Civil Aeronautics Board as far as decisions relative to what carrier will serve Guam are concerned; and

"Whereas, Guam being a remote and isolated island, air transportation is absolutely crucial to the people; and

"Whereas, in the recent past, Guam has had severe problems as far as air transportation is concerned including stoppage of flights by one carrier from Japan to the territory of Guam and the suspension of service by another carrier; and

"Whereas, although the kind of regulation that is suitable for other parts of the United States as far as air transportation is concerned is not suitable for Guam because of Guam's geographic location, now, therefore, be it

"Resolved, that subject to the requirements of the National Security, the United States Congress is requested to adopt an Open-Sky Policy with respect to Guam and to allow unlimited access to Guam by foreign airlines; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Speaker, U.S. House of Representatives; the President Pro Tempore, U.S. Senate; to Representative Antonio B. Won Pat; to the Philippine Airlines; to the Cathay Pacific Airlines; to the China Airlines; and to the Governor of Guam.

POM-77. Resolution No. 146 adopted by the Council of the City of Pittsburgh, Pennsylvania, requesting the Congress of the United States to hold public hearings on the proposed "Consumer Communications Reform Act of 1976" as quickly as possible; to the Committee on Commerce, Science, and Transportation.

POM-78. A resolution adopted by Pennsylvania State Conference of N.A.A.C.P. Branches requesting the Congress of the United States to hold public hearings on the proposed "Consumer Communications Reform Act of 1976" as quickly as possible; to the Committee on Commerce, Science, and Transportation.

REPORTS OF COMMITTEES SUBMITTED DURING RECESS

Under order of March 3, 1977, the following report was submitted:

By Mr. ABOUREZK, from the Select Committee on Indian Affairs, without amendment:

S. Res. 102. A resolution authorizing expenditures by the Select Committee on Indian Affairs. Referred to the Committee on Rules and Administration.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BURDICK, from the Committee on Environment and Public Works:

With an amendment:

S. 427. A bill to provide additional authorizations for the public works employment program, to authorize a program for employment of teenaged youth in community improvement projects, and for other purposes (together with minority, supplemental, and additional views) (Rept. No. 95-38).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Human Resources:

Mary Elizabeth King, of the District of Columbia, to be Deputy Director of the ACTION Agency.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that today, March 4, 1977, he presented to the President of the United States the enrolled bill (S. 776) to dedicate the canal and towpath of the Chesapeake and Ohio Canal National Historical Park to Justice William O. Douglas, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated.

By Mr. HUMPHREY:

S. 903. A bill to amend the Food Stamp Act of 1964; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. KENNEDY (for himself, Mr. ROTH, Mr. MUSKIE, Mr. PERCY, and Mr. CHILES):

S. 904. A bill to provide for the efficient and regular distribution of current information on Federal domestic assistance programs; to the Committee on Governmental Affairs.

By Mr. KENNEDY (for himself and Mr. METCALF):

S. 905. A bill to provide water to the five central Arizona Indian tribes for farming operations, to settle their surface water rights, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. PELL:

S. 906. A bill to prohibit discriminatory practices with respect to physically handicapped persons; to the Committee on Human Resources.

By Mr. HUDDLESTON:

S. 907. A bill to authorize a program to repair highways incurring substantial additional use as a result of national energy requirements; to the Committee on Environment and Public Works.

S. 908. A bill to amend title V of the Rural Development Act of 1972; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. SPARKMAN (by request):

S. 909. A bill to amend the Board of International Broadcasting Act of 1973 and to authorize appropriations for fiscal years 1978 and 1979 for carrying out that Act; to the Committee on Foreign Relations.

S. 910. A bill to amend title II of the Foreign Relations Authorization Act, fiscal Year 1977 (Public Law 94-350; 90 Stat. 829), to authorize appropriations for the fiscal years 1978 and 1979, and for other purposes; to the Committee on Foreign Relations.

By Mr. WEICKER:

S. 911. A bill for the relief of Mr. and Mrs. Brian Logan; to the Committee on the Judiciary.

By Mr. BELLMON:

S. 912. A bill to return Congress, through the implementation of procedural reforms, the ability to insure that rules and regulations promulgated through the administrative process shall reflect the intent of Congress; to the Committee on Governmental Affairs.

By Mr. BARTLETT (for himself, Mr. MCCLELLAN, Mr. GOLDWATER, Mr. HANSEN, Mr. LAXALT, and Mr. GRIFFIN):

S. 913. A bill amending section 1951(b)(2) of title 18, United States Code; to the Committee on the Judiciary.

By Mr. McCLURE:

S. 914. A bill to amend the Internal Revenue Code of 1954 in order to tax excess petroleum industry profits, to encourage investments in the expansion of domestic energy supplies, and to create an incentive tax credit for research and development of new or expanded energy sources; to the Committee on Finance.

By Mr. McCLURE (for himself and Mr. YOUNG):

S. 915. A bill to require an estimate of domestic consumer needs and domestic production of sugar, to provide an annual quota of sugar which may be brought or imported into the United States, and for other purposes; to the Committee on Finance.

By Mr. LAXALT (for himself, Mr. BARTLETT, Mr. CHURCH, Mr. CLARK, Mr. DOMENICI, Mr. EASTLAND, Mr. GARN, Mr. HANSEN, Mr. LEAHY, Mr. MCCLURE, Mr. NUNN, and Mr. TOWER):

S. 916. A bill to amend medicare provisions as they relate to rural health facilities; to the Committee on Finance.

By Mr. LAXALT (for himself and Mr. CANNON):

S. 917. A bill to provide for conveyance of certain lands adjacent to the Gund Ranch, Grass Valley, Nev., to the University of Nevada; to the Committee on Energy and Natural Resources.

By Mr. RIEGLE:

S. 918. A bill to amend the Consumer Credit Protection Act to prohibit abusive practices by debt collectors; to the Commitee on Banking, Housing, and Urban Affairs.

By Mr. RIEGLE (for himself and Mr. GRIFFIN):

S. 919. A bill to amend the Clean Air Act to establish certain vehicle emission standards, and for other purposes; to the Commission on Environment and Public Works.

By Mr. BARTLETT:

S. 920. A bill relating to the disposition of certain recreational demonstration project lands by the State of Oklahoma; to the Committee on Energy and Natural Resources.

By Mr. HART:

S. 921. A bill to provide a pilot program for review of certain existing tax expenditures, and to provide for systematic review of new tax expenditures and existing tax expenditures which are continued; to the Committee on Finance.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 922. A bill to amend the Regional Rail Reorganiaztion Act of 1973 to authorize additional appropriations for the U.S. Railway Association; to the Committee on Commerce, Science, and Transportation.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 923. A bill to provide for the collection of waterway user charges, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. WILLIAMS (for himself and Mr. JAVITS):

S. 924. A bill to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers and to establish a national framework for collective bargaining in the construction industry, and for other purposes; to the Committee on Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUMPHREY:

S. 903. A bill to amend the Food Stamp Act of 1964; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD STAMP REFORM ACT

Mr. HUMPHREY. Mr. President, I am today introducing legislation to extend the Food Stamp Act of 1964 and at the same time make significant improvements in it.

Mr. President, we have had a great deal of controversy regarding this program over the past year. Early in 1976, then Secretary of the Treasury Simon and others referred to the program as a haven for chislers. Others expressed concern over the growth in participation and costs.

However, fears of cost escalation in the food-stamp program proved to be largely unfounded as program participation dropped from over 19 million people to

some 17 million by the most recent count. And, more importantly, as the year wore on, we found more and more evidence that this program serves as an important buffer for people out of work and for those in need. The main reason for the sharp increase in the program in 1975 was increased unemployment and the depressed state of the economy. As unemployment receded, the number on the food-stamp rolls declined. The program should be maintained and strengthened.

Certainly, we learned last year that there exists some potential for abuse of the food-stamp program. And, that potential for taking advantage of the program should be weeded out. This legislation moves in that direction by standardizing deduction, basing eligibility on the "poverty line," and simplifying and improving administration.

Equally obvious was the lesson that there exist substantial barriers to the participation of those who are legitimately eligible. Primary among these is the purchase requirement. This legislation proposes to insure access to food stamps by making a number of administrative changes and eliminating the purchase requirement.

ELIMINATION OF PURCHASE REQUIREMENT

One of the major features of this legislation is the elimination of the purchase requirement—EPR. This step will represent a major simplification of the program, and at the same time mean that needy people will not be forced to make major investments of their limited funds to obtain what has been referred to as the free coupons or "bonus."

For a family of four and with a net monthly income of $200 the family would pay nothing under my bill but would receive $106 in benefits, or bonus, based on the 30-percent benefit reduction rate. In the past, this family would have had to put up the difference between the bonus or free coupons and the total allotment, which is currently $116 a month. This limited access to food-stamp aid to those who had the necessary cash, who often were the least in need. EPR will mean that personal funds that could not be utilized by needy families for shelter and clothing will now be available for these purposes.

In addition, major problems we have had regarding food-stamp vendors will be abolished. We are well aware of the delays and mishandling of food-stamp funds by some vendors or middlemen. Last year the Congress had to pass legislation to specifically deal with this problem.

FOOD STAMPS ON FEDERAL INDIAN RESERVATIONS

The legislation also would allow the continuation of commodities in certain Federal Indian reservations or portions thereof where administering the food-stamp program is difficult or impractical. Thus, there could be cases where both food stamps and commodities would be provided within the same Federal Indian reservation, provided that no household would participate simultaneously in both programs. The need for this is obvious. Indian reservations often do not have the retail facilities to implement the food stamp program properly.

STANDARDIZED DEDUCTIONS

In place of the present itemized deductions, my bill would provide a standard deduction of $85 a month for all one- and two-member households and $100 a month for all other households. There would be an additional deduction of $25 a month for any household where there was one elderly person or where there was one member employed. And, for working households, income and social security taxes would be deductible.

Standardized deductions would simplify the administration of the program and at the same time be beneficial to both working and elderly families. In conjunction with the use of the "poverty line" as the net income ceiling, standardized deductions would place a reasonable ceiling on eligibility and remove the potential for abuse.

CHILD CARE INCENTIVE

As a further work incentive the bill would also include a deduction of up to $75 per month toward the actual cost of child care payments. This device would provide another work incentive in order that needy mothers with young children could work without risking the loss of food-stamp benefits.

ADMINISTRATIVE IMPROVEMENTS

This bill would provide a number of further improvements designed to increase the administrative effectiveness of the program as well as provide greater responsiveness to people's needs.

The Department would be authorized to carry out pilot projects to deal with specific problems, again to improve the efficiency of the program. I am particularly concerned over developing ways of being more responsive to the needs of migrant workers, and I am particularly interested that the Department use the authority in this area as well to meet the special problems of the elderly and other groups.

The Department is also authorized to carry out research projects designed to find out more about the effect of food stamps and the characteristics and needs of those who participate. Too often, we are called upon to legislate without adequate information, and this provision would help remedy that need.

The legislation also provides for assistance by the Department of Agriculture to enable States to improve program efficiency and effectiveness, and I would envision that this could happen through providing staff assistance or funding to establish new or improved recordkeeping.

The legislation also provides instruction to the Department to establish a more effective outreach program, including non-English-speaking people.

Finally, the bill improves service to recipients by calling for prompt certification of eligibility, mandatory effective emergency issuance procedures, and insuring that food stamp benefits will continue with no gap between certification periods.

This bill would extend the program through September 30, 1982.

Mr. President, this legislation would make a number of major improvements in the program, and we will be reviewing it in detail as we hold hearings and proceed to mark up in our committee. I ask unanimous consent that the text of the bill be included at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 903

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Food Stamp Act of 1964, as amended, is amended as follows:

(a) Subsection (e) is amended to read as follows:

"The term 'household' means a group of individuals who are sharing common living quarters and living as one economic unit but who are not residents of an institution or boardinghouse, and for whom food is customarily purchased in common. Residents of federally subsidized housing for the elderly, built under either section 202 of the Housing Act of 1969 (12 U.S.C. 170q) or section 236 of the National Housing Act (12 U.S.C. 1715z–1), shall not be considered residents of an institution or boardinghouse. The term 'household' also means: (1) a single individual living alone who purchases food for home consumption, (2) an elderly person who meets the requirements of section 10(h) of this Act; or (3) any narcotics addict or alcoholic who lives under the supervision of a private nonprofit organization or institution for the purpose of regular participation in a drug or alcoholic treatment and rehabilitation program."

(b) Subsection (1) is amended to read as follows:

"The term 'elderly person' means a person sixty years of age or over who is not a resident of an institution or boardinghouse.".

(c) Section 3 is amended by adding at the end thereof a new subsection (p) as follows:

"(p) The term 'adjusted semiannually' means adjusted effective every January 1 and July 1 to reflect changes in the Consumer Price Index published by the Bureau of Labor Statistics in the Department of Labor for the preceding six months ending September 30 and March 31.".

ELIMINATION OF THE PURCHASE PRICE

SEC. 2. (a) The first sentence of section 4(a) of the Food Stamp Act of 1964, as amended, is amended to read as follows: "The Secretary is authorized to formulate and administer a food stamp program under which, at the request of the State agency, eligible households within the State shall be provided with a supplement to their incomes, through the use of a coupon allotment, sufficient to provide such households with an opportunity to obtain a nutritionally adequate diet.".

(b) The section head of section 7 of the Food Stamp Act of 1964 is amended by striking out "AND CHARGES TO BE MADE."

(c) Section 7(a) of such Act is amended by striking out that portion preceding "adjusted semiannually." and inserting in lieu thereof the following: "The face value of the coupon allotment which State agencies shall be authorized to issue for any period to any household certified as eligible to participate in the food stamp program shall be in such

amount as the Secretary determines to be the cost of a nutritionally adequate diet, reduced by an amount equal to 30 per centum of such household's income: *Provided*, That for single-person households and two-person households the minimum allotment shall be $10: *Provided further*, That all other households shall be ineligible if the allotment is less than $5. The coupon allotment shall be adjusted semiannually by the nearest dollar increment that is a multiple of two to reflect changes in the prices of food published by the Bureau of Labor Statistics in the department of Labor to be implemented commencing with the allotments of January 1, 1978, incorporating the changes in the prices of food through September 30, 1977, but in no event shall such adjustments be made for households of a given size unless the increase in the face value of the coupon allotment for such households, as calculated above, is a minimum of $2.".

(d) Section 7(b) and 7(d) of the Act are repealed.

(e) Section 7(c) is redesignated as 7(b) and the following is deleted: "which is in excess of the amount charged such household for such allotment."

(f) Section 3(m) is amended by deleting: "to purchase" and "and the amount to be paid by such household for such allotment."

(g) Section 10(g) is amended to read as follows:

"(g) If the Secretary determines that there has been gross negligence or fraud on the part of the State agency in the certification of applicant households, the State shall, upon request of the Secretary, deposit into the separate account established in the Treasury a sum equal to the face value of any coupons issued as a result of such negligence or fraud. Funds deposited into such account shall be available without fiscal year limitation for the redemption of coupons.".

(h)(1) The third sentence of section 16 (a) is amended to read: "Such portion of any such appropriation as may be required to pay for the value of the coupon allotments issued to eligible households shall be transferred to and made a part of a separate account maintained in the Treasury of the United States, and such deposits shall be available, without limitation as to fiscal years, for the redemption of coupons.".

(2) Subsections (b) and (c) of section 16 are repealed and subsection (d) is redesignated as subsection (b).

(i) The amendments made by this section shall become effective with respect to coupon allotments issued on and after January 1, 1978.

DISTRIBUTION OF FEDERALLY DONATED FOODS

SEC. 3. Section 4 of the Food Stamp Act of 1964, as amended, is amended as follows:

(a) by striking out "(c)" and inserting in lieu thereof "(d)"; and

(b) by inserting immediately after subsection (b) a new subsection (c) as follows:

"(c) Notwithstanding any other provision of law, the Secretary shall permit the implementation of the commodity distribution programs for needy families on Federal Indian reservations either separately or concurrently with the food stamp program, if a request for such implementation is made by the official governing body of the tribe and such request is determined by the Secretary to be reasonably predicated on the difficulties of providing adequate nutrition for impoverished tribal members without such implementation: Provided, That steps shall be taken to insure that no household participates simultaneously in the food stamp program and the commodity distribution program for needy families.".

ELIGIBLE HOUSEHOLDS

SEC. 4. Section 5(b) of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"(b)(1) The Secretary shall establish uniform national standards of eligibility for participation by households in the food stamp program and no plan of operation submitted by a State agency shall be approved unless the standards of eligibility meet those established by the Secretary, and no State agency shall impose any other standards of eligibility as a condition for participating in the program."

"(2)(A) The income standards of eligibility in every State (except Alaska and Hawaii) shall be the income poverty guidelines for the nonfarm United States prescribed by the Office of Management and Budget, as adjusted in accordance with clause (B) of this paragraph. The income standards of eligibility for Alaska and Hawaii shall be the nonfarm income poverty guidelines established pursuant to section 625 of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2971d), as adjusted in accordance with clause (B) of this paragraph.

"(B) The income poverty guidelines shall be adjusted semiannually (as that term is defined in section 3 (p) of this Act) pursuant to section 625 of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2971d), to the nearest $1 increment. However, the first adjustment under this paragraph shall take effect on July 1, 1978, and shall be made by multiplying the income poverty guidelines published as of May 1, 1978, by the changes between the average 1977 Consumer Price Index and the Consumer Price Index for March 1978.

"(3) Income shall be calculated for the purpose of determining household eligibility by focusing upon the income reasonably anticipated to be received by the household in the certification period for which eligibility is being determined and the income which has been received by the household during the thirty days preceding the filing of its application for participation or recertification so as to ascertain as best as possible the income that will be actually available to the household, except for those households who by contract or self-employment derive their annual employment in a period of time substantially shorter than one year, income shall be calculated by being averaged over a twelve month period, and (2) for those households with nonexcluded income of the type described in subparagraph 5(b) (6) (F), such income shall be calculated by being averaged over the period for which it is provided; *Provided*, That households experiencing a change in income or household circumstances during their certification period shall inform the State agency of the change, and shall have their eligibility and benefits redetermined, under procedures prescribed by the Secretary."

"(4) The Secretary shall also prescribe additional standards of eligibility with respect to the amounts of liquid and nonliquid assets a household may own.

"(5)(A) Household income for purposes of the food stamp program shall be the gross income of the household, as defined in paragraph (6), of this subsection, less (i) a standard deduction of $85 a month for all one and two member households and $100 a month for all other households, except that the Secretary shall set separate deductions for Puerto Rico, the Virgin Islands, and Guam in accordance with the best available information on the relationship of actual or potential itemized deductions in these areas to those in the 50 States and the District of Columbia; (ii) an additional deduction of $25 a month for any household in which there is at least one elderly person, or any household in which there is at least one member employed and working (except that the amount so deducted may not exceed the amount earned); (iii) Federal, State, and local income taxes and social security taxes paid by employees under the Federal Insurance Contributions Act or mandatory retirement witholdings under section 8334 of title 5, United States Code; and (iv) mandatory payroll withholdings.

"(B) Effective July 1, 1978, the standard deduction shall be adjusted semiannually as that term is defined in section 3(p) of this Act, except that such adjustment shall reflect changes in the Consumer Price Index published by Bureau of Labor Statistics in the Department of Labor for all items except food. Such adjustment shall be rounded to the nearest $5 dollar increment.

"(6) Notwithstanding any other provision of law, gross income for purposes of the food stamp program shall include, but not be limited to, all money payments (including payments made pursuant to title I of the Domestic Volunteer Services Act of 1973), excluding:

"(A) payments for medical costs made on behalf of the household;

"(B) income received as compensation for services performed as an employee or income from self-employment by a child residing with the household who is a student and who has not attained his eighteenth birthday;

"(C) payments received under title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

"(D) income of a household in a quarter which is received too infrequently or irregularly to be reasonably anticipated: *Provided*, That such infrequent or irregular income of all household members shall not exceed $30 during any three-month period;

"(E) all loans, except deferred educational loans to the extent they are not used for tuition and mandatory fees at an institution of higher education or school for the handicapped;

"(F) all scholarships, fellowships, grants, and veterans' educational benefits, except to the extent they are not used for tuition and mandatory fees at an institution of higher education, including post-secondary vocational training, or a school for the handicapped;

"(G) training allowances to the extent they are used for tuition and mandatory fees in a training program recognized by any Federal, State, or local governmental agency which is preparatory to or associated with employment;

"(H) Government housing vendor payments made directly to landlords such as under programs administered by the Department of Housing and Urban Development;

"(I) payments received under the special supplemental food program for women, infants, and children authorized by section 17 of the Child Nutrition Act;

"(J) vendor or in kind payments derived from government benefit programs including, but not limited to, school lunch, medicare, and elderly feeding programs, and any payments in kind which cannot reasonably and properly be computed;

"(K) any income that any other law specifically excludes from consideration as income for the purposes of determining eligibility for the food stamp program;

"(L) the actual cost, not to exceed $75 a month, for payments necessary for the care of a dependent when necessary for a household member to accept or continue employment, or training or education which is preparatory for employment;

"(M) the cost of producing self-employed income; and

"(N) Federal, State, and local income tax refunds, Federal income tax credits, retroactive payments under the Social Security Act and other lump-sum payments: *Provided*, That the full amount of such refunds, credits, or payments shall be included in household resources.

"(7) The Secretary may also establish temporary emergency standards of eligibility for the duration of the emergency, without regard to income and other financial resources, for households that are victims of a disaster which disrupts commercial channels of food distribution when he determines that (A) such households are in need of temporary food assistance, and (B) commercial channels of food distribution have again become available to meet the temporary food needs of such households.".

"(8) No indiivdual who received supplemental security income benefits under title XVI of the Social Security Act, State supplementary payments described in section 1616 of such Act, or payments of the type referred to in section 212 (a) of Public Law 93–66, as amended, shall be considered to be a member of a household or an elderly person for purposes of this Act for any month, if, for such month, such individual resides in a State which provides State supplementary payments (1) of the type described in section 1616(a) of the Social Security Act and (2) the level which has been found by the Secretary of Health, Education, and Welfare to have been specifically increased as to include the bonus value of food stamps".

ISSUANCE AND USE OF COUPONS

SEC. 5. Section 6(d) of the Food Stamp Act of 1964, as amended, is amended by inserting immediately before the period at the end of that section the following:

": *Provided further*, That eligible households using coupons to purchase food may receive cash in change therefor so long as the cash received does not equal or exceed the value of the lowest coupon denomination issued".

ADMINISTRATION

SEC. 6. Section 10 of the Food Stamp Act of 1964, as amended, is amended as follows:

(a) by revising clause (e)(5) to read as follows: "(5) that the State agency shall undertake effective action, including the use of services provided by other federally funded agencies and organizations, to inform low income households concerning the availability, eligibility requirements, and benefits of the food stamp program including but not limited to, notification of all Social Security, aid to families with dependent children, supplemental security income, and unemployment compensation recipients, and use of appropriate multilingual personnel and printed material in the administration of the programs in subdivisions or portions of political subdivisions in the State in which a substantial number of members of low-income households speak a language other than English".

(b) by inserting in clauses (e)(7) after the word "law", the following: ", and at the option of the State agency".

(c) by deleting "and" preceding clause (e)(8) and striking out the period at the end of clause (e)(8); and

(d) by adding the following new clauses (e)(9), (10), (11), (12), and (13): "; (9) for the prompt payment to households of the bonus value of any coupon allotment which has been wrongfully denied, delayed, or terminated as a result of any administrative error on the part of the State agency and (10) the institution of procedures under which the State agency shall undertake effective action to (A) determine promptly the eligibility of applicant households by providing an opportunity for each household to receive and file an application for participation in the food stamp program on the same day of such household's first reasonable attempt to make an oral or written request for such application, (B) complete the certification of all eligible households and provide an opportunity to such households not later than thirty days after the filing of such applications to obtain coupon allotments retroactive to the date of application, and (C) Insure that each participating household that seeks to be certified another time or more times thereafter by filing an application for such recertification no later than fifteen days prior to the day upon which its existing certification period expires shall, if found to be still eligible, receive authorization to obtain coupon allotments no later than one month after the receipt of the last cards issued to it pursuant to its prior certification; (11) for emergency issuance procedures which, at a minimum, shall insure that households with no income at the time of application receive their authorization to purchase cards no later than two working days after application for program participation by such households; (12) for, to the maximum extent practicable, points of certification and issuance and hours of certification and issuance that allow reasonable access to the program, so that eligible households who make reasonable efforts to participate may do so; and (13) for, to the maximum extent practicable, utilization of community based personnel in pre-screening and counseling applicant households.".

(e) Subsection (h) is amended by striking out the first sentence and inserting in lieu thereof the following : "Subject to such terms and conditions as may be prescribed by the Secretary in the regulations issued pursuant to this Act, household members who are elderly, housebound, feeble, physically handicapped or otherwise disabled, to the extent that they are unable to prepare adequately all of their meals, may use coupons issued to them to purchase meals prepared for and delivered to them by a political subdivision or by a private nonprofit organization which (1) is operated in a manner consistent with the purposes of this Act; and (2) is recognized as a tax-exmpt organization by the Internal Revenue Service".

ADMINISTRATIVE EXPENSES

SEC. 7. Section 15 of the Food Stamp Act of 1964, as amended, is amended as follows:

(a) Subsection (b) is amended as follows:

(1) by striking out "The" and inserting in lieu thereof the following: "Except as provided in subsections (c) and (e) of this section, the";

(2) by inserting at the end of clause (1) and immediately before the semicolon the following: ", exclusive of those households in which all members are receiving cash assistance under part A of title IV of the Social Security Act"; and

(3) by striking out the proviso and inserting in lieu thereof the following: "*Provided*, That each State shall, from time to time at the request of the Secretary, report to the Secretary on the effectiveness of its administration of the program and all or part of such payment shall be cancelled from any State if the Secretary is not satisfied pursuant to regulations which he shall issue that the program is being administered efficiently and effectively."; and

(b) Section 15 is amended by adding at the end thereof new subsections (c) and (d) as follows:

"(c)(1) Notwithstanding any other provision of this Act, the Secretary is authorized to pay to each State agency an amount equal to 75 per centum of: (A) all direct costs of State food stamp program investigations, prosecutions, and State activities related to recovering losses sustained in the food stamp program, except for the costs of such activities with respect to households in which all members are receiving cash assistance under part A of title IV of the Social Security Act; and (B) the direct costs of State agency activities to improve program efficiency and effectiveness as determined by the Secretary.

"(c)(2) In determining how funds are to be distributed under subsection (1)(B) of this section, the Secretary shall take into consideration the extent to which such activities shall benefit the administration of other programs.

"(c)(3) The Secretary shall utilize the financing formula contained in subsection (1) of this section for funding State agency activities under subsection (1)(B) of this section for no more than the first two years of such activity.

"(d) The Secretary shall require that the State annually submit a revised state food stamp plan of operations and before the plan is submitted hold public hearings at which interested parties may comment on it.

"(e) Notwithstanding any other provisions of this Act the administrative costs incurred by a State plan for aid and services to needy families with children, approved under part A of title IV of the Social Security Act, in conducting public assistance withholding procedures under section 10(e)(7) of this Act shall be paid from funds appropriated to carry out this Act."

DISQUALIFICATIONS OF RETAIL FOOD STORES

SEC. 8. Section 11 of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"Any approved retail foodstore or wholesale food concern may be disqualified from further participation in the food stamp program, or subjected to a civil penalty of up to $5,000, on a finding, made as specified in the regulations, that such store or concern has violated any of the provisions of this Act, or of the regulations issued pursuant to this Act. Such disqualification shall be for such period of time as may be determined in accordance with regulations issued pursuant to this Act. The action of disqualification or imposition of a civil penalty shall be subject to review as provided in section 13 of this Act.".

CONFORMING AMENDMENT

SEC. 9. Section 14 of the Food Stamp Act of 1964 as amended, is amended by deleting "to purchase" wherever these words appear in such section.

APPROPRIATIONS

SEC. 10. Subsection (a) of Section 16 of the Food Stamp Act, as amended is amended by striking out "June 30, 1977" and inserting in lieu thereof "September 30, 1982."

PILOT PROJECT AUTHORITY

SEC. 11. The Food Stamp Act of 1964, as amended, is amended by addition at the end thereof new sections 18 and 19 as follows:

"PILOT PROJECT AUTHORITY

"SEC. 18. The Secretary is authorized to conduct in one or more areas of the United States, pilot or experimental projects to increase program efficiency, or improve the delivery of food stamp benefits to identifiable recipient groups, including but not limited to, migrant workers, the elderly, and recipients of benefits under Title XVI of the Social Security Act. The Secretary may waive compliance with the statutory requirements of this Act to the extent and for the period he finds necessary to enable a project to be conducted *Provided*, That no such project

shall be implemented which further restricts the eligibility standards set forth under Section 5 of this Act.

"RESEARCH AUTHORITY

"SEC. 19. The Secretary is authorized to engage in such research projects as he deems appropriate to increase the efficiency and effectiveness of the program."

By Mr. KENNEDY (for himself, Mr. ROTH, Mr. MUSKIE, Mr. PERCY, and Mr. CHILES):

S. 904. A bill to provide for the efficient and regular distribution of current information on Federal domestic assistance programs; to the Committee on Governmental Affairs.

FEDERAL PROGRAM INFORMATION ACT

Mr. KENNEDY. Mr. President, I am today introducing the Federal Program Information Act, on behalf of myself and Senators ROTH, MUSKIE, PERCY, and CHILES. This bill provides for the efficient and regular distribution of information on all Federal domestic assistance programs.

The bill establishes a Federal Program Information Center in the Office of Management and Budget to serve as a single, comprehensive source of timely information on all Federal domestic assistance programs. Using modern technology, the Center will develop a computerized information system to facilitate the widespread dissemination of program information by use of remote computer terminals. The center will also publish a catalog of Federal domestic assistance programs.

The information center would extend and improve upon an information retrieval system presently operated by the Rural Development Service of the Department of Agriculture. The center would also expand upon the information now published annually by the Office of Management and Budget in the catalog of Federal domestic assistance.

There are over 1,000 Federal programs which provide financial and technical aid to State and local governments and other eligible recipients. Yet there is no easy way to identify these programs and assure full participation by all intended beneficiaries. Many potential beneficiaries are denied access to this assistance by virtue of the difficulty of learning about programs and program requirements, and because of the complexity of determining whether one is eligible. For example, a city or town seeking Federal assistance to build a hospital, a school, or a sewage treatment plant, may spend weeks trying to identify the Federal programs that the community is eligible for and that provide assistance for the intended purpose. In many instances, States and larger cities spend a considerable amount of money maintaining Washington representatives to keep abreast of changes in Federal programs. Smaller cities and towns, that cannot afford a full-time "grantsman," are penalized by receiving less than their fair share of participation in Federal programs.

The legislation that I have introduced today will reduce the inequities and inefficiencies inherent in the present information system. The bill would establish a single source of up-to-date information concerning all Federal domestic assistance programs and would provide the information quickly and in a manner that maximizes its usefulness to State and local governments and to other intended beneficiaries.

A potential applicant would feed into the computer some basic information on his project needs and would provide a simple profile of his community. The computer would then furnish a listing of all programs for which the individual meets the basic eligibility criteria. This comprehensive, quick, and easy-to-use system offers a significant improvement over the cumbersome methods now in use.

This legislation also provides for more compete disclosure of pertinent program information. Of particular importance, the bill would provide meaningful financial information for each program, including the current appropriation and the level of uncommitted funds.

Senator ROTH and I sponsored a similar bill in the last Congress. That bill passed the Senate in June of last year, but it was not considered by the House because of limited time. Since introducing that bill, I have received dozens of phone calls from individuals throughout the country, expressing support for the legislation. Officials of Massachusetts cities and towns, with whom I have discussed this legislation, have enthusiastically endorsed the provision of timely information on Federal assistance programs.

The Federal Program Information Act is an important step toward the goal of eliminating the yards of redtape that surround Federal assistance programs, and insuring that Federal funds are used fairly and efficiently.

By Mr. KENNEDY (for himself and Mr. METCALF):

S. 905. A bill to provide water to the five central Arizona Indian tribes for farming operations, to settle their surface water rights, and for other purposes; to the Select Committee on Indian Affairs.

CENTRAL ARIZONA INDIAN TRIBAL WATER RIGHTS SETTLEMENT ACT OF 1977

Mr. KENNEDY. Mr. President, I am pleased to introduce today a bill entitled the "Central Arizona Indian Tribal Water Rights Settlement Act of 1977."

The bill proposes to settle the water rights of the five Central Arizona Tribes—Ak Chin, Fort McDowell, Gila River, Salt River, and Papago—and to promote their economic self-sufficiency through farming and irrigated agriculture.

With minor changes, the bill I introduce today with Mr. METCALF is almost identical to the bill I introduced in the 94th Congress. Unfortunately, hearings by the Committee on Interior and Insular Affairs on the legislation were canceled in August of 1976. At that time, the Senate was under the unanimous consent rule to hold hearings, and there was an objection from the floor to cancel the hearing. Therefore, the process is again initiated in the 95th Congress. Settlement of the Five Tribes' water rights is long overdue, and continued delay only exacerbates the problems of both the tribes and their non-Indian neighbors arising from unresolved disputes over water.

On January 4, 1972, the Subcommittee on Administrative Practice and Procedure of the Committee on the Judiciary, under my chairmanship, visited the Gila River Pima-Maricopa Reservation to take testimony and collect evidence on the record of the Government in protecting Indian natural resources, and in particular their precious and indispensable water resources. Our visit to the Gila River Reservation, during which we heard valuable testimony from representatives of each of the five tribes, comprised one in a series of extensive hearings on Federal protection of Indian resources, conducted over a period of 3 months here in Washington, and at seven locations in four Western States.

The essence of our findings during those hearings was that the Federal trustee is in fact not honoring its obligation to protect the water and other natural resources of Indians. The fundamental reason for this recurrent failure of the Federal fiduciary obligation, we found, is that the executive agencies ostensibly responsible for effectuating the trusteeship role are hopelessly compromised by pervasive conflicts of interest. We concluded that in many instances direct congressional action would be needed to redress failures of the Government adequately to protect Indian rights. The central Arizona situation presents just such an instance.

Settlement of the Indians' water rights is made all the more urgent by the fact that President Carter is presently reviewing the economic and social justifications for the central Arizona project and has deleted funds from his budget request for fiscal year 1978 for continuing construction of the project pending the outcome of his review. I agree with the President that the project should be reviewed. Economic, water resource, and social policy considerations have certainly changed in the decade since the project was first authorized. I believe Congress itself has an obligation to reevaluate the project in light of the rights and needs of all the citizens of central Arizona, Indians and non-Indians alike. Since there has been no final settlement of the water rights of the five tribes, it appears to me premature to proceed with a public project costing over $1.6 billion to benefit the economy of central Arizona when that economy could be profoundly altered and the repayment capability of the project seriously jeopardized by the successful prosecution of Indian claims to surface and ground water in the Federal courts.

The bill I am introducing today deals

comprehensively with issues raised at oversight hearings on the tribes' water rights and acute social needs, conducted by the Committee on Interior and Insular Affairs on October 23 and 24, 1975.

At the hearings, the five tribes asserted their claims for use of surface and ground water for farming purposes. They based their claims on the legal doctrine established by the Supreme Court in Winters against United States. The Winters doctrine, broadly speaking, established the rule that Indian tribes are entitled to sufficient water to make their reservations viable. The five tribes presented well-documented testimony indicating that they do not receive their lawful share of water; the harsh social conditions on their reservation bear this out. The tribes argued that the United States is incurring a continuing liability for damages of ever-increasing magnitude arising from this deprivation of the use of water.

In many areas of the West, Indian tribes are beginning to assert their Winters doctrine rights to water—assertions which have very serious legal and economic implications for many communities and economic interests, as well as for energy development. The lands of the central Arizona tribes are arid, and without water for farming they are virtually useless. Without a firm supply of water, it is impossible for them to plan for the future.

Congress has an obligation to face the issues squarely and promptly so that the Indian and non-Indian communities in central Arizona can rely with far greater certainty on their future water supplies—to the benefit of all.

There appear to be only two options for resolving the issues raised by the tribes:

First, the issues could be resolved through litigation, but it would be a great many years before the courts would issue their final decrees. While the litigation is pending, it would be difficult for many non-Indian water users to obtain financing for land acquisition and capital improvements or to find buyers for their property. The final judicial determination is certain to cause serious social disruptions and at least apparent inequities for the side that loses. Non-Indian water users could find their investments and their livelihoods wiped out at a stroke.

A legislative settlement, as a second alternative, will afford a cost-effective, socially responsive, and equitable solution to the growing conflict over Indian water rights in central Arizona.

Speaking to these alternatives, President, then-Governor Carter, as a candidate for the Presidency issued a statement on Indian water rights for publication in the October 1976 issue of Indian Affairs in which he declared:

> Indians have a historic, legal, and moral right to a fair share of available water resources. The ultimate resolution of conflicts concerning these rights, and the rights of others in the Southwest, will almost certainly be decided by the courts. In disputes concerning water rights, all sides must be assured full and competent legal representation. Legislation however, may be necessary to speed the resolution of these conflicts, as an alternative to protected litigation.

Clearly this is one Indian water rights issue more appropriate for congressional resolution.

The central feature of the bill would authorize and direct the Secretary of Interior to acquire, by purchase or condemnation at fair market value, non-Indian lands with surface water rights and to transfer these rights to the tribes in satisfaction of their present and future right to the use of surface water for farming purposes. Acquisition would take place over a number of years, with life estate provisions, allowing ample time for the amortization of investments and orderly decisions on the part of non-Indian water users as well as just compensation for rights actually acquired by the United States for the tribes.

The concept of a legislative settlement as embodied in this bill appears to be a reasonable solution to complex water issues affecting the central Arizona Indian and non-Indian communities. The bill may not, in all its details, be the final answer, but it represents a sound beginning to the legislative process. It is my hope and expectation that this process will result in a statute affording the people of central Arizona—Indian and non-Indian—the stability essential to sound socioeconomic growth that can only come when they can rely with certainty on their water supply.

ACQUISITION

To carry out the purpose of the act, it is anticipated that the Secretary would acquire approximately 170,000 acres of land within the State of Arizona. These acquired water rights, when taken together with other surface water supplies available to the tribes, would be sufficient to irrigate: 19,000 acres at Ak Chin; 3,300 at Fort McDowell; 118,000 acres at Gila River; on the Papago Reservations, 25,000 acres at Chuichu; 4,500 acres at Gila Bend; 9,000 acres at San Xavier and 30,500 at Salt River. Acquisition of water rights to serve San Xavier and Gila Bend is totally contingent upon the economic feasibility of constructing delivery systems.

In addition to the above, the bill would authorize the development of groundwater sufficient to irrigate 12,000 acres in the Papago Farms area of the Chu Kut Kut District on the main Papago Reservation. This ample groundwater supply lies outside the Lower Colorado River Basin.

In the event that the central Arizona project is completed, the Five Tribes suggest that the Secretary of Interior, in acquiring State surface water rights, give a priority to the acquisition of lands within the Wellton-Mohawk division of the Gila project before acquiring lands elsewhere. Because of the highly saline return flows from the Wellton-Mohawk Irrigation District, the quality of Colorado River water is greatly diminished as it flows into northern Mexico. Water deliveries to Mexico are governed by the "Water Treaty" signed by the United States and Mexico in 1944. The Bureau of Reclamation maintains that Mexico should accept the river water regardless of quality. President Nixon, however, after his trip to Mexico in 1970, asked congressional authorization for a desalinization plant to be built near the border.

The Bureau of Reclamation estimates the construction cost of the desalinization plant as $200 million. Over the life of the project, costs would total $1 billion. Moreover, operation of the plant would require profligate use of energy in an area threatened with energy shortages.

The Wellton-Mohawk area supports no more than 151 farms averaging 424 acres per farm. In my bill, the Secretary of Interior would be allowed to purchase land on an average of $1,500 per acre. Each farm would receive $636,000 for their land. If the desalinization plant is built, the United States would be spending $6,600,000 per farm.

If the lands at Wellton-Mohawk are retired, the United States would be relieved of the exorbitant cost of building, and operating, and maintaining the desalinization plant.

The specific acreages contained in the bill have been furnished to me by the tribes. By using these figures I am not suggesting that they hold some special magic; I am not committed uncritically to these acreages, but only to the concept of settlement through the acquisition of water rights to irrigate practicably irrigable land. The acreages contained in the bill are based on Bureau of Indian Affairs statistics; but the hearing process will afford an opportunity to subject them to scrutiny.

SETTLEMENT

Under the proposed settlement, the acquisition program would satisfy all the claims of the Five Tribes to surface water supplies in central Arizona for farming purposes except for claims for the Gila River Indian Community to waters of the Salt River, which are the subject of a proceeding before the Indian Claims Commission. Thus, the cloud over water rights in central Arizona would largely be removed, and the Indian and non-Indian communities would be assured of a firm water supply on the basis of which they could plan with far more certainty than is possible today.

Additionally, the acquisition program would entirely eliminate the tribes' reliance on the Secretary's proposed allocation of 257,000 acre-feet of water from the central Arizona project, except for 50,000 acre-feet from the San Pedro to be stored behind Buttes Dam, which water is claimed by the Gila River Indian Community and allocated to it under the terms of the proposed bill. The remaining Indian allocation would then be available for reallocation for non-Indian agricultural, municipal, and industrial uses.

The proposed settlement offers a practical and constructive alternative to protracted litigation for the United States, the State of Arizona, the tribes, and non-Indian water users; and it would promote

the timely and orderly completion of the central Arizona project. For example, it would foreclose the possibility of reopening the Kent and Gila River decrees; relieve the Secretary from suits contesting his final allocation of central Arizona project water; and remove the tribes as potential claimants to the 18,000 acre-feet of water apportioned to New Mexico under the Colorado River Basin Project Act of 1968.

I have received a number of constructive suggestions for improving the original measures that I introduced last year. Two of these are of particular importance.

First, it has been recommended to me that any final legislative resolution of Indian water rights in central Arizona includes settlement of Indian groundwater rights, in addition to surface rights. I support this view. The water table in many parts of central Arizona is dropping precipitously. Some municipalities such as Tucson and large farming areas are wholly dependent on groundwater supplies or largely so. No sound planning for future use of central Arizona water supplies is possible unless it is truly comprehensive, and this requires legislative settlement of Indian rights to ground water.

Second, it has been suggested that my proposals be amended to permit the tribes to use for municipal and industrial purposes some of the water they would acquire. I concur.

IMPROVED GROUNDWATER SUPPLIES

The proposed settlement would improve the condition of groundwater supplies in central Arizona. First, wells on the lands to be acquired in central Arizona and taken out of production would no longer contribute to groundwater depletion. Second, to the extent that water rights are acquired on the Lower Colorado—for delivery by the central Arizona project system—there would be a corresponding effect on recharge in central Arizona. To provide the entitlements proposed in the bill, it is estimated that perfected rights to approximately 300,000 acre-feet would be acquired on the Lower Colorado.

These benefits together with the amount of central Arizona project water that would be available for reallocation to non-Indian water users would make a significant contribution to the economy of central Arizona.

COSTS

The cost figures mentioned in the bill, as the acreage figures, have been supplied to me by the tribes. The figures represent the outer limits and the full expectations of the tribes.

To carry out the proposed acquisition program, the bill would authorize an appropriation of $250 million: $38 million during fiscal year 1977, $36 million during fiscal year 1978, $36 million during fiscal year 1979, and $20 million during each of the next 7 fiscal years.

To construct the delivery systems to enable the tribes to put the water to beneficial use and to rehabilitate or improve existing delivery systems and thus conserve water, and for related purposes, the bill would authorize an appropriation of $144 million: $32 million during fiscal year 1977, $28 million during fiscal year 1978, $28 million during fiscal year 1979, and $8 million during each of the next 7 fiscal years.

Additionally, to enable the tribes to subjugate their lands, it would authorize an appropriation of $78 million for loans: $12 million during each of the first 3 fiscal years and $6 million during each of the next 7 fiscal years.

Finally, it would authorize an appropriation of $2 million in grants for planning and for training programs.

COST/BENEFITS

The costs of the proposed settlement can be justified on a number of grounds. First, settlement of the tribes' water rights will halt the continuing liability of the United States for claims for damages of ever-increasing magnitude. In a 10–20 year period, this liability could exceed the entire cost for acquisition.

Second, the United States would be relieved of substantial costs for special Indian programs for the Five Tribes as they achieve economic self-reliance—costs that, over a 10–20 year period, would likewise exceed all costs contemplated in the proposed settlement. It is estimated that four of the tribes would become entirely self-sufficient and the Papagos substantially so, following the development which this bill makes possible.

Third, the central Arizona project water that would be reallocated to non-Indian water users could be sold at commercial rates to help defray the costs of the central Arizona project. If sold for municipal and industrial purposes, it could yield more than $300 million.

Fourth, by acquiring the lands at Wellton-Mohawk, the United States will be relieved of the costly obligation to build the desalinization plant.

Mr. President, with this bill as a beginning, it is my hope that the Congress can develop legislative models to settle and resolve Indian water rights in other areas of the West, affording Indian and non-Indians alike a legislative alternative to protracted litigation, uncertainty, and growing social unrest.

I ask unanimous consent that the text of the bill be printed in its entirety following my remarks.

In view of the importance, the urgency, and the complexity of the issues and their relationship to the central Arizona project, I shall ask the chairman of the Temporary Select Committee on Indian Affairs to conduct early hearings on this measure so that, prior to any final decision on the fate of the central Arizona project, all parties may have an opportunity to place their comments and recommendations on record.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 905

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Central Arizona Indian Tribal Water Rights Settlement Act of 1977".

FINDINGS

SEC. 2. The Congress finds that—

(a) The failures of the Federal Government to protect water supplies of the Central Arizona Tribes and the ongoing deprivation of water use which these tribes have suffered form a basis for damage claims against the United States of ever-increasing magnitude.

(b) The long-range interests of the United States, the State of Arizona, and the Central Arizona Tribes will best be served by developing the tribes' economies—

(1) by insuring that the tribes receive the water to which they are entitled to irrigate their land;

(2) by construction, rehabilitation, and betterment of the physical facilities necessary to insure the beneficial use of the water received; and

(3) by implementing programs designed to acquire water supplies to provide the entitlements for Indian use in Central Arizona.

SEC. 3. For purposes of this Act—

(a) "Central Arizona Project" means the project authorized under title III of the Colarodo River Basin Project Act of September 30, 1968 (82 Stat. 887; 43 U.S.C. 1521 et seq.).

(b) "Central Arizona Tribes" are identified as the Ak Chin Indian Community, the Fort McDowell Mohave-Apache Community, the Gila River Indian Community, the Papago Tribe of Arizona, and the Salt River Pima-Maricopa Indian Community.

(c) "Delivery losses" means the amount of water lost through seepage, evaporation, or other causes betwen the point of measurement at the water source and the point of delivery to the land being irrigated.

(d) "Duty of water" is measured at the point of delivery to the land being irrigated and means the amount of water required per acre annually to produce normal crops on land in accordance with accepted farming practices; it does not include delivery losses.

(e) "Federal water right," as used in section 202, means any perfected right to the use of water owned, possessed, reserved, or acquired by the United States or any agency thereof, except "State water rights" as herein defined and Indian water rights, but including water made available through desalinization, conservation, and accretions to present supplies.

(f) "Firm water supply" means the practicable rate of withdrawing water from any source perennially without diminution.

(g) "Improved lands" means a tract or tracts comprising one hundred and sixty acres or less, operated as a single farming unit, upon which one of the beneficial owners actually resided in a detached, one-family dwelling, for a period of one year prior to the effective date of this Act.

(h) "Indian water right" means any water usage right held by a central Arizona tribe or by the United States on behalf of such tribe.

(i) "Secretary" means the Secretary of the Interior.

(j) "State water right" means any right to the use of water owned, possessed, reserved, or acquired under the laws of the State of Arizona, except Indian water rights.

(k) "Subjugate" means the preparation of land for the growing of crops through irrigation.

TITLE I—WATER RESOURCE PROJECTS

AK CHIN RESERVATION

SEC. 101. (a) The Secretary shall immediately undertake and diligently pursue a ten-year program to acquire a firm surface water supply pursuant to the authorities set forth in title II of this Act on behalf of the Ak Chin Indian Community in an amount which will be sufficient to irrigate nineteen thousand five hundred acres of land having a duty of water of four and fifty-nine one-hundredths acre-feet.

(b) The Secretary is authorized and directed—

(1) to improve, extend, construct, operate, and maintain an aqueduct (the "Ak Chin aqueduct"), appurtenant pumping facilities, if necessary, and appurtenant powerplants to divert and carry water from a facility of the Central Arizona Project to the boundary of the Ak Chin Indian Reservation in an amount sufficient to irrigate nineteen thousand five hundred acres having a duty of water of four and fifty-nine one-hundredths acre-feet;

(2) to rehabilitate and extend the existing distributions system within the reservation and, on condition that the Ak Chin Indian Community or its members agree to subjugate the land, to construct such additional canals, laterals, and irrigation works as are necessary to deliver sufficient water to irrigate nineteen thousand five hundred acres having a duty of water of four and fifty-nine one-hundredths acre-feet;

(3) if so requested by the Ak Chin Indian Community, to loan to the community, out of funds appropriated pursuant to this Act, an amount of money equal to the full costs of subjugating additional land, with repayment to be made in forty equal annual installments, without interest, beginning ten years after the date the reservation irrigation system is completed and the surface water is delivered to irrigate nineteen thousand five hundred acres having a duty of water of four and fifty-nine one-hundredths acre-feet; and

(4) upon completion of the expanded irrigation system within the reservation, and sufficient surface water delivered to irrigate nineteen thousand five hundred acres having a duty of water of four and fifty-nine one-hundredths acre-feet, to require that the Ak Chin Indian Community assume responsibility for their operation and maintenance.

(c) The Secretary is authorized and directed to use his power under existing laws, including the deepening and rehabilitation of existing wells, to provide an immediate source of water to the Ak Chin Reservation until all surface water supply authorized by this section is made available. To render the continued pumping of water economically feasible, the Secretary is authorized and directed to construct Buttes Dam, previously authorized as part of the Central Arizona Project, with facilities for the production of hydroelectric power, to construct a transmission line to the Ak Chin Reservation and to sell such electric power and energy to the Ak Chin Indian Community at rates not to exceed actual cost including amortization of the costs of construction, as provided in the Colorado River Basin Project Act.

(d) To render the pumping of water economically feasible and to assist economic development of the community, the Secretary is also authorized and directed to construct power lines to the Ak Chin Reservation and to sell to the Ak Chin Community power and energy available under section 303 of the Colorado River Basin Project Act of September 30, 1968 (43 U.S.C. 1523) at rates not to exceed actual cost.

FORT M'DOWELL RESERVATION

SEC. 102. (a) The Secretary shall immediately undertake and diligently pursue a five-year program to acquire a firm surface water supply pursuant to the authorities set forth in title II of this Act on behalf of the Fort McDowell Mohave-Apache Indian Community in an amount which, when added to the amount of other surface water available will be sufficient to irrigate three thousand three hundred acres within the reservation having a duty of water of four and fifty-nine one-hundredths acre-feet: *Provided*, That the Secretary shall give priority in his acquisition program for the community to supplies of water which can be delivered to the reservation through the Verde River.

(b) Subject to the provisions of subsection (c) hereof, the Secretary is authorized and directed—

(1) to improve and extend the existing water distribution system within the Fort McDowell Reservation and to construct such additional canals, laterals, and irrigation works as are necessary to deliver sufficient water to irrigate three thousand three hundred acres having a duty of water of four and fifty-nine one-hundredths acre-feet;

(2) if so requested by the Fort McDowell Mohave-Apache Indian Community, to loan the community, out of funds appropriated pursuant to this Act, an amount of money equal to the full cost of subjugating additional land within the reservation to bring the total irrigated land up to three thousand three hundred acres, with repayment to be made in forty equal annual installments, without interest, beginning ten years after the date the expanded reservation irrigation system is completed and the surface water is delivered to irrigate three thousand three hundred acres having a duty of water of four and fifty-nine one-hundredths acre-feet; and

(3) upon completion of the expanded irrigation system and sufficient water delivered to irrigate three thousand three hundred acres having a duty of water of four and fifty-nine one-hundredths acre-feet, to require that the community assume responsibility for its operation and maintenance.

(c) If the Secretary decides to construct the Orme Dam and Reservoir, previously authorized as part of the Central Arizona Project, and such facility reduces the total practicably irrigable acreage within the Fort McDowell Reservation and any addition thereto to less than three thousand three hundred acres, the Secretary shall be required to expand and construct a water distribution system only to the extent necessary to serve the reduced acreage, but the community's entitlement to water shall not thereby be reduced.

(d) To render the pumping of water economically feasible and to assist in economic development of the community, the Secretary is authorized and directed to construct powerlines to the Fort McDowell Reservation and to sell to the McDowell Mohave-Apache Indian Community power and energy available under section 303 of the Colorado River Basin Project Act of September 30, 1968 (43 U.S.C. 1523), at rates not to exceed actual cost.

GILA RIVER RESERVATION

SEC. 103. (a) The Secretary shall immediately undertake and diligently pursue a ten-year program to acquire a firm surface water supply pursuant to the authorities set forth in title II of this Act on behalf of the Gila River Indian Community in an amount which, when added to the amount of other surface water delivered to the Gila River Indian Reservation under the so-called Gila River Decree (United States against Gila Valley Irrigation District, Globe Equity Numbered 59, United States District Court, June 29, 1936), will be sufficient to irrigate one hundred and eighteen thousand acres within the reservation having a duty of water of four and fifty-nine one-hundredths acre-feet.

(b) The Secretary shall—

(1) construct, operate, and maintain Buttes Dam and Reservoir, previously authorized as part of the Central Arizona Project, for the primary purpose of furnishing water to the Gila River Reservation;

(2) construct, operate, and maintain a lined aqueduct from the Ashurst-Hayden Dam to serve the Gila River Reservation;

(3) otherwise rehabilitate the San Carlos Indian irrigation project, with the water so saved to be devoted exclusively to Gila River Reservation lands;

(4) undertake an intensive annual program of phreatophyte control on the Gila River and its tributaries;

(5) study the feasibility of recycling municipal water for irrigation use;

(6) improve the existing system for distribution of irrigation water within the reservation, including the lining of field ditches; and

(7) initiate the actions described in subsection (d) hereof.

(c) The Secretary is authorized and directed—

(1) to improve and extend the existing distribution system within the Gila River Reservation and, on condition that the Gila River Indian community or its members agree to subjugate the land, to construct such additional canals, laterals, and irrigation works as are necessary to deliver sufficient surface water to irrigate one hundred and eighteen thousand acres having a duty of water of four and fifty-nine one-hundredths acre-feet;

(2) if so requested by the Gila River Indian Community, to loan the community, out of funds appropriated pursuant to this Act, an amount of money equal to the full cost of subjugating up to one hundred and eighteen thousand acres, with repayment to be made in forty equal annual installments, without interest, beginning ten years after the date the expanded reservation irrigation system is completed and the surface water is delivered to irrigate one hundred and eighteen thousand acres having a duty of water of four and fifty-nine one-hundredths acre-feet; and

(3) upon completion of the expanded irrigation system and sufficient surface water delivered to irrigate one hundred and eighteen thousand acres having a duty of water of four and fifty-nine one-hundredths acre-feet, to require that the community assume responsibility for its operation and maintenance.

(d) The Secretary and the Attorney General are authorized and directed to institute appropriate legal actions—

(1) to determine the rights of the Gila River Indian Community in the waters of the tributaries of the Gila River upstream from the Gila River Reservation, or upstream from its confluence with the Salt River, and

(2) to prohibit all non-Indian uses of water on the Gila River and its tributaries upstream from the Gila River Reservation which are in violation of the community's water rights. The amount of surface water made available to the community on a firm basis by the foregoing actions may be credited against the amount of water the Secretary is obligated to acquire under subsection (a) hereof.

(e) The Secretary is further authorized and directed at the request of Gila River Indian Community to invoke his power under existing laws, including the deepening and rehabilitation of existing wells, to maximize the supply of water on the Gila River Reservation available from underground sources so that beneficial use thereof, including irrigation of additional arable acres, may be made. To render the pumping of water economically feasible and to assist economic development of the community, the Secretary is authorized and directed to construct powerlines to the Gila River Reservation and to sell to the Gila River Indian Community power and energy available under section 303 of the Colorado River Basin Project Act of September 30, 1968 (43 U.S.C. 1523) at rates not to exceed actual cost.

PAPAGO RESERVATIONS

SEC. 104. (a) CHUICHU PROJECT.—(1) The Secretary shall immediately undertake and diligently pursue a ten-year program to acquire a firm surface water supply pursuant to the authorities set forth in title II of this

Act on behalf of the Papago Tribe for all irrigable lands which now or hereafter are brought under the Chuichu system up to a maximum of twenty-five thousand acres having a duty of water of four and fifty-nine one-hundredths acre-feet.

(2) The Secretary is authorized and directed—

(i) to improve, extend, construct, operate, and maintain an aqueduct (the "Papago aqueduct"), appurtenant pumping facilities, if necessary, and appurtenant powerplants to divert and carry water from a facility of the central Arizona project to the Chuichu system in an amount sufficient to irrigate twenty-five thousand acres having a duty of water of four and fifty-nine one-hundredths acre-feet; and

(ii) to improve and extend the existing Chuichu irrigation system on condition that the Papago Tribe or its members agree to subjugate the lands, to construct such additional aqueducts, laterals, and irrigation works as are necessary to distribute sufficient water to irrigate twenty-five thousand acres within the Chuichu system having a duty of water of four and fifty-nine one-hundredths acre-feet;

(iii) if so requested by the Papago Tribe, to loan to the tribe, out of funds appropriated pursuant to this Act, an amount of money equal to the full cost of subjugating additional land, with repayment to be made in forty equal annual installments, without interest, beginning ten years after the date the Chuichu system is completed and the surface water is delivered to the twenty-five thousand acres having a duty of water of four and fifty-nine one-hundredths acre-feet; and

(iv) upon completion of the Chuichu reservation system and sufficient surface water delivered to irrigate twenty-five thousand acres having a duty of water of four and fifty-nine one-hundredths acre-feet, to require that the Papago Tribe assume responsibility for its operation and maintenance.

(b) PAPAGO FARMS PROJECT.—(1) On condition that the Papago Tribe agrees to subjugate the land, the Secretary is authorized and directed to construct a complete irrigation supply and distribution system, with water obtained exclusively from underground and local surface water sources, in the Chu Kut Nut District in the south central portion of the Papago Reservation (the "Papago Farms system") with a capacity to irrigate at least twelve thousand acres. In addition to necessary project works, the Secretary shall construct an all-weather paved road connecting with State Highway 86 and an extension of the Papago Tribal Utility Authority power lines to serve the Papago Farms system.

(2) The Secretary is authorized and directed—

(i) if so requested by the Papago Tribe, to loan to the tribe, out of funds appropriated pursuant to this Act, an amount of money equal to the full cost of subjugating up to twelve thousand acres with repayment to be made in forty equal annual installments, without interest, beginning ten years after the Papago Farms project is completed; and

(ii) upon completion of the Papago Farms system, to require that the tribe assume responsibility for the operation and maintenance.

(c) SAN XAVIER PROJECT.—(1) If a conduit or canal of the Central Arizona Project is extended to or near Tucson, Arizona, and the Papago Tribe so requests, the Secretary is authorized and directed—

(i) to construct, operate, and maintain an aqueduct (the "San Xavier aqueduct"), appurtenant pumping facilities, if necessary, and appurtenant powerplants and water distribution systems to divert and carry water from a facility of the Central Arizona Project to the San Xavier Indian Reservation in an amount sufficient to irrigate nine thousand acres having a duty of water of four and fifty-nine one-hundredths acre-feet;

(ii) to improve and extend the existing irrigation system on the San Xavier Reservation and, on condition that the Papago Tribe or its members agree to subjugate the land, to construct such additional canals, laterals, and irrigation works as are necessary to distribute sufficient water to irrigate nine thousand acres within the reservation (the "San Xavier system");

(iii) if so requested by the Papago Tribe, to loan to the tribe out of funds appropriated pursuant to this Act an amount equal to the full cost of subjugating additional land, with repayment to be made in forty equal annual installments, without interest, beginning ten years after the date water is first delivered through the San Xavier aqueduct to the nine thousand acres having a duty of water of four and fifty-nine one-hundredths acre-feet; and

(iv) upon completion of the San Xavier Reservation system and sufficient surface water delivered to irrigate the nine thousand acres having a duty of water of four and fifty-nine one-hundredths acre-feet, to require that the Papago Tribe assume responsibility for its operation and maintenance.

(2) Subject to the provisions of paragraph (1) hereof, the Secretary shall immediately undertake and diligently pursue a ten-year program to acquire a firm surface water supply pursuant to the authorities set forth in title II of this Act on behalf of the Papago Tribe in an amount which will be sufficient to irrigate nine thousand acres of land having a duty of water of four and fifty-nine one-hundredths acre-feet.

(d) GILA BEND PROJECTS.—(1) The Secretary shall immediately undertake and diligently pursue a ten-year program to acquire a firm surface water supply pursuant to the authorities set forth in title II of this Act on behalf of the Papago Tribe in an amount which will be sufficient to irrigate four thousand five hundred acres of land having a duty of water four and fifty-nine one-hundredths acre-feet.

(2) The Secretary is authorized and directed—

(i) to improve, extend, construct, operate, and maintain an aqueduct (the "Gila Bend aqueduct"), appurtenant pumping facilities, if necessary, and appurtenant powerplants to divert and carry water from a facility of the Central Arizona Project or from such other surface water supply to the Gila Bend Indian Reservation in an amount sufficient to irrigate four thousand five hundred acres having a duty of water of four and fifty-nine one-hundredths acre-feet;

(ii) to improve and extend the existing irrigation system on the Gila Bend Reservation and, on condition that the Papago Tribe agrees to subjugate the land, to construct such additional aqueducts, laterals, and irrigation works as are necessary to distribute sufficient water to irrigate four thousand five hundred acres having a duty of water of four and fifty-nine one-hundredths acre-feet;

(iii) if so requested by the Papago Tribe, to loan to the tribe, out of funds appropriated pursuant to this Act, an amount of money equal to the full cost of subjugating additional land, with repayment to be made in forty equal annual installments, without interest, beginning ten years after the date the expanded Gila Bend system is completed and the surface water delivered to the four thousand five hundred acres having a duty of water of four and fifty-nine one-hundredths acre-feet; and

(iv) upon completion of the Gila Bend Reservation system and sufficient surface water delivered to irrigate four thousand five hundred acres having a duty of water of four and fifty-nine one-hundredths acre-feet, to require that the Papago Tribe assume responsibility for its operation and maintenance.

(e) The Secretary is authorized and directed to use his power under existing laws, including the deepening and rehabilitation of existing wells, to maximize the supply of water on the Papago, San Xavier, and Gila Bend Indian Reservations available from underground sources. The amount of water so available on a firm basis may be credited against the amount of water the Secretary is obligated to acquire under subsections (a)(1), (c)(2), and (d)(1) hereof. To render the pumping of water economically feasible and to assist economic development of the Papago Tribe, the Secretary is authorized and directed to construct powerlines to the Papago, San Xavier, and Gila Bend Indian Reservations and to sell to the Papago Tribe power and energy available under section 303 of the Colorado River Basin Project Act of September 30, 1968 (43 U.S.C. 1523), at rates not to exceed actual cost.

SALT RIVER RESERVATION

SEC. 105. (a) The Secretary shall immediately undertake and diligently pursue a ten-year program to acquire a firm surface water supply pursuant to the authorities set forth in title II of this Act on behalf of the Salt River Pima-Maricopa Indian Community in an amount which, when added to the amount of water allocated to the Salt River Reservation under the so-called Kent Decree (Hurley against Abbott, No. 4564, U.S. Territ. Ct., Ariz., March 1, 1910) and the Bartlett Dam agreement, will be sufficient, with any available firm water supplies from underground sources within the Salt River Reservation, to irrigate thirty thousand five hundred acres within the reservation having a duty of water of six and twenty-five one-hundredths acre-feet: *Provided*, That the Secretary shall give priority in his acquisition program for the community to State water rights within the Salt River project.

(b) The Secretary is authorized and directed—

(1) to rehabilitate the existing system for the delivery to and distribution of irrigation water within the Salt River Reservation, including especially the lining of field ditches;

(2) to extend the existing distribution system within the reservation and, on condition that the Salt River Pima-Maricopa Indian Community or its members agree to subjugate the land, to construct such additional canals, laterals and irrigation works as are necessary to deliver sufficient water to irrigate up to thirty thousand five hundred acres having a duty of water of six and twenty-five one-hundredths acre-feet;

(3) if so requested by the Salt River Pima-Maricopa Indian Community, to loan the community, out of funds appropriated pursuant to this Act, an amount of money equal to the full cost of subjugating additional land, with repayment to be made in forty equal annual installments, without interest, beginning ten years after the date the reservation irrigation system is completed and water delivered to irrigate thirty thousand five hundred acres having a duty of water of six and twenty-five one-hundredths acre-feet; and

(4) upon completion of the expanded irrigation system within the reservation and sufficient water delivered to irrigate thirty thousand five hundred acres having a duty of water of six and twenty-five one-hundredths acre-feet, to require that the Salt River Pima-Maricopa Indian Community assume responsibility for its operation and maintenance.

(c) The Secretary is authorized and directed to use his power under existing laws, including the deepening and rehabilitation of existing wells, to maximize the supply of water on the Salt River Reservation available from underground sources. The amount of water so available on a firm basis may be credited against the amount of water the Secretary is obligated to acquire under sub-

section (a) hereof. To render the pumping of water economically feasible and to assist economic development of the community, the Secretary is also authorized and directed to sell to the Salt River Pima-Maricopa Indian Community power and energy available under section 303 of the Colorado River Basin Project Act of September 30, 1968 (43 U.S.C. 1523), at rates not to exceed actual cost.

APPROPRIATIONS

SEC. 106. (a) There is hereby authorized to be appropriated for the construction of water resource project facilities and irrigation distribution systems under this title, exclusive of works authorized as part of the Central Arizona Project, and for such other nonrecurring activities of the Secretary as are required herein, exclusive of costs for land and water acquisition, the sums of $32,000,000 during fiscal year 1977, $28,000,000 during fiscal year 1978, and $28,000,000 during fiscal year 1979, and $8,000,000 during each of the next seven fiscal years, plus or minus such amounts, if any, as may be justified by reason of fluctuations in construction costs as indicated by engineering cost indices applicable to the types of activities involved therein.

(b) There is also hereby authorized to be appropriated for loans to the Central Arizona Tribes the sums of $12,000,000 during fiscal year 1977, $12,000,000 during fiscal year 1978, $12,000,000 during fiscal year 1979, and $6,000,000 during each of the next seven fiscal years, plus or minus such amounts, if any, as may be justified by reason of fluctuations in subjugation costs indicated by engineering cost indices applicable to the types of activities involved therein, and, in addithereto, such sums as may be required for phreatophyte control and for operation and maintenance of such water resource project facilities and irrigation distribution systems.

TITLE II—ACQUISITION OF WATER

ACQUISITION OF STATE WATER RIGHTS

SEC. 201. (a) The Secretary is authorized to acquire by purchase or exchange to the extent economically feasible, and otherwise by eminent domain proceedings in the United States District Court for the District of Arizona under sections 257 and 258a of title 40, United States Code, such private lands (or interests therein) having presently perfected State water rights appurtenant thereto and such State water rights as may be sold or transferred independent of land, as he may determine to be appropriate, anywhere within the State of Arizona for the purpose of providing water to the Central Arizona Tribes in accordance with title I of this Act: *Provided*, That the Secretary shall not acquire private lands which do not have a recent history of receiving or being capable of actually receiving all or substantially all of the water covered under the appurtenant State water rights: *Provided further*, That the Secretary, in acquiring State surface water rights pursuant to this section, shall give a priority to the acquisition of lands within the Wellton-Mohawk Division of the Gila project before acquiring any lands elsewhere: *And provided further*, That nothing in this title shall authorize the Secretary to acquire or disturb the water rights of any Indian tribe, band, group or community, or any individual Indian allottees. Except as provided in subsection (b) hereof, any lands or interests in lands so acquired, other than State water rights, shall be restored to the public domain.

(b) In the event the Secretary acquires improved lands pursuant to subsection (a) hereof, the beneficial owner or owners, if an individual, family, or family partnership, may reserve the right to use and occupy the lands—

(1) with the appurtenant State water rights for farming purposes and noncommercial residential purposes for fifteen years after the effective date of this Act, for ten years after the date of acquisition or until the death of the longest lived beneficial owner, whichever soonest occurs; and

(2) without the appurtenant State water rights, for twenty-five years after the effective date of this Act, or, if the option under paragraph (1) is exercised, for an additional period of ten years or until the death of the longest lived beneficial owner, whichever sooner occurs, for noncommercial residential purposes: *Provided*, That the compensation paid by the Secretary for the property shall not exceed its fair market value on the date of acquisition, less the fair value on such date of the rights reserved.

(c) Notwithstanding any provision of Federal or State law to the contrary, and in satisfaction of the tribes' existing water rights, the Secretary may sever State water rights from lands acquired under subsection (a) hereof and may transfer such water rights to lands within the reservations of the Central Arizona Tribes. If the lands from which State water rights are severed lie within the exterior boundaries of any reclamation project or irrigation district, the Secretary shall with respect to such lands—

(1) cancel any repayment obligations for irrigation construction costs owing to the United States or one of its agencies, or pay any liens or other valid debts for irrigation construction costs owing any other legal entity; and

(2) enter into contracts with such projects or districts to compensate them for operating and maintenance costs attributable to delivery of water to the lands, as if the State water rights had not been severed, or arising from the loss of active operations of the lands for a period not to exceed twenty years after the date of acquisition.

(d) The Secretary is authorized to enter into agreements with the State of Arizona and its political subdivisions to make payments in lieu of real property taxes with respect to lands and interests in lands acquired under subsection (a) hereof for a period not to exceed twenty years after the date of acquisition: *Provided*, That any real property taxes paid by a former beneficial owner of the land with respect to any interests reserved pursuant to subsection (b) hereof shall be credited against the amounts agreed to be paid by the Secretary in lieu of taxes.

(e) Notwithstanding the provisions of sections 101(d), 102(d), 103(e), 104(e), and 105(c) of this Act, the Secretary shall not sell or deliver to the Central Arizona Tribes any power or energy pursuant to section 303 of the Act of September 30, 1968, 43 U.S.C. Section 1523, if such power or energy is needed to pump water into and through the Central Arizona Project, or if such sale or delivery would impair the obligations of existing contracts for power or energy under section 303.

(f) If any power or energy is sold or delivered to the Central Arizona Tribes pursuant to Title I at a price less than that at which such power or energy could be sold to non-Indian customers, the full amount of the price differential shall be credited to the Lower Colorado River Basin Development Fund established by Section 403 of the Colorado River Basin Project Act of September 30, 1968, 43 U.S.C. Section 1543.

TRANSFER OF FEDERAL WATER RIGHTS

SEC. 202. The Secretary is hereby authorized, in his discretion, to transfer to lands within the reservations of the Central Arizona Tribes any Federal water rights appurtenant to the public lands or to any lands within a Federal reservation under his jurisdiction which are presently being exercised or are otherwise recognized by the State of Arizona which are surplus to the needs of such lands: *Provided*, That nothing herein shall be deemed to expand the judicially declared Federal reservation doctrine. Any Federal water rights so transferred, to the extent they provide a firm water supply, shall be credited against the State water rights the Secretary is directed to acquire pursuant to section 201 of this Act.

DELIVERY OF WATER

SEC. 203. To facilitate the delivery of water to reservations of the Central Arizona Tribes, the Secretary is authorized—

(a) to enter into contracts for the exchange of water, or for the use of aqueducts, canals, conduits, and other facilities for water delivery, including pumping plants, with the State of Arizona or any of its subdivisions, with any irrigation district or project, or with any authority, corporation, partnership, individual or other legal entity; and

(b) to use facilities constructed in whole or in part with Federal funds, including facilities of the Central Arizona Project, for the delivery or distribution of water within the State of Arizona: *Provided*, That the Secretary is authorized to make an equitable apportionment of the use of any such facility if its capacity is at anytime less than adequate to satisfy all authorized uses.

TRUSTEESHIP

SEC. 204. Title to all water rights acquired, transferred, or developed pursuant to the provisions of this Act shall be held in trust by the United States for the benefit of the Central Arizona Tribe on whose reservation such water right ultimately is utilized.

GRANTS

SEC. 205. The Secretary is authorized to spend up to $2,000,000 out of the funds appropriated pursuant to this Act for the purpose of making grants to the Central Arizona Tribes to—

(a) develop and implement plans for using newly irrigated reservation lands in an orderly, efficient, and profitable manner; and

(b) establish and carry out training programs for Indian farmers, including courses in marketing and agricultural economics.

APPROPRIATIONS

SEC. 206. There is hereby authorized to be appropriated for the acquisition of State water rights and related acquisition costs under this title the sum of $38,000,000, during fiscal year 1977, $36,000,000 during fiscal year 1978, $36,000,000 during fiscal year 1979, and $20,000,000 during each of the next seven fiscal years, and, in addition thereto, such sums as may be required for the delivery of water to the reservations of the Central Arizona Tribes, for payments under contracts or agreements entered into by the Secretary and for grants to the tribes.

TITLE III—SETTLEMENT

SEC. 301. For each Central Arizona Tribe, the actual acquisition of and delivery to the reservation of water and the construction, improvement, and extension of water delivery and irrigation systems by the Secretary pursuant to title I of the Act, when wholly completed, shall be in satisfaction of such tribe's present and future right to the use of surface water for farming purposes and any lesser amounts of water delivered shall be offset against any entitlement which may subsequently be established in litigation: *Provided*, That the Gila River Indian Community's claim to water from the Salt River shall not be extinguished or otherwise affected.

By Mr. PELL:

S. 906. A bill to prohibit discriminatory practices with respect to physically handicapped persons; to the Committee on Human Resources.

EMPLOYMENT DISCRIMINATION AGAINST HANDICAPPED INDIVIDUALS

Mr. PELL. Mr. President, over the past dozen years, this Nation has committed itself to abolish practices of discrimination toward individuals because of their

race, skin pigmentation, religious preferences, sex, or their country of national origin. Our Federal, State, and local governmental units and many parts of the private sector have worked hard to eliminate discrimination in housing, employment, education, and in many other fields of life. We have forged a firm national policy that discrimination founded on race, sex, and religion will not be tolerated.

Today I want to address my remarks, and a legislative proposal, at a form of discrimination which is just as debilitating, for individuals caught up by it, and for our Nation as a whole, as any I previously mentioned. That is discrimination against physically handicapped individuals.

Some progress has been made in this direction, but the legislative supports for the elimination of employment discrimination against the physically handicapped, namely sections 503 and 504 of the Rehabilitation Act, contain some loopholes in their coverage and impact, and we can seal those gaps with the legislation I am introducing today.

One of the most serious discriminatory barriers confronting the physically handicapped is job discrimination. In the past, it was a common practice to shut the handicapped away in special workshops. In more recent years, many employers have come to realize that a physical handicap does not preclude a person from efficient and gainful employment, working side by side with other workers. Many enlightened employers have made special efforts to hire the physically handicapped.

In spite of these efforts, however, discrimination against the physically handicapped continues. The result is that the Nation is deprived of the full talents and abilities of physically handicapped individuals, and the physically handicapped themselves suffer an unnecessary additional burden.

It was for this reason that I am today introducing a bill which would amend title VII of the Civil Rights Act of 1964 to prohibit discriminatory practices against physically handicapped persons.

This legislation is identical to a proposal I introduced in the last two Congresses, and I am hopeful that this year, the White House Conference on Handicapped individuals will provide the needed impetus to effect this important reform, I urge my colleagues to give it their full consideration.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 906

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) sections 703 and 704 of the Civil Rights Act of 1964 (42 U.S.C. 20003-2), are each amended by striking out the phrase "race, color, religion, sex, or national origin" each time it appears therein and inserting in lieu thereof "race, color, religion, sex, physical handicap, or national origin" in each instance.

(b) Nothing contained in the amendments made by subsection (a) shall be construed to require any employer to provide any unusual or special services to any physically handicapped person which would not normally be provided to other persons similarly employed.

By Mr. HUDDLESTON:

S. 907. A bill to authorize a program to repair highways incurring substantial additional use as a result of national energy requirements; to the Committee on Environment and Public Works.

ENERGY IMPACT ROADS

Mr. HUDDLESTON. Mr. President, in my continuing efforts to secure Federal assistance to solve a truly national problem, the transportation of energy supplies from point of origin to point of use, I am pleased to introduce this legislation.

The bill I offer will establish a new category, in the Federal aid highway system, for the repair and restoration of energy impacted highways. That is to say, I wish to see Federal money allocated for the repair of highways which have incurred and are still incurring substantial additional use and damage as a result of national energy requirements.

The measure I proposed today sets up a 70 per centum Federal, 30 per centum State matching program to meet a critical portion of the energy supply transportation problem. Surely this problem must be addressed if we are to rely on our Nation's most abundant energy resource, coal, in developing a cohesive national energy policy.

The difficulty is simply that we cannot increase by 50 percent or 100 percent or 300 percent the production and utilization of coal in this country just by Government decree. We must have the methods, No. 1, of getting it out of the ground in environmentally accepted ways. Also, we must be able to move it to the places where it is going to be used, where it can be transported and marketed. Right now, the rails and the highway system over which the majority of this coal has to move are deteriorating at a rapid rate, deteriorating faster than the current highway and rail programs will permit repair and maintenance. Thus, we must decide whether or not we can provide the routes and highways over which to move the coal that is desperately needed and will be needed for years.

As certain Members are aware the Department of Transportation is about to complete a thorough study of the need for Federal highway assistance of the nature I have prescribed. The Department is doing so as a result of my amendment to the 1976 Highway Act. Though I look forward to whatever recommendations might come from this effort, I believe the time for action is long overdue. Therefore, I urge prompt action on the bill which I introduce today.

By Mr. HUDDLESTON:

S. 908. A bill to amend title V of the Rural Development Act of 1972; to the Committee on Agriculture, Nutrition, and Forestry.

HELP FOR THE SMALL FARMER

Mr. HUDDLESTON. Mr. President, in August 1975 the General Accounting Office published a report entitled "Some Problems Impeding Economic Improvement of Small-Farm Operations: What the Department of Agriculture Could Do." This report contained the following recommendations:

The Department should:

Identify small-farm operators in their productive years who depend on the farm as their primary source of income and categorize them according to their resources, abilities, educational experiences, and willingness to improve their operations by using available technology and efficient management practices.

Examine the potential for research uniquely designed to improve the economic position of small-farm operators and, if such potential exists, consider the priority of such research in relation to other federally funded agricultural research.

Examine the potential for research uniquely designed to improve the economic position of small-farm operators and, if such potential exists, consider the priority of such research in relation to other federally funded agricultural research.

Establish procedures for (1) evaluating the economic and social impacts of future research that could greatly change the productivity, structure, and/or size of existing farms, and (2) determining the assistance small-farm operators would need to plan for and adjust to the resulting changes.

Mr. President, the response of the USDA to the GAO report was ngeative. The Department said incomes of small farmers would not necessarily rise as a result of a concerted effort in a small farmer program.

Some so called "experts" argue that there is no point in trying to help those farmers who are operating units which are too small to sustain a family entirely. It has been stated that efforts to aid the Nation's small farmers would not provide significant increases in the overall national agricultural productivity. But the USDA has concluded that a national program to aid small farmers would provide for significant improvement in both the productivity and level of living of small farmers who would be reached by the program.

And, Mr. President, that is exactly the point of a small farmer program. Most of our small farmers are already relying on part of their income from off farm jobs. Many of these jobs pay very little, and the small farmer remains in the backwash of the American economy.

I introduced a small farmer research and extension bill during the first session of the 94th Congress. That legislation, S. 2823, passed the Senate. Hearings were held by the House Agriculture Committee on the legislation but it did not clear the House.

I have refined my original bill and I rise today to introduce it. I am not so foolish as to propose a program of assistance that would maintain a pretense that somehow through research and extension a small unit can necessarily be made to provide the total support of the operator.

But I do believe that by following the precepts of extension and cooperative State research that are now decades old, many small farms can begin to produce more income for their owners, thereby making those farmers more economically independent.

Since the early 1930's American agri-

culture has undergone an enormous revolution. Thirty million people have left the farm for the city. Let us face it. After the many economic upheavals that have occurred in American agriculture in recent decades, those who remain on the land are largely there because they desperately want to be.

I rise today to introduce legislation which will institute small farm research and extension programs under title V of the Rural Development Act. If we can help the small farmer stay on the land—if we can give them freedom of residence—then it would be socially and economically unwise not to take the appropriate steps.

The tragedy of the large cities' economic state, and the sprawling urban ghettos across the face of the land are living testimony to the fact that the mass migration of people from the farm to the cities was not without a cost to this Nation of tens of billions of dollars.

Therefore, it would seem fitting to me that we say something more to the small farmer than "adapt or die." To take the actions called for in the legislation I am introducing today would help the rural economy and save the cities the agony of still more welfare recipients added to their populations.

The small farm research program portion of this bill would provide for research with respect to new approaches to upgrade small farmer operations through management techniques, farm machinery technology, new products, new marketing techniques, and small farm finance.

The small farm extension program consists of a program using paraprofessional personnel to work with small farmers on an intensive basis to improve their farming operations. This type of approach is called the University of Missouri or Texas A. & M. plan as both of these universities have implemented pilot projects similar to the national program I envision.

Mr. President, at my request, Dr. Carl N. Scheneman, vice president for extension, University of Missouri, has provided me with descriptive information about the University of Missouri small farm program. I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

MISSOURI SMALL FARM PROGRAM

Many of today's larger farmers have participated at some time in Extension educational activities. Extension's mission has been, and continues to be, to help people become more productive members of society.

Concern has mounted in recent years that too few small farmers make use of the regular Extension programs. University of Missouri Extension, after experimenting with means of attracting more of them to traditional programs without much success, launched a pilot effort in two counties in 1971, designed especially for small farmers.

This effort was expanded in 1972 to eight counties having 12 educational assistants working on an intensive basis with more than 450 small farmers. The educational assistants are non-professionals hired to work for Extension staff. Most are local small farmers. The U.S.D.A. Extension Service provided the resources for four of these assistants for two years.

An area farm management specialist provides leadership in each of the Extension Areas included in the program and other specialists are called on for special training and consultant work with the paraprofessional, educational assistants. The farm management specialist spends approximately 15 percent of his time with the Small Farm Program.

The program has been expanded recently to include 35 education assistants working with small farmers in 30 counties of the state.

WHY BE CONCERNED WITH SMALL FARMERS?

Missouri has many small farmers, like most states in the North Central Region. According to the 1969 census, there were 137,000 farms in Missouri. Of these, approximately 98,000 or 72 percent reported annual sales of less than $10,000. About one-half of these were full-time farmers who worked off the farm fewer than 100 days.

Most small farmers in Missouri do not participate in current Extension educational activities. Experience from earlier programs designed for low income small farmers clearly demonstrated that: (1) low income farm families can be reached, (2) many want to achieve more income, (3) most lack the know-how to obtain more income, (4) nonprofessionals can be effective with low-income farmers, and (5) local leaders will support programs that offer potential for helping low income families. Extension is the best equipped and qualified to focus on the needs of families living on small farms who have low incomes.

OBJECTIVES OF THE SMALL FARM PROGRAM

The Extension's staff set an overall objective—to increase the opportunities and quality of living for families living on small farms. To do this they must, through the education assistants, teach families the skills and knowledge that will increase their family income from farming.

HOW THE PROGRAM OPERATES

The county extension councils which sponsor extension work support the Small Farm Program. Council members believed the program would benefit local farmers not involved in extension programs. The members suggested families on small farms in their community for interviews.

Families who wanted to expand their farming operation and didn't have much off-farm income had their first opportunity to participate in the program.

The extension council or a committee appointed by the council and local extension staff hired education assistants to work with the families.

The area extension director was responsible for personnel and finances.

An area farm management specialist directed the program and on-the-job training for the education assistants. Training focused problems and questions the education assistants confronted during their farm visits. Other area extension specialists provided subject matter training.

Some families required many farm visits when they started or expanded an enterprise. Once they had experience they did not require as many visits.

Most education assistants visit 35 to 40 families on a regular basis and visit another 20 to 30 families less often.

RESULTS TO DATE

There is ample data to support the idea that education assistants (paraprofessionals) can be effective in providing knowledge and motivation that enables families to increase their incomes.

When the program started, Extension wanted to determine if education assistants could be effective in helping families to obtain more income. Data from bench mark surveys and yearly progress reports clearly show small farms can obtain more income from this educational approach.

Table 2 on page 21 of publication MP 445 gives the financial changes made by small farmers. At the end of 1972, 66% reported an increase in income of $1,204 over the prior year. In 1973, 72% had an increase in income of $2,021. Even in 1974, when livestock farmers were reporting a severe drop in income, 16% of the small farmers had an increase in income averaging $2,399 per farm.

One could assume the families participating in the program would have had an increase in income of some kind during this period anyway. This question received special attention from researchers at the University of Missouri. An evaluation of the program using a control group was conducted in early 1975. Findings are documented in SF 176 "Missouri Small Farm Program, An Evaluation With A Control Group.

Highlights from this research show that participating families made more changes and had more income than non-participating families. When livestock prices declined in 1974, the participating families had less income decline and fewer decided to reduce their enterprise numbers.

Mr. HUDDLESTON. Mr. President, similarly, at my request, Dr. D. H. Seastrunk, Assistant Director of the Texas Agricultural Extension Service, has provided me with information about the Texas intensified farm planning program. I ask unanimous consent that this information also be printed in the RECORD at this point.

There being no objection, the information was ordered to be printed in the RECORD as follows:

THE TEXAS INTENSIFIED FARM PLANNING PROGRAM

The Texas Intensified Farm Planning Program was initiated by the Texas Agricultural Extension Service to accelerate the delivery of educational information to operators of small farm units in 1969. The following are essential features of the program.

A. PROGRAM PHILOSOPHY

1. Low-income farmers will utilize technical recommendations to improve their level of family living when information and assistance is provided in a manner they can understand and learn from.

2. Educational assistance provided through a program of this type provides valuable assistance in helping low-income farmers make appropriate decisions regarding their future. In many instances, it is an effective alternative to welfare programs.

B. PARAPROFESSIONALS

1. Paraprofessionals are employed in the Texas Intensified Farm Planning Program, and they work under the direct supervision of the county Extension agent (agriculture).

2. The primary job responsibilities of the paraprofessional is "to teach farmers the basic skills needed to implement technical recommendations."

3. The county Extension agent (agriculture) is responsible for all technical recommendations.

4. The more effective paraprofessionals are:

a. Residents of the county.

b. Viewed by local residents as being successful small farmers.

c. Viewed by local residents as having demonstrated community leadership.

d. Interested in working with people.

5. An intensive inservice training program is planned and conducted for paraprofessionals.

6. Paraprofessionals are expected to spend 80 to 90 percent of their working time in the

field. Appropriate travel budgets for each employee is provided.

7. The total resources of the Extension Service are available to support this program in the same manner as any other Extension program effort.

8. Paraprofessionals are paid hourly wages competitive to the area and receive available fringe benefits.

C. PROGRAM DESIGN

1. The primary objective is to increase agricultural income as a result of intensive educational assistance.

2. The secondary objectives are:

a. To involve participants in educational activities beneficial to their well-being.

b. To improve their level of family living.

c. To help participants utilize existing services of various agencies and organizations more effectively.

3. There are three long-range alternatives available for each participant. They are: remain on the farm and improve his management ability, seek full-time employment off the farm, or become a part-time farmer. Once the participant has made his decision regarding the desired alternative, the program can provide help that will enable him to achieve the best possible results.

4. Each participating farmer is assisted as an individual unit. Each farmer is moved along at a pace compatible with his resources and management ability.

5. Participating farmers are encouraged to participate in other ongoing educational programs in preparation for the time when the paraprofessional will gradually discontinue intensive individual assistance. The farmer is expected to become a participant in regular Extension programs and the paraprofessional moves on to work with new farmers.

Mr. HUDDLESTON. Mr. President, the legislation I am introducing today defines "small farmer" as any farmer with gross sales from farming of under $20,000 per year who depends on farming as his primary source of income. Funds will be allocated to the States in an amount based on the ratio of small farms located in a State to the total number of small farms in the entire United States. I have constructed a table based on the 1974 Census of Agriculture showing for each State the number of farms, number of small farms, and the small farms as a percentage of all farms. I ask unanimous consent that the table be printed in the RECORD. I hasten to point out that not all small farmers depend on farming as their primary source of income but I feel it is logical to assume that for a very high percentage of small farmers the farm income is not only the primary source of income but the only source of income.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Farms with gross sales of less than $20,000 as a percentage of all farms by States

(Based on 1974 census of agriculture preliminary reports)

	All farms	Farms with gross sales of less than $20,000	Small farms as a percentage of all farms
Alabama	60,756	50,562	83.2
Alaska	333	273	81.9
Arizona	6,602	4,167	63.1
Arkansas	53,497	38,721	72.4
California	73,549	46,404	63.1
Colorado	26,896	15,522	57.7
Connecticut	3,799	2,484	65.4
Delaware	3,574	1,770	49.5
Florida	34,937	26,816	76.8
Georgia	58,413	41,840	71.6
Hawaii	3,298	2,493	75.6
Idaho	24,810	14,117	56.9
Illinois	115,059	57,893	50.3
Indiana	92,349	61,880	67.0
Iowa	129,404	49,889	38.6
Kansas	81,909	46,735	57.1
Kentucky	109,725	95,559	87.1
Louisiana	35,466	26,912	75.8
Maine	7,020	4,229	60.2
Maryland	16,285	10,465	64.3
Massachusetts	4,970	3,378	67.9
Michigan	68,638	51,602	75.2
Minnesota	102,112	55,411	54.3
Mississippi	57,375	48,320	84.2
Missouri	121,272	92,074	75.9
Montana	24,285	12,317	50.7
Nebraska	68,973	30,561	44.3
Nevada	2,218	1,413	63.7
New Hampshire	2,821	2,062	73.1
New Jersey	8,055	5,421	67.3
New Mexico	12,387	9,172	74.0
New York	46,288	27,497	59.4
North Carolina	99,939	77,526	77.6
North Dakota	43,366	17,365	40.0
Ohio	97,697	69,896	71.5
Oklahoma	73,649	57,008	77.4
Oregon	29,990	22,323	74.4
Pennsylvania	56,470	37,973	67.2
Rhode Island	710	501	70.6
South Carolina	31,948	26,035	81.5
South Dakota	43,653	20,064	46.0
Tennessee	102,474	93,242	91.0
Texas	185,572	148,884	80.2
Utah	13,130	9,860	75.1
Vermont	6,270	3,249	51.8
Virginia	55,581	46,697	84.0
Washington	32,514	20,661	63.5
West Virginia	19,123	17,879	93.5
Wisconsin	92,636	55,053	59.4
Wyoming	8,329	4,795	57.6
Total United States	2,450,126	1,666,903	68.0

Mr. HUDDLESTON. Mr. President, I believe in, and I will continue to support a strong American agriculture. It is essential for our nutritional well-being, for our international trading posture, and for the future of the world. And, in order to remain strong, American agriculture must be economically strong. I am not saying here that we should divde up the big farms and parcel the land out to small operators, but I would submit that certain Federal policies have contributed toward bigness, while the Department of Agriculture has in the past tended to forget that family farmer which Abraham Lincoln charged it to protect.

Mr. President, the problems of the small farmer have had much attention in the past but no relief has been provided. I urge my colleagues to join me in my efforts to provide assistance for small farmers.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 908

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 502 of the Rural Development Act of 1972 is amended by—

(a) amending subsection (c) to read as follows:

"(c) SMALL FARM RESEARCH PROGRAMS.—Small farm research programs shall consist of research programs with respect to new approaches to upgrade small farmer operations through management techniques, agricultural production techniques, farm machinery technology, new products, new marketing techniques, and small farm finance.";

and

(b) by adding at the end thereof a new subsection (d) as follows:

"(d) SMALL FARM EXTENSION PROGRAMS.—Small farm extension programs shall consist of extension programs with respect to improving operations of small farmers using, to the maximum extent practicable, para-professional personnel to work with small farmers on an intensive basis to improve management techniques, agricultural production techniques, farm machinery technology, new products, marketing techniques, and small farm finance and to improve capabilities to utilize existing services offered by the United States Department of Agriculture and other public and private agencies and organizations.".

SEC. 2. Section 503 of the Rural Development Act of 1972, as amended, is amended by—

(a) inserting in subsection (a) a comma and the phrase "except subsections (c) and (d) of section 502," following the phrase "this title";

(b) redesignating subsections (c), (d) and (e) as (e), (f) and (g) respectively;

c) adding the following new subsections (c) and (d) to read as follows:

"(c) There are hereby authorized to be

appropriated to carry out the purposes of subsections (c) and (d) of section 502 of this title not to exceed $20,000,000 for each of the fiscal years ending September 30, 1978 and September 30, 1979.

"(d) Such sums as the Congress shall appropriate to carry out the purposes of this title pursuant to subsection (c) of this section shall be distributed by the Secretary as follows:

"(1) 4 per centum to be used by the Secretary for Federal administration;

"(2) 19 per centum to be allocated to each State to carry out the programs authorized in subsection (c) of section 502 of this title, in an amount which bears the same ratio to the amount to be allocated as the number of small farmers located in that State bears to the total number of small farmers in all of the States as determined by the Secretary.

"(3) 77 per centum to be allocated to each State to carry out the programs authorized in subsection (d) of section 502 of this title in an amount which bears the same ratio to the amount to be allocated as the number of small farmers located in the State bears to the total number of small farmers in all of the States as determined by the Secretary."; and

(d) deleting in subsection (f), as redesignated by subsection (b) of this section, the word "and" following "(b)" and inserting a comma and the phrase "and, (d)" following "(c)" in the first sentence.

SEC. 3. Section 507 of the Rural Development Act of 1972 is amended by adding at the end thereof a new subsection (c) to read as follows:

"(c) 'Small farmer' means any farmer with gross sales from farming of under $20,000 per year who depends on farming as his primary source of income.".

SEC. 4. The Rural Development Act of 1972 is amended by adding at the end thereof a new section 509 to read as follows:

"SEC. 509 Reports.—The Secretary shall evaluate the effectiveness of the programs established under subsections (c) and (d) of section 502 of this title and make a report to the Congress no later than April 1 of each year on that evaluation and the operation of the programs during the preceding fiscal year.".

By Mr. SPARKMAN (by request):

S. 909. A bill to amend the Board for International Broadcasting Act of 1973 and to authorize appropriations for fiscal years 1978 and 1979 for carrying out that act; to the Committee on Foreign Relations.

BOARD FOR INTERNATIONAL BROADCASTING AUTHORIZATION ACT, 1978

Mr. SPARKMAN. Mr. President, by request, I introduce for appropriate reference a bill to amend the Board for International Broadcasting Act of 1973 and to authorize appropriations for fiscal years 1978 and 1979, and for carrying out that act.

The bill has been requested by the Executive Director of the Board for International Broadcasting, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD, together with the letter from the Executive Director of the Board to the President of the Senate dated February 17, 1977, and a section-by-section analysis of the bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 909

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Board for International Broadcasting Authorization Act, Fiscal Year 1978".

SEC. 2. Section 8 of the Board for International Broadcasting Act of 1973 is amended as follows:

By striking out all of SEC. 8 (a) and (b) and inserting in lieu thereof "SEC. 8. There are authorized to be appropriated and remain available until expended: (1) $58,730,000 for fiscal year 1978; (2) such sums as may be necessary for fiscal year 1979; and (3) such additional or supplemental amounts as may be necessary for increases in salary, pay, retirements, and other employee benefits authorized by law, and for other nondiscretionary costs.".

SEC. 3. Section 2 is amended—

(a) by striking from (3) "Radio Liberty Committee, Incorporated (hereinafter referred to as Radio Free Europe and Radio Liberty)," and inserting in lieu thereof "Radio Liberty Committee, Incorporated (commonly referred to as Radio Free Europe and Radio Liberty) has now been consolidated into RFE/RL, Incorporated,";

(b) by striking from (4) "Radio Free Europe and Radio Liberty" and inserting in lieu thereof "RFE/RL, Inc.";

(c) by striking from (5) "Radio Free Europe and Radio Liberty" and inserting in lieu thereof "RFE/RL, Inc.";

Section 3(b) is amended—

(a) by striking from (1) "Radio Free Europe and Radio Liberty" and inserting in lieu thereof "RFE/RL, Inc.";

(b) by striking from (4) "Radio Free Europe and Radio Liberty" and inserting in lieu thereof "RFE/RL, Inc.".

Section 4 is amended—

(a) by striking from (a)(1) "Radio Free Europe and Radio Liberty" and inserting in lieu thereof "RFE/RL, Inc.";

(b) by striking from (a)(2) "Radio Free Europe and Radio Liberty" and inserting in lieu thereof "RFE/RL, Inc.";

(c) by striking from (a)(3) sentences 2, 3, and 5 "Radio Free Europe and Radio Liberty" and inserting in lieu thereof "RFE/RL, Inc." in each instance;

(d) by striking from (a)(4) "Radio Free Europe and Radio Liberty" and inserting in lieu thereof "RFE/RL, Inc.";

(e) by striking from (a)(8) "Radio Free Europe and Radio Liberty" and inserting in lieu thereof "RFE/RL, Inc.";

(f) by striking from (b) "Radio Free Europe and Radio Liberty" and inserting in lieu thereof "RFE/RL, Inc.".

Section 5 is amended—

(a) by striking from (a) "Radio Free Europe and Radio Liberty" and inserting in lieu thereof "RFE/RL, Inc.";

(b) by striking from (b) "Radio Free Europe and Radio Liberty" and inserting in lieu thereof "RFE/RL, Inc.";

(c) by striking from (c) in the first sentence "the radio to which the grant is to be made agrees" and inserting in lieu thereof "the radio agrees".

BOARD FOR INTERNATIONAL BROADCASTING,
Washington, D.C., February 17, 1977.

Hon. WALTER F. MONDALE,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith proposed legislation to make required amendments to the Board for International Broadcasting Act of 1973 and to authorize appropriations for the Board to carry out its responsibilities as specified in that Act.

The bill provides for authorization of appropriation for the Board's operations during Fiscal Year 1978 and 1979 and reflects amendments to clarify sections of the Act. Some of those changes are required by the consolidation of the Radios' operations and management.

A section-by-section analysis explaining the proposed legislation is enclosed.

The Board has been informed by the Office of Management and Budget that there is no objection to the presentation of this proposed legislation to the Congress and that its enactment would be in accord with the program of the President.

Respectfully submitted,

WALTER R. ROBERTS,
Executive Director.

SECTION-BY-SECTION ANALYSIS

Section 2: This section authorizes funds for the Board to carry out its functions for fiscal years 1978 and 1979. It also deletes the funding operation of a "reserve for foreign currency exchange rates" authorized in fiscal 1977 but for which funds were not appropriated.

Section 3: This section reflects the name change in Radio Free Europe and Radio Liberty accounting for their new corporate consolidation into the entity of RFE/RL, Inc.

By Mr. SPARKMAN (by request):

S. 910. A bill to amend title II of the Foreign Relations Authorization Act, Fiscal Year 1977 (Public Law 94–350; 90 Stat. 829), to authorize appropriations for the fiscal years 1978 and 1979, and for other purposes; to the Committee on Foreign Relations.

USIA AUTHORIZATION ACT, FISCAL 1978 AND 1979

Mr. SPARKMAN. Mr. President, by request, I introduce for appropriate reference a bill to amend title II of the Foreign Relations Authorization Act, Fiscal Year 1977 (Public Law 94–350; 90 Stat. 829), to authorize appropriations for the fiscal years 1978 and 1979, and for other purposes.

The bill has been requested by the Acting Director of the U.S. Information Agency, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD, together with the letter from the Acting Director of USIA to the President of the Senate dated February 23, 1977, and the section-by-section analysis of the bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 910

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as the "United States Information Agency Authorization Act, Fiscal Years 1978 and 1979."

SEC. 2. (a) Section 201(a) of the Foreign Relations Authorization Act, Fiscal Year 1977 (90 Stat. 829) is amended by striking out "1977" and inserting in lieu thereof "1978".

(b) Section 201(a)(1) of such Act (90 Stat. 830) is amended by striking out "$255,925,000" and inserting in lieu thereof "$269,286,000".

(c) Section 201 (a)(2) of such Act (90 Stat. 830) is amended by striking out "$4,841,000" and inserting in lieu thereof "$4,360,000".

(d) Section 201 (a)(3) of such Act (90 Stat. 830) is amended by striking out "$2,142,000" and inserting in lieu thereof "$9,792,000".

SEC. 3. Immediately after Section 201(b) of such Act (90 Stat. 830) add the following new subsection:

"(c) There are authorized to be appropriated for the United States Information Agency for fiscal year 1979, to remain available until expended, such sums as may be necessary to carry out the authorities and purposes stated in section 201 of this Act."

SEC. 4. Section 202 of such Act (90 Stat. 830) is amended by striking out "1977" and inserting in lieu thereof "1978".

U.S. INFORMATION AGENCY,
Washington, D.C., February 23, 1977.

Hon. WALTER F. MONDALE,
President of the Senate.

DEAR MR. PRESIDENT: I have the honor to transmit to the Senate for its consideration a draft of a proposed bill to authorize appropriations for the United States Information Agency and for other purposes.

The proposed bill would amend title II of the "Foreign Relations Authorization Act, Fiscal Year 1977" (Public Law 94-350) to authorize appropriations to be made to this Agency for fiscal years 1978 and 1979. Section 701 of the United States Information and Educational Exchange Act of 1948, as amended, requires that appropriations be previously authorized by legislation.

A section by section analysis is enclosed to explain the proposed legislation.

The Office of Management and Budget advises that the submission of the proposed legislation is in accord with the President's program.

Sincerely,

EUGENE P. KOPP,
Acting Director.

SECTION-BY-SECTION ANALYSIS

Section 1: The proposed Act will amend Title II of the "Foreign Relations Authorization Act, Fiscal Year 1977" (Public Law 94-350; 90 Stat. 829) to authorize appropriations for the fiscal years 1978 and 1979. It may be cited as the "United States Information Agency Authorization Act, Fiscal Years 1978 and 1979." Authorization of appropriations for the United States Information Agency is required by Section 701 of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1476).

Section 2: Subsection 2(a). Amends Section 201(a) of the "Foreign Relations Authorization Act, Fiscal Year 1977" (90 Stat. 829) to provide authorization for appropriations for fiscal year 1978 for the United States Information Agency.

Subsection 2(b). Authorizes appropriations to be made for salaries and expenses, including the special foreign currency program, necessary to carry out international informational activities and programs under the United States Information and Educational Exchange Act, the Mutual Educational and Cultural Exchange Act, and Reorganization Plan No. 8 of 1953, for the fiscal year ending September 30, 1978. The $269,286,000 requested is the amount now included in the President's budget for fiscal year 1978 and will permit continuation of overseas information and cultural programs at essentially present levels.

Subsection 2(c). Authorizes appropriations to be made for expenses necessary to carry out functions under Section 102(a)(3) of the Mutual Educational and Cultural Exchange Act, for the fiscal year ending September 30, 1978. The $4,360,000 requested is the amount now included in the President's budget for fiscal year 1978.

Subsection 2(d). Authorizes appropriations to be made for the purchase, rent, construction, and improvement of facilities for radio transmission and reception and the purchase and installation of necessary equipment for radio transmission and reception; and acquisition of land and interests in land by purchase, lease, rental or otherwise. The $9,792,000 is requested to provide for the first phase of the project to augment the Philippines Relay Station ($6,840,000; an appropriation for this purpose was enacted in fiscal year 1976); for the restoration of the site of the closed-out Okinawa Relay Station ($908,000); for the maintenance and repair of existing facilities ($1,924,000) and for continued technical research ($120,000).

Section 3: This section adds a new subsection (c) to section 201. The new subsection provides authorization of amounts for fiscal year 1979 necessary to support the activities described in the paragraphs of Section 201 of Public Law 94-350. A request for fiscal year 1979 is in keeping with the provisions of the Congressional Budget and Impoundment Control Act of 1974 requiring advance fiscal year authorization of appropriations (P.L. 93-344). The rapidly changing world situation imposes demands for a wide range of information and cultural program responses. The level and mix that will be necessary in fiscal year 1979 cannot now be explicitly forecast. Under these circumstances a flexible authorization of appropriations is required.

Section 4: Makes applicable to the fiscal year 1978 appropriations authorization the section providing transfer authority among the amounts provided in paragraphs (1), (2) and (3) of subsection 201(a).

By Mr. BELLMON:

S. 912. A bill to return Congress, through the implementation of procedural reforms, the ability to insure that rules and regulations promulgated through the administrative process shall reflect the intent of Congress; to the Committee on Governmental Affairs.

REGULATORY CONTROL ACT OF 1977

Mr. BELLMON. Mr. President, today I am introducing legislation which would significantly reform the administrative process by insuring that regulations promulgated by the executive branch conform to congressional intent.

During the past two Congresses, we witnessed a reassertion of congressional authority in several historical confrontations with the executive branch. For example, the Budget Reform Act was approved in order that Congress may have better control over the budgetary process. The Director of OMB is now subject to Senate confirmation. The war powers bill was passed and other legislative measures enacted—all with the stated objective of reasserting Congress' authority in the decisionmaking process and restoring a balance of power with the executive branch.

My proposal would further extend congressional authority over governmental process by requiring that agencies and departments which promulgate regulations pursuant to enabling legislation conform to the congressional intent of that legislation. This proposal requires that when a governmental agency promulgates regulations in order to implement Federal legislation the congressional committee of origin has 60 days to disapprove the proposed regulations.

The need for legislation of this nature is clear. The Senate is aware of the frustration of American citizens who believe that the Federal officials are callous and arbitrary. A system of checks and balances over the Federal bureaucracy is needed to insure that the will of Congress is followed in the regulatory process.

The problems we now face in controlling the agencies and bureaus have evolved over time. When the first regulatory agency, the ICC, was formed in the late 1800's there was no way to predict the eventual expansion of regulatory agencies. Congress has shared its responsibility with the executive branch by giving agencies and departments the power to issue regulations, licenses, and permits if the agency deems it to be "in the public interest."

For example, implementation of regulations concerning the Occupational Safety and Health Act are left to those administrators who for the most part have never worked in private enterprise and do not understand the practicalities and expenses involved in many of the regulations which they require. These regulations apply equally to the giants of industry as well as the smallest, least sophisticated business in the country.

All sections of society, corporations, as well as the workingman and the poor, are affected by these broad generalized grants of authority to administrative agencies. Millions of citizens are in a poor position to defend themselves against arbitrary agency actions. Congress needs to make certain that regulators do not become dictators. Any Member who has attempted to influence a Federal agency in the promulgation of regulations will understand the feeling of futility which is held by citizens across the land.

Many agencies, most notably those which have been granted the authority to disburse money for various Federal programs to individuals, organizations, and to the States, have almost the absolute power to turn on and off the flow of money.

The promulgation of regulations which are extremely complex and confusing to even the well educated are the source of agency power. These rules and regulations are the conduit through which the agency imposes its views upon the general public, and the practical opportunities for protest are limited. Arguably, the opportunities for protest are present because of the Administrative Procedure Act. However, it is difficult and costly for citizens to hire Washington lawyers to represent them before the agencies. It represents the classic David against Goliath situation.

The effect of this legislation would be to provide a check on those agencies. The check would be imposed by the Congress from which the agency's power is initially derived. The values at stake are of constitutional impact and importance. Clearly the public can no longer stand helplessly by while Federal agencies make decisions which affect their very livelihood. Congress can no longer allow

the laws to be misconstrued by the agencies and bureaus which Congress created.

The agencies have promulgated regulations so extensive and so complex that the public is endangered by the Government its taxes support. The effect has been to reduce the respect which the American people have for their Government. When Government is unresponsive to their needs, a sense of frustration and anger overwhelms them. As Winston Churchill remarked:

If you have 10,000 regulations, you destroy all respect for the law.

The purpose of this bill is to restore this lost respect for the law, by providing a check on the regulatory process.

I ask unanimous consent that the text of this bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 912

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Regulatory Control Act of 1977".

SEC. 2. That section 301 of title 5, United States Code, is hereby amended to read as follows:

"(a) The head of an executive department or military department may prescribe regulations for the government of his department, the conduct of its employees, the distribution and performance of its business, and the custody, use, and preservation of its records, papers and property. This section does not authorize withholding information from the public or limiting the availability of records to the public.

"(b) That upon the promulgation of proposed rules and regulations implementing public laws, the committee of origin, whether in the Senate or in the House of Representatives, shall give approval or disapproval of said rules and regulations within sixty days from the date of submission of said rules and regulations.

"(c) In the event the said committee fails to disapprove the proposed rules and regulations within sixty days, such abstention shall be deemed to be approval of said and regulations."

By Mr. BARTLETT (for himself, Mr. MCCLELLAN, Mr. GOLDWATER, Mr. HANSEN, Mr. LAXALT, and Mr. GRIFFIN):

S. 913. A bill amending section 1951(b)(2) of title 18, United States Code; to the Committee on the Judiciary.

Mr. BARTLETT. Mr. President, the bill which I offer for myself and Senators MCCLELLAN, GOLDWATER, HANSEN, LAXALT, and GRIFFIN would effect a limited, yet significant, change in certain language contained in the Hobb's Act. The Hobb's Act was passed in 1949 in an effort to curb the use of violence in labor disputes. Various unsavory practices had grown up whereby violence and the use of force were used as tools to achieve the objectives of persons involved in labor disputes. The Hobb's Act recognized that such practices could have an adverse effect on interstate commerce, and therefore made it a Federal crime for persons to attempt or to commit extortion or robbery, as defined in the act, where the effect would be to adversely affect commerce.

The term "extortion" as presently defined in the Hobb's Act is "the obtaining of property from another, with his consent, induced by wrongful use of actual or threatened force, violence, or fear, or under color of official right." In the context of labor disputes, the act seems clearly to indicate that force and violence are tools that are not legally available to organized labor for use in achieving union objectives, regardless of whether those objectives are themselves good, bad, or indifferent. Unfortunately, the U.S. Supreme Court has not viewed the Hobb's Act language in the way it seems clearly to have been intended.

In the case of United States against Enmons, the Court was confronted by a situation where certain labor union officials and members had allegedly committed acts of physical violence and destruction of their employer's property. The alleged violence was charged to have been part of their attempts to obtain higher wages for striking employees. In a 5 to 4 decision, the Supreme Court held that the Hobb's Act prohibitions were inapplicable since the objectives of the union officials were legitimate, wholly ignoring the fact that the act's language seems clearly directed at the means being employed to achieve union goals.

Mr. President, this bill would delete the word "wrongful" as presently included in the definition of "extortion" in the Hobb's Act. It was this term upon which the Supreme Court based its tortured reasoning in the Enmon's case. The effect of this bill would be to make it clear that the use of violence or force is illegal under the Hobb's Act regardless of whether it is employed to achieve legitimate or illegitimate purposes.

This bill also adds certain clarifying language to the words "fear" as used in the Hobb's Act. I recognize that the fear of economic loss induced in an employer by the threat of a strike, for example, is a legitimate tool in collective bargaining. The clarifying language makes clear that only fear induced by wrongful means—such as threats of violence or the use of what we commonly think of as blackmail—is intended to come within the proscriptions of the act.

In addition to the changes I have mentioned, my bill adds a short phrase to the definition of "extortion" to make it clear that the existence of Federal restrictions on violence and force in this context are not intended to preempt the field. State or local laws regulating violence would continue in full force and effect. This merely makes explicit the existing state of the law.

In sum, this bill would recognize that the thrust of an extortion statute should be to punish violent extortionate means to obtain the property of another regardless of the legality of the ends sought. This principle should apply in the context of collective bargaining just as it does elsewhere.

In my judgment, this bill does nothing more than to make explicit what was intended by Congress in the first place. Mr. Justice Douglas, dissenting in Enmons, urged the view that the use of violence to obtain higher wages clearly fell within the meaning of the act. His review of the applicable legislative history clearly shows the validity of his position.

Perhaps some mention should be made of what the bill I am offering will not do. It in no way restricts the right of union members to strike or collectively bargain. It in no way prevents them from seeking better wages or working conditions, so long as peaceful and nonviolent means are employed.

Mr. President, the increasing levels of violence existing in connection with labor disputes in this country are well known and should be a source of concern to all of us. The outbreaks of violence that many times occur as the result of inflamed tempers and overzealous individuals are quite properly condemned by both management and labor. The Hobb's Act, as clarified by this bill would once again make clear the Federal Government's unwillingness to tolerate violence to achieve even the most laudable objectives in the labor relations field. I therefore urge its adoption.

By Mr. MCCLURE:

S. 914. A bill to amend the Internal Revenue Code of 1954 in order to tax excess petroleum industry profits, to encourage investments in the expansion of domestic energy supplies, and to create an incentive tax credit for research and development of new or expanded energy sources; to the Committee on Finance.

EXCESS PETROLEUM PROFITS TAX ACT OF 1977

Mr. MCCLURE. Mr. President, we find ourselves as a nation in a dilemma. On the one hand, we have vast untapped domestic fuel sources and the capability to develop the technology necessary to unleash numerous forms of new energy sources. Yet, on the other hand, we are bound by a critical domestic shortage of reliable, acceptable energy sources. Prices for fuel and related products have shot upward. The American people are caught in two ways: by higher prices and by the shortage of domestic fuels.

Meeting our Nation's future energy needs is going to require a tremendous capital investment. The Chase Manhattan Bank has reported that the financial needs of the petroleum industry alone in the 10-year period from 1975 to 1985 will be $1,350 billion. Such a capital expenditure is staggering, even by congressional standards. And where is this money to come from? From the Government? From private industry?

It is all too obvious what the differences between private enterprise and governmental programs are. I refer to efficiency in the use of funds, speed in arriving at objectives, ability to shift programs, and desire for a more competitive product. It is not in our country's best interest to federalize this program of energy expansion. Instead, we should stimulate the skills and efforts of private enterprise to develop for us a new era—one of sufficient energy through expanded technology. Thus, we need to encourage vast sums of investment into expanding our present energy supplies and developing the advanced technology necessary to

unlock new forms of energy and energy sources. And, there is no better way to start than by utilizing the profits of the petroleum industry. This is precisely what my bill is designed to do.

My bill will levy a 90-percent tax on that income of the petroleum industry which is above an average rate of return for all industries. All corporations with an invested capital structure exceeding $2.5 million are covered by the bill, if theirs is a business primarily involved in any level of the petroleum industry, from exploration and extraction to retail sales. The first taxable year will be 1977.

The index to determine what is a fair rate of return would come from the Federal Trade Commission. It would be based on the average percentage rate of return on invested capital for all manufacturing corporations. The FTC is directed to include this information in its quarterly financial reports for manufacturing corporations. Thus the rate of return available to the petroleum industry, without penalty, would float with the economy and at the same time be readily discernible. In this manner, they would remain competitive in their search for new and additional funds.

A special deduction will be allowed when figuring taxable income applicable to the excess profits tax. This deduction will be for new investments made in an effort to increase our domestic energy supply—research, exploration, and development. A 5-year set-aside program is allowed during which these investments must be made, to be free of the excess profits tax.

The opportunity for constructive, and perhaps dramatic action is great. Without attempting to list them all, my bill points to the areas of location, production, transportation, conversion, processing, utilization, pollution abatement, and conservation. Progress can be and must be made in each of these fields having important impact on our total energy supply.

Mr. President, I ask unanimous consent that the text of my proposed legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 914

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Excess Petroleum Profits Tax Act of 1977."

SECTION 1. Part II of subchapter A of chapter 1 of the Internal Revenue Code of 1954, as amended (relating to corporation income taxes), is amended by adding after section 12 a new section as follows:

SEC. . EXCESS PETROLEUM PROFITS TAX.

"(a) IN GENERAL.—Notwithstanding other taxes imposed by this subtitle, an excess profits surtax is hereby imposed on the taxable income of all petroleum industry corporations for each taxable year beginning after December 31, 1976. The surtax shall be equal to the surcharge as computed under subsection (b).

"(b) SURCHARGE.—The surcharge is equal to 90 percent of the amount by which the taxable income exceeds the surcharge exemption for the taxable year. Section 11 shall only apply to that amount of taxable income which does not exceed the surcharge exemption for the taxable year.

"(c) SURCHARGE EXEMPTION.—For the purposes of this section, the surcharge exemption for any taxable year shall be the percentage rate of return, on the capital investment of a petroleum industry corporation, equal to the average rate of return on capital investment for all manufacturing corporations for that taxable year. Determination of the average rate of return on capital investment, by industry and for all manufacturing corporations, shall be made by the Federal Trade Commission and submitted in its quarterly financial reports for manufacturing corporations, beginning with the quarter following enactment of this bill. The Commissioner is further directed to compile and publish the rate of return on capital investment, by industry and for all manufacturing corporations, starting with the first quarter of 1977 and extending through the quarter in which this bill is enacted.

"(d) EXEMPTIONS.—

"(1) SMALL CORPORATIONS.—This section shall apply to all petroleum industry corporations having an invested capital structure exceeding $2,500,000.

"(2) SET-ASIDE FUND.—The corporation may establish a special fund to be used according to subsection (f) in which yearly income, subject to the surcharge, may be set aside without surcharge consequence. However, such set-aside funds which are not properly invested within five years of the taxable year in which they were earned shall be subject to the surcharge with no further exceptions.

"(e) DEFINITIONS.—

"(1) PETROLEUM INDUSTRY CORPORATION.—For purposes of this section the term 'petroleum industry corporation' means any corporation engaged in the exploration, extraction, refining, transportation, distribution, manufacture, production, and/or sale of any petroleum product as its principal business.

"(2) TAXABLE INCOME.—For purposes of computation of the surcharge imposed by this section, taxable income shall be computed without regard to any deductions allowed by reason of the carryback or carryover of any loss.

"(f) SPECIAL DEDUCTION.—In computing the surcharge imposed by this section, there shall be excluded from income, subject to the surcharge, an amount equal to the investment made in the same taxable year or as authorized under subsection (d)(2), for the following purposes:

"(1) exploration or development of new domestic fuel;

"(2) increased domestic productive capacity;

"(3) research and development of new domestic energy sources, fuels, or uses;

"(4) research and development of energy technology affecting:

"(A) location,

"(B) production,

"(C) transportation,

"(D) conversion,

"(E) processing,

"(F) utilization,

"(G) pollution abatement, or

"(H) conservation: or

"(5) other investment reasonably calculated to increase the domestic energy supply or the more efficient use of such energy supply.".

SEC. 2. (a) Section 48 (a) of the Internal Revenue Code of 1954, as amended (relating to investment tax credits), is amended by inserting at the end of clause (1)(B)(ii) the following:

"(iii) constitutes a domestic research and development facility for new or expanded energy sources, or

"(iv) constitutes tangible property specifically invested in to increase the domestic energy supply or its more efficient use, or".

(b) Section 48 of such Code is amended by redesignating subsection (k) as (l), and by inserting after subsection (j) the following:

"(k) NEW OR EXPANDED ENERGY SOURCES.—

"(1) NEW ENERGY SOURCES.—This term shall include (but not be restricted to) oil shale, tar sand, coal liquefaction, coal gasification, geothermal, solar, hydrogen, and magnetohydrodynamics energy.

"(2) EXPANDED ENERGY SOURCES.—This term shall include (but not be restricted to) the energy sources in (1), plus petroleum, coal, hydroelectric, and atomic energy sources.".

SEC. 3. (a) The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this Act, except as provided for in section 3(b).

(b) The Commissioner of the Federal Trade Commission shall prescribe such regulations and procedures as are necessary to carry out the compilation and publication of rate of return data as directed in section 1(c) of this Act.

SEC. 4. The amendments made by this Act shall become effective with respect to taxable years beginning after December 31, 1976.

By Mr. McCLURE (for himself and Mr. YOUNG):

S. 915. A bill to require an estimate of domestic consumer needs and domestic production of sugar, to provide an annual quota of sugar which may be brought or imported into the United States, and for other purposes; to the Committee on Finance.

SUGAR IMPORT RESTRICTION ACT OF 1977

Mr. McCLURE. Mr. President, today I am introducing the Sugar Import Restriction Act of 1977, a bill designed to limit the amount of sugar imported by the United States to a level where supply will never be greater than domestic demand.

Since the termination of the Sugar Act of 1948, the price of sugar in the United States has seen drastic fluctuations. On July 6, 1976, the New York spot price was $16 per hundredweight. By September 9, that price had fallen to $8.80 per hundredweight, and has only climbed back to $11.28 per hundredweight as of March 2, 1977.

Meanwhile, the cost of production for sugarcane and sugar beets has been estimated at between $18 and $19 per hundredweight. In my State of Idaho, for example, this difference between price and production cost translates into losses of between $180 and $290 per acre for sugar beet farmers. Perhaps this depressing situation can be better stated by those it affects most—farmers.

Two gentlemen from Preston, Idaho, Floyd and Carl Monson, wrote this in a recent letter:

I have a dear friend here in Southern Idaho who is losing $6,000 this year on his sugar beet crop. He has a federal land bank payment due, and money borrowed at the local bank that he has no way of paying back unless prices are increased somehow.

He is losing about $11 per ton on his sugar beets, from ever breaking even, and is now looking for work in Pocatello, Idaho, in order to help pay the interest on his bank loans and other expenses he is behind on.

Mr. Merrill Dean of Rupert, Idaho, wrote this:

Rising costs of producing sugar beets, potatoes and grain in contrast to the very low profits (if any) of these products, leaves the farmer in a bleak situation.

At this time, I'm especially concerned with the condition of our national sugar industry, which is in a depressed state, as you are aware. My calculations show that I stand to

lose approximately $200.00 per acre from the production of sugar beets alone and with such a loss cannot begin to pay operation expenses incurred.

Finally, Wally Blacker, a young Boy Scout and 4–H'er from Burley, Idaho, wrote these lines:

I had a 4–H project of sugar beets and am concerned about the price of sugar. We farm southwest of Burley, Idaho. I know we got very low prices on our sugar beets mainly because imported sugar is so cheap. The price of sugar is decreasing yet the price of things made with sugar is increasing. A couple of months ago they announced the price of a candy bar is going to be 20¢, but the farmers are being paid less now than when a candy bar was 10¢.

I would like to know what congressional action may be taken in the next session of Congress to help us. I am sure most sugar growers in the United States are concerned. Thank you.

I am sure all of my distinguished colleagues from the other sugar producing States have had similarly depressing letters from their constituents.

The primary reason for such losses seems to lie in the fact that the United States is the only major sugar producing nation which does not in some way protect its domestic sugar industry. Sugarcane and sugar beet yields were very high this year and many countries were thus able to dump large quanities of their excess sugar in the United States. The result of this dumping is illustrated above.

If worldwide sugar production remains high during the next season or two, a large portion of our domestic industry will simply become a thing of the past. Many sugar beet and sugar cane farmers have already made plans to get out of the sugar business and several processors intend to do the same.

Foreign producers now supply the United States with 45 to 50 percent of its sugar needs. As domestic production declines, this figure will undoubtedly grow to a point where these producers have control over our domestic sugar market. Our experience with foreign petroleum producers and coffee growers should indicate that this is not a healthy position for the U.S. consumer to be in.

Again, the feelings of those most affected best emphasize the seriousness of this situation.

Mr. Dennis Gleed, another farmer from Rupert, Idaho, wrote this last November:

As a new investor in a farming operation, the lack of profit, naturally, concerns me.

With the present condition of very low sugar prices, there is no way that I, as well as hundreds of farmers, can make a profit substantial enough to survive in the farming business.

A representative of an irrigation company at Mountain Home, Idaho, Mr. John Wissel, added these remarks:

As you know, the continuing, unregulated importation of foreign sugar into the American economy has depressed sugar prices far below American production cost levels. This situation seems to be worsening.

We are writing this letter to you on behalf of our sugar beet producing members who are your constituents. The situation is now critical. Several of our members are on the verge of going out of sugar beet production and due to the overall depressed situation in farming are facing forced liquidation should 1977 be another bad year.

Thus, if the current situation is allowed to continue for another year, sugar production within the United States may become a thing of the past.

We need only to review the current oil situation and OPEC to understand what happens when a necessary commodity is controlled by a very few nations. While we as farmers have an immediate economic interest in avoiding such a situation, all Americans as consumers have a much larger stake. The vision of nations such as Cuba controlling the amounts to be imported and prices to be paid for sugar in the future is sobering.

Lastly, Mr. James Elgin of an Idaho-Oregon Sugar Beet Growers Association expressed these concerns:

Our domestic sugar beet industry, which is a major economic factor in Idaho, is experiencing a severe recession, due to unregulated imports of foreign sugar.

We believe this foreign subsidized sugar is not fairly competitive with our domestic sugar beets, which are not aided by any government program. We are not asking for any "handout," but the many hundreds of farm families depending on this crop find it hard to compete with a subsidized foreign crop "dumped" on the U.S. market.

It is obvious that action must be taken to protect our domestic sugar industry. Producers must have the opportunity to sell their sugar in a market that is not flooded with an excess of foreign sugar. My bill, the Sugar Import Restriction Act, does just that.

Generally speaking, it limits the amount of sugar imported by the United States to a level no greater than the difference between estimated domestic consumption and estimated domestic production. Further, the Secretary of Agriculture is given the authority to alter the import level if there are fluctuations in either production or consumption. Thus, supply of sugar in the United States can never be greater than domestic demand.

As Mr. Elgin stated, sugar farmers do not want a handout from their Government. Rather, they merely desire the ability to sell their sugar in a market which has equal rules for all nations and where they can get a fair price for their crop. Given this, the U.S. sugar farmer can survive.

Planting of sugar beets and some sugarcane begins in late March and April, and it is imperative that corrective legislation is introduced and acted upon. The future of the domestic sugar industry depends entirely on what we do—and how quickly we do it—to aid this Nation's sugar growers.

Mr. President, I ask unanimous consent that the text of my legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 915

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, This Act may be cited as the "Sugar Import Restriction Act of 1977."

(1) The Secretary shall estimate for each calendar year, beginning with 1978, the amount of sugar needed to meet the requirements of consumers in the United States.

(2) The Secretary shall estimate for each calendar year, beginning with 1978, the amount of sugar which will be produced within the United States.

(3) Such estimates of the sugar requirements of consumers in the United States and of the sugar produced in the United States shall be made during October of the year preceding the calendar year for which the estimate is being made.

(4) The Secretary shall set quotas for each calendar year which limit the amount of sugar which may be brought or imported into the United States for consumption or use therein to an amount not to exceed the difference between the estimated amount of sugar to be produced within the United States and the estimated amount needed to meet the requirements of sugar consumers of the United States.

(5) The Secretary is authorized to revise such quotas when the amount of sugar produced in the United States or the amount of sugar required by consumers in the United States varies from the annual estimate as set forth in part 3.

(6) For purposes of this Act—

(a) The term "consumer" means an individual, partnership, corporation, or association.

(b) The term "sugar" means any grade or type of saccarine product derived from sugarcane or sugar beets, which contains sucrose, dextrose, or levulose; raw sugar or direct-consumption sugar.

(c) The term "quota" means that quantity of sugar which may be brought or imported into the United States and its territories and protectorates.

(d) The term "Secretary" means the Secretary of Agriculture.

(e) The term "United States" means the fifty states, the District of Columbia, the territories and possessions of the United States and the Trust Territory of the Pacific Islands.

By Mr. LAXALT (for himself, Mr. BARTLETT, Mr. CHURCH, Mr. CLARK, Mr. DOMENICI, Mr. EASTLAND, Mr. GARN, Mr. HANSEN, Mr. LEAHY, Mr. MCCLURE, Mr. NUNN, and Mr. TOWER):

S. 916. A bill to amend medicare provisions as they relate to rural health facilities; to the Committee on Finance.

RURAL HEALTH CARE FACILITIES

Mr. LAXALT. Mr. President, in the last Congress, I introduced legislation to amend title 18 of the Social Security Act as it pertains to rural health care facilities. Despite the lateness of the introduction, it was of such importance that some 17 colleagues agreed to cosponsor. I am reintroducing it today together with many of those same Senators.

To participate in the medicare program, providers of health care services are rightly held to very high standards designed to insure the safety of our Nation's patient population. These standards are promulgated by the Secretary of Health, Education, and Welfare to provide for high quality professional staff and the maintenance of an adequate physical plant.

Naturally no one quarrels with the need to provide first-rate technical personnel or safe and sanitary physical plants for our hospitals. But, as many Nevada hospital administrators have complained to me, title 18 regulations are better suited to large urban hospitals with impressive facilities and an abundance of trained personnel than to small rural facilities lacking both of these attributes. Thus, title 18 regulations, although well intentioned, fail to consider the particular problems of rural facili-

ties frequently providing only a limited number of services at small isolated facilities.

Permit me to provide just two examples of the harm which can come when standards well suited to large urban hospitals are applied to small rural ones. In Yerington, Nev., the Lyon Health Center has a 42 bed capacity—24 hospital, 18 skilled nursing. However, because title 18 standards require it, the Administrator at Lyon is forced to undergo a tremendous and needless expense to procure the services of a recreational therapist for her elderly patients. At Nye General in Tonopah, the difficulty in recruiting skilled nursing help is so acute that the administrator there has been desperately seeking to encourage the immigration of Filipino nurses because it has proven impossible to recruit and keep domestic nurses at his isolated facility.

Mr. President, let me reiterate. It is not my intention to weaken the title 18 standards. With the bill I am proposing today, I only seek to add an additional increment of flexibility in order to make those standards better suited to small rural health care facilities.

Furthermore, both the Social Security Administration and the Congress agree that many requirements placed upon rural hospitals were counterproductive. Recognizing the vital nature of the small isolated facilities in providing essential services for our rural areas and the costly nature of some of title 18 regulations, the Social Security Administration has certified certain small hospitals as access hospitals.

The Congress also has recognized the importance of flexibility in the title 18 standards by authorizing the Secretary of HEW to waive the requirement that access hospitals have registered nurses on duty around the clock if there is a health manpower shortage in the area or if the failure of the hospital to qualify for certification would seriously weaken the availability of services to beneficiaries and the hospital continues its attempt to meet nurse staffing requirements. Thus, my bill is simply another step toward the flexibility which both the Social Security Administration and the Congress have acknowledged they wish to see in the medicare regulations.

In esesnce, my bill would amend title 18 of the Social Security Act to ease requirements which have to be met by rural hospitals with 50 beds or less in order to quality for medicare reimbursement. As such, it provides for the following:

Nursing Services.—The Secretary of HEW can waive the 24-hour nurse service provision for 1 year for rural hospitals under the current law. My bill would require that the Secretary establish requirements for nursing services on the basis of regional availability data and it would forbid in any event hospitals from being decertified on the basis of a temporary shortage of nursing personnel.

Health-Safety Requirements.—My bill would require that the Secretary modify existing requirements to insure that personnel requirements are consistent with the availability of technical personnel in rural areas and the scope of services rendered by such rural facilities.

Fire and Safety Code.—My bill would allow the Secretary to deem a rural facility in compliance with fire and safety regulations in the event that facility met sufficiently stringent State fire and safety codes.

Mixed-Use.—My bill would relax the prescription against merging hospitals and nursing home patients in the same facility. Although this requirement makes sense for cost-accounting purposes in large urban facilities, it is extremely costly to implement in small rural ones.

Mr. President, the net effect of this bill is to provide flexibility for rural hospitals in meeting title 18 standards without sacrificing quality of health care to be delivered to rural patients. It would also significantly reduce rural medical costs both to the hospitals and patients alike. I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 916

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1861(e) of the Social Security Act is amended by adding the following sentence at the end thereof: "The term 'hospital' also includes a rural health facility of fifty beds or less (whether used exclusively for patients requiring inpatient hospital services or for such patients and patients requiring long-term care services), which meets the requirements of the first sentence of this subsection for waiver of the requirements of paragraph (5) (except that (i) with respect to the requirements for nursing services, such requirements shall be established by the Secretary in regulations taking into account regional data on the availability of nursing personnel, but in no event shall such a rural health facility be precluded from participation because of a temporary shortage of nursing personnel; (ii) with respect to health and safety requirements promulgated under paragraph (9) such requirements shall be appropriately modified by the Secretary for application to such rural health facility so as to assure that personnel requirements are consistent with (A) the availability of technical personnel and the educational opportunities for technical personnel in the area in which the rural health facility, and (iii) with respect to life safety codes, a rural health facility in compliance with all applicable State codes shall be deemed, at the discretion of the Secretary, to be in compliance with the Secretary's regulations relating to fire and safety requirements.".

(b) Section 1861(v) of such Act is amended by adding the following new paragraph at the end thereof:

"(8) Notwithstanding the previous provisions of this subsection the reasonable cost of services furnished in a 'rural health facility' (as described in section 1(a) of this Act) shall be determined without regard to the requirement in subsection (j) relating to a distinct part, and further shall be so calculated as to provide proper payment for services rendered to patients requiring inpatient hospital services and services rendered to patients requiring long-term care services.".

SEC. 2. The Secretary shall, not later than ninety days after the date of enactment of this Act, promulgate regulations implementing the amendments made by the first section of this Act.

MORE FLEXIBLE STANDARDS FOR RURAL HOSPITALS

Mr. CHURCH. Mr. President, I am pleased to join Senator LAXALT in introducing legislation to provide more flexible standards for rural hospitals under the medicare and medicaid programs. Through the enactment of such a proposal, the Congress would require Federal programs to recognize the differences that exist between large urban hospitals and their smaller rural counterparts.

This bill would apply to rural hospitals of 50 beds or fewer. It would allow the Secretary of Health, Education, and Welfare to relax the rules on merging acute and chronic patients in the same facility, such as has been done on an experimental basis in Utah, and allow a rural facility to meet sufficiently stringent State fire and safety codes in lieu of the Federal standards. The measure would also bring personnel requirements in line with the scope of services offered by the hospital and the availability of technical personnel in that area.

More than 60 percent of Idaho hospitals are under-50-bed institutions and would be affected directly by these needed changes. I have met with these administrators frequently regarding their participation in medicare, and it has become obvious to me that the problems of these smaller institutions cannot be solved with the same solutions prescribed for the larger ones.

Further, I have found that the administrators of these hospitals are truly products of the community, and are deeply committed to providing quality care to their patients. This quality is severely hampered, however, when the Federal Government imposes standards on the institutions which are inappropriate to the limitations of its size and situation.

I firmly believe that we can reduce the red tape imposed on our smaller hospitals without jeopardizing the quality of care for the community they serve, and I urge quick and favorable action on this legislation.

By Mr. LAXALT (for himself and Mr. CANNON):

S. 917. A bill to provide for conveyance of certain lands adjacent to the Gund Ranch, Grass Valley, Nev., to the University of Nevada; to the Committee on Energy and Natural Resources.

UNIVERSITY OF NEVADA AGRICULTURE RESEARCH STATION

Mr. LAXALT. Mr. President, on behalf of my distinguished colleague from Nevada, Senator CANNON, and myself, I am today introducing a bill to transfer some 8,040 acres of national resource lands to the University of Nevada to establish, in conjunction with its present deeded properties, a research station capable of examining the many problems involved with managemnt of national resource lands. The results originating from these studies will be applicable to the ultimate management of all Western rangelands, including both the public and the private domain.

Recent legal action—NRDC et. al. against Morton et. al.—has focused attention upon the importance of public

range lands and the role they play in supplying forage for the Nation's beef herds. Today, some 8.4 million cows spend an average of 3 months each year on public lands. The continued use of this resource will be totally dependent upon the establishment of wise and scientifically sound resource management.

Unfortunately, far too few research stations exist under Western conditions which allow the integrated study of the many facets of multiple and integrated use of both public and private lands. Nevada, which is 87 percent public domain, is a most logical State for a concentrated research effort of this nature.

In December 1973, the University of Nevada received a commercial cattle ranch as a gift through the generosity of Mr. George Gund. This property, known as the Gund Ranch, consists of 2,800 deeded acres and an adjoining grazing privilege on Bureau of Land Management lands of 4,700 AUM's. The ranch property is completely surrounded by public lands managed by the Bureau of Land Management. Since obtaining this unit, considerable emphasis has been placed on developing a research program aimed at studying the many and complex problems resulting from the requirement to file environmental impact statements on BLM grazing units.

The Gund Ranch offers a unique opportunity to investigate the multitude of interactions existing between the efficient production of commercial livestock and wildlife management, not only on deeded lands, but perhaps more importantly on national resource lands. In order to accomplish the goal of establishing a truly outstanding research station at the University of Nevada, this measure proposes to transfer 8,040 acres of national resource lands that are presently part of the University's allotment being adjacent to present deeded properties to the University of Nevada. This transfer will allow the existence of sufficient based property to develop a research program capable of studying the many facets of multiple use on deeded as well as the public domain.

Mr. President, the BLM has been very cooperative in providing the background information necessary for this legislation, for which I commend them. Indeed, the BLM supports this land transfer. In a letter to Dr. Dale Bohmont, dean of the University of Nevada's College of Agriculture, the BLM State Director for Nevada said—

> I believe the land transfer to the University for range research purposes can provide us with valuable data on range management and improvement practices which are not now available, and I favor use of the legislative route if it is practical.

In the same letter, there was a list of suggested study/research projects concerning important range management aspects which could be obtained at the Gund Ranch. Mr. President, at this point, I ask that the list of suggested study/research projects for the Gund Ranch be printed in the RECORD. In regard to these study/research projects, the BLM State Director for Nevada said—

> Conclusions reached on these matters could provide valuable information for range land practices on the public lands.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

SUGGESTED STUDY/RESEARCH PROJECTS FOR THE GUND RANCH

1. Prior to implementing any action or management plans, do a complete inventory of all resources—soils, vegetation, watershed aspects, endangered flora & fauna—and design a land use management plan that includes allocation of forage, proper kind and class of livestock, season of grazing use, suitability or nonsuitability for grazing use by areas, productive potentials that are expected to be realized in the future.

2. Prior to applying any change in management do a complete third order soil survey (according to SCS specifications) to determine specific site vegetative potentials. Then determine what happens vegetatively with grazing management that merely prescribes stocking level and season of grazing use. Then test a form of deferred rotation, i.e., "this pasture will be grazed in the spring one year and in the fall the next year." Then test the principles of rest-rotation grazing management. Determine how much rest is needed by the various vegetative species following their being grazed during their vegetative growing period.

3. Will the Gund Ranch operation include a total year-long livestock operation which may include the remaining NRL as a part of the year-long livestock operation?

4. If there is a potential for wildlife habitat or other public value resource to be achieved, and if so, will it be part of the operational planning and management?

5. The economics, or cost effectiveness, of any action undertaken as related to the benefits derived.

6. The effects of various vegetative grazing levels (light, moderate or heavy) on livestock production, soils, vegetation, other resource values and economics or other recognizable benefits produced on a sustained yield basis.

7. What happens when areas of low vegetative productivity are grazed by livestock? (Areas producing less than 25 lbs. of useable forage per acre/32 acres per AUM). (The effects economically—the cost of fencing and providing water applied against pounds of meat produced, the effects on soils, vegetation, watershed, water quality and the total biomass of the area.)

8. What is the effect on vegetative species in easily accessible areas when forage is allocated in areas of 20% to 30% slope, 31% to 40% slope, 41% to 50% slope and on areas exceeding 50% slope?

9. What is the effect on vegetation within a 2¼ mile radius of water when forage at a distance greater than 2¼ miles from water is allocated for grazing? What is the effect if a 4 mile radius is used?

10. Measuring the effects of grazing near existing water sources after additional water sources are provided; and also on the vegetation contiguous to where the new waters are developed.

11. Does and can salt placement influence livestock distribution—and at what times of the year?

12. When various vegetative species are grazed during their growing period, at what phenological stage of development must grazing be terminated to assure regrowth that will result in production of viable seed, or that will result in 75 or 90 percent restoration of carbohydrate reserves in the plant?

13. What effect does amount and timing of precipitation have on the amount of forage produced per acre? For rangeland forage production, what months are key months in which precipitation is highly important?

14. What kind of soils are subject to soil compaction by grazing animals. What kind of management, rest or climatic conditions are necessary to reduce any impacts that accrue because of soil compaction?

15. What effect does light, moderate and heavy gazing have on overland flow and amount and rate of moisture infiltration into the soil?

16. Achieving vegetative potential through management as compared to treatment such as plowing, seeding, or spraying. (This being the way most improvement will, of necessity, be achieved on national resource lands.)

17. Where it is determined that some type of cultural treatment is necessary, an attempt should be made to re-establish the native vegetative species.

18. Would it be possible to establish seed sources for native vegetative species that could be used on NRL? (ORHYH, SIHY, STIPA, FEID, AGSP, AGSM, ELYMU, CELA (EULA), and others.)

19. Where a variety of vegetative species are available, what preferences are exhibited by different kinds of grazing animals on a seasonal basis? This information would help develop proper use factors (PUFS) and forage acre requirements (FARS) that could be used for establishing proper stocking levels. It would also help identify key species that could be used for determining the desired level of utilization for rangelands.

20. What happens to desirable species when less desirable forage species (greasewood, big sage, rabbitbrush or blackbrush) are assigned a 5% PUF.

21. The Gund Ranch could be used for perfecting methods of range survey and for training people in range survey techniques. It could be used to train university students and agency personnel in the formulation of allotment management plans. And of course, it could be very important as a demonstration area for all agricultural people in the State of Nevada and elsewhere.

Mr. LAXALT. Mr. President, this additional acreage in connection with the ranch already owned by the university would provide an excellent unit for a comprehensive research program on livestock and range management. In the past, we have found that areas set aside as experimental forests, ranges, or watersheds provide invaluable sites for research efforts, and their worth increases with age because of the known history of use, vegetation manipulation, and records of environmental factors. In addition to university scientists, I am sure that scientists in a wide variety of disciplines from the Forest Service, Bureau of Land Management, Agriculture Research Service, Fish and Game, et cetera, could be involved in cooperative studies at the Gund Ranch.

Mr. President, I feel that a transfer of public lands from the BLM to the University of Nevada to be subsequently used for research is justifiable and highly desirable. I urge that the necessary action be taken by the Congress to effect the transfer of this land to the University.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 917

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subject to the provisions of section 2 of this Act, the Secretary of the Interior is authorized and directed to convey to the University of Nevada, all right, title, and interest of the United States to the following tracts of land

located in the State of Nevada and comprising 8040 acres:

1. East half southwest quarter, section 7, township 24 north, range 48 east, 80 acres.
2. Southeast quarter northwest quarter, section 7, township 24 north, range 48 east, 40 acres.
3. South half northeast quarter, section 7, township 24 north, range 48 east, 80 acres.
4. South half northwest quarter, section 8, township 24 north, range 48 east, 80 acres.
5. South half southeast quarter, section 8, township 24 north, range 48 east, 80 acres.
6. west half, section 16, township 24 north, range 48 east, 320 acres.
7. West half southeast quarter, section 16, township 24 north, range 48 east, 80 acres.
8. southwest quarter northeast quarter, section 16, township 24 north, range 48 east, 40 acres.
9. Entire, section 17, township 24 north, range 48 east, 640 acres.
10. Northeast quarter northwest quarter, section 18, township 24 north, range 48 east, 40 acres.
11. North half northeast quarter, section 18, township 24 north, range 48 east, 80 acres.
12. Northwest quarter northwest quarter, section 20, township 24 north, range 48 east, 40 acres.
13. East half northwest quarter, section 20, township 24 north, range 48 east, 80 acres.
14. East half, section 20, township 24 north, range 48 east, 320 acres.
15. West half, section 21, township 24 north, range 48 east, 320 acres.
16. West half northeast quarter, section 21, township 24 north, range 48 east, 80 acres.
17. Northwest quarter southeast quarter, section 21, township 24 north, range 48 east, 40 acres.
18. West half, section 28, township 24 north, range 48 east, 320 acres.
19. East half, section 29, township 24 north, range 48 east, 320 acres.
20. South half northwest quarter, section 4, township 23 north, range 48 east, 80 acres.
21. Southwest quarter, section 4, township 23 north, range 48 east, 160 acres.
22. West half southwest quarter, section 5, township 23 north, range 48 east, 80 acres.
23. Southwest quarter northwest quarter, section 5, township 23 north, range 48 east, 40 acres.
24. East half southeast quarter, section 7, township 23 north, range 48 east, 80 acres.
25. West half west half, section 8, township 23 north, range 48 east, 160 acres.
26. East half east half, section 8, township 23 north, range 48 east, 160 acres.
27. Southwest quarter, section 9, township 23 north, range 48 east, 160 acres.
28. South half northwest quarter, section 9, township 23 north, range 48 east, 80 acres.
29. Northwest quarter northwest quarter, section 9, township 23 north, range 48 east, 40 acres.
30. West half, section 16, township 23 north, range 48 east, 320 acres.
31. East half east half, section 17, township 23 north, range 48 east, 160 acres.
32. West half west half, section 17, township 23 north, range 48 east, 160 acres.
33. East half, section 18, township 23 north, range 48 east, 320 acres.
34. Southwest quarter, section 19, township 23 north, range 48 east, 160 acres.
35. West half southeast quarter, section 19, township 23 north, range 48 east, 80 acres.
36. Northeast quarter, section 19, township 23 north, range 48 east, 160 acres.
37. West half northwest quarter, section 20, township 23 north, range 48 east, 80 acres.
38. East half, southwest quarter, section 20, township 23 north, range 48 east, 80 acres.
39. Southeast quarter, section 20, township 23 north, range 48 east, 160 acres.
40. East half northeast quarter, section 20, township 23 north, range 48 east, 80 acres.
41. West half west half, section 21, township 23 north, range 48 east, 160 acres.
42. Northeast quarter, section 29, township 23 north, range 48 east, 160 acres.
43. West half southeast quarter, section 29, township 23 north, range 48 east, 80 acres.
44. West half, section 29, township 23 north, range 48 east, 320 acres.
45. Entire, section 30, township 23 north, range 48 east, 640 acres.
46. Entire, section 31, township 23 north, range 48 east, 640 acres.
47. Northwest quarter, section 32, township 23 north, range 48 east, 160 acres.

SEC. 2. (a) Any conveyance of title made pursuant to the first section of this Act shall reserve to the United States all minerals in the lands, together with the right to prospect for, mine, and remove the minerals under applicable law and such regulations as the Secretary of the Interior may prescribe, except that if the Secretary makes the findings specified in section 209(b) of the Federal Land Policy and Management Act of 1976 (90 Stat. 2757; 43 U.S.C. 1719), the minerals may then be conveyed in accordance with the requirements and limitations in such section 209(b).

(b) The conveyance authorized by this Act shall be made upon payment to the United States of the administrative costs of such conveyance, and upon such terms and conditions as the Secretary shall deem necessary to insure proper land use and protection of the public interest.

SEC. 3. The land conveyed by this Act shall be used for the establishment and operation of a rangeland research station and the conduct of associated experimental range management and improvement programs. Title to the land shall revert to the United States if such land is used for other purposes.

SEC. 4. Notwithstanding any other provision of law, the conveyance directed by this Act shall not be subject to any requirements of the National Environmental Policy Act of 1969 (83 Stat. 852; 42 U.S.C. 4321–4347).

Mr. CANNON. Mr. President, I join with my colleague, Senator LAXALT, in sponsoring legislation to transfer 8,040 acres of public domain land to the University of Nevada as part of its Agriculture Research Station.

The university is already engaged in an extensive research program on lands it already owns at the site. These studies are of utmost value in better understanding how to best utilize the limited natural resources of Nevada in ways which will provide the greatest effective production as well as protection of the land. The requested lands are typical of the public domain land on which most grazing occurs in Nevada and will permit an expansion of the research effort on such lands. The university, in cooperation with the Bureau of Land Management, has already developed a list of important research priorities for property of the type being requested. Our commitment in the Senate to preserving and enhancing our natural resources will be furthered through research and experiment efforts such as this. I fully support the proposal and urge early committee action.

By Mr. RIEGLE:

S. 918. A bill to amend the Consumer Credit Protection Act to prohibit abusive practices by debt collectors; to the Committee on Banking, Housing and Urban Affairs.

CONSUMER PROTECTION ACT AMENDMENT

Mr. RIEGLE. Mr. President, today I am introducing a bill to amend the Consumer Credit Protection Act to regulate the practices of independent professional debt collectors. This legislation is similar to H.R. 13720 which passed the House by a wide margin in the 94th Congress and legislation recently introduced by Senator BIDEN. As chairman of the Subcommittee on Consumer Affairs of the Committee on Banking, Housing and Urban Affairs, it is my intention to make debt collection legislation a top priority.

It is unfortunate but true that deception, harassment, threats, and invasion of privacy are often the tools of those who collect overdue accounts for others. Obviously, not all independent debt collectors resort to such tactics, but I am convinced that these abuses are so common that legislation is essential to curb them.

This bill lists a host of unfair, deceptive, and harassing tactics and strictly prohibits them. Contacts with the debtor, at his home and place of work, are regulated. In addition, the bill prohibits certain procedual tricks which have been used to deny a debtor his day in court.

As in prior legislation, this bill regulates the conduct of independent debt collectors only—not creditors who collect their own accounts. I believe this is a sensible approach, as independent debt collectors are a separate trade, justifying separate treatment. Of great importance, independent debt collectors, unlike creditors, are not restrained from excesses by the desire to protect their good will. And independent collectors account for a disproportionate number of complaints.

Recent television and newspaper accounts have demonstrated all too graphically the high-pressure techniques which are often used to squeeze a debtor's last penny from him. House hearings have also documented the following types of practices:

Impersonation of government officials;

Simulation of legal process;

Profane and abusive telephone calls at all hours;

Obtaining information from friends and neighbors under false pretenses;

Falsely threatening arrest or forcible removal of a debtor's children;

Humiliating a debtor before his employer.

I believe that all citizens share my revulsion for these outrageous practices and agree that they must be put to a stop. I also believe that the legislation I offer today is a fair, effective, and workable approach.

Debt collection regulation ought to be a matter for the States to address, but, unfortunately, they have not done so. Statistics compiled by the House indicate the problem. Nearly 40,000,000 citizens living in 13 States have no legal protection whatsoever against collection abuses. Of the remaining 37 States, only a handful have effective, comprehensive laws. Fourteen States regulate debt collection through the dubious framework of licensing boards which consist of a majority of debt collectors. In addition, even in those States that aggressively police this area, State officials are unable to regulate the activities of debt collectors who operate outside their State

boundaries. All this demonstrates the urgent need for legislation on the Federal level.

Attempts to regulate debt collection excesses are often dismissed as the work of bleeding hearts who care more about deadbeats and "skips" than the need to pay one's debts. Of course, this is nonsense. People should and must pay their debts for our credit-oriented society to prosper. But this does not excuse the types of abuses addressed in my bill, nor does it takes into account the countless legitimate exigencies which generally are the reasons why consumers default. The correspondence received by my subcommittee indicates that it is honest, concerned people—not deadbeats—who too often are the subjects of outrageous abuses.

The bill which I offer today differs somewhat from the bill which the House passed last year and is now considering anew. My bill covers all personal debts, regardless of whether reduced to judgment. In addition, a creditor can be held jointly liable with his debt collector when the creditor has knowledge of the debt collector's violation of the act. And State and local officials are granted enforcement authority along with the FTC. My bill also differs from Senator BIDEN's (S. 656) in that it permits an aggrieved individual to recover actual damages which may include damages for emotional distress of mental anguish, regardless of whether accompanied by physical injury. In addition, the scope of my bill is broader in that it also covers the activities of repossession companies.

Mr. President, it is my intention to conduct hearings on this bill and on S. 656 before the Consumer Affairs Subcommittee next month. It is my hope that all interested parties who wish to testify will contact subcommittee staff. I look forward to thorough and probative hearings and favorable Senate action.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 918

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.) is amended by adding at the end thereof the following new title:

"TITLE VIII—DEBT COLLECTION PRACTICES

"§ 801. Short title

"This title may be cited as the 'Fair Debt Collection Practices Act'.

§ 802. Findings and purpose

(a) There is abundant evidence of the widespread use of abusive, deceptive, and unfair debt collection practices by debt collectors Abusive debt collection practices contribute to the number of personal bankruptcies, to martial instability, to mental illness, to the loss of jobs, and to invasions of individual privacy.

(b) Existing laws and procedures for redressing these injuries are inadequate to protect consumers.

(c) Means other than misrepresentation or other abusive debt collection practices are available for the collection of debts.

(d) Abusive debt collection practices are carried on to a substantial extent in interstate commerce and through means and instrumentalities of such commerce. Even where abusive debt collection practices are purely intrastate in character, they nevertheless directly affect interstate commerce.

(e) It is the purpose of this title to eliminate abusive debt collection practices by debt collectors, to insure that those debt collectors who refrain from using abusive debt collection practices are not competitively disadvantaged, and to promote consistent State action to protect consumers against debt collection abuses.

"§ 803. Definitions

"(a) The definitions set forth in this section are applicable for purposes of this title.

"(b) The term 'Commission' means the Federal Trade Commission.

"(c) The term 'consumer' means any individual obligated or allegedly obligated to pay any debt.

"(d) The term 'creditor' means any person who offers or extends credit creating a debt or to whom a debt is owed.

"(e) The term 'debt' means any obligation or alleged obligation of an individual to pay money arising out of a transaction in which the money, property, insurance, or services which are the subject of the transaction are primarily for personal, family, or household purposes, whether or not such obligation has been reduced to judgment.

"(f) The term 'debt collector' means any person who engages in any business the principal purpose of which is the collection of any debt or enforcement of security interests, or who regularly collects or attempts to collect, directly or indirectly debts owed or due or asserted to be owed or due another, and who uses any instrumentality of interstate commerce in connection with such collections. The term does not include any officer or employee of the United States or any State to the extent that collecting or attempting to collect any debt is in the performance of his official duties.

"(g) The term 'location information' means, with respect to an individual, his place of abode and his telephone number at such place, or his place of employment.

"(h) The term 'State' means any State, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any political subdivision of any of the foregoing.

"(i) The term 'communication' means conveying information directly or indirectly to any person through any medium.

"§ 804. Acquisition of location information

"(a) No debt collector may, in connection with the collection of any debt, communicate other than by telphone, mail, or telegram with any person for purposes of acquiring location information about any consumer.

"(b) Any debt collector communicating with any person other than the consumer for the purpose of acquiring location information about any consumer shall—

"(1) identify himself, state that he is confirming or correcting the address of the consumer, and only if expressly requested, identify his employer;

"(2) not state that such consumer owes any debt;

"(3) not communicate with such person more than once unless requested to do so by such person or unless the debt collector reasonably believes that the earlier response of such person is erroneous and that such person now has correct location information;

"(4) not communicate by post card or other means whereby such communication is visible to persons other than the addressee;

"(5) not use any language or symbol, other than the debt collector's address, on any envelope when using the mail or telegrams, except that a debt collector may use his company name provided that such name does not indicate that the company is in the debt collection business;

"(6) not use any language or symbol in the contents of mail or telegrams that indicates that the communication relates to the collection of a debt, other than the identification of the person as a debt collector; and

"(7) not communicate with any person pursuant to this section, once the debt collector knows the consumer is represented by an attorney."

"§ 805. Communication in connection with debt collection

"(a) COMMUNICATION WITH THE CONSUMER GENERALLY.—No debt collector may initiate communications with a consumer in connection with the collection of any debt without the prior consent of the consumer given directly to such debt collector or the express permission of a court of competent jurisdiction—

"(1) at any unusual time or place or a time or place known or which should be known to be inconvenient to the consumer. In the absence of knowledge of circumstances to the contrary, the debt collector shall assume that the convenient time for communicating with a consumer is after 8 antimeridian or before 9 postmeridian;

"(2) after the initial communication, if the debt collector knows the consumer is represented by an attorney;

"(3) after the initial communication, more than two times during any seven calendar-day period, except as provided in subsection (d).

"(b) COMMUNICATION WITH THE CONSUMER AT THE PLACE OF EMPLOYMENT.—Without the prior consent of the consumer given directly to the debt collector or the express permission of a court of contempt jurisdiction—

(1) a debt collector shall not communicate with a consumer in connection with the collection of any debt at the place of employment of the consumer if the debt collector knows or has reason to know that it is inconvenient to the consumer or the consumer's employer to do so; or

(2) if the debt collector does not know or have reason to know that it is inconvenient to the consumer or the consumer's employer to communicate with the consumer at the consumer's place of employment, the debt collector shall not communicate with the consumer more than one time at the consumer's place of employment.

(c) COMMUNICATION WITH THIRD PARTIES.—Except as provided in section 804 with regard to location information, no debt collector may communicate with any person other than the consumer, his attorney, a credit reporting agency if otherwise permitted by law, or the creditor in connection with the collection of any debt without the prior consent of the consumer given directly to such debt collector, or the express permission of a court of competent jurisdiction, or as reasonably necessary to effectuate a post-judgment judicial remedy.

(d) CEASING COMMUNICATION.—When a consumer refuses to pay or discuss an account a debt collector shall cease further nonjudicial collection efforts with the exception of advising the consumer that the debt collector's further efforts are being terminated and that the debt collector or the creditor may invoke any specified judicial remedies which are ordinarily invoked by such debt collector or creditor, and, if true, that the debt collector or creditor intends to invoke a specified judicial remedy which is ordinarily invoked.

(e) For purposes of subsections (a), (b), (c), and (d), the term 'consumer' shall include the consumer's parent (if the consumer is a minor), child, guardian, executor, or administrator.

"§ 806. Harassment or intimidation

"No debt collector may harass or intimidate or threaten or attempt to harass or intimidate any person in connection with the collection of any debt. Without limiting the

general application of the foregoing, the following conduct is a violation of this section:

"(1) The use or threat of use of violence or other criminal means to harm the physical person, reputation, or property of any person.

"(2) The use of abusive or profane language.

(3) The publication of a list of consumers who allegedly refuse to pay debts, except to a person meeting the requirements of section 604(3) of Title VI of this Act;

(4) The advertisement for sale of any debt to coerce payment of the debt.

(5) The making of harassing or threatening telephone calls or visits to the home or place of employment of a consumer.

§ 807. False or misleading representation

No debt collector may make or threaten or attempt to make any false, deceptive, or misleading representation to any person or engage in any deceptive act or practice in connection with the collection of any debt. Without limiting the general application of the foregoing, the following conduct is a violation of this section:

(1) Any deceptive act or practice creating the impression that the debt collector is acting for or on behalf of the United States or any State, including the use of any badge, uniform, or facsimile thereof.

(2) The false representation of—

(A) the character, amount, or legal status of any debt; or

(B) any services rendered or compensation which may be lawfully received by any debt collector for the collection of a debt.

(3) The false representation that any individual is an attorney.

(4) The representation or implication that nonpayment of any debt will result in the arrest or imprisonment of any consumer or the seizure, garnishment, attachment, or sale of any property or wages of any person unless such action is lawful and the debt collector or creditor intends to take such action.

"(5) The threat to take any action that cannot legally be taken or that is not intended to be taken.

"(6) The false representation, that a sale, referral, or other transfer of any interest in a debt shall cause the consumer to—

(A) lose any claim or defense to payment of the debt;

"(B) become subject to any practice prohibited by this title.

"(7) The false representation that the consumer committed any crime or other conduct in order to disgrace the consumer.

(8) The statement to any person (including any consumer reporting agency) that a consumer is willfully refusing to pay a debt when the consumer disputes such debts or is unable to pay such debts as they come due.

"(9) The false representation that any writing (including any seal, insignia, or envelope) is authorized, issued, or approved by any court or agency of the United States or any State.

"(10) The use of any false representation or deceptive means to collect or attempt to collect any debt or to obtain information concerning a consumer.

"(11) The false representation that any person is seeking information in connection with a survey.

"(12) The false representation that any person has a pre-paid package for the consumer.

"(13) The false representation that a sum of money or valuable gift will be sent to the addressee if the requested information is presented.

"(14) The false representation that accounts have been turned over to innocent purchasers for value.

"(15) The false representation that any debt has been turned over to an attorney.

"(16) The false representation that documents are legal process.

"(17) The use in any communication by any debt collector or his employees or agents of any alias or fictitious name.

"(18) The false representation that the debt collector will communicate adverse credit information to any person.

(19) The false representation or implication that documents are not legal process forms or do not require action by the consumer.

(20) The communication of false credit information to any person, including but not limited to the failure to communicate that a disputed debt is disputed.

"§ 808 Unfair practices

No debt collector shall use unfair or unconscionable means to enforce or attempt to enforce any claim. Without limiting the general application of the foregoing, the following conduct is a violation of this section:

(1) The collection of any amount (including any interest, fee, charge, or expense incidental to the principal obligation) unless such amount is expresly authorized by law;

(2) The solicitation or acceptance by a debt collector of a postdated check or other postdated payment instrument;

"(3) Except as otherwise provided for communications to acquire location information under section 803—

"(A) The use or causing to be used in a debt collector's behalf in connection with the collection of any debt, of any forms, letters, questionnaires, other printed or written material, or other forms of communication which do not clearly and conspicuously disclose that such are used for the purpose of collecting or attempting to collect a debt or to obtain or attempt to obtain information concerning a consumer.

(B) The placement in the hands of others for use in connection with the collection of any debt, of any forms, letters, or questionnaires or other printed or written material which do not clearly and conspicuously reveal thereon that such are used for the purpose of collecting or attempting to collect a debt or of obtaining or attempting to obtain information concerning a consumer.

"(4) The refusal by any debt collector to accept any good faith tender of a partial payment, except that such acceptance alone shall not constitute a waiver of any rights of the debt collector.

"(5) Causing charges to be made to the consumer for communications by concealment of the true purpose of the communication. Such charges include, but are not limited to, collect telephone calls and telegram fees.

(6) The selling of any debt collection form or written demand service which would violate the provisions of this title if used by a debt collector.

(7) Theaten to proceed against collateral or take any nonjudicial actions to initiate or effect dispossession or disablement of collateral—

(A) if there is no present right to possession of the collateral through a valid security interest; or

(B) if there is no present intention to take possession of the property; or

(C) if the property is exmpt by law from attachment, seizure, sales, cr other process.

"§ 809. Validation of debts

"(a) Within five days after the initial communication with a consumer in connection with the collection of any debt, a debt collector shall, unless such is contained in the initial communication or the consumer has paid the debt, send the consumer a written notice containing the following information:

"(1) The amount of the debt.

"(2) The name and address of the creditor to whom the debt was originally owed as it appeared in the original credit agreement and the name of the creditor to whom the debt is currently owed.

"(3) A statement that unless the consumer, within thirty days after receipt of the notice, disputes the validity of the debt, or any portion thereof, the debt will be assumed as valid by the debt collector.

"(4) A statement that if the consumer notifies the debt collector in writing within the thirty-day period that the debt is disputed, the debt collector shall cease collection of the debt until such debt collector obtains certification of the validity of the debt or a copy of the judgment from the creditor and a copy of such certification or judgment is mailed to the consumer by the debt collector.

"(b) If the consumer notifies the debt collector in writing within the thirty-day period that the debt is disputed, the debt collector shall cease collection of the debt until such debt collector obtains certification of the validity of the disputed portion of the debt or a copy of a judgment from the creditor and a copy of such certification is mailed to the consumer by the debt collector.

"§ 810. Multiple debts

"If any consumer owes multiple debts and makes any single payment to any debt collector with respect to such debts, such debt collector shall apply the payment as directed by the consumer and shall not apply such payment to any debt disputed by such consumer except as directed by the consumer.

* * * * *

"§ 811. Legal actions by debt collectors

"(a) Any debt collector that brings any legal action on a debt against any consumer shall—

"(1) in the case of an action to enforce an interest in real property securing the consumer's obligation, bring such action only in a judicial district or similar legal entity in which such real property is located; or

"(2) in the case of an action not described in paragraph (1), bring such action only in the judicial district or similar legal entity—

"(A) in which such consumer signed the contract sued upon; or

"(B) in which the consumer resides at the commencement of the action.

(b) Nothing in this title shall be construed to authorize the bringing of legal actions by debt collectors.

"§ 812. Furnishing certain deceptive forms

"(a) No person may furnish any form knowing or having reason to know that such form would be used to create the false belief in a consumer that a person other than the creditor of such consumer is participating in the collection of or in an attempt to collect a debt such consumer allegedly owes such creditor, when in fact such person is not so participating.

"(b) Any person who violates this section with respect to another person shall be liable to such other person to the same extent and in the same manner as a debt collector is liable under section 812 for failure to comply with a provision of this title.

"§ 813. Civil liability

"(a) Except as otherwise provided by this section, any debt collector who fails to comply with any provision of this title with respect to any person is liable to such person in an amount equal to the sum of—

"(1) any actual damage sustained by such person as a result of such failure, including damages for emotional distress or mental anguish suffered with or without accompanying physical injury;

"(2)(A) in the case of any action by any individual, an amount not less than $100 nor greater than $1,000; or

(B) in the case of a class action, (i) such amount for each named plaintiff as could be recovered under section 813(a)(1); and (ii) such amount as the court may allow for all other class members without regard to a minimum individual recovery, not to exceed the lesser of $100,000 or 1 percentum of the net worth of the creditor nor less than $10,000, provided however that no individual

shall recover more than the amount set forth in section 813(a)(1).

"(3) in the case of any successful action to enforce the foregoing liability, the costs of the action, together with a reasonable attorney's fee as determined by the court.

"(b) In determining the amount of award in any class action under subsection (a)(2)(B), the court shall consider, among other relevant factors, the frequency and persistence of failures of compliance by the debt collector, the resources of the debt collector, the number of persons adversely affected, and the extent to which the debt collector's failure of compliance was intentional.

"(c) A debt collector may not be held liable in any action brought under this title if the debt collector shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to assure compliance.

"(d) An action to enforce any liability created by this title may be brought in any appropriate United States district court without regard to the amount in controversy, or in any other court of competent jurisdiction, within two years from the date on which the violation occurs.

"(e) No provision of this section or section 813 imposing any liability shall apply to any act done or omitted in good faith in conformity with any interpretation thereof by the Commission, notwithstanding that after such act or omission has occurred, such interpretation is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

"(f) If at the time a creditor assigns, sells, or otherwise transfers to a debt collector his right to collect a debt the creditor—

"(1) has knowledge or, from his course of dealing with the debt collector, notice of substantial complaints by consumers of the debt collector's failure to comply with any provision of this title; or

"(2) otherwise knows or has reason to know of the debt collector's failure to comply with any provision of this title,

any action which may be brought under this section against the debt collector may also be brought against the creditor: *Provided*, That any aggrieved person shall be entitled to but one recovery of the damages permitted under this section, and the creditor and debt collector shall have rights of contribution with respect to each other.

"§ 814. Criminal liability

"Whoever willfully and knowingly—

"(1) gives false or inaccurate information or fails to provide information which he is required to disclose by this title; or

"(2) otherwise fails to comply with any provision of this title;

shall be fined not more than $5,000 or imprisoned not more than one year, or both.

"§ 815. Administrative enforcement

"(a) Compliance with this title shall be enforced by the Commission. For purpose of the exercise by the Commission of its functions and powers under the Federal Trade Commission Act, a violation of this title shall be deemed a violation of that Act. All of the functions and powers of the Commission under the Federal Trade Commission Act are available to the Commission to enforce compliance by any person with this title, irrespective of whether that person is engaged in commerce or meets any other jurisdictional tests in the Federal Trade Commission Act, including the power to enforce the provision of this title in the same manner as if the violation had been a violation of a Federal Trade Commission trade regulation rule.

"(b) Compliance with the requirements of this title may also be enforced by any State officials having such functions and powers under State law.

"§ 816. Reports to Congress by the Commission and Attorney General

"Not later than twelve calendar months after the effective date of this title and at one-year intervals thereafter, the Commission and the Attorney General shall, respectively, make reports to the Congress concerning the administration of their functions under this title, including such recommendations as the Commission and the Attorney General, respectively, deem necessary or appropriate. In addition, each report of the Commission shall include its assessment of the extent to which compliance with this title is being achieved, and a summary of the enforcement actions taken by the Commission under section 814 of this title.

"§ 817. Relation to State laws

"This title does not annul, alter, or affect, or exempt any person subject to the provisions of this title from complying with the laws of any State with respect to debt collecting practices, except to the extent that those laws are inconsistent with any provision of this title, and then only to the extent of the inconsistency. For purposes of this section, a State law is not inconsistent with this title if the protection such law affords any consumer is greater than the protection provided by this title.

"§ 818. Exemption for State regulation

"The Commission shall by regulation exempt from the requirements of this title any class of debt collection practices within any State if the Commission determines that under the law of that State that class of debt collection practices is subject to requirements substantially similar to those imposed by this title, and that there is adequate provision for enforcement.

"§ 819. Effective date

"This title takes effect upon the expiration of six months after the date of its enactment, and section 808 shall apply only with respect to debts for which the initial attempt to collect occurs after such effective date.".

By Mr. RIEGLE (for himself and Mr. GRIFFIN):

S. 919. A bill to amend the Clean Air Act to establish certain vehicle emission standards, and for other purposes; to the Committee on Environment and Public Works.

MOBILE SOURCE EMISSION CONTROL AMENDMENTS OF 1977

Mr. RIEGLE. Mr. President, this past week, Senator GRIFFIN and I were pleased to announce—together with Representatives JOHN D. DINGELL, JAMES T. BROYHILL, and UAW President Leonard Woodcock—that we had reached a common agreement on a new automobile emission control schedule for model year 1978 and subsequent model years. Today Senator GRIFFIN and I are introducing a bill reflecting this agreement, a bill that we believe presents an emission schedule that is the most balanced in terms of protecting the public health, protecting jobs, and conserving energy.

The bill we are introducing today, "The Mobile Source Emission Control Amendments of 1977," is identical to H.R. 4444, introduced yesterday in the other body by Representatives DINGELL and BROYHILL. It is substantially the same legislation we previously introduced in the Senate and House this year, S. 714 and H.R. 2380.

The only major change we have made in our legislation is in the auto emission schedule, section 2 of today's bill, as follows:

	HC (gpm)	CO (gpm)	NO_x (gpm)
1978–79	1.5	15.0	2.0
1980–81	.41	9.0	2.0
1982 and thereafter	.41	9.0	[1] 1.0–2.0

[1] Suspension or waiver for NO_x based on EPA Administrator decision.

This new emission schedule differs from the original Dingell-Broyhill/Riegle-Griffin in three respects:

First. The hydrocarbon standard for the 1980–1 period is set at the original statutory level of 0.41 gpm instead of 0.9 gpm.

Second. The final carbon monoxide standard which would have been in effect in model year 1982 is instead carried over indefinitely at the interim 1980–81 standard of 9.0 gpm.

Third. A range of NO—between 1 and 2 gpm—is given for the ultimate standard instead of leaving it entirely to EPA discretion.

The figures we are advocating are significant because, if enacted by Congress, they will achieve two crucial goals. First, our set of numbers will enable production of both model year 1978 and 1979 cars to go ahead; 1979 cars are in an important planning stage, and we are rapidly approaching the July 1 deadline by which Congress must act if 1978 cars are to go into production.

Model year 1978 cars are currently being test run at 1977 emission levels that auto manufacturers have no assurance will be approved by Congress. If they are not approved and Congress adopts stricter standards for 1978—or, if Congress simply fails to act on Clean Air Act legislation before the July 1 deadline—Detroit will come to a virtual standstill in auto production. What that will mean in terms of lost jobs and decreased auto sales is ominous to predict. We are talking, however, about a projected loss of at least 230,000 jobs in auto-related industries and as many as 1 million car sales. And we are talking about these losses against a national unemployment figure of 7.9 percent, a Michigan figure of 9 percent, and a Detroit figure of fully 20 percent.

Second. these emissions figures will provide the most desirable air quality and health improvement standards when measured against statutory fuel economy requirements and costs to the consumer.

Projections of the interagency task force report on motor vehicle goals beyond 1980 predict that the proposed 0.41 gpm figure for HC will reduce incidence of individual chest discomfort by some 5,000 cases in the year 2000; the proposed CO level of 9 gpm is more than sufficient to reduce projected excess cardiac deaths and days of discomfort to zero in the year 2000, as emission controlled cars replace older vehicles; and the 2.0 gpm figure for NO_x emissions will significantly reduce attacks of lower respiratory disease in children in the years ahead.

Though a cost analysis of this particular schedule has not yet been completed, it is clear from past research on auto emissions levels that the figures we

are proposing today will create substantial long-term benefits in energy savings, consumer costs, and employment. In fact, major progress has already been made in improving the ambient air quality under current emissions requirements, and EPA maintains that improved air quality benefits of emissions schedules stricter than what we are jointly proposing will be marginal when compared to our figures.

Current emissions standards already represent an 83-percent reduction of HC and CO and a 38-percent reduction in nitrous oxides emissions relative to uncontrolled autos. Continued replacement of obsolete high pollution autos with low emission new cars will reduce mobile source related air pollution well into the 1980's even without the imposition of more stringent standards. And the added air quality benefits obtained from moving to tougher standards are not substantial compared to the fuel and dollar cost that will be required.

Moreover, according to EPA, ambient levels of HC and CO will, in 1990, be no lower under stricter auto emissions schedules than under our schedule. NO_x standards will be only somewhat improved by stricter standards; EPA, in fact, has acknowledged that stationary sources already create the majority of NO_x in many cites and that further reductions can be achieved at lower cost by controlling stationary sources. But regardless of which standards are adopted, exactly 31 air quality control regions are expected to exceed ambient air quality standards in 1990.

Finally, I should note that adoption of our auto emission schedule with the NO_x figure we recommend is the only way to assure that research can proceed on the development of different technologies for alternative. more fuel-efficient, engines. Only catalytic technology appears to have the potential to meet a NO_x standard of less than 1 gpm, while other certainly viable engine alternatives—the diesel, lean burn and stratified charge—appear unable to do so at the present time. Thus, the adoption of tougher standards will prohibit development of these other innovative and fuel-efficient engines while locking in the still unperfected catalytic technology. Under our proposed NO_x standards, crucial research and development programs can continue as auto companies work to meet the 1985 fuel economy goals established by the Energy Policy and Conservation Act of 1975.

For many reasons, then, I am firmly convinced that the auto emissions schedule that we have been able to work out with the leadership of Mr. Woodcock and the UAW is indeed a bottom line schedule. It has required give and take on the part of us all, but, to everyone's credit, we have been able to accommodate conflicting interests, and have established an emissions schedule that all of us who are vitally concerned with this issue can support and, more importantly, can work with. And I feel good about these emissions numbers because I sincerely believe that they are the most balanced in terms of continued clean air improvements, auto fuel efficiency, lower consumer costs, job production and protection, auto model availability, and future research and development potential.

Mr. President, I ask unanimous consent that a section-by-section summary of our new bill be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SECTION BY SECTION SUMMARY: DINGELL-BROYHILL/RIEGLE-GRIFFIN MOBILE SOURCE EMISSION CONTROL AMENDMENTS OF 1977

SECTION 1—SHORT TITLE

SECTION 2—LIGHT-DUTY MOTOR VEHICLE EMISSION

The new schedule of emission standards in this section is similar to the Dingell-Broyhill (Train-EPA) provision which was overwhelmingly adopted by the House on September 15, 1976, by a vote of 224 to 169, and which was previously introduced in the 95th Congress, as H.R. 2380 and as S. 714, by Senators Riegle and Griffin. The new standards in this section reflect the agreement reached by Dingell-Broyhill/Riegle-Griffin and Mr. Leonard Woodcock of the United Auto Workers. This agreement provides that automobiles manufactured during model years 1978 and 1979 meet the same emissions standards applicable for model year 1977, that is: 1.5 grams per mile hydrocarbons, 15.0 gpm carbon monoxide, and 2.0 gpm oxides of nitrogen. For 1980 and subsequent model years the hydrocarbon standard requires a full 90 percent reduction from the levels emitted in model year 1970, or .41 gpm hydrocarbons. For 1980 and subsequent model years the carbon monoxide standard is 9.0 gpm. For 1980 and 1981, the oxides of nitrogen standard is 2.0 gpm. For 1982 and subsequent model years, the oxides of nitrogen standard is 1.0 gpm which the EPA Administrator is permitted to revise in a suspension proceeding up to 2.0 gpm if he determines that the 1.0 NO_x standard should be revised upward due to (1) the lack of available, practicable, emission control technology to meet such standard during such period, (2) the cost of compliance with such standard, (3) the impact of such standard on motor vehicle fuel consumption. No such revision may be made if the Administrator determines that such revision of the 1.0 NO_x standard would endanger public health.

Additionally, the Administrator may waive the standard of 1.0 NO_x up to 2.0 during any period of four or more model years beginning after the model year 1981 if he determines that a waiver is necessary to permit the use of an innovative power train technology that can produce a substantial energy saving compared to conventional power trains No waiver may be granted if the Administrator determines it would endanger public health.

Auto Emissions Schedule: Dingell-Broyhill/Riegle-Griffin, Woodcock (UAW)

	HC (gpm)	CO (gpm)	NO_x (gpm)
1978–9	1.5	15.0	2.0
1980–1	.41	9.0	2.0
1982 and thereafter	.41	9.0	*1.0–2.0

*Suspension or waiver for NO_x based on EPA Administrator decision.

SECTION 3—TAMPERING

This section broadens the existing prohibition of the Clean Air Act against knowing removal or tampering with emission controls to cover any person engaged in the business of repairing, servicing, selling, leasing, or trading motor vehicles or engines or who operates a fleet of motor vehicles, and specifies the penalties for violations. This section also provides that the prohibition does not require use of manufacturer parts for maintenance or repair.

SECTION 4—TESTING BY SMALL MANUFACTURERS

This section which originated in the House and was accepted by the House and Senate Clean Air Conference during the 94th Congress, limits certification testing for vehicle manufacturers with projected annual sales of 300 or less to 5,000 miles or 160 hours.

SECTION 5—HIGH ALTITUDE PERFORMANCE ADJUSTMENTS

This section, which includes the same provision approved by the House and adopted by the Conference, exempts the adjustments of emissions control systems of high altitude vehicles from the anti-tampering provisions of existing law, if the adjustment does not adversely effect emission performance. The manufacturer is required to submit to the Administrator adjustment instructions.

In addition, this section adds a new provision which authorizes EPA to conduct a new rulemaking proceeding to determine the most appropriate method of implementing the Act's mobile source emission requirements for model year 1978 and thereafter with respect to light duty vehicles intended for principal use in high altitude areas. EPA is directed to consider the economic impact of any such regulation upon consumers, franchised dealers and the manufacturers, the state of the art of emission control technology, and the probable impact of such regulation on air quality in the affected areas.

SECTION 6—WARRANTIES AND MOTOR VEHICLES PARTS CERTIFICATION

This section provides that the performance warranty under the existing Clean Air Act shall not be invalidated on the basis of the use of parts that have been certified in accordance with regulations which EPA shall promulgate within two years.

This section further provides that the performance warranty mandated by law shall be for a period of 18 months or 18,000 miles, which ever first occurs. It also requires notification in the manufacturer's maintenance instructions that maintenance or repair may be performed using certified parts.

SECTION 7—PARTS STANDARDS: PREEMPTION OF STATE LAW

When the parts certification program provided for in Section 6 is finally implemented, the States, except California, are preempted from adopting or enforcing any requirement applicable to the same aspect of the part.

SECTION 8—SULPHUR EMISSIONS STUDY

This section originated in Senate and was adopted by the Conference. The Administrator is required to conduct a study of emissions of sulfur compounds from motor vehicles and aircraft. Health and welfare effects of such emissions are to be reviewed and alternative control strategies are to be analyzed. This study will be reported to Congress by January 1, 1978.

SECTION 9—DEFINITION OF EMISSION CONTROL DEVICE OR SYSTEM

This section defines, for the purposes of Section 207, the term "emission control device or system" to mean catalytic converters, thermal reactors, or other components installed on or in a vehicle for the purpose of reducing auto emissions.

SECTION 10—ADMINISTRATIVE PROCEDURES AND JUDICIAL REVIEW

This section establishes comprehensive procedures for informal rulemaking under the Clean Air Act, which would apply in lieu of the Administrative Procedure Act. The section (a) specifies the rules and actions to which such procedures will apply; (b) provides for establishment of a rulemaking

docket for each of these rules or actions; (c) describes the material and data that are required for inclusion in the record and mandates that the Administrator must base any rule or other action solely on the information and data contained in the record; (d) establishes the procedures for participation in the rulemaking process, including cross-examination on material issues of disputed fact; (e) provides the standards of judicial review, including the "substantial evidence" test; (f) modifies certain deadlines for promulgation of rules; and (g) extends to 60 days the period of petitioning for judicial review of any such rule.

SECTION 11—AUTHORIZATIONS

This bill authorizes annual appropriations of $200,000,000 for fiscal year 1978, 1979, and 1980.

Mr. GRIFFIN. Mr. President, today, I am joining with the junior Senator from Michigan (Mr. RIEGLE) in introducing a mobile source emissions control bill, which we believe represents a well-balanced approach to the question of automobile emission standards.

Our bill, supported by both the United Auto Workers—UAW—and the automobile industry, contains a strict emissions schedule that is consistent with health requirements and the achievement of federally established fuel efficiency goals. In addition, it imposes demanding but attainable production innovations on the auto industry.

The emissions standards in this bill are undoubtedly tougher than those which the automobile industry would otherwise support. But recent developments demonstrating the commercial feasibility of the three-way catalyst system have made the stricter standards in our bill technologically attainable. With time running out on the existing 1978 model year emission standards—standards which cannot be met—we offer our bill and urge that the Senate act promptly to avoid severe disruption of the Nation's economy.

What is at stake are not just profits but the jobs of millions of workers in the auto and related industries. If we are to avoid this disruption, we must act now because production of 1978 models begins this summer.

I want to emphasize that this bill would not change the goal of clean air. These revised automobile emission standards are part of a continuing effort to reduce automobile pollution—which has already been dramatically reduced since enactment of the Clean Air Act of 1970.

Mr. President, if we are to avoid excessively high consumer costs, encourage new technologies, insure the job security of millions of workers, increase fuel economy and continue pursuit of our goal of clean air, we must have a reasonable, balanced Federal policy of emissions control which does not threaten to bring a vital segment of our economy to its knees. Unfortunately, the present law poses such a threat.

By contrast, the approach taken by the legislation we are introducing today is a reasonable one. I urge my colleagues to support this legislation.

By Mr. BARTLETT:

S. 920. A bill relating to the disposition of certain recreational demonstration project lands by the State of Oklahoma; to the Committee on Energy and Natural Resources.

LAKE MURRAY MINERAL RIGHTS TRANSFER

Mr. BARTLETT. Mr. President, I am pleased to introduce today a bill affecting the title to certain lands located within Lake Murray State Park in the state of Oklahoma. The purpose of this legislation is to remove a reversionary interest held by the Department of the Interior in 2,227.59 acres of land within the park that was donated to the State of Oklahoma by the Federal Government in 1943 as part of a national program related to recreational demonstration projects.

Such a bill was passed by the House of Representatives last session by a margin of 344 to 53, and sent to the Senate. It got tied up here in the traffic jam of legislation at the end of the session.

This bill has received the approval of the Department of the Interior. It has the complete backing of the Honorable David L. Boren, Governor of the State of Oklahoma; of the parks division of the Oklahoma Department of Tourism and Recreation; and of the Honorable Carl Albert, former Speaker of the House of Representatives.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 920

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding section 3 of the Act entitled "An Act to authorize the disposition of recreational demonstration projects, and for other purposes," approved June 6, 1942 (56 Stat. 326; 16 U.S.C. 459t), the State of Oklahoma is hereby authorized to convey oil and gas mineral leases to the following described lands in Carter County, Oklahoma: those lands situated within the project designated and known as the Lake Murray Recreational Demonstration Area, said project lands being more particularly described in a quitclaim deed of the United States of America executed on February 1, 1943 by Harold L. Ickles, Secretary of the Interior approved on February 2, 1943, by Franklin D. Roosevelt, President of the United States, and recorded in book 186, pages 312 through 320 of the records of Carter County, Oklahoma. Any conditions providing for a reversion of title to the United States that may be contained in the conveyance of such lands by the United States to the State of Oklahoma are hereby released as to oil and gas exploration and development affecting the lands herein authorized to be leased. The State of Oklahoma shall surrender the present deed of conveyance by the United States of the lands described in this Act and the United States shall issue a new deed to the State of Oklahoma for those lands, which new deed shall include oil and gas exploration and development as permitted uses of such lands: *Provided, however,* That it shall be a condition of such new deed that oil and gas exploration and development shall take place on the lands described in this Act only pursuant to plans which have been reviewed (such review to include preparation of a detailed statement of the type specified in section 2(a) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(c)), and approved by the Secretary of the Interior and which will assure that such exploration and development shall be carried out in a manner which to the maximum extent possible will assure the preservation of the natural, scenic, and recreational values of the Demonstration Area: *And provided further,* That the State of Oklahoma shall continue to use such lands in the Lake Murray Recreational Demonstration Area primarily for park, recreational, and conservation purposes.

SEC. 2. The issuance of the new deed described in section 1 of this Act shall take place only upon payment to the Secretary of the Interior by the State of Oklahoma of administrative costs of issuance of the new deed. Moneys paid to the Secretary of the Interior for administrative costs shall be paid to the agency which rendered the service, and deposited to the appropriation then current.

By Mr. HART:

S. 921. A bill to provide a pilot program for review of certain existing tax expenditures, and to provide for systematic review of new tax expenditures and existing tax expenditures which are continued; to the Committee on Finance.

TAX EXPENDITURE REVIEW ACT OF 1977

Mr. HART. Mr. President, the Internal Revenue Code contains over 80 special provisions which give preferential tax treatment to achieve specific economic and social objectives. These provisions, or "tax expenditures," are as much a part of the Federal budget as other forms of Government spending. Viewed as such, they amount to about one-fifth of the Federal budget, costing over $100 billion annually. The only real difference between these expenditures and those which the Congress appropriates through direct budget authority is that they deplete the Treasury automatically, without requiring an act of Congress. Moreover, many of these tax expenditures have never been subject to congressional review, principally because no formal legislative process exists by which it becomes necessary to do so.

I believe it is time to establish such a process, and I am offering today a bill which would provide for the mandatory periodic review of tax expenditure programs.

Last year the Colorado State Legislature passed a law which will require the automatic and periodic termination of State regulatory agencies at which time each will become subject to careful scrutiny by the public and by the legislature. If the agency fails that test, it may not be allowed to continue its life. This termination and review process would continue on a periodic basis for those which remain in effect. The bill I introduce today borrows that "sunset" concept to give the Congress a simple, but effective, means to control Federal tax spending.

The bill has two principal components: A pilot sunset experiment for six specific tax expenditure provisions, and a provision to apply sunset to any new tax expenditure passed by Congress. In both cases, each tax provision must undergo comprehensive review by committees in both Houses of Congress at least every 4 years. On the basis of a detailed study to be prepared by the Congressional Budget Office, and on the testimony of interested parties from the public and from Government, proponents of a tax provision must justify its continued

existence. An important aspect of the entire review process is that the burden of proof in determining the value of a tax expenditure to society should rest with those who benefit from it.

The study and review process should satisfy several criteria:

First, the cost of the tax provision: This, of course, should include lost revenue. An accurate estimate of that amount of revenue which is foregone by continuing or establishing a tax expenditure is essential to a definition of its value to the public. But there should also be an effort to assess the "opportunity" cost, or that which is lost to society by not allocating that spending potential to some other purpose. Taxpayers who do not benefit from a special tax provision are those who are paying for it. Tax preferences for one segment of society add to the tax burden being carried by all others. The cost of a tax expenditure should, therefore, be viewed in light of its cost to other taxpayers.

Second: the benefits of the preference to society. The rationale for each special preference should be identified with specific respect to what segment of the society gains from it, to what extent, for what purpose, and under what circumstances it was originally created. Each review should also determine if such a rationale applies to current circumstances it was originally created. Each review should also determine if such a rationale applies to current circumstances.

Third, its effectiveness: The cost and benefits of each special preference should be considered in the context of its intended purposes, with an effort to ascertain the effectiveness of the provision to fulfill its original design, and to determine the value of its continued existence. In making this analysis, evaluation of the tax expenditure's consistency with clear and current national social and economic objectives should be included.

Fourth, its positive or negative relation to, or effect upon, other or similar programs: If it is established that the cost and rationale sufficiently warrant Government action, a comprehensive effort should then be made to determine the appropriate means. The objectives of the tax expenditure might best be accomplished through alternative fiscal mechanisms. For some of these programs, the tax system offers the best means. Others may be better suited to other, and in particular, direct forms of Federal assistance. It should be the job of those reviewing each tax expenditure to identify the better approach. Also, those reviewing each tax expenditure should identify similar Federal expenditure programs to assess whether it may duplicate, or counteract those efforts in that particular policy area.

Fifth, its impact on the income tax structure as a whole: Some expenditures were created to correct inequities in the Federal tax system. But others, primarily to subsidize disadvantaged segments of society or to give incentives, were created without regard to their impact on the progressiveness or fairness of the system. Those charged with examining tax expenditures should ascertain if an inordinate share of benefit is being gained by business or individuals via the provision. This should be an important part of the review process.

The study required of the Congressional Budget Office should include sufficient data, with analysis, to support a comprehensive and clearly formulated assessment of each of these criteria. It should also supply a specific recommendation for its repeal or revision. Testimony from public or private sources can supplement the information contained in the study.

The committees responsible for conducting review are the Finance Committee in the Senate, and the House Ways and Means Committee. It should be emphasized, however, that other committees in both Houses would be urged to participate. These would not only include the various committees which would have legislative jurisdiction over similar expenditure programs funded by budget authority, but also the Budget Committees in both Houses to assist in providing a comprehensive budgetary view of tax expenditures.

The two principal committees in each House are charged with the responsibility of reporting to the House and the Senate respectively their findings, with recommendations. Only then may a bill be considered to reestablish the tax provision. If no review is conducted, the provision automatically expires.

Mr. President, this bill offers a simple, but no-nonsense approach to periodic review of tax expenditures. Your tax benefit must be justified, or it may be lost. This is not an attempt to eliminate any particular tax provision, nor is it a substitute for the long-awaited comprehensive tax reform which the American people have been promised year after year. The bill does offer a defined process by which to evaluate specific provisions of our tax system, and sets out fundamental criteria to correct inequities and misallocation of Federal revenue in each one.

As such, it offers a tool to reduce unjustified expenditures of tax revenue, and to eliminate inequities of the Federal income tax structure.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 921

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Tax Expenditure Review Act of 1977".

FINDINGS

SEC. 2. The Congress finds that the Federal income tax laws include various special provisions which depart from the fundamental purpose of raising revenue and which are not subject to systematic congressional review. The Congress further finds that, once enacted, such special tax provisions are not subject to automatic termination, but remain as permanent features of the Federal income tax structure without regard to the special circumstances that may have led to their enactment. The Congress believes it necessary to treat such provisions as expenditures subject to periodic review for the purpose of establishing sound fiscal policy. The Congress further believes that the establishment of a system for the automatic termination of each such special tax provision, with provision for detailed and comprehensive review of the justification for its continued existence, is desirable and in the public interest.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) The term "tax expenditures" means those revenue losses attributable to provisions of the Federal tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, a preferential rate of tax, or a deferral of tax liability.

(2) The term "tax expenditure provision" means a chapter, subchapter, part, section, or other provision of the Internal Revenue Code of 1954 or any other Federal income tax law the application of which results in a tax expenditure.

TERMINATION OF CERTAIN TAX EXPENDITURE PROVISIONS

SEC. 4. Subject to the provisions of section 5, the following tax expenditure provisions shall cease to apply with respect to taxable years beginning after December 31, 1979:

(1) Section 79 (group-term life insurance purchased for employees).

(2) Section 116 (exclusion of certain dividends).

(3) Section 119 (exclusion of meals and lodging provided for employees).

(4) Section 167(m) (class life system for depreciation).

(5) Section 631 (capital gain treatment for timber, coal and domestic iron ore).

(6) Section 1348 (maximum rate of tax on earned income).

REVIEW BY COMMITTEES ON WAYS AND MEANS AND FINANCE

SEC. 5. (a) The Committee on Ways and Means and the Committee on Finance shall conduct a comprehensive review of those tax expenditure provisions listed in section 4. Such review shall include, with respect to each such tax expenditure provision, an examination of—

(1) its cost, benefit, and effectiveness;

(2) its impact on, and relation to, Federal programs having the same or similar objectives which are funded by budget authority; and

(3) its impact on the Federal income tax structure.

In conducting each such review, such committees shall hold public hearings to receive testimony from representatives of the public as well as of the Government. Each committee of the House of Representatives or the Senate which would have legislative jurisdiction over any such tax expenditure provision if it were a program funded by budget authority may submit its view to the Committee on Ways and Means or the Committee on Finance, as the case may be.

(b) On or before March 31, 1979, or such earlier date as the Committee on Ways and Means or the Committee on Finance may prescribe, the Director of the Congressional Budget Office shall submit to such committees a report on each of the tax expenditure provisions listed in section 4. In addition to the matters described in subsection (a), such report shall include, with respect to each such tax expenditure provision, an examination of such provision within the context of Congressional policy relating to outlays for programs within budget functional and subfunctional categories.

(c) On or before June 30, 1979, the Committee on Ways and Means and the Committee on Finance shall submit to their respective Houses a report, with respect to each tax expenditure provision listed in section 4, setting forth the results of the review of such provision under subsection (a) and

its recommendations with respect thereto, if such recommendations are for the continuation or reestablishment of such provision.

SUBSEQUENT REVIEW OF TAX EXPENDITURE PROVISIONS

SEC. 6. (a) Prior to the termination of the applicability of any tax expenditure provision to a taxable year beginning on or after January 1, 1980 (whether or not such provision is listed in section 4), the Committee on Ways and Means and the Committee on Finance shall conduct a comprehensive review of such provision in the same manner as a review conducted under section 5.

(b) The Committee on Ways and Means and the Committee on Finance shall submit to their respective Houses a report setting forth the results of each review of a tax expenditure provision conducted under subsection (a), and its recommendation with respect thereto, if such recommendations are for the continuation or reestablishment of such provision, and not less than six months before the termination of the applicability of such provision.

CONSIDERATION OF BILLS AND RESOLUTIONS ESTABLISHING OR CONTINUING TAX EXPENDITURE PROVISIONS

SEC. 7. (a) It shall not be in order in either the House of Representatives or the Senate—

(1) to consider any bill, resolution, or amendment which establishes a new tax expenditure or continues an existing tax expenditure provision (whether or not in a modified form) if, under the terms of such bill, resolution, or amendment, such provision is to be in effect for more than four taxable years; or

(2) to consider any bill, resolution, or amendment which establishes or continues more than one tax expenditure provision, or to consider any amendment which establishes or continues a tax expenditure provision to a bill or resolution which establishes or continues a tax expenditure provision.

(b) It shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment which continues (whether or not in a modified form)—

(1) any tax expenditure provision listed in section 4 unless the Committee on Ways and Means or the Committee on Finance, as the case may be, has submitted to its House a report on the review of such provision in compliance with section 5; or

(2) any tax expenditure provision subject to a review under section 6 unless the Committee on Ways and Means or the Committee on Finance, as the case may be, has submitted to its House a report on the review of such provision in compliance with such section.

EXERCISE OF RULEMAKING POWER

SEC. 8. The provision of this section and sections 5 (other than subsection (b) thereof), 6, and 7 are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 923. A bill to provide for the collection of waterway user charges, and for other purposes; to the Committee on Commerce, Science, and Transportation.

WATERWAY USER CHARGE ACT OF 1977

Mr. MAGNUSON. Mr. President, the Secretary of the Army has submitted proposed legislation to the Congress which would impose certain charges on the users of the waterway facilities. Because of the fact that the Committee on Commerce, Science, and Transportation has jurisdiction over this issue, the legislation was referred to us. As chairman of the committee, I am introducing this bill, by request, along with Senator PEARSON, the ranking minority member of the committee.

I ask unanimous consent that the bill and the letter of transmittal be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 923

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Waterway User Charge Act of 1977".

SEC. 2. (a)(1) The Congress finds that the varying level of Federal subsidy of differing modes of transportation creates distortions in transportation usage, increasing costs to the Federal taxpayer.

(2) The Congress declares that, as a matter of equity, the users of the waterways of the United States should pay a portion of the Federal navigation-related costs of administering, building, operating, maintaining, and rehabilitating such waterways.

(3) It is the purpose of this Act to establish a system of user charges that will create greater equity and demonstrate the economic feasibility of projects on the waterways of the United States, providing a market test for their need.

(b)(1) Not later than ten months after the date of enactment of this Act, the Secretary of the Army (hereinafter referred to as the "Secretary") shall, after consultation with the Secretary of Transportation, and after conducting public hearings and permitting not less than forty-five days for public comment, publish in the Federal Register preliminary regulations establishing user charges to recover that portion of the Federal navigation-related costs of the administration, operation, maintenance, new construction, and rehabilitation of the waterways of the United States described in subsection (c) of this section. After receiving comments on the preliminary regulations required by this paragraph, the Secretary shall, no later than March 15, 1978, promulgate final regulations establishing a schedule of charges for the waterways of the United States and transmit such regulations to the Congress. Notwithstanding any other provisions of law, such charges shall become effective, as detailed by subsection (c) of this section, except as limited by paragraph (2) of this subsection.

(2) Final regulations promulgated under paragraph (1) of this subsection shall take effect sixty legislative days after the date of such transmittal to the Congress.

(3) The schedule of user charges promulgated under this section shall, to the extent reasonable and equitable, be assessed for each year on the basis of (i) the average annual cost of administering, operating, and maintaining various segments of the waterways of the United States during the three preceding fiscal years; (ii) an annual amount to amortize the costs of each new construction or rehabilitation project as described in paragraph (c)(3) of this section; (iii) the volume of traffic; and (iv) seasonal and other repetitive peak demands for use of the waterways of the United States.

(4) The Secretary, in promulgating final regulations under this subsection, is authorized to employ, but is not limited to, one or more of the following mechanisms to recover Federal navigation-related costs: (i) license fees, (ii) congestion charges; (iii) charges based on ton-miles over a given segment; (iv) lockage fees; and (v) charges based on the capacity of cargo vessels, loaded and unloaded, over various segments of the waterways of the United States.

(c)(1) The Secretary shall, in accordance with subsection (b) of this section, establish final rates which shall be adequate to recover.

(A) At least 50 per centum of the Federal navigation-related costs of the administration, operation, and maintenance of the waterways of the United States and such additional percentages as the Secretary finds practicable and equitable, in accordance with paragraph (2) of this subsection, provided that commercial users shall not be charged more than 50 per centum of such costs.

(B) At least 50 per centum of the Federal navigation-related capital costs of new construction and rehabilitation of the waterways of the United States and such additional percentage as the Secretary finds practicable and equitable, in accordance with paragraph (3) of this subsection: *Provided*, That commercial users shall not be charged more than 50 per centum of such costs.

(2) During the first fiscal year that user charges established under this subsection are effective, such charges shall be equal to 10 per centum of the total costs described in paragraph (1)(A) of this subsection, and shall be increased by 10 per centum of such total costs for each of the succeeding years until the maximum described in such paragraph is reached.

(3)(A) User charges to recover the costs and the level of recovery described in paragraph (1)(B) of this subsection shall be charged the users of any new construction or rehabilitation projects for which construction is initiated after the date of enactment of this Act.

(B) Such recovery shall begin when the new construction or rehabilitation project becomes operational and shall be based upon recovery of the costs described in paragraph (1)(B), of this subsection including interest during construction, over the economic life of the project with interest at a rate determined by the Secretary of the Treasury taking into consideration the current average yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the estimated economic life of the project.

(d) As used in this section, the term—

(1) "user charges" means a charge established by the Secretary of the Army under the authority in subsection (b) of this section for the purposes described in subsection (c) of this section;

(2) "waterway of the United States" means any Federally improved inland waterway, harbor, or navigation channel, except the Saint Lawrence Seaway.

(e) No later than three years after the effective date of the regulations established under subsection (b) of this section, the Secretary, in cooperation with the Secretary of Transportation, shall submit to the Congress a report on the implementation of the provisions of this section. Such report shall describe—

(1) the economic impact of user charges on the commercial users of and consumers of goods shipped on the waterways of the United States and the impacts upon recreational users of waterways of the United States;

(2) the economic impact of user charges on a regional and national basis;

(3) the effectiveness of user charges in establishing a more balanced national transportation system;

(4) the effectiveness of user charges in promoting the more efficient use of public investments in the Nation's system of waterborne transportation and reliance on the private sector; and

(5) the effectiveness of user charges in providing for the balanced use of the Nation's water resources.

(f) Failure to pay any user charges established under this section shall subject the violator to a fine of not more than $5,000 per day, and prohibit the violator from the use of any lock or other facility on the waterways of the United States during the period of violation of this section.

JANUARY, 19, 1977.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft bill "To provide for the collection of waterway user charges, and for other purposes."

We recommend that the bill be referred to the appropriate Committee for consideration, and that it be enacted.

The proposed bill is modeled after Section 5 of the Water Resources Development Act of 1976 as reported by the Senate Committee on Public Works.

The proposed bill recognizes that varying levels of subsidy to different transportation modes create inefficiencies in transportation usage and investment as well as various inequities. The purpose of the bill is to reduce these inefficiencies and inequities by establishing a system of user charges to recover a portion of the Federal costs of building, operating, maintaining and rehabilitating the waterways of the United States.

The bill directs the Secretary of the Army to promulgate regulations for the partial recovery of the costs of operation and maintenance, and of new construction or rehabilitation projects on which construction is initiated after enactment. The amounts recovered would vary by waterway segment depending upon the costs of each segment.

The bill gives the Secretary discretion to establish practicable and equitable percentages of costs to be recovered with two qualifications:

At least 50% of the total costs must be recovered through user charges; and

Commercial users shall not be required to pay more than 50% of total costs.

The purpose of this discretion is to permit some variation in the recovery rate in accordance with the differing practicability from segment to segment of recovering costs from recreational users of the waterways.

The bill phases in the recovery of operation and maintenance costs over a period of approximately five years. Recovery of 50% of new construction and rehabilitation costs of projects on which construction begins after enactment would start when each new project becomes operational. These capital recoveries would be based upon estimated annual charges necessary to recover, over the life of the project, the desired portion of the capital costs, with interest during construction and during the recovery period. The interest rate would equal the yield, at the time construction is intiiated, on long-term Federal securtieis.

The Secretary is given broad discretion to select the particular mechanisms by which payment is to be made so that he may develop the best combination of mechanisms to deal with the greatly varying circumstances of both commercial and recreational users on the inland waterways, in shallow draft harbors and channels, and in deep draft harbors and channels.

The Secretary is required to hold public hearings on the proposed regulations and to transmit the final regulations to the Congress at least 60 legislative days before they are to take effect. He is also required to report to the Congress within three years on the implementation of the Act.

The bill provides penalties for failure to pay user charges established under the Act.

We believe that enactment of this bill would provide an efficient and equitable way for users to pay for a portion of the costs of the Federally improved waterways of the United States. It would make the treatment of waterway users and users of other transportation modes more equitable. Costs to the Federal taxpayer would be reduced. It would provide for a user charge system which would demonstrate the economic feasibility of projects on the waterways of the United States, providing a market test for their need.

On January 19, 1977, the Office of Management and Budget advised that enactment of this proposal would be in accord with the program of the President.

Sincerely,

VICTOR V. VEYSEY,
Assistant Secretary of the Army
(Civil Works).

By Mr. WILLIAMS (for himself and Mr. JAVITS):

S. 924. A bill to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers and to establish a national framework for collective bargaining in the construction industry, and for other purposes; to the Committee on Human Resources.

COMMON SITUS PICKETING

Mr. WILLIAMS. Mr. President, I am today introducing, for myself and Senator JAVITS, construction industry labor-management reform legislation. This bill comprises common situs picketing legislation as well as legislation to establish a national framework for collective bargaining in the construction industry. It is unfinished business remaining from the 94th Congress due to the unexpected Presidential veto of the bill that the Congress passed in 1975.

Title I of the bill that I am introducing today will legalize common situs picketing. Common situs picketing is a subject that was debated long and hard on this floor during the last Congress. In the end, the debate came down to one single and important point—the right of construction workers to picket their job sites as all other workers are entitled to do under Federal labor law.

In 1947, Congress enacted the Taft-Hartley Act, designed in part to regulate union activity aimed at placing economic restraints upon employers. This was the first time in the history of the Federal involvement in labor relations that union action aimed at neutral employers was restricted.

Within 18 months, the National Labor Relations Board had narrowly defined lawful primary picketing on a construction site. In the Denver Building Trades case, upheld by the Supreme Court in 1950, picketing of an entire construction site to protest the presence of a nonunion subcontractor on the site was found to be secondary activity. As grounds, the Board determined that contractors and subcontractors on a construction project are not necessarily so interconnected that they should all be regarded as one entity.

But, as we stated in the report of the Committee on Labor and Public Welfare on the predecessor common situs picketing bill in the Senate, S. 1479, "the better view, and the one adopted in—the bill," was expressed by Justice Douglas in his dissenting opinion.

The picketing would undoubtedly have been legal if there had been no subcontractor involved—if the general contractor had put non-union men on the job. The presence of a subcontractor does not alter one whit the realities of the situation; the protest of the union is precisely the same. In each the union was trying to protect the job on which union men were employed. If that is forbidden, the Taft-Hartley Act makes the right to strike, guaranteed by § 13, dependent on fortuitous business arrangements that have no significance so far as evils of the secondary boycott are concerned (341 U.S. at 694).

This bill is designed to conform the law "to the realities of the situation" as noted by Justice Douglas; it overrules Denver Building Trades, its spirit and its progeny."

As a result of the holding in Denver, construction workers have been severely restricted. The legitimate purposes of construction worker picketing can be easily frustrated. The application of legitimate economic pressure by workers in the construction industry can be easily thwarted.

Continuous efforts have been made over the years to reverse the Supreme Court's erroneous interpretation of Taft-Hartley in the Denver decision. Four Presidents—Truman, Eisenhower, Kennedy, and Johnson—have spoken in favor of such efforts, as did their Secretaries of Labor. President Jimmy Carter has also pledged his support to this effort.

Employees on an industrial or manufacturing site are not faced with the same problem, however. Under a Supreme Court decision handed down in the early 1960's, the General Electric—GE—decision, the Supreme Court refused to apply the principles of the Denver decision to an industrial site. Instead it adopted a "work relatedness" test: All employers engaged in work at the common situs may be picketed, except those not engaged in work related to the normal operations of the primary employer.

The NLRB and the courts promptly proceeded to brush aside GE principles as applied to the construction industry. Given the principle stated in General Electric, one would have expected that the establishment of separate gates for the general contractor and various subcontractors on a construction site would be treated by the Labor Board as a futile gesture, because the general contractor and subcontractor are all engaged in their normal work at the construction site. Nevertheless, the Board held that the establishment of such gates would prevent a union which was having a dispute with the general contractor from picketing the gates reserved for the subcontractors' employees. This view was

sustained by the Court of Appeals over what was felt to be the compulsion of the Denver Building Trades case. (*Markwell and Hartz* v. *NLRB*, 387 F. 2d 70 (5th Cir. 1967) and *Nashville Building and Construction Trades Council* v. *NLRB*, 383 F. 2d 562 (6th Cir. 1967).

Thus an anomoly was created under existing law. In manufacturing, an independent subcontractor is not immunized from the labor dispute between the manufacturer and his employees if the work performed by the subcontractor is integrated into the normal operations of the manufacturer. On the other hand, in the construction industry, the identical independent subcontractor who performs work integrated into the normal process in the construction industry is immunized from the labor dispute between the prime contractor and his employees.

My bill embodies and gives proper scope to the "connected work" test stated in General Electric and since reaffirmed and implemented in *Steelworkers* v. *Labor Board*, 376 U.S. 492 (1964) (*Carrier*) and *Woodwork Manufacturers* v. *NLRB*, 386 U.S. 612 (1967) (*National Woodwork*). The purpose of the legislation is to apply the primary-secondary dichotomy recognized in those cases to the construction industry in a realistic manner, by treating the general contractor and his subcontractors as a single person for purposes of the secondary boycott provision of the law. This approach reflects the economic realities in the building and construction industry where the contractor and all the subcontractors are engaged in a common venture and each is performing tasks closely related to the normal operations of all the others. The construction of a building is a single, coordinated, and integrated economic enterprise. The contractor can perform the total job, or subcontract various parts. If he decides to subcontract, he chooses the subcontractors with care and exercises overall supervision. If he chooses to subcontract to a nonunion subcontractor who pays less than the prevailing union wage and wins the bid for that reason, the contractor cannot claim "neutrality" when the unions protest by picketing the job site. This view of "nonneutrality" underlies my bill and is its essence. My bill thus conforms the law to what should be the proper application of the primary picketing doctrine to the construction industry and thereby specifically overrules the decision in the Denver case.

In sum, the result of NLRB and court decisions is disparate treatment of similarly situated American workers. Statutory language is misconstrued to ban common situs picketing at construction sites only. This results in an egregious inequity toward construction workers, in effect a special exception under the Taft-Hartley Act for workers engaged in the construction industry. The power to carve out such an exception to the act is a power that resides exclusively in Congress, however, not in the Board, nor in the courts. And there is no evidence in the Taft-Hartley Act or its legislative history to indicate that Congress ever intended such an exception.

During the 94th Congress, this inequitable situation was recognized by my colleagues, and the Congress acted to eliminate the separate standards of conduct between construction site and nonconstruction site picketing. We acted on assurances from then President Ford that he would sign a common situs picketing bill sent to him by the Congress. However, the President did not hold to his assurances, and he vetoed the bill in January of 1976. As a result, the inequity continues to exist, the actual intent of Congress in enacting the pertinent provisions of the Taft-Hartley Act continues to be clouded, and the purpose of the 94th Congress to equalize picketing procedures goes uneffectuated.

It has now been 27 years that construction workers have been faced with this inequity. I think 27 years is too long for such an inequity to exist and for the original and true intent of the Congress to be hidden. The time is long past due for the Congress and the President to recognize this and remedy it.

The bill that I am introducing does, of course, continue certain restrictions placed upon the actions of construction employees. They will continue to be subject to the remainder of the Taft-Hartley restrictions on the use of picketing as an economic weapon, such as those included in section 8(b)(7), as the bill amends only section 8(b)(4).

Also contained within this amendment are certain specified limitations on the use of common situs picketing. The amendment restricts common situs picketing in violation of existing collective bargaining agreements, in furtherance of a labor dispute where the issues in dispute concern only the wages, hours, and other working conditions of employees employed at other common construction sites, or directed at certain employers not primarily engaged in the construction industry. The bill expressly continues the prohibitions against previously defined illegal secondary practices not specifically authorized by the amendment, while not prohibiting practices which were not previously unfair.

My bill also states that common situs picketing cannot be used for the purpose of removing a person from the construction site on the ground race, sex, creed, color, or national origin, or to cause any employer to discriminate against a person to encourage or discourage union membership or to discriminate against a person to whom union membership has been denied or terminated for reasons other than neglect of the periodic tender of dues. The amendment also restricts the use of common situs picketing in furtherance of a dispute over any person dealing in the products or systems of any other producer, processor, or manufacturer.

Further, the amendment requires that at least 10 days notice of intent to strike be given to all employers and unions at a site and also requires a labor organization to obtain written approval from the national or international labor organization with which it is affiliated before common situs picketing can be commenced. If common situs picketing is anticipated at a military or other governmental facility dealing in munitions, weapons, or missiles, a 10-day notice must also be given to the Federal Mediation and Conciliation Service, to any State or territorial mediation agency, and to the governmental agency concerned, in addition to those who are normally required to be informed.

Title II of this bill is entitled the Construction Industry Collective Bargaining Act of 1977. Title II is designed to create a labor relations structure in the construction industry which can reflect and effectively promote the national interest in diminishing inflationary wage settlements, unproductive manpower utilization, and prolonged work stoppages.

The construction industry historically makes a significant contribution to the national economy. In 1976, for example, the construction industry employed just under 3.5 million workers and added nearly $50 billion to the Nation's gross national product.

Despite this sizable contribution, however, it is my strong feeling that the industry's accomplishment, could be improved. As it exists today, the industry is fragmented by nature. There are large numbers of construction firms constantly entering and leaving the industry, the vast majority of which earn less than $1 million a year and which are typically isolated and local. At the same time, the union structure within the construction industry is also highly fragmented. Approximately 2.5 million construction workers are affiliated with national unions organized into more than 10,000 local unions. Seventeen international unions are affiliated with the Building and Construction Trades Department of the AFL–CIO. Local unions are also generally affiliated with subordinate bodies such as local and State building trades councils.

Since construction work does not require a fixed work force for an extended period, and since much construction work is affected by weather conditions, total employment in construction can fluctuate as much as 30 percent between the winter low and summer high. The average worker obtains less than a full year's work from construction, and in the course of the year is employed in many different locations and by many different employers.

In light of these facts, it is not surprising to find that collective bargaining in the construction industry is as fragmented as the industry itself. Bargaining is rarely coordinated among trades, local unions of a single trade, or employer associations, and the national unions and their national officers are generally involved only to a limited extent. As a result, labor relations in the construction industry are characterized by numerous work stoppages and rapidly escalating wage rates. To illustrate, 1975 saw 600 work stoppages in contract construction affecting more than 300,000 employees, and wage and benefit packages increased in fourth quarter 1976 7.1 percent over fourth quarter 1975, which had increased 9.1 percent over fourth quarter 1974.

The bargaining structure typically leads to leapfrogging settlements and comparisons of wage and fringe benefit

packages. This in turn results in high settlements and high levels of compensation spread among crafts and branches of the industry and across broad geographic areas with interconnected labor markets.

In the past, there have been attempts to improve the industry's collective bargaining. In 1969, Executive Order No. 11482 created the Construction Industry Collective Bargaining Commission to develop voluntary procedures to settle labor disputes in the construction industry. When it became apparent that more effective means were needed, Executive Order No. 11588 established the Construction Industry Stabilization Committee—CISC—under the authority of the Economic Stabilization Act of 1970. The CISC was highly effective in achieving long-term stabilization in the construction industry, in large part due to the fact that national union presidents and national contractor association representatives participate in reviewing and working with the local bargaining particpants. The CISC expired in April of 1974 with the expiration of the Economic Stabilization Act. Subsequently, construction industry bargaining reverted to its previous condition.

Most recently, in April 1975, Executive Order No. 11849 established the Collective Bargaining Committee in Construction. This committee is similar to its predecessors in purpose, but like them, lacks the statutory base needed to achieve its most important objective.

The basic purpose of the Construction Industry Collective Bargaining Act of 1977 is to provide that statutory base. This is vital if bargaining in the construction industry is to provide adequately for consideration of wider interests in the local bargaining process.

The bill creates a tripartite Construction Industry Collective Bargaining Committee—CICBC—within the Labor Department composed of 10 labor representatives, 10 management representatives, and up to 3 public members, appointed by the President after consultation with the appropriate national labor organizations and contractor associations. The bill also provides that the Secretary of Labor and the Director of the Federal Mediation and Conciliation Service will be ex officio members of the committee.

Under this new framework, the local labor organization and local contractor are to give written notice 60 days prior to a termination or modification of a collective bargaining agreement to the national organization with which they are affiliated, or in the case of a contractor who is not affiliated with a national contractor association, to the CICBC. This notice is then to be forwarded by the national labor organization and the national contractor association to the CICBC promptly. During the 60-day notice period, the parties to a collective bargaining agreement are required to continue in full force and effect.

Upon receipt of the notice by the CICBC, the bill authorizes that body to take jurisdiction of the dispute when it determines that such action will facilitate collective bargaining, promote construction industry stability, encourage bargaining agreements with more appropriate expiration dates and geographic coverage, promote practices consistent with apprentice training skill level differentials or promote procedures for dispute settlement.

Once the CICBC has taken jurisdiction, it can refer the matter to national craft boards or to national dispute procedures established by the appropriate branch of the construction industry. It may also request the national construction labor organization and the national construction contractor association to participate in the negotiations. If this is requested, no new collective bargaining agreement or any revision of an existing collective bargaining agreement can become effective without the approval of the standard national labor organization with which the local labor organization involved is an affiliate. The bill also limits the civil and criminal liability of national construction labor organizations and national contractor associations which might be imputed to them for the action they take at the request of the CICBC, unless such action willfully authorizes illegal conduct.

The CICBC must assert jurisdiction within 90 days after notice is given, and once it asserts its jurisdiction, no strike or lockout may take place for the full 90-day period unless it releases its jurisdiction sooner.

The bill provides for enforcement of its provisions by allowing the CICBC to direct that the appropriate U.S. district court be petitioned to enforce the provisions. This enforcement includes, but is not limited to, injunctive relief prohibiting any strike or lockout during the 90-day period discussed above, for which the court is not to be limited by the Norris-LaGuardia Act of 1932.

In conclusion, Mr. President, I stress to my colleagues that this legislation comes to us from the last Congress as unfinished business. Essentially identical legislation, H.R. 4250, has just recently been introduced by Congressman FRANK THOMPSON in the House of Representatives and will be moving through that body in the near future.

Both my bill, and the House version, recognize the construction industry for what it is, an integrated operation which should be subject to the same rules of labor law as those applicable to any other integrated operation. It is also an industry unique in its collective bargaining and in need of assistance to establish stability within the industry.

I therefore urge my colleagues to give expedited consideration and passage to this important legislation. It will provide construction workers with the same rights industrial workers now have, equal treatment to which under any rational legal standard, legislative, or judicial, they are surely entitled. It will also provide for a more stabilized system of collective bargaining, benefiting both the construction industry and its principals and the public which relies on the industry to provide its buildings and to stimulate the national economy.

Mr. JAVITS. Mr. President, I join today with Senator WILLIAMS, chairman of the Committee on Human Resources, in introducing legislation to permit common situs picketing in the construction industry. This bill is similar in scope to S. 1479, the common situs picketing bill that Senators WILLIAMS, CRANSTON, and I introduced in 1975. The 94th Congress passed this bill, with a few modifications, as H.R. 5900 which was subsequently vetoed by the President. Minor changes in the language and structure of the current bill have been made to simplify and clarify its purpose.

It is my belief that consideration of the problem of common situs picketing requires also a broad review of collective bargaining in the construction industry. Accordingly this bill also incorporates a construction industry collective bargaining title, essentially identical to title II of S. 1479 passed by the Senate during the last Congress. In this way, the Committee on Human Resources will be able to consider common situs picketing in the framework also of the reform of the collective bargaining structure in the construction industry.

COMMON SITUS

The common situs picketing bill establishes picketing rights for construction workers comparable to those already existing in the industrial sector. The basic purpose of the bill is to treat general contractors and subcontractors at a construction site as a single person for purposes of the secondary boycott provisions of the National Labor Relations Act. Where there is a labor dispute with a general contractor at a construction site, unions will be permitted to undertake strike activity, including picketing, directed not only at the general contractor, but at all the subcontractors at that site as well. Likewise, where there is a labor dispute with a subcontractor at a construction site, unions will be empowered to direct strike activity, including picketing, not only against that subcontractor, but against the general contractor and the other subcontractors at the site of the dispute.

Section 8(b)(4)(B) of the NLRA, the secondary boycott provision of the Taft-Hartley Act. makes it an unfair labor practice for a union to strike or picket where an object thereof is to force an employer to cease doing business with another employer The purpose of such provisions is to protect the business of a third person, a neutral employer, who has no power to resolve a disagreement between another employer and his employees. The secondary boycott provisions are not intended, however, to interfere with a union's right to exert legitimate economic pressure aimed at the employer with whom there is a primary dispute. Such primary activity is not an unfair labor practice even though it may seriously affect neutral employers

Because these distinctions under Section 8(b)(4)(B), and other provisions of the act are not always easy to discern, it has been left to the NLRB and the courts to establish the criteria for differentiating between legal primary and prohibited secondary activity, and thus to resolve the inherent tension between the right to strike and the right of neutral em-

ployers to keep from becoming enmeshed in a dispute with another employer by his workers.

The distinctions drawn by the NLRB and the Federal courts with respect to the picketing rights of labor in the construction industry, as compared with other industries, have been illogical and inequitable, and require congressional modification. This modification is the purpose of this bill.

The errors in interpretation of the secondary boycott provisions with regard to the construction industry sought to be corrected were created by the NLRB and the Supreme Court decisions in the case of *NLRB* v. *Denver Building Trades*, 342 U.S. 675 (1951). The Court there upheld the Board's determiation that because the general contractor and subcontractors on a building site were separate businesses, they were to be treated as neutrals with respect to each other's labor disputes. Accordingly a union involved in a labor dispute with one subcontractor could not picket the other contractors and subcontractors at the job site without engaging in a secondary boycott in violation of section 8(v)(4)(B) of the act.

The better view, and the one adopted in the bill, was expressed by Justice Douglas in his dissent to the Denver Building Trades decision;

> The picketing would undoubtedly have been legal if there had been no subcontractor involved—if the general contractor had put non-union men on the job. The presence of a subcontractor does not alter one with the realities of the situation; the protest of the union is precisely the same. In each the union was trying to protect the job on which union men were employed. If that is forbidden, the Taft-Hartley Act makes the right to strike, guaranteed by § 13, dependent on fortuitous business arrangements that have no significance so far as the evils of the secondary boycott are concerned. I would give scope to both § 8(b)(4) and § 13 by reading the restrictions of § 8(b)(4) to reach the case where an industrial dispute spreads from the job to another front. (341 U.S. at 694)

The bill is designed to conform the law "to the realities of the situation" as noted by Justice Douglas. It permits picketing at a job site which protests the presence of nonunion construction workers and is addressed to employees of all employers at the job site. Thus it overrules the holding of the Denver Building Trades case and in its place substitutes standards for picketing at construction sites similar to those now existing for picketing at industrial sites.

As former Secretary of Labor John Dunlop stated when he testified in support of this legislation before the 94th Congress:

> Both sides in the construction industry have long been of the general view that a construction site should have a common labor relations policy regardless of how many separate contracts of contractors, prime or subcontractors, are involved. The mixing of labor policies is not conducive to industrial peace, productivity, or good management.

I agree with this statement and can only conclude that to construe section 8(b)(4) of the act to prohibit common situs picketing at construction projects flies in the face of sound Federal labor relations policy.

The highly integrated nature of the construction workplace with various interrelated contractors and their employees working in an interdependent situation establishes that the Denver Building Trades case was wrongly decided by the Supreme Court. That it has also created an anomaly between picketing rules applicable to workers at industrial facilities, and those applicable to construction workers, is demonstrated by the Supreme Court's subsequent ruling in a 1961 decision, known as the General Electric case, *Local 761 IUE* v. *NLRB*, 336 U.S. 667.

In General Electric there was a dispute between General Electric and the IUE representing its employees at a large industrial site. The IUE, representing a production and maintenance unit, was engaged in a lawful strike. Its picketing in furtherance of that strike included appeals to the employees of an independent maintenance contractor on the site as a gate reserved for building and construction contractors' employees.

The Supreme Court held that the picketing of independent contractors is permissible, and does not violate the secondary provisions of section 8(b)(4), where the primary dispute is with the industrial employer—GE—and work done by the independent contractor is related to the normal operations of that industrial employer. The Supreme Court, in this case, thus enunciated the "related work" doctrine applicable to employees working at industrial sites. This holding has not, however been applied to construction sites, and the Denver Building Trades case remain to this day the applicable law at a construction site.

The bill embodies and gives proper scope to the "connected work" test stated in General Electric. The purpose of the legislation is to apply the primary-secondary dichotomy recognized in that case—and since reaffirmed and implemented in; for example, *Steelworkers* v. *Labor Board*, 376 U.S. 492 (1964) (Carrier) and *Woodwork Manufacturers* v. *NLRB*, 386 U.S. 612 (1967) (National Woodwork)—to the construction industry in a realistic manner, by treating the general contractor and his subcontractors as a single person for purposes of the secondary boycott provision of the law. This approach reflects the economic realities in the building and construction industry where the contractor and all the subcontractors are engaged in a common venture and each is performing tasks closely related to the normal operations of all the others. The construction of a building is a single, coordinated and integrated economic enterprise. The contractor can perform the total job, or subcontract various parts thereof. If he decides to subcontract, he chooses the subcontractors with care; and exercises overall supervision. If he chooses to subcontract to a nonunion subcontractor who pays less than the prevailing union wage and wins the bid for that reason, the contractor cannot claim "neutrality" when the unions protest by picketing the job site. This view of "nonneutrality" underlies this bill and is its essence. This bill thus conforms the law to what should be the proper application of the primary picketing doctrine to the construction industry and thereby specifically overrules the decision in the Denver Building Trades case.

This legislation contains a number of safeguards designed to insure that common situs picketing is conducted in a responsible manner.

Before engaging in common situs picketing as provided by this legislation, a labor union must first give at least 10 days advance written notice of its intention to strike to all other unions and all employers including the general contractor, at the construction site, and to any national or international labor organization with which it is affiliated. A related requirement is that when the union is affiliated with a national or international labor organization, that organization must give its written approval of the common situs picketing before it may occur.

Read together, these requirements will provide a "cooling off" period during which the local parties and the national labor organization will have the opportunity to resolve the dispute without resort to a work stoppage. These legislative provisions incorporate our trust in the mediating influence of the international building trades organizations which will receive these 10-day common situs picketing notices. I expect that during this 10-day "cooling off" period the international unions will take an active role in attempting to resolve the underlying labor disputes peacefully and thereby eliminate the need to engage in a work stoppage through common situs economic activity." These provisions will also protect against the use of common situs picketing in "wildcat" strike situations.

This bill limits picketing permitted at the common situs to activity directed at employers "in the construction industry." Where the construction site is at an industrial plant—for example, an addition to a manufacturing facility—the owner of the plant will not be treated as a single person with the general contractor who is engaged to perform such construction work. In that situation, when the dispute is with the general construction contractor or one of his subcontractors, the owner of the industrial facility may, by establishing a separate gate for the construction employees, confine the picketing to that gate and thereby insulate his own industrial employees from picketing, in accord with the General Electric decision, 366 U.S. at 681.

This legislation also recognizes and respects provisions of State law which require contracts on public construction projects to be awarded to separate bidders for specific aspects of the job. No common situs picketing will be permitted among the separate contractors mandated by these State separate-bidding statutes.

It further prohibits picketing with the objective of job discrimination against an employee on the basis of sex, race, creed, color, or national origin, or on the basis of that individual's membership or nonmembership in a union.

It protects independent unions not affiliated with national labor organizations by prohibiting common situs picketing which attempts to force them off the job.

In addition, it reaffirms the act's prohibition against recognitional picketing where there is already a lawfully recognized labor organization representing the contractor's employees. And, of course, it does not legalize jurisdictional strikes, which remain barred by section 8(b)(4)(D) of the act.

The bill also contains a provision to insure that, except for the limited and carefully defined authorization to conduct common situs picketing, nothing in S. 1479 is to be construed to legalize any existing conduct constituting an unfair labor practice under the act.

The intense level of debate among interest groups, in the press and in the last Congress was an overreaction to an overdue bill. The bill embodies basic Federal labor policies which rely on the interplay of economic forces to resolve disputes between labor and management over wages and other terms and conditions of employment. This is basic to our system of social and economic justice. This bill corrects a misinterpretation of these sound policies and I will urge its prompt enactment.

COLLECTIVE BARGAINING

The intent of the Construction Industry Collective Bargaining Act of 1977—title II—is to bring about greater labor relations stability by establishing a new national collective bargaining framework for the settlement of labor disputes in the construction industry. The need for such legislation is highlighted by the depressed economic conditions now prevailing in this industry, and by fragmented and chaotic conditions of bargaining over new contract terms that all too often sacrifice the long-term health of the construction industry for short-term gains. This proposal, in the form of S. 2305, which I introduced with Senator WILLIAMS in the last Congress, was combined with the common situs picketing bill on the floor of the Senate and passed as a package by the 94th Congress.

I believe that linking the two bills together is the right approach in this Congress as well.

I emphasize that I feel it is insufficient to define correctly the secondary boycott provisions of the National Labor Relations Act without also seeking to reform the collective bargaining structure of the construction industry. Eliminating the inequitable restrictions on common situs picketing is not the whole answer to the problems which exist in the construction industry. Increased cooperation between labor and management in the context of an improved bargaining structure is also necessary.

The need for such reform has been recognized for years. Title II would continue and expand upon the approach under Executive orders in 1969, 1971, and 1975 which established the Construction Industry Collective Bargaining Commission, the Construction Industry Stabilization Committee, and the Collective Bargaining Committee in Construction. The experience under these groups has been successful enough to warrant a statutory mechanism for accomplishing the objectives of curtailing whipsawing distortions of wage relationships, inefficient manpower utilization, and costly strikes. An enhanced role for national unions and national contractor associations is needed to provide leadership in solving the critical problems that now exist in the construction industry. Title II is designed to establish a mechanism to achieve these objectives through the voluntary collective bargaining process, without resort to wage and price control or other forms of compulsory interference.

Title II applies solely to construction industry national labor organizations and their affiliates, and to contractors and their associations engaged in collective bargaining with them in this industry. It does not apply to bargaining between contractors or contractor associations and independent unions, or to the nonunion sector of the industry.

The title's principal focus is the establishment of a tripartite national Construction Industry Collective Bargaining Committee—CICBC—to oversee bargaining in the industry. The CICBC will be composed of labor, management, and neutral representatives, all appointed by the President. The committee will be responsible for identifying key construction industry collective bargaining situations for their possible pattern-setting impact on bargaining in the industry. Where appropriate, it will intercede before potentially disruptive new settlements are reached by the parties which are likely to lead to widespread wage distortions and costly work stoppages. It will also promote agreements covering more appropriate geographic areas, encourage voluntary procedures for dispute settlement, and take other steps to remedy the underlying labor relations defects in the construction industry.

Title II requires that local labor organizations give 60 days' notice to their national affiliates before the termination or modification of collective bargaining agreements, including those modifications permitted by any reopener provisions in such agreements. Contractors and contractor associations engaged in bargaining with those unions are similarly required to notify their national affiliate or the committee directly.

After receiving the required notice from the national labor or contractor organizations, the committee, in its discretion, may take jurisdiction over the labor negotiations if it determines that such action will further the purposes of this act. The CICBC's decision to assert jurisdiction over a construction industry labor matter is confined to a specific 90-day period consisting of the 60-day required notice period, plus a "cooling off period" of an additional 30 days. During this period the parties may not resort to strikes or lockouts, and the terms of the existing contract are continued, unless the committee earlier releases its jurisdiction.

Once the committee has taken jurisdiction, it may assist the parties by referring the labor matter to a national craft board, or to the national dispute procedures established by the appropriate branch of the construction industry. The committee may also decide to meet with the parties directly. When the CICBC requests the appropriate national construction labor and contractor associations to participate in the negotiations, any new collective bargaining agreement or revision of an existing agreement must be approved by the national labor organization with which the local labor organization is affiliated for the agreement to be of any force or effect. The national union's approval is required for all such agreements regardless of whether they become effective during or after the 90-day jurisdictional period.

As the committee may at any time relinquish its jurisdiction, it may thereby suspend or terminate the requirement that the national union must approve any local agreement before it is permitted to take effect.

The bill limits the civil and criminal liability of national construction labor and contractor associations which might be imputed to them from the actions they take at the request of the CICBC. This limitation is essential if the overall purposes of the bill are to be achieved. Countervailing protections for third parties remain unaffected by the bill, as it does not protect any otherwise unlawful provisions in collective bargaining contracts nor does it protect actions by national organizations that are not part and parcel of its responsibilities as defined by the bill.

In my judgment, responsible action by the Congress in its deliberation of common situs picketing legislation requires simultaneous consideration of reform of the bargaining structure in the construction industry. As the Committee on Human Resources considers these bills together, further changes may be necessary to improve, clarify, and strengthen their provisions. I urge prompt enactment of both titles of this bill as together they represent a comprehesive and equitable approach to reform of labor relations in the construction industry.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 924

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—PROTECTION OF ECONOMIC RIGHTS OF LABOR IN THE CONSTRUCTION INDUSTRY

SEC. 101. (a) Section 8(b)(4) of the National Labor Relations Act, as amended, is amended by inserting bfeore the semicolon at the end thereof ": *Provided further*, That nothing contained in this subsection (b) shall be construed to prohibit any strike or refusal to perform services or any inducement of any individual employed by any person to strike or refuse to perform services or threats thereof, at the site of the construction, alteration, painting, or repair of a building, structure, or other work, which may be directed at a single person in the construction industry at such site and which is directed at any of several persons who are in the construction industry and are jointly engaged as joint venturers or in the relationship of contractors and subcontractors in such construction, alteration, painting, or repair at such site: *Provided further*, That nothing in the above proviso shall be con-

strued to authorize a strike or refusal to perform services or any inducement of any individual employed by any person to strike or refuse to perform services, or threats thereof, (1) in violation of an existing collective-bargaining contract; (2) in furtherance of a labor dispute where the issues in dispute concern the wages, hours, or other working conditions of individuals employed at any other common construction site; or (3) directed at a person who is not engaged primarily in the construction industry, who through individuals regularly employed by that person and represented by a labor organization, is installing or servicing products produced by that person, or is doing construction work at a facility owned by that person: *Provided further,* Except as provided in the above provisos nothing herein shall be construed to authorize any act or conduct which was or may have been an unfair labor practice under this subsection, or to prohibit any act or conduct which was not an unfair labor practice under this subsection, prior to the enactment of such provisos: *Provided further,* That nothing in the above provisos shall be construed to authorize picketing, threatening to picket, or causing to be picketed, any person (1) to remove or exclude from a common construction site any individual employed by that person on the ground of sex, race, creed, color or national origin; (2) to cause or attempt to cause a person to discriminate against any individual employed by that person in a manner prohibited by paragraph 2 of this subsection (b); or (3) under circumstances prohibited by paragraphs 4 (D) or (7) of this subsection (b): *Provided further,* That nothing in the above provisos shall be construed to authorize any picketing of a common construction site by a labor organization to force, require, or persuade any person to cease or refrain from using, selling, purchasing, handling, transporting, specifying, installing, or otherwise dealing in the products or systems of any other producer, processor, or manufacturer: *Provided further,* That in determining whether several persons who are in the construction industry are jointly engaged as joint venturers or in the relationship of contractors and subcontractors at any site, (1) ownership or control of such site by a single person shall not be controlling; (2) where a State law requires separate bids and direct awards to persons for construction, the various persons awarded contracts in accordance with such applicable State law shall not be considered joint venturers or in the relationship of contractors and subcontractors with each other or with the State or local authority awarding such contracts at the common construction site."

(b) Section 8(g) of such Act is amended by redesignating the present section 8(g) as section 8(g)(1), and adding at the end thereof the following:

"(2)(A) A labor organization, before engaging in activity permitted by the third proviso of paragraph (4) of subsection (b) of this section, shall provide prior written notice of intent to strike or to refuse to perform services, or to induce any person to strike or refuse to perform services, of not less than ten days to all unions and the persons at the common construction site and to any national or international labor organization of which the labor organization involved is an affiliate and to the Construction Industry Collective Bargaining Committee: *Provided,* That at any time after the expiration of ten days from such notice, the labor organization may engage in activities permitted by the third proviso at the end of paragraph (4) of subsection (b) of this section if the national and international labor organization of which the labor organization involved is an affiliate gives notice in writing authorizing such action: *Provided further,* That authorization of such activities by the national or international labor organization shall not render it subject to criminal or civil liability arising from activities, notice of which was given pursuant to this subparagraph, unless such authorization is given with actual knowledge that such activities are to be willfully used to achieve an unlawful purpose.

"(B) In the case of any such site which is located at any military facility or installation of the Army, Navy, or Air Force, or which is located at the facility or installation of any other department or agency of the Government if a major purpose of such facility or installation is or will be the development, production, testing, firing or launching of munitions, weapons, missiles, or space vehicles, prior written notice of intent to strike or to refuse to perform services, or to induce any person to strike or refuse to perform services, of not less than ten days shall be given by the labor organization involved to the Federal Mediation and Conciliation Service, to any State or territorial agency established to mediate and conciliate disputes within the State or territory where such site is located, to the several persons who are jointly engaged at such site, to the Army, Navy, or Air Force or other department or agency of the Government concerned with the particular facility or installation, and to any national or international labor organization of which the labor organization involved is an affiliate.

"(C) The notice requirements of subparagraphs (A) and (B) above are in addition to, and not in lieu of, the notice requirements prescribed by Section 8(d) of the Act."

EFFECTIVE DATE

SEC. 102. The amendments made by this title shall take effect ninety days after the date of enactment.

TITLE II—CONSTRUCTION INDUSTRY COLLECTIVE BARGAINING

SHORT TITLE

SEC. 201. This title may be cited as the "Construction Industry Collective Bargaining Act of 1977".

FINDINGS AND PURPOSES

SEC. 202. (a) The Congress finds and declares that the legal framework for collective bargaining in the construction industry is in need of revision; and that an enhanced role for national labor organizations and national contractor associations working as a group is needed to minimize instability, conflict, and distortions, to assure that problems of collective-bargaining structure, productivity and manpower development are constructively approached by contractors and unions themselves, and at the same time to permit the flexibility and variations that appropriately exist among localities, crafts, and branches of the industry.

(b) It is therefore the purpose of this title to establish a more viable and practical structure for collective bargaining in the construction industry by establishing procedures for negotiations with a minimum of governmental interference in the free collective-bargaining process.

CONSTRUCTION INDUSTRY COLLECTIVE BARGAINING COMMITTEE

SEC. 203. (a) There is hereby established in the Department of Labor a Construction Industry Collective Bargaining Committee. The Committee members shall be appointed as follows:

(1) Ten members shall be appointed by the President from among individuals qualified by experience and affiliation to represent the viewpoint of employers engaged in collective bargaining in the construction industry.

(2) Ten members shall be appointed by the President from among individuals qualified by experience and affiliation to represent the viewpoint of the standard national labor organization in the construction industry.

(3) Up to three members shall be appointed by the President from among individuals qualified by training and experience to represent the public interest, one of whom shall be designated by him to serve as Chairman.

(4) The Secretary of Labor, ex officio.

(5) The Director of the Federal Mediation and Conciliation Service, ex officio.

The employer, labor, and public members shall be appointed by the President after consultation with representative labor and management organizations in the industry whose members are engaged in collective bargaining. Any alternate members who may be appointed shall be appointed in the same manner as regular members. All actions of the Committee shall be taken by the Chairman or the Executive Director on behalf of the Committee.

(b) The Secretary of Labor may appoint such staff as is appropriate to carry out the Committee's functions under this title, and with the approval of the Committee, may appoint an Executive Director.

(c) The Committee may promulgate such rules and regulations as may be necessary or appropriate to carry out the purposes of this title, including the designation of "standard national construction labor organizations" and "national construction contractor associations" qualified to participate in the procedures set forth in this title.

NOTICE REQUIREMENTS

SEC. 204. (a) In addition to the requirements of any other law, including section 8(d) of the National Labor Relations Act, as amended, where there is in effect a collective-bargaining agreement covering employees in the construction industry between a local construction labor organization or other subordinate body affiliated with a standard national construction labor organization, or between a standard national construction labor organization directly, and an employer or association of employers in the construction industry, neither party shall terminate or modify such agreement or the terms or conditions thereof without serving a written notice of the proposed termination or modification in the form and manner prescribed by the Committee sixty days prior to the expiration date thereof, or in the event such collective-bargaining agreement contains no expiration date, sixty days prior to the time it is proposed to make such termination or modification. The notice required by this subsection shall be served as follows:

(1) A local construction labor organization or other subordinate body affiliated with a standard national construction labor organization shall serve such notice upon such national organization.

(2) An employer or local association of employers shall serve such notice upon all national construction contractor associations with which the employer or association is affiliated. An employer or local association of employers, which is not affiliated with any national construction contractor association shall serve such notice upon the Committee.

(3) Standard national construction labor organizations and national construction contractor associations shall serve such notice upon the Committee with respect to termination or modification of agreements to which they are directly parties.

The parties shall continue in full force and effect, without resorting to strike or lockout, all the terms and conditions of the existing collective-bargaining agreement for a period of sixty days after the notice required by this subsection is given or until the expiration of such collective-bargaining agreement, whichever occurs later.

(b) Standard national construction labor organizations and national construction contractor associations shall promptly furnish to the Committee copies of all notices served

upon them as provided by subsection (a) of this section.

(c) The Committee may prescribe the form and manner and other requirements relating to the submission of the notices required by this section.

ROLE OF THE COMMITTEE AND NATIONAL LABOR AND EMPLOYER ORGANIZATIONS IN COLLECTIVE BARGAINING

SEC. 205. (a) Whenever the Committee has received notice pursuant to section 204, it may take jurisdiction of the matter, with or without the suggestion of any interested party, by transmitting written notice to the signatory labor organization or organizations and the association or associations of employers directly party to the collective bargaining agreement during the ninety-day period which includes and immediately precedes the latter of: (1) the ninetieth day following the giving of notice under section 204(a); or (2) whichever is applicable, (A) the thirtieth day following the expiration of the collective bargaining agreement, or (B) the thirtieth day following the date proposed for termination or modification of such agreement.

(b) The Committee shall decide whether to take such jurisdiction in accordance with the standards set forth in section 206. When the Committee has taken jurisdiction under this section, it may in order to facilitate a peaceful voluntary resolution of the matter and the avoidance of future disputes: (1) refer such matter to voluntary national craft or branch boards or other appropriate organizations established in accordance with section 207; (2) meet with interested parties and take other appropriate action to assist the parties; or (3) take the action provided for in both preceding clauses (1) and (2) of this subsection. At any time after the taking of jurisdiction, the Committee may continue to meet with interested parties as provided herein.

(c) When the Committee has taken jurisdiction within the ninety-day period specified in this section over a matter relating to the negotiation of the terms or conditions of any collective bargaining agreement involving construction work between: (1) any standard national construction labor organization, or any local construction labor organization or other subordinate body affiliated with any standard national construction labor organization, and (2) any employer or association of employers, notwithstanding any other law, no such party may, at any time prior to the expiration of the ninety-day period specified in this subsection, engage in any strike or lockout, or the continuing thereof, unless the Committee sooner releases its jurisdiction.

(d) When the Committee receives any notice required by section 204, it is authorized to request in writing at any time during the ninety-day period specified in subsection (a) of this section participation in the negotiations by the standard national construction labor organizations with which the local construction labor organizations or other subordinate bodies are affiliated and the national construction contractor associations with which the employers or local employer associations are affiliated.

(e) In any matters as to which the Committee takes jurisdiction under subsection (a) of this section and makes a referral authorized by subsection (d) of this section, no new collective bargaining agreement or revision of any existing collective bargaining agreement between a local construction labor organization or other subordinate body affiliated with the standard national construction labor organization, and an employer or employer association shall be of any force or effect unless such new agreement or revision is approved in writing by the standard national construction labor organization with which the local labor organization or other subordinate body is affiliated. Prior to such approval the parties shall make no change in the terms or conditions of employment. The Committee may at any time suspend or terminate the operation of this subsection as to any matter previously referred pursuant to subsection (d) of this section.

(f) No standard national construction labor organization or national construction contractor association shall incur any criminal or civil liability, directly or indirectly, for actions or omissions pursuant to a request by the Committee for its participation in collective bargaining negotiations or the approval or refusal to approve a collective bargaining agreement under this title.

(g) Nothing in this title shall be deemed to authorize the Committee to modify any existing or proposed collective bargaining agreement.

STANDARDS FOR COMMITTEE ACTION

SEC. 206. The Committee shall take action under section 205 only if it determines that such action will—

(1) facilitate collective bargaining in the construction industry, improvements in the structure of such bargaining, agreements covering more appropriate geographical areas, or agreements more accurately reflecting the condition of various branches of the industry;

(2) promote stability of employment and economic growth in the construction industry;

(3) encourage collective bargaining agreements embodying appropriate expiration dates;

(4) promote practices consistent with appropriate apprenticeship training and skill level differentials among the various crafts or branches;

(5) promote voluntary procedures for dispute settlement; or

(6) otherwise be consistent with the purposes of this title.

OTHER FUNCTIONS OF THE COMMITTEE

SEC. 207. (a) The Committee may promote and assist in the formation of voluntary national craft or branch boards or other appropriate organizations composed of representatives of one or more standard national construction labor organizations and one or more national construction contractor associations for the purpose of attempting to seek resolution of local labor disputes and review collective-bargaining policies and development in the particular craft or branch of the construction industry involved. Such boards, or other appropriate organizations, may engage in such other activities relating to collective bargaining as their members shall mutually determine to be appropriate.

(b) The Committee may, from time to time, make such recommendations as it deems apropriate, including those intended to assist in the negotiations of collective bargaining agreements in the construction industry; to facilitate area bargaining structures; to improve productivity, manpower development, and training; to promote stability of employment and appropriate differentials among branches of the industry; to improve dispute settlement procedures; and to provide for the equitable determination of wages and benefits. The Committee may make other suggestions, as it deems appropriate, relating to collective bargaining in the construction industry.

MISCELLANEOUS PROVISIONS

SEC. 208. (a) This title shall apply only to activities affecting commerce as defined in sections 2(6) and (7) of the National Labor Relations Act, as amended.

(b) Nothing in this title shall be construed to require an individual employee to render labor or services without the employee's consent, nor shall anything in this title be construed to make the quitting of labor by an individual employee an illegal act; nor shall any court issue any process to compel the performanec by an individual employee of such labor or services, without the employee's consent, nor shall the quitting of labor by an employee or employees in good faith because of abnormally dangerous conditions for work at the place of employment of such employee or employees be deemed a strike under this title.

(c) The failure or refusal to fulfill any obligations imposed by this title on any labor organization, employer or association of employers shall be remediable only by a civil action for equitable relief brought by the Committee in a district court of the United States, according to the procedures set forth in subsection (d) of this section.

(d) The Committee may direct that the appropriate district court of the United States having jurisdiction of the parties be petitioned to enforce any provision of this title. No court shall issue any order under section 205(c) prohibiting any strike, lockout, or the continuing thereof, for any period beyond the ninety-day period specified in section 205(a).

(e) The decisions and actions of the Committee, pursuant to this title, may be held unlawful and set aside only where they are found to be arbitrary or capricious, in excess of its delegated powers, or contrary to a specific requirement of this title.

(f) Service of members or alternate members of the Committee may be utilized without regard to section 665(b) of title 31, United States Code. Such individuals shall be deemed to be special Government employees on days in which they perform services for the Committee.

(g) In granting appropriate relief under this title the jurisdiction of United States courts sitting in equity shall not be limited by the Act entitled "An Act to amend the Judicial Code to define and limit the jurisdiction of courts sitting in equity, and for other purposes," approved March 23, 1932 (29 U.S.C. 101 et seq.).

(h) The Committee may make studies and gather data with respect to matters which may aid in carrying out the provisions of this Act.

(i) Notwithstanding anything in subchapter II of chapter 5 of title 5, United States Code, in carrying out any of its functions under this title, the Committee shall not be required to conduct any hearings. Any hearings conducted by the Committee shall be conducted without regard to the provisions of subchapter II of chapter 5 of title 5, United States Code.

(j) Except as provided herein, nothing in this title shall be deemed to supersede or modify any other provision of law.

(k) In all civil actions under this title attorneys appointed by the Secretary may represent the Committee (except as provided in section 518(a) of title 28, United States Code), but all such litigation shall be subject to the direction and control of the Attorney General.

COORDINATION

SEC. 209. (a) At the request of the Committee, the other agencies and departments of the Government shall provide, to the extent permitted by law, information deemed necessary by the Committee to carry out the purposes of this title.

(b) The Committee and the Federal Mediation and Conciliation Service shall regularly consult and coordinate their activities to promote the purposes of this title.

DEFINITIONS

SEC. 210. (a) The terms "labor dispute," "employer," "employee," "labor organization," "person," "construction," "lockout," and "strike" shall have the same meaning as when used in the Labor-Management Relations Act, 1947, as amended.

(b) As used in this title the term "Committee" means the Construction Industry Collective Bargaining Committee established by section 203 of this Act.

SEPARABILITY

SEC. 211. If any provision of this title, or the application of such provision to any person or circumstances shall be held invalid, the remainder of this title, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

AUTHORIZATION OF APPROPRIATIONS

SEC. 212. There are authorized to be appropriated such sums as may be necessary to carry out this title.

REPORTS

SEC. 213. (a) No later than one year following the date of enactment of this title, and at one-year intervals thereafter, the Committee shall transmit to the President and to the Congress a full report of its activities under this title during the preceding year.

(b) No later than June 30, 1982, the Committee shall transmit to the President and to the Congress a full report on the operation of this title, together with recommendations, including any recommendations for legislation as the Committee deems appropriate.

EFFECTIVE DATE

SEC. 214. This title shall take effect on the date of its enactment.

ADDITIONAL COSPONSORS

S. 106

At the request of Mr. HUDDLESTON, the Senator from North Carolina (Mr. HELMS) and the Senator from Oklahoma (Mr. BELLMON) were added as cosponsors of S. 106, the Land and Water Resources Conservation Act of 1977.

S. 243

At the request of Mr. NELSON, the Senator from Maine (Mr. HATHAWAY) was added as a cosponsor of S. 243, to amend the Small Business Act and the Small Business Investment Act of 1958.

S. 265

At the request of Mr. MCINTYRE, the Senator from Delaware (Mr. ROTH) was added as a cosponsor of S. 265, the Elderly and Handicapped Persons Transportation Act of 1977.

S. 310

At the request of Mr. MATSUNAGA, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 310, to provide for the inclusion of licensed practical nurses under medicare and medicaid.

S. 364

At the request of Mr. HART, the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 364, to provide for judicial review of administrative determinations made by the Administrator of Veterans' Affairs.

S. 384

At the request of Mr. HATHAWAY, the Senator from Massachusetts (Mr. BROOKE), the Senator from Alaska (Mr. GRAVEL), the Senator from Oregon (Mr. HATFIELD), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Maryland (Mr. MATHIAS), the Senator from Maine (Mr. MUSKIE), the Senator from Alabama (Mr. SPARKMAN), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of S. 384, the Commercial Fisheries Improvement Fund Act of 1977.

S. 506

At the request of Mr. HUMPHREY, the Senator from Kentucky (Mr. HUDDLESTON) and the Senator from Minnesota (Mr. ANDERSON) were added as cosponsors of S. 506, the Wage Supplements for Handicapped Individuals Act.

S. 514

At the request of Mr. RIBICOFF, the Senator from Hawaii (Mr. MATSUNAGA) and the Senator from New York (Mr. JAVITS) were added as cosponsors of S. 514, to amend title XVIII of the Social Security Act.

S. 528

At the request of Mr. WILLIAMS, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 528, relating to collective bargaining contracts.

S. 551

At the request of Mr. HUMPHREY, the Senator from Nevada (Mr. CANNON) was added as a cosponsor of S. 551, a bill to provide for grants to States for the payment of compensation to persons injured by certain criminal acts and omissions, and for other purposes.

S. 555

At the request of Mr. RIBICOFF, the Senator from Minnesota (Mr. ANDERSON) and the Senator from Kentucky (Mr. HUDDLESTON) were added as cosponsors of S. 555, a bill to establish certain Federal agencies, effect certain reorganization of the Federal Government, to implement certain reforms in the operation of the Federal Government and to preserve and promote the integrity of public officials and institutions, and for other purposes.

S. 615

At the request of Mr. HANSEN, the Senator from Wyoming (Mr. WALLOP) was added as a cosponsor of S. 615, to amend title II of the Social Security Act.

S. 616

At the request of Mr. DOLE, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 616, to provide a tax credit based on the creation of new jobs and increased employment.

S. 725

At the request of Mr. RANDOLPH, the Senator from Kansas (Mr. DOLE) was added as a cosponsor of S. 725, to extend certain programs under the Education of the Handicapped Act.

S. 753

At the request of Mr. HUMPHREY, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of S. 753, a bill relating to disability benefits for the blind.

S. 788

At the request of Mr. HUMPHREY, the Senator from South Dakota (Mr. MCGOVERN), the Senator from Minnesota (Mr. ANDERSON) and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 788, the Agricultural Emergency Assistance Act of 1977. I regret that through a clerical error, these Senators were not listed as cosponsors upon the introduction of this bill.

S. 800

At the request of Mr. HART, the Senator from Connecticut (Mr. RIBICOFF), the Senator from Minnesota (Mr. ANDERSON), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 800, to promote the use of energy conservation, solar energy, and total energy systems in Federal buildings.

S. 801

At the request of Mr. MCINTYRE, the Senator from New Jersey (Mr. CASE) was added as a cosponsor of S. 801, a bill to amend title I of the Housing and Community Development Act of 1974 for the purpose of providing that units of general local government which are not metropolitan cities or urban counties and which are receiving grants under the hold-harmless provisions of such title shall be entitled, after fiscal year 1977, to continue to receive at least the amount to which they are presently entitled under such provisions.

S. 826

At the request of Mr. RIBICOFF, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 826, the Department of Energy Organization Act.

SENATE CONCURRENT RESOLUTION 11—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO WAGE AND PRICE CONTROLS

(Referred to the Committee on Banking, Housing, and Urban Affairs.)

Mr. TOWER submitted the following concurrent resolution, which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. CON. RES. 11

Whereas business, labor, consumers, and investors are concerned over the possibility of economic controls; and

Whereas economic controls are inconsistent with and detrimental to the functioning of the United States economy: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) Mandatory wage and price controls should not be imposed;

(2) standby authority to impose wage and price controls should not be sought;

(3) the authority to require pre-notification of wage and price changes, or to impose a delay on announced wage and price changes, should not be sought; and

(4) official guideposts regarding the appropriate rate of changes in wages or prices by sector, industry, or firm should not be developed.

Mr. TOWER. Mr. President, the time has obviously come to clear the air about wage and price controls. Business, labor, consumers, and investors are concerned over the possibility that controls may be reimposed on the American economy. They are also concerned over the possible form of such controls.

President Carter has been talking about a "voluntary" approach to controlling inflation. What is meant by this is left to the imagination, but there has apparently been some serious consideration of requiring the "prenotification" of wage and price increases.

All of this discussion is causing apprehension and confusion in the private sector. It is preventing possible price reductions or wage modifications in certain sectors of the economy, and it is complicating long-run planning for the future. It is a major reason why many businesses have delayed or reduced plans for capital investment. It is counterproductive to sustained long-run economic growth and expanding employment.

It is difficult to believe that wage/price controls or guidelines are even being considered. Such efforts in the past have been nothing short of disastrous.

Wage/price controls or guidelines cause gross inequities. They cause shortages and inefficiencies, and they inevitably lead to controls on exports and other economic activities. They hide inflation rather than deal with the underlying causes of overly stimulative fiscal and monetary policies and other factors, such as the weather, that are out of our control. Indeed, they take the pressure off efforts to remain vigilant against irresponsible fiscal and monetary policies. It should come as no surprise that wage and price controls are being discussed at the very time when the Federal deficit appears headed for an all-time record high.

Wage/price controls or guidelines, voluntary or otherwise, have never solved the problem of inflation in the past. They will not work now and they never will.

For that reason, I am introducing a resolution that would discourage the use of wage/price controls or guidelines in any form whatsoever. This resolution would state a sense of the Congress against mandatory wage/price controls or standby authority to impose such controls. It also would state a sense of the Congress against seeking authority to require prenotification of wage and price increases or authority to delay increases in wages and prices. It would also state a sense of the Congress against wage/price guidelines for particular sectors or industries in the economy, such as those in use during the Kennedy and Johnson administrations.

The purpose of this resolution would be to put to rest the possibility that wage/price controls or guidelines will be imposed on the American economy.

This does not mean to say that the inflation problem is not a serious one. The rate of inflation is far too high, even though considerable progress has been made in reducing it. The current rate of inflation is about 5 to 6 percent, roughly half of what it was in 1974. But, this is still too high to be acceptable over the long-run.

The rate of inflation must be reduced even more if we are to provide a stable environment for capital investment and economic growth. No factor is so disruptive to increasing employment as inflation, and the effect that rapid inflation has on reducing employment should never be ignored.

The resolution is not meant to downplay the seriousness of inflation. It simply means that inflation must be controlled by some means other than wage/price controls or guidelines.

There appears to be fairly widespread agreement that mandatory controls should be avoided. President Carter recently stated his opposition to a "mandatory" program. Earlier, the Senate Committee on Banking, Housing and Urban Affairs had noted, in a report on the Council on Wage and Price Stability, that it saw "* * * no useful purpose in supplying the President or the Council even with standby authority to apply mandatory controls."

Even though mandatory controls, even on a standby basis, may be ruled out, however, there are other forms which controls or guidelines could take. The resolution I am introducing is intended to discourage the use of any or all forms of controls or guidelines.

The Council on Wage and Price Stability is the Federal agency that would most logically be given enhanced authority to handle a controls program. If efforts are made to beef up the Council's authority to interject itself into private wage and price decisions, I believe every effort should be made to abolish the Council. Even today, the Council's mere existence provides a strong temptation to institute some form of a controls program for it to administer.

It may be argued by some, of course, that a limited controls program, or even a set of "voluntary" guidelines, would not be so disruptive to the economy. But, even a limited program of controls is bound to fail, and disenchantment with such efforts is bound to lead to demands for more stringent controls.

The history of our most recent experience with a controls program in this country bears out the pattern. Small efforts have had a way of snowballing into monumental disasters.

The process which led up to full-blown controls in 1971 has been outlined well by Marvin Kosters in a new publication entitled "Controls and Inflation: The Economic Stabilization Program in Retrospect." He writes:

> In June 1970, the President established the National Commission on Productivity and the Regulations and Purchasing Review Board, and announced that periodic "inflation alerts" would be prepared by the Council of Economic Advisers. In January of 1971, the President directed the Cabinet Committee on Economic Policy to analyze conditions in the steel industry in the wake of announced price increases for some steel products. The Council of Economic Advisers was to report immediately to the committee any "exceptionally inflationary wage or price developments" so that appropriate federal action could be considered. The Construction Industry Collective Bargaining Commission had been established in September 1969, and federal action had been taken to reduce construction spending and encourage training of more skilled construction labor, but there had been no relief during 1970 from increasingly large construction wage increases and the pressures they created for similar wage increases in other sectors. On 29 March 1971 the Construction Industry Stabilization Committee was established to place mandatory controls on construction wages. After a review of the economy by the administration in June, decisions were announced not to apply additional stimulus to demand and not to establish an incomes policy. These statements proved to be the last strong official reaffirmation of the game plan. Larger trade deficits and the increased vulnerability of the dollar to massive conversion into other forms of reserves were added to continuing disappointing news on prices and production, triggering the President's dramatic announcement of the New Economic Policy on 15 August 1971.

It was a fruitless search in little steps for a solution to inflation that led to the disastrous wage/price control program that followed.

This Nation's struggle with inflation will not be an easy one over the period ahead. We should not delude ourselves into believing it will be. But, we should not also delude ourselves into thinking that it can be dealt with by the "magic wand" of economic controls or guidelines. As the famous 18th century economist, Adam Smith, noted in his "Wealth of Nations":

> The statesman, who should attempt to direct private people in what manner they ought to employ their capitals, would not only load himself with a most unnecessary attention, but assume an authority which could safely be trusted, not only to no single person, but to no council or senate whatever, and which would nowhere be so dangerous as in the hands of a man who had folly and presumption enough to fancy himself fit to exercise it.

If there is any lesson we should have learned in our first 200 years as a nation, it is this one.

AMENDMENTS SUBMITTED FOR PRINTING

ADDITIONAL DISTRICT COURT JUDGES—S. 11

AMENDMENT NO. 55

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. MUSKIE (for himself and Mr. HATHAWAY) submitted an amendment intended to be proposed by them jointly to the bill (S. 11) to provide for the appointment of additional district court judges, and for other purposes.

AMENDMENTS NOS. 56 AND 57

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. MORGAN submitted two amendments intended to be proposed by him to the bill (S. 11), supra.

NOTICES OF HEARINGS

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS

Mr. McINTYRE. Mr. President, the Subcommittee on Financial Institutions of the Committee on Banking, Housing and Urban Affairs will conduct oversight hearings on the report recently submitted entitled "EFT and the Public Interest."

The hearings will be held in room 5302 of the Dirksen Senate Office Building on March 21 and 22. Both hearings will begin at 9:30 a.m.

Anyone wishing information concerning these hearings should contact William R. Weber, Counsel, Subcommittee on Financial Institutions, room 5300 Dirksen Senate Office Building, 202-224-7391.

COMMITTEE ON HUMAN RESOURCES

Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Hu-

man Resources has scheduled a hearing on Monday, March 7, 1977, at 2 p.m., in room 4232, Dirksen Senate Office Building, on the nominations of Robert J. Brown, to be Under Secretary of Labor, Carin Ann Clauss to be Solicitor of Labor, Donald Elisburg to be Assistant Secretary of Labor for Employment Standards, and Ernest Green to be Assistant Secretary for Employment and Training.

Persons wishing to testify or submit statements, please contact: Ian Lanoff, Counsel Labor Subcommittee, Committee on Human Resources, 4233 Dirksen Senate Office Building, Washington, D.C. 20510. Telephone number (202) 224–7655.

COMMON SITUS PICKETING

Mr. WILLIAMS. Mr. President, I wish to announce that the Labor Subcommittee of the Committee on Human Resources will hold hearings on S. 924, a bill to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers and to establish a national framework for collective bargaining in the construction industry, and for other purposes. These hearings are scheduled for Thursday, March 17, 1977, at 10 a.m., and will be held in room 4232 of the Dirksen Senate Office Building. Any person wishing to testify or submit a statement for the record contact Ian D. Lanoff of the Labor Subcommittee staff at room G–237, Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

LABOR GOVERNMENT IS NOT THE ANSWER

Mr. LAXALT. Mr. President, London is not burning. Worse, it is slowly decaying. On the surface, it is still the marvelously vibrant and civilized place it has always been. But beneath, it is being consumed, as is the rest of Britain, by the creeping malaise of the welfare state.

It is sad to see the decline of such a great nation. But it is frightening to think that our own country could be headed in a similar direction. Paul Harvey, the distinguished radio commentator, has argued that the British course, since 1945, is an excellent example of what to avoid. I agree. And for the information of my colleagues, I ask unanimous consent that the full transcript from Mr. Harvey's recent commentary entitled "Labor Government is Not the Answer" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LABOR GOVERNMENT IS NOT THE ANSWER

(By Paul Harvey)

London is in a lather.

The bottom has dropped out from under England's money.

Under Britain's last Conservative government the value of the Pound stabilized.

Under this Labor Government, it has shrunk by almost one-third in eighteen months.

Britain is an excellent example of what not to do.

"Unemployment" was the battle cry of British election of 1945

Britain's Laborites were demanding and promising "full employment."

And on that promise they got elected.

In the in-and-out years since, during their "in" years, the Labor Government has taken over—nationalized—railways, public utilities, coal mines, the steel industry and most truck transport.

The results have been a total disaster for the consumer, the worker and country.

Consumer prices in nationalized industries have increased much faster and higher than in private industries. In a span of thirteen years the average price increase of the products in government-run industries increased ninety-five percent. In private manufacturing, only eighteen percent.

And in the run-down of the nationalized industries, thousands of British workers lost their jobs.

Britain, of all places, is now having to import coal.

Further, the Labor Government had promised to improve the condition of the poor. Now there is an endless wait for hospital beds. You'll wait two years for a cataract operation. And so Britain's doctors are leaving Britain twice as fast as British medical schools are producing more.

The Socialists promised "housing," with the result that millions of former home owners have been taxed out of homes, and are now condemned to live in large tower blocks, to which the tenant is virtually bound for life.

Council tenants consider themselves as shackled in their "cells" as were Britain's medieval serfs.

Twenty percent of Britain's adult males are now unemployed, at least half of them because the pay and fringe benefits for not working add up to more than the wages for working.

The resultant corruption of the spirit contributes there, as anywhere, to all manner of crime and violence.

In wartime, Britain's government upkeep amounted to forty-nine percent of that country's gross national product. Today the government take is sixty-four percent.

Britain's Prime Minister Callaghan says the trouble is that the British people have not been EARNING their standard of living for years. Now both their fiscal welfare and their freedom are at stake.

Here is a Labor leader, in effect telling them that they will either go back to work or they will have to be PUT to work by a dictator.

WORLD FOOD CRISIS—A CONTINUING THREAT

Mr. HEINZ. Mr. President, for several years now we have been confronting a world food crisis of great magnitude, one that has produced dangerously low food supplies threatening millions with starvation.

Population growth and poor weather conditions have been the major factors contributing to these conditions, though high energy—and therefore fertilizer—prices, worldwide inflation, and poor development decisions have also been considerations. The result has been an increased responsibility for the United States and other food-rich nations in helping to meet worldwide needs.

We Americans have a history of providing humanitarian assistance to less fortunate nations. We have had the good judgment not to stand idly by in a world in which two-thirds of the people are malnourished and the other one-third overfed. Obviously our actions have not solved the problem—that is a generations-long battle, but we have made the commitment which is the necessary first step.

Under the Marshall plan, for example, between 1948 and 1954, we shipped over $10 billion in agricultural commodities to war-ravaged Europe. Since 1954, we have assisted millions of starving people in needy countries around the world by providing nearily $21 billion in agricultural commodities under the food for peace program. Although the administration of these programs left room for improvement, it was a demonstration of our concern for our fellow man as well as a contribution to world stability. Now we are faced with a new round in the same old battles, as many countries face famine, pestilence, and death as a result of worldwide food shortages.

Responding to this crisis, our Government has increased its assistance to agricultural production programs in other countries, and its spending for food shipments to needy nations. I applaud these efforts and strongly believe that the United States has the capability to provide food aid as needed to meet specific short-term emergencies. For example, the Department of Agriculture should develop plans which will enable the United States to provide increased food aid when needed without increasing domestic inflation. The United States has an important humanitarian role to play in reducing hunger in the world but we cannot fulfill this obligation alone. All nations, including industrial, food-exporting, and oil-exporting countries, must join in the effort to combat food shortages.

Short-term relief, in times of extreme crisis, however, is not enough to win the battle, as recent events have shown. The crisis has eased somewhat since 1974, drawing attention away from the world food situation. Yet, serious long-term problems remain. It is practically certain that food crises will occur in future bad weather, and that food will reemerge as a volatile issue.

In order to deal with the long-term problem, we must not delude ourselves that we can unilaterally prevent hunger in the world, because of our unique agricultural bounty. Such raised expectations could result in encouraging developing nations to continue to rely on U.S. aid and not increase their own efforts to involve small farmers in more modern agricultural programs, almost certainly guaranteeing a more widespread and destructive famine in the years to come. A policy in which we simply provide money and food to needy nations would, in my opinion, be shortsighted and foolish. We must also share our agricultural and technological expertise with the rest of the world and encourage all nations to develop their more accessible and, as yet, uncultivated arable acreage everywhere in the world. Although we have already taken steps toward helping the food-deficient nations achieve self-sufficiency, a much greater effort is needed. The most significant contribution that we can make to the world food shortage is to help the developing countries grow enough food to feed themselves.

Emphasis on appropriate small technology and on indigenous agricultural research, such as that proposed by Congressman FINDLEY and included in the last Congress' foreign aid legislation, will go far in encouraging intelligent, and ultimately independent, development.

At the same time, however, it is imperative that we make progress toward the establishment of a world food reserve program that will help to insure adequate supplies of food during periods of crisis. Such a system could take numerous forms, and I recognize that questions of ownership of reserves, possible intervention in pricing patterns, and storage of reserves are all controversial issues that must be resolved with full input from the American farmer, who is after all, the source of our surplus. It is my firm belief, however, that such questions can be resolved in a way that will lead to an effective reserve system, and that through such a system we can continue our commitment to world food needs.

In conclusion, then, our job is clear. We must state our policy in no uncertain terms that the United States is willing to assist those developing countries in need—both on a short-term and a long-term basis—but they in turn must be willing to practice the best agricultural methods available to help themselves.

SUBCOMMITTEE ORGANIZATION OF COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. MAGNUSON. Mr. President, The Committee on Commerce, Science, and Transportation has now organized its subcommittees and I ask unanimous consent that the subcommittee makeup be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUBCOMMITTEES

AVIATION SUBCOMMITTEE

Cannon, Chairman; Inouye, Stevenson, Zorinsky, Melcher, Stevens, Goldwater, Packwood.

COMMUNICATIONS SUBCOMMITTEE

Hollings, Chairman; Magnuson, Cannon, Inouye, Ford, Durkin, Zorinsky, Riegle, Griffin, Stevens, Packwood, Schmitt, Danforth.

CONSUMER SUBCOMMITTEE

Ford, Chairman; Durkin, Melcher, Packwood, Danforth.

MERCHANT MARINE AND TOURISM SUBCOM.

Inouye, Chairman; Magnuson, Long, Griffin, Stevens.

SCIENCE AND SPACE SUBCOMMITTEE

Stevenson, Chairman; Ford, Long, Hollings, Zorinsky, Riegle, Schmitt, Goldwater, Griffin.

SURFACE TRANSPORTATION SUBCOMMITTEE

Long, Chairman; Cannon, Hollings, Stevenson, Durkin, Riegle, Melcher, Danforth, Goldwater, Schmitt.

THE DETROIT ECONOMIC CLUB: THE NATION'S IDEA FORUM

Mr. GRIFFIN. Mr. President, the bedrock of democracy is the free flow of ideas. Only by keeping abreast of changing ideas and concepts can a democratic society change itself and thereby remain viable and effective.

For the process to work, those who wish to speak—and those who want to listen—must have a forum in which to exchange ideas.

As the New York Times has recognized, the leading private forum in the United States for political and economic leaders is the Economic Club of Detroit. Since its founding in 1934, it has provided outstanding spokesmen from all corners of the Nation and the globe with a forum to be heard on timely and important topics.

As a Senator from Michigan and as a member of the organization, I am proud of the Detroit Economic Club and the wide respect it has earned from many quarters, including leaders in larger cities like New York, Chicago, or San Francisco. Once again, it proves that you do not have to be the biggest to be the best.

I ask unanimous consent that a January 23, 1977, New York Times article about the Detroit Economic Club, entitled "A Very Important Club," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 23, 1977]

A VERY IMPORTANT CLUB

(By Reginald Stuart)

DETROIT.—A few days before W. Michael Blumenthal boarded a plane for Washington at the Detroit Metropolitan Airport, the Treasury Secretary-designate stopped downtown for lunch with the members of a very important club.

In a speech that was widely monitored, he sketched out his Washington agenda, and there was no doubt that he was testing the waters of the American industrial heartland with some of the thoughts of the Carter Administration on economic policy.

If roll had been called, the logic behind Mr. Blumenthal's appearance before the Economic Club of Detroit in his last major public address prior to Inauguration Day would have been evident even to the naivest of observers.

For the club is perhaps the leading private forum in the United States for speechmaking by political and economic leaders and it has held this unofficial position for many years, despite the acknowledged prominence of similar clubs in New York, Chicago and San Francisco.

Among the members on hand for Mr. Blumenthal's presentation were Henry Ford 2d, chairman of the Ford Motor Company, Thomas A. Murphy, chairman of the General Motors Corporation, and Lee Hills, chairman of the Knight Ridder newspaper chain. There was Leonard Woodcock, president of the United Automobile Workers of America, and his heir-apparent, Douglas Fraser.

Roy Chapin, chairman of the American Motors Corporation, listened attentively, as did Wade H. McCree Jr., Solicitor General-designate, Arthur Seder Jr., chairman of American Natural Resources, and Robert M. Surdam, chairman of the National Bank of Detroit. There were more than a dozen other names of prominence in business and finance sitting at the head table at the luncheon—all members of the same club. And there were more than 1,000 other members, representing the worlds of business, labor, academia and government, sitting in the audience.

The roster of speakers in the last year has been impressive. Yitzhak Rabin, the Prime Minister of Israel spoke last February. Two weeks later Senator Edmund S. Muskie, then still a Presidential candidate, was here. The next week it was James T. Lynn, director of the United States Office of Management and Budget. He was followed a week later by Benjamin F. Ballar, the Postmaster General. The month of May was pure vintage. President Ford spoke one week and the next week it was Ronald Reagan. The month was capped off with a speech by William T. Coleman Jr., then Secretary of Transportation.

By last fall the list included: Carla Hills, Secretary of Housing and Urban Development; Thomas C. Reed, Secretary of the Air Force; Clifton C. Garvin Jr., chairman and chief executive officer of the Exxon Corporation (who was introduced by Mr. Murphy of General Motors); candidate Jimmy Carter, and John D. deButts, chairman of the American Telephone and Telegraph Company.

Name-dropping around this club is not merely for the purpose of impressing people. It is frequently so you'll know who's been here, who's running or who's sitting next to you.

People aren't exactly sure what it is that makes the Detroit Economic Club such hot stuff when compared with the Economic Clubs of New York or Chicago or with the Commonwealth Club in San Francisco. All benefit from the proximity of many corporate headquarters, a substantial media presence and a community of concerned citizens. Some say it's the fact that the club started in 1934 with 36 Monday luncheons a year and has stuck with that schedule never letting its guard down in pursuing the best speakers. Chicago holds only seven meetings a year and New York only four.

Others suggest that the Detroit Club simply fills a vacuum in that there really are not many forums from which those in the know can say what they think to a body that can have some influence. Russel A. Swaney, president for the last seven years, suggests that "a lot of people like to come and shake hands with Henry Ford and Tom Murphy."

"What they do when they have something to say, is come to us," says Ray W. Macdonald, the present chairman of the club. "A speech before the Economic Club seems to get that broad notice," he adds, as is evidenced by the frequent presence of local news media and wire service reporters and photographers. Mr. Macdonald is also chairman and chief executive officer of the Detroit-based Burroughs Corporation.

Industry executives decided long ago that they would actively support the club and show up for meetings, not just lend their names to the numerous letterheads, brochures and handbills cranked out by the club from its offices downtown. It is not uncommon to see the chairmen of 14 or 15 companies, including the chiefs of the four major domestic auto producers, all gathered on a Monday at Cobo Hall, the city's civic center and convention complex, for a not very impressive meal and an unusually impressive speaker. To obtain an audience with the makers and shakers of the auto industry alone is probably enough to attract most speakers.

Added to that is the presence of labor, including the United Auto Workers, and woven in are prominent local figures in religion, education, government and communications. Many of these people don't agree on much of anything, except that they support the club.

Despite this diversity and the fact that there are enough people in the Detroit area to support a number of similar clubs, there are no other clubs in the city trying to do just what the Economic Club is doing—provide a forum without taking a position on the subject being discussed.

"Every night in New York you can attend something," said Elliot M. Estes, president of General Motors. "But they're not as organized and consistent as the Detroit Economic Club."

So when the club meeting comes to order, many are present, sometimes as few as 600

people, usually just over 1,000 and on occasion as many as 3,000, such as when Henry Kissinger spoke. Things move fast, too. A brief reception for the speaker at 11:30 a.m., lunch at high noon, the speech around 12:30, questions and answers about 1:15 and a mad dash out of Cobo Hall at 2 p.m. at the latest.

Another factor that may have kept the club going and growing over the last seven years has been the persistence of the energetic Mr. Swaney, who took early retirement as senior vice president of the Federal Reserve Bank here. He is regarded as a hard worker and is credited with maintaining the high standards set by his predecessors in seeking and getting the most prominent speakers.

"We just try to get the top speakers for our members," said Mr. Swaney, who at age 69 is out-walking and out-talking many of his peers. "Sometimes we have to wait and sometimes we have to make extra efforts, but we usually get who we want," he said with a proud grin.

Perhaps his best story to date is about his Henry Kissinger project. Repeated attempts to schedule Mr. Kissinger to speak here were proving fruitless, so he flew to Washington and asked Mr. Kissinger's appointments secretary what he was doing wrong.

"He said we needed someone to put in a good word for us," recalled Mr. Swaney during a recent interview. "I thought for about a minute and then asked was the President good enough." Mr. Kissinger arrived here several months later.

The club's stature developed, of course, long before Mr. Swaney's arrival. The driving force for 28 years was Allen B. Crow, who played a prominent role in founding the club in 1934 and who remained its president until 1962. Mr. Crow, treasurer of a local lumber company, was a dedicated man who put the club's interests first for many years, providing a continuity of leadership highly unusual for such an organization.

When the club held its first meeting its members looked pretty much like the city's power structure—white, Republican, male and conservative. The first speaker was Professor H. J. Wilmes, then chairman of the department of economics at the University of Detroit, who spoke on "Personal Experience With Inflation in France and Germany, and Present Tendencies in the United States," a timely topic even today.

But as the labor movement grew in power, labor leaders were invited to join and address the organization. With the advent of strong emphasis on civil rights, blacks were invited into the fold in the 1950's. The first woman did not join until 1973, with the admission of then-Representative Martha W. Griffiths.

Despite the club's elite image, it says it is open to anyone. That is, if you are interested in the affairs of the nation and world primarily from an economic or political point of view. There are five categories of membership, with the highest annual dues set at $225 for "sustaining members," usually corporate chieftains. The lowest dues are $40 for associate, junior executive and nonresident members (those who live and work at least 30 miles from Detroit). Regular members pay $85 a year.

For their money, they get to hear many of the leading economic and political figures of the day—who in turn get the opportunity to make acquaintances among the people who make the wheels turn in American industry. Perhaps it is this symbolic relationship that accounts for so much of the club's prominence.

DR. T. E. HICKS HONORED

Mr. McCLELLAN. Mr. President, I ask uanimous consent, to have printed in the RECORD a recent story from the Star Herald of Pocahontas, Ark., which recognizes honors recently bestowed upon a native of that city by the University of California at Los Angeles—UCLA. Dr. T. E. "Tom Ed" Hicks was an outstanding product of his native city. He directed the UCLA Nuclear Energy Laboratory and served as a member of the faculty of the school of engineering and applied science for 21 years.

In memory of Dr. Hicks, who died at the age of 54 in 1975, UCLA recently dedicated a new Thomas E. Hicks Nuclear Reactor Facility.

There being no objection, the story was ordered to be printed in the RECORD, as follows:

[From the Pocahontas (Ark.) Star Herald, Nov. 11, 1976]

DR. HICKS RECOGNIZED BY UCLA

A new nuclear reactor facility at the University of California in Los Angeles, has recently been named the Thomas E. Hicks Nuclear Reactor Facility in ceremonies at UCLA dedicating the new building to the Pocahontas native.

Dr. T. E. (Tom Ed) Hicks was director of the UCLA Nuclear Energy Laboratory and served as a member of the faculty of the School of Engineering and Applied Science there for 21 years.

An authority on the design and analysis of nuclear reactor systems, with special emphasis on safety and reliability, Dr. Hicks organized UCLA's Nuclear Reactor Program and Laboratory in the 1950s and early 1960s. Dr. Hicks died at the age of 54 in 1975.

Dedication ceremonies included a luncheon, an address by W. Kenneth Davis, vice-president of Bechtel Power Corp. of San Francisco, the unveiling of a dedicatory plaque, and announcement of the Dr. Thomas E. Hicks Scholarship Memorial Fund.

Dr. Hicks was born in Pocahontas and received his Bachelor's degree from the Univ. of Arkansas and his Ph. D. from the Univ. of California, Berkeley. He served in the US Navy during World War II and as a consultant to various areospace companies during his professional career.

NOMINATION OF ROBERT L. HERBST FOR ASSISTANT SECRETARY OF THE INTERIOR FOR FISH, WILDLIFE AND PARKS

Mr. ANDERSON. Mr. President, the Senate on March 3 received from the White House the nomination of Mr. Robert L. Herbst for Assistant Secretary of the Interior for Fish, Wildlife and Parks.

Bob Herbst has had a distinguished career in conservation matters and Senator HUMPHREY and I support his nomination wholeheartedly. He has served the State of Minnesota for 6 years as Commissioner of Natural Resources. Prior to that position Mr. Herbst was the executive director of the Izaak Walton League of America.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter to Senator JACKSON and Senator JOHNSTON from a variety of Minnesota interest groups supporting the nominations of Bob Herbst. These are the people and groups that know Bob Herbst and are in the best position to judge his contributions to the conservation of our Nation's natural resources.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 11, 1977.

Hon. HENRY M. JACKSON,
Chairman, Senator Committee on Interior and Insular Affairs.

Hon. J. BENNETT JOHNSTON, Jr.,
Chairman, Subcommittee on Parks and Recreation, Dirksen Office Building, Washington, D C.

DEAR MESSRS. CHAIRMEN: The undernamed individuals, environmental-protection and public interest organizations and state officials in Minnesota, urge that the U.S. Senate Committee on Interior and Insular Affairs recommend that the United States Senate consent to President Carter's nomination of Robert L. Herbst as Assistant Interior Secretary. Bob Herbst is a dedicated advocate of environmental protection. His accomplishments in preserving wetlands, protecting unusual or critical natural resources, protecting and improving habitat for wildlife, waterfowl and fish, acquiring and managing lands for parks and recreation promoting environmental education, and actively supporting improvements in state environmental laws, attest to Bob's commitment to the preservation, protection and wise use of natural resources. As Commissioner of Minnesota's Department of Natural Resources, Bob Herbst is a proven and capable administrator who has effectively dealt with a wide variety of complex and sensitive public issues. Moreover, he is the deserved recipient of many awards, honors and testimonials, which further attest to his recognized leadership in public and civic affairs.

We have worked with Bob Herbst; we have the advantage of knowing him. All of us have not always agreed with his every decision or action. But on balance, Bob Herbst has exercised reasoned judgment in his decisions and he has performed with distinction. We are confident that Bob will serve the Nation with the same sense of commitment, dedication and integrity that he has served Minnesota.

Respectfully submitted:

State Rep. Willard Munger, Duluth, Chairman, House Committee on Environmental Protection and Natural Resources; State Sen. Gerald L. Willet, Chairman, Senate Committee on Agriculture and Natural Resources; Sigurd Olson, Ely, noted author and ecologist, wilderness advisor, the Izaak Walton League of America, past consultant to the Secretary of Interior and to the Asst. Secretary for Fish, Wildlife and Parks, and to the Bureau of Outdoor Recreation, past president, the National Parks Assn., past president, the Wilderness Society; Peter Vanderpoel, Chairman, Minnesota Environmental Quality Council (EQC); Dr. Gerald Christenson, Commissioner, Minnesota Department of Finance, Former EQC Chairman; Sandra Gardebring, Director, Minnesota Pollution Control Agency, EQC Member; John Millhone, Director, Minnesota Energy Agency, EQC Member; Jon Wefald, Commissioner, Minnesota Department of Agriculture, EQC Member; Dr. Warren Lawson, Commissioner, Minnesota Department of Health, EQC Member;

James Harrington, Commissioner, Minnesota Department of Transportation, EQC Member; Grant J. Merritt, Former Director, Minnesota Pollution Control Agency; Peter L. Gove, Former Director, Minnesota Pollution Control Agency; Milton Pelletier, President, Minnesota Conservation Federation, (The Federation, consisting of 75 environmental organizations, is affiliated with the National Wildlife Federa-

tion.); David Zentner, Duluth, National President, The Izaak Walton League of America; Dr. Don Skinner, President, Minnesota Environmental Control, Citizens Association (MECCA); Dr. Steve Chapman, Board Director, Clear Air-Clear Water Unlimited; Arnold Overby President, Save Lake Superior Association; Dr. Jan Green, Chairwoman, Conservation Committee, Duluth Audubon Society; and Eugene L. Felton, Chairman, Advisory Committee for the Charles L. Sommers Wilderness Canoe Base, Boy Scouts of America, Ely.

Mr. ANDERSON. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the Honorable Cecil M. Andrus, Secretary of the Interior, regarding the nomination of Robert Herbst by President Carter.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ANDRUS PRAISES NOMINATION OF HERBST AS ASSISTANT SECRETARY OF INTERIOR FOR FISH AND WILDLIFE AND PARKS

Secretary of the Interior Cecil D. Andrus today expressed pleasure at President Carter's nomination of Robert L. Herbst, commissioner of the Minnesota Department of Natural Resources since 1971, to be the Assistant Secretary for Fish and Wildlife and Parks in the Department of the Interior.

In this post Herbst will have supervision over the National Park Service, U.S. Fish and Wildlife Service, and Bureau of Outdoor Recreation.

"Mr Herbst comes highly recommended by Vice President Mondale, by my good friend Senator Wendell Anderson, and by a broad spectrum of knowledgeable conservationists," the Secretary said. "We feel he will be a highly effective member of our team."

Herbst, 41 (born October 5, 1935, in Minneapolis) and his wife, Evelyn, make their home in Bloomington. They have three children.

Prior to appointment as commissioner of the Minnesota Department of Natural Resources, Herbst was national executive director of the Izaak Walton League of America, 1969–1971. He worked for the Minnesota Conservation Department, 1957–1963, and was deputy commissioner and acting commissioner of that Department, 1966–1969. During 1963–1966 he was executive secretary of Keep Minnesota Green, Inc.

A 1957 graduate of the University of Minnesota with a major in Forest Management and minor in Wildlife Management, Herbst also served one school year as an instructor at the University. He was employed by the U.S. Forest Service, 1954–1955.

He is the recipient of many awards, including the "Best Conservation Education Program in the Nation" from the American Association for Conservation Information, 1974. He was a delegate to the First International Conference on Human Environment in Northern Regional World at Sapparo, Japan, in 1974.

Mr. ANDERSON. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Robert Herbst on his many accomplishments the past 6 years as Commissioner of Natural Resources of the State of Minnesota.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY ROBERT L. HERBST

As evidence of my efforts to improve wildlife in Minnesota and to protect and enhance habitat, the following are some of the more substantial efforts I have carried out since 1971 as Commissioner of Natural Resources:

(1) As head of the Minnesota Department of Natural Resources, I administer 8½ million acres of state land consisting of state parks, state forests, wildlife management areas, etc. This is probably the largest acreage of administration by any state agency in the United States.

(2) Not only have I administered one of the largest ownerships, I have recommended and have been successful in one of the largest acquisition efforts in the United States. Two years ago, I proposed an acquisition program called Resource 2000 to acquire wildlife areas, parks, forests, scenic rivers, etc. The program called for $100,000,000 of acquisition in a six-year period. During the current biennium, the legislature provided approximately $20,000,000 for the first phase, and we have been using this $20,000,000 during the current fiscal period to acquire land.

(3) Minnesota was the first state to institute the wetlands acquisition program, and we have acquired 600,000 acres of wetlands.

(4) I recommended legislation for a $2 wetland surcharge on the hunting licenses, which was approved and raises approximately $550,000 each fiscal year.

(5) I created a Natural and Scientific Area Program and Advisory Committee.

(6) I proposed a state Wild and Scenic Rivers Act, which passed and is a model in the nation. Since its passage, I have designated three rivers and four additional rivers are underway.

(7) One of my greatest personal achievements was being instrumental in setting aside of lands on the St. Croix River for preservation and recreation. Also, the passage of protection of the St. Croix under the Federal Scenic Rivers System. Important in this program was the donation of lands on both sides of the river by Northern States Power.

(8) I proposed that the black bear be designated a game animal so that it would be protected and managed. (It was formerly unprotected.) The act passed; and since that time, I placed restrictions on taking of cubs and shooting within a quarter of a mile of dumps.

(9) I have probably issued the most stringent restrictions on waterfowl seasons in order to protect wildlife in Minnesota.

(10) In 1971, I closed the deer season in Minnesota to protect the deer population so that they had a chance to come back.

(11) I have recommended to this session of the legislature protected status for the fox in Minnesota (which is unprotected presently).

(12) I was instrumental in the passage of the Critical Area Act in Minnesota.

(13) I was instrumental in the creation of an Environmental Quality Council and a state Environmental Impact procedure.

(14) During my administration, I increased interpretive programs in state parks from 13 to 35.

(15) Nesting areas for herons and other species of animals have been purchased for habitat protection.

(16) During 1976, the worst fire season in 65 years occurred in Minnesota. I placed on the state, the most unprecedented restrictions on outdoor recreation in the history of our state including the closing of hunting and fishing and access to all state lands. At the close of the year, I had controlled the explosive situation with no holocaust, no appreciable amount of property lost, normal acreage per fire and no lives lost.

(17) I proposed and have underway a comprehensive inventory of public waters. Recommendations on "underground water study" have been made. I have initiated and carried out one of the finest Shoreland Management and Floodplain Management in the United States.

(18) I served as Chairman of the International Association of Game, Fish and Conservation Commissioners, Legislative Committee which lent support to the passage of the Endangered Species Act.

(19) I was instrumental in the passage of a State of Minnesota Endangered Species Act.

(20) I initiated the development of a management program to serve Endangered and Threatened plants and animals, which resulted in a publication entitled, "The Uncommon Ones."

(21) When I came into the office, there was no Environmental Education Program in the schools of our state. I successfully initiated legislation and funding for Environmental Education, which has resulted in our program being rated the best in the nation.

(22) I initiated the program and staff to work on the Minnesota nongame species of wildlife for the first time.

(23) I was instrumental in the passage of the Voyageur's National Park and was the Administrative leader at the state level, which provided the enabling legislation and the transfer of state lands to the park service.

(24) To cooperate with the park service and to complement the park policy on no hunting and trapping in Voyageur's National Park, I issued a Commissioner's Order making the park a game refuge under my authority.

(25) I initiated a waterfowl program for shallow lakes in Southern Minnesota.

(26) In the area of the highly complex Reserve Mining Case, I have opposed the dumping of tailings in Lake Superior which has been upheld by the court. I opposed the Palisades site for dumping, which was upheld by the court, and I denied permit applications for the Mile Post 7 site, which is currently under litigation.

(27) I have opposed mining in the Boundary Waters Canoe Area. Recently, we were successful in state legislation to ban mining and peat harvesting in the Boundary Waters Canoe Area.

(28) I opposed the development of the copper nickel resources of the State of Minnesota and peat resources of the state, until a comprehensive environmental, social and economic study has been made of both resources. The Legislature has agreed and has funded the evaluation studies, which are well underway.

(29) I supported the creation of the Federal Minnesota River Wildlife Area.

(30) I initiated a program on the management of state forests (56 forests comprising 3,000,000 acres of land) that is comprehensive and includes a full evaluation and planning for wildlife.

(31) I conducted three moose seasons in Minnesota that have been successful in protecting the population levels of moose.

Mr. ANDERSON. Mr. President, in the weeks preceding the nomination of Mr. Herbst by the President, several wildlife protection groups questioned Mr. Herbst's position on the protection of the eastern timber wolf. I believe it would be helpful for my Senate colleagues to have the facts on the eastern timber wolf population in Minnesota and Bob Herbst's involvement in the management of timber wolves. Accordingly, I ask unanimous consent to have printed in the RECORD a recent statement by Robert Herbst on the eastern timber wolf.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EASTERN TIMBER WOLF

I have supported and still support the objectives and purposes of the Endangered Species Act. It is a sad commentary on society when any species of life disappears from this earth.

The eastern timber wolf, which was once found in 26 of the lower 48 states, is now

only found in Northern Minnesota. Its presence in Minnesota is a valuable part of our north country wilderness and must be preserved. In the past, I have opposed the taking of wolves by poison, snares, and by airplane. I have also opposed bounty payments. In 1972, I tried to have the protection upgraded by a joint management plan of the Minnesota Department of Natural Resources, U.S. Forest Service, and U.S. Fish and Wildlife Service. However, the wolf came under the protection of the Endangered Species Act and a recovery team study. In October of 1974, I petitioned the Department of Interior to consider reclassification so that an approved management plan could be carried out by the state to preserve the eastern timber wolf and at the same time regulate population growth where proven predation on domestic animals and wildlife (primarily deer) beyond the balance of nature occurred. Regulation of the method and number of animals to be taken would be necessary.

At the time I became Deputy Commissioner of the Minnesota Department of Natural Resources in 1966, the eastern timber wolf population numbered approximately 600 in Minnesota. Today the population is estimated to be 1200–1500 (at least doubled in 11 years). Therefore, there has been no decrease in the population of the species during my administration—in fact, it has substantially increased.

That increase in numbers, the saturation of their main range, and expansion into agricultural areas, indicate that at present, the timber wolf is not endangered in Minnesota. The population level is above, in my opinion and the recovery team's opinion, the level needed for preservation. I would like to see management for habitat and for a population level of at least 1000 and perhaps 1200 retained. We have in the past, and are willing in the future, to help reestablish timber wolf populations in other states.

It should also be noted that Alaska and Canada have populations of eastern timber wolves.

Mr. ANDERSON. Mr. President, I also ask unanimous consent to have printed in the RECORD several letters of support for the nomination of Robert Herbst that have been brought to my attention.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

STATEMENT BY LONNIE L. WILLIAMSON
CONSERVATIONISTS SUPPORT HERBST FOR WILDLIFE-PARK POST

Prominent national conservation and environmental organizations today applauded President Carter's appointment of Robert L. Herbst of Minnesota to be Assistant Secretary of the Interior for Fish, Wildlife and Parks. Responsibilities of the post include the U.S. Fish and Wildlife Service, National Park Service, and the Bureau of Outdoor Recreation.

Herbst currently is the Commissioner of the Minnesota Department of Natural Resources, a position he has held since 1971. He served as the Deputy Commissioner beginning in 1966 and formerly was executive director of the Izaak Walton League of America.

Organizations joining in support of the President's appointment include the American Fisheries Society, American Forestry Association, Ducks Unlimited, International Association of Fish and Wildlife Agencies, Izaak Walton League of America, Sport Fishing Institute, Wildlife Society, and Wildlife Management Institute.

The conservationists pointed to Herbst's administrative experience with the Minnesota DNR as an important qualification. As Commissioner, he has been responsible for agencies managing fish and wildlife, parks, forests, minerals, environmental planning, and law enforcement. The Minnesota agency is responsible for 8½ million acres of state parks, forests, and wildlife management areas.

The conservationists endorsing Herbst pointed to his laudable resource management achievements in Minnesota. When he became deputy commissioner, the eastern timber wolf population numbered approximately 600. Today it is estimated at 1200–1500.

Herbst successfully proposed a state wild and scenic rivers act, which is a model in the nation. Three rivers have been designated under the act and four more are in process. He instituted a variety of programs to benefit fish and wildlife, including a vigorous habitat acquisition program. A $2 surcharge on hunting licenses proposed by Herbst now raises about $550,000 a year for wetlands acquisition. About 600,000 acres of important wetlands have been bought thus far.

Herbst was instrumental in creating Minnesota's Environmental Quality Council and its environmental impact procedure. He has improved forest management programs in the state and fought to improve mining practices, making them more compatible with other land uses. He was a strong leader in the effort to halt further contamination of Lake Superior by the Reserve Mining Company. Herbst led efforts in the Minnesota Legislature to win required endorsement of the new Voyageur's National Park and won approval of a bond issue to finance the purchase of more than 35,000 acres of land, which have been conveyed to the Federal Government for the new park.

WILDLIFE MANAGEMENT INSTITUTE,
Washington, D.C., March 1977.

Hon. JENNINGS RANDOLPH,
Chairman, Senate Environmental and Public Works Committee.

MR. CHAIRMAN: I am Daniel A. Poole, president of the Wildlife Management Institute, with headquarters in Washington, D.C. The Institute's program has been devoted to the improved management of natural resources in the public interest since 1911.

It is a pleasure to endorse the nomination of Robert L. Herbst for Assistant Secretary of the Interior for Fish and Wildlife and Parks.

I have known Mr. Herbst for many years, both personally and professionally, and I have the highest regard for him. Because of his background in private, federal and state employ and his involvement in regional, national and international conservation activities, Mr. Herbst is keenly aware of and well informed about conservation and environmental issues. His record as a natural resources administrator is broad, imaginative and successful.

I wish to leave one thought with the committee. I have had the privilege of knowing and working with Assistant Secretarys of the Interior since the position was created back in the 1950's, when Secretary Fred Seaton chose Ross Leffler of Pittsburgh as the first person to hold the post. None of his predecessors has come to that important post better equipped than Robert Herbst.

As the principal officer of a large and vigorous state resources agency, Mr. Herbst is broadly experienced in administration, policy development, and program execution. He worked closely and well with his State Legislature in developing conservation and environmental legislation. I expect him to work similarly with Congress. He has been responsible for an important state agency with a budget of many millions of dollars, hundreds of employees, and program authority for forests, fish, wildlife, parks and recreation, minerals, water and soil, ecological surveys, and law enforcement. He is a conscientious and dedicated professional.

The Administration has chosen well in this appointment. Any Administration, in fact, should be proud to have persons of this caliber on its team.

[From the Princeton, Minnesota, Union-Eagle, Feb. 3, 1977]

AN ENDORSEMENT OF ROBERT HERBST

It is reported that Robert Herbst is under consideration for a position as assistant secretary of the Department of the Interior, which would include supervision of the National Park Service. His appointment is being opposed by some of the environmentalist groups who object to positions Herbst has taken on matters relating to Minnesota's Boundary Water Canoe Area and the Voyageurs National Park. We find this opposition disappointing.

Selecting people for office should be based on their fundamental qualifications, not their position on narrow issues. Bob Herbst is a dedicated conservationist, he is a fully qualified professional, and has had the benefit of long and tough experience. He headed the Izaak Walton League of the country which gave him exposure to national problems, he has managed our own natural resources department ably. Most important of all, he is an honest man of deep committment to public service. He seems to us admirably equipped and excellently motivated to have an important responsibility in the Interior Department.

We do not agree with some of his positions. We recognize that he may be correct and we in error. If we are right, we have confidence that his good sense and professional objectivity will bring him around. In an area of great political sensitivity we are certain he will keep that influence to a minimum. We hope he stays in Minnesota, but if he is needed in Washington and is willing to go, he has our earnest endorsement. He will be another outstanding Minnesotan in an important national assignment.

[From the Grand Rapids Herald-Review, Feb. 4, 1977]

BOB HERBST COULD HELP DEPARTMENT OF INTERIOR

It will be a shame if a handful of conservation organizations howl wolf loudly enough to prevent the appointment of Robert L. Herbst to the number 2 post in the Department of Interior.

Herbst is being lambasted because he has requested that the eastern timber wolf be removed from the federal endangered species list in Minnesota where he is the highly-respected commissioner of the Department of Natural Resources. It was generally accepted that Herbst would be the Assistant Secretary of the Interior until the hub-bub broke loose.

No DNR commissioner is acceptable to everyone. But Herbst has performed well throughout critical and controversial issues in recent years in Minnesota. Most people who have had personal contact with the commissioner have respect and admiration for him. He has been straightforward and reasonable in the conduct of his office and has not dodged difficult decisions. It's too bad that a few single-interest groups are overlooking his ability and fighting his appointment.

On the other hand, if Herbst joins the Carter administration, it will be difficult to replace him in the Department of Natural Resources.

Gov. Rudy Perpich has declared that he will use a screening committee of private citizens for all major appointments, allowing anyone interested to apply and present qualifications to the screening group. The commissioner of the Department of Natural

Resources should not be appointed for political reasons—it is far too complicated and difficult a job to be handed to someone as a reward. If Herbst does go to Washington, it is reassuring to know that the governor has indicated that major appointments will be carefully researched.

Few DNR commissioners have entered office with Herbst's qualifications. A graduate in forestry from the University of Minnesota, he served in the field, worked for Keep Minnesota Green and was a deputy commissioner of the DNR. He left that job in 1966 to become executive secretary of the Izaak Walton League of America, a position he left in 1971 to return to Minnesota as commissioner of the DNR.

Herbst has extensive knowledge in virtually all fields of conservation. His record in Minnesota is excellent, and he has presided over the smooth reorganization of the department.

Any commissioner who closes hunting and fishing seasons in the fall is bound to arouse the wrath of many, no matter how sound the reasons behind the action. He has had to take positions on complex problems such as the Reserve Mining company case and Indian hunting and fishing rights. We have not always agreed with the commissioner. But there has never been a time when we questioned his integrity or the sincerity of his determination to do what he believes is right for the state and nation.

Bob Herbst would be an excellent addition to the Department of Interior. Although we would hate to see him leave, he is precisely the type of man who should be serving as assistant secretary. We wish him well, whether he goes to Washington or remains in Minnesota.

Mr. ANDERSON. Mr. President, I also ask unanimous consent to have printed in the RECORD an article about Robert Herbst from the Minneapolis Star of March 3, 1977, by Gerry Nelson of the Associated Press. Mr. Nelson is dean of the Capitol Press Corps at the Minnesota State Capitol in St. Paul and a seasoned and thoughtful observer of Minnesota State government.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ROBERT HERBST, FORMER DIRECTOR OF DNR, OCCUPIES ANOTHER HOT SEAT

(By Gerry Nelson)

Robert Herbst, named yesterday to the No 2 post in the U.S. Department of Interior, says the job is one of the "hot seats" in the federal government.

But Herbst, 41, has weathered some hot times in six years as commissioner of natural resources for the state of Minnesota, including the closing of popular fishing and hunting seasons and bumping heads with environmentalists over protection of timber wolves.

The wolf problem will follow Herbst to the new job in Washington, D.C., but he may have to shuffle it off to someone else for a decision because of a conflict of interest. He says wolves don't need federal sheltering in Minnesota.

Herbst was appointed by President Carter as assistant secretary of interior for fish, wildlife, parks and recreation. In that $50,000-a-year post, he will run the National Park Service, the U.S. Fish and Wildlife Service and the Bureau of Outdoor Recreation.

He will serve under Interior Secretary Cecil Andrus.

"It is the glamor position of Interior but it is also the hot-seat position of Interior," Herbst said in an interview.

The job will be not unlike the one Herbst handled in Minnesota.

When it comes to hunting, fishing, snowmobiling and camping, everyone who participates is his own expert and has an opinion. Herbst has been praised and damned in about equal measure in Minnesota, but is viewed as one of the strongest personalities to have headed the Minnesota Department of Natural Resources.

The pipe-smoking outdoorsman will bring with him to Washington one of the most booming voices ever heard around state government halls.

In his early days as a forester at Cambridge, Minn., the daily routine included a weather check with the Moose Lake station, 50 miles away.

"They used to tell me they could turn off the radio and hear me just about as well," Herbst recalls.

He says the Minnesota job has been "kind of a balancing act," between the wants and needs of outdoor fans and the ability of natural resources to handle those needs.

"I've always viewed the commissioner of natural resources position, without trying to brag or blow smoke, as one of the toughest positions in state government," Herbst says.

He says the federal job "is an extension," dealing with the same issues on a vastly greater scale.

Herbst's appointment was known in Minnesota for more than a week but was held up for final clearance checks.

Herbst said he and the president have found common ground in a love of hunting and fishing. Carter likes to hunt quail and woodcock, and fish for bass in the farm ponds of Georgia.

Herbst is more likely to be found in the northern Minnesota woods on a deer hunt, or on any nearby lake or river in quest of walleyes, northern pike or panfish.

Herbst says his best deer kill was a 14-point buck that dressed out at 259 pounds in 1968. He's caught bass over five pounds, northerns up to 20 pounds and his first muskie last year, a 14-pounder.

Herbst has been battling with the Interior department since 1974 over the protected status of the eastern timber wolf, listed as an "endangered species" by the government but considered numerous enough to be a nuisance in northern Minnesota.

Herbst wants wolves to be reclassified to "threatened" status in Minnesota, so controlled trapping can be allowed and wolves can be shot on sight if caught killing livestock.

Herbst and his agency contend there were only 600 wolves in Minnesota a few years ago, but three times that many now. There are another 15,000 or so in neighboring Ontario.

Under state control, he says, wolves can be kept at manageable numbers, livestock farmers can be appeased and wolves can be kept from spreading into farming areas. A 6,000 square-mile sanctuary would be established in forested areas.

He says the Interior department is ready to make a decision, but may not allow him to participate since he would be wearing a new hat but dealing with the same issue.

Herbst says his toughest decisions in Minnesota have included closing the deer season in 1971 because of poor conditions, closing vast portions of the state to all outdoor activities last fall because of fire danger, and signing an agreement with a Chippewa Indian band in 1973 for joint control of hunting and fishing on the Leech Lake Reservation.

The Indian dispute resulted in threats on his life, he says.

Herbst was a central figure in the long court battle over Reserve Mining Co.'s dumping of taconite tailings into Lake Superior. Herbst rejected the company's permits for one on-land site, urging the company to take its disposal basin farther inland. The case is still in court.

Herbst and his wife, Evelyn, live in suburban Bloomington. Their son, Eric, 19, is a college student; another son, Peter, 17, is a high school junior, and a daughter, Amy, 12, is in elementary school.

Herbst is a native of Minneapolis and a 1957 graduate of the University of Minnesota with a degree in forest management. He was national director of the Izaak Walton League from 1969 to 1971. He was named head of the Minnesota agency Jan. 4, 1971, by former Gov. Wendell Anderson.

ENGINEER'S WEEK

Mr. CASE. Mr. President, recently my colleague from the neighboring State of Delaware, Mr. ROTH, spoke to a group of Delaware Valley engineers meeting in Philadelphia. His message was directed to a large audience, however, and I would like to share it with others. To that end, I ask unanimous consent that Senator ROTH's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

STATEMENT OF WILLIAM V. ROTH, JR.

Thank you Mr. Everett. President Myerson, distinguished guests, ladies and gentlemen:

It is truly a privilege to have been invited to address an organization whose membership includes some of the most respected business leaders, educators, and engineers in the United States. And it's especially pleasing to have this opportunity to meet with you in this historic museum.

Museums, as you know, have many honored traditions; but the tradition that particularly appeals to me is the one that insists on a prompt closing time. You might say that a museum is the one place in which speechmaking would be timed to self-destruct promptly after 20 minutes. I just wish I could sell that basic idea in Washington, but since the generation of hot air seems to be one of that city's basic traditions—the other is spending other people's money—I have no illusions about my success.

Anyhow, I promise you that I'll try very hard to speak less than 20 minutes, even though the subjects I want to discuss are diverse and complex. I'd like to look beyond tonight, beyond next week, and consider some of the long-range problems confronting our country and the need for common-sense solutions.

But before we look at where we're going, we should first examine where we are. And since it's a sad fact of life that our national health is measured primarily in economic terms, we should first remind ourselves that our economy is once again showing serious signs of sluggishness. Unemployment is much too high; the bitter winter and its accompanying energy crisis have dampened production and caused severe physical and economic damage in many areas, and inflation—fueled by the expectation of more government spending and even higher government deficits—remains a constant threat.

It is small wonder, then, that the American people—belabored as they have been by the economic pressures—may have lost sight of the basic dynamics of our free society—of the principles that have made and kept our country great. In my travels, I have found that people are confused and seem overly ready to reject long-term solutions to our economic problems in favor of the quick fix—the soothing nostrum that promises pocket money today, and never mind the tomorrows. The pet project, the boondoggle, the instant and easy solution, have become cracks in the walls of our system. And the majority of the American people, either through apathy or lack of economic savvy,

seem ready to accept these easy answers. The fact that they are so inclined should give us all pause for serious thought and concern.

Washington is now entering the first phase of the annual economic and political battle between the Congress and the President. As always, the issues are what we should do and where we should be heading in the coming year on spending, on taxes, on energy, and a host of important problems, foreign and domestic. And, as always, the decisions that will be made will affect us all, not for just this year, but for many years to come.

It's an either or situation. Either we choose programs that lead us back to the healthy growth and expanded opportunities that have made us a beacon of hope and inspiration for peoples everywhere, or we opt for a course that could lead us deeper into the economic quagmire—with renewed inflationary spirals, chronic, unemployment, and compounding energy shortages.

This winter's energy crisis, the second we've faced in less than four years, offers an excellent example. Either we make some tough decisions on energy or we continue to take the ostrich-eye view, in which the energy problem will go away if we pretend it isn't there.

Survival dictates, of course, that we go with the tough choice. And first, we must recognize the fundamental issue: Do Americans have the grit and determination to develop new sources of practical and economical energy by the year 2000? We all know that the amount of oil and gas in the earth is finite. If it is not exhausted within the next two or three decades, it is likely that it will have become so scarce as to be too expensive for practical use. There is only so much oil and gas, and no amount of wishful thinking on the part of the American people, the Congress of the United States, or the Sheiks of Middle East is going to change that simple fact.

Recently, for instance, the news media have been filled with dark speculation, suggesting that during the depths of the natural gas crisis some major producers were hoarding gas supplies, waiting for the price to rise so they could make a killing.

If that indeed happened, and if some laws were indeed broken, then let's find the criminals, try them in a court of law, and jail them. But let's not fool ourselves into believing that by merely tossing some executives in jail we can magically produce new supplies of oil and gas. Jails and criminals notwithstanding, the supply of oil and gas is limited and we are running out.

Dozens of experts have told us, time and time again, that the energy problems must be solved, but as a nation we persist in drifting indifferently toward disaster. Worse, we are even being sped along on this aimless course by certain of my colleagues in the Congress who refuse to recognize that a solution is desperately needed. Every week's delay is but one more nail in the coffin of our economy and our national strength.

Let me give you an example of how another nation has responded to the energy crisis:

I recently returned from Japan, where the country has undergone sobering changes in the use of energy. After a crisis precipitated by the oil embargo, there was a strengthening of Japanese resolve, and the nation's attention turned towards cost cutting and conservation. As a result, the Japanese economy *gained* 3.1 percent between Fiscal Years 1974 and 1975, while the country's energy consumption *dropped* four percent.

Specifically, we require a simultaneous, two-pronged attack on the energy problem: on one flank we should exploit every means of conserving energy, while on the other flank we should sustain a concerted effort to develop new sources of energy. Conservation may be a stopgap measure, but it is a necessary one and we should pursue it with utmost vigor. Likewise, a national policy to develop all alternate potential energy sources—coal gasification, wind, solar, and nuclear power—may be viewed as expensive and unnecessary, but it is critical to the future of our country.

I support the creation of a Department of Energy to work towards these goals. I also support, and have worked hard for, the gradual phase out of government economic restrictions and controls which impede the development of energy sources such as oil and natural gas. Two years ago, the Senate came within a few votes of approving a gradual oil decontrol plan coupled with windfall profits taxes and tax cuts for the consumers. And as far back as two years ago, I personally introduced a bill to allocate supplies of natural gas to ensure that each state receive its fair share in a crisis. I also proposed that in leasing public lands, the Federal government should have the right in the national interest to require maximum production of oil and gas.

If we had taken these steps two years ago, I am convinced we would have been able to respond more adequately to the crisis we experienced this past winter.

Our energy problems are inextricably interwoven with our economic problems. One contributes to the other, each is a cause of both. And so, it's most important that, when we tackle our specific economic problems, we do so with the same long-term thinking we bring to bear on energy.

Today's economic problems have a haunting familiarity about them. Remember the early 1960's, when economic growth was stagnating, when unemployment rates were at historically high levels and when private investment was falling? At that time a newly-elected Democratic President was searching for ways to keep his campaign pledge "to get the country moving again."

Today—16 years later—another newly-elected Democratic President and a Democratic-dominated Congress are traveling the same trail, seemingly oblivious to the "discoveries" made by their predecessor.

Today, the President and Congress want to "put the country back to work." As before, the economy is sputtering, unemployment is at intolerable levels, and private investment is at low levels. But while the same economic problems that threatened the start of the "New Frontier" now threaten the "New Spirit," the similarities end right there.

The new Kennedy Administration wanted sustained economic growth in the private sector, and therefore, its first major tax proposal was for a 15 percent tax credit to encourage business investments. This proposal, along with subsequent moves to provide permanent, across-the-board tax cuts for individual taxpayers and businesses, did indeed stimulate the economic growth and private investment needed to create jobs and get the country "moving again."

But, the lessons of history are currently being ignored, and a Rube Goldberg package of tax rebates and Government make-work jobs programs is being offered by both Democrats and Republicans as "the best way" to stimulate the economy.

The major provision of the Administration's proposed economic stimulus package is a $50 rebate check, described as a "quick, one-shot stimulus" to the economy.

But the manner in which the $50 rebate checks will be distributed by the Government can more accurately be described as a "buck shot" stimulus. Most, but not all taxpayers, and most, but not all non-taxpayers, will receive a $50 check from Uncle Sam, and if there are some people who receive two rebate checks, there will be others who will receive no check at all.

Reasonable Americans can see that the tax rebate proposal is an ineffective gimmick, and a substantial body of expert (and Democrat-leaning) economic opinion underscores this public skepticism with its own doubts as to the economic effectiveness of temporary tax rebates.

Instead of tinkering with the economy with ineffective and temporary gimmicks, I believe it is essential that we take steps to restore the nation's confidence in the economy and the future.

I have called on Congress to reject the Administration's tax rebate approach and instead enact a substantial and permanent reduction in taxes for business and individuals.

These tax cuts should provide real relief to middle-income taxpayers and they should not be limited to people earning under $15,000–$20,000, as so many members of Congress have proposed. The Democrats idea of tax relief is $50 rebates. Many of my Republican colleagues want to center tax relief on those earning under $18,000. Why are we so timid about rewarding the most productive members of our society—the great majority of middle-income Americans who have worked hard and earned a break from their government.

So, while it is unlikely that it will ever happen, it is nonetheless clear that Congress should put the tax rebate idea in mothballs, and then enact permanent, across-the-board reductions in all tax rates, both individual and business. Permanent tax cuts are needed to offset the inflation-induced tax increases of the past few years, to increase consumer purchasing power enough to insure economic expansion, and to encourage the business production and investment needed to create permanent, tax-paying jobs.

Middle-income families as well as lower-income families, deserve and need permanent tax relief. For as long as taxpayers are forced to send more and more of their income to Washington, the more sure there will be less money spent, saved, and invested in the private economy. A permanent tax cut would effectively increase consumer incomes and purchasing power, stimulate business expansion and investment, and truly get this country moving again.

And so, my friends, it's quite clear that every American has a responsibility to preserve and enhance the free competitive economic system that has served this country so well. And, as I've emphasized Government has a responsibility to reject the easy solutions and instant cures.

I must also, in the moments that remain, deal head-on with another serious political crisis. The fact is, the American way of life still stands in terrible jeopardy—Why? Because inflation, unemployment, higher taxes, and energy shortages have increased the prospects of downward mobility for the great majority of Americans.

The liberal-oriented magazine, *The New Republic*, interestingly enough, recently made this same point. Let me read you an excerpt from a recent editorial in that magazine:

"If not quite accurately and certainly unevenly, the economy once had the appearance and some reality of being a particularly heady version of Jacob's ladder. For generations, waves of immigrants succeeded in pushing the country westward and their children upward . . . Now the great success story seems to have ground to a halt, perhaps even to have reversed itself. It may be for the first time in history, depressions aside, when middle-class Americans can reasonably anticipate for their children the long-range prospect of downward mobility."

I believe the magazine has shown us an X-ray that reveals an alarming spot in our national character—a spot that has all the earmarks of a debilitating, perhaps fatal, cancer.

And if Washington continues to ignore this crisis, I seriously believe we face a pro-

spective revolution among America's middle class. The people who make up this great center of political gravity are not concerned about what the Government will give them; they are worried, rather, about what the Government is taking away from them. So, we must redress the balance and inject a dose of common sense into the way we solve our problems. We must reject those policies which promise less for all, and develop programs which restore the opportunity for the great promise of upward mobility that has been cherished for so long by all Americans.

Do we dare do less? Are we afraid to espouse programs that will help the economy grow, and thus provide more for all? Are we afraid today to reward the "Energetic American" for his contribution to our Nation?

Should not the most productive, the most hard-working not enjoy more of the benefits of their labor? Are we going to permit America to move, like England to an egalitarian society where there is less for all? Or are we going to build a society in which performance and ability is rewarded.

I say we must do the latter Our Nation was built on the premise of excellence, of performance, of productivity. We cannot permit it to drift into a rut of mediocrity, no-growth and egalitarianism. We must stop this slide of downward mobility of the middle class, as foreseen by the *New Republic*.

We've got to bring serious and inventive thought to bear on the problems that belabor the great, hard-striving, gutsy men and women and youngsters who make up middle-class "Energetic America."

The answers, in the final analysis, lie in the minds and hearts of men and women like you. The Presidency, the Congress, the Federal bureaucracy, the state governments are only what you permit them to be. Government is not an entity unto itself nor is it a monster that breathes and moves as the result of an infusion of unholy power from some nebulous Frankenstein. It's a group of men and women. They are only as capable and constructive and inventive as their intelligence permits them to be. You have chosen them; you have given them their conglomerate of life; you will decide on their conglomerate destiny. If they fail you and their failure persists uncorrected, then the failure is truly yours.

I dare say that if you apply to our national problems the great courage, dedication, talent, and skill you've demonstrated in your climb to professional success, then we have nothing nothing at all to fear.

Thank you, and good night.

DEVIL'S ADVOCATE ON ARMED SERVICES PANEL

Mr. NUNN. Mr. President, I should like at this time to insert in the RECORD a recent article published in the St. Louis Post-Dispatch on my good friend and colleague, Senator JOHN CULVER of Iowa. The article is written by Richard Dudman and is entitled "Devil's Advocate on Armed Services Panel." I believe it accurately captures the tremendous contributions that Senator CULVER has made to the resolution of defense issues within the Senate Armed Services Committee.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEVIL'S ADVOCATE ON ARMED SERVICES PANEL

(By Richard Dudman)

WASHINGTON.—Three generals and an admiral, with a total of 16 years among them, faced the junior Senator from Iowa across the table.

Senator John C. Culver asked Adm. James L. Holloway III, chief of naval operations, how it had happened that the navy had "dropped 31 ships through the cracks" since last May.

Culver had spotted that Adm. Holloway was reporting the fleet would drop to 462 ships by Sept. 30, 1978, whereas then-Secretary of Defense Donald H. Rumsfeld had testified last May that the fleet would grow to 493 ships by that date.

The admiral attributed the discrepancy mainly to delayed delivery of ships under construction.

"You are not going to have them," Culver pressed further. "In case the Russians are coming, they are not going to be ready?"

"Not that year," said Adm. Holloway.

"The Russians are not going to wait," Culver told him.

"Yes sir; I understand that," said the admiral. "It is not something I want to see happen. I agree with you."

In a day of exchanges like that, the Iowa Democrat was performing a role he has cut out for himself on the Armed Services Committee, where there is occasional skepticism about military claims and demands but where the predominant atmosphere is one of support and co-operation, if not outright porkbarrel politics.

He is not hostile to defense in general, but he is a well-informed and sometimes harsh critic of particular weapons programs and military programs that he considers unwise or inefficient.

Culver has had some effective company in his two years on the committee. Until last December, he often was allied with Senator Stuart Symington (Dem.), Missouri, who did not seek re-election, and Senator Patrick J. Leahy (Dem.), Vermont ,who now has shifted to the Appropriations Committee.

He finds himself siding often with Senators Gary W. Hart (Dem.), Colorado, and Dale Bumpers (Dem.), Arkansas, and sometimes with other members against the more conventional majority led by the chairman, Senator John Stennis (Dem.), Mississippi.

Culver has some special things going for him. For one thing, he is built like a tank; he played fullback on the Harvard football team (class of 1954). For another, he has a bullhorn voice that doesn't interrupt easily. For a third, he comes prepared, having mastered the facts and background on whatever it is he wants to quiz the Pentagon's top brass and braid about.

Still another factor that sets Culver apart as a member of the Armed Services Committee is Iowa's low ranking as a state with defense industries or contracts.

Iowa has only one defense plant, an Army ammunition plant at Burlington. In addition, some Iowans work at the Rock Island Aresenal, across the line in Illinois.

There is one major defense contractor in the state the Collins Radio Co. in Cedar Rapids, a subsidiary of Rockwell International, prime contractor for the B 1 bomber.

Culver has received several hundred letters about the B 1, of which he was an outspoken opponent. A majority joined him in opposition, but among a few hundred from Collins Radio the greater number supported the bomber program.

Even among the Collins employes, however, many wrote that as American taxpayers they thought the B 1 was a waste of money. Some of these reported that Rockwell had provided writing materials and stamps for its employes throughout the country to write to their Senators about the plane.

Culver asked general counsel of the Department whether this practice might be an illegal use of Government funds for lobbying purposes, but the official concluded that there was no violation.

Culver's preference for committee assignment for foreign relations—he had studied at Cambridge University in England after receiving his bachelor's degree at Harvard College and he was on the Foreign Affairs Committee, now the International Relations Committee, during his 10 years in the House of Representatives.

But Senator Dick Clark (Dem.), Iowa, Culver's former administrative assistant in the House, had taken a chance against Richard M. Nixon's landslide and had run for the Senate in 1972. Clark won. And he was assigned to the Foreign Relations Committee, two Senators from the same state and the same party cannot serve on the same committee.

In the recent hearing, Culver wanted also to know why the Navy was planning to decommission twice as many ships in the next two years as it had expected only last May.

Adm. Holloway said that would save overhaul expenses, but Culver expressed the suspicion that the Navy was trying to show a continued decrease in the size of the fleet. He brought out also that the United States was selling two or three dozen Navy ships to foreign governments, including some that were less than 10 years old.

Fleet readiness was another of Culver's worries. He asked the admiral how it was that the Navy was seeking 6.5 billion dollars for new ships and nearly 4 billion dollars for new Navy airplanes and yet could not find $200,000,000 for badly needed overhaul and maintenance work.

Culver brought out, too, that roughly half the Navy's planes were not in shape to carry out all their missions. Adm. Holloway agreed that 35 per cent of the F 14 fighters were not flown because of spare parts problems alone.

The Senator said he drew some comfort from testimony that the Russians were still worse off in military readiness. But he asked, "How screwed up are they if they are doing worse than we are in this area?"

Zeroing in on the Soviet military threat, which the Pentagon had been stressing, Culver asked what was the principal Soviet air threat to the U.S. transatlantic sea lanes. The admiral replied that it was the antiship cruise missile, delivered by Soviet long-range or Navy planes.

Having laid that groundwork, Culver asked: "Is it correct that well over 80 per cent of the planes that are devoted to sea denial missions are the 1950 Air Badger bombers which probably do not have the range to reach the main shipping routes without overflying NATO countries?"

Adm. Holloway conceded that Culver's figure was "in the ballpark" and that from Soviet bases the Soviet planes would have to fly over areas such as Norway and Denmark to reach the Atlantic.

The Senator had questions also for Gen. Bernard W. Rogers, chief of staff of the Army; Gen. David C. Jones, chief of staff of the Air Force, and Gen. Louis H. Wilson, commandant of the Marine Corps.

His big question was aimed at Gen. Rogers. Culver asked whether money for "exotic apples" such as the B 1 bomber could be used better elsewhere.

Culver told the general that one B 1 bomber cost as much as 150 M 60 tanks or 14,000 TOW antitank missiles.

But the general said he had taken this into account and "I believe we are going in the right direction."

That was a few days before President Jimmy Carter announced his revisions of the Ford Administration's budget, however, including a cutback in the B 1 program from eight planes to six.

The new President, with his policy of cutting back moderately on defense spending and questioning some of the proposed advanced weapons programs, has a potential ally in the junior Senator from Iowa.

NOMINATION OF MARY E. KING TO BE DEPUTY DIRECTOR OF ACTION

Mr. JAVITS. Mr. President, today Mary E. King appeared before the Human Resources Committee for a hearing on her nomination to be Deputy Director of ACTION, the Federal volunteer service agency.

I support her nomination and believe she is a dedicated and intelligent woman who will bring a refreshing and innovative perspective to her important work at ACTION.

I believe we have only just begun to perceive the potential of ACTION to attract volunteers to perform useful services throughout our country. Two of my particular interests are the establishment of a Urban Service Corps of volunteers to work with the disadvantaged and handicapped and others in cities which have sustained material diminution in their capacity to deliver public services, and the expansion of the current VISTA program that works with recent immigrants from the U.S.S.R., South America, and elsewhere to facilitate the process of adjustment to the mainstream of American life.

Mr. President, I ask unanimous consent to have printed in the RECORD of these proceedings, the statements of Mary E. King before the Foreign Relations and Human Resources Committees.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF MARY E. KING, NOMINEE FOR DEPUTY DIRECTOR OF ACTION, TO THE FOREIGN RELATIONS COMMITTEE, FEBRUARY 24, 1977

I appreciate the opportunity to appear before you. I look forward to working with you during the next four years. You have been provided with biographical information, but prior to answering your questions, I have a brief prepared statement.

Much of my life has been spent working for civil rights, an end to poverty, betterment of public health, and equal rights for women.

The agencies of ACTION were born in American idealism. Perhaps it was the ministerial and nursing backgrounds of my parents which attracted me to the arena of volunteer social action.

Of one thing I am certain. At home and abroad, the best part of the American character is found in our private citizens, and their willingness to work hard. I look forward to serving my country and our uncommon ideals. I hope that I too, working with you and Sam Brown, can help generate a new American spirit which—although as old as the dreams of Thomas Jefferson—says to the poor of the world: We know, we care; we will help you help yourselves to a better life in a more just and democratic world, and we will learn as we do.

Thank you.

STATEMENT OF MARY E. KING, NOMINEE FOR DEPUTY DIRECTOR OF ACTION TO THE HUMAN RESOURCES COMMITTEE, MARCH 4, 1977

Mr. Chairman, members of the committee:

Much of my life has been spent working for civil rights, an end to poverty, betterment of public health and equal rights for women. I feel a deep empathy with people who want and work for responsible social change.

The separate programs of ACTION were born out of the strong traditions of idealism and collective voluntary endeavor that created America. In the first decade of their existence, the Peace Corps and VISTA were a source of substantial material help to many thousands; of hope and inspiration to millions. Volunteers at home and abroad worked long and hard to help alleviate the twin burdens of poverty and powerlessness.

Now there is hope for a new climate of restoration and positive action. Inspiration is replacing negation in our country. As the principal federal vehicle for Americans who want to get involved to help solve their own problems, ACTION can and should capitalize on this feeling of renewal.

Every government agency likes to call itself a people's agency, but ACTION precisely fits this description. Through such programs as RSVP and Foster Grandparents, it directly delivers services to people who need them most. As such, ACTION is not a bureaucracy of elitists trying to impose solutions from above but the federal agency uniquely centered on the conviction that, given the proper support, people can best solve their own problems. An agency such as ACTION, in the pursuit of its larger goals, must care about people helping themselves. It must foster and support innovative, responsive efforts by those who want to gain greater control over their individual and collective lives.

A revitalized ACTION agency can do much to help restore the validity and integrity of self-help and hard work, both here and abroad.

As you know, the President has also appointed me as Special Adviser on Women. All of ACTION's concerns have a direct link here. For instance, the principal activities of Peace Corps Volunteers are in agriculture, health and education. Worldwide, women are the chief producers and preparers of food, and dispensers of primary health care. Their lack of education puts a burden on all society. The Peace Corps can substantially upgrade the status of women because its volunteers are in intimate daily contact with their lives and problems. Domestically, VISTA volunteers can have a similar impact.

Volunteers have made a significant difference in the past, whatever their programs, wherever they have served. But what of the future? If we are to be effective, if we are to use our financial and human resources wisely and productively, we must have programs that reflect the needs of local communities and creative plans that respond to their problems and their hopes.

We must also broaden the volunteer base to include and involve those who may now feel left out of our complex society: the elderly, the unemployed teenager, the forcibly retired, displaced homemakers, the very poor and the illiterate.

In my estimation, the major question we face as a society is what kind of people are we when we are at peace; when we have relative domestic tranquility; even after our basic values have withstood severe testing and have survived? The programs of ACTION provide some of the answers to these questions.

Volunteer activism is one of our richest heritages. I hope to see the agency become one catalyst for redefining our sense of purpose and for helping renew our national priorities. Perhaps in the future, successful ACTION programs may serve as models for a people dedicated to volunteer service at all levels of our national life.

I hope that I, too, working with you and Sam Brown, can help regenerate that unique spirit of voluntary action upon which America was founded.

Thank you.

PROPOSAL TO CHANGE TENURE FOR U.S. JUDGES

Mr. HARRY F. BYRD, JR. Mr. President, the Federal courts continually give additional meaning for a constitutional amendment which would require the reconfirmation of Federal judges every 8 years.

Just a few weeks ago, U.S. District Judge Frank Gray carried the principle of integration and equal opportunity to absurdity by requiring the fusion of the University of Tennessee and Tennessee State University. The former is mostly white, the latter mostly Black. But both schools have open admissions policies.

The Dallas Morning News accurately stated that "This is a breathtaking order, even by Federal standards."

This action is, however, no more breathtaking than a judge in Mobile altering that city's form of municipal government, or a Federal judge suspending elections in Richmond.

In view of this type of Federal judiciary activity by a few activist judges, it can hardly be any surprise that a growing number of editorialists are lending their support to my proposal.

Most recently, the Baton Rouge, La., State Times has urged that hearings be held on the periodic reconfirmation of Federal judges. Citing Thomas Jefferson's famous dictum about the danger of Federal judges isolated from accountability, the State Times asks if it is not in fact time to bring full national debate to this flaw in our Constitution first spotted by its chief architect.

It points out that 49 of the 50 States now have fixed terms for their own judiciary. Yet, few would argue that State judges are any less independent than their Federal counterparts.

Mr. President, I ask unanimous consent that the full text of the Baton Rouge State Times editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BYRD'S PLAN TO CHANGE TENURE FOR U.S. JUDGES

"At the establishment of our Constitutions, the judiciary bodies were supposed to be the most helpless and harmless members of the government. Experience, however, soon showed in what way they were to become the most dangerous . . . In truth, man is not to be trusted for life, if secured against all liability to account."

This quotation is at the heart of a proposal by Sen. Harry F. Byrd of Virginia to amend the U.S. Constitution to subject federal judges to be reconfirmed by the Senate every eight years. And the man he quotes in support of his proposed change was the foremost architect of the Constitution—Thomas Jefferson.

Sen. Byrd believes that Jefferson's recognition of a mistake in the original Constitution to allow appointment of federal judges for life has widespread support now, as this nation begins its third century of life. "There is a well-founded sentiment that some members of the federal judiciary are exercising a considerable amount of will, armed wtih too much force, and given to less than a full measure of judgment," Sen. Byrd said. "There is widespread dissatisfaction with the existing system, under which

some judges are exercising dictatorial powers."

Sen. Byrd's proposed amendment would allow federal judges to serve in an office for eight years, at the end of which term they would be nominated automatically for reconfirmation by the Senate. If reconfirmed, they would serve another eight-year term, and then again be subject to reconfirmation.

Sen. Byrd has a powerful ally from the past, and a wealth of precedent now for what he proposes. Forty-nine of the 50 states now have fixed terms for their own judiciary, with Rhode Island the lone state with life tenure for its judges.

But we have lived with the present system for some 188 years, and one might well ask why a change is necessary now. Sen. Byrd's answer to this is to point to the "activist" federal courts beginning in the 1950s, when the unwritten canon of judicial restraint was cast aside, first by the Supreme Court, and later by lower courts.

Decisions of this era have promoted complaints that the federal courts have gone beyond the sphere of interpreting the law and into the domain of the legislative branch of government of making the law. "Judges who are accountable to no one are invading the sphere of the elected representatives of the people," Sen. Byrd said.

Still, a change in the federal constitution is not the same casual affair as a change in ordinary laws. Sen. Byrd has outlined a reasoned need for a change, and his proposal merits careful study and debate before it is made a part of the Constitution. The amendment process requires this debate, before both Congress and the state legislatures.

Sen. Byrd's proposal is not new. He submitted it to Congress years ago, where it has suffered mainly from inattention rather than opposition. Isn't it time to bring to full national debate this flaw in our Constitution first spotted by the chief architect of that document, Thomas Jefferson?

FEDERAL FUNDS AND THE NORTHERN ECONOMIC DECLINE: SETTING THE RECORD STRAIGHT

Mr. THURMOND. Mr. President, several politicians are claiming that the economic problems of the Northeast and the industrial Midwest are being caused by an unfair share of Federal funds going to the South and West. This charge is reflected by several accounts which have appeared in the media. For example, Business Week published, "The Second War Between the States," last May; and the National Journal published, "Federal Spending; the North's Loss is the Sunbelt's Gain," last June. Other articles with similar titles and along the same vein have appeared in subsequent months. Several politicians representing Northeastern States have announced their intention to seek changes in aid formulas to channel more Federal funds in their direction and away from the South.

The charge that the current economic problems of the Northeast can be laid at the doorstep of the Sunbelt is both false and misleading. In order to help publicize the true situation I would like to bring attention to the briefing which Mr. E. Blaine Liner, executive director of the Southern Growth Policies Board, held for staff members of Republican Senators last February 16 and also to the article, "The Sunbelt: Is Success to be Thwarted?" authored by A. C. Flora, Jr. who is professor of economics at the Baptist College at Charleston.

Mr. President, the main thrust of Mr. Liner's presentation is that the economic difficulties which the Northeastern States are suffering have largely been self-inflicted. These States have all too often adopted policies of heavy taxation and onerous regulation. Such policies have made it difficult for businessmen, wage earners, consumers, and homeowners to conduct their affairs and remain solvent. Now, Mr. President, I do not necessarily disagree with the motives that led these States to adopt such policies. However, I do disagree with the actual effects of these policies. And I most certainly disagree with the attempt to attribute the resulting economic difficulties to an unfair bias in taxing and spending by the Federal Government.

The entire notion that either the decline of the Northeast or the ascendency of the South can be explained by fiscal policies of the Federal Government is repugnant. It is high time that we recognize that the source of wealth and well-being is not located in Washington, D.C. It instead resides in the productive capacity of each and every American. All that Government can do is set the basic ground rules which either let that productive capacity express itself or, instead, stifle that capacity and prevent it from reaching its potential. Those States now encountering economic difficulties would be better advised to explore the policies set by their own State and local governments for the source of their problems. We in the South take great pride in the strides which we have made in our State economies. We, quite frankly, resent the charge that these accomplishments were not made though our own efforts but instead through the charity of both the Federal Government and taxpayers residing in the North.

Mr. Liner, in his presentation, brought attention to a study entitled, "A Myth in the Making; the Southern Economic Challenge and Northern Economic Decline," done by Dr. Carol L. Jusenius and Dr. Larry C. Ledebur for the Economic Development Administration. This study contains several facts which are helpful in putting the entire matter into proper perspective. The authors discuss trends in population, income, poverty, employment, and distributional aspects of Federal fiscal policy.

It is often alleged that people are being drained from the Northeast by the Sun Belt, leaving the poor and disenfranchised behind. Now, it is true that a net migration from the North to the South has occurred between 1970 and 1975. Yet even though more people have moved from the North to the South, a substantial number have relocated to the North from the South. Obviously, the North continues to be a very attractive place to live for many people. Even if no net migration had occurred, the South would have increased more rapidly in population than the North, because of a higher birthrate. Drs. Jusenius and Ledebur point out that the northern tier continues to contain 41 percent of the total U.S. population, and the South 30 percent of the population. In the face of these statistics, it is difficult to take seriously the charge that there has been a "flood tide" of the northern population to the South.

Another claim, frequently made, is that the South is draining the North of businesses and jobs. Drs. Jusenius and Ledebur make quite clear that the employment changes between the two regions has as its major cause, not the migration of firms from the North to the South, but instead the death of companies in the North and the expansion of already existing companies in the South. It is highly misleading, therefore, to view the employment gains made by the South as being made at the expense of employment in the North. A hard look at the data suggest that there are separate causes for these employment changes. It is erroneous to think that employment in the North would now be higher if the South had been prevented from achieving its gains in employment.

Mr. President, we in the South have tried hard to be responsive to the needs of employers. As Professor Flora explains, this is a major reason for our pace of economic growth. Fortunately for the North, we have no monopoly on this formula for success. I would be most surprised if such a policy would not produce similar results in the North. I would be delighted at such a development for both the North and South would gain and neither would lose. For example, a stronger and more vigorous North would buy more goods manufactured in the South creating even more employment opportunities. I would not look upon associated employment gains in the North as being made at the South's expense. Quite the contrary is true.

Professor Flora, in his article, points out that the South continues to lag the North in terms of per capita income. Much of the gap has been removed in large measure to the aggressive and innovative "game plan" we have pursued, but we still have considerable ground to make up. In 1929, the per capita income in South Carolina was 38 percent of the national average, 58 percent of the national average in 1940, 60 percent in 1950, and 73 percent of the national average in 1975. Even when per capita income figures are adjusted for cost of living differentials and compared as a percent of the U.S. average, they are—on the whole—lower for the South than for the North.

As an example, per capita income for 1975 in South Carolina, adjusted for the cost of living is 87 percent of the national average. Most Northern States enjoy adjusted per capita incomes in excess of 100 percent of the national average. Furthermore, Drs. Jusenius and Ledebur make clear that, even with greater Federal expenditures in the South, per capita incomes in the Sunbelt-South are generally lower than those in the Northern Tier. Furthermore, they point out that the impact of Federal taxes has not been to decrease significantly the regional per capita income gap, or to offset this "gap," as implied by much of the current literature. Even with changes in relative income shares, 44 percent of the personal income generated in the United States

in 1975 accrued to the industrial North compared with the 25.5 percent which went to the Sunbelt-South. The distribution of both national wealth and the number of wealthholders in the Nation is skewed in favor of the Northern Industrial Tier. And as Professor Flora observes, the incomes of people in New England continue to grow even with some loss of jobs in manufacturing because employment opportunities exist in other sectors such as in research and services.

Professor Flora makes the excellent point that much of the alleged "tilt" of Federal taxing and spending practices in favor of the Sunbelt are not the result of a bias against the Northeast but because it has been, and continues to be, Federal policy to help areas lagging in economic development. Our progressive Federal income tax is based on the judgment that those more affluent should pay a larger proportion of their income in taxes in order to help provide governmental services to the less fortunate. It is because the South has lagged behind the North in economic development that these Federal policies have helped the South more than the North. But as we in the South continue to make progress in closing the gap in per capita incomes, and in other measures of economic well-being, those very same policies will reduce, and ultimately phase out, these advantages now received by the South. Professor Flora observes that—

> If the Northeast reverses the flow of Federal dollars we would be in the peculiar situation where the poorer parts of the Nation would be subsidizing the development of the more affluent sections of the country.

Professor Flora continues—

> This would be the same as a poor man subsidizing a rich man because the income of the former (though much less than the latter) is growing faster.

Mr. President, it is misleading in the extreme to talk about a North and a South or a Snowbelt and a Sunbelt and assume that every State within each of these categories is like every other. There are many differences between States in the Northeast. To try to find aid formulas that will channel Federal dollars to one region and away from another, irrespective of these differences, is not only illogical but also unfair, because the relative needs for the dollars cut across sectional lines.

In conclusion, Mr. President, the mentality that would pit the North against the South in a battle for Federal dollars is the same sort of mentality that sees our economic system as one which necessarily pits one interest group against another, consumers against businessmen, labor against management. Our Nation, just as our economy, is actually structured on cooperation between all segments of society The contribution of labor is just as important as the contribution by management, and yet would be made worthless if management is prohibited through misguided policies from making its contribution. The same principle holds true for our Nation. It is just not productive to view the gains enjoyed by one region as being also the loss suffered by another region. They are not two sides of the same coin. Drs. Jusenius and Ledebur conclude in their study—

> The current debate which focuses on the rate of growth of the Sunbelt as a partial explanation of the economic difficulties of the Northern States is detrimental to the goal of achieving national policies that facilitate overall growth among all regions of the United States.

Professor Flora expresses a similar thought. He states:

> To develop a national policy for economic development of the North or the South in isolation would be poor policy. To speak of a Federal stimulus to the South alone or to the North alone . . . is meaningless. There are actually problem areas in both North and South that are economically depressed in comparison to the nation. Our policy should be selective in nature—assisting lagging areas wherever they may be whether in the North, South, East or West.

Mr. President, so that I may share with my colleagues the article by Professor Flora, which appears in the January, 1977 issue of the Baptist College Business and Economic Report, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SUNBELT: IS SUCCESS TO BE THWARTED?
(By A. C. Flora, Jr.)

As originally conceived, this article was to have been an in-depth analysis of the improving income position of Charleston and the state vis-a-vis the rest of the nation. The September 1975 issue of the Baptist College Report gave a detailed statement of income changes since 1929. This information could have been made more current since county data for a more recent year (1974) has now just been released by the Department of Commerce.

However, while considering such an article providing a detailed updating it came to the attention of this writer that important discussions concerning the economic success of the South are taking place which need to be revealed. Consequently, even though this article deals basically with income, the facts to be presented will be less detailed and the subject matter to be covered will be of a more general and more subjective nature than originally conceived. The writer will have to express some opinions—hopefully informed opinions but opinions nevertheless.

Having informed the reader that what follows is a combination of statistical fact and opinion, let us proceed to discuss the economic success of the South and a growing chorus of Northern criticism of that success as expressed in a number of recent articles in national publications.

PLANS FOR SOUTHERN PROGRESS

Late in a football game the play-by-play announcer is often heard to say that the team which is significantly behind on the scoreboard "must now play catch-up." This is usually interpreted as meaning that the losing team must pull out all the stops, throw caution to the wind, abandon its earlier game plan and engage in daring, innovative and perhaps unexpected strategy.

The conditions described in this sports terminology are closely akin to the economic conditions of many Southern states during recent decades. The economy of the South has been playing "catch-up" for many years. Using South Carolina as a typical example our people had a per capita income of only 38 percent of the national average in 1929. We had a lot of catching up to do! Across the South, after World War II, the various state and local governments pulled out the stops and began to engage in an innovative game plan. In an attempt to attract local industry (and expanding outside industry) the states provided tax incentives, financial assistance, professional developmental and locational assistance, manpower training at state expense and other enticements to industry, not the least of which were the right-to-work laws.

South Carolina joined in those innovations and even took the lead in manpower training for industry—and for good reason. Our people on average were poor. As recently as 1940 our average South Carolinian earned only half as much as the average U.S. citizen—51 percent of the national average. Although this was considerably above the 38 percent figure of 1929, it was still terribly low.

We were in transition from an agricultural to an industrial economy. Mechanization of agriculture was creating unemployment or underemployment for thousands of rural people. We did not have the industry to employ them and they in turn did not have the skills needed by many industries. Thousands left the state searching for better opportunity elsewhere.

These were the conditions faced by our state when we determined to play "catch-up." In addition to the innovative elements of the aggressive game plan described above, the states of the South possessed certain definite attractions, among the most important being the presence of a large supply of readily available labor which was eager to work. There were also the advantages of climate (assisted later by almost universal air conditioning), plentiful industrial sites and generous supplies of water.

The climate attracted not only businesses but retired people who moved south and brought money with them. In addition, World War II had brought many military installations and Federal money to the South. By 1950 our per capita income was 60% of the national average. In the 1950's the attempt to generate industry and business went into high gear.

NATIONAL ECONOMIC POLICY

Although the South began to grow, playing catch-up is slow business. In the 1960's it became a part of the national policy to give special attention to the development of geographic areas which lagged behind the nation. Many of those areas were in the South. The reader may recall the Area Development Administration (ADA) which attempted to stimulate development of poorer areas of the country. This agency was later replaced by the Economic Development Administration (EDA). The 1960's also saw the special legislation creating the Appalachian Regional Commission charged with the economic improvement of Appalachia. Legislation creating a number of the Regional Commissions, including our own Coastal Plains Regional Commission (head-quartered in Charleston) was enacted in the 1960's. All of these programs and others aimed at providing Federal assistance to areas which needed a boost to help them join the mainstream of the American economy as equal partners and equal participants.

The reasoning behind this sort of action seems in line with our progressive tax system, under which the more affluent people on the income ladder pay progressively higher tax rates and thus help provide governmental services to the less fortunate. Our tax structure has not, in recent times, been one in which each individual pays an equal share or a proportional share of governmental expenditures.

It makes good sense, then, that the nation should assist the economic development of the southern states, most of which have been far behind the national levels of economic development. This Federal assistance has actually occurred. It seems generally agreed

that during recent years the average southern state has received more Federal dollars in various Federal programs than its people have paid in taxes. These states have been net recipients of Federal dollars. This has helped stimulate the economies of the southern states.

THE SOUTH GAINS BUT STILL LAGS

In spite of Federal assistance, state innovations and natural advantages, most of the southern states (excepting Florida and Virginia) are till far behind the national average in the per capita income measure, which is the best measure for measuring well being of people in different areas. As an example, in 1975 the per capita income of South Carolina was 78 percent of the national average. Playing catch-up is frustrating. We have been at it actively now for 20 or 30 years and we are still 22% short of attaining incomes equal to the nation as a whole. See table I for a revealing 10 year comparision of income levels in the major geographic divisions of our country. This data was released in the August 1976 issue of "The Survey of Current Business."

TABLE I—*Regional Per Capita Incomes in the United States, 1965 and 1975*

	1965	1975
United States	$2,785	$5,902
New England	2,988	6,098
Mid East	3,159	6,433
Great Lakes	3,026	6,121
Plains	2,655	5,785
Southeast	2,141	5,055
Southwest	2,383	5,487
Rocky Mountain	2,532	5,576
Far West	3,170	6,481

NORTHERN UNEASINESS

It is clear that in each of the 2 years (1965 and 1975) the per capita incomes of the states included in the Southeast and the Southwest are lower than those of any other region of the country and are still substantially below the average for the nation. Yet it is the states of these two poorest regions of the United States (the Southeast and Southwest) that are generally included in what has come to be known as "The Sunbelt." A number of recent articles have revealed that "The Sunbelt," a large region stretching across the Southern borders of our nation, is an area of growth in which population, employment and economic activity is increasing. These articles also point out an apparent uneasiness among the leaders in the Northeast and Midwest that the Southern growth presents a threat to their well-being. Recently, as seldom before, one sees these Northern areas of our country actively competing for business with a new game plan. But that is not all. The leaders of these areas are heard to complain that their states pay more to the Federal Government than they get back in Federal expenditures while the reverse is true in the South and West and that in the process . . . "the South and West get a disproportionate share of the government programs that tend to foster economic activity, such as big construction projects and military contracts." [1] Political leaders of these regions have recently formed a coalition of their members to stem the flow of population, employment and Federal aid to the South.

This writer obviously agrees that the South is growing and has been growing for some years. The data clearly shows this. But this writer does not agree that New England and the Midwest are undergoing hardships which create a need for reversing our public policy. These two more northern regions of our country have continued to grow as proved in Table I.

As pointed out in a number of recent articles the population and the number of manufacturing jobs is growing faster in the Sunbelt than in the New England and Midwestern areas. A migration of population into the South is an indication of job opportunities and, of course, growth of manufacturing jobs is a measure of economic progress but not the only measure. If manufacturing is moving south, which clearly seems to be the case, the South may be gaining many manufacturing jobs, but if the New England states are gaining jobs in research, service areas such as banking and insurance, and other higher paying businesses, the incomes of the New England people can continue to grow even with some loss of manufacturing. It is certainly true that incomes in New England have continued to increase while manufacturing jobs have declined. The income data presented in Table I makes this quite clear.

REVERSE ECONOMICS

If the political leaders in the Northeast are able by political muscle to stem the flow of Federal funds to the South, they will be defeating the whole idea of public policy in recent years: that the nation should assist those areas which lag behind the nation. The South is growing, but it still lags behind the nation. If the Northeast reverses the flow of federal dollars we would be in the peculiar situation where the poorer parts of the nation would be subsidizing the development of the more affluent sections of the country. This would be the same as a poor man subsidizing a rich man because the income of the former (though much less than the latter) is growing faster. This writer fails to see the economics and the logic of this. Even an equalizing of the flow of dollars wherein each state gets back exactly what it pays would defeat the ideas of economic development—since the government would be taking a neutral position. Either of these alternatives would slow the pace of Southern growth well before our people come anywhere near to an income on par with the nation.

THE CASE FOR A REGIONAL POLICY

In fact, to develop a national policy for economic development of the North or the South in isolation would be poor policy. To speak of a Federal stimulus to the South alone or to the North alone (as the coalition would prefer) is meaningless. There are actually problem areas in both North and South that are economically depressed in comparison to the nation. Our policy should be selective in nature—assisting lagging areas wherever they may be whether in the North, South, East or West.

The concept of regionalism as expressed in the development efforts of the Coastal Plains Regional Commission and a number of other regional commissions around the country (including one in New England) is to do just that—to assist in the development of lagging regions wherever they may be.

On balance, however, there are more underdeveloped areas and subpar incomes in the South than elsewhere in the nation and on balance the South needs more assistance from the nation. For instance, the Southern Rural Health Conference was recently told that nearly half of the nation's poor live in 13 largely rural Southern states in remote areas where it is hardest to get doctors.[2] Dr. Ray Marshall, an economist at the University of Texas: "We hear a lot of talk about how prosperous the South, the so-called Sunbelt, has become. That conceals the fact that we have whole areas that seem to be completely left out of this progress." [3]

The South Carolina economist writing this article suggests that the evidence he provides backed up by such writers as Dr. Marshall makes a firm case for Regional Economic Development and for continued assistance to the South as a part of selective national policy.

An interesting article appeared in the October, 1976 "Monthly Economic Letter," of the New York Citibank. The writer of the article points out that the South is growing (which we all agree) but goes on to say that "the South's current economic advantages—unlike the diamonds in the advertisements—are clearly not forever. The list (of current advantages) includes lower wages and taxes than elsewhere: fewer and weaker unions; less stringent regulations for the protection of the environment; lower welfare costs; lower building costs and the blessing of a milder climate. Yet the South's edge in these areas is narrowing—largely because markets work." [4] The author is saying that temporary economic advantages such as lower costs are eventually lessened or wiped out by forces of supply and demand. Market forces will protect New England in the long run, if indeed it needs protecting.

The Citibank author concludes: "Despite the narrowing of its competitive edge, there is no doubt that the South has risen again and will continue to grow rapidly for some time to come. And its success will work to the benefit of the nation as a whole." [5] This South Carolina writer thinks this to be an interesting observation by a New York writer at a time when New England politicians are taking political action which would "head off at the pass" the development of the poorer areas of the country—the South and Southwest—by blunting one of the forces which has assisted the regions in their long and partially successful, yet unrealized, attempt to attain the fruits of equal development with the nation. Is this goal of equality to be thwarted by politics? Are market advantages plus the advantage of a little boost from the Federal Government to be negated or blunted by the Northeast-Midwest Political Coalition?

CRS REPORT ON FOREIGN OIL INCOME

Mr. DECONCINI. Mr. President, I recently requested the Congressional research Service of the Library of Congress to study the question of the taxation of foreign oil income.

Both the Tax Reduction Act of 1975 and the Tax Reform Act of 1976 addressed themselves to foreign oil income. My question to the CRS was to review what had been done in these two pieces of legislation and to identify other problem areas that Congress might wish to consider. I also asked the Library to suggest some possible policy alternatives.

I ask unanimous consent, Mr. President, that the report be printed in the RECORD for the benefit of all my colleagues. I would further like to commend Ms. Jane Gravelle, who prepared the report, for her excellent analysis.

There being no objection, the report

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[1] "In Northeast: A Challenge to the Growing Muscle of the Sunbelt," *U.S. News and World Report*, 18 October 1976, page 66.

[2] *Charleston News and Courier*, 17 October 1976. 13c.

[3] *Ibid.*

[4] "Jobs and Sunshine—A Winning Combination," *Monthly Economic Letter*, Citibank, October 1976, page 14.

[5] *Ibid*, page 15.

was ordered to be printed in the RECORD, as follows:

PROSPECTIVE TAX LEGISLATION RELATED TO FOREIGN OIL INCOME

(By Jane G. Gravelle)

Although the question of tax treatment of foreign source income has had general attention, particularly in the past few years, the tax treatment of foreign source income from oil production has involved somewhat different problems from those relating to the general question of taxes on foreign earnings. These problems arose from several sources: the particular economic and political institutional setting in which the oil companies operate abroad, some generous tax treatment of capital recovery in oil extraction by the United States tax system and problems in translating the foreign tax credit as it is designed to apply into practical terms.

Some recent changes in the Tax Reduction Act of 1975 and the Tax Reform Act of 1976 were designed to deal in part with these problems. New ownership arrangements in the oil producing countries will modify the problems. To describe these changes and their purposes as well as the remaining problems in the area of U.S. taxation of foreign source oil extraction income, the problems as they existed prior to the 1975 Act and changed ownership patterns will be described.

The United States levys a tax on net income. In determining the base against which this tax is applied, all costs including other taxes are deductible. However, when the tax is applied to foreign source income, income taxes levied by the foreign country are creditable against the U.S. tax due. The purpose of this provision is to avoid double taxation of income.

In order to prevent this credit from reducing U.S. tax on domestic source income (and in order to protect Treasury Revenues), there is a limit on the foreign tax credit. Under this limit, foreign tax credits cannot exceed 48 percent of total taxable income from foreign sources. This limit, called the overall limit, still allows a taxpayer who operates in more than one country to use excess foreign tax credits in one country (which imposes a rate higher than the U.S. rate) to offset U.S. taxes on income in another country (which levies tax rates lower than the U.S. rate). Prior to 1975, for oil companies, and 1976 (for other firms), a firm could adopt another type of limit called the per country limit which allowed a limit on the credit taken for taxes paid to be applied on a country by country basis. This limit was advantageous in the case of branch operations when a taxpayer sustained a loss in one country and had income in other countries. Use of the per country limit allowed him to deduct this loss against U.S. taxable income in general without reducing taxable income in other countries and thereby reducing the foreign tax credit.

As will be explained subsequently, both of these problems had particular significance for foreign oil extraction income. However, the general problem with the area of foreign oil extraction income derives from the more basic institutional setting of foreign oil extraction activity.

Under normal market arrangements, the wellhead price of crude oil reflects three different basic costs: the labor and other costs of operating the oil well (such as rental of drilling rigs), the payments to the owner of the oil deposit and the return to capital investment. If all of this activity occurred in the United States, all of these earnings would be taxed in one way or another (in an approximate sense). Labor income is taxed to workers, payments to the owner of the deposit are taxed to the owner (who may be the oil company) and the return of capital is taxed, in the case of a corporation, under the corporate income tax. If such oil were produced abroad, the United States would only claim taxes on its citizens: a tax would be imposed on the corporate income of the firm, but not on the owners of the deposit or workers unless they happened to be U.S. citizens. A foreign tax credit would be allowed for any income taxes levied by the foreign government.

However, this was not precisely what occurred in the foreign oil producing countries. The oil deposits are owned by the national government itself in many cases. Therefore, opportunity existed for collecting rents and royalties on these deposits in the form of taxes. If these taxes were couched in the form of income taxes and were large enough, the result would be that no taxes were paid on foreign oil production even though the taxes applied were not strictly income taxes.

In fact, something of this nature has occurred in foreign oil extraction. Many major foreign oil producing countries imposed a tax which was nominally called an income tax. However, the foreign country also set a "posted price" or tax reference price which was the basis for the income tax. Given a commodity with relatively fixed unit costs, this type of tax is in essence a fixed per barrel income to the producing country.

These taxes were allowed as credits against U.S. income due on foreign source income. The result was that oil companies have paid little or no U.S. tax on their foreign income. Apparently, the decision to allow crediting these taxes rather than deducting them was made by the State Department and the Treasury Department who agreed to the crediting of taxes based on foreign policy considerations in part.[1]

The pricing arrangement in the Middle East created further problems. Not only did it result in a fixed per barrel payment, but the use of posted prices for computing the limit on the foreign tax credit created the potential for shielding domestic source income from U.S. tax. In regard to this problem, M. A. Adelman states: [2]

"Posted crude oil prices are merely a means of roundabout calculation of what comes close to a per-barrel tax on production. Transfer prices from one to another division of the same corporate entity are simply bookkeeping notations to permit the corporations to minimize its total tax bill."

John Blair states: [3]

"The value of the tax credit was enhanced by the use in its derivations of the inflated "posted price" which by the latter 1960's had become an artificial construct as a result of the decline in the true or arms-length price."

Stanford Ross [4] indicated that the Internal Revenue Service has questioned these payments and, on the basis of compromises reached, substantial payments were made.

Peggy Musgrave [5] discusses the problem of transfer pricing in her study of foreign direct investment. She states:

"Vertical integration . . . combined with the multinational character of such companies permits extensive use of discretionary transfer pricing to give the greatest tax advantage."

Musgrave notes that in 1970 while 75 percent of net worth of multinational oil companies was located in the United States, only 25 percent is located abroad. Yet, only 29 percent of gross income is realized in the United States while 76 percent is realized abroad. Even more striking is the fact that 8.5 percent of investment was located in Africa, the Middle and Far East and Latin America, while 62.7 percent of gross income was realized there. Net income of 53.5 percent was derived from these same areas.

Such ratios are substantiated by tax return data, Musgrave notes. She also notes that very low levels of income are reported in those countries which are primarily refining and consuming locations, noting that only 3.7 percent of gross income was located in foreign jurisdictions of this type (such as Europe), while 12 percent of direct investment occurred in these countries. Yet, the share of investment in these seemingly "unprofitable" operations rose from 1966 to 1970.

Recognition of transfer pricing was made by the Commerce Department in 1974 when it reduced reported foreign earnings of petroleum firms downward to reflect the posted price adjustment. These adjustments were not small in magnitude, amounting to $1,130 million in 1972 and $1,747 million in 1973. The tax savings are, therefore, $540 million in 1972 and $840 million in 1973 (posted price adjustment x .48). Since the revenue loss from crediting rather than deducting the foreign tax credit can be roughly estimated at about $2 billion in 1972 and around $3 billion in 1973, this particular feature represented from 25 percent to 30 percent of the revenue loss.[6]

Thus far, two basic problem areas in the tax treatment of foreign source oil income have been identified. One is the problem of identifying what is actually an income tax. The second is the problem of transfer pricing. As will be noted subsequently, these problems may well continue in various aspects under the new ownership arrangements which have developed or are developing in the Middle East.

Two other problems having to do with the overall and per country limitations were dealt with in large part by the Tax Reduction Act of 1975 and the Tax Reform Act of 1976. One problem was that the very high rates of the payments allowed to be credited resulted in the use of excess tax credits to offset other income by use of the overall limitation. The second was that under the per country limitation, branch losses could be used to offset domestic source income, with full credits occurring in future years. These losses (under the U.S. tax structure) occurred in large part because of the ability of firms to deduct intangible drilling costs and dry hole costs in the year incurred rather than capitalizing them and deducting them over the useful life of the wells. Given the use of subsidiary and affiliate relationships, a parent could benefit from advantages of both limitations.

The Tax Reduction Act of 1975 took steps in preventing these effects. First, it required the use of the overall limitation for oil income, thereby reducing the ability to use foreign losses. Secondly, it required that overall foreign losses be recaptured as taxable income is earned in future years. Thus, even though a company could still manipulate affiliate arrangements to take advantage of losses, such advantages might be short lived.

To limit the use of excess credits, such credits will be limited to 48 percent of oil extraction income. This prevents the use of excess credits to offset other income of the companies, although it still allows them to use excess credits in one production activity in one country to offset income in another country also related to production. (The Tax Reduction Act of 1975 set this limit slightly higher, it was reduced to 48 percent in the Tax Reform Act of 1976.)

The Act did not take the more direct approach of requiring capitalization of intangible drilling costs (or dry hole costs). While now such a change might have a limited revenue impact, it does involve a somewhat more direct approach to the problem of losses—since such losses largely reflect accounting provisions of U.S. tax law.

The whole area of the foreign tax credit for oil companies is in transition now because of the changing and somewhat un-

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Footnotes at end of article.

clear new ownership arrangements developing the foreign oil producing countries. Given these changing relationships, it is very difficult to formulate tax policy in this area.

The Treasury Department would have been, understandably, reluctant to change long-standing practice as to the crediting of taxes without an indication from Congress, even though this treatment originally derived from regulation rather than legislation.

However, there have recently been some indications of a changing attitude both in legislation and regulation. One such example is the provision in the Tex Reduction Act of 1975 which disallowed foreign tax credits for payments made to foreign governments in relationship to oil in which the taxpayer had no economic interest unless the oil were sold at fair market value. Another is the addition of Section 907(d) which specified the use of fair market value for oil.

Another such example occurred with respect to certain types of production sharing income in Indonesia when the Internal Revenue Service disallowed part of the payment as a foreign tax credit. Although consideration was given in the Senate to legislatively reversing this decision for a substantial period of time, only a temporary reversal was adopted. In the same legislation, a proposal to allow a credit for certain payments made in the Iranian consortium (which were denied due to the non-equity rule in the Tax Reduction Act of 1975) was not adopted.

Problems in the tax treatment of foreign oil extraction income may become more complex because of the changing production arrangements in the oil exporting countries. Many of the important features of past arrangements may cease to apply and the problem may take care of itself in part.

Nevertheless, past treatment of foreign source oil income is still important for a variety of reasons. Although relationships between the oil companies and the producing countries are changing substantially, and the countries themselves are exercising greater market power, past history indicates a willingness of these countries to structure arrangements with the oil companies in a manner consistent with minimizing these companies' U.S. tax liabilities. Indeed, it is in the economic interests of these countries to do so. Additionally, the existence of vertically integrated companies results in opportunities for transfer pricing and reallocating income in order to minimize tax liability.

The new arrangements developing in producing countries primarily involve the purchase of the producing facilities by the countries with the oil companies in the role of marketing agents and managers. Payment to these companies can take place in a variety of manners. For example, the oil companies may be paid a per barrel or fixed fee for management and marketing services. Alternatively, countries may sell oil to the firms at a discount or compensate companies by providing a right to purchase a share of crude oil (with obvious problems of valuation). Companies may still be involved in oil exploration as well, being paid a set fee per barrel of oil discovered or a right to purchase oil (or a portion of oil) discovered.

In addition, a continuance of the type of operations described earlier which have been common in the past may occur or may develop with production in previously unexploited or less exploited jurisdictions (such as Indonesia).

Determining the problems which might arise in the future is highly speculative. In addition, because of the substantial excess credits earned in 1974 by the oil companies, data on their payments and effective tax rates which reflect these new arrangements will not be available for several years.

The prospect of continued problems in this area is quite possble, however. Such prospective problems can be illustrated with a simple example, presented by Glenn Jenkins in testimony before the Ways and Means Committee in 1974. Suppose a company requires $10 million profit to run a certain facility or manage the marketing operations. If the foreign country pays them $10 million (above costs) directly and imposes no tax, they will have a U.S. tax liability of $4.8 million. However, if the country pays them $40 million (above costs) and imposes a 75 percent tax then no tax will be paid to the United States on the $10 million.

Furthermore, it is possible that this income would be classified as oil-related income (rather than oil extraction income) and excess tax credits could be used to offset other oil related income (such as refining); whereas, excess credits on oil extraction income cannot offset oil related income. In addition, those credits will be eligible for carry-forwards (which excess credits related to oil extraction income are not eligible for).

These types of arrangements might minimize the transfer pricing problem, particularly if the governments specifically state the price at which resale is to occur to European countries.[7] However, to the extent that this does not occur, some opportunity for transfer pricing may still exist. Companies might find this to their advantage (1) as long as they have substantial excess foreign tax credits to use, (2) if arrangements are made to structure payments for marketing services in such a way as to generate high rates of tax or (3) if operations are reorganized into foreign subsidiaries and deferral can be used. (Please note in this regard that for example, ARAMCO transfers oil to its owners (U.S. oil companies) in the Middle East so that a transfer is taking place abroad between related companies.)

Problems may still remain with regard to production sharing and other types of relationships. For example, the delay of the revenue ruling regarding the Indonesian production sharing contracts will reportedly allow time to renegotiate the contract so that payments made to Indonesia will be creditable taxes.[8]

Another problem with transfer pricing was also brought up by Jenkins in his testimony. This problem related to the possibility of transferring income into shipping operations which are largely exempt from U.S. tax. While amendments adopted in 1975 which subjected this income to current taxation unless the proceeds were reinvested in shipping may place some restraints on such income transfers, it could still be used. In addition, some refining is done in countries with low tax rates (which could be organized as subsidiaries) and income might be transferred into these operations.

Unfortunately, solutions to these problems are, if anything more complex than the problems themselves. The following are some options which might be considered, ranging from a major change in the taxation of foreign oil income to more minor provisions.

(1) Denial of the credit.

Perhaps the most significant change is simply to deny the foreign tax credit for oil related income or for income in certain jurisdictions. Such a change might deal with taxes which are not actually in the nature of income taxes and limit the ability of companies to use transfer pricing to lower their taxes. However, such an approach may be criticized as unfair as long as the foreign tax credit in general is retained, since it does not discriminate specifically between standard normal foreign income tax structures and those which are collected as royalties or involve methods of structuring taxes felt to be artificial constructs.

(2) Limiting the credit to standard income taxes.

Another approach would be to attempt to restrict credits to those which are in the nature of income taxes. Under such an approach, credits might only be allowed for taxes on oil income if that income is subject to the same income tax as is imposed on other forms of corporate income in the foreign country. Such a change was contained in the Senate version of the Tax Reform Act of 1976.

(3) Dealing with potential excess credits.

If a primary concern is the potential use of excess credits related to oil related income, one approach is to allow the taking into account for purposes of the foreign tax credit of no more than 48 percent of taxes imposed in any one country (or even in any one type of operation in a country). The overall limitation could then be applied to oil income just as it is presently.

(4) Dealing with foreign oil losses more directly.

To deal more directly with foreign losses when companies are engaged in exploration and development, intangible drilling costs on foreign operations could be required to be capitalized. A similar option might apply to dry hole costs although this change presents more administrative difficulties than intangible drilling costs.

(5) Dealing with transfer pricing.

The Congress expressed its concern with transfer pricing when it added Section 907 (d) to the Internal Revenue Code (which required the use of fair market price). Transfer pricing will nevertheless remain primarily in the realm of administration rather than legislation. As noted earlier, recent changes in ownership of producing facilities in the oil producing countries may significantly reduce this problem. However, the possibility of shifting income into shipping or refining operations would be restricted if income of foreign subsidiaries were taxed on a current basis. A more limited approach would be to include shipping income in Subpart F.

All of these options will generate substantial controversy and their discussion is intended as a selection of possible changes which might be investigated. Some of the options discussed above might present substantial administrative difficulties. Others might be criticized on more general grounds such as the ability of U.S. oil companies to compete abroad.

FOOTNOTES

[1] The manner in which the crediting of taxes developed is documented in the 1974 Hearings before the Foreign Relations Committee on Multi-national Corporations and U.S. foreign policy, January 30, 1974. The problem of crediting taxes which are not strictly in the nature of income taxes has been widely discussed, in these hearings and in other works. See, for example, Gerard M. Brannon, Energy taxes and subsidies, Balinger Publishing Co., Cambridge, Mass., 1974; J. E. Hartshorn, Politics and world oil economics, New York, Praeger, 1962; Raymond F. Mikesell, Foreign investment in the petroleum and mineral industries, Johns Hopkins, 1971; John Blair, The Control of Oil, Pantheon Books, New York, 1976.

[2] M. A. Adelman, The World petroleum market, Baltimore, Johns Hopkins, 1972, p. 161.

[3] Blair, *op. cit.*, p. 202.

[4] See Hearings on Multinational corporations and U.S. foreign policy, *op. cit.*, Part 4, pp. 120–121.

[5] Peggy Musgrave, Direct Investment abroad and the Multinationals: Effects on the United States Economy, Committee on Foreign Relations, U.S. Senate, 1975.

[6] This amount assumes the IRS uses posted price for determining tax liability. To the extent that it adjusts these prices downward, such estimates are too high. On the other hand, the Commerce Department indicates that some companies already made price ad-

justments before reporting to them; therefore, the reported figure for posted price adjustments was too low.

[7] Note that the Tax Reduction Act of 1975 specified that fair market value is to be used in general and not posted price. While this is an indication to the IRS as to Congressional concern with the problem, if there is no fair market price observed, there is obviously an administrative problem.

[8] For a discussion of these negotiations, see "Indonesia Ready to Offer Foreign Firms New Incentives to Boost Oil Exploration", Wall Street Journal, February 7, 1977.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Mr. PELL. Mr. President, the recent appointment of the chairman of the Committee on Human Resources, the Senator from New Jersey (Mr. WILLIAMS), to the Board of Trustees of the John F. Kennedy Center for the Performing Arts gives me great pleasure.

As chairman of the Senate Special Subcommittee on Arts and Humanities since its inception more than 13 years ago, and now of the Subcommittee on Education, Arts and Humanities, I have long benefited from Senator WILLIAMS' advice and counsel. And our country has benefited from his leadership in these cultural areas which mean so very much to us all.

I know that his knowledge and wisdom will be of great value to the Kennedy Center in enhancing its stature as our Nation's focal point for excellence in the arts.

Let me also add that Senator WILLIAMS' charming wife, Jeanette, has a keen interest in the cultural development of our country. She adds her knowledge and charm to the accomplishments of her distinguished husband.

RENAME CLARK HILL LAKE IN HONOR OF THE LATE SENATOR RICHARD B. RUSSELL

Mr. TALMADGE. Mr. President, the Georgia House of Representatives, now in session in Atlanta, has adopted a resolution which, for myself and my colleague, Senator NUNN, I bring to the attention of the Senate, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

A RESOLUTION

Urging Congress to enact such legislation as may be necessary to rename Clark Hill Lake in honor of the late Senator Richard B. Russell; and for other purposes

Whereas, serious questions have arisen about the advisability of construction of the proposed Richard B. Russell Dam on the Savannah River; and

Whereas, President Carter has recommended to Congress that the funding of the proposed Richard B. Russell Dam be eliminated; and

Whereas, Clark Hill Lake is the largest man-made lake in the State of Georgia; and

Whereas, the late Richard B. Russell was an outstanding statesman whose commitment to fiscal responsibility and the wise use of public funds is well known; and

Whereas, the proposed dam is embroiled in controversy and would not be a fitting tribute to the late Senator Russell; and

Whereas, renaming the lake in honor of the late Senator Russell would mean a lasting tribute to one of this State's most outstanding citizens.

Now, therefore, be it resolved by the House of Representatives of the State of Georgia that this Body hereby urges Congress to enact, without delay, such legislation as may be necessary to rename Clark Hill Lake in honor of the late Senator Russell.

Be it further resolved that the Clerk of the House of Representatives is hereby authorized and directed to transmit an appropriate copy of this Resolution to each member of the Georgia Congressional Delegation.

AMERICA'S FISHERMEN AND THE 200-MILE LIMIT

Mr. McINTYRE. Mr. President, earlier this week the United States took control of all commercial fishing activity occurring within 200 miles of our coastline—a historic step that will end the foreign plundering of our marine reserves and assert American control over a precious national resource: Our coastal fisheries.

The Members of this Chamber hardly need to be reminded why it was necessary to take this action. The indiscriminate "vacuuming" of the sea by huge Russian, Japanese, and East German "factory" trawlers severely depleted such once-plentiful fisheries as cod, haddock, herring, and yellowtail flounder. By the early 1970's, the domestic share of the total catch off New England alone had fallen to a mere 10 or 11 percent. In the last two decades, the percentage of fish imported into this country increased from less than a quarter of the total to nearly two-thirds of all the fish consumed in the United States—most of them caught by foreign fishermen right off our own shores. Our fishermen were being put out of business and marine reserves being depleted at a continued and mounting cost to our balance of payments.

By passing the Fishery Conservation and Management Act of 1976, Congress took responsible action to end this intolerable situation. In the coming years we can expect to see a resurgence of economic vitality among our domestic fishermen as they expand their operations into areas formerly dominated by the foreign fleets. This will mean jobs and more business for our seaports and an end to the balance-of-payments drain.

This will not happen without the continued vigorous attention of the Congress, however. We must make certain that the intent of Congress is enforced and that foreign offenders are not allowed to disregard the 200-mile law with impunity. We must make certain that the Coast Guard is supplied with sufficient funds and personnel to enforce the law. To this end I have today written to Adm. Owen Siler, commandant of the U.S. Coast Guard, requesting information from him on the Coast Guard's capability to monitor foreign fishing activity within the 200-mile zone and to enforce the penalties embodied in the law for violators. It is essential to the success of the 200-mile conservation zone concept that we have a strong enforcement capability to demonstrate to foreign governments that we mean business this time and that the 200-mile law is not just words on paper.

Just as important, we must also remember that American fishermen will need financial and technical assistance if they—and the Nation as a whole—are to fully realize the benefits of the 200-mile act. We need to help them modernize their fishing vessels and equipment; develop new market and fisheries; and generally upgrade their operations to take advantage of this vast new resource. These small businessmen have been the subject of government neglect and unfair foreign competition for so long that we can hardly expect them to spring back overnight without a helping hand.

I, therefore, urge my colleagues to join with me in supporting S. 384, Senator HATHAWAY's Commercial Fisheries Improvement Fund Act of 1977. This bill would establish a $200 million fund from which long-term, low-interest loans could be made to fishermen for the purchase, construction, and rehabilitation of fishing vessels and shoreside facilities. It is a worthy bill and I ask each of my colleagues to give it their attention.

The Congress recognized the needs of our domestic fishermen in 1976 by passing the Fishery Conservation and Management Act. Let us not now resume the old policy of neglect and indifference and neglect our fishermen's need for assistance to fully exploit the splendid opportunities opened up by the 200-mile limit.

RULES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JACKSON. Mr. President, I ask unanimous consent that the rules of the Committee on Energy and Natural Resources, adopted at the committee's organization meeting today, be printed in the RECORD.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

RULES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

GENERAL RULES

Rule 1. The Standing Rules of the Senate and provisions of the Legislative Reorganization Act of 1946, as amended by the Legislative Reorganization Act of 1970, to the extent the provisions of such Acts are applicable to the Committee on Energy and Natural Resources and as supplemented by these rules, are adopted as the rules of the Committee and its Subcommittees.

MEETINGS OF THE COMMITTEE

Rule 2. (a) The Committee shall meet on the third Wednesday of each month while the Congress is in session for the purpose of conducting business, unless, for the convenience of Members, the Chairman shall set some other day for a meeting. Additional meetings may be called by the Chairman as he may deem necessary.

(b) Business meetings of any Subcommittee may be called by the Chairman of such Subcommittee, Provided, That no Subcommittee meeting or hearing other than a field hearing, shall be scheduled or held concurrently with a full Committee meeting or hearing, unless a majority of the Committee concurs in such concurrent meeting or hearing.

OPEN HEARINGS AND MEETINGS

Rule 3. (a) Hearings and business meetings of the Committee or any Subcommittee shall be open to the public except when the Committee or such Subcommittee by majority vote orders a closed hearing or meeting.

(b) A transcript shall be kept of each hearing of the Committee or any Subcommittee.

(c) A transcript shall be kept of each business meeting of the Committee or any Subcommittee unless a majority of the Committee or the Subcommittee involved agrees that some other form of permanent record is preferable.

HEARING PROCEDURE

Rule 4. (a) Public notice shall be given of the date, place, and subject matter of any hearing to be held by the Committee or any Subcommittee at least one week in advance of such hearing unless the Chairman of the full Committee or the Subcommittee involved determines that the hearing is noncontroversial or that special circumstances require expedited procedures and a majority of the Committee or Subcommittee involved concurs. In no case shall a hearing be conducted with less than twenty-four hours notice.

(b) Each witness who is to appear before the Committee or any Subcommittee shall file with the Committee or Subcommittee, at least 24 hours in advance of the hearing, a written statement of his or her testimony in as many copies as the Chairman of the Committee or Subcommittee prescribes.

(c) Each Member shall be limited to five minutes in the questioning of any witness until such time as all Members who so desire have had an opportunity to question the witness.

(d) The Chairman and ranking Minority Member or the ranking Majority and Minority Members present at the hearing may each appoint one Committee staff member to question each witness. Such staff member may question the witness only after all Members present have completed their questioning of the witness or at such other time as the Chairman and the ranking Majority and Minority Members present may agree.

BUSINESS MEETING AGENDA

Rule 5. (a) A legislative measure or subject shall be included on the agenda of the next following business meeting of the full Committee or any Subcommittee if a written request for such inclusion has been filed with the Chairman of the Committee or Subcommittee at least one week prior to such meeting. Nothing in this rule shall be construed to limit the authority of the Chairman of the Committee or Subcommittee to include legislative measures or subjects on the Committee or Subcommittee agenda in the absence of such request.

(b) The agenda for any business meeting of the Committee or any Subcommittee shall be provided to each Member and made available to the public at least three days prior to such meeting, and no new items may be added after the agenda is so published except by the approval of a majority of the Members of the Committee or Subcommittee. The Staff Director shall promptly notify absent Members of any action taken by the Committee or any Subcommittee on matters not included on the published agenda.

QUORUMS

Rule 6. (a) Except as provided in subsections (b), (c), and (d), six Members shall constitute a quorum for the conduct of business of the Committee.

(b) No measure or matter shall be ordered reported from the Committee unless ten Members of the Committee are actually present at the time such action is taken.

(c) Except as provided in subsection (d), three members shall constitute a quorum for the conduct of business of any Subcommittee.

(d) One Member sall constitute a quorum for the purpose of conducting a hearing or taking testimony on any measure or matter before the Committe or any Subcommittee.

VOTING

Rule 7. (a) A roll call of the Members shall be taken upon the request of any Member.

(b) Proxy voting shall be permitted on all matters, except that proxies may not be counted for the purpose of determining the presence of a quorum. Unless further limited, a proxy shall be exercised only upon the date for which it is given and upon the items published in the agenda for that date.

(c) Each Committee report shall set forth the vote on the motion to report the measure or matter involved. Unless the Committee directs otherwise, the report will not set out any votes on amendments offered during Committee consideration. Any member who did not vote on any roll call shall have the opportunity to have his position recorded in the appropriate Committee record or Committee report.

SUBCOMMITTEES

Rule 8. (a) The number of members assigned to each Subcommittee and the division between majority and minority members shall be fixed by the Chairman in consultation with the ranking minority member.

(b) Assignment of members to subcommittees shall, insofar as possible, reflect the preferences of the members. No member will receive assignment to a second subcommittee until, in order of seniority, all members of the committee have chosen assignments to one subcommittee, and no member shall receive assignment to a third subcommittee until, in order of seniority, all members have chosen assignments to two subcommittees.

(c) Any Member of the Committee may sit with any Subcommittee during its hearings and business meetings but shall not have the authority to vote on any matters before the Subcommittee unless he is a Member of such Subcommittee.

SWORN TESTIMONY AND FINANCIAL STATEMENTS

Rule 9. Witnesses in Committee or Subcommittee hearings may be required to give testimony under oath whenever the Chairman or ranking Minority Member of the Committee or Subcommittee deems such to be necessary. At any hearing to confirm a Presidential nomination, the testimony of the nominee and, at the request of any member, any other witness shall be under oath. Every nominee shall submit a statement of his financial interests, including those of his spouse, his minor children, and other members of his immediate household, on a form approved by the Committee, which shall be sworn to by the nominee as to its completeness and accuracy. A statement of every nominee's financial interest shall be made public on a form approved by the Committee, unless the Committee in executive session determines that special circumstances require a full or partial exception to this rule. Members of the Committee are urged to make public a statement of their financial interests in the form required in the case of Presidential nominees under this rule.

CONFIDENTIAL TESTIMONY

Rule 10. No confidential testimony taken by or confidential material presented to the Committee or any Subcommittee, or any report of the proceedings of a closed Committee or Subcommittee hearing or business meeting, shall be made public, in whole or in part or by way of summary, unless authorized by a majority of the Members of the Committee at a business meeting called for the purpose of making such a determination.

DEFAMATORY STATEMENTS

Rule 11. Any person whose name is mentioned or who is specifically identified in, or who believes that testimony or other evidence presented at, an open Committee or Subcommittee hearing tends to defame him or otherwise adversely affect his reputation may file with the Committee for its consideration and action a sworn statement of facts relevant to such testimony or evidence.

BROADCASTING OF HEARINGS OR MEETINGS

Rule 12. Any meeting or hearing by the Committee or any Subcommittee which is open to the public may be covered in whole or in part by television broadcast, radio broadcast, or still photography. Photographers and reporters using mechanical recording, filming, or broadcasting devices shall position their equipment so as not to interfere with the seating, vision, and hearing of Members and staff on the dais or with the orderly process of the meeting or hearing.

AMENDING THE RULES

Rule 13. These rules may be amended only by vote of a majority of all the Members of the Committee in a business meeting of the Committee: Provided, That no vote may be taken on any proposed amendment unless such amendment is reproduced in full in the Committee agenda for such meeting at least three days in advance of such meeting.

ROUTE 72 BRIDGE

Mr. TALMADGE. Mr. President, the Georgia General Assembly, now in session in Atlanta, has adopted a resolution which, for myself and my colleague, Senator NUNN, I bring to the attention of the Senate, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

A RESOLUTION

Urging the United States Corps of Engineers to build a four-lane bridge connecting Georgia Route 72 and South Carolina Route 72 in the area of the Richard B. Russell Dam and Reservoir project; and for other purposes

Whereas, currently Georgia Route 72 and South Carolina Route 72 meet at the boundary of Georgia and South Carolina adjacent to Elbert County, Georgia; and

Whereas, the construction of the Richard B. Russell Dam and Reservoir project on the Savannah River will inundate portions of these highways; and

Whereas, the future growth and prosperity of this region of Georgia and South Carolina depend in part on these highways; and

Whereas, a four-lane bridge connecting these highways will be needed in the near future to adequately handle the traffic on these routes to ensure the continued growth and prosperity of this area of Georgia and South Carolina.

Now, therefore, be it resolved by the General Assembly of Georgia that the members of this body hereby urge the United States Corps of Engineers to construct as part of the Richard B. Russell Dam and Reservoir project on the Savannah River a four-lane bridge connecting Georgia Route 72 and South Carolina Route 72.

Be it further resolved that the Clerk of the House is hereby authorized and directed to transmit appropriate copies of this resolution to the United States Corps of Engineers, to the members of the Georgia Con-

gressional Delegation, to the Georgia Department of Transportation, and to the South Carolina State Highway Department.

WINTER WORK IN MAINE

Mr. MUSKIE. Mr. President, this has been a winter of cold and struggle for people across the country. In Maine, which suffered unusual cold along with most of the Nation, people long ago learned not to fight winter head-on. It has been valuable knowledge this bitter year.

In the construction industry, Maine people realized that progress could not afford to await the spring thaw. So they have adapted, and work goes on despite the cold and wind.

A recent article in the Portland, Maine, Evening Express demonstrates the kinds of adjustments these men must make during a Maine winter. To share it with my colleagues, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IN DEEP OF WINTER THE WORK GOES ON

(By Jim Saunders)

Despite the bright afternoon sun the chill factor is near zero as a stiff north wind whips billows of snow across the Back Cove work site.

Lincoln Dennison and Norm Adams are heavily clothed, helmeted and spattered with muddy rock particles as drills churn deep into ledge, making holes for dynamite charges. The men seem oblivious to the elements and the roar of the track-mounted drilling rigs.

Nearby where a backhoe opens a trench for advancing sewer pipe, two other workmen are crouched over a small box. Other workmen and engineers clear the site.

"Fire in the hole" comes the warning cry for the blast. Then from below ground comes a sharp "KA-RUMP!"

Icicles hang down the black earth walls of the deep trench where Bob Dudley and Phil Lowe work behind a probing backhoe shovel. They prepare a gravel bed for the next section of the 7,200-foot sewer pipe that Cianbro Corporation is laying along the north and west shore of Back Cove.

It's deep into a Maine winter and this is winter construction, surely a test of men and machines if there ever was one: weeks of subzero nights and dawns, the relentless cutting north wind, deep frost, deep snow, icy footing, snow flurries, snowstorms, everything the longest season can dish out—and is dishing out.

But the work goes on.

The Portland Water District is responsible for putting a sewage treatment system into operation for Portland in two years. Four contractors, which began work last fall and summer, are building most of the system.

Cianbro Corp. of Pittsfield, one of the contractors, has the $860,000 contract for the first part of the Back Cove interceptor.

"The big storms will shut us down for a day or so, otherwise we work right along," declares bundled-up Jim Leavitt, his voice raised over the roar of a diesel engine. As job superintendent, Leavitt leads a seven-man pipe laying crew. Framed by helmet and ear flaps, his face like the other men's was red with the cold but warmed with good humor.

"It's a tough season all right," said Leavitt of Kezar Falls. "The biggest thing has been the cold weather," not the storms. "We've about had our fill of it." The cold weather means bulky clothes and balky machines. Heavy machinery starts hard after subzero nights, though some big diesels have gasoline engines to crank them. "You have to warm them up," Leavitt says, "and it's a lot harder to avoid breakdowns.

Contractors learn to work around the cold.

Passing traffic sees only a crane and some piled supplies at the Baxter Boulevard Pumping Station. But under the shelter of a polyethelene roof is a huge room, its walls going up within a great excavated cylinder of interlocked steel sheathing.

The of station is one of three being built by Seaward Construction Co. of Kittery under a $4.085 million contract.

Foreman Jim Kennard of Biddeford heads 11 carpenters and laborers who are erecting and tieing heavy steel reinforcing rod for the two-story walls. The outer wood forms are in place and the inner ones will go up soon. The two-foot thick base is in place.

For a job that started Dec. 6, the big pumping station, all underground, is moving right along.

Yet winter can assist builders, too, observes Victor J. Layton, inspecting engineer for Camp Dresser & McKee system design engineers.

The deep blanket of ice and snow shields marsh areas where material from the trench is temporarily piled. In May marsh grasses will be planted in the disturbed areas.

The contractor's challenge Layton says, is knowing that work can be done profitably in the winter. An experienced contractor does not fight winter head-on. Some days you just have to let Mother Nature rage.

FOOD STAMP REFORM

Mr. MCGOVERN. Mr. President, I am very pleased to have joined again with my colleague, Senator DOLE, in introducing a major food stamp reform measure, S. 845. This bill will strengthen and improve the food stamp program.

The most important change S. 845 would make is to eliminate the purchase requirement. Last year the Senate Agriculture Committee failed to recommend this provision on a 7–7 tie.

It would work very simply:

Every four-person family participating in the food stamp program, for example, now receives an allotment of $166 in food stamps per month. For this allotment of $166, all participating families, except those few with no income at all, must pay a purchase price.

A typical family of four with a net income of $350 per month currently pays $95 a month for the allotment of $166 in food stamps. Therefore the benefit or "bonus" equals $71—$166 minus $95 equals $71.

Eliminating the purchase requirement would provide the "bonus" food stamps to the eligible family without requiring a cash transaction. Our typical four-person family mentioned earlier would simply receive the $71 in food stamps.

Currently the most significant obstacle to participation in the food stamp program for those now eligible but not participating is the cost of the stamps. Although the food stamp program was enacted to aid the needy, many of the neediest find themselves too poor to participate.

This situation cannot create great respect for the institution of government. Once the Congress has decided who is eligible for food stamps—who is so poor that they cannot afford an adequate diet—we should make every effort to see that those who are eligible can participate in the program.

Eliminating the purchase requirement would also solve the problems caused by the need to handle, safeguard, and account for, billions of dollars annually.

Last year, because of concern about the accounting practices of some food stamp vendors—those businesses authorized by the States to sell food stamps—we passed the Emergency Food Stamp Vendor Accountabiliy Act. This Act ensures that food stamp vendors properly account for the cash and food coupons in their charge.

However, some States have reported that the additional requirements of that act have caused banks and other vendors to drop out of the program and have greatly increased the cost to the State for those vendors who remain in the program.

It is clear that the whole situation is fraught with complications. Eliminating the purchase requirement would eliminate the need for cash exchanges and for the elaborate and costly cash accounting system set up in the Vendor Accountability Act.

In addition to eliminating the purchase requirement, the Dole-McGovern bill establishes a standard deduction of $100 for all families. An additional deduction of 20 percent of all earned income for those families with a working member is provided to insure that working households do not have a work disincentive.

For those households in which child care is necessary in order for a parent to take a job, the bill provides a deduction of up to $85 for child care costs. The deduction for child care, which is currently allowed under the food stamp program, allows a parent in an eligible household who must have child care, to continue to work and receive food stamps.

Under this bill, the Secretary of Agriculture is also authorized to allow an additional deduction of up to $50 for areas which are determined to be suffering unusual hardship conditions. This would permit the Secretary to allow a greater deduction, for example, in areas which suffer a severe winter which drives up the cost of heating a home.

The bill also contains provisions to improve State administration of the program and to insure that eligible families are certified promptly and receive their stamps without undue delay. We have attempted to integrate, as much as possible, the application process for the food stamp program with the application process for public assistance and SSI.

I feel that this bill is a balanced reform of the food stamp program—one which eliminates the possibilities for abuse, but which allows the needy, for whom the program is intended, to participate.

I ask unanimous consent that an analyisis of S. 845 and the text of S. 845 be printed in the RECORD at this point.

There being no objection, the analysis and bill were ordered to be printed in the RECORD, as follows:

ANALYSIS OF S. 845—THE DOLE-McGOVERN FOOD STAMP BILL

DEFINITIONS

Section 1(a) redefines "household" in such a way as to remove the requirement that household members under 60 be related (this clause was declared unconstitutional) and to eliminate the requirement that a household have cooking facilities. The cooking facilities requirement now prevents some of the poorest households from participating in the food stamp program, even though there are many nourishing foods sold which require no cooking.

This section also repeals the SSI cash-out provision inserted under PL 93-86 which has never been implemented because of the enormous administrative difficulty it would cause. SSI cash-out is provided in a simpler manner under 3(c) of this bill.

This definition of "household" retains the requirement in current law that households be a single economic unit and that they purchase food in common.

Section 1(b) allows food co-ops to accept food stamps. It prohibits drug addiction or alcoholic treatment centers from cashing food stamps at banks. Section 1(b) was contained in S. 3136 which passed the Senate last year.

Section 1(c) redefines "elderly person" to remove any reference to cooking facilities, consistent with the changes made in Section 1(a).

Section 1(d) adds a new term, "adjusted semiannually" which will be used in updating net income limits and standard deductions.

Elimination of the purchase requirement

Section 2 eliminates the purchase requirement in the food stamp program. Under this provision the amount of the food stamp benefit, or bonus, will be granted to eligible households without requiring them to purchase additional stamps.

This section also repeals the provisions of the Helms Emergency Food Stamp Vendor Accountability Act dealing with the handling of cash by food stamp vendors. Since there would be no cash involved in the transaction, there would be no need for these safeguards.

Eligible households

Section 3(a) amends section 5(b) of the Food Stamp Act which sets the standards of income and resources households must meet to be eligible for the program. Standards set are to be the same for public assistance households, removing categorical eligibility for public assistance households.

The maximum net income limits (net income is income after deductions) is set at the poverty line, presently $5,500 for a family of four. These are the limits set in S. 3136 which passed the Senate last year. These income limits are to be updated semiannually, as specified in S. 3136.

Limitations on assets a household may own are to be set by the Secretary of Agriculture and updated every year. S.3136 contained a similar provision—without the update, but forbade the Secretary to change the asset limitations now prescribed by regulation, until after a study of assets held by participating households. This study is retained in section 8 of this bill.

The deductions a household is allowed from gross monthly income are also specified in this section. These include a standard deduction of $100 for all households, and two types of deductions for working households—20% of all earned income to compensate for taxes, mandatory payroll deductions, and work expenses, and child care costs up to $85 per month. Child care is taken separately because it is a deduction which affects very few households, but which for those households amounts to a large expense over which they have little control. Child care is now deductible from income under current food stamp regulations.

The final deduction is an amount, up to $50, which the Secretary may allow at his discretion to households during times of hardship, such as severe cold spells which drive up the cost of heating a home.

The time period over which income is to be measured is defined in subsection (5).

In determining eligibility for the food stamp program, certification workers are to take into account both the income received over the past thirty days and the changes in this income which can be anticipated during the certification period. The only exceptions are for households, such as farmers or students, which receive a lump sum which is meant to cover several months, for whom this income is to be averaged over the time period it is meant to cover.

Household income is specified with certain exclusions in this section also. The exclusions are basically the same as those passed in S.3136.

The provision of emergency standards of eligibility is similar to current law, except that in this bill the Secretary is not required to disregard a household's income and resources. This will permit a more flexible approach to emergency certification and prevent some of the current problems.

Section 3(b) sets out the work registration requirements an applicant household must meet in order to be eligible for food stamps. This section differs in several ways from S.3136 passed last year by the Senate.

First, this section disqualifies only the noncomplying individual from the food stamp program, not the entire household. This bill also allows mothers of children under 18, rather than twelve, to be exempt from work registration.

In addition, it exempts from food stamp work registration requirements a person already subject to work registration under the AFDC program, or the unemployment compensation system. An exemption is also provided for a person who is already working and earning the equivalent of the minimum wage times thirty hours a week.

This section contains a requirement that food stamp applicants actively look for jobs through the state employment service. It does not force applicants to take jobs which are less than thirty hours per week, which pay less than the minimum wage, or which require them to join, resign from, or refrain from joining any legitimate labor organization.

Individuals who do not comply with this section may be disqualified from the food stamp program for up to a year.

Section 3(c) adds several new subsections to the law. Illegal aliens are to be prohibited from receiving food stamps and households cannot be certified unless they cooperate with the State agency.

Students will no longer be eligible if they are dependents of a household which could not qualify for food stamps (this provision was passed in S. 3136 and is also in current regulations).

SSI households are to continue to be cashed out in the two states (California and Massachusetts) in which they are already cashed out.

Change for food stamp purchases

Section 4 of this bill allows food stamp shoppers to receive their change at the grocery store rather than in store scrip. Because this scrip is usually only good at the wno must depend on friends and neighborr store which gives it out, food stamp users for transportation to stores often accumulate large amounts of unused scrip.

Study of the thrift food plan

Section 5 deals with the Thrifty Food Plan. S. 3136 mandated use of the Thrifty Food Plan in determining coupon allotments for food stamp households. However, questions remain on the validity of this food plan as a basis for allotments. This section simply requires that the Secretary study the problem for not longer than six months before making a final decision.

Administration

Section 6 makes several changes in the administration of the food stamp program:

States would be required to provide regular staff training.

The "insure" clause is removed from the outreach section, but states are required to notify all recipients of SSI, AFDC, Social Security, and unemployment compensation of the food stamp program and its benfits.

States would be required to allow households which try to apply for the food stamp program to submit an application and to act on that application within thirty days.

Recertifications would have to be handled promptly so that there is no interruption in an eligible household's receiving its coupon allotment.

Authorized representatives would be allowed to stand in for households in which members cannot get out to be certified themselves, as is now allowed by regulation.

Where feasible, applications for food stamps would be taken along with AFDC or general assistance applications.

Certification and issuance offices would have to provide locations and hours which allow eligible households to participate in the program.

Multilingual personnel and forms would be provided.

Emergency issuance procedures would be set up to provide households with no income stamps within two days.

Households which had been denied their food stamps through no fault of their own could be restored through a lump sum payment.

Section 6 also provides that elderly persons, as well as disabled persons regardless of age, may use their food stamps to purchase meals-on-wheels. This section does not extend eligibility for the program, it merely provides that those who are eligible for both food stamps and meals-on-wheels may use the stamps to purchase the meals.

This section provides, in addition, that households who receive SSI payments may be certified for food stamps on the basis of information already on file with the SSI office.

States are further required to open their state plan of operation to public comment.

Fines as an alternative to disqualification of retail food stores and wholesale food concerns

Section 7 provides civil penalties as an alternative to disqualification for food stores that violate provisions of the Food Stamp Act.

Besides tightening up the retailer end of the program, this provision allows recipients in an area where there is only one retail store to have access to the program even though the retailer has been found guilty of a violation.

Research demonstration and evaluations

Section 8 provides research and demonstration authortiy to the Secretary, authortiy which is not now in the law. In addition, it specifically provides for a study of the assets held by recipients of the program in order to provide a basis for the assets limits the Secretary must set under section 3 of this bill.

Appropriations

Section 9 extends the authorization for the food stamp program for five years.

Commodity distribution program

Section 10 provides continued authority for USDA to purchase commodities under section 32 for the family commodity program on Indian reservations, the supplemental commodity program, schools, institutions, summer camps, elderly feeding programs, and for disaster relief.

S. 845

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DEFINITIONS

SEC. 1. (a) Subsection (e) of Section 3 of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"(e) 'Household' means an individual or group of individuals who (1) are not residents of an institution or boarding house (except that residents of federally subsidized housing for the elderly and narcotics addicts or alcoholics who live under the supervision of a private nonprofit organization or institution for the purpose of regular participation in a drug or alcoholic treatment and rehabilitation program shall not be treated as residents of institutions), (2) live together as one economic unit, and (3) purchase, store, and prepare food for home consumption either alone in the case of the individual or in common in the case of the group of individuals."

(b) Subsection (f) is amended by striking out the period at the end of the second sentence and inserting in lieu thereof the following: ", or any private nonprofit cooperative food purchasing venture in which the members pay for food purchased prior to receipt of such food. Such private nonprofit cooperative is authorized to redeem members' food coupons prior to receipt by the members of the food so purchased. Organizations and institutions specified in section 10(i) of this Act are not authorized to redeem coupons through banks.".

(c) Section 3(1) is amended to read as follows:

"(1) The term 'elderly person' means a person sixty years of age or over who is not a resident of an institution or boarding house."

(d) Section 3 is amended by adding at the end thereof a new subsection (p):

"(p) The term 'adjusted semiannually' means adjusted effective every January 1, and July 1, to the nearest dollar increment to reflect changes in the Consumer Price Index published by the Bureau of Labor Statistics in the Department of Labor for the preceding six months ending September 30 and March 31, respectively."

ELIMINATION OF THE PURCHASE PRICE

SEC. 2.(a) The first sentence of section 4(a) of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"The Secretary is authorized to formulate and administer a food stamp program under which, at the request of the State agency, eligible households within the State shall be provided with a supplement to their incomes, through the use of a coupon allotment, sufficient to provide such households with an opportunity to obtain a nutritionally adequate diet.".

(b) The section head of section 7 of the Food Stamp Act of 1964 is amended by striking out "and charges to be made".

(c) Section 7(a) of such Act is amended by striking out that portion preceding "adjusted semiannually." and inserting in lieu thereof the following:

"The face value of the coupon allotment which State agencies shall be authorized to issue for any period to any household certified as eligible to participate in the food stamp program shall be in such amount as the Secretary determines to be the cost of nutritionally adequate diet, reduced by an amount equal to 30 per centum of such household's income: *Provided*, That the minimum allotment shall be $10. The coupon allotment shall be adjusted semiannually as that term is defined in section 3(p) of this Act.

(d) Section 7(b) and 7(d) of the Act are repealed.

(e) Section 7(c) is redesignated as 7(b) and the following is deleted: "which is in excess of the amount charged such household for such allotment.".

(f)(1) Clause (6) of the second sentence of section 10(e) is repealed.

(2) Clause (7) of the second sentence of section 10(e) is redesignated as (6) and is amended to read as follows:

"(6) notwithstanding any other provision of law, the institution of procedures under which any household participating in the program shall be entitled to have its coupon allotment distributed to it with any grant or payment to which such household may be entitled under title IV of the Social Security Act, except in areas in which the Secretary determines that such distribution of coupons is impractical because of the risk of theft of coupons, or of danger to mail carriers, and".

(3) Clause (8) of the second sentence of section 10(e) is redesignated as (7).

(4) Section 10(g) of the Food Stamp Act of 1964 is amended to read as follows:

"(g) If the Secretary determines that there has been gross negligence or fraud on the part of the State agency in the certification of applicant households, the State shall upon request of the Secretary, deposit into a separate account established in the Treasury a sum equal to the face value of any coupon issued as a result of such negligence or fraud. Funds deposited into such account shall be available without fiscal year limitation for the redemption of coupons.".

(g)(1) The third sentence of section 16 (a) of the Food Stamp Act of 1964 is amended to read as follows:

"Such portion of any such appropriation as may be required to pay for the value of the coupon allotments issued to eligible households shall be transferred to and made a part of a separate account maintained in the Treasury of the United States and such deposits shall be available, without limitation to fiscal years, for the redemption of coupons."

(2) Subsections (b) and (c) of section 16 of such Act are repealed and subsection (d) is redesignated as subsection (b).

(h)(1) Subsection (m) of section (3) of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"(m) The term 'issuance authorization card' means any document issued by the State agency to an eligible household which shows the face value of the coupon allotment the household is entitled to be issued on presentment of such document."

(2) Subsection (b) of section (14) is amended by deleting the words "authorization to purchase cards" wherever such words appear and inserting in lieu thereof the words "issuance authorization cards".

ELIGIBLE HOUSEHOLDS

SEC. 3. (a) Section 5(b) of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"(b)(1) The Secretary shall establish uniform national standards of eligibility for participation by public assistance and nonpublic assistance households in the food stamp program and no plan of operation submitted by a State agency shall be approved unless the standards of eligibility meet those established by the Secretary, and no State agency shall impose any other standards of eligibility as a condition for participating in the program.

"(2)(A) The income standards of eligibility in every State (except Alaska and Hawaii) shall be the income poverty guidelines for the nonfarm United States prescribed by the Office of Management and Budget, as adjusted in accordance with clause (B) of this paragraph. The income standards of eligibility for Alaska and Hawaii shall be the nonfarm income poverty guidelines established for those two States respectively by the Office of Management and Budget, as adjusted in accordance with clause (B) of this paragraph."

"(B) The income poverty guidelines shall be adjusted semiannually, as that term is defined in section 3(p) of this Act, pursuant to section 625 of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2971d). However, the first adjustment under this paragraph shall take effect on July 1, 1978, and shall be made by multiplying the income poverty guidelines published as of May 1, 1978, by the changes between the average 1977 Consumer Price Index and the Consumer Price Index for March 1978.

"(3) The Secretary shall also prescribe additional standards of eligibility with respect to the amounts of liquid and nonliquid assets a household may own. These limits shall be adjusted annually to reflect changes in the overall Consumer Price Index published by the Bureau of Labor Statistics in the Department of Labor."

"(4)(A) Household income for purposes of the food stamp program shall be the gross income of the household, as defined in paragraph (7) of this subsection, less (i) a standard deduction of $100 a month applicable to all households, except that the standard deduction for Puerto Rico, the Virgin Islands, and Guam shall be $60 a month; (ii) a deduction of 20 percentum of all earned income to compensate for taxes, mandatory deductions, and work expenses; (iii) a deduction, but not to exceed $85 a month per household, for the actual cost for payments necessary for the care of a dependent when necessary for a household member to accept or continue employment or training or education which is preparatory to employment, and (iv) an amount not to exceed $50 to be added by the Secretary for such time and in such project areas that the Secretary determines to be suffering extraordinary conditions of hardship.

"(B) Effective July 1, 1978, the standard deduction shall be adjusted semiannually reflecting changes in the special indicator Consumer Price Index less food published by the Bureau of Labor Statistics in the Department of Labor. Such adjustment shall be rounded to the nearest $5 increment.

"(5) All income shall be calculated for the purpose of determining household eligibility by focusing upon the income reasonably anticipated to be received by the household in the certification period for which eligibility is being determined and the income which has been received by the household during the thirty days preceding the filing of its application for food stamps so as to ascertain as nearly as possible the income that will be actually available to the household during that certification period, except for (1) that those households who by contract or self-employment derive their annual income in a period of time substantially shorter than one year, income shall be calculated by being averaged over a twelve-month period, and (2) those households who receive educational loans, scholarships, fellowships, grants, and veterans' educational benefits, except to the extent they are used for tuition and mandatory fees, income shall be calculated by being averaged over the period for which it is provided.

"(6) Notwithstanding any other provision of law, gross income for purposes of the food stamp program shall include, but not be limited to, all money payments (including payments made pursuant to title I of the

Domestic Volunteer Services Act of 1973) and payments in kind, excluding—

"(A) payments for medical costs made on behalf of the household;

"(B) income received as compensation for services performed as an employee or income from self-employment by a child residing with the household who is a student and who has not attained his eighteenth birthday;

"(C) payments received under title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

"(D) income of a household in a quarter which is received too infrequently or irregularly to be reasonably anticipated: *Provided*, That such infrequent or irregular income of all household members does not exceed $30 during any three-month period;

"(E) all loans, except deferred educational loans to the extent they are not used for tuition and mandatory fees at an institution of higher education or school for the handicapped;

"(F) all scholarships, fellowships, grants, and veterans' educational benefits, except to the extent they are not used for tuition and mandatory fees at an institution of higher education or school for the handicapped:

"(G) training allowances to the extent they are used for tuition and mandatory fees in a training program recognized by any Federal, State, or local governmental agency which is preparatory to or associated with employment;

"(H) housing vendor payments made directly to landlords under programs administered by the Department of Housing and Urban Development;

"(I) payments received under the special supplemental food program for women, infants, and children authorized by section 17 of the Child Nutrition Act;

"(J) vendor or in kind payments derived from government benefit programs including, but not limited to, school lunch, medicare, and elderly feeding program, and any payments in kind which cannot reasonably and properly be computed;

"(K) the cost of producing self-employed income;

"(L) Federal, State, and local income tax refunds, retroactive payments under the Social Security Act and other non-recurring lump sum payment: Provided, That the full amount of such refunds, credits, or payments shall be included in household resources; and

"(M) any income that any other law specifically excludes from consideration as income for the purposes of determining eligibility for public assistance programs.

"(7) The Secretary may also establish temporary emergency standards of eligibility for the duration of the emergency for households that are victims of a disaster which disrupts commercial channels of food distribution when he determines that (A) such households are in need of temporary food assistance, and (B) commercial channels of food distribution have again become available to meet the temporary food needs of such households."

(b) Section 5(c) of the Food Stamp Act as amended, is amended to read as follows:

"(c) No individual who is a member of or constitutes a household that is otherwise eligible to participate in the food stamp program under the preceding subsections of section 5 shall be eligible to participate in the food stamp program as a member of that or any other household if he or she is (1) a physically and mentally fit person between the ages of eighteen and sixty, other than (A) a person who is already subject to a work registration requirement under title IV of the Social Security Act, as amended, or the Federal-State unemployment compensation system; (B) a parent or other member of a household with responsibility for the care of a dependent child under eighteen or of an incapacitated person; (C) a parent or other caretaker of a child or of an incapacitated person in a household where there is another able-bodied person who is subject to the requirements of this subsection; (D) a bona fide student who is enrolled at least halftime in any recognized school or training program; (E) a regular participant in a drug addiction or alcoholic treatment and rehabilitation program; or (F) a person who is already employed for at least thirty hours per week or earning per week at least the equivalent of the minimum hourly rate under the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 206(a)(1), multiplied by thirty hours) and (2) either (A) refuses at the time of application or reapplication to register for employment in a manner designated by the Secretary, or (B) thereafter refuses to fulfill reasonable inquiry requirements, as imposed by the Secretary for jobs that are available through, and can be assigned by, the state employment service, or (C) refuses without good cause to accept an offer of employment (i) for more than thirty hours per week, (ii) at a wage no less than the highest of the applicable State or Federal minimum wage, the applicable wage established by Federal regulation, or the wage that would have governed had the minimum hourly rate under the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 206 (a(1)), been applicable to the offered job, (iii) at a site or plant not then subject to a strike or lockout, and (iv) that does not require the person to join, resign from, or refrain from joining any legitimate labor organization: Provided, That such eligibility disqualification shall remain in effect for one year or as long as such individual or household member acts in accordance with clauses 2(A), 2(B), or 2(C), of this subsection, whichever is earlier. To the extent that the State employment service is given responsibility for administering these provisions it shall comply with regulations which the Secretary of Labor shall issue jointly with the Secretary, which regulations shall conform as closely as possible to the work incentive program requirements set forth under title IV of the Social Security Act and shall take into account the diversity of the needs of the food stamp work registrant population. In the event of failure to comply with the regulations, the Secretary of Labor is authorized to assume the responsibilities of the State employment service involved.

(c) Section 5 is amended by adding at the end thereof new subsections (e) through (h) as follows:

"(e) No individual shall be eligible to participate in the food stamp program unless he is a resident of the United States, and is either (1) a citizen or (2) an alien lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 203(a)(7) or section 212(d)(5) of the Immigration and Nationality Act).

"(f) No household shall be eligible to participate, or to continue to participate, in the food stamp program, if it refuses to submit to the State agency necessary information for a determination as to the household's eligibility to participate in the program.

"(g) No individual shall be considered a household member for food stamp program purposes if such individual (1) has reached his eighteenth birthday; (2) is enrolled in an institution of higher education, and (3) is properly claimed or could properly be claimed as a dependent child for Federal income tax purposes by a taxpayer who is not a member of an eligible household.

"(h) No individual who receives supplemental security income benefits under title XVI of the Social Security Act, State supplementary payments described in section 1616 of such Act, or payments of the type referred to in section 212(a) of Public Law 93–66, as amended, shall be considered to be a member of a household or an elderly person for purposes of this Act for any month, if, for such month, such individual resides in a State which provides State supplementary payments (1) of the type described in section 1616(a) of the Social Security Act and Sec. 212(a) of Public Law 93–66, and (2) the level of which has been found by the Secretary of Health, Education, and Welfare to have been specifically increased so as to include the bonus value of food stamps.".

CHANGE FOR FOOD STAMPS PURCHASES

SEC. 4. Section 6(b) of the Food Stamp Act, as amended, is amended by adding at the end thereof the following: *"Provided further* That eligible households using coupons to purchase food may receive cash in change therefore so long as the cash received does not equal or exceed the value of the lowest coupon denomination issued."

STUDY OF THE THRIFTY FOOD PLAN

SEC. 5. Section 7 of the Food Stamp Act of 1964, as amended, is amended by adding at the end thereof the following new subsection:

"(c) The Secretary shall undertake a study to determine whether the Thrifty Food Plan as devised in 1975, is calculated to provide eligible households with reasonable access to a nutritionally adequate diet, and whether the current allotments are calculated to provide substantially all eligible households with an ability to obtain the Thrifty Food Plan. The Secretary shall report his findings to the Committees of jurisdiction in the Congress within six months after the enactment of this subsection, and shall take whatever actions are necessary and authorized under this Act."

ADMINISTRATION

SEC. 6(a). Section 10(c)(2) of the Food Stamp Act, as amended, is amended to read as follows:

"(2) that the State agency shall undertake the certification of applicant households in accordance with the general procedures and personnel standards prescribed by the Secretary in the regulations issued pursuant to this Act and shall provide a continuing, comprehensive program of training for all personnel undertaking the certification of applicant households;".

(b) Section 10(e)(5) is amended to read as follows:

"(5) that the State agency shall inform low income households concerning the availability, eligibility requirements, and benefits of the food stamp program including, but not limited to, notification of all recipients of social security, aid to families with dependent children, supplemental security income, and unemployment compensation;".

(c) Section 10(e) is amended by adding to the second sentence thereof the following new clauses:

"(8) that each household which contacts a food stamp office in person during office hours to make what may reasonably be interpreted as an oral or written request for food stamp assistance shall receive and shall be permitted to file an application for participation in the food stamp program on the same day that such contact is first made;

"(9) that the State agency shall thereafter promptly determine the eligibility of each applicant household so to complete certification of and provide an opportunity to obtain coupon allotments to any eligible household not later than thirty days after its filing of an application pursuant to subsection (8);

"(10) that the State agency shall insure that each participating household that seeks to be certified another time or more times

thereafter by filing an application for such recertification no later than fifteen days prior to the day upon which its existing certification period expires shall, if found to be still eligible be able to obtain its coupon allotment no later than one month after the receipt of the last cards issued to it pursuant to its prior certification;

"(11) that any applicant household may be represented in the certification process and that any eligible household may be represented in coupon issuance or food purchase by a person other than the head of the household so long as that person has been clearly designated as the representative of that household for that purpose by the head of the household or the spouse of the head and, where the certification process is concerned, is sufficiently aware of relevant household circumstances to aid in the completion of that process;

'(12) that, to the maximum extent feasible, the application for participation for households in which all members are included in a federally aided public assistance or state and local general assistance grant, shall be contained in the public assistance application form and certification shall be based on information in the public assistance case file regardless of the household's eligibility for public assistance.

"(13) for points of certification and issuance and hours of certification and issuance that allow reasonable access to the program, so that eligible households are not unduly impeded in their efforts to participate in the program;

"(14) that in such areas wherein numerous potentially eligible persons speak a language other than English, appropriate multilingual personnel and printed material shall be used in the administration of the program;

"(15) for emergency issuance procedures which, at a minimum, shall insure that households with no income (as defined under Sec. 5(b)(4)(A) of this Act) available at the time of application receive the opportunity to obtain their food stamp allotments no later than two days after application for program participation by such households;

"(16) for the prompt payment to households of the bonus value of any coupon allotment which has been wrongfully denied, delayed, or terminated as a result of any administrative error on the part of the State agency.".

(d) Subsection 10(b) is amended by striking out the first sentence and inserting in lieu thereof the following:

"Subject to such terms and conditions as may be prescribed by the Secretary in the regulations issued pursuant to this Act, household members who are elderly, housebound, feeble, physically handicapped, or otherwise disabled to the extent that they are unable to prepare adequately all of their meals, may use coupons issued to them to purchase meals prepared for and delivered to them by (1) a political subdivision; (2) a private, nonprofit organization which is operated in a manner consistent with the purposes of this Act and is recognized as a tax-exempt organization by the Internal Revenue Service; or (3) a private establishment that has contracted with the appropriate State agency to offer home-delivered meals at concessional prices to persons who are elderly, housebound, feeble, physically handicapped, or otherwise disabled."

(e) Section 10 is amended by adding at the end thereof the following new subsections (j) and (k):

"(j) The Secretary, in conjunction with the Secretary of Health, Education, and Welfare, shall promulgate regulations permitting households in which all members are recipients of Supplemental Security Income to apply for participation in the food stamp program by executing a simplified affidavit at the Social Security Office and be certified for eligibility based on information contained in files of the Social Security Administration.

"(k) Before the submission of an annual state plan of operation, the State agency shall obtain and consider comments from recipients of the program and other interested persons."

FINES AS AN ALTERNATIVE TO DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

SEC. 7. Section 11 of the Food Stamp Act, as amended, is amended by inserting after "disqualified from further participation in the food stamp program" the words "or subjected to a civil penalty of up to $10,000,".

RESEARCH, DEMONSTRATION, AND EVALUATIONS

SEC. 8. The Food Stamp Act of 1964, as amended, is amended by adding at the end thereof the following new section:

"Sec. 18. (a) The Secretary shall, by way of making contracts with or grants to public or private organizations and agencies, undertake research that will help improve the administration and effectiveness of the food stamp program.

"(b) The Secretary shall conduct a survey of households participating in the food stamp program for the purpose of determining the average assets and distribution of assets held by participants. The Secretary shall submit a written report to the Congress within one hundred and eighty days after the date of enactment of this section, disclosing the results of such survey. The report shall include such explanations and comments as the Secretary deems appropriate.

"(c) In carrying out the provisions of the Act, the Secretary is authorized to carry out on a trial basis, in one or more areas of the United States, experimental projects for purposes of increasing the program's efficiency and improving the delivery of benefits to eligible households: *Provided*, however, That no project shall be implemented which shall have the effect of reducing of terminating benefits to households eligible for assistance under this Act.

APPROPRIATIONS

SEC. 9. Subsection (a) of Section 16 of the Food Stamp Act, as amended, is amended by striking out "June 30, 1977" and inserting in lieu thereof "September 30, 1982".

COMMODITY DISTRIBUTION PROGRAM

SEC. 10. Notwithstanding any other provision of law, the Secretary of Agriculture shall until September 30, 1982, (i) use funds available under provisions of section 32 of Public Law 320 Seventy-fourth Congress, as amended (7 U.S.C. 612c), to purchase, without regard to the provisions of existing law governing the expenditure of public funds, agricultural commodities and their products of the types which may be purchased under section 32 (which may include seafood commodities and their products) to maintain the traditional level of assistance for food assistance programs as are authorized by law, including but not limited to distribution to needy families pending the transition to the food stamp program, institutions, supplemental feeding programs wherever located, disaster relief, summer camps for children, and elderly food programs, as well as to provide a nutritionally adequate family commodity distribution program on any Indian reservation requesting to continue or reinstate the family commodity distribution program, and (ii) if stocks of the Commodity Credit Corporation are not available, use the funds of the Corporation to purchase agricultural commodities and their products of the types customarily available under section 416 of the Agricultural Act of 1949 to meet such requirements.

STUDENT DISCIPLINE PROCEDURES

Mr. TALMADGE. Mr. President, the Georgia State Senate, now in session in Atlanta, has adopted a resolution which, for myself and my colleague, Senator NUNN, I bring to the attention of the Senate, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

A RESOLUTION

Relative to bureaucratic bungling by the Office for Civil Rights of the Federal Department of Health, Education, and Welfare; and for other purposes

Whereas, the Office for Civil Rights of the Federal Department of Health, Education and Welfare, with its recently mandated forms relative to student discipline procedures, provides a perfect example of bureaucratic red tape that discredits government in the minds of our citizens; and

Whereas, one of these forms consists of nine pages, with an original and six copies, of detailed questions in small print; and

Whereas, these forms were received in mid-December, 1976, and were to be completed by approximately 16,000 school districts for each school within the districts by February 1, 1977; and

Whereas, the fact that an agency of the Federal government could indulge in such a monumental waste of time, money and resources while diverting hundreds of thousands of man-hours from constructive educational endeavors is as disgusting as it is incredible; and

Whereas, it would literally require an army of people to receive these completed forms and extract the detailed information they will contain, and that information, once extracted, will have little, if any, value to anyone for any purpose other than giving the bureaucrats responsible for this folly an excuse for their existence; and

Whereas, immediate steps should be taken to bring such absurdities to a halt,

Now, Therefore, be it resolved by the Senate, That the members of this body do hereby protest such bureaucratic monstrosities from Federal agencies as that described in this Resolution and urge President Jimmy Carter and the United States Congress to take such steps as may be necessary to stop such an irresponsible waste of the taxpayer's money and working people's time.

Be it further resolved, That the Secretary of the Senate transmit an appropriate copy of this Resolution to Honorable Jimmy Carter, President of the United States, each member of the Georgia delegation to the United States Congress, Honorable Bert Lance, Director of the Office of Management and Budget and to Honorable Joseph Califano, Secretary, Department of Health, Education, and Welfare.

SENATOR PHILIP A. HART

Mr. WILLIAMS. Mr. President, when we search our minds and our hearts for words of eulogy for a beloved friend and colleague, it is remarkable how seldom we can find better than words written by William Shakespeare more than four centuries ago. This is, perhaps, testimony to how very little the human condition changes with the passing of the ages.

When Phil Hart died at Christmas, this Nation, the State of Michigan, his peers in this body, and tens of millions of Americans lost a man of immense stature. Truly:

His life was gentle, and the elements
So mix'd in him that Nature might stand up
And say to all the world, "This was a man!"

In its nearly two centuries of existence, this Chamber has known men of surpassing legislative excellence. It has seen men of surpassing compassionate humanism. But only occasionally has it seen a man who combined both of these qualities in such measure as to win unqualified respect, admiration, and deep affection of his peers as were so unreservedly accorded the senior Senator from Michigan.

Phil Hart's gentleness and courtliness, his quiet demeanor, and his unfailing politeness gave scant indication of the depth of his determination and the strength of his will when a matter of principle or social justice was at stake. While some have disagreed with him, there was none who ever doubted his integrity of purpose, or his dedication to the highest ideals of public service.

That I served with Phil Hart for 18 years in the Senate of the United States has been one of that service's greatest rewards. None of us who had the privilege of being his friend will ever forget him. Whatever may be the successes and the satisfactions for me, personally, or for this body in the years that lie ahead, there will be missing that spark of inspiration that reflected from his presence among us.

To Jane and his children, with whom Phil enjoyed a mutuality of love, respect, and a great depth of human understanding, our hearts go out in sympathy.

For an epitaph, we might say, with Robert Hillyer:

We whom life changes with its every whim
Remember now his steadfastness. In him
Was a perfection, an unconscious grace,
Life could not mar, and death can not efface.

THE RETIREMENT OF SMITH BLAIR, JR.

Mr. RANDOLPH. Mr. President, I call to the attention of Senators the retirement of Smith Blair, Jr., who has been the Director of the Office of Congressional Relations of the General Accounting Office since 1973. The Comptroller General will miss Smitty's sound advice and devoted efforts to help make the audit and analytical review activities of the General Accounting Office—GAO—meet the needs of the Senate.

Smitty began his working career in the trust department of a local bank. While employed full time, he attended law school at night and earned his degree with honors. He became an FBI agent and spent 9 years with the FBI. Later, Smitty worked on the staff of a House committee before joining the GAO in 1952.

At GAO, Smitty was assigned to the European branch office and within 2 years became Director of the European branch. In 1959, Smitty returned to the United States to become Dallas regional manager. From 1964 to 1968 he was assistant to the Inspector General in the Department of Agriculture.

In early 1968, Smitty returned to GAO as legislative attorney and he was well prepared for the challenges to come. GAO was then conducting a comprehensive review of the poverty program which Congress had directed GAO to perform. I remember the intense and extensive legislative interest in that review, and it fell to Smitty to be on the front line. A man with less experience and sensitivity of judgement could not have accepted such a responsibility and discharged it so well.

The 9 years since then have been marked with the same kind of dedication and perseverance which has enabled Smitty to make an indispensable contribution to a Congress which is more effective and independent.

Smitty has worked diligently to help GAO become increasingly sensitive to the special needs of each committee and Member of Congress while preserving its position as an objective and impartial agency. The Congress needs an effective GAO to aid in developing legislation and in exercising oversight of Government programs and activities.

It is our hope that Smitty's retirement will bring the rewards which should follow such a varied and distinguished Federal career.

FORMER LABOR SECRETARY USERY TELLS SOUTHEASTERN AUDIENCE WORKING MEN AND WOMEN ARE RESPONSIBLE FOR U.S. EDUCATION SYSTEM

Mr. RANDOLPH. Mr. President, last Sunday at a special convocation Southeastern University awarded an honorary doctor of laws degree to W. J. Usery, Jr., former U.S. Secretary of Labor.

In accepting the degree, Mr. Usery praised Southeastern's latest effort to provide education for working people who "yearn to learn." Like Southeastern, he said, the labor movement has struggled to make better education available to more people.

"Workers gave their time, their talent, and their treasuries to support virtually every program that has had as its root the greater availability of better education for all people," Mr. Usery noted.

In presenting the degree, Southeastern University president Dr. Barkev Kibarian said the former Secretary exemplified the stated mission of the Labor Department:

To foster, promote and develop the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment.

He cited Mr. Usery's valuable role in the field of labor-management negotiation and mediation.

The convocation marked the initiation of a new "Sundays only" masters program. The institution, chartered by Congress in 1879, seeks to provide educational opportunities to men and women who wish to work and also continue their education. Many Southeastern University graduates have distinguished careers in business and Government and the legal profession.

Mr. President, it is a point of personal joy to recall that during my early days in Congress I taught at Southeastern. I have been privileged to serve as a member of the board of trustees since 1966.

I feel the university's unique contributions to the educational community of Washington should be acknowledged. The enlightening thoughts of Mr. Usery on the role of labor in education is a matter of paramount importance today. I ask unanimous consent that the citation of the honoree by President Kibarian and Mr. Usery's address be placed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

CITATION

William J. Usery, Jr.—Fifteenth Secretary of Labor in the history of the United States, nominated and confirmed for that appointment within the administration of President Gerald R. Ford.

You have provided this Nation with distinguished leadership in a broad range of responsibilities, perhaps best identified in the specific mission of the Department of Labor itself: to foster, promote and develop the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment.

Certainly, your name is synonymous with the terms "labor-management negotiation" and "mediation," repeatedly achieving resultant harmony among diverse factions.

You are a native Georgian, educated at the Georgia Military College and Mercer University. You have been honored by the University of Louisville with the honorary doctor of social science degree in 1975.

You have served as a member of the National Commission for Industrial Peace, the National Commission on Productivity, the Collective Bargaining Committee in Construction, and as chairman of the working party on industrial relations under the Organization for Economic Cooperation and Development.

You served as director of the Federal Mediation and Conciliation Service, prior to assuming the cabinet responsibility. In addition to serving as Secretary of Labor, you continued to serve as special assistant to the Prseident for labor-management negotiations, coordinating the government's mediation and other labor-management relations activities involving the public and private sectors of the economy, including the airline and railroad industries and federal, state, able employment.

Southeastern University takes great pride in associating you with this institution and we are pleased to confer upon you the honorary degree of doctor of laws.

BARKEV KIBARIAN, Ph.D.,
President.

REMARKS BY W. J. USERY, JR.

President Kibarian, Earl Cocke, distinguished guests and those who are honored to be participants in the first class of the Sunday masters program of Southeastern University—I am pleased, proud, and honored by the honor that you have presented to me today.

I say this in the face of the unrefuted fact that ex-Secretaries of Labor—and there are now seven of us—are always pleased to be recognized, let alone sought as a speaker and presented with this magnificent honorary doctor of laws degree.

I do hope that all of you who have worked so long and hard for your undergraduate degrees—and who are now committed to giving more than 70 Sundays to the pursuit of a master's degree—will forgive me for this display of pride and pleasure.

I'm reminded of that premier cynic from

Baltimore, H. L. Mencken, who reacted to honorary degrees in the following words:

"No decent man would accept a degree he hasn't earned. Honorary degrees," he continued, "are for corporate presidents, bishops, real estate agents, Presidents of the United States—and other such riffraff."

Well, I'm none of the above, so if it's okay with you, I'll continue to feel privileged that Southeastern University has chosen to present me with this honor.

In spite of Mencken, I think I'm in rather good company.

Through my own research, I learned that the first honorary degree awarded in our nation was presented to George Washington by those far-sighted Yankees at what was then Harvard College. That was way back in the first year of the American Revolution—in 1776.

I might add that Harvard has been swimming in Federal grants ever since.

Now I don't want to dwell on this subject too long, but another observation or two might be proper.

First, I have to confess that I especially appreciate an honorary doctor of law degree.

I appreciate it because most of my working life my endeavors have been involved with the law.

In carrying out many of my responsibilities over the years I have had to make interpretations of various laws.

In fact, while serving as Secretary of Labor, I was responsible for administering 135 laws and executive orders and in carrying out this responsibility, there were 435 lawyers who reported to me.

I have spent much time trying to fully appreciate and understand our laws.

But having said that, I have at times been somewhat leery of lawyers, especially in the field of labor management relations and contract negotiations, to the point that I have kidded them a little every time I had the opportunity.

I remind them, for example, that Tnomas Jefferson, one of the Presidents who was not a lawyer, took note of that fact during one of his more frustrating moments with Congress. Jefferson said, and I quote his words:

"If the present Congress errs in too much talking, how can it be otherwise in a body to which people can send 150 lawyers whose trade it is to question everything, yield nothing, and talk by the hour"?

Since none of you are pursuing a law degree, I think it's safe to repeat a story that involves an attorney and his wife.

They were cruising in the Gulf of Mexico on his yacht when a severe storm came up. The attorney was tossed overboard by the heavy seas.

His boat drifted away from him. And as it did, a school of eight sharks closed in.

He was certain that the Lord had called his number.

But instead of using him as their lunch, the sharks formed in two lanes—and escorted him back to the yacht.

The amazed attorney climbed aboard, looked at his wife and shouted: "Honey you've just witnessed a miracle."

"No," she answered, "It wasn't a miracle. It was just professional courtesy."

Well, what I really wanted to talk with you about today was neither sharks, nor lawyers, nor Bill Usery, for that matter.

What I do want to discuss with you are some of my reflections upon hearing of this new, progressive step that Southeastern University has taken to meet a need—a need for greater educational availability for people who yearn to learn.

The story of the struggle to make better education available to more people parallels the grand history of freedom's development in America where the working people have played a major role in both.

As former Secretary of Labor, and someone involved in and concerned about working peoples, problems for many years. I feel I am qualified to speak briefly for you the often-overlooked part that working people have played in making our educational system as great as it is today.

It really began in 1829. Andrew Jackson was President.

A group of men in New York City established the workingmen's party, and two young mechanics established a newspaper—the workingman's advocate, they called it.

Through this publication, workers took their programs to the public. They wanted an end to debtors' prison and other injustices.

They also wanted a school system for their children. They wanted a school system, they said—and I quote: "That shall unite under the same roof the children of the poor man and the rich, the widow's charge and the orphan, where the road to distinction shall be superior industry, virtue and acquirement without reference to descent."

The idea was not the most popular item within the establishment of that time, of course. And when it reached Rhode Island, it was considered to be so radical that the state legislature said it would keep such "wild schemes" out of their state . . . at bayonet point, if necessary.

Nor did the free press of that day look kindly upon the desires of working people to get an education.

A New York newspaper told its readers that members of the Workingmen's Party were, and I quote, "lost to society, to Earth, and to heaven, godless and hopeless" . . . that their organization "emerged from the slime."

As to public education, the Philadelphia Gazette responded that, and I use its words:

"The peasant must labor during those hours of the day which his wealthy neighbor can give to abstract culture of his mind."

Yet there was, within America then as now, the freedom to push for what might even be considered an unpopular cause—and even a chance, then as now, to win.

Through their publications and their effective political action, they convinced the Pennsylvania State legislature to pass a law in 1834 saying that school districts could, if they wanted, furnish free education.

Just four years later, New Jersey established a public education system open to all children, though parents were taxed in proportion to the number of children they had in school.

Other States followed. And workers kept demanding—"more."

They presented arguments containing strong logic. Let me give you an example.

At the founding convention of the American Federation of Labor in 1881—just two years after the young Men's Christian Association opened the doors of this fine school, southeastern university—labor's delegates passed a resolution saying, in effect that if the States wanted people to follow the law, then it was the duty of States to educate people so they could understand the law.

But even as the public school system grew, it was of little value to children who were working 12 hours a day—the children of the poor.

So in 1887, the American Federation of Labor began its campaign for compulsory education.

And it did so armed with the slicing oratory of its president, Sam Gompers, listen to just two of his sentences, if you will:

"The damnable system which permits young and innocent children to have their lives worked out of them in factories, mills, workshops and stores, is one of the very worst of the working man's grievances.

"We shall never cease our agitation until we have rescued them, and placed them where they should be—in the schoolroom and the playground."

Through such clear calls for decency, compulsory education and child labor laws became the pillars upon which Americans set out to build a great nation.

And while others joined their campaign, workers gave of their time, their talent, and their treasuries to support land grant colleges . . . the junior college system . . . adult education . . . Federal aid to education . . . the GI bills . . . Headstart . . . the Teacher's Corps—to virtually every program that has had as its roots the greater availability of better education for all people.

Has the battle been won? You know the answer, as I do.

It will not be won so long as we have—as we do today—schools in urban ghettos where teachers face hostile classes numbering 40 or more each morning and pray to survive the day . . .

It will not be won so long as we have—as we do today—hundreds of thousands of high school students bearing "functional diplomas" that attest not to the completion of academic courses, but to the fact that they sat through a dozen academic years . . .

Nor will it be won so long as we have, as we do today, armies of high-school dropouts, and untold thousands of youngsters unable to find the money required to meet the expense of higher education.

And yet the crusade is continuing—with the support of labor, and of business, and of government, and of the millions of dedicated educators across our land.

Today, on this first Sunday morning, you and Southeastern University are making your contribution to the great crusade for enlightenment.

And in doing so, you are helping all of us to win a race—the race that historian H. G. Wells referred to when he said, and I quote:

"Human history becomes more and more a race between education and catastrophe."

The words were written 56 years ago—before the Atom bomb and possibly just as important, before the end of the days of natural abundance.

Before we were, as a Nation—as a world—truly concerned about our children having fresh air to breath . . . having clean water to drink and to fish and swim in . . . and before we were endangered by the uncertain effects of new-found chemicals being accidentally unleashed on the trusting, the unsuspecting.

These are among the primary problems of today and tomorrow.

And as in the past, we will depend upon those with knowledge to solve them—people who have the desire, the determination to make the sacrifices required to learn more—people like yourself.

And in closing, may I call upon each and everyone to do their very best in protecting the heritage that is ours. For no other society in the entire history of the world has been able to enjoy and protect for 200 years the liberty that is ours.

We Americans alone have been able to create, develop, defend, and enhance a democratic system that has stood for two centuries.

The third century will depend upon people like yourselves who will give of your time to grow in knowledge and understanding, en-

abling our Nation and the World to have the best in leadership and guidance.

Yes—we are depending on you and I congratulate each of you, Southeastern University and all who have made this Sunday master program possible.

COMMON SITUS

Mr. BARTLETT. Mr. President, it is apparent that we will once again be confronted with legislation designed to legalize common situs picketing—the picketing of all contractors and subcontractors on a construction site although only one union in a specific craft is actually involved in a dispute with its employer. It is unfortunate that we must confront this legislation again. After Congress considered this legislation in the 94th Congress, the White House was swamped with one of the greatest expressions of public feeling in history. Several hundred thousand Americans contacted the President urging a veto of the bill. This was a dramatic indication that the public at large does not support common situs picketing when they know what is at stake.

There are indications that proponents of this legislation will seek to force it through the Congress in a hurry, before the public fully realizes that common situs picketing is back on the national agenda. A few newspapers, including the Tulsa Daily World, have begun to spread the word. Mr. President, I ask unanimous consent that an editorial appearing in the Tulsa Daily World on February 23, 1977, entitled "Labor's First Target," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LABOR'S FIRST TARGET

AFL–CIO leaders have prepared an omnibus labor law package which they expect will meet with Congress' approval.

With new Labor Secretary Ray Marshall openly fronting for the unions and President Carter obligated to George Meany, organized labor's President, the time may appear propitious for passage of at least some of this legislative program.

Labor's first target will be the common situs picketing measure which would allow strikers to picket an entire construction site in a dispute with one sub contractor. This legislation will be sought separately. A bill was introduced in the House last week similar to the one which President Ford vetoed in 1975.

If anything this year's fight will be more intensified. The National Right To Work Committee says 45 Senators and 198 Representatives have indicated they will oppose the situs legislation. The group includes almost the entire Georgia delegation.

Both Oklahoma Senators, Henry Bellmon and Dewey Bartlett are against the bill. They are joined, in the House by Reps. Tom Steed, Glenn English and Mickey Edwards. Reps. Wesley Watkins, Ted Risenhoover and James R. Jones are "unlisted."

President Carter has promised to sign the legislation legalizing coercive picketing if it reaches his desk.

The 198 House votes are 20 short of the 218 needed to give Right To Work supporters a majority.

The outcome will lie with the many uncommitted Representatives and Senators. The House Labor-Management subcommittee has scheduled hearings on the bill, March 1, 2 and 3.

We agree with the Right To Work Committee's statement that "the bill boils down to nothing more than a scheme for turning the construction industry into a nationwide closed shop. Only those willing and permitted to join the union will be allowed to work."

(This concludes additional statements submitted by Senators today.)

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that morning business be closed.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

EXECUTIVE SESSION

NOMINATION OF PAUL C. WARNKE TO BE AMBASSADOR—SALT NEGOTIATIONS

The PRESIDING OFFICER. Under the previous order, the Senate will now go into executive session to consider the nomination of Paul C. Warnke to serve with the rank of Ambassador for the SALT negotiations.

The nomination will be stated.

The second assistant legislative clerk read the nomination of Paul C. Warnke, of the District of Columbia, to be Ambassador for the United States Arms Control and Disarmament Agency.

RECESS UNTIL 1:31 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess for 1 hour.

The motion was agreed to, and the Senate, at 12:31 p.m., recessed until 1:31 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. MATSUNAGA).

NOMINATION OF PAUL C. WARNKE TO BE AMBASSADOR—SALT NEGOTIATIONS

The Senate continued with the consideration of the nomination of Paul C. Warnke to be Ambassador during his tenure of service as Director of the U.S. Arms Control and Disarmament Agency.

Mr. CRANSTON. Mr. President, we are now in executive session. The nomination of Mr. Warnke to be Ambassador to the SALT negotiations is the pending matter.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McGOVERN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, the nomination of Paul Warnke to be Director of the Arms Control and Disarmament Agency and chief SALT negotiator has touched off a new round of near hysteria over the relative power of the United States and the Soviet Union.

We need to keep in mind that this is not a new phenomenon. Indeed, it is almost a routine that we are frightened out of our wits at least once a year, when the military budget is due for consideration in Congress.

What is unusual, however, is the duration of the current panic. We have had an unrelenting barrage of scare stories for more than a year. There has been hardly any respite at all from the stream of reports about Soviet monster missiles, dramatically boosted estimates of Soviet defense spending, Soviet efforts to overtake us on nuclear technology, the mammoth Soviet navy, and assorted other clear and present dangers to our national safety.

The heralders of security gaps have been with us for a long time. In the early 1950's we were told of a "bomber gap," which we later learned was a myth. But we nonetheless beefed up our B–47 and B–52 forces. Between 1957 and 1961 there were leaks of secret studies pointing to a "missile gap," which also was a myth. But we nonetheless vastly expanded the deployment of Minuteman missiles. In the 1960's there were civil defense and ABM "gaps," and we launched programs in those areas—only to realize that they were largely worthless.

But now the gaps are doubling up. I suppose in an era of multiple warheads someone has perceived the need for "multiple gaps." So we now have not only a "throw-weight gap," but another "civil defense gap" to go along with it. Moreover, these gaps are stressed in an outside analysis of the national intelligence estimates which have been conveniently and selectively leaked.

I must say, parenthetically, Mr. President, it has always struck me as somewhat ironic that some of those most concerned about protecting security information from the public are the ones most skillful in leaking these stories designed to scare Congress and the American public into support for increased military outlays.

I doubt that either the timing or the magnitude of the scare has been accidental. For this time the target was not only Congress, which only reviews and occasionally adjusts arms spending requests; but also 1976 was a Presidential election year. At stake was the authority to decide what the request would be in the first place that comes to Congress.

The various proclamations of American inferiority have been admirably calculated not only to influence Congress, but to shape the framework for debate in the Presidential campaign, then to influence the President's appointments, then to thwart any significant revisions in the departing administration's fiscal 1978 arms spending plans, and finally to define the arms posture and policy of the next 4 years.

The Warnke nomination simply adds one more element. Mr. Warnke, we are told, is not properly fearful of the Soviet threat. So now the cry is raised not only that we are in second place and fading, but that President Carter has appointed a negotiator who might sell us out in SALT. As stated in an anonymous memorandum—which we now know was prepared by a little group with a big title—

the so-called Committee for a Democratic Majority:

. . . it is hard to see how the American side in SALT can be effectively upheld by someone who advocates, as Warnke does, the unilateral abandonment by the United States of every weapons system which is subject to negotiation at SALT (as well as many others which are not under discussion).

Since the Warnke nomination has become a focal point for the prophets of our strategic demise, its pendency is also an appropriate context for a response. I propose to discuss this afternoon the strategic defense issue in two parts: First, I will examine today the present and prospective balance in strategic arms; then in a second address I will offer some thoughts on the kind of military and negotiating posture which could produce meaningful, enforceable limits on the nuclear arsenals of both the United States and the Soviet Union.

But analysis in my remarks this afternoon support these conclusions:

The size and mix of nuclear forces the United States needs should be calculated according to the limited national purposes these weapons can perform. In this realm the term "superiority" has no relevance at all; in fact, neither does the term currently in vogue, "essential equivalence." Rather, we should speak exclusively in terms of "sufficiency," "adequacy," or words of equivalent meaning, always in the context of our ability to perform specific essential missions.

Mr. CHURCH. Mr. President, will the Senator yield at this point or does he prefer to wait until he completes his remarks?

Mr. McGOVERN. I am happy to yield to the Senator from Idaho.

Mr. CHURCH. First of all, I say to the Senator that I read his address and consider it to be brilliant, perhaps the most thorough and probing analysis of the issue that faces the Senate ever to have been presented to this body.

I know of the many contributions the distinguished Senator from South Dakota has made in the way of learned discourse over the years. So I do not compliment him lightly. This speech should be the framework for the entire debate. If every Senator were to approach the issue in as thoughtful and thorough a way as the able Senator from South Dakota, the country would be well served.

I first refer to the Senator's statement that once two countries such as the United States and the Soviet Union have amassed nuclear arsenals so large that if they were ever detonated in anger both nations would be utterly incendiarized, then what sense does it make to continue to speak of strategic superiority? Why charge Mr. Warnke with being an advocate of unilateral disarmament because he had made the observation that, in this situation of rough equilibrium, neither side can use its strategic nuclear force to accomplish rational political objectives.

So I am glad that the Senator from South Dakota has mentioned this point first. It was the opening salvo against Mr. Warnke in the Committee on Armed Services. Witnesses were asked among them certain generals, whether the United States should endeavor to retain strategic nuclear superiority? They responded that we must indeed do this, using as an example the Cuban missile crisis, at a time when the United States possessed marked advantages in terms of the size and effectiveness of its nuclear arsenal vis-a-vis the Soviet Union.

But I ask the Senator whether that is a supportable example for anyone to point to who is endeavoring to demonstrate the advantage that supposedly accrues from so-called strategic superiority.

I cannot imagine in those days—and the Senator and I have lived through them—those hairy days when the world teetered on the brink of a confrontation, a war perhaps, between the Soviet Union and the United States, that it was seriously thought either in Washington or in Moscow that we would respond to the Soviet decision to place nuclear missiles in Cuba by resorting to our strategic nuclear superiority, firing off missiles for the purpose, say, of demolishing Leningrad, Moscow, Kiev, and Vladivostok in exchange for their lesser capacity to retaliate by only destroying Chicago and New York.

It is unthinkable that either side, even in the crunch of that crisis, seriously thought about resorting to the use of nuclear weapons. What was it that made the Russians back down? Why did Mr. Khrushchev decide to withdraw the missiles when faced with an American ultimatum?

The answer, I think, is plain. We need not distort history to suggest the strategic nuclear superiority the United States possessed at that time was the factor which determined the Soviet decision. One need only look at Cuba, 90 miles from our coast. Who was in control of the territory? We had the conventional forces to dominate the air over Cuba, to surround the island with our Navy, indeed to invade and conquer the island with the use of our conventional forces. It was this apparent conventional superiority, which existed because of the proximity of Cuba to the United States, that gave us the advantage and forced the Russians to reconsider and withdraw their missiles.

Would not the Senator agree that this is far more plausible than to suggest it was the possible exchange of four Russian cities for two American cities in a nuclear war which brought about the Russian withdrawal?

Mr. McGOVERN. First let me thank the Senator for his overly generous assessment of my efforts here this afternoon, considering all the initiatives he has taken in this field, though I am very grateful for his commendation.

Let me just say that I fully agree with the Senator's analysis of the Cuban missile crisis in 1962. I suppose none of us will ever know for certain what led Mr. Khrushchev to back down, but I cannot conceive of the fact that either side was at the point of using nuclear missiles to destroy the other society at that time. In any event, it was the clear show of our naval superiority that the Soviets had to deal with, and some other people who may be more familiar with these facts than I have advanced that one of the reasons the Soviets went into a naval buildup after 1962 is that they had been shown up in that area of military strength. I suppose it also has something to do with the fact that they increased their missile capability after that.

But what seems to me to be most important about the Cuban military crisis is that both sides looked at the possibility of a nuclear showdown, and saw what a disaster it would be for the world. I think it was Admiral Rickover who said some months after that that the world looked into a nuclear abyss in 1962, and the cold war was never the same afterward. That is almost a verbatim quotation.

By that he meant, of course, that for the leadership of both countries to confront even the possibility of a nuclear exchange over any nation was something that they did not want to face again. And I suspect it had something to do with the fact that the following year we negotiated a limited nuclear test ban with the Soviets, we began to move into discussions with them on other issues, and an effort was made to establish a cultural relationship. We even established a hot line, and did other things to reduce the danger of a nuclear exchange.

Mr. CHURCH. If the Senator will yield just once more. It would appear to me the lesson to be drawn from the Cuban missile crisis is that at a time when everyone conceded the United States then possessed what is now called strategic nuclear superiority, there was no way we could use it. It gave no advantage to the United States. The fact of the matter remained that the Russians possessed sufficient nuclear forces to have made a resort to our nuclear weapons an action of insanity.

I would have thought that the whole argument over strategic nuclear superiority might have been settled by that experience. It demonstrated the first point of the Senator's remarkable speech: that in an age where the two sides have assembled arsenals capable of destroying each other many times over, it is no longer meaningful to talk about strategic superiority.

Mr. McGOVERN. The Senator's point is very well taken. Once it is clear to the leadership of both countries that no matter who strikes first the other has the capacity to retaliate with a society-destroying blow, then anything beyond that on either side is simply refining the dust a little more finely.

The one thing that the doctrine of strategic superiority does do is insure that if both sides embrace it, there is no end to the arms race. In other words, if our strategic planners assume that we have to be ahead in nuclear capability, and the Soviets make the same judgment, then obviously we have a formula for indefinitely piling more weapons on top of weapons, even after we have passed the overkill point. There is no way they can both be superior, but if they both try, then you get the senseless accumulation of overkill on both sides, and that, of course, is the condition Mr. Warnke was warning against in the article in the Foreign Affairs Quarterly some months ago

called, as I recall it, "Two Apes on a Treadmill."

I thought it was a fairly good description of what is going on. I know there are some people who do not like to have our strategic planners referred to as apes, but at least he was bipartisan about it; he put both the Pentagon and the Kremlin in the same category.

I thought the argument was unanswerable; if we go down that road of the strategic planners in both countries trying to get ahead of each other, there is nothing but waste and disaster ahead of us.

I might add that as far as making the Soviets behave better is concerned, I have always thought they were most belligerent and most difficult to get along with when we had a nuclear monopoly, from 1945 to 1950. It was some time after they developed a nuclear capability of their own and began to move toward parity with us, although I do not think they have ever achieved parity, that they began to move toward détente.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield.

Mr. SCOTT. In the article the distinguished Senator referred to, "Apes on a Treadmill," as the Senator may recall, the concluding paragraph of that article indicated there was no risk if we would practice restraint for a period of 6 months, with the thought that at the end of that 6 months period, the Soviet Union might also practice restraint, and it would be a reasonable gamble for us to take.

It just happened that a couple of days ago, as a witness before the Subcommittee on Manpower and Personnel of the Senate Armed Services Committee, we had General Haig, the Commander in Chief of NATO Forces, and, without mentioning the Warnke nomination in any sense, I posed that identical question to him, and asked him if he agreed there would be no risk.

He answered in one word, "No." He then put the matter in an affirmative position, and said it would be a very risky thing for us to do.

I just mention this as the view of one individual who does happen to be the Commander of the NATO forces. I appreciate the Senator's yielding.

Mr. McGOVERN. I thank the Senator. Let me just say with regard to General Haig that while I am sure he is a very able general, I do not really expect to meet very many generals who will ever agree they have got enough. Probably we would not, either, if we had those stars, because it is in the nature of the business that when you are in the command of troops, you never admit you have enough. No football coach is ever going to tell his management he has all the money he needs to recruit new talent. They never think they have enough. That is why we have civilian authority making these judgments in the long run, because we have to have some judgment as to what the various needs of the country are. We cannot let the military write their own ticket, any more than we let HEW write its own ticket, as to what they need.

We have a higher judgment, and that is to look at the different requirements of the country, to look at our needs here at home, to look at other areas of national strength, the health and education of the American people, the quality and the availability of food supplies, and other things that have to do with national strength.

Mr. CHURCH. Mr. President, will the Senator yield for a comment?

Mr. McGOVERN. I yield.

Mr. CHURCH. I am glad the subject of unilaternal restraint has surfaced so early in this debate, because, quite apart from whatever General Haig may have said to a question, however framed, we have an instance in our own recent history where the United States practiced unilateral restraint. I wonder at the outcry against it when, in this instance, it worked so well.

I refer, of course, to the historic address made by President Kennedy at American University. At that time, we were hoping to secure some kind of test ban agreement with the Soviet Union that would put an end to the slow poisoning of the air and the water on this planet. At American University, the President announced that then-Chairman Khrushchev of the Soviet Union, Prime Minister MacMillan of the United Kingdom, and he had agreed to initiate a high level discussion in Moscow "looking toward early agreement on a comprehensive test ban treaty."

He then stated that the United States was unilaterally stopping atmospheric nuclear testing, and I again quote the President, "To make clear our good faith and solemn convictions on the matter." The President coupled this unilateral declaration with the announced expectation of mutual restraint on the part of the Soviet Union.

So, one does not have to resort to theory or count the number of stars upon a general's shoulder to examine the question of unilateral restraint. Here is an example where we tried it. The President had the courage and the foresight to set the example of our own good faith and, as the Senator knows, within a few months we had secured a limited test ban agreement with the Soviet Union, putting an end to the testing of nuclear weapons in the atmosphere, under water, and in outer space. And the terms of that agreement have been kept by both sides to this day.

I am simply not alarmed to the point of throwing my hands in the air or pulling my hair when I hear it said that Mr. Warnke has suggested, on occasion, it might be in the national interest of the United States to set an example by prudent restraint and then see if that did not elicit a response from the Soviet Union. A few years ago, that is what happened, and today, we have a limited test ban treaty as a result.

Mr. McGOVERN. I think the Senator's point is well taken. When one considers the enormous overkill capability there is on both sides, both the Soviet Union and the United States are in a position to take a few unilateral initiatives without sacrificing in any way their deterrent capability.

I might just say that this works the other way, too. When we take the lead in a new change in the strategic balance, where we are building up our own capacity to destroy, that results in countermeasures on the other side. I remember a few years ago, when we were debating the question of whether we ought to go ahead on the MIRV system, converting our missiles to multiple warheads. The argument was made that we needed to do that as a bargaining chip, that this would give us more power and more leverage in persuading the Soviet Union to agree to a limitation on nuclear weapons. It did not work that way at all, of course. What happened is that the Soviet Union saw us putting multiple warheads on our missiles and they did the same thing.

So the strategic balance has not changed very much, except that it has moved up to a higher and much more expensive level. I sometimes wonder if that is not the purpose of this arms race, to see who can bankrupt the other side first. In any event, it did not result in more restraint on the part of the Soviet Union. It triggered another round in the arms race.

Somewhat later, Secretary Kissinger, who, at the time, had favored going to the MIRV system, as the Senator from Idaho knows, came back after he saw the results of this and very frankly said that he was wrong and that he wished we had exercised more restraint in delaying a decision on the MIRV; because, if we had done that, it might very well be that that is one of the issues we could have laid on the table in the SALT talks and neither side would have had to go ahead on these very expensive outlays.

Mr. HART. Will the Senator yield for a question?

Mr. McGOVERN. Yes, I yield to the Senator from Colorado.

Mr. HART. The Senator from South Dakota responded to a question by the Senator from Virginia regarding General Haig's statements correctly, I believe. I was at that hearing where General Haig suggested that there might be some dangers involved in unilateral restraint. Like the Senator from South Dakota, I was not particularly surprised to hear that, because I think, as the Senator has indicated, that is the job of military officers, to be on the ready and to seek more support wherever they can whenever they can. On the contrary, it seems to me that when one looks to the possible negotiation of an arms control agreement, or arms limitation agreement, conversely, one would look to a person who had a commitment in that area, in the same way a military officer would have a commitment to building up military forces.

Whereas, in much of the discussion that has gone on regarding the Warnke nomination, the critics of Mr. Warnke have faulted him for having a commitment to arms control limitation, that seems to me exactly the kind of person you would hire to negotiate an arms control limitation agreement. I do not think you would hire a person who wanted to

disband the military as the Chief of Staff or the Chairman of the Joint Chiefs. On the other hand, I do not think you would hire a person who is committeed to building up more nuclear weapons, or conventional weapons, to negotiate an arms control limitation agreement.

I wonder if the Senator has any response to those who say that Mr. Warnke is unqualified or disqualified for this position because he has a strong standing commitment to control the arms?

Mr. McGOVERN. I think the Senator's point is very well taken and it is hard to draw any conclusion other than the one he draws. As I have read the criticism directed at Mr. Warnke, I have had exactly the same reaction the Senator from Colorado has. We are witnessing a debate in which the critics of this nomination seem to be saying, "We don't want anybody to run the Arms Control and Disarmament Agency who believes in what that Agency is supposed to do."

Mr.HART. Precisely.

Mr. McGOVERN. That is to bring about some realistic control on the arms race and, hopefully, to work toward controlled disarmament.

It is almost as if we were examining a nominee for, let us say, the Office of Education and the critics were trying to prove that that person favored education, that they want somebody in that office who is opposed to education. I think we can afford to have at least one person working in the U.S. Government who believes in arms control and who believes in disarmament. It might be a good idea to put him in the office that is charged with that responsibility.

I think the Senator's point is well taken.

Mr. HART. As the Senator well knows, the legislation authorizing the Arms Control and Disarmament Agency, in its preamble, has language that is much stronger, to my knowledge, than any statements that Mr. Warnke has made about the unilateral, if you will, commitment by the Congress of the United States at that time to limitation and control of armaments, particularly in the nuclear field. It seems to me that all this quibbling about what Mr. Warnke wrote in an article in 1972 or 1975 about believing there was some interest on the part of our country in controlling arms, does not even begin to approach the strength and the purpose and the direction of this language which Congress put in the laws of the United States about the commitment of this country to controlling arms. I think if one is to fault Mr. Warnke for his commitment, one is going to have to fault the Congress of the United States and, certainly, the incumbent President of the United States for that sort of commitment.

I thank the Senator from South Dakota for yielding.

Mr. McGOVERN. I thank the Senator from Colorado for his comments.

Mr. President, to continue with the point I was making before I yielded to the Senator from Idaho, I was beginning to summarize the conclusions on which my remarks today are based; that is, the basic postulates that I wanted to put before the Senate. The second of those is that, barring any unforeseen technological breakthrough, there is not the slightest cause for doubt, either now or in the foreseeable future, about the ability of United States strategic forces to accomplish everything that nuclear weapons can accomplish in support of our national security. As the Senator from Idaho has emphasized here several times this afternoon, when you reach a point where each side has the capability of destroying the other, anything beyond that becomes superfluous and wasteful.

I might just say on that point that I remember some years ago, when the distinguished nuclear scientist, Dr. Leo Silard, was alive, he argued that with as many as 40 or 50 well-placed nuclear delivery systems, we had an adequate deterrent. At a later point, Secretary McNamara argued that, allowing room for misfires and miscalculations, perhaps the figure might go as high as 400. Today, we have 8,500 strategic warheads that we are capable of delivering to the Soviet Union, each one of them more powerful than the two bombs we dropped 30 years ago on Japan, which incinerated two cities in a second's time.

When one just thinks about the enormous, excessive capability that we have in those systems, it makes us wonder why, each day, we add another three or four warheads to the system. By the end of this week, we will have 20 more than we had last week, and so it goes.

By meaurements that have any practical meaning, the United States has a dramatic lead over the Soviet Union in strategic arms. I shall elaborate on that point, as I did the others, in more detail later. The claim that the United States has shown excessive restraint in strategic programs in recent years is wholly fictitious. The opposite is true.

There is nothing unduly alarming in current Soviet strategic programs. While they may warrant adjustments in the U.S. posture in the interest of stability, those Soviet programs—including the much-discussed civil defense—do not pose a threat to the sufficiency of U.S. strategic forces.

The new doctrines devised to justify more spending on strategic arms are wholly implausible; further, their authors are engaged in a dangerous and irresponsible process of suggesting that nuclear war can be an acceptable option.

In terms of our overall international posture, the United States does not suffer from any insufficiency of nuclear arms or programs; we must, however, concern ourselves with the possible misperceptions or miscalculations which could be inspired by groundless proclamations of American weakness.

I just emphasize that point, Mr. President. I hope that Senators and those in the executive branch and others will think very carefully about the impact of our standing in the world of these constant announcements about how weak we are and how dangerous our position is vis-a-vis the Soviet Union.

I do not think that serves the national interest to be promoting a view around the world of a weakness that does not exist here in the United States.

We do not want to be boasting, either, about power that goes beyond what we have or what we are willing to use, but some degree of restraint in the rhetoric might be in order.

When the goal is to fight or deter a conventional war, the term superiority does have meaning. Even there it is hard to measure. But in a conventional context, if quality is equal, more can be better.

That may explain why there has been such a strong tendency to carry the superiority concept on over into the realm of nuclear weapons. It is simply the application of the same planning doctrines that prevailed throughout all of our prenuclear experience.

But it makes no sense, however, when we try to transfer these same terms to strategic weapons because with weapons of such overwhelming power, we have at last acquired the capacity for total destruction of any opponent. The excess can only refine the dust finer. If a 300-pound person and a 350-pound person went walking together, it would be obvious to the most simple-minded observer that both were overweight. It should be obvious to the most simple-minded observer that both the United States and the Soviet Union have massive overkill.

With conventional weapons the concept of "essential equivalence" also makes sense. If two sides have equal forces, any attack would probably produce a stalemate. Since a conventional attack is unlikely if the attacking side cannot expect to win the exchange, "essential equivalence" can be a relevant standard by which to measure the conventional balance of forces.

But, again, where nuclear weapons are concerned, the concept makes no sense. If two people both weigh 400 pounds, they both have more fat than they need.

Some argue that if we have superior nuclear forces our allies will be reassured and nonalined or hostile third countries will be impressed. I frankly think that argument is the last refuge of those who have no real case. It is an attempt to fabricate a value for nuclear weapons that they simply do not have.

Does anyone really believe that the leaders for the people of the Third World regard overkill as a measure of practical national strength?

If both sides have forces they need to deter war—and they do—then the relative numbers should have no bearing at all in any other context, whether it is influence in the Third World or bolstering the confidence of our allies. And if there is any political problem in connection with our nuclear forces, it is that other countries might believe the groundless claims of today's clarions of American weakness.

But, Mr. President, the point is that terms like "superiority," "equivalence," or nuclear forces "second to none" may sound well in patriotic speeches. But they only confuse and distort the national security debate. The essential question is not whether we are ahead, behind, or in parity; the question is whether the realistic national security purposes of our nuclear arsenal can be served, re-

gardless of who has the most missiles and bombs.

Once a judgment is reached that we have sufficient strategic power to serve any reasonable purpose of those weapons, then anything that goes beyond that is a waste of the resources of this country and a betrayal of our responsibility to protect those resources and use them wisely.

The overriding purpose of our nuclear weapons is to deter a nuclear attack. That point sometimes gets lost in the discussions of scenarios and warfighting strategies. But if these weapons ever have to be used, their principal purpose will have failed. We do not even know with any certainty what would happen if both sides unleashed their full nuclear arsenals. It is conceivable that beyond the disappearance of both combatants as viable societies, humanity itself would not long survive the consequences. Clearly deterrence is our first order of strategic business, not only as patriotic Americans but as responsible human beings.

The way we accomplish deterrence is to convince any potential attacker that we could and would inflict unacceptable damage in return—damage that would far exceed anything he could hope to gain by launching the attack. There are other war-fighting and -planning doctrines associated with our nuclear forces. But this one—usually called assured destruction—has the most direct bearing on the size of the force we need.

What do we need for deterrence? The chief constraint is the fact that at some point you run out of worthwhile targets. In economics there is a principle called the point of diminishing returns—where each new incremental investment begins producing a smaller return than the one before. Precisely the same notion applies to nuclear deterrence—except in this case I think there is an obvious point not only of diminishing returns but of disappearing returns.

Since deterrence is as much a state of mind as a physical process, there is no way to calculate exactly how much of the Soviet Union we must be able to destroy in order to deter an attack. If we turn the issue around, I cannot conceive of a foreign policy goal for which an American President would find it acceptable to pay with the incineration of even one American city.

Remember, that was only a Daily News headline during New York City's financial crisis; President Ford did not really tell New York to "drop dead." And even if he had said it, it would be wrong to take it literally. Moreover, if the Soviets had only one missile, he could not be certain that they would target New York. Perhaps they would aim at Detroit instead.

So a good case can be made that there is abundant deterrence even in a very small force of nuclear weapons. Just a few of these warheads can destroy and contaminate whole metropolitan areas. An American President would not, under any conceivable circumstances, find acceptable the certain destruction of New York, Chicago, Los Angeles, Dallas, St. Louis, Washington, D.C., or any other of our major cities. Neither could a Soviet Premier accept the loss of Moscow, Leningrad, Kiev, Vladivostok, Kharkov, Odessa, or others of that country's metropolitan or industrial centers.

But if precise calculations are not possible, there are some rough ways to determine when the point of diminishing returns has been reached. The Soviet Union has some 219 cities with populations in excess of 100,000 people. And if a Soviet leader will not be deterred by the guaranteed destruction of those cities, he is not likely to be further deterred by our ability to destroy smaller communities and villages.

The last attempt at official calculations on this issue was in the early 1960's. Pentagon experts then determined that as few as 400 one-megaton nuclear weapons would kill 60 million Russian citizens and destroy 75 percent of that country's industrial capacity. Such a force would literally destroy the Soviet Union as a modern society. Certainly that should be sufficient for maximum deterrence against the maximum threat.

There have been reports in the press in recent days that President Carter asked Secretary of Defense Harold Brown and Gen. George Brown, Chairman of the Joint Chiefs of Staff, to prepare a report on the minimum force which would be necessary for deterrence. The request is supposed to have sent tremors of alarm through the Military Establishment. I do not know whether the reports are accurate or not, but I hope they are. It would be extremely useful to update the old studies of the 1960's, so we will know how much of our present force serves the basic deterrence function and how much is there for other reasons. And that is exactly the right starting point for any intelligent debate on these issues.

But it does not take any new study to calculate that we have far more than we need for deterrence.

First. The planned U.S. strategic force for the end of this fiscal year will include 1,000 Minuteman intercontinental ballistic missiles, ICBM's, plus 54 of the older and larger Titan II ICBM's. Five hundred and fifty of those are Minuteman III missiles equipped with multiple independently targetable reentry vehicles, or MIRV's, which means that each of those 550 missiles can strike 3 separate targets. The other 450 are equipped with multiple reentry vehicles, MRV's, which are not independently targetable but which separate before detonation to create a pattern, not unlike a shotgun effect, to spread more destruction over a wider area than a single warhead would accomplish.

With the Minuteman II's alone we could fire two missiles with clustered warheads at every Soviet city of over 100,000 people. Beyond that, with the Minuteman III's, we could drop eight more warheads on each of those cities. In the Minuteman force alone, we have at least 10 warheads for each of 219 Russian population centers. Then we could take the 54 largest cities and throw in a Titan for good measure. There is dramatic overkill capacity in the ICBM force alone.

Second. We will have at the end of this year 656 submarine launched ballistic missiles, SLBM's. When the Poseidon conversion program is completed early in 1978 there will be 31 Poseidon submarines and 10 Polaris submarines, with 16 SLBM launch tubes each. The 31 Poseidon boats will be MIRV'ed. The 10 Polaris boats are scheduled to be retired as the new Trident submarines enter the force. But in the existing submarine force, including the Poseidon MIRV's, we have a total of 5,000 independently targetable warheads. That gives us another 22 warheads for each Soviet city of over 100,000 people. In the ballistic missile category that brings us up to 32 total warheads for each city.

But there is still a third force—the long-range bombers. The planned force for this year is 418 strategic bombers—the B-52's plus four squadrons of FB-111's. The payloads vary according to the kind of mix of gravity bombs and stand-off missiles loaded on the planes. But we have almost 1,400 more warheads in that force. That is another 6 or 7 warheads for each of the 219 biggest Soviet cities; again, more than enough in this force alone to destroy those cities.

The grand total is 8,500 nuclear warheads—38 for each of the 219 major cities, with 178 to spare.

Of course, all the bombers are not always on alert, and perhaps 20 percent of the force could be lost to air defenses. All the submarines are not always on station. Some of our ICBM's could conceivably be destroyed prior to launch. And this is only an illustration on how we might target our weapons if we chose to concentrate exclusively on striking major population and industrial centers; it is not the way our warheads are targeted now.

But the analysis does make at least this unassailable point—that we have gone as far as we can go, and many multiples beyond it, in building the weaponry for the first and foremost nuclear mission, which is the deterrence of nuclear war. If we were to double our force, it would not make the Soviet Union one iota less likely to launch an allout attack; if we halved our force, it would not make them a shred more likely to do so. Either way, the attacker would be wiped out.

There are, of course, secondary and related nuclear missions. One, whose most articulate spokesman was Defense Secretary James Schlesinger, has a logical foundation. It holds that we must have the capacity for a flexible response—that massive retaliation is not a credible deterrent to an attack which might be less than total. The Soviet Union probably does not believe that we would retaliate against their population and industry if, for example, they launched a small number of missiles against a single Minuteman site, or perhaps against a U.S. base overseas or American shipping at sea. They might also doubt if we would respond in such fashion if they threatened a third country—such as Japan or a European ally—that is under our nuclear umbrella. The Schlesinger doctrine says that we must be able to respond in kind to lesser attacks, in order to deter the full range of nuclear threats.

That, too, is something we can do. In recent years a number of our missiles

have been retargeted, and the command and control systems have been altered, to permit retaliation against a variety of targets. Obviously we do not need an entirely separate or additional force for that purpose. Given the character of our arsenal, the capacity to deter smaller attacks is included in the capacity to deter all-out war.

Another mission assigned to our nuclear weapons makes far less practical sense. As opposed to population and industry, or "countervalue" targeting, it is the damage limitation or "counterforce" role. As opposed to deterrence, this is a doctrine for fighting a nuclear war. The premise is that if deterrence fails, we can limit the damage to the United States by striking some of the Soviet missiles before they are launched, or by at least destroying the silos so they cannot be reloaded. In the 1960's this mission led many military experts to propose the creation of a vast antiballistic missile system, to intercept incoming Soviet missiles. But the SALT I treaty prohibits ABM's and they would not work anyway. Now the doctrine is used to justify new warheads with pinpoint accuracy, for "silo-busting" purposes.

Admittedly the concept is attractive. It has a moral foundation—we would greatly prefer to strike at an adversary's capacity to make war, and to avoid attacking civilians except as a last resort. And is it not our duty to plan for the worst, and to take whatever steps we can to save all the American lives we can if war does come?

But no matter how attractive on those levels, I think these strategies and preparations are not only ineffectual but dangerous. Much as we might want to avoid it, I think it is time we come to terms with a painful but inescapable truth about nuclear weapons—that the people of each country are in fact the hostages of the leaders of the other. That doctrine is central to the strategy of both sides. And any step we might take to interfere with what the Soviets see as the "assured destruction" they need for deterrence can and will be countered. They may simply add more weapons. Worse, they may move to a "launch on warning" posture, which would increase the risk of accidental war and also guarantee that it will be total if it happens. Mutual assured destruction has been characterized by its acronym—"MAD." But counterforce doctrines are madder still. In the long run they will not save any lives; they will only add to the mad momentum of arms spending which dashes any hope for nuclear stability and bleeds both societies white.

In listing American strategic forces I have not, as yet, totaled up the Soviet arsenal. The separation is deliberate. It underscores that our goal should not be the arbitrary one of matching their forces, but to match our own forces with our own essential missions. The size and character of Soviet preparations are relevant only to the extent that they may inhibit our ability to perform those missions.

In that respect three Soviet systems in particular are considered to have a bearing—their bomber defenses, their IBM's, and their civil defenses.

On the first, there is no doubt that our existing bombers can penetrate Soviet airspace. The Russians have been "expected" for many years to develop a "look-down, shoot-down" capability that could intercept strategic bombers. But upon questioning, it usually turns out that the expectation is purely hypothetical, with no evidentiary basis. Most Soviet surface-to-air missiles, many of which are obsolete, were designed to intercept aircraft flying at high altitudes. They would be of no avail against the capability we began developing nearly 20 years ago, in the latest model B–52's to fly in at low altitudes, out of sight of the radar "eyes" of the defense.

Further, if the Russians did adopt look-down, shoot-down air defenses, they could still not deny us the ability to inflict overwhelming destruction with manned aircraft. We would only be denied the privilege of doing so with gravity bombs. We would have to use standoff missiles instead. But in either case, the manned aircraft portion of our deterrent has and will retain an unimpaired capacity to deliver a knockout nuclear punch.

A second, main concern has been the deployment of Soviet missiles with very large payloads, coupled with the beginning of a Soviet MIRV program. The Soviet Union presently has an estimated 1,450 ICBM launchers—down from 1,550 last year. The most worrisome of those are the 40 SS–17 missiles which can carry 4 MIRV's, 50 larger SS–18's with room for as many as 8 to 10 separable warheads, and the 140 SS–19's with 6 MIRV's. These missiles could also be deployed with larger single warheads, but with MIRV's each one could hit more targets. The numbers presently deployed do not, of course, constitute a major counterforce threat. The planners worry about the "momentum" of the Soviet program.

Let us assume that the Soviet Union does someday possess what could be taken as a land-based force sufficient to knock out our ICBM's in their silos—and let us also assume that we take no steps to counter that, such as the development of mobile missiles. Will they then be more likely than now to launch an attack?

The scenario suggests that the Soviets might fire their ICBM's exclusively at our ICBM's; then, once they had destroyed our capacity to respond with land-based missiles, they would hold us up for blackmail with the remainder of their ICBM's and their sea-based and limited airborne nuclear weapons. If they could undertake such a first strike, according to Secretary of Defense Rumsfeld's last posture statement, there would be a "dangerous asymmetry." Secretary Rumsfeld argued, as Secretary Schlesinger did, that:

> Much of the U.S. capability for deliberate, controlled, selective responses resides in the Minuteman force. If much of that force were eliminated, the Soviets would preserve their flexibility while that of the United States would be substantially reduced. The Kremlin would still have options; the choices open to a President would be limited.

The rationale for this doctrine rests heavily on the notion that the Soviets could strike our ICBM's while avoiding any significant collateral damage to cities and population. Otherwise, why would they bother to leave a separation between the war against missiles and a war against people? In either case we would certainly respond massively.

That notion itself has a curious history. It rests upon a set of mushy Pentagon calculations, so obviously slanted as to raise doubts about all the numbers they send us.

In September of 1974, then Secretary of Defense James Schlesinger told the Foreign Relations Subcommittee on Arms Control that a strike against the 6 U.S. Minuteman fields would produce only 800,000 fatalities, and that total casualties—including radiation sickness from fallout—would "approach" 1½ million.

The subcommittee then secured an independent assessment from the Office of Technology Assessment, which showed that a minimum, a strike against the Minuteman force would produce 3.5 million fatalities, and that the likely total would reach 22 million.

It was a useful exercise. Now we know that neither we nor the Soviets should lightly consider such options. The war game writers have a habit of forgetting about the nature of these weapons. A counterforce attack would be no simple pinprick, no mild provocation. It would be mass slaughter.

And what must be considered by a Soviet leader who might contemplate such a slaughter?

First. He must be certain—and he cannot be—that we have retained our ICBM's in an exclusively rataliatory posture. Our policy now is not to launch those weapons until we have actually been struck. That is a proper, stable posture, since ICBM's cannot be recalled, and we do not want to launch an accidental attack. But the point is that a Soviet leader can never have a guarantee that we have not moved to launch on warning. If we had, his missiles would strike empty holes and the full range of ICBM targets in the Soviet Union would be destroyed. In my view this one condition defeats the whole counterforce doctrine.

Second. The Soviet planner must worry about fratricide. The flight times of his missiles will vary. The ones that hit first will create enormous explosions. And if those explosions can destroy our ICBM's in hardened silos, they will have a much easier time of it destroying the unprotected Soviet missiles which are coming in seconds behind to strike other Minuteman silos in the same field. Unless the attack is spaced—giving us time to launch most of our ICBM's even if we do not go to launch on warning—it is likely that the attacker will blow up more of his own missiles then he will of ours. The "dangerous asymmetry" Secretary Rumsfeld talked about would run against the attacker.

Third, the Soviet decisionmaker must assume—and he cannot—that we would react in a restrained, accommodating fashion to the slaughter of as many as twenty-two million Americans. Perhaps the authors of this counterforce doctrine would regard that as something we could accept without unleashing our own nuclear forces against Soviet cities. But the Soviet planner can never know that our response would be so confined. And if there is someday some prospect that under ideal conditions a first counterforce strike could destroy many of our missile silos, it would not and could not do much of anything about the SLBM force, which alone has 22 warheads for each Soviet city of 100,000 or more. It would not do much of anything about the bomber force, which has another six or seven warheads for each of those cities. In the face of such uncertainty about our response—which could bring as much devastation as a full scale conflict—I submit that a Soviet planner is no more likely to launch a "limited" counterforce attack than he is to launch an all-out nuclear holocaust. The controlling truth must be that no sane human being is going to unleash any kind of nuclear war on the off-chance that his society will not be totally destroyed by the response.

This leads to the question of civil defense—the third Soviet system which bears on our nuclear missions, and another current scare about developments in the Soviet Union. Are they working now to save their population—to limit deaths and destructin to "acceptable" levels if war comes?

Ordinary people in the Soviet Union do not think so, at least according to a recent report by David Shipler of the New York Times. He reported from Moscow that one standard joke goes:

> What do you do when you hear the alert?
> Put on a sheet and crawl to the cemetery—slowly.
> Why slowly?
> So you don't spread panic.

Our professional scaremongers raise the Soviet civil defense issue in the same context as a limited counterforce attack. The argument goes that they cannot only strike our ICBMs in their silos, thus creating an asymmetry and limiting our options: they can also employ civil defenses to limit the effect of any U.S. bomber and SLBM retaliation, to continue functioning through those thousands of warheads, and thereby to "win" the war.

The premise is just as ludicrous as counterforce itself, and for the same reason. It simply neglects the effects of nuclear weapons.

Even the most ardent believers in Soviet civil defense agree that shelter programs in their urban areas would be of little use. They contemplate a massive evacuation into the countryside, an effort that would take a minimum of 3 days. But they also contemplate a situation in which our ICBM's are knocked out by a surprise counterforce strike. Well, how would they keep it a surprise, if we saw the Soviet citizenry evacuating the cities en masse? Would they tell us the whole country was given a vacation? If, in the interest of stability, we would not go to a continuous launch on warning posture solely on the basis of their missile developments, we could certainly go to a launch on warning posture for the duration of any such emergency. And in the meantime we could retarget our missiles to follow the evacuation. That, alone, throws all of these calculations about Soviet survival of a nuclear war into a cocked hat. For they all assume that our ICBM's—with the greatest capacity against even hardened industrial and military targets—would be gone.

But let us assume for purposes of argument that they could save a substantial portion of their population from the effects of the initial blast. What would happen next?

Under the leadership of Prof. Alfred O. C. Nier of the University of Minnesota, the National Academy of Sciences recently issued a report on "The Long-Term Worldwide Effects of Nuclear Weapons." The Academy was asked by the Arms Control and Disarmament Agency what would happen if a substantial proportion of all the world's nuclear weapons—as many as half—were detonated.

On the assumption that all detonations would occur in the Northern Hemisphere, these distinguished scientists did agree that quite a number of human beings and other living forms would survive—most of them in the Southern Hemisphere. In a follow-up article in the New York Times, the President of the Academy, Philip Handler, emphasized these points:

> . . . the depletion of stratospheric ozone resulting from multiple detonations would be global in scope . . . and would persist for years, resulting in such intense ultraviolet irradiation of the earth's surface as to cause crop failure by direct damage to plants and by major alterations of climate, and to induce intense sunburn in a few minutes and markedly increase the incidence of skin cancer in those exposed.
>
> The same global effect would be achieved if one superpower were to use all of its weapons or both were to use half of their weapons or, indeed, if many lesser powers were to release an equivalent megatonnage scattered more widely over the earth's surface.

Mr. Handler concluded:

> If this assessment is essentially correct, then there can be no escape from the consequences of such an event.
>
> In addition to the uncertain remaining retaliatory capability of the target country, no nation can deliver what is intended as a massive pre-emptive strike without automatic catastrophic natural consequences to itself.

Even a sheltered Soviet population would be subject to these sustained effects. They could not stay in their shelters forever. Moreover, a massive share of the detonations would occur in their atmosphere. The effects would be concentrated.

When the Soviets did dig out, they would find all cities and small towns leveled. Food and water stocks would be contaminated. Insects, with greater resistance to radiation than other species, would abound, and the entire ecology would be wholly unbalanced. With the ozone layer depleted, the Sun's ultraviolet rays would devastate a Soviet agriculture which is already incapable of feeding the Russian population—and there would, of course, be no chance to import American wheat. Over time most of the survivors of the blast and the radiation would likely starve. Instead of emerging as a viable society, the Soviet Union would be the prostrate; instead of emerging as a world power it would emerge crippled, subject to dismemberment by hostile neighbors and to a total loss of influence anywhere in whatever portions of civilized society remained in the world. The living truly would envy the dead.

Soviet leaders know about these consequences. Lest either we or they forget, one of our principal objectives should be to repeat as often as we can the horror that any nuclear adventurism would entail. That—and not these attempts to claim that nuclear war can be good, clean fun—is the duty of responsible officials and knowledgeable people.

I think it is time we called our architects of death to account for their behavior. Those of us who take issue with these scenarios, and who want to limit our arsenal to the real need are generally dismissed as dreamers or unilateral disarmers. More often we are simply ignored—the real credibility on these issues belongs to the military, to the hardnosed academics, and to the think-tankers who can bring a sort of cool detachment to the process of figuring out how it might be acceptable for one side or the other to use their nuclear weapons.

Hence, Paul Warnke was obliged to run a double gauntlet, and appear before the Armed Services Committee, which has no jurisdiction over his confirmation, to explain his conduct and his views on the side of arms limitation. Paul Nitze—one of the authors of the Gaither report and the missile gap of the 1950's, and a chief proponent of the more recent throw-weight and civil defense gaps of the 1970's, is given a ready forum and a serious audience to inflict his paranoia on the public mind. Theodore Sorrensen was discredited as a "leaker" because he took classified papers with him to work on his book—even though no one has been able to suggest that he ever leaked anything. And of course we all know the furor and investigations that followed when the Pentagon papers were published. But Mr. Nitze was on the panel of outsiders—"team B"—who worked on the latest national intelligence estimates. That highly classified information has been selectively leaked. Where is the outrage? Where are the demands for investigation? I suppose that is reserved for those cases where the whole document is leaked and the American people get the full picture.

We must consider carefully what has been happening. I suggest that those who claim they are only warning us of possible dangers are in fact increasing the risk of nuclear war. Counterforce doctrines, bomb shelter gaps, and the like are in effect methods of promoting the view—both here and in the Soviet Union—that nuclear war can be an acceptable and responsible option. When the analysis supporting such premises is

so poorly done, and when it is based upon such wild hypotheses, it is hard to escape the view that it is done not by analysts but by advocates, who think it is a tragic waste that we have all these weapons lying around with no one willing to set them off.

Why, then, is the Soviet Union making all of these preparations—civil defenses, heavy ICBM's, MIRV's, and all the rest?

On civil defenses, one possible reason that has been suggested is that they know they cannot hope to escape the huge American force, but that they could possibly survive a nuclear exchange with China, whose nuclear force is much smaller. It is not an unreasonable supposition. At one point we were planning the Sentinel area-coverage ABM against the same projected threat. It has also been noted that the estimated Soviet civil defense budget of $4 per person per year is not out of line with spending by other European countries.

But there is a still more obvious reason for these preparations. It is also the one reason which is most rarely, if ever, suggested. I think they have become convinced that a nuclear war is going to happen. I think they believe the United States is going to start one. And while it is almost entirely futile, they are nonetheless attempting to limit the damage.

The notion of a limited counterforce first strike is not, after all, a concept which has been announced by the Soviet Union as their strategy. It has been invented by our own strategic "thinkers," who have then ascribed it to the Soviet Union. And it would not be irrational, therefore, for Soviet hawks to argue that the American authors of this doctrine are in fact advocating it as a course their own country ought to pursue.

Such fears could only be reinforced by American deployments in recent years.

One of the great myths currently circulating in Washington is that we have been restrained in our strategic programs in doctrines. One Senator who attended the Foreign Relations Committee hearings on the Warnke nomination said that the United States:

> . . . has followed just such a policy of restraint for nearly the past decade now, and we have absolutely no evidence of any emulating reciprocity on the side of the Soviet Union.

Secretary Rumsfeld made the same point on strategic programs in his posture statement:

> . . . whatever the motives for the past Soviet strategic expenditures, it should now be evident that the Soviets have taken the initiative in a wide range of programs, *that restraint on our part* (whatever its reason) has not been reciprocated—and is not likely to be—and that the behavior of the Soviets indicates an interest—not in the more abstract and simplistic theories of deterrence—but in developing their strategic nuclear posture into a serious war-fighting capability. (Emphasis added.)

What restraint?

Over the past 10 years the Pentagon spent $115.3 billion on new strategic programs. The AEC and ERDA spent another $12.2 billion on weapons and related nuclear materials. Nearly $81 billion of the Pentagon's share alone has been for offensive weapons. Where is the restraint in that?

In the early 1970's we began deploying MIRV's on both land-based and sea-based missiles. There was no Soviet MIRV program then; it is barely underway now, and falling farther behind the Pentagon projections each year. Between 1970 and 1975 we added 4,500 more weapons to our nuclear force—4,500 weapons capable of striking separate individual targets. In just 5 years, that amounted to more than a doubling of the number of weapons in our arsenal—a doubling, to 8,500, in the number of targets we could hit. What kind of restraint is that?

But there is concern about a "throw-weight" gap. Soviet missiles are bigger. Are they not, therefore, more effective against hardened targets, such as missile silos?

On the contrary, they are less effective than ours. The size of a warhead is far less important than accuracy in determining its hard target or silo-busting capacity. Explosions are not flat, they are spherical. If you double the volume of an explosion, you do not thereby double the radius of destruction. Increasing the yield eight times increases the radius of destruction by only half as much. But for the same sized warhead, a threefold increase in accuracy will improve the kill capacity by the square of that, or nine times. It is not terribly impressive to build missiles with giant throw-weights and giant warheads; on the contrary, they are inefficient compared to smaller missiles. The important factor is accuracy. And in that realm, too, we have a commanding lead. The Soviets lag behind.

This accuracy gap might well make the Russians especially nervous about our intentions. Aside from the greater efficiency of smaller weapons—and we already had redundant warheads for deterrence—there never was any plausible reason for going ahead with MIRV's after the 1972 SALT Treaty prohibiting ABM's was signed. MIRV was initially promoted as a method of overwhelming an ABM defense. With a Soviet ABM ruled out, why did we need it?

Presumably the Kremlin's counterparts of our own scaremongers concluded that we continued to build it and refine it as a first strike weapon, designed to hit their ICBM's in the silos. That conclusion would clearly be reinforced by the fact that we now see—and obviously the Kremlin sees—a headlong American rush to improve accuracy and to design and deploy new silo-busting warheads. We have had proposals for new maneuverable reentry vehicles, or MARV's, that can be corrected in flight. The new MK–12A warhead will, according to published sources, be accurate to within 600 feet, and it will also double the yield of the Minuteman III missile. We are testing air-launched and sea-launched cruise missiles that can use terminal guidance systems to carry a warhead within the low tens of feet of the target—and in that sophisticated guidance technology the Soviet Union is an estimated 10 years behind us.

The distribution of the Soviet force must make these developments far more alarming to them than their current efforts should be to us. For they have fully 75 percent of their forces tied up in their ICBM's, with the rest on submarines and aging bombers. In our case the proportion is reversed—only 25 percent of our deterrent force is on ICBM's, and 75 percent is on bombers or on invulnerable nuclear submarines at sea. So their strategic hawks could argue that we were planning a first strike capability that would wipe out three-fourths of their deterrent forces, while retaining three-fourths of our own with which to blackmail their cities.

Nor have we been restrained in the capacity of our delivery vehicles. Some of us have tried to slow down or stop these excessive programs. We have not been successful. Four new Trident submarines are under construction, and a fifth has been funded; eventually there will be 10. Each will have 24 missile launching tubes, compared to 16 on the Polaris subs they will replace. They will also carry bigger missiles with bigger warheads. In another category, the B–1 bomber is widely regarded as a follow-on to the B–52's. It is not. At least until the 1990's it is planned as a supplement to the 250 G's and H's and to some 70 FB–111's. And if it is built it will increase the total payload of our strategic bomber force by two and one-half times. Where is the restraint in those programs?

The plain truth is that we have not held back at all on the most threatening strategic programs. Instead, we have built up and continued to pursue a commanding lead.

So this is the absurd condition of the debate. Some American strategists came up with a way they said we could have a nuclear war with "acceptable" damage to the side striking first. Then we began spending billions of dollars to build exactly the kind of forces—MIRVs and highly accurate warheads—that would be needed to carry that strategy out. And now those same strategists are pointing in terror at the Soviet Union. At what in the Soviet Union? Why, at their bomb shelter programs, of course.

This does not make the general Soviet buildup either acceptable or necessary. They need nothing beyond what they already have to deter any rational American commander.

This is where the examination of Soviet forces belongs. By the end of this fiscal year they are expected to have total force loadings of 4,000 warheads. Even if we could knock out all of their ICBM's in their silos, they would still have 880 submarine launched ballistic missiles—4 for every American city of more than 100,000 people. While it is an aging fleet dominated by turboprop planes, perhaps some of their bombers would also get through. And the limited counterforce scenario is just as impractical for us as for them, and for the same reasons—the launch on warning possibility, fratricide, and uncertainty about the reaction. We have to assume that the most likely result of an American "limited" counterforce first strike would be 4,000 warheads of

Russian overkill raining down on this country.

We may have some individuals in the arms establishment of the type recently described by Averell Harriman as "psychopaths" who think it is worth a try anyway. But they do not have their fingers on the nuclear button. Fortunately, there are still checks in the decision-making system to prevent even a suicidal president from taking the world along with him.

Finally, even if the most tormented Soviet planners have lately been holding sway on Soviet arms budget decisions, there is no call or cause for the United States to gallop out further ahead. There is nothing either in being or on the horizon that threatens our capacity to deter either limited nuclear adventurism or full-scale nuclear war. If the Soviets are foolish enough to build far more than they need, we can still be wise enough to stop when our needs have been abundantly filled.

My point today has been simply that the latest scare reports are—like earlier versions—both unwarranted and irresponsible. They escalate the risk of nuclear war, and they give the world a totally false picture of American weakness and unreliability.

But there is another set of questions which we need to consider. With our great comparative wealth and scientific talent, the United States can quite certainly retain a strategic advantage, no matter how hard the Soviet Union might try to catch up.

But that is an acceptable course only if one loves these weapons for themselves—if one actually prefers them over the homes and schools and transportation systems and medical attention and energy research and pollution control and other human programs the same money might otherwise buy. Personally, I despise them, both for what they could do to our planet and for what they deny our people and other people around the world—including those in the Soviet Union.

That is why I maintain that we must set our defense posture not only on the basis of what we need for deterrence, but according to what posture will best serve the cause of negotiated limits and eventual reductions on these horrendous arsenals of missiles and bombs. Beyond simple deterrence, I propose serious arms control negotiations as a first national American priority—not bargaining to stay ahead so we can boast of a meaningless lead, but bargaining for mutual advantage, so both sides can lessen the burdens of preparing for nuclear war and the danger that it might come to pass.

Proposals to implement that priority will be the subject of a second address.

Mr. President, it is my understanding that other Senators are anxious to become involved in the discusion at this time. I have held the floor for some time. I shall yield the floor and then perhaps at a later time this afternoon I will have more to say on this subject.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that Norvill Jones and George W. Ashworth of the staff of the Foreign Relations Committee be granted privilege of the floor for the remainder of the consideration of the Warnke nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Will the Senator yield to me for the same request?

Mr. SPARKMAN. Yes.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that Robert Turner and Peter Holmes of my staff have privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, I am pleased to have the opportunity to bring before the Senate today and to speak in favor of the nomination of Paul C. Warnke to be Director of the Arms Control and Disarmament Agency and to have the rank of Ambassador during his tenure as Director of that Agency. Mr. Warnke is to be an Ambassador in order to serve as Chairman of the U.S. Strategic Arms Limitation Talks—SALT—delegation.

As most Senators are aware, the nomination of Mr. Warnke has occasioned substantial public discussion. The Committee on Foreign Relations held two hearings—rather lengthy hearings—on Mr. Warnke's nomination, and his critics were afforded ample opportunity to explain their opposition to the members. I think every member of the committee and those who attended the committee hearings would say they were intensive hearings.

The Armed Services Committee has also had hearings on Mr. Warnke. On behalf of the Committee on Foreign Relations I had extended an offer to the chairman of the Armed Services Committee and any other interested Members to participate in the hearings held by the Committee on Foreign Relations, which has jurisdiction over these nominations. I was glad to see that Senator CULVER and Senator HART responded to that invitation.

Mr. President, the committee has issued a report on these nominations together with individual views of two of the members, the Senator from Michigan, Mr. GRIFFIN, and the Senator from Missouri, Mr. DANFORTH, who at that time was serving on the Foreign Relations Committee in a temporary position. He has gone from that committee now and in fact, this was his last act on the committee.

The committee report explains in full just why 15 of the 16 members supported Mr. Warnke to be Director of the Arms Control and Disarmament Agency and 14 of the 16 favored his being named Ambassador to serve as Chairman of the SALT team.

These votes came after long, careful, good hearings.

The questions properly to be considered in regard to Mr. Warnke's nomination are simply these: First, should one man serve as ACDA Director and SALT negotiator; and, second, is Mr. Warnke the proper choice for SALT negotiator alone or both jobs?

With regard to the first question, at my request, the staff of the Committee on Foreign Relations prepared a memorandum on the role of the Director of the Arms Control and Disarmament Agency in arms control negotiations. According to that memorandum, directors of that Agency have played key roles in the negotiations of significant arms control agreements since the Limited Test Ban Treaty of 1963.

The first Director of the Arms Control and Disarmament Agency, William G. Foster, who served from October 6, 1961, until December 31, 1968, was also the U.S. representative to what was then known as the 18-Nation Disarmament Conference, now known as the Conference of the Committee on Disarmament. In that capacity, Mr. Foster laid the groundwork for the Limited Test Ban Treaty of 1963, and played the primary role until the final breakthrough when Averill Harriman was sent as President Kennedy's representative to Moscow to iron out details within a matter of days.

In the mid-1960's, Mr. Foster and Adrian Fisher, his deputy, negotiated at the 18-Nation Disarmament Conference the Nonproliferation Treaty. Later the Assistant Director of ACDA, James Leonard, who was U.S. representative at the Conference of the Committee on Disarmament from 1969 to 1971, negotiated the Seabed Arms Control Treaty and the Biological Weapons Convention.

Since the SALT process had not started while Mr. Foster was in office, he did not head a SALT delegation. However, his successor, Gerard C. Smith, was both Director of ACDA and chief negotiator at SALT. The SALT negotiating team carried the process to the final point of the Moscow summit meeting in 1972.

When the SALT II process began in 1973, the executive branch decided to have a foreign service officer as the chief SALT negotiator. Accordingly, the Senate was asked to confirm U. Alexis Johnson as Ambassador-at-Large to serve as the SALT negotiator.

This was the exception to the rule of ACDA involvement in negotiation of arms control agreements.

A subsequent arms control treaty, the proposed treaty of the limitation of nuclear peaceful explosions, was negotiated by Walter Stoessel, who was also U.S. Ambassador to the Soviet Union. However, the operating chief of the delegation, which worked out the peaceful nuclear explosions treaty, was Robert W. Buchheim of ACDA. The Standing Consultative Commission created by the SALT I ABM treaty and interim agreement has had as chief commissioner an ACDA employee since its inception.

Congress specified in section 2(b) of the Arms Control and Disarmament Act that ACDA's authority includes "the preparation for and management of United States participation in international negotiations in the arms control and disarmament field."

Similarly, section 34 refers to the Director's consultation and communication

with other governments and international organizations "for the purpose of conducting negotiations concerning arms control and disarmament."

Mr. CHURCH. Mr. President, will the Senator yield at that point?

Mr. SPARKMAN. I yield.

Mr. CHURCH. Mr. President, I congratulate the distinguished chairman of the Committee on Foreign Relations for making the point that it was always intended the Director of the Arms Control and Disarmament Agency should have a negotiating role. Indeed, two of the most important arms control treaties that we have entered into, the nonproliferation treaty and the ABM treaty, were negotiated in large part by the directors of the Arms Control and Disarmament Agency at the time—William Foster and Gerard C. Smith, respectively.

In fact, I point out to the chairman that Gerard C. Smith wrote to me in connection with the very point raised by certain critics of Mr. Warnke that he should not wear two hats. In his letter, he made this observation:

> When one of my hats was temporarily donned by a White House aide, a result was that, because of executive privilege, the Congress was unable to receive testimony from that negotiator. I wonder if the proponents of severance of the two hats have considered that a repetition of that situation might be one result if their efforts were successful.

I know that "one man, one hat" has an appealing ring, but we should not forget that our greatest successes in the past in the field of arms control agreement have come when an able person wore both hats.

That is all we are proposing for Mr. Warnke, who is obviously a man of exceptional talents.

Mr. SPARKMAN. The Senator is correct.

Senator CHURCH will recall that in the committee, we voted on two different questions. One involved wearing one hat, and the other involved wearing both hats. On the one-hat proposal, the vote was 15 to 1; on the two-hat proposal, the vote was 14 to 2. So it shows that the Committee on Foreign Relations—the committee that has jurisdiction over this matter; no other committee has jurisdiction over this matter—performed its duty in hearing testimony, not only the testimony of Mr. Warnke, but of others as well. The committee considered the messages, such as the one from Mr. Smith, and then had a very one-sided vote in Mr. Warnke's favor.

It seems to me that that should be very persuasive to those who have not had the opportunity to hear the testimony or perhaps even to read fully the testimony that was taken. I hope Senators will keep that in mind, because I think it is important.

Mr. Smith was one of our very best representatives. We had many good representatives over there, and he was one of the best. Mr. Smith, who was both Director of ACDA and Chairman of the SALT negotiating team, wrote several letters in support of designating Mr. Warnke to be Director and negotiator. He wrote to Senator CHURCH, I believe. He wrote to Senator HUMPHREY. He wrote for the benefit of the committee as a whole. Portions of his letter to Senator HUMPHREY are included in our report, a copy of which is on the desk of each Senator.

In his letter, Mr. Smith cites one very pertinent advantage of having the Director of the Arms Control and Disarmament Agency conduct SALT. As Mr. Smith points out, Dr. Henry A. Kissinger was heavily involved in the final negotiations of SALT I, but he was not made available to Congress because he was then the President's National Security Adviser and not yet Secretary of State. Although the Committee on Foreign Relations made a strong effort to have Mr. Kissinger appear in open session with regard to the agreement, he did not do so and felt that it would not be proper for him to do so.

In retrospect, I believe very strongly that it is critically important that all persons involved in such negotiations should be available to Congress, without question or quibble, for full questioning and exploration of the issues at stake.

Mr. President, there is no doubt that the administration strongly supports Mr. Warnke's selection for these two posts. The President himself has said: "I know Mr. Warnke very well. I have met him several times to discuss his attitude on disarmament matters. I have complete confidence in him."

If I recall correctly, he has repeated that statement at other times.

Many of the people who oppose Mr. Warnke are in reality attacking the President, who has nominated this man, has strongly urged his approval, and has said that he wants him over there, working for him and for the United States. They do not believe in arms control and they would like to frustrate the President's attempts to achieve it—despite the fact the President was elected by an American public aware of—and very interested in—the President's strong advocacy of arms control.

I would like to remind my fellow Members that there is no question that the Congress will have an opportunity to review any outcome of the SALT negotiations.

Any SALT agreement will be the result of an executive branch process involving all interested factions and which has received the most thorough and exacting review by Congress. I would support only an agreement which is in the national security interest of the United States, and I am sure that most of my fellow Senators would agree with that criterion. I am satisfied that Mr. Warnke shares that view.

With these checks, I believe it would be capricious to deny to the President of the United States his nominee, the man he is asking to serve in this matter.

I believe that any President is entitled to his nominee barring compelling reasons for the Senate to say no. I see no such compelling reasons in this case. On the contrary, I believe that Mr. Warnke is a splendid choice.

From September 1966 through July 1967, Mr. Warnke served as General Counsel of the Department of Defense. He then became Assistant Secretary of Defense for International Security Affairs and served in that position until February 15, 1969.

I remember quite well when he was serving in that capacity and I knew then the very fine work that he did.

His lengthy service for two former Secretaries of Defense, Mr. Robert S. McNamara and Mr. Clark M. Clifford, has won him their strong endorsement. In a February 14 letter to me, Mr. McNamara and Mr. Clifford wrote:

> We believe Mr. Warnke is an ideal choice to assume these important responsibilities, and we believe the President was wise in deciding to combine the tasks of arms negotiator and disarmament administrator in one man, for they are closely related if not interdependent. We urge his confirmation for both positions.

I cannot think of two better and more reliable persons to endorse Mr. Warnke than Secretary McNamara, who has served this country so well, and Clark Clifford, who likewise has served this country so well, and who has been representing us in one of the most perplexing problems that we are confronted with today—the Cyprus question. He was sent over especially as a negotiator there. I have known Clark Clifford through the years, and I know the capacity of the man. I know Mr. McNamara. I remember when he was Secretary of Defense. I know of the very responsible position that he holds now in the international field, and as I say I can think of no two better endorsers than these two gentlemen.

Mr. CHURCH. Mr. President, will the Senator yield for a observation?

Mr. SPARKMAN. I yield.

Mr. CHURCH. I think it is noteworthy that the principal service of Mr. Warnke in the past has been for the Department of Defense. It was there that the Secretaries of Defense, Robert McNamara and Clark Clifford, came to know his work. No one has suggested that either of these Secretaries would be unmindful of the national security interests of the United States. As the chairman has well pointed out, based upon the work Mr. Warnke did for the Defense Department, two former Secretaries of Defense have strongly endorsed him for this position and have said in doing so that he ought to be both the Director of the Arms Control and Disarmament Agency as well as the principal negotiator in the upcoming SALT talks.

Mr. SPARKMAN. And that no better man could be found, remember?

Mr. CHURCH. Yes.

Mr. SPARKMAN. Let me say this as just a personal note.

I came to know more about Mr. Warnke's work in the period in which he was serving on the International Security Agency. That agency was a board. As I recall there where three persons on it.

My son-in-law, who at the time was an admiral in the Navy, was a member of that board, and he used to tell me about their work and what an able man was Paul Warnke.

That is where I came to know about him first, and since that time I have had occasion to know of him, to review his record, and I am glad to have the oppor-

tunity today to speak in favor of his confirmation.

Mr. President, I believe getting SALT back on the track and concluding a comprehensive, broad agreement is in the supreme national interest of the United States. after all, that is what we are talking about—the interest of the United States.

There is still time to achieve a good SALT agreement if we and the Soviets are willing. This administration has deferred decisions on the new MX missile and the B–1 bomber. The cruise missile has not yet been deployed. We must use these opportunities to try to achieve stability and guarantee our own national security through arms control.

I am not one who separates interest in arms control from interest in national security. I think they are one and the same. Arms control can and should enhance our national security. I would never approve an arms control agreement which weakened our national security. Yet, I will be in the forefront of those who ask that we endeavor through arms control to find solutions to national security problems. When we embark upon new weapons programs, we should only do so if they answer a problem which strong, verifiable arms control solutions cannot solve.

The Soviet Union should understand that arms control offers a means of limiting and eventually ending the arms spiral.

If the Soviet Union is interested in a stable strategic environment and a lessening of the dangers of nuclear war, then the Soviet side will cooperate in trying to find mutually beneficial solutions.

I fear that, too often, in our discussions of weapons systems, their capabilities and characteristics, we become lost in the hardware and lose sight of the fearful implications of the kind of war these instruments are capable of inflicting upon us and mankind.

As Richard Rhodes wrote in his article, "The Nuclear Age Turns 30," which appeared in the Atlantic magazine in November of 1975:

> But they are what they seem, our tens of thousands of nuclear weapons, for all their increasing sophistication, as the men and women of Los Alamos who built the first crude models knew. They are fire and earth and the end of the human world, and they brood in their dark silos and tubes and racks and bays in a silence so shrill it has almost deafened us. Unless momentarily roused by crisis or threatening alert, who among us thinks of nuclear war any more? The bomb shelters are dismantled, the survival biscuits shipped off to feed starving Africans and even at Los Alamos the civil defense signs have been taken down. No people can live eternally threatened by doom, but whether we think about it or not, we still feel the threat, down at the bottom of our nightmares, and in subtle ways it has changed us.

There have been numerous studies on the effects of all-out nuclear war and of so-called limited nuclear war. We know enough from these studies to conclude that the initiation of nuclear war or the response to a nuclear attack would be cataclysmic.

The strategic nuclear arsenals on the two sides contain an explosive force roughly equivalent to four tons of high explosive for every man, woman, and child in the world.

One B–52 aircraft can drop bombs and missiles with an explosive force substantially greater than that expended by the Allies in the bombing of Axis Europe and Japan during World War II.

These comparisons apply to the strategic forces alone. We sometimes overlooked our forward-based and other tactical forces. As former Senator Stuart Symington noted in March of 1974:

> The significance of our nuclear weapons stockpile in Europe becomes all too apparent when one realizes that the destructive force, in TNT equivalent, of the nuclear weapons we have currently stockpiled on European soil alone is more than twenty times that of the combined total force of all the air ordnance expended in World War II, the Korean War, and the war in Vietnam.

Atomic weapons have only been used twice as instruments of war. That use occurred in 1945 in the final days of World War II when the United States demolished the Japanese cities of Hiroshima and Nagasaki. Nearly 100,000 people were killed by the bomb in Hiroshima. Those who survived saw more death than they had ever imagined possible. In their book, "No High Ground," Fletcher Knebel and Charles Bailey describe the effects of the Hiroshima bomb:

> The initial flash spawned a succession of calamities. First came heat. It lasted only an instant but was so intense that it melted roof tiles, fused the quartz crystals in granite blocks, charred the exposed sides of telephone poles for almost two miles, and incinerated nearby humans, so thoroughly that nothing remained except their shadows. After the heat came the blast, sweeping outward from the fireball with the force of a five-hundred-mile-an-hour wind. Only those objects that offered a minimum of surface resistance—handrails on bridges, pipes, utility poles—remained standing. Otherwise, in a giant circle more than two miles across, everything was reduced to rubble. Heat and blast together started and fed fires in thousands of places within a few seconds.

That was how it was when one 14-kiloton nuclear device was detonated. In the more than 30 years since, we have become very sophisticated about nuclear weapons to the point at which we can now describe possible attacks involving thousands of weapons against our submarine bases, bomber bases, and our 1,054 missile silos as "limited nuclear warfare."

My fellow Senators will remember several years ago there was much serious talk about preparing for a limited nuclear war. At that time the Senate Foreign Relations Committee asked the Office of Technology Assessment to work with the committee and the Department of Defense to get much better information on just what limited nuclear war would mean.

We found that earlier Pentagon estimates that the Russians could attack our missiles and kill 800,000 people were wrong. The new estimates showed that up to 22 million Americans would be killed if the Russians attacked our Minuteman bases. Similarly high numbers could be expected to die in a comprehensive attack.

The improved figures showed that 800,000 Canadians who had not been considered earlier would also be fatalities in an exchange between the Soviet Union and United States involving military targets. These figures did not even tell the full story. Witnesses before the committee pointed out that the Department of Defense needed to be much more precise with its calculations if we were to understand the true import of a so-called limited nuclear war.

I say to my fellow Senators, there is no such thing as a limited nuclear war. The destructive power is so great that once started, it becomes deadly and deathly to thousands of people. And when we compare the nuclear force that our Nation has and those other nations have, we cannot get much comfort out of it.

I remember one time we had testimony before the Foreign Relations Committee, and one witness testified that the Russians had enough nuclear power to destroy us 14 times. Another witness said in effect, "Maybe they can destroy us 14 times, but we can destroy them 15 times."

I asked the witness this question: "What difference does it make? One time is enough."

We cannot get comfort out of the superiority of our attack.

Mr. McGOVERN. Mr. President, will the Senator yield to me for just a moment?

Mr. SPARKMAN. Yes, I shall be glad to.

Mr. McGOVERN. Mr. President, I have been impressed with the Senator's argument here today on the enormous strength that exists both in the United States and in the Soviet Union, and the obvious excess that exists on both sides. The Senator in his speech refers to a posture statement put out by former Secretary of Defense Robert S. McNamara a few years ago, indicating that with 400 nuclear weapons of a megaton or more, the United States would be capable of destroying some 74 million Russians, or roughly one-half of their then population.

Since that estimate was made, as I am sure the Senator from Alabama knows, the United States has increased the number of nuclear weapons in our arsenal to 8,500. These are not my figures; they are the figures of the Department of Defense posture statement for fiscal year 1977.

The Defense Department estimates that we have 8,500 of those nuclear weapons, and the Soviet Union has about 4,000, so we have a little better than a 2-to-1 margin in the number of weapons.

Considering the fact that the Soviet Union has 219 cities of 100,000 people or more, if you divide that into 8,500 weapons systems, it means we are capable of dropping 38 nuclear warheads on each one of those 219 cities. Even if you assume that half of them might not fire or for some reason or other we could not deliver them, you could still say we

could hit every Soviet city with 20 nuclear warheads, each one of them larger than the nuclear warhead that destroyed Nagasaki or Hiroshima.

Does not the Senator think that is a reasonable level of relative strength in terms of what we need in the way of deterrence, if the Soviets know we have 38 of those enormous weapons for every one of their cities over 100,000 in size?

Mr. SPARKMAN. I would say I think they are bound to know it. They have their intelligence, just as we have ours.

Mr. McGOVERN. Even though they have only 4,000 of those warheads they are capable of throwing at us, can the Senator imagine an American President who would get into a conflict, or a Soviet leader who would get into a conflict, knowing that that kind of enormous power was awaiting them in the event that kind of an exchange took place? In other words, do we not have enough?

Mr. SPARKMAN. I think the reasoning of the Senator is correct. I am not in favor of weakening our position except as it can be worked out on a mutual basis.

Mr. McGOVERN. Yes.

Mr. SPARKMAN. But I think we ought to strive toward that.

Mr. McGOVERN. But would we be any greater threat to the Soviet Union, or deter them any more, if we developed the size of our nuclear arsenal that we now have, with the capability—as the Senator's speech points out, if 400 warheads was enough a few years to deter the Soviet Union, is there any reason to think, now that we have 8,500, that we would be better off with 19,000 or 20,000, as the case might be? Does it really make any difference after you get to this size in terms of our strike power?

Mr. SPARKMAN. No. As I have stated, when you get enough to destroy the whole country, what is the need of more?

I do want to say, though, that I am not in favor of a unilateral reduction in force, but I am in favor of trying to work out agreements.

Mr. McGOVERN. I thank the Senator.

Mr. SPARKMAN. One particularly telling point was made by the distinguished geneticist, Dr. James Neel, of the University of Michigan, who pointed out that one of the Department of Defense scenarios projected 5 million nonfatal injuries in a limited nuclear attack. Although this figure is less than one-half of the total annual nonfatal injuries in the United States, in testimony before the Arms Control Subcommittee of the Senate Foreign Relations Committee in September 1975, Dr. Neel noted:

> Gentlemen, there is simply no comparability between the fractures and sprained backs and minor lacerations spread out over a year's time included in that figure of 5,000,000 and the casualties from atomic weapons.
>
> Most of you have some familiarity with the problem of severe burns. The major medical center with which I am associated at the University of Michigan has a special burn unit which receives referrals from all over the state; it can handle exactly ten acute patients at a time. Try to visualize the problem of distributing the casualties from atomic weapons throughout the United States so they will receive adequate care.
>
> You are less familiar with radiation sickness. Its principal manifestations result from destruction of the blood-forming elements, resulting in hemorrhage and tendency to infection. Treatment is with antibiotics and transfusions. The need for whole blood will far, far outrun the supply, especially given the burn situation, and people will simply die untreated.

An attack on the U.S. population would be even more devastating than a so-called limited nuclear war involving strikes. According to a report of the Arms Control and Disarmament Agency entitled, "Worldwide Effects of Nuclear War . . . Some Perspectives," it has been estimated that an attack on U.S. population centers by 100 weapons of 1-megaton fission yield would kill up to 20 percent of the population immediately through blast, heat, ground shock, and instant radiation effects—neutrons and gamma rays; an attack with 1,000 such weapons would destroy immediately almost half the U.S. population. These figures do not include additional deaths from fires, lack of medical attention, starvation, or the lethal fallout showering to the ground downwind of the burst points of the weapons.

Such a war would destroy the fabric of our society. The surviving institutions would be hard pressed if able to meet the public needs. Undoubtedly there would be widespread chaos, crime, and hunger and many would perish simply because of the inability to obtain the basic needs of life, even though they emerged from war unscathed.

Much more has been estimated in regard to the effect of nuclear war upon the United States than upon the Soviet Union. However, we do know that a nuclear war would be devastating upon the Soviet Union as well.

In 1968, then Secretary of Defense Robert S. McNamara projected certain effects upon the Soviet Union in his annual posture statement. The Department of Defense then calculated that the equivalent of 400 1-megaton warheads would kill, in a 1972 attack, 74 million Russians or nearly one-half of their population and would destroy three-fourths of their industrial capacity. To put that 400-megaton attack into perspective, I should point out that the United States now has in its nuclear arsenal many times that force.

While total nuclear exchange would more directly affect the countries under attack, the rest of the world would suffer incredibly as a result of a nuclear war.

The ACDA study noted:

> Allowing for uncertainties about the dynamics of a possible nuclear war, radiation-induced cancers and genetic damage together over 30 years are estimated to range from 1.5 to 30 million for the world population as a whole. This would mean one additional case for every 100 to 3,000 people or about one-half percent to 15 percent of the estimated peacetime cancer death rate in developed countries . . . there could be other, less well understood effects which would drastically increase suffering and death.

On worldwide effect according to the National Academy of Sciences, would be the depletion of the ozone layer—as much as 30 to 70 percent—from the Northern Hemisphere and as much as 20 to 40 percent from the Southern Hemisphere.

The resultant increase in ultraviolet radiation would also cause prompt incapacitating cases of sunburn in the temperate zones and snow blindness in northern countries and could be accompanied by a drop in the average temperature. Such a drop would have a tremendous impact on the world's agriculture production. For instance, a cooling of 1 degree centigrade would eliminate commercial wheat growing in Canada.

In short, scientists believe we would reckon with complex and subtle processes, global in scope, and nearly unimaginable.

The terrible consequences of nuclear war—whether "limited" or all-out—are such to impel us to achieve nuclear agreements with the Soviet Union and other nations which would increase world stability and lessen the dangers of nuclear war. I believe the highest priority should be attached to achieving a broad, comprehensive and verifiable SALT II agreement.

What I have seen and heard of Paul C. Warnke in the last several weeks only serves to reenforce my conviction that he is the man for the jobs in question. It is very important that the Arms Control and Disarmament Agency have a capable, intelligent and energetic Director who can put the Agency back on its feet again and guide it well in dealing with the tremendous arms control problems facing the country and the world today. I strongly believe that the Director of ACDA can handle the job of negotiating the SALT agreement and I believe that we will have a better SALT agreement and more effective Agency under such an arrangement.

If we fail to achieve a good SALT agreement, we will have to buy more weapons programs. I support and shall continue to support, as I have done in the past, a strong national defense. For the moment, we have the time, the opportunity, and the talent available to try to bring about a new SALT II agreement. I believe we would be derelict if we did not give Paul Warnke and SALT a chance.

I want to add just another word, Mr. President. I have always supported a strong national defense. I voted for the B–1 with a lot of the Senators who probably now talk about weakness. I voted for the B–1. I voted for the Trident. I have voted for every defense measure that has come before the Senate and I shall continue to do so, because I believe in a strong national defense.

Mr. DANFORTH. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. Yes, I yield.

Mr. DANFORTH. Is it the Senator's view that if Mr. Warnke receives less than a two-thirds vote for his confirmation, he could do an effective job as a SALT negotiator?

Mr. SPARKMAN. I am not going to speculate on what vote he might get or might not get. I just say this, without qualification: I think Paul Warnke could do a magnificent job, both as the Arms Control Director and also as our negotiator in connection with the SALT talks.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. SPARKMAN. Yes.

Mr. CHURCH. I simply rise to commend the distinguished chairman of the Committee on Foreign Relations for the excellence of his remarks this afternoon. Everyone in this Chamber knows that he has always been a strong and consistent proponent of our armed forces. I have known him for 20 years. It is also my privilege to know his son-in-law, who was an admiral in the fleet.

I was struck by the case the chairman made to the effect that our national security is enhanced if we can secure arms control agreements and that, on the contrary, it is an enormous cost to both sides if this nuclear arms race continues to spiral upward. The level of danger rises still higher to both sides. Neither is advantaged, only disadvantaged. So it seems to me the case made by the distinguished Senator is quite irrefutable.

We need arms control. The United States needs it. The Soviet Union needs it.

Mr. SPARKMAN. The world needs it.

Mr. CHURCH. It serves the mutual advantage of both.

The distinguished chairman has anticipated me: The whole human race needs it.

I am in favor of Mr. Paul C. Warnke, because I believe that he understands that and that he will be the ablest man that this country could choose for negotiating with the Soviet Union toward the possibility of new agreements that can lower the level of danger to both sides and thus serve the interests of both countries and humankind at large.

Mr. NUNN. Will the Senator yield?

Mr. SPARKMAN. I fully agree with the Senator.

I am very glad to yield.

Mr. NUNN. Before Senator CHURCH added that last sentence, I was going to stipulate that all on both sides of this question would agree that arms control is in the best interest of the world. I still stipulate that. I do not think that is part of the disagreement here.

The disagreement is who is best capable of achieving those lofty goals with which we all agree. Arms control, if it is a proper agreement, with equity and with verifiability, is in the best interests of the United States, the Soviet Union, and the world. I think we can all stipulate that. We do not have to quarrel with that in the next few days.

Mr. CASE. Will the Senator yield?

Mr. SPARKMAN. The Senator is right. I just want to add this one word, then I am through.

Mr. CASE. Will the Senator yield?

Mr. SPARKMAN. Yes, I yield.

Mr. CASE. I knew he would yield if he knew what I am going to say, which is to join my colleague from Idaho in expressing the admiration and commendation that the Senator from Alabama is entitled to receive on the basis of his presentation this afternoon, and also, the authority with which his years of support of a strong military posture and strong defense of our country entitles him to have. While that has never been in question, it is a good thing to have on the side of someone who takes the position that he is the leading exponent of this afternoon.

I look forward to the success of this venture, in which I join. The question is not really is this the best man for the job, because that is not our function. I do not know how you pick the best man for any job. Our function, however, is to consider a recommendation made by the President of the United States to determine whether, all things considered, it is a good, acceptable recommendation and, if so, to approve and, if not, to disapprove. That makes our job a little bit less awe-inspiring than it would be if we were committed to go out and find the best man for the job.

I suppose I could consider that maybe SCOOP JACKSON would be the best man for the job if I were doing it. He would certainly be a terribly good one because of his great experience and great interest. I can consider a good many others who would perhaps be the best person.

What we are considering here is the kind of nomination that, in the interest of the country, ought to be approved. I do not have any doubt about that. I fully respect the views of those who disagree on this matter. I have considered them at great length, both in our hearings and, since then, in the documents that have been presented to us, and they do not trouble me. Rather, I am reassured that we have an unusually good person here.

If Paul Warnke had had no record, I think, probably, he would not have the experience that justifies his carrying this important responsibility for our Government. He has such a record. All elements of it I do not agree with.

At the time that he made a number of statements, I think they were probably a good deal more acceptable and more compatible and reasonable and even a sounder position than they would be today, and I think he rather freely admits this. Matters do change. I think we are going to be very satisfied with the job that he is going to do.

There is one specific point that the Senator from Missouri raised that, of course, has been in people's minds: the question of whether, from the standpoint of either impressing people with whom he is going to negotiate on the one hand, or bringing back with authority to the country the kind of treaty that they will be willing to accept as in the best interests of the country, Paul Warnke meets the requirements in that respect. I used to think that it was more important to have—well, a good example of the kind of thing I think he is reaching for, and quite understandably, is the kind of thing that General Eisenhower brought to suggestions that he made for handling atomic weapons, or handling things of that kind. People said, "Well, of course, he can say it and get away with it because everybody knows that he is experienced and sound, so we are going to take his word for it."

Mr. President, and my chairman, I have come to think it may be just as well that we do not have big guys to tell us what is good here, that we have to take things and study them for ourselves and decide on the merits of the product, rather than on the prestige of the individual who traded it out for us, as to whether it is a good thing for the United States or not. So, even though it might very well be that a SCOOP JACKSON would have been a better man to send on a mission like this because he would come back and everybody would know that good old SCOOP would never turn this country around, we had better take what he says, that would not have been, necessarily, the best thing from the standpoint of having the Senate and the country as a whole accept the products as sound and in the best interests of the country.

Beyond that, I do not know what we could say. If the treaty is presented to us as right, we will ratify it and, if not, we will not. That is the way I think it should be. We would have to rely on what the treaty does, its own terms, and upon our own judgment, the best advice we can get from all sources, as to what our actions should be.

So I do not feel that the suggestion that some person could have had an easier time selling the country on the product of these negotiations is a good reason not to confirm his nomination.

I thank the Senator.

Mr. SPARKMAN. I thank the Senator for his thoughts, wise as always.

Mr. President, along somewhat the same line, on these Presidential nominations that come up for confirmation, it is an executive position and the President recommends. We cannot recommend or, at least, we cannot submit a name.

We might think we know someone who could do a better job, but that is not our job.

The President selects a man that he thinks can best do the job and then it is up to us to take into consideration the appointment from the President of the United States and decide it on that basis.

Mr. President, I ask unanimous consent that the portion of the Foreign Relations Committee report on Mr. Warnke, supported by the overwhelming majority of the Members who voted for his confirmation, as I said, 15 to 1 in one instance and 14 to 2 in the other, be printed in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REPORT

The Committee on Foreign Relations, to which was referred the nomination of Paul C. Warnke to be Director of the Arms Control and Disarmament Agency, and to have the rank of Ambassador during his tenure of service as Director of the Arms Control and Disarmament Agency, having considered the same, reports favorably thereon and recommends that the nomination be confirmed.

COMMITTEE ACTION

The nominations of Paul C. Warnke to be Director of the Arms Control and Disarmament Agency, and to have the rank of Ambassador during his tenure of service as Director of the Arms Control and Disarmament Agency were received, respectively, on February 4, 1977, and February 8, 1977. A public hearing was held on February 8 with Mr. Warnke. Representative Samuel Stratton, of New York, also appeared before the Committee on that day testifying in opposition to Mr. Warnke. On February 9, the Committee heard testimony in opposition to the nominations from Senator James A. McClure of Idaho; Mr. Richard Cohen of the U.S.

Labor Party, Mr. Mark Lockman representing the Liberty Lobby, Hon. Paul Nitze, former Deputy Secretary of Defense, and Mr. Penn Kemble, executive director of the Coalition for a Democratic Majority.

Although the Committee on Foreign Relations has exclusive jurisdiction over these nominations, in the interest of comity, on behalf of the Committee, the Chairman extended an invitation to the chairman and members of the Committee on Armed Services to participate in the hearings. In response, two members of that Committee participated, Senators Culver and Hart. Senators Hatch and Schmitt also participated.

On February 22, the Committee took separate votes on the nominations, approving them by margins of 15–1 and 14–2. Voting for Mr. Warnke's nomination as Director of the Arms Control and Disarmament Agency were Senators Sparkman, Church, Pell, McGovern, Humphrey, Clark, Biden, Glenn, Stone, Sarbanes, Case, Javits, Pearson, Percy, and Griffin. Voting against was Senator Danforth. Voting for Mr. Warnke's nomination to the rank of Ambasador during his tenure as Director of the Arms Control and Disarmament Agency were Senators Sparkman, Church, Pell, McGovern, Humphrey, Clark, Biden, Glenn, Stone, Sarbanes, Case, Javits, Pearson, and Percy. Voting against were Senators Griffin and Danforth.

COMMITTEE COMMENTS

The President intends that Mr. Warnke serve in two positions. He was nominated both as Director of the Arms Control and Disarmament Agency and to the rank of Ambassador during his tenure of service as Director. The purpose of the second nomination is to allow Mr. Warnke to serve as Chairman of the U.S. delegation to the Strategic Arms Limitation Talks.

The Committee's consideration of the nominations centered around whether one person should serve in both positions and whether Mr. Warnke was the appropriate choice for either or both posts.

A native of Massachusetts, Mr. Warnke is a graduate of Yale College and the Columbia Law School. He served as a Coast Guard officer during World War II in the Atlantic and Pacific theaters and participated in the landings in the Philippines and Borneo. From September 25, 1966, until July 31, 1967, he was General Counsel for the Department of Defense. He then became Assistant Secretary of Defense (International Security Affairs) and served in that position until February 15, 1969. At present, he is a partner in the Washington law firm of Clifford, Warnke, Glass, McIlwain & Finney.

The Committee heard more than 4 hours of testimony from Mr. Warnke at a hearing on February 8. Opponents of the nomination were also heard at that session and on the following day. The primary questions raised about Mr. Warnke were essentially that (1) Mr. Warnke supports unilateral arms reductions to levels far below those being proposed in current arms limitation talks; (2) his stand against various weapons programs would make him an ineffective bargainer with the Russians at the Strategic Arms Limitation negotiations; (3) the views he expressed before the Committee were inconsistent with the views he expressed in the past in regard to arms control and weapons programs; and (4) substantial nuclear superiority would not be a decisive factor in a political confrontation today.

In an unsigned memorandum circulated in the Senate and later identified as the work of the Coalition for a Democratic Majority, it was argued:

"Warnke supports unilateral arms reductions to levels far below anything being proposed in current arms limitation talks. He doubts the usefulness of such talks, preferring to see unilateral U.S. initiatives."

In a 1975 article in the spring issue of Foreign Policy magazine, Mr. Warnke raised the question whether:

"Insofar as formal agreements are concerned, we may have gone as far as we can now go. . . .

"What is needed most urgently now is not a conceptual breakthrough but a decision to take advantage of the stability of the present strategic balance. It's futile to buy things we don't need in the hope that this will make the Soviet Union more amenable. The Soviets are far more apt to emulate than to capitulate. We should, instead, try a policy of restraint, while calling for matching restraint from the Soviet Union."

In testimony before the Committee, Mr. Warnke agreed, in response to a question from Senator Javits, that he would not advocate a U.S. policy of restraint except "consistently with the complete ability to be equally prepared, taking into account leadtime, technology, technical advice, technical resources, every conceivable consideration."

Mr. Warnke elaborated as follows:

". . . when you are at a time of active negotiations, I would not advocate taking any sort of restraint action except on the basis of concrete measures of parallel restraint which had been talked out with the Soviet Union. In other words, I do not think that in a negotiating context I would advocate the kind of approach that I suggested in my 1975 article."

At another point in the hearing, Mr. Warnke said, "I reject any concept of unilateral disarmament on the part of the United States."

Mr. Warnke was asked whether we should now reduce our conventional capabilities:

"No; I don't think that we should have a reduction in our conventional capabilities because at the present time the CIA estimates are that the Soviet Union is spending more money than we anticipated on them, and, as a consequence, we would be rash, particularly at a time when we are trying to reach arms control agreements, to cut back on our actual capability."

In 1974 congressional testimony and in the spring 1975 article in Foreign Policy magazine, Mr. Warnke had suggested a considerable reduction in the 7,000 nuclear weapons in Europe. A formal proposal to reduced U.S. tactical nuclear warheads was made in December 1975, at the Mutual and Balanced Force Reduction talks. Asked to respond for the record in regard to his proposal, Mr. Warnke said:

"The United States and its allies have now offered in the MBFR negotiations to reduce the number of the U.S. nuclear weapons based in Europe—as well as some U.S. nuclear-capable aircraft and Pershing missile launchers—as part of an agreement in which the East would reduce its offensive forces, I would support this sort of initiative."

In a February 7, 1977, letter to the Committee, Mr. Paul Nitze charged that Mr. Warnke "has been one of the most active, vocal and persistent advocates" of the view that as Mr. Nitze put it:

"The problems of the past had arisen largely from our own errors springing from over-emphasis on foreign policy, and particularly its defense aspects. Those taking the latter view believed our true strategic interests were limited to Western Europe, Japan and Israel; that the U.S.S.R. presented our only military threat and that that threat could be deterred with forces less capable than those that had already been authorized. Therefore—so the argument ran—significant cuts could and should be made in a wide range of defense programs requested by the executive branch. It was hoped that the Soviet Union would agree to make certain parallel cuts, or at least reciprocate by restraining the pace of its own programs."

Mr. Nitze also cited Mr. Warnke's testimony before the Senate Committee on the Budget on March 9, 1976.

Mr. Warnke responded to Mr. Nitze's letter to the Chairman of the committee, dated February 11, 1977, which read in part, as follows:

"I can only conclude that Mr. Nitze listened to and thereafter read my testimony of March 9, 1976 before the Senate Committee on the Budget with something less than his usual meticulous attention. Nothing in this testimony remotely suggested that I regard the prospect of our first use of tactical nuclear weapons against the Soviet Union as constituting the principal deterrent protecting Europe, the Middle East and Japan. Nor do I advocate any such policy. Instead, (p. 203), I expressed my agreement with Mr. Nitze that what best stops the Soviet Union is that we have a conventional war capability. I stated also my belief that deterrence of an all-out attack on Western Europe is strengthened by the existence of our tactical nuclear weapons and the Soviet recognition that we would use them if needed to protect our vital interests. I submit that this view is completely consistent with established NATO doctrine and that, if it is incorrect, then our tactical nuclear weapons in Europe serve no purpose and should all be removed. I do not believe that they should all be removed because, though not the principal deterrent, these weapons constitute, as I stated in my testimony (p. 204), a part of "the spectrum of deterrents."

"My recognition of the essentiality of U.S. conventional capabilities was further emphasized in my suggestion that a greater risk than an all-out attack might be a "quick Soviet strike" for a limited objective and that "we should review our defense structure and make sure we have the capability to respond to that kind of contingency." (pp. 204, 206). I believe that similar concern about the adequacy of our conventional forces in Europe was recently expressed in a report by Senators Nunn and Bartlett. My firmly held and expressed position, therefore, is premised on the need for a flexible response capability and is the antithesis of the doctrine of massive nuclear retaliation."

In his testimony in opposition to Mr. Warnke, Representative Samuel Stratton said that Mr. Warnke ". . . has at each step of the way over the last eight years, when you look at the record, repeatedly and consistently opposed every new weapon or improved military capability that we have undertaken."

Senator McClure told the Committee:

"Note that I am not accusing Mr. Warnke of favoring unilateral disarmament, but instead of urging the United States to abstain from the arms race with the Soviet Union, believing that strategic superiority is meaningless, naturally Mr. Warnke has opposed every new program that has been proposed in the past decade. He has participated on panels that have recommended against the development of the B–1 bomber, the Trident submarine, the MX missile, the cruise missile, and the MIRVing of existing weapons. In short, he has already opposed the development and deployment of nearly every system of defense that could have any meaningful bargaining power with the Soviet Union in the SALT negotiations. Also he has curiously charged that any new American program would destabilize the arms balance. Yet at the same time he ironically claims that the strategic balance is irrelevant."

In his testimony, Mr. Warnke agreed that he has questioned a number of military weapons systems, some on the basis of whether the right choice was being made, others on the basis of whether the decision needed to

be made immediately. He reaffirmed to the Committee his support of the system of three separate strategic forces known as the Triad, and affirmed his support for a strong conventional defense.

Mr. Warnke told the Committee:

"I think it should also be recognized that some new weapons system developments can help, rather than hinder, the objectives of sound arms control. By the time that long range nuclear armed ballistic missiles had appeared, the development of the submarine launched ballistic missile on nuclear submarines had a positive effect. It improves stability because of the invulnerability of this weapons system and has a consequent stabilizing effect on the strategic balance. The direction of arms control policy must be toward greater stability at lower levels of destructive potential in both conventional and nuclear arms. This will be the philosophy by which I would be guided if confirmed as ACDA Director.

"It's been suggested that I have become a symbol of a certain philosophic position. I'm flattered at the attention but I have to reject the characterization. I don't believe that I represent a fixed philosophical position on the issues of arms control. I'm a strong advocate of arms control. I'm also a strong advocate of a strong national defense. I believe the two to be totally consistent and indeed, complementary.

"But I believe that if anybody does think that I represent a fixed philosophical position, then some of them will be surprised, and some others will be disappointed."

In the course of the discussion, much was made of a 1972 statement by Mr. Warnke in a debate with former Sen. James Buckley, as follows: "Even substantial nuclear superiority, short of nuclear monopoly, could not be a decisive factor in any political confrontation betwen the United States and the Soviet Union."

On this point, Mr. Warnke replied:

"I said, and I believe it to be the case, that no sane American President would start a nuclear war in order to gain the political advantage in some sort of noncrucial confrontation with the Soviet Union. I believe that that would be an obvious statement, perhaps too obvious even to be made. But to the extent that that statement has been interpreted as a suggestion that I believe the Soviet Union could safely be given strategic nuclear superiority over the United States, I regard that as being an incorrect construction, both of my statement and certainly of my views.

"I have suggested repeatedly and I would continue to take the position that we could not yield, strategic nuclear superiority to the Soviet Union.

"That is my position."

In regard to his approach to negotiations, Mr. Warnke said:

"I believe, and I have said repeatedly, that we cannot yield superiority either in strategic or conventional arms to the Soviet Union.

"I believe, however, that if you try and be number one across the entire board, you then foreclose any chance of effective arms control negotiations because the other side will not accept that kind of position.

"We have to recognize that nobody is going to negotiate themselves into a position of inferiority if they have the means to prevent that from happening, and that, therefore, if you pursue arms control initiatives, you have to recognize that what you are really going to end up with is an agreement which is satisfactory to both sides. If the arms control agreement is not satisfactory to both sides, you are not going to have any agreement. And if you get one, it will not be viable because the side that finds that it has been outtraded, obviously will repudiate it."

In regard to the question as to whether Mr. Warnke should serve as both Director of the Arms Control and Disarmament Agency and Chairman of the U.S. SALT negotiation, the Committee determined that directors of that agency have played key roles in the negotiation of significant arms control agreements beginning with the Limited Test Ban Treaty of 1963.

The first Director of the ACDA, William G. Foster, who served from October 6, 1961, until December 31, 1968, was also the U.S. representative to what was then known as the Eighteen-Nation Disarmament Conference, now known as the Conference of the Committee on Disarmament. In that capacity, Mr. Foster laid the groundwork for the Limited Test Ban Treaty of 1963, and played the primary role until the final breakthrough when Averill Harriman was sent as President Kennedy's representative to Moscow to iron out details within a matter of days.

In the mid-60's, Mr. Foster and Adrian Fisher, his deputy, negotiated at the Eighteen-Nation Disarmament Conference the Non-Proliferation Treaty. Later the Assistant Director of the ACDA, James Leonard, who was U.S. representative at the Conference of the Committee on Disarmament from 1969 to 1971, negotiated the Seabed Arms Control Treaty and the Biological Weapons Convention.

Since the SALT process had not started while Mr. Foster was in office, he did not head a SALT delegation. However, his successor, Gerald C. Smith, was both Director of the ACDA and chief negotiator at SALT. The SALT negotiating team carried the process to the final point of the Moscow summit meeting in 1972.

When the SALT II process began in 1973, President Nixon decided to have a foreign service officer as the chief SALT negotiator. Accordingly, the Senate was asked to confirm U. Alexis Johnson as Ambassador-at-Large to serve as the SALT negotiator. This was the exception to the rule of ACDA involvement in negotiation of arms control agreements.

A subsequent arms control treaty, the proposed treaty on the limitation of nuclear peaceful explosions, was negotiated by Walter Stoessel who was also U.S. Ambassador to the Soviet Union. However, the operating chief of the delegation, which worked out the PNE Treaty, was Robert W. Buchheim of ACDA. The Standing Consultative Commission created by the SALT I ABM Treaty and interim agreement has had as chief commissioner an ACDA employee since its inception.

Congress specified in section 2(b) of the Arms Control and Disarmament Act that ACDA's authority includes "the preparation for and management of U.S. participation in international negotiations in the arms control and disarmament field." Similarly, section 34 refers to the Director's consultation and communication with other governments and international organizations "for the purpose of conducting negotiations concerning arms control and disarmament."

The Honorable Gerard C. Smith, in a February 14 letter to Senator Humphrey, provided his comments on the merits of naming the ACDA Director to serve also as chief SALT negotiator. Mr. Smith wrote:

"As I understand it, the President in designating Warnke to be Director and negotiator is merely trying to carry out the law. In addition to this legal interpretation it seems to me that the records shows that the two-hat procedure produced results, witness Bill Foster's success with the NPT and my work on the ABM Treaty.

"When one of my hats was temporarily donned by a White House aide, a result was that, because of "executive privilege," the Congress was unable to receive testimony from that negotiator. I wonder if the proponents of severance of the two hats have considered that a repetition of that situation might be one result if their effort is successful."

Asked how he would handle both positions, Mr. Warnke said:

"I would need, obviously, strong support both here in Washington and at the talks in Geneva in the form of a very strong deputy. I would anticipate splitting my time between Geneva and Washington, and as a consequence would ask that the President appoint somebody who would be able to negotiate when I was not there. I would anticipate being there, however, when the key decisions were made on the negotiating front."

Mr. Warnke's major governmental service in the past was with the Department of Defense. While there, he worked for former Secretaries of Defense Robert S. NcNamara and Clark M. Clifford. In regard to the nominations, Mr. McNamara and Mr. Clifford wrote the Chairman of the Committee the following letter:

FEBRUARY 14, 1977.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: During the recent confirmation hearings before the Foreign Relations Committee on the nomination of Mr. Paul C. Warnke, our names were mentioned and linked, and some question was raised as to whether Mr. Warnke had been directly responsible to us when we were Secretary of Defense and he was Assistant Secretary of Defense for International Security Affairs. The implication of the question thus raised was that others were better placed than we to assess Mr. Warnke's character, judgment, and abilities.

He was of course directly responsible to us during his period of service at the Pentagon, and we affirm without reservation that he is a man of impeccable character and integrity, intellectual force, and exceptional ability. He was a wise and thoughtful counselor, and he demonstrated efficiency and stamina in carrying a wide range of heavy responsibilities. In particular, the Senate should understand that the position filled by Mr. Warnke at the Pentagon is charged with advising the Secretary of Defense on the full range of political-military affairs and on the arms control problem in particular. Rarely, if ever, therefore has a nominee for the role of U.S. arms negotiator had a better grounding in the perspectives and problems of both defense and foreign affairs.

In the same hearings, one witness alleged that the arms negotiator has great latitude in determining the substance of the negotiations. While the quality of the negotiator and his team are of course critical elements, we know from our own experience that the President, the State and Defense Departments, and all other relevant agencies are continuously involved, intimately and completely, in the formulation of arms control policy and in the negotiating process.

We believe Mr. Warnke is an ideal choice to assume these important responsibilities, and we believe the President was wise in deciding to combine the tasks of arms negotiator and disarmament agency administrator in one man, for they are closely related if not interdependent. We urge his confirmation for both positions.

Sincerely,

ROBERT S. MCNAMARA.
CLARK M. CLIFFORD.

It has been the practice of the Committee to recommend confirmation of senior executive branch nominees, absent strong and compelling reasons otherwise. Most Members of the Senate have traditionally taken the view that a President is entitled to assemble his own team.

The President is clearly placing a great degree of trust and confidence in Mr. Warnke by naming him to serve as both Director of the Arms Control and Disarmament Agency and to be his chief negotiator in the SALT talks.

On the basis of a thorough examination of Mr. Warnke and of the points raised in opposition to his nominations, a great majority of the members of the Committee on

Foreign Relations believe that Mr. Warnke is an excellent choice for the posts of Director of ACDA and Chairman of the U.S. SALT delegation and that he will perform both duties in a creditable fashion.

Mr. Warnke's testimony reflected changes in his perceptions of America's national security requirements with the passage of time and events, but members believe that these changes reflect the honest reevaluation of an informed and intelligent person.

The Committee concurs with Mr. Warnke's view that his fundamental judgments have been consistent. As Senator Javits commented,

"My own judgment is that Mr. Warnke has not changed either way; that is, that within the framework of the types of negotiations on disarmament that we have and within the framework of historical development in respect to disarmament, his basic principles have remained the same. He does not want to lower America's guard, but he does want to reduce the unbelievable burden of these armaments, and he believes that another way to do it may be in given, specific, tailored situations, by our example, to induce a corresponding response from the Soviet Union. I am convinced that he does not intend any such idea where it would make us vulnerable."

The Committee desires to strengthen the role of the Arms Control and Disarmament Agency. On the basis of Mr. Warnke's testimony, the majority of the Committee is convinced that he would be an innovative and forceful Director of the Agency.

They also conclude that there is much merit, based on past achievements, in having the same person as Director and chief SALT negotiator. They are convinced that the American people will ultimately benefit and that the cause of world peace will be advanced.

The Committee recommends confirmation of Mr. Warnke with trust in his capabilities and dedication, but with an awareness that the SALT negotiating process will be complex and difficult. These negotiations will be monitored closely by the Committee.

The Committee was reassured by Mr. Warnke's commitment to work closely with the Congress:

"Above all, in the development of arms control policy and in the negotiation of international agreements, the Director of ACDA must remain in very close touch and consult regularly with the Congress, the representatives of the American people. The ACDA Act provides that the Director shall advise the Congress on arms control. If confirmed, I shall do so on a regular and continuing basis, because certainly, no arms control policy can succeed unless it has the solid support of the American people as expressed through their elected representatives."

The Committees shares the hope that the strategic arms limitation negotiations will be successful and that they will be followed by still further initiatives to control and reduce the strategic armaments of the United States and the Soviet Union and to, at last, turn the tide in the world arms race. What is needed now is not lip service to the cause of arms control, but broad and comprehensive arms control initiatives so that more of the world's energies and resources can be turned to the accomplishment of the many critical social tasks which confront mankind.

Mr. SPARKMAN. Mr. President, I yield the floor.

Mr. JACKSON. Mr. President, after several days of Senate hearings and an exhaustive examination of the record I have concluded that I cannot, in good conscience, support the nomination of Mr. Paul Warnke to serve as the Chief Negotiator for the United States at the Strategic Arms Limitation Talks.

I have come to this conclusion despite the fact that I strongly support the approach that President Carter has taken to the SALT II negotiations.

Mr. President, the issue is not, in my judgment, whether Mr. Warnke's views, expressed over many years, are consistent with my own. They are not; but that alone would not justify opposition to the President's nominee.

The issue is not whether, or to what degree, one supports a serious effort to obtain stabilizing arms control agreements. I support such efforts; and I am as concerned as anyone, perhaps more than many, that the American delegation to the SALT negotiations be headed by a man of intelligence, judgment, clarity, and candor.

Mr. President, I believe the record of Mr. Warnke's past views and recommendations raises a serious question as to the quality and reliability of his judgment in matters affecting national security. I believe it to be a record of imprudence; of careless advocacy often reflecting cavalier and summary judgments rather than careful, deliberate, and precise analysis. It is a record marked by a glib and superficial appreciation of issues that are far too complex to justify Mr. Warnke's easy certitude.

But, what troubles me most about entrusting the leadership of the U.S. SALT delegation to Mr. Warnke is my belief that the lack of clarity and candor that he has demonstrated, privately and in hearings before the Senate, would make it difficult or impossible to hold him to account in his future dealings with the Congress.

Mr. Warnke's views on our defense programs and on arms control matters, expressed over many years and in many different forums, are—or I should say, were—well known to the Senate. He has been a tireless advocate of deep and I believe irresponsible cuts in the defense budget; of unilateral restraints in our defense programs as a means of inducing the Soviets to show restraint in theirs; of the notion that nuclear superiority is meaningless; of the view that an ability to damage the civilian population of the Soviet Union should be the strategic basis of our national defense; of the notion that Soviet strategic nuclear weapons have been largely a response to our own, and that they mindlessly and mechanistically "ape" the United States.

When Mr. Warnke came before the Senate to be confirmed for the two posts to which he has been nominated he had, of course, the honorable option of defending his long-nurtured views. He had the opportunity to elaborate. He was free to continue the uninterrupted advocacy of positions with which he has long been associated. He could have stood up for, and by, his convictions. He chose not to do so. Rather he chose to describe his views in quite different, and often contradictory, terms.

This was no mere change of emphasis. First the Committee on Foreign Relations, and then the Committee on Armed Services, had before them a new Mr. Warnke. We sat and listened to a man who no longer believes that unilateral restraints are wise; who no longer believes that "inferiority need not be a cause of concern or even embarrassment"; who believes that our deterrent must provide for real, not merely cosmetic, equivalence in military capabilities; who does not still subscribe to the view that the Soviet strategic program originates largely from a mechanistic "aping" of ours; who now takes a serious view of the Soviet civil defense program; who shares the view of the Joint Chiefs of Staff that we could be in jeopardy if current trends continue; who can no longer find $26 billion to cut from the fiscal year 1978 defense budget.

Mr. President, the issues raised by the transformation of Mr. Warnke are compounded by his stubborn refusal to acknowledge any difference between his earlier and his present view. Sitting through the hearings was like watching a statue perform somersaults. Even Mr. Warnke's supporters on the Armed Services Committee remarked on the manifest change; while Mr. Warnke himself denied that one had taken place.

The question, in my judgment, comes down to this: Is what we have heard a change of heart or a change of line? The notion that it is the former is undermined by Mr. Warnke's insistence that there has been no change at all. Mr. President, I am thus forced to the conclusion that Mr. Warnke has adopted the line he thinks most likely to secure his confirmation. And that disturbs me most of all.

I cannot vote to confirm as our Chief Negotiator a man who has shattered my confidence that I know where he stands, that I know what he believes. I do not know where Mr. Warnke stands. I do not know what he believes. And I do not expect to be able in the future to place confidence in the explanations he will be called upon to make when we have before us a treaty whose meaning derives as much from the negotiating record as from its necessarily incomplete and partial language.

Confidence in the Nation's Chief Negotiator on strategic arms is the crucial issue; confidence that he will be told, in a clear and forthright manner, what happened at, and what was agreed upon in, these vital negotiations; confidence that the record of the negotiations is consistent with what our Chief Negotiator will lay before us; confidence, Mr. President, that Mr. Warnke's testimony to the Congress will make it difficult for him to earn.

Mr. President, I yield to the Senator from Georgia.

Mr. NUNN. Mr. President, I cannot support the nomination of Mr. Paul Warnke to serve as our chief negotiator at the strategic arms limitation talks. The formulation of arms control policy within the executive branch is a quite different task from that of negotiating arms control agreements with a powerful potential adversary.

My concern over the nomination of Mr. Warnke to serve as Ambassador to

the SALT talks is twofold. First, during the past 8 years, Mr. Warnke has opposed most of the U.S. strategic nuclear programs whose fate will be affected if not conclusively determined by the outcome of the current negotiations.

As Admiral Moorer, former Chief of Naval Operations, former head of the Joint Chiefs of Staff, testified in urging the rejection of Mr Warnke as U.S. SALT Ambassador, Mr. Warnke has devalued his chips before the poker game has even started. For this reason his nomination could be misinterpreted by the Soviet Union, to say nothing of our allies, as a signal of U.S. willingness to make concessions on issues which in fact we may not be prepared to make. Mr. Warnke's past positions will not be forgotten by the Soviet negotiators, and I fear that an inherently difficult negotiation will become more difficult by reason of this appointment.

Second. Mr. Warnke's nomination appears to have stimulated on his part a sudden revision of long-established views on fundamental defense and arms control issues. I find no fault with the views expressed by Mr. Warnke before the Senate Foreign Relations Committee and before the Senate Armed Services Committee during the past 3 weeks. However, I am disturbed by the remarkable degree to which his postnomination views differ from his prenomination views, and I think one must ask when comparing the prenomination Warnke views to the postnomination Warnke views—what will be the postconfirmation Warnke views?

Prior to February 8, when Mr. Warnke appeared before the Senate Foreign Relations Committee for hearings on his confirmation, he had for a long period of time, including the years during which the SALT and MBFR negotiations have been in progress, argued vigorously for unilateral U.S. force reductions and for cancellations and postponements of various U.S. weapon programs in the hope that these might stimulate reciprocal measures on the part of the Soviet Union. Since his nomination, however, Mr. Warnke told the Senate Foreign Relations Committee and the Senate Armed Services Committee that he no longer believes unilateral U.S. initiatives should be undertaken during the course of negotiation.

Before his nomination, in numerous articles, books, and appearances before the Congress, Mr. Warnke dismissed as "totally meaningless" the political significance of strategic nuclear superiority short of nuclear monopoly. Since his nomination, he has been at pains to assure congressional audiences that strategic nuclear superiority has substantial political significance.

Before his nomination, Mr. Warnke manifested little, if any concern over the dramatic buildup in Soviet strategic nuclear capabilities, which has been underway for almost a decade. Since his nomination, he has adopted the position of the Joint Chiefs of Staff that these same trends in the strategic nuclear balance between the United States and the Soviet Union, if unchecked, would gravely threaten the security of our country.

Before his nomination, Mr. Warnke was a prominent opponent of increasing the flexibility of U.S. strategic nuclear forces through the development of a counterforce capability. He characterized as "self-deluding nonsense" the arguments of those who felt that the United States must respond to the development of Soviet counterforce capabilities. Since his nomination, he has claimed that flexibility in our strategic deterrent is not only desirable but necessary. In a book published in 1972, Mr. Warnke stated, and I quote,

> As far as I am concerned, flexibility in nuclear weapons is perhaps the worst thing that you could have as far as the fate of the world is concerned and as far as American security is concerned. Flexibility in nuclear weapons just means a greater chance that nuclear weapons will be used. At the present time there is only one threat to our physical security, and that is the Soviet Union. The only way that we can deal with the USSR's nuclear arms is with the concept of assured destruction. And if the Russians are not deterred from a first strike because they think we won't make a second strike because we are afraid of a third strike, then there is no possibility of deterrence. But that, I submit, would be insanity on the part of the Soviet leaders. And I am not prepared to ascribe insanity to them. If I did, I would lose my own sanity—and I think we all would.

That was the position of Mr. Warnke in 1972. Yet, in responding to a question on this issue I posed to him last week, Mr. Warnke said of growing Soviet counterforce capabilities, and I quote,

> That is, of course, the ultimate threat to our strategic capability. If we were in a position which they, by striking first, could take out so much of our missile force as to make it unlikely that we would be willing to respond for fear that their counterstrike would be devastating, then we would be deferred; they would not be deterred.

He went on to say, "we should have an ability to respond with flexibility with something less than an all out response."

Before his nomination, Mr. Warnke labelled the Vladivostok Accord of 1974 as "the antithesis of arms control". Now he calls it "a sound basis for future arms control and reductions."

Before his nomination, Mr. Warnke evidenced little if any concern over massive Soviet investment in civil defense. Since his nomination, he has suddenly become worried by Soviet civil defense programs, calling them "potentially destabilizing to the current strategic balance."

Before his nomination, Mr. Warnke dismissed the B–1 bomber as "the wrong bomber at the wrong time." Since his nomination, Mr. Warnke has discovered the B–1 as a "potentially useful adjunct to our strategic forces."

Before his nomination, Mr. Warnke repeatedly proposed unilateral cuts in U.S. troops in Europe and their subsequent demobilization—even though the MBFR talks had been underway for some time. Since his nomination, he has discovered that unilateral U.S. troop withdrawals from Europe could well torpedo any chance for a meaningful MBFR agreement.

Before his nomination, Mr. Warnke time and again proposed the unilateral withdrawal of most of our theater nuclear weapons in Europe. Only since his nomination has he opposed cuts in the absence of Soviet reciprocity—at least for the time being.

I might point out that during the past 8 years, Mr. Warnke has also opposed MIRV's, MARV's, the submarine-launched cruise missile, the Trident submarine and the Trident II missile. If the United States had followed Mr. Warnke's advice on all of these issues and programs, it is doubtful whether there would be anything left to negotiate in SALT II.

But perhaps the most disturbing aspect of Mr. Warnke's performance during the last 3 weeks is his refusal or inability to recognize that he has changed his views on these issues. Regardless of the specific merits of his views on particular issues, his refusal or inability to admit publicly that some of his opinions have undergone fundamental change is perhaps the fundamental issue before us here today.

Either the Vladivostok agreement was the antithesis of arms control or it was a sound basis for future arms control. It cannot be both. The B–1 is either the wrong plane at the wrong time or it is a useful adjunct to our strategic deterrent. It cannot be both. Strategic nuclear superiority is either politically significant or it is not. It cannot be both.

I, of course, have no objection to anyone changing this mind on anything. I certainly have no objection to changes in opinion in a direction more compatible with what I believe to be in the best security interests of this country. What perplexes me, however, is Mr. Warnke's refusal to concede that he has changed his mind on the numerous issues I have just cited.

If, in fact, he is not aware that he has changed his views, serious questions arise as to his ability to maintain a consistent perspective upon the various issues now before the SALT talks. If, on the other hand, he is aware that he has changed his mind on fundamental issues but is unwilling to admit it publicly, questions then arise as to his intellectual integrity.

Mr. President, I cannot in good conscience vote to confirm Mr. Warnke as our Ambassador to the SALT talks. Confirmation could be interpreted by the Soviets as a signal that the U.S. Senate would be willing to endorse a SALT II Treaty containing concessions which, in fact, we would not be willing to endorse. Such Soviet miscalculations could do grievous harm to our relations with the Soviet Union, to the stability of the strategic balance, and to the orderly execution of our arms control policies.

We are at a critical stage in the evolution of the strategic nuclear balance between ourselves and the Soviet Union. During the past 8 years the Soviet Union has undertaken an impressive array of new strategic programs which threaten to put them within sight of strategic nuclear superiority over the United States. This is not the time to send to Geneva a man who, until 3 weeks ago, discounted the emerging Soviet threat and vigorously opposed most of the programs by

which this country has sought to counter it.

I believe that an equitable and verifiable SALT II agreement is in the best interest of the United States and the world. I believe that the appointment of Paul Warnke as Ambassador to SALT II and chief U.S. negotiator makes it less likely that such a SALT II agreement can be reached with the Soviet Union. I believe his appointment will make it more difficult for Congress, for our allies, and for the American people to have confidence in whatever agreement may be reached.

I should like to say that I have complete confidence that President Carter will involve himself more deeply in the SALT negotiation than any past President, and that he will master the complexities of arms control with considerable expertise. What is at issue here is not President Carter's policy but the suitability of Mr. Warnke to negotiate that policy.

Mr. President, in closing I might add that I will vote for the nomination of Mr. Warnke to serve as Director of the Arms Control and Disarmament Agency even though I have some doubts in this regard. Deliberations within the executive branch on military and national security affairs must be accompanied by proper and constant consideration of the arms control implications of our defense programs and weaponry.

Mr. Warnke has been an advocate of arms control during the past decade, and he can potentially make an ongoing contribution in this regard.

Mr. President, I yield the floor to Mr. MOYNIHAN.

Mr. CHURCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington had the floor, and he yielded to the Senator from Georgia.

Mr. CHURCH. The Senator from Washington has left the floor. The Senator from Georgia is now perhaps about to leave the floor and pass the mantle on to the Senator from New York. Somewhere within this sequence, I should like to be recognized for a few brief remarks. I have addressed the Chair in the hope that I might be recognized in my own right.

Mr. NUNN. Does the Senator have a question, because if he has a question I am glad to yield.

Mr. CHURCH. I have a question and a comment. But I wish to hold the floor for a minute or two.

The PRESIDING OFFICER. Does the Senator yield?

Mr. NUNN. Who has the floor, Mr. President?

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, do I have the floor to the extent that I can yield the floor to another Senator?

Mr. CASE addressed the Chair.

Mr. CHURCH. A point of order, Mr. President.

The PRESIDING OFFICER. The Senator from Georgia does have the floor at the present time.

Mr. NUNN. I will be glad to yield for a question.

Mr. McGOVERN. I wonder if the Senator will yield to me for a question?

Mr. NUNN. I am glad to yield for a question. Is that what the Senator from Idaho is asking?

Mr. CHURCH. If we are going to do it that way, I would like to ask a question, too.

My question is this: I have listened with great interest to the Senator's explanation of the reasons why he is opposed to Mr. Warnke as our negotiator in the SALT talks. He has pointed to many inconsistencies or reversals in position, a number of which I think can be clarified in the course of this debate. Nevertheless, the Senator is entitled to his opinion of Mr. Warnke as a negotiator and, of course, entitled to vote against him.

We have heard the Senator from Washington make the same argument; and I anticipate we shall soon hear a similar case from our new colleague, Mr. MOYNIHAN, whom we welcome so warmly to this Chamber.

I frankly cannot understand the logic behind the case. I could understand if the Senator has such misgivings about Mr. Warnke that he would simply oppose him as both the Director of the Arms Control and Disarmament Agency and the principal negotiator in the upcoming SALT talks. But to say that he is going to oppose him for the latter role but support him for the former makes no sense to me, and I would like to tell the Senator why.

Mr. NUNN. Also, before the Senator goes any further, let me say that in my statement I said I had considerable doubts about the position that I stated in supporting him and if the Senator wishes to pursue the argument to a great degree he might talk me out of my support in that position.

Mr. CHURCH. I think the Senator's position would be much more consistent and more persuasive if he were to oppose Mr. Warnke for both positions, given the doubts that he has expressed about the gentleman's competence. But the point I wish to make——

Mr. NUNN. If the Senator would be persuaded if I changed my view and opposed him in both hats, then the Senator from Georgia will reconsider his position of support for the latter hat.

Mr. CHURCH. Very well. However, I believe this ploy is one not really supportable in good logic. The statute establishing the Arms Control and Disarmament Agency makes its Director the Chief Adviser to the President of the United States on all matters relating to arms control. If we cannot trust Mr. Warnke to negotiate with the Soviet Union for a treaty which would have to secure the approval of the Secretary of State and the President of the United States, as well as ratification by two-thirds vote of the Senate—if with all of those protections we cannot trust Mr. Warnke to be the negotiator, then it is beyond me how we can trust him to be the President's Chief Adviser under the law for all matters pertaining to arms control.

Mr. NUNN. Is the Senator going to ask the question?

Mr. CHURCH. I have asked it.

Mr. NUNN. If that is a question, I shall be glad to address it.

I think there is a considerable amount of difference between sending a person with Mr. Warnke's past views and background, particularly the 180-degree switches we have seen in the last 3 weeks, to negotiate with the Russians than it is sending him in a position to advise the Secretary of State. I believe that Secretary Vance is much more capable of digesting Mr. Warnke's views on arms control than the Russians are of being able to negotiate with him without some preconceived notions about his past positions which might lead the Soviets to believe that if they simply wait long enough and if they simply negotiate tough enough eventually, instead of the President's policy prevailing, Mr. Warnke's personal views will prevail.

I believe that that is a valid reason for, on the one hand, opposing him, I must say, rather vigorously as a negotiator and, on the other hand, supporting him with a great deal of doubt as the Arms Control and Disarmament Agency chief.

Mr. CHURCH. Mr. President, will the Senator yield for one more observation?

Mr. NUNN. I yield.

Mr. CHURCH. I have never known a time when the distinguished Senator from Georgia did not make an argument for his position. He has made one, albeit a highly tenuous one. I would say that if I had to choose, on the one hand, between placing a man concerning whom I had such doubts in the position of general adviser to the Secretary of State and the President on arms control policy and, on the other hand, placing him as negotiator subject to the direction of the Secretary of State and ultimately to the directions and consent of the President for any agreement that is reached, which agreement, in turn, must be brought to the Senate for a two-thirds vote before it can be ratified and binding on the United States, I would far prefer to see him negotiate than to serve as the general adviser of the President. I find it hard to follow the Senator's reasoning.

Therefore, it seems to me that this is a ploy directed toward an attempt to get a maximum vote against Mr. Warnke in the Chamber in hopes that this might be disabling to him afterwards.

Mr. McGOVERN addressed the Chair.

Mr. NUNN. Let me say this to the Senator. I am not trying to disable Mr. Warnke in any capacity. If the majority of the U.S. Senate agrees with my position, Mr. Warnke will not be the negotiator with the Soviet Union. I do not know what the majority of the Senate is going to do, and I am not in any way trying to influence anyone except by whatever influence my remarks might have in the Chambers.

But I do not agree with the Senator's logic. I think there is one chief negotiator with the Soviet Union. There are many advisers on arms control. The Arms Control and Disarmament Agency has

only one voice among many voices in determining what the position of the United States of America will be on the development of weapons.

For instance, Secretary Vance does not make the final decisions on weapon development. The primary adviser to the President on weapon development is the Secretary of Defense. Of course, the President himself makes the final decision. So Mr. Warnke as Arms Control and Disarmament Agency head would be only one voice of many that would be commenting on weapons development.

I think there is a legitimate role for one who has consistently been in favor of strong consideration of the implications of any weapon on the negotiating position in arms control in the world.

I must say that I would be more comfortable with the support of Mr. Warnke in that position had he been consistent before our committee, and I must also say before this debate is over I have read very carefully the remarks the Senator from South Dakota made. If the Senator from South Dakota will look very closely at the testimony of Mr. Warnke before the Committee on Armed Services, he will find that on many very significant points, Mr. Warnke now disagrees with the Senator from South Dakota because of his rather precipitate and sudden change on many issues. I will be pointing those out in the course of the debate.

I wonder if the danger is that we may have some of those who are supporting Mr. Warnke most vigorously now, when they closely examine the record as to what his present position is on arms control they may have very serious doubts about their own support. But we will let the course of the debate determine that.

I yield.

Mr. McGOVERN. Will the Senator yield?

Mr. NUNN. I am glad to yield for a question.

Mr. McGOVERN. Mr. President, I do not know whether this question or these questions should be addressed to the Senator from Georgia or the Senator from Washington. Perhaps one or the other would be willing to respond.

I am wondering, first of all, what the Senators are talking about when they refer to Mr. Warnke advocating what I think they described as irresponsible cuts in our strategic weapons system. What were those recommendations? I think the Senator from Washington made some reference to that.

Mr. NUNN. I do not believe I made that statement, although I would agree with it. But I will let the Senator from Washington answer.

Mr. McGOVERN. I think the Senator was talking about the past record of Mr. Warnke, when he said he has a record of careless judgments and calling for irresponsible cuts in our strategic weapons system. I think that the Senator, who is a fair man, will want to elaborate on what he has in mind before a charge like that is made.

Mr. JACKSON. Certainly. His proposed budget cuts would have meant a cut for the coming fiscal year, fiscal year 1978, of $26 billion. I do not think that is a responsible cut.

Mr. McGOVERN. When did he make such a recommendation?

Mr. JACKSON. That was in his 1974 recommendations on cutting the budget over a period of years. And that is what it computed out to be. He does not dispute it.

Mr. McGOVERN. In all fairness, did not Mr. Warnke say, when the Senator from Washington interrogated him on points such as that, that speaking in 1974 and 1973, whenever these statements were made, he was projecting what he then saw to be the situation and that he is responding in 1977 to conditions today? Conditions do change. The Senator from Georgia made the point that he has full confidence in President Carter and he is glad he is keeping an eye on these negotiations.

I think I remember President Carter saying a few months ago that he did not think we ought to be wasting resources on what he referred to as exotic weapons systems like the B–1. It is my impression that he has somewhat modified that position since then. But be that as it may, do not circumstances change, and is not a man entitled to maintain that he has been constant and consistent in his commitment to the defense of the United States, without always having exactly the same posture statement that he might have had 3 or 4 years earlier?

Mr. JACKSON. Mr. President, if I might respond, the problem that Mr. Warnke suffers from is that these changes were so sudden as to raise serious questions as to what in fact prompted them.

Specifically, Mr. Warnke recommended:

Against the B–1.

Against the Trident submarine and the Trident II missile.

Against the submarine-launched cruise missile.

Against the AWACS program.

Against the development of a mobile ICBM—by the United States.

Against MIRV deployment.

Against improvements to the U.S. ICBM force, including improved guidance and warhead design.

Against the development of the XM–1 tank and for reductions in the procurement of the M–60 tank.

For the reduction of U.S. tactical nuclear weapons in Europe from 7,000 to 1,000.

For the withdrawal of 30,000 troops from NATO without waiting for the conclusion of an MBFR agreement.

For holding the Army at 13 rather than 16 divisions—after improved efficiency made the creation of 3 new divisions possible within existing manpower ceiling.

For a $14 billion cut in the defense budget in the fiscal year 1974 submission and an $11 billion cut in fiscal year 1975.

For a reduction in fiscal year 1975 dollars of 3 percent per year in the defense budget—with the result that, applied to the fiscal year 1978 budget, the total reduction would amount to some $26 billion from the Carter recommendations to Congress.

I must say that this series of recommendations—and there are others—gives precious little evidence of foresight. That is a key factor here; and I just want to say to the Senator—and this is the thing we pursued, and the heart of the controversy—Mr. Warnke had this well-known record. I follow arms control matters fairly closely, and he has his point of view, to which he is entitled. But the point I want to make, and this goes to the heart of the whole controversy, is that these views were held consistently—and that is his right—right down until his nomation. He has not been able to present, from the public record, convincing evidence of when he made this change other than when he was nominated.

That is the issue before the Senate as I see it. There it is.

Mr. McGOVERN. Yes. It is difficult for me to argue each one of these points with the Senator as to the exact date when Mr. Warnke may have modified his position, other than to say this: Let us just take the MIRV system, because I think I remember the arguments that Mr. Warnke made before the Senator's committee.

When he was under interrogation about that, he said that at the time we were considering MIRVing our missiles, he thought it was a mistake, that he thought it was unnecessary, that it would lead to a counterreaction on the other side, and that is precisely what happened. Once we went to the MIRV system, the other side did respond with an attempt to mimic the U.S. position.

Now it is my understanding that what Mr. Warnke is saying now, when the Senator from Washington and others ask him if he would throw away the MIRV system, he is saying, "No, now that we have made this decision and invested billions of dollars in the MIRV, and the Soviets have done the same thing, we are not going to give it away without some concession on the other side."

It seems to me that Mr. Warnke is being intellectually sound and being responsible in reaching that judgment. It also seems to me very likely—and the Senator from Washington has been a Member of this body a lot longer than I have, and has interrogated nominees for high office over many years—that a private citizen might take a particular position on an issue before the country that he would have to modify to advance the interests of the administration he is going to serve, and that there might be some explanation there for his reluctance to explain changes of opinion on his part. He also might not want to telegraph everything he has in mind to the Soviet Union before he goes into negotiations.

But, as the Senator knows, Mr. Warnke served with distinction in the Department of Defense, I think appointed to that post by the late President Johnson; he has been forthright and candid in his positions on public issues, and I think he held very consistently to the view that what he was trying to do was adjust his own views to the demands of the administration, and that he was also trying to adjust his own views to changing circumstances in the world. But he repeatedly said that he would represent the interests of the administration and the

interests of the country, and I cannot see any evidence in the way he responded to the Senator's questions of irresponsibility or defensiveness or lack of candor. It seems to me it is the kind of exchange one would expect, under these changing circumstances that face us today.

Let me again remind the Senator, with regard to these budget cuts, that President Carter himself, as a private citizen campaigning for the Presidency of the United States, talked during his campaign about a $5 billion to $7 billion reduction in military spending. Maybe I misunderstood him, but I thought what he had in mind was that we were spending $5 billion or $6 billion more than was necessary, and that if he were elected President of the United States we would get a budget for fiscal 1978 $5 billion to $7 billion below the budget he was talking about then.

Instead of that, we get a military budget that is almost $12 billion above what it was in fiscal year 1977. I suppose there is some explanation for that. Maybe one explanation is that he is now the Commander in Chief as President of the United States. But I have not heard Senators stand up and say they have lost faith in his candor and his credibility.

It does seem to me that this whole attack on Mr. Warnke has held him to a much higher standard than we hold for ourselves. We reserve the right to change our minds, and explain it to our constituents on grounds that circumstances have changed, that world conditions have changed.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. McGOVERN. Yes.

Mr. JACKSON. The Senator is saying, and I agree, that people have a right to change their minds. But Mr. Warnke says he has not changed his mind; and that is the issue. I just want to state it as clearly and concisely as I can: the issue before the Senate is, when did Mr. Warnke change his position on these various strategic arms matters, and where in the public record can it be found? That is the matter before the Senate, Mr. President. That was the central issue before the Armed Services Committee.

We can talk about weapons systems and all the catastrophic implications, so horrifying we do not even want to think about them, that grow out of any scenario for nuclear war. But the issue goes to the credibility of the negotiator. That is the issue.

We gave Mr. Warnke every opportunity—every opportunity—to corroborate his new views that he made known before the Committee on Foreign Relations and the Armed Services Committee, by prior public statements. His record of public statements on these other matters is all very clear, but the record, as of this moment, still shows that there was this complete turn around once he was nominated.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. JACKSON. I yield to the Senator from New York.

Mr. MOYNIHAN. I thank the Senator from Washington for yielding. I would like to associate myself with the views stated earlier by my distinguished friend and neighbor, the Senator from New Jersey, who spoke of the extraordinary integrity with which the views of the Senator from Washington are regarded in this Chamber, the integrity which is a condition precedent of moral authority, so that when such a man comes before us and speaks of his concern, it commands far more than ordinary attention.

I congratulate the Senator from Georgia, who has attained, at such an early stage in his career, such an enviable reputation for his work in the Armed Services Committee, the basis of which was so much in evidence in his analysis—his cogent, careful, and altogether responsible analysis of the issue before us.

Mr. President, it is important and significant that the Senate now turns to the subject of strategic arms limitation. This is the first aspect of foreign policy to become a subject of extended and intensive debate in this session of Congress. Just as President Carter, as early as his inaugural address, stressed the supreme importance of securing greater controls on strategic arms, we in the Senate will now have the opportunity to express our own support for this objective by the prompt consideration of the President's first substantive recommendation in this field—the nomination of Mr. Paul Warnke to be Director of the Arms Control and Disarmament Agency, and simultaneously to be the leader of the U.S. delegation to the strategic arms limitation talks.

I should like first to state, with Senator JACKSON and others, that I strongly support the approach that President Carter has taken to the SALT II negotiations.

Let me go further to affirm that not only do I support the President's approach, but that I am confident he will achieve his objectives. In the course of last year's Presidential campaign, I repeatedly told audiences in the State of New York that no stronger case could be made for Governor Carter's candidacy than the extraordinary fact that he would be the first President of the nuclear age with a hands-on knowledge of the atom, and the weapons that have been fashioned to exploit its incomparable power for purposes of destruction. Time has only strengthened my conviction in this respect.

It is all the more difficult, then, to state that while I will support Mr. Warnke for head of the Arms Control and Disarmament Agency—and indeed welcome him to that post—I cannot support him for chief negotiator. This makes it all the more necessary that I should offer a full account of my reasons.

There are those in this present debate—two have already spoken—who will speak to the technical issues of disarmament. I am not nearly so well prepared as they, and am not a little eager to defer to greater experience and study in a field of intimidating complexity.

Instead, I shall speak to the prior question of the state of world politics. For it appears to me that one's view of strategic arms limitation is informed by, in truth should be controlled by, one's prior judgment about the state of world politics, and the nature of the relations between the Soviet Union and the United States.

Here I would begin as did Paul H. Nitze, a member of the negotiating team which concluded the SALT I accords—and a public man of the largest achievement—in a recent letter to the distinguished chairman of the Committee on Foreign Relations:

> When, some ten years ago, it became increasingly clear that the United States had become strategically and politically overcommitted in Vietnam, two schools of thought began to emerge as to the proper future direction of our national security policy. In one view, U.S. foreign and defense problems would continue, indeed might become more serious as a result of Vietnam, and could well call for even more emphasis and greater prudence than had been devoted to them in the past. In the contrasting view, the problems of the past had arisen largely from our own errors springing from overemphasis on foreign policy, and particularly its defense aspects. Those taking the latter view believed our true strategic interests were limited to Western Europe, Japan and Israel; that the USSR presented our only military threat and that that threat could be deterred with forces less capable than those that had already been authorized. Therefore—so the argument ran—significant cuts could and should be made in a wide range of defense programs requested by the Executive Branch. It was hoped that the Soviet Union would agree to make certain parallel cuts, or at least reciprocate by restarting the pace of its own programs.

Few, I think, would argue with Mr. Nitze's judgment that Mr. Warnke "has been one of the most active, vocal, and persistent advocates of the second point of view". I am one of those who holds to the first. This is a large difference, one which permeates political society in the United States, and which is fully reflected in this Chamber. It is an elusive difference, however, even a confusing one, for it entails not only a change of opinion by many persons, but something approaching a realinement of political forces. May I put it that many of the very persons who conceived and carried forward the war in Vietnam are in the second camp, while many who opposed the war from early on are in the first?

I am happy to see my distinguished friend, the Senator from Idaho, enter the Chamber, as I reach a point about which he inquired earlier when he refered to the service in the Pentagon of Mr. Warnke during the Vietnam war.

I believe, for example, that I would be recorded among those who opposed the war. In the spring of 1968, as a member of the national board of Americans for Democratic Action, I voted not to endorse President Johnson for reelection. I worked for the candidacy of Robert F. Kennedy. I signed political advertisements. In a somewhat undemonstrative way, I suppose I demonstrated. And yet, in truth, what impelled me most and what impelled me first was a conviction that there existed a growing totalitarian threat to the free nations of the world, and that this threat was becoming ever

more menacing as a result of the confusion the Vietnam war was bringing to American perceptions of the nature of that threat.

It has been the ironic but, if I may say, not unpredictable course of events that very different judgments evolved among many of those who were then in charge of the war. Mr. Warnke, I believe, is one such person. He was then, of course, an Assistant Secretary of Defense, clearly committed to the course of our then military policy, just as in subsequent years, he grew to be clearly opposed to the premises on which it had been based. In truth, he became, as so many like him, an advocate of the second view which Paul Nitze describes—the theorem that our national security problems were largely self-generated.

A decade has passed, and we must ask which view seems most in conformity with the facts as we know them. I believe it is the first view—the view that "U.S. foreign and defense problems would continue and could well call for even more emphasis and greater prudence."

Specifically, it is my view that the world today is in a state of transition from the assumption of American dominance to the presumption of American decline. I believe the balance of world power is changing, and that this change has been precipitated by the inevitable and calamitous failure of arms in Southeast Asia.

Mr. Warnke holds a different view. The source of our differences, as I see it—and I wish to be fair to him; I wish to assert my respect for him—is that he, like so many others, was so shaken by the failure of American strategic and military power in Vietnam that he came to feel it must equally fail, that it must prove equally futile, in other circumstances and other places. He presents this view of the world with deep sincerity and unparalleled eloquence, yet I am forced to say I think it a total misreading of the international scene. Indeed, America's flirtation with the views which Mr. Warnke urges is already having its effects.

I believe that other nations are beginning to respond to the expectation of further decline in the American position, that the world over allies and uncommitted alike are commencing a process of accommodation to Soviet power unlike anything we have seen since the immediate aftermath of the Second World War, when Eastern Europe fell under Soviet domination.

Is there not a lesson to be learned, for example, from the contrast between the devolution of the British and French and Dutch colonial empires a generation ago, and that of Portugal just recently? A generation ago one after another new nations were formed; with scarcely exception they modeled themselves on Western democracies. Came the break up of the Portuguese empire in Africa and what did we get: four of the five successor states have become Marxist-Leninist dictatorships. Piteous indeed is the experience of a people that goes from fascism to communism without a day of freedom in between, but that is the pattern in the world today, a world in which there are barely three dozen democratic societies left alive.

The counterpart of the decline of American power is the rise of Soviet power. Last spring, writing in the New Republic in the aftermath of a European Communist gathering, Adam B. Ulam, former director of the Russian Research Center of Harvard University observed:

> The Soviet Union has under Brezhnev achieved—it would be both dangerous and ungracious for us to deny it—the leading, if not yet the dominant position in world politics.

There was no reason, he continued, for Brezhnev or his successors to doubt that their next congress in 1980–81 "would see them in an ever more advantageous, if not clearly dominant, position in world politics."

This very weekend, in the New York Times Magazine, Walter Laqueur, director of the Institute for Contemporary History in London, observed:

> Allowing for uncertainties, it still seems doubtful that the Soviet Union already possesses overall military superiority. But there is no doubt that the Russians believe in such superiority, that they seek to attain it and that, if present trends continue, they will do so in the early 1980's.

It is in this context—admittedly not of final and conclusive proof, but one of growing conviction—that we must assess the import of Mr. Warnke's views. It is in this same context that we must judge his fundamental assertion: that somehow the balance of forces and weapons between the Soviet Union and the United States has reached the point where neither side can any longer contemplate any meaningful advantage—any actual, usable superiority—such that, in effect, "numbers don't matter." In this view, having conceded equality to the Soviets in the 1960's—as indeed we did while caught up in the travail of Southeast Asia—we need have no concern that the Soviets might somehow wish to go on to superiority, for there can be no superiority. Writing from Paris, Raymond Aron, a distinguished political writer, registered the concern with which many Europeans, no less than Americans, must view this position:

> If the Soviets know that Americans don't attach any importance to the details of SALT, they will easily get the upper hand in the bargaining. He who has devalued beforehand the stakes of the dialogue gives his partner a decisive advantage.
>
> According to the U.S. press, the man whom Carter has chosen as head of the Arms Control Agency, the man who will conduct the team of negotiators, Paul Warnke, professes under an extreme form the doctrine that, in nuclear matters, superiority does not exist or does not matter.

I stress this point, Mr. President, for I believe that Mr. Warnke's account of the nature of the political relationship between ourselves and the Soviets is simply inconsistent with the facts as we know them. In the spring of 1975, Mr. Warnke published an article in Foreign Policy, entitled "Apes on a Treadmill."

I must agree with the distinguished Senator from South Dakota, that Mr. Warnke did refer to the Americans and to the Soviets alike as apes.

This metaphor is hardly accidental, for it describes his basic perception of Soviet-American strategic relations. Mr. Warnke wrote:

> As its only living superpower model, our words and actions are admirably calculated to inspire the Soviet Union to spend its substance on military manpower and weaponry.

Mr. Warnke's careful elaboration of this thought only stresses the seriousness with which he takes it. This presumed process of the superpowers aping one another becomes for him the basic explanation of their behavior. His meaning seems clear: the process is imitative and reactive and convergent, rather than the expression of fundamentally differing goals, basic conflict and a growing disparity of condition.

Mr. Warnke contends that the relationship is symbiotic: I contend that it is nothing of the sort, that what is presented as a conflict of objectives, is indeed a conflict of objectives. The common interest in avoiding nuclear warfare is true enough, but that describes man's condition. It does not necessarily describe the ideology of a Marxist-Leninist state. We have only to listen to spokesmen for the People's Republic of China to realize how wholly disparate the views of such ideological regimes can be from those of the democratic governments.

Let us then ask: how accurate, in fact, is the notion that the Soviets will take their military cues from the United States? Our colleague, Senator NUNN, has pointed to one test of the Warnke hypothesis. He reminds us that the leveling off of Western forces in NATO has been met not by an imitative Warsaw Pact response, but rather by an accelerated Warsaw Pact arms buildup.

The Soviet Union and the United States are not, in my view, two apes on a treadmill, and I reject as false this image of imitativeness and mindlessness. America's military power is built up not out of mindless reactions or baseless fears. It has been built up, and must be preserved, because we face a determined and powerful foe who will exploit our weaknesses to advance interests adverse to ours and political beliefs we find abhorrent. I cannot support, as SALT negotiator, a nominee who minimizes or dismisses the profound differences in the arms control motives and objectives of the Soviet Union and the United States. Thus, while I will vote to confirm Mr. Warnke as Director of the Arms Control and Disarmament Agency, I will vote against him as the U.S. chief negotiator at the strategic arms limitation talks.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I yield.

Mr. JACKSON. Mr. President, I salute the distinguished Senator from New York for this, his maiden speech in the United States Senate.

Much has been said in recent years to the effect that the quality of our debate in this body has declined. After hearing what the distinguished Senator from New York has said today, I think we are going to have some truly effective debates on issues that are of tremendous concern to the cause of freedom everywhere in the world.

I wish to mention, of course, the obvious fact that the speech of the distinguished Senator from New York was just not another speech. It was indeed a scholarly effort. I have nothing but praise for the Senator's brilliant remarks, and I think it bodes well for the legislative process in the United States Senate. We are mighty proud of the Senator from New York.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I yield to the Senator from Idaho.

Mr. CHURCH. First of all, I compliment the Senator from New York for a very eloquent expression of his views. He knows how joyously I welcome him to the Senate and how much I, too, believe he will add to the quality of debate in this Chamber.

However, as I listened to the Senator describe his positions 10 years ago and his position today, I must say, in all candor, that I rather prefer his positions 10 years ago.

He makes the argument that we are faced with a Soviet Union determined to gain a dominant political and military position in the world. I had never thought, Mr. President, that the Russians ever had any other intention but to do all in their power to increase their influence to the maximum extent possible; nor have I ever thought that it was not the purpose of the United States to do everything we can to maintain the dominant position we have enjoyed since the end of World War II.

However, I do take issue with the Senator when he suggests that—whatever the reasons may be for any perception in Africa or elsewhere—that the Russians are on the rise, I cannot believe it to be based upon any perceived imbalance in the nuclear arsenals presently possessed by both nations.

The Senate could debate for weeks as to whether or not the Russians are really increasing their influence in the world at large, whether they are really as strong as the Senator suggests they are becoming. Arguments—good ones—can be made on either side of that proposition. There are other learned observers of the world scene who feel that just the opposite is occurring, as the Senator well knows.

However, whatever the merits of that argument, I cannot relate it to the present balance of nuclear power that exists between the two nations.

The reason why we build Polaris submarines is so that they never will have to be used. The reason why we have more than a thousand ICBM missiles is so that we never will have to launch them. The reason why we maintain an intercontinental bomber fleet capable of dropping more bombs on the Soviet Union than necessary to destroy its whole people, as just one element of our strategic force, is so that they never will have to fly such a mission.

I fully agree with the Senator that the Soviet society is malevolent, as judged by the values I hold dear, and I would not for a moment suggest—nor do I believe Mr. Warnke intended to suggest, except as it pertained to the nuclear treadmill—that our two countries were as much alike as two apes. For I believe ours to be a society far different from that of the Soviet Union.

Mr. MOYNIHAN. The Senator knows that I share that judgment in this respect, and I entirely respect his views.

Mr. CHURCH. So, having agreed on that, the next question is, Are the Russian leaders rational when it comes to the question of unleashing this awesome nuclear power? I must believe they are.

When it seemed to them to serve their own interests, as we felt it served ours, to enter into a limited test ban treaty, they did so. They have kept the terms of that treaty to the present day, not because they are good and decent and honorable by our standards but because they still judge the treaty promotes their national interests. When they entered into the nonproliferation treaty and the antiballistic missile treaty, they did so, in my judgment, because they felt it was equally in their interest, as we felt it to be in ours, to do so.

If the Russians are not rational, then it is hard for me to understand why they should enter into such treaties and keep them. Yet such has been our experience.

Furthermore, it is impossible—it is quite beyond my comprehension—given our capacity to destroy them 30 times over, that they would launch an initial strike against us and thus invite certain suicide, in the witchfire of the nuclear holocaust that would follow, upon themselves and all civilization.

But if I am wrong, if the Russian system is not only evil but also led by irrational men, then there is nothing whatsoever on which to base the theory of deterrence. The whole game is up. There is no reason to spend another dime on a nuclear weapon if what we have assembled today is not sufficient to deter them. We might as well stop the terrible waste now and run for the caves.

However, because the Russians are human beings, have a human interest in survival, and have to know a thermonuclear exchange to be wholly suicidal, I have some confidence in the concept of deterrence; and I believe that any adjustment we make in lowering the level of nuclear weapons on both sides will not affect the relative power or influence of either country in its dealings with the outside world.

I would worry much more about the weapons we construct that we can use, which are intended for use, which have been put to use, the conventional weapons that are being developed by the Soviet Union. In my assessment of our defense needs, I would look much more carefully at those weapons which are usable and not dwell upon the strategic forces in a nuclear arms race that becomes increasingly less rational for both sides.

Our respective nuclear arsenals cannot possibly be put to use without the mutual destruction of both civilizations. That is why, as much as I admire the Senator and the eloquence of his argument, I respectfully disagree.

Mr. MOYNIHAN. I thank the Senator.

(At this point, Mr. HARRY F. BYRD, JR., assumed the chair.)

Mr. LONG. Mr. President, I congratulate the Senator on an extremely thoughtful and provocative statement. It is also a courageous statement for the Senator to make here as his first presentation in this body.

I—for one—at this point, do not know how I shall vote on this matter. But he has certainly given me an enormous amount of food for thought which I will ponder over in the days ahead during debate with my colleagues.

I honestly feel the Senator is going to make a tremendous contribution to this body. I am very proud he chose to apply for membership on the Finance Committee where we will have a chance to exchange views.

The views he has presented here, like some of the others, get us to the point that it is not really a question of who is right, but what is right that we are seeking to determine.

We all strongly hope that we can avoid nuclear war. But the type issues to which the Senator directed our attention here today have obviously been some matters he has had occasion to meditate at considerable length in his service at the United Nations. We all are much the richer for the presentation he has made here today.

Mr. NUNN. Will the Senator yield for a brief comment?

Mr. MOYNIHAN. Yes.

Mr. NUNN. I join my colleague from Louisiana and my colleague from Washington in commending the Senator from New York for what I think has been an excellent presentation, a thought-provoking presentation. Needless to say, it was an articulate presentation.

I believe that the Senator from New York, in spite of the fact that this is his maiden speech on this floor, has really, in effect, joined the issue as far as the real decision on this nomination. I believe that his speech has set forth the difference of viewpoint between sincere men about the state of international affairs. I think that it has really started a meaningful and I hope fruitful debate for our Nation, not just on this nomination, but indeed, on the future of the United States of America in the free world.

The Senator's maiden speech was a wonderful speech and I think it has joined the issue on this nomination and, indeed, on many other decisions that this body will have to make in foreign international affairs in coming months.

Mr. MOYNIHAN. I thank the Senator.

Mr. GRIFFIN. Mr. President, I, too, want to commend the distinguished junior Senator from New York for the very brilliant statement. I wish all our colleagues could have been here to hear it, but I certainly hope that they will read it in the RECORD.

Mr. President, I shall at the appropriate time seek the floor in my own right.

I thank the Senator and commend him for an outstanding job.

Mr. MOYNIHAN. I thank the Senator.

Mr. McGOVERN. Mr. President, I do not think there has ever been any ques-

tion about the eloquence of the Senator from New York.

For whatever it is worth, I add my word of commendation for his eloquence, if not for his conclusions.

I am puzzled by the conclusion the Senator comes to after his look at this problem that is before us. It does not seem to me that the question at all turns on the respective goals of the United States and the Soviet Union as societies.

There is not any Member of the U.S. Senate, so far as I know, who prefers the ideology or the values that the Soviet society has over American society.

I do not think the Senator from New York would suggest for one moment that Mr. Warnke does not appreciate the difference in values between our two societies.

Mr. MOYNIHAN. May I say, not for one moment.

Mr. McGOVERN. Yes.

But to argue, as Mr. Warnke did in the article in the Foreign Affairs Quarterly, to which the Senator from New York referred, that each side is frightening the other, that the Soviet Union and the United States are frightening each other by these large outlays for strategic weapons systems, seem to me almost beyond dispute.

I am surprised that the Senator from New York would challenge that basic thesis, that a buildup on our side causes some repercussions on the part of strategic planners in the Kremlin, and that the reverse is also true.

It seems to me that the point Mr. Warnke was making in that article, and that he tried to defend before the Armed Services Committee and before the Foreign Relations Committee, is that, regardless of the obvious differences between the two societies that we ought to be able to agree on one thing, and that is that with the Soviets in possession of some 4,000 nuclear warheads and the United States in the possession of some 8,500, that either side has the capacity to inflict unacceptable damage on the other, no matter who strikes first.

Given that situation, what puzzles me in the Senator's speech here today was the seeming implication that we are confronted with an enormous danger which we can only offset by increasing accumulations to our nuclear strategic system.

It would seem to me all the evidence points the other way, that we ought to be going in the spirit of what Mr. Warnke has said over the years of looking for the areas where we can take initiative in turning this nuclear arms race around and beginning to move toward more sensible defense throughout.

I would be interested in what the Senator has to say on that basic point.

I think the Senator could at least accept the figures that the Defense Department has given us that for fiscal 1977 we now have something over twice the number of nuclear weapons systems that the Soviet Union has, roughly 8,500 to 4,000 in our favor.

Is that not a rather safe position to be in—if there is any safety in this balance of nuclear deterrent?

Mr. MOYNIHAN. I believe the Senator spoke of nuclear weapons systems—he means warheads?

Mr. McGOVERN. That is correct.

Mr. MOYNIHAN. I thank the Senator for the question, which is fairly put and a serious one. I would like to make the distinction between a judgment which I think both he and I would share and one which we would not.

The Senator stated, is it not self-evident or to be presumed that in the confrontation of the two sides, when one side escalates the other will do the same?

I think the Senator thinks that would happen. I think that would happen; it would be normal.

The question that faces us is, What happens when one side declines? Will the other side decrease accordingly?

I say the other side, if it is the Soviet Union and it finds itself in a situation of advantage over the West, will not decrease, it will immediately move to make use of that superiority. I think I would.

But if I may use this occasion to do so, I would say that it is regarding the notion of automaticity and of mindlessness, the image of two apes without real political intent, but mere psychological response—that it is here that we have such a different view, not necessarily the Senator and I, but Mr. Warnke and I and those who feel this, as I do.

The distinguished Senator from Idaho, whom I should like to thank for his generous remarks, as I should like to thank the Senator from South Dakota for his generous remarks, seemed to me to verge ominously near to the proposition that superiority does not matter. He asks, can it be that the Soviets are led by men whose ideology is not merely evil but men who are themselves mad? No, sir, I do not think them to be mad; I think them to be evil and sane, and they seek to achieve a superiority and they know what they will do with it. They will intimidate the world around them, the process known as Finlandization, the learning to live with the presumption of Soviet superiority, not to occupy, not to conquer but to prevail over; and the question is, if they do not think nuclear superiority is worth it, why do they keep seeking it?

Mr. McGOVERN. I can only say to the Senator I do not find the evidence in his speech or in anything else presented to this body that it is the Soviet Union that enjoys superiority. It seems to me all the evidence is on the other side.

Over the last 7 years, since 1970, we have deployed six times as many new nuclear weapons as the Soviet Union has. This is not to say they are a society that is acting with restraint always in the nuclear field. It is to say, as Mr. Warnke has argued, that both sides have gone beyond any reason in the development of nuclear weapons.

Mr. NUNN. Mr. President, will the Senator from South Dakota yield?

Mr. McGOVERN. I do not have the floor.

Mr. NUNN. Will the Senator from New York allow me to comment on one statement?

Mr. MOYNIHAN. Of course.

Mr. NUNN. The Senator has made the comment several times today that he sees no evidence whatsoever that the United States has a deteriorating position or that the Soviet Union is making gains; is that a fair statement?

Mr. McGOVERN. What I have argued is that the United States is in a clearly superior position, which does not mean all that much, because both sides—even if we cut our nuclear force in half we would still have such a society-destroying capability that the Soviet Union would have to be totally mad to attack this country. If we doubled it it would not make that much difference. That is what I said.

Mr. NUNN. Is the Senator advocating that we cut it in half?

Mr. McGOVERN. No; I am not advocating we cut it in half. I am simply saying that when Mr. Warnke argued a few months ago that we had enough on margin so that in certain selected areas we could in 6 months' time restrain any further deployment of that particular system to see what the response is on the other side, he is not making an irresponsible recommendation because the margin is now so great in our favor.

Mr. NUNN. Well, the Senator has said several times today the margin is so great in our favor, and he is supporting the nomination of Mr. Warnke.

I might point out on page 10 of the testimony before the Armed Services Committee Mr. Warnke would go in a different direction than the Senator from South Dakota because he states very clearly, and I quote him:

> I believe at the present time that a condition of rough equivalence exists. But if current trends continue our position could be in jeopardy at some point in the future.

Now, that testimony brought a great deal of questions because it was a change in Mr. Warnke's at least perceived position for many of us on the committee.

In questioning Mr. Warnke, we found that over and over again he, in his recent appearances as opposed to his previous position, agrees that the trends are going in favor of the Soviet Union. I believe that is a totally different position from the position the Senator from South Dakota has articulated here today.

I also submit, as I did earlier, that is a totally different position from the position Mr. Warnke has held up until about 3 weeks ago.

Mr. BUMPERS. Will the Senator be kind enough to state what Mr. Warnke's position was a few weeks ago?

Mr. NUNN. I have never heard him express alarm about the trends in the Soviet Union until he appeared before the Senate Armed Services Committee. He really, as Paul Nitze agreed the other day, has circled Mr. Nitze on the right.

Mr. BUMPERS. Is it not possible the reason he has stated it for the first time is that it is the first time he has perceived it?

Mr. NUNN. I think he perceived it when he was nominated to be the SALT II negotiator, I think the evidence indicates that. But he has studied it for 8 years, and I wonder why the coincidence of perception.

Mr. BUMPERS. Mr. President, will the Senator from New York yield to me?

Mr. McGOVERN. I would like to make a unanimous-consent request. This is testimony of Mr. Warnke obviously ex-

tending over a period of a good many days, and is obviously going to raise a good many points about what he said and what he did not say. But I ask unanimous consent to have printed in the RECORD at this time, so Senators can examine it, the statement that Mr. Warnke sent to Chairman STENNIS of the Armed Services Committee on February 28 in which he replied to a number of these charges about what he had said or whether he had changed his position.

This is a 37-page document. I think if Senators will take the time to read it they will see that what Mr. Warnke was trying to do before the Armed Services Committee was to explain how a man living in a changing world has to modify his positions from time to time without in any way sacrificing his basic convictions.

I am satisfied, after reading this document, that that is the position Mr. Warnke is in.

I ask unanimous consent that the entire matter be printed in the RECORD.

Mr. GRIFFIN. Mr. President, reserving the right to object and, of course, I shall not object, as a member of the Foreign Relations Committee—and I assume many Members of the Senate as well—I received a copy of this 37-page document. I have a brief statement of, perhaps, 5 minutes in length addressing myself to a lot of the points, in fact, the first point Mr. Warnke makes in that 37-page statement, and I would like very much, if it were possible, to get some recognition at some point after a reasonable time, and I wonder if I could ask that I be recognized when the Senator from New York is finished with his statement.

The PRESIDING OFFICER. The Chair will state the Senator from Michigan is at the top of the list. But at the moment the Senator from New York has the floor, and it is up to him to determine whether or not he will yield the floor.

Mr. GRIFFIN. I am glad to know I am next on the list. I thank the Chair. I shall not object.

Mr. MOYNIHAN. I thank the Senator.

Will the Senator from Arkansas allow me to make a quick statement? I would like to express my appreciation to the Senator from South Dakota for his kind remarks.

I think he may have misheard me with respect to the question of Soviet superiority. If I recall my words they are, in fact, if the Soviets do not believe there are uses to superiority, why do they continue to seek to achieve it? I believe the Senator may have heard me saying they have achieved it.

Mr. McGOVERN. I do not deny for 1 minute the Soviets would like to have superiority. What I am saying is if both sides are going to proceed on this assumption that it is desirable to be superior, I do not see any hope for ever curbing the arms race. We cannot both be superior. I would hope on both sides that the reality would eventually dawn on them that after you reach the point where you could utterly destroy the other society, superiority becomes a rather meaningless term. That is the only point I make.

Mr. MOYNIHAN. There is not a difference between us, and I want to correct the RECORD. I did not say they had achieved superiority; I said they were seeking it.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. MOYNIHAN. Yes.

Mr. LONG. Might I just explore with the Senator a point that he made? Is it fair to say that the Senator's view would be that what the Soviet Union is after is not a nuclear war; what the Soviet Union is after is domination of this planet without a war?

Mr. MOYNIHAN. Exactly, sir.

Mr. LONG. If that be their objective, if they are able to convince the people of this Nation that such a war would be one that we must not fight at any cost, and that we would lose if we did, that this Nation might well be persuaded that the better part of wisdom would be to back down?

Now I, for one, am not impressed by the capability of our forces in Europe compared to what the Soviet Union has available to them on that continent. Not only the disparity in numbers concerns me but I am much aware of the fact that we are organized on a democratic sort of basis with the trend in our services toward a decline in discipline.

We know very well that the Russian Army is organized in such a fashion that if the troops do not move forward they are shot from the rear by their own officers or the soldiers in the ranks behind them. The United States just does not do business that way.

We simply have not learned to fight quite that tough. But there was a time when the United States found that we had to fight about that way if we hoped to win. For example, back at the time of the War of 1812 we had one general who could win battles. His name was Andrew Jackson. The reason he could win battles was that any man who ran when confronted by the enemy would be definitely killed if Andy Jackson ever got his hands on that man again. When he ran for President the opposition made quite a thing of showing pictures of black figures in the shape of corpses of men who had been put to death by Andy Jackson because they did not show sufficient courage when facing a foreign enemy. We have seen what discipline can do.

What in my judgment keeps the Soviet Union from taking the kind of risk that I hope they will never take is the fact that they do not know what the final outcome would be. They cannot and are not in a position to answer the $64,000 question: assuming that they overrun the area and assuming that we do use some restraint at the outset, how is the whole thing going to come out in the end? As long as they do not feel reasonably certain about that, they know they are taking a very grave risk to jeopardize all they have.

But the Senator's point I believe makes clear something that was not clear in the beginning of this debate, and that is that in terms of the objectives, what both sides are after, we both hope to avoid a nuclear war.

Mr. MOYNIHAN. Certainly.

Mr. LONG. And both of us hope to avoid it without fighting. Both nations hope to prevail in its essential position without fighting such a war. The problem is: if we unwisely permit the other side to attain a superiority such that our people view that to contest the matter with the enemy would be disastrous and hopeless for us and the other side feels not only would we back down but they would prevail if the disaster occurred, then I must admit that that would be a very bad prospect for this Nation.

That is the type of situation that the Senator has thought about from time to time, I take it, as he performed his duties at the White House and at the United Nations before coming here.

Mr. MOYNIHAN. I thank the Senator and I appreciate his remarks. The distinguished Senator from Arkansas.

Mr. BUMPERS. I thank the Senator very much.

The PRESIDING OFFICER. Will the Senator delay a moment? The Senator from South Dakota made a unanimous request that certain material be printed in the RECORD. Is there objection?

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
February 28, 1977.

Senator JOHN C. STENNIS,
Chairman, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: At the hearing of the Committee on February 23, 1977, I was asked by Senator Jackson to supply for the record my responses to a list of nine supposed instances of conflict between the statements I made in my confirmation hearing before the Committee on Foreign Relations, or in the hearings before your Committee, and my previous public statements. He asked that I corroborate specifically when and where, prior to my nomination, I had expressed publicly the views that I had stated in these hearings.

I have reviewed the full text of the statements referred to in these allegations, together with other previous public statements in testimony and speeches, and I find that no inconsistency exists in fact. Any apparent conflict derives from taking out of context either my recent testimony or my previous statements, or both. In at least two cases, the allegations contain misquotations of my previous statements.

I will first take up each of the nine listed items, providing earlier instances of public statements consistent with the views I expressed in the hearings. I will then add some supplementary observations and citations corroborative of my basic positions.

ALLEGATION 1

You said in your confirmation hearing that at the time of the 1972 Interim Agreement you were concerned about the numerical disparity in the levels of offensive weapons on the U.S. and the Soviet side. The record of your testimony at the time shows the opposite—it shows that you welcomed the agreement precisely as a recognition that numbers do not matter.

MY RESPONSE:

At my confirmation hearing I testified that at the time of the 1972 Interim Agreement, "I was concerned, first of all, about the numerical disparity because it seemed to me that that made the agreement perceptually

vulnerable. Any agreement which appears to give the Soviet Union a numerical lead is not one which is going to be very well received by our friends." (*Source*: Hearings before the Senate Foreign Relations Committee, February 8, 1977, p. 45.)

Contrary to the allegation that in 1972 I "welcomed the agreement precisely as a recognition that numbers do not matter", in my testimony before the Senate Foreign Relations Committee in 1972, I stated that "the principal accomplishment" of SALT I was the ABM treaty and that, as to the Interim Agreement, "I find the coverage at the present time disappointingly small." I specifically stated that "numerical superiority which is not translatable into either any sort of military capability or any sort of *political* potential has no purpose." (Source: Hearings before the Senate Foreign Relations Committee, 28 June 1972, pp. 178–179, emphasis added.) I carefully differentiated between military capabilities and political perceptions. At that time, in 1972, our lead in MIRVed delivery vehicles and accuracy was so significant that it could not be erased during the limited lifetime of the Interim Agreement.

Contrary to some suggestions made at the hearing before your Committee, I have never minimized Soviet military capabilities or suggested that we could yield the Soviet Union any meaningful military superiority. The 1972 McGovern Panel on National Security (of which I was co-chairman) declared that "The loopholes in the Interim Agreement must be closed", and "Every effort should be made to achieve control of MIRVs whose acquisition by the Soviets could, if they were sufficiently accurate and numerous, cause concern that they might be a threat to the landbased portion of our deterrent." (Source: Report of the McGovern Panel on National Security, 21 September 1972, p. 13.)

At hearings before the Senate Budget Committee in March 1976, I stated:

"I think there is no question about that. There are only two military superpowers in the world, the Soviet Union obviously is going ahead building up its military capacity, and we can't put ourselves in the position in which there is one military superpower, and that is the Soviet Union."

Source: Hearings before the Senate Budget Committee, 9 March 1976, p. 165.

As for political perceptions, two weeks prior to my 1972 appearance before the Senate Foreign Relations Committee, I spoke at an on-the-record press briefing sponsored by the Arms Control Association. In a newspaper article headlined "Arms Pact Called Too Permissive," I was quoted as saying that the Interim Agreement was so permissive that it was "slightly worse than having none at all." I stated that the offensive agreement—as opposed to the defensive treaty covering antiballistic missile systems—allowed the Russians ceilings, particularly in missile-firing submarines, that "were so high that they would allow the Pentagon to point to those potential Soviet forces, rather than the ones in being or likely to be fielded, and to use those future ceilings as a lever to increase substantially several of our own military projects." (Source: The Washington Post, 9 June 1972, p. A–4.) Thus I made it publicly clear immediately after SALT I, as I did in my confirmation hearings, that I was disturbed by the perceptions that would be created by the high Soviet ceiling on submarine-launched missiles.

I have frequently expressed concern about potential Soviet superiority. In a 1972 debate with Senator Buckley, I stated:

"Regardless of absolute capacities, our forces should not be allowed to fall into a position of imbalance so gross as to have adverse political connotations. This does not mean that we must match the Soviet nuclear arsenal missile-for-missile and megaton-for-megaton. It does mean that the disparity should not become so great as to lead the Soviets to misjudge their freedom to act in opposition to our interests or to lead our friends to doubt our willingness to respond to the most severe provocation."

Source: Strategic Sufficiency, American Enterprise Institute, 1972, p. 31.

In the same debate I also said:

". . . our size, our strength and our pervasive international presence put us, for better or for worse, in a position much different from that of modern-day England. We could not, as I see it, be comfortable with a situation in which we possessed no more than the theoretical minimum needed to destroy some predetermined percentage of Soviet society. Neither could our friends overseas. We could not be sure that, in a true crisis, some Soviet planners might not argue persuasively that we had miscalculated on the low side and thus that we would not dare rely on the deterrent efficacy of our strategic forces. Perhaps even more serious might be the impact of such minimal retaliatory deterrent strategy on Soviet adventurism and the perception of other countries as to who holds the whip hand. Certainly in terms of the political objectives for which strategic sufficiency is maintained, we could no longer count confidently on our ability to protect smaller allies from nuclear blackmail and political coercion. Even if the retaliatory strength were deemed adequate to prevent a nuclear strike against the United States, would it in fact be sufficient in the eyes of other countries to permit them to resist possible Soviet pressures for accommodation or capitulation?

As I see it, we should not permit the development of so gross a numerical discrepancy as to lead, even arguably, to this kind of situation."

Source: *Id.*, pp. 29–30.

Appearing before the Senate Budget Committee in 1975, I testified: "I would also agree with Mr. Nitze that some sort of gross disparity might vary in the minds of people, but it is a subjective determination." (Source: Hearings before the Senate Budget Committee, March 1975, p. 975.)

More recently, in testimony before the same Committee, Mr. Nitze, speaking about what persuades the Russians to enter into arms control agreements, said, "And I don't think it will be to their interest to do so unless we demonstrate that we will do what Paul Warnke says we should do, and that is to see to it that they do not have superiority and could then dictate to us. I think I quote you correctly, Paul." To which I responded, "Yes, you do, sir." (Source: Hearings before the Senate Budget Committee, 9 March 1976, p. 176.)

"Your testimony yesterday before this Committee indicated that you are concerned about the growth of Soviet strategic forces, that at some point in the future we could be in jeopardy. But just a year ago you told the Senate, in an exchange with Senator McClure, that even if the Soviets completed all their programs the situation would still be stable. And on many occasions before that you testified in a similar vein."

MY RESPONSE

As I explained in my testimony on February 22:

"What I was talking about at that point [with Senator McClure] . . . is that if they went ahead with their 17s, their 18s and their 19s, used them to replace the SS–11s and SS–9s, we would still be in a position in which we had strategic equivalence with them and therefore the basic strategic balance would not be changed. What I have indicated today . . . is we have to assume that having done that they would thus go ahead with further modifications in those forces and since they have greater throw weight and since they have larger re-entry vehicles as a consequence of those modifications, greater accuracy, improved guidance, they would then be in a position where they had more hard target kill capability than we do."

Source: Hearings before the Senate Armed Services Committee, 22 February 1977, pp. 2–62, 2–63.

The distinction between the consequences of Soviet completion of programs underway in 1976 and of the undertaking of follow-on programs seems to me quite clear.

On a number of previous occasions I have pointed out that while particular weapons systems would not de-stabilize the nuclear balance, unless we achieved effective arms control, we would eventually come to a situation of dangerous instability:

"The fact is at the present time we have a highly unsatisfactory situation in which security depends on the fact that the other side would be committing suicide if it attacked you, a mutual assured deterrent. The current concept is certainly not one anyone can contemplate with any degree of satisfaction, but how could you make it better. The only way would be in a highly idealistic situation in which we would eliminate all nuclear weapons. We can't do that, so we are faced with the possibility that we and the Soviet Union will continue to pour more money into our defense systems, and the best that we can hope for is that some hundreds of billions of dollars later we may not be much worse off than we are today."

Source: Hearings before the House Budget Committee, 11 September 1975, p. 75.

And in 1972 I noted that:

"The risk we face today in the strategic field is not that our forces may be insufficient. The risk is instead that, while understanding the criteria for sufficiency, we may spend too much and build too much and end up with not much greater but less true national security. The acquisition of unnecessary strategic systems to gain bargaining strength in negotiations with the Soviet Union will mean only a comparable response from the other side and the conversion of the arms limitation talks into a spur to the arms race rather than a medium for reciprocal restraint. More MIRVs, more ABMs, more new systems, more technological improvement can only mean a less effective and less protective arms control agreement."

Source: Strategic Sufficiency, American Enterprise Institute, 1972, pp. 36–37.

I believe that we are now close to that threshold of danger.

On the issue of the dangers in Soviet superiority, I said on 9 March 1976:

"Now, that doesn't mean that we can ignore what the Soviet Union is doing, and it doesn't mean in my opinion that we can ignore the cosmetic impact of heavy defense expenditures. There is a question of perception as well as a question of actual military capability, and in the strategic field in particular, but also in the conventional field the perceptions are important because, of course, the primary mission of our military might is to prevent war, so that the ultimate test of deterrence is what the other side thinks you are capable of doing, and what your allies think that you are capable of doing.

"From that standpoint obviously we couldn't let any gross disparity develop, either in terms of our strategic weapons programs or, I am afraid, in terms of our overall defense expenditures."

Source: Hearings before the Senate Budget Committee, 9 March 1976, p. 167.

Several other statements on this subject are quoted in my response to Allegation 1.

ALLEGATION 3

You told the Foreign Relations Committee in your confirmation hearing that you did not believe that unilateral initiatives should be made in a negotiating context—during

the course of negotiations. But the record shows that you recommended troop withdrawals from NATO while MBFR was in progress. You recommended withdrawing tactical nuclear weapons from Europe while MBFR was in progress. You recommended halting a number of programs as a unilateral initiative in 1972 as SALT II was getting underway. In May, 1972, while SALT I was under negotiation, you recommended unilateral restraint. In March, 1975, while SALT II was underway, you again recommended unilateral restraint. And in your 1975 article in Foreign Policy you again called for unilateral restraint.

MY RESPONSE

What I actually said, in a colloquy with Senator Javits in the confirmation hearing, was that "if you were actively negotiating with the Soviet Union, it would strike me as being poor negotiating tactics to take a unilateral, not previously announced initiative of that kind." (Source: Hearings before the Senate Foreign Relations Committee, 8 February 1977, p. 28, emphasis added.)

I distinguished this kind of initiative from the kind of approach that I suggested in my 1975 Foreign Policy article ("Apes on a Treadmill"). That approach, as I pointed out in my testimony, was offered at a time when, according to the original Vladivostok communique, serious negotiations were not contemplated until 1980 or 1981 with no actual reductions from the very high Vladivostok ceilings until the mid-1980's. I felt that some means should be sought to keep arms control from being stalled for ten years.

This proposal did not contemplate unilateral restraint, but a process of matching restraint. In 1971, in hearings before the Subcommittee on Arms Control of the Senate Foreign Relations Committee, I called for mutual restraint in referring to "restraint in the course of the SALT negotiations" as offering "the best chance of turning the SALT talks into the kind of continuing strategic dialogue that can bring about progress toward control of the arms race even while the talks continue, and before anything in the way of a formal agreement is reached." (Source: Hearings before the Subcommittee on Arms Control of the Senate Foreign Relations Committee, 14 July 1971, p. 210, emphasis added.) This is the only reference I can find to the procedural handling of restraint initiatives in the context of negotiations.

I have frequently noted that general restraint in the development and deployment of new systems, as distinguished from specific cutbacks, is in our national interest, and I believe I am in good company in holding this view, which was succinctly stated by then Deputy Secretary of Defense Packard in hearings before the Subcommittee on Arms Control of the Senate Foreign Relations Committee in 1971 when he said ". . . no one has a greater interest in the successful outcome of SALT than does the Department of Defense. That is one reason why an essential element of our policy with regard to strategic deployment has been restraint." (Source: Hearings before the Subcommittee on Arms Control of the Senate Foreign Relations Committee, 13 July 1971, p. 169.)

My recommendation for a 30,000 man cut in NATO support forces was based on my conviction that this cut would not diminish and could in fact improve the combat capability of our NATO forces. This Committee itself recommended, and the Congress approved, a cut of 20 percent in our NATO non-combat troop strength in 1974. And the Senate Armed Services Committee report made it permissive for the Secretary of Defense to replace these non-combat forces with combat troops, but did not make the recommendation mandatory.

As you know, I have consistently opposed the Mansfield Amendment. In a lecture before the National War College on 23 May 1972 I declared that:

"I do not believe that there is any substitute for a substantial American military presence in Europe. I think, moreover, that if we were to make the kind of drastic reductions that have been suggested in various versions of the Mansfield Amendment this would be extraordinarily unsettling, not only to our allies but perhaps also to the Soviet Union. They would have to give considerable thought to just what the implications of that were, whether it meant that we were going back to total reliance on a doctrine of massive retaliation or whether we were, in fact, abandoning any commitment to Western Europe."

Source: Lecture before National War College, 23 May 1972, p. 13.

Similarly, my recommendation on withdrawal of tactical nuclear weapons from Europe was based on my belief that the "number and variety of our tactical nuclear weapons in Europe is dangerously excessive and that their pattern of deployment is undesirable." (Source: Hearings before Subcommittee on Arms Control of the Senate Foreign Relations Committee, 14 March 1974, p. 65.) I was then and still am in agreement with Jeffrey Record, one of the recognized experts in this field, that "present NATO doctrine, efficacious or not, is ill-served by the current deployment of [tactical nuclear] weapons at the disposal of the Atlantic Alliance." (Source: U.S. Nuclear Weapons in Europe, Issues and Alternatives, Brookings Institution, 1974, p. 45.)

ALLEGATION 4

You said yesterday that you have "testified against removing our tactical nuclear weapons from Europe." The record shows that you have argued for withdrawing as many as 6,000 out of 7,000 of our tactical nuclear weapons from Europe; and as recently as four months ago you called for removing tactical weapons from Europe—a recommendation that Secretary Vance saw fit to dissent from.

MY RESPONSE

As I have stated, I have consistently recommended that we retain an adequate tactical weapons capability in Europe. Before the Senate Budget Committee, in March 1975, I stated that "I don't think we ought to bring all of the tactical nuclear weapons home but I think there are certain categories of them that serve no purpose, that are far too vulnerable, and we could reduce that number very substantially." (Source: Hearings before the Senate Budget Committee, March 1975, p. 984.) In hearings before the same committee in March 1976, I asserted the deterrent value of our tactical nuclear weapons:

"I think that they would have to recognize that in that kind of war we would have a vital interest at stake, and we would not be prepared to yield that vital interest if we had any capability of stopping it. And that as a consequence there would be the risk of our use of tactical nuclear weapons."

Source: Hearings before the Senate Budget Committee, 9 March 1976, p. 204.

A recent study by the General Accounting Office, reported in the New York Times, concluded similarly that it would be desirable to reduce or eliminate "marginally useful" or "highly vulnerable and destabilizing" theatre nuclear weapons, and to provide nuclear forces less vulnerable to attack. (Source: The New York Times, 21 February 1977, p. 10.) Mr. Nitze also, in his testimony of 9 February 1977, said that he tended to share my view that there are not adequate storage places today for our 7,000 tactical nuclear weapons or proper plans on how "to get them out from under an attack." (Source: Hearings before the Senate Committee on Foreign Relations, 9 February 1977, pp. 148–49.)

It is also quite correct that I have argued that we have far too many of these weapons in Europe and deployed in dangerous ways (see my response to Allegation 3.). It is not correct that ". . . four months ago [I] called for removing tactical weapons from Europe." The facts are that four months ago I joined in the report of the United Nations Association Panel on conventional arms control, which recommended that "In MBFR, NATO should continue to seek . . . a reduction of some of its tactical nuclear weapons in exchange for a reduction of Warsaw Pact armored forces." (Source: Controlling the Conventional Arms Race, UNA–USA, November 1976, p. 38.) The Panel also recommended that "If MBFR negotiations remain stalled without significant progress, then a reduction or redeployment of U.S. tactical weapons in Europe should be sought outside the MBFR context after thorough consultations with our NATO allies." (Source: Ibid.) The Report goes on to point out that "It is not sound defense policy to maintain obsolete useless or dangerous weapons simply as a potential 'bargaining chip.' Such a course of action would neither serve U.S. national security nor promote meaningful arms control." (Source: Ibid.)

The allegation refers to a "reservation" expressed by Cyrus R. Vance stating: "I do not agree with this recommendation, which implies that now we should unilaterally withdraw some U.S. tactical nuclear weapons from Europe." I did not express a similar reservation because I do not read the recommendation as implying that we should now undertake any unilateral withdrawal of tactical nuclear weapons. Those joining in the report without any reservation on this recommendation include retired general officers Bruce Palmer, Jr. and Matthew B. Ridgway and Former Secretary of the Army, Frank Pace, Jr.*

ALLEGATION 5

You testified yesterday that ". . . an agreement which is unverifiable or is questionably verifiable does not comport with our national security." You even said that verifiability is a sine qua non of an agreement. Yet as recently as four months ago you joined in recommending that "a one-year reduction of 5 to 10 percent in military expenditures by the U.S. and the Soviet Union through 'mutual example' should be explored." Now I think it is clear that there is no way such a reduction could be verified—we can't even get a verifiable estimate of current Soviet expenditures that would enable us to verify a 5 to 10 percent reduction.

RESPONSE

The comments about possible budgetary limitations in the Report of the UNA-USA National Policy Panel on Conventional Arms Control are in no way inconsistent with my expressed position on the necessity for verification of arms control agreements. The Panel Report explicitly recognized the major problems involved in mutual reductions in

* The full membership of the UNA–USA National Policy Panel on Conventional Arms Control consisted of Thornton F. Bradshaw (Chairman), Cyrus R. Vance (Vice-Chairman), Harvey Brooks, Barry E. Carter, Harlan Cleveland, John T. Connor, Lynn E. Davis, Gaylord Freeman, Richard N. Gardner, Richard L. Garwin, Robert Kleiman, Charles McC. Mathias, Jr., Paul W. McCracken, Vice Admiral Gerald E. Miller, Waldemar A. Nielsen, Frank Pace, Jr., General Bruce Palmer, Jr., General Matthew B. Ridgway, Robert V. Roosa, Joseph M. Segel, Ivan Selin, K. Wayne Smith, Frank Stanton, Paul C. Warnke.

military expenditures. Among those noted in the Report, at page 19, are "questions of definition and comparability." Another is the fact that an over-all budget agreement might permit each party to choose which forces to reduce and thus could lead to "a less stable force posture." The Report further states: "Finally, verification would present a major problem" and "the budget approach has the disadvantages of verification, comparability and arms control utility." (Source: Controlling the Conventional Arms Race, UNA-USA, November 1976, pp. 19–20.)

Accordingly, the Panel (see Allegation 4 for a list of its membership) recommended unanimously only that the idea of a one-year reduction of 5% to 10% in military expenditures should be "actively explored" and warned that: "Though the Soviets have frequently expressed support for the general concept of military budget reductions, they have shown little willingness to elaborate the details of how their proposals might be implemented." (Source: Id., p. 25.)

The Panel suggested that "the United States should probe Soviet intentions and interests in this area more fully." An interesting consequence of such exploration might be the obtaining of more reliable information about Soviet defense expenditures. (Source: Ibid.)

I have consistently expressed my concern about verification prior to my confirmation hearings. Indeed, my opposition to the initiation of some weapons programs, such as MIRV and mobile ICBMs, was based, in part, on the problems they would pose for verification and for reaching sound, verifiable arms control agreements if they were developed.

In 1971, I said:

"You would also then, of course, have the advantage of a complete ICBM ban if that could be brought about, which would simplify some of the problems that otherwise would exist with regard to verification. I would hope that perhaps negotiations could head in that direction at least as a start."

Source: Hearings before the Subcommittee on Arms Control of the Senate Foreign Relations Committee, 14 July 1971, p. 217.

In 1976, I said:

"The more we do in the way of modernization of nuclear forces and the more we do in terms of protecting the survivability of the ICBMs, the more chance there is that we will end up with a situation in which no verifiable agreement can be reached. That is the difficulty I have with the concept of having 10 shelters, for example, for each launcher and moving them around in some sort of a strategic shell game. It would be an effective means of preventing a counterforce attack, but it would be inconsistent with the concept that was written into the SALT I agreement, that neither side would take action to prevent the other side from knowing where the forces were and what it was doing. It seems to me that the difficulty with these programs is that they say, in effect 'We have given up hope of achieving a strategic arms agreement.'"

Source: Hearings before the Senate Budget Committee, 9 March 1976, p. 168.

In 1976, I also said:

"I don't think we can say that SALT has failed. I believe we have had one good SALT agreement, which was the limitation of antiballistic missile defenses, and I think there is still a chance that we can achieve some kind of—not perfect—but at least better than nothing type of SALT agreement, and that that type of SALT agreement ought to be sought before we go in for the kind of measures that would make verification of a tight agreement impossible."

Source: Hearings before the Senate Budget Committee, 9 March 1976, p. 175.

ALLEGATION 6

Yesterday you told Senator Hart that ". . . having a counterforce capability improves deterrence by improving the number of options that the President would have in the event of war." In the past, however, you have argued against the added flexibility of even limited counterforce capability for the United States. Indeed, you are on record as saying: "...to talk about some other potential, some other capability, with regard to our strategic forces is self-deluding nonsense." Or again, you are on the record as follows: "... flexibility in nuclear weapons is perhaps the worst thing that you could have . . . flexibility in nuclear weapons just means a greater chance that nuclear weapons will be used."

MY RESPONSE

I have supported certain types of flexibility in our strategic forces and opposed other types. The above quote on flexibility is taken from my debate with Senator Buckley in 1972 and cannot be correctly understood unless read in context. In the sentence immediately following those quoted in the allegation, I explained the type of flexibility I was referring to and was opposed to when I added:

"And the real problem with getting nice, neat, clean, flexible nuclear weapons is that unless you give the other side an equal supply, it comes back and hits you with a big, ugly, dirty nuclear weapon."

Source: Strategic Sufficiency, American Enterprise Institute, 1972, p. 74.

In the same debate (in fact on the next page) in answer to a follow-on question by Orr Kelly relative to my previously stated third criterion for sufficiency, the following exchange explained that I favored flexibility which did not require the President to respond to any nuclear aggression with all-out retaliation.

ORR KELLY. Washington Star: Mr. Warnke, how does your third criterion for sufficiency fit what you have just said, about maximum deterrent efficacy against limited nuclear attack warranting possesion of the ability to respond with less than our Sunday punch? Are you talking about the use of some sort of small weapons, a little nuclear war?

Mr. WARNKE. No. What I am talking about—and I think I have spelled it out perhaps with more poetry than accuracy in my paper—is the ability to push one button rather than the entire console. We should not have—on this point I agree with Senator Buckley and President Nixon, in that order—[Laughter]—just the one course of going all-out, firing everything we have in an effort totally to devastate the Soviet Union in response to a less-than-total attack on its part.

And I went on to say:

". . . that this requires no change in our forces. What it requires instead is a refinement of command and control procedures and the ability to strike at less than the total number of available targets in the Soviet Union . . . But what I am saying is that with our existing force, which constitutes, as far as I am concerned, a perfectly adequate deterrent, we should have instead a sufficient sophistication in command and control so that we could do less than the ultimate in response to a provocation which is less than the ultimate provocation."

Source: Strategic Sufficiency, American Enterprise Institute, 1972, pp. 75–76.

In my response to Senator Hart before the Senate Armed Services Committee I intended similarly a reference to the desirability of the President having options in the event of war other than being required to respond with a massive spasm retaliation. I continue to believe, as I said in 1972, that, "given the capacity each nation has to destroy the other side, even after a first strike, to talk about some other potential, some other capability, with regard to our strategic forces is self-deluding nonsense." (Source: Strategic Sufficiency, 1972, p. 62.) Our forces should have, and have had for many years, the flexibility to attack some military targets; however, for us and the Soviet Union to have the type of counterforce capability which can threaten a significant portion of the other's deterrent would be destabilizing. I have always said this; it is still my view, and I did not mean to imply anything different in my response to Senator Hart. Thus, as Senator McIntyre observed in these same hearings, I have voiced my opposition to the development of the counterforce ICBM. As Senator McIntyre said, I am not alone in that position. Secretary Laird in November 1970 assured Senator Brooke:

"We have not developed, and are not seeking to develop, a weapon system having, or which could reasonably be construed as having, a first strike potential.

Source: Letter, Secretary Laird to Senator Brooke, November 1970.

Furthermore, the Senate in 1971 rejected a proposal to authorize funds for providing a "counterforce capability for the Minuteman III system." On that occasion, the Chairman of the Senate Armed Services Committee said:

"The explanation of this amendment includes the word 'counterforce'. Those familiar with these terms know that essentially means a first-strike capability. We have stayed within the terms of deterrence, deterrence, deterrence. That is what we are talking about at the SALT talks. . . .

". . . I stand squarely on that ground. It is not often that the Department of Defense comes out against an amendment that would put more money in a bill.

". . . we do not need this type of improvements in payload and guidance now, the type of improvements that are proposed, in order to have the option of attacking military targets other than cities. Our accuracy is already sufficiently good to enable us to attack any kind of target we want, and to avoid collateral damage to cities. The only reason to undertake the type of program the amendment suggests is to be able to destroy enemy missiles in their silos before they are launched. This means a U.S. strike first, unless the adversary should be so stupid as to partially attack us, and leave many of his ICBM's in their silos for us to attack in a second strike."

And on this same issue, the Defense Department said:

The Defense Department cannot support the proposed amendments. It is the position of the United States to not develop a weapon system whose deployment could reasonably be constructed by the Soviets as having a first-strike capability. Such a deployment might provide an incentive for the Soviets to strike first.

Source for these two quotations: Congressional Record, U.S. Senate, October 5, 1971, pp. 35060–35064.

ALLEGATION 7

You testified at your confirmation hearing that some step to insure the viability of our ICBMs would have to be taken if they become vulnerable, and that one step that would have to be explored is the mobile missile. In the past you have opposed the development of a mobile missile, and as recently as September, 1975 you said that you would not be prepared to spend even a billion dollars to create the third leg of the Triad. In fact you went on to say that: "If we had at the present time nothing but submarine launched ballistic missiles and our strategic bomber force, I think that alone would be a very effective deterrent."

MY RESPONSE

My testimony of September 1975, read as a whole, squarely supports the ICBM element of our strategic nuclear Triad. First, the quoted language talked of creating an entirely new leg of the Triad from scratch, not scrapping an existing force. Second, I referred to a cost of "billions of dollars," not "a billion dollars." Third, on the following page of the September 1975 testimony, I went on to express opposition to giving up any leg of the Triad. In fact, my statement, in its entire context, concludes that it is necessary to maintain the Triad including the ICBMs and that therefore, by clear implication, we cannot afford to have any major portion of the Triad become vulnerable.

As long ago as 1971 I expressed concern about vulnerability of any part of our Triad:

"At the present time, as Secretary Packard has pointed out, the Soviet Union lacks the capability to destroy any substantial part of our Minuteman force. It is apparently true that if the Soviets deploy about 100 additional SS–9s and if they test and deploy MIRVs for these missiles and if they can make these MIRVs very accurate, then they could pose a threat to much of our Minuteman force. Even in this contingency, either our submarine-based force or our bomber force would still be capable in itself of destroying the Soviet Union. Despite this fact, despite the existence of the Triad, we certainly would not want to have even one of our strategic systems highly vulnerable and, accordingly, we should continue actively to seek agreement at SALT that might prevent this threat from materializing."

Source: Hearings before the Subcommittee on Arms Control of the Senate Foreign Relations Committee, 14 July 1971, p. 207.

Furthermore, the quotation on submarine-launched ballistic missiles and our strategic bomber force, as cited in this allegation, does not reflect the sense of my September 1975 comments which are quoted in full below:

Mr. LEGGETT. Mr. Chairman, I wonder if we could explore the witness' views on the triad system of the national defense. I don't know whether we have come to that or not. Could you give us a few words with regard to the triad.

Mr. WARNKE. You mean with regard to the strategic forces?

Mr. LEGGETT. Yes.

Mr. WARNKE. Again, it is a question of what you would do if you could face the problem anew as compared with what you do when you have the existing situation. I don't think that I would be prepared to spend billions of dollars in order to create the third leg of a triad.

If we had at the present time nothing but submarine-launched ballistic missiles and our strategic bomber force, I think that alone would form a very effective deterrent, and I think in addition to that, it has the advantage of being, for the foreseeable future, almost invulnerable.

Mr. GIAIMO. Are you suggesting that they are the two strongest powers of the triad?

Mr. WARNKE. Yes, I am. Mr. Chairman. It seems to me that the ICBM's are far less desirable than the other two because of their vulnerability. When we talk about the possibility of a counterforce strike, really what we are talking about is the fact that to some extent that leg of our triad could be degraded by a preemptive strike by the Soviet Union, and from that standpoint there are some who argue that it is a source of crisis instability. If we had only the two less vulnerable systems, you might have a marginally more stable situation in time of crisis.

Mr. LEGGETT. The two less vulnerable would be?

Mr. WARNKE. Submarines and the strategic bomber force.

Mr. LEGGETT. Do you think the strategic bomber force is more reliable that the ICBM force?

Mr. WARNKE. It is not more reliable in terms of being able to deliver a weapon on target, but as a deterrent, it is less subject to preemptive attack.

Mr. GIAIMO. Is it less enticement?

Mr. WARNKE. Yes; in a sense a less attractive nuisance. There are some who say over a period of time we should phase out the intercontinental ballistic missiles.

Mr. LEGGETT. There is no capacity at the present time on the Soviets for an effective preemptive strike?

Mr. WARNKE. No, but it is always something posed as a threat in the future. That is why I don't favor eliminating our ICBM's now. We have them. We spent a lot of money for them. In my opinion, at the present time they contribute incrementally at least to our strategic deterrent. Since we have the three legs of the triad, I am not in favor of giving one up.

Source: Hearings before the House Budget Committtee, 11 September 1975, pp. 71–72.

In addition, in March 1975 before the Senate Budget Committee, I stated the following:

"I find at the present time there is no reason to abandon the Triad concept. Maybe if we only had two systems, I wouldn't say we had to invent a third at this stage in order to have extra nuclear capability."

"We have the ICBM's, which have been held at 1,000 now for some period of time. The question that we have been addressing with respect to counterforce capability is whether we have somehow to improve the accuracy or the yield or a combination of both in order to have the capacity to attack the missile silos in the Soviet Union. At the present time we—I don't see that necessity.

"With regard to the second part of the Triad, perhaps the most important part because it is the least vulnerable, that is our nuclear missile submarines. What I have suggested is that in my view, the Trident submarine is an undesirable concept. It does not add enough to the military capability to be worth the cost. In terms of the additional range of the Trident 1 missile, that can be achieved by retrofitting into our Polaris-Poseidon fleet, and we don't have to go to the cost of $1.5 billion per Trident unit, which is what it costs with its 24 missiles.

"We can instead, continue to maintain that part of the nuclear deterrent Triad by continuing with our Polaris-Poseidon fleet and by developing a less costly substitute until such time as it becomes necessary to replace some of the existing submarines.

"Third, with regard to the manned bomber part of the nuclear Triad, I don't think that the B–1, again, is a sound weapons program. It is immensely expensive. The present cost is now approaching $100 million each, and I don't think that we need that costly a substitute for the B–52, as they reach the end of their useful life.

"I think that, as Mr. Nitze has pointed out, the Soviet Union has put much more money into air defense than we have. Under those circumstances, it seems to me that there is no reason to pitch our deterrent against the other side's strength. It would be better, instead of going ahead with a B–1 bomber which is so expensive because of the cost of achieving that kind of penetration capability, instead to go toward the concept of a replacement for the B–52 which would be more of a standoff bomber, something that would have a relatively long-range missile, which would have more penetration capability than the bomber itself.

"I think that could be achieved at less cost than the figures that are currently projected for the B–1 bomber."

Source: Hearings before the House Budget Committee, 11 September 1975, pp. 71–72.

As regards my opposition to the mobile ICBM, the Executive Branch and the SALT negotiating team—in their advocacy of the SALT I Interim Agreement—maintained vigorously that mobile missiles would be inconsistent with that agreement. This position was put forward by Paul Nitze, as a member of SALT I delegation, in his testimony before the Senate Armed Services Committee on June 20, 1972. The Congress accepted the Interim Agreement with this understanding.

I have opposed the development of mobile missiles in the past because they are inconsistent with the Interim Agreement and because they make verification, a vital part of any arms control agreement, much more difficult.

The testimony I gave during my confirmation hearing comports with my previous statements on the mobile missile. I noted that a decision on whether or not to develop the mobile missile should be made based (1) on our success in negotiating an arms control agreement and (2) on whether our ICBM's might become vulnerable in the future. Recognizing these two important variables, I stated that the development of mobile missiles ought to be "explored." I did not endorse them. The entire quotation went as follows:

"My position on that, Senator, would depend upon how successful we are in negotiating an arms control agreement.

"Obviously, if our ICBMs were to become vulnerable over a period of time, we would have to take some step to ensure their viability and one that would have to be explored would be the mobile missile.

"Now it has certain problems, of course, in terms of verifiability if you do succeed in getting an arms control agreement. So it's a question of whether you can get the arms control agreement in time to make it unnecessary to develop the MX, and that, of course, depends on the progress itself."

Source: Hearings before the Senate Foreign Relations Committee, 8 February 1977, p. 54.

ALLEGATION 8

Yesterday and again today you told this Committee that we could in the future be in jeopardy as a result of the Soviet strategic buildup. I have already mentioned that. But no one has suggested that our submarine force is now or in the future will become vulnerable. Presumably it is our land-based ICBM force, in particular, that is increasingly vulnerable. Your new concern strikes me as quite different from your past view that ten Poseidon boats can alone perform the deterrent function. Prior to your confirmation, in 1972, you told the Foreign Relations Committee that: "10 surviving Poseidon submarines could aim 1,600 warheads at the Soviet Union. They would run out of targets before they ran out of missiles . . . the continuation of the missile numbers game is a mindless exercise."

MY RESPONSE

My concern over the vulnerability of our ICBM force is not new. In 1971 I said:

"At the present, as Secretary Packard has pointed out, the Soviet Union lacks the capability to destroy any substantial part of our Minuteman force. It is apparently true that if the Soviets deploy about 100 additional SS–9s and if they test and deploy MIRVs for these missiles and if they can make these MIRVs very accurate, then they could pose a threat to much of our Minuteman force. Even in this contingency, either our submarine-based force or our bomber force would still be capable in itself of destroying the Soviet Union. Despite this fact, despite the existence of the Triad, we certainly would not want to have even one of our strategic systems highly vulnerable and accordingly, we should continue actively to seek agreement at SALT that might prevent this threat from materializing."

Source: Hearings before the Subcommittee on Arms Control of the Senate Foreign Relations Committee, 14 July 1971, p. 207.

In 1972 I joined in endorsing the following statement:

"Every effort should be made to achieve control on MIRV's of whose acquisition by the Soviets could, if they were sufficiently accurate and numerous, cause concern that they might be a threat to the land-based portion of our deterrent."

Source: Report of the McGovern Panel on National Security, 21 September 1972, p. 13.

In 1972 I also said:

"Any program that threatens the retaliatory capability of either side should be rejected. I refer, of course, specially to such things as anti-submarine warfare programs or anything else that might have the same impact as an anti-ballistic missile defense in appearing to challenge the retaliatory capability of either side."

Source: Hearings before the Senate Foreign Relations Committee, 28 June 1972, p. 182.

In 1975, in the context of a statement on mutual restraint, I again noted my concern over the potential vulnerability of our ICBMs:

"But as long as they limit the size of the missiles that they MIRV, so that they don't have any more of an ability to destroy our land-based missiles than we have to destroy theirs, then we are not faced with the necessity of taking further, more expensive, I think more dangerous initiatives of our own."

Source: Hearings before the Senate Budget Committee, March 1975, p. 976.

My concern over the destabilizing effects of possible or perceived vulnerability of either side's ICBM force has led me to oppose large-scale development of counterforce weapons. In 1975, for example, I stated:

"Right now, what might lead to the mutual acquisition of first-strike capability? It would require that you develop what is now referred to as the counterforce capability which Secretary Schlesinger has addressed from time to time. Let's assume we acquire that counterforce capability and the Soviet Union did. Would our situation be safer than it is today? I say it would be far less safe, because a missile with counterforce capability poses more of a threat to the Soviet Union than our present-day missiles pose. There would be more incentive to strike first, because it would be just as easy to destroy a more sophisticated counterforce optimized weapon as it is to destroy today's weapon. So at a time of crisis we would have less stability rather than more."

Source: Hearings before the House Budget Committee, 11 September 1975, pp. 74–75.

Furthermore, I have consistently expressed concern over possible vulnerability of other parts of our Triad of strategic forces. One of my principal reasons for opposing the Trident submarine program was that by putting more of our "eggs" in fewer "baskets," the Trident fleet could be potentially more vulnerable to future Soviet ASW threats than a larger force of smaller submarines. Indeed, I joined in the following statement in 1973:

"The Polaris submarines will remain seaworthy until well into the 1990s, and at the present time the nature of any ASW threat to Polaris cannot even be predicted. When and if it arises, the Trident fleet could be more vulnerable than the present Polaris one because its greater unit size and its smaller number of ships could make it easier to destroy in a surprise attack, using some now unknown technology. The decision to place the $500 million Trident base in Bangor, Washington, still further reduces the value of this new ship by initially foreclosing its operation in the Atlantic."

Source: "Military Policy and Budget Priorities, FY 1974," p. 16.

My long-time concern about the vulnerability of our land-based ICBM force is indeed a different subject from that addressed in my language as quoted from the 1972 hearings in this allegation. There I was speaking to the value of the ABM Treaty in eliminating the possibility of a successful first strike by either side. The actual quote reads: "In thus assuring retaliatory capability, the ABM Treaty makes continuation of the missile numbers game a mindless exercise." (Source: Hearings before the Senate Foreign Relations Committee, 28 June 1972, p. 179, emphasis added.) I went on to discuss the problem of assuring the survivability of our land-based deterrent and the value of the Interim Agreement in that connection. The reason we need an effective, permanent agreement is to assure that the Soviets accept the proposition that, with the ABM Treaty, the missile numbers game is in fact mindless.

I have consistently sought a ceiling on missile numbers, and I still believe that such a ceiling would be useful. Indeed, I support Senator Jackson's 1975 proposal for substantially lower ceilings on the number of missiles permitted each side, a proposal which would appear to support my contention that continuation of the missile numbers game by going to ever higher numbers is a mindless exercise.

ALLEGATION 9

At your confirmation hearing and again in your remarks yesterday you expressed concern about the Soviet civil defense program. In the past you have not taken their civil defense program seriously.

MY RESPONSE

I do not recall any statements I have made in the past about Soviet civil defense. I have, however, consistently said that any defense that could erode either side's strategic deterrent should be a subject of great concern. In 1972, when I testified on the SALT I accords, I stated:

"Any program that threatens the retaliatory capability of either side shoud be rejected. I refer, of course, specially to such things as antisubmarine warfare programs or anything else that might have the same impact as an antiballistic missile defense in appearing to challenge the retaliatory capability of either side."

Source: Hearings before the Senate Foreign Relations Committee, 28 June 1972, p. 182.

Secretary Rumsfeld's last report to the Congress notes that: "While the evidence is still coming in, and we cannot make firm judgments on either the magnitude or potential effectiveness of Soviet civil defense, the available information suggests a strong Soviet interest in damage limitation." (Source: "Annual Report of the Secretary of Defense, FY 1978," p. 64.) If the Soviet civil defense program in fact ever threatens to degrade our deterrent, then we should take it very seriously indeed.

In addition to responding to the specifics of these allegations, I would like to deal with the over-all contention that, until my testimony at the confirmation hearing, I had not taken a forthright public position on the nature of the Soviet threat, the significance of perceptions of superiority, the importance of our forces in Europe, or on the need for adequate defense spending by our country. To corroborate the consistency of my positions, I have assembled a series of quotations from my public statements over the last seven years.

WITH REGARD TO THE NATURE OF THE SOVIET THREAT

"I would agree that we have to assume that the Soviet Union would like to have military superiority, and under those circumstances you have to do one of two things, or do both:

"You have to see to it that they don't get it, either by maintaining the kind of military capability that will prevent them from having it, or by getting some kind of agreement with them that will limit the competition."

Source: Hearings before the Senate Budget Committee, 9 March 1976, p. 184.

First of all, I don't think that there is any way that we can know what the Soviet intention is. The best we can do is apprise ourselves of Soviet capability, and I think that we have to assume that their intentions would be malevolent. There is no way in the world we could rest content with anything more sanguine than that."

Source: Hearings before the Senate Budget Committee, 9 March 1976, p. 173.

"If Tito were to die, circumstances might exist where they believed they could get a quick victory by something else than all-out war. I think we should review our defense structure and make sure we have the capability to respond to that kind of contingency. I am not sure we do."

Source: Hearings before the Senate Budget Committee, 9 March 1976, p. 204.

"Insofar as the Soviet Union is concerned, what we need is the military power that would prevent the Soviet Union from using or threatening to use its own military power against the United States or against those countries whose security is actually integral to our own."

Source: Testimony before the House Budget Committee, 11 September 1975, p. 62.

"I feel that our role in NATO is still an important one in light of the uncertainties as to the Soviet succession of power and of the possible political ambitions of a future Soviet Government."

Source: Hearings before the Subcommittee on Arms Control of the Senate Foreign Relations Committee, 14 March 1974, p. 51.

Obviously at the same time we should maintain strategic nuclear forces that give us the assured retaliatory capability that would deter a nuclear attack either on the United States or on the territory of our Western European allies.

"I believe also that we ought to consider the possibility that short of other acts of war the Soviet Union at some point might, for political reasons, for blackmail, for a variety of objectives, seek to interfere with sea communication to Europe, and our NATO forces ought to be maximized to see to it that they could prevent this sort of interdiction ahead of time."

Source: Id., p. 58.

"At the present time there is only one threat to our physical security, and that is the Soviet Union. The only way that we can deal with the USSR's nuclear arms is with the concept of assured destruction."

Source: "Strategic Sufficiency, American Enterprise Institute, 1972, p. 37.

"What little we know of the Soviet power structure and what little we can see of China's internal struggles can give us no confidence that the foreign policy of either country will eschew the use of military force for the balance of this century. Russia and China have the manpower and means, and their motives are sufficiently obscure so that we must retain the military might to deter or to defend against their overt aggression."

Source: Warnke and Gelb, "Security or Confrontation," *Foreign Policy*, 1970–71, p. 9.

"Unfortunately we have had too few instances in which we have been able to reach effective agreement with the Soviet Union. I certainly feel that is the fault of the Soviet Union more than the fault of the United States.

"I don't think that the intentions of the Soviets have been anywhere near the beneficient or disinterested in the genuine sense, as ours. I think that we genuinely wished

the world well. I don't believe that the record of the Soviet Union is any such record."

Source: Testimony before the House Foreign Affairs Committee, May 1970.

WITH REGARD TO THE SIGNIFICANCE OF PERCEPTIONS OF SUPERIORITY

"There is a good deal of unhappiness about the potential costs of systems like the Trident and the B–1, but there is no disagreement with the proposition that we have to have survivable forces of sufficient strength, and sufficient perceived strength, to deter the Soviet Union from ever attacking us."

Source: Lecture given before the Industrial College of the Armed Forces, 23 August 1974. Reprinted in "Perspectives in Defense Management," Winter 1974–75, p. 42 (published by the Industrial College of the Armed Forces, Washington, D.C.).

"I would agree that it is vital that our nuclear and conventional forces must not only be strong enough but that they be known to be strong enough to deter the Soviet Union from the use or the threatened use against us and those whose security is integral to our own. I continue to believe, however, that a lead in numbers or size that can be seen to be insignificant will have political consequences only if the other side concedes them a meaning they would otherwise lack. When we know that a new Soviet weapons program or a Soviet lead in numbers or throw weight or some other dimension is not militarily important, it is neither important nor desirable to engage them in a mindless contest for purely cosmetic superiority.

"We must, I am convinced, continue to maintain the strategic nuclear forces that make impossible any Soviet ability to use its nuclear forces for physical attack or political advantage. We should retain the conventional capability to keep at the vanishing point any Soviet aspirations for territorial conquests, particularly in Western Europe. The strong response of the noncommunist parties in Portugal would surely have been far less likely if Soviet forces could have been moved into that country as readily as they were moved into Czechoslovakia seven years before."

Source: Lecture before the Industrial College of the Armed Forces, 18 September 1975.

"Our strategic nuclear forces must not only be strong enough. They must be known to be strong enough to deter the Soviet Union from using its strategic nuclear forces against us or our allies."

Source: "Apes on a Treadmill," Foreign Policy, Spring 1975, p. 24.

"I think we have also to recognize that, even if we were to conclude that there is virtually no likelihood of the use of Soviet military power, we have to be concerned about the perceptions of our allies. In other words, it is not enough that we be confident. It is also important that Western Europe be confident. Western Europe at the present time is not confident that they are safe from Soviet attack. I think it is very important that we see to it that we maintain our alliance with Western Europe because, of course, of the economic, cultural, and other ties that we have."

Source: [Incomplete.]

WITH REGARD TO OUR FORCES IN EUROPE

"All right, what is the best way to deter Soviet aggression? I would suggest that the best way to do it is to have at least a substantial fraction of your forces and to spend at least a substantial fraction of your dollars in the one place where it is most likely, however unlikely it is, that Soviet aggression would occur, which is in Europe.

"So unless we are going to spend virtually nothing on anything except strategic forces, it seems to me that it is only prudent, reasonable, and economical to spend such of your money as you are going to spend in conventional forces on NATO defense.

"I have raised with Senator Symington before the question whether if we need ground forces at all don't we need them in Europe, which is the place where it would be most in our interest to use them, and the place where, among a whole set of unlikely contingencies, aggression and the first stirrings of major conflict would be most likely.

Now, I don't find anyone in the United States, or at least no one who represents any substantial population factor, who says that we should give up defense expenditures. I think there is still a broad constituency for substantial defense expenditures.

"Even if we were to cut the defense budget in half, it seems to me that it would still be only reasonable and logical and prudent to spend something close to what we are presently spending for the defense of Western Europe."

Source: Hearings before the Subcommittee on Arms Control of the Senate Foreign Relations Committee, 14 March 1974, p. 123.

WITH REGARD TO THE NEED FOR DEFENSE SPENDING

"There are, however, in my opinion, some readily defensible, easily framed, and widely supported reasons for us to maintain a strong defense posture. I think no one in Congress would deny the proposition that we need a secure retaliatory capacity in strategic nuclear weapons. Some would argue about the structure of the forces needed for that purpose, or the particular capabilities that our missiles should have. But I find that in Congress there is no disposition to cut back substantially on the amounts we spend now for strategic nuclear forces. There is a good deal of unhappiness about the potential costs of systems like the Trident and the B–1, but there is no disagreement with the proposition that we have to have survivable forces of sufficient strength, and sufficient perceived strength, to deter the Soviet Union from ever attacking us. The debate is over the question whether such objectives as increasing counterforce capability might be destabilizing or stimulate the arms race; or whether the Trident submarine is the best way to spend the funds available to us in the foreseeable future.

I think there is also general acceptance of the proposition that we have to maintain sufficient forces to prevent, and if necessary, repel, any sudden Soviet action in Europe. There is wide disagreement, of course, as to whether that purpose requires 300,000 Americans to be stationed in Europe, and whether the Europeans can carry more of the burden. But hardly anyone denies that we must have forces capable of responding to that kind of contingency."

Source: Lecture given before the Industrial College of the Armed Forces, August 23, 1974. Reprinted in "Perspectives in Defense Management," Winter 1974–75, p. 42 (published by the Industrial College of the Armed Forces, Washington, D.C.).

"There may be some who feel that national defense is something that we can almost forget about so that we can spend all of our money on social programs and so forth, but I don't agree with that. I do feel that there has to be a proper balance found between the social needs and what is imperative with respect to national security."

Source: Hearings before the Senate Appropriations Committee, May 30, 1974, p. 2.

"There can be no argument about our need for strong defense forces. These have been provided and must be maintained."

Source: Id., p. 3.

"I do not have any expectation that we could end up with very significant cuts in the defense budget. It just does not seem to me that it is either politically feasible at the present time, or a propitious time to do it in view of all the Soviet activity.

"What I have suggested is that I see no reason for the kind of alarm that should require that we increase our defense expenditures."

Source: Hearings before the Senate Budget Committee, 9 March 1976, p. 196.

"I don't think we are going to be able to avoid a quite substantial defense budget for the foreseeable future and, until we reach a stage at which we can actually begin to talk about force reductions with the Soviet Union on some kind of a meaningful basis, that we aren't going to be able to get a defense budget substantially below the current levels."

Source: Hearings before the Senate Budget Committee, March 1975, p. 966.

I am happy to have had this opportunity to put my views on the record again.

Sincerely yours,

PAUL C. WARNKE.

Mr. BUMPERS. Mr. President, I say, first of all, I feel like a middle child because I was deprived of hearing what was obviously a very eloquent, what we would call in Arkansas, barn-burning speech by the distinguished Senator from New York, and I look forward to reading it in the RECORD.

I could say very concisely that I probably disagree with his conclusions, and I wish to make a few comments.

No. 1, when it comes to the question of domination, I think it would be fair to say that the United States has sought and, for most of the time since World War II, has achieved domination in this field. On the Committee on Armed Services, we have had considerable discussions as to what is superiority. If the Soviet Union had 8,000 warheads as accurate as our 8,000 warheads, does this give them superiority? If it does, I want someone in this Chamber to describe the scenario by which either side could win, assuming the President, after the other side's first strike, does not turn to pablum, that is, does not have the will to retaliate.

Mr. NUNN. I will be glad to answer.

Mr. BUMPERS. If the Senator will, go ahead.

Mr. NUNN. I will be glad to tell the Senator what Mr. Warnke's current position on that is if I can find his testimony here.

Mr. BUMPERS. Let me proceed and then the Senator can respond to that.

Mr. NUNN. I will find that, and he responded directly on that point. Of course, again, this is a different viewpoint than he expressed 3 weeks ago, but I think his present view on that would answer the Senator's question.

Mr. BUMPERS. I asked Mr. Warnke——

Mr. NUNN. Here, it is here, if I might read it to the Senator.

I asked him the question:

Do you see that they could put us in a position, if these trends continue, that we would not be able to retaliate after absorbing a preemptive attack by them? Is that the kind of jeopardy you are talking about?

Mr. Warnke. That is, of course, the ultimate threat to our strategic capability. If we were in a position which they, by striking first, could take out so much of our missile force as to make it unlikely that we would be willing to respond for fear that their counterstrike would be devastating, then we would be deterred; they would not be deterred.

That is the argument that Jim Schlesinger made on counterforce and responding to the Soviet counterforce and that the Senate agreed with the Schlesinger position on. That is totally diametrically opposed to Mr. Warnke's previous position. But I do think it directly answers the Senator's question.

Mr. BUMPERS. As I read Mr. Warnke's response which the Senator has just read, Mr. Warnke said if they could do these things and if we perceived at that point that we would not retaliate, then we might be deterred.

So let me follow that with another question. At what point in time does the Senator foresee this occasion happening?

Mr. NUNN. Mr. Warnke's statement was that if the present trends continue, as soon as the Soviets get through with their present programs, he fears that they will improve their missiles to the point that—I do not know what date he would set, but my timetable would be something like the early 1980's; that is, that they would have counterforce capability and that we might not be able to adequately respond if they were to eliminate our land-based missiles without attacking our cities.

But the dialog on pages 94, 95, 96, and 97 directly with Mr. Warnke on that point, I think develops the case that has been made in the past by Defense Secretary Schlesinger that that would be a very dangerous situation.

I do not believe that is going to happen because I hope that we will not allow it to happen. But the trends are the worrisome situation.

Mr. BUMPERS addressed the Chair.

Mr. MOYNIHAN. I yield to the Senator from Arkansas for a question.

Mr. BUMPERS. I shall respond, if I may, to what Senator NUNN has said and the distinguished Senator from Louisiana raised as a question on domination. The United States, according to Mr. Nitze, who is the principal antagonist to the nomination of Mr. Paul Warnke, testified the other day in the Committee on Armed Services that the United States had what he would describe as a nuclear monopoly from the end of World War II until about 1957 and from 1957 to 1971 had a clear superiority. If the United States did not dominate the world from a strategic point from that time it never will. And if we attribute just the slightest flaw to the national ethic, then we may be fairly accused at some point during that time of trying to impose our own wishes on certain areas of the map. I point out that during that time China fell, the Russians blockaded Berlin, they built the Berlin wall, Cuba fell, the Russians invaded East Germany to put down a revolt, they invaded Czechoslovakia to put down a revolt, and we found ourselves involved in a hopeless situation in Vietnam. So I ask, with that kind of superiority we obviously did not find that it bought us anything. More is not necessarily better when it comes to this particular field.

Mr. JACKSON. Mr. President, will the Senator yield for a question?

Mr. NUNN. Let me respond that if the Senator is arguing that we in the United States of America did not achieve domination of the world when we enjoyed nuclear superiority, the Senator from Georgia would agree with him. But if the Senator is further arguing because we did not achieve world domination when we had strategic nuclear superiority that, therefore, we should not fear Soviet nuclear superiority because they would not abuse their superiority, then the Senators from Georgia and Arkansas are on entirely different wavelengths.

Mr. BUMPERS. That is not my point. I am saying that the Soviet Union was not deterred because they were vastly inferior, any more than the United States will be deterred under the same set of circumstances, which would never occur.

Mr. NUNN. We are concerned about their superiority.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. MOYNIHAN. If the Senator from Arkansas does not mind, I yield to the Senator from Washington.

Mr. JACKSON. I think this dialog is rather interesting. The comments that the Soviets were not deterred raises, of course, the obvious issue of what conventional forces had during the period of the blockade and the Hungary affair? What was the situation in terms of conventional forces? How many American troops were there in Berlin vis-a-vis the Soviet forces? The Soviets had overwhelming local superiority in that area. But in Cuba we had local superiority. I think it was an entirely different situation.

Let me just make this observation:

If you want to lose all sense and direction about the importance of maintaining a strategic nuclear balance, just start talking about a nuclear exchange, and the catastrophic and horrendous implications that flow from it. That misses the whole point. I do not think the Soviets want to get involved in a nuclear exchange any more than we do, but I do relate strategic power to its political implications. Numbers do matter. If numbers did not matter, neither would SALT, which is about numbers.

If the argument is that numbers do not matter, then I will say to my colleagues that the French force de frappe is a most formidable force. If numbers do not matter, let them deter the Soviet Union. Now, who believes that the force de frappe in France, or the British strategic force, is credible?

Numbers do matter. And may I just observe that the real concern here, as I view it, goes beyond the idea of a nuclear exchange. I think it is the drive on the part of the Soviet Union for hegemony, for primacy, that they are after. Some call it Finlandization. They do not have to land any troops. Nations will soon conform to the new order of power on their side, and if one cannot see through that clear, long-term strategic objective, then I hope that as many of our colleagues as possible will spend a little time in China, talking to those who have been associated with the Soviets as comrades in arms as well as, now, as adversaries; and I think they will have a clearer strategic picture.

I believe very strongly and very deeply that what we are up against here are the political implications of the drive for hegemony, the drive for primacy over a given area, whether it is the Middle East, Europe, or wherever else their interests may lie. I think it is clear that the relationship of power to political goals is the real question that we have to face when we discuss—I hope intelligently, Mr. President—strategic doctrine.

Several Senators addressed the Chair.

Mr. MOYNIHAN. Mr. President, I would like to record my total agreement with what the Senator from Washington has said.

I yield to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, may I just continue for a couple of moments?

I just wonder—and I certainly do not ascribe any such motives to my colleagues, why our office has been flooded with mail. I suspect most of us on this floor and probably every Member of this body can make the same statement. It makes me wonder whether the issue here is Paul Warnke, or whether it is arms control.

We had an interesting thing happen in the Armed Services Committee the other day, when we found two New York Times stories from November 1963 which reported three present members of the Armed Services Committee as saying the same critical things about Paul Nitze, when John Kennedy nominated him to be Secretary of the Navy. That is, that Mr. Nitze's appointment was an open invitation to the Soviet Union to take advantage of his weakness—Paul Nitze, now Mr. Warnke's principal antagonist.

So I see that at least some people seem to feel that there just is not any way to deal with the Soviet Union.

My point is simply this: I do not know of any civilization that has ever engaged in the kind of arms race that will certainly occur between the United States and the Soviet Union if there is not some sort of limitation put on those weapons, quantitatively and qualitatively. There has never been a civilization that did not use its weapons.

I see it, Mr. President, in very simple terms. I am not saying, and Paul Warnke did not say, that any agreement is better than no agreement. He precisely said the very opposite, and also said that any agreement that did not have absolutely certifiable verification would not be worth the paper it was written on.

As a matter of fact, Paul Warnke said everything I like to hear any decent, sensible man say who does not want to see his children and grandchildren incinerated.

And yet, Mr. President, that is the alternative. And no Member of this body can out-anti-Russia any other Member. Sometimes I think this great deliberative body engages in that one-upmanship sort of thing.

This debate on strategic war is also tied to the immoral international escalation of sales of arms that the United States has been engaged in. It is tied to what we all know is just a hairline separating us from incineration every day.

Almost everybody in this country knows that "country A," which may be some underdeveloped country that lays its hands on a weapon, can somehow or other explode it on the United States, and the United States will assume it

came from the Soviet Union, and we will decimate them and they will decimate us, while the third country—country A—laughs all the way to the bank.

Everybody in this body who has ever been briefed knows how many "broken arrows" we have had in this country—nuclear incidents that came within a hairline of creating a disaster. The people in Spain know it, and the people in our State of Georgia know it.

I am just simply saying I think my position is the toughest to champion. I think it is very difficult to try to talk rationally and sensibly about such a serious subject, because all of us have normal apprehensions and fears of the future.

I intend to vote to confirm Paul Warnke, and I want to reiterate here that I was as impressed with him and the way he handled himself in that committee as any witness who has ever appeared before any committee on which I have participated.

I am pleased that this debate is taking place. I am impressed that a man whose career has been so illustrious as that of my distinguished colleague from New York would come here and take the position he has taken. I hope in the next 3 days there will be more Senators on this floor to listen to this debate. There is not one much more important that could come before this body, even though it may not be very scintillating to a lot of people. I intend to spend as much time as I can here, and I thank the Senator from New York for yielding to me to say these few words.

Mr. CRANSTON. Mr. President, will the Senator from New York yield?

Mr. MOYNIHAN. I yield to the Senator from California.

Mr. CRANSTON. I would like to join those who have praised the Senator from New York for a very eloquent and forceful maiden speech, even though, like some others, I do not agree with all the conclusions. Actually it was not the Senator's maiden remarks on this floor; I happen to have been present when he made some hilarious remarks about our friend, Mr. Rockefeller, when he was leaving this Chamber.

The Senator stated he agreed that because the way events happen in the real world, if one nation builds up another nation will build up. He did say he was not certain whether, if we exercised our restraint and went downward, the Soviet Union would do likewise, and that was his gravest question.

That, of course, is a question, but I do not think we have to depend on their good faith in showing us; and certainly that is not what the Warnke debate is about or the arms control debate is about.

We are discussing the nomination of a man who, under instructions from the President, will seek to obtain arms control agreements of a verifiable nature whereby each party will agree to stand still, or hopefully scale down, if that is the nature of the agreement.

This will not be based upon any blind trust. I do not think anyone in this Chamber would trust the Soviet Union to turn downward voluntarily—without some inducement from the other side—nor would any Member of this body trust nonverifiable agreements to lead to both of us turning downward.

What we are seeking to negotiate, after we get a SALT Ambassador, is verifiable and, where possible, inspectable agreements that involve both turning downward. That is really what this is all about.

As to the apes on a treadmill article by Paul Warnke and the question of the Senator from New York about whether or not there is action and reaction, he seemed to accept that thesis generally when he stated that if one builds up, in all logic, the other will build up. Let me simply ask the Senator about a few of the steps that have occurred in the nuclear arms race.

Is it not true that we were the first to possess nuclear weapons and then were followed by the Soviet Union?

Mr. MOYNIHAN. We were not only the first to develop and test nuclear weapons at a time when we alone, as the Senator will recall, possessed the atom bomb; we went to the United Nations and proposed that this awesome power be turned over to the world body and that, gradually, we would devolve onto it all of the weapons we then possessed.

Mr. CRANSTON. Right.

Mr. MOYNIHAN. We not only proposed, in effect, total disarmament, we proposed to disarm ourselves. Would it be a disservice to remind this Chamber that when we proposed to turn the atom over to the United Nations, it was the Soviet Union that said no, because they proposed to get one of their own? And they did.

Mr. CRANSTON. I well remember that. That is proof of the point that when one achieves some breakthrough of a major nature in a weapons system, the other is apt to wish to have the same weapon before they negotiate. We have seen the same routine with so-called bargaining chips.

Going on from that event, if the Senator differs with anything in this analysis, I hope he will please interrupt me. But I think this is the way it runs. On the ICBM, the Soviet Union was first with a ballistic missile at the time of Sputnik, and it caused great concern in this country. We then proceeded to deploy the first field of ICBM's. The Soviet Union followed us.

On ABM's the Soviet Union was first; we followed them. Next came MIRV. We were first; they followed us.

Next came cruise missiles. The U.S S.R. developed the short range and then we proceeded to develop more sophisticated long range cruises.

Then came the mobile land-based missile. Both sides are developing mobile ICBM's, and the Soviets are beginning to deploy intermediate-range mobiles.

Then came the nuclear submarines with nuclear weapons aboard them—the United States first, the U.S.S.R. following.

Finally, on strategic bombers, we were first; they followed.

So there apparently is at least some action-reaction, buildup followed by buildup. Today the Secretary of Defense, Harold Brown, testifying before the Committee on the Budget, stated that when we build up in this way and each does it, neither of us gets more security.

Mr. MOYNIHAN. I thank the Senator from California, who, to the best of my knowledge, has accurately described a process which I recognize, as he does. There will be a reactive response to a seeming increase of one side by another. There has been through the long postwar period; or, there had been. Then came the failure of American arms in Vietnam. Then there entered into the souls of so many of the very men who had conceived that conflict and had waged that war this extraordinary conviction that power is meaningless, that superiority is unavailing.

I do not wish to detain the Chamber, but I would like to recall, if I may, this one passage of my speech, in which I said that we see the world—

> * * * in a state of transition from the assumption of American dominance to the presumption of American decline. I believe the world balance of power is changing, and that this change has been precipitated by the inevitable and calamitous failure of arms in Southeast Asia.
>
> Mr. Warnke holds a different view. The source of our differences, as I see it, is that he, like so many others, was so shaken by the failure of American strategic and military power in Vietnam that he came to feel it must equally fail, that it must prove equally futile in other circumstances and other places.

Therein lies the source of our profound unease.

Mr. CRANSTON. I understand the unease. I have unease for many reasons—lack of knowledge about what the Russians may be up to, for example. I share the concerns of the Senator from Arkansas, who so eloquently stated the dangers that all of us—this country, the Soviet Union, and everyone else—face when nuclear weapons are on the loose.

As to motives, I do not think we can understand what motivates others. We may even be unclear as to what motivates us, individually or as a nation, to take certain actions.

I did have an opportunity today to ask the Secretary of Defense, Harold Brown, at a Budget Committee hearing, and also, in effect, to ask the chairman of the Joint Chiefs of Staff, General Brown, when did the Soviet buildup begin?

Harold Brown answered and, had General Brown dissented, he would have dissented because that is the way they were operating before the committee. The Secretary of Defense said it began with the Cuban missile crisis when the Russians were embarrassed by our superior strength and forced to back down. That is when they began their buildup. He stated it has been a steady buildup since then. They have been spending about 12 percent of their gross national product on arms each year. That has been steady. As their gross national product expands, hence, their military expands.

He stated that they have made some technological advances in their economy and, therefore, they are more effective in that respect. But he said there has been

no sudden increase in recent years. It has been a sort of steady growth along those lines since the Cuban missile crisis.

This can lead, I believe, to two different interpretations, if we simplify it: one, that the Soviets are out to dominate the world by overwhelming military superiority, with the hope that we will not stay with them in that race. That may be what they are up to.

The other interpretation, and who is to say which is correct, is that they simply have been trying to catch up, that they now have so much momentum that if we do not start doing certain things to match them, they will be out in front.

We shall find the answer to that question about what motivates them by seeking to negotiate verifiable, sound arms control agreements. If they accept such proposals, if they are convinced that they make sense and can be verified, then, plainly, they are not out at that point to dominate the world by overwhelming military superiority. We have an opportunity for a breakthrough that can increase the security of both and reduce the dangers for all human beings of a nuclear arms race. That is what we would like to do.

I would like to state, as the Senator from California, that if this is not done, if we do not succeed in this, I recognize that there will be a major increase in the U.S. defense budget to begin the process of matching their buildup. Both will suffer in terms of less security—all the world will. Both nations will suffer in terms of less ability to meet the domestic consumer needs of both societies and their people, and that will be unfortunate for both.

That is what this is all about. We will test. It will not be a good-faith test. It will be hard negotiating, subject, first, to verifiable procedures; subject, second, to ratification in this Chamber. If we do not like what comes back, we will, of course, not approve it. If it is a bad deal, I shall be joining the Senator from New York in voting against the treaty.

Mr. MOYNIHAN. I say to the Senator from California that if it is a bad deal, it is I who shall be joining him, because he will be the first to see it, perceive it, and so act.

Perhaps it would be appropriate for me to conclude my remarks with these observations: I think we have begun to clarify our situation. I think debate is bringing into being a measure of agreement that has not existed in this Chamber, I believe, and certainly has not existed in American political society—a measure of agreement concerning facts which, as the distinguished majority whip described it just now, General Brown and Secretary Brown agreed to in testimony today before the Committee on the Budget. They were asked. when did the Soviet buildup begin? They said it began after the Cuban missile crisis of 1962, 14 years ago.

What has been its order?

It has been of a very powerful order, with their GNP regularly going on and on.

The Senator said there were two interpretations of this persistent matter that goes back three or four Presidents. The first is that the Soviets are intent upon achieving world domination. The second is that they merely wish to catch up. In 14 years they have done a lot of catching up. But the first possibility which conforms to the known facts ought to be the one that commands our attention. I put it to the Members, it is our responsibility to think first of that possibility. I consider it a probability.

I say to you, Mr. President, that the power of the Soviet Union has increased, is increasing, and ought to be decreased, and this decrease can only come about from a firm and implacably tough-minded negotiation of a strategic arms limitation. We do not feel the negotiator the President has proposed in this case would bring about that objective which we all share. I thank you, Mr. President.

The PRESIDING OFFICER. Under the previous order, the Senator from Michigan (Mr. GRIFFIN) is recognized.

Mr. GRIFFIN. Mr. President, I yield 2 minutes to the Senator from Idaho.

Mr. McCLURE. I thank the Senator for yielding.

Mr. President, it seems to me that one of the arguments just made that the cause of the Russian buildup was the fact that we were so superior and they were forced into backing down in Cuba, the Cuban missile crisis being the genesis of all of their buildup, would dictate in logic that we should have lost there, that we would have been more secure had the Russians not been forced to back down in the Cuban missile crisis. I hope that is not the logic to which we are being forced in this debate.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. GRIFFIN. I yield briefly.

Mr. CRANSTON. Of course, there is no logical conclusion to be drawn. I would like to state that there are a number of people who have very strong records in military matters, former Secretaries of Defense, former heads of the CIA, great experts in military matters, who have never been labeled doves in their entire lives, who are strongly in support of Paul Warnke for this ambassadorial nomination. In the course of time, those names will be placed in the RECORD.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a unanimous consent request? I know the Senator has waited long and patiently.

Mr. GRIFFIN. I yield, Mr. President.

ORDER FOR RECESS UNTIL 1 P.M. MONDAY, MARCH 7, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 1 p.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF PAUL G. WARNKE TO BE AMBASSADOR—SALT NEGOTIATIONS

The Senate continued with the consideration of the nomination of Paul C. Warnke to be Ambassador during his tenure of service as Director of the U.S. Arms Control and Disarmament Agency.

Mr. GRIFFIN. Mr. President, as a member of the Committee on Foreign Relations I sat through the hearings when Mr. Warnke appeared before our committee and answered questions. I have examined his speeches and statements made over the years. I have set forth my views at length in some 22 pages which are included in the committee's report which is on every Senator's desk, beginning on page 11.

I feel very strongly that to send a person with Mr. Warnke's views to Geneva to negotiate for us with the Russians would be something like a person who wants to sell his house hiring a real estate agent who has already publicly declared that the house is only worth half of what is being asked for it.

I will not repeat the arguments that I made in the report, but now something new has come to my attention, and I feel it is worth some comment.

As has been indicated, the Senator from South Dakota has inserted in the RECORD a 37-page document submitted by Mr. Warnke to the chairman of the Armed Services Committee (Mr. STENNIS) in which he responds to certain questions which were put to him by the Armed Services Committee.

I regret, Mr. President, that it is necessary to point out that in trying to rebut some of the charges of inconsistency resulting from his recent testimony before the Foreign Relations and Armed Services Committees, Mr. Warnke has demonstrated a shocking willingness to tamper with the public record of his earlier positions.

Because he is a lawyer, who is expected to be careful in the use of words—especially if he hopes to be our SALT negotiator—this disturbing development raises a new and very serious concern.

Like many other Senators, earlier this week I received a copy of that 37-page document in which Mr. Warnke endeavors to establish "that no inconsistency exists in fact" between his recent testimony and his previously expressed views.

Since the very first point made by Mr. Warnke in response to a question which, as I understand, was submitted by Senator JACKSON concerns an exchange Mr. Warnke had with me during his confirmation hearings before the Senate Committee on Foreign Relations, I cannot in good conscience allow what he has said to go unchallenged.

The simple fact is that a key quotation from the public record cited by Mr. Warnke in his rebuttal has been altered in a way that changes its meaning.

Time and again, both before and after the SALT I agreements were consummated in 1972, Mr. Warnke testified before committees of the Congress that the nuclear "numbers game" was "meaningless." He argued it was "totally irrelevant" that the Russians had more missiles than the United States: and even if they were to double their ICBM force, he contended, we should not be concerned.

But now, with his confirmation as our

chief SALT negotiator pending, Mr. Warnke has changed his tune.

Now he wants the Senate to believe that he was worried back in 1972 about the numerical disparity between the United States and the Soviet Union.

Asked by Senator JACKSON to explain this inconsistency, Mr. Warnke responded in writing last week and sent me a copy. His answer reads in part:

I specifically stated [in 1972] that "numercial superiority which is *not translatable into either any sort of military capability or any sort of political potential* has no purpose."

Mr. Warnke added the emphasis, and said the quote could be found on pages 178–179 of the hearings before the Senate Foreign Relations Committee, June 28, 1972.

I have read those hearings, and here is what Mr. Warnke really said on those pages. After arguing that the ABM treaty leaves both sides "open to nuclear attack even in a second strike," he stated:

Under those circumstances, it seems to me . . . that the continuation of the missile numbers game is in fact a mindless exercise, that *there is no purpose in either side's achieving a numerical superiority, which is not translatable into either any sort of military or any sort of political potential.* That is why, in my opinion, the ceilings that are placed in the interim agreement on both land-based and sea-based missiles should not be the cause for any concern on our part. [My emphasis.]

The difference in meaning is subtle—but enormous.

By quoting himself out of context, by rearranging words inside the quotation marks, and by eliminating a comma, Mr. Warnke—as if by magic—is transformed from a man who shrugs off Soviet numerical superiority to one who is worried about it.

In the 1972 original, Mr. Warnke clearly argued that the "numbers game" is a "mindless exercise" because numerical superiority is not important either militarily or politically.

In the 1977 alteration, however, the "mindless exercise" phrase has vanished and—for want of a comma—Mr. Warnke is suddenly qualifving his lack of concern about numerical superiority. He now finds no purpose in numerical superiority unless it has political or military value.

It is one thing to change your mind and then to acknowledge that you have done so. But scholarship and ethics demand that you not rewrite the public record to gild your past views—or to pretend that your mind has not changed after all.

In this instance—as in others—it appears that Mr. Warnke has misrepresented his past positions. If this is the way he would deal with the Senate if confirmed, it is well that we learn it now.

As a member of the Foreign Relations Committee, I voted in favor of Mr. Warnke's nomination to become ACDA Director; however, this latest development forces me to reconsider that decision.

One thing is clear. A crisis of confidence surrounds his two nominations—and that crisis is growing perceptibly every day.

Mr. President, I would have asked that the entire 37-page document be inserted in the RECORD; but since Mr. MCGOVERN already has done that, I ask unanimous consent to have printed in the RECORD a collection of relevant excerpts from the public record—excerpts which I believe establish conclusively that, despite his recent testimony, Mr. Warnke was not concerned with the numerical disparity in the SALT I agreements back in 1972, as he now suggests.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Appendix. Excerpts from the public record.
Item A.—*Warnke Testimony to Foreign Relations Committee July 13, 1971, p. 205*]

STATEMENT OF PAUL C. WARNKE, FORMER ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY AFFAIRS

Mr. WARNKE. Thank you, Mr. Chairman and members of the committee. I appreciate the opportunity to testify before this subcommittee on the subject of the arms control implications of deploying MIRVs and ABMs. There are no more important decisions facing Americans and people throughout the world than those that affect the relative likelihood of strategic nuclear war or peace. The objective of preventing nuclear war is the controlling issue of our time. In our concern with other questions it is necessary that we keep in the forefront the fact that all of civilization can be destroyed within an hour if we fail in that objective.

ELEMENTS OF STABLE STRATEGIC RELATIONSHIP TO DETER NUCLEAR WAR

We have come far, I believe, toward a national concensus—and indeed, an international consensus—as to the key elements of the stable strategic relationship that can deter nuclear war. *There appears to be considerable agreement that "nuclear superiority" has become a meaningless and irrelevant criterion in desiging strategic forces. The argument continues to be made, however, that a numerical lead which is militarily meaningless may somehow be exploitable politically. I feel this is a fallacy and can lead to weapons overdesign and the escalation of the arms race.* [Emphasis added]

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(Item B. Warnke Testimony to House Foreign Affairs Committee May 31, 1972, pp. 72–75]

* * * * *

Feeling as I do with respect to this third attribute, *I welcome the SALT agreement which was concluded last week by President Nixon.*

I think it was a realistic recognition of the fact that the Soviet Union gains nothing from its 1,600 ICBM's that we do not have in abundance with our 1,000. I think that it recognizes that the numerical edge in submarine-launched ballistic missiles is of no significance as long as we possess the ability to destroy the Soviet Union even if they were first to strike. To me the big attribute is the recognition and acceptance of the mutual ability of self-destruction. Certainly the Soviet Union has recognized they would be destroyed in retaliation if they were to launch a nuclear attack.

With the restriction on antiballistic systems, both sides have recognized their total vulnerability to a retaliatory strike. *As long as that ABM restriction exists, then the accumulation of more and more nuclear war heads, more and more missiles, more and more bombers is really just an indication of the myth* to which Winston Churchill referred, *that* unfortunately, *with regard to nuclear weapons, some people like to see the rubble bounce.* All these redundant weapons could do would be to bounce the rubble in the event of a nuclear exchange.

* * * * *

What I regard as the third myth is the political value attributed to possession of military hardware in excess of any practial need. Repeatedly, our civilian and military leaders refer to the political as distinguished from the military consequences of our defense posture. *We are told by Admiral Moorer that, regardless of the reality of the strategic balance, "the mere appearance of Soviet strategic superiority could have a debilitating effect on our foreign policy." His argument is that this could "erode the confidence of our friends and allies . . . even if their superiority would have no practical effect."* We are invited to worry about the increased number of sailing hours chalked up by a Soviet fleet in the Mediterranean and about the impact that a show of the Russian flag on the Indian Ocean may have on those who inhabit the littoral states.

In my opinion, where a numerical advantage in any part of the arms arsenal is without military meaning. it should have no real political potential. The Soviet Union gains nothing from its 1,500 ICBMs that it would not have far fewer. Whether they have 1,500 or double that number, our more than 1,000 land-based missiles are more than enough to deter any Soviet nuclear strike. An attempt by us to maintain an edge across the entire range of weapons would exhaust our resources and add nothing to our national security. It might be noted that the Soviet Union displays relative equanimity although 16 aircraft carriers comprise the core of our naval forces and they have none. A policy of reasonable restraint could change the pattern of superpower aping and save us billions while enhancing our security. [Emphasis added.]

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[Item C. Warnke Testimony to Foreign Relations Committee June 28, 1972, pp. 179–181]

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LOGIC INHERENT IN ABM LIMITATION

The question, however, is whether both sides will accept the logic that I find to be inherent in the ABM limitation. In all logic the ABM Treaty should eliminate any fear that the other side can achieve a first-strike capability. Because of the narrow limitations on the ABM system that either side can deploy, each is, in fact, open to nuclear attack even in a second strike. The surviving forces would be far more than sufficient totally to devastate the attackers' side.

NO PURPOSE IN ACHIEVING NUMERICAL SUPERIORITY

Under those circumstances, it seems to me, Mr. Chairman and Senator Cooper, *that the continuation of the missile numbers game is in fact a mindless exercise, that there is no purpose in either side's achieving a numerical superiority, which is not translatable into either any sort of military capability or any sort of political potential. That is why, in my opinion, the ceilings that are placed in the interim agreement on both land-based and sea-based missiles should not be the cause for any concern on our part.* They do give the Soviets an apparently large mathematical edge. They are permitted, as I read it, some 2,350 missile launchers to our 1,710, but either figure is a flagrant example of military redundancy. In the light of the abandonment of any forlorn hope of an ABM defense, either number affords more missiles than the other side affords in the way of targets.

So, accordingly, *we should not be concerned about the existing mathematical edge nor should we be concerned about any at-*

tempts that the Soviet Union might make to add additional, useless numbers to their already far more than adequate supply.

I suggest in my statement that *were the Soviet Union to do this, we might perhaps feel some relief that they have not expended their funds for militarily more meaningful and potentially more mischievous purposes.*

INTERIM AGREEMENT PROVIDES SOME CONTROL

Now, I believe that sensibly construed, the Interim Agreement does provide some measure of control which is useful in assuring the survivability of our land-based missile systems for the indefinite future. It does limit, in a quantitative way, the numbers of large missiles that the Soviet Union can construct. It confines them to some 313 instead of the magic number of 500 which at times has been suggested as the figure that would give the Soviets a counterforce capability against our land-based missiles.

With this limitation, it seems to me apparent that even with the Minuteman part of our offensive triad alone, enough Minuteman missiles would survive to inflict unacceptable damage to the Soviet Union. But I believe that a sensible construction of the Interim Agreement requires that we recognize that acceptance of the numerical imbalance is possible because, *in fact, numbers are totally irrelevant to our security in the strategic nuclear arms field.*

If missile numbers were a valid measure of national strength, then the Interim Agreement would be improvident; but since they are without significance, there is nothing for which we need compensate.

Accordingly, I feel that we should focus on the fact that arms control must not be allowed to become the new medium for fueling the arms race and this, in my opinion, could be the result if the Congress were to accept any one of three arguments which, as I read them, are currently being presented as justification for new strategic weapon systems.

LINKING APPROVAL TO FUNDING OF NEW STRATEGIC WEAPON SYSTEMS

The first and, I think, the most flagrant of these is the argument that approval of the Interim Agreement and the ABM Treaty should be linked to the funding of new strategic weapon systems. It has been suggested by Secretary Laird that the price for Pentagon support of the Moscow accords will be the agreement by Congress to fund the new programs for a manned, strategic bomber and for an underwater-launched missile system which includes a submarine which is more expensive than our nuclear carriers and approximately the same size as the largest Soviet surface ship.

There has also been a suggestion that a submarine-borne cruise missile should now be perfected because of the fact that this is not forbidden by the Interim Agreement.

In my view, if the SALT agreements mean that we must now spend more money to build more strategic weapon systems and continue the offensive arms race, then the SALT agreements should not be approved by the Congress. Instead, they should be sent back to the drawing board with directions that the job be done again and that it be done better this time.

I was gratified to see that President Nixon has asserted that the arms control agreements—the ABM Treaty and the Interim Agreement—should be approved on their merits. He stated in his news conference on June 22 that he would not have signed them unless he believed that standing alone they were in the interest of the United States; but, at the same time, and I feel somewhat inconsistently, he has contended that failure to approve the new offensive weapon programs would seriously jeopardize the security of the United States and jeopardize the cause of world peace.

As I understand his position, it appears to be based on two arguments that differ somewhat from Secretary Laird's contention that the agreements and the new funding for additional weapon systems must be linked.

ACCUMULATION OF ADDITIONAL DEFENSIVE WEAPONS BY SOVIET UNION

The first of these is an argument which I believe is based more on military cosmetics than it is on military capability. President Nixon has emphasized the fact that the Soviet Union proposes to go ahead with programs in areas from which they are not foreclosed under the Interim Agreement. But since both countries are confined to what I regard as token ABM defenses, *these new offensive systems add nothing to the Soviet ability to deter or in any way to utilize blackmail against the United States.*

In my view, the Soviets have always lagged behind the United States in their appreciation of the realities of nuclear logic. Since I feel that way and since they have now begun to move in a direction which I regard as being the desirable direction, I don't think that we should substitute their judgment for our common sense when it comes to the further accumulation of offensive nuclear weapons.

We should accept, in fact, the reality that the ABM Treaty assures our deterrent for the years to come. We should not yield to the temptation to get back into a numbers race and, as far as any political disadvantage is concerned stemming from the appearance of mathematical superiority, this can be prevented by a sound, rational explanation of our views to our own people, to our allies and to those who might be disposed to be hostile to us.

Since the accumulation of additional offensive weapons by the Soviet Union will give them nothing that they do not now have and will challenge nothing that is important to our national security, it seems to me that we should not, by apparently attributing some military significance to any such gesture, put ourselves at a political disadvantage. This will occur if, and only if, we bad mouth our own strength. [Emphasis added.]

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[Item D. Warnke Confirmation Hearings, Foreign Relations Committee, February 8, 1977, pp. 44–46]

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Senator GRIFFIN. Mr. Warnke, you testified against the SALT I agreement.

Is that correct?

Mr. WARNKE. I did not testify against the SALT I agreement; I testified in favor of the ABM treaty limiting the ABM sites. I regarded that as a constructive move toward strategic stability. And I raised certain questions with respect to the interim agreement on control of offensive arms.

MR. WARNKE'S PAST CONCERNS ABOUT SALT I

Senator GRIFFIN. Could you summarize what your concerns were then about SALT I?

Mr. WARNKE. About the interim agreement on control of offensive arms? Yes. I was concerned about a number of thngs.

I was concerned, first of all, about the numerical disparity because it seemed to me that made the agreement perceptually vulnerable. Any agreement which appears to give the Soviet Union a numerical lead is not one which is going to be very well received by our friends.

I was concerned about that. I was also concerned, of course, about the fact that in many instances it did not cover some of the programs which, it seemed to me, ought to be covered. I thought the agreement probably was reached too soon and in that respect, as well as in many respects, was full of loopholes.

I think also I was concerned about the fact that some of the more important aspects were dealt with in the form of unilateral declarations. Now a unilateral declaration, it seems to me, is a built-in source of later recrimination and complaints because of unilateral declaration is, by definition, a statement that I am now prepared to say something that the other side will not agree with or will not say it agrees with.

Senator GRIFFIN. Mr. Warnke, your expressed concerns about the earlier interim agreement of course put you in an interesting position as our negotiator with the Soviet Union, as well as your reappraisal of the cruise missile.

You've said that one of your concerns about the interim agreement was the numerical disparity. You told me that in your office and then I got out your testimony and read it. I would like to read some of the testimony that you gave and have you comment on it.

You say here at one point:

"Under those circumstances, the continuation of the missile numbers game is in fact a mindless exercise, that there is no purpose in either side achieving a numerical superiority which is not translatable into either any sort of military capability or any sort of political potential.

"That is why, in my opinion, the ceilings that are placed in the interim agreement on both landbased and seabased missiles should not be the cause of any concern on our part."

At another point you say this:

We should not be concerned about the existing mathematical edge—

Referring to the mathematical edge the agreement gives to the Soviet Union—

"Nor should we be concerned about any attempts that the Soviet Union might make to add additional useless numbers to their already far more than adequate supply."

Then at another point in the testimony:

"But I believe that a sensible construction of the interim agreement requires that we recognize that acceptance of the numerical imbalance is possible because, in fact, numbers are totally irrelevant to our security in the strategic nuclear arms field. If missile numbers were a valid measure of national strength, then the interim agreement would be improvident. But since they are without significance, there is nothing for which we need compensate."

As I understand it, you indicated that one of your major concerns at SALT would be the numerical limits.

Would you care to comment on your earlier testimony?

Mr. WARNKE. Yes, sir, I would be happy to.

First of all, as I said earlier on we have to be concerned both with military capability and with political perceptions. Now from the standpoint of political perceptions respective numbers are of significance, and I believe that there was a degree of political vulnerability because of the numerical edge that the SALT I interim offensive arms agreement had in effect.

More than that, however, missile numbers back in 1972 were less important than they are today because the Soviet MIRV program had not really reached its momentum.

Now at that point we had a very, very significant lead in nuclear warheads and, as former Secretary of State Kissinger said, "You aren't hit by missile launchers; you're hit by warheads."

Now the MIRV program, as time has gone on, has reached the point at which, if you continue with the present trend, they begin to cut down on our missile warhead lead. And therefore, if they have more missile launchers and some of those missiles are of heavier throw weight, they could end up with a MIRV lead.

Accordingly, an interim agreement might have been good for a couple of years. It is endurable for 4 or 5 years. But at this point

it ought to be replaced by something which sets ceilings which are equivalent.

In other words, numbers have become more important as time has gone on because of the Soviet MIRV development.

Senator GRIFFIN. Do I understand that in your statement this morning you said that numerical imbalance was one of your concerns?

Mr. WARNKE. It is one of my concerns today.

Senator GRIFFIN. In 1972?

Mr. WARNKE. In 1972, I was concerned about the numerical imbalance in political terms; yes.

Senator GRIFFIN. And you still made this statement [indicating]?

Mr. WARNKE. Yes, because I said that if you look at it from the standpoint of military capability, the imbalance that existed at that time in missile launches was without military significance because we had such a significant lead both in accuracy and in numbers of nuclear warheads.

But perceptually, it obviously has been a source of concern.

MR. WARNKE'S 1972 TESTIMONY BEFORE COMMITTEE

Senator GRIFFIN. Mr. Chairman, I think in fairness to Mr. Warnke, the testimony that he delivered before the committee in 1972 on the interim agreement ought to be reproduced in the hearings on his nomination at this point.

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[Item E. Warnke Response to Questions Submitted for the Record, Senate Armed Services Committee, February 28, 1977]

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Allegation 1:

"You said in your confirmation hearing that at the time of the 1972 Interim Agreement you were concerned about the numerical disparity in the levels of offensive weapons on the U.S. and the Soviet side. The record of your testimony at the time shows the opposite—it shows that you welcomed the agreement precisely as a recognition that numbers do not matter."

My Response:

At my confirmation hearing I testified that at the time of the 1972 Interim Agreement, "I was concerned, first of all, about the numerical disparity because it seemed to me that that made the agreement perceptually vulnerable. Any agreement which appears to give the Soviet Union a numerical lead is not one which is going to be very well received by our friends." (*Source:* Hearings before the Senate Foreign Relations Committee, 8 February 1977, p. 45.)

Contrary to the allegation that in 1972 I "welcomed the agreement precisely as a recognition that numbers do not matter", in my testimony before the Senate Foreign Relations Committee in 1972, I stated that "the principal accomplishment" of SALT I was the ABM treaty and that, as to the Interim Agreement, "I find the coverage at the present time disappointingly small." I specifically stated that "numerical superiority *which is not translatable into either any sort of military capability or any sort of political potential* has no purpose." (*Source:* Hearings before the Senate Foreign Relations Committee, 28 June 1972, pp. 178–179, emphasis added.) I carefully differentiated between military capabilities and political perceptions. At that time, in 1972, our lead in MIRVed delivery vehicles and accuracy was so significant that it could not be erased during the limited lifetime of the Interim Agreement. [Emphasis Warnke's.]

* * * * *

(At this point, Mr. MOYNIHAN assumed the Chair.)

Mr. GRIFFIN. Mr. President, I am glad to yield to the distinguished Senator from California.

Mr. HAYAKAWA. I thank the Senator. Mr. President, I wish to say a few words in support of what my distinguished colleague from Michigan has just said about the subtle shift in meaning that is involved in the evidence presented by Mr. Paul Warnke to show that no inconsistencies exist between the statements he has made in his confirmation hearings in 1977 and statements he made earlier, in various contexts, in 1972 and at other times.

Like him, and like the distinguished Senator from Washington, I am both bewildered and fascinated by Mr. Warnke's continued insistence that he has not changed his mind when he so clearly has. Therefore, in addition to what might be called the macroanalysis of Mr. Warnke's views so ably presented by the distinguished Senators from Idaho and Washington and my learned friend and academic colleague from New York, I should like to present a close microanalysis of how Mr. Warnke presents a changed point of view while firmly asserting that he is saying what he has been saying all along.

Senator GRIFFIN has quoted Mr. Warnke as saying in reply to a query by Senator JACKSON:

I specifically stated [in 1972] that "numerical superiority *which is not translatable into any sort of military capability or any sort of political potential* has no purpose."

Hence, says Mr. Warnke, his views of 1977 remain unchanged from those he had expressed in 1972. The "which" clause—"which is not translatable into any sort of military capability or any sort of political purpose"—is underlined by Mr. Warnke himself, as if to clinch the matter.

But, as Senator GRIFFIN has observed, the quotation does not prove what Mr. Warnke wants us to believe it does. Senator GRIFFIN has already pointed out that there is an important, though subtle, difference between his 1972 statement and his 1977 quotation of that statement. In order to make this difference clear, let me supplement Senator GRIFFIN's analysis with one of my own.

In order to make clear my views, let me explain what may seem a tedious grammatical point—it certainly proved tedious to my students in freshman English through many decades of my teaching career I refer to the difference between a nonrestrictive clause, which is set off with commas, and a restrictive clause, which is not.

Here is an example of nonrestrictive clause, commas and all: "Automobiles (comma), which have four wheels (comma), are more stable than motorcycles." In this instance, the clause ("which have four wheels") is not restricted in its application to some automobiles, but applies to them all.

On the other hand, there is the restrictive clause, as in:

"Automobiles which have defective brakes should not be driven." No commas. In this instance, the clause "which have defective brakes" restricts the meaning of the sentence as applying to some automobiles, but not to others.

In the passage from Mr. Warnke's remarks in 1972 on the subject of "numerical superiority"—that is in nuclear weapons—the phrase is followed by a comma, so that what follows is a nonrestrictive clause. What he says is:

It seems to me . . . that there is no purpose in either side's achieving a numerical superiority (comma), which is not translatable into either any sort of military capability or any sort of political potential.

In brief, Mr. Warnke said in 1972 that nuclear superiority cannot be translated into military or political advantage and therefore has no purpose.

But what in 1977 he said he said in 1972 omits the comma, as Senator GRIFFIN has observed. The result is a restrictive cause.

I have not had so much fun teaching grammar in 20 years. [Laughter.]

Permit me to quote the passage again:

I specifically stated [in 1972] that "*numerical superiority which is not translatable into any sort of military capability or any sort of political potential* has no purpose."

Again, the emphasis is Mr. Warnke's own.

Mr. LONG. Mr. President, will the Senator yield for a question at that point?

Mr. HAYAKAWA. I yield.

Mr. LONG. I have followed the Senator's statement very closely, and I think he is making a very good point. However, I think it would help us to know this: Was that a statement the man made orally, or did that appear in a written article? Was it made orally?

Mr. HAYAKAWA. It is written.

Mr. LONG. It was written?

Mr. HAYAKAWA. Indeed, it was.

Mr. LONG. Most of us, when we make a speech, do not say the comma. We say, "Automobiles which have bad brakes should not be driven." I admit that, for the benefit of a secretary, it is sometimes good to put in the comma. We might be disappointed the way it comes out, otherwise.

Mr. GRIFFIN. Mr. President, will the Senator allow me to add a word?

I say to the Senator from Louisiana that he was referring here by page number to the record of his testimony before the Committee on Foreign Relations in 1972. In his document, he referred to the pages of that testimony. So he was referring to the printed record.

Mr. LONG. I can well understand the importance of the precise way and the manner in which it was punctuated, because sometimes those words can make a great deal of difference.

For example, a man may read an ad in the paper, "What do you think, Sibley sells tomatoes for nothing?" So he might go down to get the tomatoes and be told, "You read it wrong. It reads, 'What, do you think Sibley sells tomatoes for nothing?' "

So, obviously, where you place the emphasis or where you put the question mark or the comma can make all the difference. I believe the Senator definitely has a point there.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. HAYAKAWA. I yield.

Mr. CRANSTON. I think the Senator

from Louisiana asked a very appropriate question.

My colleague from California gave one answer. The Senator from Michigan gave another answer which seemed to me, did not clarify but confused. The Senator from Michigan stated that what was being quoted was testimony given by Mr. Warnke sometime ago before the committee. So it was then presumably an oral statement. Was that the written statement at the outset, or was that a statement he made in answer to a question? The punctuation may be something that came from the transcriber, rather from the exact words or intention of Mr. Warnke.

Mr. GRIFFIN. The point is that in his response to the Armed Services Committee, he specifically refers to pages so-and-so of the record of these hearings. One would think that he would properly provide the quotation or at least explain that there was some mistake.

It is very unfortunate to find a situation in which a man would come back and give you the wrong quotation and actually has changed around some of the words.

Mr. CRANSTON. On this particular point, as to whether or not a comma was there. Mr. Warnke, not being a semanticist like my colleague from California, may not have looked at that carefully, to see where the comma was, when he was endorsing the general statement or explaining it.

Mr. HAYAKAWA. If my colleague from California will permit me to carry on, let me say that the 1977 version of this is in written form, in response to an inquiry from Senator JACKSON.

Mr. McCLURE. Mr. President, will the Senator yield for a moment?

Mr. HAYAKAWA. I yield.

Mr. McCLURE. I think there has been some attempt here to make it appear as though the placement of a comma may have been inadvertent. In his earlier testimony, we could look to other evidences of what his intentions were and how he felt, not just the one record.

We can look at inserts in the CONGRESSIONAL RECORD and his dialog with Senator Buckley in 1971, in which he repeated virtually the same sentiments.

We do not have to wonder about whether he wanted that comma in there in the earlier record. It is amply evidenced that his intention was as has been indicated by the able Senator from California (Mr. HAYAKAWA).

Mr. HAYAKAWA. So it comes down to this: In 1972 Mr. Warnke said quite clearly that nuclear superiority in nuclear weapons cannot be translated into military or political advantage. Now he is saying that in 1972 he was merely talking about the numerical superiority that cannot be translated into military or political advantage—and, presumably, leaving for later discussion the kind of numerical superiority that can be translated into such advantage.

I offer these remarks not merely as grammatical analysis. In 1972 Mr. Warnke's position was quite clear. Whether Russia had more nuclear weapons than the United States, or the United States more than Russia, did not matter, he said at that time, because nuclear weapons cannot be translated into military capability or political power. He was quite scornful of those who thought otherwise, even as recently as 1975, when in a source already quoted he likened the nuclear arms race to "apes on a treadmill"—which he described as mindless rivalry in which the people are vying with each other in the accumulation of pointless destructive capacity.

Like Mr. Warnke I wish there were an alternative to the nuclear arms race. Like him I wish more of our resources could be poured into socially more constructive channels than weaponry. If we cannot stop the arms race, I wish we could at least slow it down—and that is what the Arms Control and Disarmament Agency is for. But I must confess I remain uneasy about Mr. Warnke's suitability for the positions for which he has been nominated. To change one's mind in the light of increasing knowledge and experience is one thing; to claim that prior statements are consistent with present statements when they clearly are not—this to me is really strange.

In negotiations such as Mr. Warnke is destined to go into, is this the quality of mind we really want representing us?

Therefore, despite my respect for Mr. Warnke's experience in negotiations, his wide-ranging thoughtfulness, and his long record of public service, I have regretfully decided to vote against his confirmation as Director of the U.S. Arms Control and Disarmament Agency and Ambassador. I have spoken at length about only one of the many points in his testimony that have left me uneasy, that leave ambiguities. There are many more points like that, that on close analysis, leave doubts undispelled, questions unanswered, ambiguities unclarified. These I leave for my colleagues to discuss.

I thank the Chair.

Mr. McCLURE. Mr. President, I want to amplify for a moment more on the point I tried to make just a few minutes ago.

Mr. President, in regard to the mere meaning of the statement he made earlier and whether or not there was inadvertence in the presence or absence of a comma, I think the Senator from California (Mr. HAYAKAWA) was very ably illustrating the differences in terms of construction. I do not think any doubt should be left as to whether or not any difference in construction is real.

What did he mean when he said earlier in the context of the comma or without the comma?

Certainly, what he said in the construction that has been attributed with the comma present is absolutely consistent with other statements he made at the same period of time. In 1971 in his debates with Senator Buckley, he made a comparison between the United States strength and the Soviet strength in the same terms he would look at the strength of the deterrent capacity of the British. He quoted from Denis Healey, and this again I quote from his words:

> The former British defense minister, Denis Healey, has given his opinion that Britain's relatively small strategic forces in fact constitute an adequate retaliatory capacity against the Soviet Union because they include ballistic missile submarines. On reflection, I believe that he is right.

That is consistent with what he said earlier. It is inconsistent with what he says now.

On July 20, 1971, on page 26294 of the CONGRESSIONAL RECORD, Mr. Warnke is quoted as saying in his statement opposing both MIRV's and the development of an American ABM system, and I quote:

> There appears to be a considerable agreement that "nuclear superiority" has become a meaningless and irrelevant criterion in designing strategic forces.

Those are consistent with the construction placed upon his earlier statement by the able Senator from California (Mr. HAYAKAWA) and totally inconsistent with what he now says he said then.

Mr. HELMS. Mr. President, before the able Senator from Idaho takes his seat for good, I wonder if in assessing all of the various comments of Mr. Warnke he is reminded of Humpty Dumpty's comment in Louis Carroll's "Through the Looking Glass." I hope I can quote it reasonably accurately.

> When I use a word, it means just what I choose it to mean—nothing more nor less.

I sat in the Armed Services Committee, I say to the able Senator from Idaho, with Mr. Warnke's record of statements before me. I listened to what he was saying, then sitting before us, and my reaction was one of astonishment.

He is a very pleasant man. He is certainly articulate. Undoubtedly intelligent. But when a man sits before us and has read to him, as was done by each of us on the Armed Services Committee, his words of the past and then have these statements contrasted to what he is saying today in seeking confirmation for his nomination, and looks at us and says, "Senator, I see no contradiction," then I am inclined to think he needs a white cane because the man is a study in contradictions.

I commend the Senator from Idaho on his comments and clarification of some vital points.

Mr. President, I cannot support confirmation of Mr. Paul Warnke to be this Nation's strategic arms limitation negotiator.

We live in a time when there is serious doubt in the minds of the American people as to the security position of the United States vis-a-vis the Soviet Union. A recent Opinion Research Corp. poll shows that 65 percent of the public feels that the United States should be militarily superior to the Soviet Union. Americans are concerned that we are not superior.

In this climate of opinion, and in light of an increasing body of information to the effect that the Soviet Union is moving rapidly and unhesitatingly toward meaningful superiority in strategic nuclear weapons, the United States cannot afford to have as its arms limitation negotiator a man whose record clearly discloses an unfortunate inability to see these trends and respond to them in an appropriate manner.

As indicated earlier, my opposition to

Mr. Warnke's confirmation is in no way personal. I simply do not feel that Mr. Warnke will be the tough bargainer that the United States needs at this point in our Nation's history.

Mr. Warnke often has been juxtaposed with his former colleague Paul Nitze. Indeed, Mr. Nitze has come forward to oppose Mr. Warnke's confirmation as strategic arms limitation negotiator. In the past, Mr. Nitze has shared many of Mr. Warnke's views, as a number of Mr. Warnke's supporters have been quick to point out.

Mr. Nitze's views have changed. Over a period of 5 years as a SALT negotiator, Mr. Nitze faced his Soviet counterparts on numerous occasions. He learned firsthand about Soviet negotiating style, methods, and techniques. He had 5 years of on-the-job training. He began that training at a time when the United States was in a position of strategic superiority.

This is not the case today. With the trends moving toward Soviet strategic superiority, the United States can ill afford to give our strategic arms negotiator a similar period of on-the-job training so that he, too, can face the reality of conducting negotiations with the Soviets, and then change his views accordingly.

Nor am I certain that Mr. Warnke can change his long-held views—not only about weapon systems per se, but also about the real interests involved in arms limitation negotiations with the Soviets.

Mr. Warnke's supporters have argued that the President should have whomever he wants to staff the executive branch and that the Senate should approve the President's nominees, unless some question of an ethical nature is raised. There are those who accept this view without question. I do not. The Constitution of the United States is too precise, it is too unmistakably clear about a Senator's duty to advise and consent.

The security of the United States is the issue here, not Mr. Warnke's personality, not his intelligence, not whether or not he is an articulate man, not that he happens to share the views that most people have that he favors disarmament. I doubt that there is a Senator in this body who would not make haste to support a real two-way street on this proposition, with verification.

What is at issue here is are we going to be snookered again by the Soviet Union? The issue is whether we are going to send a weak negotiator to sit down with the tough negotiators surely to confront us in SALT talks.

No, sir, Mr. President, I cannot accept the thesis that the President is entitled to have whomever he wishes for positions which require the advice and consent of the Senate of the United States. If we are not supposed to exercise our judgment about the best interests of this country, then we need to take that provision out of the Constitution.

Because of this, Mr. President, I find myself unable to support the confirmation of Mr. Warnke, as I have found myself unable to support the confirmation of a number of Presidential nominees, not only those submitted by Mr. Carter, but also of the two predecessors who were in office since I have been in the U.S. Senate. National security is just too crucial to be entangled with partisan politics.

Many Americans, including myself, would like to see a national debate on the future of our national security posture. Unfortunately, the nomination of Mr. Warnke has not generated a proper debate because it is difficult to know exactly what Mr. Warnke really believes.

There is little doubt, Mr. Warnke's protestations to the contrary notwithstanding, that in his appearance before the Armed Services and Foreign Relations Committees he has drastically changed many of his previously stated, well-publicized, unquestioned positions. This is obvious to anyone applying minimal standards of rational consistency. This all might be taken at face value except that Mr. Warnke strangely insists that his views have not in fact changed, that only circumstances have changed, and that his present opinions only reflect the present facts.

But I submit, Mr. President, that anybody who believes that will believe anything because this denial of the obvious raises one of several interesting possibilities: First, he is quite correct in stating his views have not changed, and that we, therefore, ought not to take at face value his sudden concern for national security and a strong defense posture; or second, his views have changed to fit the pragmatic considerations of the moment, which is discomforting itself; or third, Mr. Warnke's conversion is genuine, but he feels compelled to deny that such a change has taken place lest such an admission would disturb his pacifist constituency; or fourth, Mr. Warnke still adheres to his old views, but, setting aside his personal views, he is stating his client's—the President's—case; or fifth, then again, by not expressly disavowing his old views, he may be stating his client's case; or sixth, Mr. Warnke is not really sure what he believes, but rather scurries about from issue to issue on an ad hoc basis; or seventh, only Mr. Warnke knows what he really believes, and he has deliberately obfuscated the record so that no one will know for sure what policy we are endorsing should the Senate confirm his nomination.

When all these possible interpretations of Mr. Warnke's positions are coupled with the fact that Mr. Warnke is obviously an articulate and intelligent man, we have, in my view, grave cause for concern about this nominee's general veracity, and whether we can ever expect clear and unambiguous statements from him concerning the progress of the SALT negotiations.

Mr. Warnke's appointment—or more accurately, the possible policy approach reflected in Mr. Warnke's appointment—is of the gravest concern for the future of this Nation, indeed all of Western civilization. I believe the Senate and the American people are entitled to know precisely where Mr. Warnke and the Carter administration stand on arms negotiations. While I might respect Mr. Warnke's agility in skipping up, around, over, and under the issues, I cannot and will not vote for a nominee who refuses to be forthright in his presentation about such important matters.

In short, I guess I am saying the American people are entitled to ask: "Will the real Mr. Warnke please stand up?" They are entitled to know which is the real Mr. Warnke.

Does Mr. Warnke still believe there are no basic differences between the United States and the Soviet Union, that we are but, as he put it, "two apes on a treadmill?" I do not know. Has he finally learned the lesson of Munich and that appeasement leads only to disaster? I doubt it. These and countless other fundamental questions have not been answered. Yet the U.S. Senate is being asked to vote on a nominee who will be intimately concerned with issues involving the ultimate and final fate of this Nation. I believe the Senate should know what we are voting for—and about. As of the present moment, the Senate simply does not know.

I yield the floor, Mr. President.

The PRESIDING OFFICER (Mr. MATSUNAGA). The time of the Senator has expired.

The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, President Carter has intensified the ongoing debate on national security by nominating Paul C. Warnke as Director of the Arms Control and Disarmament Agency and chief American negotiator at the SALT talks. Mr. Warnke has long been an outspoken advocate of major defense cuts, with particular hostility toward new weapons systems.

Under the charter of the Committee on Armed Services, as provided for in the Senate rules, this committee has the responsibility to "study and review, on a comprehensive basis, matters relating to the common defense policy of the United States."

Therefore, the committee membership, bearing in mind these responsibilities, requested Mr. Warnke to appear for hearings. This request was made because the weapon systems subject to negotiation at the strategic arms limitation talks are the same systems which this committee authorizes in carrying out its duties to the Nation to provide for our national security.

Under the advise and consent powers provided in the Constitution the Senate has a well-defined responsibility to approve or disapprove the nominations of the President. It has been my long-held view that a President is entitled to have as his advisers in the executive branch those individuals he chooses. This position should apply, except in those extraordinary cases where the Senate finds, in exercise of its advise and consent powers, that the individual nominated is especially unsuitable for the duties chosen.

In those instances, the Senate has an equal responsibility to oppose such nominations, and the history of the Senate is replete with just such examples where a President has been denied his choice under the advise and consent powers provided in the Constitution.

My opposition to the nominee is based on his position in three major subject areas. They are as follows: First, weapon systems procurement; second, research and development; and third, unilateral initiatives.

His record in these three areas make him entirely unsuitable for either post. Further, I am troubled by an obvious change in position since his nomination, coupled with his unwillingness to acknowledge that change.

Finally, I see the critical post of SALT negotiator as more than a spokesman or message carrier for the President. In that key position, he will play a greater role in the formulation of our final position than any other individual.

Now, for the benefit of my colleagues in the Senate, I wish to discuss as briefly as possible Mr. Warnke's position on weapon systems procurement, research and development and his often-stated promotion of unilateral initiatives. Before concluding comments on these points, it will be my purpose to also provide for my colleagues, comments from witnesses who are disturbed, as I am, by the change in his position since his nomination.

In conclusion, it will be my purpose to discuss briefly the two posts to which he has been nominated and summarize my views as to why his nomination should be disapproved for both positions.

Testimony by Mr. Warnke substantiated his opposition over a long period of time to both research and development as well as procurement of various weapon systems recommended by past Presidents and Secretaries of Defense, and subsequently approved by Congress.

Mr. Warnke's position on these matters was effectively summarized in two brief periods of questioning, first as to procurement in response to questions by Senator HENRY JACKSON, and second as to research and development, in response to my own questions.

WARNKE PROCUREMENT POSITION

The record shows, on page 17, a statement by Senator JACKSON and a response by Warnke as follows:

Just to set the record straight, and setting aside for the moment your current view on these prior recommendations, I want to read a list of the programs on which you have made recommendations in the past. When I have completed the list, which runs to 13 items, I would like you to tell the committee whether I have accurately summarized your prior recommendations on these U.S. programs.

Here is Senator JACKSON telling Mr. Warnke this:

You recommended:

(1) Against the B–1.

(2) Against the Trident submarine and the Trident II missile.

(3) Against the submarine-launched cruise missile.

(4) Against the AWACS programs.

(5) Against the development of a mobile ICBM, by the United States.

(6) Against MIRV deployment.

(7) Against improvements to the U.S. ICBM force, including improved guidance and warhead design.

In other words, to make them more accurate, Mr. President.

(8) Against the development of the XM–1 tank and for reductions in the procurement of the M–60 tank.

(9) For the reduction of U.S. tactical nuclear weapons in Europe from 7,000 to 1,000. I believe you just said a moment ago that you did not recommend a reduction in nuclear weapons in Europe.

(10) For the withdrawal of some 30,000 troops from NATO without waiting for the conclusion of an MBFR agreement.

Mr. President, on this point, I simply want to say that it would be wonderful if both sides could reduce, reduce in soldiery, that is the numbers, and also reduce in weaponry. But the idea of reducing on our side without a reduction on the other side is perfectly ridiculous. That would be unilateral reduction. What we need is bilateral reduction, reduction on both sides.

(11) For holding the army at 13 rather than 16 divisions, after improved efficiency made creation of three new divisions possible within existing manpower ceilings.

Mr. President, if we can make 16 divisions without additional costs in manpower, why not do it? Why would Mr. Warnke oppose having 16 instead of 13 divisions?

(12) For a $14 billion cut in the defense budget in the fiscal year 1974 submission and a $11 billion cut in fiscal year 1975.

Mr. President, if we had done that, if we had come up with $14 billion from our defense program in 1974 and $11 billion in 1975 where would we be today? I simply ask the Members of the Senate what would have happened to our country? Do we care about our power balance? Do we care about our survival as a free nation? Do we want to keep our people free?

(13) For reduction in fiscal year 1975 dollars of 3 percent per year in the defense budget, with the result that, applied to the fiscal year 1978 budget, the total reduction would amount to some $26 billion from the Carter recommendations to Congress.

Mr. President, those are the questions that were put to Mr. Warnke by Senator JACKSON. Was Senator JACKSON correct in those matters or not? Listen to Mr. Warnke's answer. It is very brief.

Mr. WARNKE. Yes, sir, Senator, that is absolutely correct.

Mr. President, if that is correct, and Mr. Warnke said it is correct, how could the Members of this Senate support a man for that position who has opposed all of these important weapons that mean the very survival of our Nation?

WARNKE OPPOSITION TO RESEARCH

Later in the hearings I propounded questions as to Mr. Warnke's position as to research and development of various weapon systems. These remarks began as follows:

Senator THURMOND. In testimony yesterday, I believe you acknowledged opposition to over 13 major weapon systems in the past few years. You further stated that you often proposed alternatives. However, the record shows that you opposed even research and development of many systems now vital to our conventional and strategic posture.

This opening statement was followed by a series of questions pointing to previous positions taken by Mr. Warnke in opposition to even research and development of the strategic cruise missile, the airborne warning and control system—AWACS—the mobile ICBM, a phased array radar for warning against submarine launched missiles, the XM–1 tank, the B–1, the Trident submarine, the SAM–D air defense missile, and multiple independently targeted reentry vehicles for our ICBM's and SLBM's.

At the conclusion of these questions, this exchange between myself and Mr. Warnke took place:

Senator THURMOND. Mr. Warnke, you have opposed all of these weapons to which I have referred. There is no question about that, is there?

Mr. WARNKE. That is correct.

Again I say, to substantiate the fact that he had opposed all of these weapons, not only to Senator JACKSON, but to my line of questioning also.

It must be stated for the record that Mr. Warnke said that in some cases he proposed alternatives. However, the public record fails to reveal more than one or two such alternative programs. He now takes the position that he favored a smaller missile submarine in place of the Trident, and that he has in recent years supported the F–18 aircraft as a substitute for the F–14. However, the F–14 is principally a fleet air defense weapon system, while the F–18 is a combination air superiority and ground support system.

CONSISTENT DEFENSE OPPONENT

Thus, over the years, Mr. Warnke has a consistent and proliferous record of opposition to the very systems which allow us today to claim a rough equivalence in the face of the massive buildup of strategic and conventional forces by the Soviet Union.

This long-held position of opposition to so many major weapons systems by Mr. Warnke was well documented throughout the 3 days of hearings before our committee. It reveals a naiveté in what constitutes a sufficient defense, and equally disarming, a willingness to take unilateral weapons decisions which would at best leave our military power vis-a-vis the Soviets in serious question.

Adm. Thomas Moorer, former Chief of Naval Operations and Chairman of the Joint Chiefs of Staff, in answer to a question summed it up well when he stated:

I agree, that everyone has a right to be opposed to a particular weapon system. I think the key point here is that Mr. Warnke has been opposed to all of the weapon systems. There is a difference.

Mr. President, that is the former Chief of Naval Operations and Chairman of the Joint Chiefs of Staff, for whom everyone has respect that I know of, if they have respect for any military man, because there is none finer than he or more knowledgeable than he, and that is his statement:

I think the key point here is that Mr. Warnke has been opposed to all of the weapons systems.

How can the Senate vote for a man like that?

UNILATERAL INITIATIVES

In the past few years, Mr. Warnke has taken the position that the United States should in some cases bargain with the Soviets by proposing unilateral initiatives.

In testimony, he revealed that such actions would take the form of unilateral steps by the United States in various weapons systems seeking to encourage

the Soviets to follow suit. If they did not act in about 6 months, then the United States should resume its own efforts. In testimony before our committee, he stated that he sees this approach as a means to break stalemated talks.

Thus, he is holding out the hope to the Soviets that if they refuse to deal with us in reaching a fair SALT agreement, then we should unilaterally halt development of the mobile ICBM or some similar system as a move to break the stalemate.

It would appear that at just such a time unilateral initiatives would be especially dangerous. This would be the wrong approach, because it would merely give the Soviets more time to move ahead of us in a given system or delay its eventual deployment by the United States should our SALT efforts fail.

Admiral Moorer, in his testimony, described two unilateral initiatives which the Soviets seized upon to press their advantage.

First, he cited President John F. Kennedy's decision to unilaterally cease atmospheric nuclear tests. While it is true, he stated, that the Soviets eventually agreed to a test ban, the Soviets tested for some time after the United States halted its own tests.

Admiral Moorer concluded by declaring that the net effect of the unilateral U.S. standdown permitted "the Soviets to acquire knowledge about their weapons which the United States does not possess with respect to our weapons."

As a second example, the futility of dealing with the Soviets through unilateral initiatives was described by Admiral Moorer in SALT I when the Soviets refused to negotiate with respect to mobile missiles. The United States, nevertheless, stated during SALT I that we would not go forward with a mobile land-based missile.

Admiral Moorer declared that during this period:

> The Soviets have had ample time to demonstrate a willingness to follow our unilateral action. However, true to form, they have now moved forward with the SS–20 (mobile missile). They have stated that unilateral statements in an agreement are meaningless.

The dangers of unilateral initiatives, particularly during a period of rough equivalence, are quite evident. Since they would apply mainly to development programs, it must be recognized that a delay of 6 months during development can delay a new systems entry into the inventory by up to 2 years.

WARNKE'S VIEWS CHANGE?

While the three above-cited areas of concern—weapons systems procurement, research and development, and unilateral initiatives—are sufficient reasons for opposition, a new element is added. That element is Mr. Warnke's sudden change in attitude toward his previous positions. While it appears he is now more concerned about a strong defense position, he nevertheless holds to the belief that his position is unchanged from past pronouncements.

This turnabout is noted and described in the prepared testimony of the witnesses who appeared at the committee's invitation to testify on this nomination. Mr. Paul Nitze, former Navy Secretary and for 5 years a member of the SALT negotiating team, describes this change as follows:

> What is important is that Mr. Warnke had earlier recommended the rejection of almost all the proposals advanced by the Executive Branch designed to offset the growing Soviet strategic nuclear potential. Today he says that he was merely suggesting that these programs be studied on cost effectiveness grounds. I believe any objective study of the record will demonstrate that that is not what he then said.

Admiral Moorer, another witness, describes the change as follows:

> I find it difficult to reconcile the statements he has made before the Senate Foreign Relations Committee and the totally different statements he has repeatedly made in the years gone by.

Thus, it is reassuring to hear Mr. Warnke testify in support of many of the systems he opposed in the past, but equally disturbing when he refuses to acknowledge any change in his previous position.

With this background, and in conclusion, I would like to state for my colleagues why my vote will be cast against Mr. Warnke for both positions for which he has been nominated.

ACDA DIRECTOR

This post calls for an individual who can look into the future and make proposals which will form the basis for a negotiating position designed to control arms, but at the same time insure our national security.

Mr. Warnke's past positions on weapon systems procurement and development clearly show a lack of understanding of the needs of this Nation in the years ahead. Had we followed his advice, our position today would be greatly undermined to say the least.

His past statements that numbers are not important in negotiating agreements and that a position of inferiority is not necessarily an unacceptable posture illustrate his confused approach. They also raise serious doubt as to his understanding of Soviet goals and what consists of a proper military balance for a valid SALT agreement.

SALT NEGOTIATOR

As for the position of SALT negotiator, I find the prospect of his service in this capacity totally—I repeat, totally—without merit.

The idea that the SALT negotiator is merely the advocate of the President's position fails to recognize the responsibilities of this important assignment. Certainly, the negotiator works from the President's position, but in the give-and-take, he proposes to the President ways to break deadlocks and more than any other one person living, brings the final agreement into shape.

Mr. Nitze in his testimony stated:

> It is my belief that 90 percent of the constructive work which finally ended up in the ABM Treaty—had its initiation in the delegation itself rather than coming by instruction from Washington.

Admiral Moorer testified along the same lines. As a participant in past talks he declared:

> The Chief negotiator, on the other hand, should in effect be an adversary, insofar as the Soviets are concerned and endeavor to make absolutely certain that the goal should be maintaining the defense of the U.S., rather than simply achieving an agreement resulting in some kind of reductions in arms.

Mr. Warnke's past record, in opposing many key weapons research and development programs, and his position as an advocate of unilateral initiatives, support my belief that he lacks either the background or understanding to handle tough negotiations with the Soviets.

In conclusion, I urge the Senate to study the record of the hearings before both the Senate Committee on Foreign Relations and the Senate Armed Services Committee. Each member must also bear in mind that today, we deal not from a position of clear superiority over the Soviets as in SALT I, but in an environment of rough equivalence. This is not the time to take "unilateral initiatives" in an effort to break stalemated talks. It is not a time to send to Moscow an individual who has proposed more U.S. defense cuts than even the Soviets have dared to suggest.

This is a time of danger. It is a time when practically all leaders in this field acknowledge that Soviet momentum in defense spending, if unmet, could give them a lead in the balance of power. It is a time when numbers of strategic systems do count, when a position of strength is essential, if the blessings of this Earth are to be preserved for all free societies.

STRATEGIC ARMS—CRITICAL CHOICES AHEAD

Mr. LAXALT. Mr. President, I am opposed to Paul Warkne's confirmation as either head of our SALT delegation or Director of the Arms Control and Disarmament Agency. My position has nothing to do with Mr. Warnke's character or his evident ability. But, it has everything to do with his policy stands on issues which literally are life-and-death propositions.

What course are we to follow in strategic arms? Can we afford to take any chances of national destruction? Are we to experiment with something called "unilateral restraint"? Because, it is possible that today, for the first time in history, national destruction of a major power could result from one erroneous basic choice. We must ponder these basic questions as we chart our future strategic course.

There are also disturbing trends that must be factored into our decision equation. The Soviets continue to pursue a rapid and intense armaments program, devoting to defense a much greater share of their national product than does the United States. Western efforts to assess the level and burden of Soviet defense spending are seriously hampered by major differences in accounting methods, the artificial value of the ruble, and the lack of information and reliable data. However, CIA estimates of Soviet defense spending in the 1963–73 period put the growth rate at about 3 percent, compared to about 1 percent for the United States. Last year, the CIA concluded that defense efforts absorb 11 to 13 percent of the Soviet Union's gross national product. The portion of the U.S. product absorbed by defense efforts has

declined from 10 percent in 1955 to about 5.5 percent today.

In terms of the strategic nuclear balance, the United States has gone, in just three decades, from a monopoly in nuclear forces, to what is now hopefully described as rough tactical and strategic equivalence with the Soviets. In the past decade, Soviet gains have been dramatic. At the beginning of the decade, the United States had 1,702 warheads to 309 for the Soviets. This included a four-fold advantage in SLBM's—submarine-launched ballistic missile; a three-fold advantage in ICBM's—intercontinental ballistic missile; and an absolute advantage in Polaris SLBM's, which contained three MIRV's—multiple independently targetable reentry vehicle—although these had not yet been deployed. The Soviets have overtaken the United States in almost every category. The United States continues to maintain a tenuous lead only in accuracy, in warheads on target, and an advantage in number of warheads.

The United States and the Soviet Union have been talking about limiting nuclear arms since the initial round of strategic arms limitation talks, SALT, in November 1969. These negotiations have produced the 1972 SALT I agreement and the 1974 Vladivostok Accord that is a part of the still incomplete SALT II, and have given rise to talks of a SALT III.

The 1972 agreement restricted the number of missile defense systems and the number of offensive nuclear weapons. Under the agreement, the Soviets were allowed to have more missiles than the United States—Soviet 2,400; U.S. 1,700. The agreement did not prevent the Soviets from replacing some of their smaller missiles with larger ones carrying more and bigger warheads. Consequently, they acquired their numerical advantage in number of missiles, in the weight of warheads these missiles can throw onto their targets, and in the explosive megatonage of their warheads.

Since the 1972 agreement, technology has brought the Soviets an assortment of new devices. These include a range of new missiles—the new SS-18, with unprecedented explosive power, can destroy any known fixed target; the new SS-20, likely to be deployed aboard a mobile launcher, may defy satellite verification—the new Backfire bomber, and their own MIRV multiple warheads. The United States, during this time, has developed MIRV multiple warhead, and the easily concealable, low flying, cruise missile.

The 1974 Vladivostok negotiations led to guidelines for SALT II which provided for an exact equivalence between United States and Soviet strength in strategic weapons. Each nation was to be limited to 2,400 strategic nuclear weapons—a 700 increase for the United States over SALT I. However, the United States agreed to count its smaller missiles as equal to the Soviets larger ones, giving the Soviets a three-fold lead in missile throw weight which might ultimately be translated into a lead in warheads.

Of the 2,400 weapons, up to 1,310 could be MIRV's or made to contain several warheads capable of striking more than one target. Each nation was to be allowed to constitute its strategic forces in any combination of ICBM's, SLBM's, heavy bombers, or air-launched missiles as desired.

One major unresolved issue for SALT II involves the Soviet Backfire medium-range bomber and the U.S. cruise missile. Each side wants its particular weapon excluded from SALT II on the grounds that its range is too limited for it to figure in any count of strategic weapons. The Soviets have the medium-range Backfire bomber in squadron service, whereas, U.S. operational commitments for the cruise missile—whether either sea-launched, air-launched, or both—have not yet been made. A key concern is that the Backfire bomber becomes an intercontinental weapon if it is refueled in mid-air.

It is against this background that we are tasked with the responsibility for confirming the future chief American SALT negotiator and Arms Control and Disarmament Agency Director. The nominee, Paul C. Warnke, advocates a policy of temporary unilateral restraint on the part of the United States. He asserts that a U.S. lead in technology and warheads make it possible for us to take this initiative without undue risk.

Mr. Warnke's proposal is rooted in the proposition that today the prime impediment to arms control is "superpower aping," each nation reflexively responding to the other. He argues that nothing short of nuclear monopoly can give significant political leverage to either the United States or the Soviets in time of crisis. He believes that the proposition that we must remain ahead of the Soviet Union in most if not all perceivable elements of military power is a fallacy that inflates defense spending. He suggests that what is needed most urgently now is a decision to take advantage of the stability of the present strategic balance. Finally, he concludes that insofar as formal agreements are concerned we may have gone as far as we can go now.

As we judge the merits of this man and the policy to which he is pledged, we must weigh the risks carefully. All recognize the importance of the upcoming SALT II negotiations. We are all hopeful they will succeed. The outlook of the chief negotiator will obviously have a major impact on the shape of whatever agreement emerges. Does Paul Warnke have the background of experience necessary to be a competent judge of military requirements, weapons capability and strategy? Is it appropriate for Mr. Warnke to head the Arms Control and Disarmament Agency—the primary arms control advocate within the Government—and to serve at the same time as chief strategic arms control negotiator? Can he serve as an impartial representative of the President in arms control negotiations?

Is there any evidence that the Soviets will respond to a U.S. initiative of restraint? The evidence of the past several decades suggests they will not. In the late 1960's, the United States delayed deploying antiballistic missiles in the hope it would produce reciprocal restraint on the part of the Soviets. It did not. During the past two decades, the United States has gradually decreased the percent of its gross national product devoted to military spending. All indications are that the Soviets have not done likewise. More recently, in Angola, the Soviets took decisive advantage of the American pullout from Southeast Asia and our reluctance to be drawn into another Vietnam.

The Joint Chiefs of Staff recently testified that they now share the judgment that Soviet programs are aiming at strategic superiority, and that if current trends continue, the Russians will soon reach their goal. Leonid Brezhnev said, at the 25th Congress of the Communist Party this past year, that—

Détente does not in the slightest way abolish and cannot abolish the laws of class struggle. Capitalism is a society without a future.

There can be no doubt that the Soviets have developed and maintained the largest military establishment in the world. The Soviet leadership have proven themselves to be tough and implacable in their relentless drive for military superiority. Their technology almost yearly produces an ever-increasing array of cunning new devices. Against this background can we afford even a moment's delay in moving toward operational commitments for our advantage, such as the cruise missile? I think not.

History has clearly shown that wars normally confound the most confident plans of strategists. Whether or not one superpower has true superiority, the appearance of inferiority—whatever its actual significance—can have devastating consequences. Is the risk of delay—when that risk may include national destruction—acceptable? Is this idea of temporary unilateral restraint an idea whose time has come? I, for one, do not think so. I believe it is essential for the security and welfare of this Nation that we pursue those policies that will permit us to retain a "defense capability second to none." I, therefore, urge my colleagues to reject Mr. Warnke's nomination.

ORDER FOR RECESS ON MONDAY, MARCH 7, 1977, UNTIL TUESDAY, MARCH 8, 1977, AT 9:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, the Senate will recess in executive session. On Monday, it will be in executive session when it convenes.

I ask unanimous consent that, when the Senate completes its business on Monday, it stand in recess until the hour of 9:30 a.m. on Tuesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the convening hours may be changed, depending upon the circumstances, from day to day next week.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE AND SENATOR SPARKMAN ON TUESDAY, MARCH 8, 1977

Mr. ROBERT C. BYRD. Mr. President, on Tuesday, there are two requests for special orders. I ask unanimous consent that, immediately after the two leaders

are recognized on Tuesday, Mr. PROXMIRE and Mr. SPARKMAN be recognized, each for not to exceed 15 minutes. After the orders for recognition of Senators on Tuesday have been consummated the Senate will immediately go into executive session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS ON TUESDAY, MARCH 8, 1977, UNTIL 9 A.M. ON WEDNESDAY, MARCH 9, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on Tuesday, it stand in recess until the hour of 9 a.m. on Wednesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ACTION AGENCY

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senate proceed to consider the nomination of Mary King to be Deputy Director of the ACTION Agency.

The PRESIDING OFFICER. Without objection, it is so ordered.

The second assistant legislative clerk read the nomination of Mary Elizabeth King, of the District of Columbia, to be Deputy Director of the ACTION Agency.

Mr. CRANSTON. Mr. President, this is an outstanding nomination by President Carter of an outstanding woman to be the deputy chief of the ACTION Agency. Mary King has had great experience in volunteer activities in our country. She was an outstanding leader in the civil rights struggle in the South. She is a woman who can perform superbly. She was reported unanimously by the Committee on Human Resources today. There is great support there, as there will be great support in the Senate and in the country, for her in this role.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. CRANSTON. Mr. President, I move that the President be notified immediately of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. CRANSTON. Mr. President, the Senate will convene at 1 o'clock on Monday. Immediately after the two leaders or their designees have been recognized, the Senate will return to consideration of the nomination of Paul C. Warnke to be ambassador to the strategic arms limitations talks. There could be rollcalls of a procedural nature, but that is unlikely. There could be rollcalls on other matters that are cleared for action and come to the Senate floor during Monday.

RECESS TO MONDAY, MARCH 7, 1977, AT 1 P.M.

Mr. CRANSTON. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 1 p.m. on Monday.

The motion was agreed to; and at 6:28 p.m., the Senate recessed in executive session until Monday, March 7, 1977, at 1 p.m.

NOMINATIONS

Executive nominations received by the Senate March 4, 1977:

DEPARTMENT OF STATE

Richard M. Moose, of Arkansas, to be Deputy Under Secretary of State.

Douglas J. Bennet, Jr., of Connecticut, to be an Assistant Secretary of State.

Hodding Carter III, of Mississippi, to be an Assistant Secretary of State.

Richard N. Gardner, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Italy.

DEPARTMENT OF THE TREASURY

Bette Beasley Anderson, of Georgia, to be an Under Secretary of the Treasury, vice Jerry Thomas, resigned.

Anthony Morton Soloman, of Virginia, to be Under Secretary of the Treasury for Monetary Affairs, vice Edwin H. Yeo III, resigned.

Gene E. Godley, of the District of Columbia, to be a Deputy Under Secretary of the Treasury, vice Harold F. Eberle, resigned.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Jay Janis, of Florida, to be Under Secretary of Housing and Urban Development, vice John B. Rhinelander, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 4, 1977:

ENVIRONMENTAL PROTECTION AGENCY

Douglas M. Costle, of Virginia, to be Administrator of the Environmental Protection Agency.

Barbara Blum, of Georgia, to be Deputy Administrator of the Environmental Protection Agency.

ACTION AGENCY

Mary Elizabeth King, of the District of Columbia, to be Deputy Director of the ACTION Agency, vice John L. Ganley, resigned.

DEPARTMENT OF JUSTICE

Daniel J. Meador, of Virginia, to be an Assistant Attorney General.

Wade Hampton McCree, Jr., of Michigan, to be Solicitor General of the United States.

Barbara A. Babcock, of California, to be an Assistant Attorney General.

Benjamin R. Civiletti, of Maryland, to be an Assistant Attorney General.

Drew S. Days III, of New York, to be an Assistant Attorney General.

Patricia M. Wald, of Maryland, to be an Assistant Attorney General.

DEPARTMENT OF DEFENSE

Thomas B. Ross, of the District of Columbia, to be an Assistant Secretary of Defense.

R. James Woolsey, of Maryland, to be Under Secretary of the Navy.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE ARMY

The following-named officer for reappointment to the active list of the Regular Army and Army of the United States, with grade as indicated, from the temporary disability retired list, for a peirod of 1 day, under the provisions of title 10, United States Code, sections 1211, 3442, and 3447:

To be major general, Regular Army and general, Army of the United States

Bruce Palmer, Jr., [redacted].

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be general

Bruce Palmer, Jr., [redacted].

IN THE NAVY

Rear Adm. Robert R. Monroe, U.S. Navy, having been designated for commands and other duties of great importance and responsibility commensurate with the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

The following-named captains of the Navy for temporary promotion to the grade of rear admiral in the staff corps indicated subject to qualification therefor as provided by law:

MEDICAL CORPS

Roger F. Milnes
George E. Gorsuch
Eustine P. Rucci

SUPPLY CORPS

Shirley D. Frost
Gerald J. Thompson

CIVIL ENGINEER CORPS

William M. Zobel

DENTAL CORPS

Julian J. Thomas, Jr.

IN THE MARINE CORPS

The following-named brigadier general of the Marine Corps Reserve for appointment to the grade of major general under the provisions of title 10, United States Code, section 5902:

Hugh W. Hardy

IN THE AIR FORCE

Air Force nominations beginning Fred L. Bauer, to be major, and ending Jack M. Shuttleworth, to be a permanent professor, U.S. Air Force Academy, which nominations were received by the Senate on February 15, 1977, and appeared in the Congressional Record on February 21, 1977.

IN THE NAVY

Navy nominations beginning Merrill E. Schlegel II, to be a permanent lieutenant and temporary lieutenant commander, and ending George D. Kahnk, to be ensign, which nominations were received by the Senate on February 15, 1977, and appeared in the Congressional Record on February 21, 1977.

Navy nominations beginning James R. Abbey, to be commander, and ending Elizabeth G. Wylie, to be commander, which nominations were received by the Senate on February 15, 1977, and appeared in the Congressional Record on February 21, 1977.

Navy nominations beginning John W. Ackerman, to be chief warrant officer, W–3, and ending Adrian L. Hanna, to be chief warrant officer, W–4, which nominations were received by the Senate on February 16, 1977, and appeared in the Congressional Record on February 21, 1977.

EXTENSIONS OF REMARKS

PRESIDENT CARTER'S ENERGY REORGANIZATION PLAN

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, Norbert Weiner, the father of cybernetics, once observed that the "environment might best be conceived as a myriad of 'to whom it may concern' messages, putting emphasis on the necessity for selection." I do not believe his remarks were intended for those who must struggle with President Carter's energy reorganization proposal, but the thrust of Dr. Weiner's comments targets their problem. Over the next few weeks, we will all be involved in sorting out the myriad of messages pertinent to a sound energy policy and an equally sound energy organization. In doing so, the Congress hopes that by putting appropriate labels and addresses on them, a new, streamlined, one-step system for delivery of energy-related government services will result.

There is a general feeling today that our governmental machinery lacks the capacity to respond effectively to national energy problems and needs. In large measure, this is traceable to the fact that energy problems cannot be compartmented and made to fit into traditional governmental organizational attempts at solution. On the contrary, the present systems are equipped to deal with problems in a manner and on a scale in which they no longer occur.

To overcome this condition, President Carter has proposed a reorganization plan for energy affairs, featuring a number of interlocking elements, which if combined, can produce effective remedy.

First, he has proposed the consolidation of like or related functions as a means of attaining efficiency and decisiveness in dealing with the whole energy system.

Second, significant portions of his plan, if adopted, can provide for more responsiveness and reduced citizen frustration with the bureaucratic systems of the past.

Third, he has proposed a prominent role for advocacy as a major function in order that protective needs such as energy conservation be balanced properly with those involving its development, management, and use.

Fourth, his plan provides for improved public participation through the merger of numerous advisory and administrative boards.

Mr. Speaker, this list can be extended, but the important fact is that energy production and management have tended more and more to be viewed as a series of interconnected policies, procedures, and programs. Congress recent action, authorizing expanded public investment in conservation, is firm evidence of the realization that problems respond to treatment only if seen in their totality rather than as fragmentary parts of the whole. The need to establish a process by which this series of interrelationships can be energized is readily apparent to those concerned with energy affairs. As a goal, energy independence has tended to suffer through the process of selective and often unrelated approaches to solution and by aggregating a number of activities without visible degrees of commonality.

Mr. Speaker, the key to changing Government's energy responsibilities rests within the unification of programs and policies dealing with energy, for by combining programs, administrators can be encouraged to look not only for logical interrelationships, but also seek out interprogram priorities for implementation. Until that occurs, the myriad of messages will continue to be issued on a "to whom it may concern" basis.

Mr. Speaker, I hope this Congress will act quickly on President Carter's proposal for reorganization of our administrative and governmental system for energy.

AGRICULTURAL INDUSTRY IN MICHIGAN SUFFERS FROM PBB CONTAMINATION

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. RUPPE. Mr. Speaker, since 1974, the State of Michigan's agricultural industry has suffered through a nightmare that I sincerely hope confronts no other State in this Nation.

In that year, it was discovered that a small but potent quantity of a fire retardant known as Firemaster and containing the chemical poison polybrominated biphenyl or PBB was accidentally mixed with a cattle feed nutriment known as nutrimaster.

Since that horrendous accident occured over 3½ years ago, hundreds of beef and dairy farmers have had herds condemned and the Michigan public has been frightened by the prospect of potentially dangerous chemicals being present in their food supply.

Unfortunately, not much is known about PBB except that it is extremely persistent in the environment. Long after the original contaminated feed has been removed from Michigan farms and Michigan grain elevators, traces of the PBB chemical are still found in new herds which never ate of the original tainted feed.

Thus, my colleagues and I from Michigan have been searching for answers to a problem about which there are presently few definite conclusions.

The people of our State have asked for prompt action to protect Michigan's food supplies. They have asked us to help return damaged farms to full production with the help and resources of the Federal Government.

Frankly, there are some areas where all the powers and resources of the Federal Government cannot produce change. It cannot, for example, change the fact that PBB is in the Michigan ecosystem and that only time will eliminate all traces of the chemical. It cannot remove the chemical traces from the bodies of thousands of Michigan citizens who have eaten PBB-contaminated foodstuffs in various quantities for different lengths of time.

Nor can action by the Congress speed the determination of legal responsibility for the PBB disaster. Only our Federal courts and those of the State of Michigan can make those determinations.

While there are areas where the Federal or State Governments are powerless to change the existence of PBB in the Michigan environment, there are actions that can be taken to both relieve the suffering of Michigan citizens and to provide protection for citizens of other states which may in the future encounter a PBB-type experience. Indeed, the Federal Government through its health agencies has already moved to provide an indepth and detailed analysis of any adverse effects to humans that may arise.

At my urging, and that of my distinguished colleague from Michigan, Mr. CEDERBERG, the Food and Drug Administration, the National Center for Disease Control, the National Environmental Health Center, and the National Cancer Institute have embarked on a study of 5,000 Michigan citizens to determine what, if any, ill effects in humans are caused by the consumption of PBB-laced foodstuffs.

This study will take 5 years to complete. It is now in its second year, and should provide us with the first detailed knowledge about the effects of PBB contaminated foods on the human system.

Yet additional action remains to be taken by the Federal Government, specifically by this Congress. Farmers whose herds have been contaminated with PBB have been by the hundreds forced out of production. Many of these individuals are operators of the already threatened family farm.

The PBB saga in Michigan can also be a lesson for other States and should express the need for preventive action by the Federal Government.

To provide aid to these helpless farmers, caught in circumstances well beyond their own influence, and to provide a program for helping States which, like Michigan, experienced chemical contamination problems in the future, I am introducing with several of my Michigan colleagues two pieces of legislation.

Along with Congressmen CEDERBERG, BROOMFIELD, and STOCKMAN, I am reintroducing a bill passed by the Senate last year but never acted on by the House.

This legislation would provide low interest loans to any farmer who is forced from production due to any chemical contamination over which he has no con-

trol. The bill provides loans up to $250,000 at a 3 percent interest level.

This low interest loan program merely extends to the victims of chemical catastrophes the same measures of protection and assistance we now provide to farmers who experience losses due to natural disasters. It provides that should any farmer through legal proceedings recover damages from the producer or distributor of the chemical, the Federal Government would be repaid its loan in full no later than 3 months after the date of recovery.

The aim of this loan program is simple: to return those farmers who have been forced from production to supplying the agricultural needs of Michigan and the Nation.

The second bill I am introducing today, which is cosponsored by Congressman BROOMFIELD, would add a new section to the Toxic Substances Control Act which we enacted last year.

Last year's act provided for the testing of chemicals before they are marketed so that we may know which chemicals are likely to harm humans, what effects they have on humans, and how to correct the presence of the chemical should it get into the food supply system.

This amendment to the Toxic Substances Control Act, called the Toxic Substances Injury Assistance Act, would provide and authorize Federal grants to States if the chief executive of the State determines there is present in the State's environment a chemical which may cause injury to the health of citizens or animals.

The grants provided for under this section would only become available if the Governor of the State orders the impoundment or condemnation of livestock or food crops and provides indemnity from State funds for persons harmed by impoundment. In any case, Federal grants would be limited to 75 percent of the cost of the indemnity program.

Other sections of the bill provide for the recovery of the grants through subsequent legal action, for grants to the States to monitor chemical substances and grants to cover the medical expenses incurred by individual citizens due to chemical contaminant.

One of the many tragedies of the Michigan PBB incident has been the inability of those who have suffered from PBB to receive any compensation. This fund, authorized for 3 years at a level of $50 million per year, would help provide that interim assistance until legal situations are settled.

No one who has studied the PBB incident in Michigan doubts that it has been an economic disaster and a human tragedy. Merely because it was caused by human error rather than by acts of nature is not sufficient justification to refuse action.

Michigan's polybrominated biphenyl problem of today could be confronted by each one of its 49 sister States in the future. In fact, the odds are probably pretty strong that other States will face a similar situation at some point in the future.

The question we in Congress must ask ourselves is: Are we going to be prepared to deal with the problems caused by chemical contamination of our environment so that those innocent victims of chemical contamination have recourse to adequate assistance? I hope that Michigan's experience will help us devise a plan that will provide such assistance to other U.S. citizens should the need arise.

AWARDED THE PRIME MINISTER'S MEDAL OF THE STATE OF ISRAEL

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. WAXMAN. Mr. Speaker, Mr. Harry Groman, a distinguished citizen of Los Angeles, will be awarded the Prime Minister's Medal of the State of Israel at the annual salute to the business and financial communities of Los Angeles. This tribute dinner dance, on behalf of state of Israel bonds, will be held on Sunday, February 27 at the Century Plaza Hotel. I am gratified to be able to bring to the attention of the Members the many accomplishments of this exemplary American. His concerns for his fellow men are well known to leaders in finance, industry, government, education, and religious endeavors.

Until 1938, Harry Groman held positions with State and local government agencies. Since then he has been involved in a number of businesses connected with real estate and mortuaries, serving on many clubs and committees having to do with the maintenance of high standards in his fields of endeavor. However, it is Harry Groman's involvement with community service which leads us to do honor to him and his lovely wife, Peggy Jean.

Harry Groman is former president of the Sunair Home for Asthmatic Children, a trustee of the City of Hope, vice president of the Jewish National Fund, and is an active member of numerous organizations, among which are the Criterion Club, Eastern Star Ionic Chapter, Jewish Big Brothers Association, Jewish Home for the Aged, Westwood Shrine Club, and Alan Catain Leukemia Fund. Mr. Groman is also a director of the Variety International Boys' Club and Variety Club Tent 25, and participates actively in the Footprinters and Forresters, the Los Angeles Jewish Community Federation Council, the American Jewish Committee, and several Shrine Clubs. He is a charter member of Moose Lodge No. 29. A number of synagogues also claim Harry Groman's membership.

We must recognize Mr. Groman also for his philanthropy: a campsite to the Jewish Community, a bungalow to Camp Hess Kramer, a classroom to Hillel Academy in Los Angeles, a community social room at the Farband Community Center in Dimona, Israel, a room at Mt. Sinai Hospital, and athletic equipment to the Israeli Army. Together with Mr. William Tamkin, he gave land and buildings to the Sunair Home for Asthmatic Children. He has established the Groman mortuaries rabbinical loan fund at Hebrew Union College and planted 2 miles of trees in Israel near the Gaza Strip. In memory of William Tamkin, Mr. Groman has contributed laboratories to the Massachusetts Institute of Technology, Boston, Mass. He has shared so much with so many that it is impossible to enumerate all of his generous gifts and contributions. Because of the equality of his achievements in in the service of his fellow men and women, I ask the Members to join me in paying tribute to this most valued citizen, Harry Groman.

THE DRUG ACT OF 1977

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. RANGEL. Mr. Speaker, if existing methods and institutions no longer serve a functional existence, or if attempts at bringing the separation between a profession of commitment and the actual compliance thereof prove futile, then certainly a reexamination of the issue will call for a new approach.

We are all well aware of the vicious and degenerating influence now permeating the fabric of our society in the form of narcotics. It is the moral and legal responsibility of the elected representatives in government to foster and promote such legislative action as would render inoperative the drug-trafficking elements in our Nation.

To this end, I have introduced H.R. 4321, a bill that I hope my colleagues will pay particular attention to, for it is my belief that the present dual jurisdiction regarding narcotic violations enters Congress into an assumption of responsibility for this problem. Citing this act as the Drug Enforcement Act of 1977, it offers Federal assistance to local law enforcement agencies, be they city, county, town, or of other such jurisdiction, in the form of a special Federal drug force, composed of persons skilled in uncovering narcotics violations and arresting violators pursuant to the Controlled Substances Act.

Mr. Speaker, prompt action must be taken to effectively stem the tide of the narcotics flow. I believe this bill offers a realistic approach and answer to the issue of drug abuse.

H.R. 4321 creates a special "drug force" composed of trained and experienced investigators knowledgeable in the field of narcotics, and also federally appointed attorneys skilled in the prosecution of criminal narcotics violations.

Should a State or local government decide that they are unable to enforce narcotic laws and limit drug trafficking, then they may request that the Attorney General dispatch the aforementioned drug force to assist them in the enforcement of the law. A board, composed of the Attorney General, the Assistant Attorney General in charge of the Criminal Di-

vision of the Justice Department, the Administrator of the Drug Enforcement Agency—DEA—the Regional Director of the DEA, and the U.S. attorney in which judicial district the drug force request was submitted, determines the eligibility of the unit of government submitting the request in accordance with guidelines established by the Attorney General.

A drug force entering a unit of government shall, after 120 days, be reviewed by the board to determine if the continued existence of the drug force is still warranted. All Federal agencies will be required to submit whatever information necessary requested by the Attorney General in assisting the enforcement efforts. I ask my colleagues to examine this bill and to join me in supporting this desperately needed legislation.

DO NOT GET PERSONAL WITH THE PRESIDENT

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. MAZZOLI. Mr. Speaker, the following article by Erma Bombeck in her January 21 column of the Louisville Courier-Journal was sent to me by a constituent who asked that I share these thoughts with you. I believe these words reflect the thoughts of many Americans:

DON'T GET PERSONAL WITH THE PRESIDENT

(By Erma Bombeck)

The 39th President of the United States has taken office.

There are a lot of things I don't want to know about him.

I don't want to know his golf scores, his tennis scores, his bowling scores or see his spills if he is a skier. (It makes me nervous to see a president fumble a ball on first base.)

I don't want to see his scars if he has had surgery, especially if it involves taking off his necktie.

I don't want to know if he and his wife share a double bed or go singles. (I like to believe that a president's sex life is like that of my biology teacher whom I had a crush on in the 8th grade . . . nonexistent.)

I don't want to see him stumbling off of Air Force One or falling asleep during a commencement exercise at which he is the featured speaker.

I don't care what sign he was born under or whether or not he cheated in college. (It's too late to do anything about either one of them.)

I don't care to know what the First Family has for dinner or what they bought one another or where and if they attend church services on Sundays.

I don't want to know about the men/women who crept into their lives through back doors and secret meetings.

I don't want to know how he felt about Rhett Butler or whether or not he would have married Melanie or Scarlett.

I don't want to know what dress designer his wife patronizes or particularly what size she is.

I don't have to know what their living quarters in the White House look like or what books they read and where they go when they leave for a weekend.

I don't want to intrude for a moment on their joy, their grief or the dignity of their private lives, which some feel they owe us.

What I do want to know are the men and women he picks to surround him, his stand on major decisions, his feelings for people, his concern for us and our problems and how he intends to carry out those 35 words that he spoke yesterday:

"I do solemnly swear that I will faithfully execute the office of President of the United States and will to the best of my ability preserve, protect and defend the Constitution of the United States."

That's really all the president owes us.

PERSONAL TRIBUTE TO THE HONORABLE J. JOSEPH CURRAN, SR.

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Ms. MIKULSKI. Mr. Speaker, today is a sad day not only for me, but for many people from Baltimore who have lost a friend in Joe Curran, my former colleague from the Baltimore City Council, who passed away Wednesday. I have always had a great deal of respect for him and held him in high esteem.

Councilman Curran was an integral part of the northeast section of Baltimore, and without his assistance and political knowledge that section of the city would be sorely lacking. I wish to extend my sympathies to the entire Curran family at this difficult time. The following are three articles from the Morning and Evening Sun of Baltimore detailing the important work accomplished by Joe Curran:

J. JOSEPH CURRAN, SR., DIES: 20-YEAR CITY COUNCILMAN

City Councilman J. Joseph Curran, Sr., a plain-speaking Democrat who represented Northeast Baltimore for more than 20 years, died last night at Mercy Hospital after a short illness. He was 72.

Mr. Curran was admitted to the hospital last Wednesday after he complained of chest pains. He had been in and out of the hospital since a May, 1976, shooting spree at the temporary City Hall in which Councilman Dominic M. Leone (D., 6th) was killed and Councilman Carroll J. Fitzgerald and two others were wounded.

Mr. Curran first entered the political arena in 1946 when he ran for the House of Delegates at the urging of an old high school friend, James J. Lacy, who was the state comptroller. He lost by 70 votes.

Bitten by the political bug, Mr. Curran worked hard and climbed upward in a Horatio Alger fashion to earn his place on the City Council the hard way.

For the next few years after his loss, Mr. Curran was a ward heeler for an assortment of Northeast Baltimore politicians. Then he hit upon a happy alliance with a local lawyer, Hugo L. Ricciuti, and former Mayor Thomas J. D'Alesandro, Jr.

The organization he helped form, the Third District United Democrats, became one of the major political powers in the Northeast section of the city, and often was preeminent there.

Mr. Curran's major strength was politicking. He maintain his popularity among his constitutents through civic interests and belonged to many civic organizations.

Although a conservative, Mr. Curran at times displayed liberal tendencies and had a good rapport with the poor and blacks in his district.

He was elected to the city Democratic Central Committee in 1950. In 1953, he was appointed by Mayor D'Alesandro to the City Council to fill the term of Walter Dewees, who had died.

Up until that time, Mr. D'Alesandro had been unable to count on one firm vote from the Third district delegation. Mr. Curran's nomination was opposed by Mr. Dewees's widow, Mary, but the Mayor mustered the votes and the Council voted Mr. Curran in, 15 to 3.

In his maiden speech, he thanked the Council and said he was "not awed" by his position.

He lost the seat in 1959, a year of radical change in municipal political affairs. Six new councilmen were elected that year as J. Harold Grady swept into the mayoral seat. But Mr. Curran was elected again in 1963 and had served on the Council since that time.

During most of his years on the Council, Mr. Curran served on and was chairman of the Budget and Finance Committee.

He was known to be precise in his handling of hearings, no matter how long or tiring they were.

He called first on technicians to explain the intricacies of certain matters, and then made sure that every councilman who wanted the floor got a chance to speak.

During his years on the Council, Mr. Curran became noted for his straightforward explanations of Council issues.

Over the years, he introduced such measures as the legal aid bill, a charter amendment limiting the fiscal autonomy of the education department, raises in pensions for city employees and a tough sign-control law.

A native of Baltimore, Mr. Curran was a graduate of Loyola High School. His parents died when he was attending Loyola College, and he left school so he could work to support himself and two younger brothers.

Mr. Curran went to work for the United States Fidelity and Guaranty Company in 1923. At the beginning of the depression, the insurance firm sent him to West Palm Beach, Fla., to manage the company's properties there.

Upon his return, he was loaned to the Security Storage Company, a local moving firm. Mr. Curran left U.S.F. & G. Co. in 1949, and became manager of the St. Vincent DePaul Society of Baltimore.

He was a member of the Friendly Sons of St. Patrick, the Holy Name Society, the Knights of Columbus.

He was also a former director of the Northwood Association and the Covans Community Council.

Mayor Schaefer last night issued a statement, saying, "The sudden and totally unexpected death of Councilman J. Joseph Curran is a great loss to the city of Baltimore, and a personal loss to me as well. He was not only a dear friend to me, but a close and trusted confidant. But most of all, Joe Curran was a man for all people.

"He served in the City Council not only as an elected representative from the Third district, but also as chairman of its budget committee and ultimately as its vice president. In these roles, he was an effective voice not only for his constituents, but for all Baltimoreans, for the citizens of Baltimore were always closest to his heart."

Mr. Curran is survived by his wife, the former Catherine Clark, who he married in 1930; three sons, state Senator J. Joseph Curran, Jr., Martin E. and Robert W. Curran, all of Baltimore; a daughter, Sister Mary Margaret, SSND, of Baltimore, and seven grandchildren.

Funeral arrangements were incomplete last night.

CURRAN EULOGIZED IN CITY, CAPITAL

Councilman J. Joseph Curran, Sr., the political patriarch of Northeast Baltimore who died Tuesday night at the age of 72, was eulogized yesterday in Annapolis and in Baltimore, where he served on the City Council for 20 years.

The State Senate in Annapolis and the Board of Estimates here adjourned in his honor.

In Annapolis, Governor Mandel and several senators praised the veteran politician who was distinguished by his flair for politics in the old tradition, and an abundance of energy that kept him working to the week he died and astounded his colleagues.

Governor Mandel called him "a good friend as well as a devoted servant of the city of Baltimore."

"As a member of the City Council," Mr. Mandel said, "he was a constructive leader and spokesman for the interests of the people he served so well throughout his years in public life."

"Members of the state Senate, where Mr. Curran's son, J. Joseph Curran, Jr., is a member, eulogized the councilman for about 15 minutes before calling for an adjournment in his memory. They also agreed to send a committee to the funeral.

Senator John Carroll Byrnes (D., 44th, Baltimore), who represents half of Mr. Curren's councilmanic district, called him a man who "combined integrity with politcal strength."

"He had a very much needed large vision for our city and a very much needed narrow concern for his constituent neigbors."

The Board of Estimates yesterday also agreed to adjourn in Mr. Curran's memory and passed a resolution praising him as "a valued friend and an able, faithful and diligent associate in the administration of the affairs of Baltimore city."

Councilman Frank X. Gallagher (D., —) said yesterday that the process of selecting a replacement for Mr. Curran will not begin until next week.

Unless a political fight develops, the remaining two members of the Third district delegation—Mr. Gallagher and Carroll J. Fitzgerald—would recommend a single candidate for the entire council to approve.

Mr. Curran's and Mr. Gallagher's organizations had a long history of being at political odds in the fight for votes in Northeast Baltimore, but in the last two councilmanic elections, they ran together on the same ticket with Mr. Fitzgerald, who was a political unknown when they picked him up in 1971.

Several City Hall sources speculated yesterday that Mr. Curran had wanted one of his two other sons to take his seat if he led.

They are Martin E. Curran and Robert V. Curran, each of whom has served as his father's council clerk.

J. JOSEPH CURRAN, SR., GRAND OLD MAN OF CITY COUNCIL, DIES AT 72

J. Joseph Curran, Sr., the old-school politician who became the grand old man of the Baltimore City Council, died in Mercy Hospital last night from a heart ailment. He was 72.

Mr. Curran, a religious, jovial and straightforward man, represented northeast Baltimore's heavily Roman Catholic Third district for 20 years, in the current Council he has been vice president, the Schaefer administration's floor leader and chairman of the Budget and Finance Committee.

The councilman was admitted to the hospital eight days ago complaining of chest pains. He had been in and out of the hospital since May, 1976, when he suffered a heart attack during the City Hall shooting spree in which a gunman killed Councilman Dominic M. Leone (D., 6th) and wounded Councilman Carroll J. Fitzgerald (D., 3d) and two other persons.

Mr. Curran's death brought immediate eulogies from Mayor Schaefer and Walter S. Orlinsky, Council president.

Mayor Schaefer said Mr. Curran "was not only a dear friend to me, but a close and trusted confidant. But most of all, Joe Curran was a man for all the people . . . He was an effective voice not only for his constituents, but for all Baltimoreans, for the citizens of Baltimore were always closest to his heart."

"I will always remember Joe for his very elemental decency as a human being," Mr. Orlinsky said. "Somehow, he just always managed to hold onto that, no matter how involved the battle, no matter what the subject matter, no matter whether he was for or against an issue. He always remembered that he was dealing with human beings and always gave them that respect."

In the Council chambers, Mr. Curran occupied the front-row center seat, where he often leaned back in his chair, hands folded, to pivot and listen to other council members speaking from the floor.

If he disagreed with their views, or simply had something to say, he would peer over the top of his glasses, raise a hand to the president on the podium, rise to his full, bulky height and begin a long, elaborate explanation of the views of his "esteemed colleague."

That invariably was a clue that the colleague was about to be verbally ripped apart.

Mr. Curran entered politics in 1946 as a candidate for the Maryland House of Delegates at the urging of James J. Lacy, then state comptroller and an old school chum. He lost that election by 70 votes. The experience gave him the urge to compete politically.

He spent the next few years pumping hands and organizing votes as a ward heeler for a series of northeast Baltimore political politicians, then aligned with former Mayor Thomas J. D'Alesandro, Jr., and Hugo L. Ricciuti, a local lawyer.

The Third District United Democrats, an organization Mr. Curran helped to form, quickly became a major political power in the district.

Mr. Curran became popular—and retained that popularity—by politicking among his constituents and through civic interest and membership in several civic organizations. Although he thought of himself as a conservative, a label which surfaced annually during the Council's budget deliberations, he displayed liberalism and was well liked by the poor in his district.

He was elected to the city Democratic State Central Committee in 1950.

Three years later, Mayor D'Alesandro chose him to fill a City Council seat vacated by the death of Walter Dewces. Mr. Curran's nomination was apposed by Mr. Dewces's wife Mary, but the Mayor collected enough votes to select Mr. Curran, 15 to 3.

Mr. Curran lost the seat in 1959 as six new councilmen were elected and J. Harold Grady captured the mayor's seat. But Mr. Curran was re-elected in 1963, and he held his seat until his death.

The strength of Mr. Curran's political organization was constantly tested by the Gallagher-Coggins faction, which put Frank X. Gallagher in a City Council seat. But in 1970, the two men formed a loose alliance against a growing number of primary candidates and, after adding Mr. Fitzgerald to their ticket, won all three Council seats. That alliance became formal for the 1975 election.

As the Council's budget chairman, Mr. Curran was noted for his patience in explaining complex fiscal matters to the electorate at public hearings and his fiery insistence that city bureaucrats justify their constant requests for more money.

Over the years, he introduced such Council measures as the legal aid bill, a charter amendment limiting the fiscal autonomy of the city school system, pension raises for city employes and a tough sign-control law.

As he grew older, age sometimes appeared to make him tired. But when he returned to work last year after the City Hall shootings, he remarked, "Home is nice, but I'm not made for the rocking chair. I'm mighty glad to be back."

A native Baltimorean, Mr. Curran was a Loyla High School graduate and he attended Loyola College. He left school to work and support himsef land his two younger brothers.

He worked for years for insurance firms in Baltimore and Florida, then became manager of the St. Vincent DePaul Society Collections Bureau in Baltimore.

Mr. Curran was a member of the Friendly Sons of St. Patrick, the Holy Name Society and the Knights of Columbus. He also was a former director of the Northwood Association and the Govans Community Council.

Mr. Curran is survived by his wife, the former Catherine Clark, whom he married in 1930; three sons, State Senator J. Joseph Curran, Jr., Martin E., and Robert W. Curran, all of Baltimore; a daughter, Sister Mary Margaret, SSND, of Baltimore, and seven grandchildren.

Funeral arrangements are incomplete.

ON THE NEED TO RECOGNIZE THE POLISH LEGION OF AMERICA AS REPRESENTATIVES OF VETERANS CLAIMS

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. DODD. Mr. Speaker, today I am introducing legislation to recognize representatives of the Polish Legion of American Veterans as claims agents for claims arising under laws administered by the Veterans' Administration, in the same way as representatives of the Disabled American Veterans, the Veterans of Foreign Wars, the United Spanish War Veterans, the American National Red Cross, and the American Legion are recognized.

The Polish Legion of American Veterans is a growing veterans' organization which has been in existence since 1931 and currently has a membership of over 15,000 veterans. It has made tremendous contributions to this Nation's veterans, their widows and orphans.

The legislation that I and nine of my colleagues are introducing would provide another avenue for many of our veterans who need assistance in dealing with the Veterans' Administration. Through enactment of this legislation, representatives of the Polish Legion of American Veterans could go before the Board of Veterans Appeals for a member of the organization to present the veteran's case.

The veterans of this country are clearly deserving of every bit of assistance the Congress can provide to work through the bureaucracy of the Veterans' Administration. There has been a great deal of publicity over the last few years of the failure of the Veterans' Administration to adequately provide services to the veteran. This legislation which I have introduced would help fill this gap. I urge Members of Congress to support this important legislation.

The text of the legislation follows:

H.R. 4503

A bill to amend title 38 of the United States Code relating to the recognition of representatives of the Polish Legion of American Veterans as claims agents for claims arising under laws administered by the Veterans' Administration

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3402(a)(1) of title 38, United States Code, is amended by inserting "the Polish Legion of American Veterans of the United States of America," immediately after "the Veterans of Foreign Wars,".

ESTO PERPETUA: THE SIGMA PHI SOCIETY SESQUICENTENNIAL CELEBRATION

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. SEBELIUS. Mr. Speaker, flags are flying today over the U.S. Capitol in honor of the founding of the Sigma Phi Society 150 years ago at Union College in Schenectady, N.Y. This weekend brothers of the Sigma Phi from around the country are convening at the Hall of the Alpha of New York to celebrate the society's long record of friendship and the unique and enviable position it holds in the history of Greek letter fraternities. They will be joined in spirit by those brothers unable to attend.

Because of the reticence of the four founders of Sigma Phi and the necessary caution of a period when all secret societies were regarded with suspicion in New York State, the earliest stirrings of the society in 1826 are unchronicled and now unfortunately are beyond finding out. It is known only that in that year undergraduates of Union College recognized their need for a companionship more intimate than one comprising the college's entire student body and more general than one comprising only a few neighbors on the floor of the dormitory. Those four were Charles Thorn Cromwell, Thomas and John Bowie, and Thomas Witherspoon. Because their own friendship was warm and their spirits high and their youth radiant—they ranged from 18 to 22—these four decided to widen the circle which gave them pleasure and admit to it a select group of their fellow students.

Forthwith they chose six more of similar qualities of good mind and lofty character and cordial manners and then, presumably to make sure that their own brotherly ideal should have abiding form and guiding pattern, they determined to make of these 10 not merely a shortlived group of happy young fellows but a society dedicated to friendship. There were other ideals, suggested by the written record and by the founders' own lives in later years, but they were contributory to the stated ideal—friendship which should last through life. To that end, the four held a formal initiation ceremony in the college room which two of the company occupied that year, its very location unrecorded and now unknown. The dates of the preparatory discussions are lost too, but the date of the first initiation, March 4, 1827, is secure. That the founders wished it to be the society's remembered birthday was made evident one year later when they held on that now memorable day a celebrating anniversary banquet, brightened with toasts which are chronicled in the surviving archives.

The society having been formed, its mechanism, so far as it had any, adjusted itself automatically to its work. Very soon, lines of principle and conduct appeared, as if spontaneously, and determined its character; and from these there has been no departure. In this regard Sigma Phi has experienced neither loss nor accretion. It is unconscious of development.

At an early day it became manifest that the college life of such a society could be only its infant life; and the experience of 150 years has demonstrated this conclusion. In college its office has ever been to exercise a true guardianship. Afterward, it becomes, in the world, an unseen, unsuspected force, quiet, watchful, selfcontained. It lives and is felt in the turmoil of cities, in the quiet of village homes, and in the seclusion of country life. It "vaunteth not itself"; and yet sorrow and bereavement find it faithful. In moments of sudden and sharp disaster the response of its loving sympathy is instant, cordial, and unfailing.

Sigma Phi was not the first Greek letter fraternity. Phi Beta Kappa long preceded it, but with an aim wholly toward the fostering of scholarship. The first for more markedly fraternal purposes was Kappa Alpha, also founded at Union, but in 1825. Sigma Phi was soon followed by Delta Phi, and these three, by their pioneering, became known as the Union Triad, thus distinguished from several others which sprang from Union's fertile soil in later decades. But while the others remained for many years as Union College fixtures, Sigma Phi's flame soon spread outward.

Chapters were founded in Clinton, N.Y. at Hamilton College, 1831; in Williamstown, Mass., at Williams College, 1834–1964; in New York City at New York University, 1835–48; in Geneva, N.Y., at Hobart College, 1840; in Burlington, Vt., at the University of Vermont, 1845; in Princeton, N.J., at Princeton University, 1853–58; in Ann Arbor, Mich., at the University of Michigan, 1858; in Bethlehem, Pa., at Lehigh University, 1887; in Ithaca, N.Y., at Cornell University, 1890: in Madison, Wis., at the University of Wisconsin, 1908; in Berkeley, Calif., at the University of California, 1912, and in Charlottesville, Va., 1954.

Its conservative record as to expansion should not be deemed proof that the society is antagonistic to the establishment of a limited number of new chapters during the second century of its existence. But the requirements are high, the standards set in 1827 must and will be maintained.

Fortunate is a society like the Sigma Phi, whose traditions remain supreme, whose secrets are those of the heart inspired by the soul; whose brotherhood is so simple, so lofty, yet so democratic that it fears no change in the outward machinery of life, for its justification and its glory lie close to the center of man's being.

Few have worn its badge who have not retained its influence—not as a memory merely—but as a living force, sometimes dormant, but ever ready to waken to earnest activity.

LORD ACTON REVISITED, OR THE DEMOCRATS TRY THEIR HAND AT ETHICS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. HYDE. Mr. Speaker, I have seldom experienced such utter frustration as when I listened to nearly 8½ hours of debate over ethics reform.

It has been said that Dr. Johnson, in asserting that "patriotism is the last refuge of a scoundrel" never considered the possibilities of the word reform. Under the sacred mantle of reform the majority forced us all to take it or leave it by imposing a gag rule severely limiting the number of amendments to their lopsided package.

It was instructive to hear the gentleman from Missouri respond to our objections by calling this body a "Democratic Congress" in justification of refusal to let duty-elected members of the Republican Party have a hand in shaping this legislation's final form.

Well. it was surely a member of the majority party whose transgressions aroused the press and hence galvanized the majority into this so-called ethics reform, but it is of more than passing interest that not one line of this legislation touches upon the flagrant patronage abuses that created this flurry of sanctimony.

I was proud to serve on the House Republican Task Force on Reform. Our proposals, which we were prohibited from offering by the majority party, showed a sincere desire to effectively reform the House of Representatives, not just in the area of Members' personal finances, but primarily to provide accountability of taxpayers' funds with the elimination of the widescale abuses still evident in the system of House allowances.

The House Republican Task Force on Reform included a propsal for full accounting and public disclosure of the financial and personnel operations of the House of Representatives.

A review and audit procedure of all House and committee accounts is absolutely necessary. Every effort should be made to discover and correct abuses, with a review of all records, accounts and other information pertaining to the expenses of the House of Representatives reported to the 95th Congress at the earliest possible date.

Members were bribed into accepting the $5,000 increase in office allowances, in exchange for abolishing unofficial office accounts, which less than half of the Members maintained.

Title VI of the bill ought to receive the Heisman Trophy for outstanding hypocrisy. A specious distinction between earned and unearned income can only favor the wealthy Members who have investment income and unfairly penalize those Members who, as time allows, can earn some additional income.

Of course, I support a reasonable limitation on outside earned income, but the committee's figure of $8,625 makes no sense at all. For example, a Member who has substantial stock dividend income

from Rockwell International is "ethical," but a lawyer who practices in his hometown on weekends and earns $10,000 a year is "unethical."

The real vice of this artificial and unrealistic ceiling on earned income is that it deprives many Members of that indispensable ingredient for good government, independence. As one Member said in debate, he never wants to be in the position of having to get reelected to feed his family or pay the rent. The highest and best service a Member of Congress can perform is to vote his or her conscience on controversial legislation. Only a reasonable measure of financial independence can guarantee this political independence.

Total disclosure of any and all financial interests is the best answer, so the electorate can be informed about the possible conflicts of interests their elected officials might have.

The response to this given by the Democratic majority was in effect "what do the people know anyway."

Well, we Republicans trust the people a lot more than the elitists who, by their "gag rule" and stampeding tactics have given us the "sheep's clothing of reform," with the wolf of arrogant patronage and power abuse still prowling this Hill.

For 44 of the last 46 years the Democratic Party has ruled Congress. It is presumptious to try and improve on Lord Acton, but if "power corrupts and absolute power corrupts absolutely," then I suggest "permanent absolute power corrupts permanently."

INTERNATIONAL TERRORISM

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. GILMAN. Mr. Speaker, on January 19, 1977, I introduced House Concurrent Resolution 72, urging the President to take certain measures against countries supporting international terrorism and persons engaging in international terrorism, and to seek stronger international sanctions against such countries and persons. The need for this legislation is acute, in light of recent terrorist activities, and in light of the fear that international terrorists instill throughout the world.

After I introduced this legislation, some of my colleagues indicated their interest in this legislation and I am reintroducing this measure which is cosponsored by 40 Members of the House.

LIST OF COSPONSORS OF CONCURRENT RESOLUTION 72

Mr. Addabbo of New York.
Mr. Baucus of Montana.
Mr. Blanchard of Michigan.
Mr. Bonior of Michigan.
Mr. Buchanan of Alabama.
Mr. Burgener of California.
Mr. Burke of Florida.
Mr. Butler of Virginia.
Mr. Cohen of Maine.
Mr. Collins of Texas.
Mr. Corrada of Puerto Rico.
Mr. Derwinski of Illinois.
Mr. Edwards of California.
Mrs. Fenwick of New Jersey.
Mr. Fish of New York.
Mr. Glickman of Kansas.
Mr. Gradison of Ohio.
Mr. Hollenbeck of New Jersey.
Mr. Horton of New York.
Mr. Hughes of New Jersey.
Mr. Lagomarsino of California.
Mr. Lehman of Florida.
Mr. Levitas of Georgia.
Mr. Long of Maryland.
Mr. Markey of Massachusetts.
Mr. Mazzoli of Kentucky.
Mr. McHugh of New York.
Ms. Mikulski of Maryland.
Mr. Moakley of Massachusetts.
Mr. Neal of North Carolina.
Mr. Ottinger of New York.
Mr. Pepper of Florida.
Mr. Roe of New Jersey.
Mr. Rosenthal of New York.
Mr. Scheuer of New York.
Mr. Solarz of New York.
Mrs. Spellman of Maryland.
Mr. Waxman of California.
Mr. Whitehurst of Virginia.
Mr. Zeferetti of New York.

CAMBODIA: THE MURDER OF A GENTLE LAND

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. KEMP. Mr. Speaker, over the past several days I have read into the RECORD excerpts from an article in the current issue of Readers Digest, entitled "Murder of a Gentle Land." This article is by John Barron and Anthony Paul, with research associates Katharine Clark and Ursula Naccache. It relates what has happened in Cambodia since its fall to the Communists in April of 1975. The first part can be found in the RECORD of March 2, at pages 5986–5988; the second in the RECORD of March 3 at pages 6277–6279.

The concluding part of this article is as follows:

STARVATION DIET

The Wheel of History, Angka Loeu's missionaries habitually warned, would grind down anyone who disobeyed or flagged. References to the mystical Wheel of History were endlessly repeated. A student recalls: "The words induced us to think of a huge roller with unimaginable weight behind us all the time, and ready to crush any one of us into powder should we happen to slow down for any reason."

There were strictures against all things foreign, against music and dance, against sex, against traditional family relationships. Parents might "request" a certain form of behavior, but their children were free to disregard the request. And children were singled out for the most intensive brainwashing. In the village of Khna Sar, university student Ung Sok Choeu observed: "The only subjects being taught were revolutionary thinking and the aims of the Khmer Rouge struggle, and how to detect the enemies of both. As a result, all the children turned into little spies, reporting everything that was said at home."

In Ampil Pram Daum, the children's reports led to numerous Kosangs. Some children derived a heady sense of power from the knowledge that they could place the life of any elder in jeopardy. In time, the mere sight of them made Ngy afraid.

During the first six to eight weeks after evacuation of the cities, Angka Loeu generally succeeded in distributing a ration of about nine ounces of rice daily to each person. But by midsummer many villagers were receiving only half a milk can of rice, insufficient to sustain life. Epidemics of malaria, cholera and typhoid spread. Approximately 1,000 people inhabited the New Village of Ta Orng; about 200 died in June. Sambok Ork contained 540 people when organized in late April; in July and August, two to five died daily, according to philosophy professor Phal Oudam, who was drafted to file biweekly reports of deaths to Angka Loeu. Out of roughly 800 inhabitants in Phum Svay Sar, about 150 died in the summer.

By September, Ngy and the people of Ampil Pram Daum had stripped the jungles of crabs, snails, bamboo shoots, bindweed and all else edible. People looked like skeletons draped with a thin, sickly cover of skin. Of the original 215 in Ngy's group, about 15 percent had died and only ten were strong enough to do their jobs. Ten men had been executed. Three were former soldiers who upon arrival had naively told Comrade Mon the truth about their past. One morning, a communist squad appeared in the field and escorted them into the forest, where Ngy later saw their bullet-punctured bodies. Children spies overheard two police inspectors discussing their former work. Both men were clubbed to death with hoes.

On September 14, the village committee ordered Ngy to patrol the area in the evening after the workday ended. He pleaded that he was so weak he could barely work during the day. A few hours later, *Angka Loeu* gave him his second *Kosang*. Comrade Mon shouted, "Stop going against the Wheel of History. Stop refusing orders given by *Angka Loeu*. There is no reason why you cannot do night duty."

Before Ngy's work group departed for the fields the next morning, a committee member casually mentioned that soldiers would accompany them. Ngy instantly knew what their presence meant. He sneaked back to his hut, put some valuables in his money belt and slipped his flute into his trousers. Then, kneeling before his mother and putting her feet on his head for the traditional Khmer benediction, he stole into the forest.

Through the deathly summer of 1975, the serfs of the New Villages looked to the fall harvest for some relief from their misery. But in the autumn, *Angka Loeu* once more convulsed the population by instituting another great migration. More than half a million people suddenly were lifted out of settlements they had built in the south, and scattered anew to start all over again in the north and northwest.

Among those swept away were Ang, the winsome pharmaceutical student from Phnom Penh, her sister Anna, and their two brothers, Kim and Tam. After 30 hellish hours first in Chinese trucks, then in suffocating freight cars, they staggered off a train in Sisophon. Seeing that the two brothers were so sick they scarcely could stand, an *Angka* functionary unexpectedly took pity on them and all four wound up in Zone 5 Hospital.

The hospital, established in an old brick schoolbuilding, was filthy. Serum was stored in open soft-drink bottles and a liquid potion was kept in used penicillin bottles and given to all patients, no matter what their malady. Most of the "doctors" and other personnel were illiterate. They made no effort to diagnose the ills of individual patients, treating all with the same mishmash of pills, herb medicine and serum.

Kim knew he was dying. Toward the end, he could only stare vacantly at his sisters and faintly squeeze their hands. When he died, his body was dumped into a cart along with the other dead of the day and, as Ang and Anna watched, trundled away toward a communal burial pit.

Three days later, the sisters left the hospital hoping to catch a fish for Tam in the

river. They returned to find his bed empty. "Oh, he's dead," said an attendant. "We've already buried him."

In November, the sisters attempted to escape to Thailand in the company of a bandit. Her foot cut by barbed thorns, her reserves gone, Ang repeatedly fell and, upon ascending a barren mountain, could walk no farther. "If I stay with you, we must all die," the bandit said.

Forcing her tearful sister to go on with the bandit, Ang lapsed into deep sleep. When she awoke she felt stronger, and began wandering westward, satisfying her thirst by licking dew from the foliage. On the ninth morning, she awoke by a cow trail near a village, and, when two men passed, decided to take a chance.

She ran out, grabbed the older man by the hand and said, "I've just escaped from Cambodia!" Both men were startled by the bedraggled forlorn figure standing before them. "Is she human?" the younger man asked. He spoke in Thai. She was free.

In a refugee camp, Ang heard that the bandit escorting Anna had stepped on a mine near the border. Badly hurt, he managed to crawl into Thailand. Behind he left the body of a young woman dismembered by the explosion.

THE HUNTED

Nothing so provoked the wrath and cruelty of *Angka Loeu* as an escape attempt. Escapees seldom received any quarter.

Once triumphant, *Angka Loeu* began sealing off the entire border with Thailand—a 449-mile frontier that curves through mountains and jungles, across rivers. Villages and settlements were evacuated to create a no-man's-land about three miles wide all along the border. The crossings, their approaches and jungle trails were seeded with mines and boobytraps.

Phal Oudam, the philosophy professor, slipped out of the disease-ridden village of Sambok Ork on the evening of September 4, 1975. With five other men, he headed into the jungle toward Thailand. They had walked along a trail perhaps an hour when a boobytrap exploded underfoot, injuring four of them.

Phal climbed a tree. At dawn he looked down on a grisly scene. "I could see countless groups of bodies, five, ten yards apart, the corpses piled on top of each other. Later as I picked my way along the track, I saw more: some swollen bodies; some only skeletons. Groups of 5, 20, 3, 2. The Khmer Rouge would put two sticks in the ground, then tie a string between them to the grenades' firing pins. If you walked carefully, you could see the traps, but at night it was impossible."

Throughout the border region, *Angka Loeu* patrols roamed the jungles and mountains hunting escapees. Keo Kim Taun, a former government soldier, was one of 37 people who tried to escape from the village of Soeur. A patrol spotted them cooking rice in a jungle clearing and opened fire with AK-47 machine guns, killing 21, the youngest of whom was five years old. Keo and the other 15 survivors reached Thailand 12 days later. En route, they saw innumerable corpses of people slaughtered by such patrols.

Abdul Hadji Mohammad, who was one of the few to escape the persecution of Muslims, remembers: "We walked for ten nights, moving only when it was dark. All along the way, the jungle smelled of rotting corpses; we could not get away from that smell."

Ouk Phon, who escaped from Phum To Tea in the Samrong district, reports: "In one spot I saw about 50 corpses tied together with rope, and elsewhere, under a tree, the skeleton of a child, its hands still tied. On the way to the border, I suppose I passed 500 bodies. Some paths were so thick with skeletons the bones could cut my feet."

Yet despite all the dangers, the will to be free of Angka Loeu was so inextinguishable that each month thousands tried to escape. Although the first waves contained a disproportionate number of students, intellectuals, formerly prosperous tradesmen, civil servants and military personnel, by autumn of 1975, as British journalist Jon Swain put it, the overwhelming proportion was made up of "humble country folk, recognizable by the heavy tattooing of their bodies, dark skins and coarse hands and feet—the people one would think best suited for the rigors of peasant revolution."

Ngy Duch, who, back in Pailin—long ago, it now seemed—had welcomed the peace with melodies from his flute, made it, too, and was taken to a refugee camp in Thailand. "At the camp, the only thing I had left was my flute," he remembers. "I played it every day, and all the unfortunate Khmers listened and dreamed of the country they had lost."

A NEW DARK AGE

By 1976, Angka Loeu's domination of Cambodia was beyond challenge. The population, socially atomized and physically enfeebled, was utterly at the mercy of its new masters. And the New Villages, hewn from the wilderness, were, in their fashion, functioning. The December rice crop, described by the communists as "not a bumper one but sufficient for self-supply," had been harvested. Now Angka Loeu seemingly could afford to stabilize the country and ameliorate the deathly rigors. But that was not to be.

In October 1975, monitors abroad listened as the communist commander in Sisophon received radio orders to prepare for the extermination, after the harvest, of all former government soldiers and civil servants, regardless of rank, and their families. Soon word spread among the communist soldiers that teachers, village chiefs and students were to be included in the toll.

The killing began during early 1976. Before, the organized slaughter largely had been confined to officers and senior civil servants. Now the lowliest private, the most humble civil servant, the most innocent teacher, even foresters and pubic health officials, became prey.

Father François Ponchud, a French authority on Cambodia, reports that on January 26, a communist official in the Mongkol Borei district declared: "Prisoners of war [people expelled from the cities and villages controlled by the Lon Nol government on April 17] are no longer needed, and local chiefs are free to dispose of them as they please." And after that, the killing rose steadily as Angka Loeu strove to obliterate every human trace of the old government by the first anniversary of its victory.

Ponchaud lived in Cambodia from 1965 to 1975, studying Buddhism and Cambodia, and becoming one of the foremost religious writers in the Khmer language. His calculations are unlikely to be biased by political considerations. After interviewing Cambodian refugees given asylum in France and studying the daily broadcasts of Radio Phnom Penh, Ponchaud concluded that between April 1975 and February 1976, at least 800,000 Cambodians died as a consequence of famine, disease and execution. Last summer, after one month in Thailand eliciting fresh data from refugees, he concluded that his earlier evaluation was now "far below reality."

The authors, on the basis of their interviews, estimate that, at minimum, 1.2 million men, women and children died in Cambodia between April 17, 1975, and December 1976 as a consequence of the actions of Angka Loeu.

If any question remains, listen to Angka Loeu leader Khieu Samphan. As Cambodian chief of state, Khieu attended the Colombo conference of non-aligned nations last August and, while there, was interviewed by the Italian weekly magazine Famiglia Cristiana: "In five years of warfare more than one million Cambodians died. The current population of Cambodia is five million. Before the war the population numbered seven million."

The interviewer asked: "What happened to the remaining one million?"

"It's incredible," Khieu replied, "how concerned you Westerners are about war criminals."

After the desolation of the cities, the early massacres and in the midst of the first famine, one of the Angka Loeu bosses, Ieng Sary, flew to a special session of the United Nations General Assembly. He left behind a country without universities, commerce, art, music, literature, science or hope. As one young refugee said, "There is no love anywhere."

Upon landing in New York, Ieng Sary boasted, "The towns have been cleaned." And when he appeared at the United Nations, delegates from around the world applauded.

Otherwise, the world largely has remained silent. No outraged students protest on campuses. There is no great outcry in Congress. No one demonstrates on Pennsylvania Avenue, the Champs Elysées or Trafalgar Square about what "peace" has brought to Cambodia.

And in the jungles, in the thousands of New Villages, under the guns of Angka Loeu, the Cambodians each evening try to sleep, knowing that the next day will be as dark as the night that has enveloped them.

TROUBLE IN FEDERALLY SUPPORTED RETIREMENT PENSIONS AND THE GROWTH OF THE FEDERAL CONTINGENT LIABILITY

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. VANIK. Mr. Speaker, in examining the Treasury Department's recent report to the Congress on the contingent liability of the Federal Government, I am deeply concerned over the continued, growing deficit of federally run and sponsored retirement systems. Between the end of fiscal year 1972 and fiscal year 1976, the actuarial deficit—the amount which will have to be paid out in benefits versus the amount which will be collected in contributions and taxes to the pension funds—for these 14 pension and retirement funds increased from $251 billion to $4,638 billion. In 1 year, between fiscal year 1975 and fiscal year 1976, the deficit increased from $2.6 trillion to $4.6 trillion. Of course, the major portion of this increase comes from the Social Security Administration's retirement and disability funds. It is estimated that about 50 percent of the deficit in these funds can be eliminated by a fairly easy correction of the law.

Nevertheless, this incredible growth in pension liabilities must be corrected. We are promising more for the future than we are today planning to pay for those promises. In time, the piper must be paid. We must begin, now, to examine the reasons for these continuing, incredible increases in pension costs and take steps to limit our promises to what we or our children will be willing to pay.

The data from the Department of the Treasury is as follows:

Agency and program	Actuarial deficiency (−) or surplus (+) (in millions) As of June 30, 1972	As of June 30, 1975	As of Sept. 30, 1976
Department of Commerce: National Oceanic and Atmospheric Administration: Retired pay, commissioned officers	−$25	−$26	−$27
Department of Defense: Retired pay	−126, 385	−169, 228	−170, 000
Panama Canal Company and Canal Zone Government: Retired benefits to certain former employees	NA	0	0
Department of Health, Education, and Welfare: Social Security Administration: Federal old-age and survivors insurance trust fund	136, 017	−1, 495, 000	−3, 073, 000
Federal disability insurance trust fund	4, 234	−605, 000	−1, 104, 000
Federal hospital insurance trust fund	12, 671	−12, 586	−115, 144
Department of Labor: Federal Employees' Compensation Act	−936	−1, 899	−6, 397
Pension Benefit Guaranty Corp.	NA	NA	NA
Department of State: Foreign service retirement and disability fund	−539	−930	−1, 067
Veterans' Administration: Compensation and pension funds	−214, 556	−201, 112	−53, 864
Veterans insurance and indemnities	−594	−318	−41
Civil Service Commission: Civil service retirement and disability fund	−63, 481	−97, 234	−107, 000
Railroad Retirement Board: Railroad Retirement System	2, 135	−9, 822	−8, 205
Tennessee Valley Authority: Retirement System: Fixed benefit fund	−92	−93	69

In addition, there has been an equally serious "explosion" in the growth of contingent liabilities.

Contingent liability includes guarantees, insurance programs, et cetera. The total contingent liability is the amount for which the taxpayer would be liable if all of these guarantees and insurance demands "came due." Short of all-out nuclear war, it is obvious that most of these liabilities will never have to be covered by the Treasury and the taxpayer. Nevertheless, some of these programs—such as the guaranteed student loan program—have a relatively high rate of default, and it is reasonable to assume that some portion of the liability may have to be paid. Nevertheless, there appear to be absolutely no controls or review over the growth of this contingent liability.

From data supplied to the Ways and Means Committee over a period of years, I found that the contingent liability of the United States as of June 30, 1971, was $933.4 billion.

Five years later, on September 30, 1976—the end of fiscal 1976—the contingent liability had grown to $1,872 billion, an increase of a little over 100 percent in 5 years. Within that figure, insurance commitments—for items such as FHA mortgages, Price Anderson nuclear indemnity programs, and so forth—increased from $773 billion at the end of fiscal year 1971 to $1,629 billion by the end of fiscal year 1976.

If only 1 percent of these guarantee and insurance commitments "come due," the taxpayer will be faced with a bill of $17 billion. If 5 percent "came due"—as well might happen with a serious natural disaster—then the Treasury would be presented with a bill for $85 billion.

Many activities would not be undertaken without these insurances and guarantees. They constitute part of the activities of the Federal Government, and they ought to be subject to budget reviews and controls.

The present budget is only part of the iceberg. It is more than the tip, but it is far less than the whole. Only if the public and the Congress understand the full range of Federal activities can we intelligently debate the role and future of the Federal Government in our economy and society.

If the American people and the Congress are to be fully informed on the status of the public debt, contingent liabilities must also be included as part of the debt report. I therefore propose that the congressional budget estimate include a full recapitulation of the total contingent debt liability and that a reserve be developed for the payment of at least 1 percent of the contingent liability.

In addition, in the area of loan guarantees, on November 10, the Economic Stabilization Subcommittee of the House Banking and Currency Committee—Representative WILLIAM MOORHEAD, chairman—the Tax Expenditures Task Force of the House Budget Committee—Representative SAM GIBBONS, chairman—and the Ways and Means Committee's Oversight Subcommittee held a joint hearing on the growth of credit under federally insured and guaranteed loan programs.

The hearing developed the information that the current level of outstanding guaranteed loans is $212 billion, and, according to Treasury Assistant Secretary Robert Gerard, this figure may double within the next 5 years, placing continuing strains upon the Nation's credit markets.

We are currently drafting legislation which would help place some controls and review on the phenomenal growth of these loan guarantees.

CASIMIR PULASKI

HON. RAYMOND F. LEDERER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. LEDERER. Mr. Speaker, Casimir Pulaski, outstanding Polish statesman, military hero, and patriot is one of the few men in history who fought and gave his life for liberty and free government on two continents. When his beloved Poland fell under the heel of an aggressor and the time was not opportune to throw off the shackles, Pulaski went to France. Through Ben Franklin, he contacted Gen. George Washington and volunteered for service in the cause of the American Colonies.

He first distinguished himself at the Battle of Brandywine, and then in subsequent encounters with the enemy, he continued to demonstrate exceptional bravery and superb leadership under the stress of fire. Casimir Pulaski fought at Washington's side, first as a brigadier general in command of the Revolutionary calvary and later as founder and leader of the famous Pulaski Legion. He died gallantly in the American cause at the Battle of Savannah, Ga., on October 11, 1779.

Two hundred and twenty-nine years have passed since the birth of this great patriot of the American Revolution. Today, the nation of General Pulaski's father is in the throes of deep trouble and desolution. It is one of the satellite nations under the control of Russia. Today the millions of Polish-American citizens continue to hold high the torch of freedom. If we are to pay loyal tribute to the memory of Pulaski today, we should dedicate ourselves to the preservation of the freedom for which he fought and died. All Americans owe Pulaski a great debt, a debt we can repay by helping Poland in her desperation today. Just as General Pulaski made a tremendous contribution to the freedom of America so let us resolve to strive toward the liberation of Poland.

BERLINERS GIVE LARGE GIFT OF FRIENDSHIP TO VICTIMS OF WEATHER IN THE UNITED STATES

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. BENNETT. Mr. Speaker, sometimes a newspaper article comes to attention that seems to cry out for more exposure than it has received. The following Associated Press dispatch from Berlin is just such a case. We all should be working for the brotherhood of mankind; and these fine people in Berlin have given a prime example of that in their concern for needy Americans who suffered from the extreme weather of this winter. All America is grateful for this. It brings the brotherhood of mankind a bit more toward reality.

BERLINERS GIVE $575,000 TO UNITED STATES

BERLIN, March 2.—The West Berlin drive to help American victims of this winter's bitter cold netted $575,000 in February, President Peter Lorenz of the City Assembly announced today.

Lorenz, who launched the campaign Feb. 1, presented a symbolic check for the amount to the U.S. commandant in Berlin, Maj. Gen. Joseph C. McDonough. Lorenz said the West German Red Cross had already delivered the money to the American Red Cross.

Lorenz, who said further donations could still be made, emphasized that most of the contributions were small, and few came from the rich or large firms. He said the fund drive was an expression of thanks for what America did to help West Berlin's 2 million people after World War II.

The money will be spent "for those most severely affected by the disaster, particularly orphans and old people," the assembly president said.

ENERGY SHORTAGE

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. YOUNG of Alaska. Mr. Speaker, how much evidence does our Federal Government need to prove that a legitimate energy shortage of critical proportions exists in this country and that action must be taken and taken soon to remedy this dire emergency? In recent months, we have imported more than 50 percent of our crude oil and we have seen more than 1 million American workers idled by our shortage of natural gas. Yet the response of the Federal Government has generally been inaction, a call for further studies, and the proposal of legislation that would reduce our prospects for achieving energy independence by forever prohibiting development of some of our Nation's greatest energy reserves.

Let me cite a few examples of our inability to grasp the seriousness of our energy shortage. In recent weeks, we have witnessed the suspension of a major nuclear plant already in construction in New England by EPA's reversal of its initial approval, the introduction of H.R. 39 by Congressman UDALL which will forever deny the Nation access to most of the vast energy and mineral resources contained in the State of Alaska, and the commencement by the Department of Interior of a probe dealing with the natural gas shortage that may take as much as 8 months and involve as many as 1,000 people.

Today I would like to focus on our misplaced emphasis on unneeded and repetitive studies which almost inevitably replace decisive action as the Government's response to serious problems. The energy problems that this country possesses have been well-known to experts and many laymen both inside and outside the Government for a long time. The Government itself has studied and studied our energy problems, issued reports, and generally ignored its own findings.

One particular report dealing with energy shortages deserves to be brought to the attention of our Nation once again. Several years ago, former Alaska Gov. Walter J. Hickel was appointed Secretary of Interior. Governor Hickel is a man of tremendous insight, great perceptions, and a profound understanding of the truly important problems facing our country. While serving as Secretary of Interior, Governor Hickel put together a blue-ribbon panel of energy specialists who were assigned the task of reporting to him and to the Nation about the status of our energy problems and the most practical solutions for resolving those problems. The panel to which I refer was entitled the "Advisory Committee on Energy to the Secretary of Interior". It was composed of Dr. John J. McKetta, Jr., chariman, of the University of Texas; Willis A. Strauss, vice chairman, of Northern Natural Gas Co.; Thomas M. Lydon, vice president of Peabody Coal Co.; William F. Kieschnick, Jr., vice president of Atlantic Richfield; James F. Sorensen, a consulting engineer from Visalia, Calif.; Dr. Richard Gonzales, a consulting economist from Houston, Tex.; Dr. Michael T. Halbouty, a consulting geologist and petroleum engineer also from Houston, Tex.; and Francis P. Cotter, vice president of Westinghouse Electric Corp. in Washington, D.C.

On June 30, 1971—almost 6 years ago and more than 2 years prior to the oil embargo—this panel issued its report to the Secretary of Interior. This study is one of the most revealing documents covering our energy dilemma that I have read. No only did it forecast and pinpoint the problems that we are wrestling with today, but it recommended solutions that are still, fully 6 years later, under active consideration but not yet adopted. This report is a perfect example of our Government's fondness for commissioning high-quality studies and then ignoring the findings and solutions put forth in such studies.

I would like to extract a few quotations from the Hickel report to demonstrate both its quality, accuracy, and the warning signals it should have provided to all of us:

1. "Pressures of foreign demand and recent actions of foreign energy-producing countries are bringing to an end the abundant and cheap energy supplies from foreign sources." (Page 1.)

2. "The risks of interruption of supplies delivered from overseas must also be taken into account in comparing the long-run cost of energy from domestic and foreign sources." (Page 1.)

3. "The nation now faces the prospect of serious and costly shortages of energy in the near future. Only prompt measures taken to encourage expansion of secure supplies at a rate in keeping with the requirements of our economy can minimize energy shortages that will adversely affect consumers and the nation." (Page 2.)

4. "Because the complexity of energy problems in terms of technology, economics, and environment require coordinated, analytical examinations on a continuing basis, primary governmental responsibility for analysis of energy policies should be placed in the hands of one entity knowledgeable about all energy problems." (Page 4.)

I have requested that the body of this insightful 1971 study be printed in the CONGRESSIONAL RECORD at the close of these remarks. I hope that it is read and heeded for the message it contains. Once again, that message is that we have studied the energy problems we continue to face, we have adequate and practical solutions before us, and now we must act in a coordinated, organized, and decisive fashion to insure that today's energy shortages will be ameliorated and perhaps eliminated by increased domestic exploration, devolopment, and production coupled with sensible conservation initiatives.

The report follows:

REPORT TO THE SECRETARY OF THE INTERIOR OF THE ADVISORY COMMITTEE ON ENERGY, JUNE 30, 1971

U.S. ENERGY—A GENERAL VIEW

Preface

Inanimate energy has been and continues to be of major importance for economic progress and welfare. The average citizen in the United States enjoys much higher standards of living than earlier generations and than most people in other countries because the equivalent of hundreds of low-cost energy servants are working to increase his productivity and to make his life more pleasant.

Consumers, investors, and the government share a common interest in abundant, assured, and attractively priced supplies of energy required for full employment and continued economic and social progress. They also share common concerns about the quality of environment, particularly in the large metropolitan areas where the majority of the population now resides and works.

Pollution has been the by-product of past pressures to meet consumer demands for abundant energy at the lowest possible cost. But we have learned that the nation need not forego a high-energy society in order to achieve a healthy, enjoyable environment. American technology is equal to the task of reducing pollution from energy to acceptable levels. Indeed, more, rather than less, energy will be needed to fight pollution through new transportation and industrial operations as well as recycling devices to clean air and water.

The alternatives are a reduction in employment, in comfort, and in living standards generally. Public reaction to the limited shortages of electricity and natural gas show that this alternative is not acceptable. The nation must now face choices among different goals and decide what the public can and should pay for a better environment within the limits of providing full employment and rising standards of living to reduce poverty.

Fortunately, a prosperous society can afford to devote substantive sums to reduction of pollution within the limits of benefits exceeding costs. The real problem will arise in defining the desirable balance between economic and environmental goals and devising policies to bring about realization of various desirable economic, social, and environmental objectives.

As the representative of the public, government has a major responsibility for promoting intelligent solutions to these problems. The task will be difficult and involve some trial and error, but it must be dealt with promptly. In the absence of clearly defined solutions, neither consumers nor investors will be in a position to make economically sound decisions with respect to facilities to use and produce various forms of energy. Unnecessary uncertainties which will be expensive to many individuals and to the nation should be avoided by a clear definition of national energy policies that will serve the public well now and for the long-run.

The government and the public must have a good understanding of the position and problems that the nation faces with respect to energy. This report concentrates on providing information useful for that purpose.

I. Position

1. The U.S. enjoys greater production of energy now than ever before. The past decade energy demands have grown more rapidly than output or productive capacity.

2. With less than 6 percent of world population, the U.S. now uses about 33 percent

of world energy, or about eight times as much energy per capita as the rest of the world. That difference explains our much higher standard of living, for energy makes us more productive, and also adds to our comfort and enjoyment of life.

3. The rapid increase in demands for energy exerts sharp upward pressures in prices, as evident from developments in the United States and abroad during the past year. Pressures of foreign demands and recent actions of foreign energy-producing countries are bringing to an end the abundant and cheap energy supplies from foreign sources.

Those developments are likely to limit the amount of foreign energy available for use in the United States and make that energy as expensive as domestic supplies. In addition, risks of interruption of supplies delivered from overseas must also be taken into account in comparing the long-run cost of energy from domestic and foreign sources.

4. For the past decade, U.S. energy consumption has increased at a rate of 4.4 percent a year, a rate which would result in a doubling of use in sixteen years. While the rate of growth of demand may decrease, the United States will surely need more energy than it uses now for several decades to come if adequate and secure supplies can be secured. The risks and costs to the nation resulting from errors with respect to future demands are greater from underestimating.

5. Historically, the Federal Government has not considered coordinated national energy policies necessary because the United States has enjoyed a fortunate position in energy. Until recently, energy supplies have been abundant and cheap, with declining real prices measured in dollars of constant purchasing power. Interfuel competition modified only by state conservation regulations to prevent waste and to protect the interests of small operators served consumers well for decades as the nation shifted from reliance primarily on coal to oil and gas. For 1970, the total U.S. energy consumption was supplied 43.5 percent by oil, 32.5 percent by gas, 20 percent by coal, and 4 percent by hydro and nuclear power. Oil and gas are joint products of petroleum producing operations, and U.S. wells supply more energy in the form of wet natural gas, including liquids extracted from it, than in the form of crude oil, a matter of environmental significance because gas is an ideal fuel for low pollution.

6. The United States is a large net importer of liquid fuels (23 percent of consumption in 1970 was met by imports and the figure would have been higher but for the disruption of international oil movements which caused crude oil imports to be lower than in 1969). It exports coal, principally for metallurgical use under long-term contracts.

7. About 25 percent of the total energy consumed in the United States is used in transportation. The rest is used in industry and homes. Liquid fuels have an advantage in cost and convenience of use for transportation purposes. For most other purposes a variety of fuels can be used. Therefore availability and cost of one form of energy necessarily affects other forms of energy.

8. Consumers have invested billions of dollars in appliances and equipment requiring energy for their use and enjoyment. The use and satisfaction that can be derived from those investments by all citizens depends on assured supplies of energy at all times.

II. Problems

1. The nation now faces the prospect of serious and costly shortages of energy in the near future. Only prompt measures taken to encourage expansion of secure supplies at a rate in keeping with the requirements of our economy can minimize energy shortages that will adversely affect consumers and the nation.

2. There have been a number of developments that have worked to discourage expansion of new investments to develop new energy supplies. This in spite of the fact that it was becoming apparent that governmental policies should be encouraging expansion. These developments include (1) Federal regulation of the price of natural gas at artificially low levels which caused demand to exceed supply; (2) added taxes on petroleum imposed by the Tax Reform Act of 1969; (3) the effect of the Federal Mine Health and Safety Act on the cost and availability of coal; (4) uncertainty as to import policies dealing with energy which affect coal as well as oil and gas; (5) delay in the leasing of Federal acreage on the Continental Shelf; (6) indecision as to Federal policy with respect to leasing of shale lands for extraction of oil and gas; (7) attacks on price increases for energy even though the increases still left real prices of fuels lower than a decade ago; (8) uncertainty as to the effect of changing environmental standards on the long-run value of prompt investments designed to improve the quality of air and water; (9) the delay and prospect of further delay in bringing oil from the North Slope into the U.S. economy; and (10) construction delays and licensing problems of nuclear plants and hydroelectric plants. All of these developments combined to discourage needed expansion of new investments for additional capacity to produce energy.

3. The lack of recognition of the long lead time of five to ten years for any major expansion of capacity for any forms of energy poses serious difficulty. Ordinarily, economic adjustments for many industries are viewed in terms of one year for the short-run and five years for the long-run, but for energy production, the short-run is five years and the long-run is 15–25 years. This long lead time emphasizes the importance of prompt and timely actions designed to assure consumers and the nation of a balance between energy demand and supply.

4. The needed reduction of the undesirable side effects of the use of energy on the quality of air and water presents a major problem. While the way in which energy has been produced and used in the past under pressures to meet demands of consumers at the lowest possible prices contributed to pollution, the nation need not forego the benefits of a high-energy society in order to achieve a healthy, enjoyable environment.

Undesirable emissions from fuel combustion in industrial operations and automobiles can be reduced sharply at reasonable cost provided that environmental regulations take into account the years required for an efficient transition to new standards. In fact, the quality of air in many cities, such as Pittsburgh and St. Louis, has been improved greatly by use of cleaner fuels and by installation of equipment to reduce the emission of particulates.

Protection of the interests of consumers and the nation requires that environmental regulations take into account their impact on the availability and cost of energy. Otherwise, the public may discover too late that the cost of taking some remedial measures may be unreasonable in terms of the additional benefits. The choice is not between energy and a better environment, but how to achieve a good environment at reasonable cost without adverse consequences for living standards and the national welfare.

5. Energy is needed to help reduce poverty and improve living standards for millions in America and billions throughout the world. But the production of this energy in adequate amounts and reliable form places a continuing stress on the environment.

6. The joint nature of exploration and development of oil and gas requires careful analysis in view of the value of domestic supplies of natural gas in reducing air pollution. Energy supplied in the form of wet gas from domestic wells exceeds that supplied as crude oil. Therefore, the proper comparison of domestic and foreign supplies is not of crude oil alone, but of the combined cost of imported crude oil and liquefied natural gas with domestic crude oil and natural gas.

III. Outlook

1. The U.S. has sufficient potential energy resources from most sources to rely on continuing expansion of production as required to meet growing needs and to remain largely self-sufficient in energy provided it chooses to do so and follows policies designed to achieve that objective.

2. To meet the needs of the nation for progress toward solution of economic, social, and environmental problems, it will be necessary to provide ample supplies of energy from conventional fuels and new sources of energy when needed by consumers. Nuclear power is already well on the way to becoming an important source of energy which can be utilized in a manner consistent with a good environment. Synthetic fuels from coal, oil shale and tar sands can be a significant source of liquid and gas hydrocarbon in the 1980's. Geothermal power, new techniques for effective use of solar power and better methods for generating electricity may also, in time, make some contribution to energy supplies. It should be noted, however, that these new fuels will come into use only gradually as a means of meeting part of the additional requirements and not to the extent that major displacement of the fossil fuels as chief energy sources would be immiment. It appears that we will need more fossil fuels plus all the energy that can be expected economically from new sources in order to meet total needs for energy in the next 10–15 years. Unfortunately, there are no easy panaceas for securing most supplies of energy in desirable forms at low cost without unwanted side effects.

3. Because of past mistakes in governmental energy policies and the long lead time required for major expansion in capacity, the U.S. cannot escape some shortages of energy, as is now the case in the shortages in supplies of natural gas. Electric power shortages may also occur in some cases due to delays in expansion of capacity or to inability to secure enough supplies of fuels for various reasons, including machinery delivery delays, strikes or inadequacy of facilities for delivering available fuels.

IV. Recommendations

1. The interrelation of all forms of energy means that effective U.S. energy policies must be formulated broadly and on a long-run basis in order that consumers and investors may make intelligent decisions about the use and production of various competing fuels.

2. Because the complexity of energy problems in terms of technology, economics, and environment requires a coordinated, analytical examination on a continuing basis, primary governmental responsibility for analysis of energy policies should be placed in the hands of one entity knowledgeable about all energy problems, such as the proposed Department of Natural Resources.

3. Policy with respect to reliance on domestic sources of energy versus dependence on imports should be defined clearly for the long run to promote increased development of supplies of domestic oil, gas, coal, and uranium, as well as development of alternate fuels from coal, shale, and tar sands so that consumers may have sufficient options among secure domestic supplies.

4. Governmental energy research efforts and support of private research should be enlarged for those crucial areas of energy development and use that involve greater benefits socially than to individual companies. Research programs promoting more efficient use of energy deserve special attention by the government.

KERSHNER ON INFLATION

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. COLLINS of Texas. Mr. Speaker, down in Texas I think the average person has a better feel for practical economics than folks have in Washington.

Here in Washington many statesmen do not yet understand that Government spending is the major cause of all of this inflation.

What is even more alarming is the fact that we are draining investment capital as we spend too much money on Government welfare programs.

I was very much impressed with the recent economic report of Dr. Howard E. Kershner of Northwood Institute. In his report Dr. Kershner emphasizes the importance of investment capital. I include his two key paragraphs.

In another section of his report, he refers to Bill Simon and we all are cognizant of how much we are going to miss Bill Simon here in Washington.

Dr. Kershner is a great Texan because he has so much common sense. Read his comments and consider the future:

A year ago the Economist declared that "America is set for industrial senility unless its industrial investment goes up from a British rate of just over 10 percent of GNP to a Franco-German rate of about 15 percent."

The U.S. ranks sixth in economic growth, ahead only of Britain, and had the lowest investment rate of the seven industrial nations. Last year we saved only 6.4 percent of our disposable personal income. Industry cannot be financed with savings that low.

It takes about $35,000 of invested capital to supply one good job.

The United States Treasury has prepared a time capsule which is to be opened in the Tricentennial year, 2076. It is on display in the Cash Room of the main Treasury building. It contains an important message from Treasury Secretary William E. Simon, of which one paragraph reads as follows:

"In the early 1930's, government at all levels—federal, state, and local—accounted for about 12 cents of every dollar spent. Today, government accounts for more than 35 cents, and our projections indicate this will reach 60 cents of every dollar by 2000—unless the trend is deflected."

We look back upon The South Sea Bubble, The Tulip Bulb Craze, The French Assignats, and numerous inflations, with wonder that the rulers of nations could have been so stupid. Our descendants will regard us in the same light, and will wonder how we could have allowed government to absorb 60 percent or more of our income.

It has nearly reached that point in Sweden already, where the tax rate now averages about 59 percent and where some people with important capital gains must also pay what amounts to a capital levy. Sometimes taxes take more than 100 percent of a Swede's income.

There is ample reason to believe this is coming in America as well.

One hundred years from now, if the people are allowed to read Secretary Simon's comment, they will be astonished that their self-governing grandfathers would have permitted this to happen. Once more it reveals the accuracy of Kershner's First Law:

"When a self-governing people empower their government to take money from some and give it to others, the process will not stop until the last bone of the last taxpayer is picked bare."

TESTIMONY ON BEHALF OF NATIONAL WILDLIFE FEDERATION

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. EDGAR. Mr. Speaker, yesterday I inserted into the RECORD a portion of the testimony of Thomas L. Kimball, Kenneth S. Kamlet, and Peter L. Sullivan on behalf of the National Wildlife Federation at hearings before the Public Works Water Resources Subcommittee on amendments to the Federal Water Pollution Control Act. Today, I would like to insert the concluding portion of their testimony:

VALUE TO THE NATION OF WETLANDS AND WATERWAYS LEFT UNPROTECTED BY H.R. 3199

At the heart of conservationists' concerns—and the concerns of millions of average citizens—about changes in Section 404 are the effects of such changes on the protection of important inland and coastal wetlands. Wetlands perform all of the following functions at no cost and without depleting our energy resources:

(1) provide spawning and nursery areas for commercial and sport fish;

(2) provide natural treatment of waterborne and airborne pollutants;

(3) recharge the groundwater for water supply;

(4) provide natural protection from floods and storms;

(5) provide essential nesting and wintering areas for waterfowl;

(6) constitute a high-yield food source for aquatic animals; and

(7) provide an important filter system for lakes and streams.

Coastal wetlands (both fresh- and saltwater) play an essential role in the lives of fish and shellfish. Two-thirds or more of the cash value of species harvested on the Atlantic and Gulf coasts are estuarine dependent. Dr. Eugene Turner of Louisiana State University has shown that on a worldwide basis there is a direct relationship between the offshore harvest of shrimp and the total area of the salt marsh upon which that fishery depends. The production of blue crabs, clams, and shrimp—which rely on coastal wetlands—was down 7 to 8 percent in 1975, compared with 1974. As more coastal wetlands are drained, paved over, and destroyed, seafood production and marine life generally, can be expected to decline further.

Shrimp was the most valuable commercial seafood species in 1975, with a landed value approaching $226 million. Ironically, Texas—the State from which has come much of the pressure to curtail the Section 404 program—led the states in the shrimp catch for 1975: $87.9 million in landed value. These figures do not include the additional profits and jobs associated with handling, transporting, processing, and marketing this seafood.

In addition to commercial uses of the coastal zone, sports fishing in some areas is of even greater economic importance. For example, Louisiana alone has two million licensed fishermen. The average each coastal sports fisherman spends each year on sport fishing, according to a recent Georgia study, is $80. On this basis, $160,000,000 a year is spent in Louisiana for sport fishing.

Other important estuarine-and wetland-dependent species are menhaden, striped bass, bluefish, and spotted sea trout. Menhaden landings topped the 1975 statistics for commercial fish, white striped bass, bluefish and spotted sea trout ranked 1, 2, and 3 in recreational fishing statistics. White perch, weakfish, redfish, mullet and black drum also depend on coastal wetlands at key stages in their life cycles.

As an example of the importance of wetlands to fishery production in New England, the commercial fishing industry is one of the most stable and productive industries in the State of Maine, with a 1975 harvest valued at $48.5 million. Ninety-eight and a half percent of this harvest consisted of species dependent on estuaries for at least part of their life-cycles. Without estuaries, particularly the associated coastal marshes, three species—lobster, clams, and shrimp—which make up three-quarters * * *.

In short, coastal wetlands are the basic link in the marine food chain that produces high quality, protein-rich seafood for man. These wetlands literally fertilize the sea for the benefit of man, waterfowl, fish, and wildlife.

Inland, freshwater wetlands also perform vital ecological functions—despite the all-too-common misconception that only coastal wetlands are very important. For example, inland wetlands offer vital breeding, feeding, resting, molting, and wintering grounds for all migratory waterfowl. The waterfowl of North America are, physically and legally, an international resource which the United States (under treaties with Great Britain, Mexico and Japan) is bound to protect. The critical factor in sustaining these waterfowl is the amount of available wetland habitat.

Waterfowl are important to and benefit not only the numerous hunters in the country and those who enjoy the taste of roast duck or goose, but the even more numerous birders, recreationists, and other outdoor enthusiasts who are uplifted by the sight of wild birds on the wing. Who among us wishes to deprive future generations of Americans of this opportunity?

Freshwater wetlands are also essential to many species of non-avian wildlife. Fish and Wildlife Service Circular 39 lists, for example, 19 species of small game, 7 species of big game—including bear, deer, elk and moose, and 11 species of fur-bearing animals—e.g., beaver, fox, mink, otter—which inhabit and depend upon wetlands.

Wetlands, in short, provide a valuable recreational resource for fishing, hunting, bird watching, hiking, and appreciation of nature. Data collected by the U.S. Fish and Wildlife Service show greater than 27 million fishing license holders and in excess of 16 million hunting license holders in 1974. In addition, wetlands of all sizes offer a recreational and educational experience for adults and children. The aesthetics of wetlands, with flourishing fauna and flora, may be "as close to nature" as some of us ever get.

The loss of habitat is the most serious threat to wildlife in the United States today. Wetlands are vital nursery areas for many forms of wildlife, fish and fowl; yet marshes, fens, bogs, and swamps across the Nation are being drained and modified at an alarming rate.

In addition to the fish and wildlife benefits from both freshwater and salt water wetlands, however, all wetlands provide other "public services".

Wetlands play a major role in the hydrologic cycle. They hold back storm waters and reduce the severity of flooding, hurricanes, and ocean storms. At the same time, they play an important role in groundwater and aquifer recharge. Thus, wetlands act as hydrological buffers or reservoirs, releasing water during dry periods and holding it back during heavy rains and floods. Even small bogs, potholes and bottom lands can trap significant volumes of water following torrential rains or ice-thaws. Because of their water storage role, wetlands—undrained and in-

tact—benefit farmers and ranchers who rely on wells for water supply.

According to one study by two Massachusetts geologists, "[a]t least 60 Massachusetts cities and towns have municipal water production wells in or very near wetlands." Dredged and fill material discharge in these wetlands will diminish the quality of these wetlands aquifers. The value of such wetlands was estimated in another paper by two agricultural economists.

They concluded that "a municipality can afford to pay $60,000 or more per acre for wetlands which have a high potential for municipal water supply." In the case of Massachusetts, "as much as 50%" of the wetlands fall in this category.

Wetlands provide their flood control and water supply service without charge to U.S. taxpayers. Flood damage alone presently amounts to $3.8 billion a year (excluding the loss of 50 lives). Better care of now defunct wetlands might have prevented much of this damage. For example, a recent study of the 1973 Mississippi River flood concluded that its severity was attributable to waters being locked within channels instead of being allowed to spread over the floodplain and wetlands areas.

Wetlands also play a vital role in pollution control. They trap, retard, or transform materials, such as pesticides, toxic metals, organic matter, and silt. The microorganisms found in wetlands break down air pollutants (e.g., sulfates) and water pollutants (e.g., nitrates). Wetlands act as living filters, removing nitrates and phosphates and storing these nutrients in their vegetation and bottom mud. At the same time, wetlands generate important amounts of oxygen—by way both of their plant-life and their nitrogen fixing and sulfate-reducing bacteria.

A recent study demonstrated that a 512-acre marsh in Pennsylvania was able to reduce 7.7 tons of biochemical oxygen demand ("BOD"), 4.9 tons of phosphate, and 4.3 tons of ammonia-nitrogen, while producing 20 tons of oxygen—in a single day! Human technology can partially remove phospates and nitrates from wastewater—but only by means of very costly advanced waste treatment facilities.

Another study found that a 10-mile Georgia swamp forest had cleansed a polluted stream of organic matter and caused coliform counts and dissolved oxygen values to return to a more favorable level.

A third study concluded that "a marsh of 1000 acres may be capable of purifying the nitrogenous wastes from a town of 20,000 or more people."

There are limits, of course, to the pollution-absorbing capabilities of a wetland. Excessive pollution (or changes in its physical make-up) can totally disrupt a wetland's ecological balance and transform it from an aesthetic, healthy and valuable resource into a smelly, polluted, mosquito-ridden liability.

Related to their treatment of chemicals, wetlands are important in trapping and retaining silt. Wetlands retain silt and sediment carried by flood waters which otherwise would wind up in navigation channels (necessitating costly maintenance dredging) and shellfish beds. These silt particles often carry pesticides and other pollutants. Wetlands help keep these out of the water. Keeping even pure silt particles out of the water is also important because suspended silt blocks sunlight, reducing photosynthesis and the growth of bottom plants and phytoplankton. Increased turbidity also hinders feeding by many fish and may impair migratory and reproductive behaviors. A thin layer of silt, for example, can prevent oyster larvae from attaching and can suffocate fish eggs after spawning. Sediment accumulation on river bottoms can also adversely impact other bottom dwelling organisms.

What is an acre of wetland worth—not in terms of real estate values, but in terms of benefits to man? The answer is surprising. Drs. Odum, Gosselink, and Pope have estimated the total social value of coastal wetlands as ranging from $50,000 to $80,000 per acre. These estimates are based on detailed studies. Dr. Orie Loucks, a University of Wisconsin botanist, has found that one acre of freshwater wetland can be worth up to $50,000, based on the cost of replacing all of the functions these wetlands now perform.

Why isn't this high value of wetlands reflected in the marketplace? Why doesn't it encourage private conservation efforts? The answer is a familiar one: the dollar benefits apply to society as a whole, not to individual landowners. No spendable benefit accrues to the private owner who leaves wetlands alone to work for society.

In short, wetlands will survive to benefit society if government protects them (or altruistic private citizens acquire them for preservation). Government protection is as much needed for wetlands not covered by the H.R. 3199 as it is for those that are. Unfortunately, unless the Federal Government provides this protection, no other governmental unit will do so (at least in the vast majority of States).

Inland streams and watersheds—even non-"navigable" ones—also perform a number of "public service" functions, including: (1) serving as the first step in retarding and holding back floodwaters; (2) preventing soil erosion; (3) providing spawning and nursery grounds for fish inhabiting larger streams and rivers; and (4) determining in many ways the water quality of downstream waters.

Of these, probably the most important role of small streams is in fish production. Most river fish throughout the country swim upstream to spawn, frequently moving into the smallest tributaries and small streams. In addition, the anadromous fish—salmon, shad, river herring—depend on the upper reaches of small streams and tributaries. Of these fish, salmon was listed as second in value among 1975 commercial fish landings.

Thus, the exclusion of waterways as well as wetlands by H.R. 3199 could have disastrous consequences—not only for the environment, but also for the economy.

WETLAND LOSSES IN THE UNITED STATES

Two hundred years ago, what are now the lower 48 states contained an estimated 127 million acres of wetlands. Twenty years ago at least 45 million acres of our primitive marshes, swamps, and seasonally flooded bottomlands had been lost to dry land uses through clearing, drainage, and flood control. Within the last 20 years, an additional 6 million acres have been lost.

Although estimates vary as to the proportion of original wetland acres remaining, some authorities believe more than half have been lost, and at least one (Dr. Kai Curry-Lindahl, an internationally reknowned ecologist) has stated that: "Of the 127 million acres of wetlands existing in the United States in Colonial times, more than 100 million acres have been drained."

Of the 6 million acres of wetlands destroyed in the last 20 years, about one-half of this area, had significant value to waterfowl. Thus, important waterfowl breeding grounds and habitat areas in North and South Dakota and Minnesota were lost during the mid-1960's at the rate of 35,000 acres a year. Between 1964 and 1974, Minnesota alone lost over 40% of its prime waterfowl habitat, representing 24% of its remaining wetland acreage. In the Dakotas, 100,000 to 150,000 wetland acres were drained between 1960 and 1970, so that by 1970, the wetland acreage in North Dakota had declined from an original 3 million to 2 million.

A recent study conducted for the National Park Service (entitled, "Inland Wetlands of the United States"), surveyed 358 significant inland wetlands in the lower 48 states.

After summarizing the environmental encroachments on these wetlands, the survey concluded that the picture presented was "alarming." Among the encroachments described were the following:

1. Lincoln Marshes, Nebraska.

Acreage: 2000 estimated.

Encroachment: "City may fill these areas. Salt Lake in Lincoln has already been taken over for a housing development."

2. West Virginia.

"Innumerable threats have been reported on the limited wetland resources of this state."

3. Delaware.

"Major threats include cutting, draining, and development. In 1955, 76% of the state's wetlands were considered safe, but by 1959 only 23% were in this category (USDI, 1959)."

The U.S. Fish and Wildlife Service's 1970 National Estuary Study concluded that 73% of the estuaries having significant fish and wildlife value were moderately to severely degraded by 1969. Nearly 666,000 acres of coastal habitat were destroyed as a result of dredging and filling operations alone between 1950 and 1969, including 427,000 on the Gulf coast.

The highest rate of loss was found in California where 12% of its coastal wetlands were destroyed during this 20-year period, leaving less than a third of California's coastal marshes intact today. Total wetland losses (coastal and other) in California have been even greater, with only 400,000 remaining of some 3.5 million acres.

By 1969, more than 70% of the original 24 million of flooded bottomland hardwood timber of the Mississippi Delta had been cleared and drained. Clearing and drainage is presently taking place at a rate of 200,000 acres every year. The future looks bleak for the one-third of the Mississippi Flyway's wintering waterfowl which depend on these flood bottomlands.

In the Southeastern United States, 3 to 4 million acres of bottomland forest floodplains have been destroyed since 1950 by federal projects alone.

By the 1960's 65% of the rainwater basin wetlands and 15% of the sandhill wetlands in Nebraska had been lost on an acreage basis.

In Wisconsin, 54% of the wetland acreage had been drained in its southeastern counties by 1958. Another 7% were lost between 1959 and 1968.

Between 10 and 15 percent of the true estuaries environment had been wiped out in New York, New Hampshire, Connecticut, and New Jersey, by the late 1960's.

At least fifty percent of Connecticut's tidal marshes have been obliterated, with the destruction continuing to eat into the remaining 14,000 acres at the rate of about 200 acres every year.

These statistics—which are just some of the ones we were able to find on short notice—paint a truly bleak picture. The Nation's wetlands are in trouble. The last thing we need is to relax further what controls now exist to protect these vital national treasures.

SUMMARY AND CONCLUSIONS

In conclusion, the wetlands and waterways excluded from federal protection by H.R. 3199 represent valuable and irreplaceable national resources. They perform vital functions in producing and supporting fish, wildlife, and waterfowl. They provide free pollution control, flood protection, and water supply benefits. They are worth protecting, in short, for sound economic as well as environmental reasons.

Moreover, the same properties of wetland soils that make them efficient removers of pollution, also make sediments dredged from

the bottoms of polluted rivers and harbors a potential threat to human health as well as to other organisms. Pollutants, such as toxic heavy metals and chlorinated hydrocarbons (e.g., kepone), adhere to the dredged material and may not only be harmful to the organisms where the dredge spoil is dumped, but may also contaminate the food chain. This is why it is essential that the Federal Government retain jurisdiction over the disposition of polluted dredged material.

Fill material deposited in a wetland or waterway may be dangerous as well.

Apart from its physical destruction of habitat, the fill may be polluted or may itself be a toxic pollutant.

For example, according to Dr. Jack Blanchard, Chief of EPA's Kepone Task Force, one of the sources of kepone in the James River was a low, marshy area adjacent to Bailey's Creek—a non-navigable tributary of the James (i.e., one which would not be covered under H.R. 3199. Dry kepone which failed to meet industrial standards was dumped in this area and contributed to contamination of the James River. Under H.R. 3199, this material could be deposited as a fill outside of navigable waters or adjacent wetlands and be exempted from both dredge and fill discharge (Section 404) and pollutant discharge (Section 402) requirements.

Despite passionate urgings to the contrary, the fact is that the Congress fully intended that discharges of dredged and fill material into all waters of the United States—and not simply "navigable waters" in the classical sense—should be regulated. And it is equally true that the Court's decision in NRDC v. Callaway faithfully interpreted Congress's expressed intent, despite no less passionate urgings that the judicial branch was manufacturing law and usurping legislation prerogatives.

Congress's original instincts were correct and the wisdom of its action in passing the 1972 Water Act amendments remains unrefuted. If some fine-tuning of Section 404 is required, it should be done with a scalpel rather than a meat-cleaver. And it should be done only after specific problems legitimately identified have been subjected to careful public and congressional scrutiny.

Much of the hysteria surrounding the Section 404 program can be traced directly back to a May 6, 1975, News Release issued by the Office of the Chief of Engineers and disseminated by all of the local Corps of Engineer districts. That release announced the issuance of proposed Section 404 regulations. In doing so, it stated that, under the proposed alternatives, "Federal permits may be required by the rancher who wants to enlarge his stock pond, or the farmer who wants to deepen an irrigation ditch or plow a field, or the mountaineer who wants to protect his land against stream erosion." To make sure this hits home, the release went on to note that "under the broad interpretation of the 1972 FWPCA amendments, millions of people may be presently violating the law." Readers were reminded that "convicted offenders may be subject to fines of up to $25,000 a day and one year imprisonment." The reaction was immediate and predictable. The Corps was deluged with over 5,000 angry letters.

The Release enraged and alarmed not only farmers and ranchers.

On May 12, I wrote the Secretary of the Army to denounce the statements in the May 6 Release as "untrue" and as a "tactic to scare farmers and ranchers into suoport for the narrowist definition of the Corps' responsibility possible" (which is of course the position the Corps favors). On May 16, the then-EPA Administrator, Russell Train, wrote the Chief of Engineers, attributing most of the confusion and misunderstanding surrounding the implementation of Section 404 to the Corps' "seriously inaccurate and misleading press release." He expressed EPA's concern over the release's false implication that "farmers must obtain permits whenever they plow a field," and that "millions of people may be presently violating the law."

On June 5, Senator Muskie denounced the release as "what appears to be a deliberate attempt to distort Federal water pollution policies for purposes which I do not understand." He characterized the announcement that the NRDC v. Callaway court decision would have the effect of placing thousands of farmers in violation of Federal law, as false and malicious: "Nothing could be further from the truth and the Corps knows it." Senator Muskie publicly called upon the Secretary of the Army to retract "the press release which has already caused so much concern and confusion." Many other individuals and organizations, including Members of both Houses of Congress, added their voices to these calls for retraction of the Corps' mischievous and unwarranted press release.

On May 23, 1975, the Chief of Engineers responded to the EPA letter. He stated the following: "Many have interpreted the press release to mean that all farmers must obtain permits whenever they plow a field. That, of course, would not be required." Shortly thereafter the Secretary of the Army expressed his sincere "regret that the Corps' news release was misleading."

When the Corps issued its interim final regulations on July 25, 1975, in the Secretary's words, they expressly exempted from permit requirements all "normal farming, ranching, and forestry operations, such as plowing, seeding, cultivating, and harvesting"; "conservation or erosion control" practices; and "maintenance and emergency repairs of dikes, dams, levees, rip-rap, breakwaters and causeways."

Since then, the Corps and the Department of the Army have repeatedly emphasized their determination "to use moderation and a reasonable approach" in the administration and enforcement of the Section 404 program. They have also repeatedly pledged to issue so-called general permits, which provide blanket authorization for comparable activities with no significant adverse environmental impact in designated areas, "as much as possible," in order "to make the program more manageable and practical by reducing the number of permits required."

Despite all of the retractions, apologies, explanations, assurances, and reassurances from the Corps and the Department of the Army, the falsehoods in the Corps' May 1975 press release have done their damage. Despite the demonstrated reluctance of the Corps to administer an expanded Section 404 program in the first place, despite the Corps' expressed intent to employ moderation, despite the Corps' demonstrated commitment to emphasize the use of broad, easy-to-obtain general permits, and despite express exemptions in the Corps' published regulations for many activities of concern to farmers, ranchers, and foresters—despite all of these things, there are many, including some Members of Congress who believe the Corps wants to inject its authority into the activities of private citizens to a ludicrous degree.

These concerns are unfounded and have been repeatedly shown to be unfounded.

We, and the numerous citizens across the Country for whom we speak, respectfully urge this Subcommittee not to be swayed by rumors and misinformation. Section 404 is a vital section of a critical piece of pollution control legislation. The agencies charged with administering it have demonstrated that they will not abuse their authority. They should be given a chance to carry on.

Section 404 was design to control water pollution and to protect water resources. Its purpose was not, is not, and must not be limited to, maintenance of commercial navigation.

The future of an irreplaceable national treasure rests in your hands.

THE YEAR OF THE PEANUT

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. MATHIS. Mr. Speaker, the 17th Annual Convention of the National Peanut Council which was held in San Francisco, February 23–26, has designated 1977 "The Year of the Peanut." As the representative of the largest peanut producting area in the Nation, I want to recognize the NPC for its contribution to the peanut industry and to partially recount, as reported to me, the convention's activities designed to increase the peanut's role as a major source of human nutrition.

The NPC is the major spokesman for all segments of the peanut industry. Headquartered in the Washington area, its membership consists of growers, shellers, processors, peanut butter and confectionery manufacturers, foreign buyers, brokers, and others directly involved in the industry. Other members include banks and agribusiness enterprises with an interest in serving the peanut industry. The NPC is a completely private organization and is not connected with any governmental body. In addition to the regular members, representatives of the press, the U.S. Department of Agriculture, and the House Agriculture Committee were present at the convention as guests.

The annual convention provides practically the only opportunity for all persons interested in the peanut business to meet and share their views and experiences on events that interest them. Most participants feel the annual convention contributes significantly toward brightening the future of the industry for the benefit of all concerned.

The list of this year's guest speakers was particularly impressive. Mr. Juan del Castillo, Director of the Food Distribution Division of the Department of Agriculture's Food and Nutrition Service, spoke on the use of peanuts in the school lunch program. The dollar value of peanuts used in the program has continued to increase on the basis of the Federal Government's confidence in peanuts as an important source of high quality protein for the Nation's schoolchildren.

Because of their highly nutritious characteristics, peanuts do not belong exclusively in the snack category but perform as part of a well-balanced meal, whether in the form of peanut butter or the nuts themselves. Of increasing importance are peanut flakes, a patented peanut product used as a protein extender for other foods or even as the key ingredient in simulated meat and poultry dishes.

The NPC's public relations counselors—Smith, Bucklin & Associates—gave a presentation on the promotion of peanut products, including new and traditional peanut recipes publicized in national magazines and on television. The connection between peanuts and the recent Presidential election has dramatically increased public interest in peanuts, it was pointed out, and the NPC has been deluged with inquiries about all phases of the industry.

An example of the heightened interest was an invitation to Mr. John Currier, the NPC's executive director, to appear on the "To Tell the Truth" television program. One convention participant suggested that we are entering not just "The Year of the Peanut" but "The Age of the Peanut."

On a more academic level was the discussion of trends in the supply and demand situation for the world oilseeds market. Mr. Josh Mogush, the assistant vice president for the Domestic Soybean Crushing Division of Cargill, Inc., explained the dynamics of the international oilseeds market.

Peanuts are valued not only for their use in edible products but also for crushing into oil and meal, with the meal serving as a high quality livestock feed.

For various reasons, peanuts have declined sharply over the last decade as a world source of vegetable oil and meal. The decline in the use of peanuts for these purposes has been attributed to sharp increases in exports of foreign produced palm oil and the growth of the Brazilian soybean industry.

Mistaken U.S. policies have contributed to this development by U.S. subsidies to foreign palm oil development through World Bank loans and export embargoes on U.S. soybeans that forced foreign buyers to rely on Brazil for their soybean needs. No upturn in the world demand for U.S. peanut oil and meal is being predicted as palm and soybean products capture ever larger shares of the market.

Fortunately, the outlook is brighter for exports of peanuts for food uses. A spokesman for the Department of Agriculture's Foreign Agricultural Service told the NPC's Export Committee that the FAS is considering upgrading its foreign market development program with emphasis on the European market. The leading importers of U.S. peanuts now are Canada, Japan, the Netherlands, and the United Kingdom. The FAS believes that markets in these countries can be enlarged and that new major markets can, with a well-executed program, be built in France, West Germany, and the Scandinavian countries.

In the past, the FAS has deemphasized market development for peanuts in favor of cotton, grains, and soybeans, but now feels peanuts offer greater potential than was true in recent years. The export committee indicated a willingness to cooperate with FAS in formulating a workable market development plan to be implemented later this year, if finally approved by the Department of Agriculture.

With regard to the Japanese market, Mr. Nobuo Kada of the giant worldwide Japanese trading firm, Mitsui & Co., acknowledged that import barriers limited the entry of U.S. peanuts into the Japanese market. Although Japan's peanut production is small, it involves thousands of small farmers, and the government's attempts to encourage their switching from peanuts to other crops have not been successful. The import restraints will probably remain unless the United States can negotiate their removal during the Multilateral Trade Negotiations now underway in Geneva.

The development of the patented process for peanut flakes could create a great new market for peanuts according to Mr. Adolph Toigo, president of the World Protein Corp., the licensee for the product.

Numerous food manufacturing concerns have expressed an interest in peanut flakes and are conducting tests which Mr. Toigo is confident will confirm his company's own test results indicating the utility of peanut flakes in a myriad of foods, new and old. For example, popular foods such as cookies, cakes, and possibly soft drinks that have little nutritional value could, if manufactured with peanut flakes, assume a new role as high protein foods. The epithets "junk food" and "empty calories" would no longer be applicable to such protein enriched foods.

The official round of guest speakers, committee meetings, and business sessions were supplemented by morning breakfasts, three evening receptions, and the annual banquet. Additionally, the NPC press party on the opening day of the convention attracted considerable interest and received a writeup in the San Francisco Chronicle. These activities provided a unique opportunity for the exchange of ideas among those in attendance and were just as important to the success of the convention as the formal discussions.

The variety of planned activities and stimulating speakers at this year's convention proved that the peanut industry will continue to assume its rightful place among the great sectors of American agriculture. Two years ago, the NPC had as its keynote speaker an obscure peanut warehouser named Jimmy Carter, an indication of the industry's foresight and ability to analyze future trends.

Mr. Speaker, in conclusion I want to congratulate the National Peanut Council for its efforts in making 1977 "The Year of the Peanut" and wish it every success in planning for the next convention, which is to be held here in Washington. Many of my constituents are members of NPC and were able to attend the annual convention. The thousands of people in my district connected with the peanut industry are indebted to those who are contributing their time and effort to making the peanut industry even greater and more prosperous.

WHAT AMERICA MEANS TO ME

HON. WALTER FLOWERS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. FLOWERS. Mr. Speaker, I am proud to announce that one of my young constituents—David Norsworthy of Selma, Ala.—has been selected as first place winner for the State of Alabama in the VFW's Voice of Democracy contest.

This is only the latest in a series of accomplishments by this outstanding young man. He finished second in the same contest last year, was second in the 1975–76 State Civitan oratorical contest, and recently was awarded the degree of special distinction by the National Forensic League.

David is the son of Lieutenant Colonel and Mrs. Norsworthy and is a senior at Selma High. His father is an Air Force chaplain stationed at Craig Air Force Base there.

I would like to share with my colleagues David's winning speech:

WHAT AMERICA MEANS TO ME

(By David Norsworthy)

The cold, dreary day in December of 1903 seemed to stifle all activity around the little North Carolina community. The overcast skies and threat of rain made everything seem dull. But two brothers felt otherwise. On that day in December in Kitty Hawk, Wilbur and Orville Wright were to fly the first airplane and unknown to them, would change the course of history. When the Wright brothers had completed their flight, they were to reflect upon its characteristics. They knew that to handle in the air, their craft must be flexible, so they installed bendable wings into the airplane. There was present also a cognizance of the strength achieved through flexibility.

America, two-hundred years after her birth, is equally aware of the strength achieved through flexibility, the capacity to bend, to change, to adapt. Foundations of governments are set on nothing less than the strength of their people, and citizens of this great land have built America upon their adaptability.

Jim Schofield, a New England merchant, his wife Angela and their four young children packed their bags and left Hartford, Conn. in the summer of 1872 for an unknown area—the West. The long, trying journey through town and country, over hill and through valley finally brought them to their promised land—the wide plains of Wyoming. No farming had been tried, there was no green grass for grazing, but the Schofields somehow managed to survive the hardship and insecurity of the mysterious new land. If not for this strongwilled attitude and hunger for freedom. America would not be. The Schofield family, along with countless other settlers, epitomize the strength of the frontiersmen. But where did they get this strength? The ability to adapt to strange, unfamiliar, even threatening environments and circumstances was the well of strength which has been tapped time and again throughout our history.

Mother Nature, in all her beauty and mystery, can often be a harsh mistress. With all of our advanced technology and rapidly accelerating research and development, we are still at the mercy of the Elements. Earthquakes, tornadoes, storms and hurricanes batter, rip and crack at the earth, coming without warning and leaving only desolation in their wake. But even when disaster strikes, Americans cope with crisis through their flexibility. The recent floods in Colorado and the tornadoes that tore through the Midwest last year caused concern in America, but despite the magnitude of the damage no aid was required or was given by any other nations. The ability to respond to disaster is inherently present in all Americans, and this characteristic is a direct result of our ability to adapt to changing circumstances.

Not only is adaptability the key to expansion and to civil defense, but the ability to flex is essential for Liberty. Freedom is unobtainable without flexibility and, "Eternal vigilance is the price of liberty," stated one of our first ardent patriots, John Philpot Curran. When Mr. Curran spoke of "eternal vigilance," he was speaking of the need for an armed service to protect our most hallowed privilege; our freedom. The functional example of democracy for all the world to see, America must protect her freedom through a

strong defense. While political adversaries of our nation reach out to conquer weaker nations, America stretches forth a protective hand. The Armed Forces necessarily must possess flexible qualities in such an aggressive world, or America would lose her sympathy for the small, freedom desiring nations. For, the stronghold of liberty must be protected by artilleries of open minded, freedom-loving citizens, not afraid to fight for the cause of liberty, but not hesitant to change to a more effective means of protection.

Adlai Stevenson remarked in Chicago in September of 1952 that, "Government (in a democracy) cannot be stronger or more tough-minded than its people. It cannot be more inflexibly committed to the task than they. It cannot be wiser than the people." The wisdom of 200 years is apparent when one reflects upon this nation of ours. America is like an airplane soaring straight and true, always climbing to greater heights. The craft of liberty, powered by strong wills, is guided by nothing less than the flexible character of those individuals that care enough to live as free men.

SUPREME COURT DECISION SIGNALS ACTION ON ENDING SEX DISCRIMINATION PRACTICES IN PAYMENT OF SOCIAL SECURITY BENEFITS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. DRINAN. Mr. Speaker, on January 26, 1977. I introduced H.R. 2420, the Equity in Social Security Act of 1977 which provides for equal standing between men and women in their entitlement to benefits under the social security law. The legislation calls for removal of the dependency requirement for entitlement to husband's and widower's insurance benefits, equal entitlement to survivor's benefits, and payment of retirement benefits to a married couple based on their combined earnings.

In 1975, the Supreme Court in the landmark Weinberger against Wiesenfeld decision, struck down the gender-based distinction of the social security law which authorized survivor's benefits for a widow with minor children but denied them to a widower in the same situation. The Court observed that the distinction in payment of benefits was based upon an "archaic" and "overbroad" generalization that "male workers' earnings are vital to their families' support, while female workers' earnings do not significantly contribute to their families' support."

Wednesday, in another ruling, Califano against Goldfarb, the Supreme Court addressed the matter of the dependency requirement in the payment of widowers' benefits and ruled that "this distinction invidiously discriminates against female workers by affording them less protection for their surviving spouses than it affords male workers."

Justice Brennan in writing for the majority noted that congressional intent was not to provide differential treatment but to "aid the dependent spouse of the deceased wage earners" based on "a presumption that wives are usually dependent." He also observed that assumptions about the dependency of women on men are more consistent with traditional role-typing than with contemporary reality.

While it is true that homemaking may be the main occupation of American women, the Department of Labor estimates that 9 out of every 10 women will work outside the home at some time in their life. At the present time over half of the women between the ages of 18 and 64 are members of the work force. Forty-four percent of married women work, 52 percent of mothers with school-age children work and 36 percent of mothers with preschool children work.

These women are in the work force to meet family expenses. Their salaries contribute to the support of their children, to provide for their educations and to improve the quality of their families' lives. For many families the wife's earnings keep them from welfare and out of poverty.

These Supreme Court decisions must be viewed as a signal to the Congress to revise the social security laws so that a woman's earnings will buy the same protection for her family as do those of a man.

Yesterday I reintroduced the Equity in Social Security Act with 53 cosponsors. Following is a list of the cosponsors:

COSPONSORS

1. Herman Badillo.
2. Max Baucus
3. Jonathan Bingham.
4. Edward Boland.
5. David Bonior.
6. Phillip Burton.
7. Charles Carney.
8. Shirley Chisholm.
9. Wm. Cohen.
10. Cardiss Collins.
11. Silvio Conte.
12. John Conyers.
13. Robert Cornell.
14. David Cornwell.
15. Baltasar Corrada.
16. Charles Diggs.
17. Thomas Downey.
18. Robert Edgar.
19. Don Edwards (Calif.).
20. Mickey Edwards (Okla.).
21. Allen Ertel.
22. Dante Fascell.
23. Millicent Fenwick.
24. Harold E. Ford (Tenn.).
25. Wm. Ford (Mich.).
26. Mark Hannaford.
27. Frank Horton.
28. Ed Koch.
29. Clarence Long (Md.).
30. Andy Maguire.
31. Helen Meyner.
32. Barbara Mikulski.
33. Norman Mineta.
34. Parren Mitchell.
35. Joe Moakley.
36. Toby Moffett.
37. Carlos J. Moorhead.
38. John E. Moss.
39. Austin Murphy (Pa.).
40. Stephen Neal.
41. Richard Ottinger.
42. Jerry Patterson.
43. Charles Rangel.
44. Fred Richmond.
45. Benjamin Rosenthal.
46. Edward Roybal.
47. James Scheuer.
48. Paul Simon.
49. Pete Stark.
50. Charles Thone.
51. Henry Waxman.
52. Charles Wilson (Tex.).
53. Larry Winn.

THE URBAN LEAGUE OF GREATER CLEVELAND NAMES THE PRUITT'S AS FAMILY OF THE YEAR

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. STOKES. Mr. Speaker, on February 19, 1977. I had the distinct honor of participating in the 59th anniversary luncheon of the Urban League of Greater Cleveland. This is an event of considerable importance in my city in light of the outstanding record of achievement of this major civil rights and social service organization. I was invited to extend my greetings to the luncheon gathering by Urban League Executive Director William K. Wolfe and President James M. Whitley. Both gentlemen have been instrumental in guiding the Urban League to its present place of prominence in both the black and white communities.

The featured speaker on this occasion was the Honorable Maynard H. Jackson, Jr., the distinguished mayor of the city of Atlanta, Ga., who gave an excellent and inspiring keynote address. Other noted program participants were Mr. Charles E. Spahr, chairman of Standard Oil Co. of Ohio, who gave the welcoming statement; the Reverend Mary Sterrett Anderson, invocation; Senators JOHN GLENN, HOWARD METZENBAUM, and myself, who extended greetings; Samuel H. Miller, recipient of the Business of the Year Award for the Forest City Enterprises; and the Reverend James O. Stallings, who gave the benediction.

Mr. Speaker, the highlight of the afternoon's events came with the introduction of the Urban League's Family of the Year Award. After painstaking deliberation, the Family of the Year Award committee, headed by Ms. Artha W. Blubaugh, announced the selection of Dr. Ralph L. and Dr. Anne S. Pruitt for this honor. Mr. Speaker, the Drs. Pruitt and their five children are an inspiration and example to all of us in Cleveland. I am sure that you and my colleagues will share my assessment when you hear of this family's notable accomplishments:

FAMILY OF THE YEAR AWARD

Ralph Lewis Pruitt received his bachelor of arts degree from Talladega College in Talladega, Alabama. He earned his masters in mathematics from Atlanta University and his Ph. D. in mathematics education from Ohio State University.

Dr. Pruitt taught math and science in various Georgia high schools before moving to Albany State College where he succeeded to the chairmanship of the Mathematics Department. In 1966 he became assistant professor of mathematics and was promoted in 1970 to associate professor. He chaired the committee which led to the formation of CSU's black studies program and upon its inception in 1969 was named director. He was named dean of the division of special studies in 1971.

Dr. Ralph Pruitt is a member of many professional organizations and is listed in the international scholars directory, outstanding educators of America, American men of science, who's who in the midwest and who's who in Black America. He has received numerous awards including several national

science foundation fellowships and has published several papers in his field.

Dr. Pruitt served as chairman of the CSU black faculty and staff Caucus from 1970–1972. He was co-chairman of the Northeastern Ohio consortium in black and Afro American studies and is a member of the Case Western Reserve University. He is active in many community activities serving as a member of the Western Reserve Historical Society Advisory Committee, a trustee of the federation for community planning, the inner city Protestant parish, the Florence Crittenden homes, the Phillis Wheatley association and the metropolitan health planning corporation. He has served as a judge for the urban league's essay contest and has been superintendent of the Mount Zion Congregational Church School since 1970.

Anne Smith Pruitt graduated cum laude from Howard University earning her bachelor of science degree in psychology. She received her master's degree in guidance and student personnel administration and her EdD in guidance and student personnel administration both from the Columbia University Teachers College.

Dr. Pruitt worked as dean of women and dean of students in Albany State College in Georgia and in a similar position at Fisk University in Nashville, Tennessee. In 1963 she was appointed to the Western Reserve University department of education as an assistant professor and was subsequently promoted to associate professor in 1969 and then full professor in 1974. She directed summer workshops on the unemployment problems of Negro high school graduates, served as director of counseling in Mather College and later as assistant director for career planning at the CWRU center for student development.

Dr. Pruitt is a member of several professional societies. She has won many awards including the Howard University Alumni Association's Outstanding Alumnus Award and is listed in Who's Who of American Women. She has published extensively and has presented papers at dozens of conferences, seminars and symposia.

Dr. Pruitt was a consultant to President Johnson's task force on war on poverty in creating the Women's Job Corps. She also consulted with the Tennessee Commission on Higher Education as a member of the team that wrote recommendations regarding the desegregation plan for that State. She was recently elected president of the American College Personnel Association.

Dr. Pruitt, in addition to professional interests and university responsibilities is active in community affairs. As an Urban League trustee she was a co-founder of the League's Popular Street Academy and served as first chairman of its advisory committee. She also served as a member of the Operation Equality Joint Advisory Committee with Fair Housing, Inc. Dr. Anne Pruitt was a member of the Shaker Schools Plan Committee which developed that city's school busing plan. She was appointed by Governor Gilligan to the board of Central State University. She is a member of Alpha Kappa Alpha Sorority and the Cleveland Chapter of Links, Inc. and is a moderator at Mt. Zion Congregational Church.

The Pruitts have five children.

Dianne Pruitt Newbold earned her bachelor of arts degree in urban and environmental studies from Case Western Reserve University. She received a master's degree in public administration from the University of Dayton and attended Cleveland State University law school for one year.

Mrs. Newbold, who recently moved to Kansas City, Missouri, worked as a manpower planner for the Cuyahoga County Commissioners until 1976. She was a member of the center for coordinated child care and the international women's year committee.

She also served as a teacher in the Mt. Zion Congregational Church school.

Pamela Pruitt earned her bachelor of science degree in elementary education from Case Western Reserve University. During her college career, she served as local chapter president, state regional director and national regional representative of the Student National Education Association and also interned with that body in Washington, D.C.

Miss Pruitt worked as a summer playground supervisor for the city of Cleveland and as a reading teacher for the Cleveland Jobs Corps Center. She currently teaches at Kirk Junior High School in East Cleveland. Her organizational affiliations include the Karamu House, Metro Writers' Workshop and the presidency of the New Day Press, a local book company. She also teaches church school at Mt. Zion Congregational Church.

Sharon Yvette Pruitt earned her bachelor's degree in art education at Case Western Reserve University and her master of arts in African art history from Howard University where she attended on fellowship. She is currently working on her doctorate in art history at Cornell University.

Miss Pruitt, who plays the lute, served as a tutor at the Urban League's street academy and as a church school teacher at Mt. Zion Congressional Church.

Ralph Lewis Pruitt, Jr., was a national achievement finalist at Shaker Heights High School. He is a junior in accounting at Case Western Reserve University and is employed as a marketing intern with IBM. A photographer and fashion designer, he is a church school teacher and deacon at Mt. Zion Congressional Church.

Leslie Ann Pruitt graduated with honors from Shaker Heights High School where she earned varsity letters in field hockey and basketball. She was named "high school all star 1976" by Women's Sports magazine and high school all-American 1976 in recognition of outstanding ability in sports and involvement in extra-curricular activities. She also received a national achievement commendation.

Miss Pruitt, who plays the flute, is currently enrolled at the University of Cincinnati in architectural design.

As you can see, Mr. Speaker, the Pruitts are an outstanding family not only because of their professional accomplishments, but also because of the warmth, respect, and love they have for each other and their community.

Mr. Speaker at this time, I would like to take the liberty of calling upon you and my colleagues in the U.S. House of Representatives to join with me in congratulating the Pruitt family as the Greater Cleveland Urban League Family of the Year. They are truly exemplary of the strength and beauty of America's black families.

CLARK COUNTY: BLAZING THE TRAIL FOR BETTER LUNCHES

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. SANTINI. Mr. Speaker, too many times in my brief career as Nevada's only Member of the House, I have encountered some mighty skeptical people who think there is nothing in Nevada except casinos and showrooms. On the other side of the coin, many see our State as the last cowboy frontier in which John Wayne chases some funny looking animals across a vast wasteland. Neither could be further from the truth.

To the surprise of many, even Las Vegas—the entertainment capital of the world—does not have casino chips rolling into the streets. There are actually "real" people living in Las Vegas with the same kind of needs and problems we face each day.

I thought I would point out just one example of a program which puts Las Vegas on the map for reasons other than gaming and entertainment. The Clark County School District, under the direction of Mr. Len Fredrick, the school food services director, has revolutionized the school food service and nutritional programs. The district has set a standard for our Nation to emulate.

The program has evoked interest from school officials throughout the country. In a time in which the consumer is becoming more and more aware of the necessity of a balanced and nutritious diet, Mr. Fredrick has initiated a most innovative and effective approach to school lunches.

The participation in the Clark County district lunch program has increased by 400 percent, the nutritional values have soared, the profits are solid and the parents are happy. There is little more that any school district could ask of its lunch program

I ask that the remarks of Dr. Kotschevar of the University of Nevada, Las Vegas, be included in the RECORD. He explains the background and success of the program and the determination and dedication on the part of Mr. Fredrick:

FAST FOOD GETS AN "A" IN SCHOOL LUNCH

(By Dr. Lendal H. Kotschevar)

FOREWORD

Here is a story as romantic and fascinating as any novel. Take a conventional food-service operation for a large school system. Like many such operations, it was deeply mired in deficits, poor food, low participation, frustrating operating problems, and many disgruntled and dismayed employees. Yet, in just a short time it turned around to become an operation with excellent operating margins, high food standards, growing participation, smooth operating efficiency, loyal employees who are proud of belonging, and a 400% growth in participation while school enrollment increased by only 10%.

Obviously, achieving all this took much doing. The story is filled with obstacles overcome by perserverance, dedication, and dogged determination plus an astute ability to go to the heart of a problem while cutting away unimportant and interfering factors. It can teach others how to attack and overcome these same problems. Further, it makes a unique contribution to one of the biggest problems of school food service—how to win over those young people who would rather eat at an off-campus drive-in. Every resource was used to persuade the school foodservice dropout that the new school lunch was better than the outside fare, and it worked. It was a terrific job in public relations that turned an army of doubters into an army of supporters.

"If you can't lick 'em, join 'em." The trick is, after joining them, to work within the restraints to achieve the goals of good nutrition, good food, high participation, adequate operating margins and public approval. Here, step-by-step, is how one can take an eight-ounce portion of milk fortified with added milk solids, vitamin A and vitamin D_3 and

freeze it into a 14-ounce milk shake; add a hamburger, a ham and cheese sandwich, barbecued beef sandwich or any other of a number of bread and two-ounce portions of a high protein food along with a ½ cup portion of greens, tomatoes or pickles, plus a ⅝ cup portion of fortified french fried potatoes or salad, and thereby produce a meal that more than meets the Type A meal standards.

Many obstacles were put in the way of the program. But it was done, and with no loss of the standard that says a child shall receive a third of the nutrients required each day in the school foodservice meal.

Remarkably, all this was accomplished not by an experienced foodservice operator but by a former business executive who looked at the market and then designed a product that would sell within the restraints. We need more of this kind of thinking. Perhaps if we had it, Congress and government agencies would be less critical and stop formulating laws that hamper rather than help the program.

While this story is a tribute to Len Fredrick, he is the first to remind us that one never achieves a goal alone. So this is a story of how a loyal, hardworking, intelligent group of supervisors, managers, cooks, workers—375 in number—joined together as a team to make the system go. Properly, they must get their share of credit for putting over the "idea."

Within the school foodservice fraternity this story is not universally accepted as one of notable achievement. It is, truth to tell, controversial. There are those who contend the goals have not been met, and that the program is not successful. The facts belie them and these "doubting Thomases" are in the minority and fast disappearing.

It is, in fact, a successful program in many ways. It is highly innovative and imaginative. It blazes a new trail. Perhaps this is why some of the old guard and bureaucrats don't like it. It doesn't follow tradition, but takes a fresh approach that succeeds where the old one often failed. It has attracted many strong supporters such as: Governor Mike O'Callaghan, thankful to see a program that "sells" in Nevada's largest foodservice system; the parents, students, the School Board and Superintendent of Schools in Las Vegas, thankful to see an almost impossible foodservice system turned into a succesful one; and the Nevada Heart Association, for lowering the cholesterol content after a study showed that 25% of the students in junior high school had higher than normal cholesterol blood levels. Progressive nutritionists, physicians, dietitians, and others who recognize achievement have also joined in the approbation.

Progress results when one dares to overturn "apple carts" of set and preconceived ideas. And here is a proud story on just how Len Frederick did it and what has been achieved by doing it.

NUCLEAR ANTIPROLIFERATION ACT

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. LONG of Maryland. Mr. Speaker, I am delighted to join with my House and Senate colleagues in introducing the Nuclear Antiproliferation Act. I heartily support the stronger nuclear export controls contained in this legislation.

As I stated in my February 11 letter to President Carter, see below, the United States must go even farther if we are to prevent nuclear weapons spread. Vigorous U.S. leadership is needed on two fronts: First, we must end the multiple ways in which the United States has subsidized the export of nuclear technology; and second, we should encourage developing nations to adopt light capital energy technologies from renewable energy sources such as the Sun, wind, flowing water, and vegetation.

By ending U.S. subsidies of nuclear exports, we will have more credibility when asking other nuclear supplier nations to stop their promotion of nuclear exports. Without export subsidies, it will become readily apparent that nuclear power for developing countries makes no economic sense. Continued subsidy deprives the developing world of the precious capital needed for its development both in energy and nonenergy areas—especially since the developed donor nations are in a capital bind themselves.

The letter follows:

HOUSE OF REPRESENTATVES,
Washington, D.C., February 11, 1977.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am delighted that you have ordered a review of U.S. efforts to halt the spread of nuclear weapons. As I indicated at your January 12th Foreign Policy Conference, I consider nuclear weapons proliferation to be the single most serious threat facing this nation, indeed, the world. In addition to effective nuclear export controls and agreements, vigorous U.S. leadership is needed on two fronts: (1) Ending U.S. nuclear export subsidies and (2) Encouraging developing nations to adopt light capital energy development as a substitute for heavy capital energy technologies, such as nuclear energy. I hope that you can consider the following recommendations.

Recommendations to end U.S. subsidies of nuclear exports:

(1) Prohibit Export-Import Bank loans or guarantees for nuclear reactors, fuel, or technology.

(2) Prohibit aid, guarantees, or loan insurance from any other source (i.e. A.I.D., OPIC, etc.) for nuclear exports.

(3) Reduce foreign aid, trade credits, or loan guarantees under the Foreign Assistance Act, the Export-Import Bank Act, the Agricultural Trade Development and Assistance Act, the Arms Export Control Act, the Commodity Credit Corporation Charter Act, and under any other aid programs to the extent that the recipient country is expanding its nuclear power capacity.

Such action would prevent our foreign aid and other resources from being used indirectly to finance nuclear imports or indigenous nuclear development (through the fundability of foreign exchange and other resources).

(4) Eliminate trade preferences for developing countries (under Title V of the Trade Act of 1974) which expand their nuclear power programs.

(5) Instruct U.S. representatives to the multilateral development banks, the United Nations aid institutions and programs, and other international organizations to advocate non-nuclear, light capital energy policies and to oppose aid to countries with expanding nuclear programs.

Investigate the desirability of reducing U.S. contributions to the multilateral development banks and to U.N. aid programs if such policies against nuclear power are not adopted.

(6) Propose separate funding of promotional and safeguards activities of the International Atomic Energy Agency with a view to confining all U.S. funding to the safeguards budget.

(7) Study the effect on the spread of nuclear weapons of U.S. nuclear training of foreign nationals at government facilities or in private universities. At a minimum, require the full cost of any training to be paid by the government whose national is to be trained.

(8) Investigate the extent to which U.S. nuclear firms are subsidizing foreign subsidiaries either in supplying nuclear reactors for the subsidiaries' home markets or in exporting American-licensed nuclear technology to third countries.

(9) Provide the Nuclear Regulatory Commission with power to license the transfer by U.S. businesses of nuclear technology or knowhow. Further, require that public hearings on such transfers to other countries be held if requested and that Congress receive 60-days notice of such transfers.

To encourage developing countries to move away from nuclear power and to offer alternatives, the U.S. should encourage light capital development in general and light capital energy development in particular.

Recommendations to encourage light capital energy technologies as a substitute for nuclear energy:

(1) Take steps to ensure that U.S. preparation for the 1979 U.N. Conference on Science and Technology and that U.S. participants in the Conference emphasize light capital technology in general and light capital energy technologies in particular.

(2) Focus ERDA's energy research program for developing countries on small-scale, decentralized, rural energy sources. This program has received little or no encouragement up to now.

(3) Encourage Appropriate Technology, International (authorized under Section 107 of the Foreign Assistance Act and now beginning its work) to undertake demonstration projects and other activity in developing light capital energy technologies for poor countries.

(4) Re-allocate foreign aid (under A.I.D. and other programs) toward light capital energy projects, with emphasis on the creation or strengthening of country and regional light capital energy institutes.

One option to be considered is concentrating foreign aid in a few countries whose national policies as well as specific activities show high receptivity to this approach.

(5) Experiment with inducements to poor nations to cooperate with U.S. anti-proliferation policies, to eschew nuclear power, and to adopt light capital energy development.

(6) Direct U.S. representatives to the multilateral development banks and to other international organizations to stress light capital development and light capital energy policies and projects in particular.

I hope that these suggested actions in ending nuclear export subsidies and in encouraging alternatives will aid in the formation of your anti-proliferation policy. What I should like to emphasize is that nuclear energy would make no economic sense even if nuclear weapons proliferation were not an issue. Continued subsidy deprives the underdeveloped world of the precious capital needed for its development both in energy and in non-energy areas—especially since the developed donor nations are in a capital bind themselves. The key to my suggestions is stop subsidizing.

A manuscript which I have submitted for publication in a scholarly journal contains a fuller discussion of these issues, and I should be happy to supply copies on request.

Warm regards,

CLARENCE D. LONG.

GHANA CELEBRATES 20TH ANNIVERSARY OF INDEPENDENCE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. RANGEL. Mr. Speaker, as the Republic of Ghana today celebrates the 20th anniversary of her independence, we cannot but take a special note that a new government takes office in Washington to begin the third century of the United States of America. The ideals and goals which spurred this Nation to attain its present level of greatness continue to give us the inspiration to strive even harder for a better life for our people in freedom and justice.

Two decades ago, emerging from colonial subjugation, the people of Ghana boldly accepted the challenges and uncertainties of the future. As the first independent nation in black Africa, our immediate objectives were to raise the living standards of the people and to strive for the total liberation of the continent of Africa. Today, Ghanaians look back with a deep sense of pride and accomplishment at the progress that has been made so far in the African liberation struggle and also in the management of their economy despite the inevitable setbacks imposed by inflation and the oil crises. Ghana's gross national product and per capita income, modest though they are, still continue to rank among the highest in Africa.

The government declared, this year, an early return to civilian rule and has opened a national debate on a new constitution. Ghana thus today stands on the threshold of evolving a political system that hopes to eliminate the violence, divisionism, and bitterness that have disrupted the united front necessary for harnessing and utilizing the nation's best talents and resources.

The policy of self-reliance has enabled Ghana to make an appreciable headway in restructuring the economy and also a remarkable shift from the heavy reliance on foreign aid. The "Operation Feed Yourself" and its parallel "Operation Feed Your Industries" programs have enabled Ghana to achieve self-sufficiency in the production of rice and other staples, and to diversify her agriculture to cover the agro-based industrial raw materials for her factories. The southward creep of the Sahelian drought and the vagaries of the weather have necessitated a vigorous program of irrigation and dam construction throughout the country.

As of now, a substantial portion of the country's short-term debts have been repaid, and imports are procured on cash-down basis. With the streamlining of her economic policies, the investment climate in Ghana has become more than ever inviting. The Volta River hydroelectric scheme and the Volta aluminum smelter still remain the largest single American investment in Ghana. In anticipation of the attainment of the maximum output of electricity from the existing dam, the stage is now set for the construction of the country's second hydroelectric scheme, the completion of which will open up new vistas for the improvement of the quality of life for Ghanaians.

The investment and continued operation of American firms like Kaiser Aluminum, Firestone, Signal-Amoco, Union Carbide, Star-Kist, and so forth have inspired confidence in prospective investors as to the vast opportunities available in Ghana. We wish, however, to restate our position that we prefer fair trade to aid. Even though we acknowledge the interdependence of the nations of the world, Ghana's desire is to be able to earn the wherewithal for her social and economic advancement largely through fair exchange for her goods.

I know my colleagues share with me in wishing Ghana a continued and fruitful existence as an independent nation.

U.S. COMPANIES WANT TO SELL COMPUTERS TO SOVIETS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. McDONALD. Mr. Speaker, in order to permit the Soviet Union to close the technology gap with the United States and further her aims of gaining complete military superiority over us in all fields, we keep sending her the necessary equipment and know how. As I have mentioned on previous occasions, computer technology is one of the fields wherein all the experts agree we still lead. Therefore, it was distressing to learn that Control Data Corp. has an application pending to sell a highly sophisticated computer—the Cyber 76—to the Soviet Union. My hope is that the Carter administration will not permit this export of our technology, but based upon the nature of President Carter's appointments to date, I am pessimistic. The report on this proposed transaction, as written by Miles Costick, as it appeared in the Birmingham News of February 13, 1977 follows:

NATIONAL SECURITY AT STAKE: U.S. COMPANIES WANT TO SELL COMPUTERS TO SOVIETS

(NOTE.—A congressional consultant, Miles Costick is the author of the book, The Economics of Détente and of the forthcoming study, The U.S.-Soviet Computer Capabilities. The following article was written especially for The Birmingham News.)

(By Miles Costick)

Jimmy Carter's national security advisor, Zbigniew Brzezinski, has said that détente must be reciprocal in order to be enduring. But what remains to be seen is whether the Carter administration will also reassess the Kissinger policy of transferring to the Soviets advanced technology of critical military importance.

A test of this would be whether Control Data Corp. is permitted to deliver to the Soviet Union the world's largest strategic computer the Cyber 76. The deal has been closed and the export license application is pending before the Commerce Dept. There are also several additional pending applications for sale of military computers to the Communist governments on behalf of Control Data, IBM, UNIVAC and Honeywell. None of the computers involved, however, can match the strategic potential of CDC's Cyber 76.

Cyber is a sensitive topic. It is a very high speed, large volume, advanced scientific computer which processes a phenomenal 100 million instructions per second, and has a memory storage capacity at least 15 years ahead of anything that a Communist computer maker is able to construct. Only about two dozen of such installations even exist. Typical installations: The Pentagon, U.S. Air Force, the Atomic Energy Commission, NASA, and the top secret National Security Agency.

Last year President Ford vetoed the extension of the Export Administration Act leaving the country without effective controls over export of strategic items to the Communists. This meant that all restrictions on Soviet bloc purchases in the U.S. have lapsed. Mr. Ford, however, had issued an executive order reimposing controls on exports under authority vested in him by the War Powers Act. The executive order placed the National Security Council in a position of authority to permit or decline strategic exports to the communists.

The select informed few knew what most had missed: For the executive order to become an effective barrier to export of strategic goods, the President would have to designate the recipient country as an "enemy country." Obviously under Henry Kissinger's détente, the President could hardly declare the Soviet Union or Red China an enemy.

NUMEROUS APPLICATIONS

In the order tube, ready to pop out when the cap was removed on Oct. 1, 1976 were numerous applications for export of strategic items of critical military significance. The most important were the applications for export of military computer systems.

On Sept. 30, 1976 President Ford and his National Security Council under Kissinger appointee Lt. Gen. Brent Scowcroft, in strict discretion, have approved the sale of the Control Data's Cyber 73 computer system to the USSR. The value of the transaction to CDC was about $6 million and to the Soviets about a 10-year leap in computer technology plus a new acquired strategic capacity.

On Oct 12, the National Security Council approved the sale of two CDC Cyber 172 computer systems to Red China. The announced value of transaction was $6 million. Through acquisition of Cyber 172 computers the Chinese communists gained capabilities which they have lacked before, since their computer technology is about 15 to 20 years behind that of the United States.

The stated purpose of computer sales to Red China was oil exploration and earthquake detection.

An inquiry revealed that the stated purpose of computer sales to the Soviet Union was oil exploration.

However, the Pentagon and the Energy Research and Development Administration (ERDA) objected to the sale of computers on the grounds that both systems—the Cyber 73 and Cyber 172—were suitable for nuclear weapons calculations, for anti-submarine warfare, for large phased-array radar to track enemy ICBMs and for other military applications.

OBJECTIONS OVERRULED

A number of U.S. officials confirmed that Dr. Kissinger and his assistant at the State Department, Winston Lord, prevailed over the opposition of the Pentagon and ERDA.

One Commerce Dept. official commented, "If there were no potential military applications there would have been no reason to take a full year to review the sale . . . of the equipment."

Today, the U.S. Defense Dept. deploys about 9,000 of the so-called general purpose computers for military purposes. The same type of computers could be used in a wide variety of civil applications from research and development in industry to crime control.

Obviously the national security implications of this trade are enormous. Concern in the United States had led the Defense Department's Science Board task force under J. Fred Bucy of Texas Instruments to recommend restrictions on the transfer of strategic technology to the Communist superpowers and their satellites.

Six high-technology trade associations, however, through their spokesmen, have warned Congress against permitting the Defense Department to control transfer of strategic technology. "In a civilian government such as ours, the control and administration must reside apart from the military," demanded Peter F. McCloskey, president of the Computer and Business Equipment Manufacturers' Association.

It seems that McCloskey and his friends from the industry agree with William Norris of Control Data who stated that, "Our biggest problem isn't the Soviets, its the damn Defense Department."

Businessmen should remember Lenin's words that when it was time to hang the world's capitalists, they would trip over each other in their eagerness to sell the Communists the necessary ropes.

EXPULSION OF RUSSIAN NEWSMAN UNWISE

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. FINDLEY. Mr. Speaker, the first amendment to the Constitution guarantees freedom of the press from Government domination or interference.

Does that founding principle include the responsibility for the Government to protect and vindicate the honor of the news media when it is impugned by others? Or, in a free society, does it require the Government to adopt a strictly hands-off attitude, even when the media is coerced by others?

As a former journalist, I believe the latter is preferable. The news media should not rely upon the Government even to respond to attempts by the Soviet Union to stifle reporters. The media has power enough to deal with those who abuse it, even though they may be the greatest totalitarian force on the globe.

Recently the Soviet Union expelled an American correspondent in Moscow for writing something the Kremlin did not like. In response, our Government expelled a Soviet correspondent. In my view, the news media did not need this vindication by our own Government. Instead, as the following perceptive editorial from the State Journal-Register suggests, the media should have acted to take care of itself by encouraging its reporters to dig deeper into abuses of human rights into the Soviet Union.

The editorial follows:

[From the State Journal, Feb. 14, 1977]

EXPULSION OF RUSSIAN NEWSMAN NOT BEST TACTIC

Last week the Soviet Union found a pretext to expel George Krimsky, an Associated Press correspondent in Moscow. The real reason for the expulsion was that Mr. Krimsky was digging too deeply into the affairs of Soviet dissidents.

The United States retaliated with a diplomatic charade as old as time. Washington first protested and then ordered Vladimir I. Alekseyev, the Tass correspondent in the capital, to leave the United States.

Tit for tat. We showed them. Or did we?

In due time both reporters will be replaced and the foreign policy of the Soviet Union and the United States will return to what passes for normal. Nevertheless, things will not be exactly the same, particularly for the United States and its news media.

We do not fault the intent of the U.S. State Department, just its tactics. When polite words failed to get the Soviet Union to rescind its expulsion order, the Department acted in the way it always does when it wants to get the immediate attention of the Kremlin.

The Kremlin must have anticipated our response. The trouble is that the expulsion of Mr. Alekseyev also got a lot of attention elsewhere in the world, and in a way that does not reflect credit on the greatness of the United States.

If the expulsion of Mr. Krimsky was unworthy of a major nation, and we think that it was, the reflexive action of the State Department was no better. The effects on other nations might even be worse because the Soviet Union makes no bones about using as much force as it dares to use to further its national aspirations.

The United States, on the other hand, earnestly tries to inject as much morality into its foreign policy as possible. Behaving in the worst of the cold war tradition over an issue that is really a tempest in a teapot doesn't help our image in the world. Nor does it give us credibility when we champion the causes of free flow of information and free movement of peoples.

Strangely, some of the major opinion makers in the United States were quick to come to the defense of the U.S. action.

"Helsinki, Schmelsinki," editorialized the New York Times. "We sadly endorse the American retaliation on the crude ground that it is the only kind of message that the Soviet bureaucracy might need."

We take the opposite view. The American press does not need its government as its champion abroad. Indeed, the marked difference between Mr. Krimsky and Mr. Alekseyev is Mr. Krimsky is an independent journalist and Mr. Alekseyev is an agent of his government. It is a distinction that the U.S. press should do its best to highlight. Both the American government and the American press will be most healthy when there is the maximum possible daylight between them.

The proper response for the Associated Press to take would be to send somebody else who is at least as forceful and inquiring as Mr. Krimsky to Moscow on the next airplane. If the rest of the American media wanted to emphasize that message, they, too, could wire their correspondents in the Soviet Union to start digging deeper.

If that resulted in the expulsion of all American media from Moscow, the U.S. State Department would really have something that it could sink its teeth into. Effectively.

SECRETARY BLUMENTHAL ON THE NEED FOR CAPITAL INVESTMENT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. KEMP. Mr. Speaker, I was gratified to read yesterday that Secretary of the Treasury Michael Blumenthal has so strongly emphasized the importance of business confidence and increased capital investment as the means toward sustaining economic growth and jobs creation without inflation.

This is an issue to which I have addressed myself many times in the last 6 years. It is my view—and hopefully the administration's as well—that there are many Government policies which are hindering capital investment and the creation of new jobs in the private sector. Among these are the high marginal rates of taxation, cumbersome regulations, the scarcity of equity capital, and excessive Government borrowing.

I have introduced legislation which attacks these problems simultaneously, called the Jobs Creation Act. The aim of this bill is to stimulate the production and supply side of our economy by reducing the tax barriers to investment, capital formation, plant modernization and expansion, and jobs creation. And because it will increase the total supply of goods and services while achieving the goal of increased employment, there will be a reduction of inflation, rather than further increases in the cost of living.

I welcome Secretary Blumenthal's comments in support of this approach to economic growth which I have repeatedly emphasized. I look forward to working with him on implementation of policies we commonly desire—such as reduction of tax rates, elimination of the double taxation of dividends, and further incentives for capital investment. I think that this is the basis for a bipartisan approach to the economy and I hope we will be able to work together for its implementation.

The following article from the New York Times for March 3, 1977, points out, I think, the similarities between the approach I seek through the Jobs Creation Act and the administration's announced policies of capital investment. I commend it to my colleagues who seek to stimulate real growth and create jobs without inflation:

WAYS TO BRIDGE THE CAPITAL GAP

(By Robert D. Hershey, Jr.)

WASHINGTON.—The highly charged and often unfocused argument over whether the United States can finance future prosperity without major policy changes seems suddenly to have vanished.

When Treasury Secretary W. Michael Blumenthal rises after lunch today at New York's Waldorf-Astoria Hotel to plead for investment incentives he is sure to be roundly applauded by a diverse group of businessmen, academics, economists, and others who two years ago were heatedly debating a proposition almost all of them now accept.

What they agree on is that a capital shortage exists, or at least threatens, and that Government measures must be taken to deal with it.

The group was rounded up by the Carter Administration, which has latched on to an issue first raised by Wall Street and corporate America and turned it into a high priority of mainstream Democrats.

The so-called capital gap came to wide public attention in September 1974 when James P. Needham, then chairman of the New York Stock Exchange, projected a $650 billion investment shortfall in the decade ahead.

The Big Board's study, he said, "points very clearly to the urgent need for developing national policies that will stimulate savings and investment, rather than consumption. We must have national policies that will speed real economic growth and put this

country back on the track of utilizing its extraordinary productive potential to maximum advantage."

Such business heavyweights such as the Chase Manhattan Bank and the General Electric Company promptly joined in sounding the alarm but many people also disagreed with this analysis.

Among them were three economists at the Brookings Institution, an independent research organization here that in recent years has become a particular haven for liberals.

In a 1975 study they concluded that capital needs would not be unmanageable and disputed the Cassandras who saw a shortage implying high interest rates, sharp tax increases and a scaling down of social programs in such areas as housing and pollution control.

"Our answer is that we can afford the future, but just barely," they said. The economists were Barry Bosworth, now on leave with the President's Council of Economic Advisers, James S. Duesenberry and Andrew S. Carron.

The Commerce Department also conducted a survey, reporting early last year that total investment during the second half of the 1970's would have to be about $300 billion above the 1971–75 level to meet the nation's goals.

Part of the argument, of course, involved a definition of what would have to be financed.

"You can always collect everybody's aspirations and come up with a list of 'needs' that will exceed any amount of savings," said Leif H. Olsen, Citibank's chief economist, the other day. Nonetheless, wide disagreement persisted about the capital situation, although it became less visible during the recession, when demand for financing slumped and some analysis began to point to such developments as the completion of the interstate highway system and the closing of some schools for lack of use.

Shortly after Roderick M. Hills became chairman of the Securities and Exchange Commission in October, 1975, the agency began an intensive study of the capital markets and their ability to supply the nation's very large needs. He said in an interview last week that the growing awareness in various quarters of the market's importance was a major accomplishment, though he did not take credit for it himself.

"In the embryonic weeks of the Carter Administration they have really endorsed the notion that I've been trying to work on, one that had been totally foreign to the commission itself a year and a half ago," Mr. Hills, who is leaving office this month, said.

The new Administration, in fact, seems so committed to the issue of capital formation that rumors are circulating that it intends to reorganize the S.E.C. So it could play a major role in promoting investment in American business.

Some commission staff people are concerned that this might come at the expense of its traditional regulatory and disclosure functions.

Bert Lance, who heads Mr. Carter's Office of Management and Budget and is the Administration's chief reorganizer, took the lead in arranging today's gathering in New York. A Treasury Department spokesman said Mr. Blumenthal's remarks would deal with capital formation and would "touch on the S.E.C.".

Although the Administration's economic stimulus package being considered by Congress makes only a modest attempt at expanding the supply side of the demand-supply equation it would not be surprising if much stronger measures were suggested, if not now then by fall when Congress is expected to receive the Carter tax-reform plan.

These might include, as the Bethlehem Steel Corporation proposes in its just-published 1976 annual report, permitting the cost of machinery, equipment and industrial buildings to be recovered over a five-year period with deductions beginning as funds are spent rather than as facilities are placed in service; establishing a permanent 12-percent investment-tax credit; allowing immediate writeoffs of the cost of pollution-control facilities and retaining the percentage depletion allowance.

Perhaps the most important step would be the integration of the corporate and individual income taxes to eliminate the double taxation of dividends. This would stimulate formation of the most desirable form of capital-equity, which unlike debt never needs to be repaid. At the same time dividends on stock might be made deductible to make selling equity more attractive. Interest paid on bonds is now deductible, a situation that tends to produce lopsided corporate balance sheets.

The House Ways and Means Committee spent last year studying capital formation, but its report is not expected to be published until spring.

Al Ullman, the Oregon Democrat who heads the committee, however, is on record favoring at least partial integration of corporate and individual taxes, a subject pressed hard but unsuccessfully by Mr. Blumenthal's immediate precedessor at the Treasury, the archconservative William E. Simon.

CONGRESSMAN EDGAR'S TESTIMONY TO SAVE SECTION 404

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. EDGAR. Mr. Speaker, I testified today before the House Water Resources Subcommittee of the Public Works and Transportation Committee to express my concern about section 16 of H.R. 3199. This section would amend the section 404 program of the Corps of Engineers authorized by the Federal Water Pollution Control Act. I would like to share my prepared statement with my colleagues:

STATEMENT BY ROBERT W. EDGAR

Mr. Chairman, I appreciate the opportunity to appear before the Committee today to express my concern about a controversial provision of H.R. 3199. As a former member of this Subcommittee and as a present member of the full Public Works and Transportation Committee, I recognize your leadership in strengthening the implementation of the Federal Wter Pollution Control Act, landmark legislation which this Committee played a major role in enacting.

I actively participated last year in the hearings, markup, and floor debate on last year's bill, and I know that some modifications are necessary. Yet there is one modification to the Act, which appears in Section 16 of H.R. 3199, which I believe should be strongly resisted by the Congress and this Committee.

Section 16 makes a major change in Section 404 of the Act, which authorizes the Corps of Engineers to regulate dredging and filling operations in "navigable waters." As you are aware, Section 502 of the Act defines "navigable waters" as "waters of the United States." Initially, the Corps restricted their regulations to traditionally navigable waters, which includes an "historic" definition—waters which have been used in the past for interstate commerce.

The Natural Resource Defense Council successfully sued for enforcement of the definition articulated in Section 502 (NRDC vs. Callaway). I feel that the broad definition is consistent with the legislative history as noted in House Report No. 911, 92nd Congress, which stated in part:

"One term the Committee was reluctant to define was the term 'navigable waters.' The reluctance was based on the fear that any interpretation would be read narrowly. However, this is not the Committee's intent. The Committee fully intends that the term 'navigable waters' be given the broadest possible constitutional interpretation unencumbered by agency determinations which have been made or may be made for administrative purposes."

This Committee has already heard testimony about the reasons why this program has been controversial, but I would like to take a moment to discuss some aspects of the problem.

There was a vicious and distorted press release issued by the Corps just prior to the issuance of the Section 404 regulations on May 6, 1975, which received attention in hundreds of industrial and agricultural trade papers and magazines. The damaging sentence was the following:

". . . Under some of the proposed regulations, federal permits may be required by the rancher who wants to enlarge his stock pond, or the farmer who wants to deepen an irrigation ditch or plow a field, or the mountaineer who wants to protect his land against stream erosion."

Mr. Chairman, this absurd press release has since been repudiated by the Corps. If the release had not appeared, I think this Committee would be applauding Section 404, particularly the Corps' General Permit program which has eliminated layers of bureaucracy. I am sure that some Members of the Committee are familiar with the replies of EPA and the Corps to the letter sent to them by Senators Randolph and Baker concerning the program, which I would like to be placed in the Record at this point if there is no objection from the Committee.

Initially, there were problems with implementing the Section 404 program. But now, in March, 1977, the bugs are being worked out. Those who have dredging and filling operations which significantly threaten the environment are being regulated as intended. The only problem seems to be the thousands of farmers, ranchers, and foresters who are reacting to misinformation by demanding Congressional action to gut the Section 404 program. This Committee knows that the Section 404 regulations clearly do not regulate normal farming, ranching, and forestry operations.

For the benefit of Members who have not seen the Corps' Section 404 regulations of July 25, 1975, I would like to briefly quote from them (cited as 33 C.F.R. 209.120:)

"The term 'dredged material' means material that is excavated from navigable waters. The term does not include material resulting from normal farming, silviculture, and ranching activities, such as plowing, cultivating, seeding, and harvesting, for production of food, fiber, and forest products . . .

" 'fill material' does not include the following: (i) Material resulting from normal farming, silviculture, and ranching activities, such as plowing, cultivating, seeding, and harvesting, for the production of food, fiber, and forest products;

(ii) Material placed for the purpose of maintenance, including emergency reconstruction of recently damaged parts of currently serviceable structures such as dikes, dams, levees, groins, rip-rap, breakwaters, causeways, and bridge abutments or approaches, and transportation structures . . ."

The General Permit program covers many cases of these operations which are not exempted by these two definitions, but which do not threaten significant environment impact in designated areas.

I can sympathize with the need to approve amendments to the Section 404 program

which are clarifying in nature, which clearly spell out that "normal" farming, ranching, and silviculture operations will not be subject to regulation. I also agree that the Corps needs a clear mandate for its General Permit program.

Mr. Chairman, I think the objections of those who feel that the program is too bureaucratic, or would require them to get a permit to plow their field could be satisfied by clarifying legislation other than Section 16.

I would like to clarify a point which has been repeated by many who oppose the present Section 404 program, yet which has no factual basis. Some opponents have claimed that the Section 404 program has grown from 1000 permits to over 20,000, and that over 90,000 permits would be required eventually. I don't believe that this is the case. Most of the permits required under this program are to comply with Section 10 of the 1899 Rivers and Harbors Act, relating to regulation of structures such as docks and piers. Many of these structures involve dredge or fill operations when they are constructed, and the Corps has administratively come up with a combined Section 10/Section 404 permit. This should be commended. Even if Section 404 didn't exist, those who need a permit under the combination Section 10/Section 404 would clearly need to apply for a Corps permit anyway.

The Fiscal Year 1976 figure of 1118 is the number of permits which were applied for solely related to the Section 404 program. This is the statistic which we should be closely monitoring. Should this figure approach 20,000, then perhaps we do need a mid-course correction in the Section 404 program. But I anticipate that an active General Permit program will satisfy the concerns about over-regulation. The fact is that most of the permits are required for Section 10, and I hope this is understood by the Committee. If there is no objection, I would like to insert at this point in my statement the Corps' statistics on their permit program:

NUMBER OF PERMIT APPLICATIONS RECEIVED

Fiscal year	Sec. 10 only	Sec. 10 and 103	Sec. 10 and 404	Sec. 404 only	Total
1969	7,400				7,400
1970	7,500				7,500
1971	8,200				8,200
1972	9,600				9,600
1973	12,600				12,600
1974	10,707	107	2,878		13,683
1975	10,582	53	4,353		14,938
1976	11,992	45	6,616	1,118	19,771
T-qtr. 1976	2,993	15	1,832	690	5,530

Despite the fact that Section 404 is working, Section 16 remains in H.R. 3199. I would like to address the adverse environmental consequences of this section, which is opposed by the Administration and every major environmental organization.

(1) Both the Corps and EPA testified yesterday before this Committee that there were strong questions about whether the Corps could enforce Section 404 in "adjacent wetlands" because of the language in Section 16.

(2) The definition of "navigable waters" is more restrictive than the current definition used by the Corps under Phase I regulation, in that the "historic" definition of navigable waters is repealed. This would exclude many waters which were under Section 404 regulation even before the Courts ruled that the Corps' regulations were too limited. During debate last year on the House floor, Representative McCloskey pointed out that 188 square miles which were diked in the San Francisco Bay area would not come under Section 404 regulations if they were amended by Section 16 of this bill.

(3) Section 16, as estimated by EPA, would exclude 98 percent of stream miles, and 80 percent of swamps and marshes from Section 404 protection.

(4) Section 16 would also exempt all Federal or Federally-assisted projects from the Act provided that the Environmental Impact Study and the Environmental assessment are submitted to Congress. These studies must be prepared to comply with the National Environmental Policy Act, and there is nothing in the Act that I can see which says that environmental harm precludes construction of the project, only that possible harm has been examined. Since most dredged or fill material results from these projects, this exemption is serious.

Mr. Chairman, these are only some of the objections which the EPA noted yesterday for the Record. I hope that this Committee will examine Mr. Quarles' testimony on this point very carefully. The Acting Administrator read a statement into the Record yesterday on Section 404, supplementing his prepared text. He said:

"In regard to the section 404 Amendment, the Administration has a review of the 404 program now underway as well as other Federal programs that affect wetlands. Pending the completion of this review the Administration opposes any amendments to the section 404 provisions.

The section 404 permit program is presently the major Federal program to control the discharges of dredged or fill material that have not only degraded but often destroyed otherwise renewable aquatic resources. We now have a better understanding of the national interest in protecting critical aquatic areas such as swamps, marshes and submerged grass flats. They perform valuable services for our society including the maintenance of water quality, the natural control of flood waters and breeding areas for water fowl and commercial and sports fish.

I have been impressed by the cooperation of the Corps of Engineers and EPA for almost two years now in addressing Congressional concern over unnecessary regulation of minor activities. The Corps is in the process of reorganizing and clarifying its Interim Regulation to minimize unnecessary regulation.

"The Administration feels that there is a Federal interest in wetlands protection. There are several approaches available to safeguard this interest, including ways to improve our partnership with the States and mechanisms for encouraging them to develop stronger programs of their own. The Administration is reassessing the present program and we will report on this reassessment as soon as possible."

Responsible Federal protection of our wetlands is an investment which we must continue. I am intimately familiar with the value of our wetlands. The last remaining tidal marsh in Pennsylvania, Tinicum Marsh, is in my Congressional District. During the last two years, I have joined hundreds of motivated local residents and public officials in trying to maintain this area of primordial beauty, and protect the area from destructive over-development. I have paddled through this wetland by canoe, admiring the tranquil peace, interrupted by the swaying of wild rice, honking of huddy ducks, the flapping of snowy egret wings, and an occasional jet flying overhead out of Philadelphia International Airport. Like our other wetland areas, the Tinicum Marsh has been attacked by the encroachment of homes, roads, and businesses during the last few centuries. During my first term in Congress, I learned that preserving this area means more than saving land for recreation or for esthetic value. The letter which I referred to on page 2 of my statement from Mr. Quarles of EPA lists many of the benefits provided by wetlands—flood control, recharging ground water, nesting areas for waterfowl, spawning areas for fish. Ironically, this legislation authorizes $17 billion for wastewater treatment plants at the same time it threatens the integrity of valuable wetlands, which act as natural wastewater treatment plans. I find this alarming.

I sympathize with the dilemma of the Committee in dealing with Section 404. The Administration is reviewing Federal wetlands policy, and announced its opposition yesterday to any amendments to the Section 404 program. I feel that this is a wise policy, and I urge the Committee to consider it. I personally would like to see the Section 404 program considered separately by the Committee so that its focus would not be blurred by the many critical issues other than Section 404 which are addressed in H.R. 3199. As a member of this Subcommittee last year, I know the frustrations of having the conference committee deadlocked on this particular amendment, and a repeat performance could be tragic.

I intend to strongly resist any amendments to Section 404 when this bill reaches the full Committee and the floor of the House. Should it appear that the House is not willing to accept retaining Section 404 intact, I will be prepared to offer a substitute to Section 16 which would be environmentally acceptable, assure that there would not be over-regulation, and would make qualified states full partners in wetlands protection.

Mr. Chairman, I know that H.R. 3199 sought to preserve last year's legislation as much as possible. I have listened to much of the testimony during these four days of hearings, and I am convinced that there is a pressing need to take a closer look at Section 404 before approving measures such as Section 16 of this bill. This is the first series of hearings in the House at which the Section 404 program has been examined in detail. I hope the Committee in its wisdom will positively consider the recommendations of EPA and the Corps to delete Section 16.

This concludes my prepared statement, Mr. Chairman. Again, I wish to thank you for the opportunity to testify. I and my staff are ready to assist the Committee in developing a substitute to Section 16 which addresses the legitimate concern about the implementation of Section 404, which will at the same time preserve the objective of the Federal Water Pollution Control Act to "restore and maintain the chemical, physical, and biological integrity of the Nation's waters."

PUBLIC LAW 92-603

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 4, 1977

Mr. MARTIN. Mr. Speaker, following enactment of Public Law 92-603, the professional standards review organizations legislation, a number of shortcomings were found by professionals, including the physicians required by the law to make the law work.

In the main, these problems have dealt with critical areas of the confidentiality of medical records; the role of norms, criteria, and standards; the extent of review requirements; the designation of PSRO's; and certain aspects of the penalty provisions.

As a starting point for debating the shortcomings and problems of Public Law 92-603, and as a vehicle for us to use in seeking to correct the problems, I am today introducing legislation similar to that I introduced in the last Congress. In addition to protecting the confiden-

tiality of patient's records and making other changes contained in the previous bill, this bill would expand PSRO's into VA and Public Health Service institutions, provide for less duplication in reviews, and provide for administrative and judicial review of adverse reimbursement determinations.

SENATE COMMITTEE MEETINGS SCHEDULED

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings on Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure beginning February 21, and until the computerization of this information becomes operational, the office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

MEETINGS SCHEDULED

MARCH 7

8:00 a.m.
Appropriations
*District of Columbia Subcommittee
To hold hearings on supplemental appropriations for fiscal year 1977 for the District of Columbia.
1114 Dirksen Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until Noon 322 Russell Building
Armed Services
Subcommittee on Tactical Air Power
To hold closed hearings on proposed military procurement authorizations for fiscal year 1978 for tactical weapons.
224 Russell Building

10:00 a.m.
Appropriations
Defense Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to receive testimony from Army officials on procurement, programs.
1223 Dirksen Building
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Environmental Protection Agency.
1318 Dirksen Building
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for military construction programs.
S-146, Capitol
Armed Services
Subcommittee on Manpower and Personnel
To hold hearings on fiscal year 1978 authorizations for active duty, reserve and civilian manpower and military training programs.
212 Russell Building
Commerce, Science, and Transportation
Subcommittee on Science and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Environment and Public Works
To hold hearings on the nomination of Charles Hugh Warren, of California, to be a member of the Council on Environmental Quality.
4200 Dirksen Building
Governmental Affairs
To hold hearings on S. 826, to establish a Department of Energy to direct a coordinated national energy policy.
3302 Dirksen Building
Human Resources
To consider recommendations which it will make to the Budget Committee on the fiscal year 1978 budget in accordance with the Congressional Budget Act.
4232 Dirksen Building

11:00 a.m.
Foreign Relations
Subcommittee on Foreign Assistance
To continue hearings on human rights issues and their relationship to foreign assistance programs.
4221 Dirksen Building

1:30 p.m.
Appropriations
Agriculture Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Agriculture and related activities.
1318 Dirksen Building

2:00 p.m.
Appropriations
Legislative Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Office of Technology Assessment.
S-128, Capitol
Appropriations
Public Works Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for public works projects.
S-126, Capitol
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the St. Lawrence Seaway, Materials Transportation Bureau, Civil Aeronautics Board, and Interstate Commerce Commission.
1224 Dirksen Building
Human Resources
To hold hearings on the nominations of Robert J. Brown, of Colorado, to be Under Secretary; Carin Ann Clauss, of Virginia, to be Solicitor; and Donald Elisburg, of Maryland, and Ernest Gideon Green, of New York, each to be Assistant Secretary. All of the Department of Labor.
4232 Dirksen Building

MARCH 8

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until noon 322 Russell Building
Armed Services
Subcommittee on Tactical Air Power
To hold closed hearings on proposed military procurement authorizations for fiscal year 1978 for tactical weapons.
424 Russell Building
Finance
To hold hearings on the nomination of Hale Champion, of Massachusetts, to be Under Secretary of Health, Education, and Welfare.
2221 Dirksen Building

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Mines.
1114 Dirksen Building
Environment and Public Works
To resume consideration of bills proposing amendments to the Clean Air Act (S. 251, 252, and 253).
4200 Dirksen Building
Finance
To hold hearings on the proposed Tax Reduction and Simplification Act of 1977 (H.R. 3477).
2221 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To hold closed hearings on proposed budget rescissions of certain Defense program funding to hear Defense Secretary Brown and Secretary of the Navy Claytor. To be followed by subcommittee consideration of such budget rescissions.
1223 Dirksen Building
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to receive testimony on funds for migration and refugee assistance, and the U.S. Emergency Refugee and Migration Assistance fund, Department of State.
S-126, Capitol
Appropriations
HUD—Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Environmental Protection Agency and the Council on Environmental Quality.
1318 Dirksen Building
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Bureaus of Government Financial Operations, Public Debt, and Alcohol, Tobacco and Firearms.
S-146, Capitol
Armed Services
Subcommittee on Research and Development
To hold closed hearings on fiscal year 1978 authorizations for Navy and Air Force research and development programs.
224 Russell Building
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to hear testimony on Defense programs.
357 Russell Building
Energy and Natural Resources
To hold hearings on proposed legislation to authorize the Bureau of Reclamation to finance a program to equitably distribute water to drought areas under its jurisdiction.
3110 Dirksen Building

Foreign Relations
To hold hearings on the nominations of Richard M. Moose, of Arkansas, to be Deputy Under Secretary of State; Douglas J. Bennet, Jr., of Connecticut, to be an Assistant Secretary of State; and Hodding Carter III, of Mississippi, to be an Assistant Secretary of State; to be followed by a business meeting to consider S. 489, authorizing a total of $34.5 million for fiscal year 1977 for military assistance to Portugal, and other committee business.
S-116, Capitol

Human Resources
Subcommittee on Health and Scientific Research
To hold hearings on protection of human subjects used in experimental research.
4232 Dirksen Building

Rules and Administration
To hold hearings on S. 703, to improve the administration and operation of the Overseas Citizens Voting Rights Act of 1975.
301 Russell Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

Special Committee on Aging
To continue its investigation of alleged fraudulent practices in medicaid and medicare programs.
1202 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 568, 182, 715).
5110 Dirksen Building

11:00 a.m.
*Conferees
On H.R. 2647, to increase ceilings on major lending programs of the Small Business Administration.
Room to be announced

11:30 a.m.
Veterans Affairs
To hold hearings to receive legislative recommendations for 1977 from officials of the Veterans of Foreign Wars.
Until 12:30
318 Russell Building

1:00 p.m.
Select Small Business
Business meeting, on committee organization.
424 Russell Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear testimony on funds for International Narcotics Control, Department of State, and International Disaster Assistance, and the American Schools and Hospitals Abroad, AID.
S-126, Capitol

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW, to hear Secretary Califano.
S-128, Capitol

Appropriations
Legislative Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Congressional Budget Office.
S-146, Capitol

Armed Services
Subcommittee on Research and Development
To hold closed hearings on fiscal year 1978 authorizations for Navy and Air Force research and development programs.
224 Russell Building

2:30 p.m.
Appropriations
*Public Works
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear representatives of the Army Corps of Engineers (Civil Division).
1223 Dirksen Biulding

MARCH 9

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until Noon 322 Russell Building

Armed Services
Subcommittee on Tactical Air Power
To hold closed hearings on proposed military procurement authorizations for fiscal year 1978 for tactical weapons.
224 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear officials of the Mining Enforcement and Safety Administration and for the Institute for Museum Services.
1114 Dirksen Building

Finance
To hold hearings on the nomination of Thomas D. Morris, of the District of Columbia, to be Inspector General, Department of Health, Education, and Welfare.
2221 Dirksen Building

Small Business
To hold hearings to consider the impact of product liability insurance on small businesses, and on S. 527, authorizing the Small Business Administration to furnish reinsurance for property liability insurers for small business concerns which would not otherwise be able to obtain product liability insurance on reasonable terms.
6202 Dirksen Building

Commerce, Science, and Transportation
To hold oversight hearings on the implementation of the Marine Mammal Protection Act.
5110 Dirksen Building

9:45 a.m.
Governmental Affairs
To consider the nomination of James T. McIntyre, Jr., of Georgia, to be Deputy Director of the Office of Management and Budget.
3302 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue closed hearings on proposed estimates for fiscal year 1978 for the defense establishment.
S-126 Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the U.S. Tax Court, and units in the Executive Office of the President.
1318 Dirksen Building

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs.
S-146, Capitol

Appropriations
State, Justice, Commerce Subcommittee
To hold hearings on proposed supplemental appropriations for fiscal year 1977 for the Departments of State, Justice, and Commerce.
1224 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to hear testimony on Agriculture programs.
357 Russell Building

Commerce, Science and Transportation
Subcommittee on Science and Space
To hold closed hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Environmental and Public Works
To hold hearings to review Presidential budget requests for fiscal year 1978 for the Federal Highway Administration.
4200 Dirksen Building

10:00 a.m.
Finance
To hold hearings on the proposed Tax Reduction and Simplification Act of 1977 (H.R. 3477).
2221 Dirksen Building

Governmental Affairs
To hold hearings on S. 826, to establish a Department of Energy to direct a coordinated national energy policy.
3302 Dirksen Building

Human Resources
Education, Arts and Humanities Subcommittee
To hold hearings on S. 602, authorizing funds and extending programs through fiscal year 1982 for the Library Services and Construction Act.
4332 Dirksen Building

Rules and Administration
To further consider S. Res. 5 through 12, proposing several changes in the Senate rules, principally with regard to rule XXII (cloture), and to consider other committee business.
301 Russell Building.

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

Special Committee on Aging
To continue its investigation of alleged fraudulent practices in medicaid and medicare programs.
Main hearing room, Longworth Building

10:15 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW, to hear officials of the Health Services Administration.
S-128, Capitol

11:00 a.m.
Foreign Relations
Subcommittee on Foreign Assistance
To hold hearings to receive testimony from Administration witnesses concerning international financial institutions.
4221 Dirksen Building

1:30 p.m.
Appropriations
Agriculture Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Agriculture.
1224 Dirksen Building

2:00 p.m.
Appropriations
*Public Works
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear Department of the Interior Secretary Andrus and representatives of the Water Resources Council.
1223 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of HEW, to hear officials of the Center for Disease Control.
S-128, Capitol
Appropriations
State, Justice, Commerce Subcommittee
To hold hearings on proposed supplemental appropriations for fiscal year 1977 for the Departments of State, Justice, and Commerce.
S-146, Capitol
Appropriations
To consider H.R. 3839, to rescind certain budget authority as contained in Presidential message dated January 17, and H.J. Res. 269, proposed urgent supplemental appropriations for disaster relief.
S-128, Capitol
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for Senate and joint items, and on supplemental appropriations for fiscal year 1977 for the legislative branch.
S-126, Capitol
Environment and Public Works
To resume consideration of bills proposing amendments to the Clean Air Act (S. 251, 252, and 253).
4200 Dirksen Building
4:00 p.m.
Intelligence
Closed business meeting.
S-407, Capitol

MARCH 10

9:00 a.m.
Armed Services
Subcommittee on Tactical Air Power
To hold closed hearings on proposed military procurement authorizations for fiscal year 1978 for tactical weapons.
212 Russell Building
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building
Environment and Public Works
To hold hearings to review Presidential budget requests for fiscal year 1978 for the Nuclear Regulatory Commission.
4200 Dirksen Building
9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear officials of the Geological Survey.
1114 Dirksen Building
Finance
To hold hearings on the nomination of Arabella Martinez, of the District of Columbia, to be an Assistant Secretary of Health, Education, and Welfare, 9:30 a.m.
2221 Dirksen Building
10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs to hear testimony on funds for the Peace Corps, the Inter-American Foundation, International Organizations and Programs, and U.N. Environmental Fund.
1318 Dirksen Building
Appropriations
Treasury, Postal Service, and General Government Subcommittees
To continue hearings on proposed budget estimates for fiscal year 1978 for certain units in the Executive Office of the President, and for the Office of Federal Procurement Policy.
1224 Dirksen Building
Appropriations
Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear Navy witnesses on procurement programs.
1223 Dirksen Building
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs.
S-146, Capitol
Banking, Housing, and Urban Affairs
To hold oversight hearings on the state of the U.S. banking system.
5302 Dirksen Building
Finance
To hold hearings on the proposed Tax Reduction and Simplification Act of 1977 (H.R. 3477).
2221 Dirksen Building
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget to receive testimony on welfare programs.
357 Russell Building
Energy and Natural Resources
To hold hearings on the nominations of Guy Richard Martin, of Alaska, to be an Assistant Secretary of the Interior; and Robert L. Herbst, of Minnesota, to be Assistant Secretary of the Interior for Fish and Wildlife.
3110 Dirksen Building
Human Resources
Subcommittee on Health and Scientific Research
To hold hearings to receive testimony on procedures used by the Food and Drug Administration for testing new drugs.
4232 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol
10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards. (S. 682, 568, 182, 715).
5110 Dirksen Building
Environment and Public Works
To review those items in the Presidential budget for fiscal year 1978 which fall within its legislative jurisdiction with a view to making recommendations thereon to the Budget Committee.
4200 Dirksen Building
11:00 a.m.
Foreign Relations
Subcommittee on Foreign Assistance
To hold hearings to receive testimony from Administration witnesses concerning international financial institutions.
4221 Dirksen Building
1:30 p.m.
Appropriations
Agriculture Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of Agriculture.
1114 Dirksen Building
2:00 p.m.
Appropriations
Public Works
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects, to hear representatives of the Bureau of Reclamation.
S-126, Capitol
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for U.S. Postal Service, the Office on Federal Paperwork.
1224 Dirksen Building

MARCH 11

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building
9:30 a.m.
Commerce, Science and Transportation
To hold oversight hearings on the implementation of the Marine Mammal Protection Act.
5110 Dirksen Building
10:00 a.m.
Appropriations
Defense Subcommittee
To continue closed hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear Air Force witnesses on procurement programs.
1223 Dirksen Building
Banking, Housing, and Urban Affairs
To continue oversight hearings on the state of the U.S. banking system.
5302 Dirksen Building
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on health programs.
357 Russell Building
Foreign Relations
To review items in the Presidential budget for fiscal year 1978 which fall within its legislative jurisdiction, to be followed by closed briefing by former Defense Secretary Clifford on his recent trip to Greece, Turkey and Cyprus.
S-116, Capitol
Human Resources
Subcommittee on Education, Arts and Humanities
To hold hearings on S. 701, to provide Federal financial assistance to educational institutions to meet the emergency caused by high fuel costs and shortages.
4232 Dirksen Building
11:00 a.m.
Special Committee on Aging
Business meeting.
155 Russell Building

MARCH 14

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until: Noon 322 Russell Building
10:00 a.m.
Appropriations
HUD-Independent Agencies
To resume hearings on proposed budget estimates for fiscal year 1978 for the Veterans' Administration.
1318 Dirksen Building
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration; and

to consider supplemental appropriations for fiscal year 1977 for activities falling within the subcommittee's jurisdiction.
1224 Dirksen Building

*Judiciary
To resume hearings on S. 11, and printed amendment No. 40 thereto, providing for the appointment of additional district judges.
2228 Dirksen Building

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration.
1224 Dirksen Building

MARCH 15

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed legislation to amend and extend the Agriculture and Consumer Protection Act.
Until Noon 322 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 and on proposed supplemental appropriations for fiscal year 1977 for the Trust Territory of the Pacific Islands.
1114 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Council of Economic Advisers, the Council on Wage and Price Stability, the National Security Council, and the National Center for Productivity and Quality of Working Life.
1224 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Veterans' Administration, American Battle Monuments Commission, and for the U.S. Army Cemeterial Expenses.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

Energy and Natural Resources
To hold hearings on S.9, proposed Outer Continental Shelf Lands Act Amendments.
3110 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 568, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Election Commission, the Civil Service Commission, the Defense Civil Preparedness Agency and the Federal Labor Relations Council.
1224 Dirksen Building

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for public works projects.
Room to be announced

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of the Department of Defense and AID.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

MARCH 16

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed supplemental appropriations for fiscal year 1977, and on proposed budget estimates for fiscal year 1978 for the administration of the Trust Territory of the Pacific.
1114 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs to hear Secretary of Defense Brown.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Institutes of Health.
S-128, Capitol

Banking, Housing and Urban Affairs
To hold hearings on corporate bribery and investment disclosure legislation.
5302 Dirksen Building

Budget
To hold hearings in preparation of reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on the overall economic outlook.
357 Russell Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings on causes of deaths and injuries involving cars and tractor trailers.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration, with testimony on nuclear aspects.
3110 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

MARCH 17

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Indian Affairs.
1114 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for the Purchase of Products and Services for the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Alcohol, Drug Abuse and Mental Health Administration, and Saint Elizabeth Hospital.
S-128, Capitol

Banking, Housing, and Urban Affairs
To mark up proposed legislation to extend the Export Administration Act and related matters.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget.
357 Russell Building

Commerce, Science, and Transportation
Subcommittee on Science and Space
To resume hearings on S. 365, authorizing funds for fiscal year 1978 for the National Aeronautics and Space Administration.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To hold closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S-407, Capitol

10:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on bills calling for more stringent oil tanker safety standards (S. 682, 586, 182, 715).
5110 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearing on proposed budget estimates for fiscal year 1978 for the Health Resources Administration.
S-128, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Committee for the Purchase of Products and Services for the Blind and Other Severely Handicapped, General Services Administration.
1318 Dirksen Building

MARCH 18

10:00 a.m.
Appropriations
Defense
To resume hearings on proposed budget estimates for fiscal year 1978 for re-

search, development, testing and evaluation program of the Army.
1223 Dirksen Building

MARCH 21

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies, (i.e., telephones, computers, etc.)
235 Russell Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 929 and S. 689.
5110 Dirksen Building
Human Resources
Handicapped Subcommittee
To hold oversight hearings on developmental disabilities.
Room to be announced
Small Business
To hold hearings to consider the impact of product safety regulations on small businesses.
318 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building
Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on the activities of the Electronic Fund Transfer System Commission.
5302 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittees
To hold oversight hearings on ocean shipping practices.
235 Russell Building
Energy and Natural Resources
To hold hearings on proposed legislation dealing with utilization of coal resources.
3110 Dirksen Building
Governmental Affairs
Energy Subcommittee
To hold hearings on S. 897, to strengthen U.S. policies on nonproliferation and to reorganize certain export functions of the Federal Government to promote more efficient administration.
6226 Dirksen Building

MARCH 22

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Office of the Secretary; the Office of the Solicitor; and the Navajo-Hopi Relocation Commission.
1114 Dirksen Building
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies (i.e., telephones, computers, etc.).
235 Russell Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building
Human Resources
Handicapped Subcommittee
To receive testimony on the administration's legislative proposals for programs for the handicapped.
Room to be announced

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear officials of the Defense Communications Agency, Mapping Agency, Nuclear Agency, and Supply Agency.
1223 Dirksen Building
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
S-126, Capitol
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Aeronautics and Space Administration.
1318 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of the Assistant Secretary for Education and the Commissioner of Education.
S-128, Capitol
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions
To hold oversight hearings on activities of the Electronic Fund Transfer System Commission.
4302 Dirksen Building
Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1978 budget, to receive testimony on U.S. Monetary policy.
357 Russell Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Governmental Affairs
Energy Subcommittee
To hold hearings on S. 897, to strengthen U.S. policies on nonproliferation and to reorganize certain export functions of the Federal Government to promote more efficient administration.
6226 Dirksen Building
Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, to require reauthorization of Government programs at least every 5 years (proposed Sunset Act).
3302 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, the Postal Service, and General Government, to hear public witnesses.
1224 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the National Institute of Education.
S-128, Capitol

MARCH 23

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Land Management.
1114 Dirksen Building
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings to inquire into domestic communications common carrier policies (i.e. telephones, computer, etc.).
235 Russell Building
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for elementary and secondary education programs.
S-128, Capitol
Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building
Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
3110 Dirksen Building
Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2, to require reauthorization of Government programs at least every five years (proposed Sunset Act).
3802 Dirksen Building
Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for school assistance in Federally affected areas and emergency school aid.
S-128, Capitol

MARCH 24

9:00 a.m.
Select Nutrition and Human Needs
To resume hearings to examine the relationship between diet and health, to receive testimony on beef consumption.
Until: 1 p.m. 457 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Smithsonian Institution.
1114 Dirksen Building
Commerce, Science and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transporta-

tion industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for programs for education of the handicapped, and for occupational, vocational, and adult education programs.
S-128, Capitol

Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1378 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1978 for the U.S. Railway Association—Office of Rail Public Counsel.
235 Russell Building

Energy and Natural Resources
To hold oversight hearings on the proposal for an international petroleum transshipment port and storage center to be located on the Palau District, Western Caroline Islands, Trust Territory of the Pacific Islands.
3110 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (proposed Sunset Act).
3302 Dirksen Building

2:00 p.m
Appropriations
Foreign Operations Subcommitttee
To continue hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of AID.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for higher education and welfare programs, and for library resources.
S-128, Capitol

MARCH 25

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the defense establishment, to hear Congressional witnesses.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on S. 406, the proposed Community Reinvestment Act.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittees
To hold oversight hearings on ocean shipping practices.
235 Russell Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on proposed authorizations for fiscal year 1978 for Energy Research and Development Administration.
Room to be announced

11:00 a.m.
*Veterans' Affairs
To hold hearings to receive legislative recommendations for 1977 from officials of Amvets.
Until: Noon
154 Russell Building

MARCH 28

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development.
1318 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings to inquire into domestic communications common carrier policies (i.e., telephones, computer, etc.).
235 Russell Building

Energy and Natural Resources
To hold hearings on proposed legislation dealing with utilization of coal resources.
3110 Dirksen Building

Governmental Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (Proposed Sunset Act).
3302 Dirksen Building

MARCH 29

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Fish and Wildlife Service.
1114 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear Congressional witnesses.
1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office of Human Development.
S-128, Capitol

Appropriations
Tra..sportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor).
1224 Dirksen Building

Energy and Natural Resources
To hold hearings on proposed legislation dealing with Utilization of coal resources.
3110 Dirksen Building

Government Affairs
Subcommittee on Intergovernmental Relations
To hold hearings on S. 2 to require reauthorization of Government programs at least every five years (proposed Sunset Act)
3302 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorization for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Technical Institute for the Deaf; the American Printing House for the Blind; Gallaudet College, and Howard University.
S-128, Capitol

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Administration.
1224 Dirksen Building

MARCH 30

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Park Service.
1114 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Subcommittee on Defense
To continue hearings on proposed budget estimates for fiscal year 1978 for the Defense Establishment, to hear congressional witnesses.
1223 Dirksen Building

Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear officials of the Export-Import Bank, and Overseas Private Investment Corporation.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Social and Rehabilitation Service.
S-128, Capitol

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To mark up proposed legislation on corporate bribery and investment disclosure.
5302 Dirksen Building

Energy and Natural Resources
Subcommittee on Energy Research and Water Resource
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil-shale technologies.
3110 Dirksen Building

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1976 authorization for Government intelligence actiivties.
S-407, Capitol

MARCH 31

9:00 a.m.
Select Nutrition and Human Needs
To continue hearings to examine the relationship between diet and health, to receive testimony on the need for fiber in diet.
Until: 1 p.m. 3302 Dirksen Building

9:30 a.m.
Appropriations
Interior Subcommitee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Bureau of Outdoor Recreation and the Land and Water Conservation Fund.
1114 Dirksen Building

Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimate for fiscal year 1978 for the defense establishments, to hear public witnesses.
1223 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Social Security Administration.
S-128, Capitol

Energy and Natural Resources
Subcommittee on Energy Research and Water Resources
To hold hearings on S. 419, to test the commercial, environmental, and social viability of various oil shale technologies.
3110 Dirksen Building

Foreign Relations
Subcommittee on Oceans and International Environment
To hold hearings on S. Res. 49, expressing the sense of the Senate that the U.S. Government should seek the agreement of other governments to a proposed treaty requiring the propagation of an international environmental impact statement for any major project expected to have significant adverse effect on the physical environment.
4221 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Office for Civil Rights, Inspector General, Policy Research and General Management.
S-128, Capitol

Select Intelligence
Subcommittee on Budget Authorization
To resume closed hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

APRIL 1

9:30 a.m.
Commerce, Science, and Transportation
Subcommittee on Aviation
To hold hearings on bills proposing regulatory reform in the air transportation industry, including S. 292, and S. 689.
5110 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration.
1224 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Treasury, on funds for New York City financing.
1318 Dirksen Building

APRIL 5

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Forest Service.
1114 Dirksen Building

Select Small Business
Monopoly Subcommittee
To resume hearings on alleged restrictive and anticompetitive practices in the eye glass industry.
318 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission.
Room to be announced

APRIL 6

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear Congressional witnesses.
1114 Dirksen Building

Select Small Business
Monopoly Subcommittee
To resume hearings on alleged restrictive and anticompetitive practices in the eye glass industry.
318 Russell Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for foreign aid programs, to hear public witnesses.
1318 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Consumer Product Safety Commission; Office of Consumer Affairs; and Consumer Information Center.
Room to be announced

APRIL 7

10:00 a.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for military construction programs, on funds for NATO and classified programs.
S-146, Capitol

APRIL 18

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development and Independent Agencies, to hear public witnesses.
1318 Dirksen Building

APRIL 19

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related Agencies, to hear public witnesses.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Aviation Administration.
1224 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Government Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

3:00 p.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Housing and Urban Development, to hear public witnesses.
1318 Dirksen Building

APRIL 20

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 21

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget

estimates for fiscal year 1978 for the Department of the Interior and related agencies, to hear public witnesses.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Government Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

APRIL 22

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

APRIL 26

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

APRIL 27

Appropriations
Transportation Subcommittee
To continue hearings on proposed estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building

APRIL 28

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

MAY 3

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building

MAY 4

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 6

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under the committee's jurisdiction with a view to reporting its final recommendations to the Budget Committee by May 15.
5302 Dirksen Building

MAY 10

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building

Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
5302 Dirksen Building

MAY 12

10:00 a.m.
Governmental Affairs
Subcommitee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 18

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978, to hear Secretary of Transportation Adams.
1224 Dirksen Building

MAY 24

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

MAY 26

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To hold hearings to examine accounting and auditing practices and procedures.
3302 Dirksen Building

CANCELLATION

MARCH 8

9:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to consider proposed legislation recommending changes in the Grain Inspection Act.
322 Russell Building